

X. BALANCE SHEET

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Comparative Balance Sheet as of December 31, 2009

FR X.1

Pennsylvania-American Water Company
Northeast Wastewater Operations
X. Balance Sheet

1. Provide a comparative balance sheet for the historic test year-end and the preceding year-end.

Answer: Please see attached.

Pennsylvania-American Water Company
Balance Sheet
Total Company

	12/31/2008	12/31/2009	Change
ASSETS			
1 Utility Plant	\$ 2,821,942,687	\$ 3,014,928,941	192,986,254
2 Construction work in progress	39,932,994	36,926,001	(3,006,993)
3 Accumulated depreciation	(643,429,667)	(695,666,316)	(52,236,649)
4 Utility plant acquisition adjustment	17,004,724	16,609,520	(395,204)
5 Other utility plant adjustments	-	-	-
6 Sub-total Utility Plant	<u>\$ 2,235,450,738</u>	<u>\$ 2,372,798,146</u>	137,347,408
7 Non-Utility property	\$ 1,483,868	\$ 320,820	(1,163,048)
8 Other investments	\$ 39,685,812	\$ 38,642,612	(1,043,200)
Current Assets			
10 Cash and cash equivalents	\$ 975,487	\$ 23,499,836	22,524,349
11 Temporary investments	-	-	-
12 Customer accounts receivable	35,304,479	37,448,330	2,143,851
13 Allowance for uncollectible accounts	(4,703,142)	(7,177,309)	(2,474,167)
14 Unbilled revenues	25,381,384	27,766,156	2,384,772
15 FIT refund due from assoc. companies	-	-	-
16 Miscellaneous receivables	2,518,347	2,259,497	(258,850)
17 Materials and supplies	4,239,339	4,846,015	606,676
19 Other	5,911,762	5,992,760	80,998
20 Sub-total	<u>\$ 69,627,656</u>	<u>\$ 94,635,285</u>	25,007,629
22 Deferred debits			
23 Debt and preferred stock	\$ 11,761,367	\$ 13,837,134	2,075,767
24 Expense of rate proceeding	1,032,861	864,790	(168,091)
25 Prelim survey & invest charges	-	-	-
26 Reg Asset-income tax recovery	113,429,006	115,402,480	1,973,474
27 Other	46,532,472	71,418,819	24,886,347
29 Sub-total	<u>\$ 172,755,726</u>	<u>\$ 201,523,223</u>	28,767,497
30 Total Assets	<u>\$ 2,519,003,800</u>	<u>\$ 2,707,920,086</u>	188,916,286
32 CAPITAL AND LIABILITIES			
33 Common Stock	\$ 21,506,887	\$ 21,506,887	-
34 Paid in capital	553,814,160	607,873,322	54,059,162
35 Retained Earnings	292,852,296	315,033,636	22,181,340
36 Unearned Compensation	-	-	-
37 Reacquired C/S	-	-	-
38 Total common equity	<u>\$ 868,173,343</u>	<u>\$ 944,413,845</u>	76,240,502
39 Preferred stock	\$ 1,720,200	\$ 1,720,200	-
40 Long term debt	929,577,465	1,004,509,742	74,932,277
41 Total capitalization	<u>\$ 1,799,471,008</u>	<u>\$ 1,950,643,787</u>	151,172,779
42 Current liabilities			
43 Bank debt	\$ 84,577,892	\$ 7,496,277	(77,081,615)
44 Current portion of LTD	6,430,614	6,389,517	(41,097)
45 Accounts Payable	20,935,172	29,422,753	8,487,581
46 Taxes accrued	751,473	(4,828,029)	(5,579,502)
47 Interest accrued	11,209,368	13,708,190	2,498,822
48 Customer deposits	-	-	-
49 Dividends declared	-	-	-
51 Other	36,423,290	27,959,380	(8,463,910)
52 Sub-total	<u>\$ 160,327,809</u>	<u>\$ 80,148,088</u>	(80,179,721)
54 Deferred credits			
55 Customer adv. for construction	\$ 83,047,835	\$ 88,314,143	5,266,308
56 Deferred income taxes	343,603,182	453,290,140	109,686,958
57 Deferred investment tax credits	7,007,716	6,774,124	(233,592)
58 Reg.liab-inc.tax.refund thru rates	6,665,495	6,436,955	(228,540)
59 Other	16,642,656	17,893,787	1,251,131
60 Sub-total	<u>\$ 456,966,884</u>	<u>\$ 572,709,149</u>	115,742,265
62 Contributions in aid of construction	\$ 102,238,099	\$ 104,419,062	2,180,963
Total capital and liabilities	<u>\$ 2,519,003,800</u>	<u>\$ 2,707,920,086</u>	188,916,286
Balance Check	-	-	

