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Maryland American Water Rate Filing Seeks Recovery for \$15.4 Million Water Impoundment and Intake *Impoundment secures water supply for Bel Air and parts of Harford County*

Bel Air, Md. (June 28, 2018) – Maryland American Water has filed a petition with the Maryland Public Service Commission (PSC) for new rates seeking recovery of significant investments the company has made to secure water supply for its customers in Bel Air and parts of Harford County. The last rate adjustment occurred in 2015.

The impoundment (reservoir) and intake, priced at approximately \$15.4 million, costs \$6.3 million less than originally projected. “To help mitigate rate increases for our customers, Maryland American Water works hard to control costs and operate as efficiently as possible,” said Barry Suits, Maryland American Water president.

If approved as requested, the water bill for the average residential customer using 3,800 gallons of water per month would increase about 51 cents per day. Even with this increase, the cost of high-quality, reliable, 24-hour water service would continue to cost about a penny per gallon—among the lowest of household utility bills.

“The impoundment secures a life-sustaining resource for the Bel Air community for many decades and generations to come,” said Suits. “Not only is the impoundment a reliable and environmentally sound solution for Bel Air’s water supply problem, but this investment is critical to the public’s health and safety.”

Currently under construction on the historic Mt. Soma site and approximately 85 percent complete, the impoundment will store 90 million gallons of raw water. The impoundment will be filled with water from Winters Run when stream flows are adequate and will provide an essential back-up water supply for the Bel Air community when a secondary supply is needed. Once placed into service in late 2018, the 11.2 acre impoundment will provide approximately 1 million gallons per day of additional water supply.

The raw water impoundment and new intake are built adjacent to Winters Run, the source of water supply for Bel Air. Winters Run does not provide an adequate water supply during times of drought as required by the Maryland Department of the Environment (MDE). For more than 20 years, Maryland American Water has purchased additional water as needed from Harford County, but the county’s water supply has never been a viable, long-term solution.

Maryland American Water, with input from MDE and Bel Air and Harford County community members, reviewed several potential cost-effective options and settled on the development of a raw water impoundment.

Rates will remain unchanged until the rate request undergoes extensive public review by the PSC and the Maryland Office of People’s Counsel. This vetting will include interrogatories, a public hearing and an evidentiary hearing. This process can take a minimum of 150 days from filing. The company’s petition and its associated exhibits are posted on www.marylandamwater.com, under Customer Billing & Rates and [Your Water Rates](#).

Maryland American Water is seeking a total annual revenue increase of approximately \$1.84 million. The increased rates proposed in the rate petition are not final until authorized by the PSC. The Maryland PSC will make the final decision regarding the actual increase. Once a final decision has been made, customers will receive information regarding the new rates in the mail and on the company's website.

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Maryland American Water, a subsidiary of American Water (NYSE: AWK), provides high-quality and reliable water services to approximately 14,200 people.

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 6,900 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing.