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**Seth A. Mendelsohn**  
**Corporate Counsel**

January 17, 2012

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

**In Re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Franklin Township Municipal Sewer Authority properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in portions of Franklin Township, Adams 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.

Sincerely,

Seth A. Mendelsohn

Enclosures

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

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

**In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Franklin Township Municipal Sewer Authority, properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in portions of Franklin Township, Adams County, Pennsylvania.**

Application No. \_\_\_\_\_

**TO PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

1. Pennsylvania-American Water Company (“Pennsylvania-American” or “PAWC”) hereby requests that the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) issue Certificates of Public Convenience evidencing its approval under Sections 1102(a) and 507 of the Public Utility Code (66 Pa.C.S. §§1102(a), 507) of: (1) Pennsylvania-American’s acquisition of substantially all of the assets, properties and rights of the Franklin Township Municipal Sewer Authority (“FTMSA”) related to, or used in connection with, its wastewater system; (2) Pennsylvania-American’s right to offer, render, furnish and supply wastewater service in the areas served by FTMSA.

2. The name and address of the Applicant is:

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

3. The names and address of the Applicant’s attorneys are:

Velma A. Redmond, Esquire  
Susan D. Simms, Esquire  
Seth A. Mendelsohn, Esquire  
Pennsylvania-American Water Company

800 West Hershey Park Drive  
Hershey, PA 17033  
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(717) 531-3399 fax

4. The FTMSA is a municipal authority organized under the Pennsylvania Municipality Authorities Act of May 2, 1945, P.L. 382. It owns and operates a public sanitary wastewater treatment system in portions of Franklin Township, Adams County, Pennsylvania.

5. Pennsylvania-American is a regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and is engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the public, and collecting, treating, transporting and disposing of wastewater and sewage for the public. FTMSA provides wastewater services to the public in a service territory encompassing a portion of Franklin Township, Adams County, Pennsylvania, with a population of approximately 1,000. Water and wastewater service is furnished by Pennsylvania-American to the public in a service territory encompassing more than 373 communities across the Commonwealth with a combined population of over 2,000,000. A description of Pennsylvania-American's certificated water and wastewater service territory is found at Exhibit A, along with a detailed corporate history, outlining all of the mergers, acquisitions and consolidations which have created Pennsylvania-American as it exists today.

6. As of November 19, 2012, FTMSA furnished wastewater service to 297 customers, as follows:

Residential	274
Commercial	17
Municipal	6

7. As of November 30, 2012, Pennsylvania-American furnished wastewater service to 17,101 customers, as follows:

Residential	16,300
Commercial	754
Industrial	2
Municipal	41
Sale for Resale	4

**A. TRANSFER, BY SALE, OF SUBSTANTIALLY ALL OF THE FRANKLIN TOWNSHIP MUNICIPAL SEWER AUTHORITY'S ASSETS, PROPERTIES AND RIGHTS RELATED TO ITS WASTEWATER SYSTEM TO PENNSYLVANIA-AMERICAN WATER COMPANY**

All of the preceding and succeeding paragraphs are incorporated by reference into this subpart A.

Summary of the Transaction

8. On November 12, 2012 FTMSA entered into an agreement with Pennsylvania-American to sell the wastewater assets of FTMSA.

Background Financial Information

9. There is attached hereto the balance sheet of FTMSA as of November 19, 2012 (Exhibit B), which is the latest available, and Pennsylvania-American's unaudited balance sheet as of September 30, 2012 (Exhibit C). Pennsylvania-American will undertake an original cost study to determine the original cost and accumulated depreciation of FTMSA's wastewater utility plant in service.

10. There is attached hereto the income statement of FTMSA for the period of January 1, 2012 through November 20, 2012 (Exhibit D) which is the latest available, and Pennsylvania-American's unaudited income statement for the 12 months ended September 30, 2012 (Exhibit E).

11. All the annual reports, tariffs, certificates of public convenience, applications, securities certificates and similar documents filed with your Honorable Commission by Pennsylvania-American and its predecessors are made a part hereof by reference.

#### Terms And Impact of the Transaction

12. This Application seeks approval of the transfer to Pennsylvania-American of substantially all of the wastewater property and rights of FTMSA. The terms and conditions of the transaction are contained in the executed Agreement between Pennsylvania-American and FTMSA (Exhibit F). The specific property to be transferred is defined and described in Paragraph 1.1 of the Agreement.

13. The consideration for the transfer of the wastewater system is a note to Franklin Township equal to the non-delinquent principal and interest equal on FTMSA's Pennvest loan on the date of closing plus \$10,000 cash as outlined in Paragraph 2.1 of the Agreement. The purchase price would be adjusted for capital expenditures made by FTMSA after November 12, 2012 through closing net of applicable insurance proceeds, grants, contributions or advances and the adjustment would not total more than \$100,000 or less than \$500 as outlined in Paragraph 2.2 of the Agreement. The transaction is at arm's length.

14. No investment securities will be transferred in the proposed transaction.

15. There is attached hereto a pro forma balance sheet of Pennsylvania-American as of September 30, 2012, giving effect to the transfer (Exhibit G). However, as noted in Paragraph 9, above, Pennsylvania-American will update the original cost study through Closing for the purpose of establishing the depreciated original cost of the utility plant of FTMSA. Once the original cost

study is updated and the property's depreciated original cost and book value are finalized, Pennsylvania-American will amend the pro forma balance sheet giving effect to the transfer, accordingly.

16. There is attached hereto a pro forma consolidated income statement of Pennsylvania-American and FTMSA for the 12 months ended September 30, 2012 (Exhibit H).

17. Tentative journal entries to record the transfer in Pennsylvania-American's accounts are set forth below, based upon the books of FTMSA and the purchase price a note to Franklin Township equal to the non-delinquent principal and interest equal on FTMSA's Pennvest loan on the date of closing plus \$10,000 cash. However, as stated above, Pennsylvania-American will undertake an original cost study and will establish the depreciated original costs for FTMSA's utility plant based on the results of the study.

Utility plant	\$7,890,005
Accumulated depreciation	\$ 515,310
Short term debt	\$5,803,957
Cash	\$ 10,000
Acquisition Adjustment	\$1,560,738

8. There is attached a certified copy of the resolutions adopted by the Board of Directors of Pennsylvania-American authorizing the execution of the Agreement and the consummation of the proposed transfer (Exhibit I). A certified copy of the resolutions adopted by the officers of FTMSA authorizing the execution of the Agreement are attached as Exhibit J.

Effect on Service and Rates

19. The proposed transfer will have no detrimental effect on the service provided to Pennsylvania-American's existing customers or the customers transferred by FTMSA.

Pennsylvania-American believes that the proposed transfer will have a beneficial effect on the customers of FTMSA in that they will receive the benefit of Pennsylvania-American's experience in managing and operating water and wastewater systems which will result in efficiencies and improvements in the service to the customers to be transferred. Pennsylvania-American's existing customers will benefit because the acquisition will expand the customer base, over which existing costs are recovered and thereby, stabilize or reduce per-customer costs. The proposed transfer is in the public interest and satisfies the applicable standard of Section 1103 for, among other, the following reasons:

a. Pennsylvania-American has the managerial, technical and financial capabilities to safely and adequately operate the FTMSA system in compliance with the Public Utility Code, the Clean Streams Law and other requisite regulatory requirements, and to make improvements as needed, on a short and long term basis.

b. The acquisition will further the Commission's goal of regionalization. FTMSA's wastewater system will become a part of a larger organization that is viable and is committed to providing improved service in the future. Any necessary system improvements can be completed within a reasonable period of time, without adversely affecting service to Pennsylvania-American existing customers.

c. The transferred customers will be served by a large, financially sound company that has the capability to finance necessary capital additions. Given its size, access to the capital and its recognized strengths in system planning, capital budgeting and construction management, Pennsylvania-American is well-positioned to ensure that high quality wastewater

service meeting federal and state requirements is provided to FTMSA's customers and maintained for Pennsylvania-American's existing customers.

d. The transferred customers will benefit from enhanced customer service in a number of areas, such as additional bill payment options, extended customer service and call center hours, customer information and education programs.

e. The acquisition of FTMSA and Pennsylvania- American's existing operations creates opportunities for functional and operational consolidation, and associated efficiencies and cost savings.

20. The proposed transfer will have no immediate effect on the rates for service to be charged to Pennsylvania-American's existing customers. With regard to the customers to be transferred by FTMSA to Pennsylvania-American, Pennsylvania-American will adopt FTMSA's rates existing at the time of Closing. FTMSA's current rates are shown on Exhibit K.

21. Pennsylvania-American will finance the purchase with a note and cash.

22. The reason for the proposed transfer is the purchase by Pennsylvania-American of FTMSA's wastewater system.

23. Pennsylvania-American and FTMSA are not affiliated with each other.

24. FTMSA is not subject to any special or general assessments outstanding against it pursuant to Section 510 of the Public Utility Code.

**B. THE RIGHTS OF PENNSYLVANIA-AMERICAN TO OFFER OR FURNISH WASTEWATER SERVICE TO THE PUBLIC IN A PORTION OF FRANKLIN TOWNSHIP, ADAMS COUNTY, PENNSYLVANIA.**

All of the preceding and succeeding paragraphs are incorporated by reference into this sub-part B.

25. Pennsylvania-American is currently furnishing wastewater services in the service territory outlined in Paragraph 5. FTMSA currently provides wastewater services to approximately 297 customers in the area.

26. The areas served by FTMSA are shown on the map at Exhibit L and are further described on Exhibit M.

27. No additional permanent capital will be required by Pennsylvania-American for the purpose of financing the matters and things involved in this Application except as stated in paragraph 21.

28. No corporation, partnership or individual other than FTMSA is now furnishing or has corporate or franchise rights to furnish service similar to that to be rendered by Pennsylvania-American in the territory covered by this Application, and no competitive condition will be created. As part of this Application, Pennsylvania-American has requested approval to acquire, by purchase, substantially all the wastewater property and rights of FTMSA. FTMSA will permanently discontinue all wastewater service to the public.

29. The facilities to be employed are described in Paragraph 1.1 of the Agreement. Specifically excluded assets are described in Paragraph 1.2 of the Agreement.

30. Immediately upon Closing, Pennsylvania-American will adopt FTMSA's existing rates in the application territory, and apply the rules and regulations regarding conditions of service, as shown on Exhibit N.

31. The estimated annual revenues and expenses of Pennsylvania-American in the application territory are set forth in Exhibit O.

#### D. CONCLUSION

32. Approval of this Application is necessary and proper in order for the public now served by FTMSA to benefit by receiving wastewater service from a public wastewater supply company with the resources and personnel to provide safe and reliable treatment of wastewater at reasonable prices.

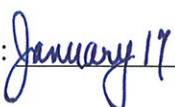
WHEREFORE, Applicant prays your Honorable Commission to issue the necessary Certificates of Public Convenience under the Public Utility Code, as amended, 66 Pa. C.S. §§1102(a), 507, authorizing:

- (a) the transfer, by sale, of substantially all the assets, properties and rights of FTMSA related to or used in connection with its wastewater system to Pennsylvania-American in accordance with the Agreement, and;
- (b) the commencement by Pennsylvania-American of wastewater service to the public in a portion of Franklin Township, Adams County, Pennsylvania, and;

Respectfully submitted,

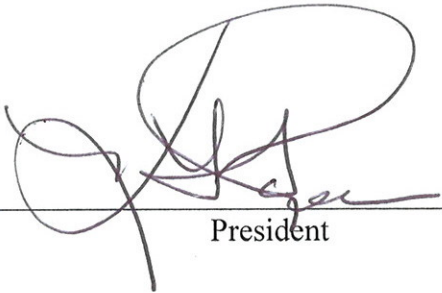


Velma A. Redmond, Esquire  
Susan D. Simms, Esquire  
Seth A. Mendelsohn, Esquire  
Counsel for  
Pennsylvania-American Water Company  
800 West Hershey Park Drive  
Hershey, PA 17033

Dated: , 2013

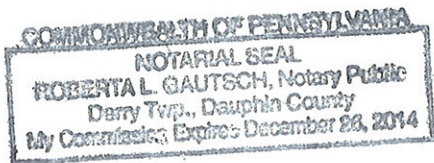
COMMONWEALTH OF PENNSYLVANIA )  
 ) SS:  
COUNTY OF DAUPHIN )

Personally appeared before me, a Notary Public in and for said Commonwealth and County, Kathy Pape, President of Pennsylvania-American Water Company who, being duly sworn according to law, deposes and says that the facts set forth in the foregoing Application are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
President

Sworn to and subscribed before me  
this 17<sup>th</sup> day of January,  
2013.

  
\_\_\_\_\_  
Notary Public



## 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); 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); 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); Wildcat Park Corporation (Schuylkill County, November 17, 2011) and Estate of George Spangenberg d/b/a Lake Spangenberg Water Company (Lackawanna County, May 3, 2012). 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 640,116 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;

## **Exhibit A**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Exhibit A**

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, Jefferson, 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, Walker 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 17,105 customers in the following municipalities:

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

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

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

Portion of the Township of Lehman in Pike County; and

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

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

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

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

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

8/27/2012

9:45 AM  
 11/10/12  
 Cash Basis

**Franklin Township Municipal Sewer Authority**  
**Balance Sheet**  
 As of November 19, 2012

	<u>Nov 19, 12</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
100.08 · Sewer Fund	250,282.08
100.23 · ACNB - Poplar Springs	11,173.16
<b>Total Checking/Savings</b>	<u>261,455.24</u>
<b>Accounts Receivable</b>	
1200 · Accounts Receivable	-1,655.27
<b>Total Accounts Receivable</b>	<u>-1,655.27</u>
<b>Total Current Assets</b>	259,799.97
<b>Fixed Assets</b>	
165.01 · Sewer lines	7,716,154.00
165.96 · Sandmound	173,850.60
<b>Total Fixed Assets</b>	<u>7,890,004.60</u>
<b>Other Assets</b>	
165.60 · Accum Deprec - Sewer plant	-466,631.78
165.99 · Accum Deprec - Sandmound	-48,678.14
<b>Total Other Assets</b>	<u>-515,309.92</u>
<b>TOTAL ASSETS</b>	<u><u>7,634,494.65</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
2100 · Payroll Liabilities	11,829.54
<b>Total Other Current Liabilities</b>	<u>11,829.54</u>
<b>Total Current Liabilities</b>	11,829.54
<b>Long Term Liabilities</b>	
261.20 · Pennvest Loan	5,803,956.88
261.30 · Note Payable - Poplar Springs	9,397.98
261.4 · Township Loan	150,000.00
<b>Total Long Term Liabilities</b>	<u>5,963,354.86</u>
<b>Total Liabilities</b>	5,975,184.40
<b>Equity</b>	
3000 · Opening Bal Equity	25.00
3900 · Retained Earnings	1,610,808.24
Net Income	-157,622.99
<b>Total Equity</b>	<u>1,659,310.25</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>7,634,494.65</u></u>

Pennsylvania-American Water Company, Inc.  
Condensed Balance Sheet  
September 30, 2012 (Unaudited)  
(Dollars in thousands)

	September 30, 2012 (Unaudited)
<b>Property, plant and equipment</b>	
Utility plant - at original cost less accumulated depreciation	\$2,816,957
Utility plant acquisition adjustments, net	\$14,693
Total Non-Utility Plant, net	\$275
Construction Work in Progress	\$64,902
<b>Total property plant and equipment</b>	<u>\$2,896,827</u>
<b>Current assets</b>	
Cash and cash equivalents	\$1,813
Accounts receivable:	
Billed, net of allowance for doubtful accounts	\$45,985
Unbilled	\$26,015
Other current assets	\$12,994
<b>Total current assets</b>	<u>\$86,807</u>
<b>Long-term assets</b>	
Regulatory assets	\$178,628
Goodwill	\$39,782
Other	\$39
<b>Total long-term assets</b>	<u>\$218,449</u>
<b>Total assets</b>	<b>\$3,202,083</b>
<b>Capitalization and Liabilities</b>	
	September 30, 2012 (Unaudited)
<b>Capitalization</b>	
Stockholder's equity:	
Common stock	\$21,507
Paid-in capital	\$684,214
Retained earnings	\$391,126
<b>Total stockholder's equity</b>	<u>\$1,096,847</u>
Long-term debt	\$1,038,395
Preferred stock without mandatory redemption requirements	\$1,720
Preferred stock with mandatory redemption requirements	\$11,252
<b>Total capitalization</b>	<u>\$2,148,214</u>
<b>Current liabilities</b>	
Notes payable - associated companies	
Short-term debt	\$85,279
Current portion of long-term debt	\$3,752
Other	\$114,759
<b>Total current liabilities</b>	<u>\$203,790</u>
<b>Long-term liabilities</b>	
Deferred income taxes	\$591,745
Other	\$138,863
<b>Total long-term liabilities</b>	<u>\$730,608</u>
<b>Contributions in aid of construction</b>	<b>\$119,471</b>
<b>Total capitalization and liabilities</b>	<b>\$3,202,083</b>

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 Accrual Basis

**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
 January 1 through November 20, 2012

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
<b>Income</b>								
<b>Cashtown/McKnightstown</b>								
<b>363.00 - Tapping Fee Revenue</b>								
General Journal	3/19/2012	10-240		to record GA...		100.08 · Sewe...	28,000.00	28,000.00
<b>Total 363.00 - Tapping Fee Revenue</b>							28,000.00	28,000.00
<b>364.50 - CDBG - Plumbing fees</b>								
Deposit	11/13/2012			to record rei...		100.08 · Sewe...	2,011.59	2,011.59
<b>Total 364.50 - CDBG - Plumbing fees</b>							2,011.59	2,011.59
<b>385.12 - C/M Sewer Income</b>								
General Journal	1/6/2012	10-202		to record 1/6/...		100.08 · Sewe...	3,228.22	3,228.22
General Journal	1/6/2012	10-203		to record 1/6/...		100.08 · Sewe...	2,860.46	6,088.68
General Journal	1/6/2012	10-204		to record 1/6/...		100.08 · Sewe...	904.12	6,992.80
General Journal	1/6/2012	10-203		to record K ...		100.08 · Sewe...	90.00	7,082.80
General Journal	1/13/2012	10-208		to record 1/1...		100.08 · Sewe...	2,565.00	9,647.80
General Journal	1/13/2012	10-209		to record 1/1...		100.08 · Sewe...	2,957.70	12,605.50
General Journal	1/13/2012	10-210		to record 1/1...		100.08 · Sewe...	2,648.50	15,254.00
General Journal	1/20/2012	10-211		to record 1/2...		100.08 · Sewe...	5,706.90	20,960.90
General Journal	1/20/2012	10-212		to record 1/2...		100.08 · Sewe...	4,233.28	25,194.18
General Journal	1/27/2012	10-213		to record 1/2...		100.08 · Sewe...	1,694.05	26,888.23
General Journal	1/27/2012	10-214		to record 1/2...		100.08 · Sewe...	5,041.87	31,930.10
General Journal	1/31/2012	10-216		to subtract py...		100.08 · Sewe...	-50.00	31,880.10
General Journal	2/3/2012	10-217		to record 2/3/...		100.08 · Sewe...	4,766.51	36,646.61
General Journal	2/3/2012	10-218		to record 2/3/...		100.08 · Sewe...	926.05	37,572.66
General Journal	2/3/2012	10-219		to record 2/3/...		100.08 · Sewe...	4,107.64	41,680.30
General Journal	2/10/2012	10-220		to record 2/1...		100.08 · Sewe...	2,750.09	44,430.39
General Journal	2/10/2012	10-221		to record 2/1...		100.08 · Sewe...	2,963.57	47,393.96
General Journal	2/10/2012	10-222		to record 2/1...		100.08 · Sewe...	3,521.06	50,915.02
General Journal	2/16/2012	10-227		to record NS...		100.08 · Sewe...	-185.34	50,729.68
General Journal	2/17/2012	10-224		to record 2/1...		100.08 · Sewe...	1,817.57	52,547.25
General Journal	2/17/2012	10-225		to record 2/1...		100.08 · Sewe...	5,628.10	58,175.35
General Journal	2/17/2012	10-225		to record mis...		100.08 · Sewe...	181.35	58,356.70
General Journal	2/24/2012	10-228		to record 2/2...		100.08 · Sewe...	2,969.05	61,325.75
General Journal	2/24/2012	10-229		to record 2/2...		100.08 · Sewe...	1,144.35	62,470.10
General Journal	3/2/2012	10-230		to record 3/2/...		100.08 · Sewe...	2,726.35	65,196.45
General Journal	3/2/2012	10-231		to record 3/2/...		100.08 · Sewe...	270.00	65,466.45
General Journal	3/3/2012	10-232		to record 3/2/...		100.08 · Sewe...	2,952.70	68,419.15
General Journal	3/9/2012	10-236		to record 3/9/...		100.08 · Sewe...	3,241.35	71,660.50
General Journal	3/9/2012	10-237		to record 3/9/...		100.08 · Sewe...	1,033.15	72,693.65
General Journal	3/9/2012	10-238		to record 3/9/...		100.08 · Sewe...	2,996.77	75,690.42
General Journal	3/10/2012	10-233		to record 3/1...		100.08 · Sewe...	90.00	75,780.42
General Journal	3/10/2012	10-234		to record py...		100.08 · Sewe...	6,857.95	82,638.37
General Journal	3/19/2012	10-241		to record 3/1...		100.08 · Sewe...	1,536.11	84,174.48
General Journal	3/19/2012	10-242		to record 3/1...		100.08 · Sewe...	3,373.10	87,547.58
General Journal	3/23/2012	10-243		to record 3/2...		100.08 · Sewe...	4,796.79	92,344.37
General Journal	3/23/2012	10-244		to record 3/2...		100.08 · Sewe...	1,752.70	94,097.07
General Journal	3/23/2012	10-245		to record 3/2...		100.08 · Sewe...	1,011.35	95,108.42
General Journal	3/30/2012	10-246		to record 3/3...		100.08 · Sewe...	1,180.00	96,288.42

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Accrual Basis

**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
 January 1 through November 20, 2012

Type	Date	Num	Name	Memo	Cir	Split	Amount	Balance
General Journal	3/30/2012	10-247		to record 3/3...	100.08	Sewe...	2,610.65	98,899.07
General Journal	3/30/2012	10-248		to record 3/3...	100.08	Sewe...	3,180.30	102,079.37
General Journal	4/10/2012	10-249		to record 4/1...	100.08	Sewe...	2,069.49	104,148.86
General Journal	4/13/2012	10-250		to record 4/1...	100.08	Sewe...	1,358.82	105,507.68
General Journal	4/19/2012	10-251		to record 4/1...	100.08	Sewe...	2,697.32	108,205.00
General Journal	5/1/2012	10-253		to record 5/1...	100.08	Sewe...	111.35	108,316.35
General Journal	5/2/2012	10-254		to record 5/2...	100.08	Sewe...	270.00	108,586.35
General Journal	5/3/2012	10-255		to record 5/3...	100.08	Sewe...	810.00	109,396.35
General Journal	5/4/2012	10-252		to record 5/4...	100.08	Sewe...	4,116.62	113,512.97
General Journal	5/4/2012	10-256		to record 5/4...	100.08	Sewe...	1,890.00	115,402.97
Deposit	5/7/2012			to record 5/7...	100.08	Sewe...	1,080.00	116,482.97
General Journal	5/8/2012	10-257		to record 5/8...	100.08	Sewe...	5,850.00	122,332.97
Deposit	5/8/2012			to record 5/8...	100.08	Sewe...	92.76	122,425.73
Deposit	5/11/2012			to record 5/1...	100.08	Sewe...	540.00	122,965.73
Deposit	5/11/2012			to record 5/1...	100.08	Sewe...	270.00	123,235.73
Deposit	5/14/2012			to record 5/1...	100.08	Sewe...	830.30	124,066.03
Deposit	5/15/2012			to record 5/1...	100.08	Sewe...	540.00	124,606.03
Deposit	5/17/2012			to record 5/1...	100.08	Sewe...	90.00	124,696.03
Deposit	5/21/2012			to record 5/2...	100.08	Sewe...	7,903.21	132,599.24
Deposit	5/21/2012			to record 5/2...	100.08	Sewe...	16,753.80	149,353.04
Deposit	5/21/2012			to record 5/2...	100.08	Sewe...	1,800.00	151,153.04
Deposit	5/21/2012			to record 5/2...	100.08	Sewe...	540.00	151,693.04
Deposit	5/22/2012			to record 5/2...	100.08	Sewe...	270.00	151,963.04
Deposit	5/23/2012			to record 5/2...	100.08	Sewe...	270.00	152,233.04
Deposit	5/25/2012			to record 5/2...	100.08	Sewe...	6,847.39	159,080.43
Deposit	5/25/2012			to record 5/2...	100.08	Sewe...	1,899.00	160,979.43
Deposit	5/29/2012			to record 5/2...	100.08	Sewe...	1,720.00	162,699.43
Deposit	5/29/2012			to record 5/2...	100.08	Sewe...	541.37	163,240.80
Deposit	5/30/2012			to record 5/3...	100.08	Sewe...	1,080.00	164,320.80
Deposit	5/30/2012			to record 5/3...	100.08	Sewe...	945.00	165,265.80
Deposit	5/31/2012			to record 5/3...	100.08	Sewe...	270.00	165,535.80
Deposit	5/31/2012			to record 5/2...	100.08	Sewe...	1,530.00	167,065.80
Deposit	5/31/2012			to record 5/3...	100.08	Sewe...	540.00	167,605.80
Deposit	6/1/2012			to record 6/1...	100.08	Sewe...	3,060.00	170,665.80
Deposit	6/1/2012			to record 6/1...	100.08	Sewe...	7,719.97	178,385.77
Deposit	6/1/2012			to record 6/1...	100.08	Sewe...	818.10	179,203.87
Deposit	6/4/2012			to record 6/4...	100.08	Sewe...	721.35	179,925.22
Deposit	6/5/2012			to record 6/5...	100.08	Sewe...	630.00	180,555.22
General Journal	6/6/2012	10-251		NSF 20 Tilliet...	100.08	Sewe...	-270.00	180,285.22
Deposit	6/6/2012			to record 6/6...	100.08	Sewe...	180.00	180,465.22
Deposit	6/7/2012			to record 6/7...	100.08	Sewe...	180.00	180,645.22
Deposit	6/8/2012			to record 6/8...	100.08	Sewe...	270.00	180,915.22
Deposit	6/12/2012			to record 6/1...	100.08	Sewe...	5,981.41	186,896.63
Deposit	6/12/2012			to record 6/1...	100.08	Sewe...	4,118.10	191,014.73
Deposit	6/12/2012			to record 6/1...	100.08	Sewe...	2,180.00	193,194.73
Deposit	6/12/2012			to record 6/1...	100.08	Sewe...	180.00	193,374.73
Deposit	6/13/2012			to record 6/1...	100.08	Sewe...	180.00	193,554.73
Deposit	6/15/2012			to record 6/1...	100.08	Sewe...	384.55	193,939.28
Deposit	6/18/2012			to record 6/1...	100.08	Sewe...	160.00	194,119.28

