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**PENNSYLVANIA-AMERICAN WATER COMPANY, INC.**

***Acquisition of the  
Paint-Elk Joint Sewer Authority***

Original Cost of Wastewater Utility Plant  
And Depreciation Reserve Calculations  
at July 31, 2014

By

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**PENNSYLVANIA-AMERICAN WATER COMPANY, INC.**

**Acquisition of the  
Paint-Elk Joint Sewer Authority**

Table of Contents

Page  
No.

**SECTION 1**

Background	1-1
Overview of the Authority's Facilities	1-1
Overview of the Study Techniques	1-1
Explanation of the Study	1-2
Original Cost Analysis	1-4
Summary of Original Cost	1-5
Contributions In Aid of Construction (CIAC)	1-5
Customer Advances for Construction (CAC)	1-5
Depreciation Reserve	1-5
<i>Accumulated Amortization of CIAC</i>	1-6

**SECTION 2**

**ORIGINAL COST**

Summary of the Original Costs of Plant in Service at July 31, 2014	2-1
<u>Account 101 - Utility Plant in Service</u>	
353.2 Land & Land Rights - Collection	2-2
353.3 Land & Land Rights - System Pumping	2-4
353.4 Land & Land Rights - Treatment & Disposal	2-5
354.3 Structures & Improvements - System Pumping	2-6
354.4 Structures & Improvements - Treatment & Disposal	2-7
355 Power Generation Equipment	2-8
360 Collection Sewers - Force	2-9
361 Collection Sewers - Gravity	2-10
363 Services to Customers	2-11
371 Pumping Equipment	2-12
380 Treatment & Disposal Equipment	2-13
394 Power Operated Equipment	2-14

**PENNSYLVANIA-AMERICAN WATER COMPANY, INC.**

**Acquisition of the  
Paint-Elk Joint Sewer Authority**

Table of Contents

Page  
No.

**SECTION 3**

Account 271 - Contributions in Aid of Construction

Summary of the Contributions in Aid of Construction  
at July 31, 2014

3-1

**SECTION 4**

Depreciated Original Cost

Summary of Original Cost, Calculated Depreciation Reserve,  
and Depreciated Original Cost at July, 31, 2014

4-1

# Section 1

## **PENNSYLVANIA-AMERICAN WATER COMPANY, INC.**

### **Acquisition of the Paint-Elk Joint Sewer Authority**

#### **BACKGROUND**

Paint-Elk Joint Sewer Authority (the "Authority") makes wastewater service available to approximately 447 customers located in Paint and Elk Townships, Clarion County. The Authority has continued to grow and expand over the years.

Pennsylvania-American Water Company, Inc. ("PAWC") and the Authority filed a joint application requesting the Commission to approve the sale of the wastewater system, grant PAWC the right to furnish service in the Authority's service territory, and authorize the Authority to abandon service.

#### **OVERVIEW OF THE AUTHORITY'S FACILITIES**

The Authority's assets to be acquired consist of facilities for the collection and treatment of wastewater flows from its customers. The Authority's pressure collection system is comprised of approximately 11,772 linear feet of 2" to 6" PVC pipe, valves and three (3) lift stations. The Authority's gravity collection system is comprised of approximately 29,575 linear feet of 4" and 8" VC pipe, 42,075 linear feet of 8" PVC Pipe, and manholes. Customer service lines, which run from the Authority's mains to the curb line, consist of VC/PVC pipe and cleanouts. There are 44 customers that have grinder pumps.

The treatment facilities are comprised of the headworks with a channel grinder, control building containing chemical treatment, lift station, four (4) treatment lagoons with eleven (11) aerating mixers, and a chlorine contact tank.

### **OVERVIEW OF THE STUDY TECHNIQUES**

The study of the original cost of the Authority's assets was conducted in two (2) phases. First, a comprehensive utility plant inventory was conducted to ascertain and confirm the kind and quantity of property owned and operated by the Authority.

Second, the original cost of the inventoried property was determined based on a review of the Authority's books of account, construction records, and other sources. For the most part, the Authority's records provided reasonable data as to the original cost of its plant in service. In addition, theoretical accrued depreciation calculations were prepared based upon the results of the original cost study to reflect the theoretical capital recovery of the plant in service at July 31, 2014.

A complete discussion of the methodologies employed in the original cost study is set forth in the following sections of this report.

### **EXPLANATION OF THE STUDY**

#### **UTILITY PLANT INVENTORY**

A comprehensive inventory of the Authority's plant in service as of July 31, 2014 was prepared. One of the principal source documents for the inventory was the "as built" maps of the Authority's system. The maps were particularly helpful in locating and documenting the sizes, types, and lengths of the pipelines and locations of the manholes. Significant components of the inventory are discussed below.

### **Mass Property**

For purposes of this study, "mass" property consists of utility plant recorded in Account 360 (Collection Sewers - Force), Account 361 (Collection Sewers - Gravity), and Account 363 (Services to Customers).

For Accounts 360 and 361, footage of pipe, by size and type, were determined by reviewing the "as-built" maps and were verified by a physical check of the system in place. This same procedure was utilized for the valves and manholes.

Based upon data obtained from Authority records, the customer service lines (Account 363) were installed when the collection lines were installed.

