



PENNSYLVANIA
AMERICAN WATER

800 West Hershey Park Drive
Hershey, Pa 17033

P 717-531-3258
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September 20, 2017

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 October 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
Director 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

October 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
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DESCRIPTION	SURCHARGE EFFECTIVE October 1, 2017
APPLICABLE NET ADDITIONS	\$ 15,139,840
LESS:	
ACCUMULATED DEPRECIATION	(452,718)
RETIREMENTS	518,500
NET RATE BASE INCLUDED IN DISTRIBUTION SYSTEM IMPROVEMENT CALCULATIONS	(DSI) 15,205,622
ANNUAL REVENUE REQUIREMENT RATE	11.21%
QUARTERLY REVENUE REQUIREMENT RATE	(PTRR) 2.80%
QUARTERLY CAPITAL COST RECOVERY	(DSI X PTRR) 425,757
QUARTERLY DEPRECIATION EXPENSE	(DEP) 71,695
REVENUE REQUIREMENT PRIOR TO ANNUAL RECONCILIATION AND PRIOR YEAR E FACTOR	497,452
ANNUAL RECONCILIATION	(e) 1,219
RECONCILIATION OF PRIOR YEAR E FACTOR	0
REVENUE REQUIREMENT FOR ANNUAL RECONCILIATION AND PRIOR YEAR E FACTOR	1,219
TOTAL QUARTERLY DISTRIBUTION SYSTEM IMPROVEMENT CHARGE REVENUE REQUIREMENT	498,671
MONTHLY RECOVERABLE AMOUNT FOR REVENUE REQUIREMENT	165,817
MONTHLY RECOVERABLE AMOUNT FOR ANNUAL RECONCILIATION AND PRIOR YEAR E FACTOR	406
BASE RATE REVENUE TO BE COLLECTED DURING OCTOBER THROUGH DECEMBER	(PQR) 3,764,520
CURRENT YEAR DISTRIBUTION SYSTEM IMPROVEMENT CHARGE	13.21%
ANNUAL RECONCILIATION AND PRIOR YEAR E FACTOR CHARGE	0.03%
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE	(DSIC) 13.24%
LESS: DISTRIBUTION SYSTEM IMPROVEMENT CHARGE - ADJUSTMENT TO CAP	-8.24%
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE - CAP 5%	5.00%

TYPE	AMOUNT (\$000)	CAPITAL STRUCTURE	COST RATE	WEIGHTED AVERAGE COST RATE	REVENUE MULTIPLIER	REVENUE REQUIREMENT
DEBT	\$ 1,392,892	48.24%	5.35%	2.58%		2.58%
PREFERRED	6,452	0.22%	8.62%	0.02%	1.70921	0.03%
EQUITY	1,488,106	51.54%	9.75%	5.03%	1.70921	8.60%
TOTAL	\$ 2,887,450	100.00%		7.63%		11.21%

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: August 31, 2017. PREFERRED STOCK AND DEBT FIGURES DO NOT REFLECT THE REQUIREMENTS OF FAS150.

ANTICIPATED REVENUES

OCTOBER 2017	\$ 1,259,172
NOVEMBER	\$ 1,243,148
DECEMBER	\$ 1,262,200
TOTAL	<u>\$ 3,764,520</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
360000	Mains - Force								\$131,436	\$0	\$14	(2,225)	\$51	-\$242	\$0	\$75,518	\$14,926
361100	Mains - Gravity	2,296	4,199	5,864	10,144	1,548,198	314,210	130,774	229,840	31,862	2,455,121	2,856,611	120,642	(112,065)	182,363	(12,169)	1,993
361200	Manholes																
363000	Service Laterals	50,089	19,369	55,929	41,369	46,263	33,533	40,215	55,256	37,428	37,743	284,718	23,936	4,840	8,927	3,399	33,157
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		
371000	Other Related Capitalized Costs (Lift Station - Pumping Equipment)			15,723	3,444	8	72	9	-	18,705	15,993	7,368	(1,366)	1,945	331		
380000	Other Related Capitalized Costs (Lift Station-Treatment Equipment)									3,741	744	824	844	(5)	66	9,734	6,285
	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)	195,260	76,483	56,361
	RETIREMENTS	-	(17,610)	(6)	-	(32,966)	-	(2,429)	(65,573)	-	(9,684)	(73,066)	-	(1,134)	(2,426)	(0)	(8,582)
	NET ADDITIONS	\$ 52,385	\$ 5,958	\$ 77,510	\$ 54,958	\$ 1,561,503	\$ 347,815	\$ 168,570	\$ 350,959	\$ 293,753	\$ 2,540,089	\$ 3,118,731	\$ 150,603	\$ (106,911)	\$ 192,834	\$ 76,483	\$ 47,780

