



Investor Presentation

September 2024

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 June 30, 2024, as filed with the SEC on August 1, 2024.

Non-GAAP Financial Information

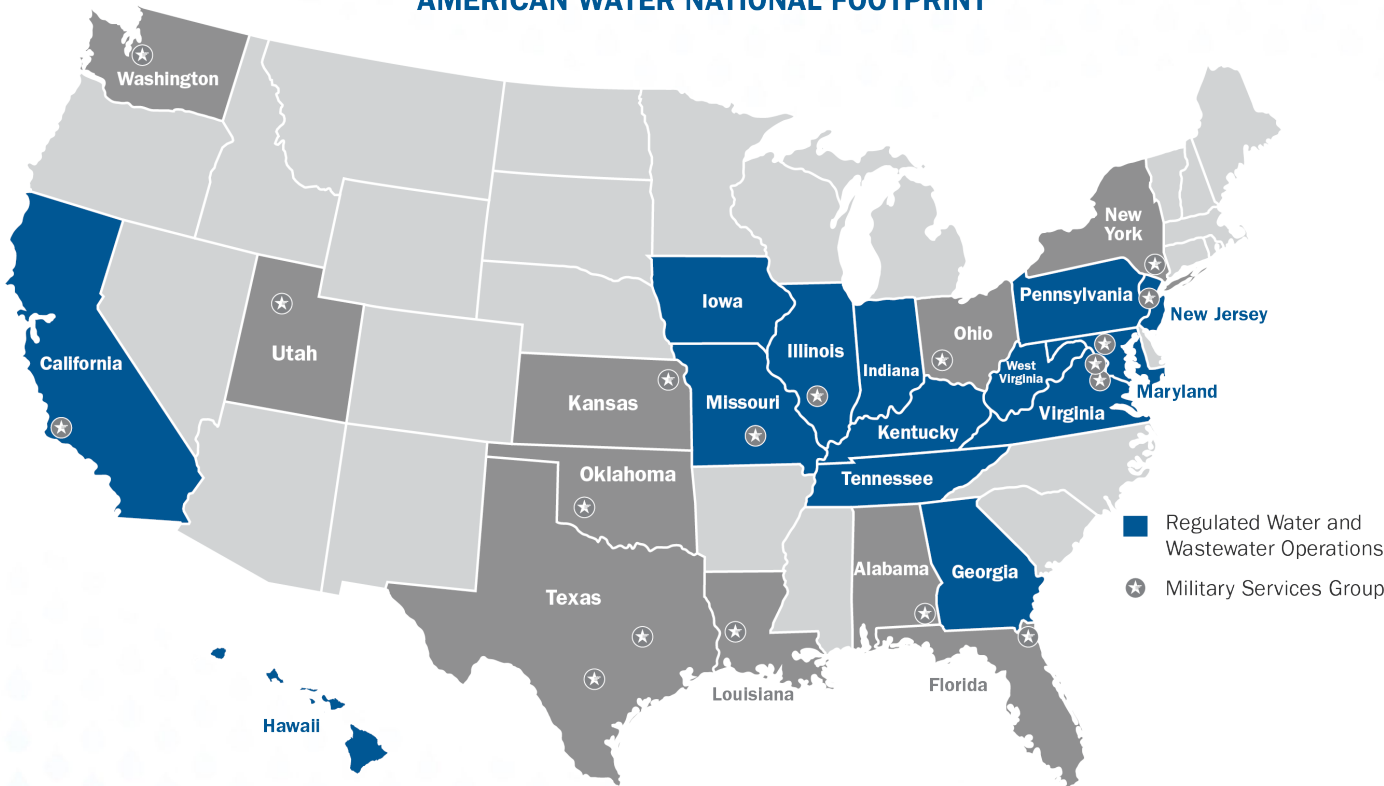
This presentation includes non-GAAP financial measures. Further information regarding these non-GAAP financial measures, including a reconciliation of each of these measures to the most directly comparable GAAP measure, is included in the Appendix to this presentation.

Business Review

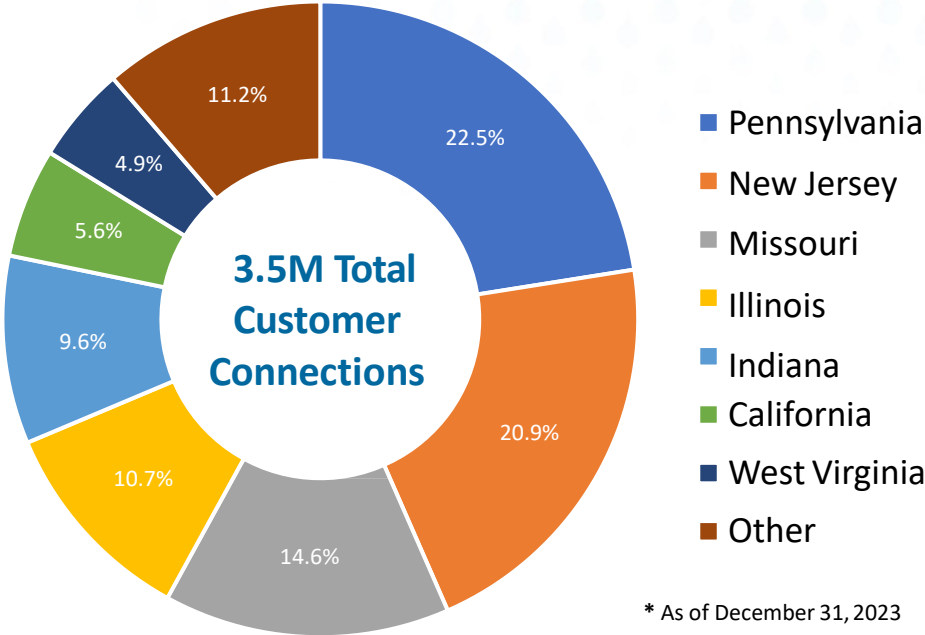
Only Pure Play, Large-Cap Water Utility in the U.S.



AMERICAN WATER NATIONAL FOOTPRINT



Regulated Customer Count*



* As of December 31, 2023



Regulated Operations*

- 53,700 miles of pipe
- 620 water treatment plants
- 175 wastewater treatment plants
- 1,200 wells and 74 dams



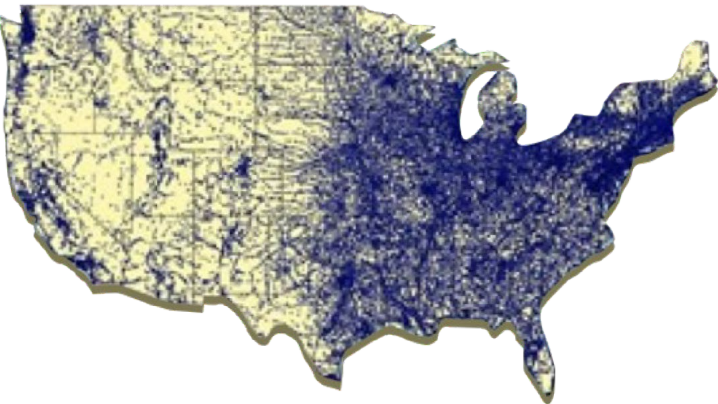
Military Services Group

- Regulated-like earnings
- Serves 18 military installations
 - 12 Army
 - 5 Air Force
 - 1 Navy

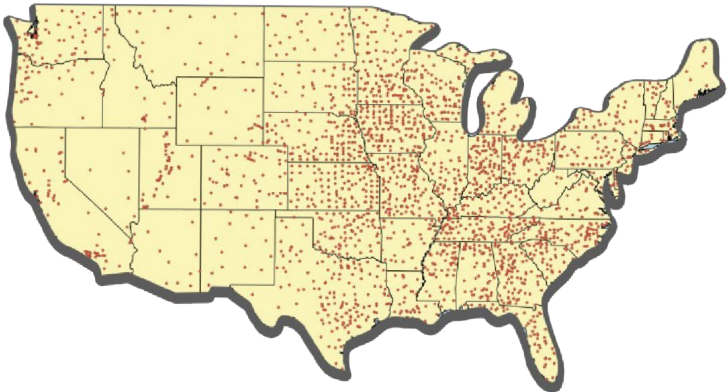
Highly Fragmented Water/Wastewater Industry Creates Opportunity



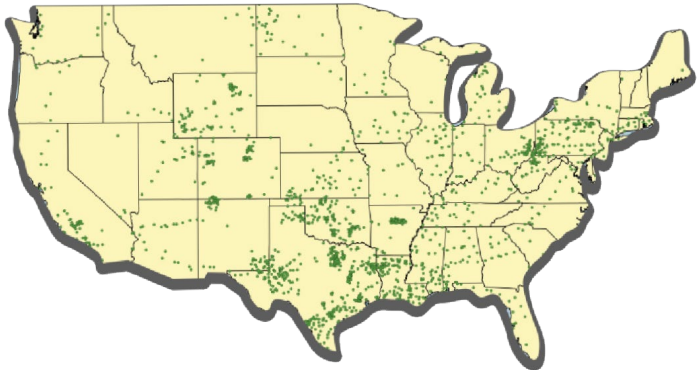
Water Utilities



Electric Utilities



Natural Gas Utilities



Industry Opportunity

>50K Water Systems	>15K Wastewater Systems
16% Investor Owned	2% Investor Owned
84% Public & Other	98% Public & Other

American Water Footprint

- Ideal for industry consolidation opportunities
- Target 5,000-50,000 customer connections per acquisition
- Water and wastewater focus (AWK customer connections mix - 91% water & 9% wastewater)

Water Utilities Source: EPA SDWIS Federal Reports Search

Electric Utilities Source: Form EIA-861 detailed data files
www.eia.gov/electricity/data/eia8

