

THE YORK WATER COMPANY
York, PA

**INFORMATION SUBMITTED TO PENNSYLVANIA
PUBLIC UTILITY COMMISSION PURSUANT TO:
Title 52 Pennsylvania Code
Exhibit No. HIV-1 through Exhibit No. HV-16-2**

**Supplement No. 111
to
Tariff Water-Pa. P.U.C. No. 14**

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
LATEST CORPORATE TAX REPORT AND LATEST CORPORATE TAX SETTLEMENT

53.53 IV Taxes

D. Water and Wastewater Utilities

- 1 Provide a copy of the latest Pa corporate tax report and the latest Pa corporate tax settlement.

Response: A copy of the latest Pa corporate tax report is attached. Pa no longer sends tax settlement notices.

1010011105



RCT-101 (FI) (07-11) PAGE 1 OF 6
PA CORPORATE TAX REPORT 2011

DEPARTMENT USE ONLY

A A = 1120 B = 1120S C = 1120C D = 1120F E = 1120H F = 1065 G = 1040 H = Other

STEP A

Tax Year Beginning XX 01012011 Tax Year Ending XX 12312011

STEP B

Amended Report XX N 52-53 Week Filer XX N First Report XX N
Federal Extension Granted XX Y Address Change XX N KOZ/EIP/SDA Credit XX N
Regulated Inv. Co. XX N Change Fed Group XX N File Period Change XX N

STEP C

Tax Account ID XX 0026351 Parent Corporation EIN
Federal EIN XX 231242500
Business Activity Code XX 221300
Corporation Name XX THE YORK WATER COMPANY
Address Line 1 XX 130 EAST MARKET STREET
Address Line 2 XX
City XX YORK
State XX PA
ZIP XX 17401

USE WHOLE DOLLARS ONLY

STEP D

	A. Tax Liability from Tax Report (can not be less than zero)	B. Estimated Payments & Credits on Deposit	C. Restricted Credits	STEP E: Payment Due/Overpayment Calculation: A minus B minus C See Instructions
CS/FF	216601	47239	450000	-280638
LOANS				
CNI	428366	226212	0	202154
TOTAL	644967	273451	450000	-78484

STEP F: Transfer/Refund Method: See Instructions

Made Payment Electronically

78484 Transfer: Amount to be credited to the next tax year after offsetting all unpaid liabilities

Refund: Amount to be refunded after offsetting all unpaid liabilities

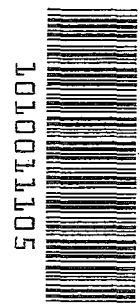
STEP G: Corporate Officer (Sign affirmation below)

NAME KATHLEEN M. MILLER
PHONE 7177182966
EMAIL KATHYM@YORKWATER.COM

FORM
BARCODE

I affirm under penalties prescribed by law this report, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete report. If this report is an amended report, the taxpayer hereby consents to the extension of the assessment period for this tax year to one year from the date of filing of this amended report or three years from the filing of the original report, whichever period last expires, and agrees to retain all required records pertaining to that tax and tax period until the end of the extended assessment period, regardless of any statutory provision providing for a shorter period of retention. For purposes of this extension, an original report filed before the due date is deemed filed on the due date. I am authorized to execute this consent to the extension of the assessment period.

Corporate Officer Signature *Kathleen M. Miller* Date 9/20/12



TAX ACCOUNT ID 0026351
TAX YEAR END 12312011 NAME THE YORK WATER COMPANY
RCT-101 (F1) PAGE 2 OF 6 PA CORPORATE TAX REPORT 2011

SECTION A: CS/FF

OLDEST PERIOD FIRST	TAX PERIOD BEGINNING	TAX PERIOD ENDING	BOOK INCOME			
YEAR 1	01012007	12312007	6414303	Investment in LLC	XX	N
YEAR 2	01012008	12312008	6431158	Holding Company	XX	N
YEAR 3	01012009	12312009	7511802	Family Farm	XX	N
YEAR 4	01012010	12312010	8929327			
YEAR 5						
YEAR 6						
YEAR 7						
CUR YR	01012011	12312011	9084145			



USE WHOLE DOLLARS ONLY

- 2. TOTAL BOOK INCOME (sum of income for all tax periods up to, but not over 5 years total) 2 38370735
- 3. DIVISOR (in years and in part years rounded to three decimal places) See instructions. 3 5.000
- 4. Divide Line 2 by Line 3. 4 7674147
- 5. AVERAGE BOOK INCOME - Enter Line 4, or if Line 4 is less than zero enter "0". 5 7674147

- 6. Divide Line 5 by 0.095. 6 80780495
- 7. Shareholders' equity at the END of the current period 7 95265233
- 8. Shareholders' equity at the BEGINNING of the current period 8 91256708
- 9. If Line 7 is more than twice as great or less than half as much as Line 8, add Lines 7 and 8 and divide by 2. Otherwise enter Line 7. 9 95265233

- 10. NET WORTH - Enter Line 9, or if Line 9 is less than zero enter "0". 10 95265233
- 11. Multiply Line 10 by 0.75. 11 71448925
- 12. Add Lines 6 and 11. 12 152229420
- 13. Divide Line 12 by 2. 13 76114710
- 14. Valuation deduction 14 -160000
- 15. CAPITAL STOCK VALUE - Line 13 less Line 14, but not less than "0". If 100% taxable, enter Line 15 on Line 17. 15 75954710

- 16. Proportion of taxable assets or apportionment proportion (from Schedule A-1, Line 5) 16 0.986753
- 17. TAXABLE VALUE - Multiply Line 15 by Line 16. If less than zero, enter "0". 17 74948538
- 18. CAPITAL STOCK/FOREIGN FRANCHISE TAX - Multiply Line 17 by _____ 18 216601

Total Beginning of
Taxable Year Assets 259931166

Total End of Taxable
Year Assets 274218820



TAX ACCOUNT ID 0026351
 TAX YEAR END 12312011 NAME THE YORK WATER COMPANY
 RCT-101 (FI) PAGE 3 OF 6 PA CORPORATE TAX REPORT 2011

SECTION B: Bonus Depreciation

1. Current year fed. deprec. of 168k prop.	1	1160340
2. Current year adj. for disp. of 168k prop.	2	22520
3. Other adjustments (Attach schedule C-3 if claiming bonus depreciation.)	3	-23684

Business Trust	XX	N
Solicitation Only	XX	N
Single-Member LLC	XX	N
Multi-Member LLC	XX	N
PA-S Corporation	XX	N
Taxable Built-in Gains	XX	N



USE WHOLE DOLLARS ONLY

SECTION C: CORPORATE NET INCOME TAX

1. Income or loss from federal return on a separate company basis	1	4000614
2. DEDUCTIONS:		
A. Corporate dividends received (from Schedule C-2, Line 6)	2A	10714
B. Interest on U.S. securities (GROSS INT less EXPENSES)	2B	
C. Curr yr. addtl. PA deprec. plus adjust. for sale (attach Schedule C-3)	2C	414934
D. Other (attach schedule) See instructions.	2D	
TOTAL DEDUCTIONS - Sum of A through D	2	425648
3. ADDITIONS:		
A. Taxes imposed on or measured by net income (attach schedule)	3A	413006
B. Tax preference items (attach copy of federal Form 4626)	3B	
C. Employment incentive payment credit adjustment (attach Schedule W)	3C	
D. Current year bonus depreciation (attach Schedule C-3)	3D	299971
E. Other (attach schedule) See instructions.	3E	
TOTAL ADDITIONS - Sum of A through E	3	712977
4. Income or loss with Pennsylvania adjustments (Line 1 minus Line 2 plus Line 3)	4	4287943
5. Total nonbusiness income or loss	5	
6. Income or loss to be apportioned (Line 4 minus Line 5)	6	4287943
7. Apportionment proportion (from Schedule C-1, Line 5)	7	1.000000
8. Income or loss apportioned to PA (Line 6 times Line 7)	8	4287943
9. Nonbusiness income or loss allocated to PA	9	
10. Taxable income or loss after apportionment (Line 8 plus Line 9)	10	4287943
11. Total net operating loss deduction (from RCT-103)	11	
12. PA taxable income or loss (Line 10 minus Line 11)	12	4287943
13. Corporate net income tax (Line 12 times _____; if Line 12 is less than zero, enter "0")	13	428366



TAX ACCOUNT ID 0026351
TAX YEAR END 12312011 NAME THE YORK WATER COMPANY

RCT-101 (FI) PAGE 4 OF 6 PA CORPORATE TAX REPORT 2011

SECTION D: LOANS TAX

- 1. Foreign Corporations Only. Did this corporation have a fiscal officer resident in Pennsylvania? XX
- 2. Did this corporation have indebtedness outstanding to individual residents and/or partnerships resident in Pennsylvania? XX N
- 3. Did this corporation have indebtedness outstanding held by a trustee, agent or guardian for a resident individual taxable in its own right or by an executor or administrator of an estate wherein the decedent was a resident of Pennsylvania? XX N



List outstanding indebtedness. Attach a separate schedule if additional space is needed.

Interest Amount	Interest Rate	Taxable Value	Taxable Indebtedness	
				XX
			Loans Tax	XX

SCHEDULE A-1: Apportionment Schedule For Capital Stock/Foreign Franchise Tax (Include Form RCT-102, RCT-105 or RCT-106.)

Three Factor			Single Factor		
Property-PA	1A	1C	Numerator	4A	263537071
Property -Total	1B		Denominator	4B	267074993
Payroll-PA	2A	2C			
Payroll-Total	2B				
Sales-PA	3A	3C	Apportionment Proportion	5	0.986753
Sales-Total	3B				

SCHEDULE C-1: Apportionment Schedule For Corporate Net Income Tax (Include Form RCT-106.)

Three Factor			Single Factor		
Property-PA	1A	1C	Numerator	4A	
Property -Total	1B		Denominator	4B	
Payroll-PA	2A	2C			
Payroll-Total	2B				
Sales-PA	3A	3C	Apportionment Proportion	5	
Sales-Total	3B				



TAX ACCOUNT ID 0026351

TAX YEAR END 12312011

NAME THE YORK WATER COMPANY

RCT-101 (F1) PAGE 5 OF 6 PA CORPORATE TAX REPORT 2011

SECTION E: CORPORATE STATUS CHANGES

Final Report XX N

PA Corporations:

Did you ever transact business anywhere? XX N If yes, enter date all business activity ceased XX
Did you hold assets anywhere? XX N If yes, enter date of final disposition of assets* XX

Foreign Corporations:

Did you ever transact business in PA? XX If yes, enter date PA business activity ceased XX
Did you hold assets in PA? XX If yes, enter date of final disposition of PA assets* XX

*Schedule of Disposition of Assets MUST be completed and filed with the PA Corporate Tax Report.

Has the corporation sold or transferred in bulk 51 percent or more of any class of assets? (See Instructions) XX
If yes, enter the following information. (Attach a separate schedule if additional space is needed.)

Purchaser Name XX
Address Line 1 XX
Address Line 2 XX
City XX
State XX
ZIP XX

SECTION F: GENERAL INFORMATION QUESTIONNAIRE

Describe corporate activity in PA WATER UTILITY
Describe corporate activity outside PA NONE
Other states in which taxpayer has activity NONE

State of Incorporation XX PA Incorporation Date XX 02231816

- 1. Does any corporation, individual or other business entity hold all or a majority of the stock of this corporation? XX N
2. Does this corporation own all or a majority of stock in other corporations? If yes, complete Schedule X. XX N
3. Is this taxpayer a partnership that elects to file federal taxes as a corporation? XX N
4. Has the federal government changed taxable income as originally reported for any prior period for which reports of change have not been filed in PA? XX N

If yes: First Period End Date: XX Last Period End Date: XX

Accounting Method - Federal Tax Return

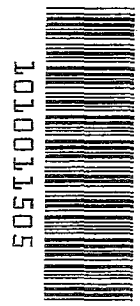
A A = Accrual C = Cash O = Other

Other

Accounting Method - Financial Statements

A A = Accrual C = Cash O = Other

Other



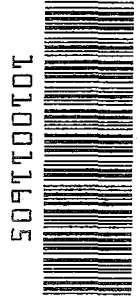
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TAX ACCOUNT ID 0026351
TAX YEAR END 12312011 NAME THE YORK WATER COMPANY

RCT-101 (FI) PAGE 6 OF 6 PA CORPORATE TAX REPORT 2011
SCHEDULE OF REAL PROPERTY IN PA (Attach a separate schedule if additional space is needed.)

O = Own
R = Rent Street Address City County KOZ/KOEZ

XX SEE ATTACHED SCH LB
XX
XX
XX



CORPORATE OFFICERS (See Instructions.)		SSN	Last Name	First Name	MI
President/Managing Partner	XX	144422122	HINES	JEFFREY	R
Vice President	XX	074621232	HAND	JOSEPH	T
Secretary	XX	183447521	MC INTOSH	BRUCE	C
Treasurer/Tax Manager	XX	173524350	MILLER	KATHLEEN	M

PREPARER'S INFORMATION

Mail to Preparer XX
Firm Federal EIN XX
Firm Name XX
Address Line 1 XX
Address Line 2 XX
City XX
State XX
ZIP XX

I affirm under penalties prescribed by law this report, including any accompanying schedules and statements, has been prepared by me and to the best of my knowledge and belief is a true, correct and complete report.

Tax Preparer's Signature	Date

INDIVIDUAL PREPARER
PHONE
EMAIL
PTIN/SSN



1010011605



SCHEDULE C-2 PA DIVIDEND DEDUCTION SCHEDULE

CORPORATION NAME THE YORK WATER CO TAX ACCOUNT ID 0026351 TAX YEAR BEGINNING 01012011 TAX YEAR ENDING 12312011

Table with 6 rows and 2 columns. Row 1: Federal Schedule C, Line (20), Total Deductions 10714. Row 2: Federal Schedule C, Line (15), Foreign Dividend Gross-Up (Section 78). Row 3: Dividends from less-than-20%-owned foreign corporations listed on Lines (13) and (14) of federal Schedule C x 70% - 0.70. Row 4: Dividends from 20%-or-more-owned foreign corporations listed on Lines (13) and (14) of federal Schedule C x 80% - 0.80. Row 5: Dividends listed on Lines (13) and (14) of federal Schedule C from foreign corporations that meet the "80% voting and value test" of IRC §1504 (a) (2) and otherwise would qualify for 100% deduction under IRC §243 (a) (3) if they were a domestic corporation. Do not list any amounts included in Item 4. Row 6: Total PA Dividend Deduction - Add Lines 1, 2, 3, 4 and 5. Enter this amount at Section C, Line (2A) on RCT-101. 10714

SCHEDULE X

Taxpayers completing this schedule must provide beginning and ending balance sheets, reflecting the consolidated net worth of the taxpayer and all subsidiaries.

CORPORATION NAME TAX ACCOUNT ID TAX YEAR BEGINNING TAX YEAR ENDING

Table with 4 columns: Name, File in PA, Tax Account ID, EIN. Multiple empty rows for data entry.

Name, SSN, EIN and/or Tax Account ID Number of any individual or business entity owning all or a majority of the stock of the taxpayer.

Table with 3 columns: Name, SSN or EIN, Tax Account ID. One empty row for data entry.



TAX YEAR BEGINNING 01012011
 TAX YEAR ENDING 12312011

CORPORATION NAME THE YORK WATER COMPANY

TAX ACCOUNT ID 0026-351

Schedule C-3 Adjustment for Bonus Depreciation

This schedule must be updated each year and submitted with RCT-101.

A	B	C	D	E	F	G	H	I
Year	Fed. Depr. Section 168(k) Property	Current Year Bonus Depreciation	Col B minus Col C	Additional PA Depreciation	Other Adj. Section 168(k) Property	Adj. for Disposition of Section 168(k) Property	Additional PA Depreciation Plus Adj. for Disposition	Balance
2001	149649	141383	8266	3543	0	0	3543	137840
2002	1186669	1086441	100228	42955	0	0	42955	1181326
2003	1888123	1634611	253512	108648	0	2138	110786	2705151
2004	2999013	2535840	463173	198503	0	16222	214725	5026266
2005	512648	0	512648	219706	0	8003	227709	4798557
2006	449753	0	449753	192751	0	17279	210030	4588527
2007	411763	0	411763	176470	10554	30103	196019	4392508
2008	2207767	1821613	386154	165495	-7712	17112	190319	6023802
2009	5345096	4784480	560616	240264	-145174	197577	583015	10225267
2010	5777032	5062948	714084	306036	-5589	20633	332258	14955957
2011	1160340	299971	860369	368730	-23684	22520	414934	14840994

7643422 Amount of 100% Bonus Depreciation Taken in Current Year

Schedule C-4 Adjustment for Disposition of Section 168(k) Property & Recapture of Depreciation on Listed Property

A	B	C	D	E	F
Year of Purchase	Federal Accumulated Depreciation	Disallowed Bonus Depreciation	Col B minus Col C	Additional PA Depreciation	Adjustment for Disposition
2001	5510	2783	2727	1169	1614
2002	9712	5148	4564	1956	3192
2003	15488	8759	6729	2884	5875
2004	4469	3464	1005	431	3033
2009	6210	5645	565	242	5403
Total					



TAX YEAR BEGINNING 01012011
 TAX YEAR ENDING 12312011

CORPORATION NAME THE YORK WATER COMPANY

TAX ACCOUNT ID 0026-351

Schedule C-3 Adjustment for Bonus Depreciation

This schedule must be updated each year and submitted with RCT-101.

A	B	C	D	E	F	G	H	I
Year	Fed. Depr. Section 168(k) Property	Current Year Bonus Depreciation	Col B minus Col C	Additional PA Depreciation	Other Adj. Section 168(k) Property	Adj. for Disposition of Section 168(k) Property	Additional PA Depreciation Plus Adj. for Disposition	Balance

Amount of 100% Bonus Depreciation Taken in Current Year

Schedule C-4 Adjustment for Disposition of Section 168(k) Property & Recapture of Depreciation on Listed Property

A	B	C	D	E	F
Year of Purchase	Federal Accumulated Depreciation	Disallowed Bonus Depreciation	Col B minus Col C	Additional PA Depreciation	Adjustment for Disposition
2010	3637	3473	164	70	3403
Total	45026	29272	15754	6752	22520

CORPORATION NAME THE YORK WATER CO TAX ACCOUNT ID 0026-351

TAX YEAR BEGINNING 01012011
TAX YEAR ENDING 12312011

C-5 Schedule of Taxes

1. PA Corporate Net Income Tax	413006	
2. Philadelphia Business Privilege Tax - Net Income Portion		
3. Income Taxes - Other States		
4. Local Income Taxes		
5. Other Income Taxes		
6. Total Income Taxes (Total of Lines 1 to 5)		413006
7. PA Capital Stock/Foreign Franchise Tax	215950	
8. Philadelphia Business Privilege Tax - Gross Rec Portion		
9. Payroll Taxes	445261	
10. Real Estate Taxes	346749	
11. Sales and Use Tax		
12. Business Privilege Tax - Other than Income		
13. Occupancy Tax		
14. Local Taxes - Not Based on Income		
15. Other Taxes - Not Based on Income	-236407	
16. Total Taxes Not Imposed on or Measured by Income (Total Lines 7 to 15)		771553
17. Total Tax Expense Reported on Federal Income Tax Return (Total Lines 6 and 16)		1184559

Schedule OA - Other Additions

Description	Amount
Total	

Schedule OD - Other Deductions

Description	Amount
Federal Wages Disallowed as a Result of Tax Credits Under IRC Sec 45B or IRC Sec 51	
Total	

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CORPORATION NAME THE YORK WATER CO **TAX ACCOUNT ID** 0026351

TAX YEAR BEGINNING 01012011
TAX YEAR ENDING 12312011

Schedules 1 and 2 of this Insert Sheet must be completed by Pennsylvania corporations claiming the exemption for tangible and intangible assets for capital stock tax purposes and foreign corporations electing to use the single-factor, exempt-asset fraction for foreign franchise tax purposes.

Tables 1, 2 and 3 of this Insert Sheet must be completed by all corporations apportioning taxable income and by foreign and Pennsylvania corporations using the three-factor formula to calculate the taxable value of capital stock.

A.	AVERAGE TOTAL ASSETS [Carry to RCT-101, Schedule A-1, Line (4b)]	\$	267074993
B.	Less: AVERAGE EXEMPT ASSETS -		
	Tangibles (From Schedule 1, below)	\$	447364
	Intangibles (From Schedule 2, below)	\$	3090558
	Pollution Control Devices (See Instructions)	\$	3537922
C.	AVERAGE ASSETS TAXABLE IN PA [Carry to RCT-101, Schedule A-1, Line (4a)]	\$	263537071
D.	PROPORTION OF TAXABLE ASSETS (calculate to six decimal places.)	$\frac{\text{AVERAGE TAXABLE ASSETS}}{\text{AVERAGE TOTAL ASSETS}}$	$= \frac{9}{8} \frac{6}{7} \frac{5}{3}$ [Carry to RCT-101, Schedule A-1, Line (5)]

EXEMPTION CLAIMED FOR TANGIBLE AND INTANGIBLE ASSETS (USE WHOLE DOLLARS ONLY)

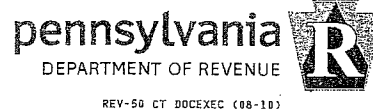
SCHEDULE 1 EXEMPT TANGIBLE ASSETS (Attach additional schedule if necessary.)	Net Book Value - Beginning		Net Book Value - Ending		E Amount of Exemption Claimed for Average Value of Tangible Assets Located Outside of PA (Col. B + D) ÷ 2
	A Inside PA	B Outside PA	C Inside PA	D Outside PA	
1. Buildings					
2. Equipment and Fixtures					
3. Land					
4. Leasehold Improvements					
5. Motor Vehicles					
6. Rolling Stock and all other Movable Property					
7. Other Tangible Property (Attach Schedule)					
8. Inventories					
TOTALS					

NOTE: If there was a substantial change during the year, attach a detailed explanation.

SCHEDULE 2 EXEMPT INTANGIBLE ASSETS (Attach additional schedule if necessary.)	A Number of Shares or %	B Date Acquired	C Date Sold	D Held (Full Year or No. of Days)	E Book Value	F Exemption Claimed
1. Stocks of PA Corporations	18000	02211992		FULLYEAR	37800	37800
	7260	07271998		FULLYEAR	17224	17224
	50	02142002		FULLYEAR	1250	1250
	200	11292007		FULLYEAR	3450	3450
2. Stocks of Foreign Corporations (More than 50 percent owned)						
3. Student Loan Assets						
4. U. S. Securities						
5. Exempt State and Local Securities				FULLYEAR	387640	387640
6. National Bank Shares						
7. TOTALS (For Exemption Purposes)					447364	447364

1060011105

BUREAU OF CORPORATION TAXES
PO BOX 280705
HARRISBURG PA 17128-0705



YORK WATER COMPANY
130 E MARKET ST
YORK PA 17401

NOTICE #:..... 01575628
DATE OF NOTICE:..... 04/23/2012
ACCOUNT ID:..... 0026-351
TAX YEAR END DATE:..... 12-11
PERIOD DUE DATE:..... 04/15/2012
ANNUAL EXTENSION:..... ***APPROVED***
LENGTH OF EXTENSION: 180 DAYS
DATE OF REQUEST:..... 04/10/2012

Dear Taxpayer,

Your application for an extension of time to file your corporate tax report is approved, per the details above.

If a 180-day extension is approved, a copy of federal Form 7004 must be filed with your annual tax return. Failure to include the federal Form 7004 may result in the imposition of penalties for late filing.

Please also include a copy of this notice with your annual report. If your tax report is prepared by a practitioner, please provide your practitioner with a copy of this notice.

Please remember that no extension of time is permitted for the payment of taxes. To minimize penalties and interest charges, please submit all tax reports and related payments by the designated due dates.

Thank you for your prompt attention.

Sincerely,

PA Department of Revenue
Bureau of Corporation Taxes

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

► **File a separate application for each return.**
 ► **See separate instructions.**

**Print
or
Type**

Name The York Water Company	Identifying number 23-1242500
Number, street, and room or suite no. (If P.O. box, see instructions.) 130 East Market Street	
City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). York, PA 17401	

Note. File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

Part I Automatic 5-Month Extension

1a Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate other than a bankruptcy estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension

b Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

- 2** If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3** If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
- If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20 11, or tax year beginning _____, 20____, and ending _____, 20____

b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

6 Tentative total tax	6	1,352,328	00
7 Total payments and credits (see instructions)	7	1,468,880	00
8 Balance due. Subtract line 7 from line 6 (see instructions)	8	0	00

THE YORK WATER COMPANY

Schedule LB

Location of Real Property

<u>Own/Rent</u>	<u>Street Address</u>	<u>Municipality</u>	<u>County</u>	<u>KOZ/KOEZ</u>
0	Berlin Road	West Manchester Township	York	N
0	Florida Avenue	City of York	York	N
0	Haines Acres, Erlen Drive	Springettsbury Township	York	N
0	Susquehanna Trail	Manchester Township	York	N
0	Penn Oaks YWC Land, Stoneridge Road	Springettsbury Township	York	N
0	WS Diehl's Mill Road, Pleasureville	Springettsbury Township	York	N
0	West Market Street (2)	West Manchester Township	York	N
0	Edgewood Road	Springettsbury Township	York	N
0	School Street, Loganville	Springfield Township	York	N
0	Southern Repump, Filter Plant - Grantley Road	Spring Garden Township	York	N
0	Trinity Road	North Codorus Township	York	N
0	Filter Plant, Grantley Road	Spring Garden Township	York	N
0	130 East Market Street	City of York	York	N
0	1801 Mt. Rose Avenue	Springettsbury Township	York	N
0	Lentz Property, R.D. #1, York	Springfield Township	York	N
0	Lentz Apartment and Buildings (Rt. 111, R.D. #1, York)	York Township	York	N
0	Horn Road	Hallam Township	York	N
0	124 East Market Street	City of York	York	N
0	Croll School Road	Spring Garden Township	York	N
0	North George Street	Manchester Township	York	N
0	Park Street (Loganville)	Springfield Township	York	N
0	Mt. Zion Road	Springettsbury Township	York	N
0	North Point Drive	Manchester Township	York	N
0	Board Road	East Manchester Township	York	N
0	Vireo Road	York Township	York	N
0	Druck Valley Road	Springettsbury Township	York	N
0	Crestlyn Drive	York Township	York	N
0	Greenwood Road	West Manchester Township	York	N
0	Deiningen Road	Springettsbury Township	York	N
0	Mt. Pisgah	Lower Windsor Township	York	N
0	Bull Road	Manchester Township	York	N
0	Baltimore Street	Jefferson Borough	York	N
0	East Main Street	Railroad Borough	York	N
0	Burnes and York Street	Jefferson Borough	York	N
0	Susquehanna Trail S	Springfield Township	York	N
0	South Highland Drive	North Hopewell Township	York	N
0	Lynwood Drive	North Codorus Township	York	N
0	Main Street	East Prospect Borough	York	N
0	Long Level Road	Lower Windsor Township	York	N
0	Cape Horn Road	York Township	York	N
0	Hilltop Place	Spring Garden Township	York	N
0	Steamboat Boulevard	Manchester Township	York	N
0	Blackgum Court	Manchester Township	York	N
0	Oak Street	York Township	York	N
0	Bryn Way	East Manchester Township	York	N
0	North Main Street	Spring Grove Borough	York	N
0	Lakeview Road	Jackson Township	York	N
0	Lehman Road	North Codorus Township	York	N
0	Old Hanover Road	Jackson Township	York	N
0	Bunny Lane	Hallam Township	York	N

<u>Own/Rent</u>	<u>Street Address</u>	<u>Municipality</u>	<u>County</u>	<u>KOZ/KOEZ</u>
0	Starview Road	East Manchester Township	York	N
0	Racetrack Road	Berwick Township	Adams	N
0	Airport Road	Jackson Township	York	N
0	E. Market Street	Hellam Township	York	N
0	Baltimore Pike	West Manheim Township	York	N
0	Cloverleaf Road	Conewago Township	York	N
0	Route 94	West Manheim Township	York	N
0	Route 94	West Manheim Township	York	N
0	Irishtown & Kohler Mill	Oxford Township	Adams	N
0	Roosevelt Avenue & Loucks Road	West Manchester Township	York	N
0	E. Berlin Road	Jackson Township	York	N

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		1,826,473.		4,506,257.
2a	Trade notes and accounts receivable	6,517,285.		6,297,104.	
b	Less allowance for bad debts	(245,000.)	6,272,285.	(333,681.)	5,963,423.
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (att. sch.) STMT 9		1,174,124.		1,222,737.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (att. sch.) STMT 10		59,724.		59,724.
10a	Buildings and other depreciable assets	270758386.		279248603.	
b	Less accumulated depreciation	(42,369,322.)	228389064.	(46,270,397.)	232978206.
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (att. sch.) STMT 11		22,209,496.		29,488,473.
15	Total assets		259931166.		274218820.
Liabilities and Shareholders' Equity					
16	Accounts payable		1,196,694.		1,064,916.
17	Mortgages, notes, bonds payable in less than 1 year		41,442.		41,858.
18	Other current liabilities (att. sch.) STMT 12		4,092,896.		4,176,305.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		85,131,866.		84,975,008.
21	Other liabilities (att. sch.) STMT 13		78,211,560.		88,695,500.
22	Capital stock: a Preferred stock				
b	Common stock	75,480,587.	75,480,587.	77,112,765.	77,112,765.
23	Additional paid-in capital				
24	Retained earnings - Appropriated (attach schedule)				
25	Retained earnings - Unappropriated		15,776,121.		18,152,468.
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		259931166.		274218820.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books		7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$	
2	Federal income tax per books		8	Deductions on this return not charged against book income this year (itemize): a Depreciation \$ b Charitable contributions \$	
3	Excess of capital losses over capital gains		9	Add lines 7 and 8	
4	Income subject to tax not recorded on books this year (itemize):		10	Income (page 1, line 28) - line 6 less line 9	
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation \$ b Charitable contributions \$ c Travel and entertainment \$				
6	Add lines 1 through 5				

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)					
1	Balance at beginning of year	15,776,121.	5	Distributions: a Cash	6,707,798.
2	Net income (loss) per books	9,084,145.	b	Stock	
3	Other increases (itemize):		c	Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	6,707,798.
4	Add lines 1, 2, and 3	24,860,266.	8	Balance at end of year (line 4 less line 7)	18,152,468.

THE YORK WATER COMPANY

EXEMPT ASSETS
PENNSYLVANIA CORPORATE TAX REPORT - 2011

	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Held Full Year or Days</u>	<u>Book Value</u>		<u>Average Book Value</u>	<u>Basis</u>
				<u>Beginning Year</u>	<u>End of Year</u>		
Stocks of Pennsylvania Corporations (Directly Owned)							
Columbia Water Co. Stock	02/21/92	-	Full Year	37,800	37,800	37,800	37,800
	07/27/98	-	Full Year	17,224	17,224	17,224	17,224
	02/14/02	-	Full Year	1,250	1,250	1,250	1,250
	11/29/07	-	Full Year	3,450	3,450	3,450	3,450
State and Local Securities (Directly Owned)							
Cape Horn Water District Note	01/01		Full Year	87,978	70,272	79,125	79,125
Mt. Zion Water District Note	04/17/85		Full Year	255,481	255,481	255,481	255,481
York Township & Sewer Authority Note	04/28/86		Full Year	1,711	1,381	1,546	1,546
Windsor Water District No. 3 Note	10/99		Full Year	62,080	40,895	51,488	51,488
				<u>407,250</u>	<u>368,029</u>	<u>387,640</u>	<u>387,640</u>

THE YORK WATER COMPANY
PA CORPORATE TAX REPORT 2011

**AVERAGE NET BOOK VALUE OF
POLLUTION CONTROL ASSETS**

Gross Value of Pollution Control Assets

West Finished Water Storage Basin Cover	\$2,713,000
East Finished Water Storage Basin Cover	2,271,386
Sediment Treatment System	354,519
Updated Pump System - Settling Basin Cleaning	<u>113,247</u>

5,452,152

Depreciation Reserve Allocated to Pollution Control Assets

Accumulated Depreciation Pollution Control	2,361,594
--	-----------

Net Book Value of Pollution Control Assets

(5,452,152 - 2,361,594)	<u><u>3,090,558</u></u>
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APPLICATION AND NOTICE OF STATE CERTIFICATION FOR CORPORATION TAX BENEFITS
FOR AIR AND WATER POLLUTION CONTROL DEVICES

For Tax Year Ending December 31, 2000

1. Corporation Name The York Water Company
 2. Person Representing Corporation Kathleen M. Miller
 Title Assistant Treasurer Telephone (717) 845-3601
 Mailing Address P. O. Box 15089
York, PA 17405

3. Location of Pollution Control Device(s)
 Plant Name Settling Basins - Sludge System County York
 Mailing Address Filter Plant Municipality Spring Garden Township
P. O. Box 15089 (Twp. Born. Coy)
York, PA 17405

4. Briefly list and describe the nature and function of each pollution control device(s) for which the tax certification is requested. (If more space is needed, please attach additional sheets.)

1. Updated Pump System A new pump, pipe and fittings were installed to
2. eliminate the possibility of overflow and discharge
3. of sediment onto adjoining properties.
4. _____
5. _____

5. Attach a detailed description of the device(s), along with diagrams or sketches showing the device(s) in question and their relationship to the overall air or water pollution control system at the plant.

See attached

6. DER Permits Pertaining to the Pollution Control Device(s):⁽¹⁾

Permit No.	Air	Water	Date Issued	Date Expiring
6770201		X	April 1, 1970	
18729		X	July 1970	
0007291		X	March 1987	
Beneficial Use Order		X	January 17, 1991	

ORIGINAL
 FILED
 IN
 DEPARTMENT OF ENVIRONMENTAL RESOURCES
 11/17/00

7. Complete the following information for the device(s) in question:

Device	Date Installed	Date Began Operation	Original Installation Cost
New Diesel Pump with pipe and fittings for sludge system	11-17-00	11-17-00	\$113,247.41

⁽¹⁾ Some pollution control devices (i.e. pretreatment units) may not be permitted by the Department but may still be eligible for the corporate tax benefit.

The York Water Company

October, 2000

Settling Basin Cleaning - Updated Pump System

The settling basins at the filter plant are cleaned annually to remove the sediment deposits that accumulate inside them. In the past, this was accomplished by opening the drain valves and allowing gravity to carry the water/sediment slurry to a wet well. Large pumps removed the slurry from the wet well and pumped it into one of the 24 inch transmission mains. The main would be taken out of service for this process, and the slurry would discharge into the lagoons near the pumping station.

Unfortunately, if a pump failed, the slurry could overflow the wet well, and discharge into a tributary of Tyler Run. The large volume of water could exceed the tributary's carrying capacity, and overflow onto Virginia Avenue. Due to the potential adverse environmental impact, the system was redesigned and is being updated in 2000.

When the project is completed, the settling basin drain valves will be directly connected to a 12 inch HDPE pipe. This pipe will be connected to an 8" diameter suction/discharge, 99 HP, portable, water-cooled diesel pump. The pump would then discharge to a 20 inch pipe that will be connected to the 24 inch transmission main. Because the system will be connected directly to the pump, there is no chance of a sediment overflow occurring.



The York Water Company

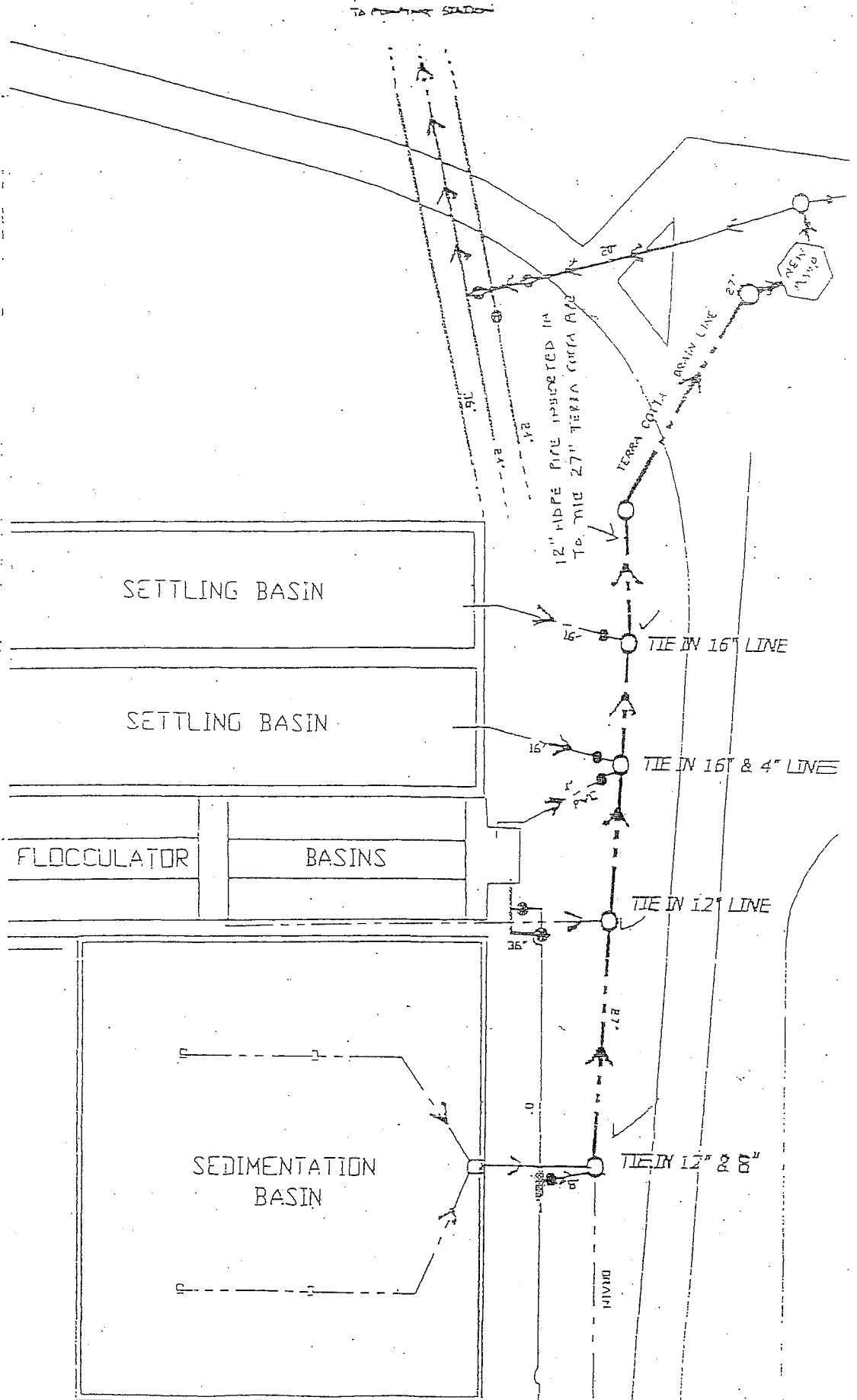
130 EAST MARKET ST YORK, PA 17401

TITLE

FITTER PLAN: SEDIMENT CLEARING

SCALE NO SCALE DR. BY TRM DRAWING NO.

