

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

SPECIFIC REASONS FOR EACH CHANGE

53.52      Applicability: public utilities other than canal, turnpike, tunnel, bridge and wharf companies.

(a)          Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision, or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

(1)          The specific reasons for each change.

RESPONSE Refer to Exhibit No. F(b)-1.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

NUMBER OF CUSTOMERS SERVED

53.52      Applicability: public utilities other than canal, turnpike, tunnel, bridge and wharf companies.

(a)          Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision, or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

(2)          The total number of customers served by the utility.

RESPONSE Refer to Exhibit No. FII-1.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

NUMBER OF CUSTOMERS WHOSE BILLS WILL CHANGE

- 53.52      Applicability: public utilities other than canal, turnpike, tunnel, bridge and wharf companies.
- (a)          Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision, or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:
- (3)          A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

RESPONSE Refer to Exhibit No. F(b)-3.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

EFFECT OF THE CHANGE ON THE UTILITY'S CUSTOMERS

53.52           Applicability: public utilities other than canal, turnpike, tunnel, bridge and wharf companies.

(a)           Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision, or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

(4)           The effect of the change on the utility's customers.

RESPONSE Refer to the attached Notice of Proposed Rate Changes.



## NOTICE OF PROPOSED WATER RATE CHANGES

Dear Customer:

The York Water Company filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your rates for water service, as well as wastewater service, as of August 1, 2022. A full investigation of this request could delay the change until March 2023. This notice describes the Company's rate request, the PUC's role, and what actions you can take.

The Company has requested an overall base rate increase for water service of \$18.8 million per year. If the Company's entire request is approved, the typical water bill for:

Residential gravity customers using 4,525 gallons per month would increase from \$40.54 to \$53.02 per month, or by 30.8%. Residential repumped customers using 3,784 gallons per month would increase from \$48.89 to \$62.27 per month, or by 27.4%.

Commercial gravity customers using 26,783 gallons per month would increase from \$120.92 to \$173.19 per month, or by 43.2%. Commercial repumped customers using 39,021 gallons per month would increase from \$284.57 to \$396.78 per month, or by 39.4%.

Industrial gravity customers using 133,186 gallons per month would increase from \$472.34 to \$672.85 per month, or by 42.5%. Industrial repumped customers using 308,115 gallons per month would increase from \$1,949.40 to \$2,643.56 per month, or by 35.6%.

The Company's filing with the PUC also requests to combine in part, the revenue requirement for the Company's wastewater operations with the Company's water operations as authorized by legislation enacted in 2012.

To find out your customer class or how the requested increase may affect your water or wastewater bill, contact The York Water Company at 1-800-750-5561. The rates requested by The York Water Company for water customers may be found in Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and the rates requested by The York Water Company for wastewater customers may be found in Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A Copy of this material is kept at The York Water Company's office. Upon request, the Company will send you the Statement of Reasons for Water Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and Wastewater Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1, explaining why the rate increase has been requested.

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The Company must prove that the

requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request, or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the Company as shown above.

There are three ways to challenge a Company's request to change its rates:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before August 1, 2022. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.
2. You can send us a letter telling why you object to the requested rate increase. Sometimes there is information in these letters that makes us aware of problems with the Company's service or management. This information can be helpful when we investigate the rate request.

Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the Company's rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the Company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the Company.

**The York Water Company**

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

EFFECT OF PROPOSED CHANGE

53.52           Applicability: public utilities other than canal, turnpike, tunnel, bridge and wharf companies.

(a)           Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision, or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

(5)           The direct or indirect effect of the proposed change on the utility's revenue and expenses.

RESPONSE Refer to Exhibit No. FI-2.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

EFFECT OF THE CHANGE ON SERVICE RENDERED

53.52      Applicability: public utilities other than canal, turnpike, tunnel, bridge and wharf companies.

(a)          Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision, or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

(6)          The effect of the change on the service rendered by the utility.

RESPONSE Refer to Exhibit No. F(b)-1.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

CUSTOMER POLLS TAKEN

53.52      Applicability: public utilities other than canal, turnpike, tunnel, bridge and wharf companies.

(a)          Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision, or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

(9)          Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

RESPONSE    No customer polls were taken, and no other documents indicate customer acceptance and desire for the proposed change. Refer to Exhibit No. F(b)-1 for an explanation of why the change is in the public interest.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PLANS FOR INTRODUCING OR IMPLEMENTING THE CHANGES

53.52           Applicability: public utilities other than canal, turnpike, tunnel, bridge and wharf companies.

(a)           Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision, or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

(10)           Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

RESPONSE   The Company will publish in the major newspapers serving the Company's service area a paid newspaper advertisement containing a description of the proposed rate charges.

The Company will also provide a notice of the proposed rate increase inserted in envelopes containing billings to customers until all such notices are included in billings mailed to customers whose rates will be increased.

The Company will publish the notice of proposed rate change on its website as well.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

FCC, FERC OR COMMISSION ORDERS

53.52           Applicability: public utilities other than canal, turnpike, tunnel, bridge and wharf companies.

(a)           Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision, or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

(11)          FCC, FERC or Commission orders or rulings applicable to the filing.

RESPONSE There are no FCC or FERC orders or rulings applicable to the filing.

The Commission in its Order at Docket No. R-2018-3000019 dated January 17, 2019, approved a base rate settlement that included a provision that The York Water Company would not file a tariff or tariff supplement proposing a general increase in base rates earlier than May 1, 2020, and the Company has complied with that provision.

The Commission in its Order at Docket No. R-2018-3000019 dated January 17, 2019, approved a base rate settlement that included a provision that The York Water Company would present a wastewater allocated cost of service study in future base rate proceedings. The Company has complied with that provision in this filing.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

FCC, FERC OR COMMISSION ORDERS

RESPONSE H (a) (11) continued

The Commission in its Order at Docket No. R-2018-3000019 dated January 17, 2019, approved a base rate settlement that included a provision that The York Water Company would present separately amounts related to deferred taxes associated with accelerated depreciation and deferred taxes associated with excess accumulated deferred income tax and continue to reflect each category a a reduction to rate base in future base rate filings. The Company has complied with that provision in this filing.

The Commission in its Order at Docket No. A-2021-3025720 dated December 16, 2021, approved the acquisition of the West Maheim Township wastewater system that included a provision that The York Water Company - Wastewater in its first base rate proceeding proposing to include in rate base the facilities acquired shall for informational purposes:

- a. Submit a cost-of-service study that removes all costs and revenues associated with the provision of wastewater service within the West Manheim Township, York County service territory.
- b. Use the same rate design methodology it proposes to be adopted in that case and show how exclusion of the impact of the provision of wastewater service within the subject service territory would impact its proposed rates.

It also included a provision that the Company would provide testimony on the cost of service for provision of wastewater services to Penn Township and either propose a rate for those services to be charged to Penn Township, or provide justification for why Penn Township should not be charged a rate for those services. The Company has complied with these provisions in this filing.



THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

SPECIFIC REASONS FOR PROPOSED INCREASE IN WATER RATES

53.52

Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies

(b)

Whenever a public utility other than a canal, turnpike, tunnel, bridge, or wharf company files a tariff, revision, or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:

(1)

The specific reasons for each increase or decrease.

RESPONSE: The York Water Company has prepared and filed the data required under Title 52, Pennsylvania Code, Sections 53.52 and 53.53 in support of the proposed rates. The supporting data for the tariff revision are for the twelve months ending February 28, 2023, or as of the close of the same twelve-month period, adjusted for ratemaking purposes.

Despite the best efforts by The York Water Company to control costs, the effects of increased expenses and net additions to rate base have reduced returns.

The specific reasons the Company proposes to increase its water rates are as follows:

- (a) To provide sufficient revenues to recover the cost of providing water service to its consumers;
- (b) To allow it to discharge properly its public duties by continuing to furnish an adequate, safe, and reliable level of service;
- (c) To maintain its facilities properly; and
- (d) To afford the opportunity to more nearly approach a fair and reasonable rate of return on the original cost measure of value of its property used and useful in rendering water service.

Also, please see the attached Statement of Reasons to be provided to customers upon request.

# THE YORK WATER COMPANY

## Statement of Reasons For the 2022 Rate Increase Request

The York Water Company (the “Company”) is requesting Public Utility Commission (“PUC”) approval for a base rate increase for water customers of \$18.8 million, and for wastewater customers, a rate increase of \$1.5 million to begin August 1, 2022. From our past experience, it is likely the PUC may suspend implementation of the rates until its investigation of the need for the increases is completed which may take until March 2023. York Water last requested an increase in rates four years ago.

Our main reasons for the increase are as follows:

- Recovery of \$176 million in capital expenditures. We have greatly increased the total plant investment from the level claimed in our last rate request in 2018. This increase of approximately \$176 million (through February 2024) in system improvements since the last rate request includes the following major items:
  1. Replaced 45 miles of pipe. Replacement, reinforcement, and relining of aging water mains, replacement of service lines, meters, and hydrants. Nearly 45 miles of aging pipeline, about 4.5% of our total, was replaced which extends the life of our infrastructure, reduces costs associated with main breaks and leaks, and provides improved customer service and reliability.
  2. Improvements to Lake Williams dam. Construction project required by the Pennsylvania Department of Environmental Protection to replace the spillway and armor the dam. This will ensure that the dam continues to be safe and effective for many years into the future.
  3. Lead service lines replacement. Replacement of all company-owned lead service lines within a compressed two-year time frame. In addition, replacement of customer-owned lead service lines when discovered.
  4. Pumping equipment. Upgrade of pumping equipment at our primary pump station to increase efficiency that reduces costs and provide redundancy and reliability.
  5. Construction of a wastewater treatment plant. Construction required to service the wastewater needs of a community in a safe and efficient manner that meets or exceeds all regulatory requirements.
  6. Enhanced security. System monitoring and computer system upgrades.
  7. Distribution system improvements. Improvements to standpipes and pumping equipment to ensure customers have a safe and reliable supply of water that meets current and proposed regulations.
  8. Upgrades to water and wastewater treatment equipment and facilities. These projects are necessary to maintain compliance with existing and proposed regulations and provide resiliency in operations.

These and similar projects, all of which is spent in York, Adams and Franklin Counties, are important to our ability to ensure a safe, adequate, and reliable

supply of drinking water and to maintain proper handling and disposal of wastewater to our customers.

- The costs of serving our customers have gone up. During the past few years, we have taken steps to control our operating expenses. The increase would allow the Company to recover costs for increased wages, benefits, chemicals, materials, and supplies, and increased annual depreciation. Despite these increases, York Water remains one of the most efficient water utilities in the nation, continuing to reduce or eliminate various expenses since its last rate case, including reduction in income taxes from the tax repair deductions. These reduced expenses are reflected in this rate filing.
- The increase would provide an opportunity for our 206-year-old Company to earn a fair return on the money it has invested in infrastructure in our community and would assist the Company in maintaining a solid financial position.

Please refer to the Company's Direct Testimony and Exhibits for additional reasons for and support of the requested rate increase.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

OPERATING STATEMENT FOR THE TWELVE MONTHS ENDING  
FEBRUARY 29, 2024

53.52

Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies

(b)

Whenever a public utility other than a canal, turnpike, tunnel, bridge, or wharf company files a tariff, revision, or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:

(2)

The operating income statement of the utility for a 12-month period, the end of which shall not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

RESPONSE:

Refer to Exhibit No. FI-2

Please be advised that by letter dated March 10, 2022, the Pa PUC granted The York Water Company's request for a 30-day extension to file its base rate case on or before May 30, 2022, based upon a historic test year ended December 31, 2021, a future test year ending December 31, 2022 and a fully projected future test year ending February 29, 2024 as adjusted for ratemaking purposes.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NUMBER OF CUSTOMERS AS OF FEBRUARY 29, 2024  
WHOSE BILLS WILL BE INCREASED

- 53.52      Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies
- (b)          Whenever a public utility other than a canal, turnpike, tunnel, bridge, or wharf, company files a tariff, revision, or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:
- (3)          A calculation of the number of customers by tariff subdivision, whose bills will be increased.

Response:

Classification (1)	As Of February 29, 2024 (2)
Metered Customers	
Residential	64,762
Commercial	4,675
Industrial	302
Total Metered Customers	69,739
Unmetered Customers	
Private Fire Protection	1,242
Public Fire Protection	227
Total Unmetered Customers	1,469
Total Customers	71,208

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

CALCULATION OF THE PROPOSED REVENUE INCREASE  
PROJECTED TO AN ANNUAL BASIS

- 53.52           Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies
- (b)              Whenever a public utility other than a canal, turnpike, tunnel, bridge, or wharf company files a tariff, revision, or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:
- (4)              A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

RESPONSE: Refer to Exhibit No. FII-2

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

NUMBER OF CUSTOMERS WHOSE BILLS WILL BE DECREASED

53.52

Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies

(b)

Whenever a public utility other than a canal, turnpike, tunnel, bridge, or wharf company files a tariff, revision, or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:

(5)

A calculation of the number of customers by tariff subdivision, whose bills will be decreased.

RESPONSE:

Under the proposed rates, no customers' bills will be decreased.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

CALCULATION OF THE PROPOSED REVENUE DECREASE  
PROJECTED TO AN ANNUAL BASIS

- 53.52           Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies
- (b)               Whenever a public utility other than a canal, turnpike, tunnel, bridge, or wharf company files a tariff, revision, or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:
- (6)               A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.

RESPONSE:     Under the proposed rates, operating revenues for water service will not decrease.



THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

STATEMENT OF CALCULATION OF THE RATE OF RETURN UNDER  
EXISTING RATES FOR THE TWELVE MONTHS ENDING  
FEBRUARY 29, 2024 AND ANTICIPATED RATE OF RETURN  
TO BE EARNED WHEN THE PROPOSED RATES BECOME EFFECTIVE

- 53.52           Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies
- (c)            If a public utility files a tariff, revision, or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility-subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2)-or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility-subsection (b)(3) divided by subsection (a) (2)-it shall submit to the Commission with the tariff, revision, or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:
- (1)            A statement showing the utility's calculation of the rate of return earned or operating ratio (if the utility qualifies to use an operating ratio under §53.54 (relating to small water and wastewater utilities)) earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return or operating ratio to be earned when the tariff, revision, or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation. When an operating ratio is used in this calculation, it shall be supported by studies of margin above operation and maintenance expense plus depreciation as referred to in § 53.54(b)(2)(B).

RESPONSE: Refer to Exhibit No. FV-1

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

BALANCE SHEET AS OF FEBRUARY 29, 2024

53.52

Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies

(c)

If a public utility files a tariff, revision, or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility-subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2)-or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility-subsection (b)(3) divided by subsection (a) (2)-it shall submit to the Commission with the tariff, revision, or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:

(2)

A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).

RESPONSE: Refer to Exhibit No. FX-1.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

SUMMARY BY PLANT ACCOUNTS OF THE BOOK VALUE  
OF FIXED CAPITAL INSTALLED AS OF FEBRUARY 29, 2024

- 53.52                   Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies
- (c)                      If a public utility files a tariff, revision, or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility-subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2)-or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility-subsection (b)(3) divided by subsection (a) (2)-it shall submit to the Commission with the tariff, revision, or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:
- (3)                      A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).

RESPONSE:   Refer to page 2.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

SUMMARY BY PLANT ACCOUNTS OF THE BOOK VALUE  
OF FIXED CAPITAL INSTALLED AS OF FEBRUARY 29, 2024

Account (1)	As of February 29, 2024 (2)
301 Organization	5,302
302 Franchises	4,918
303 Land and Land Rights	3,045,852
304 Structures and Improvements	28,129,590
305 Collecting and Impounding Reservoirs	45,243,673
306 Lake, River and Other Intakes	3,657,305
307 Wells and Springs Source Pumping	96,027
309 Supply Mains Source Pumping	9,742,553
310 Power Generation Equipment	2,987,854
311 Pumping Equipment	8,144,051
320 Water Treatment Equipment	21,505,897
330 Distribution Reservoirs and Standpipes	28,444,125
331 Transmission and Distribution Mains	267,034,914
333 Services	57,562,142
334 Meters and Meter Installations	20,785,335
335 Hydrants	11,792,502
336 Backflow Preventors	631,453
340 Office Furniture and Equipment	13,348,839
341 Transportation Equipment	2,265,824
342 Stores Equipment	216,482
343 Tools, Shop and Garage Equipment	917,793
344 Laboratory Equipment	137,003
345 Power Operated Equipment	199,220
346 Communication Equipment	3,182,466
347 Miscellaneous Equipment	<u>553,986</u>
	Water
	529,635,105
353 Wastewater- Land	657,509
354 Wastewater- Structures & Improvements	10,604,719
355 Wastewater- Power Generation Equipment	628,599
360 Wastewater- Collection Sewers-Force	1,613,022
361 Wastewater- Collection Sewers-Gravity	22,025,340
363 Wastewater- Customer Service Lines	3,314,340
371 Wastewater- Pumping Equipment	1,219,212
380 Wastewater- Treatment and Disposal Equipment	2,580,146
382 Wastewater- Outfall Sewer Lines	140,995
390 Wastewater- Furniture & Equipment	80,265
391 Wastewater- Transportation Equipment	212,823
393 Wastewater- Tools, Shop and Garage Equipment	20,304
396 Wastewater- SCADA	315,566
397 Wastewater- Miscellaneous Equipment	<u>29,233</u>
	Wastewater
	43,442,074

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

DEPRECIATION RESERVE PER BOOKS AS OF FEBRUARY 29, 2024  
APPLICABLE TO UTILITY PLANT IN SERVICE

53.52

Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies

(c)

If a public utility files a tariff, revision, or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility-subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2)-or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility-subsection (b)(3) divided by subsection (a) (2)-it shall submit to the Commission with the tariff, revision, or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:

(4)

A statement showing the amount of depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).

RESPONSE: Refer to Exhibit No. FX-1. The company does not maintain the book reserve by plant account.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

STATEMENT OF NET OPERATING INCOME, OPERATING REVENUES  
AND OPERATING EXPENSES FOR TWELVE MONTHS ENDING  
FEBRUARY 29, 2024

53.52

Applicability; public utilities other than canal, turnpike, tunnel, bridge,  
and wharf companies

(c)

If a public utility files a tariff, revision, or supplement which it is  
calculated will increase the bills of a customer or a group of customers  
by an amount, when projected to an annual basis, exceeding 3% of the  
operating revenues of the utility-subsection (b)(4) divided by the  
operating revenues of the utility for a 12-month period as defined in  
subsection (b)(2)-or which it is calculated will increase the bills of 5% or  
more of the number of customers served by the utility-subsection (b)(3)  
divided by subsection (a) (2)-it shall submit to the Commission with the  
tariff, revision, or supplement, in addition to the statements required by  
subsections (a) and (b), all of the following information:

(5)

A statement of operating income, setting forth the operating revenues  
and expenses by detailed accounts for the 12-month period ending on  
the date of the balance sheet required by paragraph (2).

RESPONSE: Refer to Exhibit No. FI-2.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

MAJOR CHANGES IN OPERATING OR FINANCIAL CONDITION

- 53.52           Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies
- (c)               If a public utility files a tariff, revision, or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility-subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2)-or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility-subsection (b)(3) divided by subsection (a) (2)-it shall submit to the Commission with the tariff, revision, or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:
- (6)               A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision, or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1)-(5).

RESPONSE: No major change in the operating or financial condition is projected to occur after December 31, 2021, the date of the balance sheet required by paragraph (2) of subsection C of 53.52 (51 PA Code Ch. 53), and the date of transmittal of the tariff supplement.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF INCOME

53.53 I. Statement of Income

D. Water and Wastewater Utilities

1 Provide comparative operating statements for the test year and the immediately preceding 12 months showing increases and decreases between the two periods. These statements should supply detailed explanation of the causes of the major variances between the test year and preceding year by detailed account number.

Response: Refer to Exhibit No. FI-2.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF INCOME

53.53 I. Statement of Income

D. Water and Wastewater Utilities

2 Prepare a Statement of Income for the various time frames of the rate proceeding including:

Col. 1 - Book recorded statement for the test year.

2 - Adjustments to book recorded statement to annualize and normalize under present rates.

3 - Income statement under present rates after adjustment in Col. 2.

4 - Adjustment to Col. 3 for revenue increase requested.

5 - Income statement under requested rates.

Response: Refer to pages 2 through 13.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED STATEMENT OF INCOME UNDER EXISTING RATES FOR THE  
TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No. FI-2  
Page 2 of 13  
Witness: M E Poff

	Pro Forma Twelve Months Ended December 31, 2021 (1)	Exhibit Reference (2)	Under Existing Rates Adjustment (3)	Projected Twelve Months Ending December 31, 2022 (4)
Operating Revenues	52,652,325	FII-2	199,770	52,852,095
Operating Expenses, Depreciation and Taxes Other Than Income Taxes				
Source of Supply Expenses	1,433,856	FIII-2	35,508	1,469,364
Water Treatment Expenses	2,808,601	FIII-2	98,788	2,907,389
Transmission and Distribution Expenses	5,726,157	FIII-2	227,140	5,953,296
Customer Accounts Expenses	1,972,390	FIII-2	89,697	2,062,087
Administrative and General Expenses	9,108,793	FIII-2	521,169	9,629,961
Increased Costs Resulting From Load Growth	10,735	FIII-2	16,887	27,622
Amortization of Acquisition Adjustments	(11,746)	FIII-2	-	(11,746)
General Price Level Adjustment	-	FIII-2	360,236	360,236
Depreciation	10,052,283	FI-2-1	769,572	10,821,855
Taxes Other Than Income Taxes	1,279,493	FIV-15	54,674	1,334,168
Total Operating Expenses, Depreciation and Taxes Other Than Income Taxes	32,380,562		2,173,670	34,554,233
Net Operating Income Before Income Taxes	20,271,763		(1,973,900)	18,297,863

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED STATEMENT OF INCOME UNDER EXISTING RATES FOR THE  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No. FI-2  
 Page 3 of 13  
 Witness: M E Poff

	Pro Forma Twelve Months Ended December 31, 2021 (1)	Under Existing Rates		Projected Twelve Months Ending December 31, 2022 (4)
		Exhibit Reference (2)	Adjustment (3)	
<b>Income Taxes</b>				
Current Federal Income Tax	565,430	FIV-17	(450,102)	115,328
Current State Income Tax	185,761	FIV-17	(207,597)	(21,835)
Deferred Federal Income Tax-Accelerated Depreciation	433,570	FIV-17	106,821	540,391
Deferred Federal Income Tax-Basis Difference	(172,348)			(172,348)
Deferred State Income Tax-Basis Difference	(86,802)			(86,802)
Deferred Federal Income Tax-Excess ADIT	(171,511)	FIV-17	9,602	(161,909)
Amortization of Investment Tax Credits	(39,242)	FIV-17	(36)	(39,277)
<b>Total Income Taxes</b>	<b>714,858</b>		<b>(541,311)</b>	<b>173,547</b>
<b>Net Operating Income</b>	<b>19,556,905</b>		<b>(1,432,589)</b>	<b>18,124,316</b>
<b>Other Income (Non-operating)</b>				
Dividend Income	17,602			17,602
Rent Income	9,250			9,250
Interest Income	164,343			164,343
Miscellaneous Non-operating Income	11,960			11,960
<b>Total Other Income</b>	<b>203,155</b>			<b>179,235</b>

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED STATEMENT OF INCOME UNDER EXISTING RATES FOR THE  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No. FI-2  
 Page 4 of 13  
 Witness: M E Poff

	Pro Forma Twelve Months Ended December 31, 2021 (1)	Under Existing Rates		Projected Twelve Months Ending December 31, 2022 (4)
		Exhibit Reference (2)	Adjustment (3)	
Income Deductions				
Interest on Long Term Debt and Amort- ization of Debt Expense	4,755,097			4,755,097
Interest on Bank Borrowings	170,879			170,879
Interest Charged Construction	(1,062,238)			(1,062,238)
Miscellaneous Income Deductions	561,269			561,269
Total Income Deductions	4,425,007		-	4,425,007
Net Income	15,335,053		(1,432,589)	13,878,544

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF INCOME UNDER EXISTING RATES FOR THE TWELVE MONTHS  
ENDING DECEMBER 31, 2022 AND THE ANTICIPATED STATEMENT OF INCOME  
WHEN THE PROPOSED RATES BECOME EFFECTIVE

Exhibit No. FI-2  
Page 5 of 13  
Witness: M E Poff

	Projected Twelve Months Ended December 31, 2022 (1)	Under Existing Rates		Pro Forma Twelve Months Ended December 31, 2022 (4)
		Exhibit Reference (2)	Adjustment (3)	
Operating Revenues	52,852,095	FII-2	227,963	53,080,058
Operating Expenses, Depreciation and Taxes Other Than Income Taxes				
Source of Supply Expenses	1,469,364	FIII-2	15,588	1,484,952
Water Treatment Expenses	2,907,389	FIII-2	43,368	2,950,757
Transmission and Distribution Expenses	5,953,296	FIII-2	99,713	6,053,010
Customer Accounts Expenses	2,062,087	FIII-2	39,377	2,101,464
Administrative and General Expenses	9,629,961	FIII-2	69,745	9,699,706
Increased Costs Resulting From Load Growth	27,622	FIII-2	16,887	44,509
Amortization of Utility Plant Acquisition Adjustment	(11,746)		-	(11,746)
General Price Level Adjustment	360,236	FIII-2	-	360,236
Depreciation	10,821,855			10,821,855
Taxes Other Than Income Taxes	1,334,168	FIV-15	16,042	1,350,210
Total Operating Expenses, Depreciation and Taxes Other Than Income Taxes	34,554,233		300,720	34,854,952
Net Operating Income Before Income Taxes	18,297,863		(72,757)	18,225,105

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 STATEMENT OF INCOME UNDER EXISTING RATES FOR THE TWELVE MONTHS  
 ENDING DECEMBER 31, 2022 AND THE ANTICIPATED STATEMENT OF INCOME  
 WHEN THE PROPOSED RATES BECOME EFFECTIVE

Exhibit No. FI-2  
 Page 6 of 13  
 Witness: M E Poff

	Projected Twelve Months Ended December 31, 2022 (1)	Under Existing Rates		Pro Forma Twelve Months Ended December 31, 2022 (4)
		Exhibit Reference (2)	Adjustment (3)	
<b>Income Taxes</b>				
Current Federal Income Tax	115,328	FIV-17	(13,753)	101,575
Current State Income Tax	(21,835)	FIV-17	(7,268)	(29,104)
Deferred Federal Income Tax-Accelerated Depreciation	540,391	FIV-17		540,391
Deferred Federal Income Tax-Basis Difference	(172,348)			(172,348)
Deferred State Income Tax-Basis Difference	(86,802)			(86,802)
Deferred Federal Income Tax-Excess ADIT	(161,909)	FIV-17		(161,909)
Amortization of Investment Tax Credits	(39,277)	FIV-17		(39,277)
<b>Total Income Taxes</b>	<b>173,547</b>		<b>(21,021)</b>	<b>152,526</b>
<b>Net Operating Income</b>	<b>18,124,316</b>		<b>(51,736)</b>	<b>18,072,580</b>
<b>Other Income (Non-operating)</b>				
Dividend Income	17,602			17,602
Rent Income	9,250			9,250
Interest Income	164,343			164,343
Miscellaneous Non-operating Expenses	11,960			11,960
<b>Total Other Income</b>	<b>179,235</b>			<b>179,235</b>

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 STATEMENT OF INCOME UNDER EXISTING RATES FOR THE TWELVE MONTHS  
 ENDING DECEMBER 31, 2022 AND THE ANTICIPATED STATEMENT OF INCOME  
 WHEN THE PROPOSED RATES BECOME EFFECTIVE

Exhibit No. FI-2  
 Page 7 of 13  
 Witness: M E Poff

	Projected Twelve Months Ended December 31, 2022 (1)	Under Existing Rates		Pro Forma Twelve Months Ended December 31, 2022 (4)
		Exhibit Reference (2)	Adjustment (3)	
Income Deductions				
Interest on Long Term Debt and Amort- ization of Debt Expense	4,755,097			4,755,097
Interest on Bank Borrowings	170,879			170,879
Interest Charged Construction	(1,062,238)			(1,062,238)
Miscellaneous Income Deductions	561,269			561,269
Total Income Deductions	4,425,007			4,425,007
Net Income	13,878,544		(51,736)	13,826,808

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED STATEMENT OF INCOME UNDER EXISTING RATES FOR THE  
TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FI-2  
Page 8 of 13  
Witness: M E Poff

	Pro Forma Twelve Months Ending December 31, 2022 (1)	Under Existing Rates		Projected Twelve Months Ending February 29, 2024 (4)
		Exhibit Reference (2)	Adjustment (3)	
Operating Revenues	53,080,058	FII-2	324,223	53,404,281
Operating Expenses, Depreciation and Taxes Other Than Income Taxes				
Source of Supply Expenses	1,484,952	FIII-2	7,027	1,491,979
Water Treatment Expenses	2,950,757	FIII-2	19,549	2,970,306
Transmission and Distribution Expenses	6,053,010	FIII-2	44,949	6,097,959
Customer Accounts Expenses	2,101,464	FIII-2	17,750	2,119,214
Administrative and General Expenses	9,699,706	FIII-2	(315,933)	9,383,773
Increased Costs Resulting From Load Growth	44,509	FIII-2	22,516	67,025
Amortization of Acquisition Adjustments	(11,746)	FIII-2	-	(11,746)
General Price Level Adjustment	360,236	FIII-2	663,071	1,023,307
Depreciation	10,821,855	FI-2-2	2,139,126	12,960,981
Taxes Other Than Income Taxes	1,350,210	FIV-15	10,607	1,360,817
Total Operating Expenses, Depreciation and Taxes Other Than Income Taxes	34,854,952		2,608,663	37,463,616
Net Operating Income Before Income Taxes	18,225,105		(2,284,440)	15,940,665



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED STATEMENT OF INCOME UNDER EXISTING RATES FOR THE  
TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FI-2  
Page 9 of 13  
Witness: M E Poff

	Pro Forma Twelve Months Ending December 31, 2022 (1)	Under Existing Rates		Projected Twelve Months Ending February 29, 2024 (4)
		Exhibit Reference (2)	Adjustment (3)	
<b>Income Taxes</b>				
Current Federal Income Tax	101,575	FIV-17	(659,208)	(557,633)
Current State Income Tax	(29,104)	FIV-17	(338,112)	(367,216)
Deferred Federal Income Tax-Accelerated Depreciation	540,391	FIV-17	101,065	641,456
Deferred Federal Income Tax-Basis Difference	(172,348)			(172,348)
Deferred State Income Tax-Basis Difference	(86,802)			(86,802)
Deferred Federal Income Tax-Excess ADIT	(161,909)	FIV-17	(8,874)	(170,783)
Amortization of Investment Tax Credits	(39,277)	FIV-17	152	(39,126)
<b>Total Income Taxes</b>	<b>152,526</b>		<b>(904,977)</b>	<b>(752,451)</b>
<b>Net Operating Income</b>	<b>18,072,580</b>		<b>(1,379,463)</b>	<b>16,693,117</b>
<b>Other Income (Non-operating)</b>				
Dividend Income	17,602			17,602
Rent Income	9,250			9,250
Interest Income	164,343			164,343
Miscellaneous Non-operating Expenses	11,960			11,960
<b>Total Other Income</b>	<b>179,235</b>			<b>179,235</b>

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED STATEMENT OF INCOME UNDER EXISTING RATES FOR THE  
 TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FI-2  
 Page 10 of 13  
 Witness: M E Poff

	Pro Forma Twelve Months Ending December 31, 2022 (1)	Exhibit Reference (2)	Under Existing Rates Adjustment (3)	Projected Twelve Months Ending February 29, 2024 (4)
Income Deductions				
Interest on Long Term Debt and Amort- ization of Debt Expense	4,755,097			4,755,097
Interest on Bank Borrowings	170,879			170,879
Interest Charged Construction	(1,062,238)			(1,062,238)
Miscellaneous Income Deductions	561,269			561,269
Total Income Deductions	4,425,007		-	4,425,007
Net Income	13,826,808		(1,379,463)	12,447,345

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF INCOME UNDER EXISTING RATES FOR THE TWELVE MONTHS  
ENDING FEBRUARY 29, 2024 AND THE ANTICIPATED STATEMENT OF INCOME  
WHEN THE PROPOSED RATES BECOME EFFECTIVE

Exhibit No. FI-2  
Page 11 of 13  
Witness: M E Poff

	Under Existing Rates			Under Proposed Rates			
	Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ended February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ended February 29, 2024 (7)
Operating Revenues	53,404,281	FII-2	238,179	53,642,460	FII-2	16,182,882	69,825,342
Operating Expenses, Depreciation and Taxes Other Than Income Taxes							
Source of Supply Expenses	1,491,979	FIII-2	15,231	1,507,210	FIII-2	-	1,507,210
Water Treatment Expenses	2,970,306	FIII-2	42,375	3,012,681	FIII-2	-	3,012,681
Transmission and Distribution Expenses	6,097,959	FIII-2	97,431	6,195,390	FIII-2	-	6,195,390
Customer Accounts Expenses	2,119,214	FIII-2	38,475	2,157,689	FIII-2	-	2,157,689
Administrative and General Expenses	9,383,773	FIII-2	357,229	9,741,002	FIII-2	84,234	9,825,236
Increased Costs Resulting From Load Growth	67,025	FIII-2	16,887	83,912	FIII-2	-	83,912
Amortization of Utility Plant Acquisition Adjustment	(11,746)	FIII-2	(7,063)	(18,809)	FIII-2	-	(18,809)
General Price Level Adjustment	1,023,307	FIII-2	-	1,023,307	FIII-2	-	1,023,307
Depreciation	12,960,981			12,960,981			12,960,981
Taxes Other Than Income Taxes	1,360,817	FIV-15	18,178	1,378,995	FIV-15	108,524	1,487,519
Total Operating Expenses, Depreciation and Taxes Other Than Income Taxes	37,463,616		578,743	38,042,359		192,758	38,235,117
Net Operating Income Before Income Taxes	15,940,665		(340,564)	15,600,101		15,990,124	31,590,225

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF INCOME UNDER EXISTING RATES FOR THE TWELVE MONTHS  
ENDING FEBRUARY 29, 2024 AND THE ANTICIPATED STATEMENT OF INCOME  
WHEN THE PROPOSED RATES BECOME EFFECTIVE

Exhibit No. FI-2  
Page 12 of 13  
Witness: M E Poff

	Under Existing Rates			Under Proposed Rates			
	Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ended February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ended February 29, 2024 (7)
Income Taxes							
Current Federal Income Tax	(557,633)	FIV-17	(64,374)	(622,007)	FIV-17	3,022,469	2,400,462
Current State Income Tax	(367,216)	FIV-17	(34,022)	(401,238)	FIV-17	1,597,413	1,196,175
Deferred Federal Income Tax-Accelerated Depreciation	641,456			641,456			641,456
Deferred Federal Income Tax-Basis Difference	(172,348)			(172,348)			(172,348)
Deferred State Income Tax-Basis Difference	(86,802)			(86,802)			(86,802)
Deferred Federal Income Tax-Excess ADIT	(170,783)			(170,783)			(170,783)
Amortization of Investment Tax Credits	(39,126)			(39,126)			(39,126)
Total Income Taxes	(752,451)		(98,396)	(850,847)		4,619,883	3,769,035
Net Operating Income	16,693,117		(242,168)	16,450,948		11,370,241	27,821,190
Other Income (Non-operating)							
Dividend Income	17,602			17,602			17,602
Rent Income	9,250			9,250			9,250
Interest Income	164,343			164,343			164,343
Miscellaneous Non-operating Expenses	11,960			11,960			11,960
Total Other Income	179,235			179,235			179,235

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 STATEMENT OF INCOME UNDER EXISTING RATES FOR THE TWELVE MONTHS  
 ENDING FEBRUARY 29, 2024 AND THE ANTICIPATED STATEMENT OF INCOME  
 WHEN THE PROPOSED RATES BECOME EFFECTIVE

Exhibit No. FI-2  
 Page 13 of 13  
 Witness: M E Poff

	Projected Twelve Months Ending February 29, 2024 (1)	Under Existing Rates		Pro Forma Twelve Months Ended February 29, 2024 (4)	Under Proposed Rates		Pro Forma Twelve Months Ended February 29, 2024 (7)
		Exhibit Reference (2)	Adjustment (3)		Exhibit Reference (5)	Adjustment (6)	
Income Deductions							
Interest on Long Term Debt and Amort- ization of Debt Expense	4,755,097			4,755,097			4,755,097
Interest on Bank Borrowings	170,879			170,879			170,879
Interest Charged Construction	(1,062,238)			(1,062,238)			(1,062,238)
Miscellaneous Income Deductions	561,269			561,269			561,269
Total Income Deductions	4,425,007			4,425,007			4,425,007
Net Income	12,447,345		(242,168)	12,205,176	11,370,241		23,575,418

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED STATEMENT OF INCOME ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project depreciation for twelve months ending December 31, 2022 using straight-line, remaining life depreciation.	
	Annual Depreciation Accrual	10,821,855
	Less; Pro Forma Depreciation for Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HI-2-1)	10,052,283
		769,572
403.0	Depreciation	769,572

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED STATEMENT OF INCOME ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project depreciation for twelve months ending February 29, 2024 using straight-line, remaining life depreciation.	
	Annual Depreciation Accrual	12,960,981
	Less; Pro Forma Depreciation for Twelve Months Ended December 31, 2022 (Refer to Exhibit No. FI-2-1)	10,821,855
		2,139,126
403.0	Depreciation	2,139,126

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING DIVISION STATEMENT OF INCOME

53.53 I. Statement of Income

D. Water and Wastewater Utilities

3 If a company has separate operating divisions, an income statement must be shown for each division, plus an income statement for the company as a whole.

Response: The Company does not have separate operating divisions, but does have several wastewater systems. Refer to Exhibit No.FI-2 for an income statement for the water business and Exhibit No. FI-2W for an income statement for the wastewater business.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING INCOME CLAIMS

- 53.53 I. Statement of Income
  - D. Water and Wastewater Utilities
    - 4 Provide operating income claims under:
      - a. Present rates.
      - b. Pro forma present rates (annualized & normalized).
      - c. Proposed rates (annualized & normalized).

Response: Refer to Exhibit No. FV-1.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATES OF RETURN

- 53.53 I. Statement of Income
- D. Water and Wastewater Utilities
- 5 Provide rates of return on original cost under:
  - a. Present rates.
  - b. Pro forma present rates.
  - c. Proposed rates.

Response: Refer to Exhibit No. FV-1.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

GALLONS SOLD (000 OMITTED) AND OPERATING REVENUES FOR TWELVE MONTHS ENDING DECEMBER 31, 2022 AND ENDING FEBRUARY 29, 2024 AND NUMBER OF CUSTOMERS AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

53.53 II      Operating Revenues

D.              Water and Wastewater Utilities

1              Prepare a summary of operating revenues for the test year and the year preceding the test year providing the following information:

    a. For each classification of customers:

        (i ) Number of customers as of year-end

        (ii ) Gallons sold

        (iii ) Revenues

    b. Customers forfeited discounts and penalties and miscellaneous water revenues.

RESPONSE    Refer to page 2.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 GALLONS SOLD (THOUSANDS) AND OPERATING REVENUES FOR TWELVE MONTHS  
 ENDING DECEMBER 31, 2022 AND ENDING FEBRUARY 29, 2024  
 AND NUMBER OF CUSTOMERS AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Exhibit No.FII-1  
 Page 2 of 2  
 Witness: M E Poff

	AS OF 12-31-22 CUSTOMERS	TWELVE MONTHS ENDING DECEMBER 31, 2022 GALLONS SOLD      REVENUES		AS OF 2-29-24 CUSTOMERS	TWELVE MONTHS ENDING FEBRUARY 29, 2024 GALLONS SOLD      REVENUES	
OPERATING REVENUES						
SALES OF WATER						
METERED SALES						
RESIDENTIAL	64,070	3,027,788	33,921,826	64,762	3,059,807	34,305,055
COMMERCIAL	4,639	1,938,723	10,438,514	4,675	1,953,431	10,528,499
INDUSTRIAL	302	915,746	4,075,091	302	915,746	4,075,091
TOTAL METERED SALES	69,011	5,882,257	48,435,431	69,739	5,928,984	48,908,644
UNMETERED SALES						
PRIVATE FIRE	1,199		1,920,488	1,242		1,989,682
PUBLIC FIRE	230		1,377,641	227		1,388,059
TOTAL UNMETERED SALES	1,429		3,298,129	1,469		3,377,741
TOTAL SALES OF WATER		5,882,257	51,733,559		5,928,984	52,286,385
TOTAL CUSTOMERS	70,440			71,208		
OTHER OPERATING REVENUES						
RENT FROM WATER PROPERTY			502,100			500,677
LATE CHARGES			73,235			74,017
MISCELLANEOUS WATER REVENUES			543,201			543,201
TOTAL OTHER OPERATING REVENUES			1,118,536			1,117,896
TOTAL OPERATING REVENUES		5,882,257	52,852,095		5,928,984	53,404,281

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

OPERATING REVENUES UNDER EXISTING AND PROPOSED RATES  
FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

53.53 II      Operating Revenues

D.            Water and Wastewater Utilities

2            Prepare a summary of operating revenues for the test year, providing the following information:

a. For each classification of customers and for customers forfeited discounts and penalties and miscellaneous water/wastewater revenues:

( i ) Revenues.

( ii ) Annualizing and normalizing adjustments to arrive at adjusted operating revenues for ratemaking.

( iii ) Proposed increase in operating revenues.

( iv ) Percent increase in operating revenues.

( v ) Operating revenues under proposed rates.

RESPONSE Refer to pages 2 through 10.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUES UNDER EXISTING RATES  
TWELVE MONTHS ENDING DECEMBER 31, 2022

	PRO FORMA TWELVE MONTHS ENDED 12-31-21 (1)	UNDER EXISTING RATES ADJUST MENTS TO PROJECT TWELVE MONTHS ENDING DECEMBER 31, 2022 (PAGE 3) (2)	PROJECTED TWELVE MONTHS ENDING 12-31-22 (3)
OPERATING REVENUES			
SALES OF WATER			
METERED SALES			
RESIDENTIAL	33,757,585	164,241	33,921,826
COMMERCIAL	10,399,949	38,565	10,438,514
INDUSTRIAL	4,075,091	-	4,075,091
TOTAL METERED SALES	48,232,625	202,806	48,435,431
UNMETERED SALES			
PRIVATE FIRE	1,890,834	29,654	1,920,488
PUBLIC FIRE	1,373,175	4,465	1,377,641
TOTAL UNMETERED SALES	3,264,009	34,120	3,298,129
TOTAL SALES OF WATER	51,496,634	236,925	51,733,559
OTHER OPERATING REVENUES			
RENT FROM WATER PROPERTY	539,591	(37,491)	502,100
LATE CHARGES	72,899	335	73,235
MISCELLANEOUS WATER REVENUES	543,201		543,201
TOTAL OTHER OPERATING REVENUES	1,155,691	(37,155)	1,118,536
TOTAL OPERATING REVENUES	52,652,325	199,770	52,852,095

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 SUMMARY OF OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

Exhibit No.FII-2  
 Page 3 of 10  
 Witness: M E Poff

EXHIBIT REFER- ENCE (1)	METERED SALES TO RES- IDENTIAL CUSTOM- ERS 46100100 (2)	METERED SALES TO COM- MERCIAL CUSTOM- ERS 46100200 (3)	METERED SALES TO IND- USTRIAL CUSTOM- ERS 46100300 (4)	PRIVATE FIRE PROTECT- ION 46200200 (5)	PUBLIC FIRE PROTECT- ION 46200100 (6)	RENT FROM WATER PROP- ERTY 47200000 (7)	LATE CHARGES 47100500 (8)	TOTAL (9)
FII-2-1	13,548							13,548
FII-2-2	150,693							150,693
FII-2-3		9,056						9,056
FII-2-4		29,509						29,509
FII-2-5				29,654				29,654
FII-2-6					4,465			4,465
FII-2-7						(37,491)		(37,491)
FII-2-8							335	335
FII-2-9	-							-
FII-2-10		-						-
TOTAL FUTURE TEST YEAR REVENUE ADJUSTMENTS	164,241	38,565	-	29,654	4,465	(37,491)	335	199,770

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUES UNDER EXISTING AND PROPOSED RATES  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No.FII-2  
 Page 4 of 10  
 Witness: M E Poff

	UNDER EXISTING RATES		
	PRO JECTED TWELVE MONTHS ENDING 12-31-22 (1)	REVENUE ADJUST MENTS (PAGE 5) (2)	PRO FORMA TWELVE MONTHS ENDING 12-31-22 (3)
OPERATING REVENUES			
SALES OF WATER			
METERED SALES			
RESIDENTIAL	33,921,826	164,241	34,086,067
COMMERCIAL	10,438,514	38,565	10,477,079
INDUSTRIAL	4,075,091	-	4,075,091
TOTAL METERED SALES	48,435,431	202,806	48,638,237
UNMETERED SALES			
PRIVATE FIRE	1,920,488	29,654	1,950,142
PUBLIC FIRE	1,377,641	4,465	1,382,106
TOTAL UNMETERED SALES	3,298,129	34,120	3,332,248
TOTAL SALES OF WATER	51,733,559	236,925	51,970,485
OTHER OPERATING REVENUES			
RENT FROM WATER PROPERTY	502,100	(9,298)	492,802
LATE CHARGES	73,235	335	73,570
MISCELLANEOUS WATER REVENUES	543,201		543,201
TOTAL OTHER OPERATING REVENUES	1,118,536	(8,963)	1,109,573
TOTAL OPERATING REVENUES	52,852,095	227,963	53,080,058



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 SUMMARY OF OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

Exhibit No.FII-2  
 Page 5 of 10  
 Witness: M E Poff

EXHIBIT REFER- ENCE (1)	METERED SALES TO RES- IDENTIAL CUSTOM- ERS 46100100 (2)	METERED SALES TO COM- MERCIAL CUSTOM- ERS 46100200 (3)	METERED SALES TO IND- USTRIAL CUSTOM- ERS 46100300 (4)	PRIVATE FIRE PROTECT- ION 46200200 (5)	PUBLIC FIRE PROTECT- ION 46200100 (6)	RENT FROM WATER PROP- ERTY 47200000 (7)	LATE CHARGES 47100500 (8)	TOTAL (9)
FII-2-11	13,548							13,548
FII-2-12	150,693							150,693
FII-2-13		9,056						9,056
FII-2-14		29,509						29,509
FII-2-15				29,654				29,654
FII-2-16					4,465			4,465
FII-2-17						(9,298)		(9,298)
FII-2-18							335	335
TOTAL FUTURE TEST YEAR PRO FORMA REVENUE ADJUSTMENTS	164,241	38,565	-	29,654	4,465	(9,298)	335	227,963

UNDER EXISTING RATES

	PRO FORMA TWELVE MONTHS ENDING 12-31-22 (1)	REVENUE ADJUST MENTS (PAGE 7) (2)	PROJECTED TWELVE MONTHS ENDING 2-29-24 (3)
OPERATING REVENUES			
SALES OF WATER			
METERED SALES			
RESIDENTIAL	34,086,067	218,988	34,305,055
COMMERCIAL	10,477,079	51,420	10,528,499
INDUSTRIAL	4,075,091	-	4,075,091
TOTAL METERED SALES	48,638,237	270,408	48,908,644
UNMETERED SALES			
PRIVATE FIRE	1,950,142	39,539	1,989,682
PUBLIC FIRE	1,382,106	5,954	1,388,059
TOTAL UNMETERED SALES	3,332,248	45,493	3,377,741
TOTAL SALES OF WATER	51,970,485	315,901	52,286,385
OTHER OPERATING REVENUES			
RENT FROM WATER PROPERTY	492,802	7,875	500,677
LATE CHARGES	73,570	447	74,017
MISCELLANEOUS WATER REVENUES	543,201		543,201
TOTAL OTHER OPERATING REVENUES	1,109,573	8,322	1,117,896
TOTAL OPERATING REVENUES	53,080,058	324,223	53,404,281

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 SUMMARY OF OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

Exhibit No.FII-2  
 Page 7 of 10  
 Witness: M E Poff

EXHIBIT REFER- ENCE (1)	METERED SALES TO RES- IDENTIAL CUSTOM- ERS 46100100 (2)	METERED SALES TO COM- MERCIAL CUSTOM- ERS 46100200 (3)	METERED SALES TO IND- USTRIAL CUSTOM- ERS 46100300 (4)	PRIVATE FIRE PROTECT- ION 46200200 (5)	PUBLIC FIRE PROTECT ION 46200100 (6)	RENT FROM WATER PROP- ERTY 47200000 (7)	LATE CHARGES 47100500 (8)	TOTAL (9)
FII-2-20	54,747							54,747
FII-2-21		12,855						12,855
FII-2-22				9,885				9,885
FII-2-23					1,488			1,488
FII-2-24	13,548							13,548
FII-2-25	150,693							150,693
FII-2-26		9,056						9,056
FII-2-27		29,509						29,509
FII-2-28				29,654				29,654
FII-2-29					4,465			4,465
FII-2-30						7,875		7,875
FII-2-31							447	447
FII-2-32	-							-
FII-2-33		-						-
TOTAL FULLY PROJECTED FUTURE TEST YEAR REVENUE ADJUSTMENTS	218,988	51,420	-	39,539	5,954	7,875	447	324,223

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 SUMMARY OF OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

Exhibit No.FII-2  
 Page 8 of 10  
 Witness: M E Poff

EXHIBIT REFER- ENCE (1)	METERED SALES TO RES- IDENTIAL CUSTOM- ERS 46100100 (2)	METERED SALES TO COM- MERCIAL CUSTOM- ERS 46100200 (3)	METERED SALES TO IND- USTRIAL CUSTOM- ERS 46100300 (4)	PRIVATE FIRE PROTECT- ION 46200200 (5)	PUBLIC FIRE PROTECT- ION 46200100 (6)	RENT FROM WATER PROP- ERTY 47200000 (7)	LATE CHARGES 47100500 (8)	TOTAL (9)
FII-2-34	13,548							13,548
FII-2-35	150,693							150,693
FII-2-36		9,056						9,056
FII-2-37		29,509						29,509
FII-2-38				29,654				29,654
FII-2-39					4,465			4,465
FII-2-40						918		918
FII-2-41							335	335
TOTAL FULLY PROJECTED FUTURE TEST YEAR PRO FORMA REVENUE ADJUSTMENTS	164,241	38,565	-	29,654	4,465	918	335	238,179

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUES UNDER EXISTING AND PROPOSED RATES  
 TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FII-2  
 Page 9 of 10  
 Witness: M E Poff

	UNDER EXISTING RATES				UNDER PROPOSED RATES				
	PRO- JECTED TWELVE MONTHS ENDING 2-29-24 (1)	REVENUE ADJUST MENTS (PAGE 8) (2)	PRO FORMA TWELVE MONTHS ENDING 2-29-24 (3)	PRO FORMA DSIC (4)	PRO FORMA TWELVE MONTHS ENDING 2-29-24 INCLUDING DSIC AND STAS (5)	EXHIBIT REFERENCE (6)	PERCENT INCREASE (7)	REVENUE INCREASE (8)	PRO FORMA (9)
OPERATING REVENUES									
SALES OF WATER									
METERED SALES									
RESIDENTIAL	34,305,055	164,241	34,469,296	1,430,476	35,899,772		26.8%	9,618,441	44,087,737
COMMERCIAL	10,528,499	38,565	10,567,063	438,533	11,005,596		36.4%	4,010,007	14,577,070
INDUSTRIAL	4,075,091	-	4,075,091	169,116	4,244,207		39.9%	1,692,815	5,767,906
TOTAL METERED SALES	48,908,644	202,806	49,111,450	2,038,125	51,149,576			15,321,263	64,432,713
UNMETERED SALES									
PRIVATE FIRE	1,989,682	29,654	2,019,336	83,802	2,103,138		27.5%	578,260	2,597,596
PUBLIC FIRE	1,388,059	4,465	1,392,525		1,392,525		18.7%	260,483	1,653,008
TOTAL UNMETERED SALES	3,377,741	34,120	3,411,861	83,802	3,495,663			838,743	4,250,604
TOTAL SALES OF WATER	52,286,385	236,925	52,523,311	2,121,928	54,645,239		29.6%	16,160,006	68,683,317
OTHER OPERATING REVENUES									
RENT FROM WATER									
PROPERTY	500,677	918	501,595		501,595				501,595
LATE CHARGES	74,017	335	74,353		74,353	FII-2-42		22,876	97,229
MISCELLANEOUS WATER REVENUES	543,201		543,201		543,201				543,201
TOTAL OTHER OPERATING REVENUES	1,117,896	1,253	1,119,149		1,119,149			22,876	1,142,025
TOTAL OPERATING REVENUES	53,404,281	238,179	53,642,460	2,121,928	55,764,388		29.0%	16,182,882	69,825,342

THE YORK WATER COMPANY  
REVENUE SUMMARY

	Total Company	Water	Wastewater
Present Rate Revenues (1)	\$59,926,650	\$55,764,388	\$ 4,162,262
Additional Revenue Requirement (2) % Increase	\$20,310,530	\$16,182,882 29.0%	\$ 4,127,648 99.2%
Wastewater Revenue Allocation (3)	\$ -	\$ 2,670,856	\$ (2,670,856)
Proposed Revenues	<u>\$80,237,180</u>	<u>\$74,618,125</u>	<u>\$ 5,619,055</u>
Revenue Increase % Increase	\$20,310,530	\$18,853,738 33.8%	\$ 1,456,792 35.0%

(1) As presented on Exhibit Nos. FII-2 page 9 and FII-2W page 2. Includes DSIC revenues for water.