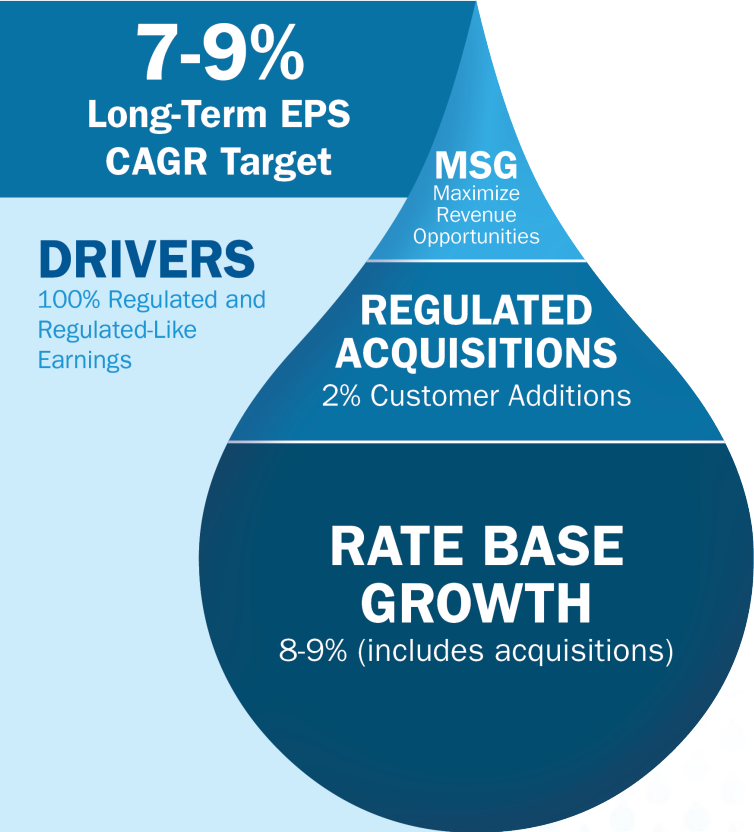
Gas Utilities Source: EPA F.L.I.G.H.T. Greenhouse Gas Emissions from Large Facilities
Ghgdata.epa.gov/ghgp/main.do#

Long-Term Targets

Strong and Sustainable Growth Outlook for the Future



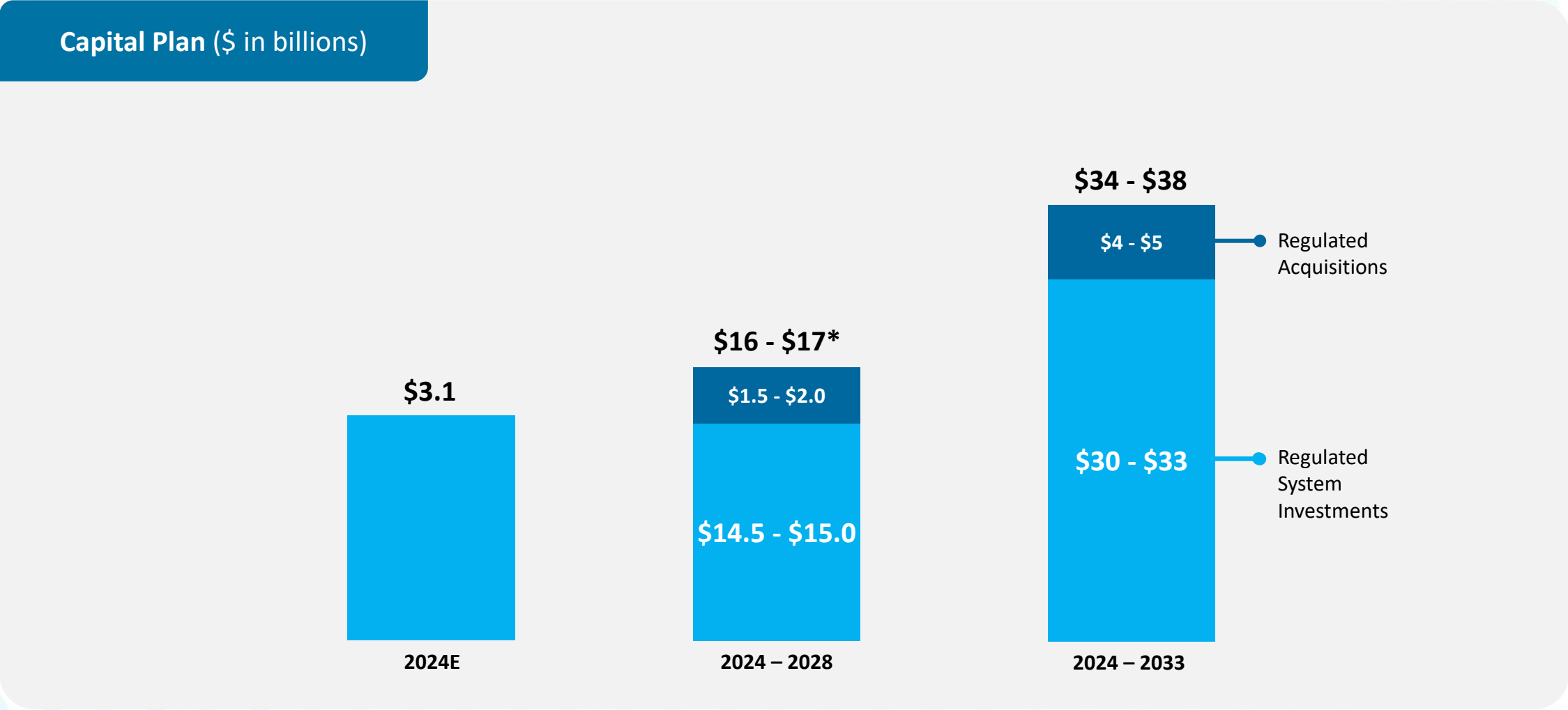
EPS GROWTH OUTLOOK



LONG-TERM FINANCIAL TARGETS



Five-Year Capital Plan: Investments to Support System Needs



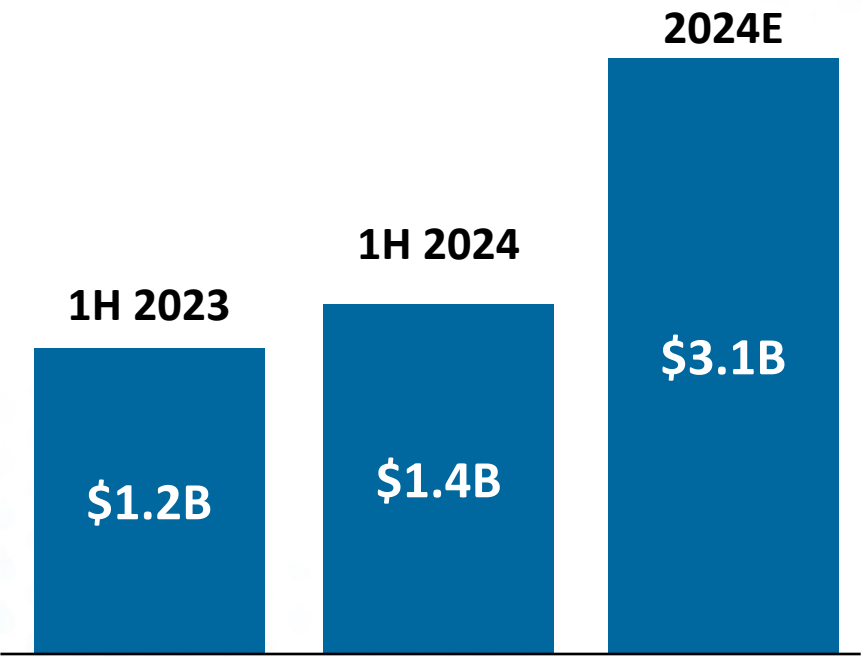
**Includes ~\$1 billion of cap ex related to PFAS*

Investments Drive Continued Rate Base Growth

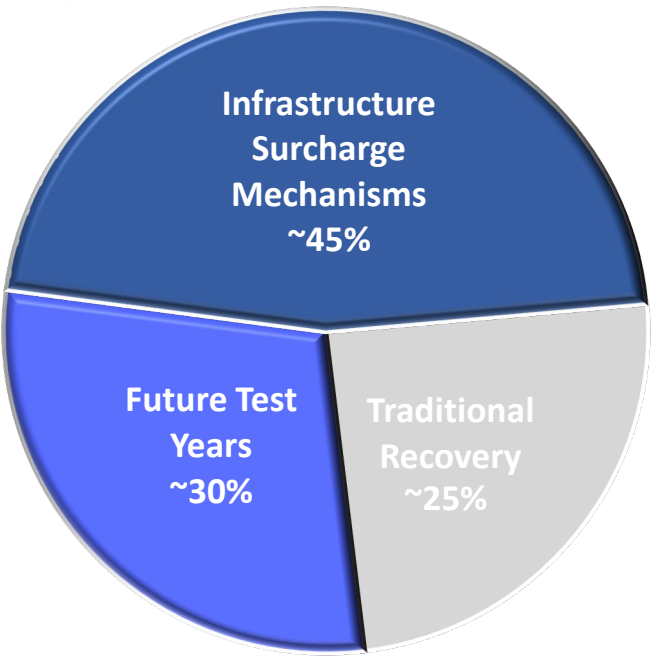
Foundational to Overall Growth



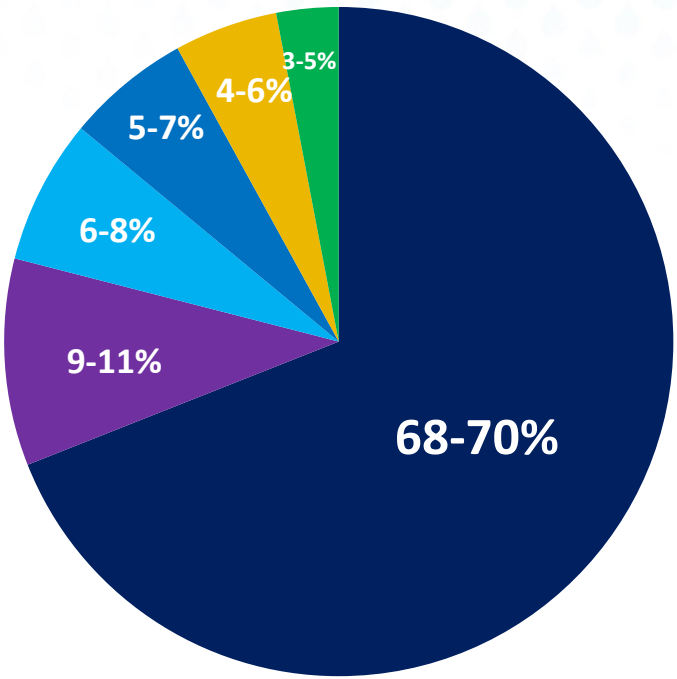
Regulated Capital Investments
(Includes Acquisitions)