Pennsylvania-American Water Company
Balance Sheet
Northeast WW Operations Combined

	12/31/2008	12/31/2009	Change
ASSETS			
1 Utility Plant	\$ 11,689,200	\$ 11,591,475	(97,725)
2 Construction work in progress	\$ 159,012	\$ 309,692	150,680
3 Accumulated depreciation	\$ (3,325,318)	\$ (2,301,385)	1,023,933
4 Utility plant acquisition adjustment	\$ 325,954	\$ 232,824	(93,130)
5 Other utility plant adjustments	-	-	-
6 Sub-total Utility Plant	<u>\$ 8,848,848</u>	<u>\$ 9,832,606</u>	983,758
7 Non-Utility property	\$ -	\$ -	-
8 Other investments	-	-	-
Current Assets			
10 Cash and cash equivalents	\$ -	\$ -	-
11 Temporary investments	-	-	-
12 Customer accounts receivable	-	-	-
13 Allowance for uncollectible accounts	-	-	-
14 Unbilled revenues	-	-	-
15 FIT refund due from assoc. companies	-	-	-
16 Miscellaneous receivables	-	-	-
17 Materials and supplies	2,018	3,771	1,753
19 Other	-	-	-
20 Sub-total	<u>\$ 2,018</u>	<u>\$ 3,771</u>	
22 Deferred debits			
23 Debt and preferred stock	\$ -	\$ -	-
24 Expense of rate proceeding	-	-	-
25 Prelim survey & invest charges	-	-	-
26 Reg Asset-income tax recovery	-	-	-
27 Other	316,253	456,940	140,687
29 Sub-total	<u>\$ 316,253</u>	<u>\$ 456,940</u>	140,687
30 Total Assets	<u>\$ 9,167,119</u>	<u>\$ 10,293,317</u>	1,126,198
32 CAPITAL AND LIABILITIES			
33 Common Stock	\$ -	\$ -	-
34 Paid in capital	-	-	-
35 Retained Earnings	124,764	22,427	(102,337)
36 Unearned Compensation	-	-	-
37 Reacquired C/S	-	-	-
38 Total common equity	<u>\$ 124,764</u>	<u>\$ 22,427</u>	(102,337)
39 Preferred stock	\$ -	\$ -	-
40 Long term debt	-	-	-
41 Total capitalization	<u>\$ 124,764</u>	<u>\$ 22,427</u>	(102,337)
42 Current liabilities			
43 Bank debt	\$ -	\$ -	-
44 Current portion of LTD	-	-	-
45 Accounts Payable	141,426	158,419	16,993
46 Taxes accrued	-	-	-
47 Interest accrued	-	-	-
48 Customer deposits	-	-	-
49 Dividends declared	-	-	-
51 Other	10,442	14,023	3,581
52 Sub-total	<u>\$ 151,868</u>	<u>\$ 172,442</u>	20,574
54 Deferred credits			
55 Customer adv. for construction	\$ -	\$ 20,000	20,000
56 Deferred income taxes	938,388	1,034,413	96,025
57 Deferred investment tax credits	-	-	-
58 Reg. liab-inc.tax.refund thru rates	-	-	-
59 Other	-	-	-
60 Sub-total	<u>\$ 938,388</u>	<u>\$ 1,054,413</u>	116,025
62 Contributions in aid of construction	\$ 1,020,209	\$ 976,546	(43,563)
Total capital and liabilities	<u>\$ 2,235,229</u>	<u>\$ 2,225,928</u>	(9,301)
Adjustments			
Allocate Materials & Supplies	2,018	3,771	
Allocate Deferred Taxes	938,388	1,034,413	

