

A large white water tower with a metal lattice structure, set against a clear blue sky. The tower is the central focus of the background image.

# **FOCUSED MANAGEMENT AND OPERATIONS AUDIT OF THE COLUMBIA WATER COMPANY**

Prepared By The  
Pennsylvania Public Utility Commission  
Bureau of Audits

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**THE COLUMBIA WATER COMPANY  
FOCUSED MANAGEMENT AND OPERATIONS AUDIT**

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**THE COLUMBIA WATER COMPANY  
FOCUSED MANAGEMENT AND OPERATIONS AUDIT**

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## I. INTRODUCTION

In accordance with the Pennsylvania Public Utility Commission's (PUC or Commission) program to identify improvements in the management and operations of fixed utilities under its jurisdiction, it was determined that a focused management and operations audit should be conducted of The Columbia Water Company (CWC or Company). Management and operational reviews, which are required of certain utility companies pursuant to 66 Pa.C.S. §516(a), come under the Commission's general administrative power and authority to supervise and regulate all public utilities in the Commonwealth, under 66 Pa.C.S. §501(b). More specifically, the Commission can investigate and examine the condition and management of any public utility, under 66 Pa.C.S. §331(a).

This report represents the written product of the focused management and operations audit and contains the resultant findings and recommendations for improvement in the management and operations of CWC. The findings presented in the report identify areas and aspects where weaknesses or deficiencies exist. In all cases, recommendations have been offered to improve, correct, or eliminate these conditions. The final and most important step in the management audit process is to initiate actions toward implementation of the recommendations.

### **A. Objectives and Scope**

The objectives of this focused management and operations audit were threefold:

- To provide the Commission, Company, and the public with an assessment of the efficiency and effectiveness of the Company's operations, management methods, organization, practices, and procedures.
- To identify opportunities for improvement and develop recommendations to address those opportunities.
- To provide an information base for future regulatory and other inquiries into the management and operations of CWC.

The scope of this audit was limited to certain areas of the Company as explained in Section B, Audit Approach.

## **B. Audit Approach**

This focused management and operations audit was performed by the Management Audit Staff of the PUC's Bureau of Audits (Audit Staff). The audit process began with a pre-field work analysis as outlined below:

- A five-year internal trend and ratio analysis (see Appendices I, II, III, and IV) was completed using financial and operational data obtained from the Company, Commission, and other available sources. This analysis, which focused on the period 2005-2009, was supplemented by comparisons to a panel of water utilities for the period 2005-2009 (see Appendix V, VI, and VII, respectively).
- Input was solicited from Commission Bureaus and Offices, certain external parties, and the Company regarding any concerns or issues they would like to have addressed during the course of our review.
- Prior management and operations audits, follow-up management efficiency investigations, implementation plans, implementation plan progress reports, other Commission conducted audits, diversity reports, and other available documents were reviewed.

Information from the above steps was used to initially focus the Audit Staff's work efforts in the field. Specifically, the following areas or functions were selected for an in-depth analysis and are included in this report:

- Corporate Governance
- Financial Management
- Water Operations
- Public Utility Emergency Preparedness
- Customer Service
- Diversity

The pre-field work analysis should not be construed as a comprehensive evaluation of the management or operations in the functional areas not selected for in-depth examination. Had we conducted a thorough review of those areas, weaknesses or deficiencies may have come to our attention that was not identified in the limited pre-field work review.

The actual fieldwork began on March 28, 2011 and continued intermittently through April 27, 2011. The principal components of the fact gathering process included:

- Interviews with Company personnel and other Commission Bureaus.

- Analysis of records, documents, and reports of a financial and operational nature. This analysis focused primarily on the period 2007-2010, and the year 2011 as available.
- Visits to the business office, water production and storage facilities, as well as observation of selected work practices.

### **C. Functional Area Ratings**

For the functions or areas of the Company that were selected for in-depth examination, the Audit Staff rated its actual operating or performance level relative to the expected performance level at the time of the audit. This expected performance level is the state at which each area or function should be operating given the Utility's resources and general operating environment. Expected performance is not a "cutting edge" operating condition; rather, it is management of an area or function such that it produces reasonably expected operating results.

Presented below are the evaluative categories utilized to rate each function or area's actual operating or performance level relative to its expected performance level:

- Meets Expected Performance Level
- Minor Improvement Necessary
- Moderate Improvement Necessary
- Significant Improvement Necessary
- Major Improvement Necessary

Our ratings for the functions or areas reviewed in-depth can be found in Exhibit I – 1.

**Exhibit I – 1**  
**The Columbia Water Company**  
**Focused Management and Operations Audit**  
**Functional Rating Summary**

Functional Area	Meets Expected Performance Level	Minor Improvement Necessary	Moderate Improvement Necessary	Significant Improvement Necessary	Major Improvement Necessary
Corporate Governance		X			
Financial Management		X			
Water Operations		X			
Public Utility Emergency Preparedness		X			
Customer Service	X				
Diversity		X			

**D. Recommendation Summary**

Chapters III through VIII provide findings, conclusions, and recommendations for each function or area reviewed in-depth during this focused audit. Exhibit I–2 summarizes the recommendations with the following priority assessments for implementation:

- **HIGH PRIORITY** – Implementation of the recommendation would result in significant cost savings, major service improvements, and/or substantial improvements in management practices and performance. These recommendations should be implemented as soon as practical.
- **MEDIUM PRIORITY** – Implementation of the recommendation would result in important cost savings, service improvements, and/or meaningful improvements in management practices and performance. Implementation of these recommendations should begin within 12 months.
- **LOW PRIORITY** – Implementation of the recommendation could potentially enhance cost controls, service improvements, and/or management practices and performance. Implementation of these recommendations should begin within 18 months.

These priorities were assigned based on the Audit Staff’s assessment of the potential impact of the recommendations and the Company’s available resources.

# The Columbia Water Company Summary of Recommendations

<u>Chapter/Section Title</u>	<u>Recommendation</u>	<u>Page Number</u>	<u>Priority</u>
<b>III. CORPORATE GOVERNANCE</b>			
	1. Revise the Corporate Bylaws to reflect actual practices in appointment of Executive Committee members.	10	High
	2. Rotate the external audit firm on a periodic basis.	10	Medium
<b>IV. FINANCIAL MANAGEMENT</b>			
ϕ	1. Reduce the billing lag to more appropriate levels as efficiencies are gained from full implementation of AMR technology.	13	Medium
<b>V. WATER OPERATIONS</b>			
	1. Identify critical valves within the distribution system and establish valve inspection goals that adhere to industry standards.	17	Medium
<b>VI. PUBLIC UTILITY EMERGENCY PREPAREDNESS</b>			
	1. Update the Emergency Response Plan to include additional response information and eliminate minor physical security deficiencies.	19	High

## The Columbia Water Company Summary of Recommendations

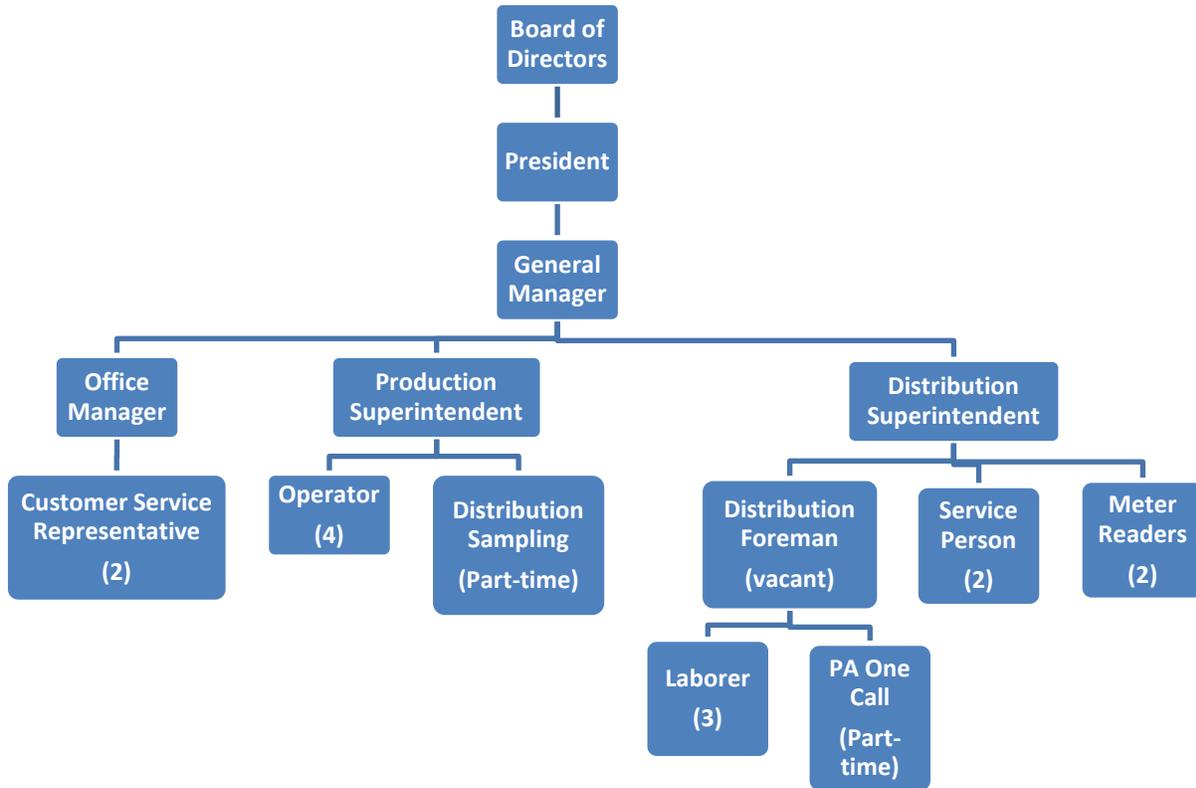
<u>Chapter/Section Title</u>	<u>Recommendation</u>	<u>Page Number</u>	<u>Priority</u>
<b>VII. CUSTOMER SERVICE</b>			
	None.	22	
<b>VIII. DIVERSITY</b>			
	1. Strive to increase the utilization of minorities and females in the Company's service territory.	25	Low
	2. Strive to increase the amount of purchases from minority, women, and persons with disabilities owned business enterprises.	25	Medium

φ

## II. BACKGROUND

The Columbia Water Company (CWC or Company) is a regulated public utility that owns and operates a distribution system, providing potable water for domestic use and fire protection to approximately 8,700 customers within Columbia and Mountville Boroughs and West Hempfield, Manor, and Donegal Townships in Lancaster County, Pennsylvania. As of December 31, 2010, CWC had 17 full time employees and six part-time employees (three of which are Corporate officers) having expertise in areas of water utility operations including water quality, treatment plant operation and maintenance, distribution system operation and maintenance, customer service and billing, etc. CWC's organization chart, as of December 31, 2010, is shown on Exhibit II-1.

**Exhibit II-1**  
**The Columbia Water Company**  
**Employee Organizational Chart**  
**As of December 31, 2010**



Source: Data Request GD-1

CWC is headquartered in Columbia Borough and its water delivery operations are divided into nine pressure zones. The Company's source of water supply is the Susquehanna River. As such, CWC produces approximately 691 million gallons each year to support operations and customer demand. A summary of the Company's number of customers, usage, and revenues by customer class are shown in Exhibit II-2. Residential customers comprise approximately 95% of its overall customer base, 68% of the usage, and 79% of the revenue. Commercial customers comprise approximately 4% of its customer base, 21% of the usage, and 15% of the revenue. Industrial customers comprise less than one percent of the customer base, 10% of the usage, and 4% of the revenue.

**Exhibit II-2**  
**The Columbia Water Company**  
**Customer Base Statistics**  
**As of December 31, 2010**

Customer Class	# of Customers	% of Customers	Gallons Sold (1,000)	% of Gallons Sold	Revenues	% of Revenues
Residential	8,235	94.8%	402,596	67.5%	\$3,251,539	79.4%
Commercial	386	4.4%	125,635	21.1%	\$617,174	15.1%
Industrial	36	0.4%	60,683	10.2%	\$177,001	4.3%
Other*	31	0.4%	7,565	1.2%	\$48,519	1.2%
Totals	8,688	100.0%	596,479	100.0%	\$4,094,233	100.0%

\* Other includes bulk water sales.  
Source: 2010 PUC Annual Report

### **III. CORPORATE GOVERNANCE**

#### **Background**

The Columbia Water Company (CWC or Company) was incorporated in Pennsylvania in 1823. CWC is a small privately held company unregulated by the Securities and Exchange Commission (SEC) and is therefore not required to comply with the corporate governance practices outlined in the Sarbanes-Oxley Act or other SEC regulations. However, the Company attempts to conform to many of the principles established by the SEC such as adopting a Code of Business Conduct and Ethics policy for all directors, officers, and employees; establishing succession planning; creating Corporate Bylaws and committee charters; etc.

