

PENNSYLVANIA-AMERICAN WATER COMPANY

Hershey, Pennsylvania

DEPRECIATION STUDY  
OF COATESVILLE WASTEWATER OPERATIONS

CALCULATED ANNUAL DEPRECIATION ACCRUALS  
RELATED TO UTILITY PLANT AT DECEMBER 31, 2009

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, INC.

Harrisburg, Pennsylvania

# CONTENTS

## RESULTS OF STUDY

Summary of Results .....	2
Detailed Tabulations of Depreciation Calculations .....	2
Table 1. Estimated Survivor Curves, Net Original Cost, Book Reserve and Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2009 .....	3
Table 2. Amortization of Experienced Net Salvage .....	5
Detailed Depreciation Calculations .....	6
Net Utility Plant in Service .....	7

## RESULTS OF STUDY

PENNSYLVANIA-AMERICAN WATER COMPANY  
DEPRECIATION STUDY OF COATESVILLE WASTEWATER OPERATIONS  
RESULTS OF STUDY

SUMMARY OF RESULTS

The results of the depreciation study of the Coatesville Wastewater Operations as of December 31, 2009, are summarized in Table 1, which sets forth the book reserve and the calculated annual depreciation related to net original cost. An explanation of the methods used in the study is set forth in a companion report titled "Depreciation Study of Coatesville Wastewater Operations - Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2010." Table 2 sets forth the experienced net salvage for the period 2005-2009.

DETAILED TABULATIONS OF DEPRECIATION CALCULATIONS

The supporting data for the depreciation calculations are presented in account sequence in the section beginning on page 8. The original cost, calculated accrued depreciation, allocated book reserve, future accruals, remaining life and annual accrual are shown for each vintage of each account or subaccount.

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

DEPRECIABLE GROUP (1)	SURVIVOR CURVE (2)	NET ORIGINAL COST AT DECEMBER 31, 2009 (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	ANNUAL ACCRUAL AMOUNT (6)	COMPOSITE REMAINING LIFE (7)	ANNUAL ACCURAL RATE, PERCENT (8)
<b>DEPRECIABLE PLANT</b>							
354.20	STRUCTURES AND IMPROVEMENTS - COLLECTION						
354.30	STRUCTURES AND IMPROVEMENTS - SPP	145,922.06	7,392	138,530	4,194	33.0	2.87
		3,178,405.17	151,951	3,026,454	128,814	23.5	4.05
354.40	STRUCTURES AND IMPROVEMENTS - TDP						
	EXISTING	24,085,615.79	800,802	23,284,814	551,847	42.2	2.29
	TO BE RETIRED	2,205,946.63	2,092,812	113,135	113,135	1.0	5.13
	TOTAL ACCOUNT 354.40	26,291,562.42	2,893,614	23,397,949	664,982	35.2	2.53
354.70	STRUCTURES AND IMPROVEMENTS - GENERAL						
	EXISTING	164,572.60	44,242	120,330	6,432	18.7	3.91
	TO BE RETIRED	17,274.00	16,388	886	886	1.0	5.13
	TOTAL ACCOUNT 354.70	181,846.60	60,630	121,216	7,318	16.6	4.02
355.00	POWER GENERATION EQUIPMENT						
360.10	COLLECTION SEWERS - FORCE MAINS	97,886.09	21,235	76,652	5,808	13.2	5.93
361.10	COLLECTION SEWERS - GRAVITY MAINS	4,140,586.41	35,606	4,104,980	76,429	53.7	1.85
361.20	MANHOLES	12,820,383.46	1,164,250	11,656,135	247,390	47.1	1.93
363.00	SERVICES	671,983.14	22,501	649,483	22,891	28.4	3.41
364.00	FLOW MEASURING DEVICES	2,365,816.79	185,875	2,179,942	80,605	27.0	3.41
365.00	FLOW MEASURING INSTALLATIONS	53,656.09	11,882	41,773	2,246	18.6	4.19
370.00	RECEIVING WELLS	7,244.00	122	7,122	349	20.4	4.82
		15,133.97	648	14,486	389	37.2	2.57
371.00	PUMPING EQUIPMENT						
	EXISTING	755,311.26	67,302	688,009	28,283	24.3	3.74
	TO BE RETIRED	321,415.45	304,931	16,485	16,485	1.0	5.13
	TOTAL ACCOUNT 371.00	1,076,726.71	372,233	704,494	44,768	15.7	4.16
380.00	TREATMENT EQUIPMENT						
	EXISTING	8,394,849.91	187,180	8,207,670	269,715	30.4	3.21
	TO BE RETIRED	768,124.48	728,730	39,395	39,395	1.0	5.13
	TOTAL ACCOUNT 380.00	9,162,974.39	915,910	8,247,065	309,110	26.7	3.37
381.00	PLANT SEWERS	5,238,418.00	87,967	5,150,451	123,011	41.9	2.35
388.10	OTHER PLANT AND MISC. EQUIPMENT - INTANGIBLE						
	EXISTING	11,488.82	9,145	2,344	163	14.4	1.42
	TO BE RETIRED	111,711.75	105,982	5,730	5,730	1.0	5.13
	TOTAL ACCOUNT 388.10	123,200.57	115,127	8,074	5,893	1.4	4.78
390.00	OFFICE FURNITURE AND EQUIPMENT	102,700.00	5,180	97,520	5,961	16.4	5.80

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

DEPRECIABLE GROUP (1)	SURVIVOR CURVE (2)	NET ORIGINAL COST AT		BOOK RESERVE (4)	FUTURE ACCRUALS (5)	ANNUAL ACCRUAL AMOUNT (6)	COMPOSITE REMAINING LIFE (7)	ANNUAL ACCRUAL RATE, PERCENT (8)
		DECEMBER 31, 2009 (3)	DECEMBER 31, 2009 (3)					
392.00 STORES EQUIPMENT	25-SQ	6,778.64	4,630	2,149		275	16.8	4.06
393.00 TOOLS, SHOP AND GARAGE EQUIPMENT	20-SQ	25,055.57	19,797	5,257		1,401	14.1	5.59
394.00 LABORATORY EQUIPMENT	15-SQ	65,553.53	36,203	29,351		4,568	7.9	6.97
395.00 POWER OPERATED EQUIPMENT	15-L4	80,079.14	46,579	33,500		6,819	6.8	8.52
396.00 COMMUNICATION EQUIPMENT	15-SQ	688,612.56	661,481	27,132		46,498	14.2	6.75
397.00 MISCELLANEOUS EQUIPMENT	20-SQ	343,056.74	243,337	99,719		18,980	12.8	5.53
<b>TOTAL DEPRECIABLE PLANT</b>		<b>66,883,582.05</b>	<b>60,634,353</b>	<b>6,249,231</b>		<b>1,808,699</b>	<b>33.5</b>	<b>2.70</b>
<b>NONDEPRECIABLE PLANT</b>								
352.00 FRANCHISES		150,568.58						
353.40 LAND AND LAND RIGHTS - TDP		1,047,342.62						
<b>TOTAL NONDEPRECIABLE PLANT</b>		<b>1,197,911.20</b>				<b>6,388</b>		
<b>AMORTIZATION OF NET SALVAGE</b>								
<b>TOTAL WASTEWATER COMPANY</b>		<b>68,081,493.25</b>	<b>60,634,353</b>	<b>6,249,231</b>		<b>1,815,087</b>		

\* Life Span Procedure used. Curve shown is Interim Survivor Curve.

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

TABLE 2. AMORTIZATION OF EXPERIENCED NET SALVAGE

Account (1)	2005		2006		2007		2008		2009		Net Salvage (12)*	Salvage Accrual (13)=(12)/5
	Gross Salvage (2)	Cost of Removal (3)	Gross Salvage (4)	Cost of Removal (5)	Gross Salvage (6)	Cost of Removal (7)	Gross Salvage (8)	Cost of Removal (9)	Gross Salvage (10)	Cost of Removal (11)		
354.30											(203.57)	(40.71)
354.70								203.57			(746.46)	(149.29)
360.10								746.46			(891.57)	(178.31)
361.10						1,735.52		891.57			(2,084.08)	(416.82)
361.20						3,262.18		348.56			(3,262.18)	(652.44)
363.00						24,752.30		0.98			(24,753.28)	(4,950.66)
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29,750.00</b>	<b>2,191.14</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(31,941.14)</b>	<b>(6,388.23)</b>

\* Column (12) equals the summation of Columns (2) through (11).

DETAILED DEPRECIATION CALCULATIONS

NET UTILITY PLANT IN SERVICE

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 354.20 STRUCTURES AND IMPROVEMENTS - COLLECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
2007	20,658.88	1,477	1,647	19,012	32.47	586
2008	115,351.75	5,006	5,581	109,771	33.10	3,316
2009	9,911.43	147	164	9,747	33.40	292
	145,922.06	6,630	7,392	138,530		4,194
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					33.0	2.87

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 354.30 STRUCTURES AND IMPROVEMENTS - SPP

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-S1.5						
NET SALVAGE PERCENT.. 0						
2001	179,000.00	57,674	45,215	133,785	17.88	7,482
2004	36,911.17	7,917	6,207	30,704	20.14	1,525
2006	936,507.58	129,800	101,758	834,750	21.75	38,379
2007	500,715.82	49,971	39,167	461,549	22.56	20,459
2008	50,243.32	3,015	2,363	47,880	23.50	2,037
2009	3,533,756.07	71,028	55,671	3,478,085	24.44	142,311
9999	2,058,728.79-	125,582-	98,430-	1,960,299-		83,379-
	3,178,405.17	193,823	151,951	3,026,454		128,814
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					23.5	4.05

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 354.40 STRUCTURES AND IMPROVEMENTS - TDP

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TREATMENT PLANT - TO STAY						
INTERIM SURVIVOR CURVE.. IOWA 65-R3						
PROBABLE RETIREMENT YEAR.. 6-2059						
NET SALVAGE PERCENT.. 0						
1932	602.40	546	289	313	7.97	39
1961	411,759.11	289,590	153,421	258,338	20.46	12,626
1967	24,300.00	15,491	8,207	16,093	24.17	666
1987	823,692.00	316,957	167,920	655,772	35.98	18,226
1988	1,142,800.00	422,607	223,892	918,908	36.64	25,079
1990	3,907.00	1,333	706	3,201	37.64	85
1991	123,376.00	40,406	21,407	101,969	37.99	2,684
1993	11,340.50	3,368	1,784	9,557	39.06	245
1994	139,022.06	39,218	20,777	118,245	39.45	2,997
1995	11,077.00	2,955	1,566	9,511	39.85	239
1998	670,891.94	146,590	77,661	593,231	41.13	14,423
2001	283,666.22	47,741	25,293	258,373	42.01	6,150
2002	116,100.00	17,508	9,275	106,825	42.25	2,528
2003	1,000.00	132	70	930	42.76	22
2006	48,512.51	3,619	1,917	46,596	43.45	1,072
2007	672.16	36	19	653	43.58	15
2008	14,086.57	469	248	13,839	43.55	318
2009	21,581,046.32	246,024	130,342	21,450,704	43.36	494,712
9999	1,322,236.00-	83,036-	43,992-	1,278,244-		30,279-
	24,085,615.79	1,511,554	800,802	23,284,814		551,847

TREATMENT PLANT - TO BE RETIRED  
INTERIM SURVIVOR CURVE.. IOWA 65-R3  
PROBABLE RETIREMENT YEAR.. 3-2010  
NET SALVAGE PERCENT.. 0

1932	39,325.80	39,200	37,567	1,759	0.25	1,759
1950	31,500.00	31,368	30,062	1,438	0.25	1,438
1961	250,091.37	248,816	238,453	11,638	0.25	11,638
1962	1,043.00	1,038	995	48	0.25	48
1965	1,433.00	1,425	1,366	67	0.25	67
1967	24,300.00	24,159	23,153	1,147	0.25	1,147
1970	89,930.96	89,364	85,642	4,289	0.25	4,289
1973	1,798.00	1,786	1,712	86	0.25	86

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 354.40 STRUCTURES AND IMPROVEMENTS - TDP

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TREATMENT PLANT - TO BE RETIRED						
INTERIM SURVIVOR CURVE.. IOWA 65-R3						
PROBABLE RETIREMENT YEAR.. 3-2010						
NET SALVAGE PERCENT.. 0						
1975	160.00	159	152	8	0.25	8
1981	88,960.00	88,186	84,513	4,447	0.25	4,447
1985	45,099.00	44,644	42,785	2,314	0.25	2,314
1987	830,605.00	821,468	787,255	43,350	0.25	43,350
1988	714,536.50	706,319	676,903	37,634	0.25	37,634
1989	886.00	875	839	47	0.25	47
1990	7,215.00	7,123	6,826	389	0.25	389
1991	14,095.00	13,908	13,329	766	0.25	766
1994	52,405.00	51,572	49,424	2,981	0.25	2,981
1995	12,563.00	12,351	11,836	727	0.25	727
	2,205,946.63	2,183,761	2,092,812	113,135		113,135
	26,291,562.42	3,695,315	2,893,614	23,397,949		664,982
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					35.2	2.53

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 354.70 STRUCTURES AND IMPROVEMENTS - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BUILDING - TO STAY						
SURVIVOR CURVE.. IOWA 35-S0						
NET SALVAGE PERCENT.. 0						
1993	140,772.00	66,895	42,434	98,338	18.22	5,397
1995	1,510.00	657	417	1,093	18.83	58
2002	1,066.29	285	181	885	20.59	43
2007	13,318.35	1,392	882	12,436	21.42	581
2008	7,905.96	517	328	7,578	21.44	353
	164,572.60	69,746	44,242	120,330		6,432
BUILDING - TO BE RETIRED						
INTERIM SURVIVOR CURVE.. IOWA 35-S0						
PROBABLE RETIREMENT YEAR.. 3-2010						
NET SALVAGE PERCENT.. 0						
1987	16,114.00	15,937	15,295	819	0.25	819
1996	1,160.00	1,139	1,093	67	0.25	67
	17,274.00	17,076	16,388	886		886
	181,846.60	86,822	60,630	121,216		7,318
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					16.6	4.02

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 355.00 POWER GENERATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-R2.5						
NET SALVAGE PERCENT.. 0						
1987	42,310.00	32,748	19,693	22,617	6.57	3,442
2001	39,638.59	14,456	8,694	30,945	14.81	2,089
2002	22,450.00	7,341	4,415	18,035	15.44	1,168
2007	3,801.89	452	272	3,530	18.51	191
2008	48,141.54	3,538	2,128	46,014	18.91	2,433
2009	6,369.07	166	100	6,269	18.66	336
9999	64,825.00-	23,389-	14,067-	50,758-		3,851-
	97,886.09	35,312	21,235	76,652		5,808
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.2	5.93

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 360.10 COLLECTION SEWERS - FORCE MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-S2.5						
NET SALVAGE PERCENT.. 0						
1993	140,415.22	39,162	3,957	136,458	42.67	3,198
1994	48,680.72	12,754	1,289	47,392	43.67	1,085
2001	874,316.30	126,339	12,767	861,549	50.32	17,121
2002	277,714.74	35,409	3,578	274,137	51.32	5,342
2003	385,940.34	42,646	4,310	381,630	52.32	7,294
2004	1,409,072.80	131,748	13,314	1,395,759	53.32	26,177
2006	1,718,248.94	102,236	10,332	1,707,917	55.32	30,873
2007	986,396.53	41,922	4,237	982,160	56.32	17,439
2008	517,130.43	13,187	1,333	515,797	57.32	8,999
2009	56,933.91	484	49	56,885	58.32	975
9999	2,274,263.52-	193,540-	19,560-	2,254,704-		42,074-
	4,140,586.41	352,347	35,606	4,104,980		76,429
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					53.7	1.85

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 361.10 COLLECTION SEWERS - GRAVITY MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-S1.5						
NET SALVAGE PERCENT.. 0						
1915	107,903.12	98,915	73,268	34,635	8.59	4,032
1920	189,683.85	171,474	127,014	62,670	9.50	6,597
1930	232,504.38	201,488	149,246	83,258	12.24	6,802
1935	48,363.06	40,717	30,160	18,203	13.99	1,301
1945	46,352.51	36,776	27,241	19,112	16.80	1,138
1975	65,104.39	35,267	26,123	38,981	29.19	1,335
1990	11,278.00	3,827	2,835	8,443	37.97	222
1992	204,432.70	62,965	46,640	157,793	39.32	4,013
1993	196,405.74	57,036	42,248	154,158	40.32	3,823
1994	27,232.34	7,473	5,535	21,697	40.99	529
1996	46,112.00	11,145	8,255	37,857	42.36	894
1997	4,054,563.56	912,277	675,743	3,378,821	43.06	78,468
1998	476,678.78	98,673	73,089	403,590	44.06	9,160
1999	38,114.37	7,246	5,367	32,747	44.75	732
2000	130,693.74	22,597	16,738	113,956	45.45	2,507
2001	600,889.90	92,958	68,856	532,034	46.45	11,454
2002	30,588.00	4,200	3,111	27,477	47.14	583
2003	119,335.77	14,201	10,519	108,817	48.14	2,260
2004	62,605.76	6,336	4,693	57,913	48.85	1,186
2005	2,269,787.49	187,938	139,209	2,130,578	49.85	42,740
2006	14,595.60	946	701	13,895	50.55	275
2007	3,930,860.59	181,999	134,810	3,796,051	51.55	73,638
2008	6,158,576.77	171,208	126,817	6,031,760	52.55	114,781
2009	799,460.47	7,435	5,507	793,953	53.55	14,826
9999	7,041,739.43	863,317	639,475	6,402,264		135,906
	12,820,383.46	1,571,780	1,164,250	11,656,135		247,390
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					47.1	1.93

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 361.20 MANHOLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1.5						
NET SALVAGE PERCENT.. 0						
2001	81,097.58	18,336	5,425	75,673	29.09	2,601
2002	138,614.92	28,277	8,366	130,249	29.26	4,451
2003	78,108.80	14,114	4,175	73,934	29.47	2,509
2004	162,849.15	25,535	7,555	155,294	29.59	5,248
2007	190,480.77	15,143	4,480	186,001	28.95	6,425
2008	280,777.36	14,292	4,228	276,549	28.00	9,877
2009	109,148.83	2,139	633	108,516	25.07	4,329
9999	369,094.27-	41,781-	12,361-	356,733-		12,549-
	671,983.14	76,055	22,501	649,483		22,891
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					28.4	3.41

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 363.00 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-S2.5						
NET SALVAGE PERCENT.. 0						
1935	14.83	15	15			
1980	346,445.89	244,279	89,496	256,950	12.34	20,823
1990	2,082.57	1,068	391	1,692	18.52	91
1992	26,994.96	12,566	4,604	22,391	20.09	1,115
1993	36,909.98	16,322	5,980	30,930	20.81	1,486
1994	16,017.57	6,679	2,447	13,571	21.67	626
1996	5,103.42	1,867	684	4,419	23.40	189
1997	349,515.04	118,835	43,537	305,978	24.26	12,612
1998	83,066.10	26,083	9,556	73,510	25.13	2,925
1999	97,350.00	28,008	10,261	87,089	26.00	3,350
2000	164,966.00	42,941	15,733	149,233	27.00	5,527
2001	103,077.20	24,099	8,828	94,249	27.86	3,383
2002	112,185.22	23,144	8,478	103,707	28.86	3,593
2003	162,685.43	29,186	10,691	151,994	29.73	5,112
2004	305,867.62	46,431	17,008	288,860	30.73	9,400
2005	171,471.40	21,297	7,801	163,670	31.73	5,158
2006	707,862.13	68,379	25,048	682,814	32.73	20,862
2007	376,433.09	25,974	9,514	366,919	33.73	10,878
2008	315,583.61	13,065	4,786	310,798	34.73	8,949
2009	122,559.22	1,691	619	121,940	35.73	3,413
9999	1,140,374.49-	244,610-	89,602-	1,050,772-		38,887-
	2,365,816.79	507,319	185,875	2,179,942		80,605
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					27.0	3.41

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 364.00 FLOW MEASURING DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-S0.5						
NET SALVAGE PERCENT.. 0						
2001	2,038.40	672	672	1,366	17.27	79
2002	20,141.19	5,998	5,995	14,146	17.69	800
2003	7,550.27	1,993	1,992	5,558	18.13	307
2004	1,498.38	343	343	1,155	18.54	62
2006	11,144.09	1,708	1,707	9,437	19.33	488
2007	9,030.61	1,016	1,016	8,015	19.72	406
2008	2,253.15	157	157	2,096	20.10	104
	53,656.09	11,887	11,882	41,773		2,246
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					18.6	4.19

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 365.00 FLOW MEASURING INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-S0.5						
NET SALVAGE PERCENT.. 0						
2009	7,244.00	173	122	7,122	20.42	349
	7,244.00	173	122	7,122		349
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					20.4	4.82

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 370.00 RECEIVING WELLS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. 0						
2007	7,369.99	470	532	6,838	36.71	186
2009	7,763.98	102	116	7,648	37.67	203
	15,133.97	572	648	14,486		389
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					37.2	2.57

