



## NEWS RELEASE

# Pennsylvania American Reaches Agreement to Acquire Appalachian Utilities, Inc.

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MECHANICSBURG, Pa.--(BUSINESS WIRE)-- Pennsylvania American Water announced today that an agreement has been reached for it to acquire Appalachian Utilities, Inc. (Appalachian). Under the terms of the transaction, an affiliate of Pennsylvania American Water will merge with Appalachian and, subsequently, Appalachian will merge into Pennsylvania American Water.

Appalachian is a private, investor-owned system serving approximately 1,450 customers in Avis Borough, Pine Creek Township, and Dunnstable Township, Clinton County, and is located near Pennsylvania American Water's existing Milton, Nittany, and Boggs water systems.

"Appalachian has served our customers proudly since 1995, and we are grateful for our partnership with the community over this time," explained Frank Sargent, Jr., president of Appalachian. "We believe that this transaction with Pennsylvania American Water will ensure that our customers and employees are placed in the hands of another competent, community-minded utility partner going forward."

As part of the agreement, Pennsylvania American Water plans to invest more than \$6.5 million into the system to upgrade aging water infrastructure.

"We look forward to becoming the water service provider for these customers in Clinton County, and we appreciate that the leadership at Appalachian Utilities, Inc. is entrusting us with this privilege," said Pennsylvania American Water President Justin Ladner. "The system upgrades we plan to make will benefit area customers, and the acquisition will further promote regionalization and consolidation of our central Pennsylvania systems."

Pennsylvania American Water and Appalachian Utilities, Inc. will seek approval of the acquisition from the Pennsylvania Public Utility Commission (PUC) and Pennsylvania Department of Environmental Protection. The transaction is expected to be completed in late 2024.

Pennsylvania American Water will adopt Appalachian's current rates at closing. The PUC regulates the company's rates, and any future rate changes would have to be reviewed and approved by the PUC. Pennsylvania American Water offers grants and discounted services to customers who qualify through its **H2O Help to Others Program**.

## About American Water

American Water (NYSE: AWK) is the largest regulated water and wastewater utility company in the United States. With a history dating back to 1886, We Keep Life Flowing® by providing safe, clean, reliable and affordable drinking water and wastewater services to more than 14 million people across 14 regulated jurisdictions and 18 military installations. American Water's 6,500 talented professionals leverage their significant expertise and the company's national size and scale to achieve excellent outcomes for the benefit of customers, employees, investors and other stakeholders.

As one of the fastest growing utilities in the U.S., American Water expects to invest \$30 to \$34 billion in infrastructure repairs and replacement, system resiliency and regulated acquisitions over the next 10 years. The company has a long-standing history of executing its core operations, aligned with sustainable best practices, through its commitments to safety, affordability, customer service, protecting the environment, an inclusive workforce and strengthening communities.

American Water has been recognized on the 2023 Bloomberg Gender-Equality Index for the fifth consecutive year, ranked 18th on Barron's 100 Most Sustainable U.S. Companies 2023 List, earned the U.S. Department of Homeland Security SAFETY Act designation and U.S. Environmental Protection Agency's WaterSense® Excellence Award, among additional state, local and national recognitions.

For more information, visit [amwater.com](https://amwater.com) and join American Water on **LinkedIn**, **Facebook**, **Twitter** and **Instagram**.

## About Pennsylvania American Water

Pennsylvania American Water, a subsidiary of American Water is the largest investor-owned water utility in the state, providing high-quality and reliable water and wastewater services to approximately 2.3 million people.

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