

## **XI. OTHER DATA**

Pennsylvania-American Water Company  
Northeast Wastewater Operations  
Data Requirements of the Pennsylvania Public Utility Commission  
Other Data Monthly Balance Sheet and Income Statement

FR XI.1

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

**XI. Other Data**

1. Provide the Company's monthly balance sheets and income statements for each month of the historic and future test year.

**Answer:** Historic test year monthly statements are attached as well as those future test year statements that are available.



Pennsylvania-American Water Company  
Balance Sheet  
Period Ending 12/31/10  
Northeast WW Operations

	1/31/2010	2/28/2010	3/31/2010
<b>ASSETS</b>			
1 Utility Plant:			
2 Construction work in progress	11,588,110.00	11,588,110.00	11,579,048.00
3 Accumulated depreciation	354,549.00	365,841.00	411,127.00
4 Utility plant acquisition adjustment	(2,313,695.00)	(2,213,089.00)	(2,383,630.00)
5 Other utility plant adjustments	225,083.00	217,303.00	209,542.00
6 Sub-total Utility Plant	\$ 9,592,027	\$ 9,558,165	\$ 9,836,087
7 Non-utility property	-	-	-
8 Other intangibles	-	-	-
<b>Current Assets</b>			
10 Cash and cash equivalents	-	-	-
11 Temporary investments	-	-	-
12 Customer accounts receivable	-	-	-
13 Allowance for uncollectible accounts	-	-	-
14 Unbilled revenues	-	-	-
15 F/T refund due from assoc. companies	-	-	-
16 Miscellaneous receivables	-	-	-
17 Materials and supplies	-	-	-
19 Other	-	-	-
20 Sub-total	\$ -	\$ -	\$ -
22 Deferred debits	-	-	-
23 Debt and preferred stock	-	-	-
24 Expense of rate proceeding	-	-	-
25 Prelim survey & invest. charges	-	-	-
26 Reg Assn-income tax recovery	456,230	442,501	447,888
27 Other	-	-	-
29 Sub-total	\$ 456,230	\$ 442,501	\$ 447,888
30 Total Assets	\$ 10,290,257	\$ 10,400,666	\$ 10,283,975
<b>CAPITAL AND LIABILITIES</b>			
32 Common Stock	-	-	-
34 Paid in capital	863	(23,395)	(39,273)
35 Retained Earnings	-	-	-
36 Unearned Compensation	-	-	-
37 Reacquired C/S	-	-	-
38 Total common equity	\$ 863	\$ (23,395)	\$ (39,273)
39 Preferred stock	-	-	-
40 Long term debt	-	-	-
41 Total capitalization	\$ 863	\$ (23,395)	\$ (39,273)
42 Current liabilities	-	-	-
43 Bank debt	-	-	-
44 Current portion of LTD	180,244	200,122	177,394
45 Accounts Payable	-	-	-
46 Taxes accrued	-	-	-
47 Interest accrued	-	-	-
48 Customer deposits	-	-	-
49 Dividends declared	7,456	8,125	6,314
51 Other	-	-	-
52 Sub-total	\$ 187,700	\$ 208,247	\$ 183,678
54 Deferred credits	-	-	-
55 Customer adv. for construction	20,000	20,000	20,000
56 Deferred income taxes	-	-	-
57 Deferred investment tax credits	-	-	-
58 Long term debt including thru rates	-	-	-
59 Other	-	-	-
60 Sub-total	\$ 20,000	\$ 20,000	\$ 20,000
62 Contributions in aid of construction	\$ 973,739	\$ 970,832	\$ 987,985
Total capital and liabilities	\$ 1,182,402	\$ 1,175,654	\$ 1,132,330

Note: Does not include allocations for items recorded on total company

Pennsylvania American Water Company  
Statement of Income  
Period Ending 12/31/09  
Northeast Wastewater Operations

Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2009
1 OPERATING REVENUES													
2 Water	74,885	76,789	68,810	72,055	72,434	74,761	76,696	73,979	76,581	74,235	72,485	69,719	881,461
3 Sewer	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	2,927	35,127
4 Other													
5 Management													
6 Total Revenues	77,792	79,716	71,737	74,982	75,361	77,688	79,623	76,906	79,518	74,162	75,422	72,645	916,598
7 OPERATIONS & MAINTENANCE EXPENSE													
8 Labor	14,382	13,971	14,400	21,423	16,600	15,325	23,890	19,075	19,976	17,550	20,396	21,020	218,208
9 Purchased Water	3,197	15,396	8,245	16,249	14,339	-3,641	10,153	15,932	622	19,021	766	18,483	118,771
10 Fuel and Power	1,670	1,828	1,821	1,899	1,024	1,495	1,975	2,771	2,448	1,243	2,036	1,366	21,375
11 Chemicals	10,687	14,524	11,361	22,383	24,210	11,364	27,566	24,435	7,748	5,464	8,872	25,607	194,232
12 Waste Disposal	3,182	3,182	3,205	3,317	3,323	3,327	3,438	3,427	3,360	3,225	3,428	3,388	39,810
13 Management Fees													
14 Group Insurance													
15 Pensions													
16 Regulatory Expense													
17 Insurance Other Than Group													
18 Customer Accounting													
19 Rents	3,982	4,237	4,444	2,702	3,965	4,029	4,053	4,039	4,005	4,073	4,037	4,476	48,038
20 General Office Expense	350	60	473	209	164	393	230	388	360	238	186	480	3,542
21 Miscellaneous	4,821	4,022	5,044	3,902	3,608	4,107	9,186	5,101	5,949	5,387	5,408	4,610	60,866
22 Other Maintenance	3,279	3,767	5,840	7,375	1,556	6,890	4,441	9,919	2,119	2,242	5,718	1,175	49,090
23 Total Maintenance & Operations Expense	45,249	60,786	49,632	79,458	68,968	43,256	84,942	85,086	46,396	58,442	59,946	80,634	753,922
24 Depreciation	13,419	14,208	14,453	14,190	14,189	14,242	14,287	14,287	14,303	14,306	15,184	15,286	172,033
25 Amortization	894	894	894	894	894	894	894	894	894	894	894	894	10,727
26 General Taxes	2,705	2,254	1,867	2,266	2,269	2,505	2,712	2,436	2,407	2,244	3,037	2,511	28,228
27 Federal Income Taxes													
28 State Income Taxes													
29 Tax Savings Acquisitions Adjustments													
30 Total Operating Expenses	60,479	76,354	64,788	95,040	84,562	59,111	101,016	100,917	62,412	74,088	68,173	97,509	844,456
31 Utility Operating Income	17,313	3,362	6,949	-20,058	-9,201	18,577	-21,393	-24,011	17,106	64	7,249	-24,864	-27,869
32 OTHER INCOME DEDUCTIONS													
33 Non Operating Rental Income													
34 Dividend Income - Common													
35 Dividend Income - Preferred													
36 Interest Income	10	0	0	0	0	0	0	0	0	0	0	0	10
37 AFUDC Equity	10	0	0	0	0	0	0	0	0	0	0	0	10
38 Total Other Income	17,323	3,362	6,949	-20,058	-9,201	18,577	-21,393	-24,011	17,106	64	7,249	-24,864	-27,859
39 Income Before Interest Charges													
40 INTEREST CHARGES													
41 Interest on Long Term Debt													
42 Amortization and Debt Expense													
43 Interest on Short Term Debt													
44 Other Interest Expense													
45 AFUDC Debt	-162	-1	0	-8	-8	0	0	0	0	-1	0	-33	-215
46 Total Interest Charges	-162	-1	0	-8	-8	0	0	0	0	-1	0	-33	-215
47 Net Income	17,485	3,363	6,949	-20,050	-9,193	18,577	-21,393	-24,011	17,106	65	7,249	-24,831	-27,644
48 Pledged Dividends Declared													
49 Net Income to Common	17,485	3,363	6,949	-20,050	-9,193	18,577	-21,393	-24,011	17,106	65	7,249	-24,831	-27,644

Certain per book costs associated with the Wastewater Operations were recorded on the Company's Corporate Business unit and allocated / transferred to the Coastalville Wastewater Operations to correctly state per book expenses.

