



The York Water Company

January 18, 2017

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: The York Water Company's Acquisition of the Wastewater Collection Assets of
West York Borough
Docket No. A-2016-2552403

Dear Secretary Chiavetta:

Enclosed on behalf of The York Water Company ("York Water" or the "Company") please find the original cost plant-in-service valuation of the wastewater collection system of West York Borough. York Water is filing this original cost valuation pursuant to the Pennsylvania Public Utility Commission's ("Commission") Policy Statement at 52 Pa. Code § 69.711.

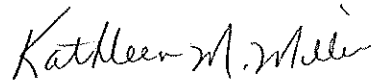
The Commission approved York Water's acquisition of the wastewater collection assets of West York Borough by Order entered December 22, 2016 at Docket No. A-2016-2552403.

West York determined that it was in the best interest of its current customers to sell its wastewater collection system to a company that had sufficient wastewater operations and maintenance experience to meet the wastewater demands of the public and was more experienced in dealing with utility service and the regulatory requirements associated with providing such service. West York concluded that its investment in maintaining the collection system in recent years was insufficient to provide reliable wastewater collection and transportation services. Inflow and infiltration are jeopardizing collection system capacity and long term viability of the collection system. More importantly, West York concluded that it has insufficient experience to continue to meet the regulatory requirements associated with its wastewater obligations. Indeed, because no separate wastewater authority exists. The West York Borough Council provided the governance, financial and technical structure for West York's wastewater operations.

York Water paid more than the depreciated original cost of the acquired system, and in its next rate case filing, will propose to include the reasonable acquisition costs in excess of

depreciated original cost in rate base under Section 1327 of the Public Utility Code. In addition, the Company will propose to amortize the positive acquisition adjustment over a reasonable period of time.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen M. Miller".

Kathleen M. Miller
CFO and Treasurer

Enclosure

cc: Bureau of Technical Utility Services
Office of Consumer Advocate
Office of Small Business Advocate
Michael Hassell, Post & Schell

THE YORK WATER COMPANY

YORK, PENNSYLVANIA

ORIGINAL COST AND
RELATED ACCRUED DEPRECIATION
OF THE
WEST YORK BOROUGH WASTEWATER SYSTEM
AS OF DECEMBER 31, 2016

Prepared by:



Gannett Fleming

*Excellence Delivered **As Promised***

THE YORK WATER COMPANY
York, Pennsylvania

ORIGINAL COST AND
RELATED ACCRUED DEPRECIATION
OF THE
WEST YORK BOROUGH WASTEWATER SYSTEM
AS OF DECEMBER 31, 2016

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC
Harrisburg, Pennsylvania



*Excellence Delivered **As Promised***

January 18, 2017

The York Water Company
130 East Market Street
York, PA 17405-7089

Attention Ms. Kathy M. Miller
Chief Financial Officer

Dear Ms. Miller:

Pursuant to your request, we have determined the original cost and related accrued depreciation as of December 31, 2016, of the wastewater system assets of the West York Borough Wastewater System.

The attached report includes a brief description of the system, a description of the methods used in the determination of original cost and accrued depreciation, the itemized original cost of water system facilities by account and installation year, and the detailed calculations of accrued depreciation.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

A handwritten signature in blue ink that reads "John J. Spanos".

JOHN J. SPANOS
Sr. Vice President

JJS/mlw

061958.000

Gannett Fleming Valuation and Rate Consultants, LLC

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PART I. INTRODUCTION

THE YORK WATER COMPANY
ORIGINAL COST AND RELATED ACCRUED DEPRECIATION OF
THE WEST YORK BOROUGH WASTEWATER SYSTEM
AS OF DECEMBER 31, 2016

PART I. INTRODUCTION

PLAN OF REPORT

The purpose of the study was to determine the original cost and related accrued depreciation as of December 31, 2016, of the wastewater system assets of the West York Borough Wastewater System (West York). The system is to be acquired by The York Water Company from West York by year end 2016.

