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February 8, 2019

VIA FEDERAL EXPRESS

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission v.
Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc.
Docket Nos. R-2018-3003558 and R-2018-3003561**

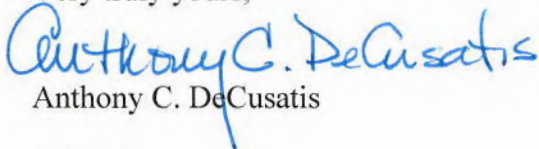
**Joint Application of Aqua Pennsylvania, Inc. and Its Subsidiary,
Superior Water Co., Inc.
Docket Nos. A-2018-3004108 and A-2018-3004109**

Dear Secretary Chiavetta:

Enclosed for filing is the **Joint Petition for Settlement** ("Joint Petition") in the above-captioned proceedings, including all exhibits and Statements in Support. We have also enclosed a CD containing the filing in searchable PDF format.

As evidenced by the **Certificate of Service**, copies of the Joint Petition have been served on presiding Administrative Law Judges, Angela T. Jones and F. Joseph Brady, as well as all parties of record.

Very truly yours,


Anthony C. DeCusatis

ACD/ap
Enclosures

c: Per the Certificate of Service (w/encls.)

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	DOCKET NOS. R-2018-3003558
	:	R-2018-3003561
AQUA PENNSYLVANIA, INC. AND AQUA PENNSYLVANIA WASTEWATER, INC.	:	
	:	
and	:	
	:	
JOINT APPLICATION OF AQUA PENNSYLVANIA, INC. AND ITS SUBSIDIARY, SUPERIOR WATER CO., INC.	:	DOCKET NOS. A-2018-3004108
	:	A-2018-3004109
	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the **Joint Petition for Settlement**, on the following persons in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

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Dated: February 8, 2019

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY	:	
COMMISSION	:	
	:	
v.	:	DOCKET NOS. R-2018-3003558
	:	R-2018-3003561
AQUA PENNSYLVANIA, INC.	:	
AND AQUA PENNSYLVANIA	:	
WASTEWATER, INC.	:	
	:	
and	:	
	:	
JOINT APPLICATION OF AQUA	:	DOCKET NOS. A-2018-3004108
PENNSYLVANIA, INC. AND ITS	:	A-2018-3004109
SUBSIDIARY, SUPERIOR WATER	:	
CO., INC.	:	

JOINT PETITION FOR SETTLEMENT

February 8, 2019

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Appendix C	Proof of Revenues
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Statement A	Statement in Support of Joint Petition for Settlement of Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc. and Superior Water Company, Inc.
Statement B	Statement in Support of Joint Petition for Settlement of the Pennsylvania Public Utility Commission Bureau of Investigation and Enforcement
Statement C	Statement in Support of Joint Petition for Settlement of the Office of Consumer Advocate
Statement D	Statement in Support of Joint Petition for Settlement of the Office of Small Business Advocate
Statement E	Statement in Support of Joint Petition for Settlement of the Aqua Large Users Group
Statement F	Statement in Support of Joint Petition for Settlement of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania
Statement G	Statement in Support of Joint Petition for Settlement of Masthope Mountain Community Property Owners Council
Statement H	Statement in Support of Joint Petition for Settlement of The Links at Gettysburg Master Association

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	DOCKET NOS. R-2018-3003558
	:	R-2018-3003561
AQUA PENNSYLVANIA, INC. AND AQUA PENNSYLVANIA WASTEWATER, INC.	:	
	:	
and	:	
JOINT APPLICATION OF AQUA PENNSYLVANIA, INC. AND ITS SUBSIDIARY, SUPERIOR WATER CO., INC.	:	DOCKET NOS. A-2018-3004108
	:	A-2018-3004109
	:	

JOINT PETITION FOR SETTLEMENT

**TO THE HONORABLE ANGELA T. JONES AND F. JOSEPH BRADY,
ADMINISTRATIVE LAW JUDGES:**

Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (“Aqua,” or the “Company”), the Pennsylvania Public Utility Commission’s (“Commission”) Bureau of Investigation and Enforcement (“I&E”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Aqua Large Users Group (“Aqua LUG”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), the Masthope Mountain Community Property Owners Council (“Masthope”), The Links at Gettysburg Master Association (“LGMA”), and Superior Water Company, Inc. (“Superior”) (collectively, the “Joint Petitioners”), by their respective counsel, submit this Joint Petition For

Settlement (“Settlement”) in the above-captioned proceeding and request that the Administrative Law Judges approve the Settlement without modification.¹

In support of this Settlement, the Joint Petitioners state as follows:

I. BACKGROUND

1. On August 17, 2018, Aqua filed with the Pennsylvania Public Utility Commission (“Commission”) Original Tariff Water – Pa. P.U.C. No. 2 (“Tariff Water No. 2”) and Original Tariff Sewer – Pa. P.U.C. No. 2 (“Tariff Sewer No. 2”) to become effective on October 16, 2018.² The financial data submitted in support of Tariff Water No. 2 and Tariff Sewer No. 2 reflected an increase in total annual operating revenues of \$71,768,833, or approximately 16.13% over the level of revenues anticipated for the fully projected future test year (“FPFTY”) ending March 31, 2020.³ The Company’s supporting information included the prepared direct testimony of eight initial witnesses and the various exhibits sponsored by them.

2. By Order issued September 20, 2018, the Commission instituted a formal investigation to determine the lawfulness, justness and reasonableness of the Company’s existing and proposed rates, rules and regulations. Accordingly, Tariff Water No. 2 and Tariff Sewer No. 2 were suspended by operation of law until May 16, 2019.⁴ This case was then assigned to

¹ Pennsylvania-American Water Company (“PAWC”), which is a party to this proceeding, has authorized the Joint Petitioners to represent that it does not oppose the Settlement. The Treasure Lake Property Owners Association (“TLPOA”) is not a signatory to the Joint Petition and opposes the level of the increases to Treasure Lake.

² By its Secretarial Letter issued July 3, 2018, the Commission granted Aqua’s request to depart from the requirements of 52 Pa. Code § 53.53(b)(2), and extend by 19 days, the 120-day interval for filing a general rate increase after the end of a historic test year.

³ In the rebuttal phase of its case, Aqua revised its proposed increase to \$71,267,111. AP Exhibit 1-A(a) Summary.

⁴ In accordance with the Commission’s September 20th Order and Section 53.71 of the Commission’s regulations, 52 Pa. Code § 53.71, Aqua filed tariff supplements suspending Tariff Water No. 2 and Tariff Sewer No. 2. *See* Supplement No. 1 to Tariff Water – Pa. P.U.C. No. 2 and Supplement No. 1 to Tariff Sewer – Pa. P.U.C. No. 2 (filed September 28, 2018). As explained hereafter, Aqua subsequently agreed to voluntarily extend the suspension period to May 24, 2019.

Administrative Law Judge Angela T. Jones and Administrative Law Judge F. Joseph Brady (the “ALJs”) for purposes of conducting hearings and issuing a Recommended Decision.

3. On August 17, 2018, Aqua and its wholly-owned subsidiary, Superior Water Company, Inc. (“Superior”), filed a Joint Application seeking Commission approval to formally merge Superior with and into Aqua. The Joint Application was assigned Docket Nos. A-2018-3004108 and A-2018-3004109. Aqua included Superior’s revenues, expenses and rate base in the supporting data used to develop the revenue requirement that the rates in Tariff Water No. 2 were designed to recover.

4. On August 28, 2018, OCA filed a formal Complaint, Public Statement, and Notices of Appearance. On August 29, 2018, I&E entered a Notice of Appearance. Formal Complaints were also filed on behalf of the following parties: PAWC (August 31, 2018); LGMA (September 26, 2018); OSBA (September 26, 2018); Aqua LUG (September 27, 2018); and Masthope (October 1, 2018).

5. Petitions to Intervene were filed by the following parties: TLPOA (September 24, 2018); CAUSE-PA (September 28, 2018); and Masthope (October 1, 2018).

6. On September 7, 2018, Aqua and Superior filed a Motion to Consolidate the Joint Application proceeding, water base rate proceeding, and wastewater base rate proceeding. No party objected to the proposed consolidation.

7. Also on September 7, 2018, Aqua notified the ALJs and the parties that it would rely upon 52 Pa. Code § 5.61(d), which provides that answers to complaints docketed in Commission-instituted investigations of rates are not required except as directed by the Commission or presiding officer. Neither the Commission, nor the ALJs, directed the Company to submit answers to any complaints.

8. A Prehearing Conference was held on September 28, 2018. Because the Commission’s public meetings were scheduled for May 9 and May 23, 2019, while the suspension period in this case would expire on May 16, 2018, Aqua voluntarily extended the suspension period to May 24, 2019 to facilitate the development of a procedural schedule. Consistent with Commission practice, a schedule was adopted whereby all case-in-chief, rebuttal and surrebuttal testimony would be submitted in writing in advance of hearings. As memorialized in Prehearing Order #2, evidentiary hearings were scheduled for January 14-17, 2019 at the Commission’s offices in Harrisburg at which all testimony and exhibits would be placed in the record and all witnesses presented for oral rejoinder and cross-examination, if any. However, when it was subsequently determined that all of the Commonwealth’s offices in Harrisburg would be closed on January 15, 2019 for the inauguration of Governor Wolf, the evidentiary hearings were rescheduled for January 16-18, 2019. A Hearing Cancellation/Reschedule Notice reflecting that change was issued on January 7, 2019.

9. On October 12, 2018, the ALJs issued Prehearing Order #3 consolidating the Joint Application proceeding, water base rate proceeding, and wastewater base rate proceeding.

10. Six public input hearings were scheduled and held at the dates, locations and times shown below:

Date	Location	Time(s)
November 13, 2018	West Grove, PA	1:00 p.m. 6:00 p.m.
November 14, 2018	Blue Bell, PA	1:00 p.m.
November 14, 2018	Bensalem, PA	6:00 p.m.
November 15, 2018	Springfield, PA	1:00 p.m.
November 16, 2018	Smart Hearing	11:30 a.m.

In addition, the public input hearing in Fort Washington was rescheduled from November 15, 2018 at 6:00 p.m. to November 27, 2018 at 6:00 p.m. because of a severe winter storm that hit the area during mid-day of the earlier date.

11. In accordance with the previously-established schedule, on November 20, 2018, OCA, OSBA, I&E, CAUSE-PA and Masthope submitted a total of ten written statements of direct testimony and accompanying exhibits. On December 4, 2018, OCA submitted two written statements of supplemental direct testimony and accompanying exhibits addressing testimony at the public input hearings. On December 12, 2018, OCA submitted one additional statement of supplemental direct testimony and accompanying exhibits. On December 19, 2018, Aqua, OCA, OSBA, I&E, Masthope and Aqua LUG submitted a total of 15 statements of rebuttal testimony with accompanying exhibits. On January 8, 2019, Aqua, OCA, OSBA, I&E, CAUSE-PA, Masthope and Aqua LUG submitted a total of 12 surrebuttal statements. On January 11, 2019, Aqua submitted an Oral Rejoinder Outline for Paul R. Herbert.

12. Negotiations were conducted by the Joint Petitioners to try to achieve a settlement of some or all of the issues in this case. As a result of those negotiations, the Joint Petitioners were able to agree to the Settlement set forth herein, which resolves all issues in the proceeding. Consequently, all parties waived cross-examination of all witnesses and the evidentiary hearings scheduled for January 16 and January 18, 2019 were cancelled. On January 17, 2019, hearings were held for the limited purpose of moving the testimony and exhibits of the parties into the record.

13. The Joint Petitioners acknowledge that, except to the extent specifically set forth herein, they have not sought, nor would they be able, to agree upon the specific rate case adjustments which support their respective conclusions. Nonetheless, they are in full agreement

that this Settlement is in the best interest of customers and of the Company and, therefore, is in the public interest.

II. TERMS AND CONDITIONS OF SETTLEMENT

14. The Settlement consists of the following terms and conditions:

A. Revenue Increase, Commission Approval And Implementation Of Rates

15. Upon Commission approval of the Settlement, Aqua will be permitted to charge the rates for water service set forth in the proposed Original Tariff – Water Pa. P.U.C. No. 2 annexed hereto as Appendix A and the rates for wastewater service set forth in the proposed Original Tariff – Sewer Pa. P.U.C. No. 2 annexed hereto as Appendix B (hereafter, the “Settlement Rates”). The Settlement Rates are designed to produce additional annual operating revenue of \$47 million (\$42.3 million for water operations and \$4.7 million for wastewater operations), as shown on the proof of revenues annexed hereto as Appendix C.

16. Pursuant to Section 1311(c) of the Public Utility Code and the Commission’s Implementation Order in Docket No. R-2013-2355276, under the Settlement Rates, a portion of the wastewater revenue requirement totaling \$7,087,745 is being allocated to water customers.

17. The Joint Petitioners agree to exercise their reasonable efforts to obtain approval of this Settlement on or before April 11, 2019, and the implementation of the Settlement Rates on May 24, 2019, when the suspension period, as voluntarily extended by Aqua, will expire. Upon the entry of a Commission Order approving this Settlement, Aqua will be permitted to file a tariff for water service in the form attached hereto as Appendix A, and a tariff for wastewater service, in the form attached hereto as Appendix B, reflecting the agreed-to additional operating revenue to become effective on May 24, 2019.

B. Base Rate Filing Stay Out

18. Aqua will not file for another general rate increase under Section 1308(d) of the Public Utility Code for its water and wastewater operations included in this rate case prior to April 30, 2021. However, if a legislative body or administrative agency, including the Commission, orders or enacts fundamental changes in policy or statutes which directly and substantially affect the Company's rates, this Settlement shall not prevent the Company from filing tariffs or tariff supplements to the extent necessitated by such action.

C. Distribution System Improvement Charge ("DSIC")

19. For the purposes of calculating its DSIC for its water and wastewater operations, Aqua shall use the equity return rate for water utilities contained in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities (the "Quarterly Earnings Report") and shall update the equity return rate each quarter consistent with any changes to the equity return rate for water utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1).

20. The DSIC for Aqua shall be established at 0% of billed revenues effective with the effective date of Settlement Rates. The DSIC shall remain at 0% of billed revenues until the later of: (a) the end of the FPFTY or (b) the quarter following the point in time at which Aqua's DSIC-eligible investment, net of plant funded with customer advances and customer contributions, exceeds the levels projected by Aqua as of March 31, 2020 (i.e., the end of the FPFTY) per Exhibit Nos. 6-A, Part III and 6-B, Part III. The foregoing provision is included solely for purposes of calculating the DSIC, and is not determinative for future ratemaking purposes of the projected additions to be included in rate base in a FPFTY filing.

D. Adjustment Clauses

21. Aqua agrees to withdraw its proposed Energy Cost Adjustment Mechanism (“ECAM”) and Purchased Water Adjustment Clause (“PWAC”). This withdrawal is made without prejudice to propose these adjustments in the future.

E. Treatment Of Income Taxation – Customer Advances For Construction And Contributions-In-Aid-Of-Construction

22. Within 30 days of a final, unappealed Commission order on the tariff supplement filing of PAWC at Docket No. R-2018-3002504, Aqua shall file a tariff supplement consistent with the Commission’s resolution in that proceeding of the issue of cost responsibility for, and ratemaking treatment of, state and Federal income taxes owed on Customer Advances for Construction and Contributions-in-Aid-of-Construction (“CAC/CIAC”). From the effective date of the Settlement Rates until such time as Aqua’s tariff supplement becomes effective and unappealable, the Company shall either require the developer to present a letter of credit in the amount of grossed-up income tax that would be owed on the CAC/CIAC or to hold such amount in escrow; the letter of credit or escrow funds, as the case may be, shall be released to the appropriate party within 15 business days of the tariff supplement becoming effective and unappealable. The amount of grossed-up income tax to be subject to escrow or secured by a letter of credit will be not less than the amount calculated by multiplying the CAC/CIAC by a factor of 1.4063 and then deducting from that figure: (1) the amount of CAC/CIAC; and (2) the present value of state and Federal tax benefits of the future depreciation deductions related to the property funded by such CAC/CIAC. Notwithstanding the foregoing, any CAC/CIAC agreement entered into between Aqua and a developer prior to the effective date of the Settlement Rates shall remain in full force and effect without modification.

F. FPFTY Reporting

23. As part of this Settlement, the Company has agreed to provide the Commission’s Bureau of Technical Utility Services (“TUS”), I&E, OCA, and OSBA with an update to AP Statement No. 2, Attachments 1 and 2, p. 1, no later than July 1, 2019, which should include actual capital expenditures, plant additions, and retirements by month from April 1, 2018 through March 31, 2019. Then, no later than July 1, 2020, another update of AP Statement No. 2, Attachments 1 and 2, p. 1, should be submitted showing actuals from April 1, 2019 through March 31, 2020. In Aqua’s next base rate proceeding,⁵ the Company will prepare a comparison of its actual expenses and rate base additions for the twelve months ended March 31, 2020 to its projections in this case.

G. Contract Customer Reporting

24. The Company will include in its next Pennsylvania water base rate filing documentation of the existence of a viable competitive alternative to water service provided by the Company for the following Rider DRS customers and any new Rider DRS customers added after the date of this Joint Petition:

Rider DRS Customers

Chemung County Industrial Development Agency
New Wilmington Municipal Authority
Warwick Township Water and Sewer Authority
Borough of Sharpsville
City of Hubbard
Horsham Water Authority
Schwenksville Borough Authority

⁵ For purposes of the Joint Petition, references to the Company’s next base rate proceeding, next base rate case, or next base rate filing mean its next base rate case, proceeding or filing for water and wastewater operations that were included in this case, unless stated otherwise.

25. Aqua agrees to date each competitive alternative analysis that is submitted regarding the above Rider DRS customers or new Rider DRS customers, and provide dates for when the competitive alternative analysis was last considered, if applicable.

26. Additionally, Aqua agrees to provide a competitive alternative for the rates charged to Masury area customers in its next water base rate filing.

27. Any party to this Joint Petition reserves the right to review and challenge any contract and/or rate in future Aqua base rate filings, or in subsequent litigation related to this proceeding.

H. Revenue Requirement

(i) Income Taxes

28. *Tax Cuts and Jobs Act (“TCJA”)*. The Joint Petitioners agree that the Settlement Rates fully account for the impacts of the TCJA and no further adjustments, refunds or credits are required.

29. *Excess Accumulated Deferred Income Taxes (“ADIT”)*. The Joint Petitioners agree that the Settlement Rates reflect a reduction to rate base for the excess ADIT amount (regulatory liability) as of the end of the FPFTY. The Company agrees to continue such treatment in future base rate filings until the entire amount has been refunded in future years. The Company agrees to separate ADIT and excess ADIT into two different accounts in future base rate filings.

30. *Tax Repairs Deductions*. The Joint Petitioners agree that the revenue requirement incorporates a reduction to current state and Federal income tax expense based on net repairs deductions in the FPFTY of \$154,514,546 for the water utility and \$4,350,142 for the wastewater utility, for a total of \$158,864,688.

a. If the net repairs deductions for Aqua vary by more than \$3 million above or below that \$158,864,688 amount (i.e. below \$155,864,688 or above \$161,864,688), Aqua will record a regulatory liability or asset for the related income tax expense impacts of the repairs deduction variations below or above \$158,864,688.

b. Aqua shall report on the regulatory asset or liability amounts of the net repairs deduction income tax impacts in its quarterly earnings reports after the conclusion of the FPFTY. Within 30 days of reporting a regulatory liability with a net cumulative income tax impact amount of \$10 million or larger, Aqua shall file with the Commission and shall copy OCA, I&E, and OSBA, a plan for refunding the regulatory liability amount to customers.

c. If there are remaining deferrals of the differences in income tax expense for Aqua's net repairs deductions, that balance shall be addressed in Aqua's next base rate case based on the recorded regulatory asset and liability amounts.

d. Whether similar recording of the impact on current income tax expense from net repairs deduction variations above or below a collar in a regulatory liability or asset account should continue shall also be re-evaluated in Aqua's next base rate case.

(ii) Acquisition Adjustments

31. The Joint Petitioners agree that this Settlement does not include, and they will not propose, in any future proceeding, to include in rate base or any corresponding amortization expense related to the positive acquisition adjustments for the following water and wastewater acquisitions:

Water:
Mifflin Township
Beech Mountain
Sand Springs
Concord Park

Wastewater:
Township of Tobyhanna

32. The Joint Petitioners agree that the Settlement Rates reflect the amortizations of positive and negative acquisitions adjustments set forth below.

Water:

Description	Amortization Period	Annual Amortization
Bristol Township Water	7/14 - 6/24	\$ (22,493)
Yalick Farms Water	1/16 - 12/25	\$ (99,396)
Bunker Hill Water	3/16 - 2/26	\$ (1,725)
Robin Hood Lake Water	3/16 - 2/26	\$ (8,723)
East Cameron Township Water	4/17 - 3/27	\$ (6,986)
Treasure Lake	4/19 - 3/39	\$ 151,240
Mt Jewett Water	4/19 - 3/39	\$ 2,473
Sun Valley Water	4/19 - 3/39	\$ 194

Wastewater:

Description	Amortization Period	Annual Amortization
Washington Park	3/09 - 2/19	\$ (2,172)
Cove Village	9/09 - 8/19	\$ (14,867)
Eagle Rock	7/04 - 6/24	\$ (105,365)
Links at Gettysburg	1/05 - 12/24	\$ (46,645)
Beech Mountain WW	6/13 - 5/23	\$ (1,765)
Village at Valley Forge	6/13 - 5/23	\$ (118,124)
Kidder Township	2/14 - 1/24	\$ (13,971)
Penn Township Sewer	4/15 - 3/25	\$ (419,031)
Sage Hill	7/16 - 6/26	\$ (77,566)
Honeycroft	1/17 - 12/26	\$ (246,362)
Emlenton	7/17 - 6/27	\$ (168,193)
Treasure Lake	4/19 - 3/39	\$ 64,901
Bunker Hill WW	4/19 - 3/39	\$ 1,780
Avon Grove	4/19 - 3/39	\$ 3,738

I. Cost Allocation And Rate Design

(i) Water

33. The Settlement Rates set forth in Appendix A reflect the Joint Petitioners' agreement with regard to water rate structure, rate design and the distribution of the increase in revenues in this case, as follows:⁶

a. Under the Settlement Rates, the Main Division 5/8-inch customer charge for all customer classes will be \$18.00 per month in lieu of the \$18.50 customer charge proposed by the Company. The same percentage increase as that for 5/8-inch meter customer charge will be applied to the customer charges for all other meter sizes in the Main Division.

b. Under existing rates, Aqua has a total of 22 water rate divisions. Under the Settlement Rates, various existing rate divisions will be consolidated and, as a result, there will be a total of 14 rate divisions. Twelve of the rate divisions are grouped into three rate zones (Rate Zones 1-3) based on the similarity of their rate structure and rate design, while Bunker Hill and Sun Valley are displayed separately because they are dissimilar from those divisions grouped into Rate Zones 1-3. The existing rate divisions and the corresponding rate divisions that will exist under the Settlement Rates are set forth on page 1 of Schedule 2 of the Proof of Revenues for Water Operations in Appendix C to this Joint Petition. The rates of all of the rate divisions that will continue to exist under the Settlement Rates have been moved closer to each other and to the Rate Zone 1 in order to facilitate further consolidation with the Main Division in future cases.

⁶ Subparagraphs a. – b. provide a general description of the water rate structure and water rate design incorporated in the Settlement Rates. While every effort has been made to ensure that the description is accurate, if any inconsistency exists between such description and the rates set forth in Appendix A, the latter shall take precedence.

(ii) Wastewater

34. The Settlement Rates set forth in Appendix B reflect the Joint Petitioners' agreement with regard to wastewater rate structure, rate design and the distribution of the increase in revenues in this case, as follows:⁷

a. Under existing rates, Aqua has a total of 33 wastewater rate divisions. Under the Settlement Rates, various existing rate divisions will be consolidated with each other and, as a result, there will be a total of eleven rate divisions (or subdivisions) under the Settlement Rates. The existing rate divisions and the corresponding rate divisions or subdivisions that will exist under the Settlement Rates are set forth on page 1 of Schedule 2 of the Proof of Revenues for Wastewater Operations in Appendix C to this Joint Petition. The rates of the rate divisions that will continue to exist under the Settlement Rates have been moved closer to each other in order to facilitate further consolidation in future cases.

b. The Settlement Rates for all classes of customers and classes of wastewater service for the rate zones that will exist under the Settlement Rates are set forth in the applicable portions of the Wastewater Tariff attached as Appendix B.⁸

c. As a result of Public Input Hearing testimony offered by Mr. Kretschmaier and Mr. Kusko, and testimony provided by OCA witness Rubin, Aqua agrees to study the feasibility of implementing in Pennsylvania a summer wastewater usage cap similar to the method used by Aqua Illinois, Inc. The results of that study, including either a proposal to adopt such a billing method or a detailed explanation for why Aqua believes such a method to be

⁷ If any inconsistency exists between the information provided in subparagraphs a. – b. and the rates set forth in Appendix B, the latter shall take precedence.

⁸ Aqua notes that consistent with its Direct Testimony in this proceeding, the Company's wastewater lot availability charge will be eliminated from its wastewater tariff as part of this Settlement.

infeasible in Pennsylvania, shall be provided in Aqua's next wastewater base rate filing. If Aqua believes that such a method would not be feasible in Pennsylvania, Aqua nevertheless shall be required to provide the billing units and rates that would be used if such a method were adopted in the next consolidated wastewater rate case. In addition, consistent with Aqua's rebuttal testimony in this proceeding, the Company will consider proposing a flat wastewater rate structure in its next rate case for seasonal communities in its service territory.

J. Low Income Issues

(i) Helping Hand

35. *Company Contribution.* Aqua will contribute \$125,000 per year to the Helping Hand Program for each of the next three years (2019, 2020, and 2021). The Joint Petitioners agree that the Company is not required to contribute more than this amount each year. However, if the funding is not fully expended in any given year, it will be rolled over to the next year and be available for grants and arrearage forgiveness. Aqua will continue to promote awareness of the program to customers and local agencies for each county within the Company's service territory and will work with participants of the Helping Hand Collaborative to identify new ways to promote the program. Aqua will continue to seek customer contributions for the program that will supplement the funding provided by the Company. The Company agrees to re-evaluate its contribution and the structure of Helping Hand in its next base rate case. In the event that Aqua does not file its next base rate case in 2021, the annual funding amount agreed to in this Settlement will remain in place until such time as its next base rate case is filed and new rates are in effect.

36. *Grant Assistance Component.* Within 180 days of the effective date of the Settlement Rates, Aqua will establish a grant program that accompanies and enhances its Helping Hand Program. Aqua will work with participants of the Helping Hand Collaborative,

described in Paragraph 41 of this Settlement, to establish eligibility parameters for receiving a grant and the maximum amount of each grant.

37. *Eliminate Up Front Payment Requirement for the Helping Hand Program.* Aqua will eliminate its current requirement that customers must make a good faith payment in order to enroll in the Helping Hand Program. Instead, Aqua will continue to advertise and promote for Helping Hand enrollment households who are payment troubled and meet the following criteria:

- a. Household income no greater than 200% of poverty
- b. Arrears in excess of \$110
- c. Payment Troubled as evidenced by one or more of the following:
 - i. A broken payment agreement;
 - ii. Threatened with termination of service for non-payment or service already off;
 - iii. Has evidenced an inability to pay bills.

38. *Helping Hand Monthly Payments.* The Company's current Helping Hand payment is a fixed monthly payment based on the customer's monthly average usage and an installment payment toward the customer's arrears. Within 90 days of the effective date of the Settlement Rates, the Company will cease requiring an installment payment toward arrears for new Helping Hand enrollees. The Company will work with the Helping Hand Collaborative to determine the appropriate means of recalculating average bills going forward for Helping Hand participants on no less than an annual basis.

39. *Arrearage Forgiveness.* Aqua will increase the amount of arrearage forgiveness available to each customer enrolled in Helping Hand to \$25 per month for each timely, in-full payment made by the customer.

40. *Helping Hand Data.* Within 120 days from the date that the Settlement Rates are effective, the Company will provide a report to the Helping Hand Collaborative on the feasibility of tracking the following listed data, as well as what data it believes provide the best analysis for whether the intent of the program is working based on its current reporting capabilities and resources.

- a. Number of estimated and confirmed low income customers
- b. Number of confirmed low income customers with arrears and the average arrearage amount
- c. Average monthly bill amount of confirmed low income customers
- d. Amount of arrearages for customers entering Helping Hand
- e. Terminations for nonpayment of confirmed low income customers
- f. Number and amounts of hardship grants disbursed

41. *Helping Hand Collaborative.* The Company will host a series of Helping Hand Collaborative meetings between now and its next base rate case for the purpose of soliciting input about ways to improve Helping Hand. The Company will invite to the collaborative meetings OCA, the Commission's Bureau of Consumer Services and CAUSE-PA. The Company will host collaborative meetings quarterly for the first year after the effective date of the Settlement Rates, with the first meeting to be held within 60 days of the effective date of the Settlement Rates. After the first year, the Company will host collaborative meetings not less than twice a year. The collaborative meetings will be to discuss, among other topics:

1. The scope of low income data that it is feasible and useful for the Company to collect;
2. Details of the grant component of the program;
3. The method of calculating the monthly Helping Hand payment;

4. Improving outreach and messaging for programs;
5. Further develop a holistic communications plan;
6. Assessing applicable data; and
7. Developing efforts to fund the grant assistance program on an ongoing basis.

Aqua will have full discretion as to whether to accept feedback from the Helping Hand Collaborative, and as required, submit proposals to the Commission for approval.

(ii) Domestic Violence Policy

42. Aqua will document its domestic violence procedures and have them readily available to its customer service representative (“CSRs”). Aqua commits to review these procedures with CAUSE-PA, OCA and other interested parties. Aqua agrees to implement a policy allowing that victims of domestic violence be provided three days to provide a copy of their order before termination will proceed and will clearly define the payment arrangement rules available for these customers.

(iii) Medical Certifications

43. Aqua agrees to edit the signature line on its Medical Certification Form to include a reference to physician, physician’s assistant, or nurse practitioner.

(iv) Termination Notices

44. Aqua will remove reference to security deposits from its termination notices and tariff, and amend the language related to domestic violence victims as follows: *“If you are a victim of domestic violence and have a Protection From Abuse Order or other court order that shows clear evidence of domestic violence, there are special protections available.”*

K. Service Related Issues

45. The Company agrees to continue monitoring its water supply for the presence of the two chemicals, Perfluorooctanesulfonic acid (“PFOS”) and Perfluorooctanoic acid (“PFOA”), in accordance with the United States Environmental Protection Agency’s Third Unregulated Contaminant Monitoring Rule (“UCMR3”).⁹ Aqua will also continue to share its sampling results for PFOS and PFOA in Montgomery County on its dedicated website *WaterFacts.com*, consumer confidence reports (“CCRs”), or other appropriate forms and evaluate treatment options and operational initiatives where appropriate. As long as <http://WaterFacts.com> is in use and there is no other new regulatory requirement specifying data collection and communication, the Company agrees to post the results on <http://WaterFacts.com> after completing its testing, review and posting process in an efficient and expeditious manner. The Company agrees to seek available funding from outside sources and governmental agencies to fund prudent improvements needed to further limit the presence of PFOS and PFOA in the affected water sources.

46. The Company commits to revise its procedures for new developments to ensure that it receives timely and accurate connection information for new service once the homes in new developments are completed. The Company also agrees to provide additional training to its customer service representatives so that they know how to further investigate the situation when a customer contacts the Company about initiating service for a new connection. The Company will provide the Statutory Advocates with an overview of the changes made to the Company’s

⁹ UCMR3 also requires, in addition to PFOS and PFOA, the monitoring and reporting of: (1) perfluorononanoic acid (PFNA), (2) perfluorohexanesulfonic acid (PFHxS), (3) perfluoroheptanoic acid (PFHpA), and (4) perfluorobutanesulfonic acid (PFBS).

procedures and the training materials. The overview will be provided within 60 days of the entry of the final order in this proceeding.

47. The Company shall continue to provide water and wastewater customer complaints in a live Excel spreadsheet that shall be made available in future general rate proceedings. The water and wastewater customer complaint logs shall contain separate searchable columns for date of complaint, street number, street name, city (zip code is preferable), and code for the type of complaint. The Company and OCA agree to continue to discuss how to incorporate into a live Excel spreadsheet the following additional information regarding whether a Company employee made a site visit, if the problem was the responsibility of the Company or the customer, and the date the complaint was resolved. The Company and the OCA agree to have that discussion within 90 days after the entry of a final order in this proceeding. Additionally, the Company agrees to provide a legend explaining the abbreviations used in the complaint logs.

48. The Company agrees to provide a list of existing locations going forward where the Company installs a pressure reducing valve for a residential customer because the static head was anticipated to be greater than 85 psi due to planned engineering changes in the Company's distribution system. The list will include an explanation of how the Company's plan impacts the customer's pressure. The Company agrees to provide the report to OCA twelve months after the entry of a Commission Order in this proceeding and every twelve months after that until the effective date of base rates in its next base rate proceeding.

49. During the Company's next general rate proceeding, the Company shall provide to the Statutory Advocates a live Excel spreadsheet of all fire hydrants connected to 4-inch mains or smaller that are not capable of providing 500 gallons per minute of water at 20 psi.

50. The Joint Petitioners agree that the Company has fully addressed the concerns raised by customers at the Public Input Hearings as follows:

a. Ralph Churchill testified at the evening hearing held on November 13, 2018 in Chester County. Mr. Churchill is not a direct customer of Aqua and lives in Jenners Pond, a retirement community, which is a commercial customer of Aqua. Mr. Churchill requested information on the improvements made in Penn Township. On December 18, 2018, Aqua sent a letter to Mr. Churchill describing the improvements.

b. Debora Hauser testified at the evening hearing held on November 14, 2018, in Bucks County. Ms. Hauser stated that she believed the customer charge of \$69.00 was too high. At the conclusion of the hearing, a representative of Aqua spoke to Ms. Hauser to get more information about her billing concern. Ms. Hauser's current customer charge for a 5/8" meter is \$16.00, not \$69.00. Aqua sent a letter confirming this to Ms. Hauser on December 17, 2018.

c. William Freed testified at the afternoon hearing held on November 15, 2018 in Delaware County. Mr. Freed testified about his previous informal and formal complaints filed with the Commission against Aqua. Aqua confirmed that Mr. Freed had filed both an informal (BCS Case No. 3582179) and a formal complaint (Docket No. C-2018-2645244) with the Commission requesting compensation for damages he alleged were caused by Aqua doing work on his street. The informal complaint was dismissed by the Bureau of Consumer Services because the Commission cannot award damages. Mr. Freed, who was represented by counsel in his formal complaint with the Commission and in a subsequent civil court proceeding, chose not to pursue his complaint at the Commission and filed his claim in municipal court. Aqua and Mr. Freed settled the claim in municipal court.

d. Andria Torres testified at the Smart Public Input Hearing held on November 16, 2018 alleging damages from jackhammering vibrations when the Company was installing a new water main in the street on December 30, 2017. After investigating the matter, Aqua has confirmed that it was not installing a new water main in her street in December of 2017 and has no record of Ms. Torres contacting the Company in December of 2017 on this issue. The Company believes that a contractor for another utility was in the area in December 2017. The Company contacted Ms. Torres to discuss her concerns and provide the information it learned about the work that was done on her street.

e. David Saplansky testified at the Smart Public Input Hearing held on November 16, 2018 and mentioned dirt and smell from his pipes. Mr. Saplansky did contact the Company on September 14, 2018 requesting that the water be tested. The Company did sample Mr. Saplansky's water. On September 21, 2018, the Company sent those test results to Mr. Saplansky showing that the water met all applicable standards for drinking water.

f. Ms. Kathleen O'Boyle testified at the Smart Public Input Hearing held on November 16, 2018 about water quality and concern about chlorine in her water. The Company contacted Ms. O'Boyle to make an appointment to discuss her concerns.

g. Thomas Driscoll testified at the afternoon hearing held on November 15, 2018 in Delaware County. Mr. Driscoll testified about a chemical taste to his water. The Company contacted Mr. Driscoll to make an appointment to discuss his concerns.

h. Margie Swart testified at the afternoon hearing held on November 13, 2018 in Chester County. Ms. Swart testified about Aqua's private fire protection rates violating Section 1802 of the Second Class Township Code titled Fire Hydrants and Water Service, which provides that all fire hydrants should be classified as public and billed directly to the

municipality if that municipality is governed by the Second Class Township Code. The Company researched this issue and determined that the fire hydrants at issue in Ms. Swart's testimony are located on a private street and are the responsibility of the local Homeowner's Association. As such, the Company has been correctly billing the Homeowner's Association for the two fire hydrants at the appropriate private fire hydrant rate.

L. North Heidelberg Sewer Company

51. The Company agrees to initiate settlement discussions and will make a reasonable effort to acquire North Heidelberg Sewer Company in accordance with Section 529 of the Public Utility Code at pending Docket No. I-2018-3001161. In February 2018, the Commission appointed Aqua Pennsylvania Wastewater, Inc. as interim receiver to operate the North Heidelberg system, beginning March 5, 2018. Aqua has been operating in that role since its appointment by the Commission.

M. Merger Of Superior Water Company, Inc. Into Aqua Pennsylvania, Inc.

52. No Joint Petitioner opposes the Company's request to merge its wholly-owned subsidiary, Superior, into Aqua Pennsylvania, Inc. Accordingly, the Joint Petitioners are in agreement that Aqua and Superior have satisfied the criteria of Section 1102(a)(3) of the Public Utility Code for approval of the merger and that the Commission should issue certificates of public convenience evidencing that approval effective as of the effective date of the Settlement Rates.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

53. Aqua, I&E, OCA, OSBA, Aqua LUG, CAUSE-PA, Masthope, LGMA and PAWC have each prepared, and attached to this Joint Petition, Statements in Support identified

as Statements A through I, respectively, setting forth the bases upon which they believe that the Settlement, including the Settlement Rates, is fair, just, reasonable, non-discriminatory, lawful and in the public interest.

54. The Joint Petitioners submit that the Settlement is in the public interest for the following additional reasons:

- The Settlement provides for an increase in total annual operating revenues of \$47 million, or approximately 10.57% (based on the level of revenues anticipated for the FPFTY ending March 31, 2020), in lieu of the \$71.8 million, or 16.13% (based on the level of revenues anticipated for the FPFTY ending March 31, 2020), increase originally requested. The effect of the increases under the Settlement Rates on a typical customer in each major water and wastewater rate class is set forth in Appendix D.
- The Settlement amicably and expeditiously resolves a number of important and potentially contentious issues. The administrative burden and costs to litigate these matters to conclusion would be significant.
- The Settlement Rates will allocate the agreed upon revenue requirement to each customer class in a manner that is reasonable in light of the rate structure/cost of service positions of all Joint Petitioners. The Settlement Rates will reduce, by consolidation, the number of different water and wastewater rate zones in a manner consistent with the principle of gradualism.
- The Joint Petitioners arrived at the Settlement terms after conducting discovery, submitting direct, supplemental direct, rebuttal and surrebuttal testimony and engaging in in-depth discussions over several weeks. The

Settlement terms and conditions constitute a carefully-crafted package representing reasonable negotiated compromises on the issues addressed herein. Thus, the Settlement is consistent with the Commission's rules and practices encouraging negotiated settlements (*see* 52 Pa. Code §§ 5.231, 69.391, 69.401), and is supported by substantial record evidence.

IV. ADDITIONAL TERMS AND CONDITIONS

55. The Commission's approval of the Settlement shall not be construed as approval of any Joint Petitioner's position on any issue, except to the extent required to effectuate the terms and agreements of the Settlement. Accordingly, this Settlement may not be cited as legal precedent in any future proceeding, except to the extent required to implement this Settlement.

56. It is understood and agreed among the Joint Petitioners that the Settlement is the result of compromise and does not necessarily represent the position(s) that would be advanced by any Joint Petitioner in this or any other proceeding, if it were fully litigated.

57. This Settlement is being presented only in the context of this proceeding in an effort to fully resolve the issues presented in this proceeding in a manner that is fair and reasonable. The Settlement is the product of compromise. This Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the Joint Petitioners may advance on the merits of the issues in future proceedings, except to the extent necessary to effectuate the terms and conditions of this Settlement.

58. This Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission should disapprove the Settlement or modify any terms and conditions herein, this Settlement may be withdrawn upon

written notice to the Commission and all active parties within five (5) business days following entry of the Commission's Order by any of the Joint Petitioners and, in such event, shall be of no force and effect. In the event that the Commission disapproves the Settlement or the Company or any other Joint Petitioner elects to withdraw the Settlement as provided above, the Joint Petitioners reserve their respective rights to fully litigate this case, including, but not limited to, presentation of witnesses, cross-examination and legal argument through submission of Briefs, Exceptions and Replies to Exceptions.

59. If the ALJs, in their Recommended Decision, recommend that the Commission adopt the Settlement as herein proposed without modification, the Joint Petitioners agree to waive the filing of Exceptions with respect to any issues addressed by the Settlement. However, the Joint Petitioners do not waive their rights to file Exceptions with respect to any modifications to the terms and conditions of this Settlement or any additional matters proposed by the ALJs in their Recommended Decision. The Joint Petitioners also reserve the right to file Replies to any Exceptions that may be filed.

60. The Joint Petitioners recognize that this Joint Petition does not bind the *pro se* Formal Complainants. The OCA will serve a letter on each *pro se* Formal Complainant that will inform them that they may comment or object to the Joint Petition by a date certain. Nothing herein is intended to limit in any way any position which any Joint Petitioner may have or take concerning any comment or objection to the Settlement that may be filed by the Formal Complainants.

WHEREFORE, the Joint Petitioners, by their respective counsel, respectfully request as follows:

1. That Administrative Law Judge Jones, Administrative Law Judge Brady and the Commission approve the Settlement embodied in this Joint Petition, including all terms and conditions thereof;

2. That the Commission find the Settlement Rates to be just and reasonable and grant the Company permission to file the Tariffs attached hereto as Appendix A and B to become effective for service rendered on and after May 24, 2019, which Tariffs, *inter alia*, are designed to produce an annual increase in total annual operating revenues of \$47 million; and

3. That the Commission approve the Joint Application of Aqua and Superior for the merger of Superior into Aqua.

Respectfully submitted,



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Dated: February 8, 2019

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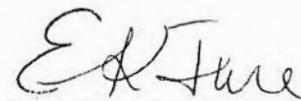
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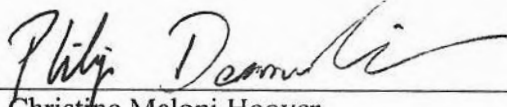
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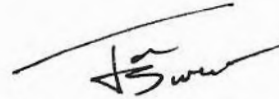
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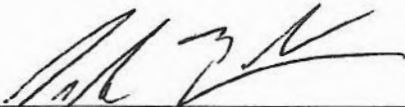
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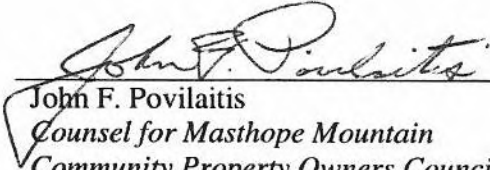
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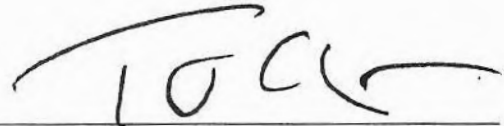
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APPENDIX A

AQUA PENNSYLVANIA, INC.
(hereinafter referred to as the "Company")

RATES, RULES, AND REGULATIONS

GOVERNING THE DISTRIBUTION AND SALE OF

WATER SERVICE

IN PORTIONS OF

ADAMS, BERKS, BRADFORD, BUCKS, CARBON, CHESTER, CLARION, CLEARFIELD,
COLUMBIA, CRAWFORD, CUMBERLAND, DELAWARE, FOREST, JUNIATA,
LACKAWANNA, LAWRENCE, LEHIGH, LUZERNE, MERCER, MCKEAN, MONROE,
MONTGOMERY, NORTHHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL,
SUSQUEHANNA, SNYDER, VENANGO, WARREN, WAYNE, AND WYOMING COUNTIES

IN THE COMMONWEALTH OF PENNSYLVANIA

ISSUED: May 23, 2019

EFFECTIVE: May 24, 2019

By:

Marc Lucca, President
Aqua Pennsylvania, Inc.
762 Lancaster Avenue
Bryn Mawr, Pennsylvania 19010

NOTICE

THIS TARIFF PROPOSES INCREASES IN RATES AND CHANGES IN RULES AND
REGULATION OF SERVICE.

LIST OF CHANGES MADE BY THIS TARIFF

This proposed TARIFF WATER-PA P.U.C. NO. 2 as filed with the Pennsylvania Public Utility Commission at Docket Nos. R-2018-3003558, A-2018-3004108, and A-2018-3004109 by Aqua Pennsylvania, Inc. on May 23, 2019 supersedes WATER-PA. P.U.C. NO.1.

This proposed tariff also resets the Distribution System Improvement Charge (DSIC) to zero percent, simultaneously with the effective date of the new base rates.

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DESCRIPTION OF TERRITORIES SERVED

RATE ZONE 1 – MAIN DIVISION – All territories subject to Rate Zone 1 rates unless otherwise noted

Adams County

The Townships of Mount Joy and Cumberland

Berks County

The Townships of Bern, Centre, Cumru (portion), Marion, Robeson, and Union

Bradford County

The Boroughs of Athens, Sayre, and South Waverly and the Township of Athens

Bucks County

The Borough of Bristol and the Townships of Bensalem, Bristol, Chalfont Lower Southampton, New Britain, Solebury, and Upper Southampton

Carbon County

The Township of Kidder

Chester County

The Boroughs of Malvern and West Chester and the Townships of Birmingham, Caln, Charlestown, East Bradford, East Brandywine, East Caln, East Fallowfield, East Goshen, East Marlborough, East Nantmeal, East Whiteland, Easttown, Franklin, Honey Brook, Middletown, Newlin, Pennsbury, Pocopson, Schuylkill, Thornbury, Tredyffrin, Upper Uwchlan, Uwchlan, Wallace, West Bradford, West Brandywine, West Goshen, West Pikeland, West Vincent, West Whiteland, Westtown, and Willistown

Clarion County

The Township of Richland

Columbia County

The Borough of Centralia and the Township of Mifflin

Cumberland County

The Townships of Monroe and South Middleton

Delaware County

The Boroughs of Aldan, Chester Heights, Clifton Heights, Collingdale, Colwyn, Darby, East Lansdowne, Eddystone, Folcroft, Glenolden, Landowne, Media, Millbourne, Morton, Norwood, Prospect Park, Ridley Park, Rose Valley, Rutledge, Sharon Hill, Swarthmore, and Yeadon and the Townships of Aston, Darby, Edgemont, Haverford, Marple, Nether Providence, Newtown, Radnor, Ridley, Springfield, Thornbury, Tinicum, Upper Darby, and Upper Providence

Forest County

The Township of Jenks

Juniata County

The Township of Delaware

DESCRIPTION OF TERRITORIES SERVED

RATE ZONE 1 – MAIN DIVISION (cont'd) – All territories subject to Rate Zone 1 rates unless otherwise noted

Lackawanna County

The Borough of Moscow and the Townships of Covington, Glenburn, Jefferson, Lehigh, Madison, North Abington, Roaring Brook, and South Abington

Lawrence County

The Townships of Mahoning, Pulaski, and Wilmington

Lehigh County

The Townships of Lower Macungie, South Whitehall, and Salisbury

Luzerne County

The Borough of White Haven and the Townships of Bear Creek, Butler, Conyngham (Portion), Dallas, Dennison, Exeter, Jackson, Kingston, Lake, Lehman, Rice, and Union

McKean County

The Borough of Mount Jewett and the Township of Hamlin

Mercer County

The Cities of Ferrell, Hermitage, and Sharon, the Boroughs of Mercer, West Middlesex, and Wheatland and the Townships of Coolspring, East Lackawannok, Findley, Jefferson, Lackawanna, Shenango, and Wilmington

Monroe County

The Townships of Barret, Hamilton, and Polk

Montgomery County

The Boroughs of Bryn Athyn, Conshohocken, Hatboro, Jenkintown, Narberth, Rockledge, and West Conshohocken and the Townships of Abington, Cheltenham, Horsham, Lower Merion, Lower Moreland, Perkiomen, Plymouth, Springfield, Upper Dublin, Upper Merion, Upper Moreland, Upper Providence, and Whitemarsh

Northampton County

The Township of Moore

Northumberland County

The City of Shamokin, the Boroughs of Kulpmont, Marion Heights, and Mount Carmel and the Townships of Coal, East Cameron, Mount Carmel, Ralpho, Shamokin, and Zerbe

Pike County

The Townships of Blooming Grove, Lackawaxen, and Palmyra

Schuylkill County

The Boroughs of Ashland, Deer Lake, Girardville, and Gordon and the Townships of Barry, Butler, Conyngham, East Union, Mount Carmel, North Union, and West Brunswick

DESCRIPTION OF TERRITORIES SERVED

RATE ZONE 1 – MAIN DIVISION (cont'd) – All territories subject to Rate Zone 1 rates unless otherwise noted

Snyder County

The Townships of Jackson, Monroe, and Penn

Susquehanna County

The Borough of Hop Bottom and the Township of Brooklyn

Venango County

The Borough of Emlenton and the Township of Richland

Warren County

The Borough of Clarendon and the Township of Mead

Wayne County

The Boroughs of Hawley and Honesdale and the Townships of Lake Township, Lehigh, Palmyra, Paupack, and Texas

Wyoming County

The Borough of Factoryville and the Townships of Tunkhannock and Washington

Consumption Charge Exceptions, Private Fire Service Charge Exceptions, and Public Fire Service Charge Exceptions apply for customers in the divisions formerly known as:

Beech Mountain Lake: The Townships of Butler and Dennison in Luzerne County

Bensalem Township: The Township of Bensalem in Bucks County

Bristol Township: The Townships of Bristol and Bensalem in Bucks County

Country Club Gardens: The Townships of Lower Macungie, South Whitehall, and Salisbury in Lehigh County

Honesdale: The Borough of Honesdale and the Township of Texas in Wayne County

Kratzerville: The Townships of Jackson and Penn in Snyder County

Mifflin Township: The Township of Mifflin in Columbia County

Mount Jewett: The Township of Hamlin in McKean County

Robin Hood Lakes: The Township of Polk in Monroe County

Sand Springs: The Township of Butler in Luzerne County

DESCRIPTION OF TERRITORIES SERVED

RATE ZONE 2 – All territories subject to Rate Zone 2 rates unless otherwise noted

Chalfont Division

The Township of New Britain in Bucks County

Concord Park Division

The Township of Bensalem in Bucks County

Superior Division

The Townships of Washington in Berks County, North Coventry in Chester County, and Douglass, New Hanover, Lower Pottsgrove, Upper Frederick, Upper Pottsgrove, and Worcester in Montgomery County

Treasure Lake Division

The Township of Sandy in Clearfield County

RATE ZONE 3 – All territories subject to Rate Zone 3 rates unless otherwise noted

Oakland Beach Division

The Townships of Sadsbury and Summit in Crawford County

CS Water (Masthope) Division

The Township of Lackawaxen in Pike County

Eagle Rock Division

The Townships of Black Creek and Hazle in Luzerne County, Tobyhanna in Monroe County, and East Union and North Union in Schuylkill County

BUNKER HILL DIVISION

The Township of Clinton in Wyoming County

SUN VALLEY DIVISION

The Township of Chestnuthill in Monroe County

DESCRIPTION OF TERRITORIES SERVED

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SCHEDULE OF RATES

METERED AND UNMETERED SERVICE CHARGE

The rates under this schedule apply to all customer classes in the territories served subject to the Rate Zones as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 1 Main Division	Rate Zone 2	Rate Zone 3	Bunker Hill Division	Sun Valley Division
Fixed (per Customer)				\$ 8.00	
<u>Meter Size:</u>					
5/8 inch	\$ 18.00	\$ 18.00	\$ 28.00		
3/4 inch	30.90	23.90	28.00		
1 inch	52.50	39.40	52.50		
1-1/2 inch	101.10	63.70	101.10		
2 inch	143.90	89.50	143.90		
3 inch	289.00	125.00	289.00		
4 inch	470.00	287.50	470.00		
6 inch	970.00	970.00	970.00		
8 inch	1,697.00	1,697.00	1,697.00		
10 inch	2,508.00	2,508.00	2,508.00		
Unmetered Charge	\$ 65.52				\$ 19.50

SCHEDULE OF RATES

CONSUMPTION CHARGE - RESIDENTIAL

The rates under this schedule apply to all metered customers for water consumed per 1,000 gallons unless otherwise specifically identified below.

MONTHLY CONSUMPTION CHARGE

	Rate Zones 1 & 2	Rate Zone 3	Bunker Hill
Residential			
Up to 2,000 Gallons	\$ 10.649		
Over 2,000 Gallons	12.608		
Up to 4,000 Gallons		\$ 9.128	
Over 4,000 Gallons		12.608	
<u>Consumption Charge Exceptions:</u>			
Country Club Gardens and Sand Springs			
Up to 2,000 Gallons	\$ 7.820		
Over 2,000 Gallons	9.300		
Rate per 1,000 gallons:			
Beech Mountain Lake	\$ 3.365		
Bristol Township	5.000		
Mifflin Township	8.000		
Mt Jewett	10.649		
Robin Hood Lakes	8.600		
Chalfont	10.649		
Concord Park	6.350		
Treasure Lake	5.430		
Bunker Hill			\$ 4.500

SCHEDULE OF RATES

CONSUMPTION CHARGE – COMMERCIAL AND PUBLIC

The rates under this schedule apply to all metered customers for water consumed per 1,000 gallons unless otherwise specifically identified below.

MONTHLY CONSUMPTION CHARGE

	Rate Zones 1, 2 & 3	
Commercial		
Up to 10,000 Gallons	\$	11.900
Next 23,300 Gallons		10.455
Next 300,000 Gallons		8.673
Over 333,300 Gallons		7.938
Public		
Up to 10,000 Gallons	\$	11.900
Next 23,300 Gallons		10.455
Next 300,000 Gallons		8.573
Over 333,300 Gallons		7.847
<u>Consumption Charge Exceptions: Rate per 1,000 gallons</u>		
Country Club Gardens and Sand Springs	\$	9.300
Beech Mountain Lake		3.365
Bristol Township		8.700
Mifflin Township		8.000
Concord Park		6.350
Treasure Lake		5.430

SCHEDULE OF RATES

CONSUMPTION CHARGE – INDUSTRIAL AND OTHER WATER UTILITIES

The rates under this schedule apply to all metered customers for water consumed per 1,000 gallons unless otherwise specifically identified below.

MONTHLY CONSUMPTION CHARGE

	Rate Zones 1, 2 & 3	
Industrial		
Up to 10,000 Gallons	\$	11.900
Next 23,300 Gallons		10.455
Next 300,000 Gallons		8.673
Next 3,000,000 Gallons		7.938
Next 6,666,700 Gallons		7.455
Over 10,000,000 Gallons		5.963

Sales to Other Utilities: Rate per 1,000 gallons	\$	11.900
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Tank Sales: Rate per 1,000 gallons	\$	11.900
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Masury: Rate per 1,000 gallons	\$	1.84276
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There will be an escalation factor equivalent to CPI-Urban Philadelphia on the Masury rate beginning July 1, 2007 and every year thereafter. In addition, there is a Rate Zone 1 - Main Division 6" meter service charge to be added to the Masury bill.

SCHEDULE OF RATES

METERED AND UNMETERED PRIVATE FIRE SERVICE

The rates under this schedule apply throughout the territories served subject to the Rate Zones as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY PRIVATE FIRE SERVICE CHARGE

Customer Charge (\$)	Rate Zones 1, 2 & 3	Superior	Bensalem, Bristol and Honesdale
<u>Meter Size:</u>			
1 inch	\$ 6.00	\$ 6.00	\$ 6.00
1-1/2 inch	13.80	15.25	13.80
2 inch	34.10	22.90	34.10
3 inch	55.40	55.40	55.40
4 inch	93.70	86.70	80.80
6 inch	206.40	120.00	163.20
8 inch	360.10	120.00	270.10
10 inch	548.30	548.30	404.20
12 inch	1,519.00		
Consumption Charge: Rate per 1,000 gallons			
	\$ 12.49	\$ 0.00	\$ 12.49
<u>Consumption Charge Exceptions: Rate per 1,000 gallons</u>			
Bristol Township			\$ 8.70

SCHEDULE OF RATES

METERED AND UNMETERED PRIVATE FIRE SERVICE

The rates under this schedule apply throughout the territories served subject to the Rate Zones as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY PRIVATE FIRE SERVICE CHARGE

Residential Multiple Meter Fire Service Customer Charge (\$)

<u>Domestic Meter Size:</u>	<u>Fire Meter Size:</u>		
5/8 inch	3/4 inch	\$	20.21
5/8 inch	1 inch		20.56
5/8 inch	1-1/2 inch		23.89
5/8 inch	2 inch		26.00
3/4 inch	1 inch		33.46
3/4 inch	1-1/2 inch		36.79
3/4 inch	2 inch		38.90
1 inch	1 inch		55.06
1 inch	1-1/2 inch		58.39
1 inch	2 inch		60.50
1-1/2 inch	1 inch		97.76
1-1/2 inch	1-1/2 inch		101.09
1-1/2 inch	2 inch		103.20
2 inch	1-1/2 inch		136.59
2 inch	2 inch		138.70

Consumption Charges will be billed at the appropriate residential metered water rates.

Private Hydrants \$ 46.00

Private Fire Service Exceptions:

Eagle Rock \$ 22.80
Honesdale 26.00
Sand Springs 26.00

Qualified Private Fire Hydrant \$ 26.00

SCHEDULE OF RATES

PUBLIC FIRE SERVICE

The rates under this schedule apply throughout the territories served subject to the Rate Zones as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE FOR EACH PUBLIC FIRE HYDRANT

Public Fire Hydrant	\$	25.86
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Public Fire Service Exceptions:

Bensalem Township	\$	17.80
Bristol Township		15.90
Concord Park		12.10
Kratzerville and Chalfont		21.30
Mifflin Township		13.90
Media Service Area = > 6" connection		34.00
Mount Jewett		8.70

SCHEDULE OF RATES

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SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE

I. Applicability

This rate applies throughout the territory served under this tariff.

II. Availability

This rate is available to a new industrial customer that has an alternative supply source or an existing industrial customer that purchases water from the Company and develops or obtains a new source of supply. In order to obtain service under this rate, the customer must execute a Service Agreement with the Company for a period of not less than two (2) years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of Supplement 21 to Tariff Water Pa. P.U.C. No. 1 (January 3, 2000).

III. Nomination of Standby Service

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Stand by Service. Standby Service will be available on a firm basis, an interruptible basis or combinations thereof.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The sum of the customer's nominated firm and interruptible Maximum Day Demand shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

IV. Rate

Service Charge: The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates applicable to Rate Zone 1 - Main Division for the Industrial rate classification.

Demand Charges: The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm and interruptible standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	<u>Firm Standby Service</u>	<u>Interruptible Standby Service</u>
Average Day Demand	10.8601	2.0658
Maximum Day Demand	1.3260	0.3320
Maximum Hour Demand	21.9230	2.3868

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE

IV. Rate (cont'd)

Consumption Charges: In addition to the Service Charges and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event	Rate Zone 1 - Main Division Industrial Rates
Next gallons – Firm Average Day Demand Nomination multiplied by the days during the standby event	0.0709 per hundred gallons
Next gallons – Interruptible Average Day Demand Nomination multiplied by the days during the standby event	0.5377 per hundred gallons
All amounts above sum of previously described amounts	Rate Zone 1 - Main Division Industrial First Block

V. Terms and Conditions

Initial Notification of Company: Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nominations of firm and interruptible standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service.

Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

Notification of Standby Event: When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE

V. Terms and Conditions (cont'd)

Use in Excess of Contractual Demands: If and when the actual amounts of Standby Service Demands exceed the nominated amounts set forth in the Service Agreement, the actual demands shall become the nominated demands for the remainder of the term of the Service Agreement. Further, the customer will be billed an additional charge equal to the difference between the actual demand and the previously nominated demand multiplied by the applicable demand charge and the number of months since the beginning of the term of the Service Agreement.

Metering Equipment: The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement Standby Service and to monitor the customer's compliance with its terms and conditions.

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE

I. Applicability

This rate applies throughout the territory served under this tariff.

II. Availability

This rate is available to a new customer that has an alternative supply source or an existing customer that purchases water from the Company and develops or obtains a new source of supply. In order to obtain service under this rate, the customer must purchase water from the Company for resale or electric generation purposes and execute a Service Agreement with the Company for a period of not less than ten (10) years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of Supplement 21 to Tariff Water Pa. P.U.C. No. 1 (January 3, 2000).

III. Nomination of Standby Service

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Standby Service. Standby Service will be available on a firm basis.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The customer's nominated firm Maximum Day Demand shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

IV. Rate

Service Charge: The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates applicable to Rate Zone 1 - Main Division for the customer's rate classification.

Demand Charges: The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	<u>Firm Standby Service</u>
Average Day Demand	10.8601
Maximum Day Demand	1.3260
Maximum Hour Demand	21.9230

SCHEDULE OF RATES
RESALE AND ELECTRIC GENERATION STANDBY RATE**IV. Rate (cont'd)**

Consumption Charges: In addition to the Service Charges and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event	Rate Zone 1 - Main Division Rates
Next gallons – Firm Average Day Demand Nomination multiplied by the days during the standby event	0.0709 per hundred gallons
All amounts above sum of previously described amounts	Rate Zone 1 - Main Division First Block

V. Terms and Conditions

Initial Notification of Company: Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nominations of firm standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service.

Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

Notification of Standby Event: When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE

V. Terms and Conditions (cont'd)

Use in Excess of Contractual Demands: If and when the actual amounts of Standby Service Demands exceed the nominated amounts set forth in the Service Agreement, the actual demands shall become the nominated demands for the remainder of the term of the Service Agreement. Further, the customer will be billed an additional charge equal to the difference between the actual demand and the previously nominated demand multiplied by the applicable demand charge and the number of months since the beginning of the term of the Service Agreement.

Metering Equipment: The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement Standby Service and to monitor the customer's compliance with its terms and conditions.

SCHEDULE OF RATES

RIDER DIS – DEMAND BASED INDUSTRIAL SERVICE

I. Applicability

This rate applies throughout the territory served under this tariff.

II. Availability

This rider is available to a customer or prospective customer that:

1. purchases or intends to purchase water from the Company for industrial purposes;
2. enters into a Service Agreement for a term of not less than 2 years;
3. during the original and any renewal terms of the Service Agreement, agrees to purchase a minimum of 10 million gallons of water per month at a daily load factor of not less than 0.60; and
4. has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

III. Rate

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with the facilities necessary to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing With The Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

SCHEDULE OF RATES

RIDER DRS – DEMAND BASED RESALE SERVICE

I. Applicability

This rate applies throughout the territory served under this tariff.

II. Availability

This rider is available to a customer or prospective customer that:

1. purchases or intends to purchase water from the Company for resale purposes;
2. enters into a Service Agreement for a term of not less than 10 years;
3. during the original and any renewal terms of the Service Agreement, agrees to maintain a daily load factor of not less than 0.60; and
4. has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

III. Rate

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with the facilities necessary to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing With The Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

SCHEDULE OF RATES

RIDER EGS – ELECTRIC GENERATION SERVICE

I. Applicability

This rate applies throughout the territory served under this tariff.

II. Availability

This rider is available to the electric generating facilities of a customer or prospective customer that:

1. is engaged in the business of generating electric power for sale to the public or public utilities;
2. enters into a Service Agreement for a term of not less than 10 years;
3. during the original and any renewal terms of the Service Agreement, agrees to purchase a minimum of 10 million gallons of water per month; and
4. has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

III. Rate

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with the facilities necessary to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing With The Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

SCHEDULE OF RATES

RIDER OPI – OFF PEAK/INTERRUPTIBLE RATE SERVICE

I. Applicability

This rate applies throughout the territory served under this tariff where the capacity exists to provide this service.

II. Availability

This rider is available to a customer or prospective customer that:

1. purchases or intends to purchase water from the Company for any purposes;
2. purchases at least 80% of its water from the Company during the off-peak hours of 10:00PM to 5:00AM;
3. purchases a minimum of six million gallons of water per year during the contracted period; and
4. enters into a Service Agreement for a term of not less than one year.

III. Rate

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; (3) may include a Minimum Charge upon the discretion of the Company, if it is anticipated that there are other customer expenses to be incurred besides the Metering Equipment; and (4) shall be subject to an Escalation Clause, as hereafter defined. If during the month, the customer purchases less than 80% of its water during the off-peak hours, the rate to be charged for consumption will be the Maximum Rate.

Maximum Rate: The Maximum Rate shall be the otherwise applicable volumetric charges specified in the Company's Rate Schedule for the Main Division.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water and (2) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

SCHEDULE OF RATES

RIDER OPI – OFF PEAK/INTERRUPTIBLE RATE SERVICE

I. Terms and Conditions

Interruption of Service: The Company may require the customer to interrupt its water usage to assist the Company in addressing a system emergency, including insufficiency, for any reason, of the Company's source of supply, treatment/purification, pumping, transmission, storage, or distribution capacity to serve other customers' demands. The customer will be provided not less than one hour's notice before an interruption is expected to begin. Notice may be by telephone to the customer contact identified in the Service Agreement.

Failure to Interrupt: Failure to comply with the Company's request for interruption shall result in all usage by the customer, during the billing period in which such interruption was requested, being billed at the Company's otherwise applicable Schedule of Rates for the Rate Zone 1 - Main Division plus \$0.05 per hundred gallons. If the customer fails to comply with the Company's requests for interruption three times during any one year period, measured in twelve month intervals commencing on the effective date of the Service Agreement, the customer shall cease to be eligible for service under this rider and shall thereafter be billed under the otherwise applicable Schedule of Rates.

Metering Equipment: The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement the rate and to monitor the customer's compliance with the availability criteria and terms and conditions hereof.

Inspection: The customer shall permit Company personnel and the Company's authorized agents, representatives, consultants and experts access to the customer's facilities during regular business hours and upon not less than 24 hours' notice and shall permit inspection thereof to determine, to the Company's satisfaction, whether the customer is in compliance with the availability criteria and terms and conditions hereof.

Filing With The Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

SCHEDULE OF RATES**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% shall apply to all bills issued, excluding public fire hydrants, on or after the Effective Date at the bottom of this page.

I. General Description

Purpose: To recover the reasonable and prudent costs incurred to repair, improve or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems. The costs of extending facilities to serve new customers are not recoverable through the DSIC. Utility projects receiving PENNVEST funding or using PENNVEST surcharges are not DSIC-eligible property.

Eligible Property: The DSIC-eligible property will consist of the following:

- Services (account 3330), meters (account 3340) and hydrants (account 3350) installed as in-kind replacements for customers;
- Mains and valves (account 3310) installed as replacements for existing facilities that have worn out, are in deteriorated condition, or upgraded to meet Chapter 65 regulations of Title 52;
- Main extensions (account 3310) installed to eliminate dead ends and to implement solutions to regional water supply problems that have been documented as presenting a significant health and safety concern for customers currently receiving service from the Company or the acquired Company;
- Main cleaning and relining (account 3310) projects; and
- Unreimbursed funds related to capital projects to relocate Company facilities due to highway relocations. (account 3310)

Effective Date: The DSIC will become effective for bills issued on and after January 1, 1997.

II. Computation of the DSIC

Calculation: The initial charge, effective January 1, 1997, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between September 1, 1996 and November 30, 1996. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

II. Computation of the DSIC (cont'd)

<u>Effective Date of Change</u>	<u>Date to Which DSIC Eligible Plant Additions Reflected</u>
April 1	December 1 to February 28/29
July 1	March 1 to May 31
October 1	June 1 to August 31
January 1	September 1 to November 30

The fixed costs of eligible distribution system improvement projects will consist of depreciation and pre-tax return, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying to the original cost of DSIC-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded.

Pre-tax Return: The pre-tax return will be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day of the three month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

DSIC Surcharge Amount: The charge will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection and the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for sales of water (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of revenues from public fire protection service and STAS.

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

II. Computation of the DSIC (cont'd)

Formula: The formula for calculation of the DSIC surcharge is as follows:

$$\text{DSIC} = \frac{(\text{DSI} \times \text{PTRR}) + \text{Dep}}{\text{PQR}} + \frac{e}{\text{PQR}}$$

Where:

DSI = The original cost of eligible distribution system improvement projects, net of accumulated depreciation.

PTRR = The pre-tax return rate applicable to eligible distribution system improvement projects.

Dep = Depreciation expense related to eligible distribution system improvement projects.

e = The amount calculated under the annual reconciliation feature or Commission Audit, as described below.

PQR = Projected quarterly revenue for will be based on the applicable three-month period, (including all applicable clauses and riders) including revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Bureau of Investigation & Enforcement, the Office of Consumer Advocate, Bureau of Audits and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

III. Safeguards

All Customer Classes: The DSIC shall be applied equally to all customer classes, with the exception of any future customers with negotiated contracts for which a reduction or exemption is shown to be reasonably necessary.

Cap: The DSIC will be capped at 7.50% of the amount billed to customers (including all applicable clauses and riders) under otherwise applicable rates and charges.

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

III. Safeguards (cont'd)

Audits/Reconciliation: The DSIC will be subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, et seq., shall be credited to customer accounts. It will also be subject to an annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on the over-collections and credits will be calculated at the residential mortgage-lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P. S. sec.101, et seq.) and will be refunded in the same manner as an over-collection. The utility is not permitted to accrue interest on under collections.

New Base Rates: The charge will be reset at zero as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base would be reflected in the quarterly updates of the DSIC.

Earning Reports: The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings Report show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearnings on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Residual E-Factor Recovery Upon Reset to Zero: The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any over-collection to customers and is entitled to recover any under collections as set forth in Section III Safeguards – Audits/Reconciliations. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

Public Fire Protection: The DSIC of a water utility will not apply to public fire protection customers.

SCHEDULE OF RATES

STATE TAX ADJUSTMENT SURCHARGE (STAS)

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% will apply to all bills issued on or after the Effective Date at the bottom of this page.

The above surcharge will be recomputed using the element prescribed by the Commission in its policy at 52 PA Code section 69.51 et seq.:

- On or before March 31 of each year; and/or
- Whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in the state tax liability arising under the law.

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations or orders. If the recomputed surcharge is less than the one in effect, the Company will, or if the recomputed surcharge is more than the one in effect, the Company may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations or orders. In the event that the Company files an increased surcharge subsequent to 10 days after the occurrence of an event which occasions a recomputation, the effective date of such tariff or supplement shall be 60 days after filing in accordance with section 1308(a) of the Public Utility Code, 66 C.S. section 1308(a)(regarding voluntary changes in rates) unless otherwise directed by the Commission.

The surcharge shall be rolled into base rates when increased or decreased base rates are made effective.

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RULES AND REGULATIONS**INTRODUCTION**

1. Effect of Rules and Regulations: These Rules and Regulations, filed as part of the Company's Tariff, shall govern the manner in which water service is provided to all Applicants and Customers. The Company may supplement these Rules and Regulations, and may revise and amend these Rules and Regulations from time to time subject to the approval of the Pennsylvania Public Utility Commission ("Commission"). The Company will follow Commission regulations not specifically addressed in these Rules and Regulations.

2. Types of Service Provided: There are four general types of service that are provided by the Company, as follows:

General Metered Service: Water service provided for general use by any of the following customer classes: residential, commercial, industrial, other water utility, or public. This type of service is also referred to as "domestic" service.

Fire Service: Water service provided to an unmetered fire hydrant, whether public or private, or through a separately metered service line to be utilized exclusively for fire protection of a building and/or property.

Qualified Private Fire Protection Service: Water service provided to an unmetered, privately-owned fire hydrant located in the public right-of-way which does not otherwise qualify for Public Fire Hydrant rates. Said hydrant shall be located on a service line serving that hydrant exclusively, and must be in the open, be visible, and shall not be more than fifty (50) feet from the Company main servicing the hydrant

Combined Fire & Domestic Service: Water service provided at the request of the Customer, subject to the Company's approval for all non-residential Customer classifications which utilize a single service line for both fire and domestic service. This service can be provided in accordance with the requirements of Rule 41 when the fire/domestic meter size is at least 4 inches.

In addition to the general application of these Rules and Regulation, special rules for the provision of fire service are contained in Rules 41 through 50, and special Rules for the provision of Construction Service are contained in Rules 39 and 40.

RULES AND REGULATIONS**INTRODUCTION (cont'd)**

3. Classes of General Metered Service: There are five classes of general metered service, based on the nature of the Customer and the use of the property receiving service, as follows:

Residential Class: An individually-metered dwelling unit intended for human habitation (including a detached house, rowhome, townhouse, condominium and mobile home) or an individually-metered home or building consisting of not more than two dwelling units.

Commercial Class: A building, store, restaurant or office which is primarily a site for the buying or selling of goods or the provision of professional or consumer services. In addition, apartments, condominium complexes, colleges, private and public schools, car washes, laundromats, construction sites, hotels, motels, and tanks filled at the Company's premise are included in this class.

Industrial Class: A building or factory which is primarily a site for the manufacture or production of goods.

Other Water Utility: A public water utility, Municipal Corporation or water authority which purchases water for resale to their customers.

Public: A public building, library, park or playground which is owned by a governmental unit which has the power of taxation.

RULES AND REGULATIONS**DEFINITIONS**

4. Definitions: Wherever used in the Rules and Regulations or elsewhere in the tariff of the company, the following terms shall have the meanings hereinafter set forth:

Applicant: A person, at least 18 years of age, who is not currently receiving service but has applied to the utility for service and whose name appears on the mortgage deed, or lease of the property for which service is requested.

Auxiliary Water Supply: A water supply, other than that provided by the Company, that is on or available to the Customer's premises, including, but not limited to, a supply from another public water supply agency, from a natural source such as a well, lake or spring, or from a source containing used water or industrial fluids.

Builder: Any person(s) requesting an extension to provide service to an existing lot or group of lots, either existing or to be subdivided, where service is to be provided to something other than a preexisting residential structure; namely, a newly constructed structure, structures to be constructed in the future, or to a preexisting non-residential structure.

Company: Aqua Pennsylvania, Inc. and its duly authorized officers, agents and employees; each acting within the scope of his authority and employment.

Company Service Line: The service line owned by the Company that extends from the water main to the curb stop or curb line or such point as designated by the Company.

Construction Costs: All direct and indirect costs attributable to the material and installation of the subject main extension, services and appurtenances, and/or removal of existing Company facilities (including the net book value of property replaced or retired) whether incurred by the Builder or the Company.

Construction Services: Water service provided for construction purposes.

Creditworthiness: An assessment of an applicant's or customer's ability to meet bill payment obligations for utility service.

Curb Box: A cylindrical device with a lid is normally placed by the curb which affords access to the curb stop. Normally, this device is initially installed by the Company, but may be subject to having its condition or position adjusted by natural forces or the work of the developer or a plumber. Accordingly, it is the responsibility of the Customer to maintain the Curb Box in a safe condition, or to notify the Company either in writing or by telephone to make the necessary repairs or relocation to the Curb Box or Curb Box lid.

Curb Stop: A device owned, installed, maintained and controlled by the Company that can be turned to an open or closed position for the purpose of controlling the supply of water to the service property.

Customer: A person at least 18 years of age whose name is listed on the account and who is primarily responsible for the utility bill OR adult occupant whose name appears on the mortgage, deed, or lease for the service address.

RULES AND REGULATIONS

DEFINITIONS (cont'd)

Customer Service Line: The service line owned by the Customer that extends from the Curb Stop or curb-line (or such point as designated by the Company) to the property or building being served.

Depositor: Any person(s) acting on behalf of Prospective Customer(s) for the purpose of entering into an Extension Deposit Agreement.

Meter: A device furnished, installed and owned by the Company to register the consumption or use of water at the Customer's Property.

Meter Box/Vault: A structure which is owned and maintained by the Customer, having been installed by an agent for or on behalf of the Customer, in accordance with Company specifications, for the purpose of housing the Meter outside of the Customer's building, at an underground location mutually agreed upon between the Customer and Company. It is the responsibility of the Customer, as the owner of the Meter Box/Vault to maintain the Meter Box/Vault and lid in a safe condition.

Metered Manifold: A domestic service line that contains more than one metered service. When more than one meter is installed upon a Customer's premise at the request of a Customer or due to conditions existing upon the premise of the Customer, then each meter shall be treated separately as if it belonged to a separate Customer.

Person: Any individual, firm, company, association, society, corporation, institution, group, or any other legal entity.

Plumbing Fixture Standards: The water use standards that have been adopted by the Delaware River Basin Commission (at Resolution 88-2 Revised) and subsequently recommended by the Pennsylvania Public Utility Commission for plumbing fixtures installed in new construction and in existing structures undergoing renovations involving replacement of such fixtures, as follows:

<u>Plumbing Fixture</u>	<u>Water Use Standard</u>
Showerheads	3.0 gallons/minute
Lavatory faucet	3.0 gallons/minute
Kitchen faucet	3.0 gallons/minute
Water closets	1.6 gallons/flush
Urinals	1.5 gallons/minute

Premise: A single lot or piece of ground consisting of a single residential unit, together with all buildings and structures erected thereon.

Private Fire Hydrant: A fire hydrant furnished, installed, owned and maintained by the Company that has been requested by an Applicant and approved by the municipality, but where the municipality has refused to accept payment of the applicable rate as set forth in the Company's rate schedule.

RULES AND REGULATIONS**DEFINITIONS (cont'd)**

Property: In general terms, a separate parcel of land owned in fee simple absolute, including any home(s), condominium(s), Home Owner's Association or building(s) affixed thereto, which is delineated by the description contained on the recorded deed, and which may be further delineated by any public roads.

Prospective Customer: Any owner, tenant or lessee of a property that is expected to be receiving water service for at least one year following the commencement of water service.

Public Fire Hydrant: A fire hydrant furnished, installed, owned and maintained by the Company that has been requested by the municipality, or requested by an Applicant and approved by the municipality, where the municipality has accepted responsibility for payment of the applicable rate as set forth in the Company's rate schedule.

Qualified Private Fire Protection Service: Water service provided to an unmetered, privately-owned fire hydrant located in the public right-of-way which does not otherwise qualify for Public Fire Hydrant rates. Said hydrant shall be located on a service lone serving that hydrant exclusively and must be in the open, be visible, and shall not be more than fifty (50) feet from the Company main servicing the hydrant.

Residential Structure: When used with respect to metered Residential Fire Service, a home or building which contains only individually - metered dwelling units intended for human habitation.

Service Connection: The installation by the Company of the Company Service Line. See Definition for Company Service Line.

Shall: is mandatory; May is permissive

Special Devices: Devices that are owned and maintained by the Customer on the Customer's plumbing system at the requirement of the Company. Special Devices include, but are not limited to, the following:

Backflow Preventer: A device designed to prevent a potential backflow of contaminants from the Customer's activities or property into the Company's distribution system.

Check Valve: A device designed to allow the flow of water only in one direction.

Control Valve: A device designed to stop the flow of water when the valve is closed.

Pressure Reducing Valve: A device designed to reduce the water pressure within the Customer's building below that which exists on the Company's distribution system.

Pressure Relief Valve: A device designed to relieve pressure on the internal plumbing system of the Customer's property.

RULES AND REGULATIONS**APPLICATION FOR SERVICE**

5. Notification of Change in Ownership or Occupancy at an Existing Service Property: Upon any change in ownership of property where the owner is the Customer, or in the tenancy where the tenant is the Customer, or in the type of service rendered, the Customer must so advise the Company, which shall thereafter have the right to discontinue the water supply until a new application has been made and approved for the new Customer.

6. Application for Water Service by a New Owner or Occupant at an Existing Service Property: Where a Customer's Water Service Line exists on a property to be served in compliance with the Company's rules, water service will be furnished by the Company as soon as reasonably practicable after written or oral application of the owner or tenant of the property or his properly authorized agent. The Customer receiving service takes such service subject to the Company's Tariff, including its Rules and Regulations.

7. Application for Water Service to a Proposed Service Property: Where an adequate water distribution main abuts the Customer's property, a service connection will be made as soon as reasonably practicable after the appropriate application forms have been completed by the property owner or his properly authorized agent and subsequently submitted to, and approved by, the Company. Where an adequate water distribution main does not abut the Customer's property, the Customer must make necessary arrangements with the Company's New Business Office for the extension of a water distribution main in accordance with the Company's Rules and Regulations. Service Connection application forms will be furnished by the Company on request.

RULES AND REGULATIONS**DEPOSITS AND CREDIT STANDARDS**

8. General: Deposits may be required from Applicants for new service extension of service. Residential Customers will not be required to pay a security deposit in order to receive service from the Company. The Company will pay income tax on any deposit, advance, contribution or other like amounts received from an applicant which shall constitute taxable income to the Company as defined by the Internal Revenue Service. Such income tax shall be segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income tax associated with a deposit, advance or contribution will not be charged to the specific depositor/contributor of the capital.

9. Creditworthiness: Upon application for water service, the Company may require the applicant/customer to provide valid identification, a valid deed lease or mortgage evidencing the applicant/customer's residency at the property/premise, and/or payment of an outstanding balance owed by the customer which accrued within the past 4 years for which the applicant/customer is legally responsible.

The Company may determine liability for a past due balance by:

- Use of Company records that contain information previously provided to the Company;
- Information contained on a valid mortgage, lease or deed;
- Use of commercially available public records databases; and
- Government and property ownership record.

RULES AND REGULATIONS**BILLING AND PAYMENT**

11. Methods of Payment: Bills are payable by mail, by direct debit, in person at any authorized pay agency or as otherwise authorized by the Company.

12. Landlord Assumption of Responsibility: If an Applicant for service, who is a landlord, assumes responsibility for rates and charges related to water or wastewater service provided to tenants and is billed for such service, the landlord must assume responsibility and be billed for both water and wastewater service, if such service is provided or billed by the Company.

13. Bills and Billing History: Bills based on estimated water use shall be subject to review upon the Customer's request and submission by the Customer of information as to unusual water use. In all other cases, billing shall be made as soon as practicable after the reading of respective meters. In the case of fire hydrants, bills will be rendered for each applicable period. Where a Customer receives water service during a period when a water meter is not installed at the Property, the Company may issue the Customer a bill based on the estimated usage for that period. A Customer may obtain from the Company, at no charge to the Customer, the billing history for up to ten accounts per year in the name of the Customer, provided that the Customer submits a written request for such information directly to the Company. Additional requests will be processed subject to the Company's right to charge the Customer its incremental costs of providing such billing histories.

14. Delinquent Bills: If a rendered bill remains unpaid for a period of 20 days for residential customers and 15 days for non-residential customers, it shall be classified as delinquent. However, if the last day of such period falls on a Saturday, Sunday, a holiday or day when the Company's offices are closed, the delinquency date shall be the next succeeding business day. Payments by mail will be deemed made on the date of the postmark. Payments to the Company drop box or authorized payment agent will be deemed received when paid at that location. Service may be terminated for non-payment of bills in accordance with the Commission's regulations. If service is thus terminated it will not be restored until all outstanding charges provided by the Commission's regulations and the tariff of the Company are paid or satisfactory arrangements are entered for payment. If a dispute of a water bill has arisen as defined in the Commission's regulations, the Customer is responsible for paying the undisputed portion of such bill and termination of service may occur if the undisputed billings become delinquent.

15. Late Payment Charge: If payment has not been received by the Company for five days after the bill has been classified as delinquent, a late charge (penalty) of 1.25% will be applied to the account and such late charge (penalty) will be calculated every thirty days thereafter only on the overdue portion of the bill excluding previous late charges (penalties), and in no event shall the late charge (penalty) exceed more than 18% annually (simple interest).

16. Return Check Charge: The Customer will be responsible for the payment of a charge of \$20.00 per incident where a check, which has been presented to the Company for payment of any bill, is returned by the bank for any reason including, but not limited to, non-sufficient funds, account closed, payment stopped, two signatures required, postdated, stale date, account garnished, no account, drawn against uncollected funds, balance held, and unauthorized signature. This charge is in addition to any and all charges assessed against the Customer by the bank. If a Customer's account shows a history of submitting payments that have been returned for insufficient funds or any other reason outlined above, the Company may require turn-on charges to be paid by cash, certified check, money order, or credit card or service may be terminated without additional notice in accordance with Commission regulations.

RULES AND REGULATIONS**BILLING AND PAYMENT (cont'd)**

17. Turn-on Charge: When service has been terminated to any premise because of violation of the Company's Rules and Regulations or at the Customer's request, a charge of fifty (50) dollars payable in advance will be made for restoration of service. If the Customer request for restoration of service requires the Company to incur overtime or holiday costs, the Company reserves the right to bill the Customer for the additional cost incurred. If the Company incurs out of the ordinary expense to affect termination of service for non-payment of bills or due to lack of access to the Company's facilities, the Customer must reimburse the Company for those expenses in addition to the \$50.00 turn-on charge prior to service reconnection. This charge applies to new Customers only when service is required to be physically restored to the premise. If the Company terminates water service for an emergency purpose, no turn-on fee will be applied to restore service. This charge applies to new Customers who require service to be physically restored to the premise.

18. Turn-off at Customer's Request: Customers desiring to avoid payment for water service during periods when Properties are vacant or during extended absences shall give notice in writing at the office of the Company requesting the water to be shut off. If a minimum charge or Customer charge for water use is applicable, the bill will be based on the proportion that the period when water service was available bears to the entire period on which such minimum charge or Customer charge is based. Metered consumption in excess of such adjusted minimum shall be billed at normal rates.

RULES AND REGULATIONS
SERVICE CONNECTIONS**19. Company's Service Lines:**

Except for service connections made in accordance with Rule 65, the Company will make all connections to its mains and furnish, install and maintain the Company's service main to and including the Curb Stop, which under normal circumstances will be placed inside the curb-line. The Company's service line will be the property of the Company and under its control. The point of delivery and sale for any water service furnished to the Customer shall be at the Curb Stop.

