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April 12, 2021

By Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Second Floor North
Harrisburg, PA 17120

RE: Community Utilities of Pennsylvania Inc. Wastewater Divisions; Docket No. R-2021-_____; **SUPPLEMENT NO. 7 TO TARIFF WASTEWATER – Pa. PUC NO. 1- FILING FOR INCREASE IN RATES FOR THE SERVICE TERRITORIES FORMALLY KNOWN AS PENN ESTATES UTILITIES, INC., PENNSYLVANIA UTILITY CO., AND UTILITIES, INC. - WESTGATE AND REQUEST FOR CONSOLIDATION OF PROCEEDINGS**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission on behalf of Community Utilities of Pennsylvania Inc. (CUPA) Wastewater Divisions are the following documents:

- 1) Supplement No. 7 to Tariff Wastewater - Pa. PUC No. 1 which increases rates for all customers for the service territories formally known as Penn Estates Utilities, Inc., Pennsylvania Utility Co., and Utilities, Inc. – Westgate;
- 2) Supporting Data required by 52 Pa. Code §53.52.

CUPA is also making a similar filing today for its Water tariff. CUPA requests that these dockets be consolidated pursuant to 52 Pa. Code § 5.81 because these proceedings involve common questions of fact and law.

A copy of the enclosed materials has been served upon the Commission's Bureau of Investigation and Enforcement, the Pennsylvania Office of Consumer Advocate and the Office of Small Business Advocate.

Thank you for your attention to this matter. If you have any questions, please feel free to call either me or undersigned counsel.

Very truly yours,

/s/ Bryce R. Beard

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*Counsel for
Community Utilities of Pennsylvania Inc.*

BRB/das
Enclosures

cc: Per Certificate of Service

COMMUNITY UTILITIES OF PENNSYLVANIA INC.

RATES, RULES AND REGULATIONS GOVERNING

THE PROVISION OF WASTEWATER COLLECTION, TREATMENT
AND/OR DISPOSAL SERVICE TO THE PUBLIC IN

STROUD AND POCONO TOWNSHIPS IN MONROE COUNTY, A PORTION OF WEST
BRADFORD TOWNSHIP IN CHESTER COUNTY, AND PORTIONS OF LEHMAN
TOWNSHIP IN PIKE COUNTY,

PENNSYLVANIA

Service Territory Formally Known as Penn Estates Utilities, Inc., Utilities, Inc., and
Pennsylvania Utility Company

ISSUED: April 12, 2021

EFFECTIVE: June 12, 2021

ISSUED BY:

Bryce Mendenhall, President
500 W. Monroe Suite 3600
Chicago, IL 60660
(800) 860-4512

NOTICE

THIS TARIFF SUPPLEMENT INCREASES AND CHANGES THE SCHEDULE OF
RATES FOR ALL CUSTOMERS IN THE PENN ESTATES UTILITIES INC.,
PENNSYLVANIA UTILITY CO., AND UTILITIES INC OF PENNSYLVANIA.
SERVICE TERRITORIES

LIST OF CHANGES

Supplement No. 7 increases the schedule of rates applicable to all customers in accordance with the Pennsylvania Public Utility Commission's Final Order in Docket. No. R-2019-3008948. The increase moves rates toward unitization as stated in the Joint Petition filed at the foregoing docket. The increase in annual operating revenue is intended to produce an additional \$757,511 per year

Supplement No. 7 has also been adjusted to reflect charges billed on a quarterly basis to be billed on a monthly basis in arrears.

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PART I: SCHEDULE OF RATES AND CHARGES

Section A - Rates for Metered Service

The utility has no approved metered rate. All wastewater customers are subject to flat rates herein within Part I, Section B.

Section B - Flat Rates

The charge per unit is a flat rate either per month or per quarter as follows:

Residential

\$70.44 per month per lot located within Penn Estates and upon which a structure has been erected. (I)
This rate will be billed monthly.

Pool

\$70.44 per month per lot located within Penn Estates and at which a community pool or showering facility has been erected. This rate will be billed monthly. (I)

Clubhouse

\$70.44 per month for the Penn Estates Clubhouse. This rate will be billed monthly. (I)

All Other (Customer not Identified as Residential, Pool, & Clubhouse)

\$70.44 per month for customers not considered Residential, Pool, Clubhouse or Availability. This rate will be billed monthly. (I)

Section C - Returned Check Charge

A charge of \$25 will be assessed any time where a check which has been presented to the Company for payment on account has been returned by the payor's bank for any reason.

Section D - Availability

\$20.82 per month per lot if located within Penn Estates and upon which no structure has been erected for an availability charge. This rate will continue to be billed quarterly. (I)

Section E – Tampering Fee

Unauthorized connections, repairs, or other tampering with the system will render the service subject to immediate discontinuation without notice and wastewater service shall not be restored until such unauthorized connections, repairs, and other tampering with the system have been removed and unless settlement is made in full and for wastewater service estimated by the Company to have been used by reason for such unauthorized connection. The fee for these unauthorized connections, repairs, and system tampering shall be \$200 plus any actual costs to repair.

(I) Indicates Increase

PART I: SCHEDULE OF RATES AND CHARGESSection A - Rates for Metered Service

The utility has no approved metered rate. All wastewater customers are subject to flat rates herein within Part I, Section B.

Section B - Flat Rates

The charge per unit is a flat rate either per month or per quarter as follows:

Residential

Per Month, per household \$ 72.44 (C)(I)

The flat rate charges will be billed quarterly covering service for the three (3) months immediately preceding presentation of bill and will be due and payable as rendered in equal amounts of \$166.17 (I) per quarter. Customers have the option of monthly billings if they so desire. Monthly bills will be in equal amounts of \$55.39 per month.

School

Per month, per pupil \$ 1.50 (I)

The charges will be billed quarterly based on the rate of \$3.57 per pupil per quarter based on the (I) number of pupils for the preceding three (3) month period.

All Other (Customers not identified as Residential or School)

Per year, per month \$ 72.44 (C)(I)

The flat rate charges will be billed monthly in arrears covering service for the previous month immediately preceding presentation of bill, (C)(I)

(I) Indicates Increase
(C) Indicates Change

Part I: SCHEDULE OF RATES AND CHARGES (CONT'D)

(Service Territory Formally Known as Public Utility Company – Lehamn Township, Pike County)

Section A - Rates for Service

The charge per residential dwelling unit for water and sewer service combined is a flat rate either per month or per quarter as follows:

<u>Eagle Village:</u>	Phases I, II, III \$134 per quarter
<u>Eagle Point:</u>	\$36 per month
<u>The Glen at Tamiment:</u>	\$134 per quarter (occupied lots)
	\$33 per quarter (unoccupied lots)
<u>Tamiment Resort & Conference Center:</u>	Bulk rate to be developed

Residential (Metered Rate):

<u>Customer Charge</u>		
Eagle Village (Monthly)	\$72.44	(I)
Eagle Village - Office (Monthly)	\$72.44	(I)
The Glen at Tamiment (Monthly)	\$72.44	(I)
Eagle Point (Monthly)	\$72.44	(I)
<u>Availability Charge for Unoccupied Lots</u>	\$20.82 per Monthly	(I)

Commercial (Metered Rate):

Customer Charge (Monthly)	\$72.44	(D)
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(I) Indicates Increase
 (D) Indicates Decrease

Community Utilities of Pennsylvania Inc.
Wastewater Division

Supporting Data
for
Docket No. R-2021-_____

By

David Clark
Financial Analyst II

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OF THE COMMISSIONS TARIFF REGULATIONS**

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Community Utilities of Pennsylvania Inc.
Wastewater Division

R-2021-_____

Statement of Reasons for Rate Increase
Answer to 52 PA. Code 53.52 (b) (1)

Community Utilities of Pennsylvania – Wastewater Operations

Community Utilities of Pennsylvania Inc. (“Company”) is filing Supplement No. 7 to Tariff Wastewater – Pa. P.U.C. No. 1. on April 12th, 2021 with a requested effective date of June 12th, 2021 for the purpose of increasing Wastewater service revenue by \$998,705 per annum which represents a 37.48% increase over the service revenues previously generated by the service territories formally known as Penn Estates Utilities, Inc., Utilities Inc., of Pennsylvania, and Pennsylvania Utility Company.

For the twelve months ended December 31, 2020, December 31, 2021, and December 31, 2022, respectively, utility operations produced book net income, forecasted net income under present rates, and fully projected pro-forma net income under proposed rates as follows:

<u>Period</u>	<u>Net Income/(Loss)</u>	<u>Reference</u>
Base Year per Books (12/31/2018)	\$196,738 ¹	Section 1 (pp. 1-19)
Future Test Year (12/31/2019)	\$56,917 ¹	Section 1 (pp. 1-19)
Future Test Year (12/31/2020)	(\$43,850) ¹	Section 1 (pp. 1-19)
Pro-Forma Proposed (12/31/2020)	\$656,439 ²	Section 1 (pp. 1-19)

The current rate filing is necessary to realize a reasonable rate of return on the Company’s actual and forecasted capital investment and recover forecasted operating expenses. The factors given consideration in calculating the proposed increase are set forward in the following narrative.

