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Via Electronic Filing

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July 22, 2022

Andrew Johnston, Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower, 16th Floor
6 St. Paul Street
Baltimore, MD 21202-6806

RE: PC 53 - Impacts of COVID-19 Pandemic on Maryland's Gas and Electric Utility Operations and Customer Experiences - Maryland-American Water's Quarterly Report

Dear Mr. Johnston:

Pursuant to Paragraph 11 of the Maryland Public Service Commission's Order No. 89636, Maryland-American Water Company ("Maryland-American") is hereby providing its quarterly report "on the status of those expenses it has placed and income offsets into that regulatory asset."

Maryland-American has incurred and recorded as a regulatory asset totaling \$6,106 as of June 30, 2022 associated with the COVID-19 pandemic period. The Company has stopped deferring as of January 2022. The regulatory asset balance totaling \$6,106 is the final balance. The amount includes the following:

a) Uncollectible Expense

The uncollectible expense was calculated by first taking the actual uncollectible expense for the COVID-19 pandemic period, March 2020 to January 2022, and comparing to the last authorized uncollectible expense for the same time period resulting in a deferral of \$7,166.

b) Additional Debt Carrying Costs

In March 2020, American Water Capital Corporation ("AWCC") secured a \$750 million term loan facility and borrowed \$500 million under the loan to ensure adequate liquidity to American Water operating subsidiaries. The associated interest related to the portion of the term loan provided to Maryland-American and deferred as a regulatory asset is \$9,619 through June 2022.

c) Other Additional Costs

The Company has created a specific tracking number in order to capture certain Maryland-American and Service Company increased costs related to COVID-19, such as facility preparedness, PPE, sanitizers, signage, rental equipment, etc. The costs associated with these other additional costs total \$13,411.

d) Costs Savings

Maryland-American has identified cost savings related to travel and conferences for both Maryland-American and Service Company costs that would have been allocated to Maryland-American. This calculation compares actual costs for expenses related to travel and conferences for March 2020 through January 2022 of the COVID-19 pandemic which amounted to \$13,062. This compares to monthly costs incurred in 2019 of \$37,152, which results in a cost savings of \$24,090 for the period of March 2020 through January 2022.

If you have any questions, please do not hesitate to contact me at 856-955-4382.

Sincerely,

Scott T. Grace
Senior Manager of Rates and Regulatory