DATE 12-20-41 CK'D. BY GJB



APPLICATION AND NOTICE OF STATE CERTIFICATION FOR CORPORATION TAX BENEFITS
FOR AIR AND WATER POLLUTION CONTROL DEVICES

For Tax Year Ending December 31, 1993

1. Corporation Name The York Water Company

2. Person Representing Corporation Jeffrey S. Osman

Title Assistant Treasurer Telephone (717) 845-3601

Mailing Address P. O. Box 15089
York, PA 17405

3. Location of Pollution Control Device(s)

Plant Name Sediment Treatment System and County York

Mailing Address Sediment Treatment Lagoons Municipality Spring Garden Township
P. O. Box 15089 (Two Boro. City)
York, PA 17405

4. Briefly list and describe the nature and function of each pollution control device(s) for which the tax certification is requested. (If more space is needed, please attach additional sheets.)

1. Sediment Treatment During the water treatment process suspended material
2. System (sediment) is removed from the water. The sediment is
3. then transported via a pipeline to sediment treatment
4. lagoons where the sediment is dewatered. The
5. supernatant is discharged to the Codorus Creek.

5. Attach a detailed description of the device(s), along with diagrams or sketches showing the device(s) in question and their relationship to the overall air or water pollution control system at the plant.

See attached.

6. DER Permits Pertaining to the Pollution Control Device(s):⁽¹⁾

Permit No.	Air	Water	Date Issued	Date Expiring
6770201		X	April 1, 1970	
18739		X	July 1970	
0007391		X	March 1987	
Beneficial Use Order		X	January 17, 1991	

7. Complete the following information for the device(s) in question:

Device	Date Installed	Date Began Operation	Original Installation Cost
<u>Sediment Treatment System</u>	<u>1967 - 1993</u>	<u>1970</u>	<u>\$254,519</u>

(1) Some pollution control devices (i.e. pretreatment units) may not be permitted by the Department, but may still qualify for the tax benefit.

APPLICATION AND NOTICE OF STATE CERTIFICATION FOR CORPORATION TAX BENEFITS FOR AIR AND WATER POLLUTION CONTROL DEVICES

For Tax Year Ending December 31, 1993

1. Corporation Name The York Water Company
 2. Person Representing Corporation Jeffrey S. Osman
 Title Assistant Treasurer Telephone (717) 845-3601
 Mailing Address P. O. Box 15089
York, PA 17405

3. Location of Pollution Control Device(s)
 Plant Name Finished Water Storage Basin Cover County York
 Mailing Address P. O. Box 15089 Municipality Spring Garden
York, PA 17405 (Two Boro. City)

4. Briefly list and describe the nature and function of each pollution control device(s) for which the tax certification is requested. (If more space is needed, please attach additional sheets.)

1.	<u>Finished Water Storage</u>	<u>Finished water storage basin covers installed to</u>
2.	<u>Basin Cover</u>	<u>comply with Section 109.609 of the Safe Drinking</u>
3.		<u>Water regulations which require covering of finished</u>
4.		<u>water basins.</u>
5.		

5. Attach a detailed description of the device(s), along with diagrams or sketches showing the device(s) in question and their relationship to the overall air or water pollution control system at the plant.
See attached.

6. DER Permits Pertaining to the Pollution Control Device(s):⁽¹⁾

Permit No.	Air	Water	Date Issued	Date Expiring
678053 Amended		X	July 27, 1992	-

7. Complete the following information for the device(s) in question:

Device	Date Installed	Date Began Operation	Original Installation Cost
Finished Water Storage Basin Covers	1993	1993	\$2,713,000

(1) Some pollution control devices (i.e. pretreatment units) may not be permitted by the Department, but may still be eligible for the corporate tax benefit.

APPLICATION AND NOTICE OF STATE CERTIFICATION FOR CORPORATION TAX BENEFITS
FOR AIR AND WATER POLLUTION CONTROL DEVICES

For Tax Year Ending December 31, 1994

1. Corporation Name The York Water Company

2. Person Representing Corporation Jeffrey S. Osman

Title Assistant Treasurer Telephone (717) 845-3607

Mailing Address P. O. Box 15089
York, PA 17405

3. Location of Pollution Control Device(s)

Plant Name Finished Water Storage Basin Cover County York

Mailing Address The York Water Company Municipality Spring Garden

P. O. Box 15089 (Two Boro. Coy)

York, PA 17405

4. Briefly list and describe the nature and function of each pollution control device(s) for which the tax certification is requested. (If more space is needed, please attach additional sheets.)

1. Finished Water Storage : Finished Water Storage Basin Covers installed to
2. Basin Cover : comply with Section 109 509 of the safe Drinking
3. : Water regulations which require covering of finished
4. : water basins.
5. : _____

5. Attach a detailed description of the device(s), along with diagrams or sketches showing the device(s) in question and their relationship to the overall air or water pollution control system at the plant.

6. DER Permits Pertaining to the Pollution Control Device(s):⁽¹⁾

Permit No.	Air	Water	Date Issued	Date Expiring
678053 Amended		X	July 27, 1992	-

7. Complete the following information for the device(s) in question:

Device	Date Installed	Date Began Operation	Original Installation Cost
Finished Water Storage Basin Covers	1994	1994	\$2,271,386

(1) Some pollution control devices (i.e. pretreatment units) may not be permitted by the Department, but may still be eligible for the corporate tax benefit.

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this 15th day of April, 1996, by and between the Commonwealth of Pennsylvania, acting by and through the Department of Revenue ("Department") and The York Water Company, a public utility with its principal office in York, PA ("York").

1. In 1993, York filed five (5) applications with the Department of Environmental Protection ("DEP") seeking Notices of State Certification for Corporation Tax Benefits with respect to five devices, to wit: settling basins, dual media filters, chemical treatment equipment, flocculators, and finished water storage basin covers involved in York's water treatment process (hereinafter referred to collectively as the "Equipment"). York claimed that the Equipment qualifies as water pollution control or abatement devices within the meaning of section 602.1 of the Tax Reform Code of 1971, P.L. 6, No. 2 (72 P.S. §7602.1).

2. By letter, bearing a mailing date of February 17, 1994, DEP refused to certify the Equipment in question as pollution control devices; thereafter, York appealed DEP's determination to the Environmental Hearing Board ("EEB").

3. On June 1, 1995, the EEB issued a Decision and Order sustaining DEP's determination.

4. On or about June 30, 1995, York timely filed a Petition for Review in the Commonwealth Court at No. 1994 C.D. 1995, which raises various challenges to the EEB Decision and Order and contests the validity of Department's regulation at 61

Pa. Code § 155.11. Such appeal has been perfected and briefed, and presently is scheduled for argument on April 15, 1996.

5. Upon careful consideration of the legal and practical issues raised by this appeal, York and the Department have agreed to settle this matter on the following terms:

a. Promptly upon the execution of this Agreement, York will withdraw, with prejudice, its appeal in the Commonwealth at No. 1554 C.D. 1995.

b. The Department hereby agrees that York is entitled to the exemption provided under section 602.1 of the Tax Reform Code of 1971 (72 P.S. §7602.1) with respect to its finished water storage basin covers.

c. Within ninety (90) days of the filing of the withdrawal described in paragraph (a), the Department will settle or resettle York's Capital Stock Tax reports for 1993 and 1994 (and if filed, by then, the 1995 tax report), and in accordance with the agreed position, grant an exemption for the finished water storage basin covers as being pollution control devices. In addition, the Department will grant the pollution control exemption with respect to York's finished water storage basin covers for the 1995 tax year and each year thereafter.

d. Within sixty (60) days of the settlement or resettlement of the 1993 and 1994 (and 1995, if applicable) Capital Stock Tax reports, the Department will grant a cash refund to York as a result of its entitlement to the exemption for its finished water storage basin covers.

6. Nothing in this Settlement Agreement shall be construed as impairing or affecting in any manner the right of York to institute or maintain appropriate petitions, appeals or actions against the Commonwealth with respect to the Capital Stock Tax imposed pursuant to Article VI of the Tax Reform Code of 1971, P.L. 6, No. 2, §§601-606 (72 P.S. §§7601-7606), so long as any such action does not concern its entitlement to the pollution control exemption under 72 P.S. § 7602.1 for the Equipment, other than its finished water storage basin covers, unless it becomes entitled to such exemption by virtue of subsequent amendments to applicable law or regulations or by judicial decision involving other water companies.

7. Except as explained above, nothing in this Settlement Agreement is intended to overturn or disturb the FHB Decision and Order issued on June 1, 1995.

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties hereto have caused this Settlement Agreement to be executed by their duly authorized representatives on the day and year first written above:

Department of Revenue
COMMONWEALTH OF PENNSYLVANIA

By: Robert A. Judge, Sr.
Robert A. Judge, Sr.
Secretary of Revenue

The York Water Company

By: George T. Bell
George T. Bell
Attorney for The
York Water Company

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
TAXES OTHER THAN INCOME TAXES IN ANOTHER STATE

53.53 IV Taxes

D. Water and Wastewater Utilities

- 2 Submit details of calculations for taxes, other than income, where a company is assessed taxes for doing business in another state, or on its property located in another state.

Response: The York Water Company was not assessed taxes for doing business in another state or for owning property in another state inasmuch as it does business and owns property only within the Commonwealth of Pennsylvania.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
FEDERAL INCOME TAX REFUNDS FOR LAST THREE YEARS

53.53 IV Taxes

D. Water and Wastewater Utilities

3. Submit a schedule showing for the last three years the income tax refunds plus interest (net of taxes), received from the federal government due to prior years' claims.

Response: The York Water Company has not received income tax refunds, plus interest, due to prior years' claims for the last three years.
The 2011 federal tax return included an overpayment of \$112,345 which was credited to the 2012 estimated tax.
The 2010 federal tax return included an overpayment of \$681,196 which was credited to the 2011 estimated tax.
The 2009 federal tax return included an amount due of \$19.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMPUTATION OF PRO FORMA ALLOWABLE DEPRECIATION, DEPRECIATION
USING TAX BASIS AND CALCULATED ANNUAL ACCRUAL RATE AND BASIS FOR
DEFERRED INCOME TAX

53.53 IV Taxes

D. Water and Wastewater Utilities

- 4 Provide detailed computations showing the deferred income taxes derived by using accelerated tax depreciation applicable to post-1969 utility property that increases productive capacity, and ADR rates on property (separate between state and federal; also, rate used).
- a. State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.
 - b. Reconcile any difference between the deferred tax balance, as shown as a reduction to measures of value (rate base), and the deferred tax balance as shown on the balance sheet.

Response: Refer to Exhibit Nos. HIV-17-3, HIV-17-4 and HIV-17-4(a) for the detailed computations showing tax depreciation and deferred Federal income tax related to accelerated depreciation for the twelve months ended December 31, 2012. Tax depreciation shown on Exhibit Nos. HIV-17-3, HIV-17-4 and HIV-17-4(a) are based on all rate base items claimed as of December 31, 2012, and represents the annual tax depreciation for the twelve months ended December 31, 2012.

Deferred federal income tax related to accelerated depreciation as of December 31, 2012 is shown as a reduction to the measure of value on Exhibit No. HV-1:

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
DEFERRED INVESTMENT TAX CREDIT AS OF DECEMBER 31, 2012

53.53 IV Taxes

D. Water and Wastewater Utilities

- 5 Submit a schedule showing a breakdown of accumulated investment tax credits (3 percent, 4 percent, 7 percent, 10 percent and 11 percent), together with details of methods used to write-off the unamortized balances.

Response: Refer to page 2.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
DEFERRED INVESTMENT TAX CREDIT AS OF DECEMBER 31, 2012

Year	3%	4%	7%	10%	11%	Total Remaining Deferred Investment Tax Credit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1972(a)		1710				1710
1973		2173				2173
1974				3140		3140
1975				14662		14662
1976				18198		18198
1977				23679		23679
1978				29016		29016
1979				48889		48889
1980				22103		22103
1981				47508		47508
1982				84805		84805
1983				38315		38315
1984				83506		83506
1985				155918		155918
1986				48011		48011
1987				10016		10016
1988				17001		17001
1989				4920		4920
1990				115262		115262
1991				591		591
1992				407		407
1993				1229		1229
1994				674		674
1995				519		519
1996				27796		27796
1997				1414		1414
1998				691		691
1999				951		951
2000				1074		1074
2001				565		565
2002				1763		1763
2003				971		971
2004				184		184
2005				527		527
2006				1091		1091
2007				60		60
2008				527		527
2009				436		436
2010				984		984
2011				30		30
2012				179		179
	0	3883	0	807612	0	811495

(a) Investment tax credits realized during the period 1972 through 2012 are amortized over fifty years, the approximate composite useful life of the property with respect to which investment tax credits are realized.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
TAXABLE NET INCOME UNDER EXISTING RATES FOR TWELVE MONTHS
ENDED DECEMBER 31, 2012

53.53 III. Balance Sheet and Operating Statement

D. All Utilities

- 6 Submit a schedule showing the adjustments for taxable net income per books (including below-the-line items) and pro forma under existing rates, together with an explanation of any differences between the adjustments. Indicate charitable donations and contributions in the tax calculation for ratemaking purposes.

Response: Expenses Recorded on Books Not Deducted on Return

Nondeductible Lobbying Expenses	20,994
Nondeductible Social Orgs (below the line)	780
Amortization of Rate Case Expense	80,329
Amortization of Service Life Study	(9,371)
Debt Expense Amortization (Unamortized 2004 Series B)	21,049
Post Retirement Benefits	10,736
Nondeductible Vacation Pay	19,048
Amortization of Acquisition Adjustments	(50,227)
Savings Plan and Supplemental Retirement Benefit (Below-The-Line)	153,799
Bad Debt Reserve	(28,681)
Nondeductible Business Meals	1,098
Prior Year State Income Tax Adjustment	(1,236)
	218,318
Income on Books Not Included on Return	
Interest Income Not Subject to Income Taxes	97,900
Dividends From Domestic Corporations	10,714
	108,614
Deductions Not Charged Against Booked Income	
Tax Depreciation in Excess of Depreciation Recorded on Books	6,096,542
Cost of Removal Deducted Currently	542,268
Tank Painting Deducted Currently	411,372
Change in Prepaid Expenses	1,475
Indemnification for Income Taxes From Developers	47,751
Charitable Contributions (Below-The-Line)	97,872
Domestic Production Credit	413,032
	7,610,312

Refer to Exhibit No. HIV-17-2 for adjustments to pro forma taxable income for the twelve months ended December 31, 2012

There are no charitable contributions included in the tax calculation for ratemaking purposes.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
TAXABLE NET INCOME ALLOCATION

53.53 IV Taxes

D. Water and Wastewater Utilities

- 7 Submit detailed calculations supporting taxable income before state and federal income taxes where the income tax is subject to allocation due to operations in another state, or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.

Response: The calculations supporting taxable income before state and federal income taxes are not subject to allocation due to operations in another state, or due to operation of other taxable utility or non-utility business, or by operating divisions or areas. Refer to Exhibit No. HIV-17-2 for calculations of pro forma taxable income under existing rates for the Company as a whole.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
PREPAID INCOME TAX AND DEFERRED INCOME TAX CHARGES AND OTHER
DEFERRED INCOME TAX CREDITS BY ACCOUNTING AREAS

53.53 IV Taxes

D. Water and Wastewater Utilities

- 8 Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits and reserves by accounting areas.

Response: The York Water Company does not have separate accounting areas. The York Water Company does not have prepaid federal income and Pennsylvania corporate net income taxes for the Company as a whole. Refer to Exhibit No. HIV-17 for deferred income tax charges for the Company as a whole.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
COST OF REMOVAL DEDUCTED CURRENTLY FOR INCOME TAX PURPOSES

53.53 IV Taxes

D. Water and Wastewater Utilities

- 9 Explain the reason for the use of cost of removal of any retired plant figures in the income tax calculations.

Response: The Internal Revenue Code permits a current deduction for costs of removal of utility plant in determining taxable income. The Company makes such a deduction when computing its Federal income tax liability, and passes the tax benefit of the deduction on to its customers in its calculation of current income taxes for ratemaking.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
TAX SAVINGS DUE TO THE USE OF ACCELERATED DEPRECIATION ON PROPERTY
INSTALLED PRIOR TO 1970

53.53 IV Taxes

D. Water and Wastewater Utilities

10 State whether all tax savings due to accelerated depreciation on property installed prior to 1970 have been passed through to income. (If not, explain.)

Response: The York Water Company has used straight-line depreciation for tax purposes, for all years, for property installed prior to 1970. As a result, there were no tax savings due to accelerated depreciation.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
INCOME TAX LOSS OR GAIN CARRYOVER

53.53 IV Taxes

D. Water and Wastewater Utilities

11 Show any income tax loss/gain carryovers from previous years that might affect test year income taxes or future year income taxes. Show loss/gain carryovers by years of origin and amounts remaining by years at the end of the test year.

Response: The York Water Company has no income tax loss or gain carryovers from previous tax years that would affect test year or future year income taxes.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
TAXES ACCRUED AS OF DECEMBER 31, 2009

53.53 IV Taxes

D. Water and Wastewater Utilities

12 Provide a detailed analysis of taxes accrued per books as of the test year date. Also supply the basis for the accrual and the amount of taxes accrued monthly.

Response: Refer to page 2 for the amount of taxes accrued per books as of December 31, 2012 and the basis of taxes accrued.

Refer to page 3 for the amount of taxes accrued monthly during the twelve months ended December 31, 2012.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
BASIS FOR TAX ACCRUALS

Taxes Accrued (1)	As of December 31, 2012 (2)	Basis for Tax Accrual (3)
Federal Income	12,747	Tax is based on the taxable net income as defined by and reported to the Internal Revenue Service. The tax rate is 34% of taxable income. The monthly accrual is based on the taxable income achieved from the level of operations for that month.
State Income	461,462	Tax is based on the taxable net income as defined by and reported to the Commonwealth. The tax rate is 9.99% of taxable income. The monthly accrual is based on the taxable income achieved from the level of operations for that month.
Capital Stock	(378,245)	Tax is based on the taxable value of the Company's capital stock as determined by the Commonwealth. The tax rate is 0.189% of the capital stock taxable value. The monthly accrual is based on an estimate (1/12th) of the final annual tax liability imposed by the Commonwealth.
Public Utility Realty	7,036	Tax is based on the taxable value of public utility land, buildings and other structures. The tax rate is 3.0626% of the public utility realty taxable value. The monthly accrual is based on an estimate (1/12th) of the final annual tax liability imposed by the Commonwealth.
Public Utility Commission, Consumer Advocate and Small Business Advocate Assessments	-	Tax is based on PUC , OCA and SBA Assessments and supplemental assessments for the fiscal period July 1 through June 30. Since this is a prepaid item, it is amortized to expense at 1/12 of the assessment each month.
FICA	8,134	OASDI tax is based on the first \$110,100 of taxable wages paid to each employee. The HI tax is based on all wages paid to each employee. The tax rate is 1.45% for the HI tax and 6.2% for the OASDI tax. The accrual is made each pay day based on the taxable wages paid.
Federal Unemployment	-	The tax is based on the first \$7,000 of taxable wages paid to each employee. The tax rate is 0.9% of taxable wages. The accrual is made each pay day based on the taxable wages paid.
State Unemployment	56	The tax is based on the first \$8,000 of taxable wages paid to each employee. The tax rate is 2.7544% of taxable wages. The accrual is made each pay day based on the taxable wages paid.
Local Property	-	Tax is based on the assessed value of realty subject to local taxation as determined by the local tax assessors. The tax rate varies with each municipality. The monthly accrual is based on 1/12th of the final tax liability imposed by the local municipalities.

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 AMOUNT OF TAXES ACCRUED MONTHLY FOR TWELVE MONTHS ENDED
 DECEMBER 31, 2012

Exhibit No. HIV-12.
 Page 3 of 3
 Witness: T W Altland

Month	23612000 Federal Income (1)	23612001 State Income (2)	23611005 Capital Stock (3)	23611003 Public Utility Realty (4)	PUC, OCA SBA Assessment (5)	23611000 FICA (6)	23611001 Federal Unemploy- ment (7)	23611002 State Unemploy- ment (8)	23611004 Local Property (9)
January	113,145	83,648	13,158	20,294	18,593	40,041	4,092	14,023	6,179
February	122,094	86,569	12,513	20,294	18,593	37,491	1,443	6,076	6,179
March	122,276	86,628	12,512	20,295	18,592	49,021	88	-222	6,670
April	170,943	102,515	12,513	20,295	18,593	38,995	0	-11	6,342
May	163,424	100,061	12,512	20,294	18,593	45,544	60	184	6,343
June	191,659	109,277	12,513	20,294	18,593	38,375	103	314	6,342
July	352,750	161,864	12,512	20,294	18,593	40,763	117	360	6,343
August	109,508	82,460	12,513	43,534	18,593	39,384	128	392	6,610
September	241,316	125,487	12,512	21,421	21,208	33,531	4	39	6,477
October	199,007	111,676	12,513	21,421	19,464	37,573	0	0	6,477
November	156,550	97,817	12,512	21,421	19,464	37,191	0	0	6,477
December	170,949	46,205	12,513	21,420	19,465	39,541	1,468	4,913	6,477

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CONSOLIDATED INCOME TAX RETURN

53.53 IV Taxes

D. Water and Wastewater Utilities

- 13 Under Section 1552 of the Internal Revenue Code and Regulations at 1.1552-1 thereunder, if applicable, a parent company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the federal government. (If this interrogatory is not applicable, so state).
- a. State what option has been chosen by the group.
 - b. Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return.
 - c. Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
 - d. Provide annual income tax return for the group, and if income tax return shows net operating loss, provide details of amount of net operating loss allocated to the income tax returns of each of the members of the consolidated group.

Response: The York Water Company has not filed an election under Section 1552 of the Internal Revenue Code.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
FEDERAL INCOME TAX RETURNS

53.53 IV Taxes

D. Water and Wastewater Utilities

- 14 Provide a copy of the corporate federal tax returns and supporting schedules for the preceding three years and, if applicable, a copy of the calculation workpapers for the company's consolidated tax savings adjustment.

Response: A copy of the corporate Federal income tax returns and supporting schedules for the preceding three years is attached.

There are no consolidated tax savings.

IRS e-file Signature Authorization for Form 1120

2011

Department of the Treasury Internal Revenue Service

For calendar year 2011, or tax year beginning _____, 2011, ending _____, 20____

▶ See instructions. Do not send to the IRS. Keep for your records.

Name of corporation **THE YORK WATER COMPANY** Employer identification number **23-1242500**

Part I Tax Return Information (Whole dollars only)	
1 Total income (Form 1120, line 11)	1 40,655,649.
2 Taxable income (Form 1120, line 30)	2 3,989,900.
3 Total tax (Form 1120, line 31)	3 1,356,535.
4 Amount owed (Form 1120, line 34)	4
5 Overpayment (Form 1120, line 35)	5 112,345.

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2011 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize PARENTEBEARD LLC ERO firm name to enter my PIN 17405 do not enter all zeros as my signature on the corporation's 2011 electronically filed income tax return.

As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2011 electronically filed income tax return.

Officer's signature ▶ Kathleen M. Miller Date ▶ 8/28/12 Title ▶ CFO & TREASURER

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 23885217401 do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2011 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ 08/08/12

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see instructions. Form **8879-C** (2011)

LHA

U.S. Corporation Income Tax Return
For calendar year 2011 or tax year

2011

beginning _____, ending _____

A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input checked="" type="checkbox"/>	TYPE OR PRINT	Name THE YORK WATER COMPANY Number, street, and room or suite no. If a P.O. box, see instructions. 130 EAST MARKET STREET City or town, state, and ZIP code YORK, PA 17405	B Employer identification number 23-1242500 C Date incorporated 02/08/1816 D Total assets (see instructions) \$ 274,218,820.
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change			

Income	1a Merchant card and third-party payments. For 2011, enter -0- 1a 0. b Gross receipts or sales not reported on line 1a (see instructions) 1b 40,207,057. c Total. Add lines 1a and 1b 1c 40,207,057. d Returns and allowances plus any other adjustments (see instructions) 1d e Subtract line 1d from line 1c 1e 40,207,057.		
	2 Cost of goods sold from Form 1125-A, line 8 (attach Form 1125-A) 2 3 Gross profit. Subtract line 2 from line 1e 3 40,207,057. 4 Dividends (Schedule C, line 19) 4 15,306. 5 Interest SEE STATEMENT 2 5 56. 6 Gross rents 6 433,230. 7 Gross royalties 7 8 Capital gain net income (attach Schedule D (Form 1120)) 8 9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) 9 10 Other income (attach schedule) 10 11 Total income. Add lines 3 through 10 11 40,655,649.		
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers from Form 1125-E, line 4 (attach Form 1125-E) 12 988,175. 13 Salaries and wages (less employment credits) 13 4,698,486. 14 Repairs and maintenance 14 1,446,902. 15 Bad debts 15 392,126. 16 Rents 16 17 Taxes and licenses SEE STATEMENT 3 17 1,184,559. 18 Interest 18 5,155,057. 19 Charitable contributions SEE STATEMENT 4 AND SEE STATEMENT 5 19 481,978. 20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562) 20 14,343,234. 21 Depletion 21 22 Advertising 22 23 Pension, profit-sharing, etc., plans 23 1,931,297. 24 Employee benefit programs 24 106,772. 25 Domestic production activities deduction (attach Form 8903) 25 337,192. 26 Other deductions (attach schedule) SEE STATEMENT 6 26 5,589,257. 27 Total deductions. Add lines 12 through 26 27 36,655,035. 28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 28 4,000,614.		
	29a Net operating loss deduction (see instructions) 29a b Special deductions (Schedule C, line 20) 29b 10,714. c Add lines 29a and 29b 29c 10,714.		
Tax, Refundable Credits, and Payments	30 Taxable income. Subtract line 29c from line 28 (see instructions) 30 3,989,900. 31 Total tax (Schedule J, Part I, line 11) 31 1,356,535. 32 Total payments and refundable credits (Schedule J, Part II, line 21) 32 1,468,880. 33 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input checked="" type="checkbox"/> 33 34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed 34 0. 35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid 35 112,345. 36 Enter amount from line 35 you want: Credited to 2012 estimated tax 112,345. Refunded 36		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____	Date _____	CFO & TREASURER	May the IRS discuss this return with the preparer shown below? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Paid	Print/Type preparer's name ANTHONY H. ANDERSON	Preparer's signature	Date 08/08/12	Check if self-employed <input type="checkbox"/>	PTIN P00185695
Preparer Use Only	Firm's name PARENTEBEARD LLC	Firm's EIN 23-2932984	Firm's address 1650 MARKET STREET, SUITE 4500 PHILADELPHIA, PA 19103	Phone no. 215-972-0701	

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

▶ **File a separate application for each return.**
 ▶ **See separate instructions.**

**Print
or
Type**

Name The York Water Company	Identifying number 23-1242500
Number, street, and room or suite no. (If P.O. box, see instructions.) 130 East Market Street	
City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). York, PA 17401	

Note. File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

Part I Automatic 5-Month Extension

1a Enter the form code for the return that this application is for (see below) 1 2

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate other than a bankruptcy estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension

b Enter the form code for the return that this application is for (see below) 1 2

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here ▶
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ▶
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here ▶

5a The application is for calendar year 20 11, or tax year beginning _____, 20____, and ending _____, 20____

b Short tax year. If this tax year is less than 12 months, check the reason:

- Initial return Final return Change in accounting period Consolidated return to be filed

6 Tentative total tax	6	1,352,328	00
7 Total payments and credits (see instructions)	7	1,468,880	00
8 Balance due. Subtract line 7 from line 6 (see instructions)	8	0	00

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	15,306.	70	10,714.
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8	SEE STATEMENT 7		10,714.
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	15,306.		
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			10,714.

Schedule J Tax Computation and Payment (see instructions)

Part I - Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))		
2	Income tax. Check if a qualified personal service corporation (see instructions)	STMT 8	2 1,356,566.
3	Alternative minimum tax (attach Form 4626)		3
4	Add lines 2 and 3		4 1,356,566.
5a	Foreign tax credit (attach Form 1118)	5a	
5b	Credit from Form 8834, line 30 (attach Form 8834)	5b	
5c	General business credit (attach Form 3800)	5c	31.
5d	Credit for prior year minimum tax (attach Form 8827)	5d	
5e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e		6 31.
7	Subtract line 6 from line 4		7 1,356,535.
8	Personal holding company tax (attach Schedule PH (Form 1120))		8
9a	Recapture of investment credit (attach Form 4255)	9a	
9b	Recapture of low-income housing credit (attach Form 8611)	9b	
9c	Interest due under the look-back method-completed long-term contracts (attach Form 8697)	9c	
9d	Interest due under the look-back method-income forecast method (attach Form 8866)	9d	
9e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
9f	Other (see instructions - attach schedule)	9f	
10	Total. Add lines 9a through 9f		10
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11 1,356,535.

Part II - Payments and Refundable Credits

12	2010 overpayment credited to 2011	12	681,196.
13	2011 estimated tax payments	13	787,684.
14	2011 refund applied for on Form 4466	14	()
15	Combine lines 12, 13, and 14	15	1,468,880.
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	Total payments. Add lines 15, 16, and 17	18	1,468,880.
19	Refundable credits from:		
19a	Form 2439	19a	
19b	Form 4136	19b	
19c	Form 3800, line 17c and Form 8827, line 8c	19c	
19d	Other (attach schedule - see instructions)	19d	
20	Total credits. Add lines 19a through 19d	20	
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	1,468,880.

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. 221300		
b	Business activity WATER UTILITY		
c	Product or service WATER		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation _____		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Form 1120 (2011)

Schedule K Other Information continued (see instructions)

	Yes	No
5 At the end of the tax year, did the corporation:		
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions		X
If "Yes," complete (i) through (iv) below.		

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions		X
If "Yes," complete (i) through (iv) below.		

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)		X
If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.		
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?		X
For rules of attribution, see section 318. If "Yes," enter:		
(i) Percentage owned \blacktriangleright _____ and (ii) Owner's country \blacktriangleright _____		
(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached \blacktriangleright _____		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount	<input type="checkbox"/>	
If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9 Enter the amount of tax-exempt interest received or accrued during the tax year \blacktriangleright \$ 95,219.		
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) \blacktriangleright _____		
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here	<input type="checkbox"/>	
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) \blacktriangleright \$ _____		
13 Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?		X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \blacktriangleright \$ _____		
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?		X
If "Yes," complete and attach Schedule UTP.		
15a Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?	X	
b If "Yes," did or will the corporation file all required Forms 1099?	X	

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		1,826,473.		4,506,257.
2a Trade notes and accounts receivable	6,517,285.		6,297,104.	
b Less allowance for bad debts	(245,000.)	6,272,285.	(333,681.)	5,963,423.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (att. sch.) STMT 9		1,174,124.		1,222,737.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (att. sch.) STMT 10		59,724.		59,724.
10a Buildings and other depreciable assets	270758386.		279248603.	
b Less accumulated depreciation	(42,369,322.)	228389064.	(46,270,397.)	232978206.
11a Depletable assets				
b Less accumulated depletion	()		()	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
14 Other assets (att. sch.) STMT 11		22,209,496.		29,488,473.
15 Total assets		259931166.		274218820.
Liabilities and Shareholders' Equity				
16 Accounts payable		1,196,694.		1,064,916.
17 Mortgages, notes, bonds payable in less than 1 year		41,442.		41,858.
18 Other current liabilities (att. sch.) STMT 12		4,092,896.		4,176,305.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		85,131,866.		84,975,008.
21 Other liabilities (att. sch.) STMT 13		78,211,560.		88,695,500.
22 Capital stock: a Preferred stock				
b Common stock	75,480,587.	75,480,587.	77,112,765.	77,112,765.
23 Additional paid-in capital				
24 Retained earnings - Appropriated (attach schedule)				
25 Retained earnings - Unappropriated		15,776,121.		18,152,468.
26 Adjustments to shareholders' equity (attach schedule)				
27 Less cost of treasury stock		()		()
28 Total liabilities and shareholders' equity		259931166.		274218820.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return	
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions	
1 Net income (loss) per books	7 Income recorded on books this year not included on this return (itemize):
2 Federal income tax per books	Tax-exempt interest \$ _____
3 Excess of capital losses over capital gains	
4 Income subject to tax not recorded on books this year (itemize): _____	8 Deductions on this return not charged against book income this year (itemize):
5 Expenses recorded on books this year not deducted on this return (itemize):	a Depreciation \$ _____
a Depreciation \$ _____	b Charitable contributions \$ _____
b Charitable contributions \$ _____	
c Travel and entertainment \$ _____	9 Add lines 7 and 8
6 Add lines 1 through 5	10 Income (page 1, line 28) - line 6 less line 9

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)			
1 Balance at beginning of year	15,776,121.	5 Distributions: a Cash	6,707,798.
2 Net income (loss) per books	9,084,145.	b Stock	
3 Other increases (itemize): _____		c Property	
		6 Other decreases (itemize): _____	
		7 Add lines 5 and 6	6,707,798.
4 Add lines 1, 2, and 3	24,860,266.	8 Balance at end of year (line 4 less line 7)	18,152,468.

▶ See separate instructions.
▶ Attach to the corporation's tax return.

2011

Name THE YORK WATER COMPANY		Employer identification number 23-1242500
Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).		
1	Taxable income or (loss) before net operating loss deduction	1 3,989,900.
2	Adjustments and preferences:	
a	Depreciation of post-1986 property	2a 297,138.
b	Amortization of certified pollution control facilities	2b
c	Amortization of mining exploration and development costs	2c
d	Amortization of circulation expenditures (personal holding companies only)	2d
e	Adjusted gain or loss	2e
f	Long-term contracts	2f
g	Merchant marine capital construction funds	2g
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h
i	Tax shelter farm activities (personal service corporations only)	2i
j	Passive activities (closely held corporations and personal service corporations only)	2j
k	Loss limitations	2k
l	Depletion	2l
m	Tax-exempt interest income from specified private activity bonds	2m
n	Intangible drilling costs	2n
o	Other adjustments and preferences	2o STATEMENT 15 * -36,856.
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3 4,250,182.
4	Adjusted current earnings (ACE) adjustment:	
a	ACE from line 10 of the ACE worksheet in the instructions	4a 4,356,115.
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b 105,933.
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c 79,450.
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d 10,797,071.
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	4e 79,450.
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5 4,329,632.
6	Alternative tax net operating loss deduction (see instructions)	6
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7 4,329,632.
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):	
a	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a
b	Multiply line 8a by 25% (.25)	8b
c	Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8c 0.
9	Subtract line 8c from line 7. If zero or less, enter -0-	9 4,329,632.
10	Multiply line 9 by 20% (.20)	10 865,926.
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)	11
12	Tentative minimum tax. Subtract line 11 from line 10	12 865,926.
13	Regular tax liability before applying all credits except the foreign tax credit	13 1,356,566.
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14 0.

JWA For Paperwork Reduction Act Notice, see the instructions.

Form 4626 (2011)

* SEE ALSO

STMT 14

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	4,250,182.
2	ACE depreciation adjustment:			
	a AMT depreciation	2a		14,046,096.
	b ACE depreciation:			
	(1) Post-1993 property	2b(1)		
	(2) Post-1989, pre-1994 property	2b(2)		
	(3) Pre-1990 MACRS property	2b(3)		
	(4) Pre-1990 original ACRS property	2b(4)		
	(5) Property described in sections 168(f)(1) through (4)	2b(5)		
	(6) Other property	2b(6)		
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)		14,046,096.
	c ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	
3	Inclusion in ACE of items included in earnings and profits (E&P):			
	a Tax-exempt interest income	3a		95,219.
	b Death benefits from life insurance contracts	3b		
	c All other distributions from life insurance contracts (including surrenders)	3c		
	d Inside buildup of undistributed income in life insurance contracts	3d		
	e Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e		
	f Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	95,219.
4	Disallowance of items not deductible from E&P:			
	a Certain dividends received	4a		10,714.
	b Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b		
	c Dividends paid to an ESOP that are deductible under section 404(k)	4c		
	d Nonpatronage dividends that are paid and deductible under section 1382(c)	4d		
	e Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e		
	f Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	10,714.
5	Other adjustments based on rules for figuring E&P:			
	a Intangible drilling costs	5a		
	b Circulation expenditures	5b		
	c Organizational expenditures	5c		
	d LIFO inventory adjustments	5d		
	e Installment sales	5e		
	f Total other E&P adjustments. Combine lines 5a through 5e		5f	
6	Disallowance of loss on exchange of debt pools		6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8	Depletion		8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	4,356,115.

General Business Credit

▶ See separate instructions.
▶ Attach to your tax return.

Name(s) shown on return

Identifying number

THE YORK WATER COMPANY

23-1242500

Part I Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT)

(See instructions and complete Part(s) III before Parts I and II)

1	General business credit from line 2 of all Parts III with box A checked	1	31.
2	Passive activity credits from line 2 of all Parts III with box B checked	2	
3	Enter the applicable passive activity credits allowed for 2011 (see instructions)	3	
4	Carryforward of general business credit to 2011. Enter the amount from line 2 of Part III with box C checked. See instructions for schedule to attach	4	
5	Carryback of general business credit from 2012. Enter the amount from line 2 of Part III with box D checked	5	
6	Add lines 1, 3, 4, and 5	6	31.