The study is presented in three parts. Part I, Introduction, contains statements with respect to the plan of the report, the system facilities, the procedures employed, and a summary of the results of the study. Part II, Original Cost, presents the detailed analysis of the original cost of the West York wastewater system by account and vintage year. Part III, Calculation of Accrued Depreciation, develops the accrued depreciation related to the original cost as of December 31, 2016.

DESCRIPTION OF SYSTEM

The West York wastewater system provides service to approximately 1,600 customers in the Borough of West York, York County, Pennsylvania. The wastewater system assets include collection and force mains, manholes, and service laterals. The initial collection mains consist primarily of 8-inch terra cota pipe that were installed in 1935. There was some growth in the 1940's and 1950's which required some larger diameter pipe. Some customers share a service lateral.

DETERMINATION OF ORIGINAL COST

The cost of system facilities was determined from borough records and unit costs typical of other wastewater utilities in the region. Distribution maps prepared by York Water personnel and the engineering firm of C.S. Davidson, Inc. were used to determine the property in service at December 31, 2016. For mains, manholes and service laterals, an inventory of the footage of mains by size and the number of manholes and service laterals were taken from maps of the distribution system. Not all customers have a service lateral and these assets were assigned the same installation year as the related main. This inventory was priced using unit costs for each vintage year. The unit costs were developed from typical unit costs experienced by other wastewater companies, published unit costs or experienced costs trended to the year of installation using Handy-Whitman indexes.

CALCULATION OF ACCRUED DEPRECIATION

The accrued depreciation calculation in Part III of the report was based on recognized methods using estimated survivor characteristics and the straight line depreciation method. The estimated survivor curves are those used by other Pennsylvania wastewater companies. The average service life procedure was used to apply the methods of depreciation to group properties for which a survivor curve was used to recognize the existence of life dispersion.

A summary table of accrued depreciation applicable to original cost is set forth in Part III of the report. The detailed calculations by account and vintage follow the summary table.

RESULTS OF STUDY

The table on the following page summarizes the original cost and related accrued depreciation by account for the West York Borough Wastewater System as of December 31, 2016. The original cost was brought forward from Part II of the report and the accrued depreciation from Part III of the report.

**THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM**

**SUMMARY OF ORIGINAL COST AND ACCRUED DEPRECIATION
OF WASTEWATER SYSTEM AS OF DECEMBER 31, 2016**

<u>ACCOUNT</u> (1)	<u>DESCRIPTION</u> (2)	<u>ORIGINAL COST</u> (3)	<u>ACCRUED DEPRECIATION</u> (4)
361.00	MAINS - COLLECTION	176,606.35	123,853
361.10	MAINS - FORCE	7,347.20	3,751
361.20	MANHOLES	10,779.82	8,178
361.99	MAINS - RELINING	21,626.52	3,677
363.00	SERVICE LATERALS	<u>57,491.87</u>	<u>43,895</u>
	TOTAL COMPANY	<u>273,851.76</u>	<u>183,354</u>

PART II. ORIGINAL COST

**THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM**

**SUMMARY OF ANALYSIS OF ORIGINAL COST OF WASTEWATER
SYSTEM AS OF DECEMBER 31, 2016**

<u>ACCOUNT</u> (1)	<u>DESCRIPTION</u> (2)	<u>ORIGINAL COST</u> (3)
361.00	MAINS - COLLECTION	176,606.35
361.10	MAINS - FORCE	7,347.20
361.20	MANHOLES	10,779.82
361.99	MAINS - RELINING	21,626.52
363.00	SERVICE LATERALS	<u>57,491.87</u>
	TOTAL COMPANY	<u><u>273,851.76</u></u>

