



**Susan Simms Marsh**  
Deputy General Counsel  
852 Wesley Drive | Mechanicsburg, PA 17055  
Phone: 717-550-1570 | Fax: 717-550-1255  
[susan.marsh@amwater.com](mailto:susan.marsh@amwater.com)

**VIA** e-Filing

December 29, 2021

Ms. Rosemary Chiavetta, Secretary  
Commonwealth of Pennsylvania  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2<sup>nd</sup> Floor  
400 North Street  
Harrisburg, PA 17120

Re: Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a), for approval of (1) the transfer, by sale, of substantially all of the Township of Foster's assets, properties and rights related to its wastewater collection and conveyance system (known as the "West End System") to Pennsylvania-American Water Company, and (2) the right of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in portions of Foster Township, Pennsylvania, and to two bulk service interconnection points located within Foster Township, Luzerne County, Pennsylvania. – Docket No. A-2021-3028676

Dear Secretary Chiavetta:

On behalf of Pennsylvania-American Water Company, please find the attached Original Cost of Wastewater Utility Plant and Depreciated Reserve Calculations as of December 16, 2021, regarding the Acquisition of the Foster Township Collection and Conveyance System. This report was prepared by AUS Consultants, Inc. and is marked as the final draft version pending Pennsylvania-American Water Company's financial close at which point a final report will be prepared and filed.

If you have any questions, please contact me.

Sincerely,

Enclosures  
cc: Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water :  
Company under Section 1102(a) of the :  
Pennsylvania Public Utility Code, 66 Pa. C.S. :  
§ 1102(a), for approval of (1) the transfer, by sale, :  
of substantially all of the Township of Foster’s :  
assets, properties and rights related to its :  
wastewater collection and conveyance system :  
(known as the “West End System”) to : Docket No. A-2021-3028676  
Pennsylvania-American Water Company, and :  
(2) the right of Pennsylvania-American Water :  
Company to begin to offer or furnish wastewater :  
service to the public in portions of Foster :  
Township, Pennsylvania, and to two bulk service :  
interconnection points located within Foster :  
Township, Luzerne County, Pennsylvania. :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the attached filing, upon the parties listed below, in the manner specified below, in accordance with the requirements of 52 Pa. Code § 1.54:

**SERVED VIA ELECTRONIC MAIL ON DECEMBER 29, 2021**

Richard A. Kanaskie  
Director and Chief Prosecutor  
PA Public Utility Commission  
Bureau of Investigation and Enforcement  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17120  
[rkanaskie@pa.gov](mailto:rkanaskie@pa.gov)

Christine M. Hoover, Esquire  
PA Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
[choover@paoca.org](mailto:choover@paoca.org)

Teresa Reed Wagner  
Executive Director  
Small Business Advocate  
PA Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
[tereswagne@pa.gov](mailto:tereswagne@pa.gov)

*Susan Simms Marsh*

—  
Susan Simms Marsh, Deputy General Counsel  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055  
717.550.1570 (bus)  
717.550.1255 (fax)  
[susan.marsh@amwater.com](mailto:susan.marsh@amwater.com)



***ACQUISITION OF THE  
FOSTER TOWNSHIP COLLECTION AND  
CONVEYANCE SYSTEM***

Original Cost of Wastewater Utility Plant and  
Depreciation Reserve Calculations  
As of December 16, 2021

David A. Sheffer, Principal

AUS CONSULTANTS  
6059 Allentown Blvd., #306  
Harrisburg, PA 17112  
[www.ausinc.com](http://www.ausinc.com)

December 2021



DAVID A SHEFFER  
Principal

6059 Allentown Blvd., #306  
Harrisburg, PA 17112  
717.497.6053 ▪ Mobile  
717.763.9890  
dsheffer@ausconsultants.com

December 21, 2021

Scott D. Fogelsanger  
Senior Business Development Manager  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055-4475

RE: Acquisition of Foster Township  
Collection and Conveyance System

Dear Mr. Fogelsanger:

In accordance with your request, we have prepared an inventory of the wastewater utility plant Foster Township Collection and Conveyance System, ("Foster Twp.") as of December 16, 2021.

The inventory was prepared to conform to the Uniform System of Accounts for Water Utilities as prescribed by the National Association of Regulatory Utility Commissioners.

