



800 West Hershey Park Drive
Hershey, Pa 17033

P 717-531-3258
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December 19, 2016

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg PA 17105-3265

Dear Secretary Chiavetta,

Attached please find the calculation for Pennsylvania American Water's wastewater DSIC calculation effective at January 1, 2017 for Tariff Wastewater-PA P.U.C. No. 15. Because the Company reached the DSIC wastewater cap of 5% for the DSIC rate effective January 1, 2016, there will be no change to the DSIC rate and it will remain capped at the 5% rate.

Sincerely,

John Cox
Manager of Rates and Regulations

cc. Office of Consumer Advocate
Bureau of Investigation and Enforcement
Office of Small Business Advocate
Marie Intrieri
Audit Bureau (DSIC Filings Only)
Bureau of Technical Utility Services (Acquisitions Only)

WASTEWATER DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

PA AMERICAN WATER

January 1, 2017

Applicable to :

Rate Zone 1 - Coatesville, Claysville and Clean Treatment

Rate Zone 2 - Clarion and Pocono

Rate Zone 3 - Lehman Pike, Winona Lakes and Blue Mountain

PENNSYLVANIA AMERICAN WATER
WASTEWATER DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
PAGE 1

DESCRIPTION	SURCHARGE EFFECTIVE January 1, 2017
APPLICABLE NET ADDITIONS	\$ 11,502,638
LESS:	
ACCUMULATED DEPRECIATION	(246,645)
RETIREMENTS	411,513
NET RATE BASE INCLUDED IN DISTRIBUTION SYSTEM IMPROVEMENT CALCULATIONS	(DSI) 11,667,505
ANNUAL REVENUE REQUIREMENT RATE	11.70%
QUARTERLY REVENUE REQUIREMENT RATE	(PTRR) 2.93%
QUARTERLY CAPITAL COST RECOVERY	(DSI X PTRR) 341,858
QUARTERLY DEPRECIATION EXPENSE	(DEP) 55,164
REVENUE REQUIREMENT PRIOR TO ANNUAL RECONCILIATION AND PRIOR YEAR E FACTOR	397,022
ANNUAL RECONCILIATION	(e) 2,641
RECONCILIATION OF PRIOR YEAR E FACTOR	0
REVENUE REQUIREMENT FOR ANNUAL RECONCILIATION AND PRIOR YEAR E FACTOR	2,641
TOTAL QUARTERLY DISTRIBUTION SYSTEM IMPROVEMENT CHARGE REVENUE REQUIREMENT	399,663
MONTHLY RECOVERABLE AMOUNT FOR REVENUE REQUIREMENT	132,341
MONTHLY RECOVERABLE AMOUNT FOR ANNUAL RECONCILIATION AND PRIOR YEAR E FACTOR	880
BASE RATE REVENUE TO BE COLLECTED DURING OCTOBER THROUGH DECEMBER	(PQR) 3,882,324
CURRENT YEAR DISTRIBUTION SYSTEM IMPROVEMENT CHARGE	10.23%
ANNUAL RECONCILIATION AND PRIOR YEAR E FACTOR CHARGE	0.07%
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE	(DSIC) 10.30%
LESS: DISTRIBUTION SYSTEM IMPROVEMENT CHARGE - ADJUSTMENT TO CAP	-5.30%
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE - CAP 5%	5.00%

TYPE	AMOUNT (\$000)	CAPITAL STRUCTURE	COST RATE	WEIGHTED AVERAGE COST RATE	REVENUE MULTIPLIER	REVENUE REQUIREMENT
DEBT	\$ 1,158,815	44.18%	5.69%	2.51%		2.51%
PREFERRED	7,652	0.29%	8.62%	0.02%	1.70921	0.03%
EQUITY	1,456,721	55.53%	9.65%	5.36%	1.70921	9.16%
TOTAL	\$ 2,623,188	100.00%		7.89%		11.70%

REVENUE MULTIPLIER BASED UPON CURRENTLY EFFECTIVE TAX RATES USED IN COMPANY'S MOST RECENT RATE FILING. EQUITY COST RATE TAKEN FROM COMMISSION'S MOST RECENT QUARTERLY EARNINGS REPORT. DEBT AND PREFERRED COST RATES AND CAPITAL STRUCTURE BASED UPON INFORMATION AS OF: NOVEMBER 30, 2016. PREFERRED STOCK AND DEBT FIGURES DO NOT REFLECT THE REQUIREMENTS OF FAS150.