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 371.00 PUMPING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
PUMPING EQUIPMENT - TO STAY						
SURVIVOR CURVE.. IOWA 40-S0						
NET SALVAGE PERCENT.. 0						
2004	2,713.26	503	998	1,715	24.17	71
2005	75,723.20	11,828	23,465	52,258	24.32	2,149
2006	42,731.02	5,354	10,621	32,110	24.43	1,314
2007	48,851.99	4,533	8,993	39,859	24.45	1,630
2008	23,203.82	1,341	2,660	20,544	24.47	840
2009	602,087.97	12,162	24,128	577,960	24.31	23,775
9999	40,000.00-	1,796-	3,563-	36,437-		1,496-
	755,311.26	33,925	67,302	688,009		28,283
PUMPING EQUIPMENT - TO BE RETIRED						
INTERIM SURVIVOR CURVE.. IOWA 40-S0						
PROBABLE RETIREMENT YEAR.. 3-2010						
NET SALVAGE PERCENT.. 0						
1950	16,267.00	16,199	15,567	700	0.25	700
1961	6,575.00	6,541	6,286	289	0.25	289
1965	48,506.00	48,234	46,354	2,152	0.25	2,152
1970	49,639.00	49,326	47,403	2,236	0.25	2,236
1985	25,606.00	25,347	24,359	1,247	0.25	1,247
1987	81,429.71	80,534	77,394	4,036	0.25	4,036
1999	51,445.82	50,247	48,288	3,158	0.25	3,158
2000	41,946.92	40,873	39,280	2,667	0.25	2,667
	321,415.45	317,301	304,931	16,485		16,485
	1,076,726.71	351,226	372,233	704,494		44,768
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					15.7	4.16

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 380.00 TREATMENT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TREATMENT EQUIPMENT - TO STAY						
SURVIVOR CURVE.. IOWA 40-S1						
NET SALVAGE PERCENT.. 0						
1987	198,012.00	110,055	69,674	128,338	17.98	7,138
1995	10,764.00	4,324	2,737	8,027	21.60	372
2001	152,923.03	38,873	24,610	128,313	24.94	5,145
2002	59,752.06	13,582	8,599	51,153	25.50	2,006
2004	11,125.75	1,891	1,197	9,929	26.86	370
2005	23,744.74	3,324	2,104	21,641	27.65	783
2007	1,046.35	83	53	993	29.15	34
2008	36,777.44	1,751	1,109	35,668	30.04	1,187
2009	8,099,758.54	128,786	81,533	8,018,226	30.95	259,070
9999	199,054.00-	7,007-	4,436-	194,618-		6,390-
	8,394,849.91	295,662	187,180	8,207,670		269,715

TREATMENT EQUIPMENT - TO BE RETIRED  
INTERIM SURVIVOR CURVE.. IOWA 40-S1  
PROBABLE RETIREMENT YEAR.. 3-2010  
NET SALVAGE PERCENT.. 0

1961	22,147.00	22,034	21,136	1,011	0.25	1,011
1962	143,654.00	142,907	137,085	6,569	0.25	6,569
1970	19,027.00	18,907	18,137	890	0.25	890
1973	432.00	429	412	20	0.25	20
1975	290.00	288	276	14	0.25	14
1987	322,741.00	319,191	306,188	16,553	0.25	16,553
1988	154,427.50	152,652	146,434	7,994	0.25	7,994
1990	4,244.00	4,190	4,019	225	0.25	225
1991	2,905.00	2,866	2,749	156	0.25	156
1992	4,446.00	4,383	4,204	242	0.25	242
1994	3,500.00	3,444	3,304	196	0.25	196
1995	3,206.00	3,152	3,024	182	0.25	182
1996	7,142.00	7,012	6,726	416	0.25	416
1998	71,387.98	69,867	67,021	4,367	0.25	4,367
2000	8,575.00	8,355	8,015	560	0.25	560
	768,124.48	759,677	728,730	39,395		39,395
	9,162,974.39	1,055,339	915,910	8,247,065		309,110

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 26.7 3.37

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 381.00 PLANT SEWERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. 0						
2009	5,238,418.00	61,813	87,967	5,150,451	41.87	123,011
	5,238,418.00	61,813	87,967	5,150,451		123,011
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					41.9	2.35

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 389.10 OTHER PLANT AND MISC. EQUIPMENT - INTANGIBLE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER PLANT & MISC. EQUIP. - TO STAY						
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
2003	8,491.79	2,760	7,350	1,142	13.50	85
2005	2,997.03	674	1,795	1,202	15.50	78
	11,488.82	3,434	9,145	2,344		163
OTHER PLANT & MISC. EQUIP. - TO BE RETIRED						
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 3-2010						
NET SALVAGE PERCENT.. 0						
2000	111,711.75	108,852	105,982	5,730	0.25	5,730
	123,200.57	112,286	115,127	8,074		5,893
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					1.4	4.78

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 390.00 OFFICE FURNITURE AND EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1955	319.00	319	319			
1970	144.00	144	144			
1980	599.00	599	599			
1987	2,814.00	2,814	2,814			
1990	238.00	232	38	200	0.50	200
1991	213.00	197	32	181	1.50	121
1994	676.00	524	86	590	4.50	131
1995	430.00	312	51	379	5.50	69
1996	2,474.00	1,670	274	2,200	6.50	338
1998	4,177.00	2,402	393	3,784	8.50	445
2000	793.00	377	62	731	10.50	70
2009	89,823.00	2,246	368	89,455	19.50	4,587
	102,700.00	11,836	5,180	97,520		5,961
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					16.4	5.80

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 392.00 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1991	920.00	681	664	256	6.50	39
2003	5,858.64	1,523	1,485	4,374	18.50	236
	6,778.64	2,204	2,149	4,630		275
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					16.8	4.06

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 393.00 TOOLS, SHOP & GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
2001	1,716.33	729	535	1,181	11.50	103
2002	14,591.33	5,472	4,020	10,571	12.50	846
2006	26.99	5	4	23	16.50	1
2007	5,944.45	743	545	5,399	17.50	309
2008	2,776.47	208	153	2,623	18.50	142
	25,055.57	7,157	5,257	19,797		1,401
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					14.1	5.59

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 394.00 LABORATORY EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1980	2,331.00	2,331	2,331			
1985	11,104.80	11,105	11,105			
1987	7,975.00	7,975	7,975			
1992	2,365.00	2,365	2,365			
1993	2,900.00	2,900	2,900			
1995	1,006.00	973	265	741	0.50	741
1996	1,700.00	1,530	416	1,284	1.50	856
1998	120.00	92	25	95	3.50	27
2001	1,969.36	1,116	303	1,666	6.50	256
2002	2,928.85	1,464	398	2,531	7.50	337
2006	7,401.23	1,727	470	6,931	11.50	603
2007	8,400.50	1,400	381	8,020	12.50	642
2008	15,351.79	1,535	417	14,935	13.50	1,106
	65,553.53	36,513	29,351	36,203		4,568
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					7.9	6.97

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 395.00 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 15-L4						
NET SALVAGE PERCENT.. 0						
1985	496.00	475	407	89	1.07	83
1991	12,782.00	11,445	9,794	2,988	2.16	1,383
1993	9,999.00	8,711	7,455	2,544	2.44	1,043
1996	875.00	718	614	261	2.95	88
2005	55,927.14	17,796	15,230	40,697	9.64	4,222
	80,079.14	39,145	33,500	46,579		6,819
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					6.8	8.52

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 396.00 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1985	3,304.00	3,304	3,304			
1987	5,077.00	5,077	5,077			
1990	7,075.00	7,075	7,075			
1995	320.00	309	128	192	0.50	192
1997	1,885.00	1,571	652	1,233	2.50	493
2006	2,236.36	522	216	2,020	11.50	176
2007	537.73	90	37	501	12.50	40
2008	51,116.85	5,112	2,120	48,997	13.50	3,629
2009	617,060.62	20,548	8,523	608,538	14.50	41,968
	688,612.56	43,608	27,132	661,481		46,498
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					14.2	6.75

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 397.00 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2009

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1970	2,306.00	2,306	2,306			
1975	259.00	259	259			
1980	164.00	164	164			
1987	3,170.00	3,170	3,170			
1991	10,821.00	10,009	8,567	2,254	1.50	1,503
1994	408.00	316	270	138	4.50	31
1995	8,120.00	5,887	5,039	3,081	5.50	560
1996	6,329.00	4,272	3,656	2,673	6.50	411
1997	1,850.00	1,156	989	861	7.50	115
1999	3,638.00	1,910	1,635	2,003	9.50	211
2000	1,906.00	905	775	1,131	10.50	108
2001	8,406.99	3,573	3,058	5,349	11.50	465
2002	38,152.53	14,307	12,245	25,908	12.50	2,073
2003	131,967.24	42,889	36,708	95,259	13.50	7,056
2004	62,880.21	17,292	14,800	48,080	14.50	3,316
2005	43,580.31	9,806	8,392	35,188	15.50	2,270
2006	20,954.98	3,667	3,138	17,817	16.50	1,080
2007	27,143.48	3,393	2,904	24,239	17.50	1,385
9999	29,000.00-	9,764-	8,356-	20,644-		1,604-
	343,056.74	115,517	99,719	243,337		18,980
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					12.8	5.53





PENNSYLVANIA-AMERICAN WATER COMPANY

Hershey, Pennsylvania

DEPRECIATION STUDY  
OF COATESVILLE WASTEWATER OPERATIONS

CALCULATED ANNUAL DEPRECIATION ACCRUALS  
RELATED TO UTILITY PLANT AT DECEMBER 31, 2010

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania



**GANNETT FLEMING, INC.**  
P.O. Box 67100  
Harrisburg, PA 17106-7100  
Location:  
207 Senate Avenue  
Camp Hill, PA 17011  
**Office: (717) 763-7211**  
Fax: (717) 763-4590  
www.gannettfleming.com

April 20, 2010

Pennsylvania-American Water Company  
800 West Hersheypark Drive  
Hershey, PA 17033

Attention Mr. John R. Cox  
Manager of Rates and Regulation

Gentlemen:

Pursuant to your request, we have determined the annual depreciation accruals applicable to utility plant. The results of our study at December 31, 2010, are presented in the attached report. The results of our study at December 31, 2009, are presented in our report, "Depreciation Study of Coatesville Wastewater Operations - Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2009." The same methods, procedures and estimates are used in both studies.

The attached report sets forth a description of the methods and procedures upon which the studies were based, the estimates of survivor curves, and the calculated annual depreciation at December 31, 2010.

Respectfully submitted,

GANNETT FLEMING, INC.

JOHN J. SPANOS  
Vice President  
Valuation and Rate Division

JJS:krm



# CONTENTS

## PART I. METHODS USED IN STUDY

Introduction .....	I-2
Basis of the Study .....	I-2
Estimation of Survivor Curves .....	I-3
Statistical Analyses of Data .....	I-3
Judgments .....	I-4
Book Reserve .....	I-5
Calculation of Depreciation .....	I-5
Group Depreciation Procedures .....	I-5
Remaining Life Annual Accruals .....	I-6
Equal Life Group Procedure .....	I-6
Amortization of General Plant Accounts .....	I-8
Net Salvage .....	I-9

## PART II. RESULTS OF STUDY

Description of Summary Tabulations .....	II-2
Description of Detailed Tabulations .....	II-2
Table 1. Estimated Survivor Curves, Net Original Cost, Book Reserve and Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2010 .....	II-4
Table 2. Bringforward to December 31, 2010, of Book Reserve as of December 31, 2009 .....	II-5
Table 3. Calculation of Depreciation Accruals for the Twelve Months Ended December 31, 2010 .....	II-6
Table 4. Amortization of Experienced and Estimated Net Salvage .....	II-7
Service Life Statistics .....	II-8
Detailed Depreciation Calculations .....	II-50
Net Utility Plant in Service .....	II-51
Experienced and Estimated Net Salvage .....	II-75

PART I. METHODS USED IN STUDY

PENNSYLVANIA-AMERICAN WATER COMPANY

DEPRECIATION STUDY  
OF COATESVILLE WASTEWATER OPERATIONS

PART I. METHODS USED IN STUDY

INTRODUCTION

The report presents the methods used in and the results of the depreciation study conducted for Pennsylvania-American Water Company's Coatesville Wastewater Operations related to utility plant in service at December 31, 2010. Part I, Methods Used in Study, contains statements with respect to the basis of the study, the estimation of survivor curves, the book reserve and the method of calculating annual depreciation. Part II, Results of Study, contains the statistics related to the life studies in graphic and tabular form and the summary and detailed tabulations of annual depreciation.

BASIS OF THE STUDY

The purpose of the depreciation study was to determine the annual depreciation accruals applicable to the cost of utility plant in service at December 31, 2010. For most accounts, the straight line remaining life method using attained ages, the book depreciation reserve and estimated survivor curves, was the basis for the calculation of annual depreciation. For certain accounts, the annual and accrued amortization amounts were based on the age of the property and the selected amortization period.

The survivor curve estimates were based on judgment which incorporated (1) analyses of historical data related to the property; (2) consideration of the character, use and location of the property; (3) probable future events and management plans; and (4) a general knowledge of wastewater property lives. The use of Iowa type survivor curves

is a generally-accepted method of estimating average service life when the actual lives of individual property units are dispersed. When the majority of the units within a property group were expected to experience a common retirement date, the life span procedure was used. Interim survivor curves were used with life span groups to represent retirements expected to occur before the estimated final retirement date for the group.

## ESTIMATION OF SURVIVOR CURVES

Statistical Analyses of Data. The method of life analysis used in the study consisted of compiling the past history of the depreciable accounts or groups, analyzing historical trends through the use of recognized techniques, and forecasting the trend of survivors for each depreciable group based on an interpretation of past trends and future plans. The estimates of average service life and dispersion result from consideration of both the historical and forecasted trends.

The aged data analyzed for the purpose of estimating survivor curves were compiled from the property records of the Company. These data included plant additions, retirements, sales, transfers, and adjustments recorded through 2009.

The actuarial retirement rate method was used for the analysis of the retirement activity related to the depreciable properties of this company. The method is explained in several recognized published texts, including "Statistical Analyses of Industrial Property Retirements"<sup>1</sup> and "Engineering Valuation and Depreciation."<sup>2</sup>

Each retirement rate analysis resulted in a life table which, when plotted, formed an original survivor curve. Each original survivor curve as plotted from the life table represents

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<sup>1</sup>Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

<sup>2</sup>Anson Marston, Robley Winfrey, and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

the average survivor pattern experienced by the several vintage groups during the experience band studied. Inasmuch as this survivor pattern does not necessarily describe the life characteristics of the property group, interpretation of these original curves is required in order to use them as a valid consideration in the process of service life estimation. Standard type curves, generally the Iowa type curves, were used to aid these interpretations.

Judgments. The survivor curve estimates were based on judgment which considered factors including statistical analyses of retirements, Company policies and outlook as determined during discussions with management, and survivor curve estimates from previous studies of the Company, as well as other water and wastewater companies. For depreciable groups which consist of numerous similar items of property, the distribution of the lives of the units in the group was judged on the basis of an average survival pattern for the entire group. The judgments for a life span group were made by estimating the life of the major facility in the group and assigning lives to the related items of property which terminate at the probable retirement date of the major facility.

The life span estimate for the treatment plant in Account 354.4 was based on the type of construction, attained age and specific plans of management. The age of this group is approximately equal to or greater than the estimate typically made for the property group. The interim survivor curve, 65-R3, was estimated for the plant based on prior studies and judgment.

The average survivor curves estimated for depreciable groups with numerous similar items were based on statistical analyses, Company policies, and previous estimates made for this and other companies. For some of the mass plant accounts and subaccounts for which survivor curves were estimated, the statistical analysis resulted in good indications

of the survivor patterns experienced. The survivor curves are set forth beginning on page II-9.

The amortization periods selected for general plant Accounts 389.1, 390, 392, 393, 394, 396, and 397 are discussed in the section, "Amortization of General Plant Accounts."

## BOOK RESERVE

The book reserve as of December 31, 2010, is the result of a bringforward of the book reserves established by the Commission for Coatesville Wastewater Operations in 2001.

The book reserve activity subsequent to the 2001 filing date consists of accruals, retirements, cost of removal, salvage and other debits and credits recorded to the book reserve through December 31, 2009. The projected book reserve as of December 31, 2010, is a bringforward of the December 31, 2009 book reserve based on projected accruals, retirements, cost of removal, salvage and other credits.

## CALCULATION OF DEPRECIATION

The annual depreciation accruals as of December 31, 2010, are based on the straight line remaining life method and the equal life group procedure. For the purpose of calculating the remaining life accruals as of December 31, 2010, the book reserve is allocated among vintages in proportion to the calculated accrued depreciation as of December 31, 2010.

Group Depreciation Procedures. A group procedure for depreciation is appropriate when considering more than a single item of property. Normally, the items within a group do not have identical service lives, but have lives that are dispersed over a range of time.

In the average service life procedure, the rate of annual depreciation is based on the average life or average remaining life of the group, and this rate is applied to the

of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life.

In the equal life group procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. This procedure eliminates the need to base depreciation on average lives, inasmuch as each group is equivalent to a unit having a single life. The full costs of short-lived units are accrued during their lives, leaving no deferral of accruals required to be added to the annual costs associated with long-lived units. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life group.

Remaining Life Annual Accruals. For the purpose of calculating remaining life accrual rates as of December 31, 2010, the estimated book depreciation reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account. Explanations of remaining life accruals and calculated accrued depreciation based on the equal life group procedure follow. The detailed calculations are set forth in the Results of Study section of the report.

Equal Life Group Procedure. In the equal life group procedure, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the composite remaining life for the surviving original cost of that

vintage. The composite remaining life is derived by compositing the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\sum \left( \frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life} \right)}{\sum \frac{\text{Book Cost}}{\text{Life}}}$$

The book costs and lives of the several equal life groups which are summed in the foregoing equation are defined by the estimated survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost} - \text{Calc. Reserve}}{\sum \text{Whole Life Annual Accrual}}$$

The annual accrual rate for each account is equal to the sum of the remaining life annual accruals for all vintages divided by the account's total original cost. The account's "composite remaining life" is calculated by dividing the sum of the future book accruals for all vintages by the sum of the remaining life annual accruals for all vintages.

The calculated accrued depreciation in the equal life group procedure also represents that portion of depreciable cost which will not be allocated to expense through future accruals. However, the calculation is based at the equal life group level rather than the vintage group level, and does not require the use of averages. The equal life group accrued depreciation ratio is calculated as follows:

$$\text{Ratio} = 1 - \frac{\text{Remaining Life}}{\text{Service Life}}$$

Inasmuch as service life minus remaining life equals age, when averages are not employed, the foregoing equation reduces to:

$$\text{Ratio} = \frac{\text{Age}}{\text{Service Life}}$$

## AMORTIZATION OF GENERAL PLANT ACCOUNTS

In order to use a more efficient and cost effective accounting process for equipment recorded in general plant Accounts 389.1, 390, 392, 393, 394, 396, and 397; amounts capitalized in these accounts are amortized rather than depreciated. Amortization as defined in the Uniform System of Accounts is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

The primary reasons for the amortization of certain general plant accounts is that the effort required to unitize additions, periodically inventory equipment and determine amounts to be retired for equipment recorded in these accounts is disproportionate to the original cost of the equipment when compared to other wastewater plant accounts.

Accounting for such equipment using an amortization concept consists of capitalization of amounts to these accounts based on the same criteria as used previously under depreciation accounting, amortization of the asset over a fixed period, retirement of the equipment at the end of the amortization period and recognition of any net salvage related to disposition of equipment in these accounts as a gain or loss. For equipment in

these accounts that was placed in service prior to implementation of amortization accounting, the net book value by vintage amortized over the remaining amortization period specified for each account and the original cost will be retired at the end of this period.

The amortization periods selected for each account or subaccount are based on a review of the existing depreciation rates for the accounts, typical service lives used for each type of equipment and a consideration of the period during which it is anticipated that most of the benefit of the equipment will be realized. The amortization periods are as follows:

<u>Account Number</u>	<u>Description</u>	<u>Amortization Period, Years</u>
389.1	Other Plant and Miscellaneous Equipment - Intangible	20
390	Office Furniture and Equipment	20
392	Stores Equipment	25
393	Tools, Shop and Garage Equipment	20
394	Laboratory Equipment	15
396	Communication Equipment	15
397	Miscellaneous Equipment	20

**NET SALVAGE**

Experienced net salvage is incorporated in the results of the study as it was reported on the Company's books and records for the period January 1, 2006 through December 31, 2009, and estimated for the period January 1, 2010 through December 31, 2010. The calculation of the amortization is shown in Table 4 on II-8. The amounts of salvage and removal cost by account for each year are set forth in the section beginning on page II-75.

Net salvage is presented in this manner to determine the amount of net salvage to be amortized to the cost of service for ratemaking purposes. In order to be consistent with this manner of recognizing net salvage, no adjustments for net salvage were made to the annual depreciation calculated for the individual accounts.