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
360000			\$ 6					\$ 13						\$ 82	\$ -	\$ 1,286
361100							2,429	61		9,684			1,134	245	0	0
363000		17,610			32,966			65,500						2,099	0	7,296
364000											6,175					
365000																
354300																
371000																
380000																
	\$ -	\$ 17,610	\$ 6	\$ -	\$ 32,966	\$ -	\$ 2,429	\$ 65,573	\$ -	\$ 9,684	\$ 73,066	\$ -	\$ 1,134	\$ 2,426	\$ 0	\$ 8,582

STATE ACCOUNT	DESCRIPTION	MAY 2016	JUNE 2016	JULY 2016	AUGUST 2016	SEPTEMBER 2016	OCTOBER 2016	NOVEMBER 2016	DECEMBER 2016	JANUARY 2017	FEBRUARY 2017	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	TOTAL
360000	Mains - Force	\$8,884	\$164	\$6,187	\$33,434	\$16,570	\$305,889	\$407,464	\$95,044	\$16,710	\$144	-\$88,113	\$6,168	\$18,628	\$155,858	-\$4,028	\$10,572	\$1,209,057
361100	Mains - Gravity	155,370	29,542	24,402	653,907	(3,591)	(67,835)	705,503	2,427,678	94,100	52,188	26,581	41,651	78,173	248,378	62,634	135,419	12,433,981
361200	Manholes																	-
363000	Service Laterals	43,245	43,682	51,389	(3,733)	48,067	79,945	94,187	-	20,985	12,990	14,790	6,181	50,605	51,551	72,198	64,017	1,426,249
364000	Flow Measuring Devices																	-
365000	Flow Measuring Installs																	-
354300	Other Related Capitalized Costs (Lift Station - Structure)																	296,495
371000	Other Related Capitalized Costs (Lift Station - Pumping Equipment)																	62,232
380000	Other Related Capitalized Costs (Lift Station-Treatment Equipment)	1,507	2,946	964	4,003	31,907	57,144	36,513	23,132	14,256	1,720	172	25,314	1,703	6,811			230,325
	ADDITIONS	209,006	76,335	82,942	687,610	92,953	375,143	1,243,667	2,545,854	146,051	67,041	(46,509)	79,295	149,110	462,597	130,802	210,008	15,658,340
	RETIREMENTS	(1,967)	(169,042)	-	(17,289)	-	(6,331)	(3,407)	(78,191)	-	(6)	-	-	-	(15,380)	(13,041)	(369)	(518,500)
	NET ADDITIONS	\$ 207,039	\$ (92,708)	\$ 82,942	\$ 670,321	\$ 92,953	\$ 368,812	\$ 1,240,260	\$ 2,467,663	\$ 146,051	\$ 67,035	\$ (46,509)	\$ 79,295	\$ 149,110	\$ 447,217	\$ 117,761	\$ 209,639	\$ 15,139,840

RETIREMENTS

	MAY 2016	JUNE 2016	JULY 2016	AUGUST 2016	SEPTEMBER 2016	OCTOBER 2016	NOVEMBER 2016	DECEMBER 2016	JANUARY 2017	FEBRUARY 2017	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	TOTAL
360000	\$ 0	\$ -	\$ -	\$ -						\$ 6					\$ 1,504		\$ 2,897
361100	187	164,331	-	-			1,762	78,191						3,760	2,798	338	264,920
363000	1,779	4,711	-	17,289			1,645							11,620	8,739	31	238,176
364000																	6,175
365000																	-
354300																	-
371000						6,331											6,331
380000																	-
	\$ 1,967	\$ 169,042	\$ -	\$ 17,289	\$ -	\$ 6,331	\$ 3,407	\$ 78,191	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ 15,380	\$ 13,041	\$ 369	\$ 518,500