The maximum Company investment per Company service line shall be as follows:

<u>Size of Service</u>	<u>Maximum Investment</u>
1 ½ inch in diameter or less	\$3,000
Greater than 1 ½ inches but not to exceed four inches	\$6,000
Greater than 4 inches	\$12,000

The cost of any Company service line in excess of the applicable maximum Company investment shall be paid by the Customer, plus all applicable taxes including income taxes occasioned by the contract. The Company may require payment of the estimated amount of such excess cost in advance of the installation and will make a partial repayment of the extent the actual cost is determined to be less than the estimate.

Whenever it is necessary to install a service line in advance of the date on which the premises are occupied and a meter is set, a deposit may be required in an amount not to exceed the estimated cost of installation, which deposit will be refunded to the depositor when the service becomes active (i.e., the meter has been set and the premises occupied), provided that event occurs within five years from the date of deposit.

20. Customer Service Line: The Customer's service line shall extend from the Property to the Curb Stop or curb line or such point as designated by the Company. All connections, service lines and fixtures owned by the Customer shall be maintained by the Customer in good order, and all meters and appurtenances owned by the Company and located on the Property of the Customer shall be protected properly by the Customer. All leaks in or other deteriorated condition of the Customer's service line or any other pipe or fixture in or upon the premises supplied must be repaired immediately by the owner or occupant of the premises.

RULES AND REGULATIONS**SERVICE CONNECTIONS (cont'd)**

21. Size, Kind, and Location of Service Lines: The Company reserves the right to determine the size, kind and location of the service line, from the main to the curb, and from the curb to the property to be served. However, the determination of the size of the fire service line shall be the responsibility of a professional engineer or similar professional retained by the Customer. The Customer's service line shall not cross intervening properties unless the property is landlocked and there is no other way in which service can be provided (for example, because the property does not abut a public road) and an appropriate easement is obtained by the Customer for the Customer's benefit, a copy of which must be furnished to the Company. The service line from the curb stop to the property shall be furnished, installed, owned, and maintained by the owner of the property, and where possible shall be laid in a straight line at right angles to the curb line within the building limits of the structure to be served and at a minimum depth of cover specified by the Company, and bedded in at least 6 inches of sand, in property owned in fee simple absolute. Type K Copper shall be used throughout for service lines up to three inches in diameter. At the Company's discretion, other industry approved materials may be used should field conditions dictate the use of non-metallic materials. Service lines over three inches in diameter shall be cement-lined ductile or cement-lined cast iron pipe. The minimum size of the Customer's domestic service line shall be 3/4 inch in diameter. The Company reserves the right to inspect the installation of the Customer's service line to ensure its conformity with the specifications in this paragraph.

22. Separate Trench: No water service line shall be laid in the same trench with a gas pipe, electric line, drain or sewer pipe, or any other facility of another public service company, nor within three feet of any open excavation, retaining wall or vault.

23. Renewal of Company Service Line: Where renewal of the Company's service line from the street main to the curb is found to be necessary in the Company's opinion due to age or condition, the Company will renew said service in the same location as the old one at its own expense. If, in connection with such renewal, the property owner, or Customer, for his own convenience, desires the new service line to be installed at some other location or in a larger size and agrees to pay all expenses of such work in excess of the cost of renewing the originally-sized service line in its original location, the Company will install the new service line at the location desired, provided that the new line complies with all applicable Rules and Regulations.

24. Replacement of Abandonment of Company Service Lines: Where the Company service line needs to be replaced, relocated, removed or abandoned for the convenience of the Customer or due to any reason other than a routine Company renewal due to age or condition, the Company will perform such work and the Customer shall pay all expenses in connection with such work.

25. Company Not Responsible: The Company shall in no event be responsible for the condition of, or for maintaining or replacing, any portion of the Customer's service line or other lines or fixtures on the Customer's property, or for damage done by water or other matter passing through said lines or fixtures or escaping therefrom. The Customer shall at all times comply with all federal, state, local and municipal laws, codes and regulations with reference thereto, and make changes therein, required on account of change of grade, relocation of mains, or otherwise.

RULES AND REGULATIONS**SERVICE CONNECTIONS (cont'd)**

26. Single Service Line for each Property: A Customer's service line (whether fire or domestic) shall not supply more than one property, as hereinafter defined, but any such property upon proper application of the owner may be supplied by two or more metered service connections, each of which for billing purposes shall be considered as being separate customer accounts, and provided that the supply of each such service connection has an individual control valve at or near the curb. A separate service line shall be required for each of the following types of "property", as defined herein:

- a. A residential dwelling unit - either detached, or one side of a double house, or a house in a row of houses; provided, that a garage, a conservatory and similar features incidental to the family life shall be considered as a portion of the dwelling.
- b. A building or complex of buildings containing residential dwelling units not divided by a public road or property line, which are either rental apartments, condominiums, or cooperative units and the commercial and service facilities incidental thereto.
- c. An industrial, commercial or manufacturing establishment held in common ownership and not divided by a public road or property line and not covered by subparagraphs (b) and (d) of this Rule.
- d. Each of the premises within a single building (stores or offices or any combination thereof) entirely separated from other premises within said building by a party wall or walls.
- e. A detached building comprised of stores or offices or any combination thereof, not separated by a party wall or walls.
- f. A Housing Development owned and operated as a unit by the United States Government.

27. Single Service Line with Two or More Customers: Where two or more Customers are now supplied through a single service line, any violation of the Rules and Regulations of the Company, with reference to either or any of said Customers, shall be deemed a violation as to all, and unless said violation is corrected after reasonable notice, the Company may take such action as can be taken for a single Customer, except that such action will not be taken until either or all of said Customers who have not violated the Company's Rules and Regulations have been given a reasonable opportunity to apply to the Company for separate service lines in accordance with these Rules and Regulations.

RULES AND REGULATIONS**METERS AND METER LOCATIONS**

28. Responsibility for Meter and Meter Box Vault: All Company meters will be furnished, installed and owned by the Company and remain the property of the Company and be accessible to and subject to its control.

Meter boxes/vaults shall be owned, furnished, installed, and maintained by the Customer, unless otherwise agreed to by the Company. At the Company's discretion, the Company has the right to install a meter box/vault for a Customer's property.

29. All Services to Be Metered: A meter shall be installed on each domestic and on each fire service line owned by the Customer. The Company reserves the right to determine the size and type of meter to be installed in the Customer's property, including whether such meter shall be a manual read meter or a meter that can be read remotely from outside the building being served, or automatically using TV cable, telephone, or similar lines or radio signal communication. As a condition of providing service and continuing to provide service, the Company shall have the right to install such equipment, connections and wiring in the manner and location it deems appropriate. The equipment necessary to read meters using the designated mode of communication will be installed by the Company and will remain the property of the Company.

30. Location: For new services the meter shall be required to be installed outside the building in a meter box/vault. The location of the meter box/vault shall be subject to the express approval of the Company; in most cases, the meter box/vault shall be located inside the property line by the Customer.

For existing premises and circumstances, subject to the Company's approval, a meter may be set within the structure to be served, at a location approved by the Company, after the Customer has had the plumbing arranged (including the installation of special devices if required by the Company) to receive the meter at a convenient point inspected and approved by the Company so as to control the entire supply of water to the property.

In cases where the meter is located outside the building, a concrete vault, with a suitable iron cover, or other approved meter box, shall be located inside the property line by the Customer. The size and dimensions of the vault or box shall be as approved by the Company, give adequate access to the meter, and permit its installation or removal. When a concrete vault is used, a 10 foot wide (min.) paved surface from the road to the vault, including curb depression, must be provided and maintained for vehicle access. The Company has the authority to require a Customer or owner, at their expense, to install a meter/box vault where there has been unauthorized use of water after the Company shut off service and the Customer or owner, or their agent has restored the service without authorization.

RULES AND REGULATIONS**METERS AND METER LOCATIONS (cont'd)**

31. Valves Required: A Control Valve shall be placed by the Customer on the service line on the inlet and outlet sides of the Meter. When required, a suitable Check Valve should be placed by the Customer between the meter and the Control Valve on the outlet side of the Meter. When a Check Valve, backflow preventer or Pressure Reducing Valve is installed, the Customer shall install a Pressure Relief Valve or thermal expansion tank (to be sized and designed by the Customer or his agent) at some convenient point on the house piping to relieve pressure fluctuations and/or excess pressure due to heating water. In accordance with the specifications of the Company, the Customer shall install a pressure reducing valve (PRV), to be set at a pressure not to exceed the applicable limits, as follows: 1) on the domestic service line when the pressure on the Company's distribution system exceeds 80 pounds per square inch (psi); 2) on the residential fire service line when the pressure exceeds 100 psi; 3) on the commercial fire service line when the pressure exceeds 150 psi; or 4) when required in the discretion of the Company where it is believed that the pressure may exceed either limit. The Customer or his authorized agent shall check with the Company to determine whether a Pressure Reducing Valve is required prior to finalizing the design of the internal plumbing system. In all cases, the Pressure Reducing Valve must be installed at an approved location after the inlet control valve and before the Meter, but in the case of the domestic service line an additional Control Valve must be installed between the PRV and the Meter. When approved for a manifold set-up, the inlet control valve (2-inch and smaller) that abuts the meter must be a full-port, locking ball device.

32. Responsibility for Damage: Meters and other related equipment owned by the Company will be maintained by the Company so far as ordinary wear and tear are concerned; but the cost to repair damage caused by the Customer or due to freezing, hot water or causes not within the reasonable control of the Company shall be paid by the Customer.

33. Cost of Reinstallation: The charge for the reinstallation, reconnection or changing of a Meter or other related equipment owned by the Company when removed by the Customer or because of damage in any way due to the negligence or intentional conduct of the Customer shall be assessed against the Customer at cost.

34. Minimum Charge/Customer Charge: In Divisions with a minimum charge and a water allowance, customers will be subject to a fixed minimum charge in accordance with the rates thereof, for which certain quantities of water will be allowed, without additional charge. Such minimum charges shall be non-refundable for non-use of water, and non-cumulative against subsequent consumption. In the case of fractional bills covering less than a billing period, minimum charges and allowances shall be prorated.

In Divisions with a customer charge and no water allowance, customers will be subject to a fixed customer charge in accordance with the rates thereof, for which no quantity of water will be allowed without additional charge. The customer charge will be non-refundable and payable whether or not the customer uses any water. In the case of fractional bills covering less than a billing period, the customer charge shall be prorated.

RULES AND REGULATIONS**METERS AND METER LOCATIONS (cont'd)**

35. Company Notified Meter Not Working: The Customer shall immediately notify the Company of damage to or the non-working of the meter, as soon as it comes to his/her knowledge.

36. Registration Conclusive: The quantity recorded by the meter shall be conclusive on both the Customer and the Company, except when the meter has been found to be registering inaccurately or has ceased to register. In such case, the quantity may be determined by the average registration of the meter when in order.

37. Disputed Account: In case of a disputed account involving the accuracy of a meter, such meter will be tested upon the request of the Customer in conformity with the regulations of the Commission. In the event that the test of the meter shows an error in registration in excess of the permissible range, an appropriate adjustment to the bill will be made in accordance with the Commission's regulations. Bills will not be adjusted if the meter tests within the permissible tolerance limit.

38. Request Test: Upon a written request of a Customer, or that of the Customer's authorized representative, the Company shall test the accuracy of the meter in service at the involved premises. When a Customer desires, either personally or through a representative, to witness the testing of a meter, the meter may be required by the Customer to be sealed before removal, in the presence of the witness, which seal shall not be broken until the test is made. If the meter so tested is found to be accurate within the limits specified above, a fee determined from the schedule provided in the Commission's regulations shall be paid to the Company by the Customer requesting such test, but if not so found then the cost thereof shall be borne by the Company. When making such requests, the Customer shall agree to the basis of payment herein specified. A report of such test shall be made to the Customer and a complete record of such test shall be kept as specified in the Commission's regulations. The results of such tests shall be conclusive upon the Company and Customer unless a written objection thereto is received by the Company or Customer, as appropriate, within thirty days of notice of the test results. If the meter tested is found to be accurate, the Company has the absolute right to re-install that same meter at the Customer's property.

RULES AND REGULATIONS**CONSTRUCTION SERVICE**

39. Metered Building Construction Service: Where service has been requested by a Builder for purposes of construction of a building to be served by the Company and service is to be provided through a Company service line that will be retained to provide service to the building after construction is completed, metered water service shall be provided. Each such metered service will be subject to these Rules and Regulations and the charges for Commercial Service shown in the rate schedule. Installation of the Company Service Line shall be in accordance with the "SERVICE CONNECTIONS" provisions of this tariff. The Builder is responsible for protecting the meter during construction. If the meter is damaged due to construction activities, the Builder will be responsible for any costs associated with repairing or replacing the meter.

40. Temporary Metered Construction Service: Where metered service is required or requested for temporary construction purposes, or where the Company Service Line will not be retained to provide service after construction, the Applicant shall pay the estimated cost of installation and removal of the service line, which costs are not refundable. In addition, the Applicant shall pay a deposit for the Meter, which will be refunded upon return of the Meter. Each such metered service will be subject to these Rules and Regulations and the charges for Commercial Service shown in the rate schedule. The Builder is responsible for protecting the meter during construction. If the meter is damaged due to construction activities, the Builder will be responsible for any costs associated with repairing or replacing the meter.

RULES AND REGULATIONS**METERED FIRE SERVICE**

41. Metered Fire Service for Non-Residential Structures: For automatic fire sprinklers or other automatic fire service devices located inside of a non-residential structure or for fire hydrants located on a fire service line, a separate service line will be required to be used exclusively for fire service when Combined Fire and Domestic Service Rule (see Rule 2) does not apply. Each such fire line shall be metered and subject to the charges shown in the rate schedule. Subject to the approval of the Company, fire hydrants that are owned and maintained by the Customer outside of buildings may be connected to said service line, provided they are located downstream of the Meter and backflow prevention device. The Customer will be responsible for paying the Company for the cost of installing the Company service line in excess of the maximum Company investment, as set forth in Rule 19 of this tariff. Company reserves the right to refuse an application for metered fire service where, in the judgment of the Company, the size and pressure of the street main is not sufficient to render proper service. The Customer shall be responsible for the design and sufficiency of the fire protection system (including the installation of a pressure tank and pumps, if required) and shall submit appropriate certification of such to the Company at the time of application. The Customer shall not use a dedicated fire line for domestic service and shall not allow a cross-connection between the domestic and fire systems. The Company shall have the right to require special devices as deemed necessary on Customer fire service lines. Meters for fire service will be furnished and maintained by the Company. Meters will be located as specified by the Company on the Property of the Customer, and if vaults are required, they shall be constructed and maintained in accordance with the Company's specifications at the expense of the Customer.

42. Metered Fire Service for Residential Structures: To obtain service for automatic fire sprinklers or other automatic fire suppression related devices located inside a Residential Structure, the Customer must install a separate Customer fire service line from the curb to the fire protection system. Each such fire line shall be metered in accordance with the Company's Rules and Regulations. Both the Customer's fire service line and domestic line shall be connected to a single Company service line. To accommodate service to the Customer's fire line in addition to the domestic line, the Company may install a larger Company service line than it would otherwise install. The Customer will be responsible for paying the Company for the costs of upsizing the Company service line and appurtenances, and for the cost of the fire meter and its installation, together with any and all applicable taxes. Recovery of these costs by the Company shall be achieved through the application of the Company's rate schedule for "Residential Multiple Meter Sets", which shall be applicable to all Residential Structures equipped with residential fire service under these Rules and Regulations. The Company reserves the right to refuse an application for automatic fire service where, in the judgment of the Company, the size and pressure of the street main is not sufficient to render proper service. The Customer shall be responsible for the design and sufficiency of the fire protection system (including the installation of a pressure tank and pumps, if required) and shall submit appropriate certification of such to the Company. The Customer shall not use the fire line for domestic service and shall not allow a cross-connection between the domestic and fire systems. The Company shall have the right to require special devices as deemed necessary on residential fire service lines.

RULES AND REGULATIONS**UNMETERED FIRE SERVICE**

43. Payment of Applicable Rate: All fire hydrants installed by the Company are subject to the payment of the applicable rate. A hydrant will not be installed without the request or the approval of the appropriate municipality. If the municipality agrees to pay the applicable rate, the hydrant shall be a public fire hydrant; otherwise a private entity must agree to pay the applicable rate in which case the hydrant shall be a private hydrant. In the event the applicable rate is not paid, the Company, at its option, may remove the hydrant.

44. Payment of Installation Costs:

Hydrants installed on new or proposed water mains: All fire hydrants, whether public or private, to be installed in connection with a main extension shall be paid for by the applicant or depositor pursuant to the Company's Extension Deposit Agreement.

Hydrants installed on existing water mains: The installation costs of all private fire hydrants to be installed on an existing water main shall be paid for by the Applicant. The installation costs of a public fire hydrant to be installed on an existing water main shall be paid for by the Company provided that no existing fire hydrant is located within a 600-foot radius of the requested fire hydrant, and provided that all other Rules and Regulation of the Company are complied with. Fire hydrants requested at closer intervals of spacing shall be reviewed by the Company and these installations shall be paid for by the municipality or Applicant. Payment for the installation of a fire hydrant shall include the entire cost for material and installation and all applicable taxes pursuant to an agreement prepared by the Company.

45. Hydrant Location: Upon written request to the Company's New Business Office from the duly authorized officials of any municipality supplied by the Company, the Company (subject to its Rules and Regulations on the payment of installation costs and the applicable rate), will install a standard fire hydrant at a location mutually agreed upon by the municipality and the Company, provided that the size of the existing main and surrounding distribution system and the available pressure and flow in said main is, in the judgment of the Company, sufficient to enable the provision of proper service at the fire hydrant under normal and ordinary conditions. Where a requested fire hydrant would be connected to a water main located in the public right-of-way, the hydrant shall be located within close proximity to the nearest curb line, and where a requested fire hydrant would be connected to a water main located in an easement held by the Company, the hydrant shall be located within that easement area.

46. Availability of Supply: With regard to public fire hydrant service or private hydrant sprinkler and hose service, the Company shall have no greater duty than to supply only such volumes of water at such pressures as may be available at the time of operation.

RULES AND REGULATIONS**UNMETERED FIRE SERVICE**

47. Maintenance and Obstructions: All fire hydrants owned by the Company will be maintained by the Company. Said maintenance shall include, but not be limited to, painting as required. Painting of hydrants by parties other than the Company personnel or its authorized contractor is strictly forbidden. The Company shall not be responsible for the condition of the hydrant following intervening use by a fire department or any authorized or unauthorized person.

It is the responsibility of the Customer paying the fire hydrant rental to keep the area directly surrounding the hydrant free of all obstructions (including, but not limited to trees, bushes, snow, dirt, mailboxes or other obstructions) that would impact the safe operations or would not allow the hydrant to be easily seen from or accessed by an emergency vehicle.

Municipalities, at their own expense, are allowed to attach marking devices on public fire hydrants owned and operated by the Company to facilitate the location of such hydrants. The Company shall be notified in advance of the municipality's plans to install hydrant markers and will permit plan designs that are consistent with normal, intended, and safe operation of such hydrants. Municipalities that take advantage of this provision shall be responsible for the maintenance of all markers that they install.

48. Allowable Use: Only persons authorized by the Company shall take water from any fire hydrant, except for the use of the Fire Department in case of fire, and no fire hydrant shall be used for any reason other than firefighting or training purposes without the consent of the Company. The use of fire hydrants, whether owned by the Company or by the Customer, will be restricted to the taking of water for the extinguishing of above-ground fires. Water shall not be taken from any fire hydrant for construction purposes, extinguishing underground fires, sprinkling streets, flushing sewers or gutters or for any other use unless specifically permitted by the Company for the particular time and occasion. If the Company grants permission to use fire hydrants for purposes other than the extinguishment of fires, such use will be applied only if an approved backflow prevention device is attached to the hydrant. Said device shall be furnished by the Customer.

49. Change of Location: Whenever a municipality desires a change in the location of any fire hydrant, the Company, upon written notice from the municipality to the Company's New Business Office, will make such change at the expense of the municipalities pursuant to an agreement prepared by the Company.

50. Inspection: In addition to its periodic program of inspection and testing, the Company will, upon request of the duly authorized officials of any municipality, make inspections of specific hydrants at convenient times and at reasonable intervals as determined by the Company to determine the condition of the fire hydrant in question. Flow testing will be conducted by the Company, upon request, following the completion of changes to the supporting distribution system either due to capital construction or operational modifications. Inspections shall be made by a representative of the Company and a duly authorized representative of the municipality.

RULES AND REGULATIONS**RESPONSIBILITY FOR SERVICE**

51. Liability of Company: In the course of furnishing service that needs to be adequate, but not perfect, it is recognized that there will be times when service is subject to interruption or disruption as a result of water main breaks, the failure of equipment or facilities, and for other reasons. Accordingly, the liability of the connection with: 1) a service interruption or delay, or cessation or lack of adequate, efficient, safe and reasonable service and facilities; and/or 2) a failure of equipment or supply, including, but not limited to, a break or leak in a water main, service line or Meter owned by the Company.

In any legal action where a court does not recognize, or is being asked to interfere with or hamper, the jurisdiction of the Commission to authorize limitations of liability or to exclusively determine whether the service and facilities of a public utility are in conformity with the regulations and Orders of the Commission, the public utility may certify to the Commission the question of the appropriateness of such court action by filing a petition for declaratory judgment with the Commission.

Furthermore, the Company shall not be liable in any action where the loss or damage involves an act of God or does not involve a duty of the Company, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or conditions in the Customer's own service line, Meter vault, internal plumbing or fixtures, or due to the materials out of which those facilities are made. Further, the Company shall not be liable in any action where the loss or damage does not involve a breach of a duty of the Company, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's property) is in need of repair, such as the condition or elevation of a curb box or valve box that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, or the person or event.

52. Complaints: Complaints with regard to the character of the service furnished or the reading of Meters, or of the bills rendered, must be to the Company's office either orally, by telephone, in person with appointment, or in writing, and a record of such complaint will be kept by the Company, giving the name and address of the complainant, the date, the nature of the complaint and the response.

RULES AND REGULATIONS**SYSTEM INSPECTION AND INTEGRITY**

53. Inspections: All pipes, Meters, special devices and fixtures shall be subject, at all reasonable hours, to inspection by properly identified employees of the Company. In addition, the Company shall have the right, upon reasonable notice and at reasonable times, to gain access into the Customer's premises for the purpose of taking water samples in order to determine the quality of the water. No plumber, owner or other unauthorized person shall turn the water on or off at any corporation stop or Curb Stop, or disconnect or remove the Meter without the consent of the Company. No agent or employee of the Company has authority to bind it by any promise, agreement or representation not provided for in these Rules and Regulations.

54. Right to Refuse Connections: The Company may refuse to connect with any piping system or furnish water through one already connected: 1) if the Customer's service line is not a sufficient depth to prevent freezing or is installed in too close proximity to any other utility line; 2) if lead-based solder or a lead-based fixture has been used in the Customer's plumbing system in contravention of any national, state or local regulation; 3) where the intended use of the water delivered to the Customer's Property would involve the return of water directly back to the Company's distribution system; 4) where the Customer's water service line is connected to a separate or auxiliary water supply that could constitute a cross-connection; or 5) if such system has not otherwise been properly installed and maintained. It shall be the Customer's responsibility to assure compliance with these requirements. The Company may, from time to time, require the Customer to provide verification that the Customer's piping system complies with these requirements.

55. Cross-Connection Control: A cross-connection is created when a Customer connects to the Company's distribution system. To prevent contamination of the public water supply from a cross-connection, all new Customer connections to the Company's distribution system must be equipped with backflow prevention, cross-connection control or other special device approved by the Company and furnished, installed, and maintained at the Customer's expense in accordance with Company specifications and at a location and in the manner approved by the Company. A Customer with an existing connection to the Company's distribution system will furnish, install, and maintain a Company approved backflow prevention, cross-connection control, or other special device at the Company's request. The furnishing, installation, and maintenance of the backflow prevention, cross-connection control or other special device at existing connections will be made at the Customer's expense in accordance with Company specifications and at a location and in the manner approved by the Company. The Company shall have the right, upon reasonable notice and at reasonable times to conduct surveys and investigations of water use and practices at a Customer's premises to determine the backflow prevention, cross-connection control or other special device appropriate for Customer's connection. In addition, the Customer shall be required, at such Customer's expense, to comply with the yearly testing and overhauling requirements of the Company for backflow prevention, cross-connection control or other special devices. The Company may authorize persons (with the appropriate training or certification) to inspect premises, perform installations and testing of such special device or make corrections of adverse existing conditions. A yearly administrative fee of \$10.50 will be required per return certification.

RULES AND REGULATIONS**TERMINATION OF SERVICE**

56. By Company: Service may be terminated for any of the following reasons which shall constitute a violation of the Rules and Regulations of the Company:

- a. For the use of water for any other Property or purpose other than that described in the application.
- b. For willful waste of water through improper or imperfect pipes, fixtures or otherwise, including failure to promptly repair a leak on the Customer service line.
- c. For molesting any service pipe, Meter, Meter interface unit, curb stop or seal, or any other appliance of the Company.
- d. For non-payment of any charge accruing under the Company's tariff or Rules and Regulations.
- e. For refusal of reasonable access to Property for purposes of inspecting or for reading, caring for, removing, or installing Meters, including remote and automatic Meters and the associated wiring and connections to the Customer's telephone line.
- f. For making, or refusing to sever, any cross connection between a pipe or fixture carrying water furnished by the Company, and a pipe or fixture carrying water or other substances from any other source.
- g. For failing to comply with the inspection, installation, maintenance or testing requirements of the Company under its back-flow prevention and cross-connection control program instituted for the purpose of protecting the public water supply.
- h. For vacancy of a premises.
- i. For failure to make payments under the Company's Water System Connection Loan Program, as described in Rule 66.
- j. For violation of any other Rules or Regulations of the Company.
- k. For violation of Pennsylvania law (Criminal Code 18 PA C.S.A. Section 3926) which prohibits the activation of a public utility service line without a measuring device (water Meter).
- l. For any other reasons set forth in the Commission's regulations.

Service termination will be performed in the manner prescribed by the Commission's regulations. In addition, service may be terminated for nonpayment of a sewer bill upon proper request of the Sewer System and receipt of a \$35.00 fee per account. The terms and conditions for termination of water for non-payment of sewer are found in Attachment A and conform to the Water Services Act 53 P.S. §3102.201 et seq.

57. Turn-Off Without Authority: The Customer shall not turn the water on or off at any corporation stop or Curb Stop, or disconnect or remove the Meter, or permit its disconnection or removal, without the consent of the Company.

RULES AND REGULATIONS**TERMINATION OF SERVICE (cont'd)**

58. Due to Emergency: As necessity may arise in case of breakdown, emergency, or for any other unavoidable cause, the Company shall have the right to suspend services temporarily, in order to make necessary repairs, connections, etc.; but the Company will use all reasonable and practical measures to notify the Customer of such discontinuance of service. The Company shall not be liable for any damage or inconvenience suffered by the Customer or any claim against it at any time for interruption in service, or for any causes beyond its control. When a supply of water is to be temporarily cut off, notice will be given, when practicable, to all Customers affected by the shutting off, stating the probable duration of the interruption of service, and also the purpose for which the shut-off is made.

59. Restoration of Service: After termination of service it will not be reconnected until all amounts due to the Company have been paid plus the cost of a fifty (50) dollar turn-on charge prior to service reconnection (with the exception of the Masthope Division) subject to the provisions of Section 1407(c)(2) of the Public Utility Code, 66C.S. § 1407(c)(2) (regarding payment to restore service) unless otherwise directed by the Commission.

RULES AND REGULATIONS**WATER CONSERVATION AND DROUGHT EMERGENCY****60. Water Conservation Contingency Plan:**

General: The Company shall have the right to reserve a sufficient supply of water at all times in its reservoirs, to provide for fire and other emergencies, or may restrict or regulate the quantity of water used by the Customer in case of scarcity, or whenever the public welfare may require it. If the Company is experiencing a short-term supply shortage, the Company may request general conservation measures to reduce or eliminate nonessential uses of water.

Voluntary Conservation: The Company shall first request voluntary curtailment of all nonessential uses of water.

Mandatory Conservation: If voluntary cooperation does not achieve satisfactory results, mandatory compliance with a ban on nonessential uses will be imposed. If any customer refuses to comply with such mandatory measures, the Company may adjust the outside water valve connection in a manner which will restrict water flow by up to 1/2, otherwise restrict flow such as by the insertion of a plug device, or terminate service.

Nonessential uses of water may include, but are not limited to, the following items:

- a. The use of hoses, sprinklers, or other means for sprinkling or watering of shrubbery, trees, lawns, grass, plants, vines, garden, vegetables, flowers, or any other vegetation.
- b. The use of water for washing automobiles, trucks, trailers, trailer houses, or any other type of mobile equipment.
- c. The washing of streets, driveways, parking lots, service station aprons, office buildings, exteriors of homes, sidewalks, apartments, or other outdoor surfaces.
- d. The operation of any ornamental fountain or other structures making a similar use of water.
- e. The use of water for filling of swimming or wading pools.
- f. The operation of any water-cooled comfort air conditioning which does not have water-conserving equipment.
- g. The use of water from fire hydrants for construction purposes or fire drills.
- h. The use of water to flush a sewer line or sewer manhole.
- i. The use of water for commercial farms and nurseries other than a bare minimum to preserve plants, crops, and livestock.

RULES AND REGULATIONS**WATER CONSERVATION AND DROUGHT EMERGENCY (cont'd)****60. Water Conservation Contingency Plan (cont'd):**

Water Rationing Plan: In addition to the provisions as set forth above, the Pennsylvania Emergency Management Agency is authorized to promulgate, adopt, and enforce a Water Rationing Plan by virtue of the Emergency Management Services Code, 35 Pa. C.S.1701 et seq. as implemented by the Drought Emergency Proclamation dated November 6, 1980.

Excess Use Charges: In the event of a drought emergency (as declared by a river basin commission and/or by a proclamation or executive order issued by the Governor), the Company is authorized to collect fines and/or excess use charges set forth in its Local Water Rationing Plan as filed with and approved by the Pennsylvania Emergency Management Agency.

RULES AND REGULATIONS**MAIN EXTENSIONS**

61. Main Extensions to Existing Residential Structures: Where an adequate water distribution main does not abut a prospective Customer's Property such that a service connection cannot be made to serve such Property in accordance with these Rules and Regulations, the prospective Customer (or an authorized agent for the prospective Customer) must apply to the Company for a main extension.

Any required or requested main extension to serve a prospective Customer at a preexisting structure will be paid for by the Depositor in accordance with the provisions of the subsections below:

a. When an extension to serve a prospective Customer is required or requested, such extension will be made under the terms of an "Extension Deposit Agreement". The Company shall have the exclusive right to determine the type, the material, the size, the routing and the location of mains to be installed and the other facilities required to render adequate service. No main(s) smaller than 6" in diameter shall be installed.

b. The terminal point of the required extension shall be a point in the curb line equidistant from the side building lines of the last building or dwelling to be served. As a further condition of extending the existing distribution mains, the Company shall be provided with, at no cost to the Company, any rights of way, temporary construction easements or permanent construction easements necessary to complete the extension of the distribution mains, Company service line(s), appurtenances and other facilities, or to provide future access for repair, maintenance, replacement, or for other related reasons.

c. The Company reserves the right to require the Depositor to pay for the extension of the main beyond the last building in a street in order to connect to an existing main which would provide more adequate and reliable service.

d. The prospective Customer must have complied with all other conditions of service provided elsewhere in these Rules and Regulations in order to receive water service from the main extension.

Any required or requested main extension to serve a lot or lots that do not contain an existing residential structure shall be installed by the Builder in accordance with the provisions of Rule 65.

RULES AND REGULATIONS**MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS****62. Bona Fide Service Applicants:**

62.1 Where an adequate water distribution main does not abut a Bona Fide Service Applicant's Property such that a service connection cannot be made to serve such Property in accordance with these Rules and Regulations, the Bona Fide Service Applicant (or an authorized agent for the Bona Fide Service Applicant) must apply to the Company for a main extension. Such extension will be made under and pursuant to the terms of an Extension Deposit Agreement for the Bona Fide Service subject to Applicant the and applicable provisions of these Rules and Regulations. The construction of facilities to serve such Bona Fide Service Applicant will not commence until an Extension Deposit Agreement for Bona Fide Service Applicant has been executed and all applicable terms and conditions therein have been satisfied by the Applicant.

In conjunction with executing an Extension Deposit Agreement, a Bona Fide Service Applicant shall deposit with the Company an amount totaling \$1,000, representing a Service Line Deposit. Such amount shall be refunded to the Applicant within 90 days after the Applicant's requesting and receiving water service from the Company, provided, however, that if the Applicant does not request connection to the Company's main extension within six months of the completion of the main extension, the Service Line Deposit shall become non-refundable.

Where a proposed main extension is capable of serving multiple structures or facilities and at least 80% of the potential Customers who could receive service from the main extension become Bona Fide service Applicants and satisfy all applicable terms and conditions of the foregoing provisions, the Customer Advance, if any, required of each Bona Fide Service Applicant shall be calculated as if 100% of such potential Customers had become Bona Fide Service Applicants.

For a period of ten (10) years following completion of the main extension, the Company shall refund to each Bona Fide Service Applicant his/her pro rata share of an amount equal to the Company Contribution for each additional Customer who attaches a service line to the main extension and requests service. No refunds shall be made, however, in those situations where at least 80%, but less than 100%, of the potential Customers who could receive service from the main extension become Bona Fide Service Applicants and their Customer Advances are calculated as if 100% of such potential Customers had participated in the initial funding of the project. In addition, the total amount refunded shall not exceed the amount of the Customer Advance paid by the Bona Fide Service Applicant.

62.2 The Company shall have the exclusive right to determine the type, the material, the size, the routing and the location of mains to be installed and the other facilities required to render adequate service. No main(s) smaller than 6" in diameter shall be installed.

62.3 The terminal point of the required extension shall be a point in the curb line equidistant from the side property lines of the last lot to be served or the side building lines of the last building or dwelling to be served, whichever is greater. As a further condition of extending the existing distribution mains, the Company shall be provided with, at no cost to the Company, any rights of way, temporary construction easements or permanent construction easements necessary to complete the extension of the distribution mains, Company service line(s), appurtenances and other facilities, or to provide future access for repair, maintenance, replacement, or for other related reasons.

RULES AND REGULATIONS

MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)**62. Bona Fide Service Applicants (cont'd):**

62.4 The Bona Fide Service Applicant must have complied with all other conditions of service provided elsewhere in these Rules and Regulations in order to receive water service from the main extension.

62.5 Any required or requested main extension to serve an Applicant other than a Bona Fide Service Applicant shall be installed in accordance with the provisions of Tariff Rule 65.

Definitions:

Bona Fide Service Applicant: shall mean a person or entity applying for General Metered Service to an existing or proposed structure or facility within the Company's certificated service territory, and which is either: (1) the primary residence of the Applicant; (2) a place of business; or (3) a public school, building, library, park or playground which is owned by a governmental unit or school district which has the power of taxation. An Applicant shall not be deemed a Bona Fide Service Applicant if: (1) such Applicant is requesting water service to a building lot, subdivision or a secondary residence; (2) the request for water service is part of a plan for the development of a residential dwelling or subdivision; (3) the request is for service other than the main water supply for the primary residence, such as service for external landscaping or agricultural purposes only; or (4) the Applicant is requesting Special Utility Service. To become an Applicant, a person or entity must file a signed application to connect the qualifying structure or facility with the Company's distribution system and request water service to begin immediately following such connection.

Company Contribution: shall mean that portion of the main extension costs which generate annual line extension costs equal to annual revenue from the line extension and that the Company will fund based upon the following formula, where X equals the Company Contribution attributed to each Bona Fide Applicant:

$$X = \frac{AR - O\&M}{(P \cdot I) + D}$$

Whereby:

AR = the expected annual revenue from the Bona Fide Service Applicant based upon the Company's currently effective tariff rates and on the average annual usage of customers similar in nature and size to the Bona Fide Service Applicant.

O&M = the average annual operating and maintenance expenses associated with serving an additional customer, including customer accounting, billing and collection, water purchased, power purchased, chemicals, and other variable costs based on the current total company level of such costs, as well as any costs particular to the specific needs of the Bona Fide Service Applicant.

I = the Company's current debt ratio multiplied by its weighted cost of long-term debt; and

D = the Company's depreciation accrual rate for Account No. 322 (Mains and Accessories).

RULES AND REGULATIONS**MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)****62. Bona Fide Service Applicants (cont'd):**

Customer Advance: shall mean (1) the Estimated Cost of the water main extension less (2) the Company Contribution.

Line extensions to bona fide service applicants shall be funded without customer advance where the annual revenue from the line extension will equal or exceed the utility's annual line extension costs.

If the annual revenue from the line extension will not equal or exceed the utility's annual line extension costs, a bona fide service applicant may be required to provide a customer advance to the utility's cost of construction for the line extension.

Where a customer advance is required, and the applicant is unable to advance the entire amount due, the company, at its option, must either (1) allow the applicant to pay the advance ratably over a period of not less than three years or (2) assist the applicant in obtaining the necessary financing from an appropriate lending institution so that the applicant can deposit the entire amount due. If the Company chooses option (1), it may require that up to one-third of the total advance be deposited prior to extending its facilities and may recover from the applicant, over the payment term selected, its costs of financing the construction by applying to the amount outstanding interest charges calculated at the then-prevailing residential mortgage lending rate specified by the Secretary of Banking in accordance with the act of January 30, 1974 (P.L. 13, No. 6), known as the Loan Interest and Protection Law.

Special Utility Service: shall mean residential or business service which exceeds that required for ordinary residential purposes. By way of illustration and not limitation, Special Utility Service shall include: the installation of facilities such as oversized mains, booster pumps and storage tanks as necessary to provide adequate flows or to meet specific pressure criteria, or service to large water consuming commercial and industrial facilities. An otherwise Bona Fide Service Applicant requesting service which includes a "special utility service" component is entitled to a Bona Fide Service Applicant status, including the corresponding Company contribution toward the costs of the line extension which does not meet the special utility service criteria.

63. Economic Development Main Extension Policy: The Company may negotiate and enter into customized Extension Deposit Agreements for the purpose of promoting economic development or enhancing the efficiency and operation of the waterworks system. These Agreements may include special provisions that differ from the standard terms of the "Extension Deposit Agreement".

64. Main Extensions with Governmental Bodies: The Company may negotiate and enter into customized Extension Deposit Agreements with Governmental Agencies where the main extension is for a public purpose, and is funded entirely with public funds. These Agreements may include a waiver of the tax requirements of the "Extension Deposit Agreement," and in such event, the Company will not refund any portion of the cost of the main extension.

RULES AND REGULATIONS**MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)**

65. Main Extensions and Services by Builder: In the event any main extension is requested or required to provide service to newly constructed structure(s) to be constructed in the future on existing or subdivided lots, or to preexisting non-residential structures except as provided below, the Builder shall be required to install the water main and service lines through a pre-qualified Contractor retained by the Builder and to pay all costs related thereto. At the sole discretion of the Company, the Company may undertake construction of facilities otherwise subject to this Rule, in which event, the "Extension Deposit Agreement", referred to in the provisions of Rule 61 and Rule 62 pertaining to construction of facilities to serve existing residential structures, shall be applicable except that the Builder will retain financial responsibility for the installation of service lines and appurtenances as specified herein.

Under the provisions of this Rule, prior to construction, the Builder must enter into an Agreement, in a form acceptable to the Company, detailing the terms and conditions under which the Company will accept, and provide service through, facilities constructed by Builder. All construction costs, whether initially incurred by the Company or the Builder, related to the main extension shall be the responsibility of the Builder. The Agreement shall contain, at a minimum, the following terms and conditions:

- a. Main and service line installation work shall be performed in accordance with the specifications and conditions of the Company.
- b. All costs of material and installation required to serve Builder's lots shall be the responsibility of Builder. Builder shall contract directly with a pre-qualified contractor, recognized and approved by the Company, for all main and service line installation work, and all appurtenances (including fire hydrants) required to serve the project.
- c. Any specialty material required to interconnect with the Company's existing facilities shall be provided by the Company.
- d. Any construction involving preexisting facilities of the Company, including but not limited to relocation of existing facilities and connections of mains or services with existing facilities, shall be performed only by the Company.
- e. Builder's estimate of the cost of construction must be acceptable to the Company. Estimates which appear to be understated may be rejected.
- f. Builder shall obtain all necessary permits from federal, state and local authorities. If any of these authorities require the Company to obtain such permits, the Company shall apply for the permits.
- g. All construction shall be subject to inspection by Company personnel. No trenches shall be backfilled prior to approval from Company inspectors.

RULES AND REGULATIONS**MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)**

66. Water System Connection Loan Program: An Applicant for a new single-family residential service connection under Rule 6 or for a main extension under Rule 61 for single-family residential service may apply for a loan from the Company to cover Eligible Costs (as defined herein). Any such loan shall be subject to the terms and conditions set forth in this Rule.

To be eligible for a loan, an Applicant must (a) own a single-family residence which will take water service from the Company; (b) demonstrate intent to be the continuing Customer of the Company at the residence; and (c) enter into a financing agreement.

For purposes of this Rule, Eligible Costs include actual costs for (a) a water main extension in accordance with Rule 61; (b) the Customer Service Line; (c) a meter box or vault; (d) shut-off valves and/or back flow devices required under these Rules; (e) alterations of or additions to plumbing within the Customer's residence which are necessary to permit the Customer to take service from the Company; or (f) any other facilities necessary to permit the Customer to take water service from the Company. The maximum principal balance of a loan made under this Rule will be \$8,000.

Any such loan shall be subject to the following terms and conditions.

- a. The existence of a loan made under this Rule does not alter the responsibility of the Customer for maintenance or replacement of the Customer Service Line or any other facilities as determined by the applicable provisions of the Company's Rule(s).
- b. The initial principal balance of the loan shall be the amount of Eligible Costs which the Customer elects to borrow from the Company. The principal balance of the loan plus interest will be repaid to the Company through a fixed surcharge added to the Customer's regular monthly bill for water service. The surcharge will be reflected as a separate service type for the Customer's account.
- c. The customer will enter into a financing agreement with the Company which specifies, inter alia, the initial principal balance of the loan, the applicable interest rate determined in accordance with subsection (e) of this Rule, the term of the loan and the amount of the monthly surcharge. The Company in its sole discretion will determine whether a financing agreement should be established for a loan related to facilities owned and maintained by the customer under the applicable provisions of the Company's Rules. The customer will agree to repay the loan over a term selected by the customer, which is no less than three years (36 months), nor greater than 8 years (96 months).
- d. Through the surcharge, the customer will make equal monthly installments over the loan term to pay the principal amount of the loan together with daily simple interest on the unpaid balance of the principal amount from time to time outstanding at the applicable rate of interest determined in accordance with subsection (e) of this Rule. The customer's payment schedule will amortize the unpaid balance over the loan term. Daily simple interest means that interest is charged each day after applying any payment the customer has made. All payments will be first applied to interest that is due and then to principal and other charges. Prepayment of the loan will be permitted without penalty.
- e. The interest rate will be fixed for the term of a loan, at the weighted cost of long term debt.

RULES AND REGULATIONS**MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)****66. Water System Connection Loan Program (cont'd):**

f. Notwithstanding the provisions of subsection (e), the interest rate shall not exceed 8% per annum. In the event that the weighted cost of long term debt as calculated pursuant to subsection (e) would, except for the provisions of this subsection (f), exceed 8% per annum, the Company shall have the option to suspend the making of loans under this Rule.

g. A customer account which includes a loan payment surcharge will not be transferred to any tenant or non-owner occupant of the residence for which a loan is made. During the loan term, the owner of the residence will remain the customer in whose name the bill for water service will be issued. If the residence is sold, a new owner who demonstrates intent to be the continuing customer of the Company at the residence may elect in writing on a form provided by the Company to assume responsibility for the loan payments, subject to the terms of the financing agreement. A copy of the election form will be returned to the Company prior to sale of the residence. If the new owner does not elect in writing on a form provided by the Company to assume responsibility for the loan payments or does not demonstrate intent to be the continuing customer at the residence, the loan and accrued interest shall become immediately due and payable upon sale of the premises.

h. The loan surcharge reflected on Customer bills will be collected by the Company, subject to all provisions of Rules 11 through 18 and 54 regarding billing for water service, terms of payment, late-payment charges and discontinuance of water service for non-payment. A partial payment of a bill for water service shall be first applied to cover the Customer's obligation under the loan and then to charges for other water service.

For accounting purposes, the Company will establish subaccounts in which loan payments shall be recorded. In one subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the Company under the applicable Rules. In another subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the Customer under the applicable Rules. Loan payments shall be allocated between the two subaccounts based upon the relative initial cost of the facilities covered by that subaccount as compared to the total amount of the loan. For each subaccount, amounts received as loan payments will be first applied to interest that is due and then to principal and other charges.

If a loan becomes uncollectible, the unpaid principal balance of the portion of the loan, if any, which relates to facilities owned and maintained by the Company will be recorded as a debit to Contributions-In-Aid-Of-Construction, and as a credit to Accounts Receivable. The unpaid balance of interest with respect to such portion of the loan (as of the time of the debit) shall be recorded as an uncollectible account. The unpaid balance of principal and interest for the portion of a loan, if any, which relates to facilities owned and maintained by the Customer, shall be recorded as a non-utility expense.

The Company's capital structure used for rate-making purposes will not include short-term debt issued by the Company to finance loans under this Rule.

RULES AND REGULATIONS**PRO-RATION OF BASE RATES ON CUSTOMER BILLS**

67. Pro-ration of Base Rates on Customer Bills: During a period of changes to base rates, billing of base rates for metered Customers involves proration of the different base rates based on days of invoice. The consumption for the entire period is divided by the number of service days to develop an average consumption per day for purposes of bifurcating the consumptions at the old rate and consumption at the new rate.

WAIVERS

68. Waivers: The Company may, at its sole discretion, waive any of the Rules contained herein that operate for the benefit of the Company; provided, that no such waiver will be valid unless in writing and signed by an authorized representative of the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Commission or of any other applicable statute, law or regulation.

AMENDMENT OF COMMISSION REGULATIONS

69. Amendment of Commission Regulations: Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this tariff, the tariff is deemed to be amended so as to be consistent with the amendments to the regulations, except that if application of the amendment to Title 52 is discretionary, this tariff will remain unchanged.

PRIVILEGE TO INVESTIGATE/RIGHT TO ACCESS

70. Privilege to Investigate/Right to Access: The Company shall have the right by its employees to have access at all reasonable times to all parts of any premises connected with the system, including meters, service connections and other property owned by it one the premises of the Customer for the purpose of examining and inspecting the connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause or for purposes of replacement, maintenance, operation or repair thereof.

RULES AND REGULATIONS

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ATTACHMENT A - WATER SERVICE TERMINATION
TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the terms and conditions herein stated, the parties hereto, intending to be legally bound, agree as follows:

1. In order to initiate water service termination to a customer of the Water Company, by reason of that customer's delinquent sewer charges payable to the Authority, an authorized and responsible officer of the Authority shall cause to be delivered to the Water Company a written request for such termination, together with the following information:

- a. The name and address of the sewer service customer; if premises is tenant occupied, the name and address of the landlord and the name and address of the tenant;
- b. The address and lot number of the premises for which water service termination is sought;
- c. A statement that the sewer charges for such premises remain unpaid for a period of at least thirty days from the due date thereof;
- d. A statement setting forth: (i) that the Authority has fulfilled all applicable notice and procedural steps required of it by law, statute, regulations ordinances and other authorities, including, without limitation those mandated by the Water Services Act (53 P.S. §3102.501 et seq) and (ii) that the Authority has not received written or other information the effect of which would be to make water service termination unlawful.

2. Upon receipt of the information specified under Paragraph 1 hereof, the Water Company will promptly initiate water service termination procedures, in accordance with the procedures outlined in this Agreement, unless it should decline to do so, in which event the Water Company shall notify the Authority of the reasons therefore.

3. The Water Company may decline to initiate water service termination in the following instances:

- a. The involved premises is not receiving water service from the Water Company;
- b. The Water Company's customer at the involved premises is a different person or entity than the Authority's sewer customer;
- c. The water service to be terminated will adversely affect service to other Water Company customers, other premises served by the Water Company or the Water Company's delivery system;
- d. The Water Company has received verbal or written notice prohibiting or requiring deferral of water service termination;
- e. The nature of the facilities at the involved premises makes service termination impracticable;

- f. The Water Company receives advice from its legal counsel that water service should not be terminated under the particular circumstances;
- g. The termination of water service under the particular circumstances would be a violation of law or of applicable regulations;
- h. Other reasons mutually agreed between the Authority and the Water Company.

In the event that the Water Company so declines to initiate water service termination procedures for any reason, the Water Company shall, upon request from the Authority, supply the Authority with a written statement of the reasons why the Water Company has declined to terminate water service at the particular premises. If the Authority should desire to contest the reasons offered by the Water Company, then such dispute shall be resolved pursuant to the provisions of the Public Utility Code and/or the regulations of the Commission.

4. Under circumstances where the Authority initiates a request for water service termination procedures, it is understood and agreed that the Authority will comply with all applicable notice and procedural requirements relative to water service termination contained in the Water Services Act, Pennsylvania Public Utility Code, the rules and regulations of the Commission, and the Water Company's rules and regulations contained in its tariff on file with the Commission.

5. Exclusive of contact between the Water Company and its customer required to effect termination, it is understood that the Authority shall conduct all interaction and negotiations with the involved sewer customer, including without limitation, negotiations for payment of arrearages and all contact regarding pre-termination through post-termination procedures for dispute resolution. In addition, the Authority shall prepare and deliver to the Water Company a copy of the notice to the involved sewer customer, notifying such customer that inquiries as to the arrearage or any dispute relative thereto should be directed to a named representative or department of the Authority at a given telephone number and that no contact should be made to the Water Company. Furthermore, the Authority shall, at the request of the Water Company, cause an authorized representative to be present at the involved premises at the time of water service termination and at any time when the premises must be visited to effectuate required notices or perform service termination procedures. Such representative of the Authority will be the participant exclusively in any discussions with the involved customer. The final decision whether to terminate water service shall be made by the Authority representative in attendance, and the Water Company employee may rely exclusively upon that decision.

6. Concurrent with the delivery of the written request required under Paragraph 1 hereof, the Authority shall pay to the Water Company the fee as set forth in the Water Company's Tariff (see Termination of Service), as amended from time to time, per involved premises, which shall not be refundable unless the Water Company should decline to initiate water service termination. Except as otherwise provided herein, said sum shall constitute payment in full to the Water Company for its services hereunder, including conducting service termination and restoration visits to the involved premises and completing water service termination procedures. In addition, the Authority shall pay to the Water Company \$15.00 for each visit beyond the two visits per premises, which are required to effectuate water service termination at a particular premises. Furthermore, in

the event that more than one hour is required to perform either the termination or restoration of water service to any involved premises, including travel time and time actually spent at the premises, the Authority shall pay the Water Company's actual costs of such visit, including labor, material, transportation and other fixed charges to the extent that such actual costs exceed \$15.00, unless such additional costs are the result of error or lack of effort on the part of the Water Company or Water Company personnel. The payment specified hereunder may be amended from time to time as agreed to by the parties hereto.

7. As to each premises for which water service is terminated hereunder, the Authority shall pay to the Water Company the estimated loss of water revenues resulting therefrom which shall be calculated in the same manner that the Water Company uses in the ordinary course of business to calculate estimated monthly water bills. The estimated monthly consumption per premises shall be applied to the Water Company's tariff rates in effect during the estimation period, including all minimum charges and surcharges. The total monthly estimated bill, so calculated, will be divided by 30 to determine the estimated daily rate. Estimated lost revenues shall be equal to the product of the estimated daily rate and the number of days water service was actually terminated at the involved premises. Estimated lost revenues shall be billed by the Water Company to the Authority, periodically, and at approximately the same time as the Water Company would have billed the involved customer if water service had not been terminated. The Authority shall pay each such bill within 30 days of receipt thereof. Upon request the Water Company will provide to the Authority the estimated daily rate of lost revenue for specific premises for which service termination is contemplated. The Authority's liability for the estimated loss of water revenues resulting from such shut off shall terminate when the Authority authorizes the Water Company to restore water service or when water service is actually restored, whichever is earlier.

8. The Authority agrees to hold the Water Company harmless from any liability that the Water Company may incur in performing or attempting to perform water service termination and the procedures therefore in accordance with the terms of this Agreement. The Authority further agrees that it will, at its sole expense, legally defend and prosecute any action arising out of such performance or attempted performance, brought against the Authority, the Water Company or their respective agents or employees as a result of which the Water Company may incur any such liability. The Water Company reserves the right to retain its own counsel and participate independently in such proceedings.

9. If a dispute shall arise between the Authority and the Water Company regarding the cost of the Water Company's services hereunder, the amount of revenues lost, or the interpretation of the provisions of this or any subsequent agreement between the Water Company and the Authority concerning payment for such services and lost revenues, such dispute shall be submitted by either party to the Commission, pursuant to the Water Services Act (53 P.S. §3102.505(d)).

10. This Agreement shall continue until terminated by either party on not less than 30 days written notice to the other party.

11. The Water Company complies with the Commission's heat-related moratorium that runs from December 1 to April 1. Thus, the Water Company is only in a position to terminate service during the remaining 8 months of the year.

APPENDIX B

AQUA PENNSYLVANIA WASTEWATER, INC.
(hereinafter referred to as the "Company")

RATES, RULES, AND REGULATIONS

GOVERNING THE COLLECTIONS OF

WASTEWATER

IN PORTIONS OF

ADAMS, BUCKS, CARBON, CHESTER, CLARION, CLEARFIELD, DELAWARE,
LACKAWANNA, LUZERNE, MONROE, MONTGOMERY, PIKE, SCHUYLKILL, VENANGO,
AND WYOMING COUNTIES

IN THE COMMONWEALTH OF PENNSYLVANIA

ISSUED: May 23, 2019

EFFECTIVE: May 24, 2019

By:

Marc Lucca, President
Aqua Pennsylvania, Inc.
762 Lancaster Avenue
Bryn Mawr, Pennsylvania 19010

NOTICE

THIS TARIFF PROPOSES INCREASES IN RATES AND CHANGES IN RULES AND
REGULATION OF SERVICE.

LIST OF CHANGES MADE BY THIS TARIFF

This proposed TARIFF SEWER-PA P.U.C. NO. 2 as filed with the Pennsylvania Public Utility Commission at Docket No. R-2018-3003561 by Aqua Pennsylvania Wastewater, Inc. on May 23, 2019 supersedes SEWER-PA. P.U.C. NO.1.

This proposed tariff also resets the Distribution System Improvement Charge (DSIC) to zero percent, simultaneously with the effective date of the new base rates.

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DESCRIPTION OF TERRITORIES SERVED

	<u>Township</u>	<u>County</u>
RATE ZONE 1		
Bunker Hill Subdivision (Rate Zone 1A)	Clinton	Wyoming
Bridlewood Division	Thornbury (portion)	Chester
Eagle Rock Division	Black Creek (portion)	Luzerne
Eagle Rock Division	Hazle (portion)	Luzerne
Eagle Rock Division	East Union (portion)	Schuylkill
Eagle Rock Division	North Union (portion)	Schuylkill
Media Division*	Media	Delaware
Penn Township Division (Rate Zone 1B)	Penn	Chester
Treasure Lake Division (Rate Zone 1A)*	Sandy	Clearfield
Village at Valley Forge Division (Rate Zone 1A)*	Upper Merion	Montgomery
RATE ZONE 2		
Emlenton Borough Division	Richland (portion)	Clarion
Emlenton Borough Division	Salem (portion)	Clarion
Emlenton Borough Division	Emlenton	Venango
Emlenton Borough Division	Richland (portion)	Venango
Pinecrest Division	Tobyhanna (portion)	Monroe
Rivercrest Division	Tunkhannock	Wyoming
Rivercrest Division	Washington	Wyoming
White Haven Division (Kidder)	Dennison (portion)	Carbon
White Haven Division (Kidder)	East Side (portion)	Carbon
White Haven Division (Kidder)	Dennison (portion)	Luzerne
White Haven Division (Kidder)	White Haven Borough	Luzerne
RATE ZONE 3		
Beech Mountain Lakes Division	Butler	Luzerne
Beech Mountain Lakes Division	Dennison	Luzerne
Deerfield Knoll Division	Willistown (portion)	Chester
Laurel Lakes Division (Wilbar)	Rice	Luzerne
Links at Gettysburg Division	Cumberland	Adams
Links at Gettysburg Division	Mount Joy	Adams
Stony Creek Division	Worcester (portion)	Montgomery
Thornhurst Division	Lehigh	Lackawanna
Willistown Woods Division (Chesterdale)	Westtown (portion)	Chester
Willistown Woods Division (Chesterdale)	Willistown (portion)	Chester
Woodloch Springs Division	Lackawaxen (portion)	Pike
Woodloch Springs Division (Woodloch Pines)	Lackawaxen (portion)	Pike

DESCRIPTION OF TERRITORIES SERVED

	<u>Township</u>	<u>County</u>
RATE ZONE 4		
Honeycroft Village Division	Londonderry (portion)	Chester
Lake Harmony Division	Kidder	Carbon
New Daleville Division	Londonderry (portion)	Chester
Peddlers View Division	Solebury (portion)	Bucks
Tobyhanna Township Division	Tobyhanna (portion)	Monroe
Twin Hills Division	West Pikeland (portion)	Chester
RATE ZONE 5		
Avon Grove School District	New London (portion)	Chester
Avon Grove School District	Penn (portion)	Chester
East Bradford Division (Brandywine)	East Bradford (portion)	Chester
Little Washington Division	East Brandywine (portion)	Chester
Plumsock Division*	Willistown (portion)	Chester
The Greens at Penn Oaks Division	Thornbury (portion)	Chester
Newlin Green Division	Newlin	Chester
Sage Hill Division	Thornbury (portion)	Chester
RATE ZONE 6		
CS Sewer Division (Masthope)	Lackawaxen	Pike
RATE ZONE 7		
Limerick Division	Limerick (portion)	Montgomery
RATE ZONE 8		
East Bradford Township Division	East Bradford (portion)	Chester
East Bradford Township Division	Birmingham (portion)	Chester

*All Divisions and Subdivisions above are billed on a per EDU basis, with the exception of the Media Division, Plumsock Division, Treasure Lake Division, and Village of Valley Forge Division.

DESCRIPTION OF TERRITORIES SERVED

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SCHEDULE OF RATES

RATE ZONE 1 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 1 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 1	Rate Zone 1A	Rate Zone 1B
Fixed (per EDU)	\$ 31.00	\$ 31.00	
<u>Meter Size:</u>			
5/8 inch	31.00	31.00	
3/4 inch	46.50	31.00	
1 inch	77.50	31.00	
1-1/2 inch	155.00	62.00	
2 inch	248.00	99.20	
3 inch	465.00	186.00	
4 inch	775.00	310.00	
6 inch	1,550.00	500.00	
8 inch	2,480.00		
10 inch	3,565.00		
Residential Fixed (per EDU)			\$ 31.00
Commercial Fixed (per EDU)			67.50
Unmetered Charge (per EDU)	\$ 61.40	\$ 56.20	\$ 80.00
Special Charges			
Media Division - Unmetered:	\$ 31.00		
Bridlewood Division - Unmetered:			
The Apartment Complex will be billed at 217 EDU's			
The Children's World Daycare will be billed at 7 EDU's			

MONTHLY CONSUMPTION CHARGE

Consumption Charge for all divisions (per 1,000 gallons water used)	\$ 7.60	\$ 6.30	
<u>Consumption Charge Exceptions:</u> (per 1,000 gallons water used over 1,000 gallons)			\$ 10.00

SCHEDULE OF RATES

RATE ZONE 2 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 2 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 2
Fixed (per EDU)	\$ 36.00
<u>Meter Size:</u>	
5/8 inch	36.00
3/4 inch	54.00
1 inch	90.00
1-1/2 inch	180.00
2 inch	288.00
3 inch	540.00
4 inch	900.00
6 inch	1,800.00
8 inch	2,880.00
10 inch	4,140.00
Unmetered Charge (per EDU)	\$ 68.40
Special Charges	
Emlenton Division:	
First 20 EDU's	\$ 68.40
Each Additional EDU over 20 EDU's	34.20

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 8.10
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SCHEDULE OF RATES

RATE ZONE 3 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 3 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 3
Fixed (per EDU)	\$ 46.00
<u>Meter Size:</u>	
5/8 inch	46.00
3/4 inch	69.00
1 inch	115.00
1-1/2 inch	230.00
2 inch	368.00
3 inch	690.00
4 inch	1,150.00
6 inch	2,300.00
8 inch	3,680.00
10 inch	5,290.00
Unmetered Charge (per EDU)	\$ 80.00
Special Charges	
Links of Gettysburg Division, Thornhurst Division, Laurel Lakes Division, and Woodloch Springs Division - Unmetered:	\$ 71.50

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 8.50
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SCHEDULE OF RATES

RATE ZONE 4 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 4 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 4
Fixed (per EDU)	\$ 62.00
<u>Meter Size:</u>	
5/8 inch	62.00
3/4 inch	93.00
1 inch	155.00
1-1/2 inch	310.00
2 inch	496.00
3 inch	930.00
4 inch	1,550.00
6 inch	3,100.00
8 inch	4,960.00
10 inch	7,130.00
Unmetered Charge (per EDU)	\$ 100.00

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 9.50
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Special Charges

QUARTERLY SERVICE CHARGE

Tobyhanna Division	
Customer Charge per EDU	\$ 200.00
Nonresidential User Consumption Charge per 1,000 gallons water used above 23,000 per quarter	\$ 10.00

The Special Charges for the Tobyhanna Division will remain effective through December 31, 2019. Beginning January 1, 2020, and thereafter; the monthly charges of Rate Zone 4 will be effective for the Tobyhanna Division.

SCHEDULE OF RATES

RATE ZONE 5 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 5 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 5
Fixed (per EDU)	\$ 74.00
<u>Meter Size:</u>	
5/8 inch	74.00
3/4 inch	111.00
1 inch	185.00
1-1/2 inch	370.00
2 inch	592.00
3 inch	1,110.00
4 inch	1,850.00
6 inch	3,700.00
8 inch	5,920.00
10 inch	8,510.00
Unmetered Charge (per EDU)	\$ 112.40

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 9.60
Special Charges	
Newlin Green Division - Metered:	
Fixed Customer Charge per EDU	\$ 110.00
Consumption Charge per 1,000 gallons water used	7.50
Sage Hill Division - Unmetered	\$ 180.00
Avon Grove School District - Flat Rate	\$ 8,281.25
East Brandywine Township Water & Sewer Authority – Wastewater Treatment Plant Consumption Rate (per 1,000 gallons)	\$ 7.74

SCHEDULE OF RATES

RATE ZONE 6 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 6 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 6
Fixed (per EDU)	\$ 39.64

Unmetered Charge (per EDU)	\$	43.64
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MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$	1.00
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SCHEDULE OF RATES

RATE ZONE 7 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 7 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 7	
Fixed (per EDU)	\$	28.10
Unmetered Charge	\$	28.33

MONTHLY CONSUMPTION CHARGE

Consumption Charge - per month per EDU (per 100 cubic feet above 333 cubic feet)	\$	4.84
(per 1,000 gallons above 2,493 cubic feet)		6.46

QUARTERLY SERVICE CHARGE

Customer Charge (\$)		
Fixed (per EDU)	\$	84.30
Unmetered Charge	\$	85.00

QUARTERLY CONSUMPTION CHARGE

Consumption Charge - per quarter per EDU (per 100 cubic feet above 1,000 cubic feet)	\$	4.84
(per 1,000 gallons above 7,481 cubic feet)		6.46

SCHEDULE OF RATES

RATE ZONE 8 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 8 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)		Rate Zone 8
Fixed: per Single Family Detached	\$	68.09
Fixed: per Townhouse		52.72
Commercial, Public, and Industrial Customers (per EDU)		26.00

MONTHLY CONSUMPTION CHARGE

Commercial, Public, and Industrial Customer Consumption Charge (per 1,000 gallons water used over 2,000 gallons)	\$	6.90
Special Charges		
Monthly Commercial, Public, and Industrial Customer Admin/Operations Charge (per EDU):		
First 10 EDU's	\$	12.58
Each Additional EDU over 10 EDU's		7.05

SCHEDULE OF RATES**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% shall apply to all bills issued on or after the Effective Date at the bottom of this page.

I. General Description

Purpose: To recover the reasonable and prudent costs incurred to repair, improve or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems. The costs of extending facilities to serve new customers are not recoverable through the DSIC. Utility projects receiving PENNVEST funding or using PENNVEST surcharges are not DSIC-eligible property.

Eligible Property: The DSIC-eligible property will consist of the following:

- Collection sewers, collecting mains and service laterals, including sewer taps, curb stops and lateral cleanouts installed as in-kind replacements for customers. Accounts. (360 & 361)
- Collection mains and valves for gravity and pressure systems and related facilities such as manholes, grinder pumps, air and vacuum release chambers, cleanouts, main line flow meters, valve vaults, and lift stations installed as replacements or upgrades for existing facilities that have worn out, are in deteriorated condition or are required to be upgraded by law, regulation or order. Accounts (360;361;362;363;364; & 365)
- Collection main extensions installed to implement solutions to wastewater problems that present a significant health and safety concern for customers currently receiving service from the wastewater utility. Accounts (360 & 361)
- Collection Main rehabilitation including inflow and infiltration projects. (Account 361)
- Unreimbursed cost related to highway relocation projects where a wastewater utility must relocate its facilities. Account (360;361;362;363;364; & 365)
- Other related capitalized costs. Account (389.2)

Effective Date: The DSIC will become effective for bills rendered on and after October 1, 2013.

II. Computation of the DSIC

Calculation: The initial charge, effective October 1, 2013, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between June 1, 2013 and August 31, 2013. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

<u>Effective Date of Change</u>	<u>Date to Which DSIC Eligible Plant Additions Reflected</u>
April 1	December 1 to February 28/29
July 1	March 1 to May 31
October 1	June 1 to August 31
January 1	September 1 to November 30

The fixed costs of eligible distribution system improvement projects will consist of depreciation and pre-tax return, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying to the original cost of DSIC-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded.

Pre-tax Return: The pre-tax return will be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day of the three month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

DSIC Surcharge Amount: The charge will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Company's otherwise applicable rates and charges, excluding amounts billed for the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for wastewater service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected.

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Formula: The formula for calculation of the DSIC surcharge is as follows:

$$\text{DSIC} = \frac{(\text{DSI} \times \text{PTRR}) + \text{Dep}}{\text{PQR}} + \frac{e}{\text{PQR}}$$

Where:

DSI = The original cost of eligible distribution system improvement projects, net of accumulated depreciation.

PTRR = The pre-tax return rate applicable to eligible distribution system improvement projects.

Dep = Depreciation expense related to eligible distribution system improvement projects.

e = The amount calculated under the annual reconciliation feature or Commission Audit, as described below.

PQR = Projected quarterly revenue for wastewater service will be based on the applicable three-month period, (including all applicable clauses and riders) including revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Bureau of Investigation & Enforcement, the Office of Consumer Advocate, Bureau of Audits and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

III. Safeguards

All Customer Classes: The DSIC shall be applied equally to all customer classes, with the exception of Woodloch Pines and any future customers with negotiated contracts for which a reduction or exemption is shown to be reasonably necessary.

Cap: The DSIC will be capped at 5.00% of the amount billed to customers (including all applicable clauses and riders) as determined on an annualized basis.

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Audits/Reconciliation: The DSIC will be subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, et seq., shall be credited to customer accounts. It will also be subject to an annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on the over-collections and credits will be calculated at the residential mortgage-lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P. S. sec.101, et seq.) and will be refunded in the same manner as an over-collection. The utility is not permitted to accrue interest on under collections.

New Base Rates: The charge will be reset at zero as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base would be reflected in the quarterly updates of the DSIC.

Earning Reports: The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings Report show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearnings on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Residual E-Factor Recovery Upon Reset to Zero: The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any over-collection to customers and is entitled to recover any under collections as set forth in Section III Safeguards – Audits/Reconciliations. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

SCHEDULE OF RATES

STATE TAX ADJUSTMENT SURCHARGE (STAS)

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% will apply to all bills issued on or after the Effective Date at the bottom of this page.

The above surcharge will be recomputed using the element prescribed by the Commission in its policy at 52 PA Code section 69.51 et seq.:

- On or before March 31 of each year; and/or
- Whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in the state tax liability arising under the law.

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations or orders. If the recomputed surcharge is less than the one in effect, the Company will, or if the recomputed surcharge is more than the one in effect, the Company may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations or orders. In the event that the Company files an increased surcharge subsequent to 10 days after the occurrence of an event which occasions a recomputation, the effective date of such tariff or supplement shall be 60 days after filing in accordance with section 1308(a) of the Public Utility Code, 66 C.S. section 1308(a)(regarding voluntary changes in rates) unless otherwise directed by the Commission.

The surcharge shall be rolled into base rates when increased or decreased base rates are made effective.

SCHEDULE OF RATES

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RULES AND REGULATIONS**SECTION A – INTRODUCTION**

These Rules and Regulations, filed as part of the Company's Tariff, shall govern the manner in which wastewater service is provided to all Applicants and Customers. The Company may supplement these Rules and Regulations, and may revise and amend these Rules and Regulations from time to time subject to the approval of the Pennsylvania Public Utility Commission ("Commission"). The Company will follow Commission regulations not specifically addressed in these Rules and Regulations.

There are four classes of general metered service, based on the nature of the Customer and the use of the property receiving service, as follows:

Residential Class: An individually-metered dwelling unit intended for human habitation (including a detached house, rowhome, townhouse, condominium and mobile home) or an individually-metered home or building consisting of not more than two dwelling units.

Commercial Class: A building store restaurant or office which is primarily a site for the buying or selling of goods or the provision of professional or consumer services. In addition, apartments, condominium complexes, colleges, private and public schools, car washes, laundromats, construction sites, hotels, motels, and tanks filled at the Company's premise are included in this class.

Industrial Class: A building or factory which is primarily a site for the manufacture or production of goods.

Public: A public building, library, park or playground which is owned by a governmental unit which has the power of taxation.

RULES AND REGULATIONS**SECTION B - DEFINITIONS**

Wherever used in the Rules and Regulations or elsewhere in the tariff of the company, the following terms shall have the meanings hereinafter set forth:

Applicant: A person, at least 18 years of age, who is not currently receiving service but has applied to the utility for service and whose name appears on the mortgage deed, or lease of the property for which service is requested.

Builder: Any person(s) requesting an extension to provide service to an existing lot or group of lots, either existing or to be subdivided, where service is to be provided to something other than a preexisting residential structure; namely, a newly constructed structure, structures to be constructed in the future, or to a preexisting non-residential structure.

Company: Aqua Pennsylvania Wastewater, Inc. and its duly authorized officers, agents and wastewater employees; each acting within the scope of his authority and employment.

Customer: A person at least 18 years of age, or entity who is an owner, occupant or who contracts with the Company for or who takes or receives wastewater collection, treatment and/or disposal service.

Customer Service Line: The connecting facilities from the Company sewage supply lines or mains at the curb-line into and within the customer's premises.

Company Service Lateral: The pipe or line extending laterally out from the Company collection main that connects to the building service line at the hypothetical or actual curb line, edge of the right-of-way or the actual property line.

Company's System: The aggregate of the Company's sewage disposal plant, trunk lines or mains and connection facilities to the curb-line at each premise.

Construction Costs: All direct and indirect costs attributable to the material and installation of the subject main extension, services and appurtenances, and/or removal of existing Company facilities (including the net book value of property replaced or retired) whether incurred by the Builder or the Company.

Contributory Industrial User: Any industrial user that the Company has determined discharges specific pollutants to the treatment works at concentrations greater than typical domestic/commercial wastewaters.

Domestic Wastes: A combination of water-carried wastes, consisting of wash water, culinary wastes and liquid wastes containing only human excreta and similar matter flowing in or from a building drainage system of sewer originating from residences, business buildings, institutions, and commercial establishments.

Equivalent Dwelling Unit or "EDU": The unit of measure by which a wastewater service charge shall be imposed upon each improved property, as determined in the Schedule of Rates of this tariff, which shall be deemed to constitute the estimated, equivalent amount of domestic sanitary wastewater discharged by a single-family dwelling unit in a single day. One (1) EDU shall be equal to two hundred and twenty five (225) gallons of wastewater per day for a three (3) bedroom residence.

RULES AND REGULATIONS**SECTION B – DEFINITIONS (cont'd)**

Grinder Pump: Any mechanical or powered device used to grind, macerate or fluidize waste so that it can be discharged into the Company's facilities. This device is a component of the Customer service line and the sole responsibility of the Customer to own, maintain and operate along with the balance of their Customer service line. The Customer shall be responsible for all power to operate the device in accordance with the manufacture's specifications and guidelines.

Industrial Waste Permit or Contract: A wastewater permit or contract issued as required by the Company to an industrial user.

Industrial Waste Pretreatment Program: A program established by the Company that requires discharges to monitor, test, treat and control as necessary, pollutants in their wastewater prior to discharge into the sanitary and/or combined sewer.

Maximum Allowable Industrial Loading: The maximum mass of pollutants that is allowed to be discharged to the treatment works from all contributory industrial users.

Nondomestic Waste or Industrial Waste: Any wastewater resulting from any process of industry, manufacturing, trade, or business or from the development or recovery of any natural resource, or any mixture of such waste with water or domestic wastewater, as distinct from domestic wastewater.

Person: Any individual, firm, company, association, society, corporation, institution, group, or any other legal entity.

Premise: A single lot or piece of ground consisting of a single residential unit, together with all buildings and structures erected thereon.

Pretreatment: The reduction or elimination of pollutants, or the alteration of the nature of pollutant properties prior to discharging into the sewer system. This reduction or alteration can be obtained by physical, chemical, or biological processes, by process changes, or by other means, except by diluting the concentration of the pollutants unless allowed by an applicable pretreatment standard.

Property: In general terms, a separate parcel of land owned in fee simple absolute, including any home(s), condominium(s), Home Owner's Association or building(s) affixed thereto, which is delineated by the description contained on the recorded deed, and which may be further delineated by any public roads.

Prospective Customer: Any owner, tenant or lessee of a property that is expected to be receiving wastewater service for at least one year following the commencement of wastewater service.

Residential Structure: A home or building which contains only individually - metered dwelling units intended for human habitation.

Service Connection: See Definition for Company Service Line.

Shall: is mandatory; May is permissive.

User or Discharger: Any person that discharges, causes, or permits the discharge of wastewater into a Company sewer.

RULES AND REGULATIONS**SECTION B – DEFINITIONS (cont'd)**

Waste: Rejected, unutilized or superfluous substances in liquid, gaseous, or solid form resulting from domestic and nondomestic activities.

Wastewater: A combination of the water-carried waste from residences, businesses, buildings, institutions, and industrial establishments, together with any ground, surface, and storm water that may be present, whether treated or untreated, discharged into or permitted to enter a Company sewer.

RULES AND REGULATIONS**SECTION C – APPLICATION FOR SERVICE**

1. Application for Wastewater Service by a New Owner or Occupant at an Existing Service Property: Where a Customer's Service Line exists on a property to be served in compliance with the Company's rules, service will be furnished by the Company as soon as reasonably practicable after written or oral application of the owner or tenant of the property or his properly authorized agent. The Customer receiving service takes such service subject to the Company's Tariff, including its Rules and Regulations.

2. Application for Wastewater Service to a Proposed Service Property: Where an adequate sewer main abuts the Customer's property, a service connection will be made as soon as reasonably practicable after the appropriate application forms have been completed by the property owner or his properly authorized agent and subsequently submitted to, and approved by, the Company. Where an adequate sewer does not abut the Customer's property, the Customer must make necessary arrangements with the Company's New Business Office for the extension of sewer in accordance with the Company's Rules and Regulations. Service Connection application forms will be furnished by the Company on request.

All applications for service must be in writing on a form provided by the Company and signed by the owner or owners of the property to which wastewater collection service will be provided; except that where a lessee of property occupies or uses the property under a lease having a fixed term of more than six (6) months, the lessee may request service as an applicant. The Company may, at its sole discretion, require that a separate contract for service be signed by the applicant.

Nonresidential service customers which desire to discharge Industrial/Commercial Wastes into the Sanitary Sewer or existing industrial/commercial users which desire to commence operations of a new facility or a new or different process that will affect the characteristics of the wastewater discharging into the Sanitary Sewer, shall notify the Company prior to the commencement of the new or different operations at the facility and provide such other information regarding the proposed discharge as the Company may request, including an application for an Industrial Waste Discharge Permit when deemed necessary.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES**

1. Customer Service Line: The Company will install, own or lease, and maintain an integrated sewage system of adequate capacity to provide Residential Class sewage service to the curb-line for residential property lot within the Company's authorized service area. Any additional or larger connection facilities requested by the Customer may be installed provided the proposed discharge into the system is within the capability of the system and the Customer pays the additional costs for the installation.

Contract for Service

- Connection of a premise to the Company's sewage system constitutes a contract for service subject to all rules, regulations and rate schedules as provided for in this tariff.
- No owner or tenant of any premises connected with the sewer lines of this Company will be allowed to permit another person or premises to use or connect with his service line, except upon written permit from the Company.
- Any violation of the Rules and Regulations of the Company shall render the Contract between the Customer and the Company void, and service may be discontinued after due notice, remaining so until such time as the Company is satisfied that the customer will observe the rules and regulations. Service will not be connected until the actual costs of the discontinuing and reconnections are paid in full.

Service Line Inspection Fee

- Charge for the Company's time involved in the inspection of a Service Line tie-in to the Company's wastewater system shall be fifty (50) dollars per service line.

2. Right to Reject: The Company may refuse to connect with any customer service line or furnish wastewater collection, treatment and/or disposal through a service already connected if such system or service is not properly installed or maintained.

3. Separate Trench: The customer wastewater service line shall not be laid in the same trench with drain or water pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a utility service.

4. Customer Grinder Pump: In areas of the collection system where the Company has installed a pressure sewage collection system or where required as determined by the Company, the Customer, in conjunction with the construction of their service line, shall install, own, operate, and maintain and replace a grinder pump and holding tank at the Customer's expense as specified by the Company prior to connection and shall maintain such facilities in good order and repair. The pump shall meet specifications as provided by the Company. The failure of a customer to properly install and maintain a grinder pump, including replacement, shall construe grounds for the Company to initiate action to terminate service to the customer and seek recovery for any damage to the Company's facilities caused by an improperly functioning grinder pump.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES (cont'd)**

5. Individual Service Lines: Except as otherwise expressly authorized by the Company, each individual customer shall be served only through a separate service line connected directly to the Company Service Line, and that Customer Service Line shall not cross over the property of or serve any other customer or premise. The maximum service line length shall be two hundred and fifty (250) feet from the point of connections with clean-outs every 50 feet. The Company shall have the right to waive this maximum length requirement at its sole discretion. No additional attachment may be made to any Customer Service Line for any purpose without the express written approval of the Company.

6. Customer Responsibilities:

a. Use shall be restricted to the normal effluent of a residence, unless a special agreement is made satisfactory to the Company as to other uses. No Customer shall discharge into the system roof, storm, surface or ground water, swimming pools, drainage from cesspools or drain fields, cistern, combustible gases or liquids, insoluble solids, industrial type waste or other harmful substances. Any Customer discharging any unauthorized matter into the system, which causes damage to Company facilities or interferes with the operation of the system, will be required to cease using the system and pay whatever damages and costs are incurred as a result.

b. Each Customer's service line shall be installed and maintained by or on behalf of the Customer at his expense and in full accordance with the Company's specifications as to materials, size, location and underground construction, starting at the curb-line at a location designated by the Company.

c. No sewer connection, or disconnection, shall be made to the Company's main except under the supervision, control and approval of the Company's authorized representative. All such connections shall be property of the Company and shall be accessible to it and under its control. The Company will furnish, install, and maintain all service lines from the main to the property line or right of way.

d. No repairs, alterations, or additions to any drain or sewer connection with the Company's sewer shall be made, unless the person desiring to make the same shall first receive permission from the Company for doing so.

e. Connections with sewers that run through private property shall, in all respects, be governed by these Rules and Regulations.

RULES AND REGULATIONS
SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES (cont'd)**7. Company's Service Lateral:**

Except for service connections made in accordance with the section, "Main Extensions", the Company will make all connections to its mains and furnish, install and maintain the Company's service lateral from the main up to the hypothetical or actual curb line, edge of the right-of-way or the actual property line. The Company's service lateral will be the property of the Company and under its control.

The maximum Company investment per Company service lateral shall be as follows:

<u>Size of Service</u>	<u>Maximum Investment</u>
1 ½ inch in diameter or less	\$3,000
Greater than 1 ½ inches but not to exceed four inches	\$6,000
Greater than 4 inches	\$12,000

The cost of any Company service lateral in excess of the applicable maximum Company investment shall be paid by the Customer. The Company may require payment of the estimated amount of such excess cost in advance of the installation and will make a partial repayment of the extent the actual cost is determined to be less than the estimate.

RULES AND REGULATIONS**SECTION E – TERMINATION, DISCONTINUANCE, RESTORATION OF SERVICE, AND SERVICE CONTINUITY****Termination and Discontinuance of Service:**Termination and Discontinuance by the Company

1. Service may be terminated by the Company for any one of the following reasons:
 - a. Failure of a Customer to maintain and repair his Customer's service line;
 - b. Failure of a Customer to pay a bill for service in accordance with the Commission's regulations;
 - c. Vacancy of the premises;
 - d. Violation by a Customer, or with his consent, of any of these Rules and Regulations.
2. The Company may, without notice, discontinue sewage service if an emergency reasonably requires it in order to make necessary repairs or connections or to meet any other emergency; however, the Company will give notice of any discontinuance of service if it is reasonably possible to do so.

Discontinuance by the Customer

1. A Customer desiring the discontinuance of sewage service shall give written notice to the office of the Company and he will be responsible for service charges until such notice is given. A new application must be made on any change of customers on a property as required at the office of the Company, and the Company shall be at liberty to discontinue the service until such new application has been made and approved.
2. The Customer desiring abatement from sewage bills shall report same in writing or call in person at the office of the Company. All vacancies shall date from the day reported at the office of the Company. When vacancy is properly reported, an allowance will be made for the period of vacancy, but not for less than one month.

Restoration of Service: After termination of service it will not be reconnected until all amounts due to the Company have been paid plus the cost of a fifty (50) dollar turn-on charge prior to service reconnection (with the exception of the Masthope Division).

RULES AND REGULATIONS**SECTION E – TERMINATION, DISCONTINUANCE, RESTORATION OF SERVICE, AND SERVICE CONTINUITY (cont'd)****Service Continuity:**

Regularity of Service: The Company may, at any time, interrupt service in case of accident or for the purpose of making connections, alterations, repairs or changes, or for other reasons. The Company will, pursuant to Commission regulations at 52 Pa. Code 67.1 and as circumstances permit, notify customers to be affected by service interruptions.

Due to Emergency: As necessity may arise in case of breakdown, emergency, or for any other unavoidable cause, the Company shall have the right to suspend services temporarily, in order to make necessary repairs, connections, etc.; but the Company will use all reasonable and practical measures to notify the Customer of such discontinuance of service. The Company shall not be liable for any damage or inconvenience suffered by the Customer or any claim against it at any time for interruption in service, or for any causes beyond its control.

Liability for Damages:

1. Limitation of Damages for Service Interruptions: The Company's liability to a customer for any loss of damage from any excess or deficiency in the wastewater collection service due to any case other than willful misconduct or negligence by the Company, its employees or agents shall be limited to an amount no more than the customer charge or minimum bill for the period in questions. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuation in service, but cannot and does not guarantee that such will not occur.
2. Responsibility for Customer Facilities: The Company shall not be liable for any loss or damage caused by reason of any break, leak or other defect in a customer's own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its employees or agents.

RULES AND REGULATIONS**SECTION F – BILLING AND COLLECTION**

Methods of Payment: Bills are payable by mail, by direct debit, in person at any authorized pay agency or as otherwise authorized by the Company.

Landlord Assumption of Responsibility: If an Applicant for service, who is a landlord, assumes responsibility for rates and charges related to wastewater service provided to tenants and is billed for such service, the landlord must assume responsibility and be billed for both water and wastewater service, if such service is provided or billed by the Company.

Billing History: A Customer may obtain from the Company; at no charge to the Customer, the billing history for up to ten accounts per year in the name of the Customer, provided that the Customer submits a written request for such information directly to the Company. Additional requests will be processed subject to the Company's right to charge the Customer its incremental costs of providing such billing histories.

Delinquent Bills: If a rendered bill remains unpaid for a period of 20 days for residential customers and 15 days for non-residential customers, it shall be classified as delinquent. However, if the last day of such period falls on a Saturday, Sunday, a holiday or day when the Company's offices are closed, the delinquency date shall be the next succeeding business day. Payments by mail will be deemed made on the date of the postmark. Payments to the Company drop box or authorized payment agent will be deemed received when paid at that location. Service may be terminated for non-payment of bills in accordance with the Commission's regulations. If service is thus terminated it will not be restored until all outstanding charges provided by the Commission's regulations and the tariff of the Company are paid or satisfactory arrangements are entered for payment.

Late Payment Charge: If payment has not been received by the Company for five days after the bill has been classified as delinquent, a late charge (penalty) of 1.25% will be applied to the account and such late charge (penalty) will be calculated every thirty days thereafter only on the overdue portion of the bill excluding previous late charges (penalties), and in no event shall the late charge (penalty) exceed more than 18% annually (simple interest).

Return Check Charge: The Customer will be responsible for the payment of a charge of \$20.00 per incident where a check, which has been presented to the Company for payment of any bill, is returned by the bank for any reason including, but not limited to, non-sufficient funds, account closed, payment stopped, two signatures required, postdated, stale date, account garnished, no account, drawn against uncollected funds, balance held, and unauthorized signature. This charge is in addition to any and all charges assessed against the Customer by the bank. If a Customer's account shows a history of submitting payments that have been returned for insufficient funds or any other reason outlined above, the Company may require deposit or turn-on charges to be paid by cash, certified check, money order, or credit card or service may be terminated without additional notice in accordance with Commission regulations.