DETAILED ANALYSIS OF ORIGINAL COST
AS OF DECEMBER 31, 2016

**THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM
DETAILED ORIGINAL COST AS OF DECEMBER 31, 2016**

ACCOUNT	LOCATION	QUANTITY	SIZE	YEAR	UNIT COST	TOTAL COST
361.00	MAINS - COLLECTION					
	DEWEY STREET	768	8"	1935	1.98	1,520.64
	HERMAN STREET	351	8"	1935	1.98	694.98
	HIGHLAND AVENUE	637	8"	1935	1.98	1,261.26
	HOKE STREET	150	8"	1935	1.98	297.00
	KING STREET	2,279	8"	1935	1.98	4,512.42
	MONROE STREET	1,060	8"	1935	1.98	2,098.80
	NORTH ADAMS STREET	525	8"	1935	1.98	1,039.50
	NORTH CLINTON STREET	789	8"	1935	1.98	1,562.22
	NORTH HIGHLAND AVENUE	582	8"	1935	1.98	1,152.36
	NORTH SEWARD STREET	165	8"	1935	1.98	326.70
	NORTH SUMNER STREET	152	8"	1935	1.98	300.96
	OVERBROOK	210	8"	1935	1.98	415.80
	POPLAR STREET	2,372	8"	1935	1.98	4,696.56
	SOUTH ADAMS STREET	787	8"	1935	1.98	1,558.26
	SOUTH CLINTON STREET	1,098	8"	1935	1.98	2,174.04
	SOUTH HIGHLAND AVENUE	631	8"	1935	1.98	1,249.38
	SOUTH SEWARD STREET	195	8"	1935	1.98	386.10
	SOUTH SUMNER STREET	549	8"	1935	1.98	1,087.02
	STANTON STREET	1,636	8"	1935	1.98	3,239.28
	WEST KING STREET	2,965	8"	1935	1.98	5,870.70
	WEST MARKET STREET	3,794	8"	1935	1.98	7,512.12
	WEST PHILADELPHIA STREET	1,542	8"	1935	1.98	3,053.16
	WEST PRINCESS STREET	1,767	8"	1935	1.98	3,498.66
	KING STREET	1,608	12"	1935	2.28	3,666.24
	STANTON STREET	547	12"	1935	2.28	1,247.16
	KING STREET	428	15"	1935	2.47	1,057.16
	PEARL STREET	817	15"	1935	2.47	2,017.99
	WEST KING STREET	748	15"	1935	2.47	1,847.56
	WEST MARKET STREET	472	15"	1935	2.47	1,165.84
	DEWEY STREET	296	20"	1935	3.14	929.44

THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM
DETAILED ORIGINAL COST AS OF DECEMBER 31, 2016

ACCOUNT	LOCATION	QUANTITY	SIZE	YEAR	UNIT COST	TOTAL COST
361.00, cont.	KING STREET	370	20"	1935	3.14	1,161.80
	OVERBROOK	135	20"	1935	3.14	423.90
	POPLAR STREET	210	20"	1935	3.14	659.40
	TOTAL 1935	30,635				63,684.41
	MONROE STREET	1,290	8"	1936	2.09	2,696.10
	NORTH CLINTON STREET	521	8"	1936	2.09	1,088.89
	NORTH SEWARD STREET	873	8"	1936	2.09	1,824.57
	NORTH SUMNER STREET	874	8"	1936	2.09	1,826.66
	SOUTH SEWARD STREET	562	8"	1936	2.09	1,174.58
	SOUTH SUMNER STREET	358	8"	1936	2.09	748.22
	STANTON STREET	1,054	8"	1936	2.09	2,202.86
	WEST MARKET STREET	3,836	8"	1936	2.09	8,017.24
	WEST PHILADELPHIA STREET	2,047	8"	1936	2.09	4,278.23
	TOTAL 1936	11,415				23,857.35
	ELK ALLEY	400	8"	1940	2.40	960.00
	TOTAL 1940	400				960.00
	SOUTH SEWARD STREET	215	8"	1941	2.40	516.00
	TOTAL 1941	215				516.00
	NORTH CLINTON STREET	100	8"	1942	2.51	251.00
	TOTAL 1942	100				251.00
	FILBERT STREET	2,143	8"	1943	2.61	5,593.23

THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM
DETAILED ORIGINAL COST AS OF DECEMBER 31, 2016

ACCOUNT	LOCATION	QUANTITY	SIZE	YEAR	UNIT COST	TOTAL COST
361.00, cont.	NORTH SEWARD STREET	166	8"	1943	2.61	433.26
	ORANGE STREET	2,153	8"	1943	2.61	5,619.33
	NORTH HIGHLAND AVENUE	709	12"	1943	3.01	2,134.09
TOTAL 1943		5,171				11,645.82
	SOUTH SEWARD STREET	180	8"	1945	2.72	489.60
TOTAL 1945		180				489.60
	WORTH STREET	295	8"	1951	4.70	1,386.50
	NORTH HIGHLAND AVENUE	579	12"	1951	5.41	3,132.39
TOTAL 1951		874				4,518.89
	FILBERT STREET	576	8"	1956	5.95	3,427.20
	LEONARD STREET	864	8"	1956	5.95	5,140.80
	NORTH CLINTON STREET	550	8"	1956	5.95	3,272.50
	NORTH DIAMOND STREET	900	8"	1956	5.95	5,355.00
	ORANGE STREET	570	8"	1956	5.95	3,391.50
	WORTH STREET	487	8"	1956	5.95	2,897.65
TOTAL 1956		3,947				11,644.15
	ST PAUL ALLEY	540	8"	1963	7.52	4,060.80
	WEST POPLAR TERRACE	529	8"	1963	7.52	3,978.08
TOTAL 1963		1,069				8,038.88
	GIANT FOOD AREA	1,210	18"	1970	13.09	15,838.90
TOTAL 1970		1,210				15,838.90

THE YORK WATER COMPANY
 ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM
 DETAILED ORIGINAL COST AS OF DECEMBER 31, 2016

ACCOUNT	LOCATION	QUANTITY	SIZE	YEAR	UNIT COST	TOTAL COST
361.00, cont.	ANDREW STREET	100	8"	1974	11.49	1,149.00
	WEST POPLAR TERRACE	1,274	8"	1974	11.49	14,638.26
	TOTAL 1974	1,374				15,787.26
	SOUTH SUMNER STREET	163	8"	1975	15.25	2,485.75
	ALLEN TO ELEMENTARY SCHOOL	185	8"	1975	15.75	2,913.75
	TOTAL 1975	348				5,399.50
	TOTAL MAINS COLLECTION	56,938				176,606.35
361.10	MAINS - FORCE					
	SOUTH SUMNER STREET	448	8"	1975	16.40	7,347.20
	TOTAL 1975	448				7,347.20
	TOTAL MAINS - FORCE	448				7,347.20
361.20	MANHOLES					
	DEWEY STREET	5		1935	30.57	152.85
	HERMAN STREET	3		1935	30.57	91.71
	HIGHLAND AVENUE	4		1935	30.57	122.28
	HOKE STREET	1		1935	30.57	30.57
	KING STREET	16		1935	30.57	489.12
	MONROE STREET	4		1935	30.57	122.28
	NORTH ADAMS STREET	1		1935	30.57	30.57
	NORTH CLINTON STREET	3		1935	30.57	91.71
	NORTH HIGHLAND AVENUE	2		1935	30.57	61.14

THE YORK WATER COMPANY
 ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM
 DETAILED ORIGINAL COST AS OF DECEMBER 31, 2016