Part II Allowable Credit

7	Regular tax before credits: • Individuals. Enter the amount from Form 1040, line 44, or Form 1040NR, line 42 • Corporations. Enter the amount from Form 1120, Schedule J, Part I, line 2; or the applicable line of your return • Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b; or the amount from the applicable line of your return	7	1,356,566.
8	Alternative minimum tax: • Individuals. Enter the amount from Form 6251, line 35 • Corporations. Enter the amount from Form 4626, line 14 • Estates and trusts. Enter the amount from Schedule I (Form 1041), line 56	8	0.
9	Add lines 7 and 8	9	1,356,566.
10a	Foreign tax credit	10a	
b	Personal credits from Form 1040 or 1040NR (see instructions)	10b	
c	Add lines 10a and 10b	10c	
11	Net income tax. Subtract line 10c from line 9. If zero, skip lines 12 through 15 and enter -0- on line 16a	11	1,356,566.
12	Net regular tax. Subtract line 10c from line 7. If zero or less, enter -0-	12	1,356,566.
13	Enter 25% (.25) of the excess, if any, of line 12 over \$25,000 (see instructions)	13	332,892.
14	Tentative minimum tax: • Individuals. Enter the amount from Form 6251, line 33 • Corporations. Enter the amount from Form 4626, line 12 • Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54	14	865,926.
15	Enter the greater of line 13 or line 14	15	865,926.
16a	Subtract line 15 from line 11. If zero or less, enter -0-	16a	490,640.
b	For a corporation electing to accelerate the research credit, enter the bonus depreciation amount attributable to the research credit (see instructions)	16b	
c	Add lines 16a and 16b	16c	490,640.
17a	Enter the smaller of line 6 or line 16c C corporations: See the line 17a instructions if there has been an ownership change, acquisition, or reorganization.	17a	31.
b	Enter the smaller of line 6 or line 16a. If you made an entry on line 16b, go to line 17c; otherwise, skip line 17c (see instructions)	17b	31.
c	Subtract line 17b from line 17a. This is the refundable amount for a corporation electing to accelerate the research credit. Include this amount on Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)	17c	

Part II Allowable Credit (Continued)

Note. If you are not required to report any amounts on lines 22 or 24 below, skip lines 18 through 25 and enter -0- on line 26.

18	Multiply line 14 by 75% (.75) (see instructions)	18	
19	Enter the greater of line 13 or line 18	19	
20	Subtract line 19 from line 11. If zero or less, enter -0-	20	
21	Subtract line 17b from line 20. If zero or less, enter -0-	21	
22	Combine the amounts from line 3 of all Parts III with box A, C, or D checked	22	
23	Passive activity credit from line 3 of all Parts III with box B checked	23	
24	Enter the applicable passive activity credit allowed for 2011 (see instructions)	24	
25	Add lines 22 and 24	25	
26	Empowerment zone and renewal community employment credit allowed. Enter the smaller of line 21 or line 25	26	
27	Subtract line 13 from line 11. If zero or less, enter -0-	27	1,023,674.
28	Add lines 17b and 26	28	31.
29	Subtract line 28 from line 27. If zero or less, enter -0-	29	1,023,643.
30	Enter the general business credit from line 5 of all Parts III with box A checked	30	
31	Enter the total eligible small business credit from line 6 of all Parts III with box E checked	31	
32	Passive activity credits from line 5 of all Parts III with box B checked and line 6 of all Parts III with box F checked	32	
33	Enter the applicable passive activity credits allowed for 2011 (see instructions)	33	
34	Carryforward of business credit to 2011. Enter the amount from line 5 of Part III with box C checked and line 6 of Part III with box G checked. See instructions for schedule to attach	34	
35	Carryback of business credit from 2012. Enter the amount from line 5 of Part III with box D checked and line 6 of Part III with box H checked (see instructions)	35	
36	Add lines 30, 31, 33, 34, and 35	36	
37	Enter the smaller of line 29 or line 36	37	0.
38	Credit allowed for the current year. Add lines 28 and 37. Report the amount from line 38 (if smaller than the sum of Part I, line 6, and Part II, lines 25 and 36, see instructions) as indicated below or on the applicable line of your return: <ul style="list-style-type: none"> • Individuals. Form 1040, line 53, or Form 1040NR, line 50 • Corporations. Form 1120, Schedule J, Part I, line 5c • Estates and trusts. Form 1041, Schedule G, line 2b 	38	31.

Part III General Business Credits or Eligible Small Business Credits (see instructions)

Complete a separate Part III for each box checked below. (see instructions)

- A [X] General Business Credit From a Non-Passive Activity
B [] General Business Credit From a Passive Activity
C [] General Business Credit Carryforwards
D [] General Business Credit Carrybacks
E [] Eligible Small Business Credit From a Non-Passive Activity
F [] Eligible Small Business Credit From a Passive Activity
G [] Eligible Small Business Credit Carryforwards
H [] Eligible Small Business Credit Carrybacks

I If you are filing more than one Part III with box A, B, E, or F checked, complete and attach first an additional Part III combining amounts from all Parts III with box A, B, E, or F checked. Check here if this is the consolidated Part III

Table with 3 columns: (a) Description of credit, (b) If claiming the credit from a pass-through entity, enter the EIN, (c) Enter the appropriate amount. Rows include categories like Investment, Reserved for future use, Increasing research activities, etc.

**SCHEDULE B
(Form 1120)**

(Rev. December 2009)
Department of the Treasury
Internal Revenue Service

**Additional Information for
Schedule M-3 Filers**

▶ Attach to Form 1120.
▶ See instructions on page 2.

OMB No. 1545-0123

Name THE YORK WATER COMPANY	Employer identification number (EIN) 23-1242500
---------------------------------------	---

	Yes	No
1 Do the amounts reported on Schedule M-3 (Form 1120), Part II, lines 9 or 10, column (d), reflect allocations to this corporation from a partnership of income, gain, loss, deduction, or credit that are disproportionate to this corporation's capital contribution to the partnership or its ratio for sharing other items of the partnership?		X
2 At any time during the tax year, did the corporation sell, exchange, or transfer any interest in an intangible asset to a related person as defined in section 267(b)?		X
3 At any time during the tax year, did the corporation acquire any interest in an intangible asset from a related person as defined in section 267(b)?		X
4a During the tax year, did the corporation enter into a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations?		X
b At any time during the tax year, was the corporation a participant in a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471?		X
5 At any time during the tax year, did the corporation make any change in accounting principle for financial accounting purposes? See instructions for the definition of change in accounting principle		X
6 At any time during the tax year, did the corporation make any change in a method of accounting for U.S. income tax purposes?		X
7 At any time during the tax year, did the corporation own any voluntary employees' beneficiary association (VEBA) trusts that were used to hold funds designated for employee benefits?		X
8 At any time during the tax year, did the corporation use an allocation method for indirect costs capitalized to self-constructed assets that varied from its financial method of accounting?		X
9 At any time during the tax year, did the corporation treat for tax purposes indirect costs, as defined in Regulations sections 1.263A-1(e)(3)(ii)(F), (G), and (H), as mixed-service costs, as defined in Regulations section 1.263A-1(e)(4)(ii)(C)?		X
10 Did the corporation, under section 118 or 362(c) and the related regulations, take a return filing position characterizing any amount as a contribution to the capital of the corporation during the tax year by any non-shareholders? Amounts so characterized may include, without limitation, incentives, inducements, money, and property		X

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule B (Form 1120) (Rev. 12-2009)

Net Income (Loss) Reconciliation for Corporations With Total Assets of \$10 Million or More

2011

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120 or 1120-C.
▶ See separate instructions.

Name of corporation (common parent, if consolidated return) THE YORK WATER COMPANY	Employer identification number 23-1242500
--	---

Check applicable box(es): (1) Non-consolidated return (2) Consolidated return (Form 1120 only)
(3) Mixed 1120/L/PC group (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

1 a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?

- Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?

- Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?

- Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2 a Enter the income statement period: Beginning 01/01/2011 Ending 12/31/2011

b Has the corporation's income statement been restated for the income statement period on line 2a?

- Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?

- Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

3 a Is any of the corporation's voting common stock publicly traded?

- Yes.
 No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

Y O R W

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

9 8 7 1 8 4 1 0 8

4 a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	9,084,145.
b Indicate accounting standard used for line 4a (see instructions): (1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____		
5 a Net income from nonincludible foreign entities (attach schedule)	5a	()
b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)	5b	()
6 a Net income from nonincludible U.S. entities (attach schedule)	6a	()
b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)	6b	()
7 a Net income (loss) of other includible foreign disregarded entities (attach schedule)	7a	()
b Net income (loss) of other includible U.S. disregarded entities (attach schedule)	7b	()
c Net income (loss) of other includible entities (attach schedule)	7c	()
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach sch.)	8	()
9 Adjustment to reconcile income statement period to tax year (attach schedule)	9	()
10 a Intercompany dividend adjustments to reconcile to line 11 (attach schedule)	10a	()
b Other statutory accounting adjustments to reconcile to line 11 (attach schedule)	10b	()
c Other adjustments to reconcile to amount on line 11 (attach schedule)	10c	()
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10	11	9,084,145.

Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2.

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	274,218,820.	178,953,587.
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

Name of corporation (common parent, if consolidated return) **THE YORK WATER COMPANY** Employer identification number **23-1242500**

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return) _____ Employer identification number _____

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
Income (Loss) Items (Attach schedules for lines 1 through 11)				
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar inc inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation	15,306.			15,306.
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach details)				
13 Interest income (attach Form 8916-A)	95,275.		-95,219.	56.
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 8916-A)	()			()
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach details)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach sch) STMT 17	39,203.		-39,203.	
26 Total income (loss) items. Combine lines 1 through 25	149,784.		-134,422.	15,362.
27 Total expense/deduction items (from Part III, line 38)	-24236790.	-6,259,680.	1,310,571.	-29185899.
28 Other items with no differences STMT 18	33,171,151.			33,171,151.
29a Mixed groups, see instructions. All others, combine lines 26 through 28	9,084,145.	-6,259,680.	1,176,149.	4,000,614.
b PC insurance subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	9,084,145.	-6,259,680.	1,176,149.	4,000,614.

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

THE YORK WATER COMPANY

23-1242500

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	1,356,694.		-1,356,694.	
2 U.S. deferred income tax expense	3,291,101.	-3,291,101.		
3 State and local current income tax expense	628,956.			628,956.
4 State and local deferred income tax expense	-62,901.	62,901.		
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Interest expense (attach Form 8916-A)	5,155,057.			5,155,057.
9 Stock option expense				
10 Other equity-based compensation				
11 Meals and entertainment STMT 20	6,313.		-2,006.	4,307.
12 Fines and penalties				
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation				
16 Pension and profit-sharing	1,931,297.			1,931,297.
17 Other post-retirement benefits STMT 21		-16,075.		-16,075.
18 Deferred compensation STMT 22	248,742.	-347,278.		-98,536.
19 Charitable contribution of cash and tangible property STMT 23	579,850.			579,850.
20 Charitable contribution of intangible property				
21 Charitable contribution limitation/carryforward		-97,872.		-97,872.
22 Domestic production activities deduction			337,192.	337,192.
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/reorganization other costs				
26 Amortization/impairment of goodwill				
27 Amortization of acquisition, reorganization, and start-up costs				
28 Other amortization or impairment write-offs STMT 24	178,339.	-94,335.		84,004.
29 Section 198 environmental remediation costs				
30 Depletion				
31 Depreciation	4,970,081.	9,373,153.		14,343,234.
32 Bad debt expense STMT 25	480,807.	-88,681.		392,126.
33 Corporate owned life insurance premiums STMT 26	264,861.		-264,861.	
34 Purchase versus lease (for purchasers and/or lessees)				
35 Research and development costs				
36 Section 118 exclusion (att. sch.)				
37 Other expense/deduction items with differences (attach schedule) STMT 27	5,207,593.	758,968.	-24,202.	5,942,359.
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	24,236,790.	6,259,680.	-1,310,571.	29,185,899.

Compensation of Officers

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-RIC.

▶ See separate instructions

Name THE YORK WATER COMPANY	Employer identification number 23-1242500
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Note. Complete Form 1125-E only if total receipts are \$500,000 or more. See instructions for definition of total receipts.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1JEFFREY R. HINES	144-42-2122	100%	.31%		266,107.
JOSEPH T. HAND	074-62-1232	100%	.05%		137,094.
KATHLEEN M. MILLER	173-52-4350	100%	.03%		149,694.
VERNON L. BRACEY	159-52-8616	100%	.00%		108,000.
BRUCE C. MCINTOSH	183-44-7521	100%	.03%		116,863.
MARK S. SNYDER	180-62-9743	100%	.00%		99,660.
JOHN H. STRINE	202-48-2813	100%	.03%		110,757.

2 Total compensation of officers	2	988,175.
3 Compensation of officers claimed on Form 1125-A or elsewhere on return	3	
4 Subtract line 3 from line 2. Enter the result here and on Form 1120, page 1, line 12 or the appropriate line of your tax return	4	988,175.

For Paperwork Reduction Act Notice, see separate instructions. Form 1125-E (12-2011)

Name **THE YORK WATER COMPANY** Employer identification number **23-1242500**

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

Part I Required Annual Payment			
1	Total tax (see instructions)	1	1,356,535.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a	
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b	
2c	Credit for federal tax paid on fuels (see instructions)	2c	
2d	Total. Add lines 2a through 2c	2d	
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3	1,356,535.
4	Enter the tax shown on the corporation's 2010 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5	4	1,847,907.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5	1,356,535.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220 even if it does not owe a penalty (see instructions).	
6	<input type="checkbox"/> The corporation is using the adjusted seasonal installment method.
7	<input checked="" type="checkbox"/> The corporation is using the annualized income installment method.
8	<input checked="" type="checkbox"/> The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment		(a)	(b)	(c)	(d)	
9	Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	04/18/2011	06/15/2011	09/15/2011	12/15/2011
10	Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	10	215,259.	215,259.	245,983.	680,034.
11	Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11	681,196.			787,684.
Complete lines 12 through 18 of one column before going to the next column.						
12	Enter amount, if any, from line 18 of the preceding column	12		465,937.	250,678.	4,695.
13	Add lines 11 and 12	13		465,937.	250,678.	792,379.
14	Add amounts on lines 16 and 17 of the preceding column	14				
15	Subtract line 14 from line 13. If zero or less, enter -0-	15	681,196.	465,937.	250,678.	792,379.
16	If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16				
17	Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17				
18	Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18	465,937.	250,678.	4,695.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2011 and before 7/1/2011	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 4\%}{365}$	22	\$	\$	\$
23 Number of days on line 20 after 06/30/2011 and before 10/1/2011	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 4\%}{365}$	24	\$	\$	\$
25 Number of days on line 20 after 9/30/2011 and before 1/1/2012	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 3\%}{365}$	26	\$	\$	\$
27 Number of days on line 20 after 12/31/2011 and before 4/1/2012	27			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 3\%}{365}$	28	\$	\$	\$
29 Number of days on line 20 after 3/31/2012 and before 7/1/2012	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{365}$	30	\$	\$	\$
31 Number of days on line 20 after 6/30/2012 and before 10/01/2012	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	32	\$	\$	\$
33 Number of days on line 20 after 9/30/2012 and before 1/1/2013	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{365}$	34	\$	\$	\$
35 Number of days on line 20 after 12/31/2012 and before 2/16/2013	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{365}$	36	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns	38	\$		0.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Schedule A Adjusted Seasonal Installment Method and Annualized Income Installment Method (see instructions)

Form 1120S filers: For lines 1, 2, 3, and 21, below, "taxable income" refers to excess net passive income or the amount on which tax is imposed under section 1374(a), whichever applies.

Part I - Adjusted Seasonal Installment Method (Caution: Use this method only if the base period percentage for any 6 consecutive months is at least 70%. See instructions.)

Table with 5 columns: (a) First 3 months, (b) First 5 months, (c) First 8 months, (d) First 11 months. Rows include taxable income for various periods (1a-1c, 2, 3a-3c), calculations (4-6), tax calculations (7-10), and final tax amounts (11a-11c, 12-19).

Part II - Annualized Income Installment Method

		(a)	(b)	(c)	(d)
		First <u>3</u> months	First <u>3</u> months	First <u>6</u> months	First <u>9</u> months
20 Annualization periods (see instructions)	20				
21 Enter taxable income for each annualization period (see instructions for the treatment of extraordinary items) ...	21	633,114.	633,114.	1,326,472.	3,240,178.
22 Annualization amounts (see instructions)	22	4	4.0	2.000000	1.333330
23a Annualized taxable income. Multiply line 21 by line 22 ...	23a	2,532,456.	2,532,456.	2,652,944.	4,320,227.
b Extraordinary items (see instructions)	23b				
c Add lines 23a and 23b	23c	2,532,456.	2,532,456.	2,652,944.	4,320,227.
24 Figure the tax on the amount on line 23c using the instructions for Form 1120, Schedule J, line 2 (or comparable line of corporation's return)	24	861,035.	861,035.	902,001.	1,468,877.
25 Enter any alternative minimum tax for each payment period (see instructions)	25				
26 Enter any other taxes for each payment period (see instr)	26				
27 Total tax. Add lines 24 through 26	27	861,035.	861,035.	902,001.	1,468,877.
28 For each period, enter the same type of credits as allowed on Form 2220, lines 1 and 2c (see instructions)	28				
29 Total tax after credits. Subtract line 28 from line 27. If zero or less, enter -0-	29	861,035.	861,035.	902,001.	1,468,877.
30 Applicable percentage	30	25%	50%	75%	100%
31 Multiply line 29 by line 30	31	215,259.	430,518.	676,501.	1,468,877.

Part III - Required Installments

		1st	2nd	3rd	4th
		installment	installment	installment	installment
Note: Complete lines 32 through 38 of one column before completing the next column.					
32 If only Part I or Part II is completed, enter the amount in each column from line 19 or line 31. If both parts are completed, enter the smaller of the amounts in each column from line 19 or line 31	32	215,259.	430,518.	676,501.	1,468,877.
33 Add the amounts in all preceding columns of line 38 (see instructions)	33		215,259.	430,518.	676,501.
34 Adjusted seasonal or annualized income installments. Subtract line 33 from line 32. If zero or less, enter -0-	34	215,259.	215,259.	245,983.	792,376.
35 Enter 25% of line 5 on page 1 of Form 2220 in each column. Note: "Large corporations," see the instructions for line 10 for the amounts to enter	35	339,134.	339,134.	339,133.	339,134.
36 Subtract line 38 of the preceding column from line 37 of the preceding column	36		123,875.	247,750.	340,900.
37 Add lines 35 and 36	37	339,134.	463,009.	586,883.	680,034.
38 Required installments. Enter the smaller of line 34 or line 37 here and on page 1 of Form 2220, line 10 (see instructions)	38	215,259.	215,259.	245,983.	680,034.

Form 2220 (2011)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.
▶ Attach to your tax return.

Name(s) shown on return

Identifying number

THE YORK WATER COMPANY

23-1242500

Part I Information Regarding the Election To Treat the Lessee as the Purchaser of Investment Credit Property

If you are claiming the investment credit as a lessee based on a section 48(d) (as in effect on November 4, 1990) election, provide the following information. If you acquired more than one property as a lessee, attach a statement showing the information below.

- 1 Name of lessor _____
- 2 Address of lessor _____
- 3 Description of property _____
- 4 Amount for which you were treated as having acquired the property _____ ▶ \$

Part II Qualifying Advanced Coal Project Credit, Qualifying Gasification Project Credit, Qualifying Advanced Energy Project Credit, and Qualifying Therapeutic Discovery Project Credit

5 Qualifying advanced coal project credit (see instructions):				
a	Qualified investment in integrated gasification combined cycle property placed in service during the tax year for projects described in section 48A(d)(3)(B)(i)	\$ _____ x 20% (.20)	5a	
b	Qualified investment in advanced coal-based generation technology property placed in service during the tax year for projects described in section 48A(d)(3)(B)(ii)	\$ _____ x 15% (.15)	5b	
c	Qualified investment in advanced coal-based generation technology property placed in service during the tax year for projects described in section 48A(d)(3)(B)(iii)	\$ _____ x 30% (.30)	5c	
d	Total. Add lines 5a, 5b, and 5c			5d
6 Qualifying gasification project credit (see instructions):				
a	Qualified investment in qualified gasification property placed in service during the tax year for which credits were allocated or reallocated after October 3, 2008, and that includes equipment that separates and sequesters at least 75% of the project's carbon dioxide emissions	\$ _____ x 30% (.30)	6a	
b	Qualified investment in property other than in a above placed in service during the tax year	\$ _____ x 20% (.20)	6b	
c	Total. Add lines 6a and 6b			6c
7 Qualifying advanced energy project credit (see instructions):				
	Qualified investment in advanced energy project property placed in service during the tax year	\$ _____ x 30% (.30)	7	
8 Qualifying therapeutic discovery project credit (see instructions):				
	Qualified investment in a qualifying therapeutic discovery project	\$ _____ x 50% (.50)	8	
9 Enter the applicable unused investment credit from cooperatives (see instructions)				9
10 Add lines 5d, 6c, 7, 8, and 9. Report this amount on Form 3800, line 1a				10 31.

Part III Rehabilitation Credit and Energy Credit

11 Rehabilitation credit (see instructions for requirements that must be met):				
a	Check this box if you are electing under section 47(d)(5) to take your qualified rehabilitation expenditures into account for the tax year in which paid (or, for self-rehabilitated property, when capitalized). See instructions. Note. This election applies to the current tax year and to all later tax years. You may not revoke this election without IRS consent			<input type="checkbox"/>
b	Enter the dates on which the 24- or 60-month measuring period begins and ends			
c	Enter the adjusted basis of the building as of the beginning date above (or the first day of your holding period, if later)			\$ _____
d	Enter the amount of the qualified rehabilitation expenditures incurred, or treated as incurred, during the period on line 11b above			\$ _____
Enter the amount of qualified rehabilitation expenditures and multiply by the percentage shown:				
e	Pre-1936 buildings located in the Gulf Opportunity Zone	\$ _____ x 13% (.13)	11e	
f	Pre-1936 buildings affected by a Midwestern disaster	\$ _____ x 13% (.13)	11f	
g	Other pre-1936 buildings	\$ _____ x 10% (.10)	11g	
h	Certified historic structures located in the Gulf Opportunity Zone	\$ _____ x 26% (.26)	11h	

Part III Rehabilitation Credit and Energy Credit (continued)

i Certified historic structures affected by a Midwestern disaster \$ _____ x 26% (.26)	11i
j Other certified historic structures \$ _____ x 20% (.20)	11j
For properties identified on lines 11h, 11i, or 11j, complete lines 11k and 11l.	
k Enter the assigned NPS project number or the pass-through entity's employer identification number (see instructions)	
l Enter the date that the NPS approved the Request for Certification of Completed Work (see instructions)	
m Rehabilitation credit from an electing large partnership (Schedule K-1 (Form 1065-B), box 9)	11m
12 Energy credit:	
a Basis of property using geothermal energy or solar energy (acquired before January 1, 2006, and the basis attributable to construction, reconstruction, or erection by the taxpayer before January 1, 2006) placed in service during the tax year (see instructions) \$ _____ x 10% (.10)	12a
b Basis of property using solar illumination or solar energy placed in service during the tax year that was acquired after December 31, 2005, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2005 (see instructions) \$ _____ x 30% (.30)	12b
Qualified fuel cell property (see instructions):	
c Basis of property placed in service during the tax year that was acquired after December 31, 2005, and before October 4, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2005, and before October 4, 2008 \$ _____ x 30% (.30)	12c
d Applicable kilowatt capacity of property on line 12c (see instructions) ► _____ x \$1,000	12d
e Enter the lesser of line 12c or line 12d	12e
f Basis of property placed in service during the tax year that was acquired after October 3, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after October 3, 2008 \$ _____ x 30% (.30)	12f
g Applicable kilowatt capacity of property on line 12f (see instructions) ► _____ x \$3,000	12g
h Enter the lesser of line 12f or line 12g	12h
Qualified microturbine property (see instructions):	
i Basis of property placed in service during the tax year that was acquired after December 31, 2005, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2005 \$ _____ x 10% (.10)	12i
j Kilowatt capacity of property on line 12i ► _____ x \$200	12j
k Enter the lesser of line 12i or line 12j	12k

Part III Rehabilitation Credit and Energy Credit (continued)

Combined heat and power system property (see instructions): Caution. You cannot claim this credit if the electrical capacity of the property is more than 50 megawatts or 67,000 horsepower.		
l Basis of property placed in service during the tax year that was acquired after October 3, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after October 3, 2008 \$ _____ x 10% (.10)		12l
m If the electrical capacity of the property is measured in: • Megawatts, divide 15 by the megawatt capacity. Enter 1.0 if the capacity is 15 megawatts or less. • Horsepower, divide 20,000 by the horsepower. Enter 1.0 if the capacity is 20,000 horsepower or less		12m
n Multiply line 12l by line 12m		12n
Qualified small wind energy property (see instructions): o Basis of property placed in service during the tax year that was acquired after October 3, 2008, and before January 1, 2009, and the basis attributable to the construction, reconstruction, or erection by the taxpayer after October 3, 2008, and before January 1, 2009 ... \$ _____ x 30% (.30)		12o
p Enter the smaller of line 12o or \$4,000		12p
q Basis of property placed in service during the tax year that was acquired after December 31, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2008 \$ _____ x 30% (.30)		12q
Geothermal heat pump systems (see instructions): r Basis of property placed in service during the tax year that was acquired after October 3, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after October 3, 2008 \$ _____ x 10% (.10)		12r
Qualified investment credit facility property (see instructions): s Basis of property placed in service during the tax year \$ _____ x 30% (.30)		12s
13 Enter the applicable unused investment credit from cooperatives (see instructions)		13
14 Add lines 11e through 11j, 11m, 12a, 12b, 12e, 12h, 12k, 12n, 12p, 12q, 12r, 12s, and 13. Report this amount on Form 3800, line 4a		14

Name(s) shown on return

Depreciation and Amortization
(Including Information on Listed Property) OTHER

▶ See separate instructions. ▶ Attach to your tax return.

Business or activity to which this form relates

Identifying number

THE YORK WATER COMPANY

OTHER DEPRECIATION

23-1242500

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	7,943,393.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	769,293.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	5,609,766.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		213,246.	3	SL	SL	12,125.
b 5-year property		6,379.	5	HY	200DB	1,276.
c 7-year property		864.	7	HY	200DB	123.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property		259,232.	25 yrs.	HY	S/L	5,185.
h Residential rental property	08 / 11	5,678.	27.5 yrs.	MM	S/L	77.
i Nonresidential real property	SEE STATEMENT 29		39 yrs.	MM	S/L	1,996.

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	14,343,234.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with columns (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Includes rows 25-29.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with columns (a) through (f) for miles driven and personal use questions. Includes rows 30-36.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table with questions 37-41 and Yes/No columns. Includes a note at the bottom.

Part VI Amortization

Table with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Includes rows 42-44.

Domestic Production Activities Deduction

▶ Attach to your tax return. ▶ See separate instructions.

Attachment
Sequence No. **143**

Name(s) as shown on return

Identifying number

THE YORK WATER COMPANY

23-1242500

		(a) Oil-related production activities	(b) All activities
Note. Do not complete column (a), unless you have oil-related production activities. Enter amounts for all activities in column (b), including oil-related production activities.			
1 Domestic production gross receipts (DPGR)	1		14,334,010.
2 Allocable cost of goods sold. If you are using the small business simplified overall method, skip lines 2 and 3	2		
3 Enter deductions and losses allocable to DPGR (see instructions)	3		10,587,428.
4 If you are using the small business simplified overall method, enter the amount of cost of goods sold and other deductions or losses you ratably apportion to DPGR. All others, skip line 4	4		
5 Add lines 2 through 4	5		10,587,428.
6 Subtract line 5 from line 1	6		3,746,582.
7 Qualified production activities income from estates, trusts, and certain partnerships and S corporations (see instructions)	7		
8 Add lines 6 and 7. Estates and trusts, go to line 9, all others, skip line 9 and go to line 10	8		3,746,582.
9 Amount allocated to beneficiaries of the estate or trust (see instructions)	9		
10a Oil-related qualified production activities income. Estates and trusts, subtract line 9, column (a), from line 8, column (a), all others, enter amount from line 8, column (a). If zero or less, enter -0- here	10a		
b Qualified production activities income. Estates and trusts, subtract line 9, column (b), from line 8, column (b), all others, enter amount from line 8, column (b). If zero or less, enter -0- here, skip lines 11 through 21, and enter -0- on line 22	10b		3,746,582.
11 Income limitation (see instructions): <ul style="list-style-type: none"> • Individuals, estates, and trusts. Enter your adjusted gross income figured without the domestic production activities deduction • All others. Enter your taxable income figured without the domestic production activities deduction (tax-exempt organizations, see instructions) 	11		4,327,092.
12 Enter the smaller of line 10b or line 11. If zero or less, enter -0- here, skip lines 13 through 21, and enter -0- on line 22	12		3,746,582.
13 Enter 9% of line 12	13		337,192.
14a Enter the smaller of line 10a or line 12	14a		
b Reduction for oil-related qualified production activities income. Multiply line 14a by 3%	14b		
15 Subtract line 14b from line 13	15		337,192.
16 Form W-2 wages (see instructions)	16		2,161,917.
17 Form W-2 wages from estates, trusts, and certain partnerships and S corporations (see instructions)	17		
18 Add lines 16 and 17. Estates and trusts, go to line 19, all others, skip line 19 and go to line 20	18		2,161,917.
19 Amount allocated to beneficiaries of the estate or trust (see instructions)	19		
20 Estates and trusts, subtract line 19 from line 18, all others, enter amount from line 18	20		2,161,917.
21 Form W-2 wage limitation. Enter 50% of line 20	21		1,080,959.
22 Enter the smaller of line 15 or line 21	22		337,192.
23 Domestic production activities deduction from cooperatives. Enter deduction from Form 1099-PATR, box 6	23		
24 Expanded affiliated group allocation (see instructions)	24		
25 Domestic production activities deduction. Combine lines 22 through 24 and enter the result here and on Form 1040, line 35; Form 1120, line 25; or the applicable line of your return	25		337,192.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **8903** (Rev. 12-2010)

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

Name of common parent THE YORK WATER COMPANY	Employer identification number 23-1242500
Name of subsidiary	Employer identification number

Part I Cost of Goods Sold

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions				
2 Amounts attributable to:				
a Stock option expense				
b Other equity based compensation				
c Meals and entertainment				
d Parachute payments				
e Compensation with section 162(m) limitation				
f Pension and profit sharing				
g Other post-retirement benefits				
h Deferred compensation				
i Section 198 environmental remediation costs				
j Amortization				
k Depletion				
l Depreciation				
m Corporate owned life insurance premiums ...				
n Other section 263A costs				
3 Inventory shrinkage accruals				
4 Excess inventory and obsolescence reserves				
5 Lower of cost or market write-downs				
6 Other items with differences (attach schedule)				
7 Other items with no differences				
8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d				

JWA For Paperwork Reduction Act Notice, see page 4.

Form 8916-A (2011)

Part II Interest Income

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income STMT 30	95,219.		-95,219.	
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income STMT 31	56.			56.
6	Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120S) Part II, line 11.	95,275.		-95,219.	56.

Part III Interest Expense

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense STMT 32	5,155,057.			5,155,057.
5	Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120S) Part III, line 26.	5,155,057.			5,155,057.

JWA

Form 8916-A (2011)

Report of Employer-Owned Life Insurance Contracts

▶ Attach to the policyholder's tax return - See instructions.

Name(s) shown on return THE YORK WATER COMPANY		Identifying number 23-1242500	
Name of policyholder, if different from above THE YORK WATER COMPANY		Identifying number, if different from above 23-1242500	
Type of business WATER UTILITY			
1	Enter the number of employees the policyholder had at the end of the tax year	1	106.
2	Enter the number of employees included on line 1 who were insured at the end of the tax year under the policyholder's employer-owned life insurance contract(s) issued after August 17, 2006. See Section 1035 exchanges for an exception	2	27.
3	Enter the total amount of employer-owned life insurance in force at the end of the tax year for employees who were insured under the contract(s) specified on line 2	3	44,236,600.
4a	Does the policyholder have a valid consent (see instructions) for each employee included on line 2? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
4b	If "No," enter the number of employees included on line 2 for whom the policyholder does not have a valid consent	4b	

FOOTNOTES

STATEMENT 1

INVESTMENT TAX CREDIT (FORM 3468)

QUALIFYING PROPERTY FOR THE INVESTMENT TAX CREDIT ON FORM 3468 REPRESENTS REFUNDS OF ADVANCES FOR CONSTRUCTION OF PROPERTY PLACED IN SERVICE PRIOR TO 1986. ACCORDINGLY, ITC IS BEING CLAIMED AT THE APPLICABLE RATES FOR THE YEARS IN WHICH THE PROPERTY WAS PLACED IN SERVICE.

FORM 1120 INTEREST INCOME STATEMENT 2

DESCRIPTION	US	OTHER
INTEREST INCOME		56.
TOTAL TO FORM 1120, LINE 5		56.

FORM 1120 TAXES AND LICENSES STATEMENT 3

DESCRIPTION	AMOUNT
PAYROLL TAXES	499,116.
TAXES - OTHER	56,487.
PENNSYLVANIA TAXES - BASED ON INCOME	413,006.
PENNSYLVANIA TAXES - OTHER	215,950.
TOTAL TO FORM 1120, LINE 17	1,184,559.

CURRENT YEAR CONTRIBUTIONS STATEMENT 4

DESCRIPTION	AMOUNT
CASH CHARITABLE CONTRIBUTIONS (50%)	579,850.
TOTAL CURRENT YEAR CONTRIBUTIONS	579,850.

CONTRIBUTIONS

STATEMENT 5

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT

CONTRIBUTION SUBJECT TO LIMITATION:

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS

FOR TAX YEAR 2006

FOR TAX YEAR 2007

FOR TAX YEAR 2008

FOR TAX YEAR 2009

FOR TAX YEAR 2010

TOTAL CARRYOVER

CURRENT YEAR CONTRIBUTIONS

579,850

TOTAL CONTRIBUTIONS AVAILABLE

579,850

TAXABLE INCOME LIMITATION AS ADJUSTED

481,978

EXCESS CONTRIBUTIONS

97,872

ALLOWABLE CONTRIBUTIONS DEDUCTION

481,978

TOTAL CONTRIBUTION DEDUCTION

481,978

FORM 1120

OTHER DEDUCTIONS

STATEMENT 6

DESCRIPTION	AMOUNT
AMORTIZATION	84,004.
CAPITALIZED TANK PAINTING EXPENSES	466,125.
CHEMICALS	444,459.
COMMUNICATION EXPENSES	121,648.
COMPUTER EXPENSE	35,682.
COST OF REMOVAL NET OF SALVAGE	498,851.
DEFERRED COMPENSATION EXPENSE	-98,536.
DIRECTOR'S FEES	207,943.
DUES AND SUBSCRIPTIONS	1,415.
FUEL	62,622.
INSURANCE	1,363,058.
LODGING	6,767.
MAILINGS	265,139.
MEALS AND ENTERTAINMENT	2,006.
MEALS AND ENTERTAINMENT - NOT SUBJECT TO 50% LIMIT	2,301.
MEMBERSHIP FEES	63,538.
MISCELLANEOUS EXPENSE	69,675.
NON-DEDUCTIBLE POST RETIREMENT BENEFITS	-16,075.
O/H ALLOCATION - ADMINISTRATIVE AND GENERAL	-696,906.
OFFICE SUPPLIES & EXPENSES	102,148.
OPERATION	398,123.
PREPAID EXPENSE DEDUCTION UNDER SEC. 1.263(A)-4(F)	-97,737.
PROFESSIONAL SERVICES	216,224.
PURCHASED POWER	1,142,688.
REGISTRATION FEES	17,606.
STOCKHOLDERS EXPENSES - ADMINISTRATIVE & GENERAL	164,807.
TRANSPORTATION EXPENSE	376,634.
TRAVEL	8,309.
TRUSTEE AND BANK FEES	372,304.
UNIFORMS	4,435.
TOTAL TO FORM 1120, LINE 26	5,589,257.

TAX COMPUTATION

STATEMENT 8

1.	TAXABLE INCOME	3,989,900
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT . .	50,000
3.	LINE 1 LESS LINE 2	3,939,900
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT . .	25,000
5.	LINE 3 LESS LINE 4	3,914,900
6.	INCOME SUBJECT TO 34% TAX RATE	3,914,900
7.	INCOME SUBJECT TO 35% TAX RATE	0
8.	15 PERCENT OF LINE 2	7,500
9.	25 PERCENT OF LINE 4	6,250
10.	34 PERCENT OF LINE 6	1,331,066
11.	35 PERCENT OF LINE 7	0
12.	ADDITIONAL 5% SURTAX.	11,750
13.	ADDITIONAL 3% SURTAX	0
14.	TOTAL INCOME TAX	<u>1,356,566</u>

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	9
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
DEF. INC. TAXS (CRRT) ALLOW. FOR DB	167,403.	227,997.	
PREPAID EXPENSES	398,430.	302,715.	
SUPPLIES	608,291.	692,025.	
TOTAL TO SCHEDULE L, LINE 6	1,174,124.	1,222,737.	

SCHEDULE L	OTHER INVESTMENTS	STATEMENT	10
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
OTHER INVESTMENTS	59,724.	59,724.	
TOTAL TO SCHEDULE L, LINE 9	59,724.	59,724.	

SCHEDULE L	OTHER ASSETS	STATEMENT	11
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
DEFERRED DEBT EXPENSE	2,501,104.	2,396,051.	
DEFERRED REGULATORY ASSETS	15,820,965.	23,114,231.	
NOTES RECEIVABLE	407,250.	368,029.	
OTHER ASSETS	3,459,737.	3,413,244.	
RECOVERABLE INCOME TAXES	20,440.	196,918.	
TOTAL TO SCHEDULE L, LINE 14	22,209,496.	29,488,473.	

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	12
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
ACCRUED INTEREST	1,068,158.	1,064,736.	
ACCRUED TAXES	18,620.	10,782.	
DIVIDENDS PAYABLE	1,440,093.	1,481,244.	
OTHER ACCRUED EXPENSES	1,517,655.	1,573,872.	
PAYROLL TAXES AND BENEFITS WITHHELD	48,370.	45,671.	
TOTAL TO SCHEDULE L, LINE 18	4,092,896.	4,176,305.	

SCHEDULE L

OTHER LIABILITIES

STATEMENT 13

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
CONTRIBUTIONS IN AID OF CONSTRUCTION	25,926,159.	26,976,966.
CUSTOMERS' ADVANCES FOR CONSTRUCTION	15,030,984.	13,761,424.
DEFERRED EMPLOYEE BENEFITS	9,813,584.	14,659,530.
DEFERRED INCOME TAXES	25,437,423.	29,808,979.
OTHER DEFERRED CREDITS	2,003,410.	3,488,601.
TOTAL TO SCHEDULE L, LINE 21	78,211,560.	88,695,500.

FORM 4626

AMT CONTRIBUTIONS

STATEMENT 14

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS

FOR TAX YEAR 2006
 FOR TAX YEAR 2007
 FOR TAX YEAR 2008
 FOR TAX YEAR 2009
 FOR TAX YEAR 2010

TOTAL CARRYOVER

CURRENT YEAR CONTRIBUTIONS

579,850

TOTAL CONTRIBUTIONS

579,850

10% OF TAXABLE INCOME AS ADJUSTED

518,834

EXCESS CONTRIBUTIONS

61,016

ALLOWABLE CONTRIBUTIONS

518,834

AMT CHARITABLE DEDUCTION

518,834

REGULAR CONTRIBUTION DEDUCTION

481,978

AMT CONTRIBUTION ADJUSTMENT

-36,856

FORM 4626

OTHER AMT ADJUSTMENTS

STATEMENT 15

DESCRIPTION

AMOUNT

CHARITABLE CONTRIBUTIONS

-36,856.