ANTICIPATED REVENUES

JANUARY 2017	\$ 1,241,547
FEBRUARY	\$ 1,279,823
MARCH	\$ 1,360,954
TOTAL	<u>\$ 3,882,324</u>

STATE ACCOUNT	DESCRIPTION	JANUARY 2015	FEBRUARY 2015	MARCH 2015	APRIL 2015	MAY 2015	JUNE 2015	JULY 2015	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015	NOVEMBER 2015	DECEMBER 2015	JANUARY 2016	FEBRUARY 2016	MARCH 2016	APRIL 2016	MAY 2016	JUNE 2016	JULY 2016	AUGUST 2016	SEPTEMBER 2016	OCTOBER 2016	NOVEMBER 2016	TOTAL
260000	Mains - Force								\$131,436	\$0	\$14	(2,225)	\$51	-\$242	\$0	\$75,918	\$14,926	\$8,884	\$164	\$6,187	\$33,434	\$16,570	\$305,889	\$407,464	\$98,072
361100	Mains - Gravity	2,795	4,199	5,864	10,144	1,548,198	314,210	130,774	229,840	31,862	2,455,121	2,558,611	120,642	(112,065)	182,363	(12,189)	1,993	155,370	29,542	24,402	653,907	(3,591)	(67,835)	705,503	9,267,180
361200	Manholes																								-
363000	Service Laterals	50,089	19,369	55,929	41,369	48,263	33,533	40,215	55,256	37,426	37,743	284,718	23,936	4,840	8,927	3,389	33,157	43,245	43,682	51,389	(3,733)	48,067	79,945	94,187	1,132,954
364000	Flow Measuring Devices																								-
365000	Flow Measuring Installs																								-
354300	Other Related Capitalized Costs (Lift Station - Structure)									202,017	40,158	44,501	6,496	(250)	3,574										296,466
371000	Other Related Capitalized Costs (Lift Station - Pumping Equipment)			15,722	3,444	8	72	9	-	18,705	15,953	7,368	(1,368)	1,945	331										62,232
380000	Other Related Capitalized Costs (Lift Station-Treatment Equipment)									3,741	744	834	844	(5)	66	9,734	6,285	1,507	2,046	964	4,003	31,207	57,144	36,513	157,217
	ADDITIONS	52,385	23,568	77,516	54,958	1,594,469	347,815	170,999	416,532	293,753	2,549,773	3,191,797	150,603	(105,777)	185,260	76,463	56,381	209,006	76,335	82,942	687,610	92,953	375,143	1,243,667	11,914,150
	RETIREMENTS	-	(17,610)	(6)	-	(32,966)	-	(2,429)	(65,873)	-	(9,664)	(73,066)	-	(1,134)	(2,426)	(9)	(8,582)	(1,967)	(169,042)	-	(17,289)	-	(6,331)	(3,407)	(411,513)
	NET ADDITIONS	\$ 52,385	\$ 5,958	\$ 77,510	\$ 54,958	\$ 1,561,503	\$ 347,815	\$ 168,570	\$ 350,659	\$ 293,753	\$ 2,540,089	\$ 3,118,731	\$ 150,603	\$ (106,911)	\$ 192,834	\$ 76,463	\$ 47,790	\$ 207,039	\$ (92,706)	\$ 82,942	\$ 670,321	\$ 92,953	\$ 368,812	\$ 1,240,260	\$ 11,502,638

RETIREMENTS	JANUARY 2015	FEBRUARY 2015	MARCH 2015	APRIL 2015	MAY 2015	JUNE 2015	JULY 2015	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015	NOVEMBER 2015	DECEMBER 2015	JANUARY 2016	FEBRUARY 2016	MARCH 2016	APRIL 2016	MAY 2016	JUNE 2016	JULY 2016	AUGUST 2016	SEPTEMBER 2016	OCTOBER 2016	NOVEMBER 2016	TOTAL
360000			\$ 6					\$ 13						\$ 82	\$ -	\$ 1,286	\$ 0	\$ -	\$ -	\$ -				\$ 1,387
361100							2,429	61		9,664			1,134	245	0	0	187	164,531	-	-			1,762	179,633
363000		17,610			32,966			65,500			68,891			2,099	0	7,296	1,779	4,711	-	17,289			1,645	217,786
364000											6,175													\$,173
365000																								-
354300																						6,331		6,331
371000																								-
380000	\$ -	\$ 17,610	\$ 6	\$ -	\$ 32,966	\$ -	\$ 2,429	\$ 65,573	\$ -	\$ 9,664	\$ 73,066	\$ -	\$ 1,134	\$ 2,426	\$ 0	\$ 8,582	\$ 1,967	\$ 169,042	\$ -	\$ 17,289	\$ -	\$ 6,331	\$ 3,407	\$ 411,513

