



800 West Hersheypark Drive
Hershey, PA 17033
P 717-531-3362
F 717-531-3252
Seth.mendelsohn@amwater.com

Seth A. Mendelsohn
Corporate Counsel

November 15, 2010

Rosemary Chiavetta
Pennsylvania Public Utility
Commission
Commonwealth Keystone Building
400 North Street, PO Box 3265
Harrisburg, PA 17105-3265

Re: Application of Pennsylvania-American Water Company for approval of the right to offer, render, furnish or supply wastewater service to the public in a portion of South Coatesville Borough, Chester County, Pennsylvania

Dear Ms. Chiavetta:

On behalf of Pennsylvania-American Water Company, I am e-filing an original copy of the above-referenced Application, together with payment in the amount of \$350 for the Commission's filing fee.

I will file the obligatory paper copy within three (3) days of this filing.

Sincerely,


Seth A. Mendelsohn

Enclosures

cc: Office of Consumer Advocate
Office of Small Business Advocate
Office of Trial Staff
Department of Environmental Protection

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Pennsylvania-American Water Company for approval of the right to offer, render, furnish or supply wastewater service to the public in a portion of South Coatesville Borough, Chester County, Pennsylvania.

Application No. _____

To Pennsylvania Public Utility Commission:

I. INTRODUCTION

1. Pennsylvania-American Water Company ("Pennsylvania-American" or "Applicant") hereby requests that the Pennsylvania Public Utility Commission ("Commission") issue a certificate of public convenience evidencing its approval under Section 1102(a) of the Public Utility Code, 66 Pa.C.S. § 1102(a), of the Applicant's offering, rendering, furnishing or supplying of wastewater service in a portion of South Coatesville Borough, Chester County, Pennsylvania.

2. This Application is being filed to extend wastewater service to the public in the proposed service territory in a portion of South Coatesville Borough, Chester County, Pennsylvania.

3. The name and address of Applicant is:

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

4. The names and address of the Applicant's attorneys are:

Velma A. Redmond, Esquire
Susan Simms Marsh, Esquire
Seth A. Mendelsohn, Esquire
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033

II. DESCRIPTION OF THE APPLICANT

5. Pennsylvania-American is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and is a wholly owned subsidiary of the American Water Works Company, Inc. ("AWW"). Pennsylvania-American furnishes water service in a certificated service territory encompassing portions of 36 counties across the Commonwealth. As of October 31, 2010, Pennsylvania-American provided water service to approximately 637,514 customers in the following classifications:

Residential:	587,530
Commercial:	43,711
Industrial:	625
Municipal, Resale and Other:	2,496
Fire Protection:	3,152

In addition, Pennsylvania-American furnishes wastewater service to approximately 17,593 customers.

6. Attached hereto as Exhibit A is pertinent information with respect to the corporate history, authority, and service territory of Pennsylvania-American.

III. THE PROPOSED ADDITIONAL SERVICE TERRITORY

7. As indicated at paragraph 2 above, the proposed additional service territory is located in a portion of South Coatesville Borough, Chester County, Pennsylvania. Attached hereto as Exhibit B-1 is a description of the area to be served, and attached hereto as Exhibit B-2 is a map showing the boundaries of the area to be served. The applied-for-territory includes one (1) residential customer, located at 1225 West Chester Road, South Coatesville Borough, Chester County. Pennsylvania-American is certificated to serve in portions of South Coatesville Borough under Docket A-230073F002 and will use that service to connect the South Coatesville Borough line.

8. No additional capital will be required by the Applicant for the purpose of financing the matters and things involved in this Application. All pipeline extensions will be completed under Applicant's tariff rules regarding main extensions.

9. The facilities to be installed within this application territory for the one (1) residential customer will consist of approximately 15 feet of 1 1/4" force main PVC lateral which will tie into the 4" force main which fronts the customer's property on the north side of the property at 1225 West Chester Road along with a 4x1 1/4" saddle, a 1 1/4 corp, 1 1/4" curb stop and a cast iron curb box. The cost of the wastewater lateral is approximately Five Thousand (\$5,000) Dollars which will be assumed by Pennsylvania-American.

