



Susan Simms Marsh
Deputy General Counsel
800 West Hershey Park Drive
Hershey, PA 17033

P 717-531-3208
F 717-531-3399
E susan.marsh@amwater.com
I www.amwater.com

November 9, 2015

RECEIVED

NOV 10 2015

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

Re: Application of the Pennsylvania-American Water Company –
Wastewater Division (PAWC-WD) for approval of (1) the transfer, by
sale, of substantially all of the wastewater system assets and rights
of the McEwensville Municipal Authority to PAWC-WD, and (2) the
right of PAWC-WD to furnish wastewater service to the public in
McEwensville Borough, Northumberland County, Pennsylvania
A-2015-2460982

Dear Secretary Chiavetta:

As directed in Paragraph 5 of the Commission's Order entered October 1, 2015,
enclosed please find the Original Cost Study of the wastewater system assets acquired
from McEwensville Municipal Authority. 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.

RECEIVED

NOV 10 2015

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PENNSYLVANIA-AMERICAN WATER COMPANY, INC.

*Acquisition of the
McEwensville Municipal Authority - Sewer System*

Original Cost of Wastewater Utility Plant
And Depreciation Reserve Calculations
at October 21, 2015

By

Scott D. Fogelsanger
Senior Manager - Business Development

Pennsylvania-American Water Company, Inc.
852 Wesley Drive
Mechanicsburg, PA 17055

November 2015

PENNSYLVANIA-AMERICAN WATER COMPANY, INC.

Acquisition of the

McEwensville Municipal Authority - Sewer System

Table of Contents

	Page No.
<u>SECTION 1</u>	
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	1-3
Summary of Original Cost	1-4
Contributions In Aid of Construction (CIAC)	1-4
Customer Advances for Construction (CAC)	1-5
Depreciation Reserve	1-5
Accumulated Amortization of CIAC	1-5
<u>SECTION 2</u>	
<u>ORIGINAL COST</u>	
Summary of the Original Costs of Plant in Service at October 21, 2015	2-1
<u>Account 101 - Utility Plant in Service</u>	
353.2 Land & Land Rights - Collection	2-2
353.3 Land & Land Rights - Pumping	2-3
353.4 Land & Land Rights - Treatment & Disposal	2-4
354.3 Structures & Improvements - Pumping	2-5
354.4 Structures & Improvements - Treatment & Disposal	2-6
360 Collection Sewers - Pressure	2-7
361 Collection Sewers - Gravity	2-8
363 Services to Customers	2-9
364 Flow Measuring Devices	2-10
371 Pumping Equipment	2-11
380 Treatment & Disposal Equipment	2-12
393 Tools, Shop & Garage Equipment	2-13

RECEIVED

NOV 10 2015

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PENNSYLVANIA-AMERICAN WATER COMPANY, INC.

Acquisition of the

McEwensville Municipal Authority - Sewer System

Table of Contents

Page
No.

Account 271 - Contributions in Aid of Construction

Summary of the Contributions in Aid of Construction
at October 21, 2015

2-14

SECTION 3

Depreciated Original Cost

Summary of Original Cost, Calculated Depreciation Reserve,
and Depreciated Original Cost as of October 21, 2015

3-1

RECEIVED

NOV 10 2015

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Section 1

PENNSYLVANIA-AMERICAN WATER COMPANY, INC.

Acquisition of the McEwensville Municipal Authority - Sewer System

BACKGROUND

McEwensville Municipal Authority (the “Authority”) makes wastewater service available to approximately 136 customers located in McEwensville Borough, Northumberland County. The Authority has continued to grow and expand over the years.

Pennsylvania-American Water Company, Inc. (“PAWC”) and the Authority 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 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 collection system consists of approximately 13,148 linear feet of 1 1/2” to 10” pipe, manholes, and 5 pump stations. Customer service lines, which run from the Authority’s mains to the curb line, consist of pipe and cleanouts. The Authority’s wastewater treatment facility is a lagoon-type system.

