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September 2, 2015

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

Re: Application of Pennsylvania-American Water Company-Wastewater Division (PAWC-WD) for approval of: (1) the transfer, by sale, of substantially all of Shippenville Borough properties and rights related to its wastewater system to PAWC-WD, and (2) the rights of PAWC-WD to begin to offer or furnish wastewater service to the public in Shippenville Borough and an additional portion of Elk Township, Clarion County, Pennsylvania.  
A-2014-2441953

Dear Secretary Chiavetta:

As directed in Paragraph 4 of the Commission's Order entered March 11, 2015, enclosed please find the Original Cost Study of the Shippenville Borough's wastewater assets. Also pursuant to that Order, a copy is being provided to the Bureau of Technical Utility Services.

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

Sincerely,

  
Susan Simms Marsh

bnh

cc: Bureau of Technical Utility Services w/Enc.

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

*Acquisition of the  
Shipperville Borough Sewer System*

Original Cost of Wastewater Utility Plant  
And Depreciation Reserve Calculations  
at August 4, 2015

By

Scott D. Fogelsanger  
Senior Manager - Business Development

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852 Wesley Drive  
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September 2015



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

**Acquisition of the**

**Shippenville Borough - Sewer System**

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**Acquisition of the**  
**Shippenville Borough - Sewer System**  
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# Section 1

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

## **Acquisition of the Shippenville Borough - Sewer System**

### **BACKGROUND**

Shippenville Borough (the "Borough") makes wastewater service available to approximately 230 customers located in Shippenville Borough, Clarion County. The Borough has continued to grow and expand over the years.

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

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

The Borough's assets to be acquired consist of facilities for the collection and treatment of wastewater flows from its customers. The Borough's collection system consists of approximately 20,798 linear feet consisting mostly of 6" and 8" pipe, manholes, and 1 pump station. Customer service lines, which run from the Borough's mains to the curb line, consist of pipe and cleanouts. The Borough's wastewater treatment facility is a lagoon-type system.

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

The study of the original cost of the Borough'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 Borough.

Second, the original cost of the inventoried property was determined based on a review of the Borough's books of account, construction records, and other sources. For the most part, the Borough'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 August 4, 2015.

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 Borough's plant in service as of August 4, 2015 was prepared. One of the principal source documents for the inventory was the "as built" maps of the Borough'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, footages 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 manholes.

Based upon data obtained from Borough 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 facility 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 - Pumping
- 353.4 Land & Land Rights - Treatment & Disposal

Depreciable Plant:

- 354.3 Structures & Improvements - Pumping
- 354.4 Structures & Improvements - Treatment & Disposal
- 360 Collection Sewers - Force
- 361 Collection Sewers - Gravity
- 363 Services to Customers
- 364 Flow Measuring Devices
- 371 Pumping Equipment
- 380 Treatment & Disposal Equipment
- 381 Plant Sewers

**ORIGINAL COST ANALYSIS**

The goal of the original cost analysis was to ascertain the original cost of the Borough'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 Borough's property by account. The

original cost determinations for Account 360 (Collection Mains - Force), Account 361 (Collection Mains - Gravity), and Account 363 (Services to Customers) are explained as follows:

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

An original cost of mains and accessories was determinable from available records for the Borough's collection system and other source documents. The Borough 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 August 4, 2015 for the Borough's collection mains – pressure, collection mains - gravity, and customer services as established by the original cost study total \$53,266; \$797,478; and \$11,487, respectively.

**SUMMARY OF ORIGINAL COST**

The results of the original cost study established that the original cost of the Borough's utility plant in service is not less than \$1,472,374 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 Borough documents that were available. Based on this record research, the Borough did receive contributions in aid of construction in the amount of \$686,063.

### **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 Borough documents that were available. Based on this record research, the Borough did not have any customer advances for construction.

### **DEPRECIATION RESERVE**

A theoretical calculated depreciation reserve of the utility plant in service at August 4, 2015 was prepared. The calculated accrued depreciation reserve amounts to \$674,925. 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 3 of this report.