(2) As calculated on Exhibit Nos. FV-1 page 6 and FV-1W page 6.

(3) The wastewater allocation is the amount of the wastewater revenue requirement that the Company is proposing to be consolidated with the water revenue requirement to derive the proposed water and wastewater rates in this case.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered residential gravity customers connected and disconnected during the future test year ending December 31, 2022.	
	Two Year Average Metered Residential Gravity Customers Net Gain	58
	Average Annual Revenue per Average Metered Residential Gravity Customer	467.16
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	27,095
	(a) Portion of Adjustment Included in Twelve Months Ending December 31, 2022	13,548
46100100	Metered Sales to Residential Customers	13,548

(a) The estimated average net gain of metered residential gravity customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending December 31, 2022 and is carried forward to Exhibit No. FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-11.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered residential repumped customers connected and disconnected during the future test year ending December 31, 2022.	
	Two Year Average Metered Residential Repumped Customers Net Gain	535
	Average Annual Revenue per Average Metered Residential Repumped Customer	563.34
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	301,387
	(a) Portion of Adjustment Included in Twelve Months Ending December 31, 2022	150,693
46100100	Metered Sales to Residential Customers	150,693

- (a) The estimated average net gain of metered residential repumped customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending December 31, 2022 and is carried forward to Exhibit No. FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-12.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered commercial gravity customers connected and disconnected during the future test year ending December 31, 2022.	
	Two Year Average Metered Commercial Gravity Customers Net Gain	13
	Average Annual Revenue per Average Metered Commercial Gravity Customer	1,393.26
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	18,112
	(a) Portion of Adjustment Included in Twelve Months Ending December 31, 2022	9,056
46100200	Metered Sales to Commercial Customers	9,056

(a) The estimated average net loss of metered commercial gravity customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending December 31, 2022 and is carried forward to Exhibit No. FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-13.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered commercial repumped customers connected and disconnected during the future test year ending December 31, 2022.	
	Two Year Average Metered Commercial Repumped Customers Net Gain	18
	Average Annual Revenue per Average Metered Commercial Repumped Customer	3,278.73
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	59,017
	(a) Portion of Adjustment Included in Twelve Months Ending December 31, 2022	29,509
46120000	Metered Sales to Commercial Customers	29,509

(a) The estimated average net gain of metered commercial repumped customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending December 31, 2022 and is carried forward to Exhibit No. FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-14.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
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To project private fire protection revenues under existing rates based on the estimated number of hydrants and standby service connections placed in service during the future test year ending December 31, 2022.

	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue
Gravity System			
First Hydrant	-2	445.32	(891)
Each Additional Hydrant	0	334.44	-
2-Inch Service Connection	4	334.44	1,338
3-Inch Service Connection	1	445.32	445
4-Inch Service Connection	2	556.56	1,113
6-Inch Service Connection	3	1115.16	3,345
8-Inch Service Connection	1	2230.44	2,230
10-Inch Service Connection	1	3346.20	3,346
12-Inch Service Connection	0	4976.88	-
			10,928

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)			ADJUST- MENT INCREASE DECREASE (3)
	To project private fire protection revenues under existing rates based on the estimated number of hydrants and standby service connections placed in service during the future test year ending December 31, 2022.			
		Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue
	Repumped System			
	First Hydrant	1	583.20	583
	Each Additional Hydrant	0	437.76	-
	2-Inch Service Connection	6	481.80	2,891
	3-Inch Service Connection	0	642.00	-
	4-Inch Service Connection	2	803.04	1,606
	6-Inch Service Connection	4	1605.84	6,423
	8-Inch Service Connection	4	3213.24	12,853
	10-Inch Service Connection	2	4820.88	9,642
	12-Inch Service Connection	2	7191.48	14,383
				48,381
	Total Annualized Private Fire Protection			59,309
	(a) Portion of Adjustment Included in Twelve Months Ending December 31, 2022			29,654
46200200	Private Fire Protection			29,654

(a) The estimated average net gain of private fire protection billing units for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending December 31, 2022, and is carried forward to Exhibit No. FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-15.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project public fire protection revenues under existing rates based on the estimated number of hydrants placed in service during the future test year ending December 31, 2022	
	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14      Annual Revenue
	Hydrants-Gravity System	6      258.00      1,548
	Hydrants-Repump System	20      369.12      7,382
	Total Annualized Public Fire Protection	8,930
	(a) Portion of Adjustment Included in Twelve Months Ending December 31, 2022	4,465
46200100	Public Fire Protection	4,465

- (a) The estimated average net gain of public fire protection billing units for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending December 31, 2022, and is carried forward to Exhibit No. FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-16.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project lease payments received for communication equipment installed on the Company's standpipes in accordance with non-exclusive license agreements between the Company and non-affiliated companies for the twelve months ending December 31, 2022.	
	Projected Lease Payments For The Installation Of Communication Equipment For The Twelve Months Ending December 31, 2022	502,100
	Less: Pro Forma Lease Payments For The Installation Of Communication Equipment For The Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HII-2-12)	539,590
		(37,491)
47200000	Rent from Water Property	(37,491)

Refer to Exhibit No. FII-2-17 for an adjustment to annualize lease payments received for communication equipment installed on the Company's standpipes.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
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To project late charges for the twelve months ending December 31, 2022 based on a two-year ratio of late charges to total sales of water.

Twelve Months Ended	Late Charges	Sales of Water	Percent of Late Charges
December 31, 2018	65,733	48,145,826	
December 31, 2019	72,618	49,586,308	
	138,351	97,732,134	0.14%

Projected Late Charges  
Based on Applying the Two-Year  
Ratio to Projected Sales of Water Under  
Existing Rates for the Twelve  
Months Ending December 31, 2022

73,235

Less: Pro Forma Late Charges  
for Twelve Months Ended December  
31, 2021

72,899

335

47100500 Late Charges

335

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered residential gravity customers connected and disconnected during the future test year ending December 31, 2022.	
	Two Year Average Metered Residential Gravity Customers Net Gain	58
	Average Annual Revenue per Average Metered Residential Gravity Customer	467.16
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	27,095
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Gain of Metered Residential Gravity Customers During the Twelve Months Ending December 31, 2022.	13,548
46100100	Metered Sales to Residential Customers	13,548

- (a) The estimated average net gain of metered residential gravity customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ended December 31, 2022, and is carried forward to Exhibit No. FII-2, page 5.



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered residential repumped customers connected and disconnected during the future test year ending December 31, 2022.	
	Two Year Average Metered Residential Repumped Customers Net Gain	535
	Average Annual Revenue per Average Metered Residential Repumped Customer	563.34
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	301,387
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Gain of Metered Residential Repumped Customers During the Twelve Months Ending December 31, 2022	150,693
46100100	Metered Sales to Residential Customers	150,693

- (a) The estimated average net gain of metered residential repumped customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ending December 31, 2022, and is carried forward to Exhibit No. FII-2, page 5.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered commercial gravity customers connected and disconnected during the future test year ending December 31, 2022.	
	Two Year Average Metered Commercial Gravity Customers Net Gain	13
	Average Annual Revenue per Average Metered Commercial Gravity Customer	1,393.26
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	18,112
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Gain of Metered Commercial Gravity Customers During the Twelve Months Ending December 31, 2022	9,056
46100200	Metered Sales to Commercial Customers	9,056

- (a) The estimated average net gain of metered commercial gravity customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ended December 31, 2022, and is carried forward to Exhibit No. FII-2, page 5.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered commercial repumped customers connected and disconnected during the future test year ending December 31, 2022.	
	Two Year Average Metered Commercial Repumped Customers Net Gain	18
	Average Annual Revenue per Average Metered Commercial Repumped Customer	3,278.73
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	59,017
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Gain of Metered Residential Repumped Customers During the Twelve Months Ending December 31, 2022	29,509
46100200	Metered Sales to Commercial Customers	29,509

- (a) The estimated average net gain of metered commercial repumped customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ending December 31, 2022, and is carried forward to Exhibit No. FII-2, page 5.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
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To annualize private fire protection revenues under existing rates based on the estimated number of hydrants and standby service connections placed in service during the future test year ending December 31, 2022.

Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue
Gravity System		
First Hydrant	-2	445.32
Each Additional Hydrant	0	334.44
2-Inch Service Connection	4	334.44
3-Inch Service Connection	1	445.32
4-Inch Service Connection	2	556.56
6-Inch Service Connection	3	1115.16
8-Inch Service Connection	1	2230.44
10-Inch Service Connection	1	3346.20
12-Inch Service Connection	0	4976.88
		10,928

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)			ADJUST- MENT INCREASE DECREASE (3)
	To annualize private fire protection revenues under existing rates based on the estimated number of hydrants and standby service connections placed in service during the future test year ending December 31, 2022.			
		Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue
	Repumped System			
	First Hydrant	1	583.20	583
	Each Additional Hydrant	0	437.76	-
	2-Inch Service Connection	6	481.80	2,891
	3-Inch Service Connection	0	642.00	-
	4-Inch Service Connection	2	803.04	1,606
	6-Inch Service Connection	4	1605.84	6,423
	8-Inch Service Connection	4	3213.24	12,853
	10-Inch Service Connection	2	4820.88	9,642
	12-Inch Service Connection	2	7191.48	14,383
				48,381
	Total Annualized Private Fire Protection			59,309
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Gain of Private Fire Protection Billing Units During the Twelve Months Ending December 31, 2022			
				29,654
46200200	Private Fire Protection			29,654

(a) The estimated average net loss of private fire protection billing units for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ending December 31, 2022, and is carried forward to Exhibit No. FII-2, page 5.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)			ADJUST- MENT INCREASE DECREASE (3)
	To annualize public fire protection revenues under existing rates based on the estimated number of hydrants placed in service during the future test year ending December 31, 2022			
	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No.117 to Tariff Water Pa PUC No 14	Annual Revenue	
	Hydrants-Gravity System	6	258.00	1,548
	Hydrants-Repump System	20	369.12	7,382
	Total Annualized Public Fire Protection			8,930
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Gain of Public Fire Hydrants During the Twelve Months Ending December 31, 2022			4,465
46200100	Public Fire Protection			4,465

- (a) The estimated average net gain of public fire protection billing units for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ending December 31, 2022, and is carried forward to Exhibit No. FII-2, page 5.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize lease payments received for communication equipment installed on the Company's standpipes in accordance with non-exclusive license agreements between the Company and non-affiliated companies for the twelve months ending December 31, 2022.	
	Annualized Lease Payments For The Installation Of Communication Equipment For The Twelve Months Ending December 31, 2022	492,802
	Less: Projected Lease Payments For The Installation Of Communication Equipment For The Twelve Months Ended December 31, 2022 (Refer to Exhibit No. FII-2-7)	502,100
		(9,298)
47200000	Rent from Water Property	(9,298)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
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To annualize late charges for the twelve months ending December 31, 2022 based on a two-year ratio of late charges to total sales of water.

Twelve Months Ended	Late Charges	Sales of Water	Percent of Late Charges
December 31, 2018	65,733	48,145,826	
December 31, 2019	72,618	49,586,308	
	138,351	97,732,134	0.14%

Pro Forma Late Charges

Based on Applying the Two-Year  
 Ratio to Pro Forma Sales of Water Under  
 Existing Rates for the Twelve  
 Months Ending December 31, 2022

73,570

Less: Projected Late Charges

for Twelve Months Ending December  
 31, 2022 (Refer to Exhibit No. FII-2-8)

73,235

335

47100500 Late Charges

335



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered residential gravity and repumped customers connected and disconnected during January and February 2023, and included in revenue for twelve months ending February 29, 2024.	
	Two Year Average Metered Residential Gravity Customers Net Gain	58
	Prorated Gain in Gravity Customers during the two months ending February 28, 2023 (58 / 12 * 2)	10
	Average Annual Revenue per Average Metered Residential Gravity Customer	467.16
	Annualized Revenue Adjustment = Prorated Net Gain x Average Annual Revenue	4,516
	Two Year Average Metered Residential Repumped Customers Net Gain	535
	Prorated Gain in Repumped Customers during the two months ending February 28, 2023 (535 / 12 * 2)	89
	Average Annual Revenue per Average Metered Residential Repumped Customer	563.34
	Annualized Revenue Adjustment = Prorated Net Gain x Average Annual Revenue	50,231
	Adjustment Included in Twelve Months Ending February 29, 2024 (4,516 + 50,231)	54,747
46100100	Metered Sales to Residential Customers	54,747

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered commercial gravity and repumped customers connected and disconnected during January and February 2023, and included in revenue for twelve months ending February 29, 2024.	
	Two Year Average Metered Commercial Gravity Customers Net Gain	13
	Prorated Gain in Gravity Customers during the two months ending February 28, 2023 (13 / 12 * 2)	2
	Average Annual Revenue per Average Metered Commercial Gravity Customer	1,393.26
	Annualized Revenue Adjustment = Prorated Net Gain x Average Annual Revenue	3,019
	Two Year Average Metered Commercial Repumped Customers Net Gain	18
	Prorated Gain of Repumped Customers during the two months ending February 28, 2023 (18 / 12 * 2)	3
	Average Annual Revenue per Average Metered Commercial Repumped Customer	3,278.73
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	9,836
	Adjustment Included in Twelve Months Ending February 29, 2024 (3,019 + 9,836)	12,855
46100200 Metered Sales to Commercial Customers		12,855

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)		ADJUST- MENT INCREASE DECREASE (3)	
	To project private fire protection revenues under existing rates based on the estimated number of hydrant and standby service customers added during January and February 2023 and included in revenue for the twelve months ending February 29, 2024.			
	Two Year Average Gain in Number of Billing Units	Prorated Average Gain for two months ended Feb. 28, 2023	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue
Gravity System				
First Hydrant	-2	(0)	445.32	(148)
Each Additional Hydrant	0	-	334.44	-
2-Inch Service Connection	4	1	334.44	223
3-Inch Service Connection	1	0	445.32	74
4-Inch Service Connection	2	0	556.56	186
6-Inch Service Connection	3	1	1115.16	558
8-Inch Service Connection	1	0	2230.44	372
10-Inch Service Connection	1	0	3346.20	558
12-Inch Service Connection	0	-	4976.88	-
			1,821	

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project private fire protection revenues under existing rates based on the estimated number of hydrant and standby service customers added during January and February 2023 and included in revenue for the twelve months ending February 29, 2024.	
	Two Year Average Gain in Number of Billing Units	Prorated Average Gain for two months ended Feb. 28, 2023
		Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14
		Annual Revenue
	Repumped System	
	First Hydrant	97
	Each Additional Hydrant	-
	2-Inch Service Connection	482
	3-Inch Service Connection	-
	4-Inch Service Connection	268
	6-Inch Service Connection	1,071
	8-Inch Service Connection	2,142
	10-Inch Service Connection	1,607
	12-Inch Service Connection	2,397
		8,064
	Total Annualized Private Fire Protection	9,885
46200200	Private Fire Protection	9,885

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
<p>To project public fire protection revenues under existing rates based on the estimated hydrant customers added during January and February 2023 and included in revenue for the twelve months ending February 29, 2024.</p>		
	Two Year Average Gain in Number of Billing Units	Prorated Average Gain for two months ended Feb. 28, 2023
		Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14
		Annual Revenue
	Hydrants-Gravity System	6
		1
		258.00
	Hydrants-Repump System	20
		3
		369.12
	Total Annualized Public Fire Protection	1,488
46200100	Public Fire Protection	1,488

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered residential gravity customers connected and disconnected during the fully projected future test year ending February 29, 2024.	
	Two Year Average Metered Residential Gravity Customers Net Gain	58
	Average Annual Revenue per Average Metered Residential Gravity Customer	467.16
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	27,095
	(a) Portion of Adjustment Included in Twelve Months Ending February 29, 2024	13,548
46100100	Metered Sales to Residential Customers	13,548

- (a) The estimated average net gain of metered residential gravity customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024 and is carried forward to Exhibit No. FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-34.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered residential repumped customers connected and disconnected during the fully projected future test year ending February 29, 2024.	
	Two Year Average Metered Residential Repumped Customers Net Gain	535
	Average Annual Revenue per Average Metered Residential Repumped Customer	563.34
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	301,387
	(a) Portion of Adjustment Included in Twelve Months Ending February 29, 2024	150,693
46100100	Metered Sales to Residential Customers	150,693

(a) The estimated average net gain of metered residential repumped customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024 and is carried forward to Exhibit No. FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-35.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered commercial gravity customers connected and disconnected during the fully projected future test year ending February 29, 2024.	
	Two Year Average Metered Commercial Gravity Customers Net Gain	13
	Average Annual Revenue per Average Metered Commercial Gravity Customer	1,393.26
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	18,112
	(a) Portion of Adjustment Included in Twelve Months Ending February 29, 2024	9,056
46100200	Metered Sales to Commercial Customers	9,056
	(a) The estimated average net loss of metered commercial gravity customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024 and is carried forward to Exhibit No. FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-36.	



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered commercial repumped customers connected and disconnected during the fully projected future test year ending February 29, 2024.	
	Two Year Average Metered Commercial Repumped Customers Net Gain	18
	Average Annual Revenue per Average Metered Commercial Repumped Customer	3,278.73
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	59,017
	(a) Portion of Adjustment Included in Twelve Months Ending February 29, 2024	29,509
46100200	Metered Sales to Commercial Customers	29,509

(a) The estimated average net gain of metered commercial repumped customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024 and is carried forward to Exhibit No. FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-37.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)	
	To project private fire protection revenues under existing rates based on the estimated number of hydrants and standby service connections placed in service during the fully projected future test year ending February 29, 2024.		
	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue
Gravity System			
First Hydrant	-2	445.32	(891)
Each Additional Hydrant	0	334.44	-
2-Inch Service Connection	4	334.44	1,338
3-Inch Service Connection	1	445.32	445
4-Inch Service Connection	2	556.56	1,113
6-Inch Service Connection	3	1115.16	3,345
8-Inch Service Connection	1	2230.44	2,230
10-Inch Service Connection	1	3346.20	3,346
12-Inch Service Connection	0	4976.88	-
			10,928

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)			ADJUST- MENT INCREASE DECREASE (3)
	To project private fire protection revenues under existing rates based on the estimated number of hydrants and standby service connections placed in service during the fully projected future test year ending February 29, 2024.			
	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue	
	Repumped System			
	First Hydrant	1	583.20	583
	Each Additional Hydrant	0	437.76	-
	2-Inch Service Connection	6	481.80	2,891
	3-Inch Service Connection	0	642.00	-
	4-Inch Service Connection	2	803.04	1,606
	6-Inch Service Connection	4	1605.84	6,423
	8-Inch Service Connection	4	3213.24	12,853
	10-Inch Service Connection	2	4820.88	9,642
	12-Inch Service Connection	2	7191.48	14,383
				48,381
	Total Annualized Private Fire Protection			59,309
	(a) Portion of Adjustment Included in Twelve Months Ending February 29, 2024			29,654
46200200	Private Fire Protection			29,654

(a) The estimated average net gain of private fire protection billing units for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024, and is carried forward to Exhibit No. FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-38.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)			ADJUST- MENT INCREASE DECREASE (3)
	To project public fire protection revenues under existing rates based on the estimated number of hydrants placed in service during the fully projected future test year ending February 29, 2024.			
	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue	
	Hydrants-Gravity System	6	258.00	1,548
	Hydrants-Repump System	20	369.12	7,382
	Total Annualized Public Fire Protection			8,930
	(a) Portion of Adjustment Included in Twelve Months Ending February 29, 2024			4,465
46200100	Public Fire Protection			4,465

(a) The estimated average net gain of public fire protection billing units for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024, and is carried forward to Exhibit No. FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-39.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project lease payments received for communication equipment installed on the Company's standpipes in accordance with non-exclusive license agreements between the Company and non-affiliated companies for the twelve months ending February 29, 2024.	
	Projected Lease Payments For The Installation Of Communication Equipment For The Twelve Months Ending February 29, 2024	500,677
	Less: Pro Forma Lease Payments For The Installation Of Communication Equipment For The Twelve Months Ending December 31, 2021 (Refer to Exhibit No. FII-2-17)	492,802
		7,875
47200000 Rent from Water Property		7,875

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project late charges for the twelve months ending February 29, 2024 based on a two-year ratio of late charges to total sales of water.	
	Twelve Months Ended	Percent of Late Charges
	Late Charges	Sales of Water
	December 31, 2018	65,733 48,145,826
	December 31, 2019	72,618 49,586,308
	138,351	97,732,134 0.14%
	Projected Late Charges	
	Based on Applying the Two-Year Ratio to Projected Sales of Water Under Existing Rates for the Twelve Months Ending February 29, 2024	
		74,017
	Less: Pro Forma Late Charges for Twelve Months Ended December 31, 2022 (Refer to Exhibit No. FII-2-18)	
		73,570
		447
47100500	Late Charges	447

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered residential gravity customers connected and disconnected during the fully projected future test year ending February 29, 2024.	
	Two Year Average Metered Residential Gravity Customers Net Gain	58
	Average Annual Revenue per Average Metered Residential Gravity Customer	467.16
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	27,095
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Gain of Metered Residential Gravity Customers During the Twelve Months Ending February 29, 2024	13,548
46100100	Metered Sales to Residential Customers	13,548
	(a) The estimated average net gain of metered residential gravity customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ending February 29, 2024, and is carried forward to Exhibit No. FII-2, page 8.	

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered residential repumped customers connected and disconnected during the fully projected future test year ending February 29, 2024.	
	Two Year Average Metered Residential Repumped Customers Net Gain	535
	Average Annual Revenue per Average Metered Residential Repumped Customer	563.34
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	301,387
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Gain of Metered Residential Repumped Customers During the Twelve Months Ending February 29, 2024	150,693
46100100	Metered Sales to Residential Customers	150,693
	(a) The estimated average net gain of metered residential repumped customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ending February 29, 2024, and is carried forward to Exhibit No. FII-2, page 8.	



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered commercial gravity customers connected and disconnected during the fully projected future test year ending February 29, 2024.	
	Two Year Average Metered Commercial Gravity Customers Net Gain	13
	Average Annual Revenue per Average Metered Commercial Gravity Customer	1,393.26
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	18,112
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Gain of Metered Commercial Gravity Customers During the Twelve Months Ending February 29, 2024	9,056
46100200	Metered Sales to Commercial Customers	9,056
	(a) The estimated average net gain of metered commercial gravity customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ending February 29, 2024, and is carried forward to Exhibit No. FII-2, page 8.	

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered commercial repumped customers connected and disconnected during the fully projected future test year ending February 29, 2024.	
	Two Year Average Metered Commercial Repumped Customers Net Gain	18
	Average Annual Revenue per Average Metered Commercial Repumped Customer	3,278.73
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	59,017
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Loss of Metered Commercial Repumped Customers During the Twelve Months Ending February 29, 2024	29,509
46100200	Metered Sales to Commercial Customers	29,509

- (a) The estimated average net gain of metered commercial repumped customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ending February 29, 2024, and is carried forward to Exhibit No. FII-2, page 8.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)	
	To annualize private fire protection revenues under existing rates based on the estimated number of hydrants and standby service connections placed in service during the fully projected future test year ending February 29, 2024		
	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue
	Gravity System		
	-2	445.32	(891)
	0	334.44	-
	4	334.44	1,338
	1	445.32	445
	2	556.56	1,113
	3	1115.16	3,345
	1	2230.44	2,230
	1	3346.20	3,346
	0	4976.88	-
			10,928

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)			ADJUST- MENT INCREASE DECREASE (3)
	To annualize private fire protection revenues under existing rates based on the estimated number of hydrants and standby service connections placed in service during the fully projected future test year ending February 29, 2024			
	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue	
	Repumped System			
	First Hydrant	1	583.20	583
	Each Additional Hydrant	0	437.76	-
	2-Inch Service Connection	6	481.80	2,891
	3-Inch Service Connection	0	642.00	-
	4-Inch Service Connection	2	803.04	1,606
	6-Inch Service Connection	4	1605.84	6,423
	8-Inch Service Connection	4	3213.24	12,853
	10-Inch Service Connection	2	4820.88	9,642
	12-Inch Service Connection	2	7191.48	14,383
				48,381
	Total Annualized Private Fire Protection			59,309
	(a) Portion of Adjustment Representing Annualization of Operating Revenues for Estimated Net Gain of Private Fire Protection Billing Units During the Twelve Months Ending February 29, 2024.			29,654
46200200	Private Fire Protection			29,654

(a) The estimated average net gain of private fire protection billing units for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ending February 29, 2024, and is carried forward to Exhibit No. FII-2, page 8.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize public fire protection revenues under existing rates based on the estimated number of hydrants placed in service during the fully projected future test year ending February 29, 2024.	
	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No.134 to Tariff Water Pa PUC No 14      Annual Revenue
	Hydrants-Gravity System	6      258.00      1,548
	Hydrants-Repump System	20      369.12      7,382
	Total Annualized Public Fire Protection	8,930
	(a) Portion of Adjustment Representing Annual- ization of Operating Revenues for Estimated Net Gain of Public Fire Hydrants During the Twelve Months Ending February 29, 2024.	4,465
46200100	Public Fire Protection	4,465

(a) The estimated average net gain of public fire protection billing units for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit occurs subsequent to the twelve months ending February 29, 2024, and is carried forward to Exhibit No. FII-2, page 8.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize lease payments received for communication equipment installed on the Company's standpipes in accordance with non-exclusive license agreements between the Company and non-affiliated companies for the twelve months ending February 29, 2024.	
	Annualized Lease Payments For The Installation Of Communication Equipment For The Twelve Months Ending February 29, 2024	501,595
	Less: Projected Lease Payments For The Installation Of Communication Equipment For The Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FIII-2-30)	500,677
		918
47200000 Rent from Water Property		918

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)																
	To annualize late charges for the twelve months ending February 29, 2024 based on a two-year ratio of late charges to total sales of water.																	
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Twelve Months Ended</th> <th style="text-align: right;">Late Charges</th> <th style="text-align: right;">Sales of Water</th> <th style="text-align: right;">Percent of Late Charges</th> </tr> </thead> <tbody> <tr> <td>December 31, 2018</td> <td style="text-align: right;">65,733</td> <td style="text-align: right;">48,145,826</td> <td></td> </tr> <tr> <td>December 31, 2019</td> <td style="text-align: right;">72,618</td> <td style="text-align: right;">49,586,308</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">138,351</td> <td style="text-align: right;">97,732,134</td> <td style="text-align: right;">0.14%</td> </tr> </tbody> </table>	Twelve Months Ended	Late Charges	Sales of Water	Percent of Late Charges	December 31, 2018	65,733	48,145,826		December 31, 2019	72,618	49,586,308			138,351	97,732,134	0.14%	
Twelve Months Ended	Late Charges	Sales of Water	Percent of Late Charges															
December 31, 2018	65,733	48,145,826																
December 31, 2019	72,618	49,586,308																
	138,351	97,732,134	0.14%															
	Pro Forma Late Charges Based on Applying the Two-Year Ratio to Pro Forma Sales of Water Under Existing Rates for the Twelve Months Ending February 29, 2024	74,353																
	Less: Projected Late Charges for Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FII-2-31)	74,017																
		335																
47100500	Late Charges	335																

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER PROPOSED RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To adjust pro forma late charges for the twelve months ending February 29, 2024 based on a two-year ratio of late charges to total sales of water.	
	Twelve Months Ended	Late Charges
	December 31, 2018	48,145,826
	December 31, 2019	49,586,308
	138,351	97,732,134
		0.14%
	Pro Forma Late Charges	
	Based on Applying the Two-Year Ratio to Pro Forma Sales of Water Under Proposed Rates for the Twelve Months Ending February 29, 2024	
		97,229
	Less: Pro Forma Late Charges for Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FII-2-41)	
		74,353
		22,876
47100500	Late Charges	22,876



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PRESENT AND PROPOSED RATES

53.53 II. Operating Revenue

D Water and Wastewater Utilities

3 Provide a schedule of present and proposed tariff rates showing dollar change and percent of change by block. Provide increases to customers at various monthly uses showing billings at existing and proposed rates. Provide also an explanation of any change in block structure and the reason therefor. Provide a copy of the proposed tariff or tariff supplement.

RESPONSE

A comparison of the rate schedules set forth in the present and proposed tariffs is presented in Exhibit No. FVIII. This comparison excludes DSIC and STAS charges. There is no proposed change to Schedule "C" - Building, Construction and Miscellaneous Rates.

There are no proposed rule changes.

A comparison of bills under present and proposed rates for customers with increases is presented in Exhibit No. FVIII.

The complete proposed tariff supplement is attached.

**THE YORK WATER COMPANY**

**RATES, RULES AND REGULATIONS**

**GOVERNING THE DISTRIBUTION OF WATER IN**

**THE CITY OF YORK**

BOROUGHS OF EAST PROSPECT, GLEN ROCK, HALLAM, JACOBUS, JEFFERSON, LOGANVILLE, MANCHESTER, MOUNT WOLF, NEW FREEDOM, NEW SALEM, NORTH YORK, RAILROAD, SEVEN VALLEYS, SHREWSBURY, SPRING GROVE, WEST YORK, YORK HAVEN AND YORKANA, AND TOWNSHIPS OF CODORUS, CONEWAGO, EAST MANCHESTER, HELLAM, HOPEWELL, JACKSON, LOWER WINDSOR, MANCHESTER, NEWBERRY, NORTH CODORUS, NORTH HOPEWELL, PARADISE, SHREWSBURY, SPRINGGETTSBURY, SPRINGFIELD, SPRING GARDEN, WEST MANCHESTER, WEST MANHEIM, WINDSOR AND YORK, IN YORK COUNTY, PENNSYLVANIA, AND THE BOROUGHS OF ABBOTTSTOWN AND CARROLL VALLEY, AND TOWNSHIPS OF BERWICK, CUMBERLAND, OXFORD, HAMILTON, READING, MOUNT PLEASANT, UNION, AND STRABAN IN ADAMS COUNTY, PENNSYLVANIA

**ISSUED: May 27, 2022**

**EFFECTIVE: August 1, 2022**

By: Joseph T. Hand  
President and CEO  
130 East Market Street  
York, Pennsylvania



**NOTICE**

THIS TARIFF MAKES INCREASES AND DECREASES IN EXISTING RATES

(See One Hundred Twenty-ninth Revised Page No. 2)

The York Water Company  
York, Pennsylvania

Canceling  
One Hundred Twenty-eighth Revised Page No. 2

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## LIST OF CHANGES MADE BY THIS SUPPLEMENT

### INCREASES

Base rates for water service are increased by approximately 35.1% overall. Average residential customer base rates are increased by approximately 33.7%, average commercial base rates are increased by approximately 44.4%, average industrial customer base rates are increased by approximately 41.5%, public fire service rates are increased by approximately 18.7%, and private fire service rates are increased by approximately 28.6%.

### DECREASES

The Distribution System Improvement Charge is decreased to (0.09%) from 4.15% on page 66.

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	<u>Page</u>	
Title Page	Supplement No. 143	(C)
List of Changes Made by This Supplement	2 One Hundred Twenty-ninth Revised	(C)
Table of Contents	3 One Hundred Twenty-eighth Revised	(C)
Table of Contents	4 Sixth Revised	
Table of Contents	5 Eleventh Revised	
Table of Contents	6 One Hundred Twenty-third Revised	(C)
1. Definitions	7 Fourth Revised 7(a) Fifth Revised 7(b) Original	
2. Application for Service		
2.1 Application Required	8 First Revised	
2.2 Application Required	8 First Revised	
3. Service Connections		
3.1 Company Service Line	9 Original	
3.2 Temporary Service Connection	9 Original	
3.3 Company's Service Line in Advance of Street Improvement	10 Fifth Revised	
3.4 Customer's Service Line	10 Fifth Revised	
3.4.1 Phase 1 of Replacements of Lead Customer-Owned Service Lines	10 Fifth Revised	
3.4.2 Phase 2 Replacements of Lead Customer-Owned Service Lines	10(a) Original	
3.4.3 Reporting, Customer Outreach, and Funding for Phase 1 and Phase 2 Replacements	10(c) Original	
3.5 Separate Trench Required	10(c) Original	
3.6 Tampering with Curb Stop	11 Original	
3.7 Renewal of Service Line	11 Original	
3.8 Location Change	11 Original	
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3.10 Use of Service	12 First Revised	
3.11 Upgrade/Extension of Service	12 First Revised	
3.11.1 Definitions	12 First Revised	
3.11.2 Extension of Service to Bona Fide Service Applicant	13 First Revised	
3.11.3 Financing of Customer Advance	14 First Revised	

(C) Indicates Change

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Meter Rates		
Schedule "A" - Gravity System	41	Fourth Revised
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	43	Sixteenth Revised
	44	Twenty-sixth Revised (I)
Flat Rates - Gravity System		
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Schedule "D" - Fire Service	46	Twenty-fifth Revised (I)
Flat Rates - Repumping System		
Schedule "E" - Building, Construction and Miscellaneous	47	Tenth Revised
Schedule "F" - Fire Service	48	Thirty-sixth Revised (I)
This page left blank intentionally for future use	49	Original
This page left blank intentionally for future use	50	Original
14. Drought Contingency Plan	51	Second Revised
15. Distribution System Improvement Charge	62	Second Revised
	63	Second Revised
	64	Second Revised
	65	Fourth Revised
	65(a)	Original
	66	Seventy-fifth Revised (D)
16. Rider DS - Demand Based Service	67	First Revised
17. Federal Tax Adjustment Credit (FTAC)	69	Original

(D) Indicates Decrease

(I) Indicates Increase

13. Rate Schedules (Continued) Schedule

"A" - Meter Rates (Continued)

Gravity System (Continued)

RATES

Customer Charges

Size of Meter

All Classes

5/8"	\$20.71	(l) ↓
3/4"	28.40	
1"	40.10	
1-1/2"	61.80	
2"	80.30	
3"	193.50	
4"	287.90	
6"	319.80	
8"	613.50	
10"	789.50	
12"	972.00	

Output Charges

Rate per 1,000 Gallons

	Residential	Commercial	Industrial
Up to 5,000 Gallons Per Month	\$7.151 (l)	\$7.037 (l)	\$7.037 (l)
Next 45,000 Gallons Per Month	7.151 (l)	5.039 (l)	5.039 (l)
Next 1,950,000 Gallons Per Month	7.151 (l)	3.927 (l)	4.204 (l)
Over 2,000,000 Gallons Per Month	7.151 (l)	3.927 (l)	3.619 (l)

(l) Indicates Increase

**13. Rate Schedules (Continued)**

**Schedule "B" - Meter Rates (Continued)**

**Repumping System (Continued)**

**RATES**

**Customer Charges**

Size of Meter	All Classes	
5/8"	\$20.71	(I)
3/4"	28.40	↓
1"	40.10	
1-1/2"	61.80	
2"	80.30	
3"	193.50	
4"	287.90	
6"	319.80	
8"	613.50	
10"	789.50	
12"	972.00	

**Output Charges**

**Rate per 1,000 Gallons**

	Residential	Commercial	Industrial
Up to 5,000 Gallons Per Month	\$10.998 (I)	\$10.876 (I)	\$10.876 (I)
Next 45,000 Gallons Per Month	10.998 (I)	9.240 (I)	9.240 (I)
Next 1,950,000 Gallons Per Month	10.998 (I)	4.976 (I)	8.190 (I)
Over 2,000,000 Gallons Per Month	10.998 (I)	4.976 (I)	5.026 (I)

(I) Indicates Increase

**13. Rate Schedules (Continued) Schedule**

**"D" - Fire Service Rates**

**Gravity System**

Applicable for separate water service for fire purposes, from the gravity system in the City of York, Boroughs of Hallam, North York, West York, Townships of Hellam, Springettsbury, Spring Garden, Manchester and West Manchester, in York County, Pennsylvania.

**RATES**

	<b>Per Month</b>	
Public:		
Public Fire Hydrant (billed to a municipality or other Customer)	\$25.97	(I)
Private:		
Sprinkler or Fire Service Systems:		
2-inch Connection	37.82	(I)
3-inch Connection	50.36	
4-inch Connection	62.94	
6-inch Connection	126.11	
8-inch Connection	252.23	
10-inch Connection	378.40	
12-inch Connection	562.80	
Fire Hydrant, Private:		
Direct Connection to Company Owned Mains:	50.36	
Direct Connection to Customers Owned Mains:		
First Hydrant	50.36	
Each Additional Hydrant	37.82	↓

(C) Indicates Change



**13. Rate Schedules (Continued)**

**Schedule "F" - Fire Service Rates**

**Repumping System**

Applicable for separate water service for fire purposes, in the City of York, Boroughs of East Prospect, Glen Rock, Jacobus, Jefferson, Loganville, New Freedom, New Salem, North York, Railroad, Seven Valleys, Shrewsbury, Spring Grove, West York, Manchester, Mount Wolf, York Haven and Yorkana, and Townships of Codorus, Conewago, Hellam, Hopewell, Jackson, North Hopewell, Paradise, Shrewsbury, Springettsbury, Springfield, Spring Garden, Manchester, Newberry, North Codorus, West Manchester, East Manchester, West Manheim, Windsor, York and Lower Windsor, York County, Pennsylvania, and the Boroughs of Abbottstown and Carroll Valley, and the Townships of Berwick, Cumberland, Oxford, Hamilton, Reading, Mount Pleasant, Union, and Straban Township in Adams County, Pennsylvania where water is repumped.

**RATES**

	<b>Per Month</b>	
Public:		
Public Fire Hydrant (billed to a municipality or other Customer)	\$36.36	(I)
Private:		
Sprinkler or Fire Service Systems:		
2-inch Connection	50.23	(I)
3-inch Connection	66.93	
4-inch Connection	83.72	
6-inch Connection	167.41	
8-inch Connection	334.98	
10-inch Connection	502.58	
12-inch Connection	749.71	
Fire Hydrant, Private:		
Direct Connection to Company Owned Mains:	60.80	
Direct Connection to Customers Owned Mains:		
First Hydrant	60.80	
Each Additional Hydrant	45.64	↓

(I) Indicates Increase

**15. Distribution System Improvement Charge (DSIC)**

- 15.1 In addition to the charges provided in this tariff, a distribution system improvement charge of (0.09%) will apply to all charges for service on (D)  
or after August 1, 2022. (C)

(D) Indicates Decrease (C) Indicates Change

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

CUSTOMER CONSUMPTION ANALYSIS AND RATE APPLICATION

53.53 II. Operating Revenue

D Water and Wastewater Utilities

4 Provide for the test year a detailed customer consumption analysis and the application of rates to support present and proposed rates by customer classification and/or tariff rate schedule.

RESPONSE The requested information is presented on the following pages as noted below:

<u>Description</u>	<u>Page No.</u>
Application of present rates to customer consumption analysis for the twelve months ending February 29, 2024	2 - 7

THE YORK WATER COMPANY  
APPLICATION OF PRESENT RATES TO CONSUMPTION ANALYSIS (00)  
TWELVE MONTHS ENDING FEBRUARY 29, 2024

RATE BLOCK 100 GAL (1)	NUMBER OF BILLS (2)	CONSUMP TION 100 GAL (3)	PRESENT BASE RATES (4)	REVENUE AT PRESENT BASE RATES (5)
RESIDENTIAL GRAVITY				
CUSTOMER CHARGE				
5/8	235,862		16.25	3,832,758
3/4	12,018		22.30	268,001
1	3,314		31.50	104,391
1 1/2	572		48.50	27,742
2	36		63.00	2,268
OUTPUT CHARGE				
UP TO 50		8,197,666	0.5012	4,108,670
NEXT 450		2,657,924	0.5012	1,332,152
OVER 500		211,513	0.5012	106,010
TOTAL RESIDENTIAL GRAVITY	251,802	11,067,103		9,781,992
RESIDENTIAL REPUMPED				
CUSTOMER CHARGE				
5/8	503,699		16.25	8,185,109
3/4	17,133		22.30	382,066
1	4,928		31.50	155,232
1 1/2	170		48.50	8,245
2	60		63.00	3,780
UP TO 50		16,580,642	0.8111	13,448,559
NEXT 450		3,024,336	0.8111	2,453,039
OVER 500		63,217	0.8111	51,275
TOTAL RESIDENTIAL REPUMPED	525,990	19,668,195		24,687,304
TOTAL RESIDENTIAL	777,792	30,735,298		34,469,296

THE YORK WATER COMPANY  
APPLICATION OF PRESENT RATES TO CONSUMPTION ANALYSIS (00)  
TWELVE MONTHS ENDING FEBRUARY 29, 2024

RATE BLOCK 100 GAL (1)	NUMBER OF BILLS (2)	CONSUMP TION 100 GAL (3)	PRESENT BASE RATES (4)	REVENUE AT PRESENT BASE RATES (5)
COMMERCIAL GRAVITY				
CUSTOMER CHARGE				
5/8	777		16.25	12,626
3/4	15,802		22.30	352,385
1	6,030		31.50	189,945
1 1/2	4,149		48.50	201,227
2	2,621		63.00	165,123
3	732		151.80	111,118
4	436		225.90	98,492
6	108		250.90	27,097
OUTPUT CHARGE				
UP TO 50		1,329,046	0.4554	605,247
NEXT 450		2,441,082	0.3261	796,037
OVER 500		4,135,086	0.2541	1,050,725
TOTAL COMMERCIAL GRAVITY	30,655	7,905,214		3,610,022
COMMERCIAL REPUMPED				
CUSTOMER CHARGE				
5/8	1,019		16.25	16,559
3/4	9,757		22.30	217,581
1	4,935		31.50	155,453
1 1/2	4,930		48.50	239,105
2	2,951		63.00	185,913
3	1,097		151.80	166,525
4	504		225.90	113,854
6	168		250.90	42,151
8	24		481.40	11,554
10	12		619.50	7,434
OUTPUT CHARGE				
UP TO 50		2,640,688	0.7401	1,954,373
NEXT 450		2,693,741	0.6288	1,693,825
OVER 500		6,357,696	0.3386	2,152,716
TOTAL COMMERCIAL REPUMPED	25,397	11,692,125		6,957,041
TOTAL COMMERCIAL	56,052	19,597,339		10,567,063

THE YORK WATER COMPANY  
APPLICATION OF PRESENT RATES TO CONSUMPTION ANALYSIS (00)  
TWELVE MONTHS ENDING FEBRUARY 29, 2024

RATE BLOCK 100 GAL (1)	NUMBER OF BILLS (2)	CONSUMPTION 100 GAL (3)	PRESENT BASE RATES (4)	REVENUES AT PRESENT BASE RATES (5)
INDUSTRIAL GRAVITY				
CUSTOMER CHARGE				
5/8	-		16.25	-
3/4	313		22.30	6,980
1	276		31.50	8,694
1 1/2	314		48.50	15,229
2	492		63.00	30,996
3	180		151.80	27,324
4	193		225.90	43,599
6	88		250.90	22,079
12	9		762.70	6,864
OUTPUT CHARGE				
UP TO 50		80,255	0.4554	36,548
NEXT 450		305,835	0.3261	99,733
NEXT 19500		1,865,041	0.2831	527,993
OVER 20000		105,504	0.2437	25,711
TOTAL INDUSTRIAL GRAVITY	1,865	2,356,635		851,750
INDUSTRIAL REPUMPED				
CUSTOMER CHARGE				
5/8	-		16.25	-
3/4	228		22.30	5,084
1	324		31.50	10,206
1 1/2	397		48.50	19,255
2	360		63.00	22,680
3	230		151.80	34,914
4	73		225.90	16,491
6	96		250.90	24,086
8	24		481.40	11,554
OUTPUT CHARGE				
UP TO 50		70,429	0.7401	52,125
NEXT 450		290,756	0.6288	182,827
NEXT 19500		2,411,579	0.5824	1,404,504
OVER 20000		4,028,059	0.3574	1,439,628
TOTAL INDUSTRIAL REPUMPED	1,732	6,800,823		3,223,353
TOTAL INDUSTRIAL	3,597	9,157,458		4,075,104

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
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Application of present rates to the estimated number of hydrants and standby service connections in service for the pro forma fully projected future test year ending February 29, 2024.