Operating Revenues

The per books operating revenue for the twelve months ended December 31, 2020 totaled \$2,502,304. The Company performed a billing analysis to reflect the proper level of service revenue for the test years ended December 31, 2020, December 31, 2021, and December 31, 2022. The analysis produced an adjustment that resulted in an overall increase in service revenue of \$80,269 for the twelve months

¹ Present rates

² Proposed rates

Community Utilities of Pennsylvania Inc.
Wastewater Division

R-2021-_____

Statement of Reasons for Rate Increase
Answer to 52 PA. Code 53.52 (b) (1)

ended December 31, 2021. These adjustments, combined with projected levels of miscellaneous revenues, forfeited discounts, and uncollectible accounts produce pro-forma operating revenue under present rates of \$2,653,015 for the twelve months ended December 31, 2021, and December 31, 2022. After accounting for the increase in uncollectible accounts (\$7,266) related to the Company's revenue request of \$991,439, the Company's proposed fully projected test year operating revenue is \$3,644,454.

Operating Expenses

For the twelve months ended December 31, 2020, December 31, 2021, and December 31, 2022, respectively, utility operations produced per book, forecasted, and fully projected pro-forma operating expenses as follows:

<u>Period</u>	<u>Operating Expense</u>	<u>Reference</u>
Base Year Per books (12/31/2020)	\$2,115,473	Section 1 (pp. 1-11)
Future Test Year (12/31/2021)	\$2,307,861	Section 1 (pp. 1-11)
Future Test Year (12/31/2022)	\$2,345,117	Section 1 (pp. 1-11)
Fully projected (12/31/2022)	\$2,636,266	Section 1 (pp. 1-11)

The Company has projected net increased operating expenses costs of \$520,793 between the base year ended December 31, 2020 and the fully projected future test year ended December 31, 2022 as reflected in response to tariff Regulation c (1) Sheets1a.

Original Cost – Plant in Service

The original costs of the plant in service at December 31, 2020 were compiled through Company records. The gross plant in service per books at the end of the base year is \$21,800,965. Pro-forma plant additions of \$2,294,002 and \$2,978,941 for the future test years ended December 31, 2021, and December 31, 2022 respectively have been included on Tariff Regulation (c) (3) to reflect the fully projected future test year level of utility plant in service as of December 31, 2022.

Accumulated Depreciation and Annual Depreciation Expense

Community Utilities of Pennsylvania Inc.
Wastewater Division

R-2021-_____

Statement of Reasons for Rate Increase
Answer to 52 PA. Code 53.52 (b) (1)

The calculations of annual and accumulated depreciation are based upon the straight-line method. An adjustment has been made to calculate pro-forma depreciation expense and the level of pro-forma accumulated depreciation using class of asset rates on the Company's books, going level, as well as projected plant in service as of December 31, 2021, and December 31, 2022. Capital adjustments result in a decrease to depreciation expense of \$152,618 and increase of \$83,551 for the future test years ended December 31, 2021, and December 31, 2022 respectively. The pro-forma accumulated depreciation amounts to \$9,790,837 and \$10,455,892 as of December 31, 2021, and December 31, 2022 respectively. Please see Supporting Schedules No. 4 and No. 9 in Section 2.

Calculation of Rate Base

Nine elements were used to determine rate base for the Company have been included on Tariff Regulation (c) (3). They are as follows:

- I. Net Plant in Service
- II. Cash Working Capital
- III. Contributions in Aid of Construction (Net)
- IV. Accumulated Deferred Income Taxes
- V. Customer Deposits
- VI. Net Plant Acquisition Adjustment
- VII. Deferred Charges
- VIII. Pro forma Plant Additions (Net of Retirements)

- I. Net Plant in Service

Net Plant in Service was determined by deducting per-books and pro forma accumulated depreciation from per books and pro forma gross utility plant in service as of December 31, 2020, December 31, 2021, and December 31, 2022.

Wastewater Operations	Supporting Schedule No.	Per Books Base Year Ended 12/31/2020	Future Test Year Ended 12/31/2021	Pro-forma FPFTY Ended 12/31/2022
Utility Plant in Service	(c)(3)	\$ 20,845,060	\$ 24,094,967	\$ 27,073,908
Accumulated Depreciation	(c)(4)	(9,209,332)	(9,790,837)	(10,455,892)
Net Utility Plant:		\$ 11,635,729	\$ 14,304,130	\$ 16,618,016

Community Utilities of Pennsylvania Inc.

Wastewater Division

R-2021-_____

Statement of Reasons for Rate Increase

Answer to 52 PA. Code 53.52 (b) (1)

II. Cash Working Capital

The amount included for Cash Working Capital is based on 1/8 method using per books and pro forma operating and maintenance expenses and taxes other than income of \$1,775,050, \$1,811,765, and \$1,808,476 for the test years ended December 31, 2020, December 31, 2021, and December 31, 2022 respectively resulting in cash working capital levels of \$221,881, \$226,471, and \$226,059 for the test years ended December 31, 2020, December 31, 2021, and December 31, 2022 respectively. Please see Supporting Schedules No. 11 in Section 2.

III. Contribution in Aid of Construction

The amount included in Contributions in Aid of Construction are per books and projected pro-rated amounts of (\$1,948,583), (\$1,861,821), and (\$1,775,060) for the test years ended December 31, 2020, December 31, 2021, and December 31, 2022

IV. Accumulated Deferred Income Taxes

The amount included in Accumulated Deferred Income Taxes are per books and projected pro-rated amounts of (\$734,226), (\$750,321), and (\$774,535) for the test years ended December 31, 2020, December 31, 2021, and December 31, 2022 respectively.

V. Customer Deposits

The amount included in Customer Deposits are per books (\$1,707), for the test years ended December 31, 2020, December 31, 2021, and December 31, 2022.

VI. Plant Acquisition Adjustment

The amount included in Plant Acquisition Adjustment is the per books number net of accumulated amortization as of December 31, 2020 and amounts to (\$1,174,754). Net PAA is rolled forward to December

Community Utilities of Pennsylvania Inc.
Wastewater Division

R-2021-_____

Statement of Reasons for Rate Increase
Answer to 52 PA. Code 53.52 (b) (1)

31, 2021 and December 31, 2022 using current amortization rates and result in Net PAA of (\$1,116,181) and (\$1,057,608) for the test years ended December 31, 2021, and December 31, 2022 respectively.

VII. Deferred Charges

The amount included in Deferred Charges are per books and projected pro-rated amounts of \$105,639, \$99,721, and \$66,921 for the test years ended December 31, 2020, December 31, 2021, and December 31, 2022 respectively.

Rate of Return

The Company uses the capital structure of its parent company, Utilities, Inc. to calculate its rate of return. Utilities Inc.'s capital structure as of December 31st, 2020 is as follows:

Debt	\$342,293,595
Common Equity	<u>311,966,040</u>
Total Capital	\$654,259,635

For December 31, 2022, the Company adopts a 52.32% debt-to-equity capital ratio and 5.05% cost of debt. The Company has utilized an overall 7.58% weighted average cost of capital and 10.35% cost of equity for this application.

Tariff Design

Community Utilities is proposing to consolidate rates between its three service territories formally known as Penn Estates Utilities, Inc., Utilities, Inc. of Pennsylvania, and Tamiment. The overall proposed increase in a residential customer's bill is approximately 30.77% for customers of the formally known territories of Penn Estates Utilities, Inc. and Utilities, Inc. of Pennsylvania and 33.12% for residential customers of the formally known territory Tamiment as follows:

Community Utilities of Pennsylvania Inc.
Wastewater Division
R-2021-_____
Statement of Reasons for Rate Increase
Answer to 52 PA. Code 53.52 (b) (1)

Community Utilities of Pennsylvania
Average Bills

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	
Line	Name	W/WW	Class	Meter Size	12/31/20 Average			PWAC			12/31/22			Proposed			Proposed			
					Usage	BFC	Usage Rate	Surcharge	Average Bill	Average Usage	Proposed BFC*	Proposed Usage*	Proposed Average Bill	Proposed Increase	Proposed Increase %	Average Bill	Average Bill	Proposed Increase	Proposed Increase %	
1.	CUPA Consolidated Service Territories	WW	RES	5/8"	-	\$ 55.39	\$ -	\$ -	\$ -	\$ 55.39	-	\$ 72.44	\$ -	\$ 72.44	\$ 17.05	30.77%	\$ 55.39	\$ 72.44	\$ 17.05	30.77%
2.	Tamiment Service Territory	WW	RES	5/8"	-	\$ 54.41	\$ -	\$ -	\$ -	\$ 54.41	-	\$ 72.44	\$ -	\$ 72.44	\$ 18.02	33.12%	\$ 54.41	\$ 72.44	\$ 18.02	33.12%

A billing analysis at present rates was prepared for the twelve months ended December 31, 2020, December 31, 2021, and December 31, 2022. The calculations are contained in supporting Schedule No. 1. The results of that analysis were used to prepare proof of revenues for the proposed rates contained in supporting Schedule No. 2. The allocation of the proposed revenues is shown in response to tariff Regulation (b) (4).

