

**THE LAW OFFICE  
OF  
ATTORNEY ERNEST D. PREATE, JR.**

MELLON BANK BUILDING  
400 SPRUCE STREET SUITE 300  
SCRANTON, PA 18503  
(570) 558-5970  
(570) 558-5973 FACSIMILE  
edpreate@adelphia.net

**COPY**

SUCCESSOR TO  
J. JULIUS LEVY (1924-1978)  
ERNEST D. PREATE, SR. (1934-1995)  
ROBERT A. PREATE (1969-2002)

ERNEST D. PREATE, JR.

May 6, 2008

James J. McNulty,  
Secretary  
PA Public Utility Commission  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105-3265

In re: Investigation of W. P. Water Co., Inc. I-00070114  
and W. P. Sanitary Co., Inc., pursuant to  
Section 529 of the PA Public Utility Code;

W. P. Water Co., Inc. and W. P. Sanitary P-00072313  
Co., Inc.;

Application of W. P. Sanitary Co., Inc. A-23055OF2000  
for Approval of Abandonment of Service

Dear Mr. McNulty:

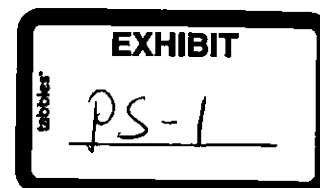
Enclosed please find an original and three copies of the Petition for Expedited Hearing on Unauthorized Liens and Mortgages in the above captioned cases. This Petition is being filed by undersigned counsel on behalf of W. P. Water Co., Inc., and W. P. Sanitary Co., Inc.

A true and correct copies have been furnished to all parties on the attached certificate of service including Administrative Law Judge Ember Jandebeur, to whom the cases have been assigned.

**RECEIVED**

2008 MAY -9 PM 1:32


PA P.U.C.  
LAW BUREAU



I am advised that there is no filing fee for this Petition which pertains to the above captioned cases previously filed with the Secretary's office.

Thank you for your courtesies.

Sincerely,

A handwritten signature in black ink, appearing to read "Ernest Preate, Jr.", with a stylized flourish at the end.

Ernest D. Preate, Jr., Esq.

EDPJr/rjw

Enclosures

cc: Parties of record



4. In an effort to resolve the above captioned Administrative Proceedings, WP sought to initiate a transfer (sale) of all WP Water and Sanitary assets to a capable and proximate public utility.

5. On or about November 1, 2007, the parties advised the Administrative Law Judge and Mediator that they had reached an agreement in principle regarding the purchase price and a utility to purchase the assets of WP Water and WP Sanitary.

6. Specifically, an Assets Purchase Agreement (APA) has been negotiated between W. P. Water Co., Inc. and a prospective purchaser, and, W. P. Sanitary Co., Inc. and a prospective purchaser, for the sale and purchase of its water system and wastewater system in Wyoming and Luzerne Counties.

7. The parties are currently working on finalizing the APA. It is believed and therefore averred that a Joint Petition for Settlement will be executed by the parties at the closing. It is agreed between and among all interested parties that the Joint Petition is in the public interest because it promotes the maintenance of safe and adequate service and minimizes cost prohibitive litigation and administrative burden.

8. The Asset Purchase Agreement between WP Water Company, Inc. and the prospective purchaser states, in relevant part; that Buyer "shall be satisfied with its review of the real estate and the quality of title to be

conveyed from Seller, including the release of any and all mortgages, liens and encumbrances."

9. The closing of the above referenced transaction is contingent on removal or satisfaction of any impairments to title including the following judgments, mortgages, liens and encumbrances which affect the ability for the Seller to deliver clear title:

(a). Open Ended Mortgage and Security Agreement filed against Seller by Fox Rothschild, LLP, on December 28, 2004, in Wyoming County, PA in Mortgage Book 515, Page 594. This shall be satisfied for \$15,000.00 at closing; \$10,000.00 to be paid by Seller and \$5,000.00 to be paid by LWWC, in exchange for a release of all claims executed by Fox Rothschild;

(b). Judgment and Lien: Commonwealth of Pennsylvania Department of Environmental Protection, filed 12/05/2003 in Wyoming County, PA, #2003-1294, in the amount of \$9,270.00. It shall be satisfied as agreed upon by Sellers and DEP as follows:

"Upon receipt of a fully executed copy of this Agreement, and conditioned upon Seller's performance of its obligations described herein, the DEP shall provide written assurance that upon Closing, all actions currently pending against Carl and Sandra Kresge, and Seller shall be discontinued with prejudice and shall thereafter pursue no further or separate actions against Carl and Sandra Kresge and Seller which would have been within the scope of the aforesaid actions and arose prior to the execution of this agreement. Said document shall also certify that DEP shall not seek to collect any fines or civil penalties against Carl and/or Sandra Kresge, or from Seller, which arise from any of the aforementioned currently pending actions including, but not limited to, Proposed Assessments and Compliance

Orders. Notwithstanding the foregoing however, nothing herein shall be construed to release Carl and/or Sandra Kresge or Seller from any liability which may exist on their part to DEP on final judgments filed with the Court of Common Pleas of Luzerne County docketed at 548-L-98 and with the Court of Common Pleas of Wyoming County docketed at 2003-1294.”

(c). Mortgages:

i. Mortgagor: W. P. Water Company, Inc., Mortgagee:

Carl L. Kresge & Sons, Inc., dated 10/04/2007 and Recorded in Luzerne Company in Record Book 3007, page, 265329, in the amount of \$1,624,321.92. There is no information as to the nature of this indebtedness—which was not approved by the Commission—and is believed to cover the same Mechanics Lien matters in paragraph (d) below;

ii. Mortgagor: W. P. Sanitary Company, Inc., Mortgagee: Carl L.

Kresge & Sons, Inc., dated 10/04/2007 and Recorded in Wyoming County in Document No. 2007-40465 in the amount of \$1,624,321.92. There is no information as to the nature of this indebtedness—which was not approved by the Commission—and is believed to cover the same Mechanics Lien matters in paragraph (d) below;

(d). Three (3) Mechanics Lien Claims:

i. Mechanics Lien Claim in the amount of \$343,479.18 filed in

Wyoming County on behalf of Carl L. Kresge & Sons, Inc., against WP Sanitary, Co., on March 12, 2008 to number 287-2008;

ii. Mechanics Lien Claim in the amount of \$93,199.77 filed in Luzerne County on behalf of Carl L. Kresge & Sons, Inc., against WP Water Company, Co. on March 11, 2008 to number 3179-2008;

iii. Mechanics Lien Claim in the amount of \$186,567.48 filed in Wyoming County on behalf of Carl L. Kresge & Sons, Inc., against WP Water County on March 12, 2008 to number 286-2008.

10. This petition is filed pursuant to 66 Pa. C. S. A. § 1901(b) as the Lienholder above referenced, Carl L. Kresge & Sons, Inc. did not request or receive a "securities certificate" as required before the indebtedness— the \$1.6 million mortgage in Wyoming County and \$1.6 million mortgage Luzerne County—were filed against a regulated public utility. Nor did WP Water Co., Inc. and WP Sanitary Co., Inc., seek PUC approval before said mortgages were transacted and filed. It should be noted that undersigned counsel had no prior knowledge of the indebtedness and the mortgages until well after the mortgages had been filed on October 4, 2007 in both Luzerne and Wyoming Counties. This is also true for the law firm of Kimberly Borland & Associates who serve as co-counsel for WP Water Co., Inc. and WP Sanitary Co., Inc. in these matters.

11. The aforesaid Mortgages and Mechanics Liens filed on behalf of Carl L. Kresge & Sons, Inc. are against the public interest and should be declared null and void by the Commission pursuant to 66 Pa. C. S. A.

§1904.

12. The Mortgages and Mechanics Liens in paragraphs (c) and (d) filed on behalf of Carl L. Kresge & Sons, Inc. are duplicative and unenforceable since the Commission never granted approval of these liens as against a regulated public utility and as such are in violation of 66 Pa. C.S.A. § 1901(b) and should be declared null and void by the Commission pursuant to 66 Pa. C. S. A. §1904.

13. The Mortgages and Mechanics Liens filed in Wyoming and Luzerne Counties on behalf of Carl L. Kresge & Sons, Inc., are further unenforceable and invalid pursuant to 66 Pa. C. S. A. §2102, which requires Commission approval before a utility can contract with an affiliated company. In this case Carl L. Kresge & Sons, Inc. was owned by Carl Kresge for all relevant times over the last decade. Then, in the last twelve (12) months ownership of Carl L. Kresge & Sons, Inc. was apparently assigned to David and Scott Kresge, the sons of Carl L. Kresge. David C. Kresge is President of Carl L. Kresge & Sons, Inc.

14. The significant point is that the Commission never approved this contracting work by an affiliated company for WP Water and WP Sanitary at all relevant times herein. See, 66 Pa. C.S.A. §2102

15. From the invoices of Carl L. Kresge & Sons, Inc., going back to 1999, it is clear Carl L. Kresge & Sons, Inc. was doing work for WP Water

and WP Sanitary Companies, supplying labor and materials.

16. Moreover, by separate actions in the Court of Common Pleas of Wyoming County and Luzerne County, undersigned Petitioner, will file actions to strike the Mechanics Liens noted herein for a variety of reasons:

- lack of specificity as to the nature of the work, the materials supplied and the hours of labor expended, and the rate for said labor;
- the lack of specificity as to the existence of and any agreement to do whatever work was performed, and, by whom authorized;
- filing and notice of lien pursuant to 49 P. S. §1502(a)(1), requiring that a claim be filed within four (4) months after the completion of the work (emphasis supplied). It is patently untrue that Carl L. Kresge & Sons, Inc. performed in excess of \$600,000.00 (amount of mechanics liens) in the four (4) month period preceding the filing of the liens on March 12, 2008, i.e., from November, 2007. In fact, invoices supplied for the work alleged to have been performed by Carl L. Kresge & Sons, Inc., for the period of time between November 1, 2007 and March 12, 2008, the date the liens were filed, show \$5,336.64 billed to WP Sanitary Co., Inc., and \$5,180.22 billed to WP Water Co. Inc.
- that said three liens are invalid, illegal and contrary to statutory law

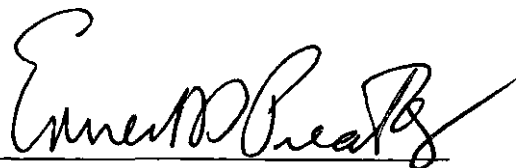
in that the alleged work done was for a “public purpose” under 49 P.S. §1303(b), and as such are not allowed, (i.e., the work done was related to the provision of water and wastewater services by WP Water and Sanitary, regulated public utilities);

17. An emergency expedited hearing is necessary because all of the above-captioned actions, consolidated for hearing before Judge Jandebeaur, have been stayed pending a proposed sale of assets of WP Water and WP Sanitary, as has also a pending Environmental Hearing Board action and criminal charges filed in Wyoming County against the Carl and Sandra Kresge.

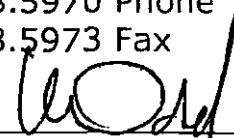
18. The sale of assets is being impeded by the above stated mortgages and liens—which it is suggested are clearly invalid—and therefore delays resolution of all the pending administrative and criminal proceedings.

WHEREFORE, it is respectfully requested that the Honorable Administrative Law Judge schedule an emergency expedited hearing and make a recommendation to the Commission that such liens and mortgages are null and void and must be stricken from the public records as against and contrary to the public interest under the circumstances of this case.

Respectfully submitted,

By: 

Ernest D. Preate, Jr., Esquire  
Attorney for WP Water Co, Inc.,  
& WP Sanitary Co., Inc.  
400 Spruce Street—Suite 300  
Scranton, PA 18503  
570.558.5970 Phone  
570.558.5973 Fax

By: 

Kimberly D. Borland  
Borland & Borland, L. L. P.  
Co-Counsel for W. P. Water  
& W. P. Sanitary Company, Inc.  
69 Public Square—11th Floor  
Wilkes-Barre, PA 18701

VERIFICATION

I, Sandra Kresge, hereby verify that the statements contained in the foregoing Petition are true and correct to the best of my knowledge, information and belief.

I understand that false statements herein are made subject to the penalties of 18 Pa. C.S.A. § 4904, relating to unsworn falsification to authorities.

  
Sandra Kresge

CERTIFICATE OF SERVICE

I, Ernest D. Preate, Jr., do hereby verify that I served a true and correct copy of the foregoing petition to the following Parties by First Class, U. S. Mail, postage prepaid on the 6 day of May, 2008.

James J. McNulty, Secretary  
Commonwealth of PA  
Public Utilities Commission  
P. O. Box 3265  
Harrisburg, PA 17105-3265

PA Public Utility Commission  
Law Bureau Prosecutory Staff  
c/o Rhonda L. Daviston, Esq.  
P. O. BOX 3265  
Harrisburg, PA 17105-3265

Darlene R. Wong, Esq.  
Assistant Consumer Advocate  
Office of Consumer Advocate  
555 Walnut Street—5th Floor  
Harrisburg, PA 17105-3265

Fayling Dempsey, Esq.  
PA DEP  
2 Public Square  
Wilkes-Barre, PA 18711-0790

Anthony Litwin, Esq.  
24 East Tioga Street  
Tunkhannock, PA 18657

George P. Skumanick, Jr.  
Wyoming County Distrist Attorney  
One Courthouse Square  
Tunkhannock, PA 18657-0209

Kim Borland, Esq.  
69 Public Square—11th Floor  
Wilkes-Barre, PA 18701

Mark Kropilak, Esq., Senior V. P.  
Keith E. Gabage, Senior Director  
Aqua America, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Michael D. Klein, Esq.  
200 N. Third Street, Suite 300  
P. O. Box 12105  
Harrisburg, PA 17108-2105

Susan Simms Marsh, Esq.  
PA-American Water  
800 West Hershey Park Drive  
Hershey, PA 17033

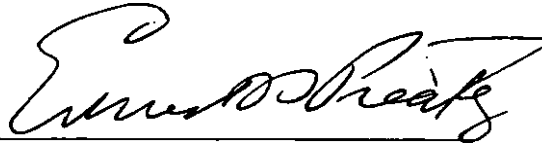
John Dillon, Esq.  
United Water PA, Inc.  
8189 Adams Drive  
Hummelstown, PA 17036

Admin. Law Judge Ember S. Jandebaur  
Scranton State Office Bldg., Room 317  
100 Lackawanna Avenue  
Scranton, PA 18503

Joseph G. Albert, Esq.  
Albert & Kamage  
458 Wyoming Avenue  
Kingston, PA 18704  
Attorneys for Carl L. Kresge & Sons, Inc.

Thomas T. Niesen, Esq  
212 Locust Street, Suite 500  
P. O. Box 9500  
Harrisburg, PA 17108-9500  
Attorney for Aqua, Pennsylvania, Inc.

Carl and Sandra Kresge  
1199 Laurel Run Road  
Wilkes-Barre, PA 18702

By:   
Ernest D. Preate, Jr., Esq.

THE LAW OFFICES OF  
**BORLAND & BORLAND, L.L.P.**

11TH FLOOR  
69 PUBLIC SQUARE  
WILKES-BARRE, PENNSYLVANIA 18701-2597  
WILKES-BARRE, PENNSYLVANIA 18701-2597

borlandk@borlaw.com

borlandk@borlaw.com  
borlandr@borlaw.com  
tzewski@borlaw.com

KIMBERLY D. BORLAND

KIMBERLY D. BORLAND  
RUTH SLAMON BORLAND  
DAVID P. TOMASZEWSKI

TELEPHONE (570) 822-3311

FAX (570) 822-9894

July 2, 2008

**RECEIVED**

JUL 2 2008

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265  
HARRISBURG, PA 17105-3265  
VIA FEDERAL EXPRESS # 8646 2009 9794

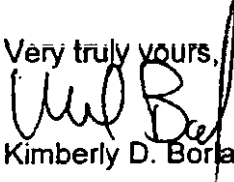
Re: W.P. Water Company &  
W.P. Sanitary Co.  
File #CM/57293

*A-23055DF2000*

Dear Sir/Madam:

Enclosed please find the executed Emergency Petition for Expedited Hearing on Unauthorized Mortgages Against Regulated Public Utilities with regard to the W.P. Water Company & W.P. Sanitary Company.

Thank you for your consideration.

Very truly yours,  
  
Kimberly D. Borland

KDB/dk  
Enclosure  
cc: Ernest D. Preate, Jr., Esquire  
Carl & Sandra Kresge

**EXHIBIT**  
tabbles  
PS-2

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
HARRISBURG PA 17105-3265  
PUBLIC UTILITY COMMISSION  
HARRISBURG PA 17105-3265

RECEIVED

JUL 2 2008

JUL 2 2008

In re: Investigation of W.P. Water Co., Inc. I-0070114  
and W.P. Sanitary Co., Inc., pursuant to  
Section 529 of the Pennsylvania Public  
Utility Code;

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

In re: W.P. Water Co., Inc., and W.P.  
Sanitary Co., Inc., P-00072313

Application of W.P. Sanitary Co., Inc.  
For Approval of Abandonment of Service A-230550F2000

**EMERGENCY PETITION FOR EXPEDITED  
HEARING ON UNAUTHORIZED  
MORTGAGES AGAINST REGULATED PUBLIC UTILITIES**

1. By Public Utilities Commission Order, dated July 11, 2007, the above captioned Application and Petitions were consolidated to avoid unnecessary duplication and to allow the proceedings to be litigated more efficiently. The Commission Order is attached hereto and incorporated herein as "Exhibit A".
2. The consolidated proceedings were referred to the Office of Administrative Law Judge for hearing and adjudication and assigned to Ember S. Janadebeur, Presiding Officer, at Application Docket No. A-230550F2000.
3. Subsequently, the parties consented to Mediation to resolve the issues in the consolidated proceedings.
4. In an effort to resolve the above captioned Administrative Proceedings, WP sought to initiate a transfer (sale) of all WP Water and Sanitary assets to capable and proximate public utility.

5. On or about November 1, 2007, the parties advised that the Administrative Law Judge and Mediator that they had reached an agreement in principle regarding the purchase price and a utility to purchase the assets of WP Water and WP Sanitary.

6. Specifically, an Assets Purchase Agreement (APA) has been negotiated between W.P. Water Co., Inc., and a prospective purchaser, and, W.P. Sanitary Co., Inc., and a prospective purchaser, for the sale and purchase of its water system and wastewater system in Wyoming and Luzerne Counties.

7. The parties are currently working on finalizing the APA. It is believed and therefore averred that a Joint Petition for Settlement will be executed by the parties at the closing. It is agreed between and among all interested parties that the Joint Petition is in the public interest because it promotes the maintenance of safe and adequate service and minimizes cost prohibitive litigation and administrative burden.

8. The Asset Purchase Agreement between WP Water Company, Inc. and the prospective purchaser states, in relevant part, that Buyer "shall be satisfied with its review of the real estate and the quality of title to be conveyed from Seller, including the release of any and all mortgages, liens and encumbrances."

9. The closing of the above referenced transaction is contingent on removal or satisfaction of any impairments to title including the following judgments, mortgages, liens and encumbrances which affect the ability for the Seller to deliver clear title:

(a) Mortgage held by Hanover Bank of Pennsylvania against W.P.

Water and Sanitary Company, Inc., in the amount of Fifty Five Thousand Dollars (\$55,000.00) recorded on March 7, 1990 in Wyoming County, Pennsylvania as Mortgage Book 157, Page 845;

(b) Mortgage(s) held by Summit Bank against W. P Water and Sanitary Company, Inc., in the amount of Eight Thousand Nine Hundred Sixty Three Dollars and Fifty One Cents (\$8,963.51) recorded on June 10, 1998 in Wyoming County, Pennsylvania at Mortgage Book 375, Page 898 and Mortgage Book 375, Page 903.

10. Bank of America is the Successor to the above described Mortgagees, Hanover Bank of Pennsylvania and Summit Bank.

11. Bank of America's Corporate headquarters and principal place of business are located at 100 North Tryon Street, Charlotte North Carolina 28255.

12. This Petition is filed pursuant to 66 Pa. C.S.A. §1901(b) as the Lienholder above referenced, Carl L. Kresge & Sons, Inc., did not request or receive a "securities certificate" as required before the indebtedness were filed against a regulated public utility. Nor did WP Water Co., Inc., and WP Sanitary Co., Inc., seek PUC approval before said mortgages were transacted and filed.

13. Current Counsel for WP Water Co., Inc., and WP Sanitary Co., Inc., provided no services to either company until after the filing of the aforesaid mortgages.

14. The aforesaid Mortgages filed on behalf of Hanover Ban of

Pennsylvania and Summit Bank are against the public interest and should be declared null and void by the Commission pursuant to 66 Pa. C.S.A.

15. The Mortgages are further unenforceable and invalid pursuant to 66 Pa. C.S.A. §2102, which requires Commission approval before a utility can contract with an affiliated company.

16. An emergency expedited hearing is necessary because all of the above-captioned actions, consolidated for hearing before Judge Jandebeaur, have been stayed pending a proposed sale of assets of WP Water and WP Sanitary, as has also a pending Environmental Hearing Board action and criminal charges filed in Wyoming County against the Carl and Sandra Kresge.

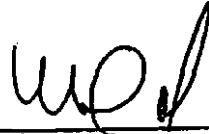
17. The sale of assets is being impeded by the above stated mortgages which it is suggested are clearly invalid and therefore delays resolution of all the pending administrative and criminal proceedings.

WHEREFORE, it is respectfully requested that the Honorable Administrative Law Judge schedule and emergency expedited hearing and make a recommendation to the Commission that such mortgages are null and void and must be stricken from the public records as against and contrary to the public interest under the circumstances of this case.

Respectfully Submitted:



Ernest D. Preate, Jr., Esquire  
Attorney for WP Water Co., Inc., & WP  
Sanitary Co., Inc.  
400 Spruce Street, Suite 300  
Scranton PA 18503

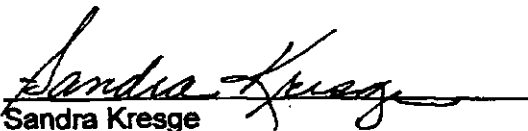


---

**Kimberly D. Borland, Esquire**  
**Kimberly D. Borland, Esquire**  
**Borland & Borland, LLP**  
**Co-Counsel for W.P. Water**  
**& W.P. Sanitary Company, Inc.**  
**69 Public Square, 11<sup>th</sup> Floor**  
**Wilkes-Barre, PA 18701**

**VERIFICATION**

I, Sandra Kresge, secretary of W.P. Water Cp., Inc.; and, W.P. Sanitary Co., Inc., verify that the averments made in the foregoing Petition are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S.A. §4904, relating to unsworn falsification to authorities.

  
Sandra Kresge

Date: 6-17-08

**RECEIVED**  
JUL 2 2008  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**THE LAW OFFICE  
OF  
ATTORNEY ERNEST D. PREATE, JR.**

~~ATTORNEY ERNEST D. PREATE, JR.~~

MELLON BANK BUILDING  
400 SPRUCE STREET SUITE 300  
SCRANTON, PA 18503  
(570) 558-5970  
(570) 558-5973 FACSIMILE  
edpreate@adelphia.net

SUCCESSOR TO  
J. JULIUS LEVY (1924-1978)  
ERNEST D. PREATE, SR. (1934-1995)  
ROBERT A. PREATE (1969-2002)

ERNEST D. PREATE, JR.

July 18, 2008

James J. McNulty,  
Secretary  
PA Public Utility Commission  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105-3265

In re: Investigation of W. P. Water Co., Inc. I-00070114  
and W. P. Sanitary Co., Inc., pursuant to  
Section 529 of the PA Public Utility Code;

W. P. Water Co., Inc. and W. P. Sanitary P-00072313  
Co., Inc.;

Application of W. P. Sanitary Co., Inc. A-230550F2000  
for Approval of Abandonment of Service

Dear Mr. McNulty:

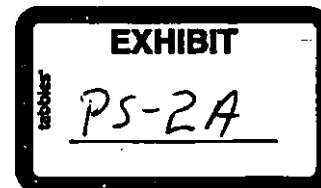
Enclosed please find an original and three copies of the Amended  
Emergency Petition for Expedited Hearing on Unauthorized Mortgages in the  
above captioned cases. This Petition is being filed by undersigned counsel  
on behalf of W. P. Water Co., Inc., and W. P. Sanitary Co., Inc.

A true and correct copies have been furnished to all parties on the  
attached certificate of service including Administrative Law Judge Ember  
Jandebeur, to whom other related Petitions have been assigned and set for  
hearing on July 22, 2008.

SECRETARY'S BUREAU  
PA.P.U.C.

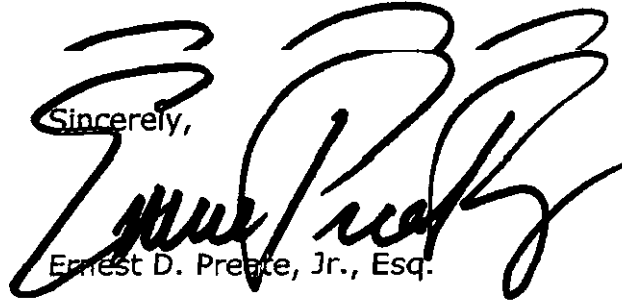
2008 JUL 21 AM 10:54

RECEIVED



Thank you for your courtesies.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Ernest D. Preate, Jr.".

Ernest D. Preate, Jr., Esq.

EDPJr/rjw  
Enclosures  
cc: Parties of record

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P. O. BOX 3265, Harrisburg, PA 17105-3265

RECEIVED  
2 2008 JUL 21 AM 10: 55  
PA.P.U.C.  
SECRETARY'S BUREAU

In re: Investigation of W. P. Water Co., Inc. and W. P. Sanitary Co., Inc., pursuant to Section 529 of the Pennsylvania Public Utility Code;	I-00070114
In re: W. P. Water Co., Inc. and W. P. Sanitary Co., Inc.;	P-00072313
Application of W. P. Sanitary Co., Inc. For Approval of Abandonment of Service	A-230550F2000

AMENDED EMERGENCY PETITION FOR EXPEDITED  
HEARING ON UNAUTHORIZED MORTGAGES  
AGAINST REGULATED PUBLIC UTILITIES

1. This Petition Amends the Emergency Petition for Expedited Hearing on Unauthorized Mortgages against Regulated Public Utilities filed with the Pennsylvania Public Utility Commission on July 3, 2008 by the undersigned counsel on behalf of W. P. Water Company, Inc., and W. P. Sanitary Company, Inc.

2. By Public Utilities Commission Order, dated July 11, 2007, the above captioned Application and Petitions were consolidated to avoid unnecessary duplication and to allow the proceedings to be litigated more efficiently.