### **Non-Mass Property**

A physical inventory of the wastewater treatment plant and lift stations was completed. Detailed results of the plant inventory are set forth in Section 2 of this report by the fixed capital accounts prescribed by the National Association of Regulatory Utility Commissioners. The original cost of all inventoried property units is properly recorded in the following accounts:

Acct.

No.    Account Title

#### Non-Depreciable Plant:

353.2 Land & Land Rights - Collection  
353.3 Land & Land Rights - System Pumping  
353.4 Land & Land Rights - Treatment & Disposal

#### Depreciable Plant:

354.3 Structures & Improvements - System Pumping  
354.4 Structures & Improvements - Treatment & Disposal  
355 Power Generation Equipment  
360 Collection Sewers - Force  
361 Collection Sewers - Gravity  
363 Services to Customers  
371 Pumping Equipment  
380 Treatment & Disposal Equipment  
394 Power Operated Equipment

## **ORIGINAL COST ANALYSIS**

The goal of the original cost analysis was to ascertain the original cost of the Authority's plant in service by fixed capital account and, within each account, to determine the original costs by retirement unit (for non-mass property) or size and type (for mass property) and by vintage year. Reasonably good data exists to establish the original cost of the Authority's property by account. The original cost determinations for Account 360 (Collection Sewers - Force), Account 361 (Collection Sewers - Gravity), and Account 363 (Services to Customers):

### **Account 360, Account 361, and Account 363**

An original cost of mains and accessories was determinable from available records for the Authority's collection system and other source documents. The Authority summaries verified that the lengths scaled and units counted from the collection system maps were accurate. As previously explained, the physical inventory established the total footage of pipe by size and type and the total number of units of accessories. The information contained in the construction summaries was used to develop the footage of pipe, units of accessories, and the resultant unit price for the respective fixed capital asset. The original cost values at July 31, 2014 for the Authority's collection sewers - force, collection sewers - gravity, and services to customers as established by the original cost study total \$439,639; \$2,772,744; and \$255,704, respectively.

## **SUMMARY OF ORIGINAL COST**

The results of the original cost study established that the original cost of the Authority's utility plant in service is not less than \$5,036,569 as summarized by plant account in Section 2.

## **CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)**

An extensive research of records was performed to determine if any contributions in aid of construction existed. The record research included all Authority documents that were available. Based on this record research, the Authority did receive contributions in aid of construction. The contribution in aid of construction at July 15, 2014 is \$2,242,032 as summarized by plant account in Section 3.

## **CUSTOMER ADVANCES FOR CONSTRUCTION (CAC)**

An extensive research of records was performed to determine if any customer advances for construction existed. The record research included all Authority documents that were available. Based on this record research, the Authority did not have any customer advances for construction.

## **DEPRECIATION RESERVE**

A theoretical calculated depreciation reserve of the utility plant in service at July 15, 2014 was prepared. The calculated accrued depreciation reserve amounts to \$1,362,705. The calculations were based upon the Straight Line Methodology utilizing appropriate service lives for the specific fixed capital assets by category and condition of the plant at the study date. The results of those calculations and detailed supporting documentation are included in Section 4 of this report.

### **ACCUMULATED AMORTIZATION OF CIAC**

A theoretical calculated accumulated amortization of the contributions in aid of construction at July 15, 2014 was prepared. The calculated accumulated amortization of CIAC amounts to (\$809,173). The calculations were based upon the Straight Line Methodology utilizing appropriate service lives for the specific fixed capital assets by category and condition of the plant at the study date. The results of those calculations and detailed supporting documentation are included in Section 4 of this report.

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014

Acct. No.	Account Title	Original Cost
353.2	Land & Land Rights - Collection	\$43,068.00
353.3	Land & Land Rights - System Pumping	8,249.00
353.4	Land & Land Rights - Treatment & Disposal	1.00
354.3	Structures & Improvements - System Pumping	412,996.32
354.4	Structures & Improvements - Treatment & Disposal	273,262.54
355	Power Generation Equipment	42,265.02
360	Collection Sewers - Force	439,639.42
361	Collection Sewers - Gravity	2,772,743.78
363	Services to Customers	255,703.61
371	Pumping Equipment	143,965.80
380	Treatment & Disposal Equipment	634,674.08
395	Power Operated Equipment	10,000.00
	Total Original Cost	<u>\$5,036,568.57</u>

Pennsylvania-American Water Company, Inc.

