
EXHIBIT F65

WASTEWATER SERVICE AGREEMENT,
DATED APRIL 1, 2013, BY AND AMONG
CITY OF PHILADELPHIA AND DELCORA



The ARAMARK Tower
1101 Market Street
Philadelphia, Pennsylvania 19107-2994

HOWARD M. NEUKRUG, P.E.
Commissioner

February 27, 2013

John Pileggi
Controller
Delaware County Regional Water Quality
Control Authority ("DELCORA")
P.O. Box 999
Chester, PA 19016

Re: DELCORA Wastewater Services Agreement

Dear John:

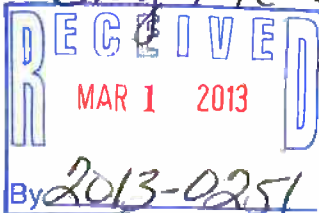
Enclosed please find one (1) fully executed original of the DELCORA Wastewater Service contract.

Thank you.

Sincerely,


David A. Katz
Deputy Water Commissioner

Enc.

Orig: File Copy & PDF

*cc: Paul McNichol
John Pileggi
Mike Chenico*

WASTEWATER SERVICE AGREEMENT

This Agreement ("Agreement") is made this 1st day of April 2013, (the "Effective Date") by and between the **CITY OF PHILADELPHIA** acting through its Water Department ("City") and the **Delaware County Regional Water Quality Control Authority ("DELCORA")**, a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania, having a principal place of business at 100 E. Fifth Street in Chester, Pennsylvania 19013 (collectively referred to as the "Parties").

BACKGROUND

WHEREAS, City owns and operates wastewater collection and treatment facilities providing services to convey, treat and dispose of wastewater and its by-products ("Wastewater Treatment Services"); and

WHEREAS, the Council of the City of Philadelphia has by Ordinance, Bill No. 1129, approved by the Mayor on May 20, 1987, authorized the Water Commissioner to enter into agreements for the sale of Wastewater Treatment Services to suburban communities; and

WHEREAS, the Parties entered into a Wholesale Wastewater Agreement dated March 15, 1974 ("1974 Agreement"), whereby the City agreed to provide DELCORA Wastewater Treatment Services; and

WHEREAS, the Parties have amended the 1974 Agreement on May 1, 1995 and again on June 15, 2006; and

WHEREAS, The 1974 Agreement, as amended, terminated on July 25, 2011; and

WHEREAS, the parties entered into a new contract on July 25, 2011 for a period of two years while the City was finalizing its Long Term Control Plan ("LTCP"); and

WHEREAS, DELCORA desires to continue to procure Wastewater Treatment Services from City to ensure wastewater treatment for DELCORA and its contributing jurisdictions; and

WHEREAS, City is actively managing a Federal and State-mandated Combined Sewer Overflow ("CSO") program within City, and such program requires the City to maximize the treatment of wastewater collected in City's combined sewer system; and

WHEREAS, City in order to efficiently manage its CSO program must limit the treatment of inflow and infiltration from separate sanitary sewer systems within the City and from the City's wholesale customers; and

WHEREAS, City desires to provide and DELCORA desires to utilize Wastewater Treatment Services in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, the current wastewater services contract is expiring on July 25, 2013; and

WHEREAS, the City has concluded its negotiations with US EPA and PA DEP regarding the City's Long Term Control Plan; and

WHEREAS, the Parties are now ready to enter into a new longer term contract addressing, inter alia, the Parties obligations as related to the LTCP; and

WHEREAS, this Agreement, once executed, shall replace and supersede in its entirety the existing wastewater services contract set to expire on July 25, 2013;

NOW, THEREFORE, intending to be legally bound and in consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

I. DEFINITIONS

For the purposes of this Agreement, the following terms and phrases shall have the following meanings:

- A. **Biochemical Oxygen Demand ("BOD"):** The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure for five (5) days at 20 degrees Celsius expressed in terms of concentration (milligrams per liter (mg/l)).
- B. **DRBC:** Delaware River Basin Commission.
- C. **EPA:** United States Environmental Protection Agency.
- D. **Fiscal Year:** A fiscal year shall be the year beginning on July 1 of any given year and ending on June 30th of the following year.

- E. Flow Limits: The maximum amount of wastewater that may be discharged to the City as measured in Millions of Gallons per Day ("MGD") and/or Cubic Feet per Second ("cfs") for treatment as specified in Exhibit "A."
- F. Industrial User: Any facility, entity or person that introduces an indirect discharge regulated under the Clean Water Act, state or local law to a POTW.
- G. Loadings Limits: The maximum Biochemical Oxygen Demand (BOD) loadings and Suspended Solids ("SS") loadings that may be discharged to City for treatment as specified in Exhibit "A."
- H. SWWPCP: Southwest Water Pollution Control Plant.
- I. Non-domestic User: Commercial, industrial or municipal users who discharge to the POTW.
- J. PADEP: Commonwealth of Pennsylvania Department of Environmental Protection.
- K. PCB: Polychlorinated Biphenyls.
- L. Prohibited Exceedance: Any exceedance of the Flow and/or Loading Limits established in this Agreement and Exhibits.
- M. POTW: Publicly Owned Treatment Works. A treatment works as defined by section 212 of the Clean Water Act (33 U.S.C. §1292) which is owned by the City including any devices and systems used in the storage, treatment, recycling or reclamation of municipal sewage and industrial waste. This definition includes any sewers that convey wastewater to the POTW treatment plant, but does not include pipes, sewers or other conveyances not connected to a facility providing treatment. POTW shall also include any sewers that convey wastewater to the POTW from persons outside the City who are, by contract or agreement with the City, users of the City's POTW.
- N. Significant Industrial User ("SIU"): (1) any Industrial User subject to any National Categorical Pretreatment Standard; or (2) any Industrial User that discharges an average of 25,000 gallons per day or more of process wastewater to the POTW (excluding sanitary, noncontact cooling and boiler blowdown wastewater) or contributes a process waste stream which makes up five percent (5%) or more of the average dry weather hydraulic or organic capacity of the POTW treatment plant; or (3) any Industrial User that is found by the City, PADEP or EPA to have a reasonable potential, either alone or in conjunction with other discharges, to adversely affect the POTW, the collector system, the solid waste byproducts of the POTW, or air emissions from the POTW.

- O. Suspended Solids (“SS”): The total suspended matter that floats on the surface of, or is suspended in water, wastewater or other liquids, and which is removable by laboratory filtering expressed in terms of concentration (milligrams per liter (mg/l)).
- P. Contributing Jurisdiction: Any municipality or jurisdiction whose wastewater is conveyed through the force main serving DELCORA to the City’s SWWPCP.
- Q. Long Term Control Plan (“LTCP”) or Long Term Control Plan Update (“LTCPU”) shall mean the City’s approved plan for controlling combined sewer overflows.
- R. LTCP related facility: An LTCP related facility shall be any device, structure, tanks, piping, practice, material or surfacing, including but not limited to landscaping and or vegetative techniques, which will be used by the City to meet its water quality based effluent limits which are currently contained in Appendix I , Table 1, of the City's Consent Order and Agreement (COA) with DEP, entered into June 1, 2011, or which may be subsequently modified by DEP or EPA through changes to the COA, modifications to the City's NPDES permits or the issuance of any additional orders by either DEP or EPA.

II. TERM

- A. This Agreement shall start on the Effective Date and shall continue in full force and effect for 15 years, terminating on April 1, 2028 unless terminated earlier as provided herein.
- B. City shall have the right to terminate this Agreement for “cause” at any time, but only upon twelve (12) months written notice. “Cause” shall mean:
 - (1) Continuing exceedances of the Flow and Loadings Limits which are not corrected as required by this Agreement and which impair the safe and efficient operation of the City’s wastewater facilities or which cause City to be in violation of permits issued by PADEP or EPA; or
 - (2) Failure by DELCORA to meet its financial obligations under this Agreement for a period of three (3) consecutive months; or
 - (3) Failure by DELCORA to meet its obligations for PCB Minimization as set forth in Section III.H of this Agreement; or
 - (4) Failure by DELCORA to comply with a final decision or determination of an Arbitration

Panel or court of competent jurisdiction rendered under this Agreement within three (3) months of the date the decision or determination became final, unless otherwise specified by the Arbitration Panel or court of competent jurisdiction.