Turn-on Charge: When service has been terminated to any premise because of violation of the Company's Rules and Regulations or at the Customer's request, a charge of fifty (50) dollars payable in advance will be made for restoration of service. If the Customer request for restoration of service requires the Company to incur overtime or holiday costs, the Company reserves the right to bill the Customer for the additional cost incurred. If the Company incurs out of the ordinary expense to affect termination of service for non-payment of bills or due to lack of access to the Company's facilities, the Customer must reimburse the Company for those expenses in addition to the \$50.00 turn-on charge prior to service reconnection.

RULES AND REGULATIONS**SECTION F – BILLING AND COLLECTION (cont'd)**

Turn-off at Customer's Request: Customers desiring to avoid payment for wastewater service during periods when Properties are vacant or during extended absences shall give notice in writing at the office of the Company requesting the wastewater to be shut off. If a minimum charge or Customer charge for water use is applicable, the bill will be based on the proportion that the period when wastewater service was available bears to the entire period on which such minimum charge or Customer charge is based. Metered consumption in excess of such adjusted minimum shall be billed at normal rates.

RULES AND REGULATIONS**SECTION G – DEPOSITS AND CREDIT STANDARDS**

General: Deposits may be required from Applicants for new service extension of service. Residential Customers will not be required to pay a security deposit in order to receive service from the Company. The Company will pay income tax on any deposit, advance, contribution or other like amounts received from an applicant which shall constitute taxable income to the Company as defined by the Internal Revenue Service. Such income tax shall be segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income tax associated with a deposit, advance or contribution will not be charged to the specific depositor/contributor of the capital.

Creditworthiness: Upon application for wastewater service, the Company may require the applicant/customer to provide valid identification, a valid deed lease or mortgage evidencing the applicant/customer's residency at the property/premise, and/or payment of an outstanding balance owed by the customer which accrued within the past 4 years for which the applicant/customer is legally responsible.

The Company may determine liability for a past due balance by:

- Use of Company records that contain information previously provided to the Company;
- Information contained on a valid mortgage, lease or deed;
- Use of commercially available public records databases; and
- Government and property ownership record.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS****General Requirements:**

1. The owner agrees to cooperate with the company in its efforts to implement or enforce its wastewater pre-treatment program, including any monitoring, reporting and treatment that the company may deem necessary to ensure that discharges into its system are compatible with the capability of its wastewater treatment and collection system.
2. It is agreed and understood that the company's facility is not a Publicly Owned Treatment Works (POTW), and that discharger is not entitled to, and may not claim or otherwise take advantage of, any statutory or regulatory exemptions that may apply to discharges into the sewage collection system of a Publicly Owned Treatment Works (POTW).
3. The owner is required to install and maintain, at their own expense, all interconnecting lines, grease traps, pretreatment equipment, sampling wells and any lift stations required to collect your sewage at connecting points per our approval.
4. It is agreed and understood that user may not dispose of or permit disposal of waste generated offsite by the user, or any other party, by discharge through the user's sewer system connection.
5. Grease and oil traps shall be provided when necessary for the proper handling of liquid wastes containing grease or oil when required by the state plumbing codes. All traps and drains shall be located so as to be readily and easily accessible for cleaning and inspection. All grease and oil traps shall be maintained by the owner, at the owner's expense. Prior to installation, plans shall be submitted to the company for approval. The Company reserves the right to require owners of grease, oil, sand traps, or interceptors to submit records of cleaning to the Company at the Company's discretion.
6. It is agreed and understood that discharger shall install and maintain a waste interceptor, grease trap or pre-treatment unit of sufficient design to prevent the discharge or introduction of trash, debris, grease, oil or any other solid material having maximum dimensions equal to or greater than one and one-half inches (1½") into the sewage collection system, and that the design of such interceptor or pre-treatment unit shall be subject to approval by the company prior to commencement of discharge into the sewage collection system or wastewater treatment plant.
7. The User will indemnify and hold harmless the Company from any and all claims, demands, damages, costs, fines, expenses (including attorney's fees), judgements or liabilities arising out any damage, injury, or loss sustained by Company ("Losses") on account of or in consequence of the introduction of any Prohibited Discharge, violation of any permit or contract, failure to install required Pretreatment, or failure to otherwise comply with the Company's Pretreatment requirements by the User. The Company shall have the right to charge the User as a part of the User's wastewater service charges any Losses incurred, or any other expenses or costs incurred by the Company including but limited to cleaning and removal on account of or in consequence of the introduction of any Prohibited Discharge, violation of any permit or contract, or failure to otherwise comply with the Company's Pretreatment requirements by the User.

RULES AND REGULATIONS

SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)**General Requirements (cont'd):**

8. The Company shall have the right to terminate or otherwise refuse service in accordance with its rules and regulations to any user on account of or in consequence of the introduction of any Prohibited Discharge, violation of any permit or contract, failure to install required Pretreatment, or failure to otherwise comply with the Company's Pretreatment requirements by the User.

9. The Company shall not be liable to the user for a failure to provide sewage collection services. It is understood and agreed that service interruptions may, from time to time, occur. The Company agrees to use its best efforts to provide continuous service.

10. If any measurement, test, inspection or analysis determines that a user has created a situation which is in violation of any statute, ordinance, rule or regulation, the user shall be required to pay all costs incurred to remedy the situation.

11. Where necessary in the Company's opinion, the User shall provide, at the User's expense, preliminary treatment as may be necessary to reduce the characteristics or constituents to within the maximum limits provided for in these rules and regulations or to control the quantities or rates of discharge of water or wastes. Plans and specifications and other pertinent information shall be submitted for the approval of the company and no construction of such facilities shall commence until said approvals are obtained in writing. Preliminary treatment facilities shall be maintained continuously to satisfactory and effective operations. Solely the User is responsible for meeting the compliance limits herein.

12. The Company reserves the right to refuse connection to its sanitary and/or combined sewer connection or to compel the discontinuance of the use of the sanitary and/or combined sewer where the company deems the discharge of the waste harmful to the sewer system or have an adverse effect on the sewage treatment processes.

13. Wastewater raw waste strength shall be limited to that illustrated below:

		Maximum Allowable Limits (Grab Sample)	Maximum Allowable Limits (Composite Sample)
BOD ₅	(mg/l)	250	250
TSS	(mg/l)	250	250
COD	(mg/l)	500	500
Total Kjeldahl Nitrogen	(mg/l)	50	50
Ammonia Nitrogen		45	45
pH		6-9	N/A
Copper	(mg/l)	2.0	1.0

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****General Prohibitions:**

1. No storm water from pavements, areas ways, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pumps, unpolluted industrial or commercial process water or other sources shall be admitted to the Company mains
2. The discharge of garbage to the sewer system is expressly prohibited.

Prohibited Discharges: No person shall cause or permit to be discharged into the Company's wastewater system any toxic substances or wastes having any of the following characteristics:

1. Wastes containing gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the wastewater system or its operation. Any pollutants which create a fire or explosion hazard in the collection and treatment system including, but not limited to, waste streams with a closed cup flash point of less than 140 degrees Fahrenheit, using the test methods specified in 40 CFR 261.21.
2. Any liquid or vapor having a temperature in excess of 150 degrees Fahrenheit or any substance which causes the temperature of the total wastewater treatment plant influent to exceed 104 degrees Fahrenheit. Any liquid or vapor less than 20 degrees F. Allowable temperatures may vary by facility.
3. Washes having a pH lower than 6.0 or higher than 9.0 having any corrosive property capable of causing damage or hazards to structures, equipment or personnel of the wastewater system.
4. Wastes containing any noxious or malodorous gas or substance that either singly or by interaction with sewage or other wastes is likely in the opinion of the Company to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance and repair.
5. Wastes containing ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, hair, chemical or paint residues, greases, paunch, manure, cotton, wool, plastic or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in their opinion of the Company may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the sewer system.
6. Wastes containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.
7. Wastes containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.
8. Wastes containing any substances which may affect the effluent and may cause violation of the National Pollutant Discharge Elimination System Permit or the ability to meet sludge standards or beneficial reuse of sludge
9. Wastes containing other matter detrimental to the operation of a sewage treatment plant or sanitary sewers causing erosion, corrosion or deterioration in sewers, equipment and structure of a sanitary or sewage treatment plant

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****Prohibited Discharges (cont'd):**

10. Any liquid containing fats, wax, grease or oils of mineral or petroleum origin, whether emulsified or not, in excess of 100 mg/l or of animal or vegetable origin in excess of 300 mg/l. Lower limits may be applied to mineral oils where necessary to prevent interference with treatment plant operations or pass through. Allowable grease levels will vary by facility.

11. Wastes containing more than 10 mg/1 of any of the following gases, hydrogen sulfide, sulfur dioxide, nitrous oxide, or any of the halogens.

12. Wastes containing a toxic or poisonous substance, in a sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to human or animals or create any hazard in the sewer system operation and such toxic wastes shall include, but not be limited to wastes containing cyanide, chromium and/or copper ions.

13. Any waste containing toxic substance in quantities sufficient to interfere with the biochemical processes of the sewage treatment that works or that will pass through the sewage treatment works and exceed the stand and/or federal requirements in respect thereof.

14. Any waste containing radioactive isotopes.

15. Any wastewater which imparts color which may affect the effluent or may cause violation of the National Pollutant Discharge Elimination System permit or the ability to meet sludge standards or beneficial reuse of sludge.

16. Waste discharged into the sewage collection system shall not include any hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., as amended, and the regulations thereunto, or in those sections of the Pennsylvania Administrative Code governing solid and hazardous waste.

17. The Company reserves the right to set more stringent limitation if the Company determines that the limitation in this section may not be sufficient to protect the operation of the system or to comply with the water quality standards or effluent limitations of the Company's applicable permits.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****Sampling Analysis:**

1. All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in these rules may be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater" as prepared, approved, and published jointly by the American Public Health Association, the American Water Works Association, and/or the Water Pollution Control Federation or other reference sources specified by regulatory agency requirements, such as "Methods for Chemical Analysis of Water and Wastes," U.S.E.P.A. 1974 or its subsequent updated version.

2. All measurements, tests, inspection, and analyses deemed by the Company to be necessary under this Section or any other part of the Rules and Regulation of the company, shall be done by the Company or its agents, employees or contractors. If the measurement, test, inspections and/or analyses determine that a customer has created a situation which is in violation of any statute, ordinance, rule or regulation that the customer shall be required to pay all costs incurred in order to measure, test, inspect, analyze and remedy the situation. Otherwise, the costs involved are to be borne by the Company Costs assessed against a Customer pursuant to this Section shall be in addition to any other fees charged by the Company. The costs shall be payable within 30 days of presentation of a bill for such costs by the Company to the Customer(s).

3. Where the Company deems advisable; it may require any person discharging wastes to install and maintain, at his or her own expense, in a manner approved by the Company or its representative, a suitable device to continuously measure and record the pH of the wastes discharged. The owner shall install and maintain a suitable control manhole in the users' sewer lateral to facilitate observation, sampling and measurement of wastes. Any manhole and sampling device shall be publically accessible and in a safe location, constructed in accordance with plans approved by the company and installed and maintained at the expense of the owner of the premises or property to who sewer service is provided.

4. Samples for analyses shall be by either grab sample or composite samples or a 24 hour composite sample collected and proportioned, as directed by the company.

5. Copies of all operational records, analyses, shall be filed with the company unless otherwise directed by the company.

Disposal of Wastes From Septic Tanks and Cesspools: No person shall dispose of wastes from septic tanks, cesspools, or other such sources of sanitary sewage to the Company's wastewater system, except as designated by the Company.

Penalties: The Company reserves the right to deny wastewater service for violation of any provision of these regulations, subject to PUC rules and regulations.

Damage to System and Indemnification: In the event of any damage to the Company's wastewater system caused by a customer, such damage shall be immediately reported to the Company and said customer shall reimburse Company for the costs of such repairs.

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS****Definitions:**

Builder: Any person(s) requesting an extension to provide service to an existing lot or group of lots, either exiting or to be subdivided, where service is to be provided to something other than a preexisting residential structure; namely, a newly constructed structure, structures to be constructed in the future, or to a preexisting non-residential structure.

Bona Fide Service Applicant: A person or entity applying for wastewater service to an existing or proposed structure within the Company's franchise territory for which a valid occupancy or building permit has been issued if the structure is either a primary residence of the applicant or a place of business. An applicant shall not be deemed a bona fide service applicant if:

- An applicant is requesting wastewater service to a building lot, subdivision or a secondary residential dwelling;
- The request for service is part of a plan for the development of a residential dwelling or subdivision; or
- The request for service requires special utility service.

General Provisions:

1. At the time any request is made to the company for a main extension, the company may request a site plan for the lot(s) to which service is to be provided. If such a request is made by the company, the site plan must be provided within the time specified by the company, which shall not be less than fourteen (14) days.
2. The company shall have the exclusive right to determine the type and size of mains to be installed, and any other facilities or fixtures required to render adequate service; provided, however, that where the company decides to install pipe larger than eight (8) inches in diameter, and 8-inch pipe would render adequate service throughout the extension, at the company's discretion, estimated, or actual, cost figures contained in the Sewer System Extension Agreement will include the material cost for pipe eight (8) inches in diameter. All estimated, or actual, cost figures will include a reasonable allowance for overheads.
3. In determining the length and size of, and necessity for, main extensions, the terminal point of such extensions will, in all cases, be at that point in the curb-line which is equidistant from the side property lines of the lot for which sewer service is requested. A street service connection will be provided only for service lines from the curb to the premises to be served, and will be installed in a straight line, at right angles, to the curb line.
4. Should it be necessary, at the company's sole discretion, to extend beyond the last lot in any street to connect to an existing main to provide more adequate and reasonable service, this additional extension shall be considered part of the total and orderly system development so long as the last lot in the street is not more than one hundred fifty (150) feet from that existing main, and may be included in the cost of the extension.

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS (cont'd)**

Bona Fide Customer Initiated Main Extensions: When an extension to serve a Customer is required or requested, such extension will be made under the terms of a "Sewer Main Extension Agreement" or a "Sewer Main Extension Deposit Agreement".

Customer shall contribute all facilities required for the Company to directly connect the Customer to the Sanitary Sewer. This includes pumping stations, vaults, manholes, mains or any other apparatuses where applicable. The Company shall have the right to locate the facilities as required to meet the long term system needs of the Customers.

Builder Initiated Main Extensions: In the event any main extension is requested or required to provide service to newly constructed structure(s) to be constructed in the future on existing or subdivided lots, or to preexisting non-residential structures except as provided below, the Builder shall be required to install the wastewater main and service lines through a pre-qualified Contractor retained by the Builder and to pay all costs related thereto. At the sole discretion of the Company, the Company may undertake construction of facilities otherwise subject to this Rule, in which event, a "Sewer Extension Agreement" or "Extension Deposit Agreement" shall be applicable except that the Builder will retain financial responsibility for the installation of the wastewater main, service lines and appurtenances as specified herein.

Under the provisions of this Rule, prior to construction, the Builder must enter into an Agreement, in a form acceptable to the Company, detailing the terms and conditions under which the Company will accept, and provide service through, facilities constructed by Builder. All construction costs, whether initially incurred by the Company or the Builder, related to the main extension shall be the responsibility of the Builder. The Agreement shall contain, at a minimum, the following terms and conditions:

1. Main and service line installation work shall be performed in accordance with the specifications and conditions of the Company.
2. All costs of material and installation required to serve Builder's lots shall be the responsibility of Builder. Builder shall contract directly with a pre-qualified contractor, recognized and approved by the Company, for all main and service line installation work, and all appurtenances required to serve the project.
3. Any specialty material required to interconnect with the Company's existing facilities shall be provided by the Company.
4. Any construction involving preexisting facilities of the Company, including but not limited to relocation of existing facilities and connections of mains or services with existing facilities, shall be performed only by the Company unless Company approves this work to be completed by Builder's Contractor.
5. Builder's estimate of the cost of construction must be acceptable to the Company. Estimates which appear to be understated may be rejected.
6. Builder shall obtain all necessary permits from federal, state and local authorities. If any of these authorities require the Company to obtain such permits, the Company shall apply for the permits.
7. All construction shall be subject to inspection by Company personnel. No trenches shall be backfilled prior to approval from Company inspectors.

RULES AND REGULATIONS**SECTION J – WAIVERS**

The Company may, at its sole discretion, waive any of the Rules contained herein that operate for the benefit of the Company; provided, that no such waiver will be valid unless in writing and signed by an authorized representative of the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Commission or of any other applicable statute, law or regulation.

SECTION K – AMENDMENT OF COMMISSION REGULATIONS

Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this tariff, the tariff is deemed to be amended so as to be consistent with the amendments to the regulations, except that if application of the amendment to Title 52 is discretionary, this tariff will remain unchanged.

SECTION L – PRIVILEGE TO INVESTIGATE/RIGHT TO ACCESS

The Company shall have the right by its employees to have access at all reasonable times to all parts of any premises connected with the system, including meters, service connections and other property owned by it one the premises of the Customer for the purpose of examining and inspecting the connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause or for purposes of replacement, maintenance, operation or repair thereof. The existing ground grade over any sanitary sewer in the utilities right of way shall not be changed not shall any manhole be covered with earth and no shrubbery or trees be placed over sanitary sewer lines or facilities.

RULES AND REGULATIONS**SECTION M – INDUSTRIAL AND COMMERCIAL SERVICE LIMITATIONS**

Pretreatment: At the Customer's expense, all industrial and commercial waste proposed for discharge into the sewer system shall be studied to determine the degree of pretreatment, if any, necessary in order that the waste will not adversely affect the system or the sewage treatment facilities. The Company will have the authority to properly control any waste discharge into its sewage system by regulating the rate of any waste discharge into its sewer system by requiring necessary pretreatment, and excluding certain waste, if necessary, to protect the integrity of the Company's system.

Customer Limitations: Customers specifically agree that service applies exclusively for domestic/household sewage. If any Customer discharges industrial or commercial waste that:

- The existing wastewater treatment plant is unable to satisfactorily treat; or,
- Is not in compliance with discharge permit standards, disrupts the normal functioning of the existing wastewater treatment plant; or
- Requires the utilization of more wastewater treatment plant capacity per gallon of effluent than that required by average typical domestic wastewater.

Then the customer shall provide, at the customer's own expense, such primary treatment as may be necessary before such waste is discharged into the Company mains. No commercial or industrial waste, whether pretreated or not, may be discharged without prior written authorization from the Company.

Company Limitations: The Company will not be liable nor bound to increase wastewater treatment plant operations to accommodate industrial or commercial waste.

Specific Dangers: In general, any waste will be considered harmful to the Company wastewater system if it may cause any of the following damaging effects:

- Chemical reaction either directly or indirectly with the materials of construction of the system in such a manner as to impair the strength or durability of the sewer structures;
- Mechanical action that will destroy the sewer structures;
- Restriction of the hydraulic capacity of the sewer structures;
- Restriction of the normal inspection or maintenance of the sewer structures;
- Danger to public health and safety; or
- Obnoxious condition contrary to public interest.

APPENDIX C

AQUA PENNSYLVANIA, INC.
BRYN MAWR, PENNSYLVANIA

WATER OPERATIONS

OPERATING REVENUE FROM SALES OF WATER
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020
UNDER SETTLEMENT RATES

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Harrisburg, Pennsylvania

AQUA PENNSYLVANIA, INC.

COMPARISON OF PRO FORMA COST OF SERVICE WITH REVENUES UNDER PRESENT AND SETTLEMENT RATES - WATER
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

Customer Classification (1)	REVISED										
	Pro Forma Cost of Service, as of March 31, 2020			Pro Forma Revenues Under Present Rates			Pro Forma Revenues Under Settlement Rates			Settlement Increase	
	Amount (2)	Act 11 (3)	Water COS Plus Act 11 (4)	Amount (6)	Percent of Total (5)	Amount (7)	Percent of Total (8)	Amount (9)	Percent of Total (10)	Amount (10)	Percent Increase (11)
Residential	\$322,539,789	\$4,206,764	\$326,746,553	\$278,837,020	67.1%	\$278,837,020	65.9%	\$307,623,471	66.1%	\$28,786,451	10.3%
Commercial	113,988,475	2,683,062	116,671,537 *	101,595,579	23.9%	101,595,579	24.0%	111,880,600	24.1%	10,285,021	10.1%
Industrial	18,253,678		18,253,678 *	14,794,252	3.7%	14,794,252	3.5%	16,482,317	3.5%	1,688,065	11.4%
Public	7,822,981	197,922	8,020,903 *	7,497,388	1.6%	7,497,388	1.8%	8,156,487	1.8%	659,098	8.8%
Other Water Utilities	5,152		5,152 *	11,647	0.0%	11,647	0.0%	12,750	0.0%	1,103	9.5%
Private Fire Protection	11,837,428		11,837,428	14,388,843	2.4%	14,388,843	3.4%	14,388,101	3.1%	(742)	0.0%
Public Fire Protection	6,328,134		6,328,134	5,963,794	1.3%	5,963,794	1.4%	6,328,134	1.4%	364,341	6.1%
Total Tariff Sales of Water	480,775,638	7,087,748	487,863,386	423,088,523	100.0%	423,088,523	100.0%	464,871,860	100.0%	41,783,338	9.9%
Contract Sales - Commercial	60,291		60,291	50,740		50,740		60,291		9,551	18.8%
Contract Sales - Industrial	3,608,641		3,608,641	3,418,752		3,418,752		3,608,641		189,889	5.6%
Contract Sales - Public	1,305,090		1,305,090	1,161,318		1,161,318		1,305,090		143,771	12.4%
Contract Sales - OWU	2,758,020		2,758,020	2,536,627		2,536,627		2,758,020		221,394	8.7%
Subtotal Contract Sales	7,732,043	0	7,732,043	7,167,438		7,167,438		7,732,043		564,605	7.9%
Total Sales of Water	488,507,681	7,087,748	495,595,429	430,255,960		430,255,960		472,603,903		42,347,943	9.8%
Other Water Revenues	1,159,716		1,159,716	1,159,716		1,159,716		1,159,716		0	0.0%
Total	\$489,667,397	\$7,087,748	\$496,755,145	\$431,415,676		\$431,415,676		\$473,763,619		\$42,347,943	9.8%

* Contract Sales Excluded.

AQUA PENNSYLVANIA, INC

SUMMARY OF PRO FORMA REVENUES UNDER SETTLEMENT RATES FOR THE TWELVE MONTHS ENDED MARCH 31, 2018 AND 2020
AND THE CALCULATION OF THE REVENUE INCREASE UNDER SETTLEMENT RATES

Customer Classification (1)	Pro Forma Revenues, Present Rates (Schedule 4) (2)	Bill Analysis Revenues, Settlement Rates (Schedule 3) (3)	Adjustment Factor (Sch. 4, col. 4) (4)	Revenues, Settlement Rates (5)=(4)X(3)	Pro Forma Adjustments Settlement Rates (Schedules 3 and 7) (6)	Total Pro Forma Revenue Settlement Rates (7)=(5)+(6)	Settlement Increase (8)=(7)-(2)	Percent Increase (9)
	METERED SALES							
Residential	\$278,814,363	\$305,739,937	1.00108482	\$306,071,610	\$1,525,640	\$307,597,250	\$28,782,887	10.3%
Commercial	101,595,579	110,052,489	0.99945606	109,992,627	1,887,973	111,880,600	10,285,021	10.1%
Industrial	14,794,252	16,651,602	0.99822882	16,622,109	(139,792)	16,482,317	1,688,065	11.4%
Public	7,497,388	8,126,115	1.00373755	8,156,487		8,156,487	659,098	8.8%
Sales for Resale	11,647	13,005	0.98040555	12,750		12,750	1,103	9.5%
Total Sales of Water	402,713,229	440,583,148		440,855,583	3,273,821	444,129,404	41,416,175	10.3%
Unmetered Sales (Residential) Availability	22,657	11,774	1.00144064	11,791	14,430	26,221	3,564	
Private Fire	14,388,843	13,818,938	1.00412338	13,875,919	512,182	14,388,101	(742)	0.0%
Public Fire	5,963,794	6,329,173	0.99983598	6,328,134		6,328,134	364,341	6.1%
Contract Revenues Commercial	50,740	60,324	0.99945606	60,291		60,291	9,551	18.8%
Contract Revenues Industrial	3,418,752	3,615,044	0.99822882	3,608,641		3,608,641	189,889	5.6%
Contract Revenues Public	1,161,318	1,300,230	1.00373755	1,305,090		1,305,090	143,771	12.4%
Contract Revenues Sales for Resal	2,536,627	2,813,142	0.98040555	2,758,020		2,758,020	221,394	8.7%
Subtotal	430,255,960	468,531,774		468,803,470	3,800,433	472,603,903	42,347,943	
Other Operating Revenues	1,159,716	1,159,716		1,159,716		1,159,716	-	0.0%
Total Water Revenue	\$431,415,676	\$469,691,490		\$469,963,186	\$3,800,433	\$473,763,619	\$42,347,943	9.8%

AQUA PENNSYLVANIA, INC.

SUMMARY OF APPLICATION OF SETTLEMENT RATES IN EFFECT DURING THE TEST YEAR
TO CUSTOMER CONSUMPTION ANALYSIS FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Division (1)	Div. Ref.	Cust. Zone	Settlement		Residential (2)	Commercial (3)	Industrial (4)	Public (5)	Other Water Utilities (6)	Total Metered Sales (7)	Residential Availability or Unmetered (8)	Total Sales (9)
			Rate/100	Usage								
Main	1	1	RZ1		\$ 281,869,539	\$ 99,836,514	\$ 16,094,937	\$ 7,764,997	\$ 13,005	\$ 405,578,992	7,558	\$ 405,586,550
Superior	5	2	RZ1		3,256,054	127,011		15,620		3,398,685		3,398,685
Western, et Al	6	3	RZ3		1,748,153	140,992				1,889,145	1,330	1,890,475
Bensalem	7	1	RZ1		12,112,099	8,441,289	498,332	268,987		21,320,707		21,320,707
Chalfont	8	2	\$1.0649		1,554,178	187,347	24,610	20,080		1,786,215		1,786,215
Oakland & Lakeside	13	3	RZ3		577,624	34,788	9,180			621,592		621,592
CS Water	14	3	RZ3		639,315	26,430				665,745		665,745
Country Club Gardens	15	1	\$0.782/\$0.93		284,209	3,663				287,872		287,872
Clarendon	17	1	RZ1		188,216	34,347				222,563		222,563
Kratzerville	17A	1	RZ1		93,972	2,455				96,427		96,427
Honesdale	17C	1	RZ1		1,052,625	612,042	23,099	55,869		1,743,635		1,743,635
Sand Springs	17I	1	\$0.782/\$0.93		233,698	6,284				239,982		239,982
Mifflin Township	17K	1	\$0.800		242,388	70,811		72		313,271		313,271
Beech Mountain	17L	1	\$0.3365		325,672	20,168				345,840		345,840
Treasure Lake	17M	2	\$0.543		871,992	88,244				960,236		960,236
Concord Park	17O	2	\$0.635		84,559	40,582		490		125,631		125,631
Bristol	17P	1	\$0.500		206,014	359,220				565,234		565,234
Mt. Jewett	17Q	1	\$1.0649		252,048	19,322	1,444			272,814		272,814
Bunker Hill	17R	\$8.00	\$0.450		20,582					20,582		20,582
Robin Hood Lakes	17S	1	\$0.860		101,423					101,423		101,423
East Cameron	17T	1	RZ1		25,577	980				26,557		26,557
Sun Valley	17U	Flat-\$19.50									2,886	2,886
Total					\$ 305,739,937	\$ 110,052,489	\$ 16,651,602	\$ 8,126,115	\$ 13,005	\$ 440,583,148	\$ 11,774	\$ 440,594,922
Contract Sales						60,324	3,615,044	1,300,230	2,813,142	7,788,741		7,788,741
Total Settlement Water Revenue					\$ 305,739,937	\$ 110,112,813	\$ 20,266,646	\$ 9,426,345	\$ 2,826,147	\$ 448,371,889		\$ 448,383,663
Pro Forma Adjustments												
Main					1,525,640	1,887,973	(139,792)			3,273,821	0	3,273,821
Sun Valley					-	-				-	14,430	14,430
Subtotal HTY Adjs.					1,525,640	1,887,973	(139,792)	-	-	3,273,821	14,430	3,288,251
Total Pro Forma Revenues Under Settlement Rates					\$307,265,577	\$112,000,786	\$20,126,854	\$9,426,345	\$2,826,147	\$451,645,710	\$14,430	\$451,671,914

AQUA PENNSYLVANIA INC.

SUMMARY OF REVENUE UNDER PRESENT RATES AND PRO FORMA REVENUES UNDER PRESENT RATES
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018 AND 2020

Customer Classification (1)	Revenues, Per Books Present Rates 3/31/2018 (a) (2)	Adjustment to Per Books Revenue 3/31/2018 (3)	Adjusted Revenues, Per Books Present Rates 3/31/2018 (a) (4)	Bill Analysis Revenues Present Rates (Schedule 4) (5)	Ref. (6)=(4)/(5)	Adjustment Factor (6)=(4)/(5)	Revenues Under Present Rates (7)=(6)X(6)	Pro Forma Adjustments Present Rates (Schedule 4 and 7) (8)	Add Back Annualized DSIC Revenue (9)	Total Pro Forma Revenue Present Rates (10)=(7)+(8)+(9)
METERED SALES										
Residential	\$ 258,404,028		\$ 258,404,028	\$ 258,124,010	Sch. 4	1.00108482	\$ 258,404,028	\$ 1,323,954	\$ 19,086,381	\$ 278,814,363
Commercial	93,063,483		93,063,483	93,114,132	Sch. 4	0.99945606	93,063,483	1,590,361	6,941,734	101,595,579
Industrial	13,869,742		13,869,742	13,894,351	Sch. 4	0.99822882	13,869,742	(117,526)	1,042,036	14,794,252
Public Authority	6,976,712		6,976,712	6,950,733	Sch. 4	1.00373755	6,976,712		520,677	7,497,388
Sales for Resale	10,820		10,820	11,036	Sch. 4	0.98040555	10,820		828	11,647
Total Sales of Water	\$ 372,324,784		\$ 372,324,784	\$ 372,094,262			\$ 372,324,785	\$ 2,796,789	\$ 27,591,655	\$ 402,713,229
Unmetered Sales Availability	10,907		10,907	10,891		1.00144064	10,907	11,100	650	22,657
	84,406		84,406	85,682		0.98510201	84,406	(84,406)		-
Private Fire	\$ 12,959,081		\$ 12,959,081	\$ 12,905,865	Sch. 7A	1.00412338	12,959,081	\$ 476,448	\$ 963,314	14,388,843
Public Fire	6,044,692	\$ (80,898) (b)	5,963,794	5,964,772	Sch. 7B	0.99983598	5,963,794			5,963,794
Contract Revenues Commercial	50,740		50,740	50,768		0.99945606	50,740			50,740
Contract Revenues Industrial	3,409,936		3,409,936	3,424,818		0.99822882	3,418,752			3,418,752
Contract Revenues Public	1,147,456		1,147,456	1,156,994		1.00373755	1,161,318			1,161,318
Contract Revenues Sales for Resale	2,512,273		2,512,273	2,587,324		0.98040555	2,536,627			2,536,627
Subtotal	398,544,274	(80,898)	398,463,376	398,281,376			398,510,409	3,199,931	28,545,620	430,255,960
Other Operating Revenues	1,159,716		1,159,716	1,159,716			1,159,716			1,159,716
Total Water Revenue	\$ 399,703,990	\$ (80,898)	\$ 399,623,092	\$ 399,441,092			\$ 399,670,125	\$ 3,199,931	\$ 28,545,620	\$ 431,415,676

(a) Excludes DSIC and Unbilled Revenue.

(b) Unbilled Public Fire Revenue.

(c) See Schedule 4.

(d) See Schedule 7A & 7B.

AQUA PENNSYLVANIA, INC.

SUMMARY OF APPLICATION OF PRESENT RATES
TO CUSTOMER CONSUMPTION ANALYSIS FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Division (1)	Div. Ref.	Residential (2)	Commercial (3)	Industrial (4)	Public (5)	Sales for Resale (6)	Total Metered Sales (7)		Residential Availability or Unmetered (8)	Total Sales (9)
							Metered Sales	Unmetered		
Main	1	\$ 239,312,397	\$ 84,732,136	\$ 13,434,842	\$ 6,659,384	\$ 11,036	\$ 344,149,795		7,558	\$344,157,353
Superior	5	2,741,181	108,643		11,464		2,861,288			2,861,288
Western, et Al	6	1,528,529	121,133				1,649,662		1,113	1,650,775
Bensalem	7	9,515,019	7,056,214	416,688	226,259		17,214,180			17,214,180
Chalfont	8	1,113,403	122,899	18,480	14,599		1,269,381			1,269,381
Oakland & Lakeside	13	466,850	29,314	7,714			503,878			503,878
CS Water	14	522,744	22,436				545,180			545,180
Country Club Gardens	15	199,631	2,773				202,404			202,404
Clarendon	17	138,735	23,839				162,574			162,574
Kratzerville	17A	74,931	1,739				76,670			76,670
Honesdale	17C	781,828	421,019	16,089	38,415		1,257,351			1,257,351
Sand Springs	17I	182,541	3,720				186,261			186,261
Mifflin Township	17K	194,539	39,734		112		234,385			234,385
Beech Mountain	17L	226,174	15,430				241,604			241,604
Treasure Lake	17M	594,806	57,267				652,073	85,682		737,755
Concord Park	17O	59,374	26,723		500		86,597			86,597
Bristol	17P	159,850	313,134				472,984			472,984
Mt. Jewett	17Q	193,161	14,576	538			208,275			208,275
Bunker Hill	17R	10,056					10,056			10,056
Robin Hood Lakes	17S	76,573					76,573			76,573
East Cameron	17T	31,688	1,403				33,091			33,091
Sun Valley	17U						-	2,220		2,220
Subtotal		\$ 258,124,010	\$ 93,114,132	\$ 13,894,351	\$ 6,950,733	\$ 11,036	\$ 372,094,262	\$ 96,573		\$372,190,835
Contract Sales			50,768	3,424,818	1,156,994	2,587,324	7,219,904			7,219,904
Total Sales with Contract		258,124,010	93,164,900	17,319,169	8,107,727	2,598,360	379,314,166			379,410,739
Plus 7.5% DSIC excluding contracts		19,086,381	6,941,734	1,042,036	520,677	828	27,591,655	650		27,592,306
Total Present Water Revenue		277,210,391	100,106,634	18,361,205	8,628,404	2,599,188	406,905,821			407,003,045

AQUA PENNSYLVANIA, INC.

SUMMARY OF APPLICATION OF PRESENT RATES
TO CUSTOMER CONSUMPTION ANALYSIS FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Division (1)	Div. Ref.	Residential (2)	Commercial (3)	Industrial (4)	Public (5)	Sales for Resale (6)	Metered Sales (7)	Residential Availability or Unmetered (8)	Total Sales (9)
<u>Pro Forma Adjustments</u>									
Main		1,323,954	1,590,361	(117,526)			2,796,789	(84,406)	2,712,383
Sun Valley								11,100	11,100
Subtotal HTY Adj.		<u>1,323,954</u>	<u>1,590,361</u>	<u>(117,526)</u>	<u>-</u>	<u>-</u>	<u>2,796,789</u>	<u>(73,306)</u>	<u>2,723,483</u>
Total Pro Forma Revenues Under Present Rates		<u>\$278,534,345</u>	<u>\$101,696,995</u>	<u>\$18,243,679</u>	<u>\$8,628,404</u>	<u>\$2,599,188</u>	<u>\$409,702,610</u>	<u>-\$73,306</u>	<u>\$409,726,528</u>
<u>Pro Forma Adjustments</u>									
Private Fire		476,448							

AQUA PENNSYLVANIA, INC.

CONTRACTS
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Industrial Contract - Mt. Carmel</u>						
Customer Charge 6	12	1,500,000	\$ 37,000.00	\$ -	\$ 970.00	\$ 11,640
				\$ 444,000	\$ 38,500.00	\$ 462,000
Allowance 125,000 100 gallons 1st block		<u>1,252,480</u>	\$ 0.2960	<u>\$ 370,734</u>	\$ 0.3080	<u>\$ 385,764</u>
Total Contract	12	2,752,480		\$ 814,734		\$ 859,404
<u>Industrial Contract - Covanta</u>						
Customer Charge 6" April '17 to Dec. '17	9	1,100,000	\$ 35,160.00	\$ 316,440	\$ 38,327.00	344,943
6" Jan. '18 to March '18	3	360,000	36,480.00	\$ 109,440	38,327.00	114,981
Allowance 120,000 100 gallons 1st block		<u>602,700</u>	0.2930	<u>\$ 176,591</u>	0.3080	<u>\$ 185,632</u>
Total Contract	12	2,062,700		\$ 602,471		\$ 645,556
<u>Industrial Contract - Liberty Power</u>						
Customer Charge 10	12	-	\$ 91,438.19	\$ 1,097,258	\$ 96,067.00	\$ 1,152,804
1st block		9,385,100	0.0970	<u>\$ 910,355</u>	0.1020	<u>\$ 957,280</u>
Total Contract		9,385,100		\$ 2,007,613		\$ 2,110,084
Total Industrial Contract	33	12,700,280		\$ 3,424,818		\$ 3,615,044
<u>Woodloch Pines - Commercial Contract</u>						
Customer Charge 2	12	-	\$ 127.90	\$ 1,535	\$ 143.90	\$ 1,727
1st block		1,200	1.0000	\$ 1,200	1.1900	\$ 1,428
2nd block		2,796	0.8785	2,456	1.0455	2,923
3rd block		36,000	0.7288	26,237	0.8673	31,223
Over		<u>29,004</u>	0.6668	<u>19,340</u>	0.7938	<u>23,023</u>
Total Contract		69,000		\$ 50,768		\$ 60,324
Total Commercial Contract		69,000		\$ 50,768		\$ 60,324
<u>Public Contract - Canaan Federal Prison</u>						
Customer Charge 10	12	540,000	\$ 22,375.00	\$ 268,500	\$ 22,934.00	\$275,208
Allowance 45,000 100 gallons 1st block		<u>453,750</u>	0.1250	<u>\$ 56,719</u>	0.1281	<u>58,125</u>
Total Contract	12	993,750		\$ 325,219		\$ 333,333

AQUA PENNSYLVANIA, INC.

CONTRACTS
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Public Contract - SCI Forest County Prison</u>						
Customer Charge 4	12	946,721	\$ 61,114.15	\$ 733,370	\$ 71,922.97	\$ 863,076
1st block			1.0000	\$ -	1.1900	\$ -
2nd block			0.8785	0	1.0455	-
3rd block			0.7288	0	0.8573	-
Over		<u>3,977</u>	0.6668	<u>2,652</u>	0.7847	<u>3,121</u>
Total Contract		<u>3,977</u>		<u>\$ 2,652</u>		<u>\$ 3,121</u>
Total SCI Forest Adj Contract	12	950,698		\$ 736,022		\$ 866,196
<u>Public Contract - SCI Waymart</u>						
Customer Charge 8	12	593,600	\$ 4,662.30	\$ 55,948	\$ 4,898.00	\$ 58,776
Allowance 48,000 100 gallons						
1st block		235,530	0.1690	\$ 39,805	0.1780	\$ 41,924
2nd block		<u>-</u>	0.1690	<u>-</u>	0.1780	<u>-</u>
Total Contract		829,130		\$ 95,753		\$ 100,700
Total Public	\$ 36	\$ 2,773,578		\$ 1,156,994		\$ 1,300,230
<u>Sales for Resale Contract - United Water PA</u>						
Customer Charge 2	12	121,080	\$ 4,027.90	\$ 48,335	\$ 4,747.00	\$ 56,964
1st block	-	730	0.2500	\$ 183	0.2950	\$ 215
2nd block	-	<u>-</u>	0.2500	<u>-</u>	0.2950	<u>-</u>
	-	730		\$ 183		\$ 215
Total Contract	12	121,810		48,518		57,179
<u>Sales for Resale Contract - Chemung</u>						
Customer Charge 10	12		\$ 510.00	\$ 6,120	\$ 548.30	\$ 6,580
1st block		<u>16,060</u>	0.5660	<u>\$ 9,090</u>	0.6670	<u>\$ 10,712</u>
Total Contract	12	16,060		\$ 15,210		\$ 17,292
<u>Sales for Resale Contract - New Wilmington</u>						
Customer Charge 4	13		\$ 418.00	\$ 5,434	\$ 470.00	\$ 6,110
1st block		<u>536,600</u>	0.5170	<u>\$ 277,422</u>	0.6090	<u>\$ 326,789</u>
Total Contract	13	536,600		\$ 282,856		\$ 332,899

AQUA PENNSYLVANIA, INC.

CONTRACTS
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Sales for Resale Contract - Warwick</u>						
Customer Charge 8	13	2,268,250	\$ 46,724.50	\$ 607,419	\$ 49,090.00	\$ 638,170
Allowance 180,000 100 Gallons						
1st block		327,990	0.2190	71,830	0.2300	75,438
2nd block		-	0.2190	-	0.2300	-
		327,990	0.4380	\$ 71,830		\$ 75,438
Total Contract	13	2,596,240		\$ 679,249		\$ 713,608
<u>Sales for Resale Contract - Borough of Sharpville</u>						
Customer Charge 8	23	-	\$ 1,508.00	\$ 34,684	\$ 1,697.00	39,031
All Sharpville Consumption		1,572,750	0.2270	\$ 357,014	0.2380	374,314.50
Total Contract	23	1,572,750		\$ 391,698		\$ 413,346
<u>Sales for Resale Contract - Hubbard Township</u>						
Customer Charge						
All Hubbard Consumption	12	2,655,650	0.1998	\$ 530,599	0.2100	\$ 557,687
Total OWU-Hubbard	12	2,655,650		\$ 530,599		\$ 557,687
<u>Sales for Resale Contract - Bucks County</u>						
Customer Charge 8	1	-	\$ -	\$ -	\$ -	\$ -
1st block		730	0.6210	\$ 453	0.6520	\$ 476
Total Contract	1	730		\$ 453		\$ 476

AQUA PENNSYLVANIA, INC.

CONTRACTS
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Sales for Resale Contract - Horsham</u>						
Customer Charge - 6" Allowance 68,437.5 (2250/ day)	12	821,250	\$ 21,900.00	\$ 262,800	\$ 970.00 \$ 25,800.94	\$ 11,640 \$ 309,611
1st block		<u>145,010</u>	0.2450	<u>\$ 35,527</u>	0.2790	<u>\$ 40,458</u>
Total Contract	12	966,260		\$ 298,327		\$ 361,709
<u>Sales for Resale Contract - Schwenksville</u>						
Customer Charge 3	12	305,484	\$ 257.00 \$ 9,180.00	\$ 3,084 \$ 110,160	\$ 289.00 \$ 9,639.00	\$ 3,468 \$ 115,668
Allowance 25,500 100 gals./Mo. 1st block		<u>216,766</u>	0.3600	<u>\$ 78,036</u>	0.3780	<u>\$ 81,938</u>
Total Contract	12	522,250		\$ 191,280		\$ 201,074
<u>Sales for Resale Contract - Downingtown</u>						
Customer Charge 3	9	-	\$ -	\$ -	\$ -	\$ -
1st block		210	0.0986	\$ 21	0.1040	\$ 22
Total Contract	9	210		\$ 21		\$ 22
<u>Sales for Resale Contract - Masury Water Company</u>						
Customer Charge 6	12		\$ 862.00	\$ 10,344	\$ 970.00	\$ 11,640
April '17 to June '17		165,017	0.1795	\$ 29,618	0.1910	\$ 31,518
July '17 to April '18		<u>522,617</u>	0.1818	<u>94,991</u>	0.1910	<u>99,820</u>
		687,634		\$ 124,609		\$ 131,338
Total Contract	12	687,634		\$ 134,953		\$ 142,978
<u>Sales for Resale Contract - Bristol</u>						
Customer Charge 3	8	-	\$ -	\$ -	\$ -	\$ -
1st block		21,619	0.6550	\$ 14,160	0.6880	\$ 14,874
Total Contract	8	21,619		\$ 14,160		\$ 14,874
Total Sales for Resale	139	9,697,813		2,587,324		2,813,142

AQUA PENNSYLVANIA, INC.

MAIN DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	3,889,613	-	\$ 16.00	\$ 62,233,802	\$ 18.00	\$ 70,013,027
3/4	119,924	-	27.50	3,297,913	30.90	3,705,655
1	60,529	-	46.70	2,826,714	52.50	3,177,783
1-1/2	1,654	-	89.90	148,692	101.10	167,216
2	635	-	127.90	81,268	143.90	91,434
4	4	-	418.00	1,672	470.00	1,880
5/8,3/4	557	-	18.21	10,143	20.21	11,257
5/8,1	74,498	-	18.56	1,382,681	20.56	1,531,677
5/8,1-1/2	19,794	-	21.89	433,282	23.89	472,869
5/8,2	384	-	24.00	9,218	26.00	9,987
3/4,1	1,177	-	30.06	35,378	33.46	39,379
3/4,1-1/2	1,896	-	33.39	63,291	36.79	69,735
3/4,2	84	-	35.50	2,982	38.90	3,268
1,1	612	-	49.26	30,162	55.06	33,713
1,1-1/2	1,569	-	52.59	82,514	58.39	91,614
1,2	349	-	54.70	19,079	60.50	21,102
1-1/2,1-1/2	12	-	95.29	1,143	101.09	1,213
1-1/2,2	13	-	97.40	1,266	103.20	1,342
2,1-1/2	23	-	130.79	3,008	136.59	3,142
2,2	12	-	132.90	1,595	138.70	1,664
Subtotal	4,173,338	-		\$ 70,665,803		\$ 79,448,957
1st block	20	74,692,380	0.9071	\$ 67,753,458	1.0649	\$ 79,539,916
2nd block	Over 20	97,462,458	1.0352	100,893,136	1.2608	122,880,666
Subtotal Consumption		172,154,838		\$ 168,646,594		\$ 202,420,582
Total Residential	4,173,338	172,154,838		\$ 239,312,397		\$ 281,869,539

AQUA PENNSYLVANIA, INC.

MAIN DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	113,910	-	\$ 16.00	\$ 1,822,556	\$ 18.00	\$ 2,050,376
3/4	20,853	-	27.50	573,456	30.90	644,356
1	34,976	-	46.70	1,633,365	52.50	1,836,224
1-1/2	24,357	-	89.90	2,189,709	101.10	2,462,509
2	29,258	-	127.90	3,742,086	143.90	4,210,212
3	6,596	-	257.00	1,695,052	289.00	1,906,109
4	4,466	-	418.00	1,866,634	470.00	2,098,847
6	1,428	-	862.00	1,230,822	970.00	1,385,032
8	336	-	1,508.00	506,839	1,697.00	570,362
10	54	-	2,229.00	120,366	2,508.00	135,432
Subtotal	236,233	-		\$ 15,380,885		\$ 17,299,459
1st block		12,755,559	1.0000	\$ 12,755,559	1.1900	\$ 15,179,115
2nd block		13,948,446	0.8785	12,253,710	1.0455	14,583,100
3rd block		40,827,104	0.7288	29,754,793	0.8673	35,409,347
4th block		21,876,408	0.6668	14,587,189	0.7938	17,365,493
Subtotal Consumption		89,407,517		\$ 69,351,251		\$ 82,537,055
Total Commercial	236,233	89,407,517		\$ 84,732,136		\$ 99,836,514
<u>Industrial - Monthly</u>						
Customer Charge						
5/8	2,297	-	\$ 16.00	\$ 36,747	\$ 18.00	\$ 41,341
3/4	551	-	27.50	15,142	30.90	17,014
1	1,817	-	46.70	84,852	52.50	95,391
1-1/2	640	-	89.90	57,491	101.10	64,653
2	1,573	-	127.90	201,157	143.90	226,321
3	343	-	257.00	88,151	289.00	99,127
4	600	-	418.00	250,744	470.00	281,937
6	302	-	862.00	260,669	970.00	293,328
8	84	-	1,508.00	126,823	1,697.00	142,718
10	48	-	2,229.00	106,992	2,508.00	120,384
Subtotal	8,254	-		\$ 1,228,768		\$ 1,382,214
1st block		495,701	1.0000	\$ 495,701	1.1900	\$ 589,884
2nd block		602,847	0.8785	529,602	1.0455	630,277
3rd block		2,869,431	0.7288	2,091,241	0.8673	2,488,658
4th block		6,967,920	0.6668	4,646,209	0.7938	5,531,135
5th block		4,012,327	0.6052	2,428,261	0.7455	2,991,190
6th block		4,161,628	0.4842	2,015,060	0.5963	2,481,579
Subtotal Consumption		19,109,855		\$ 12,206,074		\$ 14,712,723
Total Industrial	8,254	19,109,855		\$ 13,434,842		\$ 16,094,937

AQUA PENNSYLVANIA, INC.

MAIN DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Public - Monthly</u>						
Customer Charge						
5/8	3,885	-	\$ 16.00	\$ 62,163	\$ 18.00	\$ 69,933
3/4	1,111	-	27.50	30,543	30.90	34,320
1	2,465	-	46.70	115,111	52.50	129,407
1-1/2	1,119	-	89.90	100,595	101.10	113,128
2	2,418	-	127.90	309,211	143.90	347,892
3	1,435	-	257.00	368,769	289.00	414,686
4	997	-	418.00	416,802	470.00	468,653
6	170	-	862.00	146,799	970.00	165,191
8	94	-	1,508.00	141,903	1,697.00	159,688
10	12	-	2,229.00	26,748	2,508.00	30,096
Subtotal	13,706	-		\$ 1,718,644		\$ 1,932,994
1st block		669,977	1.0000	\$ 669,977	1.1900	\$ 797,273
2nd block		831,669	0.8785	730,621	1.0455	869,510
3rd block		2,400,986	0.7288	1,749,839	0.8573	2,058,365
4th block		2,684,918	0.6668	1,790,303	0.7847	2,106,855
Subtotal Consumption		6,587,550		\$ 4,940,740		\$ 5,832,003
Total Public	13,706	6,587,550		\$ 6,659,384		\$ 7,764,997
<u>Unmetered - Monthly</u>						
Customer Charge						
Flat Rate	138	-	\$ 54.85	\$ 7,558	\$ 54.85	\$ 7,558
Total Unmetered				\$ 7,558		\$ 7,558
<u>Sales For Resale - Monthly</u>						
Customer Charge						
5/8	33	-	\$ 16.00	\$ 533	\$ 18.00	\$ 599
4	20	-	418.00	8,360	470.00	9,400
Subtotal	53	-		\$ 8,360		\$ 9,400
1st block		3,029	0.8833	2,676	1.1900	\$ 3,605
Subtotal Consumption		3,029		2,676		\$ 3,605
Total Sales For Resale	53	3,029		\$ 11,036		\$ 13,005
MAIN SUBTOTAL	4,431,584	287,262,790		\$ 344,149,795		\$ 405,578,992

AQUA PENNSYLVANIA, INC.

SUPERIOR DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	46,599	-	\$ 16.80	\$ 782,858	18.00	\$ 838,777
1	71	-	26.25	1,872	39.40	2,809
5/8,3/4	348	-	22.98	7,999	20.21	7,035
Subtotal	47,018	-		\$ 792,729		\$ 848,621
1st block		872,786	0.9528	\$ 831,556	1.0649	\$ 929,430
2nd block		1,172,274	0.9528	1,116,896	1.2608	1,478,003
Subtotal Consumption		2,045,060		\$ 1,948,452		\$ 2,407,433
Total Residential	47,018	2,045,060		\$ 2,741,181		\$ 3,256,054
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	705	-	\$ 16.80	\$ 11,849	\$ 18.00	\$ 12,695
1	252	-	26.25	6,612	39.40	9,925
1-1/2	12	-	26.25	315	63.70	764
2	96	-	35.00	3,360	89.50	8,592
3	12	-	43.75	525	125.00	1,500
Subtotal	1,077	-		\$ 22,661		\$ 33,476
1st block		38,879	0.9528	\$ 37,042	1.1900	\$ 46,266
2nd block		22,507	0.9528	21,444	1.0455	23,531
3rd block		11,276	0.9528	10,743	0.8673	9,780
4th block		17,584	0.9528	16,753	0.7938	13,958
Subtotal Consumption		90,246		85,982		93,535
Total Commercial	1,077	90,246		\$ 108,643		\$ 127,011

AQUA PENNSYLVANIA, INC.

SUPERIOR DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Public - Monthly</u>						
Customer Charge						
1	52	-	\$ 26.25	\$ 1,352	\$ 39.40	\$ 2,029
1 1/2	4	-	26.25	105	\$ 63.70	255
2	12	-	35.00	420	89.50	1,074
4	12	-	105.00	1,260	287.50	3,450
Subtotal	<u>80</u>	<u>-</u>		<u>\$ 3,137</u>		<u>\$ 6,808</u>
1st block		2,525	0.9528	\$ 2,406	1.1900	\$ 3,005
2nd block		2,547	0.9528	2,427	1.0455	2,663
3rd block		3,667	0.9528	3,494	0.8573	3,144
4th block		-	0.9528	-	0.7847	-
Subtotal Consumption		<u>8,739</u>		<u>\$ 8,327</u>		<u>\$ 8,812</u>
Total Public	80	8,739		\$ 11,464		\$ 15,620
TOTAL DIVISION	<u>48,175</u>	<u>2,144,045</u>		<u>\$ 2,861,288</u>		<u>\$ 3,398,685</u>

AQUA PENNSYLVANIA, INC.

EAGLE ROCK, FAWN LAKE, TANGLEWOOD, THORNHURST, WOODLEDGE VILLAGE, WESTERN, AND PINECREST DIVISIONS
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	36,404	-	\$ 26.00	\$ 946,514	\$ 28.00	\$ 1,019,323
3/4	24	-	26.00	624	28.00	672
1	73	-	46.70	3,409	52.50	3,833
2	15	-	127.90	1,919	143.90	2,159
Subtotal	<u>36,516</u>	<u>-</u>		<u>\$ 952,466</u>		<u>\$ 1,025,987</u>
1st block		597,194	0.7212	\$ 430,696	0.9128	\$ 545,119
2nd block		<u>140,424</u>	<u>1.0352</u>	<u>145,367</u>	<u>1.2608</u>	<u>177,047</u>
Subtotal Consumption		<u>737,618</u>		<u>576,063</u>		<u>722,166</u>
Total Residential	36,516	737,618		\$ 1,528,529		\$ 1,748,153
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	325	-	\$ 26.00	\$ 8,460	\$ 28.00	\$ 9,111
1	115	-	46.70	5,361	52.50	6,027
1-1/2	48	-	89.90	4,342	101.10	4,883
2	165	-	127.90	21,065	143.90	23,700
3	12	-	257.00	3,084	289.00	3,468
Subtotal	<u>665</u>	<u>-</u>		<u>\$ 42,312</u>		<u>\$ 47,189</u>
1st block		30,755	1.0000	\$ 30,755	1.1900	\$ 36,599
2nd block		25,979	0.8785	22,822	1.0455	27,161
3rd block		31,699	0.7288	23,102	0.8673	27,493
4th block		<u>3,213</u>	<u>0.6668</u>	<u>2,142</u>	<u>0.7938</u>	<u>2,550</u>
Subtotal Consumption		<u>91,646</u>		<u>\$ 78,821</u>		<u>\$ 93,803</u>
Total Commercial	665	91,646		\$ 121,133		\$ 140,992
<u>Unmetered - Monthly</u>						
Customer Charge						
Flat Rate	20	-	\$ 54.85	\$ 1,113	65.52	\$ 1,330
Total Contract				\$ 1,113		\$ 1,330
TOTAL DIVISION	<u>37,090</u>	<u>829,264</u>		<u>\$ 1,650,775</u>		<u>\$ 1,890,475</u>

AQUA PENNSYLVANIA, INC.

BENSALEM DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	175,012	-	\$ 16.00	\$ 2,800,195	18.00	\$ 3,150,220
3/4	219	-	27.50	6,014	30.90	6,758
1	125	-	46.70	5,822	52.50	6,545
1-1/2	12	-	89.90	1,079	101.10	1,213
2	12	-	127.90	1,535	143.90	1,727
5/8,1	3,741	-	18.56	69,427	20.56	76,909
5/8,1-1/2	22	-	21.89	473	23.89	516
5/8,2	5	-	24.00	125	26.00	135
Subtotal	179,147	-		\$ 2,884,670		\$ 3,244,023
1st block		3,223,100	0.8800	\$ 2,836,328	1.0649	\$ 3,432,279
2nd block		4,311,387	0.8800	3,794,021	1.2608	5,435,797
Subtotal Consumption		7,534,487		\$ 6,630,349		\$ 8,868,076
Total Residential	179,147	7,534,487		\$ 9,515,019		\$ 12,112,099
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	7,877	-	\$ 16.00	\$ 126,033	\$ 18.00	\$ 141,787
3/4	736	-	27.50	20,240	30.90	22,742
1	1,752	-	46.70	81,829	52.50	91,992
1-1/2	2,073	-	89.90	186,333	101.10	209,547
2	1,869	-	127.90	239,032	143.90	268,935
3	404	-	257.00	103,845	289.00	116,775
4	225	-	418.00	93,883	470.00	105,562
6	265	-	862.00	228,258	970.00	256,856
8	77	-	1,508.00	115,765	1,697.00	130,274
10	12	-	2,229.00	26,748	2,508.00	30,096
Subtotal	15,289	-		\$ 1,221,966		\$ 1,374,566
1st block		876,712	0.8800	\$ 771,506	1.1900	\$ 1,043,287
2nd block		1,149,337	0.8800	1,011,416	1.0455	1,201,631
3rd block		3,706,318	0.7288	2,701,165	0.8673	3,214,490
4th block		2,024,837	0.6668	1,350,161	0.7938	1,607,315
Subtotal Consumption		7,757,203		\$ 5,834,248		\$ 7,066,723
Total Commercial	15,289	7,757,203		\$ 7,056,214		\$ 8,441,289

AQUA PENNSYLVANIA, INC.

BENSALEM DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Industrial - Monthly</u>						
Customer Charge						
5/8	228	-	\$ 16.00	\$ 3,650	\$ 18.00	\$ 4,106
3/4	99	-	27.50	2,717	30.90	3,053
1	249	-	46.70	11,642	52.50	13,088
1-1/2	84	-	89.90	7,552	101.10	8,492
2	85	-	127.90	10,820	143.90	12,174
3	72	-	257.00	18,504	289.00	20,808
4	24	-	418.00	10,032	470.00	11,280
6	12	-	862.00	10,344	970.00	11,640
Subtotal	853	-		\$ 75,261		\$ 84,641
1st block		52,168	0.8800	\$ 45,908	1.1900	\$ 62,080
2nd block		62,233	0.8800	54,765	1.0455	65,065
3rd block		204,943	0.7288	149,362	0.8673	177,747
4th block		137,061	0.6668	91,392	0.7938	108,799
5th block		0	0.6052	-	0.7455	-
6th block		0	0.4842	-	0.5963	-
Subtotal Consumption		456,405		\$ 341,427		\$ 413,691
Total Industrial	853	456,405		\$ 416,688		\$ 498,332
::						
<u>Public - Monthly</u>						
Customer Charge						
5/8	359	-	\$ 16.00	\$ 5,751	\$ 18.00	\$ 6,470
3/4	12	-	27.50	330	30.90	371
1	55	-	46.70	2,590	52.50	2,912
1-1/2	36	-	89.90	3,236	101.10	3,640
2	144	-	127.90	18,418	143.90	20,722
3	108	-	257.00	27,807	289.00	31,270
4	84	-	418.00	35,112	470.00	39,480
Subtotal	799	-		\$ 93,244		\$ 104,865
1st block		46,130	0.8800	\$ 40,594	1.1900	\$ 54,895
2nd block		49,347	0.8800	43,426	1.0455	51,593
3rd block		64,222	0.7288	46,805	0.8573	55,057
4th block		3,284	0.6668	2,190	0.7847	2,577
Subtotal Consumption		162,983		\$ 133,015		\$ 164,122
Total Public	799	162,983		\$ 226,259		\$ 268,987
TOTAL DIVISION	196,088	15,911,078		\$ 17,214,180		\$ 21,320,707

AQUA PENNSYLVANIA, INC.

CHALFONT DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	25,736	-	\$ 15.00	\$ 386,042	18.00	\$ 463,250
3/4	25	-	15.00	375	23.90	598
1	36	-	21.40	770	39.40	1,418
2	12	-	71.00	852	89.50	1,074
5/8,1-1/2	12	-	21.89	263	23.89	287
Subtotal	25,821	-		\$ 388,302		\$ 466,627
1st block		470,564	0.7100	\$ 334,100	1.0649	\$ 501,104
2nd block		550,706	0.7100	391,001	1.0649	586,447
Subtotal Consumption		1,021,270		\$ 725,101		\$ 1,087,551
Total Residential	25,821	1,021,270		\$ 1,113,403		\$ 1,554,178
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	1,038	-	\$ 15.00	\$ 15,567	\$ 18.00	\$ 18,680
3/4	24	-	15.00	360	23.90	574
1	450	-	21.40	9,630	39.40	17,730
1-1/2	72	-	35.50	2,556	63.70	4,586
2	70	-	71.00	4,970	89.50	6,265
3	12	-	213.10	2,557	125.00	1,500
4	12	-	227.50	2,730	287.50	3,450
Subtotal	1,678	-		\$ 38,370		\$ 52,785
1st block		79,075	0.7100	\$ 56,143	1.1900	\$ 94,099
2nd block		32,479	0.7100	23,060	1.0455	33,957
3rd block		7,502	0.7100	5,326	0.8673	6,506
4th block		-	0.7100	-	0.7938	-
Subtotal Consumption		119,056		\$ 84,529		\$ 134,562
Total Commercial	1,678	119,056		\$ 122,899		\$ 187,347

AQUA PENNSYLVANIA, INC.

CHALFONT DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Industrial - Monthly</u>						
Customer Charge						
1	11	-	\$ 21.40	\$ 235	\$ 39.40	\$ 433
2	46	-	71.00	3,266	89.50	4,117
Subtotal	57	-		\$ 3,501		\$ 4,550
1st block		3,904	0.7100	\$ 2,772	1.1900	\$ 4,646
2nd block		2,825	0.7100	2,006	1.0455	2,954
3rd block		14,367	0.7100	10,201	0.8673	12,460
4th block			0.7100	-	0.7938	-
5th block			0.7100	-	0.7455	-
6th block			0.7100	-	0.5963	-
Subtotal Consumption		21,096		\$ 14,979		\$ 20,060
Total Industrial	57	21,096		\$ 18,480		\$ 24,610
<u>Public - Monthly</u>						
Customer Charge						
5/8	22	-	\$ 15.00	\$ 330	\$ 18.00	\$ 396
2	12	-	71.00	852	89.50	1,074
4	24	-	227.50	5,460	287.50	6,900
Subtotal	58	-		\$ 6,642		\$ 8,370
1st block		3,495	0.7100	\$ 2,481	1.1900	\$ 4,159
2nd block		4,991	0.7100	3,544	1.0455	5,218
3rd block		2,721	0.7100	1,932	0.8573	2,333
4th block		-	0.7100	-	0.7847	-
Subtotal Consumption		11,207		7,957		11,710
Total Public	58	11,207		\$ 14,599		\$ 20,080
TOTAL DIVISION	27,614	1,172,629		\$ 1,269,381		\$ 1,786,215

AQUA PENNSYLVANIA, INC.

OAKLAND BEACH AND LAKESIDE ACRES
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u>	<u>Number of Bills</u>	<u>Consumption, 100 Gallons</u>	<u>Present Rate</u>	<u>Present Revenue</u>	<u>Settlement Rate</u>	<u>Settlement Revenue</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	11,159	-	\$ 23.50	\$ 262,237	\$ 28.00	\$ 312,452
3/4	108	-	23.50	2,538	28.00	3,024
1	<u>77</u>	<u>-</u>	46.70	<u>3,596</u>	52.50	<u>4,043</u>
Subtotal	11,344	-		\$ 268,371		\$ 319,519
1st block		207,462	0.7212	\$ 149,622	0.9128	\$ 189,372
2nd block		54,516	0.8962	48,857	1.2608	68,733
3rd block		<u>-</u>		<u>-</u>		<u>-</u>
Subtotal Consumption		261,978		\$ 198,479		\$ 258,105
Total Residential	11,344	261,978		\$ 466,850		\$ 577,624
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	321	93	\$ 23.50	\$ 7,534	\$ 28.00	\$ 8,977
3/4	24	-	23.50	564	28.00	672
1	<u>36</u>	<u>-</u>	46.70	<u>1,681</u>	52.50	<u>1,890</u>
Subtotal	381	93		\$ 9,779		\$ 11,539
1st block		12,435	1.0000	\$ 12,435	1.1900	\$ 14,798
2nd block		5,998	0.8785	5,269	1.0455	6,271
3rd block		2,513	0.7288	1,831	0.8673	2,180
4th block		<u>-</u>	0.6668	<u>-</u>	0.7938	<u>-</u>
Subtotal Consumption		20,946		\$ 19,535		\$ 23,249
Total Commercial	381	21,039		\$ 29,314		\$ 34,788

AQUA PENNSYLVANIA, INC.

OAKLAND BEACH AND LAKESIDE ACRES
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u>	<u>Number of Bills</u>	<u>Consumption, 100 Gallons</u>	<u>Present Rate</u>	<u>Present Revenue</u>	<u>Settlement Rate</u>	<u>Settlement Revenue</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Industrial - Monthly</u>						
Customer Charge 5/8	12	-	\$ 23.50	\$ 282	\$ 28.00	\$ 336
1st block		1,200	1.0000	\$ 1,200	1.1900	\$ 1,428
2nd block		2,796	0.8785	2,456	1.0455	2,923
3rd block		5,181	0.7288	3,776	0.8673	4,493
4th block		-	0.6668	-	0.7938	-
5th block		-	0.6052	-	0.7455	-
6th block		-	0.4842	-	0.5963	-
Subtotal Consumption		<u>9,177</u>		<u>\$ 7,432</u>		<u>\$ 8,844</u>
Total Industrial	12	9,177		\$ 7,714		\$ 9,180
TOTAL DIVISION	<u>11,737</u>	<u>292,194</u>		<u>\$ 503,878</u>		<u>\$ 621,592</u>

AQUA PENNSYLVANIA, INC.

CS WATER (MASTHOPE)
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	15,603	-	\$ 26.00	\$ 405,681	\$ 28.00	\$ 436,887
1	12	-	46.70	560	52.50	630
Subtotal	15,615	-		\$ 406,241		\$ 437,517
1st block		159,556	0.4800	\$ 76,587	0.9128	\$ 145,643
2nd block		44,539	0.8962	39,916	1.2608	56,155
Subtotal Consumption		204,095		\$ 116,503		\$ 201,798
Total Residential	15,615	204,095		\$ 522,744		\$ 639,315
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	21	-	\$ 26.00	\$ 546	\$ 28.00	\$ 588
1	12	-	46.70	560	52.50	630
1-1/2	12	-	89.90	1,079	101.10	1,213
2	12	-	127.90	1,535	143.90	1,727
Subtotal	57	-		\$ 3,720		\$ 4,158
1st block		2,701	1.0000	\$ 2,701	1.1900	\$ 3,214
2nd block		2,843	0.8785	2,498	1.0455	2,972
3rd block		18,547	0.7288	13,517	0.8673	16,086
4th block		-	0.6668	0	0.7938	-
Subtotal Consumption		24,091		\$ 18,716		\$ 22,272
Total Commercial	57	24,091		\$ 22,436		\$ 26,430
TOTAL DIVISION	<u>15,672</u>	<u>228,186</u>		<u>\$ 545,180</u>		<u>\$ 665,745</u>

AQUA PENNSYLVANIA, INC.

COUNTRY CLUB GARDENS
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential</u>						
Customer Charge						
5/8	4,955	-	\$ 15.00	\$ 74,318	\$ 18.00	\$ 89,181
1	24	-	30.00	720	52.50	1,260
Subtotal	<u>4,979</u>	<u>-</u>		<u>\$ 75,038</u>		<u>\$ 90,441</u>
1st block		92,887	0.5000	\$ 46,444	0.7820	\$ 72,638
2nd block		130,248	0.6000	78,149	0.9300	121,130
Subtotal Consumption		<u>223,135</u>		<u>\$ 124,593</u>		<u>\$ 193,768</u>
Total Residential	4,979	223,135		\$ 199,631		\$ 284,209
<u>Commercial</u>						
Customer Charge						
5/8	11	1	\$ 15.00	\$ 165	\$ 18.00	\$ 198
1st block		3,726	0.7000	\$ 2,608	0.9300	\$ 3,465
Subtotal Consumption		<u>3,726</u>		<u>\$ 2,608</u>		<u>\$ 3,465</u>
Total Commercial	11	3,727		\$ 2,773		\$ 3,663
TOTAL DIVISION	<u>4,990</u>	<u>226,862</u>		<u>\$ 202,404</u>		<u>\$ 287,872</u>

AQUA PENNSYLVANIA, INC.

CLARENDON
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential</u>						
Customer Charge						
5/8	3,395	-	\$ 16.00	\$ 54,314	18.00	\$ 61,103
1	<u>12</u>	-	40.00	<u>480</u>	52.50	<u>630</u>
Subtotal	3,407	<u>0</u>		\$ 54,794		\$ 61,733
1st block		58,087	0.7208	\$ 41,869	1.0649	\$ 61,857
2nd block		<u>51,258</u>	0.8208	<u>42,072</u>	1.2608	<u>64,626</u>
Subtotal Consumption		109,345		\$ 83,941		\$ 126,483
Total Residential	3,407	109,345		\$ 138,735		\$ 188,216
<u>Commercial</u>						
Customer Charge						
5/8	192	-	\$ 16.00	\$ 3,072	\$ 18.00	\$ 3,456
1	36	-	40.00	1,440	52.50	1,890
1-1/2	12	-	40.00	480	101.10	1,213
3	<u>12</u>	-	70.00	<u>840</u>	289.00	<u>3,468</u>
Subtotal	252	<u>0</u>		\$ 5,832		\$ 10,027
1st block		6,633	0.7208	\$ 4,781	1.1900	\$ 7,893
2nd block		2,875	0.7208	2,072	1.0455	3,006
3rd block		15,474	0.7208	11,154	0.8673	13,421
4th block		<u>-</u>	0.6668	<u>-</u>	0.7938	<u>-</u>
Subtotal Consumption		24,982		\$ 18,007		\$ 24,320
Total Commercial	252	24,982		\$ 23,839		\$ 34,347
TOTAL DIVISION	<u>3,659</u>	<u>134,327</u>		<u>\$ 162,574</u>		<u>\$ 222,563</u>

AQUA PENNSYLVANIA, INC.

KRATZERVILLE
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential</u>						
Customer Charge						
5/8	1,715	-	\$ 16.00	\$ 27,434	\$ 18.00	\$ 30,863
1	<u>12</u>	-	46.70	<u>560</u>	52.50	<u>630</u>
Subtotal	1,727	-		27,994		\$ 31,493
1st block		58,671	0.8000	\$ 46,937	1.0649	\$ 62,479
2nd block		-	0.8000	-	1.2608	-
Subtotal Consumption		<u>58,671</u>		<u>46,937</u>		<u>\$ 62,479</u>
Total Residential	1,727	58,671		\$ 74,931		\$ 93,972
<u>Commercial</u>						
Customer Charge						
5/8	23	-	\$ 16.00	\$ 362	\$ 18.00	\$ 407
1st block		1,721	0.8000	\$ 1,377	1.1900	\$ 2,048
Total Commercial	23	1,721		\$ 1,739		\$ 2,455
TOTAL DIVISION	<u>1,749</u>	<u>60,392</u>		<u>\$ 76,670</u>		<u>\$ 96,427</u>

AQUA PENNSYLVANIA, INC.

HONESDALE
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	17,224	-	\$ 16.00	\$ 275,581	\$ 18.00	\$ 310,028
3/4	48	-	27.50	1,320	30.90	1,483
Subtotal	17,272	-		276,901		311,511
1st block		289,157	0.7980	\$ 230,747	1.0649	\$ 307,923
2nd block		343,584	0.7980	274,180	1.2608	433,191
Subtotal Consumption		632,741		\$ 504,927		\$ 741,114
Total Single Family Residential	17,272	632,741		\$ 781,828		\$ 1,052,625
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	2,542	-	\$ 16.00	\$ 40,672	\$ 18.00	\$ 45,756
3/4	600	-	27.50	16,500	30.90	18,540
1	359	-	46.70	16,775	52.50	18,858
1-1/2	72	-	89.90	6,464	101.10	7,269
2	192	-	127.90	24,582	143.90	27,658
4	24	-	418.00	10,032	470.00	11,280
Subtotal	3,789	-		\$ 115,025		\$ 129,361
1st block		166,041	0.8833	\$ 146,664	1.1900	\$ 197,588
2nd block		107,357	0.7760	83,309	1.0455	112,241
3rd block		148,077	0.4000	59,231	0.8673	128,427
4th block		55,965	0.3000	16,790	0.7938	44,425
Subtotal Consumption		477,439		\$ 305,994		\$ 482,681
Total Commercial - Single Unit	3,789	477,439		\$ 421,019		\$ 612,042
<u>Industrial - Monthly</u>						
Customer Charge						
5/8	36	-	\$ 16.00	\$ 576	\$ 18.00	\$ 648
1	12	-	46.70	560	52.50	630
2	12	-	127.90	1,535	143.90	1,727
3	12	-	257.00	3,084	289.00	3,468
Subtotal Minimums	72	-		\$ 5,755		\$ 6,473
1st block		4,304	0.8833	\$ 3,802	1.1900	\$ 5,122
2nd block		4,173	0.7760	3,238	1.0455	4,363
3rd block		8,234	0.4000	3,294	0.8673	7,141
4th block		-	0.3000	-	0.7938	-
Subtotal Consumption		16,711		\$ 10,334		\$ 16,626
Total Industrial	72	16,711		\$ 16,089		\$ 23,099

AQUA PENNSYLVANIA, INC.

HONESDALE
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u>	<u>Number of Bills</u>	<u>Consumption, 100 Gallons</u>	<u>Present Rate</u>	<u>Present Revenue</u>	<u>Settlement Rate</u>	<u>Settlement Revenue</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Public - Monthly</u>						
Customer Charge						
5/8	105	-	\$ 16.00	\$ 1,685	\$ 18.00	\$ 1,895
3/4	24	-	27.50	660	30.90	742
1	24	-	46.70	1,121	52.50	1,260
1-1/2	24	-	89.90	2,158	101.10	2,426
2	24	-	127.90	3,070	143.90	3,454
3	12	-	257.00	3,084	289.00	3,468
Subtotal Minimums	213	-		\$ 11,778		\$ 13,245
1st block		11,300	0.8833	\$ 9,981	1.1900	\$ 13,447
2nd block		10,555	0.7760	8,191	1.0455	11,035
3rd block		21,162	0.4000	8,465	0.8573	18,142
4th block		-	0.3000	-	0.7847	-
Subtotal Consumption		43,017		\$ 26,637		\$ 42,624
Total Public	213	43,017		\$ 38,415		\$ 55,869
TOTAL DIVISION	<u>21,346</u>	<u>1,169,908</u>		<u>\$ 1,257,351</u>		<u>\$ 1,743,635</u>

AQUA PENNSYLVANIA, INC.

SAND SPRINGS
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential</u>						
Customer Charge 5/8	5,023	0	\$ 16.25	\$ 81,622	\$ 18.00	\$ 90,412
1st block		88,782	0.6000	\$ 53,269	0.7820	\$ 69,428
2nd block		79,417	0.6000	47,650	0.9300	73,858
Subtotal Consumption		<u>168,199</u>		<u>100,919</u>		<u>143,286</u>
Total Residential	5,023	168,199		\$ 182,541		\$ 233,698
<u>Commercial</u>						
Customer Charge 2	12	0	\$ 65.00	\$ 780	\$ 143.90	\$ 1,727
1st block		1,200	0.6000	\$ 720	0.9300	\$ 1,116
2nd block		2,687	0.6000	1,612	0.9300	2,499
3rd block		1,013	0.6000	608	0.9300	942
4th block			0.6000	-	-	-
Subtotal Consumption		<u>4,900</u>		<u>\$ 2,940</u>		<u>\$ 4,557</u>
Total Commercial	12	4,900		\$ 3,720		\$ 6,284
TOTAL DIVISION	<u>5,035</u>	<u>173,099</u>		<u>\$ 186,261</u>		<u>\$ 239,982</u>

AQUA PENNSYLVANIA, INC.

MIFFLIN TOWNSHIP
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge 5/8	371	24,884	\$ 41.67	\$ 15,476	18.00	\$ 6,685
Allowance 3,000 Gallons Over	-		0.3500	\$ -	-	\$ -
Allowance 6,667 Gallons Over	-	12,431	0.4500	\$ 5,594	0.8000	\$ 29,852
Total \$41.67 Residential	<u>371</u>	<u>37,315</u>		<u>21,070</u>		<u>\$ 36,537</u>
<u>Residential - Monthly</u>						
Customer Charge 5/8	2,010	56,295	\$ 33.33	\$ 66,993	18.00	\$ 36,180
Allowance 3,000 Gallons Over	-	27,904	0.3500	\$ 9,766	0.8000	\$ 67,359
Total \$33.33 Residential	2,010	84,199		\$ 76,759		\$ 103,539
<u>Residential - Monthly</u>						
Customer Charge 5/8	1,284	32,572	\$ 33.00	\$ 42,385	18.00	\$ 23,119
3/4	2	95	33.00	66	30.90	\$ 62
Subtotal	<u>1,286</u>	<u>32,667</u>		<u>42,451</u>		<u>23,181</u>
					0.8000	26,134
Total \$33.00 Residential	1,286	32,667		\$ 42,451		\$ 49,315

AQUA PENNSYLVANIA, INC.

MIFFLIN TOWNSHIP
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	1,928	22,560	\$ 28.00	\$ 53,979	18.00	\$ 34,701
3/4	10	86	28.00	280	18.00	\$ 180
Subtotal	<u>1,938</u>	<u>22,646</u>		<u>54,259</u>		<u>34,881</u>
					0.8000	18,117
Total \$28.00 Residential	1,938	22,646		\$ 54,259		\$ 52,998
Total Residential	<u>5,606</u>	<u>176,827</u>		<u>\$ 194,539</u>		<u>\$ 242,388</u>
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	59	3,953	\$ 41.67	\$ 2,459	\$ 18.00	\$ 1,062
1	12	804	41.67	500	52.50	630
1-1/2	24	1,608	41.67	1,000	101.10	2,426
2	14	938	41.67	583	143.90	2,015
Subtotal	<u>109</u>	<u>7,303</u>		<u>\$ 4,542</u>		<u>\$ 6,133</u>
Allowance 3,000 Gallons Over	-	-	0.3500	\$ -	-	\$ -
Allowance 6,667 Gallons Over	-	59,899	0.4500	\$ 26,955	0.8000	\$ 53,762
Total \$41.67 Commercial	<u>109</u>	<u>67,202</u>		<u>\$ 31,497</u>		<u>\$ 59,895</u>
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	70	2,100	\$ 33.33	\$ 2,333	\$ 18.00	\$ 1,260
Allowance 3,000 Gallons Over		1,319	0.3500	\$ 462	0.8000	\$ 2,735
Total \$33.33 Commercial	70	3,419		\$ 2,795		\$ 3,995

AQUA PENNSYLVANIA, INC.

MIFFLIN TOWNSHIP
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Commercial - Monthly</u>						
Customer Charge 5/8	26	672	\$ 33.00	\$ 858	\$ 18.00	\$ 468
					\$ 0.8000	\$ 538
Total \$33.00 Commercial	26	672		\$ 858		\$ 1,006
<u>Commercial - Monthly</u>						
Customer Charge 5/8	131	974	\$ 28.00	\$ 3,660	\$ 18.00	\$ 2,353
1	23	170	28.00	644	52.50	1,208
2	10	0	28.00	280	143.90	1,439
Subtotal	164	1,144		\$ 4,584		\$ 5,000
					\$ 0.8000	\$ 915
Total \$28.00 Commercial	164	1,144		\$ 4,584		\$ 5,915
Total Commercial	369	72,437		\$ 39,734		\$ 70,811
<u>Public - Monthly</u>						
Customer Charge 5/8	4	2	\$ 28.00	\$ 112	\$ 18.00	\$ 72
					\$ 0.8000	\$ 2
Total Public	4	2		112		74
TOTAL DIVISION	<u>5,978</u>	<u>249,266</u>		<u>\$ 234,385</u>		<u>\$ 313,273</u>

AQUA PENNSYLVANIA, INC.

BEECH MOUNTAIN
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge 5/8	11,187	-	\$ 15.00	\$ 167,811	\$ 18.00	\$ 201,373
All Consumption		369,388	0.1580	\$ 58,363	0.3365	\$ 124,299
Total Residential	11,187	369,388		\$ 226,174		\$ 325,672
<u>Commercial - Monthly</u>						
Customer Charge 5/8	24	-	\$ 15.00	\$ 360	\$ 18.00	\$ 432
2	24	-	130.20	3,125	143.90	3,454
6	12	-	813.75	9,765	970.00	11,640
Subtotal	<u>60</u>	<u>0</u>		<u>13,250</u>		<u>15,526</u>
All Consumption		13,795	0.1580	\$ 2,180	0.3365	\$ 4,642
Total Commercial	60	13,795		\$ 15,430		\$ 20,168
TOTAL DIVISION	<u>11,247</u>	<u>383,183</u>		<u>\$ 241,604</u>		<u>\$ 345,840</u>

AQUA PENNSYLVANIA, INC.

TREASURE LAKE
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	25,275	-	\$ 12.84	\$ 324,525	\$ 18.00	\$ 454,942
3/4	12	-	12.84	154	23.90	287
1	24	-	23.87	573	39.40	946
Subtotal	<u>25,311</u>	<u>-</u>		<u>325,252</u>		<u>456,175</u>
All Consumption		765,777	0.3520	\$ 269,554	0.5430	\$ 415,817
Total Residential	25,311	765,777		\$ 594,806		\$ 871,992
<u>Commercial</u>						
Customer Charge						
5/8	273	-	\$ 12.84	\$ 3,509	\$ 18.00	\$ 4,919
1	15	-	23.87	360	39.40	595
2	44	-	47.50	2,090	89.50	3,938
3	27	-	79.17	2,161	125.00	3,413
4	33	-	194.87	6,489	287.50	9,574
Subtotal	<u>393</u>	<u>-</u>		<u>14,609</u>		<u>22,439</u>
All Consumption		121,187	0.3520	\$ 42,658	0.5430	\$ 65,805
Total Commercial	393	121,187		\$ 57,267		\$ 88,244
<u>Availability Residential - Semi Annual</u>						
Customer Charge						
Flat Rate	4,698	-	\$ 18.24	\$ 85,682	-	-
Total Unmetered	4,698	-		\$ 85,682		-
TOTAL DIVISION	<u>30,401</u>	<u>886,964</u>		<u>\$ 737,755</u>		<u>\$ 960,236</u>

AQUA PENNSYLVANIA, INC.

CONCORD PARK
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
Residential Charge	1,980	-	\$ 11.70	\$ 23,170	\$ 18.00	\$ 35,645
Subtotal	1,980	-		\$ 23,170		\$ 35,645
1st block	0	77,030	0.4700	\$ 36,204	0.6350	\$ 48,914
Total Residential	1,980	77,030		\$ 59,374		\$ 84,559
<u>Commercial - Monthly</u>						
Customer Charge						
Commercial Charge	12	-	\$ 53.56	\$ 643	\$ 287.50	\$ 3,450
Subtotal	12	-		\$ 643		\$ 3,450
1st block		58,475	0.4460	\$ 26,080	0.6350	\$ 37,132
Total Commercial	12	58,475		\$ 26,723		\$ 40,582
<u>Public - Monthly</u>						
Customer Charge						
Public Charge	12	-	\$ 23.21	\$ 279	\$ 18.00	\$ 216
Subtotal	12	-		\$ 279		\$ 216
1st block		432	0.5120	\$ 221	0.6350	\$ 274
Total Commercial	12	432		\$ 500		\$ 490
TOTAL DIVISION	<u>2,004</u>	<u>135,937</u>		<u>\$ 86,597</u>		<u>\$ 125,631</u>

AQUA PENNSYLVANIA, INC.

BRISTOL TOWNSHIP DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	5,052	160,708	\$ 24.24	\$ 122,472	\$ 18.00	\$ 90,932
3/4	12	184	24.24	291	30.90	371
1	25	642	24.24	606	52.50	1,313
Subtotal	<u>5,089</u>	<u>161,534</u>		<u>\$ 123,369</u>		<u>\$ 92,616</u>
1st block		<u>65,261</u>	0.5590	<u>36,481</u>	0.5000	<u>113,398</u>
Subtotal Consumption		<u>65,261</u>		<u>36,481</u>		<u>113,398</u>
Total Residential	5,089	226,795		\$ 159,850		\$ 206,014
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	623	10,534	\$ 58.65	\$ 36,539	\$ 18.00	\$ 11,214
3/4	168	4,914	58.65	9,853	30.90	5,191
1	431	13,459	81.30	35,040	52.50	22,628
1-1/2	180	19,613	143.25	25,785	101.10	18,198
2	299	38,701	217.79	65,118	143.90	43,026
3	60	14,710	319.47	19,168	289.00	17,340
4	24	6,239	455.05	10,921	470.00	11,280
Subtotal	<u>1,785</u>	<u>108,170</u>		<u>\$ 202,424</u>		<u>\$ 128,877</u>
1st block		<u>156,592</u>	0.7070	<u>110,710</u>	0.8700	<u>230,343</u>
Total Commercial	1,785	264,762		\$ 313,134		\$ 359,220
TOTAL DIVISION	<u>6,874</u>	<u>491,557</u>		<u>\$ 472,984</u>		<u>\$ 565,234</u>

AQUA PENNSYLVANIA, INC.