CWC is typically controlled by a six member Board of Directors (Board). However, the Company has had a vacancy on its Board since the fall of 2009. The Board and the shareholders elected not to fill the vacancy due to the recession but plan to fill the vacancy in the near future. The five Directors serve on at least one or more of three standing committees: the Executive Committee; the Pension and Property Committee; and the Audit Committee. Furthermore, three of the Directors serve as corporate officers (i.e., President, Vice President, and Secretary/Treasurer).

The Executive Committee is comprised of four Board members and meets monthly. The Executive Committee is responsible for interfacing, consulting, and advising management on all aspects of the business as well as addressing any items requiring immediate attention. The Pension and Property Committee functions with three members (with one vacancy as of May 2011) and monitors/reviews the Company's Pension Plan. In addition, the Pension and Property Committee members periodically inspect the Company's plant and property or perform other duties delegated by the Board and meets monthly. There are two Directors on the Audit Committee with one being an Independent Director. The Audit Committee is responsible for all financial reporting by the Company. Generally, the Audit Committee meets as needed but does have specific set meetings for items such as meeting with the external auditor and accepting and reviewing the external audit report.

#### **Findings and Conclusions**

Our examination of the Company's Corporate Governance included a review of the Company's ethics and conflict of interest policies; Board Member and Committee composition and qualifications; price solicitation and bid policies for professional services; and management succession planning. Based on our review, the Company should devote additional efforts to improving the effectiveness of its corporate governance by addressing the following:

**1. The Executive Committee Charter is inconsistent with the Corporate Bylaws.**

Corporate Bylaws provide the standard organizational structure, functional operability, and governance for a Company. CWC's Bylaws state that the President will appoint the members of the Executive Committee. In contrast, the Executive Committee Charter at the Company states that the Committee is appointed by the Board of Directors. It is generally considered a sound operating practice for the Board to appoint the members of the Executive Committee.

Even though the Company's Bylaws state that the Executive Committee is appointed by the President, the Board has been selecting committee members in conformity with the Executive Committee Charter. The Company overlooked the disparity in its Corporate Bylaws and Executive Committee Charter, but nonetheless was operating in accordance with generally sound business practices. Since corporate bylaws provide the primary basis for a company's operation, the Company's current practice of Executive Committee appointment is not in compliance with its Bylaws, as written.

**2. CWC has used the same external audit firm for decades.**

CWC uses an audit firm to perform annual external financial audits of the Company. CWC has been using its external audit firm for decades. The Company's management is comfortable using the current firm because of its knowledge of the water utility business (and CWC in particular) and because of the efficiencies an audit firm brings in sequential years. Furthermore, the Company has obtained bids from competing firms periodically with the current firm always submitting the lowest bid confirming that efficiencies are gained by sequential usage.

It is a best business practice to periodically rotate the external audit firm. When the same audit firm performs the annual audit steps and overall approach for multiple audit years, the auditors tend to become more and more complacent in the audit effort lessening the objectivity of the audit. Although CWC is not a publicly traded company, the Audit Staff believes that the Company should reevaluate the length of its current relationship with the external auditing firm. A change in auditing firms enables the utility to gain a fresh perspective on its accounting and financial reporting practices.

**Recommendations**

- 1. Revise the Corporate Bylaws to reflect actual practices in appointment of Executive Committee members.**
- 2. Rotate the external audit firm on a periodic basis.**

## IV. FINANCIAL MANAGEMENT

### **Background**

Columbia Water Company's (CWC or Company) office staff consists of three employees. The Office Manager is responsible for general office management and accounting duties including accounts payable, payroll, payroll taxes and preparing financial statements. CWC's two customer service representatives are responsible for walk-in customer payments, customer billing, all customer payment processing, water service shut-off process, telephone inquiries, preparing service orders and miscellaneous office duties. An outside accounting firm reviews the quarterly financial statements, assists with PUC rate filings, performs the annual audit, and provides the annual certified financial statements.

The Company prepares a one year capital budget, one year operating budget and multiyear capital budget annually. The operating and capital budgets are reviewed and approved by the Board of Directors (Board). The capital budgets are developed by the General Manager with input from the distribution and production superintendents, and the Office Manager. The one year capital budget lists planned replacement projects, equipment purchases, and other capital improvement projects for one calendar year. The multiyear capital budget contains planned replacement projects, equipment purchases, and other capital improvement projects with the addition of proposed financing over a five year period. Capital project variances are reviewed and discussed with the Board quarterly.

The operating budget is prepared by the General Manager, Office Manager, and the President. The operating budget is a forecast of income statement accounts including: operating revenues, pumping system expenses, purification system expenses, distribution system expenses, customer accounting expenses, administrative and general expenses, other income, and other expenses. Quarterly, the Office Manager compiles an operating budget variance report that compares the budgeted revenues and expenses for that quarter with actual revenues and expenses. Each quarterly variance review is cumulative year to date, therefore by the end of the year the full operating budget is compared to all actual revenues and expenses that occurred during the year. The Board reviews the operating budget variances quarterly.

### **Findings and Conclusions**

Our examination of the financial management function focused primarily on a review of the budget process, variance reporting, billing lag, accounting policies and procedures, etc. Based on our review, the Company should initiate or devote additional efforts to improving the efficiency and/or effectiveness of its financial management function by addressing the following:

**1. The Company conducted a billing lag study identifying areas for improvement that can be implemented upon full deployment of its Automated Meter Reading System.**

In 2005, as a result of a prior PUC Management Audit recommendation, CWC changed from reading meters on a single monthly billing cycle to two billing cycles per month in order to reduce its billing lag. The Company's billing lag which had been 9-23 days when using one monthly billing cycle was reduced to 1-15 days for an overall reduction of approximately 8 days (i.e., from an average of 16 days to 8 days). In 2006, CWC began converting its meters from touch-pad technology to an automated meter reading (AMR) system that uses a radio read system.

Although CWC had made progress in reducing its billing lag as noted in the 2008 PUC Management Efficiency Investigation, the Audit Staff recommended that CWC perform a billing lag study to identify additional opportunities in reducing its billing lag with full implementation of its AMR system. Subsequently in March 2009, the Company completed its study and concluded that full implementation of AMR could reduce its billing lag by 1 to 8 days, or to an average of 4.5 days, based upon efficiencies gained within the meter reading and billing processes. As of December 31, 2010, CWC has deployed AMR to approximately 40% of its customers. The Company estimates that it will fully implement AMR by the end of 2014. More information regarding CWC's meter reading and customer billing processes and procedures is included in Chapter VII – Customer Service.

Currently, it takes 5 to 6 days for the two Meter Readers to read all meters in each cycle. Each Meter Reader's device is loaded with several meter books or routes, containing approximately 1,000 customer meters. When a Meter Reader has completed the meter reads, the information is downloaded into the customer information system at the business office. However, once CWC has fully implemented its AMR, the Company estimates that it will take 2-3 days to fully read all meters in one cycle, reflecting a reduction of approximately 3 days.

Once all of the meter readings are downloaded, the system generates an error report which identifies missed reads and high/low readings. The Company then dispatches Meter Readers to reread meter errors. Once all of the errors have been addressed a "verify apply" is prepared. The billing software prepares this "verify apply" to confirm that the data is ready to be applied to the customer's account without actually applying it. The day before the bills are to be printed and mailed to customers, the data is then actually applied to the customer's account. The Company performs its billing cycle in this manner because of the timing of its shut off notifications to customers. Otherwise, CWC's billing software would include the current charges with the amount past due when the Company prints its shut off notifications for delinquent customers.

CWC believes that a further reduction in billing lag to 1 to 6 days could occur if vehicle mounted meter reading equipment is purchased. With this equipment, one Meter Reader would be able to read meters while driving each street within the billing cycle area over three days, which would eliminate the need for a second Meter Reader.

By receiving the data over a shorter period of time the Company estimates the billing process would require a minimum of 5 days:

- Two days to download data and prepare a list of errors;
- One day to go back into the field to re-read the error locations;
- One day to fix the errors and “verify apply” the data; and
- One day to apply the data to the accounts, print and mail the bills.

CWC examined the possibility of creating additional billing cycles as well as a continuous process where meter readings are downloaded daily and processed immediately as a batch. However, the Company concluded that these options were not viable due to complexities in applying the stringent customer notification regulations that require shut-off notices to be timed very carefully to the billing process. CWC determined that it would be prudent for the Company to continue implementing AMR to its customers and continue to gain efficiencies within its existing meter reading cycles. The Company intends to adjust its billing cycle to reflect the reduced meter reading time as AMR is deployed to more customers.

Sound business practice dictates that the Company mail out bills to customers as soon as possible after the customer has acquired service, or in the case of water utilities, as soon as possible after the meter reading is taken. Water utilities of a similar size are able to send billing statements to customers within 2 to 5 days of the meter reading by employing additional billing cycles and utilizing AMR technology. A reduction of the billing lag would improve cash flow by allowing the Company to have access to its funds in a timelier manner.

### **Recommendation**

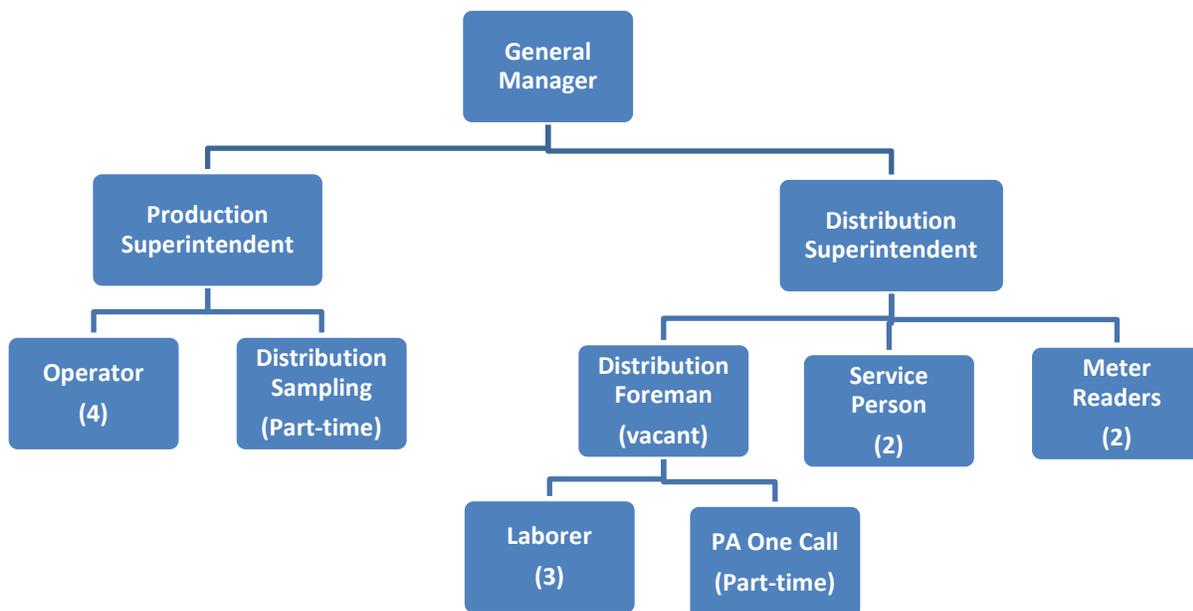
- 1. Reduce the billing lag to more appropriate levels as efficiencies are gained from full implementation of AMR technology.**

## V. WATER OPERATIONS

### Background

Columbia Water Company (CWC or Company) provides an average of 1.9 million gallons of water per day (MGD) to approximately 8,700 customers as of December 31, 2010. The Company's service territory encompasses the Boroughs of Columbia and Mountville in addition to the townships of West Hempfield, Manor and East Donegal in Lancaster County, Pennsylvania. The Company's water operations related organizational chart is presented in Exhibit V-1.

