



AMERICAN WATER

Investor Presentation

May 2022

Safe Harbor

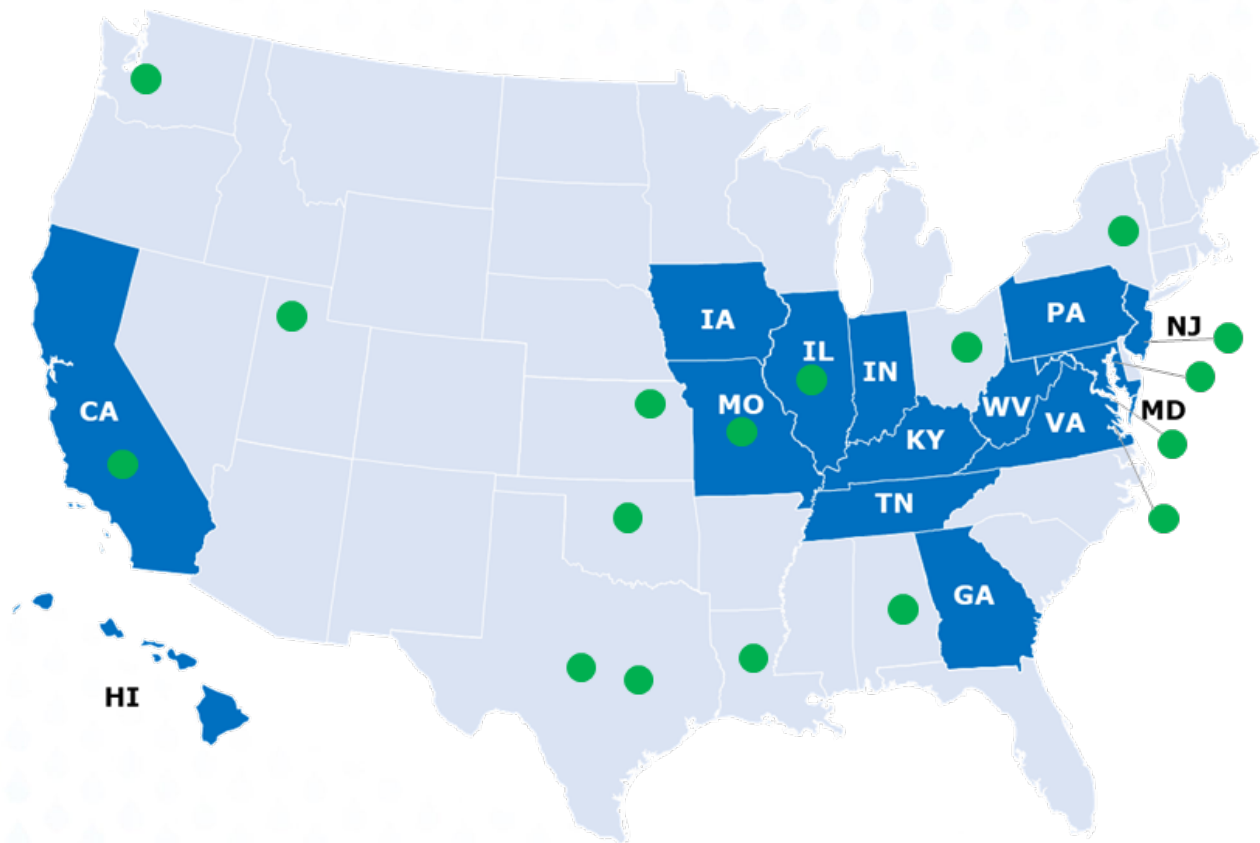
This presentation includes forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. They are not guarantees or assurances of any outcomes, financial results, levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors. Actual results may differ materially from those discussed in the forward-looking statements included in this presentation. The factors that could cause actual results to differ are discussed in the Appendix to this presentation, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, as filed with the SEC on April 27, 2022.

Non-GAAP Financial Information

This presentation includes non-GAAP financial measures. Further information regarding these non-GAAP financial measures, including a reconciliation of each of these measures to the most directly comparable GAAP measure, is included in the Appendix to this presentation.

Business Review

Pure-Play Regulated Water and Wastewater Utility Business



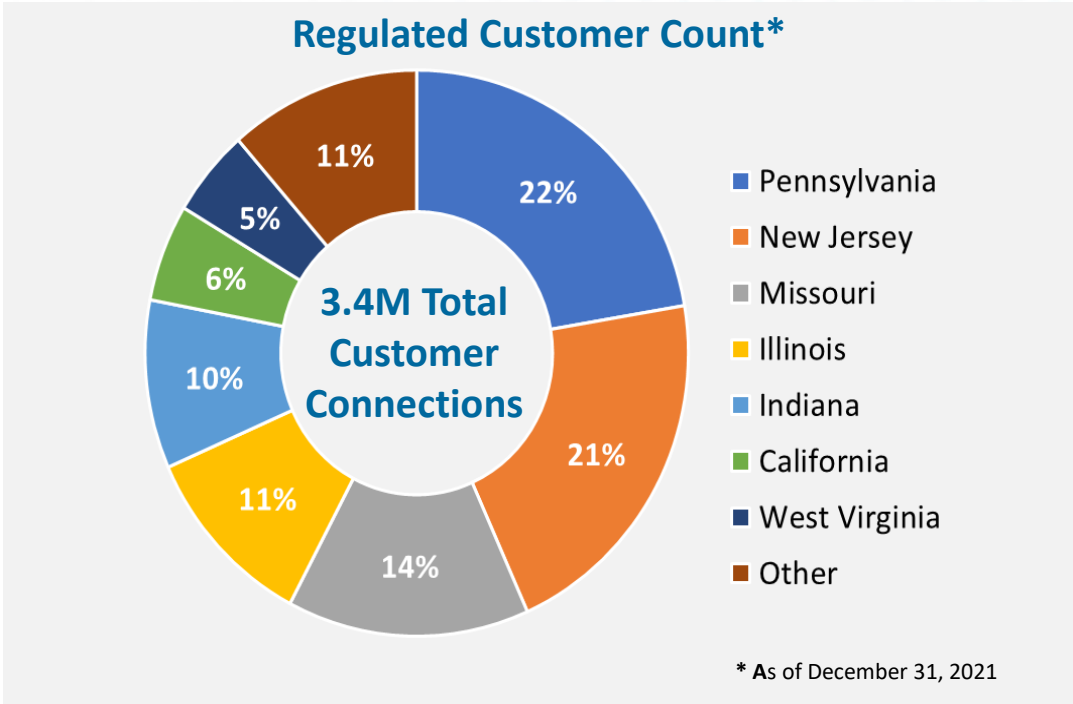
Regulated Operations*

- 52,500 miles of pipe
- 560 water treatment plants
- 160 wastewater treatment plants
- 1,100 wells and 76 dams



Military Services Group

- Regulated-like earnings
- Serves 17 military installations
 - 12 Army
 - 5 Air Force



Focused on Executing the Plan and Building on Our Strengths



Safety

Safety is both a strategy & core company value.

Safety is More Than
"the **Right Thing to Do**"



Performance

Going beyond the minimum requirement to solidify our position as a leader in O&M excellence.

Excellence is Getting the **Fundamentals** Right



People

Inclusion & empowerment pave a path for employee & company success.

Employees are the **Heart** of Our Business



Growth

Growth enables investment in critical infrastructure and communities and leads to improved affordability.

Industry Leaders in Customer **Growth**



ESG

ESG affirms the values we have upheld for decades.