3. The consolidated proceedings were referred to the Office of Administrative Law Judge for hearing and adjudication and assigned to

Ember S. Jandebaur, Presiding Officer, at Application No. A-230550F2000.

4. Subsequently, the parties consented to Mediation to resolve the issues in the consolidated proceedings.

5. In an effort to resolve the above captioned Administrative Proceedings, WP sought to initiate a transfer (sale) of all WP Water and Sanitary assets to a capable and proximate public utility

6. On or about November 1, 2007, the parties advised the Administrative Law Judge and Mediator that they had reached an agreement in principle regarding the purchase price and a utility to purchase the assets of WP Water and WP Sanitary.

7. Specifically, an Assets Purchase Agreement (APA) has been negotiated between W. P. Water Co., Inc., and a prospective purchaser, and, W. P. Sanitary Co., Inc., and a prospective purchaser, for the sale and purchase of its water system and wastewater system in Wyoming and Luzerne Counties.

8. The parties are currently working on finalizing the APA's. It is believed and therefore averred that a Joint Petition for Settlement will be executed by the parties at the closing. It is agreed between and among all interested parties that the Joint Petition is in the public interest because it promotes the maintenance of safe and adequate service and minimizes cost prohibitive litigation and administrative burden.

9. The Asset Purchase Agreement between WP Water Company, Inc. and the prospective purchaser states, in relevant part, that Buyer "shall be satisfied with its review of the real estate and the quality of title to be conveyed from Seller, including the release of any and all mortgages, liens and encumbrances."

10. The closing of the above referenced transaction is contingent on removal or satisfaction of any impairments to title including the following judgments, mortgages, liens and encumbrances which affect the ability for the Seller to deliver clear title:

- A. Amount: \$55,000.00  
Mortgagor: W. P. Sanitary Company, Inc and W. P. Water Company, Inc.  
Mortgagee: Hanover Bank of Pennsylvania  
Dated: 3/17/1990 and Recorded in Mortgage Book 157, page 846 in Wyoming County.
- B. Amount: \$8,963.51  
Mortgagor: W. P. Sanitary Company, Inc. and W. P. Water Company, Inc.  
Mortgagee: Summit Bank  
Dated: 3/16/1998 and Recorded 6/10/1998 in Mortgage Book 375, page 898 in Wyoming County.
- C. Amount: \$8,963.51  
Mortgagor: W. P. Sanitary Company, Inc. and W. P. Water Company, Inc.  
Mortgagee: Summit Bank  
Dated: 3/16/1998 and Recorded 6/10/1998 in Mortgage Book 375, page 903 in Wyoming County.

11. The above referenced mortgages are currently held by Bank of America as successor to Summit and Hanover Banks.

12. Pursuant to the attached Verification by Sandra Kresge and Carl Kresge, it is averred that each of the above mortgages referenced in paragraph 10 have been paid in full and that the Mortgagors are entitled to a Satisfaction from the Mortgages.

13. Said mortgages with Hanover Bank and Summit Bank were taken out to put in a sewage treatment plant in Washington Park, Wyoming County, in the 1990's. The sewage treatment plant was in fact constructed.

14. Said mortgages were eventually paid off from the proceeds of a land sale in Laurel Lake and from other sources.

15. Said mortgages were paid and W. P. Sanitary Co., Inc. and W. P. Water Co., Inc. never received statements, invoices or bills demanding further payment and the Banks, including their successor, never initiated legal action to demand payment or produce evidence that the mortgages have not been satisfied.

16. This Petition is filed pursuant to 66 Pa. C.S.A. § 1901(b) as the Lienholder above referenced Bank of America, successor in interest to Hanover Bank of Pennsylvania and Summit Bank, did not request or receive a "securities certificate" as required before the indebtedness were filed against a regulated public utility. Nor did WP Water Co., Inc., and/or WP Sanitary Co., Inc., seek PUC approval before said mortgages were transacted and filed.

17. The aforesaid Mortgages filed on behalf of Hanover Bank of Pennsylvania and Summit Bank are against the public interest and should be declared null and void by the Commission pursuant to 66 Pa. C.S.A. §§ 1904, 2102 & 2105.

18. The Mortgages are further unenforceable and invalid pursuant to 66 Pa. C.S.A. §2102, which requires Commission approval before a utility can contract with an affiliated company.

19. An emergency expedited hearing is necessary because of all of the above captioned actions, consolidate for hearing before Judge Jandebeur, have been stayed pending a proposed sale of assets of WP Water and WP Sanitary, as has also a pending Environmental Hearing Board action and criminal charges filed in Wyoming County against Carl and Sandra Kresge.

20. The sale of assets is being impeded by the above stated mortgages which it is suggested are clearly invalid and therefore delays resolution of all the pending administrative and criminal proceedings.

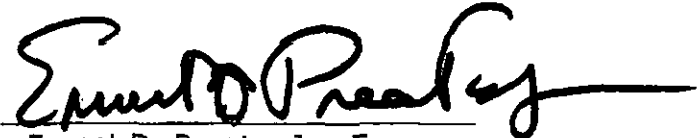
21. Accordingly, pursuant to 66 Pa. C.S.A. § 1904, W. P. Water Co., Inc, and W. P. Sanitary Co., Inc., seek an order declaring the mortgage liens in its initial Petition and Amended Petition against WP null and void and against the public interest.

22. For purposes of Administrative Law Judge Ember S. Jandebeur

June 18, 2008 Interim Order it is requested that this Amended Petition along with the WP Petition and LBPS Motion be consolidated, joined and considered with the WP Petition and LBPS Motion be consolidated, joined and considered together on July 22, 2008.

WHEREFORE, it is respectfully requested that the mortgage liens referred to in the Petition, Motion and Amended Petition be stricken as null and void in violation of the Pennsylvania Public Utilities Code and contrary to the public interest pursuant to 66 Pa. C. S. A. §§ 1904 and 2105.

Respectfully submitted,

July 18-2008 By:   
Ernest D. Preate, Jr., Esq.  
Attorney for WP Water and Sanitary Co.,  
Inc.

400 Spruce Street—Suite 300  
Scranton, PA 18503  
570.558.5970

By: /s/ Kimberly D. Borland  
Kimberly D. Borland, Esq.  
Borland and Borland, LLP  
Co-Counsel for WP Water and Sanitary  
Co., Inc.

69 Public Square, 11<sup>th</sup> Floor  
Wilkes-Barre, PA 18701

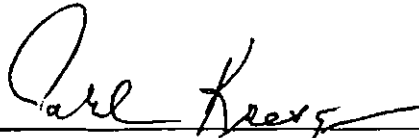
VERIFICATION

VERIFICATION

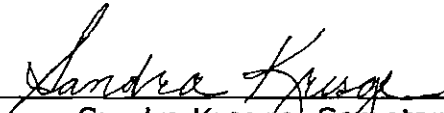
We, Carl Kresge and Sandra Kresge, hereby verify that the statements contained in the foregoing Amended Petition are true and correct to the best of our knowledge, information and belief.

We understand that false statements herein are made subject to the penalties of 18 Pa. C.S.A. § 4904, relating to unsworn falsification to authorities.

July 18-2008



Carl Kresge, President  
W. P. Water Company, Inc.,  
W. P. Sanitary Company, Inc.



Sandra Kresge, Secretary  
W. P. Water Company, Inc.  
W. P. Sanitary Company, Inc.

RECEIVED  
2008 JUL 21 AM 10:55  
P.A.P.U.C.  
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

~~CERTIFICATE OF SERVICE~~

I, Ernest D. Preate, Jr., do hereby verify that I served a true and correct copy of the foregoing petition to the following Parties by First Class, U. S. Mail, postage prepaid on the 18 day of July, 2008.

James J. McNulty, Secretary  
Commonwealth of PA  
Public Utilities Commission  
P. O. Box 3265  
Harrisburg, PA 17105-3265

PA Public Utility Commission  
Law Bureau Prosecutory Staff  
c/o Rhonda L. Daviston, Esq.  
P. O. BOX 3265  
Harrisburg, PA 17105-3265

Darlene R. Wong, Esq.  
Assistant Consumer Advocate  
Office of Consumer Advocate  
555 Walnut Street—5th Floor  
Harrisburg, PA 17105-3265

Fayling Dempsey, Esq.  
PA DEP  
2 Public Square  
Wilkes-Barre, PA 18711-0790

Anthony Litwin, Esq.  
24 East Tioga Street  
Tunkhannock, PA 18657

George P. Skumanick, Jr.  
Wyoming County Distrist Attorney  
One Courthouse Square  
Tunkhannock, PA 18657-0209

Kim Borland, Esq.  
69 Public Square—11th Floor  
Wilkes-Barre, PA 18701

Keith E. Gabage, Senior Director  
Aqua America, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Michael D. Klein, Esq.  
200 N. Third Street, Suite 300  
P. O. Box 12105  
Harrisburg, PA 17108-2105

Susan Simms Marsh, Esq.  
PA-American Water  
800 West Hershey Park Drive  
Hershey, PA 17033

John Dillon, Esq.  
United Water PA, Inc.  
8189 Adams Drive  
Hummelstown, PA 17036

Admin. Law Judge Ember S. Jandebaur  
Scranton State Office Bldg., Room 317  
100 Lackawanna Avenue  
Scranton, PA 18503

RECEIVED  
2008 JUL 21 AM 10:55  
PA.P.U.C.  
SECRETARY'S BUREAU

Joseph G. Albert, Esq.  
Albert & Kamage  
~~Albert & Kamage~~  
458 Wyoming Avenue  
Kingston, PA 18704  
Attorneys for Carl L. Kresge & Sons, Inc.

Elena Rodriguez  
Lien and Release Department  
~~Lien and Release Department~~  
Bank of America  
VIA FACSIMILE 1-617-790-1399

Thomas T. Niesen, Esq.  
212 Locust Street, Suite 500  
P. O. Box 9500  
Harrisburg, PA 17108-9500  
Attorney for Aqua, Pennsylvania, Inc.

Bank of America  
Scranton Electric Building  
507 Linden Street  
Scranton, PA 18503

Carl and Sandra Kresge  
1199 Laurel Run Road  
Wilkes-Barre, PA 18702

By:   
Ernest D. Preate, Jr., Esq.



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE  
2005.0319.05

May 9, 2008

James J. McNulty, Jr., Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Investigation of W.P. Water Company, Inc and W.P. Sanitary  
Company, Inc.; I-00070114; P-00072313; A-230550F2000

Dear Mr. McNulty:

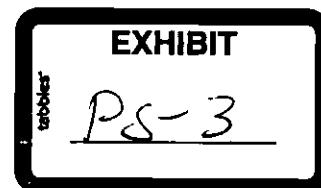
Enclosed for filing are an original and three (3) copies of Law Bureau Prosecutory Staff's (LBPS) Motion for an Order Declaring Mortgage Liens Null and Void Pursuant to 66 Pa. C.S. § 1904, 2102 and 2105 and Mechanics' Liens Invalid and Ineffective Pursuant to 66 PA. C. S. § 2102. The consolidated matters listed above are assigned to ALJ Jandebaur. However, they are currently being held in abeyance while the parties attempt to resolve the issues through mediation. LBPS requests that this Motion also be assigned to ALJ Jandebaur. LBPS requests that this Motion be bifurcated and resolved separately from the mediation. LBPS believes that this is the best way to resolve the impediments to the mediation in an expeditious manner. An Answer to this Motion must be filed within 20 days from the date of service of this Motion. LBPS also requests that this matter be set for an expedited hearing if any party files an Answer in opposition to this Motion. Copies have been served on the parties of record in accordance with the Certificate of Service.

Sincerely,

Rhonda L. Daviston  
Assistant Counsel  
Attorney ID No. 49640

Enclosure

cc: As per Certificate of Service  
Frank Wilmarth, DCC



**N-O-T-I-C-E**

**A. You must file an Answer within 20 days of the date of service of this Motion. The date of service is the mailing date as indicated at the top of the cover page for this Motion. See 52 Pa. Code § 1.56(a). The Answer must raise all factual and legal arguments that you wish to claim in your defense and must include the reference number of this Motion. Your Answer must be verified and the original and three copies sent to:**

**James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
P. O. Box 3265  
Harrisburg, PA 17105-3265**

**B. If you fail to answer this Motion within 20 days, Law Bureau Prosecutory Staff will request that the Commission issue an order granting the requests set forth in the Motion.**

**C If you file an Answer which either admits or fails to deny the allegations of the Motion, Law Bureau Prosecutory Staff will request the Commission to issue an order granting the requests set forth in this Motion.**

**D. If you file an Answer which opposes the Motion, the matter will be assigned to an Administrative Law Judge for hearing and decision. The Judge is not bound by the requests set forth in the Motion, and may impose additional and/or alternative imposing the penalty as appropriate.**

**E. If you are a corporation, you must be represented by legal counsel. See 52 Pa. Code §§ 1.21-1.22.**

**F. Alternative formats of this material are available for persons with disabilities by contacting the Public Utility Commission at (717) 787-5620.**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Investigation of W.P. Water Company, Inc and W.P. Sanitary Company, Inc. Pursuant to 66 Pa. C.S. § 529</b>	<b>: I-00070114</b> : : : :
<b>W.P. Water Company, Inc. and W.P. Sanitary Company, Inc.</b>	<b>: P-00072313</b> : : :
<b>Application of W.P. Sanitary Company, Inc. For Approval of Abandonment of Service</b>	<b>: A-230550F2000</b> :

**To Administrative Law Judge Jandebaur:**

---

**Law Bureau Prosecutory Staff Motion for an Order  
Declaring Mortgage Liens Null and Void Pursuant to  
66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid,  
Ineffective and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105**

---

1. Law Bureau Prosecutory Staff (LBPS) hereby submits this Motion pursuant to Section 5.103 of the Commission's regulations, 52 Pa. Code § 5.103, seeking an order declaring null and void mortgage liens filed against two public utilities, W.P. Water Company, Inc and W.P. Sanitary Company, Inc, (collectively referred to as WP) in violation of 66 Pa. C. S. §§ 1904, 2102 and 2105. LBPS also seeks to have mechanics' liens filed against WP invalid and ineffective pursuant to 66 Pa. C. S. §§ 1904, 2102 and 2105. In addition, LBPS seeks to have the affiliated interest contracts declared void pursuant to 66 Pa. C.S. § 2105.

2. By Commission order entered July 11, 2007, the above-captioned application and petitions were consolidated.

3. The consolidated matters were scheduled for hearing before Your Honor. The parties to the consolidated proceeding are: WP, the Office of Consumer Advocate (OCA), the Department of Environmental Protection (DEP), Washington Township, United Water Company (United), Aqua PA (Aqua), PA American Water Company (PAWC), Little Washington Wastewater Company, d/b/a Suburban Wastewater Company (LWWC) and LBPS.

4. Prior to any hearings, the parties to the consolidated matters consented to mediation in an effort to resolve the issues in an expedited manner. Several mediation sessions were held before Mediation Coordinator Herbert R Nurick.

5. On November 1, 2007, the parties notified Your Honor that an agreement in principle had been reached with regard to a purchase price and a utility to take over service to WP customers. Although PAWC tentatively agreed to take over all WP systems, Your Honor was notified that many details regarding the agreement in principle remained to be worked out.

6. One of the conditions of the Assets Purchase Agreements (APAs) between WP and PAWC and is that all liens, mortgages and encumbrances affecting WP's ability to deliver clear title be resolved prior to executing the APAs.

7. During the October 29, 2007 mediation session, WP, through its attorneys, first informed the parties that several encumbrances existed against WP. These encumbrances are listed as follows:

(a) An open ended mortgage and security agreement filed against WP Sanitary Company, Inc. by Fox Rothschild, LLP, on December 28, 2004, in Wyoming County, PA in Mortgage Book 515, page 594. This was for legal services performed by Fox Rothschild, LLP. The parties agreed that this mortgage shall be satisfied for \$15,000 at closing with WP Sanitary paying \$10,000 and LWWC paying \$5,000. In exchange, Fox Rothschild will release all claims against WP.

(b) W.P. Water Company, Inc. entered into a mortgage agreement with Carl L. Kresge & Sons, Inc., in the amount of \$1,624,321.92. This mortgage was filed on October 4, 2007 and recorded in Wyoming County at Document No. 2007-4066.

(c) W.P. Sanitary Company, Inc. entered into a mortgage agreement with Carl L. Kresge and Sons, Inc. in the amount of 1,624321.92. This mortgage was filed on October 4, 2007 in Wyoming County at document No. 2007-4065.

8. In addition to the mortgage liens, three mechanics' liens have since been filed against WP by Carl L. Kresge & Sons. Those liens are listed as follows:

(a) Mechanics' lien claim in the amount of \$343,479.18 filed in Wyoming County against WP Sanitary Company on March 12, 2008 at number 287-2008.

(b) Mechanics' lien claim in the amount of \$186,564.48 filed in Wyoming County against WP Water Company on March 12, 2008 at number 286-2008.

(c) Mechanics' lien claim in the amount of \$93,199.77 filed in Luzerne County against WP Water Company (Sleepy Hollow) on March 11, 2008 at number 3179-2008.

## Mortgage Liens Invalid and Should Be Declared Null and Void

9. Every public utility is required seek Commission registration of a securities certificate prior to issuing any securities. Specifically, 66 Pa. C.S. § 1901(a) provides:

**(a) General Rule.**—Under such regulations as the commission may prescribe, every public utility, before it shall issue or assume securities, shall file with the commission and receive from it, notice of registration of a document to be known as a securities certificate.

10. The Commission will either register or reject a request for registration. 66 Pa. C.S. § 1903(a) provides in pertinent part:

**(a) General Rule.**—Upon the submission or completion of any securities certificate, as provided in this part, the commission shall register the same if it shall find that the issuance or assumption of securities in the amount, of the character, and for the purpose therein proposed, is necessary or proper for the present and probable future capital needs of the public utility filing such securities certificate; otherwise, it shall reject the securities certificate.

11. The Commission has express authority to declare void securities issued in violation of the Public Utility Code. 66 Pa. C.S. § 1904 provides as follows:

### **§ 1904 Unauthorized securities may be declared void**

In addition to any other penalty provided in this part for any violation of this chapter, the commission, after due consideration of the public interest, may declare void any securities issued, or any assumption of securities made in violation of this chapter. Any such declaration shall not be construed as a bar to recovery, by an innocent holder-for-value of such securities, of any losses sustained by reason of the wrongful acts of the issuing or assuming public utility.

12. A review of Commission records reveals that WP did not file for registration of any security certificates at any time prior to entering into the above mentioned mortgage liens or anytime thereafter. In addition, annual reports filed by WP do not support the amount asserted by any of these mortgages.

13. WP's failure to register its security certificates is a violation of 66 Pa C.S. § 1901 and entitles the Commission to declare such entity in violation as a matter of public interest.

14. Moreover, WP's failure to seek Commission approval prior to entering into the above-mentioned mortgage liens is a violation of Sections 1901-1903 of the Public Utility Code, 66 Pa. C.S. §§ 1901-1903.

15. Accordingly, pursuant to 66 Pa. C.S. § 1904, LBPS seeks an order declaring the mortgage liens against WP null and void and against the public interest.

**Mechanics' Liens Violate the Public Utility Code and Should be Found Invalid and Ineffective**

16. The Public Utility Code requires affiliated interest agreements to be filed with the Commission. 66 Pa. C.S. §2101(a)(7) states that an "affiliated interest" with a public utility means and includes the following:

(7) Every person or corporation who or which the commission may determine as a matter of fact after investigation and hearing is actually exercising such substantial influence over the policies and actions of such public utility in conjunction with one or more other corporations or persons, or both, with which or whom they are related by ownership or **blood relationship**, or both, or by action in concert that together they are affiliated with such public utility within the meaning of this section even though no one of them alone is so affiliated. (emphasis added)

17. In addition, contracts between affiliated interests must receive Commission approval. 66 Pa. C.S. § 2102 states in pertinent part as follows:

**(a) General Rule.**--No contract or arrangement providing for the furnishing of management, supervisory, construction, engineering, accounting, legal, financial, or similar services, and no contract or arrangement for the purchase, sale, lease, or exchange of any property right, or thing or for the furnishing of any service, property, right or thing other than those above enumerated, made or entered into after the effective date of this section between a public utility and any affiliated interest shall be valid or effective unless and until such contract or arrangement has received the written approval of the commission. If such contract is oral, a complete statement of the terms and conditions thereof shall be filed with the commission and subject to its approval.

**(b) Filing and action on contract.**--It shall be the duty of every public utility to file with the commission a verified copy of any such contract or arrangement, or a verified summary as described in subsection (a) of any such written contract or arrangement. ...The commission shall approve such contract or arrangement made or entered into after the effective date of this section only if it shall clearly appear and be established upon investigation that it is reasonable and consistent with the public interest.

18. Affiliated interest agreements are void when entered into in violation of the Public Utility Code. 66 Pa. C.S. § 2105 states that:

**§ 2105 Contracts in violation of part void.**--Every contract with an affiliated interest, made effective or modified in violation of any provision of this part, or of any regulation or order of the commission made under this part, shall be void; and any purchase, sale, payment, lease, loan, or exchange of an service, property, money, security, right, or thing under such contract, or under any contract with an affiliated interest, the terms of which shall have been breached by the affiliated interest, shall be unlawful.

19. LBPS believes and therefore avers that WP and Carl L. Kresge & Sons are affiliated interests. Carl L. Kresge & Sons was previously owned by Carl and Sandra Kresge over the last ten years. Moreover, with respect to WP, Sandra Kresge has been the owner and Carl Kresge has been president during all relevant times therein. Furthermore, Carl Kresge has been an officer in all three companies during this same time period. LBPS also believes and therefore avers that within the last 12 months, ownership of Carl L. Kresge & Sons was transferred to Carl's sons, David and Scott Kresge. As a result of all of the above, affiliated interest agreements between Carl L. Kresge & sons and WP were required to be filed with the Commission for approval. No such agreements have been filed with the Commission at any time.

20. LBPS believes and therefore avers that the amounts allegedly payable by WP to Carl L. Kresge & Sons, as asserted by the above-referenced mortgage and mechanics' liens, are in excess of the reasonable price for furnishing the alleged services or that such services were not reasonably necessary and proper for furnishing and maintaining adequate, efficient, safe and reasonable services and facilities.

21. Accordingly, LBPS seeks an order pursuant to 66 Pa. C.S. § 2105, declaring any contract between WP and Carl L. Kresge & Sons void, unlawful and not in the public interest. LBPS also seeks an order finding that the mechanics' liens are invalid and ineffective.

22. Moreover, regarding the mechanics' liens listed above, 49 Pa. C.S. § 1303(b) states that "no lien shall be allowed for labor and materials furnished for a purely public purpose." *See also, McNulty Bros. Co. v. Pennsylvania R.R Co.* 116 A. 362 (Pa. 1922), (Pennsylvania Supreme Court stated that it is well settled that a building necessary to a public service corporation cannot be made the subject of a mechanics' lien.) In affirming this long standing rule, the Pennsylvania Commonwealth Court, in a consolidated appeal, stated that "after weighing the four relevant factors—public access, governmental/proprietary function, profit motive, and disruption of essential services – we conclude that the Humane Society's shelter serves a purely public purpose pursuant to Section 303(b) and, as a result, is exempt from the mechanics' liens filed by Carter-Jones and LGL." *The Carter-Jones Lumber Company v. Northwestern PA Humane Society; LGL Animal Care Products, Inc. v. Humane Society of Northwestern Pa.*, 913 A.2d 1002 (Pa. Comwlth. 2006)

23. LBPS notes that striking the mechanics' liens lies within the jurisdiction of the appropriate court of common pleas. LBPS believes that WP will take appropriate action to have the above-mentioned mechanics' liens stricken. Nevertheless, LBPS requests Your Honor to find that the mechanics' liens at issue are invalid and ineffective pursuant to 66 Pa. C.S. § 2105, as the amounts allegedly payable are in excess of the reasonable price for furnishing the alleged services or that such services were not reasonably necessary or proper for furnishing and maintaining adequate, efficient, safe and reasonable services and facilities.

**WHEREFORE**, it is respectfully requested that Your Honor find that WP violated 66 Pa. C.S. §§ 1901-1903, and 2102 with respect to the afore-mentioned mortgage liens and mechanics' liens. LBPS also requests that as a result of WP's violations, Your Honor find that the mortgage liens at issue be stricken as null and void in violation of the Public Utility Code and contrary to the public interest pursuant to 66 Pa. C.S. §§ 1904 and 2105. In addition, LBPS requests that the mechanics liens be found invalid and ineffective. Lastly, LBPS request that Your Honor declare the contracts between WP and Carl L. Kresge & Sons void as they are in excess of the reasonable price for furnishing the services provided or were not reasonably necessary or proper and not in the public interest.

Respectfully submitted,

*Rhonda L. Daviston*

Rhonda L. Daviston

Kriss E. Brown

Patricia A. Wiedt

Law Bureau Prosecutory Staff  
PA Public Utility Commission

P.O. Box 3265  
Harrisburg, PA 17109  
(717) 787-6166 (v)  
(717) 783-3458 (f)

**VERIFICATION**

**I, Dale Kirkwood, Finance/Tariffs manager in the Bureau of Fixed Utility Services, hereby state that the facts above set forth in the foregoing Motion are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at any hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to the unsworn falsification to authorities).**

Date: 5/9/08

*Dale Kirkwood*  
Dale Kirkwood, Finance/Tariffs Manager  
Bureau of Fixed Utilities

## CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing documents in accordance with the requirements of 52 Pa. Code § 1.54 *et seq.* (relating to service by a participant).