The original cost of the property of Foster Twp. was determined from a detailed analysis of the books and records of the System and has been segregated as follows:

	Original <u>Cost</u>	Calculated <u>Reserve</u>
Depreciable Plant	\$ 9,719,166	\$ 2,174,757
CIAC	2,173,197	435,440
Utility Plant in Service (Net)	\$ 7,545,969	\$ 1,739,317

The results of our study are discussed and supported by the Executive Summary contained in Section 1, the detailed original costs in Section 2, and the depreciation calculations in Section 3.

Respectfully submitted,  
AUS Consultants

By: DAVID A. SHEFFER

PENNSYLVANIA AMERICAN WATER COMPANY



Acquisition of The Foster Township Collection and Conveyance System

Table of Contents

	Page
	<u>No.</u>
<b><u>SECTION 1</u></b>	
<b><u>EXECUTIVE SUMMARY</u></b>	
Background	1-1
Overview of the Foster Township's Facilities	1-1
Overview of the Study Techniques	1-2
Explanation of the Study	1-3
Original Cost Analysis	1-4
Summary of Original Cost	1-5
Contributions In Aid of Construction	1-5
Customer Advances for Construction	1-6
Depreciation Reserve	1-6
<b><u>SECTION 2</u></b>	
<b><u>ORIGINAL COST</u></b>	
Summary of the Original Costs of Plant in Service at December 16, 2021	2-1
<b><u>Non-Depreciable Plant</u></b>	
353.20 Land and Land Rights	2-3
<b><u>Depreciable Plant</u></b>	
354.20 Structures & Improvements - Collections	2-4
355.00 Power Generation Equipment	2-5
360.11 Collection Sewers – Force Mains – 4” & Under	2-6
360.90 Collection Sewers – Force Mains – Air Release	2-7
361.11 Collection Sewers – Gravity Mains – 6” – 8”	2-8
361.12 Collection Sewers – Gravity Mains – 10” – 12”	2-9

PENNSYLVANIA AMERICAN WATER COMPANY



Acquisition of The Foster Township Collection and Conveyance System

Table of Contents

	Page
	<u>No.</u>
<b><u>SECTION 2 (con't)</u></b>	
361.20 Collection Sewers – Gravity Mains – Manholes	2-10
361.99 Collection Sewers – Stream Crossing	2-11
363.00 Services to Customers	2-12
371.00 Pumping Equipment	2-13
 <u>Contribution In Aid of Construction</u>	
354.20 Structures & Improvements - Collections	2-14
355.00 Power Generation Equipment	2-15
360.11 Collection Sewers – Force Mains – 4” & Under	2-16
360.90 Collection Sewers – Force Mains – Air Release	2-17
361.11 Collection Sewers – Gravity Mains – 6” – 8”	2-18
361.12 Collection Sewers – Gravity Mains – 10” – 12”	2-19
361.20 Collection Sewers – Gravity Mains – Manholes	2-20
361.99 Collection Sewers – Stream Crossing	2-21
363.00 Services to Customers	2-22
371.00 Pumping Equipment	2-23
 <b><u>SECTION 3</u></b>	
<u>DEPRECIATED ORIGINAL COST</u>	
Summary of Original Cost, Calculated Depreciation Reserve and Depreciated Original Cost as of December 16, 2021	3-1
 Plant in Service	 3-3
 <b><u>SECTION 4</u></b>	
Site Pictures	4-1

# **SECTION 1**

Final Draft Version

**PENNSYLVANIA AMERICAN WATER COMPANY**



**Acquisition of Foster Township Collection and Conveyance System**

**Executive Summary**

**BACKGROUND**

Foster Township Collection and Conveyance System (“Foster”) provides wastewater service to approximately 810 customers located in Foster Township, Luzerne County, Pennsylvania.

The Company began construction of the system in 2008 and providing sewer service to Foster Township in the September 2010. Foster’s collection system provides service to the Township of Foster including the Villages of Highland, Youngstown, and Upper Lehigh and designated areas known as Woodside and Grove Area.

On May 12, 2021, Pennsylvania American Water Company (PAWC) and Foster Township, in Luzerne County finalized the deal to sell the wastewater collection system assets to PAWC. The sale included all assets of the collection facilities and the various components of the wastewater collection system. Easements and lots were also exchanged and are currently maintained.