Leading by Example

Our Compelling Growth Outlook



7-9% EPS CAGR target
2022-2026 Plan

Business Mix

100%
Regulated and
Regulated-Like Earnings

Military
Services
Group
≈0.2%

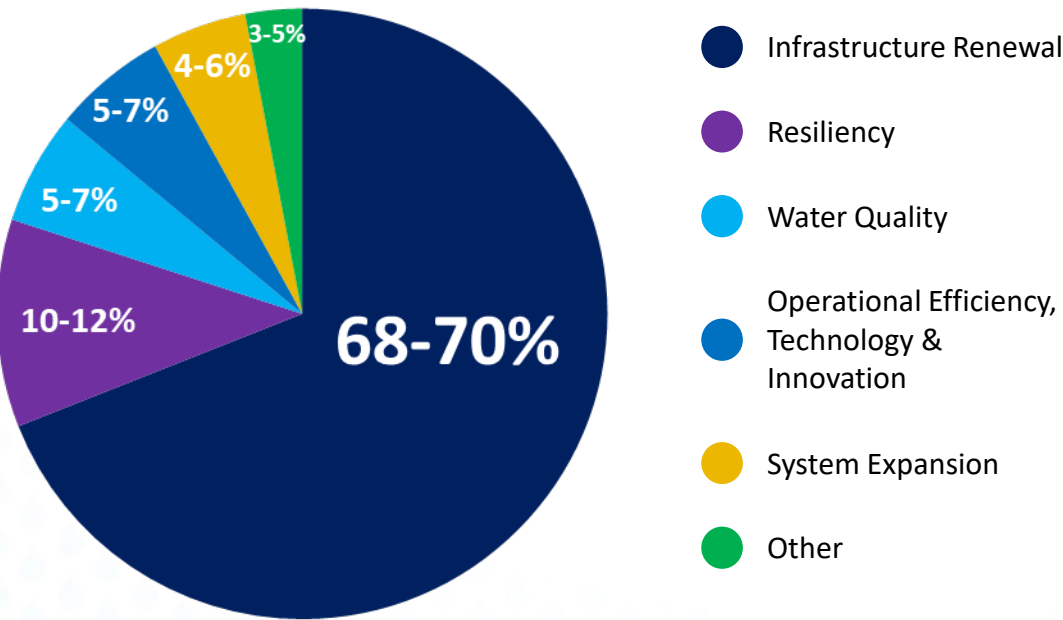
Regulated
Acquisitions
1.5-2.5%

Regulated
Investment
CAPEX
5-7%

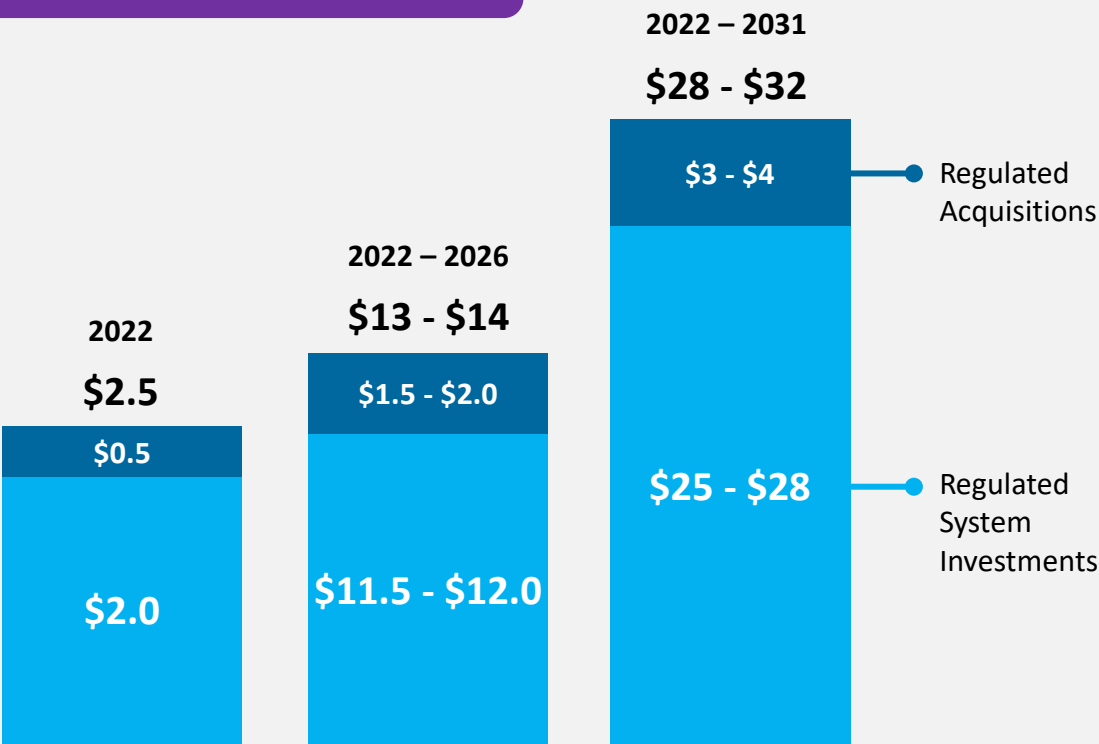
Accelerating Capital Investment



2022-2031 Average Regulated Capital Expenditures by Purpose



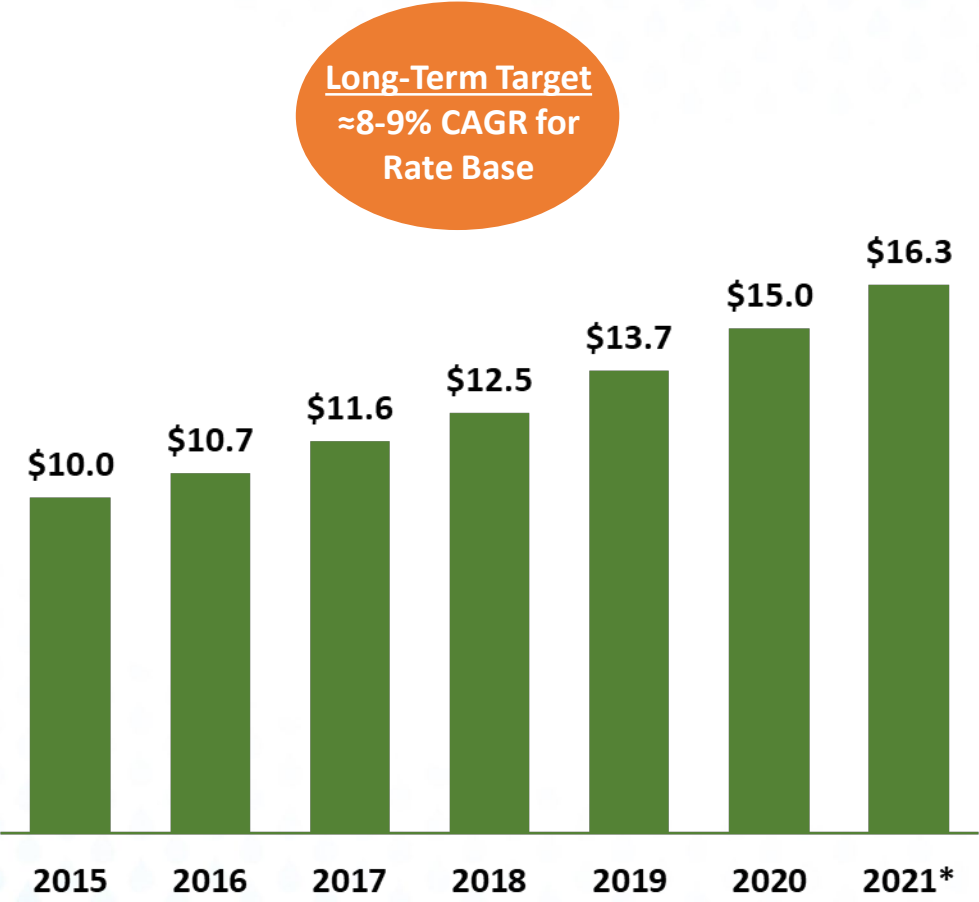
Capital Plan (\$ in billions)



Investment in Rate Base is the Foundation of Our Growth



(\$ in billions)



Estimated Rate Base*	
	As of 12/31/2021
Net Utility Plant	\$21.5
Less	
Advances for Construction	\$0.3
CIAC – Contributions in Aid of Construction	\$1.4
Net Deferred Income Taxes	\$3.5
	\$5.2
Total Estimated Rate Base	\$16.3

*An approximation of rate base, which includes Net Utility Plant not yet included in rate base pending rate case filings/outcomes. Includes New York American Water.

State Legislation & Regulation Enable Growth



Utility Valuation Legislation & Regulation

12

CA	IA
IL	IN
KY	MD
MO	NJ
PA	TN
VA	WV

Consolidated Tariffs

11

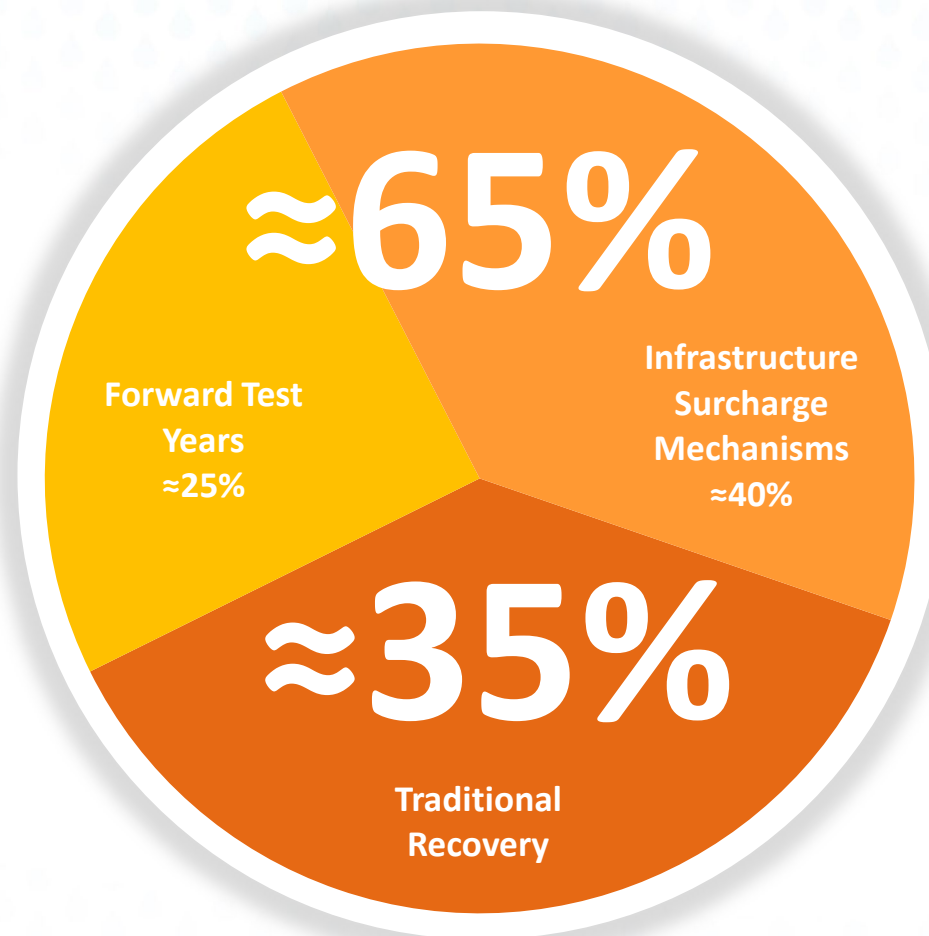
CA	MO
IA	NJ
IL	PA
IN	VA
KY	WV
MD	

Water Quality Accountability Legislation

3

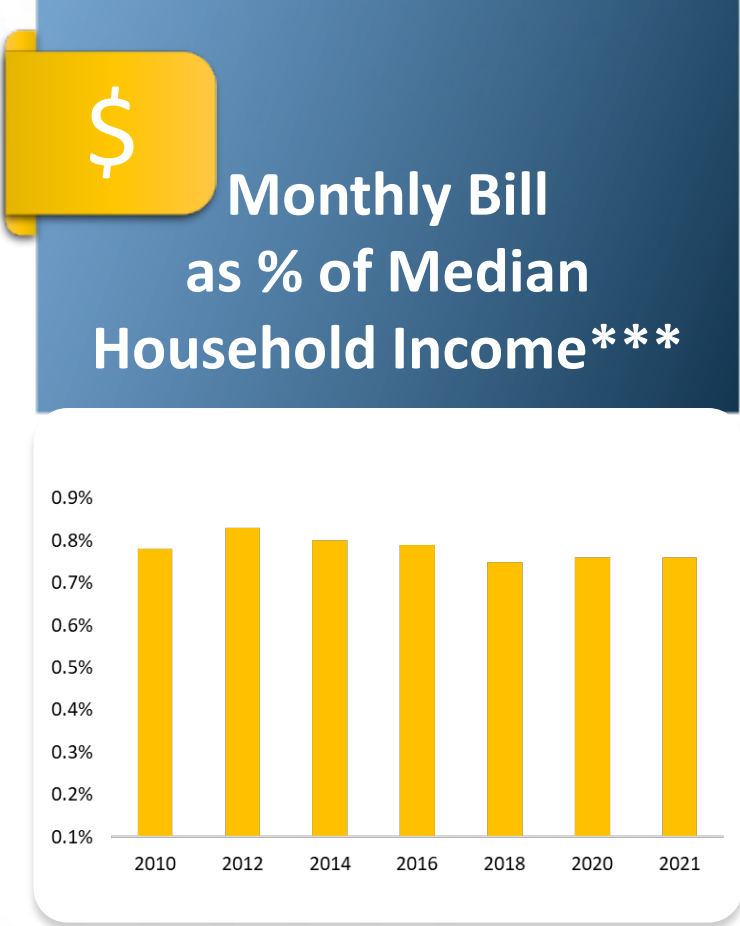
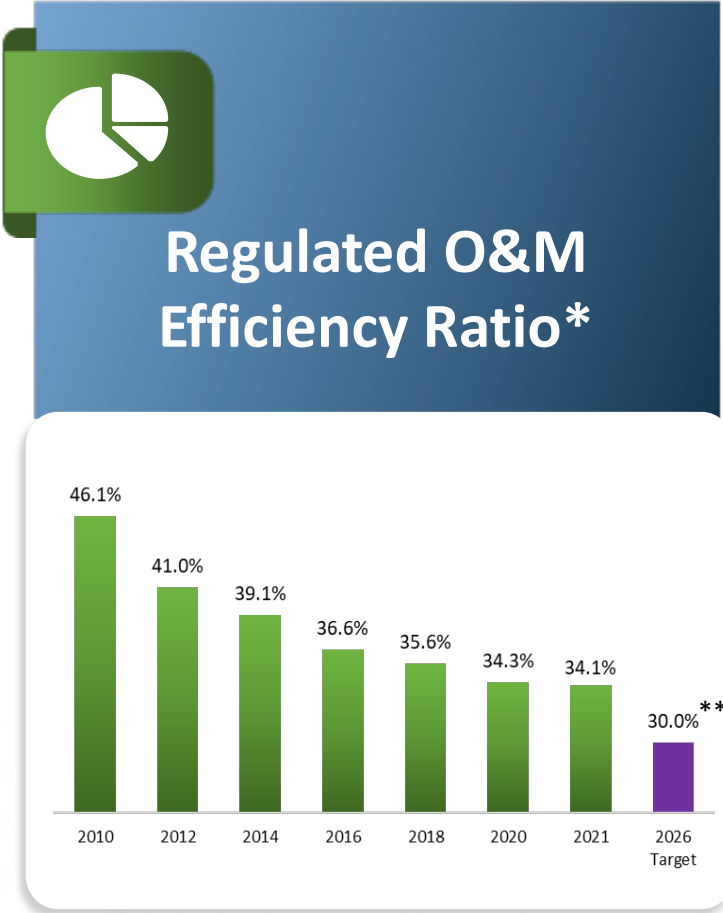
NJ
IN
MO

Timely Recovery Through Regulatory Mechanisms



2022-2026 Capital Plan
(average)

Focus on Customer Affordability Continues



* Non-GAAP Measure – O&M Efficiency Ratio = Adjusted Regulated O&M Expenses (O&M Expenses is most comparable GAAP measure) / Adjusted Regulated Operating Revenues (Operating Revenues is most comparable GAAP measure). This calculation assumes purchased water revenues approximate purchased water expenses.

