

Appendix K

Pennsylvania-American Water Company
Estimated Annual Revenues and Expenses of New Service Area
Year 1
(Dollars in thousands)

Operating Revenues	\$	2,674
Operating Expenses		
Operation and Maintenance		693
Depreciation and Amortization		443
General Taxes and Other		28
Total Operating Expenses		<u>1,164</u>
Operating income		1,510
Other Income/(Expenses)		
Other Income/(Expense), Net		
Interest Expense, Net		(360)
Total Other Expenses		<u>(360)</u>
Income Before Income Taxes		1,150
Provision for Income Taxes		317
Net Income	\$	<u><u>833</u></u>

[1] Valley Township is a current PAWC bulk customer; bulk revenues are not reflected on this schedule.