

Pennsylvania-American Water Company & Valley Township - Wastewater
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 Wastewater 12 Months Ended December 31, 2019	Combined Pro-Forma
Operating Revenues	\$ 689,129	\$ 3,016	\$ 692,145
Operating Expenses			
Operation and Maintenance	223,279	3,149	226,428
Depreciation and Amortization	136,169	-	136,169
General Taxes and Other	(440)	-	(440)
Total Operating Expenses	359,008	3,149	362,157
Operating Income	330,121	(133)	329,988
Other Income/(Expenses)			
Other Income/(Expense), Net	6,238	(175)	6,063
Interest Expense, Net	(78,675)	3	(78,672)
Total Other Expenses	(72,437)	(172)	(72,609)
Income Before Income Taxes	257,684	(305)	257,379
Provision for Income Taxes	70,938	-	70,938
Net Income	<u>\$ 186,746</u>	<u>\$ (305)</u>	<u>\$ 186,441</u>

Note:

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