Pennsylvania-American Water Company
Balance Sheet
Lehman Pike WW 2469

	12/31/2008	12/31/2009	Change
ASSETS			
1 Utility Plant	\$ 8,882,859	\$ 8,785,135	(97,724)
2 Construction work in progress	159,012	(73,274)	(232,286)
3 Accumulated depreciation	(2,736,672)	(1,663,420)	1,073,252
4 Utility plant acquisition adjustment	325,954	232,824	(93,130)
5 Other utility plant adjustments			-
6 Sub-total Utility Plant	<u>\$ 6,631,153</u>	<u>\$ 7,281,265</u>	650,112
7 Non-Utility property			-
8 Other investments			-
Current Assets			
10 Cash and cash equivalents			-
11 Temporary investments	-		-
12 Customer accounts receivable			-
13 Allowance for uncollectible accounts			-
14 Unbilled revenues			-
15 FIT refund due from assoc. companies			-
16 Miscellaneous receivables			-
17 Materials and supplies			-
19 Other			-
20 Sub-total	<u>\$ -</u>	<u>\$ -</u>	
22 Deferred debits			-
23 Debt and preferred stock			-
24 Expense of rate proceeding			-
25 Prelim survey & invest charges			-
26 Reg Asset-income tax recovery			-
27 Other	316,253	437,569	121,316
29 Sub-total	<u>\$ 316,253</u>	<u>\$ 437,569</u>	121,316
30 Total Assets	<u>\$ 6,947,406</u>	<u>\$ 7,718,834</u>	771,428
32 CAPITAL AND LIABILITIES			
33 Common Stock			-
34 Paid in capital			-
35 Retained Earnings	\$ (55,461)	\$ (171,943)	(116,482)
36 Unearned Compensation			-
37 Reacquired C/S			-
38 Total common equity	<u>\$ (55,461)</u>	<u>\$ (171,943)</u>	(116,482)
39 Preferred stock			-
40 Long term debt			-
41 Total capitalization	<u>\$ (55,461)</u>	<u>\$ (171,943)</u>	(116,482)
42 Current liabilities			
43 Bank debt			-
44 Current portion of LTD			-
45 Accounts Payable	\$ 141,426	\$ 2,737	(138,689)
46 Taxes accrued			-
47 interest accrued			-
48 Customer deposits			-
49 Dividends declared			-
51 Other	10,442	14,023	3,581
52 Sub-total	<u>\$ 151,868</u>	<u>\$ 16,760</u>	(135,108)
54 Deferred credits			-
55 Customer adv. for construction		\$ 20,000	20,000
56 Deferred income taxes			-
57 Deferred investment tax credits			-
58 Reg.liab-inc.tax.refund thru rates			-
59 Other			-
60 Sub-total	<u>\$ -</u>	<u>\$ 20,000</u>	20,000
62 Contributions in aid of construction	\$ 1,020,209	\$ 976,646	(43,563)
Total capital and liabilities	<u>\$ 1,116,616</u>	<u>\$ 841,463</u>	(275,153)

Pennsylvania-American Water Company
Balance Sheet
Winona Lakes WW 2475

	12/31/2008	12/31/2009	Change
ASSETS			
1 Utility Plant	\$ 96,733	\$ 96,733	-
2 Construction work in progress			-
3 Accumulated depreciation	(57,383)	(58,880)	(1,497)
4 Utility plant acquisition adjustment			-
5 Other utility plant adjustments			-
6 Sub-total Utility Plant	<u>\$ 39,350</u>	<u>\$ 37,853</u>	(1,497)
7 Non-Utility property			-
8 Other investments			-
Current Assets			
10 Cash and cash equivalents			-
11 Temporary investments			-
12 Customer accounts receivable			-
13 Allowance for uncollectible accounts			-
14 Unbilled revenues			-
15 FIT refund due from assoc. companies			-
16 Miscellaneous receivables			-
17 Materials and supplies			-
19 Other			-
20 Sub-total	<u>\$ -</u>	<u>\$ -</u>	-
22 Deferred debits			-
23 Debt and preferred stock			-
24 Expense of rate proceeding			-
25 Prelim survey & invest charges			-
26 Reg Asset-income tax recovery			-
27 Other			-
29 Sub-total	<u>\$ -</u>	<u>\$ -</u>	-
30 Total Assets	<u>\$ 39,350</u>	<u>\$ 37,853</u>	(1,497)
32 CAPITAL AND LIABILITIES			
33 Common Stock			-
34 Paid in capital			-
35 Retained Earnings	\$ 27,346	\$ 28,750	1,404
36 Unearned Compensation			-
37 Reacquired C/S			-
38 Total common equity	<u>\$ 27,346</u>	<u>\$ 28,750</u>	1,404
39 Preferred stock			-
40 Long term debt			-
41 Total capitalization	<u>\$ 27,346</u>	<u>\$ 28,750</u>	1,404
42 Current liabilities			-
43 Bank debt			-
44 Current portion of LTD			-
45 Accounts Payable			-
46 Taxes accrued			-
47 Interest accrued			-
48 Customer deposits			-
49 Dividends declared			-
51 Other			-
52 Sub-total	<u>\$ -</u>	<u>\$ -</u>	-
54 Deferred credits			-
55 Customer adv. for construction			-
56 Deferred income taxes			-
57 Deferred investment tax credits			-
58 Reg.liab-inc.tax.refund thru rates			-
59 Other			-
60 Sub-total	<u>\$ -</u>	<u>\$ -</u>	-
62 Contributions in aid of construction			-
Total capital and liabilities	<u>\$ 27,346</u>	<u>\$ 28,750</u>	1,404