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
360000	Mains - Force	1.84%	\$ -	\$ -	\$ -	\$ -	\$ -	\$0	\$0	\$606	\$0	\$0	-\$10	\$0	-\$1	\$0	\$348
361100	Mains Gravity	1.62%	9	17	24	41	6,273	1,273	530	931	129	9,948	11,575	489	-454	739	-49
361200	Manholes	2.88%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
363000	Service Laterals	2.92%	368	142	409	302	338	245	294	404	274	276	2,081	175	35	65	25
364000	Flow Measuring Devices	4.20%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
365000	Flow Measuring Installs	4.14%	0	0	0	0	0	0	0	0	-	-	-	-	0	0	0
354300	Other Related Capitalized Costs (Lift Station - Structure)	3.68%	0	0	0	0	0	0	0	0	1,859	369	409	60	-2	33	0
371000	Other Related Capitalized Costs (Lift Station - Pumping Equipment)	4.80%	0	0	188	41	0	1	0	0	224	192	88	(16)	23	4	0
380000	Other Related Capitalized Costs (Lift Station-Treatment Equipment)	3.19%	0	0	0	0	0	0	0	0	30	6	7	7	0	1	78
	APPLICABLE DEPRECIATION																
	FIRST QTR 2015		375	159													
	SECOND QTR 2015		375	159	621	384	6,611										
	THIRD QTR 2015		375	159	621	384	6,611	1,519	824	1,941							
	FOURTH QTR 2015		375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150				
	FIRST QTR 2016		375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150	715	(399)	842	
	SECOND QTR 2016		375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150	715	(399)	842	402
	THIRD QTR 2016		375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150	715	(399)	842	402
	FOURTH QTR 2016		375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150	715	(399)	842	402
	FIRST QTR 2017		375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150	715	(399)	842	402
	SECOND QTR 2017		375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150	715	(399)	842	402
	THIRD QTR 2017		375	159	621	384	6,611	1,519	824	1,941	2,516	10,791	14,150	715	(399)	842	402
	ACCUMULATED DEPRECIATION		\$ 4,125	\$ 1,749	\$ 6,210	\$ 3,840	\$ 66,110	\$ 13,671	\$ 7,416	\$ 17,489	\$ 20,128	\$ 86,328	\$ 113,200	\$ 5,005	\$ (2,793)	\$ 5,894	\$ 2,412

STATE ACCOUNT	DESCRIPTION	APRIL 2016	MAY 2016	JUNE 2016	JULY 2016	AUGUST 2016	SEPTEMBER 2016	OCTOBER 2016	NOVEMBER 2016	DECEMBER 2016	JANUARY 2017	FEBRUARY 2017	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	TOTAL
360000	Mains - Force	\$69	\$41	\$1	\$29	\$154	\$76	\$1,411	\$1,879	\$438	\$77	\$1	-\$406	\$28	\$66	\$719	-\$19	\$49	5,576
361100	Mains Gravity	8	630	120	99	2,650	-15	-275	2,859	0,837	381	211	108	169	317	1,006	254	549	50,383
361200	Manholes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
363000	Service Laterals	242	316	319	376	-27	351	584	688	0	153	95	108	45	370	377	528	468	10,424
364000	Flow Measuring Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
365000	Flow Measuring Installs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
354300	Other Related Capitalized Costs (Lift Station - Structure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,728
371000	Other Related Capitalized Costs (Lift Station - Pumping Equipment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	745
380000	Other Related Capitalized Costs (Lift Station-Treatment Equipment)	50	12	24	8	32	255	456	291	183	114	14	1	202	14	54	0	0	1,839
	APPLICABLE DEPRECIATION																		
	FIRST QTR 2015																		534
	SECOND QTR 2015																		8,150
	THIRD QTR 2015																		12,434
	FOURTH QTR 2015																		39,891
	FIRST QTR 2016																		41,049
	SECOND QTR 2016	369	999																42,819
	THIRD QTR 2016	369	999	464	512	2,809													46,604
	FOURTH QTR 2016	369	999	464	512	2,809	667	2,176	5,717										55,164
	FIRST QTR 2017	369	999	464	512	2,809	667	2,176	5,717	10,458	725	321							66,668
	SECOND QTR 2017	369	999	464	512	2,809	667	2,176	5,717	10,458	725	321	(189)	444	787				67,710
	THIRD QTR 2017	369	999	464	512	2,809	667	2,176	5,717	10,458	725	321	(189)	444	787	2,156	763	1,066	71,695
	ACCUMULATED DEPRECIATION	\$ 2,214	\$ 5,994	\$ 2,320	\$ 2,560	\$ 14,045	\$ 2,668	\$ 8,704	\$ 22,868	\$ 31,374	\$ 2,175	\$ 963	\$ (378)	\$ 886	\$ 1,574	\$ 2,156	\$ 763	\$ 1,066	\$ 452,718