10. Presently, the Applicant's existing waste system is a cesspool located on the Applicant's property and is not functioning properly or up to its full capability. Therefore, Applicant would like to disconnect from his present on-site septic system and tie into Pennsylvania-American's wastewater line installed along West Chester Road, South Coatesville Borough.

11. To the best of the knowledge of the Applicant, no corporation, partnership, or individual is now furnishing or has corporate or franchise rights to furnish service similar to that to be rendered by Applicant in the Application Territory, and no competitive condition will be created.

IV. FINANCIAL AND OTHER RELEVANT INFORMATION

12. There is attached hereto, as Exhibit C, a balance sheet of Pennsylvania-American as of September 30, 2010.

13. There is attached hereto, as Exhibit D, a statement of income and retained earnings of Pennsylvania-American for the 12 months ended September 30, 2010.

14. Pennsylvania-American will charge its then existing rates for service in the Application Territory as set forth in Pennsylvania-American's Coatesville Wastewater Tariff. Current rates are shown on Exhibit E, and may be changed from time to time.

15. Furnishing of service in the proposed additional service territory will have no adverse effect upon the service furnished or the rates charged to other customers.

16. The estimated annual revenues and expenses of Pennsylvania-American in the additional territory are set forth in Exhibit F attached hereto.

IV. PUBLIC INTEREST

17. It is in the public interest for Pennsylvania-American to provide wastewater service in the proposed service territory because it is financially and technically capable of providing service and because there is a need to make wastewater service available for one (1) residential customer.

18. A letter from the Borough Manager of South Coatesville Borough indicating his concurrence with the Applicant's request and of Pennsylvania-American's application is attached as Exhibit G.

19. A letter from the residential customer requesting service is attached as Exhibit H.

20. The residential customer has also received approval for this connection from the Pennsylvania Department of Environmental Protection as evidenced in Exhibit I.

V. RELIEF REQUESTED

21. Together with its Order approving this Application, Pennsylvania-American requests that the Commission issue a Certificate of Public Convenience pursuant to Section 1102(a) of the Public Utility Code, 66 Pa.C.S. §1102(a), authorizing Pennsylvania-American to furnish

wastewater service in a portion of South Coatesville Borough described in Exhibit B-1 and depicted in Exhibit B-2 hereto.

WHEREFORE, Pennsylvania-American respectfully requests that the Pennsylvania Public Utility Commission approve this Application and grant the relief requested in Paragraph 18, above.

PENNSYLVANIA-AMERICAN WATER COMPANY

By: *Seth A. Mendelsohn*
Velma A. Redmond, Esquire
Susan Simms Marsh, Esquire
Seth A. Mendelsohn, Esquire
Counsel for
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033
717-533-5000

Dated: *11/15/2010*

VERIFICATION

I, BRIAN J. HASSINGER, hereby state that the facts set forth in the Application to extend water service to an additional portion of South Coatesville Borough, Chester County, are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).



Brian J. Hassinger
Manager
Pennsylvania-American Water Company

Date: November 15, 2010

PENNSYLVANIA-AMERICAN WATER COMPANY

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

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

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

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

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

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water and wastewater systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995); the water utility assets of Pennsylvania Gas and Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono

Exhibit A

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

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

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

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

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

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

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence, West Lawn³ and Wyomissing² and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor, South Heidelberg and Spring in Berks County;

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

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

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

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

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

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

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

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

All, or portions of, the Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown, West Fairview¹ and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Silver Spring and Upper Allen in Cumberland County;

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

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

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

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

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

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

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

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

All, or portions of, the Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laflin, Larksville, Laurel Run, Luzerne, Nescopeck, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Conyngham, Fairview, Hanover, Hunlock, Jackson, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Salem, Union, Wilkes-Barre and Wright in Luzerne County;

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

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

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

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

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

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

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

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

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

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

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Claysville, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle, West Brownsville and West Middletown and the Townships of Amwell, Buffalo, Canton, Carroll, Cecil, Chartiers, Cross Creek, Donegal, East Finley, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane, Union and West Pike Run in Washington County;

Portion of the Township of Clinton in Wayne County; and

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

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

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

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

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

Portion of the Township of Lehman in Pike County; and

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

¹ West Fairview Borough was merged into East Pennsboro Township in 1998.