**OVERVIEW OF FOSTER TOWNSHIP’S FACILITIES**

The system assets acquired, for the collection and conveyance of wastewater, consists of 4 pump stations. The Highland Pump Station (100 gpm), Youngstown Pump Station (320

gpm), Upper Lehigh (140 gpm) and Woodside (800 gpm). Also included, in addition to the mentioned pump stations, are gravity and force collection mains totaling approximately 47,900 feet, manholes, and air release.

The construction of the system was started in 2008, the system became fully operational in September 2010. The system currently consists of approximately 810 customers at this time. Included in the acquisition, are the assets listed above, and all easements and/or rights-of-way, including 4 lots that the pump stations are situated upon. All the flow of the collection system is conveyed to the Borough of Freeland Municipal Authority wastewater treatment plant for treatment.

#### **OVERVIEW OF THE STUDY TECHNIQUES**

The study of the original cost of the system's assets was conducted in three (3) phases. First, a comprehensive utility plant inventory was conducted to ascertain and confirm the type and quality of the property owned and operated by Foster.

Second, the original cost of the inventoried property was determined based on a review of the system's maps, construction records and other sources. In addition to conversations with PAWC personnel, AUS Consultants received adequate data and maps in order to appropriately develop an accurate cost. The age of the plant was determined using information obtained from system maps and Foster Township's personnel's knowledge of the system. Construction costs were developed utilizing Foster Township's construction records.

In addition, PAWC requested theoretical accrued depreciation calculations performed based upon the results of the original cost study to reflect the theoretical capital recovery of the plant in service as of December 16, 2021.

A complete discussion of the methodologies employed in the original cost study is set forth in the following sections of this report.

## **EXPLANATION OF THE STUDY**

### **Utility Plant Inventory**

A comprehensive inventory of the system's assets as of December 16, 2021, was performed, based upon a complete physical inventory taken at the site on December 16, 2021. Also, the footage of the mains was verified by using a measuring wheel and walking the system, including reviewing components of the pump house. Foster Township personnel also provided any additional knowledge of the system to aid in the inventory process.

### **Mass Property**

For the purpose of this study, "mass" property consists of utility Plant recorded on Account 360 (Collection Sewers – Force Mains), Account 361 (Collection Sewers – Gravity Mains), and Account 363 (Services).

For Account 360, and 361 footage of pipe was determined by reviewing invoices and schedules, as well as speaking with Foster Township personnel and was verified by a physical check of the collection system in place. This same procedure was utilized for manholes and services.

Non-Mass Property

A review of the wastewater collection system's pump stations was completed. Detailed results of the plant inventory are set forth in Section 2 of this report by fixed capital accounts prescribed by the National Company of Regulatory Utility Commissioners. The original cost of all inventory property units are properly recorded in the following accounts:

Non-Depreciable Plant:

353.20 Land & Land Rights

Depreciable Plant:

354.20 Structures & Improvements - Collections

355.00 Power Generation Equipment

360.00 Collection Sewers-Force Mains

361.00 Collection Sewers-Gravity Mains

363.00 Services

371.00 Pumping Equipment

**ORIGINAL COST ANALYSIS**

The goal of the original cost study was to ascertain the original cost of the system's plant in service by fixed capital account and, within each account, to determine the original cost by retirement unit (for non-mass) or size and type (for mass property) and by vintage year. Reliable data exists to establish the age and original cost of the system's assets by account. The original cost determinations for Account 360 (Collection Sewers – Force Mains), Account 361 (Collection Sewers – Gravity Mains), Account 363 (Services) are explained as follows:

Account 360, Account 361, and Account 363

The original cost and footage of mains and the manholes was determinable from available source documents. A conversation with Foster Township personnel revealed that the pipe footage listed on supplied documentation is accurate. Unit costs were developed utilizing the supplied final payout schedules. The original cost values as of December 16, 2021 for the system's Collection Sewer – Force Mains, Collection Sewer – Gravity Mains and Services is \$700,034, \$5,641,170, and \$1,140,837, respectively.

**SUMMARY OF ORIGINAL COST**

The results of the original cost study established that the original cost of the system's utility plant in service is not less than \$9,719,165, as summarized by plant account in Section 2 (Pg. 2-1).

**CONTRIBUTIONS IN AID OF CONSTRUCTION**

AUS Consultants completed extensive research of records to determine if any contributions in aid of construction (CIAC) existed. The record research included all Township documents that were available and discussed with American and Township personnel. Based on the available information, the water system received or collected CIAC. The calculated CIAC amounts to \$2,173,197. The Township received two grants used to fund the construction of the system. The Township used \$1,867,311.33 of a H2O grant and \$305,886 from PA Small Water and Sewer program for the construction of the collecting system. The results of those calculations and detailed supporting schedules are included in Section 3 of this report.

