Forward-Looking Statements

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 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. The factors that could cause actual results to differ, including uncertainties, risks and other factors associated with the current novel coronavirus (COVID-19) pandemic, are discussed in the Appendix to this presentation, and in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, as filed with the SEC on August 5, 2020.

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.
Investment Thesis
Our Strategy

The industry leader

- Trusted Source of everything water
- “Best in Class” execution of business fundamentals
- Highest in customer satisfaction
- Set the bar for water quality, water source monitoring, and water technology across US
- Proven and predictable financial performance and growth
The Execution of Our Strategy

- Long-term EPS growth expected in the 7-10%* target range
- EPS CAGR guidance through 2024

- **Market Based Businesses**: 1-2%
- **Regulated Acquisitions**: 1-2%
- **Regulated Investment CAPEX**: 5-7%

Clear investment thesis provides confidence in long-term strategy

- **Decades** of investment needed
- **Line of sight** to $20 - $22 billion of 10-year capital investment
- **Fragmented** national water and wastewater landscape
- **Capital-light** MBBs leverage core competencies, increase customer experience, and generate cash
- **2020-2024 Dividend Growth** projected at high end of 7-10% range**
- **A leading** Environmental, Social Responsibility and Governance investment

*Anchored off of 2018 Adjusted EPS (a non-GAAP measure)  **Subject to American Water Board of Directors approval
We are the Largest and Most Geographically Diverse Water Utility in the United States

American Water customer connections mix – 93% water & 7% wastewater
American Water’s COVID-19 Response

**Employees**
- Suspended all work-related air and rail travel as of March 3 & suspended participation in sponsored events and public gatherings
- Employees who can work from home have been required to do so effective March 16
- Implemented social distancing and enhanced safety measures for employees
- Paid leave for COVID-19 diagnosis, required quarantine and childcare

**Customers and Communities**
- Suspended billing-related service shutoffs and restored service to customers who were previously shut off for non-payment
- Suspended payment of late fees until further notice
- Working with customers who are experiencing a financial hardship by offering customer assistance programs and access to low income programs
- Implemented social distancing and enhanced safety measures for employees who engage with customers
- Made more than $400,000 in charitable contributions as of August 2020 to support our communities as they deal with the impacts of COVID-19

**Regulatory & Liquidity**
- Implemented actions to ensure liquidity and access to capital
- Increased communications with public service commissions, customers, and public officials
- Actively engaged with state regulatory commissions to address COVID-19 financial impacts, with commission approval orders received in 10 out of 14 regulated jurisdictions as of August 5, 2020
Regulated Businesses
The Regulated Industry We Operate In...

American Society of Civil Engineers Grades US Infrastructure

- **Waste Water Report Card**
  - 2017 Grade D+

- **Drinking Water Report Card**
  - 2017 Grade D

Resiliency investments to manage climate variability

- Approximately **50,000** water systems, **15,000** wastewater systems
- By 2020, **44%** of U.S. pipe infrastructure to be classified as poor, very poor, or life elapsed...
- In the U.S., over **20%**—or **2 trillion gallons**—of treated water is lost each year...
- **900 billion gallons** of untreated sewage is discharged every year into U.S. rivers, streams and other waterways...

Critical need for multi-decade investment
Growth Triangle Anchored on Multi Decades of Investment Needs

**2020-2024 Plan**
7-10%* EPS CAGR range

- Market Based Businesses: 1-2%
- Regulated Acquisitions: 1-2%
- Regulated Investment CAPEX: 5-7%

*Anchored off of 2018 Adjusted EPS (a non-GAAP measure)

Industry leading growth with regulated risk profile supported by capital light Market-Based Businesses

2019 - 2023 Capital Plan
$8.0 – $8.6

2020 - 2024 Capital Plan
$8.8 – $9.4

$0.1
$0.6 – $1.2
$7.3
$8.2

2020 - 2029 Capital Plan
$20 – $22

$2 – $3
$18 – $19

*Anchored off of 2018 Adjusted EPS (a non-GAAP measure)
Our Stable and Predictable Capital Plan Supports Rate Base Growth