** A reconciliation to a most comparable forward-looking GAAP measure is not available without unreasonable effort

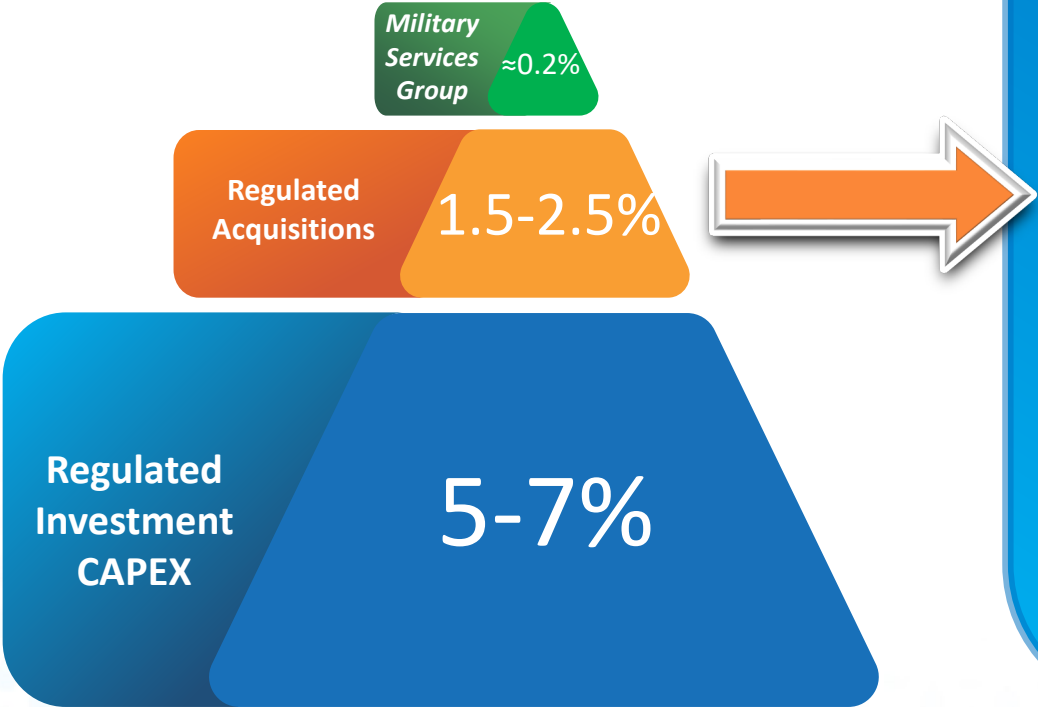
*** Figure is estimated based on data from the US Census Bureau American Community Survey based on zip codes served by American Water. American Water does not collect household income data from its customers.

Strategies for Growth thru Regulated Acquisitions



AWK Growth Outlook

7-9% EPS CAGR Target (2022-2026 Plan)



Regulated Acquisition Strategy Fundamentals

- Continued focus on acquisitions in the target range of 5,000 to 50,000 customers; larger acquisitions where appropriate
- Achieve (on avg.) 55,000 to 85,000 new customer connections annually; \$300-400M/year avg. investment
- Leverage water footprint to acquire wastewater systems
- Leadership in legislative/regulatory policy to benefit customers and advance solutions to industry challenges
- Continue to build robust pipeline of opportunities

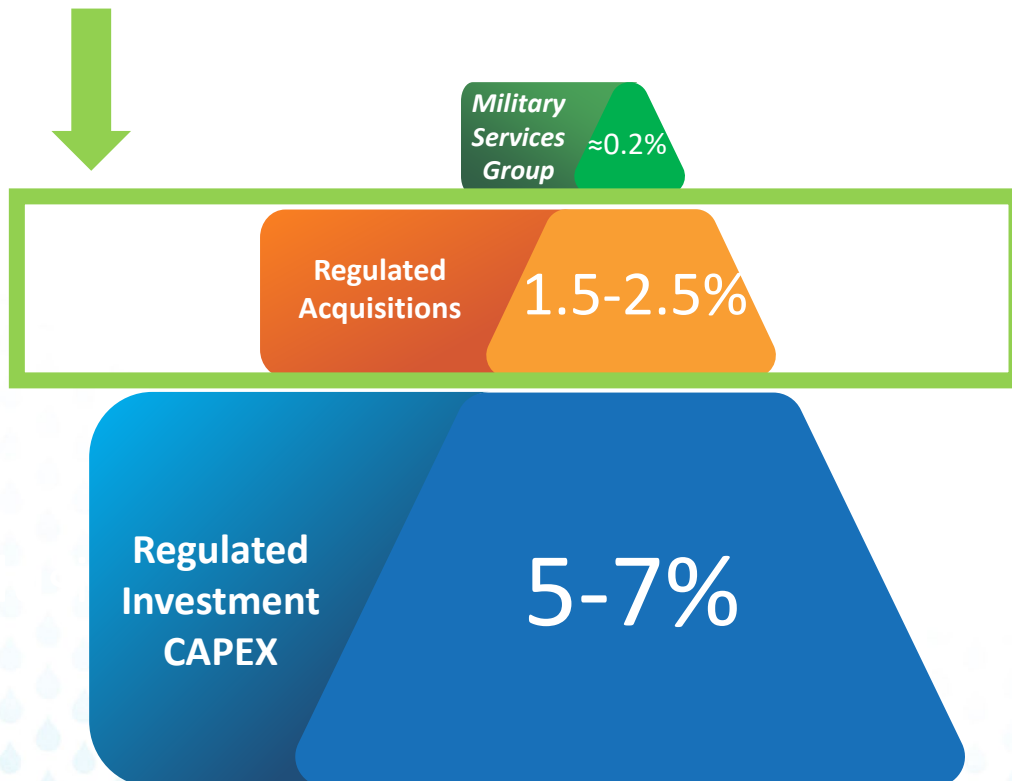


American Water's High Growth Outlook and ESG Leadership Widely Recognized; Long Runway Ahead



"Our investments in community systems that we acquire through our regulated business will drive significant ESG impacts for decades to come."

- Susan Hardwick, American Water President & CEO



at AWK



S&P Global Ratings ESG Evaluation Score of 87 (out of 100); **Highest Score Given to a U.S. Utility and 3rd Highest Globally**



Included in the Bloomberg Gender Equality Index for the **4th Consecutive Year**



Ranked #6 on Corporate Knight's Global 100 Most Sustainable Corporations; **Top Ranked Water Utility Company in the World**



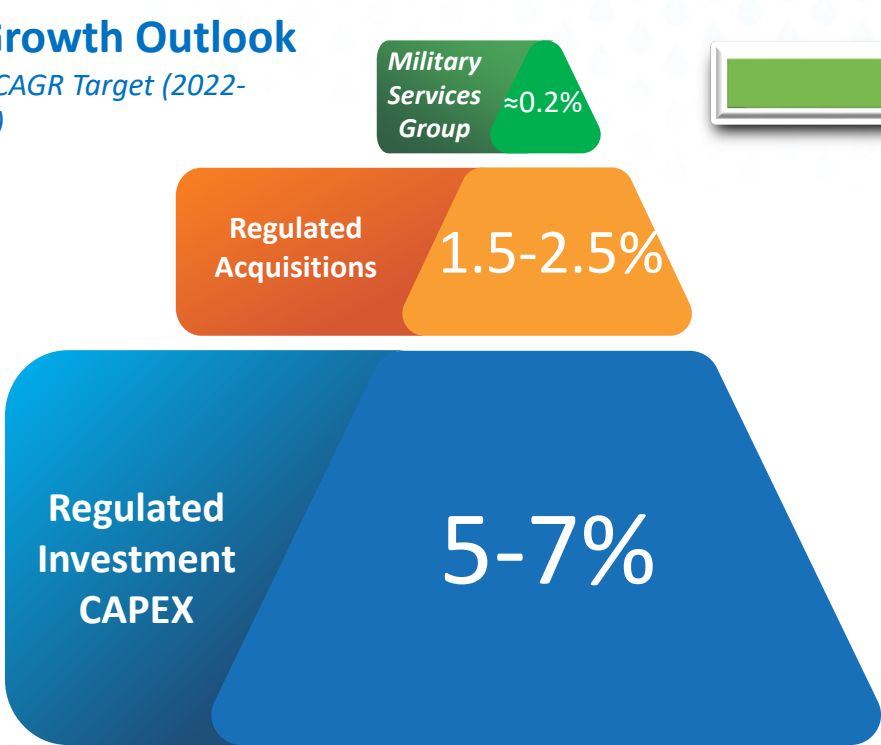
American Water **Ranked #19** on Barron's 100 Most Sustainable Companies

Military Services Group Provides Strategic Value



AWK Growth Outlook

7-9% EPS CAGR Target (2022-2026 Plan)



Military Services Group

- Serving 17 installations; 50-yr contracts
- 3 active bids currently being pursued:
 - Naval Station Mayport (FL)
 - Naval Air Station Pax River (MD)
 - Joint Solicitation: Cape Canaveral and Patrick Air Force Bases (FL)
- Opportunity for upgrades on existing bases



Value Add of Military Services Group

- | | | |
|------------------------------------|-----------------------------|------------------------------|
| ● Regulated-like | ● Favorable ROI opportunity | ● Positive branding |
| ● Capital light/Cash flow positive | ● Aligns with ESG values | ● Leverage core competencies |

Strong Balance Sheet and Industry-Leading Credit Ratings



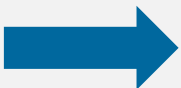
AWK Long-Term Issuer Ratings



S&P Global
A
(Stable Outlook)

Moody's
Baa1
(Stable Outlook)

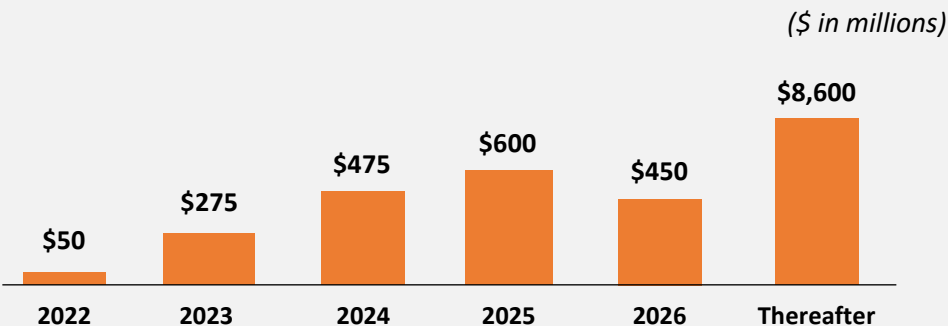
Ratings affirmed at both agencies following Nov. 2021 Investor Day