Acquisition of the Paint-Elk Joint Sewer Authority

Original Cost at July 31, 2014

Account 353.2 - Land & Land Rights - Collection

Description	Deed Book	Page Number	Dated	Original Cost
Land Rights	204	255	04/05/68	\$1.00
Land Rights	210	1047	11/05/70	1.00
Land Rights	362	1082	12/20/89	1.00
Land Rights	362	1078	12/20/89	1.00
Land Rights	362	1080	12/20/89	1.00
Land Rights	367	311	03/08/90	1.00
Land Rights	238	895	03/08/90	1.00
Land Rights	802	521	03/08/90	1.00
Land Rights	178	65	03/08/90	1.00
Land Rights	350	1323	03/08/90	1.00
Land Rights	350	1406	03/08/90	1.00
Land Rights	350	1253	03/08/90	1.00
Land Rights	350	1275	03/08/90	1.00
Land Rights	350	1305	03/08/90	1.00
Land Rights	350	1276	03/08/90	1.00
Land Rights	391	332	02/18/92	1.00
Land Rights	429	195	10/12/94	1.00
Land Rights	554	183	10/15/98	1.00
Land Rights	554	175	04/08/01	1.00
Land Rights	554	179	04/09/01	1.00
Land Rights	561	520	07/10/01	1.00
Land Rights	561	516	07/11/01	1.00
Land Rights	561	528	07/25/01	1.00
Land Rights	561	524	07/26/01	1.00
Land Rights	561	488	07/27/01	1.00
Land Rights	561	508	08/07/01	1.00
Land Rights	561	504	08/07/01	1.00
Land Rights	561	483	08/09/01	1.00
Land Rights	561	492	08/10/01	1.00
Land Rights	561	496	08/13/01	1.00
Land Rights	561	500	08/27/01	1.00
Land Rights	649	1139	05/24/04	1.00
Land Rights	649	1136	06/02/04	1.00
Land Rights	649	1133	07/01/04	1.00
Land Rights	762	404	08/23/04	1.00
Land Rights	762	398	08/30/04	1.00
Land Rights	762	401	08/30/04	1.00
Land Rights	762	406	03/13/08	1.00
Land Rights	762	392	03/13/08	1.00
Land Rights	762	395	03/13/08	1.00
Land Rights	762	409	03/13/08	1.00
Land Rights	768	376	08/08/08	1.00
Land Rights	774	1035	11/17/08	1.00
Land Rights	796	92	02/28/09	1.00
Land Rights	795	922	04/08/09	1.00
Land Rights	795	1041	04/08/09	1.00
Land Rights	795	1020	04/18/09	1.00
Land Rights	795	1035	04/30/09	1.00
Land Rights	795	919	05/04/09	1.00
Land Rights	795	979	06/08/09	1,000.00
Land Rights	795	958	06/15/09	1.00
Land Rights	795	955	06/28/09	1.00
Land Rights	795	925	07/07/09	1.00
Land Rights	795	1017	07/13/09	1.00
Land Rights	795	934	07/27/09	1,000.00
Land Rights	795	970	07/28/09	1.00
Land Rights	795	937	07/28/09	1.00
Land Rights	795	940	07/28/09	1.00
Land Rights	795	973	07/28/09	1.00
Land Rights	795	967	07/28/09	1.00
Land Rights	795	964	07/28/09	1.00
Land Rights	796	81	08/07/09	1.00

Pennsylvania-American Water Company, Inc.

Acquisition of the Paint-Elk Joint Sewer Authority

Original Cost at July 31, 2014

Account 353.2 - Land & Land Rights - Collection

Description	Deed Book	Page Number	Dated	Original Cost
Land Rights	796	89	08/10/09	\$1.00
Land Rights	795	1044	08/21/09	1.00
Land Rights	795	1011	08/24/09	1.00
Land Rights	795	985	08/24/09	1.00
Land Rights	795	75	08/24/09	1.00
Land Rights	795	1026	08/24/09	1.00
Land Rights	795	1032	08/24/09	1.00
Land Rights	795	931	08/24/09	1.00
Land Rights	795	961	08/24/09	1.00
Land Rights	795	949	08/24/09	1.00
Land Rights	795	946	08/24/09	1.00
Land Rights	795	1029	08/24/09	1.00
Land Rights	795	952	08/24/09	1.00
Land Rights	795	982	08/24/09	1.00
Land Rights	795	928	08/24/09	1.00
Land Rights	795	976	08/24/09	1.00
Land Rights	795	1023	08/24/09	1.00
Land Rights	795	1038	08/24/09	1.00
Land Rights	795	1014	08/24/09	1.00
Land Rights	795	943	08/24/09	1.00
Land Rights	795	916	08/24/09	1.00
Land Rights	796	78	08/24/09	1.00
Land Rights	796	86	08/24/09	1.00
Land Rights	796	84	08/26/09	1.00
Land Rights	796	72	09/16/09	1.00
Land Rights	796	69	09/18/09	1.00
Land Rights	796	66	09/18/09	1.00
Land Rights	805	727	09/21/09	1.00
Land Rights	805	62	10/01/09	1.00
Land Rights	797	794	10/08/09	1.00
Land Rights	797	798	10/08/09	1.00
Land Rights	797	802	10/08/09	1.00
Land Rights	805	724	10/29/09	1.00
Land Rights	NA	NA	07/12/12	1,575.97
Land Rights	NA	NA	07/18/12	1,575.97
Land Rights	NA	NA	10/12/12	1,575.97
Land Rights	NA	NA	10/20/12	1,575.87
Land Rights	NA	NA	10/24/12	1,575.96
Land Rights	NA	NA	10/24/12	1,575.96
Land Rights	NA	NA	10/30/12	1,575.96
Land Rights	NA	NA	11/01/12	1,575.96
Land Rights	NA	NA	01/14/13	1,575.96
Land Rights	NA	NA	02/15/13	1,575.96
Land Rights	NA	NA	03/28/13	1,575.96
Land Rights	NA	NA	04/08/13	1,575.96
Land Rights	NA	NA	04/10/13	1,575.96
Land Rights	NA	NA	04/22/13	1,575.96
Land Rights	NA	NA	05/08/13	1,575.96
Land Rights	NA	NA	05/15/13	1,575.96
Land Rights	NA	NA	08/20/13	1,575.96
Land Rights	NA	NA	06/23/14	1,575.96
Land Rights	NA	NA	07/01/14	1,575.96
Land Rights	NA	NA	07/08/14	1,575.96
Land Rights	NA	NA	07/11/14	1,575.96
Land Rights	NA	NA	07/14/14	1,575.96
Land Rights	NA	NA	07/14/14	1,575.96
Land Rights	NA	NA	07/15/14	1,575.96
Land Rights	NA	NA	07/26/14	1,575.96
Land Rights	NA	NA	07/31/14	1,575.96
Total Account 353.2				\$43,068.00