STATE ACCOUNT	DESCRIPTION	DEPRECIATION RATE	JANUARY 2015	FEBRUARY 2015	MARCH 2015	APRIL 2015	MAY 2015	JUNE 2015	JULY 2015	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015	NOVEMBER 2015	DECEMBER 2015	JANUARY 2016	FEBRUARY 2016	MARCH 2016	APRIL 2016	MAY 2016	JUNE 2016	JULY 2016	AUGUST 2016	SEPTEMBER 2016	OCTOBER 2016	NOVEMBER 2016	TOTAL	
360000	Mains - Force	1.84%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 50	\$ 506	\$ 50	\$ 50	\$ -10	\$ 50	\$ -11	\$ 50	\$ 348	\$ 569	\$ 541	\$ 51	\$ 529	\$ 154	\$ 78	\$ 1,411	\$ 1,879	\$ 4,603	
361100	Mains Gravity	1.62%	9	17	24	41	6,273	1,273	530	931	129	9,948	11,678	489	-454	739	-49	8	630	120	99	2,658	-15	-275	2,859	37,551	
361200	Manholes	2.88%	-	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	
363000	Service Laterals	2.92%	566	142	409	302	338	245	294	404	274	278	2,081	175	35	65	25	242	316	319	376	-27	351	584	688	8,280	
364000	Flow Measuring Devices	4.20%	-	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	
365000	Flow Measuring Installs	4.14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
354300	Other Related Capitalized Costs (Lift Station - Structure)	3.68%	-	-	-	-	-	-	-	-	1,859	369	409	60	(2)	33	-	-	-	-	-	-	-	-	-	2,728	
374000	Other Related Capitalized Costs (Lift Station - Pumping Equipment)	4.80%	-	-	188	41	-	1	-	-	224	192	88	(16)	23	4	-	-	-	-	-	-	-	-	-	745	
380000	Other Related Capitalized Costs (Lift Station-Treatment Equipment)	3.19%	-	-	-	-	-	-	-	-	30	6	7	7	-	1	78	50	12	24	8	32	255	456	291	1,257	
APPLICABLE DEPRECIATION																											
FIRST QTR 2015			375	159																							534
SECOND QTR 2015			375	159	621	384	6,611	1,519	824	1,941																	8,150
THIRD QTR 2015			375	159	621	384	6,611	1,519	824	1,941																	12,454
FOURTH QTR 2015			375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150														33,891
FIRST QTR 2016			375	159	621	384	6,611	1,519	824	1,941				715	(399)	842											41,040
SECOND QTR 2016			375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150	715	(399)	842	402	369	999								42,819
THIRD QTR 2016			375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150	715	(399)	842	402	369	999	464	512	2,809					46,604
FOURTH QTR 2016			375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150	715	(399)	842	402	369	999	464	512	2,809	667	2,176	5,717		55,164
ACCUMULATED DEPRECIATION			\$ 3,060	\$ 1,272	\$ 4,347	\$ 2,698	\$ 46,277	\$ 9,114	\$ 4,944	\$ 11,646	\$ 12,580	\$ 53,950	\$ 70,750	\$ 2,860	\$ (1,896)	\$ 3,368	\$ 1,200	\$ 1,107	\$ 2,997	\$ 928	\$ 1,824	\$ 5,618	\$ 667	\$ 2,176	\$ 5,717	\$ 246,645	