TOTAL TO FORM 4626, LINE 20

-36,856.

AMT DOMESTIC PRODUCTION ACTIVITIES DEDUCTION (DPAD) ADJUSTMENT STATEMENT 16

1) AMTI BEFORE DPAD	4,666,824
2) QUALIFIED PRODUCTIONS ACTIVITY INCOME FROM FORM 8903	3,746,582
3) SMALLER OF LINE 1 OR LINE 2 BUT NOT LESS THAN 0	3,746,582
4) 9% OF LINE 3	337,192
5) W-2 WAGES FROM FORM 8903	2,161,917
6) 50% OF LINE 5	1,080,959
7) SMALLER OF LINE 4 OR LINE 6	337,192
8) DPAD FROM COOPERATIVES FROM FORM 8903	0
9) AMT DPAD (ADD LINES 7 AND 8)	337,192
10) REGULAR DPAD	337,192
11) AMT DPAD ADJUSTMENT (LINE 10 LESS LINE 9)	0

SCHEDULE M-3 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES STATEMENT 17

DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
INVESTMENT TAX CREDIT	39,203.		-39,203.	0.
TOTAL TO M-3, PART II, LINE 25	39,203.		-39,203.	0.

SCHEDULE M-3 OTHER INCOME (LOSS) AND EXPENSE / DEDUCTION STATEMENT 18
ITEMS WITH NO DIFFERENCES

DESCRIPTION	PER INCOME STATEMENT	PER TAX RETURN
OTHER INCOME (LOSS) - SEE STATEMENT	40640287.	40640287.
OTHER EXPENSE / DEDUCTION - SEE STATEMENT	-7469136.	-7469136.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	33171151.	33171151.

SCHEDULE M-3 OTHER INCOME (LOSS) ITEMS WITH NO DIFFERENCES STATEMENT 19

DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	INCOME (LOSS) PER TAX RETURN
GROSS RECEIPTS OR SALES	40207057.	40207057.
RENT	433,230.	433,230.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	40640287.	40640287.

SCHEDULE M-3 MEALS AND ENTERTAINMENT STATEMENT 20

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
MEALS AND ENTERTAINMENT	4,012.		-2,006.	2,006.
MEALS AND ENTERTAINMENT - NOT SUBJECT TO 50% LIMIT	2,301.		0.	2,301.
TOTAL	6,313.		-2,006.	4,307.

SCHEDULE M-3 OTHER POST-RETIREMENT BENEFITS STATEMENT 21

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
NON-DEDUCTIBLE POST RETIREMENT BENEFITS	0.	-16,075.	0.	-16,075.
TOTAL	0.	-16,075.	0.	-16,075.

SCHEDULE M-3 DEFERRED COMPENSATION STATEMENT 22

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
DEFERRED COMPENSATION EXPENSE	248,742.	-347,278.	0.	-98,536.
TOTAL	248,742.	-347,278.	0.	-98,536.

SCHEDULE M-3 CHARITABLE CONTRIBUTION OF CASH AND TANGIBLE PROPERTY STATEMENT 23

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	EXPENSE/ DEDUCTION PER TAX RETURN
CASH CHARITABLE CONTRIBUTIONS (50%)	579,850.		0.	579,850.
TOTAL	579,850.		0.	579,850.

SCHEDULE M-3 OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS STATEMENT 24

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
OTHER AMORTIZATION	178,339.	-94,335.	0.	84,004.
TOTAL	178,339.	-94,335.	0.	84,004.

SCHEDULE M-3 BAD DEBT EXPENSE STATEMENT 25

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
BAD DEBT	480,807.	-88,681.	0.	392,126.
TOTAL	480,807.	-88,681.	0.	392,126.

SCHEDULE M-3 CORPORATE OWNED LIFE INSURANCE PREMIUMS STATEMENT 26

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
CORPORATE OWNED LIFE INSURANCE PREMIUMS	264,861.		-264,861.	0.
TOTAL	264,861.		-264,861.	0.

SCHEDULE M-3 OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES STATEMENT 27

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	EXPENSE/ DEDUCTION PER TAX RETURN
CAPITALIZED TANK PAINTING EXPENSES	0.	466,125.	0.	466,125.
COST OF REMOVAL NET OF SALVAGE INDEMNIFICATION OF INCOME TAXES	0.	498,851.	0.	498,851.
NON-DEDUCTIBLE LOBBYING EXPENSES	-58,738.	58,738.	0.	0.
NON-DEDUCTIBLE SOCIAL ORGANIZATION DUES	21,469.		-21,469.	0.
PREPAID EXPENSE DEDUCTION UNDER SEC. 1.263(A)-4(F)	2,733.		-2,733.	0.
SALARIES AND WAGES	0.	-97,737.	0.	-97,737.
TRANSPORTATION EXPENSE	4,712,815.	-14,329.	0.	4,698,486.
	529,314.	-152,680.	0.	376,634.
TOTAL TO M-3, PART III, LINE 37	5,207,593.	758,968.	-24,202.	5,942,359.

SCHEDULE M-3 OTHER EXPENSE/DEDUCTION ITEMS STATEMENT 28
WITH NO DIFFERENCES

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	EXPENSE/ DEDUCTION PER TAX RETURN
CHEMICALS	444,459.	444,459.
COMMUNICATION EXPENSES	121,648.	121,648.
COMPUTER EXPENSE	35,682.	35,682.
DIRECTOR'S FEES	207,943.	207,943.
DUES AND SUBSCRIPTIONS	1,415.	1,415.
EMPLOYEE BENEFIT PROGRAMS	106,772.	106,772.
FUEL	62,622.	62,622.
INSURANCE	1,363,058.	1,363,058.
LODGING	6,767.	6,767.
MAILINGS	265,139.	265,139.
MEMBERSHIP FEES	63,538.	63,538.
MISCELLANEOUS EXPENSE	69,675.	69,675.
O/H ALLOCATION - ADMINISTRATIVE AND GENERAL	-696,906.	-696,906.
OFFICE SUPPLIES & EXPENSES	102,148.	102,148.
OFFICERS COMPENSATION	988,175.	988,175.
OPERATION	398,123.	398,123.
PAYROLL TAXES	499,116.	499,116.
PROFESSIONAL SERVICES	216,224.	216,224.
PURCHASED POWER	1,142,688.	1,142,688.
REGISTRATION FEES	17,606.	17,606.
REPAIRS	1,446,902.	1,446,902.
STOCKHOLDERS EXPENSES - ADMINISTRATIVE & GENERAL	164,807.	164,807.
TAXES - OTHER	56,487.	56,487.
TRAVEL	8,309.	8,309.
TRUSTEE AND BANK FEES	372,304.	372,304.
UNIFORMS	4,435.	4,435.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	7,469,136.	7,469,136.

FORM 4562 NONRESIDENTIAL REAL PROPERTY STATEMENT 29

(B) MONTH/YEAR IN SERVICE	(C) BASIS	(D) RECOVERY PERIOD	(G) DEPRECIATION DEDUCTION
01/11	23,891.	39	588.
02/11	35,056.	39	788.
03/11	1,898.	39	39.
04/11	8,013.	39	146.
06/11	22,787.	39	317.
07/11	2,001.	39	23.
10/11	7,450.	39	40.

11/11	17,142.	39	55.
TOTALS TO 4562, LN 19I	118,238.		1,996.

FORM 8916-A TAX-EXEMPT INTEREST INCOME STATEMENT 30

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE
INTEREST INCOME	95,219.	0.	-95,219.
TOTAL TO PART II, LINE 1	95,219.	0.	-95,219.

FORM 8916-A OTHER INTEREST INCOME STATEMENT 31

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST INCOME	56.	0.	0.	56.
TOTAL TO PART II, LINE 5	56.	0.	0.	56.

FORM 8916-A OTHER INTEREST EXPENSE STATEMENT 32

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST EXPENSE FROM TRADE OR BUSINESS	5,155,057.	0.	0.	5,155,057.
TOTAL TO PART III, LINE 4	5,155,057.	0.	0.	5,155,057.

Form **8879-C**

IRS e-file Signature Authorization for Form 1120

OMB No. 1545-1864

2010

Department of the Treasury
Internal Revenue Service

For calendar year 2010, or tax year beginning _____, 2010, ending _____, 20__

▶ See instructions. Do not send to the IRS. Keep for your records.

Name of corporation

THE YORK WATER COMPANY

Employer identification number

23-1242500

Part I Tax Return Information (Whole dollars only)

1 Total income (Form 1120, line 11)	1	39,033,072.
2 Taxable income (Form 1120, line 30)	2	5,438,067.
3 Total tax (Form 1120, line 31)	3	1,847,907.
4 Amount owed (Form 1120, line 34)	4	
5 Overpayment (Form 1120, line 35)	5	681,196.

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2010 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize PARENTEBEARD LLC to enter my PIN 17405
ERO firm name do not enter all zeros

as my signature on the corporation's 2010 electronically filed income tax return.

As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2010 electronically filed income tax return.

Officer's signature ▶ Kathleen M. Miller Date ▶ 8/26/11 Title ▶ CFO & TREASURER

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 23885217401
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2010 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ [Signature] Date ▶ 08/19/11

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see instructions.

Form **8879-C** (2010)

LHA

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

▶ **File a separate application for each return.**
 ▶ **See separate instructions.**

Type or Print	Name The York Water Company	Identifying number 23-1242500
	Number, street, and room or suite no. (If P.O. box, see instructions.) 130 East Market Street	
	City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). York, PA 17401	

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below) 1 2

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below) 1 2

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-PC	21
Form 706-GS(T)	02	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36
Form 1120-ND (section 4951 taxes)	20		

- 2** If the organization is a foreign corporation that does not have an office or place of business in the United States, check here ▶
- 3** If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ▶
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

- 4** If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here ▶
- 5a** The application is for calendar year 20 **10**, or tax year beginning _____, 20 _____, and ending _____, 20 _____
- b Short tax year.** If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

6 Tentative total tax	6	1,847,906	00
7 Total payments and credits (see instructions)	7	2,529,103	00
8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8	0	00

beginning _____, ending _____
EXTENSION GRANTED TO 09/15/11

- A Check if:**
1a Consolidated return (attach Form 851)
b Life/nonlife consolidated return
2 Personal holding co. (attach Sch. PH)
3 Personal service corp. (see instructions)
4 Schedule M-3 attached

Name
THE YORK WATER COMPANY
Number, street, and room or suite no. If a P.O. box, see instructions.
130 EAST MARKET STREET
City or town, state, and ZIP code
YORK, PA 17405

B Employer identification number
23-1242500
C Date incorporated
02/08/1816
D Total assets (see instructions)
\$ 259,931,166.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income	1 a Gross receipts or sales	38,600,887.	b Less returns and allowances		c Bal	1c	38,600,887.
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	38,600,887.
	4 Dividends (Schedule C, line 19)					4	15,306.
	5 Interest	SEE STATEMENT 2				5	35.
	6 Gross rents					6	416,844.
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10 Other income (attach schedule)					10	
	11 Total income. Add lines 3 through 10					11	39,033,072.

Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)				12	945,008.
	13 Salaries and wages (less employment credits)				13	4,606,502.
	14 Repairs and maintenance				14	1,088,821.
	15 Bad debts				15	203,185.
	16 Rents				16	61.
	17 Taxes and licenses	SEE STATEMENT 3			17	2,169,138.
	18 Interest				18	4,790,767.
	19 Charitable contributions	SEE STATEMENT 4 AND SEE STATEMENT 5			19	226,618.
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)				20	11,982,253.
	21 Depletion				21	
	22 Advertising				22	
	23 Pension, profit-sharing, etc., plans				23	1,572,869.
	24 Employee benefit programs				24	88,545.
	25 Domestic production activities deduction (attach Form 8903)				25	354,521.
	26 Other deductions (attach schedule)	SEE STATEMENT 6			26	5,556,003.
	27 Total deductions. Add lines 12 through 26				27	33,584,291.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				28	5,448,781.
	29 Less: a Net operating loss deduction		29a			
b Special deductions (Schedule C, line 20)		29b	10,714.	29c	10,714.	

Tax, Refundable Credits, and Payments	30 Taxable income. Subtract line 29c from line 28 (see instructions)				30	5,438,067.
	31 Total tax (Schedule J, line 10)				31	1,847,907.
	32 a 2009 overpayment credited to 2010	32a				
	b 2010 estimated tax payments	32b	2,529,103.			
	c 2010 refund applied for on Form 4466	32c	()	d Bal	32d	2,529,103.
	e Tax deposited with Form 7004				32e	
	f Credits: (1) Form 2439 (2) Form 4136				32f	
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c				32g	
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached				33	
	34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34	0.
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35	681,196.	
36 Enter amount from line 35 you want: Credited to 2011 estimated tax 681,196. Refunded				36		

Sign Here
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
Signature of officer _____ Date _____ **CFO & TREASURER**
Title _____
 Yes No
May the IRS discuss this return with the preparer shown below?

Paid Print/Type preparer's name **ROBERT M. GRATALO** Preparer's signature **ROBERT M. GRATALO** Date **08/19/11** Check if self-employed PTIN **P00235864**
Preparer Use Only Firm's name **PARENTEBEARD LLC** Firm's EIN **23-2932984**
Firm's address **SUITE 200, 221 W PHILADELPHIA ST. YORK, PA 17401-2993** Phone no. **(717) 846-7000**

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

(i) Cost

(ii) Lower of cost or market

(iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)	
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	15,306.	70	10,714.
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)			
3	Dividends on debt-financed stock of domestic and foreign corporations		80 see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8	Dividends from wholly owned foreign subsidiaries		100	
9	Total. Add lines 1 through 8	SEE STATEMENT 7		10,714.
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from affiliated group members		100	
12	Dividends from certain FSCs		100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	15,306.		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			10,714.

Schedule E Compensation of Officers (see instructions for page 1, line 12)
Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1 STATEMENT 8					
2					945,008.
3					
4					945,008.

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	STMT <input type="checkbox"/> 9	2 1,848,943.
3	Alternative minimum tax (attach Form 4626)		3
4	Add lines 2 and 3		4 1,848,943.
5a	Foreign tax credit (attach Form 1118)	5a	
5b	Credit from Form 8834, line 29	5b	
5c	General business credit (attach Form 3800)	5c	1,036.
5d	Credit for prior year minimum tax (attach Form 8827)	5d	
5e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e		6 1,036.
7	Subtract line 6 from line 4		7 1,847,907.
8	Personal holding company tax (attach Schedule PH (Form 1120))		8
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)		9
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31		10 1,847,907.

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 221300		
b	Business activity ▶ WATER UTILITY		
c	Product or service ▶ WATER		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv).		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

JWA

Schedule K Continued

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions
If "Yes," complete (i) through (iv).

Yes	No
	X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

<p>6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.</p>		X
<p>7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If "Yes," enter: (i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____ (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____</p>		X
<p>8 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.</p>		
<p>9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ <u>110,238.</u></p>		
<p>10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____</p>		
<p>11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.</p>		
<p>12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____</p>		
<p>13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____</p>		X
<p>14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? If "Yes," complete and attach Schedule UTP.</p>		X

JWA

Form **1120** (2010)

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		500,000.		1,826,473.
2a Trade notes and accounts receivable	5,613,895.		6,517,285.	
b Less allowance for bad debts	(225,000)	5,388,895.	(245,000)	6,272,285.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (att. sch.) STMT 10		1,256,680.		1,174,124.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (att. sch.) STMT 11		59,870.		59,724.
10a Buildings and other depreciable assets	260568266.		270758386.	
b Less accumulated depreciation	(38,539,514)	222028752.	(42,369,322)	228389064.
11a Depletable assets				
b Less accumulated depletion	()		()	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
14 Other assets (att. sch.) STMT 12		19,602,586.		22,209,496.
15 Total assets		248836783.		259931166.
Liabilities and Shareholders' Equity				
16 Accounts payable		643,301.		1,196,694.
17 Mortgages, notes, bonds payable in less than 1 year		9,341,030.		41,442.
18 Other current liabilities (att. sch.) STMT 13		4,620,834.		4,092,896.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		73,227,308.		85,131,866.
21 Other liabilities (att. sch.) STMT 14		74,082,135.		78,211,560.
22 Capital stock: a Preferred stock				
b Common stock	73,569,485.	73,569,485.	75,480,587.	75,480,587.
23 Additional paid-in capital				
24 Retained earnings - Appropriated (attach schedule)				
25 Retained earnings - Unappropriated		13,352,690.		15,776,121.
26 Adjustments to shareholders' equity (attach schedule)				
27 Less cost of treasury stock		()		()
28 Total liabilities and shareholders' equity		248836783.		259931166.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1 Net income (loss) per books		7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books		Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):			
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Charitable contributions \$		b Charitable contributions \$	
c Travel and entertainment \$			
6 Add lines 1 through 5		9 Add lines 7 and 8	
		10 Income (page 1, line 28) - line 6 less line 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	13,352,690.	5 Distributions: a Cash	6,505,896.
2 Net income (loss) per books	8,929,327.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
4 Add lines 1, 2, and 3	22,282,017.	7 Add lines 5 and 6	6,505,896.
		8 Balance at end of year (line 4 less line 7)	15,776,121.

Alternative Minimum Tax - Corporations

▶ See separate instructions.
 ▶ Attach to the corporation's tax return.

2010

Name THE YORK WATER COMPANY		Employer identification number 23-1242500
Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).		
1	Taxable income or (loss) before net operating loss deduction	1 5,438,067.
2	Adjustments and preferences:	
a	Depreciation of post-1986 property	2a 544,910.
b	Amortization of certified pollution control facilities	2b
c	Amortization of mining exploration and development costs	2c
d	Amortization of circulation expenditures (personal holding companies only)	2d
e	Adjusted gain or loss	2e
f	Long-term contracts	2f
g	Merchant marine capital construction funds	2g
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h
i	Tax shelter farm activities (personal service corporations only)	2i
j	Passive activities (closely held corporations and personal service corporations only)	2j
k	Loss limitations	2k
l	Depletion	2l
m	Tax-exempt interest income from specified private activity bonds	2m
n	Intangible drilling costs	2n
o	Other adjustments and preferences *	2o
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3 5,982,977.
4	Adjusted current earnings (ACE) adjustment:	
a	ACE from line 10 of the ACE worksheet in the instructions	4a 6,103,929.
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b 120,952.
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c 90,714.
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d 10,706,357.
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	4e 90,714.
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5 6,073,691.
6	Alternative tax net operating loss deduction (see instructions)	6
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7 6,073,691.
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):	
a	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a
b	Multiply line 8a by 25% (.25)	8b
c	Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8c 0.
9	Subtract line 8c from line 7. If zero or less, enter -0-	9 6,073,691.
10	Multiply line 9 by 20% (.20)	10 1,214,738.
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)	11
12	Tentative minimum tax. Subtract line 11 from line 10	12 1,214,738.
13	Regular tax liability before applying all credits except the foreign tax credit	13 1,848,943.
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14 0.

JWA For Paperwork Reduction Act Notice, see the instructions.

Form 4626 (2010)

* SEE ALSO

STMT 15

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions.

1 Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	5,982,977.
2 ACE depreciation adjustment:			
a	AMT depreciation	2a	11,437,343.
b ACE depreciation:			
(1)	Post-1993 property	2b(1)	
(2)	Post-1989, pre-1994 property	2b(2)	
(3)	Pre-1990 MACRS property	2b(3)	
(4)	Pre-1990 original ACRS property	2b(4)	
(5)	Property described in sections 168(f)(1) through (4)	2b(5)	
(6)	Other property	2b(6)	
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)	11,437,343.
c ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	
3 Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income	3a	110,238.
b	Death benefits from life insurance contracts	3b	
c	All other distributions from life insurance contracts (including surrenders)	3c	
d	Inside buildup of undistributed income in life insurance contracts	3d	
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e	
f Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	110,238.
4 Disallowance of items not deductible from E&P:			
a	Certain dividends received	4a	10,714.
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b	
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c	
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d	
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e	
f Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	10,714.
5 Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs	5a	
b	Circulation expenditures	5b	
c	Organizational expenditures	5c	
d	LIFO inventory adjustments	5d	
e	Installment sales	5e	
f Total other E&P adjustments. Combine lines 5a through 5e		5f	
6 Disallowance of loss on exchange of debt pools		6	
7 Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8 Depletion		8	
9 Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10 Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	6,103,929.

**SCHEDULE B
(Form 1120)**

(Rev. December 2009)
Department of the Treasury
Internal Revenue Service

**Additional Information for
Schedule M-3 Filers**

▶ Attach to Form 1120.
▶ See instructions on page 2.

OMB No. 1545-0123

Name **THE YORK WATER COMPANY** Employer identification number (EIN) **23-1242500**

	Yes	No
1 Do the amounts reported on Schedule M-3 (Form 1120), Part II, lines 9 or 10, column (d), reflect allocations to this corporation from a partnership of income, gain, loss, deduction, or credit that are disproportionate to this corporation's capital contribution to the partnership or its ratio for sharing other items of the partnership?		X
2 At any time during the tax year, did the corporation sell, exchange, or transfer any interest in an intangible asset to a related person as defined in section 267(b)?		X
3 At any time during the tax year, did the corporation acquire any interest in an intangible asset from a related person as defined in section 267(b)?		X
4a During the tax year, did the corporation enter into a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations?		X
b At any time during the tax year, was the corporation a participant in a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471?		X
5 At any time during the tax year, did the corporation make any change in accounting principle for financial accounting purposes? See instructions for the definition of change in accounting principle		X
6 At any time during the tax year, did the corporation make any change in a method of accounting for U.S. income tax purposes?		X
7 At any time during the tax year, did the corporation own any voluntary employees' beneficiary association (VEBA) trusts that were used to hold funds designated for employee benefits?		X
8 At any time during the tax year, did the corporation use an allocation method for indirect costs capitalized to self-constructed assets that varied from its financial method of accounting?		X
9 At any time during the tax year, did the corporation treat for tax purposes indirect costs, as defined in Regulations sections 1.263A-1(e)(3)(ii)(F), (G), and (H), as mixed-service costs, as defined in Regulations section 1.263A-1(e)(4)(ii)(C)?		X
10 Did the corporation, under section 118 or 362(c) and the related regulations, take a return filing position characterizing any amount as a contribution to the capital of the corporation during the tax year by any non-shareholders? Amounts so characterized may include, without limitation, incentives, inducements, money, and property		X

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule B (Form 1120) (Rev. 12-2009)

Net Income (Loss) Reconciliation for Corporations With Total Assets of \$10 Million or More

2010

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120 or 1120-C.
▶ See separate instructions.

Name of corporation (common parent, if consolidated return) THE YORK WATER COMPANY	Employer identification number 23-1242500
Check applicable box(es): (1) <input checked="" type="checkbox"/> Non-consolidated return (2) <input type="checkbox"/> Consolidated return (Form 1120 only) (3) <input type="checkbox"/> Mixed 1120/L/PC group (4) <input type="checkbox"/> Dormant subsidiaries schedule attached	

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

1 a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2 a Enter the income statement period: Beginning 01/01/2010 Ending 12/31/2010

b Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

3 a Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock Y O R W

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock 9 8 7 1 8 4 1 0 8

4 a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a 8,929,327.
b Indicate accounting standard used for line 4a (see instructions): (1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____	
5 a Net income from nonincludible foreign entities (attach schedule)	5a ()
b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)	5b ()
6 a Net income from nonincludible U.S. entities (attach schedule)	6a ()
b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)	6b ()
7 a Net income (loss) of other includible foreign disregarded entities (attach schedule)	7a ()
b Net income (loss) of other includible U.S. disregarded entities (attach schedule)	7b ()
c Net income (loss) of other includible entities (attach schedule)	7c ()
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach sch.)	8 ()
9 Adjustment to reconcile income statement period to tax year (attach schedule)	9 ()
10 a Intercompany dividend adjustments to reconcile to line 11 (attach schedule)	10a ()
b Other statutory accounting adjustments to reconcile to line 11 (attach schedule)	10b ()
c Other adjustments to reconcile to amount on line 11 (attach schedule)	10c ()
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10	11 8,929,327.

Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2.

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	259,931,166.	168,674,458.
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

Name of corporation (common parent, if consolidated return)

THE YORK WATER COMPANY

Employer identification number

23-1242500

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach schedules for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar inc inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation	15,306.			15,306.
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach details)				
13 Interest income (attach Form 8916-A)	110,273.		-110,238.	35.
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 8916-A)	()			()
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach details)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach sch) STMT 16	38,187.		-38,187.	
26 Total income (loss) items. Combine lines 1 through 25	163,766.		-148,425.	15,341.
27 Total expense/deduction items (from Part III, line 38)	-229,118,72.	-5,104,576.	1,772,455.	-262,439,93.
28 Other items with no differences STMT 17	31,677,433.			31,677,433.
29a Mixed groups, see instructions. All others, combine lines 26 through 28	8,929,327.	-5,104,576.	1,624,030.	5,448,781.
b PC insurance subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	8,929,327.	-5,104,576.	1,624,030.	5,448,781.

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

THE YORK WATER COMPANY

Employer identification number

23-1242500

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/LPC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	1,871,612.		-1,871,612.	
2 U.S. deferred income tax expense	2,645,144.	-2,645,144.		
3 State and local current income tax expense	1,318,853.			1,318,853.
4 State and local deferred income tax expense	-15,503.	15,503.		
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Interest expense (attach Form 8916-A)	4,794,573.		-3,806.	4,790,767.
9 Stock option expense				
10 Other equity-based compensation				
11 Meals and entertainment STMT 19	5,743.		-2,025.	3,718.
12 Fines and penalties				
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation				
16 Pension and profit-sharing	1,572,869.			1,572,869.
17 Other post-retirement benefits STMT 20		17,999.		17,999.
18 Deferred compensation STMT 21	154,057.	-237,613.		-83,556.
19 Charitable contribution of cash and tangible property STMT 22	226,618.			226,618.
20 Charitable contribution of intangible property				
21 Charitable contribution limitation/carryforward				
22 Domestic production activities deduction			354,521.	354,521.
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/reorganization other costs				
26 Amortization/impairment of goodwill				
27 Amortization of acquisition, reorganization, and start-up costs				
28 Other amortization or impairment write-offs	162,678.	-76,384.	-17,390.	68,904.
29 Section 198 environmental remediation costs				
30 Depletion				
31 Depreciation	4,657,723.	7,324,530.		11,982,253.
32 Bad debt expense STMT 23	223,185.	-20,000.		203,185.
33 Corporate owned life insurance premiums Purchase versus lease STMT 24	205,958.		-205,958.	
34 (for purchasers and/or lessees)				
35 Research and development costs (attach schedule)				
36 Section 118 exclusion (att. sch.)				
37 Other expense/deduction items with differences (attach schedule) STMT 25	5,088,362.	725,685.	-26,185.	5,787,862.
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	22,911,872.	5,104,576.	-1,772,455.	26,243,993.

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

2010

Name THE YORK WATER COMPANY	Employer identification number 23-1242500
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Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment			
1 Total tax (see instructions)	1		1,847,907.
2a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c Credit for federal tax paid on fuels (see instructions)	2c		
d Total. Add lines 2a through 2c	2d		
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3		1,847,907.
4 Enter the tax shown on the corporation's 2009 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5	4		1,348,728.
5 Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5		1,348,728.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	g 04/15/2010	06/15/2010	09/15/2010	12/15/2010
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	337,182.	586,772.	461,977.	461,977.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	831,560.	653,636.	1,043,907.	
Complete lines 12 through 18 of one column before going to the next column.				
12 Enter amount, if any, from line 18 of the preceding column		494,378.	561,242.	1,143,172.
13 Add lines 11 and 12		1,148,014.	1,605,149.	1,143,172.
14 Add amounts on lines 16 and 17 of the preceding column				
15 Subtract line 14 from line 13. If zero or less, enter -0-	831,560.	1,148,014.	1,605,149.	1,143,172.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-				
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18				
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	494,378.	561,242.	1,143,172.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2010 and before 7/1/2010	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 4\%}{365}$	22	\$	\$	\$
23 Number of days on line 20 after 06/30/2010 and before 10/1/2010	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 4\%}{365}$	24	\$	\$	\$
25 Number of days on line 20 after 9/30/2010 and before 1/1/2011	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 4\%}{365}$	26	\$	\$	\$
27 Number of days on line 20 after 12/31/2010 and before 4/1/2011	27			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 3\%}{365}$	28	\$	\$	\$
29 Number of days on line 20 after 3/31/2011 and before 7/1/2011	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{365}$	30	\$	\$	\$
31 Number of days on line 20 after 6/30/2011 and before 10/01/2011	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	32	\$	\$	\$
33 Number of days on line 20 after 9/30/2011 and before 1/1/2012	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{365}$	34	\$	\$	\$
35 Number of days on line 20 after 12/31/2011 and before 2/16/2012	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{366}$	36	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns	38	\$		0.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Schedule A Adjusted Seasonal Installment Method and Annualized Income Installment Method (see instructions)

Form 1120S filers: For lines 1, 2, 3, and 21, below, "taxable income" refers to excess net passive income or the amount on which tax is imposed under section 1374(a), whichever applies.

Part I - Adjusted Seasonal Installment Method (Caution: Use this method only if the base period percentage for any 6 consecutive months is at least 70%. See instructions.)

		(a)	(b)	(c)	(d)
		First 3 months	First 5 months	First 8 months	First 11 months
1	Enter taxable income for the following periods:				
a	Tax year beginning in 2007	1a			
b	Tax year beginning in 2008	1b			
c	Tax year beginning in 2009	1c			
2	Enter taxable income for each period for the tax year beginning in 2010. (see instructions for the treatment of extraordinary items).	2			
3	Enter taxable income for the following periods:	First 4 months	First 6 months	First 9 months	Entire year
a	Tax year beginning in 2007	3a			
b	Tax year beginning in 2008	3b			
c	Tax year beginning in 2009	3c			
4	Divide the amount in each column on line 1a by the amount in column (d) on line 3a	4			
5	Divide the amount in each column on line 1b by the amount in column (d) on line 3b	5			
6	Divide the amount in each column on line 1c by the amount in column (d) on line 3c	6			
7	Add lines 4 through 6	7			
8	Divide line 7 by 3.0	8			
9a	Divide line 2 by line 8	9a			
b	Extraordinary items (see instructions)	9b			
c	Add lines 9a and 9b	9c			
10	Figure the tax on the amt on ln 9c using the instr for Form 1120, Sch J, ln 2 (or comparable ln of corp's return)	10			
11a	Divide the amount in columns (a) through (c) on line 3a by the amount in column (d) on line 3a	11a			
b	Divide the amount in columns (a) through (c) on line 3b by the amount in column (d) on line 3b	11b			
c	Divide the amount in columns (a) through (c) on line 3c by the amount in column (d) on line 3c	11c			
12	Add lines 11a through 11c	12			
13	Divide line 12 by 3.0	13			
14	Multiply the amount in columns (a) through (c) of line 10 by columns (a) through (c) of line 13. In column (d), enter the amount from line 10, column (d)	14			
15	Enter any alternative minimum tax for each payment period (see instructions)	15			
16	Enter any other taxes for each payment period (see instr)	16			
17	Add lines 14 through 16	17			
18	For each period, enter the same type of credits as allowed on Form 2220, lines 1 and 2c (see instructions)	18			
19	Total tax after credits. Subtract line 18 from line 17. If zero or less, enter -0-	19			

Part II - Annualized Income Installment Method

		(a)	(b)	(c)	(d)	
		First <u>3</u> months	First <u>3</u> months	First <u>6</u> months	First <u>9</u> months	
20	Annualization periods (see instructions)	20				
21	Enter taxable income for each annualization period (see instructions for the treatment of extraordinary items)	21	2,184,111.	2,184,111.	4,959,025.	4,122,945.
22	Annualization amounts (see instructions)	22	4	4.0	2.000000	1.333330
23a	Annualized taxable income. Multiply line 21 by line 22	23a	8,736,444.	8,736,444.	9,918,050.	5,497,246.
	b Extraordinary items (see instructions)	23b				
	c Add lines 23a and 23b	23c	8,736,444.	8,736,444.	9,918,050.	5,497,246.
24	Figure the tax on the amount on line 23c using the instructions for Form 1120, Schedule J, line 2 (or comparable line of corporation's return)	24	2,970,391.	2,970,391.	3,372,137.	1,869,064.
25	Enter any alternative minimum tax for each payment period (see instructions)	25				
26	Enter any other taxes for each payment period (see instr)	26				
27	Total tax. Add lines 24 through 26	27	2,970,391.	2,970,391.	3,372,137.	1,869,064.
28	For each period, enter the same type of credits as allowed on Form 2220, lines 1 and 2c (see instructions)	28				
29	Total tax after credits. Subtract line 28 from line 27. If zero or less, enter -0-	29	2,970,391.	2,970,391.	3,372,137.	1,869,064.
30	Applicable percentage	30	25%	50%	75%	100%
31	Multiply line 29 by line 30	31	742,598.	1,485,196.	2,529,103.	1,869,064.

Part III - Required Installments

		1st installment	2nd installment	3rd installment	4th installment	
Note: Complete lines 32 through 38 of one column before completing the next column.						
32	If only Part I or Part II is completed, enter the amount in each column from line 19 or line 31. If both parts are completed, enter the smaller of the amounts in each column from line 19 or line 31	32	742,598.	1,485,196.	2,529,103.	1,869,064.
33	Add the amounts in all preceding columns of line 38 (see instructions)	33		337,182.	923,954.	1,385,931.
34	Adjusted seasonal or annualized income installments. Subtract line 33 from line 32. If zero or less, enter -0-	34	742,598.	1,148,014.	1,605,149.	483,133.
35	Enter 25% of line 5 on page 1 of Form 2220 in each column. Note: "Large corporations," see the instructions for line 10 for the amounts to enter	35	337,182.	586,772.	461,977.	461,977.
36	Subtract line 38 of the preceding column from line 37 of the preceding column	36				
37	Add lines 35 and 36	37	337,182.	586,772.	461,977.	461,977.
38	Required installments. Enter the smaller of line 34 or line 37 here and on page 1 of Form 2220, line 10 (see instructions)	38	337,182.	586,772.	461,977.	461,977.

Department of the Treasury Internal Revenue Service (99)

Attach to your tax return. See instructions.

Name(s) shown on return

Identifying number

THE YORK WATER COMPANY

23-1242500

Part I Information Regarding the Election To Treat the Lessee as the Purchaser of Investment Credit Property

If you are claiming the investment credit as a lessee based on a section 48(d) (as in effect on November 4, 1990) election, provide the following information. If you acquired more than one property as a lessee, attach a statement showing the information below.

- 1 Name of lessor
2 Address of lessor
3 Description of property
4 Amount for which you were treated as having acquired the property

Part II Qualifying Advanced Coal Project Credit, Qualifying Gasification Project Credit, Qualifying Advanced Energy Project Credit, and Qualifying Therapeutic Discovery Project Credit

Table with 10 rows and 3 columns. Rows include: 5 Qualifying advanced coal project credit (5a, 5b, 5c, 5d); 6 Qualifying gasification project credit (6a, 6b, 6c); 7 Qualifying advanced energy project credit; 8 Qualifying therapeutic discovery project credit; 9 Enter the applicable unused investment credit from cooperatives; 10 Add lines 5d, 6c, 7, 8, and 9. Report this amount on Form 3800, line 1a. Total: 1,036.

Part III Rehabilitation Credit and Energy Credit

- 11 Rehabilitation credit (see instructions for requirements that must be met):
a Check this box if you are electing under section 47(d)(5) to take your qualified rehabilitation expenditures into account for the tax year in which paid (or, for self-rehabilitated property, when capitalized). See instructions. Note. This election applies to the current tax year and to all later tax years. You may not revoke this election without IRS consent
b Enter the dates on which the 24- or 60-month measuring period begins and ends
c Enter the adjusted basis of the building as of the beginning date above (or the first day of your holding period, if later)
d Enter the amount of the qualified rehabilitation expenditures incurred, or treated as incurred, during the period on line 11b above
e Pre-1936 buildings located in the Gulf Opportunity Zone x 13% (.13)
f Pre-1936 buildings affected by a Midwestern disaster x 13% (.13)
g Other pre-1936 buildings x 10% (.10)
h Certified historic structures located in the Gulf Opportunity Zone x 26% (.26)

Part III Rehabilitation Credit and Energy Credit (continued)

i Certified historic structures affected by a Midwestern disaster	\$ _____ x 26% (.26)	11i
j Other certified historic structures	\$ _____ x 20% (.20)	11j
For properties identified on lines 11h, 11i, or 11j, complete lines 11k and 11l.		
k Enter the assigned NPS project number or the pass-through entity's employer identification number (see instructions)		
l Enter the date that the NPS approved the Request for Certification of Completed Work (see instructions)		
m Rehabilitation credit from an electing large partnership (Schedule K-1 (Form 1065-B), box 9)		11m
12 Energy credit:		
a Basis of property using geothermal energy or solar energy (acquired before January 1, 2006, and the basis attributable to construction, reconstruction, or erection by the taxpayer before January 1, 2006) placed in service during the tax year (see instructions)	\$ _____ x 10% (.10)	12a
b Basis of property using solar illumination or solar energy placed in service during the tax year that was acquired after December 31, 2005, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2005 (see instructions)	\$ _____ x 30% (.30)	12b
Qualified fuel cell property (see instructions):		
c Basis of property placed in service during the tax year that was acquired after December 31, 2005, and before October 4, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2005, and before October 4, 2008	\$ _____ x 30% (.30)	12c
d Applicable kilowatt capacity of property on line 12c (see instructions)	▶ _____ x \$1,000	12d
e Enter the lesser of line 12c or line 12d		12e
f Basis of property placed in service during the tax year that was acquired after October 3, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after October 3, 2008	\$ _____ x 30% (.30)	12f
g Applicable kilowatt capacity of property on line 12f (see instructions)	▶ _____ x \$3,000	12g
h Enter the lesser of line 12f or line 12g		12h
Qualified microturbine property (see instructions):		
i Basis of property placed in service during the tax year that was acquired after December 31, 2005, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2005	\$ _____ x 10% (.10)	12i
j Kilowatt capacity of property on line 12i	▶ _____ x \$200	12j
k Enter the lesser of line 12i or line 12j		12k

Part III Rehabilitation Credit and Energy Credit (continued)

Combined heat and power system property (see instructions): Caution. You cannot claim this credit if the electrical capacity of the property is more than 50 megawatts or 67,000 horsepower.		
l Basis of property placed in service during the tax year that was acquired after October 3, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after October 3, 2008 \$ x 10% (.10)		12l
m If the electrical capacity of the property is measured in: • Megawatts, divide 15 by the megawatt capacity. Enter 1.0 if the capacity is 15 megawatts or less. • Horsepower, divide 20,000 by the horsepower. Enter 1.0 if the capacity is 20,000 horsepower or less		12m
n Multiply line 12l by line 12m		12n
Qualified small wind energy property (see instructions): o Basis of property placed in service during the tax year that was acquired after October 3, 2008, and before January 1, 2009, and the basis attributable to the construction, reconstruction, or erection by the taxpayer after October 3, 2008, and before January 1, 2009 ... \$ x 30% (.30)		12o
p Enter the smaller of line 12o or \$4,000		12p
q Basis of property placed in service during the tax year that was acquired after December 31, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2008 \$ x 30% (.30)		12q
Geothermal heat pump systems (see instructions): r Basis of property placed in service during the tax year that was acquired after October 3, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after October 3, 2008 \$ x 10% (.10)		12r
Qualified investment credit facility property (see instructions): s Basis of property placed in service during the tax year \$ x 30% (.30)		12s
13 Enter the applicable unused investment credit from cooperatives (see instructions)		13
14 Add lines 11e through 11j, 11m, 12a, 12b, 12e, 12h, 12k, 12n, 12p, 12q, 12r, 12s, and 13		14
15 Rehabilitation and energy credits included on line 14 from passive activities		15
16 Subtract line 15 from line 14		16
17 Rehabilitation and energy credits allowed for 2010 from a passive activity		17
18 Carryforward of the rehabilitation credit that originated after 2007 and the energy credit that originated in a tax year that began after October 3, 2008 (see instructions)		18
19 Carryback of rehabilitation and energy credits from 2011		19
20 Add lines 16 through 19. Report this amount on Form 3800, line 29a		20

General Business Credit

▶ See separate instructions.
▶ Attach to your tax return.