Capital Recovery
(2024-2028 Plan)

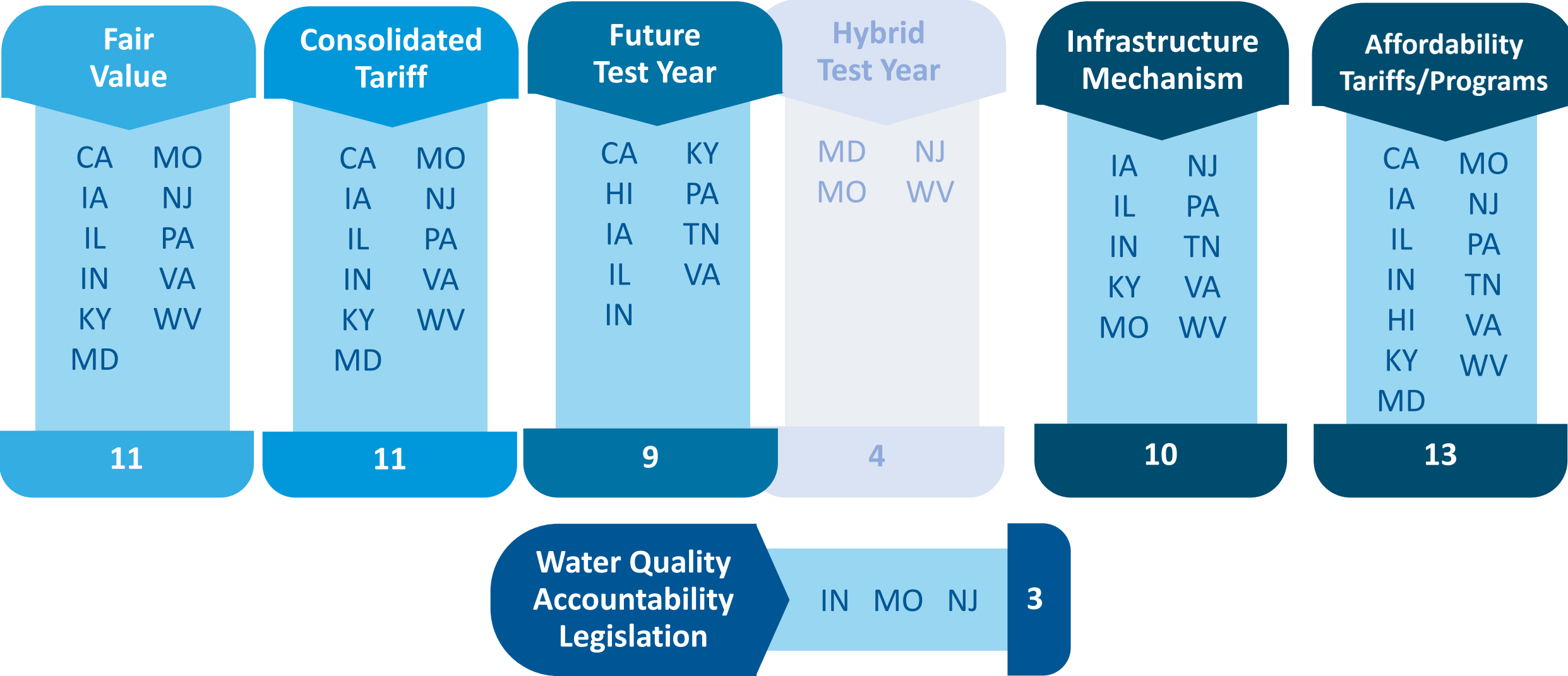


Capital by Purpose
(2024-2033)



- Infrastructure Renewal
- Operational Efficiency, Technology & Innovation
- Resiliency
- System Expansion
- Water Quality
- Other

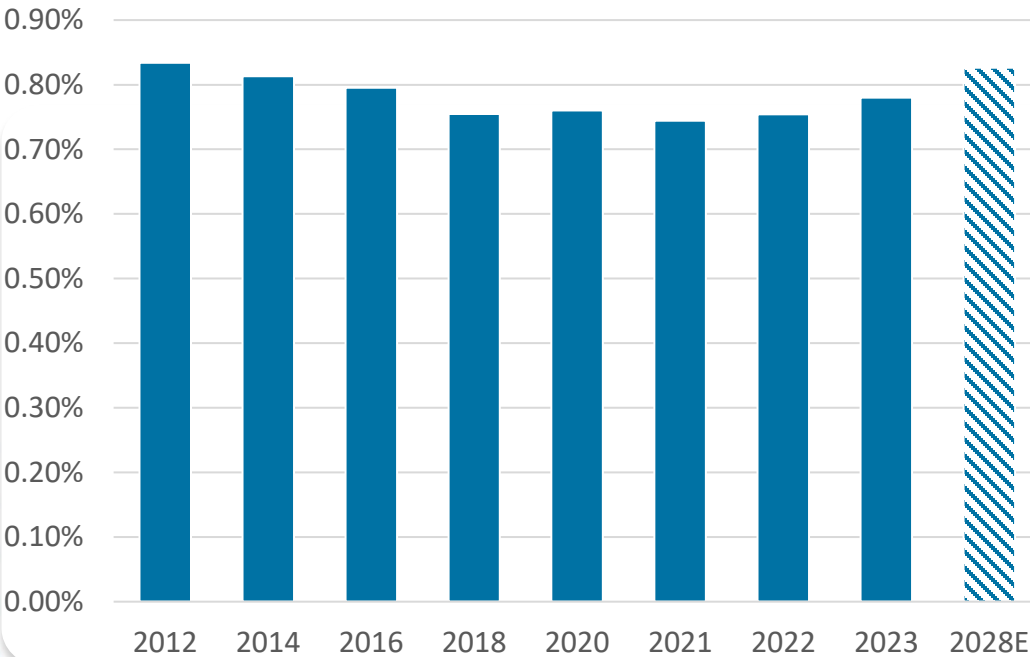
State Legislation & Regulation Enable Growth



Continued Focus on Customer Affordability



Monthly Water Bill as % of Median Household Income*



Spotlight on Affordability

- The Missouri rate case filed on 7/1/24 includes a proposed income-based rate for customers facing financial hardship. Missouri American Water also offers assistance through its H2O Help to Others program, payment plans and budget billing.

Values Around Affordability

- Focused on keeping customer bills affordable compared to income (wallet share)
 - Goal for AW **average** residential water customer bills: 1% or less of median household income
- Continue to promote and advocate for low-income customer assistance tariffs and programs in each State
- Advocating for a permanent, federal Low Income Household Water Assistance Program (LIHWAP)
- Supportive of consolidated tariffs in each State that allow customers to benefit from efficiencies of scale

* 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.

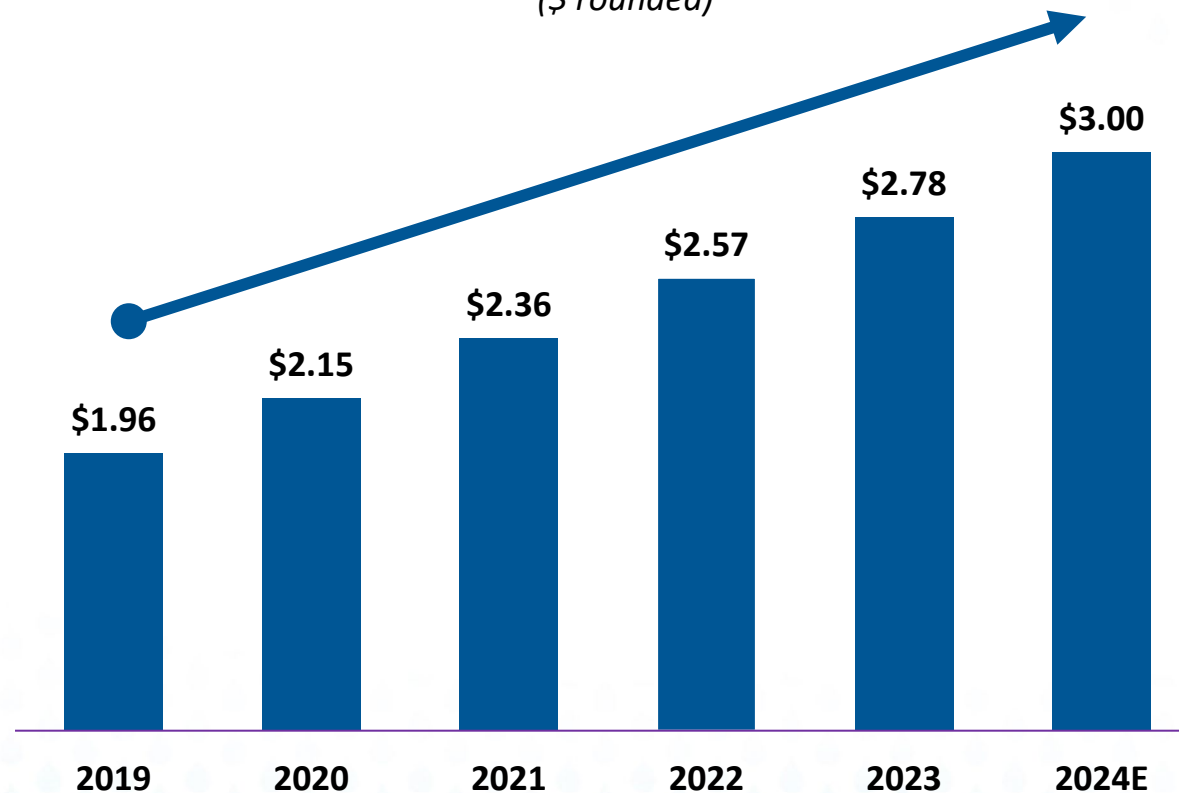
Top Tier Dividend Growth Continues in 2024