### **ACCUMULATED AMORTIZATION OF CIAC**

A theoretical calculated accumulated amortization of the contributions in aid of construction at August 4, 2015 was prepared. The calculated accumulated amortization of CIAC amounts to (\$385,817). 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 3 of this report.

# Section 2

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

*Acquisition of the Shippenville Borough's Sewer System*

Original Cost at August 4, 2015

Acct. No.	Account Title	Original Cost
353.2	Land & Land Rights - Collection	\$30,270.93
353.3	Land & Land Rights - Pumping	242.07
353.4	Land & Land Rights - Treatment & Disposal	2.00
354.3	Structures & Improvements - Pumping Plant	33,497.08
354.4	Structures & Improvements - Treatment & Disposal	123,653.86
360	Collection Sewers - Force	53,265.99
361	Collection Sewers - Gravity	797,477.85
363	Services to Customers	11,486.78
364	Flow Measuring Devices	4,249.82
371	Pumping Equipment	19,390.88
380	Treatment & Disposal Equipment	368,644.58
381	Plant Sewers	30,192.33
	Total Original Cost	<u><u>\$1,472,374.17</u></u>

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

*Acquisition of the Shipperville Borough's Sewer System*

Original Cost at August 4, 2015  
Account 353.2 - Land & Land Rights - Collection

	Deed Book	Page Numbers	Date	Original Cost
Land Rights - Mains	332	17	7/17/1987	\$242.06
Land Rights - Mains	332	13	7/9/1987	242.06
Land Rights - Mains	332	9	1/14/1987	242.06
Land Rights - Mains	332	708	7/28/1987	242.06
Land Rights - Mains	332	999	8/4/1987	242.06
Land Rights - Mains	352	80	8/18/1988	242.06
Land Rights - Mains	332	5	3/12/1987	242.06
Land Rights - Mains	335	773	5/12/1987	242.06
Land Rights - Mains	332	1	3/12/1987	242.06
Land Rights - Mains	331	1,195	7/17/1987	242.06
Land Rights - Mains	369	755	7/5/1990	242.06
Land Rights - Mains	332	776	7/24/1987	242.06
Land Rights - Mains	331	1,191	2/3/1987	242.06
Land Rights - Mains	332	991	8/4/1987	242.06
Land Rights - Mains	332	995	8/4/1987	242.06
Land Rights - Mains	331	1,187	2/3/1987	242.06
Land Rights - Mains	336	742	10/26/1987	242.06
Land Rights - Mains	332	77	2/3/1987	242.06
Land Rights - Mains	332	81	2/3/1987	242.06
Land Rights - Mains	332	85	7/17/1987	242.06
Land Rights - Mains	332	89	2/3/1987	242.06
Land Rights - Mains	332	93	2/13/1987	242.06
Land Rights - Mains	332	97	2/13/1987	242.06
Land Rights - Mains	341	518	4/22/1988	242.06
Land Rights - Mains	341	514	4/22/1988	242.06
Land Rights - Mains	341	510	4/22/1988	242.06
Land Rights - Mains	341	506	4/22/1988	242.06
Land Rights - Mains	336	310	11/3/1987	242.06
Land Rights - Mains	336	314	11/3/1987	242.06
Land Rights - Mains	332	117	2/13/1987	242.06
Land Rights - Mains	333	760	2/10/1987	242.06
Land Rights - Mains	332	121	2/13/1987	242.06
Land Rights - Mains	335	777	9/28/1987	242.06
Land Rights - Mains	332	125	2/3/1987	242.06
Land Rights - Mains	335	1,178	10/26/1987	242.06
Land Rights - Mains	332	129	2/13/1987	242.06
Land Rights - Mains	332	133	7/10/1987	242.06
Land Rights - Mains	332	137	7/17/1987	242.06
Land Rights - Mains	332	141	2/13/1987	242.06
Land Rights - Mains	336	1,122	11/30/1987	242.06
Land Rights - Mains	332	145	2/3/1987	242.06
Land Rights - Mains	332	149	3/12/1987	242.06
Land Rights - Mains	332	153	2/13/1987	242.06
Land Rights - Mains	332	157	7/23/1987	242.06
Land Rights - Mains	332	189	3/4/1987	242.06
Land Rights - Mains	332	185	2/11/1987	242.06
Land Rights - Mains	332	181	2/7/1987	242.06
Land Rights - Mains	332	177	1/14/1987	242.06