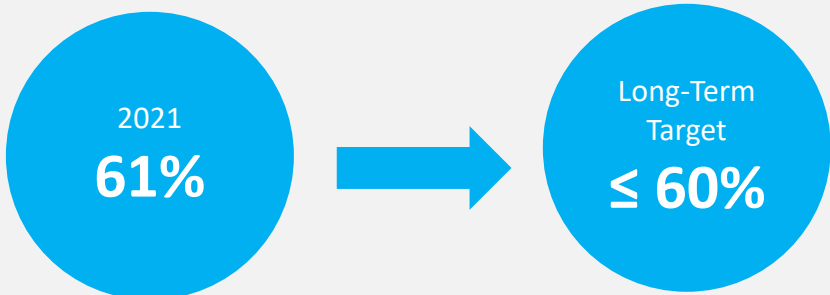
- ✓ Low risk business profile
- ✓ Strong regulatory jurisdictions
- ✓ Supportive financial plans

Consolidated Debt Maturity Profile

as of December 31, 2021



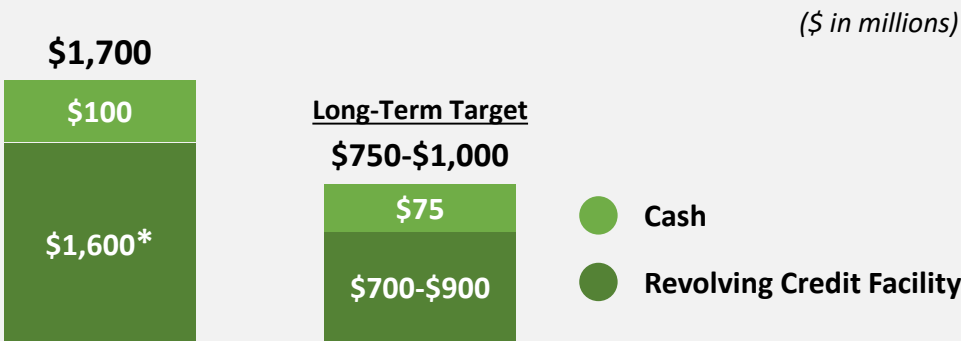
Total Debt to Total Capital



Note: 2021 adds back to short-term debt \$480M of HOS sale proceeds that will be redeployed in the Regulated Business.

Liquidity Available

as of December 31, 2021



*Includes \$1,500 available commercial paper, \$100 available letters of credit

Strong and Sustainable Growth Outlook for Future



Rate Base Growth

Affirmed Target

Targeting 8-9% rate base growth in our 2022-2031 plan



Earnings Growth

Affirmed Target

Targeting 7-9% EPS growth in our 2022-2026 plan and beyond



Dividend Growth

Affirmed Target

Targeting high end of 7-10% dividend growth* in our 2022-2026 plan



ESG Leadership and ESG Opportunities Adds to TSR

Exceptional 185% Total Shareholder Return over last 5 years**

* Future dividends are subject to approval of the American Water Board of Directors.

** As of 12/31/21 end date. Source: FactSet.

First Quarter 2022 Results

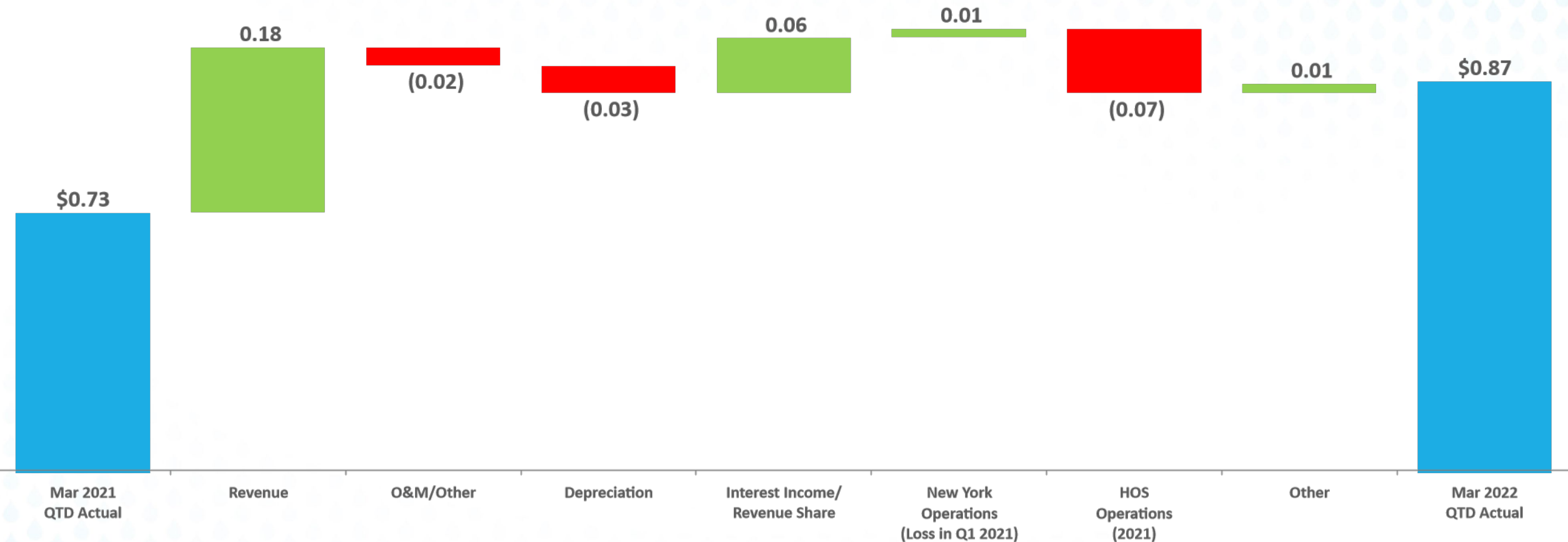
Earnings Per Share



✓ Q1/YTD Highlights

- Achieved 19% EPS growth vs. Q1 2021 driven by higher revenue on increased infrastructure investment
- Invested \$437 million of capital in regulated infrastructure improvements and acquisitions
- Executed on our regulatory, rate case, and growth strategies, including cases filed in NJ, IL, and PA
- ESG leadership and transparency continues - 2nd annual ID&E report and ESG Data Summary published in May
- Raised dividend for 14th consecutive year in April; up nearly 9%
- Managed inflationary pressures well across the business as focus on affordability continues

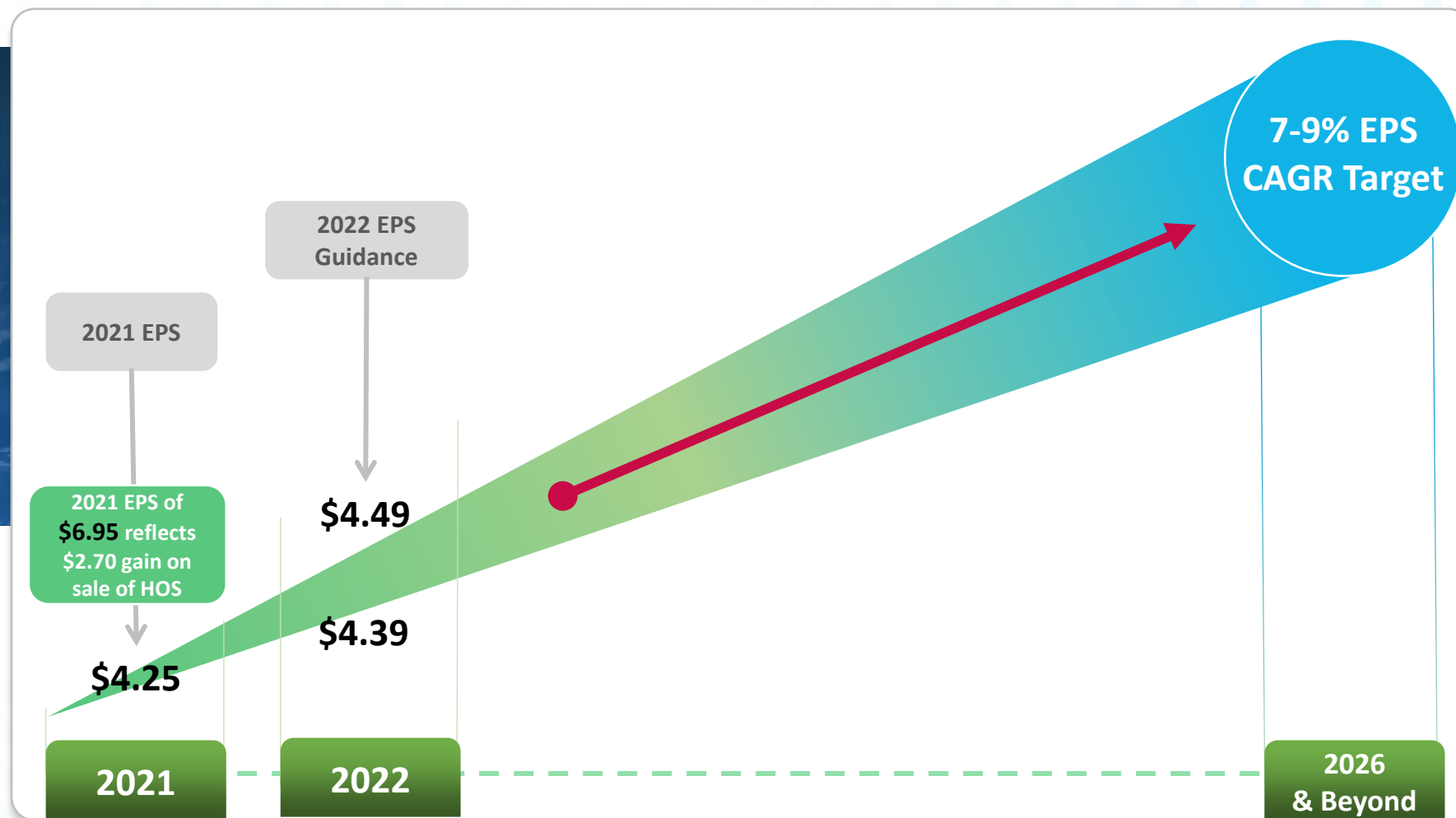
First Quarter 2022 EPS Detail By Business