	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue
Gravity System			
First Hydrant	36	445.32	15,883
Each Additional Hydrant	6	334.44	2,007
2-Inch Service Connection	33	334.44	10,925
3-Inch Service Connection	9	445.32	4,082
4-Inch Service Connection	137	556.56	76,434
6-Inch Service Connection	264	1115.16	293,845
8-Inch Service Connection	106	2230.44	236,798
10-Inch Service Connection	7	3346.20	23,981
12-Inch Service Connection	2	4976.88	9,954
			673,909

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)			ADJUST- MENT INCREASE DECREASE (3)
	Application of present rates to the estimated number of hydrants and standby service connections in service for the pro forma fully projected future test year ending February 29, 2024.			
	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No. 134 to Tariff Water Pa PUC No 14	Annual Revenue	
	Repumped System			
	First Hydrant	178	583.20	103,907
	Each Additional Hydrant	3	437.76	1,313
	2-Inch Service Connection	32	481.80	15,418
	3-Inch Service Connection	5	642.00	3,210
	4-Inch Service Connection	76	803.04	61,299
	6-Inch Service Connection	200	1605.84	320,633
	8-Inch Service Connection	166	3213.24	532,327
	10-Inch Service Connection	48	4820.88	233,009
	12-Inch Service Connection	10	7191.48	74,312
				1,345,427
	Total Annualized Private Fire Protection			2,019,336



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)	
	Application of present rates to the estimated number of hydrants in service for the pro forma fully projected future test year ending February 29, 2024.		
	Two Year Average Gain in Number of Billing Units	Annual Rate Supplement No.134 to Tariff Water Pa PUC No 14	Annual Revenue
Hydrants-Gravity System	1039	258.00	268,062
Hydrants-Repump System	3046	369.12	1,124,463
Total Annualized Public Fire Protection			1,392,525

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ACCRUED UTILITY REVENUES

53.53 II. Operating Revenue

D Water and Wastewater Utilities

5 Provide detailed computations of the determination of accrued revenues as of test year-end and year-end immediately preceding the test year, together with a detailed explanation of the procedures and methods used in developing accrued revenues.

RESPONSE Refer to Exhibit No. HII-5.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
MISCELLANEOUS WATER REVENUES

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

6. Provide a detailed analysis of miscellaneous water revenues for the test year and the two years preceding the test year. For the test year, provide a monthly breakdown and an explanation of significant variances.

Response:

Refer to Exhibit No. HII-6.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NUMBER OF CUSTOMERS, CUSTOMERS ADDED AND LOST AND CONSUMPTION  
BY CUSTOMER CLASSIFICATION FOR THE HISTORIC TEST YEAR AND CURRENT  
YEAR TO DATE

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

7. Provide a monthly summary of customers added and lost by customer classification for the test year and the current year-to-date.

Response:

Refer to Exhibit No. HII-7.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NUMBER OF CUSTOMERS AND CONSUMPTION  
BY CUSTOMER CLASSIFICATION FOR THE HISTORIC TEST YEAR AND CURRENT  
YEAR TO DATE

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

8. Provide for the test year and the current year-to-date, the number of customers and monthly consumption for each classification of customers.

Response:

Refer to Exhibit No. HII-7.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HISTORICAL AND PROJECTED NUMBER OF CUSTOMERS

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

9 Provide by customer classification for the test year and for the two prior years the number of customers and consumption, and projected number of customers and consumption for two subsequent years.

Response:

Refer to pages 2 and 3.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 HISTORICAL AND PROJECTED NUMBER OF CUSTOMERS

Exhibit No.FII-9  
 Page 2 of 3  
 Witness: M E Poff

CUSTOMER CLASSIFICATION (1)	HISTORICAL			PROJECTED			
	AS OF DECEMBER 31, 2019 (2)	AS OF DECEMBER 31, 2020 (3)	AS OF DECEMBER 31, 2021 (4)	AS OF DECEMBER 31, 2022 (5)	AS OF FEBRUARY 29, 2024 (6)	AS OF FEBRUARY 28, 2025 (7)	AS OF FEBRUARY 28, 2026 (8)
METERED CUSTOMERS							
RESIDENTIAL	62,293	63,122	63,477	64,070	64,762	65,355	65,948
COMMERCIAL	4,547	4,605	4,608	4,639	4,675	4,706	4,737
INDUSTRIAL	295	300	302	302	302	302	302
TOTAL METERED CUSTOMERS	67,135	68,027	68,387	69,011	69,739	70,363	70,987
UNMETERED CUSTOMERS							
PRIVATE FIRE PROTECTION	1,090	1,133	1,162	1,199	1,242	1,279	1,316
PUBLIC FIRE PROTECTION	238	241	233	230	227	224	221
TOTAL UNMETERED CUSTOMERS	1,328	1,374	1,395	1,429	1,469	1,503	1,537
TOTAL CUSTOMERS	68,463	69,401	69,782	70,440	71,208	71,866	72,524

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 HISTORICAL AND PROJECTED CONSUMPTION (THOUSAND GALLONS)

Exhibit No.FII-9  
 Page 3 of 3  
 Witness: M E Poff

CUSTOMER CLASSIFICATION (1)	HISTORICAL				PROJECTED		
	AS OF DECEMBER 31, 2019 (2)	AS OF DECEMBER 31, 2020 (3)	AS OF DECEMBER 31, 2021 (4)	AS OF DECEMBER 31, 2022 (5)	AS OF FEBRUARY 29, 2024 (6)	AS OF FEBRUARY 28, 2025 (7)	AS OF FEBRUARY 28, 2026 (8)
METERED CONSUMPTION							
RESIDENTIAL	2,835,899	3,023,208	3,006,391	3,027,788	3,059,807	3,087,252	3,114,697
COMMERCIAL	2,082,834	1,774,914	1,930,983	1,938,723	1,953,431	1,966,037	1,978,644
INDUSTRIAL	901,767	866,091	914,563	915,746	915,746	915,746	915,746
TOTAL METERED CONSUMPTION	5,820,500	5,664,213	5,851,938	5,882,257	5,928,984	5,969,035	6,009,087



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PRIVATE AND PUBLIC FIRE PROTECTION

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

10 Provide a breakdown of the number and size of private fire services according to the general water service class of customers.

a. Provide a listing of all public fire protection customers at test year-end and the pro forma billing of current rates for each customer.

Response:

Refer to Exhibit No. FII-4 for a breakdown of the number and size of private fire services.

Refer to Exhibit No. FII-4 for a breakdown of the number of public fire hydrants and the pro forma billing at current rates.

Refer to Exhibit No. HII-10 for a listing of all public fire protection customers as of December 31, 2021.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SALES FOR RESALE

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

11 Provide a detailed schedule of sales for resale revenues for the test year and two preceding years showing revenues and units sold by customer.

Response:

The Company sells water to four (4) municipalities or authorities for resale within the service boundaries of the municipality or authority under the Company's tariff provisions covering single-point meter service. Revenues from the sale for resale to single-point municipal or authority customers have been reflected as sales to commercial customers on the Company's corporate books and in this and all preceding rate cases.

Customer No.	Twelve Months Ended		
	12-31-19	12-31-20	12-31-21
2286-5720	590,852	597,619	610,698
2303-5740	276,497	256,312	261,764
2135-5813	85,573	86,157	88,407
2191-5468	245,839	265,401	264,452

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TEN LARGEST CUSTOMERS

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

12 Provide for the test year and the two prior years consumption and billings for the ten (10) largest customers. Provide for the test year consumption priced at proposed rates.

Response:

Refer to page 2.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONSUMPTION (HUNDRED GALLONS) AND BILLINGS UNDER EFFECTIVE AND  
 PROPOSED RATES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021  
 AND UNDER EFFECTIVE RATES FOR THE TWELVE MONTHS ENDED  
 DECEMBER 31, 2020 AND 2019 FOR THE TEN LARGEST CUSTOMERS

Exhibit No.FII-12  
 Page 2 of 6  
 Witness: M E Poff

CUSTOMER (1)	MONTH (2)	TWELVE MONTHS ENDED DECEMBER 31, 2021			TWELVE MONTHS ENDED DECEMBER 31, 2020			TWELVE MONTHS ENDED DECEMBER 31, 2019		
		BILLINGS@		BILLINGS@ CONSUMPTION	BILLINGS@		BILLINGS@ CONSUMPTION	BILLINGS@		BILLINGS@ CONSUMPTION
		EFFECTIVE RATES	PROPOSED RATES		EFFECTIVE RATES	PROPOSED RATES		EFFECTIVE RATES	PROPOSED RATES	
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
6054-11715	JANUARY	39090	10226	15736	JANUARY	6770	2014	JANUARY	46340	10916
	FEBRUARY	45720	11911	18340	FEBRUARY	20610	5530	FEBRUARY	48130	11326
	MARCH	42710	11146	17158	MARCH	21090	5652	MARCH	35930	9300
	APRIL	25770	6842	10505	APRIL	20640	5538	APRIL	33080	8699
	MAY	45000	11728	18057	MAY	24510	6521	MAY	32300	8501
	JUNE	46980	12231	18834	JUNE	46940	12221	JUNE	27958	7398
	JULY	47080	12256	18874	JULY	47750	12427	JULY	27958	7398
	AUGUST	51480	13374	20602	AUGUST	43810	11425	AUGUST	27958	7398
	SEPTEMBER	41950	10953	16859	SEPTEMBER	40940	10696	SEPTEMBER	27958	7398
	OCTOBER	44460	11591	17845	OCTOBER	32282	8496	OCTOBER	-87000	251
	NOVEMBER	52540	13644	21018	NOVEMBER	46118	12012	NOVEMBER	4100	1335
	DECEMBER	45120	11758	18104	DECEMBER	39360	10295	DECEMBER	3460	1173
		527900	137660	211931		390820	102828		228172	81090
2286-5720	JANUARY	60000	44887	65870	JANUARY	60000	44887	JANUARY	71070	45900
	FEBRUARY	62785	46914	68848	FEBRUARY	69255	49105	FEBRUARY	60000	42036
	MARCH	65015	47670	69958	MARCH	62105	46445	MARCH	60000	44887
	APRIL	94915	57794	84836	APRIL	62535	46764	APRIL	66560	48193
	MAY	75290	51149	75071	MAY	81795	53351	MAY	86735	55024
	JUNE	69435	49166	72157	JUNE	63180	47048	JUNE	78225	52142
	JULY	88220	55527	81505	JULY	121980	66958	JULY	91220	56543
	AUGUST	71195	49762	73033	AUGUST	60000	44887	AUGUST	71190	49760
	SEPTEMBER	60000	44887	65870	SEPTEMBER	67855	48631	SEPTEMBER	77640	51944
	OCTOBER	84425	54242	79616	OCTOBER	66800	48274	OCTOBER	70910	49666
	NOVEMBER	71990	50031	73429	NOVEMBER	90740	56380	NOVEMBER	64085	47355
	DECEMBER	97500	58669	86123	DECEMBER	60000	44887	DECEMBER	64225	47402
		900770	610698	896315		866245	597619		861860	590852

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONSUMPTION (HUNDRED GALLONS) AND BILLINGS UNDER EFFECTIVE AND  
 PROPOSED RATES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021  
 AND UNDER EFFECTIVE RATES FOR THE TWELVE MONTHS ENDED  
 DECEMBER 31, 2020 AND 2019 FOR THE TEN LARGEST CUSTOMERS

Exhibit No.FII-12  
 Page 3 of 6  
 Witness: M E Poff

CUSTOMER (1)	MONTH (2)	TWELVE MONTHS ENDED DECEMBER 31, 2021			TWELVE MONTHS ENDED DECEMBER 31, 2020			TWELVE MONTHS ENDED DECEMBER 31, 2019		
		BILLINGS@ CONSUMPTION		BILLINGS@ PROPOSED	BILLINGS@ CONSUMPTION		BILLINGS@ EFFECTIVE	BILLINGS@ CONSUMPTION		BILLINGS@ EFFECTIVE
		TION (3)	RATES (4)	RATES (5)	MONTH (6)	TION (7)	RATES (8)	MONTH (9)	TION (10)	RATES (11)
1838-3604	JANUARY	26500	14226	19995	JANUARY	27300	14512	JANUARY	29700	13898
	FEBRUARY	30400	15620	21956	FEBRUARY	25500	13868	FEBRUARY	29600	13866
	MARCH	27400	14547	20448	MARCH	25799	13975	MARCH	27600	14348
	APRIL	27700	14655	20599	APRIL	25200	13761	APRIL	24100	13368
	MAY	29500	15298	21503	MAY	38100	18372	MAY	25500	13868
	JUNE	28200	14833	20850	JUNE	74400	31345	JUNE	26900	14369
	JULY	29300	15226	21403	JULY	47800	21838	JULY	27800	14690
	AUGUST	29200	15191	21353	AUGUST	29900	15441	AUGUST	30400	15620
	SEPTEMBER	25800	13976	19644	SEPTEMBER	30700	15727	SEPTEMBER	27800	14690
	OCTOBER	32500	16370	23011	OCTOBER	31600	16049	OCTOBER	31400	15977
	NOVEMBER	23700	13225	18588	NOVEMBER	26400	14190	NOVEMBER	31100	15870
	DECEMBER	35900	17585	24720	DECEMBER	28800	15048	DECEMBER	25000	13690
		346100	180752	254069		411499	204126	336900	174254	
2191-5468	JANUARY	41200	22052	32377	JANUARY	41600	22187	JANUARY	40500	20136
	FEBRUARY	41000	21984	32277	FEBRUARY	44100	23034	FEBRUARY	37400	19167
	MARCH	37100	20664	30336	MARCH	39300	21408	MARCH	36000	19989
	APRIL	38300	21070	30934	APRIL	32400	19072	APRIL	32500	19106
	MAY	36200	20359	29889	MAY	35900	20257	MAY	35600	20156
	JUNE	37500	20799	30536	JUNE	43700	22898	JUNE	41300	22086
	JULY	44700	23237	34118	JULY	55500	26894	JULY	39000	21307
	AUGUST	43600	22864	33571	AUGUST	37500	20799	AUGUST	41100	22018
	SEPTEMBER	35900	20257	29739	SEPTEMBER	40700	21883	SEPTEMBER	41100	22018
	OCTOBER	46300	23779	34914	OCTOBER	44500	23169	OCTOBER	36999	20629
	NOVEMBER	20000	14874	21828	NOVEMBER	39400	21442	NOVEMBER	30700	18497
	DECEMBER	72099	32514	47752	DECEMBER	42100	22357	DECEMBER	37300	20731
		493899	264452	388270		496700	265401	449499	245839	

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONSUMPTION (HUNDRED GALLONS) AND BILLINGS UNDER EFFECTIVE AND  
 PROPOSED RATES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021  
 AND UNDER EFFECTIVE RATES FOR THE TWELVE MONTHS ENDED  
 DECEMBER 31, 2020 AND 2019 FOR THE TEN LARGEST CUSTOMERS

Exhibit No.FII-12  
 Page 4 of 6  
 Witness: M E Poff

CUSTOMER (1)	MONTH (2)	TWELVE MONTHS ENDED DECEMBER 31, 2021			TWELVE MONTHS ENDED DECEMBER 31, 2020			TWELVE MONTHS ENDED DECEMBER 31, 2019		
		BILLINGS@ CONSUMPTION		BILLINGS@ PROPOSED	BILLINGS@ CONSUMPTION		BILLINGS@ EFFECTIVE	BILLINGS@ CONSUMPTION		BILLINGS@ EFFECTIVE
		TION (3)	RATES (4)	RATES (5)	MONTH (6)	TION (7)	RATES (8)	MONTH (9)	TION (10)	RATES (11)
1569-3471	JANUARY	11960	7245	10176	JANUARY	15160	9109	JANUARY	11300	6220
	FEBRUARY	15010	9021	12674	FEBRUARY	11790	7146	FEBRUARY	10700	5904
	MARCH	19450	11607	16310	MARCH	6140	3856	MARCH	12900	7651
	APRIL	22400	12785	17967	APRIL	7780	4811	APRIL	15200	9132
	MAY	21960	12628	17746	MAY	7730	4782	MAY	28500	14966
	JUNE	22370	12775	17952	JUNE	9890	6040	JUNE	31500	16038
	JULY	28020	14794	20791	JULY	8940	5486	JULY	25300	13822
	AUGUST	25990	14069	19771	AUGUST	7090	4409	AUGUST	27600	14644
	SEPTEMBER	25220	13793	19384	SEPTEMBER	7190	4467	SEPTEMBER	27300	14537
	OCTOBER	27770	14705	20666	OCTOBER	9580	5859	OCTOBER	18800	11229
	NOVEMBER	20860	12235	17193	NOVEMBER	8580	5277	NOVEMBER	14900	8957
	DECEMBER	28590	14998	21078	DECEMBER	12570	7600	DECEMBER	14300	8608
		269600	150656	211706		112440	68841		238300	131707
75727-234684	JANUARY	124580	49535	69616	JANUARY	124970	49674	JANUARY	111380	40500
	FEBRUARY	112790	45321	63690	FEBRUARY	102470	41633	FEBRUARY	131450	46974
	MARCH	102300	41572	58418	MARCH	106800	43180	MARCH	112960	44930
	APRIL	127650	50632	71159	APRIL	113370	45529	APRIL	102760	41737
	MAY	112540	45232	63565	MAY	123240	49056	MAY	129121	51158
	JUNE	101510	41290	58021	JUNE	127360	50529	JUNE	112080	45068
	JULY	119080	47569	66852	JULY	137930	54306	JULY	107040	43266
	AUGUST	96210	39396	55357	AUGUST	116990	46822	AUGUST	131530	52019
	SEPTEMBER	87600	36318	51030	SEPTEMBER	110240	44410	SEPTEMBER	108980	43960
	OCTOBER	113740	45661	64168	OCTOBER	121890	48574	OCTOBER	122150	48667
	NOVEMBER	98070	40060	56292	NOVEMBER	113870	45707	NOVEMBER	93140	38298
	DECEMBER	125930	50018	70295	DECEMBER	114220	45832	DECEMBER	114600	45968
		1322000	532605	748463		1413350	565253		1377191	542544

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONSUMPTION (HUNDRED GALLONS) AND BILLINGS UNDER EFFECTIVE AND  
 PROPOSED RATES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021  
 AND UNDER EFFECTIVE RATES FOR THE TWELVE MONTHS ENDED  
 DECEMBER 31, 2020 AND 2019 FOR THE TEN LARGEST CUSTOMERS

Exhibit No.FII-12  
 Page 5 of 6  
 Witness: M E Poff

CUSTOMER (1)	MONTH (2)	TWELVE MONTHS ENDED DECEMBER 31, 2021			TWELVE MONTHS ENDED DECEMBER 31, 2020			TWELVE MONTHS ENDED DECEMBER 31, 2019		
		BILLINGS@		BILLINGS@ CONSUMPTION	BILLINGS@		BILLINGS@ CONSUMPTION	BILLINGS@		BILLINGS@ CONSUMPTION
		EFFECTIVE RATES	PROPOSED RATES		EFFECTIVE RATES	PROPOSED RATES		EFFECTIVE RATES	PROPOSED RATES	
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
2303-5740	JANUARY	53700	22900	33604	JANUARY	62300	25812	JANUARY	62300	23830
	FEBRUARY	51300	22087	32410	FEBRUARY	61800	25643	FEBRUARY	64600	24548
	MARCH	47600	20835	30569	MARCH	43800	19548	MARCH	60200	24728
	APRIL	49600	21512	31564	APRIL	40600	18464	APRIL	55600	23543
	MAY	51700	22223	32609	MAY	46200	20361	MAY	55000	23340
	JUNE	44299	19717	28926	JUNE	49800	21579	JUNE	53600	22866
	JULY	49500	21478	31514	JULY	55800	23611	JULY	49300	21410
	AUGUST	50300	21749	31912	AUGUST	42400	19074	AUGUST	52900	22629
	SEPTEMBER	42300	19040	27931	SEPTEMBER	43300	19379	SEPTEMBER	51800	22257
	OCTOBER	53000	22663	33256	OCTOBER	50000	21647	OCTOBER	54199	23069
	NOVEMBER	42900	19243	28230	NOVEMBER	44100	19649	NOVEMBER	47100	20665
	DECEMBER	69700	28318	41566	DECEMBER	49700	21546	DECEMBER	55800	23611
		605899	261764	384091		589800	256312		662399	276497
1569-3472	JANUARY	31759	16130	22671	JANUARY	24250	13447	JANUARY	29330	13803
	FEBRUARY	30584	15710	22080	FEBRUARY	23780	13279	FEBRUARY	28770	13623
	MARCH	28266	14882	20915	MARCH	19980	11916	MARCH	28330	14629
	APRIL	32100	16252	22842	APRIL	19020	11357	APRIL	25710	13968
	MAY	30700	15752	22138	MAY	22330	12760	MAY	22760	12914
	JUNE	53853	24027	33775	JUNE	26250	14161	JUNE	24230	13439
	JULY	-203	118	124	JULY	29610	15362	JULY	21260	12378
	AUGUST	21479	12456	17504	AUGUST	29100	15180	AUGUST	21030	12296
	SEPTEMBER	26800	14358	20178	SEPTEMBER	24432	13512	SEPTEMBER	23290	13104
	OCTOBER	25500	13893	19525	OCTOBER	28100	14823	OCTOBER	23090	13032
	NOVEMBER	24350	13482	18947	NOVEMBER	26400	14215	NOVEMBER	20650	12160
	DECEMBER	31800	16145	22691	DECEMBER	49799	22578	DECEMBER	27020	14437
		336988	173206	243390		323051	172589		295470	159783

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONSUMPTION (HUNDRED GALLONS) AND BILLINGS UNDER EFFECTIVE AND  
 PROPOSED RATES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021  
 AND UNDER EFFECTIVE RATES FOR THE TWELVE MONTHS ENDED  
 DECEMBER 31, 2020 AND 2019 FOR THE TEN LARGEST CUSTOMERS

Exhibit No.FII-12  
 Page 6 of 6  
 Witness: M E Poff

CUSTOMER (1)	MONTH (2)	TWELVE MONTHS ENDED DECEMBER 31, 2021			TWELVE MONTHS ENDED DECEMBER 31, 2020			TWELVE MONTHS ENDED DECEMBER 31, 2019		
		BILLINGS@		BILLINGS@ CONSUMPTION	BILLINGS@		BILLINGS@ CONSUMPTION	BILLINGS@		BILLINGS@ CONSUMPTION
		EFFECTIVE RATES	PROPOSED RATES		EFFECTIVE RATES	PROPOSED RATES		EFFECTIVE RATES	PROPOSED RATES	
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
78075-248938	JANUARY	210300	80171	112699	JANUARY	186000	71487	JANUARY	180800	62894
	FEBRUARY	184408	70918	99686	FEBRUARY	197600	75632	FEBRUARY	164500	58517
	MARCH	165340	64103	90102	MARCH	161398	62694	MARCH	161200	62623
	APRIL	216550	82405	115840	APRIL	169100	65447	APRIL	182099	70092
	MAY	216280	82309	115705	MAY	220300	83745	MAY	220600	83853
	JUNE	206310	78745	110694	JUNE	224300	85175	JUNE	228400	86640
	JULY	254810	96079	135070	JULY	257700	97112	JULY	269399	101293
	AUGUST	209200	79778	112146	AUGUST	239900	90750	AUGUST	223400	84853
	SEPTEMBER	206490	78810	110784	SEPTEMBER	179200	69056	SEPTEMBER	225500	85604
	OCTOBER	215490	82026	115307	OCTOBER	224300	85175	OCTOBER	206900	78956
	NOVEMBER	179020	68992	96978	NOVEMBER	218400	83066	NOVEMBER	228000	86497
	DECEMBER	193930	74321	104471	DECEMBER	170999	66125	DECEMBER	197000	75418
		2458128	938657	1319481		2449197	935465		2487798	937242
1541-3457	JANUARY	56470	24962	35090	JANUARY	53400	23865	JANUARY	59600	23568
	FEBRUARY	52360	23493	33025	FEBRUARY	55900	24758	FEBRUARY	59000	23375
	MARCH	50630	22875	32155	MARCH	59200	25938	MARCH	60400	25875
	APRIL	57090	25184	35402	APRIL	55099	24472	APRIL	59200	25938
	MAY	51330	23125	32507	MAY	36200	17718	MAY	65200	28082
	JUNE	59300	25973	36513	JUNE	23951	13340	JUNE	70300	29905
	JULY	63250	27385	38498	JULY	73000	30870	JULY	61900	26903
	AUGUST	66320	28482	40041	AUGUST	65100	28046	AUGUST	65500	28189
	SEPTEMBER	56500	24973	35105	SEPTEMBER	64000	27653	SEPTEMBER	62200	27010
	OCTOBER	66610	28586	40187	OCTOBER	65400	28154	OCTOBER	64600	27868
	NOVEMBER	48830	22232	31250	NOVEMBER	65400	28154	NOVEMBER	60100	26259
	DECEMBER	71280	30255	42534	DECEMBER	45881	21178	DECEMBER	57900	25473
		699970	307525	432307		662531	294145		745900	318445



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TEN LARGEST SALES FOR RESALE CUSTOMERS

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

13 Provide for the test year and the two prior years consumption and billings for the ten (10) largest sales for resale customers if such sales are not included in sales to the ten (10) largest customers requested in 53.53 II.12.

Response:

The Company has four (4) sale for resale customers. Consumption (00) and billings for sale for resale customer nos. 2303-5740, 2286-5720 and 2191-5468 for the test year and two prior years are reflected in Exhibit No. FII-12.

Consumption (00) and billings for sale for resale customer no. 2135-5813 for the test year and two prior years are shown below.

CUSTOMER	MONTH	TWELVE MONTHS ENDED DECEMBER 31, 2021		MONTH	TWELVE MONTHS ENDED DECEMBER 31, 2020		MONTH	TWELVE MONTHS ENDED DECEMBER 31, 2019	
		CONSUMPTION	BILLINGS@ EFFECTIVE RATES		CONSUMPTION	BILLINGS@ EFFECTIVE RATES		CONSUMPTION	BILLINGS@ EFFECTIVE RATES
2135-5813	JANUARY	9,766	7,479	JANUARY	9,664	7,403	JANUARY	10,703	7,555
	FEBRUARY	9,372	7,187	FEBRUARY	9,321	7,149	FEBRUARY	9,502	6,735
	MARCH	9,000	6,912	MARCH	9,000	6,912	MARCH	9,413	7,112
	APRIL	11,838	9,012	APRIL	9,000	6,912	APRIL	9,000	6,912
	MAY	9,000	6,912	MAY	9,362	7,180	MAY	9,345	7,167
	JUNE	9,000	6,912	JUNE	9,646	7,390	JUNE	9,638	7,384
	JULY	9,384	7,196	JULY	10,601	8,097	JULY	9,000	6,912
	AUGUST	9,000	6,912	AUGUST	9,000	6,912	AUGUST	9,323	7,151
	SEPTEMBER	9,091	6,979	SEPTEMBER	9,000	6,912	SEPTEMBER	9,636	7,383
	OCTOBER	9,447	7,243	OCTOBER	9,351	7,172	OCTOBER	9,305	7,138
	NOVEMBER	9,000	6,912	NOVEMBER	9,000	6,912	NOVEMBER	9,000	6,912
	DECEMBER	11,486	8,752	DECEMBER	9,400	7,208	DECEMBER	9,407	7,213
	115,384	88,407		112,345	86,157		113,272	85,573	

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR  
TWELVE MONTHS ENDING  
FEBRUARY 29, 2024, DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021

53.53 III      Operating Expense

D.              Water and Wastewater Utilities

1              Prepare a summary of operating expenses by operating expense  
account for the test year and the two years preceding the test year.

RESPONSE    Refer to Pages 2 through 8

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS  
ENDING FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021

	February 29, 2024 (1)	Twelve Months Ended December 31, 2022 (2)	December 31, 2021 (3)
<b>SOURCE OF SUPPLY EXPENSES</b>			
Salaries and Wages-Operations	40,491	38,495	33,794
Salaries and Wages-Vacation	111,278	105,792	91,342
Salaries and Wages-Maintenance	106,367	101,123	86,754
Salaries and Wages-Reservoir Maintenance	-	-	-
Salaries and Wages-Structure PS Maintenance	91,732	87,210	85,236
Salaries and Wages-Equipment PS Maintenance	108,855	103,489	94,212
Electric Expense-Operations	661,709	661,709	646,914
Fuel	22,821	22,821	21,428
Operations-Materials and Supplies	12,988	12,988	12,988
Operations-Computer Expenses	-	-	-
Operations-Outside Services	3,960	3,960	3,960
Water Preservation Expense-Operations	1,300	1,300	1,300
Operations-Miscellaneous Expense	50,373	50,373	50,373
Operations-Registration for Industry Meetings	-	-	-
Operations-Communications	22,488	22,488	22,488
Operations-Office Expense and Utilities	32,773	32,773	27,140
Operations-Uniforms	4,474	4,474	4,474
Operations-Travel	-	-	-
Operations-Meals	482	482	482
Operations-Lodging	-	-	-
Operations-Registration for Educational Seminars	2,016	2,016	2,016
Maintenance-Materials and Supplies	28,010	28,010	28,010
Maintenance-Materials and Supplies-Reservoirs	109	109	109
Maintenance-Materials and Supplies-Structures	13,820	13,820	13,820
Maintenance-Materials and Supplies-Equipment	24,600	24,600	24,600
Maintenance-Outside Services-Reservoirs	14,214	14,214	14,214
Maintenance-Outside Services-Structures	37,535	37,535	37,535
Maintenance-Outside Services-Equipment	36,053	36,053	36,053
Maintenance-Equipment Rental	14,782	14,782	14,782
Maintenance-Transportation Expense	48,749	48,749	42,351
<b>Total Source of Supply Expenses</b>	<b>1,491,979</b>	<b>1,469,364</b>	<b>1,396,375</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS  
ENDING FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021

	February 29, 2024 (1)	Twelve Months Ended December 31, 2022 (2)	December 31, 2021 (3)
<b>WATER TREATMENT EXPENSES</b>			
Salaries and Wages- Operations	934,510	888,439	765,634
Salaries and Wages- Vacation	126,446	120,212	107,042
Salaries and Wages- Maintenance	6,328	6,016	1,474
Salaries and Wages- Maintenance of Treatment Structures	92,008	87,472	90,304
Salaries and Wages- Maintenance of Treatment Equipment	116,932	111,167	92,452
Chemicals	792,754	792,754	656,804
Operations-Electric	26,162	26,162	26,051
Operations-Materials and Supplies	176,751	176,751	176,751
Operations-Computer Exp	2,621	2,621	2,621
Operations-Engineering Services	-	-	-
Operations-Testing Services	25,647	25,647	25,647
Operations-Lead Testing Services	-	-	-
Operations-Outside Services	209,767	209,767	209,767
Operations-Transportation Expense	47,008	47,008	41,952
Miscellaneous Expenses-Operations	36,219	36,219	36,219
Operations-Registration for Industry Meetings	-	-	-
Operations-Communications	18,756	18,756	18,756
Operations-Office Expense and Utilities	33,255	33,255	27,661
Operations-Mailing	17	17	17
Operations-Travel	120	120	120
Operations-Meals	-	-	-
Operations-Lodging	-	-	-
Operations-Registration for Educational Seminars	2,051	2,051	2,051
Maintenance-Materials and Supplies	1,626	1,626	1,626
Maintenance-Materials and Supplies-Structures	16,478	16,478	16,478
Maintenance-Materials and Supplies-Equipment	75,546	75,546	75,546
Maintenance-Outside Services-Structures	95,208	95,208	92,127
Maintenance-Outside Services-Equipment	70,228	70,228	70,228
Maintenance-Equip Rental	1,752	1,752	1,752
Maintenance-Transportation Expense	62,116	62,116	53,964
<b>Total Water Treatment Expenses</b>	<b>2,970,306</b>	<b>2,907,389</b>	<b>2,593,044</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS  
ENDING FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021

	February 29, 2024 (1)	Twelve Months Ended December 31, 2022 (2)	December 31, 2021 (3)
<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>			
Salaries and Wages- Operations	1,003,921	954,428	839,390
Salaries and Wages- Operation of Services	291,824	277,438	232,782
Salaries and Wages- Operation of Meters	108,585	103,232	78,451
Salaries and Wages- Operation of Hydrants	-	-	-
Salaries and Wages- Vacation	505,265	480,356	419,935
Salaries and Wages- Maintenance	188,494	179,201	153,432
Salaries and Wages- Maintenance of Distribution Structures	59,736	56,791	46,562
Salaries and Wages- Maintenance of Distribution Equipment	197,863	188,108	182,409
Salaries and Wages- Maintenance of Services	116,629	110,879	117,644
Salaries and Wages- Maintenance of Distribution Mains	337,735	321,085	275,195
Salaries and Wages- Maintenance of Meters	47,060	44,740	31,448
Salaries and Wages- Maintenance of Hydrants	77,259	73,450	66,818
Operations-Electric	470,368	470,368	458,930
Operations-Materials and Supplies	71,350	71,350	71,350
Operations-Materials and Supplies-Services	17,200	17,200	17,200
Operations-Materials and Supplies-Meters	9,715	9,715	9,715
Operations-Materials and Supplies-Hydrants	-	-	-
Operations-Computer Exp	6,319	6,319	6,319
Operations-Outside Services	490	490	490
Operations-Outside Services-Services	-	-	-
Operations-Outside Services-Meters	-	-	-
Operations-Outside Services-Hydrants	-	-	-
Operations-Transportation Expense	106,148	106,148	92,217
Operations-Transportation Expense-Services	87,277	87,277	75,823
Operations-Transportation Expense-Meters	28,306	28,306	24,591
Operations-Miscellaneous Expense	4,641	4,641	4,641
Operations-Registration for Industry Meetings	-	-	-
Operations-Communications	74,141	74,141	74,141
Operations-Office Expense and Utilities	18,426	18,426	16,495
Operations-Uniforms	6,507	6,507	6,507
Operations-Mailing	4,162	4,162	4,162
Operations-Subscriptions	-	-	-

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS  
ENDING FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021

	February 29, 2024 (1)	Twelve Months Ended December 31, 2022 (2)	December 31, 2021 (3)
Operations-Travel	3,477	3,477	3,477
Operations-Meals	2,230	2,230	2,230
Operations-Lodging	383	383	383
Operations-Registration for Educational Seminars	5,284	5,284	5,284
Maintenance-Materials and Supplies - General	14,083	14,083	14,083
Maintenance-Materials and Supplies - Structures	12,758	12,758	12,758
Maintenance-Materials and Supplies - Equipment	34,575	34,575	34,575
Maintenance-Materials and Supplies-Services	22,329	22,329	22,329
Maintenance-Materials and Supplies-Distribution Mains	135,668	135,668	135,668
Maintenance-Materials and Supplies-Meters	6,557	6,557	6,557
Maintenance-Materials and Supplies-Hydrants	32,391	32,391	32,391
Maintenance-Outside Services-Structures	119,619	119,619	119,619
Maintenance-Outside Services-Equipment	65,136	65,136	65,136
Maintenance-Outside Services-Services	939,040	939,040	723,150
Maintenance-Outside Services-Distribution Mains	631,839	631,839	631,839
Maintenance-Outside Services-Meters	799	799	799
Maintenance-Outside Services-Hydrants	11,475	11,475	11,475
Maintenance-Equipment Rental-Structures	-	-	-
Maintenance-Equipment Rental-Equipment	-	-	5,723
Maintenance-Equipment Rental-Services	5,723	5,723	-
Maintenance-Equipment Rental-Distribution Mains	-	-	-
Maintenance-Transportation Expense	19,657	19,657	17,077
Maintenance-Transportation Expense-Structures	16,512	16,512	14,345
Maintenance-Transportation Expense-Dist Equipment	41,673	41,673	36,204
Maintenance-Transportation Expense-Services	18,084	18,084	15,711
Maintenance-Transportation Expense-Distribution Mains	84,131	84,131	73,090
Maintenance-Transportation Expense-Meters	2,359	2,359	2,049
Maintenance-Transportation Expense-Hydrants	30,664	30,664	26,640
Maintenance-Mailing	2,091	2,091	2,091
Total Transmission and Distribution Expenses	6,097,959	5,953,296	5,321,330

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS  
ENDING FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021

	February 29, 2024 (1)	Twelve Months Ended December 31, 2022 (2)	December 31, 2021 (3)
<b>CUSTOMER ACCOUNTS EXPENSES</b>			
Salaries and Wages-Operations	921,070	875,662	738,482
Salaries and Wages-PUC Collections	56,307	53,531	55,567
Salaries and Wages -Vacation	181,398	172,455	148,377
Operations-Materials and Supplies	40,929	40,929	40,929
Operations-Materials and Supplies-Equipment	141	141	141
Operations-Computer Exp	-	-	-
Operations-Outside Services	71,329	71,329	49,006
Operations-Outside Services-Equipment	14,543	14,543	14,543
Operations-Transportation Expense	85,704	85,704	74,456
Operations-Miscellaneous Expense	19	19	19
Operations-Registration for Industry Meetings	1,170	1,170	1,170
Operations-Communications	4,635	4,635	4,635
Operations-Trustee and Bank Fees	384,887	384,887	289,195
Operations-Uniforms	594	594	594
Operations-Mailing	353,253	353,253	353,253
Operations-Travel	322	322	322
Operations-Meals	144	144	144
Operations-Lodging	644	644	644
Operations-Registration for Educational Seminars	2,125	2,125	2,125
<b>Total Customer Accounts Expenses</b>	<b>2,119,214</b>	<b>2,062,087</b>	<b>1,773,602</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS  
ENDING FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021

	February 29, 2024 (1)	Twelve Months Ended December 31, 2022 (2)	December 31, 2021 (3)
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries and Wages-Operations	1,875,600	1,783,134	1,641,667
Salaries and Wages-Operations-Vacation	353,479	336,053	276,595
Salaries and Wages-Operations-Officers	419,122	398,460	341,647
Salaries and Wages-Maintenance-Office Structures	17,605	16,737	14,755
Salaries and Wages-Maintenance-Office Equipment	3,627	3,449	2,911
Employee Benefits-401k Match	340,092	340,092	340,092
Employee Benefits-Pension Administration	229,510	216,019	314,448
Employee Benefits-401k Administration	-	-	-
Employee Benefits-Health Insurance	1,696,843	1,597,707	1,234,521
Employee Benefits-Other Employee Benefits	85,031	85,031	77,691
Contractual Services-Auditing	190,853	185,703	174,018
Contractual Services-Internal Control	-	-	-
Contractual Services-Tax	16,500	16,000	15,550
Contractual Services-Other Accounting	28,448	28,448	28,448
Contractual Services-Legal	149,692	149,692	249,326
Contractual Services-Outside Services	107,912	107,912	107,912
Insurance-Automobile	36,350	36,350	36,350
Insurance-General Liability	241,059	229,580	209,684
Insurance-General Liability-D&O	344,576	281,433	231,000
Insurance-General Liability-Excess Liability	193,783	138,569	118,259
Insurance-Workers Compensation	145,580	140,155	112,493
Insurance-Other	392,712	350,699	310,629
Rate Case Expense	238,125	238,125	103,954
Bad Debt Expense	272,542	269,660	377,685
Corporate Expense	240,534	240,534	240,534
Operations-Electric	12,820	12,820	12,821
Operations-Materials and Supplies	4,796	4,796	4,796
Operations-Computer Exp	203,763	203,763	168,445
Operations-Transportation Expense	48,749	48,749	42,351
Operations-Miscellaneous Expense	1,428	1,428	1,428
Operations-Injuries and Damages	1,342	1,342	1,342
Operations-Allocation to Wastewater	(602,065)	(605,444)	(589,761)
Operations-Memberships	79,187	79,187	79,187



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS  
ENDING FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021

	February 29, 2024 (1)	Twelve Months Ended December 31, 2022 (2)	December 31, 2021 (3)
Operations-AWWA Research Foundation	18,483	18,483	18,483
Operations-Registration for Industry Meetings	2,600	2,600	2,600
Operations-Communications	22,564	22,564	22,564
Operations-Bank Fees	93,973	93,973	93,973
Operations-Trustee Fees	213,840	213,840	201,485
Operations-Bond and Corporate Rating Fees	83,000	83,000	80,667
Operations-Office Expense and Utilities	41,408	41,408	39,732
Operations-Directors Fees	424,293	388,421	350,000
Operations-Mailing	14,417	14,417	14,417
Operations-Subscriptions	6,927	6,927	6,927
Operations-Travel	843	843	843
Operations-Meals	6,758	6,758	6,758
Operations-Lodging	1,402	1,402	1,402
Operations-Registration for Educational Seminars	2,209	2,209	2,209
Maintenance-Materials and Supplies-Structures	3,496	3,496	3,496
Maintenance-Materials and Supplies-Equipment	1,544	1,544	1,544
Maintenance-Outside Services-Structures	44,923	44,923	44,923
Maintenance-Outside Services-Equipment	216,331	216,331	216,331
Miscellaneous Expenses-Maintenance-Equipment Rental	-	-	-
Administrative and General Expenses Capitalized	(740,833)	(769,359)	(728,268)
FAS 87 Pension Expense	1,556,000	2,300,000	2,300,000
<b>Total Administrative and General Expenses</b>	<b>9,383,773</b>	<b>9,629,961</b>	<b>8,960,864</b>
Amortization of Utility Plant Acquisition Adjustments	(11,746)	(11,746)	
Increased Costs Resulting From Load Growth	67,025	27,622	
General Price Level Adjustment	1,023,307	360,236	
<b>Total Operating Expenses</b>	<b>23,141,818</b>	<b>22,398,210</b>	<b>20,045,215</b>

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PRO FORMA OPERATING EXPENSES FOR  
TWELVE MONTHS ENDING FEBRUARY 29, 2024  
UNDER EXISTING AND PROPOSED RATES

53.53 III Operating Expense

D. Water and Wastewater Utilities

2 Prepare a summary of operating expenses for the test year providing annualizing and normalizing adjustments to arrive at adjusted operating expenses for ratemaking, including supporting data.

RESPONSE Refer to Pages 2 through 22.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF PROJECTED AND PRO FORMA OPERATING EXPENSES  
UNDER EXISTING AND PROPOSED RATES  
FOR TWELVE MONTHS ENDING DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Exhibit No.FIII-2  
Page 2 of 22  
Witness: M E Poff

	Pro Forma Twelve Months Ended December 31, 2021 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates			Pro Forma Twelve Months Ending December 31, 2022 (7)
				Projected Twelve Months Ending December 31, 2022 (4)	Exhibit Reference (5)	Adjustment (6)	
SOURCE OF SUPPLY EXPENSES							
Salaries and Wages-Operations	35,360	FIII-2-1	3,134	38,495	FIII-2-15	1,376	39,871
Salaries and Wages-Vacation	97,179	FIII-2-1	8,614	105,792	FIII-2-15	3,781	109,574
Salaries and Wages-Maintenance	92,889	FIII-2-1	8,233	101,123	FIII-2-15	3,614	104,737
Salaries and Wages-Reservoir Maintenance	-	FIII-2-1	-	-	FIII-2-15	-	-
Salaries and Wages-Structure PS Maintenance	80,109	FIII-2-1	7,101	87,210	FIII-2-15	3,117	90,327
Salaries and Wages-Equipment PS Maintenance	95,063	FIII-2-1	8,426	103,489	FIII-2-15	3,699	107,188
Purchased Water for Resale	-			-			-
Electric Expense-Operations	661,709			661,709			661,709
Fuel	22,821			22,821			22,821
Operations-Materials and Supplies	12,988			12,988			12,988
Operations-Computer Expenses	-			-			-
Operations-Outside Services	3,960			3,960			3,960
Water Preservation Expense-Operations	1,300			1,300			1,300
Operations-Miscellaneous Expense	50,373			50,373			50,373
Operations-Registration for Industry Meetings	-			-			-
Operations-Communications	22,488			22,488			22,488
Operations-Office Expense and Utilities	32,773			32,773			32,773
Operations-Uniforms	4,474			4,474			4,474
Operations-Travel	-			-			-
Operations-Meals	482			482			482
Operations-Lodging	-			-			-
Operations-Registration for Educational Seminars	2,016			2,016			2,016
Maintenance-Materials and Supplies	28,010			28,010			28,010
Maintenance-Materials and Supplies-Reservoirs	109			109			109
Maintenance-Materials and Supplies-Structures	13,820			13,820			13,820
Maintenance-Materials and Supplies-Equipment	24,600			24,600			24,600
Maintenance-Outside Services-Reservoirs	14,214			14,214			14,214
Maintenance-Outside Services-Structures	37,535			37,535			37,535
Maintenance-Outside Services-Equipment	36,053			36,053			36,053
Maintenance-Equipment Rental	14,782			14,782			14,782
Maintenance-Transportation Expense	48,749			48,749			48,749
Total Source of Supply Expenses	1,433,856		35,508	1,469,364		15,588	1,484,952

THE YORK WATER COMPANY  
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	Pro Forma Twelve Months Ended December 31, 2021 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates			Pro Forma Twelve Months Ending December 31, 2022 (7)
				Projected Twelve Months Ending December 31, 2022 (4)	Exhibit Reference (5)	Adjustment (6)	
<b>WATER TREATMENT EXPENSES</b>							
Salaries and Wages- Operations	816,102	FIII-2-1	72,337	888,439	FIII-2-15	31,756	920,195
Salaries and Wages- Vacation	110,424	FIII-2-1	9,788	120,212	FIII-2-15	4,297	124,509
Salaries and Wages- Maintenance	5,526	FIII-2-1	490	6,016	FIII-2-15	215	6,231
Salaries and Wages- Maintenance of Treatment Structures	80,350	FIII-2-1	7,122	87,472	FIII-2-15	3,127	90,599
Salaries and Wages- Maintenance of Treatment Equipment	102,116	FIII-2-1	9,051	111,167	FIII-2-15	3,973	115,140
Chemicals	792,754			792,754			792,754
Operations-Electric	26,162			26,162			26,162
Operations-Materials and Supplies	176,751			176,751			176,751
Operations-Computer Exp	2,621			2,621			2,621
Operations-Engineering Services	-			-			-
Operations-Testing Services	25,647			25,647			25,647
Operations-Lead Testing Services	-			-			-
Operations-Outside Services	209,767			209,767			209,767
Operations-Transportation Expense	47,008			47,008			47,008
Miscellaneous Expenses-Operations	36,219			36,219			36,219
Operations-Registration for Industry Meetings	-			-			-
Operations-Communications	18,756			18,756			18,756
Operations-Office Expense and Utilities	33,255			33,255			33,255
Operations-Mailing	17			17			17
Operations-Travel	120			120			120
Operations-Meals	-			-			-
Operations-Lodging	-			-			-
Operations-Registration for Educational Seminars	2,051			2,051			2,051
Maintenance-Materials and Supplies	1,626			1,626			1,626
Maintenance-Materials and Supplies-Structures	16,478			16,478			16,478
Maintenance-Materials and Supplies-Equipment	75,546			75,546			75,546
Maintenance-Outside Services-Structures	95,208			95,208			95,208
Maintenance-Outside Services-Equipment	70,228			70,228			70,228
Maintenance-Equip Rental	1,752			1,752			1,752
Maintenance-Transportation Expense	62,116			62,116			62,116
<b>Total Water Treatment Expenses</b>	<b>2,808,601</b>		<b>98,788</b>	<b>2,907,389</b>		<b>43,368</b>	<b>2,950,757</b>

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	Pro Forma Twelve Months Ended December 31, 2021 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending December 31, 2022 (4)	Under Existing Rates Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending December 31, 2022 (7)
<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>							
Salaries and Wages- Operations	876,718	FIII-2-1	77,710	954,428	FIII-2-15	34,114	988,543
Salaries and Wages- Operation of Services	254,849	FIII-2-1	22,589	277,438	FIII-2-15	9,917	287,354
Salaries and Wages- Operation of Meters	94,826	FIII-2-1	8,405	103,232	FIII-2-15	3,690	106,922
Salaries and Wages- Operation of Hydrants	-	FIII-2-1	-	-	FIII-2-15	-	-
Salaries and Wages- Vacation	441,245	FIII-2-1	39,111	480,356	FIII-2-15	17,170	497,526
Salaries and Wages- Maintenance	164,611	FIII-2-1	14,591	179,201	FIII-2-15	6,405	185,607
Salaries and Wages- Maintenance of Distribution Structures	52,167	FIII-2-1	4,624	56,791	FIII-2-15	2,030	58,821
Salaries and Wages- Maintenance of Distribution Equipment	172,792	FIII-2-1	15,316	188,108	FIII-2-15	6,724	194,832
Salaries and Wages- Maintenance of Services	101,851	FIII-2-1	9,028	110,879	FIII-2-15	3,963	114,842
Salaries and Wages- Maintenance of Distribution Mains	294,942	FIII-2-1	26,143	321,085	FIII-2-15	11,477	332,562
Salaries and Wages- Maintenance of Meters	41,097	FIII-2-1	3,643	44,740	FIII-2-15	1,599	46,339
Salaries and Wages- Maintenance of Hydrants	67,470	FIII-2-1	5,980	73,450	FIII-2-15	2,625	76,076
Operations-Electric	470,368			470,368			470,368
Operations-Materials and Supplies	71,350			71,350			71,350
Operations-Materials and Supplies-Services	17,200			17,200			17,200
Operations-Materials and Supplies-Meters	9,715			9,715			9,715
Operations-Materials and Supplies-Hydrants	-			-			-
Operations-Computer Exp	6,319			6,319			6,319
Operations-Outside Services	490			490			490
Operations-Outside Services-Services	-			-			-
Operations-Outside Services-Meters	-			-			-
Operations-Outside Services-Hydrants	-			-			-
Operations-Transportation Expense	106,148			106,148			106,148
Operations-Transportation Expense-Services	87,277			87,277			87,277
Operations-Transportation Expense-Meters	28,306			28,306			28,306
Operations-Miscellaneous Expense	4,641			4,641			4,641
Operations-Registration for Industry Meetings	-			-			-
Operations-Communications	74,141			74,141			74,141
Operations-Office Expense and Utilities	18,426			18,426			18,426
Operations-Uniforms	6,507			6,507			6,507
Operations-Mailing	4,162			4,162			4,162