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

*Acquisition of the Shipperville Borough's Sewer System*

Original Cost at August 4, 2015  
Account 353.2 - Land & Land Rights - Collection

	Deed Book	Page Numbers	Date	Original Cost
Land Rights - Mains	332	173	1/14/1987	242.06
Land Rights - Mains	332	169	1/14/1987	242.06
Land Rights - Mains	332	165	1/14/1987	242.06
Land Rights - Mains	332	161	3/3/1987	242.06
Land Rights - Mains	332	310	5/4/1987	242.06
Land Rights - Mains	369	743	7/5/1990	242.06
Land Rights - Mains	332	704	5/4/1987	242.06
Land Rights - Mains	332	318	5/4/1987	242.06
Land Rights - Mains	332	322	2/23/1987	242.06
Land Rights - Mains	332	326	2/21/1987	242.06
Land Rights - Mains	332	330	7/9/1987	242.06
Land Rights - Mains	336	730	11/12/1987	242.06
Land Rights - Mains	332	334	2/11/1987	242.06
Land Rights - Mains	332	338	2/12/1987	242.06
Land Rights - Mains	332	342	3/17/1987	242.06
Land Rights - Mains	332	712	7/27/1987	242.06
Land Rights - Mains	332	346	2/11/1987	242.06
Land Rights - Mains	332	350	2/11/1987	242.06
Land Rights - Mains	332	700	7/28/1987	242.06
Land Rights - Mains	336	738	9/28/1987	242.06
Land Rights - Mains	336	734	11/10/1987	242.06
Land Rights - Mains	337	107	12/2/1987	242.06
Land Rights - Mains	332	238	1/19/1987	242.06
Land Rights - Mains	332	242	2/12/1987	242.06
Land Rights - Mains	332	246	2/11/1987	242.06
Land Rights - Mains	332	250	2/12/1987	242.06
Land Rights - Mains	332	254	2/4/1987	242.06
Land Rights - Mains	332	725	7/28/1987	242.06
Land Rights - Mains	332	258	2/4/1987	242.06
Land Rights - Mains	335	1,170	10/26/1987	242.06
Land Rights - Mains	335	1,174	10/23/1987	242.06
Land Rights - Mains	332	266	1/14/1987	242.06
Land Rights - Mains	332	270	2/2/1987	242.06
Land Rights - Mains	337	102	12/2/1987	242.06
Land Rights - Mains	332	274	1/23/1987	242.07
Land Rights - Mains	332	278	1/14/1987	242.07
Land Rights - Mains	332	282	1/23/1987	242.07
Land Rights - Mains	338	599	1/26/1988	242.07
Land Rights - Mains	370	374	8/29/1988	242.07
Land Rights - Mains	332	286	5/13/1987	242.07
Land Rights - Mains	332	290	2/16/1987	242.07
Land Rights - Mains	335	769	10/20/1987	242.07
Land Rights - Mains	332	294	2/16/1987	242.07
Land Rights - Mains	332	298	2/3/1987	242.07
Land Rights - Mains	332	302	2/3/1987	242.07
Land Rights - Mains	332	306	2/3/1987	242.07
Land Rights - Mains	341	760	4/27/1988	242.07
Land Rights - Mains	338	340	1/5/1988	242.07

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

*Acquisition of the Shippenville Borough's Sewer System*

Original Cost at August 4, 2015  
Account 353.2 - Land & Land Rights - Collection

