

THE COLUMBIA WATER COMPANY

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RATES, RULES, AND REGULATIONS GOVERNING  
THE DISTRIBUTION OF WATER IN WEST HEMPFIELD, RAPHO,  
EAST DONEGAL AND MANOR TOWNSHIPS AND  
THE BOROUGHS OF COLUMBIA AND MOUNTVILLE, AND MARIETTA  
LANCASTER COUNTY AND HELLAM TOWNSHIP, YORK COUNTY, PENNSYLVANIA

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Issued: June 27, 2017

Effective: August 29, 2017

By: Donald H. Nikolaus, President  
The Columbia Water Company  
220 Locust Street  
Columbia, PA 17512

NOTICE

This Tariff filing updates the schedule of rates for all customers and makes changes to the Terms and Conditions of Service. (c)

See Page Two

(C) Indicates Change

List of Changes Made by this Supplement

Change:

- Supplement No. 86 consolidates and increases the schedule of rates for the service divisions formerly known as the Columbia Division and the Marietta Division. The increase in operating revenue will produce an additional \$923,668. (See pages 4, 6, and 21) (I)
- Decreases the distribution system improvement charge (DSIC) to 0.00% upon the effective date of this tariff shown below in accordance with the Order of the Commission entered at Docket No. P-00021979. (See page 57) (D)
- Decreases the PennVest surcharge amount. (See page 5) (D)
- Updates the Terms and Conditions of Service. (See pages 15, 16, 20, and 21) (C)
- Removes "Columbia Division." (See pages 53-57) (C)

(I) Indicates Increase (D) Indicates Decrease (C) Indicates Change

**THE COLUMBIA WATER COMPANY**

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(I) Indicates Increase (D) Indicates Decrease (C) Indicates Change

**Schedule of Rates – General Meter Rates**

**Customer Charge**

<u>Size of Meter</u>	<u>Per Customer Unit Per Month</u>	
5/8"	\$10.59	(I)
3/4"	\$15.91	
1"	\$26.52	
1-1/2"	\$53.03	
2"	\$84.84	
3"	\$159.03	
4"	\$265.05	
6"	\$530.12	
8"	\$848.18	
12"	\$2279.61	(I)

<u>Output Charges (Billed to the nearest 100 gallons)</u>		<u>Price per 1,000 Gallons</u>	
For the First	10,000 gallons per month	\$7.32	(I)
For the Next	240,000 gallons per month	\$2.82	(I)
For all Over	250,000 gallons per month	\$1.98	(I)

**Special Provisions**

When service is furnished through a single meter to a building containing eight or more apartment dwelling units or condominium dwelling units, or to a complex of buildings served at single-point meter service prescribed in Rule 19A, the first block rate shall be applied to usage equal to the number of apartment dwelling units or condominium dwelling units times 1,000 gallons per month and the balance of the use shall be billed at the applicable block rates in the regular manner.

For service to federal, state or local governments or to any governmental department, institution or authority, the due date is not less than 30 days from the date the bill is mailed.

**Late Charges**

A late charge of one and one-quarter percent (1-1/4%) simple interest per month will be applied to the unpaid balance after the due date. The due date is not less than 20 days from the date the bill is mailed.

In addition, all rates for water service are subject to the State Tax Adjustment Surcharge (see page 7).

(I) Indicates Increase (C) Indicates Change

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**PENNVEST SURCHARGE**

Supplement No. 86 reduces the per equivalent dwelling unit (EDU) PENNVEST prospective (C) adjustable surcharge (initially in the amount of \$8.18 per EDU) in accordance with the Order Commission entered July 30, 2015 at Docket No. R-2014-2445660.

This surcharge is calculated to recover the principal and interest amounts payable pursuant to the final amortization schedule for PENNVEST loan 80180, and shall remain in effect until all such principal and interest is recovered, at which point it shall be set to zero unless there are subsequent PENNVEST loans approved by the Commission for surcharge recovery.

**PENNVEST SURCHARGE**

1. For the limited purpose of recovering PENNVEST loan principal and interest only for used and useful assets financed by such loan, an EDU surcharge will be uniformly applied to all classes of customers (with the exception of public fire protection customers) for service rendered on or after January 1, 2015. This per EDU surcharge is calculated to recover the total principal and interest amounts payable pursuant to the final PENNVEST amortization schedule for Columbia's PENNVEST loan obligations. This and the provisions below shall apply to PENNVEST loan 80180 and any subsequent PENNVEST Loan approved for surcharge recovery by the Commission.

2. The surcharge amount of \$6.95 per EDU is determined as follows:

(D)

$$PVS = (PI/EDU's)/12$$

PVS = Prospective PENNVEST Monthly Surcharge per EDU

PI = Annual Principal and Interest per PENNVEST Loan

EDU's = Current Equivalent Dwelling Units as determined from the Company's Billing Records

3. The Company shall recalculate the prospective surcharge amount in a Section 1308 filing made within 60 days of a material change to PI or EDU's and at the time of general rate case filings under Section 1308(d). For purposes of this recalculation, a material change is a change that would result in a cumulative increase or decrease in the currently-approved PVS of 1.5% or more.

4. The surcharge is reflected as a separate line item on each customer's bill.

(C) Indicates Change (I) Indicates Increase (D) Indicates Decrease

THE COLUMBIA WATER COMPANY

**Schedule of Rates – Fire Protection**

<u>Public:</u>	<u>Per Annum</u>	
For 104 fire hydrants in Columbia Borough connecting to the piping system and existing as of June 20, 1948	\$20,800	
For each additional fire hydrant installed	\$392.12	(I)
<u>Private:</u>		
Each fire hydrant directed connected to main on public highway	\$392.12	(I)
Each 2-inch connection with the main	\$470.56	(I)
Each 3-inch connection with the main	\$470.56	(I)
Each 4-inch connection with the main	\$705.92	(I)
Each 6-inch connection with the main	\$1411.72	(I)
Each 8-inch connection with the main	\$2513.40	(I)

**Use of Public Fire Hydrants  
 For Other than Fire Protection**

	<u>Per Hour</u>	
For the first hour or fraction thereof	\$22.08	(I)
For each additional hour or fraction thereof	\$13.30	(I)

For service to federal, state or local governments; or to any government department, institution, or authority; the due date is not less than 30 days from the date the bill is mailed.

In addition, all rates for water service are subject to the State Tax Adjustment Surcharge. (see page 7).

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THE COLUMBIA WATER COMPANY

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**THE COLUMBIA WATER COMPANY**

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF WATER**

(Cont'd)

**6.2 Customer's Deposit (C)**

Deposits may be required from all customers in accordance with Chapter 14 of the Public Utility Code, 66 Pa. C.S.A. § 1401 *et seq.* and Chapter 56 of the Commission's regulations, 52 Pa. Code §§ 56.1 – 56.231. (C)

**7. Definitions**

**7.1 Customer**

A Customer is any party contracting for and/or receiving water service through a meter connection.

**7.2 Point of Sale**

The point of sale of water service or fire protection service contracted for by the customer is the street service connection.

**7.3 Street Service Connection**

A street service connection is hereby understood to include a connection to the main, pipe to and including the control valve and control valve box; used to carry water from the main to the curb line. The control valve and box terminates the Company's responsibility for expense of the street service connection.

**7.4 Single Premise**

A single premise is herein construed to cover a structure used by one family or occupant or where used by more than one family or occupant not adaptable to subdivision.

(C) Indicates Change

**THE COLUMBIA WATER COMPANY**

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF WATER**

(Cont'd)

**7.5 Multiple Premise**

A multiple premise is adaptable to subdivision and is used by more than one family or occupant. It shall then be construed to be a double premise, triple premise, etc., depending upon the number of families, occupants, or subdivisions.

**7.6 Remote Meter Reading Device**

A device which by electrical impulse or otherwise transmits readings from a meter, usually located within a residence, to a more accessible location outside of a residence.

**7.7 Normal Working Hours**

Normal working hours are 8:00 a.m. to 4:30 p.m., except on weekends and holidays.

(C)

**8. Public Fire Hydrants**

**8.1 Ownership and Maintenance**

All public fire hydrants furnished, installed, and paid for by the Company shall be inspected and maintained by the Company.

**8.2 Use Restricted**

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 aboveground fires and 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.

**8.3 Change in Location**

Whenever a change in location of a fire hydrant is ordered by the municipality, such change will be made at the expense of the municipality.

(C) Indicates Change

**Rules And Regulations Governing The  
Distribution And Sale Of Water**

**9. Sales for Resale**

**9.1 Water Supply Agreement**

In the event the Company enters into an Agreement with another public water supply agency to sell water to said agency, under rates to be negotiated with the Company, any condition of said agreement with respect to service thereunder shall be incorporated by reference to these rules and regulations; provided however, that said water supply agreement is filed with the Public Utility Commission pursuant to 66 Pa. C.S. Section 507 of the Public Utility Code where the public water supply agency is a municipal corporation, as defined by said code.

**10. Payment Terms**

**10.1 Billing Period**

(C)

All bills shall be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed. Payment received by the Company after the due date will be charged a penalty of 1-1/4% and such penalty will be calculated monthly thereafter only on the overdue portion of the bill, and in no event shall the penalty charged exceed more than 15% annually. When a quarterly customer's bill has a penalty application on interim monthly bill informing the customer of the applicable late payment charge of 1-1/4% per month on the unpaid balance and the date by which the interim monthly bill must be paid to avoid application of another late payment charge will be rendered.

**10.2 Service Discontinued**

If a bill is not paid on or before said due date, service will be discontinued after 10 days written notice to the Customer. Except that notwithstanding any other rule of this tariff, service shall be not continued for any reason except under regulations of the Pennsylvania Public Utility Commission applicable thereto and in effect at the time of such contemplated discontinuance.

All federal, state and local government accounts are entitled to a thirty (30) day period from the due date of any bill within which it may pay for water service.

**10.3 Consumption not Combined**

The use of water by the same Customer in different premises or localities will not be combined and each installation shall stand by itself.

(C) Indicates Change

**THE COLUMBIA WATER COMPANY**

**Rules And Regulations Governing The  
Distribution And Sale Of Water**

(Continued)

**10.4 Disputed Bills**

In the event of a dispute between the Customer and the Company respecting any bill, the Company will forthwith make such investigation as may be required by the particular case and report the result thereof to the customer. When the Company has made such a report to the Customer, either, (1) sustaining the bill as rendered, or, (2) submitting a corrected bill, the date of the bill for purposes of payment shall be considered to be as of the date of said bill, and the Customer shall pay the amount due within the time provided in these rules and regulations, and failure to pay shall render the Customer and his service liable to the penalties herein provided. Any amounts received by the Company in excess of the amount disclosed to be due by the Company's investigation of the dispute shall be forthwith returned to the Customer if the error arose from any cause other than the incorrect estimating of a Customer's consumption for the period in dispute.

**10.5 Return Check Charge**

The Customer will be responsible for the payment of the bank charge when a check has been presented to the Company for payment of any bill and is returned by the bank by reason of nonsufficient funds, account closed, payment stopped, post dated, account garnished, no existing account, balance held or unauthorized signature.

(C)

**11. Turn-On Charge**

**11.1 Non-Payment Charge**

When water service to any premise has been terminated because of non-payment of a bill or other violation of the rules and regulations, a \$45.00 charge will be required to restore service during normal scheduled working hours. Other than normal working hours, a charge equivalent to the cost incurred by the Company in restoring service, will be made; and this charge together with all other amounts which may be due the Company by the Customer must be paid before the water service is restored.

(I)

**11.2 Discontinuance Charge**

Whenever water service to any premise has been discontinued at the request of the ratepayer, a \$45.00 charge will be required during normal scheduled working hours to re-connect service to the same premises when service remains in the name of the ratepayer who requested the discontinuance. Other than normal working hours, a charge equivalent to the cost incurred by the Company in reconnecting service will be made.

(I)

**11.3 Temporary or Special Service**

Payments in advance of furnishing service may be required for construction of facilities and furnishing special equipment. (Refer to Rule 2.4)

**11.4 Payments in Advance**

Payments in advance to restoring service may be required for restoration or reconnection of service where service has been actually discontinued for Customer's failure to comply with tariff provisions.

(C) Indicates Change (I) Indicates Increase

**THE COLUMBIA WATER COMPANY**

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**Rules And Regulations Governing The  
Distribution And Sale Of Water  
(Cont'd)**

**27. Distribution System Improvement Charge (DSIC)**

(C)

**General Description**

**Purpose:** To recover the fixed costs (depreciation and pre-tax return) of certain non-revenue producing, non-expense reducing distribution system improvement projects completed and placed in service and to be 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 water distribution infrastructure, to comply with evolving regulatory requirements imposed by the Safe Drinking Water Act and to develop and implement solutions to regional water supply problems. The costs of extending facilities to serve new customers are not recoverable through the DSIC. Also, Company projects receiving PENNVEST funding are not DSIC-eligible property to the extent that such PENNVEST funding is recovered via a PENNVEST surcharge.

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

- Services (account 333.4), meters (account 334.4) and hydrants (account 335.4) installed as in-kind replacements for customers;
- Mains and valves (account 331.4) 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 331.4) 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 331.4) projects;
- Unreimbursed funds related to capital projects to relocate Company facilities due to highway relocations, rebuilding or construction (account nos. 331.4, 333.4 and 335.4).
- **Other related capitalized costs.**

(C) Indicates Change

THE COLUMBIA WATER COMPANY

Rules And Regulations Governing The  
Distribution And Sale Of Water  
(Cont'd)

**27. Distribution System Improvement Charge (DSIC)**

(C)

**Effective Date:** The DSIC will become effective for bills rendered on and after November 1, 2002.

Computation of the DSIC

**Calculation:** The initial DSIC, effective June 21, 2003, shall 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 have been placed in service by October 15, 2002. 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:

<u>Effective Date Of Change</u>	<u>Date To Which DSIC-Eligible Plant Addition Reflected</u>
February 1	December 31
May 1	March 31
August 1	June 30
November 1	September 30

**Determination of Fixed Costs:**

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 in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

(C) Indicates Change



**THE COLUMBIA WATER COMPANY**

**Rules And Regulations Governing The  
Distribution And Sale Of Water  
(Cont'd)**

**27. Distribution System Improvement Charge (DSIC)**

(C)

**DSIC Surcharge Amount:** The DSIC 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 service 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 service (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 the STAS.

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

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

**Where:**

- DSI** = the original cost of eligible distribution system improvement projects net of accrued depreciation.
- PTRR** = the pre-tax return rate applicable to DSIC-eligible property.
- Dep** = Depreciation expense related to DSIC-eligible property.
- e** = the amount calculated (+/-) under the annual reconciliation feature or Commission audit as described below.
- PQR** = Projected quarterly revenue for service (including all applicable clauses and riders) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period, will be based on the applicable three-month period, including any revenue from acquired companies that are now being charged the rates of the acquiring company.

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

(C) Indicates Change

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF WATER**

(Cont'd)

**27. Distribution System Improvement Charge (DSIC)**

(C)

**Customer Safeguards**

**Cap:** The DSIC will be capped at 5% of the amount billed to customers for service (including all applicable clauses and riders) as determined on an annualized basis.

**Audit/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.** The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the 12 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 of 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 overcollections will be refunded with interest. Interest on overcollections and credits will be calculated at the residential mortgage lending 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 Company is not permitted to accrue interest on under-collections.**

**New Base Rates:** The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously 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 rate or rate base will be reflected in the quarterly updates of the DSIC.

**All Customer Classes:** The DSIC shall be applied equally to all customer classes.

**Earning Reports:** The DSIC will also be reset at zero if, in any quarter, data filled with the Commission in the Company's then most recent Annual or Quarterly Earnings reports 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 Company shall file a tariff supplement implementing the reset to zero due to over-earning on one day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.**

(C) Indicates Change

**27. Distribution System Improvement Charge (DSIC)**

(C)

**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 the Audit/Reconciliation Section. 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 will not apply to public fire protection customers.

27.1 In addition to the charges provided in this tariff, a distribution system improvement charge of 0.00% will apply to all charges for service, except public fire protection on or after the effective date of this tariff shown below.

(D)  
(C)

(I) Indicates Increase (D) Indicates Decrease (C) Indicates Change

**THE COLUMBIA WATER COMPANY**



**Supporting Data  
For  
Supplement No. 86 to  
Tariff Water – Pa. P.U.C. No. 7  
Docket No. R-2017-2598203**

**Public Version**

**(Confidential Information redacted from Supporting Schedule No. 2, Page 3)**

By

**Gary D. Shambaugh  
Managing Principal**

**Shambaugh Utility Consulting, LLC  
1260 Mountain View Road Shermans  
Dale, PA 17090  
Phone: 717-991-4180**

June 2017

Gary D. Shambaugh, Managing Principal  
SHAMBAUGH UTILITY CONSULTING, LLC  
1260 Mountain View Road  
Shermans Dale, PA 17090  
Phone: 717-991-4180

June 24, 2017

Mr. Donald H. Nikolaus, President  
**The Columbia Water Company**  
Post Office Box 350  
220 Locust Street  
Columbia, PA 17512

Dear Mr. Nikolaus:

In accordance with your instructions, Shambaugh Utility Consulting, LLC has prepared the following report containing the responses to the Tariff Regulations of the Pennsylvania Public Utility Commission for the Company's proposed Supplement No. 86 to Tariff Water – Pa. P.U.C. No. 7 of The Columbia Water Company, to be issued on or before June 30, 2017.

Supplement No. 86 to Tariff Water – Pa. P.U.C. No. 7 increases the existing rate schedule and consolidates the Marietta water system into the proposed rates. The proposed rate schedules increase existing revenue requirements by approximately \$923,668 or 17.80% above the Company's anticipated revenues at present rates of \$5,188,830 at December 31, 2017. The supporting data necessary to determine the anticipated annual revenues and operating expenses at December 31, 2016 and December 31, 2017 were taken from the Company's books and records. Shambaugh Consulting made adjustments to normalize or amortize the operating revenues and expenses for both the historic and future test year periods.

The proposed annual increase in operating revenues (\$923,668) will produce a pro forma return on the Company's measures of value of approximately \$1,627,651 or 8.45% of \$19,262,142 at December 31, 2017.

The above conclusions are supported by the detailed schedules and calculations contained in this report.

Respectfully submitted,  
Shambaugh Utility Consulting, LLC



Gary D. Shambaugh

# THE COLUMBIA WATER COMPANY

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# **THE COLUMBIA WATER COMPANY**

**Information to Accompany  
Supplement No. 86 to  
Tariff Water – Pa. P.U.C. No. 7**

**PURSUANT TO 52 PA. CODE § 53.52 OF THE  
COMMISSION'S TARIFF REGULATIONS**

## **SECTION 1**



## THE COLUMBIA WATER COMPANY

### Statement of Reasons for Rate Increase Answer to 52 Pa. Code § 53.52 (b) (1)

The Columbia Water Company is filing Supplement No. 86 to Tariff Water - Pa. P.U.C. No. 7 on or before June 30, 2017 with a requested effective date on or before August 29, 2017 for the purpose of increasing water service revenue by \$923,668 per annum, based upon future test year operations ended December 31, 2017.

For the twelve months ended December 31, 2016 and December 31, 2017, the future test year period in this filing, utility operations produced a net operating income as follows:

<u>Operations</u>	<u>Net Income</u>	<u>Reference</u>
Per Books	\$1,747,715	Section 1, Page 1-14
Per Books (Going-level Present Rates)	800,537	Section 1, Page 1-14

It should be noted that the net income per books includes \$1,045,875 of revenue applicable to the repayment of the Pennvest loan and is removed from the net operating income at present rates for the purpose of this filing. The current rate filing is necessary to realize a reasonable rate of return on the Company's fixed capital investment and to recover increased operating expenses. Numerous factors were given consideration in establishing the proposed increase, which are categorized and set forth in the following narrative.

#### Operating Revenues

The operating revenues per books at December 31, 2016 amounted to \$6,348,180. An audit of the number of customers by classification was performed as of December 31,

## THE COLUMBIA WATER COMPANY

### Statement of Reasons for Rate Increase Answer to 52 Pa. Code § 53.52 (b) (1)

2016. Per the latest audit and for the purpose of this rate filing, the following number of projected customers at December 31, 2017 by classification will be utilized:

<u>Type</u>	<u>Number</u>
Residential	9,649
Commercial	497
Industrial	41
Public	39
Fire Protection	<u>104</u>
TOTAL	10,330

As a result of the customer audit and the customer bill frequency analysis, adjustments were required to the book level of operating revenue as set forth in response to Tariff Regulation (b)(4), Sheet No. 1a to reflect the proper level of annual revenue for rate making purposes at December 31, 2016 and December 31, 2017. These adjustments result in an overall decrease of \$1,159,350 in operating revenue producing a going-level operating revenue at present rates of \$5,188,830.

#### Operating Expenses

An extensive review of the company's current and projected operating expenses was performed. For the twelve months ended December 31, 2016 and December 31, 2017 pro forma utility operations produced operating expense levels as follows:

<u>Operating Expenses</u>	<u>Amount</u>	<u>Reference</u>
Per books	\$3,034,253	Section 1, Page 1-15
Going-level at present rates	\$3,202,055	Section 1, Page 1-15

## THE COLUMBIA WATER COMPANY

### Statement of Reasons for Rate Increase Answer to 52 Pa. Code § 53.52 (b) (1)

The Company has projected operating revenue deductions of \$4,388,293 as reflected in the going-level adjustments contained in response to Tariff Regulation (c)(1), Sheets No. 1a through 1e.