III. SCOPE OF SERVICES/WASTEWATER LIMITS

- A. Wastewater Treatment Services. City shall convey, treat and dispose of wastewater and its byproducts delivered by DELCORA to the approved connection point at the SWWPCP.
- B. Flow and Loadings Limits. The wastewater delivered by DELCORA to City shall not exceed the limitations set forth in the "Flow and Loadings Limits Addendum" (attached hereto and incorporated as Exhibit "A"). Parties acknowledge that the flows and loadings permitted by this Agreement are in no way guaranteed to be continued beyond the term of this Agreement.
- C. Prohibition on Wastewater From Marcellus Shale Operations. DELCORA shall not be permitted to deliver wastewater to the City which originates in operations related to the extraction of natural gas from the Marcellus Shale region without the written approval of the City.
- D. Prohibition on Discharges that Exceed the Flow Limits and Loadings Limits. DELCORA's wastewater flow shall not exceed the Flow Limits set forth in the Flow and Loadings Limits Addendum. DELCORA's discharges may not exceed the Annual Loadings Limits, either for BOD or SS. No planned activity that will cause an exceedance shall be permitted without the written approval of City. DELCORA shall be responsible for all City costs and damages caused by its exceedances of the stated Flow and Loadings Limits.
- E. Exceedance Charges. DELCORA shall be liable to pay City for exceedances of the Flow and Loadings Limits as set forth in the Flow and Loadings Limits Addendum in accordance with the "Exceedance Charge Addendum" (attached hereto and incorporated herein as Exhibit "B").
- F. Plan to Eliminate Exceedances. If DELCORA's discharge to City is a Prohibited Exceedance as defined in Section III.D of this Agreement, then DELCORA shall do the following:

(1) Flow Exceedances. Within ninety (90) days of written notice from City, DELCORA shall develop and submit a written report detailing a plan of action to eliminate the Prohibited Exceedances within a one (1) year period from the date of the notice. Within thirty (30) days of receipt of the plan, DELCORA and City shall meet to discuss the content of DELCORA's proposed plan, including any revisions to be required by City prior to implementation of the plan. Unless the City submits written amendments to the plan to DELCORA within thirty (30) days of the date of the meeting, the plan shall be deemed to be approved. If DELCORA fails to submit a report outlining a plan to eliminate exceedances or if City is prohibited from approving the plan due to technical or legal reasons, DELCORA shall pay City the sum of One Thousand Dollars (\$1,000.00) per week or part thereof, until such time as DELCORA submits an approvable plan. In the event of a Flow Exceedance, nothing herein shall require City to certify the availability of treatment capacity until any Flow Exceedances have been eliminated or abated. During the pendency of any approved remediation plan, as provided under this paragraph, DELCORA shall not be liable to City for any fines or penalties for flow exceedances as provided under this Agreement. This exception shall not apply to exceedance charges incurred by DELCORA.

(2) Loadings Limits Exceedances. Within ninety (90) days of written notice from City, DELCORA shall develop and submit to City a written report detailing the circumstances that caused the Loading Limits exceedance and a plan of action to immediately eliminate the Prohibited Exceedances. Within thirty (30) days of receipt of the plan, DELCORA and City shall meet to discuss the content of DELCORA's proposed plan, including any revisions to be required by City prior to implementation of the plan. Unless the City submits written amendments to the plan to DELCORA within thirty (30) days of the date of the meeting, the plan shall be deemed to be approved. If DELCORA fails to submit a report outlining a plan to eliminate any Loading Limit exceedance or if City is prohibited from approving the plan due to technical or legal reasons, DELCORA shall pay City the sum of One Thousand Dollars (\$1,000.00) per week or part thereof, until such time as DELCORA submits an approvable plan. During the pendency of any approved remediation plan, as provided under this paragraph, DELCORA shall not be liable to City for any fines or penalties for Loading Limits exceedances as provided under this Agreement. This exception shall not apply to exceedance charges incurred by DELCORA.

G. Certification of Sewer Capacity. City may determine that City does not have adequate sewer capacity to permit additional sewer connections to any part of DELCORA's system that will discharge to City if DELCORA has exceeded the Flow and/or Loading Limits set forth in Exhibit "A" and has failed

to submit an appropriate remediation plan approved by the City, as provided under Section III. F of this Agreement.

H. Polychlorinated Biphenyls Minimization. DRBC's Water Quality Regulation and Water Code Section 4.30.9 requires City to implement a Pollutant Minimization Plan ("PMP") at its SWWPCP to reduce its contribution of PCBs to the Delaware Estuary. In order to ensure City's compliance with this requirement DELCORA shall:

- (1) Within ninety (90) days of the Effective Date of this Agreement, supply City with any information it has regarding PCBs within the DELCORA drainage area whose wastewater is delivered to the City.
- (2) Provide an annual update regarding PCBs within the DELCORA service area for City's annual PMP report. The update shall be submitted at least thirty (30) days prior to the due date of City's report to DRBC.
- (3) Implement any and all new and/or more stringent PCB requirements or reductions that may be imposed upon the City's SWWPCP. DELCORA agrees to implement these requirements or reductions in its drainage area simultaneously with City's implementation of these new requirements.
- (4) Accept a numeric limit for PCB discharge into the SWWPCP which shall be consistent with DELCORA's proportionate flows into the SWWPCP in both dry and wet weather situations if at any time a numeric limit for PCBs is imposed upon discharges from City's SWWPCP.
- (5) Upon request by City, implement a PMP throughout the entire drainage area of DELCORA that contributes flow to the SWWPCP in order to achieve the maximum practicable reduction, as defined in DRBC's regulations, of PCBs into the SWWPCP.
- (6) Cooperate with any City investigation or trackdown of PCBs within DELCORA's drainage area that contributes flow to the SWWPCP.

IV. BILLING, PAYMENTS AND CHANGE IN RATES

A. DELCORA shall pay wastewater treatment charges consisting of its proportionate allocation of the capital, operation and maintenance costs of City's wastewater conveyance and treatment facilities in accordance with generally accepted wastewater rate methodologies, as determined by the City's most recent rate study completed by City's consultant. DELCORA shall also pay a management fee to City.

(1) **Wastewater Treatment Charges:**

(a) Capital Charges. The capital charges shall include depreciation expense and a Rate of Return on Investment ("ROI") on facilities allocated to DELCORA.

Facilities allocated to DELCORA shall include both those facilities related to the City's POTW as well as those facilities necessary for the City to comply with and implement the LTCP throughout the City of Philadelphia. DELCORA's share of the LTCP costs shall be 9.442871% of the total LTCP costs. DELCORA shall pay depreciation and return on investment for the capital portion of the LTCP facilities placed into service.

Attached hereto as Exhibit E is the City's current estimate and projection of the total capital costs and operation and maintenance costs it anticipates spending to fulfill the requirements of its LTCP. Based on DELCORA's 9.442871% of these total LTCP costs Exhibit E estimates DELCORA's yearly and total share of the LTCP costs.

ALTHOUGH EXHIBIT E IS THE CITY'S CURRENT BEST ESTIMATE, BOTH PARTIES AGREE THAT IT IS AN ESTIMATE ONLY. IT HAS BEEN CREATED SOLELY FOR THE PURPOSE TO ASSIST DELCORA IN LONG TERM BUDGETING SO THAT IT WILL BE ABLE TO MEET ITS FINANCIAL OBLIGATIONS UNDER THE LTCP. BOTH PARTIES ACKNOWLEDGE AND AGREE THAT THE TOTAL LTCP COSTS AND/OR THE YEAR IN WHICH ANY PARTICULAR LTCP COST IS INCURRED IS SUBJECT TO SUBSTANTIAL CHANGE. GIVEN THE 25 YEAR TERM OF THE LTCP, CHANGING ENVIRONMENTAL REQUIREMENTS, CONSTRUCTION DELAYS, LABOR AND MATERIAL COST INCREASES, GENERAL INFLATION ASSUMPTIONS, ETC. ALL THAT IS POSSIBLE AT THIS TIME IS AN ESTIMATE.

Depreciation and ROI capital charges shall apply to all applicable capital projects which are completed and placed into service on or after July 1, 2011. Depreciation and ROI shall be billed as a fixed monthly charge. Depreciation and ROI shall not be billed on assets which were constructed and placed into service prior to July 1, 2011.

(b) Operations and Maintenance Charges. Operation and maintenance charges shall include, but not be limited to, expenses associated with the operation, maintenance, repairs, rentals and replacements of City's wastewater facilities appropriately allocated to DELCORA, as well as appropriate shares of employee benefits, departmental overhead and other allocable non-direct overhead expenses. Further, DELCORA shall be responsible for 9.442871% of all operation and maintenance expenses incurred by the City in complying with and implementing the City's LTCP. An estimate of these costs is provided in Exhibit E. (Please see section (a), immediately above, regarding the limitations of this estimate) DELCORA shall pay these operations and maintenance expenses based on the periodic projections of these expenses in connection with the City's cost of service study. Operation and maintenance costs so allocated shall be net of miscellaneous operating revenues related to those expenses.

(c) Management Fee. The management fee shall equal twelve percent (12%) of the total Wastewater Treatment Charges.

- (2) DELCORA's Wastewater Treatment Charges, beginning on January 1, 2011 and for Fiscal Year 2012, shall be as shown in Exhibit "D", TABLE A-49 of this Agreement and shall remain in effect until revised in accordance with the terms of this Agreement.
- (3) DELCORA shall have the right, upon written request, to review City's method of computing the charges for, and allocating the cost of providing wastewater treatment services to DELCORA. Such review shall be subject to the provisions relating to Notice of Changes in Rates (Section IV.C).
- (4) Capital charges shall be billed to DELCORA as follows:
 - (a) For wastewater services rendered through June 30, 2011 DELCORA shall be liable for City capital charges as required under the terms of the 1974 Agreement, as amended.

(b) The City has completely reconciled all Capital charges to DELCORA as of June 30, 2011 using its standard procedure for reconciling capital charges under the 1974 Agreement, as amended..

(c) For wastewater services rendered on July 1, 2011 and thereafter DELCORA shall be liable for capital charges in the form of Depreciation and ROI.

(5) DELCORA agrees that it shall not bypass or reroute any existing dry weather sanitary flow that is currently coming into the City's Southwest Wastewater Treatment Plant to DELCORA's Western Plant or to any other sewage treatment facility.

B. Billing.

(1) City shall provide DELCORA with wastewater flow and loadings data and computations utilized in billing DELCORA for the three (3) month periods ending in March, June, September, and December. Billings for all other months will be estimates based upon one-third (1/3) of the amount of the prior quarter's billing.

(2) City shall render bills to DELCORA on a monthly basis for the charges set forth in this Agreement. Annual charges shall be divided by twelve (12) for purposes of rendering monthly billings.