8.1% Increase Aligns with Long-Term Target



AWK's Strong and Consistent Dividend Growth*

(\$ rounded)



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

Military Services Group Provides Strategic Value



Military Services Group

- Regulated-like earnings
- Favorable ROI opportunity
- Capital light / cash flow positive
- Positive branding
- Leverage core competencies
- Dual wins for AWK & U.S. ESG values



Currently Serving
18 Military Installations



12 Army



5 Air Force



1 Navy



0 Marine Corps



70 Additional Installation
Opportunities



15 Army



23 Air Force



19 Navy



13 Marine Corps

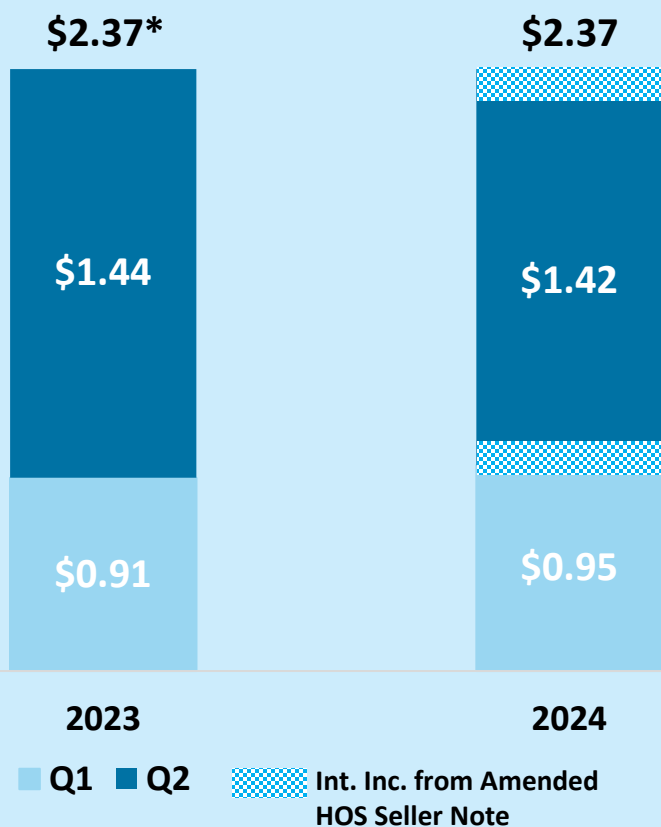
Second Quarter/YTD 2024 Results

Solid Second Quarter 2024 Results

2024 EPS Guidance Narrowed to Top Half of Range, now \$5.25 to \$5.30 from \$5.20 to \$5.30



Earnings Per Share

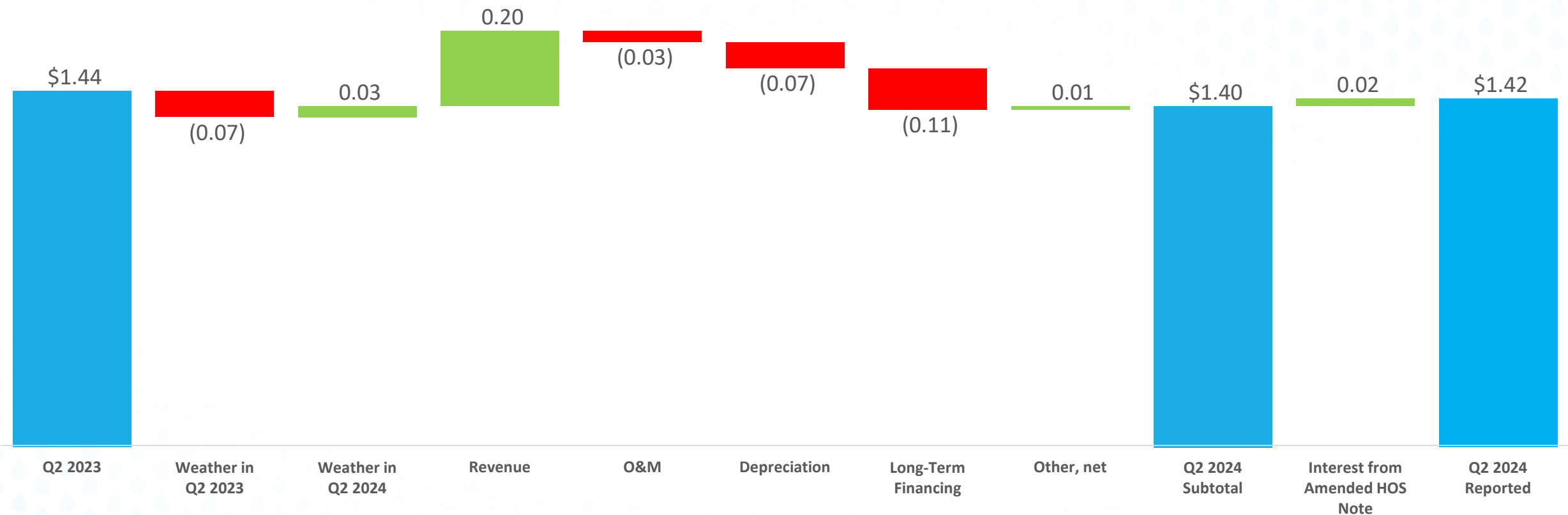


YTD Highlights

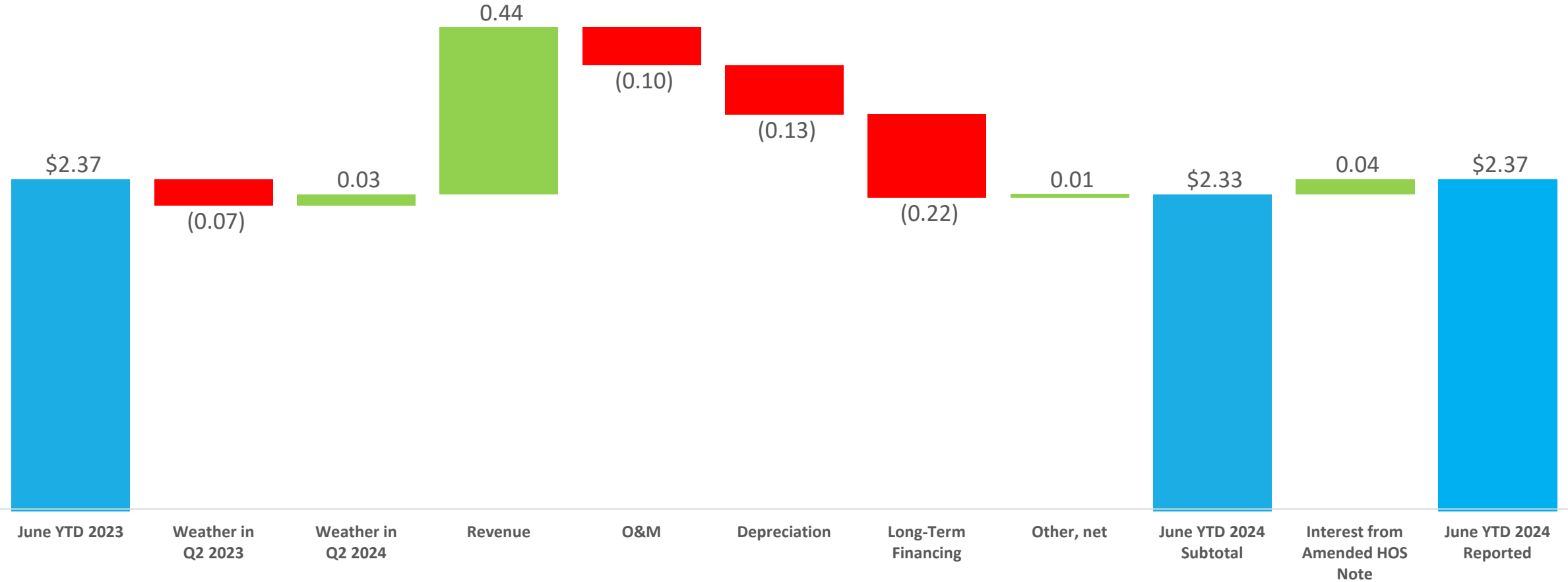
- ✓ 2024 Q2 EPS of \$1.42 driven by higher revenue on increased rate base and favorable impact due to weather of ~\$0.03, offset by higher financing costs
 - YTD 2024 EPS of \$2.37 unchanged vs. 2023, as we expected; several revenue increases in 2024 expected to become effective in Q2 and Q3 driving stronger 2H 2024 financial results
 - 2023 Q2 EPS included favorable impact due to weather of ~\$0.07
 - Results include \$0.02 of interest income from amended HOS seller note
- ✓ New rates effective in IN, WV, KY, and PA; Rate cases in VA, IL, TN, IA, MO, and HI progressing; Awaiting CA rate case decision in 2H 2024
 - Order in NJ received on Sept. 4 approving settlement; new rates effective Sept. 15
- ✓ Invested \$1.4B in infrastructure improvements and acquisitions through June 30
 - Closed five acquisitions for \$119M and totaling ~33,400 customers through June 30; \$483M of acquisitions under agreement thru Jun 30
- ✓ 2023 Sustainability Report published in July
- ✓ Leadership team changes effective Aug. 1; part of robust succession process