38,180 ALLOCATE GROUP INSURANCE PREMIUM  
45,297 ALLOCATE UNCOLLECTIBLES  
8,419 TRANSFER PROPERTY TAXES  
4,031 ALLOCATE GENERAL ASSESSMENT  
(10,727) TRANSFER UPAA AMORT FROM CORP  
35,127 PENALTIES  
(60,074) CHANGE TO NET INCOME

Pennsylvania American Water Company  
Statement of Income  
Period Ending 12/31/10  
Northeast Wastewater Operations

Description	Jan	Feb	Mar	YTD 2010
<b>1 OPERATING REVENUES</b>				
2 Water				
3 Sewer	74,056	66,077	67,617	207,750
4 Other				
5 Management				
6 Total Revenues	74,056	66,077	67,617	207,750
<b>7 OPERATIONS &amp; MAINTENANCE EXPENSE</b>				
8 Labor	20,039	19,124	25,485	64,648
9 Purchased Water				
10 Fuel and Power	10,375	13,899	-4,345	19,929
11 Chemicals	1,276	1,912	1,341	4,529
12 Waste Disposal	15,203	12,195	12,780	40,178
13 Management Fees				
14 Group Insurance	54	159	409	622
15 Pensions				
16 Regulatory Expense				
17 Insurance Other Than Group				
18 Customer Accounting	420	421	430	1,271
19 Rents				
20 General Office Expense	381	135	502	1,018
21 Miscellaneous	5,858	10,211	4,015	20,063
22 Other Maintenance	2,751	17,114	13,615	33,480
23 Total Maintenance & Operations Expense	56,357	75,170	54,232	185,678
24 Depreciation	14,753	14,747	29,375	58,875
25 Amortization				
26 General Taxes	2,052	1,898	1,803	5,753
27 State Income Taxes				
28 Federal Income Taxes				
29 Tax Savings Acquisitions Adjustments				
30 Total Operating Expenses	73,162	91,815	85,410	250,306
31 Utility Operating Income	894	-25,738	-17,793	-42,556
<b>32 OTHER INCOME DEDUCTIONS</b>				
32 Non-Operating Rental Income				
34 Dividend Income - Common				
35 Dividend Income - Preferred				
36 Interest Income	0	1,369	1,914	3,283
37 AFUDC Equity	0	1,369	1,914	3,283
38 Total Other Income	0	1,369	1,914	3,283
39 Income Before Interest Charges	894	-24,369	-15,879	-39,273
<b>40 INTEREST CHARGES</b>				
41 Interest on Long Term Debt				
42 Amortization and Debt Expense				
43 Interest on Short Term Debt				
44 Other Interest Expense	-68	-12	0	-80
45 AFUDC Debt	-68	-12	0	-80
46 Total Interest Charges	-136	-24	0	-160
47 Net Income	962	-24,357	-15,879	-39,193
48 Preferred Dividends Declared				
49 Net Income to Common	962	-24,357	-15,879	-39,193

Note: Does not include allocations recorded on total company

Pennsylvania-American Water Company  
Northeast Wastewater Operations  
Data Requirements of the Pennsylvania Public Utility Commission  
Other Data Internal and Independent Audit Reports

FR XI.2

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

**XI. Other Data**

2. Supply a copy of internal and independent audit reports of the historic test year and prior calendar year, noting any exceptions and recommendations and disposition thereof.

**Answer:** Please refer to FR VII.15 for the 2009 Annual Report. A limited scope internal audit of PAWC occurred during 2008. This audit report is confidential, if required to be submitted a Confidentiality Agreement would need to be executed.

Pennsylvania-American Water Company  
Northeast Wastewater Operations  
Data Requirements of the Pennsylvania Public Utility Commission  
Other Data Budget Variance Reports

FR XI.3

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

**XI. Other Data**

3. Provide all monthly or quarterly, or both, budget variance reports to management or the Board of Directors, or both, submitted during the past year. Please provide the most recent detailed budget variance report which the Company compiled, and update as additional reports are issued.

**Answer:** The Company does not provide budget variance reports at the Northeast Wastewater Operation level to management or the Board of Directors. The Pennsylvania American Water Company monthly variance reports are available upon request.