General Comments

The company is forecasting to invest an additional \$5 million for system improvements and anticipates operating and maintenance expenses to increase 24.62% through the December 31, 2022 fully projected future test year. The proposed level of operating revenue will allow the Company enough revenue to meet debt obligations and recover reasonable levels of operating cost and capital investments. The increased revenue for Community Utilities of Pennsylvania Inc.'s wastewater division will also ensure continued safe and adequate service to its customers.

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Operating Revenue for the Base Year Ended December 31, 2020 Under Present Rates,
the Future Test Year Ended December 31, 2021, and the FPFTY Ended December 31, 2022. Under Present Rates
Answer to 52 Pa. Code 53.52 (b)(2)

<u>Wastewater Operations</u>			Pro-forma Revenue at Present Rates Future Test Year Ended 12/31/2021	Pro-forma Revenue at Present Rates FPFTY Ended 12/31/2022
Customer Classification	Base Year Ended 12/31/2020			
<u>Flat/Base Rate Revenue</u>				
Residential	\$ 2,288,594		\$ 2,288,594	\$ 2,288,594
School	16,922		16,922	16,922
Availability	37,170		37,170	37,170
Commercial	13,857		13,857	13,857
Total Flat Rate Revenue	2,356,542		2,356,542	2,356,542
<u>Volumetric Revenue</u>				
Residential	\$ 304,822		\$ 304,822	\$ 304,822
Commercial	3,027		3,027	3,027
Total Volumetric Revenue	307,849		307,849	307,849
Forfeited Discounts	(1,789)		7,335	7,335
Miscellaneous Service Revenues	1,180		673	673
Purchased Services	-		-	-
Accruals	(71,652)		-	-
Total Operating Revenues	\$ 2,592,130		\$ 2,672,400	\$ 2,672,400

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Number of Customer Equivalents served at December 31, 2020,
and the Future Test Year Ended December 31, 2021, and FPFTY Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (b)(3)

<u>Wastewater Operations</u>		Total Customers	Pro-forma	Pro-forma
<u>Customers</u>	[1]	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
<u>Flat Rate Customers</u>				
Residential		3,788	3,788	3,788
Commercial		15	15	15
School		58	58	58
Availability		110	110	110
Fire Hydrant (# of Hydrants)		0	0	0
Total Flat Rate Customers		<u>3,971</u>	<u>3,971</u>	<u>3,971</u>

[1] With the exception of fire hydrants, the Company uses Equivalent Residential Customers (ERCs) to count customers.

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Statement of Operating Revenue Under the Existing and Proposed Rates for the Base Year Ended
December 31, 2020, the Future Test Years Ended December 31, 2021 and December 31, 2022, and FPFTY Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (b)(4)

<u>Wastewater Operations</u>	Schedule Number	Base Year Ended 12/31/2020	Change	Future Test Year Ended 12/31/2021	Change	Future Test Year Ended 12/31/2022	Change	Proposed FPFTY Ended 12/31/2022
Volumetric Revenue								
Residential	(b)(2)	\$ 304,822	\$ -	\$ 304,822	\$ -	\$ 304,822	\$ 114,257	\$ 419,079
Commercial	(b)(2)	3,027	-	3,027	-	3,027	1,135	4,162
Total Volumetric Revenue		307,849	-	307,849	-	307,849	115,392	423,241
<u>Flat Rate Revenue</u>								
Residential	(b)(2)	\$ 2,288,594	\$ -	\$ 2,288,594	\$ -	\$ 2,288,594	\$ 857,843	\$ 3,146,437
School	(b)(2)	16,922	-	16,922	-	16,922	6,343	23,265
Availability	(b)(2)	37,170	-	37,170	-	37,170	13,932	51,102
Commercial	(b)(2)	13,857	-	13,857	-	13,857	5,194	19,050
Total Flat Rate Revenue		2,356,542	-	2,356,542	-	2,356,542	883,312	3,239,855
Forfeited Discounts	(b)(2)	\$ (1,789)	\$ 9,124	\$ 7,335	\$ -	\$ 7,335	\$ -	\$ 7,335
Miscellaneous Service Revenues	(b)(2)	1,180	(507)	673	-	673	-	673
Purchased Services	(b)(2)	-	-	-	-	-	-	-
Accruals	(b)(2)	(71,652)	71,652	-	-	-	-	-
Total Operating Revenue		<u>\$ 2,592,130</u>	<u>\$ 80,269</u>	<u>\$ 2,672,400</u>	<u>\$ -</u>	<u>\$ 2,672,400</u>	<u>\$ 998,705</u>	<u>\$ 3,671,104</u>
<u>Going Level Adjustments [1]</u>								
Residential	\$	-						
School		-						
Availability		-						
Commercial		-						
See supporting Schedule No. 1	\$	-						
<u>Future Test Year Ended 12/31/22 Adjustments [1]</u>								
Residential	\$	-						
School		-						
Availability		-						
Commercial		-						
See supporting Schedule No. 2	\$	-						
<u>FPFTY Ended 12/31/22 Adjustments</u>								
Residential	\$	857,843						
School		6,343						
Availability		13,932						
Commercial		5,194						
See supporting Schedule No. 2	\$	883,312						

[1] Adjustment to reflect revenues based on the billing analysis at present rates.

**Community Utilities of Pennsylvania Inc.
Wastewater Division
Whose Bills will be Decreased Under the Proposed Tariff
for the Twelve Months Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (b)(5)**

Under the proposed tariff, no Community Utilities of Pennsylvania water customer will receive a bill decrease

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Statement of Net Operating Income Under the Existing and Proposed Rates for the Base Year Ended
December 31, 2020, the Future Test Years Ended December 31, 2021 and December 31, 2022, and the FPFTY Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (c)(1) - Sheet No. 1a

Wastewater Operations	Schedule Number	Per Books Base Year Ended 12/31/2020	Change	Future Test Year Ended 12/31/2021	Change	Future Test Year Ended 12/31/2022	Change	Proposed FPFTY Ended 12/31/2022
<u>Operating Revenue</u>								
Gross Operating Revenue	(b)(2)	\$ 2,592,130	\$ 80,269	\$ 2,672,400	\$ -	\$ 2,672,400	\$ 998,705	\$ 3,671,104
Allowance for Uncollectible Accounts	Sup. Sch. No.3	(89,826)	70,442	(19,384)	-	(19,384)	(7,266)	(26,650)
Net Operating Revenue		<u>2,502,304</u>	<u>150,711</u>	<u>2,653,015</u>	<u>-</u>	<u>2,653,015</u>	<u>991,439</u>	<u>3,644,454</u>
<u>Operating Expenses</u>								
Operating Expenses	(c)(1) - Sheet No. 1b	\$ 1,744,132	\$ 13,506	\$ 1,757,638	\$ 47,110	\$ 1,804,748	\$ -	\$ 1,804,748
Depreciation	Sup. Sch. No. 4	428,887	152,618	581,505	83,551	665,056	-	665,056
Amortization of CIAC	Sup. Sch. No. 4	(80,024)	(6,738)	(86,762)	-	(86,762)	-	(86,762)
Amortization of PAA	Sup. Sch. No. 4	(51,308)	(7,265)	(58,573)	-	(58,573)	-	(58,573)
Taxes Other than Income	Sup. Sch. No. 5	64,214	26,713	90,927	(52,462)	38,466	6,612	45,078
<u>Income Taxes</u>								
Federal Income Tax	Sup. Sch. No. 6	\$ 8,785	\$ 6,345	\$ 15,130	\$ (26,786)	\$ (11,656)	\$ 186,153	\$ 174,496
State Income Tax	Sup. Sch. No. 6	787	7,209	7,996	(14,157)	(6,161)	98,384	92,224
Total Operating Expenses		<u>2,115,473</u>	<u>192,388</u>	<u>2,307,861</u>	<u>37,256</u>	<u>2,345,117</u>	<u>291,149</u>	<u>2,636,266</u>
Net Operating Income		<u>\$ 386,831</u>	<u>\$ (41,676)</u>	<u>\$ 345,154</u>	<u>\$ (37,256)</u>	<u>\$ 307,898</u>	<u>\$ 700,289</u>	<u>\$ 1,008,187</u>

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Statement of Operating Expenses for the Base Year Ended December 31, 2020,
the Future Test Year Ended December 31, 2021, and the FPFTY Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (c)(1) - Sheet No. 1b