PA AMERICAN WATER - TOTAL COMPANY
SCHEDULE OF DEBT AT November 30, 2016

DATE OF ISSUE	DATE OF MATURITY	AMOUNT ISSUED	AMOUNT OUTSTANDING	COUPON RATE	ANNUAL INTEREST	NOTE #	ISSUANCE EXPENSE	NET PROCEEDS	NET PROCEEDS Ratio	SINKING REQUIR.	PERCENT TO TOTAL	EFFECTIVE COST RATE (1)	WEIGHTED COST RATE
Bonds and Notes													
11/01/93	11/01/33	38,000,000	38,000,000	6.780%	2,576,400		174,946	37,825,054	99.54%		3.28%	6.81%	0.22%
09/01/96	09/01/26	150,000,000	150,000,000	7.800%	11,700,000		2,069,648	147,930,352	98.62%		12.94%	7.92%	1.03%
02/15/91	01/15/21	20,000,000	20,000,000	9.690%	1,938,000		116,061	19,883,939	99.42%		1.73%	9.75%	0.17%
11/01/91	11/01/31	10,000,000	10,000,000	8.820%	882,000		88,352	9,911,648	99.12%		0.86%	8.90%	0.08%
08/15/95	08/01/25	10,000,000	10,000,000	8.150%	815,000		60,119	9,939,881	99.40%		0.86%	8.20%	0.07%
11/01/97	11/01/17	33,000,000	33,000,000	7.080%	2,336,400		573,687	32,426,313	98.26%		2.85%	7.25%	0.21%
01/31/07	12/21/16	13,800,000	13,800,000	5.520%	761,760		45,774	13,754,226	99.67%		1.19%	5.56%	0.07%
01/31/07	12/21/18	65,900,000	65,900,000	5.620%	3,703,580		218,587	65,681,413	99.67%		5.69%	5.66%	0.32%
01/31/07	12/21/21	100,300,000	100,300,000	5.770%	5,787,310		332,690	99,967,310	99.67%		8.66%	5.80%	0.50%
03/29/07	03/29/22	80,000,000	80,000,000	5.770%	4,616,000	18	261,178	79,738,822	99.67%		6.90%	5.80%	0.40%
05/15/08	05/15/18	81,000,000	81,000,000	6.250%	5,062,500		293,994	80,706,006	99.64%		6.99%	6.30%	0.44%
12/21/12	03/29/19	37,540,000	37,540,000	2.200%	825,880	30	1,969,698	35,570,302	94.75%		3.24%	3.13%	0.10%
12/21/12	12/01/42	23,015,000	23,015,000	4.300%	989,645	31	989,645	22,119,055	96.11%		1.99%	4.54%	0.09%
12/17/12	12/01/42	45,000,000	45,000,000	4.300%	1,935,000	32	475,650	44,524,350	98.94%		3.88%	4.36%	0.17%
12/01/09	12/01/39	80,000,000	80,000,000	5.500%	4,400,000	21	1,340,809	78,659,191	98.32%		6.90%	5.62%	0.39%
12/01/09	12/01/39	13,165,000	13,165,000	5.500%	724,075	21	351,823	12,813,177	97.33%		1.14%	5.69%	0.06%
04/01/09	04/01/39	80,000,000	80,000,000	6.200%	4,960,000		1,033,848	78,966,152	98.71%		6.90%	6.30%	0.43%
11/21/11	10/15/37	35,000,000	35,000,000	5.050%	1,767,500		0	35,000,000	100.00%		3.02%	5.05%	0.15%
11/21/11	10/15/37	15,500,000	15,500,000	5.050%	782,750		740,260	14,759,740	95.22%		1.34%	5.39%	0.07%
11/20/13	03/01/24	67,000,000	67,000,000	3.850%	2,579,500		791,901	66,208,099	98.82%		5.78%	3.99%	0.23%
08/14/14	03/01/25	36,200,000	36,200,000	3.400%	1,230,800		1,189,364	35,010,636	96.71%		3.12%	3.78%	0.12%
08/14/14	12/01/42	65,700,000	65,700,000	4.300%	2,825,100		4,429,775	61,270,225	93.26%		5.67%	4.73%	0.27%