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**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
 January 1 through November 20, 2012

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Deposit	6/19/2012			to record 6/1...		100.08 - Sewe...	25.00	194,144.28
Deposit	6/20/2012			to record 6/2...		100.08 - Sewe...	90.00	194,234.28
Deposit	6/21/2012			to record 6/2...		100.08 - Sewe...	180.00	194,414.28
Deposit	6/22/2012			to record 6/2...		100.08 - Sewe...	2,019.75	196,434.03
Deposit	6/22/2012			to record 6/2...		100.08 - Sewe...	5,354.05	201,788.08
Deposit	6/25/2012			to record 6/2...		100.08 - Sewe...	270.00	202,058.08
Deposit	6/26/2012			to record 6/2...		100.08 - Sewe...	767.70	202,825.78
Deposit	6/27/2012			to record 6/2...		100.08 - Sewe...	90.00	202,915.78
Deposit	6/28/2012			to record 6/2...		100.08 - Sewe...	180.00	203,095.78
Deposit	6/29/2012			to record 6/2...		100.08 - Sewe...	180.00	203,275.78
Deposit	6/29/2012			to record 6/2...		100.08 - Sewe...	3,350.62	206,626.40
Deposit	6/29/2012			to record 6/2...		100.08 - Sewe...	3,922.20	210,548.60
Deposit	6/29/2012			to record 6/2...		100.08 - Sewe...	1,227.21	211,775.81
Deposit	7/3/2012			to record 7/3/...		100.08 - Sewe...	545.40	212,321.21
Deposit	7/5/2012			to record 7/5/...		100.08 - Sewe...	540.00	212,861.21
Deposit	7/6/2012			to record 7/6/...		100.08 - Sewe...	1,727.36	214,588.57
Deposit	7/6/2012			to record 7/6/...		100.08 - Sewe...	6,186.93	220,775.50
Deposit	7/6/2012			to record 7/6/...		100.08 - Sewe...	541.35	221,316.85
Deposit	7/9/2012			to record 7/9/...		100.08 - Sewe...	90.00	221,406.85
Deposit	7/9/2012			to record 7/9/...		100.08 - Sewe...	270.00	221,676.85
Deposit	7/10/2012			to record 7/1...		100.08 - Sewe...	90.00	221,766.85
Deposit	7/10/2012			to record 7/1...		100.08 - Sewe...	3,456.94	225,263.79
Deposit	7/11/2012			to record 7/1...		100.08 - Sewe...	90.00	225,353.79
General Journal	7/16/2012	10-267		to record 7/1...		100.08 - Sewe...	180.00	225,533.79
Deposit	7/16/2012			to record NS...		100.08 - Sewe...	-1,298.94	224,234.85
Deposit	7/17/2012			to record 7/1...		100.08 - Sewe...	360.00	224,594.85
Deposit	7/18/2012			to record 7/1...		100.08 - Sewe...	669.05	225,463.90
Deposit	7/19/2012			to record 7/1...		100.08 - Sewe...	180.00	225,643.90
Deposit	7/23/2012			to record 7/2...		100.08 - Sewe...	270.00	225,913.90
Deposit	7/23/2012			to record 7/2...		100.08 - Sewe...	90.00	226,003.90
Deposit	7/24/2012			to record 7/2...		100.08 - Sewe...	615.45	226,619.35
Deposit	7/24/2012			to record 7/2...		100.08 - Sewe...	180.00	226,799.35
Deposit	7/27/2012			to record 7/2...		100.08 - Sewe...	495.00	227,294.35
Deposit	7/27/2012			to record 7/2...		100.23 - ACN...	6,113.43	233,407.78
Deposit	7/27/2012			to record 7/2...		100.23 - ACN...	3,422.03	236,829.81
Deposit	7/27/2012			to record 7/2...		100.23 - ACN...	2,587.34	239,417.15
Deposit	7/27/2012			to record 7/2...		100.23 - ACN...	1,240.40	240,657.55
Deposit	7/30/2012			to record 7/3...		100.08 - Sewe...	374.54	241,032.09
Deposit	7/31/2012			to record 7/3...		100.08 - Sewe...	450.00	241,482.09
Deposit	8/3/2012			to record 8/3/...		100.08 - Sewe...	722.70	242,204.79
Deposit	8/3/2012			to record 8/3/...		100.08 - Sewe...	360.00	242,564.79
Deposit	8/7/2012			to record 8/7/...		100.08 - Sewe...	1,164.31	243,729.10
Deposit	8/8/2012			to record 8/7/...		100.08 - Sewe...	180.00	243,909.10
Deposit	8/8/2012			to record 8/8/...		100.08 - Sewe...	180.00	244,089.10
Deposit	8/9/2012			to record 8/9/...		100.08 - Sewe...	2,491.75	246,580.85
Deposit	8/9/2012			to record 8/9/...		100.08 - Sewe...	2,412.60	248,993.45
Deposit	8/9/2012			to record 8/9/...		100.08 - Sewe...	3,237.60	252,231.05
Deposit	8/9/2012			to record 8/9/...		100.08 - Sewe...	152.00	252,383.05
Deposit	8/10/2012			to record 8/1...		100.08 - Sewe...	544.07	252,927.12

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**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
 January 1 through November 20, 2012

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Deposit	8/13/2012			to record 8/1...		100.08 · Sewe...	80.00	253,017.12
Deposit	8/14/2012			to record 8/1...		100.08 · Sewe...	5,037.68	258,054.80
Deposit	8/15/2012			to record 8/1...		100.08 · Sewe...	90.00	258,144.80
Deposit	8/16/2012			to record 8/1...		100.08 · Sewe...	658.10	258,802.90
Deposit	8/20/2012			to record 8/2...		100.08 · Sewe...	180.00	258,982.90
Deposit	8/21/2012			to record 8/2...		100.08 · Sewe...	270.00	259,252.90
Deposit	8/22/2012			to record 8/2...		100.08 · Sewe...	180.00	259,432.90
Deposit	8/23/2012			to record 8/2...		100.08 · Sewe...	1,261.49	260,694.39
Deposit	8/23/2012			to record 8/2...		100.08 · Sewe...	16,175.55	276,869.94
Deposit	8/27/2012			to record 8/2...		100.08 · Sewe...	180.00	277,049.94
Deposit	8/28/2012			to record 8/2...		100.08 · Sewe...	90.00	277,139.94
Deposit	8/28/2012			to record 8/2...		100.08 · Sewe...	90.00	277,229.94
Deposit	8/28/2012			to record 8/2...		100.08 · Sewe...	180.00	277,409.94
Deposit	8/29/2012			to record 8/2...		100.08 · Sewe...	135.00	277,544.94
Deposit	8/30/2012			to record 8/3...		100.08 · Sewe...	561.35	278,106.29
Deposit	8/30/2012			to record 8/3...		100.08 · Sewe...	3,457.41	281,563.70
Deposit	8/31/2012			to record 8/3...		100.08 · Sewe...	2,350.00	283,913.70
Deposit	8/31/2012			to record 8/3...		100.08 · Sewe...	180.00	284,093.70
Deposit	8/31/2012			to record 8/3...		100.08 · Sewe...	200.00	284,293.70
Deposit	8/31/2012			to record 8/3...		100.08 · Sewe...	90.00	284,383.70
Deposit	9/4/2012			to record 9/4/...		100.08 · Sewe...	2,141.73	286,525.43
Deposit	9/4/2012			to record 9/4/...		100.08 · Sewe...	90.00	286,615.43
Deposit	9/6/2012			to record 9/6/...		100.08 · Sewe...	360.00	286,975.43
Deposit	9/7/2012			to record 9/7/...		100.08 · Sewe...	720.00	287,695.43
Deposit	9/11/2012			to record 9/1...		100.08 · Sewe...	3,177.77	290,873.20
Deposit	9/11/2012			to record 9/1...		100.08 · Sewe...	1,430.52	292,303.72
Deposit	9/11/2012			to record 9/1...		100.08 · Sewe...	360.00	292,663.72
Deposit	9/12/2012			to record 9/1...		100.08 · Sewe...	180.00	292,843.72
Deposit	9/14/2012			to record 9/1...		100.08 · Sewe...	271.35	293,115.07
Deposit	9/18/2012			to record 9/1...		100.08 · Sewe...	270.10	293,385.17
Deposit	9/19/2012			to record 9/1...		100.08 · Sewe...	270.00	293,655.17
Deposit	9/20/2012			to record 9/2...		100.08 · Sewe...	360.00	294,015.17
Deposit	9/20/2012			to record 9/2...		100.08 · Sewe...	2,804.88	296,820.05
Deposit	9/21/2012			to record 9/2...		100.08 · Sewe...	4,219.62	301,039.67
Deposit	9/25/2012			to record 9/2...		100.08 · Sewe...	180.00	301,219.67
Deposit	9/26/2012			to record 9/2...		100.08 · Sewe...	270.00	301,489.67
Deposit	9/26/2012			to record 9/2...		100.08 · Sewe...	270.00	301,759.67
Deposit	9/27/2012			to record 9/2...		100.08 · Sewe...	360.00	302,119.67
Deposit	9/28/2012			to record 9/2...		100.08 · Sewe...	3,860.76	305,980.43
Deposit	9/28/2012			to record 9/2...		100.08 · Sewe...	1,903.44	307,883.87
Deposit	9/28/2012			to record 9/2...		100.08 · Sewe...	5,595.40	313,479.27
Deposit	9/28/2012			to record 9/2...		100.08 · Sewe...	135.00	313,614.27
Deposit	9/28/2012			to record 9/2...		100.08 · Sewe...	560.30	314,174.57
Deposit	10/1/2012			to record 10/...		100.08 · Sewe...	294.05	314,468.62
Deposit	10/2/2012			to record 10/...		100.08 · Sewe...	91.35	314,559.97
Deposit	10/3/2012			to record 10/...		100.08 · Sewe...	214.11	314,774.08
Deposit	10/3/2012			to record 10/...		100.08 · Sewe...	179.94	314,954.02
Deposit	10/5/2012			to record 10/...		100.08 · Sewe...	191.35	315,145.37
Deposit	10/5/2012			to record 10/...		100.08 · Sewe...	2,768.81	317,914.18

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**Franklin Township Municipal Sewer Authority  
 Profit & Loss Detail  
 January 1 through November 20, 2012**

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Deposit	10/5/2012			to record 10/...	100.08	Sewe...	90.00	318,004.18
Deposit	10/9/2012			to record 10/...	100.08	Sewe...	360.00	318,364.18
Deposit	10/9/2012			to record 10/...	100.08	Sewe...	271.35	318,635.53
Deposit	10/10/2012			to record 10/...	100.08	Sewe...	1,081.35	319,716.88
Deposit	10/11/2012			to record 10/...	100.08	Sewe...	541.35	320,258.23
Deposit	10/11/2012			to record 10/...	100.08	Sewe...	90.00	320,348.23
Deposit	10/12/2012			to record 10/...	100.08	Sewe...	540.00	320,888.23
Deposit	10/15/2012			to record 10/...	100.08	Sewe...	181.35	321,069.58
Deposit	10/17/2012			to record 10/...	100.08	Sewe...	5,037.03	326,106.61
Deposit	10/17/2012			to record 10/...	100.08	Sewe...	181.35	326,287.96
Deposit	10/17/2012			to record 10/...	100.08	Sewe...	2,744.20	329,032.16
Deposit	10/18/2012			to record 10/...	100.08	Sewe...	561.65	329,593.81
Deposit	10/22/2012			to record 10/...	100.08	Sewe...	180.00	329,773.81
Deposit	10/23/2012			to record 10/...	100.08	Sewe...	315.00	330,088.81
Deposit	10/24/2012			to record 10/...	100.08	Sewe...	270.00	330,358.81
Deposit	10/25/2012			to record 10/...	100.08	Sewe...	270.00	330,628.81
Deposit	10/26/2012			to record 10/...	100.08	Sewe...	180.00	330,808.81
Deposit	10/29/2012			to record 10/...	100.08	Sewe...	90.00	330,898.81
Deposit	10/29/2012			to record 10/...	100.08	Sewe...	360.00	331,258.81
Deposit	10/30/2012			to record 10/...	100.08	Sewe...	451.35	331,710.16
Deposit	10/31/2012			to record 10/...	100.08	Sewe...	450.00	332,160.16
Deposit	11/1/2012			to record 11/...	100.08	Sewe...	5,843.11	338,003.27
Deposit	11/1/2012			to record 11/...	100.08	Sewe...	18,259.19	356,262.46
Deposit	11/1/2012			to record 11/...	100.08	Sewe...	3,211.83	359,474.29
Deposit	11/1/2012			to record 11/...	100.08	Sewe...	3,284.44	362,758.73
Deposit	11/1/2012			to record 11/...	100.08	Sewe...	182.40	362,941.13
Deposit	11/5/2012			to record 11/...	100.08	Sewe...	671.72	363,612.85
Deposit	11/7/2012			to record 11/...	100.08	Sewe...	360.00	363,972.85
Deposit	11/7/2012			to record 11/...	100.08	Sewe...	630.00	364,602.85
Deposit	11/13/2012			to record 11/...	100.08	Sewe...	991.35	365,594.20
Deposit	11/13/2012			to record 11/...	100.08	Sewe...	2,138.37	367,732.57
Deposit	11/13/2012			to record 11/...	100.08	Sewe...	3,177.17	370,909.74
Total 365.12 · C/M Sewer Income							370,909.74	370,909.74
<b>396.00 · Reimbursement-legal/filing fees</b>								
Deposit	8/30/2012			to record 8/3...	100.08	Sewe...	370.47	370.47
Deposit	9/4/2012			to record 9/4/...	100.08	Sewe...	118.00	488.47
Deposit	9/20/2012			to record 9/2...	100.08	Sewe...	50.00	538.47
Deposit	10/17/2012			to record Prlt...	100.08	Sewe...	50.00	588.47
Deposit	11/13/2012			to record rei...	100.08	Sewe...	1,450.50	2,038.97
Deposit	11/13/2012			to record rei...	100.08	Sewe...	50.00	2,088.97
Total 396.00 · Reimbursement-legal/filing fees							2,088.97	2,088.97

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**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
 January 1 through November 20, 2012

Type	Date	Num	Name	Momo	Clr	Split	Amount	Balance
<b>399.100 · Misc/Reserve</b>								
General Journal	3/10/2012	10-235		to record rei...		100.08 · Sewe...	247.55	247.55
General Journal	3/19/2012	10-239		to record PS L...		100.08 · Sewe...	184.00	431.55
Deposit	8/23/2012			Teledyne rei...		100.08 · Sewe...	184.75	596.30
Total 399.100 · Misc/Reserve							596.30	596.30
Total Cashtown/McKnightstown							403,606.60	403,606.60
<b>Poplar Springs</b>								
<b>360.00 · Reimbursement of legal fees</b>								
Invoice	4/10/2012	10-181	Jeffrey A. Gilland	Legal fees-M...		1200 · Accoun...	115.00	115.00
Invoice	6/11/2012	10-196	Jeffrey A. Gilland	Legal fees		1200 · Accoun...	210.00	325.00
Invoice	8/9/2012	10-200	Jeffrey A. Gilland	Legal fees		1200 · Accoun...	300.00	625.00
Total 360.00 · Reimbursement of legal fees							625.00	625.00
<b>360.01 · Court Judgement Costs</b>								
Invoice	8/14/2012	10-201	Jeffrey A. Gilland	Court Judge...		1200 · Accoun...	29.00	29.00
Total 360.01 · Court Judgement Costs							29.00	29.00
<b>364.12 · Poplar Springs Sewer Income</b>								
Invoice	3/1/2012	10-142	Karen Barlow	Sewer Fees ...		1200 · Accoun...	117.73	117.73
Invoice	3/1/2012	10-143	Bernard Mathess	Sewer Fees ...		1200 · Accoun...	117.73	235.46
Invoice	3/1/2012	10-145	Bonnie Riley	Sewer Fees ...		1200 · Accoun...	117.73	353.19
Invoice	3/1/2012	10-146	Christina E. Jones	Sewer Fees ...		1200 · Accoun...	117.73	470.92
Invoice	3/1/2012	10-147	Frank M. Delsignore	Sewer Fees ...		1200 · Accoun...	117.73	588.65
Invoice	3/1/2012	10-148	James Kline (317 P...	Sewer Fees ...		1200 · Accoun...	117.73	706.38
Invoice	3/1/2012	10-149	Jeffrey A. Gilland	Sewer Fees ...		1200 · Accoun...	117.73	824.11
Invoice	3/1/2012	10-150	Jemoz (325 Poplar ...	Sewer Fees ...		1200 · Accoun...	117.73	941.84
Invoice	3/1/2012	10-151	Jemoz (333 Poplar ...	Sewer Fees ...		1200 · Accoun...	117.73	1,059.57
Invoice	3/1/2012	10-152	Melaine Tenney	Sewer Fees ...		1200 · Accoun...	117.73	1,177.30
Invoice	3/1/2012	10-153	Octavia L. Hoffman	Sewer Fees ...		1200 · Accoun...	117.73	1,295.03
Invoice	3/1/2012	10-154	Robert L. Kline	Sewer Fees ...		1200 · Accoun...	117.73	1,412.76
Invoice	3/1/2012	10-155	Thomas J. Miller	Sewer Fees ...		1200 · Accoun...	117.73	1,530.49
Invoice	3/1/2012	10-156	William L. Hertz	Sewer Fees ...		1200 · Accoun...	117.73	1,648.22
Invoice	6/1/2012	10-182	Bernard Mathess	Sewer Fees ...		1200 · Accoun...	117.73	1,765.95
Invoice	6/1/2012	10-183	Bonnie Riley	Sewer Fees ...		1200 · Accoun...	117.73	1,883.68
Invoice	6/1/2012	10-184	Christina E. Jones	Sewer Fees ...		1200 · Accoun...	117.73	2,001.41
Invoice	6/1/2012	10-185	Frank M. Delsignore	Sewer Fees ...		1200 · Accoun...	117.73	2,119.14
Invoice	6/1/2012	10-186	James Kline (317 P...	Sewer Fees ...		1200 · Accoun...	117.73	2,236.87
Invoice	6/1/2012	10-187	Jeffrey A. Gilland	Sewer Fees ...		1200 · Accoun...	117.73	2,354.60
Invoice	6/1/2012	10-188	Jemoz (325 Poplar ...	Sewer Fees ...		1200 · Accoun...	117.73	2,472.33
Invoice	6/1/2012	10-189	Jemoz (333 Poplar ...	Sewer Fees ...		1200 · Accoun...	117.73	2,590.06
Invoice	6/1/2012	10-190	Karen Barlow	Sewer Fees ...		1200 · Accoun...	117.73	2,707.79
Invoice	6/1/2012	10-101	Melaine Tenney	Sewer Fees ...		1200 · Accoun...	117.73	2,825.52
Invoice	6/1/2012	10-192	Octavia L. Hoffman	Sewer Fees ...		1200 · Accoun...	117.73	2,943.25
Invoice	6/1/2012	10-194	Thomas J. Miller	Sewer Fees ...		1200 · Accoun...	117.73	3,060.98
Invoice	6/1/2012	10-195	William L. Hertz	Sewer Fees ...		1200 · Accoun...	117.73	3,178.71
Invoice	6/1/2012	10-197	Robert L. Kline	Sewer Fees ...		1200 · Accoun...	117.73	3,296.44
Invoice	9/1/2012	10-202	Bernard Mathess	Sewer Fees ...		1200 · Accoun...	117.73	3,414.17

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**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
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Type	Date	Num	Name	Memo	Clr	Spplt	Amount	Balance
Invoice	9/1/2012	10-203	Bonnie Riley	Sewer Fees ...		1200 · Accoun...	117.73	3,531.90
Invoice	9/1/2012	10-204	Christina E. Jones	Sewer Fees ...		1200 · Accoun...	117.73	3,649.63
Invoice	9/1/2012	10-205	Frank M. Delsignore	Sewer Fees ...		1200 · Accoun...	117.73	3,767.36
Invoice	9/1/2012	10-206	James Kline (317 P...	Sewer Fees ...		1200 · Accoun...	117.73	3,885.09
Invoice	9/1/2012	10-207	Jeffrey A. Gilland	Sewer Fees ...		1200 · Accoun...	117.73	4,002.82
Invoice	9/1/2012	10-208	Jamez (325 Poplar ...	Sewer Fees ...		1200 · Accoun...	117.73	4,120.55
Invoice	9/1/2012	10-209	Jamez (333 Poplar ...	Sewer Fees ...		1200 · Accoun...	117.73	4,238.28
Invoice	9/1/2012	10-210	Karen Barlow	Sewer Fees ...		1200 · Accoun...	117.73	4,356.01
Invoice	9/1/2012	10-211	Melaine Tenney	Sewer Fees ...		1200 · Accoun...	117.73	4,473.74
Invoice	9/1/2012	10-212	Octavia L. Hoffman	Sewer Fees ...		1200 · Accoun...	117.73	4,591.47
Invoice	9/1/2012	10-213	Robert L. Kline	Sewer Fees ...		1200 · Accoun...	117.73	4,709.20
Invoice	9/1/2012	10-214	Thomas J. Miller	Sewer Fees ...		1200 · Accoun...	117.73	4,826.93
Invoice	9/1/2012	10-215	William L. Hertz	Sewer Fees ...		1200 · Accoun...	117.73	4,944.66
<b>Total 364.12 · Poplar Springs Sewer Income</b>							<b>4,944.66</b>	<b>4,944.66</b>
<b>380.01 · Finance Chargos</b>								
Invoice	1/15/2012	10-131	Frank M. Delsignore	Finance Char...		1200 · Accoun...	41.84	41.84
Invoice	1/15/2012	10-132	James Kline (317 P...	Finance Char...		1200 · Accoun...	13.65	55.49
Invoice	1/15/2012	10-134	Melaine Tenney	Finance Char...		1200 · Accoun...	12.44	67.93
Invoice	1/15/2012	10-135	Octavia L. Hoffman	Finance Char...		1200 · Accoun...	14.49	82.42
Invoice	1/15/2012	10-136	Thomas J. Miller	Finance Char...		1200 · Accoun...	11.77	94.19
Invoice	1/15/2012	10-137	William L. Hertz	Finance Char...		1200 · Accoun...	11.77	105.96
Invoice	1/15/2012	10-180	Jeffrey A. Gilland	Finance Char...		1200 · Accoun...	167.26	273.22
Invoice	2/1/2012	10-176	Jeffrey A. Gilland	Finance Char...		1200 · Accoun...	9.20	282.42
Invoice	2/3/2012	FC 286	Frank M. Delsignore	Finance Char...		1200 · Accoun...	4.18	286.60
Invoice	2/3/2012	FC 288	James Kline (317 P...	Finance Char...		1200 · Accoun...	15.02	301.62
Invoice	2/3/2012	FC 292	Melaine Tenney	Finance Char...		1200 · Accoun...	13.69	315.31
Invoice	2/3/2012	FC 294	Octavia L. Hoffman	Finance Char...		1200 · Accoun...	15.94	331.25
Invoice	2/3/2012	FC 296	Thomas J. Miller	Finance Char...		1200 · Accoun...	12.50	343.75
Invoice	2/3/2012	FC 298	William L. Hertz	Finance Char...		1200 · Accoun...	12.45	356.20
Invoice	3/1/2012	FC 300	Frank M. Delsignore	Finance Char...		1200 · Accoun...	4.18	360.38
Invoice	3/1/2012	FC 302	James Kline (317 P...	Finance Char...		1200 · Accoun...	1.50	361.88
Invoice	3/1/2012	FC 306	Thomas J. Miller	Finance Char...		1200 · Accoun...	2.50	364.38
Invoice	3/1/2012	10-144	William L. Hertz	Finance Char...		1200 · Accoun...	1.19	365.57
Invoice	3/1/2012	10-177	Jeffrey A. Gilland	Finance Char...		1200 · Accoun...	9.25	374.82
Invoice	4/1/2012	10-178	Jeffrey A. Gilland	Finance Char...		1200 · Accoun...	9.88	384.70
Invoice	4/1/2012	FC 322	Melaine Tenney	Finance Char...		1200 · Accoun...	0.59	385.29
Invoice	4/1/2012	FC 324	Octavia L. Hoffman	Finance Char...		1200 · Accoun...	0.59	385.88
Invoice	4/1/2012	FC 326	Thomas J. Miller	Finance Char...		1200 · Accoun...	0.73	386.61
Invoice	4/1/2012	FC 328	William L. Hertz	Finance Char...		1200 · Accoun...	0.65	387.26
Invoice	5/1/2012	FC 310	Jeffrey A. Gilland	Finance Char...		1200 · Accoun...	10.50	397.76
Invoice	5/1/2012	FC 340	Melaine Tenney	Finance Char...		1200 · Accoun...	0.59	398.35
Invoice	5/1/2012	FC 342	Octavia L. Hoffman	Finance Char...		1200 · Accoun...	0.59	398.94
Invoice	5/1/2012	FC 344	Thomas J. Miller	Finance Char...		1200 · Accoun...	0.73	399.67
Invoice	5/1/2012	FC 346	William L. Hertz	Finance Char...		1200 · Accoun...	0.66	400.33
Invoice	6/3/2012	FC 350	Jeffrey A. Gilland	Finance Char...		1200 · Accoun...	10.50	410.83
Invoice	6/3/2012	FC 352	Octavia L. Hoffman	Finance Char...		1200 · Accoun...	0.59	411.42
Invoice	6/3/2012	FC 354	Thomas J. Miller	Finance Char...		1200 · Accoun...	0.73	412.15
Invoice	6/3/2012	FC 358	William L. Hertz	Finance Char...		1200 · Accoun...	0.59	412.74