#### **Original Cost - Plant in Service**

The original costs of the plant in service at December 31, 2016 were obtained through Pennsylvania Public Utility Commission ("Pa. P.U.C.") Annual Reports and company records that included invoices and tax records. The total plant in service on a pro forma basis at December 31, 2017 is \$45,000,721. The Columbia Water's booked utility plant in service in the amount of \$15,247,677 funded by Pennvest loan 80180 has not been claimed<sup>1</sup> in this base rate filing.

During 2017, the Company anticipates completing construction projects that total \$1,904,825. Also, the Company will have retirements of approximately \$40,259 associated with the anticipated construction projects. The details for these amounts are contained in Supporting Schedule No. 5. The details of the \$45,000,721 of original cost of the utility plant in service at December 31, 2017 are contained in Supporting Schedule No. 6 by fixed capital plant account.

#### **Accrued Depreciation**

The calculations of annual and accrued depreciation in this report are based upon the Straight Line/Average Service Life Method and applied to the original costs at

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<sup>1</sup> This is without prejudice to any claim the Company may make in future filings associated with such plant.

## THE COLUMBIA WATER COMPANY

### Statement of Reasons for Rate Increase Answer to 52 Pa. Code § 53.52 (b) (1)

December 31, 2016 and December 31, 2017. The book reserve for depreciation, with the Pennvest funded plant claimed, at December 31, 2016 and December 31, 2017 amounts to \$12,879,401 and \$14,061,023, respectively. Deductions were made to the December 31, 2017 accrued depreciation amounts to reflect the deduction for Contributions in Aid of Construction. Details of those calculations are contained in Supporting Schedule No. 7.

#### **Annual Depreciation Expense**

The annual depreciation expense of \$974,331 is based upon the depreciable original costs at December 31, 2017 excluding contributions in aid of construction and without prejudice to any claim the Company may make in future filings, no claim is made in this filing for any booked depreciation associated with PennVest loan No. 80180. The pro forma annual depreciation expense as of December 31, 2017 amounts to \$1,221,932. A going-level adjustment of (\$328,963) to the booked operating expenses [Tariff Regulation (c)(1) - Sheet 1a] at December 31, 2017 was made to reflect the proper level of annual depreciation expense for the future test year. The details of the development of the annual depreciation expense claim are included in Supporting Schedule No. 6.

#### **Measures of Value**

Five (5) elements of rate base were utilized to determine a fair measure of value of the Company for the purpose of base rate revenue as follows:

- I. Depreciated Utility Plant in Service
- II. Materials and Supplies
- III. Cash Working Capital
- IV. Contributions in Aid of Construction (Net)

**THE COLUMBIA WATER COMPANY**

**Statement of Reasons for Rate Increase  
Answer to 52 Pa. Code § 53.52 (b) (1)**

**V. Deferred Income Taxes (Federal Only)**

**I. Depreciated Utility Plant in Service**

The depreciated utility plant in service was determined by deducting calculated accrued depreciation from the original cost of the plant in service at December 31, 2017 as follows:

	<u>Original Cost</u>	<u>Reference</u>
Utility Plant in Service	\$45,000,721	Sup. Sch. No. 6
Accrued Depreciation	<u>(14,061,023)</u>	Sup. Sch. No. 6
Depr. Utility Plant in Service	\$30,939,698	

**II. Materials and Supplies**

The Company has materials and supplies inventoried for normal operations of the company. A normalized level of \$68,854 was utilized based on a three (3) year average. Details of the cash working capital claim are contained in the response to the Tariff Regulation in (c)(1) – Sheet No. 2.

**III. Cash Working Capital**

The amount included in the measure of value for cash working capital was based upon 45 days of pro forma operating and maintenance expenses of \$3,202,055 less uncollectible accounts of \$14,397 and amounts to \$392,999.

## THE COLUMBIA WATER COMPANY

### Statement of Reasons for Rate Increase Answer to 52 Pa. Code § 53.52 (b) (1)

#### **IV. Contributions in Aid of Construction (Net)**

The Contributions in Aid of Construction at December 31, 2017 total \$11,253,533. The pro forma depreciation reserve at December 31, 2017 is \$4,034,457. The Contributions in Aid of Construction (Net) at December 31, 2017 is \$7,219,076.

#### **V. Deferred Income Taxes (Federal Only)**

The Company's pro forma deferred income taxes (federal only) at December 31, 2017 is estimated at (\$5,488,725) which considers the projected 2017 utility plant additions.

A detailed compilation of the total measures of value and rates of return at December 31, 2017 is contained in response to Tariff Regulation (c)(1) - Sheet No. 2.

#### **Rate of Return**

The Company's overall rate of return at December 31, 2017 as claimed in this filing amounts to 8.45%. The capital structure ratios and cost rates are set forth in Supporting Schedule No. 9. The Company's rate of return and capital structure claims have been developed and are being supported by Mr. Dylan W. D'Ascendis, Director – **Scott Madden Management Consultants**.

#### **Tariff Design**

The overall proposed increase in rates is approximately \$923,668 or 17.80%, as follows:

## THE COLUMBIA WATER COMPANY

### Statement of Reasons for Rate Increase Answer to 52 Pa. Code § 53.52 (b) (1)

	<u>Amount</u>
Total Proposed Revenue	\$6,112,498
Going-Level Revenue at Present Rates	<u>5,188,830</u>
Total Proposed Increase	\$923,668
Percent Increase	17.80%

A bill frequency analysis at present rates was prepared for the twelve months ended December 31, 2016. Summaries of the detailed calculations of the bill frequency analysis are contained in Section 2, Supporting Schedule No. 1. The results of that analysis, adjusted for the gain and/or loss of customers, were utilized to prepare proofs of revenue at proposed rates that are contained in Supporting Schedule No. 11. The allocation of the proposed revenues of \$923,668 by customer classification is contained in response to Tariff Regulation (b)(4) - Sheet No. 1a.

#### General Comments

The proposed level of annual operating revenues of \$6,112,498 will allow the Company to invest in the renewal and replacement of the fixed capital assets, provide proper maintenance to the system and recover the increased operating costs of the Company. The increased revenue will also provide a pro forma rate of return of \$1,627,651 which will ensure continued safe and adequate service to their customers and provided the Company with the opportunity to remain as a financially viable utility.

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Operating Revenue for the Twelve Months Ended**  
**December 31, 2016 and December 31, 2017 Under Present Rates**  
**Answer to 52 Pa. Code § 53.52 (b)(2)**

<u>Customer Classification</u>	<u>Per Books Year Ended 12/31/16</u>	<u>Year Ended 12/31/17 at Present Rates</u>
Residential	\$3,707,300	\$3,695,852
Commercial	799,452	748,482
Industrial	270,034	261,258
Public	58,953	55,431
Fire Protection	360,407	354,348
DSIC Revenues	33,816	0
PennVest Revenues	1,045,875	0
 Subtotal	 <u>\$6,275,837</u>	 <u>\$5,115,371</u>
 Revenue / Sale of Water Billings	 \$4,134	 \$4,134
Sales of Bulk Water	\$6,166	6,166
Late Fees	13,160	13,160
Turn On Fees	2,970	2,970
Rents from Water Property	45,913	47,029
 Total Operating Revenues	 <u>\$6,348,180</u> =====	 <u>\$5,188,830</u> =====



**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Number of Customers Served at**  
**December 31, 2016 and December 31, 2017 (Projected)**  
**Answer to 52 Pa. Code § 53.52 (b)(3)**

<u>Customer Classification</u>	Total Customers 12/31/16	Projected Total Customers 12/31/17
Residential	9,537	9,649
Commercial	504	497
Industrial	41	41
Public	37	39
Fire Protection	104	104
	-----	-----
Total Customers Served	10,223	10,330
	=====	=====

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Statement of Operating Revenue Under the Existing Rates for the Twelve Months**  
**Ended December 31, 2016 and December 31, 2017, and Under the Proposed Rates**  
**Answer to 52 Pa Code § 53.52 (b)(4) - Sheet No. 1a**

Operating Revenues	Schedule Number	Year Ended 12/31/16 Per Books	Anticipated Revenue at Present Rates Year Ended 12/31/17		Additional Company Adjustments at Present Rates		Anticipated Revenue at Proposed Rates Year Ended 12/31/17	
			Adjustments	Amount	Adjustments	Amount	Adjustments	Amount
Residential	(b)(2)	\$3,707,300	(\$11,448)	\$3,695,852	\$0	\$3,695,852	\$614,362	\$4,310,234
Commercial	(b)(2)	799,452	(50,970)	748,482	0	748,482	\$190,838	939,420
Industrial	(b)(2)	270,034	(8,776)	261,258	0	261,258	\$56,146	317,404
Public	(b)(2)	58,953	(3,522)	55,431	0	55,431	\$13,882	69,313
Fire Protection	(b)(2)	360,407	(6,059)	354,348	0	354,348	\$48,320	402,668
DSIC Revenue	(b)(2)	33,816	(33,816)	0	0	0	0	0
Pennvest Surcharge	(b)(2)	1,045,875	(1,045,875)	0	0	0	0	0
<b>Subtotal</b>		<b>\$6,275,837</b>	<b>(\$1,160,466)</b>	<b>\$5,115,371</b>	<b>\$0</b>	<b>\$5,115,371</b>	<b>\$923,668</b>	<b>\$6,039,039</b>
Revenue / Sale of Water Billings	(b)(2)	\$4,134	\$0	\$4,134	\$0	\$4,134	\$0	\$4,134
Sales of Bulk Water	(b)(2)	6,166	0	6,166	0	6,166	0	6,166
Late Fees	(b)(2)	13,160	0	13,160	0	13,160	0	13,160
Turn On Fees	(b)(2)	2,970	0	2,970	0	2,970	0	2,970
Rents from Water Property	(b)(2)	45,913	1,116	47,029	0	47,029	0	47,029
<b>Total Operating Revenues</b>		<b>\$6,348,180</b>	<b>(\$1,159,350)</b>	<b>\$5,188,830</b>	<b>\$0</b>	<b>\$5,188,830</b>	<b>\$923,668</b>	<b>\$6,112,498</b>

**Going-Level Adjustments.**

1. Adjustment to reflect revenues based on the bill frequency analysis at present rates

Residential	(\$129)
Commercial	221
Industrial	247
Public	(840)
Fire Protection	2,019
DSIC Revenue	0
	<u>          </u>

Refer to Supporting Schedule No. 1

\$1,418

7. Adjustment to reflect a full years' loss of revenue with the elimination of the Marietta Pennvest Surcharge.

Residential	(\$36,273)
Commercial	(5,508)
Industrial	(9,023)
Public	(905)
Fire Protection	(8,078)
	<u>          </u>

(\$59,787)

2. Adjustment to reflect revenues based on the number of customers for the year ended December 31, 2016

Residential (Monthly)	\$8,628
Commercial	(1,072)
Public	(1,705)
Residential (Quarterly)	523
Commercial 5/8"	28
Public 5/8"	28
	<u>          </u>

Refer to (b)(4) - Sheet No. 1b

\$6,430

8. Adjustment to reflect the anticipated increase from the rental of Company property.

Cell Tower	\$1,116
	<u>          </u>

3. Adjustment to reflect revenues for projected customers gained during the year ending December 31, 2017.

Residential	\$15,803
Commercial	859
	<u>          </u>

Refer to (b)(4) - Sheet No. 1c

\$16,662

4. Adjustment to reset the DISC to \$0 for the base rate case

(\$33,816)

5. Adjustment to remove the PennVest Surcharge from the base rate case.

(\$1,045,875)

6. Sale of bulk water to Marietta Division will be eliminated with the consolidation of the two (2) systems.

(\$45,498)

**The Columbia Water Company**  
Consolidated Columbia and Marietta Divisions  
Going-Level Adjustment to Reflect the Number of Customers  
for the Year Ended December 31, 2016  
Answer to 52 Pa. Code § 53.52 (b)(4) - Sheet No. 1b

<u>Classification</u>	<u>No. of Bills</u>	<u>Bill Amount</u>	<u>Revenue Adjustment</u>	<u>Additional Bills</u>	<u>Additional Consumption</u>
<b>Columbia Division:</b>	<b>Monthly</b>				
Residential 5/8"	300	\$28.76	\$8,628	300	3,000
			<u>8,628</u>	<u>300</u>	<u>900,000</u>
<b>Total Residential</b>			<b>\$8,628</b>	<b>300</b>	<b>900,000</b>
Commercial 5/8"	-74	\$15.82	(\$1,171)	(74)	1,000
Commercial 2"	-6	\$87.87	(527)	(6)	2,000
Commercial 2"	7	\$87.87	615	7	2,000
Public 2"	5	\$87.87	439	5	3,000
Commercial 1"	-10	\$42.83	(428)	(10)	14,000
			<u>(1,072)</u>	<u>(78)</u>	<u>(197,000)</u>
<b>Total Commercial</b>			<b>(\$1,072)</b>	<b>(78)</b>	<b>(197,000)</b>
Public 2"	5	\$87.87	439	5	2,000
			<u>439</u>	<u>5</u>	<u>10,000</u>
<b>Total Public</b>			<b>(\$1,705)</b>	<b>(151)</b>	<b>10,000</b>
<b>Marietta Division</b>	<b>Quarterly</b>				
Residential 5/8"	8	\$65.40	\$523	8	8,000
Commercial 5/8"	1	27.75	28	1	1,000
Public 5/8"	1	27.75	28	1	1,000
			<u>523</u>	<u>8</u>	<u>64,000</u>
<b>Total Revenue Adjustment</b>			<b>\$6,430</b>	<b>81</b>	<b>779,000</b>
			<u>=====</u>	<u>=====</u>	<u>=====</u>

**Columbia Water Division:**

Monthly bills based on typical consumption.

Residential 5/8"	3,000	\$28.76
Residential 1"	3,000	42.83
Residential 2"	6,000	113.75
Commercial 5/8"	1,000	15.82
Commercial 3/4"	4,000	39.93
Commercial 1"	3,000	42.83
Commercial 1 1/2"	14,000	121.49
Commercial 2"	2,000	87.87
Public 2"	2,000	87.87

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Going-Level Adjustment to Reflect the Projected Number of Customers**  
**Gained During the Year Ended December 31, 2017**  
**Answer to 52 Pa. Code § 53.52 (b)(4) - Sheet No. 1c**

Classification	New Customers	Additional Bills	Monthly & Quarterly Bill Amount	Revenue Gained
Columbia Water Residential 5/8"	42	504	\$28.76	\$14,495
Marietta Gravity Residential 5/8"	5	20	\$65.40	1,308
	-----	-----		-----
<b>Total Residential</b>	<b>47</b>	<b>524</b>		<b>\$15,803</b>
 Columbia Water Commercial 5/8"	 1	 12	 \$28.76	 \$345
Commercial 1"	1	12	\$42.83	514
	-----	-----		-----
	2	24		\$859
	-----	-----		-----
<b>Total Revenue Gained</b>	<b>49</b>	<b>548</b>		<b>\$16,662</b> =====

**Columbia:**

Monthly bills based on typical consumption.

Residential 5/8"	3,000	\$28.76
Commercial 1"	3,000	\$42.83
Commercial 5/8"	1,000	\$15.82

**Marietta:**

Quarterly bills based on typical consumption.

Residential 5/8"	8,000	
Customer Charge		\$20.40
Volume Charge		
3,000 gallons @ \$7.35		22.05
5,000 gallons @ 4.59		22.95
		-----
<b>Total</b>		<b>\$65.40</b>

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Calculation of Number of Customers Served at December 31, 2017**  
**Whose Bills will be Decreased Under the Proposed Tariff**  
**Answer to 52 Pa. Code § 53.52 (b)(5)**

Proposed Supplement No. 86 to Tariff Water - Pa. P.U.C. No. 7 will not decrease base rates for any classification of service. No customers will have decreased bills for similar service or use under the proposed rates.

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Statement of Net Operating Revenue Under the Existing Rates for the Twelve Months**  
**Ended December 31, 2016 and December 31, 2017, and Under the Proposed Rates**  
**Answer to 52 Pa. Code § 53.52 (c)(1) - Sheet No. 1a**

	Schedule Number	Per Books Year Ended 12/31/16	Anticipated Revenue at Present Rates Year Ended 12/31/17 Adjustments	Anticipated Revenue at Proposed Rates Year Ended 12/31/17 Adjustment	Anticipated Revenue at Proposed Rates Year Ended 12/31/17 Amount	Anticipated Revenue at Proposed Rates Year Ended 12/31/17 Amount
Operating Revenues	b(4)-1a	\$6,348,180	(\$1,159,350)	\$5,188,830	\$923,668	\$6,112,498
<u>Operating Revenue Deductions:</u>						
Operating Expenses	(c)(1) - 1b,c&d	\$3,034,253	\$167,802	\$3,202,055		\$3,202,055
Depreciation	Supporting Sch. No. 8	1,303,294	(328,963)	\$974,331		974,331
Income Taxes:						
State Income Tax	Supporting	69,071	(61,214)	7,857	91,799	99,656
Federal Income Tax	Sch. Nos. 8&10	0	0	0	0	0
Regulatory Assessments	Supporting Sch. Nos. 8&10	29,115	(2,400)	26,715	4,755	31,470
Payroll Taxes:						
F.I.C.A.	Supporting	80,727	14,385	95,112		95,112
Pa. Unemployment	Sch. No. 3	7,619	(1,314)	6,305		6,305
F.U.T.A.		1,257	(204)	1,053		1,053
Pa. Capital Stock Tax		194	(194)	0		0
Public Utility Realty Tax		72,071		72,071		72,071
Property Taxes		2,794		2,794		2,794
State Corporate Loan Tax		70	(70)	0		0
Total Operating Revenue Deductions		\$4,600,465	(\$212,172)	\$4,388,293	\$96,554	\$4,484,847
Net Operating Revenues		\$1,747,715	(\$947,178)	\$800,537	\$827,114	\$1,627,651

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Statement of Operating Expenses for the Twelve Months**  
**Ended December 31, 2016 and December 31, 2017**  
**Answer to 52 Pa. Code § 53.52 (c)(1) - Sheet 1b**

Account Description	Per Books Year Ended 12/31/16	— No. —	Going-Level Adjustments Amount	Future Test Year Ended 12/31/17
<b><u>Salaries and Wages:</u></b>				
Employees	\$1,065,345	1	\$104,354	\$1,169,699
Officers, Directors & Majority Stockholders	65,000	4	(11,700)	53,300
<b>Total Salaries and Wages</b>	<b>\$1,130,345</b>		<b>\$92,654</b>	<b>\$1,222,999</b>
Employee Pensions & Benefits	\$232,188	17	\$44,994	\$277,182
Purchased Water	42,128	7	(45,498)	(3,370)
Purchased Power	205,843			205,843
Chemicals	125,251			125,251
Materials & Supplies	292,756	9	(4,922)	287,834
<b><u>Contractual Services:</u></b>				
Engineering	\$56,455	15	\$11,885	\$68,340
Accounting	30,685			30,685
Legal	53,782	18	8,258	62,040
Management Fees (Bank Charges)	58,025	14	6,319	64,344
Testing	18,217		10,300	28,517
Other - Maintenance	248,285			248,285
<b>Total Contractual Services</b>	<b>\$465,449</b>		<b>\$36,762</b>	<b>\$502,211</b>
Rental of Building/Real Property	\$46,980	10	\$1,644	\$48,624
Transportation Expenses	54,518			54,518
<b><u>Insurance:</u></b>				
Vehicle	\$17,390	11	\$1,477	\$18,867
General Liability	130,210	13	18,493	148,703
Workman's Compensation	38,401	12	2,187	40,588
<b>Total Insurance</b>	<b>\$186,001</b>		<b>\$22,157</b>	<b>\$208,158</b>
Reg. Comm. Exp. - Amort. Of Rate Case Costs	\$105,521	3	\$11,146	\$116,667
Bad Debt Expense	14,397			14,397
<b><u>Miscellaneous Expenses:</u></b>				
Membership Dues	\$5,979	5	(\$854)	\$5,125
Reg. Fees for Conv. & Meetings of Industry	410			410
Stockholders Expenses	1,479			1,479
Office Expenses & Utilities	38,781			38,781
Uniforms	2,008			2,008
Director's Fees & Expenses	73,586	8	14,414	88,000
Mailing	3,693			3,693
Travel	564			564
Education	1,681			1,681
Charitable Contributions	4,695	6	(4,695)	0
<b>Total Miscellaneous Expenses</b>	<b>\$132,876</b>		<b>\$8,865</b>	<b>\$141,741</b>
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$3,034,253</b>		<b>\$167,802</b>	<b>\$3,202,055</b>

**The Columbia Water Company**  
 Consolidated Columbia and Marietta Divisions  
 Answer to 52 Pa. Code § 53.52 (c)(1) - Sheet 1c

Going-Level Adjustments:

1. An adjustment is required to reflect the 2017 salaries and wages increases and salary and wages decreases from the current employee staffing. This results in a going-level adjustment of \$104,346.

Going- Level Adjustment	\$104,354 =====
-------------------------	--------------------

Refer to Supporting Schedule No. 2.

2. An adjustment is required to reflect the associated F.I.C.A., Pa. Unemployment, and F.U.T.A. taxes. This results in a going-level adjustment of \$12,867.

F.I.C.A.	\$14,385	
Pa. Unemployment	(1,314)	
F.U.T.A.	(204)	
	-----	
Going- Level Adjustment		\$12,867 =====

Refer to Supporting Schedule No. 3.