## **CUSTOMER ADVANCES FOR CONSTRUCTION**

AUS Consultants complete extensive research of records to determine if any customer advances for construction (CAC) existed. The record research included all documents that were available. Based on this record research, the water system was not funded by customer advances for construction.

## **DEPRECIATION RESERVE**

AUS Consultants, as requested, prepared a theoretical calculated depreciation reserve of the utility plant in service as of December 16, 2021. The calculated accrued depreciation reserves amounts to \$2,174,757 for gross plant and \$1,739,317 for Contributions in Aid of Construction as of December 16, 2021. The calculations were based upon the Straight Line-Average Service Life Methodology utilizing appropriate service lives and mortality curves for the specific fixed capital assets by category and condition of the plant at the study date.

The results of those calculations and details supporting documentation are included in Section 3 of this report.

## **SECTION 2**

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

<u>Acct. No.</u>	<u>Account Title</u>	<u>Original Cost</u>
<b><u>Non-Depreciable Plant</u></b>		
353.20	Land and Land Rights	
	Land - Pump Station #1	\$ 1.00
	Land - Pump Station #2	1.00
	Land - Pump Station #3	1.00
	Land - Pump Station #4	1.00
	Easements	1.00
	Total Account 353.20	\$ 5.00
	Total Non-Depreciable Plant	\$ 5.00
<b><u>Depreciable Plant</u></b>		
354.20	Structures & Improvements - Collections	\$ 1,422,095.61
355.00	Power Generation Equipment	316,084.83
360.00	<u>Collection Sewers-Force Mains</u>	
360.11	4" and Under	\$ 703,620.50
360.90	Air Release	66,413.39
	Total Account 360.00	\$ 770,033.89
361.00	<u>Collection Sewers-Gravity Mains</u>	
361.11	6" - 8"	\$ 3,228,728.98
361.12	10"- 12"	1,142,339.68
361.20	Manholes	1,254,573.57
361.99	Stream Crossing	15,527.42
	Total Account 361.00	\$ 5,641,169.65
363.00	Services	\$ 1,140,836.89
371.00	Pumping Equipment	\$ 428,940.07
	Total Depreciable Plant	\$ 9,719,160.94
	<b>Total Plant in Service</b>	<b>\$ 9,719,165.94</b>

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

<u>Acct. No.</u>	<u>Account Title</u>	<u>Original Cost</u>
<b>Deduct:</b>		
<b><u>Contributions in Aid of Construction</u></b>		
354.20	Structures & Improvements - Collections	\$ 283,227.73
355.00	Power Generation Equipment	\$ 62,952.16
360.00	<u>Collection Sewers-Force Mains</u>	
360.11	4" and Under	\$ 140,134.62
360.90	Air Release	13,227.04
	Total Account 360.00	\$ 153,361.66
361.00	<u>Collection Sewers-Gravity Mains</u>	
361.11	6" - 8"	\$ 808,024.84
361.12	10"- 12"	227,510.90
361.20	Manholes	289,832.55
361.99	Stream Crossing	13,833.98
	Total Account 361.00	\$ 1,339,202.27
363.00	Services	\$ 249,024.85
371.00	Pumping Equipment	\$ 85,428.67
	<b>Total Contributions in Aid of Construction</b>	<b>\$ 2,173,197.34</b>
	<b>Total Plant in Service - Less: CIAC</b>	<b>\$ 7,545,968.60</b>

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 353.20 - Land and Land Rights

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Land - Pump Station #1 .024 Acres	2008	Acres	0.024	\$ 1.00
Land - Pump Station #2 .030 Acres	2008	Acres	0.030	\$ 1.00
Land - Pump Station #3 .032 Acres	2008	Acres	0.032	\$ 1.00
Land - Pump Station #4 .130 Acres	2008	Acres	0.130	\$ 1.00
Easements	2008	Lot		\$ 1.00
Total Account 353.20				<u>\$ 5.00</u>

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 354.20 - Structures & Improvements - Collections