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				Projected Twelve Months Ending December 31, 2022 (4)	Exhibit Reference (5)	Adjustment (6)	
Operations-Subscriptions	-			-			-
Operations-Travel	3,477			3,477			3,477
Operations-Meals	2,230			2,230			2,230
Operations-Lodging	383			383			383
Operations-Registration for Educational Seminars	5,284			5,284			5,284
Maintenance-Materials and Supplies - General	14,083			14,083			14,083
Maintenance-Materials and Supplies - Structures	12,758			12,758			12,758
Maintenance-Materials and Supplies - Equipment	34,575			34,575			34,575
Maintenance-Materials and Supplies-Services	22,329			22,329			22,329
Maintenance-Materials and Supplies-Distribution Mains	135,668			135,668			135,668
Maintenance-Materials and Supplies-Meters	6,557			6,557			6,557
Maintenance-Materials and Supplies-Hydrants	32,391			32,391			32,391
Maintenance-Outside Services-Structures	119,619			119,619			119,619
Maintenance-Outside Services-Equipment	65,136			65,136			65,136
Maintenance-Outside Services-Services	939,040			939,040			939,040
Maintenance-Outside Services-Distribution Mains	631,839			631,839			631,839
Maintenance-Outside Services-Meters	799			799			799
Maintenance-Outside Services-Hydrants	11,475			11,475			11,475
Maintenance-Equipment Rental-Structures	-			-			-
Maintenance-Equipment Rental-Services	5,723			5,723			5,723
Maintenance-Equipment Rental-Distribution Mains	-			-			-
Maintenance-Transportation Expense	19,657			19,657			19,657
Maintenance-Transportation Expense-Structures	16,512			16,512			16,512
Maintenance-Transportation Expense-Dist Equipment	41,673			41,673			41,673
Maintenance-Transportation Expense-Services	18,084			18,084			18,084
Maintenance-Transportation Expense-Distribution Mains	84,131			84,131			84,131
Maintenance-Transportation Expense-Meters	2,359			2,359			2,359
Maintenance-Transportation Expense-Hydrants	30,664			30,664			30,664
Maintenance-Mailing	2,091			2,091			2,091
<b>Total Transmission and Distribution Expenses</b>	<b>5,726,157</b>		<b>227,140</b>	<b>5,953,296</b>		<b>99,713</b>	<b>6,053,010</b>

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				Projected Twelve Months Ending December 31, 2022 (4)	Exhibit Reference (5)		Adjustment (6)
<b>CUSTOMER ACCOUNTS EXPENSES</b>							
Salaries and Wages-Operations	804,365	FIII-2-1	71,297	875,662	FIII-2-15	31,299	906,961
Salaries and Wages-PUC Collections	49,173	FIII-2-1	4,359	53,531	FIII-2-15	1,913	55,445
Salaries and Wages -Vacation	158,413	FIII-2-1	14,041	172,455	FIII-2-15	6,164	178,619
Operations-Materials and Supplies	40,929			40,929			40,929
Operations-Materials and Supplies-Equipment	141			141			141
Operations-Computer Exp	-			-			-
Operations-Outside Services	71,329			71,329			71,329
Operations-Outside Services-Equipment	14,543			14,543			14,543
Operations-Transportation Expense	85,704			85,704			85,704
Operations-Miscellaneous Expense	19			19			19
Operations-Registration for Industry Meetings	1,170			1,170			1,170
Operations-Communications	4,635			4,635			4,635
Operations-Trustee and Bank Fees	384,887			384,887			384,887
Operations-Uniforms	594			594			594
Operations-Mailing	353,253			353,253			353,253
Operations-Travel	322			322			322
Operations-Meals	144			144			144
Operations-Lodging	644			644			644
Operations-Registration for Educational Seminars	2,125			2,125			2,125
<b>Total Customer Accounts Expenses</b>	<b>1,972,390</b>		<b>89,697</b>	<b>2,062,087</b>		<b>39,377</b>	<b>2,101,464</b>

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	Pro Forma Twelve Months Ended December 31, 2021 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending December 31, 2022 (4)	Under Existing Rates Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending December 31, 2022 (7)
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>							
Salaries and Wages-Operations	1,637,950	FIII-2-1	145,184	1,783,134	FIII-2-15	63,735	1,846,869
Salaries and Wages-Operations-Vacation	308,691	FIII-2-1	27,362	336,053	FIII-2-15	12,012	348,064
Salaries and Wages-Operations-Officers	366,017	FIII-2-1	32,443	398,460	FIII-2-15	14,242	412,702
Salaries and Wages-Maintenance-Office Structures	15,375	FIII-2-1	1,363	16,737	FIII-2-15	598	17,336
Salaries and Wages-Maintenance-Office Equipment	3,168	FIII-2-1	281	3,449	FIII-2-15	123	3,572
Employee Benefits-401k Match	340,092			340,092			340,092
Employee Benefits-Pension Administration	210,079	FIII-2-2	5,940	216,019	FIII-2-16	5,940	221,960
Employee Benefits-401k Administration	-			-			-
Employee Benefits-Health Insurance	1,435,913	FIII-2-3	161,794	1,597,707			1,597,707
Employee Benefits-Other Employee Benefits	85,031			85,031			85,031
Contractual Services-Auditing	177,121	FIII-2-4	8,582	185,703			185,703
Contractual Services-Internal Control	-			-			-
Contractual Services-Tax	15,550	FIII-2-4	450	16,000			16,000
Contractual Services-Other Accounting	28,448			28,448			28,448
Contractual Services-Legal	149,692			149,692			149,692
Contractual Services-Outside Services	107,912			107,912			107,912
Insurance-Automobile	36,350			36,350			36,350
Insurance-General Liability	209,684	FIII-2-5	19,896	229,580			229,580
Insurance-General Liability-D&O	231,000	FIII-2-5	50,433	281,433			281,433
Insurance-General Liability-Excess Liability	118,259	FIII-2-5	20,310	138,569			138,569
Insurance-Workers Compensation	127,778	FIII-2-6	12,377	140,155	FIII-2-17	3,036	143,191
Insurance-Other	310,629	FIII-2-5	40,070	350,699			350,699
Rate Case Expense	238,125			238,125			238,125
Bad Debt Expense	268,425	FIII-2-7	1,235	269,660	FIII-2-18	1,235	270,895
Corporate Expense	240,534			240,534			240,534
Operations-Electric	12,820			12,820			12,820
Operations-Materials and Supplies	4,796			4,796			4,796
Operations-Computer Exp	203,763			203,763			203,763
Operations-Transportation Expense	48,749			48,749			48,749
Operations-Miscellaneous Expense	1,428			1,428			1,428
Operations-Injuries and Damages	1,342			1,342			1,342
Operations-Allocation to Wastewater	(589,761)	FIII-2-8	(15,683)	(605,444)	FIII-2-19	(13,629)	(619,073)
Operations-Memberships	79,187			79,187			79,187



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				Projected Twelve Months Ending December 31, 2022 (4)	Exhibit Reference Adjustment (5) (6)	
Operations-AWWA Research Foundation	18,483			18,483		18,483
Operations-Registration for Industry Meetings	2,600			2,600		2,600
Operations-Communications	22,564			22,564		22,564
Operations-Bank Fees	93,973			93,973		93,973
Operations-Trustee Fees	213,840			213,840		213,840
Operations-Bond and Corporate Rating Fees	83,000			83,000		83,000
Operations-Office Expense and Utilities	41,408			41,408		41,408
Operations-Directors Fees	351,684	FIII-2-9	36,737	388,421	FIII-2-20 9,010	397,431
Operations-Mailing	14,417			14,417		14,417
Operations-Subscriptions	6,927			6,927		6,927
Operations-Travel	843			843		843
Operations-Meals	6,758			6,758		6,758
Operations-Lodging	1,402			1,402		1,402
Operations-Registration for Educational Seminars	2,209			2,209		2,209
Maintenance-Materials and Supplies-Structures	3,496			3,496		3,496
Maintenance-Materials and Supplies-Equipment	1,544			1,544		1,544
Maintenance-Outside Services-Structures	44,923			44,923		44,923
Maintenance-Outside Services-Equipment	216,331			216,331		216,331
Miscellaneous Expenses-Maintenance-Equipment Rental	-			-		-
Administrative and General Expenses Capitalized	(741,755)	FIII-2-10	(27,604)	(769,359)	FIII-2-21 (26,558)	(795,916)
FAS 87 Pension Expense	2,300,000			2,300,000		2,300,000
<b>Total Administrative and General Expenses</b>	<b>9,108,793</b>		<b>521,169</b>	<b>9,629,961</b>	<b>69,745</b>	<b>9,699,706</b>
Amortization of Utility Plant Acquisition Adjustments	(11,746)			(11,746)		(11,746)
Increased Costs Resulting From Load Growth	10,735	FIII-2-11	16,887	27,622	FIII-2-22 16,887	44,509
General Price Level Adjustment	-	FIII-2-12	360,236	360,236		360,236
<b>Total Operating Expenses</b>	<b>21,048,786</b>		<b>1,349,424</b>	<b>22,398,210</b>	<b>284,677</b>	<b>22,682,887</b>

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	Pro Forma Twelve Months Ending December 31, 2022 (1)	Under Existing Rates		Projected Twelve Months Ending February 29, 2024 (4)
		Exhibit Reference (2)	Adjustment (3)	
<b>SOURCE OF SUPPLY EXPENSES</b>				
Salaries and Wages-Operations	39,871	FIII-2-25	620	40,491
Salaries and Wages-Vacation	109,574	FIII-2-25	1,705	111,278
Salaries and Wages-Maintenance	104,737	FIII-2-25	1,629	106,367
Salaries and Wages-Reservoir Maintenance	-	FIII-2-25	-	-
Salaries and Wages-Structure PS Maintenance	90,327	FIII-2-25	1,405	91,732
Salaries and Wages-Equipment PS Maintenance	107,188	FIII-2-25	1,667	108,855
Purchased Water for Resale	-			-
Electric Expense-Operations	661,709			661,709
Fuel	22,821			22,821
Operations-Materials and Supplies	12,988			12,988
Operations-Computer Expenses	-			-
Operations-Outside Services	3,960			3,960
Water Preservation Expense-Operations	1,300			1,300
Operations-Miscellaneous Expense	50,373			50,373
Operations-Registration for Industry Meetings	-			-
Operations-Communications	22,488			22,488
Operations-Office Expense and Utilities	32,773			32,773
Operations-Uniforms	4,474			4,474
Operations-Travel	-			-
Operations-Meals	482			482
Operations-Lodging	-			-
Operations-Registration for Educational Seminars	2,016			2,016
Maintenance-Materials and Supplies	28,010			28,010
Maintenance-Materials and Supplies-Reservoirs	109			109
Maintenance-Materials and Supplies-Structures	13,820			13,820
Maintenance-Materials and Supplies-Equipment	24,600			24,600
Maintenance-Outside Services-Reservoirs	14,214			14,214
Maintenance-Outside Services-Structures	37,535			37,535
Maintenance-Outside Services-Equipment	36,053			36,053
Maintenance-Equipment Rental	14,782			14,782
Maintenance-Transportation Expense	48,749			48,749
<b>Total Source of Supply Expenses</b>	<b>1,484,952</b>		<b>7,027</b>	<b>1,491,979</b>

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	Pro Forma Twelve Months Ending December 31, 2022 (1)	Under Existing Rates		Projected Twelve Months Ending February 29, 2024 (4)
		Exhibit Reference (2)	Adjustment (3)	
<b>WATER TREATMENT EXPENSES</b>				
Salaries and Wages- Operations	920,195	FIII-2-25	14,315	934,510
Salaries and Wages- Vacation	124,509	FIII-2-25	1,937	126,446
Salaries and Wages- Maintenance	6,231	FIII-2-25	97	6,328
Salaries and Wages- Maintenance of Treatment Structures	90,599	FIII-2-25	1,409	92,008
Salaries and Wages- Maintenance of Treatment Equipment	115,140	FIII-2-25	1,791	116,932
Chemicals	792,754			792,754
Operations-Electric	26,162			26,162
Operations-Materials and Supplies	176,751			176,751
Operations-Computer Exp	2,621			2,621
Operations-Engineering Services	-			-
Operations-Testing Services	25,647			25,647
Operations-Lead Testing Services	-			-
Operations-Outside Services	209,767			209,767
Operations-Transportation Expense	47,008			47,008
Miscellaneous Expenses-Operations	36,219			36,219
Operations-Registration for Industry Meetings	-			-
Operations-Communications	18,756			18,756
Operations-Office Expense and Utilities	33,255			33,255
Operations-Mailing	17			17
Operations-Travel	120			120
Operations-Meals	-			-
Operations-Lodging	-			-
Operations-Registration for Educational Seminars	2,051			2,051
Maintenance-Materials and Supplies	1,626			1,626
Maintenance-Materials and Supplies-Structures	16,478			16,478
Maintenance-Materials and Supplies-Equipment	75,546			75,546
Maintenance-Outside Services-Structures	95,208			95,208
Maintenance-Outside Services-Equipment	70,228			70,228
Maintenance-Equip Rental	1,752			1,752
Maintenance-Transportation Expense	62,116			62,116
<b>Total Water Treatment Expenses</b>	<b>2,950,757</b>		<b>19,549</b>	<b>2,970,306</b>

THE YORK WATER COMPANY  
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	Under Existing Rates			Projected Twelve Months Ending February 29, 2024 (4)
	Pro Forma Twelve Months Ending December 31, 2022 (1)	Exhibit Reference (2)	Adjustment (3)	
<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>				
Salaries and Wages- Operations	988,543	FIII-2-25	15,378	1,003,921
Salaries and Wages- Operation of Services	287,354	FIII-2-25	4,470	291,824
Salaries and Wages- Operation of Meters	106,922	FIII-2-25	1,663	108,585
Salaries and Wages- Operation of Hydrants	-	FIII-2-25	-	-
Salaries and Wages- Vacation	497,526	FIII-2-25	7,740	505,265
Salaries and Wages- Maintenance	185,607	FIII-2-25	2,887	188,494
Salaries and Wages- Maintenance of Distribution Structures	58,821	FIII-2-25	915	59,736
Salaries and Wages- Maintenance of Distribution Equipment	194,832	FIII-2-25	3,031	197,863
Salaries and Wages- Maintenance of Services	114,842	FIII-2-25	1,787	116,629
Salaries and Wages- Maintenance of Distribution Mains	332,562	FIII-2-25	5,173	337,735
Salaries and Wages- Maintenance of Meters	46,339	FIII-2-25	721	47,060
Salaries and Wages- Maintenance of Hydrants	76,076	FIII-2-25	1,183	77,259
Operations-Electric	470,368			470,368
Operations-Materials and Supplies	71,350			71,350
Operations-Materials and Supplies-Services	17,200			17,200
Operations-Materials and Supplies-Meters	9,715			9,715
Operations-Materials and Supplies-Hydrants	-			-
Operations-Computer Exp	6,319			6,319
Operations-Outside Services	490			490
Operations-Outside Services-Services	-			-
Operations-Outside Services-Meters	-			-
Operations-Outside Services-Hydrants	-			-
Operations-Transportation Expense	106,148			106,148
Operations-Transportation Expense-Services	87,277			87,277
Operations-Transportation Expense-Meters	28,306			28,306
Operations-Miscellaneous Expense	4,641			4,641
Operations-Registration for Industry Meetings	-			-
Operations-Communications	74,141			74,141
Operations-Office Expense and Utilities	18,426			18,426
Operations-Uniforms	6,507			6,507
Operations-Mailing	4,162			4,162
Operations-Subscriptions	-			-

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	Pro Forma Twelve Months Ending December 31, 2022 (1)	Under Existing Rates		Projected Twelve Months Ending February 29, 2024 (4)
		Exhibit Reference (2)	Adjustment (3)	
Operations-Travel	3,477			3,477
Operations-Meals	2,230			2,230
Operations-Lodging	383			383
Operations-Registration for Educational Seminars	5,284			5,284
Maintenance-Materials and Supplies - General	14,083			14,083
Maintenance-Materials and Supplies - Structures	12,758			12,758
Maintenance-Materials and Supplies - Equipment	34,575			34,575
Maintenance-Materials and Supplies-Services	22,329			22,329
Maintenance-Materials and Supplies-Distribution Mains	135,668			135,668
Maintenance-Materials and Supplies-Meters	6,557			6,557
Maintenance-Materials and Supplies-Hydrants	32,391			32,391
Maintenance-Outside Services-Structures	119,619			119,619
Maintenance-Outside Services-Equipment	65,136			65,136
Maintenance-Outside Services-Services	939,040			939,040
Maintenance-Outside Services-Distribution Mains	631,839			631,839
Maintenance-Outside Services-Meters	799			799
Maintenance-Outside Services-Hydrants	11,475			11,475
Maintenance-Equipment Rental-Structures	-			-
Maintenance-Equipment Rental-Services	5,723			5,723
Maintenance-Equipment Rental-Distribution Mains	-			-
Maintenance-Transportation Expense	19,657			19,657
Maintenance-Transportation Expense-Structures	16,512			16,512
Maintenance-Transportation Expense-Dist Equipment	41,673			41,673
Maintenance-Transportation Expense-Services	18,084			18,084
Maintenance-Transportation Expense-Distribution Mains	84,131			84,131
Maintenance-Transportation Expense-Meters	2,359			2,359
Maintenance-Transportation Expense-Hydrants	30,664			30,664
Maintenance-Mailing	2,091			2,091
<b>Total Transmission and Distribution Expenses</b>	<b>6,053,010</b>		<b>44,949</b>	<b>6,097,959</b>

THE YORK WATER COMPANY  
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	Pro Forma Twelve Months Ending December 31, 2022 (1)	Under Existing Rates		Projected Twelve Months Ending February 29, 2024 (4)
		Exhibit Reference (2)	Adjustment (3)	
<b>CUSTOMER ACCOUNTS EXPENSES</b>				
Salaries and Wages-Operations	906,961	FIII-2-25	14,109	921,070
Salaries and Wages-PUC Collections	55,445	FIII-2-25	863	56,307
Salaries and Wages -Vacation	178,619	FIII-2-25	2,779	181,398
Operations-Materials and Supplies	40,929			40,929
Operations-Materials and Supplies-Equipment	141			141
Operations-Computer Exp	-			-
Operations-Outside Services	71,329			71,329
Operations-Outside Services-Equipment	14,543			14,543
Operations-Transportation Expense	85,704			85,704
Operations-Miscellaneous Expense	19			19
Operations-Registration for Industry Meetings	1,170			1,170
Operations-Communications	4,635			4,635
Operations-Trustee and Bank Fees	384,887			384,887
Operations-Uniforms	594			594
Operations-Mailing	353,253			353,253
Operations-Travel	322			322
Operations-Meals	144			144
Operations-Lodging	644			644
Operations-Registration for Educational Seminars	2,125			2,125
<b>Total Customer Accounts Expenses</b>	<b>2,101,464</b>		<b>17,750</b>	<b>2,119,214</b>

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	Pro Forma Twelve Months Ending December 31, 2022 (1)	Under Existing Rates		Projected Twelve Months Ending February 29, 2024 (4)
		Exhibit Reference (2)	Adjustment (3)	
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>				
Salaries and Wages-Operations	1,846,869	FIII-2-25	28,731	1,875,600
Salaries and Wages-Operations-Vacation	348,064	FIII-2-25	5,415	353,479
Salaries and Wages-Operations-Officers	412,702	FIII-2-25	6,420	419,122
Salaries and Wages-Maintenance-Office Structures	17,336	FIII-2-25	270	17,605
Salaries and Wages-Maintenance-Office Equipment	3,572	FIII-2-25	56	3,627
Employee Benefits-401k Match	340,092			340,092
Employee Benefits-Pension Administration	221,960	FIII-2-26	7,550	229,510
Employee Benefits-401k Administration	-			-
Employee Benefits-Health Insurance	1,597,707	FIII-2-27	99,136	1,696,843
Employee Benefits-Other Employee Benefits	85,031			85,031
Contractual Services-Auditing	185,703	FIII-2-28	5,150	190,853
Contractual Services-Internal Control	-			-
Contractual Services-Tax	16,000	FIII-2-28	500	16,500
Contractual Services-Other Accounting	28,448			28,448
Contractual Services-Legal	149,692			149,692
Contractual Services-Outside Services	107,912			107,912
Insurance-Automobile	36,350			36,350
Insurance-General Liability	229,580	FIII-2-29	11,479	241,059
Insurance-General Liability-D&O	281,433	FIII-2-29	63,143	344,576
Insurance-General Liability-Excess Liability	138,569	FIII-2-29	55,214	193,783
Insurance-Workers Compensation	143,191	FIII-2-30	2,389	145,580
Insurance-Other	350,699	FIII-2-29	42,014	392,712
Rate Case Expense	238,125			238,125
Bad Debt Expense	270,895	FIII-2-31	1,647	272,542
Corporate Expense	240,534			240,534
Operations-Electric	12,820			12,820
Operations-Materials and Supplies	4,796			4,796
Operations-Computer Exp	203,763			203,763
Operations-Transportation Expense	48,749			48,749
Operations-Miscellaneous Expense	1,428			1,428
Operations-Injuries and Damages	1,342			1,342
Operations-Allocation to Wastewater	(619,073)	FIII-2-32	17,008	(602,065)

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	Pro Forma Twelve Months Ending December 31, 2022 (1)	Under Existing Rates		Projected Twelve Months Ending February 29, 2024 (4)
		Exhibit Reference (2)	Adjustment (3)	
Operations-Memberships	79,187			79,187
Operations-AWWA Research Foundation	18,483			18,483
Operations-Registration for Industry Meetings	2,600			2,600
Operations-Communications	22,564			22,564
Operations-Bank Fees	93,973			93,973
Operations-Trustee Fees	213,840			213,840
Operations-Bond and Corporate Rating Fees	83,000			83,000
Operations-Office Expense and Utilities	41,408			41,408
Operations-Directors Fees	397,431	FIII-2-33	26,863	424,293
Operations-Mailing	14,417			14,417
Operations-Subscriptions	6,927			6,927
Operations-Travel	843			843
Operations-Meals	6,758			6,758
Operations-Lodging	1,402			1,402
Operations-Registration for Educational Seminars	2,209			2,209
Maintenance-Materials and Supplies-Structures	3,496			3,496
Maintenance-Materials and Supplies-Equipment	1,544			1,544
Maintenance-Outside Services-Structures	44,923			44,923
Maintenance-Outside Services-Equipment	216,331			216,331
Miscellaneous Expenses-Maintenance-Equipment Rental	-			-
Administrative and General Expenses Capitalized	(795,916)	FIII-2-34	55,084	(740,833)
FAS 87 Pension Expense	2,300,000	FIII-2-35	(744,000)	1,556,000
<b>Total Administrative and General Expenses</b>	<b>9,699,706</b>		<b>(315,933)</b>	<b>9,383,773</b>
Amortization of Utility Plant Acquisition Adjustments	(11,746)			(11,746)
Increased Costs Resulting From Load Growth	44,509	FIII-2-36	22,516	67,025
General Price Level Adjustment	360,236	FIII-2-37	663,071	1,023,307
<b>Total Operating Expenses</b>	<b>22,682,887</b>		<b>458,930</b>	<b>23,141,818</b>



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	Under Existing Rates			Under Proposed Rates			
	Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
<b>SOURCE OF SUPPLY EXPENSES</b>							
Salaries and Wages-Operations	40,491	FIII-2-40	1,344	41,835			41,835
Salaries and Wages-Vacation	111,278	FIII-2-40	3,695	114,973			114,973
Salaries and Wages-Maintenance	106,367	FIII-2-40	3,532	109,898			109,898
Salaries and Wages-Reservoir Maintenance	-	FIII-2-40	-	-			-
Salaries and Wages-Structure PS Maintenance	91,732	FIII-2-40	3,046	94,778			94,778
Salaries and Wages-Equipment PS Maintenance	108,855	FIII-2-40	3,614	112,470			112,470
Purchased Water for Resale	-			-			-
Electric Expense-Operations	661,709			661,709			661,709
Fuel	22,821			22,821			22,821
Operations-Materials and Supplies	12,988			12,988			12,988
Operations-Computer Expenses	-			-			-
Operations-Outside Services	3,960			3,960			3,960
Water Preservation Expense-Operations	1,300			1,300			1,300
Operations-Miscellaneous Expense	50,373			50,373			50,373
Operations-Registration for Industry Meetings	-			-			-
Operations-Communications	22,488			22,488			22,488
Operations-Office Expense and Utilities	32,773			32,773			32,773
Operations-Uniforms	4,474			4,474			4,474
Operations-Travel	-			-			-
Operations-Meals	482			482			482
Operations-Lodging	-			-			-
Operations-Registration for Educational Seminars	2,016			2,016			2,016
Maintenance-Materials and Supplies	28,010			28,010			28,010
Maintenance-Materials and Supplies-Reservoirs	109			109			109
Maintenance-Materials and Supplies-Structures	13,820			13,820			13,820
Maintenance-Materials and Supplies-Equipment	24,600			24,600			24,600
Maintenance-Outside Services-Reservoirs	14,214			14,214			14,214
Maintenance-Outside Services-Structures	37,535			37,535			37,535
Maintenance-Outside Services-Equipment	36,053			36,053			36,053
Maintenance-Equipment Rental	14,782			14,782			14,782
Maintenance-Transportation Expense	48,749			48,749			48,749
<b>Total Source of Supply Expenses</b>	<b>1,491,979</b>		<b>15,231</b>	<b>1,507,210</b>		<b>-</b>	<b>1,507,210</b>

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	Under Existing Rates			Under Proposed Rates			
	Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
<b>WATER TREATMENT EXPENSES</b>							
Salaries and Wages- Operations	934,510	FIII-2-40	31,029	965,539			965,539
Salaries and Wages- Vacation	126,446	FIII-2-40	4,198	130,644			130,644
Salaries and Wages- Maintenance	6,328	FIII-2-40	210	6,538			6,538
Salaries and Wages- Maintenance of Treatment Structure:	92,008	FIII-2-40	3,055	95,063			95,063
Salaries and Wages- Maintenance of Treatment Equipmer	116,932	FIII-2-40	3,883	120,814			120,814
Chemicals	792,754			792,754			792,754
Operations-Electric	26,162			26,162			26,162
Operations-Materials and Supplies	176,751			176,751			176,751
Operations-Computer Exp	2,621			2,621			2,621
Operations-Engineering Services	-			-			-
Operations-Testing Services	25,647			25,647			25,647
Operations-Lead Testing Services	-			-			-
Operations-Outside Services	209,767			209,767			209,767
Operations-Transportation Expense	47,008			47,008			47,008
Miscellaneous Expenses-Operations	36,219			36,219			36,219
Operations-Registration for Industry Meetings	-			-			-
Operations-Communications	18,756			18,756			18,756
Operations-Office Expense and Utilities	33,255			33,255			33,255
Operations-Mailing	17			17			17
Operations-Travel	120			120			120
Operations-Meals	-			-			-
Operations-Lodging	-			-			-
Operations-Registration for Educational Seminars	2,051			2,051			2,051
Maintenance-Materials and Supplies	1,626			1,626			1,626
Maintenance-Materials and Supplies-Structures	16,478			16,478			16,478
Maintenance-Materials and Supplies-Equipment	75,546			75,546			75,546
Maintenance-Outside Services-Structures	95,208			95,208			95,208
Maintenance-Outside Services-Equipment	70,228			70,228			70,228
Maintenance-Equip Rental	1,752			1,752			1,752
Maintenance-Transportation Expense	62,116			62,116			62,116
<b>Total Water Treatment Expenses</b>	<b>2,970,306</b>		<b>42,375</b>	<b>3,012,681</b>		<b>-</b>	<b>3,012,681</b>

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	Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>							
Salaries and Wages- Operations	1,003,921	FIII-2-40	33,334	1,037,255			1,037,255
Salaries and Wages- Operation of Services	291,824	FIII-2-40	9,690	301,514			301,514
Salaries and Wages- Operation of Meters	108,585	FIII-2-40	3,605	112,190			112,190
Salaries and Wages- Operation of Hydrants	-	FIII-2-40	-	-			-
Salaries and Wages- Vacation	505,265	FIII-2-40	16,777	522,042			522,042
Salaries and Wages- Maintenance	188,494	FIII-2-40	6,259	194,753			194,753
Salaries and Wages- Maintenance of Distribution Structure	59,736	FIII-2-40	1,983	61,720			61,720
Salaries and Wages- Maintenance of Distribution Equipme	197,863	FIII-2-40	6,570	204,432			204,432
Salaries and Wages- Maintenance of Services	116,629	FIII-2-40	3,872	120,501			120,501
Salaries and Wages- Maintenance of Distribution Mains	337,735	FIII-2-40	11,214	348,949			348,949
Salaries and Wages- Maintenance of Meters	47,060	FIII-2-40	1,563	48,623			48,623
Salaries and Wages- Maintenance of Hydrants	77,259	FIII-2-40	2,565	79,824			79,824
Operations-Electric	470,368			470,368			470,368
Operations-Materials and Supplies	71,350			71,350			71,350
Operations-Materials and Supplies-Services	17,200			17,200			17,200
Operations-Materials and Supplies-Meters	9,715			9,715			9,715
Operations-Materials and Supplies-Hydrants	-			-			-
Operations-Computer Exp	6,319			6,319			6,319
Operations-Outside Services	490			490			490
Operations-Outside Services-Services	-			-			-
Operations-Outside Services-Meters	-			-			-
Operations-Outside Services-Hydrants	-			-			-
Operations-Transportation Expense	106,148			106,148			106,148
Operations-Transportation Expense-Services	87,277			87,277			87,277
Operations-Transportation Expense-Meters	28,306			28,306			28,306
Operations-Miscellaneous Expense	4,641			4,641			4,641
Operations-Registration for Industry Meetings	-			-			-
Operations-Communications	74,141			74,141			74,141
Operations-Office Expense and Utilities	18,426			18,426			18,426
Operations-Uniforms	6,507			6,507			6,507
Operations-Mailing	4,162			4,162			4,162
Operations-Subscriptions	-			-			-
Operations-Travel	3,477			3,477			3,477

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	Under Existing Rates			Under Proposed Rates			
	Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
Operations-Meals	2,230			2,230			2,230
Operations-Lodging	383			383			383
Operations-Registration for Educational Seminars	5,284			5,284			5,284
Maintenance-Materials and Supplies - General	14,083			14,083			14,083
Maintenance-Materials and Supplies - Structures	12,758			12,758			12,758
Maintenance-Materials and Supplies - Equipment	34,575			34,575			34,575
Maintenance-Materials and Supplies-Services	22,329			22,329			22,329
Maintenance-Materials and Supplies-Distribution Mains	135,668			135,668			135,668
Maintenance-Materials and Supplies-Meters	6,557			6,557			6,557
Maintenance-Materials and Supplies-Hydrants	32,391			32,391			32,391
Maintenance-Outside Services-Structures	119,619			119,619			119,619
Maintenance-Outside Services-Equipment	65,136			65,136			65,136
Maintenance-Outside Services-Services	939,040			939,040			939,040
Maintenance-Outside Services-Distribution Mains	631,839			631,839			631,839
Maintenance-Outside Services-Meters	799			799			799
Maintenance-Outside Services-Hydrants	11,475			11,475			11,475
Maintenance-Equipment Rental-Structures	-			-			-
Maintenance-Equipment Rental-Services	5,723			5,723			5,723
Maintenance-Equipment Rental-Distribution Mains	-			-			-
Maintenance-Transportation Expense	19,657			19,657			19,657
Maintenance-Transportation Expense-Structures	16,512			16,512			16,512
Maintenance-Transportation Expense-Dist Equipment	41,673			41,673			41,673
Maintenance-Transportation Expense-Services	18,084			18,084			18,084
Maintenance-Transportation Expense-Distribution Mains	84,131			84,131			84,131
Maintenance-Transportation Expense-Meters	2,359			2,359			2,359
Maintenance-Transportation Expense-Hydrants	30,664			30,664			30,664
Maintenance-Mailing	2,091			2,091			2,091
<b>Total Transmission and Distribution Expenses</b>	<b>6,097,959</b>		<b>97,431</b>	<b>6,195,390</b>		<b>-</b>	<b>6,195,390</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF PROJECTED AND PRO FORMA OPERATING EXPENSES  
UNDER EXISTING AND PROPOSED RATES  
FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FIII-2  
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	Under Existing Rates			Under Proposed Rates			
	Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
<b>CUSTOMER ACCOUNTS EXPENSES</b>							
Salaries and Wages-Operations	921,070	FIII-2-40	30,583	951,653			951,653
Salaries and Wages-PUC Collections	56,307	FIII-2-40	1,870	58,177			58,177
Salaries and Wages -Vacation	181,398	FIII-2-40	6,023	187,421			187,421
Operations-Materials and Supplies	40,929			40,929			40,929
Operations-Materials and Supplies-Equipment	141			141			141
Operations-Computer Exp	-			-			-
Operations-Outside Services	71,329			71,329			71,329
Operations-Outside Services-Equipment	14,543			14,543			14,543
Operations-Transportation Expense	85,704			85,704			85,704
Operations-Miscellaneous Expense	19			19			19
Operations-Registration for Industry Meetings	1,170			1,170			1,170
Operations-Communications	4,635			4,635			4,635
Operations-Trustee and Bank Fees	384,887			384,887			384,887
Operations-Uniforms	594			594			594
Operations-Mailing	353,253			353,253			353,253
Operations-Travel	322			322			322
Operations-Meals	144			144			144
Operations-Lodging	644			644			644
Operations-Registration for Educational Seminars	2,125			2,125			2,125
<b>Total Customer Accounts Expenses</b>	<b>2,119,214</b>		<b>38,475</b>	<b>2,157,689</b>		<b>-</b>	<b>2,157,689</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF PROJECTED AND PRO FORMA OPERATING EXPENSES  
UNDER EXISTING AND PROPOSED RATES  
FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

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	Under Existing Rates			Under Proposed Rates			
	Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>							
Salaries and Wages-Operations	1,875,600	FIII-2-40	62,276	1,937,876			1,937,876
Salaries and Wages-Operations-Vacation	353,479	FIII-2-40	11,737	365,216			365,216
Salaries and Wages-Operations-Officers	419,122	FIII-2-40	13,916	433,038			433,038
Salaries and Wages-Maintenance-Office Structures	17,605	FIII-2-40	585	18,190			18,190
Salaries and Wages-Maintenance-Office Equipment	3,627	FIII-2-40	120	3,748			3,748
		FIII-2-41, FIII-2-					
Employee Benefits-401k Match	340,092	42, FIII-2-43	279,118	619,210			619,210
Employee Benefits-Pension Administration	229,510	FIII-2-44	5,435	234,945			234,945
Employee Benefits-401k Administration	-			-			-
Employee Benefits-Health Insurance	1,696,843			1,696,843			1,696,843
Employee Benefits-Other Employee Benefits	85,031			85,031			85,031
Contractual Services-Auditing	190,853			190,853			190,853
Contractual Services-Internal Control	-			-			-
Contractual Services-Tax	16,500			16,500			16,500
Contractual Services-Other Accounting	28,448			28,448			28,448
Contractual Services-Legal	149,692			149,692			149,692
Contractual Services-Outside Services	107,912			107,912			107,912
Insurance-Automobile	36,350			36,350			36,350
Insurance-General Liability	241,059			241,059			241,059
Insurance-General Liability-D&O	344,576			344,576			344,576
Insurance-General Liability-Excess Liability	193,783			193,783			193,783
Insurance-Workers Compensation	145,580	FIII-2-45	3,784	149,364			149,364
Insurance-Other	392,712			392,712			392,712
Rate Case Expense	238,125			238,125			238,125
Bad Debt Expense	272,542	FIII-2-46	1,235	273,777	FIII-2-55	84,234	358,011
Corporate Expense	240,534			240,534			240,534
Operations-Electric	12,820			12,820			12,820
Operations-Materials and Supplies	4,796			4,796			4,796
Operations-Computer Exp	203,763			203,763			203,763
Operations-Transportation Expense	48,749			48,749			48,749
Operations-Miscellaneous Expense	1,428			1,428			1,428
Operations-Injuries and Damages	1,342			1,342			1,342
Operations-Allocation to Wastewater	(602,065)	FIII-2-47	(11,213)	(613,279)			(613,279)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF PROJECTED AND PRO FORMA OPERATING EXPENSES  
UNDER EXISTING AND PROPOSED RATES  
FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

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	Under Existing Rates			Under Proposed Rates			
	Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
Operations-Memberships	79,187			79,187			79,187
Operations-AWWA Research Foundation	18,483			18,483			18,483
Operations-Registration for Industry Meetings	2,600			2,600			2,600
Operations-Communications	22,564			22,564			22,564
Operations-Bank Fees	93,973			93,973			93,973
Operations-Trustee Fees	213,840			213,840			213,840
Operations-Bond and Corporate Rating Fees	83,000			83,000			83,000
Operations-Office Expense and Utilities	41,408			41,408			41,408
Operations-Directors Fees	424,293	FIII-2-48	4,816	429,110			429,110
Operations-Mailing	14,417			14,417			14,417
Operations-Subscriptions	6,927			6,927			6,927
Operations-Travel	843			843			843
Operations-Meals	6,758			6,758			6,758
Operations-Lodging	1,402			1,402			1,402
Operations-Registration for Educational Seminars	2,209			2,209			2,209
Maintenance-Materials and Supplies-Structures	3,496			3,496			3,496
Maintenance-Materials and Supplies-Equipment	1,544			1,544			1,544
Maintenance-Outside Services-Structures	44,923			44,923			44,923
Maintenance-Outside Services-Equipment	216,331			216,331			216,331
Miscellaneous Expenses-Maintenance-Equipment Rental	-			-			-
Administrative and General Expenses Capitalized	(740,833)	FIII-2-49	(14,581)	(755,413)			(755,413)
FAS 87 Pension Expense	1,556,000			1,556,000			1,556,000
<b>Total Administrative and General Expenses</b>	<b>9,383,773</b>		<b>357,229</b>	<b>9,741,002</b>		<b>84,234</b>	<b>9,825,236</b>
Amortization of Utility Plant Acquisition Adjustments	(11,746)	FIII-2-50	(7,063)	(18,809)			(18,809)
Increased Costs Resulting From Load Growth	67,025	FIII-2-51	16,887	83,912			83,912
General Price Level Adjustment	1,023,307			1,023,307			1,023,307
<b>Total Operating Expenses</b>	<b>23,141,818</b>		<b>560,565</b>	<b>23,702,383</b>		<b>84,234</b>	<b>23,786,617</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE	
	To project payroll expense for union and non-union employees to reflect salaries and hourly rates effective December 31, 2022 applied to a two-year average of regular, overtime and double time hours.		
	Pro Forma Historic Test Year Payroll Expense (Refer to Exhibit No. HIII-2-4) (1)	Projected Effect of 2022 Increases (2)	Projected Future Test Year Payroll Expense (3)=(1)+(2)
60110000	35,360	3,134	38,495
60110050	97,179	8,614	105,792
60120000	92,889	8,233	101,123
60120001	-	-	-
60120002	80,109	7,101	87,210
60120003	95,063	8,426	103,489
60130000	816,102	72,337	888,439
60130050	110,424	9,788	120,212
60140000	5,526	490	6,016
60140002	80,350	7,122	87,472
60140003	102,116	9,051	111,167
60150000	876,718	77,710	954,428
60150004	254,849	22,589	277,438
60150006	94,826	8,405	103,232
60150007	-	-	-
60150050	441,245	39,111	480,356
60160000	164,611	14,591	179,201
60160002	52,167	4,624	56,791
60160003	172,792	15,316	188,108
60160004	101,851	9,028	110,879
60160005	294,942	26,143	321,085
60160006	41,097	3,643	44,740
60160007	67,470	5,980	73,450
60170000	804,365	71,297	875,662
60170001	49,173	4,359	53,531
60170050	158,413	14,041	172,455
60180000	1,637,950	145,184	1,783,134
60180050	308,691	27,362	336,053
60380000	366,017	32,443	398,460
60180002	15,375	1,363	16,737
60180003	3,168	281	3,449
70150000	278,898	24,721	303,619
70150050	41,374	3,667	45,042
70160002	824	73	897
70160003	13,803	1,223	15,026
70110000	580	51	632
70180000	-	-	-
	7,756,320	687,500	8,443,820

Refer to Exhibit Nos FIII-2-1(b) and HIII-2-4(a) for the computations supporting the Company's calculation of pro forma payroll expense.



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

Calculation of Future Test Year Payroll

Account	Projected Future Test Year Com- pany Labor, Based On 2022 Rates (See Exhibit No. FIII-2-1(b)) (1)	Pro Forma Historic Test Year Com- pany Labor, Based On 2021 Rates (See Exhibit No. HIII-2-4) (2)	Projected Future Test Year Com- pany Labor Increases (3)=(1)-(2)
60110000	38,495	35,360	3,134
60110050	105,792	97,179	8,614
60120000	101,123	92,889	8,233
60120001	-	-	-
60120002	87,210	80,109	7,101
60120003	103,489	95,063	8,426
60130000	888,439	816,102	72,337
60130050	120,212	110,424	9,788
60140000	6,016	5,526	490
60140002	87,472	80,350	7,122
60140003	111,167	102,116	9,051
60150000	954,428	876,718	77,710
60150004	277,438	254,849	22,589
60150006	103,232	94,826	8,405
60150007	-	-	-
60150050	480,356	441,245	39,111
60160000	179,201	164,611	14,591
60160002	56,791	52,167	4,624
60160003	188,108	172,792	15,316
60160004	110,879	101,851	9,028
60160005	321,085	294,942	26,143
60160006	44,740	41,097	3,643
60160007	73,450	67,470	5,980
60170000	875,662	804,365	71,297
60170001	53,531	49,173	4,359
60170050	172,455	158,413	14,041
60180000	1,783,134	1,637,950	145,184
60180050	336,053	308,691	27,362
60380000	398,460	366,017	32,443
60180002	16,737	15,375	1,363
60180003	3,449	3,168	281
70150000	303,619	278,898	24,721
70150050	45,042	41,374	3,667
70160002	897	824	73
70160003	15,026	13,803	1,223
70110000	632	580	51
70180000	-	-	-
	8,443,820	7,756,320	687,500

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 DISTRIBUTION OF PRO FORMA LABOR BASED ON COMPANY LABOR FOR THE  
 TWO YEARS ENDED DECEMBER 31, 2021

Account	Twelve Months Ended December 31, 2021 (1)	December 31, 2020 (2)	Two-Year Company Labor (3)=(1)+(2)	Allocation Factor (4)	Pro Forma Company Labor (5)=(3)x(4)
10520000	32,366	54,758	87,124	0.58066	50,589
10530000	742,387	751,878	1,494,265		867,657
42600000	5,460	5,581	11,041		6,411
	780,212	812,217	1,592,429		924,657
60110000	33,794	32,501	66,295		38,495
60110050	91,342	90,852	182,194		105,792
60120000	86,754	87,398	174,152		101,123
60120001	-	-	-		-
60120002	85,236	64,955	150,191		87,210
60120003	94,212	84,015	178,227		103,489
60130000	765,634	764,422	1,530,056		888,439
60130050	107,042	99,985	207,027		120,212
60140000	1,474	8,887	10,361		6,016
60140002	90,304	60,339	150,643		87,472
60140003	92,452	98,998	191,450		111,167
60150000	839,390	804,312	1,643,702		954,428
60150004	232,782	245,017	477,799		277,438
60150006	78,451	99,333	177,784		103,232
60150007	-	-	-		-
60150050	419,935	407,327	827,262		480,356
60160000	153,432	155,186	308,618		179,201
60160002	46,562	51,243	97,805		56,791
60160003	182,409	141,548	323,957		188,108
60160004	117,644	73,310	190,954		110,879
60160005	275,195	277,773	552,968		321,085
60160006	31,448	45,603	77,051		44,740
60160007	66,818	59,677	126,495		73,450
60170000	738,482	769,570	1,508,052		875,662
60170001	55,567	36,624	92,191		53,531
60170050	148,377	148,622	296,999		172,455
60180000	1,641,667	1,429,219	3,070,886		1,783,134
60180050	276,595	302,150	578,745		336,053
60380000	341,647	344,574	686,221		398,460
60180002	14,755	14,070	28,825		16,737
60180003	2,911	3,028	5,939		3,449
70150000	295,244	227,644	522,888		303,619
70150050	44,998	32,572	77,570		45,042
70160002	-	1,544	1,544		897
70160003	18,227	7,651	25,878		15,026
70110000	1,058	30	1,088		632
70180000	-	-	-		-
	7,471,838	7,069,979	14,541,817		8,443,820
	8,252,050	7,882,196	16,134,246		9,368,477
					9,368,477
					16,134,246
				Allocation Factor( divided by	9,368,477 16,134,246 )
					0.58066

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project trustee and portfolio management fees for the Company's qualified defined benefit pension plans for the twelve months ending December 31, 2022 based on average projected net asset value of the Company's pension plans for 2022. The Company sponsors two pension plans, one for union represented employees and another for general and administrative employees.	
	Plan Assets as of December 31, 2021	65,583,553
	Projected Plan Assets as of December 31, 2022 (Based on a 6.5% Annual Growth Rate)	70,335,889
	Average Projected Plan Assets for 2022 (65,583,553 + 70,335,889) / 2	67,959,721
	Annual Trustee and Portfolio Management Fees at 0.25% (67,959,721 * .0025)	169,899
	Less: Pro Forma Trustee and Portfolio Management Fees For The Twelve Months Ended December 31, 2021 (Refer To Exhibit No. HIII-2-13)	163,959
		5,940
60480001	Employee Benefits-Pension Administration	5,940

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE		
	To project health insurance expense for the twelve months ending December 31, 2022 based on the Company's expected complement of employees and actual health insurance rates as of January 1, 2022			
Number of Employees (1)	Class (2)	Provider (3)	Monthly Insurance Premium (4)	Annual Insurance Expense (5)
53	Individual	Delta Dental	33.86	21,535
56	Family	Delta Dental	87.13	58,551
46	Individual	VBA	10.60	5,851
64	Family	VBA	24.98	19,185
51	Individual	Highmark	863.25	528,309
56	Multi	Highmark	1981.96	1,331,877
17	Individual	HSA	300.00	5,100
13	Multi	HSA	600.00	7,800
123		Met Life	9.81	14,480
	Total Projected Health Insurance Expense			1,992,688
	Less: Portion of Projected Health Insurance to be Borne by Employees			396,116
	Projected Health Insurance Borne by Company			1,596,572
	Test Year Pro Forma Health Insurance Expense Net of Employee Contributions			1,434,778
				161,794
60480005	Employee Benefits-Health Insurance			161,794

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project annual auditing fees for the twelve months ending December 31, 2022, based on the Audit Committee approved proposal for services of the Company's independent registered public accountants. Additional auditing fees associated with Registration Statements are adjusted on Exhibit Nos. HIII-2-19, HIII-2-20 and HIII-2-21.	
	Intregrated Audits of Financial Statements and Internal Controls	135,000
	Quarterly Reviews	29,600
	Limited Scope Audit of the Company's 401k Plan	9,500
	Limited Scope Audit of the G & A Pension Plar	8,500
	Tax Preparation of Federal Income Tax Return	16,000
		198,600
	Less: Auditing Fees for the Twelve Months Ended December 31, 2021	189,568
		9,032
63280000	Contractual Services-Auditing	8,582
63280002	Tax Services	450

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION			ADJUST- MENT INCREASE DECREASE
	To project property, boiler and machinery, miscellaneous property floater, crime, fiduciary liability, general liability, excess liability and employment practices insurance for the twelve months ending December 31, 2022 based on premiums effective January 1, 2022.			
		Projected 2022 Expense	Historic Test Year Expense	Adjustment
	Insurance	(2)	(3)	(4)
	(1)			
	Property	141,270	122,266	19,004
	Miscellaneous Property			
	Floater	4,830	4,361	469
	Crime and Fiduciary	26,711	20,211	6,500
	ERISA Bond	1,750	1,750	-
	Cyber Liability	40,836	33,574	7,262
	General Liability	229,580	209,684	19,896
	Excess Liability	138,569	118,259	20,310
	D & O Liability	281,433	231,000	50,433
	Pollution/Underground			
	Storage Tank Liability	33,150	31,620	1,530
	Employment Practices	17,200	13,500	3,700
	Flood Insurance	9,063	7,458	1,605
	Kidnap & Ransom	889	889	-
	Service Fee	70,000	70,000	-
	Highway Restoration			
	Bond	5,000	5,000	-
		1,000,281	869,572	130,709
65780000	Insurance-General Liability			19,896
65780001	Insurance-D & O Liability			50,433
65780002	Insurance-General Liability-Excess Liability			20,310
65980000	Insurance-Other			40,070