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 October 21, 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 Authority's plant in service as of October 21, 2015 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 - Pressure*), 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 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 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 - Pressure
- 361 Collection Sewers - Gravity
- 363 Services to Customers
- 364 Flow Measuring Devices
- 371 Pumping Equipment
- 380 Treatment & Disposal Equipment
- 393 Tools, Shop & Garage 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 Mains - Pressure), 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 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 October 21, 2015 for the Authority's collection mains – pressure, collection mains - gravity, and customer services as established by the original cost study total \$57,908; \$389,112; and \$38,051, 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 \$1,220,492 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 in the amount of \$877,303.

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 receive customer advances for construction in the amount of \$66,000.

DEPRECIATION RESERVE

A theoretical calculated depreciation reserve of the utility plant in service at October 21, 2015 was prepared. The calculated accrued depreciation reserve amounts to \$541,288. 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 October 21, 2015 was prepared. The calculated accumulated amortization of CIAC amounts to (\$418,372). 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.

RECEIVED

NOV 10 2015

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Section 2

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015

Acct. No.	Account Title	Original Cost
353.2	Land & Land Rights - Collection	\$72.50
353.3	Land & Land Rights - Pumping	14.50
353.4	Land & Land Rights - Treatment & Disposal	14.50
354.3	Structures & Improvements - Pumping Plant	62,224.03
354.4	Structures & Improvements - Treatment & Disposal	133,860.33
360	Collection Sewers - Force	57,907.87
361	Collection Sewers - Gravity	389,111.90
363	Services to Customers	38,050.76
364	Flow Measuring Devices	10,476.99
371	Pumping Equipment	31,226.24
380	Treatment & Disposal Equipment	492,985.38
393	Tools, Shop & Garage Equipment	4,546.80
	Total Original Cost	<u>\$1,220,491.80</u> =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015
Account 353.2 - Land & Land Rights - Collection System

<u>Description</u>	<u>Deed Book</u>	<u>Page Numbers</u>	<u>Date</u>	<u>Original Cost</u>
<u>Land Rights:</u>				
Sewer Mains & Pump Stations	582	375	05/10/1982	\$58.00
Sewer Mains	68	287	09/22/1983	14.50

Total Account 353.2				\$72.50
				=====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015
Account 353.3 - Land & Land Rights - Pumping Plant

<u>Description</u>	<u>Deed Book</u>	<u>Page Numbers</u>	<u>Date</u>	<u>Original Cost</u>
<u>Land Rights:</u>				
Pump Station	934	84	11/12/1983	\$14.50
Total Account 353.3				----- \$14.50 =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015

Account 353.4 - Land & Land Rights - Treatment & Disposal

<u>Description</u>	<u>Deed Book</u>	<u>Page Number</u>	<u>Date</u>	<u>Original Cost</u>
Land - WWTP	591	428	09/22/1983	\$14.50
Total Account 353.4				----- \$14.50 =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015

Account 354.3 - Structures & Improvements - Pumping Plant

<u>Item</u>	<u>Year</u> <u>Installed</u>	<u>Quantity</u> <u>Unit</u>	<u>No.</u>	<u>Original</u> <u>Cost</u>
Pump Station - Located at WWTP	1985	Ea.	1	\$12,810.06
Pump Station No. 1 - Maple	1985	Ea.	1	14,198.02
Pump Station No. 2 - Main & Chestnut	1985	Ea.	1	10,870.77
Pump Station No. 4 - End of Maple	1985	Ea.	1	10,258.84
Pump Station - Walnut	1992	Ea.	1	14,086.34

Total Account 354.3				\$62,224.03
				=====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015

Account 354.4 - Structures & Improvements - Treatment & Disposal

<u>Item</u>	<u>Year Installed</u>	<u>----- Quantity ----- Unit No.</u>	<u>Original Cost</u>
Concrete Block, concrete floor, windows, metal door, controls, electric heater and lighting, 21' x 16'	1985	Lot	\$116,945.99
Access Road	1985	Lot	16,914.34
Total Account 354.4			<u>\$133,860.33</u> =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015
Account 360 - Collection Sewers - Pressure

