

AQUA OHIO, INC.

Lake Erie Division

CUSTOMER NOTICE: SYSTEM IMPROVEMENT CHARGE

Senate Bill 44, which became Ohio law on January 6, 2004, created an infrastructure improvement surcharge, known as the System Improvement Charge (SIC), to assist water and sewer companies to fund the replacement and rehabilitation of infrastructure including aging mains and plant that are crucial to service reliability and water quality. As amended by House Bill 379, which became effective on March 27, 2013, the surcharge may not exceed four and one quarter (4.25) percent per year for a waterworks company.

In 2017 the American Water Works Association estimated that approximately \$1 trillion is needed to address water system infrastructure throughout the country over the next 25 years. The system improvement charge is important legislation which will allow water companies such as Aqua Ohio, Inc. to accelerate the replacement of old water mains and existing plant to improve water quality, pressure flow, and long-term system viability. It transforms your infrastructure rehabilitation program from reactive to proactive and allows customers to pay as the work is being completed.

Aqua Ohio, Inc. filed an application on March 4, 2019, with the Public Utilities Commission of Ohio (PUCO) in Case No. 19-567-WW-SIC seeking approval to assess and collect a SIC in the following district: Lake Erie Division. The purpose of seeking authority to assess and collect a SIC is to fund the replacement and rehabilitation of infrastructure that is crucial to service reliability and water quality. Improvements totaling \$18 million have been made since the last rate increase or system improvement charge approved by the Public Utilities Commission of Ohio. After conducting an in-depth investigation into the application, the PUCO approved Aqua Ohio, Inc.'s request on October 23, 2019. The PUCO approved the assessment of a surcharge of 3.733 percent to your monthly bill. The surcharge will appear on billings on or after October 24, 2019. The SIC approved by the PUCO will result in the average residential customer using 4,000 gallons of water per month increasing an additional \$1.37 in the Lake Erie Division.

The surcharge will continue to appear on future bills and may be adjusted or eliminated based on the findings of the PUCO.

If you have any questions concerning the impact of the surcharge on your bill, or have any questions regarding SIC, please call Aqua Ohio at 877-987-2782.