PART II. RESULTS OF STUDY

## PART II. RESULTS OF STUDY

### DESCRIPTION OF SUMMARY TABULATIONS

The results of the depreciation study are summarized in Table 1 which sets forth, by depreciable group, the estimated survivor curve, calculated annual accruals and book reserve related to net original cost. Table 2 presents the bringforward to December 31, 2010 of the book reserve as of December 31, 2009. Table 3 sets forth the calculation of estimated depreciation accruals for the twelve months ended December 31, 2010. Table 4 presents the amortization of experienced and estimated net salvage, by account, based on the five-year period, 2006-2010.

### DESCRIPTION OF DETAILED TABULATIONS

Supporting statistical data for the estimates of average service lives and survivor curves, the annual depreciation calculations, and salvage and cost of removal for the years 2006-2010 are presented in three sections.

The section beginning on page II-8 sets forth, for each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table plotted on the chart. The supporting data for the original cost depreciation calculations are presented in the section beginning on page II-50. The tabulations of experienced and estimated net salvage, by year and account for the five-year period 2006-2010, are presented in the section beginning on page II-75.

In the first section, the survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the type curve designation. The numeral used is the average life

derived from the entire curve from 100 percent to zero percent surviving. In cases where only a segment of the estimated curve is used in the depreciation calculation, the numeral used for identification purposes is not a designation of the average life of the group. The titles of the charts indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which were plotted. The experience band indicates the range of years for which the retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The tables of the calculated annual depreciation related to net original cost are presented in account sequence in the second section and indicate the estimated average survivor curves used in the calculations. The tables set forth, for each installation year, the original cost, calculated accrued depreciation, allocated book reserve, remaining life expectancy, and the calculated annual accrual.

Detailed tabulations setting forth the cost of removal, gross salvage and net salvage amounts, by account and year, are presented in the third section. The net salvage amounts, by account and year, are carried forward to Table 4, which presents the five-year amortization of net salvage.

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

DEPRECIABLE GROUP (1)	SURVIVOR CURVE (2)	NET ORIGINAL COST AT DECEMBER 31, 2010 (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	ANNUAL ACCRUAL AMOUNT (6)	COMPOSITE REMAINING LIFE (7)	ANNUAL ACCRUAL RATE, PERCENT (8)
<b>DEPRECIABLE PLANT</b>							
354.20	40-R3	145,922.06	11,580	134,342	4,145	32.4	2.84
354.30	30-S1.5	4,107,604.08	299,493	3,808,111	166,001	22.9	4.04
354.40	65-R3	28,259,784.83	(1,012,969)	29,272,754	709,963	41.2	2.51
354.70	35-S0	522,803.80	32,960	489,843	23,741	20.6	4.54
355.00	25-R2.5	136,627.09	28,188	108,440	7,908	13.7	5.79
360.10	65-S2.5	4,140,586.41	112,207	4,028,379	76,347	52.8	1.84
361.10	65-S1.5	15,337,320.26	1,363,362	13,973,959	294,063	47.5	1.92
361.20	45-R1.5	713,983.14	46,132	667,852	23,681	28.2	3.32
363.00	40-S2.5	2,440,816.79	262,828	2,177,989	81,363	26.8	3.33
364.00	30-S0.5	53,656.09	14,130	39,525	2,173	18.2	4.05
365.00	30-S0.5	13,146.00	613	12,533	619	20.2	4.71
370.00	45-R3	15,133.97	1,037	14,097	378	37.3	2.50
371.00	40-S0	817,393.26	(157,497)	974,890	39,938	24.4	4.89
380.00	40-S1	15,555,448.91	(161,859)	15,717,308	523,632	30.0	3.37
381.00	50-R3	6,297,809.00	223,518	6,074,291	145,854	41.6	2.32
389.10	20-SQ	11,488.82	894	10,595	817	13.0	7.11
390.00	20-SQ	109,083.00	11,322	97,761	5,912	16.5	5.42
392.00	25-SQ	6,778.64	2,424	4,355	275	15.8	4.06
393.00	20-SQ	25,055.57	6,658	18,396	1,398	13.2	5.58
394.00	15-SQ	85,553.53	33,920	31,634	3,713	8.5	5.66
395.00	15-L4	80,079.14	40,323	39,756	6,029	6.6	7.53
396.00	15-SQ	784,820.56	76,860	707,961	52,557	13.5	6.70
397.00	20-SQ	343,056.74	118,690	224,366	18,843	11.9	5.49
<b>TOTAL DEPRECIABLE PLANT</b>		<b>79,983,951.49</b>	<b>1,354,814</b>	<b>78,629,137</b>	<b>2,189,350</b>	<b>35.9</b>	<b>2.74</b>
<b>NONDEPRECIABLE PLANT</b>							
352.00	FRANCHISES	150,568.58					
353.40	LAND AND LAND RIGHTS - TDP	1,047,342.62					
<b>TOTAL NONDEPRECIABLE PLANT</b>		<b>1,197,911.20</b>			<b>675,612</b>		
<b>AMORTIZATION OF NET SALVAGE</b>					<b>2,864,962</b>		
<b>TOTAL WASTEWATER COMPANY</b>		<b>81,181,862.69</b>	<b>1,354,814</b>	<b>78,629,137</b>	<b>2,864,962</b>		

\* Life Span Procedure used. Curve shown is Interim Survivor Curve.

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

TABLE 2. BRING FORWARD TO DECEMBER 31, 2010 OF BOOK RESERVE AS OF DECEMBER 31, 2009

DEPRECIABLE GROUP (1)	BOOK RESERVE	DEPRECIATION	PROJECTED	PROJECTED	PROJECTED	PROJECTED	BOOK RESERVE
	AS OF DECEMBER 31, 2009 (2)	ACCURUALS (3)	RETIREMENTS (4)	GROSS SALVAGE (5)	COST OF REMOVAL (6)	AS OF DECEMBER 31, 2010 (7)	
<b>DEPRECIABLE PLANT</b>							
354.20							11,580
354.30	7,392	4,188					299,493
354.40	151,951	147,542					(1,012,969)
354.70	2,893,614	655,937	2,205,947		2,356,574		32,960
355.00	60,630	13,881	17,274		24,278		28,188
360.10	21,235	6,953					112,207
361.10	35,606	76,601					1,363,362
361.20	1,164,250	266,000	66,888				46,132
363.00	22,501	23,631					262,828
364.00	185,875	81,953	5,000				14,130
365.00	11,882	2,248					613
370.00	122	491					1,037
371.00	648	389					(157,497)
380.00	372,233	37,654	321,415		245,968		(161,859)
381.00	915,910	404,105	768,124		713,749		223,518
389.10	87,967	135,551					894
390.00	115,127	3,029	111,712		5,550		11,322
392.00	5,180	6,142					2,424
393.00	2,149	275					6,658
394.00	5,257	1,401					33,920
395.00	29,351	4,569					40,323
396.00	33,500	6,823					76,860
397.00	27,132	49,728					118,690
	99,719	18,971					
<b>TOTAL DEPRECIABLE PLANT</b>	<b>6,249,231</b>	<b>1,948,061</b>	<b>3,496,361</b>	<b>0</b>	<b>3,346,119</b>		<b>1,354,813</b>

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

TABLE 3. CALCULATION OF DEPRECIATION ACCRUALS FOR  
THE TWELVE MONTHS ENDED DECEMBER 31, 2010

DEPRECIABLE GROUP (1)	NET ORIGINAL COST AT DECEMBER 31, 2009 (2)	NET ORIGINAL COST AT DECEMBER 31, 2010 (3)	COMPOSITE ACCURAL RATE (4)	ANNUAL ACCURAL AMOUNT (5)	
<b>DEPRECIABLE PLANT</b>					
354.20	STRUCTURES AND IMPROVEMENTS - COLLECTION	145,922.06	145,922.06	2.87	4,187.96
354.30	STRUCTURES AND IMPROVEMENTS - SPP	3,178,405.17	4,107,604.08	4.05	147,541.69
354.40	STRUCTURES AND IMPROVEMENTS - TDP				
	EXISTING	24,085,615.79	28,259,784.83	2.29	599,354.84
	TO BE RETIRED	2,205,946.63	0.00	5.13	56,582.53
354.70	STRUCTURES AND IMPROVEMENTS - GENERAL				
	EXISTING	164,572.60	522,803.60	3.91	13,438.20
	TO BE RETIRED	17,274.00	0.00	5.13	443.08
355.00	POWER GENERATION EQUIPMENT	97,886.09	136,627.09	5.93	6,953.32
360.10	COLLECTION SEWERS - FORCE MAINS	4,140,586.41	4,140,586.41	1.85	76,600.85
361.10	COLLECTION SEWERS - GRAVITY MAINS	12,820,383.46	14,744,363.46	1.93	265,999.81
361.20	MANHOLES	671,983.14	713,983.14	3.41	23,630.73
363.00	SERVICES	2,365,816.79	2,440,816.79	3.41	81,953.10
364.00	FLOW MEASURING DEVICES	53,656.09	53,656.09	4.19	2,248.19
365.00	FLOW MEASURING INSTALLATIONS	7,244.00	13,146.00	4.82	491.40
370.00	RECEIVING WELLS	15,133.97	15,133.97	2.57	388.94
371.00	PUMPING EQUIPMENT				
	EXISTING	755,311.26	817,393.26	3.74	29,409.57
	TO BE RETIRED	321,415.45	0.00	5.13	8,244.31
380.00	TREATMENT EQUIPMENT				
	EXISTING	8,394,849.91	15,555,448.91	3.21	384,402.30
	TO BE RETIRED	768,124.48	0.00	5.13	19,702.39
381.00	PLANT SEWERS	5,238,418.00	6,297,809.00	2.35	135,550.67
389.10	OTHER PLANT AND MISC. EQUIPMENT - INTANGIBLE				
	EXISTING	11,488.82	11,488.82	1.42	163.14
	TO BE RETIRED	111,711.75	0.00	5.13	2,865.41
390.00	OFFICE FURNITURE AND EQUIPMENT	102,700.00	109,083.00	5.80	6,141.71
392.00	STORES EQUIPMENT	6,778.64	6,778.64	4.06	275.21
393.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25,055.57	25,055.57	5.59	1,400.61
394.00	LABORATORY EQUIPMENT	65,553.53	65,553.53	6.97	4,569.08
395.00	POWER OPERATED EQUIPMENT	80,079.14	80,079.14	8.52	6,822.74
396.00	COMMUNICATION EQUIPMENT	688,612.56	784,820.56	6.75	49,728.37
397.00	MISCELLANEOUS EQUIPMENT	343,056.74	343,056.74	5.53	18,971.04
<b>TOTAL DEPRECIABLE PLANT</b>		<b>66,883,582.05</b>	<b>79,390,994.69</b>		<b>1,948,061.19</b>
<b>NONDEPRECIABLE PLANT</b>					
352.00	FRANCHISES	150,568.58	150,568.58		
353.40	LAND AND LAND RIGHTS - TDP	1,047,342.62	1,047,342.62		
<b>TOTAL NONDEPRECIABLE PLANT</b>		<b>1,197,911.20</b>	<b>1,197,911.20</b>		
<b>TOTAL WASTEWATER COMPANY</b>		<b>64,657,020.94</b>	<b>80,588,905.89</b>		

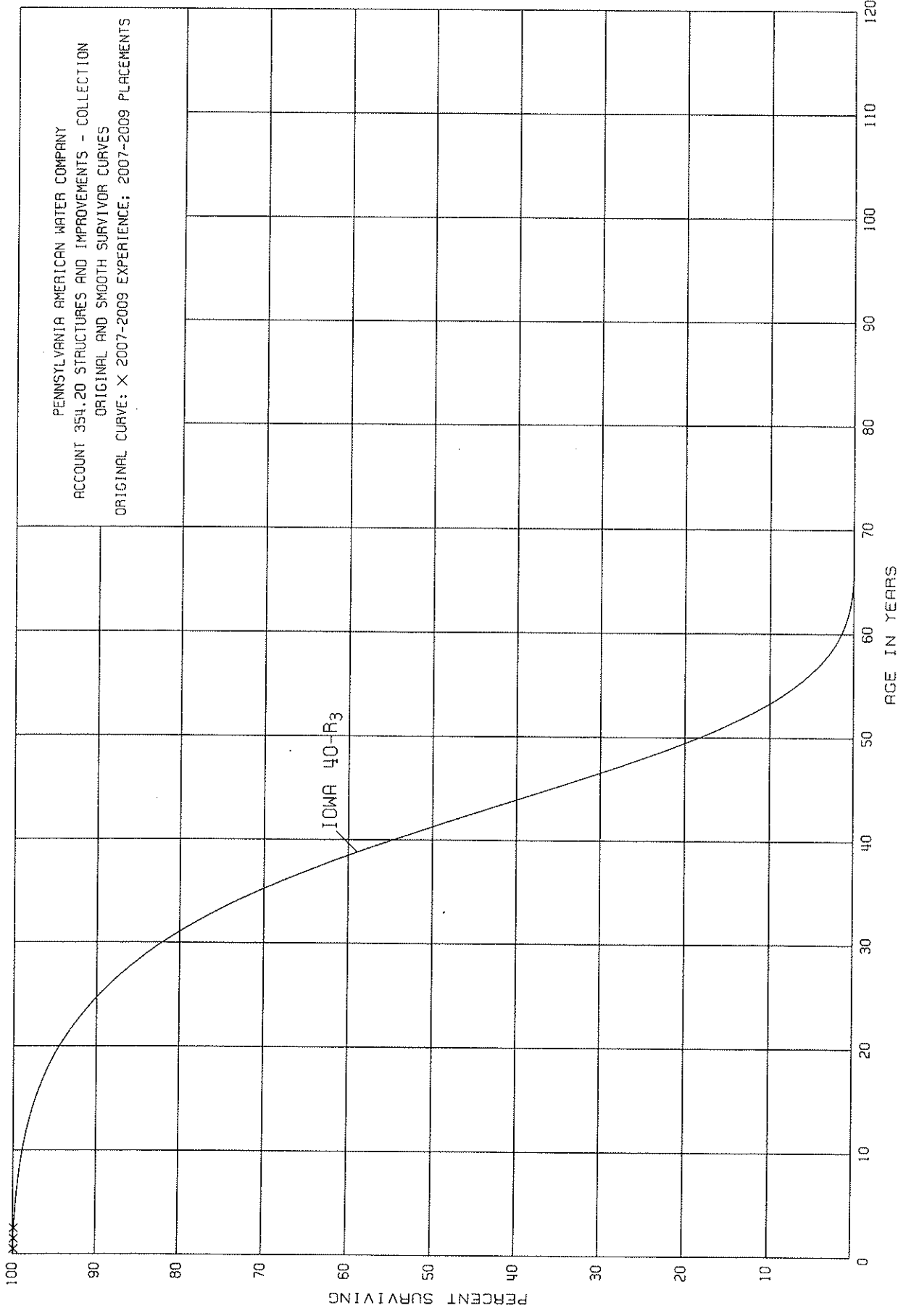
PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

TABLE 4. AMORTIZATION OF EXPERIENCED AND ESTIMATED NET SALVAGE

Account (1)	2006		2007		2008		2009		2010		Net Salvage (12)*	Salvage Accrual (13)=(12)/5
	Gross Salvage (2)	Cost of Removal (3)	Gross Salvage (4)	Cost of Removal (5)	Gross Salvage (6)	Cost of Removal (7)	Gross Salvage (8)	Cost of Removal (9)	Gross Salvage (10)	Cost of Removal (11)		
354.30						203.57					(203.57)	(40.71)
354.40						746.46				2,356,574.08	(2,356,574.08)	(471,314.82)
354.70						891.57				24,277.59	(25,024.05)	(5,004.81)
360.10						348.56					(891.57)	(178.31)
361.10				1,735.52							(2,084.08)	(416.82)
361.20				3,262.18							(3,262.18)	(652.44)
363.00				24,752.30							(24,753.28)	(4,950.66)
371.00						0.98				245,968.21	(245,968.21)	(49,193.64)
380.00										713,748.93	(713,748.93)	(142,749.79)
388.10										5,550.19	(5,550.19)	(1,110.04)
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29,750.00</b>	<b>0.00</b>	<b>2,191.14</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,346,119.00</b>	<b>(3,378,060.14)</b>	<b>(675,612.03)</b>

\* Column (12) equals the summation of Columns (2) through (11).





PENNSYLVANIA AMERICAN WATER COMPANY

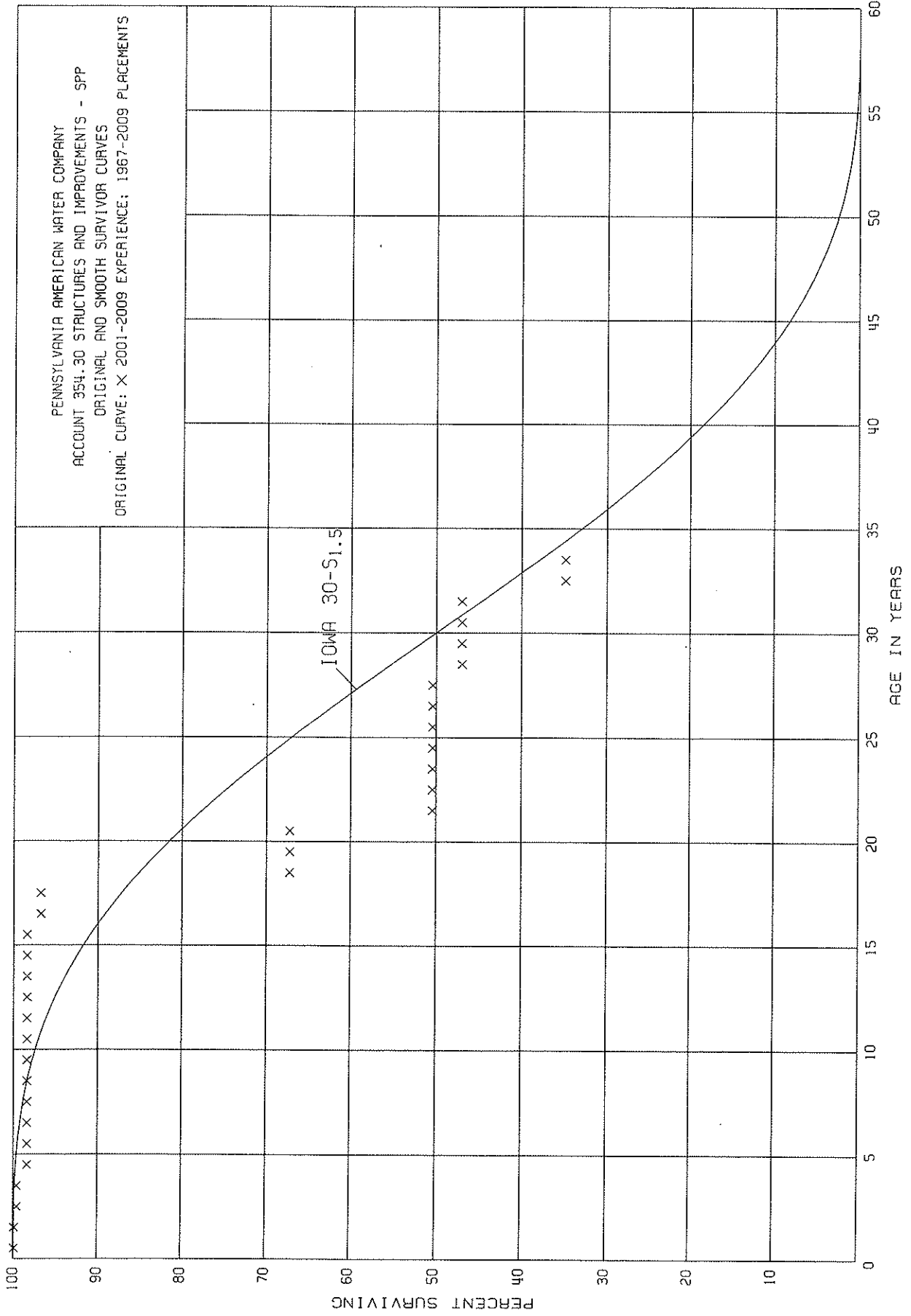
ACCOUNT 354.20 STRUCTURES AND IMPROVEMENTS - COLLECTION

ORIGINAL LIFE TABLE

PLACEMENT BAND 2007-2009

EXPERIENCE BAND 2007-2009

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	169,885		0.0000	1.0000	100.00
0.5	138,723		0.0000	1.0000	100.00
1.5	20,659		0.0000	1.0000	100.00
2.5					100.00



PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 354.30 STRUCTURES AND IMPROVEMENTS - SPP