Pennsylvania-American Water Company  
Northeast Wastewater Operations  
Data Requirements of the Pennsylvania Public Utility Commission  
Other Data Operating and Capital Budgets

FR XI.4

**Pennsylvania-American Water Company**  
**Northeast Wastewater Operations**  
**XI. Other Data**

4. Provide a copy of the Company's most recent operating and capital budgets.

**Answer:** Please see FR VII.8.

Pennsylvania-American Water Company  
 Northeast Wastewater Operations  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Other Data Unaccounted for Water

FR XI.5

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

**XI. Other Data**

5. Provide a schedule that shows the percentage of unaccounted for water for the test year and two prior years. Describe how this amount was determined and explain any steps taken to reduce unaccounted for water. Provide a similar analysis of infiltration for wastewater utilities.

**Answer:**

	2007	2008	2009
Lehman Pike/Winona			
Total Plant Flow, gals	101,670,000	94,519,000	91,840,000
Inches of Rain	52.5	60.4	48.7
# of Customers	3,257	3,262	3,198
Infiltration	collection system is low pressure system, Infiltration negligible		
Blue Mountain			
Total Plant Flow, gals.	33,173,000	34,504,000	35,687,000
Inches of Rain	52.36	53.00	48.1
# of Customers	653	691	713
Infiltration	collection system is low pressure system, Infiltration negligible		

Pennsylvania-American Water Company  
Northeast Wastewater Operations  
Data Requirements of the Pennsylvania Public Utility Commission  
Other Data Corporate History

FR XI.6

**Pennsylvania-American Water Company**  
**Northeast Wastewater Operations**  
**XI. Other Data**

6. Provide a corporate history (include the dates of original incorporation, subsequent mergers or acquisitions, or both). Indicate all counties and cities and other governmental subdivisions to which service is provided, including service areas outside the state, and the total population in the area served.

**Answer:** Please refer to attached sheets for corporate history. The Company furnishes wastewater service to about 3,911 customers in Northeast Wastewater area.

## PENNSYLVANIA-AMERICAN WATER COMPANY

Pennsylvania-American Water Company, an investor-owned water company, with corporate offices at 800 West Hershey Park Drive, Hershey, is a subsidiary of American Water Works Company, Inc. On February 1, 1989, the then-existing Pennsylvania-American Water Company (the result of the January 1, 1987 merger of Riverton Consolidated Water Company with and into Keystone Water Company) was merged with and into Western Pennsylvania Water Company, and the name of the surviving corporation was changed to Pennsylvania-American Water Company. A brief summary of each of the three predecessor companies follows.

Riverton Consolidated Water Company was formed by the merger and consolidation of six operating water companies in 1904. It subsequently acquired seven additional systems, and at the time of its merger with Keystone, supplied water to 12 municipalities on the Harrisburg west shore, Cumberland County, and Fairview Township in York County.

Keystone Water Company resulted from the 1973 merger of 14 companies with and into White Deer Mountain Water Company. The Company later acquired four systems. It provided water service in 14 eastern Pennsylvania counties through the following distribution systems: Abington, Bangor, Berwick, Frackville, Hallstead, Hershey/Palmyra, Montrose, Moshannon Valley, Norristown, Northumberland, Susquehanna, Thompson, White Deer (Milton), and Yardley.

Western Pennsylvania Water Company was the product of the merger of 16 water companies with and into South Pittsburgh Water Company at various times from 1970 to 1973. WPW added seven water distribution systems, extending its service territory into portions of 12 western Pennsylvania counties. The company operated through the following district offices: Butler, Clarion, Connellsville, Ellwood, Indiana, Kane, Kittanning, McDonald, Mon Valley, New Castle, Pittsburgh, Punxsutawney, Uniontown, Warren, and Washington.

After the merger of Riverton and Keystone in 1987, the former Pennsylvania-American Water Company purchased five systems: Red Land Water Company in York County, Campbelltown Water Company in Lebanon County, and three systems in the Moshannon Valley area, Clearfield County - Woodland-Bigler Area Authority, Allport Water Authority, and Graham Water Association.

