



PENNSYLVANIA
AMERICAN WATER

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

Seth A. Mendelsohn
Corporate Counsel

February 3, 2011

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 an additional portion of West Caln Township, 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 an additional portion of West Caln Township, 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 an additional portion of West Caln Township, 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 West Caln Township, 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 December 31, 2010, Pennsylvania-American provided water service to approximately 636,947 customers in the following classifications:

Residential:	587,386
Commercial:	43,413
Industrial:	618
Municipal, Resale and Other:	2,384
Fire Protection:	3,146

In addition, Pennsylvania-American furnishes wastewater service to approximately 17,624 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 West Caln Township, Chester County, Pennsylvania. Attached hereto as Exhibit B-1 is a map showing the boundaries of the area and attached hereto as Exhibit

B-2 is a description of the area to be served. The applied-for-territory will allow Pennsylvania American to provide public water and wastewater service to a proposed 237 townhouse and 72 apartment unit project. Pennsylvania-American is certificated to serve portions of West Caln Township, Chester County under Docket No. A-230073F0002.

8. No additional capital will be required by the Applicant for the purpose of financing the matters and things involved in this Application.

9. The facilities to be installed within this application territory to serve the proposed townhouse and apartment unit project (Sands Property Subdivision) will include approximately 5,500 feet 8" of PVC pipe and related appurtenances. Water service for this area will be provided by Pennsylvania-American.

10. 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

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

12. 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.

13. Pennsylvania-American will charge its then existing Rate Zone 1 rates for service in the Application Territory as set forth in Pennsylvania-American's Tariff. Current Rate Zone 1 rates are shown on Exhibit E, and may be changed from time to time.

14. 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.

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

IV. PUBLIC INTEREST

16. It is in the public interest for Pennsylvania-American to provide water service in the proposed service territory because it is financially and technically capable of providing service and because there is a need to make water service available for townhouse and apartment unit project. Letters from West Caln Township and 1201 Airport Road, LP supporting this application and indicating that the Township has reviewed the developer's plans and has given preliminary approval is marked Exhibit G.

17. The cost of the main installation will be approximately \$500,000 and will be borne by developer, 1201 Airport Road, LP, Joseph C. Riper, 312 West State Street, Second Floor, Kennett Square, PA.

18. Upon approval of the Application, receipt of a certificate of public convenience, and installation of the proposed facilities, Pennsylvania-American will provide water service to applicant in the applied for area under the Rules and Regulations of Pennsylvania-American's approved tariff.

V. RELIEF REQUESTED

19. 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 West Caln Township, Chester County 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 19, 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: 1/26/2011

VERIFICATION

I, WILLIAM C. KELVINGTON, hereby state that the facts set forth in the Application to extend water service to an additional portion of Middle Smithfield Township, Monroe 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).



William C. Kelvington
Vice-President – Operations
Pennsylvania-American Water Company

Date: 1/24/11

PENNSYLVANIA-AMERICAN WATER COMPANY

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

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

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

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

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

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water and wastewater systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995); the water utility assets of Pennsylvania Gas and Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono Mountains Industrial Park Authority (Monroe County, May 7, 1998); Coolbaugh Township-Fire System (Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence

Exhibit A

Page 1 of 5

County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998); Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); Shippenville Municipal Authority (Clarion County, March 31, 2005); Blue Mountain Lake Associates, L.P. (Monroe County, October 31, 2005); East Fallowfield Township (Chester County, December 22, 2005); Stillwater Lakes Water Corporation (Monroe County, January 17, 2006); Winona Lakes Utilities, Inc. (Monroe and Pike Counties, January 26, 2006); Saville Rustin Water Company, Inc./Pine Ridge Community Association, Inc. (Pike County, March 29, 2006); Lexington Woods Corporation (Monroe County, July 24, 2006); Community Association of Pocono Farms, Incorporated (Monroe County, July 31, 2006); Redstone Water Company (Fayette and Washington Counties, March 20, 2007); Mountain Top Estates Property Owners Association (Monroe County, May 30, 2008); Claysville-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); Nittany Water Company (Centre and Clinton Counties, February 3, 2010); Sutton Hills Homeowners Association (Luzerne County, May 5, 2010) and Birch Acres Water Works, Inc. (Monroe County, December 7, 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 636,947 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 Wallaceeton 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, Whitmarsh, 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 17,624 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.