Wastewater Operations

NARUC Acct. No.	Account Description	Per Books Base	Per Book & Going		Pro Forma Expenses	Per Book & Going		Pro Forma Expenses
		Year Ended 12/31/20	No.	Level Adjustments Amount	at Going Rates 12/31/2021	No.	Level Adjustments Amount	at Going Rates 12/31/2022
701	Wastewater - Salaries & Wages - Employees	\$ 437,287	1,2	\$ 6,865	\$ 444,152	1,2	\$ 24,956	\$ 469,108
704	Wastewater - Employee Pensions & Benefits	32,633	3	91,476	124,110	3	8,488	132,598
711	Wastewater - Sludge Hauling & Sewer Rodding	353,341	4	(128,589)	224,752	4	2,036	226,788
615	Wastewater - Purchased Power	142,271	5	(19,293)	122,978	5	2,659	125,637
610	Wastewater - Purchased Water	-	6	-	-	6	-	-
718	Wastewater - Chemicals	82,632	7	35,447	118,079	7	11,126	129,205
720	Wastewater - Materials, Supplies, and Other Maintenance Expense	143,157	8	860	144,017	8	(9,460)	134,556
731	Wastewater - Engineering Fees	21,971	9	(10,467)	11,504	9	280	11,784
732	Wastewater - Contractual Services - Accounting	-	10	-	-	10	-	-
733	Wastewater - Contractual Services - Legal	518	11	3,931	4,449	11	68	4,517
736	Wastewater - Contractual Services - Other	414,445	12	(89,217)	325,229	12	(2,794)	322,435
741	Wastewater - Rental of Building/Real Property	3,038	13	(2,278)	759	13	(759)	-
750	Wastewater - Transportation Expenses	3,725	14	23,135	26,860	14	(125)	26,736
759	Wastewater - Insurance - Other	4,937	15	47,916	52,853	15	6,547	59,399
760	Wastewater - Advertising Expense	-	16	-	-	16	-	-
675	Wastewater - Office Utilities, Supplies & Other Office Expenses	35,901	17	19,205	55,107	17	(1,890)	53,217
766	Wastewater - Regulatory Commission Expenses - Amortization of Rate Case Expense	31,176	18	12,288	43,464	18	-	43,464
767	Wastewater - Regulatory Commission Expenses - Other	15,180	19	(15,180)	-	19	-	-
775	Wastewater - Testing and Miscellaneous Expense	\$ 21,919	20	\$ 37,406	\$ 59,325	20	\$ 5,978	\$ 65,303
	Total Operating and Maintenance Expenses	<u>\$ 1,744,132</u>		<u>\$ 13,506</u>	<u>\$ 1,757,638</u>		<u>\$ 47,110</u>	<u>\$ 1,804,748</u>

Community Utilities of Pennsylvania Inc.
Wastewater Division
Adjustments to (c)(1) Sheet 1b
Answer to 52 Pa. Code 53.52 (c)(1) - Sheet No. 1c

<u>Going Level Adjustments [1]</u>	<u>2021</u>	<u>2022</u>
1 An adjustment is required to reflect the forecasted level of salary expense.		
Going Level Adjustment	\$ 39,923	\$ 22,597
2 An adjustment is required to reflect the forecasted level of Capitalized Time Charged to Plant for employees allocated to Community Utilities of PA Inc.		
Going Level Adjustment	\$ (33,058)	\$ 2,359
3 An adjustment is required to reflect the forecasted level of Pension and Benefits for Employees Allocated to Community Utilities of PA Inc.		
Going Level Adjustment	\$ 91,476	\$ 8,488
4 An adjustment is required to reflect the forecasted level of Sludge Hauling and Sewer Rodding expense for territories providing wastewater service to Community Utilities of PA Inc. customers.		
Going Level Adjustment	\$ (128,589)	\$ 2,036
5 An adjustment is required to reflect the forecasted level of Electric expense to be incurred by Community Utilities of PA Inc.		
Going Level Adjustment	\$ (19,293)	\$ 2,659
6 An adjustment is required to reflect the forecasted level of Purchased Water expense to be incurred by Community Utilities of PA Inc.		
Going Level Adjustment	\$ -	\$ -
7 An adjustment is required to reflect the forecasted level of Chemical expense to be incurred by Community Utilities of PA Inc.		
Going Level Adjustment	\$ 35,447	\$ 11,126
8 An adjustment is required to reflect the forecasted level of Maintenance expense to be incurred by Community Utilities of PA Inc.		
Going Level Adjustment	\$ 860	\$ (9,460)
9 An adjustment is required to reflect the forecasted level of Engineering fees to be incurred by Community Utilities of PA Inc.		
Going Level Adjustment	\$ (10,467)	\$ 280

[1] "Adjustment" refers to the change between periods and is not meant to imply there was an "adjustment" to the base period.

10	An adjustment is required to reflect the forecasted level of Accounting fees to be allocated to Community Utilities of PA Inc.	Going Level Adjustment	\$	-	\$	-
11	An adjustment is required to reflect the forecasted level of outside Legal expense to be allocated to Community Utilities of PA Inc.	Going Level Adjustment	\$	3,931	\$	68
12	An adjustment is required to reflect the forecasted level of other Contractual services expenses to be allocated to Community Utilities of PA Inc.	Going Level Adjustment	\$	(89,217)	\$	(2,794)
13	An adjustment is required to reflect the forecasted level of Rent expense to be incurred by Community Utilities of PA Inc.	Going Level Adjustment	\$	(2,278)	\$	(759)
14	An adjustment is required to reflect the forecasted level of Transportation expense to be incurred by Community Utilities of PA Inc.	Going Level Adjustment	\$	23,135	\$	(125)
15	An adjustment is required to reflect the forecasted level of Insurance expense to be incurred by Community Utilities of PA Inc.	Going Level Adjustment	\$	47,916	\$	6,547
16	An adjustment is required to reflect the forecasted level of Advertising expense to be incurred by Community Utilities of PA Inc.	Going Level Adjustment	\$	-	\$	-
17	An adjustment is required to reflect the forecasted level of Office Utilities expense to be incurred by Community Utilities of PA Inc.	Going Level Adjustment	\$	19,205	\$	(1,890)
18	An adjustment is required to normalize Estimated Rate Case expense for this filing over three years.	Going Level Adjustment	\$	12,288	\$	-
19	An adjustment is required to eliminate outside regulatory commission expense.	Going Level Adjustment	\$	(15,180)	\$	-
20	An adjustment is required to reflect the forecasted level of Testing, Meter Reading, and other miscellaneous expense to be incurred by Community Utilities of PA Inc.	Going Level Adjustment	\$	37,406	\$	5,978

[1] "Adjustment" refers to the change between periods and is not meant to imply there was an "adjustment" to the base period.

**Community Utilities of Pennsylvania Inc.
Wastewater Operations**

**Statement of the Calculation of the Rate of Return Under the Present and Proposed Rates for the Base Year Ended
December 31, 2020, the Future Test Years Ended December 31, 2021 and December 31, 2022, and FPFTY Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (c)(1) - Sheet No. 2**

Wastewater Operations	Supporting Schedule No.	Pro-forma Present 12/31/2020	Future Test Year 12/31/2021	Future Test Year 12/31/2022	Proposed FPFTY 12/31/2022
Utility Plant In Service	(c)(3)	\$ 21,800,965	\$ 21,800,965	\$ 21,800,965	\$ 21,800,965
Less:					
Accumulated Depreciation	(c)(4)	(9,209,332)	(9,790,837)	(10,455,892)	(10,455,892)
Net Plant In Service		12,591,633	12,010,128	11,345,073	11,345,073
Less:					
Contributions in Aid of Construction (Net)		(1,948,583)	(1,861,821)	(1,775,060)	(1,775,060)
Net Plant Acquisition Adjustment		(1,174,754)	(1,116,181)	(1,057,608)	(1,057,608)
Customer Deposits		(1,100)	(1,707)	(1,707)	(1,707)
Accumulated Deferred Income Taxes		(734,226)	(750,321)	(774,535)	(774,535)
Add:					
Proforma Level of Plant		-	2,294,002	5,272,944	5,272,944
Deferred Charges		105,639	99,721	66,921	66,921
Cash Working Capital	11	221,881	226,471	226,059	226,059
Total Rate Base		\$ 9,060,490	\$ 10,900,292	\$ 13,302,087	\$ 13,302,087
Net Operating Income	(c)(1) Sheet 1a	386,831	345,154	307,898	1,008,187
Percent Pro-forma Return		4.27% [1]	3.17% [1]	2.31% [1]	7.58% [1]

[1] Net Operating Income over Total Rate Base.