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE				
	To project workers' compensation insurance expense based on projected payroll for twelve months ending December 31, 2022 and January 1, 2022 workers compensation insurance rates and 2022 experience modification.					
	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Waterworks Employees (1)</td> <td style="text-align: center;">Outside Sales (2)</td> <td style="text-align: center;">Clerical Employees (3)</td> <td style="text-align: center;">Total (4)</td> </tr> </table>	Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)	
Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)			
Projected Payroll Twelve Months Ending December 31, 2022	4,855,365	1,164,616	3,348,496	9,368,477		
Premium Rates Per \$100	\$2.89	\$0.28	\$0.13			
Premiums Subject to Experience Modification	140,320	3,261	4,353	147,934		
Increased Employers Liability Limit @ 1.10%				1,627		
Pa Experience Modification				1.098		
Premiums Adjusted by Application of Experience Modification				164,218		
Schedule Rating @ -5.0%				(8,211)		
Safety Credit @ 5%				(7,800)		
Premiums Adjusted By Application of Schedule Rating and Safety Credit				148,207		
Premium Discount at 11.0%				(16,303)		
Total Premium				131,904		

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	Pennsylvania Compensation Rating Bureau Fee	175
	Foreign and Domestic Terrorism Surcharge	2,811
	Catastrophe (Other than terrorism)	1,874
	Pennsylvania Employer Assessment at 2.48%	3,392
	Projected Workers' Compensation Insurance Expense for the Twelve Months Ending December 31, 2022	140,155
	Less: Pro Forma Workers Compensation Insurance Expense for the Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HIII-2-17)	127,778
		12,377
65880000	Insurance-Workers Compensation	12,377



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE																
	To project at existing rates uncollectible accounts for the twelve months ending December 31, 2022 based on a two-year ratio of the net of uncollectible accounts written-off less recoveries of amounts previously written-off to total operating revenues																	
	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Twelve Months Ended (1)</th> <th style="text-align: center;">Write-offs Less Recoveries (2)</th> <th style="text-align: center;">Operating Revenues (3)</th> <th style="text-align: center;">Ratio of Net Write-offs (4)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">December 31, 2019</td> <td style="text-align: center;">258,542</td> <td style="text-align: center;">49,586,308</td> <td></td> </tr> <tr> <td style="text-align: center;">December 31, 2018</td> <td style="text-align: center;">250,884</td> <td style="text-align: center;">48,145,826</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">509,427</td> <td style="text-align: center;">97,732,134</td> <td style="text-align: center;">0.0052</td> </tr> </tbody> </table>	Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)	December 31, 2019	258,542	49,586,308		December 31, 2018	250,884	48,145,826			509,427	97,732,134	0.0052	
Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)															
December 31, 2019	258,542	49,586,308																
December 31, 2018	250,884	48,145,826																
	509,427	97,732,134	0.0052															
	Projected uncollectible accounts based on applying the two-year ratio of net write-offs to projected operating revenues under existing rates for the twelve months ending December 31, 2022	269,660																
	51,733,559 x 0.0052																	
	Less: Pro Forma Test Year Uncollectible Accounts for Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HIII-2-2)	268,425																
		1,235																
67070000	Bad Debt Expense	1,235																

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project the allocations to wastewater for the period ending December 31, 2022 based on the Company's current allocation methodology and projected expense adjustments to various accounts being allocated.	
	Projected allocation of indirect labor, indirect fringe and operating expenses to wastewater for the period ending December 31, 2022	(493,323)
	Projected allocation of payroll taxes and fringe on direct labor to wastewater for the period ending December 31, 2022	(112,121)
	Less: Allocation to wastewater for the period ended December 31, 2021	<u>(589,761)</u>
	Adjustment $[(493,323) + (112,121)] - (589,761)$	(15,683)
67580005	Allocation to Wastewater	(15,683)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project directors fees for the twelve months ended December 31, 2022, based on the Company's projected complement of directors, schedule of board of director and board committee meetings, and projected fee increase as of May 1, 2022. Directors who are also current employees of the Company receive no additional compensation for Board service.	
	Projected Director Fees for the Twelve Months Ended December 31, 2022	386,960
	Less: Pro Forma Director Fees for the Twelve Months Ended December 31, 2021	350,224
		36,737
67580800	Miscellaneous Expenses-Operations-Directors Fees	36,737

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE																
	To project administrative and general expenses capitalized for the twelve months ending December 31, 2022 based on projected indirect labor, employee benefit costs, property insurance expense, and pension expense for the twelve months ending December 31, 2022 and two-year average capitalization ratios.																	
	Indirect Labor																	
	<table border="1"> <thead> <tr> <th style="text-align: left;">Employee Group (1)</th> <th style="text-align: right;">2022 Projected Payroll (2)</th> <th style="text-align: right;">2-Year Avg Capital- ization Ratio (3)</th> <th style="text-align: right;">Capitalized Indirect Payroll (4)</th> </tr> </thead> <tbody> <tr> <td>Administrative and General</td> <td style="text-align: right;">1,554,502</td> <td style="text-align: right;">13.38%</td> <td style="text-align: right;">207,980</td> </tr> <tr> <td>Distribution</td> <td style="text-align: right;">645,486</td> <td style="text-align: right;">17.95%</td> <td style="text-align: right;">115,890</td> </tr> <tr> <td>Maintenance and Grounds</td> <td style="text-align: right;">232,040</td> <td style="text-align: right;">5.94%</td> <td style="text-align: right;">13,773</td> </tr> </tbody> </table>	Employee Group (1)	2022 Projected Payroll (2)	2-Year Avg Capital- ization Ratio (3)	Capitalized Indirect Payroll (4)	Administrative and General	1,554,502	13.38%	207,980	Distribution	645,486	17.95%	115,890	Maintenance and Grounds	232,040	5.94%	13,773	
Employee Group (1)	2022 Projected Payroll (2)	2-Year Avg Capital- ization Ratio (3)	Capitalized Indirect Payroll (4)															
Administrative and General	1,554,502	13.38%	207,980															
Distribution	645,486	17.95%	115,890															
Maintenance and Grounds	232,040	5.94%	13,773															
	Employee Benefits, Property Insurance and Pension Expense																	
	Benefit																	
	Health Insurance	1,596,572	9.61%	153,404														
	Property Insurance	146,100	9.61%	14,038														
	Workers' Compensation Insurance	918,246	1.49%	13,725														
	Payroll Taxes	918,246	8.01%	73,562														
	Pension Expense	2,516,019	9.61%	241,748														
	Total Projected Indirect Labor, Employee Benefits, Property Insurance Expense and Pension Expense Capitalized			834,118														
	Less: Pro Forma Indirect Labor, Employee Benefits, Property Insurance Expense and Pension Expense Capitalized During the Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HIII-2-6)			800,525														
				33,593														
67580002	Administrative and General Expenses Capitalized			(27,604)														
40801302	Payroll Taxes Capitalized			(5,989)														

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE			
	To project operating expenses for additional costs resulting from an increase in load growth and the number of customers during the twelve months ending December 31, 2022 by applying an historical average ratio of customer accounting and collecting expenses (exclusive of bad debts), purchased power and chemical costs to sales of water.				
		Customer Accounting and Collecting Expense (Excluding Bad Debts) Power and Chemical Costs	Ratio of Customer Accounting and Collecting Expense, Power and Chemicals/ Sales of Water	Power and Chemical Costs Only	Ratio of Power and Chemicals Only/ Sales of Water
	Twelve Months Ended	Sales of Water			
		(1)	(2)	(3)	(4)
	December 31, 2021	51,707,856	3,583,729		1,810,127
	December 31, 2020	50,919,665	3,731,153		1,912,415
		102,627,521	7,314,882	0.071	3,722,542
					0.036
	Load Growth Adjustments				
	Exhibit No. FII-2-1			13,548	
	Exhibit No. FII-2-2			150,693	
	Exhibit No. FII-2-3			9,056	
	Exhibit No. FII-2-4			29,509	
	Exhibit No. FII-2-5			29,654	
	Exhibit No. FII-2-6			4,465	
	Exhibit No. FII-2-9			-	
	Exhibit No. FII-2-10			-	
	Total Load Growth Adjustments			236,925	-
	Additional Cost Resulting From a Net Increase in the Number of Customers During the Twelve Months Ending December 31, 2022				
	236,925 x	0.071		16,887	
	- x	0.036		-	
	Increased Costs Resulting From Load Growth				16,887

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project the effect of inflation during the twelve months ending December 31, 2022 on operating expenses not specifically adjusted to historic or future test year levels.	
	Total Operating Expenses for Twelve Months Ended December 31, 2021	20,045,215
	Less: Amounts Specifically Adjusted In This Rate Filing	
	Rate Case Expense	103,954
	Bad Debt Expense	377,685
	Chemicals-Water Treatment	656,804
	Company Labor	7,112,311
	Administrative and General Expenses	
	Transferred	(728,268)
	Legal Fees	104,478
	Directors Fees	348,540
	Power Purchased	1,144,716
	Natural Gas	64,585
	Lead Service Line Amortization	67,174
	Service Life Study	4,928
	Annual Employee Picnic	5,662
	Bill Payment Fees	289,195
	Accounting Fees	189,568
	Trustee and Portfolio Management Fees	268,328
	DRIP/LTIP/ESPP/LTIIP	4,220
	Corporate Credit Rating	80,667
	Health Insurance Expense	1,233,386
	Workers Compensation Insurance	112,493
	Gasoline	190,900
	Postretirement Death Benefits	(9,002)
	Diesel Fuel	21,428
	Letter of Credit Fees	172,965
	Low Income Assistance Program	20,000
	FAS 87 Pension Expense	2,300,000
	Allocation to Wastewater	(589,761)
	Other Insurances	869,572
	Total Operating Expenses for Twelve Months Ended December 31, 2021 Not Specifically Adjusted To Reflect The Effects Of Inflation	5,628,687
	Estimated Effect of Inflation Based on the Annual Percent Change in the CPI-U Index Between February 2021 and February 2022 (All items less food and energy) of 6.4%	360,236
	General Price Level Adjustment	360,236

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE	
	Pro forma payroll expense for union and non-union employees to reflect salaries and hourly rates effective December 31, 2022, applied to a two-year average of regular, overtime and double time hours.		
	Projected Future Test Year Payroll Expense (Refer to Exhibit No. FIII-2-1) (1)	Pro Forma Effect of 2022 Increases (2)	Pro Forma Future Test Year Payroll Expense (3)=(1)+(2)
60110000	38,495	1,376	39,871
60110050	105,792	3,781	109,574
60120000	101,123	3,614	104,737
60120002	87,210	3,117	90,327
60120003	103,489	3,699	107,188
60130000	888,439	31,756	920,195
60130050	120,212	4,297	124,509
60140000	6,016	215	6,231
60140002	87,472	3,127	90,599
60140003	111,167	3,973	115,140
60150000	954,428	34,114	988,543
60150004	277,438	9,917	287,354
60150006	103,232	3,690	106,922
60150050	480,356	17,170	497,526
60160000	179,201	6,405	185,607
60160002	56,791	2,030	58,821
60160003	188,108	6,724	194,832
60160004	110,879	3,963	114,842
60160005	321,085	11,477	332,562
60160006	44,740	1,599	46,339
60160007	73,450	2,625	76,076
60170000	875,662	31,299	906,961
60170001	53,531	1,913	55,445
60170050	172,455	6,164	178,619
60180000	1,783,134	63,735	1,846,869
60180050	336,053	12,012	348,064
60380000	398,460	14,242	412,702
60180002	16,737	598	17,336
60180003	3,449	123	3,572
70150000	303,619	10,852	314,471
70150050	45,042	1,610	46,652
70160002	897	32	929
70160003	15,026	537	15,563
70110000	632	23	654
70180000	-	-	-
	8,443,820	301,810	8,745,630

Refer to Exhibit Nos FIII-2-1(b) and HIII-2-4(c)  
for the computations supporting the Company's  
calculation of pro forma payroll expense.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

Calculation of Future Test Year Payroll

Account	Pro Forma Future Test Year Com- pany Labor, Based On 2022 Rates (See Exhibit No. FIII-2-15(b)) (1)	Projected Future Test Year Com- pany Labor Based On 2022 Rates (See Exhibit No. FIII-2-1) (2)	Pro Forma Future Test Year Wage Increases (3)=(1)-(2)
60110000	39,871	38,495	1,376
60110050	109,574	105,792	3,781
60120000	104,737	101,123	3,614
60120001	-	-	-
60120002	90,327	87,210	3,117
60120003	107,188	103,489	3,699
60130000	920,195	888,439	31,756
60130050	124,509	120,212	4,297
60140000	6,231	6,016	215
60140002	90,599	87,472	3,127
60140003	115,140	111,167	3,973
60150000	988,543	954,428	34,114
60150004	287,354	277,438	9,917
60150006	106,922	103,232	3,690
60150007	-	-	-
60150050	497,526	480,356	17,170
60160000	185,607	179,201	6,405
60160002	58,821	56,791	2,030
60160003	194,832	188,108	6,724
60160004	114,842	110,879	3,963
60160005	332,562	321,085	11,477
60160006	46,339	44,740	1,599
60160007	76,076	73,450	2,625
60170000	906,961	875,662	31,299
60170001	55,445	53,531	1,913
60170050	178,619	172,455	6,164
60180000	1,846,869	1,783,134	63,735
60180050	348,064	336,053	12,012
60380000	412,702	398,460	14,242
60180002	17,336	16,737	598
60180003	3,572	3,449	123
70150000	314,471	303,619	10,852
70150050	46,652	45,042	1,610
70160002	929	897	32
70160003	15,563	15,026	537
70110000	654	632	23
70180000	-	-	-
	8,745,630	8,443,820	301,810



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DISTRIBUTION OF PRO FORMA LABOR BASED ON COMPANY LABOR FOR THE  
TWO YEARS ENDED DECEMBER 31, 2021

Account	Twelve Months Ended December 31, 2021 (1)	December 31, 2020 (2)	Two-Year Company Labor (3)=(1)+(2)	Allocation Factor (4)	Pro Forma Company Labor (5)=(3)x(4)
10520000	32,366	54,758	87,124	0.60141	52,397
10530000	742,387	751,878	1,494,265		898,669
42600000	5,460	5,581	11,041		6,640
	780,212	812,217	1,592,429		957,707
60110000	33,794	32,501	66,295		39,871
60110050	91,342	90,852	182,194		109,574
60120000	86,754	87,398	174,152		104,737
60120001	-	-	-		-
60120002	85,236	64,955	150,191		90,327
60120003	94,212	84,015	178,227		107,188
60130000	765,634	764,422	1,530,056		920,195
60130050	107,042	99,985	207,027		124,509
60140000	1,474	8,887	10,361		6,231
60140002	90,304	60,339	150,643		90,599
60140003	92,452	98,998	191,450		115,140
60150000	839,390	804,312	1,643,702		988,543
60150004	232,782	245,017	477,799		287,354
60150006	78,451	99,333	177,784		106,922
60150007	-	-	-		-
60150050	419,935	407,327	827,262		497,526
60160000	153,432	155,186	308,618		185,607
60160002	46,562	51,243	97,805		58,821
60160003	182,409	141,548	323,957		194,832
60160004	117,644	73,310	190,954		114,842
60160005	275,195	277,773	552,968		332,562
60160006	31,448	45,603	77,051		46,339
60160007	66,818	59,677	126,495		76,076
60170000	738,482	769,570	1,508,052		906,961
60170001	55,567	36,624	92,191		55,445
60170050	148,377	148,622	296,999		178,619
60180000	1,641,667	1,429,219	3,070,886		1,846,869
60180050	276,595	302,150	578,745		348,064
60380000	341,647	344,574	686,221		412,702
60180002	14,755	14,070	28,825		17,336
60180003	2,911	3,028	5,939		3,572
70150000	295,244	227,644	522,888		314,471
70150050	44,998	32,572	77,570		46,652
70160002	-	1,544	1,544		929
70160003	18,227	7,651	25,878		15,563
70110000	1,058	30	1,088		654
70180000	-	-	-		-
	7,471,838	7,069,979	14,541,817		8,745,630
	8,252,050	7,882,196	16,134,246		9,703,337
					Pro Forma Company Labor
					9,703,337
					Two-Year Company Labor
					16,134,246
				Allocation Factor( divided by	9,703,337 16,134,246 )
					0.60141

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust trustee and portfolio management fees for the Company's qualified defined benefit pension plans for the twelve months ending December 31, 2022 based on projected net asset value of the Company's pension plans as of December 31, 2022. The Company sponsors two pension plans, one for union represented employees and another for general and administrative employees.	
	Projected Plan Assets as of December 31, 2022 (Based on a 6.5% Annual Growth Rate)	70,335,889
	Annual Trustee and Portfolio Management Fees at 0.25% (70,335,889 * .0025)	175,840
	Less: Projected Trustee and Portfolio Management Fees For The Twelve Months Ending December 31, 2022 (Refer To Exhibit No. FIII-2-2)	169,899
		5,940
60480001	Employee Benefits-Pension Administration	5,940

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION				ADJUST- MENT INCREASE DECREASE
	To adjust workers' compensation insurance expense based on pro forma payroll for twelve months ending December 31, 2022 and January 1, 2022 workers compensation insurance rates and 2022 experience modification.				
	Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)	
Pro Forma Payroll Twelve Months Ending December 31, 2022	4,949,871	1,225,298	3,528,168	9,703,337	
Premium Rates Per \$100	\$2.89	\$0.28	\$0.13		
Premiums Subject to Experience Modification	143,051	3,431	4,587	151,069	
Increased Employer's Liability Limit @ 1.1%				1,662	
Pa Experience Modification				1,098	
Premiums Adjusted by Application of Experience Modification				167,698	
Schedule Rating @ -5.0%				(8,385)	
Safety Credit @ 5%				(7,966)	
Premiums Adjusted By Application of Schedule Rating and Safety Credit				151,348	
Premium Discount at 11.0%				(16,648)	

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE												
	To adjust workers' compensation insurance expense based on pro forma payroll for twelve months ending December 31, 2022 and January 1, 2022 workers compensation insurance rates and 2022 experience modification.													
	<table border="0"> <tr> <td style="text-align: center;">Waterworks</td> <td style="text-align: center;">Outside</td> <td style="text-align: center;">Clerical</td> <td></td> </tr> <tr> <td style="text-align: center;">Employees</td> <td style="text-align: center;">Sales</td> <td style="text-align: center;">Employees</td> <td style="text-align: center;">Total</td> </tr> <tr> <td style="text-align: center;">(1)</td> <td style="text-align: center;">(2)</td> <td style="text-align: center;">(3)</td> <td style="text-align: center;">(4)</td> </tr> </table>	Waterworks	Outside	Clerical		Employees	Sales	Employees	Total	(1)	(2)	(3)	(4)	
Waterworks	Outside	Clerical												
Employees	Sales	Employees	Total											
(1)	(2)	(3)	(4)											
	Total Premium	134,699												
	Pennsylvania Compensation Rating Bureau Fee	175												
	Foreign and Domestic Terrorism Surcharge	2,911												
	Catastrophe (Other than Terrorism)	1,941												
	Pennsylvania Employer Assessment at 2.48%	3,465												
	Pro Forma Workers' Compensation Insurance Expense for the Twelve Months Ending December 31, 2022	143,191												
	Less: Projected Workers Compensation Insurance Expense for the Twelve Months Ending December 31, 2022 (Refer to Exhibit No. FIII-2-6)	140,155												
		3,036												
65880000	Insurance-Workers Compensation	3,036												

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE																
	To annualize at existing rates uncollectible accounts for the twelve months ending December 31, 2022 based on a two-year ratio of the net of uncollectible accounts written-off less recoveries of amounts previously written-off to total operating revenues																	
	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Twelve Months Ended (1)</td> <td style="text-align: center;">Write-offs Less Recoveries (2)</td> <td style="text-align: center;">Operating Revenues (3)</td> <td style="text-align: center;">Ratio of Net Write-offs (4)</td> </tr> <tr> <td style="text-align: center;">December 31, 2019</td> <td style="text-align: center;">258,542</td> <td style="text-align: center;">49,586,308</td> <td></td> </tr> <tr> <td style="text-align: center;">December 31, 2018</td> <td style="text-align: center;">250,884</td> <td style="text-align: center;">48,145,826</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">509,427</td> <td style="text-align: center;">97,732,134</td> <td style="text-align: center;">0.0052</td> </tr> </table>	Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)	December 31, 2019	258,542	49,586,308		December 31, 2018	250,884	48,145,826			509,427	97,732,134	0.0052	
Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)															
December 31, 2019	258,542	49,586,308																
December 31, 2018	250,884	48,145,826																
	509,427	97,732,134	0.0052															
	Pro forma uncollectible accounts based on applying the two-year ratio of net write-offs to pro forma operating revenues under existing rates for the twelve months ending December 31, 2022	270,895																
	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">51,970,485</td> <td style="text-align: center;">x</td> <td style="text-align: center;">0.0052</td> <td style="text-align: center;">270,895</td> </tr> </table>	51,970,485	x	0.0052	270,895													
51,970,485	x	0.0052	270,895															
	Less: Projected Test Year Uncollectible Accounts for Twelve Months Ending December 31, 2022 (Refer to Exhibit No. FIII-2-7)	269,660																
		1,235																
67070000	Bad Debt Expense	1,235																

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To annualize the allocations to wastewater for the twelve months ending December 31, 2022, based on the Company's current allocation methodology and pro forma expense adjustments to various accounts being allocated.	
	Pro Forma Allocation of Indirect Labor, Indirect Fringe and Operating Expenses to Wastewater for the Twelve Months Ending December 31, 2022	(502,945)
	Pro Forma Allocation of Payroll Taxes and Fringe Benefits on Direct Labor to Wastewater for the Twelve Months Ending December 31, 2022	(116,129)
	Less: Projected Allocation to Wastewater for the Twelve Months Ending December 31, 2022 (Exhibit No. FIII-2-8)	<u>(605,444)</u>
	Adjustment $[(502,945) + (116,129)] - (605,444)$	(13,629)
67580005 Allocation to Wastewater		(13,629)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To annualize expenses for directors fees for the twelve months ending December 31, 2022, based on the Company's projected complement of directors, schedule of board of director and board committee meetings, and projected fee projected fee increase as of May 1, 2022. Directors who are also current employees of the Company receive no additional compensation for Board service.	
	Pro Forma Director Fees for the Twelve Months Ending December 31, 2022	395,970
	Less: Projected Director Fees for the Twelve Months Ending December 31, 2022	386,960
		9,010
67580800	Miscellaneous Expenses-Operations-Directors Fees	9,010

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE				
	To adjust administrative and general expenses capitalized for the twelve months ending December 31, 2022 based on pro forma indirect labor, employee benefit costs, property insurance expense, and pension expense for the twelve months ending December 31, 2022 and two-year average capitalization ratios.					
	Indirect Labor					
	<table border="0"> <thead> <tr> <th style="text-align: left;">Employee Group (1)</th> <th style="text-align: center;">2022 Pro Forma Payroll (2)</th> <th style="text-align: center;">2-Year Avg Capital- ization Ratio (3)</th> <th style="text-align: center;">Capitalized Indirect Payroll (4)</th> </tr> </thead> </table>	Employee Group (1)	2022 Pro Forma Payroll (2)	2-Year Avg Capital- ization Ratio (3)	Capitalized Indirect Payroll (4)	
Employee Group (1)	2022 Pro Forma Payroll (2)	2-Year Avg Capital- ization Ratio (3)	Capitalized Indirect Payroll (4)			
	Administrative and General	1,648,045	13.38%	220,495		
	Distribution	714,959	17.95%	128,363		
	Maintenance and Grounds	240,600	5.94%	14,281		
	Employee Benefits, Property Insurance and Pension Expense					
	Benefit					
	Health Insurance	1,596,572	9.61%	153,404		
	Property Insurance	146,100	9.61%	14,038		
	Workers' Compensation Insurance	951,067	1.49%	14,215		
	Payroll Taxes	951,067	8.01%	76,191		
	Pension Expense	2,521,960	9.61%	242,318		
	Total Pro Forma Indirect Labor, Employee Benefits, Property Insurance Expense and Pension Expense Capitalized			863,305		
	Less: Projected Indirect Labor, Employee Benefits, Property Insurance Expense and Pension Expense Capitalized During the Twelve Months Ending December 31, 2022 (Refer to Exhibit No. FIII-2-10)			834,118		
				29,187		
67580002	Administrative and General Expenses Capitalized			(26,558)		
40801302	Payroll Taxes Capitalized			(2,629)		



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE																
	To adjust operating expenses for additional costs resulting from an increase in load growth and the number of customers during the twelve months ending December 31, 2022 by applying an historical average ratio of customer accounting and collecting expenses (exclusive of bad debts), purchased power and chemical costs to sales of water.																	
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Twelve Months Ended</th> <th style="text-align: center;">Sales of Water (1)</th> <th style="text-align: center;">Customer Accounting and Collect- ing Expense (Excluding Bad Debts) Power and Chemical Costs (2)</th> <th style="text-align: center;">Ratio of Customer Accounting and Collect- ing Expense, Power and Chemicals/ Sales of Water (3)</th> </tr> </thead> <tbody> <tr> <td>December 31, 2021</td> <td style="text-align: right;">51,707,856</td> <td style="text-align: right;">3,583,729</td> <td></td> </tr> <tr> <td>December 31, 2020</td> <td style="text-align: right;">50,919,665</td> <td style="text-align: right;">3,731,153</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">102,627,521</td> <td style="text-align: right;">7,314,882</td> <td style="text-align: right;">0.071</td> </tr> </tbody> </table>	Twelve Months Ended	Sales of Water (1)	Customer Accounting and Collect- ing Expense (Excluding Bad Debts) Power and Chemical Costs (2)	Ratio of Customer Accounting and Collect- ing Expense, Power and Chemicals/ Sales of Water (3)	December 31, 2021	51,707,856	3,583,729		December 31, 2020	50,919,665	3,731,153			102,627,521	7,314,882	0.071	
Twelve Months Ended	Sales of Water (1)	Customer Accounting and Collect- ing Expense (Excluding Bad Debts) Power and Chemical Costs (2)	Ratio of Customer Accounting and Collect- ing Expense, Power and Chemicals/ Sales of Water (3)															
December 31, 2021	51,707,856	3,583,729																
December 31, 2020	50,919,665	3,731,153																
	102,627,521	7,314,882	0.071															
	Load Growth Adjustments																	
	Exhibit No. FII-2-11	13,548																
	Exhibit No. FII-2-12	150,693																
	Exhibit No. FII-2-13	9,056																
	Exhibit No. FII-2-14	29,509																
	Exhibit No. FII-2-15	29,654																
	Exhibit No. FII-2-16	4,465																
	Total Load Growth Adjustments	236,925																
	Additional Cost Resulting From a Net Increase in the Number of Customers During the Twelve Months Ending December 31, 2022																	
	236,925 x 0.071	16,887																
	Increased Costs Resulting From Load Growth	16,887																

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT	
		INCREASE	DECREASE
	To project payroll expense for union and non-union employees to reflect salaries and hourly rates effective February 29, 2024 applied to a two-year average of regular, overtime and double time hours.		
	Pro Forma Future Test Year Payroll Expense (Refer to Exhibit No. FIII-2-15) (1)	Effect of 2023 Increases (2)	Projected Fully Projected Future Test Year Payroll Expense (3)=(1)+(2)
60110000	39,871	620	40,491
60110050	109,574	1,705	111,278
60120000	104,737	1,629	106,367
60120002	90,327	1,405	91,732
60120003	107,188	1,667	108,855
60130000	920,195	14,315	934,510
60130050	124,509	1,937	126,446
60140000	6,231	97	6,328
60140002	90,599	1,409	92,008
60140003	115,140	1,791	116,932
60150000	988,543	15,378	1,003,921
60150004	287,354	4,470	291,824
60150006	106,922	1,663	108,585
60150050	497,526	7,740	505,265
60160000	185,607	2,887	188,494
60160002	58,821	915	59,736
60160003	194,832	3,031	197,863
60160004	114,842	1,787	116,629
60160005	332,562	5,173	337,735
60160006	46,339	721	47,060
60160007	76,076	1,183	77,259
60170000	906,961	14,109	921,070
60170001	55,445	863	56,307
60170050	178,619	2,779	181,398
60180000	1,846,869	28,731	1,875,600
60180050	348,064	5,415	353,479
60380000	412,702	6,420	419,122
60180002	17,336	270	17,605
60180003	3,572	56	3,627
70150000	314,471	4,892	319,363
70150050	46,652	726	47,377
70160002	929	14	943
70160003	15,563	242	15,805
70110000	654	10	665
70180000	-	-	-
	8,745,630	136,051	8,881,681

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

Calculation of Fully Projected Future Test Year Payroll

Account	Projected Fully Projected Pro Forma Future Test Year Com- pany Labor, Based On 2023 Rates (See Exhibit No. FIII-2-25(b)) (1)	Future Test Year Com- pany Labor, Based On 2022 Rates (See Exhibit No. FIII-2-15) (2)	Projected Fully Projected Future Test Year Wage Increases (3)=(1)-(2)
60110000	40,491	39,871	620
60110050	111,278	109,574	1,705
60120000	106,367	104,737	1,629
60120002	91,732	90,327	1,405
60120003	108,855	107,188	1,667
60130000	934,510	920,195	14,315
60130050	126,446	124,509	1,937
60140000	6,328	6,231	97
60140002	92,008	90,599	1,409
60140003	116,932	115,140	1,791
60150000	1,003,921	988,543	15,378
60150004	291,824	287,354	4,470
60150006	108,585	106,922	1,663
60150050	505,265	497,526	7,740
60160000	188,494	185,607	2,887
60160002	59,736	58,821	915
60160003	197,863	194,832	3,031
60160004	116,629	114,842	1,787
60160005	337,735	332,562	5,173
60160006	47,060	46,339	721
60160007	77,259	76,076	1,183
60170000	921,070	906,961	14,109
60170001	56,307	55,445	863
60170050	181,398	178,619	2,779
60180000	1,875,600	1,846,869	28,731
60180050	353,479	348,064	5,415
60380000	419,122	412,702	6,420
60180002	17,605	17,336	270
60180003	3,627	3,572	56
70150000	319,363	314,471	4,892
70150050	47,377	46,652	726
70160002	943	929	14
70160003	15,805	15,563	242
70110000	665	654	10
70180000	-	-	-
	8,881,681	8,745,630	136,051

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DISTRIBUTION OF PRO FORMA LABOR BASED ON COMPANY LABOR FOR THE  
TWO YEARS ENDED DECEMBER 31, 2021

Account	Twelve Months Ended December 31, 2021 (1)	December 31, 2020 (2)	Two-Year Company Labor (3)=(1)+(2)	Allocation Factor (4)	Pro Forma Fully Projected Company Labor (5)=(3)x(4)
10520000	32,366	54,758	87,124	0.61077	53,212
10530000	742,387	751,878	1,494,265		912,650
42600000	5,460	5,581	11,041		6,744
	780,212	812,217	1,592,429		972,606
60110000	33,794	32,501	66,295		40,491
60110050	91,342	90,852	182,194		111,278
60120000	86,754	87,398	174,152		106,367
60120001	-	-	-		-
60120002	85,236	64,955	150,191		91,732
60120003	94,212	84,015	178,227		108,855
60130000	765,634	764,422	1,530,056		934,510
60130050	107,042	99,985	207,027		126,446
60140000	1,474	8,887	10,361		6,328
60140002	90,304	60,339	150,643		92,008
60140003	92,452	98,998	191,450		116,932
60150000	839,390	804,312	1,643,702		1,003,921
60150004	232,782	245,017	477,799		291,824
60150006	78,451	99,333	177,784		108,585
60150007	-	-	-		-
60150050	419,935	407,327	827,262		505,265
60160000	153,432	155,186	308,618		188,494
60160002	46,562	51,243	97,805		59,736
60160003	182,409	141,548	323,957		197,863
60160004	117,644	73,310	190,954		116,629
60160005	275,195	277,773	552,968		337,735
60160006	31,448	45,603	77,051		47,060
60160007	66,818	59,677	126,495		77,259
60170000	738,482	769,570	1,508,052		921,070
60170001	55,567	36,624	92,191		56,307
60170050	148,377	148,622	296,999		181,398
60180000	1,641,667	1,429,219	3,070,886		1,875,600
60180050	276,595	302,150	578,745		353,479
60380000	341,647	344,574	686,221		419,122
60180002	14,755	14,070	28,825		17,605
60180003	2,911	3,028	5,939		3,627
70150000	295,244	227,644	522,888		319,363
70150050	44,998	32,572	77,570		47,377
70160002	-	1,544	1,544		943
70160003	18,227	7,651	25,878		15,805
70110000	1,058	30	1,088		665
70180000	-	-	-		-
	7,471,838	7,069,979	14,541,817		8,881,681
	8,252,050	7,882,196	16,134,246		9,854,287
	Pro Forma Company Labor				9,854,287
	Two-Year Company Labor				16,134,246
	Allocation Factor(		9,854,287		
	divided by		16,134,246 )		0.61077

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project trustee and portfolio management fees for the Company's qualified defined benefit pension plans for the twelve months ending February 29, 2024 based on average projected net asset value of the Company's pension plans at February 29, 2024. The Company sponsors two plans, one for union represented employees and another for general and administrative employees.	
	Plan Assets as of December 31, 2022	70,335,889
	Projected Plan Assets as of February 28, 2023	71,181,996
	Projected Plan Assets as of February 29, 2024 (Based on a 6.5% Annual Growth Rate)	75,530,051
	Average Projected Plan Assets for twelve months ending February 29, 2024 $(71,181,996 + 75,530,051) / 2$	73,356,023
	Annual Trustee and Portfolio Management Fees at 0.25% $(73,356,023 * .0025)$	183,390
	Less: Pro Forma Trustee and Portfolio Management Fees For The Twelve Months Ending December 31, 2022 (Refer To Exhibit No. FIII-2-16)	175,840
		7,550
60480001	Employee Benefits-Pension Administration	7,550

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE		
	To project health insurance expense for the twelve months ending February 29, 2024 based on actual health insurance rates as of January 1, 2022 plus 9.4%.			
Number of Employees (1)	Class (2)	Provider (3)	Monthly Insurance Premium (4)	Annual Insurance Expense (5)
53	Individual	Delta Dental	33.86	21,535
56	Family	Delta Dental	87.13	58,551
46	Individual	VBA	10.60	5,851
64	Family	VBA	24.98	19,185
51	Individual	Highmark	924.11	565,555
56	Multi	Highmark	2121.69	1,425,774
17	Individual	HSA	300.00	5,100
13	Multi	HSA	600.00	7,800
123		Met Life	9.81	14,480
	Total Projected Health Insurance Expense			2,123,831
	Less: Portion of Projected Health Insurance to be Borne by Employees			428,123
	Projected Health Insurance Borne by Company			1,695,708
	Less: Projected 2022 Health Insurance Expense Net of Employee Contributions			1,596,572
				99,136
60480005	Employee Benefits-Health Insurance			99,136

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project auditing fees for the twelve months ending February 29, 2024, based on the increase of 3.0% and a 1.0% increase for benefit audits.	
	Intregrated Audits of Financial Statements and Internal Controls	139,050
	Quarterly Reviews	30,500
	Limited Scope Audit of the Company's 401k Plan	9,600
	Limited Scope Audit of the G & A Pension Plan	8,600
	Tax Preparation of Federal Income Tax Return	16,500
		204,250
	Less: Auditing Fees for the Twelve Months Ending December 31, 2022	198,600
		5,650
63280000	Contractual Services-Auditing	5,150
63280002	Tax Services	500

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION			ADJUST- MENT INCREASE DECREASE
	To project property, boiler and machinery, miscellaneous property floater, crime, fiduciary liability, general liability, excess liability and employment practices insurance for the twelve months ending February 29, 2024 based on premiums effective January 1, 2022 with market increases and anticipated increases in coverage.			
		Projected 2024 Expense	Projected Test Year Expense	Adjustment
	Insurance	(2)	(3)	(4)
	(1)			
	Property	155,397	141,270	14,127
	Miscellaneous Property			
	Floater	5,313	4,830	483
	Crime and Fiduciary	34,724	26,711	8,013
	ERISA Bond	2,000	1,750	250
	Cyber Liability	49,003	40,836	8,167
	General Liability	241,059	229,580	11,479
	Excess Liability	193,783	138,569	55,214
	D & O Liability	344,576	281,433	63,143
	Pollution/Underground			
	Storage Tank Liability	33,481	33,150	332
	Employment Practices	20,640	17,200	3,440
	Flood Insurance	11,238	9,063	2,175
	Kidnap & Ransom	916	889	27
	Service Fee	75,000	70,000	5,000
	Highway Restoration			
	Bond	5,000	5,000	-
		1,172,131	1,000,281	171,850
65780000	Insurance-General Liability			11,479
65780001	Insurance-D & O Liability			63,143
65780002	Insurance-General Liability-Excess Liability			55,214
65980000	Insurance-Other			42,014



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE				
	To project workers' compensation insurance expense based on projected payroll for twelve months ending February 29, 2024 and January 1, 2022 workers compensation insurance rates and 2022 experience modification.					
	<table border="0"> <tr> <td style="text-align: center;">Waterworks Employees (1)</td> <td style="text-align: center;">Outside Sales (2)</td> <td style="text-align: center;">Clerical Employees (3)</td> <td style="text-align: center;">Total (4)</td> </tr> </table>	Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)	
Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)			
Projected Payroll Twelve Months Ending February 29, 2024	5,033,456	1,242,969	3,577,862	9,854,287		
Premium Rates Per \$100	\$2.89	\$0.28	\$0.13			
Premiums Subject to Experience Modification	145,467	3,480	4,651	153,598		
Increased Employer's Liability Limit @ 1.10%				1,690		
Pa Experience Modification				1,098		
Premiums Adjusted by Application of Experience Modification				170,506		
Schedule Rating @ -5.0%				(8,525)		
Safety Credit @ 5%				(8,099)		
Premiums Adjusted By Application of Schedule Rating and Safety Credit				153,882		
Premium Discount at 11.0%				(16,927)		

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE				
	To project workers' compensation insurance expense based on projected payroll for twelve months ending February 29, 2024 and January 1, 2022 workers compensation insurance rates and 2022 experience modification.					
	<table border="0"> <tr> <td style="text-align: center;">Waterworks Employees (1)</td> <td style="text-align: center;">Outside Sales (2)</td> <td style="text-align: center;">Clerical Employees (3)</td> <td style="text-align: center;">Total (4)</td> </tr> </table>	Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)	
Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)			
	Total Premium	136,955				
	Pennsylvania Compensation Rating Bureau Fee	175				
	Foreign and Domestic Terrorism Surcharge	2,956				
	Catastrophe (Other than Terrorism)	1,971				
	Pennsylvania Employer Assessment at 2.48%	3,523				
	Projected Workers' Compensation Insurance Expense for the Twelve Months Ending February 29, 2024	145,580				
	Less: Pro Forma Workers Compensation Insurance Expense for the Twelve Months Ending December 31, 2022 (Refer to Exhibit No. FIII-2-17)	143,191				
		2,389				
65880000	Insurance-Workers Compensation	2,389				

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE																
	To project at existing rates uncollectible accounts for the twelve months ending February 29, 2024 based on a two-year ratio of the net of uncollectible accounts written-off less recoveries of amounts previously written-off to total operating revenues																	
	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%; text-align: center;">Twelve Months Ended (1)</td> <td style="width: 20%; text-align: center;">Write-offs Less Recoveries (2)</td> <td style="width: 20%; text-align: center;">Operating Revenues (3)</td> <td style="width: 30%; text-align: center;">Ratio of Net Write-offs (4)</td> </tr> <tr> <td style="text-align: center;">December 31, 2019</td> <td style="text-align: right;">258,542</td> <td style="text-align: right;">49,586,308</td> <td></td> </tr> <tr> <td style="text-align: center;">December 31, 2018</td> <td style="text-align: right;">250,884</td> <td style="text-align: right;">48,145,826</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">509,427</td> <td style="text-align: right;">97,732,134</td> <td style="text-align: right;">0.0052</td> </tr> </table>	Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)	December 31, 2019	258,542	49,586,308		December 31, 2018	250,884	48,145,826			509,427	97,732,134	0.0052	
Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)															
December 31, 2019	258,542	49,586,308																
December 31, 2018	250,884	48,145,826																
	509,427	97,732,134	0.0052															
	Projected uncollectible accounts based on applying the two-year ratio of net write-offs to projected operating revenues under existing rates for the twelve months ending February 29, 2024	272,542																
	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%; text-align: center;">52,286,385</td> <td style="width: 20%; text-align: center;">x</td> <td style="width: 20%; text-align: center;">0.0052</td> <td style="width: 30%; text-align: right;">272,542</td> </tr> </table>	52,286,385	x	0.0052	272,542													
52,286,385	x	0.0052	272,542															
	Less: Pro Forma Future Test Year Uncollectible Accounts for Twelve Months Ending December 31, 2022 (Refer to Exhibit No. FIII-2-18)	270,895																
		1,647																
67070000	Bad Debt Expense	1,647																

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project the allocations to wastewater for the twelve months ending February 29, 2024 based on the Company's current allocation methodology and projected expense adjustments to various accounts being allocated.	
	Projected allocation of Indirect labor, Indirect fringe and operating expenses to wastewater for the period ending February 29, 2024	(484,130)
	Projected allocation of payroll taxes and fringe benefits on direct labor to wastewater for the period ending February 29, 2024	(117,935)
	Pro Forma allocation to wastewater for the period ending December 31, 2022. (Exhibit No. FIII-2-19)	<u>(619,073)</u>
	Adjustment $[(484,130) + (117,935)] - (619,073)$	17,008
67580005 Allocation to Wastewater		17,008

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	<p>To project directors fees for the twelve months ending February 29, 2024, based on the Company's projected complement of directors, schedule of board of director and board committee meetings, and projected fee increase as of May 1, 2023. Directors who are also current employees of the Company receive no additional compensation for Board service.</p>	
	<p>Projected Director Fees for the            Twelve Months Ending February            29, 2024</p>	422,833
	<p>Less: Pro Forma Director Fees for the Twelve            Months Ending December 31, 2022</p>	395,970
		26,863
67580800 Miscellaneous Expenses-Operations-Directors Fees		26,863

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE	
	To project administrative and general expenses capitalized for the twelve months ending February 29, 2024 based on projected indirect labor, employee benefit costs, property insurance expense, and pension expense for the twelve months ending February 29, 2024 and two-year average capitalization ratios.		
	Indirect Labor		
		2024 Projected Payroll	2-Year Avg Capital- ization Ratio
Employee Group (1)	(2)	(3)	Capitalized Indirect Payroll (4)
Administrative and General	1,668,606	13.38%	223,246
Distribution	723,858	17.95%	129,960
Maintenance and Grounds	243,597	5.94%	14,459
Employee Benefits, Property Insurance and Pension Expense			
Benefit			
Health Insurance	1,695,708	9.61%	162,929
Property Insurance	160,710	9.61%	15,442
Workers' Compensation Insurance	965,862	1.49%	14,436
Payroll Taxes	965,862	8.01%	77,376
Pension Expense	1,785,510	9.61%	171,558
Total Projected Indirect Labor, Employee Benefits, Property Insurance Expense and Pension Expense Capitalized			809,406
Less: Pro Forma Indirect Labor, Employee Benefits, Property Insurance Expense and Pension Expense Capitalized During the Twelve Months Ending December 31, 2022 (Refer to Exhibit No. FIII-2-21)			863,305
			(53,899)
67580002 Administrative and General Expenses Capitalized			55,084
40801302 Payroll Taxes Capitalized			(1,185)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	ADJUST- MENT INCREASE DECREASE		
<p>To project pension expense included in the cost of service for the Company's two defined benefit pension plans (one plan for union-represented employees and one plan for general and administrative employees) to reflect the cash contribution to the pension trusts. The Company has reflected in its cost of service for rate-making purposes the cash contributions to its two defined benefit pension plans since the pension plans were established in 1959. The Commission in its orders at Docket No. R-00027975, dated June 26, 2003, Docket No. R-00049165, dated November 9, 2004, Docket No. R-00061322, dated September 15, 2006, Docket No. R-2008-2023067, dated October 9, 2008, Docket No. R-2010-2157140, dated November 4, 2010, Docket No. R-2012-2336379 dated February 28, 2014, and Docket No. R-2018-3000019, dated March 1, 2019 approved cash contributions plus administrative costs as the basis for the Company's ratemaking claim for pension expense.</p>			
	General and Administrative Employees Pension Plan	Union Represented Employees Pension Plan	Total
Service Cost as of January 1, 2021	771,920	313,584	1,085,504
Amortization of Net Loss as of January 1, 2021	389,249	93,798	483,047
Amortization of Prior Service Cost as of January 1, 2021	(12,379)	(375)	(12,754)
Total to be Contributed (Rounded)			1,556,000
Less: Actual Contributions During the Twelve Months Ended December 31, 2021	1,800,000	500,000	2,300,000
Contributions to be Made			(744,000)
67580003 Miscellaneous Expense-Pension Expense			(744,000)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE				
	To project operating expenses for additional costs resulting from an increase in load growth and the number of customers during the twelve months ending February 29, 2024 by applying an historical average ratio of customer accounting and collecting expenses (exclusive of bad debts), purchased power and chemical costs to sales of water.					
		Customer Accounting and Collecting Expense (Excluding Bad Debts) Power and Chemical Costs	Ratio of Customer Accounting and Collecting Expense, Power and Chemicals/ Sales of Water	Ratio of Power and Chemicals Only/ Sales of Water		
Twelve Months Ended	Sales of Water	(1)	(2)	(3)	(4)	(5)
December 31, 2021	51,707,856	3,583,729			1,810,127	
December 31, 2020	50,919,665	3,731,153			1,912,415	
	102,627,521	7,314,882		0.071	3,722,542	0.036
Load Growth Adjustments						
	Exhibit No. FII-2-20			54,747		
	Exhibit No. FII-2-21			12,855		
	Exhibit No. FII-2-22			9,885		
	Exhibit No. FII-2-23			1,488		
	Exhibit No. FII-2-24			13,548		
	Exhibit No. FII-2-25			150,693		
	Exhibit No. FII-2-26			9,056		
	Exhibit No. FII-2-27			29,509		
	Exhibit No. FII-2-28			29,654		
	Exhibit No. FII-2-29			4,465		
	Exhibit No. FII-2-32				-	
	Exhibit No. FII-2-33				-	
	Total Load Growth Adjustments			315,901	-	
Additional Cost Resulting From a Net Increase in the Number of Customers During the period Ending February 29, 2024						
	315,901	x	0.071		22,516	
	-	x	0.036		-	
	Increased Costs Resulting From Load Growth				22,516	



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project the effect of inflation during the period ending February 29, 2024 on operating expenses not specifically adjusted to fully projected future test year levels.	
	Total Operating Expenses for Twelve Months Ending December 31, 2022	22,398,210
	Less: Amounts Specifically Adjusted In This Rate Filing	
	Rate Case Expense	238,125
	Bad Debt Expense	269,660
	Company Labor	8,078,605
	Administrative and General Expenses	
	Transferred	(769,359)
	Directors Fees	386,960
	Lead Service Line Amortization	283,064
	Service Life Study	4,928
	Accounting Fees	198,600
	Trustee and Portfolio Management Fees	169,899
	DRIP/LTIP/ESPP/LTIIP	12,166
	Workers Compensation Insurance	140,155
	Letter of Credit Fees	185,320
	Low Income Assistance Program	40,000
	FAS 87 Pension Expense	2,300,000
	Operations-Allocation to Wastewater	(605,444)
	Employee Benefits-Health Insurance	1,596,572
	Other Insurances	1,000,281
	Amortization of Utility Plant Acquisition Adjustments	(11,746)
	Remaining Operating Expenses For Twelve Months Ending December 31, 2022 Not Specifically Adjusted To Reflect The Effects Of Inflation	8,880,421
	Estimated Effect of Inflation Based on the Annual Percent Change in the CPI-U Index Between February 2021 and February 2022 (All items less food and energy) of 6.4%	663,071
	General Price Level Adjustment	663,071

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT	
		INCREASE	DECREASE
	Pro forma payroll expense for union and non-union employees to reflect salaries and hourly rates effective February 29, 2024, applied to a two-year average of regular, overtime and double time hours.		
	Projected Fully Proj. Future Test Year Payroll Expense (Refer to Exhibit No. FIII-2-25) (1)	Effect of 2023 Increases (2)	Pro Forma Fully Projected Future Test Year Payroll Expense (3)=(1)+(2)
60110000	40,491	1,344	41,835
60110050	111,278	3,695	114,973
60120000	106,367	3,532	109,898
60120001	-	-	-
60120002	91,732	3,046	94,778
60120003	108,855	3,614	112,470
60130000	934,510	31,029	965,539
60130050	126,446	4,198	130,644
60140000	6,328	210	6,538
60140002	92,008	3,055	95,063
60140003	116,932	3,883	120,814
60150000	1,003,921	33,334	1,037,255
60150004	291,824	9,690	301,514
60150006	108,585	3,605	112,190
60150007	-	-	-
60150050	505,265	16,777	522,042
60160000	188,494	6,259	194,753
60160002	59,736	1,983	61,720
60160003	197,863	6,570	204,432
60160004	116,629	3,872	120,501
60160005	337,735	11,214	348,949
60160006	47,060	1,563	48,623
60160007	77,259	2,565	79,824
60170000	921,070	30,583	951,653
60170001	56,307	1,870	58,177
60170050	181,398	6,023	187,421
60180000	1,875,600	62,276	1,937,876
60180050	353,479	11,737	365,216
60380000	419,122	13,916	433,038
60180002	17,605	585	18,190
60180003	3,627	120	3,748
70150000	319,363	10,604	329,967
70150050	47,377	1,573	48,950
70160002	943	31	974
70160003	15,805	525	16,330
70110000	665	22	687
70180000	-	-	-
	8,881,681	294,902	9,176,583