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water and wastewater systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995); the water utility assets of Pennsylvania Gas and Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township

of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono Mountains Industrial Park Authority (Monroe County, May 7, 1998); Coolbaugh Township-Fire System (Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998); Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); Shippenville Municipal Authority (Clarion County, March 31, 2005); Blue Mountain Lake Associates, L.P. (Monroe County, October 31, 2005); East Fallowfield Township (Chester County, December 22, 2005); Stillwater Lakes Water Corporation (Monroe County, January 17, 2006); Winona Lakes Utilities, Inc. (Monroe and Pike Counties, January 26, 2006); Saville Rustin Water Company, Inc./Pine Ridge Community Association, Inc. (Pike County, March 29, 2006); Lexington Woods Corporation (Monroe County, July 24, 2006); Community Association of Pocono Farms, Incorporated (Monroe County, July 31, 2006); Redstone Water Company (Fayette and Washington Counties, March 20, 2007); Mountain Top Estates Property Owners Association (Monroe County, May 30, 2008); Claysville-Donegal Joint Municipal Authority (Washington County, July 31, 2008); Three Lane Utilities, Inc. (Pike County, September 10, 2008); Clarion Area Authority (Clarion County, October 30, 2008); Boggs Township (Centre County, September 10, 2009); Amwell Township Water Authority (Washington County, September 23, 2009); Wallaceton Municipal Authority (Clearfield County, October 1, 2009); Saxonburg Area Authority (Butler County, October 28, 2009) and Nittany Water Company (Centre and Clinton Counties, February 3, 2010). On July 2, 1990, Brownsville Water Company (Fayette County) and California Water Company (Washington County) were acquired and merged into the Company. On June 16, 1992, the former Forge Road Acres water system (Cumberland County) was sold to South Middleton Township. On March 24, 2003, Salisbury Water Supply Company (State of Massachusetts) was acquired and merged into the Company.

As a result of the various mergers and acquisitions, the Company furnishes water service to about 636,281 customers in the following municipalities:

All, or portions of, the Townships of Mount Joy, Mount Pleasant and Straban in Adams County;

All, or portions of, the Cities of Clairton and Pittsburgh (16th, 18th, 19th, 20th, 23rd, 29th, 30th, 31st and 32nd Wards), the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Elizabeth, Glassport, Greentree, Heidelberg, Homestead, Ingram, Jefferson, Liberty, Lincoln, Mt. Oliver, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Elizabeth, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Elizabeth, Forward, Mt. Lebanon, North Fayette, Robinson, Scott, South Fayette, South Park and Upper St. Clair in Allegheny County;

All, or portions of, the Boroughs of Applewold and Kittanning and the Townships of Manor and Rayburn in Armstrong County;

All, or portions of, the Boroughs of Big Beaver, Ellwood City, Frankfort Springs and Koppel and the Townships of Franklin, Hanover and North Sewickly in Beaver County;

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence, West Lawn<sup>3</sup> and Wyomissing<sup>2</sup> and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor, South Heidelberg and Spring in Berks County;

All, or portions of, the Borough of Yardley and the Townships of Falls and Lower Makefield in Bucks County;

All, or portions of, the City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit in Butler County;

All, or portions of, the Boroughs of Philipsburg and South Philipsburg and the Townships of Boggs, Rush and Walker in Centre County;

All, or portions of, the City of Coatesville, the Boroughs of Atglen, Parkesburg, South Coatesville and Spring City and the Townships of Caln, East Coventry, East Fallowfield, East Pikeland, East Vincent, Highland, Sadsbury, Schuylkill, Valley, West Caln, West Sadsbury and West Vincent in Chester County;

All, or portions of, the Boroughs of Clarion, Shippenville, Sligo and Strattanville and the Townships of Clarion, Elk, Farmington, Knox, Limestone, Monroe, Paint and Piney in Clarion County;

All, or portions of, the Boroughs of Chester Hill, Osceola Mills and Wallacetown and the Townships of Boggs, Bradford, Decatur, Graham and Morris in Clearfield County;

All, or portions of, the Township of Porter in Clinton County;

All, or portions of, the Boroughs of Berwick and Briar Creek and the Township of Briar Creek in Columbia County;

All, or portions of, the Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown, West Fairview<sup>1</sup> and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Silver Spring and Upper Allen in Cumberland County;

All, or portions of, the Townships of Conewago, Derry, Londonderry, South Hanover and West Hanover in Dauphin County;