Item	Year Installed	Quantity Unit	No.	Original Cost
1 1/2" PVC Pipe	1985	LF	238	\$3,781.25
2 1/2" PVC Pipe	1985	LF	703	11,867.05
2 1/2" PVC Pipe	1992	LF	95	1,956.05
3" PVC Pipe	1985	LF	185	3,399.33
4" PVC Pipe	1992	LF	1,010	22,624.00
Manhole w/ Blow Off	1985	EA	1	1,962.37
Manhole	1992	EA	3	8,815.50
In Line Cleanout	1985	EA	1	2,215.58
Cleanout	1992	EA	2	1,286.74
Total Account 360				<u>\$57,907.87</u> =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015
Account 361 - Collection Sewers - Gravity

Item	Year Installed	----- Quantity ----- Unit No.		Original Cost
6" Pipe	1985	LF	90	\$1,336.94
8" Pipe	1985	LF	8,573	163,717.51
8" Pipe	1988	LF	425	8,950.50
8" Pipe	2014	LF	935	45,169.85
10" Pipe	1985	LF	786	16,199.91
10" DIP Pipe	1985	LF	108	5,241.42
Manholes	1985	EA	46	110,831.54
Manholes	1988	EA	1	2,656.01
Manholes	2014	EA	5	34,480.70
Cleanouts	1985	EA	1	527.52
 Total Account 361				\$389,111.90

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015
Account 363 - Services to Customers

Item	Year Installed	Quantity Unit	No.	Original Cost
Services	1985	EA	114	\$19,500.46
Services	1988	EA	10	1,896.40
Services	1992	EA	12	2,628.60
Services	2014	EA	30	14,025.30
Total Account 363				<u>\$38,050.76</u> =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015
Account 364 - Flow Measuring Devices

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Flow Meter & Chart Recorder	2006	EA	1	\$10,476.99
Total Account 364				----- \$10,476.99 =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015
Account 371 - Pumping Equipment

Item	Year Installed	Quantity Unit	No.	Original Cost
Pumps	1985	Ea.	3	\$6,476.79
Pump	1992	Ea.	1	2,554.62
Pump - 2 HP (Goulds)	2008	Ea.	1	4,602.48
Grinder Pump - 2 HP	2008	Ea.	1	2,622.33
Pumps - Wet Well	2011	Ea.	1	14,970.02
Total Account 371				----- \$31,226.24 =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015
Account 380 - Treatment & Disposal Equipment

Item	Year Installed	----- Quantity ----- Unit	----- No.	Original Cost
Lagoons (110,000 Gallons) & Equipment	1985	Ea.	2	\$148,127.24
Chlorine Contact Tank & Equipment	1985	Ea.	1	89,825.80
Wet Well	1985	Ea.	1	1,798.09
Blowers	1985	Ea.	2	8,454.22
<u>WWTP Upgrade:</u>				
Concrete Vault	2006	Ea.	1	\$28,207.28
Baffle System	2006	Lot		35,460.58
Yard Piping	2006	Lot		32,236.89
Blower & Pad	2006	Lot		16,118.45
Plate Settlers, Supports, Trough & Collectors	2006	Lot		29,013.20
Other Equipment	2006	Lot		92,681.08
Aluminum Handrail	2006	Lot		4,835.53
Subtotal				\$238,553.01
Electrical Upgrades	2008	Lot		\$1,804.01
Exhaust System	2010	Lot		2,325.92
Auto Dialer	2011	Lot		2,097.09
Total Account 380				\$492,985.38

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Original Cost at October 21, 2015
Account 393 - Tools, Shop & Garage Equipment

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Generator - 5 HP (Dayton)	2010	Ea.	1	\$2,257.60
Lawn Tractor	2012	Ea.	1	2,289.20
<i>Total Account 393</i>				<u>\$4,546.80</u> =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Account 271 - Contributions in Aid of Construction

