



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 23, 2012

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
the approval of the right to offer, render, furnish or supply
wastewater service to the public in an additional portion of West
Sadsbury 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 Sadsbury 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 Sadsbury 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 Sadsbury 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, 2011 Pennsylvania American furnished water service to 638,171 customers, as follows:

Residential	588,287
Commercial	43,902
Industrial	522
Fire service	395
Municipal, sales for resale and others	2,310

In addition, Pennsylvania-American furnishes wastewater service to approximately 17,120 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 Sadsbury 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 wastewater service to five (5) residential properties located in the area of Limestone Road and Upper Valley Road, West Sadsbury Township, Chester County. Pennsylvania-American is certificated to serve portions of West Sadsbury 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 five (5) residential customers will include installation of a 2 inch low pressure force main that will extend 800 feet from an existing manhole at the intersection of Upper Valley Road and Limestone Road and terminate the western most property line at 2939 Upper Valley Road. Each individual property would be served by a 1¼ inch PVC lateral that would run to the property line. At this point, a curb stop will be installed with a curb box for access. PAWC will be responsible for the installation and future maintenance of the force main and lateral to the individual property lines. The lateral and grinder pump located on private property will be the responsibility of the resident to maintain and repair. Water service for this area is provided by on site wells.

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 December 31, 2011.

12. There is attached hereto, as Exhibit D, a statement of income and retained earnings of Pennsylvania-American for the 12 months ended December 31, 2011.

13. 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.

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 wastewater service available for the five residential properties. Letters from West Sadsbury Township and Chester County Health Department supporting this application are marked Exhibit G.

17. The cost of the main installation will be borne by Pennsylvania American Water.

18. Upon approval of the Application, receipt of a certificate of public convenience, and installation of the proposed facilities, Pennsylvania-American will provide wastewater 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 Sadsbury 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.

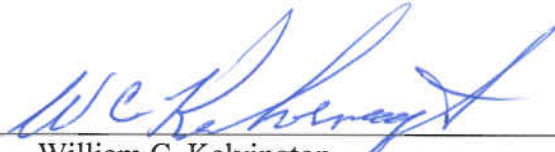
PENNSYLVANIA-AMERICAN WATER COMPANY

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: 2/23/2012

VERIFICATION

I, WILLIAM C. KELVINGTON, hereby state that the facts set forth in the Application to extend wastewater service to an additional portion of West Sadsbury Township, 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).



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

Date: 2/22/12

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

Exhibit A

(Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998); Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); 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-Donegal Joint Municipal Authority (Washington County, July 31, 2008); Three Lane Utilities, Inc. (Pike County, September 10, 2008); Clarion Area Authority (Clarion County, October 30, 2008); Boggs Township (Centre County, September 10, 2009); Amwell Township Water Authority (Washington County, September 23, 2009); Wallaceton Municipal Authority (Clearfield County, October 1, 2009); Saxonburg Area Authority (Butler County, October 28, 2009); Nittany Water Company (Centre and Clinton Counties, February 3, 2010); Sutton Hills Homeowners Association (Luzerne County, May 5, 2010); Birch Acres Water Works, Inc. (Monroe County, December 7, 2010); Helen Norella and Louis & Isabelle Norella (Lackawanna County, October 5, 2011) and Wildcat Park Corporation (Schuylkill County, November 17, 2011). 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 637,079 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 Wallaceton 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 17,064 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.