² Wyomissing Hills was merged into Wyomissing Borough in 2002.

³ West Lawn was merged into Spring Township in 2006.

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

3/31/2010

Description of Property to be Served

This service is intended solely for the lot owned by R. Nicholas Tucci,
located at 1225 West Chester Road, South Coatesville Borough,
Chester County, Pennsylvania. A description of this property can be
Found at Deed Book W43, Page 168.

Tax Parcel No.: 09-01-0004

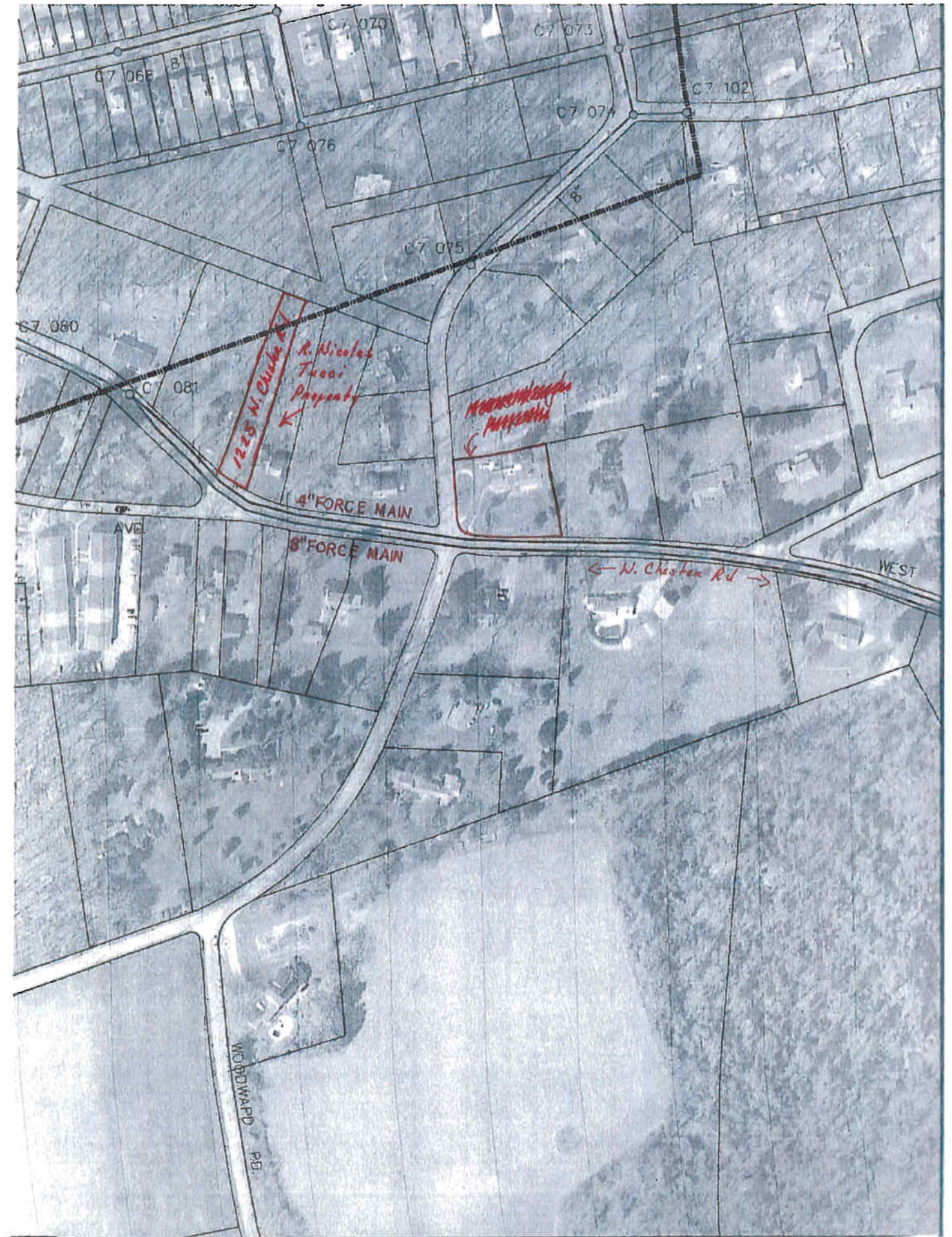


Exhibit B-2



Balance Sheet
 Pennsylvania with Growth
 Sep YTD 2010
 (\$ In Thousands)

		Actuals
Assets		
Utility Plant	1	3,109,050
Construction Work in Progress	2	63,546
Accumulated Depreciation	3	(728,170)
Utility Plant Acquisition Adjustments	4	18,816
Other Utility Plant Adjustments	5	0
Total Utility Plant		2,463,243
Non-utility Property	6	296
Total property, plant and equipment		2,463,539
Cash and Cash Equivalents	7	826
Restricted funds	8	28,908
Utility customer accounts receivable	9	41,135
Allowance for uncollectible accounts	10	(6,978)
Accrued utility revenues	11	29,387
Other receivables, net	12	4,227
Taxes receivable, including federal income	13	0
Materials and supplies	14	5,588
Receivable from affiliated companies	15	82
Other Current Assets	16	3,995
Current Assets		107,171
Regulatory assets - income tax recovery	17	110,856
Debt and preferred stock expense	18	13,284
Deferred pension expense	19	10,571
Deferred postretirement benefit expense	20	1,460
Deferred security costs	21	5,547
Deferred business services project expenses	22	1,393
Deferred integration costs	23	0
Deferred tank painting costs	24	0