Pennvest Loans													
08/01/01	05/01/18	6,656,399	533,995	1.384%	7,390	5	110,176	6,546,223	98.34%		0.05%	1.50%	0.00%
01/01/00	01/01/18	1,391,436	106,734	2.566%	2,739	4	69,942	1,321,494	94.97%		0.01%	2.93%	0.00%
07/01/00	02/01/19	2,926,847	395,785	2.905%	11,498	6	28,660	2,898,187	99.02%		0.03%	2.97%	0.00%
01/01/03	12/01/22	3,945,656	1,327,342	2.774%	36,820	12	8,480	3,937,176	99.79%		0.11%	2.79%	0.00%
10/01/00	10/01/19	1,728,997	373,422	2.795%	10,437	7	0	1,728,997	100.00%		0.03%	2.80%	0.00%
10/01/01	02/01/20	3,470,505	675,546	1.184%	7,998	9	17,155	3,453,350	99.51%		0.06%	1.21%	0.00%
04/01/00	03/01/22	3,366,155	1,079,191	3.237%	34,933	8	56,803	3,309,352	98.31%		0.09%	3.35%	0.00%
04/01/00	03/01/22	3,623,800	1,161,407	3.237%	37,595	10	25,430	3,598,370	99.30%		0.10%	3.28%	0.00%
08/30/00	09/01/22	4,322,665	1,467,349	3.237%	47,498	11	25,445	4,297,220	99.41%		0.13%	3.27%	0.00%
08/01/04	07/01/24	1,559,205	556,113	2.774%	15,427	15	13,749	1,545,456	99.12%		0.05%	2.83%	0.00%
06/01/05	11/01/24	5,721,348	2,340,872	1.156%	27,060	16	29,484	5,691,864	99.48%		0.20%	1.19%	0.00%
01/01/06	12/01/25	5,670,111	2,127,653	2.763%	58,787	17	34,130	5,635,981	99.40%		0.18%	2.80%	0.01%
09/01/04	08/01/24	5,240,631	2,261,813	2.774%	62,743	13	7,951	5,232,680	99.85%		0.20%	2.78%	0.01%
11/01/04	10/01/24	3,099,441	1,352,818	2.432%	32,901	14	5,660	3,093,781	99.82%		0.12%	2.44%	0.00%
10/01/09	09/01/29	2,359,891	1,589,305	2.547%	40,480	19	0	2,359,891	100.00%		0.14%	2.55%	0.00%
06/01/11	02/01/31	12,150,000	9,019,338	2.690%	242,620	24	0	12,150,000	100.00%		0.78%	2.69%	0.02%
01/05/12	12/01/31	9,936,500	8,265,854	2.414%	199,538	25	0	9,936,500	100.00%		0.71%	2.41%	0.02%
01/05/12	12/01/31	1,606,709	1,276,080	2.376%	30,320	26	0	1,606,709	100.00%		0.11%	2.38%	0.00%
03/23/12	03/01/41	1,724,610	1,487,076	1.000%	14,871	27	0	1,724,610	100.00%		0.13%	1.00%	0.00%
03/20/12	04/01/31	1,675,790	1,469,063	1.799%	26,428	28	0	1,675,790	100.00%		0.13%	1.80%	0.00%
03/26/12	03/01/32	1,273,465	925,920	2.690%	24,907	29	0	1,273,465	100.00%		0.08%	2.69%	0.00%
03/22/13	04/01/33	1,378,357	1,113,861	1.591%	17,722	33	0	1,378,357	100.00%		0.10%	1.59%	0.00%
04/01/15	09/01/32	14,955,574	14,595,880	1.000%	145,959	34	0	14,955,574	100.00%		1.26%	1.00%	0.01%
10/15/15	07/01/40	123,663	118,867	1.000%	1,189	35	0	123,663	100.00%		0.01%	1.00%	0.00%
10/15/15	07/01/40	969,823	932,205	1.000%	9,322	35	0	969,823	100.00%		0.08%	1.00%	0.00%
04/21/16	11/01/26	4,152,000	2,141,062	1.356%	29,033	36	0	4,152,000	100.00%		0.18%	1.36%	0.00%
		\$1,205,149,579	\$1,158,814,551		\$64,375,415		\$17,887,173	\$1,187,262,406		\$0	100.00%		5.69%