PA AMERICAN WATER - TOTAL COMPANY
SCHEDULE OF DEBT AT August 31, 2017

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%		2.73%	6.81%	0.19%
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%		10.77%	7.92%	0.85%
02/15/91	01/15/21	20,000,000	20,000,000	9.690%	1,938,000		116,061	19,883,939	99.42%		1.44%	9.75%	0.14%
11/01/91	11/01/31	10,000,000	10,000,000	8.820%	882,000		88,352	9,911,648	99.12%		0.72%	8.90%	0.06%
08/15/95	08/01/25	10,000,000	10,000,000	8.150%	815,000		60,119	9,939,881	99.40%		0.72%	8.20%	0.06%
11/01/97	11/01/17	33,000,000	33,000,000	7.080%	2,336,400		573,687	32,426,313	98.26%		2.37%	7.25%	0.17%
01/31/07	12/21/18	65,900,000	65,900,000	5.620%	3,703,580		218,587	65,681,413	99.67%		4.73%	5.66%	0.27%
01/31/07	12/21/21	100,300,000	100,300,000	5.770%	5,787,310		332,690	99,967,310	99.67%		7.20%	5.80%	0.42%
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%		5.74%	5.80%	0.33%
05/15/08	05/15/18	81,000,000	81,000,000	6.250%	5,062,500		293,994	80,706,006	99.64%		5.82%	6.30%	0.37%
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%		2.70%	3.13%	0.08%
12/21/12	12/01/42	23,015,000	23,015,000	4.300%	989,645	31	895,945	22,119,055	96.11%		1.65%	4.54%	0.08%
12/17/12	12/01/42	45,000,000	45,000,000	4.300%	1,935,000	32	582,689	44,417,311	98.71%		3.23%	4.38%	0.14%
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%		5.74%	5.62%	0.32%
12/01/09	12/01/39	13,165,000	13,165,000	5.500%	724,075	21	351,823	12,813,177	97.33%		0.95%	5.69%	0.05%
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%		5.74%	6.30%	0.36%
11/21/11	10/15/37	35,000,000	35,000,000	5.050%	1,767,500		0	35,000,000	100.00%		2.51%	5.05%	0.13%
11/21/11	10/15/37	15,500,000	15,500,000	5.050%	782,750		740,260	14,759,740	95.22%		1.11%	5.39%	0.06%
11/20/13	03/01/24	67,000,000	67,000,000	3.850%	2,579,500		791,901	66,208,099	98.82%		4.81%	3.99%	0.19%
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%		2.60%	3.78%	0.10%
08/14/14	12/01/42	65,700,000	65,700,000	4.300%	2,825,100		4,432,879	61,267,121	93.25%		4.72%	4.74%	0.22%
08/10/17	09/01/47	240,000,000	240,000,000	3.750%	9,000,000		3,136,800	236,863,200	98.69%		17.23%	3.82%	0.66%
Pennvest Loans													
08/01/01	05/01/18	6,656,399	268,382	1.384%	3,714	5	110,176	6,546,223	98.34%		0.02%	1.50%	0.00%
01/01/00	01/01/18	1,391,436	38,486	2.566%	988	4	69,942	1,321,494	94.97%		0.00%	2.93%	0.00%
07/01/00	02/01/19	2,926,847	266,717	2.905%	7,748	6	28,660	2,898,187	99.02%		0.02%	2.97%	0.00%
01/01/03	12/01/22	3,945,656	1,175,530	2.774%	32,609	12	8,480	3,937,176	99.79%		0.08%	2.79%	0.00%
10/01/00	10/01/19	1,728,997	280,284	2.795%	7,834	7	0	1,728,997	100.00%		0.02%	2.80%	0.00%
10/01/01	02/01/20	3,470,505	521,949	1.184%	6,180	9	17,155	3,453,350	99.51%		0.04%	1.21%	0.00%
