

Pennsylvania-American Water Company & Valley Township - Water
 Pro-forma Income Statement
 for the 12 Months Ended December 31, 2019
 (Dollars in thousands)

Appendix H

	PA American Water 12 Months Ended December 31, 2019 (Audited)	Valley Township Water 12 Months Ended December 31, 2019	Combined Pro-Forma
Operating Revenues	\$ 689,129	\$ 698,550	\$ 1,387,679
Operating Expenses			
Operation and Maintenance	223,279	619,845	843,124
Depreciation and Amortization	136,169	-	136,169
General Taxes and Other	(440)	-	(440)
Total Operating Expenses	359,008	619,845	978,853
Operating Income	330,121	78,705	408,826
Other Income/(Expenses)			
Other Income/(Expense), Net	6,238	(22,813)	(16,575)
Interest Expense, Net	(78,675)	-	(78,675)
Total Other Expenses	(72,437)	(22,813)	(95,250)
Income Before Income Taxes	257,684	55,892	313,576
Provision for Income Taxes	70,938	-	70,938
Net Income	<u>\$ 186,746</u>	<u>\$ 55,892</u>	<u>\$ 242,638</u>

Note:

Valley does not have a separate income statement for the water system; however, the information above was separately identified for the water system in the audited Annual Audit and Financial Report.