Notes to Debt Schedule

- (4) Clarion Township Pennvest Loan. Interest rate increases to 2.566% in 2003.
- (5) Pocono Regionalization Pennvest Loan. Interest 1.00% from 1998 to 2003 and 1.384 from 2004 to 2018.
- (6) Independence Twp Municipal Authority and Cedar Grove Water Assoc. Interest 1.453% from 1999 thru 2004 and 2.905% from 2005 thru 2019.
- (7) Clark Summit Regionalization (Abington). Interest 1.409% from 1999 to 2004 and 2.795% from 2005 to 2019.
- (8) Strattanville Pennvest Loan. Interest 1.619% from 2002 to 2007 and 3.237% starting March 2007.
- (9) Pocono Country Place. Interest 1.00% from 2000 to 2005 and 1.184% from 2006 to 2020.
- (10) Franklin Township. Interest 1.619% from 2002 to 2007 and 3.237% starting April 2007.
- (11) Jackson Township. Interest 1.619% from 2001 to 2006 and 3.237% starting Oct 2007
- (12) Eldersville, Jefferson, and Crosscreek, interest 1.387% for first 70 months and 2.774% (12/2007) for remainder.
- (13) Ellwood/Butler Interconnect, Interest rate 1.387% for first 74 months and 2.774% (08/2009) for remainder
- (14) Mahoning & Union Twp, Interest rate 1.305% for first 82 months and 2.432% (10/2009) for remainder
- (15) Farmington Twp., Interest rate 1.387% for first 70 months and 2.774% (07/2009) for remainder
- (16) Sandy Ridge, Interest rate 1.000% for first 60 months and 1.156% (07/2010) for remainder
- (17) Sligo/Shippensburg, Interest rate 1.385% for first 86 months and 2.763% (06/2013) for remainder
- (18) Rate was 4.75% rate until March 1, 2014. Has been reset to 5.77%.
- (19) Hanover & Collier 1.274% first 2009 - 2014 and 2.547% starting Oct 2014..
- (21) Remarketed Dec 09 with a 30 year term.
- (24) Mount Pleasant Water System Extension 1.559% first 2011 - 2016 and 2.69% starting March 2016.
- (25) Rock Run WTP 2.414% first 2011 - 2016 and 3.117% starting Dec 2017
- (27) Wallacetown Municipal Authority 1.00% for 30 years starting March 2012.
- (28) Pittsburgh Meter Improvements 1.799% first 2012 - 2017 and 2.81% starting April 2017.
- (29) Pittsburgh Meter Improvement Project Phase II 1.559% first 60 months and 2.69% starting May 2016.
- (30) Refinancing for 6.3 years at a coupon rate of 2.20% - Interest paid twice a year on 29th of March & October
- (31) Re-issuance 12/21/12 from Parent at a coupon rate of 4.30% for 30 years
- (32) New unsecured borrowing at a coupon rate of 4.30% for 30 years
- (33) Southwest PA Pipeline Exts Phase II - Interest 1.591% first 5 years - 2.196% starting April 2018
- (34) Clarion WW Act 537 Implementation Project - Interest rate is 1.0% for the life of the loan
- (35) Paint Twp #1 - Interest rate is 1% for the remaining life of the Bond
- (35) Paint Twp #2 - Interest rate is 1% for the remaining life of the Bond
- (36) Fairview Water Main Extension - Interest rate is 1.356% for the first 5 years, 1.985% April 2021 for remaining 15 years

**PENNSYLVANIA AMERICAN WATER COMPANY
SCHEDULE OF PREFERRED STOCK
NOVEMBER 30, 2016**

DATE OF ISSUE	DATE OF MATURITY	SHARES ISSUED	SHARES OUTSTANDING	AMOUNT ISSUED	AMOUNT OUTSTANDING	EXPENSE	NET PROCEEDS	SINKING REQUIR.	DIVIDEND RATE	ANNUAL DIVIDEND	PERCENT TO TOTAL	EFFECTIVE COST RATE	WEIGHTED COST RATE
23-Apr-71	--	3,000	1,780	300,000	178,000	5,473	294,527	0	9.750%	17,355	2.33%	9.96%	0.23%
23-Apr-71	--	4,250	2,735	425,000	273,500	7,275	417,725	0	9.350%	25,572	3.57%	9.54%	0.34%
21-Nov-91	--	120,000	72,000	12,000,000	7,200,000	82,714	11,917,286	0	8.490%	611,280	94.10%	8.55%	8.05%
		127,250	76,515	12,725,000	7,651,500	95,462	12,629,538	0	8.550%	654,207	100.00%		8.62%