MT. JEWETT
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge 5/8"	4,832	-	\$ 18.00	\$ 86,981	\$ 18.00	\$ 86,981
1st block		79,885	0.6850	\$ 54,721	1.0649	\$ 85,070
2nd block		75,122	0.6850	51,459	1.0649	79,997
Subtotal Consumption		155,007		106,180		165,067
Total Commercial	4,832	155,007		\$ 193,161		\$ 252,048
<u>Commercial - Monthly</u>						
Customer Charge 5/8"	444	-	\$ 18.00	\$ 7,992	\$ 18.00	\$ 7,992
1st block		8,870	0.6850	\$ 6,076	1.1900	\$ 10,555
2nd block		741	0.6850	508	1.0455	775
3rd block		-	0.6850	-	0.8673	-
4th block		-	0.6850	-	0.7938	-
Subtotal Consumption		9,611		\$ 6,584		\$ 11,330
Total Commercial	444	9,611		\$ 14,576		\$ 19,322
<u>Industrial - Monthly</u>						
Customer Charge 1"	24	-	\$ 18.00	\$ 432	\$ 52.50	\$ 1,260
1st block		155	0.6850	\$ 106	1.1900	\$ 184
2nd block		-	0.6850	-	1.0455	-
3rd block		-	0.6850	-	0.8673	-
4th block		-	0.6850	-	0.7938	-
5th block		-	0.6850	-	0.7455	-
6th block		-	0.6850	-	0.5963	-
Subtotal Consumption		155		\$ 106		\$ 184
Total Industrial	24	155		\$ 538		\$ 1,444
TOTAL DIVISION	<u>5,300</u>	<u>164,773</u>		<u>\$ 208,275</u>		<u>\$ 272,814</u>

AQUA PENNSYLVANIA, INC.

BUNKER HILL
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Unmetered</u>						
Customer Charge 5/8"	779	0	\$ 4.19	\$ 3,262	\$ 8.00	\$ 6,228
All Consumption		<u>31,897</u>	0.2130	<u>\$ 6,794</u>	0.4500	<u>\$ 14,354</u>
TOTAL DIVISION	<u>779</u>	<u>31,897</u>		<u>\$ 10,056</u>		<u>20,582</u>

AQUA PENNSYLVANIA, INC.

ROBIN HOOD LAKES
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential</u>						
Customer Charge 5/8	2,397	0	\$ 13.40	\$ 32,125	\$ 18.00	\$ 43,153
All Consumption		67,756	0.6560	\$ 44,448	0.8600	\$ 58,270
TOTAL DIVISION	<u>2,397</u>	<u>67,756</u>		<u>76,573</u>		<u>101,423</u>

AQUA PENNSYLVANIA, INC.

EAST CAMERON
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Present Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Consumption, 100 Gallons	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Residential</u>							
Customer Charge							
5/8	546	9,320	\$ 50.00	\$ 27,315		\$ 18.00	\$ 9,833
3/4	63	875	\$ 50.00	\$ 3,150		\$ 30.90	\$ 1,947
Subtotal	609	10,195		\$ 30,465			\$ 11,780
Present Consumption	-	1,881	0.6500	\$ 1,223			
Settlement Blocks							
1st block					7,292	1.0649	\$ 7,765
2nd block					4,784	1.2608	\$ 6,032
Subtotal Settlement Consumption					12,076		\$ 13,797
Total Residential	609	12,076		\$ 31,688	12,076		\$ 25,577
<u>Commercial</u>							
Customer Charge							
3/4	28	92	\$ 50.00	\$ 1,400		\$ 30.90	\$ 865
All Consumption	-	5	0.6500	\$ 3			
Settlement Blocks							
1st block					97	1.1900	\$ 115
2nd block					-	1.0455	-
3rd block					-	0.8673	-
4th block					-	0.7938	-
Subtotal Settlement Consumption					97		\$ 115
Total Commercial	28	97		\$ 1,403	97		\$ 980
TOTAL DIVISION	637	12,173		\$ 33,091	12,173		\$ 26,557

AQUA PENNSYLVANIA, INC.

SUN VALLEY WATER
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (3)	<u>Present Rate</u> (4)	<u>Present Revenue</u> (5)	<u>Settlement Rate</u> (6)	<u>Settlement Revenue</u> (7)
<u>Residential - Unmetered</u>						
Customer Charge Unmetered	148	0	\$ 15.00	\$ 2,220	\$ 19.50	\$ 2,886
TOTAL DIVISION	<u>148</u>	<u>0</u>		<u>2,220</u>		<u>2,886</u>

AQUA PENNSYLVANIA, INC.

MAIN DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge 5/8	38,013		\$ 16.00	\$ 608,206	18.00	\$ 684,232
Subtotal	38,013	-		\$ 608,206		\$ 684,232
1st block	20	760,258	0.9071	\$ 689,630	1.0649	\$ 809,598
2nd block	Over 20	777,423	1.0352	804,788	1.2608	980,175
Subtotal Customer Growth Consumption		1,537,680		\$ 1,494,418		\$ 1,789,773
1st block	20		0.9071	\$ -	1.0649	\$ -
2nd block	Over 20	(752,193)	1.0352	(778,670)	1.2608	(948,365)
Subtotal Declining Usage Consumption		(752,193)		\$ (778,670)		\$ (948,365)
Total Residential	38,013	785,487		1,323,954		1,525,640
<u>Commercial - Monthly</u>						
Customer Charge 5/8	4,473		\$ 16.00	\$ 71,570	\$ 18.00	\$ 80,516
Subtotal	4,473	-		\$ 71,570		\$ 80,516
Growth Adjustment Consumption						
1st block		447,312	1.0000	\$ 447,312	1.1900	\$ 532,301
2nd block		1,042,237	0.8785	915,605	1.0455	1,089,659
3rd block		213,878	0.7288	155,874	0.8673	185,497
4th block		-	0.6668	-	0.7938	-
Subtotal Customer Growth Consumption		1,703,427		\$ 1,518,791		\$ 1,807,457
Total Commercial	4,473	1,703,427		\$ 1,590,361		\$ 1,887,973
<u>Industrial - Monthly</u>						
Customer Charge 5/8	(66)		\$ 16.00	\$ (1,056)	\$ 18.00	\$ (1,188)
Subtotal Minimums	(66)	-		\$ (1,056)		\$ (1,188)
1st block		(6,600)	1.0000	\$ (6,600)	1.1900	\$ (7,854)
2nd block		(15,378)	0.8785	(13,510)	1.0455	(16,078)
3rd block		(132,218)	0.7288	(96,360)	0.8673	(114,672)
4th block		-	0.6668	-	0.7938	-
5th block		-	0.6052	-	0.7455	-
6th block		-	0.4842	-	0.5963	-
Subtotal Growth Adjustment Consumption		(154,196)		\$ (116,470)		\$ (138,604)
Total Industrial	-66	(154,196)		\$ (117,526)		\$ (139,792)

AQUA PENNSYLVANIA, INC.

MAIN DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
Private Fire Metered Service						
Main Division 6"	2,482		\$ 192.00	\$ 476,448	\$ 206.40	\$ 512,182
Consumption	_____	-	1.0000	\$ -	1.2490	\$ -
Total Private Fire Growth	<u>2,482</u>	<u>-</u>		<u>\$ 476,448</u>		<u>\$ 512,182</u>

AQUA PENNSYLVANIA, INC.
ADJUSTMENT 1 - CUSTOMER GROWTH REVENUE ADJUSTMENT UNDER PRESENT RATES
FOR THE TEST YEARS ENDING MARCH 31, 2018, 2019 AND 2020

	Residential	Commercial	Industrial	Private Fire	Total
<u>Historic TY Customer Growth Calculation</u>					
1 Number of Customers as of 3/31/18	350,718	19,935	697	5,010	376,360
2 Number of Customer as of 3/31/17	349,307	19,743	696	4,919	374,665
3 Projected Daily Usage in gallons (a)	132.85	1,261.57	7,717.50	-	9,112
4 Monthly Volumes per Normalization (Gallons) Line 3 X (365 Days/12 Mor	4,040.85	37,847.24	231,525.13	-	273,413
5 HTY Customer Annualized Growth Bills (Line 2-Line 1) X 12 Divided by 2	8,466	1,152	6	46	9,670
6 HTY Customer Annualized Growth Volumes (Line 4 X Line 5 / 100)	342,098	436,000	13,892	-	791,990
Priced At First Block	169,320	115,200	600	-	285,120
Priced At Second Block	172,778	268,416	1,398	-	442,592
Priced At Third Block	-	52,384	11,894	-	64,278
Priced At Fourth Block	-	-	-	-	-
Priced At Fifth Block	-	-	-	-	-
Priced At Sixth Block	-	-	-	-	-
<u>Future Test Year Customer Growth Calculation</u>					
7 Forecasted Customer Growth	1,231	138	(3)	102	1,468
8 Annualized Bills (Line 7 X 12)	14,773	1,661	(36)	1,218	17,616
9 HTY Customer Annualized Growth Volumes (Line 4 X Line 8)	596,973	628,476	(83,349)	-	1,142,100
10 Average Volumes Per Normalization					
Priced At First Block	295,469	166,056	(3,600)	-	457,925
Priced At Second Block	301,504	386,910	(8,388)	-	680,026
Priced At Third Block	-	75,510	(71,361)	-	4,149
Priced At Fourth Block	-	-	-	-	-
Priced At Fifth Block	-	-	-	-	-
Priced At Sixth Block	-	-	-	-	-
<u>Fully Projected Future Test Year Customer Growth Calculation</u>					
11 Monthly Volumes per Normalization (Gallons) Line 3 X (366 Days/12 Mor	4,051.93	38,478.03	235,383.89	-	277,914
12 Forecasted Customer Growth	1,231	138	(3)	102	1,468
13 Annualized Bills (Line 12 X 12)	14,773	1,661	(36)	1,218	17,616
14 HTY Customer Annualized Growth Volumes (Line 11 X Line 12)	598,609	638,951	(84,738)	-	1,152,822
15 Average Volumes Per Normalization					
16 Priced At First Block	295,469	166,056	(3,600)	-	457,925
17 Priced At Second Block	303,141	386,910	(8,388)	-	681,663
18 Priced At Third Block	-	85,984	(72,750)	-	13,234
19 Priced At Fourth Block	-	-	-	-	-
20 Priced At Fifth Block	-	-	-	-	-
21 Priced At Sixth Block	-	-	-	-	-
22 Total Bills	38,013	4,473	(66)	2,482	44,901
23 Priced At First Block	760,258	447,312	(6,600)	-	1,200,970
24 Priced At Second Block	777,423	1,042,237	(15,378)	-	1,804,282
25 Priced At Third Block	-	213,878	(132,218)	-	81,660
26 Priced At Fourth Block	-	-	-	-	-
27 Priced At Fifth Block	-	-	-	-	-
28 Priced At Sixth Block	-	-	-	-	-

(a) For residential and commercial, see declining usage workpaper. For Industrial and Public, based on 2017 usage.

AQUA PENNSYLVANIA, INC.
ADJUSTMENT 1 - CUSTOMER GROWTH REVENUE ADJUSTMENT UNDER PRESENT RATES
FOR THE TEST YEARS ENDING MARCH 31, 2018, 2019 AND 2020

Number of Customers	Residential	Commercial	Industrial	Private Fire Protection
29 Period Ending 3/31/16	348,256.0	19,658.0	703.0	4,807.0
30 Period Ending 3/31/17	349,307.2	19,742.8	696.0	4,919.0
31 Historic Test Year Period Ending 3/31/18	350,718.2	19,934.8	697.0	5,010.0
32 Increase 2016-2017	1,051.2	84.8	(7.0)	112.0
33 Increase 2017-2018	1,411.0	192.0	1.0	91.0
34 Average Growth/(Decline)	1,231.1	138.4	(3.0)	101.5

Acquisitions Removed from Main Division	Residential	Commercial
Bunker Hill - (8/12/15)	67	
Robin Hood Lakes - (10/15/15)	214	
East Cameron - (12/20/16)	54	2
Sun Valley - (1/1/18)	83	

AQUA PENNSYLVANIA, INC.
MAIN DIVISION
ADJUSTMENT 2 - DECLINING USAGE REVENUE ADJUSTMENT - PRESENT RATES
FOR THE TEST YEAR ENDING MARCH 31, 2018

	<u>Residential</u>
1 Actual Bills	4,173,338
2 Actual 2017 Daily Usage (Gallons)	133.45
3 Projected Daily Usage in gallons - 2020	132.85
4 Difference in Daily Usage - Line 3 - Line 2	(0.60)
5 Difference in 100 gallon Monthly Usage - Line 4 X 30 divided by 100	(0.18)
6 Annual Declining Usage Adjustment - Line 1 X Line 5	(752,193)

AQUA PENNSYLVANIA, INC.

TREASURE LAKE AVAILABILITY ADJUSTMENT
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u>	<u>Number of Bills</u>	<u>Consumption, 100 Gallons</u>	<u>Present Rate</u>	<u>Present Revenue</u>	<u>Settlement Rate</u>	<u>Settlement Revenue</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Availability Residential - Semi Annual</u>						
Customer Charge						
Flat Rate	<u>(4,628)</u>	<u>-</u>	\$ 18.24	<u>\$ (84,406)</u>	\$ -	<u>\$ -</u>
Total Unmetered	<u><u>(4,628)</u></u>	<u><u>-</u></u>		<u><u>\$ (84,406)</u></u>		<u><u>\$ -</u></u>

AQUA PENNSYLVANIA, INC.

SUN VALLEY WATER
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Unmetered</u>						
Customer Charge Unmetered	740	0	\$ 15.00	\$ 11,100	19.50	\$ 14,430
TOTAL DIVISION	<u>740</u>	<u>0</u>		<u>11,100</u>		<u>14,430</u>

AQUA PENNSYLVANIA INC.

APPLICATION OF PRESENT AND SETTLEMENT RATES TO PRIVATE FIRE CONNECTIONS AS OF MARCH 31, 2018

Rate Zone, Connection Size (1)	Number (2)	Usage (3)	Present Rates		Number (6)	Usage (7)	Settlement Rates	
			Rate (4)	Revenue (5)			Rate (8)	Revenue (9)
Private Fire Metered Service								
Main Division								
1" or A or F1	725		\$ 5.60	\$ 4,060	725		\$ 6.00	\$ 4,350
1 1/2" or B	1,776		12.80	22,733	1,776		13.80	24,509
2" or C or F2	3,499		31.70	110,918	3,499		34.10	119,316
3" or D or F3	24		51.50	1,236	24		55.40	1,330
4" or E or F4	20,934		87.20	1,825,445	20,934		93.70	1,961,516
6" or G or F6	25,812		192.00	4,955,904	25,812		206.40	5,327,597
8" or K or F8	9,601		335.00	3,216,335	9,601		360.10	3,457,320
10" or L or F10	480		510.00	244,800	480		548.30	263,184
12" or F12	12		1,413.00	16,956	12		1,519.00	18,228
Subtotal	62,863			10,398,387	62,863			11,177,349
Usage		590,114	1.0000	590,114		590,114	1.2490	737,052
Total Main Division	62,863	590,114		\$10,988,501	62,863	590,114		\$ 11,914,401
Superior								
1"	2,436		15.25	37,149	2,436		6.00	14,616
2" or C	24		15.25	366	24		22.90	550
4" or E	108		57.81	6,243	108		86.70	9,364
6" or G or F6	156		80.00	12,480	156		120.00	18,720
8" or K or F8	36		80.00	2,880	36		120.00	4,320
Subtotal	2,760			59,118	2,760			47,569
Total Superior	2,760			\$ 59,118	2,760			\$ 47,569
Western et al								
2"	11		31.70	349	11		34.10	375
6" or F6	24		192.00	4,608	24		206.40	4,954
Subtotal	35			4,957	35			5,329
Total Western et al	35			4,957	35			5,329
Bensalem								
1"	24		5.60	134	24		6.00	144
2" or C	317		31.70	10,049	317		34.10	10,810
4" or E	422		67.90	28,620	422		80.80	34,057
6" or G or F6	1,614		120.00	193,680	1,614		163.20	263,405
8" or K or F8	810		180.00	145,800	810		270.10	218,781
10" or L	48		260.00	12,480	48		404.20	19,402
Subtotal	3,235			390,763	3,235			546,598
Usage		6,272	0.8800	5,519		6,272	1.2490	7,834
Total Bensalem	3,235	6,272		396,283	3,235	6,272		554,432
Chalfont								
2" or C	9		31.70	285	9		34.10	307
4" or E	60		87.20	5,232	60		93.70	5,622
6" or G	108		192.00	20,736	108		206.40	22,291
Subtotal	177			26,253	177			28,220
Usage		87	1.0000	87		87	1.2490	109
Total Chalfont	177	87		26,340	177	87		28,329
Honesdale								
4" or E or F4	60		67.90	4,074	60		80.80	4,848
6" or G or F6	144		120.00	17,280	144		163.20	23,501
8" or K or F8	60		180.00	10,800	60		270.10	16,206
Subtotal	264			32,154	264			44,555
		-	0.8833	-		-	1.2490	-
Total Honesdale	264	-		32,154	264	-		44,555

AQUA PENNSYLVANIA INC.

APPLICATION OF PRESENT AND SETTLEMENT RATES TO PRIVATE FIRE CONNECTIONS AS OF MARCH 31, 2018

Rate Zone, Connection Size	Number	Usage	Present Rates		Number	Usage	Settlement Rates	
			Rate	Revenue			Rate	Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sand Springs								
1"	12		5.60	67	12		6.00	72
4"	12		87.20	1,046	12		93.70	1,124
Subtotal	24			1,114	24			1,196
Total Sand Springs	24			1,114	24			1,196
Bristol Township								
3"	12		39.09	469	12		55.40	665
4" or E or F4	60		75.07	4,504	60		80.80	4,848
6" or G or F6	336		117.30	39,413	336		163.20	54,835
8" or K or F8	216		250.43	54,092	216		270.10	58,342
10" or F10	48		516.03	24,769	48		404.20	19,402
Subtotal	672			123,248	672			138,091
		38	0.4930	19		38	0.8700	33
Total Bristol Township	672	38		123,266	672	38		138,124
Liberty Power Contract								
10"	9	50	0.97	49	9	50	0.97	49
Total Metered Private Fire	70,039	596,561		11,631,781	70,039	596,561		12,733,984
Private Hydrants								
Main Division	168		25.25	4,242	168		26.00	4,368
Main Division (Waymart)	36		46.20	1,663	36		46.00	1,656
Main Division (Hawley)	21,277		54.60	1,161,724	21,277		46.00	978,742
Superior	336		80.00	26,880	336		46.00	15,456
Western et al	2,040		19.80	40,392	2,040		22.80	46,512
Bensalem	390		48.00	18,720	390		46.00	17,940
Honesdale	264		30.60	8,078	264		26.00	6,864
Sand Springs	516		24.00	12,384	516		26.00	13,416
Total Private Hydrants	25,027			<u>\$ 1,274,084</u>	<u>25,027</u>			<u>\$ 1,084,954</u>
Total Private Fire Revenue	95,066			<u>\$12,905,865</u>				<u>\$ 13,818,938</u>

AQUA PENNSYLVANIA INC.

APPLICATION OF PRESENT AND SETTLEMENT RATES TO
THE NUMBER OF PUBLIC FIRE HYDRANTS AS OF MARCH 31, 2018

Service Area (1)	Pro Forma Number of Bills (2)	Present Monthly Rate (3)	Pro Forma Present Revenue (4)	Settlement Monthly Rate (5)	Pro Forma Settlement Revenue (6)
Main Division	6,288	\$ 19.00	\$ 119,472	\$ 21.30	\$ 133,934
Main Division	61,544	22.00	1,353,968	25.86	1,591,528
Main Division	2,388	22.50	53,730	25.86	61,754
Main Division	4,968	22.92	113,867	25.86	128,472
Main Division	136,946	25.25	3,457,887	25.86	3,541,424
Main Division	828	29.06	24,062	25.86	21,412
Main Division	9,132	42.25	385,827	34.00	310,488
Superior	2,928	23.75	69,540	25.86	75,718
Western et al Division	1,536	22.00	33,792	25.86	39,721
Bensalem	16,887	14.73	248,746	17.80	300,589
Chalfont	2,268	19.00	43,092	21.30	48,308
Chalfont	84	22.00	1,848	25.86	2,172
Chalfont	192	25.25	4,848	25.86	4,965
CS Division (Masthope)	168	22.00	3,696	25.86	4,344
Clarendon	144	22.00	3,168	25.86	3,724
Kratzerville	216	19.00	4,104	21.30	4,601
Honesdale	1,056	22.00	23,232	25.86	27,308
Mifflin Township	348	10.91	3,797	13.90	4,837
Beech Mountain	98	22.00	2,156	25.86	2,534
Concord Park	48	8.64	415	12.10	581
Bristol Township	1,056	10.91	11,521	15.90	16,790
Mount Jewett	456	4.40	2,006	8.70	3,967
Total	249,579		\$ 5,964,772		\$ 6,329,173

AQUA PENNSYLVANIA INC.
MAIN DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 17.20	\$ 18.00	\$ 0.80	4.65%
1,000	\$ 26.95	\$ 28.65	\$ 1.70	6.30%
2,000	\$ 36.70	\$ 39.30	\$ 2.60	7.07%
3,000	\$ 47.83	\$ 51.91	\$ 4.07	8.52%
4,000	\$ 58.96	\$ 64.51	\$ 5.55	9.42%
4,080	\$ 59.85	\$ 65.52	\$ 5.67	9.48%
5,000	\$ 70.09	\$ 77.12	\$ 7.03	10.04%
6,000	\$ 81.22	\$ 89.73	\$ 8.51	10.48%
7,000	\$ 92.34	\$ 102.34	\$ 9.99	10.82%
8,000	\$ 103.47	\$ 114.95	\$ 11.47	11.09%
9,000	\$ 114.60	\$ 127.55	\$ 12.95	11.30%
10,000	\$ 125.73	\$ 140.16	\$ 14.43	11.48%
11,000	\$ 136.86	\$ 152.77	\$ 15.91	11.63%
12,000	\$ 147.99	\$ 165.38	\$ 17.39	11.75%
13,000	\$ 159.12	\$ 177.99	\$ 18.87	11.86%
14,000	\$ 170.24	\$ 190.59	\$ 20.35	11.95%
15,000	\$ 181.37	\$ 203.20	\$ 21.83	12.04%
16,000	\$ 192.50	\$ 215.81	\$ 23.31	12.11%
17,000	\$ 203.63	\$ 228.42	\$ 24.79	12.17%
18,000	\$ 214.76	\$ 241.03	\$ 26.27	12.23%
19,000	\$ 225.89	\$ 253.63	\$ 27.75	12.28%
20,000	\$ 237.01	\$ 266.24	\$ 29.23	12.33%
25,000	\$ 292.66	\$ 329.28	\$ 36.63	12.52%
30,000	\$ 348.30	\$ 392.32	\$ 44.02	12.64%
35,000	\$ 403.94	\$ 455.36	\$ 51.42	12.73%
40,000	\$ 459.58	\$ 518.40	\$ 58.82	12.80%
45,000	\$ 515.22	\$ 581.44	\$ 66.22	12.85%
50,000	\$ 570.87	\$ 644.48	\$ 73.62	12.90%
60,000	\$ 682.15	\$ 770.56	\$ 88.41	12.96%
70,000	\$ 793.43	\$ 896.64	\$ 103.21	13.01%
80,000	\$ 904.72	\$ 1,022.72	\$ 118.00	13.04%
90,000	\$ 1,016.00	\$ 1,148.80	\$ 132.80	13.07%
100,000	\$ 1,127.29	\$ 1,274.88	\$ 147.60	13.09%
110,000	\$ 1,238.57	\$ 1,400.96	\$ 162.39	13.11%
120,000	\$ 1,349.85	\$ 1,527.04	\$ 177.19	13.13%
130,000	\$ 1,461.14	\$ 1,653.12	\$ 191.98	13.14%
140,000	\$ 1,572.42	\$ 1,779.20	\$ 206.78	13.15%
150,000	\$ 1,683.71	\$ 1,905.28	\$ 221.58	13.16%
160,000	\$ 1,794.99	\$ 2,031.36	\$ 236.37	13.17%
170,000	\$ 1,906.27	\$ 2,157.44	\$ 251.17	13.18%
180,000	\$ 2,017.56	\$ 2,283.52	\$ 265.96	13.18%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
MAIN DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
COMMERCIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 17.20	\$ 18.00	\$ 0.80	4.65%
1,000	\$ 27.95	\$ 29.90	\$ 1.95	6.98%
2,000	\$ 38.70	\$ 41.80	\$ 3.10	8.01%
5,000	\$ 70.95	\$ 77.50	\$ 6.55	9.23%
6,000	\$ 81.70	\$ 89.40	\$ 7.70	9.42%
7,000	\$ 92.45	\$ 101.30	\$ 8.85	9.57%
8,000	\$ 103.20	\$ 113.20	\$ 10.00	9.69%
9,000	\$ 113.95	\$ 125.10	\$ 11.15	9.78%
10,000	\$ 124.70	\$ 137.00	\$ 12.30	9.86%
11,000	\$ 134.14	\$ 147.46	\$ 13.31	9.92%
12,000	\$ 143.59	\$ 157.91	\$ 14.32	9.97%
13,000	\$ 153.03	\$ 168.37	\$ 15.33	10.02%
14,000	\$ 162.48	\$ 178.82	\$ 16.34	10.06%
15,000	\$ 171.92	\$ 189.28	\$ 17.36	10.10%
20,000	\$ 219.14	\$ 241.55	\$ 22.41	10.23%
25,000	\$ 266.36	\$ 293.83	\$ 27.47	10.31%
30,000	\$ 313.58	\$ 346.10	\$ 32.52	10.37%
35,000	\$ 358.06	\$ 395.35	\$ 37.28	10.41%
40,000	\$ 397.23	\$ 438.71	\$ 41.48	10.44%
45,000	\$ 436.41	\$ 482.08	\$ 45.67	10.46%
50,000	\$ 475.58	\$ 525.44	\$ 49.86	10.48%
60,000	\$ 553.93	\$ 612.17	\$ 58.24	10.51%
70,000	\$ 632.27	\$ 698.90	\$ 66.63	10.54%
80,000	\$ 710.62	\$ 785.63	\$ 75.01	10.56%
90,000	\$ 788.96	\$ 872.36	\$ 83.40	10.57%
100,000	\$ 867.31	\$ 959.09	\$ 91.78	10.58%
200,000	\$ 1,650.77	\$ 1,826.39	\$ 175.62	10.64%
250,000	\$ 2,042.50	\$ 2,260.04	\$ 217.54	10.65%
300,000	\$ 2,434.23	\$ 2,693.69	\$ 259.46	10.66%
350,000	\$ 2,814.63	\$ 3,115.07	\$ 300.44	10.67%
360,000	\$ 2,886.31	\$ 3,194.45	\$ 308.14	10.68%
370,000	\$ 2,957.99	\$ 3,273.83	\$ 315.83	10.68%
380,000	\$ 3,029.67	\$ 3,353.21	\$ 323.53	10.68%
390,000	\$ 3,101.35	\$ 3,432.59	\$ 331.23	10.68%
400,000	\$ 3,173.03	\$ 3,511.97	\$ 338.93	10.68%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
MAIN DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
INDUSTRIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 17.20	\$ 18.00	\$ 0.80	4.65%
1,000	\$ 27.95	\$ 29.90	\$ 1.95	6.98%
2,000	\$ 38.70	\$ 41.80	\$ 3.10	8.01%
3,000	\$ 49.45	\$ 53.70	\$ 4.25	8.59%
4,000	\$ 60.20	\$ 65.60	\$ 5.40	8.97%
5,000	\$ 70.95	\$ 77.50	\$ 6.55	9.23%
10,000	\$ 124.70	\$ 137.00	\$ 12.30	9.86%
50,000	\$ 475.58	\$ 525.44	\$ 49.86	10.48%
100,000	\$ 867.31	\$ 959.09	\$ 91.78	10.58%
200,000	\$ 1,650.77	\$ 1,826.39	\$ 175.62	10.64%
300,000	\$ 2,434.23	\$ 2,693.69	\$ 259.46	10.66%
400,000	\$ 3,173.03	\$ 3,511.97	\$ 338.93	10.68%
500,000	\$ 3,889.84	\$ 4,305.77	\$ 415.92	10.69%
750,000	\$ 5,681.87	\$ 6,290.27	\$ 608.40	10.71%
1,000,000	\$ 7,473.89	\$ 8,274.77	\$ 800.87	10.72%
1,500,000	\$ 11,057.94	\$ 12,243.77	\$ 1,185.82	10.72%
2,000,000	\$ 14,641.99	\$ 16,212.77	\$ 1,570.77	10.73%
2,500,000	\$ 18,226.04	\$ 20,181.77	\$ 1,955.72	10.73%
3,000,000	\$ 21,810.09	\$ 24,150.77	\$ 2,340.67	10.73%
3,350,000	\$ 24,307.87	\$ 26,921.00	\$ 2,613.13	10.75%
3,500,000	\$ 25,283.76	\$ 28,039.25	\$ 2,755.49	10.90%
4,000,000	\$ 28,536.71	\$ 31,766.75	\$ 3,230.04	11.32%
4,500,000	\$ 31,789.66	\$ 35,494.25	\$ 3,704.59	11.65%
5,000,000	\$ 35,042.61	\$ 39,221.75	\$ 4,179.14	11.93%
5,500,000	\$ 38,295.56	\$ 42,949.25	\$ 4,653.69	12.15%
6,000,000	\$ 41,548.51	\$ 46,676.75	\$ 5,128.24	12.34%
6,500,000	\$ 44,801.46	\$ 50,404.25	\$ 5,602.79	12.51%
7,000,000	\$ 48,054.41	\$ 54,131.75	\$ 6,077.34	12.65%
8,000,000	\$ 54,560.31	\$ 61,586.75	\$ 7,026.44	12.88%
9,000,000	\$ 61,066.21	\$ 69,041.75	\$ 7,975.54	13.06%
10,000,000	\$ 67,572.11	\$ 76,496.75	\$ 8,924.64	13.21%
10,050,000	\$ 67,832.36	\$ 76,794.90	\$ 8,962.54	13.21%
10,100,000	\$ 68,092.62	\$ 77,093.05	\$ 9,000.43	13.22%
10,500,000	\$ 70,174.68	\$ 79,478.25	\$ 9,303.57	13.26%
11,000,000	\$ 72,777.26	\$ 82,459.75	\$ 9,682.49	13.30%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
MAIN DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
PUBLIC - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 17.20	\$ 18.00	\$ 0.80	4.65%
1,000	\$ 27.95	\$ 29.90	\$ 1.95	6.98%
2,000	\$ 38.70	\$ 41.80	\$ 3.10	8.01%
5,000	\$ 70.95	\$ 77.50	\$ 6.55	9.23%
6,000	\$ 81.70	\$ 89.40	\$ 7.70	9.42%
7,000	\$ 92.45	\$ 101.30	\$ 8.85	9.57%
8,000	\$ 103.20	\$ 113.20	\$ 10.00	9.69%
9,000	\$ 113.95	\$ 125.10	\$ 11.15	9.78%
10,000	\$ 124.70	\$ 137.00	\$ 12.30	9.86%
11,000	\$ 134.14	\$ 147.46	\$ 13.31	9.92%
12,000	\$ 143.59	\$ 157.91	\$ 14.32	9.97%
13,000	\$ 153.03	\$ 168.37	\$ 15.33	10.02%
14,000	\$ 162.48	\$ 178.82	\$ 16.34	10.06%
15,000	\$ 171.92	\$ 189.28	\$ 17.36	10.10%
20,000	\$ 219.14	\$ 241.55	\$ 22.41	10.23%
25,000	\$ 266.36	\$ 293.83	\$ 27.47	10.31%
30,000	\$ 313.58	\$ 346.10	\$ 32.52	10.37%
35,000	\$ 358.06	\$ 395.18	\$ 37.11	10.37%
40,000	\$ 397.23	\$ 438.04	\$ 40.81	10.27%
45,000	\$ 436.41	\$ 480.91	\$ 44.50	10.20%
50,000	\$ 475.58	\$ 523.77	\$ 48.19	10.13%
60,000	\$ 553.93	\$ 609.50	\$ 55.57	10.03%
70,000	\$ 632.27	\$ 695.23	\$ 62.96	9.96%
80,000	\$ 710.62	\$ 780.96	\$ 70.34	9.90%
90,000	\$ 788.96	\$ 866.69	\$ 77.73	9.85%
100,000	\$ 867.31	\$ 952.42	\$ 85.11	9.81%
200,000	\$ 1,650.77	\$ 1,809.72	\$ 158.95	9.63%
250,000	\$ 2,042.50	\$ 2,238.37	\$ 195.87	9.59%
300,000	\$ 2,434.23	\$ 2,667.02	\$ 232.79	9.56%
350,000	\$ 2,814.63	\$ 3,083.55	\$ 268.92	9.55%
360,000	\$ 2,886.31	\$ 3,162.02	\$ 275.71	9.55%
370,000	\$ 2,957.99	\$ 3,240.49	\$ 282.49	9.55%
380,000	\$ 3,029.67	\$ 3,318.96	\$ 289.28	9.55%
390,000	\$ 3,101.35	\$ 3,397.43	\$ 296.07	9.55%
400,000	\$ 3,173.03	\$ 3,475.90	\$ 302.86	9.54%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
SUPERIOR
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 17.21	\$ 18.00	\$ 0.79	4.61%
1,000	\$ 26.96	\$ 28.65	\$ 1.68	6.25%
2,000	\$ 36.72	\$ 39.30	\$ 2.58	7.01%
3,000	\$ 46.48	\$ 51.91	\$ 5.42	11.67%
4,000	\$ 56.24	\$ 64.51	\$ 8.27	14.71%
4,080	\$ 57.02	\$ 65.52	\$ 8.50	14.91%
5,000	\$ 66.00	\$ 77.12	\$ 11.12	16.86%
6,000	\$ 75.76	\$ 89.73	\$ 13.97	18.45%
7,000	\$ 85.51	\$ 102.34	\$ 16.82	19.67%
8,000	\$ 95.27	\$ 114.95	\$ 19.67	20.65%
9,000	\$ 105.03	\$ 127.55	\$ 22.52	21.45%
10,000	\$ 114.79	\$ 140.16	\$ 25.37	22.10%
11,000	\$ 124.55	\$ 152.77	\$ 28.22	22.66%
12,000	\$ 134.30	\$ 165.38	\$ 31.07	23.14%
13,000	\$ 144.06	\$ 177.99	\$ 33.92	23.55%
14,000	\$ 153.82	\$ 190.59	\$ 36.77	23.91%
15,000	\$ 163.58	\$ 203.20	\$ 39.62	24.22%
16,000	\$ 173.34	\$ 215.81	\$ 42.47	24.50%
17,000	\$ 183.10	\$ 228.42	\$ 45.32	24.75%
18,000	\$ 192.85	\$ 241.03	\$ 48.17	24.98%
19,000	\$ 202.61	\$ 253.63	\$ 51.02	25.18%
20,000	\$ 212.37	\$ 266.24	\$ 53.87	25.37%
25,000	\$ 261.16	\$ 329.28	\$ 68.12	26.08%
30,000	\$ 309.95	\$ 392.32	\$ 82.37	26.58%
35,000	\$ 358.74	\$ 455.36	\$ 96.62	26.93%
40,000	\$ 407.53	\$ 518.40	\$ 110.87	27.20%
45,000	\$ 456.32	\$ 581.44	\$ 125.12	27.42%
50,000	\$ 505.11	\$ 644.48	\$ 139.37	27.59%
60,000	\$ 602.70	\$ 770.56	\$ 167.87	27.85%
70,000	\$ 700.28	\$ 896.64	\$ 196.36	28.04%
80,000	\$ 797.86	\$ 1,022.72	\$ 224.86	28.18%
90,000	\$ 895.44	\$ 1,148.80	\$ 253.36	28.29%
100,000	\$ 993.02	\$ 1,274.88	\$ 281.86	28.38%
110,000	\$ 1,090.61	\$ 1,400.96	\$ 310.36	28.46%
120,000	\$ 1,188.19	\$ 1,527.04	\$ 338.86	28.52%
130,000	\$ 1,285.77	\$ 1,653.12	\$ 367.35	28.57%
140,000	\$ 1,383.35	\$ 1,779.20	\$ 395.85	28.62%
150,000	\$ 1,480.93	\$ 1,905.28	\$ 424.35	28.65%
160,000	\$ 1,578.51	\$ 2,031.36	\$ 452.85	28.69%
170,000	\$ 1,676.10	\$ 2,157.44	\$ 481.35	28.72%
180,000	\$ 1,773.68	\$ 2,283.52	\$ 509.85	28.75%

** Present rates include 2.42% DSIC.

AQUA PENNSYLVANIA INC.
EAGLE ROCK, FAWN LAKE, TANGLEWOOD, THORNHURST,
WOODLEDGE VILLAGE, WESTERN, AND PINECREST DIVISIONS
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 27.95	\$ 28.00	\$ 0.05	0.18%
1,000	\$ 35.70	\$ 37.13	\$ 1.43	3.99%
2,000	\$ 43.46	\$ 46.26	\$ 2.80	6.44%
3,000	\$ 51.21	\$ 55.38	\$ 4.18	8.15%
4,000	\$ 58.96	\$ 64.51	\$ 5.55	9.41%
4,080	\$ 59.85	\$ 65.52	\$ 5.67	9.47%
5,000	\$ 70.09	\$ 77.12	\$ 7.03	10.03%
6,000	\$ 81.22	\$ 89.73	\$ 8.51	10.48%
7,000	\$ 92.35	\$ 102.34	\$ 9.99	10.82%
8,000	\$ 103.48	\$ 114.94	\$ 11.47	11.08%
9,000	\$ 114.60	\$ 127.55	\$ 12.95	11.30%
10,000	\$ 125.73	\$ 140.16	\$ 14.43	11.48%
11,000	\$ 136.86	\$ 152.77	\$ 15.91	11.62%
12,000	\$ 147.99	\$ 165.38	\$ 17.39	11.75%
13,000	\$ 159.12	\$ 177.98	\$ 18.87	11.86%
14,000	\$ 170.25	\$ 190.59	\$ 20.35	11.95%
15,000	\$ 181.37	\$ 203.20	\$ 21.83	12.03%
16,000	\$ 192.50	\$ 215.81	\$ 23.31	12.11%
17,000	\$ 203.63	\$ 228.42	\$ 24.79	12.17%
18,000	\$ 214.76	\$ 241.02	\$ 26.26	12.23%
19,000	\$ 225.89	\$ 253.63	\$ 27.74	12.28%
20,000	\$ 237.02	\$ 266.24	\$ 29.22	12.33%
25,000	\$ 292.66	\$ 329.28	\$ 36.62	12.51%
30,000	\$ 348.30	\$ 392.32	\$ 44.02	12.64%
35,000	\$ 403.94	\$ 455.36	\$ 51.42	12.73%
40,000	\$ 459.58	\$ 518.40	\$ 58.82	12.80%
45,000	\$ 515.23	\$ 581.44	\$ 66.21	12.85%
50,000	\$ 570.87	\$ 644.48	\$ 73.61	12.89%
60,000	\$ 682.15	\$ 770.56	\$ 88.41	12.96%
70,000	\$ 793.44	\$ 896.64	\$ 103.20	13.01%
80,000	\$ 904.72	\$ 1,022.72	\$ 118.00	13.04%
90,000	\$ 1,016.00	\$ 1,148.80	\$ 132.80	13.07%
100,000	\$ 1,127.29	\$ 1,274.88	\$ 147.59	13.09%
110,000	\$ 1,238.57	\$ 1,400.96	\$ 162.39	13.11%
120,000	\$ 1,349.86	\$ 1,527.04	\$ 177.18	13.13%
130,000	\$ 1,461.14	\$ 1,653.12	\$ 191.98	13.14%
140,000	\$ 1,572.42	\$ 1,779.20	\$ 206.78	13.15%
150,000	\$ 1,683.71	\$ 1,905.28	\$ 221.57	13.16%
160,000	\$ 1,794.99	\$ 2,031.36	\$ 236.37	13.17%
170,000	\$ 1,906.28	\$ 2,157.44	\$ 251.16	13.18%
180,000	\$ 2,017.56	\$ 2,283.52	\$ 265.96	13.18%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
BENSALEM DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 17.20	\$ 18.00	\$ 0.80	4.65%
1,000	\$ 26.66	\$ 28.65	\$ 1.99	7.46%
2,000	\$ 36.12	\$ 39.30	\$ 3.18	8.80%
3,000	\$ 45.58	\$ 51.91	\$ 6.33	13.88%
4,000	\$ 55.04	\$ 64.51	\$ 9.47	17.21%
4,080	\$ 55.80	\$ 65.52	\$ 9.73	17.43%
5,000	\$ 64.50	\$ 77.12	\$ 12.62	19.57%
6,000	\$ 73.96	\$ 89.73	\$ 15.77	21.32%
7,000	\$ 83.42	\$ 102.34	\$ 18.92	22.68%
8,000	\$ 92.88	\$ 114.95	\$ 22.07	23.76%
9,000	\$ 102.34	\$ 127.55	\$ 25.21	24.64%
10,000	\$ 111.80	\$ 140.16	\$ 28.36	25.37%
11,000	\$ 121.26	\$ 152.77	\$ 31.51	25.99%
12,000	\$ 130.72	\$ 165.38	\$ 34.66	26.51%
13,000	\$ 140.18	\$ 177.99	\$ 37.81	26.97%
14,000	\$ 149.64	\$ 190.59	\$ 40.95	27.37%
15,000	\$ 159.10	\$ 203.20	\$ 44.10	27.72%
16,000	\$ 168.56	\$ 215.81	\$ 47.25	28.03%
17,000	\$ 178.02	\$ 228.42	\$ 50.40	28.31%
18,000	\$ 187.48	\$ 241.03	\$ 53.55	28.56%
19,000	\$ 196.94	\$ 253.63	\$ 56.69	28.79%
20,000	\$ 206.40	\$ 266.24	\$ 59.84	28.99%
25,000	\$ 253.70	\$ 329.28	\$ 75.58	29.79%
30,000	\$ 301.00	\$ 392.32	\$ 91.32	30.34%
35,000	\$ 348.30	\$ 455.36	\$ 107.06	30.74%
40,000	\$ 395.60	\$ 518.40	\$ 122.80	31.04%
45,000	\$ 442.90	\$ 581.44	\$ 138.54	31.28%
50,000	\$ 490.20	\$ 644.48	\$ 154.28	31.47%
60,000	\$ 584.80	\$ 770.56	\$ 185.76	31.77%
70,000	\$ 679.40	\$ 896.64	\$ 217.24	31.98%
80,000	\$ 774.00	\$ 1,022.72	\$ 248.72	32.13%
90,000	\$ 868.60	\$ 1,148.80	\$ 280.20	32.26%
100,000	\$ 963.20	\$ 1,274.88	\$ 311.68	32.36%
110,000	\$ 1,057.80	\$ 1,400.96	\$ 343.16	32.44%
120,000	\$ 1,152.40	\$ 1,527.04	\$ 374.64	32.51%
130,000	\$ 1,247.00	\$ 1,653.12	\$ 406.12	32.57%
140,000	\$ 1,341.60	\$ 1,779.20	\$ 437.60	32.62%
150,000	\$ 1,436.20	\$ 1,905.28	\$ 469.08	32.66%
160,000	\$ 1,530.80	\$ 2,031.36	\$ 500.56	32.70%
170,000	\$ 1,625.40	\$ 2,157.44	\$ 532.04	32.73%
180,000	\$ 1,720.00	\$ 2,283.52	\$ 563.52	32.76%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
CHALFONT DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 16.13	\$ 18.00	\$ 1.88	11.63%
1,000	\$ 23.76	\$ 28.65	\$ 4.89	20.59%
2,000	\$ 31.39	\$ 39.30	\$ 7.91	25.19%
3,000	\$ 39.02	\$ 49.95	\$ 10.92	28.00%
4,000	\$ 46.66	\$ 60.60	\$ 13.94	29.88%
4,080	\$ 47.27	\$ 61.45	\$ 14.18	30.01%
5,000	\$ 54.29	\$ 71.25	\$ 16.96	31.24%
6,000	\$ 61.92	\$ 81.89	\$ 19.97	32.26%
7,000	\$ 69.55	\$ 92.54	\$ 22.99	33.05%
8,000	\$ 77.19	\$ 103.19	\$ 26.01	33.69%
9,000	\$ 84.82	\$ 113.84	\$ 29.02	34.22%
10,000	\$ 92.45	\$ 124.49	\$ 32.04	34.66%
11,000	\$ 100.08	\$ 135.14	\$ 35.06	35.03%
12,000	\$ 107.72	\$ 145.79	\$ 38.07	35.35%
13,000	\$ 115.35	\$ 156.44	\$ 41.09	35.62%
14,000	\$ 122.98	\$ 167.09	\$ 44.11	35.86%
15,000	\$ 130.61	\$ 177.74	\$ 47.12	36.08%
16,000	\$ 138.25	\$ 188.38	\$ 50.14	36.27%
17,000	\$ 145.88	\$ 199.03	\$ 53.16	36.44%
18,000	\$ 153.51	\$ 209.68	\$ 56.17	36.59%
19,000	\$ 161.14	\$ 220.33	\$ 59.19	36.73%
20,000	\$ 168.78	\$ 230.98	\$ 62.21	36.86%
25,000	\$ 206.94	\$ 284.23	\$ 77.29	37.35%
30,000	\$ 245.10	\$ 337.47	\$ 92.37	37.69%
35,000	\$ 283.26	\$ 390.72	\$ 107.45	37.93%
40,000	\$ 321.43	\$ 443.96	\$ 122.54	38.12%
45,000	\$ 359.59	\$ 497.21	\$ 137.62	38.27%
50,000	\$ 397.75	\$ 550.45	\$ 152.70	38.39%
60,000	\$ 474.08	\$ 656.94	\$ 182.87	38.57%
70,000	\$ 550.40	\$ 763.43	\$ 213.03	38.70%
80,000	\$ 626.73	\$ 869.92	\$ 243.20	38.80%
90,000	\$ 703.05	\$ 976.41	\$ 273.36	38.88%
100,000	\$ 779.38	\$ 1,082.90	\$ 303.53	38.94%
110,000	\$ 855.70	\$ 1,189.39	\$ 333.69	39.00%
120,000	\$ 932.03	\$ 1,295.88	\$ 363.86	39.04%
130,000	\$ 1,008.35	\$ 1,402.37	\$ 394.02	39.08%
140,000	\$ 1,084.68	\$ 1,508.86	\$ 424.19	39.11%
150,000	\$ 1,161.00	\$ 1,615.35	\$ 454.35	39.13%
160,000	\$ 1,237.33	\$ 1,721.84	\$ 484.52	39.16%
170,000	\$ 1,313.65	\$ 1,828.33	\$ 514.68	39.18%
180,000	\$ 1,389.98	\$ 1,934.82	\$ 544.85	39.20%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
OAKLAND BEACH AND LAKESIDE ACRES DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 25.26	\$ 28.00	\$ 2.74	10.84%
1,000	\$ 33.02	\$ 37.13	\$ 4.11	12.46%
2,000	\$ 40.77	\$ 46.26	\$ 5.49	13.46%
3,000	\$ 48.52	\$ 55.38	\$ 6.86	14.14%
4,000	\$ 56.27	\$ 64.51	\$ 8.24	14.64%
4,080	\$ 57.04	\$ 65.52	\$ 8.48	14.86%
5,000	\$ 65.91	\$ 77.12	\$ 11.21	17.01%
6,000	\$ 75.54	\$ 89.73	\$ 14.19	18.78%
7,000	\$ 85.18	\$ 102.34	\$ 17.16	20.15%
8,000	\$ 94.81	\$ 114.94	\$ 20.13	21.24%
9,000	\$ 104.44	\$ 127.55	\$ 23.11	22.12%
10,000	\$ 114.08	\$ 140.16	\$ 26.08	22.86%
11,000	\$ 123.71	\$ 152.77	\$ 29.05	23.49%
12,000	\$ 133.35	\$ 165.38	\$ 32.03	24.02%
13,000	\$ 142.98	\$ 177.98	\$ 35.00	24.48%
14,000	\$ 152.62	\$ 190.59	\$ 37.98	24.88%
15,000	\$ 162.25	\$ 203.20	\$ 40.95	25.24%
16,000	\$ 171.88	\$ 215.81	\$ 43.92	25.55%
17,000	\$ 181.52	\$ 228.42	\$ 46.90	25.84%
18,000	\$ 191.15	\$ 241.02	\$ 49.87	26.09%
19,000	\$ 200.79	\$ 253.63	\$ 52.85	26.32%
20,000	\$ 210.42	\$ 266.24	\$ 55.82	26.53%
25,000	\$ 258.59	\$ 329.28	\$ 70.69	27.34%
30,000	\$ 306.76	\$ 392.32	\$ 85.56	27.89%
35,000	\$ 354.93	\$ 455.36	\$ 100.43	28.29%
40,000	\$ 403.10	\$ 518.40	\$ 115.30	28.60%
45,000	\$ 451.27	\$ 581.44	\$ 130.17	28.84%
50,000	\$ 499.45	\$ 644.48	\$ 145.04	29.04%
60,000	\$ 595.79	\$ 770.56	\$ 174.77	29.33%
70,000	\$ 692.13	\$ 896.64	\$ 204.51	29.55%
80,000	\$ 788.47	\$ 1,022.72	\$ 234.25	29.71%
90,000	\$ 884.81	\$ 1,148.80	\$ 263.99	29.84%
100,000	\$ 981.15	\$ 1,274.88	\$ 293.73	29.94%
110,000	\$ 1,077.49	\$ 1,400.96	\$ 323.47	30.02%
120,000	\$ 1,173.84	\$ 1,527.04	\$ 353.20	30.09%
130,000	\$ 1,270.18	\$ 1,653.12	\$ 382.94	30.15%
140,000	\$ 1,366.52	\$ 1,779.20	\$ 412.68	30.20%
150,000	\$ 1,462.86	\$ 1,905.28	\$ 442.42	30.24%
160,000	\$ 1,559.20	\$ 2,031.36	\$ 472.16	30.28%
170,000	\$ 1,655.54	\$ 2,157.44	\$ 501.90	30.32%
180,000	\$ 1,751.88	\$ 2,283.52	\$ 531.64	30.35%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
CS WATER, MASTHOPE DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 27.95	\$ 28.00	\$ 0.05	0.18%
1,000	\$ 33.11	\$ 37.13	\$ 4.02	12.14%
2,000	\$ 38.27	\$ 46.26	\$ 7.99	20.87%
3,000	\$ 43.43	\$ 55.38	\$ 11.95	27.52%
4,000	\$ 48.59	\$ 64.51	\$ 15.92	32.77%
4,080	\$ 49.36	\$ 65.52	\$ 16.16	32.74%
5,000	\$ 58.22	\$ 77.12	\$ 18.90	32.45%
6,000	\$ 67.86	\$ 89.73	\$ 21.87	32.23%
7,000	\$ 77.49	\$ 102.34	\$ 24.84	32.06%
8,000	\$ 87.13	\$ 114.94	\$ 27.82	31.93%
9,000	\$ 96.76	\$ 127.55	\$ 30.79	31.82%
10,000	\$ 106.39	\$ 140.16	\$ 33.77	31.74%
11,000	\$ 116.03	\$ 152.77	\$ 36.74	31.66%
12,000	\$ 125.66	\$ 165.38	\$ 39.71	31.60%
13,000	\$ 135.30	\$ 177.98	\$ 42.69	31.55%
14,000	\$ 144.93	\$ 190.59	\$ 45.66	31.50%
15,000	\$ 154.57	\$ 203.20	\$ 48.63	31.47%
16,000	\$ 164.20	\$ 215.81	\$ 51.61	31.43%
17,000	\$ 173.83	\$ 228.42	\$ 54.58	31.40%
18,000	\$ 183.47	\$ 241.02	\$ 57.56	31.37%
19,000	\$ 193.10	\$ 253.63	\$ 60.53	31.35%
20,000	\$ 202.74	\$ 266.24	\$ 63.50	31.32%
25,000	\$ 250.91	\$ 329.28	\$ 78.37	31.24%
30,000	\$ 299.08	\$ 392.32	\$ 93.24	31.18%
35,000	\$ 347.25	\$ 455.36	\$ 108.11	31.13%
40,000	\$ 395.42	\$ 518.40	\$ 122.98	31.10%
45,000	\$ 443.59	\$ 581.44	\$ 137.85	31.08%
50,000	\$ 491.76	\$ 644.48	\$ 152.72	31.06%
60,000	\$ 588.10	\$ 770.56	\$ 182.46	31.02%
70,000	\$ 684.44	\$ 896.64	\$ 212.20	31.00%
80,000	\$ 780.79	\$ 1,022.72	\$ 241.93	30.99%
90,000	\$ 877.13	\$ 1,148.80	\$ 271.67	30.97%
100,000	\$ 973.47	\$ 1,274.88	\$ 301.41	30.96%
110,000	\$ 1,069.81	\$ 1,400.96	\$ 331.15	30.95%
120,000	\$ 1,166.15	\$ 1,527.04	\$ 360.89	30.95%
130,000	\$ 1,262.49	\$ 1,653.12	\$ 390.63	30.94%
140,000	\$ 1,358.83	\$ 1,779.20	\$ 420.37	30.94%
150,000	\$ 1,455.18	\$ 1,905.28	\$ 450.10	30.93%
160,000	\$ 1,551.52	\$ 2,031.36	\$ 479.84	30.93%
170,000	\$ 1,647.86	\$ 2,157.44	\$ 509.58	30.92%
180,000	\$ 1,744.20	\$ 2,283.52	\$ 539.32	30.92%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
COUNTRY CLUB GARDENS DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 16.13	\$ 18.00	\$ 1.88	11.63%
1,000	\$ 21.50	\$ 25.82	\$ 4.32	20.09%
2,000	\$ 26.88	\$ 33.64	\$ 6.77	25.17%
3,000	\$ 33.33	\$ 42.94	\$ 9.61	28.85%
4,000	\$ 39.78	\$ 52.24	\$ 12.47	31.34%
4,080	\$ 40.29	\$ 52.98	\$ 12.69	31.50%
5,000	\$ 46.23	\$ 61.54	\$ 15.32	33.13%
6,000	\$ 52.68	\$ 70.84	\$ 18.17	34.49%
7,000	\$ 59.13	\$ 80.14	\$ 21.02	35.54%
8,000	\$ 65.58	\$ 89.44	\$ 23.87	36.39%
9,000	\$ 72.03	\$ 98.74	\$ 26.72	37.09%
10,000	\$ 78.48	\$ 108.04	\$ 29.57	37.67%
11,000	\$ 84.93	\$ 117.34	\$ 32.42	38.17%
12,000	\$ 91.38	\$ 126.64	\$ 35.27	38.59%
13,000	\$ 97.83	\$ 135.94	\$ 38.12	38.96%
14,000	\$ 104.28	\$ 145.24	\$ 40.97	39.29%
15,000	\$ 110.73	\$ 154.54	\$ 43.82	39.57%
16,000	\$ 117.18	\$ 163.84	\$ 46.67	39.83%
17,000	\$ 123.63	\$ 173.14	\$ 49.52	40.05%
18,000	\$ 130.08	\$ 182.44	\$ 52.37	40.26%
19,000	\$ 136.53	\$ 191.74	\$ 55.22	40.44%
20,000	\$ 142.98	\$ 201.04	\$ 58.07	40.61%
25,000	\$ 175.23	\$ 247.54	\$ 72.32	41.27%
30,000	\$ 207.48	\$ 294.04	\$ 86.57	41.72%
35,000	\$ 239.73	\$ 340.54	\$ 100.82	42.05%
40,000	\$ 271.98	\$ 387.04	\$ 115.07	42.31%
45,000	\$ 304.23	\$ 433.54	\$ 129.32	42.51%
50,000	\$ 336.48	\$ 480.04	\$ 143.57	42.67%
60,000	\$ 400.98	\$ 573.04	\$ 172.07	42.91%
70,000	\$ 465.48	\$ 666.04	\$ 200.57	43.09%
80,000	\$ 529.98	\$ 759.04	\$ 229.07	43.22%
90,000	\$ 594.48	\$ 852.04	\$ 257.57	43.33%
100,000	\$ 658.98	\$ 945.04	\$ 286.07	43.41%
110,000	\$ 723.48	\$ 1,038.04	\$ 314.57	43.48%
120,000	\$ 787.98	\$ 1,131.04	\$ 343.07	43.54%
130,000	\$ 852.48	\$ 1,224.04	\$ 371.57	43.59%
140,000	\$ 916.98	\$ 1,317.04	\$ 400.07	43.63%
150,000	\$ 981.48	\$ 1,410.04	\$ 428.57	43.67%
160,000	\$ 1,045.98	\$ 1,503.04	\$ 457.07	43.70%
170,000	\$ 1,110.48	\$ 1,596.04	\$ 485.57	43.73%
180,000	\$ 1,174.98	\$ 1,689.04	\$ 514.07	43.75%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
CLARENDON DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 17.20	\$ 18.00	\$ 0.80	4.65%
1,000	\$ 24.95	\$ 28.65	\$ 3.70	14.83%
2,000	\$ 32.70	\$ 39.30	\$ 6.60	20.19%
3,000	\$ 41.52	\$ 51.91	\$ 10.39	25.01%
4,000	\$ 50.34	\$ 64.51	\$ 14.17	28.15%
4,080	\$ 51.05	\$ 65.52	\$ 14.47	28.35%
5,000	\$ 59.17	\$ 77.12	\$ 17.95	30.34%
6,000	\$ 67.99	\$ 89.73	\$ 21.74	31.97%
7,000	\$ 76.82	\$ 102.34	\$ 25.52	33.23%
8,000	\$ 85.64	\$ 114.95	\$ 29.31	34.22%
9,000	\$ 94.46	\$ 127.55	\$ 33.09	35.03%
10,000	\$ 103.29	\$ 140.16	\$ 36.88	35.70%
11,000	\$ 112.11	\$ 152.77	\$ 40.66	36.27%
12,000	\$ 120.93	\$ 165.38	\$ 44.44	36.75%
13,000	\$ 129.76	\$ 177.99	\$ 48.23	37.17%
14,000	\$ 138.58	\$ 190.59	\$ 52.01	37.53%
15,000	\$ 147.40	\$ 203.20	\$ 55.80	37.85%
16,000	\$ 156.23	\$ 215.81	\$ 59.58	38.14%
17,000	\$ 165.05	\$ 228.42	\$ 63.37	38.39%
18,000	\$ 173.87	\$ 241.03	\$ 67.15	38.62%
19,000	\$ 182.70	\$ 253.63	\$ 70.94	38.83%
20,000	\$ 191.52	\$ 266.24	\$ 74.72	39.01%
25,000	\$ 235.64	\$ 329.28	\$ 93.64	39.74%
30,000	\$ 279.76	\$ 392.32	\$ 112.56	40.24%
35,000	\$ 323.88	\$ 455.36	\$ 131.49	40.60%
40,000	\$ 367.99	\$ 518.40	\$ 150.41	40.87%
45,000	\$ 412.11	\$ 581.44	\$ 169.33	41.09%
50,000	\$ 456.23	\$ 644.48	\$ 188.25	41.26%
60,000	\$ 544.47	\$ 770.56	\$ 226.10	41.53%
70,000	\$ 632.70	\$ 896.64	\$ 263.94	41.72%
80,000	\$ 720.94	\$ 1,022.72	\$ 301.78	41.86%
90,000	\$ 809.17	\$ 1,148.80	\$ 339.63	41.97%
100,000	\$ 897.41	\$ 1,274.88	\$ 377.47	42.06%
110,000	\$ 985.65	\$ 1,400.96	\$ 415.32	42.14%
120,000	\$ 1,073.88	\$ 1,527.04	\$ 453.16	42.20%
130,000	\$ 1,162.12	\$ 1,653.12	\$ 491.00	42.25%
140,000	\$ 1,250.35	\$ 1,779.20	\$ 528.85	42.30%
150,000	\$ 1,338.59	\$ 1,905.28	\$ 566.69	42.33%
160,000	\$ 1,426.83	\$ 2,031.36	\$ 604.54	42.37%
170,000	\$ 1,515.06	\$ 2,157.44	\$ 642.38	42.40%
180,000	\$ 1,603.30	\$ 2,283.52	\$ 680.22	42.43%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
KRATZERVILLE DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 17.20	\$ 18.00	\$ 0.80	4.65%
1,000	\$ 25.80	\$ 28.65	\$ 2.85	11.04%
2,000	\$ 34.40	\$ 39.30	\$ 4.90	14.24%
3,000	\$ 43.00	\$ 51.91	\$ 8.91	20.71%
4,000	\$ 51.60	\$ 64.51	\$ 12.91	25.03%
4,080	\$ 52.29	\$ 65.52	\$ 13.23	25.31%
5,000	\$ 60.20	\$ 77.12	\$ 16.92	28.11%
6,000	\$ 68.80	\$ 89.73	\$ 20.93	30.42%
7,000	\$ 77.40	\$ 102.34	\$ 24.94	32.22%
8,000	\$ 86.00	\$ 114.95	\$ 28.95	33.66%
9,000	\$ 94.60	\$ 127.55	\$ 32.95	34.84%
10,000	\$ 103.20	\$ 140.16	\$ 36.96	35.82%
11,000	\$ 111.80	\$ 152.77	\$ 40.97	36.65%
12,000	\$ 120.40	\$ 165.38	\$ 44.98	37.36%
13,000	\$ 129.00	\$ 177.99	\$ 48.99	37.97%
14,000	\$ 137.60	\$ 190.59	\$ 52.99	38.51%
15,000	\$ 146.20	\$ 203.20	\$ 57.00	38.99%
16,000	\$ 154.80	\$ 215.81	\$ 61.01	39.41%
17,000	\$ 163.40	\$ 228.42	\$ 65.02	39.79%
18,000	\$ 172.00	\$ 241.03	\$ 69.03	40.13%
19,000	\$ 180.60	\$ 253.63	\$ 73.03	40.44%
20,000	\$ 189.20	\$ 266.24	\$ 77.04	40.72%
25,000	\$ 232.20	\$ 329.28	\$ 97.08	41.81%
30,000	\$ 275.20	\$ 392.32	\$ 117.12	42.56%
35,000	\$ 318.20	\$ 455.36	\$ 137.16	43.11%
40,000	\$ 361.20	\$ 518.40	\$ 157.20	43.52%
45,000	\$ 404.20	\$ 581.44	\$ 177.24	43.85%
50,000	\$ 447.20	\$ 644.48	\$ 197.28	44.11%
60,000	\$ 533.20	\$ 770.56	\$ 237.36	44.52%
70,000	\$ 619.20	\$ 896.64	\$ 277.44	44.81%
80,000	\$ 705.20	\$ 1,022.72	\$ 317.52	45.03%
90,000	\$ 791.20	\$ 1,148.80	\$ 357.60	45.20%
100,000	\$ 877.20	\$ 1,274.88	\$ 397.68	45.34%
110,000	\$ 963.20	\$ 1,400.96	\$ 437.76	45.45%
120,000	\$ 1,049.20	\$ 1,527.04	\$ 477.84	45.54%
130,000	\$ 1,135.20	\$ 1,653.12	\$ 517.92	45.62%
140,000	\$ 1,221.20	\$ 1,779.20	\$ 558.00	45.69%
150,000	\$ 1,307.20	\$ 1,905.28	\$ 598.08	45.75%
160,000	\$ 1,393.20	\$ 2,031.36	\$ 638.16	45.81%
170,000	\$ 1,479.20	\$ 2,157.44	\$ 678.24	45.85%
180,000	\$ 1,565.20	\$ 2,283.52	\$ 718.32	45.89%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
HONESDALE DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 17.20	\$ 18.00	\$ 0.80	4.65%
1,000	\$ 25.78	\$ 28.65	\$ 2.87	11.14%
2,000	\$ 34.36	\$ 39.30	\$ 4.94	14.38%
3,000	\$ 42.94	\$ 51.91	\$ 8.97	20.89%
4,000	\$ 51.51	\$ 64.51	\$ 13.00	25.24%
4,080	\$ 52.20	\$ 65.52	\$ 13.32	25.52%
5,000	\$ 60.09	\$ 77.12	\$ 17.03	28.34%
6,000	\$ 68.67	\$ 89.73	\$ 21.06	30.67%
7,000	\$ 77.25	\$ 102.34	\$ 25.09	32.48%
8,000	\$ 85.83	\$ 114.95	\$ 29.12	33.93%
9,000	\$ 94.41	\$ 127.55	\$ 33.15	35.11%
10,000	\$ 102.99	\$ 140.16	\$ 37.18	36.10%
11,000	\$ 111.56	\$ 152.77	\$ 41.21	36.94%
12,000	\$ 120.14	\$ 165.38	\$ 45.24	37.65%
13,000	\$ 128.72	\$ 177.99	\$ 49.27	38.27%
14,000	\$ 137.30	\$ 190.59	\$ 53.30	38.82%
15,000	\$ 145.88	\$ 203.20	\$ 57.32	39.30%
16,000	\$ 154.46	\$ 215.81	\$ 61.35	39.72%
17,000	\$ 163.03	\$ 228.42	\$ 65.38	40.10%
18,000	\$ 171.61	\$ 241.03	\$ 69.41	40.45%
19,000	\$ 180.19	\$ 253.63	\$ 73.44	40.76%
20,000	\$ 188.77	\$ 266.24	\$ 77.47	41.04%
25,000	\$ 231.66	\$ 329.28	\$ 97.62	42.14%
30,000	\$ 274.56	\$ 392.32	\$ 117.77	42.89%
35,000	\$ 317.45	\$ 455.36	\$ 137.91	43.44%
40,000	\$ 360.34	\$ 518.40	\$ 158.06	43.86%
45,000	\$ 403.23	\$ 581.44	\$ 178.21	44.20%
50,000	\$ 446.13	\$ 644.48	\$ 198.36	44.46%
60,000	\$ 531.91	\$ 770.56	\$ 238.65	44.87%
70,000	\$ 617.70	\$ 896.64	\$ 278.95	45.16%
80,000	\$ 703.48	\$ 1,022.72	\$ 319.24	45.38%
90,000	\$ 789.27	\$ 1,148.80	\$ 359.54	45.55%
100,000	\$ 875.05	\$ 1,274.88	\$ 399.83	45.69%
110,000	\$ 960.84	\$ 1,400.96	\$ 440.13	45.81%
120,000	\$ 1,046.62	\$ 1,527.04	\$ 480.42	45.90%
130,000	\$ 1,132.41	\$ 1,653.12	\$ 520.72	45.98%
140,000	\$ 1,218.19	\$ 1,779.20	\$ 561.01	46.05%
150,000	\$ 1,303.98	\$ 1,905.28	\$ 601.31	46.11%
160,000	\$ 1,389.76	\$ 2,031.36	\$ 641.60	46.17%
170,000	\$ 1,475.55	\$ 2,157.44	\$ 681.90	46.21%
180,000	\$ 1,561.33	\$ 2,283.52	\$ 722.19	46.25%

** Present rates include 7.50% DSIC.

AQUA PENNSYLVANIA INC.
SAND SPRINGS DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 16.25	\$ 18.00	\$ 1.75	10.77%
1,000	\$ 22.25	\$ 25.82	\$ 3.57	16.04%
2,000	\$ 28.25	\$ 33.64	\$ 5.39	19.08%
3,000	\$ 34.25	\$ 42.94	\$ 8.69	25.37%
4,000	\$ 40.25	\$ 52.24	\$ 11.99	29.79%
4,080	\$ 40.73	\$ 52.98	\$ 12.25	30.09%
5,000	\$ 46.25	\$ 61.54	\$ 15.29	33.06%
6,000	\$ 52.25	\$ 70.84	\$ 18.59	35.58%
7,000	\$ 58.25	\$ 80.14	\$ 21.89	37.58%
8,000	\$ 64.25	\$ 89.44	\$ 25.19	39.21%
9,000	\$ 70.25	\$ 98.74	\$ 28.49	40.56%
10,000	\$ 76.25	\$ 108.04	\$ 31.79	41.69%
11,000	\$ 82.25	\$ 117.34	\$ 35.09	42.66%
12,000	\$ 88.25	\$ 126.64	\$ 38.39	43.50%
13,000	\$ 94.25	\$ 135.94	\$ 41.69	44.23%
14,000	\$ 100.25	\$ 145.24	\$ 44.99	44.88%
15,000	\$ 106.25	\$ 154.54	\$ 48.29	45.45%
16,000	\$ 112.25	\$ 163.84	\$ 51.59	45.96%
17,000	\$ 118.25	\$ 173.14	\$ 54.89	46.42%
18,000	\$ 124.25	\$ 182.44	\$ 58.19	46.83%
19,000	\$ 130.25	\$ 191.74	\$ 61.49	47.21%
20,000	\$ 136.25	\$ 201.04	\$ 64.79	47.55%
25,000	\$ 166.25	\$ 247.54	\$ 81.29	48.90%
30,000	\$ 196.25	\$ 294.04	\$ 97.79	49.83%
35,000	\$ 226.25	\$ 340.54	\$ 114.29	50.51%
40,000	\$ 256.25	\$ 387.04	\$ 130.79	51.04%
45,000	\$ 286.25	\$ 433.54	\$ 147.29	51.46%
50,000	\$ 316.25	\$ 480.04	\$ 163.79	51.79%
60,000	\$ 376.25	\$ 573.04	\$ 196.79	52.30%
70,000	\$ 436.25	\$ 666.04	\$ 229.79	52.67%
80,000	\$ 496.25	\$ 759.04	\$ 262.79	52.96%
90,000	\$ 556.25	\$ 852.04	\$ 295.79	53.18%
100,000	\$ 616.25	\$ 945.04	\$ 328.79	53.35%
110,000	\$ 676.25	\$ 1,038.04	\$ 361.79	53.50%
120,000	\$ 736.25	\$ 1,131.04	\$ 394.79	53.62%
130,000	\$ 796.25	\$ 1,224.04	\$ 427.79	53.73%
140,000	\$ 856.25	\$ 1,317.04	\$ 460.79	53.81%
150,000	\$ 916.25	\$ 1,410.04	\$ 493.79	53.89%
160,000	\$ 976.25	\$ 1,503.04	\$ 526.79	53.96%
170,000	\$ 1,036.25	\$ 1,596.04	\$ 559.79	54.02%
180,000	\$ 1,096.25	\$ 1,689.04	\$ 592.79	54.07%

AQUA PENNSYLVANIA INC.
MIFFLIN TOWNSHIP DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 28.00	\$ 18.00	\$ (10.00)	-35.71%
1,000	\$ 28.00	\$ 26.00	\$ (2.00)	-7.14%
2,000	\$ 28.00	\$ 34.00	\$ 6.00	21.43%
3,000	\$ 33.00	\$ 42.00	\$ 9.00	27.27%
4,000	\$ 36.83	\$ 50.00	\$ 13.17	35.76%
4,080	\$ 37.11	\$ 50.64	\$ 13.53	36.46%
5,000	\$ 40.33	\$ 58.00	\$ 17.67	43.81%
6,000	\$ 43.83	\$ 66.00	\$ 22.17	50.58%
7,000	\$ 43.17	\$ 74.00	\$ 30.83	71.42%
8,000	\$ 47.67	\$ 82.00	\$ 34.33	72.02%
9,000	\$ 52.17	\$ 90.00	\$ 37.83	72.52%
10,000	\$ 56.67	\$ 98.00	\$ 41.33	72.94%
11,000	\$ 61.17	\$ 106.00	\$ 44.83	73.29%
12,000	\$ 65.67	\$ 114.00	\$ 48.33	73.60%
13,000	\$ 70.17	\$ 122.00	\$ 51.83	73.87%
14,000	\$ 74.67	\$ 130.00	\$ 55.33	74.10%
15,000	\$ 79.17	\$ 138.00	\$ 58.83	74.31%
16,000	\$ 83.67	\$ 146.00	\$ 62.33	74.50%
17,000	\$ 88.17	\$ 154.00	\$ 65.83	74.67%
18,000	\$ 92.67	\$ 162.00	\$ 69.33	74.82%
19,000	\$ 97.17	\$ 170.00	\$ 72.83	74.95%
20,000	\$ 101.67	\$ 178.00	\$ 76.33	75.08%
25,000	\$ 124.17	\$ 218.00	\$ 93.83	75.57%
30,000	\$ 146.67	\$ 258.00	\$ 111.33	75.91%
35,000	\$ 169.17	\$ 298.00	\$ 128.83	76.16%
40,000	\$ 191.67	\$ 338.00	\$ 146.33	76.35%
45,000	\$ 214.17	\$ 378.00	\$ 163.83	76.50%
50,000	\$ 236.67	\$ 418.00	\$ 181.33	76.62%
60,000	\$ 281.67	\$ 498.00	\$ 216.33	76.80%
70,000	\$ 326.67	\$ 578.00	\$ 251.33	76.94%
80,000	\$ 371.67	\$ 658.00	\$ 286.33	77.04%
90,000	\$ 416.67	\$ 738.00	\$ 321.33	77.12%
100,000	\$ 461.67	\$ 818.00	\$ 356.33	77.18%
110,000	\$ 506.67	\$ 898.00	\$ 391.33	77.24%
120,000	\$ 551.67	\$ 978.00	\$ 426.33	77.28%
130,000	\$ 596.67	\$ 1,058.00	\$ 461.33	77.32%
140,000	\$ 641.67	\$ 1,138.00	\$ 496.33	77.35%
150,000	\$ 686.67	\$ 1,218.00	\$ 531.33	77.38%
160,000	\$ 731.67	\$ 1,298.00	\$ 566.33	77.40%
170,000	\$ 776.67	\$ 1,378.00	\$ 601.33	77.42%
180,000	\$ 821.67	\$ 1,458.00	\$ 636.33	77.44%

AQUA PENNSYLVANIA INC.
BEECH MOUNTAIN DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 15.00	\$ 18.00	\$ 3.00	20.00%
1,000	\$ 16.58	\$ 21.37	\$ 4.79	28.86%
2,000	\$ 18.16	\$ 24.73	\$ 6.57	36.18%
3,000	\$ 19.74	\$ 28.10	\$ 8.36	42.33%
4,000	\$ 21.32	\$ 31.46	\$ 10.14	47.56%
4,080	\$ 21.45	\$ 31.73	\$ 10.28	47.95%
5,000	\$ 22.90	\$ 34.83	\$ 11.93	52.07%
6,000	\$ 24.48	\$ 38.19	\$ 13.71	56.01%
7,000	\$ 26.06	\$ 41.56	\$ 15.50	59.46%
8,000	\$ 27.64	\$ 44.92	\$ 17.28	62.52%
9,000	\$ 29.22	\$ 48.29	\$ 19.07	65.25%
10,000	\$ 30.80	\$ 51.65	\$ 20.85	67.70%
11,000	\$ 32.38	\$ 55.02	\$ 22.64	69.90%
12,000	\$ 33.96	\$ 58.38	\$ 24.42	71.91%
13,000	\$ 35.54	\$ 61.75	\$ 26.21	73.73%
14,000	\$ 37.12	\$ 65.11	\$ 27.99	75.40%
15,000	\$ 38.70	\$ 68.48	\$ 29.78	76.94%
16,000	\$ 40.28	\$ 71.84	\$ 31.56	78.35%
17,000	\$ 41.86	\$ 75.21	\$ 33.35	79.66%
18,000	\$ 43.44	\$ 78.57	\$ 35.13	80.87%
19,000	\$ 45.02	\$ 81.94	\$ 36.92	82.00%
20,000	\$ 46.60	\$ 85.30	\$ 38.70	83.05%
25,000	\$ 54.50	\$ 102.13	\$ 47.63	87.39%
30,000	\$ 62.40	\$ 118.95	\$ 56.55	90.63%
35,000	\$ 70.30	\$ 135.78	\$ 65.48	93.14%
40,000	\$ 78.20	\$ 152.60	\$ 74.40	95.14%
45,000	\$ 86.10	\$ 169.43	\$ 83.33	96.78%
50,000	\$ 94.00	\$ 186.25	\$ 92.25	98.14%
60,000	\$ 109.80	\$ 219.90	\$ 110.10	100.27%
70,000	\$ 125.60	\$ 253.55	\$ 127.95	101.87%
80,000	\$ 141.40	\$ 287.20	\$ 145.80	103.11%
90,000	\$ 157.20	\$ 320.85	\$ 163.65	104.10%
100,000	\$ 173.00	\$ 354.50	\$ 181.50	104.91%
110,000	\$ 188.80	\$ 388.15	\$ 199.35	105.59%
120,000	\$ 204.60	\$ 421.80	\$ 217.20	106.16%
130,000	\$ 220.40	\$ 455.45	\$ 235.05	106.65%
140,000	\$ 236.20	\$ 489.10	\$ 252.90	107.07%
150,000	\$ 252.00	\$ 522.75	\$ 270.75	107.44%
160,000	\$ 267.80	\$ 556.40	\$ 288.60	107.77%
170,000	\$ 283.60	\$ 590.05	\$ 306.45	108.06%
180,000	\$ 299.40	\$ 623.70	\$ 324.30	108.32%

AQUA PENNSYLVANIA INC.
TREASURE LAKE DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 12.84	\$ 18.00	\$ 5.16	40.19%
1,000	\$ 16.36	\$ 23.43	\$ 7.07	43.22%
2,000	\$ 19.88	\$ 28.86	\$ 8.98	45.17%
3,000	\$ 23.40	\$ 34.29	\$ 10.89	46.54%
4,000	\$ 26.92	\$ 39.72	\$ 12.80	47.55%
4,080	\$ 27.20	\$ 40.15	\$ 12.95	47.62%
5,000	\$ 30.44	\$ 45.15	\$ 14.71	48.32%
6,000	\$ 33.96	\$ 50.58	\$ 16.62	48.94%
7,000	\$ 37.48	\$ 56.01	\$ 18.53	49.44%
8,000	\$ 41.00	\$ 61.44	\$ 20.44	49.85%
9,000	\$ 44.52	\$ 66.87	\$ 22.35	50.20%
10,000	\$ 48.04	\$ 72.30	\$ 24.26	50.50%
11,000	\$ 51.56	\$ 77.73	\$ 26.17	50.76%
12,000	\$ 55.08	\$ 83.16	\$ 28.08	50.98%
13,000	\$ 58.60	\$ 88.59	\$ 29.99	51.18%
14,000	\$ 62.12	\$ 94.02	\$ 31.90	51.35%
15,000	\$ 65.64	\$ 99.45	\$ 33.81	51.51%
16,000	\$ 69.16	\$ 104.88	\$ 35.72	51.65%
17,000	\$ 72.68	\$ 110.31	\$ 37.63	51.77%
18,000	\$ 76.20	\$ 115.74	\$ 39.54	51.89%
19,000	\$ 79.72	\$ 121.17	\$ 41.45	51.99%
20,000	\$ 83.24	\$ 126.60	\$ 43.36	52.09%
25,000	\$ 100.84	\$ 153.75	\$ 52.91	52.47%
30,000	\$ 118.44	\$ 180.90	\$ 62.46	52.74%
35,000	\$ 136.04	\$ 208.05	\$ 72.01	52.93%
40,000	\$ 153.64	\$ 235.20	\$ 81.56	53.09%
45,000	\$ 171.24	\$ 262.35	\$ 91.11	53.21%
50,000	\$ 188.84	\$ 289.50	\$ 100.66	53.30%
60,000	\$ 224.04	\$ 343.80	\$ 119.76	53.45%
70,000	\$ 259.24	\$ 398.10	\$ 138.86	53.56%
80,000	\$ 294.44	\$ 452.40	\$ 157.96	53.65%
90,000	\$ 329.64	\$ 506.70	\$ 177.06	53.71%
100,000	\$ 364.84	\$ 561.00	\$ 196.16	53.77%
110,000	\$ 400.04	\$ 615.30	\$ 215.26	53.81%
120,000	\$ 435.24	\$ 669.60	\$ 234.36	53.85%
130,000	\$ 470.44	\$ 723.90	\$ 253.46	53.88%
140,000	\$ 505.64	\$ 778.20	\$ 272.56	53.90%
150,000	\$ 540.84	\$ 832.50	\$ 291.66	53.93%
160,000	\$ 576.04	\$ 886.80	\$ 310.76	53.95%
170,000	\$ 611.24	\$ 941.10	\$ 329.86	53.97%
180,000	\$ 646.44	\$ 995.40	\$ 348.96	53.98%

AQUA PENNSYLVANIA INC.
CONCORD PARK DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 11.70	\$ 18.00	\$ 6.30	53.85%
1,000	\$ 16.40	\$ 24.35	\$ 7.95	48.48%
2,000	\$ 21.10	\$ 30.70	\$ 9.60	45.50%
3,000	\$ 25.80	\$ 37.05	\$ 11.25	43.60%
4,000	\$ 30.50	\$ 43.40	\$ 12.90	42.30%
4,080	\$ 30.88	\$ 43.91	\$ 13.03	42.21%
5,000	\$ 35.20	\$ 49.75	\$ 14.55	41.34%
6,000	\$ 39.90	\$ 56.10	\$ 16.20	40.60%
7,000	\$ 44.60	\$ 62.45	\$ 17.85	40.02%
8,000	\$ 49.30	\$ 68.80	\$ 19.50	39.55%
9,000	\$ 54.00	\$ 75.15	\$ 21.15	39.17%
10,000	\$ 58.70	\$ 81.50	\$ 22.80	38.84%
11,000	\$ 63.40	\$ 87.85	\$ 24.45	38.56%
12,000	\$ 68.10	\$ 94.20	\$ 26.10	38.33%
13,000	\$ 72.80	\$ 100.55	\$ 27.75	38.12%
14,000	\$ 77.50	\$ 106.90	\$ 29.40	37.94%
15,000	\$ 82.20	\$ 113.25	\$ 31.05	37.77%
16,000	\$ 86.90	\$ 119.60	\$ 32.70	37.63%
17,000	\$ 91.60	\$ 125.95	\$ 34.35	37.50%
18,000	\$ 96.30	\$ 132.30	\$ 36.00	37.38%
19,000	\$ 101.00	\$ 138.65	\$ 37.65	37.28%
20,000	\$ 105.70	\$ 145.00	\$ 39.30	37.18%
25,000	\$ 129.20	\$ 176.75	\$ 47.55	36.80%
30,000	\$ 152.70	\$ 208.50	\$ 55.80	36.54%
35,000	\$ 176.20	\$ 240.25	\$ 64.05	36.35%
40,000	\$ 199.70	\$ 272.00	\$ 72.30	36.20%
45,000	\$ 223.20	\$ 303.75	\$ 80.55	36.09%
50,000	\$ 246.70	\$ 335.50	\$ 88.80	36.00%
60,000	\$ 293.70	\$ 399.00	\$ 105.30	35.85%
70,000	\$ 340.70	\$ 462.50	\$ 121.80	35.75%
80,000	\$ 387.70	\$ 526.00	\$ 138.30	35.67%
90,000	\$ 434.70	\$ 589.50	\$ 154.80	35.61%
100,000	\$ 481.70	\$ 653.00	\$ 171.30	35.56%
110,000	\$ 528.70	\$ 716.50	\$ 187.80	35.52%
120,000	\$ 575.70	\$ 780.00	\$ 204.30	35.49%
130,000	\$ 622.70	\$ 843.50	\$ 220.80	35.46%
140,000	\$ 669.70	\$ 907.00	\$ 237.30	35.43%
150,000	\$ 716.70	\$ 970.50	\$ 253.80	35.41%
160,000	\$ 763.70	\$ 1,034.00	\$ 270.30	35.39%
170,000	\$ 810.70	\$ 1,097.50	\$ 286.80	35.38%
180,000	\$ 857.70	\$ 1,161.00	\$ 303.30	35.36%

AQUA PENNSYLVANIA INC.
BRISTOL DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 24.24	\$ 18.00	\$ (6.24)	-25.75%
1,000	\$ 24.24	\$ 23.00	\$ (1.24)	-5.13%
2,000	\$ 24.24	\$ 28.00	\$ 3.76	15.50%
3,000	\$ 24.24	\$ 33.00	\$ 8.76	36.12%
4,000	\$ 24.24	\$ 38.00	\$ 13.76	56.74%
4,080	\$ 24.24	\$ 38.40	\$ 14.16	58.39%
5,000	\$ 28.16	\$ 43.00	\$ 14.84	52.72%
6,000	\$ 33.75	\$ 48.00	\$ 14.25	42.24%
7,000	\$ 39.34	\$ 53.00	\$ 13.66	34.74%
8,000	\$ 44.93	\$ 58.00	\$ 13.07	29.10%
9,000	\$ 50.52	\$ 63.00	\$ 12.48	24.71%
10,000	\$ 56.11	\$ 68.00	\$ 11.89	21.20%
11,000	\$ 61.70	\$ 73.00	\$ 11.30	18.32%
12,000	\$ 67.29	\$ 78.00	\$ 10.71	15.92%
13,000	\$ 72.88	\$ 83.00	\$ 10.12	13.89%
14,000	\$ 78.47	\$ 88.00	\$ 9.53	12.15%
15,000	\$ 84.06	\$ 93.00	\$ 8.94	10.64%
16,000	\$ 89.65	\$ 98.00	\$ 8.35	9.32%
17,000	\$ 95.24	\$ 103.00	\$ 7.76	8.15%
18,000	\$ 100.83	\$ 108.00	\$ 7.17	7.11%
19,000	\$ 106.42	\$ 113.00	\$ 6.58	6.19%
20,000	\$ 112.01	\$ 118.00	\$ 5.99	5.35%
25,000	\$ 139.96	\$ 143.00	\$ 3.04	2.17%
30,000	\$ 167.91	\$ 168.00	\$ 0.09	0.06%
35,000	\$ 195.86	\$ 193.00	\$ (2.86)	-1.46%
40,000	\$ 223.81	\$ 218.00	\$ (5.81)	-2.59%
45,000	\$ 251.76	\$ 243.00	\$ (8.76)	-3.48%
50,000	\$ 279.71	\$ 268.00	\$ (11.71)	-4.19%
60,000	\$ 335.61	\$ 318.00	\$ (17.61)	-5.25%
70,000	\$ 391.51	\$ 368.00	\$ (23.51)	-6.00%
80,000	\$ 447.41	\$ 418.00	\$ (29.41)	-6.57%
90,000	\$ 503.31	\$ 468.00	\$ (35.31)	-7.01%
100,000	\$ 559.21	\$ 518.00	\$ (41.21)	-7.37%
110,000	\$ 615.11	\$ 568.00	\$ (47.11)	-7.66%
120,000	\$ 671.01	\$ 618.00	\$ (53.01)	-7.90%
130,000	\$ 726.91	\$ 668.00	\$ (58.91)	-8.10%
140,000	\$ 782.81	\$ 718.00	\$ (64.81)	-8.28%
150,000	\$ 838.71	\$ 768.00	\$ (70.71)	-8.43%
160,000	\$ 894.61	\$ 818.00	\$ (76.61)	-8.56%
170,000	\$ 950.51	\$ 868.00	\$ (82.51)	-8.68%
180,000	\$ 1,006.41	\$ 918.00	\$ (88.41)	-8.78%