Deferred rate case	25	849
Asset premium recoverable thru rates	26	518
Environmental remediation recoverable thru rates	27	0
Other Regulatory Assets	28	32,160
Regulatory assets		176,639
Other investments	29	52
Long term receivable from affiliate	30	0
Funds restricted for construction	31	0
Goodwill	32	40,223
Intangible assets	33	0
Other Long Term Assets	34	10
Total Regulatory & Other L/T Assets		216,922
Total Assets		2,787,632
Capital & Liabilities		

Common Stock	35	21,507
Paid in Capital	36	608,256
Retained Earnings	37	337,972
Accumulated other comprehensive income	38	0
Unearned compensation	39	0
Treasury stock	40	0
Common stockholder's equity		967,735
Preferred Stock without mandatory redemption requirements	41	1,720
Long term debt	42	985,580
Redeemable preferred stock at redemption value	43	12,452
Total Capitalization		1,967,487
Short Term Debt	44	5,696
Current Portion of Long-term Debt	45	6,432
Current portion of redeemable stock at redemption value	46	0
Accounts Payable	47	48,698
Taxes Accrued	48	5,186
Interest Accrued	49	14,607
Total Other Current Liabilities	50	20,466
Total Current Liabilities		101,086
Customer Advances for Construction	51	87,009
Deferred Income Taxes	52	493,904
Deferred Investment tax credits	53	6,599
Regulatory liability	54	2,792
Accrued pension expense	55	5,392
Accrued postretirement benefit expense	56	4,230
Other Deferred Credits	57	9,171
Regulatory & Other Long Term Liabilities		609,096
Contributions in aid of construction	58	109,963
Total capital and liabilities		2,787,632



Income Statement - Quarter To Date
 Pennsylvania with Growth
 Sep QTD 2010
 (\$ In Thousands)