ACCOUNT	LOCATION	QUANTITY	SIZE	YEAR	UNIT COST	TOTAL COST	
361.20, cont.	NORTH SEWARD STREET	1		1935	30.57	30.57	
	NORTH SUMNER STREET	1		1935	30.57	30.57	
	OVERBROOK	3		1935	30.57	91.71	
	PEARL STREET	3		1935	30.57	91.71	
	POPLAR STREET	9		1935	30.57	275.13	
	SOUTH ADAMS STREET	3		1935	30.57	91.71	
	SOUTH CLINTON STREET	5		1935	30.57	152.85	
	SOUTH HIGHLAND AVENUE	4		1935	30.57	122.28	
	SOUTH SEWARD STREET	0		1935	30.57	-	
	SOUTH SUMNER STREET	3		1935	30.57	91.71	
	STANTON STREET	9		1935	30.57	275.13	
	WEST KING STREET	11		1935	30.57	336.27	
	WEST MARKET STREET	18		1935	30.57	550.26	
	WEST PHILADELPHIA STREET	5		1935	30.57	152.85	
	WEST PRINCESS STREET	7		1935	30.57	213.99	
	TOTAL 1935		121				3,698.97
		MONROE STREET	5		1936	32.18	160.90
		NORTH CLINTON STREET	3		1936	32.18	96.54
		NORTH SEWARD STREET	3		1936	32.18	96.54
NORTH SUMNER STREET		3		1936	32.18	96.54	
SOUTH SEWARD STREET		2		1936	32.18	64.36	
SOUTH SUMNER STREET		1		1936	32.18	32.18	
STANTON STREET		5		1936	32.18	160.90	
WEST MARKET STREET		14		1936	32.18	450.52	
WEST PHILADELPHIA STREET		8		1936	32.18	257.44	
TOTAL 1936			44				1,415.92

THE YORK WATER COMPANY
 ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM
 DETAILED ORIGINAL COST AS OF DECEMBER 31, 2016

ACCOUNT	LOCATION	QUANTITY	SIZE	YEAR	UNIT COST	TOTAL COST
361.20, cont.	ELK ALLEY	1		1940	37.00	37.00
	TOTAL 1940	1				37.00
	SOUTH SEWARD STREET	1		1941	37.00	37.00
	TOTAL 1941	1				37.00
	NORTH CLINTON STREET	1		1942	38.61	38.61
	TOTAL 1942	1				38.61
	FILBERT STREET	8		1943	40.22	321.76
	NORTH HIGHLAND AVENUE	1		1943	40.22	40.22
	NORTH SEWARD STREET	1		1943	40.22	40.22
	ORANGE STREET	9		1943	40.22	361.98
	TOTAL 1943	19				764.18
	SOUTH SEWARD STREET	1		1945	41.83	41.83
	TOTAL 1945	1				41.83
	NORTH HIGHLAND AVENUE	1		1951	72.40	72.40
	WORTH STREET	2		1951	72.40	144.80
	TOTAL 1951	3				217.20
	FILBERT STREET	3		1956	91.71	275.13
	LEONARD STREET	4		1956	91.71	366.84
	NORTH CLINTON STREET	3		1956	91.71	275.13
	NORTH DIAMOND STREET	0		1956	91.71	-
	ORANGE STREET	2		1956	91.71	183.42

THE YORK WATER COMPANY
 ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM
 DETAILED ORIGINAL COST AS OF DECEMBER 31, 2016

ACCOUNT	LOCATION	QUANTITY	SIZE	YEAR	UNIT COST	TOTAL COST
361.20, cont.	WORTH STREET	3		1956	91.71	275.13
	TOTAL 1956	15				1,375.65
	ST PAUL ALLEY	5		1963	115.84	579.20
	WEST POPLAR TERRACE	2		1963	115.84	231.68
	TOTAL 1963	7				810.88
	GIANT FOOD AREA	6		1970	135.15	810.90
	TOTAL 1970	6				810.90
	ANDREW STREET	2		1974	176.98	353.96
	WEST POPLAR TERRACE	4		1974	176.98	707.92
	TOTAL 1974	6				1,061.88
	ALLEN TO ELEMENTARY SCH.	1		1975	234.90	234.90
	SOUTH SUMNER STREET	1		1975	234.90	234.90
	TOTAL 1975	2				469.80
	TOTAL MANHOLES	227				10,779.82
361.99	MAINS - RELINING					
	KING STREET	18	8"	2008	35.24	634.32
	SOUTH HIGHLAND AVENUE	24	8"	2008	35.24	845.76
	WEST MARKET STREET	6	8"	2008	35.24	211.44

THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM
DETAILED ORIGINAL COST AS OF DECEMBER 31, 2016

ACCOUNT	LOCATION	QUANTITY	SIZE	YEAR	UNIT COST	TOTAL COST
361.99, cont.	NORTH HIGHLAND AVENUE	500	12"	2008	39.87	19,935.00
	TOTAL 2008	548				21,626.52
	TOTAL MAINS - RELINING	548				21,626.52
363.00	SERVICE LATERALS					
	DEWEY STREET	22		1935	22.99	505.78
	HERMAN STREET	6		1935	22.99	137.94
	HIGHLAND AVENUE	30		1935	22.99	689.70
	HOKE STREET	5		1935	22.99	114.95
	KING STREET	144		1935	22.99	3,310.56
	MONROE STREET	42		1935	22.99	965.58
	NORTH ADAMS STREET	17		1935	22.99	390.83
	OVERBROOK	9		1935	22.99	206.91
	PEARL STREET	17		1935	22.99	390.83
	POPLAR STREET	93		1935	22.99	2,138.07
	SOUTH ADAMS STREET	9		1935	22.99	206.91
	SOUTH CLINTON STREET	19		1935	22.99	436.81
	SOUTH HIGHLAND AVENUE	24		1935	22.99	551.76
	STANTON STREET	24		1935	22.99	551.76
	WEST KING STREET	28		1935	22.99	643.72
	WEST MARKET STREET	73		1935	22.99	1,678.27
	WEST PHILADELPHIA STREET	59		1935	22.99	1,356.41
	WEST PRINCESS STREET	62		1935	22.99	1,425.38
	TOTAL 1935	683				15,702.17
	MONROE STREET	24		1936	22.99	551.76
	NORTH SEWARD STREET	20		1936	22.99	459.80
	NORTH SUMNER STREET	21		1936	22.99	482.79

THE YORK WATER COMPANY
 ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM
 DETAILED ORIGINAL COST AS OF DECEMBER 31, 2016

ACCOUNT	LOCATION	QUANTITY	SIZE	YEAR	UNIT COST	TOTAL COST
363.00, cont.	SOUTH SEWARD STREET	3		1936	22.99	68.97
	SOUTH SUMNER STREET	12		1936	22.99	275.88
	STANTON STREET	46		1936	22.99	1,057.54
	WEST MARKET STREET	64		1936	22.99	1,471.36
	WEST PHILADELPHIA STREET	62		1936	22.99	1,425.38
TOTAL 1936		252				5,793.48
	ELK ALLEY	56		1940	24.76	1,386.56
TOTAL 1940		56				1,386.56
	SOUTH SEWARD STREET	5		1941	26.52	132.60
TOTAL 1941		5				132.60
	NORTH CLINTON STREET	8		1942	28.29	226.32
TOTAL 1942		8				226.32
	FILBERT STREET	65		1943	28.29	1,838.85
	NORTH HIGHLAND AVENUE	42		1943	28.29	1,188.18
	NORTH SEWARD STREET	18		1943	28.29	509.22
	ORANGE STREET	53		1943	28.29	1,499.37
TOTAL 1943		178				5,035.62
	SOUTH SEWARD STREET	5		1945	30.06	150.30
TOTAL 1945		5				150.30
	NORTH HIGHLAND AVENUE	7		1951	51.28	358.96

**THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM
DETAILED ORIGINAL COST AS OF DECEMBER 31, 2016**

ACCOUNT	LOCATION	QUANTITY	SIZE	YEAR	UNIT COST	TOTAL COST
363.00, cont.	WORTH STREET	16		1951	51.28	820.48
	TOTAL 1951	23				1,179.44
	FILBERT STREET	13		1956	68.96	896.48
	LEONARD STREET	30		1956	68.96	2,068.80
	NORTH CLINTON STREET	25		1956	68.96	1,724.00
	ORANGE STREET	12		1956	68.96	827.52
	WORTH STREET	25		1956	68.96	1,724.00
	TOTAL 1956	105				7,240.80
	ST PAUL ALLEY	31		1963	93.72	2,905.32
	WEST POPLAR TERRACE	13		1963	93.72	1,218.36
	TOTAL 1963	44				4,123.68
	GIANT FOOD AREA	1		1970	139.70	139.70
	TOTAL 1970	1				139.70
	ANDREW STREET	14		1974	203.35	2,846.90
	WEST POPLAR TERRACE	58		1974	203.35	11,794.30
	TOTAL 1974	72				14,641.20
	ALLEN TO ELEMENTARY SCH. SOUTH SUMNER STREET	1 7		1975 1975	217.50 217.50	217.50 1,522.50
	TOTAL 1975	8				1,740.00
	TOTAL WASTEWATER SYSTEM					273,851.76

PART III. CALCULATION OF ACCRUED DEPRECIATION

**THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM**

**SUMMARY OF SERVICE LIFE ESTIMATES AND CALCULATED ACCRUED
DEPRECIATION RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2016**

ACCOUNT (1)	DESCRIPTION (2)	SURVIVOR CURVE (3)	ORIGINAL COST (4)	ACCRUED DEPRECIATION (5)
361.00	MAINS - COLLECTION	75-R2.5	176,606.35	123,853
361.10	MAINS - FORCE	70-R2.5	7,347.20	3,751
361.20	MANHOLES	70-R3	10,779.82	8,178
361.99	MAINS - RELINING	50-L4	21,626.52	3,677
363.00	SERVICE LATERALS	60-R2.5	57,491.87	43,895
	TOTAL COMPANY		<u>273,851.76</u>	<u>183,354</u>

DETAILED DEPRECIATION CALCULATIONS

THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM

ACCOUNT 361 MAINS - COLLECTION

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2016

YEAR (1)	ORIGINAL COST (2)	AVG. LIFE (3)	--ANNUAL ACCRUAL-- RATE (4)	AMOUNT (5)	EXP. (6)	--ACCRUED DEPREC.-- FACTOR (7)	AMOUNT (8)
SURVIVOR CURVE.. IOWA 75-R2.5							
NET SALVAGE PERCENT.. 0							
1935	63,684.41	75.00	1.33	847.00	15.18	0.7976	50,795
1936	23,857.35	75.00	1.33	317.30	15.57	0.7924	18,905
1940	960.00	75.00	1.33	12.77	17.25	0.7700	739
1941	516.00	75.00	1.33	6.86	17.69	0.7641	394
1942	251.00	75.00	1.33	3.34	18.15	0.7580	190
1943	13,779.91	75.00	1.33	183.27	18.62	0.7517	10,359
1945	489.60	75.00	1.33	6.51	19.60	0.7387	362
1951	4,518.89	75.00	1.33	60.10	22.80	0.6960	3,145
1956	23,484.65	75.00	1.33	312.35	25.75	0.6567	15,422
1963	8,038.88	75.00	1.33	106.92	30.28	0.5963	4,793
1970	15,838.90	75.00	1.33	210.66	35.21	0.5305	8,403
1974	15,787.26	75.00	1.33	209.97	38.18	0.4909	7,750
1975	5,399.50	75.00	1.33	71.81	38.94	0.4808	2,596
	176,606.35			2,348.86			123,853

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.33

THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM

ACCOUNT 361.10 MAINS - FORCE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2016

YEAR (1)	ORIGINAL COST (2)	AVG. LIFE (3)	--ANNUAL ACCRUAL-- RATE (4)	AMOUNT (5)	EXP. (6)	--ACCRUED DEPREC.-- FACTOR (7)	AMOUNT (8)
SURVIVOR CURVE.. IOWA 70-R2.5							
NET SALVAGE PERCENT.. 0							
1975	7,347.20	70.00	1.43	105.06	34.26	0.5106	3,751
	7,347.20			105.06			3,751
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.43							

THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM

ACCOUNT 361.20 MANHOLES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2016

YEAR (1)	ORIGINAL COST (2)	AVG. LIFE (3)	--ANNUAL ACCRUAL-- RATE (4)	AMOUNT (5)	EXP. (6)	--ACCRUED DEPREC.-- FACTOR (7)	AMOUNT (8)
SURVIVOR CURVE.. IOWA 70-R3							
NET SALVAGE PERCENT.. 0							
1935	3,698.97	70.00	1.43	52.90	9.58	0.8631	3,193
1936	1,415.92	70.00	1.43	20.25	9.91	0.8584	1,215
1940	37.00	70.00	1.43	0.53	11.35	0.8379	31
1941	37.00	70.00	1.43	0.53	11.74	0.8323	31
1942	38.61	70.00	1.43	0.55	12.15	0.8264	32
1943	764.18	70.00	1.43	10.93	12.56	0.8206	627
1945	41.83	70.00	1.43	0.60	13.43	0.8081	34
1951	217.20	70.00	1.43	3.11	16.37	0.7661	166
1956	1,375.65	70.00	1.43	19.67	19.19	0.7259	999
1963	810.88	70.00	1.43	11.60	23.65	0.6621	537
1970	810.90	70.00	1.43	11.60	28.61	0.5913	479
1974	1,061.88	70.00	1.43	15.18	31.64	0.5480	582
1975	469.80	70.00	1.43	6.72	32.42	0.5369	252
	10,779.82			154.17			8,178

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.43

THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM

ACCOUNT 361.99 MAINS - RELINING

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2016

YEAR (1)	ORIGINAL COST (2)	AVG. LIFE (3)	--ANNUAL ACCRUAL-- RATE (4)	AMOUNT (5)	EXP. (6)	--ACCRUED DEPREC.-- FACTOR (7)	AMOUNT (8)
SURVIVOR CURVE.. IOWA 50-L4							
NET SALVAGE PERCENT.. 0							
2008	21,626.52	50.00	2.00	432.53	41.50	0.1700	3,677
	21,626.52			432.53			3,677
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.00							

THE YORK WATER COMPANY
ACQUISITION OF THE WEST YORK BOROUGH WASTEWATER SYSTEM

ACCOUNT 363 SERVICE LATERALS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2016

YEAR (1)	ORIGINAL COST (2)	AVG. LIFE (3)	--ANNUAL ACCRUAL-- RATE (4)	AMOUNT (5)	EXP. (6)	--ACCRUED DEPREC.-- FACTOR (7)	AMOUNT (8)
SURVIVOR CURVE.. IOWA 60-R2.5							
NET SALVAGE PERCENT.. 0							
1935	15,702.17	60.00	1.67	262.23	7.31	0.8782	13,789
1936	5,793.48	60.00	1.67	96.75	7.55	0.8742	5,064
1940	1,386.56	60.00	1.67	23.16	8.56	0.8573	1,189
1941	132.60	60.00	1.67	2.21	8.83	0.8528	113
1942	226.32	60.00	1.67	3.78	9.11	0.8482	192
1943	5,035.62	60.00	1.67	84.09	9.39	0.8435	4,248
1945	150.30	60.00	1.67	2.51	9.98	0.8337	125
1951	1,179.44	60.00	1.67	19.70	12.03	0.7995	943
1956	7,240.80	60.00	1.67	120.92	14.11	0.7648	5,538
1963	4,123.68	60.00	1.67	68.87	17.62	0.7063	2,913
1970	139.70	60.00	1.67	2.33	21.79	0.6368	89
1974	14,641.20	60.00	1.67	244.51	24.43	0.5928	8,680
1975	1,740.00	60.00	1.67	29.06	25.11	0.5815	1,012
	57,491.87			960.12			43,895
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.67							