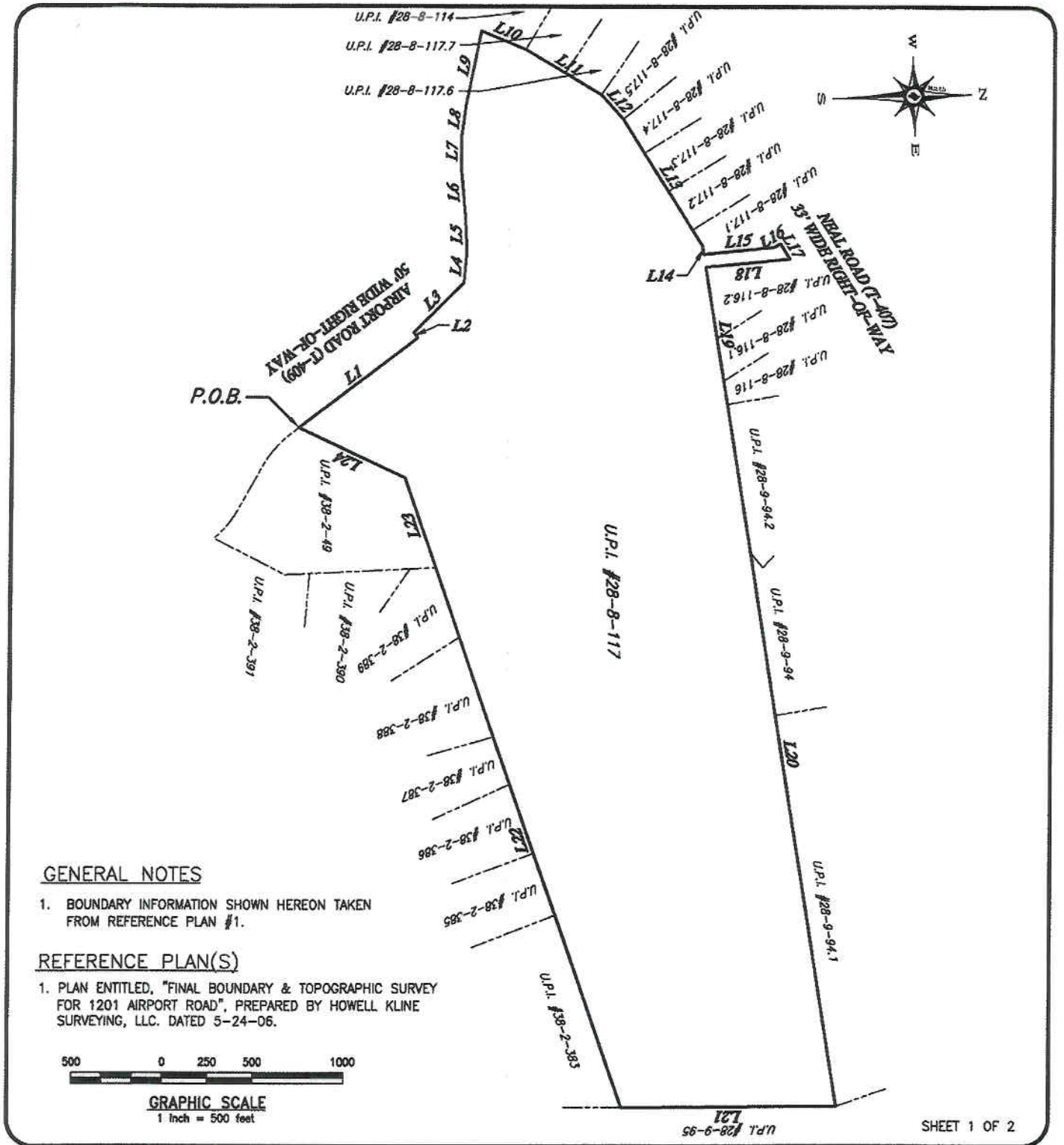
¹ West Fairview Borough was merged into East Pennsboro Township in 1998.

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]

1/24/2011

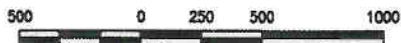


GENERAL NOTES

- BOUNDARY INFORMATION SHOWN HEREON TAKEN FROM REFERENCE PLAN #1.