### Notification by first class mail addressed as follows:

Honorable Ember S. Jandebour  
PA Public Utility Commission  
Scranton Office Bldg. Room 317  
100 Lackawanna Avenue  
Scranton, PA 18503

Christine Maloni Hoover Esquire  
Darlene Wong Esquire  
Erin Gannon Esquire  
Office of Consumer Advocate  
5<sup>th</sup> Floor Forum Place  
555 Walnut Street  
Harrisburg, PA 17101-1923

Ernest D. Preate, Jr. Esquire  
Mellon Bank Building Suite 300  
400 Spruce Street  
Scranton, PA 18503

Fayling Dempsey Esquire  
PA Dept. of Environmental Protection  
2 Public Square  
Wilkes Barre, PA 18711-0790

Kimberly D. Borland Esquire  
Borland & Borland LLP  
11<sup>th</sup> Floor  
69 Public Square  
Wilkes Barre, PA 18701-2597

Michael D. Klein Esquire  
Leboeuf Lamb Green & Macrae LLP  
200 North Third Street, Suite 300  
P.O. Box 12105  
Harrisburg, PA 17108-2105

Boyd Hughes Esquire  
Hughes Nicholls O'Hara  
1421 East Drinker Street  
Dunmore, PA 18512-2614

Thomas T. Niesen Esquire  
Thomas Long Niesan & Kennard  
212 Locust Street, Suite 500  
P.O. Box 9500  
Harrisburg, PA 17108-9500

Anthony P. Litwin Esquire  
24 East Tioga Street  
Tunkhannock, PA 18657

Joseph J. Albert, Esquire  
Albert & Kamage  
Suite 201  
458 Wyoming Avenue  
Kingston, PA 18704

**Notification by Certified mail addressed  
as follows:**

Carl L. Kresge & Sons  
1199 Laurel Run Road  
Wilkes Barre, PA 18702

*Rhonda L. Daviston*

---

Rhonda L. Daviston  
Assistant Counsel  
PA Public Utility Commission

P.O. Box 3265  
Harrisburg, PA 17105-3265  
(717) 787-5000

Dated: May 9, 2008



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE  
2005.0319.05

May 12, 2008

James J. McNulty, Jr., Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Investigation of W.P. Water Company, Inc and W.P. Sanitary  
Company, Inc.; I-00070114; P-00072313; A-230550F2000

Dear Mr. McNulty:

On May 9, 2008, Law Bureau Prosecutory Staff (LBPS) filed a Motion for an Order Declaring Mortgage Liens Null and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid and Ineffective Pursuant to 66 PA. C. S. § 2102. Subsequent to the filing, it was discovered that Paragraph Nos. 5 and 6 erroneously stated that the Assests Purchase Agreements involved WP and PA American Water Company; in fact, they involved WP and Aqua PA.

In order to correct this error, I am enclosing a corrected page 4 to replace the original page 4 that was filed. Copies have been served on the parties of record in accordance with the Certificate of Service. My direct dial number is (717) 7897-6166 if you have any questions.

Sincerely,

*Rhonda L. Daviston*

Rhonda L. Daviston  
Assistant Counsel  
Attorney ID No. 49640

Enclosure

cc: As per Certificate of Service  
Frank Wilmarth, DCC

4. Prior to any hearings, the parties to the consolidated matters consented to mediation in an effort to resolve the issues in an expedited manner. Several mediation sessions were held before Mediation Coordinator Herbert R Nurick.

5. On November 1, 2007, the parties notified Your Honor that an agreement in principle had been reached with regard to a purchase price and a utility to take over service to WP customers. Although Aqua tentatively agreed to take over all WP systems, Your Honor was notified that many details regarding the agreement in principle remained to be worked out.

6. One of the conditions of the Assets Purchase Agreements (APAs) between WP and Aqua is that all liens, mortgages and encumbrances affecting WP's ability to deliver clear title be resolved prior to executing the APAs.

7. During the October 29, 2007 mediation session, WP, through its attorneys, first informed the parties that several encumbrances existed against WP. These encumbrances are listed as follows:

(a) An open ended mortgage and security agreement filed against WP Sanitary Company, Inc. by Fox Rothschild, LLP, on December 28, 2004, in Wyoming County, PA in Mortgage Book 515, page 594. This was for legal services performed by Fox Rothschild, LLP. The parties agreed that this mortgage shall be satisfied for \$15,000 at closing with WP Sanitary paying \$10,000 and LWWC paying \$5,000. In exchange, Fox Rothschild will release all claims against WP.

(b) W.P. Water Company, Inc. entered into a mortgage agreement with Carl L. Kresge & Sons, Inc., in the amount of \$1,624,321.92. This mortgage was filed on October 4, 2007 and recorded in Wyoming County at Document No. 2007-4066.

(c) W.P. Sanitary Company, Inc. entered into a mortgage agreement with Carl L. Kresge and Sons, Inc. in the amount of 1,624321.92. This mortgage was filed on October 4, 2007 in Wyoming County at document No. 2007-4065.

8. In addition to the mortgage liens, three mechanics' liens have since been filed against WP by Carl L. Kresge & Sons. Those liens are listed as follows:

(a) Mechanics' lien claim in the amount of \$343,479.18 filed in Wyoming County against WP Sanitary Company on March 12, 2008 at number 287-2008.

(b) Mechanics' lien claim in the amount of \$186,564.48 filed in Wyoming County against WP Water Company on March 12, 2008 at number 286-2008.

(c) Mechanics' lien claim in the amount of \$93,199.77 filed in Luzerne County against WP Water Company (Sleepy Hollow) on March 11, 2008 at number 3179-2008.

## CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing documents in accordance with the requirements of 52 Pa. Code § 1.54 *et seq.* (relating to service by a participant).

Notification by first class mail addressed as follows:

Honorable Ember S. Jandebaur  
PA Public Utility Commission  
Scranton Office Bldg. Room 317  
100 Lackawanna Avenue  
Scranton, PA 18503

Christine Maloni Hoover Esquire  
Darlene Wong Esquire  
Erin Gannon Esquire  
Office of Consumer Advocate  
5<sup>th</sup> Floor Forum Place  
555 Walnut Street  
Harrisburg, PA 17101-1923

Ernest D. Preate, Jr. Esquire  
Mellon Bank Building Suite 300  
400 Spruce Street  
Scranton, PA 18503

Fayling Dempsey Esquire  
PA Dept. of Environmental Protection  
2 Public Square  
Wilkes Barre, PA 18711-0790

Kimberly D. Borland Esquire  
Borland & Borland LLP  
11<sup>th</sup> Floor  
69 Public Square  
Wilkes Barre, PA 18701-2597

Michael D. Klein Esquire  
Leboeuf Lamb Green & Macrae LLP  
200 North Third Street, Suite 300  
P.O. Box 12105  
Harrisburg, PA 17108-2105

Boyd Hughes Esquire  
Hughes Nicholls O'Hara  
1421 East Drinker Street  
Dunmore, PA 18512-2614

Thomas T. Niesen Esquire  
Thomas Long Niesan & Kennard  
212 Locust Street, Suite 500  
P.O. Box 9500  
Harrisburg, PA 17108-9500

Anthony P. Litwin Esquire  
24 East Tioga Street  
Tunkhannock, PA 18657

Joseph J. Albert, Esquire  
Albert & Kamage  
Suite 201  
458 Wyoming Avenue  
Kingston, PA 18704

Notification by Certified mail addressed as follows:

Carl L. Kresge & Sons  
1199 Laurel Run Road  
Wilkes Barre, PA 18702

*Rhonda L. Daviston*

---

Rhonda L. Daviston  
Assistant Counsel  
PA Public Utility Commission

P.O. Box 3265  
Harrisburg, PA 17105-3265  
(717) 787-5000

Dated: May 12, 2008



**THOMAS, LONG,  
NIESEN & KENNARD**

*Attorneys and Counsellors at Law*

THOMAS T. NIESEN  
Direct Dial: 717.255.7641  
tniesen@thomaslonglaw.com

May 27, 2008

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
P. O. Box 3265  
Harrisburg, PA 17105-3265

RECEIVED  
2008 MAY 29 AM 10:51  
PA P.U.C.  
LAW BUREAU

In re: Docket No. I-00070114  
Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to  
Section 529 of the Pennsylvania Public Utility Code

Docket No. P-00072313  
W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.

Docket No. A-230550F2000  
Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service

Dear Secretary McNulty:

Enclosed for filing on behalf of Aqua Pennsylvania, Inc. and Little Washington Wastewater Company, dba Suburban Wastewater, in the above matter, are an original and three (3) copies of the following:

1. Answer to the Emergency Petition of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. for Expedited Hearing on Unauthorized Liens and Mortgages Against Regulated Public Utilities; and
2. Answer to the Motion of the Law Bureau Prosecutory Staff for An Order Declaring Mortgages and Liens Null and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid, Ineffective and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105.

Copies of both Answers are being served upon the persons and in the manner set forth on the certificates of service attached to them.

Very truly yours,

THOMAS, LONG, NIESEN & KENNARD

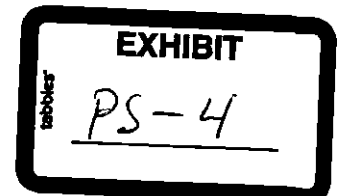
By

Thomas T. Niesen

Encl.

cc: Certificates of Service  
Frances P. Orth, Esquire

080527-McNulty (WP and LBPS Answers).wpd



**Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

---

**Administrative Law Judge  
Ember Jandebour, Presiding**

---

**In re: Investigation of W.P. Water : Docket No. I-00070114  
Co., Inc. and W.P. Sanitary Co., Inc. :  
Pursuant to Section 529 of the :  
Pennsylvania Public Utility Code :**

**In re: W.P. Water Co., Inc. and W.P. : Docket No. P-00072313  
Sanitary Co., Inc. :**

**Application of W.P. Sanitary Co., Inc. : Docket No. A-230550F2000  
For Approval of Abandonment of :  
Service :**

---

**ANSWER OF AQUA PENNSYLVANIA, INC. AND LITTLE WASHINGTON  
WASTEWATER COMPANY, DBA SUBURBAN WASTEWATER, TO THE  
EMERGENCY PETITION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.  
FOR EXPEDITED HEARING ON UNAUTHORIZED LIENS AND MORTGAGES  
AGAINST REGULATED PUBLIC UTILITIES**

---

AND NOW, come Aqua Pennsylvania, Inc. ("Aqua PA") and Little Washington Wastewater Company ("LWWC") and, pursuant to 52 Pa. Code § 5.61, answer the Emergency Petition of W.P. Water Co., Inc. ("W.P. Water") and W.P. Sanitary Co., Inc. ("W.P. Sanitary") (collectively "the W.P. Companies") for Expedited Hearing on Unauthorized Liens and Mortgages Against Regulated Public Utilities as follows:

**I. BACKGROUND**

1. This proceeding concerns an Investigation Order of the Public Utility Commission ("Commission") entered July 11, 2007, at Docket No. I-00070114 instituting an investigation into whether it should order a capable public utility to acquire W.P. Water and W.P. Sanitary pursuant to Section 529 of the Public Utility Code, 66 Pa. C.S. § 529.

2. The Investigation Order was consolidated by the Commission with a pending Application proceeding at Docket No. A-230550F2000 initiated by W.P. Sanitary for authority to abandon its wastewater service in the Township and a pending Petition proceeding at Docket No. P-00072313 filed by the Office of Consumer Advocate ("OCA") seeking immediate relief for water customers of W.P. Water who are experiencing frequent water outages and low water pressure.

3. The W.P. Companies did not expressly object to the initiation of the take-over proceeding and admitted that it was "both viable and practical to transfer assets of W.P. to a capable public utility and a proximate public utility."

4. The consolidated proceeding was assigned to Administrative Law Judge Ember S. Jandebeur. By Corrected Hearing Notice dated August 3, 2007, Initial and Further Hearings were scheduled for September 11, 12 and 13 and October 10 and 11, 2007.

5. Subsequently, the parties consented to use the mediation process to try to resolve the issues in the consolidated proceeding and the hearings previously scheduled in the matter were continued.

6. Herbert R. Nurick was assigned as the Mediator for the matter. Thereafter, mediation sessions were scheduled and held in Scranton on September 11, 2007 and October 10 and 29, 2007. Participating in the mediation process were: Law Bureau Prosecutory Staff ("LBPS"), OCA, the Department of Environmental Protection, Aqua PA, LWWC, Washington Township, W.P. Water and W.P. Sanitary, Pennsylvania American Water Company, United Water of Pennsylvania and Mediator Nurick.

7. On November 1, 2007, the parties advised Judge Jandebour and Mediator Nurick that, while many details remained open, they had reached an agreement in principle regarding the purchase price and utilities to acquire the service assets of W.P. Water and W.P. Sanitary.

8. On May 6, 2008, the W.P. Companies filed a Petition asking Judge Jandebour and the Commission to schedule an emergency expedited hearing and to recommend and order that certain liens and mortgages of record are null and void and must be stricken from the public records as against and contrary to the public interest.

## **II. ANSWER TO PETITION**

9. The position of Aqua PA and LWWC in regard to the Petition of the W.P. Companies is as follows:

- a. Aqua PA and LWWC are identified as possible acquiring entities of the water and wastewater assets, respectively, of the W.P. Companies. Any purchase of assets by Aqua PA and LWWC will be conditioned on the complete satisfaction and complete removal of all liens and mortgages against the assets of the W.P. Companies. Aqua PA and LWWC will insist, moreover, that the large mortgages and large mechanic liens identified in Paragraphs 9(c) and 9(d) of the Petition, which total approximately \$2,000,000 against W.P. Water and approximately \$2,000,000 against W.P. Sanitary, be completely satisfied and completely removed *prior to the execution* of any Asset Purchase Agreements for the assets of the W.P. Companies.
- b. The Petition avers that the large mortgages and large mechanic liens identified in Paragraphs 9(c) and 9(d) of the Petition are recorded in the name and for the benefit of Carl L. Kresge & Sons, Inc., a possible

affiliate of the W.P. Companies and possibly under the control of Carl L. Kresge. If Mr. Kresge controls both the W.P. Companies and Carl L. Kresge & Sons, Inc. it may be possible to have the liens and mortgages voluntarily removed without the necessity for a litigated resolution of their validity as sought by the Petition.

- c. Aqua PA and LWWC do not object to the scheduling of a hearing into the matters of alleged unauthorized liens and mortgages against the W.P. Companies. However, a Commission hearing can only address matters within the Commission's jurisdiction under the Public Utility Code. The ultimate and complete satisfaction and complete removal of the liens and mortgages may involve additional principles of real estate, creditor, corporate and other law which the Commission has no jurisdiction to rule upon. Consequently, this Petition may be only a partial resolution of matters necessary to the presentation of clear title by the W.P. Companies.

WHEREFORE, Aqua Pennsylvania, Inc. and Little Washington Wastewater Company dba Suburban Wastewater answer the Emergency Petition of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. for Expedited Hearing on Unauthorized Liens and Mortgages Against Regulated Public Utilities as aforesaid.

Respectfully submitted,

By 

---

Thomas T. Niesen, Esquire  
PA Attorney ID No. 31379  
THOMAS, LONG, NIESEN & KENNARD  
212 Locust Street, Suite 500  
P.O. Box 9500  
Harrisburg, PA 17108-9500

Frances P. Orth, Esquire  
PA Attorney ID No. 68824  
AQUA PENNSYLVANIA, INC.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

*Attorneys for  
Aqua Pennsylvania, Inc. and  
Little Washington Wastewater Company*

Dated: May 27, 2008

Aqua Answer to WP Petition Re Liens.wpd

**Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

---

<b>In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to Section 529 of the Pennsylvania Public Utility Code</b>	<b>: : : : :</b>	<b>Docket No. I-00070114</b>
<b>In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.</b>	<b>: : :</b>	<b>Docket No. P-00072313</b>
<b>Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service</b>	<b>: : : :</b>	<b>Docket No. A-230550F2000</b>

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 27<sup>th</sup> day of May 2008, served a true and correct copy of the foregoing Answer of Aqua Pennsylvania and Little Washington Wastewater Company, dba Suburban Wastewater, to the Emergency Petition of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. for Expedited Hearing on Unauthorized Liens and Mortgages Against Regulated Public Utilities, upon the persons and in the manner set forth below:

**FIRST CLASS MAIL, POSTAGE PREPAID**

Honorable Ember S. Jandebour  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Scranton Office Building, Room 317  
100 Lackawanna Avenue  
Scranton, PA 18503

Rhonda L. Daviston, Assistant Counsel  
Law Bureau  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
P. O. Box 3265  
Harrisburg, PA 17105-3265

Christine Maloni Hoover, Esquire  
Darlene Wong, Esquire  
Erin Gannon, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Ernest D. Preate, Jr., Esquire  
Mellon Bank Building, Suite 300  
400 Spruce Street  
Scranton, PA 18503

Kimberly D. Borland, Esquire  
Borland & Borland, LLP  
11<sup>th</sup> Floor  
69 Public Square  
Wilkes-Barre, PA 18701-2597

Boyd Hughes, Esquire  
Hughes Nicholls O'Hara  
1421 East Drinker Street  
Dunmore, PA 18512-2614

Joseph J. Albert, Esquire  
Albert & Kamage  
Suite 201  
458 Wyoming Avenue  
Kingston, PA 18704

Carl L. Kresge & Sons  
1199 Laurel Run Road  
Wilkes-Barre, PA 18702

Fayling Dempsey, Esquire  
PA Dept. of Environmental Protection  
2 Public Square  
Wilkes-Barre, PA 18711-0790

Michael D. Klein, Esquire  
Leboeuf Lamb Green & Macrae, LLP  
200 North Third Street, Suite 300  
P.O. Box 12105  
Harrisburg, PA 17108-2105

Anthony P. Litwin, Esquire  
24 East Tioga Street  
Tunkhannock, PA 18657



Thomas T. Niesen  
PA Attorney ID No. 31379

**Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

---

**Administrative Law Judge  
Ember Jandebeur, Presiding**

---

<b>In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to Section 529 of the Pennsylvania Public Utility Code</b>	:	<b>Docket No. I-00070114</b>
<b>In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.</b>	:	<b>Docket No. P-00072233</b>
<b>Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service</b>	:	<b>Docket No. A-230550F2000</b>

**PA P.U. CLERK  
LAW BUREAU**

**2008 MAY 29 AM 10:51**

**RECEIVED**

---

**ANSWER OF AQUA PENNSYLVANIA, INC. AND LITTLE WASHINGTON  
WASTEWATER COMPANY, DBA SUBURBAN WASTEWATER, TO THE MOTION  
OF THE LAW BUREAU PROSECUTORY STAFF FOR AN ORDER DECLARING  
MORTGAGES AND LIENS NULL AND VOID PURSUANT TO 66 PA. C.S. §§ 1904,  
2102 AND 2105 AND MECHANICS' LIENS INVALID, INEFFECTIVE AND VOID  
PURSUANT TO 66 PA. C.S. §§ 1904, 2102 AND 2105**

---

AND NOW, come Aqua Pennsylvania, Inc. ("Aqua PA") and Little Washington Wastewater Company ("LWWC") and, pursuant to 52 Pa. Code § 5.102, answer the Motion of the Law Bureau Prosecutory Staff ("LBPS") for an Order Declaring Mortgages and Liens Null and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid, Ineffective and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 as follows:

**I. BACKGROUND**

1. This proceeding concerns an Investigation Order of the Public Utility Commission ("Commission") entered July 11, 2007, at Docket No. I-00070114 instituting an investigation into whether it should order a capable public utility to acquire W.P.

Water Co., Inc. ("W.P. Water") and W.P. Sanitary Co., Inc. ("W.P. Sanitary") (collectively "the W.P. Companies") pursuant to Section 529 of the Public Utility Code, 66 Pa. C.S. § 529.

2. The Investigation Order was consolidated by the Commission with a pending Application proceeding at Docket No. A-230550F2000 initiated by W.P. Sanitary for authority to abandon its wastewater service in the Township and a pending Petition proceeding at Docket No. P-00072313 filed by the Office of Consumer Advocate ("OCA") seeking immediate relief for water customers of W.P. Water who are experiencing frequent water outages and low water pressure.

3. The W.P. Companies did not expressly object to the initiation of the take-over proceeding and admitted that it was "both viable and practical to transfer assets of W.P. to a capable public utility and a proximate public utility."

4. The consolidated proceeding was assigned to Administrative Law Judge Ember S. Jandebaur. By Corrected Hearing Notice, dated August 3, 2007, Initial and Further Hearings were scheduled for September 11, 12 and 13 and October 10 and 11, 2007.

5. Subsequently, the parties consented to use the mediation process to try to resolve the issues in the consolidated proceeding and the hearings previously scheduled in the matter were continued.

6. Herbert R. Nurick was assigned as the Mediator for the matter. Thereafter, mediation sessions were scheduled and held in Scranton on September 11, 2007 and October 10 and 29, 2007. Participating in the mediation process were: LBPS, OCA, the Department of Environmental Protection, Aqua PA, LWWC, Washington Township, W.P. Water and W.P. Sanitary, Pennsylvania American Water Company, United Water of Pennsylvania and Mediator Nurick.

7. On November 1, 2007, the parties advised Judge Jandebour and Mediator Nurick that, while many details remained open, they had reached an agreement in principle regarding the purchase price and utilities to acquire the service assets of W.P. Water and W.P. Sanitary.

8. On May 9, 2008, LBPS filed a Motion asking Judge Jandebour and the Commission to, *inter alia*, find the W.P. Companies to be in violation of the Public Utility Code in regard to certain liens and mortgages, to declare certain liens and mortgages to be null and void, to strike certain liens and mortgages from the public records and to declare certain contracts between the W.P. Companies and Carl L. Kresge & Sons, Inc. not reasonable or proper and not in the public interest.

## **II. ANSWER TO MOTION**

9. The position of Aqua PA and LWWC in regard to the Motion of the LBPS is as follows:

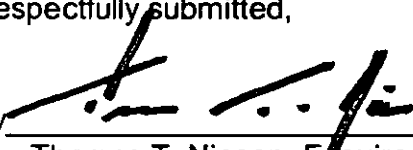
- a. Aqua PA and LWWC are identified as possible acquiring entities of the water and wastewater assets, respectively, of the W.P. Companies. Any purchase of assets by Aqua PA and LWWC will be conditioned on the complete satisfaction and complete removal of all liens and mortgages against the assets of the W.P. Companies. Aqua PA and LWWC will insist, moreover, that the large mortgages and large mechanic liens identified in Paragraphs 7(b), 7(c) and 8 of the Motion, which total approximately \$2,000,000 against W.P. Water and approximately \$2,000,000 against W.P. Sanitary, be completely satisfied and completely removed *prior to the execution* of any Asset Purchase Agreements for the assets of the W.P. Companies.

- b. The Motion avers that the large mortgages and large mechanic liens identified in Paragraphs 7(b), 7(c) and 8 of the Motion are recorded in the name and for the benefit of Carl L. Kresge & Sons, Inc., a possible affiliate of the W.P. Companies and possibly under the control of Carl L. Kresge. If Mr. Kresge controls the W.P. Companies and Carl L. Kresge & Sons, Inc., it may be possible for Mr. Kresge to have the liens and mortgages voluntarily removed without the necessity for a litigated resolution of their validity as sought by the Motion.
- c. Aqua PA and LWWC do not object to the relief requested in the Motion concerning matters of alleged unauthorized liens and mortgages against the W.P. Companies. However, the Commission can only address matters within its jurisdiction under the Public Utility Code. The ultimate and complete satisfaction and complete removal of the liens and mortgages may involve additional principles of real estate, creditor, corporate and other law which the Commission has no jurisdiction to rule upon. Consequently, this Motion may be only a partial resolution of matters necessary to the presentation of clear title by the W.P. Companies.

WHEREFORE, Aqua Pennsylvania, Inc. and Little Washington Wastewater Company dba Suburban Wastewater answer the Motion of the Law Bureau Prosecutory Staff for an Order Declaring Mortgages and Liens Null and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid, Ineffective and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 as aforesaid.

Respectfully submitted,

By



---

Thomas T. Niesen, Esquire  
PA Attorney ID No. 31379  
THOMAS, LONG, NIESEN & KENNARD  
212 Locust Street, Suite 500  
P.O. Box 9500  
Harrisburg, PA 17108-9500

Frances P. Orth, Esquire  
PA Attorney ID No. 68824  
AQUA PENNSYLVANIA, INC.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

*Attorneys for  
Aqua Pennsylvania, Inc. and  
Little Washington Wastewater Company*

Dated: May 27, 2008

Aqua Answer to LBPS Motion Re Liens.wpd

**Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

---

**In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to Section 529 of the Pennsylvania Public Utility Code : Docket No. I-00070114**

**In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. : Docket No. P-00072313**

**Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service : Docket No. A-230550F2000**

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 27<sup>th</sup> day of May 2008, served a true and correct copy of the foregoing Answer of Aqua Pennsylvania and Little Washington Wastewater Company, dba Suburban Wastewater, to the Motion of the Law Bureau Prosecutory Staff for an Order Declaring Mortgages and Liens Null and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid, Ineffective and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105, upon the persons and in the manner set forth below:

**FIRST CLASS MAIL, POSTAGE PREPAID**

Honorable Ember S. Jandebour  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Scranton Office Building, Room 317  
100 Lackawanna Avenue  
Scranton, PA 18503

Christine Maloni Hoover, Esquire  
Darlene Wong, Esquire  
Erin Gannon, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Rhonda L. Daviston, Assistant Counsel  
Law Bureau  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
P. O. Box 3265  
Harrisburg, PA 17105-3265

Ernest D. Preate, Jr., Esquire  
Mellon Bank Building, Suite 300  
400 Spruce Street  
Scranton, PA 18503

PA P.U.C.  
LAW BUREAU

2008 MAY 29 AH 10:52

RECEIVED

Kimberly D. Borland, Esquire  
Borland & Borland, LLP  
11<sup>th</sup> Floor  
69 Public Square  
Wilkes-Barre, PA 18701-2597

Boyd Hughes, Esquire  
Hughes Nicholls O'Hara  
1421 East Drinker Street  
Dunmore, PA 18512-2614

Joseph J. Albert, Esquire  
Albert & Kamage  
Suite 201  
458 Wyoming Avenue  
Kingston, PA 18704

Carl L. Kresge & Sons  
1199 Laurel Run Road  
Wilkes-Barre, PA 18702

Fayling Dempsey, Esquire  
PA Dept. of Environmental Protection  
2 Public Square  
Wilkes-Barre, PA 18711-0790

Michael D. Klein, Esquire  
Leboeuf Lamb Green & Macrae, LLP  
200 North Third Street, Suite 300  
P.O. Box 12105  
Harrisburg, PA 17108-2105

Anthony P. Litwin, Esquire  
24 East Tioga Street  
Tunkhannock, PA 18657



---

Thomas T. Niesen  
PA Attorney ID No. 31379



CARL L. KRESGE & SONS, INC.,  
Claimant

vs.

W. P. SANITARY COMPANY INC.,  
d/b/a WASHINGTON PARK  
SANITARY COMPANY,  
Owner

IN THE COURT OF COMMON PLEAS  
OF WYOMING COUNTY

MECHANICS LIEN

No. 287 of 2008

CARL L. KRESGE & SONS, INC.,  
Claimant

vs.

W. P. WATER COMPANY, INC.  
d/b/a WASHINGTON PARK  
WATER COMPANY,  
Owner

IN THE COURT OF COMMON PLEAS  
OF WYOMING COUNTY

MECHANICS LIEN

No. 286 of 2008

2008 MAY -7 PM 1:54

FILED  
PROTHONOTARY  
JUDITH A. WILSON  
WYOMING COUNTY, WY

PETITION TO STRIKE OFF  
MECHANICS LIEN CLAIMS

NOW COME, the Owners, W. P. Sanitary Company, Inc., and W. P. Water Company, Inc., and hereby move to strike off the Mechanics Lien filed to the above referenced term and numbers, and in support thereof aver as follows:

I. Carl L. Kresge & Sons, Inc.  
vs. W. P. Sanitary Co., Inc.  
No. 287-2008

1. The above referenced Mechanics Lien Claim as against the owner of W. P. Sanitary Company, Inc., was filed with the Prothonotary of the Court of Common Pleas in the County of Wyoming on March 12, 2008, on behalf of the Claimant, Carl L. Kresge & Sons, Inc.