	Deed Book	Page Numbers	Date	Original Cost
Land Rights - Mains	341	502	4/22/1988	242.07
Land Rights - Mains	335	781	9/10/1987	242.07
Land Rights - Mains	332	210	2/9/1987	242.07
Land Rights - Mains	332	214	2/10/1987	242.07
Land Rights - Mains	332	218	2/9/1987	242.07
Land Rights - Mains	332	222	1/14/1987	242.07
Land Rights - Mains	335	1,186	10/24/1987	242.07
Land Rights - Mains	336	318	10/31/1987	242.07
Land Rights - Mains	332	226	2/9/1987	242.07
Land Rights - Mains	332	230	3/12/1987	242.07
Land Rights - Mains	332	234	3/12/1987	242.07
Land Rights - Mains	332	69	3/3/1987	242.07
Land Rights - Mains	332	65	2/3/1987	242.07
Land Rights - Mains	337	112	12/3/1987	242.07
Land Rights - Mains	336	1,118	11/30/1987	242.07
Land Rights - Mains	336	322	11/2/1987	242.07
Land Rights - Mains	335	954	9/28/1987	242.07
Land Rights - Mains	332	57	7/17/1987	242.07
Land Rights - Mains	332	717	7/28/1987	242.07
Land Rights - Mains	338	332	1/11/1988	242.07
Land Rights - Mains	332	721	7/10/1987	242.07
Land Rights - Mains	338	344	1/5/1988	242.07
Land Rights - Mains	338	336	1/6/1988	242.07
Land Rights - Mains	332	49	2/3/1987	242.07
Land Rights - Mains	332	45	2/3/1987	242.07
Land Rights - Mains	335	1,182	10/26/1987	242.07
Land Rights - Mains	332	41	2/3/1987	242.07
Land Rights - Mains	332	37	3/3/1987	242.07
Land Rights - Mains	332	33	2/10/1987	242.07
Kimblin A. Hansen	Instr.# 2015-003039		8/3/2015	1.00
Kendra & John Schreffler	Instr.# 2015-003040		7/20/2015	1.00
Robert & Rose Schreckengost	Instr.# 2015-003041		7/15/2015	1.00
Eric H. Sterner	Instr.# 2015-003042		7/20/2015	1.00
Daryl & Lela Lauffer	Instr.# 2015-003043		7/20/2015	1.00
Tanya L. Rennard	Instr.# 2015-003044		7/30/2015	1.00
Michael & Brenda Lavan	Instr.# 2015-003045		7/30/2015	1.00
Rodney & Staci Hannold	Instr.# 2015-003046		7/30/2015	1.00
Rose M. Lowman			7/15/2015	1.00
Kathleen R. Glosser Et al			7/15/2015	1.00
Denis Alan Neely et ux			7/22/2015	1.00
Daniel R. Space et ux	Instr.# 2015-003047		7/16/2015	1.00
David & Linda Duffee	Instr.# 2015-003048		7/16/2015	1.00
Total Account 353.2				----- \$30,270.93 =====

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

*Acquisition of the Shippenville Borough's Sewer System*

Original Cost at August 4, 2015

Account 353.3 - Land & Land Rights - Pumping

	Deed Book	Page Numbers	Date	Original Cost
Land Rights - Lift Station	554	1,103	5/23/2001	\$242.07
Total Account 353.3				----- \$242.07 =====

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

*Acquisition of the Shippenville Borough's Sewer System*

Original Cost at August 4, 2015

Account 353.4 - Land & Land Rights - Treatment & Disposal

Description	Deed Book	Page Numbers	Date	Original Cost
Land	629	32	11/26/2003	\$1.00
Land	629	32	11/26/2003	1.00
Total Account 353.4				----- \$2.00 =====

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

*Acquisition of the Shippenville Borough's Sewer System*

Original Cost at August 4, 2015

Account 354.3 - Structures & Improvements - Pumping Plant

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Pumping Station & Valve Vault @ WWTP	1988	Ea.	1	\$19,068.85
Lift Station	1988	Ea.	1	14,428.23
Total Account 354.3				----- \$33,497.08 =====