THE YORK WATER COMPANY

Identifying number

23-1242500

Part I Current Year Credit

Important: You may not be required to complete and file a separate credit form (shown in parentheses below) to claim the credit. For details, see the instructions.

1a Investment credit (Form 3468, Part II only) (attach Form 3468)	1a	1,036.
b Reserved for future use	1b	
c Credit for increasing research activities	1c	
d Low-income housing credit (Form 8586, Part I only) (enter EIN if claiming this credit from a pass-through entity: _____)	1d	
e Disabled access credit (Form 8826) (do not enter more than \$5,000)	1e	
f Renewable electricity production credit (Form 8835)	1f	
g Indian employment credit	1g	
h Orphan drug credit (Form 8820)	1h	
i New markets credit (Form 8874) (enter EIN if claiming this credit from a pass-through entity: _____)	1i	
j Credit for small employer pension plan startup costs (Form 8881) (do not enter more than \$500)	1j	
k Credit for employer-provided child care facilities and services (Form 8882) (enter EIN if claiming this credit from a pass-through entity: _____)	1k	
l Biodiesel and renewable diesel fuels credit (attach Form 8864)	1l	
m Low sulfur diesel fuel production credit (Form 8896)	1m	
n Distilled spirits credit (Form 8906)	1n	
o Nonconventional source fuel credit (Form 8907)	1o	
p Energy efficient home credit	1p	
q Energy efficient appliance credit (Form 8909)	1q	
r Alternative motor vehicle credit (Form 8910) (enter EIN if claiming this credit from a pass-through entity: _____)	1r	
s Alternative fuel vehicle refueling property credit (Form 8911)	1s	
t Employer housing credit	1t	
u Mine rescue team training credit	1u	
v Agricultural chemicals security credit (Form 8931) (do not enter more than \$2 million)	1v	
w Credit for employer differential wage payments	1w	
x Carbon dioxide sequestration credit (Form 8933)	1x	
y Qualified plug-in electric drive motor vehicle credit (Form 8936)	1y	
z Qualified plug-in electric vehicle credit (Form 8834, Part I only)	1z	
aa New hire retention credit (Form 5884-B)	1aa	
bb General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1bb	
2 Add lines 1a through 1bb	2	1,036.
3 Passive activity credits included on line 2 (see instructions)	3	
4 Subtract line 3 from line 2	4	1,036.
5 Passive activity credits allowed for 2010 (see instructions)	5	
6 Carryforward of general business credit to 2010. See instructions for the schedule to attach	6	
7 Carryback of general business credit from 2011 (see instructions)	7	
8 Add lines 4 through 7. Subtract from that sum any eligible small business credits and enter the result (see instructions)	8	1,036.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 3800 (2010)

Part II Allowable Credit

9 Regular tax before credits:			
• Individuals. Enter the amount from Form 1040, line 44 or Form 1040NR, line 42	}		9 1,848,943.
• Corporations. Enter the amount from Form 1120, Schedule J, line 2; or the applicable line of your return			
• Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return			
10 Alternative minimum tax:			
• Individuals. Enter the amount from Form 6251, line 35	}		10 0.
• Corporations. Enter the amount from Form 4626, line 14			
• Estates and trusts. Enter the amount from Schedule I (Form 1041), line 56			
11 Add lines 9 and 10			11 1,848,943.
12a Foreign tax credit		12a	
b Personal credits from Form 1040 or Form 1040NR (see instructions)		12b	
c Add lines 12a and 12b		12c	
13 Net income tax. Subtract line 12c from line 11. If zero, skip lines 14 through 17 and enter -0- on line 18a			13 1,848,943.
14 Net regular tax. Subtract line 12c from line 9. If zero or less, enter -0-		14	1,848,943.
15 Enter 25% (.25) of the excess, if any, of line 14 over \$25,000 (see instructions)		15	455,986.
16 Tentative minimum tax. If line 8 is zero and line 24 would be zero, skip lines 16 through 25 and go to line 26. Otherwise, see instructions.		16	1,214,738.
17 Enter the greater of line 15 or line 16			17 1,214,738.
18a Subtract line 17 from line 13. If zero or less, enter -0-			18a 634,205.
b For a corporation electing to accelerate the research credit, enter the bonus depreciation amount attributable to the research credit. (see instructions)			18b
c Add lines 18a and 18b			18c 634,205.
19a Enter the smaller of line 8 or line 18c			19a 1,036.
C corporations: See the line 19a instructions if there has been an ownership change, acquisition, or reorganization.			
b Enter the smaller of line 8 or line 18a. If you made an entry on line 18b, go to line 19c; otherwise, skip line 19c			19b 1,036.
c Subtract line 19b from line 19a. This is the refundable amount for a corporation electing to accelerate the research credit. Include this amount on line 32g of Form 1120 (or the applicable line of your return)			19c

Form 3800 (2010)

Part II Allowable Credit (Continued)

Note. If you are not filing Form 8844, skip lines 20 through 24 and enter -0- on line 25.

Table with columns for line numbers (20-32), descriptions of credits, and numerical values. Includes sub-rows 29a-29h and a summary row 32 with a breakdown of reporting requirements.

Depreciation and Amortization
 (Including Information on Listed Property) OTHER

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return THE YORK WATER COMPANY	Business or activity to which this form relates OTHER DEPRECIATION	Identifying number 23-1242500
--	--	---

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	500,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter the amount from line 29		
7	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	5,217,158.
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	774,673.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2010	17	5,903,497.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input checked="" type="checkbox"/>	

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		115,276.	3	S/L	S/L	3,202.
b 5-year property		117,356.	5	MQ	200DB	22,089.
c 7-year property		30,893.	7	MQ	200DB	3,639.
d 10-year property						
e 15-year property		19,879.	15	MQ	150DB	399.
f 20-year property						
g 25-year property		4,888,778.	25 yrs.	MQ	S/L	52,979.
h Residential rental property	04 / 10	38,361.	27.5 yrs.	MM	S/L	988.
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	SEE STATEMENT 27		39 yrs.	MM	S/L	3,629.
	/			MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life	(b) Month and year placed in service	(c) Basis for depreciation	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	11,982,253.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use								25
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year:					
DEBT ISSUANCE COSTS	10/08/10	703,251.	461	360	5,860.
43 Amortization of costs that began before your 2010 tax year					43 63,044.
44 Total. Add amounts in column (f). See the instructions for where to report					44 68,904.

Domestic Production Activities Deduction

▶ **Attach to your tax return.** ▶ **See separate instructions.**

Attachment
Sequence No. **143**

Name(s) as shown on return

Identifying number

THE YORK WATER COMPANY

23-1242500

	(a)	(b)
Oil-related production activities	Oil-related production activities	All activities
1 Domestic production gross receipts (DPGR)	1	13,485,890.
2 Allocable cost of goods sold. If you are using the small business simplified overall method, skip lines 2 and 3	2	
3 Enter deductions and losses allocable to DPGR (see instructions)	3	9,546,768.
4 If you are using the small business simplified overall method, enter the amount of cost of goods sold and other deductions or losses you ratably apportion to DPGR. All others, skip line 4	4	
5 Add lines 2 through 4	5	9,546,768.
6 Subtract line 5 from line 1	6	3,939,122.
7 Qualified production activities income from estates, trusts, and certain partnerships and S corporations (see instructions)	7	
8 Add lines 6 and 7. Estates and trusts, go to line 9, all others, skip line 9 and go to line 10	8	3,939,122.
9 Amount allocated to beneficiaries of the estate or trust (see instructions)	9	
10a Oil-related qualified production activities income. Estates and trusts, subtract line 9, column (a), from line 8, column (a), all others, enter amount from line 8, column (a). If zero or less, enter -0- here	10a	
b Qualified production activities income. Estates and trusts, subtract line 9, column (b), from line 8, column (b), all others, enter amount from line 8, column (b). If zero or less, enter -0- here, skip lines 11 through 21, and enter -0- on line 22	10b	3,939,122.
11 Income limitation (see instructions):		
<ul style="list-style-type: none"> • Individuals, estates, and trusts. Enter your adjusted gross income figured without the domestic production activities deduction • All others. Enter your taxable income figured without the domestic production activities deduction (tax-exempt organizations, see instructions) 	11	5,792,588.
12 Enter the smaller of line 10b or line 11. If zero or less, enter -0- here, skip lines 13 through 21, and enter -0- on line 22	12	3,939,122.
13 Enter 9% of line 12	13	354,521.
14a Enter the smaller of line 10a or line 12	14a	
b Reduction for oil-related qualified production activities income. Multiply line 14a by 3%	14b	
15 Subtract line 14b from line 13	15	354,521.
16 Form W-2 wages (see instructions)	16	6,120,003.
17 Form W-2 wages from estates, trusts, and certain partnerships and S corporations (see instructions)	17	
18 Add lines 16 and 17. Estates and trusts, go to line 19, all others, skip line 19 and go to line 20	18	6,120,003.
19 Amount allocated to beneficiaries of the estate or trust (see instructions)	19	
20 Estates and trusts, subtract line 19 from line 18, all others, enter amount from line 18	20	6,120,003.
21 Form W-2 wage limitation. Enter 50% of line 20	21	3,060,002.
22 Enter the smaller of line 15 or line 21	22	354,521.
23 Domestic production activities deduction from cooperatives. Enter deduction from Form 1099-PATR, box 6	23	
24 Expanded affiliated group allocation (see instructions)	24	
25 Domestic production activities deduction. Combine lines 22 through 24 and enter the result here and on Form 1040, line 35; Form 1120, line 25; or the applicable line of your return	25	354,521.

LHA **For Paperwork Reduction Act Notice, see separate instructions.**

Form **8903** (Rev. 12-2010)

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

Name of common parent
THE YORK WATER COMPANY

Employer identification number
23-1242500

Name of subsidiary

Employer identification number

Part I Cost of Goods Sold

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions				
2 Amounts attributable to:				
a Stock option expense				
b Other equity based compensation				
c Meals and entertainment				
d Parachute payments				
e Compensation with section 162(m) limitation				
f Pension and profit sharing				
g Other post-retirement benefits				
h Deferred compensation				
i Section 198 environmental remediation costs				
j Amortization				
k Depletion				
l Depreciation				
m Corporate owned life insurance premiums ...				
n Other section 263A costs				
3 Inventory shrinkage accruals				
4 Excess inventory and obsolescence reserves				
5 Lower of cost or market write-downs				
6 Other items with differences (attach schedule)				
7 Other items with no differences				
8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d				

Part II Interest Income

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income STMT 28	110,238.		-110,238.	
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income STMT 29	35.			35.
6	Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120S) Part II, line 11.	110,273.		-110,238.	35.

Part III Interest Expense

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense STMT 30	4,794,573.		-3,806.	4,790,767.
5	Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120S) Part III, line 26.	4,794,573.		-3,806.	4,790,767.

JWA

Form 8916-A (2010)

Report of Employer-Owned Life Insurance Contracts

▶ Attach to the policyholder's tax return - See instructions.

Name(s) shown on return THE YORK WATER COMPANY	Identifying number 23-1242500
Name of policyholder, if different from above THE YORK WATER COMPANY	Identifying number, if different from above 23-1242500

Type of business
WATER UTILITY

1 Enter the number of employees the policyholder had at the end of the tax year	1	111.
2 Enter the number of employees included on line 1 who were insured at the end of the tax year under the policyholder's employer-owned life insurance contract(s) issued after August 17, 2006. See Section 1035 exchanges for an exception	2	27.
3 Enter the total amount of employer-owned life insurance in force at the end of the tax year for employees who were insured under the contract(s) specified on line 2	3	44,236,600.
4a Does the policyholder have a valid consent (see instructions) for each employee included on line 2? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b If "No," enter the number of employees included on line 2 for whom the policyholder does not have a valid consent	4b	

FOOTNOTES

STATEMENT 1

INVESTMENT TAX CREDIT (FORM 3468)

QUALIFYING PROPERTY FOR THE INVESTMENT TAX CREDIT ON FORM 3468 REPRESENTS REFUNDS OF ADVANCES FOR CONSTRUCTION OF PROPERTY PLACED IN SERVICE PRIOR TO 1986. ACCORDINGLY, ITC IS BEING CLAIMED AT THE APPLICABLE RATES FOR THE YEARS IN WHICH THE PROPERTY WAS PLACED IN SERVICE.

FORM 1120	INTEREST INCOME	STATEMENT	2
DESCRIPTION	US	OTHER	
INTEREST INCOME			35.
TOTAL TO FORM 1120, LINE 5			35.

FORM 1120	TAXES AND LICENSES	STATEMENT	3
DESCRIPTION		AMOUNT	
PAYROLL TAXES		497,865.	
TAXES - OTHER		352,420.	
PENNSYLVANIA TAXES - BASED ON INCOME		1,115,221.	
PENNSYLVANIA TAXES - OTHER		203,632.	
TOTAL TO FORM 1120, LINE 17		2,169,138.	

	CURRENT YEAR CONTRIBUTIONS	STATEMENT	4
DESCRIPTION		AMOUNT	
CASH CHARITABLE CONTRIBUTIONS (50%)		226,618.	
TOTAL CURRENT YEAR CONTRIBUTIONS		226,618.	

CONTRIBUTIONS

STATEMENT 5

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT

CONTRIBUTION SUBJECT TO LIMITATION:

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS

FOR TAX YEAR 2005

FOR TAX YEAR 2006

FOR TAX YEAR 2007

FOR TAX YEAR 2008

FOR TAX YEAR 2009

TOTAL CARRYOVER

CURRENT YEAR CONTRIBUTIONS

226,618

TOTAL CONTRIBUTIONS AVAILABLE

226,618

TAXABLE INCOME LIMITATION AS ADJUSTED

602,992

EXCESS CONTRIBUTIONS

0

ALLOWABLE CONTRIBUTIONS DEDUCTION

226,618

TOTAL CONTRIBUTION DEDUCTION

226,618

FORM 1120

OTHER DEDUCTIONS

STATEMENT 6

DESCRIPTION	AMOUNT
AMORTIZATION	68,904.
CAPITALIZED TANK PAINTING EXPENSES	260,839.
CHEMICALS	426,521.
COMMUNICATION EXPENSES	91,849.
COMPUTER EXPENSE	42,156.
COST OF REMOVAL NET OF SALVAGE	380,990.
DEFERRED COMPENSATION EXPENSE	-83,556.
DEFERRED RATE CASE EXPENSE	196,478.
DIRECTOR'S FEES	212,225.
DUES AND SUBSCRIPTIONS	1,912.
FUEL	36,252.
INSURANCE	1,328,415.
LODGING	5,610.
MAILINGS	269,172.
MEALS AND ENTERTAINMENT	2,025.
MEALS AND ENTERTAINMENT - NOT SUBJECT TO 50% LIMIT	1,693.
MEMBERSHIP FEES	61,519.
MISCELLANEOUS EXPENSE	69,642.
NON-DEDUCTIBLE POST RETIREMENT BENEFITS	17,999.
O/H ALLOCATION - ADMINISTRATIVE AND GENERAL	-606,939.
OFFICE SUPPLIES & EXPENSES	91,477.
OPERATION	355,909.
PREPAID EXPENSE DEDUCTION UNDER SEC. 1.263(A)-4(F)	8,851.
PROFESSIONAL SERVICES	196,025.
PURCHASED POWER	1,243,673.
REGISTRATION FEES	18,138.
STOCKHOLDERS EXPENSES - ADMINISTRATIVE & GENERAL	156,807.
TRANSPORTATION EXPENSE	334,202.
TRAVEL	10,730.
TRUSTEE AND BANK FEES	349,672.
UNIFORMS	6,813.
TOTAL TO FORM 1120, LINE 26	5,556,003.

DIVIDEND DEDUCTION WORKSHEET

STATEMENT 7

1. REFIGURE TAXABLE INCOME BEFORE NOL AND SPECIAL DEDUCTIONS. .	5,803,302
2. COMPLETE LINES 10, 11 AND 12, COLUMN (C), AND ENTER THE TOTAL HERE	
3. SUBTRACT LINE 2 FROM LINE 1	5,803,302
4. MULTIPLY LINE 3 BY 80%	4,642,642
5. ADD LINES 2, 5, 7, AND 8, COLUMN (C), AND THE PART OF THE DEDUCTION ON LINE 3, COLUMN (C), THAT IS ATTRIBUTABLE TO DIVIDENDS FROM 20%-OR-MORE-OWNED CORPORATIONS	
6. ENTER THE SMALLER OF LINE 4 OR 5. IF LINE 5 IS GREATER THAN LINE 4, STOP HERE; ENTER THE AMOUNT FROM LINE 6 ON LINE 9, COLUMN (C), AND DO NOT COMPLETE THE REST OF THIS WORKSHEET .	
7. ENTER THE TOTAL AMOUNT OF DIVIDENDS FROM 20%-OR-MORE-OWNED CORPORATIONS INCLUDED ON LINES 2, 3, 5, 7 AND 8, COLUMN (A).	
8. SUBTRACT LINE 7 FROM LINE 3	5,803,302
9. MULTIPLY LINE 8 BY 70%	4,062,311
10. SUBTRACT LINE 5 ABOVE FROM LINE 9, COLUMN (C).	10,714
11. ENTER THE SMALLER OF LINE 9 OR LINE 10	10,714
12. DIVIDENDS-RECEIVED DEDUCTION AFTER LIMITATION (SEC. 246(B)). ADD LINES 6 AND 11. ENTER THE RESULT ON LINE 9, COLUMN (C) .	10,714

SCHEDULE E		COMPENSATION OF OFFICERS			STATEMENT	8
(A) NAME OF OFFICER	(B) SOCIAL SECURITY NUMBER	(C) PCT OF TIME DEVOTED	PCT OF (D) COMMON	STK (E) PREF	(F) AMOUNT OF COMPENSATION	
JEFFREY R. HINES	144-42-2122	100%	.31%		257,788.	
JOSEPH T. HAND	074-62-1232	100%	.05%		126,711.	
KATHLEEN M. MILLER	173-52-4350	100%	.03%		139,205.	
VERNON L. BRACEY	159-52-8616	100%	.00%		105,548.	
BRUCE C. MCINTOSH	183-44-7521	100%	.03%		114,464.	
MARK S. SNYDER	180-62-9743	100%	.00%		95,376.	
JOHN H. STRINE	202-48-2813	100%	.03%		105,916.	
TOTAL TO SCHEDULE E					945,008.	

TAX COMPUTATION

STATEMENT 9

1.	TAXABLE INCOME	5,438,067
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT . .	50,000
3.	LINE 1 LESS LINE 2	5,388,067
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT . .	25,000
5.	LINE 3 LESS LINE 4	5,363,067
6.	INCOME SUBJECT TO 34% TAX RATE	5,363,067
7.	INCOME SUBJECT TO 35% TAX RATE	0
8.	15 PERCENT OF LINE 2	7,500
9.	25 PERCENT OF LINE 4	6,250
10.	34 PERCENT OF LINE 6	1,823,443
11.	35 PERCENT OF LINE 7	0
12.	ADDITIONAL 5% SURTAX.	11,750
13.	ADDITIONAL 3% SURTAX	0
14.	TOTAL INCOME TAX	<u>1,848,943</u>

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT 10	
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR
PREPAID EXPENSES		387,322.	398,430.
SUPPLIES		715,621.	608,291.
DEF. INC. TAXS (CRRT) ALLOW. FOR DB		153,737.	167,403.
TOTAL TO SCHEDULE L, LINE 6		<u>1,256,680.</u>	<u>1,174,124.</u>

SCHEDULE L	OTHER INVESTMENTS	STATEMENT 11	
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR
OTHER INVESTMENTS		59,870.	59,724.
TOTAL TO SCHEDULE L, LINE 9		<u>59,870.</u>	<u>59,724.</u>

SCHEDULE L	OTHER ASSETS	STATEMENT 12	
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR
DEFERRED DEBT EXPENSE		1,906,290.	2,501,104.
DEFERRED REGULATORY ASSETS		14,009,814.	15,820,965.
NOTES RECEIVABLE		476,131.	407,250.
OTHER ASSETS		3,210,351.	3,459,737.
RECOVERABLE INCOME TAXES		0.	20,440.
TOTAL TO SCHEDULE L, LINE 14		<u>19,602,586.</u>	<u>22,209,496.</u>

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT 13	
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR
ACCRUED INTEREST		1,018,576.	1,068,158.
ACCRUED TAXES		488,286.	18,620.
DIVIDENDS PAYABLE		1,393,133.	1,440,093.
OTHER ACCRUED EXPENSES		1,318,491.	1,517,655.
DEFERRED REGULATORY LIABILITIES		153,737.	0.

CASH OVERDRAFT	195,269.	0.
PAYROLL TAXES AND BENEFITS WITHHELD	53,342.	48,370.
TOTAL TO SCHEDULE L, LINE 18	4,620,834.	4,092,896.

SCHEDULE L OTHER LIABILITIES STATEMENT 14

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
CONTRIBUTIONS IN AID OF CONSTRUCTION	24,943,850.	25,926,159.
CUSTOMERS' ADVANCES FOR CONSTRUCTION	16,187,857.	15,030,984.
DEFERRED EMPLOYEE BENEFITS	8,764,296.	9,813,584.
DEFERRED INCOME TAXES	21,579,256.	25,437,423.
DEFERRED REGULATORY LIABILITIES	699,498.	0.
DEFERRED INVESTMENT CREDIT	927,939.	0.
OTHER DEFERRED CREDITS	979,439.	2,003,410.
TOTAL TO SCHEDULE L, LINE 21	74,082,135.	78,211,560.

FORM 4626

AMT CONTRIBUTIONS

STATEMENT 15

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS

- FOR TAX YEAR 2005
- FOR TAX YEAR 2006
- FOR TAX YEAR 2007
- FOR TAX YEAR 2008
- FOR TAX YEAR 2009

TOTAL CARRYOVER

CURRENT YEAR CONTRIBUTIONS

226,618

TOTAL CONTRIBUTIONS

226,618

10% OF TAXABLE INCOME AS ADJUSTED

665,751

EXCESS CONTRIBUTIONS

0

ALLOWABLE CONTRIBUTIONS

226,618

AMT CHARITABLE DEDUCTION

226,618

REGULAR CONTRIBUTION DEDUCTION

226,618

AMT CONTRIBUTION ADJUSTMENT

0

SCHEDULE M-3 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES STATEMENT 16

DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
INVESTMENT TAX CREDIT	38,187.		-38,187.	0.
TOTAL TO M-3, PART II, LINE 25	38,187.		-38,187.	0.

SCHEDULE M-3 OTHER INCOME (LOSS) AND EXPENSE / DEDUCTION STATEMENT 17
ITEMS WITH NO DIFFERENCES

DESCRIPTION	PER INCOME STATEMENT	PER TAX RETURN
OTHER INCOME (LOSS)	39017731.	39017731.
OTHER EXPENSE / DEDUCTION	-7340298.	-7340298.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	31677433.	31677433.

SCHEDULE M-3 OTHER INCOME (LOSS) ITEMS WITH NO DIFFERENCES STATEMENT 18

DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	INCOME (LOSS) PER TAX RETURN
GROSS RECEIPTS OR SALES	38600887.	38600887.
RENT	416,844.	416,844.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	39017731.	39017731.

SCHEDULE M-3 MEALS AND ENTERTAINMENT STATEMENT 19

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
MEALS AND ENTERTAINMENT	4,050.		-2,025.	2,025.
MEALS AND ENTERTAINMENT - NOT SUBJECT TO 50% LIMIT	1,693.		0.	1,693.
TOTAL	5,743.		-2,025.	3,718.

SCHEDULE M-3 OTHER POST-RETIREMENT BENEFITS STATEMENT 20

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
NON-DEDUCTIBLE POST RETIREMENT BENEFITS	0.	17,999.	0.	17,999.
TOTAL	0.	17,999.	0.	17,999.

SCHEDULE M-3 DEFERRED COMPENSATION STATEMENT 21

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
DEFERRED COMPENSATION EXPENSE	154,057.	-237,613.	0.	-83,556.
TOTAL	154,057.	-237,613.	0.	-83,556.

SCHEDULE M-3 CHARITABLE CONTRIBUTION OF CASH AND TANGIBLE PROPERTY STATEMENT 22

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	EXPENSE/ DEDUCTION PER TAX RETURN
CASH CHARITABLE CONTRIBUTIONS (50%)	226,618.		0.	226,618.
TOTAL	226,618.		0.	226,618.

SCHEDULE M-3 BAD DEBT EXPENSE STATEMENT 23

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
BAD DEBT	223,185.	-20,000.	0.	203,185.
TOTAL	223,185.	-20,000.	0.	203,185.

SCHEDULE M-3 CORPORATE OWNED LIFE INSURANCE PREMIUMS STATEMENT 24

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
CORPORATE OWNED LIFE INSURANCE PREMIUMS	205,958.		-205,958.	0.
TOTAL	205,958.		-205,958.	0.

SCHEDULE M-3 OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES STATEMENT 25

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	EXPENSE/ DEDUCTION PER TAX RETURN
CAPITALIZED TANK PAINTING EXPENSES	0.	260,839.	0.	260,839.
COST OF REMOVAL NET OF SALVAGE	0.	380,990.	0.	380,990.
DEFERRED RATE CASE EXPENSE	0.	196,478.	0.	196,478.
INDEMNIFICATION OF INCOME TAXES	-75,020.	75,020.	0.	0.
NON-DEDUCTIBLE LOBBYING EXPENSES	21,927.		-21,927.	0.
NON-DEDUCTIBLE SOCIAL ORGANIZATION DUES	3,758.		-3,758.	0.
NON-DEDUCTIBLE TRAVEL EXPENSES OF SPOUSE	500.		-500.	0.
PREPAID EXPENSE DEDUCTION UNDER SEC. 1.263(A)-4(F)	0.	8,851.	0.	8,851.
SALARIES AND WAGES	4,629,163.	-22,661.	0.	4,606,502.
TRANSPORTATION EXPENSE	508,034.	-173,832.	0.	334,202.
TOTAL TO M-3, PART III, LINE 37	5,088,362.	725,685.	-26,185.	5,787,862.

SCHEDULE M-3 OTHER EXPENSE/DEDUCTION ITEMS WITH NO DIFFERENCES STATEMENT 26

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	EXPENSE/ DEDUCTION PER TAX RETURN
CHEMICALS	426,521.	426,521.
COMMUNICATION EXPENSES	91,849.	91,849.
COMPUTER EXPENSE	42,156.	42,156.
DIRECTOR'S FEES	212,225.	212,225.
DUES AND SUBSCRIPTIONS	1,912.	1,912.
EMPLOYEE BENEFIT PROGRAMS	88,545.	88,545.
FUEL	36,252.	36,252.
INSURANCE	1,328,415.	1,328,415.
LODGING	5,610.	5,610.
MAILINGS	269,172.	269,172.
MEMBERSHIP FEES	61,519.	61,519.
MISCELLANEOUS EXPENSE	69,642.	69,642.
O/H ALLOCATION - ADMINISTRATIVE AND GENERAL	-606,939.	-606,939.
OFFICE SUPPLIES & EXPENSES	91,477.	91,477.
OFFICERS COMPENSATION	945,008.	945,008.

OPERATION	355,909.	355,909.
PAYROLL TAXES	497,865.	497,865.
PROFESSIONAL SERVICES	196,025.	196,025.
PURCHASED POWER	1,243,673.	1,243,673.
REGISTRATION FEES	18,138.	18,138.
RENTS	61.	61.
REPAIRS	1,088,821.	1,088,821.
STOCKHOLDERS EXPENSES - ADMINISTRATIVE & GENERAL	156,807.	156,807.
TAXES - OTHER	352,420.	352,420.
TRAVEL	10,730.	10,730.
TRUSTEE AND BANK FEES	349,672.	349,672.
UNIFORMS	6,813.	6,813.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	<u>7,340,298.</u>	<u>7,340,298.</u>

FORM 4562 NONRESIDENTIAL REAL PROPERTY STATEMENT 27

(B) MONTH/YEAR IN SERVICE	(C) BASIS	(D) RECOVERY PERIOD	(G) DEPRECIATION DEDUCTION
01/10	19,056.	39	469.
02/10	11,581.	39	260.
03/10	129,863.	39	2,640.
04/10	2,815.	39	51.
08/10	2,349.	39	23.
09/10	13,755.	39	103.
10/10	1,637.	39	9.
11/10	23,098.	39	74.
TOTALS TO 4562, LN 19I	<u>204,154.</u>		<u>3,629.</u>

FORM 8916-A TAX-EXEMPT INTEREST INCOME STATEMENT 28

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE
INTEREST INCOME	110,238.	0.	-110,238.
TOTAL TO PART II, LINE 1	<u>110,238.</u>	<u>0.</u>	<u>-110,238.</u>

FORM 8916-A	OTHER INTEREST INCOME			STATEMENT 29
DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST INCOME	35.	0.	0.	35.
TOTAL TO PART II, LINE 5	35.	0.	0.	35.

FORM 8916-A	OTHER INTEREST EXPENSE			STATEMENT 30
DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST EXPENSE FROM TRADE OR BUSINESS	4,794,573.	0.	-3,806.	4,790,767.
TOTAL TO PART III, LINE 4	4,794,573.	0.	-3,806.	4,790,767.

IRS e-file Signature
Authorization for Form 1120

2009

Department of the Treasury
Internal Revenue Service

For calendar year 2009, or tax year beginning _____, 2009, and ending _____, 20____
▶ See instructions. Do not send to the IRS. Keep for your records.

Name of corporation **THE YORK WATER COMPANY** Employer identification number **23-1242500**

Part I Tax Return Information (Whole dollars only)

1 Total income (Form 1120, line 11)	1	37067903
2 Taxable income (Form 1120, line 30)	2	3968227
3 Total tax (Form 1120, line 31)	3	1348728
4 Amount owed (Form 1120, line 34)	4	19
5 Overpayment (Form 1120, line 35)	5	

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2009 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize PARENTEBEARD LLC ERO firm name to enter my PIN 17405 do not enter all zeros

as my signature on the corporation's 2009 electronically filed income tax return.

As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2009 electronically filed income tax return.

Officer's signature ▶ Kathleen A Miller Date ▶ 7/22/10 Title ▶ CFO & TREASURER

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 23595617401
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2009 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ 07/14/10

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

Corporation Income Tax Return
For calendar year 2009 or tax year

2009

beginning _____, ending _____
EXTENSION GRANTED TO 09/15/10

A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input checked="" type="checkbox"/>	Use IRS label. Otherwise, print or type.	Name THE YORK WATER COMPANY	B Employer identification number 23-1242500
		Number, street, and room or suite no. If a P.O. box, see instructions. 130 EAST MARKET STREET	C Date incorporated 02/08/1816
		City or town, state, and ZIP code YORK, PA 17405	D Total assets (see instructions) \$ 248,836,783.
		E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change	

Income	1	a Gross receipts or sales	36,723,804.	b Less returns and allowances		c Bal	▶	1c	36,723,804.		
	2	Cost of goods sold (Schedule A, line 8)						2			
	3	Gross profit. Subtract line 2 from line 1c						3	36,723,804.		
	4	Dividends (Schedule C, line 19)						4	15,306.		
	5	Interest	SEE STATEMENT 2					5	1,471.		
	6	Gross rents						6	327,322.		
	7	Gross royalties						7			
	8	Capital gain net income (attach Schedule D (Form 1120))						8			
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)						9			
	10	Other income (attach schedule)	SEE STATEMENT 3					10			
	11	Total income. Add lines 3 through 10						▶	11	37,067,903.	
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)						▶	12	902,222.	
	13	Salaries and wages (less employment credits)							13	4,509,583.	
	14	Repairs and maintenance							14	1,277,086.	
	15	Bad debts							15	201,974.	
	16	Rents							16	77.	
	17	Taxes and licenses	SEE STATEMENT 4						17	1,976,898.	
	18	Interest							18	4,770,636.	
	19	Charitable contributions	SEE STATEMENT 5 AND SEE STATEMENT 6						19	116,461.	
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)							20	11,924,810.	
	21	Depletion							21		
	22	Advertising							22		
	23	Pension, profit-sharing, etc., plans							23	1,660,751.	
	24	Employee benefit programs							24	81,220.	
	25	Domestic production activities deduction (attach Form 8903)							25	232,202.	
	26	Other deductions (attach schedule)	SEE STATEMENT 7						26	5,435,042.	
	27	Total deductions. Add lines 12 through 26							▶	27	33,088,962.
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11							28	3,978,941.	
	29	Less: a Net operating loss deduction		29a							
b Special deductions (Schedule C, line 20)			29b	10,714.				29c	10,714.		
30	Taxable income. Subtract line 29c from line 28 (see instructions)							30	3,968,227.		
31	Total tax (Schedule J, line 10)							31	1,348,728.		
Tax, Refundable Credits, and Payments	32a	2008 overpayment credited to 2009	32a	363,476.							
	b	2009 estimated tax payments	32b	836,942.							
	c	2009 refund applied for on Form 4466	32c	()							
	d	Tax deposited with Form 7004	32d	1,200,418.							
	e	Tax deposited with Form 7004	32e	148,291.							
	f	Credits: (1) Form 2439 (2) Form 4136	32f								
	g	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g					32h	1,348,709.		
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input checked="" type="checkbox"/>						33				
34	Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed						34	19.			
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid						35				
36	Enter amount from line 35 you want: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>						36				

Sign Here
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: _____ Date: _____ Title: CFO & TREASURER

May the IRS discuss this return with the preparer shown below? Yes No

Paid Preparer's Use Only	Preparer's signature	ROBERT M. GRATALO	Date	07/14/10	Check if self-employed	<input type="checkbox"/>	Preparer's SSN or PTIN	P00235864
	Firm's name (or yours if self-employed), address, and ZIP code	PARENTEBEARD LLC SUITE 200, 221 W PHILADELPHIA ST. YORK, PA 17401-2993		EIN	23 2932984		Phone no.	(717) 846-7000

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	
9a	Check all methods used for valuing closing inventory:		
	(i) <input type="checkbox"/> Cost		
	(ii) <input type="checkbox"/> Lower of cost or market		
	(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.)		
b	Check if there was a writedown of subnormal goods		<input type="checkbox"/>
c	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)		<input type="checkbox"/>
d	If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO	9d	
e	If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?		<input type="checkbox"/> Yes <input type="checkbox"/> No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory?		<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes," attach explanation		<input type="checkbox"/> Yes <input type="checkbox"/> No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)	
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	15,306.	70	10,714.
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80 <small>see instructions</small>	
3	Dividends on debt-financed stock of domestic and foreign corporations		42	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		48	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		70	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		80	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		100	
8	Dividends from wholly owned foreign subsidiaries			
9	Total. Add lines 1 through 8	SEE STATEMENT 8		10,714.
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from affiliated group members		100	
12	Dividends from certain FSCs		100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	15,306.		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			10,714.

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
1	STATEMENT 9					
2	Total compensation of officers					902,222.
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					902,222.

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	STMT 10
3	Alternative minimum tax (attach Form 4626)		2 1,349,197.
4	Add lines 2 and 3		3
5a	Foreign tax credit (attach Form 1118)		4 1,349,197.
5b	Credit from Form 8834, line 29		5a
5c	General business credit (attach Form 3800)		5b
5d	Credit for prior year minimum tax (attach Form 8827)		5c 469.
5e	Bond credits from Form 8912		5d
6	Total credits. Add lines 5a through 5e		5e
7	Subtract line 6 from line 4		6 469.
8	Personal holding company tax (attach Schedule PH (Form 1120))		7 1,348,728.
9	Other taxes. Check if from:	<input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	8
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31		9
			10 1,348,728.

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 221300		
b	Business activity ▶ WATER UTILITY		
c	Product or service ▶ WATER		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X
5	At the end of the tax year, did the corporation:	Yes	No
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv).		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

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Form 1120 (2009)

Schedule K Continued

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions **X**
 If "Yes," complete (i) through (iv).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) **X**
 If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.
 If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? **X**
 For rules of attribution, see section 318. If "Yes," enter:
 (i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____
 (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount
 If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 116,027.