**Exhibit V-1  
Columbia Water Company  
Organizational Chart  
As of December 31, 2010**



Source: Data Request GD-1

The General Manager is responsible for all operations within the Company. Operation of CWC's water system is split into production and distribution and is managed by a superintendent on each side. The Production Superintendent is responsible for all water quality issues, Department of Environmental Protection (DEP) filings, and operation of the water treatment plant. CWC's water treatment plant is rated at three MGD and is operated by four operators and the Production Superintendent. The Company is currently in the design phase for an upgrade to its water treatment plant that will increase capacity to six MGD, modernize aging infrastructure, and provide

additional operability. Construction is expected to start in early 2012 with completion slated for the 2014 timeframe.

The Distribution Superintendent is responsible for the maintenance and operation of the distribution system. CWC performs most main repair, replacement and new installations in-house via its Laborer positions. In addition, all service related functions such as shut-off notices, meter replacement, service calls and new customer hook-ups are handled by two Service Persons. Meanwhile, Meter Readers are responsible for all meter reads and assist as flaggers or other various distribution duties when not reading meters. The Company utilizes two part time employees to perform PA One Call line locates when needed and to take water samples from the distribution system for water quality monitoring requirements.

CWC's main replacement program is focused on removing the oldest pipe from the system. The Company attempts to coordinate any replacement activity with paving efforts by the municipality. In addition, the Company targets pipe for removal that has had multiple breaks and/or is not functioning properly. CWC's main replacement activity and future goals are shown in Exhibit V-2. For the years 2010 and 2011, the Company reduced its main replacement activity due to capital expenditure requirements related to new construction, water treatment plant upgrades, etc.

**Exhibit V-2  
Columbia Water Company  
Main Replacement Activity and Goals**

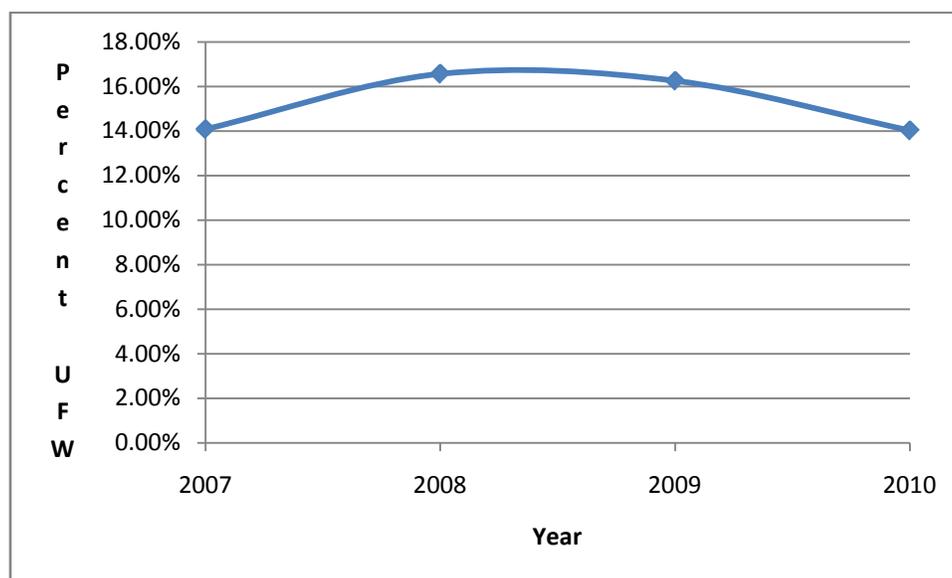
Historical Activity			Goals		
Year	Feet	Miles	Year	Feet	Miles
2006	4,300	0.81	2011	675	0.13
2007	2,825	0.40	2012	3,950	0.75
2008	4,422	0.84	2013	1,700	0.32
2009	4,973	0.94	2014	7,975	1.51
2010	1,247	0.24	2015	8,400	1.59
Average	3,553	0.65	Average	4,540	0.86

Source: Data Requests WO-6, WO-16 and FM-6

CWC maintains approximately 88 miles of distribution pipe indicating that the Company has replaced an average of 0.7% of its system per year from 2006 through 2010 which exceeded the industry national average of approximately 0.6% prevalent during the late 1990's and early part of 2000's. However, the Company's recent rate of main replacement activity is lower than current industry replacement rate standards of 0.8%-1.0% per year. Nonetheless, CWC system is relatively new with the Company's depreciation study purporting a composite average remaining life of 46.2 years for all mains (account 331). In fact, the Company's oldest main is listed as being installed in 1935. Moreover, unaccounted-for-water (UFW) levels are an indicator of the overall health of the system. CWC has been able to maintain UFW levels at an average of

15% from 2006 to 2010. The Company's annual UFW levels for 2007 through 2010 are depicted in Exhibit V-3. Given the system's age and condition, CWC's main replacement program appears to be reasonable. However, infrastructure replacement is a continuous endeavor requiring almost constant vigilance.

**Exhibit V-3  
Columbia Water Company  
UFW Levels  
2006 through 2010**



Source: Data Request WO-5

## **Findings and Conclusions**

Our examination of Water Operations included a review of policies and procedures, capacity planning, drought contingency planning, maintenance, production, main replacement, unaccounted-for-water, damage prevention, the cross-connection program, workforce management, etc. Based on our review, it appears that the Company's water operations are performing at a satisfactory level, except as follows:

### **1. CWC is not adhering to its valve inspection policy.**

The Company utilizes an electronic valve tracking database that warehouses information about valves such as type, location, size, installation date, and records from valve inspections. CWC has a policy to inspect and operate all of its distribution valves on a three year cycle. In addition, the American Water Works Association (AWWA) recommends that, "Inspections should be made of each valve on a regularly scheduled basis (annually if possible) and at more frequent intervals for valves with a 16-in.

diameter and larger<sup>1</sup>.” The number of valves inspected annually by CWC from 2007 through 2010 are presented in Exhibit V-4.

**Exhibit V-4  
Columbia Water Company  
Valve Inspections  
2006 through 2010**

Year	Inspections
2007	107
2008	44
2009	186
2010	72
Average	102

Source: Data Request WO-13

CWC has approximately 1,440 distribution valves throughout its distribution system. Given the Company’s average inspection frequency reported in Exhibit V-4, the Company is operating its valves on approximately a 14 year cycle. This is substantially higher than the Company’s policy and does not align with industry standards. With the various other in-house functions performed by CWC employees, the Company purports that it does not have enough man hours available to operate all of its valves on a three year cycle.

Without a proper valve inspection program, valves can become inoperable, ineffective, and/or useless due to age or other conditions. Inoperable valves due to tuberculation can reduce restoration efforts, increase restoration time, and/or create additional problems in an emergency or hinder the regular operation and maintenance of the distribution system. Therefore, a periodic valve inspection and operation program is a sound business practice endorsed by the water industry. As indicated by AWWA, critical valves should be inspected and operated on a much more frequent basis than non-critical valves. In many cases, CWC is operating certain valves on a much more frequent basis but has not fully identified its critical valves. Given CWC’s system and manpower issues, it should ensure that its critical valves are operated on a more frequent basis (at least annually as recommended by AWWA) while the Company operates non-critical valves periodically over a longer timeframe.

**Recommendation**

- 1. Identify critical valves within the distribution system and establish valve inspection goals that adhere to industry standards.**

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<sup>1</sup> American Water Works Association. “Manual of Water Supply Practices-M44” Distribution Valves: Selection, Installation, Field Testing, and Maintenance. Denver: American Water Works Association, 1996

## VI. PUBLIC UTILITY EMERGENCY PREPAREDNESS

### Background

Effective June 11, 2005, PUC regulations at 52 Pa. Code § 101.1 require jurisdictional utilities to develop and maintain appropriate written physical security, cyber security, emergency response, and business continuity plans (collectively referred to as Chapter 101 Plans) to protect the Commonwealth’s infrastructure and ensure safe, continuous and reliable utility service. Along with the requirement to establish these “emergency preparedness” plans, utilities are also required to annually file a Self Certification Form with the Commission. This form, available on the PUC website, is comprised of 13 questions as shown in Exhibit VIII-1 below.

### Exhibit VI-1 Pennsylvania Public Utility Commission Public Utility Security Planning and Readiness Self Certification Form

Item No.	Classification	Response (Yes – No – N/A*)
1	Does your company have a physical security plan?	1.
2	Has your physical security plan been reviewed in the last year and updated as needed?	2.
3	Is your physical security plan tested annually?	3.
4	Does your company have a cyber security plan?	4.
5	Has your cyber security plan been reviewed in the last year and updated as needed?	5.
6	Is your cyber security plan tested annually?	6.
7	Does your company have an emergency response plan?	7.
8	Has your emergency response plan been reviewed in the last year and updated as needed?	8.
9	Is your emergency response plan tested annually?	9.
10	Does your company have a business continuity plan?	10.
11	Does your business continuity plan have a section or annex addressing pandemics?	11.
12	Has your business continuity plan been reviewed in the last year and updated as needed?	12.
13	Is your business continuity plan tested annually?	13.

\* Brief explanation needed if supplied as a response

Source: Public Utility Security Planning and Readiness Self-Certification Form, as available on the PUC website at [http://www.puc.state.pa.us/general/onlineforms/pdf/Physical\\_Cyber\\_Security\\_Form.pdf](http://www.puc.state.pa.us/general/onlineforms/pdf/Physical_Cyber_Security_Form.pdf).

The Audit Staff reviewed the most recent (2010) Self Certification form submitted by Columbia Water Company (CWC or Company) to determine the status of its responses. Our examination of the Company’s emergency preparedness included a review of the physical security plan, cyber security plan, emergency response plan, business continuity plan, and all associated security measures. In addition, Audit Staff

performed inspections at a sampling of CWC's water facilities in its service territory. Due to the sensitive nature of the information reviewed, specific information is not revealed but rather the generalities of the information are summarized in this report.

CWC focuses its security efforts on providing a safe working environment for employees, proactively identifying problems and encouraging continuous deterrent/improvement of facilities. The Company utilizes any event such as a flood, large main breaks, etc. as well as regular meetings to foster discussion on Company responsiveness or procedures in an emergency.

## **Findings and Conclusions**

Our examination of the Company's Emergency Preparedness included a review of the physical security plan, cyber security plan, emergency response plan, business continuity plan, vulnerability assessment and all associated security measures. Based on our review, the Company should devote additional efforts to improving the effectiveness of its emergency preparedness by addressing the following:

**1. CWC has a minor deficiency with its Emergency response Plan and several minor physical security issues to address.**

Under 52 PA Code §§101.3 (b), a jurisdictional utility shall review and update Chapter 101 Plans annually. However, a minor deficiency was noted within the Company's Emergency Response Plan (ERP). In particular, the ERP did not reflect an emergency interconnection that had been recently established with an adjacent water utility. The absence of this information in CWC's ERP could result in it being overlooked, misused, or ultimately prolonging and/or exacerbating an emergency.

In addition, a few minor physical security deficiencies were noted by Audit Staff during a random inspection of the Company's facilities. Most of the deficiencies noted were the result of seasonal wear and tear such as tree and vine growth into the fence line, etc. Some of the deficiencies noted are scheduled to be corrected with plant upgrades in the near future. However, minor defects in physical security could allow for points of entry or concern and no longer discourage attempted entry. Therefore, physical security must be continuously reevaluated, updated and corrected in a timely manner.