For the period July 1 - Sept 30, 2010

	QTD	Actuals
<u>OPERATING REVENUES</u>		
Water Revenues	1	133,770
Sewer Revenues	2	2,219
Other Operating Revenues	3	2,378
Management Revenues	4	0
Operating Revenues		138,366
<u>OPERATIONS & MAINTENANCE EXPENSE</u>		
<u>PRODUCTION EXPENSES</u>		
Purchased Water	5	734
Fuel and Power	6	4,044
Chemicals	7	2,864
Waste Disposal	8	587
Total production costs		8,229
<u>O&M LABOR & OVERHEAD</u>		
Labor	9	14,463
Pensions	10	5,025
Group insurances	11	4,006
Other benefits	12	561
Total employee related		24,055
Management fees	13	2,602
Shared business services	14	6,215
Contracted services	15	1,177
Total contracted services		7,392
Regulatory expense	16	188
Insurance Other Than Group	17	2,115
Customer Accounting	18	3,944
Rents	19	287
General office expense	20	794
Miscellaneous	21	5,049
Maintenance	22	4,629
Total O&M expense		59,284
Depreciation	23	14,695
Amortization	24	232
Depreciation and amortization		14,927
General taxes	25	3,683
Gain on sale of assets	26	0
Impairment charges	27	0
Total operating expenses, net		77,893
Operating income		60,473
<u>OTHER INCOME & DEDUCTIONS</u>		

Interest Income	28	(10)
Interest on long-term debt	29	15,032
Interest on Short-Term Bank Debt	30	0
Other Interest Expense	31	(3)
Total interest expense		<u>15,019</u>
AFUDC - Equity	32	407
AFUDC Debt	33	406
Amortization of Debt Expense	34	201
Preferred dividends of subsidiaries	35	0
Non-Operating Rental Income	36	0
Dividend Income - Common	37	0
Dividend Income - Preferred	38	0
Miscellaneous Income	39	70
Total other income		<u>70</u>
Miscellaneous Amortization	40	(83)
Miscellaneous Other Deductions	41	63
Total Other Deductions		<u>(21)</u>
Other, net		91
Total other income (deductions)		(14,316)
Income (loss) before income taxes		46,157
State Income Taxes	42	4,005
Federal Income Taxes	43	14,880
Tax Saving Acquisition Adjustment		
State income taxes (non-operating)	46	(4)
Federal income taxes (non-operating)	47	(12)
Provision (Benefit) for Income Taxes		<u>18,870</u>
Net income (loss)		<u>27,287</u>
Preferred Dividend Declared	48	19
Net Income To Common Stock		<u>27,267</u>
Common Dividend Declared		<u>18,926</u>
Current Year Retained Earnings		<u>8,341</u>

PART I: RATES

Metered Charges

A. Residential (Based on Water Usage)

Service Charge per month: \$4.50 (I)

Usage Charge \$.5392 per 100 gallons (I)

B. Commercial, Municipal and Industrial (Based on Water Usage)

Service Charge per month: \$8.50 (I)

Usage Charge \$.4288 per 100 gallons (I)

C. Special Rate Charges

1. Bulk Metered Usage

Caln Township, Sadsbury Township, Valley Township, V.A. Hospital and West Brandywine Township - One Monthly Service Charge Per Customer of \$170.00 in addition to \$.3777 per 100 gallons of metered water usage. (I)

Mittal Steel - Monthly Service Charge of \$170.00 in addition to \$.3259 per 100 gallons of metered water usage. (I)

Unmetered Charges

This charge is a flat rate fee for customers not metered for water consumption. The fee is \$27.96 per month, per EDU. (I)

Rider VR

Per the Joint Petition for Settlement at Docket No. R-2008-2032689, the Company will not increase the rates to the 13 customers located on the 700 block of Valley Road in the City of Coatesville until it completes the construction and places in service an air jumper to control an odor problem. If the installation of the air jumper does not remedy the odor complaints, the customers will pay the Company's wastewater rates in effect prior to November 14, 2008, as set forth below, until such time as the odor problem is resolved in accordance with the terms of the Joint Petition for Settlement.