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

Calculation of Fully Projected Future Test Year Payroll

Account	Pro Forma Fully Projected Future Test Year Com- pany Labor, Based On 2023 Rates (See Exhibit No. FIII-2-40(b)) (1)	Projected Fully Projected Future Test Year Com- pany Labor, Based On 2023 Rates (See Exhibit No. FIII-2-25) (2)	Annualized Fully Projected Future Test Year Wage Increases (3)=(1)-(2)
60110000	41,835	40,491	1,344
60110050	114,973	111,278	3,695
60120000	109,898	106,367	3,532
60120001	-	-	-
60120002	94,778	91,732	3,046
60120003	112,470	108,855	3,614
60130000	965,539	934,510	31,029
60130050	130,644	126,446	4,198
60140000	6,538	6,328	210
60140002	95,063	92,008	3,055
60140003	120,814	116,932	3,883
60150000	1,037,255	1,003,921	33,334
60150004	301,514	291,824	9,690
60150006	112,190	108,585	3,605
60150007	-	-	-
60150050	522,042	505,265	16,777
60160000	194,753	188,494	6,259
60160002	61,720	59,736	1,983
60160003	204,432	197,863	6,570
60160004	120,501	116,629	3,872
60160005	348,949	337,735	11,214
60160006	48,623	47,060	1,563
60160007	79,824	77,259	2,565
60170000	951,653	921,070	30,583
60170001	58,177	56,307	1,870
60170050	187,421	181,398	6,023
60180000	1,937,876	1,875,600	62,276
60180050	365,216	353,479	11,737
60380000	433,038	419,122	13,916
60180002	18,190	17,605	585
60180003	3,748	3,627	120
70150000	329,967	319,363	10,604
70150050	48,950	47,377	1,573
70160002	974	943	31
70160003	16,330	15,805	525
70110000	687	665	22
70180000	-	-	-
	9,176,583	8,881,681	294,902

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DISTRIBUTION OF PRO FORMA LABOR BASED ON COMPANY LABOR FOR THE  
TWO YEARS ENDED DECEMBER 31, 2021

Account	Twelve Months Ended December 31, 2021 (1)	December 31, 2020 (2)	Two-Year Company Labor (3)=(1)+(2)	Allocation Factor (4)	Pro Forma Fully Projected Company Labor (5)=(3)x(4)
10520000	32,366	54,758	87,124	0.63105	54,979
10530000	742,387	751,878	1,494,265		942,953
42600000	5,460	5,581	11,041		6,967
	780,212	812,217	1,592,429		1,004,899
60110000	33,794	32,501	66,295		41,835
60110050	91,342	90,852	182,194		114,973
60120000	86,754	87,398	174,152		109,898
60120001	-	-	-		-
60120002	85,236	64,955	150,191		94,778
60120003	94,212	84,015	178,227		112,470
60130000	765,634	764,422	1,530,056		965,539
60130050	107,042	99,985	207,027		130,644
60140000	1,474	8,887	10,361		6,538
60140002	90,304	60,339	150,643		95,063
60140003	92,452	98,998	191,450		120,814
60150000	839,390	804,312	1,643,702		1,037,255
60150004	232,782	245,017	477,799		301,514
60150006	78,451	99,333	177,784		112,190
60150007	-	-	-		-
60150050	419,935	407,327	827,262		522,042
60160000	153,432	155,186	308,618		194,753
60160002	46,562	51,243	97,805		61,720
60160003	182,409	141,548	323,957		204,432
60160004	117,644	73,310	190,954		120,501
60160005	275,195	277,773	552,968		348,949
60160006	31,448	45,603	77,051		48,623
60160007	66,818	59,677	126,495		79,824
60170000	738,482	769,570	1,508,052		951,653
60170001	55,567	36,624	92,191		58,177
60170050	148,377	148,622	296,999		187,421
60180000	1,641,667	1,429,219	3,070,886		1,937,876
60180050	276,595	302,150	578,745		365,216
60380000	341,647	344,574	686,221		433,038
60180002	14,755	14,070	28,825		18,190
60180003	2,911	3,028	5,939		3,748
70150000	295,244	227,644	522,888		329,967
70150050	44,998	32,572	77,570		48,950
70160002	-	1,544	1,544		974
70160003	18,227	7,651	25,878		16,330
70110000	1,058	30	1,088		687
70180000	-	-	-		-
	7,471,838	7,069,979	14,541,817		9,176,583
	8,252,050	7,882,196	16,134,246		10,181,483
	Pro Forma Company Labor				10,181,483
	Two-Year Company Labor				16,134,246
	Allocation Factor(		10,181,483		
	divided by		16,134,246 )		0.63105

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To annualize market changes to the Company's 401K match and contributions to be implemented during the twelve months ending December 31, 2023 and included in cost of service for the twelve months ending February 29, 2024. These changes are necessary to retain and recruit qualified employees in a competitive labor market.	
	Increase in Company match for basic 401K participants	
	Number of employees	50
	Increase in annual Company match	500
		25,000
	Increase in Company contribution for enhanced 401K participants	
	Number of employees	63
	Increase in annual Company contribution	500
		31,500
	Increase in Company match for enhanced 401K participants from 4% to 6% for those currently contributing at the 4% or higher level	69,708
	Total Adjustment (25,000 + 31,500 + 69,708)	126,208
60400002 Employee Benefits - 401k Match		126,208

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To annualize Company 401k match and contributions for employees added during the future test year ending December 31, 2022, as of February 29, 2024.	
	Net increase in employees from 2021 - 2022	10
	Company contribution per employee	<u>1,700</u>
	Company contributions (10 * 1,700)	17,000
	Company match percentage of employee pay	6%
	New employee annual wages (FIII-2-22(c))	<u>657,271</u>
	Company Match (657,271 * 6%)	39,436
	Total Adjustment (17,000 + 39,436)	56,436
60400002	Employee Benefits - 401k Match	56,436

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To annualize deferred compensation matching contributions for employees currently participating, and salaried employees to be added during the future test year ending December 31, 2022 as of February 29, 2024. These employees are not eligible for the Company's defined benefit pension plan, but instead will build their retirement savings through the Enhanced 401k Plan and the deferred compensation program.	
	Projected annual matching contributions for eleven employees currently participating in the deferred compensation plan that are not eligible for the defined benefit pension plan as of February 29, 2024.	79,850
	Projected annual matching contributions for four salaried employees to be added during the twelve months ending December 31, 2022, as of February 29, 2024. The match is calculated at the average match of the four employees who are currently participating of 3.75%.	<u>16,624</u>
	Adjustment (79,850 + 16,624)	96,474
60400002 Employee Benefits - 401k Match		96,474

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust trustee and portfolio management fees for the Company's qualified defined benefit pension plans for the twelve months ending February 29, 2024 based on projected net asset value of the Company's pension plans as of February 29, 2024. The Company sponsors two pension plans, one for union represented employees and another for general and administrative employees.	
	Projected Plan Assets as of February 29, 2024 (Based on a 6.5% Annual Growth Rate)	75,530,051
	Annual Trustee and Portfolio Management Fees at 0.25% (75,530,051 * .0025)	188,825
	Less: Projected Trustee and Portfolio Management Fees For The Twelve Months Ending February 29, 2024 (Refer To Exhibit No. FIII-2-26)	183,390
		5,435
60480001	Employee Benefits-Pension Administration	5,435



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION				ADJUST- MENT INCREASE DECREASE
	To adjust workers' compensation insurance expense based on pro forma payroll for twelve months ending February 29, 2024 and January 1, 2022 workers compensation insurance rates and 2022 experience modification.				
	Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)	
Pro Forma Payroll Twelve Months Ending February 29, 2024	5,158,556	1,295,983	3,726,944	10,181,483	
Premium Rates Per \$100	\$2.89	\$0.28	\$0.13		
Premiums Subject to Experience Modification	149,082	3,629	4,845	157,556	
Increased Employer's Liability Limit @ 1.1%				1,733	
Pa Experience Modification				1,098	
Premiums Adjusted by Application of Experience Modification				174,900	
Schedule Rating @ -5.0%				(8,745)	
Safety Credit @ 5%				(8,308)	
Premiums Adjusted By Application of Schedule Rating and Safety Credit				157,847	
Premium Discount at 11.0%				(17,363)	

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE												
	To adjust workers' compensation insurance expense based on pro forma payroll for twelve months ending February 29, 2024 and January 1, 2022 workers compensation insurance rates and 2022 experience modification.													
	<table border="0"> <tr> <td style="padding-right: 10px;">Waterworks</td> <td style="padding-right: 10px;">Outside</td> <td style="padding-right: 10px;">Clerical</td> <td></td> </tr> <tr> <td style="padding-right: 10px;">Employees</td> <td style="padding-right: 10px;">Sales</td> <td style="padding-right: 10px;">Employees</td> <td style="padding-right: 10px;">Total</td> </tr> <tr> <td style="padding-right: 10px;">(1)</td> <td style="padding-right: 10px;">(2)</td> <td style="padding-right: 10px;">(3)</td> <td style="padding-right: 10px;">(4)</td> </tr> </table>	Waterworks	Outside	Clerical		Employees	Sales	Employees	Total	(1)	(2)	(3)	(4)	
Waterworks	Outside	Clerical												
Employees	Sales	Employees	Total											
(1)	(2)	(3)	(4)											
	Total Premium	140,484												
	Pennsylvania Compensation Rating Bureau Fee	175												
	Foreign and Domestic Terrorism Surcharge	3,054												
	Catastrophe (Other than Terrorism)	2,036												
	Pennsylvania Employer Assessment at 2.48%	3,615												
	Pro Forma Workers' Compensation Insurance Expense for the Twelve Months Ending February 29, 2024	149,364												
	Less: Projected Workers Compensation Insurance Expense for the Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FIII-2-30)	145,580												
		3,784												
65880000	Insurance-Workers Compensation	3,784												

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE																
	To annualize at existing rates uncollectible accounts for the twelve months ending February 29, 2024 based on a two-year ratio of the net of uncollectible accounts written-off less recoveries of amounts previously written-off to total operating revenues																	
	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Twelve Months Ended (1)</td> <td style="text-align: center;">Write-offs Less Recoveries (2)</td> <td style="text-align: center;">Operating Revenues (3)</td> <td style="text-align: center;">Ratio of Net Write-offs (4)</td> </tr> <tr> <td style="text-align: center;">December 31, 2019</td> <td style="text-align: center;">258,542</td> <td style="text-align: center;">49,586,308</td> <td></td> </tr> <tr> <td style="text-align: center;">December 31, 2018</td> <td style="text-align: center;">250,884</td> <td style="text-align: center;">48,145,826</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">509,427</td> <td style="text-align: center;">97,732,134</td> <td style="text-align: center;">0.0052</td> </tr> </table>	Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)	December 31, 2019	258,542	49,586,308		December 31, 2018	250,884	48,145,826			509,427	97,732,134	0.0052	
Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)															
December 31, 2019	258,542	49,586,308																
December 31, 2018	250,884	48,145,826																
	509,427	97,732,134	0.0052															
	Pro forma uncollectible accounts based on applying the two-year ratio of net write-offs to pro forma operating revenues under existing rates for the twelve months ending February 29, 2024	273,777																
	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">52,523,311</td> <td style="text-align: center;">x</td> <td style="text-align: center;">0.0052</td> <td style="text-align: center;">273,777</td> </tr> </table>	52,523,311	x	0.0052	273,777													
52,523,311	x	0.0052	273,777															
	Less: Projected Test Year Uncollectible Accounts for Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FIII-2-31)	272,542																
		1,235																
67070000	Bad Debt Expense	1,235																

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To annualize the allocation to wastewater for the twelve months ending February 29, 2024, based on the Company's current allocation methodology and pro forma adjustments made to expenses being allocated.	
	Pro Forma Allocation of Indirect Payroll, fringe benefits and Operating Expenses to Wastewater for the Twelve Months Ending February 29, 2024	(491,428)
	Pro Forma Allocation of payroll taxes and fringe benefits on direct labor to wastewater for the Twelve Months Ending February 29, 2024	(121,851)
	Less: Projected Allocation to Wastewater for the Twelve Months Ending February 29, 2024 (Exhibit No. FIII-2-32)	<u>(602,065)</u>
	Adjustment $[(491,428) + (121,851)] - (602,065)$	(11,213)
67580005 Allocation to Wastewater		(11,213)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To annualize expenses for directors fees for the twelve months ending February 29, 2024, based on the Company's projected complement of directors, schedule of board of director and board committee meetings, and projected fee increase beginning in May 1, 2023. Directors who are also current employees of the Company receive no additional compensation for Board service.	
	Pro Forma Director Fees for the Twelve Months Ending February 29, 2024	427,649
	Less: Projected Director Fees for the Twelve Months Ending February 29, 2024 (See Exhibit No. FIII-2-33)	422,833
		4,816
67580800	Miscellaneous Expenses-Operations-Directors Fees	4,816

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE								
	To adjust administrative and general expenses capitalized for the twelve months ending February 29, 2024 based on pro forma indirect labor, employee benefit costs, property insurance expense, and pension expense for the twelve months ending February 29, 2024 and two-year average capitalization ratios.									
	Indirect Labor									
	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;"></th> <th style="width: 15%; text-align: center;">2024 Pro Forma Payroll</th> <th style="width: 15%; text-align: center;">2-Year Avg Capital- ization Ratio</th> <th style="width: 35%; text-align: center;">Capitalized Indirect Payroll</th> </tr> <tr> <th style="text-align: center;">Employee Group (1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> <th style="text-align: center;">(4)</th> </tr> </thead> </table>		2024 Pro Forma Payroll	2-Year Avg Capital- ization Ratio	Capitalized Indirect Payroll	Employee Group (1)	(2)	(3)	(4)	
	2024 Pro Forma Payroll	2-Year Avg Capital- ization Ratio	Capitalized Indirect Payroll							
Employee Group (1)	(2)	(3)	(4)							
	Administrative and General	1,730,286	13.38%	231,499						
	Distribution	750,556	17.95%	134,754						
	Maintenance and Grounds	252,585	5.94%	14,992						
	Employee Benefits, Property Insurance and Pension Expense									
	Benefit									
	Health Insurance	1,695,708	9.61%	162,929						
	Property Insurance	160,710	9.61%	15,442						
	Workers' Compensation Insurance	997,932	1.49%	14,916						
	Payroll Taxes	997,932	8.01%	79,945						
	Pension Expense	1,790,945	9.61%	172,080						
	Total Pro Forma Indirect Labor, Employee Benefits, Property Insurance Expense and Pension Expense Capitalized			826,556						
	Less: Projected Indirect Labor, Employee Benefits, Property Insurance Expense and Pension Expense Capitalized During the Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FIII-2-34)			809,406						
				17,150						
67580002	Administrative and General Expenses Capitalized			(14,581)						
40801302	Payroll Taxes Capitalized			(2,569)						

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust amortization of utility plant acquisition adjustments for amortization that will end in 2023.	
	Amortization of the acquisition adjustment of Section A Water Corporation	-
	Amortization of the acquisition adjustment of York Starview LP	-
	Less: Projected Amortization of the Acquisition Adjustments of Section A Water Corporation and York Starview LP for the Twelve Months Ending February 29, 2024	7,063
		(7,063)
406000001	Amortization of Utility Plant Acquisition Adjustments	(7,063)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE																				
	To adjust operating expenses for additional costs resulting from an increase in load growth and the number of customers during the twelve months ending February 29, 2024 by applying an historical average ratio of customer accounting and collecting expenses(exclusive of bad debts), purchased power and chemical costs to sales of water.																					
	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">Twelve Months Ended</td> <td style="text-align: center;">Sales of Water</td> <td style="text-align: center;">Customer Accounting and Collect- ing Expense (Excluding Bad Debts) Power and Chemical Costs</td> <td style="text-align: center;">Ratio of Customer Accounting and Collect- ing Expense, Power and Chemicals/ Sales of Water</td> </tr> <tr> <td></td> <td style="text-align: center;">(1)</td> <td style="text-align: center;">(2)</td> <td style="text-align: center;">(3)</td> </tr> <tr> <td>December 31, 2021</td> <td style="text-align: right;">51,707,856</td> <td style="text-align: right;">3,583,729</td> <td></td> </tr> <tr> <td>December 31, 2020</td> <td style="text-align: right;">50,919,665</td> <td style="text-align: right;">3,731,153</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">102,627,521</td> <td style="text-align: right;">7,314,882</td> <td style="text-align: right;">0.071</td> </tr> </table>	Twelve Months Ended	Sales of Water	Customer Accounting and Collect- ing Expense (Excluding Bad Debts) Power and Chemical Costs	Ratio of Customer Accounting and Collect- ing Expense, Power and Chemicals/ Sales of Water		(1)	(2)	(3)	December 31, 2021	51,707,856	3,583,729		December 31, 2020	50,919,665	3,731,153			102,627,521	7,314,882	0.071	
Twelve Months Ended	Sales of Water	Customer Accounting and Collect- ing Expense (Excluding Bad Debts) Power and Chemical Costs	Ratio of Customer Accounting and Collect- ing Expense, Power and Chemicals/ Sales of Water																			
	(1)	(2)	(3)																			
December 31, 2021	51,707,856	3,583,729																				
December 31, 2020	50,919,665	3,731,153																				
	102,627,521	7,314,882	0.071																			
	Load Growth Adjustments																					
	Exhibit No. FII-2-34	13,548																				
	Exhibit No. FII-2-35	150,693																				
	Exhibit No. FII-2-36	9,056																				
	Exhibit No. FII-2-37	29,509																				
	Exhibit No. FII-2-38	29,654																				
	Exhibit No. FII-2-39	4,465																				
	Total Load Growth Adjustments	236,925																				
	Additional Cost Resulting From a Net Increase in the Number of Customers During the Twelve Months Ending February 29, 2024																					
	236,925 x	0.071	16,887																			
	Increased Costs Resulting From Load Growth		16,887																			



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER PROPOSED RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE																
	To annualize at proposed rates uncollectible accounts for the twelve months ending February 29, 2024 based on a two-year ratio of the net of uncollectible accounts written-off less recoveries of amounts previously written-off to total operating revenues																	
	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Twelve Months Ended (1)</td> <td style="text-align: center;">Write-offs Less Recoveries (2)</td> <td style="text-align: center;">Operating Revenues (3)</td> <td style="text-align: center;">Ratio of Net Write-offs (4)</td> </tr> <tr> <td style="text-align: center;">December 31, 2019</td> <td style="text-align: center;">258,542</td> <td style="text-align: center;">49,586,308</td> <td></td> </tr> <tr> <td style="text-align: center;">December 31, 2018</td> <td style="text-align: center;">250,884</td> <td style="text-align: center;">48,145,826</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">509,427</td> <td style="text-align: center;">97,732,134</td> <td style="text-align: center;">0.0052</td> </tr> </table>	Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)	December 31, 2019	258,542	49,586,308		December 31, 2018	250,884	48,145,826			509,427	97,732,134	0.0052	
Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)															
December 31, 2019	258,542	49,586,308																
December 31, 2018	250,884	48,145,826																
	509,427	97,732,134	0.0052															
	Pro forma uncollectible accounts based on applying the two-year ratio of net write-offs to pro forma operating revenues under proposed rates for the twelve months ending February 29, 2024	358,010																
	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">68,683,317</td> <td style="text-align: center;">x</td> <td style="text-align: center;">0.0052</td> <td style="text-align: center;">358,010</td> </tr> </table>	68,683,317	x	0.0052	358,010													
68,683,317	x	0.0052	358,010															
	Less: Pro Forma Test Year Uncollectible Accounts for Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FIII-2-46)	273,777																
		84,234																
67070000	Bad Debt Expense	84,234																

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
EXTRAORDINARY PROPERTY LOSSES FOR TWELVE MONTHS ENDING  
FEBRUARY 29, 2024 AND DECEMBER 31, 2022

53.53 III. Operating Expense

D. Water and Wastewater Utilities

3 List extraordinary property losses as a separate item, not included in operating expenses or depreciation and amortization. Sufficient supporting data must be provided.

Response: The York Water Company included no extraordinary property losses for twelve months ending February 29, 2024 and December 31, 2022.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NORMALIZATION OF RATE CASE EXPENSE

53.53 III. Operating Expense

D. Water and Wastewater Utilities

4. Supply detailed calculations of normalization of rate case expense, including supporting data for outside services rendered. Provide the items comprising the rate case expense claim (include the actual billings or invoices in support of each kind of rate case expense) and the items comprising the actual expenses of prior rate cases.

Response: Refer to Exhibit No. HIII-2-1 for a detail of the estimated expenses of this rate case and the normalization of those estimated expenses over forty-eight months.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

OPERATING EXPENSE ADJUSTMENTS FOR SALARY, WAGE AND  
FRINGE BENEFIT INCREASES

53.53 III Operating Expense

D. Water and Wastewater Utilities

5 Submit detailed computation of adjustments to operating expenses for salary, wage and fringe benefit increases (union and non-union merit, progression, promotion and general) granted during the test year and six months subsequent to the test year. Supply data showing for the test year:

a. Actual payroll expense (regular and overtime separately), by categories of operating expenses, i.e.- maintenance, operating transmission, distribution, other.

b. Date, percentage increase and annual amount of each general payroll increase during the test year.

c. Dates and annual amounts of merit increases or management salary adjustments.

d. Total annual payroll increases in the test year.

e. Proof that the actual payroll plus the increases equal the payroll expense claimed in the supporting data (by categories of expenses).

f. Detailed list of employee benefits and cost thereof for union and non-union personnel. Any specific benefits for executives and officers should also be included, and cost thereof.

g. Support the annualized pension cost figures.

( i ) State whether these figures include any unfunded pension costs. Explain.

( ii ) Provide latest actuarial study used for determining pension accrual rates.

h. Submit a schedule showing any deferred income and consultant fee paid to both corporate officers and employees in the historic and future test years.

RESPONSE Refer to Page 2

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS FOR SALARY, WAGE AND FRINGE  
BENEFIT INCREASES

Response:

- a., d and e. Refer to Exhibit Nos. FIII-2-1, FIII-2-1(a), FIII-2-1(b), FIII-2-15(a), and FIII-2-15(b) for detailed computations of adjustments to operating expenses for salary and wage increases to be granted in 2022, and a description of the procedure followed in computing pro forma payroll.
- Refer to Exhibit Nos. FIII-2-25, FIII-2-25(a), FIII-2-25(b), FIII-2-40(a), and FIII-2-40(b) for detailed computations of adjustments to operating expenses for salary and wage increases to be granted in 2023.
- b. and c. In 2022, an approximate 2.0% increase is projected to union, and 5.0% to non-union and management employees. The increase does not reflect a merit allowance. Performance is considered in establishing nonunion and management compensation.
- In 2023, an approximate 3.5% increase is projected to union, and 5.0% to non-union and management employees. The increase does not reflect a merit allowance. Performance is considered in establishing nonunion and management compensation.
- f. Refer to Exhibit Nos. FIII-2-3, FIII-2-6 and FIII-2-17 for detailed computations of adjustments to operating expenses for the twelve months ending December 31, 2022 for fringe benefits.
- Refer to Exhibit Nos. FIII-2-27, FIII-2-30 and FIII-2-45 for detailed computations of adjustments to operating expenses for the twelve months ending February 29, 2024 for fringe benefits.
- Refer to Exhibit No. FIII-2-10 and FIII-2-21 for detailed computations of indirect labor, group life insurance, health insurance, workers' compensation insurance, payroll taxes and pension expense capitalized to reflect expense adjustments for the twelve months ending December 31, 2022, and Exhibit No. FIII-2-34 and FIII-2-49 for the computations for the twelve months ending February 29, 2024.
- Refer to Exhibit No. FIII-2 for employee benefits and the costs thereof.
- The amount of vacation (including personal days and holidays) to be paid during the twelve months ending December 31, 2022, is 1,043,291
- The amount of vacation (including personal days and holidays) to be paid during the twelve months ending February 29, 2024, is 1,277,866
- g. The Company reflects for ratemaking purposes its actual cash payments to the defined benefit pension plans plus administrative fees.
- h. No consultant fees are paid to corporate officers or employees.
- Refer to Exhibit HIII-5 for the latest actuarial study for determining pension accrual rates.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

CHARGES BY AFFILIATES FOR  
TWELVE MONTHS ENDING FEBRUARY 29, 2024 AND ENDING DECEMBER 31, 2022

- 53.53 III      Operating Expense
- D.              Water and Wastewater Utilities
- 6                Supply an exhibit showing an analysis, by functional accounts, of the charges by affiliates (service corporations, etc.) for services rendered included in the operating expenses of the filing company for the test year and for the 12-month period ended prior to the test year.
- a. Supply a copy of contracts, if applicable.
  - b. Explain the nature of the services provided.
  - c. Explain basis on which charges are made.
  - d. If charges are allocated, identify allocation factors used.
  - e. Supply the components and amounts comprising the expense in this account.
  - f. Provide details of initial source of charge and reason thereof.
- RESPONSE      None.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

OFFICE SPACE AND EQUIPMENT LEASES AND COMPUTER RENTALS

53.53 III            Operating Expense

D.                    Water and Wastewater Utilities

7                     Describe costs relative to leasing equipment, computer rentals, and office space, including terms and conditions of the lease. State method for calculating monthly or annual payments.

RESPONSE        The York Water Company is not a party to any office space or a computer rental agreement. Accordingly, there are no costs associated with computer rentals or leasing office space.

The York Water Company is a party to a lease for a mail machine and office printers. The mail machine is billed quarterly and the printers are billed monthly at the amount established in the agreement. The Company recognizes the expense as it is billed.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

MAJOR STORM DAMAGE COST FOR  
TWELVE MONTHS ENDING FEBRUARY 29, 2024

53.53 III Operating Expense

D. Water and Wastewater Utilities

8 Submit detailed calculations (or best estimates) of the cost resulting from major storm damage.

RESPONSE The York Water Company had no major storm damage costs for twelve months ended December 31, 2021, and to date, has had no major storm damage costs in 2022.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ADVERTISING EXPENSES FOR  
TWELVE MONTHS ENDING  
FEBRUARY 29, 2024, DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021

53.53 III Operating Expense

D. Water and Wastewater Utilities

9 Submit details of expenditures for advertising (national and institutional and local media).  
Provide a schedule of advertising expense by major media categories  
for the test year and the prior two comparable years with respect to:

- a. Public health and safety.
- b. Conservation of energy.
- c. Explanation of billing practices, rates, etc.
- d. Provision of factual and objective data programs in educational programs.
- e. Other advertising programs.
- f. Total advertising expense.

RESPONSE None.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SOCIAL AND SERVICE ORGANIZATION MEMBERSHIPS FOR TWELVE MONTHS  
ENDING FEBRUARY 29, 2024 AND DECEMBER 31, 2022

53.53 III. Operating Expense

D. Water and Wastewater

10 Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for by the Company and the cost thereof.

Response: Refer to Exhibit No. HIII-10.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CONTRACTUAL SERVICES-AUDITING, CONTRACTUAL SERVICES-TAX,  
CONTRACTUAL SERVICES-OTHER ACCOUNTING, CONTRACTUAL  
SERVICES-LEGAL, CONTRACTUAL SERVICES-OUTSIDE SERVICES,  
NORMALIZATION OF RATE CASE EXPENSE AND MISCELLANEOUS EXPENSES FOR  
THE TWELVE MONTHS ENDING FEBRUARY 29, 2024, ENDING DECEMBER 31, 2022  
AND ENDED DECEMBER 31, 2021

53.53 III. Operating Expense

D. Water and Wastewater Utilities

- 11 Submit a schedule showing, by major componets, the expenditures associated with outside services employed, regulatory commission expenses and miscellaneous general expenses, for the test year and prior two comparable years.

Response: Refer to page 2 for an analysis, by major components, of Account No. 63280000, Contractual Services-Auditing, for twelve months ending February 29, 2024, December 31, 2022 and 2021.

Refer to page 3 for an analysis, by major components, of Account No. 63280002, Contractual Services-Tax, for twelve months ending February 29, 2024, December 31, 2022 and 2021.

Refer to page 4 for an analysis, by major components, of Account No. 63280003, Contractual Services-Other Accounting, for twelve months ending February 29, 2024, December 31, 2022 and 2021.

Refer to page 5 for an analysis, by major components, of Account No. 63380000, Contractual Services-Legal, for twelve months ending February 29, 2024, December 31, 2022 and 2021.

Refer to page 6 for an analysis, by major components, of Account No. 63680000, Contractual Services-Outside Services, for twelve months ending February 29, 2024, December 31, 2022 and 2021.

Refer to page 7 for an analysis, by major components, of Account No. 66680000, Rate Case Expense, for twelve months ending February 29, 2024, December 31, 2022 and 2021.

Refer to page 8 for an analysis, by major components, of Account No. 67580000, Miscellaneous Expense, for twelve months ending February 29, 2024, December 31, 2022 and 2021.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CONTRACTUAL SERVICES-AUDITING FOR TWELVE MONTHS ENDING  
FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND 2021

Description (1)	Twelve Months Ending 2-29-24 (2)	Twelve Months Ending 12-31-22 (3)	Twelve Months Ended 12-31-21 (4)
Annual Audit Fees and Expenses (Independent Accountant)	187,750	182,600	174,018
Direct Stock Purchase and Reinvestment	2,667	2,667	-
Long-Term Incentive Plan	222	222	-
Employee Stock Purchase Plan	<u>214</u>	<u>214</u>	<u>174,018</u>
	190,853	185,703	

Refer to Exhibit No. HIII-2-19 for an adjustment to amortize the costs of and amendment to the dividend reinvestment and stock purchase plan over 3 years.

Refer to Exhibit No. HIII-2-20 for an adjustment to amortize the costs of the audit of the registration statement for the LTIP over a period of 10 years.

Refer to Exhibit No. HIII-2-21 for an adjustment to amortize the costs of an amendment to the employee stock purchase plan over a period of 14 years.

Refer to Exhibit No. FIII-2-4 for an adjustment of annual auditing fees for the twelve months ending December 31, 2022.

Refer to Exhibit No. FIII-2-28 for an adjustment of annual auditing fees for the twelve months ending February 29, 2024.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CONTRACTUAL SERVICES-TAX FOR TWELVE MONTHS ENDING  
FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND 2021

Description (1)	Twelve Months Ending 2-29-24 (2)	Twelve Months Ending 12-31-22 (3)	Twelve Months Ended 12-31-21 (4)
Tax Return Preparation	16,500	16,000	15,550

Refer to Exhibit No. FIII-2-4 for an adjustment of tax service fees for the twelve months ending December 31, 2022.

Refer to Exhibit No. FIII-2-28 for an adjustment of tax service fees for the twelve months ending February 29, 2024.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONTRACTUAL SERVICES-OTHER ACCOUNTING FOR TWELVE MONTHS ENDING  
 FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND 2021

Description (1)	Twelve Months Ending 2-29-24 (2)	Twelve Months Ending 12-31-22 (3)	Twelve Months Ended 12-31-21 (4)
Depreciation Services and Service Life Study	20,873	20,873	20,873
Interest Rate Swap Accounting Fees	3,000	3,000	3,000
Public Company Accounting Oversight Board Annual Fee	3,700	3,700	3,700
Other (YCIDA, 5500 etc.)	<u>875</u>	<u>875</u>	<u>875</u>
	28,448	28,448	28,448

Refer to Exhibit No. HIII-2-30 for the normalization of the costs of the service life study during the twelve months ended December 31, 2021, over five years.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CONTRACTUAL SERVICES-LEGAL FOR TWELVE MONTHS ENDING  
FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND 2021

Description (1)	Twelve Months Ending 2-29-24 (2)	Twelve Months Ending 12-31-22 (3)	Twelve Months Ended 12-31-21 (4)
Costs associated with amending the Dividend Reinvestment and Direct Stock Purchase Plan (1)	5,639	5,639	-
Costs associated with putting the Long-term Incentive Plan in place (2)	1,518	1,518	-
Costs associated with amending the Employee Stock Purchase Plan (3)	1,063	1,063	-
Costs associated with filing the Long-term Infrastructure Improvement Plan (4)	844	844	4,220
Costs associated with potential acquisitions (5)		-	104,478
Debt Agreements		500	500
Corporate Governance		37,660	37,660
Contracts		6,126	6,126
Customer Complaints	26,970	26,970	26,970
Regulatory compliance	4,115	4,115	4,115
SEC compliance	12,727	12,727	12,727
Employee Benefits/Labor Matters	45,425	45,425	45,425
Other legal fees (Auditor resp., tax, financing, general)	<u>51,391</u>	<u>7,105</u>	<u>7,105</u>
	149,692	149,692	249,326

- (1) Refer to Exhibit No. HIII-2-19 for normalization of these costs over 3 years.  
(2) Refer to Exhibit No. HIII-2-20 for normalization of these costs over 10 years.  
(3) Refer to Exhibit No. HIII-2-21 for normalization of these costs over 14 years.  
(4) Refer to Exhibit No. HIII-2-34 for normalization of these costs over 5 years.  
(5) Refer to Exhibit No. HIII-2-36 for elimination of these costs from cost of service.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CONTRACTUAL SERVICES-OUTSIDE SERVICES FOR TWELVE MONTHS ENDING  
FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND 2021

Description (1)	Twelve Months Ending 2-29-24 (2)	Twelve Months Ending 12-31-22 (3)	Twelve Months Ended 12-31-21 (4)
XBRL Software	5,000	5,000	5,000
Communication	36,674	36,674	36,674
Computer Network & Hardware Support and Software Support & Consulting	28,430	28,430	28,430
Executive Compensation Consulting	26,500	26,500	26,500
Document Removal	6,500	6,500	6,500
Miscellaneous Contractual Fees and Services	<u>4,808</u>	<u>4,808</u>	<u>4,808</u>
	107,912	107,912	107,912



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
AMORTIZATION OF RATE CASE EXPENSE TWELVE MONTHS ENDING  
FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND 2021

Description (1)	Twelve Months Ending 2-29-24 (2)	Twelve Months Ending 12-31-22 (3)	Twelve Months Ended 12-31-21 (4)
Normalization of March 1, 2019 Rate Case Expense (Docket No. R-2018-3000019)	-	17,326	103,954
Normalization of the Current Rate Case	238,125	-	-
	238,125	17,326	103,954

The normalization period used on the Company's corporate books for the March 1, 2019 rate case (thirty-six months) will end February 28, 2022.

Refer to Exhibit No. HIII-2-1 for the normalization for ratemaking purposes of the expenses of this rate case over forty-eight months.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
MISCELLANEOUS EXPENSE TWELVE MONTHS ENDING  
FEBRUARY 29, 2024 AND DECEMBER 31, 2022 AND 2021

Description (1)	Twelve Months Ending 2-29-24 (2)	Twelve Months Ending 12-31-22 (3)	Twelve Months Ended 12-31-21 (4)
Licenses (Notary and CPA)	586	586	586
Sponsorships	450	450	450
Other Miscellaneous Expenses	<u>393</u>	<u>393</u>	<u>393</u>
	1,428	1,428	1,428

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RESEARCH AND DEVELOPMENT EXPENDITURES

53.53 III. Operating Expense

D. Water and Wastewater Utilities

12. Submit details of information covering research and development expenditures, including major projects within the Company and forecasted Company programs.

Response: Refer to Exhibit No. HIII-12

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CHARITABLE AND CIVIC CONTRIBUTIONS FOR TWELVE MONTHS ENDING  
FEBRUARY 29, 2024

53.53 III. Operating Expense

D. Water and Wastewater Utilities

13. Provide a detail schedule of all charitable and civic contributions by recipient and amount for the test year.

Response: Refer to Exhibit No. HIII-13.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ACTUARIAL STUDIES-PENSIONS AND POSTRETIREMENT BENEFITS OTHER  
THAN PENSIONS

53.53 III. Operating Expense

D. Water and Wastewater Utilities

14. Provide the two most recent actuarial studies for both pension expense and postretirement benefits other than pensions (OPEBs).

Response: Refer to Exhibit No. HIII-5 for the most recent actuarial valuation for pension expense.

Refer to Exhibit No. HIII-14 for the second most recent actuarial valuation for pension expense.

Refer to Exhibit No. HIII-14 for the two most recent actuarial studies for postretirement benefits other than pensions.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PENSION EXPENSE FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022  
AND ENDED DECEMBER 31, 2021 AND 2020

53.53 III. Operating Expense

D. Water and Wastewater Utilities

15. Identify the total pension expense under SFAS 87 for the test year and the portion charged to O&M. Include an analysis showing the contribution to the pension plan and the amount deferred or expensed for each of the past two years and the test year.

Response:

Year	Contribution To Pension Plans	SFAS 87 Expense	Amount Expensed	Amount Deferred
2022	2,300,000	(1,869,950)	2,300,000	(4,169,950)
2021	2,300,000	(885,782)	2,300,000	(3,185,782)
2020	2,300,000	(446,236)	2,300,000	(2,746,236)

The Company has two defined benefit pension plans (one plan for union-represented employees and one plan for administrative and general employees). The Company has reflected in its cost of service for ratemaking purposes the cash contributions to its two defined benefit pension plans since the pension plans were established in 1959. The Commission in its Orders at Docket No. R-00027975, dated June 26, 2003, Docket No. R-00049165, dated November 9, 2004, Docket No. R-00063122, dated September 15, 2006, Docket No. R-2008-2023067, dated October 9, 2008, Docket No. R-2010-2157140, dated November 4, 2010, Docket No. R-2012-2336379, dated January 9, 2014, and Docket No. R-2018-3000019, dated January 17, 2019 approved cash contributions plus administrative costs as the basis for the Company's ratemaking claim for pension expense.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPEB EXPENSE FOR THE TWELVE MONTHS ENDING FEBRUARY 29, 2024

53.53 III. Operating Expense

D. Water and Wastewater Utilities

16. Provide an analysis of OPEBs showing the accrual amount under SFAS 106 and the pay-as-you-go expense.

Response:

Description	SFAS 106 Expense	Pay-As-You-Go Expense
Post Retirement Death Benefits	(9,002)	4,000

The Company pays a death benefit to the beneficiaries of Company employees and retirees. Pay-as-you-go costs of postretirement benefits other than pensions expensed during the twelve months ending December 31, 2022 were 4,000 representing two deaths. The Company has assumed the same two deaths per year in its cost of service claim.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SFAS NO. 106 EXPENSE FOR THE TWELVE MONTHS ENDING FEBRUARY 29, 2024

53.53 III. Operating Expense

D. Water and Wastewater Utilities

17. Reconcile the historical and future test year SFAS No. 106 expense levels with the amount identified in the actuarial report.

Response:

The Company is not claiming SFAS No. 106 expenses in the cost of service.

Refer to Exhibit No. FIII-16 for pay-as-you-go postretirement expenses included in the cost of service.

Refer to Exhibit No. HIII-2-24 for the elimination of the cost of SFAS No. 106 postretirement health and death benefits.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SFAS NO. 106 EXPENSE FOR THE TWELVE MONTHS ENDING FEBRUARY 29, 2024

53.53 III. Operating Expense

D. Water and Wastewater Utilities

18. Please identify the actual or projected amounts contributed to SFAS No. 106 funds for the historic and future test years. Identify the actual or projected dates and amounts of the contributions.

Response:

No amounts, either actual or projected, have been contributed to SFAS No. 106 funds for the historic and future test years.

Because the Company's SFAS No. 106 obligations are so small, the Company has not established funds to meet those obligations. The Company claims its SFAS No. 106 obligations in its cost of service on a pay-as-you-go basis.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SFAS NO. 106 EXPENSE FOR THE TWELVE MONTHS ENDING FEBRUARY 29, 2024

53.53 III. Operating Expense

D. Water and Wastewater Utilities

19. Explain the funding options or plans which are being used for SFAS No. 106 costs. Identify the portion of costs which are eligible for tax preferred funding.

Response:

No funding options or plans are being used for SFAS No. 106 costs.

Refer to Exhibit No. FIII-18.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CHANGES TO POSTRETIREMENT BENEFITS

53.53 III. Operating Expense

D. Water and Wastewater Utilities

20. Is the Company studying and/or anticipating any changes to its postretirement benefits offered to employees as a result of SFAS No. 106 or for other reasons? If yes, provide such study and/or explain the anticipated change.

Response:

No.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SFAS 112 POSTRETIREMENT BENEFITS

53.53 III. Operating Expense

D. Water and Wastewater Utilities

21. State whether the test year expenses reflect any accruals for postretirement benefits under SFAS 112. If yes, provide complete details including supporting documentation, assumptions, and funding mechanisms.

Response:

Test year expenses do not reflect any accruals for postretirement benefits under SFAS 112.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
INCENTIVE COMPENSATION

53.53 III. Operating Expense

D. Water and Wastewater Utilities

22. Provide a copy of all incentive compensation and/or bonus plans and provide the level of related bonus payments included in the cost of service. Provide information for the preceding two years and any changes since the last rate case.

Response: A copy of the Company's Cash Incentive Plan is attached. The purpose of the Cash Incentive Plan is to help the Company motivate and reward participants who provide substantial services to the Company, contribute to the achievement of Company goals and promote the creation of value for customers. The Cash Incentive Plan was approved by the Company's Compensation Committee and Board of Directors on January 26, 2003.

A copy of the Cash Incentive Plan Performance Objectives for 2021 and 2022 is also attached.

Projected cash incentive payments of \$287,026 for the twelve months ending February 29, 2024 are included in the cost of service. Cash incentive payments for the twelve months ending December 31, 2022 and ended December 31, 2021, are \$273,358 and \$185,294, respectively.

A copy of the Company's Long-Term Incentive Plan (LTIP) is attached. The purpose of the LTIP is to reward key employees and directors when key metrics have been met, to begin to integrate variable compensation into the entire compensation package, and to better align key employee goals with those of the Company as a whole.

The key metrics to be met before the awarding of stock grants are three-year average return on equity of greater than or equal to 9.5%, three-year average total shareholder return of 9.5% or greater, 3-year average customer complaint rate less than the average for PA companies, and 3-year average prices lower than the PA average. Each of the four goals have equal weighting.

Projected LTIP stock grants of \$276,170 for the twelve months ending February 29, 2024 are included in the cost of service. LTIP stock grants for the twelve months ending December 31, 2022 and ended December 31, 2021, were \$222,797 and \$159,775, respectively.

# THE YORK WATER COMPANY

## Cash Incentive Plan

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### **Purpose:**

The purpose of the Incentive Plan (the "Plan") is to aid The York Water Company (the "Company") in retaining, attracting, motivating and rewarding associates ("Participants") who provide substantial services to the Company, to recognize contributions and reward achievement of Company goals, and promote the creation of value for customers by more closely aligning the interest of participants with those of customers. The Plan authorizes cash-based incentives for participants.

### **Definitions:**

- (a) "Annual Incentive Award" means a cash-based performance award granted to a Participant representing a right to receive payment, as determined by the Compensation Committee, based on the achievement of Company goals in a period of one (1) fiscal year or portion thereof.
- (b) "Beneficiary" means the legal representatives of the Participant's estate entitled to receive benefits under a Participant's Annual Incentive Award upon a Participant's death. Each Participant will be permitted to designate a beneficiary to receive the benefits specified under the Participant's Annual Incentive Award upon the Participant's death.
- (c) "Committee" means the Compensation Committee of the Board of Directors of the Company.
- (d) "Participant" means a person designated by the Committee to be eligible to receive an Annual Incentive Award under the Plan.

### **Administration:**

The Plan shall be administered by the Committee, which shall have complete and final authority to select Participants, to determine the goals and circumstances under which Annual Incentive Awards are granted, to grant awards, to prescribe documents evidencing or setting terms of Annual Incentive Awards, to make amendments to the Plan, to establish rules and regulations for the administration of the Plan, to construe and interpret the Plan, to correct defects, supply omissions or reconcile inconsistencies as the Committee may deem necessary or advisable for the administration of the Plan. Decisions of the Committee with respect to the administration and interpretation of the Plan shall be final, conclusive and binding upon all persons interested in the Plan, including Participants and Beneficiaries.

### **Terms of Awards:**

The Committee is authorized to grant cash-based Annual Incentive Awards, which may be earned upon the attainment or satisfaction of organizational goals. In addition, the Committee may specify that any Annual Incentive Award be conditioned upon achievement or satisfaction of business criteria or other measures of performance. The Committee may exercise its discretion to eliminate, to reduce or increase the amounts payable as Annual Incentive Awards, subject to such business criteria or other measures of performance.

- (a) One or more of the following business criteria or other measures of performance may be used by the Committee in establishing Annual Incentive Awards: (1) growth in revenues or assets; (2) earnings from operations; (3) net income or net income per common share; (4) return on investment or return on equity; (5) stock price or shareholder return and (6) strategic business criteria, consisting of meeting specified water quality standards, environmental or safety standards, affordability of rates and customer satisfaction standards.

The targeted levels of performance with respect to such business criteria or other measures may be established at such levels and in such terms as the Committee may determine.

The Plan shall become effective upon approval of the Board of Directors of the Company. The Plan will remain in effect until terminated by action of the Board of Directors of the Company.

### **Performance Measures:**

Annual Incentive Awards are granted upon the successful attainment and satisfaction of Performance Objectives within a given year. Attainment of Performance Objectives shall be measured over an annual incentive period of up to or more than one year, as specified by the Committee. A Performance Objective shall be established no later than ninety (90) days after the beginning of any annual incentive period.

Performance Objectives are approved by the Committee. The successful attainment and satisfaction of Performance Objectives is determined by the Committee and shall be final, conclusive and binding.

The achievement of each Performance Objective will be awarded a score of five (5) points. No points will be awarded for partial achievement of Performance Objectives. Annual Incentive Awards will be granted upon an overall score of seventy-five (75) percent of the available Performance Objective score. Achieving Performance Objectives and receiving Annual Incentive Awards will be the shared responsibility of the Participants. If an overall score of seventy-five (75) percent of the available Performance Objective is achieved, all Participants will receive Annual Incentive Awards. If an overall score of less than seventy-five (75%) of the available Performance Objective score is achieved, no Participant will receive an Annual Incentive Award.



Certain Performance Objectives may be designated by the Committee to be eligible for a Performance Bonus Score. The Committee may select Performance Objectives that are critical and highly important to the successful completion of the Company's mission and, at the Committee's sole discretion, award a Performance Bonus Score of five (5) points for the successful achievement or completion of Performance Objectives so designated.

**Settlement:**

Each year, the Committee will determine the amount of the Annual Incentive Award. Settlement of the Annual Incentive Award will be in cash. The Company is authorized to withhold from any Annual Incentive Award amounts of withholding or other taxes due in connection with the payment of the Annual Incentive Award.



## 2021 Performance Objectives

GREEN =COMPLETE  
 YELLOW=EXPECT  
 COMPLETION  
 RED =UNSURE/ UNLIKELY

		<u>Possible</u>	<u>Actual</u>
1	Infrastructure Replacement/Relining: 60,000 feet of mains	5	0
2	Replace all Phase 2 LSL's identified at end of 2019 (with customer approval)	5	0
3	Complete a market compensation study	5	0
4	Complete Oracle EBS system upgrade	5	0
5	Provide water test to all customers with comp./cust. LSL who request them	5	0
6	Continue corrosion control review and implement pipe-loop study	5	0
7	Establish Records and Document Management Program	5	0
8	Approval of final design and permit applications for Lake Williams spillway	5	0
9	Conduct needs surveys in 3 areas within our charter with inadequate well water	5	0
10	Finalize and Implement PUC Management Audit recommendations	5	0
11	Complete West Manheim Township sewer integration	5	0
12	Compliance with and Implementation of the LCRR	5	0
13	Implement Improvement Opportunity from customer satisfaction survey	5	0
14	Continue water loss accounting process, implement improvement	5	0
15	Implement Perch Cyber-Security SIEM/SOC IT tools	5	0
16	Review the Advisor and Strategy over Pension Plan Assets	5	0
17	Climate Change - Develop a plan to reduce Carbon Emissions	5	0

Earnings Per Share: [\\$ 1.12](#)

Total	<u>85</u>	
Required for 75%	65	

### Detailed Discussion

#### **1. Infrastructure Replacement/Relining: ~60,000 feet of pipe [VP, Engr]**

To have a water main replacement average of 80-100 years in accordance with PUC policy and industry standards. Focus will be on replacing pre-1940's pipes, which are most likely to have lead service lines. This will reduce water quality issues, increase fire flows, decrease service disruptions to customers, decrease unaccounted water, decrease O&M repair costs, decrease traffic disruptions, and decrease risk.

#### **2. Replace all Phase 2 LSL's identified at end of 2020 (with customer approval) [COO]**

Our continued focus on elimination of lead for our customers. Achieving this goal will accelerate the elimination of lead service lines which could benefit the health and safety of our customers.

#### **3. Complete a market compensation study [VP, HR]**

To ensure that we recruit and retain highly skilled team members, we will complete this market driven compensation study. Continuing to maintain a highly competent and skilled workforce will ensure that the company can provide Water and Wastewater services to all of its customers and meet all of its regulatory requirements.