3. The Company estimates that the expenses related to this rate filing will aggregate \$350,000 for a fully-litigated filing. For the purposes of this filing, the Company believes that a normalization period of three [3] years is appropriate and has adopted this period for this rate filing. This results in a going-level adjustment of \$11,146.

Estimated Costs for Rate Case:		
Tariff, Rates & Supporting Data	\$60,000	
Cost of Service	35,000	
Company Costs (Printing, Postage, etc.)	5,000	
Post Filing Fees	50,000	
Legal Services	200,000	
	-----	
Total Rate Case Costs to be Recovered	\$350,000	
Divide by:		
Normalization Period	+ 3	
	-----	
Going-Level Annual Expense at Proposed Rates		\$116,667
2016 Cost Per Books		105,521
		-----
Going-Level Adjustment		\$11,146 =====

4. An adjustment to reflect the loss and non-replacement of an Officer. (\$11,700)  
=====



**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Answer to 52 Pa. Code § 53.52 (c)(1) - Sheet 1d**

5. Adjustment to remove lobbying cost form the 2017 NAWC dues. Per Books 2016	\$5,979
2017 Dues	\$9,001
Deduct Lobbying Fees	3,876
	\$5,125
Going-Level Adjustment	(854)
	(4,695)
6. Adjustment to remove Charitable Contributions	(4,695)
	(45,498)
7. Adjustment to remove the cost of purchased water.	(45,498)
	\$14,414
8. Adjustment to reflect the increase in Board Members' Fees	\$14,414
	(4,922)
9. Adjustment to reflect the deduction for expenses related to the hiring of a treatment plant operator.	(4,922)
	\$1,644
10. Rental of Property has an annual increase of 3.5% or \$1,644 in 2017.	\$1,644
	\$1,477
11. Vehicle Insurance will increase by approximately 8.49% in 2017.	\$1,477
	\$2,187
12. Worker's Compensation Incurance will increase by approximately 5.7% in 2017.	\$2,187
	\$18,493
13. General Liability Insurance will increase by approximately 14.02% in 2017 since Cyber Insurance has been added, the cost of flood Insurance has been increasing, and the Company expanded it's flood insurance.	\$18,493
	\$6,319
14. Management Fees (Bank Charges) is expected to increase by approximately 10.9% due to more customers paying by credit card or other form of electronic payment.	\$6,319

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Answer to 52 Pa. Code § 53.52 (c)(1) - Sheet 1e**

15. Engineering fees will increase by \$11,855. This increase is directly related to addressing the SRBC's requirement that existing wells be permitted and DEP's requirement to prepare a turbidity removal optimization study. This process and study will be an on-going long-term process.	\$11,885 =====
16. Testing will increase by approximately 36.11% resulting from the additional testing required by DEP.	\$10,300 =====
17. Health Insurance will increase by approximately 20% as follows:	
2016 Per Books Expense	\$179,458
2016 Annualized Expense	186,043
2017 Annual Proforma Expens	223,252
	-----
Annual Increase 20%	\$43,794
Add: Annual Cost of Vision	\$1,200
	-----
2017 Annual Increased Cost for Health Insurance	\$44,994 =====
18. Normalization for the Long Term Infrastructure Plan	
Operating Expenses	\$24,774
3 Year Normalization	\$8,258 =====

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Statement of Calculation of the Rate of Return Under the Existing Rates for the**  
**Twelve Months Ended December 31, 2017 and Under the Proposed Rates**  
**Answer to 52 Pa. Code § 53.52 (c)(1) - Sheet No. 2**

	Supporting Schedule No.	Measures of Value 12/31/2017
<hr/>		
Total Utility Plant in Service		
Columbia Water Company - Pennvest Plant Not Claimed	(c)(3)	\$ 38,617,651
Marietta Gravity Water Division	(c)(3)	6,383,070
Less:		
Reserve for Depreciation		
Columbia Water Company - Pennvest Plant Not Claimed	6	\$11,891,727
Marietta Gravity Water Division	6	2,169,296
		<hr/>
Total Depreciated Utility Plant in Service		\$30,939,698
Add:		
Materials & Supplies		\$68,854 1)
Cash Working Capital		392,999 2)
Capitalization of Franchise, Consents & Permits Related to Marietta		568,392 3)
Include:		
Contributions in Aid of Construction - Net Accrued Depreciation		
Columbia Water Company	7	\$6,723,550
Marietta Gravity Water Division	7	495,526
Deferred Income Taxes (Federal Only)		(5,488,725)
		<hr/>
Total Measures of Value		\$19,262,142 =====
 <u>Pro Forma Return:</u>		
<u>Present:</u>		
Dollars	C11A	\$800,537
Percent		4.16%
 <u>Proposed [Indicated]:</u>		
Dollars		\$1,627,651
Percent	9	8.45%
 <u>Notes:</u>		
1) Based on three year average.		
12/31/14		\$73,556
12/31/15		67,999
12/31/16		65,006
Three Year Average		\$68,854
2) Based on 45 days of pro forma operating and maintenance expenses.		
45 x (\$3,202,055 - \$14,397) / 365 =		\$392,999
3) Capitalization of the Marietta System Acquisition Costs Per the NARUC System of Accounts		

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Assets & Other Debits for the Twelve Months Ended**  
**December 31, 2016 and December 31, 2017 (Pro Forma)**  
**Answer to 52 Pa. Code § 53.52 (c)(2) - Sheet No. 1**

**Assets**

Account Title	Per Books 12/31/16	Pro Forma 12/31/17
<b><u>Net Utility Plant:</u></b>		
Utility Plant in Service	\$58,383,832	\$60,248,397
Construction Work in Progress	234,255	259,313
Accumulated Depreciation	(13,753,310)	(15,298,420)
Utility Plant Acquisition Adjustment (Net)	407,306	369,413
	-----	-----
Total Net Utility Plant	\$45,272,083	\$45,578,703
<b><u>Other Property &amp; Investments:</u></b>		
Non-Utility Property	\$60,189	\$60,189
Other Investments	45,215	38,778
	-----	-----
Total Other Property & Investments	\$105,404	\$60,189
<b><u>Current &amp; Accrued Assets:</u></b>		
Cash & Cash Equivalents	\$450	\$450
Special Deposits - Interest & Dividends	159,347	159,347
Working Funds	2,625	3,000
Customer Accounts Receivable	603,559	603,559
Other Accounts Receivable	5,293	5,293
Plant Materials & Supplies	65,006	59,314
Prepayments	54,124	54,124
	-----	-----
Total Current & Accrued Assets	\$890,404	\$885,087
<b><u>Deferred Debits</u></b>		
Clearing Accounts	\$781	\$781
Deferred Rate Case Expense	4,982	116,667
	-----	-----
<u>Total Deferred Debits</u>	\$5,763	\$117,448
Total Assets	\$46,273,654 =====	\$46,523,979 =====

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Capitalization and Liabilities for the Twelve Months Ended**  
**December 31, 2016 and December 31, 2017 (Pro Forma)**  
**Answer to 52 Pa. Code § 53.52 (c)(2) - Sheet No. 2**

**Liabilities**

<u>Account Title</u>	<u>Per Books 12/31/16</u>	<u>Pro Forma 12/31/17</u>
<b><u>Capitalization:</u></b>		
Common Stock Issued	\$5,040,000	\$5,040,000
Premium on Capital Stock	20,000	20,000
Other Paid-In Capital	12,000	12,000
Unappropriated Retained Earnings	4,945,582	5,597,062
	-----	-----
<b>Total Capitalization</b>	<b>\$10,017,582</b>	<b>\$10,669,062</b>
<b><u>Long Term Debt:</u></b>		
Long Term Debt:	\$21,255,921	\$20,414,144
	-----	-----
<b>Total Long Term Debt</b>	<b>\$21,255,921</b>	<b>\$20,414,144</b>
<b><u>Current &amp; Accrued Liabilities:</u></b>		
Accounts Payable	\$597,844	\$597,844
Customers' Deposits - Billing	39,222	39,222
Accrued Taxes, Taxes Other Than Income	19,931	19,931
Accrued Taxes, income Taxes	142,170	142,170
Accrued Interest on Other Liabilities	58,993	58,993
Miscellaneous Current & Accrued Liabilities	157,022	157,022
	-----	-----
<b>Total Current &amp; Accrued Liabilities</b>	<b>\$1,015,182</b>	<b>\$1,015,182</b>
<b><u>Contributions in Aid of Construction:</u></b>		
Contributions in Aid of Construction (Net)	\$7,862,253	\$7,862,253
	-----	-----
<b>Total Contributions in Aid of Construction</b>	<b>\$7,862,253</b>	<b>\$7,862,253</b>
<b><u>Accumulated Deferred Income Taxes</u></b>		
Liberalized Depreciation - Federal	\$5,080,700	\$5,488,725
Liberalized Depreciation - State	1,042,015	1,074,613
	-----	-----
<b>Total Accumulated Deferred Income Taxes</b>	<b>\$6,122,715</b>	<b>\$6,563,338</b>
	-----	-----
<b>Total Capitalization &amp; Liabilities</b>	<b>\$46,273,653</b>	<b>\$46,523,979</b>
	=====	=====

The Columbia Water Company  
 Consolidated Columbia and Marietta Divisions  
 Original Cost of Utility Plant in Service at  
 December 31, 2016 and December 31, 2017  
 Answer to 52 Pa Code § 53.52 (c)(3)

Columbia Water System

Acc'l No.	Account Title	Plant in Service 12/31/2016	2017 Plant Activity			Plant in Service 12/31/2017
			Additions	Retirements	Adjustments	
<b>Non-Depreciable Plant</b>						
301.1	Organization	\$300.00				\$300.00
302.1	Franchises & Consents	366,159.66				366,159.66
303.2	Power & Pumping Land	295,721.53				295,721.53
303.4	Trans & Distr Land & R/W	341,623.23				341,623.23
303.5	Office Land	4,000.00				4,000.00
Total Non-Depreciable Plant		\$1,007,804.42	\$0.00	\$0.00	\$0.00	\$1,007,804.42
<b>Depreciable Plant</b>						
304.2	Pumping Structures & Impr	\$1,166,972.05				\$1,166,972.06
304.3	Water Treatment Structures & Impr	9,765,337.78	565,000.00			10,330,337.78
304.4	Trans & Distr Structures & Impr	47,839.08				47,839.08
304.5	General Structures & Impr	560,435.54				560,435.54
306.2	Lake, River & Other Intakes	358,772.00				358,772.00
307	Wells & Springs	0.00	90,000.00			90,000.00
309.2	Supply Mains	1,675,275.92	7,500.00			1,682,775.92
310.4	Power Generation Equipment	35,000.00				35,000.00
311.3	Pumping Equipment	1,113,156.51	49,800.00			1,162,956.51
320.3	Water Treatment Equipment	4,652,212.65				4,652,212.65
330.40	Distr Reservoirs & Standpipes	3,751,776.30				3,751,776.30
330.41	Tank Painting	606,837.00				606,837.00
Total Account 330		\$4,358,613.30	\$0.00	\$0.00	\$0.00	\$4,358,613.30
331.01	Mains - 4" & Under	\$28,486.00				\$28,486.00
331.02	Mains - 6"-8"	845,348.00				845,348.00
331.11	Mains - CI & DI, 4" & Under	43,098.25				43,098.25
331.12	Mains - CI & DI, 6"-8"	6,339,876.65	100,200.00	931.00		6,439,145.65
331.13	Mains - CI & DI, 10"-16"	8,394,947.60				8,394,947.60
331.22	Mains - Transite, 6"-8"	461.00				461.00
331.31	Mains - Steel, 4" & Under	274.00				274.00
331.32	Mains - Steel, 6"-8"	4,760.00				4,760.00
331.33	Mains - Steel, 10"-16"	101,582.00				101,582.00
331.51	Mains - Copper & Brass, 4" & Under	10,109.00				10,109.00
331.61	Mains - Plastic, 4" & Under	28,922.00				28,922.00
331.71	Valves, 4" & Under	25,922.58				25,922.58
331.72	Valves, 6"-8"	1,025,979.47				1,025,979.47
331.73	Valves, 10"-14"	984,877.08				984,877.08
331.75	Valves Boxes	248,637.59				248,637.59
331.76	Blowoffs	34,971.08				34,971.08
331.77	Reducing Valves	84,269.00				84,269.00
331.78	Vaults	10,001.91				10,001.91
331.80	Special Construction	238,439.03				238,439.03
339.4	Other Plant & Miscellaneous Equipment	20,967.42				20,967.42
349.3	Instrumentation	969,259.97				969,259.97
350.3	Wastewater Treatment Equipment	329,360.68	14,400.00			343,760.68
Total Account 331		19,770,550.29	114,600.00	931.00	0.00	19,884,219.29
333.10	Services - 6"-8"	\$78,244.13				\$78,244.13
333.20	Services - Other	2,332,381.19	5,000.00			2,337,381.19
Total Account 333		\$2,410,625.32	\$5,000.00	\$0.00	\$0.00	\$2,415,625.32
334.40	Meters & Meter Installations	\$2,540,398.74	\$29,725.00	\$10,584.00		\$2,559,539.74
335.40	Hydrants	1,078,135.50				1,078,135.50
340.10	Office Furniture	\$64,840.11				\$64,840.11
340.20	Office Equipment	41,456.13	29,000.00			70,456.13
340.05	Office Equipment - Computers	203,165.67				203,165.67
Total Account 340		\$309,461.91	\$29,000.00	\$0.00	\$0.00	\$338,461.91
341.5	Transportation Equipment	\$486,531.49	\$100,000.00	\$20,153.00		\$566,378.49
342.5	Stores Equipment	8,856.18				8,856.18
343.5	Tools, Shop & Work Equipment	195,294.19	36,000.00			231,294.19
344.5	Laboratory Equipment	47,353.32				47,353.32
345.5	Power Operated Equipment	346,975.67	70,000.00			416,975.67
346.5	Communication Equipment	182,812.79				182,812.79
347.5	Miscellaneous Equipment	133,148.29				133,148.29
348.1	WTP & Pump Station Security System	307,242.56	179,200.00			486,442.56
348.2	Distribution System Mapping	44,488.25				44,488.25
348.8	Main Office Security System	17,878.67				17,878.67
Total Depreciable Plant		\$51,613,368.00	\$1,275,825.00	\$31,668.00	\$0.00	\$52,857,523.00
Total Plant in Service		\$52,621,170.42	\$1,275,825.00	\$31,668.00	\$0.00	\$53,855,327.42

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Original Cost of Utility Plant In Service at**  
**December 31, 2016 and December 31, 2017**  
**Answer to 52 Pa. Code § 53.52 (c)(3)**

**Marietta Water System**

Acct. No.	Account Title	Plant in	2017 Plant Activity			Plant in
		Service 12/31/2016	Additions	Retirements	Adjustments	Service 12/31/2017
<b>Non-Depreciable Plant:</b>						
301.1	Organization	\$12,793.00	\$0.00	\$0.00		12,793.00
303.2	Power & Pumping Land	69,232.85	0.00	0.00		69,232.85
303.5	General Land	10,077.58	0.00	0.00		10,077.58
339.1	Intangible - Other Plant & Misc. Eq.	1,202.47	0.00	0.00		1,202.47
<b>Total Non-Depreciable Plant</b>		<b>\$93,305.90</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$93,305.90</b>
<b>Depreciable Plant:</b>						
304.4	Trans. & Distr. Structures & Impr.	\$2,572,518.56	\$290,000.00	\$0.00		\$2,862,518.56
307.2	Well & Springs	172,799.54	0.00	0.00		172,799.54
308.2	Infiltration Galleries & Tunnels	43,082.18	0.00	0.00		43,082.18
311.4	Pumping Equipment	297,658.05	0.00	0.00		297,658.05
320.3	Water Treatment Equipment	212,022.92	0.00	0.00		212,022.92
331.4	Distribution Mains	1,629,125.81	225,300.00	2,199.00		1,852,226.81
333.4	Services	51,738.72	0.00	0.00		51,738.72
334.4	Meters & Meter Installations	477,441.29	36,900.00	6,392.00		507,949.29
335.4	Hydrants	84,724.33	0.00	0.00		84,724.33
341.5	Transportation Equipment	15,887.20	0.00	0.00		15,887.20
347.5	Miscellaneous Equipment	54,536.27	0.00	0.00		54,536.27
348.1	WTP & Pump Station Security	0.00	76,800.00	0.00		76,800.00
348.5	Other Tangible Plant	57,820.08	0.00	0.00		57,820.08
<b>Total Depreciable Plant</b>		<b>\$5,669,354.95</b>	<b>\$629,000.00</b>	<b>\$8,591.00</b>	<b>\$0.00</b>	<b>\$6,289,763.95</b>
<b>Total Plant in Service</b>		<b>\$5,762,660.85</b>	<b>\$629,000.00</b>	<b>\$8,591.00</b>	<b>\$0.00</b>	<b>\$6,383,069.85</b>

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Reserve for Depreciation of Utility Plant as of**  
**December 31, 2016 and December 31, 2017 (Pro Forma)**  
**Answer to 52 Pa. Code § 53.52 (c)(4)**

<u>Account Title</u>	<u>Per Books 12/31/16</u>	<u>Pro Forma 12/31/17</u>
Reserve for Depreciation		
Columbia Water System		
Total Plant In Service	\$11,705,305	\$13,129,124
Plant In Service - Net of Pennvest	10,831,392	11,891,727
Pennvest Plant Only	873,913	1,237,398
Marietta Water System	\$2,048,009	\$2,169,296



**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Statement of Operating Income Setting Forth the Operating Revenues**  
**and Expenses at Present Rates by Detail Accounts for the Twelve Months**  
**Ended December 31, 2016 and December 31, 2017**  
**Answer to 52 Pa. Code § 53.52 (c)(5)**

	Per Books Year Ended 12/31/16	Year Ended 12/31/17 Anticipated at Present Rates
Operating Revenue	\$6,337,879	\$5,188,830
<u>Operating Revenue Deductions:</u>		
Operating Expenses	\$3,034,252	\$3,202,055
Depreciation Expense	1,303,294	974,331
Amortization Expense	37,893	37,893
Deferred Income Taxes	346,768	346,768
Taxes & Assessments	262,848	211,471
	-----	-----
Total Operating Revenue Deductions	\$4,985,055	\$4,772,518
	-----	-----
Net Operating Income	\$1,352,824	\$416,312
<u>Non-Operating Income &amp; Expenses:</u>		
Merchandising Sales & Jobbing Work (Net)	\$10,300	\$0
Interest & Dividend Income	1,449	1,449
Non-Utility Income	10,108	10,108
Miscellaneous Non-Utility Expenses	(18,028)	(18,028)
Interest Expense	(733,668)	(730,445)
	-----	-----
Total Non-Operating Income & Expenses	(\$729,839)	(\$736,916)
	-----	-----
Net Income	\$622,985	(\$320,604)
	=====	=====

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Statement Detailing Major Changes in the Operating or Financial**  
**Condition Occurring Between December 31, 2016 and April 24, 2017**  
**Answer to 52 Pa. Code § 53.52 (c)(6)**

There were no major accounting changes between December 31, 2016 and June 30, 2017 which would affect the operating or financial condition of The Columbia Water Company.