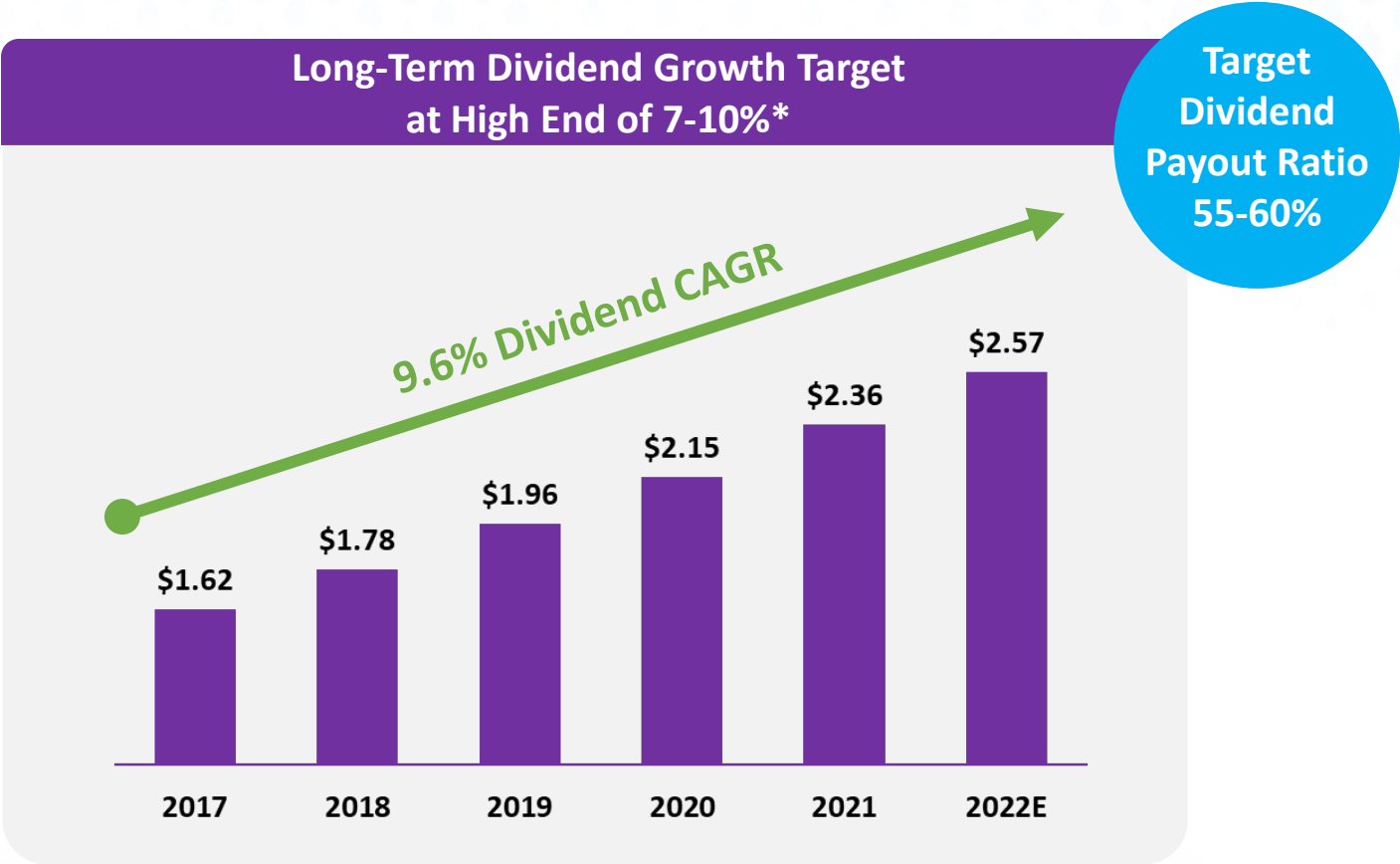
2022 Earnings Guidance and Long-Term Targets Affirmed



2022 EPS Guidance
\$4.39 - \$4.49



Excellent Dividend Growth



* Future dividends are subject to approval of the American Water Board of Directors

ESG at AWK: Continued Focus on Transparency and Stakeholder Engagement

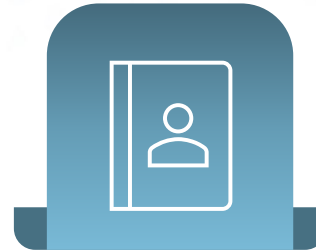


Publications in May 2022; Review of GHG Target Underway



ESG Data Summary

- Published 2nd annual ESG Data Disclosure with 2021 actuals
- ~70 environmental, social, and governance material topics
- Demonstrates continued progress to achieving current GHG reduction target



Inclusion, Diversity & Equity Metrics Report

- Published 2nd annual Inclusion, Diversity & Equity Report; also launched ID&E website
- Features 200+ data points related to our culture of inclusion
- Includes EEO-1 data*

*The EEO-1 Component 1 report is an annual data collection process that discloses demographic workforce data, including data by race/ethnicity, sex and job categories.



GHG Emissions Target

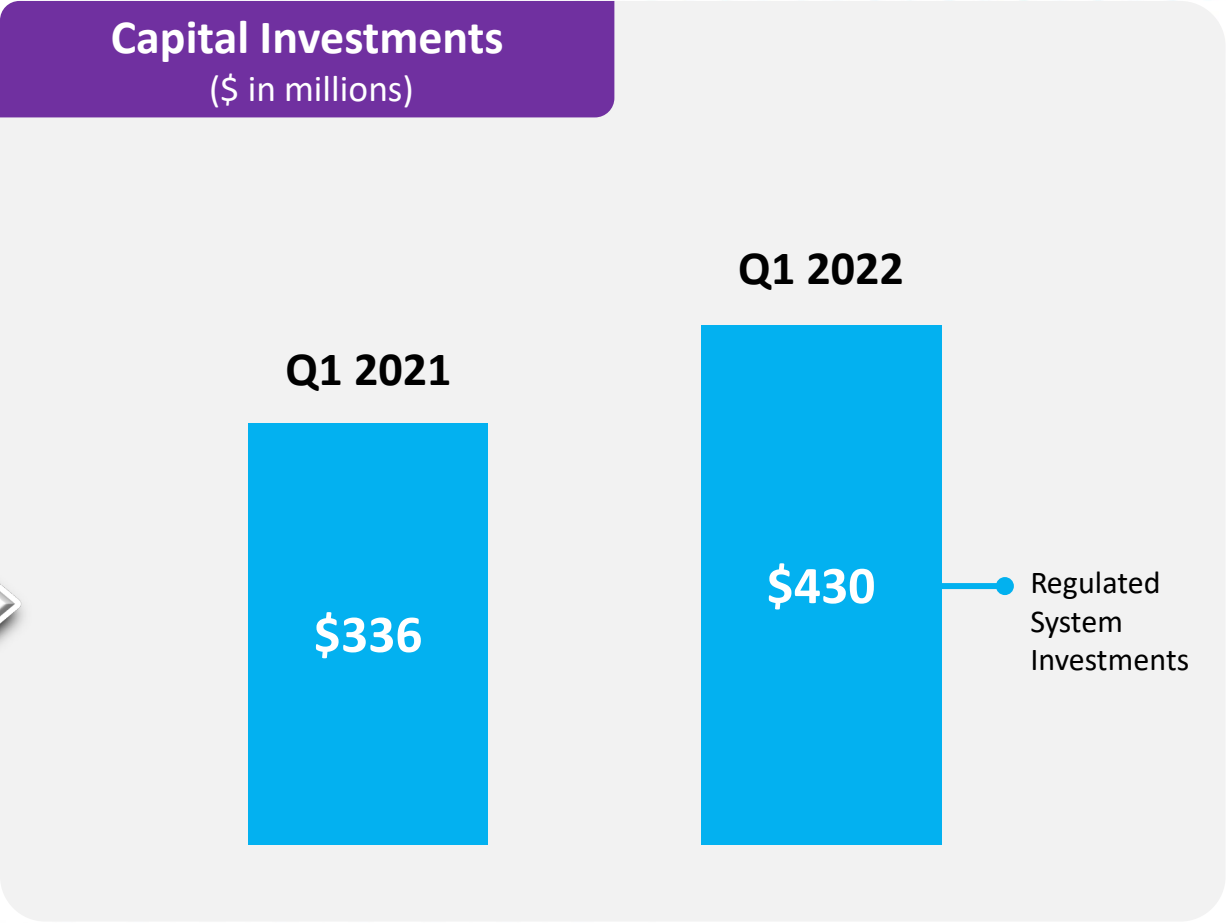
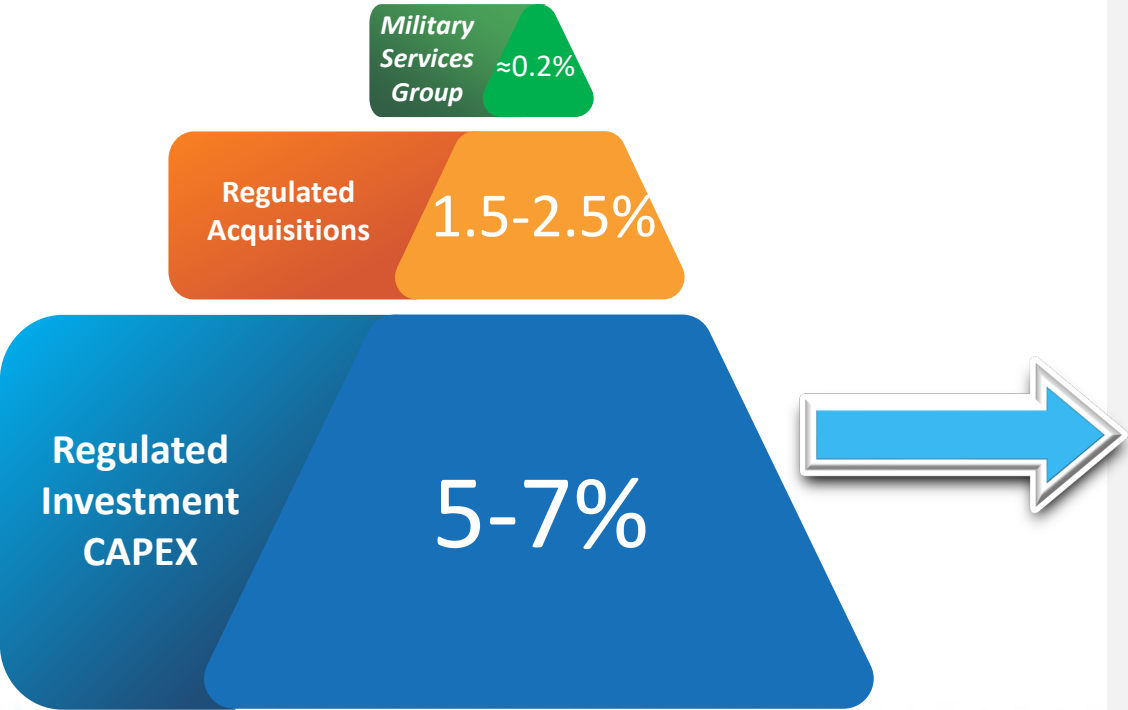
- Updating Scope 1 and 2 GHG emissions target
- Evaluating Scope 3 GHG emissions and possible target
- Studying Science Based Target initiative and Paris Agreement alignment

Strong Cap Ex Growth to Start 2022



AWK Growth Outlook

7-9% EPS CAGR Target (2022-2026 Plan)



Legislative and Rate Case Updates



Legislative

Indiana

Senate Enrolled Act 272

Effective 7/1/2022

- Requires public reporting of a non-jurisdictional utility's asset management program
- Establishes oversight for non-jurisdictional utilities with violations that create environmental or human health and safety issues

Senate Enrolled Act 273

Effective 7/1/2022

- Authorizes the recovery of property tax in DSIC filings
- Allows recovery for changes in property tax and for costs attributable to referenda or action by elected or appointed individuals

Virginia

House Bill 182 / Senate Bill 500

Effective 7/1/2022

- Requires ratemaking proceeding to evaluate investor-owned water/wastewater utilities on a stand-alone basis and utilize the utility's actual end-of-test period capital structure and cost of capital without regard to affiliated entities

Completed Rate Cases in 2022



- Step Increase
- Additional authorized revenues of \$20 million
- Effective 1/1/2022



- Step Increase
- Additional authorized revenues of \$13 million
- Effective 1/1/2022