(3) Bills shall be payable to City by DELCORA within thirty (30) days of receipt of the bill by DELCORA. If DELCORA objects to any bill, in whole or in part, DELCORA shall notify City in writing prior to the bill's due date. (This writing shall hereinafter be referred to as the "Objection Letter".)

(a) The Objection Letter shall state in detail the exact nature of the objections and shall include any and all facts and documentation supporting the objections. Within thirty (30) days after receipt of the Objection Letter, City and DELCORA shall meet to discuss the substance of the Objection Letter, and shall attempt to reach a resolution of the matters raised in DELCORA's Objection Letter. In the event that no such resolution can be reached, then the parties may proceed to Arbitration as provided under Section VIII of this Agreement.

- (b) Within sixty (60) days after receipt by City of the Objection Letter, City and DELCORA may proceed to arbitration pursuant to Section VIII of this Agreement to resolve the specific objections made in the Objection Letter.
- (c) During the sixty (60) day period prior to arbitration, DELCORA shall have the opportunity to conduct an inspection and audit of City records in accordance with Section X.A of this Agreement.

All billings, including those subject to an Objection Letter, shall be paid in full and by the due date. Late fees at the rate of one and one-quarter percent (1-1/4%) per month simple interest shall be added to any balance unpaid thirty (30) days after billing.

C. Notice of Changes in Rates.

(1) City shall provide notice to DELCORA of any change in rates or billing practices at least ninety (90) days in advance of the effective date of such new rates or practices. The City agrees that its rate methodology shall use and remain consistent with WEF Manual of Practice 27, Financing and Charges for Wastewater Systems, as amended or succeeded during the term of this Agreement.

(2) If DELCORA has an objection to the change in rates or billing practices it shall notify City in writing within ninety (90) days from receipt of the City's notice as to its specific objection(s) (This writing shall hereinafter be referred to as the "Change Objection Letter").

(a) The Change Objection Letter shall include any and all facts or documentation supporting the specific objections contained therein.

(b) The Change Objection Letter shall automatically be deemed to be a demand for arbitration and the Parties shall immediately proceed to arbitration in accordance with Section VIII of this Agreement.

(3) In the event DELCORA fails to serve City with a Change Objection Letter within ninety (90) days from receipt of City's notice, the rate increase or change in billing

practices shall be deemed fully accepted and approved by DELCORA, and DELCORA shall have waived all rights under this Agreement or by any other legal proceeding to dispute the rate increase or change in billing practices.

(4) Parties agree to accept the rate development methodology used by the City in determining the rates and charges described in Section IV and Exhibit "D" of this Agreement. DELCORA shall have the right to dispute the calculation of wastewater treatment charges set pursuant to this Agreement, however DELCORA shall not have the right to dispute, by arbitration or any other legal proceeding, the methodology used by the City in developing said charges to DELCORA.

(5) Should there be any material change to the Rate Making Methodologies (in narrative form), as set forth in Attachment F to this Agreement, after the Effective Date of this Agreement, the City shall notify DELCORA of such change. A material change is defined as any change to the Rate Making Methodologies that would result in an overall annual increase to DELCORA of 1% (one percent) or more in its DELCORA Agreement. DELCORA shall have the right to review and challenge this material change should DELCORA deem it appropriate. While DELCORA agrees to accept the current Rate Making Methodologies, as set forth in Attachment D to this Agreement, it retains the right to review and challenge specific costs for materials, services and projects billed by the City to DELCORA.

(6) The Rate of Return charged shall also not be subject to dispute by DELCORA unless the City increases the Rate of Return to a rate higher than eight percent (8%) per annum. Exhibit "D" is attached to this Agreement as a description of the methodology currently utilized by the City in developing rates under this Agreement.

**V. CONSTRUCTION, OPERATION, AND MAINTENANCE OF
DELCORA's CONVEYANCE SYSTEM**

A. Ownership and Maintenance of Force Main DELCORA at its sole cost and expense shall operate and maintain the force main necessary to convey its wastewater to the City system. DELCORA shall make all necessary repairs in a timely manner.

B. Approved Connection Points. DELCORA's wastewater shall be delivered to the City via a force main entering the City's SWWPCP.

C. Plan to Eliminate Unauthorized or Harmful Discharges.

(1) Within thirty (30) days of written notice from the City, DELCORA shall submit a plan to City outlining action(s) to be taken to eliminate unauthorized or harmful discharges if any discharges from DELCORA are determined by City or any governmental regulatory agency to be:

(a) maintenance problems, or

(b) sources of unauthorized discharge(s), or

(c) sources of discharge(s) which adversely affect the City's wastewater collection and treatment system, or

(d) sources of discharge(s) which cause or contribute to any violation of federal, state or local laws or permits.

(2) City shall promptly approve or reject said plan, and shall notify DELCORA, in writing, of the basis for the rejection of the proposed plan. In the event that City rejects DELCORA's proposed plan, the Parties agree to promptly meet and discuss the basis for City's rejection and to negotiate terms acceptable to City.

(3) Any action taken pursuant to this section shall be at the sole expense of DELCORA.

VI. METERING AND SAMPLING

A. Meters and Equipment. City shall own and maintain the meter(s), metering equipment, and the electronics associated with the meters at the SWWPCP. Upon request, City shall provide DELCORA with copies of all metering and calibration tests/studies performed on any City meters.

B. Metering.

- (1) City shall measure wastewater flow and loadings by metering and sampling. DELCORA, upon reasonable notice to City, shall be entitled to jointly inspect the metering equipment maintained by City. City shall base its operation and maintenance charges on its actual flow and loadings measures whenever possible and reasonable. In the absence of actual flow and loadings measures, City shall estimate for billing purposes using its standard methods for estimating flow(s) and/or strength(s).
- (2) DELCORA may install telemetry equipment to bring the sewage flow information into its SCADA system at DELCORA's expense.

C. Sampling.

- (1) City shall have the right to enter the area serviced by DELCORA at any time for the following purposes:
 - (a) To sample the wastewater of a SIU,
 - (b) To inspect the facilities of a SIU,
 - (c) To trace a spill into the wastewater system which is believed to originate in an area served by DELCORA.

In the above instances, City will make a reasonable effort to notify DELCORA in advance.

- (2) DELCORA shall have the right to obtain splits of wastewater samples taken by the City for billing purposes.
- (3) The City shall base the TSS and BOD portion of the bill on the results of 24 hour sampling of the DELCORA flow. The TSS and BOD analyses shall be by PA DEP accredited methodologies in accordance with the City's PA DEP laboratory certification under Chapter 252 of the Pennsylvania code number 25.
- (4) The City shall supply QA/QC laboratory data upon request.

VII. PRETREATMENT AGREEMENT

Interjurisdictional Pretreatment Agreement. City and DELCORA shall enter into the contract entitled “Interjurisdictional Pretreatment Agreement” (attached hereto and incorporated herein as Exhibit “C”). DELCORA agrees to comply with all of the provisions contained therein including but not limited to adoption of City’s most recent Wastewater Control Regulations. DELCORA further agrees to require that any outside jurisdictions which contribute to DELCORA’s sewer system also adopt and enforce City’s Wastewater Control Regulations.

VIII. DISPUTES

A. Arbitration of Disputes. In the event of a dispute between the Parties concerning terms, conditions and covenants of this Agreement or upon the issuance by DELCORA of an Objection Letter or Change Objection Letter, City and DELCORA agree to submit the dispute to an Arbitration Panel. All petitions to compel or stay arbitration shall be filed in the Philadelphia County Court of Common Pleas and both City and DELCORA agree to accept venue therein.

B. The Arbitration Panel shall be composed of three (3) arbitrators, one appointed by City, one by DELCORA, and the third by agreement of the arbitrators selected by City and DELCORA.

(1) The arbitrators representing DELCORA and City shall be named within five (5) days from the request for the appointment of an Arbitration Panel. If after a period of ten (10) days from the date of the appointment, the two (2) arbitrators appointed by City and DELCORA cannot agree on the third arbitrator, then either appointed arbitrator may request the American Arbitration Association or its successor to furnish a list of three (3) members of said Association, who are not residents of either Philadelphia or Delaware counties, from which the third arbitrator shall be selected.

(2) The arbitrator appointed by DELCORA shall then eliminate one (1) name from the list furnished by the American Arbitration Association within five (5) days after its publication, following which the arbitrator appointed by City shall eliminate one (1) name from the list within

five (5) days thereafter. The individual whose name remains on the list shall be the third arbitrator and shall act as Chairman of the Arbitration Panel.

(3) Each of the Parties shall bear the costs of its own arbitrator and shall equally divide the costs of the third arbitrator and all other common costs.

(4) The arbitration proceedings shall commence within thirty (30) days of the selection of the third arbitrator and the arbitrators shall render their determination within thirty (30) days after the final hearing held by the Arbitration Panel. Except in the case of fraud, the decision of the Arbitration Panel shall be final and binding upon the Parties, except in the case of fraud, except that in rendering their decision, the Arbitration Panel shall be bound by the terms and conditions of this Agreement, and may not make findings that in any way add to, subtract from, or modify the terms of this Agreement.

(5) Upon mutual agreement of the City and DELCORA, the arbitration may be delayed for a specified period of time in order to allow the Parties additional time to reach a negotiated settlement. Any delay in commencement of the arbitration shall last only as long as is agreed to by the Parties.