04/01/00	03/01/22	3,366,155	938,437	3.237%	30,377	8	56,803	3,309,352	98.31%		0.07%	3.35%	0.00%
04/01/00	03/01/22	3,623,800	1,009,930	3.237%	32,691	10	25,430	3,598,370	99.30%		0.07%	3.28%	0.00%
08/30/00	09/01/22	4,322,665	1,293,824	3.237%	41,881	11	25,445	4,297,220	99.41%		0.09%	3.27%	0.00%
08/01/04	07/01/24	1,559,205	506,774	2.774%	14,058	15	13,749	1,545,456	99.12%		0.04%	2.83%	0.00%
06/01/05	11/01/24	5,721,348	2,130,491	1.156%	24,628	16	29,484	5,691,864	99.48%		0.15%	1.19%	0.00%
01/01/06	12/01/25	5,670,111	1,971,465	2.763%	54,472	17	34,130	5,635,981	99.40%		0.14%	2.80%	0.00%
09/01/04	08/01/24	5,240,631	2,063,536	2.774%	57,242	13	7,951	5,232,680	99.85%		0.15%	2.78%	0.00%
11/01/04	10/01/24	3,099,441	1,235,521	2.432%	30,048	14	5,660	3,093,781	99.82%		0.09%	2.44%	0.00%
10/01/09	09/01/29	2,359,891	1,510,009	2.547%	38,460	19	0	2,359,891	100.00%		0.11%	2.55%	0.00%
06/01/11	02/01/31	12,150,000	8,625,779	2.690%	232,033	24	0	12,150,000	100.00%		0.62%	2.69%	0.02%
01/05/12	12/01/31	9,936,500	7,945,459	2.414%	191,803	25	0	9,936,500	100.00%		0.57%	2.41%	0.01%
01/05/12	12/01/31	1,606,709	1,225,387	3.098%	37,962	26	0	1,606,709	100.00%		0.09%	3.10%	0.00%
03/23/12	03/01/41	1,724,610	1,446,437	1.000%	14,464	27	0	1,724,610	100.00%		0.10%	1.00%	0.00%
03/20/12	04/01/31	1,675,790	1,401,660	1.799%	25,216	28	0	1,675,790	100.00%		0.10%	1.80%	0.00%
03/26/12	03/01/32	1,273,465	886,356	2.690%	23,843	29	0	1,273,465	100.00%		0.06%	2.69%	0.00%
03/22/13	04/01/33	1,378,357	1,068,800	1.591%	17,005	33	0	1,378,357	100.00%		0.08%	1.59%	0.00%
04/01/15	09/01/32	15,833,700	14,062,340	1.000%	140,623	34	0	15,833,700	100.00%		1.01%	1.00%	0.01%
10/15/15	07/01/40	123,663	115,515	1.000%	1,155	35	0	123,663	100.00%		0.01%	1.00%	0.00%
10/15/15	07/01/40	969,823	905,921	1.000%	9,059	35	0	969,823	100.00%		0.07%	1.00%	0.00%
04/21/16	11/01/26	2,141,062	2,088,977	1.356%	28,327	36	0	2,141,062	100.00%		0.15%	1.36%	0.00%
12/29/16	11/01/37	6,285,976	6,285,976	1.000%	62,860	37	0	6,285,976	100.00%		0.45%	1.00%	0.00%
06/14/17	11/01/36	5,549,947	5,302,379	1.439%	76,301	38	0	5,549,947	100.00%		0.38%	1.44%	0.01%
		\$1,442,052,689	\$1,392,892,323		\$72,604,720		\$21,088,342	\$1,415,414,400		\$0	100.00%		5.35%

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/Shipperville, 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
- (26) Silver Spring Clearwell 2.376% first 2012 - 2016 and 3.098% starting Jan 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 May 1, 2018.
- (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
- (37) Debt assumed as part of Scranton Sewer acquisition
- (38) Washington County Main Extension Project - Interest rate is 1.439% until Oct 2021 - 2.027% for the remaining term