Original Cost at October 21, 2015

Acct. No.	Account Title	Original Cost
354.3	Structures & Improvements - Pumping Plant	\$62,224.03
354.4	Structures & Improvements - Treatment & Disposal	133,860.33
360	Collection Sewers - Force	57,907.87
361	Collection Sewers - Gravity	169,166.71
363	Services to Customers	38,050.76
364	Flow Measuring Equipment	10,476.99
371	Pumping Equipment	9,031.41
380	Treatment & Disposal Equipment	396,585.36
	Total Contributions in Aid of Construction	<u>\$877,303.46</u> =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Contributions in Aid of Construction

Original Cost at October 21, 2015

Account 354.3 - Structures & Improvements - Pumping Plant

<u>Item</u>	<u>Year</u> <u>Installed</u>	<u>----- Quantity -----</u> <u>Unit</u>	<u>-----</u> <u>No.</u>	<u>Original</u> <u>Cost</u>
Pump Station - Located at WWTP	1985	Ea.	1	\$12,810.06
Pump Station No. 1 - Maple	1985	Ea.	1	14,198.02
Pump Station No. 2 - Main & Chestnut	1985	Ea.	1	10,870.77
Pump Station No. 4 - End of Maple	1985	Ea.	1	10,258.84
Pump Station - Walnut	1992	Ea.	1	14,086.34

Total Account 354.3				\$62,224.03
				=====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Contributions in Aid of Construction

Original Cost at October 21, 2015

Account 354.4 - Structures & Improvements - Treatment & Disposal

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Concrete Block, concrete floor, windows, metal door, controls, electric heater and lighting, 21' x 16'	1985	Lot		\$116,945.99
Access Road	1985	Lot		16,914.34
Total Account 354.4				<u>\$133,860.33</u>

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Contributions in Aid of Construction

Original Cost at October 21, 2015

Account 360 - Collection Sewers - Pressure

<u>Item</u>	<u>Year</u> <u>Installed</u>	<u>----- Quantity -----</u> <u>Unit</u>	<u>No.</u>	<u>Original</u> <u>Cost</u>
1 1/2" PVC Pipe	1985	LF	238	\$3,781.25
2 1/2" PVC Pipe	1985	LF	703	11,867.05
2 1/2" PVC Pipe	1992	LF	95	1,956.05
3" PVC Pipe	1985	LF	185	3,399.33
4" PVC Pipe	1992	LF	1,010	22,624.00
Manhole w/ Blow Off	1985	EA	1	1,962.37
Manhole	1992	EA	3	8,815.50
In Line Cleanout	1985	EA	1	2,215.58
Cleanout	1992	EA	2	1,286.74

Total Account 360				\$57,907.87
				=====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Contributions in Aid of Construction

Original Cost at October 21, 2015

Account 361 - Collection Sewers - Gravity

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
8" Pipe	1988	LF	425	\$8,950.50
8" Pipe	2014	LF	935	45,169.85
Manholes	1985	EA	49	77,909.65
Manholes	1988	EA	1	2,656.01
Manholes	2014	EA	5	34,480.70
Total Account 361				<u>\$169,166.71</u> =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Contributions in Aid of Construction

Original Cost at October 21, 2015

Account 363 - Services to Customers

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Services	1985	EA	118	\$19,500.46
Services	1988	EA	10	1,896.40
Services	1992	EA	12	2,628.60
Services	2014	EA	30	14,025.30
Total Account 363				----- \$38,050.76 =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Contributions in Aid of Construction

Original Cost at October 21, 2015

Account 364 - Flow Measuring Devices

Item	Year Installed	----- Quantity ----- Unit	No.	Original Cost
Flow Meter & Chart Recorder	2006	EA	1	\$10,476.99
Total Account 364				<u>\$10,476.99</u> =====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Contributions in Aid of Construction

Original Cost at October 21, 2015

Account 371 - Pumping 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>
Pumps	1985	Ea.	3	\$6,476.79
Pump	1992	Ea.	1	2,554.62

Total Account 371				\$9,031.41
				=====

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Contributions in Aid of Construction