ORIGINAL LIFE TABLE

PLACEMENT BAND 1967-2009

EXPERIENCE BAND 2001-2009

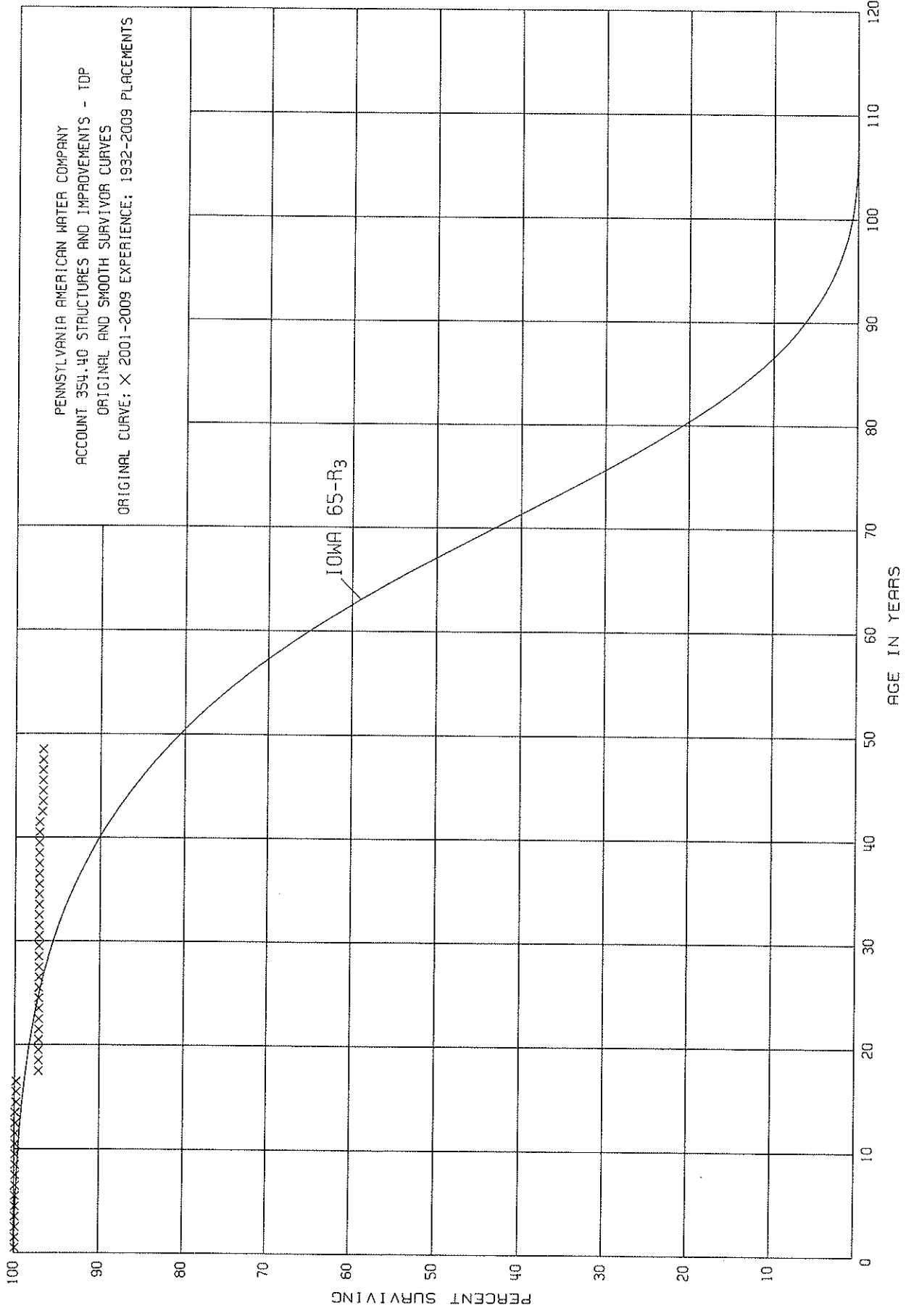
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	5,411,273		0.0000	1.0000	100.00
0.5	1,824,695		0.0000	1.0000	100.00
1.5	1,774,451	6,642	0.0037	0.9963	100.00
2.5	1,329,484		0.0000	1.0000	99.63
3.5	392,976	5,000	0.0127	0.9873	99.63
4.5	332,622		0.0000	1.0000	98.36
5.5	265,975		0.0000	1.0000	98.36
6.5	221,369		0.0000	1.0000	98.36
7.5	221,369		0.0000	1.0000	98.36
8.5	42,369		0.0000	1.0000	98.36
9.5	35,333		0.0000	1.0000	98.36
10.5	24,176		0.0000	1.0000	98.36
11.5	24,176		0.0000	1.0000	98.36
12.5	64,092		0.0000	1.0000	98.36
13.5	109,290		0.0000	1.0000	98.36
14.5	145,290		0.0000	1.0000	98.36
15.5	365,846	6,000	0.0164	0.9836	98.36
16.5	347,766		0.0000	1.0000	96.75
17.5	57,464	17,548	0.3054	0.6946	96.75
18.5	101,975		0.0000	1.0000	67.20
19.5	101,975		0.0000	1.0000	67.20
20.5	62,059	15,515	0.2500	0.7500	67.20
21.5	523,832	480	0.0009	0.9991	50.40
22.5	523,352		0.0000	1.0000	50.35
23.5	57,210		0.0000	1.0000	50.35
24.5	57,210		0.0000	1.0000	50.35
25.5	96,374		0.0000	1.0000	50.35
26.5	50,310		0.0000	1.0000	50.35
27.5	55,750	3,680	0.0660	0.9340	50.35
28.5	57,843		0.0000	1.0000	47.03
29.5	52,403		0.0000	1.0000	47.03
30.5	52,403		0.0000	1.0000	47.03
31.5	41,256	10,682	0.2589	0.7411	47.03
32.5	30,575		0.0000	1.0000	34.85
33.5					34.85
34.5					
35.5					
36.5					
37.5					
38.5					

PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 354.30 STRUCTURES AND IMPROVEMENTS - SPP

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1967-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5					
40.5	13,500		0.0000		
41.5	13,500		0.0000		
42.5					



PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 354.40 STRUCTURES AND IMPROVEMENTS - TDP

ORIGINAL LIFE TABLE

PLACEMENT BAND 1932-2009

EXPERIENCE BAND 2001-2009

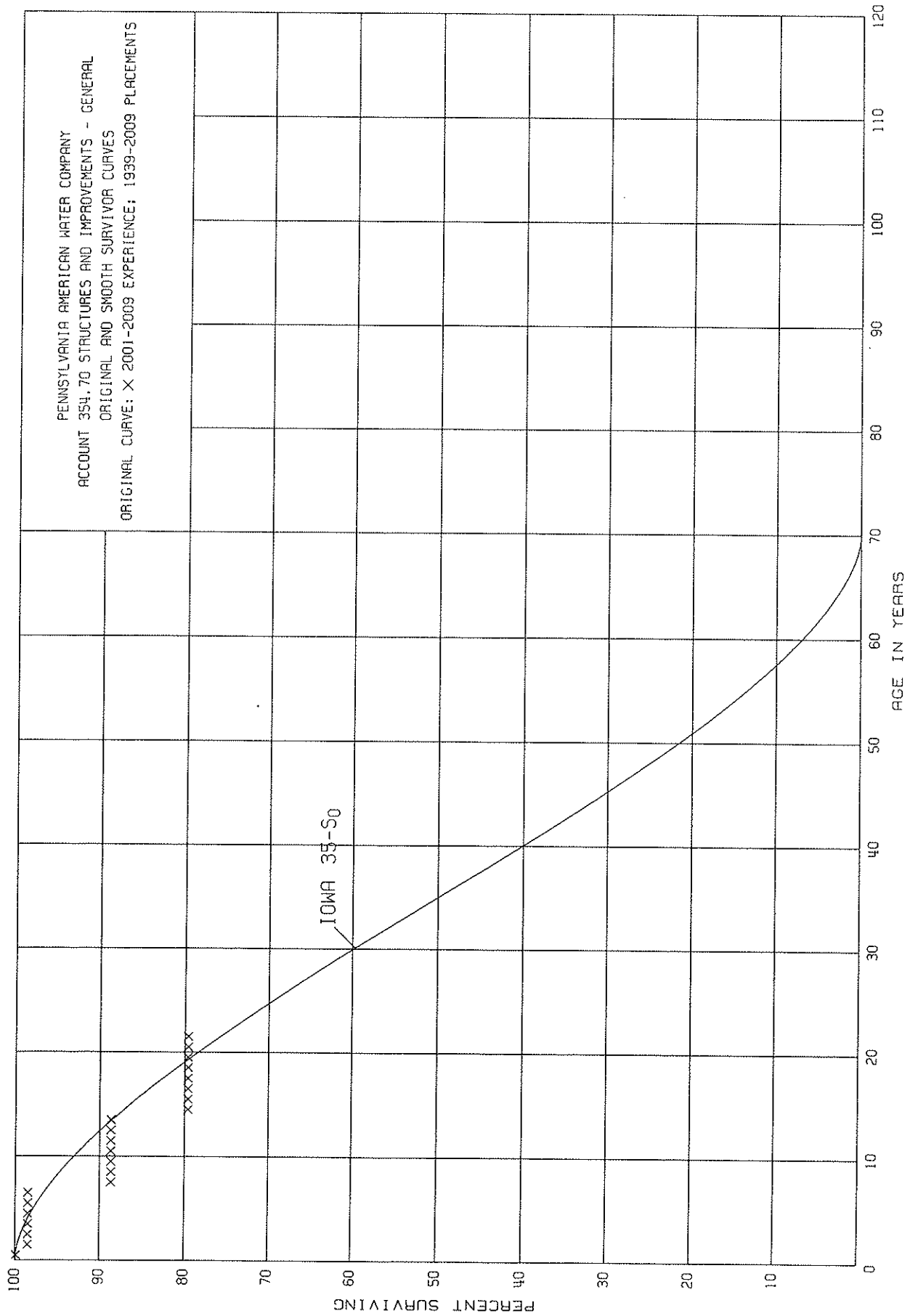
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	24,775,112		0.0000	1.0000	100.00
0.5	3,510,948		0.0000	1.0000	100.00
1.5	810,943		0.0000	1.0000	100.00
2.5	1,483,732		0.0000	1.0000	100.00
3.5	1,168,289		0.0000	1.0000	100.00
4.5	1,405,961		0.0000	1.0000	100.00
5.5	1,096,298		0.0000	1.0000	100.00
6.5	1,270,045		0.0000	1.0000	100.00
7.5	1,152,945		0.0000	1.0000	100.00
8.5	869,279		0.0000	1.0000	100.00
9.5	1,014,897		0.0000	1.0000	100.00
10.5	1,026,019		0.0000	1.0000	100.00
11.5	667,863		0.0000	1.0000	100.00
12.5	2,814,617		0.0000	1.0000	100.00
13.5	4,456,351	7,046	0.0016	0.9984	100.00
14.5	4,385,822		0.0000	1.0000	99.84
15.5	4,291,899		0.0000	1.0000	99.84
16.5	3,992,434	107,291	0.0269	0.9731	99.84
17.5	3,862,902		0.0000	1.0000	97.15
18.5	3,732,311		0.0000	1.0000	97.15
19.5	3,816,478		0.0000	1.0000	97.15
20.5	2,931,156		0.0000	1.0000	97.15
21.5	1,240,136		0.0000	1.0000	97.15
22.5	1,109,861		0.0000	1.0000	97.15
23.5	782,378		0.0000	1.0000	97.15
24.5	782,378		0.0000	1.0000	97.15
25.5	89,120		0.0000	1.0000	97.15
26.5	89,120		0.0000	1.0000	97.15
27.5	4,415		0.0000	1.0000	97.15
28.5	4,415		0.0000	1.0000	97.15
29.5	1,958		0.0000	1.0000	97.15
30.5	100,570		0.0000	1.0000	97.15
31.5	100,570		0.0000	1.0000	97.15
32.5	91,889		0.0000	1.0000	97.15
33.5	140,329		0.0000	1.0000	97.15
34.5	178,810		0.0000	1.0000	97.15
35.5	178,445		0.0000	1.0000	97.15
36.5	139,964		0.0000	1.0000	97.15
37.5	139,964		0.0000	1.0000	97.15
38.5	51,076		0.0000	1.0000	97.15

PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 354.40 STRUCTURES AND IMPROVEMENTS - TDP

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1932-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	713,529		0.0000	1.0000	97.15
40.5	791,989		0.0000	1.0000	97.15
41.5	767,689	2,200	0.0029	0.9971	97.15
42.5	665,159	602	0.0009	0.9991	96.87
43.5	663,123		0.0000	1.0000	96.78
44.5	663,123		0.0000	1.0000	96.78
45.5	663,123		0.0000	1.0000	96.78
46.5	662,080	230	0.0003	0.9997	96.78
47.5	411,759		0.0000	1.0000	96.75
48.5					96.75
49.5					
50.5	31,500		0.0000		
51.5	31,500		0.0000		
52.5	31,500		0.0000		
53.5	31,500		0.0000		
54.5	31,500		0.0000		
55.5	31,500		0.0000		
56.5	31,500		0.0000		
57.5	31,500		0.0000		
58.5					
59.5					
60.5					
61.5					
62.5					
63.5					
64.5					
65.5					
66.5					
67.5					
68.5	39,928		0.0000		
69.5	39,928		0.0000		
70.5	39,928		0.0000		
71.5	39,928		0.0000		
72.5	39,928		0.0000		
73.5	39,928		0.0000		
74.5	39,928		0.0000		
75.5	39,928		0.0000		
76.5	602		0.0000		
77.5					



PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 354.70 STRUCTURES AND IMPROVEMENTS - GENERAL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1939-2009

EXPERIENCE BAND 2001-2009

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	109,556		0.0000	1.0000	100.00
0.5	25,979	400	0.0154	0.9846	100.00
1.5	17,673		0.0000	1.0000	98.46
2.5	1,479		0.0000	1.0000	98.46
3.5	1,479		0.0000	1.0000	98.46
4.5	2,639		0.0000	1.0000	98.46
5.5	4,149		0.0000	1.0000	98.46
6.5	4,149	413	0.0995	0.9005	98.46
7.5	161,515		0.0000	1.0000	88.66
8.5	161,515		0.0000	1.0000	88.66
9.5	161,515		0.0000	1.0000	88.66
10.5	161,515		0.0000	1.0000	88.66
11.5	161,515		0.0000	1.0000	88.66
12.5	160,355		0.0000	1.0000	88.66
13.5	176,469	18,073	0.1024	0.8976	88.66
14.5	156,886		0.0000	1.0000	79.58
15.5	156,886		0.0000	1.0000	79.58
16.5	16,114		0.0000	1.0000	79.58
17.5	16,114		0.0000	1.0000	79.58
18.5	16,114		0.0000	1.0000	79.58
19.5	16,114		0.0000	1.0000	79.58
20.5	16,114		0.0000	1.0000	79.58
21.5					79.58
22.5	12,308		0.0000		
23.5	12,308		0.0000		
24.5	12,308		0.0000		
25.5					
26.5					
27.5					
28.5					
29.5					
30.5					
31.5					
32.5					
33.5					
34.5					
35.5	450		0.0000		
36.5	450		0.0000		
37.5					
38.5					

PENNSYLVANIA AMERICAN WATER COMPANY

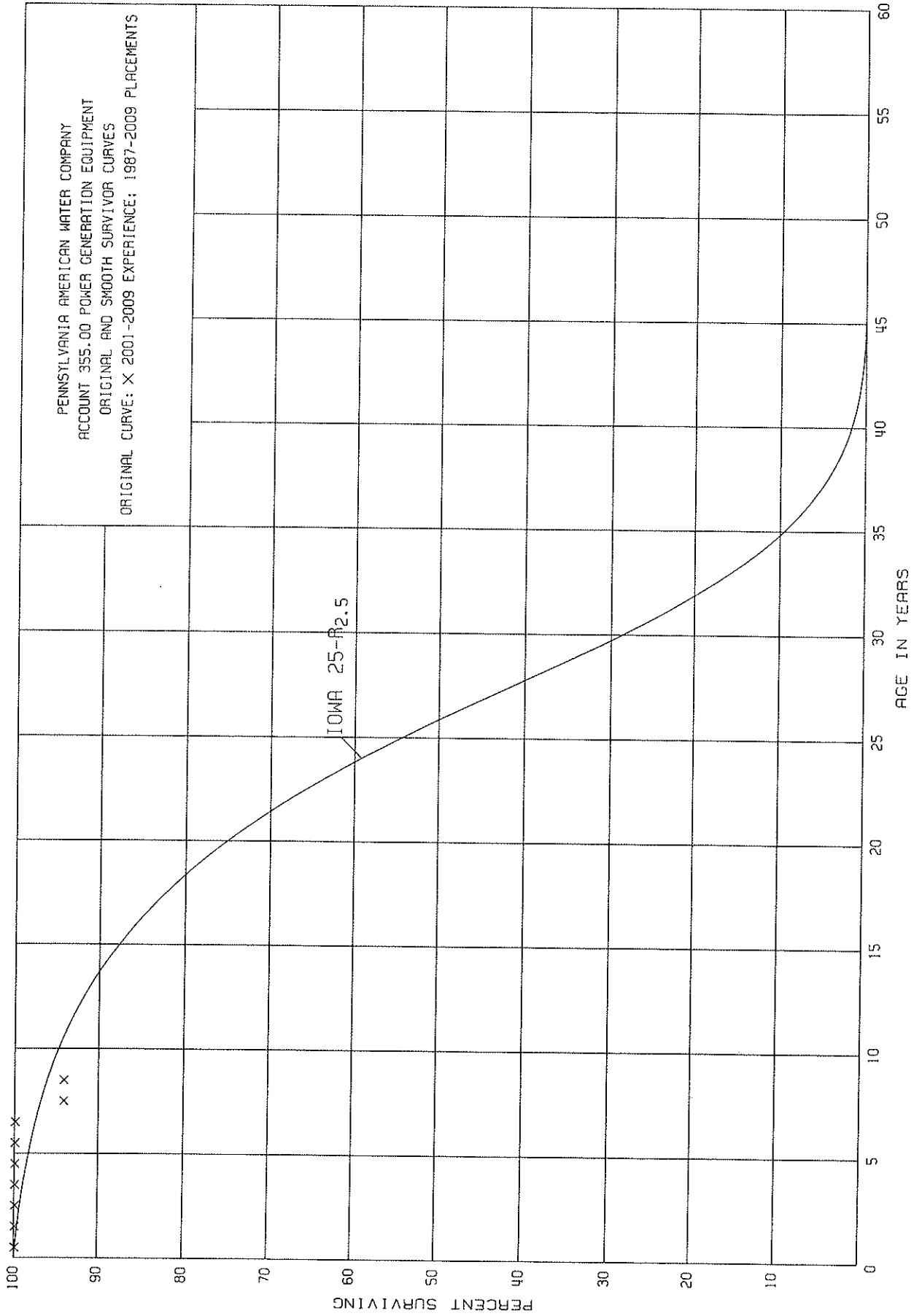
ACCOUNT 354.70 STRUCTURES AND IMPROVEMENTS - GENERAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1939-2009

EXPERIENCE BAND 2001-2009

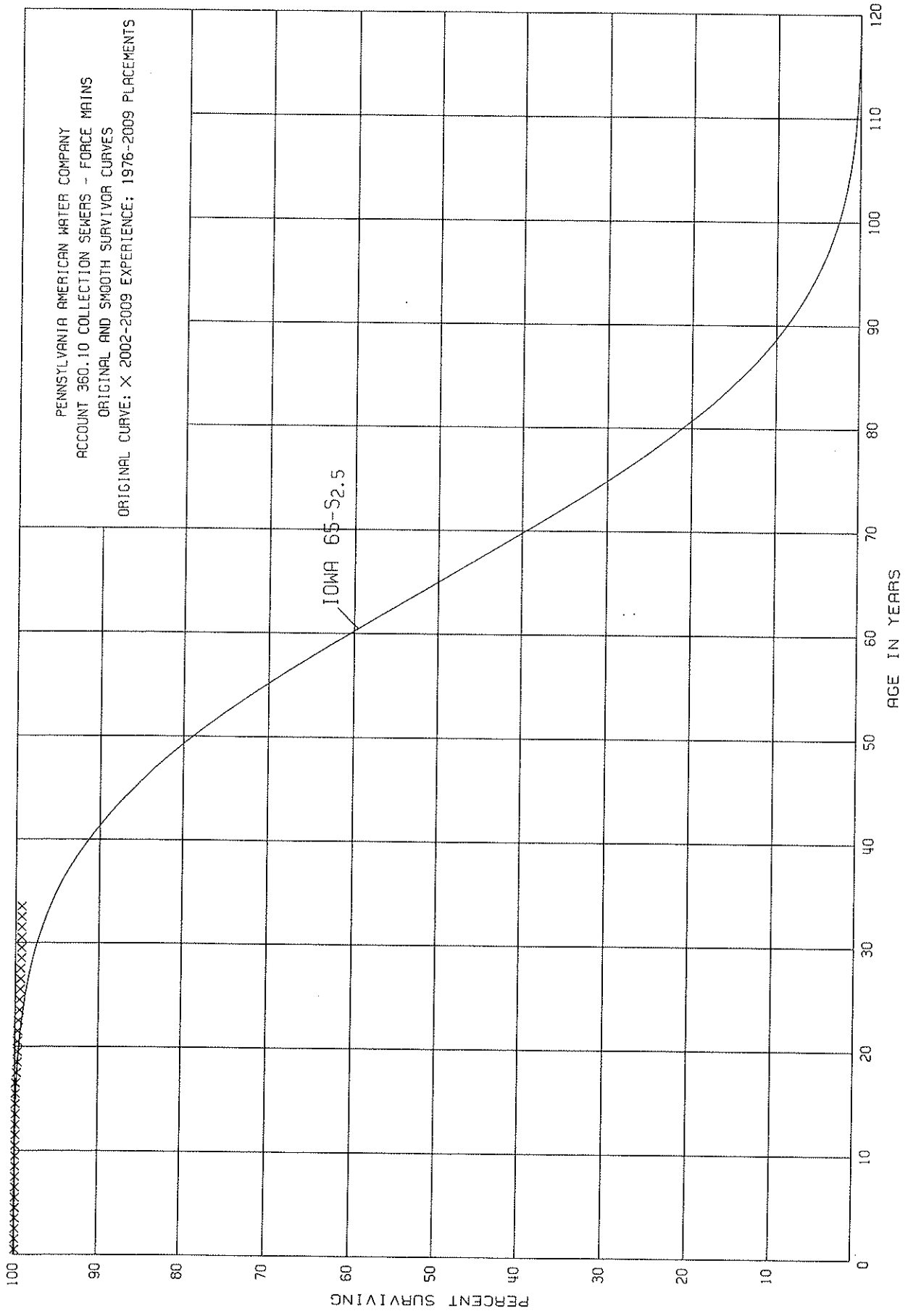
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5					
40.5					
41.5					
42.5					
43.5					
44.5					
45.5					
46.5					
47.5					
48.5					
49.5					
50.5					
51.5					
52.5					
53.5					
54.5					
55.5					
56.5					
57.5					
58.5					
59.5					
60.5					
61.5					
62.5					
63.5					
64.5					
65.5					
66.5					
67.5					
68.5	3,802			0.0000	
69.5	3,802			0.0000	
70.5					