2. The Lien states that the amount of the alleged claim is for the "agreed sum" of \$343,479.18, for labor and materials furnished by the Claimant in the alteration and repairs to the property of Owner, W. P. Sanitary Co., Inc. described in Exhibit "A," of the Claimant's Mechanic Lien.

3. The Lien further states that the labor and materials for which the debt is due is for work performed "on the construction, installation, improvement, repair and servicing of a sanitary sewer system, including all buildings, sewage treatment plants, wells, equipment and necessary accessories."

4. The Lien further states that the work performed on the property up and until March 12, 2008 "as per the agreement of the parties" is less than four (4) months before the filing of the claim.

5. A mechanics lien is statutory and strict compliance with the statutory requirements—49 P.S. § 1101 et seq.—is necessary to give validity to the claim.

6. The Owner herein, W. P. Sanitary Company, Inc., makes the following Objections and lists the following Defects to the Mechanic Lien claim herein:

(a). To perfect a lien every claimant must file a claim with the Prothonotary within four (4) months of the completion of the work, 49 P.S. § 1502(a)(1). It is averred this was not done by this Claimant and the lien must be stricken as defective on its face;

(b). The Mechanics Lien herein does not comply with the requirements of 49 P.S. §1503 in that the claim does not state the proper address of the owner, the date of completion of the claimant's work, an identification of the contract and a general statement of the kind and character of the labor or materials furnished, or a detailed statement of the kind and character of the materials furnished and the prices charged for each thereof or a description of the improvement of the property claimed to be the subject of the lien as may be reasonably necessary to identify them, §1503(1)-(8);

(c). Since the statute and case law requires a "detailed statement" including the number of hours worked and the hourly rate charged, this lien has no validity and must be stricken;

(d). The lien is on its face defective pursuant to 49 P.S. §1303(b), which states that no lien shall be allowed for labor or materials furnished for a "purely public purpose";

(e) The Lien filed herein was for "labor and materials for which the debt is due. It allegedly consist of work performed on the construction, installation, improvement, repair and servicing of a sanitary sewer system"—a regulated public utility under the jurisdiction of the Public utility Commission and therefore subject to the statutory requirements of 66 Pa. C.S.A. §101 et seq., the Public Utility Code.

(f). The facts of the instant case are undisputed that the "owner" herein, W. P. Sanitary Co., Inc., is a regulated public utility providing wastewater services pursuant to a PUC granted Certificate of Convenience within the certificated territory of the Township of Washington, County of Wyoming, Pennsylvania.

(g). Under this section no lien is allowed for labor and materials for a purely public purpose and the lien filed herein is on its face invalid and defective.

WHEREFORE, the owner, W. P. Sanitary Company, Inc., requests this Honorable Court to strike off the Mechanics Lien filed of record in this matter.

II. Carl L. Kresge & Sons, Inc.  
vs. W. P. Water Company, Inc.  
No. 286 of 2008

7. Owner incorporates by reference the statements as if the same were fully set forth at length in the averments contained in paragraphs 1 through 6 above.

8. The above referenced Mechanics Lien Claim as against W. P. Water Company, Inc., was filed with the Prothonotary of the Court of Common Pleas in Wyoming County on March 12, 2008, on behalf of Carl L. Kresge & Sons, Inc.

9. The Lien states that the amount of the alleged claim is for labor and materials for the "agreed sum" of \$186,567.48.

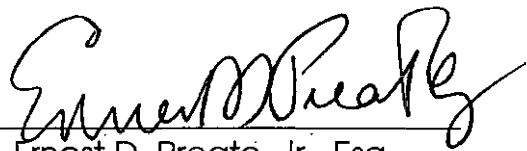
10. The claim is for labor and materials performed on the construction,

installation, improvement, repair and servicing of a water system.


11. The owner herein, W. P. Water Company, Inc., reiterates all of the averments and statements of paragraphs 5 and 6 herein, pertaining to Objections and Defects, since the same apply to the owner, W. P. Water Co., as to the owner, W. P. Sanitary Co., Inc.

WHEREFORE, the owner, W. P. Water Co., Inc., requests this Honorable Court to strike off the Mechanics Lien filed of record in this matter.

Respectfully submitted,

By:   
Ernest D. Preate, Jr., Esq.  
Attorney for W. P. Sanitary Co., Inc.  
& W. P. Water Co., Inc.

400 Spruce Street—Suite 300  
Scranton, PA 18503  
(570) 558-5970

By:   
Kimberly D. Borland, Esq.  
Borland & Borland, L. L. P.  
Co-Counsel for W. P. Water &  
Sanitary, Co., Inc.  
69 Public Square, 11<sup>th</sup> Floor  
Wilkes-Barre, PA 18701

VERIFICATION

I, Sandra Kresge, verify that the statements contained in the foregoing Petition are true and correct to the best of my knowledge, information and belief.

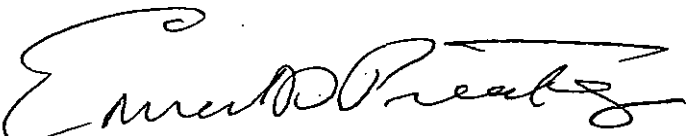
I understand that false statements herein are made subject to the penalties of 18 Pa. C. S. A. § 4904, relating to unsworn falsification to authorities.

  
Sandra Kresge

CERTIFICATE OF SERVICE

I, Ernest D. Preate, Jr., hereby certify that a mail and correct copy of the foregoing Petition was served via First Class U. S. Mail on May 9<sup>th</sup>, 2008 to the following:

Joseph G. Albert, Esq.  
Albert & Kamage  
458 Wyoming Avenue—Suite 201  
Kingston, PA 18704

  
By: \_\_\_\_\_  
Ernest D. Preate, Jr., Esq.

**LAW OFFICES OF ALBERT & KAMAGE**

By: **Joseph G. Albert, Esq.** Attorney for Claimant  
I.D. # 23930

Suite 201  
458 Wyoming Avenue  
Kingston, PA 18704  
(570) 718-1313 telephone  
(570) 718-1790 facsimile

<b>CARL L. KRESGE &amp; SONS, INC.,</b>	:	<b>IN THE COURT OF COMMON PLEAS</b>
Claimant	:	<b>OF WYOMING COUNTY</b>
<b>vs.</b>	:	<b>MECHANICS LIEN</b>
	:	
<b>W.P. WATER COMPANY, INC.</b>	:	
d/b/a WASHINGTON PARK	:	
WATER COMPANY and SLEEPY	:	
HOLLOW WATER COMPANY,	:	
Owner	:	<b>No. 2008 - 286</b>

\*\*\*\*\*

<b>CARL L. KRESGE &amp; SONS, INC.,</b>	:	<b>IN THE COURT OF COMMON PLEAS</b>
Claimant	:	<b>OF WYOMING COUNTY</b>
<b>vs.</b>	:	<b>MECHANICS LIEN</b>
	:	
<b>W.P. SANITARY COMPANY, INC.</b>	:	
d/b/a WASHINGTON PARK	:	
SANITARY COMPANY	:	
Owner	:	<b>No. 2008 - 287</b>

**ANSWER OF CLAIMANT, CARL L. KRESGE & SONS, INC. TO PETITION OF OWNER TO STRIKE MECHANICS LIEN CLAIM**

**TO THE HONORABLE, THE JUDGES OF SAID COURT:**

AND NOW, comes the Claimant, **CARL L. KRESGE & SONS, INC**, by and through its counsel, **JOSEPH G. ALBERT, ESQUIRE**, and files this Answer to the Petition of the Owner to Strike Mechanics Lien and in support thereof respectfully alleges as follows:

<b>EXHIBIT</b>
PS-6

C:\My Documents\ALBERTKRESGE\ANSWER TO PETITION TO STRIKE MECHANICS LIEN NOTICE Water Wyo.doc

### Count One

**Carl L. Kresge & Sons, Inc.**  
**Docket No. 287-2008**

**v. W.P. Sanitary Company, Inc.**

1-6. No answer required since the Claimant has voluntarily terminated this action

### Count Two

**Carl L. Kresge & Sons, Inc.**  
**Docket No. 286-2008**

**v. W.P. Water Company, Inc.**

7. No Answer required.

8. Admitted in part. A copy of the Mechanics Lien filed on March 12, 2008 in which the Claimant initially alleged the sum of \$186,567.48 as due and owing to it by the Owner is attached hereto as Exhibit "A" and incorporated herein.

In further answer thereto, and based upon subsequent information received, the Claimant herein modifies the amount claimed as properly due and owing in the Mechanics Lien Claim filed to the above-captioned term and number to the amount of \$41,042.69. Copies of the invoices associated with this modified and reduced amount are attached hereto as Exhibit "B" and incorporated herein.

9. Admitted in part. In further answer thereto, the entire Notice and Mechanics Lien Claim must be read in their entirety. That Pleading speaks for itself.

10. Admitted. In further answer thereto, the claim is for the stated work involved in the complete water system, part of which was required by the Emergency Order of James H. Cawley, Vice-Chairman, Pennsylvania Public Utility Commission, dated June 15, 2007. A copy of that Emergency Order is attached hereto as Exhibit "C" and incorporated herein by reference.

11. Denied. This averment contains a legal conclusion to which no response is required. To the extent that an answer is required, it is alleged that the Claimant has a valid claim. The modified amount for upon which the claim is based was filed within four (4) months of the date of completion, contains sufficient information concerning the identity of the owner and the scope and nature of the work and is enforceable because the work was performed in response to a specific direction of the Pennsylvania Public Utility Commission, a body politic responsible for regulating the work and activities of the owner. These allegations are therefore deemed denied and strict proof demanded at the time of trial.

**WHEREFORE**, Claimant requests that this Honorable Court:

- a. Reduce and amend the claim of the Claimant to the amount of \$41,042.69 consistent with the contents of this Pleading;
- b. Deny the Petition of the Owner, W.P. Water Company, Inc., v/d/b/a Washington Park Water Company, to Strike in its entirety the Mechanics Lien filed by the Claimant on March 12, 2008;
- c. Confirm that the appropriate sum that is due and owing to the Claimant by the Owner to be in the amount of \$41,042.69; and
- d. Direct that that aforesaid sum be withheld from the contemplated sale of the Owner and disbursed to the Claimant from the sale of proceeds.

**RESPECTFULLY SUBMITTED,**

\_\_\_\_\_  
**JOSEPH G. ALBERT, ESQUIRE**  
Counsel for the Claimant

**VERIFICATION**

I, DAVID C. KRESGE, PRESIDENT, CARL L. KRESGE & SONS, INC., state that I am empowered to make this verification and further verify that the statements made in the foregoing documents are true and correct to the best of my knowledge, information and belief. I understand that the statements therein are made subject to the penalties of 18 Pa. C.S.A Section 4904 relating to Unsworn Falsification to Authorities this *21<sup>st</sup>* day of *May* 2008.

**CARL L. KRESGE & SONS, INC.**

By: *David C. Kresge*  
**DAVID C. KRESGE, President**

**EXHIBIT "A"**  
**COPY OF ORIGINAL MECHANICS LIEN CLAIM**

C:\My Documents\ALBERT\KRESGE\MECHANICS LIEN NOTICE Water Wyo.doc

**LAW OFFICES OF ALBERT & KAMAGE**

By: **Joseph G. Albert, Esq.** Attorney for Claimant  
I.D. # 23930

Suite 201  
458 Wyoming Avenue  
Kingston, PA 18704  
(570) 718-1313 telephone  
(570) 718-1700 facsimile


<b>CARL L. KRESGE &amp; SONS, INC.,</b>	:	<b>IN THE COURT OF COMMON PLEAS</b>
Claimant	:	<b>OF WYOMING COUNTY</b>
<b>vs.</b>	:	<b>MECHANICS LIEN</b>
	:	
<b>W.P. WATER COMPANY, INC.</b>	:	
d/b/a WASHINGTON PARK	:	
WATER COMPANY and SLEEPY	:	
HOLLOW WATER COMPANY,	:	
Owner	:	No. <i>2008-286</i> of 2008

**NOTICE OF FILING MECHANICS LIEN CLAIM**

**TO: W.P. Water Company, Inc.**  
d/b/a Washington Park Water Co., and  
Sleepy Hollow Water Company  
977 Laurel Run Road  
Wilkes-Barre, PA 18702

FILED  
 PROTHONOTARY  
 WYOMING COUNTY, PA  
 2008 MAR 12 A 8:52  
*Joseph Albert*

You are notified that a Mechanics Lien Claim in the amount of \$186,567.48 has been filed on behalf of Carl L. Kresge & Sons, Inc., against the property located on Debbie Drive in the Township of Washington, Wyoming County, Pennsylvania, and Washington Township Drive, in the Township of Washington, Wyoming County, Pennsylvania, of which you are the Owner. This claim was filed on the 12<sup>th</sup> day of March, 2008 in the Court of Common Pleas of Wyoming County as of No. 2008-286 of 2008. A copy of the claim is attached hereto.

RESPECTFULLY SUBMITTED,  
  
JOSEPH G. ALBERT, ESQUIRE

C:\My Documents\ALBERT\KRESGE\MECHANICS LIEN NOTICE Water Wyo.doc

**LAW OFFICES OF ALBERT & KAMAGE**

By: Joseph G. Albert, Esq. Attorney for Claimant  
LD. # 23930

Suite 201  
458 Wyoming Avenue  
Kingston, PA 18704  
(570) 718-1313 telephone  
(570) 718-1790 facsimile

<b>CARL L. KRESGE &amp; SONS, INC.,</b>	:	<b>IN THE COURT OF COMMON PLEAS</b>
<b>Claimant</b>	:	<b>OF WYOMING COUNTY</b>
	:	
<b>vs.</b>	:	<b>MECHANICS LIEN</b>
	:	
<b>W.P. WATER COMPANY, INC.</b>	:	
<b>d/b/a WASHINGTON PARK</b>	:	
<b>WATER COMPANY and SLEEPY</b>	:	
<b>HOLLOW WATER COMPANY,</b>	:	
<b>Owner</b>	:	<b>No. 2008-286 of 2008</b>

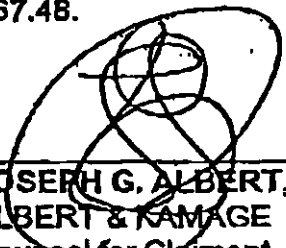
**MECHANICS LIEN**

The Claimant, **CARL L. KRESGE & SONS, INC.**, by and through its legal counsel, **JOSEPH G. ALBERT, ESQUIRE**, files this claim against the improvements and properties located on Debbie Drive, in the Township of Washington, County of Wyoming; and on Washington Township Drive, in the Township of Washington, Wyoming County, Pennsylvania, for the payment of a debt due to Claimant as a contractor for labor and materials furnished by the Claimant in the alteration and repairs of the improvements. In support of a claim, the Claimant makes the following statement:

1. The owner of the property is the W.P. Water Company, Inc., d/b/a Washington Park Water Company and Sleepy Hollow Water Company, with its principal address located at 977 Laurel Run Road, Wilkes-Barre, Pennsylvania 18702.

C:\My Documents\ALBERT\KRESGE\MECHANICS LIEN NOTICE Water Wyo.doc

2. The improvement and the properties which are the subject of this claim are more particularly described in Exhibit "A".
3. The labors and materials for which the debt is due were furnished for the agreed sum of \$186,567.48.
4. The labor and materials for which the debt is due consist of work performed on the construction, installation, improvement, repair and servicing of a water system, including all buildings, pump houses, wells, lines, equipment and necessary accessories.
5. The Claimant continues to perform work on the property as of, and up to, the date of this filing and will continue to perform such work up to and until March 31, 2008, as per the agreement of the parties, which is less than four (4) months before the filing of this claim.
6. The Claimant has been paid nothing towards this debt and there is due and owing a balance of \$186,567.48.



---

**JOSEPH G. ALBERT, ESQUIRE**  
**ALBERT & KAMAGE**  
Counsel for Claimant  
458 Wyoming Avenue  
Kingston, PA 18704  
Telephone: 570.718.1313  
Facsimile: 570.718.1790  
PA. Attorney I.D. No. 23930  
e-mail: [mail to: jalbert702@aol.com](mailto:mail_to:jalbert702@aol.com)

**VERIFICATION**

I, DAVID C. KRESGE, PRESIDENT, CARL L. KRESGE & SONS, INC., state that I am empowered to make this verification and further verify that the statements made in the foregoing documents are true and correct to the best of my knowledge, information and belief. I understand that the statements therein are made subject to the penalties of 18 Pa. C.S.A. Section 4904 relating to Unsworn Falsification to Authorities this 27<sup>th</sup> day of February, 2008.

CARL L. KRESGE & SONS, INC.

By: 

DAVID C. KRESGE, President

Document Number: 2007-0066

Page 3 of 5

RECORDED WYOMING COUNTY DEED TO WHOLETY OF WASHINGTON PARK HEREINAFTER

BEING at a point on the easterly line of Township Lots No. 306, being a corner of lots Nos. 7 and 9, on plot of lots of Washington Park hereinafter referred to;

THENCE along the division line between Lots Nos. 7 and 9 North 89° 27' 20" West forty-three and seventy-five one-hundredths (113.75) feet to a point in the westerly line of Lot No. 8A;

THENCE along Lot No. 8A South 4° 53' 30" East thirty-nine and seventy one-hundredths (39.70) feet to a point, being a corner corner of Lots Nos. 8 and 9;

THENCE along the division line between Lots Nos. 8 and 9 the following two (2) courses and distances:

(1) North 95° 28' West fifty-six and forty one-hundredths (96.46) feet to a point;

(2) South 3° 09' 30" East three and ninety-one one-hundredths (3.91) feet to a point, being a common corner of Lots Nos. 3D and 7;

THENCE along the division line Lots Nos. 5D and 7 South 89° 27' West one hundred ninety and seventy-four one-hundredths (190.74) feet to a point in the easterly line of Township Lots No. 50A;

THENCE along Township Lots No. 50A North 6° 33' West thirty-eight and twenty one-hundredths (38.20) feet to the place of beginning.

CONTAINING (9,306.36) square feet of land, being the same, more or less.

BEING all of Lot No. 7 on Plot of lots of Washington Park.

BEING the same premises conveyed to the Grantor herein by deed of John Thomas et al. dated December 2, 1985 and recorded in the Recorder of Deeds Office, in and for Wyoming County, in Deed Book 236, at Page 20.

TOGETHER with an agreement for purchase of ingress, egress, and egress over Washington Park Drive.

SUBJECT to the same conditions, exceptions and reservations, and together with such rights, titles, privileges, and appurtenances as were contained in lines of title.

ALL that certain place or parcel of land situate and being in the Township of Washington, County of Wyoming and State of Pennsylvania, bounded and described as follows:

BEING as a corner on the right-of-way line of Debbie Davis being a corner of Lots of Lot No. 142 of the Washington Park Subdivision:

THENCE along line of Lots No. 142 of said subdivision South 86° 23' 50" East four-hundred twelve and ninety-one one-hundredths (412.91) feet to a corner in the line of lands of Washington Park Sanitary Sewer, Inc.;

THENCE along the lands of Washington Park Sanitary Sewer, Inc. South 3° 53' 30" West eight hundred forty-three and forty-eight hundredths (843.48) feet to a corner;

THENCE along line of lands now or late of Steve Grueber North 75° 3' 20" West fifty-five and sixty-seven hundredths (55.87) feet to a 3/4-inch diameter rebar marking a corner;

THENCE along line of lands now or formerly owned by Alice A. Yale North 88° 20' 18" West three hundred twenty-five and sixty-two one-hundredths (325.56) feet to a 3/4-inch diameter rebar found marking a corner on the right-of-way line of Washington Park Drive and being a corner of Lots of Lot No. 141 of the Washington Park Subdivision;

THENCE along the right-of-way line of Washington Park Drive along a curve to the left having a short North 13° 6' 18" East one hundred eighty-one and seventy-seven hundredths (181.77) feet with an arc length of one hundred eighty-eight and seventy-two hundredths (188.72) feet and a radius of one hundred eighty-one and seventy-nine (181.79) feet;

THENCE along the right-of-way line of Debbie Davis, North 4° 30' West six hundred sixty-two and eight-hundredths (662.87) feet to the place of beginning.

CONTAINING 6.79 acres more or less.

Surveyed by Duane Bishop, A.S. Milnes Engineering, Inc., December 19, 1994.

BEING Lot No. 143 of the Washington Park subdivision, and being a part of the same lands shown on approved subdivision map for Klatcha Hotel Home, Washington Park Section III, approved by the Wyoming County Planning Commission December 21, 1994, recorded in Wyoming County Map Book 14 at Page 19.

BEING the same premises conveyed to the Grantor herein by deed of Klatcha Hotel Home, Inc., dated November 18, 2005 and recorded in the Recorder of Deeds Office in and for Wyoming County in Deed Book 555 at Page 906.

TOGETHER AND SUBJECT to the covenants, restrictions and easements more fully set forth in the subdivision plan for Section III above recited.

ALSO UNDER AND SUBJECT to the express covenants that the herein Grantor shall assume all responsibility for the maintenance and repair of the detention basin located on the above-described realty.

Exhibit "A"

MAY.22.2008 1:33PM

NBVO

NO. 657 P. 22/45<sup>010/031</sup>

C:\My Documents\ALBERT KRESGE\ANSWER TO PETITION TO STRIKE MECHANICS LIEN NOTICE Water Wyo.doc

**EXHIBIT "B"**  
**COPY OF INVOICES**

Carl L. Kresge & Sons, Inc..

1199 Laurel Run Road  
 Trailwood  
 Wilkes-Barre, PA 18702-9979  
 (570)472-3871/fax(570)472-9501

# Invoice

Date	Invoice #.
6/30/2007	688

Bill To
W.P. Water Company 1199 Laurel Run Road Wilkes-Barre, Pa. 18702

Ship To
Washington Township Wyoming County Water Plant

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
688	Net 30 Days		6/30/2007			

Quantity	Item Code	Description	Price Each	Amount
16	EXCAVATING	Buldozer June 15th and 16th 2007, to build a new access road to the 4th well site, off Debbie Drive.	75.00	1,200.00
8	EXCAVATING	June 18th Bobcat 331 excavator to clean up trees and brush forelectric line.	75.00	600.00
800	Drilling	Drilling 4th well start 6-18-07	11.00	8,800.00
80	Steel Casing	Steel Casing	15.00	1,200.00
1	DRive Shoe	Drive shoe	65.00	65.00
15	Grouting	Grouting 15 bags @ \$18.00 per bag	18.00	270.00
1	Well Cap	Well Cap	30.00	30.00

1.5% added after 30 days

**Total** \$12,165.00

Carl L. Kresge & Sons, Inc..

1199 Laurel Run Road  
 Trailwood  
 Wilkes-Barre, PA 18702-9979  
 (570)472-3871/fax(570)472-9501

# Invoice

Date	Invoice #
8/31/2007	695

Bill To
W.P. Water Company 1199 Laurel Run Road Wilkes-Barre, Pa. 18702

Ship To
Washington Township Wyoming County Water Plant

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
695	Net 30 Days		8/31/2007			

Quantity	Item Code	Description	Price Each	Amount
1	Pump	10GS30432 Goulds 3 hp submersible water pump for well #4	1,653.00	1,653.00
700	Pipe & Fittings	2 inch certilock pipe	3.89	2,723.00
800	WIRE	#6X3 with ground wire	3.45	2,760.00
1	MISC MATERIAL	Misc. Material	48.00	48.00
8	LIFT TRUCK	Lift truck	65.00	520.00
8	Labor	Labor for 4 guys @ \$96.00 per hour.	96.00	768.00
8	Water Test	Water Test run pump for 8 hours and monitor the yield	12.00	96.00
8	Water Test	Water Test Draw New source water tests and take to Analytical Laboratory services at Middletown, Pa.	12.00	96.00
286	Milage expenses	Milage expense for delivering water test to lab in Middletown.	0.38	108.68
1	Water Test	Water Test, New source for well #4	2,200.00	2,200.00

1.5% added after 30 days

**Total** 510,972.68

**Carl L. Kresge & Sons, Inc.**

1199 Laurel Run Road  
 Trailwood  
 Wilkes-Barre, PA 18702-9979  
 (570)472-3871/fax(570)472-9501

**Invoice**

Date	Invoice #
10/31/2007	700

<b>Bill To</b>
W.P. Water Company 1199 Laurel Run Road Wilkes-Barre, Pa. 18702

<b>Ship To</b>
Washington Township Wyoming County Water Plant

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
700	Net 30 Days		10/31/2007			

Quantity	Item Code	Description	Price Each	Amount
1	Building materials	Building Materials from Home Depot to construct shed for chlorine Building at 3rd & 4th well site.	880.47	880.47
1	Pipe & Fits	80-feet of 12-inch pipe to construct chlorine contact time, with mechanical joint fittings to an inlet out to 40 feet and return and end at a discharge having a barnyard hydrant to be a test tap then discharge in to the water distribution system.	2,789.32	2,789.32
6	Concrete	Concrete 6 yards to pour blocks on both ends of the contact loop and a bulkhead for the distribution valve.	89.00	534.00
8	EXCAVATING	Scott excavating for chlorine loop and to well #4 with his excavator	95.00	760.00
8	EXCAVATING	Excavate for new shed and pitless adapter for well#3 and tie both in to the new shed	65.00	520.00
200	Pipe & Fits	1-inch Plastic and pipe and fittings	0.68	136.00
200	WIRE	#6X3 with ground wire	3.45	690.00
2	PITLESS ADAPT	pitless adapter for each well	140.00	280.00
1	Small Power tools	Small Power tools, Partner saw, air compressor etc.	140.00	140.00
24	Labor	Labor to build shack at the shop and move it to the well site.	12.00	288.00
400	Mileage expenses	Mileage expense for the week of October 15th	0.38	152.00
40	Labor	Labor for the week of 10-15-07	74.00	2,960.00
1	Motor	5 hp Motor 230 volt 3 phase to replace burned out motor for pump for well #3	647.26	647.26
500	Pipe & Fits	2-inch Certilock plastic pipe to replace pipe in well #3	3.89	1,945.00
520	WIRE	#8X3 wire with ground	3.12	1,622.40
8	LIFT TRUCK	Small lift truck	65.00	520.00
1	MISC MATERIAL	Misc material to install new pipe and motor in well #3 including change over fittings	46.74	46.74
8	Labor	Labor to replace pump and motor 3 guys at \$74.00	74.00	592.00

1.5% added after 30 days

**Total** \$15,503.19

Carl L. Kresge & Sons, Inc..