## **Recommendation**

**1. Update the Emergency Response Plan to include additional response information and eliminate minor physical security deficiencies.**

## VII. CUSTOMER SERVICE

### **Background**

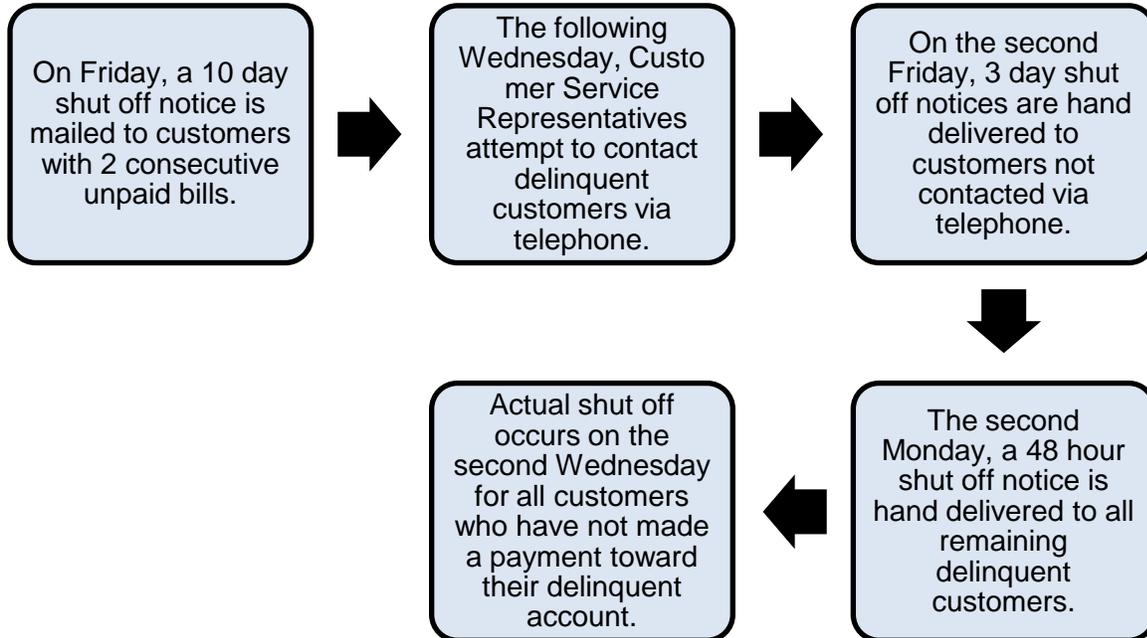
The Columbia Water Company's (CWC or Company) customer service function is performed at its business office located in Columbia, Pennsylvania. The Office Manager and two Customer Service Representatives answer customer telephone calls, process walk-in payments, process customer complaints, complete payment agreement forms, conduct collection efforts via telephone and prepare customer bills. They also utilize a customer information system to track meter reads, prepare bills and conduct collection efforts.

As of December 31, 2010, CWC has equipped approximately 3,490 service connections, or approximately 40% of its customers, with radio sending units (a type of automated meter reading [AMR] equipment) that allow a meter reader to obtain the reading via radio frequency while passing near a customer's premise. The remaining 60% of customer meters are read by the meter reader walking up to the customers' meter and touching a meter pad. The Company expects to achieve full deployment of AMR during 2014. As discussed in Chapter IV – Financial Management, Finding and Conclusion No. 1, CWC has two billing cycles that occur each month. One cycle is for customers located outside of Columbia Borough (Cycle 1) and the other is for the customers located in or near Columbia Borough (Cycle 2). There are approximately 4,000 customers on each cycle. Cycle 1 Meter Readers begin reading meters on the first business day of the month. Meter reading for Cycle 2 begins on the 15<sup>th</sup> of the month or the first business day thereafter.

The Customer Service Representatives in the business office review the downloaded information for errors such as low readings, high readings and missed readings. Meter Readers are given the address of meters that show errors and return to reread the meter in order to correct the error. If an error cannot be solved (i.e., there is a problem with the meter, etc.) an estimated meter reading is generated by the customer information system based on an average of the past three months of a customer's usage. CWC will then ensure that the issue that caused the meter reading error is resolved by the next meter reading to avoid having two consecutive estimated meter reads.

Before the bills are printed and sent, shut off notices are prepared for customers who have been delinquent for two consecutive bills and have a past due amount of at least \$25. Shut off notices are prepared prior to applying current charges in order for the shut off notices to only reflect the amount of the past due charges. Two days following the second missed due date, penalty charges are applied to the customer's account and 10 day shut off notices are mailed to the delinquent customers on the following Friday. An illustration of the Company's collection process for delinquent accounts is depicted on Exhibit VII-1.

**Exhibit VII-1  
Columbia Water Company  
Illustration of CWC's Collection Efforts for Delinquent Accounts  
As of April 2011**



Source: Data Request CS-4

CWC has seen an increase in its bad debt expense from \$6,561 in 2008 to \$10,895 in 2010, which corresponds with the current economic environment. On the other hand, the Company has not had a significant increase in the number of customers that it has terminated; 59, 66 and 54 customers during the years 2008, 2009 and 2010, respectively. The Company acknowledged that the increase in bad debt without an increase in terminations is a result of customers who are renters or tenants leaving without notice. For this reason CWC established a \$50 deposit from new renter or tenant customers in its Commission Approved Tariff.

CWC maintained a low number of customer complaints during the years 2008, 2009 and 2010. During these years, a total of nine customers filed complaints with the PUC Bureau of Customer Services. From 2008 through 2010, CWC received one formal complaint per year. The Company's internally tracked complaints totaled 13 in 2008, 13 in 2009 and 21 in 2010.

## **Findings and Conclusions**

Our examination of the Customer Service function included a review of the Company's policies and procedures, customer satisfaction surveys, Chapter 56 dispute standards, accounts receivable, bad-debt levels, and credit and collections policies and procedures. Based on our review of the customer service function, no specific evidence came to our attention that would lead the Audit Staff to conclude that areas reviewed were not being addressed adequately.

## **Recommendations**

**None.**

## VIII. DIVERSITY

### **Background**

Columbia Water Company (CWC or Company) currently employs 17 full-time employees (14 white males and three white females) and six part-time employees (six white males) four of which are part-time Company Officers as discussed in Chapter III – Corporate Governance of this report. Due to CWC's small workforce, it is not required to file Affirmative Action Plans with the Federal Government.

The Pennsylvania Public Utility Commission (PUC or Commission) has encouraged utilities to proactively improve diversity in their workforce and purchasing efforts for almost two decades. In March of 1992, the Commission issued a Secretarial letter directing all jurisdictional utilities affected by Section 516 of the Public Utility Code (utilities whose plant-in-service exceeds \$10 million) to file quarterly diversity status reports with the Commission. In May of 1994, the Commission issued an Order directing Section 516 utilities to file diversity status reports semi-annually rather than quarterly, to submit EEO plans annually, and to file certain diversity procurement data. In February 1995, the Commission adopted Chapter 69 regulations which encouraged utilities to include diversity efforts as a component of their business strategy. Later, in March of 1997, the Commission's diversity filing requirements changed from semi-annual to annual.

CWC has filed annual diversity reports with the PUC since 2004. Included in its diversity report are sections related to the Company's diversity policies related to human resources and procurement. The Company has a discrimination policy and a complaint procedure which are outlined in its Employee Handbook. There has been no formal training on diversity matters at the Company.

### **Findings and Conclusions**

Our examination of the Diversity function included a review of policies and procedures, staffing trends, diverse vendor purchasing practices and trends, annual diversity reports filed with the PUC, management philosophy and accountability. Based on our review, the Company should initiate or devote additional efforts to improving the efficiency and/or effectiveness of its diversity practices by addressing the following:

#### **1. The Company has been unsuccessful in attracting minority applicants.**

From 2008 through 2010, the Company has hired four white males while losing three employees to retirements or other forms of turnover. During this same time period, CWC has not employed a minority. CWC's turnover statistics indicate that the Company experiences very low turnover, which limits the Company's ability to improve its diversity utilization.

CWC has historically received minimal minority applicants when advertising for positions even though the Company advertises itself as an EEO employer in all job advertisements. Recent hiring has been within the production and distribution system functional areas and the Company posts job openings with water associations and trade groups to try to locate employees with the specialized skills needed for these positions.

A review of the 2000 Lancaster and York County labor force statistics revealed a minority and female labor force of 7.4% and 45.6% for Lancaster County and 4.7% and 46.1%, respectively, for York County. Based on a Company complement of 17 full-time employees, this would translate into a minority representation of approximately 1 employee (instead of none) and a female representation of approximately 8 employees (instead of 3). Although water utilities traditionally have not been able to attract female applicants for operational based positions, CWC should be striving to increase the number of minority and female employees as a percentage of its total workforce as vacancies/opportunities occur.

**2. Purchases from minority, women, and persons with disabilities owned business enterprises are minimal.**

Since 2004, CWC has filed annual diversity reports with the Commission. CWC's diversity reports include a section that includes a narrative on the Company's diversity procurement efforts, its policy on diversity procurement, code of business conduct and ethics, and a summary of its dollar amount procured from minority, women, or persons with disability owned business enterprises (MWDBEs) in the past year.

CWC had been using the services of a minority owned paving company through 2007 that subsequently has gone out of business. In 2007, \$10,820 worth of services was acquired from this minority owned business or 0.4% of the Company's total purchases. Recently, CWC started procuring services from a minority owned engineering firm but the firm only offers specialized services and thus will not significantly increase the percentage of purchases acquired from disadvantaged businesses. In 2010, only \$3,912 worth of services was procured from this minority owned business or 0.2% of the Company's total purchases.

The Company does not set a specific percentage or dollar amount of total purchases that it strives to procure from MWDBEs. However, CWC does encourage diverse businesses to provide proposals when the Company is purchasing materials or services. CWC's primary goal of procurement is to provide customers with quality water service at a reasonable price. Therefore, when it chooses a vendor it selects the vendor with the lowest bid achieving technical requirements. Furthermore, the Company has difficulty finding local MWDBEs that offer specialized products needed for CWC's industry. As a result the Company has difficulty identifying MWDBEs that are close enough to CWC's service territory to be able to compete on price.

## **Recommendations**

- 1. Strive to increase the utilization of minorities and females in the Company's service territory.**
- 2. Strive to increase the amount of purchases from minority, women, and persons with disabilities owned business enterprises.**

## **IX. ACKNOWLEDGEMENTS**

We wish to express our appreciation for the cooperation and assistance given to us during the course of this Focus Management and Operations Audit by the officers and employees of The Columbia Water Company.

This audit was conducted by Nathan Paul and Krystle Daugherty of the Management Audit Staff of the Bureau of Audits.

## **X. APPENDICES**

Appendix I	CWC Income Statement
Appendix II	CWC Balance Sheet Data
Appendix III	CWC Utility Plant Data
Appendix IV	CWC Customer Related Data by Classification
Appendix V	Comparison Panel Income Statement Data
Appendix VI	Comparison Panel Balance Sheet Data
Appendix VII	Comparative Operating Data and Ratios

**COLUMBIA WATER COMPANY  
INCOME STATEMENT DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

Category	2005	2006	2007	2008	2009	Compound Growth
<b>WATER REVENUES</b>						
Residential	\$2,893,951	\$2,882,231	\$3,220,044	\$3,095,797	\$3,172,808	2.3%
Commercial	\$291,186	\$303,699	\$371,889	\$490,963	\$572,226	18.4%
Industrial	\$204,612	\$210,185	\$236,147	\$214,516	\$176,218	-3.7%
Public	\$37,373	\$38,832	\$42,814	\$41,226	\$45,849	5.2%
Fire Protection	\$167,111	\$178,696	\$202,598	\$210,383	\$224,386	7.6%
Other	\$4,293	\$66,615	\$5,078	\$26,446	\$34,096	67.9%
<b>Total Water Revenues</b>	<b>\$3,598,526</b>	<b>\$3,680,259</b>	<b>\$4,078,570</b>	<b>\$4,079,331</b>	<b>\$4,225,583</b>	<b>4.1%</b>
<b>WATER OPERATING EXPENSES</b>						
Salaries and Wages	\$635,964	\$638,559	\$716,514	\$748,434	\$866,318	8.0%
Pension & Benefits	\$129,758	\$133,339	\$144,614	\$140,999	\$138,196	1.6%
Purchased Water	\$0	\$0	\$0	\$0	\$0	0.0%
Purchased Power	\$194,714	\$201,337	\$178,349	\$182,712	\$177,895	-2.2%
Fuel For Power Production	\$0	\$0	\$0	\$0	\$0	0.0%
Chemicals	\$73,624	\$54,886	\$56,827	\$90,555	\$82,562	2.9%
Materials and Supplies	\$170,213	\$168,606	\$223,552	\$223,425	\$155,378	-2.3%
Contractual Services	\$235,228	\$222,039	\$207,666	\$223,408	\$220,239	-1.6%
Rental of Building/Real Property	\$0	\$0	\$0	\$0	\$0	0.0%
Rental Equipment	\$0	\$0	\$0	\$0	\$1,283	0.0%
Transportation	\$21,885	\$42,210	\$49,370	\$62,503	\$50,709	23.4%
Insurance	\$141,635	\$139,044	\$118,255	\$128,193	\$129,969	-2.1%
Advertising	\$558	\$0	\$375	\$0	\$0	0.0%
Regulatory	\$95,029	\$112,880	\$193,215	\$235,567	\$231,442	24.9%
Water Resource Conservation	\$0	\$0	\$0	\$0	\$0	0.0%
Bad Debt	\$4,095	\$9,150	\$8,952	\$7,971	\$7,115	14.8%
Miscellaneous	\$90,192	\$100,391	\$103,514	\$113,110	\$85,183	-1.4%
<b>Total Water Operating Expenses</b>	<b>\$1,792,895</b>	<b>\$1,822,440</b>	<b>\$2,001,203</b>	<b>\$2,156,877</b>	<b>\$2,146,289</b>	<b>4.6%</b>
<b>OPERATING INCOME</b>	<b>\$1,805,631</b>	<b>\$1,857,819</b>	<b>\$2,077,367</b>	<b>\$1,922,454</b>	<b>\$2,079,294</b>	<b>3.6%</b>