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Assets and other Debits as of the Base Year Ended December 31, 2020 and Pro-forma Balance Sheets
for the Future Test Years Ended December 31, 2021 and December 31, 2022, and FPFTY Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (c)(2) - Sheet No. 1

Wastewater Operations

<u>Account</u>	<u>Per Books Base Year Ended 12/31/2020</u>	<u>Future Test Year Ended 12/31/2021</u>	<u>Pro-forma FPFTY Ended 12/31/2022</u>
<u>Net Utility Plant</u>			
Utility Plant in Service	\$ 20,845,060	\$ 24,094,967	\$ 27,073,908
Accumulated Depreciation	(9,209,332)	(9,790,837)	(10,455,892)
Purchased Acquisition Adjustment (Net)	(1,174,754)	(1,116,181)	(1,057,608)
Work in Progress (Net)	955,905	-	-
<u>Current & Accrued Assets</u>			
Cash	-	-	-
Accounts Receivable (Net)	466,856	466,856	466,856
Other Current Assets	(4,276,792)	(4,276,792)	(4,276,792)
Deferred Charges	105,639	(3,636,078)	130,393
	(3,704,296)	173,858	(3,679,542)
Total Assets	<u>\$ 7,712,583</u>	<u>\$ 9,551,872</u>	<u>\$ 11,880,866</u>

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Assets and other Debits as of the Base Year Ended December 31, 2020 and Pro-forma Balance
Sheets for the Future Test Year Ended December 31, 2021 and FPFTY Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (c)(2) - Sheet No. 2

Wastewater Operations

Account	Per Books Base Year Ended 12/31/2020		Future Test Year Ended 12/31/2021		Pro-forma FPFTY Ended 12/31/2022	
<u>Equity Capital</u>						
Common Stock and Paid In Capital		\$ 1,241,176		\$ 1,241,176		\$ 1,241,176
Retained Earnings		2,172,334		2,321,663		2,384,180
<u>Current and Accrued Liabilities</u>						
Accounts Payable-Trade	126,143		126,143		126,143	
Taxes Accrued	20,175		20,175		20,175	
Customer Deposits	(1,100)		(1,100)		(1,100)	
Customer Deposits - Interest	(226)		(226)		(226)	
Advances from Utilities, Inc.	-		-		-	
A/P - Assoc. Companies	<u>1,471,270</u>	1,616,263	<u>3,231,897</u>	3,376,890	<u>5,560,923</u>	5,705,916
Contributions in Aid of Construction		1,948,583		1,861,821		1,775,060
<u>Accumulated Deferred Income Tax</u>						
Deferred Tax - Federal	641,594		652,124		667,965	
Deferred Tax - State	<u>92,633</u>	<u>734,226</u>	<u>98,198</u>	<u>750,321</u>	<u>106,570</u>	<u>774,535</u>
		<u>4,299,072</u>		<u>5,989,032</u>		<u>8,255,510</u>
Total Capitalization & Liabilities		<u>\$ 7,712,583</u>		<u>\$ 9,551,872</u>		<u>\$ 11,880,866</u>

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Original Cost Utility Plant in Service for the Base Year Ended December 31, 2020
Future Test Year Ended December 31, 2021, and FPFTY Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (c)(3)

Wastewater Operations

NARUC Acct. No.	Account Description	Per Books Base Year Ended 12/31/2020	Future Test Year 2021 GL Additions & Pro-forma Plant	Future Test Year 2021 Retirements [1]	Pro Forma Plant Future Test Year Ended 12/31/2021	FPFTY 2022 GL Additions & Pro-forma Plant	FPFTY 2022 Retirements [1]	Pro Forma Plant FPFTY Ended 12/31/2022
351.1	WASTEWATER - ORGANIZATION	\$ 278,385	\$ 8,269	\$ -	\$ 286,654	\$ 8,624	\$ -	\$ 295,278
352.1	WASTEWATER - FRANCHISES INTANG PLT	-	-	-	-	-	-	-
353.1	WASTEWATER - LAND & LAND RIGHTS INTANG PLT	-	-	-	-	-	-	-
353.3	WASTEWATER - LAND AND RIGHTS COLLECTIONS	15,000	2,109	-	17,109	2,200	-	19,309
353.7	WASTEWATER - LAND & LAND RIGHTS GEN PLT	52,692	-	-	52,692	-	-	52,692
354.2	WASTEWATER - STRUCT/IMPRV COLL PLT	73,130	397,564	-	470,694	1,092,112	-	1,562,805
354.3	WASTEWATER - STRUCT/IMPRV PUMP PLT LS	867,337	12,988	(1,798)	878,527	540,111	(1,875)	1,416,763
354.4	WASTEWATER - STRUCT/IMPRV TREAT PLT	2,362,847	152,575	(1,447)	2,513,976	104,741	(1,509)	2,617,208
354.5	WASTEWATER - STRUCT/IMPRV RECLAIM WTP	-	-	-	-	-	-	-
354.6	WASTEWATER - STRUCT/IMPRV RECLAIM WTR DIST PLT	-	-	-	-	-	-	-
354.7	WASTEWATER - STRUCT/IMPRV GEN PLT	397,699	13,439	-	411,138	7,164	-	418,302
355.3	WASTEWATER - POWER GEN EQUIP PUMP PLT	136,315	-	-	136,315	-	-	136,315
355.4	WASTEWATER - POWER GEN EQUIP TREAT PLT	240,533	152,830	-	393,364	729	-	394,093
360.2	WASTEWATER - SEWER FORCE MAIN	479,075	21,551	(48)	500,579	22,477	(50)	523,006
361.2	WASTEWATER - SEWER GRAVITY MAIN	6,738,439	351,578	(715)	7,089,303	538,352	(745)	7,626,910
361.2	WASTEWATER - MANHOLES	131,511	8,801	(151)	140,161	9,179	(158)	149,183
362.2	WASTEWATER - SPECIAL COLL STRUCTURES	60,777	-	-	60,777	-	-	60,777
363.2	WASTEWATER - SERVICES TO CUSTOMERS	310,846	11,456	(3,286)	319,015	11,948	(3,427)	327,536
364.2	WASTEWATER - FLOW MEASURE DEVICES	127,375	15,332	(2,238)	140,469	15,991	(2,335)	154,125
365.2	WASTEWATER - FLOW MEASURE INSTALL	87,794	40	-	87,834	42	-	87,875
370.3	WASTEWATER - RECEIVING WELLS	170,222	-	-	170,222	-	-	170,222
371.3	WASTEWATER - PUMPING EQUIPMENT PUMP PLT	218,233	78,148	(22,715)	273,666	81,506	(23,691)	331,481
371.5	WASTEWATER - PUMPING EQUIPMENT RECLAIM WTP	8,388	17,373	(6,875)	18,886	18,119	(7,170)	29,835
380.4	WASTEWATER - TREAT/DISP EQUIP LAGOON	324,679	5,873	-	330,552	6,125	-	336,677
380.4	WASTEWATER - TREAT/DISP EQUIP TRT PLT	5,697,337	583,977	(82,910)	6,198,404	449,899	(86,472)	6,561,832
380.5	WASTEWATER - TREAT/DISP EQUIP RCL WTP	-	-	-	-	-	-	-
381.4	WASTEWATER - PLANT SEWERS TRTMT PLT	116,564	7,829	(4,147)	120,246	8,166	(4,325)	124,086
381.5	WASTEWATER - PLANT SEWERS RECLAIM WTP	-	-	-	-	-	-	-
382.4	WASTEWATER - OUTFALL LINES	123,638	638	(114)	124,161	665	(119)	124,707
398.7	WASTEWATER - OTHER PLT TANGIBLE	260,635	236,169	-	496,804	895	-	497,699
389.2	WASTEWATER - OTHER PLT COLLECTION	1,450	-	-	1,450	-	-	1,450
389.3	WASTEWATER - OTHER PLT PUMP	26,142	511	-	26,653	533	-	27,186
389.4	WASTEWATER - OTHER PLT TREATMENT	15,315	51	-	15,366	53	-	15,419
389.5	WASTEWATER - OTHER PLT RECLAIM WTR TRT	-	-	-	-	-	-	-
354.7	WASTEWATER - OFFICE STRUCT & IMPRV	113,930	72,940	-	186,870	25,944	-	212,814
390.7	WASTEWATER - OFFICE FURN & EQPT	58,314	2,916	-	61,230	3,036	-	64,266
392.7	WASTEWATER - STORES EQUIPMENT	9,585	395	(35)	9,945	412	(37)	10,320
393.7	WASTEWATER - TOOL SHOP & MISC EQPT	206,678	26,003	(3,662)	229,020	27,120	(3,819)	252,321
394.7	WASTEWATER - LABORATORY EQPT	31,678	5,450	(366)	36,763	5,684	(381)	42,065
395.7	WASTEWATER - POWER OPERATED EQUIP	46,913	1,410	-	48,324	1,471	-	49,795
396.7	WASTEWATER - COMMUNICATION EQPT	189,341	707	-	190,048	102,553	-	292,601
397.7	WASTEWATER - MISC EQUIP SEWER	20,398	275	-	20,673	287	-	20,961
398.7	WASTEWATER - OTHER TANGIBLE PLT SEWER	-	-	-	-	-	-	-
374.5	WASTEWATER - REUSE DIST RESERVOIRS	-	-	-	-	-	-	-
375.6	WASTEWATER - REUSE TRANSMISSION & DIST SYS	3,251	-	-	3,251	-	-	3,251
341.5	WASTEWATER - TRANSPORTATION EQPT	255,332	18,974	-	274,306	-	-	274,306
340.5	WASTEWATER - DESKTOP COMPUTER	63	-	-	63	-	-	63
340.5	WASTEWATER - MAINFRAME COMPUTER	13,968	-	-	13,968	-	-	13,968
340.5	WASTEWATER - MINI COMPUTERS	131,627	-	-	131,627	-	-	131,627
340.5	WASTEWATER - COMP SYS COST	427,612	216,269	-	643,881	28,847	-	672,728
340.5	WASTEWATER - MICRO SYS COST	7,226	-	-	7,226	-	-	7,226
348.5/398.7	WASTEWATER - OTHER PLANT	6,785	-	-	6,785	-	-	6,785
	Total Plant in Service	\$ 20,845,059	\$ 2,424,442	\$ (130,505)	\$ 23,138,995	\$ 3,114,985	\$ (136,113)	\$ 26,117,868

[1] Per Books and General Ledger Additions amounts are net of retirements.