REFERENCE PLAN(S)

- PLAN ENTITLED, "FINAL BOUNDARY & TOPOGRAPHIC SURVEY FOR 1201 AIRPORT ROAD", PREPARED BY HOWELL KLINE SURVEYING, LLC. DATED 5-24-06.



GRAPHIC SCALE
1 Inch = 500 feet

DATE: 11-5-2010 SCALE: 1"=500'
DRAWN: KPM CHECKED: RFK
PLOTTED ON: 11-5-2010 CAD FILE: 1309-S 11-5-10.DWG

**PROPERTY BOUNDARY—
SANDS PROPERTY**

CLIENT: 1201 AIRPORT ROAD G.P., LLC.
PROJECT: SANDS PROPERTY
1221 AIRPORT ROAD
LOCATION: WEST CALN TOWNSHIP, CHESTER COUNTY, PA



HowellKline

Land Surveying
Boundary / Topographic
Construction / Alta-Acsm

1250 Wiggins Lane
West Chester, PA 19380
Phone: (610) 918-9002
Fax: (610) 918-9003

312 West State Street
Suite B
Kornett Square, PA 19348
Phone: (610) 444-3838
Fax: (610) 444-3877

Exhibit B-1

Description provided by Gerald Debalko PAWC Engineer

1201 AIRPORT ROAD, LP ("Developer"), 116 Quarry Road, Coatesville, Pennsylvania 19320, is currently in the process of obtaining the development approvals with respect to a certain ninety-five (95) acre parcel of land situate on Airport Road in West Caln Township, Chester County, Pennsylvania (Tax Parcel No. 28-8-117) to permit a development project consisting of 237 townhouse units and 72 apartments and to extend public water and sewer service to the Property. Public water and sewer service shall be provided to unit by fronting each of the lots with water and sewer main to collect the individual service lines. Fire hydrants shall be provided at the location and frequency as approved by the West Caln Township fire marshal. Sewage shall be conveyed through a collection system for treatment at the PAWC Coatesville wastewater facility.



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)		27,287
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>

Pennsylvania-American Water Company

PART I: RATES - The rates as set forth below will be in effect from
January 1, 2012 through December 31, 2012.

Metered Charges

E. Residential *** (Based on Water Usage)

Service Charge per month: \$ 7.50

Usage Charge \$1.1672 per 100 gallons (I)

F. Commercial (Based on Water Usage)

Service Charge per month:

5/8" meter \$ 7.50

3/4" - 1 1/2" meter \$10.00

2" meter and up \$20.00

Usage Charge \$.8869 per 100 gallons (I)

G. Municipal and Industrial (Based on Water Usage)

Service Charge per month: \$20.00

Usage Charge \$.8869 per 100 gallons (I)

H. 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 \$250.00 in addition to \$.7032 per 100 gallons of
metered water usage. (I)

Mittal Steel - Monthly Service Charge of \$250.00 in addition to
\$.6765 per 100 gallons of metered water usage. (I)

Unmetered Charges

This charge is a flat rate fee for customers not metered for water
consumption.

Residential *** \$57.14 per month, per EDU (I)

Commercial \$57.14 per month, per EDU (I)

*** As set forth in Page 4F, Residential Rates are subject to a
15% discount for qualifying low income customers.

Pennsylvania-American Water Company

PART I: RATES - The rates as set forth below will be in effect from
January 1, 2013 through December 31, 2013.

Metered Charges

I. Residential *** (Based on Water Usage)

Service Charge per month: \$ 7.50

Usage Charge \$1.5151 per 100 gallons (I)

J. Commercial (Based on Water Usage)

Service Charge per month:

5/8" meter \$ 7.50

3/4" - 1 1/2" meter \$10.00

2" meter and up \$20.00

Usage Charge \$1.1194 per 100 gallons (I)

K. Municipal and Industrial (Based on Water Usage)

Service Charge per month: \$20.00

Usage Charge \$1.1194 per 100 gallons (I)

L. 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 \$250.00 in addition to \$.8664 per 100 gallons of
metered water usage. (I)

Mittal Steel - Monthly Service Charge of \$250.00 in addition to
\$.8528 per 100 gallons of metered water usage. (I)

Unmetered Charges

This charge is a flat rate fee for customers not metered for water
consumption.