Source: Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY**  
**BALANCE SHEET DATA**  
**FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

Category	2005	2006	2007	2008	2009	Compound Growth
<b>UTILITY PLANT</b>						
Total Utility Plant	\$26,828,658	\$28,054,705	\$29,779,123	\$31,781,033	\$32,073,853	4.6%
Construction Work in Progress	\$113,676	\$130,072	\$323,522	\$56,422	\$61,580	-14.2%
Plant Acquisition Adjustments	\$138,217	\$83,017	\$27,817	\$0	\$0	-100.0%
Less: Accumulated Depreciation	(\$3,924,895)	(\$4,544,727)	(\$5,173,066)	(\$5,877,915)	(\$6,780,479)	14.6%
Net Utility Plant	\$23,155,656	\$23,723,067	\$24,957,396	\$25,959,540	\$25,354,954	2.3%
<b>INVESTMENT AND FUND ACCOUNTS</b>						
Other Physical Property	\$60,189	\$60,189	\$60,189	\$60,189	\$60,189	0.0%
Investments in Affiliated Companies	\$0	\$0	\$0	\$0	\$0	0.0%
Other Investments	\$0	\$0	\$0	\$0	\$0	0.0%
Sinking Funds	\$0	\$0	\$0	\$0	\$0	0.0%
Total Investment and Fund Accounts	\$60,189	\$60,189	\$60,189	\$60,189	\$60,189	0.0%
<b>CURRENT AND ACCRUED ASSETS</b>						
Cash	\$9,985	\$9,908	\$42,341	\$6,357	\$13,491	7.8%
Special Deposits	\$1,316	\$559	\$356	\$34	\$98	-47.8%
Working Funds	\$72,556	\$25,593	\$6,217	\$7,860	\$3,779	-52.2%
Temporary Cash Investments	\$0	\$0	\$0	\$0	\$0	0.0%
Notes Receivable	\$0	\$0	\$0	\$0	\$0	0.0%
Accounts Receivable	\$386,843	\$364,219	\$617,024	\$354,895	\$408,150	1.3%
Accumulated Provision for Uncollectible Accounts Credit	\$0	\$0	\$0	\$0	\$0	0.0%
Receivable from Affiliated Companies	\$0	\$0	\$0	\$0	\$0	0.0%
Accrued Utility Revenues	\$0	\$0	\$0	\$0	\$0	0.0%
Materials and Supplies	\$59,626	\$61,852	\$45,850	\$52,472	\$48,253	-5.2%
Prepayments	\$169,537	\$163,975	\$201,336	\$164,426	\$54,755	-24.6%
Other Current & Accrued Assets	\$0	\$0	\$0	\$0	\$0	0.0%
Total Current and Accrued Assets	\$699,863	\$626,106	\$913,124	\$586,044	\$528,526	-6.8%
<b>DEFERRED DEBITS</b>	\$172,862	\$250,758	\$102,579	\$64,092	\$0	-100.0%
<b>Total Assets and Other Debits</b>	\$24,088,570	\$24,660,120	\$26,033,288	\$26,669,865	\$25,943,669	1.9%
<b>EQUITY CAPITAL</b>	\$6,074,586	\$6,238,453	\$6,558,388	\$6,769,068	\$7,046,245	3.8%
<b>LONG-TERM DEBT</b>						
Other Long-term Debt	\$6,911,591	\$6,746,460	\$6,009,609	\$5,610,249	\$5,049,606	-7.5%
<b>CURRENT AND ACCRUED LIABILITIES</b>						
Accounts Payable	\$244,116	\$374,526	\$663,603	\$1,366,903	\$546,723	22.3%
Notes Payable	\$0	\$0	\$0	\$0	\$0	0.0%
Customers' Deposits	\$41,093	\$41,487	\$33,537	\$38,068	\$37,503	-2.3%
Taxes Accrued	\$153,710	\$132,968	\$349,792	\$145,476	\$376,941	25.1%
Interest Accrued	\$29,886	\$32,200	\$43,769	\$36,555	\$25,734	-3.7%
Accrued Dividends	\$0	\$0	\$0	\$0	\$0	0.0%
Other Current and Accrued Liabilities	\$78,543	\$111,680	\$111,087	\$130,486	\$151,485	17.8%
Total Current and Accrued Liabilities	\$547,347	\$692,861	\$1,201,788	\$1,717,489	\$1,138,386	20.1%
<b>DEFERRED CREDITS</b>	\$63,850	\$98,688	\$33,103	\$19,920	\$0	-100.0%
<b>OPERATING RESERVES</b>	\$0	\$0	\$0	\$0	\$0	0.0%
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	\$7,082,508	\$7,256,619	\$8,447,155	\$8,490,135	\$8,571,657	4.9%
<b>ACCUMULATED DEFERRED INCOME TAXES</b>	\$3,408,689	\$3,608,124	\$3,783,247	\$4,063,007	\$4,137,776	5.0%
<b>Total Liabilities and Other Credits</b>	\$24,088,571	\$24,641,204	\$26,033,290	\$26,669,868	\$25,943,670	1.9%

Source: Schedule 400, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
UTILITY PLANT DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

Category	2005	2006	2007	2008	2009	Compound Growth
<b>INTANGIBLE PLANT</b>						
Organization	\$300	\$300	\$300	\$300	\$300	0.0%
Franchises and Consents	\$48,922	\$48,922	\$48,922	\$366,159	\$366,159	65.4%
Miscellaneous	\$0	\$0	\$0	\$0	\$0	0.0%
Total Intangible Plant	\$49,222	\$49,222	\$49,222	\$366,459	\$366,459	65.2%
<b>SOURCE OF SUPPLY &amp; PUMPING PLANT</b>						
Land and Land Rights	\$47,561	\$47,561	\$47,561	\$47,561	\$47,561	0.0%
Structures and Improvements	\$677,342	\$682,842	\$682,842	\$682,842	\$682,842	0.2%
Collection and Impounding Reservoirs	\$0	\$0	\$0	\$0	\$0	0.0%
Lakes, Rivers and Other Intakes	\$392,875	\$392,875	\$392,875	\$392,875	\$392,875	0.0%
Wells and Springs	\$0	\$0	\$0	\$0	\$0	0.0%
Infiltration Galleries and Tunnels	\$0	\$0	\$0	\$0	\$0	0.0%
Power Generation Equipment	\$0	\$0	\$35,000	\$35,000	\$35,000	0.0%
Pumping Equipment	\$706,761	\$706,761	\$695,111	\$695,111	\$695,111	-0.4%
Total Sources of Supply and Pumping Plant	\$1,824,539	\$1,830,039	\$1,853,389	\$1,853,389	\$1,853,389	0.4%
<b>WATER TREATMENT EQUIPMENT</b>						
Land and Land Rights	\$0	\$0	\$0	\$0	\$0	0.0%
Structures and Improvements	\$121,671	\$121,671	\$121,671	\$121,671	\$122,137	0.1%
Water Treatment Equipment	\$1,860,451	\$1,870,764	\$1,870,764	\$1,890,572	\$1,890,572	0.4%
Total Structures and Improvements	\$1,982,122	\$1,992,435	\$1,992,435	\$2,012,243	\$2,012,709	0.4%
<b>TRANSMISSION AND DISTRIBUTION</b>						
Land and Land Rights	\$321,349	\$321,349	\$321,349	\$321,349	\$321,349	0.0%
Structures and Improvements	\$559,171	\$559,171	\$559,171	\$725,634	\$733,238	7.0%
Power Generation Equipment	\$35,000	\$35,000	\$0	\$0	\$0	-100.0%
Pumping Equipment	\$114,989	\$139,664	\$170,144	\$231,703	\$233,518	19.4%
Distribution Reservoirs and Standpipes	\$3,756,309	\$4,040,620	\$4,196,683	\$4,196,683	\$4,196,683	2.8%
Transmission and Distribution Mains	\$12,554,924	\$13,225,633	\$14,425,141	\$15,399,057	\$15,569,193	5.5%
Services	\$1,877,326	\$1,918,715	\$1,987,646	\$2,079,110	\$2,094,635	2.8%
Meters and Meter Installations	\$1,386,886	\$1,503,055	\$1,670,306	\$1,830,718	\$1,917,624	8.4%
Hydrants	\$680,051	\$712,834	\$785,972	\$805,859	\$815,237	4.6%
Other Plant & Miscellaneous Equipment	\$17,300	\$17,300	\$17,300	\$17,300	\$17,300	0.0%
Total Transmission and Distribution	\$21,303,305	\$22,473,341	\$24,133,712	\$25,607,413	\$25,898,777	5.0%
<b>GENERAL PLANT</b>						
Land and Land Rights	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	0.0%
Structures and Improvements	\$534,043	\$534,043	\$534,043	\$534,043	\$534,043	0.0%
Office Furniture and Equipment	\$410,362	\$411,821	\$411,821	\$428,797	\$428,797	1.1%
Transportation Equipment	\$142,119	\$142,119	\$142,120	\$228,065	\$228,065	12.6%
Stores Equipment	\$14,843	\$14,843	\$14,844	\$14,844	\$14,844	0.0%
Tools, Shop and Garage Equipment	\$145,778	\$157,541	\$171,561	\$171,561	\$172,510	4.3%
Laboratory Furniture and Equipment	\$47,353	\$47,353	\$47,354	\$47,354	\$47,354	0.0%
Powered Operated Equipment	\$75,087	\$87,595	\$114,273	\$202,516	\$202,516	28.2%
Communication Equipment	\$16,391	\$27,783	\$27,783	\$27,783	\$27,783	14.1%
Miscellaneous Equipment	\$279,490	\$282,567	\$282,567	\$282,567	\$282,610	0.3%
Other Tangible Plant	\$0	\$0	\$0	\$0	\$0	0.0%
Total General Plant	\$1,669,470	\$1,709,668	\$1,750,366	\$1,941,530	\$1,942,522	3.9%
<b>Total Water Plant in Service</b>	<b>\$26,828,658</b>	<b>\$28,054,705</b>	<b>\$29,779,124</b>	<b>\$31,781,034</b>	<b>\$32,073,856</b>	<b>4.6%</b>

Source: PUC Form 244, Annual Report to the PA PUC.

