
EXHIBIT F107

AMENDMENT TO AGREEMENT OF SALE AND SERVICE,
DATED OCTOBER 16, 2012, BY AND AMONG
SOUTHERN DELAWARE COUNTY AUTHORITY AND DELCORA

**AMENDMENT TO AGREEMENT OF SALE AND SERVICE
DATED FEBRUARY 12, 2001**

THIS AMENDMENT is made as of the 16th day of October, 2012 between Southern DELAWARE COUNTY AUTHORITY ("SOUTHERN"), a Pennsylvania Municipal Authority, and DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY ("DELCORA"), a Pennsylvania Municipal Authority.

RECITALS:

WHEREAS, SOUTHERN and DELCORA entered into that certain Agreement of Sale and Service dated February 12, 2001 (the "2001 Agreement");

WHEREAS, SOUTHERN and DELCORA desire to amend certain provisions of the 2001 Agreement and agree to hereby do so;

WHEREAS, the parties hereto desire to reaffirm all other provisions of the 2001 Agreement not specifically amended hereby.

NOW, THEREFORE, with the foregoing recitals made part hereof and incorporated herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Paragraph 4.02 of the 2001 Agreement shall be amended by deletion of the existing Paragraph 4.02 in its entirety and replacement thereof with the following new Paragraph 4.02 which hereafter shall be part of the 2001 Agreement and shall read as follows:

"4.02 Service Charge. SOUTHERN agrees to pay DELCORA in each calendar year or portion thereof during which this Agreement is in effect, subject to the other provisions hereof, a service charge for the wastewater treatment and transportation services rendered by DELCORA to SOUTHERN for wastewater emanating from SOUTHERN. The service charge shall be based upon rates which are uniform for all users within a particular class in the region served and which are equitable between classes. DELCORA in its sole and reasonable discretion shall allocate the costs of the system among classes of users based upon the respective burden placed on the system by each class. DELCORA shall not place SOUTHERN in a separate class consisting of SOUTHERN solely, unless and only if then present circumstances dictate that doing so is the most equitable arrangement from the perspective of both DELCORA and SOUTHERN. The parties recognize that placement of SDCA (as well as all DELCORA'S customers) in a class of similarly situated customers for billing and cost allocation purposes is in the best interest of DELCORA and SDCA Costs may include pro rata shares of administrative and general expenses, costs of effective and

reasonable operation, maintenance, repair, renewal, and replacement, ordinary improvements, costs of construction, costs of operating and maintaining flow monitoring and sampling equipment, all amounts required to carry and amortize temporary and bonded indebtedness including required payments to reserve funds, and reasonable reserves.

Service charges for any industrial users in SOUTHERN's member municipalities served by this Agreement who are required to obtain an industrial discharge permit and who are billed separately by DELCORA shall be shown separately on each invoice, charges for such industries shall include a volume charge (based upon wastewater flow or water consumption as deemed appropriate by DELCORA) and any applicable surcharges for high strength flows. Such rates and surcharges shall be equitable and consistent with rates and surcharges established for industrial users in other parts of the Western Service Area. Charges for industrial users will be reconciled at year end based on actual flows and loadings."

2. Paragraph 4.06 of the 2001 Agreement shall be amended by deletion of the existing Paragraph 4.06 in its entirety and replacement thereof with the following new Paragraph 4.06 which hereafter shall be part of the 2001 Agreement and shall read as follows:

"4.06 Audited Statements. DELCORA shall cause to be prepared and certified by an Independent Public Accountant on or before April 30 of each year a report setting forth in reasonable detail the final service charge chargeable to SOUTHERN for such year ("Final Service Charge") determined in accordance with the provisions of Section 4.02 through 4.05 above. Such report shall contain statements setting forth the payments theretofore made by SOUTHERN as estimated payments of service charges and the amount by which the final service charge to SOUTHERN exceeds or is less than the aggregate of the payments and credits theretofore made by or allowed to SOUTHERN on account of such service charge. Upon request by SOUTHERN made within 30 days of the issuance of the Final Service Charge report by DELCORA, DELCORA shall permit SOUTHERN to review and examine the audited rate models and calculations used to determine such Final Service Charge report. If SOUTHERN's review of the audited rate model results in questions or requests to DELCORA which DELCORA directs to Black and Veach, the consulting firm that created the model, or any other consultant in order to respond to SOUTHERN, SOUTHERN shall reimburse DELCORA for any consulting fees charged by such consultant. Prior to engaging any consultant in this regard, DELCORA will provide an estimate of the consultant's charges and fees to SOUTHERN and obtain SOUTHERN's approval prior to engaging the consultant for this purpose. If SOUTHERN does not agree to pay the consultant's charges and fees, DELCORA shall not engage the consultant and DELCORA's response to SOUTHERN's questions and/or requests shall be limited by the lack of participation by such consultant.

3. Paragraph 4.07 of the 2001 Agreement shall be amended by deletion of the existing Paragraph 4.07 in its entirety and replacement thereof with the following new Paragraph 4.07 which hereafter shall be part of the 2001 Agreement and shall read as follows:

"4.07 Payment to Final Service Charges; Credit for Overpayments.

If the Final Service Charge to SOUTHERN for any calendar year as shown by such certified report differs from the aggregate of the payments and credits theretofore made by it based upon the aforesaid estimates, then either (i) SOUTHERN will pay to DELCORA the amount of any deficiency of such payments and credits on account of estimates as to the Final Service Charge or (ii) DELCORA shall refund to SOUTHERN any excess of such payments and credits on account of estimates over the Final Service Charge. Any payment or refund due with respect to Final Service Charge shall be incorporated in the third quarter (September 1) billing of the year succeeding the audited year to which the Final Service Charge applies."

4. All other provisions, terms and conditions of the 2001 Agreement not specifically amended hereby shall remain in full force and effect. SOUTHERN and DELCORA hereby reaffirm the 2001 Agreement as amended hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date and year first written above by their respective duly authorized officers and their respective seals to be hereunto fixed

DELAWARE COUNTY REGIONAL
WATER QUALITY CONTROL
AUTHORITY

(CORPORATE SEAL)

Attest: David B. Gentry Secretary
By: Stanley A. Kester Chairman

SOUTHERN DELAWARE COUNTY
AUTHORITY

(CORPORATE SEAL)

Attest: John A. ... Secretary
By: Michael J. Sherman Jr. Chairman