Pennsylvania-American Water Company
 Balance Sheet
 Blue Mountain WW 2476

	12/31/2008	12/31/2009	Change
ASSETS			
1 Utility Plant	\$ 2,709,608	\$ 2,709,608	-
2 Construction work in progress		382,966	382,966
3 Accumulated depreciation	(531,263)	(579,085)	(47,822)
4 Utility plant acquisition adjustment			-
5 Other utility plant adjustments			-
6 Sub-total Utility Plant	<u>\$ 2,178,345</u>	<u>\$ 2,513,489</u>	335,144
7 Non-Utility property			-
8 Other investments			-
Current Assets			
10 Cash and cash equivalents			-
11 Temporary investments			-
12 Customer accounts receivable			-
13 Allowance for uncollectible accounts			-
14 Unbilled revenues			-
15 FIT refund due from assoc. companies			-
16 Miscellaneous receivables			-
17 Materials and supplies			-
19 Other			-
20 Sub-total	<u>\$ -</u>	<u>\$ -</u>	
22 Deferred debits			-
23 Debt and preferred stock			-
24 Expense of rate proceeding			-
25 Prelim survey & invest charges			-
26 Reg Asset-income tax recovery			-
27 Other		19,371	19,371
29 Sub-total	<u>\$ -</u>	<u>\$ 19,371</u>	19,371
30 Total Assets	<u>\$ 2,178,345</u>	<u>\$ 2,532,860</u>	354,515
32 CAPITAL AND LIABILITIES			
33 Common Stock			-
34 Paid in capital			-
35 Retained Earnings	\$ 152,879	\$ 165,620	12,741
36 Unearned Compensation			-
37 Recquired C/S			-
38 Total common equity	<u>\$ 152,879</u>	<u>\$ 165,620</u>	12,741
39 Preferred stock			-
40 Long term debt			-
41 Total capitalization	<u>\$ 152,879</u>	<u>\$ 165,620</u>	12,741
42 Current liabilities			-
43 Bank debt			-
44 Current portion of LTD			-
45 Accounts Payable		\$ 155,682	155,682
46 Taxes accrued			-
47 Interest accrued			-
48 Customer deposits			-
49 Dividends declared			-
51 Other			-
52 Sub-total	<u>\$ -</u>	<u>\$ 155,682</u>	155,682
54 Deferred credits			-
55 Customer adv. for construction			-
56 Deferred income taxes			-
57 Deferred investment tax credits			-
58 Reg.liab-inc.tax.refund thru rates			-
59 Other			-
60 Sub-total	<u>\$ -</u>	<u>\$ -</u>	
62 Contributions in aid of construction			-
Total capital and liabilities	<u>\$ 152,879</u>	<u>\$ 321,302</u>	168,423

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Other Investments as of December 31, 2009

FR X.2

Pennsylvania-American Water Company
Northeast Wastewater Operations
X. Balance Sheet

2. Provide a detail of Other Physical Property, Investments in Affiliated Companies and Other Investments.

Answer: Northeast Wastewater Operations has no Other Physical Property or investments in Affiliated Companies.

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Special Cash Accounts as of December 31, 2009

FR X.3

Pennsylvania-American Water Company
Northeast Wastewater Operations
X. Balance Sheet

3. Provide the amounts and purpose of Special Cash Accounts as of the historic test-year end.

Answer: Northeast Wastewater Operations has no Special Cash Accounts.