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here
 If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? **X**
 If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____

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Form 1120 (2009)

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				500,000.
2a Trade notes and accounts receivable	6,124,922.		5,613,895.	
b Less allowance for bad debts	(195,000.)	5,929,922.	(225,000.)	5,388,895.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (att. sch.) STMT 11		1,285,939.		1,256,680.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (att. sch.) STMT 12		59,870.		59,870.
10a Buildings and other depreciable assets	245973416.		260568266.	
b Less accumulated depreciation	(34,591,710.)	211381706.	(38,539,514.)	222028752.
11a Depletable assets				
b Less accumulated depletion	()		()	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
14 Other assets (att. sch.) STMT 13		21,784,085.		19,602,586.
15 Total assets		240441522.		248836783.
Liabilities and Shareholders' Equity				
16 Accounts payable		1,568,754.		643,301.
17 Mortgages, notes, bonds payable in less than 1 year		8,740,622.		9,341,030.
18 Other current liabilities (att. sch.) STMT 14		3,886,000.		4,620,834.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		83,612,338.		73,227,308.
21 Other liabilities (att. sch.) STMT 15		72,866,987.		74,082,135.
22 Capital stock: a Preferred stock				
b Common stock	57,875,428.	57,875,428.	73,569,485.	73,569,485.
23 Additional paid-in capital				
24 Retained earnings - Appropriated (attach schedule)				
25 Retained earnings - Unappropriated		11,891,393.		13,352,690.
26 Adjustments to shareholders' equity (attach schedule)				
27 Less cost of treasury stock		()		()
28 Total liabilities and shareholders' equity		240441522.		248836783.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1 Net income (loss) per books		7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books		Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation \$	
a Depreciation \$		b Charitable contributions \$	
b Charitable contributions \$			
c Travel and entertainment \$		9 Add lines 7 and 8	
6 Add lines 1 through 5		10 Income (page 1, line 28) - line 6 less line 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	11,891,393.	5 Distributions: a Cash	6,050,505.
2 Net income (loss) per books	7,511,802.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
4 Add lines 1, 2, and 3	19,403,195.	7 Add lines 5 and 6	6,050,505.
		8 Balance at end of year (line 4 less line 7)	13,352,690.

Alternative Minimum Tax - Corporation

▶ See separate instructions.

2009

▶ Attach to the corporation's tax return.

Name **THE YORK WATER COMPANY** Employer identification number **23-1242500**

Part I Alternative Minimum Tax Computation

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

1	Taxable income or (loss) before net operating loss deduction	1	3,968,227.
2	Adjustments and preferences:		
a	Depreciation of post-1986 property	2a	535,222.
b	Amortization of certified pollution control facilities	2b	
c	Amortization of mining exploration and development costs	2c	
d	Amortization of circulation expenditures (personal holding companies only)	2d	
e	Adjusted gain or loss	2e	
f	Long-term contracts	2f	
g	Merchant marine capital construction funds	2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h	
i	Tax shelter farm activities (personal service corporations only)	2i	
j	Passive activities (closely held corporations and personal service corporations only)	2j	
k	Loss limitations	2k	
l	Depletion	2l	
m	Tax-exempt interest income from specified private activity bonds	2m	
n	Intangible drilling costs	2n	
o	Other adjustments and preferences	2o	*
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3	4,503,449.
4	Adjusted current earnings (ACE) adjustment:		
a	ACE from line 10 of the ACE worksheet in the instructions	4a	4,630,190.
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b	126,741.
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	95,056.
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	10,611,301.
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	4e	95,056.
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5	4,598,505.
6	Alternative tax net operating loss deduction (see instructions)	6	
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7	4,598,505.
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):		
a	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a	
b	Multiply line 8a by 25% (.25)	8b	
c	Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8c	0.
9	Subtract line 8c from line 7. If zero or less, enter -0-	9	4,598,505.
10	If the corporation had qualified timber gain, complete Part II and enter the amount from line 24 here. Otherwise, multiply line 9 by 20% (.20)	10	919,701.
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)	11	
12	Tentative minimum tax. Subtract line 11 from line 10	12	919,701.
13	Regular tax liability before applying all credits except the foreign tax credit	13	1,349,197.
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14	0.

JWA For Paperwork Reduction Act Notice, see the instructions.

* SEE ALSO

STMT 16

Part II Alternative Tax for Corporations with Qualified Timber Gain. Complete Part II only if the corporation had qualified timber gain under section 1201(b). See instructions.

15	Enter qualified timber gain from Schedule D (Form 1120), line 15, as refigured for the AMT, if necessary. If you are filing Form 1120-RIC, see instructions for the amount to enter	15	
16	Enter the amount from Schedule D (Form 1120), line 13, as refigured for the AMT, if necessary	16	
17	Enter the amount from Part I, line 9	17	
18	Enter the smallest of the amount on line 15, line 16, or line 17	18	
19	Multiply line 18 by 15% (.15)	19	
20	Subtract line 18 from line 17	20	
21	Multiply line 20 by 20% (.20)	21	
22	Enter the total of line 19 and line 21	22	
23	Multiply line 17 by 20% (.20)	23	
24	Enter the smaller of line 22 or line 23 here and on Part I, line 10	24	

Form 4626 (2009)

Adjusted Current Earnings (ACE) Worksheet

See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	4,503,449.
2	ACE depreciation adjustment:			
a	AMT depreciation	2a		11,389,588.
b	ACE depreciation:			
(1)	Post-1993 property	2b(1)		
(2)	Post-1989, pre-1994 property	2b(2)		
(3)	Pre-1990 MACRS property	2b(3)		
(4)	Pre-1990 original ACRS property	2b(4)		
(5)	Property described in sections 168(f)(1) through (4)	2b(5)		
(6)	Other property	2b(6)		
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)		11,389,588.
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	
3	Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income	3a		116,027.
b	Death benefits from life insurance contracts	3b		
c	All other distributions from life insurance contracts (including surrenders)	3c		
d	Inside buildup of undistributed income in life insurance contracts	3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	116,027.
4	Disallowance of items not deductible from E&P:			
a	Certain dividends received	4a		10,714.
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	10,714.
5	Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs	5a		
b	Circulation expenditures	5b		
c	Organizational expenditures	5c		
d	LIFO inventory adjustments	5d		
e	Installment sales	5e		
f	Total other E&P adjustments. Combine lines 5a through 5e		5f	
6	Disallowance of loss on exchange of debt pools		6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8	Depletion		8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	4,630,190.

**SCHEDULE B
(Form 1120)**

(Rev. December 2009)
Department of the Treasury
Internal Revenue Service

**Additional Information for
Schedule M-3 Filers**

▶ Attach to Form 1120.
▶ See instructions on page 2.

OMB No. 1545-0123

Name THE YORK WATER COMPANY	Employer identification number (EIN) 23-1242500
---------------------------------------	---

	Yes	No
1 Do the amounts reported on Schedule M-3 (Form 1120), Part II, lines 9 or 10, column (d), reflect allocations to this corporation from a partnership of income, gain, loss, deduction, or credit that are disproportionate to this corporation's capital contribution to the partnership or its ratio for sharing other items of the partnership?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 At any time during the tax year, did the corporation sell, exchange, or transfer any interest in an intangible asset to a related person as defined in section 267(b)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 At any time during the tax year, did the corporation acquire any interest in an intangible asset from a related person as defined in section 267(b)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 a During the tax year, did the corporation enter into a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b At any time during the tax year, was the corporation a participant in a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 At any time during the tax year, did the corporation make any change in accounting principle for financial accounting purposes? See instructions for the definition of change in accounting principle	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 At any time during the tax year, did the corporation make any change in a method of accounting for U.S. income tax purposes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 At any time during the tax year, did the corporation own any voluntary employees' beneficiary association (VEBA) trusts that were used to hold funds designated for employee benefits?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 At any time during the tax year, did the corporation use an allocation method for indirect costs capitalized to self-constructed assets that varied from its financial method of accounting?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 At any time during the tax year, did the corporation treat for tax purposes indirect costs, as defined in Regulations sections 1.263A-1(e)(3)(ii)(F), (G), and (H), as mixed-service costs, as defined in Regulations section 1.263A-1(e)(4)(ii)(C)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the corporation, under section 118 or 362(c) and the related regulations, take a return filing position characterizing any amount as a contribution to the capital of the corporation during the tax year by any non-shareholders? Amounts so characterized may include, without limitation, incentives, inducements, money, and property	<input type="checkbox"/>	<input checked="" type="checkbox"/>

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule B (Form 1120) (Rev. 12-2009)

Net Income (Loss) Reconciliation for Corporations With Total Assets of \$10 Million or More

2009

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120 or 1120-C.
▶ See separate instructions.

Name of corporation (common parent, if consolidated return) THE YORK WATER COMPANY	Employer identification number 23-1242500
--	---

Check applicable box(es): (1) Non-consolidated return (2) Consolidated return (Form 1120 only)
(3) Mixed 1120/L/PC group (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

1 a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?

- Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?

- Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?

- Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2 a Enter the income statement period: Beginning 01/01/2009 Ending 12/31/2009

b Has the corporation's income statement been restated for the income statement period on line 2a?

- Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?

- Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

3 a Is any of the corporation's voting common stock publicly traded?

- Yes.
 No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

Y O R W

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

9 8 7 1 8 4 1 0 8

4 a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	7,511,802.
b Indicate accounting standard used for line 4a (see instructions): (1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____		
5 a Net income from nonincludible foreign entities (attach schedule)	5a	()
b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)	5b	()
6 a Net income from nonincludible U.S. entities (attach schedule)	6a	()
b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)	6b	()
7 a Net income (loss) of other includible foreign disregarded entities (attach schedule)	7a	()
b Net income (loss) of other includible U.S. disregarded entities (attach schedule)	7b	()
c Net income (loss) of other includible entities (attach schedule)	7c	()
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach sch.)	8	()
9 Adjustment to reconcile income statement period to tax year (attach schedule)	9	()
10 a Intercompany dividend adjustments to reconcile to line 11 (attach schedule)	10a	()
b Other statutory accounting adjustments to reconcile to line 11 (attach schedule)	10b	()
c Other adjustments to reconcile to amount on line 11 (attach schedule)	10c	()
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10	11	7,511,802.

Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2.

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	248,836,783.	161,914,608.
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

Name of corporation (common parent, if consolidated return)

THE YORK WATER COMPANY

Employer identification number

23-1242500

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach schedules for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar inc inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation	15,306.			15,306.
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach details)				
13 Interest income (attach Form 8916-A)	117,498.		-116,027.	1,471.
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 8916-A)	()			()
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach details)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach sch) STMT 17	38,739.		-38,739.	
26 Total income (loss) items. Combine lines 1 through 25	171,543.		-154,766.	16,777.
27 Total expense/deduction items (from Part III, line 36)	-21459782.	-4,573,281.	1,195,186.	-24837877.
28 Other items with no differences STMT 19	28,800,041.			28,800,041.
29a Mixed groups, see instructions. All others, combine lines 26 through 28	7,511,802.	-4,573,281.	1,040,420.	3,978,941.
b PC insurance subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	7,511,802.	-4,573,281.	1,040,420.	3,978,941.

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return) **THE YORK WATER COMPANY** Employer identification number **23-1242500**

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return) _____ Employer identification number _____

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	1,176,304.		-1,176,304.	
2 U.S. deferred income tax expense	2,564,336.	-2,564,336.		
3 State and local current income tax expense	1,020,805.			1,020,805.
4 State and local deferred income tax expense	-10,565.	10,565.		
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Interest expense (attach Form 8916-A)	4,779,769.		-9,133.	4,770,636.
9 Stock option expense				
10 Other equity-based compensation				
11 Meals and entertainment STMT 22	4,449.		-1,449.	3,000.
12 Fines and penalties				
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation				
16 Pension and profit-sharing	1,660,751.			1,660,751.
17 Other post-retirement benefits STMT 23		684.		684.
18 Deferred compensation STMT 24	213,702.	-111,861.		101,841.
19 Charitable contribution of cash and tangible property STMT 27	116,461.			116,461.
20 Charitable contribution of intangible property				
21 Charitable contribution limitation/carryforward				
22 Domestic production activities deduction			232,202.	232,202.
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/reorganization other costs				
26 Amortization/impairment of goodwill				
27 Amortization of acquisition, reorganization, and start-up costs				
28 Other amortization or impairment write-offs	253,400.	-167,114.	-17,390.	68,896.
29 Section 198 environmental remediation costs				
30 Depletion				
31 Depreciation	4,476,034.	7,448,776.		11,924,810.
32 Bad debt expense STMT 25	231,974.	-30,000.		201,974.
33 Corporate owned life insurance premiums STMT 26	199,636.		-199,636.	
34 Purchase versus lease (for purchasers and/or lessees)				
35 Other expense/deduction items with differences (attach schedule) STMT 20	4,772,726.	-13,433.	-23,476.	4,735,817.
36 Total expense/deduction items. Combine lines 1 through 35. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	21,459,782.	4,573,281.	-1,195,186.	24,837,877.

Name **THE YORK WATER COMPANY** Employer identification number **23-1242500**

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

Part I Required Annual Payment

1	Total tax (see instructions)	1	1,348,728.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1		
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method		
2c	Credit for federal tax paid on fuels (see instructions)		
2d	Total. Add lines 2a through 2c		
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3	1,348,728.
4	Enter the tax shown on the corporation's 2008 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5	4	1,009,661.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5	1,009,661.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220 even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	g 04/15/2009	06/15/2009	09/15/2009	12/15/2009
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	10 145,134.	145,134.	450,454.	459,693.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11 970,032.			230,386.
Complete lines 12 through 18 of one column before going to the next column.				
12 Enter amount, if any, from line 18 of the preceding column	12	824,898.	679,764.	229,310.
13 Add lines 11 and 12	13	824,898.	679,764.	459,696.
14 Add amounts on lines 16 and 17 of the preceding column	14			
15 Subtract line 14 from line 13. If zero or less, enter -0-	15 970,032.	824,898.	679,764.	459,696.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16			
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17			
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18 824,898.	679,764.	229,310.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2009 and before 7/1/2009	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 4\%}{365}$	22	\$	\$	\$
23 Number of days on line 20 after 06/30/2009 and before 10/1/2009	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 4\%}{365}$	24	\$	\$	\$
25 Number of days on line 20 after 9/30/2009 and before 1/1/2010	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 4\%}{365}$	26	\$	\$	\$
27 Number of days on line 20 after 12/31/2009 and before 4/1/2010	27			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 4\%}{365}$	28	\$	\$	\$
29 Number of days on line 20 after 3/31/2010 and before 7/1/2010	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{365}$	30	\$	\$	\$
31 Number of days on line 20 after 6/30/2010 and before 10/01/2010	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	32	\$	\$	\$
33 Number of days on line 20 after 9/30/2010 and before 1/1/2011	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{365}$	34	\$	\$	\$
35 Number of days on line 20 after 12/31/2010 and before 2/16/2011	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{365}$	36	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns	38	\$		0.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Schedule A Adjusted Seasonal Installment Method and Annualized Income Installment Method (see instructions)

Form 1120S filers: For lines 1, 2, 3, and 21, below, "taxable income" refers to excess net passive income or the amount on which tax is imposed under section 1374(a), whichever applies.

Part I - Adjusted Seasonal Installment Method (Caution: Use this method only if the base period percentage for any 6 consecutive months is at least 70%. See instructions.)

		(a)	(b)	(c)	(d)
		First 3 months	First 5 months	First 8 months	First 11 months
1 Enter taxable income for the following periods:					
a Tax year beginning in 2006	1a				
b Tax year beginning in 2007	1b				
c Tax year beginning in 2008	1c				
2 Enter taxable income for each period for the tax year beginning in 2008. (see instructions for the treatment of extraordinary items).	2				
		First 4 months	First 6 months	First 9 months	Entire year
3 Enter taxable income for the following periods:					
a Tax year beginning in 2006	3a				
b Tax year beginning in 2007	3b				
c Tax year beginning in 2008	3c				
4 Divide the amount in each column on line 1a by the amount in column (d) on line 3a	4				
5 Divide the amount in each column on line 1b by the amount in column (d) on line 3b	5				
6 Divide the amount in each column on line 1c by the amount in column (d) on line 3c	6				
7 Add lines 4 through 6	7				
8 Divide line 7 by 3.0	8				
9a Divide line 2 by line 8	9a				
b Extraordinary items (see instructions)	9b				
c Add lines 9a and 9b	9c				
10 Figure the tax on the amt on ln 9c using the instr for Form 1120, Sch J, ln 2 (or comparable ln of corp's return)	10				
11a Divide the amount in columns (a) through (c) on line 3a by the amount in column (d) on line 3a	11a				
b Divide the amount in columns (a) through (c) on line 3b by the amount in column (d) on line 3b	11b				
c Divide the amount in columns (a) through (c) on line 3c by the amount in column (d) on line 3c	11c				
12 Add lines 11a through 11c	12				
13 Divide line 12 by 3.0	13				
14 Multiply the amount in columns (a) through (c) of line 10 by columns (a) through (c) of line 13. In column (d), enter the amount from line 10, column (d)	14				
15 Enter any alternative minimum tax for each payment period (see instructions)	15				
16 Enter any other taxes for each payment period (see instr)	16				
17 Add lines 14 through 16	17				
18 For each period, enter the same type of credits as allowed on Form 2220, lines 1 and 2c (see instructions)	18				
19 Total tax after credits. Subtract line 18 from line 17. If zero or less, enter -0-	19				

Part II - Annualized Income Installment Method

		(a)	(b)	(c)	(d)
		First <u>3</u> months	First <u>3</u> months	First <u>6</u> months	First <u>9</u> months
20 Annualization periods (see instructions)	20				
21 Enter taxable income for each annualization period (see instructions for the treatment of extraordinary items)	21	426,864.	426,864.	1,452,396.	2,647,980.
22 Annualization amounts (see instructions)	22	4	4.0	2.000000	1.333330
23a Annualized taxable income. Multiply line 21 by line 22	23a	1,707,456.	1,707,456.	2,904,792.	3,530,631.
b Extraordinary items (see instructions)	23b				
c Add lines 23a and 23b	23c	1,707,456.	1,707,456.	2,904,792.	3,530,631.
24 Figure the tax on the amount on line 23c using the instructions for Form 1120, Schedule J, line 2 (or comparable line of corporation's return)	24	580,535.	580,535.	987,629.	1,200,415.
25 Enter any alternative minimum tax for each payment period (see instructions)	25				
26 Enter any other taxes for each payment period (see instr)	26				
27 Total tax. Add lines 24 through 26	27	580,535.	580,535.	987,629.	1,200,415.
28 For each period, enter the same type of credits as allowed on Form 2220, lines 1 and 2c (see instructions)	28				
29 Total tax after credits. Subtract line 28 from line 27. If zero or less, enter -0-	29	580,535.	580,535.	987,629.	1,200,415.
30 Applicable percentage	30	25%	50%	75%	100%
31 Multiply line 29 by line 30	31	145,134.	290,268.	740,722.	1,200,415.

Part III - Required Installments

		1st installment	2nd installment	3rd installment	4th installment
		Note: Complete lines 32 through 38 of one column before completing the next column.			
32 If only Part I or Part II is completed, enter the amount in each column from line 19 or line 31. If both parts are completed, enter the smaller of the amounts in each column from line 19 or line 31	32	145,134.	290,268.	740,722.	1,200,415.
33 Add the amounts in all preceding columns of line 32 (see instructions)	33		145,134.	290,268.	740,722.
34 Adjusted seasonal or annualized income installments. Subtract line 33 from line 32. If zero or less, enter -0-	34	145,134.	145,134.	450,454.	459,693.
35 Enter 25% of line 5 on page 1 of Form 2220 in each column. Note: "Large corporations," see the instructions for line 10 for the amounts to enter	35	252,415.	421,949.	337,182.	337,182.
36 Subtract line 38 of the preceding column from line 37 of the preceding column	36		107,281.	384,096.	270,824.
37 Add lines 35 and 36	37	252,415.	529,230.	721,278.	608,006.
38 Required installments. Enter the smaller of line 34 or line 37 here and on page 1 of Form 2220, line 10 (see instructions)	38	145,134.	145,134.	450,454.	459,693.

Form 2220 (2009)

Department of the Treasury
Internal Revenue Service (99)
Name(s) shown on return

▶ Attach to your tax return. See instructions.

Attachment
Sequence No. **52**

Identifying number

THE YORK WATER COMPANY

23-1242500

Part I Information Regarding the Election To Treat the Lessee as the Purchaser of Investment Credit Property

If you are claiming the investment credit as a lessee based on a section 48(d) (as in effect on November 4, 1990) election, provide the following information. If you acquired more than one property as a lessee, attach a statement showing the information below.

- 1 Name of lessor _____
- 2 Address of lessor _____
- 3 Description of property _____
- 4 Amount for which you were treated as having acquired the property _____ ▶ \$

Part II Qualifying Advanced Coal Project Credit, Qualifying Gasification Project Credit, and Qualifying Advanced Energy Project Credit

5 Qualifying advanced coal project credit (see instructions):			
a	Qualified investment in integrated gasification combined cycle property placed in service during the tax year for projects described in section 48A(d)(3)(B)(i) \$ _____ x 20% (.20)	5a	
b	Qualified investment in advanced coal-based generation technology property placed in service during the tax year for projects described in section 48A(d)(3)(B)(ii) \$ _____ x 15% (.15)	5b	
c	Qualified investment in advanced coal-based generation technology property placed in service during the tax year for projects described in section 48A(d)(3)(B)(iii) \$ _____ x 30% (.30)	5c	
d	Total. Add lines 5a, 5b, and 5c	5d	
6 Qualifying gasification project credit (see instructions):			
a	Qualified investment in qualified gasification property placed in service during the tax year for which credits were allocated or reallocated after October 3, 2008, and that includes equipment that separates and sequesters at least 75% of the project's carbon dioxide emissions \$ _____ x 30% (.30)	6a	
b	Qualified investment in property other than in a above placed in service during the tax year \$ _____ x 20% (.20)	6b	
c	Total. Add lines 6a and 6b	6c	
7 Qualifying advanced energy project credit (see instructions):			
	Qualified investment in advanced energy project property placed in service after February 17, 2009 \$ _____ x 30% (.30)	7	
8 Enter the applicable unused investment credit from cooperatives (see instructions)		8	
9 Add lines 5d, 6c, 7, and 8. Report this amount on Form 3800, line 1a		9	469.

Part III Rehabilitation Credit and Energy Credit

10 Rehabilitation credit (see instructions for requirements that must be met):			
a	Check this box if you are electing under section 47(d)(5) to take your qualified rehabilitation expenditures into account for the tax year in which paid (or, for self-rehabilitated property, when capitalized). See instructions. Note. This election applies to the current tax year and to all later tax years. You may not revoke this election without IRS consent ▶ <input type="checkbox"/>		
b	Enter the dates on which the 24- or 60-month measuring period begins _____ and ends _____		
c	Enter the adjusted basis of the building as of the beginning date above (or the first day of your holding period, if later) \$ _____		
d	Enter the amount of the qualified rehabilitation expenditures incurred, or treated as incurred, during the period on line 10b above \$ _____		
Enter the amount of qualified rehabilitation expenditures and multiply by the percentage shown:			
e	Pre-1936 buildings located in the Gulf Opportunity Zone \$ _____ x 13% (.13)	10e	
f	Pre-1936 buildings affected by a Midwestern disaster \$ _____ x 13% (.13)	10f	
g	Other pre-1936 buildings \$ _____ x 10% (.10)	10g	
h	Certified historic structures located in the Gulf Opportunity Zone \$ _____ x 26% (.26)	10h	

Part III Rehabilitation Credit and Energy Credit (continued)

i Certified historic structures affected by a Midwestern disaster	\$	x 26% (.26)	10i
j Other certified historic structures	\$	x 20% (.20)	10j
For properties identified on lines 10h, 10i, or 10j, complete lines 10k and 10l.			
k Enter the assigned NPS project number or the pass-through entity's employer identification number (see instructions)			
l Enter the date that the NPS approved the Request for Certification of Completed Work (see instructions)			
m Rehabilitation credit from an electing large partnership (Schedule K-1 (Form 1065-B), box 9)	10m		
11 Energy credit:			
a Basis of property using geothermal energy or solar energy (acquired before January 1, 2006, and the basis attributable to construction, reconstruction, or erection by the taxpayer before January 1, 2006) placed in service during the tax year (see instructions)	\$	x 10% (.10)	11a
b Basis of property using solar illumination or solar energy placed in service during the tax year that was acquired after December 31, 2005, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2005 (see instructions)	\$	x 30% (.30)	11b
Qualified fuel cell property (see instructions):			
c Basis of property placed in service during the tax year that was acquired after December 31, 2005, and before October 4, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2005, and before October 4, 2008	\$	x 30% (.30)	11c
d Applicable kilowatt capacity of property on line 11c (see instructions)	▶		11d
e Enter the lesser of line 11c or 11d	11e		
f Basis of property placed in service during the tax year that was acquired after October 3, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after October 3, 2008	\$	x 30% (.30)	11f
g Applicable kilowatt capacity of property on line 11f (see instructions)	▶		11g
h Enter the lesser of line 11f or 11g	11h		
Qualified microturbine property (see instructions):			
i Basis of property placed in service during the tax year that was acquired after December 31, 2005, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2005	\$	x 10% (.10)	11i
j Kilowatt capacity of property on line 11i	▶		11j
k Enter the lesser of line 11i or 11j	11k		

Part III Rehabilitation Credit and Energy Credit (continued)

Combined heat and power system property (see instructions): Caution: You cannot claim this credit if the electrical capacity of the property is more than 50 megawatts or 67,000 horsepower.		
l Basis of property placed in service during the tax year that was acquired after October 3, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after October 3, 2008 \$ _____ x 10% (.10)	11l	
m If the electrical capacity of the property is measured in: • Megawatts, divide 15 by the megawatt capacity. Enter 1.0 if the capacity is 15 megawatts or less. • Horsepower, divide 20,000 by the horsepower. Enter 1.0 if the capacity is 20,000 horsepower or less	11m	
n Multiply line 11l by 11m	11n	
Qualified small wind energy property (see instructions):		
o Basis of property placed in service during the tax year that was acquired after October 3, 2008, and before January 1, 2009, and the basis attributable to the construction, reconstruction, or erection by the taxpayer after October 3, 2008, and before January 1, 2009 ... \$ _____ x 30% (.30)	11o	
p Enter the smaller of line 11o or \$4,000	11p	
q Basis of property placed in service during the tax year that was acquired after December 31, 2008, and the basis attributable to construction, reconstruction, or erection by the taxpayer after December 31, 2008 \$ _____ x 30% (.30)	11q	
Geothermal heat pump systems (see instructions):		
r Basis of property placed in service during the tax year that was acquired after October 3, 2008, and the basis attributable to the construction, reconstruction, or erection by the taxpayer after October 3, 2008 \$ _____ x 10% (.10)	11r	
Qualified investment credit facility property (see instructions):		
s Basis of property placed in service during the tax year \$ _____ x 30% (.30)	11s	
12 Enter the applicable unused investment credit from cooperatives (see instructions)	12	
13 Add lines 10e through 10j, 10m, 11a, 11b, 11e, 11h, 11k, 11n, 11p, 11q, 11r, 11s, and 12	13	
14 Rehabilitation and energy credits included on line 13 from passive activities	14	
15 Subtract line 14 from line 13	15	
16 Rehabilitation and energy credits allowed for 2009 from a passive activity	16	
17 Carryforward of the rehabilitation credit that originated after 2007 and the energy credit that originated in a tax year that began after October 3, 2008 (see instructions)	17	
18 Carryback of rehabilitation and energy credits from 2010	18	
19 Add lines 15 through 18. Report this amount on Form 3800, line 29a	19	

General Business Credit

▶ See instructions.
▶ Attach to your tax return.

THE YORK WATER COMPANY

Identifying number

23-1242500

Part I Current Year Credit

Important: You may not be required to complete and file a separate credit form (shown in parentheses below) to claim the credit. For details, see the instructions.

1a Investment credit (Form 3468, Part II only) (attach Form 3468)	1a	469.
b Welfare-to-work credit (only from partnerships, S corporations, estates, and trusts)	1b	
c Credit for increasing research activities (Form 6765). (Individuals: see instructions)	1c	
d Low-income housing credit (Form 8586, Part I only) (enter EIN if claiming this credit from a pass-through entity: _____)	1d	
e Disabled access credit (Form 8826) (do not enter more than \$5,000)	1e	
f Renewable electricity production credit (Form 8835)	1f	
g Indian employment credit (Form 8845)	1g	
h Orphan drug credit (Form 8820)	1h	
i New markets credit (Form 8874) (enter EIN if claiming this credit from a pass-through entity: _____)	1i	
j Credit for small employer pension plan startup costs (Form 8881) (do not enter more than \$500)	1j	
k Credit for employer-provided child care facilities and services (Form 8882) (enter EIN if claiming this credit from a pass-through entity: _____)	1k	
l Biodiesel and renewable diesel fuels credit (attach Form 8864)	1l	
m Low sulfur diesel fuel production credit (Form 8896)	1m	
n Distilled spirits credit (Form 8906)	1n	
o Nonconventional source fuel credit (Form 8907)	1o	
p Energy efficient home credit (Form 8908)	1p	
q Energy efficient appliance credit (Form 8909)	1q	
r Alternative motor vehicle credit (Form 8910) (enter EIN if claiming this credit from a pass-through entity: _____)	1r	
s Alternative fuel vehicle refueling property credit (Form 8911)	1s	
t Credits for affected Midwestern disaster area employers (Form 5884-A)	1t	
u Mine rescue team training credit (Form 8923)	1u	
v Agricultural chemicals security credit (Form 8931)	1v	
w Credit for employer differential wage payments (Form 8932)	1w	
x Carbon dioxide sequestration credit (Form 8933)	1x	
y Qualified plug-in electric drive motor vehicle credit (Form 8936)	1y	
z Qualified plug-in electric vehicle credit (Form 8834, Part I only)	1z	
aa Credit for contributions to selected community development corporations (only from partnerships and S corporations)	1aa	
bb General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1bb	
2 Add lines 1a through 1bb	2	469.
3 Passive activity credits included on line 2 (see instructions)	3	
4 Subtract line 3 from line 2	4	469.
5 Passive activity credits allowed for 2009 (see instructions)	5	
6 Carryforward of general business credit to 2009. See instructions for the schedule to attach	6	
7 Carryback of general business credit from 2010 (see instructions)	7	
8 Current year credit. Add lines 4 through 7	8	469.

LHA For Paperwork Reduction Act Notice, see instructions.

Form 3800 (2009)

Part II Allowable Credit

9 Regular tax before credits:			
<ul style="list-style-type: none"> • Individuals. Enter the amount from Form 1040, line 44 or Form 1040NR, line 41 • Corporations. Enter the amount from Form 1120, Schedule J, line 2; or the applicable line of your return • Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return 		9	1,349,197.
10 Alternative minimum tax:			
<ul style="list-style-type: none"> • Individuals. Enter the amount from Form 6251, line 36 • Corporations. Enter the amount from Form 4626, line 14 • Estates and trusts. Enter the amount from Schedule I (Form 1041), line 56 		10	0.
11 Add lines 9 and 10		11	1,349,197.
12a Foreign tax credit	12a		
b Credits from Form 1040, lines 48 through 52 (or Form 1040NR, lines 45 through 48); Form 8859, line 11; Form 8834, lines 22 and 29; Form 8910, line 21; Form 8911, line 23; Form 8936, line 14; and Schedule R, line 24	12b		
c Add lines 12a and 12b		12c	
13 Net income tax. Subtract line 12c from line 11. If zero, skip lines 14 through 17 and enter -0- on line 18a		13	1,349,197.
14 Net regular tax. Subtract line 12c from line 9. If zero or less, enter -0-	14		1,349,197.
15 Enter 25% (.25) of the excess, if any, of line 14 over \$25,000 (see instructions)	15		331,049.
16 Tentative minimum tax:			
<ul style="list-style-type: none"> • Individuals. Enter the amount from Form 6251, line 34 • Corporations. Enter the amount from Form 4626, line 12 • Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54 	16		919,701.
17 Enter the greater of line 15 or line 16		17	919,701.
18a Subtract line 17 from line 13. If zero or less, enter -0-		18a	429,496.
b For a corporation electing to accelerate the research credit, enter the bonus depreciation amount attributable to the research credit. (see instructions)		18b	
c Add lines 18a and 18b		18c	429,496.
19a Enter the smaller of line 8 or line 18c		19a	469.
C corporations: See the line 19a instructions if there has been an ownership change, acquisition, or reorganization.			
b Enter the smaller of line 8 or line 18a. If you made an entry on line 18b, go to line 19c; otherwise, skip line 19c		19b	469.
c Subtract line 19b from line 19a. This is the refundable amount for a corporation electing to accelerate the research credit. Include this amount on line 32g of Form 1120 (or the applicable line of your return)		19c	

Part II Allowable Credit (Continued)

Note. If you are not filing Form 8844, skip lines 20 through 24 and enter -0- on line 25.

20	Multiply line 16 by 75%	20	
21	Enter the greater of line 15 or line 20	21	
22	Subtract line 21 from line 13. If zero or less, enter -0-	22	
23	Subtract line 19b from line 22. If zero or less, enter -0-	23	
24	Enter the amount from Form 8844, line 10 or line 12	24	
25	Empowerment zone and renewal community employment credit allowed. Enter the smaller of line 23 or line 24	25	0.
26	Subtract line 15 from line 13. If zero or less, enter -0-	26	1,018,148.
27	Add lines 19b and 25	27	469.
28	Subtract line 27 from line 26. If zero or less, enter -0-	28	1,017,679.
29a	Enter the investment credit from Form 3468, Part III, line 19 (attach Form 3468)	29a	
b	Enter the work opportunity credit from Form 5884, line 10 or line 12	29b	
c	Enter the alcohol and cellulosic biofuel fuels credit from Form 6478, line 14 or line 16	29c	
d	Enter the low-income housing credit from Form 8586, Part II, line 18 or line 20	29d	
e	Enter the applicable part of the amount of the renewable electricity, refined coal, and Indian coal production credit from Form 8835, Part II, line 36 or line 38	29e	
f	Enter the credit for employer social security and Medicare taxes paid on certain employee tips from Form 8846, line 12	29f	
g	Enter the qualified railroad track maintenance credit from Form 8900, line 12	29g	
30	Add lines 29a through 29g	30	
31	Enter the smaller of line 28 or line 30	31	0.
32	Credit allowed for the current year. Add lines 27 and 31. Report the amount from line 32 (if smaller than the sum of lines 8, 24, and 30, see instructions) as indicated below or on the applicable line of your return: • Individuals. Form 1040, line 53 or Form 1040NR, line 49 • Corporations. Form 1120, Schedule J, line 5c • Estates and trusts. Form 1041, Schedule G, line 2c	32	469.

Depreciation and Amortization
(Including Information on Listed Property) OTHER

▶ See separate instructions. ▶ Attach to your tax return.

THE YORK WATER COMPANY

OTHER DEPRECIATION

Identifying number
23-1242500

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	800,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	4,784,480.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	789,669.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	6,169,533.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input checked="" type="checkbox"/>		

Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		104,415.	3	S/L	S/L	6,485.
b 5-year property		113,854.	5	HY	200DB	22,771.
c 7-year property		26,596.	7	HY	200DB	3,801.
d 10-year property						
e 15-year property		23,945.	15	HY	150DB	1,197.
f 20-year property						
g 25-year property		6,174,672.	25 yrs.	HY	S/L	123,493.
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	SEE STATEMENT 28		39 yrs.	MM	S/L	12,236.
	/			MM	S/L	

Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a	Class life	1,114,476.	50	HY	S/L	11,145.
b	12-year		12 yrs.		S/L	
c	40-year		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	11,924,810.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V

Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with columns (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Includes rows 25-29.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with columns (a) through (f) Vehicle. Rows 30-36 covering miles driven and personal use questions.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table with columns Yes No. Rows 37-41 covering policy and information requirements.

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Includes rows 42-44.

**Asset Acquisition Statement
 Under Section 1060**

▶ Attach to your income tax return.

Name as shown on return: **THE YORK WATER COMPANY** Identifying number as shown on return: **23-1242500**

Check the box that identifies you:

Purchaser Seller

Part I General Information

1 Name of other party to the transaction: **WILLIAM S. & ANN L. CARTER** Other party's identifying number: **169-26-5751**

Address (number, street, and room or suite no.)

421 MUNDIS MILL ROAD

City or town, state, and ZIP code

YORK, PA 17406

2 Date of sale: **11/12/09** 3 Total sales price (consideration): **70,000.**

Part II Original Statement of Assets Transferred

4 Assets	Aggregate fair market value (actual amount for Class I)	Allocation of sales price
Class I	\$	\$
Class II	\$	\$
Class III	\$	\$
Class IV	\$	\$
Class V	\$ 70,000.	\$ 70,000.
Class VI and VII	\$	\$
Total	\$ 70,000.	\$ 70,000.

5 Did the purchaser and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties? Yes No
 If "Yes," are the aggregate fair market values (FMV) listed for each of asset Classes I, II, III, IV, V, VI, and VII the amounts agreed upon in your sales contract or in a separate written document? Yes No

6 In the purchase of the group of assets (or stock), did the purchaser also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)? Yes No

If "Yes," attach a schedule that specifies (a) the type of agreement and (b) the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See instructions.

**Asset Acquisition Statement
 Under Section 1060**

▶ Attach to your income tax return.

Name as shown on return: **THE YORK WATER COMPANY** Identifying number as shown on return: **23-1242500**

Check the box that identifies you:
 Purchaser Seller

Part I General Information

1 Name of other party to the transaction: **WEST MANHEIM TOWNSHIP** Other party's identifying number: **23-6000058**

Address (number, street, and room or suite no.)
2412 BALTIMORE PIKE
 City or town, state, and ZIP code
HANOVER, PA 17331

2 Date of sale: **01/09/09** 3 Total sales price (consideration): **2,075,000.**

Part II Original Statement of Assets Transferred

4 Assets	Aggregate fair market value (actual amount for Class I)	Allocation of sales price
Class I	\$	\$
Class II	\$	\$
Class III	\$	\$
Class IV	\$	\$
Class V	\$ 2,075,000.	\$ 2,075,000.
Class VI and VII	\$	\$
Total	\$ 2,075,000.	\$ 2,075,000.

5 Did the purchaser and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties? Yes No
 If "Yes," are the aggregate fair market values (FMV) listed for each of asset Classes I, II, III, IV, V, VI, and VII the amounts agreed upon in your sales contract or in a separate written document? Yes No

6 In the purchase of the group of assets (or stock), did the purchaser also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)? Yes No

If "Yes," attach a schedule that specifies (a) the type of agreement and (b) the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See instructions.

Part III Supplemental Statement - Complete only if amending an original statement or previously filed supplemental statement because of an increase or decrease in consideration.

7 Tax year and tax return form number with which the original Form 8594 and any supplemental statements were filed.

8 Assets	Allocation of sales price as previously reported	Increase or (decrease)	Redetermined allocation of sales price
Class I	\$	\$	\$
Class II	\$	\$	\$
Class III	\$	\$	\$
Class IV	\$	\$	\$
Class V	\$	\$	\$
Class VI and VII	\$	\$	\$
Total	\$		\$

9 Reason(s) for increase or decrease. Attach additional sheets if more space is needed.

Multiple horizontal lines provided for entering the reason(s) for increase or decrease.