2020 – 2024 Capital Plan

$ in billions

$8.2

$0.6 – $1.2

Regulated Acquisitions

$8.8 – $9.4

Regulated System Investments

Rate Base Acceleration*

≈7-8%**

Rate base CAGR

2018  2019  2020  2021  2022  2023  2024

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

**Anchored off of 2018 rate base
### Timely Recovery of Revenues, Expense, and Investment Mechanisms

**17 New Regulatory Mechanisms Across Our Footprint Since 2010**

#### Revenue Stability Mechanisms
- CA: 2
- IL: 3

#### Utility Plant Recovery Mechanisms
- CA: 7
- PA: 7
- IL: 7
- TN: 7
- KY: 7
- VA: 7

#### Future Test Years
- CA: 2
- KY: 3
- HI: 7
- NY: 7
- IA: 7
- PA: 7
- IL: 7
- TN: 7
- IN: 7
- VA: 7

#### Expense Mechanisms
- CA: 6
- NY: 6
- PA: 6
- MD: 6
- TN: 6
- VA: 6

#### Infrastructure Replacement Surcharges
- IA: 11
- NJ: 11
- WV: 11
- IL: 11
- NY: 11
- PA: 11
- KY: 11
- TN: 11
- MO: 11
- VA: 11

#### Consolidated Tariffs
- CA: 12
- MD: 12
- VA: 12
- IL: 12
- NJ: 12
- NY: 12
- IN: 12
- KY: 12
- PA: 12
Disciplined Focus on Expenses

- **2024 O&M Efficiency Target of 31.3%***
- Adjusted O&M Expenses from 2010-LTM 2020 increased only 0.8% CAGR**
- Added ≈281,000*** customer connections since 2010

---

**Regulated O&M Efficiency Ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>Efficiency Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>46.1%</td>
</tr>
<tr>
<td>2012</td>
<td>41.0%</td>
</tr>
<tr>
<td>2014</td>
<td>39.1%</td>
</tr>
<tr>
<td>2016</td>
<td>36.6%</td>
</tr>
<tr>
<td>2018</td>
<td>35.6%</td>
</tr>
<tr>
<td>LTM 6/30/2019</td>
<td>35.2%</td>
</tr>
<tr>
<td>LTM 6/30/2020</td>
<td>34.3%</td>
</tr>
</tbody>
</table>

---

* A reconciliation to a most comparable forward-looking GAAP measure is not available without unreasonable effort
** Non-GAAP Measure – See appendix for reconciliation. 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. Also, 2010 – 2016 adjusted for TCJA
*** Includes organic customer connections & closed dispositions and acquisitions
Regulated Business Development
Highly Fragmented Water Industry Creates Opportunity

Water Utilities

Highly Fragmented Water Industry Creates Opportunity

Electric Utilities

American Water footprint

Natural Gas Utilities

Industry opportunity

- Ideal for Industry consolidation opportunities
- Target 3K-30K customer connections per acquisition
- Wastewater focus (AWK customer connections mix-93% water & 7% wastewater)

Water

16% Investor owned
84% Public & other

Wastewater

2% Investor owned
98% Public & other

Water Utilities Source: EPA SDWIS
Federal Reports Search
www3.epa.gov/enviro/facts/sdwis

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

Gas Emissions from Large Facilities
Ghgdata.epa.gov/ghgp/main.do#
State Legislation Across our Footprint Enables Consolidation

- Fair Market Value: 10 states
  - CA, NJ, IA, MD, IN, IL, PA, MO, VA, WV

- Consolidated Tariff: 12 states
  - CA, MO, IA, NJ, IL, NY, IN, PA, KY, VA, MD, WV

- Emerging: Water Quality Accountability Legislation: 3 states
  - NJ, IN, MO
Regulated Acquisitions Update

Under Agreement*
≈ 43,600** Customer Connections
28 Acquisitions

<table>
<thead>
<tr>
<th>State</th>
<th>Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>4</td>
</tr>
<tr>
<td>IA</td>
<td>1</td>
</tr>
<tr>
<td>IL</td>
<td>7</td>
</tr>
<tr>
<td>IN</td>
<td>2</td>
</tr>
<tr>
<td>MO</td>
<td>4</td>
</tr>
<tr>
<td>NJ</td>
<td>1</td>
</tr>
<tr>
<td>PA</td>
<td>7</td>
</tr>
<tr>
<td>TN</td>
<td>1</td>
</tr>
<tr>
<td>WV</td>
<td>1</td>
</tr>
</tbody>
</table>

* As of 7/31/2020; does not reflect the announced pending sale of NYAW.
** This includes an IL acquisition, which represents 1,200 total customer connections, due to bulk contracts. Connections to the system will be approximately 100.