**COLUMBIA WATER COMPANY  
CUSTOMER RELATED DATA BY CLASSIFICATION  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

Classification	2005	2006	2007	2008	2009	Compound Growth
<b>Average No. of Customers:</b>						
Residential	7,866	7,981	8,139	8,160	8,198	1.0%
Commercial	278	310	326	387	381	8.2%
Industrial	37	39	39	37	36	-0.7%
Public	33	36	33	33	32	-0.8%
Fire Protection	71	61	63	69	70	-0.4%
Other	0	0	0	0	0	0.0%
<b>Total</b>	<b>8,285</b>	<b>8,427</b>	<b>8,600</b>	<b>8,686</b>	<b>8,717</b>	<b>1.3%</b>
<b>Gallons of Water Sold (000):</b>						
Residential	442,086	425,979	425,979	407,915	395,311	-2.8%
Commercial	73,002	69,890	69,890	100,401	117,132	12.5%
Industrial	83,735	86,609	86,609	81,591	61,344	-7.5%
Public	6,479	6,348	6,348	5,654	6,428	-0.2%
Fire Protection	0	0	0	0	0	0.0%
Other	1,284	433	433	341	700	-14.1%
<b>Total</b>	<b>606,586</b>	<b>589,258</b>	<b>589,258</b>	<b>595,902</b>	<b>580,916</b>	<b>-1.1%</b>
<b>Operating Revenue:</b>						
Residential	\$2,893,951	\$2,882,231	\$3,220,044	\$3,095,797	\$3,172,808	2.3%
Commercial	\$291,186	\$303,699	\$371,889	\$490,963	\$572,226	18.4%
Industrial	\$204,612	\$210,185	\$236,147	\$214,516	\$176,218	-3.7%
Public	\$37,373	\$38,832	\$42,814	\$41,226	\$45,849	5.2%
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Other	\$4,293	\$66,615	\$5,078	\$26,446	\$34,096	67.9%
<b>Total</b>	<b>\$3,598,526</b>	<b>\$3,680,259</b>	<b>\$4,078,570</b>	<b>\$4,079,331</b>	<b>\$4,225,583</b>	<b>4.1%</b>
<b>Revenue per Customer:</b>						
Residential	\$368	\$361	\$396	\$379	\$387	1.3%
Commercial	\$1,047	\$980	\$1,141	\$1,269	\$1,502	9.4%
Industrial	\$5,530	\$5,389	\$6,055	\$5,798	\$4,895	-3.0%
Public	\$1,133	\$1,079	\$1,297	\$1,249	\$1,433	6.1%
Fire Protection	\$2,354	\$2,929	\$3,216	\$3,049	\$3,206	8.0%
Other	\$0	\$0	\$0	\$0	\$0	0.0%
<b>Total</b>	<b>\$10,432</b>	<b>\$10,738</b>	<b>\$12,105</b>	<b>\$11,744</b>	<b>\$11,422</b>	<b>2.3%</b>

Source: Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
INCOME STATEMENT COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Operating Revenues</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$1,550,531	\$1,645,136	\$1,763,506	\$2,077,101	\$1,973,696	6.2%
Superior Water	\$1,326,642	\$1,409,923	\$1,395,718	\$1,560,164	\$1,956,621	10.2%
Newtown Artesian	\$4,335,283	\$4,406,612	\$4,644,114	\$4,657,497	\$4,768,966	2.4%
York Water	\$26,867,784	\$28,658,139	\$31,432,958	\$32,837,480	\$37,042,426	8.4%
Panel Average	\$8,520,060	\$9,029,953	\$9,809,074	\$10,283,061	\$11,435,427	7.6%
Columbia Water	\$3,782,230	\$3,871,202	\$4,299,948	\$4,304,596	\$4,502,963	4.5%

<b>Operating Revenues/Million Gallons</b>						
<u>Per Million Gallon:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$5,602	\$5,633	\$5,905	\$7,255	\$7,417	7.3%
Superior Water	\$8,981	\$9,127	\$8,000	\$8,679	\$11,117	5.5%
Newtown Artesian	\$5,406	\$5,754	\$5,911	\$5,936	\$6,440	4.5%
York Water	\$4,450	\$4,806	\$5,186	\$5,548	\$6,288	9.0%
Panel Average	\$6,110	\$6,330	\$6,251	\$6,854	\$7,816	6.3%
Columbia Water	\$6,235	\$6,570	\$7,027	\$7,224	\$7,751	5.6%

<b>Source of Supply Expense</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$73,100	\$94,087	\$122,302	\$117,560	\$118,378	12.8%
Superior Water	\$35,433	\$38,592	\$42,997	\$51,889	\$37,855	1.7%
Newtown Artesian	\$17,030	\$9,307	\$6,287	\$14,169	\$10,307	-11.8%
York Water	\$179,726	\$246,536	\$295,230	\$287,317	\$339,280	17.2%
Panel Average	\$76,322	\$97,131	\$116,704	\$117,734	\$126,455	13.5%
Columbia Water	\$127,079	\$114,975	\$142,978	\$153,579	\$181,830	9.4%

<b>Source of Supply Expense/Million Gallons</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$264	\$322	\$410	\$411	\$445	13.9%
Superior Water	\$240	\$250	\$246	\$289	\$215	-2.7%
Newtown Artesian	\$21	\$12	\$8	\$18	\$14	-10.0%
York Water	\$30	\$41	\$49	\$49	\$58	17.9%
Panel Average	\$139	\$156	\$178	\$191	\$183	7.1%
Columbia Water	\$209	\$195	\$234	\$258	\$313	10.6%

Source: Schedule 400, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
INCOME STATEMENT COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Water Treatment Expense</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$56,837	\$71,464	\$84,678	\$86,906	\$88,517	11.7%
Superior Water	\$16,461	\$29,398	\$19,132	\$17,504	\$23,571	9.4%
Newtown Artesian	\$59,070	\$48,245	\$43,732	\$44,680	\$51,205	-3.5%
York Water	\$1,088,562	\$949,212	\$1,071,423	\$1,044,819	\$1,032,430	-1.3%
Panel Average	\$305,233	\$274,580	\$304,741	\$298,477	\$298,931	-0.5%
Columbia Water	\$135,622	\$151,960	\$142,479	\$144,718	\$171,040	6.0%

<b>Water Treatment Expense/Million Gallons</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$205	\$245	\$284	\$304	\$333	12.8%
Superior Water	\$111	\$190	\$110	\$97	\$134	4.7%
Newtown Artesian	\$74	\$63	\$56	\$57	\$69	-1.6%
York Water	\$180	\$159	\$177	\$177	\$175	-0.7%
Panel Average	\$143	\$164	\$156	\$159	\$178	5.6%
Columbia Water	\$224	\$258	\$233	\$243	\$294	7.1%

<b>Transmission and Distribution Expense</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$108,957	\$136,996	\$162,327	\$166,596	\$169,685	11.7%
Superior Water	\$119,192	\$72,144	\$36,341	\$30,967	\$32,170	-27.9%
Newtown Artesian	\$145,725	\$129,524	\$102,877	\$125,897	\$133,546	-2.2%
York Water	\$1,954,055	\$2,425,899	\$2,542,828	\$2,717,302	\$2,875,475	10.1%
Panel Average	\$581,982	\$691,141	\$711,093	\$760,191	\$802,719	8.4%
Columbia Water	\$197,789	\$163,005	\$173,092	\$177,406	\$233,876	4.3%

<b>Transmission and Distribution Expense/Customer</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$41	\$51	\$59	\$61	\$62	11.0%
Superior Water	\$47	\$31	\$14	\$11	\$11	-30.7%
Newtown Artesian	\$15	\$13	\$10	\$13	\$13	-3.1%
York Water	\$35	\$42	\$43	\$44	\$46	7.2%
Panel Average	\$34	\$34	\$32	\$32	\$33	-1.0%
Columbia Water	\$24	\$19	\$20	\$21	\$27	2.9%

Source: Schedule 400, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
INCOME STATEMENT COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Customer Account Expense</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$141,545	\$86,582	\$87,880	\$97,832	\$107,222	-6.7%
Superior Water	\$33,377	\$37,152	\$44,021	\$37,504	\$36,132	2.0%
Newtown Artesian	\$81,949	\$88,462	\$90,265	\$116,258	\$115,388	8.9%
York Water	\$954,531	\$1,010,137	\$1,013,640	\$990,553	\$1,062,964	2.7%
Panel Average	\$302,851	\$305,583	\$308,952	\$310,537	\$330,427	2.2%
Columbia Water	\$93,570	\$91,487	\$99,180	\$102,310	\$123,809	7.3%

<b>Customer Account Expense/Customer</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$53	\$32	\$32	\$36	\$39	-7.3%
Superior Water	\$13	\$16	\$17	\$13	\$12	-1.9%
Newtown Artesian	\$8	\$9	\$9	\$12	\$11	7.9%
York Water	\$17	\$18	\$17	\$16	\$17	0.0%
Panel Average	\$23	\$19	\$19	\$19	\$20	-3.4%
Columbia Water	\$11	\$11	\$12	\$12	\$14	5.9%

<b>Administration and General Expense</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$155,801	\$216,885	\$254,500	\$334,178	\$358,888	23.2%
Superior Water	\$202,399	\$252,624	\$240,166	\$396,716	\$526,975	27.0%
Newtown Artesian	\$224,810	\$265,158	\$290,984	\$313,174	\$335,085	10.5%
York Water	\$1,380,934	\$1,841,080	\$2,114,201	\$1,903,872	\$1,806,402	6.9%
Panel Average	\$490,986	\$643,937	\$724,963	\$736,985	\$756,838	11.4%
Columbia Water	\$317,131	\$340,025	\$366,453	\$393,828	\$376,001	4.3%

<b>Administration and General Expense/Customer</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$58	\$80	\$93	\$122	\$130	22.4%
Superior Water	\$79	\$107	\$90	\$139	\$177	22.1%
Newtown Artesian	\$23	\$27	\$29	\$31	\$33	9.4%
York Water	\$25	\$32	\$36	\$31	\$29	4.1%
Panel Average	\$46	\$62	\$62	\$81	\$92	18.8%
Columbia Water	\$39	\$41	\$43	\$46	\$43	3.0%

Source: Schedule 400, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
INCOME STATEMENT COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Total Operating and Maintenance Expense</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$1,252,475	\$1,347,503	\$1,466,228	\$1,573,043	\$1,652,202	7.2%
Superior Water	\$744,583	\$863,004	\$909,240	\$1,146,651	\$1,291,941	14.8%
Newtown Artesian	\$2,748,738	\$2,749,341	\$2,779,448	\$3,268,987	\$3,166,322	3.6%
York Water	\$10,777,753	\$12,150,201	\$13,099,736	\$13,433,636	\$14,167,491	7.1%
Panel Average	\$3,880,887	\$4,277,512	\$4,563,663	\$4,855,579	\$5,069,489	6.9%
Columbia Water	\$1,792,894	\$1,822,440	\$2,001,204	\$2,156,877	\$2,146,289	4.6%

<b>Total Operating and Maintenance Expense/Customer</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$466	\$498	\$536	\$572	\$599	6.5%
Superior Water	\$292	\$367	\$342	\$402	\$433	10.4%
Newtown Artesian	\$282	\$281	\$281	\$325	\$313	2.6%
York Water	\$193	\$211	\$222	\$218	\$228	4.2%
Panel Average	\$308	\$339	\$345	\$379	\$393	6.3%
Columbia Water	\$218	\$218	\$234	\$250	\$248	3.3%

<b>Depreciation and Amortization</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$163,984	\$161,030	\$155,950	\$154,470	\$153,823	-1.6%
Superior Water	\$162,553	\$169,148	\$180,371	\$237,936	\$374,846	23.2%
Newtown Artesian	\$437,984	\$442,705	\$474,345	\$508,010	\$473,248	2.0%
York Water	\$2,373,290	\$2,521,619	\$3,226,808	\$3,622,203	\$4,412,072	16.8%
Panel Average	\$784,453	\$823,626	\$1,009,369	\$1,130,655	\$1,353,497	14.6%
Columbia Water	\$408,002	\$740,845	\$788,937	\$844,506	\$933,503	23.0%

<b>Taxes &amp; Other Operating Expenses</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$84,130	\$91,960	\$117,381	\$145,103	\$136,352	12.8%
Superior Water	\$194,116	\$223,049	\$139,908	\$37,366	\$53,060	-27.7%
Newtown Artesian	\$485,040	\$596,883	\$771,713	\$397,190	\$504,219	1.0%
York Water	\$4,344,878	\$4,316,309	\$4,673,572	\$4,704,176	\$5,693,032	7.0%
Panel Average	\$1,277,041	\$1,307,050	\$1,425,644	\$1,320,959	\$1,596,666	5.7%
Columbia Water	\$545,327	\$436,702	\$532,662	\$480,767	\$518,372	-1.3%

Source: Schedule 400, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
INCOME STATEMENT COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Total Operating Expenses</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$1,500,589	\$1,600,493	\$1,739,559	\$1,872,616	\$1,942,378	6.7%
Superior Water	\$1,101,252	\$1,255,201	\$1,229,519	\$1,421,953	\$1,719,847	11.8%
Newtown Artesian	\$3,657,229	\$3,774,404	\$4,012,790	\$4,174,187	\$4,143,789	3.2%
York Water	\$17,457,387	\$18,950,209	\$20,960,995	\$21,721,388	\$24,233,856	8.5%
Panel Average	\$5,929,114	\$6,395,077	\$6,985,716	\$7,297,536	\$8,009,968	7.8%
Columbia Water	\$2,746,223	\$2,999,988	\$3,322,803	\$3,482,150	\$3,578,244	6.8%