Service Charge per month: \$1.86
Usage Charge \$.302 per 100 gallons

**Estimated Annual Revenue and Expense
in Application Territory**

Estimated Annual Revenue

1	Residential customer	@	\$ 345.17
---	----------------------	---	-----------

Estimated Annual Expenses

1	Residential customer	@	\$ 177.90
---	----------------------	---	-----------

			Net	<u>\$ 167.27</u>
--	--	--	-----	------------------

EXHIBIT F



Borough of South Coatesville
136 Modena Road
South Coatesville PA 19320
Southcoatesvilleborough.org

610-384-1700
Fax 610-383-5620

23 September 2010

Pennsylvania American Water Company
100 Cheshire Court, Suite 104
Coatesville, PA 19320

ATTENTION: Jim Kelly

RE: R. Nicholas Tucci, 1225 West Chester Road,
a/k/a tax parcel # 09-01-0004

Dear Mr. Kelly:

As you are aware from our recent telephone discussion, Mr. Tucci is currently faced with replacement of his on-site septic system. Further, your company controls a pressure sewer main adjacent to the Tucci property at 1225 West Chester Road.

This letter is to make your firm aware of the fact that the Borough of South Coatesville will have no objection to your providing sewerage service to this parcel on West Chester Road.

If you have any questions or concerns, please contact me at the Borough Hall at the number listed above during normal working hours.

Very truly yours,

Denis E. Forrest,
Borough Manager

DEF/

Exhibit G

Annemarie Tucci
420 Gilmer Road
Coatesville, PA 19320
(h) 610-383-4552
(c) 610-585-5088
amt133@verizon.net

September 17, 2010

Mr. Jim Kelly
Pennsylvania American Water
100 Cheshire Court
Suite 104
Coatesville, PA 19320

Re : R. Nicholas Tucci
1225 West Chester Road
Borough of South Coatesville

Dear Jim:

My father, R. Nicholas Tucci, resides at the above address. Per our previous conversations and those which you have had with my daughter, the plumbing and septic system at this address are extremely old and outdated. Therefore, by this letter, Mr. Tucci is requesting permission from PA American Water and the Borough of South Coatesville to hook into the public sewage system.

If you need additional information, please feel free to contact me.

Sincerely,


Annemarie Tucci



pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION

SOUTHEAST REGIONAL OFFICE

October 15, 2010

Mr. James Kelly
Pennsylvania American Water Company
100 Chelsire Court, Suite 104
Coatesville, PA 19320

Re: Application for Planning Modules
R. Nicholas Tucci
DEP Code 1-15949-021-X
South Coatesville Borough
Chester County

Dear Mr. Kelly:

This letter is in reference to your application for Sewage Facilities Planning Modules to connect an existing home to public sewers. This project is located at 1225 West Chester Pike in South Coatesville Borough, Chester County.

The project will be connected to the Pennsylvania American Water Company collection system and will generate 263 gallons of sewage per day to be treated at the Pennsylvania American Water Company Coatesville Wastewater Treatment Facility.

This project does not meet the definition of a subdivision under the Pennsylvania Sewage Facilities Act. Therefore, no planning modules are required to be submitted to the Regional Office of the Department of Environmental Protection.

If you have any questions, please call me at 484.250.5175.

Sincerely,

John M. Veneziale
Sewage Planning Specialist 2
Water Management

cc: Chester County Health Department
Chester County Planning Commission
Pennsylvania American Water Company
Ms. Tucci
Planning Section
Re 30 (GJE10WQ)287-13

Southeast Regional Office | 2 East Main Street | Norristown, PA 19401-4915

484.250.5970 | Fax 484.250.5971

Printed on Recycled Paper

www.depweb.state.pa.us

Exhibit I