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Notes Receivable, Accounts Receivable from Associated Companies and Other
Receivables as of December 31, 2009

FR X.4

**Pennsylvania-American Water Company
Northeast Wastewater Operations**

X. Balance Sheet

4. Describe the nature and amounts of notes receivable, accounts receivable from associated companies, and any other receivables, other than customers' accounts, greater than 15% of the total. Limit the explanation to variances greater than \$10,000.

Answer: None.

Pennsylvania-American Water Company
 Northeast Wastewater Operations
 Data Requirements of the Pennsylvania Public Utility Commission
 Accumulated Reserve for Uncollectible Accounts as of December 31, 2009

FR X.5

**Pennsylvania-American Water Company
 Northeast Wastewater Operations**

X. Balance Sheet

5. Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued and amounts written-off in each of the last three years.

Answer: The Company keeps the accumulated reserve for uncollectible accounts on a total company basis, that information is not available for the Northeast Wastewater Operations. Below please find the amounts written off for the Northeast Wastewater Operations.

	Year-end 2009	Year-end 2008	Year-end 2007
Net Write-Offs	\$22,939	\$22,982	\$22,648

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Prepayments as of December 31, 2009

FR X.6

**Pennsylvania-American Water Company
Northeast Wastewater Operations**

X. Balance Sheet

6. Provide a list of prepayments and give an explanation of special prepayments.

Answer: Please refer to FR X.7.

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Other Current Assets as of December 31, 2009

FR X.7

**Pennsylvania-American Water Company
Northeast Wastewater Operations**

X. Balance Sheet

7. Break down and explain in detail any significant items, greater than 15% of the total, in the current assets account listed on the balance sheet. Limit the explanation to variances greater than \$10,000.

Answer: The Company does not have any significant items, greater than 15% of the total, in the current assets account listed on the balance sheet for Northeast Wastewater Operations.

Pennsylvania-American Water Company
 Northeast Wastewater Operations
 Data Requirements of the Pennsylvania Public Utility Commission
 Deferred Asset Accounts as of December 31, 2009

FR X.8

Pennsylvania-American Water Company
Northeast Wastewater Operations

X. Balance Sheet

8. Explain in detail, including the amount and purpose, the deferred asset accounts that currently operate to effect or will at a later date effect the operating account supplying:
- Origin of these accounts.
 - Probable changes to this account in the near future.
 - Amortization of these accounts currently charged to operations or to be charged in the near future.

Answer:

Description	12/31/2009 Balance	2009 Expense Amortization	Account Charged
Deferred Assets			
RWIP – Cost of Removal	\$456,939	\$0	108
Clear Cost of Removal	(848)	0	403
Cost of Removal	848	0	403
Total	\$456,939		

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Accounts Payable to Associated Companies

FR X.9

**Pennsylvania-American Water Company
Northeast Wastewater Operations**

X. Balance Sheet

9. Explain the nature of accounts payable to associated companies. Provide a breakdown by category.

Answer: The Company does not have accounts payable to associated companies for the Northeast Wastewater Operations.

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Other Deferred Credits as of December 31, 2009

FR X.10

**Pennsylvania-American Water Company
Northeast Wastewater Operations**

X. Balance Sheet

10. Provide breakdown and explanation of other deferred credits as to their origin and disposition policy, for example, amortization.

Answer: The Company does not have any other deferred credits for the Northeast Operations.

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Funding of Reserves

FR X.11

**Pennsylvania-American Water Company
Northeast Wastewater Operations**

X. Balance Sheet

11. Provide an explanation and method of funding of any reserves, other than depreciation and bad debt, appearing on historic balance sheet.

Answer: None.

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Unappropriated Retained Earnings as of December 31, 2009

FR X.12

**Pennsylvania-American Water Company
Northeast Wastewater Operations**

X. Balance Sheet

12. Provide an analysis of un-appropriated retained earnings for the historic test year and two preceding years.

Answer: Un-appropriated retained earnings are not recorded specifically for the Northeast Wastewater Operations. Un-appropriated retained earnings are recorded on a total company basis (water and wastewater).

Pennsylvania-American Water Company
Northeast Wastewater Operations
Data Requirements of the Pennsylvania Public Utility Commission
Advances to Parent

FR X.13

**Pennsylvania-American Water Company
Northeast Wastewater Operations**

X. Balance Sheet

13. Describe the purpose of any advances made by the Company to its parent corporation and describe all terms and conditions associated with such advances, including an estimate of future advances or repayments that are expected to occur.

Answer: The Company made no advances to its parent corporation for Northeast Wastewater Operations.