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014  
Account 353.3 - System Pumping

<u>Description</u>	<u>Deed Book</u>	<u>Page Number</u>	<u>Dated</u>	<u>Original Cost</u>
Land	362	1070	12/20/89	\$1.00
Land	779	618	02/09/09	8,247.00
Land Rights	497	246	07/07/98	1.00
Total Account 353.3				----- \$8,249.00 =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014  
Account 353.4 - Treatment & Disposal

<u>Description</u>	<u>Deed Book</u>	<u>Page Number</u>	<u>Dated</u>	<u>Original Cost</u>
Land	362	1066	12/20/89	\$1.00
Total Account 353.4				----- \$1.00 =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014

Account 354.3 - Structures & Improvements - System Pumping

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Lift Station - Maple Drive	1984	Ea.	1	\$49,026.42
Lift Station - WWTP	1992	Ea.	1	59,631.71
Lift Station - Route 66	1998	Ea.	1	71,515.61
Lift Station - Riverhill	2010	Ea.	1	232,822.58
Total Account 354.3				----- \$412,996.32 =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014

Account 354.4 - Structures & Improvements - Treatment & Disposal

<u>Item</u>	<u>Year</u> <u>Installed</u>	<u>----- Quantity -----</u> <u>Unit</u>	<u>No.</u>	<u>Original</u> <u>Cost</u>
<u>Control Building:</u>				
Concrete block, concrete floor, windows, metal doors, asphalt shingles, electric panels, wiring, controls, electric heater & lighting.	1992	EA	1	\$273,262.54
Total Account 354.4				----- \$273,262.54 =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014  
Account 355 - Power Generation Equipment

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>No.</u>	<u>Original Cost</u>
Kohler Generator w/ Diesel Tank	1992	EA	1	\$42,265.02
Total Account 355				----- \$42,265.02 =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014  
Account 360 - Collection Sewers - Force

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
PVC Pipe, 2"	2010	LF	1,087	\$39,604.12
PVC Pipe, 2 1/2"	2010	LF	2,138	79,060.37
PVC Pipe, 3"	2010	LF	2,108	80,795.65
PVC Pipe, 4"	1998	LF	4,175	97,648.46
PVC Pipe, 6"	2010	LF	2,264	113,180.78
<b>Total Pipe</b>			<b>11,772</b>	<b>\$410,289.38</b>
Valves, 2"	2010	EA	1	\$742.98
Valves, 2 1/2"	2010	EA	8	8,108.42
Valves, 3"	2010	EA	6	5,272.27
Valves, 4"	2010	EA	1	935.86
Valves, 6"	2010	EA	1	1,100.17
Valves, Air Release	1998	EA	3	13,190.34
<b>Total Valves</b>			<b>20</b>	<b>\$29,350.04</b>
<b>Total Account 360</b>				<b>\$439,639.42</b>

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014  
Account 361 - Collection Sewers - Gravity

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
VC Pipe, 4"	1969	LF	255	\$1,499.40
VC Pipe, 8"	1969	LF	29,320	278,833.20
PVC Pipe, 8"	1969	LF	5,505	52,352.55
PVC Pipe, 8"	1984	LF	3,715	95,698.40
PVC Pipe, 8"	1992	LF	5,975	173,440.37
PVC Pipe, 8"	1994	LF	2,587	64,329.91
PVC Pipe, 8"	1995	LF	3,250	115,238.03
PVC Pipe, 8"	1998	LF	4,142	71,745.74
PVC Pipe, 8"	2001	LF	904	31,099.41
PVC Pipe, 8"	2002	LF	1,483	80,792.54
PVC Pipe, 8"	2005	LF	7,269	480,704.47
PVC Pipe, 8"	2008	LF	2,095	88,932.22
PVC Pipe, 8"	2010	LF	4,245	487,985.70
PVC Pipe, 8"	2011	LF	200	13,484.00
PVC Pipe, 8"	2012	LF	705	49,603.80
<b>Total Pipe</b>			<b>71,650</b>	<b>\$2,085,739.74</b>
Manholes	1969	EA	122	\$63,121.58
Manholes	1984	EA	15	23,670.45
Manholes	1992	EA	20	50,453.68
Manholes	1994	EA	13	15,917.43
Manholes	1995	EA	10	20,065.49
Manholes	1998	EA	13	28,494.31
Manholes	2002	EA	9	23,101.65
Manholes	2005	EA	49	161,744.68
Manholes	2008	EA	14	105,734.92
Manholes	2010	EA	34	133,901.03
Manholes	2011	EA	1	4,190.84
Manholes	2012	EA	2	8,886.14
<b>Total Manholes</b>			<b>302</b>	<b>\$639,282.20</b>
Valves, Air Release	2010	EA	10	\$47,721.84
<b>Total Account 361</b>				<b>\$2,772,743.78</b>