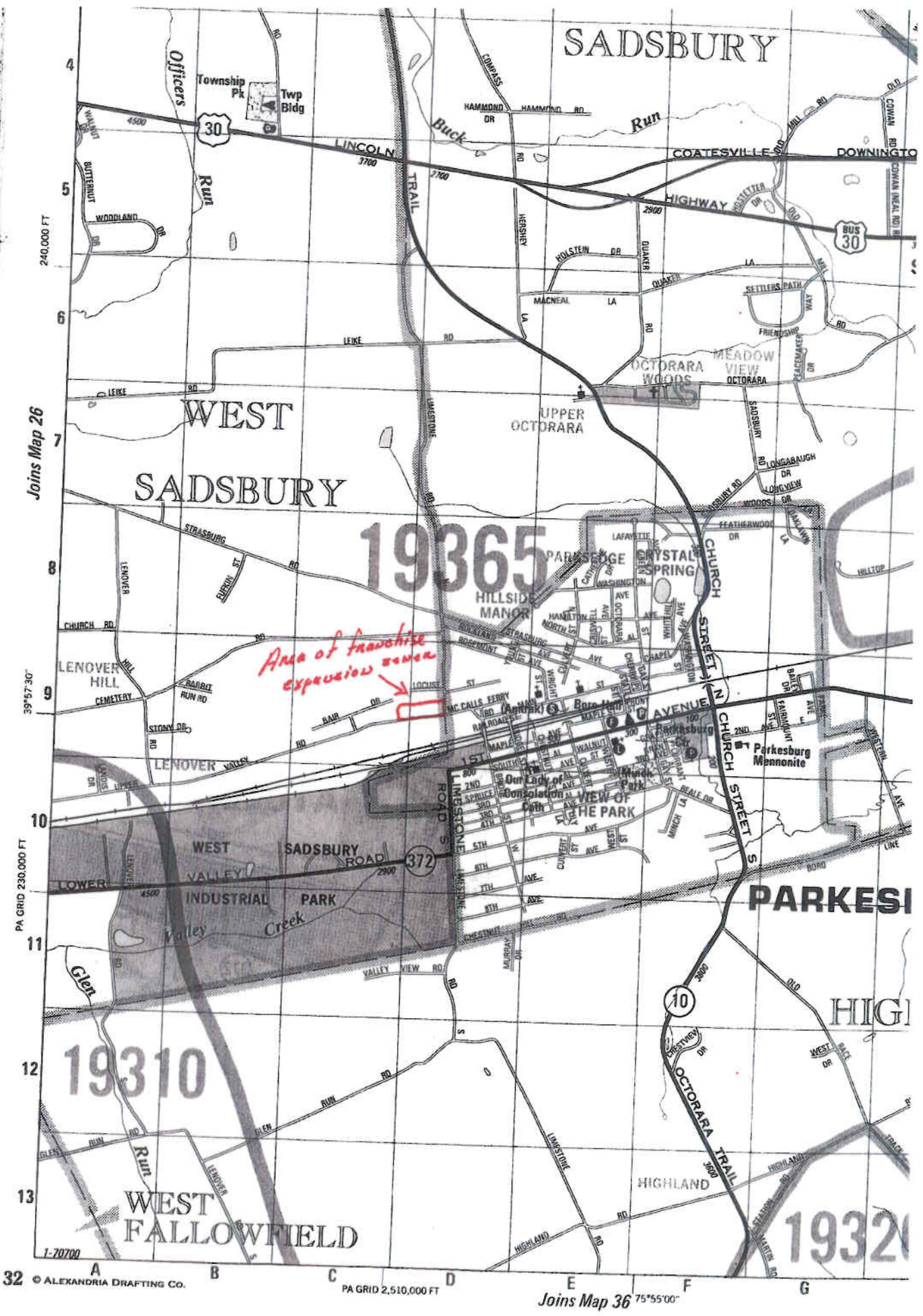
¹ West Fairview Borough was merged into East Pennsboro Township in 1998.

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]

12/14/2011



32 © ALEXANDRIA DRAFTING CO.

Exhibit B-1

The five parcels to be served in this applied for service territory are located at 600 North Limestone Road, Parkesburg; 2849 Upper Valley Road, Parkesburg; 2875 Upper Valley Road, Parkesburg; 2903 Upper Valley Road, Parkesburg; and 2939 Upper Valley Road, Parkesburg, Pennsylvania. These properties are all located on the north side of Upper Valley Road, just west of the Parkesburg Borough line.

Pennsylvania-American Water Company, Inc.
 Balance Sheet
 December 31, 2011 (Unaudited)
 (Dollars in thousands)

	December 31, 2011 (Unaudited)
Property, plant and equipment	
Utility plant - at original cost less accumulated depreciation	\$2,432,188
Utility plant acquisition adjustments, net	\$18,755
Total Non-Utility Plant, net	\$277
Construction Work in Progress	\$65,392
Total property plant and equipment	<u>\$2,516,612</u>
Current assets	
Cash and cash equivalents	\$1,192
Accounts receivable:	
Billed, net of allowance for doubtful accounts	\$29,836
Unbilled	\$28,070
Other current assets	\$29,551
Total current assets	<u>\$88,649</u>
Long-term assets	
Regulatory assets	\$174,172
Goodwill	\$40,223
Other	\$133
Total long-term assets	<u>\$214,528</u>
Total assets	\$2,819,789
Capitalization and Liabilities	
	December 31, 2011 (Unaudited)
Capitalization	
Stockholder's equity:	
Common stock	\$21,507
Paid-in capital	\$608,407
Retained earnings	\$336,285
Total stockholder's equity	<u>\$966,199</u>
Long-term debt	\$984,819
Preferred stock without mandatory redemption requirements	\$1,720
Preferred stock with mandatory redemption requirements	\$12,452
Total capitalization	<u>\$1,965,190</u>
Current liabilities	
Notes payable - associated companies	
Short-term debt	\$30,848
Current portion of long-term debt	\$6,441
Other	\$83,933
Total current liabilities	<u>\$121,222</u>
Long-term liabilities	
Deferred income taxes	\$508,404
Other	\$114,395
Total long-term liabilities	<u>\$622,799</u>
Contributions in aid of construction	\$110,578
Total capitalization and liabilities	\$2,819,789

