

Infrastructure Surcharges

A number of states have authorized the use of regulatory mechanisms that permit rates to be adjusted outside of a general rate case for certain costs and investments, such as infrastructure surcharge mechanisms that permit recovery of capital investments to replace aging infrastructure. Presented in the table below are annualized incremental revenues, assuming a constant water sales volume, resulting from infrastructure surcharge authorizations that became effective during 2019 through 2021:

(In millions)	2021	2020	2019
Infrastructure surcharges by state (a):			
New Jersey (b)	\$ 26	\$ 20	\$ 15
Missouri (c)	7	12	14
Kentucky (effective July 1, 2021 and July 1, 2020)	1	1	—
Indiana (effective March 17, 2021)	8	—	—
Pennsylvania (d)	8	27	11
Illinois (effective January 1, 2021, January 1, 2020 and January 1, 2019)	7	7	8
West Virginia (effective January 1, 2021, January 1, 2020 and January 1, 2019)	5	3	2
Tennessee (effective January 1, 2021, January 1, 2020 and September 1, 2019)	3	2	1
Total infrastructure surcharge authorizations	<u>\$ 65</u>	<u>\$ 72</u>	<u>\$ 51</u>

- (a) Excludes authorized increases of \$2 million in 2019 for the Company's New York subsidiary, which was sold on January 1, 2022. See Note 6—Acquisitions and Divestitures for additional information.
- (b) In 2021, \$12 million was effective on December 30 and \$14 million was effective June 28. In 2020, \$10 million was effective June 29 and \$10 million was effective January 1. In 2019, the effective date was July 1.
- (c) In 2021, the effective date was October 7. In 2020, \$2 million was effective December 14 and \$10 million was effective June 27. In 2019, \$5 million was effective December 21 and \$9 million was effective June 24.
- (d) In 2021, the effective date was January 1. In 2020, \$8 million was effective October 1, \$4 million was effective July 1, \$5 million was effective April 1 and \$10 million was effective January 1. In 2019, \$6 million was effective October 1, \$3 million was effective July 1 and \$2 million was effective April 1.

Presented in the table below are annualized incremental revenues, assuming a constant water sales volume, resulting from infrastructure surcharge authorizations that became effective after January 1, 2022:

(In millions)	Amount
Infrastructure surcharge filings by state:	
Illinois (effective January 1, 2022)	\$ 6
Missouri (effective February 1, 2022)	12
Total infrastructure surcharge filings	<u>\$ 18</u>

Pending Infrastructure Surcharge Filings

On January 19, 2022, the Company's Indiana subsidiary filed for infrastructure surcharges requesting \$8 million in additional annualized revenues.

On June 30, 2021, the Company's West Virginia subsidiary filed for an infrastructure surcharge requesting \$3 million in additional annualized revenues.