

Appendix K

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

Operating Revenues	\$	18,487
Operating Expenses		
Operation and Maintenance		8,075
Depreciation and Amortization		5,744
General Taxes and Other		1,083
Total Operating Expenses		<u>14,902</u>
Operating income		3,585
Other Income/(Expenses)		
Other Income/(Expense), Net		44
Interest Expense, Net		(2,555)
Total Other Expenses		<u>(2,511)</u>
Income Before Income Taxes		1,074
Provision for Income Taxes		300
Net Income	\$	<u><u>775</u></u>