Agreement Process

Regulatory Approval to Close

Close & Customers Served at Existing Rates

~ 43,600** Customer Connections
28 Acquisitions

CA: 4
IA: 1
IL: 7
IN: 2
MO: 4
NJ: 1
PA: 7
TN: 1
WV: 1

Closed as of July 31, 2020
≈ 10,800 Customer Connections
13 acquisitions in 6 states

Fruitridge Vista, CA
Water
≈ 4,800 connections

Hillview, CA
Water
≈ 1,500 connections

Shiloh, IL
Wastewater
≈ 1,500 connections

Rate Case Process to Fully Reflect Acquisitions & Inclusion into Rate Base

As Community faces increasing challenges

Opportunities grow to ≈800,000 Customer Connections

American Water stands ready to provide solutions
Market Based Businesses
Market-Based Businesses provide Strategic Value

Portfolio optimization leads to 2 capital light, cash flow positive business lines

- **HOS**
  - 1.5 million customers with 3 million protection plan contracts
  - Over 40 different partnerships with municipal water, gas and electric utilities

- **MSG**
  - 16 bases in current footprint
  - Opportunity for infrastructure upgrades on existing bases

- **Capital light**
- **Cash flow positive**
- **Builds relationships**
- **Positive branding**
- **Enhances customer satisfaction**
- **Leverages core competencies**
ESG Focus
Our ESG Philosophy

For American Water, it is business as usual

Notable ESG related indexes

- American Water ranked #16 on Corporate Knights’ Global 100 Most Sustainable Corporations
- American Water Earns Top Score on Disability Equality Index and listed among “Best Places to Work for Disability Inclusion”
- American Water ranked #22 on Barron’s 100 Most Sustainable Companies
- S&P Global Ratings ESG Evaluation (87 out of 100), the highest evaluation score given by S&P in the U.S. and the 2nd highest globally
- American Water ranked #16 on Disability Equality Index and listed among “Best Places to Work for Disability Inclusion”
- American Water ranked #16 on Disability Equality Index and listed among “Best Places to Work for Disability Inclusion”
- American Water ranked #16 on Disability Equality Index and listed among “Best Places to Work for Disability Inclusion”
- American Water earned 2020 Military Friendly® Gold Employer designation
- American Water earned 2020 Military Friendly® Spouse Employer designation
- American Water Joins Army Representatives to Accept U.S. Department of Energy Award
- American Water awarded LEED Platinum Certification for new Corporate Headquarters in Camden, NJ
- American Water recognized among the top 100 Best for Vets employers by Military Times
- American Water earns 2020 Military Friendly® Gold Employer designation

Awards and Recognitions
In conclusion

**AWK Shareholder Value**
*Adjusted Consolidated Return on Equity*

- **Consistent** Earnings Growth
- **Smooth** Capital Deployment
- **Disciplined** Approach to Acquisitions
- **Strong** Balance Sheet
- **Five Consecutive years** of dividend increase at the top of the range
- **Top** quartile dividend growth with a payout target of 50-60%

*Adjusted Return on Equity* is a non-GAAP Measure. Please see appendix for reconciliation and further information.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1.33</td>
</tr>
<tr>
<td>2016</td>
<td>1.47</td>
</tr>
<tr>
<td>2017</td>
<td>1.62</td>
</tr>
<tr>
<td>2018</td>
<td>1.78</td>
</tr>
<tr>
<td>2019</td>
<td>1.96</td>
</tr>
<tr>
<td>2020 E</td>
<td>2.15</td>
</tr>
</tbody>
</table>

**Value Drivers**

- **Consistent** Earnings Growth
- **Smooth** Capital Deployment
- **Disciplined** Approach to Acquisitions
- **Strong** Balance Sheet
- **Five Consecutive years** of dividend increase at the top of the range
- **Top** quartile dividend growth with a payout target of 50-60%
Investor Relations Contacts

Ed Vallejo
Vice President, Investor Relations
edward.vallejo@amwater.com

Michael Tavani
Senior Manager, Investor Relations
michael.tavani@amwater.com

Abbey Barksdale
Manager, ESG
abbey.barksdale@amwater.com
Appendix
Military Services Group – “Regulated like”