# **THE COLUMBIA WATER COMPANY**

**Information to Accompany  
Supplement No. 86 to  
Tariff Water – Pa. P.U.C. No. 7**

**Supporting Schedules**

**PURSUANT TO 52 PA. CODE § 53.52 OF THE  
COMMISSION'S TARIFF REGULATIONS**

**SECTION 2**

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**The Columbia Water Company  
And  
Marietta Division**

**Customer Bill Frequency  
For the Twelve Months Ended December 31, 2016**

**Comparison of Per Books Revenue  
With the  
Customer Bill Frequency Analysis Results**

**Revenue Adjustment at Present Rates:  
\$1,418**

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Water Sales Revenues Under Present Rates**  
**For the Year Ended December 31, 2016**

Customer Type	Per Books Revenue	Bill Analysis Revenue	Difference
Residential	\$3,707,300	\$3,707,171	(\$129)
Commercial	799,452	799,673	221
Industrial	270,034	270,281	247
Public	58,953	58,013	(940)
Fire Protection	360,407	362,426	2,019
DSIC Revenue	33,816	33,816	0
Pennvest Surcharge	1,045,875	1,045,875	0
<b>Total Water Sales Revenues</b>	<b>\$6,275,837</b>	<b>\$6,277,255</b>	<b>\$1,418</b>

**The Columbia Water Company**  
Columbia Water Division  
Water Sales Revenues Under Present Rates  
For the Year Ended December 31, 2016

<u>Residential:</u>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	100,598	\$9.35	\$940,591.30
3/4"	60	\$14.05	843.00
1"	687	\$23.42	16,089.54
1 1/2"	36	\$46.83	1,685.88
2"	24	\$74.93	1,798.32
			-----
Total Customer Charges			\$961,008.04
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	358,955.5	\$6.47	\$2,322,442.09
Step 2	9,980.4	\$2.49	24,851.20
Step 3	10,993.7	\$1.75	19,238.98
			-----
Total Output Charges			\$2,366,532.26
			-----
Total Residential Revenue			\$3,327,540.30
			-----
<u>Commercial:</u>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	2,463	\$9.35	\$23,029.05
3/4"	96	\$14.05	1,348.80
1"	686	\$23.42	16,066.12
1 1/2"	577	\$46.83	27,020.91
	1,038	\$74.93	77,777.34
3"	67	\$140.47	9,411.49
4"	70	\$234.11	16,387.70
8"	12	\$749.18	8,990.16
			-----
Total Customer Charges			\$180,031.57
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	38,666.7	\$6.47	\$250,173.55
Step 2	86,985.5	\$2.49	216,593.90
Step 3	50,123.2	\$1.75	87,715.60
			-----
Total Output Charges			\$554,483.04
			-----
Total Commercial Revenue	2-2		\$734,514.61

**The Columbia Water Company**  
Columbia Water Division  
Water Sales Revenues Under Present Rates  
For the Year Ended December 31, 2016

<u>Industrial:</u>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	132	\$9.35	\$1,234.20
1"	82	\$23.42	1,920.44
1 1/2"	34	\$46.83	1,592.22
2"	85	\$74.93	6,369.05
3"	12	\$140.47	1,685.64
4"	60	\$234.11	14,046.60
6"	12	\$468.24	5,618.88
Total Customer Charges			\$32,467.03
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	2,112.8	\$6.47	\$13,669.82
Step 2	8,365.8	\$2.49	20,830.84
Step 3	45,900.0	\$1.75	80,325.00
Total Output Charges			\$114,825.66
Total Industrial Revenue			\$147,292.69
<u>Public:</u>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	78	\$9.35	\$729.30
1"	70	\$23.42	1,639.40
1 1/2"	91	\$46.83	4,261.53
2"	110	\$74.93	8,242.30
3"	24	\$140.47	3,371.28
4"	24	\$234.11	5,618.64
Total Customer Charges			\$23,862.45
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	2,028.7	\$6.47	\$13,125.69
Step 2	3,825.8	\$2.49	9,526.24
Step 3	0.0	\$1.75	0.00
Total Output Charges			\$22,651.93
Total Public Revenue			\$46,514.38

**The Columbia Water Company**  
Columbia Water Division  
Water Sales Revenues Under Present Rates  
For the Year Ended December 31, 2016

<u>Fire Protection:</u>	No. of Units	Quarterly Rate	
Columbia Fire Hydrants	416	\$50.00	\$20,800.00
Fire Hydrants	2,358	\$86.59	204,179.22
Private Fire Hydrants	0	\$0.00	0.00
Private - 2" Connection	48	\$103.91	4,987.68
Private - 4" Connection	32	\$155.88	4,988.16
Private - 6" Connection	116	\$311.73	36,160.68
Private - 8" Connection	44	\$555.00	24,420.00
			<hr/>
Total Fire Protection			\$295,535.74
DSIC Revenues			\$33,816.00
Pennvest Surcharge			1,045,875.00
			<hr/>
Total Water Sales Revenues			\$5,631,088.72
			<hr/> <hr/>



**The Columbia Water Company**  
Columbia Water Division  
Water Sales Revenues Under Present Rates  
For the Year Ended December 31, 2016

<u>Residential:</u>	Number				
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>		
5/8"	100,598	\$9.35	\$940,591.30		
3/4"	60	\$14.05	843.00		
1"	687	\$23.42	16,089.54		
1 1/2"	36	\$46.83	1,685.88		
2"	24	\$74.93	1,798.32		
Total Customer Charges			\$961,008.04		
	Thousand				
Output Charges:	<u>Gallons</u>	<u>Rate</u>			
Step 1	358,955.5	\$6.47	\$2,322,442.09		
Step 2	9,980.4	\$2.49	24,851.20		
Step 3	10,993.7	\$1.75	19,238.98		
Total Output Charges			\$2,366,532.26		
Total Residential Revenue			\$3,327,540.30	\$3,327,116.00	1.0001
<u>Commercial:</u>	Number				
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>		
5/8"	2,463	\$9.35	\$23,029.05		
3/4"	96	\$14.05	1,348.80		
1"	686	\$23.42	16,066.12		
1 1/2"	577	\$46.83	27,020.91		
	1,038	\$74.93	77,777.34		
3"	67	\$140.47	9,411.49		
4"	70	\$234.11	16,387.70		
8"	12	\$749.18	8,990.16		
Total Customer Charges			\$180,031.57		
	Thousand				
Output Charges:	<u>Gallons</u>	<u>Rate</u>			
Step 1	38,666.7	\$6.47	\$250,173.55		
Step 2	86,985.5	\$2.49	216,593.90		
Step 3	50,123.2	\$1.75	87,715.60		
Total Output Charges			\$554,483.04		
Total Commercial Revenue			\$734,514.61	\$734,505.00	1

**The Columbia Water Company**  
Columbia Water Division  
Water Sales Revenues Under Present Rates  
For the Year Ended December 31, 2016

<b><u>Industrial:</u></b>			
	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	132	\$9.35	\$1,234.20
1"	82	\$23.42	1,920.44
1 1/2"	34	\$46.83	1,592.22
2"	85	\$74.93	6,369.05
3"	12	\$140.47	1,685.64
4"	60	\$234.11	14,046.60
6"	12	\$468.24	5,618.88
Total Customer Charges			<hr/> \$32,467.03
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	2,112.8	\$6.47	\$13,669.82
Step 2	8,365.8	\$2.49	20,830.84
Step 3	45,900.0	\$1.75	80,325.00
Total Output Charges			<hr/> \$114,825.66
Total Industrial Revenue			<hr/> \$147,292.69
			\$147,287.00
			1
<b><u>Public:</u></b>			
	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	78	\$9.35	\$729.30
1"	70	\$23.42	1,639.40
1 1/2"	91	\$46.83	4,261.53
2"	110	\$74.93	8,242.30
3"	24	\$140.47	3,371.28
4"	24	\$234.11	5,618.64
Total Customer Charges			<hr/> \$23,862.45
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	2,028.7	\$6.47	\$13,125.69
Step 2	3,825.8	\$2.49	9,526.24
Step 3	0.0	\$1.75	0.00
Total Output Charges			<hr/> \$22,651.93
Total Public Revenue			<hr/> \$46,514.38
			\$47,575.00
			0.9777

**The Columbia Water Company**  
**Columbia Water Division**  
**Water Sales Revenues Under Present Rates**  
**For the Year Ended December 31, 2016**

<u>Fire Protection:</u>	No. of Units	Quarterly Rate			
Columbia Fire Hydrants	416	\$50.00	\$20,800.00		
Fire Hydrants	2,358	\$86.59	204,179.22		
Private Fire Hydrants	0	\$0.00	0.00		
Private - 2" Connection	48	\$103.91	4,987.68		
Private - 4" Connection	32	\$155.88	4,988.16		
Private - 6" Connection	116	\$311.73	36,160.68		
Private - 8" Connection	44	\$555.00	24,420.00		
			-----		
Total Fire Protection			\$295,535.74	\$293,517.00	1.0069
DSIC Revenues			\$33,816.00	\$33,816.00	1
Pennvest Surcharge			1,045,875.00	1,045,875.00	
			-----		
Total Water Sales Revenues			\$5,631,088.72	\$5,627,691.00	1.0006
			=====		

The Columbia Water Company

Water Sales Revenues Q1 - 2016  
Marietta Division

<b>Residential:</b>			
Customer Charges	Number of Bills	Rate	Revenue
5/8"	1,036	\$20.40	\$21,134.40
3/4"	35	\$30.60	1,071.00
1"	4	\$51.00	204.00
1 1/2"	0	\$102.00	0.00
2"	9	\$163.20	1,468.80
Total Customer Charges			\$23,878.20
Output Charges	Thousand Gallons	Rate	
Step 1	3,199.5	\$12.50	\$39,993.75
Step 2	6,434.1	\$7.20	46,325.52
Step 3	2,940.5	\$2.70	7,939.35
Step 4	209.0	\$2.40	501.60
Total Output Charges			\$94,760.22
Total Residential Revenue			\$118,638.42
<b>Commercial:</b>			
Customer Charges	Number of Bills	Rate	Revenue
5/8"	32	\$20.40	\$652.80
3/4"	29	\$30.60	887.40
1"	15	\$51.00	765.00
1 1/2"	2	\$102.00	204.00
2"	7	\$163.20	1,142.40
3"	1	\$306.00	306.00
4"	1	\$510.00	510.00
8"	0	\$1,836.00	0.00
Total Customer Charges			\$4,467.60
Output Charges	Thousand Gallons	Rate	
Step 1	203.7	\$12.50	\$2,546.25
Step 2	630.9	\$7.20	4,542.48
Step 3	1,746.6	\$2.70	4,715.82
Step 4	1,320.6	\$2.40	3,169.44
Total Output Charges			\$14,973.99
Total Commercial Revenue			\$19,441.59

The Columbia Water Company

Water Sales Revenues Q1 - 2016  
Marietta Division

<u>Industrial:</u>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	0	\$6.80	\$0.00
1"	0	\$17.00	0.00
1 1/2"	0	\$34.00	0.00
2"	3	\$54.00	162.00
3"	0	\$102.00	0.00
4"	0	\$170.00	0.00
6"	3	\$340.00	1,020.00
Total Customer Charges			\$1,182.00
Output Charges:	Thousand	<u>Gallons</u>	<u>Rate</u>
Step 1		2.0	\$12.50
Step 2		8.0	\$7.20
Step 3		90.0	\$2.70
Step 4		10,355.0	\$2.40
Total Output Charges			\$34,450.77
Total Industrial Revenue			\$35,632.77
<u>Public:</u>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	2	\$20.40	\$40.80
3/4"	1	\$30.60	30.60
1"	3	\$51.00	153.00
1 1/2"	0	\$102.00	0.00
2"	1	\$163.20	163.20
3"	0	\$306.00	0.00
4"	1	\$510.00	510.00
8"	0	\$1,836.00	0.00
Total Customer Charges			\$897.60
Output Charges:	Thousand	<u>Gallons</u>	<u>Rate</u>
Step 1		16.6	\$12.50
Step 2		49.0	\$7.20
Step 3		536.9	\$2.70
Step 4		205.0	\$2.40
Total Output Charges			\$1,449.63
Total Public Revenue			\$897.60

**The Columbia Water Company**  
**Water Sales Revenues Q1 - 2016**  
**Marietta Division**

Total Output Charges	<u>\$2,501.93</u>
Total Public Revenue	<u>\$3,399.53</u>

**The Columbia Water Company**  
**Water Sales Revenues Q1 - 2016**  
**Marietta Division**

<u>Fire Protection:</u>	No. of <u>Units</u>	Annual <u>Rate</u>	
Public Fire Hydrants	0	\$0.00	\$0.00
Public Fire Hydrants	103	\$117.00	12,051.00
Private Fire Hydrants	21	\$94.00	1,974.00
Private - 2" Connection	2	\$134.00	268.00
Private - 4" Connection	3	\$402.00	1,206.00
Private - 6" Connection	10	\$537.00	5,370.00
Private - 8" Connection	2	\$956.00	1,912.00
			-----
Total Fire Protection			\$22,781.00
Receipts / Sewer Billings			\$0.00
Forfeited Discounts			0.00
Misc. Service Revenues			0.00
Rents from Water Property			0.00
			-----
Total Water Sales Revenues			\$199,893.31
			=====

**The Columbia Water Company**  
**Water Sales Revenues Q2 through Q4 - 2016**  
**Marietta Division**

<b><u>Residential:</u></b>			
<u>Customer Charges</u>	<u>Number of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	3,123	\$20.40	\$63,709.20
3/4"	103	\$30.60	3,151.80
1"	12	\$51.00	612.00
1 1/2"	0	\$102.00	0.00
2"	27	\$163.20	4,406.40
<b>Total Customer Charges</b>			<b>\$71,879.40</b>
<u>Output Charges</u>	<u>Thousand Gallons</u>	<u>Rate</u>	
Step 1	9,523.5	\$7.35	\$69,997.73
Step 2	21,732.7	\$4.59	99,753.09
Step 3	10,501.0	\$1.74	18,271.74
Step 4	708.2	\$1.54	1,090.63
<b>Total Output Charges</b>			<b>\$189,113.19</b>
<b>Total Residential Revenue</b>			<b>\$260,992.59</b>
<b><u>Commercial:</u></b>			
<u>Customer Charges:</u>	<u>Number of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	99	\$20.40	\$2,019.60
3/4"	84	\$30.60	2,570.40
1"	45	\$51.00	2,295.00
1 1/2"	6	\$102.00	612.00
2"	21	\$163.20	3,427.20
3"	3	\$306.00	918.00
4"	3	\$510.00	1,530.00
8"	0	\$1,836.00	0.00
<b>Total Customer Charges</b>			<b>\$13,372.20</b>
<u>Output Charges</u>	<u>Thousand Gallons</u>	<u>Rate</u>	
Step 1	626.8	\$7.35	\$4,606.98
Step 2	1,990.2	\$4.59	9,135.02
Step 3	6,620.7	\$1.74	11,520.02
Step 4	4,599.0	\$1.54	7,082.46
<b>Total Output Charges</b>			<b>\$32,344.48</b>
<b>Total Commercial Revenue</b>			<b>\$45,716.68</b>



**The Columbia Water Company**  
**Water Sales Revenues Q2 through Q4 - 2016**  
**Marietta Division**

<b><u>Industrial:</u></b>			
<b>Customer Charges</b>	<b>Number</b>	<b>Rate</b>	<b>Revenue</b>
	<b><u>of Bills</u></b>		
5/8"	0	\$6.80	\$0.00
1"	0	\$17.00	0.00
1 1/2"	0	\$34.00	0.00
2"	9	\$54.00	486.00
3"	0	\$102.00	0.00
4"	0	\$170.00	0.00
6"	9	\$340.00	3,060.00
<b>Total Customer Charges</b>			<b>\$3,546.00</b>
<b>Output Charges</b>			
	<b>Thousand</b>	<b>Rate</b>	
	<b><u>Gallons</u></b>		
Step 1	14.0	\$7.35	\$102.90
Step 2	40.0	\$4.59	183.60
Step 3	450.0	\$1.74	783.00
Step 4	53,727.0	\$1.54	82,739.58
<b>Total Output Charges</b>			<b>\$83,809.08</b>
<b>Total Industrial Revenue</b>			<b>\$87,355.08</b>
<b><u>Public:</u></b>			
<b>Customer Charges:</b>	<b>Number</b>	<b>Rate</b>	<b>Revenue</b>
	<b><u>of Bills</u></b>		
5/8"	6	\$20.40	\$122.40
3/4"	3	\$30.60	91.80
1"	9	\$51.00	459.00
1 1/2"	0	\$102.00	0.00
2"	3	\$163.20	489.60
3"	0	\$306.00	0.00
4"	3	\$510.00	1,530.00
8"	0	\$1,836.00	0.00
<b>Total Customer Charges</b>			<b>\$2,692.80</b>
<b>Output Charges</b>			
	<b>Thousand</b>	<b>Rate</b>	
	<b><u>Gallons</u></b>		
Step 1	50.9	\$7.35	\$374.12
Step 2	153.2	\$4.59	703.19
Step 3	1,311.8	\$1.74	2,282.53
Step 4	1,328.9	\$1.54	2,046.51
<b>Total Output Charges</b>			<b>\$5,406.34</b>
<b>Total Public Revenue</b>			<b>\$8,099.14</b>

**The Columbia Water Company**  
**Water Sales Revenues Q2 through Q4 - 2016**  
**Marietta Division**

<u>Fire Protection:</u>	<u>No. of</u>	<u>Units</u>	<u>Rate</u>	
Public Fire Hydrants	0		\$0.00	\$0.00
Public Fire Hydrants	309		\$72.00	22,248.00
Private Fire Hydrants	63		\$58.00	3,654.00
Private - 2" Connection	6		\$93.00	558.00
Private - 4" Connection	9		\$279.00	2,511.00
Private - 6" Connection	30		\$372.00	11,160.00
Private - 8" Connection	6		\$663.00	3,978.00
				-----
Total Fire Protection				\$44,109.00
Receipts / Sewer Billings				\$0.00
Forfeited Discounts				0.00
Misc Service Revenues				0.00
Rents from Water Property				0.00
				-----
Total Water Sales Revenues				\$446,272.48
				=====

**The Columbia Water Company**  
Consolidated Columbia and Marietta Divisions  
Calculation of 2017 Pro Forma Salaries and Wages

Account Title	2016 Salaries & Wages	2017 Pro Forma Salaries & Wages	2017 Increase
Production	\$357,059	\$341,982	(\$15,077)
Distribution	362,941	469,360	106,419
Adminstration	345,345	358,357	13,012
Officers	65,000	53,300	(11,700)
	-----	-----	-----
Total Salaries & Wages (Expensed)	\$1,130,345	\$1,222,999	\$92,654
Capitalized & Other - Salaries & Wages	157,086	75,000	(82,086)
	-----	-----	-----
Total Salaries & Wages	\$1,287,431	\$1,297,999	\$10,568
	=====	=====	=====

The Columbia Water Company

*Analysis of the 2016 & 2017 Salaries, Wages & Capitalized Labor*

Account Description	2016		2016		2016	
	Salaries & Wages Total	Accrued Vacation & Sick Time	Capitalized Salaries & Wages	Expensed Salaries & Wages	Capitalized Salaries & Wages	Expensed Salaries & Wages
Production	\$354,558.12	\$2,501.07	\$0.00	\$0.00	\$357,059.19	\$357,059.19
Distribution	518,518.31	1,508.57	157,086.39	0.00	362,940.49	362,940.49
Administration	342,689.06	2,655.93	0.00	0.00	345,344.99	345,344.99
Officers	65,000.00	0.00	0.00	0.00	65,000.00	65,000.00
	<u>\$1,280,765.49</u>	<u>\$6,665.57</u>	<u>\$157,086.39</u>	<u>\$0.00</u>	<u>\$1,130,344.67</u>	<u>\$1,130,344.67</u>

Account Description	2017		2017		2017	
	Salaries & Wages Total	Accrued Vacation & Sick Time	Capitalized Salaries & Wages	Expensed Salaries & Wages	Capitalized Salaries & Wages	Expensed Salaries & Wages
Production	\$341,982.45	\$0.00	\$0.00	\$0.00	\$341,982.45	\$341,982.45
Distribution	544,359.90	0.00	75,000.00	0.00	469,359.90	469,359.90
Administration	358,357.35	0.00	0.00	0.00	358,357.35	358,357.35
Officers	53,300.00	0.00	0.00	0.00	53,300.00	53,300.00
	<u>\$1,297,999.70</u>	<u>\$0.00</u>	<u>\$75,000.00</u>	<u>\$0.00</u>	<u>\$1,222,999.70</u>	<u>\$1,222,999.70</u>

REDACTED

Columbia Water Company

Projected Employee Wages and Payroll Taxes

January 1 to December 31, 2017

Employee Classification	2016 Total Wages	2017 Increase Percentage	2017 Increase Dollars	Social Security 4.20%	Medicare 1.45%	PA Unemployment 0.026434	Federal Unemployment 0.006
Distribution							
Distribution							
Administration							
Administration							
Distribution							
Production							
Administration							
Distribution							
Distribution							
Production							
Distribution							
Officer							
Officer							
Officer							
Production							
Distribution							
Distribution							
Distribution							
Production							
Distribution							
Distribution							
Production							
Distribution							
Distribution							
Production							
Distribution							
Production							
Distribution							
Officer							
Production							
Distribution							
Administration							
Distribution							
<b>Total</b>	<b>1,280,765.49</b>		<b>1,297,999.71</b>	<b>54,515.99</b>	<b>18,821.00</b>	<b>6,305.34</b>	<b>1,052.60</b>

**The Columbia Water Company**  
Consolidated Columbia and Marietta Divisions  
Associated Increases/Decreases in Employer Paid Taxes  
Due to Personnel Adjustments, Salary and Wage Increases

**F.I.C.A.:**

Based on Pro Forma Salaries & Wages

Social Security	\$76,291
Medicare	18,821
	<hr/>
Total F.I.C.A. (Going-Level)	\$95,112
Less: F.I.C.A. Tax (Per Books)	(80,727)
	<hr/>
Going-Level Adjustment	\$14,385
	<hr/> <hr/>

**Pa. Unemployment Tax:**

Payments for \$9,750 or less

PA Unemployment Tax (Going-Level)	\$6,305
Less: PA Unemployment Tax (Per Books)	(7,619)
	<hr/>
Going-Level Adjustment	(\$1,314)
	<hr/> <hr/>

**F.U.T.A.**

Payments for \$7,000 or less

F.U.T.A Tax (Going-Level)	\$1,053
Less: F.U.T.A Tax (Per Books)	(1,257)
	<hr/>
Going-Level Adjustment	(\$204)
	<hr/> <hr/>

Note: Refer to Supporting Schedule No. 2 for the Detailed Calculations.