#### **4. Complete Oracle EBS system upgrade [VP, IT]**

The technology infrastructure system that we use, Oracle, requires an upgrade so that we remain on a current version of the software and retain service from the provider. We chose a partner to assist with the upgrade in 2020; and will now proceed with the installment.

#### **5. Provide water test to all customers with company/customer LSL who request them [COO]**

Achieving this goal will assist customer's awareness and allow us to accelerate the elimination of lead service lines which could benefit the health and safety of our customers.

#### **6. Continue corrosion control review and implement pipe-loop study needed [Ops Mgr]**

Corrosion Control Studies require extensive coordination between several departments to ensure quality results are achieved. Our corrosion control pipe loop study will be completed in the first half of 2021. Following the results of the study, the Company will consider modifications that may be appropriate as we work to reduce lead levels which could benefit the health and safety of our customers.

## **7. Establish Records and Document Management Program Company-Wide [CAO]**

This objective is expected to span 2 calendar years but will facilitate more efficient flow of work throughout the Company and will enable existing personnel to work more effectively and efficiently while retaining necessary records in readily accessible locations. It will also facilitate future use of physical space throughout our brick and mortar facilities. This will require review of existing stored records, from historic to present day records and purging those that are unnecessary, retaining and possibly digitizing those that should be retained and require ready reference, and creating practices and policies that accommodate access efficiency going forward. This includes documents company-wide, from engineering, permitting, HR and financial records, to historic corporate documents that should be stored with preservation protections. Collaboration and coordination with every sector of the company and IT will be necessary.

## **8. Approval of final design and permit applications for Lake Williams spillway replacement [VP, Engr]**

As a part of our multi-year plan for Lake Williams to armor the downstream embankment, and replace/realign the spillway, we will obtain final design and permit applications for this project that is planned for completion in late 2023.

## **9. Conduct Needs Surveys in a minimum of three areas within our Charter with inadequate well water [VP, Engr]**

Over the years we've received many calls from residents within our charter area that do not have York Water and they request expansion of our lines because they have well water problems or inadequate fire protection. With the advent of the PUC's bona fide customer process, it may be cost effective to work with a group of homeowners and expand a quality water supply into their neighborhoods.

## **10. Finalize and Implement PUC Management Audit Recommendations [CAO]**

Following the completion of the PUC Management Audit in the first quarter of 2021, the Company will finalize and implement the recommendations from the audit to ensure compliance and continuous improvement.

## **11. Complete West Manheim Sewer integration [COO]**

We expect to receive PUC approval of this acquisition in 2021. Integrating this acquisition involves significant resources across the company. A smooth transition for this system will reduce customer complaints, insure environmental regulations are met, mitigate costs thru economies of scale, and provide a quality experience to our customers.

## **12. Compliance with and Implementation of LCRR [COO]**

In late December 2020, the EPA finalized an updated Lead and Copper Rule that focuses on better protecting children from lead exposure. The company will review the new requirements and ensure compliance with the new requirements.

## **13. Implement Improvement opportunity from customer satisfaction survey [VP, CS]**

The company completed a customer satisfaction survey in 2020. The survey was completed using e-mail responses for the first time and resulted in a record number of 1,940 responses. The company will review the results of the survey and implement at least one opportunity for improvement highlighted in the results.

## **14. Continue water loss accounting process, implement improvement [Ops Mgr]**

In 2020, we firmed up our water loss accounting process. In 2021, we will continue to review the analytics on our water losses; and look for improvement opportunities to lower our amount of loss with the goal of reducing energy costs, raw and treated water pumping expense and creating better process control.

## **15. Implement Perch Cyber-Security SIEM/SOC tools [VP, IT]**

As we continue to bolster our cybersecurity defense mechanisms, and protect our company and customer's most sensitive information, we are planning to implement a Security Incident and Event Management (SIEM) system that identifies, monitors, records and analyzes security events. The system utilizes the core technology of a Security Operations Center (SOC).

## **16. Review the Advisor and Strategy over Pension Plan Assets [CFO]**

The Company has a fiduciary responsibility over the assets of the Union and General and Administrative pension plans which are in excess of \$50 million. The Company engages an investment advisor to manage and oversee those assets in an effort to maximize the return in line with the investment policy established by the Company. The contributions to the plans and the management fees are costs that are included in customer rates. The Company will review and consider changing its investment advisor if it could reduce fees and in conjunction will review its strategy to maximize the return. This could lower expenses and future contributions that would benefit the customers while providing the necessary protections over these assets.

## **17. Climate Change - Develop a plan to reduce Carbon Emissions and promote Environmental Stewardship [Ops Mgr]**

In 2020, the company developed a baseline standard of our carbon footprint, as well as establishing a protocol for tracking monthly power metrics. In 2021, we will build upon this data by exploring other carbon emitting processes (diesel generators, vehicles, etc.) to sharpen our estimate. This information will be used to establish benchmarks to assist us in reducing our carbon footprint.

## **Earnings Per Share:**

\$1.12. The 2020 EPS was (unaudited), ~\$xxx/share. The 2021 budget is estimated at \$1.165/share. A \$xxx earnings goal is appropriate in that it is a year over year increase and considers that revenue is projected to increase only slightly (1.2%) over 2020. This would protect shareholders from any significant downside and also is not so high that it could inappropriately incentivize management to focus on short-term gains at the expense of the more appropriate long term growth and sustainability. In the event that actual earnings are less than the goal, than the incentive payout could be reduced by the same percentage.

## 2022 Performance Objectives (Draft)

GREEN =COMPLETE  
YELLOW=EXPECT  
COMPLETION  
RED =UNSURE/ UNLIKELY

		<u>Possible</u>	<u>Actual</u>
1	Infrastructure Replacement/Relining: 60,000 feet of mains	5	0
2	Initiate and complete RFP process for company website redesign and upgrades	5	0
3	Complete Source of Water Supply study (WAP)	5	0
4	Continue support of Amblebrook development – Section A & C	5	0
5	Meet all 2022 cyber-security objectives, including Cyber Storm VIII	5	0
6	Complete an equity offering to fund company activities	5	0
7	Implement an automated, outsourced backflow management process	5	0
8	Commence construction of Lake Williams Dam Rehabilitation project	5	0
9	Implement and integrate new payroll vendor program	5	0
10	Submit final written completion report for 2016 COA (Lead and Copper Rule)	5	0
11	Complete LIDA Water and Wastewater integration	5	0
12	Submit Rate Case or DSIC Increase to 7.5% to PUC	5	0
13	Conduct an Emergency Preparedness/Response Tabletop Exercise	5	0
14	Implement third-party bill change/York City Sewer shutoff process	5	0
15	Secure and implement safety program partnership for improvements	5	0
16	Conduct and implement customer invoice rationalization analysis	5	0
17	ESG – continue investment/ exposure of ESG initiatives across the Company	5	0

Earnings Per Share: [\\$ 1.12](#)

Total	<u>85</u>	
Required for 75%	65	

### Detailed Discussion

#### **1. Infrastructure Replacement/Relining: ~60,000 feet of pipe [VP, Engr]**

To have a water main replacement average of 80-100 years in accordance with PUC policy and industry standards. Focus will be on replacing pre-1940's pipes, which are most likely to have lead service lines. This will reduce water quality issues, increase fire flows, decrease service disruptions to customers, decrease unaccounted water, decrease O&M repair costs, decrease traffic disruptions, and decrease risk.

#### **2. Initiate and complete RFP process for Company website redesign and upgrades [CAO]**

With specific attention to the customer experience, as technology continues to change, it is important that we update our website to properly support the various ways we interact with not only our customers, but all current and potential stakeholders.

#### **3. Complete a Source of Water Supply study [VP, Engr]**

As our water allocation permit nears renewal, it is critical that we complete a Source of Supply study to ensure that we maximize our water allocation for future years.

#### **4. Continue support of Amblebrook development – Section A & C [COO]**

It is vital that we continue to support the growth of the Amblebrook development as we meet the water and wastewater needs of these customers in the Gettysburg area.

#### **5. Meet all 2022 cyber-security objectives, including Cyber Storm VIII [VP – IT/Technology]**

Cyber security remains a focal point for the company as we work to protect the company's information, including our customers personal and confidential records. The focus is to ensure cybersecurity emergency preparedness and incidence response through various activities, including Cyber Storm VIII participation.

#### **6. Complete an Equity offering to fund company activities [CFO]**

An equity offering would secure the necessary financing to fund the Company's anticipated 2022 construction expenditures and water and wastewater acquisitions. The equity offering is expected to help maintain a strong equity ratio, which will assist the Company in maintaining an investment grade credit rating and the lowest possible debt costs.

#### **7. Implement automated Backflow process [Ops Mgr]**

York Water was the first water utility in PA to implement 100% backflow prevention across our entire water distribution system. Effective backflow prevention is critically important in protecting our customers and our distribution network from a potential contamination event. In 2022, the company will outsource and implement an automated backflow process that will improve our internal efficiencies, improve system reliability and improve the overall customer experience.

## **8. Commence construction of Lake Williams Dam Rehabilitation project [VP, Engr]**

As a part of our multi-year plan for Lake Williams to armor the downstream embankment, and replace/realign the spillway, we will commence construction after all regulatory approvals have been secured as we work to meet the overall completion timeline in late 2023.

## **9. Implement and Integrate new payroll vendor program [VP, HR]**

This cross functional activity has benefits that can be realized from discontinuing the processing of payroll with internal resources and using a third-party processor. Complications around the processing of payroll and payroll related liabilities have increased so utilizing a team of experts could reduce the possibility of mistakes that may lead to penalties. The direct costs of processing payroll including the investment in new technology can be reduced by working with a payroll processor resulting in savings passed along to the customers and allow the redeployment of internal resources to more value-added tasks. The team of experts will keep apprised of changes in the payroll tax law including credits that may benefit the Company and be passed along to the customers. The employees will benefit from an enhanced and secure system that may enhance the overall employee experience and aid in retention.

## **10. Submit final written completion report for 2016 COA (Lead and Copper Rule) [COO]**

The Company has been party to a Consent Order and Agreement (COA) with PA DEP since December 2016 related to the Company's compliance with the Lead and Copper Rule. The Company has complied with all terms and conditions of the COA. In accordance with the COA, the Company will submit a final written completion report which includes a description of all tasks taken to comply with the COA and secure termination of the COA from PA DEP.

## **11. Complete LIDA Water and Wastewater integration [COO]**

We expect to receive PUC approval of this acquisition in 2022. Integrating this acquisition involves significant resources across the company. A smooth transition for this system will reduce customer complaints, ensure environmental regulations are met, mitigate costs thru economies of scale, and provide a quality experience to our customers.

## **12. Submit Rate Case or DSIC Increase to 7.5% to PUC [CFO]**

Due to increasing expenses, the recovery of capital costs, and the recovery of wastewater costs, a rate case may be necessary in 2022. Submission of a rate case will ensure the company remains financially sound which will benefit customers. If a final analysis deems that a rate case is not needed at this time, then submit a filing to increase DSIC to 7.5%.

## **13. Conduct an Emergency Preparedness/Response Tabletop Exercise [CEO]**

One of the findings from the PA PUC's 2021 Management Audit was to place continued emphasis on physical security measures and emergency preparedness. In cooperation with federal, state and local officials, the Company will conduct a tabletop exercise to test the Company's Dam Emergency Action Plan coordination and response during a simulated flood and assess flood risk/mitigation to downstream areas.

## **14. Implement third-party bill change/York City Sewer process [VP, Cust Svc]**

Another cross functional activity, the company will implement a new third-party bill change in 2022, as well as providing a new shutoff notice process for York City and their wastewater customers.

## **15. Secure and implement safety program partnership for improvements [VP, HR]**

The improved safety awareness, audits, and processes should provide improved reduction in costs associated with injuries and/or penalties. Partnering with a consultant will lead to improved metrics and processes companywide. Additionally, continuous improvement to the company's safety program provides additional opportunities for increased employee engagement, positive employee experiences, and subsequently employee retention.

## **16. Conduct and implement customer invoice rationalization analysis [VP, Cust Svc]**

The Company currently has an outdated invoice and envelope inserter machine. In 2022, a financial review will be conducted to determine the best strategy for customer invoice creation and distribution moving forward.

## **17. ESG – Continue investment/exposure of ESG initiatives across the Company [Ops Mgr]**

Environmental, social and governance practices remain a priority for the company. In 2022, we will form an ESG Work Group from across departments to develop our sustainability efforts to improve our ability to more precisely measure our performance in these areas. Conduct ESG training for all managers to expose our management team to the principles of ESG and importance for our regulated water/wastewater industry.

## **Earnings Per Share:**

**\$1.12.** The 2021 EPS was (unaudited), ~\$xxx/share. The 2022 budget is estimated at \$1.17/share. A \$1.12 earnings goal is appropriate in 2022 as compared to our budget and considering the need for a rate case filing. This would protect shareholders from any significant downside and also is not so high that it could inappropriately incentivize management to focus on short-term gains at the expense of the more appropriate long-term growth and sustainability. In the event that actual earnings are less than the goal, than the incentive payout could be reduced by the same percentage.

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING  
SECURITIES THAT HAVE BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933**

**THE YORK WATER COMPANY  
130 East Market Street  
York, Pennsylvania 17401**

**To:** All York officers who are members of the Board of Directors; other key York employees who are designated by the Compensation Committee to participate in the Plan; and non-employee members of the Board of Directors

**Subject:** The York Water Company Long-Term Incentive Plan

**Date:** July 1, 2016

**Market for the Securities:** NASDAQ Global Market  
Trading Symbol: YORW

**THE YORK WATER COMPANY**  
**LONG-TERM INCENTIVE PLAN**

In February, 2016, the Board of Directors (the "Board") of The York Water Company ("York") adopted The York Water Company Long-Term Incentive Plan (the "Plan")

York solicited proxies for use at its annual meeting of its stockholders to be held on May 2, 2016, to consider and vote upon a proposal to approve the Plan, among other things.

On May 2, 2016, York stockholders approved the Plan at its annual meeting.

The following description of the Plan outlines for you the provisions of the Plan. It is not a complete statement of the Plan. It is recommended that you read and become familiar with the full text of the Plan, which is set forth in Exhibit A to this Prospectus.

### **What is the Plan?**

The Plan provides certain officers, who may also be members of York's Board of Directors (the "Board"), other key York employees who are designated by the Compensation Committee of the Board (the "Committee"), and non-employee members of the Board with the opportunity to receive grants of incentive stock options, nonqualified stock options, unrestricted stock, restricted stock, restricted stock units, performance restricted stock, performance restricted stock units, and stock appreciation rights related to York stock.

### **When is the Plan effective?**

The Plan will become effective as of July 1, 2016.

### **What is the purpose of the Plan?**

The purpose of the Plan is to give participants an ownership interest in York and to create an incentive for them to contribute to York's growth, thereby benefiting York's stockholders, and aligning the economic interests of the participants with those of York's stockholders.

The Plan is necessary to ensure that compensation practices of York are competitive in the industry and to enable York to continue to assist in the attraction and retention of key employees vital to York's success.

### **Who administers the Plan?**

The Plan is administered by the Committee. The Committee consists of not fewer than three (3) members of the Board or the full Board; provided, however, that the Board shall administer the Plan as it relates to the terms, conditions and grant of awards to non-employee members of the Board. The Committee has the authority to determine the individuals to whom grants will be made under the Plan; to determine the type, size, and terms of any grants made; to determine when grants will be made and the duration of any applicable exercise or restriction period; and to deal with any other matters arising under the Plan. The Committee also has the full power and authority to administer and interpret the Plan; to make factual determinations; and to carry out the purpose and intent of the Plan.

### **Who is eligible to receive grants under the Plan?**

The following natural persons are eligible to receive grants under the Plan:

- Officers, who may also be members of the Board
- Key employees of York who are designated by the Committee
- Non-employee members of the Board

### **How many shares can be issued under the Plan?**

The Plan authorizes the issuance of 100,000 shares of York common shares, all of which may be granted as incentive stock options. The maximum number of shares that may be subject to stock option, stock appreciation right, unrestricted stock, restricted stock, restricted stock unit, and performance restricted stock awards made to any individual under the Plan during any calendar year is 2,000 shares.

These limits will be adjusted for stock dividends, stock splits, recapitalizations, reorganizations, mergers, consolidations, combinations, exchanges, or other relevant changes in capitalization occurring after the date of grant.

### **What types of grants are available under the Plan?**

The following types of grants are available under the Plan:

- Incentive Stock Options
- Nonqualified Stock Options
- Stock Appreciation Rights
- Unrestricted Stock
- Restricted Stock
- Restricted Stock Units
- Performance Restricted Stock
- Performance Restricted Stock Units

### **What are incentive stock options and nonqualified stock options?**

Incentive stock options and nonqualified stock options are stock options that give you the right to purchase shares of York common stock at a specified exercise price during a specified period of time.

### **What is the difference between incentive stock options and nonqualified stock options?**

The primary difference between incentive stock options and nonqualified stock options is the tax treatment. Basically, incentive stock options are not taxable at the time of exercise while nonqualified stock options are taxable at exercise. For more detailed information on the tax differences between these two types of options, see **“What are the federal income tax consequences of options, SARS, and stock awards?”** below.

In addition, nonqualified stock options may be awarded to anyone eligible to participate in the Plan. Only York employees or the employees of a subsidiary are eligible to receive incentive stock options.

The exercise price of nonqualified stock options and incentive stock options when issued must be equal to or greater than the fair market value of a share of York stock on the date of grant.

#### **Illustration**

If you receive a grant of an incentive stock option and the price per share of York stock at the time of grant is \$10, the option exercise price must be \$10 or greater.

If you receive an incentive stock option, only \$100,000 of your incentive stock option (based upon the fair market value of York stock on the date of grant) may first become exercisable by you during any calendar year. In other words, the aggregate amount of all incentive stock options granted under all of York plans that first become exercisable by you in any calendar year may not exceed \$100,000. Any options granted to be exercisable in a calendar year that exceed this limit must be nonqualified stock options.



#### **Illustration**

You receive an incentive stock option grant to purchase 75,000 shares of York stock. Under its terms, you can acquire 15,000 shares in Year 1, plus an additional 15,000 shares per year in Years 2 through 4. At the time of the option grant, each share had a fair market value of \$10. Thus, each year you could buy stock with a value, at the time of option grant, of \$150,000 (15,000 shares × \$10). Because of the \$100,000 limitation, only the first 10,000 shares that you could acquire in a year would receive the preferential incentive stock option treatment. This is because these 10,000 option shares have an aggregate fair market value, measured at option grant, of \$100,000. The additional 5,000 shares that you could acquire for the first time each year would be treated as a nonqualified stock option.

In addition, if you receive an incentive stock option and you own more than 10 percent of the voting power of York stock or the stock of a subsidiary, the exercise price must be at least equal to 110 percent of the fair market value of York stock on the date of grant, and the option term may not be longer than five years.

#### **How will I know what the terms of my grants are?**

Each grant under the Plan will be accompanied by a grant agreement. The grant agreement will describe the type (such as an incentive stock option or a nonqualified stock option or a restricted stock unit) of grant that you have been awarded and the terms and restrictions applicable to the grant. The grant agreement for an option and a restricted stock unit will describe when the option or restricted stock unit, as applicable, will become exercisable. You should read the grant agreements along with the Plan.

#### **How can I exercise my options?**

You may exercise options that have become exercisable by delivering a notice of exercise to the Treasurer of York, followed by payment of the exercise price within 10 days after the exercise of the option. You may pay the exercise price, as specified by the Committee in your grant agreement, which may include payment by the following methods: (i) in cash; (ii) by delivering to York previously-owned shares; (iii) in the discretion of the Committee, through an election to have shares otherwise issuable to you withheld to pay the exercise price of such option; or (iv) in the discretion of the Committee, through any combination of the payment procedures set forth in (i) through (iii) above.

#### **How long do I have to exercise my options?**

The exercise term of each option will be determined by the Committee and set forth in your grant agreement; provided that the exercise period will generally not commence earlier than 6 months after the date of the grant of the option nor end later than 10 years after the date of the grant of the option. If you own more than 10 percent of the voting power of York stock or the stock of a subsidiary, and an incentive stock option is granted to you, the incentive stock option may not have a term that exceeds 5 years from the date of grant.

#### **Illustration**

If you receive a stock option with a five-year term on January 1, 2016, the option would need to be exercised no later than December 31, 2020.

### **What are stock appreciation rights (“SARs”)?**

SARs may be granted in connection with an option and give you the right to receive the appreciation in the value of York stock over a specified period of time. SARs can be settled in cash, York stock or a combination of the two, as set forth in your grant agreement.

### **What is the value of a SAR?**

In exchange for exercising a SAR, you will receive an amount of cash, York stock or a combination of the two, equal to the amount by which the fair market value of the underlying stock on the date of exercise exceeds the base price of the SAR, as set forth in your grant agreement.

#### **Illustration**

If you receive a stock settled SAR for 5,000 shares with a base price of \$7 and you exercise the SAR when the current price of York stock is \$10, you would receive \$15,000 worth of York stock (5,000 shares  $\times$  \$3 (or  $\$10 - \$7$ )), which would be 1,500 shares ( $\$15,000 / \$10$ ).

### **What is the base price of a SAR?**

The base price of each SAR will equal the per share exercise price of the related option.

### **When can I exercise my SARs?**

You may exercise your SARs during the period specified in your grant agreement. Your SARs will be subject to vesting and other restrictions as specified in your grant agreement. Upon the exercise of your SAR, the underlying option will be cancelled, and, likewise, upon the exercise of the underlying option, your SAR will be cancelled.

### **What happens to my options or SARs if I leave York?**

Except as provided in your award agreement or unless the Committee determines otherwise, if your employment or service terminates, to the extent your options or SARs are not vested and exercisable, those options or SARs, as applicable, will be forfeited and returned to York.

In the event of you cease to be an employee of York because of death, “Disability”, or “Retirement”, as such terms are defined in the Plan, your option must be exercised by you, your estate or beneficiaries, as applicable, within 1 year following your death or “Disability”, or within 3 years following your “Retirement”, prior to the option’s expiration. In these cases, you may exercise all or any portion of each option regardless of whether or not they are fully exercisable under the terms of the grant.

In the event your employment is terminated for any other reason, your option must be exercised within 3 months following your termination, prior to the option’s expiration.

The Committee may, in its sole discretion, extend the post-termination period during which the option may be exercised; provided however that such period may not extend beyond the original option period. Other than those provisions of the Plan regarding “Change in Control”, as such term is defined in the Plan, you have no right to exercise any your options or SARs if you are discharged for willful, deliberate, or gross misconduct, as determined by the Committee in its sole discretion.

### **What is a stock award?**

A stock award is a grant of York stock that is often subject to vesting and transfer restrictions (Restricted Stock) as set forth in the grant agreement, but may not be subject to such restrictions (Unrestricted Stock).

The Committee will determine whether a stock award will be granted, the number of shares that will be awarded, any restrictions applicable to the stock award, and when and how any restrictions will lapse. Restrictions may be based on the lapse of a specified vesting period or upon meeting certain performance goals.

**What is a restricted stock unit?**

A Restricted Stock Unit represents the right to receive an amount in cash, York stock or a combination of cash and stock (as determined by the Committee) based upon the value of a share of York stock (or such other measurement base as the Committee determines) subject to restrictions. Restrictions may be based on the lapse of a specified vesting period or upon meeting certain performance goals. Restricted Stock Units that vest based upon meeting certain performance goals are called Performance Restricted Stock Units.

**Will I receive dividends with respect to my Restricted Stock or Restricted Stock Units?**

If York pays a cash dividend to holders of York stock during the period that you hold unvested Restricted Stock or Restricted Stock Units, you will be entitled to receive cash equal to the dividend payable on your Restricted Stock or Restricted Stock Units, which will be reinvested into additional shares of Restricted Stock or Restricted Stock Units when the dividend is paid. The additional shares of Restricted Stock or Restricted Stock Units will be paid at the same time, and to the same extent, that the underlying award is paid.

**What happens to my Restricted Stock award or Restricted Stock Unit if I leave York?**

Except as provided in your award agreement or unless the Committee determines otherwise, if your employment or service terminates while your Restricted Stock or Restricted Stock Unit is subject to restrictions, any shares, units, and any accrued but unpaid dividends (or dividend equivalents) as applicable, whose restrictions have not yet lapsed will be forfeited and returned to York.

Except as provided in your award agreement or unless the Committee determines otherwise at the time of grant, in the event of you cease to be an employee of York because of death, "Disability", or "Retirement", as such terms are defined in the Plan, and you have completed a minimum of 1 year of employment during your applicable restriction period, your restrictions shall lapse on that number of shares or units (if any) determined by multiplying the (i) full number of shares or units subject to restriction by (ii) a fraction, (x) the numerator of which is the number of full months of employment you have

completed in such restriction period and (y) the denominator of which is the total number of full months in such restriction period.

In the event your employment is terminated, the Committee may, in its sole discretion, waive in whole or in part any or all remaining restrictions. Other than those provisions of the Plan regarding "Change in Control", as such term is defined in the Plan, you have no right to receive payment of any your Restricted Stock or Restricted Stock Units if you are discharged for willful, deliberate, or gross misconduct, as determined by the Committee in its sole discretion.

#### **What is Performance Restricted Stock?**

Performance Restricted Stock is Restricted Stock that vests based on the achievement of one or more of the following performance goals: (i) total shareholder return; (ii) return on shareholders' equity; (iii) return on capital; (iv) earnings per share; (v) revenue; (vi) earnings; (vii) cash flow; (viii) operating income; (ix) earnings before interest, taxes, depreciation and amortization; and (x) fair market value of York stock. The Committee will determine a minimum performance level below which no Performance Restricted Stock will be payable. The Committee may adjust the performance measures to reflect significant unforeseen events, unless such adjustment would cause Performance Restricted Stock granted to a "covered employee" under Section 162(m) of the Internal Revenue Code (generally, the CEO and the three most highly compensated officers other than the CFO) to cease to be considered "performance-based compensation" under Section 162(m) of the Internal Revenue Code.

#### **Will I receive dividends with respect to my Performance Restricted Stock?**

If York pays a cash dividend to holders of York stock during the performance period for Performance Restricted Stock, you will be entitled to receive dividend equivalents, which will be reinvested into additional shares of Performance Restricted Stock when the dividend is paid. The additional shares of Performance Restricted Stock will be paid at the same time, and to the same extent, that the underlying award of Performance Restricted Stock is paid.

#### **What happens to my Performance Restricted Stock if I leave York?**

In the event that, during the performance period, you cease to be an employee of York because of your death, "Disability", or "Retirement", as such terms are defined in the Plan, and you have completed at least 1 year of employment during the applicable performance period, you shall be paid the number of shares of Performance Restricted Stock equal to the number actually earned, as of the end of the performance period, times a fraction, (x) the numerator of which is the number of full months of employment you have completed in such performance period and (y) the denominator of which is the total number of full months in such performance period. If you cease to be an employee of York after the performance period due to your death, Disability or Retirement, all of the shares underlying the Performance Restricted Stock will vest.

If your employment or service terminates during or after the performance period for any reason other than your death, Disability, or Retirement, your Performance Restricted Stock will be forfeited and returned to York.

In the event your employment is terminated, the Committee may, in its sole discretion, continue your right to earn any or all Performance Restricted Stock and waive in whole or in part any or all remaining restrictions. Other than those provisions of the Plan regarding "Change in Control", as such term is defined in the Plan, you have no right to receive payment of any your Performance Restricted Stock if you are discharged for willful, deliberate, or gross misconduct, as determined by the Committee in its sole discretion.

### **What happens to my grants upon a change in control of York?**

The following will occur with respect to awards that terminate in connection with a "Change in Control", as such term is defined in the Plan:

- Stock options and SARs, whether vested or unvested, will become fully exercisable.
- All restrictions applicable to any outstanding Restricted Stock and Restricted Stock Units Award shall lapse as of the date of such Change in Control.
- Performance Restricted Stock will be deemed to have been earned to the maximum extent permitted under the performance goals for any performance period not yet completed as of the effective date of such Change in Control and will immediately vest as of the date of such Change in Control.

All Restricted Stock Units will be settled as promptly as is practicable in accordance with applicable law.

### **Do I ever have to pay York back for equity grants?**

York will, in all appropriate circumstances, as determined by the Committee, and to the extent permitted by applicable law, require reimbursement or forfeiture of all or a portion of any award under the Plan,

including any dividends earned or paid in connection with an award, where the Committee has determined that all of the following factors are present:

- York is required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement to which York is subject.
- The award, or its vesting or payment, was predicated upon the achievement of certain financial results that were the subject of the restatement, and such award, vesting or payment occurred or was received during the 3-year period preceding the date York is required to prepare the restatement.
- A smaller award, vesting or payment would have occurred or been made to you based upon the restated financial results.

In each such instance, York will, to the extent deemed appropriate by the Committee, recover or cancel the amount(s) by which an award, or its vesting or payment, during the aforementioned 3-year period exceeded the amount(s) that would have been awarded, vested or paid based on the restated financial results.

### **Are grants under the Plan transferable?**

Generally, grants are not transferable by you except upon death. Grants may only be exercised by you during your lifetime and may not be transferred except by will, through the laws of descent and distribution or, in the case of awards other than incentive stock options, pursuant to a domestic relations order, if permitted by the Committee. The Committee may also permit you to transfer awards other than incentive stock options to applicable immediate family members or certain trusts or other entities established for the benefit of family members.

### **Can the Plan be amended?**

The Plan may generally be amended by the Board or its delegate at any time. The stockholders must, however, approve any amendment for which stockholder approval is required under applicable provisions of the Internal Revenue Code or under applicable exchange requirements or to increase the maximum number of shares of York stock available for distribution under the Plan.

No modification, amendment, or termination of the Plan shall adversely affect your rights as a Plan participant under a grant previously made to you without your consent.

### **When does the Plan terminate?**

The Plan will terminate on May 2, 2026, the tenth anniversary of the adoption date by the York shareholders.

### **What restrictions on resale apply?**

If you are an affiliate of York, you will be subject to limitations on your ability to reoffer or resell shares of stock issued under the Plan. An affiliate is defined under the Securities Act of 1933 (the "Securities Act") to be a person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with York. Generally, affiliates may not offer or sell shares unless the offers and sales are made pursuant to an effective registration statement under the Securities Act or pursuant to an exemption. York has filed a registration statement on Form S-8 with respect to the shares offered by this prospectus. Affiliates may also sell shares without registration under the Securities Act pursuant to Rule 144, provided that the applicable terms and conditions of Rule 144 are met.

In addition, Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act")

contains provisions to the effect that, among other things, any person who is an York officer or director or a beneficial owner of more than 10 percent of a class of York equity securities may be liable to York for profits realized from any purchase and sale (or any sale and purchase) of York equity securities within a period of less than 6 months. Substantial liabilities may be incurred by persons subject to Section 16 of the Exchange Act in connection with transactions in York equity securities (including stock options).

Before acquiring or disposing of any of York equity securities, you should consult with counsel as to your status as an affiliate, the applicability of Section 16 of the Exchange Act.

### **What are the federal income tax consequences of options, SARs, and stock awards?**

The current United States federal income tax treatment of options and stock awards under the Plan is generally described below. This description of tax consequences is not a complete description. There may be different income tax consequences under certain circumstances, and there may be gift and estate tax consequences. Local, state, and other taxing authorities may also tax grants under the Plan. Tax laws are subject to change. You are urged to consult with your personal tax advisor concerning the application of the general principles discussed below to your own situation and the application of other tax laws. The Plan is not subject to the Employee Retirement Income Security Act of 1974 and is not a tax-qualified plan under Section 401 of the Internal Revenue Code.

#### Nonqualified Stock Options

There generally are no federal income tax consequences to you or to York upon the grant of a nonqualified stock option.

Upon the exercise of a nonqualified stock option, you will recognize ordinary income in an amount equal to the excess of the fair market value of the shares of York stock at the time of exercise over the exercise price. York generally will be entitled to a corresponding federal income tax deduction.

Upon the sale of the shares of stock acquired upon the exercise of a nonqualified stock option, you will have a capital gain or loss in an amount equal to the difference between the amount realized on the sale and your tax basis in the shares (the exercise price, plus the amount of income recognized at the time of exercise). The capital gain tax rate will depend upon the length of time you held the shares and other factors.

#### **Illustration**

On January 1, 2016, you receive a nonqualified stock option grant to purchase 5,000 shares of York stock at an exercise price of \$10 per share.

- You will not recognize income and York will not receive a deduction at this time.

On June 15, 2017, you exercise the option to purchase all 5,000 shares when the current price of the stock is \$15 per share.

- You will recognize \$25,000 of ordinary income (5,000 shares  $\times$  \$5 (\$15 – \$10)) and York will be entitled to a deduction in the same amount. You will have a \$75,000 basis in the shares of stock (the \$50,000 exercise price, plus the \$25,000 in recognized income).

On September 2, 2019, you sell all 5,000 shares of stock for \$25 per share.

- You will recognize \$50,000 in long-term capital gains (\$125,000 in sales proceeds less your \$75,000 in basis).

#### Incentive Stock Options

There generally are no federal income tax consequences to you or to York upon the grant of an incentive stock option.

You will not recognize income for purposes of the regular federal income tax upon the exercise of an incentive stock option. For purposes of the alternative minimum tax, however, in the year in which you exercise an incentive stock option, the amount by which the fair market value of the shares acquired upon exercise exceeds the exercise price will be included in your alternative minimum taxable income.

You will recognize income when you sell stock acquired upon exercise of an incentive stock option. If you dispose of the shares acquired upon exercise of an incentive stock option after two years from the date the option was granted and after one year from the date the shares were transferred upon the exercise of the option, you will recognize long-term capital gain or loss in the amount of the difference between the amount realized on the sale and the exercise price. York will not be entitled to any corresponding tax deduction.

If you dispose of shares acquired upon your exercise of an incentive stock option before satisfying both holding period requirements (a disqualifying disposition), your gain recognized on the disposition will be taxed as ordinary income to the extent of the difference between the fair market value of the shares on the date of exercise (or the amount realized on the disposition, if less) and the exercise price, and generally, York will be entitled to a deduction in that amount. The gain, if any, in excess of the amount recognized as ordinary income will be long-term or short-term capital gain, depending upon the length of time you held your shares before the disposition.

### Illustration

On January 1, 2016, you receive an incentive stock option grant to purchase 5,000 shares of York stock at an exercise price of \$10 per share.

- You will not recognize income and York will not receive a deduction at this time.

On June 15, 2017, you exercise the option to purchase all 5,000 shares when the current price of the stock is \$15 per share.

- You will not recognize any regular federal income and York will not receive a deduction at this time. You will, however, recognize \$25,000 of alternative minimum taxable income (5,000 shares × \$5 (\$15 – \$10)).

#### Scenario 1

On March 2, 2018, you sell all 5,000 shares of stock for \$25 per share.

- You will recognize ordinary income in the amount of \$25,000 (5,000 shares × \$5 (the \$15 fair market value of the stock on the date of exercise less the \$10 exercise price) and York will receive a deduction in the same amount. You will have a \$75,000 basis in the shares of stock (the \$50,000 exercise price, plus the \$25,000 in recognized ordinary income).
- You will recognize \$50,000 in long-term capital gains (\$125,000 in sales proceeds less \$75,000 in basis).

#### Scenario 2

On September 2, 2019, you sell all 5,000 shares of stock for \$25 per share.

- You will recognize \$75,000 in long-term capital gains (\$125,000 in sales proceeds less your \$50,000 in basis attributable to the exercise price).

of a SAR. Upon exercise, you will recognize ordinary compensation income equal to the fair market value of any shares received. York generally will be entitled to a corresponding federal income tax deduction at the time of exercise of the SAR.

When you sell any shares acquired by the exercise of a SAR, you will have capital gain or loss in an amount equal to the difference between the amount realized upon the sale and your adjusted tax basis in the shares (the amount of ordinary income recognized by you at the time of exercise of the SAR).

### Illustration

On July 1, 2016, you receive an SAR for 3,000 shares with a base amount of \$10 per share.

- You will not recognize income and York will not receive a deduction at this time.

On September 25, 2017, you exercise the SAR when the current price of the stock is \$15 per share.

- You will recognize \$15,000 of ordinary income (3,000 shares × \$5 (\$15 – \$10)) and York will be entitled to a deduction in the same amount. You will have a \$15,000 basis in the 1,000 shares of stock you receive.

On April 2, 2020, you sell all 1,000 shares of stock for \$25 per share.

- You will recognize \$10,000 in capital gains (\$25,000 in sales proceeds less your \$15,000 in basis).

### Stock Appreciation Rights

There generally are no federal income tax consequences to you or us upon the grant



## Stock Awards

If you receive stock awards, you generally will not recognize taxable income, and York will not be entitled to a deduction, until the stock is transferable by you or the stock is no longer subject to a substantial risk of forfeiture for federal tax purposes (i.e., when the shares vest), whichever occurs earlier. When the stock is either transferable or the stock is no longer subject to a substantial risk of forfeiture, you will recognize ordinary income in an amount equal to the fair market value of the shares (less any amounts paid for the shares) at that time, and generally, York will be entitled to a deduction in the same amount.

You may elect to recognize ordinary income, however, in the year when the restricted stock awards are granted in an amount equal to the fair market value of the shares subject to the award (less any amounts paid for such shares) at that time, determined without regard to any restrictions (commonly referred to as making an "83(b) election"). In that event, York generally will be entitled to a corresponding deduction in the same year. Any gain or loss recognized by you upon a later disposition of the shares will be capital gain or loss.

If you receive stock awards that are not subject to a substantial risk of forfeiture or are transferable at grant, you will recognize income on the value of the shares at the date of grant. York will generally be entitled to a corresponding tax deduction.

### **Illustration**

On October 1, 2016, you receive an award for 5,000 shares of restricted stock and the current price of York stock is \$10 per share.

#### **Scenario 1**

You do not make an 83(b) election to include income in the year of grant.

- You will not recognize any income and York will not receive a deduction at this time.

On October 1, 2017, the restrictions on your stock award lapse and the current price of the stock is \$15 per share.

- You will recognize \$75,000 of ordinary income (5,000 shares × \$15) and York will be entitled to a deduction in the same amount. You will have a \$75,000 basis in the shares of stock.

On February 12, 2019, you sell all 5,000 shares of stock for \$25 per share.

- You will recognize \$50,000 in capital gains (\$125,000 in sales proceeds less your \$75,000 in basis).

#### **Scenario 2**

You make an 83(b) election to include income in the year of grant.

- You will recognize \$50,000 of ordinary income (5,000 shares × \$10) and York will be entitled to a deduction in the same amount. You will have a \$50,000 basis in the shares of stock.

On October 1, 2017, the restrictions on your stock award lapse and the current price of the stock is \$15 per share.

- You will not recognize any additional recognize income at this time.

On February 12, 2019, you sell all 5,000 shares of stock for \$25 per share.

- You will recognize \$75,000 in capital gains (\$125,000 in sales proceeds less your \$50,000 in basis).

## Stock Units

If you receive stock units, you generally will not recognize taxable income, and York will not be entitled to a deduction, until the stock unit is no longer subject to a substantial risk of forfeiture for federal tax purposes (i.e., when the shares vest) and settlement occurs, which generally must occur within 2

1/2 months following the end of the vesting year. When the stock unit is settled, you will recognize ordinary income in an amount equal to the fair market value of the shares (less any amounts paid for the shares) or cash provided at that time, and generally, York will be entitled to a deduction in the same amount.

### Tax Withholding

York has the right to deduct from all grants or other compensation payable to you any taxes required to be withheld with respect to grants under the Plan. York may require that you pay to York the amount of any required withholding. The Committee may permit you to satisfy our tax withholding obligation with respect to a grant by having shares withheld or by accepting delivery of shares you previously owned. The value of shares withheld, however, may not exceed the minimum required tax withholding amount.

### Transfer of Stock Options

The Committee may permit you to transfer nonqualified stock options to applicable family members or a trust or other entity established for the benefit of family members, consistent with applicable law. The tax consequences of stock option transfers are complex and should be carefully evaluated by you and your tax advisor.

Generally, you will not recognize income at the time you make a gift of a nonqualified stock option to a family member or a trust or other entity. When the transferee later exercises the option, you (and not the transferee) must recognize ordinary income on the difference between the fair market value of the stock and the exercise price.

For federal gift tax purposes, if you transfer an option before the option has become exercisable, the transfer will not be considered by the Internal Revenue Service to be a completed gift until the option

becomes exercisable. The value of the gift will be determined when the option becomes exercisable. Gifts of options may qualify for the federal annual gift tax annual exclusion (\$14,000 in 2016). If you die after transferring an option in a completed gift transaction, the transferred option may be excluded from your estate for estate tax purposes if the applicable estate tax requirements have been met.

### **What information is available about York and the Plan?**

The Securities Exchange Commission (SEC) allows York to “incorporate by reference” into this prospectus the information York file with it, which means that York can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and later information filed with the SEC will update and supersede this information. York incorporates by reference any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act until York files a post-effective amendment to the registration statement indicating that all securities offered by this prospectus have been sold or deregistering all securities remaining unsold. The following documents filed with the SEC are incorporated by reference in this prospectus:

- (a) The York Annual Report on Form 10-K for the fiscal year ended December 31, 2015;
- (b) The York Quarterly Report on Form 10-Q for the quarter ended March 31, 2016;
- (c) The York Current Report on Form 8-K filed with the SEC on May 3, 2016; and
- (d) The description of York common stock, set forth in the York Current Report on Form 8-K filed with the Commission on June 12, 1997.

You may request a copy of these filings at no cost by writing York at the following address (or such other address as York provides in a notice to you):

The York Water Company  
130 East Market Street  
York, Pennsylvania 17401

You may request a copy of these filings at no cost by telephoning York at the following telephone number (or such other telephone number as York provides in a notice to you) during standard business hours: (717) 845-3601.

York has filed with the SEC a registration statement on Form S-8 with respect to the shares offered by this prospectus. This prospectus is a part of the registration statement and does not contain all of the information included in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. For further information about us and the common stock, please refer to the registration statement. Whenever a reference is made in this prospectus to the Plan, the reference may not be complete, and you should refer to the exhibits that are a part of the registration statement for a copy of the Plan.

York files annual, quarterly and special reports, proxy statements and other information with the SEC. Their SEC filings are available to the public over the Internet at the SEC's web site at [www.sec.gov](http://www.sec.gov). (This URL is intended to be an inactive textual reference only.) You may also read and copy any document York files at the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at (800) SEC-0330 for further information on the public reference rooms. You may also inspect York's SEC reports and other information at the NASDAQ Global Market, on which York's common stock is listed.

York intends to send to you regular reports concerning your participation in the Plan, and you may request a report of the status of your participation in the Plan at any time. In addition to regularly supplied reports, York will provide to you, without charge, upon your oral or written request, another copy of this prospectus and a copy of any or all of the documents which are incorporated by reference (except that exhibits to such documents will not be provided without charge unless such exhibits are specifically incorporated by reference into such documents), and of any other document required to be delivered to participants in the Plan by rules adopted by the SEC. All requests for information about the Plan and the administrators of the Plan should be directed to us at the address listed above.

This Plan is not subject to any provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

**This prospectus is intended to be a summary of the Plan, and in the event of any conflict between the terms of the Plan and this prospectus, the terms of the Plan shall govern. York has authorized no one to provide you with different information.**

**EXHIBIT A**

**THE YORK WATER COMPANY LONG-TERM INCENTIVE PLAN**

## THE YORK WATER COMPANY LONG-TERM INCENTIVE PLAN

### ARTICLE I. GENERAL PROVISIONS

#### 1.1 PURPOSES

The purposes of the Long-Term Incentive Plan (the “Plan”) are to advance the long-term success of The York Water Company (the “Company” or “York”), and to increase shareholder value by providing the incentive of long-term stock-based awards to officers, directors and key employees. The Plan is designed to: (1) encourage Company stock ownership by Participants to further align their interest with the interests of shareholders of the Company, (2) ensure that compensation practices of the Company are competitive in the industry and (3) assist in the attraction and retention of key employees vital to the Company's success.

#### 1.2 DEFINITIONS

For the purpose of the Plan, the following terms shall have the meanings indicated:

(a) “**Board**” means the Board of Directors of the Company.

(b) “**Change in Control**” means: (1) the acquisition, directly or indirectly, by any person or entity, or persons or entities acting in concert, whether by purchase, merger, consolidation or otherwise, of voting power over that number of voting shares of the capital stock of the Company which, when combined with the existing voting power of such persons or entities, would enable them to cast more than fifty percent (50%) of the votes which all shareholders of York would be entitled to cast in the election of directors of York; (2) the transfer of ownership (in one transaction or a series of related transactions over a period of twelve months ending on the date of the most recent transaction) of 75% or more of the assets, other than intangible assets, including good will, of York to a transferee other than York or an entity of which a controlling interest is owned by York; provided that in addition, such transferred assets must also have 40% or more of the total gross fair market value of all of the assets of York, inclusive of the intangible assets; or (3) the date that a majority of members of York's Board of Directors is replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the members of York's Board of Directors before the date of the appointment or election.

(c) “**Code**” means the Internal Revenue Code of 1986, as amended, including any successor law thereto.

(d) “**Committee**” means the Compensation Committee of the Board.

(e) “**Common Stock**” means the Common Stock of the Company.

(f) “**Company**” means York Water Company.

(g) **“Disability”** means the Participant, by reason of any medically determinable physical or mental impairment that can be expected to result in death or to last for a continuous period of not less than twelve months, receives benefits for a period of not less than six months under the Company's Salary Continuation policy or any future disability policy as enacted. Medical determination of Disability may be made by either the Social Security Administration or by the provider of disability insurance covering employees or directors of the Company provided that the definition of "disability" applied under such insurance program complies with the requirements of the preceding sentence.

(h) **“Dividend Equivalent”** means an amount equal to the cash dividend paid on one share of Common Stock for each Performance Restricted Share granted during the Performance Period. All Dividend Equivalents will be reinvested in Performance Restricted Shares at a purchase price equal to the Fair Market Value on the dividend date.

(i) **“Fair Market Value”** means as of any date, so long as the Common Stock is traded on a nationally recognized securities exchange or automated dealer quotation system, the closing price of the Common Stock on that day. If the Common Stock is not traded on such an exchange or system and is traded solely on the over-the-counter market, the Fair Market Value shall be the average of the closing bid and asked prices for that day. If the Common Stock is not publicly traded, then Fair Market Value shall mean the value assigned to a share for a given day by the Committee in good faith in the exercise of its reasonable discretion and in a manner consistent with Code Section 409A.

(j) **“Incentive Stock Option”** means a Stock Option that meets the definition under Section 422 of the Code.

(k) **“Non-Employee Director”** means a member of the Board who is not an employee of the Company.

(l) **“Nonqualified Stock Option”** means a Stock Option that does not meet the definition of an Incentive Stock Option.

(m) **“Participant”** means any individual who has met the eligibility requirements set forth in Section 1.6 hereof and to whom a grant has been made and is outstanding under the Plan.

(n) **“Performance Measures”** shall mean the Performance Measures described in Section 4.4 of the Plan.

(o) **“Performance Period”** means, in relation to Performance Restricted Stock for any period for which performance goals have been established.

(p) **“Performance Restricted Stock”** means a right granted to a Participant pursuant to Article IV.

(q) **“Performance Restricted Stock Units”** means a bookkeeping entry representing the equivalent of shares of Stock, awarded to a Participant pursuant to Article V which is subject to a Restriction Period.

(r) **“Restricted Stock Grant”** means an award of Common Stock granted to a Participant pursuant to Article V which is subject to a Restriction Period.

(s) **“Restricted Stock Unit”** means a bookkeeping entry representing the equivalent of shares of Stock, awarded to a Participant pursuant to Article V which is subject to a Restriction Period.

(t) **“Restriction Period”** means in relation to the Performance Restricted Stock Grant or Restricted Stock Grant, the period of time (if any) during which (i) such shares are subject to forfeiture pursuant to the Plan and (ii) such shares may not be sold, assigned, transferred, pledged or otherwise disposed of by the Participant.

(u) **“Retirement”** means termination from employment with the Company at age sixty (60) or older.

(v) **“Stock Appreciation Right”** means a right granted to a Participant pursuant to Article III to surrender to the Company all or any portion of the related Stock Option and to receive in cash or in shares of Common Stock an amount equal to the excess of the Fair Market Value over the option price on the date of such exercise.

(w) **“Unrestricted Stock Grants”** means an award of Common Stock granted to a Participant pursuant to Article V which is not subject to a Restriction Period.

(x) **“Stock Option”** means a right granted to a Participant pursuant to Article II, to purchase, before a specified date and at a specified price, a specified number of shares of Common Stock.