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

*Acquisition of the Shipperville Borough's Sewer System*

Original Cost at August 4, 2015

Account 354.4 - Structures & Improvements - Treatment & Disposal

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Control Building	1988	Ea.	1	\$110,996.91
Fence	1988	Lot		6,356.28
Driveway	1988	Lot		4,042.60
Guard Rail	1988	Lot		2,258.07
Total Account 354.4				----- \$123,653.86 =====

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

*Acquisition of the Shippenville Borough's Sewer System*

Original Cost at August 4, 2015  
Account 360 - Collection Sewers - Force

Item	Year Installed	----- Quantity Unit	----- No.	Original Cost
Force Pipe	1988	LF	1,080	\$53,265.99
Total Account 360				=====

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

*Acquisition of the Shippenville Borough's Sewer System*

Original Cost at August 4, 2015  
Account 361 - Collection Sewers - Gravity

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Pipe, 6"	1988	LF	11,499	\$378,052.52
Pipe, 8"	1988	LF	8,219	292,028.61
Manholes	1988	EA	92	127,396.72
Total Account 361				----- \$797,477.85 =====

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

*Acquisition of the Shipperville Borough's Sewer System*

Original Cost at August 4, 2015  
Account 363 - Services to Customers

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Services	1988	EA	222	\$10,679.10
Services	2008	EA	8	807.68
Total Account 363				----- \$11,486.78 =====

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

*Acquisition of the Shippenville Borough's Sewer System*

Original Cost at August 4, 2015  
Account 364 - Flow Measuring Devices

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>No.</u>	<u>Original Cost</u>
Flow Indicator	1988	EA	1	\$4,249.82
Total Account 364				----- \$4,249.82 =====

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

*Acquisition of the Shipperville Borough's Sewer System*

Original Cost at August 4, 2015  
Account 371 - Pumping Equipment

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Pumps	1988	Lot		\$14,662.34
Sludge Transfer Pump	1988	EA	1	2,932.47
Pump	2013	EA	1	1,796.07
Total Account 371				----- \$19,390.88 =====

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

*Acquisition of the Shipperville Borough's Sewer System*

Original Cost at August 4, 2015  
Account 380 - Treatment & Disposal Equipment

<u>Item</u>	<u>Year</u> <u>Installed</u>	<u>----- Quantity -----</u> <u>Unit</u>	<u>No.</u>	<u>Original</u> <u>Cost</u>
Oxidation Ditch	1988	Lot		\$103,761.53
Aerators	1988	Ea.	4	20,301.70
Clarifier	1988	Lot		95,344.21
Sludge Tank	1988	Lot		40,104.95
Blowers & Diffusers	1988	Lot		9,293.67
Chlorine Contact Tank	1988	Lot		20,338.52
Sludge Drying Beds	2001	Lot		79,500.00
Total Account 380				<u>-----</u> \$368,644.58 <u>=====</u>

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

*Acquisition of the Shippenville Borough's Sewer System*

Original Cost at August 4, 2015  
Account 381 - Plant Sewers

Item	Year Installed	----- Quantity ----- Unit No.	Original Cost
WWTP - Yard Piping	1988	Lot	\$30,192.33
Total Account 381			----- \$30,192.33 =====

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

*Acquisition of the Shipperville Borough's Sewer System*

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

Original Cost at August 4, 2015

Acct. No.	Account Title	Original Cost
354.3	Structures & Improvements - Pumping Plant	\$33,497.08
354.4	Structures & Improvements - Treatment & Disposal	123,653.86
360	Collection Sewers - Force	53,265.99
361	Collection Sewers - Gravity	122,977.27
363	Services to Customers	11,486.78
364	Flow Measuring Equipment	4,249.82
371	Pumping Equipment	17,594.81
380	Treatment & Disposal Equipment	289,144.58
381	Plant Sewers	30,192.33
	Total Contributions in Aid of Construction	----- \$686,062.52 =====