IX. INDEMNIFICATION

A. DELCORA agrees to defend, indemnify and save harmless City from and against any and all claims, actions, causes, suits, demands, losses, interest, penalties and liabilities arising from performance of the terms and conditions of this Agreement by reason of:

(1) City's inability, due to causes beyond its control, to perform any of the provisions of this Agreement;

(2) Injury (including death) to persons and damages to property resulting from operations under this Agreement to convey DELCORA's wastewater to the SWWPCP, where such injury is due to the negligence of DELCORA or its employees, servants or agents or the inherent nature of their operations;

(3) EPA or PADEP action of any kind whatsoever, whether direct or indirect, for any work undertaken by DELCORA, its contractors or consultants, necessary and required by this Agreement due to rejection of said work by the EPA or PADEP; and

(4) any grant fund, or any portion thereof, received by DELCORA and later determined to be ineligible for reimbursement by the appropriate regulator agency or grant auditors.

B. City and DELCORA agree that in the event of EPA or PADEP action or any other governmental regulatory action against City of any kind whatsoever, for activities carried out under this Agreement either by City or DELCORA or their employees, servants or agents, City and DELCORA shall equitably apportion responsibility for payment of any costs, fines, penalties or damages arising from such action. Should the City bill DELCORA pursuant to this paragraph, the City shall inform DELCORA as to the nature of the bill. If the parties are unable to reach an agreement on the apportionment of responsibility for any payment hereunder, either may proceed to arbitration under the terms of this Agreement.

C. DELCORA shall not be liable for injuries (including death) or property damage occurring during the course of treatment at the plant(s), except to the extent that such injuries and damages are due to the negligence of DELCORA or its employees, servants or agents and where such injuries result in a direct increase to City's operating costs. DELCORA shall be responsible for its proportionate share of those increased costs.

D. Nothing set forth in this Agreement shall limit or debar either party from resorting to any appropriate remedy in law or equity, or any combination of remedies for non-compliance with this section of the Agreement, however, jurisdiction over disputes regarding to this section shall first be subject to resolution as provided under Section VIII of this Agreement.

E. Nothing contained in this Agreement shall be deemed to confer upon any third person any right against City or DELCORA or to vest in said third person any cause of action against City or DELCORA or to authorize any such third person to institute any suit or suits against City or DELCORA.

X. MISCELLANEOUS

A. Inspection and Audit. City and DELCORA agree to maintain complete records and accounts concerning their responsibilities under this Agreement. Both Parties shall at all times have the right to

examine and inspect said records and accounts upon thirty (30) days written notice. If required by any law or regulation, DELCORA shall make said records and accounts immediately available to federal and state authorities.

B. No Transfer of Rights. DELCORA shall not confer, transfer, convey, assign or license to any third party any rights obtained under this Agreement including but not limited to assignment of wastewater treatment capacity without the express prior written consent of City. Any other transfer by either of the Parties shall not impede the rights of either City or DELCORA.

C. Ownership, Management and Control of Plant and LTCP Facilities. City retains sole ownership and control of the SWWPCP and all other wastewater conveyance and treatment facilities, including all facilities related to compliance with and the implementation of the City's LTCP, and agrees to operate, maintain, repair, and improve its facilities associated with service to DELCORA. City retains the sole and exclusive right to make all managerial and other decisions regarding its wastewater and LTCP related facilities, including but not limited to those decisions regarding operation, maintenance, upkeep, expansion, abandonment or replacement of all or a portion of its wastewater and LTCP related facilities.

D. Successors and Assigns. All the covenants contained in this Agreement shall extend to and bind the respective successors and assigns of the Parties hereto with the same effect as if the words "successors and assigns" had, in each case, been specifically mentioned.

E. Waiver. The failure of either City or DELCORA to insist upon strict performance of this Agreement or of any of the terms or conditions hereof shall not be construed as a waiver of any of its rights herein granted, unless specifically stated in this Agreement.

F. Captions. The captions in this Agreement are for convenience only and are not part of the Agreement. The captions do not in any way define, limit, describe or amplify the provisions of this Agreement or the scope or intent thereof.

G. Entire Agreement. This Agreement and its Exhibits and Addendum, incorporated herein, represent the entire agreement of the Parties hereto and there are no collateral or oral agreements or understandings. This Agreement may be amended or modified only in writing signed by both City and DELCORA. This Agreement supersedes all previous wastewater agreements between City and DELCORA.

H. Severability. In the event any provision hereof is held illegal or invalid, no other provision of this Agreement shall be affected; and this Agreement shall then continue in full force as if such illegal or invalid provision had not been contained herein.

I. Notices. All notices, payments and communications required to be given in writing under this Agreement shall be sent by certified United States mail, postage prepaid and by email communication or delivered by hand delivery with receipt obtained, to the addresses below or at such other addresses as City or DELCORA may designate in writing from time to time:

If intended for City:

Water Commissioner
City of Philadelphia Water Department
1101 Market Street, 5th Floor
Philadelphia, PA 19107

If intended for DELCORA:

Executive Director
DELCORA
100 E. Fifth Street
Chester, PA 19016

IN WITNESS WHEREOF, The City of Philadelphia has caused this Agreement to be executed by its Water Commissioner, and the Chairman of the Board of Supervisors has executed this Agreement on behalf of the Delaware County Regional Water Quality Control Authority, as of the day and year first above written.

CITY OF PHILADELPHIA

By: 

Howard Neukrug
Commissioner, Philadelphia Water Department

Approved as to form:

By: 

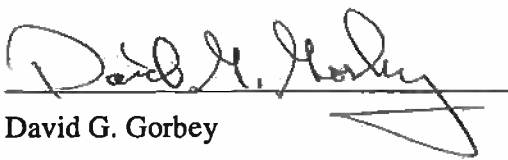
Gerald D. Leatherman
Divisional Deputy City Solicitor

Delaware County Regional Water Quality Control Authority

By: 

Stanley R. Kester
Chairman, Board of Directors

Attest:



David G. Gorbey
Secretary

EXHIBIT “A”

FLOW AND LOADINGS LIMITS ADDENDUM

Flow Limits:

MAXIMUM ANNUAL AVERAGE FLOW LIMIT (over any 365 consecutive day period): 50 MGD

**INSTANTANEOUS FLOW LIMIT (As determined over any five (5) consecutive minute period):
155 cfs, or restated as 100 MGD**

**MAXIMUM DAY FLOW LIMIT (As determined over any 24 consecutive hour period):
75 Million Gallons**

Annual Limits of Suspended Solids “SS” and Biochemical Oxygen Demand “BOD”:

SS: 19,487,000 pounds (As determined over any 365 consecutive day period)

BOD: 21,771,000 pounds (As determined over any 365 consecutive day period)

EXHIBIT “B”

EXCEEDANCE CHARGE ADDENDUM

DELCORA hereby agrees to exert its best efforts in ensuring that the limits established herein are not exceeded. DELCORA hereby recognizes the City’s desire to avoid or eliminate any exceedances of the parameters below and that such exceedances can create significant operating difficulties for the City and the possibility of significant increased capital and operating costs as well as fines.

DELCORA shall be liable to City for the following exceedances beginning upon the Effective Date of this Agreement and thereafter when its flows and/or loadings exceed the limits set forth in the Flow and Loadings Limits Addendum (Exhibit “A”):

Annual Average Flow Exceedance Charge. The annual average flow exceedance charge shall be at the rate of One Hundred Dollars (\$100.00) per hundred thousand (100,000) gallons for any flow over the Annual Average Flow Limit during any 365 consecutive day period. The unit of flow used to determine exceedances shall be each hundred thousand gallons, or part thereof, of wastewater flow per day. DELCORA shall be assessed exceedance charges for each period described in Exhibit “A” in which flows exceed the stated limit.

Annual Loadings Exceedance Charges. The annual loadings exceedance charges shall be Seven Hundred Dollars (\$700.00) for each one thousand pounds of BOD and Seven Hundred Dollars (\$700.00) for each one thousand pounds of SS, delivered by DELCORA in excess of the respective stated annual loadings limit. DELCORA shall be assessed exceedance charges for each period described in Exhibit “A” in which the annual loadings limits are exceeded.

Instantaneous Flow Exceedance Charge. The instantaneous flow exceedance charge shall be at the rate of One Thousand Dollars (\$1,000.00) per year per hundred thousand (100,000) gallons per day for any flow above the Instantaneous Flow Limit determined over any five (5) consecutive minute period payable in full as part of the next billing statement. Should the Instantaneous Flow Limit be

exceeded more than once in a calendar month, DELCORA shall be billed only for the highest monthly exceedance. The difference between a higher amount of instantaneous flow experienced in any subsequent month during the remainder of a fiscal year and the previously billed maximum instantaneous flow will also be subject to the instantaneous flow exceedance charge and payable in full as part of the subsequent monthly billing statement. The maximum instantaneous flow will be reestablished at the beginning of each subsequent fiscal year at the contract level set forth in Exhibit "A".

Maximum Day Exceedance Charge. The Maximum Day exceedance charge shall be at the rate of One Thousand Five Hundred Dollars (\$ 1,500.00) per hundred thousand (100,000) gallons per day for any daily flow over the Maximum Day Limit over any twenty four consecutive hourly period payable in full as part of the next billing statement. Should the Maximum Day Limit be exceeded more than once in a calendar month, DELCORA shall be billed only for the highest monthly exceedance. The difference between a higher amount of maximum day flow recorded by City in any subsequent month during the remainder of a fiscal year and the previously billed maximum day flow will also be subject to the Maximum Day exceedance charge and payable in full as part of the subsequent monthly billing statement. The Maximum Day flow will be re-established at the beginning of each subsequent fiscal year at the contract level set forth in Exhibit "A".

I. Application of Exceedance Charges.

Exceedance charges shall be billed monthly in accordance with the terms and conditions stated above and in Section IV.B of the Agreement.