<table>
<thead>
<tr>
<th>Contract</th>
<th>State</th>
<th>Years Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Sill</td>
<td>OK</td>
<td>33</td>
</tr>
<tr>
<td>Fort Leavenworth</td>
<td>KS</td>
<td>34</td>
</tr>
<tr>
<td>Fort Rucker</td>
<td>AL</td>
<td>34</td>
</tr>
<tr>
<td>Fort AP Hill</td>
<td>VA</td>
<td>37</td>
</tr>
<tr>
<td>Scott AFB</td>
<td>IL</td>
<td>38</td>
</tr>
<tr>
<td>Fort Hood</td>
<td>TX</td>
<td>39</td>
</tr>
<tr>
<td>Fort Polk</td>
<td>LA</td>
<td>39</td>
</tr>
<tr>
<td>Fort Belvoir</td>
<td>VA</td>
<td>40</td>
</tr>
<tr>
<td>Fort Meade</td>
<td>MD</td>
<td>40</td>
</tr>
<tr>
<td>Hill AFB</td>
<td>UT</td>
<td>44</td>
</tr>
<tr>
<td>Picatinny Arsenal</td>
<td>NJ</td>
<td>44</td>
</tr>
<tr>
<td>Vandenberg AFB</td>
<td>CA</td>
<td>46</td>
</tr>
<tr>
<td>Wright-Patterson AFB</td>
<td>OH</td>
<td>48</td>
</tr>
<tr>
<td>Fort Leonard Wood</td>
<td>MO</td>
<td>49</td>
</tr>
<tr>
<td>Joint Base San Antonio</td>
<td>TX</td>
<td>50</td>
</tr>
<tr>
<td>U.S. Military Academy at West Point, New York</td>
<td>NY</td>
<td>50</td>
</tr>
</tbody>
</table>
## “E”: Environment

### Energy Use
- **GHG emissions**: Goal of reducing 40% by 2025 from 2007 baseline, after achieving approximately 31% reduction through 2018
- **Design for efficiency**: enhanced pump, lighting and process design standards
- **Construct for efficiency**: sustainable construction standards and methods
- **Operate for efficiency**: enhanced best operating practices, leak detection and repair procedures
- **Maintain for efficiency**: computerized maintenance management systems and preventive maintenance systems

### Water Use
- **San Clemente dam**: Deconstruction to restore “run of river”
- **Monterey Peninsula Water Supply Project**: Recycling, reuse and desalination using marine life friendly slant wells
- **Customer conservation**: residential customers have saved about 1,100 gallons per customer per year—or 3.3 billion gallons annually, about 12.5 million cubic meters—through conservation and efficiency measures

### Water Policy Leadership
- **Capital investment**: Expect 10-year $20.0 billion to $22.0 billion total capital investment to address aging infrastructure, reduce/eliminate leaks, improve cyber/physical security, and increase resiliency of critical assets due to climate variability
- **Research & Development**: scientists dedicated to research and partnering with water research foundations, on water quality and technology-water source monitoring
- **Collaboration**: EPA, CDC, state DEPs and other agencies to support effective environmental, health and safety, and water quality standards and regulations
“S”: Social Responsibility

Our People

- **Training**: During 2019, nearly 96,000 hours of annual employee safety training
- **Employee engagement**: Frequent surveys with formalized employee action teams
- **Frontline employees**: driving technology development
- **Diverse job candidate pools**: During 2019, 86% of job requisitions had a diverse candidate pool, with more than 57% of transfers/promotions filled by minority, female, veteran or disabled individuals
- **Culture**: Diverse, inclusive culture characterized by respect and dignity of every employee

Our Customers

- **Customer data protection**: we do not share or sell personal customer data
- **Technology development**: ensuring a personalized positive experience
- **Customer satisfaction**: Top Quartile in the water industry
- **Online communities as of 9/2020**:
  - 12,861,478 views
  - 107,446 fans
  - 32,973 followers
  - 23,611 followers

Our Communities

- **Community service**: More than 5,000 hours in 2019 for company-sponsored events
- **Charity support**: Sponsored national workplace giving campaigns with the United Way and Water For People, as well as supporting our employees’ own charitable endeavors through the American Water Charitable Foundation
- **American Water Charitable Foundation**:
  - Union sportsmen’s alliance projects
  - Parks partnerships projects
  - Employee match program
  - Keep Communities Flowing
“G”: Governance

**Board & Committee Structure**

- **Ensuring independence**: board is led by an independent, non-executive chair
- **Safety, Environmental, Technology, Operations (SETO) Board Committee**
- **Engaging board sufficiently**: board met 12 times in 2019
- **Board engages directly with front-line employees**: Off-site board meetings twice a year, external stakeholder receptions, dinners and meetings with “high potential” leaders periodically
- **Engaging investors**: robust program for management and board engagement

**Diverse**

- **Achieving gender parity**: One of 10 S&P 500 companies with at least 50% female Board members in 2019
- **45.5% female board members as of April 2020**
- **Average director tenure was approximately 5.5 years as of April 1, 2020**

**Demonstrated & Representative Expertise**

- **Utility experience and expertise**
- **Internationally recognized cyber security expert**
- **Financial expertise**
- **Retired CEO experience**
- **Operational and manufacturing experience and expertise**
- **Global experience**
Our Investments Ensure Safe, Reliable, Affordable Water & Wastewater Services for our Customers

Over the last five years, we have replaced pipe on about a 150-year cycle, and we anticipate replacing nearly 2,000 miles of mains and collection pipes between 2020 – 2024.