<b>Total Operating Expenses/Customer</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$558	\$592	\$637	\$681	\$705	6.0%
Superior Water	\$432	\$534	\$462	\$498	\$576	7.5%
Newtown Artesian	\$376	\$386	\$405	\$415	\$410	2.2%
York Water	\$313	\$329	\$356	\$353	\$390	5.6%
Panel Average	\$420	\$460	\$465	\$487	\$520	5.5%
Columbia Water	\$334	\$359	\$389	\$404	\$414	5.5%

<b>Utility Operating Income</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$49,942	\$44,643	\$23,947	\$204,485	\$31,318	-11.0%
Superior Water	\$225,390	\$154,722	\$166,199	\$138,211	\$236,774	1.2%
Newtown Artesian	\$678,054	\$632,208	\$631,324	\$483,310	\$625,177	-2.0%
York Water	\$9,410,397	\$9,707,930	\$10,471,963	\$11,116,092	\$12,808,570	8.0%
Panel Average	\$2,590,946	\$2,634,876	\$2,823,358	\$2,985,525	\$3,425,460	7.2%
Columbia Water	\$1,036,007	\$871,214	\$977,145	\$822,446	\$924,719	-2.8%

<b>Utility Non-Operating Income</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$5,825	\$38,649	\$99,012	\$14,415	\$93,838	100.3%
Superior Water	\$203,293	\$366,845	\$234,904	\$74,713	\$77,110	-21.5%
Newtown Artesian	\$101,685	\$185,191	\$429,438	\$82,791	\$96,999	-1.2%
York Water	\$415,601	\$688,651	\$317,659	\$787,454	\$351,705	-4.1%
Panel Average	\$181,601	\$319,834	\$270,253	\$239,843	\$154,913	-3.9%
Columbia Water	\$19,073	\$39,714	\$72,134	\$65,999	\$30,043	12.0%

Source: Schedule 400, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
INCOME STATEMENT COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Source of Supply Expense/ Revenue</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	4.71%	5.72%	6.94%	5.66%	6.00%	6.2%
Superior Water	2.67%	2.74%	3.08%	3.33%	1.93%	-7.7%
Newtown Artesian	0.39%	0.21%	0.14%	0.30%	0.22%	-13.9%
York Water	0.67%	0.86%	0.94%	0.87%	0.92%	8.2%
Panel Average	2.11%	2.38%	2.77%	2.54%	2.27%	1.8%
Columbia Water	3.36%	2.97%	3.33%	3.57%	4.04%	4.7%

<b>Water Treatment Expense/Revenue</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	3.7%	4.3%	4.8%	4.2%	4.5%	5.2%
Superior Water	1.2%	2.1%	1.4%	1.1%	1.2%	-0.7%
Newtown Artesian	1.4%	1.1%	0.9%	1.0%	1.1%	-5.8%
York Water	4.1%	3.3%	3.4%	3.2%	2.8%	-8.9%
Panel Average	2.6%	2.7%	2.6%	2.4%	2.4%	-1.9%
Columbia Water	3.6%	3.9%	3.3%	3.4%	3.8%	1.5%

<b>Transmission &amp; Distribution Expense/Revenue</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	7.0%	8.3%	9.2%	8.0%	8.6%	5.2%
Superior Water	9.0%	5.1%	2.6%	2.0%	1.6%	-34.6%
Newtown Artesian	3.4%	2.9%	2.2%	2.7%	2.8%	-4.5%
York Water	7.3%	8.5%	8.1%	8.3%	7.8%	1.6%
Panel Average	6.7%	6.2%	5.5%	5.2%	5.2%	-6.0%
Columbia Water	5.2%	4.2%	4.0%	4.1%	5.2%	-0.2%

<b>Customer Accounts Expense/Revenue</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	9.1%	5.3%	5.0%	4.7%	5.4%	-12.2%
Superior Water	2.5%	2.6%	3.2%	2.4%	1.8%	-7.4%
Newtown Artesian	1.9%	2.0%	1.9%	2.5%	2.4%	6.4%
York Water	3.6%	3.5%	3.2%	3.0%	2.9%	-5.2%
Panel Average	4.3%	3.4%	3.3%	3.2%	3.1%	-7.4%
Columbia Water	2.5%	2.4%	2.3%	2.4%	2.7%	2.7%

Source: Schedule 400, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
INCOME STATEMENT COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Administration &amp; General Expense/Revenue</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	10.0%	13.2%	14.4%	16.1%	18.2%	16.0%
Superior Water	15.3%	17.9%	17.2%	25.4%	26.9%	15.3%
Newtown Artesian	5.2%	6.0%	6.3%	6.7%	7.0%	7.9%
York Water	5.1%	6.4%	6.7%	5.8%	4.9%	-1.3%
Panel Average	8.9%	10.9%	11.2%	13.5%	14.3%	12.5%
Columbia Water	8.4%	8.8%	8.5%	9.1%	8.4%	-0.1%

<b>Total Operating Expense/Revenue</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	96.8%	97.3%	98.6%	90.2%	98.4%	0.4%
Superior Water	83.0%	89.0%	88.1%	91.1%	87.9%	1.4%
Newtown Artesian	84.4%	85.7%	86.4%	89.6%	86.9%	0.7%
York Water	65.0%	66.1%	66.7%	66.1%	65.4%	0.2%
Panel Average	82.3%	84.5%	85.0%	84.3%	84.7%	0.7%
Columbia Water	72.6%	77.5%	77.3%	80.9%	79.5%	2.3%

<b>Utility Operating Income/Revenue</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	3.2%	2.7%	1.4%	9.8%	1.6%	-16.2%
Superior Water	17.0%	11.0%	11.9%	8.9%	12.1%	-8.1%
Newtown Artesian	15.6%	14.3%	13.6%	10.4%	13.1%	-4.3%
York Water	35.0%	33.9%	33.3%	33.9%	34.6%	-0.3%
Panel Average	17.7%	15.5%	15.0%	15.7%	15.3%	-3.5%
Columbia Water	27.4%	22.5%	22.7%	19.1%	20.5%	-6.9%

<b>Net Income/Revenue</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	1.5%	2.2%	4.4%	6.2%	5.8%	39.5%
Superior Water	23.1%	24.4%	14.5%	-0.3%	1.9%	-46.7%
Newtown Artesian	10.0%	8.1%	13.5%	3.1%	6.1%	-11.6%
York Water	21.7%	21.3%	20.4%	19.6%	20.3%	-1.7%
Panel Average	14.1%	14.0%	13.2%	7.2%	8.5%	-11.9%
Columbia Water	16.2%	12.0%	14.5%	11.9%	12.9%	-5.6%

Source: Schedule 400, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
INCOME STATEMENT COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Total Operating Expenses/Thousand Gallons</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$5.42	\$5.48	\$5.82	\$6.54	\$7.30	7.7%
Superior Water	\$7.46	\$8.13	\$7.05	\$7.91	\$9.77	7.0%
Newtown Artesian	\$4.56	\$4.93	\$5.11	\$5.32	\$5.60	5.2%
York Water	\$2.89	\$3.18	\$3.46	\$3.67	\$4.11	9.2%
Panel Average	\$5.08	\$5.43	\$5.36	\$5.86	\$6.70	7.1%
Columbia Water	\$4.53	\$5.09	\$5.43	\$5.84	\$6.16	8.0%

<b>Utility Operating Income/Thousand Gallons</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$0.18	\$0.15	\$0.08	\$0.71	\$0.12	-10.1%
Superior Water	\$1.53	\$1.00	\$0.95	\$0.77	\$1.35	-3.1%
Newtown Artesian	\$0.85	\$0.83	\$0.80	\$0.62	\$0.84	0.0%
York Water	\$1.56	\$1.63	\$1.73	\$1.88	\$2.17	8.7%
Panel Average	\$1.03	\$0.90	\$0.89	\$0.99	\$1.12	2.2%
Columbia Water	\$1.71	\$1.48	\$1.60	\$1.38	\$1.59	-1.7%

<b>Net Income/Thousand Gallons</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$0.09	\$0.12	\$0.26	\$0.45	\$0.43	49.7%
Superior Water	\$2.07	\$2.23	\$1.16	-\$0.03	\$0.21	-43.8%
Newtown Artesian	\$0.54	\$0.47	\$0.80	\$0.19	\$0.39	-7.6%
York Water	\$0.97	\$1.02	\$1.06	\$1.09	\$1.28	7.2%
Panel Average	\$0.92	\$0.96	\$0.82	\$0.42	\$0.58	-11.0%
Columbia Water	\$1.01	\$0.79	\$1.02	\$0.86	\$1.00	-0.3%

<b>Water Sold - Gallons</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	276,782,000	292,066,000	298,660,000	286,311,000	266,107,018	-1.0%
Superior Water	147,710,000	154,476,000	174,462,000	179,763,000	175,998,309	4.5%
Newtown Artesian	801,951,000	765,791,000	785,667,000	784,563,000	740,498,000	-2.0%
York Water	6,037,208,000	5,962,570,000	6,060,587,000	5,919,022,000	5,891,254,986	-0.6%
Panel Average	1,815,912,750	1,793,725,750	1,829,844,000	1,792,414,750	1,768,464,578	-0.7%
Columbia Water	606,585,600	589,257,850	611,900,300	595,902,000	580,915,900	-1.1%

Source: Schedule 400, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
BALANCE SHEET COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Net Utility Plant</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$4,593,514	\$4,555,270	\$4,632,825	\$4,575,097	\$4,676,750	0.4%
Superior Water	\$12,574,005	\$15,515,105	\$18,430,757	\$19,732,161	\$21,115,290	13.8%
Newtown Artesian	\$31,760,394	\$32,487,088	\$34,397,567	\$34,889,437	\$35,342,748	2.7%
York Water	\$154,774,024	\$173,799,516	\$191,045,378	\$210,819,476	\$221,474,451	9.4%
Panel Average	\$50,925,484	\$56,589,245	\$62,126,632	\$67,504,043	\$70,652,310	8.5%
Columbia Water	\$23,155,656	\$23,723,067	\$24,957,396	\$25,959,540	\$25,354,954	2.3%

<b>Net Utility Plant/Million Gallons</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$16,596	\$15,597	\$15,512	\$15,979	\$17,575	1.4%
Superior Water	\$85,126	\$100,437	\$105,643	\$109,768	\$119,974	9.0%
Newtown Artesian	\$39,604	\$42,423	\$43,781	\$44,470	\$47,728	4.8%
York Water	\$25,637	\$29,148	\$31,523	\$35,617	\$37,594	10.0%
Panel Average	\$41,741	\$46,901	\$49,115	\$51,459	\$55,718	7.5%
Columbia Water	\$38,174	\$40,259	\$40,787	\$43,563	\$43,647	3.4%

<b>Investments and Other Property</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$0	\$0	\$0	\$0	\$0	0.0%
Superior Water	\$0	\$0	\$0	\$0	\$0	0.0%
Newtown Artesian	\$0	\$0	\$0	\$0	\$0	0.0%
York Water	\$583,070	\$625,208	\$634,379	\$622,100	\$614,171	1.3%
Panel Average	\$145,768	\$156,302	\$158,595	\$155,525	\$153,543	1.3%
Columbia Water	\$60,189	\$60,189	\$60,189	\$60,189	\$60,189	0.0%

<b>Current and Accrued Assets</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$312,935	\$475,152	\$508,251	\$546,092	\$639,747	19.6%
Superior Water	\$496,318	\$657,114	\$945,778	\$1,536,819	\$1,752,358	37.1%
Newtown Artesian	\$1,576,904	\$2,031,949	\$2,121,989	\$1,972,086	\$1,776,778	3.0%
York Water	\$6,394,017	\$7,972,275	\$6,730,637	\$7,279,797	\$7,296,556	3.4%
Panel Average	\$2,195,044	\$2,784,122	\$2,576,864	\$2,833,699	\$2,866,360	6.9%
Columbia Water	\$699,864	\$607,190	\$913,124	\$586,045	\$528,526	-6.8%