*YTD EPS in 2023 does not sum as a result of the common equity issuance executed in March 2023

Details of Second Quarter 2024 EPS



Details of Year-To-Date 2024 EPS



General Rate Case Update



Rate Cases in Progress

State Subsidiary	Filed	Capital Investment	Rates Expected Effective Date
Hawaii	8/2/24	~\$41 million	Mid-2025
Missouri	7/1/24	~\$1.1 billion	Mid-2025
Iowa	5/1/24	~\$157 million	Interim rates effective 5/11/24
Tennessee	5/1/24	~\$173 million	Early 2025
Illinois	1/25/24	~\$557 million	Early 2025
Virginia	11/1/23	~\$110 million	Interim rates effective 5/1/24
California	7/1/22	~\$462 million	2024-2026; Order expected 2H 2024, with rate retroactive back to 1/1/24

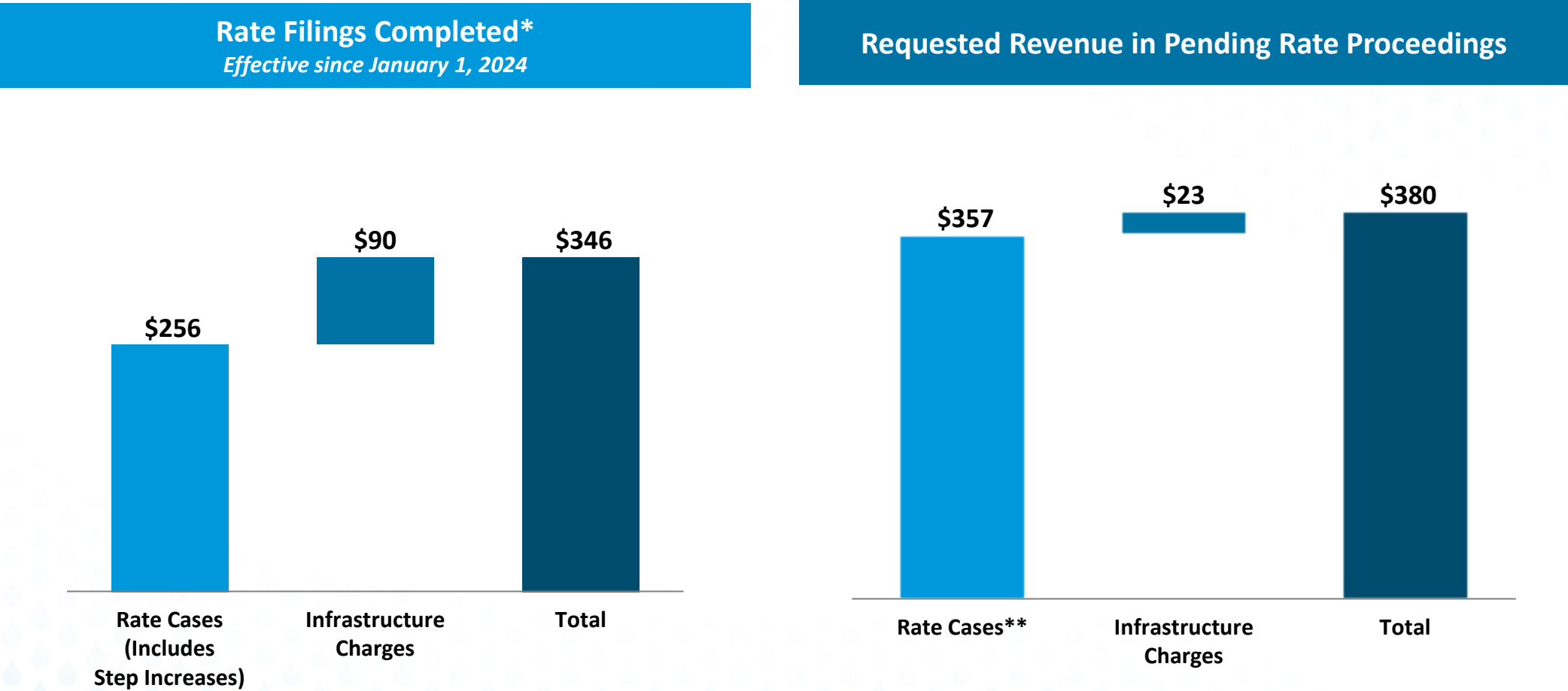
2024 Completed Rate Cases

State Subsidiary	Type	Additional Authorized Revenue	Rates Effective Date
Indiana	General	\$25 million \$23 million \$18 million	February 21, 2024 May 10, 2024 May 2025
West Virginia	General	\$25 million (Base Rates and DSIC)	February 25, 2024 March 1, 2024 (DSIC)
Kentucky	General	\$11 million	May 3, 2024
Pennsylvania	General	\$99 million	August 7, 2024
New Jersey	General	\$80 million	September 15, 2024

Annualized Revenue from Rate Proceedings



(\$ in millions)



* Annualized revenue increase for rates effective since January 1, 2024
** Excludes revenue already approved through infrastructure mechanisms

\$379 Million of Acquisitions Under Agreement*

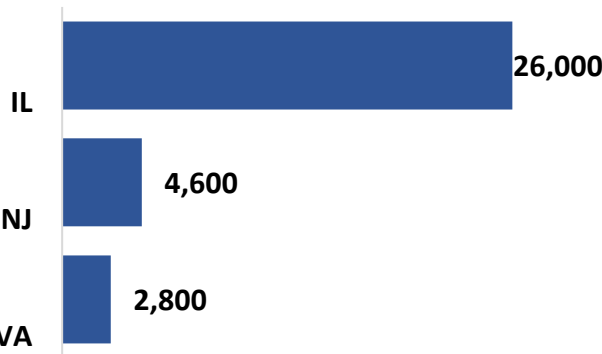
Pipeline Balanced Across Many States



Closed

As of June 30, 2024

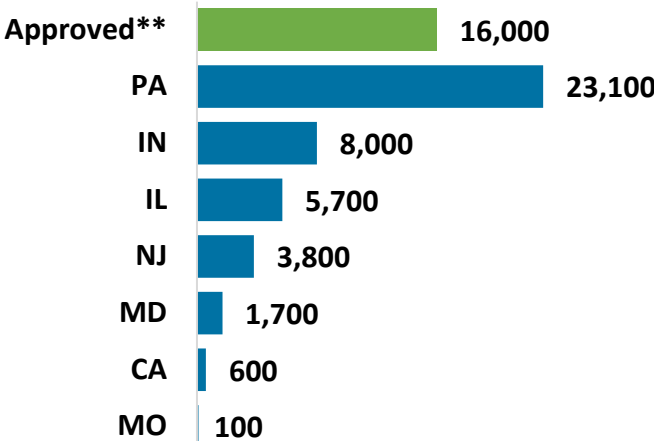
~33,400 Customer Connections
5 Acquisitions in 3 States, \$119M



Under Agreement

As of June 30, 2024

~59,000 Customer Connections
22 Acquisitions in 7 States, \$483M



** Commission approval received, closing in progress. Includes Butler Area Sewer Authority, PA (15,000) & Bass Lake, CA (1,000).



Silver Creek, IN

Water



\$45 million purchase price



~8,000 equivalent customer connections



Received regulatory approval on September 5, 2024; closing expected mid-November 2024



Towamencin Township, PA

Wastewater



In March 2023, NextEra Water exited the transaction and Pennsylvania American Water ("PAW") agreed to step in as the buyer