Customer Affordability

- AWK water & wastewater (Avg monthly bill): $95
- EPA Benchmark water & wastewater monthly bills*: $226

2020 – 2024 Capital Plan

- $8.8 – $9.4
- $0.6 – $1.2
- $8.2

Regulated System Investments

- Regulated Acquisitions

2020 - 2024 Average Regulated Capital Expenditures by Purpose

- 66%
- 8%
- 8%
- 4%
- 6%
- 8%

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

Timely Recovery through Regulatory Mechanisms

2020-2024 Capital Plan
(average)

- 59% Infrastructure Surcharge Mechanisms (32%)
- 41% Traditional Recovery
- 27% Forward Test Years
Continued Strong Balance Sheet

S&P Utility Credit Rating
(Stable outlook)

Moody’s Utility Credit Rating
(Stable outlook)

Debt to Total Capital
$8.8 to $9.4 Billion 2020-2024 CapEx Range*

Consolidated debt maturity profile 5 years as of December 31, 2019

*Includes both long term and short-term debt.
## 2020 Closed Acquisitions*

*Customer Connections are rounded and may not sum*

### As of July 31, 2020

<table>
<thead>
<tr>
<th>STATE</th>
<th>NUMBER OF SYSTEMS</th>
<th>WATER CUSTOMER CONNECTIONS</th>
<th>WASTEWATER CUSTOMER CONNECTIONS</th>
<th>TOTAL CUSTOMER CONNECTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>2</td>
<td>6,300</td>
<td>-</td>
<td>6,300</td>
</tr>
<tr>
<td>Hawaii</td>
<td>1</td>
<td>-</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Iowa</td>
<td>1</td>
<td>100</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Illinois</td>
<td>7</td>
<td>1,100</td>
<td>2,400</td>
<td>3,500</td>
</tr>
<tr>
<td>Indiana</td>
<td>1</td>
<td>-</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>West Virginia</td>
<td>1</td>
<td>300</td>
<td>-</td>
<td>300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13</strong></td>
<td><strong>7,800</strong></td>
<td><strong>3,000</strong></td>
<td><strong>10,800</strong></td>
</tr>
</tbody>
</table>
# Acquisitions*  
*Under Agreement as of July 31, 2020*

<table>
<thead>
<tr>
<th>STATE</th>
<th>NUMBER OF SYSTEMS</th>
<th>WATER CUSTOMER CONNECTIONS</th>
<th>WASTEWATER CUSTOMER CONNECTIONS</th>
<th>TOTAL CUSTOMER CONNECTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>4</td>
<td>6,300</td>
<td>-</td>
<td>6,300</td>
</tr>
<tr>
<td>Iowa</td>
<td>1</td>
<td>100</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Illinois**</td>
<td>7</td>
<td>6,000</td>
<td>16,800</td>
<td>22,800</td>
</tr>
<tr>
<td>Indiana</td>
<td>2</td>
<td>100</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>Missouri</td>
<td>4</td>
<td>-</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>New Jersey</td>
<td>1</td>
<td>-</td>
<td>2,800</td>
<td>2,800</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>7</td>
<td>1,700</td>
<td>8,200</td>
<td>9,900</td>
</tr>
<tr>
<td>Tennessee</td>
<td>1</td>
<td>100</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>West Virginia</td>
<td>1</td>
<td>400</td>
<td>-</td>
<td>400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28</strong></td>
<td><strong>14,700</strong></td>
<td><strong>28,900</strong></td>
<td><strong>43,600</strong></td>
</tr>
</tbody>
</table>

*Customer Connections are rounded and may not sum. Does not reflect the announced pending sale of NYAW.  
**This includes an IL acquisition, which represents 1,200 total customer connections, due to bulk contracts. Connections to the system will be approximately 100.
# Rates Effective Since...

## January 1, 2020

### Rate Cases & Step Increases

<table>
<thead>
<tr>
<th>Rate Cases &amp; Step Increases</th>
<th>Date Effective</th>
<th>Annualized Revenue Increases Effective in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>California (Step Increase)</td>
<td>1/1/2020</td>
<td>$5</td>
</tr>
<tr>
<td>Indiana (Step Increase)</td>
<td>5/1/2020</td>
<td>13 (a)</td>
</tr>
</tbody>
</table>