Item	Year Installed	-----Quantity----- Unit	----- No.	Original Cost
Pump Station #1	2008	Lot		\$ 289,989.67
Pump Station #2	2008	Lot		\$ 342,471.92
Pump Station #3	2008	Lot		\$ 358,568.30
Pump Station #4	2008	Lot		\$ 431,065.72
Total Account 354.20				\$ 1,422,095.61

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 355.00 - Power Generation Equipment

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Generator	2008	EA.	1	\$ 316,084.83
Total Account 355.00				<u>\$ 316,084.83</u>

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 360.11 - Collection Sewers-Force Mains - 4" & Under

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Collection System - Force Mains - 4" & Under	2008	FT.	12,504	\$ 703,620.50
Total Account 360.11				<u>\$ 703,620.50</u>

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 360.90 - Collection Sewers- Force Mains - Air Release

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Collection Sewers -Force Air Release	2008	EA.	6	\$ 66,413.39
Total Account 360.90				<u>\$ 66,413.39</u>

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 361.11- Collection Sewers - Gravity Mains - 6" - 8"

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Collection Sewers - Gravity Mains - 6" - 8"	2008	FT.	33,805	\$ 2,990,235.79
	2021	FT.	1,438	\$ 238,493.19
Total Account 361.11				<u>\$ 3,228,728.98</u>

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 361.12 - Collection Sewers - Gravity Mains - 10" - 12"

Item	Year Installed	-----Quantity-----		Original Cost
		Unit	No.	
Collection Sewers - Gravity Mains - 10" - 12"	2008	FT.	7,438	\$ 1,142,339.68
Total Account 361.12				<u>\$ 1,142,339.68</u>

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 361.20 - Collection Sewers - Gravity Mains - Manholes

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Collection Sewers - Gravity Mains - Manholes	2008	EA.	221	\$ 1,196,796.40
	2021	EA.	10	\$ 57,777.17
Total Account 361.20				\$ 1,254,573.57

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 361.99 - Collection Sewers - Stream Crossing

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Collection Sewers - Gravity Mains - Stream Crossing	2021	EA.	1	\$ 15,527.42
Total Account 361.99				<u><u>\$ 15,527.42</u></u>

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 363.00 - Services to Customers

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Services to Customers	2008	EA	850	\$ 1,109,304.67
	2021	EA	10	\$ 31,532.22
Total Account 363.00				<u><u>\$ 1,140,836.89</u></u>

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 371.00 Pumping Equipment

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Trailer	2008	EA	1	\$ 73,416.16
Pump Station #1 - Upper Lehigh - 16HP (Cap. 140 gpm)	2008	EA	2	\$ 72,497.42
Pump Station #2 Highland - 15 HP (Cap. 100 gpm)	2008	EA	2	\$ 85,617.98
Pump Station #3 Youngstown -25HP (Cap. 320gpm)	2008	EA	2	\$ 89,642.08
Pump Station #4 Woodside (800 gpm)	2008	EA	2	\$ 107,766.44
Total Account 371.00				<u>\$ 428,940.07</u>

Final Draft Version

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

CIAC

Original Cost at December 16, 2021

Account 354.20 - Structures & Improvements - Collections

Item	Year	-----Quantity-----		Original Cost
	Installed	Unit	No.	
Pump Station #1	2008	Lot		\$ 57,754.99
Pump Station #2	2008	Lot		\$ 68,207.47
Pump Station #3	2008	Lot		\$ 71,413.26
Pump Station #4	2008	Lot		\$ 85,852.01
Total Account 354.20				<u>\$ 283,227.73</u>

Final Draft Version

**Pennsylvania American Water Company**  
 CIAC  
 Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 355.00 - Power Generation Equipment

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Generator	2008	EA.	1	\$ 62,952.16
Total Account 355.00				<u><u>\$ 62,952.16</u></u>

Final Draft Version

**Pennsylvania American Water Company**  
 CIAC  
 Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 360.11 - Collection Sewers-Force Mains - 4" & Under

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Collection System - Force Mains - 4" & Under	2008	FT.	2,126	\$ 140,134.62
Total Account 360.11				<u><u>\$ 140,134.62</u></u>

Final Draft Version

**Pennsylvania American Water Company**  
 CIAC  
 Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 360.90 - Collection Sewers- Force Mains - Air Release

Item	Year Installed	-----Quantity----- Unit	----- No.	Original Cost
Collection Sewers -Force Air Release	2008	EA.	1	\$ 13,227.04
Total Account 360.90				<u><u>\$ 13,227.04</u></u>

