

NOTICE OF PROPOSED RATE CHANGES

To Our Customers:

Pocono Waterworks Company, Inc. is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your water rates as of November 1st. This notice describes the company's rate request, the PUC's role, and what actions you can take.

Pocono Waterworks Company, Inc. has requested an overall rate increase of \$89,996.00 per year. If the company's entire request is approved, the total bill for a residential customer using all sizes would increase from \$20.5 to \$30.40 per month, or by 48.25%

The total bill for a commercial customer using a 1/12-inch or 3/4-inch meter would increase from \$50.00 to \$74.13 per month, or by 48.25%.

The total bill for a commercial customer using a 1-inch meter would increase from \$60.00 to \$88.95 per month, or by 48.25%.

The total bill for a commercial customer using a 2-inch meter would increase from \$183.48 to \$272.00 per month, or by 48.25%.

To find out your customer class or how the requested increase may affect your Water bill, contact Pocono Waterworks Company, Inc. at (570) 689-4017. The rates requested by the company may be found in tariff number 3,4. You may examine the material filed with the PUC, which explains the requested increase and the reasons for it. A copy of this material is kept at Pocono Waterworks Company, Inc.'s office.

The state agency that approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the company and shown above.

There are three ways to challenge a company's request to change its rates:

1) You can file a formal complaint. If you want a hearing before a PUC judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before November 1st. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge.

2) You can send the PUC a letter telling why you object to the requested rate

increase. Sometimes there is information in these letters that makes the PUC aware of problems with the company's service or management. This information can be helpful when the PUC investigates the rate request.

Send your letter or formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

- 1) You can be a witness at a public input hearing. Public input hearings are held if the PUC opens an investigation of the company's rate request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the company.

Pocono Waterworks Company, Inc.