**Total** $18

### Infrastructure Charges

<table>
<thead>
<tr>
<th>Infrastructure Charges</th>
<th>Date Effective</th>
<th>Annualized Revenue Increases Effective in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Virginia (DSIC)</td>
<td>1/1/2020</td>
<td>$3</td>
</tr>
<tr>
<td>Pennsylvania (W-DSIC)</td>
<td>1/1/2020</td>
<td>9</td>
</tr>
<tr>
<td>Pennsylvania (WW-DSIC)</td>
<td>1/1/2020</td>
<td>1</td>
</tr>
<tr>
<td>Illinois (QIP)</td>
<td>1/1/2020</td>
<td>7</td>
</tr>
<tr>
<td>New Jersey (DSIC)</td>
<td>1/1/2020</td>
<td>10</td>
</tr>
<tr>
<td>Pennsylvania (DSIC)</td>
<td>4/1/2020</td>
<td>5</td>
</tr>
<tr>
<td>Tennessee (QIIP, EDI, SEC)</td>
<td>1/1/2020</td>
<td>2</td>
</tr>
<tr>
<td>Missouri (ISR5)</td>
<td>6/27/2020</td>
<td>10</td>
</tr>
<tr>
<td>New Jersey (DSIC)</td>
<td>6/29/2020</td>
<td>10</td>
</tr>
<tr>
<td>Kentucky (QIP)</td>
<td>7/1/2020</td>
<td>1</td>
</tr>
<tr>
<td>Pennsylvania (DSIC)</td>
<td>7/1/2020</td>
<td>4</td>
</tr>
</tbody>
</table>

**Total** $62

### Total

**$80**

(a) The overall increase is $17.5 million in revenues combined over two steps, the first step is effective 7/1/2019 in the amount of $4.4 million and the second step became effective 5/1/2020 in the amount of $13.1 pending protest rights to the certified numbers.
## Pending Rate Filings

<table>
<thead>
<tr>
<th>Rate Cases Filed Company</th>
<th>Docket/Case Number</th>
<th>Date Filed</th>
<th>Requested Revenue Increase</th>
<th>ROE Requested</th>
<th>Rate Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia</td>
<td>Case No. PUR-2018-00175</td>
<td>11/2/2018</td>
<td>$5**(a)**</td>
<td>10.8%</td>
<td>$196</td>
</tr>
<tr>
<td>California</td>
<td>Case No. A. 19-07-004</td>
<td>7/1/2019</td>
<td>26**(b)**</td>
<td></td>
<td>689</td>
</tr>
<tr>
<td>New Jersey</td>
<td>Case No. WR-19121516</td>
<td>12/16/2019</td>
<td>88**(c)**</td>
<td>10.5%</td>
<td>3,639</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>Docket R-2020-3019369 (W) &amp; R-2020-3019371 (WW)</td>
<td>4/29/2020</td>
<td>92**(d)**</td>
<td>10.8%</td>
<td>3,975</td>
</tr>
<tr>
<td>Missouri</td>
<td>Case No. WR-2020-0344</td>
<td>6/30/2020</td>
<td>78**(e)**</td>
<td>10.5%</td>
<td>1,823</td>
</tr>
<tr>
<td>Iowa</td>
<td>Case No. RPU-2020-0001</td>
<td>8/28/2020</td>
<td>3**(f)**</td>
<td>10.5%</td>
<td>145</td>
</tr>
</tbody>
</table>

| Infrastructure Charges Filed |                       |            |                             |
|------------------------------|-----------------------|------------|
| New York (SIC)               | 5/29/2020             | $1         |
| West Virginia (DSIC)         | 6/29/2020             | 4          |
| Missouri (ISRS)              | 8/28/2020             | 2          |

**Total Awaiting Final Order:** $299

**(a)** The requested increase filed for was $5.6 million, which includes $0.9 million from infrastructure filings. Interim rates were effective on May 1, 2019, under bond and subject to refund.

**(b)** On July 1, the company filed for a Test Year 2021 revenue requirement request of $26.0 million which excludes the escalation year and attrition year rate increases for 2022 and 2023 of $9.8 million and $10.8 million, respectively. The Company filed its 100 day update on October 11, 2019, requesting $27.3 million annualized incremental revenues for 2021, and increases of $9.5 million and $10.3 million in the escalation year of 2022 and the attrition year of 2023, respectively.

**(c)** The requested increase is $87.8 million, which excludes $34.7 million from the DSIC.

**(d)** On April 29, the company filed for a multiyear rate case. Rate year 1 requested $92.4 million with rate base of $3.98 billion and Rate Year 2 requested $46.2 million with rate base of $4.29 billion.