**The Columbia Water Company**

**Marietta Division**

**Rate Filing Model**

**Present Rate Revenue Adjustment No. 7**

**Revenue Adjustment at Present Rates  
Reflecting the Loss of the Pennvest Revenue**

The Columbia Water Company

Marietta Water Division

Revenue Adjustment at Present Rates to Reflect the Loss of PennVest Revenue

Volume Charges	First Quarter Revenue		Revenue Adjustment at Present Rates
	PennVest Charges Included	PennVest Charges Not Included	
<b>Residential</b>			
Step 1	\$39,993.75	\$23,516.33	
Step 2	46,325.52	29,532.52	
Step 3	7,939.35	5,116.47	
Step 4	501.60	321.86	
Total Residential	\$94,760.22	\$58,487.18	\$36,273.04
<b>Commercial</b>			
Step 1	\$2,546.25	\$1,497.20	
Step 2	4,542.48	2,895.83	
Step 3	4,715.82	3,039.08	
Step 4	3,169.44	2,033.72	
Total Commercial	\$14,973.99	\$9,465.83	\$5,508.16
<b>Industrial</b>			
Step 1	\$32.35	\$22.05	
Step 2	75.96	55.08	
Step 3	321.30	234.90	
Step 4	34,021.16	25,115.86	
Total Industrial	\$34,450.77	\$25,427.89	\$9,022.88
<b>Public</b>			
Step 1	\$207.50	\$122.01	
Step 2	352.80	224.91	
Step 3	1,449.63	934.21	
Step 4	492.00	315.70	
Total Public	\$2,501.93	\$1,596.83	\$905.10
<b>Fire Protection</b>			
Public Fire Hydrants	\$12,051.00	\$7,416.00	
Private Fire Hydrants	1,974.00	1,218.00	
Private - 2" Connection	268.00	186.00	
Private - 4" Connection	1,206.00	837.00	
Private - 6" Connection	5,370.00	3,720.00	
Private - 8" Connection	1,912.00	1,326.00	
Total Fire Protection	\$22,781.00	\$14,703.00	\$8,078.00
Total First Quarter Revenue	\$169,467.91	\$109,680.73	\$59,787.18



**The Columbia Water Company**

**Marietta Division**

**First Quarter Rates & Revenue  
Reflecting the  
Recovery of the Pennvest Loan**

**The Columbia Water Company**

**Water Sales Revenues Q1 - 2016  
Marietta Division**

<b><u>Residential:</u></b>			
Customer Charges:	Number <u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	1,036	\$20.40	\$21,134.40
3/4"	35	\$30.60	1,071.00
1"	4	\$51.00	204.00
1 1/2"	0	\$102.00	0.00
2"	9	\$163.20	1,468.80
Total Customer Charges			<hr/> \$23,878.20
Thousand			
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	3,199.5	\$12.50	\$39,993.75
Step 2	6,434.1	\$7.20	46,325.52
Step 3	2,940.5	\$2.70	7,939.35
Step 4	209.0	\$2.40	501.60
Total Output Charges			<hr/> \$94,760.22
Total Residential Revenue			<hr/> \$118,638.42
<b><u>Commercial:</u></b>			
Customer Charges:	Number <u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	32	\$20.40	\$652.80
3/4"	29	\$30.60	887.40
1"	15	\$51.00	765.00
1 1/2"	2	\$102.00	204.00
2"	7	\$163.20	1,142.40
3"	1	\$306.00	306.00
4"	1	\$510.00	510.00
8"	0	\$1,836.00	0.00
Total Customer Charges			<hr/> \$4,467.60
Thousand			
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	203.7	\$12.50	\$2,546.25
Step 2	630.9	\$7.20	4,542.48
Step 3	1,746.6	\$2.70	4,715.82
Step 4	1,320.6	\$2.40	3,169.44
Total Output Charges			<hr/> \$14,973.99
Total Commercial Revenue			<hr/> \$19,441.59

The Columbia Water Company

Water Sales Revenues Q1 - 2016  
Marietta Division

<b><u>Industrial:</u></b>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	0	\$6.80	\$0.00
1"	0	\$17.00	0.00
1 1/2"	0	\$34.00	0.00
2"	3	\$54.00	162.00
3"	0	\$102.00	0.00
4"	0	\$170.00	0.00
6"	3	\$340.00	1,020.00
			<hr/>
Total Customer Charges			\$1,182.00
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	2.0	\$12.50	\$25.00
Step 2	8.0	\$7.20	57.60
Step 3	90.0	\$2.70	243.00
Step 4	10,355.0	\$2.40	24,852.00
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	1.0	\$7.35	\$7.35
Step 2	4.0	\$4.59	18.36
Step 3	45.0	\$1.74	78.30
Step 4	5,954.0	\$1.54	9,169.16
Total Output Charges			<hr/>
			\$34,450.77
Total Industrial Revenue			<hr/>
			\$35,632.77
<b><u>Public:</u></b>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	2	\$20.40	\$40.80
3/4"	1	\$30.60	30.60
1"	3	\$51.00	153.00
1 1/2"	0	\$102.00	0.00
2"	1	\$163.20	163.20
3"	0	\$306.00	0.00
4"	1	\$510.00	510.00
8"	0	\$1,836.00	0.00
			<hr/>
Total Customer Charges			\$897.60
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	16.6	\$12.50	\$207.50
Step 2	49.0	\$7.20	352.80
Step 3	536.9	\$2.70	1,449.63
Step 4	205.0	\$2.40	492.00
Total Output Charges			<hr/>
			\$2,501.93
Total Public Revenue	2-23		<hr/>
			\$3,399.53

**The Columbia Water Company**  
**Water Sales Revenues Q1 - 2016**  
**Marietta Division**

<b><u>Fire Protection:</u></b>	<b>No. of <u>Units</u></b>	<b>Annual <u>Rate</u></b>	
Public Fire Hydrants	0	\$0.00	\$0.00
Public Fire Hydrants	103	\$117.00	12,051.00
Private Fire Hydrants	21	\$94.00	1,974.00
Private - 2" Connection	2	\$134.00	268.00
Private - 4" Connection	3	\$402.00	1,206.00
Private - 6" Connection	10	\$537.00	5,370.00
Private - 8" Connection	2	\$956.00	1,912.00
<b>Total Fire Protection</b>			<b>\$22,781.00</b>
Receipts / Sewer Billings			\$0.00
Forfeited Discounts			0.00
Misc. Service Revenues			0.00
Rents from Water Property			0.00
<b>Total Water Sales Revenues</b>			<b>\$199,893.31</b>

**The Columbia Water Company**

**Marietta Division**

**First Quarter Rates & Revenue  
Reflecting the  
Removal of the Pennvest Loan**

**The Columbia Water Company**

**Water Sales Revenues Q1 - 2016  
Marietta Division**

<b><u>Residential:</u></b>			
	<u>Number</u>		
<u>Customer Charges:</u>	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	1,036	\$20.40	\$21,134.40
3/4"	35	\$30.60	1,071.00
1"	4	\$51.00	204.00
1 1/2"	0	\$102.00	0.00
2"	9	\$163.20	1,468.80
<b>Total Customer Charges</b>			<b>\$23,878.20</b>
	<u>Thousand</u>		
<u>Output Charges:</u>	<u>Gallons</u>	<u>Rate</u>	
Step 1	3,199.5	\$7.35	\$23,516.33
Step 2	6,434.1	\$4.59	29,532.52
Step 3	2,940.5	\$1.74	5,116.47
Step 4	209.0	\$1.54	321.86
<b>Total Output Charges</b>			<b>\$58,487.17</b>
<b>Total Residential Revenue</b>			<b>\$82,365.37</b>
<b><u>Commercial:</u></b>			
	<u>Number</u>		
<u>Customer Charges:</u>	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	32	\$20.40	\$652.80
3/4"	29	\$30.60	887.40
1"	15	\$51.00	765.00
1 1/2"	2	\$102.00	204.00
2"	7	\$163.20	1,142.40
3"	1	\$306.00	306.00
4"	1	\$510.00	510.00
8"	0	\$1,836.00	0.00
<b>Total Customer Charges</b>			<b>\$4,467.60</b>
	<u>Thousand</u>		
<u>Output Charges:</u>	<u>Gallons</u>	<u>Rate</u>	
Step 1	203.7	\$7.35	\$1,497.20
Step 2	630.9	\$4.59	2,895.83
Step 3	1,746.6	\$1.74	3,039.08
Step 4	1,320.6	\$1.54	2,033.72
<b>Total Output Charges</b>			<b>\$9,465.83</b>
<b>Total Commercial Revenue</b>			<b>\$13,933.43</b>

**The Columbia Water Company**  
**Water Sales Revenues Q1 - 2016**  
**Marietta Division**

<b><u>Industrial:</u></b>	<b>Number</b>		
<b>Customer Charges:</b>	<b><u>of Bills</u></b>	<b><u>Rate</u></b>	<b><u>Revenue</u></b>
5/8"	0	\$6.80	\$0.00
1"	0	\$17.00	0.00
1 1/2"	0	\$34.00	0.00
2"	3	\$54.00	162.00
3"	0	\$102.00	0.00
4"	0	\$170.00	0.00
6"	3	\$340.00	1,020.00
<b>Total Customer Charges</b>			<b>\$1,182.00</b>
	<b>Thousand</b>		
<b>Output Charges:</b>	<b><u>Gallons</u></b>	<b><u>Rate</u></b>	
Step 1	2.0	\$7.35	\$14.70
Step 2	8.0	\$4.59	36.72
Step 3	90.0	\$1.74	156.60
Step 4	10,355.0	\$1.54	15,946.70
<b>Total Output Charges</b>			<b>\$25,427.89</b>
<b>Total Industrial Revenue</b>			<b>\$26,609.89</b>
<b><u>Public:</u></b>	<b>Number</b>		
<b>Customer Charges:</b>	<b><u>of Bills</u></b>	<b><u>Rate</u></b>	<b><u>Revenue</u></b>
5/8"	2	\$20.40	\$40.80
3/4"	1	\$30.60	30.60
1"	3	\$51.00	153.00
1 1/2"	0	\$102.00	0.00
2"	1	\$163.20	163.20
3"	0	\$306.00	0.00
4"	1	\$510.00	510.00
8"	0	\$1,836.00	0.00
<b>Total Customer Charges</b>			<b>\$897.60</b>
	<b>Thousand</b>		
<b>Output Charges:</b>	<b><u>Gallons</u></b>	<b><u>Rate</u></b>	
Step 1	16.6	\$7.35	\$122.01
Step 2	49.0	\$4.59	224.91
Step 3	536.9	\$1.74	934.21
Step 4	205.0	\$1.54	315.70
<b>Total Output Charges</b>			<b>\$1,596.83</b>
<b>Total Public Revenue</b>	<b>2-27</b>		<b>\$2,494.43</b>

**The Columbia Water Company**

**Water Sales Revenues Q1 - 2016  
Marietta Division**

<b><u>Fire Protection:</u></b>	<b>No. of <u>Units</u></b>	<b>Annual <u>Rate</u></b>	
Public Fire Hydrants	0	\$0.00	\$0.00
Public Fire Hydrants	103	\$72.00	7,416.00
Private Fire Hydrants	21	\$58.00	1,218.00
Private - 2" Connection	2	\$93.00	186.00
Private - 4" Connection	3	\$279.00	837.00
Private - 6" Connection	10	\$372.00	3,720.00
Private - 8" Connection	2	\$663.00	1,326.00
 			<hr/>
Total Fire Protection			\$14,703.00
Receipts / Sewer Billings			\$0.00
Forfeited Discounts			0.00
Misc. Service Revenues			0.00
Rents from Water Property			0.00
 			<hr/>
Total Water Sales Revenues			\$140,106.12
			=====



The Columbia Water Company

*Projected Additions and Retirements of Utility Plant In Service  
January 1, 2017 through December 31, 2017*

Account Number	Utility Plant Description	Projected Construction Cost	Projected Retirements
307	Wells & Springs	\$90,000	
309.2	Supply Mains	\$7,500	
311.3	Pumping Equipment		
	Pressure Reducing Valve	\$45,000	
	Meter	4800	
	Total Account 311.3	\$49,800	
320.3	WTP Equipment		
	Emergency Generator	\$565,000	
331.12	Transmission & Distribution Mains		
	6" & 8" DICL Pipe	\$100,200	\$931
333.2	Services - Other	\$5,000	
334.4	Meters & Meter Installations	\$29,725	\$10,584
340.2	Office Equipment	\$29,000	
341.5	Transportation Equipment		
	Replace Dump Truck	\$100,000	\$20,153
343.5	Tools, Shop & Work Equipment		
	Pipe Locator	\$4,000	
	Boring Machine	5,000	
	Sensus Meter Gun	5,000	
	Backhoe Trailer	22,000	
	Total Account 343.5	\$36,000	
345.5	Power Operated Equipment		
	VAC Truck	\$70,000	
348.1	WTP & Pump Station Security	\$179,200	
350.3	Water Treatment Plant		
	Materials & Equipment	\$14,400	
Total 2017 Additions & Retirements of Utility Plant		\$1,275,825	\$31,668

The Columbia Water Company  
Marietta Gravity Division

*Projected Additions and Retirements of Utility Plant In Service  
January 1, 2017 through December 31, 2017*

Account Number	Utility Plant Description	Projected Construction Cost	Projected Retirements
304.4	Distribution Reservoirs & Standpipes Tank Painting	\$290,000	
331.4	Transmission & Distribution Mains 6" & 12" DICL	\$225,300	\$2,199
334.4	Meters & Meter Installations	\$36,900	\$6,392
348.1	WTP & Pump Station Security	\$76,800	
Total 2017 Additions & Retirements of Utility Plant		<u>\$629,000</u>	<u>\$8,591</u>

The Columbia Water Company

Calculation of 2017 Annual Depreciation Expense  
and the Depreciation Reserve at December 31, 2017  
Total Plant in Service

Acct. No.	Account Detail	Plant in Service 12/31/2016	Plant in Service 12/31/2017	Average	Annual Rate	2017 Annual Depreciation	Depreciation Reserve 12/31/2016	2017 Retirements	2017 Salvage	Depreciation Reserve 12/31/2017 (c) + (f) - (g) + (i)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)	(l)
<b>Depreciable Plant:</b>										
304.2	Pumping Structures & Improvements	\$1,166,972	\$1,166,972	\$1,166,972	2.38%	\$27,774	\$394,624	\$0	\$0	\$422,398
304.3	Water Treatment Structures & Impr	9,785,338	10,330,338	10,047,838	2.22%	223,062	679,603	0	0	902,665
304.4	Trans. & Distr. Structures & Impr.	47,839	47,839	47,839	3.53%	1,698	4,876	0	0	6,574
304.5	General Structures & Impr.	580,436	580,436	580,436	2.53%	14,179	345,390	0	0	359,569
306.2	Lake, River & Other Intakes	358,772	358,772	358,772	1.90%	6,817	96,819	0	0	103,636
307	Wells & Springs	0	90,000	45,000	2.22%	999	0	0	0	999
309.2	Supply Mains	1,575,276	1,682,776	1,679,026	1.31%	22,331	33,422	0	0	55,753
310.4	Power Generation Equipment	35,000	35,000	35,000	3.89%	1,362	17,254	0	0	18,626
311.3	Pumping Equipment	1,113,157	1,162,957	1,138,057	3.04%	34,597	313,147	0	0	347,744
320.3	Water Treatment Equipment	4,652,213	4,652,213	4,652,213	2.04%	94,905	(271,246)	0	0	(176,341)
330.40	Distribution Reservoirs & Standpipes	\$3,751,778	\$3,751,778	\$3,751,778	2.84%	99,047	\$1,579,338	\$0	\$0	\$1,678,385
330.41	Tank Painting	608,837	608,837	608,837	10.90%	54,854	551,983	0	0	606,837
<b>Total Account 330</b>		<b>\$4,358,613</b>	<b>\$4,358,613</b>	<b>\$4,358,613</b>	<b>3.53%</b>	<b>\$153,901</b>	<b>\$2,131,321</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,285,222</b>
331.01	Mains - 4" & Under	528,486	528,486	28,486	4.99%	\$1,421	\$17,436	\$0	\$0	\$18,857
331.02	Mains - 6" - 8"	845,348	845,348	845,348	2.83%	23,923	331,705	0	0	355,628
331.11	Mains - CI & DI, 4" & Under	43,098	43,098	43,098	2.00%	862	7,186	0	0	8,048
331.12	Mains - CI & DI, 6" - 8"	6,339,877	6,429,146	6,389,512	1.67%	106,705	1,032,010	931	0	1,137,784
331.13	Mains - CI & DI, 10" - 16"	8,394,948	8,394,948	8,394,948	1.38%	115,850	1,190,848	0	0	1,306,698
331.22	Mains - Transite, 6" - 8"	461	461	461	6.51%	0	461	0	0	461
331.31	Mains - Steel, 4" & Under	274	274	274	6.57%	0	274	0	0	274
331.32	Mains - Steel, 6" - 8"	4,760	4,760	4,760	3.15%	150	2,148	0	0	2,298
331.33	Mains - Steel, 10" - 16"	101,582	101,582	101,582	1.76%	1,788	23,003	0	0	24,791
331.51	Mains - Copper & Brass, 4" & Under	10,109	10,109	10,109	12.48%	0	10,109	0	0	10,109
551.01	Mains - Plastic, 4" & Under	28,922	28,922	28,922	3.25%	940	11,248	0	0	12,188
331.71	Valves, 4" & Under	25,923	25,923	25,923	10.05%	2,605	22,715	0	0	25,320
331.72	Valves, 6" - 8"	1,029,979	1,029,979	1,029,979	2.85%	30,266	293,214	0	0	323,480
331.73	Valves, 10" - 14"	984,877	984,877	984,877	2.17%	21,372	222,234	0	0	243,606
331.75	Valves Boxes	248,638	248,638	248,638	3.13%	7,782	79,358	0	0	87,140
331.78	Blowoffs	34,971	34,971	34,971	4.13%	1,444	16,982	0	0	18,426
331.77	Reducing Valves	84,269	84,269	84,269	6.82%	5,579	62,122	0	0	67,701
331.78	Vaults	10,002	10,002	10,002	2.09%	209	1,988	0	0	2,197
331.80	Special Construction	238,438	238,438	238,438	2.59%	6,178	38,160	0	0	44,338
339.4	Other Plant & Misc. Equipment	20,967	20,967	20,967	2.00%	419	629	0	0	1,048
349.3	Instrumentation	969,260	969,260	969,260	6.87%	64,650	98,975	0	0	161,625
350.3	Wastewater Treatment Equipment	329,381	343,781	336,581	2.04%	6,866	10,078	0	0	16,944
<b>Total Account 331</b>		<b>\$19,770,550</b>	<b>\$19,884,219</b>	<b>\$19,827,385</b>	<b>2.01%</b>	<b>\$399,008</b>	<b>\$3,470,899</b>	<b>\$931</b>	<b>\$0</b>	<b>\$3,868,978</b>
333.10	Services - 6" - 8"	\$78,244	\$78,244	\$78,244	4.83%	\$3,779	\$11,102	\$0	\$0	\$14,881
333.20	Services - Other	2,332,381	2,337,381	2,334,881	5.24%	122,348	1,357,097	0	0	1,479,445
<b>Total Account 333</b>		<b>\$2,410,625</b>	<b>\$2,415,625</b>	<b>\$2,413,125</b>	<b>5.23%</b>	<b>\$126,127</b>	<b>\$1,368,199</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,494,326</b>
334.4	Meters	\$2,540,399	\$2,559,540	\$2,549,970	8.00%	\$203,998	\$1,654,404	\$10,584	\$458	\$1,848,276
335.4	Fire Hydrants	1,078,135	1,078,135	1,078,135	2.15%	23,180	257,075	0	0	280,255
340.10	Office Furniture	\$64,840	\$64,840	\$64,840	7.12%	\$4,617	\$59,306	\$0	\$0	\$63,923
340.20	Office Equipment	41,456	70,456	55,956	2.43%	10,266	20,532	0	0	36,798
340.30	Office Equipment - Computers	203,168	203,168	203,168	8.64%	17,554	179,551	0	0	197,105
<b>Total Account 340</b>		<b>\$309,462</b>	<b>\$338,462</b>	<b>\$323,962</b>	<b>10.01%</b>	<b>\$32,436</b>	<b>\$259,389</b>	<b>\$0</b>	<b>\$0</b>	<b>\$291,825</b>
341.5	Transportation Equipment	\$488,332	\$568,378	\$528,455	20.00%	\$13,543	\$418,028	\$20,153	\$0	\$411,418
342.5	Stores Equipment	8,856	8,856	8,856	2.86%	253	3,112	0	0	3,365
343.5	Tools, Shop & Work Equipment	195,294	231,294	213,294	0.96%	2,090	120,768	0	0	122,858
344.5	Laboratory Equipment	47,353	47,353	47,353	0.80%	379	44,081	0	0	44,460
345.5	Power Operated Equipment	348,976	416,976	381,976	6.55%	25,019	158,412	0	0	183,431
346.5	Communication Equipment	182,813	182,813	182,813	5.53%	10,110	125,481	0	0	135,591
347.6	Miscellaneous Equipment	133,147	133,147	133,147	8.29%	8,375	68,302	0	0	76,677
348.1	WTP & Pump Station Security	307,243	488,443	395,843	6.87%	26,469	10,247	0	0	36,716
348.2	Distribution System Mapping	44,486	44,486	44,486	5.00%	2,224	1,112	0	0	3,336
348.8	Main Office Security	17,879	17,879	17,879	6.67%	1,193	596	0	0	1,789
<b>Total Depreciable Plant</b>		<b>\$51,613,365</b>	<b>\$52,857,522</b>	<b>\$52,215,444</b>	<b>2.70%</b>	<b>\$1,458,028</b>	<b>\$11,705,305</b>	<b>\$31,668</b>	<b>\$458</b>	<b>\$13,129,124</b>
<b>Non-Depreciable Plant:</b>										
301.1	Organization	\$300	\$300	\$300						
302.1	Franchises & Consents	368,160	368,160	368,160						
303.2	Power & Pumping Land	295,722	295,722	295,722						
303.4	Trans. & Distr. Land	341,623	341,623	341,623						
303.5	General Land	4,000	4,000	4,000						
<b>Total Non-Depreciable Plant</b>		<b>\$1,007,805</b>	<b>\$1,007,805</b>	<b>\$1,007,805</b>						
<b>Total Plant in Service</b>		<b>\$52,621,171</b>	<b>\$53,865,327</b>	<b>\$53,243,249</b>						