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**Franklin Township Municipal Sewer Authority  
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Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Invoice	7/2/2012	10-198	Bonnie Riley	Finance Char...		1200 · Accoun...	0.59	413.33
Invoice	7/2/2012	10-199	Melaine Tenney	Finance Char...		1200 · Accoun...	0.59	413.92
Invoice	7/2/2012	FC 358	Frank M. Delsignore	Finance Char...		1200 · Accoun...	0.59	414.51
Invoice	7/2/2012	FC 360	James Kline (317 P...	Finance Char...		1200 · Accoun...	0.59	415.10
Invoice	7/2/2012	FC 362	Jeffrey A. Gilland	Finance Char...		1200 · Accoun...	12.25	427.35
Invoice	7/2/2012	FC 364	Octavia L. Hoffman	Finance Char...		1200 · Accoun...	1.19	428.54
Invoice	7/2/2012	FC 366	Thomas J. Miller	Finance Char...		1200 · Accoun...	1.33	429.87
Invoice	8/5/2012	FC 368	Frank M. Delsignore	Finance Char...		1200 · Accoun...	0.13	430.00
Invoice	8/5/2012	FC 370	James Kline (317 P...	Finance Char...		1200 · Accoun...	1.24	431.24
Invoice	8/5/2012	FC 372	Jeffrey A. Gilland	Finance Char...		1200 · Accoun...	12.31	443.55
Invoice	8/5/2012	FC 374	Melaine Tenney	Finance Char...		1200 · Accoun...	0.59	444.14
Invoice	8/5/2012	FC 376	Octavia L. Hoffman	Finance Char...		1200 · Accoun...	1.19	445.33
Invoice	8/5/2012	FC 378	Thomas J. Miller	Finance Char...		1200 · Accoun...	1.33	446.66
Invoice	9/4/2012	FC 380	James Kline (317 P...	Finance Char...		1200 · Accoun...	1.20	447.86
Invoice	9/4/2012	FC 382	Octavia L. Hoffman	Finance Char...		1200 · Accoun...	1.20	449.06
Invoice	9/4/2012	FC 384	Thomas J. Miller	Finance Char...		1200 · Accoun...	1.34	450.40
Invoice	10/1/2012	10-216	Frank M. Delsignore	Finance Char...		1200 · Accoun...	0.46	450.86
Invoice	10/1/2012	10-217	James Kline (317 P...	Finance Char...		1200 · Accoun...	1.84	452.70
Invoice	10/1/2012	10-218	Jeffrey A. Gilland	Finance Char...		1200 · Accoun...	0.59	453.29
Invoice	10/1/2012	10-219	Melaine Tenney	Finance Char...		1200 · Accoun...	0.59	453.88
Invoice	10/1/2012	10-220	Octavia L. Hoffman	Finance Char...		1200 · Accoun...	1.79	455.67
Invoice	10/1/2012	10-221	William L. Hertz	Finance Char...		1200 · Accoun...	0.59	456.26
Invoice	11/2/2012	FC 386	Christina E. Jones	Finance Char...		1200 · Accoun...	0.01	456.27
Invoice	11/2/2012	FC 388	Frank M. Delsignore	Finance Char...		1200 · Accoun...	0.46	456.73
Invoice	11/2/2012	FC 390	James Kline (317 P...	Finance Char...		1200 · Accoun...	1.85	458.58
Invoice	11/2/2012	FC 392	Jeffrey A. Gilland	Finance Char...		1200 · Accoun...	0.59	459.17
Invoice	11/2/2012	FC 394	Melaine Tenney	Finance Char...		1200 · Accoun...	0.59	459.76
Invoice	11/2/2012	FC 396	Octavia L. Hoffman	Finance Char...		1200 · Accoun...	1.80	461.56
Invoice	11/2/2012	FC 398	William L. Hertz	Finance Char...		1200 · Accoun...	0.59	462.15
Total 380.01 · Finance Charges							462.15	462.15
381.00 · AdamsElecCoop - Patronage Captl								
Deposit	1/6/2012			Deposit		100.23 · AON...	37.04	37.04
Total 381.00 · AdamsElecCoop - Patronage Captl							37.04	37.04
382.00 · Returned check charges								
Invoice	2/14/2012	10-141	Frank M. Delsignore	Bad Check C...		1200 · Accoun...	30.00	30.00
Total 382.00 · Returned check charges							30.00	30.00
Total Poplar Springs							6,127.85	6,127.85
Total Income							409,734.45	409,734.45
Gross Profit							409,734.45	409,734.45

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**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
 January 1 through November 20, 2012

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
<b>Expenses</b>								
<b>Cashtown/McKnightstown Expenses</b>								
<b>404.314 - Legal Services</b>								
Check	1/9/2012	1658	Phillips & Phillips	December 20...		100.08 - Sewe...	1,992.00	1,992.00
Check	1/25/2012	1665	Phillips & Phillips Tr...	to replenish fr...		100.08 - Sewe...	1,000.00	2,992.00
Check	2/13/2012	1669	Phillips & Phillips	January 2012	X	100.08 - Sewe...	0.00	2,992.00
Check	2/14/2012	1662	Phillips & Phillips	January 2012		100.08 - Sewe...	1,796.34	4,788.34
Check	3/10/2012	1697	Phillips & Phillips	February 2012		100.08 - Sewe...	2,082.00	6,870.34
Check	3/10/2012	1699	McNees, Wallace &...	Dec, 2011, J...		100.08 - Sewe...	32,220.00	39,090.34
Check	4/6/2012	1708	Phillips & Phillips	March 2012	X	100.08 - Sewe...	0.00	39,090.34
Check	4/10/2012	1712	Phillips & Phillips	March 2012		100.08 - Sewe...	1,676.00	40,766.34
Check	4/10/2012	1049	Phillips & Phillips	March 2012		100.23 - ACN...	115.00	40,881.34
Check	5/3/2012	1720	Phillips & Phillips	April 2012		100.08 - Sewe...	604.00	41,485.34
Check	6/11/2012	1739	Phillips & Phillips	May 2012		100.08 - Sewe...	1,342.00	42,827.34
Check	6/11/2012	1060	Phillips & Phillips	May 2012		100.23 - ACN...	210.00	43,037.34
Check	7/9/2012	1761	Phillips & Phillips	June 2012		100.08 - Sewe...	1,159.50	44,196.84
Check	7/9/2012	1064	Phillips & Phillips	June 2012		100.23 - ACN...	655.50	44,852.34
Check	8/9/2012	1789	Phillips & Phillips	July 2012		100.08 - Sewe...	2,079.00	46,931.34
Check	8/9/2012	1077	Phillips & Phillips	July 2012		100.23 - ACN...	300.00	47,231.34
Check	8/22/2012	1797	Phillips & Phillips Tr...	to replenish fr...		100.08 - Sewe...	1,000.00	48,231.34
Check	9/9/2012	1804	Phillips & Phillips	August legal f...		100.08 - Sewe...	2,454.00	50,685.34
Check	9/9/2012	1080	Phillips & Phillips	August 2012		100.23 - ACN...	85.00	51,890.34
Check	10/9/2012	1817	Phillips & Phillips	September le...		100.08 - Sewe...	1,120.00	51,890.34
Check	11/6/2012	1830	Phillips & Phillips	October legal...		100.08 - Sewe...	1,120.00	53,010.34
<b>Total 404.314 - Legal Services</b>							<b>53,010.34</b>	<b>53,010.34</b>
<b>406.110 - WC Insurance</b>								
Check	6/11/2012	1742	Hockley & O'Donnell	WC policy re...		100.08 - Sewe...	610.14	610.14
Check	7/9/2012	1762	Hockley & O'Donnell	WC policy re...		100.08 - Sewe...	623.00	1,233.14
Check	8/9/2012	1791	Hockley & O'Donnell	invoice #721...		100.08 - Sewe...	220.00	1,453.14
Check	8/9/2012	1791	Hockley & O'Donnell	invoice #721...		100.08 - Sewe...	221.00	1,674.14
Check	9/9/2012	1802	Hockley & O'Donnell	account #383...		100.08 - Sewe...	140.00	1,814.14
<b>Total 406.110 - WC Insurance</b>							<b>1,814.14</b>	<b>1,814.14</b>
<b>406.321 - Telephone</b>								
Check	1/9/2012	1651	Jamie Gebhart	reimburseme...		100.08 - Sewe...	10.00	10.00
Check	1/9/2012	1656	Jamie Gebhart	reimburseme...		100.08 - Sewe...	34.80	44.80
Check	1/9/2012	1059	CenturyLink	717-334-345...		100.08 - Sewe...	21.75	66.55
Check	2/13/2012	1673	CenturyLink	717-334-345...		100.08 - Sewe...	39.59	106.14
Check	3/10/2012	1687	Jamie Gebhart	reimburseme...		100.08 - Sewe...	10.00	116.14
Check	3/10/2012	1693	CenturyLink	717-334-345...		100.08 - Sewe...	39.43	155.57
Check	4/6/2012	1707	CenturyLink	717-334-345...		100.08 - Sewe...	39.43	195.00
Check	5/3/2012	1724	CenturyLink	717-334-345...		100.08 - Sewe...	39.35	234.35
Check	6/11/2012	1731	Jamie Gebhart	May telephone		100.08 - Sewe...	10.00	244.35
Check	6/11/2012	1740	CenturyLink	717-334-345...		100.08 - Sewe...	39.38	283.73
Check	7/9/2012	1758	CenturyLink	717-334-345...		100.08 - Sewe...	39.38	323.11
Check	7/9/2012	1764	Jamie Gebhart	July Telephone		100.08 - Sewe...	10.00	333.11
Check	8/5/2012	1775	Jamie Gebhart	August Telep...		100.08 - Sewe...	10.00	343.11
Check	8/5/2012	1779	CenturyLink	717-334-345...		100.08 - Sewe...	41.21	384.32

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**Franklin Township Municipal Sewer Authority  
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Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Check	9/9/2012	1798	Jamie Gebhart	August telep...		100.00 · Sewe...	10.00	394.32
Check	9/9/2012	1799	CenturyLink	717-334-345...		100.00 · Sewe...	42.03	436.35
Check	10/9/2012	1814	Jamie Gebhart	September T...		100.00 · Sewe...	10.00	446.35
Check	10/9/2012	1821	CenturyLink	717-334-345...		100.00 · Sewe...	41.02	487.37
Check	11/5/2012	1833	CenturyLink	717-334-345...		100.00 · Sewe...	41.29	528.66
Check	11/5/2012	1839	Jamie Gebhart	November ph...		100.00 · Sewe...	10.00	538.66
Total 406.321 · Telephone							538.66	538.66
<b>409.362 · Electric - Cashtown/McKnightsto</b>								
Check	1/9/2012	1653	NextEra Energy Ser...	account #336...		100.00 · Sewe...	3,257.96	3,257.96
Check	1/9/2012	1661	Met-Ed	100074783267		100.00 · Sewe...	724.19	3,982.14
Check	2/2/2012	1607	Met-Ed	10007478326...		100.00 · Sewe...	3,836.60	7,818.74
Check	2/13/2012	1674	NextEra Energy Ser...	electric energ...		100.00 · Sewe...	1,136.79	8,955.53
Check	2/13/2012	1675	Met-Ed	100086959754		100.00 · Sewe...	590.63	9,546.16
Check	3/10/2012	1695	Met-Ed	100086959754		100.00 · Sewe...	978.82	10,524.98
Check	3/10/2012	1696	NextEra Energy Ser...	33670-07004		100.00 · Sewe...	3,973.82	14,498.80
Check	4/10/2012	1711	Met-Ed	100086959754		100.00 · Sewe...	1,006.03	15,506.83
Check	5/3/2012	1718	NextEra Energy Ser...	33670-07004		100.00 · Sewe...	2,493.31	18,000.14
Check	6/11/2012	1732	NextEra Energy Ser...	Billing period ...	X	100.00 · Sewe...	0.00	18,000.14
Check	6/11/2012	1733	Met-Ed	100086959754		100.00 · Sewe...	863.37	18,863.51
Check	6/11/2012	1738	Met-Ed	100086959754	X	100.00 · Sewe...	0.00	18,863.51
Check	6/12/2012	1747	Met-Ed	100086959754		100.00 · Sewe...	956.81	19,820.32
Check	6/12/2012	1748	NextEra Energy Ser...	account #336...		100.00 · Sewe...	2,205.65	22,025.97
Check	8/6/2012	1773	NextEra Energy Ser...	account #336...		100.00 · Sewe...	290.36	22,316.33
Check	8/14/2012	1792	NextEra Energy Ser...	electric suppl...		100.00 · Sewe...	1,460.83	23,777.16
Check	8/14/2012	1793	Met-Ed	100086959754		100.00 · Sewe...	549.99	24,327.15
Check	10/9/2012	1810	Met-Ed	100086959754		100.00 · Sewe...	608.25	24,935.40
Check	10/9/2012	1824	NextEra Energy Ser...	electric suppl...		100.00 · Sewe...	1,457.99	26,393.39
Check	11/5/2012	1842	Met-Ed	100086959754		100.00 · Sewe...	2,685.10	29,078.49
Check	11/13/2012	1852	Met-Ed	100086959754		100.00 · Sewe...	491.72	29,570.21
Total 409.362 · Electric - Cashtown/McKnightsto							29,570.21	29,570.21
<b>414.413 · Engineering - Cashtown/McKnlwn</b>								
Check	4/6/2012	1706	Knoebel, Picarelli, I...	2/13 - 3/18/12		100.00 · Sewe...	1,087.00	1,087.00
Check	5/3/2012	1723	Knoebel, Picarelli, I...	3/19-4/15/12		100.00 · Sewe...	422.90	1,509.90
Check	11/5/2012	1844	Knoebel, Picarelli, I...	9/10-10/21/12		100.00 · Sewe...	740.00	2,249.90
Total 414.413 · Engineering - Cashtown/McKnlwn							2,249.90	2,249.90
<b>414.500 · Operations</b>								
Check	2/14/2012	1678	Angela White	independant ...	X	100.00 · Sewe...	0.00	0.00
Check	2/14/2012	1681	Angela White	independant ...		100.00 · Sewe...	90.00	90.00
Check	3/13/2012	1701	Angela White	independant ...		100.00 · Sewe...	90.00	180.00
Check	4/10/2012	1713	Angela White	independant ...		100.00 · Sewe...	120.00	300.00
Check	5/8/2012	1729	Angela White	independant ...		100.00 · Sewe...	120.00	420.00
Check	6/12/2012	1745	Angela White	independant ...		100.00 · Sewe...	150.00	570.00
Check	7/10/2012	1771	Angela White	independant ...		100.00 · Sewe...	120.00	690.00
Check	8/14/2012	1796	Angela White	independant ...		100.00 · Sewe...	150.00	840.00
Check	9/11/2012	1810	Angela White	independant ...		100.00 · Sewe...	120.00	960.00

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**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
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Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Check	10/9/2012	1813	Angela White	independant ...		100.00 · Sewe...	120.00	1,080.00
Check	11/13/2012	1849	Angela White	independant ...		100.00 · Sewe...	60.00	1,140.00
Total 414.500 · Operations							1,140.00	1,140.00
415.00 · Inspection fees								
Check	2/13/2012	1676	PA One Call Syste...	Ruelle propo...		100.00 · Sewe...	20.25	20.25
Check	5/8/2012	1728	Land and Sea Servi...	3013		100.00 · Sewe...	60.00	80.25
Check	6/11/2012	1737	PA One Call Syste...	155 high street		100.00 · Sewe...	8.10	85.35
Check	8/5/2012	1784	BFPE	fire extinguis...		100.00 · Sewe...	47.70	133.05
Total 415.00 · Inspection fees							133.05	133.05
416.00 · Outside contractor								
Check	7/9/2012	1755	Robinson's Excavat...	sewer hook-u...		100.00 · Sewe...	1,329.84	1,329.84
Total 416.00 · Outside contractor							1,329.84	1,329.84
417.500 · Delinquent connections								
Check	5/3/2012	1715	Davis-Trostle Excav...	Ruelle plumb...		100.00 · Sewe...	1,470.00	1,470.00
Total 417.500 · Delinquent connections							1,470.00	1,470.00
420.00 · Testing/Lab								
Check	1/9/2012	1655	Laboratory, Analytic...	45148		100.00 · Sewe...	675.00	675.00
Check	2/13/2012	1672	Laboratory, Analytic...	45470		100.00 · Sewe...	508.00	1,181.00
Check	3/10/2012	1698	Laboratory, Analytic...	45798		100.00 · Sewe...	506.00	1,687.00
Check	4/6/2012	1704	Laboratory, Analytic...	46086		100.00 · Sewe...	650.00	2,345.00
Check	5/3/2012	1717	Laboratory, Analytic...	46389		100.00 · Sewe...	506.00	2,851.00
Check	6/11/2012	1741	Laboratory, Analytic...	46733		100.00 · Sewe...	675.00	3,526.00
Check	8/5/2012	1774	Laboratory, Analytic...	47169		100.00 · Sewe...	546.00	4,072.00
Check	8/9/2012	1787	Laboratory, Analytic...	47543		100.00 · Sewe...	506.00	4,578.00
Check	9/9/2012	1801	Laboratory, Analytic...	47956		100.00 · Sewe...	590.00	5,168.00
Check	10/9/2012	1820	Laboratory, Analytic...	47856		100.00 · Sewe...	508.00	5,674.00
Check	11/13/2012	1847	Laboratory, Analytic...	48591		100.00 · Sewe...	550.00	6,224.00
Total 420.00 · Testing/Lab							6,224.00	6,224.00
429.10 · Biosolids removal/trash service								
Check	1/9/2012	1652	IESI - PA Corporation	1050122016		100.00 · Sewe...	115.26	115.26
Check	3/10/2012	1694	IESI - PA Corporation	1050122016		100.00 · Sewe...	121.64	235.90
Check	5/3/2012	1719	Peck's Septic Service	4/9/12		100.00 · Sewe...	1,148.40	1,385.30
Check	5/8/2012	1727	IESI - PA Corporation	1050122016		100.00 · Sewe...	121.64	1,506.94
Check	7/10/2012	1770	IESI - PA Corporation	1050122016		100.00 · Sewe...	120.84	1,627.78
Check	9/11/2012	1807	IESI - PA Corporation	1050122016		100.00 · Sewe...	128.40	1,756.18
Check	9/11/2012	1811	Parks Garbage Ser...	1st month tra...		100.00 · Sewe...	33.00	1,789.18
Check	11/5/2012	1834	Parks Garbage Ser...	11/1-11/30/12		100.00 · Sewe...	33.00	1,822.18
Total 429.10 · Biosolids removal/trash service							1,822.18	1,822.18

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**Franklin Township Municipal Sewer Authority  
 Profit & Loss Detail  
 January 1 through November 20, 2012**

Type	Date	Num	Name	Memo	Clr	Spplt	Amount	Balance
<b>420.20 - Chemicals</b>								
Check	2/13/2012	1670	George S. Coyne C...	871933		100.00 - Sewe...	1,540.24	1,540.24
Check	3/10/2012	1692	Nelderer's Pool Sal...	32646		100.00 - Sewe...	346.80	1,887.04
Check	4/8/2012	1709	George S. Coyne C...	876771		100.00 - Sewe...	692.80	2,579.84
Check	5/3/2012	1716	George S. Coyne C...	879028		100.00 - Sewe...	692.80	3,272.64
Check	6/11/2012	1734	George S. Coyne C...	879935		100.00 - Sewe...	502.00	3,774.64
Check	6/12/2012	1749	George S. Coyne C...	881682		100.00 - Sewe...	1,527.04	5,301.68
Check	8/5/2012	1777	George S. Coyne C...	885492		100.00 - Sewe...	1,387.12	6,688.80
Check	9/9/2012	1806	George S. Coyne C...	890630		100.00 - Sewe...	1,032.40	7,721.20
Check	10/9/2012	1823	George S. Coyne C...	890226		100.00 - Sewe...	557.44	8,278.64
Check	11/5/2012	1835	George S. Coyne C...	892418		100.00 - Sewe...	588.00	8,866.64
Check	11/5/2012	1836	George S. Coyne C...	891355		100.00 - Sewe...	692.80	9,559.44
Total 420.20 - Chemicals							9,559.44	9,559.44
<b>420.30 - Treatment plant supplies</b>								
Check	3/10/2012	1689	Huch Company	7621982 son...		100.00 - Sewe...	174.95	174.95
Check	3/10/2012	1690	USABlueBook	602678		100.00 - Sewe...	153.59	328.54
Check	3/10/2012	1691	Micheal White	purchase of p...		100.00 - Sewe...	116.50	445.13
Check	5/8/2012	1730	Teledyne ISCO	952320		100.00 - Sewe...	174.64	619.77
Check	6/11/2012	1735	Teledyne ISCO	903154		100.00 - Sewe...	280.59	900.36
Check	7/9/2012	1753	Michael White	purchase hos...		100.00 - Sewe...	12.51	912.87
Check	7/9/2012	1760	Adams County Auto...	purchase ball...		100.00 - Sewe...	218.00	1,130.87
Check	8/6/2012	1778	USABlueBook	726894		100.00 - Sewe...	115.09	1,245.96
Check	8/14/2012	1794	Century Manufactur...	Sewer Drain ...		100.00 - Sewe...	132.72	1,378.68
Check	9/9/2012	1808	USABlueBook	726263		100.00 - Sewe...	21.26	1,399.94
Check	10/9/2012	1818	USABlueBook	993317	X	100.00 - Sewe...	0.00	1,399.94
Check	11/5/2012	1837	USABlueBook	706886		100.00 - Sewe...	228.20	1,628.14
Check	11/5/2012	1840	Century Manufactur...	Drain cleaner...		100.00 - Sewe...	249.50	1,877.64
Check	11/5/2012	1841	American Locksmi...	abloy key for ...		100.00 - Sewe...	90.00	1,967.64
Total 420.30 - Treatment plant supplies							1,967.64	1,967.64
<b>420.370 - Maintenance Fees - C/M</b>								
Check	1/18/2012	1654	Control Systems 21	invoice #14266		100.00 - Sewe...	475.00	475.00
Check	4/8/2012	1705	Gettysburg Municip...	4835		100.00 - Sewe...	420.00	895.00
Check	7/9/2012	1751	Auro Energy	6309033		100.00 - Sewe...	638.91	1,533.91
Check	7/9/2012	1759	Penn Power Systems	3046009		100.00 - Sewe...	630.00	2,163.91
Check	7/10/2012	1769	Penn Power Systems	69980	X	100.00 - Sewe...	0.00	2,163.91
Check	8/5/2012	1781	Pyrz Water Supply ...	invoice #32440		100.00 - Sewe...	177.98	2,341.89
Check	8/5/2012	1782	Penn Power Systems	3058932		100.00 - Sewe...	1,002.15	4,144.04
Check	9/9/2012	1800	Pyrz Water Supply ...	invoice #32567		100.00 - Sewe...	614.60	4,758.64
Total 420.370 - Maintenance Fees - C/M							4,758.64	4,758.64