\$104 million purchase price



~6,300 equivalent customer connections

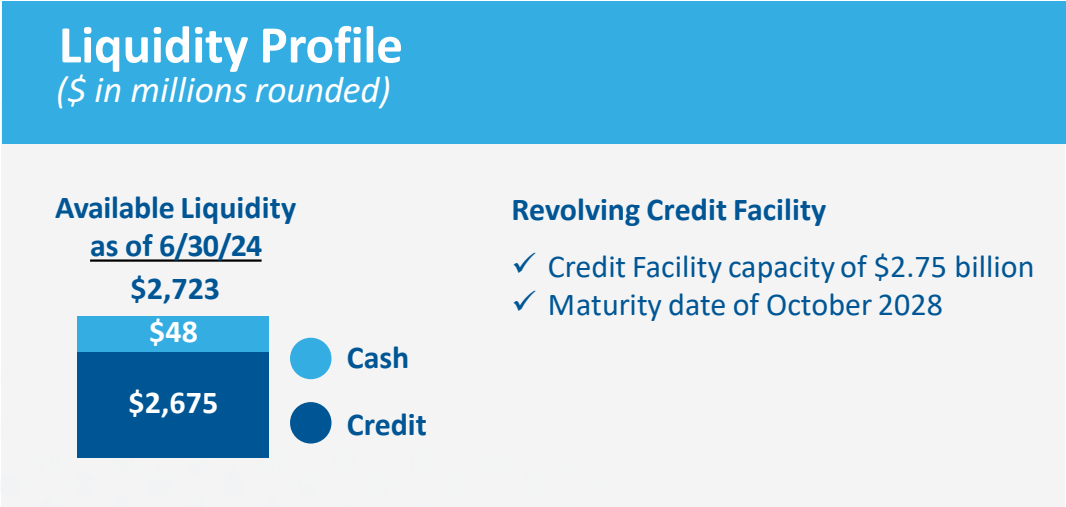
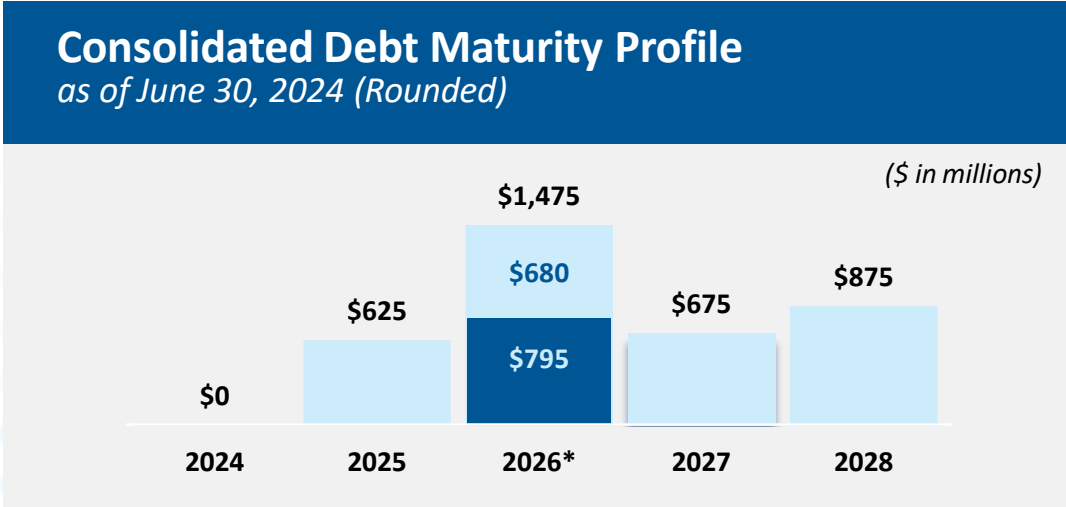
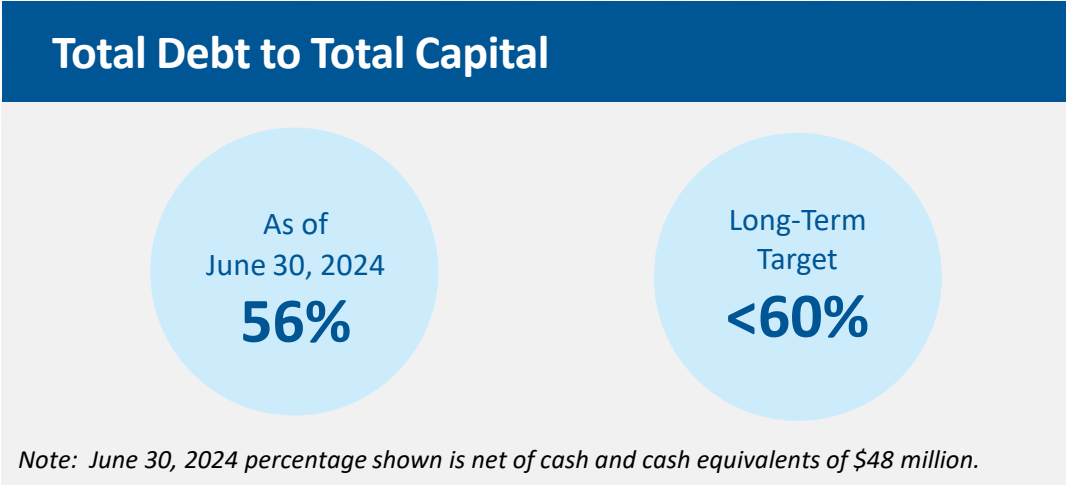
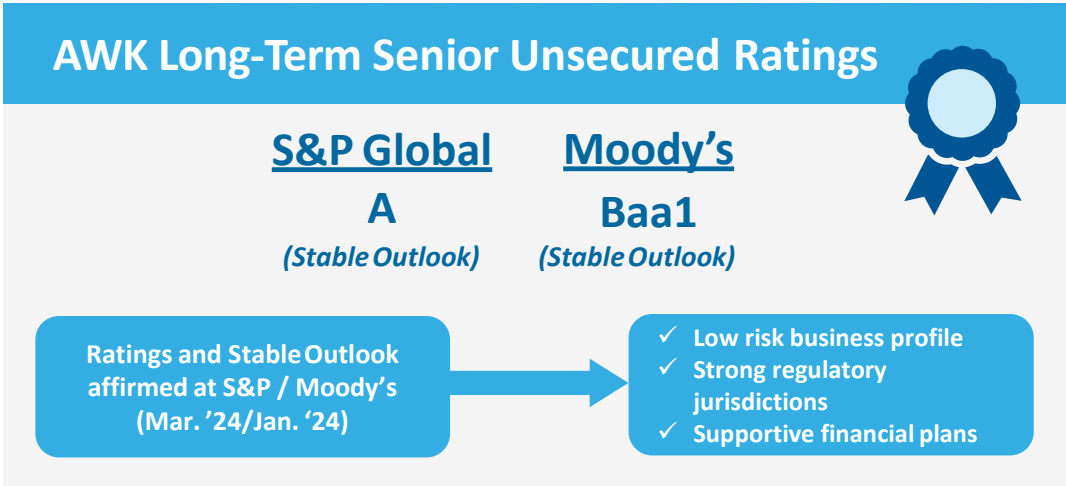


In August 2024, PAW and Towamencin began the process of terminating the sale as the original terms between NextEra and Towamencin, to which PAW is a party, are substantially different from the Commission's new FMV criteria

More than 1.3 Million Customer Connections in

* Excludes Towamencin Township's Wastewater System, the sale of which is in the process of being terminated.

Continued Strong Balance Sheet & Credit Ratings



*Proceeds of \$795 million from the note related to the sale of HOS are due to the Company in December 2026.

Appendix

Forward Looking Statements



Certain statements made, referred to or relied upon in this presentation including, without limitation, 2024 earnings guidance, the Company's long-term financial, growth and dividend targets, the ability to achieve the Company's strategies and goals, customer affordability and acquired customer growth, the outcome of the Company's pending acquisition activity, 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," "outlook," "likely," "uncertain," "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, 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, assumptions, known and unknown risks, uncertainties and other factors. The Company's actual results may vary 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-Q for the quarter ended March 31, 2024, 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; 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 and energy, such as may result from conservation efforts, or otherwise; 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; a loss of one or more large industrial or commercial customers due to adverse economic conditions or other factors; present and future proposed changes in laws, governmental regulations and policies, including with respect to the environment (such as, for example, potential improvements to existing Federal regulations with respect to lead and copper service lines and galvanized steel pipe), health and safety, data and consumer privacy, security and protection, water quality and water quality accountability, contaminants of emerging concern (including without limitation per- and polyfluoroalkyl substances ("PFAS")), 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, regulations 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, update, redesign and/or 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, and impacts from required or voluntary public and other disclosures related thereto; the Company's ability to obtain permits and other approvals for projects and construction, update, redesign and/or replacement 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, and the Company's ability to create, maintain and promote initiatives and programs that support the affordability of the Company's regulated utility services; 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 and have delivered adequate and cost-effective supplies of pipe, equipment (including personal protective equipment), chemicals, power and other fuel, water and other raw materials, and to address or mitigate supply chain constraints that may result in delays or shortages in, as well as increased costs of, supplies, products and materials that are critical to or used in 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, including without limitation the Company's ability to (i) obtain required regulatory approvals for such acquisitions, (ii) prevail in litigation or other challenges related to such acquisitions, and (iii) recover in rates the fair value of assets of the acquired regulated operations, the Company's Military Services Group entering into new military installation contracts, price redeterminations, and other agreements and contracts with the U.S. government, and realizing anticipated benefits and synergies from new acquisitions; risks and uncertainties following the completion of the sale of the Company's Homeowner Services Group ("HOS"), including the Company's ability to receive amounts due, payable and owing to the Company under the amended secured seller note when due, and the ability of the Company to redeploy successfully and timely the net proceeds of this transaction into the Company's Regulated Businesses; 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 regulations, including those enacted or adopted and under consideration, and the substances related thereto, including without limitation lead and galvanized steel, PFAS and other contaminants of emerging concern, and similar matters resulting from, among other things, water and wastewater service provided to customers; the ability of energy providers, state governments and other third parties to achieve or fulfill their greenhouse gas emission reduction goals, including without limitation through stated renewable portfolio standards and carbon transition plans; changes in general economic, political, business and financial market conditions; access to sufficient debt and/or equity capital on satisfactory terms and as needed to support operations and capital expenditures; fluctuations in inflation or interest rates, and the Company's ability to address or mitigate the impacts thereof; 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 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, or assumptions and estimates related to, its benefit plan assets and liabilities, including with respect to its pension and other post-retirement benefit plans, that could increase expenses and plan funding requirements; changes in federal or state general, income and other tax laws, including (i) future significant tax legislation or regulations (including without limitation impacts related to the Corporate Alternative Minimum Tax); and (ii) the availability of, or the Company's compliance with, the terms of applicable tax credits and tax abatement programs; migration of customers into or out of the Company's service territories and changes in water and energy consumption resulting therefrom; 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, including without limitation litigation and other proceedings with respect to the water system assets of the Company's California subsidiary located in Monterey, California, 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, changes in fair value and other adjustments related to the Company's goodwill or the value of its other assets; labor actions, including work stoppages and strikes; the Company's ability to retain and attract highly qualified and skilled employees and/or diverse talent; 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 any obligation, and it specifically disclaims any undertaking or intention, to publicly update or revise any forward-looking statements, 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.

