

Appendix K

Pennsylvania-American Water Company
Estimated Annual Revenues and Expenses of New Service Area
Year 1
(Dollars in thousands)

| | | |
|-----------------------------|----|------------------|
| Operating Revenues | \$ | 2,794 |
| Operating Expenses | | |
| Operation & Maintenance | \$ | 1,391 |
| Depreciation & Amortization | | 364 |
| General Taxes & Other | | 92 |
| Total Operating Expenses | \$ | <u>1,847</u> |
| Operating Income | \$ | 947 |
| Other Income/(Expenses) | | |
| Other Income/(Expense), Net | \$ | 32 |
| Interest Expense, Net | | <u>(926)</u> |
| Total Other Expenses | \$ | <u>(894)</u> |
| Income Before Income Taxes | \$ | 53 |
| Provision for Income Taxes | \$ | 16 |
| Net Income | \$ | <u><u>37</u></u> |