The Columbia Water Company

Calculation of 2017 Annual Depreciation Expense  
and the Depreciation Reserve at December 31, 2017  
PennVest Plant Only

Acc'l. No.	Account Detail	Plant in Service 12/31/2016	Plant in Service 12/31/2017	Average	Annual Rate	2017 Annual Depreciation	Depreciation Reserve 12/31/2016	2017 Retirements	Depreciation Reserve 12/31/2017 (g) + (h) - (i)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<b>Depreciable Plant:</b>									
304.3	Water Treatment Structures & Impr.	\$8,274,383	\$8,274,383	\$8,274,383	2.22%	\$183,691	\$604,223	\$0	\$787,914
309.2	Supply Mains	1,059,906	1,059,906	\$1,059,906	1.33%	\$14,097	21,145	0	35,242
311.3	Pumping Equipment	524,940	524,940	\$524,940	3.04%	15,958	23,937	0	39,895
320.3	Water Treatment Equipment	3,841,667	3,841,667	\$3,841,667	2.04%	78,370	117,555	0	195,925
Transmission & Distribution Mains									
349.3	Instrumentation	969,260	969,260	\$969,260	6.67%	64,650	98,975	0	161,625
350.3	Wastewater Treatment Equipment	329,361	329,361	\$329,361	2.04%	6,719	10,078	0	16,797
Total Account 331		\$1,298,621	\$1,298,621	\$1,298,621	5.50%	\$71,369	\$107,053	\$0	\$178,422
Total Depreciable Plant		\$14,999,517	\$14,999,517	\$14,999,517	2.42%	\$363,485	\$873,913	\$0	\$1,237,398
<b>Non-Depreciable Plant:</b>									
303.2	Power & Pumping Land	\$248,160	\$248,160						
Total Non-Depreciable Plant		\$248,160	\$248,160						
Total Plant in Service		\$15,247,677	\$15,247,677						
Total Work Order #08-18		\$17,255,017							
Less:									
Company Provided Funds									
2015			615,369	Supply Mains					
2016			1,391,971	WTP Structures & Improvements					
Total PennVest Provided Funds			\$1,017,340						

The Columbia Water Company

Calculation of 2017 Annual Depreciation Expense  
and the Depreciation Reserve at December 31, 2017  
Plant in Service Net of PennVest

Acct. No.	Account Detail	Plant in Service 12/31/2016	Plant in Service 12/31/2017	Average	Annual Rate	2017 Annual Depreciation	Depreciation Reserve 12/31/2016	2017 Replacements	2017 Salvage	Depreciation Reserve 12/31/2017 (g) + (h) - (i) + (j)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
<b>Depreciable Plant:</b>										
304.2	Pumping Structures & Improvements	\$1,168,972	\$1,168,972	\$1,168,972	2.38%	\$27,774	\$394,624	\$0	\$0	\$422,398
304.3	Water Treatment Structures & Impr.	1,490,955	2,055,955	1,773,455	2.22%	39,371	75,360	0	0	114,731
304.4	Trans. & Distr. Structures & Impr	47,839	47,839	47,839	3.55%	1,698	4,876	0	0	6,574
304.5	General Structures & Impr.	560,436	550,436	560,436	2.53%	14,179	345,390	0	0	359,569
306.2	Lake, River & Other Intakes	358,772	358,772	358,772	1.90%	6,817	96,819	0	0	103,636
307	Wells & Springs	0	90,000	45,000	2.22%	999	0	0	0	999
309.2	Supply Mains	615,370	622,870	619,120	1.33%	8,234	12,277	0	0	20,511
310.4	Power Generation Equipment	35,000	35,000	35,000	3.89%	1,362	17,264	0	0	18,626
311.3	Pumping Equipment	588,217	638,017	613,117	3.04%	18,639	289,210	0	0	307,849
320.3	Water Treatment Equipment	810,548	810,548	810,548	2.04%	16,535	(388,801)	0	0	(372,266)
330.40	Distribution Reservoirs & Standpipes	\$3,751,776	\$3,751,776	\$3,751,776	2.84%	99,047	\$1,579,338	\$0	\$0	\$1,678,385
330.41	Tank Painting	608,837	608,837	608,837	10.00%	54,854	551,983	0	0	606,837
<b>Total Account 330</b>		<b>\$4,358,613</b>	<b>\$4,358,613</b>	<b>\$4,358,613</b>	<b>3.53%</b>	<b>\$153,901</b>	<b>\$2,131,321</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,285,222</b>
331.01	Mains - 4" & Under	\$28,486	\$28,486	\$28,486	4.99%	\$1,421	\$17,436	\$0	\$0	\$18,857
331.02	Mains - 6"-8"	845,348	845,348	845,348	2.83%	21,923	331,705	0	0	353,628
331.11	Mains - CI & DI, 4" & Under	43,098	43,098	43,098	2.00%	862	7,186	0	0	8,048
331.12	Mains - CI & DI, 6"-8"	6,339,877	6,439,148	6,389,512	1.87%	108,709	1,032,010	\$31	0	1,137,784
331.13	Mains - CI & DI, 10"-16"	8,394,948	8,394,948	8,394,948	1.38%	115,850	1,190,846	0	0	1,306,696
331.22	Mains - Transit, 6"-8"	461	461	461	6.51%	0	0	0	0	461
331.31	Mains - Steel, 4" & Under	274	274	274	0.57%	0	274	0	0	274
331.32	Mains - Steel, 6"-8"	4,760	4,760	4,760	3.15%	150	2,146	0	0	2,296
331.33	Mains - Steel, 10"-16"	101,582	101,582	101,582	1.78%	1,788	23,003	0	0	24,791
331.51	Mains - Copper & Brass, 4" & Under	10,109	10,109	10,109	12.48%	0	10,109	0	0	10,109
331.61	Mains - Plastic, 4" & Under	28,922	28,922	28,922	3.25%	940	11,248	0	0	12,188
331.71	Valves, 4" & Under	25,923	25,923	25,923	10.05%	2,605	22,715	0	0	25,320
331.72	Valves, 6"-8"	1,025,979	1,025,979	1,025,979	2.85%	30,268	293,214	0	0	333,482
331.73	Valves, 10"-14"	984,877	984,877	984,877	2.17%	21,372	222,234	0	0	243,606
331.75	Valves Boxes	248,838	248,838	248,838	3.13%	7,782	79,358	0	0	87,140
331.76	Blowoffs	34,971	34,971	34,971	4.13%	1,444	18,982	0	0	18,426
331.77	Reducing Valves	84,289	84,289	84,289	8.82%	5,570	62,122	0	0	67,701
331.78	Vaults	10,002	10,002	10,002	2.09%	209	1,988	0	0	2,197
331.80	Special Construction	238,438	238,438	238,438	2.59%	6,178	36,160	0	0	44,356
339.4	Other Plant & Misc. Equipment	20,967	20,967	20,967	2.00%	419	629	0	0	1,048
349.3	Instrumentation	0	0	0	6.67%	0	0	0	0	0
350.3	Wastewater Treatment Equipment	0	14,400	7,200	2.04%	147	0	0	0	147
<b>Total Account 331</b>		<b>\$18,471,929</b>	<b>\$18,585,598</b>	<b>\$18,528,784</b>	<b>1.77%</b>	<b>\$327,639</b>	<b>\$3,363,846</b>	<b>\$931</b>	<b>\$0</b>	<b>\$3,690,554</b>
333.10	Services - 6" - 8"	\$78,244	\$78,244	\$78,244	4.83%	\$3,779	\$11,102	\$0	\$0	\$14,881
333.20	Services - Other	2,332,381	2,337,381	2,334,881	5.24%	122,348	1,357,997	0	0	1,479,445
<b>Total Account 333</b>		<b>\$2,410,625</b>	<b>\$2,415,625</b>	<b>\$2,413,125</b>	<b>5.23%</b>	<b>\$126,127</b>	<b>\$1,368,199</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,494,326</b>
334.4	Meters	\$2,540,399	\$2,559,540	\$2,549,970	8.00%	\$203,998	\$1,654,404	\$10,584	\$458	\$1,848,276
335.4	Fire Hydrants	1,078,135	1,078,135	1,078,135	2.15%	23,180	257,075	0	0	280,255
340.10	Office Furniture	\$84,840	\$84,840	\$84,840	7.12%	\$4,817	\$59,306	\$0	\$0	\$63,923
340.20	Office Equipment	41,456	70,458	55,956	2.43%	10,268	20,532	0	0	30,798
340.30	Office Equipment - Computers	203,166	203,166	203,166	8.64%	17,854	179,561	0	0	197,415
<b>Total Account 340</b>		<b>\$309,462</b>	<b>\$338,462</b>	<b>\$322,962</b>	<b>10.01%</b>	<b>\$32,436</b>	<b>\$259,389</b>	<b>\$0</b>	<b>\$0</b>	<b>\$291,825</b>
341.5	Transportation Equipment	\$486,532	\$568,378	\$528,455	20.00%	\$13,543	\$418,028	\$20,153	\$0	\$411,418
342.5	Stores Equipment	8,856	8,856	8,856	2.86%	253	3,112	0	0	3,365
343.5	Tools, Shop & Work Equipment	195,294	231,294	213,294	0.98%	2,090	120,768	0	0	122,858
344.5	Laboratory Equipment	47,353	47,353	47,353	0.80%	379	44,061	0	0	44,440
345.5	Power Operated Equipment	346,976	418,978	381,978	8.55%	25,019	158,412	0	0	183,431
346.5	Communication Equipment	182,813	182,813	182,813	5.23%	10,110	125,481	0	0	135,591
347.5	Miscellaneous Equipment	133,148	133,148	133,148	6.29%	8,375	68,302	0	0	76,677
348.1	WTP & Pump Station Security	307,243	486,443	396,843	6.87%	28,489	10,247	0	0	38,736
348.2	Distribution System Mapping	44,486	44,486	44,486	5.00%	2,224	1,112	0	0	3,336
348.8	Main Office Security	17,879	17,879	17,879	6.57%	1,193	596	0	0	1,789
<b>Total Depreciable Plant</b>		<b>\$38,613,850</b>	<b>\$37,858,006</b>	<b>\$37,235,928</b>	<b>2.93%</b>	<b>\$1,092,544</b>	<b>\$10,831,382</b>	<b>\$31,668</b>	<b>\$458</b>	<b>\$11,891,727</b>
<b>Non-Depreciable Plant:</b>										
301.1	Organization	\$300	\$300	\$300						
302.1	Franchises & Consents	368,160	368,160	368,160						
303.2	Power & Pumping Land	47,582	47,582	47,582						
303.4	Trans. & Distr. Land	341,623	341,623	341,623						
303.5	General Land	4,000	4,000	4,000						
<b>Total Non-Depreciable Plant</b>		<b>\$759,645</b>	<b>\$759,645</b>	<b>\$759,645</b>						
<b>Total Plant in Service</b>		<b>\$39,373,495</b>	<b>\$38,617,651</b>	<b>\$37,995,573</b>						

The Columbia Water Company  
Manetta Gravity Division

Calculation of 2017 Annual Depreciation Expense  
and the Depreciation Reserve at December 31, 2017

ACCT #	OLD ACCT #	Acct. No.	Year Installed	Plant in Service 12/31/2018	Plant in Service 12/31/2017	Average Plant in Service	Annual Rate	Depreciation Reserve 12/31/2018	2017 Annual Depreciation	2017 Retirements	2017 Salvage	Depreciation Reserve 12/31/2017
<b>Non-Depreciable Plant: Non-Depreciable Plant:</b>												
	301	301.1		\$608.38	\$608.38	\$608.38		\$0.00	\$0.00			\$0.00
		301.1		10,341.14	10,341.14	10,341.14		10,341.14	0.00			10,341.14
		301.1		1,843.48	1,843.48	1,843.48		0.00	0.00			0.00
				\$12,793.00	\$12,793.00	\$12,793.00		\$10,341.14	\$0.00	\$0.00	\$0.00	\$10,341.14
	303	338.1		\$1,202.47	\$1,202.47	\$1,202.47		\$0.00	\$0.00			\$0.00
		303.2		\$1,557.65	\$1,557.65	\$1,557.65		\$0.00	\$0.00			\$0.00
		303.2		6,028.70	6,028.70	6,028.70		6,028.70	0.00	0.00	0.00	6,028.70
		303.2		61,845.50	61,845.50	61,845.50		0.00	0.00			0.00
				\$69,232.85	\$69,232.85	\$69,232.85		\$6,028.70	\$0.00	\$0.00	\$0.00	\$6,028.70
	311.8	303.5		\$10,077.58	\$10,077.58	\$10,077.58		\$0.00	\$0.00			\$0.00
				\$93,305.90	\$93,305.90	\$93,305.90		\$18,370.84	\$0.00	\$0.00	\$0.00	\$18,370.84
				\$593,659.60	\$593,659.60	\$603,659.60	0.0250	\$288,838.61	\$14,841.49			\$311,681.10
		304.4		1,618,078.63	1,618,078.63	1,618,078.63	0.0142	459,540.81	22,976.73			482,528.54
		304.4		282,828.15	282,828.15	282,828.15	0.0142	80,288.48	4,013.29			84,281.76
		304.4		56,405.83	56,405.83	56,405.83	0.0142	18,218.77	800.98			19,019.75
		304.4		21,747.35	21,747.35	21,747.35	0.0142	5,588.76	308.61			5,887.59
		304.4		0.00	290,000.00	145,000.00	0.0667	0.00	9,671.50			9,671.50
				\$2,572,518.56	\$2,802,518.59	\$2,717,518.56		\$857,435.43	\$52,012.78	\$0.00	\$0.00	\$910,048.21
		307.2	2002	\$54,392.65	\$54,392.65	\$54,392.65		\$4,392.65	\$0.00			\$4,392.65
		307.2		118,408.89	118,408.89	118,408.89	0.0500	88,608.04	5,920.34			94,729.38
				\$172,799.64	\$172,799.64	\$172,799.64		\$143,201.89	\$5,920.34	\$0.00	\$0.00	\$148,122.03
		308.2		\$9,208.79	\$9,208.79	\$9,208.79		\$9,208.79	\$0.00			\$9,208.79
		308.2		33,673.39	33,673.39	33,673.39		33,673.39	0.00			33,673.39
				\$43,082.18	\$43,082.18	\$43,082.18		\$43,082.18	\$0.00	\$0.00	\$0.00	\$43,082.18
				\$312,13	\$312,13	\$312,13		\$54,392.65	\$5,920.34	\$0.00	\$0.00	\$60,313.03
				\$172,799.64	\$172,799.64	\$172,799.64		\$143,201.89	\$5,920.34	\$0.00	\$0.00	\$148,122.03
				\$9,208.79	\$9,208.79	\$9,208.79		\$9,208.79	\$0.00			\$9,208.79
				33,673.39	33,673.39	33,673.39		33,673.39	0.00			33,673.39
				\$43,082.18	\$43,082.18	\$43,082.18		\$43,082.18	\$0.00	\$0.00	\$0.00	\$43,082.18

The Columbia Water Company  
Marlette Gravity Division

Calculation of 2017 Annual Depreciation Expense  
and the Depreciation Reserve at December 31, 2017

OLD ACCT #	Acct. No	Year Installed	Plant in Service 12/31/2018	Plant in Service 12/31/2017	Average Plant in Service	Annual Rate	Depreciation Reserve 12/31/2018	2017 Annual Depreciation	2017 Depreciation Reirements	2017 Savings	Depreciation Reserve 12/31/2017
316	311.4		\$40,489.73	\$40,489.73	\$40,489.73	0.0250	\$40,489.73	\$0.00			\$40,489.73
316	311.4		53,686.00	53,686.00	53,686.00	0.0250	1,342.13	1,342.13			38,922.86
316	311.4		17,989.49	17,989.49	17,989.49	0.0250	12,143.27	449.74			12,593.53
316	311.4		3,682.27	3,682.27	3,682.27	0.0250	2,359.30	69.56			11,500.00
316	311.4		11,500.00	11,500.00	11,500.00	0.0500	11,500.00				8,656.02
316	311.4		6,656.02	6,656.02	6,656.02	0.0500	6,656.02				8,691.35
316	311.4		9,991.35	9,991.35	9,991.35	0.0500	12,000.45				12,730.45
316	311.4		13,400.00	13,400.00	13,400.00	0.0500	41,440.84				43,678.23
316	311.4	2003	48,751.75	48,751.75	48,751.75	0.0500	6,643.74	474.53			7,118.27
316	311.4	2004	9,490.87	9,490.87	9,490.87	0.0500	4,672.07	351.68			4,923.75
316	311.4	2010	7,033.80	7,033.80	7,033.80	0.0500	5,595.07	799.22			6,394.29
316	311.4	2011	15,984.45	15,984.45	15,984.45	0.0500	2,024.86	337.44			2,362.30
316	311.4	2013	6,748.72	6,748.72	6,748.72	0.0500	9,218.13	2,633.75			11,851.88
			\$207,698.05	\$207,698.05	\$207,698.05	0.0500	\$201,954.16	\$9,666.84	\$0.00	\$0.00	\$211,539.80
320	320.3		\$842.00	\$842.00	\$842.00	0.0142	\$942.00	\$0.00			\$642.00
320	320.3		10,781.30	10,781.30	10,781.30	0.0142	10,781.30	0.00			10,781.30
320	320.3	2004	14,871.56	14,871.56	14,871.56	0.0500	9,607.03	743.66			10,410.81
320	320.3	2005	137,609.70	137,609.70	137,609.70	0.0500	82,570.40	8,890.49			89,460.89
320	320.3	2006	6,187.38	6,187.38	6,187.38	0.0500	3,403.27	300.37			3,712.84
			\$212,022.62	\$212,022.62	\$212,022.62	0.0500	\$116,377.36	\$9,528.96	\$0.00	\$0.00	\$126,906.24
322	331.4		\$129,550.09	\$129,550.09	\$129,550.09	0.0142	\$129,550.09				\$129,550.09
322	331.4		133,457.21	133,457.21	133,457.21	0.0142	48,484.63	1,879.48			48,135.31
322	331.4		96,184.87	96,184.87	96,184.87	0.0142	35,504.94	1,365.64			36,870.48
322	331.4		30,594.62	30,594.62	30,594.62	0.0142	10,861.29	434.44			11,295.73
322	331.4		20,804.84	20,804.84	20,804.84	0.0142	7,090.81	266.43			7,355.64
322	331.4		42,850.03	42,850.03	42,850.03	0.0142	13,986.21	808.47			14,803.88
322	331.4		21,478.09	21,478.09	21,478.09	0.0142	6,709.33	304.86			7,014.29
322	331.4		28,576.50	28,576.50	28,576.50	0.0142	8,621.89	405.78			8,927.85
322	331.4		45,760.81	45,760.81	45,760.81	0.0142	12,348.64	649.80			12,998.44
322	331.4		95,672.66	95,672.66	95,672.66	0.0142	24,429.26	1,357.13			25,786.39
322	331.4	2005	83,982.32	83,982.32	83,982.32	0.0142	18,017.18	1,334.69			17,351.85
322	331.4	2007	6,000.00	6,000.00	6,000.00	0.0142	25,163.58	2,287.46			27,451.04
322	331.4	2009	88,554.26	88,554.26	88,554.26	0.0142	12,551.42	71.00			13,945.92
322	331.4	2011	0.00	0.00	0.00	0.0142	7,786.40	973.47			8,761.87
322	331.4	2012	2,272.52	2,272.52	2,272.52	0.0142	-17,010.74	0.00			-17,010.74
322	331.4	2013	23,517.22	23,517.22	23,517.22	0.0142	132.97	32.27			168.24
322	331.4	2015	489,882.73	489,882.73	489,882.73	0.0142	1,668.78	333.94			1,602.73
322	331.4	2016	62,006.11	62,006.11	62,006.11	0.0142	10,004.24	6,668.49			16,673.73
322	331.4	2017	0.00	0.00	0.00	0.0142	440.24	880.48			1,320.73
			\$1,826,126.81	\$1,826,126.81	\$1,740,076.31	0.0142	\$354,450.07	\$2,877.98	\$2,199.00	\$0.00	\$375,109.05
323	333.4		\$22,750.32	\$22,750.32	\$22,750.32	0.0140	\$16,366.86	\$318.50			\$16,675.36
323	333.4	2006	2,057.39	2,057.39	2,057.39	0.0140	269.22	28.80			2,988.02
323	333.4	2012	165.88	165.88	165.88	0.0140	9.56	2.32			11.88
323	333.4	2013	4,756.84	4,756.84	4,756.84	0.0140	233.07	66.59			299.66
323	333.4	2015	11,857.31	11,857.31	11,857.31	0.0140	249.00	166.00			415.00
323	333.4	2016	10,151.18	10,151.18	10,151.18	0.0140	71.08	142.12			213.18
			\$51,738.72	\$51,738.72	\$51,738.72	0.0140	\$17,178.77	\$724.33	\$0.00	\$0.00	\$17,903.10

The Columbia Water Company  
Merietta Gravity Division

Calculation of 2017 Annual Depreciation Expense  
and the Depreciation Reserve at December 31, 2017