# Invoice

1199 Laurel Run Road  
 Trailwood  
 Wilkes-Barre, PA 18702-9979  
 (570)472-3871/fax(570)472-9501

Date	Invoice #
11/30/2007	702

<b>Bill To</b>
W.P. Water Company 1199 Laurel Run Road Wilkes-Barre, Pa. 18702

<b>Ship To</b>
Washington Township Wyoming County Water Plant

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
702	Net 30 Days		11/30/2007			

Quantity	Item Code	Description	Price Each	Amount
2	Electrical	Magnetic starters for the new shack to operate the two wells 3 and 4 and electrical fittings to finish wire both pumps including outlet for a transducer for pressure sensing.	843.84	1,687.68
1	Electrical	Install transducer to operate both wells 3 & 4 at the same time	442.14	442.14
3	Labor	Labor to wire the new shed 2 guys @ \$34.00	34.00	272.00

1.5% added after 30 days	<b>Total</b>	\$2,401.82
--------------------------	--------------	------------

**LAW OFFICES OF ALBERT & KAMAGE**

By: Joseph G. Albert, Esq. Attorney for Claimant  
I.D. # 23930

Suite 201  
458 Wyoming Avenue  
Kingston, PA 18704  
(570) 718-1313 telephone  
(570) 718-1790 facsimile

<b>CARL L. KRESGE &amp; SONS, INC.,</b>	:	<b>IN THE COURT OF COMMON PLEAS</b>
Claimant	:	<b>OF WYOMING COUNTY</b>
<b>vs.</b>	:	<b>MECHANICS LIEN</b>
	:	
<b>W.P. WATER COMPANY, INC.</b>	:	
d/b/a WASHINGTON PARK	:	
<b>WATER COMPANY and SLEEPY</b>	:	
<b>HOLLOW WATER COMPANY,</b>	:	
Owner	:	<b>No. 2008 - 286</b>

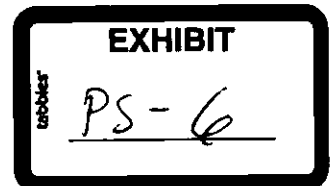
\*\*\*\*\*

<b>CARL L. KRESGE &amp; SONS, INC.,</b>	:	<b>IN THE COURT OF COMMON PLEAS</b>
Claimant	:	<b>OF WYOMING COUNTY</b>
<b>vs.</b>	:	<b>MECHANICS LIEN</b>
	:	
<b>W.P. SANITARY COMPANY, INC.</b>	:	
d/b/a WASHINGTON PARK	:	
<b>SANITARY COMPANY</b>	:	
Owner	:	<b>No. 2008 - 287</b>

**ANSWER OF CLAIMANT, CARL L. KRESGE & SONS, INC. TO PETITION OF OWNER TO STRIKE MECHANICS LIEN CLAIM**

**TO THE HONORABLE, THE JUDGES OF SAID COURT:**

AND NOW, comes the Claimant, **CARL L. KRESGE & SONS, INC,** by and through its counsel, **JOSEPH G. ALBERT, ESQUIRE,** and files this Answer to the Petition of the Owner to Strike Mechanics Lien and in support thereof respectfully alleges as follows:



C:\My Documents\ALBERTKRESGE\ANSWER TO PETITION TO STRIKE MECHANICS LIEN NOTICE Water Wyo.doc

**Count One**

**Carl L. Kresge & Sons, Inc.  
Docket No. 287-2008**

**v. W.P. Sanitary Company, Inc.**

1-6. No answer required since the Claimant has voluntarily terminated this action

**Count Two**

**Carl L. Kresge & Sons, Inc.  
Docket No. 286-2008**

**v. W.P. Water Company, Inc.**

7. No Answer required.

8. Admitted in part. A copy of the Mechanics Lien filed on March 12, 2008 in which the Claimant initially alleged the sum of \$186,567.48 as due and owing to it by the Owner is attached hereto as Exhibit "A" and incorporated herein.

In further answer thereto, and based upon subsequent information received, the Claimant herein modifies the amount claimed as properly due and owing in the Mechanics Lien Claim filed to the above-captioned term and number to the amount of \$41,042.69. Copies of the invoices associated with this modified and reduced amount are attached hereto as Exhibit "B" and incorporated herein.

9. Admitted in part. In further answer thereto, the entire Notice and Mechanics Lien Claim must be read in their entirety. That Pleading speaks for itself.

10. Admitted. In further answer thereto, the claim is for the stated work involved in the complete water system, part of which was required by the Emergency Order of James H. Cawley, Vice-Chairman, Pennsylvania Public Utility Commission, dated June 15, 2007. A copy of that Emergency Order is attached hereto as Exhibit "C" and incorporated herein by reference.

11. Denied. This averment contains a legal conclusion to which no response is required. To the extent that an answer is required, it is alleged that the Claimant has a valid claim. The modified amount for upon which the claim is based was filed within four (4) months of the date of completion, contains sufficient information concerning the identity of the owner and the scope and nature of the work and is enforceable because the work was performed in response to a specific direction of the Pennsylvania Public Utility Commission, a body politic responsible for regulating the work and activities of the owner. These allegations are therefore deemed denied and strict proof demanded at the time of trial.

**WHEREFORE**, Claimant requests that this Honorable Court:

- a. Reduce and amend the claim of the Claimant to the amount of \$41,042.69 consistent with the contents of this Pleading;
- b. Deny the Petition of the Owner, W.P. Water Company, Inc., t/d/b/a Washington Park Water Company, to Strike in its entirety the Mechanics Lien filed by the Claimant on March 12, 2008;
- c. Confirm that the appropriate sum that is due and owing to the Claimant by the Owner to be in the amount of \$41,042.69; and
- d. Direct that that aforesaid sum be withheld from the contemplated sale of the Owner and disbursed to the Claimant from the sale of proceeds.

**RESPECTFULLY SUBMITTED,**

**JOSEPH G. ALBERT, ESQUIRE**  
Counsel for the Claimant

VERIFICATION

I, DAVID C. KRESGE, PRESIDENT, CARL L. KRESGE & SONS, INC., state that I am empowered to make this verification and further verify that the statements made in the foregoing documents are true and correct to the best of my knowledge, information and belief. I understand that the statements therein are made subject to the penalties of 18 Pa. C.S.A Section 4904 relating to Unsworn Falsification to Authorities this <sup>21<sup>st</sup></sup> day of *May* 2008.

CARL L. KRESGE & SONS, INC.

By: *David C. Kresge*  
DAVID C. KRESGE, President

**EXHIBIT "A"**  
**COPY OF ORIGINAL MECHANICS LIEN CLAIM**

C:\My Documents\ALBERT\KRESGE\MECHANICS LIEN NOTICE Water Wyo.doc

**LAW OFFICES OF ALBERT & KAMAGE**

By: **Joseph G. Albert, Esq.** Attorney for Claimant  
I.D. # 23930

Suite 201  
458 Wyoming Avenue  
Kingston, PA 18704  
(570) 718-1313 telephone  
(570) 718-1780 facsimile

<b>CARL L. KRESGE &amp; SONS, INC.,</b>	:	<b>IN THE COURT OF COMMON PLEAS</b>
Claimant	:	<b>OF WYOMING COUNTY</b>
<b>vs.</b>	:	<b>MECHANICS LIEN</b>
	:	
<b>W.P. WATER COMPANY, INC.</b>	:	
d/b/a WASHINGTON PARK	:	
WATER COMPANY and SLEEPY	:	
HOLLOW WATER COMPANY,	:	
Owner	:	No. <u>2008-286</u> of 2008

**NOTICE OF FILING MECHANICS LIEN CLAIM**

**TO: W.P. Water Company, Inc.**  
**d/b/a Washington Park Water Co., and**  
**Sleepy Hollow Water Company**  
**977 Laurel Run Road**  
**Wilkes-Barre, PA 18702**

FILED  
PROTHONOTARY  
WYOMING COUNTY, PA  
MAR 12 A 8:52

*Handwritten signature*

You are notified that a Mechanics Lien Claim in the amount of \$186,567.48 has been filed on behalf of Carl L. Kresge & Sons, Inc., against the property located on Debbie Drive in the Township of Washington, Wyoming County, Pennsylvania, and Washington Township Drive, in the Township of Washington, Wyoming County, Pennsylvania, of which you are the Owner. This claim was filed on the 12<sup>th</sup> day of March, 2008 in the Court of Common Pleas of Wyoming County as of No. 2008-286 of 2008. A copy of the claim is attached hereto.

RESPECTFULLY SUBMITTED,

JOSEPH G. ALBERT, ESQUIRE

*Handwritten signature of Joseph G. Albert*

C:\My Documents\ALBERT\KRESGE\MECHANICS\LIEN NOTICE Water Wyo.doc

**LAW OFFICES OF ALBERT & KAMAGE**

By: Joseph G. Albert, Esq. Attorney for Claimant  
LD. # 23930

Suite 201  
458 Wyoming Avenue  
Kingston, PA 18704  
(570) 718-1313 telephone  
(570) 718-1790 facsimile

<b>CARL L. KRESGE &amp; SONS, INC.,</b>	:	<b>IN THE COURT OF COMMON PLEAS</b>
<b>Claimant</b>	:	<b>OF WYOMING COUNTY</b>
	:	
<b>vs.</b>	:	<b>MECHANICS LIEN</b>
	:	
<b>W.P. WATER COMPANY, INC.</b>	:	
<b>d/b/a WASHINGTON PARK</b>	:	
<b>WATER COMPANY and SLEEPY</b>	:	
<b>HOLLOW WATER COMPANY,</b>	:	
<b>Owner</b>	:	<b>No. 2008-286 of 2008</b>

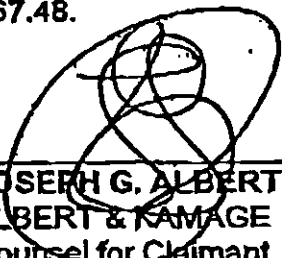
**MECHANICS LIEN**

The Claimant, **CARL L. KRESGE & SONS, INC.**, by and through its legal counsel, **JOSEPH G. ALBERT, ESQUIRE**, files this claim against the improvements and properties located on Debbie Drive, in the Township of Washington, County of Wyoming; and on Washington Township Drive, in the Township of Washington, Wyoming County, Pennsylvania, for the payment of a debt due to Claimant as a contractor for labor and materials furnished by the Claimant in the alteration and repairs of the improvements. In support of a claim, the Claimant makes the following statement:

1. The owner of the property is the **W.P. Water Company, Inc.**, d/b/a **Washington Park Water Company and Sleepy Hollow Water Company**, with its principal address located at **977 Laurel Run Road, Wilkes-Barre, Pennsylvania 18702**.

C:\My Documents\ALBERTIKRESGEIMECHANICS LIEN NOTICE Water Wyo.doc

2. The improvement and the properties which are the subject of this claim are more particularly described in Exhibit "A".
3. The labors and materials for which the debt is due were furnished for the agreed sum of \$186,567.48.
4. The labor and materials for which the debt is due consist of work performed on the construction, installation, improvement, repair and servicing of a water system, including all buildings, pump houses, wells, lines, equipment and necessary accessories.
5. The Claimant continues to perform work on the property as of, and up to, the date of this filing and will continue to perform such work up to and until March 31, 2008, as per the agreement of the parties, which is less than four (4) months before the filing of this claim.
6. The Claimant has been paid nothing towards this debt and there is due and owing a balance of \$186,567.48.



---

**JOSEPH G. ALBERT, ESQUIRE**  
ALBERT & KAMAGE  
Counsel for Claimant  
458 Wyoming Avenue  
Kingston, PA 18704  
Telephone: 570.718.1313  
Facsimile: 570.718.1790  
PA. Attorney I.D. No. 23930  
e-mail: [mail to: jalbert702@aol.com](mailto:jalbert702@aol.com)

**VERIFICATION**

I, **DAVID C. KRESGE, PRESIDENT, CARL L. KRESGE & SONS, INC.,** state that I am empowered to make this verification and further verify that the statements made in the foregoing documents are true and correct to the best of my knowledge, information and belief. I understand that the statements therein are made subject to the penalties of 18 Pa. C.S.A Section. 4904 relating to Unsworn Falsification to Authorities this 27<sup>th</sup> day of February, 2008.

**CARL L. KRESGE & SONS, INC.**

By:   
**DAVID C. KRESGE, President**

ALL that certain lot, piece, or parcel of land situated in the Township of Washington, County of Wyoming, and State of Pennsylvania, bounded and described as follows, to-wit:

BEGINNING at a point in the easterly line of Township Route No. 504, being a common corner of Lots Nos. 7 and 9, on plot of lots of Washington Park hereinafter referred to;

THENCE along the division line between Lots Nos. 7 and 9 North 89° 27' two hundred forty-three and seventy-five one-hundredths (243.75) feet to a point in the westerly line of Lot No. 8A;

THENCE along Lot No. 8A South 4° 35' 30" East thirty-nine and seventy one-hundredths (39.70) feet to a point, being a common corner of Lots Nos. 6 and 7;

THENCE along the division line between Lots Nos. 6 and 7 the following two (2) courses and distances:

- (1) North 85° 28' West fifty-six and forty one-hundredths (56.40) feet to a point;
- (2) South 3° 06' 30" East three and sixty-one one-hundredths (3.61) feet to a point, being a common corner of Lots Nos. 5D and 7;

THENCE along the division line Lots Nos. 5D and 7 South 89° 27' West one hundred ninety and seventy-four one-hundredths (190.74) feet to a point in the westerly line of Township Route No. 504;

THENCE along Township Route No. 504 North 8° 33' West thirty-eight and twenty one-hundredths (38.20) feet to the place of beginning.

CONTAINING (9,304.36) square feet of land, being the same, more or less.

BEING all of Lot No. 7 on Plot of Lots of Washington Park.

BEING the same premises conveyed to the Grantor herein by Deed of John Thomas et al, dated December 2, 1985 and recorded in the Recorder of Deeds Office, in and for Wyoming County, in Deed Book 238, at Page 20.

TOGETHER with an easement for purposes of ingress, egress, and regress over Washington Park Drive.

SUBJECT to the same conditions, exceptions and reservations, and together with such rights, titles, privileges, and easements as are contained in line of title.

**PANEL 2:**

ALL that certain piece or parcel of land situate and being in the Township of Washington, County of Wyoming and State of Pennsylvania, bounded and described as follows:

BEGINNING at a corner on the right-of-way line of Debbie Drive being a corner of lands of Lot No. 142 of the Washington Park Subdivision;

THENCE along line of lands of Lot No. 142 of said Subdivision South 86° 23' 36" East four hundred twelve and ninety-one hundredths (412.91) feet to a corner in the line of lands of Washington Park Sanitary Sewer, Inc.;

THENCE along the lands of Washington Park Sanitary Sewer, Inc. South 3° 52' 30" West eight hundred forty-three and forty-eight hundredths (843.48) feet to a corner;

THENCE along line of lands now or late of Steve Draebner North 75° 3' 20" West fifty-five and sixty-seven hundredths (55.67) feet to a 3/4-inch diameter rebar marking a corner;

THENCE along line of lands now or formerly owned by C. and Alice A. Yale North 86° 20' 18" West three hundred twenty-five and sixty-four hundredths (325.94) feet to a 3/8-inch diameter rebar (found marking a corner on the right-of-way line of Washington Park Drive and being a corner of lands of Lot No. 141 of the Washington Park Subdivision);

THENCE along the right-of-way line of Washington Park Drive along a curve to the left having a chord North 25° 4' 15" East one hundred eight-nine and seventy-seven hundredths (189.77) feet with an arc length of one hundred twenty-eight and seventy-two hundredths (128.72) feet and a radius of one hundred eighty-nine and seventy-nine (189.79) feet;

THENCE along the right-of-way line of Debbie Drive, North 4° 33' 20" West six hundred sixty-two and eighty-seven hundredths (662.87) feet to the place of beginning.

CONTAINING 6.79 acres more or less.

Surveyed by Duane Bishop, R.S. Wilson Engineering, Inc., December 19, 1974.

BEING Lot No. 143 of the Washington Park Subdivision, and being a part of the same lands shown on approved subdivision map for Kintner Modular Homes, Washington Park Section III, approved by the Wyoming County Planning Commission December 23, 1984, recorded in Wyoming County Map Book 14 at Page 19.

BEING the same premises conveyed to the Grantor herein by Deed of Kintner Modular Homes, Inc., dated November 18, 2008 and recorded in the Recorder of Deeds Office in and for Wyoming County in Deed Book 555 at Page 906.

UNDER AND SUBJECT to the covenants, restrictions and easements more fully set forth in the subdivision plan for Section III above recited.

ALSO BONA AND SUBJECT to the express caveat that the herein Grantee shall assume all responsibility for the maintenance and repair of the detention basin located on the above-described realty.

Exhibit "A"

MAY. 22. 2008 1:33PM

NBVQ

NO. 657 P. 22/45 <sup>VJD/VJL</sup>

C:\My Documents\ALBERTKRESGEVANSWER TO PETITION TO STRIKE MECHANICS LIEN NOTICE Water Wyo.doc

**EXHIBIT "B"**  
**COPY OF INVOICES**

Carl L. Kresge & Sons, Inc..

1199 Laurel Run Road  
 Trailwood  
 Wilkes-Barre, PA 18702-9979  
 (570)472-3871/fax(570)472-9501

# Invoice

Date	Invoice #.
6/30/2007	688

<b>Bill To</b>
W.P. Water Company 1199 Laurel Run Road Wilkes-Barre, Pa. 18702

<b>Ship To</b>
Washington Township Wyoming County Water Plant

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
688	Net 30 Days		6/30/2007			

Quantity	Item Code	Description	Price Each	Amount
16	EXCAVATING	Buldozer June 15th and 16th 2007, to build a new access road to the 4th well site, off Debbie Drive.	75.00	1,200.00
8	EXCAVATING	June 18th Bobcat 331 excavator to clean up trees and brush for electric line.	75.00	600.00
300	Drilling	Drilling 4th well start 6-18-07	11.00	3,300.00
80	Steel Casing	Steel Casing	15.00	1,200.00
1	DRive Shoe	Drive shoe	65.00	65.00
15	Grouting	Grouting 15 bags @ \$18.00 per bag	18.00	270.00
1	Well Cap	Well Cap	30.00	30.00

1.5% added after 30 days

**Total** \$12,165.00

MAY. 22. 2008 1:33PM

NBVQ

NO. 657 P. 24/45 015/038

Carl L. Kresge & Sons, Inc..

1199 Laurel Run Road  
 Trailwood  
 Wilkes-Barre, PA 18702-9979  
 (570)472-3871/fax(570)472-9501

# Invoice

Date	Invoice #
8/31/2007	695

Bill To
W.P. Water Company 1199 Laurel Run Road Wilkes-Barre, Pa. 18702

Ship To
Washington Township Wyoming County Water Plant

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
695	Net 30 Days		8/31/2007			

Quantity	Item Code	Description	Price Each	Amount
1	Pump	10GS30432 Goulds 3 hp submersible water pump for well #4	1,653.00	1,653.00
700	Pipe & Fitts	2 inch certilock pipe	3.89	2,723.00
800	WIRE	#6X3 with ground wire	3.45	2,760.00
1	MISC MATERIAL	Misc. Material	48.00	48.00
8	LIFT TRUCK	Lift truck	65.00	520.00
8	Labor	Labor for 4 guys @ \$96.00 per hour.	96.00	768.00
8	Water Test	Water Test run pump for 8 hours and monitor the yield	12.00	96.00
8	Water Test	Water Test Draw New source water tests and take to Analytical Laboratory services at Middletown, Pa.	12.00	96.00
286	Milage expenses	Milage expense for delivering water test to lab in Middletown.	0.38	108.68
1	Water Test	Water Test, New source for well #4	2,200.00	2,200.00

1.5% added after 30 days

**Total** \$10,972.68

**Carl L. Kresge & Sons, Inc..**

1199 Laurel Run Road  
 Trailwood  
 Wilkes-Barre, PA 18702-9979  
 (570)472-3871/fax(570)472-9501

**Invoice**

Date	Invoice #
10/31/2007	700

Bill To
W.P. Water Company 1199 Laurel Run Road Wilkes-Barre, Pa. 18702

Ship To
Washington Township Wyoming County Water Plant

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
700	Net 30 Days		10/31/2007			

Quantity	Item Code	Description	Price Each	Amount
1	Building materials	Building Materials from Home Depot to construct shed for chlorine Building at 3rd & 4th well site.	880.47	880.47
1	Pipe & Fings	80-feet of 12-inch pipe to construct chlorine contact time, with mechanical joint fittings to an inlet out to 40 feet and return and end at a discharge having a barnyard hydrant to be a test tap then discharge in to the water distribution system.	2,789.32	2,789.32
6	Concrete	Concrete 6 yards to pour blocks on both ends of the contact loop and a bulkhead for the distribution valve.	89.00	534.00
8	EXCAVATING	Scott excavating for chlorine loop and to well #4 with his excavator	95.00	760.00
8	EXCAVATING	Excavate for new shed and pitless adapter for well#3 and tie both in to the new shed	65.00	520.00
200	Pipe & Fings	1-inch Plastic and pipe and fittings	0.68	136.00
200	WIRE	#6X3 with ground wire	3.45	690.00
2	PITLESS ADAPT	pitless adapter for each well	140.00	280.00
1	Small Power tools	Small Power tools, Partner saw, air compressor etc.	140.00	140.00
24	Labor	Labor to build shack at the shop and move it to the well site.	12.00	288.00
400	Mileage expenses	Mileage expense for the week of October 15th	0.38	152.00
40	Labor	Labor for the week of 10-15-07	74.00	2,960.00
1	Motor	5 hp Motor 230 volt 3 phase to replace burned out motor for pump for well #3	647.26	647.26
500	Pipe & Fings	2-inch Certilock plastic pipe to replace pipe in well #3	3.89	1,945.00
520	WIRE	#8X3 wire with ground	3.12	1,622.40
8	LIFT TRUCK	Small lift truck	65.00	520.00
1	MISC MATERIAL	Misc material to install new pipe and motor in well #3 including change over fittings	46.74	46.74
8	Labor	Labor to replace pump and motor 3 guys at \$74.00	74.00	592.00

1.5% added after 30 days

**Total** \$15,503.19

Carl L. Kresge & Sons, Inc..

1199 Laurel Run Road  
 Trailwood  
 Wilkes-Barre, PA 18702-9979  
 (570)472-3871/fax(570)472-9501

# Invoice

Date	Invoice #
11/30/2007	702

Bill To
W.P. Water Company 1199 Laurel Run Road Wilkes-Barre, Pa. 18702

Ship To
Washington Township Wyoming County Water Plant

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
702	Net 30 Days		11/30/2007			

Quantity	Item Code	Description	Price Each	Amount
2	Electrical	Magnetic starters for the new shack to operate the two wells 3 and 4 and electrical fittings to finish wire both pumps including outlet for a transducer for pressure sensing.	843.84	1,687.68
1	Electrical	Install transducer to operate both wells 3 & 4 at the same time	442.14	442.14
3	Labor	Labor to wire the new shed 2 guys @ \$34.00	34.00	272.00

1.5% added after 30 days

**Total** \$2,401.82

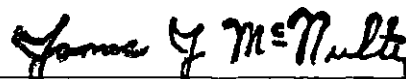


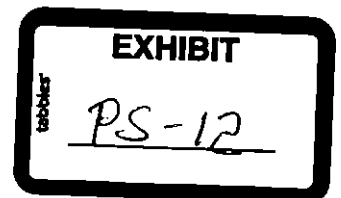
COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION



I, James J. McNulty, Secretary of the Pennsylvania Public Utility Commission, do hereby certify that the attached are full, true and correct copies of excerpts from Annual Reports for years ending 2005, 2006 and 2007 filed by W. P. Water Company, Inc., as the same remains of record and on file with this Commission.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Seal of the Pennsylvania Public Utility Commission, this EIGHTEENTH day of JULY, 2008.

  
James J. McNulty, Secretary





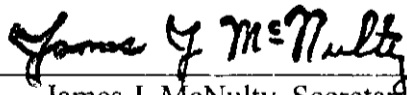
COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

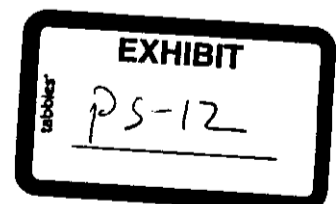


I, James J. McNulty, Secretary of the Pennsylvania Public Utility

Commission, do hereby certify that the attached are full, true and correct copies of  
excerpts from Annual Reports for years ending 2005, 2006 and 2007 filed by  
W. P. Water Company, Inc., as the same remains of record and on file with this  
Commission.

IN TESTIMONY WHEREOF, I have hereunto  
set my hand and affixed the Seal of the  
Pennsylvania Public Utility Commission, this  
EIGHTEENTH day of JULY, 2008.

  
James J. McNulty, Secretary



**CLASS "C" WATER COMPANY  
PUC ANNUAL REPORT  
OF**

213520  
5/2/08 b.  
5/2/08

Utility Code  
Class C

Company:

W.P. Water Company, Inc.

Address:

1199 Laurel Run Rd, Wilkes Barre, PA 18702

Address City State Zip

**TO THE  
PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**

*For the Year Ended December 31, 2007*

Telephone Number 570-472-3808

Fax Number 570-472-9501

E-Mail \_\_\_\_\_

Officer to whom correspondence  
concerning this report should be addressed:

Carl K Kresge

First Name Last Name

President

Title

1199 Laurel Run Rd, Wilkes Barre, PA 18702

Address City State Zip

RECEIVED  
2008 MAY -2 AM 9:03  
PA P.U.C.  
SECRETARY'S BUREAU

BUREAU OF  
FIXED UTILITY SERVICES

2008 MAY -2 AM 11:31

**COACH, KOPKO, SHORTS & REID, L.L.P.**

*Accountants and Consultants*

EDWARD A. COACH, CPA  
CHRISTOPHER V. KOPKO, CPA  
WILLIAM P. SHORTS  
PHILIP D. REID, CPA

337 WYOMING AVENUE  
KINGSTON, PENNSYLVANIA 18704-3502

(570) 283-0679  
FAX: (570) 283-2210  
E-MAIL: cksr@epix.net  
[www.accountant-city.com/cksr](http://www.accountant-city.com/cksr)

To the Board of Directors  
W. P. Water Co., Inc.  
Wilkes Barre, Pennsylvania

We have compiled the statements of assets, liabilities, and corporate deficit-income tax basis of W. P. Water Co., Inc. as of December 31, 2007 and 2006, and the related statements of revenues, expenses, and corporate deficit-income tax basis for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the income tax basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Our compilation was limited to presenting in the form prescribed by the Pennsylvania Public Utility Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and , accordingly, do not express an opinion or any other form of assurance on them.