Successfully Completed 2024 Financing Plan



 Successfully completed our long-term debt financing for the year with issuance of Senior Notes

 **Issuance demonstrates effective execution in a challenging interest rate environment to fund growth and manage financing costs**

Successfully Executed \$1.4 Billion Senior Note Offering	
Issuer	American Water Capital Corp.
Pricing Date	February 20, 2024
Tenor	10yr & 30yr Senior Unsecured
Size	\$700M & \$700M
Annual Interest Rate	5.15% & 5.45%

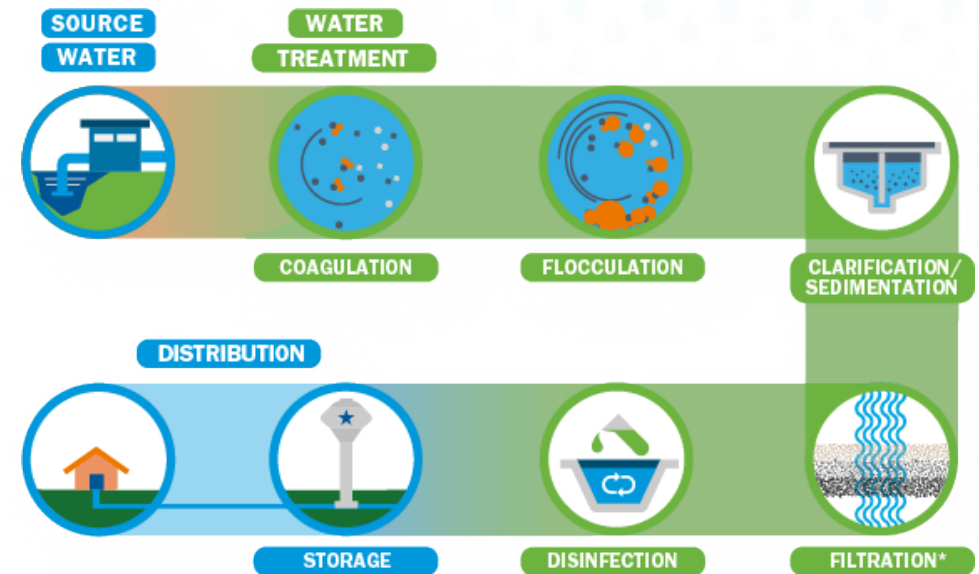
U.S. EPA PFAS Rule Announced on April 10, 2024

Largely unchanged from proposed rule



Final Federal PFAS Rule Recap

- Drinking water limits of 4.0 parts per trillion (ppt) for PFOA and PFOS unchanged vs. proposed rule
 - Limits set for three additional PFAS
- Five years to comply versus three years in the proposed rule (2029 versus 2027)
- U.S. EPA designated PFOA and PFOS as hazardous substances under CERCLA through a separate rulemaking in April. The Company is actively advocating and supporting bipartisan legislation that would provide PFAS liability protections under CERCLA for water and wastewater systems, as passive receivers of PFAS.
- **American Water estimates ~\$1B of capital and up to ~\$50M annually for operating expenses**



**Includes PFAS treatment*

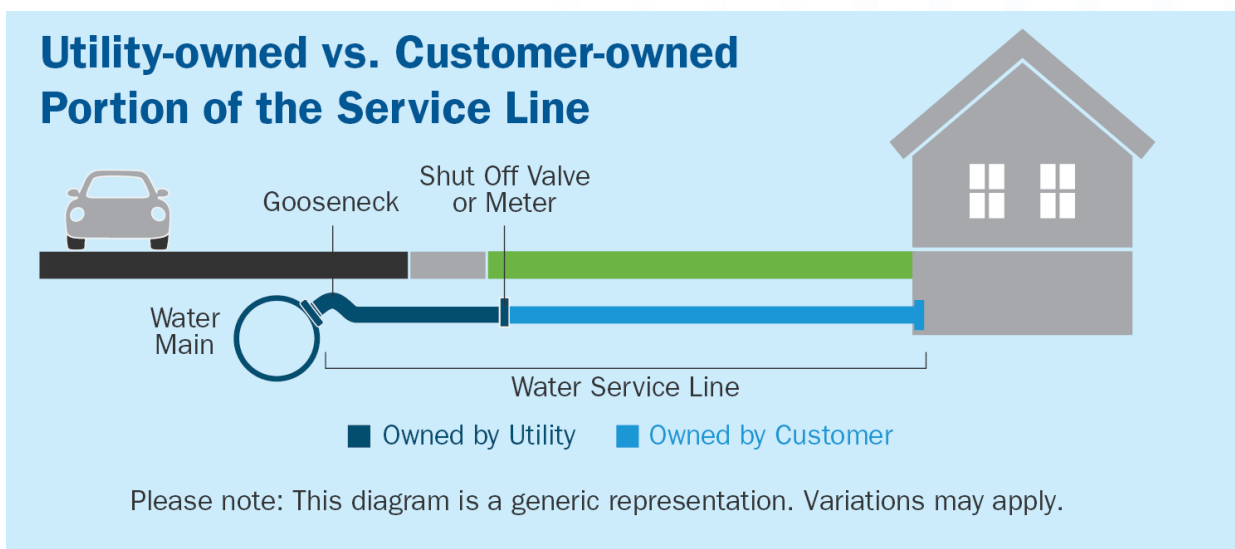
PFAS Litigation Update

- American Water is a party to the Multi-District Litigation (MDL) lawsuit against several PFAS manufacturers.
- In Dec. 2023, we decided to remain a party to two settlements, which we believe is the best path for our customers.
 - In Feb. and Mar. 2024, the MDL court approved settlements with DuPont and 3M, respectively; the amount of proceeds to be received from each settlement is pending.

Lead Service Lines Remain in Focus

Review of U.S. EPA's Proposed Lead and Copper Rule Improvements

- On November 30, 2023, the United States Environmental Protection Agency (EPA) announced proposed Lead and Copper Rule Improvements (LCRI).
- American Water submitted oral and written comments to the EPA on its proposed LCRI regulation in early 2024.
- American Water consistently meets water quality standards related to the lead and copper rules across our footprint and believes removing the risk of lead service lines over time is the right thing to do for the health and safety of our customers.
- Developing an accurate, comprehensive inventory, including identifying the material of service lines where the material is currently unknown, is an important next step in eliminating lead service lines.
- We believe all stakeholders must understand the costs associated with the proposed improvements to the Lead and Copper Rule and that the EPA estimates are likely understated. The cost to identify the material of all unknown service lines and replace all lead service lines and galvanized lines, where needed, by 2037 will require significant investment for all water systems.
- American Water is currently developing preliminary estimates based on the proposed LCRI. Our actual expenses will be dependent upon multiple factors, including the requirements in the final rule, the number of unknown service lines identified as lead or galvanized requiring replacement.



Reconciliation of Estimated Rate Base



(\$ in billions)

Estimated Rate Base*



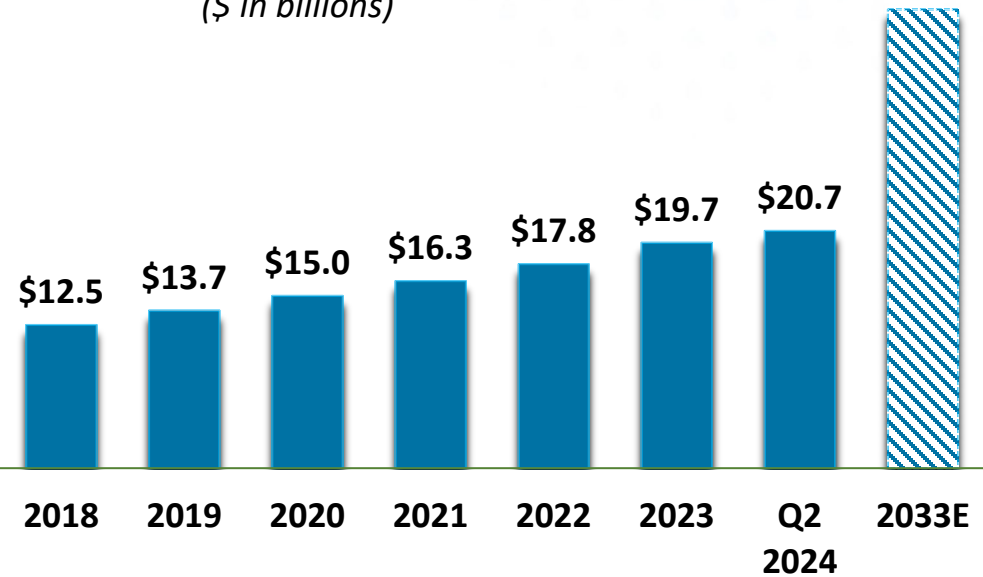
	As of 6/30/2024
Net Utility Plant	\$26.4
Less	
Advances for Construction	\$0.4
CIAC – Contributions in Aid of Construction	\$1.6
Net Deferred Income Taxes	\$3.7
	<u>\$5.7</u>

Total Estimated Rate Base **\$20.7**

Estimated Rate Base* (Includes Acquisitions)

(\$ in billions)

~8-9% CAGR
for Rate Base



Note: annual rate base totals include New York American Water through 2021. New York's 2021 rate base was \$0.5 billion.

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

Review of Sale of Homeowner Services (HOS) and February 2024 Amendment to Secured Seller Note



Review of Dec. 2021 Sale of HOS to Funds Advised by Apax Partners and Amendment to Secured Seller Note

- American Water sold the former HOS business for \$1.2B in Dec. 2021; potential \$75M earn-out by 12/31/23 (now achieved)
 - Received \$480M cash up front, plus \$720M secured seller note due Dec. 2026 with 7% annual interest rate
 - Separate revenue sharing agreement added another source of ongoing earnings
- Initial cash proceeds were redeployed into the Regulated Businesses to fund near-term incremental capital investments
- In February 2024, Secured Seller Note was amended to roll-in \$75M, increase interest rate to 10%, and strengthen credit terms, coupled with agreement to remove American Water option to require early repayment

(\$ in millions)		Original Terms as of Dec. 2021
Cash at Closing, Dec. 2021	\$480	
Additional Cash Proceeds Due 2023	\$75	
Secured Seller Note @7%, Due Dec. 2026	\$720	
Total Proceeds	\$1,275	



(\$ in millions)		Amended Terms as of Feb. 2024
Cash at Closing, Dec. 2021	\$480	
Secured Seller Note @ 10%, Due Dec. 2026	\$795	
Total Proceeds	\$1,275	

Closed Acquisitions



 June 30, 2024

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
New Jersey	2	2,300	2,300	4,600
Virginia	2	1,400	1,400	2,800
Illinois	1	-	26,000	26,000
Total	5	3,700	29,700	33,400

Acquisitions Under Agreement



 **June 30, 2024**

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
Approved*	2	1,000	15,000	16,000
Pennsylvania	12	7,700	15,400	23,100
California	3	600	-	600
Illinois	1	-	5,700	5,700
New Jersey	1	-	3,800	3,800
Indiana	1	8,000	-	8,000
Maryland	1	1,700	-	1,700
Missouri	1	100	-	100
Total	22	19,100	39,900	59,000

* Commission approval received, closing in progress. Includes Butler Area Sewer Authority, PA (15,000) & Bass Lake, CA (1,000).