- General Rate Case
- Additional authorized revenues of \$15 million
- Effective 2/25/2022

Rate Cases filed in 2022



- Rate case filed January 14, 2022
- Capital Investment of ≈\$985 million



- Rate case filed February 10, 2022
- Capital Investment of ≈\$1.1 billion

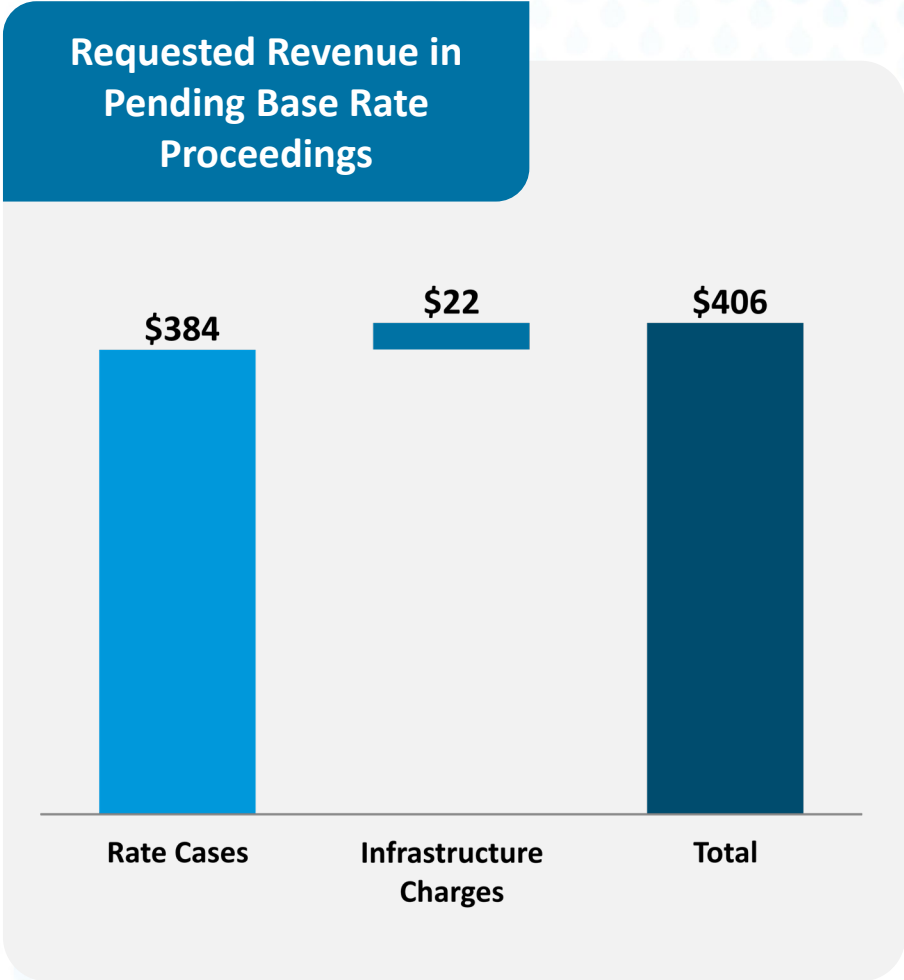
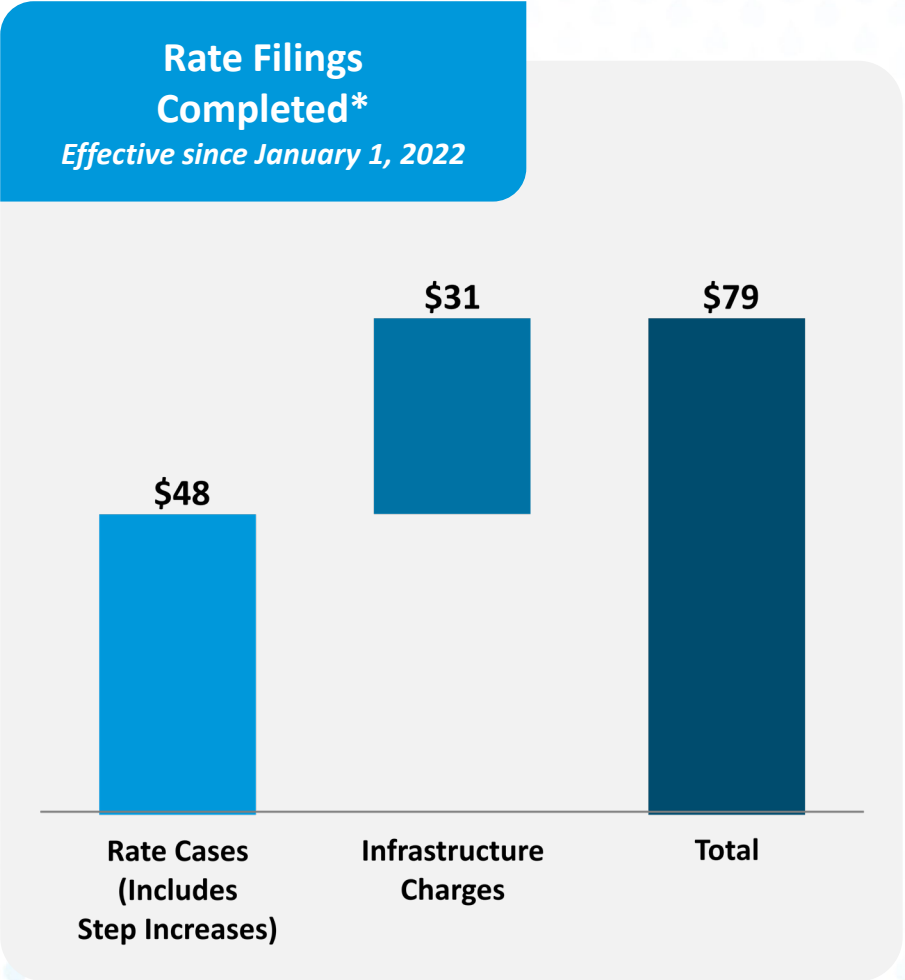


- Rate case filed April 29, 2022
- Capital Investment of ≈\$1.1 billion

Rate Filings Summary




(\$ in millions)



* Annualized revenue increase for rates effective since January 1, 2022; excludes agreed to revenue reductions for excess accumulated deferred income taxes.


Good Momentum in 2022 as Acquisitions Under Agreement now 77,300 Customers



**Closed**
As of March 31, 2022

≈1,800 Customer Connections
4 Acquisitions in 2 States

MO	3
IL	1

**Under Agreement**
As of March 31, 2022

≈77,300 Customer Connections
32 Acquisitions in 7 States

MO	9
IL	7
PA	5
NJ	3
IA	3
CA	3
VA	2

**City of York, PA**
Wastewater

Largest acquisition in Pennsylvania American Water History

Executed under Act 12 of 2016 fair market value legislation

\$235 million purchase price

≈45,000 equivalent customer connections

By June 2022 Expected Close

**Egg Harbor City, NJ**
Water & Wastewater

First sale being executed through New Jersey's Water Infrastructure Protection Act (WIPA)

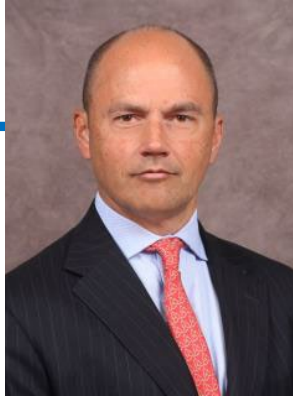
\$21.8 million purchase price

≈3,000 customer connections

2H 2022 Expected Close



Experienced and Skilled Executive Management Team Additions



John Griffith

Executive Vice President
and Chief Financial Officer

- Joined American Water on May 16, 2022.
- Most recently served as a Managing Director in Bank of America Securities' Mergers & Acquisitions group, leading the firm's practice for regulated utilities and renewables. In the role, John served as the lead investment banker on major U.S. and international utility transactions. He also advised on a large number of public and private renewables transactions globally.
- Prior to joining Bank of America in 2014, Griffith served as CEO of HighWave Energy, a start-up renewable fuels company.
- John also held multiple positions during a fourteen-year career with Merrill Lynch & Co., culminating as Managing Director.
- Received a Bachelor's degree in Economics from Davidson College and an MBA in Finance from Columbia University, where he graduated with honors.



James Gallegos

Executive Vice President
and General Counsel

- Joined American Water on April 1, 2022.
- Most recently served as Executive Vice President, General Counsel and Corporate Secretary at Alliant Energy Corporation.
- Prior to joining Alliant Energy in 2010, served as the Vice President and Corporate General Counsel for Burlington Northern and Santa Fe Corporation, one of North America's leading freight transportation companies.
- Began his legal career as a trial attorney with the U.S. Department of Justice and law clerk for a Federal District Court Judge.
- Received a Bachelor of Science degree in Business from the University of Colorado and a law degree from the University of Minnesota Law Center, where he graduated Cum Laude.