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**Franklin Township Municipal Sewer Authority  
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 January 1 through November 20, 2012**

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
<b>430.00 · Sewer repair</b>								
Check	2/13/2012	1871	Keith Bowling	service call/c...		100.00 · Sewe...	40.00	40.00
Check	3/10/2012	1700	Keith Bowling	electrical wor...		100.00 · Sewe...	378.83	418.83
Check	8/9/2012	1788	NAPA Auto Parts	Batter/Coro ...		100.00 · Sewe...	244.00	662.83
Check	10/9/2012	1812	Soliday's Heating & ...	electrical repair	X	100.00 · Sewe...	0.00	662.83
Check	10/18/2012	1828	Soliday's Heating & ...	electrical rep...		100.00 · Sewe...	1,270.00	1,932.83
Check	11/6/2012	1838	Keith Bowling	electrical wor...		100.00 · Sewe...	260.00	2,192.83
Check	11/13/2012	1848	Soliday's Heating & ...	AC electrical ...		100.00 · Sewe...	2,271.00	4,463.83
Check	11/13/2012	1853	Gary E. Redding	chemical roo...		100.00 · Sewe...	3,580.00	8,023.83
Total 430.00 · Sewer repair							8,023.83	8,023.83
<b>473.50 · Pennvest loan payments</b>								
Check	1/9/2012	1654	PENNVEST	February 201...		100.00 · Sewe...	19,966.53	19,966.53
Check	2/13/2012	1658	PENNVEST	March 2012 ...		100.00 · Sewe...	19,966.53	39,933.06
Check	3/10/2012	1686	PENNVEST	April 2012 pa...		100.00 · Sewe...	19,966.53	59,899.59
Check	4/9/2012	1710	PENNVEST	May 2012 pa...		100.00 · Sewe...	19,966.53	79,866.12
Check	5/3/2012	1714	PENNVEST	June 2012 pa...		100.00 · Sewe...	19,966.53	99,832.65
Check	6/11/2012	1743	PENNVEST	July 2012 pa...		100.00 · Sewe...	19,966.53	119,799.18
Check	7/9/2012	1783	PENNVEST	August 2012 ...		100.00 · Sewe...	19,966.53	139,765.71
Check	8/6/2012	1783	PENNVEST	September 2...		100.00 · Sewe...	19,966.53	159,732.24
Check	9/11/2012	1808	PENNVEST	October 2012...		100.00 · Sewe...	19,966.53	179,698.77
Check	10/9/2012	1825	PENNVEST	November 20...		100.00 · Sewe...	19,966.53	199,665.30
Check	11/8/2012	1846	PENNVEST	December 20...		100.00 · Sewe...	19,966.53	219,631.83
Total 473.50 · Pennvest loan payments							219,631.83	219,631.83
<b>474.000 · Sewer Operation &amp; Maintenance</b>								
Check	7/9/2012	1750	Commonwealth of ...	Operator Cer...		100.00 · Sewe...	100.00	100.00
Total 474.000 · Sewer Operation & Maintenance							100.00	100.00
<b>476.10 · Principal pymt on Twp loan</b>								
Check	2/14/2012	1685	Franklin Township ...	payment of to...		100.00 · Sewe...	150,000.00	150,000.00
Total 476.10 · Principal pymt on Twp loan							150,000.00	150,000.00
<b>486.351 · Property &amp; Liability Insurance</b>								
Check	8/11/2012	1742	Hockley & O'Donnell	policy renewal		100.00 · Sewe...	1,876.86	1,876.86
Check	7/9/2012	1782	Hockley & O'Donnell	policy renewal		100.00 · Sewe...	1,619.00	3,495.86
Check	9/6/2012	1803	Hockley & O'Donnell	account #383...		100.00 · Sewe...	2,472.00	5,967.86
Check	11/6/2012	1845	Hockley & O'Donnell	account #383...		100.00 · Sewe...	1,899.00	7,866.86
Total 486.351 · Property & Liability Insurance							7,867.86	7,867.86
<b>487.00 · Employer Federal W/holding Tax</b>								
General Journal	1/10/2012	10-205		to record fed...		100.00 · Sewe...	1,672.54	1,672.54
General Journal	4/12/2012	10-258		2012 1st qua...		100.00 · Sewe...	2,199.97	3,872.51
General Journal	7/10/2012	10-263		2nd quarter f...		100.00 · Sewe...	2,045.08	5,917.59
General Journal	10/9/2012	10-304		to record 3rd ...		100.00 · Sewe...	2,157.75	8,075.31
Total 487.00 · Employer Federal W/holding Tax							8,075.31	8,075.31

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**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
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Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
<b>487.10 · PA State W/holding tax</b>								
General Journal	1/10/2012	10-208		to record PA ...		100.08 · Sewe...	163.33	163.33
General Journal	4/30/2012	10-260		2012 1st qua...		100.08 · Sewe...	237.97	401.30
Check	7/9/2012	1766	PA Dept of Revenue	2nd quarterP...	X	100.08 · Sewe...	0.00	401.30
Check	7/9/2012	1767	PA Dept. of Labor a...	2nd quarter u...	X	100.08 · Sewe...	0.00	401.30
Total 487.10 · PA State W/holding tax							401.30	401.30
<b>487.20 · York/Adams w/holding Tax</b>								
General Journal	1/10/2012	10-207		to record Loc...		100.08 · Sewe...	90.45	90.45
Check	4/6/2012	1702	York Adams Tax Bu...	2011 Local E...		100.08 · Sewe...	41.77	132.22
General Journal	4/12/2012	10-259		2012 1st qua...		100.08 · Sewe...	131.77	263.99
General Journal	7/10/2012	10-285		to record 2nd...		100.08 · Sewe...	130.77	394.76
General Journal	7/27/2012	10-302		to record Yor...		100.08 · Sewe...	10.00	404.76
General Journal	10/9/2012	10-305		YATB 3rd qu...		100.08 · Sewe...	139.17	543.93
Total 487.20 · York/Adams w/holding Tax							543.93	543.93
<b>487.30 · PA Unemployment Comp. Tax</b>								
Check	11/5/2012	1843	Office of UC Tax Se...	to record un...		100.08 · Sewe...	48.81	48.81
Total 487.30 · PA Unemployment Comp. Tax							48.81	48.81
<b>499.10 · Miscellaneous/Reserve</b>								
Check	2/1/2012	1666	Franklin Township ...	reimbursame...		100.08 · Sewe...	65.88	65.88
Check	2/14/2012	1684	DAniel Ohler, PA St...	Rouille force...		100.08 · Sewe...	200.00	265.88
Check	8/14/2012	1795	Franklin Township ...	reimbursame...		100.08 · Sewe...	182.00	417.88
General Journal	8/31/2012	10-303		service charge		100.08 · Sewe...	2.26	420.13
Total 499.10 · Miscellaneous/Reserve							420.13	420.13
<b>499.990 · Bank Fee</b>								
General Journal	1/30/2012	10-215		to record \$15...		100.08 · Sewe...	15.00	15.00
General Journal	2/16/2012	10-226		to record NS...		100.08 · Sewe...	15.00	30.00
General Journal	6/6/2012	10-262		NSF 20 Tillist...		100.08 · Sewe...	15.00	45.00
General Journal	7/16/2012	10-266		to record NS...		100.08 · Sewe...	15.00	60.00
Total 499.990 · Bank Fee							60.00	60.00
<b>8860 · Payroll Expenses</b>								
Liability Check	1/13/2012		QuickBooks Payroll...	Fee for 2 dire...		100.08 · Sewe...	2.50	2.50
Paycheck	1/17/2012		Gebhart, Jamie L.	Direct Deposit		100.08 · Sewe...	539.00	541.50
Paycheck	1/17/2012		Gebhart, Jamie L.	Direct Deposit		100.08 · Sewe...	33.42	574.92
Paycheck	1/17/2012		Gebhart, Jamie L.	Direct Deposit		100.08 · Sewe...	7.82	582.74
Paycheck	1/17/2012		Gebhart, Jamie L.	Direct Deposit		100.08 · Sewe...	19.98	602.70
Paycheck	1/17/2012		White, Michael	Direct Deposit		100.08 · Sewe...	1,800.00	2,402.70
Paycheck	1/17/2012		White, Michael	Direct Deposit		100.08 · Sewe...	90.00	2,492.70
Paycheck	1/17/2012		White, Michael	Direct Deposit		100.08 · Sewe...	117.18	2,609.88
Paycheck	1/17/2012		White, Michael	Direct Deposit		100.08 · Sewe...	27.41	2,637.29
Paycheck	1/17/2012		White, Michael	Direct Deposit		100.08 · Sewe...	69.99	2,707.28
Liability Check	2/16/2012		QuickBooks Payroll...	Fee for 3 dire...		100.08 · Sewe...	3.75	2,711.03
Paycheck	2/17/2012		Gebhart, Jamie L.	Direct Deposit		100.08 · Sewe...	418.67	3,127.70
Paycheck	2/17/2012		Gebhart, Jamie L.	Direct Deposit		100.08 · Sewe...	25.03	3,153.53
Paycheck	2/17/2012		Gebhart, Jamie L.	Direct Deposit		100.08 · Sewe...	6.04	3,159.57

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**Franklin Township Municipal Sewer Authority  
Profit & Loss Detail  
January 1 through November 20, 2012**

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Paycheck	2/17/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	15.43	3,175.00
Paycheck	2/17/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	45.00	3,220.00
Paycheck	2/17/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	45.00	3,265.00
Paycheck	2/17/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	2.79	3,267.79
Paycheck	2/17/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	2.79	3,270.58
Paycheck	2/17/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	0.66	3,271.23
Paycheck	2/17/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	0.66	3,271.89
Paycheck	2/17/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	1.66	3,273.55
Paycheck	2/17/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	1.67	3,275.22
Paycheck	2/17/2012		White, Michael	Direct Deposit		100.00 · Sewe...	1,800.00	5,075.22
Paycheck	2/17/2012		White, Michael	Direct Deposit		100.00 · Sewe...	0.00	5,075.22
Paycheck	2/17/2012		White, Michael	Direct Deposit		100.00 · Sewe...	111.60	5,186.82
Paycheck	2/17/2012		White, Michael	Direct Deposit		100.00 · Sewe...	26.10	5,212.92
Paycheck	2/17/2012		White, Michael	Direct Deposit		100.00 · Sewe...	60.65	5,279.57
Liability Check	3/16/2012		QuickBooks Payroll...	Fee for 2 dire...		100.00 · Sewe...	2.90	5,282.47
Paycheck	3/16/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	820.00	6,106.47
Paycheck	3/16/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	51.21	6,159.88
Paycheck	3/16/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	11.97	6,171.65
Paycheck	3/16/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	30.59	6,202.24
Paycheck	3/16/2012		White, Michael	Direct Deposit		100.00 · Sewe...	1,800.00	8,002.24
Paycheck	3/16/2012		White, Michael	Direct Deposit		100.00 · Sewe...	390.00	8,392.24
Paycheck	3/16/2012		White, Michael	Direct Deposit		100.00 · Sewe...	135.78	8,528.02
Paycheck	3/16/2012		White, Michael	Direct Deposit		100.00 · Sewe...	31.75	8,559.77
Paycheck	3/16/2012		White, Michael	Direct Deposit		100.00 · Sewe...	81.10	8,640.87
Liability Check	4/12/2012		QuickBooks Payroll...	Fee for 3 dire...		100.00 · Sewe...	4.35	8,645.22
Paycheck	4/13/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	644.00	9,289.22
Paycheck	4/13/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	38.93	9,328.15
Paycheck	4/13/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	9.34	9,338.49
Paycheck	4/13/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	23.84	9,362.33
Paycheck	4/13/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	120.00	9,482.33
Paycheck	4/13/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	7.44	9,489.77
Paycheck	4/13/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	1.74	9,491.51
Paycheck	4/13/2012		Reichart, Jordan	Direct Deposit		100.00 · Sewe...	4.45	9,495.96
Paycheck	4/13/2012		White, Michael	Direct Deposit		100.00 · Sewe...	1,800.00	11,295.96
Paycheck	4/13/2012		White, Michael	Direct Deposit		100.00 · Sewe...	160.00	11,445.96
Paycheck	4/13/2012		White, Michael	Direct Deposit		100.00 · Sewe...	120.90	11,566.86
Paycheck	4/13/2012		White, Michael	Direct Deposit		100.00 · Sewe...	28.28	11,595.14
Paycheck	4/13/2012		White, Michael	Direct Deposit		100.00 · Sewe...	72.20	11,667.34
Liability Check	5/10/2012		QuickBooks Payroll...	Fee for 2 dire...		100.00 · Sewe...	2.90	11,670.24
Paycheck	5/11/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	553.00	12,223.24
Paycheck	5/11/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	34.29	12,257.53
Paycheck	5/11/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	8.02	12,265.55
Paycheck	5/11/2012		Gebhart, Jamie L.	Direct Deposit		100.00 · Sewe...	20.46	12,286.03
Paycheck	5/11/2012		White, Michael	Direct Deposit		100.00 · Sewe...	1,800.00	14,086.03
Paycheck	5/11/2012		White, Michael	Direct Deposit		100.00 · Sewe...	30.00	14,116.03
Paycheck	5/11/2012		White, Michael	Direct Deposit		100.00 · Sewe...	113.46	14,229.49
Paycheck	5/11/2012		White, Michael	Direct Deposit		100.00 · Sewe...	26.53	14,256.02
Paycheck	5/11/2012		White, Michael	Direct Deposit		100.00 · Sewe...	6.30	14,262.32
Liability Check	6/14/2012		QuickBooks Payroll...	Fee for 2 dire...		100.00 · Sewe...	2.90	14,265.22

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**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
 January 1 through November 20, 2012

Type	Date	Num	Name	Memo	Cir	Split	Amount	Balance
Paycheck	6/15/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	735.00	15,000.22
Paycheck	6/15/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	45.57	15,045.79
Paycheck	6/15/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	10.86	15,056.65
Paycheck	6/15/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	27.22	15,083.87
Paycheck	6/15/2012		White, Michael	Direct Deposit	100.00	Sewer...	1,000.00	16,083.87
Paycheck	6/15/2012		White, Michael	Direct Deposit	100.00	Sewer...	80.00	16,943.87
Paycheck	6/15/2012		White, Michael	Direct Deposit	100.00	Sewer...	115.32	17,059.19
Paycheck	6/15/2012		White, Michael	Direct Deposit	100.00	Sewer...	26.97	17,086.16
Paycheck	6/15/2012		White, Michael	Direct Deposit	100.00	Sewer...	0.00	17,086.16
Liability Check	7/12/2012		QuickBooks Payroll...	Fee for 2 dire...	100.00	Sewer...	2.90	17,089.06
Paycheck	7/13/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	553.00	17,642.06
Paycheck	7/13/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	34.28	17,676.34
Paycheck	7/13/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	8.02	17,684.36
Paycheck	7/13/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	20.47	17,704.83
Paycheck	7/13/2012		White, Michael	Direct Deposit	100.00	Sewer...	1,800.00	19,504.83
Paycheck	7/13/2012		White, Michael	Direct Deposit	100.00	Sewer...	0.00	19,504.83
Paycheck	7/13/2012		White, Michael	Direct Deposit	100.00	Sewer...	111.60	19,616.43
Paycheck	7/13/2012		White, Michael	Direct Deposit	100.00	Sewer...	26.10	19,642.53
Paycheck	7/13/2012		White, Michael	Direct Deposit	100.00	Sewer...	0.00	19,642.53
Liability Check	8/16/2012		QuickBooks Payroll...	Fee for 2 dire...	100.00	Sewer...	2.90	19,645.43
Paycheck	8/17/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	1,148.00	20,793.43
Paycheck	8/17/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	71.18	20,864.61
Paycheck	8/17/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	16.54	20,881.15
Paycheck	8/17/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	42.52	20,923.67
Paycheck	8/17/2012		White, Michael	Direct Deposit	100.00	Sewer...	1,000.00	21,923.67
Paycheck	8/17/2012		White, Michael	Direct Deposit	100.00	Sewer...	0.00	22,723.67
Paycheck	8/17/2012		White, Michael	Direct Deposit	100.00	Sewer...	111.60	22,835.27
Paycheck	8/17/2012		White, Michael	Direct Deposit	100.00	Sewer...	26.10	22,861.37
Paycheck	8/17/2012		White, Michael	Direct Deposit	100.00	Sewer...	0.00	22,861.37
Liability Check	9/13/2012		QuickBooks Payroll...	Fee for 2 dire...	100.00	Sewer...	2.90	22,864.27
Paycheck	9/14/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	1,085.00	23,949.27
Paycheck	9/14/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	67.27	24,016.54
Paycheck	9/14/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	15.74	24,032.28
Paycheck	9/14/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	40.17	24,072.45
Paycheck	9/14/2012		White, Michael	Direct Deposit	100.00	Sewer...	1,800.00	25,872.45
Paycheck	9/14/2012		White, Michael	Direct Deposit	100.00	Sewer...	0.50	25,872.95
Paycheck	9/14/2012		White, Michael	Direct Deposit	100.00	Sewer...	111.60	25,984.55
Paycheck	9/14/2012		White, Michael	Direct Deposit	100.00	Sewer...	28.10	26,012.65
Paycheck	9/14/2012		White, Michael	Direct Deposit	100.00	Sewer...	0.00	26,012.65
Liability Check	10/11/2012		QuickBooks Payroll...	Fee for 2 dire...	100.00	Sewer...	2.90	26,015.55
Paycheck	10/12/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	1,743.00	27,758.55
Paycheck	10/12/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	108.07	27,866.62
Paycheck	10/12/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	25.27	27,891.89
Paycheck	10/12/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	55.56	27,947.45
Paycheck	10/12/2012		White, Michael	Direct Deposit	100.00	Sewer...	1,800.00	29,747.45
Paycheck	10/12/2012		White, Michael	Direct Deposit	100.00	Sewer...	0.00	29,747.45
Paycheck	10/12/2012		White, Michael	Direct Deposit	100.00	Sewer...	111.60	29,859.05
Paycheck	10/12/2012		White, Michael	Direct Deposit	100.00	Sewer...	26.10	29,885.15
Paycheck	10/12/2012		White, Michael	Direct Deposit	100.00	Sewer...	0.00	29,885.15

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**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
 January 1 through November 20, 2012

Type	Date	Num	Name	Memo	Cir	Split	Amount	Balance
Liability Check	11/15/2012		QuickBooks Payroll...	Fee for 2 dire...	100.00	Sewer...	2.90	29,886.46
Paycheck	11/16/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	952.00	30,837.45
Paycheck	11/16/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	89.02	30,886.47
Paycheck	11/16/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	13.80	30,910.27
Paycheck	11/16/2012		Gebhart, Jamie L	Direct Deposit	100.00	Sewer...	0.00	30,910.27
Paycheck	11/16/2012		White, Michael	Direct Deposit	100.00	Sewer...	1,800.00	32,710.27
Paycheck	11/16/2012		White, Michael	Direct Deposit	100.00	Sewer...	60.00	32,770.27
Paycheck	11/16/2012		White, Michael	Direct Deposit	100.00	Sewer...	115.32	32,885.59
Paycheck	11/16/2012		White, Michael	Direct Deposit	100.00	Sewer...	26.97	32,912.56
Paycheck	11/16/2012		White, Michael	Direct Deposit	100.00	Sewer...	0.00	32,912.56
Total 6560 · Payroll Expenses							32,912.56	32,912.56
Total Cashtown/McKnightstown Expenses							543,883.40	643,653.40
<b>Poplar Springs' Expenses</b>								
<b>404.000 · Legal Services</b>								
Check	2/13/2012	1034	Phillips & Phillips Tr...	advance pym...	100.23	ACN...	500.00	500.00
Check	2/14/2012	1040	Phillips & Phillips	January 2012	100.23	ACN...	242.25	742.25
Check	3/13/2012	1046	Franklin Twp Municipal...	12/21/11 lega...	100.23	ACN...	164.00	906.25
Check	6/11/2012	1055	Phillips & Phillips	May 2012	X 100.23	ACN...	0.00	906.25
Total 404.000 · Legal Services							926.25	926.25
<b>409.361 · Electric - Poplar Springs</b>								
Check	1/9/2012	1032	Adams Electric Coo...	1231302000	100.23	ACN...	29.99	29.99
Check	2/13/2012	1035	Adams Electric Coo...	1231302000	100.23	ACN...	30.70	60.69
Check	3/10/2012	1043	Adams Electric Coo...	1231302000	100.23	ACN...	61.51	122.20
Check	5/3/2012	1051	Adams Electric Coo...	1231302000	100.23	ACN...	28.36	150.56
Check	6/11/2012	1057	Adams Electric Coo...	1231302000	100.23	ACN...	29.44	180.00
Check	7/9/2012	1063	Adams Electric Coo...	1231302000	100.23	ACN...	58.80	238.80
Check	9/9/2012	1070	Adams Electric Coo...	1231302000	100.23	ACN...	28.21	267.01
Check	10/9/2012	1086	Adams Electric Coo...	1231302000	100.23	ACN...	28.99	296.00
Check	11/5/2012	1091	Adams Electric Coo...	1231302000	100.23	ACN...	29.16	325.16
Total 409.361 · Electric - Poplar Springs							325.16	325.16
<b>414.313 · Engineering - Poplar Springs</b>								
Check	2/14/2012	1037	Knoebel, Picarulli, L...	1/1 - 1/15/12	100.23	ACN...	87.00	87.00
Check	4/8/2012	1046	Knoebel, Picarulli, L...	2/13 - 3/18/12	100.23	ACN...	104.00	191.00
Total 414.313 · Engineering - Poplar Springs							191.00	191.00
<b>429.372 · Maintenance fees - Pop Springs</b>								
Check	8/5/2012	1076	Peck's Septic Service	pumped all 1...	100.23	ACN...	1,815.00	1,815.00
Check	8/5/2012	1076	Peck's Septic Service	cleaned zube...	100.23	ACN...	135.00	1,950.00
Total 429.372 · Maintenance fees - Pop Springs							1,950.00	1,950.00

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**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
 January 1 through November 20, 2012