Final Draft Version

**Pennsylvania American Water Company**  
 CIAC  
 Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 361.11- Collection Sewers - Gravity Mains - 6" - 8"

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Collection Sewers - Gravity Mains - 6" - 8"	2008		5,747	\$ 595,542.01
	2021		1,280	\$ 212,482.83
 Total Account 361.11				 <u><u>\$ 808,024.84</u></u>

Final Draft Version

**Pennsylvania American Water Company**  
 CIAC  
 Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 361.12 - Collection Sewers - Gravity Mains - 10" - 12"

Item	Year Installed	-----Quantity----- Unit	----- No.	Original Cost
Collection Sewers - Gravity Mains - 10" - 12"	2008	FT.	1,264	\$ 227,510.90
Total Account 361.12				<u><u>\$ 227,510.90</u></u>

Final Draft Version

**Pennsylvania American Water Company**  
 CIAC  
 Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 361.20 - Collection Sewers - Gravity Mains - Manholes

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Collection Sewers - Gravity Mains - Manholes	2008	Ea.	38	\$ 238,356.63
	2021	Ea.	9	\$ 51,475.92
 Total Account 361.20				 <u><u>\$ 289,832.55</u></u>

Final Draft Version

**Pennsylvania American Water Company**  
 CIAC  
 Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 361.99 - Collection Sewers - Stream Crossing

Item	Year Installed	-----Quantity----- Unit	----- No.	Original Cost
Collection Sewers - Gravity Mains - Stream Crossing	2021	EA.	1	\$ 13,833.98

Total Account 361.99

\$ 13,833.98

Final Draft Version

**Pennsylvania American Water Company**  
 CIAC  
 Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 363.00 - Services to Customers

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Services to Customers	2008	EA	145	\$ 220,931.58
	2021	EA	9	\$ 28,093.27
 Total Account 363.00				 <u>\$ 249,024.85</u>

Final Draft Version

**Pennsylvania American Water Company**  
 CIAC  
 Acquisition of the Foster Township Sewer Collection System

Original Cost at December 16, 2021

Account 371.00 Pumping Equipment

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Trailer	2008	EA	1	\$ 14,621.73
Pump Station #1 - Upper Lehigh - 16HP (Cap. 140 gpm)	2008	EA	2	\$ 14,438.75
Pump Station #2 Highland - 15 HP (Cap. 100 gpm)	2008	EA	2	\$ 17,051.87
Pump Station #3 Youngstown -25HP (Cap. 320gpm)	2008	EA	2	\$ 17,853.32
Pump Station #4 Woodside (800 gpm)	2008	EA	2	\$ 21,463.00
Total Account 371.00				\$ 85,428.67

Final Draft Version

## **SECTION 3**

Final Draft Version

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Summary of Original Cost, Calculated Depreciation Reserve  
and Depreciated Original Cost as of December 16, 2021

Based Upon Broad Group/Remaining Life Procedure and Technique

Acct. No.	Account Title	Original Cost	ASL/Iowa Curve	Calculated Depreciation Reserve	Depreciated Original Cost 12/16/2021
<b><u>Non-Depreciable Plant</u></b>					
353.20	Land and Land Rights				
	Land - Pump Station #1	\$ 1.00			\$ 1.00
	Land - Pump Station #2	1.00			1.00
	Land - Pump Station #3	1.00			1.00
	Land - Pump Station #4	1.00			1.00
	Easements	1.00			1.00
	Total Account 353.20	\$ 5.00			\$ 5.00
	Total Non-Depreciable Plant	\$ 5.00			\$ 5.00
<b><u>Depreciable Plant</u></b>					
354.20	Structures & Improvements - Collections	\$ 1,422,095.61	45-R3	\$ 405,221.53	\$ 1,016,874.08
355.00	Power Generation Equipment	\$ 316,084.83	25-R3	\$ 156,407.05	\$ 159,677.78
360.00	<b><u>Collection Sewers-Force Mains</u></b>				
360.11	4" and Under	\$ 703,620.50	75-R3	\$ 122,996.49	\$ 580,624.01
360.90	Air Release	66,413.39	75-R3	11,609.40	54,803.99
	Total Account 360.00	\$ 770,033.89		\$ 134,605.89	\$ 635,428.00
361.00	<b><u>Collection Sewers-Gravity Mains</u></b>				
361.11	6" - 8"	\$ 3,228,728.98	80-R2.5	\$ 470,066.78	\$ 2,758,662.20
361.12	10"- 12"	1,142,339.68	80-R2.5	179,037.56	963,302.12
361.20	Manholes	1,254,573.57	50-S2	319,453.89	935,119.68
361.99	Stream Crossing	15,527.42	90-R3	85.03	15,442.39
	Total Account 361.00	\$ 5,641,169.65		\$ 968,643.26	\$ 4,672,526.39
363.00	Services	\$ 1,140,836.89	40-R3	\$ 356,642.48	\$ 784,194.41
371.00	Pumping Equipment	\$ 428,940.07	30-S0.5	\$ 153,236.66	\$ 275,703.41
	Total Depreciable Plant	\$ 9,719,160.94		\$ 2,174,756.87	\$ 7,544,404.07
	<b>Total Plant in Service</b>	<b>\$ 9,719,165.94</b>		<b>\$ 2,174,756.87</b>	<b>\$ 7,544,409.07</b>