All, or portions of, the Cities of Connellsville and Uniontown, the Boroughs of Brownsville and South Connellsville and the Townships of Brownsville, Bullskin, Connellsville, Dunbar, Jefferson, Luzerne, Menallen, North Union, Redstone and South Union in Fayette County;

All, or portions of, the Borough of Indiana and the Township of White in Indiana County;

All, or portions of, the Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young in Jefferson County;

All, or portions of, the Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Abington, Carbondale, Fell, Glenburn, North Abington, Scott and South Abington in Lackawanna County;

All, or portions of, the Borough of Quarryville and the Townships of Bart, Colerain, Eden and Sadsbury in Lancaster County;

All, or portions of, the City of New Castle; the Boroughs of Ellport, Ellwood City, New Beaver and South New Castle and the Townships of Hickory, Mahoning, Neshannock, North Beaver, Perry, Shenango, Taylor, Union and Wayne in Lawrence County;

All, or portions of, the Borough of Palmyra and the Townships of Annville, North Annville, North Londonderry, South Annville and South Londonderry in Lebanon County;

All, or portions of, the Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laflin, Larksville, Laurel Run, Luzerne, Nescopeck, Plymouth,

Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Conyngham, Fairview, Hanover, Hunlock, Jackson, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Salem, Union, Wilkes-Barre and Wright in Luzerne County;

All, or portions of, the Borough of Kane and the Township of Wetmore in McKean County;

All, or portions of, the Borough of Mount Pocono and the Townships of Coolbaugh, Hamilton, Middle Smithfield, Ross, Smithfield and Stroud in Monroe County;

All, or portions of, the Boroughs of Bridgeport, Norristown and Royersford and the Townships of East Norriton, Limerick, Lower Pottsgrove, Lower Providence, Perkiomen, Plymouth, Skippack, Upper Merion, Upper Providence, West Norriton, Whitemarsh, Whitpain and Worcester in Montgomery County;

All, or portions of, the Boroughs of Bangor, Belfast, Nazareth, Pen Argyl, Roseto, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Nazareth, Palmer, Plainfield, Upper Mt. Bethel, Upper Nazareth and Washington in Northampton County;

All, or portions of, the Boroughs of Milton, Northumberland and Watsonstown and the Townships of Delaware, East Chillisquaque, Point, Turbot, Upper Augusta and West Chillisquaque in Northumberland County;

Portions of the Townships of Delaware, Lehman and Westfall in Pike County;

All, or portions of, the Borough of Frackville and the Townships of Butler, Mahanoy, New Castle and West Mahanoy in Schuylkill County;

All, or portions of, the Boroughs of Forest City, Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland in Susquehanna County;

All, or portions of, the Borough of Lewisburg and the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer in Union County;

All, or portions of, the City of Warren and the Townships of Conewango, Glade, Meade, and Pleasant in Warren County;

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Claysville, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle, West Brownsville and West Middletown and the Townships of Amwell, Buffalo, Canton, Carroll, Cecil, Chartiers,

Cross Creek, Donegal, East Finley, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane, Union and West Pike Run in Washington County;

Portion of the Township of Clinton in Wayne County; and

All, or portions of, the Townships of Fairview and Newberry in York County.

As a result of acquisitions, the Company furnishes wastewater service to about 17,553 customers in the following municipalities:

All, or portions of, the City of Coatesville, the Boroughs of Parkesburg and South Coatesville and the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury in Chester County;

All, or portions of, the Borough of Clarion and the Townships of Clarion and Monroe in Clarion County;

Portions of the Townships of Coolbaugh, Middle Smithfield, Smithfield and Stroud in Monroe County;

Portion of the Township of Lehman in Pike County; and

All, or portions of, the Borough of Claysville and the Township of Donegal in Washington County.

<sup>1</sup> West Fairview Borough was merged into East Pennsboro Township in 1998.

<sup>2</sup> Wyomissing Hills was merged into Wyomissing Borough in 2002.

<sup>3</sup> West Lawn was merged into Spring Township in 2006.

[390 municipalities in 36 counties. Note: Ellwood City Borough is located in Beaver and Lawrence Counties; Hanover Township is located in Beaver and Washington Counties]

3/31/2010