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
<b>471.000 · Bank Loan - Poplar Springs</b>								
Check	1/9/2012	1031	Adams County Nati...	600136027		100.23 · ACN...	257.52	257.52
Check	2/13/2012	1036	Adams County Nati...	600136027		100.23 · ACN...	122.17	379.69
Check	3/10/2012	1042	Adams County Nati...	600136027		100.23 · ACN...	122.17	501.86
Check	4/8/2012	1048	Adams County Nati...	600136027		100.23 · ACN...	122.17	624.03
Check	5/3/2012	1052	Adams County Nati...	600136027		100.23 · ACN...	122.17	746.20
Check	6/11/2012	1056	Adams County Nati...	600136027		100.23 · ACN...	122.17	868.37
Check	7/9/2012	1062	Adams County Nati...	600136027		100.23 · ACN...	122.17	990.54
Check	8/5/2012	1075	Adams County Nati...	600136027		100.23 · ACN...	122.17	1,112.71
Check	9/9/2012	1081	Adams County Nati...	600136027		100.23 · ACN...	122.17	1,234.88
Check	10/9/2012	1085	Adams County Nati...	600136027		100.23 · ACN...	257.52	1,492.40
Check	11/5/2012	1090	Adams County Nati...	600136027		100.23 · ACN...	122.17	1,614.57
<b>Total 471.000 · Bank Loan - Poplar Springs</b>							<b>1,614.57</b>	<b>1,614.57</b>
<b>481.00 · Telephone</b>								
Check	1/9/2012	1030	Jamie Gebhart	January Tele...		100.23 · ACN...	10.00	10.00
Check	3/10/2012	1041	Jamie Gebhart	February Tel...		100.23 · ACN...	10.00	20.00
Check	5/3/2012	1042	Jamie Gebhart	March/April T...		100.00 · Sewe...	20.00	40.00
Check	5/3/2012	1050	Jamie Gebhart	March/April T...		100.23 · ACN...	20.00	60.00
Check	6/11/2012	1054	Jamie Gebhart	May telephone		100.23 · ACN...	10.00	70.00
Check	7/9/2012	1072	Jamie Gebhart	July telephone		100.23 · ACN...	10.00	80.00
Check	8/5/2012	1073	Jamie Gebhart	August telep...		100.23 · ACN...	10.00	90.00
Check	9/11/2012	1082	Jamie Gebhart	August telep...		100.23 · ACN...	10.00	100.00
Check	10/9/2012	1087	Jamie Gebhart	September te...		100.23 · ACN...	10.00	110.00
Check	11/5/2012	1089	Jamie Gebhart	October telep...		100.23 · ACN...	10.00	120.00
<b>Total 481.00 · Telephone</b>							<b>120.00</b>	<b>120.00</b>
<b>499.00 · Miscellaneous</b>								
Check	3/10/2012	1044	Jamie Gebhart	reimburseme...		100.23 · ACN...	48.50	48.50
Check	4/8/2012	1047	Jamie Gebhart	reimburseme...		100.23 · ACN...	49.00	97.50
Check	6/11/2012	1056	Jamie Gebhart	quickbooks r...		100.23 · ACN...	155.95	253.45
Check	6/11/2012	1059	Hockley & O'Donnell	insurance pol...		100.23 · ACN...	37.00	290.45
Check	7/9/2012	1088	Hockley & O'Donnell	insurance pol...		100.23 · ACN...	249.20	540.05
Check	8/9/2012	1078	Franklin Township ...	deposit of fun...		100.23 · ACN...	13,363.20	13,903.25
Check	11/5/2012	1088	Hockley & O'Donnell	public official ...		100.23 · ACN...	592.00	14,495.25
<b>Total 499.00 · Miscellaneous</b>							<b>14,495.25</b>	<b>14,495.25</b>
<b>499.12 · PS Bank Fee</b>								
General Journal	2/9/2012	10-223		to record NS...		100.23 · ACN...	15.00	15.00
<b>Total 499.12 · PS Bank Fee</b>							<b>15.00</b>	<b>15.00</b>
<b>Total Poplar Springs' Expenses</b>							<b>10,637.23</b>	<b>10,637.23</b>
<b>402.311 · Auditing Services</b>								
Check	8/12/2012	1746	Sturgill & Associate...	Invoice #2362		100.00 · Sewe...	1,500.00	1,500.00
Check	8/12/2012	1061	Sturgill & Associate...	Invoice #2362		100.23 · ACN...	200.00	1,700.00
<b>Total 402.311 · Auditing Services</b>							<b>1,700.00</b>	<b>1,700.00</b>

10:24 AM  
 11/20/12  
 Accrual Basis

**Franklin Township Municipal Sewer Authority  
 Profit & Loss Detail  
 January 1 through November 20, 2012**

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
<b>404.313 · Advertising</b>								
Check	2/13/2012	1677	Gettysburg Times	advertising fe...	100.08	Sewe...	15.38	15.38
Check	2/13/2012	1033	Gettysburg Times	advertising fa...	100.23	ACN...	16.38	30.76
Check	8/8/2012	1780	Gettysburg Times	advertising fe...	100.03	Sewe...	31.80	62.64
Total 404.313 · Advertising							62.64	62.64
<b>405.353 · Sewer Secretary Bond</b>								
Check	5/3/2012	1721	Hockley & O'Donnell	38358	100.08	Sewe...	400.00	400.00
Total 405.353 · Sewer Secretary Bond							400.00	400.00
<b>406.210 · Office supplies</b>								
Check	1/9/2012	1660	Diversified Technol...	11479	100.08	Sewe...	212.35	212.35
Check	3/10/2012	1688	Jamie Gebhart	reimburseme...	100.08	Sewe...	48.50	260.85
Check	4/6/2012	1703	Jamie Gebhart	reimburseme...	100.08	Sewe...	40.00	309.85
Check	5/8/2012	1726	U.S. Postal Service	Annual PO B...	100.08	Sewe...	24.00	333.85
Check	5/8/2012	1053	U.S. Postal Service	Annual PO ...	100.23	ACN...	24.00	357.88
Check	6/11/2012	1730	Jamie Gebhart	quickbooks r...	100.08	Sewe...	166.35	514.20
Check	7/9/2012	1752	Office Suppliers Inc	copier paper/...	100.08	Sewe...	159.72	673.92
Check	7/9/2012	1754	Safeguard Busines...	Invoice 0279...	100.08	Sewe...	41.06	715.67
Check	7/9/2012	1065	Office Suppliers Inc	Copier paper/...	100.23	ACN...	17.75	733.32
Check	8/5/2012	1776	Jamie Gebhart	Norton Antivir...	100.08	Sewe...	47.69	781.01
Check	8/5/2012	1776	Jamie Gebhart	Copy of keys	100.08	Sewe...	0.24	780.26
Check	8/5/2012	1785	Adams County Loc...	#1744	100.08	Sewe...	130.00	920.26
Check	8/5/2012	1074	Jamie Gebhart	Norton Antivir...	100.23	ACN...	47.70	967.96
Check	10/9/2012	1815	Jamie Gebhart	purchase of 5...	100.08	Sewe...	28.01	996.50
Check	10/9/2012	1815	Jamie Gebhart	reimburseme...	100.08	Sewe...	0.75	997.31
Check	10/9/2012	1815	Jamie Gebhart	reimburseme...	100.08	Sewe...	13.25	1,010.56
Check	10/9/2012	1815	Jamie Gebhart	reimburseme...	100.08	Sewe...	3.57	1,014.13
Check	10/9/2012	1818	Darin Flake	reimburseme...	100.08	Sewe...	204.99	1,279.12
Check	11/5/2012	1839	Jamie Gebhart	purchase of 4...	100.08	Sewe...	6.36	1,285.48
Check	11/5/2012	1839	Jamie Gebhart	purchase of ...	100.08	Sewe...	6.63	1,291.31
Total 406.210 · Office supplies							1,291.31	1,291.31
<b>408.320 · Postage</b>								
Check	1/9/2012	1667	U.S. Postal Service	purchase 10 ...	X	100.08	Sewe...	0.00
Check	1/10/2012	1669	U.S. Postal Service	purchase 10 ...		100.08	Sewe...	320.00
Check	2/14/2012	1679	U.S. Postal Service	purchase 10 ...		100.08	Sewe...	50.00
Check	2/14/2012	1038	U.S. Postal Service	purchase 2 b...		100.23	ACN...	80.00
Check	2/14/2012	1800	U.S. Postal Service	purchase of 5...		100.08	Sewe...	254.75
Check	2/14/2012	1039	U.S. Postal Service	purchase of 5...		100.23	ACN...	254.75
Check	5/3/2012	1725	U.S. Postal Service	purchase of 3...		100.08	Sewe...	96.00
Check	6/12/2012	1744	U.S. Postal Service	3 rolls 100 3...		100.08	Sewe...	96.00
Check	7/9/2012	1705	U.S. Postal Service	3 rolls 100 3...		100.08	Sewe...	141.00
Check	8/9/2012	1790	U.S. Postal Service	3 rolls 100 3...		100.08	Sewe...	141.00
Check	9/11/2012	1809	U.S. Postal Service	3 rolls 100 3...		100.08	Sewe...	141.00
Check	10/9/2012	1815	Jamie Gebhart	postage for a...		100.08	Sewe...	5.35

10:24 AM  
 11/20/12  
 Accrual Basis

**Franklin Township Municipal Sewer Authority**  
**Profit & Loss Detail**  
 January 1 through November 20, 2012

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Check	10/9/2012	1815	Jamie Gebhart	3 rolls .45 ca...		100.00 · Sewe...	135.00	1,884.85
Check	10/9/2012	1828	U.S. Postal Service	3 rolls 100 .3...		100.00 · Sewe...	141.00	1,825.85
Total 408.320 · Postage							1,025.86	1,825.85
408.420 · Annual Fees								
Check	10/9/2012	1822	Diversified Technol...	VUB annual ...		100.00 · Sewe...	670.00	670.00
Total 408.420 · Annual Fees							670.00	670.00
Total Expense							809,240.43	589,240.43
Not Income							-159,605.98	-159,605.98

Pennsylvania-American Water Company, Inc.  
Consolidated Condensed Statement of Income  
For period ending September 30, 2012 (Unaudited)  
(Dollars in thousands)

	Period Ending September 30, 2012
<b>Operating revenues</b>	<b><u>\$547,969</u></b>
<b>Operating expenses</b>	
Operation and maintenance	\$216,964
Depreciation and amortization	\$74,053
General taxes	\$13,046
<b>Total Operating Expenses</b>	<b><u>\$304,063</u></b>
<b>Operating income</b>	<b><u>\$243,906</u></b>
<b>Other income (deductions)</b>	
Other income, net	(\$1,482)
Interest expense, net	\$62,438
	<b><u>\$60,955</u></b>
<b>Income before income taxes</b>	<b><u>\$182,951</u></b>
<b>Provision for income taxes</b>	<b><u>\$75,084</u></b>
<b>Net income</b>	<b><u>\$107,866</u></b>
<b>Dividends on preferred stock</b>	<b><u>\$77</u></b>
<b>Income to common stock</b>	<b><u>\$107,789</u></b>

**PURCHASE AGREEMENT**

**Between**

**FRANKLIN TOWNSHIP MUNICIPAL SEWER AUTHORITY AND FRANKLIN  
TOWNSHIP**

**As Seller**

**and**

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**As Buyer**

Dated as of November 12, 2012

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## PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into as of the 12th day of November, 2012, by and between FRANKLIN TOWNSHIP MUNICIPAL SEWER AUTHORITY a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania and FRANKLIN TOWNSHIP, Adams County, Pennsylvania, a township of the second class (hereinafter collectively referred to as "FTMA"), and PENNSYLVANIA-AMERICAN WATER COMPANY, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as "PAWC").

### WITNESSETH

WHEREAS, FTMA owns a public sanitary wastewater treatment system in Franklin Township, Adams County, Pennsylvania, identified with NPDES number PA 0248088; and

WHEREAS, FTMA owns a sand mound sanitary sewerage system serving approximately 14 residences in an area within Franklin Township, Adams County, Pennsylvania, known locally as "Poplar Springs" and

WHEREAS, FTMA is the operator of both the sanitary wastewater treatment system and Poplar Springs (hereinafter collectively referred to as the "Wastewater System"); and

WHEREAS, PAWC is a public water and wastewater utility operating in various areas of Pennsylvania; and

WHEREAS, FTMA wishes to sell, and PAWC desires to purchase, substantially all of the assets, properties and rights of FTMA in the Wastewater System on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, this Agreement witnesseth that for and in consideration of the respective covenants and agreements of the parties hereinafter set forth, the parties hereto, intending to be legally bound hereby, do covenant, contract and agree as follows:

## ARTICLE 1

### THE TRANSACTION

1.1 SALE AND PURCHASE OF ASSETS. Subject to the terms, representations and conditions set forth in this Agreement, at Closing, FTMA shall sell, assign, transfer, deliver and convey or cause to be sold, assigned, transferred, delivered and conveyed to PAWC, free and clear of all liens and encumbrances whatsoever (other than Permitted Exceptions as listed in Schedule 1.1 and except as expressly provided herein), and PAWC shall purchase, the Acquired Assets. "Acquired Assets" means all of FTMA's right, title, and interest in and to all of the assets, properties and rights owned by FTMA and used in the business of providing sanitary wastewater service of every kind, nature and description existing on the Closing Date, excepting only those assets listed in Section 1.2. For avoidance of doubt, PAWC and FTMA agree that, excepting only the assets specifically described in Section 1.2, or as otherwise provided in this Agreement, every asset, property and right owned by FTMA and used in the provision of sanitary wastewater service, whether real, personal, mixed, tangible or intangible, and including all the physical plant, property, equipment, and facilities comprising the existing Wastewater System owned by FTMA for providing sanitary wastewater service to the public in and about Franklin Township, Adams County, Pennsylvania, wherever located and without any other exception whatever, is included within the Acquired Assets to be conveyed hereby. Except as specifically described in Section 1.2, the Acquired Assets shall include all land and land rights (the "Real Estate"), sanitary wastewater

treatment plant, collection system, pumping stations, equipment, tools, inventory and all other sanitary wastewater system assets and appurtenances, rights, titles, and interests of FTMA in and to such land, easements, and rights of way, as described on Schedule 4.8 and Schedule 4.9 and such franchises, licenses, and permits related to FTMA's Wastewater System.

1.2 EXCLUDED ASSETS. Specifically excluded from the Acquired Assets are (i) the sewer laterals on the customer side of the curb stop; (ii) the grinder pump units of the individual homeowners; (iii) all storm water system facilities; and (iv) those assets listed on Schedule 1.2.

1.3 LIABILITIES EXCLUDED. PAWC shall not assume any liabilities of FTMA except those shown on Schedule 1.3, Transferred Liabilities. It is further understood and agreed that all obligations of any nature whatsoever, including obligations owed by FTMA to others, on the date of Closing, unless listed on Schedule 1.3, Transferred Liabilities, shall be and remain with FTMA as retained liabilities. Notwithstanding the foregoing, from and after Closing, PAWC shall assume full responsibility for providing public sanitary wastewater service in the area currently served by the Wastewater System.

1.4 ACCOUNTS RECEIVABLE Accounts receivable for sanitary wastewater services rendered through the close of business on the date of Closing shall be excluded assets as shown on Schedule 1.2, and accounts receivable for sanitary wastewater services rendered thereafter shall belong to PAWC.

## ARTICLE 2

### PURCHASE PRICE

#### 2.1 PURCHASE PRICE FOR THE WASTEWATER SYSTEM.

Subject to the terms and conditions of this Agreement, the total purchase price for the Wastewater System shall be composed of: 1) a note ("Note") issued by PAWC to FTMA equal to the non-delinquent principal and interest on FTMA's Pennsylvania Infrastructure Investment Authority ("PIIA") loan at Closing with the same interest rate and repayment schedule as the PIIA loan encumbering the FTMA system, but a payment to FTMA by PAWC at least three (3) days prior to the FTMA payment due date and 2) a cash payment of Ten Thousand (\$10,000) Dollars. The purchase price shall be payable directly to FTMA on the date of Closing by corporate check or wire transfer at PAWC's discretion. The PIIA loan will remain with FTMA. Securitization of the Note shall be by a first lien in favor of Franklin Township on all property transferred under Article 1.1, Sale and Transfer of Assets or a second in priority lien behind only a first lien in favor of PIIA, if any.

2.2 ADJUSTMENT TO THE PURCHASE PRICE. If, after the date that this Agreement is executed and prior to Closing, FTMA deems it necessary to make capital expenditures necessary to keep the Wastewater System running the Purchase Price shall be increased on a dollar for dollar basis by the amount of the FTMA's verifiable costs provided that: (i) FTMA shall have provided PAWC with copies of all relevant invoices and cancelled checks related to the capital expenditures and the improvements or modifications to be made, (ii) any such individual capital improvements and costs will have totaled more than \$500, net of any applicable insurance proceeds,

grants, contributions or advances (iii) the Adjustment shall not exceed One Hundred Thousand (\$100,000) Dollars, net of any applicable insurance proceeds, and (iv) FTMA maintains general liability, hazard and property loss insurance through Closing. Prior to incurring any capital costs greater than \$500 for which FTMA would be seeking an adjustment in the purchase to reimburse it for the provisions of this paragraph, FTMA shall notify PAWC prior to incurring the costs.

### ARTICLE 3

#### THE CLOSING

3.1 CLOSING. Subject to the terms and conditions of this Agreement, the closing of the sale and purchase of the Acquired Assets (the "Closing") shall be held at such time and date as may be mutually satisfactory to the parties hereto ("the Closing Date"), within forty five (45) days following the date on which all of the conditions set forth in Articles 7 and 8 of this Agreement have been met. Provided, however, that if Closing has not occurred on or before June 30, 2013, either party shall have the right to terminate this Agreement by written notice to the other party. The Closing Date, as referred to in this Agreement, shall be the date of Closing. Closing shall take place at PAWC's offices in Hershey, Pennsylvania.

3.2 DELIVERIES AND PROCEEDINGS AT CLOSING. Subject to the terms and conditions of this Agreement, at the Closing, FTMA shall deliver or cause to be delivered to PAWC:

3.2.1 Bills of sale and instruments of assignment duly executed by FTMA as necessary to transfer all of the Acquired Assets to PAWC;

3.2.2 The consents to transfer all contracts, intellectual property and permits;

3.2.3 One or more special warranty deeds of conveyance of the Real Estate and easements to PAWC, duly executed and acknowledged by FTMA and in recordable form, each sufficient to convey the title and rights of access to the Wastewater System;

3.2.4 The certificates, opinions and other documents required to be delivered by FTMA under this Agreement and certified resolutions evidencing the authority of FTMA as set forth in Section 4.2 hereof;

3.2.5 Evidence that any indebtedness of FTMA on the Wastewater System has been retired, except that associated with the PIIA loan;

3.2.6 All such other agreements, documents and instruments of conveyance required by this Agreement or as shall, in the reasonable opinion of PAWC and its counsel, be necessary to transfer the Acquired Assets to PAWC in accordance with this Agreement, and where necessary or desirable, in recordable form. Any such documents shall be prepared at PAWC expense; and

3.2.7 In addition to such other instruments and documents as are to be delivered to PAWC by FTMA on or prior to the Closing, as provided herein, FTMA shall deliver to PAWC at the Closing copies of all books and records and other documents maintained by FTMA relating to the Acquired Assets.

#### ARTICLE 4

##### REPRESENTATIONS AND WARRANTIES OF FTMA

4. REPRESENTATIONS AND WARRANTIES OF FTMA. FTMA represents and warrants to PAWC that:

4.1 QUALIFICATION. Franklin Township Municipal Sewer Authority is a municipal authority duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and Franklin Township is a township of the second class duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and together have all requisite power and lawful authority to own and operate the Acquired Assets and the Wastewater System as presently being conducted, and to convey the Acquired Assets to PAWC as contemplated under this Agreement.

4.2 AUTHORIZATION AND ENFORCEABILITY. The execution, delivery, performance and acceptance of this Agreement by FTMA has been, or will be at Closing, duly and validly authorized by all necessary action. This Agreement constitutes a legal, valid and binding obligation of FTMA enforceable against FTMA in accordance with its terms. FTMA has full power and authority to execute, deliver and perform this Agreement and all other agreements and instruments to be executed by FTMA in connection herewith.

4.3 NO VIOLATION OF LAWS OR AGREEMENTS. FTMA's performance of this Agreement, as of the Closing Date, shall not (i) require any further approvals or consents from any other party; (ii) violate any law, ordinance or regulation; or, (iii) conflict with or result in a breach of, or constitute a default under, any contract, lease, permit or other agreement or commitment to which FTMA is a party.

4.4 PERMITS AND COMPLIANCE WITH LAWS GENERALLY. Except as disclosed on Schedule 4.4 hereto:

4.4.1 FTMA has not knowingly violated any local, state or federal law, rule or regulation with respect to the use and operation of the Wastewater System. No outstanding notice,

citation, summons or order has been issued, no outstanding complaint has been filed, no outstanding penalty has been assessed and no investigation or review is pending or, to the knowledge of FTMA, threatened, by any authority or other person with respect to any alleged violation by FTMA relating to the Wastewater System of any law, ordinance, rule, regulation, code or order of any authority or failure to have any Permit required in connection with the operation of the Wastewater System, except, in each case where such violations or failures, individually or in the aggregate, would not have a Material Adverse Effect. "Material Adverse Effect" means a change or effect (or series of related changes or effects) which has or is reasonably likely to have a material adverse change in or effect upon the business, assets, condition (financial or otherwise), or results of operations of the Wastewater System or the Acquired Assets, taken as a whole.

4.4.2 FTMA possesses and is in compliance with all Permits required to operate the Wastewater System as presently operated and to own, lease, or otherwise hold the Acquired Assets under all applicable laws, rules, regulations, ordinances and codes, including environmental laws except, in each case where such violations or failures, individually or in the aggregate, would not have a Material Adverse Effect. The Wastewater System as operated is in compliance with all applicable laws, rules, regulations, ordinances, codes, judgments and orders except, in each case where such violations or failures, individually or in the aggregate, would not have a Material Adverse Effect. All Permits of FTMA, and the Wastewater System are in full force and effect. There are no proceedings pending or, to FTMA's knowledge, threatened that seek the revocation, cancellation, suspension or any adverse modification of any such Permits presently

possessed by FTMA other than those revocations, suspensions or modifications which do not individually or in the aggregate have a Material Adverse Effect.

4.4.3 Schedule 4.4. is a complete and accurate list of current permits issued to FTMA relating to the operation of the Wastewater System.

4.5 PENDING OR THREATENED LITIGATION. There is no known action; claim or litigation; arbitration; proceeding; judgment; injunction; audit or legal or administrative or governmental investigation pending, and none are known to be threatened against or affecting the Wastewater System or any of the Acquired Assets before any court, arbitrator or governmental authority, except as disclosed on Schedule 4.5. The parties acknowledge that, from time to time, FTMA initiates litigation for collection of accounts receivable or other purposes that inure to the benefit of FTMA which will not transfer as an Acquired Asset; such litigation is excluded from the scope of this Article. There are no known laws, ordinances, regulations or official orders now in effect or pending which could reasonably be expected to have a Materially Adverse effect on the Wastewater System or the ownership, condition or operation of the Wastewater System or the Acquired Assets, except as disclosed on Schedule 4.5.

4.6 ENVIRONMENTAL MATTERS. Except as expressly set forth on Schedule 4.6 hereto, and with such exceptions as are not reasonably likely, individually or in the aggregate, to have a Material Adverse Effect:

4.6.1 FTMA has not disposed of or arranged for the disposal of or released any Hazardous Substances, other than in conformity with applicable laws and regulations, at any

Real Estate, or at any other facility, location, or site to be transferred to PAWC pursuant to the terms of this Agreement.

4.6.2 FTMA has not received any written notice or request for information with respect to, and to the best of FTMA's knowledge, FTMA has not been designated a potentially liable party for remedial action or response costs, in connection with any Real Estate, or, as of the date hereof, with respect to the Acquired Assets or the operation of the Wastewater System, at any other facility, location, or other site under the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or comparable state statutes.

4.6.3 To the best of FTMA's knowledge, except for such use or storage of Hazardous Substances as is incidental to the operation of the Wastewater System, which use and storage is or has been in compliance with applicable laws and regulations, no Real Estate has been used for the storage, treatment, generation, processing, production or disposal of any Hazardous Substances or as a landfill or other waste disposal site in violation of any law, rule or regulation.

4.6.4 During the period that FTMA has owned the Real Estate, underground storage tanks (other than tanks for the storage of water) are not, and have not in the past, been located on or under any Real Estate. FTMA has no knowledge of any underground storage tanks (other than tanks for the storage of water) located on or under any Real Estate prior to the time FTMA acquired the Real Estate.

4.6.5 There are no pending or unresolved claims against FTMA or the Wastewater System for investigatory costs, cleanup, removal, remedial or response costs, or natural resource damages arising out of any releases or threat of release of any Hazardous Substances at any

Real Estate or, as of the date hereof, with respect to the Wastewater System or the Acquired Assets or any other facility, location, or other site.

4.6.6 To the best of FTMA's knowledge, no polychlorinated biphenyls ("PCBs") or asbestos-containing materials are located at or in any Real Estate in violation of Environmental Laws or which require remedial action.

4.6.7 FTMA will within thirty (30) days of the date hereof provide PAWC with copies of all written environmental audits or investigations of which FTMA is aware (after due inquiry) prepared for the Real Estate or operations of the Wastewater System.

4.7 BROKERAGE. FTMA has not made any agreement or taken any other action which might cause any person to become entitled to a broker's or finder's fee or commission as a result of the transactions contemplated hereunder which could result in liability to PAWC.

4.8 REAL ESTATE. Schedule 4.8 is a complete and accurate list of the Real Estate. FTMA at Closing hereunder will convey and transfer to PAWC, indefeasible, good and marketable legal and equitable title to the Real Estate, free and clear of all liens, encumbrances and easements, excepting however, the following instruments of record: existing building restrictions, ordinances, easements of roads, privileges or rights of public service companies, if any; or easements or restrictions visible upon the ground or the previously mentioned PIIA loan ("Permitted Exceptions"), otherwise the title to the above described real estate shall be good and marketable or such as will be insured by any reputable Title Insurance Company at the regular rates. FTMA has no knowledge of any default or breach under any of the covenants, conditions, restrictions, rights of way or easements, if any, affecting all or any portion of the Real Estate, and there is no pending condemnation, eminent domain or similar proceeding affecting any of the Real Estate, and to the best

knowledge of FTMA, no such proceeding is threatened. FTMA has not received any written or oral notice of assessment against any of the Real Estate which remains unpaid. To the best of FTMA's knowledge, information and belief, there are no toxic or other dangerous conditions of the property.