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

*Acquisition of the Shippenville Borough's Sewer System*

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

Original Cost at August 4, 2015

Account 354.3 - Structures & Improvements - Pumping Plant

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Pumping Station & Valve Vault @ WWTP	1988	Ea.	1	\$19,068.85
Lift Station	1988	Ea.	1	14,428.23
Total Account 354.3				----- \$33,497.08 =====

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

*Acquisition of the Shippenville Borough's Sewer System*

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

Original Cost at August 4, 2015

Account 354.4 - Structures & Improvements - Treatment & Disposal

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Control Building	1988	Ea.	1	\$110,996.91
Fence	1988	Lot		6,356.28
Driveway	1988	Lot		4,042.60
Guard Rail	1988	Lot		2,258.07
				-----
Total Account 354.4				\$123,653.86
				=====

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

*Acquisition of the Shippenville Borough's Sewer System*

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

Original Cost at August 4, 2015

Account 360 - Collection Sewers - Force

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>No.</u>	<u>Original Cost</u>
Force Pipe	1988	LF	1,080	\$53,265.99
Total Account 360				----- \$53,265.99 =====

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

*Acquisition of the Shippenville Borough's Sewer System*

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

Original Cost at August 4, 2015

Account 361 - Collection Sewers - Gravity

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>----- No.</u>	<u>Original Cost</u>
Pipe, 8"	1988	LF	3,461	\$122,977.27
Total Account 361				----- \$122,977.27 =====

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

*Acquisition of the Shippenville Borough's Sewer System*

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

Original Cost at August 4, 2015

Account 363 - Services to Customers

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Services	1988	EA	222	\$10,679.10
Services	2008	EA	8	807.68
Total Account 363				----- \$11,486.78 =====

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

*Acquisition of the Shippenville Borough's Sewer System*

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

Original Cost at August 4, 2015

Account 364 - Flow Measuring Devices

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit</u>	<u>No.</u>	<u>Original Cost</u>
Flow Indicator	1988	EA	1	\$4,249.82
Total Account 364				----- \$4,249.82 =====

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

*Acquisition of the Shipperville Borough's Sewer System*

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

Original Cost at August 4, 2015  
Account 371 - Pumping Equipment

Item	Year Installed	Quantity Unit	No.	Original Cost
Pumps	1988	Lot		\$14,662.34
Sludge Transfer Pump	1988	EA	1	2,932.47
				-----
Total Account 371				\$17,594.81
				=====

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

*Acquisition of the Shippenville Borough's Sewer System*

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

Original Cost at August 4, 2015

Account 380 - Treatment & Disposal Equipment

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Oxidation Ditch	1988	Lot		\$103,761.53
Aerators	1988	Ea.	4	20,301.70
Clarifier	1988	Lot		95,344.21
Sludge Tank	1988	Lot		40,104.95
Blowers & Diffusers	1988	Lot		9,293.67
Chlorine Contact Tank	1988	Lot		20,338.52
				-----
Total Account 380				\$289,144.58
				=====

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

*Acquisition of the Shippenville Borough's Sewer System*

Account 271 - Contributions in Aid of Construction  
Original Cost at August 4, 2015  
Account 381 - Plant Sewers

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit            No.</u>	<u>Original Cost</u>
WWTP - Yard Piping	1988	Lot	\$30,192.33
Total Account 381			----- \$30,192.33 =====

# Section 3

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

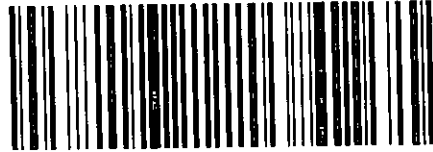
**Pennsylvania-American Water Company, Inc.**

*Acquisition of the Shippenville Borough's Sewer System*

Summary of Original Cost, Calculated Depreciation Reserve  
and Depreciated Original Cost as of August 4, 2015  
Based Upon Straight Line Depreciation