Domestic Production Activities Deduction

▶ Attach to your tax return. ▶ See separate instructions.

Name(s) as shown on return

Identifying number

THE YORK WATER COMPANY

23-1242500

1	Domestic production gross receipts (DPGR)	1	13,183,410.
2	Allocable cost of goods sold. If you are using the small business simplified overall method, skip lines 2 and 3	2	
3	Enter deductions and losses allocable to DPGR (see instructions)	3	9,313,374.
4	If you are using the small business simplified overall method, enter the amount of cost of goods sold and other deductions or losses you ratably apportion to DPGR. All others, skip line 4	4	
5	Add lines 2 through 4	5	9,313,374.
6	Subtract line 5 from line 1	6	3,870,036.
7	Qualified production activities income from estates, trusts, and certain partnerships and S corporations (see instructions)	7	
8	Add lines 6 and 7. Estates and trusts, go to line 9, all others, skip line 9 and go to line 10	8	3,870,036.
9	Amount allocated to beneficiaries of the estate or trust (see instructions)	9	
10	Qualified production activities income. Estates and trusts, subtract line 9 from line 8, all others, enter amount from line 8. If zero or less, enter -0- here, skip lines 11 through 19, and enter -0- on line 20	10	3,870,036.
11	Income limitation (see instructions): <ul style="list-style-type: none"> • Individuals, estates, and trusts. Enter your adjusted gross income figured without the domestic production activities deduction • All others. Enter your taxable income figured without the domestic production activities deduction (tax-exempt organizations, see instructions) 	11	4,200,429.
12	Enter the smaller of line 10 or line 11. If zero or less, enter -0- here, skip lines 13 through 19, and enter -0- on line 20	12	3,870,036.
13	Enter 6% of line 12	13	232,202.
14	Form W-2 wages (see instructions)	14	5,973,513.
15	Form W-2 wages from estates, trusts, and certain partnerships and S corporations (see instructions)	15	
16	Add lines 14 and 15. Estates and trusts, go to line 17, all others, skip line 17 and go to line 18	16	5,973,513.
17	Amount allocated to beneficiaries of the estate or trust (see instructions)	17	
18	Estates and trusts, subtract line 17 from line 16, all others, enter amount from line 16	18	5,973,513.
19	Form W-2 wage limitation. Enter 50% of line 18	19	2,986,757.
20	Enter the smaller of line 13 or line 19	20	232,202.
21	Domestic production activities deduction from cooperatives. Enter deduction from Form 1099-PATR, box 6	21	
22	Expanded affiliated group allocation (see instructions)	22	
23	Domestic production activities deduction. Combine lines 20 through 22 and enter the result here and on Form 1040, line 35; Form 1120, line 25; or the applicable line of your return	23	232,202.

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

Name of common parent
THE YORK WATER COMPANY

Employer identification number
23-1242500

Name of subsidiary

Employer identification number

Part I Cost of Goods Sold

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions				
2 Amounts attributable to:				
a Stock option expense				
b Other equity based compensation				
c Meals and entertainment				
d Parachute payments				
e Compensation with section 162(m) limitation				
f Pension and profit sharing				
g Other post-retirement benefits				
h Deferred compensation				
i Section 198 environmental remediation costs				
j Amortization				
k Depletion				
l Depreciation				
m Corporate owned life insurance premiums ...				
n Other section 263A costs				
3 Inventory shrinkage accruals				
4 Excess inventory and obsolescence reserves				
5 Lower of cost or market write-downs				
6 Other items with differences (attach schedule)				
7 Other items with no differences				
8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d				

JWA For Paperwork Reduction Act Notice, see page 4.

Form 8916-A (2009)

Part II Interest Income

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income STMT 29	116,027.		-116,027.	
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income STMT 30	1,471.			1,471.
6	Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120S) Part II, line 11.	117,498.		-116,027.	1,471.

Part III Interest Expense

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense STMT 31	4,779,769.		-9,133.	4,770,636.
5	Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120S) Part III, line 26.	4,779,769.		-9,133.	4,770,636.

JWA

Report of Employer-Owned Life Insurance Contracts

OMB No. 1545-2089

▶ **Attach to the policyholder's tax return - See instructions.**

Attachment
 Sequence No. **160**

Name(s) shown on return THE YORK WATER COMPANY		Identifying number 23-1242500	
Name of policyholder, if different from above THE YORK WATER COMPANY		Identifying number, if different from above 23-1242500	
Type of business WATER UTILITY			
1	Enter the number of employees the policyholder had at the end of the tax year	1	111.
2	Enter the number of employees included on line 1 who were insured at the end of the tax year under the policyholder's employer-owned life insurance contract(s) issued after August 17, 2006. See Section 1035 exchanges for an exception	2	27.
3	Enter the total amount of employer-owned life insurance in force at the end of the tax year for employees who were insured under the contract(s) specified on line 2	3	44,236,300.
4a	Does the policyholder have a valid consent (see instructions) for each employee included on line 2? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
4b	If "No," enter the number of employees included on line 2 for whom the policyholder does not have a valid consent	4b	

FOOTNOTES

STATEMENT 1

INVESTMENT TAX CREDIT (FORM 3468)

QUALIFYING PROPERTY FOR THE INVESTMENT TAX CREDIT ON FORM 3468 REPRESENTS REFUNDS OF ADVANCES FOR CONSTRUCTION OF PROPERTY PLACED IN SERVICE PRIOR TO 1986. ACCORDINGLY, ITC IS BEING CLAIMED AT THE APPLICABLE RATES FOR THE YEARS IN WHICH THE PROPERTY WAS PLACED IN SERVICE.

FORM 1120 INTEREST INCOME STATEMENT 2

DESCRIPTION	US	OTHER
INTEREST INCOME		1,471.
TOTAL TO FORM 1120, LINE 5		1,471.

FORM 1120 OTHER INCOME STATEMENT 3

DESCRIPTION	AMOUNT
INVESTMENT TAX CREDIT	
TOTAL TO FORM 1120, LINE 10	

FORM 1120 TAXES AND LICENSES STATEMENT 4

DESCRIPTION	AMOUNT
PAYROLL TAXES	480,142.
TAXES - OTHER	475,951.
PENNSYLVANIA TAXES - BASED ON INCOME	887,850.
PENNSYLVANIA TAXES - OTHER	132,955.
TOTAL TO FORM 1120, LINE 17	1,976,898.

CURRENT YEAR CONTRIBUTIONS STATEMENT 5

DESCRIPTION	AMOUNT
CASH CHARITABLE CONTRIBUTIONS (50%)	116,461.
TOTAL CURRENT YEAR CONTRIBUTIONS	116,461.

CONTRIBUTIONS

STATEMENT 6

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT

CONTRIBUTION SUBJECT TO LIMITATION:

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS

- FOR TAX YEAR 2004
- FOR TAX YEAR 2005
- FOR TAX YEAR 2006
- FOR TAX YEAR 2007
- FOR TAX YEAR 2008

TOTAL CARRYOVER

CURRENT YEAR CONTRIBUTIONS

116,461

TOTAL CONTRIBUTIONS AVAILABLE

116,461

TAXABLE INCOME LIMITATION AS ADJUSTED

432,760

EXCESS CONTRIBUTIONS

0

ALLOWABLE CONTRIBUTIONS DEDUCTION

116,461

TOTAL CONTRIBUTION DEDUCTION

116,461

FORM 1120

OTHER DEDUCTIONS

STATEMENT 7

DESCRIPTION	AMOUNT
AMORTIZATION	68,896.
CHEMICALS	486,461.
COMMUNICATION EXPENSES	63,886.
CORPORATE OWNED LIFE INSURANCE PREMIUMS	
COST OF REMOVAL NET OF SALVAGE	198,382.
DEFERRED COMPENSATION EXPENSE	101,841.
DEFERRED RATE CASE EXPENSE	20,580.
DIRECTOR'S FEES	222,071.
DUES AND SUBSCRIPTIONS	4,362.
FUEL	16,837.
INDEMNIFICATION OF INCOME TAXES	
INSURANCE	1,324,128.
LODGING	6,824.
MAILINGS	268,628.
MEALS AND ENTERTAINMENT	1,450.
MEALS AND ENTERTAINMENT - NOT SUBJECT TO 50% LIMIT	1,550.
MEMBERSHIP FEES	59,228.
MISCELLANEOUS EXPENSE	69,710.
NON-DEDUCTIBLE LOBBYING EXPENSES	
NON-DEDUCTIBLE SOCIAL ORGANIZATION DUES	
O/H ALLOCATION - ADMINISTRATIVE AND GENERAL	-454,621.
OFFICE SUPPLIES & EXPENSES	104,836.
OPERATION	426,984.
POST-RETIREMENT BENEFITS	684.
PREPAID EXPENSE DEDUCTION UNDER SEC. 1.263(A)-4(F)	7,272.
PROFESSIONAL SERVICES	235,372.
PURCHASED POWER	1,149,252.
REGISTRATION FEES	22,491.
STOCKHOLDERS' EXPENSES - ADMINISTRATIVE AND GENERAL	184,262.
TRANSPORTATION EXPENSE	509,489.
TRAVEL	7,380.
TRUSTEE AND BANK FEES	318,734.
UNIFORMS	8,073.
TOTAL TO FORM 1120, LINE 26	5,435,042.

DIVIDEND DEDUCTION WORKSHEET

STATEMENT 8

1. REFIGURE TAXABLE INCOME BEFORE NOL AND SPECIAL DEDUCTIONS.	4,211,143
2. COMPLETE LINES 10, 11 AND 12, COLUMN (C), AND ENTER THE TOTAL HERE	
3. SUBTRACT LINE 2 FROM LINE 1	4,211,143
4. MULTIPLY LINE 3 BY 80%	3,368,914
5. ADD LINES 2, 5, 7, AND 8, COLUMN (C), AND THE PART OF THE DEDUCTION ON LINE 3, COLUMN (C), THAT IS ATTRIBUTABLE TO DIVIDENDS FROM 20%-OR-MORE-OWNED CORPORATIONS	
6. ENTER THE SMALLER OF LINE 4 OR 5. IF LINE 5 IS GREATER THAN LINE 4, STOP HERE; ENTER THE AMOUNT FROM LINE 6 ON LINE 9, COLUMN (C), AND DO NOT COMPLETE THE REST OF THIS WORKSHEET .	
7. ENTER THE TOTAL AMOUNT OF DIVIDENDS FROM 20%-OR-MORE-OWNED CORPORATIONS INCLUDED ON LINES 2, 3, 5, 7 AND 8, COLUMN (A).	
8. SUBTRACT LINE 7 FROM LINE 3	4,211,143
9. MULTIPLY LINE 8 BY 70%	2,947,800
10. SUBTRACT LINE 5 ABOVE FROM LINE 9, COLUMN (C).	10,714
11. ENTER THE SMALLER OF LINE 9 OR LINE 10	10,714
12. DIVIDENDS-RECEIVED DEDUCTION AFTER LIMITATION (SEC. 246(B)). ADD LINES 6 AND 11. ENTER THE RESULT ON LINE 9, COLUMN (C) .	10,714

SCHEDULE E		COMPENSATION OF OFFICERS			STATEMENT 9
(A) NAME OF OFFICER	(B) SOCIAL SECURITY NUMBER	(C) PCT OF TIME DEVOTED	PCT OF STK (D) COMMON	(E) STK PREF	(F) AMOUNT OF COMPENSATION
JEFFREY R. HINES	144-42-2122	100%	.29%		247,419.
JOSEPH T. HAND	074-62-1232	100%	.04%		119,772.
KATHLEEN M. MILLER	173-52-4350	100%	.03%		130,068.
VERNON L. BRACEY	159-52-8616	100%	.00%		102,488.
BRUCE C. MCINTOSH	183-44-7521	100%	.02%		111,659.
MARK S. SNYDER	180-62-9743	100%	.00%		90,049.
JOHN H. STRINE	202-48-2813	100%	.00%		100,767.
TOTAL TO SCHEDULE E					902,222.

TAX COMPUTATION

STATEMENT 10

1.	TAXABLE INCOME	3,968,227
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT . .	50,000
3.	LINE 1 LESS LINE 2	3,918,227
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT . .	25,000
5.	LINE 3 LESS LINE 4	3,893,227
6.	INCOME SUBJECT TO 34% TAX RATE	3,893,227
7.	INCOME SUBJECT TO 35% TAX RATE	0
8.	15 PERCENT OF LINE 2	7,500
9.	25 PERCENT OF LINE 4	6,250
10.	34 PERCENT OF LINE 6	1,323,697
11.	35 PERCENT OF LINE 7	0
12.	ADDITIONAL 5% SURTAX.	11,750
13.	ADDITIONAL 3% SURTAX	0
14.	TOTAL INCOME TAX	<u>1,349,197</u>

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT 11	
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR
PREPAID EXPENSES		412,223.	387,322.
SUPPLIES		740,477.	715,621.
DEF. INC. TAXS (CRRT) ALLOW. FOR DB		133,239.	153,737.
TOTAL TO SCHEDULE L, LINE 6		<u>1,285,939.</u>	<u>1,256,680.</u>

SCHEDULE L	OTHER INVESTMENTS	STATEMENT 12	
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR
OTHER INVESTMENTS		59,870.	59,870.
TOTAL TO SCHEDULE L, LINE 9		<u>59,870.</u>	<u>59,870.</u>

SCHEDULE L	OTHER ASSETS	STATEMENT 13	
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR
DEFERRED DEBT EXPENSE		2,013,103.	1,906,290.
DEFERRED REGULATORY ASSETS		15,971,904.	14,009,814.
NOTES RECEIVABLE		536,100.	476,131.
OTHER ASSETS		3,132,056.	3,210,351.
RECOVERABLE INCOME TAXES		130,922.	0.
TOTAL TO SCHEDULE L, LINE 14		<u>21,784,085.</u>	<u>19,602,586.</u>

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT 14	
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR
ACCRUED INTEREST		1,079,888.	1,018,576.
ACCRUED TAXES		75,165.	488,286.
DIVIDENDS PAYABLE		1,191,830.	1,393,133.
OTHER ACCRUED EXPENSES		963,591.	1,318,491.
EMPLOYEE BENEFITS WITHHELD AND ACCRUED		31,126.	0.

PAYROLL TAXES WITHHELD AND ACCRUED	48,727.	0.
DEFERRED REGULATORY LIABILITIES	133,239.	153,737.
CASH OVERDRAFT	362,434.	195,269.
PAYROLL TAXES AND BENEFITS WITHHELD	0.	53,342.
<hr/>		
TOTAL TO SCHEDULE L, LINE 18	3,886,000.	4,620,834.
<hr/> <hr/>		

<hr/> <hr/> SCHEDULE L	OTHER LIABILITIES	STATEMENT 15
<hr/>		

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
	<hr/>	<hr/>
CONTRIBUTIONS IN AID OF CONSTRUCTION	22,513,800.	24,943,850.
CUSTOMERS' ADVANCES FOR CONSTRUCTION	18,257,696.	16,187,857.
DEFERRED EMPLOYEE BENEFITS	9,758,467.	8,764,296.
DEFERRED INCOME TAXES	18,582,032.	21,579,256.
DEFERRED REGULATORY LIABILITIES	727,803.	699,498.
DEFERRED INVESTMENT CREDIT	966,678.	927,939.
OTHER DEFERRED CREDITS	2,060,511.	979,439.
<hr/>		
TOTAL TO SCHEDULE L, LINE 21	72,866,987.	74,082,135.
<hr/> <hr/>		

FORM 4626

AMT CONTRIBUTIONS

STATEMENT 16

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS

FOR TAX YEAR 2004
 FOR TAX YEAR 2005
 FOR TAX YEAR 2006
 FOR TAX YEAR 2007
 FOR TAX YEAR 2008

TOTAL CARRYOVER

CURRENT YEAR CONTRIBUTIONS

116,461

TOTAL CONTRIBUTIONS

116,461

10% OF TAXABLE INCOME AS ADJUSTED

494,985

EXCESS CONTRIBUTIONS

0

ALLOWABLE CONTRIBUTIONS

116,461

AMT CHARITABLE DEDUCTION

116,461

REGULAR CONTRIBUTION DEDUCTION

116,461

AMT CONTRIBUTION ADJUSTMENT

0

SCHEDULE M-3 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES STATEMENT 17

DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
INVESTMENT TAX CREDIT	38,739.		-38,739.	0.
TOTAL TO M-3, PART II, LINE 25	38,739.		-38,739.	0.

SCHEDULE M-3 OTHER INCOME (LOSS) ITEMS WITH NO DIFFERENCES STATEMENT 18

DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	INCOME (LOSS) PER TAX RETURN
GROSS RECEIPTS OR SALES	36723804.	36723804.
RENT	327,322.	327,322.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	37051126.	37051126.

SCHEDULE M-3 OTHER INCOME (LOSS) AND EXPENSE / DEDUCTION STATEMENT 19
ITEMS WITH NO DIFFERENCES

DESCRIPTION	PER INCOME STATEMENT	PER TAX RETURN
OTHER INCOME (LOSS)	37051126.	37051126.
OTHER EXPENSE / DEDUCTION	-8251085.	-8251085.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	28800041.	28800041.

SCHEDULE M-3 OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES STATEMENT 20

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	EXPENSE/ DEDUCTION PER TAX RETURN
COST OF REMOVAL NET OF SALVAGE	0.	198,382.	0.	198,382.
DEFERRED RATE CASE EXPENSE	0.	20,580.	0.	20,580.
INDEMNIFICATION OF INCOME TAXES	-100,181.	100,181.	0.	0.
NON-DEDUCTIBLE LOBBYING EXPENSES	19,086.		-19,086.	0.
NON-DEDUCTIBLE SOCIAL ORGANIZATION DUES	4,390.		-4,390.	0.
PREPAID EXPENSE DEDUCTION UNDER SEC. 1.263(A)-4(F)	0.	7,272.	0.	7,272.
SALARIES AND WAGES	4,849,431.	-339,848.	0.	4,509,583.
TOTAL TO M-3, PART III, LINE 35	<u>4,772,726.</u>	<u>-13,433.</u>	<u>-23,476.</u>	<u>4,735,817.</u>

SCHEDULE M-3 OTHER EXPENSE/DEDUCTION ITEMS STATEMENT 21
WITH NO DIFFERENCES

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	EXPENSE/ DEDUCTION PER TAX RETURN
CHEMICALS	486,461.	486,461.
COMMUNICATION EXPENSES	63,886.	63,886.
DIRECTOR'S FEES	222,071.	222,071.
DUES AND SUBSCRIPTIONS	4,362.	4,362.
EMPLOYEE BENEFIT PROGRAMS	81,220.	81,220.
FUEL	16,837.	16,837.
INSURANCE	1,324,128.	1,324,128.
LODGING	6,824.	6,824.
MAILINGS	268,628.	268,628.
MEMBERSHIP FEES	59,228.	59,228.
MISCELLANEOUS EXPENSE	69,710.	69,710.
O/H ALLOCATION - ADMINISTRATIVE AND GENERAL	-454,621.	-454,621.
OFFICE SUPPLIES & EXPENSES	104,836.	104,836.
OFFICERS COMPENSATION	902,222.	902,222.
OPERATION	426,984.	426,984.
PAYROLL TAXES	480,142.	480,142.
PROFESSIONAL SERVICES	235,372.	235,372.
PURCHASED POWER	1,149,252.	1,149,252.
REGISTRATION FEES	22,491.	22,491.
RENTS	77.	77.

REPAIRS	1,277,086.	1,277,086.
STOCKHOLDERS' EXPENSES - ADMINISTRATIVE AND GENERAL	184,262.	184,262.
TAXES - OTHER	475,951.	475,951.
TRANSPORTATION EXPENSE	509,489.	509,489.
TRAVEL	7,380.	7,380.
TRUSTEE AND BANK FEES	318,734.	318,734.
UNIFORMS	8,073.	8,073.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	8,251,085.	8,251,085.

SCHEDULE M-3 MEALS AND ENTERTAINMENT STATEMENT 22

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
MEALS AND ENTERTAINMENT	2,899.		-1,449.	1,450.
MEALS AND ENTERTAINMENT - NOT SUBJECT TO 50% LIMIT	1,550.		0.	1,550.
TOTAL	4,449.		-1,449.	3,000.

SCHEDULE M-3 OTHER POST-RETIREMENT BENEFITS STATEMENT 23

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
POST-RETIREMENT BENEFITS	0.	684.	0.	684.
TOTAL	0.	684.	0.	684.

SCHEDULE M-3 DEFERRED COMPENSATION STATEMENT 24

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
DEFERRED COMPENSATION EXPENSE	213,702.	-111,861.	0.	101,841.
TOTAL	213,702.	-111,861.	0.	101,841.

SCHEDULE M-3		BAD DEBT EXPENSE			STATEMENT 25
DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN	
BAD DEBT	231,974.	-30,000.	0.	201,974.	
TOTAL	231,974.	-30,000.	0.	201,974.	

SCHEDULE M-3		CORPORATE OWNED LIFE INSURANCE PREMIUMS			STATEMENT 26
DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN	
CORPORATE OWNED LIFE INSURANCE PREMIUMS	199,636.		-199,636.	0.	
TOTAL	199,636.		-199,636.	0.	

SCHEDULE M-3		CHARITABLE CONTRIBUTION OF CASH AND TANGIBLE PROPERTY			STATEMENT 27
DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	EXPENSE/ DEDUCTION PER TAX RETURN	
CASH CHARITABLE CONTRIBUTIONS (50%)	116,461.		0.	116,461.	
TOTAL	116,461.		0.	116,461.	

FORM 4562 NONRESIDENTIAL REAL PROPERTY STATEMENT 28

(B) MONTH/YEAR IN SERVICE	(C) BASIS	(D) RECOVERY PERIOD	(G) DEPRECIATION DEDUCTION
01/09	340,634.	39	8,383.
05/09	229,483.	39	3,683.
06/09	10,567.	39	147.
09/09	3,114.	39	23.
TOTALS TO 4562, LN 19I	583,798.		12,236.

FORM 8916-A TAX-EXEMPT INTEREST INCOME STATEMENT 29

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE
INTEREST INCOME	116,027.	0.	-116,027.
TOTAL TO PART II, LINE 1	116,027.	0.	-116,027.

FORM 8916-A OTHER INTEREST INCOME STATEMENT 30

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST INCOME	1,471.	0.	0.	1,471.
TOTAL TO PART II, LINE 5	1,471.	0.	0.	1,471.

FORM 8916-A OTHER INTEREST EXPENSE STATEMENT 31

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST EXPENSE FROM TRADE OR BUSINESS	4,779,769.	0.	-9,133.	4,770,636.
TOTAL TO PART III, LINE 4	4,779,769.	0.	-9,133.	4,770,636.

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

▶ File a separate application for each return.
 ▶ See separate instructions.

Type or Print

File by the due date for the return for which an extension is requested. See instructions.

Name	Identifying number
The York Water Company	23-1242500
Number, street, and room or suite no. (If P.O. box, see instructions.)	
130 East Market Street	
City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).	
York, PA 17401	

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-PC	21
Form 706-GS(T)	02	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36
Form 1120-ND (section 4951 taxes)	20		

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20⁰⁹, or tax year beginning _____, 20 _____, and ending _____, 20 _____

b **Short tax year.** If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

6	Tentative total tax	6	1,348,709	00
7	Total payments and credits (see instructions)	7	1,200,418	00
8	Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8	148,291	00

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
TAXES OTHER THAN INCOME TAXES

53.53 IV Taxes

D. Water and Wastewater Utilities

15 Provide a schedule of federal and Pennsylvania taxes, other than income taxes, calculated on the basis of test year per books, pro forma at present rates, and pro forma at proposed rates, to include the following categories:

- a. Social security.
- b. Unemployment.
- c. Capital stock.
- d. Public utility realty.
- e. PUC assessment.
- f. Other property.
- g. Any other appropriate categories.

Response: Refer to page 2.

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 PRO FORMA TAXES OTHER THAN INCOME TAXES UNDER EXISTING AND
 PROPOSED RATES FOR TWELVE MONTHS ENDED DECEMBER 31, 2012

Exhibit No. HIV-15.
 Page 2 of 2
 Witness: T W Altland

	Twelve Months Ended 12-31-12 (1)	Under Existing Rates			Under Proposed Rates		
		Exhibit Reference (2)	Adjustment (3)	Pro Forma Under Existing Rates (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Under Proposed Rates (7)
TAXES OTHER THAN INCOME TAXES							
40801000 Assessments	228,344	HIV-15-4	18,005	246,349	HIV-15-6	14,504	260,854
40801100 Purta	264,796			264,796			264,796
40801201 Fica	477,452	HIV-15-1	9,930	487,382			487,382
40801101 Local Real Estate-County	24,510			24,510			24,510
40801102 Local Real Estate-School	52,406			52,406			52,406
40801301 Capital Stock	150,885	HIV-15-5	(79,927)	70,958			70,958
40801202 Federal Unemployment	5,132	HIV-15-2	(485)	4,647			4,647
40801203 State Unemployment	26,068	HIV-15-3	1,016	27,084			27,084
40801302 Payroll Taxes Capitalized	(50,024)	HIII-2-6	(4,716)	(54,740)			(54,740)
	1,179,569		(56,176)	1,123,393		14,504	1,137,897

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust FICA by applying January 1, 2013 OASDI and HI tax rates and wage bases to pro forma payroll for twelve months ended December 31, 2012.	
	Total Pro Forma Payroll	6,576,183
	Pro Forma HI Component of FICA at 1.45% 6576183 x .0145)	95,355
	Total Pro Forma Payroll	6,576,183
	Less: Payroll in Excess of OASDI Wage Base of \$113,700	253,155
	Total Pro Forma Payroll Subject to OASDI Tax	6,323,028
	Pro Forma OASDI Component of FICA at 6.2% 6,323,028 x .062)	392,028
	Total Pro Forma FICA	487,382
	Less: Test Year FICA	477,452
		9,930
40801201	Taxes Other Than Income Taxes-FICA	9,930

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Federal unemployment tax by applying January 1, 2013 Federal unemployment tax rate and wage base to pro forma payroll for twelve months ended December 31, 2012.	
	Total Pro Forma Payroll	6,576,183
	Less; Payroll in Excess of \$7000 Taxable Wage Base	5,801,707
	Pro Forma Taxable Payroll	774,476
	Pro Forma Federal Unemployment Tax at .6%	4,647
	Less: Test Year Federal Unemployment Tax	5,132
		(485)
40801202	Taxes Other Than Income Taxes-Federal Unemployment	(485)

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust state unemployment tax by applying January 1, 2013 state unemployment tax rate and wage base to pro forma payroll for twelve months ended December 31, 2012.	
	Total Pro Forma Payroll	6,576,183
	Less; Payroll in Excess of \$8500 Taxable Wage Base	5,644,207
	Pro Forma Taxable Payroll	931,976
	Pro Forma State Unemployment Tax at 2.9061%	27,084
	Less: Test Year State Unemployment Tax	26,068
		1,016
40801203	Taxes Other Than Income Taxes-State Unemployment	1,016

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment and Small Business Advocate Assessment based on pro forma revenues under existing rates for twelve months ended December 31, 2012 and 2012-2013 assessment factors.	
	Pro Forma Operating Revenues Under Existing Rates for the Twelve Months Ended December 31, 2012	41,116,531
	Combined 2012-2013 Pennsylvania Public Utility Commission, Consumer Advocate and Small Business Advocate General and Supplemental Assessment Factors	0.0059915
	Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate and Small Business Advocate General and Supplemental Assessments Under Existing Rates for the Twelve Months Ended December 31, 2012	(41,116,531
	x 0.0059915)	246,349
	Less: Test Year Combined Pennsylvania Public Utility Commission, Consumer Advocate and Small Business Advocate General and Supplemental Assessments	228,344
		18,005
40801000	Taxes Other Than Income Taxes-Assessments	18,005

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Capital Stock Tax based on actual fixed formula capital stock valuation as of December 31, 2012.	
	Fixed Formula Taxable Value for Twelve Months Ended December 31, 2012	79,728,264
	2013 Pennsylvania Capital Stock Tax Rate	0.00089
	Pennsylvania Capital Stock Tax (79,728,264 x .00089)	70,958
	Less: Estimated Capital Stock Tax Recorded on the Corporate Books During the Twelve Months Ended December 31, 2012	150,885
		(79,927)
40801301	Taxes Other Than Income Taxes-Capital Stock	(79,927)

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER PROPOSED
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment and Small Business Advocate Assessment based on pro forma revenues under proposed rates for twelve months ended December 31, 2012 and 2012-2013 assessment factors.	
	Pro Forma Operating Revenues Under Proposed Rates for the Twelve Months Ended December 31, 2012	43,537,370
	Combined 2012-2013 Pennsylvania Public Utility Commission, Consumer Advocate and Small Business Advocate General and Supplemental Assessment Factors	0.59915%
	Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate and Small Business Advocate General and Supplemental Assessments Under Proposed Rates for the Twelve Months Ended December 31, 2013	(43,537,370
	x 0.0059915)	260,854
	Less: Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate and Small Business Advocate General and Supplemental Assessments for the Twelve Months Ended December 31, 2012 (Refer to Exhibit No. HIV-15-4)	246,349
		14,504
40801000	Taxes Other Than Income Taxes-Assessments	14,504

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
DEFERRED INCOME TAXES

53.53 IV Taxes

D. Water and Wastewater Utilities

16 Submit a schedule showing a breakdown of the deferred income taxes by state and federal per books, pro forma, existing rates, and under proposed rates.

Response: Refer to Exhibit No. HIV-17.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
FEDERAL AND STATE INCOME TAXES UNDER EXISTING RATES FOR
TWELVE MONTHS ENDED DECEMBER 31, 2012 AND ANTICIPATED
FEDERAL AND STATE INCOME TAXES WHEN THE PROPOSED RATES
BECOME EFFECTIVE

53.53 IV Taxes

D. Water and Wastewater Utilities

17 With respect to determination of income taxes, federal and state:

- a. Show income tax results of the annualizing and normalizing adjustments to the test year record before any rate increase.
- b. Show income taxes for the annualized and normalized test year.
- c. Show income tax effect of the rate increase requested.
- d. Show income taxes for the normalized and annualized test year after application of the full rate increase.

Response: Refer to page 2.

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 FEDERAL AND STATE INCOME TAXES UNDER EXISTING RATES FOR
 TWELVE MONTHS ENDED DECEMBER 31, 2012 AND ANTICIPATED
 FEDERAL AND STATE INCOME TAXES WHEN THE PROPOSED RATES
 BECOME EFFECTIVE

Exhibit No. HIV-17
 Page 2 of 2
 Witness: M E Poff

	Twelve Months Ended December 31, 2012 (1)	Under Existing Rates		Pro Forma Twelve Months Ended December 31, 2012 (4)	Under Proposed Rates		Pro Forma Twelve Months Ended December 31, 2012 (7)
		Exhibit Reference (2)	Adjustment (3)		Exhibit Reference (5)	Adjustment (6)	
40901000 Current Federal Income Tax	2,113,620	HIV-17-2	(63,778)	2,049,842	HIV-17-5	729,806	2,779,648
40901100 Current State Income Tax	1,194,206	HIV-17-2	(20,879)	1,173,327	HIV-17-5	238,234	1,411,561
41001000 Deferred Federal Income Tax-Accelerated Depreciation	2,417,608	HIV-17-3, HIV-17-4	(411,525)	2,006,083			2,006,083
41201100 Amortization of Investment Tax Credits	(39,054)	HIV-17-1	(183)	(39,237)			(39,237)
	5,686,380		(496,365)	5,190,015		968,039	6,158,055

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES
 AMORTIZATION OF INVESTMENT TAX CREDITS

Account	Explanation	Adjustment Increase (Decrease)	
To adjust amortization of investment tax credits to reflect pro forma annual amortization.			
Year	Investment Tax Credit Generated	Amortization Period	Pro Forma Annual Amortization
(1)	(2)	(3)	(4)
1972	9000	50 years	(180)
1973	10341	50 years	(207)
1974	13637	50 years	(273)
1975	58644	50 years	(1,173)
1976	67403	50 years	(1,348)
1977	81673	50 years	(1,633)
1978	93577	50 years	(1,872)
1979	148145	50 years	(2,963)
1980	63163	50 years	(1,263)
1981	128411	50 years	(2,568)
1982	217470	50 years	(4,349)
1983	93455	50 years	(1,869)
1984	194217	50 years	(3,884)
1985	346491	50 years	(6,930)
1986	102154	50 years	(2,043)
1987	20455	50 years	(409)
1988	33318	50 years	(666)
1989	9291	50 years	(186)
1990	209567	50 years	(4,191)
1991	1021	50 years	(20)
1992	674	50 years	(13)
1993	2009	50 years	(40)
1994	1024	50 years	(20)
1995	799	50 years	(16)
1996	41497	50 years	(830)
1997	2050	50 years	(41)
1998	981	50 years	(20)
1999	1302	50 years	(26)
2000	1436	50 years	(29)
2001	726	50 years	(15)
2002	2235	50 years	(45)
2003	1199	50 years	(24)
2004	226	50 years	(5)
2005	619	50 years	(12)
2006	1254	50 years	(25)
2007	68	50 years	(1)
2008	579	50 years	(12)
2009	469	50 years	(9)
2010	1036	50 years	(21)
2011	31	50 years	(1)
2012	181	50 years	(4)
Total Pro Forma Amortization			(39,237)
Less: Test Year Amortization			(39,054)
			(183)

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES

Account	Explanation	Adjustment Increase (Decrease)
	To adjust current Federal and state income tax for the twelve months ended December 31, 2012 based on pro forma taxable income under existing rates and current Federal and state income tax rates.	
	Pro Forma Net Operating Income	24,906,614
	Add:	
	Dividend Reinvestment and Direct Stock Purchase and Sale Expenses	5,587
	Employee Stock Purchase Plan Expenses	1,225
	Amortization of Acquisition Adjustments	27,191
	Deduct:	
	Cost of Removal	542,268
	Tank Painting	411,372
	State Tax Depreciation	6,877,143
	Domestic Production Deduction	413,032
	Pro Forma Interest Expense (Interest Synchronization)	4,951,785
	Pro Forma Taxable Income	11,745,017
	Pro Forma State Income Tax at 9.99%	1,173,327
		1,173,327
	Federal Bonus Depreciation in Excess of State	4,542,743
	Pro Forma Federal Taxable Income	6,028,947
	Pro Forma Federal Income Tax at 34%	2,049,842
	Total Pro Forma Current Income Tax	3,223,169
	Less: Test Year Current Income Taxes	3,307,826
		(84,657)
40901000	Current Federal Income Tax	(63,778)
40901100	Current State Income Tax	(20,879)

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE
RATE METHOD FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
1970 and Prior	Straight Line	207,740	207,740	-
1980	Asset Depreciation Range- Double Declining Balance	7,575	6,876	699
1992	Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	78,942	31,043	47,899
1993	Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	240,260	85,093	155,167
1994	Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	189,850	29,858	159,992
1995	Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	196,303	58,524	137,779
1996	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	274,945	129,293	145,652
1997	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	152,793	70,882	81,911
1998	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	146,598	74,816	71,782
1999	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	202,265	84,111	118,154
2000	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	301,310	100,853	200,457
2001	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	203,302	139,789	63,513
2002	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	138,755	71,857	66,898
2005	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	494,108	303,771	190,337

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE
RATE METHOD FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
2007	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	604,048	560,196	43,852
2008	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	905,543	379,863	525,680
2009	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	358,408	303,151	55,257
2010	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	291,823	215,314	76,509
2012	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	5,329,107	346,734	4,982,373
	Totals	10,323,674	3,199,764	7,123,910
	Deferred Federal Income Tax at 34% (7,123,910 x .34)			2,422,129
	Less: Deferred Federal Income Tax For Twelve Months Ended December 31, 2012			2,417,608
				4,521
41001000	Deferred Federal Income Tax-Accelerated Depreciation			4,521

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 CALCULATION OF DEFERRED FEDERAL INCOME TAX ON ASSETS SUBJECT
 TO WEIGHTED AVERAGE RATE METHOD FOR THE TWELVE MONTHS ENDED
 DECEMBER 31, 2012

ACCOUNT	EXPLANATION						ADJUST- MENT
							INCREASE DECREASE
Vintage	Tax Depreciat- ion	Normalized (Booked) Depreciat- ion	Tax Depreciat- ion Subject to Deferral	Turn- Around Year	Weighted Average Rate	Deferred Federal Income Tax	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1971	5,902	19,781	(13,879)	2008	39	(5,442)	
1972	2,896	3,849	(953)	1992	43	(413)	
1973	2,760	4,805	(2,045)	1986	46	(941)	
1974	4,270	5,531	(1,261)	1986	46	(580)	
1975	8,463	12,257	(3,794)	2004	39	(1,486)	
1976	6,609	10,839	(4,230)	1994	42	(1,762)	
1977	7,147	8,406	(1,259)	1996	41	(512)	
1978	11,531	15,272	(3,741)	2004	38	(1,436)	
1979	14,687	20,532	(5,845)	2008	38	(2,193)	
1980			-		37	-	
1981		19,295	(19,295)	1996	39	(7,564)	
1982		51,575	(51,575)	1997	38	(19,805)	
1983		17,908	(17,908)	1998	38	(6,733)	
1984		53,130	(53,130)	2000	36	(19,377)	
1985		69,914	(69,914)	2000	36	(25,082)	
1986		63,448	(63,448)	2001	35	(22,334)	
1987	2,176	32,105	(29,929)	2007	34	(10,266)	
1988	360	10,781	(10,421)	2008	34	(3,543)	
1989		49,749	(49,749)	2009	34	(16,915)	
1990	2,100	89,175	(87,075)	2010	34	(29,605)	
1991		50,663	(50,663)	2011	34	(17,225)	
2003	127,911	153,600	(25,689)	2010	34	(8,734)	
2004	455,089	465,715	(10,626)	2011	34	(3,613)	
2006	343,089	787,399	(444,310)	2010	34	(151,065)	
2011	101,224	275,991	(174,767)	2012	34	(59,421)	
	1,096,212	2,291,720	(1,195,508)			(416,047)	

THE YORK WATER COMPANY
STATE TAX ADJUSTMENT FOR BONUS DEPRECIATION
2012

<u>Description</u> (1)	<u>Basis</u> (2)	<u>Federal Depreciation</u> (3)	<u>Bonus Depreciation</u> (4)	<u>Net Federal Depreciation</u> (5)=(3)-(4)	<u>Additional State Depreciation</u> (6)=(5) x .42857-(4)
2001 Additions (half-year)					
SL Property	302,028	12,081		12,081	5,178
Adjustment for disposition					1,882
2002 Additions (half-year)					
SL Property	2,305,291	92,212		92,212	39,519
Adjustment for disposition					6,633
2003 Additions (half-year)					
SL Property 30	1,635,672	65,427		65,427	28,040
SL Property 50	806,342	32,254		32,254	13,823
Adjustment for disposition					8,423
2004 Additions (mid-quarter)					
15 yr. MACRS property 1Q	673	40		40	17
15 yr. MACRS property 2Q	18,589	1,099		1,099	471
15 yr. MACRS property 4Q	53,515	3,157		3,157	1,353
SL Property 1Q	1,008,969	40,359		40,359	17,297
SL Property 2Q	669,721	26,789		26,789	11,481
SL Property 3Q	522,501	20,900		20,900	8,957
SL Property 4Q	724,037	28,961		28,961	12,412
Adjustment for disposition					3,572
2008 Additions (mid-quarter)					
5 yr. MACRS property 1Q	14,135	1,556		1,556	667
5 yr. MACRS property 2Q	4,230	481		481	206
5 yr. MACRS property 3Q	53,782	6,077		6,077	2,605
7 yr. MACRS property 2Q	3,788	336		336	144
15 yr. MACRS property 3Q	6,094	428		428	183
15 yr. MACRS property 4Q	10,393	748		748	321
SL Property 2Q	73,410	2,936		2,936	1,258
SL Property 3Q	68,731	2,749		2,749	1,178
SL Property 4Q	1,583,971	63,359		63,359	27,154
Adjustment for disposition					18,839

THE YORK WATER COMPANY
STATE TAX ADJUSTMENT FOR BONUS DEPRECIATION
2012

<u>Description</u> (1)	<u>Basis</u> (2)	<u>Federal Depreciation</u> (3)	<u>Bonus Depreciation</u> (4)	<u>Net Federal Depreciation</u> (5)=(3)-(4)	<u>Additional State Depreciation</u> (6)=(5) x .42857-(4)
2009 Additions (half-year)					
5 yr. MACRS property 50	101,107	11,648		11,648	4,992
7 yr. MACRS property 50	26,592	3,321		3,321	1,423
15 yr. MACRS property 50	23,945	1,844		1,844	790
SL Property 50	4,434,723	177,389		177,389	76,024
Adjustment for disposition					7,380
2010 Additions (mid-quarter)					
5 yr. MACRS property 1Q	12,345	1,926		1,926	825
5 yr. MACRS property 2Q	53,731	9,672		9,672	4,145
5 yr. MACRS property 3Q	17,711	3,613		3,613	1,548
5 yr. MACRS property 4Q	33,568	7,654		7,654	3,280
7 yr. MACRS property 1Q	7,707	1,180		1,180	506
7 yr. MACRS property 2Q	501	84		84	36
7 yr. MACRS property 3Q	11,391	2,075		2,075	889
7 yr. MACRS property 4Q	11,294	2,223		2,223	953
15 yr. MACRS property 2Q	3,014	254		254	109
15 yr. MACRS property 4Q	16,865	1,499		1,499	643
SL Property 1Q	439,467	17,579		17,579	7,534
SL Property 2Q	329,945	13,198		13,198	5,656
SL Property 3Q	802,282	32,091		32,091	13,753
SL Property 4Q	3,318,935	132,757		132,757	56,896
Adjustment for disposition					12,885
2011 Additions (half-year)					
5 yr. MACRS property 50	6,379	2,041		2,041	875
7 yr. MACRS property 50	864	212		212	91
SL Property 50	292,728	11,709		11,709	5,018
Adjustment for disposition					1,425
2012 Additions (half-year)					
5 yr. MACRS property 50	360,889	216,533	180,444	36,089	15,467
7 yr. MACRS property 50	40,255	23,004	20,127	2,876	1,233
15 yr. MACRS property 50	190,426	99,974	95,213	4,761	2,040
SL Property 50	9,450,981	4,820,001	4,725,491	94,510	40,504
	<u>29,853,514</u>	<u>5,995,428</u>	<u>5,021,275</u>	<u>974,153</u>	<u>478,533</u>

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
OPERATING INCOME TAX ADJUSTMENTS UNDER PROPOSED RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust current Federal and state income taxes based on pro forma revenue increase under proposed rates and current Federal and state income tax rates.	
	Proposed Operating Revenue Increase	2,417,266
	Add: Increase in Late Charges	3,573
	Less: Increase in Taxes Other Than Income Taxes and Uncollectible Accounts	36,117
	Increase in State Taxable Income	2,384,721
	State Income Tax at 9.99%	238,234
	Increase in Federal Taxable Income	2,146,488
	Federal Income Tax at 34%	729,806
		968,039
40901000	Current Federal Income Tax	729,806
40901100	Current State Income Tax	238,234

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
DEBT INTEREST UTILIZED FOR INCOME TAX CALCULATIONS

53.53 IV Taxes

D. Water and Wastewater Utilities

18 State the amount of debt interest utilized for income tax calculations, and details of debt interest computations, under each of the following rate case bases;

- a. Actual test year.
- b. Annualized test year-end.
- c. Proposed test year-end.