Residential *** \$71.94 per month, per EDU (I)

Commercial \$71.94 per month, per EDU (I)

*** As set forth in Page 4F, Residential Rates are subject to a
15% discount for qualifying low income customers.

PART I: RATES - The rates as set forth below will be in effect from
January 1, 2011 through December 31, 2011.

Metered Charges

A. Residential *** (Based on Water Usage)

Service Charge per month: \$ 7.50 (I)
Usage Charge \$.8194 per 100 gallons (I)

B. Commercial (Based on Water Usage)

Service Charge per month:
5/8" meter \$ 7.50 (I)
3/4" - 1 1/2" meter \$10.00 (I)
2" meter and up \$20.00 (I)
Usage Charge \$.6543 per 100 gallons (I)

C. Municipal and Industrial (Based on Water Usage)

Service Charge per month: \$20.00 (I)
Usage Charge \$.6543 per 100 gallons (I)

D. 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 \$250.00 in addition to \$.5399 per 100 gallons of
metered water usage. (I)

Mittal Steel - Monthly Service Charge of \$250.00 in addition to
\$.5000 per 100 gallons of metered water usage. (I)

Unmetered Charges

This charge is a flat rate fee for customers not metered for water
consumption.

Residential *** \$42.35 per month, per EDU (I)
Commercial \$42.35 per month, per EDU (I)

*** As set forth in Page 4F, Residential Rates are subject to a
15% discount for qualifying low income customers.

Pennsylvania-American Water Company

PART I: RATES - The rates as set forth below will be in effect from
January 1, 2014 through December 31, 2016.

Metered Charges

M. Residential *** (Based on Water Usage)

Service Charge per month: \$ 7.50

Usage Charge \$1.8629 per 100 gallons (I)

N. Commercial (Based on Water Usage)

Service Charge per month:

5/8" meter \$ 7.50

3/4" - 1 1/2" meter \$10.00

2" meter and up \$20.00

Usage Charge \$1.3519 per 100 gallons (I)

O. Municipal and Industrial (Based on Water Usage)

Service Charge per month: \$20.00

Usage Charge \$1.3519 per 100 gallons (I)

P. 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 \$250.00 in addition to \$1.0298 per 100 gallons of
metered water usage. (I)

Mittal Steel - Monthly Service Charge of \$250.00 in addition to
\$1.0291 per 100 gallons of metered water usage. (I)

Unmetered Charges

This charge is a flat rate fee for customers not metered for water
consumption.

Residential *** \$86.73 per month, per EDU (I)

Commercial \$86.73 per month, per EDU (I)

*** As set forth in Page 4F, Residential Rates are subject to a
15% discount for qualifying low income customers.

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

Wastewater

Estimated Annual Revenue

309 Residential Customers @ \$863.28 \$ 266,753.52

Estimated Annual Expenses

309 Residential Customers @ \$198.56 \$ 61,355.04

Net \$205,398.48

**WEST CALN TOWNSHIP
BOARD OF SUPERVISORS
CHESTER COUNTY**

**721 West Kings Highway
P.O. Box 175
Wagontown, Pa. 19376**

**Phone: 610 384-5643
Fax: 610 384-9035**

October 27, 2010

Pennsylvania American Water Company
PAW-Southeast Region
4 Wellington Blvd
Wyomissing, Pa. 19610

Re: Sands Project/West Caln Township – Expansion of Sewer Franchise Service Area

Gentlemen:

Please consider confirmation that West Caln Township is in support of an amendment to the Pennsylvania American Water Company sewer franchise area to include the Sands Project which is located in West Caln Township which will consist of approximately 237 townhouse and 72 apartment units. You are authorized to include this letter with any application the Pennsylvania American Water Company may be required to file with the Pennsylvania Public Utility Commission to extend service to the Sands Project. This action was taken at a meeting of the West Caln Board of Supervisors on Monday, October 25, 2010.

If you have any questions or comments, please feel free to contact me.

Sincerely yours,

**WEST CALN TOWNSHIP
BOARD OF SUPERVISORS**

By: 
Gary L. Dunlap
Township Secretary

wcaln@wcaln.org ■ www.wcaln.org