**(e)** The requested increase is $78.1 million, which excludes $29.4 million from the ISRS.

**(f)** The requested increase is $2.9 million, which excludes $1 million from the QIP.
### Regulatory Information

<table>
<thead>
<tr>
<th>State</th>
<th>Authorized Rate Base*</th>
<th>Authorized ROE</th>
<th>Authorized Equity</th>
<th>Effective Date of Rate Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>$498,135</td>
<td>9.20%</td>
<td>55.39%</td>
<td>1/1/2018</td>
</tr>
<tr>
<td>Illinois</td>
<td>$883,386</td>
<td>7.99%</td>
<td>49.80%</td>
<td>1/1/2017</td>
</tr>
<tr>
<td>Indiana</td>
<td>$1,182,170</td>
<td>9.80%</td>
<td>53.41%</td>
<td>5/1/2020</td>
</tr>
<tr>
<td>Kentucky</td>
<td>$443,654</td>
<td>7.70%</td>
<td>48.90%</td>
<td>6/28/2019</td>
</tr>
<tr>
<td>Missouri</td>
<td>$1,249,293</td>
<td>10.00%</td>
<td>52.80%</td>
<td>5/28/2018</td>
</tr>
<tr>
<td>New Jersey</td>
<td>$2,950,471</td>
<td>9.60%</td>
<td>54.00%</td>
<td>6/1/2017</td>
</tr>
<tr>
<td>New York</td>
<td>$275,463</td>
<td>9.10%</td>
<td>46.00%</td>
<td>1/1/2018</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>$3,162,597</td>
<td>10.00%</td>
<td>53.75%</td>
<td>1/1/2018</td>
</tr>
<tr>
<td>Virginia</td>
<td>$155,747</td>
<td>9.25%</td>
<td>46.09%</td>
<td>5/24/2017</td>
</tr>
<tr>
<td>West Virginia</td>
<td>$652,900</td>
<td>9.75%</td>
<td>48.40%</td>
<td>2/25/2019</td>
</tr>
</tbody>
</table>

*Rate Base stated in $000s

On March 22, 2018, Decision 18-03-035 set the authorized cost of capital for 2018 through 2020. CAW has a separate Cost of Capital case which sets the rate of return outside of a general rate proceeding.

The 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.

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.

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.

The ROE listed 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.

Interim rates were effective April 1, 2016 and received final Order May 24, 2017.

Interim rates were effective June 15, 2018 and final rates effective October 29, 2018.

The Rate Base and equity ratio listed is the Company's view of what was allowed in the case, as there were multiple versions of each disclosed by the parties in the settlement agreement.
## Reconciliation Table: Regulated Segment O&M Efficiency Ratio