Pennsylvania-American Water Company, Inc.
Statement of Income
For the 12 months ended December 31, 2011 (Unaudited)
(Dollars in thousands)

	Twelve Months Ended December 31, 2011
Operating revenues	<u>\$515,529</u>
Operating expenses	
Operation and maintenance	\$222,205
Depreciation and amortization	\$68,172
General taxes	\$12,435
Total Operating Expenses	<u>\$302,812</u>
Operating income	<u>\$212,717</u>
Other income (deductions)	
Other income, net	(\$2,567)
Interest expense, net	\$59,255
	<u>\$56,688</u>
Income before income taxes	<u>\$156,029</u>
Provision for income taxes	<u>\$55,747</u>
Net income	<u>\$100,282</u>
Dividends on preferred stock	<u>\$77</u>
Income to common stock	<u>\$100,205</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 or Sewage Flows) (C)

Service Charge per month: \$ 7.50

Usage Charge \$1.1672 per 100 gallons

F. Commercial (Based on Water Usage or Sewage Flows) (C)

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

G. Municipal and Industrial (Based on Water Usage or Sewage Flows) (C)

Service Charge per month: \$20.00

Usage Charge \$.8869 per 100 gallons

H. Special Rate Charges (Based on Water Usage or Sewage Flows) (C)

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.

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

Unmetered Charges

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

Residential *** \$57.14 per month, per EDU

Commercial \$57.14 per month, per EDU

*** 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

5 Residential Customers @ \$685.68	\$3,428
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Estimated Annual Expenses

5 Residential Customers @ \$116.00	<u>\$ 580</u>
------------------------------------	---------------

Net	<u>\$2,848</u>
-----	----------------

WEST SADBURY TOWNSHIP
6400 N. Moscow Road Parkesburg, PA 19365
Phone: 610-857-5969 FAX: 610-857-1415
wsadstwp@comcast.net

September 6, 2011

Pennsylvania American Water Company
Attn: James Kelly
100 Cheshire Court, Suite 104
Coatesville, PA 19320

Re: Expansion of Sewer Franchise Service Area

Dear Jim:

This letter is to serve as confirmation that West Sadsbury Township is in support of an amendment to expand Pennsylvania American Water Company's sewer franchise service area in the Township to include the following properties:

Tax Parcel 36-5-81.1 – Sara Wilson, 600 N. Limestone Road, Parkesburg, PA 19365
Tax Parcel 36-5-82 – Lucile Ward, 2849 Upper Valley Road, Parkesburg, PA 19365
Tax Parcel 36-5-85.1 – Barry & Carol Wertz, 2875 Upper Valley Road, Parkesburg, PA 19365
Tax Parcel 36-5-85.3 – Peter Anthony LLC, 436 Caswallen Drive, West Chester, PA 19380
Tax Parcel 36-5-85.11 – Mitrita Mocanu, 94 Buckwalter Road, Pottstown, PA 19465

All of these tax parcels are located on the north side of Upper Valley Road, just west of the Parkesburg Borough line.

If you have any questions, please do not hesitate to contact me.

Sincerely,


Cindy Mammarella
Secretary/Treasurer



"Lynch, Patricia K."
<plynch@chesco.org>
09/14/2011 02:01 PM

To <James.kelly@amwater.com>

cc

bcc

Subject PUC support of hookup to public sewage

Hello Mr. Kelly,

This e-mail is to verify that the Chester County Health Department is in support of the connection of the four apartments owned by Matrita Mocanu located at 2939 Upper Valley Road in West Sadsbury Township in Chester County PA. The present on lot septic system is not adequate to accommodate the four apartments and has been overflowing. The only possible location on the lot to accommodate an on site system has a slope of 33%. This slope is over the normal maximum allowable limit of 25%. Even though an exception to this standard can be made to alleviate the existing malfunction, the logistics of actually installing a system on such a slope is extremely difficult, at best. Please consider expanding the public sewage area to include this residence.

Sincerely,

Patty Lynch
Environmental Health Specialist
Chester County Health Department
610-344-6241

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