Acct. No.	Description	Year Installed	Original Cost at 8/04/15	Service Life	Calculated Depreciation Reserve 8/04/15	Depreciated Original Cost at 8/04/15
<u>Non-Depreciable Plant:</u>						
353.2	Land & Land Rights - Collection System	Various	\$30,270.93		\$0.00	\$30,270.93
353.3	Land & Land Rights - Pumping	1983	242.07		0.00	242.07
353.4	Land & Land Rights - Treatment & Disposal System	1983	2.00		0.00	2.00
	Total Non-Depreciable Plant		\$30,515.00		\$0.00	\$30,515.00
<u>Depreciable Plant:</u>						
354.3	Structures & Improvements - Pumping	1988	\$33,497.08	40	\$22,680.31	\$10,816.77
354.4	Structures & Improvements - Treatment & Disposal	1988	\$123,653.86	65	\$51,522.44	\$72,131.42
360	Collection Sewers - Force	1988	\$53,265.99	70	\$20,608.86	\$32,657.13
361	Mains - Gravity	1988	\$797,477.85	70	\$308,547.97	\$488,929.88
363	Services to Customers	1988	\$10,679.10	55	\$5,258.65	\$5,420.45
	Services to Customers	2008	807.68	55	104.02	703.66
	Total Account 363		\$11,486.78		\$5,362.67	\$6,124.11
364	Flow Measuring Devices	1988	\$4,249.82	20	\$4,249.82	\$0.00
371	Pumping Equipment	1988	\$17,594.81	25	\$17,594.81	\$0.00
	Pumping Equipment	2013	1,796.07	25	149.67	1,646.40
	Total Account 371		\$19,390.88		\$17,744.48	\$1,646.40
380	Treatment & Disposal Equipment	1988	\$289,144.58	40	\$195,774.97	\$93,369.61
	Treatment & Disposal Equipment	2001	79,500.00	40	27,990.62	51,509.38
	Total Account 380		\$368,644.58		\$223,765.59	\$144,878.99
381	Plant Sewers	1988	\$30,192.33	40	\$20,442.72	\$9,749.61
	Total Depreciable Plant		\$1,441,859.17		\$674,924.86	\$766,934.31
	Total Plant in Service		\$1,472,374.17		\$674,924.86	\$797,449.31
<u>Deduct: Account 271 - Contributions in aid of Construction:</u>						
354.3	Structures & Improvements - Pumping	1988	(\$33,497.08)	40	(\$22,680.31)	(\$10,816.77)
354.4	Structures & Improvements - Treatment & Disposal	1988	(\$123,653.86)	65	(\$51,522.44)	(\$72,131.42)
360	Collection Sewers - Force	1988	(\$53,265.99)	70	(\$20,608.86)	(\$32,657.13)
361	Mains - Gravity	1988	(\$122,977.27)	70	(\$47,580.49)	(\$75,396.78)
363	Services to Customers	1988	(\$10,679.10)	55	(\$5,258.65)	(\$5,420.45)
	Services to Customers	2008	(807.68)	55	(104.02)	(703.66)
	Total Account 363		(\$11,486.78)		(\$5,362.67)	(\$6,124.11)
364	Flow Measuring Devices	1988	(\$4,249.82)	20	(\$4,249.82)	\$0.00
371	Pumping Equipment	1988	(\$17,594.81)	25	(\$17,594.81)	\$0.00
380	Treatment & Disposal Equipment	1988	(\$289,144.58)	40	(\$195,774.97)	(\$93,369.61)
381	Plant Sewers	1988	(\$30,192.33)	40	(\$20,442.72)	(\$9,749.61)
	Total Contributions in Aid of Construction		(\$686,062.52)		(\$385,817.09)	(\$300,245.43)
	Total Plant in Service (Net)		\$786,311.65		\$289,107.77	\$497,203.88

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09/04/2015

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AMERICAN WATER

Ms. Rosemarie Chiavetta, Secretary  
Commonwealth of PA  
PA Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120