Community Utilities of Pennsylvania Inc.
Wastewater Division
Reserve for Depreciation of Utility Plant
the Future Test Year Ended December 31, 2021, and FPFTY Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (c)(4)

<u>Wastewater Operations</u>	<u>Adjustment</u> [1]	<u>Base Year Ended</u> <u>12/31/2021 Total</u>	<u>Adjustment</u> [1]	<u>Future Test Year Ended</u> <u>12/31/2022 Total</u>
Per Books Reserve for Depreciation		\$ 9,209,332		\$ 9,790,837
<u>Accumulated Depreciation Adjustments:</u>				
Pro-forma Plant A/D	\$ 511,831		\$ 580,011	
Computers	45,932		63,659	
Vehicles	23,742	\$ 581,505	21,385	\$ 665,056
Pro-forma Reserve for Depreciation		<u>\$ 9,790,837</u>		<u>\$ 10,455,892</u>

[1] Supporting Schedules No. 9 and 10 calculate additional Accumulated Depreciation associated with Pro-forma Capital Projects and General Ledger Additions.

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Statement of Operating Income Setting Forth the Operating Revenues
at Present Rates by Detail Accounts for the Base Year Ended December 31, 2020, the
Future Test Year Ended December 31, 2021, and FPFTY Ended December 31, 2022
Answer to 52 Pa. Code 53.52 (c)(5)

<u>Wastewater Operations</u>	Per Books for the Base Year Ended 12/31/2020	Future Test Year Ended 12/31/2021	Future Test Year Ended 12/31/2022	Pro Forma FPFTY Ended 12/31/2022
<u>Operating Revenue</u>				
Gross Operating Revenue	\$ 2,589,134	\$ 2,672,400	\$ 2,672,400	\$ 3,671,104
Allowance for Uncollectible Accounts	(89,826)	(19,384)	(19,384)	(26,650)
Net Operating Revenue	2,499,308	2,653,015	2,653,015	3,644,454
<u>Operating Expenses</u>				
Operating Expenses	\$ 1,744,132	\$ 1,757,638	\$ 1,804,748	\$ 1,804,748
Depreciation	428,887	581,505	665,056	665,056
Amortization of PAA	(51,308)	(58,573)	(58,573)	(58,573)
Taxes Other than Income	64,214	90,927	38,466	45,078
Amortization of CIAC	(80,024)	(86,762)	(86,762)	(86,762)
Income Taxes				
Federal Income Tax	\$ 8,785	\$ 15,130	\$ (11,656)	\$ 174,496
State Income Tax	787	7,996	(6,161)	92,224
Total Operating Expenses	\$ 2,115,473	\$ 2,307,861	\$ 2,345,117	\$ 2,636,266
Net Operating Income	\$ 383,835	\$ 345,154	\$ 307,898	\$ 1,008,187
<u>Non-Operating Income & Expenses</u>				
Interest Expense	179,780	288,237	351,748	351,748
Other Income	7,316	-	-	-
Total Non-Operating Expenses	\$ 187,097	\$ 288,237	\$ 351,748	\$ 351,748
Net Income (Loss)	\$ 196,738	\$ 56,917	\$ (43,850)	\$ 656,439

Community Utilities of Pennsylvania Inc.
Wastewater Division
Statement Detailing Major Changes in the Operating or Financial
Condition Occurring between December 31, 2020 and December 31, 2022
Answer to 52 Pa. Code 53.52 (c)(6)

There were no major accounting changes between December 31, 2020 and December 31, 2022 which would effect the operating or financial condition of Community Utilities of Pennsylvania Inc.

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A		B	C	D	E	F	G	H	I	J	K	L
SEWER												
Line	Bill code		Description	Gallage	Usage Charge	Vol Revenue	Units	BFC	Base Revenue	Out of Period Billing Adjustments	Revenues	
1												
2	Consolidated:	RES	Unmetered-Household (Flat)				37,922	\$ 55.39	\$ 2,100,504	(4,920)	\$ 2,095,584	
3	Consolidated:	SCHL	Unmetered-School (Flat)				4,740	\$ 3.57	\$ 16,922		\$ 16,922	
4	Consolidated:	COML	Unmetered-Commercial (5/8")				66	\$ 55.39	\$ 3,674		\$ 3,674	
5	Consolidated:	COML	Unmetered-Commercial (1")				7	\$ 55.39	\$ 388		\$ 388	
6	Consolidated:	AVB	Unmetered-Other Availability				181	\$ 39.36	\$ 7,125		\$ 7,125	
7	Tamiment:	RES	Metered-Residential (Flat) - Quarterly	22,201,133	\$ 13.73	\$ 304,822	2,628	\$ 73.44	\$ 193,010		\$ 497,831	
8	Tamiment:	COML	Metered-Commercial (5/8") - Monthly	220,500	\$ 13.73	\$ 3,027	36	\$ 163.24	\$ 5,877		\$ 8,904	
9	Tamiment:	COML	Metered-Commercial (6") - Monthly	-	\$ 13.73	\$ -	24	\$ 163.24	\$ 3,918		\$ 3,918	
10	Tamiment:	AVB	Metered-Other Availability - Quarterly	-	\$ 13.73	\$ -	1,312	\$ 22.90	\$ 30,045		\$ 30,045	
11												
12												
13				<u>22,421,633</u>		<u>\$ 307,849</u>	<u>46,917</u>		<u>\$ 2,361,462</u>	<u>\$ (4,920)</u>	<u>\$ 2,664,391</u>	
14												
15												
16		Sewer Total		<u>22,421,633</u>		<u>\$ 307,849</u>	<u>46,917</u>		<u>\$ 2,361,462</u>	<u>\$ (4,920)</u>	<u>\$ 2,664,391</u>	

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Proforma Future Test Year
Future Test Year Ended December 31, 2022

Section 2
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A	B	C	D	E	F	G	H	I	J	K	L
SEWER											
Line	Bill code		Description	Gallonage	Usage Charge	Vol Revenue	Units	BFC	Base Revenue	Out of Period Billing Adjustments	Revenues
1											
2	Consolidated:	RES	Unmetered-Household (Flat)				37,922	\$ 55.39	\$ 2,100,504	(4,920)	\$ 2,095,584
3	Consolidated:	COML	Unmetered-School (Flat)				4,740	\$ 3.57	\$ 16,922		\$ 16,922
4	Consolidated:	COML	Unmetered-Commercial (5/8")				66	\$ 55.39	\$ 3,674		\$ 3,674
5	Consolidated:	COML	Unmetered-Commercial (1")				7	\$ 55.39	\$ 388		\$ 388
6	Consolidated:	RES	Unmetered-Other Availability				181	\$ 39.36	\$ 7,125		\$ 7,125
7	Tamiment:	RES	Metered-Residential (Flat) - Quarterly	22,201,133	\$ 13.73	\$ 304,822	2,628	\$ 73.44	\$ 193,010		\$ 497,831
8	Tamiment:	COML	Metered-Commercial (5/8") - Monthly	220,500	\$ 13.73	\$ 3,027	36	\$ 163.24	\$ 5,877		\$ 8,904
9	Tamiment:	COML	Metered-Commercial (6") - Monthly	-	\$ 13.73	\$ -	24	\$ 163.24	\$ 3,918		\$ 3,918
10	Tamiment:	RES	Metered-Other Availability - Quarterly	-	\$ 13.73	\$ -	1,312	\$ 22.90	\$ 30,045		\$ 30,045
11											
12											
13				<u>22,421,633</u>		<u>\$ 307,849</u>	<u>46,917</u>		<u>\$ 2,361,462</u>	<u>\$ (4,920)</u>	<u>\$ 2,664,391</u>
14											
15											
16		Sewer Total		<u>22,421,633</u>		<u>\$ 307,849</u>	<u>46,917</u>		<u>\$ 2,361,462</u>	<u>\$ (4,920)</u>	<u>\$ 2,664,391</u>

	A	B	C	D	E	F	G	H	I	J
<u>Sewer Residential</u>										
1	Description	# of bills (1					Proposed	Revenue		Total Revenue
2		per month)					Charge			
3	Availability	5,972					\$ 20.82	\$ 124,320		\$ 124,320
4	Residential	48,435					\$ 72.44	\$ 3,508,383		\$ 3,508,383
5	School (Pupils*Bills)	13,824					\$ 1.50	\$ 20,734		\$ 20,734
6	Commercial	133					\$ 72.44	\$ 9,658		\$ 9,658
7										
8	Total Sewer									\$ 3,663,096
9	Sewer Revenue Requirement from Rates									\$ 3,663,096

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Uncollectible Accounts
Future Test Year Ended December 31, 2022

<u>Line</u>	A	C
		<u>Sewer</u>
1	FORECAST Revenues	<u>\$ 2,664,391</u>
2		
3	Uncollectible %	<u>-0.73%</u>
4		
5		
6	Uncollectible Accounts	<u>\$ (19,384)</u>
7		
8		
9	PROPOSED Revenues	<u>\$ 3,663,096</u>
10		
11	Uncollectible %	<u>-0.73%</u>
12		
13		
14	Uncollectible Accounts	<u>\$ (26,650)</u>