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014  
Account 363 - Services to Customers

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Services	1969	EA	61	\$6,837.49
Services	1970	EA	4	491.96
Services	1971	EA	4	554.24
Services	1972	EA	4	597.84
Services	1973	EA	4	622.76
Services	1974	EA	4	716.16
Services	1975	EA	4	765.96
Services	1976	EA	4	809.56
Services	1977	EA	4	865.60
Services	1978	EA	4	903.00
Services	1979	EA	4	996.40
Services	1980	EA	4	1,089.80
Services	1981	EA	4	1,145.84
Services	1982	EA	4	1,233.04
Services	1983	EA	4	1,289.08
Services	1984	EA	20	6,694.60
Services	1985	EA	4	1,376.28
Services	1986	EA	4	1,407.40
Services	1987	EA	4	1,432.32
Services	1988	EA	5	1,907.15
Services	1989	EA	5	2,008.35
Services	1990	EA	5	2,039.50
Services	1991	EA	5	2,117.35
Services	1992	EA	4	3,284.03
Services	1993	EA	5	2,273.00
Services	1994	EA	30	31,295.66
Services	1995	EA	3	2,571.99
Services	1996	EA	5	2,498.75
Services	1997	EA	5	2,514.35
Services	1998	EA	20	1,598.83
Services	1999	EA	10	5,199.90
Services	2000	EA	10	5,417.90
Services	2001	EA	4	8,420.09
Services	2002	EA	15	3,493.86
Services	2003	EA	10	5,729.30
Services	2004	EA	10	6,040.60
Services	2005	EA	31	38,228.62
Services	2006	EA	10	7,068.20
Services	2007	EA	10	7,550.80
Services	2008	EA	18	16,831.88
Services	2009	EA	10	8,360.40
Services	2010	EA	57	49,251.18
Services	2011	EA	2	1,793.50
Services	2012	EA	9	8,379.09
Total Account 363			447	\$255,703.61

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014  
Account 371 - Pumping Equipment

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>No.</u>	<u>Original Cost</u>
Grinder Pumps & Pits	2010	EA	44	\$143,965.80
Total Account 371				<u>\$143,965.80</u> =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014

Account 380 - Treatment & Disposal Equipment

Item	Year Installed	Quantity Unit	No.	Original Cost
Headworks & 4 Lagoons	1992	Lot		\$464,521.65
Chlorine Contact Tank	1992	Ea.	1	102,342.31
Channel Grinder	1992	Ea.	1	13,160.91
Aerating Mixers	1992	Ea.	11	54,649.21
Total Account 380				<u>\$634,674.08</u> =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014  
Account 395 - Power Operated Equipment

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Jetter	1992	EA	1	\$10,000.00
Total Account 395				----- \$10,000.00 =====

# **Section 3**

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

**Account 271 - Contributions in Aid of Construction  
at July 31, 2014**

<b>Acct. No.</b>	<b>Account Title</b>	<b>Original Cost</b>
354.3	Structures & Improvements - System Pumping	\$131,147.32
354.4	Structures & Improvements - Treatment & Disposal	273,262.54
355	Power Generation Equipment	42,265.02
360	Collection Sewers - Force	110,838.80
361	Collection Sewers - Gravity	971,136.26
363	Services to Customers	68,708.11
380	Treatment & Disposal Equipment	634,674.08
395	Power Operated Equipment	10,000.00
	<b>Total Original Cost</b>	<b>\$2,242,032.13</b> =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

**Account 271 - Contributions in Aid of Construction**

Original Cost at July 31, 2014

Account 354.3 - Structures & Improvements - System Pumping

Item	Year Installed	Quantity		Original Cost
		Unit	No.	
Lift Station - WWTP	1992	Ea.	1	\$59,631.71
Lift Station - Route 66	1998	Ea.	1	71,515.61
Total Account 354.3				<u>\$131,147.32</u> =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

**Account 271 - Contributions in Aid of Construction**

Original Cost at July 31, 2014

Account 354.4 - Structures & Improvements - Treatment & Disposal

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>No.</u>	<u>Original Cost</u>
<u>Control Building:</u> Concrete block, concrete floor, windows, metal doors, asphalt shingles, electric panels, wiring, controls, electric heater & lighting.	1992	EA	1	\$273,262.54
Total Account 354.4				<u>\$273,262.54</u> =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

**Account 271 - Contributions in Aid of Construction**

Original Cost at July 31, 2014

Account 355 - Power Generation Equipment

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>No.</u>	<u>Original Cost</u>
Kohler Generator w/ Diesel Tank	1992	EA	1	\$42,265.02
Total Account 355				<u>\$42,265.02</u> =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

**Account 271 - Contributions in Aid of Construction**

Original Cost at July 31, 2014

Account 360 - Collection Sewers - Force

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>No.</u>	<u>Original Cost</u>
PVC Pipe, 4"	1998	LF	4,175	\$97,648.46
Valves, Air Release	1998	EA	3	13,190.34
				-----
Total Account 360				\$110,838.80
				=====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