AQUA PENNSYLVANIA INC.
MT. JEWETT DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 18.00	\$ 18.00	\$ -	0.00%
1,000	\$ 24.85	\$ 28.65	\$ 3.80	15.29%
2,000	\$ 31.70	\$ 39.30	\$ 7.60	23.97%
3,000	\$ 38.55	\$ 49.95	\$ 11.40	29.56%
4,000	\$ 45.40	\$ 60.60	\$ 15.20	33.47%
4,080	\$ 45.95	\$ 61.45	\$ 15.50	33.73%
5,000	\$ 52.25	\$ 71.25	\$ 19.00	36.35%
6,000	\$ 59.10	\$ 81.89	\$ 22.79	38.57%
7,000	\$ 65.95	\$ 92.54	\$ 26.59	40.32%
8,000	\$ 72.80	\$ 103.19	\$ 30.39	41.75%
9,000	\$ 79.65	\$ 113.84	\$ 34.19	42.93%
10,000	\$ 86.50	\$ 124.49	\$ 37.99	43.92%
11,000	\$ 93.35	\$ 135.14	\$ 41.79	44.77%
12,000	\$ 100.20	\$ 145.79	\$ 45.59	45.50%
13,000	\$ 107.05	\$ 156.44	\$ 49.39	46.13%
14,000	\$ 113.90	\$ 167.09	\$ 53.19	46.70%
15,000	\$ 120.75	\$ 177.74	\$ 56.99	47.19%
16,000	\$ 127.60	\$ 188.38	\$ 60.78	47.64%
17,000	\$ 134.45	\$ 199.03	\$ 64.58	48.03%
18,000	\$ 141.30	\$ 209.68	\$ 68.38	48.39%
19,000	\$ 148.15	\$ 220.33	\$ 72.18	48.72%
20,000	\$ 155.00	\$ 230.98	\$ 75.98	49.02%
25,000	\$ 189.25	\$ 284.23	\$ 94.98	50.18%
30,000	\$ 223.50	\$ 337.47	\$ 113.97	50.99%
35,000	\$ 257.75	\$ 390.72	\$ 132.97	51.59%
40,000	\$ 292.00	\$ 443.96	\$ 151.96	52.04%
45,000	\$ 326.25	\$ 497.21	\$ 170.96	52.40%
50,000	\$ 360.50	\$ 550.45	\$ 189.95	52.69%
60,000	\$ 429.00	\$ 656.94	\$ 227.94	53.13%
70,000	\$ 497.50	\$ 763.43	\$ 265.93	53.45%
80,000	\$ 566.00	\$ 869.92	\$ 303.92	53.70%
90,000	\$ 634.50	\$ 976.41	\$ 341.91	53.89%
100,000	\$ 703.00	\$ 1,082.90	\$ 379.90	54.04%
110,000	\$ 771.50	\$ 1,189.39	\$ 417.89	54.17%
120,000	\$ 840.00	\$ 1,295.88	\$ 455.88	54.27%
130,000	\$ 908.50	\$ 1,402.37	\$ 493.87	54.36%
140,000	\$ 977.00	\$ 1,508.86	\$ 531.86	54.44%
150,000	\$ 1,045.50	\$ 1,615.35	\$ 569.85	54.51%
160,000	\$ 1,114.00	\$ 1,721.84	\$ 607.84	54.56%
170,000	\$ 1,182.50	\$ 1,828.33	\$ 645.83	54.62%
180,000	\$ 1,251.00	\$ 1,934.82	\$ 683.82	54.66%

AQUA PENNSYLVANIA INC.
BUNKER HILL DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 4.19	\$ 8.00	\$ 3.81	90.93%
1,000	\$ 6.32	\$ 12.50	\$ 6.18	97.78%
2,000	\$ 8.45	\$ 17.00	\$ 8.55	101.18%
3,000	\$ 10.58	\$ 21.50	\$ 10.92	103.21%
4,000	\$ 12.71	\$ 26.00	\$ 13.29	104.56%
4,080	\$ 12.88	\$ 26.36	\$ 13.48	104.65%
5,000	\$ 14.84	\$ 30.50	\$ 15.66	105.53%
6,000	\$ 16.97	\$ 35.00	\$ 18.03	106.25%
7,000	\$ 19.10	\$ 39.50	\$ 20.40	106.81%
8,000	\$ 21.23	\$ 44.00	\$ 22.77	107.25%
9,000	\$ 23.36	\$ 48.50	\$ 25.14	107.62%
10,000	\$ 25.49	\$ 53.00	\$ 27.51	107.92%
11,000	\$ 27.62	\$ 57.50	\$ 29.88	108.18%
12,000	\$ 29.75	\$ 62.00	\$ 32.25	108.40%
13,000	\$ 31.88	\$ 66.50	\$ 34.62	108.59%
14,000	\$ 34.01	\$ 71.00	\$ 36.99	108.76%
15,000	\$ 36.14	\$ 75.50	\$ 39.36	108.91%
16,000	\$ 38.27	\$ 80.00	\$ 41.73	109.04%
17,000	\$ 40.40	\$ 84.50	\$ 44.10	109.16%
18,000	\$ 42.53	\$ 89.00	\$ 46.47	109.26%
19,000	\$ 44.66	\$ 93.50	\$ 48.84	109.36%
20,000	\$ 46.79	\$ 98.00	\$ 51.21	109.45%
25,000	\$ 57.44	\$ 120.50	\$ 63.06	109.78%
30,000	\$ 68.09	\$ 143.00	\$ 74.91	110.02%
35,000	\$ 78.74	\$ 165.50	\$ 86.76	110.19%
40,000	\$ 89.39	\$ 188.00	\$ 98.61	110.31%
45,000	\$ 100.04	\$ 210.50	\$ 110.46	110.42%
50,000	\$ 110.69	\$ 233.00	\$ 122.31	110.50%
60,000	\$ 131.99	\$ 278.00	\$ 146.01	110.62%
70,000	\$ 153.29	\$ 323.00	\$ 169.71	110.71%
80,000	\$ 174.59	\$ 368.00	\$ 193.41	110.78%
90,000	\$ 195.89	\$ 413.00	\$ 217.11	110.83%
100,000	\$ 217.19	\$ 458.00	\$ 240.81	110.88%
110,000	\$ 238.49	\$ 503.00	\$ 264.51	110.91%
120,000	\$ 259.79	\$ 548.00	\$ 288.21	110.94%
130,000	\$ 281.09	\$ 593.00	\$ 311.91	110.96%
140,000	\$ 302.39	\$ 638.00	\$ 335.61	110.99%
150,000	\$ 323.69	\$ 683.00	\$ 359.31	111.00%
160,000	\$ 344.99	\$ 728.00	\$ 383.01	111.02%
170,000	\$ 366.29	\$ 773.00	\$ 406.71	111.03%
180,000	\$ 387.59	\$ 818.00	\$ 430.41	111.05%

AQUA PENNSYLVANIA INC.
ROBIN HOOD DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 13.40	\$ 18.00	\$ 4.60	34.33%
1,000	\$ 19.96	\$ 26.60	\$ 6.64	33.27%
2,000	\$ 26.52	\$ 35.20	\$ 8.68	32.73%
3,000	\$ 33.08	\$ 43.80	\$ 10.72	32.41%
4,000	\$ 39.64	\$ 52.40	\$ 12.76	32.19%
4,080	\$ 40.16	\$ 53.09	\$ 12.92	32.18%
5,000	\$ 46.20	\$ 61.00	\$ 14.80	32.03%
6,000	\$ 52.76	\$ 69.60	\$ 16.84	31.92%
7,000	\$ 59.32	\$ 78.20	\$ 18.88	31.83%
8,000	\$ 65.88	\$ 86.80	\$ 20.92	31.75%
9,000	\$ 72.44	\$ 95.40	\$ 22.96	31.70%
10,000	\$ 79.00	\$ 104.00	\$ 25.00	31.65%
11,000	\$ 85.56	\$ 112.60	\$ 27.04	31.60%
12,000	\$ 92.12	\$ 121.20	\$ 29.08	31.57%
13,000	\$ 98.68	\$ 129.80	\$ 31.12	31.54%
14,000	\$ 105.24	\$ 138.40	\$ 33.16	31.51%
15,000	\$ 111.80	\$ 147.00	\$ 35.20	31.48%
16,000	\$ 118.36	\$ 155.60	\$ 37.24	31.46%
17,000	\$ 124.92	\$ 164.20	\$ 39.28	31.44%
18,000	\$ 131.48	\$ 172.80	\$ 41.32	31.43%
19,000	\$ 138.04	\$ 181.40	\$ 43.36	31.41%
20,000	\$ 144.60	\$ 190.00	\$ 45.40	31.40%
25,000	\$ 177.40	\$ 233.00	\$ 55.60	31.34%
30,000	\$ 210.20	\$ 276.00	\$ 65.80	31.30%
35,000	\$ 243.00	\$ 319.00	\$ 76.00	31.28%
40,000	\$ 275.80	\$ 362.00	\$ 86.20	31.25%
45,000	\$ 308.60	\$ 405.00	\$ 96.40	31.24%
50,000	\$ 341.40	\$ 448.00	\$ 106.60	31.22%
60,000	\$ 407.00	\$ 534.00	\$ 127.00	31.20%
70,000	\$ 472.60	\$ 620.00	\$ 147.40	31.19%
80,000	\$ 538.20	\$ 706.00	\$ 167.80	31.18%
90,000	\$ 603.80	\$ 792.00	\$ 188.20	31.17%
100,000	\$ 669.40	\$ 878.00	\$ 208.60	31.16%
110,000	\$ 735.00	\$ 964.00	\$ 229.00	31.16%
120,000	\$ 800.60	\$ 1,050.00	\$ 249.40	31.15%
130,000	\$ 866.20	\$ 1,136.00	\$ 269.80	31.15%
140,000	\$ 931.80	\$ 1,222.00	\$ 290.20	31.14%
150,000	\$ 997.40	\$ 1,308.00	\$ 310.60	31.14%
160,000	\$ 1,063.00	\$ 1,394.00	\$ 331.00	31.14%
170,000	\$ 1,128.60	\$ 1,480.00	\$ 351.40	31.14%
180,000	\$ 1,194.20	\$ 1,566.00	\$ 371.80	31.13%

AQUA PENNSYLVANIA INC.
EAST CAMERON DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 50.00	\$ 18.00	\$ (32.00)	-64.00%
1,000	\$ 50.00	\$ 28.65	\$ (21.35)	-42.70%
2,000	\$ 50.00	\$ 39.30	\$ (10.70)	-21.40%
3,000	\$ 50.00	\$ 51.91	\$ 1.91	3.81%
4,000	\$ 56.50	\$ 64.51	\$ 8.01	14.18%
4,080	\$ 57.02	\$ 65.52	\$ 8.50	14.91%
5,000	\$ 63.00	\$ 77.12	\$ 14.12	22.42%
6,000	\$ 69.50	\$ 89.73	\$ 20.23	29.11%
7,000	\$ 76.00	\$ 102.34	\$ 26.34	34.66%
8,000	\$ 82.50	\$ 114.95	\$ 32.45	39.33%
9,000	\$ 89.00	\$ 127.55	\$ 38.55	43.32%
10,000	\$ 95.50	\$ 140.16	\$ 44.66	46.77%
11,000	\$ 102.00	\$ 152.77	\$ 50.77	49.77%
12,000	\$ 108.50	\$ 165.38	\$ 56.88	52.42%
13,000	\$ 115.00	\$ 177.99	\$ 62.99	54.77%
14,000	\$ 121.50	\$ 190.59	\$ 69.09	56.87%
15,000	\$ 128.00	\$ 203.20	\$ 75.20	58.75%
16,000	\$ 134.50	\$ 215.81	\$ 81.31	60.45%
17,000	\$ 141.00	\$ 228.42	\$ 87.42	62.00%
18,000	\$ 147.50	\$ 241.03	\$ 93.53	63.41%
19,000	\$ 154.00	\$ 253.63	\$ 99.63	64.70%
20,000	\$ 160.50	\$ 266.24	\$ 105.74	65.88%
25,000	\$ 193.00	\$ 329.28	\$ 136.28	70.61%
30,000	\$ 225.50	\$ 392.32	\$ 166.82	73.98%
35,000	\$ 258.00	\$ 455.36	\$ 197.36	76.50%
40,000	\$ 290.50	\$ 518.40	\$ 227.90	78.45%
45,000	\$ 323.00	\$ 581.44	\$ 258.44	80.01%
50,000	\$ 355.50	\$ 644.48	\$ 288.98	81.29%
60,000	\$ 420.50	\$ 770.56	\$ 350.06	83.25%
70,000	\$ 485.50	\$ 896.64	\$ 411.14	84.68%
80,000	\$ 550.50	\$ 1,022.72	\$ 472.22	85.78%
90,000	\$ 615.50	\$ 1,148.80	\$ 533.30	86.65%
100,000	\$ 680.50	\$ 1,274.88	\$ 594.38	87.34%
110,000	\$ 745.50	\$ 1,400.96	\$ 655.46	87.92%
120,000	\$ 810.50	\$ 1,527.04	\$ 716.54	88.41%
130,000	\$ 875.50	\$ 1,653.12	\$ 777.62	88.82%
140,000	\$ 940.50	\$ 1,779.20	\$ 838.70	89.18%
150,000	\$ 1,005.50	\$ 1,905.28	\$ 899.78	89.49%
160,000	\$ 1,070.50	\$ 2,031.36	\$ 960.86	89.76%
170,000	\$ 1,135.50	\$ 2,157.44	\$ 1,021.94	90.00%
180,000	\$ 1,200.50	\$ 2,283.52	\$ 1,083.02	90.21%

AQUA PENNSYLVANIA INC.
SUN VALLEY DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
UNMETERED

CONSUMPTION GALLONS	BILLS UNDER		INCREASE	
	PRESENT RATES*	SETTLEMENT RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
1,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
2,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
3,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
4,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
4,080	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
5,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
6,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
7,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
8,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
9,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
10,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
11,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
12,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
13,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
14,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
15,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
16,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
17,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
18,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
19,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
20,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
25,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
30,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
35,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
40,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
45,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
50,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
60,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
70,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
80,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
90,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
100,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
110,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
120,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
130,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
140,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
150,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
160,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
170,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%
180,000	\$ 15.00	\$ 19.50	\$ 4.50	30.00%

AQUA PENNSYLVANIA, INC.
BRYN MAWR, PENNSYLVANIA

WASTEWATER OPERATIONS

OPERATING REVENUE FROM SALES OF WASTEWATER
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020
UNDER SETTLEMENT RATES

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Harrisburg, Pennsylvania

AQUA PENNSYLVANIA INC.
WASTEWATER
SUMMARY OF REVENUE UNDER PRESENT RATES AND PRO FORMA REVENUES UNDER SETTLEMENT RATES
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018 AND 2020

Customer Classification (1)	Adjusted Revenues, Per Books Present Rates 3/31/2017 (a) (2)	Bill Analysis Revenues, Settlement Rates (Schedule 2) (3)	Ref.	Adjustment Factor (4)=(2)/(3)	Revenues Under Settlement Rates (5)=(4)X(3)	Pro Forma Adjustments Settlement Rates (Schedule 2 and 6) (6)	Total Pro Forma Revenue (7)=(5)+(6)	SETTLEMENT Increase (8)=(7)-(2)	Percent Increase (9)
METERED SALES									
Residential	\$ 9,030,911	\$ 12,264,057	Sch. 2	0.99718130	\$ 12,229,488	\$ 193,600	\$ 12,423,088	\$ 3,392,177	37.6%
Commercial	2,675,008	3,469,239	Sch. 2	1.00813606	3,497,465	91,787	3,589,252	914,244	34.2%
Industrial	437	668	Sch. 2	1.00332530	670		670	233	53.3%
Public Authority	121,476	158,874	Sch. 2	1.00453287	159,594		159,594	38,118	31.4%
Bulk Sales	1,040,092	1,325,263	Sch. 2	0.99816805	1,322,835		1,322,835	282,743	27.2%
Total Sales Related to Wastewater	\$ 12,867,925	\$ 17,218,101			\$ 17,210,053	\$ 285,387	\$ 17,495,440	\$ 4,627,515	36.0%
Contract Revenues	275,458	306,624		0.97435773	298,761		298,761	23,304	8.5%
Availability Lots	-	-			-		-	-	-
Other Operating Revenues	299,923	299,923			299,923		299,923	-	0.0%
Total Wastewater Revenue	\$ 13,443,305	\$ 17,824,648			\$ 17,808,737	\$ 285,387	\$ 18,094,124	\$ 4,650,819	34.6%

(a) Excludes DSIC and Unbilled Revenue.

AQUA PENNSYLVANIA, INC.
WASTEWATER

SUMMARY OF APPLICATION OF SETTLEMENT RATES
TO CUSTOMER CONSUMPTION ANALYSIS FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Division (1)	Div. Settlement Ref. Rate Zone	Residential (2)	Commercial (3)	Industrial (4)	Public (5)	Bulk Sales (6)	Total Sales (7)	Availability Lots (8)	Total Sales (9)
Pincrest Division	4 2	\$ 273,737	\$ 149,637				\$ 423,374		\$ 423,374
Willistown Woods Division	4A 3	644,216	104,466				748,682		748,682
Links at Gettysburg	5 3	141,065	5,188				146,253		146,253
East Bradford Division	6 5	121,895					121,895		121,895
Twin Hills Division	7 4	401,922					401,922		401,922
Plumstock Division	8 5	56,823					56,823		56,823
Media Division	9 1	1,375,868	633,838	668	158,874		2,169,248		2,169,248
White Haven & Kidder Township	10 2	340,471	473,305				813,776		813,776
Bridlewood Division	10A 1	243,314	165,044				408,358		408,358
Eagle Rock Division	10B 1	536,655	43,802				580,457		580,457
Thornhurst Division	10C 3	242,983					242,983		242,983
Rivercrest, Cove Village, and Was	10D 3	362,609	14,551				377,160		377,160
Little Washington	10E 5	444,389					444,389		444,389
Laurel Lakes Division	10F 3	194,076	2,574				196,650		196,650
Deerfield Knoll Division	10G 3	102,194					102,194		102,194
CS Water Division, Masthope	10H 6	638,074	7,097				645,171	-	645,171
Peddlers View	10I 4	258,366					258,366		258,366
The Greens at Penn Oaks Division	10J 5	90,378	13,473				103,851		103,851
Newlin Green Division	10K 5, Special	93,127					93,127		93,127
Woodloch Springs Division	10L 3	313,714	84,227				397,941		397,941
Stony Creek Division	10M 3	171,908					171,908		171,908
New Daleville	10N 4	127,230					127,230		127,230
Village at Valley Forge	10O 1A		262,808				262,808		262,808
Beech Mountain Lakes Division	10P 3	898,680	71,040				969,720		969,720
Lake Harmony Division	10Q 4	1,301,700	517,200				1,818,900		1,818,900
Treasure Lake Division	10S 1A	1,283,664	108,468				1,392,132		1,392,132
Penn Township Division	10U 1B	507,539	503,123				1,010,662		1,010,662
Bunker Hill Division	10V 1A	44,398					44,398		44,398
Honeycroft Village Division	10W 4	125,000	8,400				133,400		133,400
Emblenton Division	10X 2	302,082	91,888				393,970		393,970
Tobyhanna Division	10Y 4	580,800	151,141				731,941		731,941
Avon Grove School District	10Z 5, Special		57,969				57,969		57,969
Sage Hill	5, Special	45,180					45,180		45,180
Total Sales Related to Wastewater		\$ 12,264,057	\$ 3,469,239	\$ 668	\$ 158,874	\$ -	\$ 15,892,838	\$ -	\$ 15,892,838
Contract Sales			306,624				306,624		306,624
Total Sales with Contract		\$ 12,264,057	\$ 3,775,863	\$ 668	\$ 158,874	\$ -	\$ 16,199,462	\$ -	\$ 16,199,462

AQUA PENNSYLVANIA, INC.
WASTEWATER
SUMMARY OF APPLICATION OF SETTLEMENT RATES
TO CUSTOMER CONSUMPTION ANALYSIS FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Division (1)	Div. Ref.	Residential (2)	Commercial (3)	Industrial (4)	Public (5)	Bulk Sales (6)	Total Sales (7)	Availability Lots (8)	Total Sales (9)
Third Party Revenues									
Southdown Homes						68,391			
East Brandywine						1,658			
Dennison						55,122			
Upper Providence						599,188			
Elwyn						108,753			
Foster Township						270,222			
East Side						87,049			
Penn Lake						134,880			
Total Third Party Revenues						<u>1,325,263</u>	1,325,263		1,325,263
Total Sales with Contract and Third Party		12,264,057	3,775,863	668	158,874	1,325,263	17,524,725	-	\$ 17,524,725
Pro Forma Adjustments									
Tobyhanna Division		193,600	50,380				243,980		243,980
Avon Grove School District			41,407				41,407		41,407
Subtotal HTY Adjs.		<u>193,600</u>	<u>91,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285,387</u>		<u>285,387</u>
Total Pro Forma Revenues Under Settlement Rates		\$12,457,657	\$3,867,650	\$668	\$158,874	\$1,325,263	\$17,810,112	\$-	\$ 17,810,112

AQUA PENNSYLVANIA INC.
WASTEWATER
SUMMARY OF REVENUE UNDER PRESENT RATES AND PRO FORMA REVENUES UNDER PRESENT RATES
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018 AND 2020

Customer Classification (1)	Revenues, Per Books Present Rates 3/31/2018 (a) (2)	Adjustment to Per Books Revenue 3/31/2018 (3)	Adjusted Revenues, Per Books Present Rates 3/31/2018 (a) (4)	Bill Analysis Revenues, Present Rates (Schedule 4) (5)	Ref. (6)	Adjustment Factor (6)=(4)/(5) (6)	Revenues Under Present Rates (7)=(6)X(5) (7)	Pro Forma Adjustments Present Rates (Schedule 4 and 6) (8)	Add Back Annualized DSIC Revenue (9)	Total Pro Forma Revenue Present Rates (10)=(7)+(8)+(9)
METERED SALES										
Residential	\$ 8,543,172	\$ (14,917)	\$ 8,528,255	\$ 8,552,362	Sch. 4	0.99718130	\$ 8,528,255	\$ 129,067	\$ 373,589	\$ 9,030,911
Commercial	2,570,121	(55,626)	2,514,495	2,494,202	Sch. 4	1.00813606	2,514,495	70,124	90,389	2,675,008
Industrial	416		416	415	Sch. 4	1.00332530	416		21	437
Public Authority	115,716		115,716	115,194	Sch. 4	1.00453287	115,716		5,760	121,476
Bulk Sales	1,040,092		1,040,092	1,042,001	Sch. 4	0.99816805	1,040,092			1,040,092
Total Sales Related to Wastewater	\$ 12,269,518	\$ (70,543)	\$ 12,198,975	\$ 12,204,174			\$ 12,198,975	\$ 199,191	\$ 469,758	\$ 12,867,925
Contract Revenues	275,458		275,458	282,707		0.97435773	275,458			275,458
Availability Lots	157,930		157,930	157,926		1.00002824	157,930	(157,930)		-
Other Operating Revenues	299,923		299,923	299,923			299,923			299,923
Total Wastewater Revenue	\$ 13,002,830	\$ (70,543)	\$ 12,932,287	\$ 12,944,730			\$ 12,932,287	\$ 41,261	\$ 469,758	\$ 13,443,305

(a) Excludes DSIC and Unbilled Revenue
(b) Adjusted for North Heidelberg Division
(c) Adjusted for backbills.

AQUA PENNSYLVANIA, INC.
WASTEWATER
SUMMARY OF APPLICATION OF PRESENT RATES
TO CUSTOMER CONSUMPTION ANALYSIS FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Division (1)	Div. Ref.	Residential (2)	Commercial (3)	Industrial (4)	Public (5)	Bulk Sales (6)	Total Sales ex Availability (7)	Availability (8)	Total Sales (9)
Pinecrest Division	4	\$ 168,746	\$ 147,770				\$ 316,516		\$ 316,516
Willistown Woods Division	4A	465,263	75,090				540,353		540,353
Links at Gettysburg	5	122,884	4,972				127,856		127,856
East Bradford Division	6	98,190					98,190		98,190
Twin Hills Division	7	263,617					263,617		263,617
Plumstock Division	8	46,376					46,376		46,376
Media Division	9	877,078	442,591	415	115,194		1,435,278		1,435,278
White Haven & Kidder Township	10	269,559	284,207				553,766		553,766
Bridlewood Division	10A	152,647	103,272				255,919		255,919
Eagle Rock Division	10B	443,249	25,984				469,233		469,233
Thornhurst Division	10C	177,662					177,662		177,662
Rivercrest, Cove Village, and Washington Park	10D	252,122	9,524				261,646		261,646
Little Washington	10E	388,763					388,763		388,763
Laurel Lakes Division	10F	116,277	1,584				117,861		117,861
Deerfield Knoll Division	10G	78,680					78,680		78,680
CS Water Division, Masthope	10H	430,143	4,105			32,064	434,248		466,312
Peddlers View	10I	191,294					191,294		191,294
The Greens at Penn Oaks Division	10J	89,225	9,123				98,348		98,348
Newlin Green Division	10K	93,127					93,127		93,127
Woodloch Springs Division	10L	246,004	69,135				315,139		315,139
Stony Creek Division	10M	133,615					133,615		133,615
New Daleville	10N	89,875					89,875		89,875
Village at Valley Forge	10O	179,045	179,045				358,090		358,090
Beech Mountain Lakes Division	10P	599,532	58,980				658,512		658,512
Lake Harmony Division	10Q	813,563	323,250				1,136,813		1,136,813
Treasure Lake Division	10S	819,107	69,150				888,257	125,862	1,014,119
Penn Township Division	10U	386,091	462,997				849,088		849,088
Bunker Hill Division	10V	25,217					25,217		25,217
Honeycroft Village Division	10W	83,338	5,600				88,938		88,938
Emlenton Division	10X	198,738	60,453				259,191		259,191
Tobyhanna Division	10Y	387,200	110,995				498,195		498,195
Avon Grove School District	10Z		46,375				46,375		46,375
Sage Hill		45,180					45,180		45,180
Total		\$ 8,552,362	\$ 2,494,202	\$ 415	\$ 115,194	\$ -	\$ 11,162,173	\$ 157,926	\$ 11,320,099
Contract Sales			282,707				282,707		282,707
Total Sales with Contract		\$ 8,552,362	\$ 2,776,909	\$ 415	\$ 115,194	\$ -	\$ 11,444,880	\$ 157,926	\$ 11,602,806

AQUA PENNSYLVANIA, INC.
WASTEWATER
SUMMARY OF APPLICATION OF PRESENT RATES
TO CUSTOMER CONSUMPTION ANALYSIS FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Division (1)	Div. Ref.	Residential (2)	Commercial (3)	Industrial (4)	Public (5)	Bulk Sales (6)	Total Sales ex Availability (7)	Availability (8)	Total Sales (9)
Third Party Revenues									
Southdown Homes						53,921			
East Brandywine						1,404			
Dennison						34,713			
Upper Providence						527,430			
Elwyn						95,729			
Foster Township						170,172			
East Side						73,691			
Penn Lake						84,941			
Total Third Party Revenues						<u>1,042,001</u>	1,042,001		1,042,001
Total Sales with Contract and Third Party		8,552,362	2,776,909	415	115,194	1,042,001	12,486,881	157,926	12,644,807
Plus 5.0% DSIC excluding Ineligible Service Areas		373,589	90,389	21	5,760		469,758		469,758
Total Present Wastewater Revenue		8,925,951	2,867,298	436	120,954	1,042,001	12,956,639	157,926	13,114,565
Pro Forma Adjustments									
Tobyhanna Division		129,067	36,999				166,066		
Avon Grove School District			33,125				33,125	(157,930)	
Subtotal HTY Adjts.		<u>129,067</u>	<u>70,124</u>	-	-	-	<u>199,191</u>	<u>(157,930)</u>	<u>41,261</u>
Total Pro Forma Revenues Under Present Rates		\$9,055,018	\$2,937,422	\$436	\$120,954	\$1,042,001	\$13,155,830	-\$4	\$13,155,826

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 2
PINECREST DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Inside Pinecrest Development</u>						
Customer Charge One Unit	3,830	-	\$ 41.95	\$ 160,669	\$ 68.40	\$ 261,972
Total Residential - Inside	3,830	-		\$ 160,669		\$ 261,972
<u>Residential - Unmetered Inside Pinecrest Development</u>						
Customer Charge Unmetered	65	-	\$ 41.95	\$ 2,727	\$ 68.40	\$ 4,446
<u>Residential - Unmetered Outside Pinecrest Development</u>						
Customer Charge Unmetered	107	-	\$ 50.00	\$ 5,350	\$ 68.40	\$ 7,319
TOTAL RESIDENTIAL	<u>4,002</u>	<u>-</u>		<u>\$ 168,746</u>		<u>\$ 273,737</u>
<u>Commercial - Inside Pinecrest Development</u>						
Customer Charge 5/8	24	-	\$ -	\$ -		\$ -
4	24	-	-	-		-
Subtotal	<u>48</u>	<u>-</u>		<u>-</u>		<u>-</u>
1st block	-	47,690	\$ 3.00	\$ 143,070	\$ 3.000	\$ 143,070
Total Commercial Inside	48	47,690		\$ 143,070		\$ 143,070
<u>Commercial - Unmetered Inside Pinecrest Development</u>						
Customer Charge Unmetered	12	-	\$ 41.67	\$ 500	\$ 68.40	\$ 821
<u>Commercial - Unmetered Outside Pinecrest Development</u>						
Customer Charge One Unit	84	-	\$ 50.00	\$ 4,200	\$ 68.40	\$ 5,746
2U		-	100.00	-	136.80	-
3U		-	150.00	-	205.20	-
Total Commercial - Outside	<u>84</u>	<u>-</u>		<u>4,200</u>		<u>5,746</u>
TOTAL COMMERCIAL	<u>144</u>	<u>47,690</u>		<u>\$ 147,770</u>		<u>\$ 149,637</u>
TOTAL DIVISION	<u>4,146</u>	<u>47,690</u>		<u>\$ 316,516</u>		<u>\$ 423,374</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 3
WILLISTOWN WOODS DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	8,876	-	\$ 43.00	\$ 381,681	\$ 46.00	\$ 408,310
3/4	12	-	43.00	516	46.00	552
	<u>8,888</u>	<u>-</u>		<u>382,197</u>		<u>408,862</u>
1st block	-	276,887	0.3000	\$ 83,066	\$ 0.85	\$ 235,354
TOTAL RESIDENTIAL	8,888	276,887		\$ 465,263		\$ 644,216
<u>Commercial - Monthly (Multiple Units)</u>						
Customer Charge						
2" (81 Units)	972	EDU's	\$ 43.00	\$ 41,796	\$ 46.00	\$ 44,712
3" (38 Units)	456	EDU's	43.00	19,608	46.00	20,976
Subtotal	<u>1,428</u>	<u>-</u>		<u>61,404</u>		<u>65,688</u>
1st block	-	45,621	0.3000	\$ 13,686	0.8500	\$ 38,778
TOTAL COMMERCIAL	<u>1,428</u>	<u>45,621</u>		<u>\$ 75,090</u>		<u>\$ 104,466</u>
TOTAL DIVISION	<u><u>10,316</u></u>	<u><u>322,508</u></u>		<u><u>\$ 540,353</u></u>		<u><u>\$ 748,682</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 3
 THE LINKS AT GETTYSBURG DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge 5/8	1,992	-	\$ 44.00	\$ 87,630	\$ 46.00	\$ 91,614
1st block	-	<u>53,635</u>	0.6130	<u>\$ 32,878</u>	\$ 0.850	<u>\$ 45,590</u>
Total Metered Residential	1,992	53,635		\$ 120,508		\$ 137,204
<u>Residential - Monthly Unmetered</u>						
Customer Charge Unmetered	54	<u>-</u>	\$ 44.00	<u>\$ 2,376</u>	\$ 71.50	<u>\$ 3,861</u>
TOTAL RESIDENTIAL	2,046	53,635		\$ 122,884		\$ 141,065
<u>Commercial - Monthly</u>						
Customer Charge 1	24	-	\$ 84.00	\$ 2,033	\$ 46.00	\$ 1,113
1st block	-	<u>4,794</u>	0.6130	<u>\$ 2,939</u>	\$ 0.850	<u>\$ 4,075</u>
TOTAL COMMERCIAL	<u>24</u>	<u>4,794</u>		<u>\$ 4,972</u>		<u>\$ 5,188</u>
TOTAL DIVISION	<u>2,070</u>	<u>58,429</u>		<u>\$ 127,856</u>		<u>\$ 146,253</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 5
 EAST BRADFORD DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (3)	<u>Present Rate</u> (4)	<u>Present Revenue</u> (5)	<u>Settlement Rate</u> (6)	<u>Settlement Revenue</u> (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	876	-	\$ 60.00	\$ 52,548	\$ 74.00	\$ 64,809
3/4	60		60.00	3,600	74.00	4,440
1	36		60.00	2,166	74.00	2,671
	<u>972</u>			<u>58,314</u>		<u>71,920</u>
1st block	<u>-</u>	<u>52,057</u>	0.7660	<u>\$ 39,876</u>	0.9600	<u>\$ 49,975</u>
TOTAL DIVISION	<u>972</u>	<u>52,057</u>		<u>\$ 98,190</u>		<u>\$ 121,895</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 4
 TWIN HILLS DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	3,935	-	\$ 54.00	\$ 212,501	\$ 62.00	\$ 243,982
1	12	-	54.00	648	62.00	744
	<u>3,947</u>	<u>-</u>		<u>\$ 213,149</u>		<u>\$ 244,726</u>
1st block	-	165,469	0.3050	\$ 50,468	0.9500	\$ 157,196
TOTAL DIVISION	<u>3,947</u>	<u>165,469</u>		<u>\$ 263,617</u>		<u>\$ 401,922</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 5
 PLUMSTOCK DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (3)	<u>Present Rate</u> (4)	<u>Present Revenue</u> (5)	<u>Settlement Rate</u> (6)	<u>Settlement Revenue</u> (7)
<u>Residential - Monthly</u>						
Customer Charge 5/8	456	-	\$ 60.00	\$ 27,366	\$ 74.00	\$ 33,751
1st block	<u>-</u>	<u>24,033</u>	0.7910	<u>\$ 19,010</u>	0.9600	<u>\$ 23,072</u>
TOTAL DIVISION	<u>456</u>	<u>24,033</u>		<u>\$ 46,376</u>		<u>\$ 56,823</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 1
MEDIA DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	19,922	0	\$ 15.95	\$ 317,756	\$ 31.00	\$ 617,582
3/4	63	0	25.00	1,575	46.50	2,930
1	468	0	38.00	17,784	77.50	36,270
1-1/2	144	0	89.00	12,816	155.00	22,320
2	72	0	165.00	11,880	248.00	17,856
4	24	0	594.00	14,256	775.00	18,600
Subtotal	<u>20,693</u>	<u>0</u>		<u>376,067</u>		<u>715,558</u>
1st block	-	867,194	0.5770	500,371	0.7600	659,067
Subtotal	-	<u>867,194</u>		<u>\$ 500,371</u>		<u>\$ 659,067</u>
Total Metered Residential	20,693	867,194		\$ 876,438		\$ 1,374,625
<u>Residential - Unmetered</u>						
Customer Charge						
Unmetered	40	-	\$ 15.95	\$ 640	\$ 31.00	\$ 1,243
TOTAL RESIDENTIAL	20,733	867,194		\$ 877,078		\$ 1,375,868
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	2,355	0	\$ 15.95	\$ 37,562	\$ 31.00	\$ 73,005
3/4	49	0	25.00	1,215	46.50	2,260
1	516	0	38.00	19,608	77.50	39,990
1-1/2	264	0	89.00	23,496	155.00	40,920
2	120	0	165.00	19,800	248.00	29,760
3	72	0	364.00	26,208	465.00	33,480
4	12	0	594.00	7,128	775.00	9,300
Subtotal	<u>3,388</u>	<u>0</u>		<u>135,017</u>		<u>228,715</u>
1st block		533,057	0.5770	307,574	0.7600	405,123
Subtotal		<u>533,057</u>		<u>\$ 307,574</u>		<u>\$ 405,123</u>
TOTAL COMMERCIAL	3,388	533,057		\$ 442,591		\$ 633,838
<u>Industrial - Monthly</u>						
Customer Charge						
5/8	12	0	\$ 15.95	\$ 191	31.00	\$ 372
1st block		389	0.5770	\$ 224	0.7600	\$ 296
TOTAL INDUSTRIAL	12	389		\$ 415		\$ 668

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 1
 MEDIA DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Public - Monthly</u>						
Customer Charge						
5/8	180	0	\$ 15.95	\$ 2,871	\$ 31.00	\$ 5,580
3/4	12	0	25.00	300	46.50	558
1	108	0	38.00	4,104	77.50	8,370
1-1/2	48	0	89.00	4,272	155.00	7,440
2	36	0	165.00	5,940	248.00	8,928
3	36	0	364.00	13,104	465.00	16,740
4	24	0	594.00	14,256	775.00	18,600
Subtotal	<u>444</u>	<u>0</u>		<u>\$ 44,847</u>		<u>\$ 66,216</u>
1st block	<u>0</u>	<u>121,919</u>	0.5770	<u>\$ 70,347</u>	0.7600	<u>\$ 92,658</u>
Subtotal Consumption	<u>0</u>	<u>121,919</u>		<u>\$ 70,347</u>		<u>\$ 92,658</u>
TOTAL PUBLIC	<u>444</u>	<u>121,919</u>		<u>\$ 115,194</u>		<u>\$ 158,874</u>
TOTAL DIVISION	<u>24,577</u>	<u>1,522,559</u>		<u>\$ 1,435,278</u>		<u>\$ 2,169,248</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 2
WHITE HAVEN DIVISION

APPLICATION OF PRESENT AND SETTLEMENT SEWER RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	5,021	-	\$ 41.35	\$ 207,618	\$ 36.00	\$ 180,756
1 1/2	12	-	41.35	496	36.00	432
Kidder Township	535	-	62.50	33,425	36.00	19,253
Subtotal	5,568	-		\$ 241,539		\$ 200,441
1st block	-	158,690	0.1200	\$ 19,043	0.8100	\$ 128,539
Total Metered Residential	5,568	158,690		\$ 260,582		\$ 328,980
<u>Residential Kidder Township - Unmetered</u>						
Customer Charge						
Flat Rate	72	-	\$ 41.35	\$ 2,977	68.40	\$ 4,925
Flat Rate	96	-	\$ 62.50	6,000	68.40	6,566
Subtotal	168	0		8,977		11,491
Total Unmetered Residential	168	-		\$ 8,977		\$ 11,491
TOTAL RESIDENTIAL	5,736	158,690		269,559		340,471
<u>Commercial - Monthly</u>						
Customer Charge						
Class A (\$62.50 per EDU)						
5/8	12	-	\$ 62.50	\$ 750	68.40	\$ 821
Class D (\$41.35 per EDU)						
5/8	384	-	\$ 41.35	\$ 15,866	36.00	\$ 13,813
1	44	-	41.35	1,803	36.00	1,570
1 1/2	12	-	41.35	496	36.00	432
2	12	-	41.35	496	36.00	432
Subtotal	463	-		19,411		17,068
Consumption (Class D only)						
1st block	-	26,442	0.1200	\$ 3,173	0.8100	\$ 21,418
Total Metered Commercial	463	26,442		\$ 22,584		\$ 38,486
<u>Commercial - Unmetered</u>						
Customer Charge						
Class C	1,846	-	\$ 25.00	\$ 46,150	\$ 68.40	\$ 126,266
Class B	2,640	-	37.50	99,000	68.40	180,576
Kidder Township	22	-	41.35	910	68.40	1,505
Class A	1,849	-	62.50	115,563	68.40	126,472
Subtotal	6,357	-		261,623		434,819
TOTAL COMMERCIAL	6,820	26,442		\$ 284,207		\$ 473,305
TOTAL DIVISION	12,556	185,132		\$ 553,766		\$ 813,776

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 1
BRIDLEWOOD DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Single Family Monthly</u>						
Customer Charge						
5/8	1,401	-	\$ 36.00	\$ 50,436	\$ 31.00	\$ 43,431
3/4	12	-	36.00	432	31.00	372
	<u>1,413</u>	<u>-</u>		<u>50,868</u>		<u>43,803</u>
1st block		<u>67,221</u>	0.1520	<u>\$ 10,218</u>	0.7600	<u>\$ 51,088</u>
Subtotal Consumption		<u>67,221</u>		<u>\$ 10,218</u>		<u>\$ 51,088</u>
Total Residential Single Family	1,413	67,221		\$ 61,086		\$ 94,891
<u>Residential - Townhomes Monthly</u>						
Customer Charge						
5/8	2,495	0	\$ 31.00	\$ 77,345	\$ 31.00	\$ 77,345
1st block		<u>93,524</u>	0.1520	<u>\$ 14,216</u>	0.7600	<u>\$ 71,078</u>
Subtotal Consumption		<u>93,524</u>		<u>\$ 14,216</u>		<u>\$ 71,078</u>
Total Townhomes Residential	2,495	93,524		\$ 91,561		\$ 148,423
TOTAL RESIDENTIAL	<u>3,908</u>	<u>160,745</u>		<u>\$ 152,647</u>		<u>\$ 243,314</u>
<u>Commercial - Monthly</u>						
Customer Charge						
Bridlewood Apartment Complex	12	0	\$ 8,344.00	\$ 100,128	217 \$ 13,323.80	\$ 159,886
Children's World Daycare	12	0	262.00	3,144	7 429.80	5,158
Subtotal	<u>24</u>	<u>0</u>		<u>\$ 103,272</u>		<u>\$ 165,044</u>
TOTAL COMMERCIAL	<u>24</u>	<u>-</u>		<u>\$ 103,272</u>		<u>\$ 165,044</u>
TOTAL DIVISION	<u>3,932</u>	<u>160,745</u>		<u>\$ 255,919</u>		<u>\$ 408,358</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 1
EAGLE ROCK DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	11,668	-	\$ 35.50	\$ 414,214	\$ 31.00	\$ 361,708
1	36	-	35.50	1,278	31.00	1,116
Subtotal	11,704	-		415,492		362,824
1st block	-	227,755	0.1200	\$ 27,331	0.7600	\$ 173,094
Total Metered Residential	11,704	227,755		\$ 442,823		\$ 535,918
<u>Residential - Unmetered</u>						
Customer Charge						
Unmetered	12	-	\$ 35.50	\$ 426	\$ 61.40	\$ 737
TOTAL RESIDENTIAL	11,716	227,755		\$ 443,249		\$ 536,655
<u>Commercial - Monthly</u>						
Customer Charge	<u>EDU's</u>					
Eagle Rock Inn	16	12	-	\$ 568.00	\$ 496.00	\$ 5,952
Eagle Rock Lodge	5	12	-	177.50	155.00	1,860
Eagle Rock Clubhouse	4	24	-	142.00	124.00	2,976
Other Commercial	1	275	-	35.50	31.00	8,525
Subtotal	323	-		\$ 22,117		\$ 19,313
Other Commercial						
1st block	-	32,222	0.1200	\$ 3,867	0.7600	\$ 24,489
Subtotal Consumption	-	32,222		\$ 3,867		\$ 24,489
TOTAL COMMERCIAL	323	32,222		\$ 25,984		\$ 43,802
TOTAL DIVISION	12,039	259,977		\$ 469,233		\$ 580,457

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 3
 THORNHURST DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (3)	<u>Present Rate</u> (4)	<u>Present Revenue</u> (5)	<u>Settlement Rate</u> (6)	<u>Settlement Revenue</u> (7)
<u>Residential - Monthly</u>						
Customer Charge One Unit	3,538	-	\$ 46.75	\$ 165,402	\$ 46.00	\$ 162,748
1st block	-	<u>91,366</u>	0.1200	<u>\$ 10,964</u>	0.8500	<u>\$ 77,661</u>
Total Metered	3,538	91,366		\$ 176,366		\$ 240,409
<u>Residential Unmetered - Monthly</u>						
Customer Charge Unmetered	<u>36</u>	<u>-</u>	\$ 36.00	<u>\$ 1,296</u>	\$ 71.50	<u>\$ 2,574</u>
TOTAL DIVISION	<u>3,574</u>	<u>91,366</u>		<u>\$ 177,662</u>		<u>\$ 242,983</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 2
 RIVERCREST, COVE VILLAGE AND WASHINGTON PARK DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	5,773	-	\$ 27.00	\$ 155,871	\$ 36.00	\$ 207,828
1	12	-	27.00	324	36.00	432
	<u>5,785</u>	<u>-</u>		<u>156,195</u>		<u>208,260</u>
1st block	-	<u>183,461</u>	0.5020	<u>\$ 92,097</u>	0.8100	<u>\$ 148,603</u>
Total Metered	5,785	183,461		\$ 248,292		\$ 356,863
<u>Residential Unmetered - Monthly</u>						
Cove Village	60	-	\$ 45.00	\$ 2,700	\$ 68.40	\$ 4,104
Washington Park	24	-	47.08	1,130	68.40	1,642
	<u>84</u>	<u>-</u>		<u>3,830</u>		<u>5,746</u>
TOTAL RESIDENTIAL	5,869	183,461		252,122		362,609
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	24	-	\$ 27.00	\$ 648	\$ 36.00	\$ 864
3/4	36	-	27.00	972	36.00	1,296
1	48	-	27.00	1,296	36.00	1,728
	<u>108</u>	<u>-</u>		<u>2,916</u>		<u>3,888</u>
1st block	-	13,164	0.5020	\$ 6,608	0.8100	\$ 10,663
TOTAL COMMERCIAL	<u>108</u>	<u>13,164</u>		<u>\$ 9,524</u>		<u>\$ 14,551</u>
TOTAL RESIDENTIAL	<u>5,977</u>	<u>196,625</u>		<u>\$ 261,646</u>		<u>\$ 377,160</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 5
 LITTLE WASHINGTON DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons	Number of Bills	Consumption, 100 Gallons	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	4,129	-	\$ 74.00	\$ 305,546	\$ 74.00	\$ 305,546
3/4	12	-	74.00	\$ 888	74.00	888
1	11	-	74.00	\$ 814	74.00	814
	<u>4,152</u>	<u>0</u>		<u>307,248</u>		<u>307,248</u>
1st block	-	141,450	0.5700	\$ 80,627	0.9600	\$ 135,792
Total Metered	4,152	141,450		\$ 387,875		\$ 443,040
<u>Residential Unmetered - Monthly</u>						
Customer Charge Unmetered	<u>12</u>	<u>-</u>	\$ 74.00	\$ 888	\$ 112.40	\$ 1,349
TOTAL RESIDENTIAL	<u><u>4,164</u></u>	<u><u>141,450</u></u>		<u><u>\$ 388,763</u></u>		<u><u>\$ 444,389</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 3
LAUREL LAKES DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge One Unit	2,348	-	\$ 44.00	\$ 103,312	\$ 46.00	\$ 108,008
1st block	-	<u>99,238</u>	0.1200	<u>\$ 11,909</u>	0.8500	<u>\$ 84,352</u>
Total Metered	2,348	99,238		\$ 115,221		\$ 192,360
<u>Residential - Unmetered Monthly</u>						
Customer Charge One Unit	24	-	\$ 44.00	<u>\$ 1,056</u>	\$ 71.50	<u>\$ 1,716</u>
TOTAL RESIDENTIAL	2,372	99,238		116,277		194,076
<u>Commercial - Unmetered Monthly</u>						
Customer Charge Three Unit	36	EDU's	\$ 44.00	<u>\$ 1,584</u>	\$ 71.50	<u>\$ 2,574</u>
TOTAL COMMERCIAL	<u>36</u>	-		<u>\$ 1,584</u>		<u>\$ 2,574</u>
TOTAL DIVISION	<u><u>2,408</u></u>	<u><u>99,238</u></u>		<u><u>\$ 117,861</u></u>		<u><u>\$ 196,650</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 3
 DEERFIELD KNOLL DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (3)	<u>Present Rate</u> (4)	<u>Present Revenue</u> (5)	<u>Settlement Rate</u> (6)	<u>Settlement Revenue</u> (7)
<u>Residential - Monthly</u>						
Customer Charge One Unit	1,426	-	\$ 45.00	\$ 64,170	\$ 46.00	\$ 65,596
1st block	-	<u>43,056</u>	0.3370	<u>\$ 14,510</u>	0.8500	<u>\$ 36,598</u>
Total Metered	<u>1,426</u>	<u>43,056</u>		<u>\$ 78,680</u>		<u>\$ 102,194</u>
TOTAL DIVISION	<u>1,426</u>	<u>43,056</u>		<u>\$ 78,680</u>		<u>\$ 102,194</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 6
CS WATER DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	15,505	-	\$ 26.96	\$ 418,015	\$ 39.64	\$ 614,618
1	12	-	26.96	324	39.64	476
	<u>15,517</u>	<u>-</u>		<u>418,339</u>		<u>615,094</u>
1st block	-	<u>203,180</u>	0.0500	<u>\$ 10,159</u>	0.1000	<u>\$ 20,318</u>
Total Metered	15,517	203,180		\$ 428,498		\$ 635,412
<u>Residential - Unmetered</u>						
Customer Charge Unmetered	61	-	\$ 26.96	\$ 1,645	\$ 43.64	\$ 2,662
<u>Residential - Availability</u>						
Customer Charge Availability	5,344	-	\$ 6.00	\$ 32,064	-	-
TOTAL RESIDENTIAL	<u>20,922</u>	<u>203,180</u>		<u>\$ 462,207</u>		<u>\$ 638,074</u>
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	12	-	\$ 26.96	\$ 324	\$ 43.64	\$ 524
1 1/2	12	-	26.96	324	43.64	524
2	72	-	26.96	1,941	43.64	3,142
Subtotal	<u>96</u>	<u>-</u>		<u>2,589</u>		<u>4,190</u>
1st block	-	<u>23,832</u>	0.0500	<u>\$ 1,192</u>	0.1000	<u>\$ 2,383</u>
Total Metered	96	23,832		\$ 3,781		\$ 6,573
<u>Commercial - Unmetered</u>						
Customer Charge Unmetered	12	-	\$ 26.96	\$ 324	\$ 43.64	\$ 524
TOTAL COMMERCIAL	<u>108</u>	<u>23,832</u>		<u>\$ 4,105</u>		<u>\$ 7,097</u>
TOTAL DIVISION	<u>21,030</u>	<u>227,012</u>		<u>\$ 466,312</u>		<u>\$ 645,171</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 4
 PEDDLERS VIEW DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (3)	<u>Present Rate</u> (4)	<u>Present Revenue</u> (5)	<u>Settlement Rate</u> (6)	<u>Settlement Revenue</u> (7)
<u>Residential - Monthly</u>						
Customer Charge One Unit	2,564	-	\$ 54.00	\$ 138,456	\$ 62.00	\$ 158,968
1st block	<u>-</u>	<u>104,629</u>	0.5050	<u>\$ 52,838</u>	0.9500	<u>\$ 99,398</u>
TOTAL DIVISION	<u>2,564</u>	<u>104,629</u>		<u>\$ 191,294</u>		<u>\$ 258,366</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 5
 THE GREENS AT PENN OAKS DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge 5/8	838	-	\$ 93.25	\$ 78,144	\$ 74.00	\$ 62,012
1st block	-	<u>29,548</u>	0.3750	<u>\$ 11,081</u>	0.9600	<u>\$ 28,366</u>
TOTAL RESIDENTIAL	838	29,548		\$ 89,225		\$ 90,378
<u>Commercial - Monthly</u>						
Customer Charge 3" - (5 units)	12	-	\$ 466.25	\$ 5,595	\$ 370.00	\$ 4,440
1st block	-	<u>9,409</u>	0.3750	<u>\$ 3,528</u>	0.9600	<u>\$ 9,033</u>
TOTAL COMMERCIAL	<u>12</u>	<u>9,409</u>		<u>\$ 9,123</u>		<u>\$ 13,473</u>
TOTAL DIVISION	<u><u>850</u></u>	<u><u>38,957</u></u>		<u><u>\$ 98,348</u></u>		<u><u>\$ 103,851</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 5, Special Charges
 NEWLIN GREEN DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	558	-	\$ 110.00	\$ 61,380	\$ 110.00	\$ 61,380
3/4	18	-	110.00	1,980	110.00	1,980
1	12	-	110.00	1,320	110.00	1,320
	<u>588</u>	<u>-</u>		<u>64,680</u>		<u>64,680</u>
1st block	<u>-</u>	<u>37,929</u>	0.7500	<u>\$ 28,447</u>	0.7500	<u>\$ 28,447</u>
TOTAL DIVISION	<u><u>588</u></u>	<u><u>37,929</u></u>		<u><u>\$ 93,127</u></u>		<u><u>\$ 93,127</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 3
WOODLOCH SPRINGS DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	4,835	-	\$ 47.00	\$ 227,245	\$ 46.00	\$ 222,410
1	<u>72</u>	-	47.00	<u>3,384</u>	46.00	<u>3,312</u>
Subtotal	4,907	-		230,629		225,722
All Consumption		96,790	0.1200	\$ 11,615	0.8500	\$ 82,272
Total Metered	4,907	96,790		\$ 242,244		\$ 307,994
<u>Residential - Unmetered</u>						
Customer Charge						
Unmetered	80	-	\$ 47.00	\$ 3,760	\$ 71.50	\$ 5,720
TOTAL RESIDENTIAL	<u>4,987</u>	<u>96,790</u>		<u>\$ 246,004</u>		<u>\$ 313,714</u>
<u>Commercial - Monthly</u>						
Customer Charge						
The Lodge at Woodloch (81 EDU)	12	0	\$ 3,807.00	\$ 45,684	\$ 5,791.50	\$ 69,498
Clubhouse Facilities (6 EDU's)	24	0	282.21	6,773	429.00	10,296
5/8	50	0	47.00	2,350	71.50	3,575
2	<u>12</u>	-	47.00	<u>564</u>	71.50	<u>858</u>
Subtotal	98	0		\$ 55,371		\$ 84,227
All Consumption	-	114,696	0.1200	\$ 13,764	-	\$ -
Subtotal	-	114,696		\$ 13,764		\$ -
TOTAL COMMERCIAL	<u>98</u>	<u>114,696</u>		<u>\$ 69,135</u>		<u>\$ 84,227</u>
TOTAL DIVISION	<u>5,085</u>	<u>211,486</u>		<u>\$ 315,139</u>		<u>\$ 397,941</u>

* The number of equivalent dwelling units (EDUs) to be billed for Non-Residential connections is determined by dividing the peak daily usage, based on measurements or reasonable estimates, by 230 gallons.

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 3
 STONY CREEK DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	231	-	\$ 45.00	\$ 10,395	\$ 46.00	\$ 10,626
1	2,315	-	45.00	104,175	46.00	106,490
1 1/2	12	-	45.00	540	46.00	552
	<u>2,558</u>	<u>-</u>		<u>115,110</u>		<u>117,668</u>
1st block	-	<u>63,812</u>	0.2900	<u>\$ 18,505</u>	0.8500	<u>\$ 54,240</u>
TOTAL DIVISION	<u>2,558</u>	<u>63,812</u>		<u>\$ 133,615</u>		<u>\$ 171,908</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 4
 NEW DALEVILLE DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (4)	<u>Present Rate</u> (5)	<u>Present Revenue</u> (6)	<u>Settlement Rate</u> (7)	<u>Settlement Revenue</u> (8)
<u>Residential - Monthly</u>						
Customer Charge One Unit	<u>1,272</u>	<u>-</u>	\$ 70.64	<u>\$ 89,875</u>	\$ 100.00	<u>\$ 127,230</u>
TOTAL DIVISION	<u><u>1,272</u></u>	<u>-</u>		<u><u>\$ 89,875</u></u>		<u><u>\$ 127,230</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 1A
VILLAGE AT VALLEY FORGE DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Commercial - Monthly</u>						
Customer Charge						
1	24	-	\$31.89	\$ 765	\$ 31.00	\$ 744
2	143	-	138.46	19,800	99.20	14,186
3	12	-	305.45	3,665	186.00	2,232
4	40	-	498.46	19,938	310.00	12,400
6	24	-	498.46	11,963	500.00	12,000
Subtotal	<u>243</u>	<u>-</u>		<u>\$ 56,131</u>		<u>\$ 41,562</u>
All Consumption		<u>351,184</u>	0.3500	<u>\$122,914</u>	0.6300	<u>\$221,246</u>
Subtotal Consumption		<u>351,184</u>		<u>\$122,914</u>		<u>\$221,246</u>
TOTAL DIVISION	<u>243</u>	<u>351,184</u>		<u>\$179,045</u>		<u>\$262,808</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 3
BEECH MOUNTAIN LAKES DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge One Unit	11,168	-	\$ 53.37	\$ 596,036	\$ 80.00	\$ 893,440
<u>Residential - Unmetered</u>						
Customer Charge Unmetered	66	-	\$ 53.37	\$ 3,496	\$ 80.00	\$ 5,240
TOTAL RESIDENTIAL	11,234	-		\$ 599,532		\$ 898,680
<u>Commercial - Monthly</u>						
Customer Charge One Unit	12	-	\$ 66.42	\$ 797	\$ 80.00	\$ 960
4 Units	24	-	265.68	6,376	320.00	7,680
11 Units	12	-	730.62	8,767	880.00	10,560
54 Units	12	-	3,586.68	43,040	4,320.00	51,840
Subtotal	<u>60</u>	<u>-</u>		<u>\$ 58,980</u>		<u>\$ 71,040</u>
TOTAL COMMERCIAL	60	-		\$ 58,980		\$ 71,040
TOTAL DIVISION	<u>11,294</u>	<u>-</u>		<u>\$ 658,512</u>		<u>\$ 969,720</u>

* Treatment Charge: shall be billed each Residential and Commercial usage customer monthly for each EDU as calculated by Butler Township Wastewater Division for the cost of sewage treatment by Butler Township Wastewater Division. The treatment charge shall be revised upward or downward, upon sixty days notice to the Public Utility Commission (PUC), based upon the per EDU charge billed by Butler Township Wastewater Division. The Company will file with the PUC official notification of any change to the treatment charge rate as approved by Butler Township Wastewater Division. The current EDU charge is \$45.00 per month.

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 4
LAKE HARMONY DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
One Unit	11,853	-	\$ 62.50	\$ 740,813	\$ 100.00	\$ 1,185,300
2U	84	-	125.00	10,500	200.00	16,800
3U	12	-	187.50	2,250	300.00	3,600
4U	24	-	250.00	6,000	400.00	9,600
6U	12	-	375.00	4,500	600.00	7,200
7U	12	-	437.50	5,250	700.00	8,400
16U	12	-	1,000.00	12,000	1,600.00	19,200
18U	12	-	1,125.00	13,500	1,800.00	21,600
25U	12	-	1,562.50	18,750	2,500.00	30,000
35U	-	-	2,187.50	-	3,500.00	-
Subtotal	<u>12,033</u>	<u>-</u>		<u>813,563</u>		<u>1,301,700</u>
TOTAL RESIDENTIAL	12,033	-		\$ 813,563		\$ 1,301,700
<u>Commercial - Monthly</u>						
Customer Charge						
One Unit	12	-	\$ 62.50	\$ 750	\$ 100.00	\$ 1,200
Split Rock Country Club (14U)	12	-	875.00	10,500	1,400.00	16,800
Remaining Uses (53U)	12	-	3,312.50	39,750	5,300.00	63,600
Westwood Condominium Assoc. (90U)	12	-	5,625.00	67,500	9,000.00	108,000
Willowbrook at Lake Harmony (128U)	12	-	8,000.00	96,000	12,800.00	153,600
The Galleria and the Water Park (145U)	<u>12</u>	<u>-</u>	<u>9,062.50</u>	<u>108,750</u>	<u>14,500.00</u>	<u>174,000</u>
Subtotal	72	-		\$ 323,250		\$ 517,200
TOTAL COMMERCIAL	<u>72</u>	<u>-</u>		\$ 323,250		\$ 517,200
TOTAL DIVISION	<u><u>12,105</u></u>	<u><u>-</u></u>		<u><u>\$ 1,136,813</u></u>		<u><u>\$ 1,818,900</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 1A
TREASURE LAKE DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge						
5/8	25,223	0	\$ 20.61	\$ 519,846	\$ 31.00	\$ 781,913
3/4	12	0	20.61	247	31.00	372
1	24	0	38.93	934	31.00	744
Subtotal	<u>25,259</u>	<u>0</u>		<u>\$ 521,027</u>		<u>\$ 783,029</u>
1st block		<u>765,132</u>	0.3750	<u>\$ 286,925</u>	0.6300	<u>\$ 482,033</u>
Subtotal Consumption		<u>765,132</u>		<u>\$ 286,925</u>		<u>\$ 482,033</u>
Total Metered	25,259	765,132		\$ 807,952		\$ 1,265,062
<u>Residential - Unmetered</u>						
Customer Charge Unmetered	331	-	\$ 33.70	\$ 11,155	\$ 56.20	\$ 18,602
<u>Residential - Availability</u>						
Customer Charge Unmetered	27,784	-	\$ 4.53	\$ 125,862	\$ -	\$ -
TOTAL RESIDENTIAL	<u>53,374</u>	<u>765,132</u>		<u>\$ 944,969</u>		<u>\$ 1,283,664</u>
<u>Commercial - Monthly</u>						
Customer Charge						
5/8	267	0	\$ 20.61	\$ 5,503	\$ 31.00	\$ 8,277
1	7	0	38.93	273	31.00	217
2	48	0	64.45	3,094	99.20	4,762
3	24	0	134.28	3,223	186.00	4,464
4	36	0	268.56	9,668	310.00	11,160
Subtotal	<u>382</u>	<u>0</u>		<u>\$ 21,761</u>		<u>\$ 28,880</u>
1st block		<u>120,978</u>	0.3750	<u>\$ 45,367</u>	0.6300	<u>\$ 76,216</u>
Subtotal Consumption		<u>120,978</u>		<u>\$ 45,367</u>		<u>\$ 76,216</u>
Total Metered	382	120,978		\$ 67,128		\$ 105,096
<u>Commercial - Unmetered</u>						
Customer Charge Unmetered	60	-	\$ 33.70	\$ 2,022	\$ 56.20	\$ 3,372
TOTAL COMMERCIAL	<u>442</u>	<u>120,978</u>		<u>\$ 69,150</u>		<u>\$ 108,468</u>
TOTAL DIVISION	<u>53,816</u>	<u>886,110</u>		<u>\$ 1,014,119</u>		<u>\$ 1,392,132</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 1B
PENN TOWNSHIP DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Consumption, 100 Gallons (6)	Settlement Rate (7)	Settlement Revenue (8)
<u>Residential - Quarterly</u>							
Customer Charge One Unit	3,148	144,496	\$ 67.50	\$ 212,490	95,055	\$ 93.00	\$ 292,764
Allowance 5,000/3,000 (proposed) 1st block	-	<u>165,334</u>	1.0500	\$ 173,601	<u>214,775</u>	1.0000	<u>\$ 214,775</u>
TOTAL RESIDENTIAL	3,148	309,830		\$ 386,091	309,830		\$ 507,539
<u>Commercial - Monthly</u>							
Customer Charge One Unit	507	16,915	\$ 67.50	\$ 34,223	-	\$ 67.50	\$ 34,223
Allowance 4,000/0 1st block	-	450,065	0.9500	\$ 427,562	<u>466,980</u>	1.0000	<u>\$ 466,980</u>
Total Metered Commercial	507	466,980		\$ 461,785	466,980		\$ 501,203
<u>Commercial - Unmetered Monthly</u>							
Customer Charge Unmetered	24	-	\$ 50.50	\$ 1,212		\$ 80.00	\$ 1,920
TOTAL COMMERCIAL	<u>531</u>	<u>466,980</u>		<u>\$ 462,997</u>			<u>\$ 503,123</u>
TOTAL DIVISION	<u><u>3,679</u></u>	<u><u>776,810</u></u>		<u><u>\$ 849,088</u></u>			<u><u>\$ 1,010,662</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 1A
 BUNKER HILL DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (3)	<u>Present Rate</u> (4)	<u>Present Revenue</u> (5)	<u>Settlement Rate</u> (6)	<u>Settlement Revenue</u> (7)
<u>Residential - Monthly</u>						
Customer Charge One Unit	<u>790</u>	<u>-</u>	\$ 31.92	<u>\$ 25,217</u>	\$ 56.20	<u>\$ 44,398</u>
TOTAL DIVISION	<u><u>790</u></u>	<u><u>-</u></u>		<u><u>\$ 25,217</u></u>		<u><u>\$ 44,398</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 4
 HONEYCROFT VILLAGE DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (3)	<u>Present Rate</u> (4)	<u>Present Revenue</u> (5)	<u>Settlement Rate</u> (6)	<u>Settlement Revenue</u> (7)
<u>Residential - Monthly</u>						
Customer Charge Flat Rate	1,250	-	\$ 66.67	\$83,338	\$100.00	\$125,000
<u>Commercial - Monthly</u>						
Customer Charge Honeycroft Clubhouse (7U)	<u>12</u>	<u>-</u>	\$ 466.69	<u>\$ 5,600</u>	\$700.00	<u>\$ 8,400</u>
TOTAL DIVISION	<u>1,262</u>	<u>-</u>		<u>\$88,938</u>		<u>\$133,400</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 2
 EMLENTON DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Monthly</u>						
Customer Charge EDUs	4,416	-	\$ 45.00	\$ 198,738	\$ 68.40	\$ 302,082
TOTAL RESIDENTIAL	4,416	-		\$ 198,738		\$ 302,082
<u>Commercial - Monthly</u>						
Customer Charge EDUs	1,007	-	\$ 45.00	\$ 45,333	\$ 68.40	\$ 68,906
Apartment Complex	12	-	1,260.00	15,120	1,915.20	22,982
TOTAL COMMERCIAL	1,019	-		\$ 60,453		\$ 91,888
TOTAL DIVISION	<u>5436</u>	<u>-</u>		<u>\$ 259,191</u>		<u>\$ 393,970</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 4
TOBYHANNA DIVISION
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Quarterly</u>						
Customer Charge Flat Rate	1,936	-	\$ 200.00	\$ 387,200	\$ 300.00	\$ 580,800
<u>Commercial - Quarterly</u>						
Customer Charge 5/8	276	21,565	\$ 200.00	\$ 55,200	\$ 186.00	\$ 51,336
1	45	8,526	200.00	9,000	186.00	8,370
1 1/2	23	4,290	200.00	4,600	186.00	4,278
3	52	10,408	200.00	10,400	186.00	9,672
	<u>396</u>	<u>44,789</u>		<u>\$ 79,200</u>		<u>\$ 73,656</u>
1st block Subtotal Metered	-	<u>23,195</u>	1.0000	<u>23,195</u>	0.9500	<u>64,585</u>
		<u>67,984</u>		<u>102,395</u>		<u>138,241</u>
<u>Commercial Unmetered - Quarterly</u>						
Customer Charge 5/8	<u>43</u>	<u>-</u>	\$ 200.00	\$ 8,600	\$ 300.00	\$ 12,900
TOTAL COMMERCIAL	<u>439</u>	<u>67,984</u>		<u>110,995</u>		<u>151,141</u>
TOTAL DIVISION	<u>2,375</u>	<u>67,984</u>		<u>\$ 498,195</u>		<u>\$ 731,941</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 5, Special Charges
 AVON GROVE SCHOOL DISTRICT DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u>	<u>Number of Bills</u>	<u>Consumption, 100 Gallons</u>	<u>Present Rate</u>	<u>Present Revenue</u>	<u>Settlement Rate</u>	<u>Settlement Revenue</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Commercial - Monthly</u>						
Flat Rate 6	<u>7</u>	<u>-</u>	\$ 6,625.00	<u>\$ 46,375</u>	\$ 8,281.30	<u>\$ 57,969</u>
TOTAL DIVISION	<u><u>7</u></u>	<u><u>-</u></u>		<u><u>\$ 46,375</u></u>		<u><u>\$ 57,969</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 5, Special Charges
 SAGE HILL DIVISION
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (3)	<u>Present Rate</u> (4)	<u>Present Revenue</u> (5)	<u>Settlement Rate</u> (6)	<u>Settlement Revenue</u> (7)
<u>Sage Hill - Monthly</u>						
Customer Charge Flat Rate	<u>251</u>	<u>-</u>	\$ 180.00	<u>\$45,180</u>	\$180.00	<u>\$45,180</u>
TOTAL DIVISION	<u><u>251</u></u>	<u><u>-</u></u>		<u><u>\$45,180</u></u>		<u><u>\$45,180</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER
CONTRACT SALES
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Woodloch Pines - Monthly</u>						
Flat Rate						
April '17 to December '17	9	-	\$ 23,383.51	\$ 210,452	\$ 25,552.00	\$ 229,968
January '18 to March '18	3	-	\$ 24,085.02	72,255	\$ 25,552.00	76,656
	<u>12</u>	<u>-</u>		<u>282,707</u>		<u>306,624</u>
TOTAL DIVISION	<u>12</u>	<u>-</u>		<u>\$ 282,707</u>		<u>\$ 306,624</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER
THIRD PARTY SALES
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Bulk - Monthly - Southdown Homes</u>						
Customer Charge All Usage	12	71,990	\$ 0.7490	53,921	\$ 0.9500	68,391
Total Southdown Homes	<u>12</u>	<u>71,990</u>		<u>53,921</u>		<u>68,391</u>
<u>Bulk - Quarterly - East Brandywine</u>						
Customer Charge Flat Rate	12		\$ 117.00	1,404	\$ 138.15	1,658
Total East Brandywine	<u>12</u>	<u>-</u>		<u>1,404</u>		<u>1,658</u>
<u>Bulk - Quarterly - Dennison</u>						
Customer Charge Flat Rate	399	-	\$ 87.00	\$ 34,713	\$ 138.15	\$ 55,122
Total Dennison	<u>399</u>	<u>-</u>		<u>\$ 34,713</u>		<u>\$ 55,122</u>
<u>Bulk - Quarterly - Upper Providence</u>						
Flat Rate						
April '17 to December '17	3	-	\$ 131,569.00	\$ 394,707	\$ 149,796.96	\$ 449,391
January '18 to March '18	1	-	\$ 132,723.00	132,723	\$ 149,796.96	149,797
	<u>4</u>	<u>-</u>		<u>527,430</u>		<u>599,188</u>
Total Upper Providence	<u>4</u>	<u>-</u>		<u>\$ 527,430</u>		<u>\$ 599,188</u>
<u>Bulk - Quarterly - Elwyn</u>						
Flat Rate						
April '17 to December '17	3	-	\$ 23,880.00	\$ 71,640	\$ 27,188.45	\$ 81,565
January '18 to March '18	1	-	\$ 24,089.00	24,089	\$ 27,188.45	27,188
	<u>4</u>	<u>-</u>		<u>95,729</u>		<u>108,753</u>
Total Elwyn	<u>4</u>	<u>-</u>		<u>\$ 95,729</u>		<u>\$ 108,753</u>
<u>Bulk - Quarterly - Foster Township</u>						
Customer Charge (EDUs)		EDU's				
Hickory Hills Customers	4	338	\$ 87.00	\$ 117,624	\$ 138.15	\$ 186,779
AgMar Customers	4	106	87.00	36,888	138.15	58,576
Valley Gorge Customers	4	35	87.00	12,180	138.15	19,341
Route 940 Customers	4	10	87.00	3,480	138.15	5,526
Subtotal	<u>16</u>	<u>489</u>		<u>170,172</u>		<u>270,222</u>
Total Foster Township	<u>16</u>	<u>489</u>		<u>\$ 170,172</u>		<u>\$ 270,222</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER
THIRD PARTY SALES
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Bulk - Quarterly - East Side</u>						
Customer Charge (EDUs)						
Flat Rate	367	-	\$ 115.00	\$ 42,205	\$ 138.15	\$ 50,701
Flat Rate	210	-	115.00	24,150	138.15	29,012
Availability	116	-	28.00	3,248	28.00	3,248
Availability	146	-	28.00	4,088	28.00	4,088
Subtotal	<u>839</u>	-		<u>73,691</u>		<u>87,049</u>
Total East Side	<u>839</u>	-		<u>\$ 73,691</u>		<u>\$ 87,049</u>
<u>Bulk - Monthly - Penn Lake</u>						
Customer Charge						
Flat Rate	<u>2,929</u>	-	\$ 29.00	\$ 84,941	\$ 46.05	\$ 134,880
Total Penn Lake	<u>2,929</u>	-		<u>\$ 84,941</u>		<u>\$ 134,880</u>
TOTAL BULK SALES				<u>\$ 1,042,001</u>		<u>\$ 1,325,263</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER
AVAILABILITY LOTS ADJUSTMENT
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

<u>Rate Block, 100 Gallons</u> (1)	<u>Number of Bills</u> (2)	<u>Consumption, 100 Gallons</u> (3)	<u>Present Rate</u> (4)	<u>Present Revenue</u> (5)	<u>Settlement Rate</u> (6)	<u>Settlement Revenue</u> (7)
<u>CS Water Division - Availability</u>						
Customer Charge Availability	(5,344)	-	\$ 6.00	\$ (32,064)	\$ -	\$ -
<u>Treasure Lake Residential - Availability</u>						
Customer Charge Availability	<u>(27,785)</u>	<u>-</u>	\$ 4.53	<u>\$ (125,866)</u>	\$ -	<u>\$ -</u>
Total	<u><u>(33,129)</u></u>	<u><u>-</u></u>		<u><u>\$ (157,930)</u></u>		<u><u>\$ -</u></u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 5, Special Charges
AVON GROVE SCHOOL DISTRICT DIVISION ADJUSTMENT
APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Commercial - Monthly</u>						
Flat Rate 6	5	-	\$ 6,625.00	\$ 33,125	\$ 8,281.30	\$ 41,407
TOTAL DIVISION	<u>5</u>	<u>-</u>		<u>\$ 33,125</u>		<u>\$ 41,407</u>

AQUA PENNSYLVANIA, INC.
WASTEWATER - RATE ZONE 4
 TOBYHANNA DIVISION ADJUSTMENT
 APPLICATION OF PRESENT AND SETTLEMENT RATES TO CONSUMPTION ANALYSIS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2018

Rate Block, 100 Gallons (1)	Number of Bills (2)	Consumption, 100 Gallons (3)	Present Rate (4)	Present Revenue (5)	Settlement Rate (6)	Settlement Revenue (7)
<u>Residential - Quarterly</u>						
Customer Charge Fixed Charge	645	-	\$ 200.00	\$ 129,067	\$ 300.00	\$ 193,600
<u>Commercial - Quarterly</u>						
Customer Charge 5/8	92	7,188	\$ 200.00	\$ 18,400	\$ 186.00	\$ 17,112
1	15	2,842	200.00	3,000	186.00	2,790
1 1/2	8	1,430	200.00	1,533	186.00	1,426
3	17	3,469	200.00	3,467	186.00	3,224
	<u>132</u>	<u>14,930</u>		<u>\$ 26,400</u>		<u>\$ 24,552</u>
1st block	-	7,732	1.0000	7,732	0.9500	21,528
<u>Commercial Unmetered - Quarterly</u>						
Customer Charge 5/8	14	-	\$ 200.00	\$ 2,867	\$ 300.00	\$ 4,300
Total Commercial	<u>146</u>	<u>22,661</u>		<u>36,999</u>		<u>50,380</u>
TOTAL DIVISION	<u><u>792</u></u>	<u><u>22,661</u></u>		<u><u>\$ 166,066</u></u>		<u><u>\$ 243,980</u></u>