Community Utilities of Pennsylvania Inc.
Wastewater Division
Depreciation Expense
Base Year (Per Books) Ended December 31, 2020
Future Test Year Ended December 31, 2022

Section 2
Supporting Schedule No. 4
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Line	A	Source	B
1.	<u>December 31, 2020</u>		Sewer
2.	Utility Plant	[1]	\$ 427,279
3.	Transportation	[1]	(607)
4.	Computers	[1]	2,215
5.			
6.	CIAC	[1]	(80,024)
7.			
8.	PAA	[1]	(51,308)
9.			
10.	Per Books December 31, 2020		<u>\$ 297,555</u>
11.			
12.			
13.	<u>December 31, 2021</u>		
14.	Utility Plant	[2]	\$ 511,831
15.	Transportation	[3]	23,742
16.	Computers	[4]	45,932
17.			
18.	CIAC	[2]	(86,762)
19.			
20.	PAA	[5]	(58,573)
21.			
22.	Future Period December 31, 2021		<u>\$ 436,170</u>
23.			
24.			
25.	<u>December 31, 2022</u>		
26.	Utility Plant	[2]	\$ 580,011
27.	Transportation	[3]	21,385
28.	Computers	[4]	63,659
29.			
30.	CIAC	[2]	(86,762)
31.			
32.	PAA	[5]	(58,573)
33.			
34.	FPFTY December 31, 2022		<u>\$ 519,721</u>
35.			
36.			
37.	<u>Source:</u>		
38.	[1] Trial Balance		
39.	[2] wp-r		
40.	[3] wp-p2		
41.	[4] wp-p3		
42.	[5] wp-v		

Community Utilities of Pennsylvania Inc.
Wastewater Division
Calculation of Taxes Other Than Income Taxes
Base Year (Per Books) Ended December 31, 2020
Future Test Year Ended December 31, 2022

Line No.	A	B
1.	Test Year 12/31/2020	Sewer
2.		
3.	Utility/Commission Tax	\$ 11,054
4.	Real Estate Tax	33,296
5.	Personal Property Tax	-
6.	Gross Receipts Tax	-
7.	Sales/Use Tax	-
8.		
9.	Payroll Taxes	19,864
10.		
11.	Total	<u>\$ 64,214</u>
12.		
13.	Forecast 12/31/2021	
14.		
15.	Utility/Commission Tax	\$ 17,119
16.	Real Estate Tax	36,800
17.	Personal Property Tax	-
18.	Gross Receipts Tax	-
19.	Sales/Use Tax	-
20.		
21.	Payroll Taxes	37,008
22.		
23.	Total	<u>\$ 90,927</u>
24.		
25.	Forecast 12/31/2022	
26.		
27.	Utility/Commission Tax	\$ 24,252
28.	Real Estate Tax	41,350
29.	Personal Property Tax	-
30.	Gross Receipts Tax	-
31.	Sales/Use Tax	-
32.		
33.	Payroll Taxes	33,175
34.		
35.	Total	<u>\$ 38,466</u>
36.		
37.	Pro Forma Proposed	
38.		
39.	Proposed Revenue Increase	\$ 998,705
40.		
41.	Gross Receipts Increase	0.66%
42.	(Utility/Commission Tax)	
43.		
44.	Adjustment	<u>\$ 6,612</u>

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Calculation of Income Taxes
Future Test Year Ended December 31, 2022

	A	B	C	D	E
	<u>SEWER</u>	12/31/2021 Forecast	12/31/2022 Forecast	12/31/2022 Future Test Year	Pro Forma Proposed
Line No.					
1	State Income Taxes				
2					
3	Total Revenue	\$ 2,653,015	\$ 2,653,015	\$ 2,653,015	\$ 3,644,454
4					
5	Maintenance Expense	1,001,879	1,016,598	1,016,598	1,016,598
6	General Expense	755,759	788,149	788,149	788,149
7	Depreciation & Amortization	436,170	519,721	519,721	519,721
8	Taxes Other Than Income	90,927	38,466	38,466	45,078
9	Other Income	-	-	-	-
10	Interest Expense	288,237	351,748	351,748	351,748
11					
12	Taxable Income profit/(loss)	\$ 80,043	\$ (61,667)	\$ (61,667)	\$ 923,159
13	State Tax Rate	9.99%	9.99%	9.99%	9.99%
14					
15	Total State Income Taxes	\$ 7,996	\$ (6,161)	\$ (6,161)	\$ 92,224
16					
17	<u>Federal Taxes</u>				
18					
19	Taxable Income before taxes	\$ 80,043	\$ (61,667)	\$ (61,667)	\$ 923,159
20					
21	Less: State I/T	7,996	(6,161)	(6,161)	92,224
22					
23	Federal Taxable Income	\$ 72,047	\$ (55,507)	\$ (55,507)	\$ 830,936
24	Federal Tax Rate	21%	21%	21%	21%
25					
26	Total Federal Taxes	\$ 15,130	\$ (11,656)	\$ (11,656)	\$ 174,496

Utility Services of Illinois, Inc.
Wastewater Division
Salary Expense
Base Year (Per Books) Ended December 31, 2020
Future Test Year Ended December 31, 2022

Section 2
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Line	A	B
1.	December 31, 2020	Sewer
2.	<u>LEADERSHIP OPS</u>	\$ 52,263
3.	General Salaries	\$ 52,263
4.		
5.	OPERATIONS FIELD	400,842
6.	<u>CAPITALIZED TIME ADJUSTMENT</u>	(15,818)
7.	Maintenance Salaries	\$ 385,024
8.		
9.	Per Books December 31, 2020	<u>\$ 437,287</u>
10.		
11.		
12.	December 31, 2021	
13.	<u>LEADERSHIP OPS</u>	\$ 157,801
14.	General Salaries	\$ 157,801
15.		
16.	OPERATIONS FIELD	335,227
17.	<u>CAPITALIZED TIME ADJUSTMENT</u>	(48,876)
18.	Maintenance Salaries	\$ 286,351
19.		
20.	Future Period December 31, 2021	<u>\$ 444,152</u>
21.		
22.		
23.	December 31, 2022	
24.	<u>LEADERSHIP OPS</u>	\$ 163,822
25.	General Salaries	\$ 163,822
26.		
27.	OPERATIONS FIELD	351,803
28.	<u>CAPITALIZED TIME ADJUSTMENT</u>	(46,517)
29.	Maintenance Salaries	\$ 305,286
30.		
31.	FPFTY December 31, 2022	<u>\$ 469,108</u>

Community Utilities of Pennsylvania Inc.
Wastewater Division
Rate Case Expense
Future Test Year Ended December 31, 2022

	A	B	C	D	E	F
Line No.	Description				Total	
1	Legal Fees				\$ 140,000	
2						
3	Customer Notices (2):					
4	Postage	0	=	customers x \$0.49	\$ -	
5	Stock	0	=	notices x (.085)	\$ -	
6						
7	Travel/Publications/Misc				\$ 7,200	
8						
9	External Consultants - Ready to File - (ROE - ScottMadden, Inc. & COSS - Baker Tilly)				\$ 38,000	
10	External Consultants - Post Filing - (ROE - ScottMadden, Inc. & COSS - Baker Tilly)				\$ 64,930	
11						Allocated S
12	Cost of Current Case				\$ 250,130	\$ 140,084
13						
14	Unamortized Rate Case Expense as of 1/1/2022 - Docket No. 17-1106				\$ 62,299	\$ 33,774
15						
16	Total Rate Case Expense				\$ 312,429	\$ 173,858
17						
18	Amortized Over 3 Years				4	4
19						
20						Sewer
21	Total Annual Regulatory Expense				\$ 78,107	\$ 43,464