OLD ACCT #	Accl. No.	Year Installed	Plant In Service 12/31/2016	Plant In Service 12/31/2017	Average Plant In Service	Annual Rate	2017 Annual Depreciation	2017 Depreciation Reserve	2017 Annual Depreciation	2017 Depreciation Reserve
324	334.4		\$14,898.95	\$14,898.95	\$14,898.95	0.0500	\$0.00	\$14,898.95	\$0.00	\$14,898.95
324	334.4		7,173.89	7,173.89	7,173.89	0.00	0.00	7,173.89	0.00	7,173.89
324	334.4		3,147.55	3,147.55	3,147.55	0.00	0.00	3,147.55	0.00	3,147.55
324	334.4		8,818.07	8,818.07	8,818.07	0.00	0.00	8,818.07	0.00	8,818.07
324	334.4		31,827.08	31,827.08	31,827.08	0.00	0.00	31,827.08	0.00	31,827.08
324	334.4		6,954.82	6,954.82	6,954.82	0.00	0.00	6,954.82	0.00	6,954.82
324	334.4		3,909.83	3,909.83	3,909.83	0.00	0.00	3,909.83	0.00	3,909.83
324	334.4		2,038.38	2,038.38	2,038.38	0.00	0.00	2,038.38	0.00	2,038.38
324	334.4		4,947.45	4,947.45	4,947.45	0.0500	0.00	4,947.45	0.00	4,947.45
324	334.4		3,076.81	3,076.81	3,076.81	0.0500	0.00	3,076.81	0.00	3,076.81
324	334.4		3,369.88	3,369.88	3,369.88	0.0500	0.00	3,369.88	0.00	3,369.88
324	334.4		1,660.75	1,660.75	1,660.75	0.0500	0.00	1,660.75	0.00	1,660.75
324	334.4		2,228.66	2,228.66	2,228.66	0.0500	0.00	2,228.66	0.00	2,228.66
324	334.4	2002	1,388.55	1,388.55	1,388.55	0.0500	0.00	1,388.55	0.00	1,388.55
324	334.4	2003	6,930.70	6,930.70	6,930.70	0.0500	0.00	6,930.70	0.00	6,930.70
324	334.4	2004	2,648.44	2,648.44	2,648.44	0.0500	0.00	2,648.44	0.00	2,648.44
324	334.4	2005	3,260.70	3,260.70	3,260.70	0.0500	0.00	3,260.70	0.00	3,260.70
324	334.4	2006	6,082.33	6,082.33	6,082.33	0.0500	0.00	6,082.33	0.00	6,082.33
324	334.4	2007	12,742.32	12,742.32	12,742.32	0.0500	0.00	12,742.32	0.00	12,742.32
324	334.4	2008	8,169.47	8,169.47	8,169.47	0.0500	0.00	8,169.47	0.00	8,169.47
324	334.4	2009	5,182.71	5,182.71	5,182.71	0.0500	0.00	5,182.71	0.00	5,182.71
324	334.4	2010	2,825.15	2,825.15	2,825.15	0.0500	0.00	2,825.15	0.00	2,825.15
324	334.4	2011	4,777.41	4,777.41	4,777.41	0.0500	0.00	4,777.41	0.00	4,777.41
324	334.4	2012	3,670.17	3,670.17	3,670.17	0.0500	0.00	3,670.17	0.00	3,670.17
324	334.4	2013	65,017.40	65,017.40	65,017.40	0.0500	0.00	65,017.40	0.00	65,017.40
324	334.4	2014	89,423.62	89,423.62	89,423.62	0.0500	0.00	89,423.62	0.00	89,423.62
324	334.4	2015	100,360.24	100,360.24	100,360.24	0.0500	0.00	100,360.24	0.00	100,360.24
324	334.4	2016	89,743.58	89,743.58	89,743.58	0.0500	0.00	89,743.58	0.00	89,743.58
324	334.4	2017	0.00	0.00	0.00	0.0500	0.00	0.00	0.00	0.00
Total 334.2			\$477,441.29	\$507,946.28	\$492,665.29			\$162,884.35	\$8,382.00	\$167,576.18
FIRE HYDRANTS			\$15,016.93	\$15,016.93	\$15,016.93			\$0.00	\$0.00	\$15,016.93
FIRE HYDRANTS			31,140.79	31,140.79	31,140.79	0.0260		7,894.29	778.52	8,382.81
FIRE HYDRANTS			1,825.00	1,825.00	1,825.00	0.0260		469.30	40.63	406.32
FIRE HYDRANTS			1,217.01	1,217.01	1,217.01	0.0260		313.46	30.43	273.89
FIRE HYDRANTS			4,053.95	4,053.95	4,053.95	0.0260		1,053.95	101.35	810.87
FIRE HYDRANTS			7,837.08	7,837.08	7,837.08	0.0260		2,037.64	190.93	977.87
FIRE HYDRANTS			4,680.28	4,680.28	4,680.28	0.0250		1,170.07	114.61	518.29
FIRE HYDRANTS			12,098.57	12,098.57	12,098.57	0.0250		3,024.64	302.41	265.09
FIRE HYDRANTS			7,356.74	7,356.74	7,356.74	0.0250		1,839.19	183.92	275.88
Total 335.4			\$84,724.33	\$84,724.33	\$84,724.33			\$29,873.09	\$0.00	\$27,415.79





The Columbia Water Company

**Development of the Annual Depreciation Expense  
at  
December 31, 2016 and December 31, 2017**

	<u>Fiscal Years</u>	
	2016	2017
Utility Plant In Service		
Columbia Water Company Utility Plant In Service (Net of Pennvest Plant)	\$1,043,662	\$1,092,544
Marietta Division Utility Plant In Service	112,583	129,388
Less:		
Contributions In Aid of Construction Columbia Water	240,287	240,287
Marietta Division	7,315	7,315
Total Annual Depreciation Expense	<u>\$908,643</u>	<u>\$974,330</u>
Book Annual Depreciation at December 31, 2016	\$1,303,294	
Annual Depreciation Anticipated at Present Rates at December 31, 2017	974,331	
Adjustment at Present Rates	(\$328,963)	

The Columbia Water Company

Calculation of 2017 Annual Depreciation Expense  
and the Depreciation Reserve at December 31, 2017  
*Contributions In Aid of Construction*

Acct. No.	Account Detail	Plant in Service 12/31/2016	Plant in Service 12/31/2017	Average	Annual Rate	2016 Annual Depreciation	Depreciation Reserve 12/31/2016	2016 Retirements	Depreciation Reserve 12/31/2017 ((g) + (h) - (i))
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<b>Depreciable Plant:</b>									
304.4	Trans. & Distr - Structures & Impr.	\$1,835	\$1,835	\$1,835	3.55%	\$65	\$980	\$0	\$1,045
331.12	Mains - CI & DI, 6"-8"	8,723,206	8,723,206	8,723,206	1.67%	145,678	2,525,820	0	2,671,498
331.13	Mains - CI & DI, 10"-16"	441,092	441,092	441,092	1.38%	6,087	54,116	0	60,203
333.20	Services - Other	1,010,371	1,010,371	1,010,371	5.24%	52,943	725,447	0	778,390
334.4	Meters	400,559	400,559	400,559	8.00%	32,045	406,257	0	438,302
335.4	Fire Hydrants	161,348	161,348	161,348	2.15%	3,469	61,954	0	65,423
<b>Total Depreciable Plant</b>		<b>\$10,738,411</b>	<b>\$10,738,411</b>	<b>\$10,738,411</b>	<b>2.24%</b>	<b>\$240,287</b>	<b>\$3,774,574</b>	<b>\$0</b>	<b>\$4,014,861</b>

The Columbia Water Company - Marietta Gravity Water Division

Calculation of 2017 Annual Depreciation Expense  
and the Depreciation Reserve at December 31, 2017  
Contributions in Aid of Construction

Acct. No.	Account Detail	Plant in Service 12/31/2016	Plant in Service 12/31/2017	Average	Annual Rate	2016 Annual Depreciation	Depreciation Reserve 12/31/2016	2016 Retirements	Depreciation Reserve 12/31/2017 (g) + (h) - (i)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<b>Depreciable Plant:</b>									
304.4	Trans. & Distr. - Structures & Impr.	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
331.12	Mains - CI & DI, 6"-8"	\$15,122	\$15,122	\$15,122	1.42%	7,315	12,281	0	\$19,596
331.13	Mains - CI & DI, 10"-16"	0	0	0	0.00%	0	0	0	0
333.20	Services - Other	0	0	0	0.00%	0	0	0	0
334.4	Meters	0	0	0	8.00%	0	0	0	0
335.4	Fire Hydrants	0	0	0	0.00%	0	0	0	0
<b>Total Depreciable Plant</b>		<b>\$15,122</b>	<b>\$15,122</b>	<b>\$15,122</b>	<b>1.42%</b>	<b>\$7,315</b>	<b>\$12,281</b>	<b>\$0</b>	<b>\$19,596</b>

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Regulatory Assessments**

Revenues at Present Rates (Going-Level)		\$5,188,830
Assessment Factors:		
PA. P.U.C.	0.004398092304	\$22,821
Consumer Advocate	0.000671478022	3,484
Small Business Advocate	0.000078998984	410
		-----
Regulatory Assessments at Present Rates (Going-Level)		\$26,715
Regulatory Assessments (Per Books)		29,115
		-----
Regulatory Assessments Adjustment		(\$2,400)
		=====

The Columbia Water Company  
Consolidated Columbia and Marietta Divisions  
Income Tax Calculations  
Year Ended December 31, 2016 at Present Rates

	<u>PA</u>	<u>FEDERAL</u>
OPERATING REVENUES	\$5,188,830	\$5,188,830
OPERATING EXPENSES	(3,202,055)	(3,202,055)
DEPRECIATION EXPENSE	(1,221,932)	(1,221,932)
AMORTIZATION EXPENSE	-	-
REGULATORY ASSESSMENTS	(26,715)	(26,715)
PAYROLL TAXES	(102,470)	(102,470)
PA CAPITAL STOCK TAX	-	-
PUBLIC UTILITY REALTY TAX	(72,071)	(72,071)
PROPERTY TAXES	(2,794)	(2,794)
STATE CORPORATE LOAN TAX	-	-
	<hr/>	<hr/>
SUBTOTAL NET OPERATING INCOME BEFORE INCOME TAXES	\$560,793	\$560,793
NON-OPERATING INCOME & EXPENSES:		
MERCHANDISING SALES & JOBBING WORK (NET)	10,300	10,300
INTEREST & DIVIDEND INCOME	1,449	1,449
NON-UTILITY	10,108	10,108
MISCELLANEOUS NON-UTILITY EXPENSES	(18,028)	(18,028)
INTEREST EXPENSE	(360,910)	(360,910)
	<hr/>	<hr/>
NET INCOME BEFORE INCOME TAXES	\$203,712	\$203,712
Add:		
Accretion of Deferred Credit (Reduces Book Depreciation)	229,000	229,000
Deduct: Qualified Domestic Production		\$0
Sub-Total	432,712	432,712
LESS:		
DEPRECIATION - EXCESS		
	PA	FED
TAX	\$1,576,000	\$2,018,000
BOOK	<u>1,221,932</u>	<u>1,221,932</u>
	<u>\$354,068</u>	<u>\$796,068</u>
	<hr/>	<hr/>
Taxable Income	78,644	(363,356)
PA CNI	9.99%	\$7,857
Federal Tax	34%	(\$126,212)
Federal Income Tax Liability		\$0

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Cost of Capital and Fair Rate of Return**  
**Pro Forma at December 31, 2017**

<u>Type of Capital:</u>	<u>Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Debt	41.73%	4.49%	1.87%
Common Equity	58.27%	11.30%	6.58%
	-----		-----
Total Capital	100.00%		8.45%
	=====		=====

Witness Providing the Support for the Overall Rate of Return Calculation:

Dylan W. D'Ascendis, Director  
**scottmadden Management Consultants**  
1900 West Park Drive Suite 250  
Westborough, MA 01581

**The Columbia Water Company**  
**Consolidated Columbia and Marietta Divisions**  
**Regulatory Assessments**

Revenues at Proposed Rates		\$6,112,498
Assessment Factors:		
PA. P.U.C.	0.004398092304	\$26,883
Consumer Advocate	0.000671478022	4,104
Small Business Advocate	0.000078998984	483
		<hr/>
Regulatory Assessments at Proposed Rates		\$31,470
Regulatory Assessments at Present Rates (Going-Level)		26,715
		<hr/>
Regulatory Assessments Adjustment		\$4,755
		=====



The Columbia Water Company  
Consolidated Columbia and Marietta Divisions  
Income Tax Calculations  
Year Ended December 31, 2017 at Proposed Rates

	<u>PA</u>	<u>FEDERAL</u>
OPERATING REVENUES	\$6,112,498	\$6,112,498
OPERATING EXPENSES	(3,202,055)	(3,202,055)
DEPRECIATION EXPENSE	(1,221,932)	(1,221,932)
AMORTIZATION EXPENSE	-	-
REGULATORY ASSESSMENTS	(31,470)	(31,470)
PAYROLL TAXES	(102,470)	(102,470)
PA CAPITAL STOCK TAX	-	-
PUBLIC UTILITY REALTY TAX	(72,071)	(72,071)
PROPERTY TAXES	(2,794)	(2,794)
STATE CORPORATE LOAN TAX	-	-
	<u>          </u>	<u>          </u>
SUBTOTAL NET OPERATING INCOME BEFORE INCOME TAXES	\$1,479,706	\$1,479,706
NON-OPERATING INCOME & EXPENSES		
MERCHANDISING SALES & JOBBING WORK (NET)	10,300	10,300
INTEREST & DIVIDEND INCOME	1,449	1,449
NON-UTILITY	10,108	10,108
MISCELLANEOUS NON-UTILITY EXPENSES	(18,028)	(18,028)
INTEREST EXPENSE	(360,910)	(360,910)
	<u>          </u>	<u>          </u>
NET INCOME BEFORE INCOME TAXES	\$1,122,625	\$1,122,625
LESS:		
ACCREATION OF DEFERRED CREDIT	229,000	229,000
	<u>          </u>	<u>          </u>
Sub-Total	\$1,351,625	\$1,351,625
LESS:		
DEPRECIATION - EXCESS		
	PA	FED
TAX	\$1,576,000	\$2,018,000
BOOK	1,221,932	1,221,932
	<u>          </u>	<u>          </u>
	\$354,068	\$796,068
	<u>          </u>	<u>          </u>
Taxable Income	\$997,557	\$555,557
	PA CNI	9.99%
	\$99,656	(99,656)
	Fed tax	34.00%
		\$155,006
Federal Income Tax Liability		\$0

The Company will not have a federal income tax liability for the next three (3) years due to tax loss carry-forwards.

The Columbia Water Company  
Consolidated Columbia and Marietta Divisions  
Water Sales Revenues at Proposed Rates

<u>Residential:</u>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	113,628	\$10.59	\$1,203,320.52
3/4"	480	\$15.91	7,636.80
1"	756	\$26.52	20,049.12
1 1/2"	36	\$53.03	1,909.08
2"	144	\$84.84	12,216.96
	115,044		<hr/>
Total Customer Charges			\$1,245,132.48
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	408,564.4	\$7.32	\$2,991,826.59
Step 2	18,189.3	\$2.82	51,344.49
Step 3	11,060.3	\$1.98	21,930.01
	437,814.0		<hr/>
Total Output Charges			\$3,065,101.09
			<hr/>
Total Residential Revenue			\$4,310,233.57

<u>Commercial:</u>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	2,820	\$10.59	\$29,863.80
3/4"	444	\$15.91	7,064.04
1"	876	\$26.52	23,231.52
1 1/2"	636	\$53.03	33,727.08
2"	1,164	\$84.84	98,753.76
3"	84	\$159.03	13,358.52
4"	84	\$265.05	22,264.20
8"	12	\$848.18	10,178.16
	6,120		<hr/>
Total Customer Charges			\$238,441.08
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	43,827.0	\$7.32	\$320,935.52
Step 2	99,454.1	\$2.82	280,736.94
Step 3	50,084.9	\$1.98	99,306.82
	193,366.0		<hr/>
Total Output Charges			\$700,979.27
			<hr/>
Total Commercial Revenue			\$939,420.35

The Columbia Water Company  
Consolidated Columbia and Marietta Divisions  
Water Sales Revenues at Proposed Rates

<b>Industrial:</b>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	120	\$10.59	\$1,270.80
1"	84	\$26.52	2,227.68
1 1/2"	36	\$53.03	1,909.08
2"	96	\$84.84	8,144.64
3"	12	\$159.03	1,908.36
4"	60	\$265.05	15,903.00
6"	24	\$530.12	12,722.88
	432		
<b>Total Customer Charges</b>			<b>\$44,086.44</b>
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	2,232.8	\$7.32	\$16,350.30
Step 2	11,245.8	\$2.82	31,744.41
Step 3	113,590.0	\$1.98	225,222.84
	127,068.6		
<b>Total Output Charges</b>			<b>\$273,317.55</b>
<b>Total Industrial Revenue</b>			<b>\$317,403.99</b>

<b>Public:</b>	Number		
Customer Charges:	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
5/8"	84	\$10.59	\$889.56
3/4"	12	\$15.91	\$190.92
1"	96	\$26.52	2,545.92
1 1/2"	72	\$53.03	3,818.16
2"	120	\$84.84	10,180.80
3"	24	\$159.03	3,816.72
4"	36	\$265.05	9,541.80
	444		
<b>Total Customer Charges</b>			<b>\$30,983.88</b>
	Thousand		
Output Charges:	<u>Gallons</u>	<u>Rate</u>	
Step 1	2,547.0	\$7.32	\$18,651.39
Step 2	6,971.0	\$2.82	19,677.49
Step 3	0.0	\$1.98	0.00
	9,518.0		
<b>Total Output Charges</b>			<b>\$38,328.88</b>
<b>Total Public Revenue</b>			<b>\$69,312.76</b>

The Columbia Water Company  
Consolidated Columbia and Marietta Divisions  
Water Sales Revenues at Proposed Rates

<u>Fire Protection:</u>	No. of <u>Units</u>	Quarterly <u>Rate</u>	
Public Fire Hydrants	416	\$50.00	\$20,800.00
Public Fire Hydrants	2,770	\$98.03	271,550.03
Private Fire Hydrants	84	\$98.03	8,234.73
Private - 2" Connection	56	\$117.64	6,587.70
Private - 4" Connection	44	\$176.48	7,765.12
Private - 6" Connection	156	\$352.93	55,056.69
Private - 8" Connection	52	\$628.35	32,674.07
	3,578		<hr/>
Total Fire Protection			\$402,668.34

**Other Revenue:**

Revenue / Sale of Water Billings	\$4,134.00
Sales of Bulk Water	6,166.00
Late Fees	13,160.00
Turn On Fees	2,970.00
Rents from Water Property	47,029.00
	<hr/>
Total Annual Revenue Requirements	<b>\$6,112,498.01</b>
	=====
Revenues Net of Other Revenues	<b>\$6,039,039.01</b>
	=====

Columbia Water Company  
220 Locust Street  
P.O. Box 350  
Columbia, PA 17512  
(717) 684-2188

12/31/2016  
Pennvest Surcharge Reconciliation  
Using Both the Columbia and Marietta Divisions

Surcharge Calculation

$PVS = PI/EDU's/12 \text{ months}$

PVS = Prospective Pennvest Monthly Surcharge per EDU  
PI = Annual Principal and Interest per Pennvest Loan  
EDU's = Current Equivalent Dwelling Units as determined from  
the Company's Billing Records

Annual Debt Service in 2017 = \$1,018,576.92

EDU Count on 12/31/2016 for combined Columbia & Marietta Div. = 12,211

$PVS = \$1,018,576.92 / 12,211 / 12$   
 $PVS = \$6.95 / EDU / Month$

Columbia Water Company  
220 Locust Street  
P.O. Box 350  
Columbia, PA 17512  
(717) 684-2188

12/31/2016  
Pennvest Surcharge Reconciliation

EDU Calculation with Both Divisions

Customer Classification	Number of Customers	AWWA Meter Equivalencies	Number of EDUs
<b>Residential</b>			
5/8"	9,422	1	9422
3/4"	40	1.5	60
1"	63	2.5	157.5
1 1/2"	3	5	15
2"	12	8	96
<b>Total</b>	<b>9,540</b>		<b>9,751</b>
<b>Commercial</b>			
5/8"	234	1	234
3/4"	37	1.5	55.5
1"	72	2.5	180
1 1/2"	53	5	265
2"	97	8	776
3"	7	15	105
4"	7	25	175
8"	1	80	80
<b>Total</b>	<b>508</b>		<b>1,871</b>
<b>Industrial</b>			
5/8"	10	1	10
1"	7	2.5	17.5
1 1/2"	3	5	15
2"	8	8	64
3"	1	15	15
4"	5	25	125
6"	2	50	100
<b>Total</b>	<b>36</b>		<b>347</b>
<b>Public</b>			
5/8"	7	1	7
3/4"	1	1.5	1.5
1"	8	2.5	20
1 1/2"	6	5	30
2"	10	8	80
3"	2	15	30
4"	3	25	75
<b>Total</b>	<b>37</b>		<b>244</b>
<b>Total Customers:</b>	<b>10,121</b>	<b>Total EDUs:</b>	<b>12,211</b>

Columbia Water Company  
220 Locust Street  
P.O. Box 350  
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(717) 684-2188

2017  
Pennvest Surcharge Reconciliation

Annual Principal & Interest Calculation

<u>Month</u>	<u>Payment</u>
January	\$84,881.41
February	\$84,881.41
March	\$84,881.41
April	\$84,881.41
May	\$84,881.41
June	\$84,881.41
July	\$84,881.41
August	\$84,881.41
September	\$84,881.41
October	\$84,881.41
November	\$84,881.41
December	\$84,881.41
<b>TOTAL</b>	<b>\$1,018,576.92</b>