**Account 271 - Contributions in Aid of Construction**

Original Cost at July 31, 2014

Account 361 - Collection Sewers - Gravity

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
PVC Pipe, 8"	1984	LF	3,715	\$95,698.40
PVC Pipe, 8"	1992	LF	4,598	147,819.94
PVC Pipe, 8"	1994	LF	1,117	27,786.91
PVC Pipe, 8"	1995	LF	2,300	81,121.00
PVC Pipe, 8"	1998	LF	3,612	51,955.54
PVC Pipe, 8"	2005	LF	3,789	224,702.24
PVC Pipe, 8"	2008	LF	1,495	48,996.22
PVC Pipe, 8"	2012	LF	705	49,603.80
<b>Total Pipe</b>			<b>21,331</b>	<b>\$727,684.05</b>
<b>Manholes</b>	<b>1984</b>	<b>EA</b>	<b>15</b>	<b>\$23,670.45</b>
<b>Manholes</b>	<b>1992</b>	<b>EA</b>	<b>20</b>	<b>50,453.68</b>
<b>Manholes</b>	<b>1994</b>	<b>EA</b>	<b>13</b>	<b>15,917.43</b>
<b>Manholes</b>	<b>1995</b>	<b>EA</b>	<b>6</b>	<b>12,882.96</b>
<b>Manholes</b>	<b>1998</b>	<b>EA</b>	<b>11</b>	<b>23,902.49</b>
<b>Manholes</b>	<b>2005</b>	<b>EA</b>	<b>30</b>	<b>95,366.24</b>
<b>Manholes</b>	<b>2008</b>	<b>EA</b>	<b>2</b>	<b>12,372.82</b>
<b>Manholes</b>	<b>2012</b>	<b>EA</b>	<b>2</b>	<b>8,886.14</b>
<b>Total Manholes</b>			<b>99</b>	<b>\$243,452.21</b>
<b>Total Account 361</b>				<b>\$971,136.26</b>

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

**Account 271 - Contributions in Aid of Construction**

Original Cost at July 31, 2014

Account 363 - Services to Customers

Item	Year Installed	----- Quantity ----- Unit	----- No.	Original Cost
Services	1984	EA	20	\$6,694.60
Services	1992	EA	4	3,284.03
Services	1994	EA	30	31,295.66
Services	1995	EA	2	955.92
Services	1998	EA	20	1,598.83
Services	2005	EA	31	2,869.02
Services	2008	EA	18	13,630.96
Services	2012	EA	9	8,379.09
 Total Account 363			134	\$68,708.11

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Original Cost at July 31, 2014  
Account 380 - Treatment & Disposal Equipment

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>No.</u>	<u>Original Cost</u>
Headworks & 4 Lagoons	1992	Lot		\$464,521.65
Chlorine Contact Tank	1992	Ea.	1	102,342.31
Channel Grinder	1992	Ea.	1	13,160.91
Aerating Mixers	1992	Ea.	11	54,649.21
Total Account 380				<u>\$634,674.08</u> =====

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

**Account 271 - Contributions in Aid of Construction**

Original Cost at July 31, 2014

Account 395 - Power Operated Equipment

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>----- No.</u>	<u>Original Cost</u>
Jetter	1992	EA	1	\$10,000.00
Total Account 395				----- \$10,000.00 =====

# Section 4

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Summary of Original Cost, Calculated Depreciation Reserve  
and Depreciated Original Cost as of July 31, 2014  
Based Upon Whole Life Depreciation