Line	A	B
1.	December 31, 2020	Sewer
2.	Utility Plant In Service (UPIS) [1]	\$ 20,965,136
3.	Transportation [1]	255,332
4.	Computers [1]	580,496
5.	Total Gross Plant In Service	\$ 21,800,964
6.		
7.	Accumulated Depreciation UPIS [1]	\$ (8,552,512)
8.	Accumulated Depreciation Transportation [1]	(186,457)
9.	Accumulated Depreciation Computers [1]	(470,363)
10.	Total Accumulated Depreciation	\$ (9,209,332)
11.		
12.	Per Books December 31, 2020	\$ 12,591,632
13.		
14.		
15.	Additions	
16.	Utility Plant In Service (UPIS) [2]	\$ 2,189,198
17.	Transportation [3]	18,974
18.	Computers [4]	216,269
19.	Total Additions	\$ 2,424,442
20.		
21.	Retirements	
22.	Utility Plant In Service (UPIS) [2]	\$ (130,505)
23.	Transportation [3]	0
24.	Computers [4]	0
25.	Total Retirements	\$ (130,505)
26.		
27.	Depreciation	
28.	Utility Plant In Service (UPIS) [2]	\$ 511,831
29.	Transportation [3]	23,742
30.	Computers [4]	45,932
31.	Total Depreciation	\$ 581,505
32.		
33.	December 31, 2021	
34.	Utility Plant In Service (UPIS)	\$ 23,023,828
35.	Transportation	274,306
36.	Computers	796,766
37.	Total Gross Plant In Service	\$ 24,094,900
38.		
39.	Accumulated Depreciation UPIS	\$ (8,933,837)
40.	Accumulated Depreciation Transportation	(210,199)
41.	Accumulated Depreciation Computers	(516,295)
42.	Total Accumulated Depreciation	\$ (9,660,331)
43.		
44.	Future Period December 31, 2021	\$ 14,434,569
45.		
46.		
47.	Additions	
48.	Utility Plant In Service (UPIS) [2]	\$ 3,086,138
49.	Transportation [3]	0
50.	Computers [4]	28,847
51.	Total Additions	\$ 3,114,985
52.		
53.	Retirements	
54.	Utility Plant In Service (UPIS) [2]	\$ (136,113)
55.	Transportation [3]	0
56.	Computers [4]	0
57.	Total Retirements	\$ (136,113)
58.		
59.	Depreciation	
60.	Utility Plant In Service (UPIS) [2]	\$ 580,011
61.	Transportation [3]	21,385
62.	Computers [4]	63,659
63.	Total Depreciation	\$ 665,056
64.		
65.	December 31, 2022	
66.	Utility Plant In Service (UPIS)	\$ 25,973,854
67.	Transportation	274,306
68.	Computers	825,613
69.	Total Gross Plant In Service	\$ 27,073,772
70.		
71.	Accumulated Depreciation UPIS	\$ (9,377,736)
72.	Accumulated Depreciation Transportation	(231,584)
73.	Accumulated Depreciation Computers	(579,954)
74.	Total Accumulated Depreciation	\$ (10,189,274)
75.		
76.	FPFTY December 31, 2022	\$ 16,884,498
77.		
78.		
79.	Source:	
80.	[1] Trial Balance	
81.	[2] wp-p1	
82.	[3] wp-p2	
83.	[4] wp-p3	

Utility Services of Illinois, Inc.
Wastewater Operations
Utility Plant Additions and Retirements
Base Year (Per Books) Ended December 31, 2020
Future Test Year Ended December 31, 2022

<u>Line No.</u>	A	B	
	December 31, 2020	Community Utilities of Pennsylvania Sewer	
1.	Utility Plant In Service		
2.	Total Plant In Service Cost	\$	21,800,964
3.	Total Accumulated Depreciation		(9,209,332)
4.	Net Book Value 12/31/2020	\$	12,591,632
5.			
6.	December 31, 2021		
7.	Utility Plant In Service		
8.	Total Plant In Service Cost 12/31/2020	\$	21,800,964
9.	Pro Forma Additions		2,424,442
10.	Pro Forma Retirements		(130,505)
11.	Total Plant In Service Cost 12/31/2021	\$	24,094,900
12.			
13.	Total Accumulate Depreciation 12/31/2020	\$	(9,209,332)
15.	Depreciation Expense		(581,505)
16.	Total Accumulated Depreciation 12/31/2021	\$	(9,790,837)
17.			
18.	Net Book Value 12/31/2021	\$	14,304,063
19.			
20.			
21.	Change in Gross Plant	\$	2,293,936
22.	Change in Accumulated Depreciation		(581,505)
23.	Depreciation Expense	\$	581,505
24.			
25.	December 31, 2022		
26.	Utility Plant In Service		
27.	Total Plant In Service Cost 12/31/2021	\$	24,094,900
28.	Pro Forma Additions		4,485,944
29.	Pro Forma Retirements		(136,113)
30.	Total Plant In Service Cost 12/31/2022	\$	28,444,731
31.			
32.	Total Accumulate Depreciation 12/31/2021	\$	(9,790,837)
34.	Depreciation Expense		(665,056)
35.	Total Accumulated Depreciation 12/31/2022	\$	(10,455,892)
36.			
37.	Net Book Value 12/31/2022	\$	17,988,839
38.			
39.			
40.	Change in Gross Plant	\$	4,349,831
41.	Change in Accumulated Depreciation	\$	(665,056)
42.	Depreciation Expense	\$	665,056

Community Utilities of Pennsylvania Inc.
Wastewater Operations
Calculation of Working Capital
Future Test Year Ended December 31, 2022

Section 2
Supporting Schedule No. 11
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A	B	C
<u>Line No.</u>		<u>Sewer</u>
1	12/31/20 Base Year	
2	Maintenance Expenses	\$ 1,151,887
3	General Expenses	592,245
4	Taxes Other Than Income	64,214
5	Reduction of Real Estates Taxes	(33,296)
6		
7	Total	<u>\$ 1,775,050</u>
8		
9	Working Capital	<u>\$ 221,881</u>
10		
11		
12	12/31/21 Forecast	
13	Maintenance Expenses	\$ 1,001,879
14	General Expenses	755,759
15	Taxes Other Than Income	90,927
16	Reduction of Real Estates Taxes	(36,800)
17		
18	Total	<u>\$ 1,811,765</u>
19		
20	Working Capital	<u>\$ 226,471</u>
21		
22		
23	12/31/22 Forecast	
24	Maintenance Expenses	\$ 1,016,598
25	General Expenses	788,149
26	Taxes Other Than Income	45,078
27	Reduction of Real Estates Taxes	(41,350)
28		
29	Total	<u>\$ 1,808,476</u>
30		
31	Working Capital	<u>\$ 226,059</u>

Line No.	Description	A	B	C	D
			December 31, 2020	Annual Interest Expense	Capital Structure
1.	<u>COMMON SHAREHOLDERS' EQUITY:</u>				
2.	Common shares, \$.10 par value; authorized and				
3.	issued 1,000 shares		\$ 110		
4.	Paid-in capital		223,265,034		
5.	Retained earnings		88,700,896		
6.					
7.	Total Common Shareholder's Equity		<u>\$ 311,966,040</u>		<u>47.68%</u>
8.					
9.	<u>LONG-TERM DEBT:</u>				
10.	Collateral trust notes -				
11.	6.58%, \$9,000,000 due in annual installments		\$ 143,340,372	\$ 9,517,639	
12.	beginning in 2017 through 2035				
14.	Collateral trust notes -				
16.	4.37%, beginning in 2018 through 2033		\$ 99,556,146	\$ 4,435,787	
17.					
14.	Collateral trust notes -				
16.	3.15%, beginning in 2020 through 2030		\$ 49,781,241	\$ 1,598,231	
17.					
14.	Collateral trust notes -				
16.	3.35%, beginning in 2020 through 2035		\$ 49,776,724	\$ 1,690,487	
17.					
18.	Toronto Dominion Bank Line of Credit				
19.	3.26% Libor Rate as of 12/31/2019				
20.	beginning in 10/2015 through 10/2020		<u>\$ (160,888)</u>	\$ 58,505	
21.					
22.	Total Debt		<u>\$ 342,293,595</u>	\$ 17,300,649	<u>52.32%</u>
23.					
24.	TOTAL CAPITALIZATION		<u>\$ 654,259,635</u>		<u>100.00%</u>
25.					
26.	COST OF DEBT		<u>5.05%</u>		
27.					
28.					
29.			<u>Ratio</u>	<u>Cost</u>	<u>Weighted Cost</u>
30.		Debt	52.32%	5.05%	2.64%
31.		Common Equity	47.68%	10.35%	4.94%
32.			100.00%		7.58%
33.					

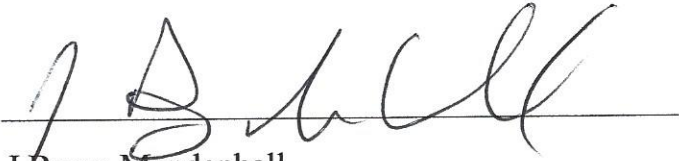
Community Utilities of Pennsylvania Inc.
Wastewater Operations
Pro Forma Interest Expense
Future Test Year Ended December 31, 2022

Section 2
Supporting Schedule No. 12
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<u>Line No.</u>	A	B
		<u>Sewer</u>
1	Pro Forma Present Rate Base	10,900,292
2		
3	Debt Ratio	52.32%
4		
5	Embedded Cost of Debt	5.05%
6		
7		
8	Pro Forma Interest Expense	<u>288,237</u>
9		
10	Pro Forma Present Rate Base	13,302,087
11		
12	Debt Ratio	52.32%
13		
14	Embedded Cost of Debt	5.05%
15		
16		
17	Pro Forma Interest Expense	<u>351,748</u>

VERIFICATION

I, J Bryce Mendenhall, on behalf of Community Utilities of Pennsylvania, Inc. hereby state that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing in this matter. This verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.



J Bryce Mendenhall
President
Community Utilities of Pennsylvania, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

BY ELECTRONIC MAIL ONLY

Richard Kanaskie, Esquire
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
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/s/ Bryce R. Beard

Thomas J. Sniscak
Whitney E. Snyder
Bryce R. Beard

Dated this 12th day of April, 2021