. Instantaneous Flow Limit Exemption

The City recognizes that the Instantaneous Flow Limit could be violated during extreme wet weather events. Therefore, the Parties agree that DELCORA shall not be held in violation of this Agreement should it exceed its Instantaneous Flow Limit as a result of a wet weather event that meets the condition set forth below. A wet weather event that exceeds the exemption condition as set forth below and results in DELCORA exceeding its Instantaneous Flow Limit shall be considered an exemption to the Instantaneous Flow Limit and DELCORA shall not incur

instantaneous flow exceedance charges. However, a wet weather event that does not exceed the exemption condition as set forth below and results in DELCORA exceeding its Instantaneous Flow Limit shall be considered a violation of the Agreement and shall result in DELCORA incurring exceedance charges. This exemption does not relieve DELCORA of the requirements of Section III F of this Agreement.

The exemption condition is as follows: A rain event must exceed 2.75 inches in a 24 consecutive hour period. Once the 24 consecutive hour period has been established, the Instantaneous Flow Limit must be met within 48 hours from the start of the defined 24 hour rainfall period or it will be considered a separate exceedance and thereby not qualify for this exemption. At no point shall two 24 hour periods overlap. All such events shall be quantified using hourly precipitation data obtained from the Philadelphia International Airport Rain Gauge

III. Charges for Years Subsequent to Calendar Year 2012

During calendar year 2013, and for each calendar year thereafter, the exceedance charges stated above will be adjusted in accordance with the changes in the Consumer Price Index for the prior calendar year, upon the availability of the Consumer Price Index for January of each subsequent year. The index to be used for this adjustment shall be the Consumer Price Index published by the U.S. Bureau of Labor Statistics for all urban consumers ("CPI-U") for the Northeast Region US, all items.

EXHIBIT "C"

INTERJURISDICTIONAL PRETREATMENT AGREEMENT BETWEEN THE CITY OF PHILADELPHIA AND DELCORA

RECITAL

Whereas, City owns and operates wastewater collection and treatment facilities; and

Whereas, DELCORA will be utilizing the City's Wastewater Treatment Services pursuant to the attached Service Agreement between City and DELCORA; and

Whereas, City must develop and implement an industrial pretreatment program pursuant to conditions contained in its discharge permits (Permits PA0026671, PA0026689 and PA0026662) issued by the Pennsylvania Department of Environmental Protection; and

Whereas, DELCORA desires to continue to utilize the City's Wastewater Treatment Services and recognizes its industrial waste control obligations under 40 CFR § 403 and the City's Wastewater Control Regulations.

In consideration of the following terms and conditions City and DELCORA agree:

1. No later than four (4) months after the effective date of the City's current Wastewater Control Regulations, DELCORA shall adopt and diligently enforce rules and regulations (hereinafter "Regulations") substantially identical to the City's current Wastewater Control Regulations. DELCORA shall ensure that all of its contributing municipalities then adopt DELCORA's rules and regulations. Should the City amend its Wastewater Control Regulations, DELCORA shall adopt and diligently enforce the amendment within four (4) months from the amendment's effective date. Also, DELCORA shall make its best efforts to ensure that any outside jurisdictions which contribute to its sewer system adopt the Regulations and any amendments to the Regulations within four (4) months of the amendment's effective date.
2. DELCORA shall explicitly incorporate the following provisions into its Regulations:
 - (a) a provision requiring any Industrial User responsible for any accidental discharge to notify both City and DELCORA immediately;
 - (b) a prohibition on the use of dilution as a control technique for compliance with discharge limits except as allowed by federal pretreatment standards;
 - (c) a grant of authority to impose mass discharge limits in lieu of, or in conjunction with, concentration discharge limits;
 - (d) a prohibition against, and a penalty for, the knowing transmittal of false information by an Industrial User to either City or DELCORA; and

- (e) a grant of explicit authority to City to require the Industrial User(s) to install monitoring and pretreatment facilities as necessary.
- 3. City and DELCORA shall periodically, at a minimum of every five (5) years, review their respective regulations and jointly draft and adopt equivalent amendments where necessary to ensure the effective administration and operation of the pretreatment program. Whenever City revises its regulations or drafts an amendment to its regulations, DELCORA must adopt substantially in such form within three (3) months of promulgation by the City. If DELCORA has adopted regulations identical to the City's regulations, then, whenever City revises or amends its regulations, DELCORA shall adopt the identical revisions or amendment(s) within three (3) months of promulgation by the City.
- 4. DELCORA shall adopt, as part of its regulations, and enforce specific discharge limits at least as stringent as the specific discharge limits established in City regulations.
- 5. DELCORA's Regulations shall require that categorical pretreatment standards promulgated by the U.S. Environment Protection Agency (EPA) by authority of the Clean Water Act Sections 307(b) and (c) be automatically incorporated by reference into DELCORA's Regulations. These standards shall supersede any specific discharge limits in the ordinance which are less stringent than the categorical standards as they apply to the particular industrial subcategory. DELCORA shall notify all affected Industrial Users of pertinent categorical standards and monitoring and reporting requirements contained in 40 CFR 403.12 or included as part of the categorical standards.
- 6. DELCORA shall adopt in its Regulations definitions for "Significant Industrial User," "Industrial User" and "Non-domestic User" which are identical to the definitions adopted by City. City may make the final determination as to whether a particular user is a Significant Industrial User, Industrial User or Non-domestic User based on information City may request from DELCORA. City may control, through wastewater discharge permits, wastewater discharges from Significant Industrial User, Industrial User or Non-domestic User.
- 7. If there exists any Industrial User discharging to DELCORA's force main but located outside the jurisdictional limits of DELCORA, then DELCORA shall within thirty (30)

days from the effective date of this Service Agreement notify such jurisdiction of the requirements contained within this Interjurisdictional Pretreatment Agreement and provide the City with copies of such notification. DELCORA shall negotiate and enter into an agreement with such outside jurisdiction within six (6) months from the effective date of this Service Agreement. Such agreement shall be substantially equivalent to this Interjurisdictional Pretreatment Agreement, and shall be jointly executed by DELCORA, City and the outside jurisdiction. The agreement shall specifically state that the contributing jurisdiction must also adopt regulations substantially identical to the City's Wastewater Control Regulations and shall adopt all amendments thereto within three (3) months from their effective date. Such agreement shall ensure that the City has the same rights, powers and authority to operate its industrial pretreatment program in the outside jurisdiction as it has within the area served by DELCORA. If DELCORA is unable to reach agreement with the contributing jurisdiction within six (6) months, then DELCORA shall immediately thereafter take all necessary steps to prevent all discharges from Industrial Users within the contributing jurisdiction to DELCORA.

8. DELCORA shall file with City a certified copy of its resolution and any amendments thereto, and other interjurisdictional agreements. DELCORA warrants that its resolution has met EPA approval, and during the term of this Agreement it shall not amend its resolution absent EPA approval. DELCORA shall provide a table to the City cross-referencing sections of its ordinance with the City's Wastewater Control Regulations in order to demonstrate that all provisions contained in the City's Wastewater Control Regulations have been incorporated into DELCORA's ordinance. If DELCORA maintains, DELCORA shall provide City access to and copies of, if requested, all industrial monitoring reports including 40 CFR §403.12 compliance reports, self-monitoring reports, baseline monitoring reports, records of violations and actions taken, and any other monitoring or reporting requirements imposed by federal, state or local regulations. These records and other relevant information shall be maintained for at least six (6) years.
9. Any authorized officer or employee of City may enter and inspect at any reasonable time any part of the sewer systems of DELCORA and its contributing jurisdictions. The right of entry and inspection shall extend to public streets, easements, and property within which the system is located. Additionally, City shall be permitted, as appropriate, to enter onto private property to inspect wastewater discharges. DELCORA shall provide

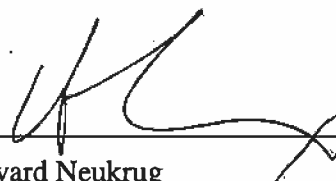
complete sets of sewer plans and make all necessary legal and administrative arrangements for these inspections. The right of inspection shall include on-site inspection of pretreatment and sewer facilities, observation, measurement, sampling, testing, and access to (with the right to copy) all pertinent compliance records located on the premises of the Industrial User or Non-domestic Dischargers.

10. DELCORA and City hereby agree that DELCORA shall implement a pretreatment program within the area served by DELCORA and its contributing jurisdictions and shall perform in connection therewith technical and administrative activities which may include: 1) updating the industrial waste survey; 2) providing technical services, such as sampling, process chemical analysis, and engineering advice; 3) permitting; 4) compliance monitoring; 5) enforcement; and 6) monitoring hazardous waste disposal practices.
11. City shall review DELCORA's ordinance and amendments thereto, and any interjurisdictional agreements for conformance with 40 CFR Part 403, and to ensure inclusion of all other legal provisions mandated by this Interjurisdictional Pretreatment Agreement. City shall periodically review the enforcement efforts of DELCORA and any other jurisdiction to ascertain whether pretreatment requirements are being diligently enforced.
12. If DELCORA fails or refuses to fulfill any pretreatment obligations, including, but not limited to, any obligations contained within this Interjurisdictional Pretreatment Agreement, City may develop and issue a remedial plan containing a description of the nature of the pretreatment deficiencies, an enumeration of steps to be taken by DELCORA, and a time schedule for attaining compliance with all pretreatment requirements. Such plans shall be specifically enforceable in a court of competent jurisdiction. Where DELCORA fails to satisfy the terms of the remedial plan, City may, upon thirty (30) days written notice, refuse to accept any wastewater discharges from DELCORA.
13. In the event that EPA or PADEP action results in fines, penalties or costs being assessed against City because of industrial or non-domestic waste discharged from DELCORA or contributing jurisdictions, DELCORA and City shall equitably apportion responsibility for payment of such fines, penalties or costs.