Commonwealth of Pennsylvania  
 Financial Accounting  
 Payment History & Amortization Schedule

Program: ZIP\_REPT\_LOAN\_PAYMENTS  
 Year: 20070105

Date Due	Total Payment	Interest	Principal	Projected Balance
Remaining Amortization				
11/01/2016	84,881.41	34,644.10	50,237.31	14,133,633.17
12/01/2016	84,881.41	34,521.40	50,360.01	14,083,273.16
<b>2016 Totals</b>	<b>169,762.82</b>	<b>69,165.50</b>	<b>100,597.32</b>	
01/01/2017	84,881.41	34,398.39	50,483.02	14,032,790.14
02/01/2017	84,881.41	34,275.09	50,606.32	13,982,183.82
03/01/2017	84,881.41	34,151.48	50,729.93	13,931,453.89
04/01/2017	84,881.41	34,027.58	50,853.83	13,880,600.06
05/01/2017	84,881.41	33,903.37	50,978.04	13,829,622.02
06/01/2017	84,881.41	33,778.05	51,102.56	13,778,519.46
07/01/2017	84,881.41	33,654.03	51,227.38	13,727,292.08
08/01/2017	84,881.41	33,530.91	51,352.50	13,675,939.58
09/01/2017	84,881.41	33,407.48	51,477.93	13,624,461.65
10/01/2017	84,881.41	33,277.75	51,603.66	13,572,857.99
11/01/2017	84,881.41	33,151.71	51,729.70	13,521,128.29
12/01/2017	84,881.41	33,025.36	51,856.05	13,469,272.24
<b>2017 Totals</b>	<b>1,018,576.52</b>	<b>404,576.00</b>	<b>614,000.52</b>	
01/01/2018	84,881.41	32,898.70	51,982.71	13,417,289.53
02/01/2018	84,881.41	32,771.73	52,109.68	13,365,179.85
03/01/2018	84,881.41	32,644.45	52,236.96	13,312,942.89



Program: ZF\_REPT\_LOAN\_PAYMENTS  
User: P00701045  
Commonwealth of Pennsylvania  
Financial Accounting  
Payment History & Amortization Schedule

Date	Total Payment	Interest	Principal	Projected Balance
<b>Remaining Amortization</b>				
04/01/2016	84,881.41	32,516.86	52,364.55	11,260,578.34
05/01/2016	84,881.41	32,308.95	52,492.45	13,208,085.89
06/01/2016	84,881.41	32,260.75	52,620.66	13,155,465.23
07/01/2016	84,881.41	32,132.23	52,749.19	13,102,716.04
08/01/2016	84,881.41	32,003.38	52,878.03	13,049,838.01
09/01/2016	84,881.41	31,874.23	53,007.18	12,996,830.83
10/01/2016	84,881.41	31,744.76	53,136.65	12,943,694.18
11/01/2016	84,881.41	31,614.97	53,266.44	12,890,427.74
12/01/2016	84,881.41	31,484.87	53,396.54	12,837,031.20
<b>2018 Totals</b>	<b>1,010,576.92</b>	<b>396,335.88</b>	<b>632,241.04</b>	
01/01/2019	84,881.41	31,354.45	53,526.96	12,783,504.24
02/01/2019	84,881.41	31,223.71	53,657.70	12,729,846.54
03/01/2019	84,881.41	31,092.65	53,788.76	12,676,057.78
04/01/2019	84,881.41	30,961.27	53,920.14	12,622,137.64
05/01/2019	84,881.41	30,829.57	54,051.84	12,568,085.80
06/01/2019	84,881.41	30,697.55	54,183.86	12,513,901.94
07/01/2019	84,881.41	30,565.21	54,316.20	12,459,585.74
08/01/2019	90,503.86	16,759.69	51,744.17	12,407,841.57
09/01/2019	90,503.86	16,598.73	51,905.13	12,355,936.44
10/01/2019	90,503.86	16,437.26	52,066.60	12,303,869.84
11/01/2019	90,503.86	16,275.29	52,228.57	12,251,641.27
12/01/2019	90,503.86	16,112.81	52,391.05	12,199,250.22
<b>2019 Totals</b>	<b>1,046,684.17</b>	<b>408,908.19</b>	<b>637,780.98</b>	
01/01/2020	90,503.86	16,050.83	52,554.03	12,146,696.19
02/01/2020	90,503.86	15,888.35	52,717.51	12,093,978.68
03/01/2020	90,503.86	15,725.35	52,881.51	12,041,097.17
04/01/2020	90,503.86	15,561.85	53,046.01	11,988,051.16
05/01/2020	90,503.86	15,397.89	53,211.03	11,934,840.13
06/01/2020	90,503.86	15,233.30	53,376.56	11,881,463.57
07/01/2020	90,503.86	15,068.12	53,542.61	11,827,920.96
08/01/2020	90,503.86	14,902.39	53,709.17	11,774,211.79
09/01/2020	90,503.86	14,736.13	53,876.25	11,720,335.54
10/01/2020	90,503.86	14,569.36	54,043.85	11,666,291.69
11/01/2020	90,503.86	14,402.09	54,211.97	11,612,079.72
12/01/2020	90,503.86	14,234.34	54,380.62	11,557,699.10
<b>2020 Totals</b>	<b>1,086,046.32</b>	<b>444,495.20</b>	<b>641,551.12</b>	

Program: ZF REPT LOAN PAYMENTS  
User : P00704045  
Commonwealth of Pennsylvania  
Finance of Accounting  
Payment History & Amortization Schedule

Date Due	Total Payment	Interest	Principal	Projected Balance
<b>Remaining Amortization</b>				
01/01/2021	90,503.86	35,954.00	54,549.76	11,503,149.32
02/01/2021	90,503.86	35,784.38	54,719.48	11,448,429.84
03/01/2021	90,503.86	35,614.16	54,889.70	11,393,540.14
04/01/2021	90,503.86	35,443.40	55,060.46	11,338,479.68
05/01/2021	90,503.86	35,272.12	55,231.74	11,283,247.94
06/01/2021	90,503.86	35,100.30	55,403.56	11,227,844.38
07/01/2021	90,503.86	34,927.95	55,575.91	11,172,268.47
08/01/2021	90,503.86	34,755.07	55,748.79	11,116,519.68
09/01/2021	90,503.86	34,581.64	55,922.22	11,060,597.46
10/01/2021	90,503.86	34,407.68	56,096.18	11,004,501.28
11/01/2021	90,503.86	34,233.17	56,270.69	10,948,230.59
12/01/2021	90,503.86	34,058.12	56,445.74	10,891,784.85
<b>2021 Totals</b>	<b>1,086,046.32</b>	<b>420,132.07</b>	<b>665,914.25</b>	
01/01/2022	90,503.86	33,882.53	56,621.33	10,835,163.52
02/01/2022	90,503.86	33,706.39	56,797.47	10,770,366.05
03/01/2022	90,503.86	33,529.70	56,974.16	10,721,391.89
04/01/2022	90,503.86	33,352.46	57,151.40	10,664,240.49
05/01/2022	90,503.86	33,174.67	57,329.19	10,606,911.30
06/01/2022	90,503.86	32,995.33	57,507.53	10,549,403.77
07/01/2022	90,503.86	32,814.44	57,686.42	10,491,717.35
08/01/2022	90,503.86	32,631.96	57,865.80	10,433,851.55
09/01/2022	90,503.86	32,447.97	58,045.89	10,375,805.66
10/01/2022	90,503.86	32,277.40	58,226.46	10,317,579.20
11/01/2022	90,503.86	32,096.27	58,407.59	10,259,171.61
12/01/2022	90,503.86	31,914.57	58,589.29	10,200,582.32
<b>2022 Totals</b>	<b>1,086,046.32</b>	<b>394,843.71</b>	<b>691,202.61</b>	
01/01/2023	90,503.86	31,732.31	58,771.55	10,141,810.77
02/01/2023	90,503.86	31,549.48	58,954.38	10,082,856.39
03/01/2023	90,503.86	31,366.09	59,137.77	10,023,718.62
04/01/2023	90,503.86	31,182.12	59,321.74	9,964,396.88
05/01/2023	90,503.86	30,997.58	59,506.28	9,904,890.60
06/01/2023	90,503.86	30,812.46	59,691.40	9,845,199.20
07/01/2023	90,503.86	30,626.77	59,877.09	9,785,322.11
08/01/2023	90,503.86	30,440.51	60,063.35	9,725,258.76
09/01/2023	90,503.86	30,253.66	60,250.20	9,665,008.56
10/01/2023	90,503.86	30,066.23	60,437.63	9,604,570.93
11/01/2023	90,503.86	29,878.22	60,625.64	9,543,945.29
12/01/2023	90,503.86	29,689.62	60,814.24	9,483,130.97
<b>2023 Totals</b>	<b>1,086,046.32</b>	<b>368,595.05</b>	<b>717,451.27</b>	

Program: ZP\_REPT\_LOAN\_PAYMENTS  
 User: P00701015  
 Commonwealth of Pennsylvania  
 Financial Accounting  
 Payment History & Amortization Schedule

Date Due	Total Payment	Interest	Principal	Projected Balance
<b>Remaining Amortization</b>				
01/01/2024	90,503.86	29,500.44	61,003.42	9,422,127.55
02/01/2024	90,503.86	29,330.67	61,173.19	9,360,914.16
03/01/2024	90,503.86	29,120.31	61,383.55	9,299,550.01
04/01/2024	90,503.86	26,929.35	63,574.51	9,237,976.3
05/01/2024	90,503.86	28,737.80	61,766.06	9,176,210.24
06/01/2024	90,503.86	28,545.66	61,958.20	9,114,252.04
07/01/2024	90,503.86	28,352.92	62,150.94	9,052,101.10
08/01/2024	90,503.86	28,159.58	62,344.28	8,989,756.82
09/01/2024	90,503.86	27,965.64	62,538.22	8,927,218.60
10/01/2024	90,503.86	27,771.09	62,732.77	8,864,485.83
11/01/2024	90,503.86	27,575.94	62,927.92	8,801,557.91
12/01/2024	90,503.86	27,380.18	63,123.68	8,738,434.23
<b>2024 Totals</b>	<b>1,086,046.32</b>	<b>341,349.58</b>	<b>744,696.74</b>	
01/01/2025	90,503.86	27,183.81	63,320.05	8,675,114.18
02/01/2025	90,503.86	26,986.81	63,517.03	8,611,597.15
03/01/2025	90,503.86	26,789.24	63,714.62	8,547,882.53
04/01/2025	90,503.86	26,591.04	63,912.82	8,483,969.71
05/01/2025	90,503.86	26,392.22	64,111.64	8,419,858.07
06/01/2025	90,503.86	26,192.78	64,311.08	8,355,546.99
07/01/2025	90,503.86	25,992.71	64,511.15	8,291,035.84
08/01/2025	90,503.86	25,792.03	64,711.83	8,226,324.01
09/01/2025	90,503.86	25,590.72	64,913.14	8,161,410.07
10/01/2025	90,503.86	25,388.79	65,115.07	8,096,295.80
11/01/2025	90,503.86	25,186.23	65,317.63	8,030,978.17
12/01/2025	90,503.86	24,983.03	65,520.83	7,965,457.34
<b>2025 Totals</b>	<b>1,086,046.32</b>	<b>111,069.43</b>	<b>772,976.89</b>	
01/01/2026	90,503.86	24,779.21	65,724.65	7,899,732.65
02/01/2026	90,503.86	24,574.75	65,929.11	7,833,803.58
03/01/2026	90,503.86	24,369.66	66,134.20	7,767,669.38
04/01/2026	90,503.86	24,163.92	66,339.94	7,701,329.44
05/01/2026	90,503.86	23,957.55	66,546.31	7,634,783.13
06/01/2026	90,503.86	23,750.54	66,751.32	7,568,029.81
07/01/2026	90,503.86	23,542.88	66,956.98	7,501,068.93
08/01/2026	90,503.86	23,334.57	67,162.29	7,433,899.54
09/01/2026	90,503.86	23,125.63	67,367.24	7,366,521.30
10/01/2026	90,503.86	22,916.02	67,571.84	7,298,933.46
11/01/2026	90,503.86	22,705.77	67,776.09	7,231,135.37
12/01/2026	90,503.86	22,494.86	67,980.00	7,163,126.37
<b>2026 Totals</b>	<b>1,086,046.32</b>	<b>281,715.35</b>	<b>804,330.97</b>	

Program: CP\_RRFT\_LOAN\_PAYMENTS  
User: P00704045  
Commonwealth of Pennsylvania  
Financial Accounting  
Payment History & Amortization Schedule

Date Due	Total Payment	Interest	Principal	Projected Balance
<b>Remaining Amortization</b>				
01/01/2027	90,503.86	22,203.29	68,320.57	7,094,905.80
02/01/2027	90,503.86	22,071.07	68,432.79	7,026,473.01
03/01/2027	90,503.86	21,858.19	68,645.67	6,957,827.34
04/01/2027	90,503.86	21,644.64	68,859.22	6,888,968.12
05/01/2027	90,503.86	21,430.43	69,073.43	6,819,894.69
06/01/2027	90,503.86	21,215.56	69,288.30	6,750,606.39
07/01/2027	90,503.86	21,000.01	69,503.85	6,681,102.54
08/01/2027	90,503.86	20,783.80	69,720.06	6,611,382.48
09/01/2027	90,503.86	20,566.91	69,936.95	6,541,445.51
10/01/2027	90,503.86	20,349.35	70,154.51	6,471,291.02
11/01/2027	90,503.86	20,131.11	70,372.75	6,400,918.27
12/01/2027	90,503.86	19,912.19	70,591.67	6,330,326.60
<b>2027 Totals</b>	<b>1,086,046.32</b>	<b>253,246.55</b>	<b>832,799.77</b>	
01/01/2028	90,503.86	19,692.59	70,811.27	6,259,515.33
02/01/2028	90,503.86	19,472.31	71,031.55	6,188,483.78
03/01/2028	90,503.86	19,251.34	71,252.52	6,117,231.26
04/01/2028	90,503.86	19,029.69	71,474.17	6,045,757.09
05/01/2028	90,503.86	18,807.34	71,696.52	5,974,060.57
06/01/2028	90,503.86	18,584.31	71,919.55	5,902,141.02
07/01/2028	90,503.86	18,359.58	72,143.28	5,829,997.74
08/01/2028	90,503.86	18,136.15	72,367.71	5,757,630.03
09/01/2028	90,503.86	17,911.03	72,592.83	5,685,037.20
10/01/2028	90,503.86	17,685.20	72,818.66	5,612,218.54
11/01/2028	90,503.86	17,458.68	73,045.18	5,539,173.36
12/01/2028	90,503.86	17,231.45	73,272.41	5,465,900.95
<b>2028 Totals</b>	<b>1,086,046.32</b>	<b>221,620.67</b>	<b>864,425.65</b>	
01/01/2029	90,503.86	17,003.51	73,500.35	5,392,400.60
02/01/2029	90,503.86	16,774.86	73,729.00	5,318,671.60
03/01/2029	90,503.86	16,545.90	73,958.35	5,244,713.24
04/01/2029	90,503.86	16,315.43	74,188.43	5,170,524.81
05/01/2029	90,503.86	16,084.64	74,419.22	5,096,105.59
06/01/2029	90,503.86	15,853.14	74,650.72	5,021,454.87
07/01/2029	90,503.86	15,620.91	74,882.95	4,946,571.92
08/01/2029	90,503.86	15,387.96	75,115.90	4,871,456.02
09/01/2029	90,503.86	15,154.25	75,349.57	4,796,106.45
10/01/2029	90,503.86	14,919.85	75,583.97	4,720,522.48
11/01/2029	90,503.86	14,684.76	75,819.10	4,644,703.38
12/01/2029	90,503.86	14,448.90	76,054.96	4,568,648.42
<b>2029 Totals</b>	<b>1,086,046.32</b>	<b>188,793.79</b>	<b>897,252.53</b>	

Commonwealth of Pennsylvania  
Financial Accounting  
Payment History & Amortization Schedule

Program: ZP\_REPT\_LOAN\_PAYMENTS  
Unit : PU0704045

Date Due	Total Payment	Interest	Principal	Projected Balance
<b>Remaining Amortization</b>				
01/01/2030	90,503.86	14,212.00	76,291.86	4,492,356.86
02/01/2030	90,503.86	13,974.97	76,528.89	4,415,827.97
03/01/2030	90,503.86	13,736.90	76,766.96	4,339,061.01
04/01/2030	90,503.86	13,498.81	77,005.05	4,262,055.96
05/01/2030	90,503.86	13,258.54	77,245.32	4,184,809.63
06/01/2030	90,503.86	13,018.25	77,485.61	4,107,324.02
07/01/2030	90,503.86	12,777.20	77,726.66	4,029,597.36
08/01/2030	90,503.86	12,535.41	77,968.45	3,951,629.91
09/01/2030	90,503.86	12,292.86	78,211.00	3,873,418.91
10/01/2030	90,503.86	12,049.56	78,454.30	3,794,963.61
11/01/2030	90,503.86	11,805.50	78,698.36	3,716,265.25
12/01/2030	90,503.86	11,560.68	78,943.18	3,637,322.07
<b>2030 Totals</b>	<b>1,086,046.32</b>	<b>154,720.27</b>	<b>931,326.05</b>	
01/01/2031	90,503.86	11,315.10	79,188.76	3,558,133.31
02/01/2031	90,503.86	11,068.76	79,435.10	3,478,698.21
03/01/2031	90,503.86	10,821.55	79,682.31	3,399,016.90
04/01/2031	90,503.86	10,573.77	79,930.09	3,319,086.81
05/01/2031	90,503.86	10,325.31	80,178.54	3,238,907.27
06/01/2031	90,503.86	10,075.70	80,428.16	3,158,479.11
07/01/2031	90,503.86	9,825.50	80,678.36	3,077,800.75
08/01/2031	90,503.86	9,574.53	80,929.33	2,996,871.42
09/01/2031	90,503.86	9,322.77	81,181.09	2,915,690.33
10/01/2031	90,503.86	9,070.23	81,433.63	2,834,256.70
11/01/2031	90,503.86	8,816.90	81,686.96	2,752,569.74
12/01/2031	90,503.86	8,562.79	81,941.07	2,670,628.67
<b>2031 Totals</b>	<b>1,086,046.32</b>	<b>119,352.82</b>	<b>966,693.50</b>	
01/01/2032	90,503.86	8,307.80	82,195.98	2,588,432.69
02/01/2032	90,503.86	8,052.18	82,451.68	2,505,981.01
03/01/2032	90,503.86	7,795.59	82,708.27	2,423,272.74
04/01/2032	90,503.86	7,538.40	82,965.46	2,340,307.28
05/01/2032	90,503.86	7,280.31	83,223.55	2,257,083.73
06/01/2032	90,503.86	7,021.41	83,482.45	2,173,601.28
07/01/2032	90,503.86	6,761.71	83,742.15	2,089,859.13
08/01/2032	90,503.86	6,501.20	84,002.66	2,005,856.47
09/01/2032	90,503.86	6,239.89	84,263.97	1,921,592.50
10/01/2032	90,503.86	5,977.75	84,526.11	1,837,066.39
11/01/2032	90,503.86	5,714.81	84,789.05	1,752,277.34
12/01/2032	90,503.86	5,451.04	85,052.82	1,667,224.52
<b>2032 Totals</b>	<b>1,086,046.32</b>	<b>82,642.27</b>	<b>1,003,404.05</b>	

Program: ZP\_KUPT\_LOAN\_PAYMENTS  
User: P00704045  
Commonwealth of Pennsylvania  
Financial Accounting  
Payment History & Amortization Schedule

Date Due	Total Payment	Interest	Principal	Projected Balance
<b>Remaining Amortization</b>				
01/01/2033	90,503.86	5,186.46	85,317.40	1,531,907.42
07/01/2033	90,503.86	4,921.05	85,582.81	1,496,324.61
01/01/2034	90,503.86	4,654.83	85,849.04	1,410,475.57
04/01/2033	90,503.86	5,287.75	86,115.11	1,324,359.46
05/01/2033	90,503.86	4,119.86	86,384.00	1,237,975.46
06/01/2033	90,503.86	3,851.14	86,652.72	1,151,322.74
07/01/2033	90,503.86	3,581.57	86,922.29	1,064,400.45
08/01/2033	90,503.86	3,311.17	87,192.69	977,207.76
09/01/2033	90,503.86	3,039.93	87,463.93	889,743.83
10/01/2033	90,503.86	2,767.84	87,736.02	802,007.81
11/01/2033	90,503.86	2,494.91	88,008.95	713,998.86
12/01/2033	90,503.86	2,221.33	88,282.73	625,716.13
<b>2033 Total</b>	<b>1,066,046.32</b>	<b>44,537.63</b>	<b>1,041,508.69</b>	
01/01/2034	90,503.86	1,946.50	88,557.36	537,158.77
02/01/2034	90,503.86	1,671.01	88,832.85	448,325.92
03/01/2034	90,503.86	1,394.67	89,109.19	359,216.73
04/01/2034	90,503.86	1,117.46	89,386.40	269,830.33
05/01/2034	90,503.86	839.40	89,664.46	180,165.87
06/01/2034	90,503.86	560.47	89,943.39	90,222.48
07/01/2034	90,503.15	280.67	90,222.48	0.00
<b>2034 Total</b>	<b>633,526.31</b>	<b>7,810.18</b>	<b>635,716.13</b>	