4.9 EASEMENTS. To the best of FTMA's knowledge, information and belief, Schedule 4.9, which shall be updated as of Closing, is a complete and accurate list of all easements and rights of way over the real property of others used by FTMA in the operation of the Wastewater System or on which any of the Acquired Assets are located ("Easements"). FTMA and PAWC agree to cooperate to identify and obtain all necessary rights-of-way prior to Closing. Upon execution of this Agreement, FTMA shall forward all documentation with respect to its rights-of-way, both recorded and unrecorded, at FTMA's expense to PAWC. PAWC will conduct a rights-of-way abstract, at PAWC's expense, to determine whether FTMA has continuous rights-of-way for all of its wastewater lines and other facilities and that such rights are represented by legal instruments in appropriate form duly recorded. Upon notification from PAWC that the rights-of-way for the Wastewater System are not sufficient for the operation of the Wastewater System, FTMA will cooperate with PAWC to exercise FTMA's eminent domain authority to secure such additional rights-of-way as PAWC requests, provided, however, FTMA shall not be obligated to spend more than \$15,000, to secure such additional rights-of-way. If, after good faith effort, FTMA is unable to obtain and transfer to PAWC at Closing, title to all Easements necessary for the maintenance and operations of the Wastewater System, free and clear of all liens, judgments, ground rents, leases, tenancies, licenses, covenants, conditions, restrictions, other easements, encroachments and any other matters affecting title (other than Permitted Exceptions) either FTMA or PAWC may cancel this Agreement without

penalty. The title to be conveyed by FTMA to PAWC shall be insurable at regular rates by a reputable title insurance company, selected by PAWC and authorized to do business in Pennsylvania.

4.10 PERSONALTY. Except as otherwise indicated on Schedule 4.10, FTMA owns, free and clear of all liens, or leases from others under valid and enforceable leases not presently in default, all personal property in its possession or which is used or required for operation and maintenance of the Wastewater System as it is now conducted.

4.11 LEASES Schedule 4.11, which shall be updated as of Closing, contains a complete and accurate list of each lease of real property to which FTMA is a party ("Lease"). FTMA shall, prior to Closing, deliver, to PAWC a true, correct and complete copy of each Lease. Each Lease is valid and subsisting and in full force and effect in accordance with its terms and has not been modified, in writing or otherwise. Each Lease, or a memorandum thereof, is properly recorded in the land records of the county in which the respective property is located. To the best of FTMA's knowledge there has been no default or event which, with the giving of notice or the passage of time, or both, would constitute a material default on the part of FTMA or any landlord under each such Lease, and FTMA has not asserted a defense to offset or claim against any payment or performance which is the obligation of FTMA pursuant thereto. At Closing hereunder, FTMA shall deliver to PAWC a landlord estoppel certificate form reasonably satisfactory to PAWC from each landlord under each Lease under which FTMA is Lessee.

4.12 CONTRACTS. As of the date of this Agreement, Schedule 4.12 contains a complete and accurate list of all contracts, commitments, agreements and instruments relating to the Wastewater System and all leases of personal property related to the Wastewater System ("Contracts"). FTMA shall, prior to Closing, deliver to PAWC a correct and complete copy of each

written agreement listed in Schedule 4.12. Except as disclosed on Schedule 4.12, with respect to each Contract, neither FTMA nor, to the best of FTMA's knowledge, any other party thereto, is in breach or default, and no event has occurred which with notice or lapse of time would constitute a breach or default by FTMA, or permit termination, modification, or acceleration, under the Contract. Except as set forth in Schedule 4.12, there are no disputes pending or to the best of FTMA's knowledge, threatened under or in respect of any of the Contracts. Schedule 4.12 shall be updated as of Closing.

4.13 TAXES. To the extent required, FTMA has (a) timely filed all material returns and reports for Taxes, including information returns, that are required to have been filed in connection with, relating to, or arising out of, the Wastewater System, (b) paid all Taxes that are shown to have come due pursuant to such returns or reports and (c) paid all other material Taxes not required to be reported on returns in connection with, relating to, or arising out of, or imposed on the Acquired Assets for which a notice of assessment or demand for payment has been received or which have otherwise become due. To the best of the FTMA's knowledge, all such returns or reports have been prepared in accordance with all applicable laws and requirements in all material respects. None of the Acquired Assets (a) is property that is required to be treated as owned by another Person pursuant to the "safe harbor lease" provisions of former Section 168(f)(8) of the Code; (b) is "tax-exempt use property" within the meaning of Section 168(h) of the Code or (c) directly or indirectly secures any debt the interest on which is tax-exempt under Section 103(a) of the Code.

4.14 LIABILITIES. Schedule 4.14, which shall be updated as of Closing, contains a complete and accurate list of all financial indebtedness of the FTMA related to the Wastewater System. Such list includes the person to whom such indebtedness is owed, the interest rates

applicable to such indebtedness, and a description of the property securing such indebtedness. FTMA has no liabilities with respect to the Wastewater System, either direct or indirect, matured or unmatured or absolute, contingent or otherwise, except those liabilities expressly set forth at Schedule 4.14.

4.15 CUSTOMER ADVANCES. Schedule 4.15 is a complete and accurate list of all unexpired customer advances for construction held by FTMA as of the date of this Agreement. Prior to Closing, FTMA shall complete the construction of all mains and facilities for which FTMA has received customer advances and return all unexpended customer advances to the appropriate depositor. Provided, however, that for projects acceptable to and approved in writing by PAWC, FTMA may pay over to PAWC the unexpended, non-refundable customer advances, and PAWC shall assume all of the responsibility of the FTMA as to those unexpired customer advances for construction and shall be bound by the terms and conditions contained in those Extension Deposit Agreements. PAWC shall not assume any responsibility for any unexpired customer advances for construction received by FTMA, or for any Extension Deposit Agreements to which FTMA is or becomes a party, except as specifically agreed to in writing. Schedule 4.15 may be updated prior to Closing at the mutual consent of the parties.

4.16 FREE WASTEWATER SERVICE. FTMA represents and warrants that it has not entered into any contracts to provide free wastewater service to any customer that would require PAWC to do the same in the event the Wastewater System is owned by PAWC, except those shown on Schedule 1.3, Transferred Liabilities.

## ARTICLE 5

## REPRESENTATIONS AND WARRANTIES OF PAWC

5. REPRESENTATIONS AND WARRANTIES OF PAWC. PAWC represents and warrants to FTMA that:

5.1 QUALIFICATION. PAWC is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to own, lease and operate the Wastewater System.

5.2 AUTHORIZATION AND ENFORCEABILITY PAWC has full corporate power and corporate authority to execute, deliver and perform this Agreement. The execution, delivery and performance by PAWC of this Agreement have been duly authorized by all necessary corporate action. This Agreement constitutes a legal, valid and binding obligation of PAWC, enforceable against PAWC in accordance with its terms. As of the Closing Date, each of the transaction documents to which PAWC is a party will be duly executed and delivered by PAWC and will constitute the legal, valid and binding obligation of PAWC, enforceable against PAWC in accordance with its respective terms.

5.3 NO VIOLATION OF LAWS OR AGREEMENTS. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated by this Agreement as of Closing will not, violate any provision of law or conflict with, result in a breach of, or constitute a default under, the terms, conditions or provisions of any agreement, contract or other instrument to which PAWC is a party.

5.4 BROKERAGE. PAWC has not made any agreement or taken any other action which might cause any person to become entitled to a broker's or finder's fee or commission as a result of the transactions contemplated hereunder which could result in liability to FTMA.

## ARTICLE 6

### COVENANTS

6.1 COVENANTS OF FTMA. From and after the date of this Agreement FTMA covenants and agrees that:

6.1.1 Conduct of Business. FTMA will operate the Wastewater System until the Closing only in the ordinary course of business substantially as it heretofore has been operated and in accordance with all applicable local, state, and federal laws, rules and regulations.

6.1.2 Contracts and Commitments. Except normal and usual commitments for the purchase of materials and supplies consistent with past practice, no contract or commitment shall be entered into by or on behalf of FTMA relating to the Wastewater System which would materially affect the operation of the Wastewater System after Closing, except for those commitments approved in writing by PAWC.

6.1.3 Release of Liens. FTMA will take all reasonable action necessary to cause the release, cancellation and discharge of any and all liens or encumbrances, so that as of the Closing date, the Acquired Assets will be free and clear of any and all such liens and encumbrances (other than the Permitted Exceptions, Schedule 1.1).

6.1.4 Material Events and Circumstance. FTMA shall promptly inform PAWC in writing of any specific event or circumstance of which FTMA is aware, or of which FTMA receives notice, that has or is likely to have, individually or in the aggregate, taken together with the other events or circumstances, a Material Adverse Effect on the Acquired Assets.

6.1.5 Supplemental Information.

6.1.5 (a) FTMA shall provide PAWC, within fifteen (15) days of execution or the date of receipt thereof, a copy of (a) each contract entered into by FTMA after the date hereof and prior to Closing relating to the Wastewater System; (b) a copy of any written notice of assessments for public improvements against any Real Estate received after the date hereof and prior to Closing; and (c) a copy of the filing of any condemnation, eminent domain or similar proceeding affecting all or any portion of any of the Real Estate received after the date hereof but prior to the Closing.

6.1.5 (b) Within fifteen (15) days of the receipt of notice of violation, FTMA shall notify PAWC of any violations of state or federal standards.

6.1.6 Title Information. Within forty-five (45) days following the execution of this Agreement, FTMA shall use its reasonable efforts to deliver to PAWC true, correct and complete copies of all existing title policies, surveys, leases, deeds, instruments and agreements relating to title to the Real Estate in FTMA's possession.

6.1.7. Regulatory Consents. FTMA shall at all times, use its best efforts and diligently pursue all approvals, authorizations, consents and permits required to be obtained to consummate the transaction contemplated by this Agreement, including approval of any necessary revision to the Act 537 Plan. FTMA shall (i) as promptly as practicable, make or cause to be made such filing and submissions under the laws, rules and regulations applicable to it as may be required for FTMA to sell the Acquired Assets pursuant to the terms of this Agreement; and (ii) keep PAWC apprised of the status of any filing or submission to any such governmental or regulatory agency.

6.1.8. Storm Water System. Franklin Township will retain ownership of all storm water system facilities, and retain ordinances, if any, that enforce that no storm water system facilities shall be connected to or cause storm water infiltration into the Wastewater System. Schedule 6.1.8 is a complete and accurate list of such ordinances. Such ordinances shall be no less restrictive on storm water discharges after Closing than they were prior to Closing. If, at any time after Closing, PAWC identifies municipal storm water lines interconnected with the Wastewater System, PAWC may at its sole cost and discretion, disconnect such storm water lines from the Wastewater System and tie them into the municipal storm water system.

6.1.9. Township Tap-in Ordinance – FTMA will keep its tap-in ordinances in effect after Closing. Any revision to the FTMA tap-in ordinances applicable to PAWC’s Pennsylvania Public Utility Commission (“PUC”) certificated service territory would require PAWC consent. FTMA acknowledges that PAWC will not certificate territory along the Wastewater System Improvements’ pipeline route with its application to acquire FTMA, but, after Closing, FTMA shall cooperate with PAWC if it applies for certificated territory along the Pipeline route.

6.2 COVENANTS OF PAWC. From and after the date of this Agreement PAWC covenants and agrees that:

6.2.1 Staff Retention. PAWC will not offer employment to any current FTMA employee.

6.2.2. Rates. At Closing, PAWC will implement rates for FTMA as shown at Schedule 6.2.2, which rates shall represent the maximum allowable rates charged to wastewater customers. Those maximum rates shall remain in effect until October, 31, 2014, provided, however, that the October 31, 2014 date shall be extended one calendar month for each calendar month that the Closing Date is delayed beyond December 31, 2012. By way of example, if the Closing Date is January 31, 2013, the rates shown in Schedule 6.2.2 shall be the maximum permissible rate through November 30, 2014. In addition, PAWC will use its best efforts to utilize Act 11 of 2012 to reduce the rates charged to the wastewater customers that may be included in PAWC's next base rate filing.

6.2.3. RESERVED.

6.2.4 Expansion and Improvements to the Wastewater System.

PAWC will engineer, design and construct at its expense, a wastewater line to interconnect the Hamiltonban Township wastewater system to the FTMA Wastewater System to serve residents in Hamiltonban Township from the existing FTMA facilities (the "Wastewater System Improvements"). PAWC will use its best efforts to secure DEP approval and permits, and shall prepare all regulatory applications, plans and documents required for the Wastewater System Improvements, at PAWC's expense. The Wastewater System Improvements will be constructed within a reasonable time frame after DEP's approval of the Wastewater System Improvements and PAWC's receipt of all required permits.

6.3 FURTHER ASSURANCES Each party to this Agreement shall cooperate and deliver such instruments and take such action as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement and the transactions

contemplated hereby. After the Closing, each party shall take such other actions and execute such other documents, certifications, and further assurances as FTMA or PAWC, as the case may be, may reasonably require in order to transfer more effectively to PAWC or to put PAWC more fully in possession of any of the Acquired Assets.

## ARTICLE 7

### PENNSYLVANIA PUBLIC UTILITY COMMISSION APPROVAL

7. PENNSYLVANIA PUC APPROVAL. The parties recognize and expressly agree that:

7.1 The consummation of the transaction is conditioned upon the approval of the PUC. PAWC covenants and agrees to initiate, and faithfully prosecute the necessary proceedings to obtain the approval of the PUC for: (a) the transfer by sale of FTMA's Acquired Assets to PAWC; (b) the right of PAWC to provide wastewater service to the public in areas presently being served by FTMA; (c) the right of PAWC to provide sanitary wastewater service to the public in additional areas of Franklin Township ; and (d) the right of PAWC to adopt FTMA's wastewater rates in the area to be served at the time of Closing and to apply PAWC's existing rules and regulations for wastewater service as set forth in PAWC's duly filed and effective tariff generally applicable to its services at the time of Closing. FTMA, by this Agreement, covenants and agrees to provide such information, documents and assistance as may be reasonably requested by PAWC in connection with any such proceedings and to otherwise cooperate in the initiation and prosecution of any such proceeding.

## ARTICLE 8

### CONDITIONS PRECEDENT

8.1 CONDITIONS PRECEDENT TO PAWC'S OBLIGATIONS. The

obligation of PAWC to consummate the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing, of each of the following conditions (any one or more of which may be waived in writing in whole or in part by PAWC in its sole discretion):

8.1.1 Representations and Warranties. FTMA's representations and warranties set forth in this Agreement or in any Schedule, list, certificate or document delivered pursuant to the provisions of this Agreement shall be true in all material respects at and as of the time of Closing with the same force and effect as though such representations and warranties were made at and as of such time, and FTMA shall deliver to PAWC a certificate executed by its proper representatives, and dated the Closing Date, certifying to the foregoing.

8.1.2 Performance of Agreements. FTMA shall have performed and complied with in all material respects all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, and FTMA shall deliver to PAWC a certificate executed by its proper representatives, and dated the Closing Date, to such effect.

8.1.3 Adverse Change. There shall not have been a Material Adverse Change, occurrence or casualty, financial or otherwise, to the Wastewater System or the Acquired Assets, whether covered by insurance or not.

8.1.4 Release of Liens. All necessary action shall have been taken to cause the release, cancellation and discharge of any and all liens and encumbrances so that as of the Closing, the Acquired Assets shall be free and clear of any and all liens and encumbrances (other than Permitted Exceptions, Schedule 1.1), and FTMA shall have provided PAWC with such opinions,

instruments or documents as PAWC may reasonably request, and in form and substance satisfactory to PAWC, evidencing the release, cancellation and discharge of any and all liens and encumbrances (other than Permitted Exceptions, Schedule 1.1) and that the Acquired Assets are not subject to any liens or encumbrances (other than Permitted Exceptions, Schedule 1.1). In the event FTMA is unable to convey title to the Acquired Assets to PAWC at the Closing in accordance with the terms of this Agreement, PAWC shall have the option of: (a) accepting such title as FTMA is able to convey without abatement of the purchase price; or (b) canceling this Agreement in which case this Agreement shall be of no further force or effect and neither of the parties hereto shall have any further liability hereunder.

8.1.5 Pennsylvania PUC Approval. The Pennsylvania PUC shall have issued an order, which order shall have become final and unappealable, approving the transactions set forth at Article 1.1 on the terms contained in Article 7.

8.1.6 Other Regulatory Consents. PAWC shall have obtained the written, final and unappealable approvals, authorizations and consents (including consents for permit transfers) that are required to consummate the transactions contemplated by this Agreement, including without limitations the approval of every regulatory agency of federal, state or local government that may be required in the opinion of either PAWC or FTMA.

8.1.7 Act 537 Plans. Franklin Township shall have approved a revised Act 537 Plan to provide for the transfer of the Wastewater System to PAWC, for the provision of wastewater services by PAWC, and for the proposed Wastewater System Improvements, which revised plan shall be prepared by PAWC at the expense of PAWC.

8.1.8 Wastewater System. Franklin Township shall have agreed in writing to (i) adopt and/or retain ordinances establishing rules and regulations consistent with PAWC's duly filed and approved Tariff rules and regulations for the making of connections and use of the Wastewater System; and (ii) enforce the provisions of such ordinances at all times.

8.1.9 Certification of Financial Information. FTMA shall have delivered to PAWC a certificate, in substantially the form set forth at Schedule 8.1.9, executed by its authorized representative and in form and substance satisfactory to PAWC, listing (i) the amount of its net outstanding long-term debt or notes, if any, related to the Wastewater System, (ii) all unexpired customers' advances for construction and unexpended contributions in aid of construction as of the Closing date, and (iii) any and all additions or retirements to the Wastewater System during the period from the date of this Agreement to the Closing date, together with the cost thereof.

8.1.10 List of Materials and Supplies. FTMA shall have delivered to PAWC a certificate listing all materials and supplies owned by FTMA as of the Closing related to the operation or maintenance of the Wastewater System.

8.1.11 Opinion of Counsel. FTMA shall have delivered to PAWC a favorable written opinion of FTMA's counsel, dated as of the Closing Date and addressed to PAWC, in form and substance satisfactory to PAWC, to the effect set forth in Schedule 8.1.11.

8.1.12 Contractual Consent. FTMA shall have obtained written approvals, authorizations and consents of transfer to all material transferable or assignable contracts, agreement, licenses and permits to the extent specifically required by the terms of such contracts, agreements, licenses or permits.

8.1.13 Delivery of Documents. FTMA shall have delivered to PAWC a copy of the deeds, easements or assignments of easements, bills of sale, rights of way and other documents required to be transferred under this Agreement, and shall at Closing deliver all books, records and such other instruments or documents maintained by FTMA relating to the Wastewater System.

8.1.14 Delivery of Resolutions. FTMA shall have delivered to PAWC a copy of the Resolutions, certified by their proper representatives, approving the execution, delivery and performance of this Agreement, together with the certificate of its proper representatives that said Resolutions are in full force and effect and were duly adopted.

8.1.15 Permits Issued. The Pennsylvania Department of Environmental Protection (“DEP”) and all other regulatory agencies or authorities having jurisdiction over the operations of the Wastewater System shall have issued or consented to the transfer of the necessary permits to PAWC to operate the Wastewater System. A copy of the NPDES Permit for the Wastewater System in effect on the execution date of this Agreement is attached at Schedule 8.1.15. The parties acknowledge that the current NPDES permit will expire before Closing. PAWC reserves the right to terminate this Agreement if at any time prior to Closing, a new NPDES Permit for the Wastewater System is issued which, in PAWC's sole opinion, is more stringent or materially different from the NPDES Permit in effect on the date of the execution of this Agreement.

8.1.16 PAWC Board Approval. PAWC's Board of Directors shall have approved this Agreement.

8.1.17 Easements and Rights-of-Way. FTMA shall deliver to PAWC, all documents necessary to transfer, at Closing, the easements and rights-of-way identified on Schedule 4.9 to PAWC by legal instruments in appropriate form to be duly recorded.

8.1.18 Title Insurance. A reputable title insurance company shall have issued, at PAWC's expense, title commitment to PAWC for an Owner's Title Insurance Policy including extended coverage at regular rates, evidencing good and marketable title, in the amount of the fair market value of the Real Estate, covering title to the Real Estate on the date of Closing, and subject only to the Permitted Exceptions, at standard rates to be paid by PAWC.

8.1.19 RESERVED

8.1.20 Rates. FTMA will have adjusted its rates before Closing to those shown at Schedule 6.2.2.

8.1.21 Hamiltonban Township. PAWC shall have a legally binding asset purchase agreement in place with Hamiltonban Township and Hamiltonban Municipal Authority for the purchase of the Hamiltonban wastewater system.

8.2 CONDITIONS PRECEDENT TO FTMA'S OBLIGATIONS. The obligation of FTMA to consummate the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing, of each of the following conditions (any one or more of which may be waived in writing in whole or in part by FTMA in its sole discretion):

8.2.1 Regulations and Warranties. PAWC'S representations and warranties contained in this Agreement or in any Schedule, list, certificate or document delivered pursuant to the provisions of this Agreement shall be true in all material respects at and as of the time of Closing,

with the same force and effect as though such representations and warranties were made at and as of such time, and PAWC shall deliver to FTMA a certificate executed by its proper representatives, and dated the Closing Date, certifying to the foregoing.

8.2.2 Performance of Agreements. PAWC shall have performed and complied, in all material respects, with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, and PAWC shall deliver to FTMA a certificate executed by its proper representatives, and dated the Closing Date, to such effect.

8.2.3 Opinion of Counsel. PAWC shall deliver to FTMA a favorable written opinion of PAWC's counsel, dated as of the Closing Date and addressed to FTMA, in form and substance satisfactory to FTMA, to the effect set forth in Schedule 8.2.3.

## ARTICLE 9

### INDEMNIFICATION

9.1 INDEMNIFICATION BY FTMA. FTMA agrees to indemnify, defend and hold harmless PAWC and its affiliates and their respective officers, directors and agents at all times after Closing, from, against and in respect of any and all damage or deficiency resulting from (i) any misrepresentation, breach of warranty or nonfulfillment of any agreement or covenant made by FTMA in this Agreement or in any Schedule, statement, certificate or other document furnished or to be furnished to PAWC in connection with the transactions contemplated hereby, and (ii) any and all liabilities of FTMA of any nature, whether due or to become due, whether accrued, absolute,

contingent or otherwise, existing on the Closing Date or arising out of any transaction entered into, any state of facts existing or any event occurring on or prior to such date.

9.2 INDEMNIFICATION BY PAWC. PAWC will indemnify and hold harmless FTMA at all times after the date of this Agreement, from, against and in respect of any and all damage or deficiency resulting from (i) any misrepresentation, breach of warranty or nonfulfillment of any agreement or covenant made by PAWC as set forth in this Agreement or in any Schedule, statement, certification or other document furnished or to be furnished to FTMA, in connection with the transactions contemplated hereby, and (ii) PAWC's operation or use of the Wastewater System after Closing.

## ARTICLE 10

### MISCELLANEOUS

10.1 REALTY TRANSFER TAXES. PAWC agrees to pay any realty transfer taxes that may be due or owing as a result of the within transaction, and the parties agree to prorate any property taxes, if any.

10.2 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations, warranties and agreements made by FTMA and PAWC in this Agreement or pursuant hereto shall survive the Closing.

10.3 PENNSYLVANIA LAW TO GOVERN. This Agreement is being delivered in the Commonwealth of Pennsylvania and shall be construed and enforced in accordance with the laws of such State.

10.4 RISK OF LOSS. FTMA retains all risk of destruction, losses or damage to Acquired Assets due to fire or other casualty up to the Closing and agrees to maintain its current insurance coverage until the Closing. If prior to the Closing: (i) all or part of the Acquired Assets are destroyed by fire or the elements or by any other cause; or (ii) all or a part of the Acquired Assets are taken by eminent domain, FTMA shall give prompt notice thereof to PAWC and PAWC may, by notice given to FTMA prior to Closing, elect to cancel this Agreement. In the event PAWC shall so elect, both parties shall be relieved and released of and from any further liability hereunder.

10.5 ACCESS AND INFORMATION. FTMA will give to authorized representatives of PAWC reasonable access during normal business hours throughout the period prior to Closing to all the properties, books, contracts, commitments, and records of FTMA relating to the Wastewater System, and furnish PAWC during such period with all such information relating thereto as PAWC may reasonably request. Within thirty (30) days of the execution of this Agreement, the FTMA shall provide PAWC with a complete list of customers, including names, service addresses, and billing addresses. This complete list shall be updated at Closing and provided to PAWC at Closing so as to be true and correct on the date of Closing.

