



PENNSYLVANIA
AMERICAN WATER

PROPRIETARY AND CONFIDENTIAL

March 24, 2010

Hand-delivered

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
PO Box 3265
Harrisburg, PA 17105-3265

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PA PUC
SECRETARY'S BUREAU

Re: Coatesville Wastewater I & I Study

Dear Secretary McNulty:

Pursuant to Pennsylvania Public Utility Commission Order and Recommended Decision in the 2008 Coatesville Wastewater Rate Case R-2008-2032689, Pennsylvania American Water was directed to prepare a study that will provide an empirical basis for the manner in which the cost of Inflow and Infiltration ("I&I") is allocated to the customer classes for ratemaking cost of service purposes.

Consistent with the Order, this final report is being furnished to the Joint Petitioners not less than 30 days before filing the Company's next general base rate case for the Coatesville Wastewater operations.

If you have any questions, please contact me at (717) 531-3340.

Very truly yours,

Rod Neviraskas, Director of Rates and Regulation

Enclosure (Certificate of Service)

cc. Office of Consumer Advocate w/Certificate
Office of Small Business Advocate w/Certificate
Municipal Sewer Group w/Certificate



**PENNSYLVANIA
AMERICAN WATER**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing documents upon the following persons, in the manner indicated below:

VIA HAND DELIVERY

Irwin A. Popowsky, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place Fifth Floor
Harrisburg, PA 17101-1923

Lauren M. Lepkoski
Assistant Small Business Advocate
Office of Small Business Advocate
300 North Second Street
Suite 11001
Harrisburg, PA 17101

Kenneth L. Mickens
Senior Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, F West
P O Box 3265
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VIA OVERNIGHT MAIL

Kenneth R. Myers, Esquire
High Swartz LLC
40 East Airy Street
Norristown, PA 19404

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SECRETARY'S BUREAU

Rod Nevirauskas
Director Rates and Regulations
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033
(717) 533-3340

Dated this 24th day of March, 2010

**CONFIDENTIAL/PROPRIETARY
MATERIAL FOLLOWS:**

NO SCANNED IMAGE AVAILABLE

**ACTUAL DOCUMENT IN
CONFIDENTIAL FILE FOLDER**