PENNSYLVANIA AMERICAN WATER COMPANY
 2017 FORECASTED WASTEWATER REVENUES
 NO DSIC OR STAS

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
RES	686,757	666,009	700,494	684,210	712,557	732,861	714,902	752,188	715,058	703,307	684,604	701,909	8,454,855
COM	130,804	146,963	139,878	158,584	142,075	162,968	150,958	165,072	163,622	154,304	157,213	149,145	1,821,587
IND	73,492	77,886	72,562	82,502	71,892	64,814	69,399	68,198	60,473	66,090	76,340	76,731	860,378
PUB AUTH	46,985	64,691	69,341	51,752	55,777	36,737	43,333	43,200	54,805	75,318	57,329	59,021	658,291
BULK	303,509	324,273	378,679	393,056	353,222	345,595	283,429	325,465	276,818	260,153	267,661	275,393	3,787,253
	1,241,547	1,279,823	1,360,954 3,882,324	1,370,103	1,335,523	1,342,974 4,048,600	1,262,020	1,354,124	1,270,776 3,886,920	1,259,172	1,243,148	1,262,200 3,764,520	15,582,364 15,582,364

Pennsylvania American Water Company
Qualifying DSIC Expenditures
Transferred Amounts
September - November 2016

WORK ORDER	Utility Account	Work Order Number	Sep-16	Oct-16	Nov-16
REPLACE COLLECTION MAINS - FORCE	360000	R24-47B1.16-P-0002		186,611	235,680
REPLACE COLLECTION MAINS - FORCE	360000	R24-47B1.16-P-0003		121,131	29,984
REPLACE COLLECTION MAINS - FORCE	360000	R24-47B1.16-P-0004			131,636
REPLACE COLLECTION MAINS - FORCE	360000	R24-47H1.16-P-0003			10,164
REPLACE COLLECTION MAINS - FORCE	360000	R24-67B1.15-P-0005		(1,854)	
REPLACE COLLECTION MAINS - FORCE	360000	R24-67C1.16-P-0001	16,570		
TOTAL - REPLACE COLLECTION MAINS - FORCE			\$16,570	\$305,889	\$407,464
REPLACE COLLECTIONS MAINS - GRAVITY	361000	I24-670004-02	(37,126)		
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-26Q1.16-P-0002		8,681	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-47A1.15-P-0003	71	(1,910)	37,697
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-58B1.15-P-0001		(50,619)	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-58B1.15-P-0002		(38,295)	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.15-P-0005		(17,728)	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0001			138,981
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0002			364,930
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0003			159,867
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0004	18,298	14,675	720
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0005	9,231	4,274	695
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0006	15,246	12,120	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0007	6,719	(396)	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67C1.16-P-0001	(16,482)	1,366	2,612
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67H1.16-P-0001			-
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-69C1.16-P-0001	452	(4)	
TOTAL - REPLACE COLLECTIONS MAINS - GRAVITY			(\$3,591)	(\$67,835)	\$705,503
REPLACE SERVICE LATERIALS	363000	R24-47B1.15-P-0002		3,712	
REPLACE SERVICE LATERIALS	363000	R24-58H1.16-P-0001	2,838	144	
REPLACE SERVICE LATERIALS	363000	R24-67H1.16-P-0001	7,910	9,110	15,269
REPLACE SERVICE LATERIALS	363000	R24-69H1.16-P-0001	37,319	66,979	78,918
TOTAL - REPLACE SERVICE LATERIALS			\$48,067	\$79,945	\$94,187
REPLACE OTHER RELATED CAPITAL COSTS - LIFT STATION (PUMPING EQUIP.)	380000	R24-58Q1.15-P-0005	(275)		
REPLACE OTHER RELATED CAPITAL COSTS - LIFT STATION (PUMPING EQUIP.)	380000	R24-58Q1.15-P-0005	(275)		
REPLACE OTHER RELATED CAPITAL COSTS - LIFT STATION (PUMPING EQUIP.)	380000	R24-67Q1.16-P-0021		-	
REPLACE OTHER RELATED CAPITAL COSTS - LIFT STATION (PUMPING EQUIP.)	380000	R24-67Q1.16-P-0024	22,725	-	1,634
REPLACE OTHER RELATED CAPITAL COSTS - LIFT STATION (PUMPING EQUIP.)	380000	I24-690001-01	10,007	57,144	34,879
REPLACE OTHER RELATED CAPITAL COSTS - LIFT STATION (PUMPING EQUIP.)	380000	R24-58Q1.15-P-0005	(275)		
TOTAL REPLACE OTHER RELATED CAPITAL COSTS			\$31,907	\$57,144	\$36,513
TOTAL DSIC EXPENDITURES			\$92,953	\$375,143	\$1,243,667