10.6 RIGHT OF ENTRY. After the date of this Agreement and until Closing, PAWC shall have the reasonable right to enter upon the property and facilities constituting the Wastewater System, after making reasonable prior arrangement with FTMA, for the purpose of making such inspections and investigations of the Wastewater System, including, but not limited to surveys, environmental assessments, and engineering studies, as PAWC deems reasonably necessary.

PAWC shall indemnify and hold FTMA harmless from and against all losses, damages, demands, claims, suits and other liabilities, including attorney fees and other expenses of litigation, because of personal or bodily injury or property damage resulting from PAWC's presence at or use of the Wastewater System for such inspections and investigations. PAWC shall promptly (within five (5) business days) return the surface of the property to substantially the same as before such inspections and investigations.

10.7 ENVIRONMENTAL ASSESSMENT. After the date of this Agreement and until the Closing Date, PAWC shall have the reasonable right to enter upon the property and facilities constituting the Wastewater System, after making reasonable prior arrangement with FTMA, for the purposes of conducting an environmental assessment of the Wastewater System. Within sixty (60) calendar days after the date this Agreement is executed, PAWC shall notify FTMA in writing if the environmental assessment reveals the presence of oil or petroleum products or any hazardous or toxic wastes or materials or storage of fuel tanks or any other environmental hazard or contamination. Within fifteen (15) days of the date of such notice, FTMA shall advise PAWC in writing as to whether FTMA can cure the environmental hazard or contamination. If FTMA is unable to cure any such environmental hazard or contamination, then PAWC shall have the right, in PAWC's sole discretion, to terminate this Agreement upon written notice to FTMA whereupon this Agreement shall be null and void, and neither party shall have further rights nor obligations to the other hereunder.

10.8. TERMINATION OF AGREEMENT. If Closing does not occur by June 30, 2013, despite the full cooperation and diligent efforts of PAWC and FTMA, then either party may

terminate this Agreement upon written notice to the other, and the parties shall be relieved of all rights and responsibilities hereunder, except as specified herein.

10.9 TIME OF THE ESSENCE. Time shall be of the essence with respect to all matters and times contained in this Agreement. Time as set forth in this Agreement shall not be extended except by written agreement signed by all parties. Notwithstanding the foregoing, if any date specified for the giving or receipt of notice, or for the exercise of any right or option, or for Closing, shall fall on a Saturday, Sunday or legal holiday observed by local banking institutions, the date so specified shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

10.10 SECTION HEADINGS. The Section headings herein have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

10.11 NOTICES. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid, registered mail, return receipt requested:

To FTMA: Franklin Township Municipal Sewer Authority  
55 Scott School Road  
PO Box 309  
Cashtown, PA 17310

And

Franklin Township  
P.O. Box 309  
Orrtanna, PA 17353

With a copy to: John Phillips  
101 West Middle Street  
Gettysburg, PA 17325

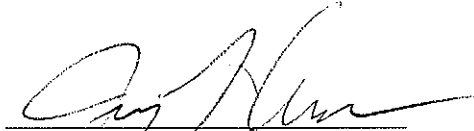
To PAWC: Pennsylvania-American Water Company  
Seth A. Mendelsohn, Esquire  
800 West Hershey Park Drive  
Hershey, PA 17033

10.12 SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of and be binding upon the successors and assignees of PAWC and FTMA. No assignment of this Agreement will be permitted unless the assignment is approved in writing by the nonassigning party, which approval will not be unreasonably withheld.

10.13 NO THIRD PARTY BENEFICIARIES. Nothing herein expressed or implied is intended or should be construed to confer upon or give to any person other than the parties hereto and their successors and permitted assigns any rights or remedies under or by reason of this Agreement.

10.14 ENTIRE AGREEMENT. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof, supersedes any prior agreements or understandings, written or oral, among the parties with respect to the subject matter hereof and is not intended to confer upon any person other than the parties hereto any benefit, right or remedy.

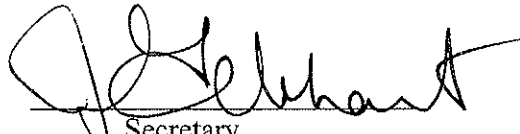
ATTEST:

  
Secretary

FRANKLIN TOWNSHIP

  
Chairman

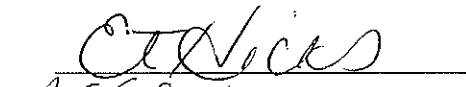
ATTEST:

  
Secretary

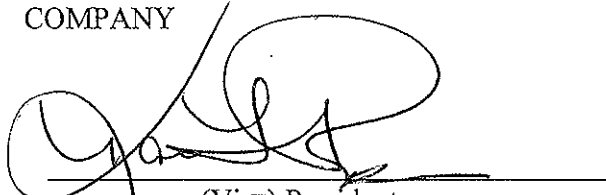
FRANKLIN TOWNSHIP MUNICIPAL SEWER  
AUTHORITY

  
Chairman

ATTEST:

  
Secretary

PENNSYLVANIA-AMERICAN WATER  
COMPANY

  
(Vice) President

**Schedule 1.1**

**Permitted Exceptions**

Pennsylvania Infrastructure Investment Authority (“PIIA”) loan

Conditions and restrictions as stated on the face of any recorded Right of Way or Easement that do not affect the suitability of the grant for the purpose intended, including, but not limited to, a condition or restriction that the surface be returned to its original condition following entry.

**Schedule 1.2**

**Excluded Assets**

Cash

Accounts Receivable

All Storm Water Systems

Personal property of Franklin Township not part of the Wastewater System

### Schedule 1.3

#### Transferred Liabilities

EDUs Reserved to Edward Spence – Three (3) EDUs total; one (1) remaining as of October 2012. Agreement Attached.

EDUs Reserved to Thomas Norman – Six (6) EDUs total; five (5) remaining as of October 2012. Agreement Attached.

Maintenance of Access Road to Sewer Plant per Easement

One (1) EDU to the Cashtown Community Fire Department. Agreement Attached.

**Schedule 2.2**

**Capital Improvement Costs**

To be provided at closing.

**Schedule 4.4**

**Permits and Compliance with Laws Generally**

Provided under separate cover.

**Schedule 4.5**

**Pending or Threatened Litigation**

None.

**Schedule 4.6**

**Environmental Matters**

None.

**Schedule 4.8**

**Real Estate**

Provided under separate cover.

**Schedule 4.9**

**Easements and Rights-of-Way**

**Schedule 4.10**

**Personalty**

No exceptions.

**Schedule 4.11**

**Leases**

None.

**Schedule 4.12**

**Contracts**

Provided under separate cover.

**Schedule 4.14**

**Liabilities**

PIIA Loan, dated July 22, 2008 with an original face value of \$6,674,198.00 at  
1% interest.

**Schedule 4.15**

**Customer Advances**

None.

**Schedule 6.1.8**

**Storm Water Ordinances**

Provided under separate cover.

**Schedule 6.2.2**

**Rates**

The lesser of:

- a. \$85.00 per month per EDU, or
- b. the PUC approved rate under Act 11 of 2012.

Schedule 8.1.9

Certification of Financial Information

CERTIFICATE AS TO DEBT, CONTRIBUTIONS,  
AND ADDITIONS AND RETIREMENTS

The undersigned officer of Franklin Township Municipal Sewer Authority ("FTMA"), with regard to the Purchase Agreement dated \_\_\_\_\_ (the "Agreement") between the FTMA, as Seller, and Pennsylvania-American Water Company ("PAWC"), as Purchaser, for the sale by FTMA to PAWC of the public water supply system now owned by FTMA (the "Wastewater System"), hereby certifies that:

1. The amount of FTMA's net outstanding long-term debt or notes related to the Water System is \$ \_\_\_\_\_.
2. The amount of all unexpired customers' advances for construction and unexpended contributions in aid of construction is \$ \_\_\_\_\_.
3. The additions or retirements to the Wastewater System during the period [date of agreement] through the date of this Certificate, together with the cost thereof, are: \$ \_\_\_\_\_.

All of the foregoing statements are true and correct as of the \_\_\_\_ day of \_\_\_\_\_, 2013.

ATTEST:

Franklin Township Municipal Sewer Authority

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

(SEAL)

**Schedule 8.1.11**

**Opinion of Counsel (FTMA)**

To be provided at closing.

**Schedule 8.1.15**

**Permits Issued**

See material provided for Schedule 4.4, provided under separate cover.

**Schedule 8.2.3**

**Opinion of Counsel (PAWC)**

To be provided at closing

Pennsylvania-American Water Company, Inc.  
Pro Forma Condensed Balance Sheet  
September 30, 2012 (Unaudited)  
(Dollars in thousands)

	September 30, 2012 (Unaudited)
<b>Property, plant and equipment</b>	
Utility plant - at original cost less accumulated depreciation	\$2,824,332
Utility plant acquisition adjustments, net	\$13,132
Total Non-Utility Plant, net	\$275
Construction Work in Progress	\$64,902
<b>Total property plant and equipment</b>	<b>\$2,902,641</b>
<b>Current assets</b>	
Cash and cash equivalents	\$1,803
Accounts receivable:	
Billed, net of allowance for doubtful accounts	\$45,985
Unbilled	\$26,015
Other current assets	\$12,994
<b>Total current assets</b>	<b>\$86,797</b>
<b>Long-term assets</b>	
Regulatory assets	\$178,628
Goodwill	\$39,782
Other	\$39
<b>Total long-term assets</b>	<b>\$218,449</b>
<b>Total assets</b>	<b>\$3,207,887</b>
<b>Capitalization and Liabilities</b>	
	September 30, 2012 (Unaudited)
<b>Capitalization</b>	
Stockholder's equity:	
Common stock	\$21,507
Paid-in capital	\$684,214
Retained earnings	\$391,126
<b>Total stockholder's equity</b>	<b>\$1,096,847</b>
Long-term debt	\$1,038,395
Preferred stock without mandatory redemption requirements	\$1,720
Preferred stock with mandatory redemption requirements	\$11,252
<b>Total capitalization</b>	<b>\$2,148,214</b>
<b>Current liabilities</b>	
Notes payable - associated companies	\$0
Short-term debt	\$91,083
Current portion of long-term debt	\$3,752
Other	\$114,759
<b>Total current liabilities</b>	<b>\$209,594</b>
<b>Long-term liabilities</b>	
Deferred income taxes	\$591,745
Other	\$138,863
<b>Total long-term liabilities</b>	<b>\$730,608</b>
<b>Contributions in aid of construction</b>	<b>\$119,471</b>
<b>Total capitalization and liabilities</b>	<b>\$3,207,887</b>

Pennsylvania-American Water Company, Inc.  
Pro Forma Condensed Statement of Income  
For period ending September 30, 2012 (Unaudited)  
(Dollars in thousands)

	Period Ending September 30, 2012
<b>Operating revenues</b>	<b>\$548,045</b>
<b>Operating expenses</b>	
Operation and maintenance	\$216,995
Depreciation and amortization	\$74,137
General taxes	\$13,046
	<u>\$304,178</u>
<b>Operating income</b>	<b>\$243,867</b>
<b>Other income (deductions)</b>	
Other income, net	(\$1,482)
Interest expense, net	\$62,452
	<u>\$60,969</u>
<b>Income before income taxes</b>	<b>\$182,898</b>
<b>Provision for income taxes</b>	<b>\$75,062</b>
<b>Net income</b>	<b>\$107,835</b>
<b>Dividends on preferred stock</b>	<b>\$77</b>
<b>Income to common stock</b>	<b>\$107,758</b>

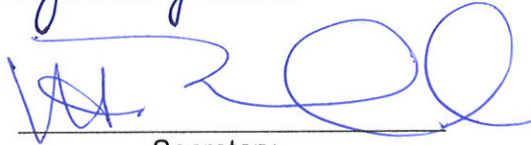
PENNSYLVANIA-AMERICAN WATER COMPANY

I, V.A. REDMOND, Secretary of Pennsylvania-American Water Company, a Pennsylvania corporation, (the "Company") DO HEREBY CERTIFY that below is a true and correct copy of resolutions duly adopted by the Board of Directors of the Company at a meeting thereof duly convened and held on November 15, 2012 at which meeting a quorum was present and acting throughout, and that such resolutions have not been amended or rescinded and are still in full force and effect:

*RESOLVED*, that the proper officers of the Company be, and hereby are, authorized and directed to execute and deliver to Franklin Township Municipal Sewer Authority an agreement to purchase; and

*RESOLVED*, that the appropriate officers of the Company be, and hereby are, authorized and directed to execute and deliver any and all documents, make all filings and do any other thing which they may deem necessary, proper or desirable to effectuate the purposes of the foregoing resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of this Company this 17<sup>th</sup> day of January, 2013.

  
Secretary

**Exhibit I**

**RESOLUTION 2012 - 2**

**A RESOLUTION OF THE BOARD OF THE FRANKLIN TOWNSHIP MUNICIPAL  
SEWER AUTHORITY TO SELL THE CASHTOWN/McKNIGHTSTOWN SANITARY  
SEWER SYSTEM AND THE POPLAR SPRINGS COMMUNITY SAND MOUND  
SYSTEM TO PENNSYLVANIA AMERICAN WATER**

**RECITALS**

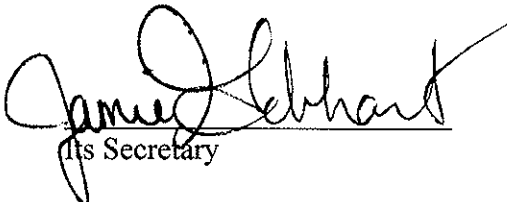
1. The Franklin Township Municipal Sewer Authority (“Authority”) is a body politic and corporate created as a Municipal Authority pursuant to the Municipality Authorities Act, Act 2001-22 [S.B. 780], P.L. 287, §1 et seq., approved June 19, 2001, as amended;
2. The Authority was created by Franklin Township, Adams County, Pennsylvania to own, operate, maintain, repair, extend, expand, or replace the Poplar Spring Community Sand Mound System and the Cashtown/McKnightstown Sanitary Sewer System (“Systems”);
3. The Authority currently operates, maintains and repairs the Systems;
4. Title ownership of the Systems remains vested in Franklin Township;
5. Pennsylvania-American Water Company (“PAWC”) is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania operating as a public water and wastewater utility;
6. Authority, Franklin Township and PAWC previously agreed to a term sheet dated 7 May 2012 whereby PAWC would acquire all of the assets and assume all of the debt of the Systems;
7. The parties have negotiated a Purchase Agreement to accomplish the aforesaid transaction.

**NOW, THEREFORE, BE IT RESOLVED** by the Franklin Township Municipal Sewer Authority ("Authority") that:

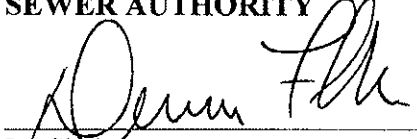
- A. The aforesaid Recitals are incorporated in this Resolution as if repeated here.
- B. To the extent that the Authority has an equitable or legal interest in the Systems, the Authority approves the Purchase Agreement.
- C. To the extent that the ownership of said Systems remains vested in Franklin Township, Adams County, Pennsylvania, the Authority recommends that the Board of Supervisors of Franklin Township approve the Purchase Agreement.
- D. The Chairman is hereby authorized to enter into the Purchase Agreement on behalf of the Authority.

**ADOPTED** this 11 day of September 2012.

**ATTEST:**

  
\_\_\_\_\_  
Its Secretary

**FRANKLIN TOWNSHIP MUNICIPAL  
SEWER AUTHORITY**

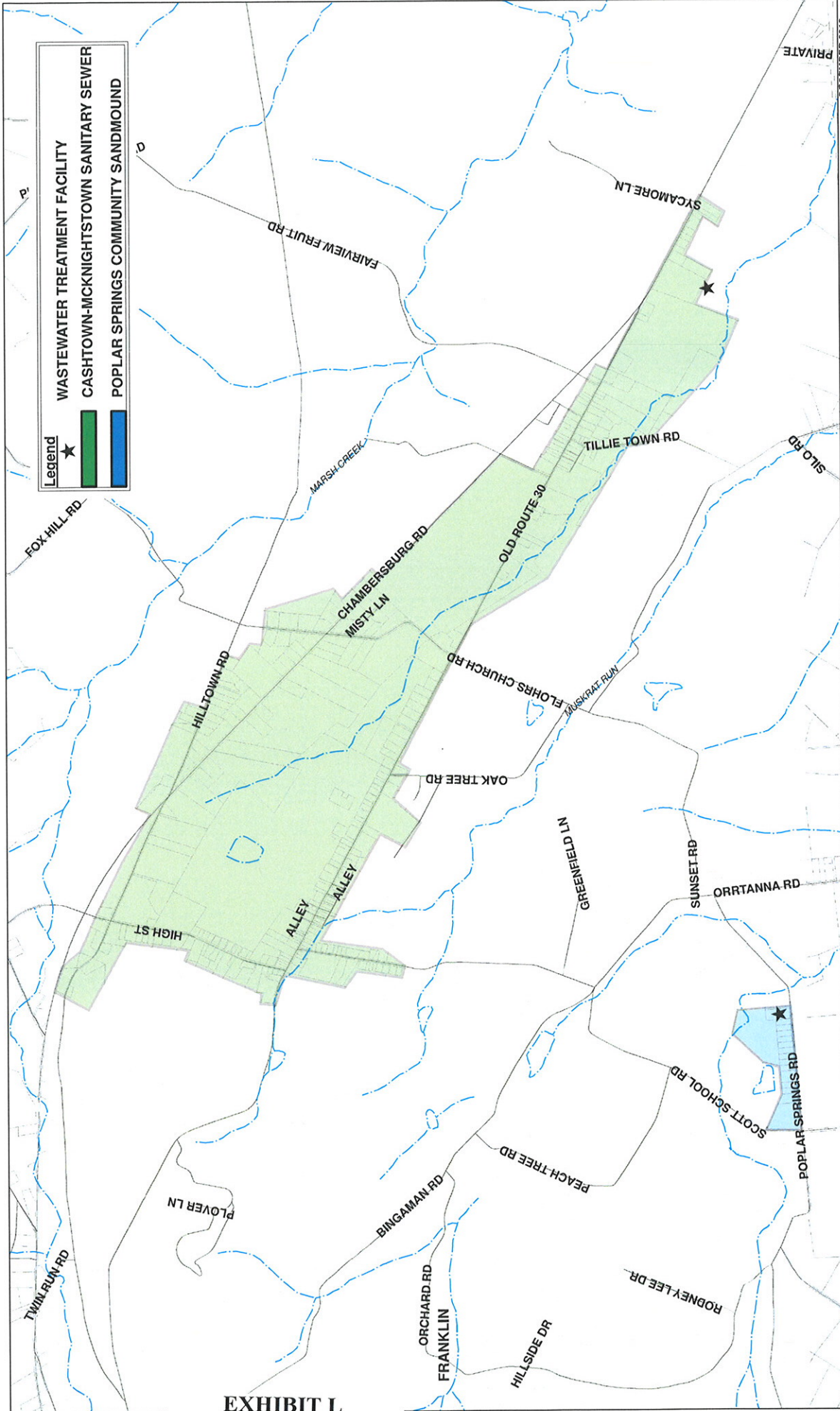
  
\_\_\_\_\_  
Its Chairman

**Schedule 6.2.2**

**Rates**

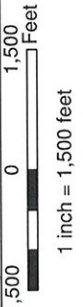
The lesser of:

- a. \$85.00 per month per EDU, or
- b. the PUC approved rate under Act 11 of 2012.



**Legend**

- ★ WASTEWATER TREATMENT FACILITY
- CASHTOWN-MCKNIGHTSTOWN SANITARY SEWER
- POPLAR SPRINGS COMMUNITY SANDMOUND



**EXHIBIT L**

## **SERVICE AREA IDENTIFICATION**

The Cashtown-McKnightstown Sanitary Sewer System and the Poplar Springs Community Sandmound service areas are graphically represented by the attached map entitled "Public Sewer Service Areas" and dated December 2012, showing the approximate locations within Franklin Township, Adams County.

The Cashtown-McKnightstown sewer service area includes the Village of Cashtown, located in the southwestern most portion of the shaded area. It extends east along the Old Route 30 corridor passing through the Village of McKnightstown to a point east of the sewer plant near Sycamore Lane. From the Village of Cashtown, it also extends north on High Street to Hilltown Road and south on Orrtanna Road. Sewer service is also provided along portions of Chambersburg Road (SR 0030) from Hilltown Road east to and slightly past Flohrs Church Road. Hilltown Road east of Chambersburg Road, Misty Lane east of Flohrs Church Road and portions of Tillie Town Road in McKnightstown are also served.

The Poplar Springs Community Sandmound sewer service area includes a cluster of properties located on the north side of Poplar Springs Road between Orrtanna and Scott School Roads.

**PART III: RULES AND REGULATIONS**

**Section A - Applications for Service**

1. **Service Application Required:** All applications for service must be in writing on a form provided by the Company and signed by the owner or owners of the property to which wastewater collection service will be provided; except that where a lessee of property occupies or uses the property under a lease having a fixed term of more than six (6) months, the lessee may request service as an applicant. The Company may, at its sole discretion, require that a separate contract for service be signed by the applicant.

Non residential service customers which desire to discharge Industrial/Commercial Wastes into the Sanitary Sewer or existing industrial/commercial users which desire to commence operations of a new facility or a new or different process that will affect the characteristics of the wastewater discharging into the Sanitary Sewer, shall notify the Company prior to the commencement of the new or different operations at the facility and provide such other information regarding the proposed discharge as the Company may request, including an application for an Industrial Waste Discharge Permit when deemed necessary.

2. **Change in Ownership or Tenancy:** A new application must be made to the Company upon any change in ownership where the owner of the property is the Customer, or upon any change in the identity of a lessee where the lessee of the property is the Customer. The Company shall have the right to discontinue or otherwise interrupt wastewater collection service upon three (3) days notice if a new application has not been made and approved for the new customer.

3. **Acceptance of Application:** An application for service shall be considered accepted by the Company only upon oral or written approval by the Company. The Company may provide service to the applicant pending formal review and acceptance of the application.

4. **Temporary Service:** In the case of temporary service for less than a 12-month period, the Company may require the Customer to pay all costs of making the service connection and for its removal after the service has been discontinued, or to pay a fixed amount in advance to cover such expenses. If the actual costs differ from the estimate, the Applicant will pay to the Company any excess amount due or the Company will refund to the Applicant any excess amount paid.

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Issued: December 16, 2010

Effective: January 1, 2011

**Section B - Construction and Maintenance of Facilities**

1. **Customer Service Lateral:** The Customer service lateral shall be furnished, installed, maintained and/or replaced, when necessary, by and at the sole expense of the Customer. The Company reserves the right to determine the size, type, quality, depth, and connection location of the customer service laterals. Prior to connection to the Company service lateral, the Customer, at their sole cost, shall have the Customer service lateral air pressure tested and checked for alignment by a Company approved qualified person under the supervision of a Company representative.
2. **Separate Trench:** The customer wastewater service lateral shall not be laid in the same trench with drain or water pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a public utility service.
3. **Customer's Responsibilities:** All service laterals, connections and fixtures furnished by the customer shall be maintained by the Customer in good working order. All valves, meters and appliances furnished by the Company and on property owned or leased by the Customer shall be protected properly by the customer. All leaks in the Customer service line or any pipe or fixtures in or upon the customer's premises must be repaired immediately by the Customer as determined solely by the Company.
4. **Customer Grinder Pump:** In areas of the collection system where the Company has installed a pressure sewage collection system or where required as determined by the Company, the Customer, in conjunction with the construction of their service lateral, shall install, own, operate, and maintain and replace a grinder pump and holding tank at the Customer's expense as specified by the Company prior to connection and shall maintain such facilities in good order and repair. The pump shall meet specifications as provided by the Company. The failure of a customer to properly install and maintain a grinder pump, including replacement, shall constitute grounds for the Company to initiate action to terminate service to the customer and seek recovery for any damage to the Company's facilities caused by an improperly functioning grinder pump.
5. **Right to Reject:** The Company may refuse to connect with any customer service lateral or furnish wastewater collection, treatment and/or disposal through a service already connected if such system or service is not properly installed or maintained.

6. **Water Use Standards for Certain Plumbing Fixtures:** This rule establishes maximum water use criteria for certain plumbing fixtures installed in all new construction or renovation. Such standards have been implemented to achieve maximum efficiency of water use which the Commission has determined is technologically feasible and economically justified.

(a) Maximum permitted water usage levels shall be as follows:

<u>Plumbing Fixture</u>	<u>Maximum Water Use</u>
water closets	1.6 gallons/flush
urinals	1.5 gallons/flush

(b) The Company may exempt particular customers, or classes of customers, when it is determined that the water use standards for plumbing fixtures listed above are unreasonable, cannot be accommodated by existing technology or are otherwise inappropriate.