Acct. No.	Description	Year Installed	Original Cost at 7/31/14	Service Life	Calculated Depreciation Reserve 7/31/14	Depreciated Original Cost at 7/31/14
<b>Non-Depreciable Plant:</b>						
353.2	Land & Land Rights - Collection	Various	\$43,068.00		\$0.00	\$43,068.00
353.3	Land & Land Rights - System Pumping	Various	8,249.00		0.00	8,249.00
353.4	Land & Land Rights - Treatment & Disposal	1989	1.00		0.00	1.00
Total Non-Depreciable Plant			\$51,318.00		\$0.00	\$51,318.00
<b>Depreciable Plant:</b>						
354.3	Structures & Improvements - System Pumping	1984	\$49,026.42	40	\$36,871.95	\$12,154.47
354.3	Structures & Improvements - System Pumping	1992	59,631.71	40	32,921.67	26,710.04
354.3	Structures & Improvements - System Pumping	1998	71,515.61	40	28,755.23	42,760.38
354.3	Structures & Improvements - System Pumping	2010	232,822.58	40	23,767.30	209,055.28
Total Account 354.3			\$412,996.32		\$122,316.15	\$290,680.17
354.4	Structures & Improvements - Treatment & Disposal	1992	\$273,262.54	65	\$92,839.19	\$180,423.35
355	Power Generation Equipment	1992	\$42,265.02	30	\$31,111.75	\$11,153.27
360	Collection Sewers - Force:					
	Plastic Pipe, 4" & Under	1998	\$97,648.46	70	\$22,435.90	\$75,212.56
	Plastic Pipe, 4" & Under	2010	199,460.14	70	11,635.17	187,824.97
	Plastic Pipe, 6"	2010	113,180.78	70	6,602.21	106,578.57
	Valves, 4" & Under	2010	15,059.53	70	878.47	14,181.06
	Valves, 6"	2010	1,100.17	70	64.18	1,035.99
	Valves, Air Release	1998	13,190.34	70	3,030.64	10,159.70
Total Account 360			\$439,639.42		\$44,646.57	\$394,992.85
361	Collection Sewers - Gravity:					
	VC Pipe, 4" & Under	1969	\$1,499.40	70	\$965.68	\$533.72
	VC Pipe, 8"	1969	278,833.20	70	179,581.86	99,251.34
	Plastic Pipe, 8"	1969	52,352.55	70	33,717.53	18,635.02
	Plastic Pipe, 8"	1984	95,698.40	70	41,127.53	54,570.87
	Plastic Pipe, 8"	1992	173,440.37	70	54,716.31	118,724.06
	Plastic Pipe, 8"	1994	64,329.91	70	18,456.56	45,873.35
	Plastic Pipe, 8"	1995	115,238.03	70	31,416.08	83,821.95
	Plastic Pipe, 8"	1998	71,745.74	70	16,484.44	55,261.30
	Plastic Pipe, 8"	2001	31,099.41	70	5,812.63	25,286.78
	Plastic Pipe, 8"	2002	80,792.54	70	13,948.33	66,844.21
	Plastic Pipe, 8"	2005	480,704.47	70	62,377.13	418,327.34
	Plastic Pipe, 8"	2008	88,932.22	70	7,728.63	81,203.59
	Plastic Pipe, 8"	2010	487,985.70	70	28,465.83	459,519.87
	Plastic Pipe, 8"	2011	13,484.00	70	593.94	12,890.06
	Plastic Pipe, 8"	2012	49,603.80	70	1,476.30	48,127.50
	Manholes	1969	63,121.58	70	40,653.30	22,468.28
	Manholes	1984	23,670.45	70	10,172.66	13,497.79
	Manholes	1992	50,453.68	70	15,916.93	34,536.75
	Manholes	1994	15,917.43	70	4,566.79	11,350.64
	Manholes	1995	20,065.49	70	5,470.23	14,595.26
	Manholes	1998	28,494.31	70	6,546.91	21,947.40
	Manholes	2002	23,101.65	70	3,987.78	19,113.87
	Manholes	2005	161,744.68	70	20,988.30	140,756.38
	Manholes	2008	105,734.92	70	9,188.87	96,546.05
	Manholes	2010	133,901.03	70	7,810.89	126,090.14
	Manholes	2011	4,190.84	70	184.60	4,006.24
	Manholes	2012	8,886.14	70	264.47	8,621.67
	Valves, Air Release	2010	47,721.84	70	2,783.77	44,938.07
Total Account 361			\$2,772,743.78		\$625,402.28	\$2,147,341.50

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Summary of Original Cost, Calculated Depreciation Reserve  
and Depreciated Original Cost as of July 31, 2014  
Based Upon Whole Life Depreciation

Acct. No.	Description	Year Installed	Original Cost at 7/31/14	Service Life	Calculated Depreciation Reserve 7/31/14	Depreciated Original Cost at 7/31/14
363	Services	1969	\$6,837.49	55	\$5,604.67	\$1,232.82
363	Services	1970	491.96	55	394.31	97.65
363	Services	1971	554.24	55	434.15	120.09
363	Services	1972	597.84	55	457.44	140.40
363	Services	1973	622.76	55	465.18	157.58
363	Services	1974	716.16	55	521.93	194.23
363	Services	1975	765.96	55	544.30	221.66
363	Services	1976	809.56	55	560.56	249.00
363	Services	1977	865.60	55	583.62	281.98
363	Services	1978	903.00	55	592.42	310.58
363	Services	1979	996.40	55	635.58	360.82
363	Services	1980	1,089.80	55	675.35	414.45
363	Services	1981	1,145.84	55	689.24	456.60
363	Services	1982	1,233.04	55	719.27	513.77
363	Services	1983	1,289.08	55	728.53	560.55
363	Services	1984	6,694.60	55	3,661.74	3,032.86
363	Services	1985	1,376.28	55	727.76	648.52
363	Services	1986	1,407.40	55	718.63	688.77
363	Services	1987	1,432.32	55	705.31	727.01
363	Services	1988	1,907.15	55	904.45	1,002.70
363	Services	1989	2,008.35	55	915.93	1,092.42
363	Services	1990	2,039.50	55	893.05	1,146.45
363	Services	1991	2,117.35	55	888.65	1,228.70
363	Services	1992	3,284.03	55	1,318.59	1,965.44
363	Services	1993	2,273.00	55	871.32	1,401.68
363	Services	1994	31,295.66	55	11,427.66	19,868.00
363	Services	1995	2,571.99	55	892.40	1,679.59
363	Services	1996	2,498.75	55	821.56	1,677.19
363	Services	1997	2,514.35	55	780.97	1,733.38
363	Services	1998	1,598.83	55	467.54	1,131.29
363	Services	1999	5,199.90	55	1,426.03	3,773.87
363	Services	2000	5,417.90	55	1,387.31	4,030.59
363	Services	2001	8,420.09	55	2,002.96	6,417.13
363	Services	2002	3,493.86	55	767.59	2,726.27
363	Services	2003	5,729.30	55	1,154.54	4,574.76
363	Services	2004	6,040.60	55	1,107.44	4,933.16
363	Services	2005	38,228.62	55	6,313.51	31,915.11
363	Services	2006	7,068.20	55	1,038.81	6,029.39
363	Services	2007	7,550.80	55	972.45	6,578.35
363	Services	2008	16,831.88	55	1,861.71	14,970.17
363	Services	2009	8,380.40	55	772.70	7,587.70
363	Services	2010	49,251.18	55	3,656.53	45,594.65
363	Services	2011	1,793.50	55	100.54	1,692.96
363	Services	2012	8,379.09	55	317.39	8,061.70
	Total Account 363		\$255,703.61		\$62,481.62	\$193,221.99
371	Pumping Equipment	2010	143,965.80	25	23,514.41	120,451.39
380	Treatment & Disposal Equipment	1992	634,674.08	40	350,392.98	284,281.10
395	Power Operated Equipment	1992	10,000.00	20	10,000.00	0.00
	Total Depreciable Plant		\$4,985,250.57		\$1,362,704.95	\$3,622,545.62
	Total Plant in Service		\$5,036,568.57		\$1,362,704.95	\$3,673,863.62