Original Cost at October 21, 2015

Account 380 - Treatment & Disposal Equipment

Item	Year Installed	----- Quantity ----- Unit	----- No.	Original Cost
Lagoons (110,000 Gallons) & Equipment	1985	Ea.	2	\$148,127.24
Chlorine Contact Tank & Equipment	1985	Ea.	1	89,825.80
Wet Well	1985	Ea.	1	1,798.09
Blowers	1985	Ea.	2	8,454.22
 <u>WWTP Upgrade:</u>				
Concrete Vault	2006	Ea.	1	\$28,207.28
Baffle System	2006	Lot		35,460.58
Yard Piping	2006	Lot		32,236.89
Blower & Pad	2006	Lot		16,118.45
Plate Settlers, Supports, Trough & Collectors	2006	Lot		29,013.20
Other Equipment	2006	Lot		2,508.08
Aluminum Handrail	2006	Lot		4,835.53
 Subtotal				\$148,380.01
 Total Account 380				\$396,585.36

RECEIVED

NOV 10 2015

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Section 3

Pennsylvania-American Water Company, Inc.

Acquisition of the McEwensville Municipal Authority - Sewer System

Summary of Original Cost, Calculated Depreciation Reserve
and Depreciated Original Cost as of October 21, 2015
Based Upon Straight Line Depreciation

Acct. No.	Description	Year Installed	Original Cost at 10/21/15	Service Life	Calculated Depreciation Reserve 10/21/15	Depreciated Original Cost at 10/21/15
Non-Depreciable Plant:						
353.2	Land & Land Rights - Collection System	Various	\$72.50		\$0.00	\$72.50
353.3	Land & Land Rights - Pumping	1983	14.50		0.00	14.50
353.4	Land & Land Rights - Treatment & Disposal System	1983	14.50		0.00	14.50
Total Non-Depreciable Plant			\$101.50		\$0.00	\$101.50
Depreciable Plant:						
354.3	Structures & Improvements - Pumping	1985	\$48,137.69	40	\$36,504.41	\$11,633.28
	Structures & Improvements - Pumping	1992	14,086.34	40	8,217.03	5,869.31
Total Account 354.3			\$62,224.03		\$44,721.44	\$17,502.59
354.4	Structures & Improvements - Treatment & Disposal	1985	\$133,860.33	65	\$62,468.15	\$71,392.18
360	Collection Sewers - Pressure	1985	\$23,225.58	70	\$10,064.42	\$13,161.16
	Collection Sewers - Pressure	1992	34,682.29	70	11,560.76	23,121.53
Total Account 360			\$57,907.87		\$21,625.18	\$36,282.69
361	Mains - Gravity	1985	\$297,854.84	70	\$129,070.43	\$168,784.41
	Mains - Gravity	1988	11,606.51	70	4,532.07	7,074.44
	Mains - Gravity	2014	79,650.55	70	1,517.15	78,133.40
Total Account 361			\$389,111.90		\$135,119.65	\$253,992.25
363	Services to Customers	1985	\$19,500.46	55	\$10,754.80	\$8,745.66
	Services to Customers	1988	1,896.40	55	942.45	953.95
	Services to Customers	1992	2,628.60	55	1,115.16	1,513.44
	Services to Customers	2014	14,025.30	55	340.01	13,685.29
Total Account 363			\$38,050.76		\$13,152.42	\$24,898.34
364	Flow Measuring Devices	2006	\$10,476.99	20	\$4,889.26	\$5,587.73
371	Pumping Equipment	1985	\$6,476.79	25	\$6,476.79	\$0.00
	Pumping Equipment	1992	2,554.62	25	2,384.31	170.31
	Pumping Equipment	2008	7,224.81	25	2,119.28	5,105.53
	Pumping Equipment	2011	14,970.02	25	2,594.80	12,375.22
Total Account 371			\$31,226.24		\$13,575.18	\$17,651.06
380	Treatment & Disposal Equipment	1985	\$248,205.35	40	\$188,222.39	\$59,982.96
	Treatment & Disposal Equipment	2006	238,553.01	40	55,662.37	182,890.64
	Treatment & Disposal Equipment	2008	1,804.01	40	330.74	1,473.27
	Treatment & Disposal Equipment	2010	2,325.92	40	310.12	2,015.80
	Treatment & Disposal Equipment	2011	2,097.09	40	227.18	1,869.91
Total Account 380			\$492,985.38		\$244,752.80	\$248,232.58
393	Tools, Shop & Garage Equipment	2010	\$2,257.60	20	\$602.03	\$1,655.57
	Tools, Shop & Garage Equipment	2012	2,289.20	20	381.53	1,907.67
Total Account 343			\$4,546.80		\$983.56	\$3,563.24
Total Depreciable Plant			\$1,220,390.30		\$541,287.64	\$679,102.66
Total Plant in Service			\$1,220,491.80		\$541,287.64	\$679,204.16

Pennsylvania-American Water Company, Inc.