Appendix

Forward-Looking Statements



Certain statements made, referred to or relied upon in this presentation including, without limitation, with respect to 2022 earnings guidance, the Company's long-term financial, growth and dividend targets, future capital needs, the ability to achieve the Company's strategies and goals, including with respect to its ESG focus and related to the sale of HOS, the Company's receipt of contingent consideration, the repayment of the seller note, and the redeployment of the net proceeds from its divestitures, the outcome of the Company's pending acquisition activity, including the proposed acquisition of the York, Pennsylvania wastewater system assets, the amount and allocation of projected capital expenditures; and estimated revenues from rate cases and other government agency authorizations, are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. In some cases, these forward-looking statements can be identified by words with prospective meanings such as "intend," "plan," "estimate," "believe," "anticipate," "expect," "predict," "project," "propose," "assume," "forecast," "likely," "uncertain," "outlook," "future," "pending," "goal," "objective," "potential," "continue," "seek to," "may," "can," "will," "should" and "could" and or the negative of such terms or other variations or similar expressions. These forward-looking statements are predictions based on American Water's current expectations and assumptions regarding future events. They are not guarantees or assurances of any outcomes, financial results of levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors. Actual results may differ materially from those discussed in the forward-looking statements included in this presentation as a result of the factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, and subsequent filings with the SEC, and because of factors such as: the decisions of governmental and regulatory bodies, including decisions to raise or lower customer rates and regulatory responses to the COVID-19 pandemic; the timeliness and outcome of regulatory commissions' and other authorities' actions concerning rates, capital structure, authorized return on equity, capital investment, system acquisitions and dispositions, taxes, permitting, water supply and management, and other decisions; changes in customer demand for, and patterns of use of, water, such as may result from conservation efforts, impacts of the COVID-19 pandemic, or otherwise; a loss of one or more large industrial or commercial customers due to adverse economic conditions, the COVID-19 pandemic, or other factors; limitations on the availability of the Company's water supplies or sources of water, or restrictions on its use thereof, resulting from allocation rights, governmental or regulatory requirements and restrictions, drought, overuse or other factors; changes in laws, governmental regulations and policies, including with respect to the environment, health and safety, water quality and water quality accountability, contaminants of emerging concern, public utility and tax regulations and policies, and impacts resulting from U.S., state and local elections and changes in federal, state and local executive administrations; the Company's ability to collect, distribute, use, secure and store consumer data in compliance with current or future governmental laws, regulation and policies with respect to data and consumer privacy, security and protection; weather conditions and events, climate variability patterns, and natural disasters, including drought or abnormally high rainfall, prolonged and abnormal ice or freezing conditions, strong winds, coastal and intercoastal flooding, pandemics (including COVID-19) and epidemics, earthquakes, landslides, hurricanes, tornadoes, wildfires, electrical storms, sinkholes and solar flares; the outcome of litigation and similar governmental and regulatory proceedings, investigations or actions; the risks associated with the Company's aging infrastructure, and its ability to appropriately improve the resiliency of, or maintain and replace, current or future infrastructure and systems, including its technology and other assets, and manage the expansion of its businesses; exposure or infiltration of the Company's technology and critical infrastructure systems, including the disclosure of sensitive, personal or confidential information contained therein, through physical or cyber attacks or other means; the Company's ability to obtain permits and other approvals for projects and construction of various water and wastewater facilities; changes in the Company's capital requirements; the Company's ability to control operating expenses and to achieve operating efficiencies; the intentional or unintentional actions of a third party, including contamination of the Company's water supplies or the water provided to its customers; the Company's ability to obtain adequate and cost-effective supplies of pipe, equipment (including personal protective equipment), chemicals, electricity, fuel, water and other raw materials and to address or mitigate supply chain constraints impacting the Company's business operations; the Company's ability to successfully meet its operational growth projections, either individually or in the aggregate, and capitalize on growth opportunities, including, among other things, with respect to acquiring, closing and successfully integrating regulated operations and market-based businesses, the Company's Military Services Group entering into new contracts, price redeterminations and other agreements and contracts, and realizing anticipated benefits and synergies from new acquisitions; risks and uncertainties following the completion of the sale of HOS and the Company's New York subsidiary; risks and uncertainties associated with contracting with the U.S. government, including ongoing compliance with applicable government procurement and security regulations; cost overruns relating to improvements in or the expansion of the Company's operations; the Company's ability to successfully develop and implement new technologies and to protect related intellectual property; the Company's ability to maintain safe work sites; the Company's exposure to liabilities related to environmental laws and similar matters resulting from, among other things, water and wastewater service provided to customers; changes in general economic, political, business and financial market conditions, including without limitation conditions and collateral consequences associated with COVID-19; access to sufficient debt and/or equity capital on satisfactory terms and when and as needed to support operations and capital expenditures; fluctuations in inflation or interest rates; the ability to comply with affirmative or negative covenants in the current or future indebtedness of the Company or any of its subsidiaries, or the issuance of new or modified credit ratings or outlooks or other communications by credit rating agencies with respect to the Company or any of its subsidiaries (or any current or future indebtedness thereof), which could increase financing costs or funding requirements and affect the Company's or its subsidiaries' ability to issue, repay or redeem debt, pay dividends or make distributions; fluctuations in the value of benefit plan assets and liabilities that could increase the Company's cost and funding requirements; changes in federal or state general, income and other tax laws, including (i) future significant tax legislation; (ii) the availability of, or the Company's compliance with, the terms of applicable tax credits and tax abatement programs; and (iii) the Company's ability to utilize its state income tax net operating loss carryforwards; migration of customers into or out of the Company's service territories; the use by municipalities of the power of eminent domain or other authority to condemn the systems of one or more of the Company's utility subsidiaries, or the assertion by private landowners of similar rights against such utility subsidiaries; any difficulty or inability to obtain insurance for the Company, its inability to obtain insurance at acceptable rates and on acceptable terms and conditions, or its inability to obtain reimbursement under existing or future insurance programs and coverages for any losses sustained; the incurrence of impairment charges related to the Company's goodwill or other assets; labor actions, including work stoppages and strikes; the Company's ability to retain and attract qualified employees; civil disturbances or unrest, or terrorist threats or acts, or public apprehension about future disturbances, unrest, or terrorist threats or acts; and the impact of new, and changes to existing, accounting standards.

These forward-looking statements are qualified by, and should be read together with, the risks and uncertainties set forth above and the risk factors included in American Water's annual, quarterly and other SEC filings, and readers should refer to such risks, uncertainties and risk factors in evaluating such forward-looking statements. Any forward-looking statements American Water makes speak only as of the date of this presentation. American Water does not have or undertake any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as otherwise required by the federal securities laws. New factors emerge from time to time, and it is not possible for the Company to predict all such factors. Furthermore, it may not be possible to assess the impact of any such factor on the Company's businesses, either viewed independently or together, or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. The foregoing factors should not be construed as exhaustive.

Non-GAAP Financial Information

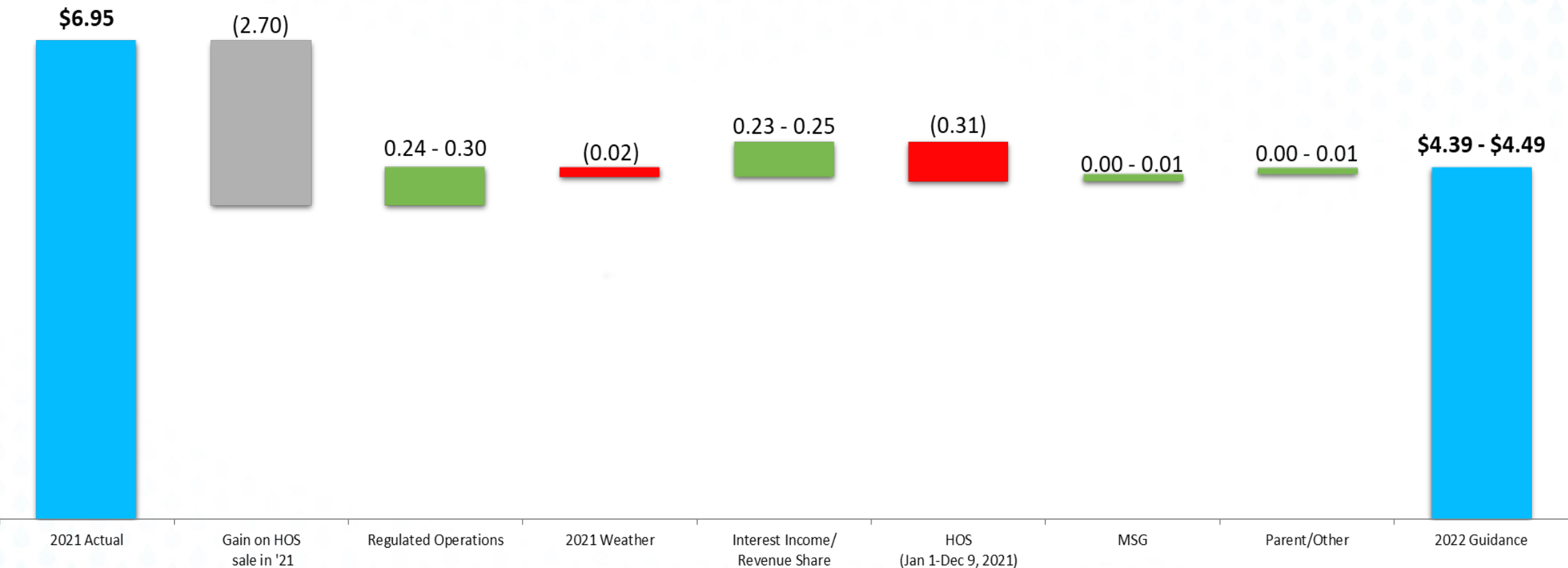


This presentation includes adjusted regulated O&M efficiency ratios, both historical and forward-looking, which exclude from their calculation (i) estimated purchased water and other revenues and purchased water expenses, (ii) the impact of the Freedom Industries chemical spill in 2014 and certain related settlement activities recognized in 2016 and 2018, (iii) the estimated impact in 2012 and 2014 of weather, (iv) as to operating revenues, the amortization of excess accumulated deferred income taxes, and (v) the allocable portion of non-O&M support services costs, mainly depreciation and general taxes. Also, an alternative presentation of these ratios has been provided for each of 2010, 2012, 2014 and 2016, which includes a pro forma adjustment for the impact of the Tax Cuts and Jobs Act of 2017, and includes for 2012, 2014 and 2016 the impact of our implementation of Accounting Standards Update 2017-07, Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Post-retirement Benefit, on January 1, 2018. These items were excluded from the O&M efficiency ratio calculation as they are not reflective of management's ability to increase the efficiency of our regulated businesses. For that reason, these adjusted regulated O&M efficiency ratios constitute "non-GAAP financial measures" under SEC rules. We evaluate our operating performance using these ratios and believe that the presentation of them is useful to investors because the ratios directly measure improvement in the operating performance and efficiency of our regulated businesses. These ratios are derived from our consolidated financial information but are not presented in our consolidated financial statements prepared in accordance with GAAP. These non-GAAP financial measures supplement and should be read in conjunction with our GAAP disclosures and should be considered as an addition to, and not a substitute for, any GAAP measure. These ratios (i) are not accounting measures based on GAAP; (ii) are not based on a standard, objective industry definition or method of calculation; (iii) may not be comparable to other companies' operating measures; and (iv) should not be used in place of the GAAP information provided elsewhere in this presentation. Management is unable to present a reconciliation of adjustments to the components of the forward-looking adjusted regulated O&M efficiency ratio without unreasonable effort because management cannot reliably predict the nature, amount or probable significance of all the adjustments for future periods; however, these adjustments may, individually or in the aggregate, cause each of the non-GAAP financial measure components of the forward-looking ratios to differ significantly from the most directly comparable GAAP financial measure.

Set forth in this appendix are tables that reconcile each of the components of our historical adjusted regulated O&M efficiency ratios to its most directly comparable GAAP financial measure.

All references throughout this presentation to EPS or earnings per share refer to diluted EPS attributable to common shareholders.

2022 EPS Detail by Business



Closed Acquisitions

 **March 31, 2022**

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
Illinois	1	250	-	250
Missouri	3	400	1,150	1,550
Total	4	650	1,150	1,800

Acquisitions Under Agreement



 **March 31, 2022**

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
California	3	3,450	-	3,450
Iowa	3	100	850	1,000
Illinois	7	2,600	1,850	4,450
Missouri	9	4,750	4,650	9,400
New Jersey	3	1,600	4,300	5,900
Pennsylvania	5	50	51,900	51,900
Virginia	2	1,200	-	1,200
Total	32	13,700	63,550	77,300

Rates Effective Since...



(\$ in millions)



January 1, 2022

Rate Cases & Step Increases	Date Effective	Annualized Revenue Increases
Pennsylvania, Step Increase ^(a)	1/1/2022	\$20
California, Step Increase ^(b)	1/1/2022	13
West Virginia ^(c)	2/25/2022	15
Sub-Total		\$48

Infrastructure Charges	Date Effective	Annualized Revenue Increases
Illinois (QIP)	1/1/2022	\$6
Missouri (WSIRA)	2/1/2022	12
West Virginia (DSIC)	3/1/2022	3
Indiana (DSIC)	3/21/2022	8
Pennsylvania (DSIC)	4/1/2022	2
Sub-Total		\$31
2022 Total		\$79

- (a) The Company’s Pennsylvania subsidiary was authorized additional annualized revenues of \$90 million, excluding agreed-to revenue excess accumulated taxes, over two steps. The EADIT reduction in revenues is \$19.5 million. The overall increase (net of EADIT reductions in revenues) is \$70.5 million in revenues combined over two steps. The first step was effective 1/28/2021 in the amount of \$70 million (\$50.5 million net of EADIT reduction in revenues) and the second step was effective 1/1/2022 in the amount of \$20.0 million.
- (b) On November 18, 2021, the California Public Utilities Commission (the “CPUC”) unanimously approved a final decision in the test year 2021 general rate case filed by the Company’s California subsidiary. The final decision adopts the comprehensive settlement reached with certain parties to the proceeding. Under the CPUC’s final decision, the Company’s California subsidiary will be authorized additional annualized water and wastewater revenues of \$21.6 million, excluding a reduction in revenues for tax savings passed back to customers as a result of the TCJA. The decision is retroactive to January 1, 2021. The reduction in revenues for the TCJA is \$3.7 million. On January 18, 2022, the Company’s California subsidiary filed for approval of \$12.5 million in 2022 escalation increases excluding \$3.7 million in reductions related to the TCJA. This filing, which is retroactive to January 1, 2022, is subject to CPUC approval with a 45-day review period.
- (c) The Company’s West Virginia subsidiary was authorized additional annualized revenues of \$14.8 million, excluding a reduction in revenues for tax savings passed back to customers as a result of the TCJA and infrastructure surcharges. The excess EADIT reduction in revenues is \$1.6 million and the exclusion for infrastructure surcharges is \$10.2 million.