AQUA PENNSYLVANIA INC.
INSIDE PINECREST DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
FLAT RATE

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
1,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
2,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
3,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
4,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
5,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
6,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
7,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
8,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
9,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
10,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
11,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
12,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
13,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
14,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
15,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
16,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
17,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
18,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
19,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
20,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
25,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
30,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
35,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
40,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
45,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
50,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
60,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
70,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
80,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
90,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
100,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
110,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
120,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
130,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
140,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
150,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
160,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
170,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%
180,000	\$ 44.05	\$ 68.40	\$ 24.35	55.29%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
WILLISTOWN WOODS DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 45.15	\$ 46.00	\$ 0.85	1.88%
1,000	\$ 48.30	\$ 54.50	\$ 6.20	12.84%
2,000	\$ 51.45	\$ 63.00	\$ 11.55	22.45%
3,000	\$ 54.60	\$ 71.50	\$ 16.90	30.95%
4,000	\$ 57.75	\$ 80.00	\$ 22.25	38.53%
5,000	\$ 60.90	\$ 88.50	\$ 27.60	45.32%
6,000	\$ 64.05	\$ 97.00	\$ 32.95	51.44%
7,000	\$ 67.20	\$ 105.50	\$ 38.30	56.99%
8,000	\$ 70.35	\$ 114.00	\$ 43.65	62.05%
9,000	\$ 73.50	\$ 122.50	\$ 49.00	66.67%
10,000	\$ 76.65	\$ 131.00	\$ 54.35	70.91%
11,000	\$ 79.80	\$ 139.50	\$ 59.70	74.81%
12,000	\$ 82.95	\$ 148.00	\$ 65.05	78.42%
13,000	\$ 86.10	\$ 156.50	\$ 70.40	81.77%
14,000	\$ 89.25	\$ 165.00	\$ 75.75	84.87%
15,000	\$ 92.40	\$ 173.50	\$ 81.10	87.77%
16,000	\$ 95.55	\$ 182.00	\$ 86.45	90.48%
17,000	\$ 98.70	\$ 190.50	\$ 91.80	93.01%
18,000	\$ 101.85	\$ 199.00	\$ 97.15	95.39%
19,000	\$ 105.00	\$ 207.50	\$ 102.50	97.62%
20,000	\$ 108.15	\$ 216.00	\$ 107.85	99.72%
25,000	\$ 123.90	\$ 258.50	\$ 134.60	108.64%
30,000	\$ 139.65	\$ 301.00	\$ 161.35	115.54%
35,000	\$ 155.40	\$ 343.50	\$ 188.10	121.04%
40,000	\$ 171.15	\$ 386.00	\$ 214.85	125.53%
45,000	\$ 186.90	\$ 428.50	\$ 241.60	129.27%
50,000	\$ 202.65	\$ 471.00	\$ 268.35	132.42%
60,000	\$ 234.15	\$ 556.00	\$ 321.85	137.45%
70,000	\$ 265.65	\$ 641.00	\$ 375.35	141.29%
80,000	\$ 297.15	\$ 726.00	\$ 428.85	144.32%
90,000	\$ 328.65	\$ 811.00	\$ 482.35	146.77%
100,000	\$ 360.15	\$ 896.00	\$ 535.85	148.79%
110,000	\$ 391.65	\$ 981.00	\$ 589.35	150.48%
120,000	\$ 423.15	\$ 1,066.00	\$ 642.85	151.92%
130,000	\$ 454.65	\$ 1,151.00	\$ 696.35	153.16%
140,000	\$ 486.15	\$ 1,236.00	\$ 749.85	154.24%
150,000	\$ 517.65	\$ 1,321.00	\$ 803.35	155.19%
160,000	\$ 549.15	\$ 1,406.00	\$ 856.85	156.03%
170,000	\$ 580.65	\$ 1,491.00	\$ 910.35	156.78%
180,000	\$ 612.15	\$ 1,576.00	\$ 963.85	157.45%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
LINKS AT GETTYSBURG DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER			
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	INCREASE AMOUNT (4)	INCREASE PERCENT (5)
0	\$ 46.20	\$ 46.00	\$ (0.20)	-0.43%
1,000	\$ 52.64	\$ 54.50	\$ 1.86	3.54%
2,000	\$ 59.07	\$ 63.00	\$ 3.93	6.65%
3,000	\$ 65.51	\$ 71.50	\$ 5.99	9.14%
4,000	\$ 71.95	\$ 80.00	\$ 8.05	11.19%
5,000	\$ 78.38	\$ 88.50	\$ 10.12	12.91%
6,000	\$ 84.82	\$ 97.00	\$ 12.18	14.36%
7,000	\$ 91.26	\$ 105.50	\$ 14.24	15.61%
8,000	\$ 97.69	\$ 114.00	\$ 16.31	16.69%
9,000	\$ 104.13	\$ 122.50	\$ 18.37	17.64%
10,000	\$ 110.57	\$ 131.00	\$ 20.44	18.48%
11,000	\$ 117.00	\$ 139.50	\$ 22.50	19.23%
12,000	\$ 123.44	\$ 148.00	\$ 24.56	19.90%
13,000	\$ 129.87	\$ 156.50	\$ 26.63	20.50%
14,000	\$ 136.31	\$ 165.00	\$ 28.69	21.05%
15,000	\$ 142.75	\$ 173.50	\$ 30.75	21.54%
16,000	\$ 149.18	\$ 182.00	\$ 32.82	22.00%
17,000	\$ 155.62	\$ 190.50	\$ 34.88	22.41%
18,000	\$ 162.06	\$ 199.00	\$ 36.94	22.80%
19,000	\$ 168.49	\$ 207.50	\$ 39.01	23.15%
20,000	\$ 174.93	\$ 216.00	\$ 41.07	23.48%
25,000	\$ 207.11	\$ 258.50	\$ 51.39	24.81%
30,000	\$ 239.30	\$ 301.00	\$ 61.71	25.79%
35,000	\$ 271.48	\$ 343.50	\$ 72.02	26.53%
40,000	\$ 303.66	\$ 386.00	\$ 82.34	27.12%
45,000	\$ 335.84	\$ 428.50	\$ 92.66	27.59%
50,000	\$ 368.03	\$ 471.00	\$ 102.98	27.98%
60,000	\$ 432.39	\$ 556.00	\$ 123.61	28.59%
70,000	\$ 496.76	\$ 641.00	\$ 144.25	29.04%
80,000	\$ 561.12	\$ 726.00	\$ 164.88	29.38%
90,000	\$ 625.49	\$ 811.00	\$ 185.52	29.66%
100,000	\$ 689.85	\$ 896.00	\$ 206.15	29.88%
110,000	\$ 754.22	\$ 981.00	\$ 226.79	30.07%
120,000	\$ 818.58	\$ 1,066.00	\$ 247.42	30.23%
130,000	\$ 882.95	\$ 1,151.00	\$ 268.06	30.36%
140,000	\$ 947.31	\$ 1,236.00	\$ 288.69	30.47%
150,000	\$ 1,011.68	\$ 1,321.00	\$ 309.33	30.58%
160,000	\$ 1,076.04	\$ 1,406.00	\$ 329.96	30.66%
170,000	\$ 1,140.41	\$ 1,491.00	\$ 350.60	30.74%
180,000	\$ 1,204.77	\$ 1,576.00	\$ 371.23	30.81%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
EAST BRADFORD DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 63.00	\$ 74.00	\$ 11.00	17.46%
1,000	\$ 71.04	\$ 83.60	\$ 12.56	17.68%
2,000	\$ 79.09	\$ 93.20	\$ 14.11	17.85%
3,000	\$ 87.13	\$ 102.80	\$ 15.67	17.99%
4,000	\$ 95.17	\$ 112.40	\$ 17.23	18.10%
5,000	\$ 103.22	\$ 122.00	\$ 18.79	18.20%
6,000	\$ 111.26	\$ 131.60	\$ 20.34	18.28%
7,000	\$ 119.30	\$ 141.20	\$ 21.90	18.36%
8,000	\$ 127.34	\$ 150.80	\$ 23.46	18.42%
9,000	\$ 135.39	\$ 160.40	\$ 25.01	18.48%
10,000	\$ 143.43	\$ 170.00	\$ 26.57	18.52%
11,000	\$ 151.47	\$ 179.60	\$ 28.13	18.57%
12,000	\$ 159.52	\$ 189.20	\$ 29.68	18.61%
13,000	\$ 167.56	\$ 198.80	\$ 31.24	18.64%
14,000	\$ 175.60	\$ 208.40	\$ 32.80	18.68%
15,000	\$ 183.65	\$ 218.00	\$ 34.36	18.71%
16,000	\$ 191.69	\$ 227.60	\$ 35.91	18.73%
17,000	\$ 199.73	\$ 237.20	\$ 37.47	18.76%
18,000	\$ 207.77	\$ 246.80	\$ 39.03	18.78%
19,000	\$ 215.82	\$ 256.40	\$ 40.58	18.80%
20,000	\$ 223.86	\$ 266.00	\$ 42.14	18.82%
25,000	\$ 264.08	\$ 314.00	\$ 49.93	18.91%
30,000	\$ 304.29	\$ 362.00	\$ 57.71	18.97%
35,000	\$ 344.51	\$ 410.00	\$ 65.50	19.01%
40,000	\$ 384.72	\$ 458.00	\$ 73.28	19.05%
45,000	\$ 424.94	\$ 506.00	\$ 81.07	19.08%
50,000	\$ 465.15	\$ 554.00	\$ 88.85	19.10%
60,000	\$ 545.58	\$ 650.00	\$ 104.42	19.14%
70,000	\$ 626.01	\$ 746.00	\$ 119.99	19.17%
80,000	\$ 706.44	\$ 842.00	\$ 135.56	19.19%
90,000	\$ 786.87	\$ 938.00	\$ 151.13	19.21%
100,000	\$ 867.30	\$ 1,034.00	\$ 166.70	19.22%
110,000	\$ 947.73	\$ 1,130.00	\$ 182.27	19.23%
120,000	\$ 1,028.16	\$ 1,226.00	\$ 197.84	19.24%
130,000	\$ 1,108.59	\$ 1,322.00	\$ 213.41	19.25%
140,000	\$ 1,189.02	\$ 1,418.00	\$ 228.98	19.26%
150,000	\$ 1,269.45	\$ 1,514.00	\$ 244.55	19.26%
160,000	\$ 1,349.88	\$ 1,610.00	\$ 260.12	19.27%
170,000	\$ 1,430.31	\$ 1,706.00	\$ 275.69	19.27%
180,000	\$ 1,510.74	\$ 1,802.00	\$ 291.26	19.28%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
TWIN HILLS DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 56.70	\$ 62.00	\$ 5.30	9.35%
1,000	\$ 59.90	\$ 71.50	\$ 11.60	19.36%
2,000	\$ 63.11	\$ 81.00	\$ 17.90	28.36%
3,000	\$ 66.31	\$ 90.50	\$ 24.19	36.49%
4,000	\$ 69.51	\$ 100.00	\$ 30.49	43.86%
5,000	\$ 72.71	\$ 109.50	\$ 36.79	50.59%
6,000	\$ 75.92	\$ 119.00	\$ 43.09	56.75%
7,000	\$ 79.12	\$ 128.50	\$ 49.38	62.42%
8,000	\$ 82.32	\$ 138.00	\$ 55.68	67.64%
9,000	\$ 85.52	\$ 147.50	\$ 61.98	72.47%
10,000	\$ 88.73	\$ 157.00	\$ 68.28	76.95%
11,000	\$ 91.93	\$ 166.50	\$ 74.57	81.12%
12,000	\$ 95.13	\$ 176.00	\$ 80.87	85.01%
13,000	\$ 98.33	\$ 185.50	\$ 87.17	88.65%
14,000	\$ 101.54	\$ 195.00	\$ 93.47	92.05%
15,000	\$ 104.74	\$ 204.50	\$ 99.76	95.25%
16,000	\$ 107.94	\$ 214.00	\$ 106.06	98.26%
17,000	\$ 111.14	\$ 223.50	\$ 112.36	101.09%
18,000	\$ 114.35	\$ 233.00	\$ 118.66	103.77%
19,000	\$ 117.55	\$ 242.50	\$ 124.95	106.30%
20,000	\$ 120.75	\$ 252.00	\$ 131.25	108.70%
25,000	\$ 136.76	\$ 299.50	\$ 162.74	118.99%
30,000	\$ 152.78	\$ 347.00	\$ 194.23	127.13%
35,000	\$ 168.79	\$ 394.50	\$ 225.71	133.73%
40,000	\$ 184.80	\$ 442.00	\$ 257.20	139.18%
45,000	\$ 200.81	\$ 489.50	\$ 288.69	143.76%
50,000	\$ 216.83	\$ 537.00	\$ 320.18	147.67%
60,000	\$ 248.85	\$ 632.00	\$ 383.15	153.97%
70,000	\$ 280.88	\$ 727.00	\$ 446.13	158.83%
80,000	\$ 312.90	\$ 822.00	\$ 509.10	162.70%
90,000	\$ 344.93	\$ 917.00	\$ 572.08	165.85%
100,000	\$ 376.95	\$ 1,012.00	\$ 635.05	168.47%
110,000	\$ 408.98	\$ 1,107.00	\$ 698.03	170.68%
120,000	\$ 441.00	\$ 1,202.00	\$ 761.00	172.56%
130,000	\$ 473.03	\$ 1,297.00	\$ 823.98	174.19%
140,000	\$ 505.05	\$ 1,392.00	\$ 886.95	175.62%
150,000	\$ 537.08	\$ 1,487.00	\$ 949.93	176.87%
160,000	\$ 569.10	\$ 1,582.00	\$ 1,012.90	177.98%
170,000	\$ 601.13	\$ 1,677.00	\$ 1,075.88	178.98%
180,000	\$ 633.15	\$ 1,772.00	\$ 1,138.85	179.87%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
PLUMSTOCK DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 63.00	\$ 74.00	\$ 11.00	17.46%
1,000	\$ 71.31	\$ 83.60	\$ 12.29	17.24%
2,000	\$ 79.61	\$ 93.20	\$ 13.59	17.07%
3,000	\$ 87.92	\$ 102.80	\$ 14.88	16.93%
4,000	\$ 96.22	\$ 112.40	\$ 16.18	16.81%
5,000	\$ 104.53	\$ 122.00	\$ 17.47	16.72%
6,000	\$ 112.83	\$ 131.60	\$ 18.77	16.63%
7,000	\$ 121.14	\$ 141.20	\$ 20.06	16.56%
8,000	\$ 129.44	\$ 150.80	\$ 21.36	16.50%
9,000	\$ 137.75	\$ 160.40	\$ 22.65	16.44%
10,000	\$ 146.06	\$ 170.00	\$ 23.95	16.39%
11,000	\$ 154.36	\$ 179.60	\$ 25.24	16.35%
12,000	\$ 162.67	\$ 189.20	\$ 26.53	16.31%
13,000	\$ 170.97	\$ 198.80	\$ 27.83	16.28%
14,000	\$ 179.28	\$ 208.40	\$ 29.12	16.24%
15,000	\$ 187.58	\$ 218.00	\$ 30.42	16.22%
16,000	\$ 195.89	\$ 227.60	\$ 31.71	16.19%
17,000	\$ 204.19	\$ 237.20	\$ 33.01	16.16%
18,000	\$ 212.50	\$ 246.80	\$ 34.30	16.14%
19,000	\$ 220.80	\$ 256.40	\$ 35.60	16.12%
20,000	\$ 229.11	\$ 266.00	\$ 36.89	16.10%
25,000	\$ 270.64	\$ 314.00	\$ 43.36	16.02%
30,000	\$ 312.17	\$ 362.00	\$ 49.84	15.96%
35,000	\$ 353.69	\$ 410.00	\$ 56.31	15.92%
40,000	\$ 395.22	\$ 458.00	\$ 62.78	15.88%
45,000	\$ 436.75	\$ 506.00	\$ 69.25	15.86%
50,000	\$ 478.28	\$ 554.00	\$ 75.73	15.83%
60,000	\$ 561.33	\$ 650.00	\$ 88.67	15.80%
70,000	\$ 644.39	\$ 746.00	\$ 101.62	15.77%
80,000	\$ 727.44	\$ 842.00	\$ 114.56	15.75%
90,000	\$ 810.50	\$ 938.00	\$ 127.51	15.73%
100,000	\$ 893.55	\$ 1,034.00	\$ 140.45	15.72%
110,000	\$ 976.61	\$ 1,130.00	\$ 153.40	15.71%
120,000	\$ 1,059.66	\$ 1,226.00	\$ 166.34	15.70%
130,000	\$ 1,142.72	\$ 1,322.00	\$ 179.29	15.69%
140,000	\$ 1,225.77	\$ 1,418.00	\$ 192.23	15.68%
150,000	\$ 1,308.83	\$ 1,514.00	\$ 205.18	15.68%
160,000	\$ 1,391.88	\$ 1,610.00	\$ 218.12	15.67%
170,000	\$ 1,474.94	\$ 1,706.00	\$ 231.07	15.67%
180,000	\$ 1,557.99	\$ 1,802.00	\$ 244.01	15.66%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
MEDIA DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 16.75	\$ 31.00	\$ 14.25	85.10%
1,000	\$ 22.81	\$ 38.60	\$ 15.79	69.25%
2,000	\$ 28.86	\$ 46.20	\$ 17.34	60.06%
3,000	\$ 34.92	\$ 53.80	\$ 18.88	54.05%
4,000	\$ 40.98	\$ 61.40	\$ 20.42	49.82%
5,000	\$ 47.04	\$ 69.00	\$ 21.96	46.68%
6,000	\$ 53.10	\$ 76.60	\$ 23.50	44.26%
7,000	\$ 59.16	\$ 84.20	\$ 25.04	42.33%
8,000	\$ 65.22	\$ 91.80	\$ 26.58	40.76%
9,000	\$ 71.27	\$ 99.40	\$ 28.13	39.46%
10,000	\$ 77.33	\$ 107.00	\$ 29.67	38.36%
11,000	\$ 83.39	\$ 114.60	\$ 31.21	37.42%
12,000	\$ 89.45	\$ 122.20	\$ 32.75	36.61%
13,000	\$ 95.51	\$ 129.80	\$ 34.29	35.90%
14,000	\$ 101.57	\$ 137.40	\$ 35.83	35.28%
15,000	\$ 107.63	\$ 145.00	\$ 37.38	34.73%
16,000	\$ 113.68	\$ 152.60	\$ 38.92	34.23%
17,000	\$ 119.74	\$ 160.20	\$ 40.46	33.79%
18,000	\$ 125.80	\$ 167.80	\$ 42.00	33.39%
19,000	\$ 131.86	\$ 175.40	\$ 43.54	33.02%
20,000	\$ 137.92	\$ 183.00	\$ 45.08	32.69%
25,000	\$ 168.21	\$ 221.00	\$ 52.79	31.38%
30,000	\$ 198.50	\$ 259.00	\$ 60.50	30.48%
35,000	\$ 228.80	\$ 297.00	\$ 68.21	29.81%
40,000	\$ 259.09	\$ 335.00	\$ 75.91	29.30%
45,000	\$ 289.38	\$ 373.00	\$ 83.62	28.90%
50,000	\$ 319.67	\$ 411.00	\$ 91.33	28.57%
60,000	\$ 380.26	\$ 487.00	\$ 106.74	28.07%
70,000	\$ 440.84	\$ 563.00	\$ 122.16	27.71%
80,000	\$ 501.43	\$ 639.00	\$ 137.57	27.44%
90,000	\$ 562.01	\$ 715.00	\$ 152.99	27.22%
100,000	\$ 622.60	\$ 791.00	\$ 168.40	27.05%
110,000	\$ 683.18	\$ 867.00	\$ 183.82	26.91%
120,000	\$ 743.77	\$ 943.00	\$ 199.23	26.79%
130,000	\$ 804.35	\$ 1,019.00	\$ 214.65	26.69%
140,000	\$ 864.94	\$ 1,095.00	\$ 230.06	26.60%
150,000	\$ 925.52	\$ 1,171.00	\$ 245.48	26.52%
160,000	\$ 986.11	\$ 1,247.00	\$ 260.89	26.46%
170,000	\$ 1,046.69	\$ 1,323.00	\$ 276.31	26.40%
180,000	\$ 1,107.28	\$ 1,399.00	\$ 291.72	26.35%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
WHITE HAVEN DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 43.42	\$ 36.00	\$ (7.42)	-17.08%
1,000	\$ 44.68	\$ 44.10	\$ (0.58)	-1.29%
2,000	\$ 45.94	\$ 52.20	\$ 6.26	13.63%
3,000	\$ 47.20	\$ 60.30	\$ 13.10	27.76%
4,000	\$ 48.46	\$ 68.40	\$ 19.94	41.15%
5,000	\$ 49.72	\$ 76.50	\$ 26.78	53.87%
6,000	\$ 50.98	\$ 84.60	\$ 33.62	65.96%
7,000	\$ 52.24	\$ 92.70	\$ 40.46	77.46%
8,000	\$ 53.50	\$ 100.80	\$ 47.30	88.42%
9,000	\$ 54.76	\$ 108.90	\$ 54.14	98.88%
10,000	\$ 56.02	\$ 117.00	\$ 60.98	108.86%
11,000	\$ 57.28	\$ 125.10	\$ 67.82	118.41%
12,000	\$ 58.54	\$ 133.20	\$ 74.66	127.55%
13,000	\$ 59.80	\$ 141.30	\$ 81.50	136.30%
14,000	\$ 61.06	\$ 149.40	\$ 88.34	144.69%
15,000	\$ 62.32	\$ 157.50	\$ 95.18	152.74%
16,000	\$ 63.58	\$ 165.60	\$ 102.02	160.47%
17,000	\$ 64.84	\$ 173.70	\$ 108.86	167.90%
18,000	\$ 66.10	\$ 181.80	\$ 115.70	175.05%
19,000	\$ 67.36	\$ 189.90	\$ 122.54	181.93%
20,000	\$ 68.62	\$ 198.00	\$ 129.38	188.56%
25,000	\$ 74.92	\$ 238.50	\$ 163.58	218.35%
30,000	\$ 81.22	\$ 279.00	\$ 197.78	243.52%
35,000	\$ 87.52	\$ 319.50	\$ 231.98	265.07%
40,000	\$ 93.82	\$ 360.00	\$ 266.18	283.72%
45,000	\$ 100.12	\$ 400.50	\$ 300.38	300.03%
50,000	\$ 106.42	\$ 441.00	\$ 334.58	314.41%
60,000	\$ 119.02	\$ 522.00	\$ 402.98	338.59%
70,000	\$ 131.62	\$ 603.00	\$ 471.38	358.15%
80,000	\$ 144.22	\$ 684.00	\$ 539.78	374.28%
90,000	\$ 156.82	\$ 765.00	\$ 608.18	387.83%
100,000	\$ 169.42	\$ 846.00	\$ 676.58	399.36%
110,000	\$ 182.02	\$ 927.00	\$ 744.98	409.29%
120,000	\$ 194.62	\$ 1,008.00	\$ 813.38	417.94%
130,000	\$ 207.22	\$ 1,089.00	\$ 881.78	425.53%
140,000	\$ 219.82	\$ 1,170.00	\$ 950.18	432.26%
150,000	\$ 232.42	\$ 1,251.00	\$ 1,018.58	438.26%
160,000	\$ 245.02	\$ 1,332.00	\$ 1,086.98	443.63%
170,000	\$ 257.62	\$ 1,413.00	\$ 1,155.38	448.49%
180,000	\$ 270.22	\$ 1,494.00	\$ 1,223.78	452.89%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
WHITE HAVEN DIVISION - KIDDER TOWNSHIP
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 65.63	\$ 36.00	\$ (29.63)	-45.14%
1,000	\$ 66.89	\$ 44.10	\$ (22.79)	-34.07%
2,000	\$ 68.15	\$ 52.20	\$ (15.95)	-23.40%
3,000	\$ 69.41	\$ 60.30	\$ (9.11)	-13.12%
4,000	\$ 70.67	\$ 68.40	\$ (2.26)	-3.21%
5,000	\$ 71.93	\$ 76.50	\$ 4.58	6.36%
6,000	\$ 73.19	\$ 84.60	\$ 11.42	15.60%
7,000	\$ 74.45	\$ 92.70	\$ 18.26	24.52%
8,000	\$ 75.71	\$ 100.80	\$ 25.10	33.15%
9,000	\$ 76.97	\$ 108.90	\$ 31.94	41.49%
10,000	\$ 78.23	\$ 117.00	\$ 38.78	49.57%
11,000	\$ 79.49	\$ 125.10	\$ 45.62	57.39%
12,000	\$ 80.75	\$ 133.20	\$ 52.46	64.96%
13,000	\$ 82.01	\$ 141.30	\$ 59.30	72.31%
14,000	\$ 83.27	\$ 149.40	\$ 66.14	79.43%
15,000	\$ 84.53	\$ 157.50	\$ 72.98	86.34%
16,000	\$ 85.79	\$ 165.60	\$ 79.82	93.04%
17,000	\$ 87.05	\$ 173.70	\$ 86.66	99.55%
18,000	\$ 88.31	\$ 181.80	\$ 93.50	105.88%
19,000	\$ 89.57	\$ 189.90	\$ 100.34	112.02%
20,000	\$ 90.83	\$ 198.00	\$ 107.18	118.00%
25,000	\$ 97.13	\$ 238.50	\$ 141.38	145.56%
30,000	\$ 103.43	\$ 279.00	\$ 175.58	169.76%
35,000	\$ 109.73	\$ 319.50	\$ 209.78	191.18%
40,000	\$ 116.03	\$ 360.00	\$ 243.98	210.28%
45,000	\$ 122.33	\$ 400.50	\$ 278.18	227.41%
50,000	\$ 128.63	\$ 441.00	\$ 312.38	242.86%
60,000	\$ 141.23	\$ 522.00	\$ 380.78	269.62%
70,000	\$ 153.83	\$ 603.00	\$ 449.18	292.00%
80,000	\$ 166.43	\$ 684.00	\$ 517.58	311.00%
90,000	\$ 179.03	\$ 765.00	\$ 585.98	327.31%
100,000	\$ 191.63	\$ 846.00	\$ 654.38	341.49%
110,000	\$ 204.23	\$ 927.00	\$ 722.78	353.91%
120,000	\$ 216.83	\$ 1,008.00	\$ 791.18	364.89%
130,000	\$ 229.43	\$ 1,089.00	\$ 859.58	374.66%
140,000	\$ 242.03	\$ 1,170.00	\$ 927.98	383.42%
150,000	\$ 254.63	\$ 1,251.00	\$ 996.38	391.31%
160,000	\$ 267.23	\$ 1,332.00	\$ 1,064.78	398.46%
170,000	\$ 279.83	\$ 1,413.00	\$ 1,133.18	404.96%
180,000	\$ 292.43	\$ 1,494.00	\$ 1,201.58	410.90%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
BRIDLEWOOD DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 37.80	\$ 31.00	\$ (6.80)	-17.99%
1,000	\$ 39.40	\$ 38.60	\$ (0.80)	-2.02%
2,000	\$ 40.99	\$ 46.20	\$ 5.21	12.70%
3,000	\$ 42.59	\$ 53.80	\$ 11.21	26.33%
4,000	\$ 44.18	\$ 61.40	\$ 17.22	38.96%
5,000	\$ 45.78	\$ 69.00	\$ 23.22	50.72%
6,000	\$ 47.38	\$ 76.60	\$ 29.22	61.69%
7,000	\$ 48.97	\$ 84.20	\$ 35.23	71.93%
8,000	\$ 50.57	\$ 91.80	\$ 41.23	81.54%
9,000	\$ 52.16	\$ 99.40	\$ 47.24	90.55%
10,000	\$ 53.76	\$ 107.00	\$ 53.24	99.03%
11,000	\$ 55.36	\$ 114.60	\$ 59.24	107.02%
12,000	\$ 56.95	\$ 122.20	\$ 65.25	114.57%
13,000	\$ 58.55	\$ 129.80	\$ 71.25	121.70%
14,000	\$ 60.14	\$ 137.40	\$ 77.26	128.45%
15,000	\$ 61.74	\$ 145.00	\$ 83.26	134.86%
16,000	\$ 63.34	\$ 152.60	\$ 89.26	140.94%
17,000	\$ 64.93	\$ 160.20	\$ 95.27	146.72%
18,000	\$ 66.53	\$ 167.80	\$ 101.27	152.22%
19,000	\$ 68.12	\$ 175.40	\$ 107.28	157.47%
20,000	\$ 69.72	\$ 183.00	\$ 113.28	162.48%
25,000	\$ 77.70	\$ 221.00	\$ 143.30	184.43%
30,000	\$ 85.68	\$ 259.00	\$ 173.32	202.29%
35,000	\$ 93.66	\$ 297.00	\$ 203.34	217.10%
40,000	\$ 101.64	\$ 335.00	\$ 233.36	229.59%
45,000	\$ 109.62	\$ 373.00	\$ 263.38	240.27%
50,000	\$ 117.60	\$ 411.00	\$ 293.40	249.49%
60,000	\$ 133.56	\$ 487.00	\$ 353.44	264.63%
70,000	\$ 149.52	\$ 563.00	\$ 413.48	276.54%
80,000	\$ 165.48	\$ 639.00	\$ 473.52	286.15%
90,000	\$ 181.44	\$ 715.00	\$ 533.56	294.07%
100,000	\$ 197.40	\$ 791.00	\$ 593.60	300.71%
110,000	\$ 213.36	\$ 867.00	\$ 653.64	306.36%
120,000	\$ 229.32	\$ 943.00	\$ 713.68	311.22%
130,000	\$ 245.28	\$ 1,019.00	\$ 773.72	315.44%
140,000	\$ 261.24	\$ 1,095.00	\$ 833.76	319.15%
150,000	\$ 277.20	\$ 1,171.00	\$ 893.80	322.44%
160,000	\$ 293.16	\$ 1,247.00	\$ 953.84	325.36%
170,000	\$ 309.12	\$ 1,323.00	\$ 1,013.88	327.99%
180,000	\$ 325.08	\$ 1,399.00	\$ 1,073.92	330.36%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
EAGLE ROCK DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 37.28	\$ 31.00	\$ (6.28)	-16.83%
1,000	\$ 38.54	\$ 38.60	\$ 0.06	0.17%
2,000	\$ 39.80	\$ 46.20	\$ 6.41	16.09%
3,000	\$ 41.06	\$ 53.80	\$ 12.75	31.04%
4,000	\$ 42.32	\$ 61.40	\$ 19.09	45.10%
5,000	\$ 43.58	\$ 69.00	\$ 25.43	58.35%
6,000	\$ 44.84	\$ 76.60	\$ 31.77	70.85%
7,000	\$ 46.10	\$ 84.20	\$ 38.11	82.67%
8,000	\$ 47.36	\$ 91.80	\$ 44.45	93.85%
9,000	\$ 48.62	\$ 99.40	\$ 50.79	104.46%
10,000	\$ 49.88	\$ 107.00	\$ 57.13	114.54%
11,000	\$ 51.14	\$ 114.60	\$ 63.47	124.11%
12,000	\$ 52.40	\$ 122.20	\$ 69.81	133.23%
13,000	\$ 53.66	\$ 129.80	\$ 76.15	141.92%
14,000	\$ 54.92	\$ 137.40	\$ 82.49	150.20%
15,000	\$ 56.18	\$ 145.00	\$ 88.83	158.12%
16,000	\$ 57.44	\$ 152.60	\$ 95.17	166.69%
17,000	\$ 58.70	\$ 160.20	\$ 101.51	172.94%
18,000	\$ 59.96	\$ 167.80	\$ 107.85	179.88%
19,000	\$ 61.22	\$ 175.40	\$ 114.19	186.53%
20,000	\$ 62.48	\$ 183.00	\$ 120.53	192.92%
25,000	\$ 68.78	\$ 221.00	\$ 152.23	221.34%
30,000	\$ 75.08	\$ 259.00	\$ 183.93	244.99%
35,000	\$ 81.38	\$ 297.00	\$ 215.63	264.98%
40,000	\$ 87.68	\$ 335.00	\$ 247.33	282.09%
45,000	\$ 93.98	\$ 373.00	\$ 279.03	296.91%
50,000	\$ 100.28	\$ 411.00	\$ 310.73	309.87%
60,000	\$ 112.88	\$ 487.00	\$ 374.13	331.45%
70,000	\$ 125.48	\$ 563.00	\$ 437.53	348.69%
80,000	\$ 138.08	\$ 639.00	\$ 500.93	362.79%
90,000	\$ 150.68	\$ 715.00	\$ 564.33	374.53%
100,000	\$ 163.28	\$ 791.00	\$ 627.73	384.46%
110,000	\$ 175.88	\$ 867.00	\$ 691.13	392.96%
120,000	\$ 188.48	\$ 943.00	\$ 754.53	400.33%
130,000	\$ 201.08	\$ 1,019.00	\$ 817.93	406.78%
140,000	\$ 213.68	\$ 1,095.00	\$ 881.33	412.46%
150,000	\$ 226.28	\$ 1,171.00	\$ 944.73	417.51%
160,000	\$ 238.88	\$ 1,247.00	\$ 1,008.13	422.03%
170,000	\$ 251.48	\$ 1,323.00	\$ 1,071.53	426.10%
180,000	\$ 264.08	\$ 1,399.00	\$ 1,134.93	429.77%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
THORNHURST DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 49.09	\$ 46.00	\$ (3.09)	-6.29%
1,000	\$ 50.35	\$ 54.50	\$ 4.15	8.25%
2,000	\$ 51.61	\$ 63.00	\$ 11.39	22.08%
3,000	\$ 52.87	\$ 71.50	\$ 18.63	35.24%
4,000	\$ 54.13	\$ 80.00	\$ 25.87	47.80%
5,000	\$ 55.39	\$ 88.50	\$ 33.11	59.78%
6,000	\$ 56.65	\$ 97.00	\$ 40.35	71.23%
7,000	\$ 57.91	\$ 105.50	\$ 47.59	82.19%
8,000	\$ 59.17	\$ 114.00	\$ 54.83	92.67%
9,000	\$ 60.43	\$ 122.50	\$ 62.07	102.72%
10,000	\$ 61.69	\$ 131.00	\$ 69.31	112.36%
11,000	\$ 62.95	\$ 139.50	\$ 76.55	121.61%
12,000	\$ 64.21	\$ 148.00	\$ 83.79	130.50%
13,000	\$ 65.47	\$ 156.50	\$ 91.03	139.05%
14,000	\$ 66.73	\$ 165.00	\$ 98.27	147.27%
15,000	\$ 67.99	\$ 173.50	\$ 105.51	155.19%
16,000	\$ 69.25	\$ 182.00	\$ 112.75	162.83%
17,000	\$ 70.51	\$ 190.50	\$ 119.99	170.18%
18,000	\$ 71.77	\$ 199.00	\$ 127.23	177.28%
19,000	\$ 73.03	\$ 207.50	\$ 134.47	184.14%
20,000	\$ 74.29	\$ 216.00	\$ 141.71	190.76%
25,000	\$ 80.59	\$ 258.50	\$ 177.91	220.77%
30,000	\$ 86.89	\$ 301.00	\$ 214.11	246.42%
35,000	\$ 93.19	\$ 343.50	\$ 250.31	268.61%
40,000	\$ 99.49	\$ 386.00	\$ 286.51	287.99%
45,000	\$ 105.79	\$ 428.50	\$ 322.71	305.06%
50,000	\$ 112.09	\$ 471.00	\$ 358.91	320.21%
60,000	\$ 124.69	\$ 556.00	\$ 431.31	345.91%
70,000	\$ 137.29	\$ 641.00	\$ 503.71	366.90%
80,000	\$ 149.89	\$ 726.00	\$ 576.11	384.36%
90,000	\$ 162.49	\$ 811.00	\$ 648.51	399.12%
100,000	\$ 175.09	\$ 896.00	\$ 720.91	411.74%
110,000	\$ 187.69	\$ 981.00	\$ 793.31	422.68%
120,000	\$ 200.29	\$ 1,066.00	\$ 865.71	432.23%
130,000	\$ 212.89	\$ 1,151.00	\$ 938.11	440.66%
140,000	\$ 225.49	\$ 1,236.00	\$ 1,010.51	448.15%
150,000	\$ 238.09	\$ 1,321.00	\$ 1,082.91	454.84%
160,000	\$ 250.69	\$ 1,406.00	\$ 1,155.31	460.86%
170,000	\$ 263.29	\$ 1,491.00	\$ 1,227.71	466.30%
180,000	\$ 275.89	\$ 1,576.00	\$ 1,300.11	471.25%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
RIVERCREST, COVE VILLAGE AND WASHINGTON PARK DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 28.35	\$ 36.00	\$ 7.65	26.98%
1,000	\$ 33.62	\$ 44.10	\$ 10.48	31.17%
2,000	\$ 38.89	\$ 52.20	\$ 13.31	34.22%
3,000	\$ 44.16	\$ 60.30	\$ 16.14	36.54%
4,000	\$ 49.43	\$ 68.40	\$ 18.97	38.37%
5,000	\$ 54.71	\$ 76.50	\$ 21.80	39.84%
6,000	\$ 59.98	\$ 84.60	\$ 24.62	41.06%
7,000	\$ 65.25	\$ 92.70	\$ 27.45	42.08%
8,000	\$ 70.52	\$ 100.80	\$ 30.28	42.94%
9,000	\$ 75.79	\$ 108.90	\$ 33.11	43.69%
10,000	\$ 81.06	\$ 117.00	\$ 35.94	44.34%
11,000	\$ 86.33	\$ 125.10	\$ 38.77	44.91%
12,000	\$ 91.60	\$ 133.20	\$ 41.60	45.41%
13,000	\$ 96.87	\$ 141.30	\$ 44.43	45.86%
14,000	\$ 102.14	\$ 149.40	\$ 47.26	46.26%
15,000	\$ 107.42	\$ 157.50	\$ 50.09	46.63%
16,000	\$ 112.69	\$ 165.60	\$ 52.91	46.96%
17,000	\$ 117.96	\$ 173.70	\$ 55.74	47.26%
18,000	\$ 123.23	\$ 181.80	\$ 58.57	47.53%
19,000	\$ 128.50	\$ 189.90	\$ 61.40	47.78%
20,000	\$ 133.77	\$ 198.00	\$ 64.23	48.02%
25,000	\$ 160.13	\$ 238.50	\$ 78.38	48.95%
30,000	\$ 186.48	\$ 279.00	\$ 92.52	49.61%
35,000	\$ 212.84	\$ 319.50	\$ 106.67	50.12%
40,000	\$ 239.19	\$ 360.00	\$ 120.81	50.51%
45,000	\$ 265.55	\$ 400.50	\$ 134.96	50.82%
50,000	\$ 291.90	\$ 441.00	\$ 149.10	51.08%
60,000	\$ 344.61	\$ 522.00	\$ 177.39	51.48%
70,000	\$ 397.32	\$ 603.00	\$ 205.68	51.77%
80,000	\$ 450.03	\$ 684.00	\$ 233.97	51.99%
90,000	\$ 502.74	\$ 765.00	\$ 262.26	52.17%
100,000	\$ 555.45	\$ 846.00	\$ 290.55	52.31%
110,000	\$ 608.16	\$ 927.00	\$ 318.84	52.43%
120,000	\$ 660.87	\$ 1,008.00	\$ 347.13	52.53%
130,000	\$ 713.58	\$ 1,089.00	\$ 375.42	52.61%
140,000	\$ 766.29	\$ 1,170.00	\$ 403.71	52.68%
150,000	\$ 819.00	\$ 1,251.00	\$ 432.00	52.75%
160,000	\$ 871.71	\$ 1,332.00	\$ 460.29	52.80%
170,000	\$ 924.42	\$ 1,413.00	\$ 488.58	52.85%
180,000	\$ 977.13	\$ 1,494.00	\$ 516.87	52.90%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
LITTLE WASHINGTON DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 77.70	\$ 74.00	\$ (3.70)	-4.76%
1,000	\$ 83.69	\$ 83.60	\$ (0.09)	-0.10%
2,000	\$ 89.67	\$ 93.20	\$ 3.53	3.94%
3,000	\$ 95.66	\$ 102.80	\$ 7.15	7.47%
4,000	\$ 101.64	\$ 112.40	\$ 10.76	10.59%
5,000	\$ 107.63	\$ 122.00	\$ 14.38	13.36%
6,000	\$ 113.61	\$ 131.60	\$ 17.99	15.83%
7,000	\$ 119.60	\$ 141.20	\$ 21.61	18.07%
8,000	\$ 125.58	\$ 150.80	\$ 25.22	20.08%
9,000	\$ 131.57	\$ 160.40	\$ 28.84	21.92%
10,000	\$ 137.55	\$ 170.00	\$ 32.45	23.59%
11,000	\$ 143.54	\$ 179.60	\$ 36.07	25.13%
12,000	\$ 149.52	\$ 189.20	\$ 39.68	26.54%
13,000	\$ 155.51	\$ 198.80	\$ 43.30	27.84%
14,000	\$ 161.49	\$ 208.40	\$ 46.91	29.05%
15,000	\$ 167.48	\$ 218.00	\$ 50.53	30.17%
16,000	\$ 173.46	\$ 227.60	\$ 54.14	31.21%
17,000	\$ 179.45	\$ 237.20	\$ 57.76	32.19%
18,000	\$ 185.43	\$ 246.80	\$ 61.37	33.10%
19,000	\$ 191.42	\$ 256.40	\$ 64.99	33.95%
20,000	\$ 197.40	\$ 266.00	\$ 68.60	34.75%
25,000	\$ 227.33	\$ 314.00	\$ 86.68	38.13%
30,000	\$ 257.25	\$ 362.00	\$ 104.75	40.72%
35,000	\$ 287.18	\$ 410.00	\$ 122.83	42.77%
40,000	\$ 317.10	\$ 458.00	\$ 140.90	44.43%
45,000	\$ 347.03	\$ 506.00	\$ 158.98	45.81%
50,000	\$ 376.95	\$ 554.00	\$ 177.05	46.97%
60,000	\$ 436.80	\$ 650.00	\$ 213.20	48.81%
70,000	\$ 496.65	\$ 746.00	\$ 249.35	50.21%
80,000	\$ 556.50	\$ 842.00	\$ 285.50	51.30%
90,000	\$ 616.35	\$ 938.00	\$ 321.65	52.19%
100,000	\$ 676.20	\$ 1,034.00	\$ 357.80	52.91%
110,000	\$ 736.05	\$ 1,130.00	\$ 393.95	53.52%
120,000	\$ 795.90	\$ 1,226.00	\$ 430.10	54.04%
130,000	\$ 855.75	\$ 1,322.00	\$ 466.25	54.48%
140,000	\$ 915.60	\$ 1,418.00	\$ 502.40	54.87%
150,000	\$ 975.45	\$ 1,514.00	\$ 538.55	55.21%
160,000	\$ 1,035.30	\$ 1,610.00	\$ 574.70	55.51%
170,000	\$ 1,095.15	\$ 1,706.00	\$ 610.85	55.78%
180,000	\$ 1,155.00	\$ 1,802.00	\$ 647.00	56.02%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
LAUREL LAKES DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 46.20	\$ 46.00	\$ (0.20)	-0.43%
1,000	\$ 47.46	\$ 54.50	\$ 7.04	14.83%
2,000	\$ 48.72	\$ 63.00	\$ 14.28	29.31%
3,000	\$ 49.98	\$ 71.50	\$ 21.52	43.06%
4,000	\$ 51.24	\$ 80.00	\$ 28.76	56.13%
5,000	\$ 52.50	\$ 88.50	\$ 36.00	68.57%
6,000	\$ 53.76	\$ 97.00	\$ 43.24	80.43%
7,000	\$ 55.02	\$ 105.50	\$ 50.48	91.75%
8,000	\$ 56.28	\$ 114.00	\$ 57.72	102.56%
9,000	\$ 57.54	\$ 122.50	\$ 64.96	112.90%
10,000	\$ 58.80	\$ 131.00	\$ 72.20	122.79%
11,000	\$ 60.06	\$ 139.50	\$ 79.44	132.27%
12,000	\$ 61.32	\$ 148.00	\$ 86.68	141.36%
13,000	\$ 62.58	\$ 156.50	\$ 93.92	150.08%
14,000	\$ 63.84	\$ 165.00	\$ 101.16	158.46%
15,000	\$ 65.10	\$ 173.50	\$ 108.40	166.51%
16,000	\$ 66.36	\$ 182.00	\$ 115.64	174.26%
17,000	\$ 67.62	\$ 190.50	\$ 122.88	181.72%
18,000	\$ 68.88	\$ 199.00	\$ 130.12	188.91%
19,000	\$ 70.14	\$ 207.50	\$ 137.36	195.84%
20,000	\$ 71.40	\$ 216.00	\$ 144.60	202.52%
25,000	\$ 77.70	\$ 258.50	\$ 180.80	232.69%
30,000	\$ 84.00	\$ 301.00	\$ 217.00	258.33%
35,000	\$ 90.30	\$ 343.50	\$ 253.20	280.40%
40,000	\$ 96.60	\$ 386.00	\$ 289.40	299.59%
45,000	\$ 102.90	\$ 428.50	\$ 325.60	316.42%
50,000	\$ 109.20	\$ 471.00	\$ 361.80	331.32%
60,000	\$ 121.80	\$ 556.00	\$ 434.20	356.49%
70,000	\$ 134.40	\$ 641.00	\$ 506.60	376.93%
80,000	\$ 147.00	\$ 726.00	\$ 579.00	393.88%
90,000	\$ 159.60	\$ 811.00	\$ 651.40	408.15%
100,000	\$ 172.20	\$ 896.00	\$ 723.80	420.33%
110,000	\$ 184.80	\$ 981.00	\$ 796.20	430.84%
120,000	\$ 197.40	\$ 1,066.00	\$ 868.60	440.02%
130,000	\$ 210.00	\$ 1,151.00	\$ 941.00	448.10%
140,000	\$ 222.60	\$ 1,236.00	\$ 1,013.40	455.26%
150,000	\$ 235.20	\$ 1,321.00	\$ 1,085.80	461.65%
160,000	\$ 247.80	\$ 1,406.00	\$ 1,158.20	467.39%
170,000	\$ 260.40	\$ 1,491.00	\$ 1,230.60	472.58%
180,000	\$ 273.00	\$ 1,576.00	\$ 1,303.00	477.29%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
DEERFIELD KNOLL DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 47.25	\$ 46.00	\$ (1.25)	-2.65%
1,000	\$ 50.79	\$ 54.50	\$ 3.71	7.31%
2,000	\$ 54.33	\$ 63.00	\$ 8.67	15.96%
3,000	\$ 57.87	\$ 71.50	\$ 13.63	23.56%
4,000	\$ 61.40	\$ 80.00	\$ 18.60	30.28%
5,000	\$ 64.94	\$ 88.50	\$ 23.56	36.27%
6,000	\$ 68.48	\$ 97.00	\$ 28.52	41.65%
7,000	\$ 72.02	\$ 105.50	\$ 33.48	46.49%
8,000	\$ 75.56	\$ 114.00	\$ 38.44	50.88%
9,000	\$ 79.10	\$ 122.50	\$ 43.40	54.87%
10,000	\$ 82.64	\$ 131.00	\$ 48.37	58.53%
11,000	\$ 86.17	\$ 139.50	\$ 53.33	61.88%
12,000	\$ 89.71	\$ 148.00	\$ 58.29	64.97%
13,000	\$ 93.25	\$ 156.50	\$ 63.25	67.83%
14,000	\$ 96.79	\$ 165.00	\$ 68.21	70.47%
15,000	\$ 100.33	\$ 173.50	\$ 73.17	72.93%
16,000	\$ 103.87	\$ 182.00	\$ 78.13	75.23%
17,000	\$ 107.40	\$ 190.50	\$ 83.10	77.37%
18,000	\$ 110.94	\$ 199.00	\$ 88.06	79.37%
19,000	\$ 114.48	\$ 207.50	\$ 93.02	81.25%
20,000	\$ 118.02	\$ 216.00	\$ 97.98	83.02%
25,000	\$ 135.71	\$ 258.50	\$ 122.79	90.48%
30,000	\$ 153.41	\$ 301.00	\$ 147.60	96.21%
35,000	\$ 171.10	\$ 343.50	\$ 172.40	100.76%
40,000	\$ 188.79	\$ 386.00	\$ 197.21	104.46%
45,000	\$ 206.48	\$ 428.50	\$ 222.02	107.52%
50,000	\$ 224.18	\$ 471.00	\$ 246.83	110.10%
60,000	\$ 259.56	\$ 556.00	\$ 296.44	114.21%
70,000	\$ 294.95	\$ 641.00	\$ 346.06	117.33%
80,000	\$ 330.33	\$ 726.00	\$ 395.67	119.78%
90,000	\$ 365.72	\$ 811.00	\$ 445.29	121.76%
100,000	\$ 401.10	\$ 896.00	\$ 494.90	123.39%
110,000	\$ 436.49	\$ 981.00	\$ 544.52	124.75%
120,000	\$ 471.87	\$ 1,066.00	\$ 594.13	125.91%
130,000	\$ 507.26	\$ 1,151.00	\$ 643.75	126.91%
140,000	\$ 542.64	\$ 1,236.00	\$ 693.36	127.78%
150,000	\$ 578.03	\$ 1,321.00	\$ 742.98	128.54%
160,000	\$ 613.41	\$ 1,406.00	\$ 792.59	129.21%
170,000	\$ 648.80	\$ 1,491.00	\$ 842.21	129.81%
180,000	\$ 684.18	\$ 1,576.00	\$ 891.82	130.35%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
CS WATER, MASTHOPE DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 28.31	\$ 39.64	\$ 11.33	40.03%
1,000	\$ 28.83	\$ 40.64	\$ 11.81	40.95%
2,000	\$ 29.36	\$ 41.64	\$ 12.28	41.84%
3,000	\$ 29.88	\$ 42.64	\$ 12.76	42.69%
4,000	\$ 30.41	\$ 43.64	\$ 13.23	43.51%
5,000	\$ 30.93	\$ 44.64	\$ 13.71	44.31%
6,000	\$ 31.46	\$ 45.64	\$ 14.18	45.08%
7,000	\$ 31.98	\$ 46.64	\$ 14.66	45.83%
8,000	\$ 32.51	\$ 47.64	\$ 15.13	46.55%
9,000	\$ 33.03	\$ 48.64	\$ 15.61	47.25%
10,000	\$ 33.56	\$ 49.64	\$ 16.08	47.92%
11,000	\$ 34.08	\$ 50.64	\$ 16.56	48.58%
12,000	\$ 34.61	\$ 51.64	\$ 17.03	49.21%
13,000	\$ 35.13	\$ 52.64	\$ 17.51	49.83%
14,000	\$ 35.66	\$ 53.64	\$ 17.98	50.43%
15,000	\$ 36.18	\$ 54.64	\$ 18.46	51.01%
16,000	\$ 36.71	\$ 55.64	\$ 18.93	51.57%
17,000	\$ 37.23	\$ 56.64	\$ 19.41	52.12%
18,000	\$ 37.76	\$ 57.64	\$ 19.88	52.66%
19,000	\$ 38.28	\$ 58.64	\$ 20.36	53.18%
20,000	\$ 38.81	\$ 59.64	\$ 20.83	53.68%
25,000	\$ 41.43	\$ 64.64	\$ 23.21	56.01%
30,000	\$ 44.06	\$ 69.64	\$ 25.58	58.06%
35,000	\$ 46.68	\$ 74.64	\$ 27.96	59.89%
40,000	\$ 49.31	\$ 79.64	\$ 30.33	61.52%
45,000	\$ 51.93	\$ 84.64	\$ 32.71	62.98%
50,000	\$ 54.56	\$ 89.64	\$ 35.08	64.30%
60,000	\$ 59.81	\$ 99.64	\$ 39.83	66.60%
70,000	\$ 65.06	\$ 109.64	\$ 44.58	68.53%
80,000	\$ 70.31	\$ 119.64	\$ 49.33	70.17%
90,000	\$ 75.56	\$ 129.64	\$ 54.08	71.58%
100,000	\$ 80.81	\$ 139.64	\$ 58.83	72.80%
110,000	\$ 86.06	\$ 149.64	\$ 63.58	73.88%
120,000	\$ 91.31	\$ 159.64	\$ 68.33	74.84%
130,000	\$ 96.56	\$ 169.64	\$ 73.08	75.69%
140,000	\$ 101.81	\$ 179.64	\$ 77.83	76.45%
150,000	\$ 107.06	\$ 189.64	\$ 82.58	77.14%
160,000	\$ 112.31	\$ 199.64	\$ 87.33	77.76%
170,000	\$ 117.56	\$ 209.64	\$ 92.08	78.33%
180,000	\$ 122.81	\$ 219.64	\$ 96.83	78.85%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
PEDDLERS VIEW DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 56.70	\$ 62.00	\$ 5.30	9.35%
1,000	\$ 62.00	\$ 71.50	\$ 9.50	15.32%
2,000	\$ 67.31	\$ 81.00	\$ 13.70	20.35%
3,000	\$ 72.61	\$ 90.50	\$ 17.89	24.64%
4,000	\$ 77.91	\$ 100.00	\$ 22.09	28.35%
5,000	\$ 83.21	\$ 109.50	\$ 26.29	31.59%
6,000	\$ 88.52	\$ 119.00	\$ 30.49	34.44%
7,000	\$ 93.82	\$ 128.50	\$ 34.68	36.97%
8,000	\$ 99.12	\$ 138.00	\$ 38.88	39.23%
9,000	\$ 104.42	\$ 147.50	\$ 43.08	41.25%
10,000	\$ 109.73	\$ 157.00	\$ 47.28	43.08%
11,000	\$ 115.03	\$ 166.50	\$ 51.47	44.75%
12,000	\$ 120.33	\$ 176.00	\$ 55.67	46.26%
13,000	\$ 125.63	\$ 185.50	\$ 59.87	47.65%
14,000	\$ 130.94	\$ 195.00	\$ 64.07	48.93%
15,000	\$ 136.24	\$ 204.50	\$ 68.26	50.11%
16,000	\$ 141.54	\$ 214.00	\$ 72.46	51.19%
17,000	\$ 146.84	\$ 223.50	\$ 76.66	52.20%
18,000	\$ 152.15	\$ 233.00	\$ 80.86	53.14%
19,000	\$ 157.45	\$ 242.50	\$ 85.05	54.02%
20,000	\$ 162.75	\$ 252.00	\$ 89.25	54.84%
25,000	\$ 189.26	\$ 299.50	\$ 110.24	58.25%
30,000	\$ 215.78	\$ 347.00	\$ 131.23	60.82%
35,000	\$ 242.29	\$ 394.50	\$ 152.21	62.82%
40,000	\$ 268.80	\$ 442.00	\$ 173.20	64.43%
45,000	\$ 295.31	\$ 489.50	\$ 194.19	65.76%
50,000	\$ 321.83	\$ 537.00	\$ 215.18	66.86%
60,000	\$ 374.85	\$ 632.00	\$ 257.15	68.60%
70,000	\$ 427.88	\$ 727.00	\$ 299.13	69.91%
80,000	\$ 480.90	\$ 822.00	\$ 341.10	70.93%
90,000	\$ 533.93	\$ 917.00	\$ 383.08	71.75%
100,000	\$ 586.95	\$ 1,012.00	\$ 425.05	72.42%
110,000	\$ 639.98	\$ 1,107.00	\$ 467.03	72.98%
120,000	\$ 693.00	\$ 1,202.00	\$ 509.00	73.45%
130,000	\$ 746.03	\$ 1,297.00	\$ 550.98	73.85%
140,000	\$ 799.05	\$ 1,392.00	\$ 592.95	74.21%
150,000	\$ 852.08	\$ 1,487.00	\$ 634.93	74.52%
160,000	\$ 905.10	\$ 1,582.00	\$ 676.90	74.79%
170,000	\$ 958.13	\$ 1,677.00	\$ 718.88	75.03%
180,000	\$ 1,011.15	\$ 1,772.00	\$ 760.85	75.25%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
THE GREENS AT PENN OAKS DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 97.91	\$ 74.00	\$ (23.91)	-24.42%
1,000	\$ 101.85	\$ 83.60	\$ (18.25)	-17.92%
2,000	\$ 105.79	\$ 93.20	\$ (12.59)	-11.90%
3,000	\$ 109.73	\$ 102.80	\$ (6.93)	-6.31%
4,000	\$ 113.66	\$ 112.40	\$ (1.26)	-1.11%
5,000	\$ 117.60	\$ 122.00	\$ 4.40	3.74%
6,000	\$ 121.54	\$ 131.60	\$ 10.06	8.28%
7,000	\$ 125.48	\$ 141.20	\$ 15.73	12.53%
8,000	\$ 129.41	\$ 150.80	\$ 21.39	16.53%
9,000	\$ 133.35	\$ 160.40	\$ 27.05	20.28%
10,000	\$ 137.29	\$ 170.00	\$ 32.71	23.83%
11,000	\$ 141.23	\$ 179.60	\$ 38.38	27.17%
12,000	\$ 145.16	\$ 189.20	\$ 44.04	30.34%
13,000	\$ 149.10	\$ 198.80	\$ 49.70	33.33%
14,000	\$ 153.04	\$ 208.40	\$ 55.36	36.18%
15,000	\$ 156.98	\$ 218.00	\$ 61.03	38.88%
16,000	\$ 160.91	\$ 227.60	\$ 66.69	41.44%
17,000	\$ 164.85	\$ 237.20	\$ 72.35	43.89%
18,000	\$ 168.79	\$ 246.80	\$ 78.01	46.22%
19,000	\$ 172.73	\$ 256.40	\$ 83.68	48.44%
20,000	\$ 176.66	\$ 266.00	\$ 89.34	50.57%
25,000	\$ 196.35	\$ 314.00	\$ 117.65	59.92%
30,000	\$ 216.04	\$ 362.00	\$ 145.96	67.56%
35,000	\$ 235.73	\$ 410.00	\$ 174.28	73.93%
40,000	\$ 255.41	\$ 458.00	\$ 202.59	79.32%
45,000	\$ 275.10	\$ 506.00	\$ 230.90	83.93%
50,000	\$ 294.79	\$ 554.00	\$ 259.21	87.93%
60,000	\$ 334.16	\$ 650.00	\$ 315.84	94.52%
70,000	\$ 373.54	\$ 746.00	\$ 372.46	99.71%
80,000	\$ 412.91	\$ 842.00	\$ 429.09	103.92%
90,000	\$ 452.29	\$ 938.00	\$ 485.71	107.39%
100,000	\$ 491.66	\$ 1,034.00	\$ 542.34	110.31%
110,000	\$ 531.04	\$ 1,130.00	\$ 598.96	112.79%
120,000	\$ 570.41	\$ 1,226.00	\$ 655.59	114.93%
130,000	\$ 609.79	\$ 1,322.00	\$ 712.21	116.80%
140,000	\$ 649.16	\$ 1,418.00	\$ 768.84	118.44%
150,000	\$ 688.54	\$ 1,514.00	\$ 825.46	119.89%
160,000	\$ 727.91	\$ 1,610.00	\$ 882.09	121.18%
170,000	\$ 767.29	\$ 1,706.00	\$ 938.71	122.34%
180,000	\$ 806.66	\$ 1,802.00	\$ 995.34	123.39%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
NEWLIN GREEN DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 115.50	\$ 110.00	\$ (5.50)	-4.76%
1,000	\$ 123.38	\$ 117.50	\$ (5.88)	-4.76%
2,000	\$ 131.25	\$ 125.00	\$ (6.25)	-4.76%
3,000	\$ 139.13	\$ 132.50	\$ (6.63)	-4.76%
4,000	\$ 147.00	\$ 140.00	\$ (7.00)	-4.76%
5,000	\$ 154.88	\$ 147.50	\$ (7.38)	-4.76%
6,000	\$ 162.75	\$ 155.00	\$ (7.75)	-4.76%
7,000	\$ 170.63	\$ 162.50	\$ (8.13)	-4.76%
8,000	\$ 178.50	\$ 170.00	\$ (8.50)	-4.76%
9,000	\$ 186.38	\$ 177.50	\$ (8.88)	-4.76%
10,000	\$ 194.25	\$ 185.00	\$ (9.25)	-4.76%
11,000	\$ 202.13	\$ 192.50	\$ (9.63)	-4.76%
12,000	\$ 210.00	\$ 200.00	\$ (10.00)	-4.76%
13,000	\$ 217.88	\$ 207.50	\$ (10.38)	-4.76%
14,000	\$ 225.75	\$ 215.00	\$ (10.75)	-4.76%
15,000	\$ 233.63	\$ 222.50	\$ (11.13)	-4.76%
16,000	\$ 241.50	\$ 230.00	\$ (11.50)	-4.76%
17,000	\$ 249.38	\$ 237.50	\$ (11.88)	-4.76%
18,000	\$ 257.25	\$ 245.00	\$ (12.25)	-4.76%
19,000	\$ 265.13	\$ 252.50	\$ (12.63)	-4.76%
20,000	\$ 273.00	\$ 260.00	\$ (13.00)	-4.76%
25,000	\$ 312.38	\$ 297.50	\$ (14.88)	-4.76%
30,000	\$ 351.75	\$ 335.00	\$ (16.75)	-4.76%
35,000	\$ 391.13	\$ 372.50	\$ (18.63)	-4.76%
40,000	\$ 430.50	\$ 410.00	\$ (20.50)	-4.76%
45,000	\$ 469.88	\$ 447.50	\$ (22.38)	-4.76%
50,000	\$ 509.25	\$ 485.00	\$ (24.25)	-4.76%
60,000	\$ 588.00	\$ 560.00	\$ (28.00)	-4.76%
70,000	\$ 666.75	\$ 635.00	\$ (31.75)	-4.76%
80,000	\$ 745.50	\$ 710.00	\$ (35.50)	-4.76%
90,000	\$ 824.25	\$ 785.00	\$ (39.25)	-4.76%
100,000	\$ 903.00	\$ 860.00	\$ (43.00)	-4.76%
110,000	\$ 981.75	\$ 935.00	\$ (46.75)	-4.76%
120,000	\$ 1,060.50	\$ 1,010.00	\$ (50.50)	-4.76%
130,000	\$ 1,139.25	\$ 1,085.00	\$ (54.25)	-4.76%
140,000	\$ 1,218.00	\$ 1,160.00	\$ (58.00)	-4.76%
150,000	\$ 1,296.75	\$ 1,235.00	\$ (61.75)	-4.76%
160,000	\$ 1,375.50	\$ 1,310.00	\$ (65.50)	-4.76%
170,000	\$ 1,454.25	\$ 1,385.00	\$ (69.25)	-4.76%
180,000	\$ 1,533.00	\$ 1,460.00	\$ (73.00)	-4.76%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
WOODLOCH SPRINGS DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 49.35	\$ 46.00	\$ (3.35)	-6.79%
1,000	\$ 50.61	\$ 54.50	\$ 3.89	7.69%
2,000	\$ 51.87	\$ 63.00	\$ 11.13	21.46%
3,000	\$ 53.13	\$ 71.50	\$ 18.37	34.58%
4,000	\$ 54.39	\$ 80.00	\$ 25.61	47.09%
5,000	\$ 55.65	\$ 88.50	\$ 32.85	59.03%
6,000	\$ 56.91	\$ 97.00	\$ 40.09	70.44%
7,000	\$ 58.17	\$ 105.50	\$ 47.33	81.36%
8,000	\$ 59.43	\$ 114.00	\$ 54.57	91.82%
9,000	\$ 60.69	\$ 122.50	\$ 61.81	101.85%
10,000	\$ 61.95	\$ 131.00	\$ 69.05	111.46%
11,000	\$ 63.21	\$ 139.50	\$ 76.29	120.69%
12,000	\$ 64.47	\$ 148.00	\$ 83.53	129.56%
13,000	\$ 65.73	\$ 156.50	\$ 90.77	138.10%
14,000	\$ 66.99	\$ 165.00	\$ 98.01	146.31%
15,000	\$ 68.25	\$ 173.50	\$ 105.25	154.21%
16,000	\$ 69.51	\$ 182.00	\$ 112.49	161.83%
17,000	\$ 70.77	\$ 190.50	\$ 119.73	169.18%
18,000	\$ 72.03	\$ 199.00	\$ 126.97	176.27%
19,000	\$ 73.29	\$ 207.50	\$ 134.21	183.12%
20,000	\$ 74.55	\$ 216.00	\$ 141.45	189.74%
25,000	\$ 80.85	\$ 258.50	\$ 177.65	219.73%
30,000	\$ 87.15	\$ 301.00	\$ 213.85	245.38%
35,000	\$ 93.45	\$ 343.50	\$ 250.05	267.58%
40,000	\$ 99.75	\$ 386.00	\$ 286.25	286.97%
45,000	\$ 106.05	\$ 428.50	\$ 322.45	304.05%
50,000	\$ 112.35	\$ 471.00	\$ 358.65	319.23%
60,000	\$ 124.95	\$ 556.00	\$ 431.05	344.98%
70,000	\$ 137.55	\$ 641.00	\$ 503.45	366.01%
80,000	\$ 150.15	\$ 726.00	\$ 575.85	383.52%
90,000	\$ 162.75	\$ 811.00	\$ 648.25	398.31%
100,000	\$ 175.35	\$ 896.00	\$ 720.65	410.98%
110,000	\$ 187.95	\$ 981.00	\$ 793.05	421.95%
120,000	\$ 200.55	\$ 1,066.00	\$ 865.45	431.54%
130,000	\$ 213.15	\$ 1,151.00	\$ 937.85	440.00%
140,000	\$ 225.75	\$ 1,236.00	\$ 1,010.25	447.51%
150,000	\$ 238.35	\$ 1,321.00	\$ 1,082.65	454.23%
160,000	\$ 250.95	\$ 1,406.00	\$ 1,155.05	460.27%
170,000	\$ 263.55	\$ 1,491.00	\$ 1,227.45	465.74%
180,000	\$ 276.15	\$ 1,576.00	\$ 1,299.85	470.70%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
STONY CREEK DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 47.25	\$ 46.00	\$ (1.25)	-2.65%
1,000	\$ 50.30	\$ 54.50	\$ 4.21	8.36%
2,000	\$ 53.34	\$ 63.00	\$ 9.66	18.11%
3,000	\$ 56.39	\$ 71.50	\$ 15.12	26.81%
4,000	\$ 59.43	\$ 80.00	\$ 20.57	34.61%
5,000	\$ 62.48	\$ 88.50	\$ 26.03	41.66%
6,000	\$ 65.52	\$ 97.00	\$ 31.48	48.05%
7,000	\$ 68.57	\$ 105.50	\$ 36.94	53.87%
8,000	\$ 71.61	\$ 114.00	\$ 42.39	59.20%
9,000	\$ 74.66	\$ 122.50	\$ 47.85	64.09%
10,000	\$ 77.70	\$ 131.00	\$ 53.30	68.60%
11,000	\$ 80.75	\$ 139.50	\$ 58.76	72.77%
12,000	\$ 83.79	\$ 148.00	\$ 64.21	76.63%
13,000	\$ 86.84	\$ 156.50	\$ 69.67	80.23%
14,000	\$ 89.88	\$ 165.00	\$ 75.12	83.58%
15,000	\$ 92.93	\$ 173.50	\$ 80.58	86.71%
16,000	\$ 95.97	\$ 182.00	\$ 86.03	89.64%
17,000	\$ 99.02	\$ 190.50	\$ 91.49	92.40%
18,000	\$ 102.06	\$ 199.00	\$ 96.94	94.98%
19,000	\$ 105.11	\$ 207.50	\$ 102.40	97.42%
20,000	\$ 108.15	\$ 216.00	\$ 107.85	99.72%
25,000	\$ 123.38	\$ 258.50	\$ 135.13	109.52%
30,000	\$ 138.60	\$ 301.00	\$ 162.40	117.17%
35,000	\$ 153.83	\$ 343.50	\$ 189.68	123.31%
40,000	\$ 169.05	\$ 386.00	\$ 216.95	128.33%
45,000	\$ 184.28	\$ 428.50	\$ 244.23	132.53%
50,000	\$ 199.50	\$ 471.00	\$ 271.50	136.09%
60,000	\$ 229.95	\$ 556.00	\$ 326.05	141.79%
70,000	\$ 260.40	\$ 641.00	\$ 380.60	146.16%
80,000	\$ 290.85	\$ 726.00	\$ 435.15	149.61%
90,000	\$ 321.30	\$ 811.00	\$ 489.70	152.41%
100,000	\$ 351.75	\$ 896.00	\$ 544.25	154.73%
110,000	\$ 382.20	\$ 981.00	\$ 598.80	156.67%
120,000	\$ 412.65	\$ 1,066.00	\$ 653.35	158.33%
130,000	\$ 443.10	\$ 1,151.00	\$ 707.90	159.76%
140,000	\$ 473.55	\$ 1,236.00	\$ 762.45	161.01%
150,000	\$ 504.00	\$ 1,321.00	\$ 817.00	162.10%
160,000	\$ 534.45	\$ 1,406.00	\$ 871.55	163.07%
170,000	\$ 564.90	\$ 1,491.00	\$ 926.10	163.94%
180,000	\$ 595.35	\$ 1,576.00	\$ 980.65	164.72%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
NEW DALEVILLE DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER			
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	INCREASE	
			AMOUNT (4)	PERCENT (5)
0	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
1,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
2,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
3,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
4,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
5,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
6,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
7,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
8,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
9,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
10,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
11,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
12,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
13,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
14,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
15,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
16,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
17,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
18,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
19,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
20,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
25,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
30,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
35,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
40,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
45,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
50,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
60,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
70,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
80,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
90,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
100,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
110,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
120,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
130,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
140,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
150,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
160,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
170,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%
180,000	\$ 74.17	\$ 100.00	\$ 25.83	34.82%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
VILLAGE AT VALLEY FORGE DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
COMMERCIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 12.60	\$ 31.00	\$ 18.40	146.03%
1,000	\$ 16.28	\$ 37.30	\$ 21.03	129.19%
2,000	\$ 19.95	\$ 43.60	\$ 23.65	118.55%
3,000	\$ 23.63	\$ 49.90	\$ 26.28	111.22%
4,000	\$ 27.30	\$ 56.20	\$ 28.90	105.86%
5,000	\$ 30.98	\$ 62.50	\$ 31.53	101.78%
6,000	\$ 34.65	\$ 68.80	\$ 34.15	98.56%
7,000	\$ 38.33	\$ 75.10	\$ 36.78	95.96%
8,000	\$ 42.00	\$ 81.40	\$ 39.40	93.81%
9,000	\$ 45.68	\$ 87.70	\$ 42.03	92.01%
10,000	\$ 49.35	\$ 94.00	\$ 44.65	90.48%
11,000	\$ 53.03	\$ 100.30	\$ 47.28	89.16%
12,000	\$ 56.70	\$ 106.60	\$ 49.90	88.01%
13,000	\$ 60.38	\$ 112.90	\$ 52.53	87.00%
14,000	\$ 64.05	\$ 119.20	\$ 55.15	86.10%
15,000	\$ 67.73	\$ 125.50	\$ 57.78	85.31%
16,000	\$ 71.40	\$ 131.80	\$ 60.40	84.59%
17,000	\$ 75.08	\$ 138.10	\$ 63.03	83.95%
18,000	\$ 78.75	\$ 144.40	\$ 65.65	83.37%
19,000	\$ 82.43	\$ 150.70	\$ 68.28	82.83%
20,000	\$ 86.10	\$ 157.00	\$ 70.90	82.35%
25,000	\$ 104.48	\$ 188.50	\$ 84.03	80.43%
30,000	\$ 122.85	\$ 220.00	\$ 97.15	79.08%
35,000	\$ 141.23	\$ 251.50	\$ 110.28	78.08%
40,000	\$ 159.60	\$ 283.00	\$ 123.40	77.32%
45,000	\$ 177.98	\$ 314.50	\$ 136.53	76.71%
50,000	\$ 196.35	\$ 346.00	\$ 149.65	76.22%
60,000	\$ 233.10	\$ 409.00	\$ 175.90	75.46%
70,000	\$ 269.85	\$ 472.00	\$ 202.15	74.91%
80,000	\$ 306.60	\$ 535.00	\$ 228.40	74.49%
90,000	\$ 343.35	\$ 598.00	\$ 254.65	74.17%
100,000	\$ 380.10	\$ 661.00	\$ 280.90	73.90%
110,000	\$ 416.85	\$ 724.00	\$ 307.15	73.68%
120,000	\$ 453.60	\$ 787.00	\$ 333.40	73.50%
130,000	\$ 490.35	\$ 850.00	\$ 359.65	73.35%
140,000	\$ 527.10	\$ 913.00	\$ 385.90	73.21%
150,000	\$ 563.85	\$ 976.00	\$ 412.15	73.10%
160,000	\$ 600.60	\$ 1,039.00	\$ 438.40	72.99%
170,000	\$ 637.35	\$ 1,102.00	\$ 464.65	72.90%
180,000	\$ 674.10	\$ 1,165.00	\$ 490.90	72.82%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
BEECH MOUNTAIN DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
FLAT RATE

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
1,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
2,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
3,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
4,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
5,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
6,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
7,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
8,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
9,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
10,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
11,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
12,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
13,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
14,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
15,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
16,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
17,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
18,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
19,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
20,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
25,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
30,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
35,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
40,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
45,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
50,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
60,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
70,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
80,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
90,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
100,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
110,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
120,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
130,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
140,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
150,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
160,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
170,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%
180,000	\$ 56.04	\$ 80.00	\$ 23.96	42.76%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
LAKE HARMONY DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
FLAT RATE

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
1,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
2,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
3,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
4,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
5,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
6,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
7,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
8,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
9,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
10,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
11,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
12,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
13,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
14,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
15,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
16,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
17,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
18,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
19,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
20,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
25,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
30,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
35,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
40,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
45,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
50,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
60,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
70,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
80,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
90,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
100,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
110,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
120,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
130,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
140,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
150,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
160,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
170,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%
180,000	\$ 65.63	\$ 100.00	\$ 34.38	52.38%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
TREASURE LAKE DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 21.64	\$ 31.00	\$ 9.36	43.25%
1,000	\$ 25.58	\$ 37.30	\$ 11.72	45.83%
2,000	\$ 29.52	\$ 43.60	\$ 14.08	47.72%
3,000	\$ 33.45	\$ 49.90	\$ 16.45	49.16%
4,000	\$ 37.39	\$ 56.20	\$ 18.81	50.31%
5,000	\$ 41.33	\$ 62.50	\$ 21.17	51.23%
6,000	\$ 45.27	\$ 68.80	\$ 23.53	51.99%
7,000	\$ 49.20	\$ 75.10	\$ 25.90	52.63%
8,000	\$ 53.14	\$ 81.40	\$ 28.26	53.18%
9,000	\$ 57.08	\$ 87.70	\$ 30.62	53.65%
10,000	\$ 61.02	\$ 94.00	\$ 32.98	54.06%
11,000	\$ 64.95	\$ 100.30	\$ 35.35	54.42%
12,000	\$ 68.89	\$ 106.60	\$ 37.71	54.74%
13,000	\$ 72.83	\$ 112.90	\$ 40.07	55.02%
14,000	\$ 76.77	\$ 119.20	\$ 42.43	55.28%
15,000	\$ 80.70	\$ 125.50	\$ 44.80	55.51%
16,000	\$ 84.64	\$ 131.80	\$ 47.16	55.72%
17,000	\$ 88.58	\$ 138.10	\$ 49.52	55.91%
18,000	\$ 92.52	\$ 144.40	\$ 51.88	56.08%
19,000	\$ 96.45	\$ 150.70	\$ 54.25	56.24%
20,000	\$ 100.39	\$ 157.00	\$ 56.61	56.39%
25,000	\$ 120.08	\$ 188.50	\$ 68.42	56.98%
30,000	\$ 139.77	\$ 220.00	\$ 80.23	57.41%
35,000	\$ 159.45	\$ 251.50	\$ 92.05	57.73%
40,000	\$ 179.14	\$ 283.00	\$ 103.86	57.98%
45,000	\$ 198.83	\$ 314.50	\$ 115.67	58.18%
50,000	\$ 218.52	\$ 346.00	\$ 127.48	58.34%
60,000	\$ 257.89	\$ 409.00	\$ 151.11	58.59%
70,000	\$ 297.27	\$ 472.00	\$ 174.73	58.78%
80,000	\$ 336.64	\$ 535.00	\$ 198.36	58.92%
90,000	\$ 376.02	\$ 598.00	\$ 221.98	59.04%
100,000	\$ 415.39	\$ 661.00	\$ 245.61	59.13%
110,000	\$ 454.77	\$ 724.00	\$ 269.23	59.20%
120,000	\$ 494.14	\$ 787.00	\$ 292.86	59.27%
130,000	\$ 533.52	\$ 850.00	\$ 316.48	59.32%
140,000	\$ 572.89	\$ 913.00	\$ 340.11	59.37%
150,000	\$ 612.27	\$ 976.00	\$ 363.73	59.41%
160,000	\$ 651.64	\$ 1,039.00	\$ 387.36	59.44%
170,000	\$ 691.02	\$ 1,102.00	\$ 410.98	59.48%
180,000	\$ 730.39	\$ 1,165.00	\$ 434.61	59.50%

** Present rates include 5.00% DSIC.

AQUA PENNSYLVANIA INC.
PENN TOWNSHIP DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
5/8 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 22.50	\$ 31.00	\$ 8.50	37.78%
1,000	\$ 22.50	\$ 41.00	\$ 18.50	82.22%
2,000	\$ 26.00	\$ 51.00	\$ 25.00	96.18%
3,000	\$ 36.50	\$ 61.00	\$ 24.50	67.14%
4,000	\$ 47.00	\$ 71.00	\$ 24.00	51.08%
5,000	\$ 57.50	\$ 81.00	\$ 23.50	40.88%
6,000	\$ 68.00	\$ 91.00	\$ 23.00	33.83%
7,000	\$ 78.50	\$ 101.00	\$ 22.50	28.67%
8,000	\$ 89.00	\$ 111.00	\$ 22.00	24.72%
9,000	\$ 99.50	\$ 121.00	\$ 21.50	21.61%
10,000	\$ 110.00	\$ 131.00	\$ 21.00	19.09%
11,000	\$ 120.50	\$ 141.00	\$ 20.50	17.02%
12,000	\$ 131.00	\$ 151.00	\$ 20.00	15.27%
13,000	\$ 141.50	\$ 161.00	\$ 19.50	13.78%
14,000	\$ 152.00	\$ 171.00	\$ 19.00	12.50%
15,000	\$ 162.50	\$ 181.00	\$ 18.50	11.39%
16,000	\$ 173.00	\$ 191.00	\$ 18.00	10.41%
17,000	\$ 183.50	\$ 201.00	\$ 17.50	9.54%
18,000	\$ 194.00	\$ 211.00	\$ 17.00	8.76%
19,000	\$ 204.50	\$ 221.00	\$ 16.50	8.07%
20,000	\$ 215.00	\$ 231.00	\$ 16.00	7.44%
25,000	\$ 267.50	\$ 281.00	\$ 13.50	5.05%
30,000	\$ 320.00	\$ 331.00	\$ 11.00	3.44%
35,000	\$ 372.50	\$ 381.00	\$ 8.50	2.28%
40,000	\$ 425.00	\$ 431.00	\$ 6.00	1.41%
45,000	\$ 477.50	\$ 481.00	\$ 3.50	0.73%
50,000	\$ 530.00	\$ 531.00	\$ 1.00	0.19%
60,000	\$ 635.00	\$ 631.00	\$ (4.00)	-0.63%
70,000	\$ 740.00	\$ 731.00	\$ (9.00)	-1.22%
80,000	\$ 845.00	\$ 831.00	\$ (14.00)	-1.66%
90,000	\$ 950.00	\$ 931.00	\$ (19.00)	-2.00%
100,000	\$ 1,055.00	\$ 1,031.00	\$ (24.00)	-2.27%
110,000	\$ 1,160.00	\$ 1,131.00	\$ (29.00)	-2.50%
120,000	\$ 1,265.00	\$ 1,231.00	\$ (34.00)	-2.69%
130,000	\$ 1,370.00	\$ 1,331.00	\$ (39.00)	-2.85%
140,000	\$ 1,475.00	\$ 1,431.00	\$ (44.00)	-2.98%
150,000	\$ 1,580.00	\$ 1,531.00	\$ (49.00)	-3.10%
160,000	\$ 1,685.00	\$ 1,631.00	\$ (54.00)	-3.20%
170,000	\$ 1,790.00	\$ 1,731.00	\$ (59.00)	-3.30%
180,000	\$ 1,895.00	\$ 1,831.00	\$ (64.00)	-3.38%

AQUA PENNSYLVANIA INC.
BUNKER HILL DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
FLAT RATE

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
1,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
2,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
3,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
4,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
5,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
6,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
7,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
8,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
9,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
10,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
11,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
12,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
13,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
14,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
15,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
16,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
17,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
18,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
19,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
20,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
25,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
30,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
35,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
40,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
45,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
50,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
60,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
70,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
80,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
90,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
100,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
110,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
120,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
130,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
140,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
150,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
160,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
170,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%
180,000	\$ 31.92	\$ 56.20	\$ 24.28	76.07%

AQUA PENNSYLVANIA INC.
HONEYCROFT VILLAGE DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
FLAT RATE

CONSUMPTION GALLONS (1)	BILLS UNDER			
	PRESENT RATES (2)	SETTLEMENT RATES (3)	INCREASE	
			AMOUNT (4)	PERCENT (5)
0	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
1,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
2,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
3,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
4,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
5,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
6,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
7,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
8,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
9,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
10,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
11,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
12,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
13,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
14,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
15,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
16,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
17,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
18,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
19,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
20,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
25,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
30,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
35,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
40,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
45,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
50,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
60,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
70,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
80,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
90,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
100,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
110,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
120,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
130,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
140,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
150,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
160,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
170,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
180,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%

AQUA PENNSYLVANIA INC.
EMLENTON DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
FLAT RATE

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
1,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
2,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
3,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
4,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
5,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
6,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
7,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
8,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
9,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
10,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
11,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
12,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
13,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
14,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
15,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
16,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
17,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
18,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
19,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
20,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
25,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
30,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
35,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
40,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
45,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
50,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
60,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
70,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
80,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
90,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
100,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
110,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
120,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
130,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
140,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
150,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
160,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
170,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%
180,000	\$ 45.00	\$ 68.40	\$ 23.40	52.00%

AQUA PENNSYLVANIA INC.
TOBYHANNA DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
RESIDENTIAL - MONTHLY
FLAT RATE

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
1,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
2,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
3,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
4,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
5,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
6,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
7,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
8,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
9,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
10,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
11,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
12,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
13,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
14,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
15,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
16,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
17,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
18,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
19,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
20,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
25,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
30,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
35,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
40,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
45,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
50,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
60,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
70,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
80,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
90,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
100,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
110,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
120,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
130,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
140,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
150,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
160,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
170,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%
180,000	\$ 66.67	\$ 100.00	\$ 33.33	49.99%

AQUA PENNSYLVANIA INC.
AVON GROVE SCHOOL DISTRICT DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
COMMERCIAL - MONTHLY
6 INCH METERS

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
1,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
2,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
3,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
4,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
5,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
6,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
7,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
8,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
9,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
10,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
11,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
12,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
13,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
14,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
15,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
16,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
17,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
18,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
19,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
20,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
25,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
30,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
35,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
40,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
45,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
50,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
60,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
70,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
80,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
90,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
100,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
110,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
120,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
130,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
140,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
150,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
160,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
170,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%
180,000	\$ 6,625.00	\$ 8,281.30	\$ 1,656.30	25.00%

AQUA PENNSYLVANIA INC.
SAGE HILL DIVISION
COMPARISON OF BILLS UNDER PRESENT AND SETTLEMENT RATES
ALL CUSTOMER CLASSES - MONTHLY
FLAT RATE

CONSUMPTION GALLONS (1)	BILLS UNDER		INCREASE	
	PRESENT RATES* (2)	SETTLEMENT RATES (3)	AMOUNT (4)	PERCENT (5)
0	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
1,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
2,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
3,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
4,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
5,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
6,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
7,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
8,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
9,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
10,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
11,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
12,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
13,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
14,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
15,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
16,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
17,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
18,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
19,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
20,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
25,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
30,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
35,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
40,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
45,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
50,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
60,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
70,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
80,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
90,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
100,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
110,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
120,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
130,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
140,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
150,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
160,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
170,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%
180,000	\$ 189.00	\$ 180.00	\$ (9.00)	-4.76%

** Present rates include 5.00% DSIC.

APPENDIX D

Aqua Pennsylvania, Inc
Residential Average Monthly Bill Comparison - Water
Docket Nos. A-2018-3004108, A-2018-3004109, R-2018-3003558 and R-2018-3003561

	<u>Current Division</u>	<u>New Rate Zone</u>	<u>Present Rates*</u>	<u>Settlement Rates*</u>	<u>\$ Change</u>	<u>% Change</u>
1	Main Division Eagle Rock, Fawn Lake, Tanglewood, Thornhurst, Woodledge Village, Western &	1	\$59.85	\$65.52	\$5.67	9.47%
2	Pinecrest Divisions	3	59.85	65.52	5.67	9.47%
3	Bensalem Division	1	55.80	65.52	9.72	17.42%
4	Chalfont Division	2	47.27	65.52	18.25	38.61%
5	Oakland Beach/Lakeside Acres Division	3	57.04	65.52	8.48	14.87%
6	CS Water Division (Masthope)	3	49.36	65.52	16.16	32.74%
7	Country Club Gardens Division	1	40.29	52.98	12.69	31.50%
8	Clarendon Water Division	1	51.05	65.52	14.47	28.34%
9	Kratzerville Division	1	52.29	65.52	13.23	25.30%
10	Honesdale Division	1	52.20	65.52	13.32	25.52%
11	Sand Springs Division	1	40.73	52.98	12.25	30.08%
12	Mifflin Township Division	1	37.11	50.64	13.53	36.46%
13	Beech Mountain Lakes Division	1	21.45	31.73	10.28	47.93%
14	Treasure Lake Division	2	27.20	40.15	12.95	47.61%
15	Concord Park Division	2	30.88	43.91	13.03	42.20%
16	Bristol Township Water System Division	1	24.24	38.40	14.16	58.42%
17	Mt Jewett Borough Division	1	45.95	65.52	19.57	42.59%
18	Bunker Hill Subdivision	Bunker Hill	12.88	26.36	13.48	104.66%
19	Robin Hood Lakes Division	1	40.16	53.09	12.93	32.20%
20	East Cameron Division	1	57.02	65.52	8.50	14.91%
21	Sun Valley Division**	Sun Valley	15.00	19.50	4.50	30.00%
22	Superior Water Company	2	57.02	65.52	8.50	14.91%

*Residential water rates are based on 5/8" meter and an average consumption of 4,080 gallons per month for all divisions.

**Sun Valley customers are flat rate, unmetered customers.

Aqua Pennsylvania, Inc
Commercial Average Monthly Bill Comparison - Water
Docket Nos. A-2018-3004108, A-2018-3004109, R-2018-3003558 and R-2018-3003561

	<u>Current Division</u>	<u>New Rate Zone</u>	<u>Meter Size</u>	<u>Avg Consumption</u>	<u>Present Rates</u>	<u>Settlement Rates</u>	<u>\$ Change</u>	<u>% Change</u>
1	Main Division Eagle Rock, Fawn Lake, Tanglewood, Thornhurst, Woodledge Village, Western &	1	5/8"	37,800	\$380.00	\$419.63	\$39.63	10.43%
2	Pincrest Divisions	3	5/8"	13,800	171.34	186.73	15.39	8.98%
3	Bensalem Division	1	5/8"	50,700	468.54	531.51	62.97	13.44%
4	Chalfont Division	2	5/8"	7,100	70.32	102.49	32.17	45.75%
5	Oakland Beach/Lakeside Acres Division	3	5/8"	5,500	84.39	93.45	9.06	10.74%
6	CS Water Division (Masthope)	3	5/8"	42,300	426.00	468.66	42.66	10.01%
7	Country Club Gardens Division	1	5/8"	33,900	271.22	333.27	62.05	22.88%
8	Clarendon Water Division	1	5/8"	9,900	93.91	135.81	41.90	44.62%
9	Kratzerville Division	1	5/8"	7,600	82.56	108.44	25.88	31.35%
10	Honesdale Division	1	5/8"	12,600	133.84	164.18	30.34	22.67%
11	Sand Springs Division	1	2"	40,800	309.80	523.34	213.54	68.93%
12	Mifflin Township Division	1	5/8"	19,600	112.70	174.80	62.10	55.10%
13	Beech Mountain Lakes Division	1	5/8"	23,000	51.34	95.40	44.06	85.82%
14	Treasure Lake Division	2	5/8"	30,800	121.26	185.24	63.98	52.76%
15	Concord Park Division	2	4"	487,300	2,226.92	3,381.86	1,154.94	51.86%
16	Bristol Township Water System Division	1	5/8"	14,800	116.15	146.76	30.61	26.35%
17	Mt Jewett Borough Division	1	5/8"	2,200	33.07	44.18	11.11	33.60%
20	East Cameron Division	1	3/4"	300	50.00	34.04	(15.96)	-31.92%
22	Superior Water Company	2	5/8"	8,400	99.18	117.96	18.78	18.94%

Aqua Pennsylvania, Inc
Industrial Average Monthly Bill Comparison - Water
Docket Nos. A-2018-3004108, A-2018-3004109, R-2018-3003558 and R-2018-3003561

	<u>Current Division</u>	<u>New Rate Zone</u>	<u>Meter Size</u>	<u>Avg Consumption</u>	<u>Present Rates</u>	<u>Settlement Rates</u>	<u>\$ Change</u>	<u>% Change</u>
1	Main Division	1	5/8"	231,500	\$1,897.56	\$2,099.59	\$202.03	10.65%
3	Bensalem Division	1	1"	53,500	523.48	590.30	66.82	12.76%
4	Chalfont Division	2	2"	37,000	358.73	484.19	125.46	34.97%
5	Oakland Beach/Lakeside Acres Division	3	5/8"	76,500	691.26	765.28	74.02	10.71%
10	Honesdale Division	1	5/8"	23,200	222.27	275.01	52.74	23.73%
17	Mt Jewett Borough Division	1	1"	600	22.11	59.64	37.53	169.74%

Aqua Pennsylvania, Inc
Residential Average Monthly Bill Comparison - Wastewater
Docket Nos. A-2018-3004108, A-2018-3004109, R-2018-3003558 and R-2018-3003561

	<u>Current Division</u>	<u>New Rate Zone</u>	<u>Avg Consumption</u>	<u>Present Rates</u>	<u>Settlement Rates</u>	<u>\$ Change</u>	<u>% Change</u>
1	Pinecrest Division	2	Unmetered	\$44.28	\$68.40	\$24.12	54.48%
2	Willistown Woods Division	3	3,100	54.92	72.35	17.43	31.74%
3	Links at Gettysburg Division	3	2,700	63.58	68.95	5.37	8.45%
4	East Bradford Division	5	5,400	106.43	125.84	19.41	18.24%
5	Twin Hills Division	4	4,200	70.15	101.90	31.75	45.26%
6	Plumsock Division	5	5,300	107.12	124.88	17.76	16.58%
7	Media Division	1	4,200	42.19	62.92	20.73	49.13%
8	White Haven Division	2	2,900	47.07	59.49	12.42	26.39%
9	Bridlewood Division	1	4,100	43.04	67.48	24.44	56.79%
10	Eagle Rock Division	1	1,900	39.67	45.44	5.77	14.54%
11	Thornhurst Division	3	2,600	52.36	68.10	15.74	30.06%
12	Rivercrest Division	2	3,200	45.22	61.92	16.70	36.93%
13	Little Washington Division	5	3,400	98.05	106.64	8.59	8.76%
14	Laurel Lakes Division	3	4,200	51.49	81.70	30.21	58.67%
15	Deerfield Knoll Division	3	3,000	57.87	71.50	13.63	23.55%
16	CS Sewer Division (Masthope)	6	1,300	28.99	40.94	11.95	41.22%
17	Peddlers View Division	4	4,100	78.44	100.95	22.51	28.70%
18	The Greens at Penn Oaks Division	5	3,500	106.38	107.60	1.22	1.15%
19	Newlin Green Division	5*	6,500	158.75	158.75	0.00	0.00%
20	Woodloch Springs Division	3	2,000	51.87	63.00	11.13	21.46%
21	Stony Creek Division	3	2,500	54.86	67.25	12.39	22.58%
22	New Daleville Division	4	Unmetered	74.17	100.00	25.83	34.83%
24	Beech Mountain Lakes Division	3	Unmetered	56.04	80.00	23.96	42.76%
25	Lake Harmony Division	4	Unmetered	65.63	100.00	34.37	52.37%
26	Treasure Lake Division	1A	3,000	40.52	49.90	9.38	23.15%
27	Penn Township Division	1B	3,400	40.70	55.00	14.30	35.14%
28	Bunker Hill Subdivision	1A	Unmetered	31.92	56.20	24.28	76.07%
29	Honeycroft Village Division	4	Unmetered	66.67	100.00	33.33	49.99%
30	Emlenton Borough Division	2	Unmetered	45.00	68.40	23.40	52.00%
31	Tobyhanna Township Division	4	Unmetered	66.67	100.00	33.33	49.99%
33	Sage Hill	5*	Unmetered	180.00	180.00	0.00	0.00%

5* - Special Charges have been assigned to these divisions within Rate Zone 5.

All Residential Customers are charged a customer charge on an EDU basis with the exception of the Media and Treasure Lake Divisions, which are charged a customer charge based on the appropriate meter size of the applicable Rate Zone. Media and Treasure Lake rates above represent a 5/8" meter.

Pinecrest Division's Present Rate is based on the weighted average of the present rates of all customers both inside Pinecrest and outside Pinecrest.

Bridlewood Division's Average Consumption and Present Rate are based on the weighted average of both townhome and single family home customers.

As per the Asset Purchase Agreement, the Tobyhanna Division rate increase will not become effective until January 1, 2020.

Aqua Pennsylvania, Inc
Commercial Average Monthly Bill Comparison - Wastewater
Docket Nos. A-2018-3004108, A-2018-3004109, R-2018-3003558 and R-2018-3003561

	<u>Current Division</u>	<u>New Rate Zone</u>	<u>Avg Consumption</u>	<u>Present Rates</u>	<u>Settlement Rates</u>	<u>\$ Change</u>	<u>% Change</u>
2	Willistown Woods Division	3	3,200	55.23	73.20	17.97	33%
3	Links at Gettysburg Division	3	20,000	216.93	216.00	-0.93	0%
7	Media Division	1	15,700	111.87	150.32	38.45	34%
8	White Haven Division	2	5,700	50.60	82.17	31.57	62%
9	Bridlewood Division	1	Unmetered	38.42	61.40	22.98	60%
10	Eagle Rock Division	1	11,700	52.02	124.92	72.90	140%
12	Rivercrest Division	2	12,200	92.66	134.82	42.16	45%
16	CS Sewer Division (Masthope)	6	24,800	41.33	64.44	23.11	56%
18	The Greens at Penn Oaks Division	5	78,400	798.26	1,122.64	324.38	41%
20	Woodloch Springs Division	3	117,000	62.62	71.50	8.88	14%
23	Village at Valley Forge Division	1A	144,500	1,054.42	1,220.35	165.93	16%
24	Beech Mountain Lakes Division	3	Unmetered	69.74	80.00	10.26	15%
25	Lake Harmony Division	4	Unmetered	65.63	100.00	34.37	52%
26	Treasure Lake Division	1A	31,700	153.53	230.71	77.18	50%
27	Penn Township Division	1B	88,800	873.10	955.50	82.40	9%
29	Honeycroft Village Division	4	Unmetered	466.69	700.00	233.31	50%
30	Emlenton Borough Division	2	Unmetered	45.00	68.40	23.40	52%
31	Tobyhanna Township Division	4	9,600	86.00	153.20	67.20	78%
32	Avon Grove School District	5*	Unmetered	6,625.00	8,281.25	1656.25	25%

5* - Special Charges have been assigned to these divisions within Rate Zone 5.