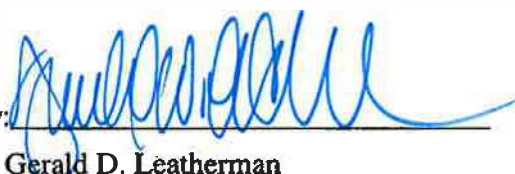
14. Where a discharge to the wastewater collection and treatment facilities reasonably appears to present an imminent danger to the health and welfare of persons, or presents or may present an imminent danger to the environment, or threatens to interfere with the operation of the wastewater collection and treatment facilities, City may immediately initiate steps to identify the source of the discharge and to hold or prevent said discharge. City may seek injunctive relief and/or may pursue other self-help remedies against DELCORA, contributing jurisdictions, and any Industrial User or Non-domestic User contributing to the emergency conditions. DELCORA shall pay to City the cost of such steps specified in reasonable detail and submitted in writing to DELCORA taken to prevent, stop or ameliorate the effects of such discharge.
15. All provisions of this Interjurisdictional Pretreatment Agreement apply only to areas and properties within DELCORA's service area from which flows, directly or indirectly, enter the City's wastewater collection or treatment facilities. This Interjurisdictional Pretreatment Agreement does not apply to any area or property within DELCORA's service area from which flows do not enter the City's wastewater collection or treatment facilities.
16. Any disputes arising out of this Interjurisdictional Pretreatment Agreement shall be submitted to binding arbitration performed in accordance with the procedures set forth in the Service Agreement between DELCORA and City, as amended.
17. The terms of this Interjurisdictional Pretreatment Agreement may be amended only by written agreement of the Parties. In any event, this Interjurisdictional Pretreatment Agreement shall be reviewed and revised, as necessary, at least every five (5) years.
18. This Interjurisdictional Pretreatment Agreement modifies only those provisions of the existing Service Agreement between the two parties which conflict with the terms of this Interjurisdictional Pretreatment Agreement.
19. This Interjurisdictional Pretreatment Agreement will remain in effect so long as the Service Agreement remains in effect. Termination of the Service Agreement shall also result in the termination of this Interjurisdictional Pretreatment Agreement.

IN WITNESS WHEREOF, The City of Philadelphia has caused this Interjurisdictional Pretreatment Agreement to be executed by its Water Commissioner, and President of the Board of Directors of DELCORA has executed this Interjurisdictional Pretreatment Agreement on behalf of DELCORA, as of the Effective Date of the Service Agreement.

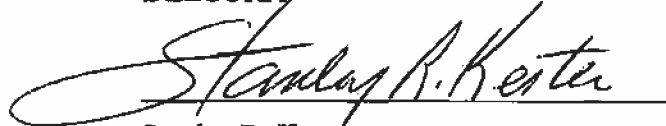
CITY OF PHILADELPHIA

By: 
Howard Neukrug
Water Commissioner

Approved as to form:

By: 
Gerald D. Leatherman
Divisional Deputy City Solicitor

DELCORA


Stanley R. Kester
Chairman, Board of Directors

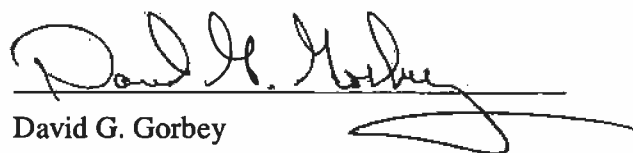

David G. Gorbey
Secretary

Exhibit “D”

The following eleven (11) tables constitute Exhibit D.

TABLE A - 15

UNITS OF WASTEWATER SERVICE

Test Year 2011

		(1)	(2)
Line No.		Units	DELCORA
FY 2011 Test Year			
Volume			
1	Sanitary Wastewater	(Mcf)	1,404,000
2	Infiltration	(Mcf)	0
3	Total	(Mcf)	1,404,000
Suspended Solids			
4	Sanitary Wastewater	(1,000 lbs)	12,528
5	Infiltration	(1,000 lbs)	0
6	Total	(1,000 lbs)	12,528
BOD			
7	Sanitary Wastewater	(1,000 lbs)	11,214
8	Infiltration	(1,000 lbs)	0
9	Total	(1,000 lbs)	11,214
Contract Maximum Units			
Capacity			
10	Sanitary Wastewater	(Mcf/day)	13,392
11	Infiltration	(Mcf/day)	0
12	Total	(Mcf/day)	13,392
Volume			
13	Sanitary Wastewater	(Mcf)	2,439,840
14	Infiltration	(Mcf)	0
15	Total	(Mcf)	2,439,840
Suspended Solids			
16	Sanitary Wastewater	(1,000 lbs)	21,771
17	Infiltration	(1,000 lbs)	0
18	Total	(1,000 lbs)	21,771
BOD			
19	Sanitary Wastewater	(1,000 lbs)	19,487
20	Infiltration	(1,000 lbs)	0
21	Total	(1,000 lbs)	19,487

Mcf - thousand cubic feet

Mcf/day - thousand cubic feet per day

lbs - pounds

TABLE A - 3
ALLOCATION OF TEST YEAR INVESTMENT FOR THE
SOUTHWEST WATER POLLUTION CONTROL PLAN TO FUNCTIONAL COST COMPONENTS
Test Year 2011

Line No.	Description	(1)	(2)	(3)	(4)	(5)	(6)
		Total Investment (a)	Retail Capacity	Volume	Capacity	Suspended Solids	BOD
		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
NON-WATER POLLUTION ABATEMENT PROGRAM FACILITIES							
1	Raw Wastewater Pumping Station	6,841	6,841				
2	Sludge Digestion Facilities	5,132				3,745	1,387
3	Scum Incineration	1,965				1,965	
4	Settling Tanks	13,122		13,122			
5	Sludge Handling	2,198				1,649	549
6	Chlorination Facilities	1,228			1,228		
7	Aeration Tanks	707					707
8	Oxygen Supply	1,286					1,286
9	Effluent Pump Station	101			101		
10	Sludge Thickener Building	1,936				968	968
11	Composting Facilities	1,033				775	258
12	Sludge Gas Facilities	3,055				2,291	764
13	Subtotal	38,604	6,841	13,122	1,329	11,393	5,919
14	Administrative and General Facilities						
15	Administrative and General Plant	47,979					
16	Land	694					
17	Subtotal	48,673	8,625	16,545	1,676	14,365	7,462
18	Adjustment for Joint Use Facilities	(2,935)				(2,325)	(610)
19	Total Non-Water Pollution Abatement Program Facilities	84,342	15,466	29,667	3,005	23,433	12,771
WATER POLLUTION ABATEMENT PROGRAM FACILITIES							
21	Influent Pumping Station	6,386	6,386				
22	Preliminary Treatment Building	24,513			24,513		
23	Primary Sedimentation Tanks	11,248		11,248			
24	Aeration Tanks	16,566					16,566
25	Oxygen Supply System	14,248					14,248
26	Compressor Building	3,771					3,771
27	Final Tanks	29,630		29,630			
28	Scum Concentration Building	1,387				1,387	
29	Sludge Thickener Building	12,682				6,341	6,341
30	Sludge Digestion Facilities	31,442				22,942	8,500
31	Effluent Pumping Station	5,990			5,990		
32	New Centrifuges	11,167				8,148	3,019
33	Composting Facilities	21,811				16,359	5,452
34	Sludge Dewatering	9,075				6,806	2,269
35	Sludge Gas Facilities	7,325				5,345	1,980
36	Subtotal	207,241	6,386	40,878	30,503	67,328	62,146
37	Admin. and Gen'l. Facilities	34,355	1,059	6,776	5,057	11,161	10,302
38	Adjust. for Joint Use Facilities	(10,345)			(474)	(7,385)	(2,486)
39	Total Water Pollution Abatement Program Facilities	231,251	7,445	47,654	35,086	71,104	69,962
40	TOTAL SOUTHWEST WPC PLANT BOOK COST	315,593	22,911	77,321	38,091	94,537	82,733
41	Less Federal Grants	158,028	5,089	32,557	23,980	48,586	47,816
42	ADJUSTED TOTAL SOUTHWEST WPC PLANT INVESTMENT	157,565	17,822	44,764	14,111	45,951	34,917

(a) Plant Investment as of 6/30/2007.

TABLE A - 5

**TEST YEAR INVESTMENT IN THE WASTEWATER SYSTEM
SUMMARY OF ALLOCATIONS TO FUNCTIONAL COST COMPONENTS
Test Year 2011**

Line No.	Cost Component	Total Direct Investment (a) \$
	COLLECTION SYSTEM	
1	Sewers - Capacity	1,000,622,000
2	Pumping Stations - Capacity	29,222,000
3	Total Collection System	1,029,844,000
	WATER POLLUTION CONTROL PLANTS	
	Southwest Plant:	
4	Retail - Capacity	17,822,000
	Retail, DELCORA, Lower Merion, Springfield, (excluding Wyndmoor), and Upper Darby	
5	Volume	44,764,000
6	Capacity	14,111,000
7	Suspended Solids	45,951,000
8	BOD	34,917,000
9	Total Southwest Plant	157,565,000
10	Other Plants	381,920,000
11	Total Water Pollution Control Plants	539,485,000
12	Total Investment	1,569,329,000

(a) Plant investment as of 6/30/2007. Includes Administration and General costs.