**Pennsylvania American Water Company**

Acquisition of the Foster Township Sewer Collection System

Summary of Original Cost, Calculated Depreciation Reserve  
and Depreciated Original Cost as of December 16, 2021

Based Upon Broad Group/Remaining Life Procedure and Technique

Acct. No.	Account Title	Original Cost	ASL/Iowa Curve	Calculated Depreciation Reserve	Depreciated Original Cost 12/16/2021
<b>Deduct:</b>					
<b><u>Contributions in Aid of Construction</u></b>					
354.20	Structures & Improvements - Collections	\$ 283,227.73	45-R3	\$ 81,302.31	\$ 201,925.42
355.00	Power Generation Equipment	\$ 62,952.16	25-R3	\$ 31,150.38	\$ 31,801.78
360.00	<b><u>Collection Sewers-Force Mains</u></b>				
360.11	4" and Under	\$ 140,134.62	75-R3	\$ 24,496.25	\$ 115,638.37
360.90	Air Release	13,227.04	75-R3	2,312.15	10,914.89
	Total Account 360.00	\$ 153,361.66		\$ 26,808.40	\$ 126,553.26
361.00	<b><u>Collection Sewers-Gravity Mains</u></b>				
361.11	6" - 8"	\$ 808,024.84	80-R2.5	\$ 94,595.38	\$ 713,429.46
361.12	10"- 12"	227,510.90	80-R2.5	35,667.52	191,843.38
361.20	Manholes	289,832.55	50-S2	64,022.84	225,809.71
361.99	Stream Crossing	13,833.98	90-R3	75.75	13,758.23
	Total Account 361.00	\$ 1,339,202.27		\$ 194,361.49	\$ 1,144,840.78
363.00	Services	\$ 249,024.85	40-R3	\$ 71,298.10	\$ 177,726.75
371.00	Pumping Equipment	\$ 85,428.67	30-S0.5	\$ 30,518.96	\$ 54,909.71
	Total CIAC	\$ 2,173,197.34		\$ 435,439.64	\$ 1,737,757.70
	<b>Total Net Plant in Service - (Less: CIAC)</b>	<b>\$ 7,545,968.60</b>		<b>\$ 1,739,317.23</b>	<b>\$ 5,806,651.37</b>

**Pennsylvania-American Water Co., Inc.**  
**Foster Township-Woodside System**  
**354.20 Structures & Impr. - Collection**

**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of July 01, 2021**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

Salvage Value: 0 %

Year	Original Cost	Expectancy	Avg. Service Life	Reserve Ratio	Calculated Reserve
(1)	(2)	(3)	(4)	(5)	(6)
<b>PS #1 - Upper Lehigh</b>					
<i>Interim Survivor Curve: Iowa 45 R3</i>					
<i>Probable Retirement Year: 2053</i>					
2008	141,228.37	27.42	40.03	0.31502	44,491
<b>Total</b>	141,228.37				44,491
<b>PS #2 - Highland</b>					
<i>Interim Survivor Curve: Iowa 45 R3</i>					
<i>Probable Retirement Year: 2053</i>					
2008	166,787.85	27.42	40.03	0.31502	52,542
<b>Total</b>	166,787.85				52,542
<b>PS #3 - Youngstown</b>					
<i>Interim Survivor Curve: Iowa 45 R3</i>					
<i>Probable Retirement Year: 2053</i>					
2008	174,626.97	27.42	40.03	0.31502	55,012
<b>Total</b>	174,626.97				55,012
<b>PS #4 - Woodside</b>					
<i>Interim Survivor Curve: Iowa 45 R3</i>					
<i>Probable Retirement Year: 2053</i>					
2008	209,934.07	27.42	40.03	0.31502	66,134