PENNSYLVANIA AMERICAN WATER COMPANY  
ACCOUNT 355.00 POWER GENERATION EQUIPMENT

ORIGINAL LIFE TABLE

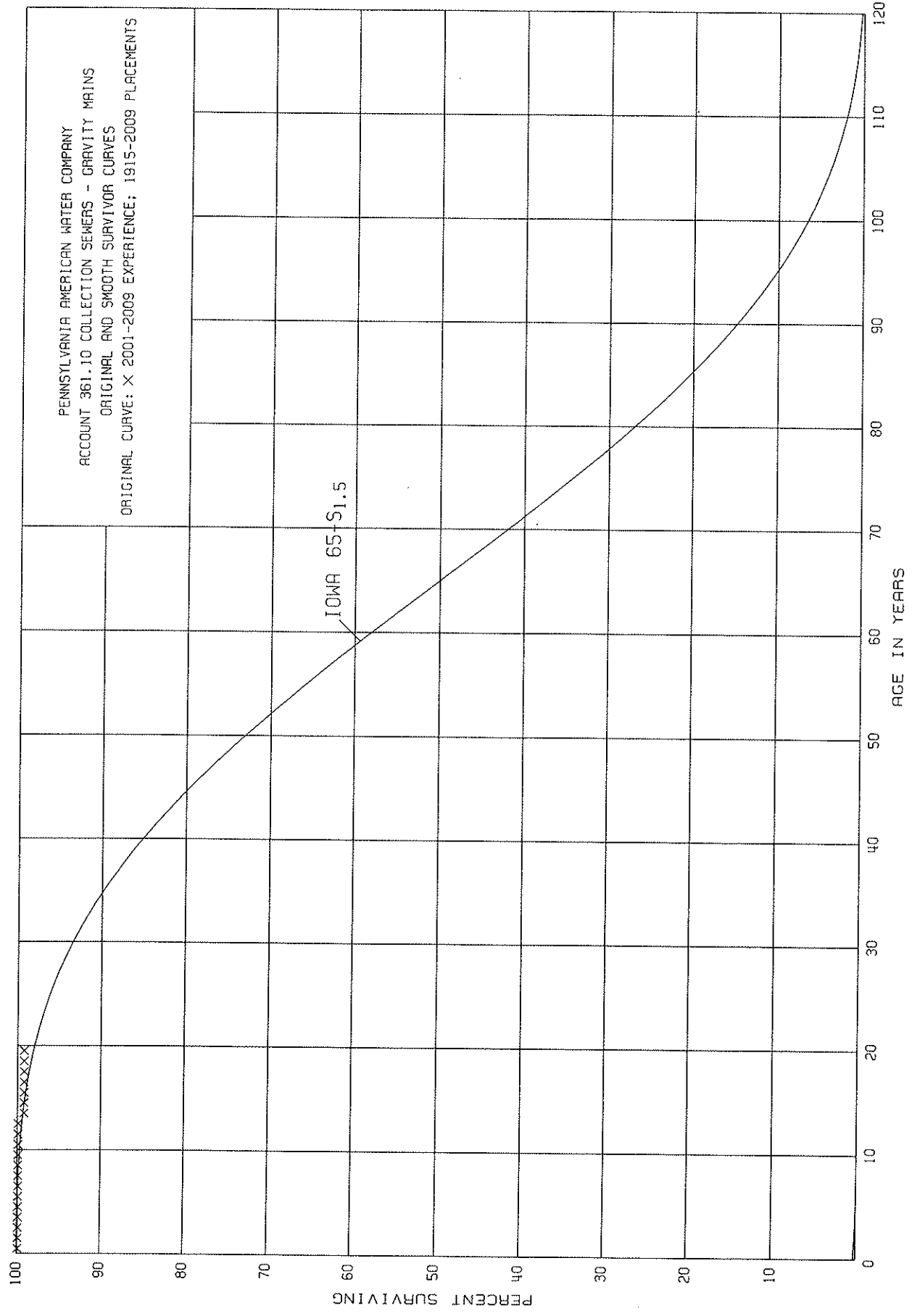
PLACEMENT BAND 1987-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	92,898		0.0000	1.0000	100.00
0.5	54,491		0.0000	1.0000	100.00
1.5	6,349		0.0000	1.0000	100.00
2.5	1,161		0.0000	1.0000	100.00
3.5	23,611		0.0000	1.0000	100.00
4.5	65,986		0.0000	1.0000	100.00
5.5	65,986		0.0000	1.0000	100.00
6.5	65,986	3,897	0.0591	0.9409	100.00
7.5	39,639		0.0000	1.0000	94.09
8.5					94.09
9.5					
10.5					
11.5					
12.5	51,646		0.0000		
13.5	114,281		0.0000		
14.5	114,281		0.0000		
15.5	140,113		0.0000		
16.5	140,113		0.0000		
17.5	93,956		0.0000		
18.5	93,956		0.0000		
19.5	93,956	1,204	0.0128		
20.5	42,310		0.0000		
21.5	42,310		0.0000		
22.5					



PENNSYLVANIA AMERICAN WATER COMPANY  
ACCOUNT 360.10 COLLECTION SEWERS - FORCE MAINS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1976-2009			EXPERIENCE BAND 2002-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,238,374		0.0000	1.0000	100.00
0.5	4,231,198		0.0000	1.0000	100.00
1.5	5,123,327		0.0000	1.0000	100.00
2.5	4,462,506		0.0000	1.0000	100.00
3.5	3,146,949	187	0.0001	0.9999	100.00
4.5	4,219,909		0.0000	1.0000	99.99
5.5	2,196,316		0.0000	1.0000	99.99
6.5	1,914,076	1,434	0.0007	0.9993	99.99
7.5	1,560,497	451	0.0003	0.9997	99.92
8.5	745,791		0.0000	1.0000	99.89
9.5	369,692		0.0000	1.0000	99.89
10.5	615,133		0.0000	1.0000	99.89
11.5	395,502		0.0000	1.0000	99.89
12.5	617,014		0.0000	1.0000	99.89
13.5	745,830		0.0000	1.0000	99.89
14.5	931,615		0.0000	1.0000	99.89
15.5	658,389		0.0000	1.0000	99.89
16.5	735,589	377	0.0005	0.9995	99.89
17.5	735,212	769	0.0010	0.9990	99.84
18.5	813,791	687	0.0008	0.9992	99.74
19.5	862,266		0.0000	1.0000	99.66
20.5	817,297		0.0000	1.0000	99.66
21.5	881,946	553	0.0006	0.9994	99.66
22.5	769,358	505	0.0007	0.9993	99.60
23.5	945,607	590	0.0006	0.9994	99.53
24.5	658,304	644	0.0010	0.9990	99.47
25.5	911,699		0.0000	1.0000	99.37
26.5	757,444		0.0000	1.0000	99.37
27.5	708,282	254	0.0004	0.9996	99.37
28.5	730,844		0.0000	1.0000	99.33
29.5	655,738		0.0000	1.0000	99.33
30.5	581,989		0.0000	1.0000	99.33
31.5	311,633		0.0000	1.0000	99.33
32.5	311,633	153	0.0005	0.9995	99.33
33.5					99.28



PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 361.10 COLLECTION SEWERS - GRAVITY MAINS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1915-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	15,200,699		0.0000	1.0000	100.00
0.5	13,391,063		0.0000	1.0000	100.00
1.5	7,261,338		0.0000	1.0000	100.00
2.5	4,359,576		0.0000	1.0000	100.00
3.5	8,452,185		0.0000	1.0000	100.00
4.5	5,665,781		0.0000	1.0000	100.00
5.5	5,521,754		0.0000	1.0000	100.00
6.5	5,563,470		0.0000	1.0000	100.00
7.5	5,857,389		0.0000	1.0000	100.00
8.5	5,296,758		0.0000	1.0000	100.00
9.5	5,037,963		0.0000	1.0000	100.00
10.5	5,083,172		0.0000	1.0000	100.00
11.5	4,680,568		0.0000	1.0000	100.00
12.5	553,960	4,460	0.0081	0.9919	100.00
13.5	597,461		0.0000	1.0000	99.19
14.5	862,559		0.0000	1.0000	99.19
15.5	755,555		0.0000	1.0000	99.19
16.5	215,711		0.0000	1.0000	99.19
17.5	188,013		0.0000	1.0000	99.19
18.5	188,013		0.0000	1.0000	99.19
19.5					99.19
20.5					99.19
21.5	628,794		0.0000		
22.5	2,392,882		0.0000		
23.5	1,764,088		0.0000		
24.5	1,254,406		0.0000		
25.5	65,104		0.0000		
26.5	65,104		0.0000		
27.5	65,104		0.0000		
28.5	65,104		0.0000		
29.5	65,104		0.0000		
30.5	155,215		0.0000		
31.5	155,215		0.0000		
32.5	65,104		0.0000		
33.5	134,573		0.0000		
34.5	69,469		0.0000		
35.5					
36.5					
37.5					
38.5	92,525		0.0000		

PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 361.10 COLLECTION SEWERS - GRAVITY MAINS

ORIGINAL LIFE TABLE, CONT.

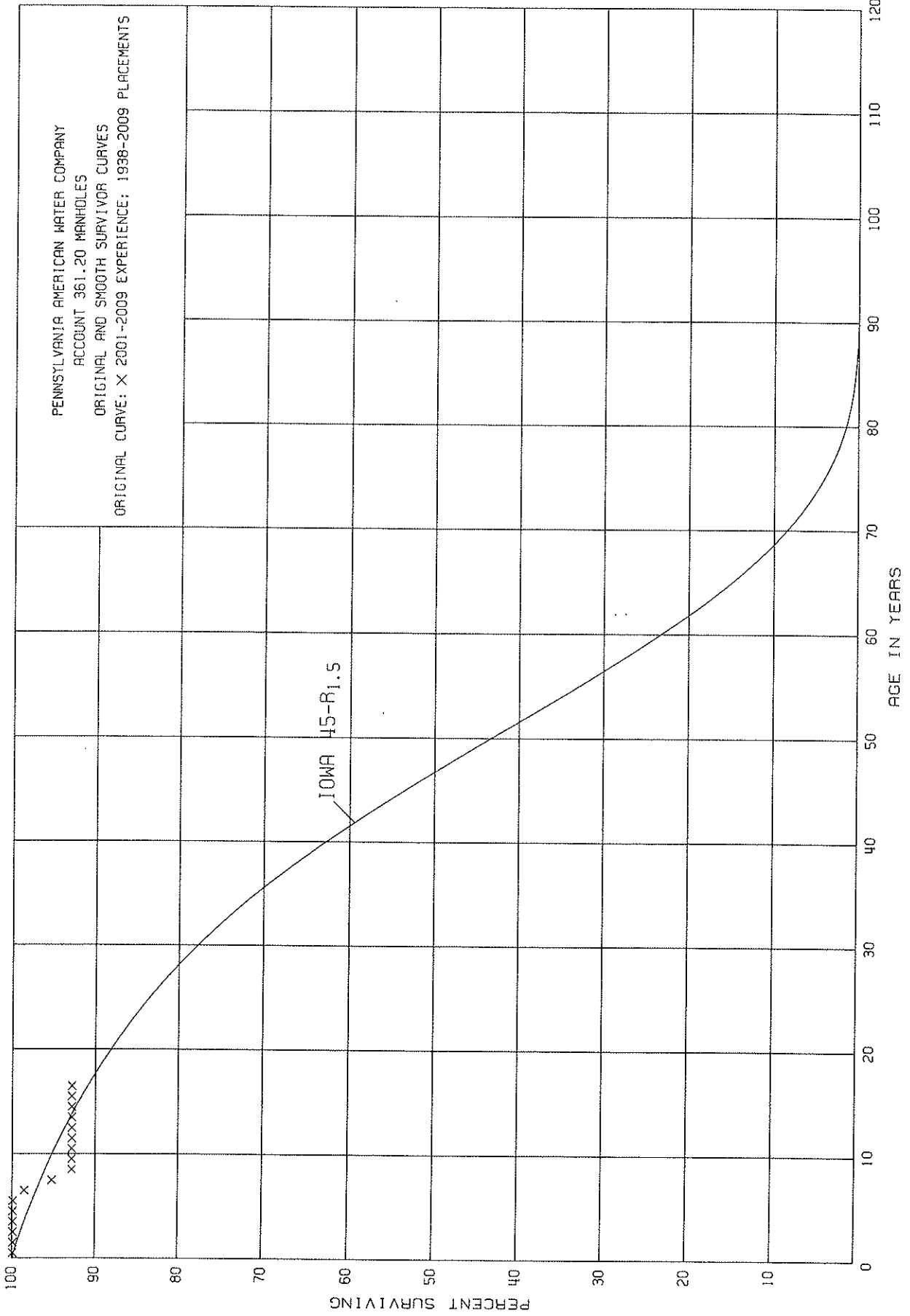
PLACEMENT BAND 1915-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	127,457		0.0000		
40.5	34,932		0.0000		
41.5					
42.5	267,747		0.0000		
43.5	267,747		0.0000		
44.5					
45.5					
46.5					
47.5					
48.5					
49.5					
50.5					
51.5					
52.5	38,593		0.0000		
53.5	38,593		0.0000		
54.5					
55.5	46,710		0.0000		
56.5	46,710		0.0000		
57.5	46,710		0.0000		
58.5	46,710		0.0000		
59.5	46,710		0.0000		
60.5	46,710		0.0000		
61.5	46,710	8	0.0002		
62.5	46,703	61	0.0013		
63.5	46,642	289	0.0062		
64.5					
65.5	48,385		0.0000		
66.5	48,385		0.0000		
67.5	48,385		0.0000		
68.5	244,336		0.0000		
69.5	244,336		0.0000		
70.5	489,097		0.0000		
71.5	489,097	22	0.0000		
72.5	489,076		0.0000		
73.5	489,076		0.0000		
74.5	440,713	3,156	0.0072		
75.5	437,557	32,767	0.0749		
76.5	404,790	1,310	0.0032		
77.5	403,480	8,017	0.0199		
78.5	395,463	162,959	0.4121		

PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 361.10 COLLECTION SEWERS - GRAVITY MAINS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1915-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5					
80.5	356,189		0.0000		
81.5	356,189		0.0000		
82.5	356,189		0.0000		
83.5	356,189		0.0000		
84.5	356,189		0.0000		
85.5	477,032		0.0000		
86.5	477,032	13,485	0.0283		
87.5	463,547	153,014	0.3301		
88.5	310,533	7	0.0000		
89.5	120,843		0.0000		
90.5	120,843	7,301	0.0604		
91.5	113,542		0.0000		
92.5	113,542	1,273	0.0112		
93.5	112,269	4,366	0.0389		
94.5					



PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 361.20 MANHOLES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1938-2009

EXPERIENCE BAND 2001-2009

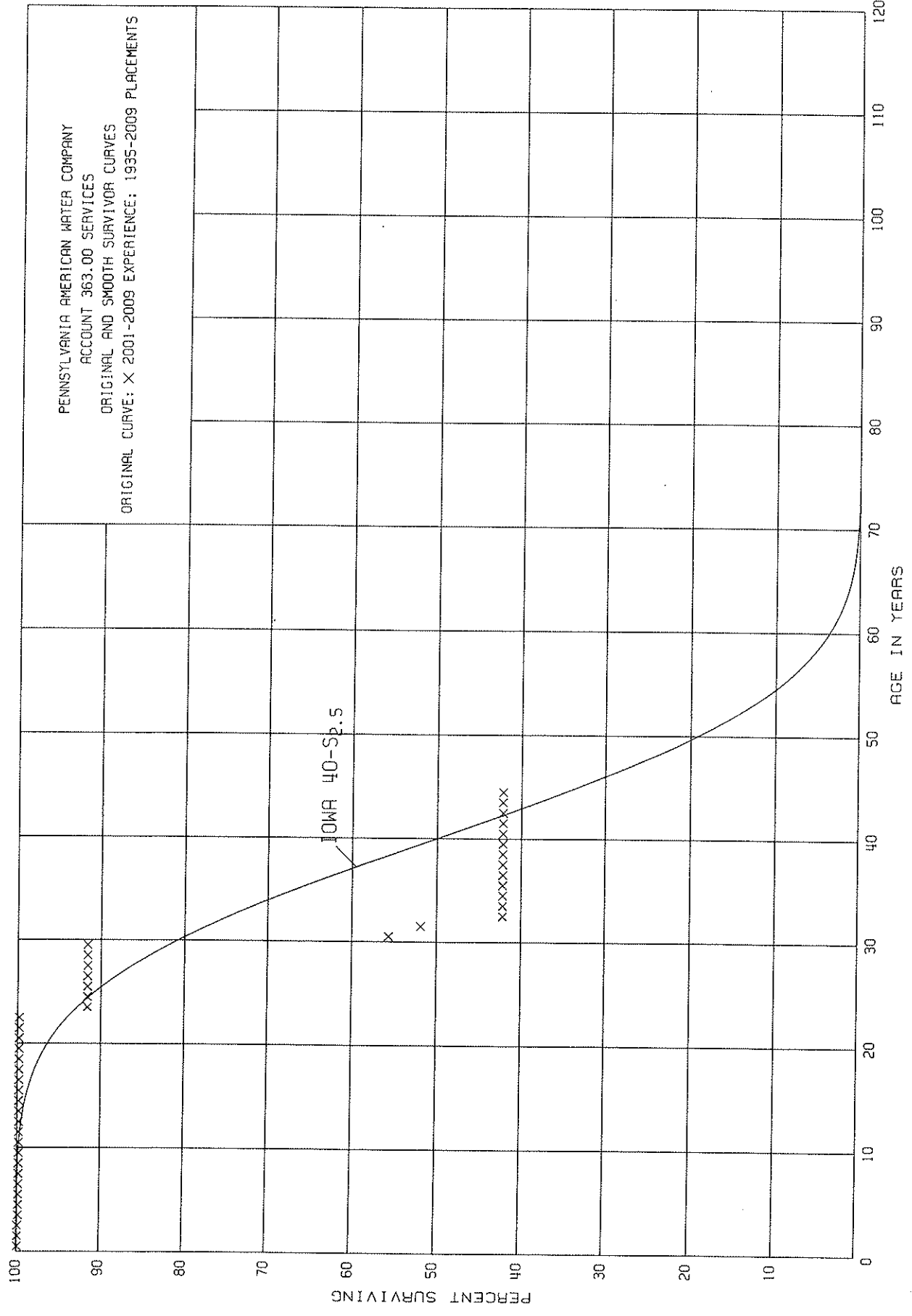
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	596,511		0.0000	1.0000	100.00
0.5	504,350		0.0000	1.0000	100.00
1.5	387,333		0.0000	1.0000	100.00
2.5	452,369		0.0000	1.0000	100.00
3.5	628,473	911	0.0014	0.9986	100.00
4.5	704,021		0.0000	1.0000	99.86
5.5	486,988	6,667	0.0137	0.9863	99.86
6.5	426,656	14,231	0.0334	0.9666	98.49
7.5	270,396	6,961	0.0257	0.9743	95.20
8.5	173,630		0.0000	1.0000	92.75
9.5	65,590		0.0000	1.0000	92.75
10.5	88,319		0.0000	1.0000	92.75
11.5	50,854		0.0000	1.0000	92.75
12.5	28,125		0.0000	1.0000	92.75
13.5	52,203		0.0000	1.0000	92.75
14.5	84,346		0.0000	1.0000	92.75
15.5	58,272		0.0000	1.0000	92.75
16.5					92.75
17.5					
18.5					
19.5					
20.5					
21.5	133,977		0.0000		
22.5	361,292		0.0000		
23.5	254,051		0.0000		
24.5	72,254		0.0000		
25.5					
26.5					
27.5					
28.5					
29.5					
30.5	18,683		0.0000		
31.5	18,683		0.0000		
32.5					
33.5	17,998		0.0000		
34.5	17,998		0.0000		
35.5					
36.5					
37.5					
38.5	21,473		0.0000		

PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 361.20 MANHOLES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1938-2009		EXPERIENCE BAND 2001-2009			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	56,861		0.0000		
40.5	35,388		0.0000		
41.5					
42.5	50,344		0.0000		
43.5	50,344		0.0000		
44.5					
45.5					
46.5					
47.5					
48.5					
49.5					
50.5					
51.5					
52.5	6,601		0.0000		
53.5	6,601		0.0000		
54.5					
55.5					
56.5					
57.5					
58.5					
59.5					
60.5					
61.5					
62.5					
63.5					
64.5					
65.5					
66.5					
67.5	22,989		0.0000		
68.5	66,622	22,989	0.3451		
69.5	43,633		0.0000		
70.5					



PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 363.00 SERVICES

ORIGINAL LIFE TABLE

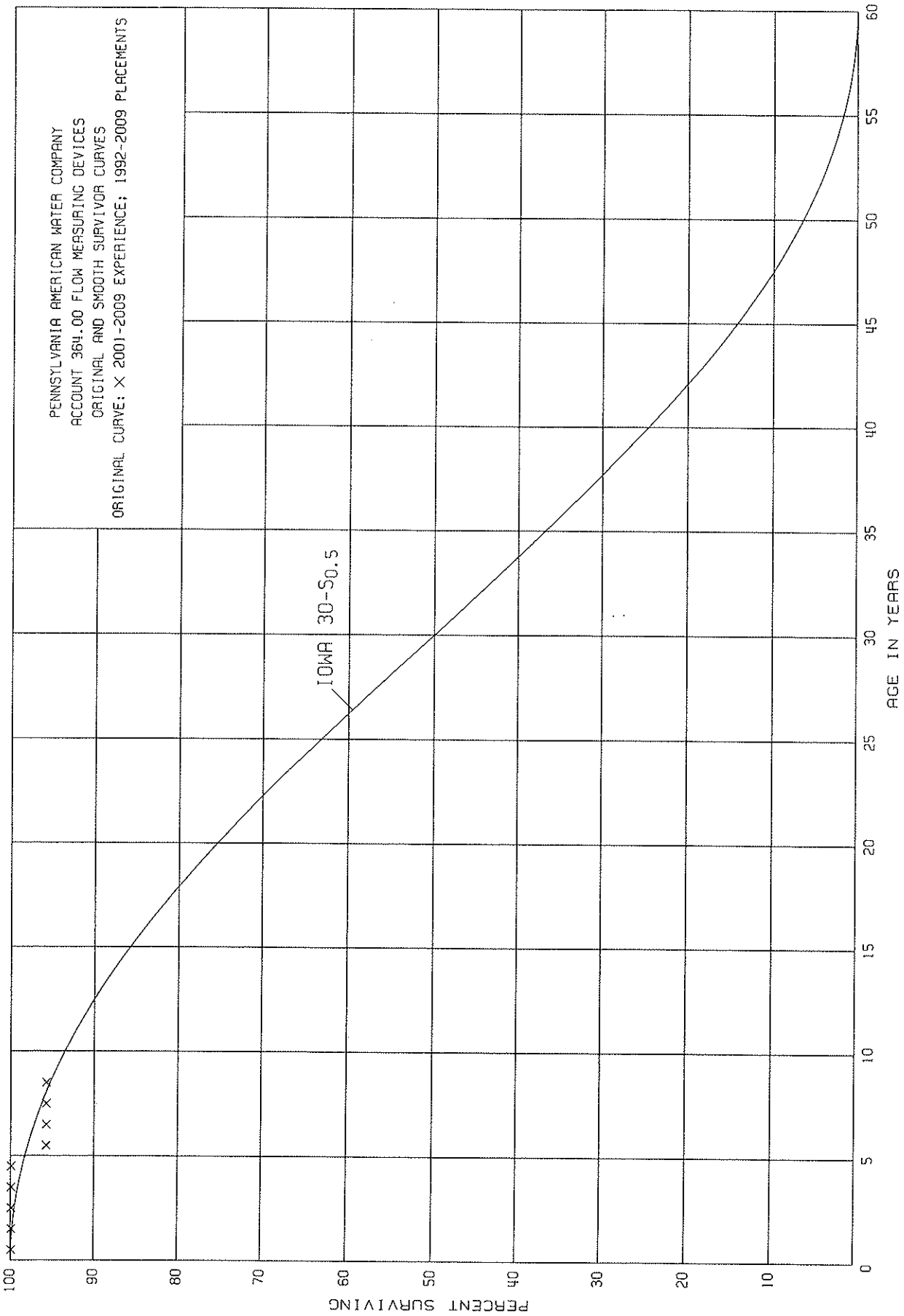
PLACEMENT BAND 1935-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,758,845		0.0000	1.0000	100.00
0.5	2,749,360		0.0000	1.0000	100.00
1.5	2,564,208		0.0000	1.0000	100.00
2.5	2,401,819	5,668	0.0024	0.9976	100.00
3.5	2,160,556		0.0000	1.0000	99.76
4.5	2,166,161		0.0000	1.0000	99.76
5.5	1,373,628		0.0000	1.0000	99.76
6.5	1,290,842		0.0000	1.0000	99.76
7.5	1,185,119		0.0000	1.0000	99.76
8.5	1,170,142		0.0000	1.0000	99.76
9.5	863,394		0.0000	1.0000	99.76
10.5	815,136		0.0000	1.0000	99.76
11.5	629,778		0.0000	1.0000	99.76
12.5	292,804		0.0000	1.0000	99.76
13.5	265,683		0.0000	1.0000	99.76
14.5	334,463		0.0000	1.0000	99.76
15.5	287,737		0.0000	1.0000	99.76
16.5	314,187		0.0000	1.0000	99.76
17.5	315,744		0.0000	1.0000	99.76
18.5	313,706		0.0000	1.0000	99.76
19.5	293,474		0.0000	1.0000	99.76
20.5	843,824		0.0000	1.0000	99.76
21.5	906,408		0.0000	1.0000	99.76
22.5	1,077,300	87,997	0.0817	0.9183	99.76
23.5	1,048,619		0.0000	1.0000	91.61
24.5	992,707		0.0000	1.0000	91.61
25.5	851,950		0.0000	1.0000	91.61
26.5	825,331		0.0000	1.0000	91.61
27.5	808,152		0.0000	1.0000	91.61
28.5	816,992		0.0000	1.0000	91.61
29.5	228,975	89,635	0.3915	0.6085	91.61
30.5	285,994	19,598	0.0685	0.9315	55.74
31.5	266,396	50,126	0.1882	0.8118	51.92
32.5	188,975		0.0000	1.0000	42.15
33.5	174,676		0.0000	1.0000	42.15
34.5	174,676		0.0000	1.0000	42.15
35.5	277,085		0.0000	1.0000	42.15
36.5	277,085		0.0000	1.0000	42.15
37.5	110,064		0.0000	1.0000	42.15
38.5	118,911		0.0000	1.0000	42.15

PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 363.00 SERVICES

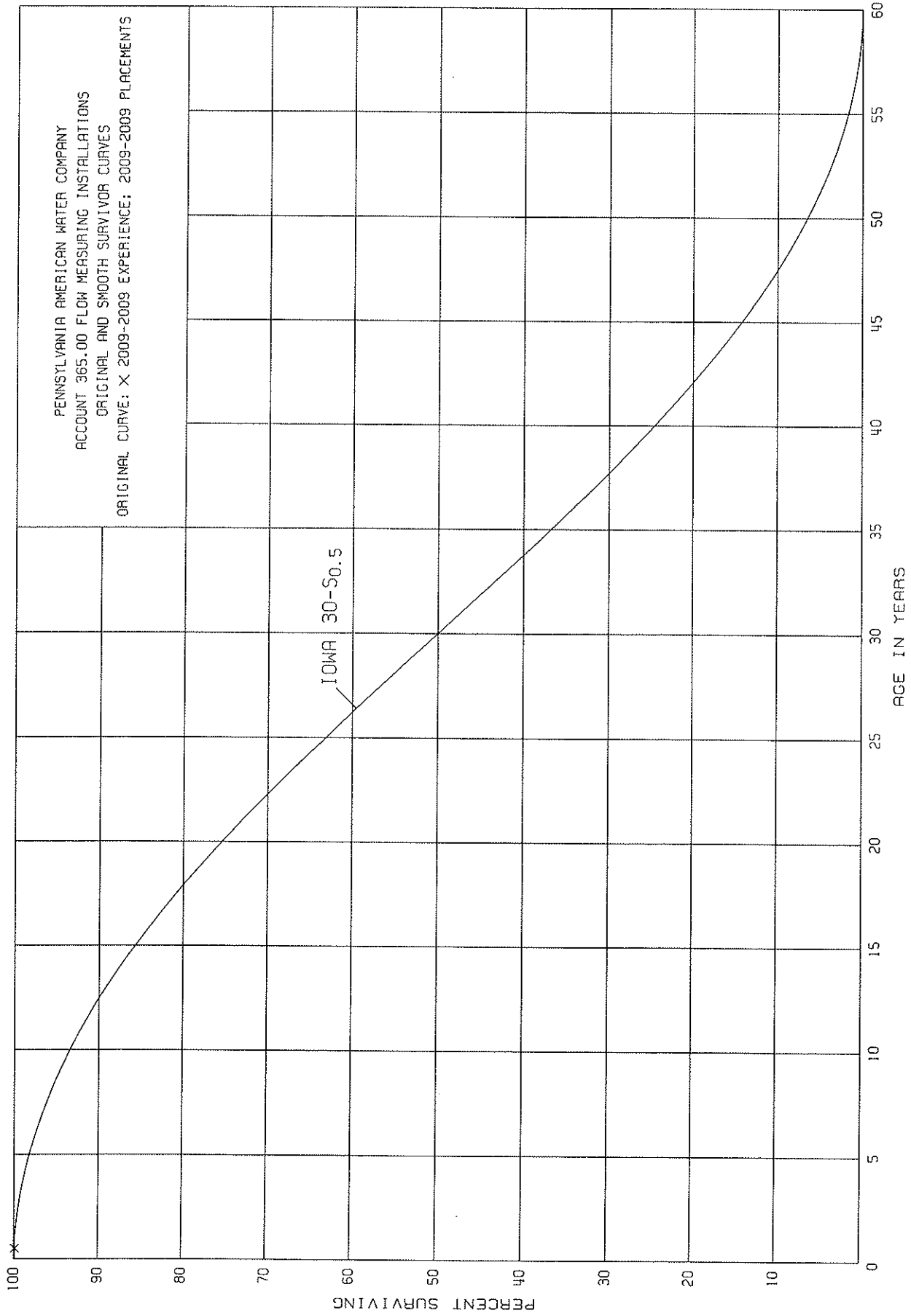
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1935-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	131,280		0.0000	1.0000	42.15
40.5	122,432		0.0000	1.0000	42.15
41.5	110,064		0.0000	1.0000	42.15
42.5	20,490		0.0000	1.0000	42.15
43.5	20,490		0.0000	1.0000	42.15
44.5					42.15
45.5					
46.5					
47.5					
48.5					
49.5					
50.5					
51.5					
52.5	2,102		0.0000		
53.5	2,102		0.0000		
54.5					
55.5	4,595		0.0000		
56.5	4,595		0.0000		
57.5	4,595		0.0000		
58.5	4,595		0.0000		
59.5	4,595		0.0000		
60.5	4,595		0.0000		
61.5	4,595	4,595	1.0000		
62.5					
63.5					
64.5					
65.5	3,236		0.0000		
66.5	3,236		0.0000		
67.5	3,236		0.0000		
68.5	13,303		0.0000		
69.5	13,303	819	0.0616		
70.5	2,417		0.0000		
71.5	2,417	709	0.2933		
72.5	1,708	1,251	0.7324		
73.5	457	442	0.9672		
74.5					



PENNSYLVANIA AMERICAN WATER COMPANY  
ACCOUNT 364.00 FLOW MEASURING DEVICES  
ORIGINAL LIFE TABLE

PLACEMENT BAND 1992-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	119,448		0.0000	1.0000	100.00
0.5	55,074		0.0000	1.0000	100.00
1.5	52,821		0.0000	1.0000	100.00
2.5	264,112		0.0000	1.0000	100.00
3.5	252,967		0.0000	1.0000	100.00
4.5	32,646	1,418	0.0434	0.9566	100.00
5.5	29,730		0.0000	1.0000	95.66
6.5	22,180		0.0000	1.0000	95.66
7.5	2,038		0.0000	1.0000	95.66
8.5					95.66
9.5	4,908		0.0000		
10.5	4,908		0.0000		
11.5	4,908		0.0000		
12.5	4,908		0.0000		
13.5	4,908		0.0000		
14.5	4,908		0.0000		
15.5	13,078		0.0000		
16.5	13,078		0.0000		
17.5					

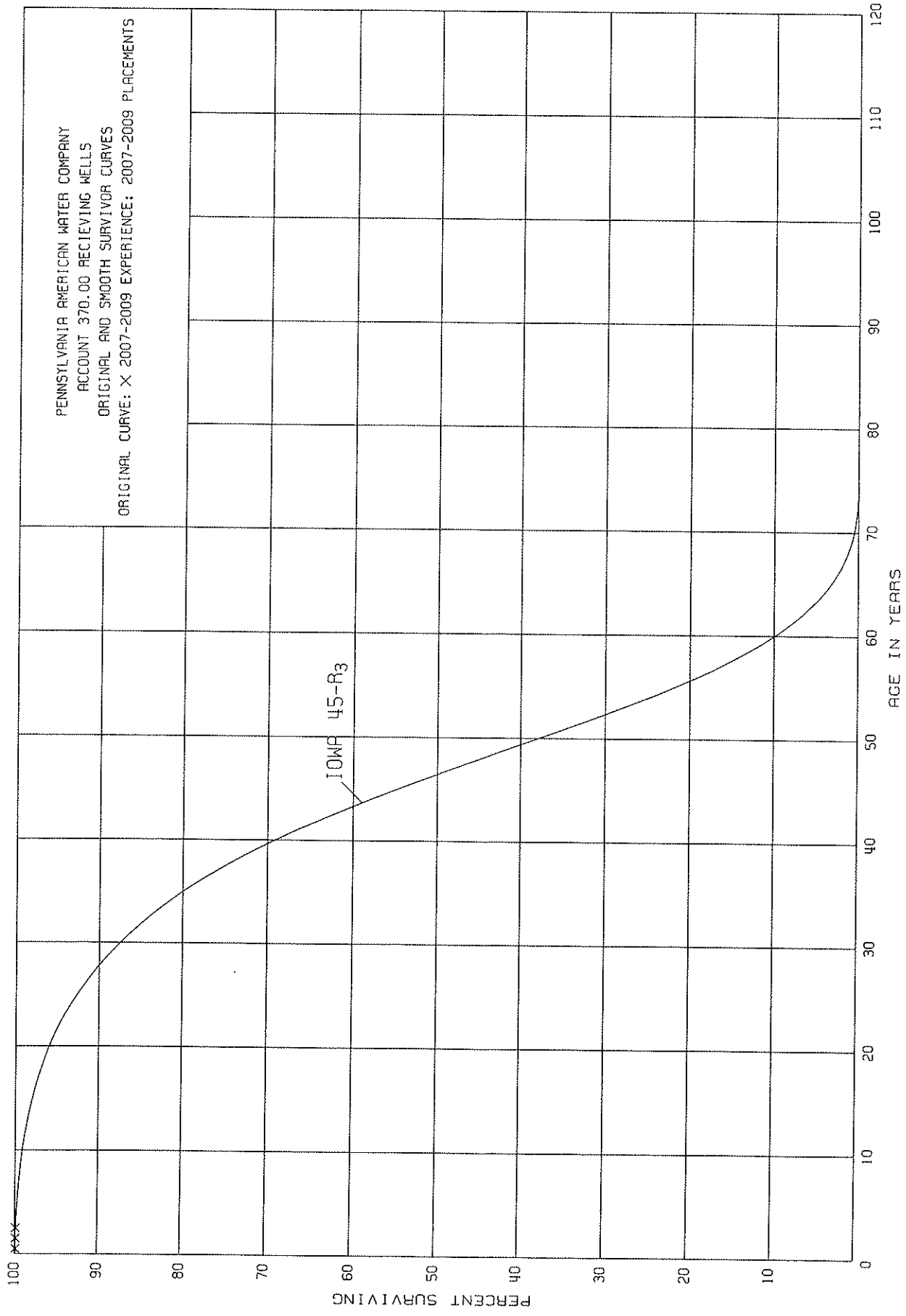


PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 365.00 FLOW MEASURING INSTALLATIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 2009-2009			EXPERIENCE BAND 2009-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	22,182		0.0000	1.0000	100.00
0.5					100.00



PENNSYLVANIA AMERICAN WATER COMPANY

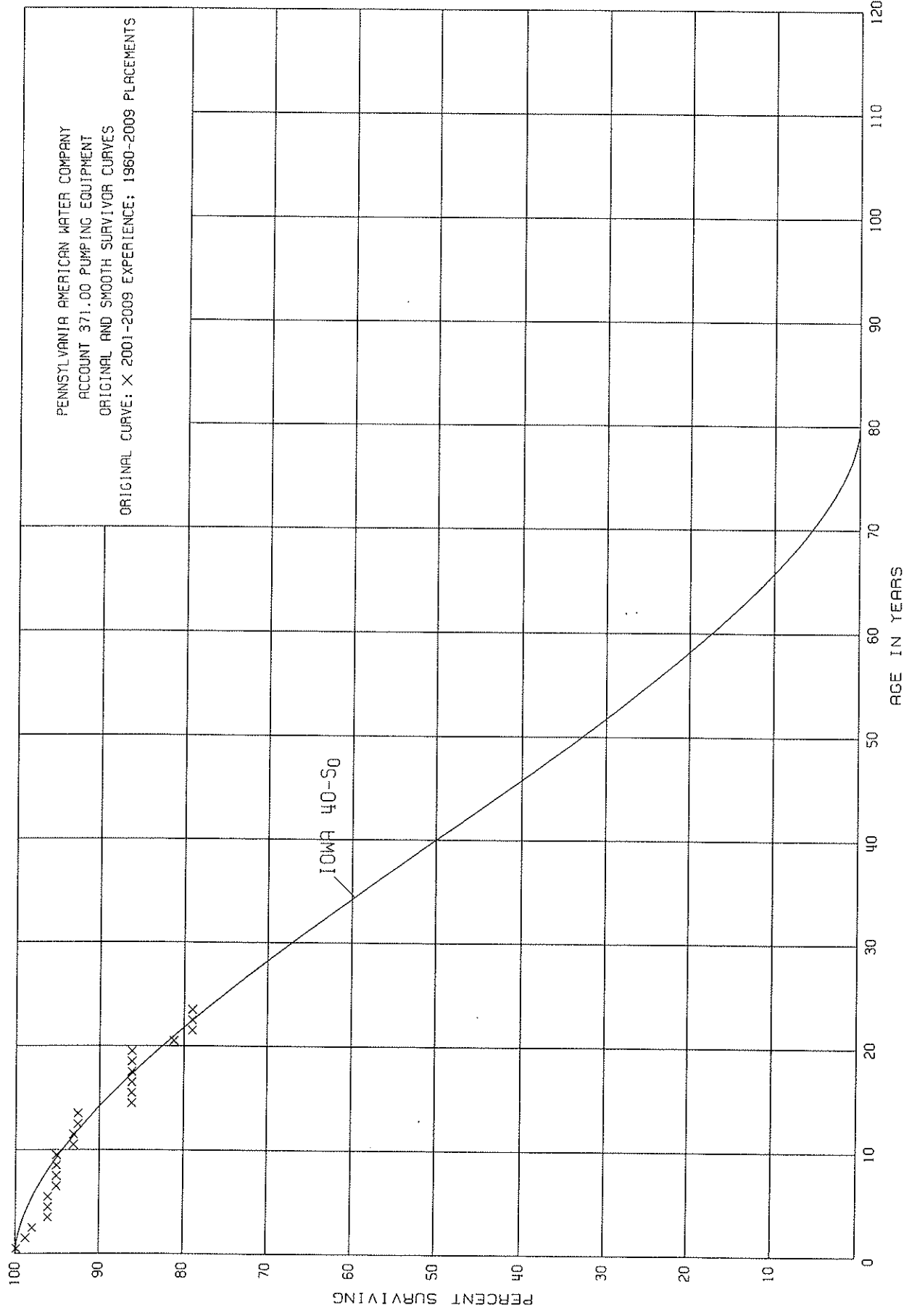
ACCOUNT 370.00 RECEIVING WELLS

ORIGINAL LIFE TABLE

PLACEMENT BAND 2007-2009

EXPERIENCE BAND 2007-2009

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	15,134		0.0000	1.0000	100.00
0.5	7,370		0.0000	1.0000	100.00
1.5	7,370		0.0000	1.0000	100.00
2.5					100.00



PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 371.00 PUMPING EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1960-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,012,648		0.0000	1.0000	100.00
0.5	431,494	5,063	0.0117	0.9883	100.00
1.5	447,542	3,796	0.0085	0.9915	98.83
2.5	453,004	8,570	0.0189	0.9811	97.99
3.5	401,703		0.0000	1.0000	96.14
4.5	259,763		0.0000	1.0000	96.14
5.5	95,076	1,071	0.0113	0.9887	96.14
6.5	123,102		0.0000	1.0000	95.05
7.5	123,102		0.0000	1.0000	95.05
8.5	66,155		0.0000	1.0000	95.05
9.5	14,709	300	0.0204	0.9796	95.05
10.5	35,122		0.0000	1.0000	93.11
11.5	61,305	313	0.0051	0.9949	93.11
12.5	40,279		0.0000	1.0000	92.64
13.5	201,207	14,096	0.0701	0.9299	92.64
14.5	187,111		0.0000	1.0000	86.15
15.5	297,341		0.0000	1.0000	86.15
16.5	255,017		0.0000	1.0000	86.15
17.5	116,688		0.0000	1.0000	86.15
18.5	116,688		0.0000	1.0000	86.15
19.5	116,688	6,716	0.0576	0.9424	86.15
20.5	109,972	2,936	0.0267	0.9733	81.19
21.5	252,804		0.0000	1.0000	79.02
22.5	252,804		0.0000	1.0000	79.02
23.5					79.02
24.5					
25.5					
26.5					
27.5					
28.5					
29.5					
30.5	49,639		0.0000		
31.5	49,639		0.0000		
32.5	49,639		0.0000		
33.5	56,647		0.0000		
34.5	56,647		0.0000		
35.5	111,604		0.0000		
36.5	111,604	7,008	0.0628		
37.5	104,596		0.0000		
38.5	54,957		0.0000		

PENNSYLVANIA AMERICAN WATER COMPANY

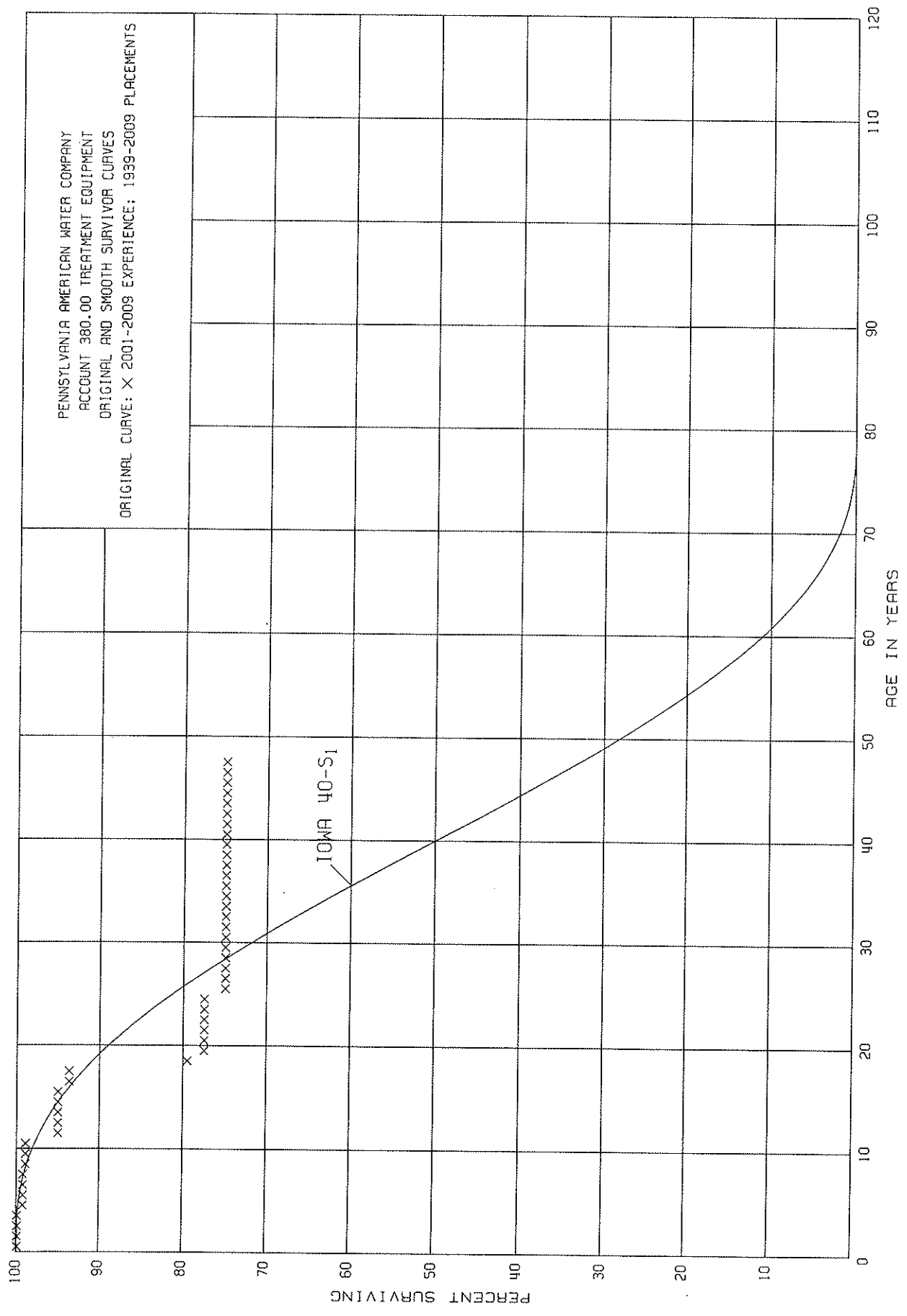
ACCOUNT 371.00 PUMPING EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1960-2009

EXPERIENCE BAND 2001-2009

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	64,070	2,867	0.0447		
40.5	83,470		0.0000		
41.5	83,470		0.0000		
42.5	77,470	6,122	0.0790		
43.5	22,842		0.0000		
44.5	22,842		0.0000		
45.5	22,842		0.0000		
46.5	22,842		0.0000		
47.5	16,267		0.0000		
48.5					



PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 380.00 TREATMENT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1939-2009

EXPERIENCE BAND 2001-2009

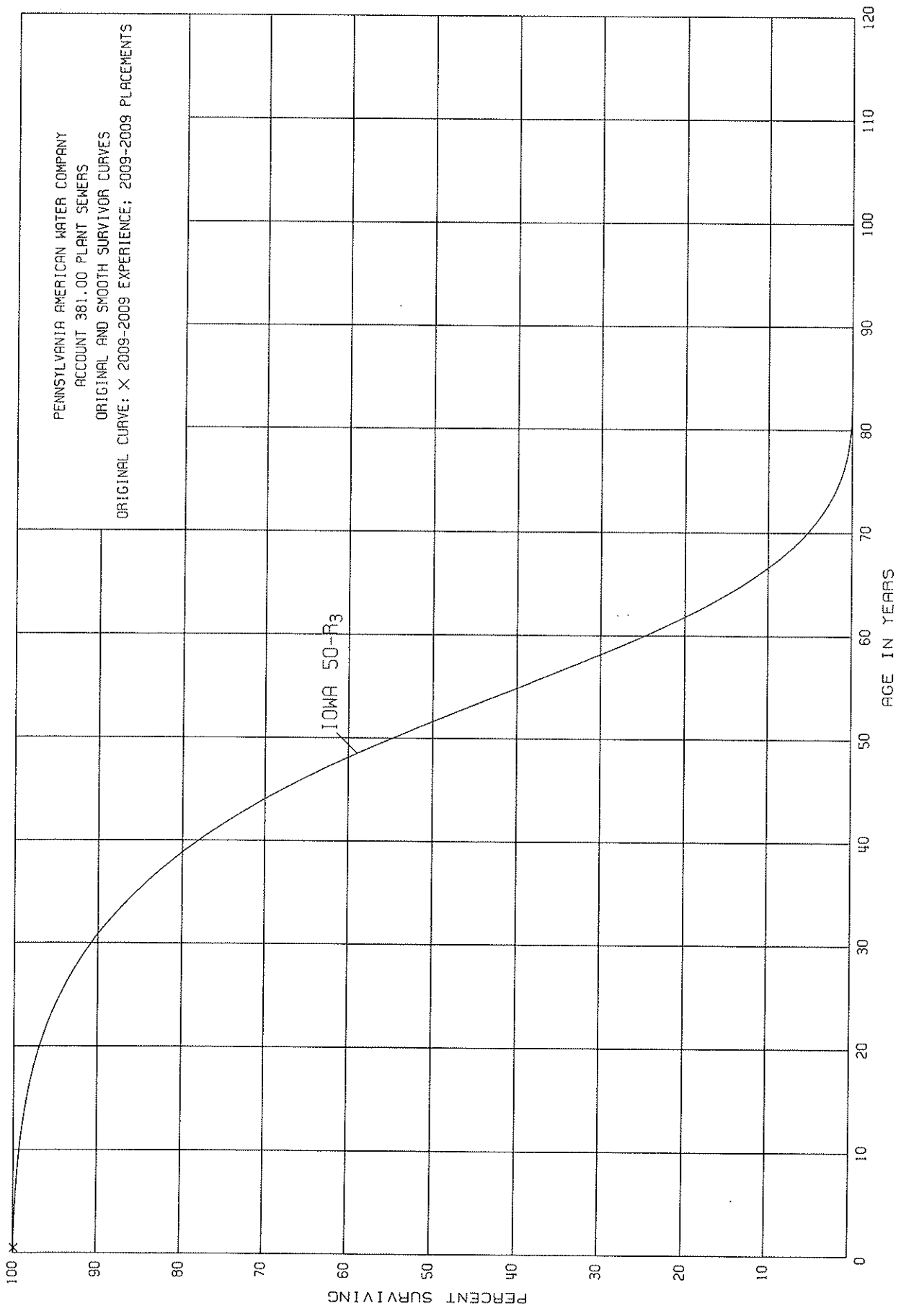
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	8,592,382		0.0000	1.0000	100.00
0.5	458,079		0.0000	1.0000	100.00
1.5	324,985		0.0000	1.0000	100.00
2.5	383,856		0.0000	1.0000	100.00
3.5	404,038	3,140	0.0078	0.9922	100.00
4.5	521,297		0.0000	1.0000	99.22
5.5	318,836		0.0000	1.0000	99.22
6.5	318,836		0.0000	1.0000	99.22
7.5	312,951	1,130	0.0036	0.9964	99.22
8.5	164,482		0.0000	1.0000	98.86
9.5	167,387		0.0000	1.0000	98.86
10.5	90,530	3,500	0.0387	0.9613	98.86
11.5	403,261		0.0000	1.0000	95.03
12.5	1,272,538		0.0000	1.0000	95.03
13.5	1,789,629		0.0000	1.0000	95.03
14.5	1,777,272		0.0000	1.0000	95.03
15.5	1,721,954	23,602	0.0137	0.9863	95.03
16.5	1,397,200		0.0000	1.0000	93.73
17.5	1,399,200	213,101	0.1523	0.8477	93.73
18.5	1,163,924	27,914	0.0240	0.9760	79.45
19.5	1,131,105		0.0000	1.0000	77.54
20.5	520,753		0.0000	1.0000	77.54
21.5	1,706,073		0.0000	1.0000	77.54
22.5	2,395,912		0.0000	1.0000	77.54
23.5	887,851		0.0000	1.0000	77.54
24.5	654,459	21,486	0.0328	0.9672	77.54
25.5	290		0.0000	1.0000	75.00
26.5	290		0.0000	1.0000	75.00
27.5	722		0.0000	1.0000	75.00
28.5	722		0.0000	1.0000	75.00
29.5	722		0.0000	1.0000	75.00
30.5	20,160		0.0000	1.0000	75.00
31.5	20,160		0.0000	1.0000	75.00
32.5	19,749		0.0000	1.0000	75.00
33.5	19,459		0.0000	1.0000	75.00
34.5	36,701		0.0000	1.0000	75.00
35.5	36,269		0.0000	1.0000	75.00
36.5	19,027		0.0000	1.0000	75.00
37.5	19,027		0.0000	1.0000	75.00
38.5	143,654		0.0000	1.0000	75.00

PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 380.00 TREATMENT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1939-2009			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	165,801		0.0000	1.0000	75.00
40.5	407,195		0.0000	1.0000	75.00
41.5	407,195		0.0000	1.0000	75.00
42.5	165,801		0.0000	1.0000	75.00
43.5	165,801		0.0000	1.0000	75.00
44.5	165,801		0.0000	1.0000	75.00
45.5	165,801		0.0000	1.0000	75.00
46.5	22,147		0.0000	1.0000	75.00
47.5					75.00
48.5					
49.5					
50.5					
51.5					
52.5					
53.5					
54.5					
55.5					
56.5					
57.5					
58.5					
59.5					
60.5					
61.5					
62.5					
63.5					
64.5					
65.5					
66.5					
67.5					
68.5	1,894		0.0000		
69.5	1,894		0.0000		
70.5					

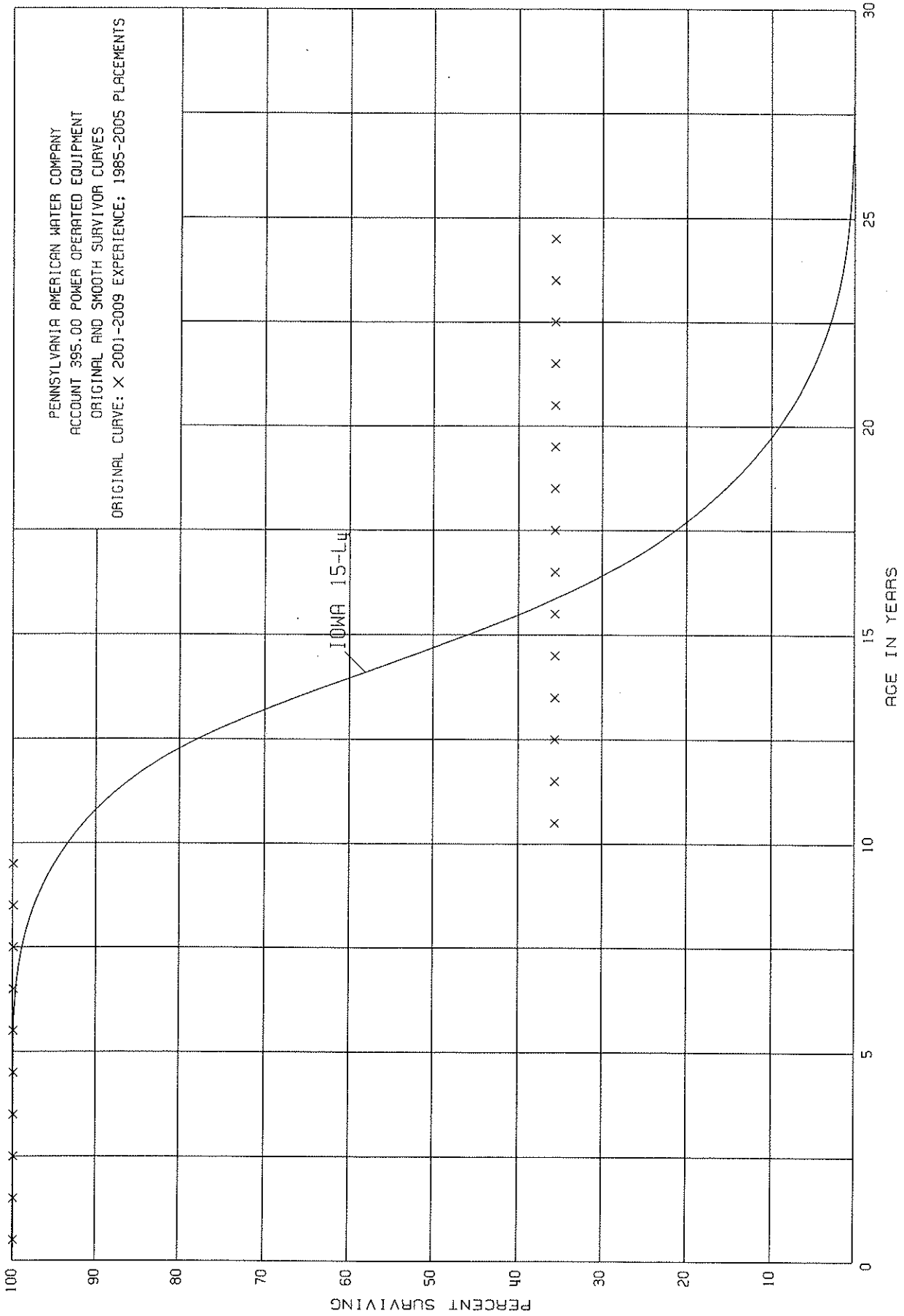


PENNSYLVANIA AMERICAN WATER COMPANY

ACCOUNT 381.00 PLANT SEWERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 2009-2009			EXPERIENCE BAND 2009-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	5,240,377		0.0000	1.0000	100.00
0.5					100.00



PENNSYLVANIA AMERICAN WATER COMPANY  
ACCOUNT 395.00 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1985-2005			EXPERIENCE BAND 2001-2009		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	55,927		0.0000	1.0000	100.00
0.5	55,927		0.0000	1.0000	100.00
1.5	55,927		0.0000	1.0000	100.00
2.5	55,927		0.0000	1.0000	100.00
3.5	55,927		0.0000	1.0000	100.00
4.5	43,665		0.0000	1.0000	100.00
5.5	43,665		0.0000	1.0000	100.00
6.5	43,665		0.0000	1.0000	100.00
7.5	53,664		0.0000	1.0000	100.00
8.5	53,664		0.0000	1.0000	100.00
9.5	66,446	42,790	0.6440	0.3560	100.00
10.5	23,656		0.0000	1.0000	35.60
11.5	23,656		0.0000	1.0000	35.60
12.5	23,656		0.0000	1.0000	35.60
13.5	95,431		0.0000	1.0000	35.60
14.5	95,431		0.0000	1.0000	35.60
15.5	95,927		0.0000	1.0000	35.60
16.5	13,278		0.0000	1.0000	35.60
17.5	13,278		0.0000	1.0000	35.60
18.5	496		0.0000	1.0000	35.60
19.5	496		0.0000	1.0000	35.60
20.5	8,021		0.0000	1.0000	35.60
21.5	8,021		0.0000	1.0000	35.60
22.5	8,021		0.0000	1.0000	35.60
23.5	496		0.0000	1.0000	35.60
24.5					35.60

DETAILED DEPRECIATION CALCULATIONS

II-51

NET UTILITY PLANT IN SERVICE

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 354.20 STRUCTURES AND IMPROVEMENTS - COLLECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
2007	20,658.88	2,053	2,215	18,444	31.71	582
2008	115,351.75	8,248	8,901	106,451	32.47	3,278
2009	9,911.43	430	464	9,447	33.10	285
	145,922.06	10,731	11,580	134,342		4,145
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					32.4	2.84

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 354.30 STRUCTURES AND IMPROVEMENTS - SPP

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-S1.5						
NET SALVAGE PERCENT.. 0						
2001	179,000.00	63,599	54,167	124,833	17.24	7,241
2004	36,911.17	9,287	7,910	29,001	19.34	1,500
2006	936,507.58	166,043	141,417	795,091	20.88	38,079
2007	500,715.82	69,399	59,106	441,610	21.75	20,304
2008	50,243.32	5,014	4,270	45,973	22.56	2,038
2009	3,533,756.07	212,025	180,584	3,353,172	23.50	142,688
2010	1,176,098.91	23,640	20,134	1,155,965	24.44	47,298
9999	2,305,628.79-	197,362-	168,095-	2,137,534-		93,147-
	4,107,604.08	351,645	299,493	3,808,111		166,001
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					22.9	4.04

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 354.40 STRUCTURES AND IMPROVEMENTS - TDP

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 65-R3						
PROBABLE RETIREMENT YEAR.. 6-2059						
NET SALVAGE PERCENT.. 0						
1932	602.40	549	267-	869	7.71	113
1961	411,759.11	293,502	142,649-	554,408	19.94	27,804
1967	24,300.00	15,751	7,655-	31,955	23.61	1,353
1987	823,692.00	329,065	159,934-	983,626	35.32	27,849
1988	1,142,800.00	439,749	213,729-	1,356,529	35.98	37,702
1990	3,907.00	1,394	678-	4,585	36.97	124
1991	123,376.00	42,343	20,580-	143,956	37.32	3,857
1993	11,340.50	3,572	1,736-	13,077	38.06	344
1994	139,022.06	41,526	20,183-	159,205	38.75	4,109
1995	11,077.00	3,143	1,528-	12,605	39.14	322
1998	670,891.94	159,337	77,442-	748,334	40.13	18,648
2001	283,666.22	53,102	25,809-	309,475	41.26	7,501
2002	116,100.00	19,737	9,593-	125,693	41.50	3,029
2003	1,000.00	152	74-	1,074	41.76	26
2006	48,512.51	4,628	2,249-	50,762	42.67	1,190
2007	672.16	51	25-	697	42.80	16
2008	14,086.57	775	377-	14,464	42.95	337
2009	21,581,046.32	729,439	354,523-	21,935,569	42.94	510,842
2010	4,245,926.04	49,253	23,938-	4,269,864	42.79	99,786
9999	1,393,993.00-	102,877-	50,000	1,443,993-		34,989-
	28,259,784.83	2,084,191	1,012,969-	29,272,754		709,963