Rates Effective Since...



January 1, 2024

(\$ in millions)

Rate Cases & Step Increases	Date Effective	Annualized Revenue Increases	Infrastructure Charges	Date Effective	Annualized Revenue Increases
Indiana, Step Increase	2/21/2024	\$25 ^(a)	Illinois (QIP)	1/1/2024	\$5
West Virginia	2/25/2024	18 ^(b)	Missouri (WSIRA)	1/20/2024	26
Kentucky	5/3/2024	11 ^(c)	West Virginia (DSIC/WSIC)	3/1/2024	7 ^(b)
Indiana, Step Increase	5/10/2024	23 ^(a)	Iowa (QIP)	3/1/2024	1
Pennsylvania	8/7/2024	99 ^(d)	Pennsylvania (DSIC)	4/1/2024	7
New Jersey	9/15/2024	80 ^(e)	New Jersey (DSIC)	4/30/2024	9
			Pennsylvania (DSIC)	7/1/2024	14
			Missouri (WSIRA)	7/11/2024	21
Sub-Total		\$256	Sub-Total		\$90
			Total		\$346

a) The Company's Indiana subsidiary was authorized annualized revenues of \$24.96 million for Step 1, this excludes the \$40.5 million for infrastructure surcharges. This excludes the Step 2 rate increase which became effective May 10, 2024 in the amount of \$22.5 million and Step 3 rate increase which will be effective in May 2025 in the amount of \$18.8 million. The total revenue requirement for the three step rate case cycle is \$66.3 million.

b) The Company's West Virginia subsidiary was authorized additional annualized revenues of \$18.4 million, excluding the reductions in revenues for infrastructure surcharges in the amount of \$6.9 million. After clarification, the Commission directed the Company to interpret the DSIC Order as having included the amortization within the DSIC, which increased the net incremental revenue by \$0.7 million to a total of \$6.6 million effective March 1, 2024.

c) On May 3, 2024, the Company's Kentucky subsidiary was authorized additional annualized revenues of \$10.6 million. Interim rates were effective February 6, 2024, and the difference between interim and final Commission approved rates are subject to refund with interest no later than August 26, 2024. On May 16, 2024, the Company's Kentucky subsidiary filed a petition requesting a rehearing of the Commission's order, seeking clarification and/or correction of certain computational inconsistencies that the Kentucky subsidiary believes are reflected in the Commission's order with respect to the authorized amount of annualized revenues to be received by the Kentucky subsidiary, which if adjusted would produce annual revenues of \$18.1 million. The petition for rehearing also requested that any revisions become effective February 6, 2024, with any difference between the adjusted amount and initial approved rates subject to refund or collection. On May 28, 2024, the Commission granted the rehearing request, and the Company expects resolution of this proceeding later in 2024.

d) The Company's Pennsylvania subsidiary was authorized additional annualized revenues of \$99.3 million, excluding reductions in revenues for infrastructure surcharges in the amount of \$19.65 million.

e) The Company's New Jersey subsidiary was authorized additional annualized revenues of \$79.5 million, this excludes the \$41.9 million for infrastructure surcharges.

Pending Rate Case Filings



(\$ in millions)

Rate Cases Filed	Docket/Case Number	Date Filed	Requested Revenue Increase	ROE Requested	Rate Base
California ^(a)	Case No. A.22-07-001	7/1/2022	\$37	NA	\$921
Virginia ^(b)	Case No. PUR-2023-00194	11/1/2023	20	10.95%	364
Illinois ^(c)	Docket No. 24-0097	1/25/2024	140	10.75%	2,215
Iowa ^(d)	Docket No. RPU-2024-0002	5/1/2024	21	10.75%	258
Tennessee ^(e)	Docket No. 24-00032	5/1/2024	14	10.75%	305
Missouri ^(f)	Docket No. WR-2024-0320	7/1/2024	123	10.75%	3,339
Hawaii	Docket No. 2024-0038	8/2/2024	2	10.67%	53
Sub-Total			\$357		\$7,455
Infrastructure Surcharges Filed					
West Virginia (DSIC/WSIC)		6/28/2024	\$4		\$44
Kentucky (QIP)		8/30/2024	2		21
Missouri (WSIRA)		9/3/2024	17		151
Sub-Total			\$23		\$216
Total			\$380		\$7,671

a) The Company’s California subsidiary has requested additional annualized revenues of \$55.8 million for test year 2024. This excludes the proposed step rate and attrition rate increase for 2025 and 2026 of \$19.5 million and \$19.8 million. The total revenue requirement request, based on present rates effective at the time of filing, for the three year rate case cycle is \$95.1 million. The Company updated its filing in January 2023 to incorporate a decoupling proposal, the revised requested additional annualized revenues for the test year 2024 is \$36.5 million. This excludes the proposed step rate and attrition rate increase for 2025 and 2026 of \$20.1 million and \$19.8 million. The total revenue requirement request for the three year rate case cycle, incorporating updates to present rate revenues and forecasted demand, is \$76.4 million. On August 27, 2024, the Commission released a proposed decision adopting the settlement between the Company and the Public Advocates Office on the revenue requirement; allowed for partial decoupling; and denied the water revenue sustainability plan. The proposed decision is tentatively scheduled to come before the Commission at its October 17, 2024, meeting.

b) Interim rates were effective on May 1, 2024, and the difference between interim and final Commission approved rates are subject to refund.

c) In its rebuttal filing on June 20, 2024, the Company’s Illinois subsidiary updated its filed position, with a request for additional annualized revenues of \$139.9 million, this excludes \$5.1 million for infrastructure surcharges. This also excludes the proposed step 2 rate increase proposed to be effective in Jan 2026 in the amount of \$15.7 million. The total revenue requirement request, based on present rates effective at the time of filing, for the two step rate case cycle is \$155.6 million. The Company’s original filed position was a request for additional annualized revenues of \$131.6 million for Step 1 and \$15.7 million for Step 2, excluding infrastructure surcharges, totaling \$147.3 million.

d) The Company’s Iowa subsidiary has requested additional annualized revenues of \$20.8 million, this excludes the \$0.9 million for infrastructure surcharges.

e) The Company’s Tennessee subsidiary has requested additional annualized revenues of \$14.1 million, this excludes the \$17.5 million for infrastructure surcharges.

f) The Company’s Missouri subsidiary had originally requested additional annualized revenues of \$148.1 million to recover investment through May 2026; this excludes \$47.5 million for infrastructure surcharges. After the original filing, the Commission issued an Order establishing the test year to include true-up through December 31, 2024, and allowing parties to propose adjustments through May 2025. In response, the Company has filed Supplemental Testimony which revises the Company’s revenue request to \$123.2 million; this excludes \$47.5 million for infrastructure surcharges.

Regulatory Information – Top 10 States



	CALIFORNIA	ILLINOIS	INDIANA	KENTUCKY	MISSOURI
Authorized Rate Base*	\$667,632 ^(g)	\$1,642,200	\$1,723,927	\$489,426	\$2,318,849 ^(c)
ROE	10.20% ^(a)	9.78%	9.65%	9.70%	9.75% ^(d)
Equity	57.04% ^(a)	49.00%	57.44% ^(b)	52.22%	50.00% ^(e)
Effective Date of Rate Case	1/1/2021 ^(g)	1/1/2023	5/10/2024	5/3/2024 ^(h)	5/28/2023
	NEW JERSEY	PENNSYLVANIA	TENNESSEE	VIRGINIA	WEST VIRGINIA
Authorized Rate Base*	\$5,050,637	\$5,823,752	\$132,015	\$275,038 ^(c)	\$886,313
ROE	9.60%	9.45%	10.00%	9.70%	9.80%
Equity	55.00%	55.30%	34.38%	40.73%	50.12%
Effective Date of Rate Case	9/15/2024	8/7/2023	11/1/2012	4/24/2023 ^(f)	2/25/2024

*Rate Base stated in \$000s

- a) On June 29, 2023, Decision 23-06-025 set the authorized cost of capital through 2024. CA has a separate Cost of Capital case which sets the rate of return outside of a general rate proceeding. The decision established an ROE of 8.98% effective 30-days after the decision date. On June 30, 2023, the Company filed to implement an automatic ROE adjustment to 9.50% for 2023 based on the Commission approved Water Cost of Capital Adjustment Mechanism (WCCM), which was approved on July 25, 2023, increasing the return on equity to 9.50%, effective July 31, 2023. On October 16, California American Water filed a request to increase the ROE to 10.2% for 2024, which was approved on November 15, 2023, effective January 1, 2024.
- 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) Interim rates were effective May 1, 2022 and received final Order April 24, 2023.
- g) The Rate Base and Effective date are based off of Year 1 of the rate case. Annual adjustments are made for Year 2 and 3 which reflect authorized capital improvements for Rate Base and inflationary adjustments for O&M.
- h) Interim rates were effective February 6, 2024, and final order was received May 3, 2024. Rehearing request is currently pending.

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UPCOMING EVENTS

Q3 2024 Earnings Call

October 31, 2024 (projected)

EEI Financial Conference

November 10-12, 2024