These financial statements, including the related disclosures are presented in accordance with the requirements of the Pennsylvania Public Utility Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

We are not independent with respect to W.P. Water Co., Inc.

*Coach, Kopko, Shorts & Reid, L.L.P.*

April 30, 2008

## TABLE OF CONTENTS

Schedule	Page
General Instructions .....	1
General Information .....	3
Important Changes During Year .....	4
Written Responses for Important Changes During Year .....	5
Definitions .....	6
100 Voting Powers and Elections .....	10
101 Security Holder Information and Voting Powers .....	11
102 Companies Controlled By Respondent .....	12
103 Directors .....	13
104 Officers .....	14
200 Comparative Balance Sheets:	
Assets and Other Debits .....	15
Current Assets and Other Debits .....	16
Liabilities and Other Credits .....	17
201 Utility Plant in Service .....	19
202 Utility Plant Leased to Others Supporting Schedule .....	20
203 Property Held for Future Use Supporting Schedule .....	20
204 Construction Work in Progress .....	21
205 Accumulated Depreciation of Utility Plant .....	22
206 Utility Plant Acquisitions Adjustments .....	22
210 Investments .....	23
211 Notes and Other Accounts Receivable .....	24
212 Notes Receivable from Affiliated Companies .....	24
213 Accounts Receivable from Affiliated Companies .....	25
214 Plant Materials and Supplies .....	26
215 Prepayments Supporting Schedule .....	27
216 Miscellaneous Current and Accrued Assets Supporting Schedule .....	27
221 Deferred Rate Case Expense Supporting Schedule .....	28
222 Other Deferred Debits Supporting Schedule .....	28
223 Statement of Retained Earnings Supporting Schedule .....	29
224 Long Term Debt .....	30
225 Notes Payable Supporting Schedule .....	31
226 Accounts Payable to Affiliated Companies Supporting Schedule .....	31
227 Notes Payable to Affiliated Companies Supporting Schedule .....	32
228 Miscellaneous Current and Accrued Liabilities Supporting Schedule .....	32
229 Advances for Construction Supporting Schedule .....	33
230 Other Deferred Credits Supporting Schedule .....	33
231 34	
400 Comparative Income Statement - Revenues and Expenses .....	35
401 Operating Revenue Supporting Schedule - Revenue .....	36

**TABLE OF CONTENTS**  
 (Continued)

Schedule	Page
402 Operating Revenue Supporting Schedule - Customer Data .....	37
403 Operating Revenue Supporting Schedule - Gallons Sold .....	38
404 Other Sales to Public Water Utilities Supporting Schedule .....	39
405 Sales for Resale Supporting Schedule .....	40
406 Other Water Revenues Supporting Schedule .....	41
407 Water Operations and Maintenance Expense Accounts .....	42
408 Water Purchased for Resale Supporting Schedule .....	43
408-A Water Obtained from Own Source(s) In 1000-Gallon Quantities .....	44
409 Water Operations and Maintenance Expense Accounts (Allocation) .....	45
409-A Employee Pensions and Benefits Supporting Schedule .....	46
409-B Chemicals Used in Water Treatment During .....	47
410 Employee Payroll Statistics .....	48
411-A Contractual Services Supporting Schedule for Engineering, Accounting and Legal Expenses .....	49
411-B Contractual Services Supporting Schedule for Management Fees, Testing and Other Maint. Expenses .....	50
411-C Contractual Services Supporting Schedule for Rent, Insurance and Regulatory Comm. Expense .....	51
411-D Miscellaneous Other Expenses Supporting Schedule .....	52
416 Travel Expense Supporting Schedule .....	53
417 Amortization Expenses Supporting Schedule .....	54
418-A Taxes Accrued and Prepaid During Year .....	55
418-B Taxes Accrued and Prepaid During Year .....	56
419-A Taxes Other Than Income, Income and Deferred Taxes .....	57
419-B Taxes Other Than Income, Income and Deferred Taxes .....	58
422 Reconciliation of Net Income Shown on Schedule 400 with Federal Normal Tax Net Income .....	59
500 Water Delivered into System During Year .....	61
501 Important Physical Changes During the Year .....	62
502 PA-DEP Annual Water Supply Reports .....	63
610 Territory Served .....	64
Verification	
Oath .....	65
Supplemental Oath .....	65

## GENERAL INSTRUCTIONS

1. Two copies of this report shall be prepared by each water utility. One copy should be mailed to the Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265 by April 30 of the year following the calendar year. The other copy should be retained by the Company for reference. Companies may file this report in an electronic format supplied by the Commission along with a hard copy. All water utilities are required by statute to complete and file this annual report.
2. Pencil entries will not be permitted on hard copy.
3. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by this Commission, as set forth in the N.A.R.U.C. Systems of Accounts. The N.A.R.U.C. System of Accounts defines Class C companies as those with annual revenues of \$200,000 or less.
4. Standard accounting procedures shall apply in determining the nature of any entry (e.g. entries of a reverse or contrary character shall be indicated by a parentheses around the number).
5. The report shall be filed using data on a calendar year basis.
6. If this report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes).
7. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.
8. Dates, when called for, should include the day, month and year. Customary abbreviations may be used in stating dates.

## GENERAL INSTRUCTIONS

(Continued)

9. Whenever schedules require a comparison of figures of the previous year, the figures reported must be based upon those shown in the annual report of the previous year or an appropriate explanation should be given why different figures were used.
10. One copy of the respondent's latest annual report, if issued, should be submitted with this report. If respondent is a member of a group, both parent and subsidiary's annual report should be submitted.
11. Throughout this report money items should be rounded off to the nearest dollar.
12. In the space provided at the top of each page insert the name of the utility and the year to which this report relates.

### EXCERPT FROM TITLE 66, THE PUBLIC UTILITY CODE, APPROVED JULY 1, 1978

#### SECTION 504. Reports by Public Utilities

The Commission may require any public utility to file periodical reports at such times, and in such form, and of such content, as the Commission may prescribe; and special reports concerning any matter whatsoever about which the Commission is authorized to inquire, or to keep itself informed, or which it is required to enforce. The Commission may require any public utility to file a copy of any report filed by such public utility with any Federal department or regulatory body. All reports shall be completed under oath or affirmation when required by the Commission.

#### SECTION 3301. Civil Penalties for Violations

(a) **General rule.** -- If any public utility,...shall fail, omit, neglect, or refuse to perform any duty enjoined upon it by this part; or shall fail, omit, neglect or refuse to obey, observe, and comply with any regulation or final direction, requirement, determination or order made by the Commission,...such public utility, person or corporation for such violation, omission, failure, neglect, or refusal, shall forfeit and pay to the Commonwealth a sum not exceeding \$1,000, to be recovered by an action of assumpsit instituted in the name of the of Commonwealth. In construing and enforcing the provisions of this section, the violation, omission, failure, neglect, or refusal of any officer, agent, or employee acting for, or employed by, any such public utility, person or corporation shall, in every case be deemed to be in violation, omission, failure, neglect, or refusal of such public utility, person or corporation.

(b) **Continuing offenses.** -- Each and every day's continuance in the violation of any regulation or final direction, requirement, determination, or order of the Commission,...shall be a separate and distinct offense.

**GENERAL INFORMATION**

1. Name and title of officer having custody of the general books of account and address of the office where such books are kept.

Carl K Kresge, President  
977 Laurel Run Rd  
Wilkes Barre, PA 18702

2. Name of State under the laws of which respondent is incorporated and the date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization structure and date organized

Pennsylvania  
7/17/1970

3. If at any time during the year the property of respondent was held by a receiver or trustee, give: (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created and, (d) date when possession by receiver or trustee ceased.

N/A

4. State the classes of utility and other services furnished by respondent during the year in each state that the respondent operated.

Pennsylvania Water Class C

## IMPORTANT CHANGES DURING THE YEAR

Provide on the following page written responses for each of the items listed below. Make the written statements explicit and precise, and number each statement in accordance with the inquiries. Each inquiry must be answered. However, if the word "none" states the fact, it may be used in answering any inquiry, or if information is given elsewhere in the report which answers any inquiry, reference to such other schedule will be sufficient.

1. Changes in, and additions to franchise rights; describing (a) the actual consideration given therefor, and (b) from whom acquired. If acquired without payment of any consideration, state that fact.
2. Acquisition of other companies, reorganization, merger or consolidation with other companies; give names of companies involved, particulars concerning the transactions, and reference to Commission authorization, including docket numbers.
3. Purchase or sale of operating units, such as sources, treatment and storage facilities, transmission and distribution systems, etc., specify items, parties, effective dates and also reference to Commission authorization, including docket numbers.
4. Important leaseholds acquired, given, assigned, or surrendered, effective dates, lengths of terms, names of parties, rents, Commission authorization, (docket numbers), if any, and other conditions.
5. Important extensions of service territories, including Commission authorization (docket numbers), giving location of the new service territory covered by distribution system, and dates of beginning operations. Give the number of customers by class, and for each class of customers the estimated annual revenues relating to the new territories.
6. Estimated increase or decrease in annual revenues due to important rate changes, (docket numbers), and the approximate extent to which such increase or decrease is reflected in revenues for the reporting year.
7. Important wage scale changes, showing dates of changes, effect on operating expenses for the year, and estimated annual effect of such wage scale changes on operating expenses.
8. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue, and giving Commission authorization, (docket number), if any.
9. Changes in articles of incorporation or amendments to charters; explain the nature and purpose of such changes or amendments. Note any filing with the Commission.
10. Other important changes not provided for elsewhere.

(Company Name)

**WRITTEN RESPONSES FOR  
IMPORTANT CHANGES DURING THE YEAR**

Provide written responses for each of the items listed on the previous page.

1. None

2. None

3. None

4. None

5. None

6. None

7. None

8. None

9. None

10. None

## DEFINITIONS

**"Accounts"** means the accounts prescribed in the NARUC System of Accounts.

**"Amortization"** means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, which may be over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

**"Book Cost"** means the amount at which property is recorded in the applicable account without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

**"Control"** (including the terms; "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliated companies, contract or any other direct or indirect means.

**"Cost"** means the amount of money actually paid for property or service. When the consideration given is other than cash, the value of such consideration shall be determined on a cash basis.

**"Debt Expense"** means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen or marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

**"Depreciation"**, as applied to depreciable utility plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of the utility plant in the course of providing service. This includes causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of regulatory bodies.

**"Distribution Mains"** means any pipes whose primary purpose is to distribute treated water throughout a community, and whose components include arterial or primary feeders, secondary feeders, and the distribution grid works.

## DEFINITIONS (Continued)

**“Investment Advances”** means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

**“Minor Items of Property”** means the associated parts or items of which retirement units are composed.

**“Net Salvage Value”** means the salvage value of property retired less the cost of removal.

**“Nominally Issued”**, as applied to securities issued or assumed by the utility means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued directly to trustees of sinking funds in accordance with contractual requirements.

**“Original Cost”**, as applied to utility plant, means the cost of such property to the person first devoting it to public service.

**“Property Retired”**, as applied to utility plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been permanently withdrawn from service.

**“Replacing or Replacement”**, when not otherwise indicated in the context, means the construction or installation of utility plant in place of property retired, together with the removal of the property retired.

**“Retained Earnings”** means the accumulated net income of the utility less distributions to stockholders and transfers to other capital accounts, and other adjustments.

**“Salvage Value”** means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

**“Straight-Line Remaining Life Method”**, as applied to depreciation accounting, means the plan under which the service value of property is charged to operating expenses (and to clearing accounts if used), and credited to the accumulated depreciation account through equal annual changes during its service life. "Remaining Life" implies that estimates of the future life and salvage shall be reexamined periodically and that depreciation rates will be corrected to reflect any changes in these estimates.

(Company Name)

## DEFINITIONS (Continued)

**"Supply Main"** means any main, pipe, or aqueduct or canal whose primary purpose is to convey raw untreated water from one unit to another unit in the source of supply and pumping plant, and to the water treatment equipment.

**"Transmission Main"** means any pipes whose primary purpose is to convey treated water from the water treatment equipment or pumping station to the distribution system serving a community and generally provides no service connections with customers.

**"Utility"** as used herein and when not otherwise indicated in the context, means any public utility to which the uniform system of accounts is applicable.

### **"Contributions - in - Aid - of Construction - This account shall include:**

A) 1. Any amount or item of money, services or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement or construction costs of the utility's property, facilities, or equipment used to provide utility service to the public.

2. Amounts transferred from account 252 - Advances for Construction, representing unrefunded balances of expired contracts or discounts resulting from termination of contracts in accordance with the Commission's rules and regulations.

3. Compensation received from governmental agencies and others for relocation of water mains or other plants.

4. Any amount of money received by a utility, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility and which is utilized to offset the federal, state, or local income tax effect of taxable contributions in aid of construction, taxable amounts transferred from account - 252 Advances for Construction, and taxable compensation received from governmental agencies and others for relocation of water mains or other plants shall be reflected in a sub-account of this account.

**DEFINITIONS**  
**(Continued)**

**"Contributions - in - Aid - of Construction - This account shall include:**

B) The credits to this account shall not be transferred to any other account without the approval of the Commission.

C) The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) states, (b) municipalities, (c) customers, and (d) others, and the amount applicable to each utility department.

Note:--There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part.

(See account 252 - Advances for Construction).

(Company Name)

## 100. VOTING POWERS and ELECTIONS

This schedule is to be completed only by publicly held Corporations. Subsidiaries that are 100% owned by others should not complete this schedule.

1. Has each share of stock the right to one vote? Yes/No
2. Are voting rights attached only to stock? Yes/No (If the answer to either query 1 or 2 is "No," give particulars.)
3. Give date of the latest closing of the stock book prior to end of year and state the purpose of such closing.
4. Is cumulative voting permitted? Yes/No
5. State the total number of Board or Directors meetings held during year.
6. State the date and place of the latest general meeting held prior to the end of the year for the election of directors.
7. State the total number of votes cast at the latest general meeting and the total number cast by proxy.
8. State the total number of voting security holders and the total of all voting securities as of December 31.
9. If any security has preferences, special privileges, or restrictions in the election of directors, trustees or managers, or in the determination of any corporate action, give details.
10. State the number of votes controlled by management, other than officers of the Corporation.

(Company Name)

### 101. SECURITY HOLDER INFORMATION AND VOTING POWERS

1. Report the requested information for each holder of one percent or more of the voting securities or, if there are fewer than ten such holders, the ten who hold the highest voting powers. Data should be the latest available at the end of the year. When the holder of record is a trustee, or other intermediate agency (except a corporation), the data should be reported opposite the names of the beneficial owners, designated as such, under a general heading identifying the trustee or other agency. Securities with contingent voting rights may be disregarded.
2. Attach hereto a certified copy of every effective voting trust established and a certified copy of every other agreement (trustee or otherwise) under which voting securities are held for beneficial owners. If any such agreement has been filed with a previous report, reference to the earlier report will be sufficient, provided that changes or modification since previous filing are shown.

Line No.	Name of Security Holder (a)	(b)	Street Address (c)	City (d)	State (e)	Zip (f)	Voting Securities				Nonvoting Securities (See Instruction #2) Principal, Par Value, or Stated Value (Specify issue - omit cents) (k)
							Total Votes (g)	Common Stock (h)	Preferred Stock (i)	Other (j)	
1	Sandra Kresge		977 Laurel Run Rd	Wilkes Barre	PA	18702	10	10			
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16	Total votes of all voting securities						10				
17	Total number of security holders						1				
18	Total votes of security holders listed above						10				

(Company Name)

**102. COMPANIES CONTROLLED BY RESPONDENT**

Show below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year.

1. If control ceased prior to end of the year, give particulars in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediates involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Street Address (c)	City (d)	State (e)	Zip (f)	Voting % of Stock (g)	Footnote Ref. (h)
1	NONE							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								

**FOOTNOTES:**

1. Direct control is that which is exercised without interposition of an intermediary.
2. Indirect control is that which is exercised without interposition of an intermediary which exercises direct control. Control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the NARUC System of Accounts, regardless of the relative voting rights of each party.
3. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the NARUC System of Accounts, regardless of the relative voting rights of each party.

(Company Name)

**103. DIRECTORS**

1. Provide the following information on each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of respondent.
2. Designate by an asterisk names of members of Executive Committee, and by double asterisk the Chairman of the Executive Committee.

Line No.	Directors Name and Title (a)	Principal Business Address					Term Began (g)	Term Expires (h)	Meetings Attended (i)	Fees Paid (j)
		Street Address (b)	City (c)	State (d)	Zip (e)	Telephone (f)				
1	Carl K Kresge, President	977 Laurel Run Rd	Wilkes Barre	PA	18702	570-472-3808	1/1/2008	12/31/2008		
2	Sandra Kresge, Secretary	977 Laurel Run Rd	Wilkes Barre	PA	18702	570-472-3808	1/1/2008	12/31/2008		
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										

\* Executive Committee

\*\* Chairman of Executive Committee

(Company Name)

**104. OFFICERS**

Line No.	Official Title & Name (a)	Principal Business Address						
		Street Address (b)	City (c)	State (d)	Zip (e)	Telephone (f)	Fax (g)	Email (h)
1	President							
2	Carl K Kresge	977 Laurel Run Rd	Wilkes Barre	PA	18702	570-472-3808	570-472-9501	
3	Vice-President							
4								
5	Secretary							
6	Sandra Kresge	977 Laurel Run Rd	Wilkes Barre	PA	18702	570-472-3808	570-472-9501	
7								
8	Treasurer							
9								
10	Assistant Treasurer							
11								
12	Comptroller							
13								
14								
15								
16	Auditor							
17								
18	Engineer							
19								
20								
21	General Manager							
22								
23								
24								

(Company Name)

**200. COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	<b>UTILITY PLANT</b>		xxx	xxx	xxx
2	101.0 Utility Plant in Service	201	147,607	155,802	8,195
3	102.0 Utility Plant Leased To Others	202			
4	103.0 Property Held for Future Use	203			
5	104.0 Utility Plant Purchased or Sold				
6	105.0 Construction Work in Progress	204			
7	106.0 Completed Construction Not Classified				
8	<b>Total Utility Plant</b>		147,607	155,802	8,195
9	<b>ACCUMULATED DEPRECIATION</b>		xxx	xxx	xxx
10	108.1 Utility Plant in Service	205	83,022	60,690	(22,332)
11	108.2 Utility Plant Leased to Others	205			
12	108.3 Property Held for Future Use	205			
13	<b>Total Accumulated Depreciation</b>		83,022	60,690	(22,332)
14	<b>ACCUMULATED AMORTIZATION</b>		xxx	xxx	xxx
15	110.1 Utility Plant In Service				
16	110.2 Utility Plant Leased to Others				
17	<b>Total Accumulated Amortization</b>				
18	<b>UTILITY PLANT ADJUSTMENTS</b>		xxx	xxx	xxx
19	114.0 Utility Plant Acquisition Adjustments	206			
20	115.0 Accumulated Amortization of Utility Plant Acquisition Adjustments				
21	<b>Total Utility Plant Adjustments</b>				
22	<b>TOTAL NET UTILITY PLANT</b>		64,585	95,112	30,527
23	<b>OTHER PROPERTY AND INVESTMENTS</b>		xxx	xxx	xxx
24	<b>OTHER PROPERTY</b>		xxx	xxx	xxx
25	121.0 Non-Utility Property				
26	122.0 Accumulated Depreciation & Amortization of Non-Utility Property				
27	<b>Total Other Property</b>				
28	<b>INVESTMENTS</b>		xxx	xxx	xxx
35	124.0 Utility Investments	210			
39	<b>Total Investments</b>				
40	<b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>				

(Company Name)

**200. COMPARATIVE BALANCE SHEET  
CURRENT ASSETS AND OTHER DEBITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
<b>1</b>	<b>CURRENT AND ACCRUED ASSETS</b>		<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
2	131.1 Cash				
3	132.0 Special Deposits - Interest and Dividends				
4	141.0 Customers Accounts Receivable				
5	142.0 Other Accounts Receivable	211			
6	143.0 Accumulated Provision for Uncollectible Accounts-Credit				
7	144.0 Notes Receivable	211			
8	145.0 Accounts Receivable from Affiliated Company	213	2,937	2,937	
9	146.0 Notes Receivable from Affiliated Company	212			
10	151.0 Plant Materials and Supplies	214			
11	162.0 Prepayments	215-418			
12	174.0 Miscellaneous Current & Accrued Assets	216			
<b>13</b>	<b>TOTAL CURRENT &amp; ACCRUED ASSETS</b>		<b>2,937</b>	<b>2,937</b>	
<b>14</b>	<b>DEFERRED DEBITS</b>		<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
15	186.1 Deferred Rate Case Expense	221			
16	186.2 Deferred Debits	222			
17	190.0 Accumulated Deferred Income Taxes	419-420			
<b>18</b>	<b>TOTAL DEFERRED DEBITS</b>				
<b>19</b>	<b>TOTAL ASSETS &amp; OTHER DEBITS</b>		<b>67,522</b>	<b>98,049</b>	<b>30,527</b>

(Company Name)

**200. COMPARATIVE BALANCE SHEET  
LIABILITIES AND OTHER CREDITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/ (Decrease) (e)
1	<b>EQUITY CAPITAL &amp; LIABILITIES</b>		XXX	XXX	XXX
2	<b>EQUITY CAPITAL</b>		XXX	XXX	XXX
3	201.0 Common Stock Issued		1000	1000	
4	202.0 Preferred Stock Issued				
5	211.0 Other Paid-In Capital		12,100.00	12,100.00	
6	214.0 Retained Earnings	223	-21669	-30332	-8663
7	218.0 Retained (Sole Proprietorships & Partnerships)				
8	<b>TOTAL EQUITY CAPITAL</b>		-8569	-17232	-8663
9					
10	<b>LONG-TERM DEBT</b>		XXX	XXX	XXX
11	223.0 Advances from Affiliated Companies				
12	224.0 Other Long-term Debt	224			
13	<b>TOTAL LONG-TERM DEBT</b>				

(Company Name)

**200. COMPARATIVE BALANCE SHEET  
LIABILITIES AND OTHER CREDITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	<b>CURRENT AND ACCRUED LIABILITIES</b>		XXX	XXX	XXX
2	231.00 Accounts Payable		26000	26000	
3	232.00 Notes Payable	225		38160	38160
4	233.00 Accounts Payable to Affiliated Companies	226	50091	51121	1030
5	234.00 Notes Payable to Affiliated Companies	227			
6	235.00 Customers' Deposits-Billing				
7	236.11 Accrued Taxes	418			
8	237.10 Accrued Interest				
9	241.00 Miscellaneous Current and Accrued Liabilities	228			
10	<b>TOTAL CURRENT AND ACCRUED LIABILITIES</b>		76091	115281	39190
11	<b>DEFERRED CREDITS</b>		XXX	XXX	XXX
12	252.00 Advances for Construction	229			
13	253.00 Other Deferred Credits	230			
14	255.10 Accumulated Deferred Investment Tax Credit				
15	<b>TOTAL DEFERRED CREDITS</b>				
16					
17	<b>OPERATING RESERVES</b>		XXX	XXX	XXX
18	265.00 Operating Reserves				
19	<b>TOTAL OPERATING RESERVES</b>				
20	<b>CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)</b>		XXX	XXX	XXX
21	271.00 All Contributions (See Definition pg. 8)	231			
22	<b>TOTAL NET (CIAC)</b>				
	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>		76091	115281	39190

(Company Name)

**201. UTILITY PLANT IN SERVICE - Account No. 101.0**

1. Report by prescribed accounts the original cost of utility plant in service and the additions and retirements of such plant during the year.
2. Do not include as adjustments, corrections to additions and retirements for the current or preceding year. Such items should be included in appropriate Column (c) or (d).
3. Credit adjustments in Column (e) should be shown in red, or in black enclosed in parenthesis. State in a footnote the general character of any adjustments in Column (e).
4. Submit, in a footnote, an explanation of amounts included in Columns (e) and/or (f), Line 34, for lowering or changing the location of mains.

Line No.	Account Number and Title (a)	Balance Previous Year (b)	Additions (c)	Retirements (d)	Adjustments +/- (e)	Balance End of Year (f)
1	.1 INTANGIBLE PLANT	XXX	XXX	XXX	XXX	XXX
2	301.10 Organization					
3	302.10 Franchises					
4	339.10 Other Plant and Miscellaneous Equipment					
5	Total Intangible Plant					
6	.2 SOURCE OF SUPPLY AND PUMPING PLANT	XXX	XXX	XXX	XXX	XXX
7	303.20 Land and Land Rights					
8	304.20 Structures and Improvements					
9	305.20 Collection and Impounding Reservoirs					
10	306.20 Lake, Rivers and Other Intakes					
11	307.20 Wells and Springs	63812				63812
12	308.20 Infiltration Galleries and Tunnels					
13	309.20 Supply Mains					
14	310.20 Power Generation Equipment					
15	311.20 Pumping Equipment					
16	339.20 Other Plant and Miscellaneous Equipment					
17	Total Source of Supply and Pumping Plant	63812				63812
18	.3 WATER TREATMENT EQUIPMENT	XXX	XXX	XXX	XXX	XXX
19	303.30 Land and Land Rights	8200	29552			37752
20	304.30 Structures and Improvements	4118				4118
21	310.30 Power Generation Equipment	16402				16402
22	311.30 Pumping Equipment					
23	320.30 Water Treatment Equipment					
24	339.30 Other Plant and Miscellaneous Equipment					
25	349.30 Instrumentation					
26	350.30 Wastewater Treatment Equipment					
27	Total Water Treatment Equipment	28720	29552			58272
28	.4 TRANSMISSION AND DISTRIBUTION PLANT	XXX	XXX	XXX	XXX	XXX
29	303.40 Land and Land Rights					
30	304.40 Structures and Improvements					
31	310.30 Power Generation Equipment					
32	311.40 Pumping Equipment		3391			3391
33	330.40 Distribution Reservoirs and Standpipes	11004				11004
34	331.40 Transmission and Distribution Mains	18823				18823
35	333.40 Services					
36	334.40 Meters and Meter Installations					
37	335.40 Hydrants					
38	336.40 Backflow Prevention Devices					
39	339.40 Other Plant and Miscellaneous Equipment					
40	Total Transmission and Distribution Plant	29827	3391			33218
41	.5 GENERAL PLANT	XXX	XXX	XXX	XXX	XXX
42	303.50 Land and Land Rights					
43	304.50 Structures and Improvements					
44	340.50 Office Furniture and Equipment	500				500
45	341.50 Transportation Equipment					
46	342.50 Stores Equipment					
47	343.50 Tools, Shop and Garage Equipment					
48	344.50 Laboratory Furniture & Equipment					
49	345.50 Power Operated Equipment					
50	346.50 Communication Equipment					
51	347.50 Miscellaneous Equipment	24748		24748		
52	348.50 Other Tangible Plant					
53	Total General Plant	25248		24748		500
54	TOTAL WATER PLANT-IN-SERVICE	147607	32943	24748		155802

**202. UTILITY PLANT LEASED TO OTHERS SUPPORTING SCHEDULE Account No. 102.0**

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 102.0 - Utility Plant Leased to Others.