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 41.2 2.51

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 354.70 STRUCTURES AND IMPROVEMENTS - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-S0						
NET SALVAGE PERCENT.. 0						
1993	140,772.00	69,471	34,490	106,282	17.96	5,918
1995	1,510.00	688	342	1,168	18.51	63
2002	1,066.29	314	156	910	20.40	45
2007	13,318.35	1,879	933	12,385	21.31	581
2008	7,905.96	826	410	7,496	21.42	350
2010	502,726.00	11,563	5,742	496,984	21.29	23,344
9999	144,495.00-	18,351-	9,113-	135,382-		6,560-
	522,803.60	66,390	32,960	489,843		23,741
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					20.6	4.54

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 355.00 POWER GENERATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-R2.5						
NET SALVAGE PERCENT.. 0						
1987	42,310.00	33,607	21,307	21,003	6.09	3,449
2001	39,638.59	15,931	10,101	29,538	14.14	2,089
2002	22,450.00	8,188	5,192	17,258	14.81	1,165
2007	3,801.89	620	393	3,409	17.96	190
2008	48,141.54	5,729	3,633	44,509	18.51	2,405
2009	6,369.07	468	297	6,072	18.91	321
2010	38,741.00	1,011	641	38,100	18.66	2,042
9999	64,825.00-	21,094-	13,376-	51,449-		3,753-
	136,627.09	44,460	28,188	108,440		7,908
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.7	5.79

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 360.10 COLLECTION SEWERS - FORCE MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-S2.5						
NET SALVAGE PERCENT.. 0						
1993	140,415.22	41,282	10,965	129,450	42.02	3,081
1994	48,680.72	13,577	3,606	45,075	42.67	1,056
2001	874,316.30	141,202	37,503	836,813	49.32	16,967
2002	277,714.74	40,130	10,658	267,057	50.32	5,307
2003	385,940.34	49,207	13,069	372,871	51.32	7,266
2004	1,409,072.80	155,703	41,356	1,367,717	52.32	26,141
2006	1,718,248.94	131,446	34,916	1,683,333	54.32	30,989
2007	986,396.53	58,691	15,590	970,807	55.32	17,549
2008	517,130.43	21,978	5,838	511,292	56.32	9,078
2009	56,933.91	1,452	386	56,548	57.32	987
9999	2,274,263.52-	232,202-	61,680-	2,212,584-		42,074-
	4,140,586.41	422,466	112,207	4,028,379		76,347
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					52.8	1.84

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 361.10 COLLECTION SEWERS - GRAVITY MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-S1.5						
NET SALVAGE PERCENT.. 0						
1915	94,476.03	86,616	65,580	28,896	8.67	3,333
1920	170,397.24	154,210	116,757	53,640	9.50	5,646
1930	215,826.70	187,640	142,068	73,759	12.09	6,101
1935	45,409.83	38,399	29,073	16,337	13.79	1,185
1945	44,307.30	35,406	26,807	17,500	16.47	1,063
1975	64,281.15	35,599	26,953	37,328	28.60	1,305
1990	11,231.75	3,984	3,016	8,216	37.30	220
1992	203,748.69	65,974	49,951	153,798	38.64	3,980
1993	195,821.94	60,313	45,665	150,157	39.32	3,819
1994	27,160.41	7,887	5,971	21,189	40.32	526
1996	46,017.91	11,877	8,992	37,026	41.68	888
1997	4,047,428.80	978,264	740,675	3,306,754	42.36	78,063
1998	475,956.24	107,090	81,081	394,875	43.06	9,170
1999	38,065.20	7,879	5,966	32,099	44.06	729
2000	130,554.43	24,818	18,790	111,764	44.75	2,498
2001	600,362.57	103,803	78,587	521,776	45.45	11,480
2002	30,566.31	4,729	3,580	26,986	46.45	581
2003	119,269.88	16,376	12,398	106,872	47.14	2,267
2004	62,579.92	7,447	5,638	56,942	48.14	1,183
2005	2,269,108.78	229,634	173,851	2,095,258	48.85	42,892
2006	14,592.65	1,208	915	13,678	49.85	274
2007	3,930,403.79	254,690	192,821	3,737,583	50.55	73,938
2008	6,158,221.41	285,126	215,863	5,942,358	51.55	115,274
2009	799,445.76	22,225	16,826	782,620	52.55	14,893
2010	3,766,329.00	35,027	26,518	3,739,811	53.55	69,838
9999	8,224,243.43-	965,526-	730,980-	7,493,263-		157,083-
	15,337,320.26	1,800,695	1,363,362	13,973,959		294,063
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					47.5	1.92

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 361.20 MANHOLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1.5						
NET SALVAGE PERCENT.. 0						
2001	81,097.58	20,112	11,028	70,070	28.81	2,432
2002	138,614.92	31,341	17,185	121,430	29.09	4,174
2003	78,108.80	15,934	8,737	69,372	29.26	2,371
2004	162,849.15	29,427	16,134	146,715	29.47	4,978
2007	190,480.77	20,267	11,112	179,369	29.39	6,103
2008	280,777.36	22,322	12,239	268,538	28.95	9,276
2009	109,148.83	5,556	3,046	106,103	28.00	3,789
2010	226,450.00	4,438	2,433	224,017	25.07	8,936
9999	553,544.27-	65,263-	35,782-	517,762-		18,378-
	713,983.14	84,134	46,132	667,852		23,681
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					28.2	3.32

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 363.00 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-S2.5						
NET SALVAGE PERCENT.. 0						
1935	8.37	8	8			
1980	342,103.60	246,246	115,679	226,425	11.87	19,075
1990	2,075.82	1,111	522	1,554	17.81	87
1992	26,933.84	13,206	6,204	20,730	19.23	1,078
1993	36,841.19	17,150	8,057	28,784	20.09	1,433
1994	15,993.29	7,072	3,322	12,671	20.81	609
1996	5,098.51	1,996	938	4,161	22.54	185
1997	349,253.40	127,792	60,032	289,221	23.40	12,360
1998	83,018.86	28,226	13,260	69,759	24.26	2,875
1999	97,308.79	30,555	14,354	82,955	25.13	3,301
2000	164,915.53	47,446	22,289	142,627	26.00	5,486
2001	103,055.21	26,825	12,601	90,454	27.00	3,350
2002	112,169.23	26,225	12,320	99,849	27.86	3,584
2003	162,670.80	33,559	15,766	146,905	28.86	5,090
2004	305,851.44	54,870	25,778	280,073	29.73	9,421
2005	171,466.60	26,029	12,228	159,239	30.73	5,182
2006	707,853.07	87,915	41,302	666,551	31.73	21,007
2007	376,431.28	36,363	17,083	359,348	32.73	10,979
2008	315,583.23	21,775	10,230	305,353	33.73	9,053
2009	122,559.22	5,074	2,384	120,175	34.73	3,460
2010	171,457.00	2,366	1,112	170,345	35.73	4,768
9999	1,231,831.49-	282,336-	132,641-	1,099,190-		41,020-
	2,440,816.79	559,473	262,828	2,177,989		81,363
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					26.8	3.33

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 364.00 FLOW MEASURING DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-S0.5						
NET SALVAGE PERCENT.. 0						
2001	2,038.40	734	752	1,286	16.88	76
2002	20,141.19	6,643	6,802	13,339	17.27	772
2003	7,550.27	2,248	2,302	5,248	17.69	297
2004	1,498.38	395	404	1,094	18.13	60
2006	11,144.09	2,142	2,194	8,950	18.92	473
2007	9,030.61	1,384	1,417	7,614	19.33	394
2008	2,253.15	253	259	1,994	19.72	101
	53,656.09	13,799	14,130	39,525		2,173
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					18.2	4.05

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 365.00 FLOW MEASURING INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-S0.5						
NET SALVAGE PERCENT.. 0						
2009	7,244.00	503	479	6,765	20.10	337
2010	5,902.00	141	134	5,768	20.42	282
	13,146.00	644	613	12,533		619
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					20.2	4.71

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 370.00 RECEIVING WELLS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. 0						
2007	7,369.99	653	1,940	5,430	36.02	151
2009	7,763.98	300	891	6,873	37.41	184
2010	61,000.00	799	2,373	58,627	37.67	1,556
9999	61,000.00-	1,403-	4,167-	56,833-		1,513-
	15,133.97	349	1,037	14,097		378
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					37.3	2.50

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 371.00 PUMPING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-S0						
NET SALVAGE PERCENT.. 0						
2004	2,713.26	578	1,500-	4,213	23.99	176
2005	75,723.20	14,039	36,429-	112,152	24.17	4,640
2006	42,731.02	6,675	17,321-	60,052	24.32	2,469
2007	48,851.99	6,121	15,883-	64,735	24.43	2,650
2008	23,203.82	2,153	5,587-	28,791	24.45	1,178
2009	602,087.97	34,801	90,303-	692,391	24.47	28,296
2010	98,182.00	1,983	5,146-	103,328	24.31	4,250
9999	76,100.00-	5,654-	14,672	90,772-		3,721-
	817,393.26	60,696	157,497-	974,890		39,938
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					24.4	4.89

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 380.00 TREATMENT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-S1						
NET SALVAGE PERCENT.. 0						
1987	198,012.00	113,540	27,174-	225,186	17.48	12,882
1995	10,764.00	4,555	1,090-	11,854	21.13	561
2001	152,923.03	43,002	10,292-	163,215	24.28	6,722
2002	59,752.06	15,189	3,635-	63,387	24.94	2,542
2004	11,125.75	2,213	530-	11,656	26.18	445
2005	23,744.74	4,037	966-	24,711	26.86	920
2007	1,046.35	115	28-	1,074	28.35	38
2008	36,777.44	2,905	695-	37,472	29.15	1,285
2009	8,099,758.54	385,549	92,273-	8,192,032	30.04	272,704
2010	7,160,599.00	113,854	27,248-	7,187,847	30.95	232,241
9999	199,054.00-	8,659-	2,072	201,126-		6,708-
	15,555,448.91	676,300	161,859-	15,717,308		523,632
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					30.0	3.37

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 381.00 PLANT SEWERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. 0						
2009	5,238,418.00	182,297	209,174	5,029,244	41.60	120,895
2010	1,059,391.00	12,501	14,344	1,045,047	41.87	24,959
	6,297,809.00	194,798	223,518	6,074,291		145,854
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					41.6	2.32

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 389.10 OTHER PLANT AND MISC. EQUIPMENT - INTANGIBLE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
2003	8,491.79	3,184	710	7,782	12.50	623
2005	2,997.03	824	184	2,813	14.50	194
	11,488.82	4,008	894	10,595		817
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.0	7.11

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 390.00 OFFICE FURNITURE AND EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1955	319.00	319	319			
1970	144.00	144	144			
1980	599.00	599	599			
1987	2,814.00	2,814	2,814			
1990	238.00	238	238			
1991	213.00	208	117	96	0.50	96
1994	676.00	558	314	362	3.50	103
1995	430.00	333	187	243	4.50	54
1996	2,474.00	1,794	1,009	1,465	5.50	266
1998	4,177.00	2,611	1,468	2,709	7.50	361
2000	793.00	416	234	559	9.50	59
2009	89,823.00	6,737	3,789	86,034	18.50	4,650
2010	6,383.00	160	90	6,293	19.50	323
	109,083.00	16,931	11,322	97,761		5,912
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					16.5	5.42

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 392.00 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1991	920.00	718	703	217	5.50	39
2003	5,858.64	1,758	1,721	4,138	17.50	236
	6,778.64	2,476	2,424	4,355		275
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					15.8	4.06

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 393.00 TOOLS, SHOP & GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
2001	1,716.33	815	645	1,071	10.50	102
2002	14,591.33	6,201	4,910	9,681	11.50	842
2006	26.99	6	5	22	15.50	1
2007	5,944.45	1,040	823	5,121	16.50	310
2008	2,776.47	347	275	2,501	17.50	143
	25,055.57	8,409	6,658	18,396		1,398
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.2	5.58

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 394.00 LABORATORY EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1980	2,331.00	2,331	2,331			
1985	11,104.80	11,105	11,105			
1987	7,975.00	7,975	7,975			
1992	2,365.00	2,365	2,365			
1993	2,900.00	2,900	2,900			
1995	1,006.00	1,006	1,006			
1996	1,700.00	1,643	900	800	0.50	800
1998	120.00	100	55	65	2.50	26
2001	1,969.36	1,247	683	1,286	5.50	234
2002	2,928.85	1,660	909	2,020	6.50	311
2006	7,401.23	2,220	1,216	6,185	10.50	589
2007	8,400.50	1,960	1,073	7,328	11.50	637
2008	15,351.79	2,559	1,402	13,950	12.50	1,116
	65,553.53	39,071	33,920	31,634		3,713
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					8.5	5.66

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 395.00 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 15-L4						
NET SALVAGE PERCENT.. 0						
1985	496.00	478	444	52	0.96	52
1991	12,782.00	11,615	10,800	1,982	1.96	1,011
1993	9,999.00	8,819	8,200	1,799	2.34	769
1996	875.00	738	686	189	2.68	71
2005	55,927.14	21,717	20,193	35,734	8.66	4,126
	80,079.14	43,367	40,323	39,756		6,029
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					6.6	7.53

PENNSYLVANIA AMERICAN WATER COMPANY  
 COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 396.00 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
 RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1985	3,304.00	3,304	3,304			
1987	5,077.00	5,077	5,077			
1990	7,075.00	7,075	7,075			
1995	320.00	320	320			
1997	1,885.00	1,697	1,370	515	1.50	343
2006	2,236.36	671	542	1,694	10.50	161
2007	537.73	125	101	437	11.50	38
2008	51,116.85	8,521	6,878	44,239	12.50	3,539
2009	617,060.62	61,706	49,809	567,252	13.50	42,019
2010	99,208.00	3,304	2,666	96,542	14.50	6,658
9999	3,000.00-	350-	282-	2,718-		201-
	784,820.56	91,450	76,860	707,961		52,557
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.5	6.70

PENNSYLVANIA AMERICAN WATER COMPANY  
COATESVILLE WASTEWATER OPERATIONS

ACCOUNT 397.00 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1970	2,306.00	2,306	2,306			
1975	259.00	259	259			
1980	164.00	164	164			
1987	3,170.00	3,170	3,170			
1991	10,821.00	10,550	9,407	1,414	0.50	1,414
1994	408.00	337	300	108	3.50	31
1995	8,120.00	6,293	5,611	2,509	4.50	558
1996	6,329.00	4,589	4,092	2,237	5.50	407
1997	1,850.00	1,249	1,114	736	6.50	113
1999	3,638.00	2,092	1,865	1,773	8.50	209
2000	1,906.00	1,001	893	1,013	9.50	107
2001	8,406.99	3,993	3,560	4,847	10.50	462
2002	38,152.53	16,215	14,457	23,696	11.50	2,061
2003	131,967.24	49,488	44,124	87,843	12.50	7,027
2004	62,880.21	20,436	18,221	44,659	13.50	3,308
2005	43,580.31	11,985	10,686	32,894	14.50	2,269
2006	20,954.98	4,715	4,204	16,751	15.50	1,081
2007	27,143.48	4,750	4,235	22,908	16.50	1,388
9999	29,000.00-	11,191-	9,978-	19,022-		1,592-
	343,056.74	132,401	118,690	224,366		18,843
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					11.9	5.49

II-75

EXPERIENCED AND ESTIMATED NET SALVAGE

PENNSYLVANIA AMERICAN WATER COMPANY

COATESVILLE WASTEWATER OPERATIONS

SUMMARY OF REGULAR RETIREMENTS, SALVAGE AND COST OF REMOVAL  
BY ACCOUNT FOR 2006

	<u>Account</u> (1)	<u>Regular</u> <u>Retirements</u> (2)	<u>Salvage</u> (3)	<u>Cost of</u> <u>Removal</u> (4)
361.1	Collection Sewers - Gravity Mains	\$ 40,067.93	\$ -	\$ -
380	Treatment Equipment	204,800.00	-	-
395	Power Operated Equipment	<u>42,790.00</u>	<u>-</u>	<u>-</u>
	Total	<u>\$ 287,657.93</u>	<u>\$ -</u>	<u>\$ -</u>

PENNSYLVANIA AMERICAN WATER COMPANY

COATESVILLE WASTEWATER OPERATIONS

SUMMARY OF REGULAR RETIREMENTS, SALVAGE AND COST OF REMOVAL  
BY ACCOUNT FOR 2007

	<u>Account</u> (1)	<u>Regular</u> <u>Retirements</u> (2)	<u>Salvage</u> (3)	<u>Cost of</u> <u>Removal</u> (4)
354.4	Structures and Improvements - TDP	\$ 230.00	\$ -	\$ -
354.7	Structures and Improvements - General	18,073.00	-	-
361.1	Collection Sewers - Gravity Mains	19,283.56	-	1,735.52
361.2	Manholes	29,656.21	-	3,262.18
363	Services	290,538.20	-	24,752.30
364	Flow Measuring Devices	1,417.67	-	-
371	Pumping Equipment	13,633.27	-	-
390	Office Furniture and Equipment	27,626.33	-	-
392	Stores Equipment	34.00	-	-
394	Laboratory Equipment	2,611.00	-	-
397	Miscellaneous Equipment	4,038.81	-	-
	Total	\$ <u>407,142.05</u>	\$ <u>-</u>	\$ <u>29,750.00</u>

PENNSYLVANIA AMERICAN WATER COMPANY

COATESVILLE WASTEWATER OPERATIONS

SUMMARY OF REGULAR RETIREMENTS, SALVAGE AND COST OF REMOVAL  
BY ACCOUNT FOR 2008

	<u>Account</u> (1)	<u>Regular</u> <u>Retirements</u> (2)	<u>Salvage</u> (3)	<u>Cost of</u> <u>Removal</u> (4)
354.3	Structures and Improvements - SPP	\$ 6,642.16	\$ -	\$ 203.57
354.4	Structures and Improvements - TDP	7,046.44	-	-
354.7	Structures and Improvements - General	-	-	746.46
355	Power Generation Equipment	3,897.17	-	-
360.1	Collection Sewers - Force Mains	187.20	-	891.57
361.1	Collection Sewers - Gravity Mains	162,364.58	-	348.56
361.2	Manholes	28,476.61	-	-
363	Services	6,919.02	-	0.98
371	Pumping Equipment	26,096.28	-	-
380	Treatment Equipment	4,269.73	-	-
390	Office Furniture and Equipment	6,882.00	-	-
393	Tools, Shop and Garage Equipment	924.21	-	-
394	Laboratory Equipment	2,235.20	-	-
397	Miscellaneous Equipment	<u>(2,898.81)</u>	<u>-</u>	<u>-</u>
	Total	\$ <u>253,041.79</u>	\$ <u>-</u>	\$ <u>2,191.14</u>

PENNSYLVANIA AMERICAN WATER COMPANY

COATESVILLE WASTEWATER OPERATIONS

SUMMARY OF REGULAR RETIREMENTS, SALVAGE AND COST OF REMOVAL  
BY ACCOUNT FOR 2009

	<u>Account</u> (1)	<u>Regular</u> <u>Retirements</u> (2)	<u>Salvage</u> (3)	<u>Cost of</u> <u>Removal</u> (4)
354.7	Structures and Improvements - General	\$ 412.65	\$ -	\$ -
361.1	Collection Sewers - Gravity Mains	167,620.53	-	-
361.2	Manholes	10,960.82	-	-
363	Services	210,020.54	-	-
		<hr/>	<hr/>	<hr/>
	Total	\$ <u>389,014.54</u>	\$ <u>-</u>	\$ <u>-</u>

PENNSYLVANIA AMERICAN WATER COMPANY

COATESVILLE WASTEWATER OPERATIONS

SUMMARY OF REGULAR RETIREMENTS, SALVAGE AND COST OF REMOVAL  
BY ACCOUNT FOR 2010

	<u>Account</u> (1)	<u>Regular</u> <u>Retirements</u> (2)	<u>Salvage</u> (3)	<u>Cost of</u> <u>Removal</u> (4)
354.4	Structures and Improvements - TDP	\$ 2,205,946.63	\$ -	\$ 2,356,574.08
354.7	Structures and Improvements - General	17,274.00	-	24,277.59
361.1	Collection Sewers - Gravity Mains	66,888.20	-	-
363	Services	5,000.00	-	-
371	Pumping Equipment	321,415.45	-	245,968.21
380	Treatment Equipment	768,124.48	-	713,748.93
389.1	Other Plant and Misc. Equipment - Intangible	111,711.75	-	5,550.19
	Total	<u>\$ 3,496,360.51</u>	<u>\$ -</u>	<u>\$ 3,346,119.00</u>