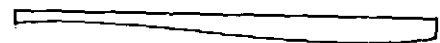
Acquisition of the McEwensville Municipal Authority - Sewer System

Summary of Original Cost, Calculated Depreciation Reserve
and Depreciated Original Cost as of October 21, 2015
Based Upon Straight Line Depreciation

Acct. No.	Description	Year Installed	Original Cost at 10/21/15	Service Life	Calculated Depreciation Reserve 10/21/15	Depreciated Original Cost at 10/21/15
<u>Deduct: Account 271 - Contributions in aid of Construction:</u>						
354.3	Structures & Improvements - Pumping	1985	(\$48,137.69)	40	(\$36,504.41)	(\$11,633.28)
	Structures & Improvements - Pumping	1992	(14,086.34)	40	(8,217.03)	(5,869.31)
	Total Account 354.3		(\$62,224.03)		(\$44,721.44)	(\$17,502.59)
354.4	Structures & Improvements - Treatment & Disposal	1985	(\$133,860.33)	65	(\$62,468.15)	(\$71,392.18)
360	Collection Sewers - Pressure	1985	(\$23,225.58)	70	(\$10,064.42)	(\$13,161.16)
	Collection Sewers - Pressure	1992	(34,682.29)	70	(11,560.76)	(23,121.53)
	Total Account 360		(\$57,907.87)		(\$21,625.18)	(\$36,282.69)
361	Mains - Gravity	1985	(\$77,909.65)	70	(\$33,760.85)	(\$44,148.80)
	Mains - Gravity	1988	(11,606.51)	70	(4,532.07)	(7,074.44)
	Mains - Gravity	2014	(79,650.55)	70	(1,517.15)	(78,133.40)
	Total Account 361		(\$169,166.71)		(\$39,810.07)	(\$129,356.64)
363	Services to Customers	1985	(\$19,500.46)	55	(\$10,754.80)	(\$8,745.66)
	Services to Customers	1988	(1,896.40)	55	(942.45)	(953.95)
	Services to Customers	1992	(2,628.60)	55	(1,115.16)	(1,513.44)
	Services to Customers	2014	(14,025.30)	55	(340.01)	(13,685.29)
	Total Account 363		(\$38,050.76)		(\$13,152.42)	(\$24,898.34)
364	Flow Measuring Devices	2006	(\$10,476.99)	20	(\$4,889.26)	(\$5,587.73)
371	Pumping Equipment	1985	(\$6,476.79)	25	(\$6,476.79)	\$0.00
	Pumping Equipment	1992	(2,554.62)	25	(2,384.31)	(170.31)
	Total Account 371		(\$9,031.41)		(\$8,861.10)	(\$170.31)
380	Treatment & Disposal Equipment	1985	(\$248,205.35)	40	(\$188,222.39)	(\$59,982.96)
	Treatment & Disposal Equipment	2006	(148,380.01)	40	(34,622.00)	(113,758.01)
	Total Account 380		(\$396,585.36)		(\$222,844.39)	(\$173,740.97)
	Total Depreciable Plant		(\$877,303.46)		(\$418,372.01)	(\$458,931.45)
	Total Plant in Service (Net)		\$343,188.34		\$122,915.63	\$220,272.71

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL™



**PENNSYLVANIA
AMERICAN WATER**



7004 2890 0000 1878 5795

S

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

Hasler

11/10/2015

US POSTAGE

FIRST CLASS MAIL

\$09.87⁰



ZIP 17033
011D11637553