Line No.	Name of Lessee (a)	Balance Previous Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Balance at End of Year (f)
1	NONE					
2						
3						
4						
5						
6						
7	TOTALS					

**203. PROPERTY HELD FOR FUTURE USE SUPPORTING SCHEDULE Account No. 103.0**

Insert in Column (a) the titles of the applicable primary accounts for Plant in Service and the details regarding Account No. 103.0 - Property Held For Future Use.

Line No.	Item (a)	Anticipated in Service Date (b)	Balance at Beginning of Year (c)	Additions During Year (d)	Transfers to Plant in Service (e)	Balance at End of Year (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8		TOTALS				

(Company Name)

**204. CONSTRUCTION WORK IN PROGRESS - Account No. 105.0**

1. Describe the particulars concerning utility plant in process of construction but not ready for service at end of Calendar Year.
2. Describe separately each work order that exceeds an estimated expenditure of '\$500 or 1%, whichever is less, of the book cost of utility plant at the beginning of the year. All other work orders may be grouped by nature of project.

Line No.	Description of Work (a)	Balance End of Year (b)	Estimate Total Cost of Construction (c)	Projected In-Service Date (d)
1	NONE			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTALS			

(Company Name)

**205. ACCUMULATED DEPRECIATION OF UTILITY PLANT -  
Account Nos. 108.1, 108.2 and 108.3**

1. Report below an analysis of the changes in accumulated depreciation during the year and the amounts applicable to prescribed functional classifications.
2. Explain and give particulars of important adjustments during the year.

Line No.	Item (a)	Account No.	108.1	108.2	108.3
		Total (b)	Utility Plant In Service (c)	Utility Plant Leased to Others (d)	Property Held for Future Use (e)
1	Balance Beginning of Year	83022	83022		
2	Credits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX
3	Depreciation Provisions charged to:	XXXXXX	XXXXXX	XXXXXX	XXXXXX
4	403. Depreciation	2416	2416		
5	413. Income from Utility Plant Leased to Others				
6					
7					
8					
9					
10	<b>Total Depreciation Provisions</b>	2416	2416		
11	Recoveries from Insurance				
12	Salvage Realized from Retirements				
13	Other Credits (Describe)				
14					
15					
16					
17					
18	<b>Total Credits During Year</b>				
19	<b>Total Credits</b>	2416	2416		
20	Debits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX
21	Retirement of Utility Plant	24748	24748		
22	Cost of Removal				
23	Other Debits (Describe)				
24					
25					
26					
27					
28	<b>Total Debits During Year</b>	24748	24748		
29	<b>Balance at End of Year</b>	60690	60690		

Describe the basis upon which depreciation provisions for the year were determined and attach worksheets showing the computations made in arriving at the annual provisions.

**206. UTILITY PLANT ACQUISITIONS ADJUSTMENTS - Account No. 114.0**

Line No.	Item (a)	Project No. 1 Amount (b)	Project No. 2 Amount (c)	Project No. 3 Amount (d)	Project No. 4 Amount (e)	Totals (f)
1	Book Plant - Net	N/A				
2	PUC Difference (Ratemaking)					
3	Less Contributions (Net)					
4	Net Utility Plant Acquired					
5	Purchase Price					
6	Acquisition Adjustment					
7						
8						

**210. INVESTMENTS - Account No. 124.0**

1. Report below investments in Account No. 124.0, Utility Investments
2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.
3. Investments in Securities - List and describe each security owned, giving name of issuer. For bonds give also principal amount, date of issue, maturity, and interest rate. For capital stock state number of shares, class and series of stock. Minor investments may be grouped by classes.
4. Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are subject to repayment but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.
5. For any securities, notes, or accounts that were pledged, designate such securities, notes, or accounts and in a footnote state the name of pledges and purpose of the pledge.
6. If Commission approval was required for any advance made or security acquired, designate such fact and in a footnote give date of authorization and case or docket number.
7. Interest and dividend revenues from investments should be reported in Column (g), including such revenues from securities disposed of during the year.
8. In Column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which was carried in the books of account if different from cost) and the selling price therefor, not including any dividend or interest adjustment included in Column (g).

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Book Costs* Beginning of Year (d)	Principal Amount or No. of Shares (e)	Book Cost End of Year (f)	Revenues For Year (g)	Gain or (Loss) From Invest. Disposed of (h)
1								
2	NONE							
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
	TOTALS							

\* If book cost is different from cost to Utility, give cost to Utility in a footnote and explain difference.

(Company Name)

**211. NOTES AND OTHER ACCOUNTS RECEIVABLE - Account Nos. 142.0 and 144.0**

If interest was derived during year from notes liquidated before the end of the year, include such interest revenue in Column (d).

Line No.	Item (a)	Notes Receivable			Accounts Receivables	
		Beginning 1/1/____ (b)	Ending 12/31/____ (c)	Interest Revenue (d)	Beginning 1/1/____ (e)	Ending 12/31/____ (f)
1	NONE					
2						
3						
4						
5						
6						
7	TOTALS					

**212. NOTES RECEIVABLE FROM AFFILIATED COMPANIES - Account No. 146.0**

1. Furnish below the particulars indicated concerning notes receivable from affiliated companies at end of year.
2. If any note was received in satisfaction of an open account indebtedness, state the period covered by such open account.
3. Include in Column (f) the amount of any interest revenue during the year on notes that were paid off before the end of the year.
4. Give particulars of any notes pledged or discounted.

Line No.	Name of Affiliated Company (a)	Date of Issue (b)	Date of Maturity (c)	Amount at End of Year (d)	Interest Rate (e)	Amount (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8	TOTALS					

(Company Name)

**213. ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES - Account No. 145.0**

1. Furnish below the particulars called for concerning each Account Receivable from Affiliated Companies.
2. The term "Services Received" set forth on Line 22 of this schedule means the Management, Construction, Engineering, Purchasing, Legal, Accounting or other similar service which has been rendered to Utility under written, oral or implied contract.
3. The term "Joint Expenses Transferred" set forth on Line 23 means Central office and/or other expenses continuously assessed against respondent covering all locations of common operating costs.
4. This schedule shall include all transactions during the year with each affiliated interest affecting Account No. 145.0 and Account No. 234.0. If the latter is offset against Account No. 145.0, even though there were no outstanding balances at the beginning and end of year, and regardless of whether or not the transactions were recorded in Account Nos. 145.0 or 234.0.

Line No.	Item (a)	Total (b)	Name Of Affiliate		
			(c)	(d)	(e)
	NAME OF AFFILIATE		W.P.Sanitary		
1	Balance at Beginning of Year	2937	2937		
2	Debits During Year	XXX	XXX	XXX	XXX
3	Cash Dispensed				
4	Materials and Supplies Sold				
5	Services Rendered				
6	Joint Expense Transferred				
7	Interest and Dividends Receivable				
8	Rents Receivable				
9	Securities Sold				
10	Other Debits (Specify)				
11	Travel and Entertainment Costs				
12					
13					
14	Total Debits During Year				
15	Total Debits	2937	2937		
16					
17	Credits During Year	XXX	XXX	XXX	XXX
18	Cash Received				
19	Water Purchased				
20	Fuel Purchased				
21	Materials and Supplies Purchased				
22	Services Received				
23	Joint Expense Transferred				
24	Interest and Dividends Payable				
25	Rents Payable				
26	Securities Purchased				
27	Transferred to Account 145				
28	Other Credits (Specify)				
29					
30					
31					
32	Total Credits During Year				
33	Balance at End of Year	2937	2937		

(Company Name)

**214. PLANT MATERIALS AND SUPPLIES - Account No. 151.0**

1. Summarize below by character (such as chemicals, fuel oil, valves, pipe, etc.) of materials and supplies, the balances in Account No. 151.0 at the beginning and end of the year.
2. Important inventory adjustments during the year of the materials and supplies account shall be explained, showing the class of materials affected and the various classes of accounts (operating expenses, clearing accounts, plant accounts) debited or credited.

Line No.	Classification of Materials And Supplies (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase (Decrease) (d)
1	NONE			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	Total			

**215. PREPAYMENTS SUPPORTING SCHEDULE - Account No. 162.0**

This schedule should include a breakdown of the accounts that constitute the beginning and ending balance in Account No. 162.0 - Prepayments.

Line No.	Account No. (a)	Balance Beg. of Year (b)	Additions (c)	Reductions or Deletions (d)	Adjustments (e)	Balance End of Year (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8	TOTALS					

**216. MISCELLANEOUS CURRENT AND ACCRUED ASSETS  
 SUPPORTING SCHEDULE - Account No. 174.0**

This Account should include a breakdown of the accounts that constitute the beginning and ending balance in Account No. 174.0 - Miscellaneous Current and Accrued Assets.

Line No.	Account No. (a)	Balance Beg. of Year (b)	Additions (c)	Reductions or Deletions (d)	Adjustments (e)	Balance End of Year (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8	TOTALS					

(Company Name)

**221. DEFERRED RATE CASE EXPENSE SUPPORTING SCHEDULE**

**Account No. 186.1**

Please provide particulars regarding activity associated with the beginning and ending balance in Account No. 186.1 - Deferred Rate Case Expense.

Line No.	Rate Case Docket No. (a)	Total Amount Claimed (b)	Total Amount Allowed (c)	Normalize. Period (d)	Annual Expense (e)	Unamortized Ending Balance (f)
1	N/A					
2						
3						
4						
5						
6						
7						
8	TOTALS					

**222. OTHER DEFERRED DEBITS SUPPORTING SCHEDULE**

**Account No. 186.2**

This Account should include a breakdown of the accounts that constitute the beginning and ending balance Account No. 186.2 - Other Deferred Debits.

Line No.	Account No. (a)	Balance at Beg. of Year (b)	Additions (c)	Reductions (d)	Adjustments (e)	Balance at End of Year (f)
1	N/A					
2						
3						
4						
5						
6						
7						
8	TOTALS					

(Company Name)

**223. STATEMENT OF RETAINED EARNINGS SUPPORTING SCHEDULE  
Account Nos. 214.0 and 215.0**

1. Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 409.0.

Line No.	Item (a)	Amounts (b)
1	<b>Unappropriated Retained Earnings Account No. 215.0:</b>	XXXXXX
2	Balance Beginning of Year	-21669
3	Changes to Account:	XXXXXX
4	Adjustments to Retained Earnings *	
5	Credits	
6	Debits	
7	Balance Transferred From Income	-8663
8	Total Unappropriated Retained Earnings	-30332
9		
10	<b>Appropriated Retained Earnings Account No. 214.0:</b>	XXXXXX
11	Total Appropriations of Retained Earnings	
12	Dividends Declared:	XXXXXX
13	Preferred Stock Dividends Declared	
14	Common Stock Dividend Declared	
15	Total Dividends Declared	
16	Total Appropriated Retained Earnings	
17	<b>Total Retained Earnings</b>	<b>-30332</b>

\* Requires Commission approval prior to use.

Notes to Retained Earnings:

(Company Name)

**224. LONG - TERM DEBT - Account No. 224.0**  
 (Excluding Advances from Affiliated Companies)

1. Give below the particulars indicated of the long-term debt at end of year represented by unmatured obligations issued or assumed by the respondent, exclusive of advances from affiliated companies.
2. Group entries according to accounts and show the total for each account.
3. For obligations assumed by the respondent show in Column (a) the name of the issuing company and the class and series of such obligations.
4. For Receivers' Certificates show the name of the court and date of court order under which such certificates were issued.
5. If respondent has pledged any of its long-term debt securities give particulars in a footnote, including name of the pledge and purpose of pledge.
6. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in Column (g).
7. If interest has matured but is unpaid on any obligation, state in a footnote the class, series and principal amount of such obligation and the amount of interest matured thereon.

Line No.	Class and Series of Obligations (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding Per Balance Sheet* (e)	Interest For Year		Held By Respondent	
						Rate (f)	Amount (g)	As Reacquired. Lg.-Term Debt (h)	In Sinking & Other Funds (i)
1	Obligations Other Than PENNVEST	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
2	NONE								
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18	Total Obligations Other Than PENNVEST								
19	PENNVEST Obligations	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									
35									
36									
37	Total PENNVEST Obligations								
38	<b>TOTAL OBLIGATIONS</b>								

\* Total amount outstanding without reduction for amount held by respondent.

**225. NOTES PAYABLE SUPPORTING SCHEDULE - Account No. 232.0**

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 232.0 - Notes Payable

Line No.	Name of Creditor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of Year (e)	Interest Rate Per Annum (f)
1	Sandra Kresge	Cash Advance			38160	5%
2						
3						
4						
5						
6						
7						
8				TOTAL	38160	

**226. ACCOUNTS PAYABLE TO AFFILIATED COMPANIES SUPPORTING SCHEDULE - Account No. 233.0**

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 233.0 - Accounts Payable to Affiliated Companies.

Line No.	Name of Affiliated Company (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of Year (e)	Interest Rate Per Annum (f)
1	Carl L Kresge & Sons Inc.	Fixed Asset Purchases	9/15/1996		41216	
2	SC Leasing	Cash Flow Advances	Various		9905	
3						
4						
5						
6						
7						
8				TOTAL	51121	

**227. NOTES PAYABLE TO AFFILIATED COMPANIES  
 SUPPORTING SCHEDULE - Account No. 234.0**

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 234.0 - Notes Payable to Affiliated Companies.

Line No.	Name of Affiliated Company (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of Year (e)	Interest Rate Per Annum (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8				TOTAL		

**228. MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES  
 SUPPORTING SCHEDULE - Account No. 241.0**

This schedule should include a breakdown of the accounts that constitute the beginning and ending balance in Account No. 241.0 - Miscellaneous and Accrued Liabilities.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Reductions or Deletions (d)	Adjustments (e)	Balance at End of Yr. (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8	TOTALS					

**229. ADVANCES FOR CONSTRUCTION SUPPORTING SCHEDULE -  
 Account No. 252.0**

This schedule should include a breakdown of the accounts that constitute the beginning and ending balance in Account No. 252.0 - Advances for Construction.

Line No.	Account (a)	Balance at Beg of Year (b)	Additions (c)	Reductions or Deletions (d)	Adjustments (e)	Balance at End of Year (f)
1	N/A					
2						
3						
4						
5						
6						
7						
8	TOTALS					

**230. OTHER DEFERRED CREDITS SUPPORTING SCHEDULE - Account No. 253.0**

This schedule should include a breakdown of the accounts that constitute the beginning and ending balance in Account No. 253.0 - Other Deferred Credits.

Line No.	Account (a)	Balance at Beg of Year (b)	Additions (c)	Reductions or Deletions (d)	Adjustments (e)	Balance at End of Year (f)
1	N/A					
2						
3						
4						
5						
6						
7						
8	TOTALS					

**231. CONTRIBUTIONS IN AID OF CONSTRUCTION  
SUPPORTING SCHEDULE - Account No. 271.0**

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 271.0 - Contributions in Aid of Construction.

Line No.	Date (a)	Source of Contribution (b)	Description of Project (c)	Amount (d)
1			N/A	
2				
3				
4				
5				
6				
7				
8				
			TOTALS	

(Company Name)

### 400. COMPARATIVE INCOME STATEMENT REVENUES AND EXPENSES

Line No.	Account Number and Title (a)	Schedule No. (c)	Balance End of Year (d)	Balance Previous Year (e)	Increase/Decrease (f)
1	400.0 Operating Revenues	401	41871	41184	687
2					
3	UTILITY OPERATING EXPENSES		XXX	XXX	XXX
4	401.0 Operating Expenses		47010	41604	5406
5	403.0 Depreciation Expense		2416	2061	355
6	406.0 Amortization of Utility Plant Acquisition Adjustment	417			
7	407.0 Amortization, Other	417			
8	408.0 Taxes Other Than Income	418			
9	409.10 Federal Income Taxes, Utility Operating Income	419			
10	409.11 State Income Taxes, Utility Operating Income	419			
11	409.12 Local Income Taxes, Utility Operating Income				
12	410.0 Deferred Income Tax	420			
13	Tax Credits				
14	412.1 Investment Tax Credits, Deferred to Future Periods				
15	Utility Operating Capital & Costs				
16	Total Tax Credits				
17	TOTAL UTILITY OPERATING EXPENSES		49426	43665	5761
18					
19	NET UTILITY OPERATING INCOME (LOSS)		-7555	-2481	-5074
20					
21	OTHER OPERATING INCOME (LOSS)		XXX	XXX	XXX
22					
23	TOTAL OTHER OPERATING INCOME (LOSS)				
24					
25	NON OPERATING INCOME		XXX	XXX	XXX
26	421.0 Non-Utility Income				
27					
28	TOTAL NON-OPERATING INCOME				
29					
30	NON-OPERATING DEDUCTIONS		XXX	XXX	XXX
31	408.0 Taxes Other Than Income, Other Income and Deductions				
32	409.2 Income Taxes, Other Income and Deductions				
33	416.0 Cost & Expenses of Merchandising, jobbing and Contract Work				
34	426.0 Miscellaneous Non-Utility Expenses				
35	427 Interest Expense		1108		1108
36					
37	TOTAL NON-OPERATING DEDUCTIONS		1108		1108
38					
39	NET INCOME (LOSS)		-8663	-2481	-6182
40					
41					
42					
43					
44					
45					
46					

**401. OPERATING REVENUES SUPPORTING SCHEDULE - Account No. 400.0**

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 400.0 - Operating Revenues.

Line No.	Account Number and Title (a)	Schedule No. (b)	Balance End of Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1	WATER SALES REVENUE		XXX	XXX	XXX
2	460.0 Unmetered Water Revenue		XXX	XXX	XXX
3	460.1 Residential		41,871	41,184	687
4	460.2 Commercial				
5	460.3 Industrial				
6	460.4 Public				
7	460.5 Other				
8					
9	Total Unmetered Water Revenue		41,871	41,184	687
10					
11	461.0 Metered Water Revenue		XXX	XXX	XXX
12	461.1 Residential				
13	461.2 Commercial				
14	461.3 Industrial				
15	461.4 Public				
16	461.5 Multiple Family Dwellings				
17	461.6 Other				
18					
19	Total Metered Water Revenue				
20					
21	462.1 Public Fire Protection				
22	462.2 Private Fire Protection				
23	464.0 Other Sales to Public (Special Contracts)	404			
24	466.0 Sales for Resale	405			
25	467.0 Interdepartmental Sales				
26	468.0 Other				
27					
28	TOTAL WATER SALES		41,871	41,184	687
29					
30	OTHER WATER REVENUES		XXX	XXX	XXX
31	470.0 Forfeited Discounts				
32	471.0 Miscellaneous Service Revenues				
33	472.0 Rents from Water Property				
34	473.0 Interdepartmental Rents				
35	474.0 Other Water Revenues	406			
36					
37	TOTAL OTHER WATER REVENUES				
38					
39	TOTAL WATER SALES & OTHER REVENUES		41,871	41,184	687

**402. OPERATING REVENUES SUPPORTING SCHEDULE - CUSTOMER DATA**

Customers should be reported on the basis of number of meters, (except where multiple customers have one meter) plus number of flat rate accounts. Where separate meter readings are added for billing purposes, one customer shall be counted for each group of meters so added.

Line No.	Customer Classes (a)	Customers End of Current Year (b)	Customers End of Previous Year (c)
1	Unmetered Sales	XXX	XXX
2	Residential	186	182
3	Commercial		
4	Industrial		
5	Public		
6	Other		
7	Public Fire		
8	Private Fire		
9	Total Unmetered Sales	186	182
10			
11	Metered Sales	XXX	XXX
12	Residential		
13	Commercial		
14	Industrial		
15	Public		
16	Multiple Family Dwellings		
17	Other		
18	Private Fire		
19	Public Fire		
20	Sales for Resale		
21	Total Metered Sales		

**403. OPERATING REVENUES SUPPORTING SCHEDULE - GALLONS SOLD**

1. Report below the gallons sold for the current year and the previous year for each customer class.
2. How the quantities of water sold to unmetered flat-rate customers were determined should be explained in a footnote.

Line No.	Account (a)	Gallons Sold Current Year (000 omitted) (b)	Gallons Sold Previous Year (000 omitted) (c)
1			
2	Unmetered Sales	XXX	XXX
3	Residential	14,382	14,366
4	Commercial		
5	Industrial		
6	Public		
7	Other		
8	Public Fire		
9	Private Fire		
10	Total Unmetered Sales	14,382	14,366
11			
12	Metered Sales	XXX	XXX
13	Residential		
14	Commercial		
15	Industrial		
16	Public		
17	Multiple Family Dwellings		
18	Other		
19	Public Fire		
20	Private Fire		
21	Sales for Resale		
22	Total Metered Sales		
23			
24			
25			
26	Total Water Sales	14,382	14,366

FOOTNOTES:

(Company Name)

**404. OTHER SALES TO PUBLIC WATER UTILITIES SUPPORTING SCHEDULE - Account No. 464.0**

1. Designate by asterisk in Column (a) purchases which are affiliated with respondent.
2. The entries on Lines 1 to 8 under Columns (h) to (s) must correspond to the entries on the same lines under Columns (a) to (g). The totals of Columns (h) to (s), inclusive, must agree with respective quantities reported in Column (e).

Line No.	Name of Purchaser (a)	Point of Delivery (b)	Service* Capacity (c)	Pressure @ Point of Delivery (d)	Quantity of Water Sold (1,000-Gal.) (e)	Revenues (f)	Revenue Per (1,000-Gal.) (g)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
				TOTALS			

\* Size of meter from which delivery is made.

**MONTHLY SALES IN 1,000-GAL BY PURCHASER**

Line No.	January (h)	February (i)	March (j)	April (k)	May (l)	June (m)	July (n)	August (o)	September (p)	October (q)	November (r)	December (s)
1												
2												
3												
4												
5												
6												
7												
8												
TOTALS												

(Company Name)

**405. SALES FOR RESALE SUPPORTING SCHEDULE - Account No. 466.0**

1. Designate by asterisk in Column (a) purchases which are affiliated with respondent.
2. The entries on Lines 1 to 8 under Columns (h) to (s) must correspond to the entries on the same lines under Columns (a) to (g). The totals of Columns (h) to (s), inclusive, must agree with respective quantities reported in Column (e).

Line No.	Name of Purchaser (a)	Point of Delivery (b)	Service* Capacity (c)	Pressure @ Point of Delivery (d)	Quantity of Water Sold (1,000-Gal.) (e)	Revenues \$ (f)	Revenue \$ Per (1,000-Gal.) (g)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
Totals				TOTALS			

\* Size of meter from which delivery is made.

**MONTHLY SALES IN 1,000-GAL BY PURCHASER**

Line No.	January (b)	February (i)	March (j)	April (k)	May (l)	June (m)	July (n)	August (o)	September (p)	October (q)	November (r)	December (s)
1												
2												
3												
4												
5												
6												
7												
8												
Totals												

**406. OTHER WATER REVENUES SUPPORTING SCHEDULE - Account No. 474.0**

Provide a breakdown of Other Water Revenues - Account No. 474.0 not shown in any other revenue account.

Line No.	Description (a)	Amounts (b)
1	NONE	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17	TOTALS	

**407. WATER OPERATION AND MAINTENANCE EXPENSE ACCOUNTS**

Line No.	Account Number and Title (a)	Schedule No. (b)	Amount of Operating Expenses		
			Current Year (c)	Previous Year (d)	Increase (Decrease) (e)
1	<b>Salaries and Wages</b>		XXX	XXX	XXX
2	601.0 Employees	409			
3	603.0 Officers, Directors and Majority Stockholders	409			
4	<b>Total Salaries and Wages</b>				
5	604.0 Employee Pensions and Benefits	409-A	1661	1645	16
6	610.0 Purchased Water	408			
7	615.0 Purchased Power		7505	7847	-342
8	616.0 Fuel for Power Production				
9	618.0 Chemicals	411-D	877	787	90
10	620.0 Materials and Supplies		1937	729	1208
11	<b>Contractual Services</b>		XXX	XXX	XXX
12	631.0 Engineering	411-A	1000		1000
13	632.0 Accounting	411-A		875	-875
14	633.0 Legal	411-A	7500	2241	5259
15	634.0 Management Fees	411-B			
16	635.0 Testing	411-B	1945	2007	-62
17	636.0 Other - Maintenance	411-B	19314	21107	-1793
18	<b>Total Contractual Services</b>		29759	26230	3529
19	640.0 Rents	411-C			
20	650.0 Transportation Expenses			262	-262
21	<b>Insurance</b>		XXX	XXX	XXX
22	655.0 Vehicle	411-C		679	-679
23	655.0 General Liability	411-C	773	291	482
24	<b>Total Insurance</b>	411-C	773	970	-197
25	666.0 Regulatory Commission Expenses-Amort. of Rate Case Expense	411-C			
26	670.0 Bad Debt Expense				
27	675.0 <b>Miscellaneous Expenses</b>		XXX	XXX	XXX
28	Office and Bank Charges	411-D	1722	2162	-440
29	Miscellaneous Expenses	411-D	1998	972	1026
30	Telephone	411-D	778		778
31	<b>Total Miscellaneous Expenses</b>	411-D	4498	3134	1364
32	<b>Total Water Operation and Maintenance Expense Accounts</b>		47010	41604	5406

**408. WATER PURCHASED FOR RESALE SUPPORTING SCHEDULE - Account No. 610.0**

1. Designate by asterisk in Column (a) vendors which are affiliated with respondent.
2. The entries on Lines 1 to 8 under Columns (h) to (s) must correspond to the entries on the same lines under Columns (a) to (g). The totals of Columns (h) to (s), inclusive, must agree with respective quantities reported in Column (e).

Line No.	Name of Vender (a)	Point of Delivery (b)	Service* Capacity (c)	Pressure @ Point of Delivery (d)	Quantity of Water Purch. (1,000-Gal.) (e)	Cost of Purchased Water (f)	Cost Per (1,000-Gal.) \$ (g)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
				TOTALS			

\* Size of meter from which delivery is made.