All Residential Customers are charged a customer charge on an EDU basis with the exception of the Media and Treasure Lake Divisions, which are charged a customer charge based on the appropriate meter size of the applicable Rate Zone. Media and Treasure Lake rates above represent a 5/8" meter.

Bridlewood Division's Present Rate and Settlement Rate are based on the weighted average of the EDU rate charged to the 2 commercial customers.

Woodloch Springs Division's Present Rate and Settlement Rate are based on the customer charge per EDU.

As per the Asset Purchase Agreement, the Tobyhanna Division rate increase will not become effective until January 1, 2020.

Aqua Pennsylvania, Inc
Industrial Average Monthly Bill Comparison - Wastewater
Docket Nos. A-2018-3004108, A-2018-3004109, R-2018-3003558 and R-2018-3003561

	<u>Current Division</u>	<u>New Rate Zone</u>	<u>Meter Size</u>	<u>Avg Consumption</u>	<u>Present Rates</u>	<u>Settlement Rates</u>	<u>\$ Change</u>	<u>% Change</u>
7	Media Division	1	5/8"	3,200	36.13	55.32	19.19	53%

STATEMENT A

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	DOCKET NOS. R-2018-3003558
	:	R-2018-3003561
AQUA PENNSYLVANIA, INC. AND AQUA PENNSYLVANIA WASTEWATER, INC.	:	
	:	
and	:	
	:	
JOINT APPLICATION OF AQUA PENNSYLVANIA, INC. AND ITS SUBSIDIARY, SUPERIOR WATER CO., INC.	:	DOCKET NOS. A-2018-3004108
	:	A-2018-3004109
	:	

**STATEMENT OF AQUA PENNSYLVANIA, INC., AQUA PENNSYLVANIA
WASTEWATER, INC., AND SUPERIOR WATER COMPANY
IN SUPPORT OF THE JOINT PETITION FOR
SETTLEMENT OF RATE INVESTIGATION**

February 8, 2019

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	DOCKET NOS. R-2018-3003558
	:	R-2018-3003561
AQUA PENNSYLVANIA, INC. AND AQUA PENNSYLVANIA WASTEWATER, INC.	:	
	:	
and	:	
	:	
JOINT APPLICATION OF AQUA PENNSYLVANIA, INC. AND ITS SUBSIDIARY, SUPERIOR WATER CO., INC.	:	DOCKET NOS. A-2018-3004108
	:	A-2018-3004109
	:	

**STATEMENT OF AQUA PENNSYLVANIA, INC., AQUA PENNSYLVANIA
WASTEWATER, INC., AND SUPERIOR WATER COMPANY
IN SUPPORT OF THE JOINT PETITION FOR
SETTLEMENT OF RATE INVESTIGATION**

**TO THE HONORABLE ANGELA T. JONES AND F. JOSEPH BRADY,
ADMINISTRATIVE LAW JUDGES:**

I. INTRODUCTION AND OVERVIEW

Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc. and Superior Water Company, Inc. (“Aqua” or the “Company”) submits this Statement in Support with respect to the Joint Petition for Settlement of Rate Investigation (“Joint Petition”) entered into by and among the following Joint Petitioners¹:

¹ Pennsylvania-American Water Company (“PAWC”) and Treasure Lake Property Owners Association, Inc. (“TLPOA”), which are parties to this proceeding, are not joining the Settlement. PAWC has authorized the Joint Petitioners to represent that it does not oppose the Settlement. TLPOA, which did not submit testimony in this case, opposes the level of increase to Treasure Lake under the Settlement Rates. Aqua notes that it submitted extensive

Bureau of Investigation and Enforcement (“I&E”);
Office of Consumer Advocate (“OCA”);
Office of Small Business Advocate (“OSBA”);
The Aqua Large Users Group (“Aqua LUG”);
The Coalition for Affordable Utility Services and Energy
Efficiency in Pennsylvania (“CAUSE-PA”);
Masthope Mountain Community Property Owners Council
 (“Masthope”); and
The Links at Gettysburg Master Association (“LGMA”).

If the settlement set forth in the Joint Petition (“Settlement”) is approved, it will resolve all issues in this proceeding.

The Settlement of this case was achieved only after a comprehensive investigation of Aqua’s operations and finances, which included: (1) extensive discovery (Aqua responded to 594 interrogatories containing numerous subparts); (2) submission of direct, rebuttal and surrebuttal testimony covering a wide range of issues; (3) informal discovery; (4) public input hearings; and (5) negotiations among the Joint Petitioners as to the appropriate revenue level, rate structure, rate design, and other matters, as set forth in detail in the Joint Petition.

The Settlement has been achieved among parties representing a wide array of stakeholder interests, including residential, commercial, industrial and resale customers and an organization dedicated to representing the interests of low-income customers. The fact that the Settlement was reached among parties displaying the variety of interests of the Joint Petitioners is, in itself, strong evidence that the Settlement is reasonable and in the public interest. In fact, the

testimony setting forth the investment it has made to the water (\$18 million) and wastewater (\$9 million) systems in Treasure Lake since their acquisition by the Company in 2013 (AP St. No. 10-R, p. 12 and AP St. No. 8-R, p. 9).

Settlement reflects a carefully balanced compromise of the interests of all the Joint Petitioners based on their thorough and detailed consideration of the evidence adduced in this case, all of which was entered into the record at the evidentiary hearing conducted January 17, 2019.

Significantly, three of the signatories – I&E, OCA, and OSBA – are charged with specific legal obligations to carefully scrutinize all aspects of a utility’s request to increase rates. I&E, which has the broadest mandate, functions as an independent prosecutorial bureau within the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) and, as such, is charged with representing the public interest in utility rate proceedings.² The OCA has a statutory obligation to protect the interests of consumers of public utility service.³ And the OSBA represents the interests of small businesses.⁴ As evidenced by their active and extensive participation in all aspects of this case, these statutory parties have conscientiously and rigorously discharged their statutory obligations. The statutory parties’ joining in, and fully supporting, the Settlement is strong evidence that the Settlement’s terms and conditions are just, reasonable and in the public interest.⁵

Moreover, as explained hereafter, the Company presented a compelling case for rate relief. This is evidenced by, among other factors, the fact that Aqua’s base rates for water operations and wastewater operations have not increased since June 8, 2012 and October 29,

² See *Implementation of Act 129 of 2008 Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Final Order entered Aug. 11, 2011), p. 5 (“BI&E will serve as the prosecutory bureau for purposes of representing the public interest in ratemaking and service matters . . .”).

³ See 71 P.S. §§ 309-1 *et seq.*

⁴ See 73 P.S. §§ 399.41 *et seq.*

⁵ See *Pa. P.U.C. v. T.W. Phillips Gas and Oil Co.*, Docket Nos. R-2010-2167797, *et al.*, 2010 Pa. PUC LEXIS 1598 at *80-85 (Recommended Decision issued Oct. 5, 2010), relying upon the support of I&E’s predecessor, the Office of Trial Staff (“OTS”), the OCA and the OSBA as evidence that the settlement in that case was reasonable and in the public interest. The Recommended Decision was expressly approved and adopted by the Commission in its Final Order entered Nov. 4, 2010, at the above-referenced docket.

2010, respectively (Aqua St. 1, p. 3) and, since the filing of its last base rate cases, Aqua has invested nearly \$1.4 billion in utility infrastructure through March 31, 2018 and another approximately \$800 million is projected to be invested through the fully projected test year (“FPFTY”) ending March 31, 2020.

The Company’s need for rate relief and the reasonableness of the increase in revenues set forth in the Settlement is addressed further in Section II, below. Section II also discusses the other terms of the Settlement and explains why they are reasonable in light of the evidence presented in this case and are in the public interest. Section III is a summation of the reasons why the Settlement as a whole is in the public interest.

A. Overview Of The Company’s Filing And Of The Settlement

Aqua initiated this case on August 17, 2018, by filing Original Tariff Water – Pa. P.U.C. No. 2 (“Tariff Water No. 2”) and Original Tariff Sewer – Pa. P.U.C. No. 2 (“Tariff Sewer No. 2”) requesting an increase in total-Company annual operating revenues of approximately \$71.8 million, or 16.13%, based on data for a FPFTY ending March 31, 2020. As required by Section 1308(d) of the Pennsylvania Public Utility Code (“Code”),⁶ the Company’s proposed tariffs bore an effective date of October 16, 2018. Additionally, as authorized by Act 11, the Company determined its revenue requirement on a combined (water and wastewater) basis and proposed allocating a portion of its wastewater cost of service to its water operations (*see* AP Exh. 5-A, Part I, p. 15). On September 20, 2018, the Commission instituted an investigation of the Company’s existing and proposed rates and, as a result, the Company’s proposed tariffs were suspended by operation of law until May 16, 2019. In order to facilitate developing a procedural

⁶ 66 Pa.C.S. § 1308(d). Hereafter all references to a “Section” are to the Pennsylvania Public Utility Code, 66 Pa.C.S. §§ 101 *et seq.*, unless indicated otherwise.

schedule acceptable to all parties, the Company voluntarily extended the suspension period to May 24, 2019.

Various issues pertaining to the level of revenues to which the Company is entitled were the subject of extensive discovery and were addressed at length in the parties' direct, supplemental direct, rebuttal, and surrebuttal testimony. Revenue requirement was also the subject of intensive negotiations among the Joint Petitioners, which produced an agreement among the Joint Petitioners that Aqua is entitled to an increase in total-Company operating revenues of \$47 million in lieu of its initially requested increase of \$71.8 million. The total Company increase is comprised of an increase in operating revenues from water operations of \$42,347,943 and an increase in operating revenues from wastewater operations of \$4,650,819, as shown on the first page of Appendix C to the Joint Petition. Additionally, the Company has agreed that it will not file for another general rate increase under Section 1308(d) for its water and wastewater operations that are included in this case prior to April 30, 2021, subject to the exceptions that are customary for "stay-out" provisions in base rate case settlements in Pennsylvania.

This case presented certain additional issues because it is the first base rate case filed by Aqua since Pennsylvania enacted Act 11 of 2012 ("Act 11") on February 14, 2012, which amended Chapters 2, 13 and 33 of the Code, and the Company's decision at the end of 2012 to change its method of accounting to treat certain expenditures as deductible repairs. Witnesses for I&E, the OCA and the OSBA raised a number of issues pertaining to how and from whom the cost of furnishing wastewater service should be recovered. In particular, parties reviewed

and addressed Aqua's proposal to invoke the Commission's authority under Section 1311(c)⁷ to recover approximately \$8.1 million of its originally requested wastewater revenue requirement from the Company's customer base for water operations. Mr. Smith on behalf of the OCA also expressed concerns that the Company's use of flow-through accounting for the benefits of Aqua's tax repair deductions in accordance with the settlement of the Company's 2011 base rate case⁸ may not ensure that customers receive the full benefit of the deferred taxes created by those tax repair deductions in tax years subsequent to the FPFTY.

Both the issue of wastewater cost recovery and the ratemaking treatment of tax deductions for repairs will be resolved by the Commission's approval of the Settlement. Under the Settlement Rates, only \$7.1 million of wastewater revenue requirement – not the amount of \$8.1 million Aqua originally proposed – would be allocated to its water operation's cost of service.⁹ Additionally, the Settlement will resolve the OCA's issues concerning accounting for tax repairs. Specifically, Pursuant to Paragraph No. 30 of the Joint Petition, upon approval of the Settlement, the Company agrees that it will record a regulatory liability or asset for the income tax expense impacts of net repairs deductions that vary by more than \$3 million above or below the agreed upon total-Company net repairs deduction amount for the FPFTY totaling \$158,864,688.

⁷ Section 1311(c) provides, in relevant part, that “the commission, when setting base rates, after notice and an opportunity to be heard, may allocate a portion of the wastewater revenue requirement to the combined water and wastewater customer base if in the public interest.”

⁸ See AP St. 1, pp. 4-5; AP St. 7, pp. 14-17.

⁹ See Joint Petition ¶ 16. While the Section 1311(c) allocation to water operations under the Settlement Rates plays an important role in mitigating the increases to the Company's 20,000 wastewater customers, it has a *de minimis* effect on water customers' bills – representing an increase of approximately 88¢ per month to an average residential customer.

Various other specific issues that were raised by other parties' testimony have been resolved by the compromises on all sides that resulted in the agreed upon increase in revenues of \$47 million in lieu of the Company's original proposal. There are certain terms that reflect the Joint Petitioners' agreement on specific issues, which are typically addressed in settlements, such as, for example, approved acquisition adjustments,¹⁰ the equity return rate to be used in calculating the Company's Distribution System Improvement Charge ("DSIC"),¹¹ and the "baseline" of FPFTY plant additions that must be exceeded before the Company may reinstitute its DSIC.¹² In addition, the Joint Petitioners have resolved all rate structure and rate design issues by collaboratively developing the Settlement Rates, as set forth in the water and wastewater tariffs provided in Appendices A and B. The Joint Petitioners are in full agreement that the Settlement Rates fairly and reasonably allocate the increase in water and wastewater revenues among Aqua's customer rate classes and rate divisions.¹³

A total of six public input hearings were held in this case across the Company's service territory.¹⁴ The Company believes that, given its size (Aqua provides service to approximately 450,000 customers)¹⁵ and the challenges of serving a geographically diverse service territory (Aqua provides service in 32 of the 67 counties in the Commonwealth),¹⁶ there were remarkably few service-related issues raised at the public input hearings. That said, Aqua takes every service-related customer complaint seriously and is dedicated to addressing and resolving any

¹⁰ Joint Petition ¶¶ 31-32.

¹¹ Joint Petition ¶ 19.

¹² Joint Petition ¶ 20.

¹³ See Joint Petition ¶¶ 33-34.

¹⁴ See Joint Petition ¶ 10.

¹⁵ AP St. 1, p. 7.

¹⁶ *Id.*, p. 41.

situation where its customers feel they are not receiving service at the high standard to which Aqua holds itself. Accordingly, the Settlement contains terms and commitments by the Company to address the service and billing-related issues that were raised by witnesses at the public input hearings and summarized by OCA witness Terry Fought in his direct testimony. In particular, the Company has committed to continue to address the level of Perfluorooctane Sulfonate (“PFOS”) and Perfluorooctanoic Acid (“PFOA”) in its water supply and to consider treatment options and take concrete actions to address PFOS/PFOA where appropriate. In addition, as previously indicated, the Joint Petition addresses the other customer-specific service-related issues raised by witnesses at the public input hearings. In each instance, the Company reached out to the affected customer and communicated what it planned to do (or has already done) to address the customer’s concerns.

As the Commission is aware, Aqua was the first water utility in Pennsylvania to develop and implement a program to assist low-income and payment-troubled customers.¹⁷ Continuing its commitment to assisting low-income customers, Aqua has agreed as part of the Settlement to implement several enhancements to its Helping Hand program, including the addition of a hardship grant component to the program and an increase in the amount of arrearage forgiveness available to each enrolled customer.¹⁸ Additionally, Aqua agreed to revisions recommended by CAUSE-PA to the Company’s domestic violence policy, medical certification form and termination notices.¹⁹

As previously indicated, the specific terms of the Settlement are discussed in more detail in Section II, *infra*.

¹⁷ See AP St. 1, p. 41.

¹⁸ Joint Petition ¶¶ 35-41.

¹⁹ Joint Petition ¶¶ 42-44.

B. The Settlement Is Consistent With Commission Policy, Practice And Precedent Concerning Settlements

The Commission’s long-standing policy, practice and precedent, which are embodied in its regulation at 52 Pa. Code § 5.231 and its Policy Statement on Settlements at 52 Pa. Code § 69.401, strongly encourage parties to resolve contested proceedings by settlement. Indeed, in its Policy Statement, the Commission states that “the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.” There are many reasons why settlements can produce better outcomes and do a better job of promoting the public interest than full litigation, which have been repeatedly affirmed in decisions approving proposed settlements. Those reasons were aptly summarized in the Commission’s recent approval of a settlement of PECO Energy Company’s 2018 electric rate case:

Rate increase proceedings are expensive to litigate, and the reasonable cost of such litigation is an operating expense recovered in the rates approved by the Commission. Partial or full settlements allow the parties to avoid the substantial costs of preparing and serving testimony and the cross-examination of witnesses in lengthy hearings, the preparation and service of briefs, reply briefs, exceptions and replies to exceptions, together with the briefs and reply briefs necessitated by any appeal of the Commission’s decision, yielding significant expense savings for the company’s customers. For this and other sound reasons, settlements are encouraged by long-standing Commission policy.²⁰

Settlements also promote the public interest in another important way. In settlements, parties can, through compromise and agreement, craft innovative and creative solutions that the

²⁰ *Pa. P.U.C. v. PECO Energy Co.*, Docket No. R-2018-3000164 (Final Opinion and Order entered Dec. 20, 2018) (“*PECO 2018 Rate Case Order*”), p. 15.

Commission may not be in a position to develop and impose unilaterally. That is certainly the case with the Settlement that has been achieved by the Joint Petitioners in this proceeding.

C. Settlements That Do Not Stipulate Or Identify The Specific Components Underlying A Settled Revenue Increase Have Been Consistently Approved And Strongly Endorsed By The Commission As Promoting The Public Interest

As the Joint Petition makes clear (*see* Paragraph Nos. 13, 56 and 57), the Joint Petitioners acknowledge that, subject to the limited exceptions set forth in the Joint Petition, they have not sought, nor would they be able, to agree upon the specific ratemaking adjustments that support their respective decisions to enter into the Settlement. Nonetheless, as the Joint Petitioners explain in their respective Statements in Support, they are in full agreement that the Settlement achieves the following goals:

- Resolves a number of contested issues, by means of inter-related compromises, in a manner that produces an overall outcome well within the range of reasonable outcomes supported by the record evidence;
- Appropriately and fairly balances: (1) the interests of customers in receiving safe, adequate and reliable service at just and reasonable rates; and (2) the interests of the Company and its shareholders in having a reasonable opportunity – through continued prudent and efficient management – to earn a fair return on their investment in property dedicated to the public service, which will support further investment in additional needed plant and equipment;

- Fully reflects tax savings related to the Tax Cuts and Jobs Act (“TCJA”)²¹ to offset the rate increase experienced by all customers;
- Produces a fair result for all parties; and
- Therefore, for all the foregoing reasons, is in the public interest.

As explained above, the Joint Petition embodies a so-called “black box” settlement because the Joint Petitioners have neither agreed upon, nor identified, their individual assessments of the various subsidiary components of the overall revenue requirement upon which they settled. The Joint Petitioners’ approach facilitates settlements by allowing parties to agree to an overall settled outcome that all parties find reasonable without abandoning or reversing their litigation positions on issues they deem important and, thereby, compromising their ability to present their arguments in other proceedings where settlement may not be possible.²² Thus, the net result is reasonable and acceptable to all, so long as the parties are not

²¹ Tax Cuts and Jobs Act, Pub. L. No. 115-97 (2017).

²² See 52 Pa. Code § 5.231 and the Commission’s Policy Statement on Settlements, *supra*. While there are many Commission-approved Recommended Decisions that have found black box settlements to be in the public interest on this basis, one recent example is *Pa. P.U.C. v. Borough of Ambler Water Dept.*, Docket No. R-2014-2400003, 2014 Pa. PUC LEXIS 547 at *12-15, (Recommended Decision of Administrative Law Judge Cynthia Williams Fordham issued Oct. 17, 2014). In her Recommended Decision, Judge Fordham, after summarizing Commission precedent approving black box settlements, affirmed I&E’s position in that case that “the revenue amount and rate design in the Settlement are within the range of potential litigated outcomes” and “further line-by-line identification and ultimate resolution of each revenue-related issue raised in the proceeding beyond those addressed in the Settlement is not necessary to find that the Settlement is in the public interest” *Id.* Judge Fordham’s Recommended Decision was approved and adopted by the Commission in its Final Order entered Dec. 4, 2014. While *Borough of Ambler* involved a relatively smaller utility, black box settlements of base rate increases have been approved on the same basis for many large utilities, such as the settlement of PECO’s 2018 electric rate case discussed previously. See, e.g., *PECO 2018 Rate Case Order* (approving a black box settlement for a base rate increase of \$82 million); *Pa. P.U.C. v. Pennsylvania-American Water Co.*, Docket No. R-2017-2595853 (Final Order entered Dec. 7, 2017) (approving a black box settlement for a base rate increase of \$62 million); *Pa. P.U.C. v. PECO Energy Co.*, Docket No. R-2015-2468981 (Final Order entered Dec. 17, 2015) (approving a black box settlement for a base rate increase of \$127 million); *Pa. P.U.C. v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2014-2406274 (Final Order entered Dec. 10, 2014) (approving a black box settlement for a base rate increase of \$32.5 million); *Pa. P.U.C. v. Duquesne Light Co.*, Docket No. R-2013-2372129 (Final Order entered Apr. 23, 2014) pp. 8-15 (approving a black box settlement providing for a base rate increase of \$48 million); *Pa. P.U.C. v. PPL Elec. Utils. Corp.*, Docket No. R-2010-2161694, 2010 Pa. PUC LEXIS 2001 at *15 and *30-35 (Final Order entered Dec. 16, 2010), (approving a black box settlement providing for a base rate increase of \$77.5 million).

forced to reveal their positions and strategies or the compromises they made to reach the settled outcome. Nonetheless, limited exceptions to the black box concept were made in this Settlement – as in other settlements that have been approved by the Commission – as needed to implement and administer the Settlement terms.

The Joint Petitioners’ approach to delineating the terms of the Settlement in the Joint Petition, namely, a “black box” subject to limited but appropriate exceptions, has been consistently and repeatedly approved by the Commission. One of the strongest endorsements of black box settlements as not only consistent with the public interest but a means of affirmatively promoting the public interest occurred in two companion cases involving Citizens’ Electric Company of Lewisburg, PA (“Citizens”) and Wellsboro Electric Company (“Wellsboro”), which are subsidiaries of a common parent. Citizens and Wellsboro made simultaneous rate filings, and black box settlements were achieved in both cases. The Administrative Law Judge approved the settlements in separate Recommended Decisions²³ but noted, parenthetically, that “ ‘Black Box’ agreements are sometimes regarded with little enthusiasm” by some participants. The Commission approved both Recommended Decisions in Final Orders issued on January 13, 2010. In each case, then-Chairman Powelson issued separate statements endorsing black box settlements:

I . . . will continue to support settlements, including those of a black box nature, enthusiastically. Determination of a company’s revenue requirement is a calculation that involves many complex and interrelated adjustments affecting revenue, expenses, rate base and the company’s cost of capital. To reach agreement on each component of a rate increase is an undertaking that in many cases would be difficult, time-consuming, expensive and perhaps impossible. *Black box settlements are an integral component of*

²³ *Pa. P.U.C. v. Citizens’ Elec. Co. of Lewisburg, PA*, Docket No. R-2010-2172665, 2010 Pa. PUC LEXIS 1890 at *20-21, (Recommended Decision issued Dec. 21, 2010), *Pa. P.U.C. v. Wellsboro Elec. Co.*, Docket No. R-2010-2172662, 2010 Pa. PUC LEXIS 1891 at *17-18 (Recommended Decision issued Dec. 21, 2010).

the process of delivering timely and cost-effective regulation.
(Emphasis added.)

Then-Chairman Powelson's separate statements in *Citizens'* and *Wellsboro*, *supra*, have been relied upon by parties, Administrative Law Judges and the Commission itself in many subsequent cases. For example, in Peoples TWP LLC's 2013 base rate case,²⁴ the Commission approved the settlement reached in that case and denied all of an objecting party's exceptions. In response to a complainant's specific objection to the black box nature of the settlement, the Commission stated that its holding was squarely based on Commissioner Powelson's statements in *Citizens'* and *Wellsboro*²⁵:

We have historically permitted the use of "black box" settlements as a means of promoting settlement among the parties in contentious base rate proceedings. *See, Pa. PUC v. Wellsboro Electric Co.*, Docket No. R-2010-2172662 (Final Order entered January 13, 2011); *Pa. PUC v. Citizens' Electric Co. of Lewisburg, PA*, Docket No. R-2010-2172665 (Final Order entered January 13, 2011). Settlement of rate cases saves a significant amount of time and expense for customers, companies, and the Commission and often results in alternatives that may not have been realized during the litigation process. Determining a company's revenue requirement is a calculation involving many complex and interrelated adjustments that affect expenses, depreciation, rate base, taxes and the company's cost of capital. Reaching an agreement between various parties on each component of a rate increase can be difficult and impractical in many cases. For these reasons, we support the use of a "black box" settlement in this proceeding and, accordingly, deny this Exception.

Similarly, in the Recommended Decision recommending approval of the black box settlement in PECO's 2015 electric rate case, Administrative Law Judge Angela T. Jones explained:

The Commission has noted that "Black box" settlements are an important aspect in the process of delivering timely and cost

²⁴ *Pa. P.U.C. v. Peoples TWP LLC*, Docket No. R-2013-2355886 (Final Order entered Dec. 19, 2013), pp. 27-28.

²⁵ *Id.* at 28.

effective regulation. A black box settlement is a means to reach agreement on a rate increase in a case where the issues raised are varied and complex. To delineate and specify each component of the rate increase to the issues would be difficult, time-consuming, expensive and costly to the consumers as a rate case expense. To curtail any delineation is to save time, expense and costs of the parties and the ratepayers. The Commission has in the past found such black box settlements to be reasonable and in the public interest. The instant case is consistent with Commission precedent.²⁶

As evidenced by the authorities discussed above, the Commission fully endorses the concept of black box settlements such as the Settlement achieved in this case.

D. General Standard For Approval Of Settlements

It is well-established that, in order to approve a settlement, the Commission must determine that the proposed terms and conditions, viewed in the context of the settlement as a whole, are in the public interest. *See Pa. P.U.C. v. CS Water & Sewer Assoc.*, 74 Pa. P.U.C. 767, 771 (1991); *Pa. P.U.C. v. Philadelphia Elec. Co.*, 60 Pa. P.U.C. 1, 22 (1985). In Section II, below, each of the principal terms of the Settlement is discussed in light of the record evidence and the parties' positions. As explained therein, the final resolution achieved by each of those terms is consistent with, and promotes, the public interest.

II. SPECIFIC SETTLEMENT TERMS²⁷

A. Revenue Requirement (Joint Petition, Paragraphs 15-17 and 28-32)

1. Revenue Increase (Joint Petition, Paragraphs 15-16)

As explained in Section I.A., *supra*, following detailed formal and informal discovery, the submission of multiple rounds of testimony and extensive negotiations, the Joint Petitioners

²⁶ Recommended Decision, *Pa. P.U.C. v. PECO Energy Co.*, Docket No. R-2015-2468981 (entered Oct. 8, 2015), pp. 18-19 (citations omitted).

²⁷ Section II of this Statement in Support contains a general description of the terms and conditions of the Settlement set forth in the Joint Petition. While every effort has been made to try to ensure that the descriptions are accurate, if

agreed to the Settlement embodied in the Joint Petition, which resolves all issues in this case. The Settlement provides for a total-Company increase in operating revenues of \$47 million (\$42.3 million for water operations and \$4.7 million for wastewater operations), based on its pro forma present rate revenue level, to become effective as of May 24, 2019, in lieu of the \$71.8 million Aqua initially requested in its August 17, 2018 rate filing. Pursuant to Section 1311(c) of the Public Utility Code and the Commission's Implementation Order in Docket No. R-2013-2355276, under the Settlement Rates, a portion of the wastewater revenue requirement totaling \$7,087,745 is being allocated to water customers.

Under the Settlement Rates, the monthly bill of a typical residential water customer in the Company Main Division (in which 91% of all residential water customers are served) will increase from \$59.85 to \$65.52, or by 9.47%. A billing comparison for all general water service customer classes in all of the Company water rate zones is provided in Appendix D to the Joint Petition. The Company has thirty-three separate wastewater divisions under its current rates. Under the Settlement Rates, a number of the smaller wastewater rate zones are being consolidated and, as a result, under the Settlement Rates, the Company will have a total of eleven wastewater divisions. The increase in the monthly bill of an average wastewater customer in each of the Company's existing rate zones under the Settlement Rates is also provided in Appendix D to the Joint Petition. By way of illustration, the weighted average monthly rates across all wastewater divisions will increase from \$57.64 to \$66.55, or by 39.69%.²⁸

any inconsistency exists or is perceived between the Statement in Support and the terms and conditions of the Joint Petition, the Joint Petition shall take precedence and shall control.

²⁸ All of the wastewater Settlement Rates and resulting average customer bills would be higher absent the Section 1311(c) allocation of a portion of wastewater revenue requirement to water operations, which was discussed in Section I.A., *supra*.

There are four important factors that need to be considered and understood in order to place the proposed revenue increase under the Settlement in the proper context: (1) the time elapsed since the Company's last base rate case; (2) the Company's substantial investment in new and replacement property to replace aging infrastructure and comply with evolving legal and regulatory drinking water and environmental standards; (3) the Company's efforts to control operating and maintenance ("O&M") expenses and improve efficiency, while maintaining and enhancing customer service; and (4) the continuing trend of declining per-customer residential water usage.²⁹

Aqua's current base rates for water operations were established by the Commission's Final Order entered June 7, 2012 at Docket No. R-2011-2267958 and became effective on June 8, 2012. The Company last increased its wastewater rates on October 29, 2010. Consequently, if the Settlement in this case is approved, Aqua's customers will have experienced no increase in distribution base rates in seven or more years.

As explained by Company witnesses Packer and Jerdon, both the Company and customers benefitted from the reduction in Federal and State tax expense that resulted from the Company's decision to change its method of accounting to deduct capitalized repairs and the flow-through of the tax effect of those deductions discussed in the terms of the settlement of its 2011 base rate case. Notably, the Company was able to avoid charging a water DSIC and, keep customers' base rates stable for a period of almost seven years, while also supporting its investment in nearly \$2.2 billion of infrastructure as projected through the end of the FPFTY in this case.³⁰ As a result of Aqua's significant investments to enhance its utility infrastructure,

²⁹ See AP St. 1, pp. 3-10 (explaining the forces driving the need for a rate increase).

³⁰ AP St. 1, pp. 3-5. Beginning in 2019, the Company's overall capital expenditures will reflect a more normalized level of investment compared to historical patterns of accelerated investment. As a result, the Company will

main breaks and water quality complaints have been reduced and the Company's unaccounted-for-water metrics have been improving, particularly for small, troubled water and wastewater systems that Aqua has acquired in furtherance of the Commission's policy to have larger, viable utilities acquire and upgrade the many small, troubled systems that still exist across the Commonwealth.³¹ To continue its investments to enhance the Company's water and wastewater systems and comply with regulatory requirements, Aqua must raise substantial amounts of debt and equity capital and, in the process, must demonstrate its ability to provide a reasonable return in order to convince investors to commit their funds for its use.

While Aqua has been making substantial investments in new and replacement plant to maintain and enhance service to customers, it has been experiencing a continuing trend of declining per-customer water usage. As explained by Aqua witness William C. Packer, since 2011, the Company's annual sales have declined by approximately 1.3% per year.³²

Since filing its last base rate case in November 2011, Aqua has been successful in controlling the growth of its O&M expenses. In fact, Aqua projects a compound annual growth rate in O&M expense of less than 1% from 2011 through the end of the FPFTY.³³ However, the Company's efforts to contain its O&M expenses could not fully compensate for the sustained, high levels of investment Aqua has made, and continues to make, since its last case, and the ongoing reduction in per-customer water usage it is experiencing.

experience a corresponding reduction in its annual tax repair deductions for the FPFTY and, therefore, an increase in its current Federal and State income tax expense.

³¹ AP St. 1, pp. 40-41. See AP St. 8-R and St. 10-R (identifying and explaining the regulatory violations and service deficiencies of the small, troubled and non-viable water and wastewater systems that Aqua acquired since its last base rate case have experienced, which have been, or shortly will be, resolved by Aqua).

³² AP St. 1, p. 6.

³³ *Id.*, p. 9.

The factors discussed above, namely, the Company's substantial investment in utility plant and declining load growth, have compromised the Company's ability to earn a fair return on its investment absent rate relief, notwithstanding its efforts to control its O&M expenses. On a pro forma basis, Aqua's water and wastewater operations are projected to produce an overall return on invested capital of 6.29%, and a return on common equity of only 7.95%, during the FPFTY ending March 31, 2020.³⁴ In addition, Aqua's wastewater operations have produced a return on common equity of less than 2.50%, on average, over the period from 2003 to 2017. Those return levels are clearly inadequate, as Aqua witness Paul R. Moul pointed out in his direct testimony.³⁵ Absent rate relief, Aqua's financial results would deteriorate even further and could jeopardize its ability to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability and customer service levels. It is particularly important for Aqua to maintain and possibly improve its credit ratings because water and wastewater service is extremely capital intensive, as evidenced by the level of investment Aqua has made and will continue to make since its last base rate case, as discussed previously. Accordingly, it is important that Aqua obtain the increased revenues that the Settlement will provide.

2. Effective Date (Joint Petition, Paragraph 17)

The increase in revenues negotiated by the Joint Petitioners reflects their agreement that the Settlement Rates should become effective as of May 24, 2019. Accordingly, Paragraph 17 provides that the Joint Petitioners agree to exercise their best efforts to obtain approval of this Settlement by the Commission on or before April 11, 2019,³⁶ and the implementation of the

³⁴ Statement of Specific Reasons for Proposed Increase in Rates, p. 2.

³⁵ See AP St. 4, pp. 5-7 (summarizing current market-determined equity cost rates and providing Mr. Moul's recommended rate of return on equity).

³⁶ The Commission has scheduled a regular public meeting for April 11, 2019.

Settlement Rates on May 24, 2019. Upon the entry of a Commission Order approving the Joint Petition, the Company will be permitted to file a tariff for water service, in the form attached to the Joint Petition as Appendix A, and a tariff for wastewater service, in the form attached to the Joint Petition as Appendix B.

3. Income Taxes (Joint Petition, Paragraphs 28-30)

On December 22, 2017, the Tax Cuts and Jobs Act (“TCJA”) was signed into law by the President of the United States. The TCJA made a number of changes to the Internal Revenue Code including, most significantly, reducing the Federal income tax rate for corporations from 35% to 21%. Paragraph 28 of the Joint Petition sets forth the Joint Petitioners’ acknowledgement that the Settlement Rates account for the impacts of the TCJA and no further adjustments, refunds or credits are required.

The TCJA’s reduction of the Federal corporate income tax rate resulted in a portion of the accumulated deferred income taxes (“ADIT”) that were recorded by the Company when the tax rate was 35% exceeding the amount of deferred taxes that would have been recorded if the current 21% tax rate had applied when the prior ADIT had been booked. That difference is referred to as “excess” ADIT. Under the Settlement Rates, the excess ADIT will be flowed back to customers over the amortization period required by the Internal Revenue Code’s tax normalization rules for property subject to those rules. For the ADIT related to property that is not subject to the normalization rules, the Company is returning the associated excess ADIT over a ten-year period. Paragraph 29 provides that the excess ADIT has been recorded as a regulatory liability and reflected as a reduction to rate base for purposes of the Settlement Rates. Paragraph 29 also provides that the Company will continue such treatment in future base rate cases until the excess ADIT recorded as a regulatory liability has been refunded to customers in future years.

Finally, Paragraph 29 provides that the Company will separate ADIT and excess ADIT into two different accounts in future base rate cases.

Paragraph 30 addresses tax repairs deductions. The nature of tax repairs deductions and their treatment for Federal and state income tax purposes are explained in detail in AP Statement No. 7 (pp. 10-13). In summary, tax repairs represent expenditures that are recorded as property additions (capital investment) for book purposes, which generate book depreciation ratably over the life of that property, but, for Federal income tax purposes, are considered “repairs” that are fully deductible in the year the expenditure is made. The difference between book accounting and tax accounting creates a timing difference in the recognition and treatment of the underlying expenditure. In the Company’s last (2011) base rate case, the Commission-approved settlement provided that, if the Company elected to treat qualifying expenditures as “tax repairs” for income tax purposes, it would flow-through to customers the resulting tax benefits. The Company made such an election on its 2012 Federal income tax return and, accordingly, flowed-through the tax benefits of the resulting tax repairs deductions as required by the terms of the 2011 base rate case settlement. In this case, the Company continued to flow-through the tax benefits of the tax repairs deductions for the FPFTY.

OCA witness Smith raised several issues related to the Company’s flow-through of tax repairs deductions. In his direct testimony, Mr. Smith, while not questioning that the Company properly reflected the tax repairs deductions related to capital expenditures it would make in the FPFTY, proposed an adjustment to reflect the possibility that the Company’s capital expenditures and associated tax repairs deductions would increase in the year after the FPFTY.³⁷ Mr. Smith also opined that normalizing the tax repairs deductions could be more beneficial to

³⁷ OCA St. 1, pp. 63-64.

customers and, therefore, recommended that the Company adopt the normalization method of accounting for book and ratemaking purposes in this case.³⁸ Under the normalization method, the tax benefits of the tax repairs deductions would be deferred, deducted from rate base as ADIT, and then recognized as a reduction in tax expense for ratemaking purposes ratably over the life of the associated property. However, following subsequent exchanges of information between the OCA and the Company, Mr. Smith submitted supplemental direct testimony in which he rescinded his recommendation that the Company adopt the normalization method because he recognized that normalization would not produce a benefit for customers in this case.³⁹ In fact, as the Company demonstrated, the use of the flow-through method for its FPFTY tax repairs deductions reduced its rates in this case by approximately \$65 million.⁴⁰ In lieu of normalization, however, Mr. Smith recommended that differences between the tax repairs deductions reflected for the FPFTY and the tax benefits of tax repairs deductions in years after the FPFTY be identified and recorded as a regulatory asset or liability that would be taken into account in a subsequent base rate case.⁴¹

Paragraph 30 of the Joint Petition adopts a modified form of Mr. Smith's recommendation. After identifying the water and wastewater tax repairs deductions reflected in the Settlement Rates, Paragraph 30a. provides that Aqua will record a regulatory asset or liability for the income tax expense impacts of repairs deductions that vary by more than \$3 million above or below the aggregate (water and wastewater) tax repairs deductions reflected in the Settlement Rates. Paragraph 30b. provides that Aqua will report on such variances in quarterly

³⁸ OCA St. 1, p. 65.

³⁹ OCA St. 1-S, p. 3.

⁴⁰ AP St. 7-R, p. 3.

⁴¹ OCA St. 1-S, pp. 7-8.

earnings reports after the conclusion of the FPFTY. It also provides that, within 30 days after reporting a regulatory liability with a net cumulative income tax impact amount of \$10 million or more, Aqua will file with the Commission and serve on I&E, the OCA and the OSBA a plan for refunding the regulatory liability to customers. Remaining deferrals of the differences in the income tax expense for Aqua's net repairs deductions are to be addressed in Aqua's next base rate case for water and wastewater operations included in this case. Pursuant to Paragraph 30d., the possible continuation of the provisions of Paragraph 30 is subject to reevaluation in Aqua's next base rate case for water and wastewater operations included in this case.

4. Acquisition Adjustments (Joint Petition, Paragraphs 31-32)

The Company made a number of acquisitions of smaller water and wastewater systems since its last base rate case. Some of those systems were acquired for more than their depreciated original cost, which resulted in Aqua recording a positive acquisition adjustment. Other acquisitions were made at less than the acquired system's depreciated original cost, which resulted in Aqua recording a negative acquisition adjustment. As to the acquisitions made for more than original cost, Aqua's initial filing invoked the authority of Section 1327(a) to claim the amounts of those positive acquisition adjustments as additions to rate base. I&E and the OCA opposed the Company's claims for a positive acquisition adjustment in connection with Aqua's acquisitions of the Beech Mountain, Concord Park, Mifflin Township, Sand Springs and Treasure Lake water systems, as well as the Treasure Lake and Tobyhanna Township wastewater systems. In addition, the OCA opposed Aqua's proposal to use the well-accepted twenty-year amortization period for the negative acquisition adjustments the Company booked since its last rate case and, instead, recommended a ten-year amortization period. The Company opposed these proposed adjustments.

Paragraph 31 of the Joint Petition identifies five acquisitions, as set forth below, as to which the Joint Petitioners agree that: (1) the positive acquisition adjustments claimed in rate base by the Company are not reflected in any fashion in the Settlement Rates; and (2) the Company will not propose in any future rate proceeding to include those acquisition adjustments in its rate base or to include any corresponding amortizations in its revenue requirement:

Water:
Mifflin Township
Beech Mountain
Sand Springs
Concord Park

Wastewater:
Township of Tobyhanna

The Joint Petitioners further agreed that the Settlement Rates reflect the amortizations of positive and negative acquisitions specifically identified in Paragraph 32 of the Joint Petition.

5. The Revenue Requirement Provisions Of The Settlement Are Reasonable And In The Public Interest

In light of the standards consistently applied by this Commission, the revenue requirement provisions of the Settlement are reasonable and in the public interest, particularly when viewed in conjunction with the stay-out provisions discussed in Section II.B., *infra*. In its Final Order approving the settlement of Aqua’s 2009 base rate case, the Commission outlined the following general principles for assessing whether a settlement meets the public interest standard:⁴²

The purpose of this investigation is to establish rates for Aqua customers which are “just and reasonable” pursuant to Section 1301 of the Public Utility Code (Code), 66 Pa.C.S. § 1301. A public utility seeking a general rate increase is entitled to an opportunity to earn a fair rate of return on the value of the property dedicated to public service. *Pennsylvania Gas and Water Co. v.*

⁴² *Pa. P.U.C. v. Aqua Pennsylvania, Inc.*, Docket No. R-2009-2132019, 2010 Pa. PUC LEXIS 1808 at *22-24 (Final Order entered June 16, 2010).

Pennsylvania Pub. Util. Comm'n, 341 A.2d 239 (Pa. Cmwlth. 1975). In determining what constitutes a fair rate of return, the Commission is guided by the criteria set forth in *Bluefield Water Works and Improvement Co. v. Public Service Comm'n of West Virginia*, 262 U.S. 679 (1923) and *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591 (1944). In *Bluefield* the United States Supreme Court stated:

A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties. A rate of return may be too high or too low by changes affecting opportunities for investment, the money market and business conditions generally.

Neither the Public Utility Code nor principles of due process require the Commission to adhere to a specific formula or methodology to determine “just and reasonable” utility rates.⁴³

Indeed, Pennsylvania appellate precedent⁴⁴ holds, as follows:

[T]he power to fix “just and reasonable” rates imports a flexibility in the exercise of a complicated regulatory function by a specialized decision-making body and that the term “just and reasonable” was not intended to confine the ambit of regulatory discretion to an absolute or mathematical formulation but rather to

⁴³ See *Duquesne Light Co. v. Barasch*, 488 U.S. 299, 315-16 (1989) (“the Commission was not bound to the use of any single formula or combination of formulae in determining rates”), quoting *FPC v. Hope Nat. Gas Co.*, 320 U.S. 591, 605 (1944).

⁴⁴ *Pa. P.U.C. v. Pennsylvania Gas and Water Co.*, 492 Pa. 326, 337, 424 A.2d 1213, 1219 (1980).

confer upon the regulatory body the power to make and apply policy concerning the appropriate balance between prices charged to utility customers and returns on capital to utility investors consonant with constitutional protections applicable to both.

In short, “just and reasonable” rates, like the associated concept of a “fair return,” are not point values. Rather both “just and reasonable” rates and a “fair return” exist within a “constitutional range of reasonableness.”⁴⁵ And, there are a variety of ways in which the parameters of the “constitutional range of reasonableness” can be determined. As long-standing Commission precedent establishes, one important – and reasonable – way to identify an outcome that is within the acceptable “range” is through the settlement process. In that way, parties with differing interests engage in an adversarial process to scrutinize the evidence supporting a rate request and, based on robust negotiations, agree to a reasonable overall result.

Applying the ratemaking principles discussed above and the standards employed by the Commission for assessing settlements, the revenue level set forth in the Settlement is reasonable, in the public interest and should be approved. As previously explained, the interval since the Company’s last base rate case, the significant investments in its plant in service since that time, and declining residential usage, among other factors detailed in the testimony of Aqua’s witnesses, present a compelling case for rate relief.

Moreover, with respect to the *Bluefield*, *Hope*, and *Barasch* standards, the Settlement carefully balances: (1) the right of the Company and its investors “to earn a return on the value of the property which it employs for the convenience of the public” and “to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties,” with (2) the right of customers to pay rates that are commensurate with “business undertakings

⁴⁵ *Duquesne Light Co.*, *supra*, 488 U.S. at 312. *See also*, *Pennsylvania Gas and Water Co.*, *supra*.

which are attended by corresponding risks and uncertainties” without providing the utility “profits . . . realized or anticipated in highly profitable enterprises or speculative ventures.”⁴⁶ That balance is assured by the fact that parties legally obligated to protect consumers and the public interest vigorously investigated all aspects of the Company’s proposed increase and concluded that the Settlement Rates are just and reasonable. Similarly, the Company carefully considered the proposed revenue increase in light of the obligation to its investors to secure a reasonable opportunity to earn a fair return, maintain the financial stability of its business, and obtain needed capital on reasonable terms. The Company concluded that the Settlement Rates satisfy those criteria. The careful balance of interests achieved by the Settlement avoids what could have been a significant expenditure of time, money and other resources by the parties and the Commission to individually resolve a number of issues and proposed adjustments that have now been subsumed by the inter-related compromises that led to the Settlement. Those savings are in everyone’s interest and, in themselves, are another important reason why the Settlement promotes the public interest.

B. Base Rate Stay-Out (Joint Petition, Paragraph 18)

Paragraph 18 sets forth the Company’s agreement to a base rate stay-out. Specifically, it provides that Aqua will not file for another general rate increase under Section 1308(d) for its water or wastewater operations included in this rate case prior to April 30, 2021.⁴⁷ The stay-out is subject to the exceptions that are customary for stay-out provisions in base rate case settlements in Pennsylvania. The stay-out provision will provide customers base rate stability for

⁴⁶ *Bluefield*, quoted in *Pa. P.U.C. v. Aqua Pennsylvania, Inc.*, *supra*.

⁴⁷ For purposes of Aqua’s Statement in Support, references to the Company’s next base rate proceeding, next base rate case, or next base rate filing mean its next base rate case, proceeding or filing for water and wastewater operations that were included in this case, unless stated otherwise.

a period of approximately three years (2019-2022 – reflecting the notice and suspension period if a rate filing were made on April 30, 2021), which is two years beyond the end of the FPFTY in this case.

C. DSIC

1. Return On Equity For DSIC Revenue Requirements (Joint Petition, Paragraph 19)

As explained in Section I, *supra*, the revenue requirement elements of the Settlement reflect, for the most part, a matrix of compromises by the Joint Petitioners and, therefore, specific ratemaking adjustments are not spelled out in the Joint Petition, subject to limited exceptions. The Joint Petitioners have recognized that, notwithstanding the “black box” nature of the Settlement regarding revenue requirement, it is important to resolve, as part of the Settlement, the rate of return on equity that Joint Petitioners agree should be used by the Company in computing the Company’s DSIC revenue requirement for its water and wastewater operations. To that end, the Joint Petitioners have agreed and stipulated in Paragraph 19 of the Joint Petition that the Company shall use the rate of return on equity as calculated for water utilities and published in the “Bureau of Technical Utility Services Report on the Quarterly Earnings of Jurisdictional Utilities” (“TUS Quarterly Earnings Report”) for the most recent quarter for calculating the return on equity component of the Company’s DSIC. The TUS calculation is a recognized and accepted benchmark return on equity for use in calculating revenue requirement under the DSIC. Moreover, TUS regularly updates its calculation to reflect changes in market-determined equity costs based on a clearly stated methodology and database. A term similar to Paragraph 19 has been adopted in settlements of numerous base rate cases for major utilities that employ a DSIC.

2. Baseline For Restarting Charges Under The DSIC (Joint Petition, Paragraph 20)

Section 1358(b)(1) requires that a utility's DSIC be reset at zero on the effective date of new base rates. Section 1358(b)(2) specifies when, after such a "reset," a utility may begin to charge a DSIC. In its Supplemental Implementation Order,⁴⁸ the Commission has set forth its criteria for determining when a utility may charge a DSIC following a base rate "reset."

Consistent with the requirements of the Supplemental Implementation Order, Paragraph 20 of the Joint Petition and Aqua Exhibit Nos. 6-A, Part III, and 6-B, Part III, sets forth the "baselines" for water and wastewater operations that, when reached, will permit the Company to reinstitute charges under the respective water and wastewater DSIC Riders. In addition, the Company has agreed that, in any event, it will not reinstitute a DSIC prior to April 1, 2020.

D. Adjustment Clauses (Joint Petition, Paragraph 21)

In its initial filing, the Company sought approval of a Purchased Water Adjustment clause and Purchased Power Adjustment clause under Section 1307(a) of the Public Utility Code. As proposed by Aqua, the clauses would reflect increases and decreases in purchased water and purchased electric power that occur between base rate cases.⁴⁹ The adjustment clauses were opposed by witnesses for I&E, the OCA, OSBA and CAUSE-PA. Paragraph 21 of the Joint Petition acknowledges that, in order to reach the Settlement, the Company's proposed clauses were withdrawn and also sets forth the Joint Petitioners' agreement that withdrawal of the Company's proposed adjustment clauses for purposes of this case is without prejudice to Aqua's right to propose such clauses in the future.

⁴⁸ *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611 (Final Supplemental Implementation Order entered Sept. 21, 2016).

⁴⁹ *See* AP St. 1, pp. 30-32.

E. Treatment of Income Taxation – Customer Advances For Construction and Contributions-In-Aid-Of-Construction (Joint Petition, Paragraph 22)

Under the TCJA, Customer Advances for Construction and Contributions in Aid of Construction (“CAC/CIAC”) received after December 22, 2017 are treated as taxable income to water and wastewater utilities. In this proceeding, the Company proposed to use the no gross-up method for CAC/CIAC that are made taxable by the TCJA. Under that approach, the Federal and state income tax expense on Contributions and Advances would not be charged to the contributor, would be paid by the Company, and would be deferred by the Company as a tax asset. The Company’s proposal is consistent with its responses to the data requests in the Commission’s Secretarial Letter dated February 12, 2018 regarding the effect of the TCJA.⁵⁰

I&E opposed the Company’s no gross-up proposal and recommended that the Commission require the Company to use one of the gross-up methods the Commission adopted for use by water and wastewater utilities in its Order entered June 14, 1989 in *Re Contributions in Aid of Construction and Customer Advances* at Docket No. I-880083.⁵¹ The Commission entered that Order following the enactment of the Tax Reform Act of 1986, which made Contributions and Advances taxable for all utilities.⁵²

Prior to the initiation of this proceeding, PAWC made water and wastewater tariff filings with the Commission to adopt the no gross-up method.⁵³ The Joint Petitioners in this proceeding have agreed that, within 30 days of a final, unappealed Commission Order on the PAWC tariff supplement filing, Aqua shall file a tariff supplement consistent with the Commission’s

⁵⁰ See AP St. 1-R, pp. 61-62.

⁵¹ See I&E St. 1, pp. 6-9.

⁵² In 1996, with the passage of the Small Business Job Protection Act of 1996, the Federal government exempted Contributions and Advances for water and wastewater from taxability, and they remained exempt until the enactment of the TCJA.

⁵³ See Docket Nos. R-2018-3002502 and R-2018-3002504.

resolution in that proceeding of the issue of cost responsibility for, and ratemaking treatment of, state and Federal income taxes owed on CAC/CIAC. From the effective date of the Settlement Rates until such time as Aqua's tariff supplement becomes effective and unappealable, the Company shall either require the developer to present a letter of credit in the amount of grossed-up income tax that would be owed on the CAC/CIAC or to hold such amount in escrow. Paragraph 22 of the Settlement details how the amount of grossed-up income tax will be calculated and when the letter of credit or escrow funds will be released. Any CAC/CIAC agreement entered into between Aqua and a developer prior to the effective date of the Settlement Rates will remain effective without modification.

F. FPFTY Reporting (Joint Petition, Paragraph 23)

I&E witness Joseph Kubas recommended that the Company provide updates to AP Statement No. 2, Attachments 1 and 2, for the future test year ("FTY") and FPFTY. These have been standard requests in base rate case settlements for utilities that employ a FPFTY since FPFTYs have been authorized by Act 11. Accordingly, the Company has agreed to provide the Commission's Bureau of Technical Utility Services ("TUS"), I&E, OCA and OSBA, on or before July 1, 2019, an update to AP Statement No. 2, Attachments 1 and 2, which will include actual plant additions and retirements by month for the twelve months ending March 31, 2019. It has also agreed to provide, on or before July 1, 2020, an update to AP Statement No. 2, Attachments 1 and 2 for the twelve months ending March 31, 2020. Additionally, the Company agreed that, in its next base rate proceeding for water and wastewater operations included in this case, it will prepare and submit a comparison of its actual expenses and rate base additions for the twelve months ended March 31, 2020 to its projections in this case. However, because the Joint Petition is a black box settlement that is a compromise of the Joint Petitioners' positions on

various issues, the updates and comparisons the Company agreed to in Paragraph 23 are being provided for information purposes only.

G. Contract Customer Reporting (Joint Petition, Paragraphs 24-27)

I&E witness Kubas questioned whether certain water contracts for the sale of water to resale customers under Rider DRS – Demand-Based Resale Service (“Rider DRS”) should be cancelled and the resale customers should be required to pay the Company’s regular tariff rates for the water they purchase. Mr. Kubas contended that the Company had not provided documentation of the existence of a viable competitive alternative for those Rider DRS customers. The Company submitted rebuttal testimony explaining why each of the Rider DRS contracts satisfied the criteria of Rider DRS and should not be “cancelled”. AP St. 2-R. Under the Settlement, the Company agreed to provide an updated competitive alternative analysis in its next Pennsylvania water base rate filing for the Rider DRS customers identified in Paragraph 24, any new Rider DRS customers added after the date of the Joint Petition and for the rates charged to Masury area customers. Paragraph 27 also provides that any party has the right to review and challenge any contract and/or rate in future Aqua base rate filings or in subsequent litigation related to this proceeding.

H. Cost Allocation, Revenue Allocation And Rate Design (Joint Petition, Paragraphs 33-34)

Aqua submitted separate cost of service studies for its water operations and wastewater operations, as explained in detail in the direct testimony of Aqua witness Paul R. Herbert.⁵⁴ For the water operations’ cost of service study, Mr. Herbert employed the well-accepted base-extra capacity method, as described in the 2017 (seventh edition) of the Water Rates Manual published

⁵⁴ AP St. 5, pp. 4-12 (water) and 19-24 (wastewater).

by the American Water Works Association.⁵⁵ For wastewater operations, Mr. Herbert's cost of service studies were prepared using the functional cost allocation methodology described in "Financing and Charges for Wastewater Systems," Manual of Practice No. 27, published by the Water Environment Federation.⁵⁶ No party took issue with the cost of service studies Mr. Herbert prepared. Accordingly, all parties' witnesses were in general agreement that the Company's cost of service studies reasonably identified the customer class costs of service for water and wastewater operations and were an appropriate guide in allocating revenues among customer classes in order to move all classes closer to their indicated cost of service, recognizing that the movement toward cost of service should be tempered by the concept of gradualism.

The allocation of the revenue increase under the Settlement Rates was subject to careful consideration and detailed negotiations among the Joint Petitioners. As a result, the Joint Petitioners were able to reach agreement on the allocation among customer classes of the revenue increase under the Settlement Rates that is depicted in the tariffs provided as Appendices A and B and the proof of revenues set forth in Appendix C to the Joint Petition, which contains separate sections for water operations and wastewater operations. That allocation is within the range proposed by witnesses for the Joint Petitioners and, more importantly, it provides for reasonable movement toward the system average rate of return by the various customer classes as measured by the Company's cost of service study. Accordingly, the revenue allocation effected by the Settlement Rates is consistent with the Commonwealth Court's decision in *Lloyd v. Pa. P.U.C.*, 904 A.2d 1010 (Pa. Cmwlth. 2006). Moreover, as the Commonwealth Court recognized in pre-*Lloyd* decisions, which were not disturbed by its holding in *Lloyd*, "there is no

⁵⁵ *Id.*, p. 6.

⁵⁶ *Id.*, p. 20.

single cost of service study or methodology that can be used to answer all questions pertaining to costs”⁵⁷ nor is there any “set formula for determining proper ratios among rates of different customer classes.”⁵⁸ Additionally, the Settlement Rates provide for a reasonable allocation of a portion of the total wastewater revenue requirement (\$7.1 million) to water operations pursuant to Section 1311(c), as described in Paragraph 16 of the Joint Petition. As explained in Section I.A., *supra*, the Section 1311(c) allocation reflected in the Settlement Rates provides for a relatively small (approximately 88¢ per month) increase in the water bill of residential customers.

Under the Settlement Rates, the Company will reduce the number of rate divisions in its water operations from twenty-two to fourteen. As shown on Appendix C to the Joint Petition, twelve of the rate divisions are grouped into three rate zones, consisting of Rate Zones 1-3, while Bunker Hill and Sun Valley are grouped separately because they are dissimilar in rate structure and rate design from the divisions grouped in Rate Zones 1-3. With respect to rate design, the Settlement Rates move the rates of each division closer together and to Rate Zone 1 to facilitate consolidation with Rate Zone 1 in future cases. Under the Settlement Rates, the Rate Zone 1 5/8-inch meter customer charge for water operations for all customer classes will be \$18.00 per month in lieu of the \$18.50 customer charge proposed by the Company. The same percentage increase as that for the 5/8 inch meter customer charge will be applied to the customer charges for all other meter sizes in Rate Zone 1.

Under the Settlement Rates, the Company will reduce the number of rate divisions in its wastewater operations from thirty-three to eleven. The Settlement Rates move the rates of each

⁵⁷ *Executone of Philadelphia, Inc. v. Pa. P.U.C.*, 415 A.2d 445, 448 (Pa. Cmwlth. 1980).

⁵⁸ *Peoples Nat. Gas Co. v. Pa. P.U.C.*, 409 A.2d 446, 456 (Pa. Cmwlth. 1979).

division closer to each other to facilitate further consolidation in future cases. The Company will also eliminate the wastewater lot availability charge. In addition, Paragraph 34c. of the Joint Petition memorializes the Company's agreement to study the feasibility of implementing in Pennsylvania a summer wastewater usage cap similar to the method used by Aqua Illinois, Inc. The Company will consider proposing a flat wastewater rate structure in its next rate case for seasonal communities in its service territory.

Every rate proceeding consists of two parts. First, the overall revenues to which a utility is entitled must be determined. The second part of the process must determine how much of the total revenue requirement each rate class should bear. The allocation of revenue responsibility can be one of the more contentious parts of a rate proceeding because it is a "zero sum" exercise among the non-utility parties – any revenue responsibility not borne by a particular rate class must be borne by one or more other rate classes. While cost of service studies are the touchstone for reasonable allocations of revenue responsibility among rate classes,⁵⁹ the Commission has often stated that cost of service analyses must reflect the exercise of judgment and are as much a matter of art as of science.⁶⁰ For that reason, Pennsylvania appellate courts have repeatedly held that the Commission, in crafting a reasonable rate structure, is "invested with a flexible limit of judgment" and may establish just, reasonable and non-discriminatory rates within a "range of reasonableness."⁶¹

Thus, establishing a reasonable revenue allocation requires a careful balancing of the countervailing interests of the non-utility parties representing the various customer classes. Accordingly, this aspect of a rate proceeding is particularly well suited to achieving a reasonable

⁵⁹ See *Lloyd v. Pa. P.U.C.*, *supra*.

⁶⁰ See *Pa. P.U.C. v. Philadelphia Suburban Water Co.*, 75 Pa. P.U.C. 391, 440 (1991).

⁶¹ *U.S. Steel Corp. v. Pa. P.U.C.*, 37 Pa. Cmwlth., 173, 187, 390 A.2d 865, 872 (1978).

overall outcome based on the give-and-take of the settlement process. That is precisely what occurred in this case, which resulted in a settlement of contested issues involving revenue allocation and rate design among an array of parties representing the interests of residential, commercial, industrial and municipal customers.

While settlement negotiations among parties representing a diverse array of customer and stakeholder interests can, in itself, assure a reasonable outcome, the revenue allocation under the Settlement Rates also comports with well-accepted ratemaking principles. As previously explained, the Joint Petitioners are in general agreement that the Settlement Rates make appropriate progress in moving all classes closer to their cost of service consistent with the principle of gradualism.

With respect to rate design, the Settlement Rates reflect the need to recover the customer component of total cost of service in the customer charge, while recognizing that increases in the customer charges can impact low-usage customers. Accordingly, the Settlement Rates provide for an increase in the Company's water customer charge, but in a lesser amount than the customer charge the Company originally proposed.

For all the foregoing reasons, the proposed revenue allocation and rate design are reasonable, appropriately balance the interests of all parties, and are in the public interest.

I. Residential And Low-Income Customer Issues (Joint Petition, Paragraphs 35-44)

The Joint Petition provides for several significant enhancements to the Company's residential customer service and low-income customer programs, including the Company's Helping Hand Program, domestic violence policy, termination notices and medical certification forms. Each enhancement was the product of collaboration by the Joint Petitioners on a practical

and reasonable basis that, in all probability, could not have been achieved in a litigated proceeding.

Consistent with the Company's desire to help more low-income customers,⁶² the Settlement contains a number of substantial enhancements to the Helping Hand Program. First, the Company will increase its annual contribution to the Program to \$125,000 for the next three years (2019-2021), with any unexpended funds being rolled over. If Aqua does not file its next base rate case for water and wastewater operations included in this case in 2021, this level of Company funding will remain in place until such time as such a base rate case is filed and new rates are in effect. Second, Aqua will establish a grant assistance component to work in conjunction with Helping Hand payment arrangements. Third, the Company will eliminate the requirement that customers make an upfront payment in order to enroll in the Program. At the same time, the Company will continue to promote the Program to payment-troubled households. Fourth, Aqua will increase the amount of arrearage forgiveness available to Program enrollees to \$25 per month and, for new enrollees, will cease requiring an installment payment towards arrears. Fifth, the Company will provide a report on the feasibility of tracking certain data to help analyze the Program. Finally, the Company will convene a Helping Hand Collaborative to solicit input on topics such as the collection and assessment of relevant data, the design of the new grant assistance component, the methodology for calculating the Program monthly payment, and the strategy for promoting the Program. The Company will invite the OCA, CAUSE-PA and the Commission's Bureau of Consumer Services to collaborative meetings.

The Settlement also provides for improvements to the Company's domestic violence policy and clarifying changes to Aqua's medical certification form, termination notice and tariff.

⁶² See AP St. 11-R, pp. 7-9.

Aqua will ensure that its domestic violence procedures are documented, reviewed with CAUSE-PA, OCA and other interested parties, and readily available to Company customer service representatives. The policy will include clearly defined payment arrangement rules and allow victims of domestic violence three days to provide an appropriate court order before termination of service. Finally, to improve clarity for customers, the Company has also agreed to remove security deposit references from its termination notices and tariff, amend language regarding special protections for victims of domestic violence, and edit the signature line on its medical certification form.

J. Service-Related Issues (Joint Petition, Paragraphs 45-50)

As discussed in Section I.A above, the Company will continue to be proactive in its efforts to monitor and address Perfluorooctanesulfonic acid (“PFOS”) and Perfluorooctanoic acid (“PFOA”) in the water supply.⁶³ Under the Settlement, Aqua will monitor for PFOS and PFOA in accordance with the United States Environmental Protection Agency’s Third Unregulated Contaminant Monitoring Rule (“UCMR3”) and continue to share its sampling results for PFOS and PFOA in Montgomery County on its dedicated website *WaterFacts.com*, consumer confidence reports, or other appropriate forms. The Company will also evaluate treatment options and operational initiatives where appropriate. The Company further agrees to seek available funding from outside sources and governmental agencies to fund prudent improvements needed to further limit the presence of PFOS and PFOA in the affected water sources.

In response to service issues raised by customers in the public input hearings, the Company has both reached out to individual customers and agreed to improve certain business

⁶³ See generally AP St. 9-R, pp. 6-17.

practices. The Joint Petitioners agree that the Company's individualized customer follow-up, as detailed in Paragraph 50 of the Settlement, fully addresses the concerns raised by those customers. In addition, in Paragraph 46, the Company agreed to address concerns about the Company's system accurately reflecting new connections from new developments, Aqua will revise its procedures to ensure that it receives timely and accurate connection information for new service once the homes in a new development are completed. The Company will further provide additional training to its customer service representatives so that they know how to investigate a situation where a customer calls concerning a new connection that is not reflected in the Company's system. Aqua will provide the statutory advocates with an overview of the changes made to the Company's procedures and the training materials.

The Settlement also details the format in which the Company will maintain water and wastewater customer complaints logs. The Company commits to discuss with OCA how to incorporate additional data points beyond those already captured in the logs. Aqua also agrees to compile and submit reports to OCA regarding certain installations of pressure reducing valves for residential customers as detailed in Paragraph 48 of the Settlement. Finally, the Company has agreed to provide the statutory advocates in its next rate proceeding a live Excel spreadsheet of all fire hydrants connected to 4-inch mains or smaller that are not capable of providing a flow of 500 gallons per minute of water at 20 psi.

K. North Heidelberg Sewer Company (Joint Petition, Paragraph 51)

On February 9, 2018, pursuant to 66 Pa.C.S. § 529(g), the Commission directed Aqua to act as the receiver for the North Heidelberg Sewer Company ("NHSC") beginning March 5, 2018 and to continue during the pendency of a Section 529 proceeding.⁶⁴ The Commission

⁶⁴ *Pa. P.U.C. v. North Heidelberg Sewer Co.*, M-2018-2645983 (Order entered Feb. 9, 2018).

found that financial and operational circumstances surrounding NHSC, which serves approximately 273 residential customers and one commercial customer, represented “a clear threat to public health and safety.”⁶⁵ The Section 529 proceeding at Docket No. I-2018-3001161 remains ongoing, and Aqua has been meeting its obligations as receiver, including the submission of regular status reports to the Commission.

Under the Settlement, Aqua agrees to initiate settlement discussions in the Section 529 proceeding and make a reasonable effort to acquire NHSC. In light of the significant financial and operational concerns regarding the current owner of NHSC, a reasonable effort to acquire the system by Aqua is in the public interest.

L. Merger Of Superior Water Company, Inc. Into Aqua Pennsylvania, Inc. (Joint Petition, Paragraph 52)

On September 17, 2015, the Commission entered an Order in Docket Nos. A-2015-2472472 and A-2015-2472473 approving Aqua’s acquisition of Superior through a stock transaction. As part of the acquisition proceeding, Aqua and Superior stated their intention to fold Superior into Aqua. Additionally, in subsequent filings made with the Commission, Superior stated that Aqua would merge Superior into Aqua in the Company’s next base rate case proceeding. Aqua acquired Superior on January 1, 2016.

On August 17, 2018, Aqua and Superior filed a Joint Application seeking Commission approval to fold Superior, by merger, into Aqua.⁶⁶ The ALJs granted a motion filed by Aqua and Superior to consolidate the Joint Application proceeding, the water base rate proceeding, and the wastewater base rate proceeding on October 12, 2018. No Joint Petitioner opposes the Company’s request to merge its wholly-owned subsidiary, Superior, into Aqua Pennsylvania,

⁶⁵ *Id.*

⁶⁶ *See* Docket Nos. A-2018-3004108 and A-2018-3004109.

Inc. Accordingly, the Joint Petitioners are in agreement that, for the reason set forth in the Aqua/Superior Joint Application for approval of the merger, Aqua and Superior have satisfied the criteria of Section 1102(a)(3) of the Public Utility Code for approval of the merger and that the Commission should issue certificates of public convenience evidencing that approval effective as of the effective date of the Settlement Rates.

III. SUMMARY: THE SETTLEMENT IS IN THE PUBLIC INTEREST

The Settlement, both in its specific terms and viewed holistically, is reasonable, supported by record evidence, and is in the public interest for, among others, the following principal reasons:

- The revenue requirement provisions provide for Settlement Rates that are within the “constitutional range of reasonableness”⁶⁷ and are consistent with the legal standards articulated in the *Bluefield*, *Hope* and *Barasch* decisions, as interpreted and applied by the Pennsylvania Supreme Court in *Pennsylvania Gas and Water*. The Settlement Rates reflect a careful balance of the interests of customers with those of the Company and its investors. As such, the Settlement Rates protect customers from paying excessive rates while allowing the Company and its investors a reasonable opportunity to earn a fair return on their investment in property devoted to public service and to obtain additional capital needed to meet the Company’s service obligations. *See* Section II.A., *supra*.
- The rate structure and rate design provisions of the Settlement resolve a number of contentious issues in a manner that is acceptable to parties representing the

⁶⁷ *See Duquesne Light, supra*.

major customer classes and service classifications. The Joint Petitioners are in general agreement that the Settlement Rates provide for reasonable progress in moving all major customer classes closer to their cost of service consistent with the Commission-approved principle of gradualism. *See* Section II.H., *supra*.

- The Settlement materially enhances the Company's Helping Hand program, domestic violence policy, termination procedures and medical certificate forms. *See* Section II.I., *supra*.
- The Settlement assures that all service-related and billing issues raised by witnesses at public input will be addressed. *See* Sections II.J., *supra*.
- In reaching this Settlement, the Joint Petitioners thoroughly considered all issues, including those raised in the testimony and evidence presented by the parties to this proceeding and during public input hearings. As a result of that consideration, the Joint Petitioners believe that the Settlement meaningfully addresses all such issues and, therefore, should be approved without modification.
- All of the foregoing benefits are achieved while also conserving the time, resources and money that would otherwise be expended if this case were to be fully litigated. Customers are direct beneficiaries of these savings.

IV. CONCLUSION

For the reasons set forth above and in the Joint Petition, Aqua submits that the Settlement is a fair and reasonable compromise that is fully supported by the record evidence. Accordingly, the Company respectfully requests that the Administrative Law Judges and the Commission: (1)

approve the Settlement without modification; (2) find that the Settlement Rates are just and reasonable; (3) grant the Company permission to file the tariffs attached to the Joint Petition as Appendices A and B to become effective for service rendered on and after May 24, 2019; and (4) approve the Joint Application of Aqua and Superior for the merger of Superior into Aqua.

Respectfully submitted,



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Dated: February 8, 2019

DBI/101638636v5

STATEMENT B

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC
UTILITY COMMISSION**

v.

**AQUA PENNSYLVANIA, INC.
AND AQUA PENNSYLVANIA
WASTEWATER, INC.**

and

**JOINT APPLICATION OF AQUA
PENNSYLVANIA, INC. AND ITS
SUBSIDIARY, SUPERIOR WATER
CO., INC.**

**DOCKET NOS. R-2018-3003558
R-2018-3003561**

**DOCKET NOS. A-2018-3004108
A-2018-3004109**

**BUREAU OF INVESTIGATION AND ENFORCEMENT
STATEMENT IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT
OF RATE INVESTIGATION**

**TO ADMINISTRATIVE LAW JUDGE ANGELA T. JONES AND
ADMINISTRATIVE LAW JUDGE F. JOSEPH BRADY:**

The Bureau of Investigation and Enforcement (I&E) of the Pennsylvania Public Utility Commission (Commission), by and through Prosecutor, Carrie B. Wright, hereby respectfully submits that the terms and conditions of the foregoing *Joint Petition for Partial Settlement* (Joint Petition or Settlement) are in the public interest and represent a fair, just,

reasonable and equitable balance of the interests of Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (Aqua or Company) and its customers. The parties to this Settlement Agreement have conducted extensive formal and informal discovery and have participated in numerous Settlement Conferences. The extensive discussions and sharing of information has culminated in the submission of the attached Settlement Agreement. The request for approval of the Joint Petition is based on I&E's conclusion that the Settlement Agreement meets all the legal and regulatory standards necessary for approval. "The prime determinant in the consideration of a proposed Settlement is whether or not it is in the public interest."¹ The Commission has recognized that a settlement "reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest."² The Settlement Agreement in the instant proceeding protects the public interest in that a comparison of the original filing submitted by the Company and the negotiated agreement demonstrates that compromises are evident throughout the Joint Petition.

The Bureau of Investigation and Enforcement is of the opinion that the terms and conditions of the Joint Petition are in the public interest. In support of this position, I&E offers the following:

I. INTRODUCTION

A. Legal Landscape Regarding Public Utilities

¹ *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 Pa.PUC 1, 22 (1985).

² *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 Pa.PUC 767, 771 (1991).

A business may acquire “public utility status” when that business is the sole organization that maintains the infrastructure utilized in providing an essential service to the public for compensation.³ In order to protect consumers, the public utility’s rates and services are regulated.⁴ Price regulation strives to replicate the results of effective competition.⁵ A public utility is entitled to a rate that allows it to recover those expenses that are reasonably necessary to provide service to its customers and allows the utility an opportunity to obtain a reasonable rate of return on its investment.⁶ A public utility shall also provide safe and reliable service by furnishing and maintaining adequate facilities and reasonable services and by making the necessary improvements thereto.⁷

B. I&E’s Role

Through its bureaus and offices, the Commission has the authority to take appropriate enforcement actions that are necessary to ensure compliance with the Public Utility Code and Commission regulations and orders.⁸ The Commission established I&E to serve as the prosecutory bureau to represent the public interest in ratemaking and utility service matters and to enforce compliance with the Public Utility Code.⁹ By representing the public interest in rate proceedings before the Commission, I&E works to

³ James C. Bonbright, *Principles of Public Utility Rates*, Columbia University Press: New York (1961) at 3-14; 66 Pa.C.S. § 102.

⁴ *Principles of Public Utility Rates*, at 3-14; 66 Pa.C.S §§ 1301, 1501.

⁵ *See Cantor v. Detroit Edison*, 428 U.S. 579, 595-6, fn. 33 (1976).

⁶ *City of Lancaster v. Pennsylvania Public Utility Commission*, 793 A.2d 978, 982 (Pa. Cmwlth. 2002); *see also Hope*, 320 U.S. at 602-603.

⁷ 66 Pa.C.S. § 1501.

⁸ Act 129 of 2008, 66 Pa.C.S. § 308.2(a)(11); 66 Pa.C.S. § 101 *et seq.*; 52 Pa.Code § 1.1 *et seq.*

⁹ *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011).

balance the interest of customers, utilities, and the regulated community as a whole to ensure that a utility's rates are just, reasonable, and nondiscriminatory.¹⁰

C. Procedural History

On August 17, 2018, Aqua filed proposed Tariff Water-PA. P.U.C. No. 2 and Tariff Sewer – PA P.U.C. No 2 setting forth proposed rates designed to produce an increase in Aqua's annual revenue of approximately \$72 million, or 16.13% above existing operating revenues.

On September 20, 2018, the Commission entered an Order instituting an investigation into the lawfulness, justness and reasonableness of the Company's proposed rates. Pursuant to 66 Pa.C.S. Section 1308(d), proposed Tariff Water-PA. P.U.C. No. 2 and Tariff Wastewater – PA P.U.C. No. 2 were suspended by operation of law until May 16, 2019, unless permitted by Commission Order to become effective on an earlier date.

The Commission assigned the Company's filing to the Office of Administrative Law Judge (OALJ) for the development of an evidentiary record culminating in a Recommended Decision (RD). The OALJ subsequently assigned the suspended proceeding to Administrative Law Judges Angela T. Jones and F. Joseph Brady for investigation and scheduling of hearings to consider the lawfulness, justness and reasonableness of the Company's rate increase request.

Pursuant to its charge to represent the public interest in matters impacting rates, I&E filed its initial Notice of Appearance on August 29, 2018.

¹⁰ See 66 Pa.C.S. §§ 1301, 1304.

A Prehearing Conference was held on September 28, 2018, at which time a procedural schedule was established. The procedural schedule included filing dates for written Direct, Rebuttal, and Surrebuttal Testimony and Main Briefs and Reply Briefs, as well as dates for Evidentiary Hearings.

Six Public Input Hearings were held in the Aqua service territory from November 13, 2018 to November 27, 2018. In accordance with the procedural, I&E filed Direct Testimony on November 20, 2018. On December 19, 2018, I&E filed Rebuttal Testimony. And on January 8, 2019, I&E filed Surrebuttal Testimony.

The parties informed the ALJs that they had reached a settlement in principal and on Thursday, January 17, 2019, a hearing was held for the purpose of moving the Parties' pre-filed written testimony into the record. The parties also filed verifications to the testimony in lieu of presenting witnesses.

II. DISCUSSION

The Commission encourages settlements, which eliminate the time, effort, and expense of litigating a matter to its ultimate conclusion.¹¹ Here, the Joint Petitioners successfully achieved a Settlement Agreement of most of the issues.

The Settlement Agreement is a "Black Box" agreement, which does not specifically identify the resolution of certain disputed issues.¹² Instead, an overall increase to base rates is agreed to and Joint Petitioners retain all rights to further challenge all issues in subsequent

¹¹ *Pa. PUC v. Venango Water Co.*, Docket No. R-2014-2427035, 2015 WL 2251531, at *3 (Apr. 23, 2015 ALJ Decision) (adopted by Commission via Order entered June 11, 2015); *See* 52 Pa. Code §5.231.

¹² *See id.* at *11.

proceedings. A “Black Box” settlement benefits ratepayers as it allows for the resolution of a proceeding in a timely manner while avoiding significant additional expenses.¹³

I&E contends that an agreement as to the resolution of each and every disputed issue in this proceeding would not have been possible without judicial intervention. Additional testimony and exhibits, three days of litigious hearings, briefing, and further involvement of both ALJs would have added time and expense to an already cumbersome and complex proceeding. Ratepayers benefit when rate case expenses stay at a reasonable level.¹⁴ The request for approval of the *Joint Petition for Settlement* is based on the I&E conclusion that the Settlement Agreement meets all the legal and regulatory standards necessary for approval. “The prime determinant in the consideration of a proposed Settlement is whether or not it is in the public interest.”¹⁵ The Commission has recognized that a settlement “reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest.”¹⁶ The Settlement Agreement in the instant proceeding protects the public interest in that a comparison of the original filing submitted by the Company and the negotiated agreement demonstrates that compromises are evident throughout the Joint Petition.

A. Revenue Increase (Joint Petition ¶ 15)

The proposed Settlement will allow Aqua to file new tariff rates designed to provide an overall distribution base rate increase of \$47 million in revenues for service

¹³ See *id.*

¹⁴ See *id.*

¹⁵ *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 PA PUC 1, 22 (1985).

¹⁶ *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 PA PUC 767, 771 (1991).

rendered on or after the Commission enters an Order approving the Settlement, instead of the Company's requested approximately \$72 million increase. The parties to the Joint Settlement have agreed upon the additional annual revenues as a Black Box settlement, subject to a few specific provisions that affect rate design and the setting of rates in the future.

Based on I&E's analysis of the Company's filing and discovery responses received, the rate increase under the proposed Settlement represents a result that is within the range of likely outcomes in the event that the case was fully litigated. The increase is appropriate and, when accompanied by other important provisions contained in the Settlement, yields a result that is both just and reasonable and in the public interest.

As noted above, the additional revenue in this proceeding is base rate revenue and has been agreed to in the context of a Black Box settlement. A Black Box agreement does not specifically identify the resolution of any disputed issues. Instead, an overall increase to base rates is agreed to and parties retain all rights to further challenge all issues in subsequent proceedings. A Black Box settlement benefits ratepayers as it allows for the resolution of a proceeding in a timely manner while avoiding significant additional expenses. I&E is of the opinion that an agreement as to the resolution of each and every disputed issue in this proceeding would not have been possible without judicial intervention. The involvement of the ALJ would have added time and expense to an already cumbersome proceeding. Avoiding this necessity will benefit ratepayers by keeping the expenses associated with this filing at a reasonable level. The previous Chairman of the Commission has commented on Black Box settlements and stated that the "[d]etermination of a

company's revenue requirement is a calculation that involves many complex and interrelated adjustments affecting revenue, expenses, rate base and the company's cost of capital. To reach an agreement on each component of a rate increase is an undertaking that in many cases would be difficult, time-consuming, expensive and perhaps impossible. Black Box settlements are an integral component of the process of delivering timely and cost-effective regulation."¹⁷

This increased level of Black Box revenue adequately balances the interests of ratepayers and the Company. Aqua will receive sufficient operating funds in order to provide safe and adequate service while ratepayers are protected as the resulting increase minimizes the impact of the initial proposal. Mitigation of the level of the rate increase benefits ratepayers and results in rates that satisfy the regulatory standard requiring just and reasonable rates. As such, this element supports the standard for approval of a settlement as the resulting rates are just and reasonable and in accordance with the Public Utility Code and all pertinent case law.

B. Base Rate Filing Stay Out (Joint Petition ¶ 17)

The Settlement provides that Aqua will not file for another general rate increase under Section 1308(d) of the Public Utility Code prior to April 30, 2021. This would not however, preclude Aqua from filing a tariff or supplement proposing a rate increase in

¹⁷ See Statement of Commissioner Robert F. Powelson, *Pennsylvania Public Utility Commission v. Wellsboro Electric Company*, Docket No. R-2010-2172662 (Order entered January 13, 2011). See also Statement of Commissioner Robert F. Powelson, *Pennsylvania Public Utility Commission v. Citizens' Electric Company of Lewisburg, Pennsylvania*, Docket No. R-2010-2172665 (Order entered January 13, 2011).

compliance with Commission orders or in response to fundamental changes in regulatory policy which substantially affect the Company's rates.

While I&E did not propose a rate case stay-out in testimony, I&E supports this provision as being in the public interest. A stay-out provides customers with a level of rate stability for a certain period of time that is generally not available as part of a fully litigated base rate proceeding.

C. DSIC (Joint Petition ¶¶ 18-19)

In accordance with the Settlement, Aqua's DSIC shall be established at 0% of billed revenues and shall remain at 0% until the later of either the end of the FPFTY or the quarter following the point in time at which Aqua's DSIC eligible investment, net of plant funded with customer advances and contributions, exceeds the levels projected by Aqua as of the end of the FPFTY. Further Aqua will use the equity return rate for water utilities contained in the Commission's most recent Quarterly Earnings Report and will update the equity return rate each quarter consistent with any changes reflected in the most recent Quarterly Earnings Report until such a time as the DSIC is reset pursuant to 66 Pa. C.S. § 1358(b)(1).

I&E avers that the provisions related to the DSIC are in the public interest and benefits both Aqua and its ratepayers. First, Aqua benefits because it will have access to DSIC funding for necessary infrastructure improvements which helps to ensure Aqua is able to meet its obligation to provide its customers with safe and reliable service.

Second, customers will benefit because they will have a defined period of time during which they will be relieved from paying any DSIC costs; however, even when the DSIC

charge becomes effective, the customers will benefit from the assurance that improved infrastructure will facilitate safe and reliable service.

D. Adjustment Clauses (Joint Petition ¶ 20)

Aqua has agreed to withdraw its proposed Energy Cost Adjustment Mechanism (ECAM) and Purchased Water Adjustment Clause (PWAC).

In testimony I&E recommended that the PWAC be rejected.¹⁸ I&E based its recommendation on the fact that the Commission generally grants this type of surcharge treatment when there has been a demonstration that the expense in question was volatile.¹⁹ I&E did not believe that Aqua had, in this instance, demonstrated that purchased water expense increased or decreased frequently.²⁰ As such, I&E believes that withdrawal of the PWCA is in the public interest.

I&E also recommended rejection of the ECAM.²¹ I&E's reasoning for rejecting the ECAM was the same as its reasoning for rejecting the PWAC. Namely, I&E does not believe the Company has demonstrated that purchased energy expense is volatile.²² Therefore, I&E believes that withdrawing this surcharge mechanism is in the public interest.

E. Treatment of Income Taxation (Joint Petition ¶ 21)

In 2018, Pennsylvania American Water Company (PAWC) filed Supplement No. 6 to Tariff Water- Pa. P.U.C. No. 5 and Supplement No. 6. to Tariff Wastewater- Pa.

¹⁸ I&E St. No. 3, p. 51.

¹⁹ *Id.*

²⁰ I&E St. No. R, p. 52.

²¹ I&E St. No. 3, p. 58.

²² I&E St. No. 3, p. 59.

P.U.C. No. 16 to memorialize how customer contributions, customer advances and certain customer deposits will be calculated as they are now taxable due to the recent Tax Cuts and Jobs Act (TCJA). Supplement No. 6 contained the “no gross-up” method to calculate Contributions and Advances, which allows it to segregate income taxes paid on Contributions and Advances into a deferred account and include those taxes in rate base in a future base rate proceeding. Under PAWC’s proposed method, the contributor of the capital is not charged the income tax; instead, those costs will be recovered from existing PAWC customers. I&E opposed Supplement No. 6 because it did not comply with the longstanding, industry standard that water and wastewater utilities utilize the gross-up method, which requires the contributor to bear the total cost including the income tax associated with the deposit, advance or contribution. The cost shifting to existing customers under PAWC’s no gross-up method proposed in Supplement No. 6 resulted in unjust and unreasonable rates; therefore, I&E recommended Supplement No. 6 be rejected and PAWC file a tariff supplement utilizing the gross-up methodology for Contributions and Advances. This case is still pending before the Commission.

As part of this settlement, Aqua has agreed that within 30 days of the final, unappealed PAWC Order, it will file a tariff supplement consistent with the Commission’s resolution in the PAWC proceeding. I&E believes this is a reasonable approach. As this issue is currently pending before the Commission, resolving it as the settlement here suggests, ensures that Aqua’s methodology will be consistent with the Commission’s ruling in the PAWC proceeding.