7. **Individual Service Laterals:** Except as otherwise expressly authorized by the Company, each individual customer shall be served only through a separate service lateral connected directly to the Company Service lateral, and that Customer Service lateral shall not cross over the property of or serve any other customer or premise. The maximum service lateral length shall be two hundred and fifty (250) feet from the point of connections. For a gravity collection system, clean-outs on service laterals shall be spaced every 50 feet. The Company shall have the right to waive this maximum length requirement at its sole discretion. No additional attachment may be made to any Customer Service lateral for any purpose without the express written approval of the Company.

8. **Connection to Company Mains:** No connection shall be made to the Company's main, nor detachment from it, except under the direction and control of the Company. All such connections shall be property of the Company and shall be accessible to it and under its control. The Company will furnish, install and maintain all service laterals from the main to the property line or right-of-way.

Section C - Discontinuance, Termination and Restoration of Service

1. **Discontinuance by Customer:** Where a customer requests the Company to discontinue service, the following rules shall apply:

(a) A customer who wishes to have service discontinued shall give at least three (3) days notice to the Company, specifying the date on which service is to be discontinued. In the absence of proper notice, the Customer shall be responsible for all service rendered until the time that the Company shall have actual or constructive notice of the Customer's intent to discontinue service. The Customer shall not begin to use nor cease to use wastewater service without the prior consent of the Company. A customer discontinuing service remains a customer for purposes of paying turn-on fees pursuant to Rule 3 of this Section for a period of nine (9) months.

(b) Where a customer requests turn-on of service within six (6) months of disconnection, the Customer shall be subject to monthly minimum billing for the period of disconnection.

2. **Termination by Company:** Wastewater and/or water service to the Customer may be terminated for good cause, including, but not limited to, the following:

- (a) making an application for wastewater service that contains material misrepresentations;
- (b) failure to repair leaks in sewer pipes or fixtures;
- (c) tampering with any Company Service lateral, or installing or maintaining any unauthorized connection;
- (d) theft of sewer service, which shall include taking service without having made a proper application for service under Part III, Section A;
- (e) failure to pay, when due, any charges accruing under this tariff;
- (f) discharge of any prohibited substance listed in Section F into the wastewater system;

- (g) receipt by the Company of an order or notice from the Department of Environmental Protection, a health agency, local plumbing inspector or other similar authority, to terminate service to the property served on the grounds of violation of any law or ordinance, or upon notice to the Company from any such authority that has ordered an existing violation on the property to be corrected and that such order has not been complied with or
- (h) material violation of any provisions of the tariff;
- (i) failure to properly install and maintain a grinder pump, including its replacement when improperly functioning as solely determined by the Company;
- (j) any unauthorized, un-inspected, or improper connection, as herein defined, found to exist will be required to be disconnected within ten (10) days. The Company may require a plumber's sworn statement or certificate as evidence that the connection has been discontinued.
- (k) Not abiding by the provisions of the Company's Industrial/Commercial Waste Pretreatment Program.
- (l) Failure to remove direct connections to the Customer Service lateral that allow surface, subsurface, storm water, or roof run off water into the Sanitary Sewer.
- (m) Not complying with any part of this tariff.
- (n) Supplying sewer service to other units, buildings or premises when Capacity Reservation Fees have not been paid for in accordance with tariff.

In order to terminate wastewater service, the Company can at its discretion install a shut off valve on the Company's Service lateral to terminate service. The cost for the installation of the shut off valve and all the other charges accruing under this tariff shall be paid to the Company before service is restored.

3. **Turn-on Charge:** Whenever service is discontinued or terminated pursuant to Rule 1 or Rule 2 of this Section, service shall be permitted by the Company only upon the payment by the Customer of a turn-on fee and the curing of the problem that gave rise to the termination if under Rule 2. Refer to Schedule of Miscellaneous Fees and Charges.

**Section D - Billing and Collection**

1. **Issuance of Bills:** The Company will bill each customer within fifteen (15) days of the last day of each billing period.
2. **Billing Due Date:** The due date for payment of a bill for nonresidential service shall be no less than fifteen (15) days from the date of transmittal. The due date for payment of a bill for residential service shall be no less than twenty (20) days from the date of transmittal. If the last day for payment falls on a Saturday, Sunday or bank holiday, or on any day when the offices of the Company are not open to the general public, the due date shall be extended to the next business day. The Company may not impose a late-payment charge unless payment is received more than five (5) days after the stated due date.
3. **Late-Payment Charge:** All amounts not paid when due shall accrue a late-payment charge at the rate not to exceed one and fifty one-hundredths percent (1.50%) per billing period, not to exceed eighteen percent (18%) per year when not paid as prescribed in Rule 2 of this Section.
4. **Change in Billing Address:** Where a customer fails to notify the Company of a change in billing address, the Customer shall remain responsible to remit payment by the billing due date.
5. **Application of Payment:** Utility bills rendered by the Company shall include only the amount due for utility service. Where a customer remittance to the Company includes payment for any non-utility services, proceeds will be applied first to pay all outstanding regulated utility charges.
6. **Return Check Charge:** The customer will be responsible for return check charge as provided in the Schedule of Miscellaneous Fees and Charges section of the tariff.

7. **Disputed Bills:** In the event of a dispute between the Customer and the Company with respect to any bill, the Company will promptly make such investigation as may be required by the particular case and report the result to the Customer. The Customer is not obligated to pay the disputed amount during the pendency of the Company's investigation. When the Company has made a report to the Customer sustaining the bill as rendered, the Customer shall have fifteen (15) days from the date of such report in which to pay the bill. If the Company determines that the bill originally rendered is incorrect, the Company will issue a corrected bill with a new due date for payment. Any amount received by the Company in excess of the amount determined to be due by the Company's investigation of the dispute shall be refunded to the Customer.

#### Section E - Deposits

##### 1. Residential Customers:

- (a) **New Applicants**—The Company will provide service without requiring a deposit unless the applicant was terminated for nonpayment within the prior twelve (12) months or has an unpaid balance for prior service from the Company. Then the Company may require a deposit that will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (b) **Existing Customers**—If a customer has paid late on two (2) consecutive occasions or a total of three (3) times within the prior 12-month period, the Company may send a letter informing the Customer that a deposit may be required if another late payment is received within the next twelve (12) months. An existing customer may be required to pay a deposit as a condition to having service restored after termination for nonpayment or for failure to comply with a payment agreement. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.

- (c) Deposit Refunds and Interest—A deposit will be refunded if service is discontinued and the final bill is paid or if the customer has paid the bills for the prior 12-month period without having been late on more than two (2) occasions and is not currently delinquent. Deposits from residential customers shall bear simple interest at the rate of the average of one-year Treasury Bills for September, October and November of the previous year, payable annually without deductions for taxes thereon unless otherwise required by law. The applicable interest rate for each year shall be determined as of January 1 of that year.

## 2. Nonresidential Customers:

- (a) New Applicants - A deposit may be required from any new applicant who does not have prior satisfactory credit history with the Company. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (b) Existing Customers—Deposit requirements for existing nonresidential customers shall be as established for residential customers in Rule 1 of this Section.
- (c) Deposit Refunds and Interest— A deposit will be refunded if the customer pays all bills on time over a 12-month period or if service is disconnected and the final bill has been paid. There will be no interest paid on deposits for nonresidential accounts.

## Section F- Wastewater Control Regulations

## 1. General Prohibitions:

- (a) No storm water from pavements, area ways, runoff basins, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pumps, unpolluted industrial or commercial process water or other sources shall be admitted to the Company Sanitary Sewer.
- (b) The discharge of garbage to the Sanitary Sewer is expressly prohibited. Properly shredded biodegradable garbage may be discharged into the Sanitary Sewer with no particle greater than one-half inch in dimension.

## 2. Sampling and Analysis:

- (a) All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in the Company's rules may be determined in accordance with the latest DEP and EPA approved editions of "Standard Methods for the Examination of Water and Wastewater" under Act 252 as prepared by DEP and approved and published jointly by the American Public Health Association, the American Water Works Association, and/or the Water Pollution Control Federation or other reference sources specified by regulatory agency requirements, such as "Methods for Chemical Analysis of Water and Wastes," U.S.E.P.A. 1974 or its subsequent updated version.
- (b) All measurements, test, inspections and analyses deemed by the Company to be necessary under this Section or any other part of the Rules and Regulations of the Company, shall be done by the Company or its agents, employees or contractors. If the measurements, test, inspections and/or analyses determine that a customer has created a situation which is in violation of any statute, ordinance, rule or regulation then the customer shall be required to pay all costs incurred in order to measure, test, inspect, analyze and remedy the situation. Otherwise, the costs involved are to be borne by the Company. Costs assessed against a Customer pursuant to this Section shall be in addition to any other fees charged by the Company. The costs shall be payable within 30 days of presentation of a bill for such costs by the Company to the Customer(s).

- (c) Where the Company deems it advisable, it may require any customer discharging wastes to install and maintain, at his or her own expense, in a manner approved by the Company or its representative, a suitable device to continuously measure and record the pH of the wastes so discharged.
- (d) In the event any person, firm or corporation producing any industrial wastes otherwise excluded from the Sanitary Sewer, desires to discharge the same into any portion of the Company's sanitary sewer system, the Company may at its option, consent to such discharge at a charge in accordance with the Company's established Schedule of Rates, Surcharges and discounts applicable to such Industrial/Commercial Wastes, as provided in Section K.8 entitled "Surcharge for Industrial Wastes." Such consent may be made contingent upon the applicant providing and maintaining apparatus for regulating the rate of discharge and/or treating the wastes at his or its expense prior to discharge as the Company may deem necessary. Such consent will stipulate the location and type of metering device to be used for measuring the quantity of such wastes discharged to the sewage system, and will also stipulate the method and frequency of sampling such wastes. Each analysis will be made on a composite of twenty-four (24) hourly (or a larger number of more frequent) samples of wastes collected over a singly twenty-four (24) hour day; the volume of each of the samples will be proportional to the rate of Waste flow. The average suspended solid content or acid equivalent of the wastes for the quarter will be calculated in such a manner as to be as truly representative of the entire quarterly flow and composition of the waste as possible. Particular care will be exercised to insure that the difference in character or composition of the wastes during the week ends or nights when industrial operations are at a minimum, are properly considered in arriving at quarterly averages.

3. **Prohibited Discharges:** The Company reserves the right to refuse connection to its Sanitary Sewer and/or to compel the discontinuance of the use of any system, or to require pre-treatment of Wastes by any Customer, in order to prevent the discharge of any Wastes to the Sanitary Sewer system which may be deemed harmful to the Sanitary Sewer system, or to have an adverse effect on the sewage treatment processes. Except from the written consent of the Company, there shall be excluded from the sewage system but not limited to, any wastes having suspended solids (SS) in excess of 300 mg/L, 5 day Biochemical Oxygen Demand (BOD5) in excess of 300 mg/L, a chlorine demand in excess of 25 mg/L and Wastes having any or all of the following characteristics:
- (a) Wastes containing any gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the wastewater system or its operation.
  - (b) Wastes having a temperature in excess of 120 degrees F. or less than 32 degrees F that enters the Sanitary Sewer or Wastes entering the plant that increase the temperature of the Wastewater at the headworks of the plant to exceed 104 degrees F.
  - (c) Wastes having a pH lower than 6.0 or higher than 9.0, or having any corrosive property capable of causing damage or hazards to structures, equipment or personnel of the wastewater system.
  - (d) Wastes containing any noxious or malodorous gas or substance that either singly or by interaction with sewage or other wastes is likely in the opinion of the Company to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance and repair.
  - (e) Wastes containing ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, hair, chemical or paint residues, greases, paunch, manure, dairy products, cotton, wool, plastic or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in the opinion of the Company may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the sewer system.

- (f) Wastes containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.
- (g) Wastes containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.
- (h) Wastes containing any substances which may affect the effluent and may cause violation of the National Pollutant Discharge Elimination System Permit.
- (i) Wastes containing other matter detrimental to the operation of a sewage treatment plant or Sanitary Sewers causing erosion, corrosion or deterioration in sewers, equipment and structures of a sanitary or sewage treatment plant.
- (j) Wastes containing fats, wax, tar, grease or oil of petroleum origin, whether emulsified or not, in excess of one hundred mg/L, or petroleum oil, non biodegradable cutting oil or petroleum products of mineral oil origin in amounts that will cause interference or pass through at the wastewater treatment facilities.
- (k) Wastes containing an average concentration of oils and greases, of the Hydrocarbon variety or any Freon extractables which are not biodegradable in excess of 10 mg/L.
- (l) Wastes containing more than 10 mg/L of any of the following gases: hydrogen sulfide; sulfur dioxide; nitrous oxide; or any of the halogens.

- (m) Wastes containing a toxic or poisonous substance, in a sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals or create any hazard in the sewer system operation. Toxic pollutants or substances shall include but not limited to Wastewater containing cyanide, chromium, cadmium, mercury, copper, nickel, or materials listed as hazardous materials.
- (n) Any waste containing toxic substances in quantities sufficient to interfere with the biochemical/biological processes of the sewage treatment works or that will pass through the sewage treatment works and exceed the state and/or federal requirements in respect thereof.
- (o) Any waste containing radioactive isotopes or other radioactive materials.
- (p) Sludges resulting from the treatment of concentrated solutions that are not acceptable for discharge to the Sanitary Sewer.
- (q) Effluent limitations promulgated as categorical standards, 40 C.F.R. Chapter 1, Subchapter N and 40 C.F.R. 403.6 shall apply in any instance where they are more stringent than those in this section.
- (r) The local limits in this section may be supplemented with more stringent limitations if the Company determines that the limitations in subsection (a) through (p) above may not be sufficient to protect the operation of the sewerage system or to enable the water pollution control plant to comply with water quality standards or effluent limitations specified in the Company's NPDES permit.
- (s) Waste introduced into the Sanitary Sewer with any pollutants which cause pass through or interference; whether or not the customer is subject any other national, state, or local pretreatment standards or requirements.
- (t) Waste containing any color which may not be removed in the wastewater treatment process.
4. **Disposal of Wastes From Septic Tanks and Cesspools:** No person shall dispose of wastes from septic tanks, cesspools, or other such sources of sanitary sewage to the Company's Sanitary Sewer, except as designated by the Company.

5. **Penalties:** The Company reserves the right to terminate water and/or wastewater service for violation of any provision of these regulations, subject to PUC rules and regulations.
6. **Damages:** In the event of any damage to the Company's wastewater system caused by a Customer, or a Customer's representative, such damage shall be immediately reported to the Company and said Customer shall reimburse the Company for the costs of such repairs, testing, consulting and all other costs associated with the damage.

Any user violating any of the provisions of these Rules and Regulations shall become liable to the Company for all expenses, losses, or damages occasioned by the Company by reason of such violation, whether incidental or consequential.

#### Section C- Line Extensions

1. When an extension to serve a Customer is required or requested, such extension will be made under the terms of a "Sewer Main Extension Agreement" or a "Sewer Main Extension Deposit Agreement".
2. Customer shall contribute all facilities required for the Company to directly connect the Customer to the Sanitary Sewer. This includes pumping stations, vaults, manholes, mains or any other apparatuses where applicable. The Company shall have the right to locate the facilities as required to meet the long term system needs of the Customers.
4. **Size of Main and Other Facilities:** The Company shall have the exclusive right to determine the type and size of mains and the other facilities required to render adequate service. However, where the Company decides to install a pipe larger than necessary to render extension of adequate service to the applicant, estimated or actual cost figures in the Sewer Main Extension Agreement or Sewer Main Extension Deposit Agreement shall include only the material and installation cost for a pipe the size of which is necessary to provide adequate service to the applicant. Any incremental costs of a larger pipe will be the responsibility of the Company. All estimated or actual cost figures referred to in the Sewer Main Extension Agreement or Sewer Main Extension Deposit Agreement shall include a reasonable allowance for overhead costs and taxes as appropriate.

5. **Length of Extension:** In determining the necessary length of an extension, the terminal point of such extension shall be at that point in the property line or right-of-way, which is equidistant from the side property lines of the last lot for which service was requested except where the Company, in its sole opinion, determines that it is necessary to extend beyond the last lot and connect to an existing main to provide adequate and reliable wastewater service. A street service connection will be provided only for customer service laterals that extend at right angles from the curb line in a straight line to the premises to be served.
6. **Offsite Development Marketing Contracts:** Where it is prudent, reasonable and in the public interest, the Company may, at its option enter into offsite development marketing contracts which depart from the standard terms of the "Sewer Main Extension Agreement" or "Sewer Main Extension Deposit Agreement". These marketing agreements shall become effective 30 days after the Company has filed a copy thereof with the Pennsylvania Public Utility Commission, or in the event that the Commission institutes an investigation, at such time as the Commission grants its approval thereof.

#### Section H- Service Continuity

1. **Regularity of Service:** The Company may, at any time, shut off service in case of accident or for the purpose of making connections, alterations, repairs or changes, or for other reasons. The Company will, pursuant to Commission regulations at 52 Pa. Code '67.1 and as circumstances permit, notify customers to be affected by service interruptions.
2. **Liability for Damages:**
- (a) **Limitation of Damages for Service Interruptions:** The Company's liability to a customer for any loss or damage from any excess or deficiency in the wastewater collection service due to any cause other than willful misconduct or negligence by the Company, its employees or agents shall be limited to an amount no more than the Customer charge or minimum bill for the period in question. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but cannot and does not guarantee that such will not occur.

(b) **Responsibility for Customer Facilities:** The Company shall not be liable for any loss or damage caused by reason of any break, blockage, leak or other defect in a Customer's own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its employees or agents. The Company shall in no event be responsible for maintenance of, or for damage done by sewage escaping from a blockage of the customer's service lateral or any other pipe or fixture, or from any other cause occurring to any premise or within any house or building.

(c) When the Company incurs costs and the blockage or defect is determined to be on the customer's service lateral, the Company may request reimbursement and the Customer is responsible to reimburse the Company for associated costs.

3. **Emergency or Scheduled Interruptions:** The Company may temporarily interrupt service; discontinue service without prior written notice; or terminate service within the purview of Subchapters D and E, Chapter 56, Title 52. Only the Company, through its proper agents, has the authority to turn off the water at any corporation stop or curb stop, or to disconnect or remove the meter in order to disrupt sewer service. As necessity may arise in the case of a line break, emergency or other unavoidable cause, the Company shall have the right to temporarily terminate service in order to make necessary repairs, connections, etc.; but the Company will use all reasonable and practicable measures to notify the customer in advance of such discontinuance of service. In such case the Company shall not be liable for any damage or inconvenience suffered by the customer, nor in any case for any claim against it at any time for interruption in service.

#### **Section I- Waivers**

The Company may, at its sole discretion, waive any of the Rules contained herein that operate for the benefit of the Company; provided, that no such waiver will be valid unless in writing and signed by an authorized representative of the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Commission or of any other applicable statute, law or regulation.

#### **Section J- Amendment of Commission Regulations**

Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this tariff, this tariff is deemed to be amended so as to be consistent with the amendments to the regulations, except that if application of the amendment to Title 52 is discretionary, this tariff will remain unchanged.

## Section K - Industrial and Commercial Service Limitations.

1. **Pretreatment:** All Industrial/Commercial Waste proposed for discharge into the Sanitary Sewer shall be categorized to determine the degree of pretreatment, if any, necessary in order that the Waste will not adversely affect the system or the sewage treatment facilities. The Company will have the authority to regulate and set limitations on any Waste discharge into its Sanitary Sewer by regulating the rate of any Waste discharge into its Sanitary Sewer and/or by requiring necessary pretreatment, and excluding certain waste, if necessary, to protect the integrity of the Company's system.
2. **IPP:** At such time as an Industrial Pretreatment Program (IPP) is required by the United States Environmental Protection Agency (EPA), Pennsylvania Department of Environmental Protection (DEP), or the Company implements an IPP, the Company shall develop and enforce the IPP in accordance with applicable regulations.
3. **Customer Limitations:** Customers specifically agree that service applies exclusively for Domestic Wastewater. If any Customer discharges Industrial or Commercial Waste that:
  - (a) the existing wastewater treatment plant is unable to satisfactorily treat; or,
  - (b) is not in compliance with any discharge permit standards, disrupts the normal functioning of the existing wastewater treatment plant; or,
  - (c) is more costly to treat than typical Domestic Wastewater; or,
  - (d) requires the utilization of more wastewater treatment plant capacity per gallon of effluent than that required by average typical Domestic Wastewater,

then the Customer shall provide, at the Customer's own expense, such pretreatment deemed necessary by the Company before such Waste is discharged into the Sanitary Sewer. No Commercial or Industrial Waste, whether pretreated or not, may be discharged without prior written authorization from the Company. The Company reserves the right to set the applicable discharge limits on any waste stream entering its collection system. An Industrial/Commercial Waste Pretreatment Agreement will need to be executed prior to allowing the discharge to occur.

4. **Company Limitations:** The Company will not be liable nor bound to increase wastewater treatment plant operations to accommodate Industrial or Commercial Waste.
5. **Flow Limitations:** The Company reserves the right to control quantities and rate of discharge of such Industrial and Commercial Wastes on the basis of 24 hours per day and 7 days per weeks.
6. **Grease, Oil, Sand Traps, and interceptors:** The Company reserves the right to require the installation of grease, oil, sand traps or interceptors at the Company's discretion when necessary for the proper handling of liquid wastes containing grease in excessive amounts, any flammable wastes, sand, or other harmful ingredients. All traps/interceptors shall be of a type and capacity approved by the Company and shall be located as to be readily and easily accessible for cleaning and inspection. Grease, oil, sand traps or interceptors shall be installed in all new filling stations, garages, restaurants, and other new facilities wherein heavy discharge of grease, oil, sand is to be expected. Owners of grease, oil, sand traps or interceptors are required to clean out the device on a regular basis to maintain good operation of the trap. The Company reserves the right to require owners of grease, oil, sand traps or interceptors to submit records of cleaning to the Company at the Company's discretion.
7. **Specific Dangers:** In general, any Waste provided by a Customer will be considered harmful to the Company's Sanitary Sewer and any other facility if it may cause any of the following damaging effects:
  - (a) chemical reaction either directly or indirectly with the materials of construction of the system in such a manner as to impair the strength or durability of the sewer structures;
  - (b) mechanical action that will destroy the sewer structures;
  - (c) restriction of the hydraulic capacity of the sewer structures;
  - (d) restriction of the normal inspection or maintenance of the sewer structures;
  - (e) danger to public health and safety; or
  - (f) obnoxious condition contrary to public interest.

The Company may terminate service as per Section C if any of these specific dangers, or other dangers, as determined by the Company are caused by the Customer.

**8. Surcharge for Industrial/Commercial Wastes:**

(a) In the event that the Company consents to accept into the Sanitary Sewer system Industrial/Commercial Wastes containing more than 300 milligrams per liter by weight (mg/L) of suspended solids and/or 300 mg/L of 5 day biochemical oxygen demand, otherwise prohibited under this Section, there is hereby imposed for such service in addition to the sanitary sewage quantity, a surcharge for the Suspended Solids and 5 day Biochemical Oxygen Demand (BOD5) contained in said wastes in excess of 300 mg/L and a chlorine demand in excess of 25 mg/L in accordance with the following schedule:

(i) \$0.10 per pound of BOD5 in excess of 300 mg/L.

(ii) \$0.06 per pound of Suspended Solids in excess of 300 mg/L.

(iii) Actual chlorine cost per pound of chlorine demand in excess of 25 mg/L.

(b) In the event the Company elects to accept Industrial/Commercial Wastes having a pH below 6.0, the total acid equivalent of such wastes, expressed as 100% sulfuric acid shall be considered as one pound of Suspended Solids. For purposes of calculating Surcharges, the total sum computed by adding the acid equivalent so determined to the actual Suspended Solids content shall be considered to be the Suspended Solids content of the acidic wastes. The charges for treatment of such acidic wastes shall be subject to the same Surcharges as above set forth for wastes containing excessive solids.

**Section L. Privilege to Investigate/Right of Access**

The Company's authorized representatives shall have the right of access at all reasonable times to all parts of any premises connected with the system, for the purpose of examining and inspecting connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause.

Franklin Township Municipal Authority  
 Estimated Annual Revenue and Expenses  
 December 31, 2013 (Unaudited)  
 (Dollars in thousands)

<b>Operating Revenue</b>	
Sewer Charges	\$ 337
Other Operating Income	\$ -
<b>Total Operating Revenue</b>	<u>\$ 337</u>
Other Revenue	\$ -
<b>Total Income</b>	<u>\$ 337</u>
<b>Operating Expense</b>	
Operations and Maintenance	\$ 101
Administration	\$ -
Depreciation	\$ 294
<b>Total Operating Expense</b>	<u>\$ 395</u>
<b>Non-Operating Expense</b>	
Interest Income	\$ -
Taxes	\$ (34)
Interest Expense	\$ 55
<b>Total Non-Operating Expense</b>	<u>\$ 21</u>
<b>Total Expense</b>	<u>\$ 416</u>
<b>Net Income</b>	<u><u>\$ (79)</u></u>