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operations and maintenance expense</td>
<td>$1,291</td>
<td>$1,330</td>
<td>$1,350</td>
<td>$1,504</td>
<td>$1,479</td>
<td>$1,520</td>
<td>$1,581</td>
</tr>
<tr>
<td>Less: Operations and maintenance expense – Market-Based Operations</td>
<td>257</td>
<td>256</td>
<td>289</td>
<td>372</td>
<td>362</td>
<td>387</td>
<td>384</td>
</tr>
<tr>
<td>Operations and maintenance expense – Other</td>
<td>(61)</td>
<td>(56)</td>
<td>(51)</td>
<td>(44)</td>
<td>(42)</td>
<td>(48)</td>
<td>(17)</td>
</tr>
<tr>
<td>Total operations and maintenance expense – Regulated Businesses</td>
<td>$1,095</td>
<td>$1,130</td>
<td>$1,112</td>
<td>$1,176</td>
<td>$1,159</td>
<td>$1,181</td>
<td>$1,214</td>
</tr>
<tr>
<td>Less: Regulated purchased water expense</td>
<td>100</td>
<td>110</td>
<td>122</td>
<td>122</td>
<td>133</td>
<td>132</td>
<td>142</td>
</tr>
<tr>
<td>Allocation of non-operation and maintenance expenses</td>
<td>29</td>
<td>35</td>
<td>39</td>
<td>38</td>
<td>31</td>
<td>33</td>
<td>30</td>
</tr>
<tr>
<td>Impact of Freedom Industries activities</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>65</td>
<td>(20)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Estimated impact of weather</td>
<td>-</td>
<td>5</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted operations and maintenance expense – Regulated Businesses</td>
<td>$966</td>
<td>$980</td>
<td>$943</td>
<td>$959</td>
<td>$1,015</td>
<td>$1,016</td>
<td>$1,042</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$2,555</td>
<td>$2,854</td>
<td>$3,011</td>
<td>$3,302</td>
<td>$3,440</td>
<td>$3,521</td>
<td>$3,690</td>
</tr>
<tr>
<td>Less: Operating Revenues – Market-Based Operations</td>
<td>295</td>
<td>307</td>
<td>355</td>
<td>451</td>
<td>476</td>
<td>528</td>
<td>533</td>
</tr>
<tr>
<td>Operating Revenues – Other</td>
<td>(26)</td>
<td>(17)</td>
<td>(18)</td>
<td>(26)</td>
<td>(20)</td>
<td>(22)</td>
<td>(20)</td>
</tr>
<tr>
<td>Total pro forma operating revenues – Regulated Businesses</td>
<td>$2,286</td>
<td>$2,564</td>
<td>$2,674</td>
<td>$2,871</td>
<td>$2,864</td>
<td>$3,015</td>
<td>$3,177</td>
</tr>
<tr>
<td>Less: Regulated Purchased Water expense*</td>
<td>100</td>
<td>110</td>
<td>122</td>
<td>122</td>
<td>133</td>
<td>132</td>
<td>142</td>
</tr>
<tr>
<td>Plus: Freedom Industries chemical spill in West Virginia</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Estimated impact of weather</td>
<td>-</td>
<td>(47)</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted pro forma operating revenues—Regulated Businesses (a)</td>
<td>$2,186</td>
<td>$2,407</td>
<td>$2,570</td>
<td>$2,749</td>
<td>$2,851</td>
<td>$2,883</td>
<td>$3,035</td>
</tr>
<tr>
<td>Adjusted O&amp;M efficiency ratio—Regulated Businesses (a)/(b)</td>
<td>44.2%</td>
<td>40.7%</td>
<td>36.7%</td>
<td>34.9%</td>
<td>35.6%</td>
<td>35.2%</td>
<td>34.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of adoption of ASU 2017-07**</td>
<td>-</td>
<td>39</td>
<td>(8)</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted operations and maintenance expense – Regulated Businesses (c)</td>
<td>$966</td>
<td>$941</td>
<td>$951</td>
<td>$947</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted operating revenues—Regulated Businesses (c)</td>
<td>$2,186</td>
<td>$2,407</td>
<td>$2,570</td>
<td>$2,749</td>
<td>$2,851</td>
<td>$2,883</td>
<td>$3,035</td>
</tr>
<tr>
<td>Less pro forma adjustment</td>
<td>-</td>
<td>89</td>
<td>112</td>
<td>137</td>
<td>161</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted pro forma operating revenues—Regulated Businesses (d)</td>
<td>$2,097</td>
<td>$2,294</td>
<td>$2,433</td>
<td>$2,588</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted O&amp;M efficiency ratio—Regulated Businesses (c)/(d)</td>
<td>46.1%</td>
<td>41.0%</td>
<td>39.1%</td>
<td>36.6%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* Calculation assumes purchased water revenues approximate purchased water expenses
*** Calculation of Estimated tax reform = Revenue Requirement with new Effective Tax Rate (taxes grossed up) – Revenue Requirement with old Effective Tax Rate

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### Reconciliation Table: Adjusted Return on Equity

<table>
<thead>
<tr>
<th></th>
<th>LTM June 30, 2019</th>
<th>LTM June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income</strong></td>
<td>$582</td>
<td>$638</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keystone Sale</td>
<td>-</td>
<td>44</td>
</tr>
<tr>
<td>Keystone Impairment</td>
<td>54</td>
<td>-</td>
</tr>
<tr>
<td>Contract Services Gain on Sale</td>
<td>(14)</td>
<td>-</td>
</tr>
<tr>
<td>Tax Impact for items above</td>
<td>(11)</td>
<td>(9)</td>
</tr>
<tr>
<td>Re-measurement from Tax Reform</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted Net Income from Continuing Operations (a)</strong></td>
<td>$623</td>
<td>$673</td>
</tr>
<tr>
<td><strong>Shareholders' equity</strong></td>
<td>$6,027</td>
<td>$6,243</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keystone Sale</td>
<td>-</td>
<td>44</td>
</tr>
<tr>
<td>Keystone Impairment</td>
<td>54</td>
<td>-</td>
</tr>
<tr>
<td>Contract Services Gain on Sale</td>
<td>(14)</td>
<td>-</td>
</tr>
<tr>
<td>Tax Impact for items above</td>
<td>(11)</td>
<td>(9)</td>
</tr>
<tr>
<td>Re-measurement from Tax Reform</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted Shareholders' Equity (b)</strong></td>
<td>$6,068</td>
<td>$6,278</td>
</tr>
<tr>
<td><strong>Adjusted Return on Equity (a/b)</strong></td>
<td>10.3%</td>
<td>10.7%</td>
</tr>
</tbody>
</table>