F. Fully Projected Future Test Year Reporting (Joint Petition ¶ 22)

The Company uses a Fully Projected Future Test Year (FPFTY) in its filing. The used a FPFTY ending March 31, 2020, resulted in a claim of \$372,363,675 for rate base associated solely with the FPFTY.²³ I&E witness Kubas recommended that the Company provide interim reports until the filing of its next base rate case to allow the Commission to measure and verify the accuracy of Aqua's projected investments in future facilities.²⁴

In paragraph 22 of the Joint Petition, Aqua agrees to provide to I&E, the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), and the Commission's Bureau of Technical Utility Services (TUS) updates by July 1, 2019, of AP Statement No. 2, Attachments 1 and 2, p. 1 which will include actual capital expenditures, plant additions, and retirements by month from April 1, 2018 through March 31, 2019. Additionally, Aqua will file an update providing these actual amounts, for the twelve months ending March 31, 2020, no later than July 1, 2020. Further, in its next base rate proceeding, Aqua will prepare a comparison of its actual expenses and rate base additions for the twelve months ended March 31, 2020 to its projections in the instant case.

This provision is in the public interest as it ensures that the Commission will receive data sufficient to allow for the evaluation and confirmation of the accuracy of Aqua's projections. As noted by I&E witness Kubas, "...there is value in determining

²³ I&E St. No. 3 p. 4.

²⁴ I&E St. No. 3 pp. 5-6.

how closely Aqua's projected investments in future facilities comport with the actual investments that are made by the end of the FTY and FPFTY."²⁵

G. Contract Customer Reporting (Joint Petition ¶¶ 23-24)

As part of this settlement, the Company has agreed that in its next base rate case filing, it will provide documentation of the existence of a viable competitive alternative to water service provided for various Rider RDS customers. Further, the Company has agreed to provide a competitive alternative for the rates charged to the Masury area customers in its next water base rate case filing.

One of the requirements for Rider DRS is that the customer must have a viable competitive alternative and provide documentation of such to the Company.²⁶ I&E recommended in testimony that several of the Rider DRS contracts be cancelled and the customers be required to pay full tariff rates based on I&E's position that sufficient proof of a viable competitive alternative was not provided. However, I&E is mindful of the fact that these customers received these rates under a contract and contracts cannot be readily cancelled without notice to the affected parties. In the spirit of compromise, as part of this settlement, I&E believes that the Company's agreement to provide proof of the Rider DRS customers viable competitive alternative, along with the dates of the competitive alternative analysis was last considered in the Company's next base rate case is appropriate. This will provide the parties with sufficient information on which to make their determination as to whether the terms of Rider DRS have been satisfied.

²⁵ *Id.*

²⁶ I&E St. No. 3, pp. 41-42.

H. Revenue Requirement (Joint Petition ¶¶ 27-31)

i. Income Taxes (Joint Petition ¶¶ 27-29)

Regarding Excess Accumulated Deferred Income Taxes (ADIT), the settlement notes that the Settlement Rates reflect a reduction to rate base for the excess ADIT amount as of the end of the FPFTY. Further the Company has agreed to continue such treatment until the entire amount has been refunded and has agreed to separate ADIT and excess ADIT into two different accounts in future rate case filings. This issue was fully vetted during settlement negotiations and I&E fully supports this settlement term.

ii. Acquisition Adjustments (Joint Petition ¶¶ 30-31)

In this proceeding Aqua made various claims pursuant to Section 1327 of the Public Utility Code regarding appropriate acquisition adjustments. I&E provided extensive testimony related to this acquisition adjustments.²⁷ For water, I&E recommended removal of the acquisition adjustments for Mifflin Township, Beech Mountain, and Treasure Lake.²⁸ I&E did, however, withdraw its recommendation regarding Treasure Lake water in its Surrebuttal testimony. Regarding wastewater, I&E recommended removal of the acquisition adjustments for Treasure Lake and Tobyhanna.²⁹ I&E's recommendations regarding these systems were made on the basis that Aqua's claims did not satisfy Section 1327.

The settlement reflects the fact that the Joint Petitioners have agreed that this settlement does not include the following positive acquisition adjustments: Mifflin

²⁷ I&E St. No. 3; I&E St. No. 3-SR.

²⁸ I&E St. No. 3, pp. 17-28.

²⁹ I&E St. No. 3, pp. 75-82.

Township, Beech Mountain, Sand Springs, Concord Park or Township of Tobyhanna.

The issue of acquisitioned adjustments was extensively addressed in the I&E testimony.

The settlement term reflects a compromise on the part of all interested parties. I&E maintains that the public interest is served by adopting this settlement term which addresses the I&E concern that Section 1327 has not been satisfied for the Mifflin Township, Beech Mountain, and Tobyhanna acquisition adjustments.

I. Cost Allocation and Rate Design (Joint Petition ¶¶ 32-34)

The allocation of rate increase among the customer classes was a significant issue in this proceeding. Per the settlement, Main Division 5/8-inch customers will pay a customer charge of \$18.00 in lieu of the \$18.50 customer charge proposed by the Company. Further, Aqua currently has 22 water rate divisions. Per the settlement these rate divisions will be consolidated into 14 rate divisions. These rates have been moved closer to each other and closer to Rate Zone 1 in an effort to further consolidate these rates with the Main Division rates. Regarding the wastewater operations, the 33 wastewater rate divisions will be consolidated into 11 divisions.

It is important to allow the utility to recover only those direct monthly costs that vary with the addition or loss of a customer through the Customer Charge. This charge provides the Company with a steady, predictable level of income that will allow for the proper maintenance and upkeep of the system. Establishing the proper customer charge also protects ratepayers by ensuring that Aqua is not being overcompensated. Moderating the requested increase in this proceeding also benefits ratepayers as it allows them to reap a

greater portion of the benefit of conservation. Shifting costs to the volumetric portion of a customer's bill allows for the immediate realization of the benefit of conserving usage. Designing rates this way allows customers to have greater control of their bills and is in the public interest.

Further, Aqua's goal of consolidating rates and moving customers toward the Main Division rates is reasonable. Transitioning the rates in this way, in lieu of moving all customers to Main Division rates in one step, avoids the rate shock that might otherwise occur. Transitioning these rates is consistent with the goal of consolidating rates and eliminating rate divisions where possible.

Based on I&E's review of the cost of service studies presented in this proceeding, I&E views the Settlement to be within the range of reasonable outcomes that would result from full litigation of this case. Further, the mitigated level of Customer Charge demonstrates a compromise of the interests of the parties. As such, these provisions are in the public interest.

J. Low-Income Customer Issues (Joint Petition ¶¶ 35-44)

I&E took no position in this proceeding on the low-income customer issues address in paragraphs 35-44 of this settlement.

K. Service Related Issues (Joint Petition ¶¶ 45-47)

I&E did not provide testimony on any of the service related issues outlined in the settlement agreement. However, I&E believes the resolution of these issues as outlined in the settlement is in the public interest. Most of these issues were ones that came up at the public input hearings. Resolving these issues that come up in public input hearings is

important as it gives customers a platform to voice their concerns that would not otherwise be available.

L. North Heidelberg Sewer Company (Joint Petition ¶ 48)

A Section 529 proceeding at Docket No. I-2018-3001161 currently pending before the Commission involves Aqua's appointment as receiver for the North Heidelberg Sewer Company (NHSC) as a result of NHSC's failure to pay Metropolitan Edison for electric services. As part of this settlement, Aqua has agreed to make reasonable efforts to acquire NHSC. This provision is in the public interest as it will allow the NHSC customers to continue to receive the level of service they have come to expect with Aqua as the receiver of NHSC. Further, this provision could serve to save Aqua and its ratepayers the time and expense of litigating who will ultimately own NHSC.

M. Merger of Superior Water Company Into Aqua (Joint Petition ¶ 49)

As the settlement correctly notes, I&E did not oppose Aqua's request to merge Superior Water into Aqua Pennsylvania, Inc.

N. I&E's Remaining Issues

The remaining issues raised in I&E's Prehearing Memo and testimony have been satisfactorily resolved through discovery and discussions with the Company and are incorporated into the black box resolution of the revenue requirement in this proceeding. The very nature of a settlement is that it incorporates compromise on the part of all parties. This particular settlement agreement exemplifies this principle. In addition, a black box settlement makes the specific identification of the resolution of disputed issues impossible.

Each signatory acknowledges the ultimate revenue allowance but makes no representation as to how this addition to base rate revenue was achieved.

III. CONCLUSION

Based on I&E's analysis of the base rate revenue increase requested by Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc., acceptance of this proposed Joint Petition is in the public interest. Resolution of these provisions by settlement rather than continued litigation will avoid the additional time and expense involved in formally pursuing all issues in this proceeding. Increased litigation expenses may cause an increase in revenue beyond that agreed to in the Joint Petition. Acceptance of the foregoing Settlement Agreement will negate the need to engage in the preparation of Main Briefs, Reply Briefs, Exceptions, and Reply Exceptions. The avoidance of further rate case expense by settlement of these provisions in this base rate investigation proceeding best serves the interests of Aqua and its customers. As litigation of this rate case is a recoverable expense, curtailment of these charges is in the public interest.

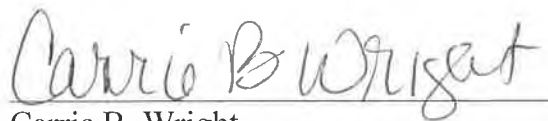
I&E agrees to settle the disputed issue as to the proper level of additional base rate revenue through a black box agreement with limited exceptions. I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation or the continuation of this litigation in the event the settlement agreement is rejected by the Commission or otherwise properly withdrawn by any of the Joint Petitioners.

If the ALJ recommends that the Commission adopt the settlement agreement as proposed, I&E has agreed to waive the right to file Exceptions. However, I&E has not

waived its rights to file Exceptions with respect to any modifications to the terms and conditions of the settlement agreement, or any additional matters, that may be proposed by the ALJs in the Recommended Decision. I&E also reserves the right to file Reply Exceptions to any Exceptions that may be filed by any party to this proceeding. The settlement agreement is also conditioned upon the Commission's approval of all terms and conditions contained therein, and should the Commission fail to approve or otherwise modify the terms and conditions of the settlement, the Joint Petition may be withdrawn by I&E or any of the signatories.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement represents that it supports the *Joint Petition for Settlement* as being in the public interest and respectfully requests that Administrative Law Judges Angela T. Jones and F. Joseph Brady recommend, and the Commission subsequently approve, the foregoing Settlement Agreement, including all terms and conditions contained therein.

Respectfully submitted,



Carrie B. Wright
Prosecutor
Attorney ID #208185

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Post Office Box 3265
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Dated: February 7, 2019

STATEMENT C

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2018-3003558 (Water)
	:	R-2018-3003561 (Wastewater)
Aqua Pennsylvania, Inc. and Aqua	:	
Pennsylvania Wastewater, Inc.	:	

STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF SETTLEMENT

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Settlement (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

I. INTRODUCTION

A. Background

On August 17, 2018, Aqua Pennsylvania, Inc. (Aqua or Company) on its own behalf and on behalf of its wholly-owned subsidiaries, Aqua Pennsylvania Wastewater, Inc. and Superior Water Company, Inc. (Superior Water), filed Original Tariff Water - Pa. P.U.C. No. 2 (Tariff Water No. 2) and Original Tariff Sewer - Pa. P.U.C. No. 2 (Tariff Sewer No. 2) with the Pennsylvania Public Utility Commission (Commission) to become effective October 16, 2018. Through the proposed tariffs, Aqua sought to increase water and wastewater rates to produce additional annual operating revenue of approximately \$71.7 million per year, or approximately 16.13 percent, over the amount of annual revenues anticipated for the Fully Projected Future Test Year (FPFTY) ended March 31, 2020.

The Company's water operations serve approximately 430,000 customers located in

municipalities and territories in portions of Adams, Berks, Bradford, Bucks, Carbon, Chester, Clarion, Clearfield, Columbia, Crawford, Cumberland, Delaware, Forest, Juniata, Lackawanna, Lawrence, Lehigh, Luzerne, Mercer, McKean, Monroe, Montgomery, Northampton, Northumberland, Pike, Schuylkill, Susquehanna, Snyder, Venango, Warren, Wayne, and Wyoming Counties.

Currently, Aqua has multiple water rate zones within its service territory. Through Tariff Water No. 2, the Company sought to consolidate its water rate zones to approximately three distinct zones.¹ If the Company's new tariffs had become effective as proposed, the rate effect of the proposed increase would have varied by territory. For example, a typical residential customer with a 5/8" meter in the Company's Main Division, the Company's largest division, using approximately 4,080 gallons per month would have experienced an increase in their monthly bill from \$59.85 to \$69.07, or 15.41 percent. A similar customer in the Company's Concord Park Division would have experienced an increase in their monthly bill from \$30.88 to \$45.43, or 47.11 percent.

The Company's wastewater operations serve approximately 30,000 customers located in municipalities and territories in portions of Adams, Bucks, Carbon, Chester, Clarion, Clearfield, Delaware, Lackawanna, Luzerne, Monroe, Montgomery, Pike, Schuylkill, Venango, and Wyoming Counties.

Currently, Aqua has multiple wastewater rate zones within its service territory. Through Tariff Sewer No. 2, the Company sought to consolidate its wastewater rate zones to approximately six distinct zones. If the Company's new tariffs had become effective as proposed, the rate effect of the proposed increase would have varied by territory. For example, a typical residential

¹ The Company proposed to keep the Bunker Hill Division and the Sun Valley Division separate and apart from its three proposed rate zones. See Tariff Water No. 2 at Original Pg. 10.

customer in the Company's Brandywine WW Division using approximately 5,400 gallons would have experienced an increase in their monthly bill from \$106.43 to \$125.84, or 18.24 percent. A similar customer in the Company's Bridlewood WW Division would have experienced an increase in their monthly bill from \$45.46 to \$74.88, or 64.72 percent.

B. Procedural History

On August 17, 2018, the Company, on behalf of Superior Water, filed an Application for Approval of Merger between the Company and Superior Water and an Abandonment Application for Superior Water, docketed at A-2018-3004108 and A-2018-3004109, respectively. On September 10, 2018, the Company filed a Motion to Consolidate the Superior Water Merger and Abandonment Applications with the current base rate proceeding. The OCA did not object to the Company's Motion to Consolidate, and the Motion to Consolidate was granted by Administrative Law Judges (ALJs) Angela T. Jones and F. Joseph Brady on October 12, 2018.

On August 28, 2018, the OCA filed a Formal Complaint, Public Statement, and Notice of Appearance. Other parties filed Petitions to Intervene, Formal Complaints, or Notices of Appearance, including the Bureau of Investigation and Enforcement (I&E), Pennsylvania-American Water Company (PAWC), the Office of Small Business Advocate (OSBA), the Treasure Lake Property Owners Association, Inc., the Links at Gettysburg Master Association, the Aqua Large Users Group, the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA), and the Masthope Mountain Community Property Owners Council. In addition, 63 individuals filed formal complaints.²

² Those individuals are: Albert Bowman, Ralph and Lauretta Camardelli, Thomas Davis, Darren Distasio, Phyllis Genauer, Byron Goldstein, Jordan Goretti, Carl and Kathy Haybedian, Robert Kreisich, Arnold Kring, Robert Leupold, Joseph Lorusso, Michael Luciano, Marilyn Marbo, Ben Mroz, Robert and Dorothy Shafer, Brian Sheppard, Susan Siensa, and John Stull, Donald Labranche, Janice and Stephen McHenry, Dony Pierre, Lee Euard, Denise Johnson, Kenneth Ferguson, James Grace, Paul Nice, Desiree Kreidler, David Jarrett, Tara Carpenter, Catherine Palicki, Brian Edwards, Robert Curtius, John Bahnweg, Kenneth Reeves, Donna and James May, Grace Bowes, Douglas and Linda Dudjak, Scott Peterson, Wayne Weismandel, David Marano, Carroll Stroh, Jacqueline

On September 20, 2018, the Commission suspended the tariff filings for investigation and assigned the proceeding to the Office of Administrative Law Judge, where ALJs Angela T. Jones and F. Joseph Brady were assigned to the matter. On September 28, 2018, ALJ Jones and ALJ Brady held a Prehearing Conference in this matter. On October 12, 2018, ALJ Jones and ALJ Brady issued a Prehearing Conference Order, which established a procedural schedule for the matter and set forth certain modifications to the Commission's regulations with respect to discovery. Throughout November of 2018, five Public Input Hearings were held across the Company's service territory in Southeast Pennsylvania, which included venues in Chester County, Delaware County, Bucks County, and Montgomery County. A sixth Public Input Hearing was conducted as a Smart Hearing in Harrisburg.

In accordance with the procedural schedule established for this matter, on November 20, 2018, the OCA submitted the Direct Testimonies of Ralph C. Smith,³ OCA Statement 1; Glenn A. Watkins,⁴ OCA Statement 2; Scott J. Rubin,⁵ OCA Statement 3; and Terry L. Fought,⁶ OCA Statement 4. On December 4, 2018, the OCA submitted the Supplemental Direct Testimony of Scott J. Rubin, OCA Statement 3S, and Terry L. Fought, OCA Statement 4S. On December 12,

Pasquini, Tammy Livziey, Ray Rodriguez, Colleen Essick, Sylvia Habecker, Stephen Deleo, Joseph Calvacca, William Finn, Michael McKiernan, Edward Levy, Patricia Manning, Claire Mann, Jeri Ramagnano, Kimberly Ann King, and Louis Riccio.

³ Mr. Smith is an independent attorney and Certified Public Accountant under contract with the OCA who has performed work in the field of utility regulation in 40 states, Washington D.C., and Canada. OCA St. 1 at 2-3. A complete description of Mr. Smith's qualifications is provided in OCA Statement 1, Attachment RCS-1.

⁴ Mr. Watkins is an economist and Certified Rate of Return Analyst who has presented expert testimony in 21 states. A complete description of Mr. Watkins's qualifications is provided in OCA Statement 2, Schedule GAW-1.

⁵ Mr. Rubin is an independent attorney and public utility industry consultant under contract with the OCA who has testified as an expert witness before utility commissions and courts in twenty states and the District of Columbia and province of Nova Scotia. OCA St. 3 at 1-2. Since 1984, Mr. Rubin has provided legal and consulting services to a variety of parties interested in public utility regulatory proceedings. A complete description of Mr. Rubin's qualifications is provided in OCA Statement 3, Appendix A.

⁶ Mr. Fought is a consulting engineer with more than forty years' experience as a civil engineer. Mr. Fought is a registered Professional Engineer in Pennsylvania, New Jersey and Virginia and is a Professional Land Surveyor in Pennsylvania. He has also served as a consultant to the OCA for numerous water and sewer matters since 1984. Mr. Fought's background and qualifications are attached to OCA Statement 4 as Appendix A.

2018, the OCA submitted the Supplemental Direct Testimony of Ralph C. Smith, OCA Statement 1S. On December 19, 2018, the OCA submitted the Rebuttal Testimony of Scott J. Rubin, OCA Statement 3R. On January 8, 2019, the OCA submitted the Surrebuttal Testimonies of Ralph C. Smith, OCA Statement 1SR; Glenn A. Watkins, OCA Statement 2SR; Scott J. Rubin, OCA Statement 3SR; and Terry L. Fought, OCA Statement 4SR. The testimonies and accompanying exhibits of OCA witnesses Smith, Watkins, Rubin, and Fought, as identified above, were submitted into the record by stipulation of the Parties at the evidentiary hearing held on January 17, 2019. Prior to the hearing, the Parties entered into a settlement in principle on all issues in this proceeding. Cross examination of all witnesses was waived by all Parties.

Pursuant to the Commission's policy of encouraging settlements that are in the public interest, the Joint Petitioners held numerous settlement discussions during the course of this proceeding. These discussions resulted in this Settlement, which addresses the numerous complex issues raised in this case. The OCA submits that the Settlement is in the public interest and in the best interest of the Company's ratepayers, and should be approved without modification.

The terms and conditions of the Settlement satisfactorily address issues raised in the OCA's analysis of the Company's filing. The OCA submits that this Settlement, taken as a whole, is a reasonable compromise in consideration of likely litigation outcomes before the Commission. While the Settlement does not reach all the recommendations proposed by the OCA, the OCA recognizes that the Settlement is a product of compromise. The balance of compromises struck by the settling parties is critical to achieving settlement. Accordingly, the OCA urges the Commission to consider the Settlement as a whole.

In this Statement in Support, the OCA addresses those areas of the Settlement that specifically relate to important issues that the OCA raised in this case. The OCA expects that other

parties will discuss how the Settlement's terms and conditions address their respective issues and how those parts of the Settlement support the public interest standard required for Commission approval.

For these reasons and those that are discussed in greater detail below, the OCA submits that the Settlement is in the public interest and the best interest of the Company's ratepayers, and should be approved by the Commission without modification.

II. REVENUE REQUIREMENT (SETTLEMENT ¶ II.A)

A. Overall Settlement Rate Increase (Settlement ¶ II.A.15)

As indicated above, in its filing Aqua proposed to increase water and wastewater rates to produce additional annual operating revenue of approximately \$71.7 million per year, or approximately 16.13 percent, over the amount of annual revenues anticipated for the FPFTY ended March 31, 2020. This request included an increase of approximately \$66.373 million for the Company's water operations and approximately \$5.396 million for its wastewater operations. After review of the Company's filing, the OCA recommended a total rate decrease of approximately \$13,522,950. OCA St. 1-SR, Exh. LA-5.

Under the Settlement, Aqua will be permitted a total annual revenue increase of \$47 million, which includes \$42.3 million for water operations and \$4.7 million for wastewater operations. Settlement ¶ II.A.15. This represents an increase of 10.9 percent over present rates. The overall increase allowed by the Settlement is \$24.7 million less than the amount originally requested by Aqua, and the Settlement provides that rates will become effective on May 24, 2019, when the rate suspension period ends.

In general, the Settlement represents a "black box" approach to all individual revenue requirement issues. Black box settlements avoid the need for protracted disputes over the merits

of individual revenue adjustments and avoid the need for a diverse group of stakeholders to attempt to reach a consensus on a variety of financial numbers. The OCA submits that it is unlikely that the parties would have been able to reach a consensus on each of the disputed accounting and ratemaking issues raised in this matter, as policy and legal positions can differ widely. As such, the parties have not specified a dollar amount for each issue or adjustment raised in this case. Attempting to reach an agreement regarding each adjustment in this proceeding would likely have prevented any settlement from being reached.

Based on an analysis of the Aqua's filing, discovery responses received, and testimony by all parties, the revenue increase under the Settlement represents a result that would be within the range of likely outcomes in the event of full litigation of this case. The increase is reasonable and yields a result that is in the public interest, particularly when accompanied by other important conditions contained in the Settlement such as reduced amortization periods for the negative acquisition adjustment and a collar placed upon the Company's tax repairs deductions discussed below. Additionally, the increase agreed to in the Settlement provides adequate funding to allow the Company to provide safe and adequate service and to make important service quality improvements in targeted areas, as discussed in greater detail below. As such, the OCA submits that the increase agreed to in this Settlement is in the public interest and in the interest of the Aqua's ratepayers, and should be approved by the Commission.

B. Wastewater Revenue Allocation

In its filing, Aqua proposed to collect approximately \$8,073,988 of the wastewater revenue requirement from its water customer base pursuant to Section 1311(c) of the Public Utility Code. 66 Pa. C.S. § 1311(c) ("The commission, when setting base rates, after notice and opportunity to be heard, may allocate a portion of the wastewater revenue requirement to the combined water and

wastewater customer base if it is in the public interest.” 66 Pa. C.S. § 1311.)

After reviewing the Company’s filing, the OCA determined that the Company’s proposed allocation should not exceed \$8 million removing any subsidy for bulk wastewater customers, which are experiencing a far smaller system-average wastewater rate increase. OCA St. 3 at 18. Moreover, the OCA recommended that any allocation be divided in such a way to ensure that the residential classes and the non-residential classes are receiving approximately the same subsidy measured as a percentage of the wastewater cost of service.

In the Settlement, the parties agreed that \$7.087 million of the wastewater revenue requirement will be allocated to water customers pursuant to Section 1311(c). Settlement ¶ II.A.16. The OCA submits that this compromise provides a reasonable resolution that appropriately limits the amount of wastewater revenue requirement to be subsidized by water customers, while taking into consideration the impact of Aqua’s revenue increase on wastewater customer rates.

C. Base Rate Filing Stay Out (Settlement ¶ II.B)

Aqua filed for a general rate increase under Section 1308(d) of the Public Utility Code on August 17, 2018. Under the Settlement, Aqua agrees that it will not file for another general rate increase under Section 1308(d) until after April 30, 2021. Settlement II.B.16. The base rate filing stay out provision ensures that Aqua will keep its base rates at the levels proposed in the Settlement for over two years, or until January 30, 2022 if the Company files for a general rate increase as soon as the stay out provision ends. The only exception to this provision requires fundamental changes in policy or statutes which directly and substantially affect the Company’s rates.

D. Distribution System Improvement Charge (DSIC) (Settlement ¶ II.C)

As of the effective date of the Settlement Rates, the DSIC for Aqua’s water and wastewater operations will be reset to 0% of billed revenues. Under the Settlement, the Company agrees that

its DSIC will “remain at 0% of billed revenue until the later of: (a) the end of the FPFTY; or, (b) the quarter following the point in time at which Aqua’s DSIC-eligible investment, net of plant funded with customer advances and customer contributions, exceeds the levels projected by Aqua as of March 31, 2020[.]” Settlement II.C. To calculate its DSIC for both water and wastewater operations going forward, the Settlement provides that Aqua must use “the equity return rate for water utilities contained in the Commission’s most recent Quarterly Report on the Earnings of Jurisdictions Utilities[.]” and the Company must “update the equity return rate each quarter consistent with any changes to the equity return rate for water utilities contained in the most recent Quarterly Earnings Report[.]” Settlement II.C. These provisions will ensure that the Company’s DSIC rates are calculated properly and prevent duplicative recovery of DSIC-eligible expenditures in base rates and DSIC rates.

E. Adjustment Clauses (Settlement ¶ II.D)

The Company proposed to establish a Purchased Water Adjustment Clause (PWAC) and an Energy Cost Adjustment Mechanism (ECA) as part of its Tariff Water No. 2. The PWAC would in effect allow Aqua to automatically adjust its retail rates if a supplier increases or decreases its rates for selling water to Aqua. Similarly, the ECA would allow Aqua to automatically reflect changes in the average cost of electricity per thousand gallons of water sold.

OCA Witness Scott J. Rubin expressed concern that Aqua’s actual water expenses failed to justify an automatic rate adjustment under the Company’s proposed PWAC. OCA St. 3 at 41. Additionally, Witness Rubin emphasized that, in its filing, Aqua also failed to demonstrate the need for an ECA. OCA St. 3 at 43-44. Witness Rubin ultimately concluded that the Company did not need to implement a PWAC or an ECA. OCA St. 3 at 43, 46.

Under the Settlement, Aqua agrees to withdraw its proposed PWAC and ECA from the

current Section 1308(d) proceeding. Settlement ¶ II.D. The Company, however, is not precluded from proposing another PWAC or ECA in a future Section 1308(d) proceeding should the Company demonstrate an adequate need for such adjustment mechanisms at that time.

F. FPFTY Reporting (Settlement ¶ II.F)

In its filing, Aqua calculated its proposed revenue increase using a FPFTY ending March 31, 2020. AP St. 1 at 3. Under the Settlement, Aqua agrees to provide updates to AP Statement No. 2, Attachment 1, which shows water additions and retirements by category of investment during the Future Test Year (FTY) and the FPFTY, and Attachment 2, which shows wastewater additions and retirements by category of investment during the FTY and FPFTY. Settlement ¶ II.F. Specifically, the Settlement requires Aqua to provide two updates to the Commission’s Bureau of Technical Utility Services (TUS), I&E, OCA, and OSBA. The first update will occur no later than July 1, 2019 and will include “actual capital expenditures, plant additions, and retirements by month from April 1, 2018 through March 31, 2019.” Id. The second update will occur no later than July 1, 2020 and will include same actuals information “from April 1, 2019 through March 31, 2020.” Id. Additionally, when the Company files its next base rate case, “the Company will prepare a comparison of its actual expenses and rate base additions for the twelve months ended March 31, 2020 to its projection in this case.” Id. This provision is in accordance with Section 315(e) of the Public Utility Code. 66 Pa. C.S. § 315(e).

G. Tax Repairs Deductions (Settlement ¶ II.H)

In early 2012, Aqua decided to make a tax repair election for tax years later than 2011, thereby changing its accounting method for tax repair deductions. This change had to do with what Aqua considers an appropriate unit of property and the threshold for determining material replacement of a unit of property. This accounting change was explicitly identified in the

settlement reached in the Company's previous rate case docketed at R-2011-2267958.

Additionally, the previous rate case settlement provides the Company shall utilize flow-through accounting for the tax benefits of the repair election. By utilizing flow-through accounting, rather than normalization accounting as would normally be done, the Company was treating a book-tax timing difference as a permanent difference. In other words, the Company was utilizing its tax repairs deductions to offset its current income tax expense, which reduces the Company's revenue requirement. OCA St. 1 at 65-66. In the instant proceeding, the Company proposed to continue its flow-through accounting treatment of its tax repairs deductions as an offset to its current income tax expense.

The OCA took issue with flow-through accounting treatment of the Company's tax repairs deductions for several reasons. First, flow-through accounting for this temporary difference in tax and book amounts is unusual in the utility industry. Secondly, because the Company utilized a test year amount of repairs deductions in its last base rate proceeding, the Company had significantly underestimated its tax repairs deductions in future years. Accordingly, the tax repairs deductions that exceeded the test year amount flowed directly to the Company's bottom-line resulting in excess earnings. OCA St. 1 at 93-94.

The Settlement reached in this proceeding allows Aqua to continue its flow-through treatment of tax repairs deductions, but puts protections in place for ratepayers. The provisions are outlined below:

35. The Joint Petitioners agree that the revenue requirement incorporates a reduction to current state and federal income tax expense based on net repairs deductions in the FPFTY of \$154,514,546 for the water utility and \$4,350,142 for the wastewater utility, for a total of \$158,864,688.

a. If the net repairs deductions for Aqua vary by more than \$3 million above or below that \$158,864,688 amount (i.e. below \$155,864,688 or above \$161,864,688), Aqua will record a regulatory liability or asset for the related income tax expense impacts of the repairs deduction variations

below or above \$158,864,688.

b. Aqua shall report on the regulatory asset or liability amounts of the net repairs deduction income tax impacts in its quarterly earnings reports after the conclusion of the FPFTY. Within 30 days of reporting a regulatory liability with a net cumulative income tax impact amount of \$10 million or larger, Aqua shall file with the Commission and shall copy OCA, I&E, and OSBA, a plan for refunding the regulatory liability amount to customers.

c. If there are remaining deferrals of the differences in income tax expense for Aqua's net repairs deductions, that balance shall be addressed in Aqua's next base rate case based on the recorded regulatory asset and liability amounts.

d. Whether similar recording of the impact on current income tax expense from net repairs deduction variations above or below a collar in a regulatory liability or asset account should continue shall also be re-evaluated in Aqua's next base rate case.

Settlement ¶ II.H.35.

These provisions accomplish several objectives. First, the Settlement allows Aqua to use its estimated tax repairs deduction for the FPFTY ended March 31, 2020. If this amount underestimates or overestimates future tax repairs deduction, a collar mechanism activates establishing a regulatory liability or asset. For example, if the tax repairs deductions for 2020 exceed the FPFTY amount by more than \$5 million a regulatory liability is established to track the net cumulative difference between the FPFTY amount and the actual amount. If the related tax impacts of those deductions (tax impact = tax deduction * gross revenue conversion factor) exceeds \$10 million, the Company must file a plan to return that amount to ratepayers. Additionally, any remaining amount in the regulatory asset or liability will be addressed in the next base rate case. This ensures that the tax benefits associated with the tax repair election are better reflected in rates paid by ratepayers.

As such, the OCA submits that this provision is in the public interest and in the interest of Aqua's ratepayers, and should be approved by the Commission.

H. Acquisition Adjustments (Settlement ¶ II.H.ii)

1. Positive Acquisition Adjustments

In his testimony, OCA witness Ralph C. Smith recommended that a number of the Company's claimed acquisition adjustments and related amortizations should be disallowed because the acquisitions did not meet statutory requirements. OCA St. 1 at 26-36, 38-39, 74-78. This included the following water systems: (1) Total Environmental Solutions, Inc. (TESI) Beech Mountain Lakes Resort Community Water System, (2) BCWSA/Concord Park Community, and (3) Sand Springs Water Company, Inc. OCA witness Smith also recommended disallowance of the following wastewater system acquisitions: (1) TESI Treasure Lake Community Sewer System and (2) Township of Tobyhanna.

As part of the Settlement, the Company will be permitted to amortize the transaction costs associated with the acquisition of the TESI Treasure Lake Community Sewer System wastewater assets over a period of 20 years. Settlement ¶ 31. The remaining acquisition adjustments listed above will not be amortized and will not be included in rates charged to customers in this case or in any future case. Id. This settlement term prevents customers from paying for acquisition adjustments that were not consistent with the requirements of Section 1327 of the Public Utility Code.

2. Negative Acquisition Adjustment

The Company also included as part of its filing, several negative acquisition adjustments proposed to be amortized over a period of 20 years. The following water and wastewater systems were acquired for less than book value:

<u>Water:</u>	<u>Wastewater:</u>	
Bristol Township Water	Washington Park	Kidder Township
Yalick Farms Water	Cove Village	Penn Township Sewer
Bunker Hill Water	Eagle Rock	Sage Hill

Robin Hood Lake Water	Links at Gettysburg	Honeycroft
East Cameron Township Water	Beech Mountain WW	Emlenton
	Village at Valley Forge	

As part of the settlement, the Company has agreed to amortize the negative acquisition costs over a period of ten years. This adopts the recommendation made by OCA witness Smith. OCA St. 1 at 47-48. Amortizing the negative amortization adjustments over 10-years is a more reasonable period and such amortizations will be off of the Company's books quicker than if the Company's proposed 20-year amortization period is adopted. Furthermore, this approach is consistent with Section 1327 of the Public Utility Code. 66 Pa. C.S. § 1327.

I. Cost Allocation and Rate Design (Settlement ¶ II.I)

OCA witness Scott Rubin reviewed the Company’s cost of service studies and water rate design proposal. In its filing, the Company proposed to consolidate a number of water rate zones, many of which will be consolidated into three distinct rate zones. OCA witness Rubin opposed this because it would result in some customers paying extraordinarily large rate increases well above the system average increase. OCA St. 3 at 20-21. Instead, Mr. Rubin recommended that the residential consumption charges should be limited in those zones such that the overall increase in residential revenues is no more than 50 percent. OCA St. 3 at 23-29.

The Company also proposed to increase the residential customer charge for a 5/8” meter from \$16.00 to \$18.50 per month, but Mr. Rubin testified that this proposed increase would further exacerbate the increases seen by customers of Concord Park and recommended that the customer charge for Concord Park customers be limited to \$17.50. OCA St. 3 at 24-27.

The Settlement provides that the 5/8” customer charge for customers in the Main Division, the Company’s largest division, will be set at \$18.00 per month, which is \$0.50 per month less

than originally proposed. Settlement ¶ 33(a). The customer charges for all other meter sizes and classes in the Main Division will be increased by the same percentage as the 5/8” customer charge.

Id. The Settlement also provides for some rate zone consolidation, but accomplishes this in a way that avoids extreme increases for customers. The Settlement’s proposed increase in the average monthly bill for each of Aqua’s water rate divisions is provided in the following table:

New Rate Zone	Water Territory	Present Rates	Settlement Rates	Increase Amount	Increase Percentage
1	Main Division	\$59.85	\$65.52	\$5.67	9.4%
3	Pinecrest Division	\$59.85	\$65.52	\$5.67	9.4%
1	Bensalem Division	\$55.80	\$65.52	\$9.72	17.4%
2	Chalfont Division	\$47.27	\$65.52	\$18.25	38.6%
3	Oakland Beach/Lakeside Acres Division	\$57.04	\$65.52	\$8.48	14.9%
3	CS Water Division (Masthope)	\$49.36	\$65.52	\$16.16	32.7%
1	Country Club Gardens Division	\$40.29	\$52.98	\$12.69	31.5%
1	Clarendon Water Division	\$51.05	\$65.52	\$14.47	28.3%
1	Kratzerville Division	\$52.29	\$65.52	\$13.23	25.3%
1	Honesdale Division	\$52.20	\$65.52	\$13.32	25.5%
1	Sand Springs Division	\$40.73	\$52.98	\$12.25	30%
1	Mifflin Township Division	\$37.11	\$50.64	\$13.53	36.4%
1	Beech Mountain Division	\$21.45	\$31.73	\$10.28	47.9%
2	Treasure Lake Division	\$27.20	\$40.15	\$12.95	47.6%
2	Concord Park Division	\$30.88	\$43.91	\$13.03	42.1%
1	Bristol Township Water System Division	\$24.24	\$38.40	\$14.16	58.4%
1	Mt. Jewett Borough Division	\$45.95	\$65.52	\$19.57	42.5%
Bunker Hill	Bunker Hill Division	\$12.88	\$26.36	\$13.48	104.6%
1	Robin Hood Lakes Division	\$40.16	\$53.09	\$12.93	32.1%

1	East Cameron Division	\$57.02	\$65.52	\$8.50	14.9%
Sun Valley	Sun Valley Division	\$15.00	\$19.50	\$4.50	30%
2	Superior Water Company	\$57.02	\$65.52	\$8.50	14.9%

The Settlement's proposed increase in the average monthly bill for each of Aqua's wastewater rate divisions is provided in the following table:

New Rate Zone	Wastewater Territory	Present Rates	Settlement Rates	Settlement Increase Amount	Settlement Increase Percentage
3	Beech Mountain	\$56.04	\$80.00	\$23.96	42.76%
-	Brandywine	\$106.43	-	-	-
1	Bridlewood	\$45.46	\$67.48	\$24.44	56.79%
1A	Bunker Hill	\$31.92	\$56.20	\$24.28	76.07%
-	Chesterdale	\$54.92	-	-	-
3	Deerfield	\$57.87	\$71.50	\$13.63	23.55%
1	Eagle Rock	\$39.67	\$45.44	\$5.77	14.54%
2	Emlenton	\$45.00	\$68.40	\$23.40	52%
5	Greens	\$106.38	\$107.60	\$1.22	1.15%
4	Honeycroft	\$66.67	\$100.00	\$33.33	49.99%
-	Kidder	\$47.07	-	-	-
4	Lake Harmony	\$65.63	\$100.00	\$34.37	52.37%
3	Laurel	\$51.49	\$81.70	\$30.21	58.67%
3	Links at Gettysburg	\$63.58	\$68.95	\$5.37	8.45%
5	Little Washington	\$98.05	\$106.64	\$8.59	8.76%
6	Masthope	\$28.99	\$40.94	\$11.95	41.22%
1	Media	\$42.19	\$62.92	\$20.73	49.13%
4	New Daleville	\$74.17	\$100.00	\$25.83	34.83%
5*	Newlin	\$158.75	\$158.75	-	-
4	Peddlers View	\$78.44	\$100.95	\$22.51	28.7%
1B	Penn Township	\$40.70	\$55.00	\$14.30	35.14%
2	Pinecrest	\$44.05	\$68.40	\$24.12	54.48%
5	Plumsock	\$107.02	\$124.88	\$17.76	16.58%
2	Rivercrest	\$45.22	\$61.92	\$16.70	36.93%
5*	Sage Hill	\$180.00	\$180.00	-	-
3	Stony Creek	\$54.86	\$67.25	\$12.39	22.58%
3	Thornhurst	\$52.36	\$68.10	\$15.74	30.06%
4	Tobyhanna	\$66.67	\$100.00	\$33.33	49.99%
1A	Treasure Lake	\$40.52	\$49.90	\$9.38	23.15%
4	Twin Hills	\$70.15	\$101.90	\$31.75	45.26%

3	Woodloch Springs	\$51.87	\$63.00	\$11.13	21.46%
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Additionally, a few of the Company’s customers expressed concerns at the Public Input Hearings about their wastewater bills being calculated based on 100% of the metered water usage in their home. OCA witness Rubin subsequently addressed these concerns and recommended that the Company “place a cap on the amount of water consumption used for determining wastewater flows during the summer months.” OCA St. 3S at 8-10. Under the Settlement, Aqua agrees to study the feasibility of implementing a summer wastewater usage cap similar to the method described by witness Rubin. Settlement ¶ II.I.ii. In its next wastewater base rate filing, Aqua will provide the results of this study, “including either a proposal to adopt such a billing method or a detailed explanation for why Aqua believes such a method to be infeasible in Pennsylvania[.]” *Id.*

The OCA submits that the revenue requirement and rate design portion of this agreement represents a reasonable compromise that accomplishes some amount of rate consolidation while recognizing the need for gradualism in rate increases.

III. SERVICE-RELATED ISSUES (Settlement ¶ II.K)

A. PFOS/PFOA (Settlement ¶ II.K.45)

Several of the Company’s customers expressed concerns at the Public Input Hearings about the presence of perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA) in their drinking water, particularly those customers located in Montgomery County. Tr. 16-21, 24-31, 35-43, 47-50, 132-136, 155-158, 162-165, 186-190. While Aqua maintains a website with information about its PFOS and PFOA testing practices and results,⁷ OCA witness Rubin identified significant delays in the Company providing testing results to the public. OCA St. 3S at 12. For example, when witness Rubin visited the website on November 30, 2018, “the most recent test

⁷ See www.WaterFacts.com.

results were dated October 10, 2018, with several wells having their most recent results from August or September 2018.” Id.

The Settlement requires Aqua to continue testing for PFOS and PFOA in accordance with the United States Environmental Protection Agency’s Third Unregulated Contaminant Monitoring Rule (UCMR3). Under the Settlement, the Company will continue providing water sampling results for PFOS and PFOA “on its dedicated website *WaterFacts.com*, consumer confidence reports, or other appropriate forms[.]” Settlement ¶ II.K.45. The Company also agrees “to post the results on *WaterFacts.com* after completing its testing, review and posting process in an efficient and expeditious manner.” Id. Finally, the Company is required by the Settlement to seek additional funding or governmental grants to finance treatment improvements to further limit the presence of PFOS and PFOA in the affected water sources. These provisions are meant to improve the timeliness of the posting of the test results. The Company agrees to seek funding, including grants that, if secured, will mitigate the costs of addressing the presence of PFOS and PFOA.

B. New Wastewater Customer Service (Settlement ¶ II.K.46)

Several wastewater customers at the Public Input Hearings testified that they attempted to contact Aqua for various reasons and were informed by Aqua’s customer service representatives that the Company had no record of the customers. Tr. 29-41, 44-45, 54-57. Some Aqua representatives also failed to acknowledge that the Company provided wastewater service at all. OCA St. 3S at 3. Under the Settlement, the Company is required to revise its internal procedures to ensure that Aqua receives “timely and accurate connection information” about new customers that purchase homes in new developments. Settlement ¶ 46. Additionally, Aqua agrees under the settlement to provide its customer service representatives with additional training to ensure that its representatives are competent and able to field questions from new Aqua customers. Id. An

explanation of these changed internal procedures will be provided to the OCA within 60 days of the entry of the final order in this proceeding. Id.

C. Specific Public Input Hearing Testimony (Settlement ¶ II.K.49)

While the majority of the testimony provided by customers at the Public Input Hearings involved the general nature of the rate increase or the presence of PFOS and PFOA in the water, several customers testified about various service-related issues. The Settlement, stated below, addresses these specific, service-related concerns:

a. Ralph Churchill testified at the evening hearing held on November 13, 2018 in Chester County. Mr. Churchill is not a direct customer of Aqua and lives in Jenners Pond, a retirement community, which is a commercial customer of Aqua. Mr. Churchill requested information on the improvements made in Penn Township. On December 18, 2018, Aqua sent a letter sent to Mr. Churchill describing the improvements.

b. Debora Hauser testified at the evening hearing held on November 14, 2018, in Bucks County. Ms. Hauser stated that she believed the customer charge of \$69.00 was too high. At the conclusion of the hearing, a representative of Aqua spoke to Ms. Hauser to get more information about her billing concern. Ms. Hauser's current customer charge for a 5/8" meter is \$16.00, not \$69.00. Aqua sent a letter confirming this to Ms. Hauser on December 17, 2018.

c. William Freed testified at the afternoon hearing held on November 15, 2018 in Delaware County. Mr. Freed testified about his previous informal and formal complaints filed with the Commission against Aqua. Aqua confirmed that Mr. Freed had filed both an informal (BCS Case No. 3582179) and a formal complaint (Docket No. C-2018-2645244) with the Commission requesting compensation for damages he alleged were caused by Aqua doing work on his street. The informal complaint was dismissed by the Bureau of Consumer Services because the Commission cannot award damages. Mr. Freed, who was represented by counsel in his formal complaint with the Commission and in a subsequent civil court proceeding, chose not to pursue his complaint at the Commission and filed his claim in municipal court. Aqua and Mr. Freed settled the claim in municipal court.

d. Andria Torres testified at the Smart Public Input Hearing held on November 16, 2018 alleging damages from jackhammering vibrations when the Company was installing a new water main in the street on December 30, 2017. After investigating the matter, Aqua has confirmed that it was not installing a new water main in her street in December of 2017 and has no record of Ms. Torres contacting the Company in December of 2017 on this issue. The Company believes that a

contractor for another utility was in the area in December 2017. The Company contacted Ms. Torres to discuss her concerns and provide the information it learned about the work that was done on her street.

e. David Saplansky testified at the Smart Public Input Hearing held on November 16, 2018 and mentioned dirt and smell from his pipes. Mr. Saplansky did contact the Company on September 14, 2018 requesting that the water be tested. The Company did sample Mr. Saplansky's water. On September 21, 2018, the Company sent those test results to Mr. Saplansky showing that the water met all applicable standards for drinking water.

f. Ms. Kathleen O'Boyle testified at the Smart Public Input Hearing held on November 16, 2018 about water quality and concern about chlorine in her water. The Company contacted Ms. O'Boyle to make an appointment to discuss her concerns.

g. Thomas Driscoll testified at the afternoon hearing held on November 15, 2018 in Delaware County. Mr. Driscoll testified about a chemical taste to his water. The Company contacted Mr. Driscoll to make an appointment to discuss his concerns.

h. Margie Swart testified at the afternoon hearing held on November 13, 2018 in Chester County. Ms. Swart testified about Aqua's private fire protection rates violating Section 1802 of the Second Class Township Code title Fire Hydrants and Water Service, which provides that all fire hydrants should be classified as public and billed directly to the municipality if that municipality is governed by the Second Class Township Code. The Company researched this issue and determined that the fire hydrants at issue in Ms. Swart's testimony are located on a private street and are the responsibility of the local Homeowner's Association. As such, the Company has been correctly billing the Homeowner's Association for the two fire hydrants at the appropriate private fire hydrant rate.

Settlement ¶ II.K.49.

The OCA submits that the service-related portion of this agreement represents a reasonable compromise that aides those consumers with particular concerns regarding the quality of their water and the quality of the Company's customer service while preserving the Company's operational efficiency.

IV. CONCLUSION

The OCA submits that the terms and conditions of the proposed Joint Settlement of this rate investigation, taken as a whole, represent a fair and reasonable resolution of the issues raised by the OCA in this proceeding. Therefore, the OCA submits that the Settlement should be approved by the Commission without modification as being in the public interest.

Respectfully Submitted,

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DATE: February 7, 2019
#265391

STATEMENT D

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	DOCKET NOS. R-2018-3003558
	:	R-2018-3003561
AQUA PENNSYLVANIA, INC. AND AQUA PENNSYLVANIA WASTEWATER, INC.	:	
	:	
and	:	
JOINT APPLICATION OF AQUA PENNSYLVANIA, INC. AND ITS SUBSIDIARY, SUPERIOR WATER CO., INC.	:	DOCKET NOS. A-2018-3004108
	:	A-2018-3004109
	:	

**OFFICE OF SMALL BUSINESS ADVOCATE
STATEMENT IN SUPPORT OF THE
JOINT PETITION FOR SETTLEMENT**

I. Introduction

The Office of Small Business Advocate (“OSBA”) is an agency of the Commonwealth of Pennsylvania authorized by the Small Business Advocate Act (Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50) to represent the interests of small business consumers as a party in proceedings before the Pennsylvania Public Utility Commission (“Commission”).

II. Filing Background

On August 17, 2018, Aqua Pennsylvania, Inc. (“Aqua” or the “Company”) filed Tariff Water-Pa. P.U.C. No. 2 (“Tariff Water No. 2”), and Tariff Sewer Pa. P.U.C. No. 2 (“Tariff Sewer No. 2”) to become effective May 16, 2019. Aqua voluntarily extended the suspension period to May 24, 2019.

Tariff No. 2, if approved as proposed, would increase the Company’s water revenues by approximately \$66.3 million per year, and the Company’s wastewater revenues by 5.4 million. The OSBA filed a Complaint alleging that the materials filed by Aqua may be insufficient to justify the rate increase requested and that the Company’s present and proposed rates, rules, and conditions of service may be unjust, unreasonable, unduly discriminatory, and otherwise contrary to law, particularly as they pertain to small business customers.

By Order entered September 20, 2018, the filing was suspended by operation of law until May 16, 2019.¹ The Commission ordered an investigation into the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the proposed Tariffs.

Administrative Law Judge Angela T. Jones and Administrative Law Judge Joseph Brady (“ALJs”) were assigned to this proceeding.

The OSBA filed a Formal Complaint, Notice of Intervention and Public Statement on September 26, 2018.

A Prehearing Conference was held on September 28, 2018.

¹ On September 28, 2018, Aqua filed Supplement No. 1 to Tariff Water- Pa. P.U.C. No. 2, and Supplement No. 1 to Tariff Sewer -Pa P.U.C. No. 2 to voluntarily extend the suspension period to May 24, 2019.

Numerous public input hearings were held from November 13, through November 16, 2018.

Aqua served direct testimony with its filing on August 17, 2018. The Bureau of Investigation and Enforcement (“I&E”), the Office of Consumer Advocate (“OCA”), the OSBA, Masthope Mountain Community Property Owners Council, and CAUSE-PA served direct testimony on November 20, 2018. Subsequently, on December 4, the OCA served two additional statements of direct testimony pertaining to the public input hearings. The OSBA and other parties served rebuttal testimony on December 19, 2018. The OSBA and other parties served surrebuttal testimony on January 8, 2019.

The parties conducted settlement negotiations which resulted in a full settlement of the issues in the proceeding. As such, all parties waived cross-examination and the evidentiary hearings scheduled for January 16th and 18th were cancelled. A hearing was held on January 17, 2019, during which the testimony and exhibits of the witnesses were moved into the record.

III. Summary of the OSBA’s Principal Concerns

On September 27, 2018, the OSBA filed a Prehearing Memorandum. In its Complaint and Prehearing Memorandum, the OSBA identified several issues of concern, including the following:

1. Whether Aqua’s water cost-of-service study methodology is appropriate;
2. Whether Aqua’s proposed class revenue allocation for water service, and general metered service rate design is cost based;
3. Whether the Company’s proposal to recover \$8.1 million of its claimed wastewater revenue requirement from water service customers is appropriate;

4. Whether Aqua's wastewater cost-of-service study methodology is appropriate;
5. Whether the Company's proposed class revenue allocation for wastewater service and associated rate design is cost based;
6. Whether the Company's proposed Purchased Water Adjustment ("PWA") clause should be adopted; and
7. Whether the Company's proposed Energy Cost Adjustment ("ECA") mechanism should be adopted.

The OSBA has actively participated in the negotiations which have led to the filing of the Joint Petition for Settlement ("Settlement"). The OSBA is a signatory to the Settlement and urges the Commission's approval of the Settlement without modification.

IV. Settlement

The Settlement sets forth a comprehensive list of issues which were resolved through the negotiation process. This statement outlines the OSBA's specific reasons for joining the Settlement. The following provisions were of particular significance to the OSBA in concluding that the Settlement is in the best interests of small business customers:

A. Revenue Requirement

In the Company's original filing, Aqua proposed a revenue increase of \$71.7 million per year.² In contrast, the Settlement provides only \$47 million per year in additional annual operating revenues.³ At a time when all types of utility service are becoming more expensive, the significant reduction in the overall revenue increase

² Joint Petition for Settlement, at 2, para. 1.

³ Joint Petition for Settlement, at 6, para. 15.

provided by the Settlement will benefit all of Aqua's consumers, including the Company's small business customers.

While the OSBA did not sponsor adjustments to Aqua's requested revenue requirement, Mr. Kalcic expressed concern about Aqua's original proposal to recover \$8.1 million of its claimed wastewater revenue requirement from water service customers.⁴ However, the OSBA's continuing objection to Aqua's proposal was how the Aqua's proposed Act 11 revenue requirement was allocated to water service classes.⁵ The discussion of this issue will be addressed in Section B Revenue Allocation (below).

B. Revenue Allocation

The Company sponsored class revenue allocations for both water and wastewater service in its case-in-chief. Aqua also proposed to reallocate a portion of its claimed wastewater revenue requirement to water customers under the provisions of Act 11. The OSBA disagreed with the Company's proposed (i) revenue allocation for water service and (ii) allocation of Act 11 revenues to water service classes.

1. Wastewater Cost Recovery

With regard to Aqua's proposed allocation of Act 11 revenues to water service classes, Mr. Kalcic testified:

The Company allocated its Act 11 revenue requirement to customer classes based on present water rate revenue.⁶ However, the resulting "credit" to Aqua's wastewater service classes under the Company's proposal does not

⁴ OSBA Statement No. 1 at 8.

⁵ OSBA Statement No. 1 at 9.

⁶ OSBA Statement No 1 at 10. *See also* Aqua's response to OSBA-I-7(b).

comport with the underlying differences between class wastewater revenues and allocated cost of service. Instead, as shown in Aqua Exhibit No. 5-B, Part I, Schedule WW-A, residential wastewater customers end up paying more than their Act 11 adjusted cost of service, while non-residential wastewater customers end up paying less than their Act 11 adjusted cost of service.

Since the purpose of Act 11 is to mitigate class increases to wastewater customers, the temporary subsidies afforded to specific wastewater classes should be recovered from the utility's corresponding water service classes. In other words, the subsidy provided to residential wastewater customers should be recovered from residential water customers, and the subsidy provided to non-residential wastewater customers should be recovered from non-residential water customers.⁷

To resolve this subsidy issue, Mr. Kalcic revised the Company's Act 11 revenue allocation to provide for the recovery of wastewater subsidies on a customer class basis, as set forth in Table A on page 11 of Mr. Kalcic's direct testimony. The Joint Petition for Settlement adopts Mr. Kalcic's recommendation, and provides for the recovery of \$7.1 million of wastewater subsidies from water customers on a customer class basis.⁸ As such, the OSBA's concern regarding the recovery of Act 11 revenues is addressed.

2. Water Cost Recovery

With regard to Aqua's proposed revenue allocation for water service, Mr. Kalcic testified:

While the above classes move closer to cost of service under the Company's proposal, the degree of movement toward cost varies considerably across customer classes. For example, the present subsidies received by the Industrial and Residential classes decrease by 17.6% and

⁷ OSBA Statement No. 1 at 10.

⁸ Joint Petition for Settlement, at 6, Para. 16.

25.9%, respectively, while the present subsidies provided by the Public and Commercial classes decrease by 3.1% and 61.8%, respectively.⁹

Mr. Kalcic proceeded to sponsor an alternative class revenue allocation and noted:

The OSBA's recommended revenue allocation would move all rate classes (excluding Other Water Utilities) closer to their respective cost-of-service revenue levels, and would provide for significantly greater movement toward cost of service for the Residential, Commercial, Public, Industrial, and Private Fire classes, compared to Aqua's proposal.¹⁰

The Settlement includes a revenue allocation for water service that reflects a compromise among the parties' positions. With regard to the Commercial water service class, the Settlement increase to commercial customers is approximately \$184,000 higher than the OSBA's proposal (after adjusting the OSBA's proposal for the level of the settlement increase), but \$278,000 lower than Aqua's proposal. Accordingly, the OSBA finds that the Settlement is consistent with Mr. Kalcic's revenue allocation testimony and provides a meaningful benefit to commercial customers.

C. Proposed Energy Cost Adjustment Mechanism ("ECA")

Aqua proposed an Energy Cost Adjustment ("ECA") in its case-in-chief. If approved, the ECA would collect or refund any difference between the energy costs included in base rates from the Company's last rate case, and the actual energy costs incurred in the period of calculation. Any difference in such energy costs would be tracked over a twelve-month calculation period, with the difference recovered from or

⁹ OSBA Statement No. 1 at 6.

¹⁰ OSBA Statement No. 1 at 7.

refunded to customers (as appropriate) via a volumetric surcharge or surcredit over the following twelve-month period.¹¹

The OSBA did not support the ECA. Specifically, OSBA witness Mr. Kalcic testified:

If the ECA mechanism were to be approved, the Company would have no incentive to control its energy costs, since any cost increases would be automatically passed along to customers. As a result, I would expect that the only way ratepayers could benefit from the ECA would be if energy prices were to fall between base rate proceedings.¹²

Therefore, Mr. Kalcic recommended that the ECA be rejected.¹³

In the Settlement, Aqua withdrew its request for the ECA.¹⁴ Therefore, the OSBA's concern regarding the ECA is addressed.

E. Purchased Water Adjustment

Aqua proposed a Purchased Water Adjustment ("PWA") in its case-in-chief. If approved, the PWA would adjust customers' bills by adding a charge or credit to reflect increases or decreases, respectively, in the Company's annual purchased water costs (compared to the level of annual costs approved in Aqua's most recent base rate proceeding).¹⁵

The OSBA did not support the PWA. Specifically, OSBA's witness Mr. Kalcic testified:

¹¹ AP Statement No. 1, at 32.

¹² OSBA Statement No. 1, at 13.

¹³ *Id.*

¹⁴ Joint Petition for Settlement, at 8, para. 21.

¹⁵ AP Statement No. 1, at 30.

If the Commission were to approve the PWA clause, the Company would have no incentive to control its purchased water costs, since any cost increases could be passed along to customers. As in the case of the Company's proposed ECA, the only way ratepayers could benefit from the PWA would be if purchased water costs were to fall between base rate proceedings.

Moreover, counsel again advises that since the PWA could be used to make the Company whole for all purchased water cost increases between base rate proceedings, the PWA clause would constitute single-issue ratemaking.¹⁶

Therefore, Mr. Kalcic recommended that the PWA be rejected.¹⁷

In the Settlement, Aqua withdrew its request for the PWA.¹⁸ Therefore, the OSBA's concern regarding the PWA is addressed.

V. Conclusion

For the reasons set forth in the Settlement, as well as the additional factors enumerated in this statement, the OSBA supports the proposed Settlement and respectfully requests that the ALJ and the Commission approve the Settlement in its entirety.

¹⁶ OSBA Statement No. 1, at 15.

¹⁷ *Id.*

¹⁸ Joint Petition for Settlement, at 8, para. 21.

Respectfully submitted,



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Dated: February 7, 2019

STATEMENT E

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc.;	:	R-2018-3003558; R-2018-3003561
	:	
Joint Application of Aqua Pennsylvania, Inc. and its Subsidiary, Superior Water Co., Inc.;	:	A-2018-3004108; A-2018-3004109

**STATEMENT OF AQUA LARGE USERS GROUP
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT**

Aqua Large Users Group ("Aqua LUG"), by and through its counsel, submits that the Joint Petition for Settlement ("Joint Petition") filed in the above-captioned proceeding with the Pennsylvania Public Utility Commission ("PUC" or "Commission"), reflects a settlement among the Joint Petitioners with respect to Aqua Pennsylvania, Inc.'s ("Aqua" or "Company") August 17, 2018, filing of Original Tariff Water – Pa. PUC No. 2 ("Tariff Water No. 2") and Original Tariff Sewer – Pa. P.U.C. No. 2 ("Tariff Sewer No. 2"), which sought to increase Aqua's total annual operating revenues by \$71.8 million effective October 16, 2018.

On September 27, 2018, Aqua LUG submitted a Complaint in the above-captioned proceeding. As noted in its Complaint, Aqua LUG members receive service from Aqua and use substantial volumes of water in their operations. As a result, Aqua LUG members were concerned that the proposed rate increase may have an adverse impact upon their operational processes.

As a direct result of settlement discussions, the Joint Petitioners in this proceeding have agreed upon the terms embodied in the foregoing Joint Petition.

1. The Joint Petitioners agree that the Company should be authorized to file a tariff supplement containing the rates set forth in the Joint Petition.

2. The Joint Petitioners agree that a rate increase designed to produce additional annual operating revenue of \$47 million (\$42.3 million for water operations and \$4.7 million for wastewater operations) is just, reasonable, and in the public interest.

3. The Joint Petition is in the public interest for the following reasons.

- a. As a result of the Joint Petition, expenses incurred by the Joint Petitioners and the Commission for completing this proceeding will be less than they would have been if the proceeding had been fully litigated.
- b. Uncertainties regarding further expenses associated with possible appeals from the final order of the Commission are avoided as a result of the Joint Petition.
- c. The Joint Petition results in an increase in Aqua's rates by \$47 million, which is approximately 65% of the Company's original request of \$71.8 million.
- d. The Joint Petition reflects compromises on all sides presented without prejudice to any position any Joint Petitioner may have advanced so far in this proceeding. Similarly, the Joint Petition is presented without prejudice to any position any party may advance in future proceedings involving the Company.

4. In addition, the Joint Petition addresses issues of particular concern to Aqua LUG, including the establishment of a rate structure allocating revenues among the customer classes in a just and reasonable manner.

5. Aqua LUG supports the foregoing Joint Petition; however, in the event that the Joint Petition is rejected by the Administrative Law Judge or the Commission, Aqua LUG will reassume its litigation position, which differs from the terms of the Joint Petition.

WHEREFORE, the Aqua Large Users Group respectfully requests that Administrative Law Judges Angela T. Jones and F. Joseph Brady and the Pennsylvania Public Utility Commission approve the foregoing Joint Petition for Settlement.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By



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Counsel to the Aqua Large Users Group

Dated: February 7, 2019

STATEMENT F

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
	:	
v.	:	DOCKET NOS. R-2018-3003558
	:	R-2018-3003561
AQUA PENNSYLVANIA, INC. AND AQUA PENNSYLVANIA WASTEWATER, INC.	:	
	:	
	:	
and		
JOINT APPLICATION OF AQUA PENNSYLVANIA, INC. AND ITS SUBSIDIARY, SUPERIOR WATER CO., INC.	:	DOCKET NOS. A-2018-3004108
	:	A-2018-3004109
	:	

STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND
ENERGY EFFICIENCY IN PENNSYLVANIA (CAUSE-PA) IN SUPPORT OF THE JOINT
PETITION FOR APPROVAL OF PARTIAL SETTLEMENT

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), one of the signatory parties to the Joint Petition for Approval of Partial Settlement (“Joint Petition” or “Settlement”), respectfully requests that the terms and conditions of the Settlement be approved by the Honorable Administrative Law Judges Angela T. Jones and F. Joseph Brady, and the Pennsylvania Public Utility Commission (Commission). For the reasons stated more fully below, CAUSE-PA believes that the terms and conditions of the Settlement are in the public interest and should be approved.

I. INTRODUCTION

CAUSE-PA intervened in this proceeding to address, among other issues, the extent to which the proposed rate increase would detrimentally impact the ability of low income water and wastewater customers within the Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (Collectively “Aqua” or “Company”) service territory to access service under reasonable terms and conditions.

In relevant part, the Settlement increases residential rates by between 9.47% to 104.66% for residential water customers and between 0% to 58.67% for residential wastewater customers. (Joint Pet., App. D at 1,4). The fixed charge portion of the residential structure will increase from \$16.00 to \$18.00 – less than the proposed \$18.50 charge. (Joint Pet. at ¶ 32). Importantly, the Settlement provides significant improvements to Aqua’s policies and procedures for its “Helping Hand” customer assistance program. As outlined more fully in the paragraphs below, Aqua has agreed to the following changes to its Helping Hand program that will assist low income customers to maintain water service:

- Aqua will contribute \$125,000 per year in corporate contributions to the program, while continuing to seek customer contributions for the program that will supplement the funding provided by the Company. (Joint Pet. at ¶ 35).
- Aqua will improve its Helping Hand program by establishing a grant assistance component within 180 days of the effective date of the Settlement Rates. (Joint Pet. at ¶ 36).

- Aqua has agreed to eliminate the requirement that customers make an up-front payment to enroll in the program, eliminate the requirement that customers pay installments toward their arrearages, and will increase the amount of arrearage forgiveness earned for each payment. (Joint Pet. at ¶¶ 37, 38, 39).
- Aqua will establish a Helping Hand Collaborative with representatives from the Commission’s Bureau of Consumer Services, the Office of Consumer Advocate, and CAUSE-PA to identify new ways to promote and improve the program. (Joint Pet. at ¶¶ 35, 41). The Collaborative will meet multiple times per year to discuss the scope of low income data the Company will collect; the details of the grant program; the method of calculating the monthly Helping Hand payment; improving outreach and messaging for programs; further developing a holistic communications plan; assessing applicable data; and developing efforts to fund the grant assistance program on an ongoing basis. (Joint Pet. at ¶ 41). The Company has agreed to work with the Helping Hand Collaborative to determine the appropriate means of recalculating average bills going forward for Helping Hand participants on no less than an annual basis. (Joint Pet. at ¶ 38). The Helping Hand Collaborative will also work to establish eligibility parameters for receiving a grant and the maximum amount of each grant. (Joint Pet. at ¶ 36).
- Aqua agreed to improve its tracking of Helping Hand data and, within 120 days of effective rates, provide a report to the Helping Hand Collaborative on the feasibility of tracking specific data based its current reporting capabilities and resources. (Joint Pet. at ¶ 40).

In addition to changes to its Helping Hand program, Aqua has also agreed to several changes to its handling of otherwise vulnerable customers. Specifically, Aqua agreed to:

- Document its domestic violence procedures and have them readily available to its customer service representative and to review these procedures with CAUSE-PA, OCA, and other interested parties. (Joint Pet. at ¶ 42).
- Implement a policy giving victims of domestic violence at least three days to provide a copy of their Protection From Abuse or other court order before termination will proceed and will clearly define the payment arrangement rules available for these customers. (Joint Pet. at ¶ at 42).
- Additionally, the Company has agreed to edit the signature line on its Medical Certification Form, remove references to security deposits from its termination notices and tariff, and amend the language on its termination notices related to domestic violence victims. (Joint Pet. at ¶ 43, 44).

Although not all of CAUSE-PA's positions in litigation were fully adopted, the Settlement was arrived at through good faith negotiation by the parties. The Settlement is in the public interest in that it (1) addresses the ability of Aqua's low income customers to access safe and affordable service, (2) balances the interests of the parties, and (3) fairly resolves several important issues raised by CAUSE-PA and other parties. If the Settlement is approved, the parties will also avoid the considerable cost of further litigation and/or appeals.

A. Standard for Approval of Settlement

The Commission’s regulations lend unambiguous support for settlements, and declare: “It is the policy of the Commission to encourage settlements.”¹ The Commission’s Policy Statement on settlements of rate cases states that “the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.”² Settlements are preferred because they “lessen the time and expense that Parties must expend litigating a case and, at the same time, conserve resources.”³ In reviewing whether to approve a proposed settlement, the Commission must determine whether the terms and conditions are in the interest of the public based on a preponderance of the evidence “showing a likelihood or probability of public benefits that need not be quantified or guaranteed.”⁴ Historically, the Commission has defined the public interest as inclusive of ratepayers, shareholders, and the regulated community at large.⁵ Of course, proposed settlement terms must also be consistent with applicable law.⁶

II. TERMS AND CONDITIONS OF SETTLEMENT

A. Revenue Increase, Commission Approval, and Implementation of Rates

CAUSE-PA did not take a position in this proceeding on the revenue requirement except to explain the detrimental impact of any increase in rates on the ability of low income residential consumers generally to continue to be able to afford service without additional assistance. CAUSE-PA focused its case on the need to appropriately remediate any increase in the Company’s

¹ 52 Pa. Code § 5.231.

² 52 Pa. Code § 69.401.

³ See Commonwealth of Pa. et al. v. IDT Energy, Inc., Docket No. C-2014-2427657, at 35-37 (Tentative Order entered June 30, 2016).

⁴ See id. (quoting Popowsky v. Pa. PUC, 594 Pa. 583, 937 A.2d at 1040 (2007)).

⁵ See id. (citing Pa. PUC v. Bell Atlantic Pennsylvania, Inc., Docket No. R-00953409 (Order entered Sept. 29, 1995)).

⁶ See id. (citing Dauphin County Indus. Dev. Auth. v. Pa. PUC, 2015 Pa. Commw. LEXIS 381 (Sept. 9, 2015)).

residential distribution rates through the adoption of enhancements to Aqua's existing low income programing. Aqua's low income programing is discussed below.

B. Base Rate Filing Stay Out

CAUSE-PA did not take a position on Aqua's agreement not to file a general rate increase prior to April 30, 2021, except that it sought to ensure that Aqua's commitment to annual funding of its Helping Hand program continue through at least the filing of the next rate case. Aqua's continuing company contribution to the Helping Hand Program is discussed below.

C. Distribution System Improvement Charge ("DSIC")

CAUSE-PA did not take a position in this proceeding on DSIC.

D. Adjustment Clauses

Aqua has agreed to withdraw its proposed Energy Cost Adjustment Mechanism ("ECAM") and Purchased Water Adjustment Clause ("PWAC"). (Joint Pet. at ¶ 20). CAUSE-PA supports the withdrawal of these automatic adjustment clauses. As CAUSE-PA witness Harry Geller explained in his direct testimony, the automatic adjustment clauses proposed by Aqua would likely have resulted in utility rates that would have increased more quickly, and potentially at higher levels, than would otherwise occur after a comprehensive rate review. (CAUSE-PA St. 1 at 11:9-12).

Mr. Geller further explained that mechanisms such as these essentially put one component of a utility's cost of service on autopilot, increasing the risk that consumers will be charged too much. (CAUSE-PA St. 1 at 11:13-15). Mr. Geller explained that, unlike automatic adjustments, rate cases provide interested parties with the opportunity to explore the potential need for additional measures to mitigate the harm to economically vulnerable customers resulting from the

rate increase and to make recommendations about how to ameliorate the potential for increasingly unaffordable water bills. (CAUSE-PA St. 1 at 12:1-5). Mr. Geller further expressed his belief that Aqua is in a far better position to manage the risks identified above than individual residential customers, especially low income customers who really have no means to manage such risks. (CAUSE-PA St. 1 at 12:5-7).

Aqua's agreement to withdraw the proposed ECAM and PWAC is in the public interest because it ensures that Aqua will be required to manage the risk of any increased cost of purchased water or energy, and only be allowed to pass that cost onto consumers after a comprehensive rate review. This will help to ensure that vulnerable consumers are protected from the risks of increased costs by providing interested parties an opportunity to explore measures to mitigate any harm to low income customers that would result from the increased costs.

E. Treatment of Income Taxation – Customer Advances for Construction and Contributions-In-Aid-Of-Construction

CAUSE-PA did not take a position in this proceeding on the treatment of income taxation, customer advances for construction, or contributions-in-aid-of-construction.

F. FPFTY Reporting

CAUSE-PA did not take a position in this proceeding on FPFTY Reporting.

G. Contract Customer Reporting

CAUSE-PA did not take a position in this proceeding on competitive alternatives for Rider DRS customers.

H. Revenue Requirement

CAUSE-PA did not take a position in this proceeding on the revenue requirement except to explain the detrimental impact of any increase in rates on the ability of low income residential

consumers generally to continue to be able to afford service without additional assistance. CAUSE-PA focused its case on the need to appropriately remediate any increase in the Company's residential rates through the adoption of enhancements to its available low income programing. Low income programing is discussed below.

I. Cost Allocation and Rate Design

CAUSE-PA did not take a position in this proceeding on cost allocation or rate design except to explain that Aqua's proposed rate design that relied more heavily on an increased fixed customer charge would shift the risks of reduced water consumption and increased costs from the utility to its customers. (CAUSE-PA St. 1 at 11:5-9). Mr. Geller explained in his direct testimony that the combination of increased fixed monthly charges and the automatic adjustment clauses proposed by Aqua would likely result in utility rates that would increase more quickly; rates that would not be easily or reasonably mitigated through conservation measures. (CAUSE-PA St. 1 at 11:9-12). To that end, CAUSE-PA asserts that the Settlement is in the public interest because Aqua has agreed to withdraw the PWAC and ECAM and to reduce its proposed residential fixed charge from \$18.50 to \$18.00. (Joint Pet at ¶ 20). These adjustments, in combination with the substantial improvements to the Company's low income programing described below, will help protect vulnerable customers from the risks of reduced water consumption and increased costs and allow them to partially mitigate the effects of the rate increase through conservation measures.

J. Low Income Issues

CAUSE-PA's expert witness, Harry Geller, explained in his direct testimony that Aqua's proposed rate increase was not just and reasonable given the significant deficiencies in its existing low income program, the Helping Hand Program, because the program was insufficient to resolve significant and substantial concerns about the continued affordability of water and wastewater

service in Aqua's service territory. (CAUSE-PA St. 1 at 24-27). Mr. Geller explained that the program, as constructed, did not provide adequate or sufficient rate relief to address long-term affordability issues. (CAUSE-PA St. 1 at 25:14-21). Mr. Geller also pointed to the Helping Hand program's already low levels of enrollment that were continuing to drop precipitously within the past few years. As a result, less than 0.2% of Aqua's residential water customers were enrolled in the program. (CAUSE-PA St. 1 at 26:1-13). Mr. Geller explained that, given the number of low income households in Aqua's service territory, it is unlikely that this lack of enrollment is due to a lack of need, but rather it is more likely due to programmatic insufficiencies. (CAUSE-PA St. 1 at 27:1-2). Thus, the program enhancements contained within this Settlement, while not fully sufficient, are critical first steps in ensuring that Aqua's low income consumers have access to programs necessary to assist with their ability to maintain access to service in the face of increasing costs.

(i) Helping Hand Program

As Mr. Geller explained in his direct testimony, the Helping Hand Program as constructed did little to assist customers who could not afford their bills and was useful principally for customers who could otherwise afford their bill but had fallen behind due to a temporary setback. (CAUSE-PA St. 1 at 22:1-23:3, 24:3-16, 25:1-21). Specifically, Aqua's current requirement that customers make an up-front good faith payment of 10% of their outstanding account balance, combined with the requirement that enrolled customers pay their average monthly bill *plus* make installments of approximately \$25 per month toward their arrears, effectively meant that many low income customers were unable to participate because these terms were simply unaffordable. (CAUSE-PA St. 1 at 24:3-16).

To begin to alleviate this affordability issue, Aqua has agreed to eliminate both the requirement of an up front payment and the required installment toward enrolled customer arrearage. (Joint Pet. at ¶¶ 37, 38). The program will now only require that an otherwise eligible⁷ customer make ongoing monthly payments approximately equivalent to the customer's average bill. (Joint Pet. at ¶ 38). If the customer has arrearages at the time of enrollment, those arrearages will be deferred and forgiven through earned arrearage forgiveness credited by making Helping Hand payments. To incentivize payment, Aqua has agreed to increase the amount of arrearage forgiveness earned for each on time payment from \$20 to \$25. (Joint Pet. at ¶ 39). In addition, Aqua has agreed to add a new component to Helping Hand – a grant assistance component that will provide bill payment assistance to Helping Hand eligible customers. (Joint Pet. at ¶ 36). To ensure that the program is initially funded, Aqua has agreed to contribute \$125,000 per year to the program to be used for grant assistance and arrearage forgiveness, as well as continue to solicit customer contributions to supplement this funding. (Joint Pet. at ¶¶ 35).

Because additional program details need to be worked out, Aqua has agreed to host a series of Helping Hand collaborative meetings with representatives from CAUSE-PA, the OCA, and the Commission's Bureau of Consumer Services. (Joint Pet. at ¶ 41). The purpose of the meetings will be to solicit input about how to improve the Helping Hand Program, addressing a range of topics including but not limited to: low income data collection; methods of calculating the Helping Hand payment; messaging and outreach; details about the grant assistance; and ways to fund the grant assistance program on an ongoing basis. (Joint Pet. at ¶ 41). The meetings will occur quarterly for the first year and at least twice per year for each following year. (Joint Pet. at ¶ 41).

⁷ Customers will be eligible for Helping Hand if they have income at or below 200% of the federal poverty level and have arrears of at least \$110 and are payment troubled, which includes individuals who have a broken payment agreement, are threatened with shut off or are already off, or who have evidenced an inability to pay their bills. (Joint Pet. at ¶ 37).

(ii) Domestic Violence Policy

In his direct testimony, CAUSE-PA witness Harry Geller addressed issues related to Aqua's policies and procedures about dealing with customers who are victims of domestic violence. (CAUSE-PA St. 1 at 43:10-45:3). The gist of Mr. Geller's recommendations was that Aqua's policies and procedures needed to be documented and clarified to ensure that eligible customers are provided the special protections afforded to domestic violence victims. (CAUSE-PA St. 1 at 43:10-45:3). Aqua has agreed to document its domestic violence procedures and have them readily available to its customer service representative and to review those procedures with CAUSE-PA and other interested parties. (Joint Pet. at ¶ 42). Aqua has also agreed to implement a policy allowing victims of domestic violence three days to provide a copy of their court order before termination, and has agreed to clearly define the domestic violence payment arrangement rules. (Joint Pet. at ¶ 42).

(iii) Medical Certifications

CAUSE-PA witness Harry Geller pointed out that the current version of Aqua's medical certification states that it may be completed by a physician, nurse practitioner, or physician's assistant, but that the signature block only allowed for a "Physician's Signature". (CAUSE-PA St. 1 at 40:15-18). Mr. Geller asserted that the language on the signature block should be changed as it could be confusing or prohibitive to medical providers when they are asked to complete the form. (CAUSE-PA St. 1 at 41:1-6). Aqua has agreed to make this change. (Joint Pet at ¶ 43).

(iv) Termination Notices

In his direct testimony, Mr. Geller pointed out that, although Aqua does not require security deposits as a condition of reconnection, its termination notices and tariff still contained references

to a requirement of a security deposit. (CAUSE-PA St. 1 at 46:10-19). Mr. Geller recommended that Aqua remove all references to security deposits from its termination notices and tariff. (CAUSE-PA St. 1 at 46:19-47:6). In addition, Mr. Geller recommended that Aqua change the language on its termination notices to indicate that special protections exist for victims of domestic violence. (CAUSE-PA St. 1 at 47:16-48:19). Aqua has agreed with these recommendations. Specifically, it has agreed to remove all references to security deposits in its termination notices and tariff and amend its termination notice language to make it clear that victims of domestic violence have access to special protections. (Joint Pet. at ¶ 44).

K. Service Related Issues

CAUSE-PA did not take a position on the issues discussed under the Service Related Issues section of the Joint Petition.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A key component in determining if a proposed rate is just and reasonable is to determine whether consumers can reasonably afford the rate increase and whether enough protections are in place to protect vulnerable consumers. (CAUSE-PA St. 1 at 7:1-7). As Mr. Geller explained in testimony, low income households are “particularly vulnerable, without budget elasticity, and already cannot afford life’s most basic necessities.” (CAUSE-PA St. 1-SR at 10:17-18). He further noted that, “[a]s a result of the proposed rate increase, many economically vulnerable households are likely to incur increased debts and, ultimately, increased rates of termination.” (CAUSE-PA St. 1 at 12:18-19)

The Settlement takes rate affordability into account by limiting the impact of the rate increase on low income households through common-sense enhancements to available low income programs. These enhancements will help increase enrollment and help those already enrolled in

programs to absorb the increase and will better match needy households with available assistance. Thus, the settlement will help ensure low income customers will have access to stable and affordable utility services over the long term.

IV. CONCLUSION

CAUSE-PA submits that the Settlement, which the Joint Petitioners were able to negotiate after an extensive investigation of Aqua's filing, is in the public interest. Acceptance of the Settlement avoids the necessity of further administrative and possible appellate proceedings regarding the settled issues. Accordingly, CAUSE-PA respectfully requests that the Honorable Administrative Law Judges Angela T. Jones and F. Joseph Brady, and the Commission approve the Settlement.

PENNSYLVANIA UTILITY LAW PROJECT
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February 6, 2019

STATEMENT G

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2018-3003558
	:	R-2018-3003561
Aqua Pennsylvania, Inc. and	:	
Aqua Pennsylvania Wastewater, Inc.	:	

**STATEMENT OF MASTHOPE MOUNTAIN COMMUNITY PROPERTY OWNERS
COUNCIL IN SUPPORT OF JOINT PETITION FOR SETTLEMENT**

**TO THE HONORABLE ANGELA T. JONES AND F. JOSEPH BRADY,
ADMINISTRATIVE LAW JUDGES:**

Masthope Mountain Community Property Owners Council (“Masthope POC”)¹ supports the Joint Petition for Settlement (“Settlement”) to which this Statement in Support is appended. Masthope POC is one of the Joint Petitioners filing the Joint Petition and supporting the Settlement. The Settlement is in the public interest and should be approved by the Administrative Law Judges (“ALJs”) and the Pennsylvania Public Utility Commission (“Commission”) for the following reasons:

1. The issues resolved by this Settlement have been thoroughly addressed in multiple rounds of testimony submitted by various Joint Petitioners. Masthope POC submitted the Direct, Rebuttal and Surrebuttal Testimony of Robert A. Rosenthal in this proceeding, and this testimony was admitted by the ALJs into evidence. Testimony was also admitted into evidence from Aqua PA, the Public Advocates and various Intervenors. The terms of the

¹ Masthope POC is an incorporated association whose members consist of approximately 1,300 Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (collectively “Aqua PA” or the “Company”) water and wastewater service customers. In addition, Masthope POC members and Masthope POC itself are owners of 400 undeveloped lots within Aqua PA’s CS Water Division and CS Sewer Division who pay wastewater service availability charges on a per lot basis. Masthope POC is also a direct water and wastewater customer of Aqua PA within the service territory of Aqua PA’s CS Water Division and CS Sewer Division for service to its community recreational facilities.

Settlement are supported by the testimony entered into the record. Thus there is a sound evidentiary basis for the Settlement terms.

2. The Settlement terms are lawful and require Aqua PA to make numerous changes in the initial pro forma water and wastewater tariffs it proposed in this proceeding.

3. Masthope POC filed a complaint and intervened in this proceeding due to its concerns with Aqua PA's proposed water and wastewater service rate designs. Aqua PA proposed a water customer charge of \$30.10 for Masthope POC 5/8" customers. It was Masthope POC's position that an increase in the customer charge of this magnitude was inconsistent with the results of the Company's cost of service study and should be reduced. The Settlement provides Masthope POC and its members who are water customers with a Rate Zone 3 residential customer charge of \$28.00 for water service. This result is reasonably consistent with Masthope POC's litigation position and should be approved.

4. For wastewater service, Aqua PA proposed that the customer charge be set at \$31.00 combined with a massive wastewater usage rate that increased usage charges from \$.05 per 100 gallons to \$.76 per hundred gallons. Masthope POC's position was that the wastewater customer charge should be significantly increased, but within proximity of cost of service, so that the wastewater usage rate could be decreased. Under the terms of the Settlement, the wastewater customer charge for Masthope POC customers is set at \$39.64 and the usage charge declines from the proposed rate to \$.10 per hundred gallons. These rates are consistent with Masthope POC's position and are reasonable.

5. Aqua PA proposed the elimination of the \$6.00 per lot wastewater service lot availability charge. Masthope POC supported this proposal which is reflected by the elimination of the charge in the Company's Settlement *pro forma* tariff. Mr. Rosenthal's Direct Testimony

clarified that based on Aqua PA's discovery responses, the Masthope POC lots are passed by adequate collection mains or service lines and therefore would not be subject to line extension agreements if service connections were requested.² Masthope POC recognizes that service to a secondary residence is a form of Special Utility Service under Aqua PA's tariff.

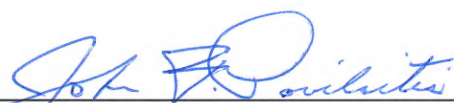
6. Finally, Masthope POC recommended that Aqua PA study alternatives to metered wastewater service and address this issue in its next rate proceeding. The Settlement adopts this recommendation.

7. The Settlement provides a proper resolution of the issues in this proceeding without inurrence of full litigation costs. Also, the Settlement terms are supported by the record and reflects a reasonable accommodation of the various interests in the proceeding. Importantly, the Settlement is unanimous among the active Parties to the proceeding

8. Masthope POC respectfully requests that the Administrative Law Judges approve the Settlement reached by the Joint Petitioners as proposed, and recommends the Settlement's adoption without modification by the Pennsylvania Public Utility Commission.

Respectfully submitted,

Dated: February 6, 2019


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Property Owners Council

² Masthope POC St. No. 1, p. 13.

STATEMENT H

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	
	:	DOCKET NOS. R-2018-3003558
AQUA PENNSYLVANIA, INC.	:	R-2018-3003561
AND AQUA PENNSYLVANIA WASTEWATER, INC.	:	
	:	
and	:	
	:	
JOINT APPLICATION OF AQUA PENNSYLVANIA, INC. AND ITS SUBSIDIARY, SUPERIOR WATER CO., INC.	:	DOCKET NOS. A-2018-3004108
	:	A-2018-3004109
	:	

**STATEMENT OF THE LINKS AT GETTYSBURG MASTER ASSOCIATION IN
SUPPORT OF THE JOINT PETITION FOR APPROVAL OF PARTIAL SETTLEMENT**

The Links at Gettysburg Master Association, one of the signatory parties to the Joint Petition for Approval of Partial Settlement respectfully requests that the terms and conditions of the Settlement be approved by the Honorable Administrative Law Judges Angela T. Jones and F. Joseph Brady, and the Pennsylvania Public Utility Commission (Commission). The Links at Gettysburg Master Association was an active participant in the proceeding; however, it did not provide any written testimony or discovery requests/responses in the proceeding. The Links at Gettysburg Master Association chose to be an active participant in the matter as a means to receive and monitor the discovery and testimony of all the interested parties. Accordingly, after

reviewing the relevant discovery and testimony, the Links at Gettysburg Master Association believes that the terms and conditions of the Settlement are in the public interest and should be approved.

BECKER LAW GROUP, PC

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