PENNSYLVANIA AMERICAN WATER COMPANY
SCHEDULE OF PREFERRED STOCK
 August 31, 2017

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	2.76%	9.96%	0.27%
23-Apr-71	---	4,250	2,735	425,000	273,500	7,275	417,725	0	9.350%	25,572	4.24%	9.54%	0.40%
21-Nov-91	---	120,000	60,000	12,000,000	6,000,000	82,714	11,917,286	0	8.490%	509,400	93.00%	8.55%	7.95%
		127,250	64,515	12,725,000	6,451,500	95,462	12,629,538	0	8.561%	552,327	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
June 2017 - August 2017

WORK ORDER	Utility Account	Work Order Number	Jun-17	Jul-17	Aug-17
REPLACE COLLECTION MAINS - FORCE	360000	R24-35D1.15-P-0002	49,851		
REPLACE COLLECTION MAINS - FORCE	360000	R24-47B1.16-P-0002	92,287		
REPLACE COLLECTION MAINS - FORCE	360000	R24-47B1.16-P-0003	867		
REPLACE COLLECTION MAINS - FORCE	360000	R24-47F1.17-P-0002			6,145
REPLACE COLLECTION MAINS - FORCE	360000	R24-47H1.17-P-0002			4,427
REPLACE COLLECTION MAINS - FORCE	360000	R24-67C1.17-P-0001	8,155	670	
REPLACE COLLECTION MAINS - FORCE	360000	R24-67D1.17-P-0001	4,697	(4,697)	
REPLACE COLLECTION MAINS - FORCE	360000	R24-67F1.17-P-0001			
TOTAL - REPLACE COLLECTION MAINS - FORCE			<u>\$155,858</u>	<u>(\$4,028)</u>	<u>\$10,572</u>
REPLACE COLLECTIONS MAINS - GRAVITY	361000	I24-690001-02	24,457	2,860	78,516
REPLACE COLLECTIONS MAINS - GRAVITY	361000	I24-690001-06			1,324
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-38C1.17-P-0001	2,548	145	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-58B1.16-P-0001	(21,083)		
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-58B1.16-P-0002	8,116		
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-58B1.16-P-0003	(16,264)		
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0001	5,960	881	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0002	55,602	5,104	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0003	1,430	(1,568)	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0004	327		
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67B1.16-P-0005	7,234	46	16
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67C1.17-P-0001	228	(477)	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-67F1.17-P-0001		4,519	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-69B1.17-P-0001	5,883	5,303	5,303
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-69C1.17-P-0001		25	
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-92C1.17-P-0001	171,375	47,791	50,668
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-92F1.17-P-0001			
REPLACE COLLECTIONS MAINS - GRAVITY	361000	R24-92H1.17-P-0001	2,565	(1,997)	(407)
TOTAL - REPLACE COLLECTIONS MAINS - GRAVITY			<u>\$248,378</u>	<u>\$62,634</u>	<u>\$135,419</u>
REPLACE SERVICE LATERALS	363000	R24-47H1.17-P-0001	7,230	412	3,166
REPLACE SERVICE LATERALS	363000	R24-58H1.17-P-0001	493	6,394	1,291
REPLACE SERVICE LATERALS	363000	R24-67F1.17-P-0001	3,877	(4,519)	1,171
REPLACE SERVICE LATERALS	363000	R24-69H1.17-P-0001	35,189	31,264	42,590
REPLACE SERVICE LATERALS	363000	R24-92H1.17-P-0001	4,762	38,646	15,799
TOTAL - REPLACE SERVICE LATERALS			<u>\$51,551</u>	<u>\$72,196</u>	<u>\$64,017</u>
REPLACE OTHER RELATED CAPITAL COSTS - LIFT STATION (PUMPING EQUIP.)	380000	I24-690001-01	6,811		
TOTAL REPLACE OTHER RELATED CAPITAL COSTS			<u>\$6,811</u>	<u>\$0</u>	<u>\$0</u>
TOTAL DSIC EXPENDITURES			<u>\$462,598</u>	<u>\$130,802</u>	<u>\$210,008</u>