TABLE A - 16
WATER POLLUTION CONTROL PLANT INVESTMENT PER UNIT OF CAPACITY
Test Year 2011

Line No.	Cost Component	(1) Direct Investment (a) \$	(2) Units of Capacity	(3) Unit Investment (a) \$
1	Southwest Water Pollution Control Plant Retail - Capacity	17,822,000	50 mgd = 6,684 Mcf/day	2,666.3674 /Mcf/day
2	Retail, DELCORA, Lower Merion, Springfield, (excluding Wyndmoor), and Upper Darby			
3	Volume	44,764,000	73,000 mg = 9,759,000 Mcf	4.5869 /Mcf
4	Capacity	14,111,000	400 mgd = 53,476 Mcf/day	263.8754 /Mcf/day
5	Suspended Solids	45,951,000	133,824,000	343.3698 /1,000 lbs
	BOD	34,917,000	83,723,000	417.0520 /1,000 lbs

(a) Plant investment as of 6/30/2007. Includes Administration and General costs.

mg - million gallons

mgd - million gallons per day

Mcf - thousand cubic feet

Mcf/day - thousand cubic feet per day

lbs - pounds

TABLE A - 21
WASTEWATER SYSTEM INVESTMENT
ALLOCATED TO
DELCORA
Test Year 2011

Line No.	Cost Component	Units	Investment Per Unit	Number of Contract Units	Infiltration/Inflow Capacity Allocation Factor	Allocated Investment (a)	Allocated Investment Rounded (a)
			\$			\$	\$
	Treatment						
	Retail, DELCORA, Lower Merion, Springfield, (excluding Wyndmoor), and Upper Darby						
1	Volume	Mcf	4.5869	2,439,840		11,191,302	11,191,000
2	Capacity	Mcf/day	263.8754	13,392		3,533,819	3,534,000
3	SS	1,000 lbs	343.3698	21,771		7,475,504	7,476,000
4	BOD	1,000 lbs	417.0520	19,487		8,127,092	8,127,000
5	Total Treatment					30,327,717	30,328,000
6	Conveyance					0	0
7	Total Allocated System Investment					30,327,717	30,328,000

(a) Plant investment as of 6/30/2007. Includes Administration and General costs.
cfs - cubic feet per second
Mcf - Thousand cubic feet
lbs - pounds

TABLE A - 8

**ALLOCATION OF TEST YEAR OPERATION AND MAINTENANCE EXPENSE FOR THE
SOUTHWEST WPC PLANT TO FUNCTIONAL COST COMPONENTS
Test Year 2011**

Line No.	Description	(1) Total Operation & Maintenance Expense	(2)	(3)	(4)	(5) Retail, DELCORA, Lower Merion, Springfield (w/o Wyndmoor) and Upper Darby	(6) Suspended Solids	(7) BOD
		\$	Volume	Capacity	Volume	Capacity	\$	\$
	Personal Services							
1	Raw Wastewater Pumping	145,950		145,950				
2	Preliminary Treatment	1,926,542			1,406,376	520,166		
3	Flocculation	350,280			350,280			
4	Primary Sedimentation	507,906			507,906			
5	Aeration	1,033,327						1,033,327
6	Secondary Sedimentation	875,701			875,701			
7	Recirculating Pumping	326,928			326,928			
8	Chlorination	496,230			292,776	203,454		
9	Effluent Pumping	408,660				408,660		
10	Primary Sludge Pumping	373,632					373,632	
11	Secondary Sludge Thickening	309,414					151,613	157,801
12	Sludge Digestion	1,182,196					886,647	295,549
13	Sludge Holding Tanks	201,411					151,058	50,353
14	Sludge Dewatering	919,486					689,615	229,871
15	Sludge Lagoon	8,757					6,568	2,189
16	Grit and Screening Incineration	810,023			550,816	259,207		
17	Scum and Grease Incineration	205,789					205,789	
18	Laboratory	747,265					373,633	373,632
19	Subtotal Personal Services	10,829,497		145,950	4,310,783	1,391,487	2,838,555	2,142,722
	Purchase of Services, Materials, Supplies, and Equipment:							
20	Raw Wastewater Pumping	34,685		34,685				
21	Preliminary Treatment	397,060				397,060		
22	Flocculation	205,797			205,797			
23	Primary Sedimentation	115,947			115,947			
24	Aeration	225,948						225,948
25	Secondary Sedimentation	243,455			243,455			
26	Recirculating Pumping	101,412			101,412			
27	Chlorination	1,018,059			1,018,059			
28	Effluent Pumping	11,562				11,562		
29	Primary Sludge Pumping	130,481					130,481	
30	Secondary Sludge Thickening	23,123					11,330	11,793
31	Sludge Digestion	228,177					171,133	57,044
32	Sludge Holding Tanks	80,518					60,389	20,129
33	Sludge Dewatering	482,368					361,776	120,592
34	Sludge Lagoon	4,459					3,344	1,115
35	Grit and Screening Incineration	102,073				102,073		
36	Scum and Grease Incineration	32,703					32,703	
37	Laboratory	260,633					130,317	130,316
38	Subtotal Purchase of Services, Materials, Supplies & Equipment	3,698,460		34,685	1,684,670	510,695	901,473	566,937
39	Subtotal All Above	14,527,957		180,635	5,995,453	1,902,182	3,740,028	2,709,659
	Administrative & General							
40	Personal Services	2,622,000		35,337	1,043,712	336,902	687,261	518,788
41	Other	410,800		3,853	187,122	56,725	100,128	62,972
42	Subtotal Administration & General	3,032,800		39,190	1,230,834	393,627	787,389	581,760
	Power Requirements							
43	Raw Wastewater Pumping	94,733	80,523	14,210				
44	Preliminary Treatment	6,316			5,369	947		
45	Flocculation	303,597			258,057	45,540		
46	Primary Sedimentation	23,909			20,323	3,586		
47	Aeration	2,957,928						2,957,928
48	Secondary Sedimentation	60,900			51,765	9,135		
49	Recirculating Pumping	161,497			137,272	24,225		
50	Chlorination	13,082			11,120	1,962		
51	Effluent Pumping	39,698			33,743	5,955		
52	Primary Sludge Pumping	3,609					3,609	
53	Secondary Sludge Thickening	395,172					193,634	201,538
54	Sludge Digestion	92,365					69,274	23,091
55	Sludge Dewatering	67,666					50,750	16,916
56	Grit and Screening Incineration	41,953			35,660	6,293		
57	Scum and Grease Incineration	6,428					6,428	
58	Subtotal Power Requirements	4,268,853	80,523	14,210	553,309	97,643	323,695	3,199,473
59	Sludge Disposal	9,158,748					6,869,061	2,289,687
60	Total Southwest WPC Plant Expense	30,988,358	80,523	234,835	7,779,596	2,393,452	11,720,173	8,780,579

TABLE A - 11

**TEST YEAR OPERATION AND MAINTENANCE EXPENSE
SUMMARY OF ALLOCATIONS TO FUNCTIONAL COST COMPONENTS
Test Year 2011**

Line No.	Cost Component	(1) Direct Operation & Maintenance Expense \$1,000	(2) Administrative & General Expense \$1,000	(3) Total Operation & Maintenance Expense \$1,000	(4) O&M Expense Deductions Less Interest Income \$1,000	(5) Less PA Clean Streams Grants \$1,000	(6) Net Operation & Maintenance Expense \$1,000
COLLECTION SYSTEM							
Sewer Maintenance							
1	All Customers - Capacity	23,041	10,994	34,035	127	0	33,908
	Inlet Cleaning						
2	Retail - Storm Capacity	10,350	4,938	15,288	57	0	15,231
	Pumping Stations						
3	Total Volume	2,845	0	2,845	11	0	2,834
4	Total Capacity	11,259	5,131	16,390	61	0	16,329
5	COLLECTION SYSTEM	47,495	21,063	68,558	256	0	68,302
WATER POLLUTION CONTROL PLANTS							
Southwest Plant:							
Retail							
6	Volume	81	0	81	0	0	81
7	Capacity	234	104	338	1	1	336
Retail, DELCORA, Lower Merion, Springfield (Excluding Wyndmoor), and Upper Darby							
8	Volume	7,780	3,414	11,194	42	45	11,107
9	Capacity	2,393	1,085	3,478	13	14	3,451
10	Suspended Solids	11,822	5,468	17,290	64	73	17,153
11	BOD	8,781	2,652	11,433	43	46	11,344
12	Other Plants	55,694	23,544	79,238	295	321	78,622
13	Total Water Pollution Control Plants	86,785	36,267	123,052	458	500	122,094
14	CUSTOMER COSTS	27,879	13,303	41,182	153	0	41,029
15	Total Operation & Maintenance Expense	162,159	70,633	232,792	867	500	231,425

TABLE A - 28
UNIT PUMPING AND TREATMENT OPERATION AND MAINTENANCE EXPENSE
APPLICABLE FOR CONTRACT SERVICE
Test Year 2011

Line No.	Cost Component	(1) Net Operating Expense	(2) Projected TY Units of Service	(3) Unit Operating Expense \$/Unit
WATER POLLUTION CONTROL PLANTS				
Southwest Plant:				
Retail, DELCORA, Lower Merion, Springfield (Excluding Wyndmoor), and Upper Darby				
1	Volume	11,107,000	9,271,000 Mcf	1.1980
2	Capacity	3,451,000	56,249 Mcf/day	61.3522
3	Suspended Solids	17,153,000	84,426 1,000 lbs	203.1720
4	BOD	11,344,000	61,300 1,000 lbs	185.0571
NA - Not Applicable				
Mcf - thousand cubic feet				
Mcf/day - thousand cubic feet per day				
lbs - pounds				