Response: Debt interest expense utilized for the income tax calculation reflected on the Company's corporate books for the twelve months ended December 31, 2012 is actual debt expense incurred during that period.

Debt interest expense utilized for the income tax calculation on pro forma income for the twelve months ended December 31, 2012 shown on Exhibit No. HIV-17-2 is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

Rate base	176,849,469	x weighted debt cost rate of	2.80%
= interest expense utilized for income tax calculations of			4,951,785

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
MEASURE OF VALUE AND RATES OF RETURN AT ORIGINAL COST AS OF
DECEMBER 31, 2012

53.53 V. Valuation

D. Water and Wastewater Utilities

1. Provide a schedule showing the measures of value and the rates of return at the original cost in the current rate case. All claims made on this exhibit should be cross-referenced to appropriate exhibits.

Response: The original cost measure of value and rate of return under proposed rates are shown below.

Original Cost Measure of Value (1)	Rate of Return Under Proposed Rates (2)
176,849,469 (a)	8.63% (b)

(a) Refer to page 2 for a detail of the measure of value.

(b) Refer to page 3 for a detail of the net operating income available for return and calculation of rates of return on the original cost measure of value.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
SUMMARY OF MEASURE OF VALUE AS OF DECEMBER 31, 2012

Elements (1)	Exhibit Reference (2)	Original Cost (3)
Utility Plant in Service Less Accrued Depreciation	HVI	233,887,791
Deduct:		
Deferred Federal Income Taxes Related to Accelerated Depreciation	HV-1-1	26,299,432
Contributions in Aid of Construction Less Accrued Depreciation	HVI	24,831,947
Customers' Advances for Construction Less Accrued Depreciation	HVI	8,416,597
Funds Supplied Through Customers' Advances Not Expended	HV-1-2	173,828
Total Deductions		59,721,803
Add:		
Materials and Supplies	HV-11	735,859
Cash Working Capital	HV-8	1,802,353
Utility Plant Acquisition Adjustments	HV-1-3, HV-1-4, HV-1-5	145,269
Total Additions		2,683,481
 Total Measure of Value		 176,849,469

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 STATEMENT OF CALCULATION OF THE RATE OF RETURN UNDER EXISTING
 RATES FOR TWELVE MONTHS ENDED DECEMBER 31, 2012 AND THE ANTIC-
 IPATED RATE OF RETURN WHEN THE PROPOSED RATES BECOME EFFECTIVE

Exhibit No. HV-1.
 Page 3 of 3
 Witness: T W Altland

	Under Existing Rates			Under Proposed Rates			
	Twelve Months Ended December 31, 2012 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ended December 31, 2012 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ended December 31, 2012 (7)
Operating Revenues	41,399,996	HII-2	(283,465)	41,116,531	HII-2	2,420,839	43,537,370
Operating Expenses, Depreciation and Taxes							
Operating Expenses	14,482,709	HIII-2	603,815	15,086,524	HIII-2	21,613	15,108,137
Depreciation	5,170,277	HI-2	701,190	5,871,467			5,871,467
Taxes Other Than Income Taxes	1,179,569	HIV-15	(56,176)	1,123,393	HIV-15	14,504	1,137,897
Income Taxes	5,686,380	HIV-17	(496,365)	5,190,015	HIV-17	968,039	6,158,055
Total Operating Expenses, Dep- reciation and Taxes	26,518,935		752,464	27,271,399		1,004,157	28,275,556
Net Operating Income Available For Return	14,881,061		(1,035,929)	13,845,132		1,416,682	15,261,814
Measure of Value as of December 31, 2012 and Rates of Return (Refer to Page 2)	8.41%			7.83%			8.63%
Original Cost Less Accrued Depreciation	176,849,469						

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION
 AS OF DECEMBER 31, 2012 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Deferred Federal Income Taxes (2)
1971	16,061
1972	36,384
1973	31,175
1974	36,573
1975	35,791
1976	45,458
1977	92,264
1978	163
1979	160,633
1980	(23,401)
1981	201,922
1982	286,686
1983	130,108
1984	418,462
1985	543,154
1986	943,378
1987	234,011
1988	(10,201)
1989	771,308
1990	1,092,723
1991	713,005
1992	352,501
1993	854,620
1994	101,635
1995	691,168
1996	1,117,973
1997	576,714
1998	320,507
1999	(7,518)
2000	613,924
2001	558,467
2002	566,358
2003	738,758
2004	1,578,392
2005	1,396,704
2006	813,780
2007	490,008
2008	891,514
2009	2,538,997
2010	1,688,490
2011	2,789,800
2012	1,870,982
	26,299,432

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CUSTOMERS' ADVANCES UNDER CONSTRUCTION AND RELATED EXPENDITURES
(FUNDS SUPPLIED THROUGH CUSTOMERS ADVANCES NOT EXPENDED)
AS OF DECEMBER 31, 2012

Period (1)	Customers' Advances Under Construct- ion (2)	Related Construct- ion Expend- itures (3)	Advances in Excess of Construct- ion Expend- itures (4)
December, 2011	128,200	78,184	50,016
January, 2012	128,200	94,332	33,868
February	128,200	95,092	33,108
March	113,560	42,993	70,567
April	169,500	63,731	105,769
May	169,500	73,112	96,388
June	138,520	33,856	104,664
July	341,820	34,361	307,459
August	413,506	92,980	320,526
September	531,031	164,673	366,358
October	704,531	329,263	375,268
November	704,531	470,631	233,900
December	725,571	563,702	161,869
Total	4,396,670	2,136,911	2,259,759
13-Month Average	338,205	164,378	173,828

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
UTILITY PLANT ACQUISITION ADJUSTMENT
SPRING GROVE WATER COMPANY AND BOROUGH OF SPRING GROVE
AS OF DECEMBER 31, 2012

Acquisition Costs	2,285,218
Less Depreciated Original Cost of Waterworks Property and Rights	2,083,931
Acquisition Adjustment Subject to Amortization	201,287
<p>This amortization was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-00061322, the Settlement Agreement under Docket No. R-2008-2023067 and the Settlement Agreement under Docket No. R-2010-2157140. The amortization period began September 15, 2006 (the effective date of rates under Order No. R-00063122) and ends September 14, 2016.</p>	
Amortization During the Period 09-15-06 Through December 31, 2012	126,643
Unamortized Acquisition Adjustment As Of December 31, 2012	74,644

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

The inclusion of this unamortized utility acquisition adjustment in original cost rate base was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-00063122. The amortization period began September 15, 2006 (the effective date of rates under Order No. R-00063122) and ends September 14, 2016.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
UTILITY PLANT ACQUISITION ADJUSTMENT
SECTION A WATER CORPORATION
AS OF DECEMBER 31, 2012

Acquisition Costs	170,725
Less Depreciated Original Cost of Waterworks Property and Rights	135,997
Acquisition Adjustment Subject to Amortization	34,728

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
UTILITY PLANT ACQUISITION ADJUSTMENT
YORK STARVIEW LP
AS OF DECEMBER 31, 2012

Acquisition Costs	130,437
Less Depreciated Original Cost of Waterworks Property and Rights	94,540
Acquisition Adjustment Subject to Amortization	35,897

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CONSTRUCTION WORK IN PROGRESS AS OF DECEMBER 31, 2012

53.53 V. Valuation

D. Water and Wastewater Utilities

2. If a claim is made for construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion dates and estimated total amounts to be spent on each project. (This exhibit should be updated at the conclusion of these proceedings.)

Response: The Company is not making a claim for construction work in progress.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
NON-REVENUE PRODUCING CONSTRUCTION WORK IN PROGRESS AS OF DECEMBER 31, 2012

53.53 V. Valuation

D. Water and Wastewater Utilities

3. If a claim is made for non-revenue producing construction work in progress, include, in the form of an exhibit the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion dates and estimated total amounts to be spent on each project. (This exhibit should be updated at the conclusion of these proceedings.)

Response: The Company is not making a claim for non-revenue producing construction work in progress.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
PLANT HELD FOR FUTURE USE

53.53 V. Valuation

D. Water and Wastewater Utilities

4. If a claim is made for plant held for future use, supply the following:
- a. A brief description of the plant or land site and its original cost.
 - b. Expected date of use for each item claimed.
 - c. Explanation as to why it is necessary to acquire each item in advance of its date of use.
 - d. Date when each item was acquired.
 - e. Date when each item was placed in the plant held for future use account.

Response: The Company is not making a claim for plant held for future use.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
WORKING CAPITAL - FUEL STOCKS

53.53 V. Valuation

D. Water and Wastewater Utilities

5 If fuel stocks comprise part of the cash working capital claim, provide an exhibit showing the actual book balances (quantity and price) for the fuel inventories by type of fuel for the thirteen months prior to the end of the test year by location, station, etc. (Explain the method of determining claim if other than that described above.)

Response:

Period	Quantity (Gallons)	#2 Fuel Oil		Quantity (Gallons)	Gasoline	
		Unit Price (a)	Amount (b)		Unit Price (a)	Amount (b)
2011	25,522.0	2.97	75867	7,873.0	3.14	24682
2012						
January	21,306.0	2.97	63334	2,076.7	3.13	6510
February	25,119.0	3.07	77098	5,021.1	3.45	17318
March	22,173.0	3.07	68056	7,667.6	3.73	28562
April	19,448.0	3.07	59692	2,668.2	3.72	9939
May	18,632.4	3.07	57189	4,940.3	3.45	17034
June	23,726.8	2.98	70807	8,546.5	3.11	26587
July	17,426.3	2.98	52005	2,775.7	3.11	8630
August	22,254.9	3.09	68756	5,041.2	3.51	17698
September	23,191.5	3.14	72797	8,456.7	3.60	30461
October	22,124.8	3.14	69449	2,628.7	3.60	9469
November	18,358.4	3.14	57626	5,917.4	3.53	20890
December	22,707.0	3.14	71408	798.0	3.53	2817

(a) Based on average unit price for gallons of fuel oil on hand at each month-end.

(b) Total fuel oil amount is charged on the books in Account No. 15100001 Plant Materials, and is included in the thirteen-month average balance of materials and supplies shown on Exhibit No. HV-11 and included in the measure of value on Exhibit No. HV-1.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
MEASURES OF VALUE

53.53 V. Valuation

D. Water and Wastewater Utilities

6. Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not previously mentioned, in the measures of value.

Response: The Company has not included any items in the measures of value not detailed in an exhibit or described in testimony.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CASH WORKING CAPITAL

53.53 V. Valuation

D. Water and Wastewater Utilities

7. Provide schedules and data in support of the following working capital items:

- a. Prepayments-list and identify all items.
- b. Federal income tax accrued or prepaid.
- c. Pa. state income tax accrued or prepaid.
- d. Pa. capital stock tax accrued or prepaid.
- e. Pa. public utility realty tax accrued or prepaid.
- f. Payroll taxes accrued or prepaid.
- g. Any adjustments related to the above items for ratemaking purposes.

Response: Refer to Exhibit No. HV-8-4 for a schedule and data in support of prepaid Public Utility Commission assessment, Office of Consumer Advocate assessment and Office of Small Business Advocate assessment included in the Company's claim for cash working capital.

Refer to Exhibit Nos. FV-8-1(d), FV-8-1(e) and FV-8-1(f) for a schedule and data in support of payroll taxes, taxes other than income taxes and income taxes included in the Company's claim for cash working capital.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CASH WORKING CAPITAL REQUIREMENT AS OF DECEMBER 31, 2012

- 53.53 V. Valuation
- D. Water and Wastewater Utilities
8. Supply an exhibit supporting the claim for cash working capital requirement based on the lead-lag method.

Description (1)	Amount (2)
Pro Forma Operating Expenses and Taxes Less Uncollectible Accounts and Amortized Expenses	19,112,104
Average Daily Operating Expenses 19,112,104 /365	52,362
Cash Working Capital Requirement 52,362 x 42.7 days	2,236,014
Prepaid PUC, OCA and SBA Assessments	74,953
Builders Deposits and Water Revenues Paid In Advance	(242,818)
Interest Adjustment	(265,796)
Cash Working Capital	1,802,353

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CASH WORKING CAPITAL REQUIREMENT
LAG RELATIONSHIP BETWEEN OPERATING REVENUES AND
OPERATING EXPENSES AND TAXES

Item (1)	Amount (2)	Number of Days Lag (3)	Dollar Days (4)=(2)*(3)	Weighted Average Lag Days (5)
Pro Forma Operating Revenues Under Existing Rates (Sales of Water)				
Metered Repumped Residential	17,866,764	55.9	999,432,720	
Metered Gravity Residential	8,047,363	56.1	451,830,677	
Metered Repumped Commercial	5,624,239	55.9	314,609,206	
Metered Gravity Commercial	3,046,482	56.1	171,049,096	
Metered Repumped Industrial	2,411,492	55.9	134,894,283	
Metered Gravity Industrial	850,091	56.1	47,729,574	
Repumped Fire Service	1,844,703	55.9	103,189,178	
Gravity Fire Service	862,879	56.1	48,447,592	
Total Pro Forma Sales of Water	40,554,013		2,271,182,326	
Revenue Weighted Average Lag Days in Receipt of Revenues				56.0
Pro Forma Operating Expenses and Taxes Under Existing Rates Less Bad Debts and Amortized Expenses				
Payroll (a)	6,088,801	7.0	42,621,610	
Payroll (Payroll Tax Withholding) (c)	487,382	14.4	7,012,628	
Power Purchased (b)	1,052,560	29.3	30,791,575	
Insurance (b)	1,384,097	-48.2	(66,766,135)	
Other Goods and Services (b)	5,752,700	29.0	166,707,622	
Payroll Taxes (c)	519,113	14.4	7,469,185	
Other Taxes (d)	604,279	-73.8	(44,617,631)	
Current Income Taxes (e)	3,223,169	34.4	110,987,961	
Total Pro Forma Operating Expenses and Taxes Less Bad Debts and Amortized Expenses	19,112,104		254,206,813	

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CASH WORKING CAPITAL REQUIREMENT
LAG RELATIONSHIP BETWEEN OPERATING REVENUES AND
OPERATING EXPENSES AND TAXES

Item (1)	Amount (2)	Number of Days Lag (3)	Dollar Days (4)=(2)*(3)	Weighted Average Lag Days (5)
Expense Weighted Average Lag Days in Payment of Expenses				13.3
Net Lag Days (Difference Between Weighted Average Lag Days in Receipt of Revenues and Weighted Average Lag Days in Payment of Expenses and Taxes)				42.7
(a) Midpoint of payroll period to payday				7.0 days lag
(b) Based on an analysis of invoices paid during the period January 1, 2012 through December 31, 2012 (Refer to Exhibit No FV-8-1(d)).				
(c) Based on an analysis of invoices paid during the period January 1, 2012 through December 31, 2012 (Refer to Exhibit Nos. FV-8-1(a), FV-8-1(b) and FV-8-1(c))				
(d) Based on an analysis of invoices paid during the period January 1, 2012 through December 31, 2012 (Refer to Exhibit No FV-8-1(e)).				
(e) Based on an analysis of invoices paid during the period January 1, 2012 through December 31, 2012 (Refer to Exhibit No FV-8-1(f)).				

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 CASH WORKING CAPITAL REQUIREMENT
 CALCULATION OF LAG DAYS IN RECEIPT OF REVENUES

Lag Component (1)	Average Metered Repumped Billing Cycle (Days) (2)	Average Metered Gravity Billing Cycle (Days) (3)
Midpoint of Monthly Billing Cycle Period(365/12/2)	15.2	15.2
Reading Meters, Entering Data, Validating and Processing Data Including Application of Cash Payments(Exhibit No. HV-8-1(g)1)	6.6	6.8
Average Collection Period (Exhibit No. HV-8-1(g)2)	34.1	34.1
Total Lag Days in Receipt of Revenues	55.9	56.1

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 CASH WORKING CAPITAL REQUIREMENT

CALCULATION OF DAYS LAG TO READ METERS, ENTER DATA, VALIDATE AND
 PROCESS DATA AND ENTER INTO ACCOUNTS RECEIVABLE DURING 2012 FOR
 RESIDENTIAL, COMMERCIAL AND INDUSTRIAL REPUMPED CUSTOMERS (CYCLES 5 AND 8)

Month and Cycle (1)	Mid-Point Meter Reading Date (2)	Billing Date (Entered Into Accounts Receivable) (3)	Days Lag (4)=(3)-(2)
01-05	20-Jan-12	27-Jan-12	6.0
02-05	17-Feb-12	27-Feb-12	9.0
03-05	22-Mar-12	29-Mar-12	6.0
04-05	20-Apr-12	27-Apr-12	6.0
05-05	23-May-12	31-May-12	7.0
06-05	22-Jun-12	28-Jun-12	5.0
07-05	20-Jul-12	27-Jul-12	6.0
08-05	23-Aug-12	30-Aug-12	6.0
09-05	21-Sep-12	28-Sep-12	6.0
10-05	19-Oct-12	26-Oct-12	6.0
11-05	16-Nov-12	26-Nov-12	9.0
12-05	19-Dec-12	28-Dec-12	8.0
			80.0
01-08	30-Jan-12	06-Feb-12	6.0
02-08	01-Mar-12	08-Mar-12	6.0
03-08	29-Mar-12	06-Apr-12	7.0
04-08	30-Apr-12	07-May-12	6.0
05-08	31-May-12	07-Jun-12	6.0
06-08	03-Jul-12	07-Jul-12	3.0
07-08	03-Aug-12	10-Aug-12	6.0
08-08	30-Aug-12	07-Sep-12	7.0
09-08	28-Sep-12	07-Oct-12	8.0
10-08	31-Oct-12	08-Nov-12	7.0
11-08	30-Nov-12	08-Dec-12	7.0
12-08	28-Dec-12	07-Jan-13	9.0
			78.0
	Average Days Lag for Customers (Cycles 5 and 8)		6.6

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CASH WORKING CAPITAL REQUIREMENT

CALCULATION OF DAYS LAG TO READ METERS, ENTER DATA, VALIDATE AND
PROCESS DATA AND ENTER INTO ACCOUNTS RECEIVABLE DURING 2012 FOR
RESIDENTIAL, COMMERCIAL AND INDUSTRIAL GRAVITY CUSTOMERS (CYCLES 1 and 4)

Month and Cycle (1)	Mid-Point Meter Reading Date (2)	Billing Date (Entered Into Accounts Receivable) (3)	Days Lag (4)=(3)-(2)
01-01	06-Jan-12	13-Jan-12	6.0
02-01	06-Feb-12	13-Feb-12	6.0
03-01	08-Mar-12	15-Mar-12	6.0
04-01	05-Apr-12	13-Apr-12	7.0
05-01	07-May-12	14-May-12	6.0
06-01	07-Jun-12	14-Jun-12	6.0
07-01	06-Jul-12	13-Jul-12	6.0
08-01	09-Aug-12	16-Aug-12	6.0
09-01	07-Sep-12	14-Sep-12	6.0
10-01	05-Oct-12	15-Oct-12	9.0
11-01	06-Nov-12	12-Nov-12	5.0
12-01	07-Dec-12	14-Dec-12	6.0
			75.0
01-04	12-Jan-12	23-Jan-12	10.0
02-04	13-Feb-12	20-Feb-12	6.0
03-04	14-Mar-12	22-Mar-12	7.0
04-04	12-Apr-12	20-Apr-12	7.0
05-04	11-May-12	21-May-12	9.0
06-04	13-Jun-12	21-Jun-12	7.0
07-04	12-Jul-12	20-Jul-12	7.0
08-04	15-Aug-12	23-Aug-12	7.0
09-04	13-Sep-12	21-Sep-12	7.0
10-04	12-Oct-12	22-Oct-12	9.0
11-04	12-Nov-12	19-Nov-12	6.0
12-04	13-Dec-12	20-Dec-12	6.0
			88.0
		Average Days Lag for (Cycles 1 and 4)	6.8

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
ANALYSIS OF BILLING LAG

	Customer Classification	
	Residential Commercial Industrial Repumped	Residential Commercial Industrial Gravity
Billing Lag - 1991	15.6	12.2
Billing Lag - 1995	13.6	11.8
Billing Lag - 1998	14.4	13.1
Billing Lag - 2000	11.5	12.1
Billing Lag - 2002	11.0	11.4
Billing Lag - 2003	10.9	11.0
Billing Lag - 2005	8.8	9.1
Billing Lag - 2007	10.1	9.0
Billing Lag - 2009	9.7	7.1
Billing Lag - 2012	6.6	6.8
Total Reduction in Billing Lag Days	9.0	5.4
Per Cent	57.8%	44.3%

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CASH WORKING CAPITAL REQUIREMENT
AVERAGE REVENUE COLLECTION DAYS

Month (1)	Customers' Accounts Receivable (2)
January, 2012	3,663,982
February	3,521,644
March	3,649,827
April	3,780,531
May	3,635,062
June	3,953,128
July	3,875,789
August	4,218,506
September	4,090,741
October	3,724,335
November	3,746,796
December	3,999,710
	45,860,051
Average Customers Accounts Receivable Monthly Balance	3,821,671
Total Test Year Sales of Water and Penalties (Excluding Unbilled)	40,850,828
Turnover Ratio (Total Test Year Sales/Average Customers Accounts Receivable Monthly Balance)	10.7
Weighted Average Revenue Collection Lag Days (365/ 10.7)	34.1

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
THIRTEEN MONTH AVERAGE OF BUILDERS DEPOSITS AND WATER REVENUES
PAID IN ADVANCE

Month (1)	Builders Deposits and Water Revenues Paid In Advance (2)
2011 December	239,473
2012 January	268,019
February	255,399
March	260,816
April	255,533
May	239,712
June	231,498
July	255,795
August	236,574
September	225,945
October	238,334
November	231,449
December	218,082
	3,156,629
Thirteen Month Average	242,818

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CASH WORKING CAPITAL REQUIREMENT
INTEREST ADJUSTMENT

	Interest Payments (1)	Number Of Lag Days (2)	Weighted Interest Payments (3)=(1)*(2)	Weighted Average Lag Days (4)=(3)/(1)
Semi-Annual Interest Payments	4,110,225	91	374,030,475	
Monthly Interest Payments (In Arrears)	1,136,585	15	17,048,768	
Monthly Interest Payments (In Advance)	3,127	-15	(46,907)	
	5,249,937		391,032,336	74.5
Less; Revenue Weighted Average Lag Days (Refer to Exhibit No. HV-8-1)				56.0
Net Interest Lag Days				18.5
Daily Interest Payments (Interest Payments/365)				14,383
Interest Available For Working Capital (Daily Interest x Net Lag Days)				265,796

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
THIRTEEN MONTH AVERAGE OF PREPAID PUBLIC UTILITY COMMISSION
ASSESSMENT, OFFICE OF CONSUMER ADVOCATE ASSESSMENT AND SMALL
BUSINESS ADVOCATE ASSESSMENT

Month (1)	Prepaid Assess- ments (2)
December, 2011	111557
January, 2012	92964
February	74371
March	55778
April	37185
May	18592
June	0
July	0
August	0
September	175181
October	155716
November	136252
December	116787
	974383
Thirteen Month Average	74953

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
AMORTIZED EXPENSES

53.53 V. Valuation

D. Water and Wastewater Utilities

9. Indicate if amortized expenses have been removed from the lead-lag study. If so, please provide documentation showing such removal. If not, provide a list of such amortization expenses included.

Documentation Showing Amortized Expenses Have Been Eliminated
From The Calculation Of Cash Working Capital Based On The Lead-Lag
Method

	Amount
Pro Forma Operating Expenses For The Twelve Months Ending December 31, 2012 (Refer To Exhibit No. HIII-2)	15,086,524
Current Pro Forma Income Taxes For The Twelve Months Ending December 31, 2012 (Refer To Exhibit No. HIV-17)	3,223,169
Pro Forma Taxes Other Than Income Taxes For Twelve Months Ending December 31, 2012 (Refer To Exhibit No. HIV-15)	1,123,393
Less: Bad Debt Expense (Refer To Exhibit No. HIII-2)	293,791
Amortizations Detailed Below	<u>27,191</u>
	19,112,104

Description	Exhibit Number	Amount
Amortization of Spring Grove Water Company Acquisition Adjustment	HIII-2-26	20,129
Amortization of York Starview LP Acquisition Adjustment	HIII-2-28	3,590
Amortization of Section A Water Corp. Acquisition Adjustment	HIII-2-11	<u>3,473</u>
		27,191

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
FUNDS AVAILABILITY

53.53 V. Valuation

D. Water and Wastewater Utilities

10 Identify the funds availability arrangements or terms which the company has with its banks with respect to deposits of customers checks. For example, does the company have same day or next day access to funds deposited.

Response:

The Company has same day access to funds deposited drawn on local banks, and next day access to funds deposited which are drawn on banks outside our region.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
WORKING CAPITAL - MATERIALS AND SUPPLIES

53.53 V. Valuation

D. Water and Wastewater Utilities

11 In reference to materials and supplies:

- (a) What method of inventory valuation was used to develop the claim for materials and supplies?
- (b) Does the utility use a material and supply model to calculate needed material and supply levels?
- (c) If so, provide the model. Supply an illustrative example of how the monthly balances are derived.
- (d) Provide the actual monthly value for the inventory of materials and supplies for the past twelve months. Supply as of the end of the test year, a thirteen month average, by month, for the material and supply account.
- (e) Provide the monthly level of materials and supplies for three years prior to the conclusion of the historic test year.

Response:

The Company values its materials and supplies inventory at cost.

The Company has established minimum and maximum levels for items reflected in its materials and supplies inventory. The Company does not use a materials and supplies model to determine needed materials and supplies levels.

Month (1)	End of Month Balance Thirteen Months Ended December 31,			
	2009 (2)	2010 (3)	2011 (4)	2012 (5)
December	740,477	715,621	608,291	692,025
January	770,854	722,807	656,635	696,168
February	735,014	699,104	642,091	712,128
March	750,283	685,680	627,253	728,364
April	732,734	676,543	661,463	668,218
May	761,485	663,865	623,662	741,654
June	723,255	659,858	700,856	774,863
July	719,292	693,283	693,869	714,725
August	738,346	652,772	693,936	750,627
September	779,747	648,230	721,860	819,786
October	755,837	630,871	670,473	768,859
November	739,453	618,752	696,204	770,561
December	715,621	608,291	692,025	728,185
Total				9,566,163
13 Month Average				735,859

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
PROJECTED PLANT ADDITIONS

53.53 V. Valuation

D. Water and Wastewater Utilities

12 For each non-blanket or projected plant addition to cost the lesser of \$100,000 or 0.5% of current rate base, included in the future test year, please provide:

- a. Description of the project.
- b. Original budgeted cost (broken down by AFUDC and non-AFUDC components).
- c. Current budgeted cost (broken down by AFUDC and non-AFUDC components).
- d. Reason for change in budgeted cost.
- e. Original estimated date of completion and in service.
- f. Current estimated date of completion and in service.
- g. Reason for change in completion date.
- h. Anticipated retirement related to the plant addition.
- i. Starting date of project.
- j. Amount expended to date.
- k. Percent of project currently complete.
- l. The depreciation rate applicable.
- m. Identify which projects are due to a PA-DEP or EPA requirement.

Response:

Refer to Exhibit Nos. FV-12-1, FV-12-2 and FV-12-3 for the twelve months ending December 31, 2013 and Exhibit Nos. FV-12-4, FV-12-5, and FV-12-6 for the period ending February 28, 2015.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
PROJECTED PLANT BALANCES

53.53 V. Valuation

D. Water and Wastewater Utilities

13. Explain how the future test year plant balances were projected and provide supporting workpapers and documentation.

Response: Refer to Exhibit No. FV-12.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
SHARED ASSETS

53.53 V. Valuation

D. Water and Wastewater Utilities

- 14 Are all of the assets used in the plant-in-service claim used exclusively by the utility? If not, provide the estimated percentage that each shared asset is used by other entities.

Response:

The Company does not share with any other entity the assets used in its plant in service claim.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
PLANT INCLUDED IN RATE BASE

53.53 V. Valuation

D. Water and Wastewater Utilities

- 15 Is all plant included in rate base currently being used in providing water service? If not, provide a schedule which presents those plant items which are not, and indicate the corresponding amounts and account numbers. Further, provide a detailed narrative explaining the reason why such plant is not being used and the anticipated disposition of the plant.

Response:

All plant included in rate base is currently being used in providing water or wastewater service.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CONTRIBUTIONS IN AID OF CONSTRUCTION, CUSTOMERS ADVANCES FOR
CONSTRUCTION, BUILDERS DEPOSITS AND CUSTOMERS DEPOSITS

53.53 V. Valuation

D. Water and Wastewater Utilities

16 Provide all workpapers and supporting documentation showing the derivation of the projected balances of contributions in aid of construction, customer advances for construction and company service line and customer deposits for the future test year.

Response:

Refer to Exhibit No. FV-16-1 for the projected balances of contributions in aid of construction for the period ending December 31, 2013 and Exhibit No. FV-16-3 for the projected balances for the period ending February 28, 2015.

Refer to Exhibit No. FV-16-2 for the projected balances of customers advances for construction for the period ending December 31, 2013 and Exhibit No. FV-16-4 for the projected balances for the period ending February 28, 2015.

Refer to Exhibit No. FV-8-2 for the projected balances of builders' deposits and water revenues paid in advance.

The Company has no customer deposits.

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 CONTRIBUTIONS IN AID OF CONSTRUCTION
 DECEMBER 31, 2012

Exhibit No. HV-16-1
 Page 1 of 2
 Witness: T W Allland

Year	303	304 (Source)	304 (Pumping)	304 (Purification)	330 (Standpipe)	311	320 (Electronic)	331 (4 In & >)	331 (6 In & 8 In)	331 (10 In & Ove (Valves)	333	334	335	340 (Computer) Total	
1941									632					632	
1946									1,762		139			1,900	
1948									1,422					1,422	
1949									6,598					6,598	
1050									4,887					4,887	
1951												76		76	
1952									88,879					88,879	
1953									1,537		456		75	2,068	
1955									4,290					4,290	
1955									14,612		53			14,665	
1956									49,385					49,385	
1957									25,988					25,988	
1958									39,694					39,694	
1959									27,321		148			27,469	
1960									16,990					16,990	
1961									9,516					9,516	
1962									14,464					14,464	
1963									27,781					27,781	
1964									147,382					147,382	
1965									70,687					70,687	
1966									132,899					132,899	
1967		70,625							133,327					203,952	
1968									18,530					18,530	
1969									122,806		297			123,103	
1970									35,505					35,505	
1971									53,528					53,528	
1972									38,445		449			38,894	
1973									57,206					57,206	
1974	13,494							4,150	276,846		1,564			296,054	
1975									107,529			4,265		111,794	
1976									94,994			9,951		104,945	
1977				490					177,771		2,070		3,095	183,426	
1978									277,157			2,290	2,278	281,725	
1979									475,308		759		2,095	483,120	
1980									520,145				1,840	523,446	
1981									475,820				3,020	478,840	
1982									176,037				2,385	178,422	
1983									223,138				1,633	226,067	
1984									219,754				1,296	224,427	
1985									238,850				692	239,543	
1986									699,882			190		700,071	
1987			48,187						319,550				2,545	370,282	
1988	35,470				380,085			8,581	2,240,531		6,800		2,779	2,674,246	
1989				4,072				8,276	1,103,953					1,116,302	
1990									999,854					4,493	1,004,347
1991									736,804						736,804

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 CONTRIBUTIONS IN AID OF CONSTRUCTION
 DECEMBER 31, 2012

Exhibit No. HV-16-1
 Page 2 of 2
 Witness: T W Altland

Year	303	304 (Source)	304 (Pumping)	304 (Purification)	330 (Standpipe)	311	320 (Electronic)	331 (4 In & >)	331 (6 In & 8 In)	331 (10 In & Ove (Valves)	333	334	335	340 (Computer)	Total	
1992									412,918						412,918	
1993									766,861						766,861	
1994									1,141,769						1,141,769	
1995									581,026	54,800	13,112		4,900		653,839	
1996															-	
1997															-	
1998	10,000					30,800				713					41,513	
1999						9,900			29,800						39,700	
2000							7,698		3,280						10,978	
2001									4,008	1,070			432		5,510	
2002	21,324				433,000										454,324	
2003	60,643				15,750	6,300									82,693	
2004	25,000									68,000					93,000	
2005	25,000		50,000		115,000										190,000	
2006			32,500		250,000				674,142						956,642	
2007					200,000				3,573,822						3,773,822	
2008									2,737,979						2,737,979	
2009	1,938				100,000				1,558,684	326,996	8,990	407,500		25,942	2,430,050	
2010									982,309						982,309	
2011									1,050,807						1,050,807	
2012									971,964	273,803					1,245,767	
	192,869	70,625	130,687	4,562	1,493,835	47,000	7,698	21,007	24,999,366	725,382	27,442	415,160	35,906	46,701	4,493	28,222,733

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CUSTOMERS' ADVANCES FOR CONSTRUCTION
DECEMBER 31, 2012

Year	303 (Standpipe)	304 (Pumping)	330 (Standpipe)	311	331 (6 In & 8 In)	Total
1986		36,184	158,931	31,045	105,337	331,496
1987					23,446	23,446
1997					214,787	214,787
1998					234,145	234,145
1999					(0)	(0)
2000					301,576	301,576
2001					281,117	281,117
2002					58,818	58,818
2003					1,233,058	1,233,058
2004					1,283,194	1,283,194
2005					3,704,252	3,704,252
2006					2,150,060	2,150,060
2007					1,102,408	1,102,408
2008					612,990	612,990
2009					195,501	195,501
2010					202,393	202,393
2011					69,689	69,689
2012					60,399	60,399
	-	36,184	158,931	31,045	11,833,170	12,059,329