**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Paint-Elk Joint Sewer Authority*

Summary of Original Cost, Calculated Depreciation Reserve  
and Depreciated Original Cost as of July 31, 2014  
Based Upon Whole Life Depreciation

Acct. No.	Description	Year Installed	Original Cost at 7/31/14	Service Life	Calculated Depreciation Reserve 7/31/14	Depreciated Original Cost at 7/31/14
<u>Deduct: Contributions In Aid of Construction:</u>						
354.3	Structures & Improvements - System Pumping	1992	(\$69,631.71)	40	(\$32,921.67)	(\$26,710.04)
354.3	Structures & Improvements - System Pumping	1998	(71,515.61)	40	(28,755.23)	(42,760.38)
	Total Account 354.3		(\$131,147.32)		(\$61,676.90)	(\$69,470.42)
354.4	Structures & Improvements - Treatment & Disposal	1992	(\$273,262.54)	65	(\$92,839.19)	(\$180,423.35)
355	Power Generation Equipment	1992	(\$42,265.02)	30	(\$31,111.75)	(\$11,153.27)
360	Collection Sewers - Force:					
	Plastic Pipe, 4" & Under	1998	(\$97,648.46)	70	(\$22,435.90)	(\$75,212.56)
	Valves, Air Release	1998	(13,190.34)	70	(3,030.64)	(10,159.70)
	Total Account 360		(\$110,838.80)		(\$25,466.54)	(\$85,372.26)
361	Collection Sewers - Gravity:					
	Plastic Pipe, 8"	1984	(95,698.40)	70	(41,127.53)	(54,570.87)
	Plastic Pipe, 8"	1992	(147,819.94)	70	(46,633.67)	(101,186.27)
	Plastic Pipe, 8"	1994	(27,786.91)	70	(7,972.20)	(19,814.71)
	Plastic Pipe, 8"	1995	(81,121.00)	70	(22,115.13)	(59,005.87)
	Plastic Pipe, 8"	1998	(51,955.54)	70	(11,937.40)	(40,018.14)
	Plastic Pipe, 8"	2005	(224,702.24)	70	(29,157.79)	(195,544.45)
	Plastic Pipe, 8"	2008	(48,996.22)	70	(4,258.00)	(44,738.22)
	Plastic Pipe, 8"	2012	(49,603.80)	70	(1,476.30)	(48,127.50)
	Manholes	1984	(23,670.45)	70	(10,172.66)	(13,497.79)
	Manholes	1992	(50,453.68)	70	(15,916.93)	(34,536.75)
	Manholes	1994	(15,917.43)	70	(4,566.79)	(11,350.64)
	Manholes	1995	(12,882.96)	70	(3,512.14)	(9,370.82)
	Manholes	1998	(23,902.49)	70	(5,491.88)	(18,410.61)
	Manholes	2005	(95,366.24)	70	(12,374.90)	(82,991.34)
	Manholes	2008	(12,372.82)	70	(1,075.26)	(11,297.56)
	Manholes	2011	(8,886.14)	70	(391.41)	(8,494.73)
	Total Account 361		(\$971,136.26)		(\$218,179.99)	(\$752,956.27)
363	Services	1984	(\$6,694.60)	55	(\$3,661.74)	(\$3,032.86)
363	Services	1992	(3,284.03)	55	(1,318.59)	(1,965.44)
363	Services	1994	(31,295.66)	55	(11,427.66)	(19,868.00)
363	Services	1995	(955.92)	55	(331.68)	(624.24)
363	Services	1998	(1,598.83)	55	(467.54)	(1,131.29)
363	Services	2005	(2,869.02)	55	(473.82)	(2,395.20)
363	Services	2008	(13,630.96)	55	(1,507.67)	(12,123.29)
363	Services	2012	(8,379.09)	55	(317.39)	(8,061.70)
	Total Account 363		(\$68,708.11)		(\$19,506.09)	(\$49,202.02)
380	Treatment & Disposal Equipment	1992	(634,674.08)	40	(350,392.98)	(284,281.10)
395	Power Operated Equipment	1992	(10,000.00)	20	(10,000.00)	0.00
	Total Contributions In Aid of Construction		(\$2,242,032.13)		(\$809,173.44)	(\$1,432,858.69)
	Total Plant In Service (Net)		\$2,794,536.44		\$553,531.51	\$2,241,004.93



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Ms. Rosemary Chiavetta, Secretary  
Commonwealth of Pennsylvania  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
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Harrisburg, PA 17120