TABLE A - 33
OPERATING EXPENSE
ALLOCATED TO
DELCORA
Test Year 2011

Line No.	Cost Component	(1) Allocated Investment \$		(2) Test Yr. No. of Units		(3) Allocated Operating Expense \$
Collection System:						
1	Sewer Maintenance (a)	0	x	3.20%		0
SW Treatment Plants:						
Retail, DELCORA, Lower Merion, Springfield (Excluding Wyndmoor), and Upper Darby						
2	Volume	1.1980	\$/Mcf	1,404,000	Mcf	1,681,992
3	Capacity	61.3522	\$/Mcf/day	13,392	Mcf/day	821,629
4	Suspended Solids	203.1720	\$/1,000 lbs	12,528	1,000 lbs	2,545,339
5	BOD	185.0571	\$/1,000 lbs	11,214	1,000 lbs	2,075,230
6	Customer Costs					<u>43,000</u>
7	Total					7,167,190
8	Total - Rounded					7,167,000

(a) Based on investment in sewers serving DELCORA.
Mcf - Thousand cubic feet
lbs - pounds

TABLE A - 40
SUMMARY OF ALLOCATED COST OF SERVICE
FOR DELCORA

Description	(1) Allocated Investment (a)	(2) Allocated Depreciable Investment (a)	(3) O&M Expense	(4) Depreciation Expense (b)	(5) Return on Investment (b)	(6) Allocated Cost of Service
	\$	\$	\$	\$	\$	\$
FY 2011	30,328,000	30,194,000	7,167,000	0	0	7,167,000
FY 2012	30,328,000	30,194,000	7,686,000	0	0	7,686,000

(a) Plant investment as of 6/30/2007. Includes Administration and General costs.

(b) DELCORA Depreciation and ROI capital charges shall apply to all applicable capital projects which are completed and in-service after December 31, 2010.

TABLE A - 49
SUMMARY OF CHARGES
DELCORA

	(1)	(2)	(3)	(4)	(5)
	Unit Costs				
Description	Annual Lump Sum	Volume	Capacity (a)	Suspended Solids	BOD
	\$	\$/Mcf	\$/cfs	\$/1,000 lbs	\$/1,000 lbs
FY 2011	43,000	1.1980	5,301	203.1720	185.0571
FY 2012	43,000	1.2821	5,604	214.6076	203.8065

Mcf - Thousand cubic feet
cfs - cubic feet per second
lbs - pounds

(a) Annual Cost.

EXHIBIT E

The following two tables constitute Exhibit E

DELCORA Share-Philadelphia Water Department - 25 Year LTCP Program - Based on 100 MGD Peak Instantaneous Flow

Estimated LTCP Capital Costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	Total
Target C1 - 1997 Treatment Upgrades	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$300,000,000
Target C3 - Odors Infrastructure	\$14,700,000	\$33,300,000	\$37,000,000	\$40,000,000	\$40,000,000	\$37,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$700,000,000
Plausible LTCP Projects					\$7,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$178,000,000
Total LTCP Capital Budget	\$19,700,000	\$38,300,000	\$42,000,000	\$45,000,000	\$54,000,000	\$49,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$54,000,000	\$1,078,000,000

Township Share of Capital	0.094428705																									
Township share (see addition)	\$4,428,716	\$1,880,246	\$1,818,118	\$3,589,208	\$4,348,282	\$4,910,253	\$4,627,027	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$5,089,180	\$1,818,118
depreciate & return charge 1	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025	\$188,025
depreciate & return charge 2	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882	\$381,882
depreciate & return charge 3		\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801	\$389,801
depreciate & return charge 4			\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828	\$424,828
depreciate & return charge 5				\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028	\$481,028
depreciate & return charge 6					\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701	\$482,701
depreciate & return charge 7						\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 8							\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 9								\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 10									\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 11										\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 12											\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 13												\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 14													\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 15														\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 16															\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 17																\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 18																	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 19																		\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 20																			\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 21																				\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 22																					\$509,918	\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 23																						\$509,918	\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 24																							\$509,918	\$509,918	\$509,918	\$509,918
depreciate & return charge 25																								\$509,918	\$509,918	\$509,918

Township Total Depreciate & Return Charge	\$188,025	\$547,886	\$644,707	\$1,268,715	\$1,850,541	\$2,337,366	\$2,824,191	\$3,310,916	\$3,797,741	\$4,284,566	\$4,771,391	\$5,258,216	\$5,745,041	\$6,231,866	\$6,718,691	\$7,205,516	\$7,692,341	\$8,179,166	\$8,665,991	\$9,152,816	\$9,639,641	\$10,126,466	\$10,613,291	\$11,100,116	\$11,586,941	\$12,073,766
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LTCP O&M Costs																										
Annual Investment O&M (1.7% of Capital)	\$214,126	\$498,060	\$538,888	\$582,691	\$631,091	\$683,688	\$740,188	\$800,188	\$863,188	\$929,188	\$998,188	\$1,070,188	\$1,145,188	\$1,223,188	\$1,304,188	\$1,389,188	\$1,477,188	\$1,568,188	\$1,662,188	\$1,759,188	\$1,859,188	\$1,962,188	\$2,068,188	\$2,177,188	\$2,288,188	\$2,402,188
Annual Total O&M (1.7% of Accumulated Capital)	\$214,126	\$698,026	\$1,236,914	\$1,820,604	\$2,459,294	\$3,152,982	\$3,901,670	\$4,705,358	\$5,564,046	\$6,477,734	\$7,445,422	\$8,468,110	\$9,545,798	\$10,678,486	\$11,866,174	\$13,108,862	\$14,406,550	\$15,759,238	\$17,166,926	\$18,629,614	\$20,147,302	\$21,720,990	\$23,350,678	\$25,036,366	\$26,778,054	\$28,575,742
Township share O&M	\$4,488,716	\$69,221	\$99,837	\$146,923	\$208,668	\$277,688	\$354,613	\$440,188	\$534,391	\$637,188	\$748,581	\$868,691	\$997,541	\$1,135,291	\$1,282,041	\$1,437,791	\$1,602,541	\$1,777,291	\$1,962,041	\$2,156,791	\$2,361,541	\$2,577,291	\$2,804,041	\$3,041,791	\$3,290,541	\$3,550,291

Township Total O&M incl Depreciate/Return	\$288,246	\$813,714	\$1,091,210	\$1,541,192	\$2,059,214	\$2,800,681	\$3,549,806	\$4,345,534	\$5,185,234	\$6,069,522	\$6,996,710	\$7,965,798	\$8,976,934	\$10,029,022	\$11,122,110	\$12,256,202	\$13,431,294	\$14,647,386	\$15,904,478	\$17,202,570	\$18,541,662	\$19,921,754	\$21,342,846	\$22,804,938	\$24,308,030	\$25,852,122
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Township Management Fee (1.5%)	\$54,748	\$72,648	\$117,348	\$164,438	\$230,468	\$312,087	\$408,220	\$514,948	\$632,422	\$760,690	\$900,018	\$1,049,542	\$1,209,410	\$1,379,762	\$1,560,630	\$1,752,938	\$1,956,726	\$2,172,034	\$2,398,802	\$2,637,070	\$2,886,878	\$3,148,266	\$3,422,254	\$3,707,862	\$4,005,090	\$4,313,938
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Township Total O&M, Depreciate/Return, Mgt. Fee	\$288,246	\$886,362	\$1,208,558	\$1,705,630	\$2,289,682	\$3,112,768	\$4,059,998	\$5,140,482	\$6,357,954	\$7,770,112	\$9,396,728	\$11,135,338	\$13,086,344	\$15,258,782	\$17,682,740	\$20,359,140	\$23,288,022	\$26,479,414	\$29,933,302	\$33,660,770	\$37,678,938	\$41,989,810	\$46,594,482	\$51,494,874	\$56,699,966	\$62,209,998
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Note:

Township share is based on the current contractual peak instantaneous flow rate of 100MGD as percent of PWD's Peak Wastewater Treatment capacity of 1,000 MGD

DELCORA Share-Philadelphia Water Department - 25 Year LTCP Program - Inflated (Based on 100 MGD Instantaneous Peak Flow)

Initiation Date	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
Estimated LTCP Capital Costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	1222	1223	1224	1225	1226	1227	1228	1229	1230	1231	1232	1233	1234	1235	1236	1237	1238	1239	1240	1241	1242	1243	1244	1245	1246	1247	1248	1249	1250	1251	1252	1253	1254	1255	1256	1257	1258	1259	1260	1261	1262	1263	1264	1265	1266	1267	1268	1269	1270	1271	1272	1273	1274	1275	1276	1277	1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320	1321	1322	1323	1324	1325	1326	1327	1328	1329	1330	1331	1332	1333	1334	1335	1336	1337	1338	1339	1340	1341	1342	1343	1344	1345	1346	1347	1348	1349	1350	1351	1352	1353	1354	1355	1356	1357	1358	1359	1360	1361	1362	1363	1364	1365	1366	1367	1368	1369	1370	1371	1372	1373	1374	1375	1376	1377	1378	1379	1380	1381	1382	1383	1384	1385	1386	1387	1388	1389	1390	1391	1392	1393	1394	1395	1396	1397	1398	1399	1400	1401	1402	1403	1404	1405	1406	1407	1408	1409	1410	1411	1412	1413	1414	1415	1416	1417	1418	1419	1420	1421	1422	1423	1424	1425	1426	1427	1428	1429	1430	1431	1432	1433	1434	1435	1436	1437	1438	1439	1440	1441	1442	1443	1444	1445	1