Pending Rate Case Filings



(\$ in millions)

Rate Cases Filed	Docket/Case Number	Date Filed	Requested Revenue Increase	ROE Requested	Rate Base
Hawaii ^(a)	Docket No. 2021-0063	8/18/2021	\$2	10.3%	\$40
Virginia ^(b)	Case No. PUR-2021-00255	11/15/2021	15	10.9%	287
Kentucky Wastewater ^(c)	Docket No. 2021-00434	12/1/2021	1	NA	7
New Jersey ^(d)	Docket No. WR22010019	1/14/2022	110	10.5%	4,267
Illinois ^(e)	Docket No. 22-0210	2/10/2022	71	10.25%	1,668
Pennsylvania ^(f)	Docket Nos. R-2022-3031672 & R-2022-3031673	4/29/2022	185	10.80%	922
Sub-Total			\$384		\$7,191
Infrastructure Charges Filed					
Kentucky (QIP)		3/1/2022	\$3		\$8
Missouri (WSIRA)		3/4/2022	19		108
Sub-Total			\$22		\$116
Total			\$406		\$7,307

- (a) Requested additional annualized revenues of \$2.3 million, excluding reductions in revenues for tax savings passed back to customers as a result of the TCJA. The EADIT reduction in revenues is \$0.16 million.
- (b) Requested additional annualized revenues of \$15 million, excluding reductions in revenues for tax savings passed back to customers as a result of the TCJA. The EADIT reduction in revenues is \$0.7 million.
- (c) Requested additional revenues of \$0.968 million, excluding reductions in revenues for tax savings passed back to customers as a result of the TCJA. The Company filed their wastewater case under the Alternative Rate Filing process for smaller utilities which calculates an Operating Ratio of 88% rather than a ROE.
- (d) Requested additional annualized revenues of \$110.3 million, excluding reductions in revenues for tax savings passed back to customers as a result of the TCJA and infrastructure surcharges. The reduction in revenues for TCJA is \$15.6 million and the exclusion for infrastructure surcharges is \$38.2 million.
- (e) Requested additional annualized revenues of \$70.8 million, excluding reductions in revenues for tax savings passed back to customers as a result of the TCJA and infrastructure surcharges. The reduction in revenues for TCJA is \$1.7 million and the exclusion for infrastructure surcharges is \$18.3 million.
- (f) Requested additional annualized revenues of \$185.2 million, excluding reductions in revenues for tax savings passed back to customers as a result of TCJA and infrastructure surcharges. The reduction in revenues for TCJA is \$12.0 million and the exclusion for infrastructure surcharges is \$24.3 million.

Regulatory Information – Top 10 States



	CALIFORNIA	ILLINOIS	INDIANA	KENTUCKY	MISSOURI
Authorized Rate Base*	\$667,632	\$883,386	\$1,182,170	\$443,654	\$1,703,170 ^(c)
ROE	9.20% ^(a)	9.79%	9.80%	9.70%	9.55% ^(d)
Equity	55.39% ^(a)	49.80%	53.41% ^(b)	48.90%	50.00% ^(e)
Effective Date of Rate Case	1/1/2021 ^(a)	1/1/2017	5/1/2020	6/28/2019	5/28/2021
	NEW JERSEY	PENNSYLVANIA	TENNESSEE	VIRGINIA	WEST VIRGINIA
Authorized Rate Base*	\$3,573,450	\$4,107,143 ^(c)	\$132,015	\$194,165	\$734,028
ROE	9.60%	9.90% ^(d)	10.00%	9.30% ^(f)	9.80%
Equity	54.56%	55.24% ^(e)	34.38%	40.75% ^(f)	47.97%
Effective Date of Rate Case	11/1/2020	1/1/2022	11/1/2012	11/6/2020 ^(g)	2/25/2022

*Rate Base stated in \$000s

- (a) On March 22, 2018, Decision 18-03-035 set the authorized cost of capital for 2018 through 2020. A separate Cost of Capital case sets the rate of return outside of a general rate proceeding.
- (b) The Authorized Equity excludes cost-free items or tax credit balances at the overall rate of return which lowers the equity percentage as an alternative to the common practice of deducting such items from rate base.
- (c) The Authorized Rate Base listed is the Company's view of the Rate Base allowed in the case; the Rate Base was not disclosed in the Order or the applicable settlement agreement.
- (d) The ROE is the Company's view of the ROE allowed in the case; however, the ROE was not disclosed in the Order or the applicable settlement agreement.
- (e) The equity ratio listed is the Company's view of the equity ratio allowed in the case; the actual equity ratio was not disclosed in the Order or the applicable settlement agreement.
- (f) The equity ratio and ROE are the Company's view of each as allowed in the case. The ROE was not disclosed in the Order or the applicable settlement agreement; 9.6% is adopted for future earnings test and WWISC filings per the Order.
- (g) Interim rates were effective May 1, 2019 and a final Order was received November 6, 2020.

Reconciliation Table: Regulated Segment O&M Efficiency Ratio



Regulated Segment O&M Efficiency Ratio (A Non-GAAP Unaudited Number) (\$ in millions)	FY 2010	FY 2012	FY 2014	FY 2016	FY 2018	FY 2020	FY 2021
Total operations and maintenance expense	\$1,291	\$1,330	\$1,350	\$1,504	\$1,479	\$1,622	\$1,777
Less:							
Operations and maintenance expense – Market-Based Business	257	256	289	372	362	389	482
Operation and maintenance expenses—Other	(61)	(56)	(51)	(44)	(42)	(25)	(30)
Total operations and maintenance expense – Regulated Businesses	\$1,095	\$1,130	\$1,112	\$1,176	\$1,159	\$1,258	\$1,325
Less:							
Regulated purchased water expense	100	110	122	122	133	149	153
Allocation of non-operation and maintenance expenses	29	35	39	30	31	41	34
Impact of Freedom Industries activities	-	-	10	65	(20)	0	0
Estimated impact of weather	-	5	(2)	-	-	0	0
Adjusted operations and maintenance expense – Regulated Businesses (a)	\$965	\$980	\$943	\$959	\$1,015	\$1,068	\$1,138
Total operating revenues	\$2,555	\$2,854	\$3,011	\$3,302	\$3,440	\$3,777	\$3,930
Less:							
Operating Revenues – Market-Based Business	295	307	355	451	476	540	563
Operating Revenues – Other	(26)	(17)	(18)	(20)	(20)	(17)	(17)
Total pro forma operating revenues – Regulated Businesses	\$2,286	\$2,564	\$2,674	\$2,871	\$2,984	\$3,254	\$3,384
Less:							
Regulated Purchased Water expense*	100	110	122	122	133	149	153
Other revenue reductions for the amortization of excess accumulated deferred income taxes	-	-	-	-	-	(7)	(104)
Plus:							
Freedom Industries chemical spill in West Virginia	-	-	1	-	-	-	-
Estimated impact of weather	-	(47)	17	-	-	-	-
Adjusted pro forma operating revenues—Regulated Businesses (b)	\$2,186	\$2,407	\$2,570	\$2,749	\$2,851	\$3,112	\$3,335
Adjusted O&M efficiency ratio—Regulated Businesses (a)/(b)	44.2%	40.7%	36.7%	34.9%	35.6%	34.3%	34.1%

Adjusted operations and maintenance expense – Regulated Businesses	\$965	\$980	\$943	\$959
Less:				
Impact of adoption of ASU 2017-07**	-	39	(8)	12
Adjusted operations and maintenance expense – Regulated Businesses (c)	\$965	\$941	\$951	\$947
Adjusted operating revenues—Regulated Businesses	\$2,186	\$2,407	\$2,570	\$2,749
Less pro forma adjustment:				
Pro forma adjustment for impact of the TCJA***	89	112	137	161
Adjusted pro forma operating revenues—Regulated Businesses (d)	\$2,097	\$2,294	\$2,433	\$2,588
Adjusted O&M efficiency ratio—Regulated Businesses (c)/(d)	46.1%	41.0%	39.1%	36.6%

* Calculation assumes purchased water revenues approximate purchased water expenses

** Includes the impact of the Company's adoption of ASU 2017-07, Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Post-retirement Benefit, on January 1, 2018

*** Calculation of Estimated tax reform = Revenue Requirement with new Effective Tax Rate (taxes grossed up) – Revenue Requirement with old Effective Tax Rate

Recent Stories of ESG at AWK

MSG Constructs Net Zero Operations Center



AWK Impact

Our Military Services Group constructed a net zero operations center at Hill Air Force Base to enhance energy efficiency and reduce emissions that contribute to climate variability.

- Reduced energy usage through decentralized heating and cooling
- Offset energy usage with solar panels
- Met all power supply needs during first three years of operation
- Provided 585 kilowatt-hours of clean energy back to the grid
- 15–20 year anticipated payback



American Water solar installation at Hill Air Force Base in Ogden, Utah

Our Acquisition Pipeline: Continued Growth and Community Impact for Decades to Come



≈1,300,000 Customer
Connections in Pipeline



Ribbon cutting ceremony in Sheridan, IN
after \$9M capital investment

Sheridan, IN

Prior to Acquisition

- Environmental compliance challenges with the U.S. EPA
- Consistent sewer overflow events during wet weather
- Community growth restrictions stemming from non-compliance

Post Acquisition Accomplishments

- Partnered with state environmental agency to develop compliance plan
- Invested \$9M in capital improvements
- Zero compliance violations since capital improvements
- Significant community growth following plant improvements
- New revenue stream for city from property taxes
- Long-term rate stability for customers

Value of American Water's Resiliency Investments Demonstrated During Hurricane Ida



- The river outside our Raritan-Millstone Plant in New Jersey crested at record height of 44.87', three feet below the top of the recently heightened flood wall
- Flood doors at our Norristown Water Treatment Plant in Pennsylvania withstood 5' of floodwater
- Recently reinforced Scranton, PA dam withstood heavy rains
- Maryland received 8" of rain, raising the turbidity of the typical water supply; our operations switched to alternate water source
- In New York, emergency sump pumps & post-Hurricane Sandy upgrades handled floodwaters



Raritan-Millstone Water Treatment Plant

Investor Relations: Contacts



Aaron Musgrave, CPA

Senior Director, Investor Relations
aaron.musgrave@amwater.com



Jack Quinn, CPA

Senior Manager, Investor Relations
jack.quinn@amwater.com



Janelle McNally

Senior Manager, Investor Relations & ESG
janelle.mcnally@amwater.com

Upcoming Events

July 28, 2022 (projected)
Q2 2022 Earnings Call

November 1, 2022 (projected)
Q3 2022 Earnings Call