Source: Schedule 200, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
BALANCE SHEET COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Total Deferred Debits</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$0	\$0	\$98,216	\$116,564	\$63,188	100.0%
Superior Water	\$50,687	\$47,047	\$72,783	\$313,042	\$263,219	51.0%
Newtown Artesian	\$635,400	\$896,781	\$976,704	\$1,371,583	\$1,381,771	21.4%
York Water	\$9,908,608	\$14,803,481	\$12,232,209	\$21,317,598	\$19,345,652	18.2%
Panel Average	\$2,648,674	\$3,936,827	\$3,344,978	\$5,779,697	\$5,263,458	18.7%
Columbia Water	\$172,861	\$250,758	\$102,579	\$64,092	\$0	-100.0%

<b>Total Equity Capital</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$153,826	\$192,035	\$270,005	\$391,111	\$507,728	34.8%
Superior Water	\$1,178,689	\$1,522,812	\$1,725,777	\$1,721,084	\$1,757,501	10.5%
Newtown Artesian	\$5,104,484	\$5,134,019	\$5,432,362	\$5,251,262	\$5,215,992	0.5%
York Water	\$50,414,714	\$65,360,719	\$67,272,472	\$69,766,821	\$86,922,175	14.6%
Panel Average	\$14,212,928	\$18,052,396	\$18,675,154	\$19,282,570	\$23,600,849	13.5%
Columbia Water	\$6,074,586	\$6,238,453	\$6,558,388	\$6,769,068	\$7,046,245	3.8%

<b>Total Long-Term Debt</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$724,428	\$807,079	\$726,615	\$616,956	\$521,075	-7.9%
Superior Water	\$1,838,600	\$2,337,592	\$2,203,127	\$3,130,954	\$5,419,681	31.0%
Newtown Artesian	\$3,814,694	\$6,295,459	\$6,106,837	\$5,906,914	\$5,692,702	10.5%
York Water	\$39,874,416	\$61,095,177	\$69,264,959	\$83,612,338	\$73,227,308	16.4%
Panel Average	\$11,563,035	\$17,633,827	\$19,575,385	\$23,316,791	\$21,215,192	16.4%
Columbia Water	\$6,911,591	\$6,746,460	\$6,009,609	\$5,610,249	\$5,049,605	-7.5%

<b>Total Current and Accrued Liabilities</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$179,421	\$188,630	\$257,681	\$221,357	\$168,106	-1.6%
Superior Water	\$746,068	\$898,496	\$1,752,194	\$1,812,908	\$965,227	6.7%
Newtown Artesian	\$2,107,019	\$381,383	\$524,354	\$1,319,582	\$1,671,238	-5.6%
York Water	\$23,775,744	\$5,373,835	\$18,210,202	\$13,725,532	\$14,433,755	-11.7%
Panel Average	\$6,702,063	\$1,710,586	\$5,186,108	\$4,269,845	\$4,309,582	-10.5%
Columbia Water	\$547,347	\$692,861	\$1,201,788	\$1,717,489	\$1,138,386	20.1%

Source: Schedule 200, Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
BALANCE SHEET COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Total Deferred Credits</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$644,395	\$604,216	\$641,227	\$705,300	\$825,113	6.4%
Superior Water	\$1,965,055	\$2,507,499	\$1,894,137	\$2,763,463	\$2,331,353	4.4%
Newtown Artesian	\$2,633,719	\$2,867,918	\$2,864,708	\$3,152,564	\$3,273,032	5.6%
York Water	\$30,088,237	\$33,248,688	\$28,176,811	\$31,771,155	\$27,559,030	-2.2%
Panel Average	\$8,832,852	\$9,807,080	\$8,394,221	\$9,598,121	\$8,497,132	-1.0%
Columbia Water	\$63,850	\$98,688	\$33,103	\$19,920	\$0	-100.0%

<b>Total Net CIAC</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$3,204,379	\$3,238,462	\$3,343,764	\$3,303,029	\$3,357,663	1.2%
Superior Water	\$7,251,172	\$8,952,867	\$11,874,083	\$12,153,613	\$12,657,105	14.9%
Newtown Artesian	\$20,312,782	\$20,737,039	\$22,567,999	\$22,602,784	\$22,648,333	2.8%
York Water	\$14,995,357	\$15,951,998	\$19,736,556	\$22,513,799	\$24,943,849	13.6%
Panel Average	\$11,440,923	\$12,220,091	\$14,380,601	\$15,143,306	\$15,901,738	8.6%
Columbia Water	\$7,082,508	\$7,256,619	\$8,447,155	\$8,490,135	\$8,571,657	4.9%

<b>Total Acc. Deferred Income Taxes</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$0	\$0	\$0	\$0	\$0	0.0%
Superior Water	\$0	\$0	\$0	\$0	\$0	0.0%
Newtown Artesian	\$0	\$0	\$0	\$0	\$0	0.0%
York Water	\$12,511,251	\$16,170,063	\$16,191,603	\$18,649,326	\$21,644,713	14.7%
Panel Average	\$3,127,813	\$4,042,516	\$4,047,901	\$4,662,332	\$5,411,178	14.7%
Columbia Water	\$3,408,689	\$3,608,124	\$3,783,247	\$4,063,007	\$4,137,776	5.0%

Source: Schedule 200, Form PUC 200, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
BALANCE SHEET COMPARATIVE PANEL DATA  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Total Liabilities and Other Credits</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$4,906,449	\$5,030,422	\$5,239,292	\$5,237,752	\$5,379,686	2.3%
Superior Water	\$12,979,584	\$16,219,266	\$19,449,318	\$21,582,022	\$23,130,867	15.5%
Newtown Artesian	\$33,972,698	\$35,415,818	\$37,496,260	\$38,233,106	\$38,501,297	3.2%
York Water	\$171,659,719	\$197,200,480	\$210,642,603	\$240,038,971	\$248,730,830	9.7%
Panel Average	\$55,879,613	\$63,466,497	\$68,206,868	\$76,272,963	\$78,935,670	9.0%
Columbia Water	\$24,088,571	\$24,641,204	\$26,033,289	\$26,669,867	\$25,943,670	1.9%

<b>Total Assets/Customer</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$1,824	\$1,860	\$1,917	\$1,905	\$1,951	1.7%
Superior Water	\$5,141	\$6,896	\$7,309	\$7,562	\$7,749	10.8%
Newtown Artesian	\$3,490	\$3,618	\$3,785	\$3,805	\$3,807	2.2%
York Water	\$3,080	\$3,425	\$3,577	\$3,901	\$4,000	6.7%
Panel Average	\$3,384	\$3,950	\$4,147	\$4,293	\$4,377	6.6%
Columbia Water	\$2,933	\$2,945	\$3,049	\$3,095	\$3,000	0.6%

<b>M&amp;S as % of Net Plant</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	1.09%	1.21%	1.19%	1.31%	1.39%	6.3%
Superior Water	0.07%	0.06%	0.05%	0.05%	0.05%	-10.2%
Newtown Artesian	0.23%	0.32%	0.25%	0.26%	0.20%	-3.9%
York Water	0.54%	0.47%	0.42%	0.35%	0.32%	-12.2%
Panel Average	0.49%	0.51%	0.48%	0.49%	0.49%	0.2%
Columbia Water	0.26%	0.26%	0.18%	0.20%	0.19%	-7.3%

Source: Schedule 200, Form PUC 244, Annual Report to the PA PUC.

**COLUMBIA WATER COMPANY  
COMPARATIVE OPERATING DATA AND RATIOS  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Unaccounted for Water</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	15.6%	13.3%	10.7%	10.2%	12.7%	-5.0%
Superior Water	15.7%	14.3%	17.0%	15.5%	16.6%	1.4%
Newtown Artesian	2.9%	3.1%	3.6%	4.3%	3.5%	4.8%
York Water	8.1%	7.8%	7.8%	6.1%	10.5%	6.7%
Panel Average	10.6%	9.6%	9.8%	9.0%	10.8%	0.6%
Columbia Water	16.5%	19.1%	14.1%	16.6%	16.3%	-0.3%

<b>Customers/Employees</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	207	208	210	211	212	0.6%
Superior Water	425	294	333	317	332	-6.0%
Newtown Artesian	749	753	762	718	674	-2.6%
York Water	546	543	535	559	560	0.6%
Panel Average	482	450	460	451	445	-2.0%
Columbia Water	357	364	388	375	412	3.6%

<b>Net Utility Plant/Employees</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$353,347	\$350,405	\$356,371	\$351,931	\$359,750	0.4%
Superior Water	\$2,095,668	\$1,939,388	\$2,303,845	\$2,192,462	\$2,346,143	2.9%
Newtown Artesian	\$2,443,107	\$2,499,007	\$2,645,967	\$2,492,103	\$2,356,183	-0.9%
York Water	\$1,517,392	\$1,639,618	\$1,736,776	\$1,916,541	\$1,995,265	7.1%
Panel Average	\$1,602,379	\$1,607,105	\$1,760,740	\$1,738,259	\$1,764,335	2.4%
Columbia Water	\$1,006,768	\$1,031,438	\$1,134,427	\$1,128,676	\$1,207,379	4.6%

<b>Operating Revenues/Employees</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$119,272	\$126,549	\$135,654	\$159,777	\$151,823	6.2%
Superior Water	\$221,107	\$176,240	\$174,465	\$173,352	\$217,402	-0.4%
Newtown Artesian	\$333,483	\$338,970	\$357,240	\$332,678	\$317,931	-1.2%
York Water	\$263,410	\$270,360	\$285,754	\$298,523	\$333,716	6.1%
Panel Average	\$234,318	\$228,030	\$238,278	\$241,082	\$255,218	2.2%
Columbia Water	\$164,445	\$168,313	\$195,452	\$187,156	\$214,427	6.9%

Source: Form PUC 244, Annual Report to the PA PUC

**COLUMBIA WATER COMPANY  
COMPARATIVE OPERATING DATA AND RATIOS  
FOR THE YEARS ENDED DECEMBER 31, 2005-2009**

<b>Net Utility Plant/Customer</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$1,708	\$1,684	\$1,695	\$1,664	\$1,696	-0.2%
Superior Water	\$4,927	\$6,597	\$6,926	\$6,914	\$7,074	9.5%
Newtown Artesian	\$3,262	\$3,319	\$3,472	\$3,472	\$3,494	1.7%
York Water	\$2,777	\$3,019	\$3,244	\$3,426	\$3,561	6.4%
Panel Average	\$3,169	\$3,654	\$3,834	\$3,869	\$3,957	5.7%
Columbia Water	\$2,819	\$2,836	\$2,923	\$3,013	\$2,932	1.0%

<b>Operating Revenues/Customer</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$576	\$608	\$645	\$756	\$716	5.6%
Superior Water	\$520	\$599	\$525	\$547	\$655	6.0%
Newtown Artesian	\$445	\$450	\$469	\$464	\$472	1.4%
York Water	\$482	\$498	\$534	\$534	\$596	5.4%
Panel Average	\$506	\$539	\$543	\$575	\$610	4.8%
Columbia Water	\$460	\$463	\$504	\$500	\$521	3.1%

<b>O &amp; M Expenses/Customer</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$466	\$498	\$536	\$572	\$599	6.5%
Superior Water	\$292	\$367	\$342	\$402	\$433	10.4%
Newtown Artesian	\$282	\$281	\$281	\$325	\$313	2.6%
York Water	\$193	\$211	\$222	\$218	\$228	4.2%
Panel Average	\$308	\$339	\$345	\$379	\$393	6.3%
Columbia Water	\$218	\$218	\$234	\$250	\$248	3.3%

<b>Net Utility Plant/Revenues</b>						
<u>Company</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Compound Growth</u>
Audubon Water	\$2.96	\$2.77	\$2.63	\$2.20	\$2.37	-5.4%
Superior Water	\$9.48	\$11.00	\$13.21	\$12.65	\$10.79	3.3%
Newtown Artesian	\$7.33	\$7.37	\$7.41	\$7.49	\$7.41	0.3%
York Water	\$5.76	\$6.06	\$6.08	\$6.42	\$5.98	0.9%
Panel Average	\$6.38	\$6.80	\$7.33	\$7.19	\$6.64	1.0%
Columbia Water	\$6.12	\$6.13	\$5.80	\$6.03	\$5.63	-2.1%

Source: Form PUC 244, Annual Report to the PA PUC