**MONTHLY PURCHASES IN 1,000-GAL FROM VENDER**

Line No.	January (b)	February (i)	March (j)	April (k)	May (l)	June (m)	July (n)	August (o)	September (p)	October (q)	November (r)	December (s)
1												
2												
3												
4												
5												
6												
7												
8												
TOTALS												

**408. (a) WATER OBTAINED FROM OWN SOURCE(S) In 1000-GALLON QUANTITIES**

**MONTHLY WATER OBTAINED IN 1,000-GAL FROM OWN SOURCE(S)**

Line No.	January (a)	February (b)	March (c)	April (d)	May (e)	June (f)	July (g)	August (h)	September (i)	October (j)	November (k)	December (l)
1	345	304	356	331	349	376	413	457	483	399	354	281
2	78	80	81	84	86	86	90	89	70	89	81	84
3	629	529	544	556	528	570	390	370	220	357	951	744
4	160	132	140	168	200	326	422	304	185	195	164	152
5												
6												
7												
8												
TOTALS	1212	1045	1121	1139	1163	1358	1315	1220	958	1040	1550	1261

Line No.	IDENTIFY EACH SOURCE
1	Washington Park Well # 1
2	Washington Park Well # 2
3	Washington Park Well # 3 and # 4
4	Sleepy Hollow Well # 1
5	
6	
7	
8	
9	

**409. WATER OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (ALLOCATION)**

Line No.	Account Number and Title (e)	Totals from Schedule 407 (b)	Sources of Supply And Expenses - Operations (c)	Sources of Supply And Expenses - Maintenance (d)	Water Treatment Expenses Operations (e)	Water Treatment Expenses Maintenance (f)	Transmission And Distribution Operations (g)	Transmission And Distribution Maintenance (h)	Customer Accounts Expenses (i)	Administrative And General Expenses (j)
1	<b>Salaries and Wages</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2	601.0 Employees									
3	603.0 Officers, Directors, and Majority Stockholders									
4	604.0 Employee Pensions and Benefits *	1661								1661
5	<b>Total Salaries and Wages **</b>	1661								1661
6	<b>Contractual Service</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
7	630.0 Billing									
8	631.0 Engineering ***	1000	1000							
9	632.0 Accounting ***									
10	633.0 Legal ***	7500								7500
11	634.0 Management Fees ***									
12	635.0 Contract Services Testing ***	1945			1945					
13	636.0 Other - Maintenance ***	19314					4400	4400		10514
14	<b>Total Contractual Service</b>	29759	1000		1945		4400	4400		18014
15	640.0 Rents ****									
16	655.0 Insurance ****	773								773
17	665.0 Regulatory Commission Expense ****	27								27
18	<b>Miscellaneous Expense</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
19	675 Communications Service	778								778
20	675 Travel									
21	Office and Bank Charges	1722								1722
22	Miscellaneous Expense	1971								1971
23	<b>Total Miscellaneous Expenses</b>	4471								4471
24	<b>TOTALS</b>	36691	1000		1945		4400	4400		24946

\* For breakdown see Schedule 409-A  
 \*\* For breakdowns see Schedules 410  
 \*\*\* For breakdown see Schedule 411-A & 411-B  
 \*\*\*\* For breakdown see Schedule 411-C

(Company Name)

**409-A. EMPLOYEE PENSIONS AND BENEFITS SUPPORTING SCHEDULE**  
**Account No. 604.0**

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 604.0 - Employee Pensions and Benefits.

Line No.	Benefit Type (a)	Employees (c)	Total Expenses for	
			Current Year (d)	Prior Year (e)
1	Pension			
2	Life Insurance			
3	Health Insurance		1,661	1,645
4	Dental			
5	Eye Care			
6	Prescriptions			
7	Employee Recognition			
8	Physicals			
9	Tuition Assistance			
10	Death Benefits			
11	Other Post Employee Benefits			
12	401K			
13	Employee Stock Option Program			
14	Others (Specify)			
15	TOTALS		1,661	1,645

Company Name

**409-B. CHEMICALS USED IN WATER TREATMENT DURING YEAR  
ACCOUNT No. 618**

Line No.	Identify Treatment Chemical Used (a)	Bal at Beginning of year \$	Total Annual Purchased		Total Annual Used		Balance at Year End	
			\$	Quantity	\$	Quantity	\$	Quantity
2	Chlorine		877		877			
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20			877		877			

**410. EMPLOYEE PAYROLL STATISTICS**

1. Show hereunder the details called for concerning the number of officers and employees at the beginning and end of the year, and the aggregate salaries and wages for the year.
2. The data shall be itemized according to the department payroll classification maintained by Respondent at the end of the year (such as, for example, officers, office, operations, maintenance, etc).

Line No.	Payroll Classification (a)	Number Beginning of Year (b)	Number End of Year (c)	Aggregate Salaries and Wages for the Year (d)
1	NONE			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

**411-A. CONTRACTUAL SERVICES SUPPORTING SCHEDULE**  
**Account Nos. 631.0, 632.0 and 633.0**

Provide a breakdown of **Engineering Expense** - Account No. 631.0.

Line No.	Description of Project (a)	Expense (b)
1	Water Well / Permit	1,000
2		
3		
4		
5		
6		
7	TOTAL	1,000

Provide a breakdown of **Accounting Expense** - Account No. 632.0.

Line No.	Type of Service (a)	Expense (b)
1	NONE	
2		
3		
4		
5		
6		
7	TOTAL	

Provide a breakdown of **Legal Expense** - Account No. 633.0.

Line No.	Description of Service (a)	Expense (b)
1	Attorney Fees	7,500
2		
3		
4		
5		
6		
7	TOTAL	7,500

**411-B. CONTRACTUAL SERVICES SUPPORTING SCHEDULE**  
**Account Nos. 634.0, 635.0 and 636.0**

Provide a breakdown of **Management Fees** - Account No. 634.0.

Line No.	Description of Management Fee (a)	Expense (b)
1	NONE	
2		
3		
4		
5		
6		
7	TOTAL	

Provide a breakdown of **Testing Expense** - Account No. 635.0.

Line No.	Type of Testing Services (a)	Expense (b)
1	Water Tests	1,945
2		
3		
4		
5		
6		
7	TOTAL	1,945

Provide a breakdown of **Other - Maintenance Expense** - Account No. 636.0.

Line No.	Description of Maintenance (a)	Expense (b)
1	Sub Contractors	19,314
2		
3		
4		
5		
6		
7	TOTAL	19,314

**411-C. CONTRACTUAL SERVICES SUPPORTING SCHEDULE**  
**Account Nos. 640, 655 and 665.0**

Provide a breakdown of **Rentals Expense** - Account No. 640.

Line No.	Identify Property or Equipment Rented (a)	Expense (b)
1	NONE	
2		
3		
4		
5		
6		
7	TOTAL	

Provide a breakdown of **Insurance Expense** - Account No. 655.

Line No.	Type of Insurance (a)	Expense (b)
1	Liability	773
2		
3		
4		
5		
6		
7	TOTAL	773

Provide a breakdown of **Regulatory Commission Expense** - Account No. 665.

Line No.	Identify Case Docket (R) Number or Other Type Of Commission Expense (a)	Expense (b)
1	NONE	
2		
3		
4		
5		
6		
7	TOTAL	

(Company Name)

**411-D. MISCELLANEOUS OTHER EXPENSES SUPPORTING SCHEDULE**  
**Account No. 675.0**

Provide a breakdown of Miscellaneous Expenses - Account No. 675.0.		Expenses
Line No.	Description of Miscellaneous Expenses	\$
1	Office Expense & Bank Charges	1722
2	Communications	778
3	Court & Testimony Fees	1951
4	Miscellaneous Expense	20
5	PUC Fees	27
6		
7		
8		
9		
10		
11	TOTALS	4498

**416. TRAVEL EXPENSES SUPPORTING SCHEDULE - Account No. 675.12**

Provide a breakdown of Travel Expense - Account No. 675.12

Line No.	Event (a)	Travel Expenses (b)	Lodging Expenses (c)	Meal Expenses (d)	Entertainment Expenses (e)	Total Expense (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	TOTALS					

(Company Name)

**417. AMORTIZATION EXPENSES SUPPORTING SCHEDULE - Account Nos. 406.0, 407.0, and 407.1**

**Amortization of Utility Plant Acquisition Adjustment - Account No. 406.0**

Line No.	Year Incurred Date (a)	Name of Company Acquired (b)	Total Acquisition Adjustment (c)	Yearly Amortization (d)
1		NONE		
2				
3				
4				
5				
6				
7		TOTALS		

**Amortization of Property Losses - Account No. 407.0**

Line No.	Year Incurred Date (a)	Identify Each Item (b)	Total Adjustment (c)	Yearly Amortization (d)
1		NONE		
2				
3				
4				
5				
6				
7		TOTALS		

**Amortization of Other Utility Plant - Account No. 407.1**

Line No.	Year Incurred Date (a)	Plant Item Amortized (b)	Total Adjustment (c)	Yearly Amortization (d)
1		NONE		
2				
3				
4				
5				
6				
7		TOTALS		

**418.A TAXES ACCRUED AND PREPAID DURING YEAR**  
**Account Nos. 236 and 162**

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated is actual amounts.
2. Include on this page, taxes paid during the year and charged directly to final accounts, (not charged to prepaid or accrued taxes).
3. Include in column (c) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to the current year, and (c) taxes paid and charged directly to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such a manner that the total tax can be readily ascertained.

Line No.	Kind of Tax (See Instruction 5)	ACCRUED AND PREPAID TAXES DURING YEAR						TOTAL ACCRUALS AND AMORTIZATIONS (b)
		BALANCE AT BEGINNING OF YEAR (b)	BY DEBIT OR CREDIT TO ACCOUNT (c)	BY DEBIT OR CREDIT TO OTHER ACCOUNTS				
				ACCT. NO. (d)	AMOUNT DEBIT (e)	ACCT. NO. (f)	AMOUNT CREDIT (g)	
1	(a)							
2	TAXES ACCRUED (Account 236)			N/A				
3	Federal Surtax On Income							
4	Federal Tax on Revenue							
5	Federal Pensions Tax							
6	Federal Unemployment Relief							
7	State Unemployment Relief							
8	State Capital Stock Tax							
9	Gen Assessment - Pub Util Comm.							
10	State Corporate Loans Tax							
11	Local Real Estate Tax							
12	PA Realty Tax							
13	Other Taxes (specify)							
14								
15								
16	TOTAL - TAXES ACCRUED							
17								
18	PREPAYMENTS Acct (162)							
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34	TOTAL - PREPAYMENTS							
35								

**418.B TAXES ACCRUED AND PREPAID DURING YEAR**

5. Report in column (k) through (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to water operations. Report in column (m) the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also show in column (n) the taxes charged to utility plant or other balance sheet accounts.
  
6. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Line No.	Balance at End of Year		Distribution of Taxes Charged			
	(i)	(j)	WATER ACCT 408.1 (k)	WATER 409.1 (l)	OTHER UTILITIES ACCTS 408.1 - 409.1 (m)	UTILITY PLANT AND OTHER BAL. SHEET ACCOUNTS (n)
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						

**419-A TAXES OTHER THAN INCOME, INCOME TAXES AND DEFERRED TAXES DURING YEAR**  
**Accounts Nos. 408, 409, 410, 411 and 412**

1. Taxes Other Than Income shall include the amount of gross revenue or gross receipts taxes, regulatory agency general assessment for purposes of public utility regulation, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes and all other taxes assessed by federal, state, county, municipal, or other local government authorities except income taxes. These accounts shall be charged in each accounting period with the amount of taxes which are applicable thereto, with concurrent credits to account 236 - Accrued Taxes or account 162 - Prepayments, as appropriate.
2. Income Taxes shall include the amounts of local, state, and federal income taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236 - Accrued Taxes, and as the exact amount of taxes become known, the current amount shall be adjusted by charges or credits to these accounts unless such adjustments are properly included in account 439 - Adjustments to Retained Earnings.
3. The charges to these accounts shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering more than one utility service, taxes of the kind included in these accounts shall be assigned directly to the utility department the operation of which gave rise in so far as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

Line No.	Kind of Tax (See Instruction 5) (a)	OTHER THAN INCOME AND INCOME TAXES DURING YEAR						TOTAL ACCRUALS, AMORTIZATIONS AND DEFERRALS (H)
		BALANCE AT BEGINNING OF YEAR (b)	BY DEBIT OR CREDIT TO ACCOUNT (c)	BY DEBIT OR CREDIT TO OTHER ACCOUNTS				
				ACCT. NO. (d)	AMOUNT DEBIT (e)	ACCT. NO. (f)	AMOUNT CREDIT (g)	
1								
2	Taxes Other Than Income Account (408)			N/A				-
3	Utility Reg Assessment Fees Acct 408.10							-
4	Property Taxes Acct (408.11)							-
5	Payroll Taxes Acct (408.12)							-
6	Other Taxes and Licenses Acct (408.13)							-
7	Other Than Inc., Other Inc. and Ded. Acct 408.2							-
8								-
9								-
10	Total - Taxes Other Than Income	-	-					-
11								
12	Income Taxes Acct (409)							
13	Fed Inc Taxes, Util. Oper. Inc Acct (409.10)							-
14	State Inc. Taxes, Util. Oper. Inc. Acct. (409.11)							-
15	Local Inc. Taxes, Util. Oper. Inc. Acct. (409.12)							-
16	Inc. Taxes, Other Inc. and Ded. Acct (409.20)							-
17	Inc. Taxes, Extraordinary Items Acct (409.30)							-
18	Other Income Taxes (specify)							-
19								-
20	Total - Income Taxes	-	-					-
21								
22	Deferred Income Taxes Acct-(410)							
23	Def. Fed. Inc. Taxes Acct-(410.10)							-
24	Def. State Inc. Taxes Acct (410.11)							-
25	Def. Local Inc. Taxes Acct (410.12)							-
26	Other Deferred Taxes Acct. (410.20)							-
27								-
28	Total - Deferred Income Taxes	-	-					-
29								
30	Deferred Inc. Taxes Credit Acct-(411)							
31								-
32								-
33								-
34								-
35	Investment Tax Credits Acct (412)							-
36								-
37								-
38								-

**419-B. TAXES OTHER THAN INCOME, INCOME TAXES AND DEFERRED TAXES DURING YEAR**

4. If any tax (exclude Federal and State Income Taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (b).
5. Enter all adjustments of the Other Than Income, Income and Deferred tax accounts in column (c) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
6. Do not include on this page entries with respect to or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
7. Report in column (k) through (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to water operations. Report in column (m) the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also show in column (n) the taxes charged to utility plant or other balance sheet accounts.
8. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Line No.	Balance at End of Year		Distribution of Taxes Charged			
	(i)	(j)	WATER ACCT 408.1 (k)	WATER ACCT 409.1 (l)	OTHER UTILITIES ACCTS 408.1 - 409.1 (m)	UTILITY PLANT AND OTHER BAL. SHEET ACCOUNTS (n)
1						
2						
3			NONE			
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						

**422-A. RECONCILIATION OF NET INCOME SHOWN ON SCHEDULE 400 WITH  
 FEDERAL NORMAL TAX NET INCOME  
 INSTRUCTIONS**

1. Report in the form provided a reconciliation of (a) net income for the year as shown by the Income Statement (Schedule 400) with (b) Federal normal tax net income as shown in return filed with the Federal government for the calendar or other fiscal year covered by Respondent's PUC Annual Report. The reconciliation is to be furnished even if there is no net income on which Federal taxes on income are payable for the year.
2. If the Respondent is a member of a group which files a consolidated tax return, the net income reported to the Commission in Schedule 400 should be reconciled with the net income which would be subject to Federal normal income tax if a separate tax return were filed by the Respondent. In a supplementary schedule there should be shown (a) names of the companies in the consolidated group, (b) the taxes for the consolidated group, determined from the consolidated tax return, according to the kinds of taxes, (c) the taxes of the Respondent if a separate return were filed, and (d) the amount allocated and method of allocation to Respondent or a portion of the consolidated taxes.
3. If the tax situation of the Respondent with respect to the year's income is such as to permit the filing of a claim for refund of taxes of a prior year, or the carrying forward of a credit against taxable income of a future year, explain the circumstances and state the amount of tax refund which may be claimed or the credit available against future taxable income.
4. Furnish particulars of any additional taxes paid or refunds received during the year with respect to Federal taxes on income of a previous year, and adjustments of Accrued Taxes for under or over accrual of taxes of previous years.
5. State below the latest year with respect to which the tax returns have been received by the Federal government and the year's income closed as to assessment of additional Federal taxed on income or recovery of a tax refund.
6. State below the date Respondent's tax returns for the year were filed and the Collector's office to which sent. If a consolidated tax return was filed state that fact also and name of the parent company which filed the return.
7. State below the Federal taxes on income for the year as shown by returns filed with the Federal government of the calendar or other established fiscal year covered by Respondent's PUC Annual Report and the taxes shown in Respondent's annual report to the Commission.

	Per Tax Returns	Per PUC Annual Report
Federal Income Tax	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

8. If the taxes, per tax return, differ from amounts shown in the PUC Annual Report, furnish a statement showing allocation of the taxes per tax return to the departmental tax expense accounts and other accounts to which applicable, and an explanation of the basis of allocation.

(Company Name)

**422-B. RECONCILIATION OF NET INCOME SHOWN ON SCHEDULE 400 WITH FEDERAL NORMAL TAX NET INCOME (Continued)**

Line No.	Particulars (a)	Amount (b)
1	<b>Net Income for the year per Schedule 400</b>	-8,663
2	Adjustments made to determine taxable income*	
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33	<b>Net additions to or deductions from amount shown on Line 1</b>	
34		
35	<b>Federal surtax net income</b> (surtax \$            at applicable rate of tax of    %)	

\* List additional income items first, followed by additional deductions.

**500. WATER DELIVERED INTO SYSTEM DURING YEAR**

Every estimated value shall be supported by such detailed information as will permit a ready identification, analysis, & verification of all relevant facts. The Company shall be prepared to furnish to the Commission this detailed information.

Line No.	Description (a)	(Gallons) (b)	(gal. Per day) (c)
1	<b>Water Delivered for Distribution &amp; Sale:</b>		
2	Water Obtained from Company Sources	14,382,000	39,403
3	Water Obtained from Other Independent Utilities		
4	<b>Total Water Delivered</b>	<b>14,382,000</b>	<b>39,403</b>
5	<b>Metered Sales:</b>		
6	Residential		
7	Commercial		
8	Industrial		
9	Public		
10	Other Water Utilities		
11	Private Fire Protection		
12	Public Fire Protection		
13	Other Metered Service Identify _____		
14	<b>Total Metered Sales</b>		
15	<b>Unmetered Sales:</b>		
16	Residential	14,382,000	39,403
17	Commercial		
18	Industrial		
19	Private Fire Protection		
20	Public Fire Protection		
21	Other Unmetered Service Identify _____		
21	<b>Total Unmetered Sales</b>	<b>14,382,000</b>	<b>39,403</b>
22	<b>Total Gallons Delivered</b>	<b>14,382,000</b>	<b>39,403</b>
23	<b>Non-Revenue Usage Allowances:</b>		
24	<b>Authorized Unmetered Usage:</b>		
25	Main Flushing		
26	Blow-off Use		
27	Others: Identify _____		
28	Unauthorized Use		
29	Unavoidable Leakage _____ gpd/mile of main		
30	Adjustments:		
31	Located & Repaired Breaks in Mains & Services		
32	Others Identify _____		
33	<b>Total Allowances &amp; Adjustments</b>		
34	<b>Unaccounted-for-Water</b>		
35	<b>Percentage of Unaccounted-for-Water</b>		

(Company Name)

### 501. IMPORTANT PHYSICAL CHANGES DURING the YEAR

Submit information separately for each of the six functional groups listed below with respect to major physical changes to plant-in-service costing more than \$500, per project, during the year involving either additions, improvements, retirements or replacements of plant. Information provided shall include Work Order Number, a Description of the Project, and the the District Served. Attach additional sheets as necessary.

1. Source of Supply 2. Power and Pumping 3. Purification 4. Distribution 5. General 6. Other Tangible

Power And Pumping

**Purchased new Pump to pump Water from Well for \$3,391**

General

**Purchased Land in Sleepy Hollow where Pump House is located. Cost \$29,552**

General

Scrapped worn out truck

(Company Name)

**502. PA-DEP ANNUAL WATER SUPPLY REPORTS**

Attach copies of the Annual Water Supply Reports submitted to PA-DEP for the calendar year. Each stand alone water system is required to file a separate report. Below separately list the Names of each District, Division or System for which reports are attached and the number of pages including all attachments thereto.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

Annual Report of:

Report below the number of customers at the end of the year in respo customers and the average number of customers during the year. Res customer information in columns (d) and (e).

County Code (a)	Serves County (b)	
01		Adams
02		Allegheny
03		Armstrong
04		Beaver
05		Bedford
06		Berks
07		Blair
08		Bradford
09		Bucks
10		Butler
11		Cambria
12		Cameron
13		Carbon
14		Centre
15		Chester
16		Clarion
17		Clearfield
18		Clinton
19		Columbia
20		Crawford
21		Cumberland
22		Dauphin
23		Delaware
24		Elk
25		Erie
26		Fayette
27		Forest
28		Franklin
29		Fulton
30		Greene
31		Huntingdon

32		Indiana
33		Jefferson
34		Juniata
35		Lackawanna
36		Lancaster
37		Lawrence
38		Lebanon
39		Lehigh
40		Luzerne
41		Lycoming
42		McKean
43		Mercer
44		Mifflin
45		Monroe
46		Montgomery
47		Montour
48		Northampton
49		Northumberland
50		Perry
51		Philadelphia
52		Pike
53		Potter
54		Schuylkill
55		Snyder
56		Somerset
57		Sullivan
58		Susquehanna
59		Tioga
60		Union
61		Venango
62		Warren
63		Washington
64		Wayne
65		Westmoreland
66		Wyoming
67		York
Totals		
Total Population of Territory Served (Estimated)		









**W.P. WATER COMPANY**  
**ASSET SUMMARY**  
**12/31/2007**  
(See Accountants' Compilation Report)

<u>Num</u>	<u>Property Description</u>	<u>Aquired</u>	<u>Method</u>	<u>Cost/Basis</u>	<u>Prior Depr.</u>	<u>Current Depr.</u>	<u>Ending Depr.</u>
1	Well House	1/1/75	SL	4,118	4,118		4,118
2	Well # 1	11/1/75	SL	7,964	7,964		7,964
3	Well # 2	1/1/92	SL	22,132	8,147	554	8,701
4	Well # 3	1/1/96	SL	55,680	14,654	1,393	16,047
5	Water Lines	1/1/75	SL	18,823	18,823		18,823
6	Storage tank	1/1/75	SL	4,204	4,204		4,204
7	Carpet	6/1/94	SL	250	250		250
8	Land	7/17/70	SL	5,000	-		-
9	Land		SL	32,752	-		-
10	Pump	8/4/06	SL	1,238	89	177	266
11	Computer	11/14/06	SL	250	25	50	75
12	New Pump	10/5/07	SL	3,391		242	242
				155,802	58,274	2,416	60,690

**W.P. WATER COMPANY**  
**WATER QUANTITY CALCULATION**

The quantities of water sold to unmetered flat rate customers were determined through the use of meters at the pumps.

(Company Name)

### VERIFICATION

#### OATH

(To be made by the officer having control of the accounting of the respondent)

State of PA.

County of LUZERNE as:

CARL K. KRESGE makes oath and says that he/she is PRESIDENT  
(Name of affiant) (Official title of affiant)

of W.P. WATER CO  
(Exact legal title or name of the respondent)

The signed officer has reviewed the report.

Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report.

He/she believes that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named res and including 1-01-07 to and including 12-31-07.

in and for the State and County above-named, this 30<sup>th</sup> day of APRIL 2008

My commission expires March 19, 2012  
(Signature of officer authorized to administer oaths)

CARL K. KRESGE  
Carl K. Kresge  
(Signature of affiant)

#### SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of PA.

County of LUZERNE as:

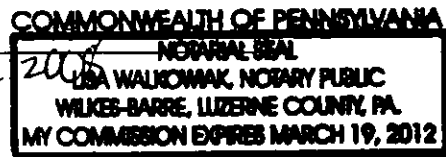
CARL K. KRESGE makes oath and says that he/she is PRESIDENT  
(Name of affiant) (Official title of affiant)

of W.P. WATER CO  
(Exact legal title or name of the respondent)

that he/she has carefully examined the foregoing report; that he/she believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above named respondent during the period of time from and including 1-01-07 to and including 12-31-07

Subscribed and sworn to before me, a Notary Title Clerk,  
in and for the State and County above-named, this 30 day of April 2008

My commission expires March 19, 2012  
(Signature of officer authorized to administer oaths)



Carl K. Kresge  
(Signature of affiant)



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

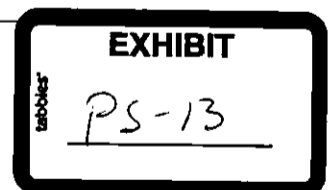


I, James J. McNulty, Secretary of the Pennsylvania Public Utility Commission, do hereby certify that the attached are full, true and correct copies of excerpts from Annual Reports for years ending 2005, 2006 and 2007 filed by W. P. Sanitary Company, Inc., as the same remains of record and on file with this Commission.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Seal of the Pennsylvania Public Utility Commission, this **EIGHTEENTH** day of **JULY, 2008**.

*James J. McNulty*

James J. McNulty, Secretary





COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

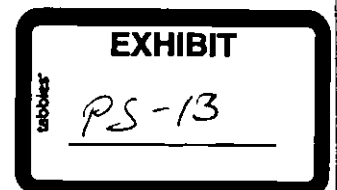


I, James J. McNulty, Secretary of the Pennsylvania Public Utility Commission, do hereby certify that the attached are full, true and correct copies of excerpts from Annual Reports for years ending 2005, 2006 and 2007 filed by W. P. Sanitary Company, Inc., as the same remains of record and on file with this Commission.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Seal of the Pennsylvania Public Utility Commission, this **EIGHTEENTH** day of **JULY, 2008**.

*James J. McNulty*

James J. McNulty, Secretary



**CLASS A, B and C WASTEWATER COMPANY  
PUC ANNUAL REPORT  
OF**

230550  
5/2/08  
5/2/08

Utility Code  
Class C

Company:

W.P. Sanitary Company, Inc.

Address:

1199 Laurel Run Rd, WilkesBarre, PA 18702

Address

City

State

Zip

**TO THE  
PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**

*For the Year Ended December 31, 2007*

Telephone Number 570-472-3808

Fax Number 570-472-9501

E-Mail \_\_\_\_\_

Officer to whom correspondence  
concerning this report should be addressed:

Carl K Kresge

First Name

Last Name

President

Title

1199 Laurel Run Rd, Wilkes Barre, PA 18702

Address

City

State

Zip

RECEIVED  
BUREAU OF  
FIXED UTILITY SERVICES

05/02/08 11:31

RECEIVED

RECEIVED  
PA P.U.C.  
SECRETARY'S BUREAU

2008 MAY -2 AM 9:05

RECEIVED