**Pennsylvania-American Water Co., Inc.**  
**Foster Township-Woodside System**  
**354.20 Structures & Impr. - Collection**

**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of July 01, 2021**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0 %*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
<b>Total</b>	209,934.07				66,134
<b>Account Total</b>	692,577.26				218,179.15

Final Draft Version

**Pennsylvania-American Water Co., Inc.**  
**Foster Township-Woodside System**  
 355.00 Power Generation Equipment

**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of July 01, 2021**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 25 Survivor Curve: R3*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	246,299.23	12.97	25.00	0.48125	118,532
<b>Total</b>	246,299.23				118,532.01

Final Draft Version

**Pennsylvania-American Water Co., Inc.**  
**Foster Township-Woodside System**  
**360.11 Collection Sewers-Force 4" & Under**

**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of July 01, 2021**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 75 Survivor Curve: R3*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
2008	548,274.30	62.29	75.00	0.16950	92,935
<b>Total</b>	548,274.30				92,934.56

Final Draft Version

**Pennsylvania-American Water Co., Inc.**  
**Foster Township-Woodside System**  
 360.90 Collection Sewers-Force AirRelease

**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of July 01, 2021**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 75 Survivor Curve: R3*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	51,750.56	62.29	75.00	0.16950	8,772
<b>Total</b>	51,750.56				8,771.91

Final Draft Version

**Pennsylvania-American Water Co., Inc.**  
**Foster Township-Woodside System**  
 361.11 Collection Sewers-Gravity 6"-8"

**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of July 01, 2021**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 80 Survivor Curve: R2.5*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	2,330,047.86	67.84	80.00	0.15198	354,132
<b>Total</b>	2,330,047.86				354,131.81

Final Draft Version

**Pennsylvania-American Water Co., Inc.**  
**Foster Township-Woodside System**  
 361.12 Collection Sewers-Gravity 10"-12"

**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of July 01, 2021**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 80 Survivor Curve: R2.5*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	890,132.52	67.84	80.00	0.15198	135,287
<b>Total</b>	890,132.52				135,286.59

Final Draft Version

**Pennsylvania-American Water Co., Inc.**  
**Foster Township-Woodside System**  
 361.20 Manholes

**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of July 01, 2021**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 50 Survivor Curve: S2*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	932,566.22	37.07	50.00	0.25852	241,089
<b>Total</b>	932,566.22				241,089.49

Final Draft Version

**Pennsylvania-American Water Co., Inc.**  
**Foster Township-Woodside System**  
 363.00 Services to Customers

**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of July 01, 2021**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 40 Survivor Curve: R3*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	864,391.02	27.53	40.00	0.31174	269,463
<b>Total</b>	864,391.02				269,462.69

Final Draft Version

**Pennsylvania-American Water Co., Inc.**  
**Foster Township-Woodside System**  
**371.00 Pumping Equipment**

**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of July 01, 2021**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 30 Survivor Curve: S0.5*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	749,784.51	19.55	30.00	0.34838	261,210
<b>Total</b>	749,784.51				261,210.02

Final Draft Version

## **SECTION 4**

Final Draft Version

Foster Township  
Site visit December 16, 2021 with  
Tom Barna (Engineer), Donnie Karpowich (Solicitor) & Tom Wanick (O&M Manager)

Youngstown Pump Station



Foster Township  
Site visit December 16, 2021 with  
Tom Barna (Engineer), Donnie Karpowich (Solicitor) & Tom Wanick (O&M Manager)

Woodside pump station



Foster Township  
Site visit December 16, 2021 with  
Tom Barna (Engineer), Donnie Karpowich (Solicitor) & Tom Wanick (O&M Manager)

Highland pump station



Foster Township  
Site visit December 16, 2021 with  
Tom Barna (Engineer), Donnie Karpowich (Solicitor) & Tom Wanick (O&M Manager)

Route 940 extension



Foster Township  
Site visit December 16, 2021 with  
Tom Barna (Engineer), Donnie Karpowich (Solicitor) & Tom Wanick (O&M Manager)

Upper Lehigh