### 1.3 ADMINISTRATION

The Plan shall be administered by the Compensation Committee of the Board which shall consist of not fewer than three directors of the Company or the full Board; provided, however, that the Board shall administer the Plan as it relates to the terms, conditions and grant of awards to Non-Employee Directors. For purposes of the Plan, the term Committee shall refer to the Compensation Committee of the Board or the full Board, as the case may be. A majority of the Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by a majority of the Committee, shall be deemed the acts of the Committee. Subject to the provisions of the Plan and to directions by the Board, the Committee is authorized to interpret the Plan, to adopt administrative rules, regulations, and guidelines for the Plan, and to impose such terms, conditions, and restrictions on grants as it deems appropriate. The Committee, in its discretion, may allow certain optionees holding unexercised Incentive Stock Options to convert such options to Nonqualified Stock Options. The Committee may, with respect to Participants who are not subject to Section 16(b) of the Exchange Act or “covered employees” within the meaning of Section 162(m) of the Code (**“Section 162(m)”**), delegate such of its powers and authority under the Plan as it deems appropriate to designated officers or employees of the Company.

#### 1.4 TYPES OF GRANTS UNDER THE PLAN

Grants under the Plan may be in the form of any one or more of the following:

- (a) Nonqualified Stock Options;
- (b) Incentive Stock Options
- (c) Stock Appreciation Rights;
- (d) Performance Restricted Stock Grants;
- (e) Performance Restricted Stock Units
- (f) Restricted Stock Grants;
- (g) Restricted Stock Units;
- (h) Unrestricted Stock Grants

#### 1.5 SHARES SUBJECT TO THE PLAN AND INDIVIDUAL AWARD LIMITATION

(a) A maximum 50,000 shares of Common Stock may be issued under the Plan. All such shares may be granted in the form of Incentive Stock Options, Nonqualified Stock Options, Stock Appreciation Rights, Performance Restricted Shares, Restricted Stock Awards, Restricted Stock Units or Stock Awards, or in any combination of the foregoing. The total number of shares authorized is subject to adjustment as provided in Section 7.1 hereof. Shares of Common Stock issued under the Plan may be treasury shares or authorized but unissued shares. No fractional shares shall be issued under the Plan.

(b) If any Stock Option granted under the Plan expires or terminates, the underlying shares of Common Stock may again be made available for the purposes of the Plan. Any shares of Common Stock that have been granted as Restricted Stock Awards or that have been reserved for distribution in payment for Performance Restricted Shares but are later forfeited or for any other reason are not payable under the Plan, may again be made available for the purposes of the Plan. Furthermore, shares of Common Stock that are (i) tendered or withheld in payment of the exercise price of any Stock Option or in satisfaction of withholding tax obligations arising from any award, and (ii) shares of Common Stock repurchased by the Company that have been designated for allocation to the Plan, shall be available for issuance under the Plan.

(c) The aggregate maximum number of shares of Common Stock that may be granted to any Participant in the form of Stock Options, Stock Appreciation Rights, Performance Restricted Shares, Restricted Stock Awards, Restricted Stock Units and Stock Awards in any one calendar year is 700.



## 1.6 ELIGIBILITY AND PARTICIPATION

Participation in the Plan shall be limited to officers, who may also be members of the Board, other key employees of the Company who are so designated by the Committee in its discretion and Non-Employee Directors.

## ARTICLE II. STOCK OPTIONS

### 2.1 GRANT OF STOCK OPTIONS

The Committee may from time to time, subject to the provisions of the Plan, grant Stock Options to Participants. The Committee shall determine the number of shares of Common Stock to be covered by each Stock Option and shall have the authority to grant Incentive Stock Options, Nonqualified Stock Options or a combination thereof; provided, however, that Incentive Stock Options may be granted only to Participants who are employees of the Company and may not be granted to Non-Employee Directors. Furthermore, the Committee may grant a Stock Appreciation Right in connection with a Stock Option, as provided in Article III.

### 2.2 INCENTIVE STOCK OPTION EXERCISE LIMITATIONS

The aggregate Fair Market Value (determined at the time an Incentive Stock Option is granted) of the shares of Common Stock with respect to which an Incentive Stock Option is exercisable for the first time by a Participant during any calendar year (under all plans of the Company) shall not exceed \$100,000 or such other limit as may be established from time to time under the Code.

### 2.3 OPTION DOCUMENTATION

Each Stock Option shall be evidenced by a written Stock Option agreement (“**Option Agreement**”) between the Company and the Participant to whom such Stock Option is granted, specifying the number of shares of Common Stock that may be acquired by its exercise and containing such terms and conditions consistent with the Plan as the Committee shall determine.

### 2.4 EXERCISE PRICE

The price at which each share covered by a Stock Option may be acquired shall be determined by the Committee at the time the Stock Option is granted and shall not be less than the Fair Market Value of the underlying shares of Common Stock on the day the Stock Option is granted. If an Incentive Stock Option is granted to an employee who, at the time such Incentive Stock Option is granted, owns shares of the Company possessing more than 10 percent of the total combined voting power of all classes of shares of the Company or its subsidiaries (“**10% Shareholder**”), the exercise price of such Stock Option shall not be less than 110% of the Fair Market Value of the underlying shares of Common Stock on the day such Stock Option is granted. The exercise price will be subject to adjustment in accordance with the provisions of Section 7.1 of the Plan.

## 2.5 EXERCISE OF STOCK OPTIONS

(a) Exercisability. Stock Options shall become exercisable at such times and upon the satisfaction of such conditions and in such installments as the Committee may provide at the time of grant.

(b) Exercise Term. Each Option Agreement shall state the period or periods of time within which the Stock Option may be exercised by the Participant, in whole or in part, which shall be such period or periods of time as may be determined by the Committee, provided that the exercise period shall not commence earlier than six (6) months after the date of the grant of the Stock Option nor end later than ten (10) years after the date of the grant of the Stock Option.

(c) Exercise in the Event of Termination of Employment.

(i) Death: Unless otherwise provided by the Committee at the time of grant, in the event of the death of the Participant, the Stock Option must be exercised by the Participant's estate or beneficiaries within one year following the death of the Participant and prior to its expiration. Each Stock Option may be exercised as to all or any portion thereof regardless of whether or not fully exercisable under the terms of the grant.

(ii) Disability: Unless otherwise provided by the Committee at the time of grant, in the event of the Disability of the Participant, the Stock Option must be exercised within one year following the Participant's termination of employment and prior to its expiration. Each Stock Option may be exercised as to all or any portion thereof regardless of whether or not fully exercisable under the terms of the grant.

(iii) Retirement: Unless otherwise provided by the Committee at the time of grant, in the event of the Retirement of the Participant, the Stock Option must be exercised within three years following the Participant's termination of employment and prior to its expiration. An unexercised Incentive Stock Option will cease to be treated as such and will become a Nonstatutory Stock Option three months following the date of Retirement. Each Stock Option may be exercised as to all or any portion thereof regardless of whether or not fully exercisable under the terms of the grant.

(iv) Other Terminations: Unless otherwise provided by the Committee at the time of grant, in the event a Participant ceases to be an employee of the Company for any reason other than death, Disability, or Retirement, Stock Options which are exercisable on the date of termination must be exercised within three months after termination and prior to the expiration date of any such option. All options which are not exercisable on the date of termination shall be canceled.

(v) Extension of Exercise Period: Notwithstanding all other provisions under Section 2.5(c), in the event a Participant's employment is terminated, the Committee may, in its sole discretion, extend the post-termination period during which the option may be exercised, provided however that such period may not extend beyond the original option period.

(d) Exercise In the Event of a Change in Control: In the event of any Change in Control, all Stock Options shall immediately become exercisable without regard to the exercise period established pursuant to this Section 2.5 and the Option Agreement.

## 2.6 METHOD OF EXERCISE

The Stock Option may be exercised in whole or in part from time to time by written request received by the Treasurer of the Company. The option price of each share acquired pursuant to a Stock Option shall be paid in full on or within ten (10) days after the exercise of the Stock Option either (i) in cash, (ii) by delivering to the Company previously-owned shares of Common Stock, (iii) in the discretion of the Committee, through an election to have shares of Common Stock otherwise issuable to the Participant withheld to pay the exercise price of such Stock Option, or (iv) in the discretion of the Committee, through any combination of the payment procedures set forth in (i) through (iii) above. However, shares of Common Stock previously acquired by the Participant under the Plan or any other incentive plan of the Company shall not be utilized for purposes of payment upon the exercise of a Stock Option unless those shares have been owned by the Participant for a six-month period or such longer period as the Committee may determine. Common Stock acquired by the Participant which is identified as having been obtained through an Incentive Stock Option under this Plan and is still subject to the holding requirements under Section 422 of the Code may not be tendered in payment of the option price.

## 2.7 LIMITATION OF RIGHTS AS A SHAREHOLDER

No Participant shall have any rights to dividends or other rights of a shareholder with respect to shares of Common Stock subject to a Stock Option until the Participant has given written notice of exercise of the Stock Option, has paid in full the option price for such shares of Common Stock and has otherwise complied with this Plan, the Option Agreement and such rules and regulations as may be established by the Committee.

# ARTICLE III. STOCK APPRECIATION RIGHTS

## 3.1 GRANT OF STOCK APPRECIATION RIGHTS

The Committee may, in its discretion, grant Stock Appreciation Rights in connection with all or any part of a Stock Option granted under the Plan. Any Stock Appreciation Right granted in connection with a Stock Option shall be governed by the terms of the Option Agreement and the Plan. A Stock Appreciation Right may be granted either concurrently with the grant of the related Stock Option or, if the related Stock Option is a Nonstatutory Stock Option, at any time thereafter prior to the complete exercise, termination, expiration or cancellation of such related Stock Option, and shall be granted at Fair Market Value in accordance with the requirements for exemption from Section 409A of the Code.

## 3.2 EXERCISE OF STOCK APPRECIATION RIGHTS

Stock Appreciation Rights shall become exercisable under the same terms and conditions governing the related Stock Option under Section 2 and the Option Agreement, but shall be

exercisable only when the Fair Market Value of the shares subject thereto exceeds the option price of the related Stock Option. Further, the Stock Appreciation Right shall be exercisable only at the time and to the extent that the related Stock Option is exercisable, and in no event after the complete termination or full exercise of the related Stock Option.

### 3.3 METHOD OF EXERCISE

(a) Stock Appreciation Rights shall permit the Participant, upon exercise of such rights, to surrender the related Stock Option, or any portion thereof, and to receive, without payment to the Company (except for applicable withholding taxes), an amount equal to the excess of the Fair Market Value over the option price. Such amount shall be paid in shares of Common Stock valued at Fair Market Value on the date of exercise or in cash, or any combination of shares and cash, as determined by the Committee in its discretion.

(b) Upon the exercise of a Stock Appreciation Right and surrender of the related Stock Option, or portion thereof, such Stock Option, to the extent surrendered, shall be terminated, and the shares covered by the Stock Option so surrendered shall no longer be available for purposes of the Plan. Upon the exercise or termination of the related Stock Option, the Stock Appreciation Right with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the related Stock Option was so exercised or terminated.

## ARTICLE IV. PERFORMANCE RESTRICTED STOCK

### 4.1 GRANT OF PERFORMANCE RESTRICTED STOCK

The Committee may from time to time, grant shares of Common Stock to Participants in the form of Performance Restricted Stock, which will thereafter become the unrestricted property of the Participant only if they are both Earned and become vested. For purposes of the Plan, Performance Restricted Shares shall be deemed to be “**Earned**” as of the day during the Performance Period that the performance of the Company meets or exceeds the Performance Measures established by the Committee relating to those Performance Restricted Stock. Such Performance Restricted Stock shall be subject to the provisions of the Plan terms and conditions, and, if earned, a vesting period as the Committee shall determine.

### 4.2 PERFORMANCE RESTRICTED SHARE AGREEMENT

Each grant of Performance Restricted Stock shall be evidenced by a written agreement between the Company and Participant to whom such shares are granted. The agreement shall specify the number of Performance Restricted Stock granted, the terms and conditions of the grant, the duration of the Performance Period, the Performance Measures to be achieved, and the vesting period applicable to shares of Common Stock Earned.

### 4.3 COMMON STOCK EQUIVALENT

Performance Restricted Stock shall be evidenced either by a Common Stock certificate issued in the name of the Participant, which shall bear appropriate restrictive legends relating to

the applicable Performance Measures and the Performance Period, or by book entry on the stock transfer records of the Company showing the issuance of said shares in the name of the Participant and the Performance Measures and Performance Period that apply. Certificates, if issued, shall be held in custody by the Company until the Performance Restricted Stock are both Earned and vested.

#### 4.4 PERFORMANCE MEASURES

Performance Restricted Stock awards shall be conditioned upon the Company's attainment of a specified goal with respect to one or more Performance Measures, including, but not limited to: (i) total shareholder return; (ii) return on shareholders' equity; (iii) return on capital; (iv) earnings per share; (v) revenue; (vi) earnings; (vii) cash flow; (viii) operating income; (ix) earnings before interest, taxes, depreciation and amortization; and (x) Fair Market Value of Common Stock. The Committee shall determine a minimum performance level below which no Performance Restricted Stock shall be payable and a performance schedule under which the number of shares earned may be less than, equal to, or greater than the number of Performance Restricted Stock granted based upon the Company's performance. The Committee may adjust the Performance Measures to reflect significant unforeseen events; provided, however, that the Committee may not make any such adjustment with respect to any award of Performance Restricted Stock to an individual who is then a "covered employee" as such term is defined in Regulation 1.162-27(c)(2) promulgated under Section 162(m), if such adjustment would cause compensation pursuant to such Performance Restricted Stock award to cease to be performance-based compensation under Section 162(m).

#### 4.5 PERFORMANCE PERIOD

The Committee shall establish a Performance Period applicable to each grant of Performance Restricted Stock. Each such Performance Period shall commence as of the date determined by the Committee in its discretion. There shall be no limitation on the number of Performance Periods established by the Committee, and more than one Performance Period may encompass the same calendar year or other period covered by one or more other Performance Periods. The Committee may shorten any Performance Period if it determines that unusual or unforeseen events so warrant.

#### 4.6 DIVIDEND EQUIVALENTS DURING PERFORMANCE PERIOD

If, during the Performance Period, the Company makes a payment of cash dividends to holders of Common Stock, a Participant shall be entitled to receive Dividend Equivalents, which shall be reinvested in additional Performance Restricted Stock at the same time as such cash dividend is paid. Performance Restricted Stock resulting from such dividend reinvestment shall be evidenced by an additional share certificate or by further book entry on the stock transfer records of the Company of Common Stock, bearing the appropriate restrictive legend, and shall be added to the other Performance Restricted Stock held in custody or showing on the Common Stock transfer records of the Company, and shall be payable to the Participant in the same manner and at the same time as the Performance Restricted Stock with respect to which such Dividend Equivalents were issued.

#### 4.7 CONVERSION OF PERFORMANCE RESTRICTED SHARES

(a) At the conclusion of the Performance Period, the Committee shall determine the number of Performance Restricted Stock, if any, that have been earned on the basis of Company performance in relation to the established Performance Measures and that have become vested. The Company shall then, as soon as administratively practicable, deliver or otherwise make available in the Participant's name, shares of Common Stock bearing no Plan-related restrictive legends, in an aggregate amount equal to the number of Performance Restricted Stock, plus additional shares due to Dividend Equivalents, Earned and vested as of the end of the Performance Period. In no event shall such number exceed 300% of the shares contingently granted.

(b) Any Performance Restricted Stock being held in custody or entered on the stock transfer records of the Company, including the related additional stock due to Dividend Equivalents, that the Committee determines to have not been Earned and vested shall be canceled.

#### 4.8 VESTING

Performance Restricted Stock that are Earned during the Performance Period will continue to be restricted property, subject to the Participant's continued employment with the Company through the last day of the Performance Period, at which time the Performance Restricted Stock that were Earned will vest and become the unrestricted property of the Participant. In the event the Participant's employment with the Company terminates during the Performance Period, Section 4.10 shall apply to determine the Participant's rights with respect to Performance Restricted Stock Earned in such Performance Period. The Committee may accelerate or waive the Performance Measures attached to a particular grant, in whole or in part, based on service and such other factors as the Committee may determine.

#### 4.9 OTHER TERMS AND CONDITIONS

Performance Restricted Stock shall be subject to the following terms and conditions:

(a) Except as otherwise provided in the Plan or in the Performance Restricted Stock agreement, the Participant shall have all the rights of a shareholder of the Company, including the right to vote the stock.

(b) Cash dividends paid with respect to Performance Restricted Stock shall be reinvested to purchase additional shares of Common Stock that shall be subject to the same terms, conditions, and restrictions that apply to the Performance Restricted Stock with respect to which such dividends were issued.

#### 4.10 TERMINATION OF EMPLOYMENT DURING A PERFORMANCE PERIOD

(a) In the event a Participant terminates employment during a Performance Period by reason of death, Disability, or Retirement, and the Participant had completed a minimum of one year of employment during the Performance Period, the Participant shall be entitled to that number of shares earned (if any) determined by multiplying the full number of stock earned (if

any) by a fraction, the numerator of which is the number of full months of employment the Participant had completed in such Performance Period and the denominator of which is the total number of full months in such Performance Period. All applicable restrictions shall lapse with respect to such shares and such shares of Common Stock shall be issued to the Participant or the Participant's designated beneficiary following the Performance Period. In the event the Participant had not completed one year of employment during the Performance Period, the Participant shall forfeit all rights to earn such Performance Restricted Stock.

(b) If a Participant terminates employment during a Performance Period for any reason other than death, Disability, or Retirement, the Participant shall forfeit all rights to earn such Performance Restricted Stock.

(c) Notwithstanding Sections 4.10(a) and 4.10(b), in the event a Participant's employment is terminated during a Performance Period under special circumstances, the Committee may, in its sole discretion, continue a Participant's rights to earn any or all Performance Restricted Stock and waive in whole or in part any or all remaining restrictions.

#### 4.11 TERMINATION OF EMPLOYMENT FOLLOWING A PERFORMANCE PERIOD

(a) In the event a Participant terminates employment following a Performance Period by reason of death, Disability, or Retirement, all shares of Common Stock (formerly Performance Restricted Stock) shall immediately vest, and shares of Common Stock shall be issued to the Participant or the Participant's designated beneficiary.

(b) If a Participant terminates employment following a Performance Period for any reason other than death, Disability, or Retirement, the Participant shall forfeit all shares of Common Stock (formerly Performance Restricted Stock) which have not yet vested. Shares of Common Stock which have vested shall be issued to the Participant.

(c) Notwithstanding Sections 4.11(a) and 4.11(b), in the event a Participant's employment is terminated following a Performance Period under special circumstances, the Committee may, in its sole discretion, accelerate the remaining vesting period (if any) associated with that grant.

#### 4.12 CHANGE IN CONTROL PROVISIONS

In the event of any Change in Control, (i) all Performance Restricted Stock granted, including those granted pursuant to Dividend Equivalents, shall be deemed to have been Earned to the maximum extent permitted pursuant to Section 4.4 for any Performance Period not yet completed as of the effective date of such Change in Control and (ii) all shares of Common Stock (which have been converted from Performance Restricted Shares Earned) not otherwise vested shall immediately vest as of the date of such Change in Control.

**ARTICLE V.**  
**RESTRICTED STOCK GRANTS AND UNITS AND STOCK AWARDS**

**5.1 AWARD OF RESTRICTED STOCK AND UNITS AND STOCK GRANTS**

The Committee may grant Restricted Stock, Restricted Stock Units and unrestricted Stock Grant to officers and key employees of the Company subject to such terms and conditions as the Committee shall determine, provided that each Restricted Stock Award or Restricted Unit shall be subject to a Restriction Period. Restricted Stock Awards, Restricted Units and Stock Awards shall be used for the purposes of recruitment, recognition, and retention of key employees vital to the Company's success. The Committee may, in its sole discretion, require a Participant to deliver consideration in the form of services or cash as a condition to the grant of a Restricted Stock Award or Stock Award.

**5.2 RESTRICTED STOCK AND UNITS AWARD AND STOCK AWARD AGREEMENTS**

Each Restricted Stock Award, Restricted Stock Unit and Stock Award shall be evidenced by a written agreement between the Company and the Participant to whom such award is granted. The agreement shall specify the number of shares or units awarded, the terms and conditions of the award and, in the case of a Restricted Stock Award or Restricted Stock Unit, the Restriction Period, and the consequences of forfeiture.

**5.3 AWARDS AND CERTIFICATES**

Shares of Common Stock awarded pursuant to a Restricted Stock Award or a Stock Award shall be registered in the name of the Participant and evidenced either by the issuance of certificates or by book entry on the stock transfer records of the Company showing the applicable restrictions. Certificates evidencing Restricted Stock Awards, bearing appropriate restrictive legends, shall be held in custody by the Company until the restrictions thereon are no longer in effect. After the lapse or waiver of the restrictions imposed upon the Restricted Stock Award, the Company shall deliver in the Participant's name one or more stock certificates, free of restrictions, evidencing the shares of Common Stock subject to the Restricted Stock Award to which the restrictions have lapsed or been waived, or shall re-register the shares of Common Stock on the stock transfer records of the Company free of the applicable restrictions.

**5.4 RESTRICTION PERIOD**

At the time a Restricted Stock Award is made, the Committee shall establish a Restriction Period applicable to such award. The Committee may provide for the lapse of such restrictions in installments and may accelerate or waive such restrictions, in whole or in part, based on service and such other factors as the Committee may determine.

**5.5 RESTRICTED STOCK UNITS**

Restricted Stock Units may be settled in cash or Stock, as determined by the Committee and set forth in the Award Agreement. Holders of Restricted Stock Units shall have no rights as stockholders of the Company. The Committee may provide in an Award Agreement that the



holder of such Restricted Stock Units shall be entitled to receive, upon the Company's payment of a cash dividend on its outstanding Stock, a cash payment for each Restricted Stock Unit held equal to the per-share dividend paid on the Stock, which may be deemed reinvested in additional Restricted Stock Units at a price per unit equal to the Fair Market Value of a share of Stock on the date that such dividend is paid to shareholders.

#### 5.6 OTHER TERMS AND CONDITIONS OF RESTRICTED STOCK AWARDS

Shares of Common Stock subject to Restricted Stock Awards shall be subject to the following terms and conditions:

(a) Except as otherwise provided in the Plan or in the Restricted Stock Award agreement, the Participant shall have all the rights of a shareholder of the Company, including the right to vote the shares.

(b) Cash dividends paid with respect to Common Stock subject to a Restricted Stock Award shall be reinvested to purchase additional shares of Common Stock that shall be subject to the same terms, conditions, and restrictions that apply to the Restricted Stock Award with respect to which such dividends were issued.

#### 5.7 TERMINATION OF EMPLOYMENT

(a) In the event a Participant terminates employment during the Restriction Period by reason of death, Disability or Retirement, and the Participant had completed a minimum of one year of employment during the Restriction Period, restrictions shall lapse on that number of shares or units (if any) determined by multiplying the full number of shares or units subject to restriction by a fraction, the numerator of which is the number of full months of employment the Participant had completed in such Restriction Period and the denominator of which is the total number of full months in such Restriction Period.

(b) If a Participant terminates employment for any reason other than death, Disability, or Retirement, the Participant shall forfeit all shares subject to restriction.

(c) Notwithstanding Sections 5.6(a) and 5.6(b), in the event a Participant's employment is terminated under special circumstances, the Committee may, in its sole discretion, waive in whole or in part any or all remaining restrictions.

#### 5.8 CHANGE IN CONTROL PROVISIONS

In the event of any Change in Control, all restrictions applicable to any outstanding Restricted Stock Restricted Stock Units Award shall lapse as of the date of such Change in Control.

**ARTICLE VI.**  
**TAX WITHHOLDING AND DEFERRAL OF PAYMENT**

**6.1 TAX WITHHOLDING**

(a) The Company may withhold from any payment of cash or Common Stock to a Participant or other person pursuant to the Plan an amount sufficient to satisfy any required withholding taxes, including the Participant's social security and Medicare taxes and federal, state and local income tax with respect to income arising from the payment of the award. The Company shall have the right to require the payment of any such taxes before delivering payment or issuing Common Stock pursuant to the award.

(b) At the discretion of the Committee, share tax withholding may be included as a term of any grant of Stock Options, Stock Appreciation Rights, Performance Restricted Shares, Restricted Stock or Unit Awards or Stock Awards.

(c) Share tax withholding shall entitle the Participant to elect to satisfy, in whole or in part, any tax withholding obligations in connection with the issuance of shares of Common Stock earned under the Plan by requesting that the Company either:

- (i) withhold shares of Common Stock otherwise issuable to the Participant, or
- (ii) by accepting delivery of shares of Common Stock previously owned by the Participant.

In either case, the Fair Market Value of such shares of Common Stock will generally be determined on the date the Participant elects to satisfy such withholding tax obligations in such manner.

(d) Notwithstanding any other provision hereof to the contrary, the Committee, in its sole discretion, may at any time suspend, terminate, or disallow any or all entitlements to share tax withholding previously granted or extended to any Participant.

**6.2 NO ELECTIVE DEFERRAL OF PAYMENT**

No Participant may be offered the right to elect to defer the receipt of all or any portion of Performance Restricted Shares, Restricted Stock Awards, Stock Awards or any other award otherwise distributable to such Participant. It is the Company's intent that the Plan, and each award feature under the Plan, be exempt from the requirements imposed by Code Section 409A on nonqualified deferred compensation plans and, in furtherance of that intent, the Committee, in its exercise of administrative discretion hereunder, shall at all times do so in a manner that avoids compensation deferral arrangements that would be subject to Code Section 409A. Furthermore, awards that have been made, earned and vested shall be paid out as soon as practicable once all performance and vesting restrictions have been satisfied or lapsed, and in any event shall be paid in full no later than the 15<sup>th</sup> day of the third month following the end of the Company's taxable year in which all performance and vesting restrictions were satisfied.

**ARTICLE VII.  
OTHER PROVISIONS**

**7.1 ADJUSTMENT IN NUMBER OF SHARES AND OPTION PRICES**

Grants of Stock Options, Stock Appreciation Rights, Performance Restricted Shares, and Restricted Stock or Unit Awards and Stock Awards shall be subject to adjustment by the Committee as to the number and price of shares of Common Stock or other considerations subject to such grants in the event of changes in the outstanding shares by reason of stock dividends, stock splits, recapitalizations, reorganizations, mergers, consolidations, combinations, exchanges, or other relevant changes in capitalization occurring after the date of grant. In the event of any such change in the outstanding shares, the aggregate number of shares available under the Plan may be appropriately adjusted by the Committee. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding awards may not be amended to reduce the exercise price of an outstanding Stock Option or cancel, exchange or surrender an outstanding Stock Option in exchange for cash, other awards or Stock Options with an exercise price that is less than the exercise price of the original Stock Option. Notwithstanding anything in the Plan to the contrary, neither the Board nor the Committee shall have the authority, without shareholder approval, (i) to accept the surrender of any outstanding Stock Option when the Fair Market Value of a share of Common Stock is less than the exercise price of such outstanding Stock Option and grant new Stock Options or other awards in substitution for such surrendered Stock Option or pay cash in connection with such surrender, (ii) to reduce the exercise price of any outstanding Stock Option, or (iii) to take any other action that would be treated as a repricing of Stock Options under the rules of the primary stock exchange on which the Common Stock is listed.

**7.2 NO RIGHT TO EMPLOYMENT**

Nothing contained in the Plan, nor in any grant pursuant to the Plan, shall confer upon any Participant any right with respect to continuance of employment by the Company or its subsidiaries, nor interfere in any way with the right of the Company or its subsidiaries to terminate the employment or change the compensation of any employee at any time.

**7.3 NONTRANSFERABILITY**

A Participant's rights under the Plan, including the right to any shares or amounts payable may not be assigned, pledged, or otherwise transferred except, in the event of a Participant's death, to the Participant's designated beneficiary or, in the absence of such a designation, by will or by the laws of descent and distribution; provided, however, that the Committee may, in its discretion, at the time of grant of a Nonstatutory Stock Option or by amendment of an Option Agreement for an Incentive Stock Option or a Nonstatutory Stock Option, provide that Stock Options granted to or held by a Participant may be transferred, in whole or in part, to one or more transferees and exercised by any such transferee, provided further that (i) any such transfer must be without consideration, (ii) each transferee must be a member of such Participant's "immediate family" or a trust, family limited partnership or other estate planning vehicle

established for the exclusive benefit of one or more members of the Participant's immediate family; and (iii) such transfer is specifically approved by the Committee following the receipt of a written request for approval of the transfer; and provided further that any Incentive Stock Option which is amended to permit transfers during the lifetime of the Participant shall, upon the effectiveness of such amendment, be treated thereafter as a Nonstatutory Stock Option. In the event a Stock Option is transferred as contemplated in this Section 7.3, such transfer shall become effective when approved by the Committee, and such Stock Option may not be subsequently transferred by the transferee other than by will or the laws of descent and distribution. Any transferred Stock Option shall continue to be governed by and subject to the terms and conditions of this Plan and the relevant Option Agreement, and the transferee shall be entitled to the same rights as the Participant as if no transfer had taken place. As used in this Section 7.3, "immediate family" shall mean, with respect to any person, any spouse, child, stepchild or grandchild, and shall include relationships arising from legal adoption.

#### 7.4 COMPLIANCE WITH GOVERNMENT REGULATIONS

(a) The Company shall not be required to issue or deliver shares or make payment upon any right granted under the Plan prior to complying with the requirements of any governmental authority in connection with the authorization, issuance, or sale of such shares.

(b) The Plan shall be construed and its provisions enforced and administered in accordance with the laws of the Commonwealth of Pennsylvania applicable to contracts entered into and performed entirely in such state.

(c) Notwithstanding that the Plan, and each award issued pursuant to the Plan, is intended to be exempt from the requirements Section 409A of the Code imposes on nonqualified deferred compensation plans, in the event that any award under the Plan is determined to provide nonqualified deferred compensation within the meaning of said Section 409A, the distribution of such award to a key employee of the Company, as defined in Section 416(i) of the Code without regard to paragraph (5) thereof, being made on account of the key employee's separation from service with the Company, shall be deferred to a date that is six months after the separation from service. For all purposes under the Plan, a termination of employment shall mean a separation from service as defined by Section 409A of the Code.

#### 7.5 RIGHTS AS A SHAREHOLDER

The recipient of any grant under the Plan shall have no rights as a shareholder with respect thereto unless and until certificates for shares of Common Stock are issued in the name of such recipient; provided, however, that a recipient of (i) an award of Performance Restricted Shares, or (ii) a Restricted Stock Award, evidenced only by book entry on the stock transfer records of the Company pursuant to Section 4.3 or Section 5.3, shall have the right to receive dividends on the shares of Common Stock underlying such award, and, to the extent not inconsistent with the relevant Performance Restricted Share agreement or Restricted Stock Award agreement, shall have all other rights of a shareholder in the Company, including the right to vote the shares, in accordance with Section 4.9 or Section 5.6.

## 7.6 UNFUNDED PLAN

Unless otherwise determined by the Committee, the Plan shall be unfunded and shall not create (or be construed to create) a trust or separate funds. With respect to any payment not yet made to a Participant, nothing contained herein shall give any Participant any rights that are greater than those of a general creditor of the Company.

## 7.7 FOREIGN JURISDICTION

The Committee shall have the authority to adopt, amend, or terminate such arrangements, not inconsistent with the intent of the Plan, as it may deem necessary or desirable to make available tax or other benefits of the laws of foreign countries in order to promote achievement of the purposes of the Plan.

## 7.8 OTHER COMPENSATION PLANS

Nothing contained in this Plan shall prevent the Company from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required.

## 7.9 TERMINATION OF EMPLOYMENT – CERTAIN FORFEITURES

Notwithstanding any other provision of the Plan (other than provisions regarding Change in Control, including without limitation Sections 2.5(d), 4.12 and 5.8, which shall apply in all events), a Participant shall have no right to exercise any Stock Option or Stock Appreciation Right or receive payment of any Performance Restricted Share, Restricted Unit or Restricted Stock Award if the Participant is discharged for willful, deliberate, or gross misconduct, as determined by the Committee in its sole discretion. Furthermore, notwithstanding any other provision of the Plan to the contrary, in the event that a Participant receives or is entitled to cash or the delivery or vesting of Common Stock pursuant to an award during the 12-month period prior to the Participant's termination of employment with the Company, then the Committee, in its sole discretion, may require the Participant to return or forfeit the cash and/or Common Stock received with respect to an award (or its economic value as of (i) the date of the exercise of Stock Options or Stock Appreciation Rights; (ii) the date immediately following the end of the Restriction Period for Restricted Stock Units or Awards or the end of the vesting period for Performance Restricted Shares, or (iii) the date of grant or payment with respect to Stock Awards) in the event that the Participant: (y) is discharged for willful, deliberate or gross misconduct, as determined by the Committee in its sole discretion, or (z) engages in any business or enters into any employment which the Committee in its sole discretion determines to be (1) directly or indirectly competitive with the business of the Company or (2) substantially injurious to the Company's financial interest. A Participant may request the Committee in writing to determine whether any proposed business or employment activity would justify such a forfeiture. Such a request shall fully describe the proposed activity and the Committee's determination shall be limited to the specific activity so described. The Committee's right to require forfeiture under this Section 7.9 must be exercised within 90 days after the discovery of an occurrence triggering the Committee's right to require forfeiture but in no event later than 24 months after the Participant's termination of employment with the Company.

## 7.10 FINANCIAL RESTATEMENT AND CLAWBACK

The Company will, in all appropriate circumstances, as determined by the Committee, and to the extent permitted by applicable law, require reimbursement or forfeiture of all or a portion of any award under the Plan, including any dividends earned or paid in connection with an award, where the Committee has determined that all of the following factors are present: (i) the Company is required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement to which the Company is subject; (ii) the award, or its vesting or payment, was predicated upon the achievement of certain financial results that were the subject of the restatement, and such award, vesting or payment occurred or was received during the three-year period preceding the date the Company is required to prepare the restatement, and (iii) a smaller award, vesting or payment would have occurred or been made to the Participant based upon the restated financial results. In each such instance, the Company will, to the extent deemed appropriate by the Committee, recover or cancel the amount(s) by which an award, or its vesting or payment, during the aforementioned three-year period exceeded the amount(s) that would have been awarded, vested or paid based on the restated financial results, and the Participant shall be required to repay to the Company any such amount(s) received.

## **ARTICLE VIII. AMENDMENT AND TERMINATION**

### 8.1 AMENDMENT AND TERMINATION

The Board may modify, amend, or terminate the Plan at any time except that, to the extent then required by applicable law, rule, or regulation, approval of the holders of a majority of shares of Common Stock represented in person or by proxy at a meeting of the shareholders will be required to increase the maximum number of shares of Common Stock available for distribution under the Plan (other than increases due to adjustments in accordance with the Plan). No modification, amendment, or termination of the Plan shall adversely affect the rights of a Participant under a grant previously made to the Participant without the consent of such Participant.

## **ARTICLE IX. EFFECTIVE DATE AND DURATION OF PLAN**

### 9.1 EFFECTIVE DATE AND DURATION OF PLAN

The Plan shall become effective as of July 1, 2016, subject to its approval and adoption at the Annual Meeting of the shareholders on May 2, 2016. All rights granted under the Plan must be granted within ten years from its adoption date by the shareholders of the Company. Any rights outstanding ten (10) years after the adoption of the Plan may be exercised within the periods prescribed under or pursuant to the Plan.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
INSURANCE PREMIUMS

53.53 III. Operating Expense

D. Water and Wastewater Utilities

23. Provide the most recent insurance premiums for each type of insurance premiums for each type of insurance coverage (both employee benefit and those purchased for the Company) reflected in the Company's filing. If available, provide estimated premiums for the subsequent calendar year.

Response:

Refer to Exhibit No. HIII-2-16 for the most recent health insurance premium rates.

Refer to Exhibit No. HIII-2-17 for the most recent workers compensation insurance premium rates.

Refer to Exhibit No. FIII-2-5 for the current insurance premium rates for property, boiler and machinery, miscellaneous property floater, crime, fiduciary liability, general liability, excess liability, directors and officers liability, underground storage tank liability and employment practices coverage.

Refer to Exhibit No. FIII-2-29 for the estimated premiums for the subsequent calendar year (2023) for property, machinery, crime, fiduciary liability, general liability, excess liability, directors and officers liability, underground storage tank liability, pollution, cyber and employment practices coverage.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PAYMENTS TO INDUSTRY ORGANIZATIONS

53.53 III. Operating Expense

D. Water and Wastewater Utilities

24. Provide the level of payments made to industry organizations included in the cost of service along with a description of each payee organization.

Response:

Refer to Exhibit No. HIII-24.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CANCELED CONSTRUCTION PROJECTS

53.53 III. Operating Expense

D. Water and Wastewater Utilities

25. If the Company has included any costs associated with canceled construction projects or obsolete inventory in requested rates, separately identify the items, provide the related amounts and explain the reason for the cancellation or or obsolescence.

Response:

See Exhibit No. HIII-25.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ACCOUNTING FOR VACATION PAY

53.53 III. Operating Expense

D. Water and Wastewater Utilities

26. Explain how the company accounts for vacation pay for book and ratemaking purposes.

Response:

See Exhibit No. HIII-26.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ELIMINATED EMPLOYEE POSITIONS

53.53 III. Operating Expense

D. Water and Wastewater Utilities

27. Indicate whether any employee positions have been eliminated since the commencement of the historic test year or expected to be eliminated during the future test year.

Response:

No employee positions have been eliminated since the commencement of the historic test year or are expected to be eliminated during the future test year.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
WATER PURCHASED FOR RESALE

53.53 III. Operating Expense

D. Water and Wastewater Utilities

28. Furnish the name of each supplier, gallonage and expense for water purchased as recorded in Water Purchased for Resale-Account 706 for test year and two preceding years.

Response:

The York Water Company does not purchase water for resale.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
LATEST CORPORATE TAX REPORT AND LATEST CORPORATE TAX SETTLEMENT

53.53 IV Taxes

D. Water and Wastewater Utilities

- 1 Provide a copy of the latest Pa corporate tax report and the latest Pa corporate tax settlement.

Response: Refer to Exhibit No. HIV-1.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TAXES OTHER THAN INCOME TAXES IN ANOTHER STATE

53.53 IV Taxes

D. Water and Wastewater Utilities

- 2 Submit details of calculations for taxes, other than income, where a company is assessed taxes for doing business in another state, or on its property located in another state.

Response: The York Water Company was not assessed taxes for doing business in another state or for owning property in another state inasmuch as it does business and owns property only within the Commonwealth of Pennsylvania.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
FEDERAL INCOME TAX REFUNDS FOR LAST THREE YEARS

53.53 IV Taxes

D. Water and Wastewater Utilities

3. Submit a schedule showing for the last three years the income tax refunds plus interest (net of taxes), received from the federal government due to prior years' claims.

Response:

Refer to Exhibit No. HIV-3.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPUTATION OF PRO FORMA ALLOWABLE DEPRECIATION, DEPRECIATION  
USING TAX BASIS AND CALCULATED ANNUAL ACCRUAL RATE AND BASIS FOR  
DEFERRED INCOME TAX

53.53 IV Taxes

D. Water and Wastewater Utilities

- 4 Provide detailed computations showing the deferred income taxes derived by using accelerated tax depreciation applicable to post-1969 utility property that increases productive capacity, and ADR rates on property (separate between state and federal; also, rate used).
- a. State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.
  - b. Reconcile any difference between the deferred tax balance, as shown as a reduction to measures of value (rate base), and the deferred tax balance as shown on the balance sheet.

Response: Refer to Exhibit Nos. FIV-17-2, FIV-17-3 and FIV-17-3(a) for the detailed computations showing tax depreciation and deferred Federal income tax related to accelerated depreciation for the twelve months ending December 31, 2022. Tax depreciation shown on Exhibit Nos. FIV-17-2, and FIV-17-3 and FIV-17-3(a) are based on all rate base items claimed as of December 31, 2022, and represents the annual tax depreciation for the twelve months ending December 31, 2022.

Deferred federal income tax related to accelerated depreciation as of December 31, 2022, is shown as a reduction to the measure of value on Exhibit No. FV-1.

Refer to Exhibit Nos. FIV-17-7, FIV-17-8 and FIV-17-8(a) for the detailed computations showing tax depreciation and deferred Federal income tax related to accelerated depreciation for the twelve months ending February 29, 2024. Tax depreciation shown on Exhibit Nos. FIV-17-7, and FIV-17-8 and FIV-17-8(a) are based on all rate base items claimed as of February 29, 2024, and represents the annual tax depreciation for the twelve months ending February 29, 2024.

Deferred federal income tax related to accelerated depreciation as of February 29, 2024, is shown as a reduction to the measure of value on Exhibit No. FV-1.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED INVESTMENT TAX CREDIT AS OF FEBRUARY 29, 2024

53.53 IV Taxes

D. Water and Wastewater Utilities

- 5 Submit a schedule showing a breakdown of accumulated investment tax credits (3 percent, 4 percent, 7 percent, 10 percent and 11 percent), together with details of methods used to write-off the unamortized balances.

Response: Refer to page 2.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED INVESTMENT TAX CREDIT AS OF FEBRUARY 29, 2024

Year	3%	4%	7%	10%	11%	Total Remaining Deferred Investment Tax Credit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1972(a)		-				-
1973		-				-
1974				92		92
1975				1,564		1,564
1976				3,145		3,145
1977				5,443		5,443
1978				8,113		8,113
1979				15,802		15,802
1980				7,999		7,999
1981				18,832		18,832
1982				36,240		36,240
1983				17,444		17,444
1984				40,134		40,134
1985				78,524		78,524
1986				25,197		25,197
1987				5,449		5,449
1988				9,563		9,563
1989				2,843		2,843
1990				68,453		68,453
1991				367		367
1992				261		261
1993				782		782
1994				450		450
1995				340		340
1996				18,525		18,525
1997				956		956
1998				468		468
1999				661		661
2000				751		751
2001				408		408
2002				1,261		1,261
2003				703		703
2004				129		129
2005				388		388
2006				812		812
2007				45		45
2008				398		398
2009				332		332
2010				752		752
2011				23		23
2012				139		139
2013				474		474
2014				304		304
2015				935		935
2016				325		325
2017				59		59
2018				37		37
2019				234		234
2020				95		95
2021				1,693		1,693
2022				1,711		1,711
2023				1,747		1,747
2024				292		292
		-	-	-	381,694	-
						381,694

(a) Investment tax credits realized during the period 1972 through 2023 are amortized over fifty years, the approximate composite useful life of the property with respect to which investment tax credits are realized.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TAXABLE NET INCOME UNDER EXISTING RATES FOR TWELVE MONTHS  
ENDING FEBRUARY 29, 2024

53.53 III. Balance Sheet and Operating Statement

D. All Utilities

- 6 Submit a schedule showing the adjustments for taxable net income per books (including below-the-line items) and pro forma under existing rates, together with an explanation of any differences between the adjustments. Indicate charitable donations and contributions in the tax calculation for ratemaking purposes.

Response: Refer to Exhibit No. HIV-6.

Refer to Exhibit No. FIV-17-2 for adjustments to projected taxable income for the twelve months ending December 31, 2022.

Refer to Exhibit No. FIV-17-7 for adjustments to pro forma taxable income for the twelve months ending February 29, 2024.

There are no charitable contributions included in the tax calculation for ratemaking purposes.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TAXABLE NET INCOME ALLOCATION

53.53 IV Taxes

D. Water and Wastewater Utilities

7 Submit detailed calculations supporting taxable income before state and federal income taxes where the income tax is subject to allocation due to operations in another state, or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.

Response: The calculations supporting taxable income before state and federal income tax taxes are not subject to allocation due to operations in another state, or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PREPAID INCOME TAX AND DEFERRED INCOME TAX CHARGES AND OTHER  
DEFERRED INCOME TAX CREDITS BY ACCOUNTING AREAS

53.53 IV Taxes

D. Water and Wastewater Utilities

8 Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits and reserves by accounting areas.

Response: The York Water Company does not file separate tax returns for water and wastewater, but does account for the income tax expense separately. The York Water Company does not have prepaid federal income and Pennsylvania corporate net income taxes for the Company as a whole. Refer to Exhibit No. FIV-17 for deferred income tax charges for the water portion of the business and Exhibit No. FIV-17W for deferred income tax charges for the wastewater portion of the business.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COST OF REMOVAL DEDUCTED CURRENTLY FOR INCOME TAX PURPOSES

53.53 IV Taxes

D. Water and Wastewater Utilities

9 Explain the reason for the use of cost of removal of any retired plant figures in the income tax calculations.

Response: The Internal Revenue Code permits a current deduction for costs of removal of utility plant in determining taxable income. The Company makes such a deduction when computing its Federal income tax liability, and passes the tax benefit of the deduction on to its customers in its calculation of current income taxes for ratemaking purposes.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TAX SAVINGS DUE TO THE USE OF ACCELERATED DEPRECIATION ON PROPERTY  
INSTALLED PRIOR TO 1970

53.53 IV Taxes

D. Water and Wastewater Utilities

10 State whether all tax savings due to accelerated depreciation on property installed prior to 1970 have been passed through to income. (If not, explain.)

Response: The York Water Company has used straight-line depreciation for tax purposes, for all years, for property installed prior to 1970.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
INCOME TAX LOSS OR GAIN CARRYOVER

53.53 IV Taxes

D. Water and Wastewater Utilities

11 Show any income tax loss/gain carryovers from previous years that might affect test year income taxes or future year income taxes. Show loss/gain carryovers by years of origin and amounts remaining by years at the end of the test year.

Response: In 2014, the Company adopted the IRS tangible property regulations which allowed the Company to deduct the costs of certain asset improvements that were previously capitalized and being depreciated for tax purposes as an expense on its income tax returns. The Company recorded a catch-up deduction that represents the federal and state income tax deduction for the years 2007 - 2013.

The amortization of the catch-up deduction over fifteen years was specifically approved by the Commission under the Settlement Agreement under Docket No. R-2018-3000019. The amortization period began on March 1, 2019 and ends on February 28, 2034.

The York Water Company has no other income tax loss or gain carryovers from previous tax years that would affect test year or future year income taxes.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TAXES ACCRUED

53.53 IV Taxes

D. Water and Wastewater Utilities

12 Provide a detailed analysis of taxes accrued per books as of the test year date. Also supply the basis for the accrual and the amount of taxes accrued monthly.

Response: Refer to Exhibit No. HIV-12.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CONSOLIDATED INCOME TAX RETURN

53.53 IV Taxes

D. Water and Wastewater Utilities

- 13 Under Section 1552 of the Internal Revenue Code and Regulations at 1.1552-1 thereunder, if applicable, a parent company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the federal government. (If this interrogatory is not applicable, so state).
- a. State what option has been chosen by the group.
  - b. Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return.
  - c. Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
  - d. Provide annual income tax return for the group, and if income tax return shows net operating loss, provide details of amount of net operating loss allocated to the income tax returns of each of the members of the consolidated group.

Response: The York Water Company has not filed an election under Section 1552 of the Internal Revenue Code, and does not file a consolidated tax return.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
FEDERAL INCOME TAX RETURNS

53.53 IV Taxes

D. Water and Wastewater Utilities

14 Provide a copy of the corporate federal tax returns and supporting schedules for the preceding three years and, if applicable, a copy of the calculation workpapers for the company's consolidated tax savings adjustment.

Response: Refer to Exhibit No. HIV-14 for a copy of the corporate Federal income tax returns and supporting schedules for the preceding three years.

There are no consolidated tax savings, as the Company is not part of a consolidated tax group.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TAXES OTHER THAN INCOME TAXES

53.53 IV Taxes

D. Water and Wastewater Utilities

15 Provide a schedule of federal and Pennsylvania taxes, other than income taxes, calculated on the basis of test year per books, pro forma at present rates, and pro forma at proposed rates, to include the following categories:

- a. Social security.
- b. Unemployment.
- c. Capital stock.
- d. Public utility realty.
- e. PUC assessment.
- f. Other property.
- g. Any other appropriate categories.

Response: Refer to pages 2 - 4.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 TAXES OTHER THAN INCOME TAXES UNDER EXISTING RATES  
 FOR TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No. FIV-15  
 Page 2 of 4  
 Witness: M C Winter

	Pro Forma Twelve Months Ended 12-31-21 (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates			Pro Forma Twelve Months Ending 12-31-22 (7)
				Projected Twelve Months Ending 12-31-22 (4)	Exhibit Reference (5)	Adjustment (6)	
TAXES OTHER THAN INCOME TAXES							
40801000 Assessments	337,186	FIV-15-5	1,591	338,777	FIV-15-7	1,591	340,368
40801100 Purta	267,502	FIV-15-4	1,639	269,141			269,141
40801101 Local Real Estate-County	28,588			28,588			28,588
40801102 Local Real Estate-School	62,038			62,038			62,038
40801201 Fica	627,569	FIV-15-1	55,723	683,292	FIV-15-6	17,081	700,373
40801202 Federal Unemployment	5,081	FIV-15-2	420	5,501			5,501
40801203 State Unemployment	15,386	FIV-15-3	1,291	16,676			16,676
40801302 Other Taxes	3,716			3,716			3,716
40801302 Payroll Taxes Capitalized	(67,572)	FIII-2-10	(5,989)	(73,562)	FIII-2-21	(2,629)	(76,191)
	1,279,493		54,674	1,334,168		16,042	1,350,210

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PRO FORMA TAXES OTHER THAN INCOME TAXES UNDER EXISTING RATES  
 FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FIV-15  
 Page 3 of 4  
 Witness: M C Winter

	Pro Forma Twelve Months Ending 12-31-22 (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates			Pro Forma Twelve Months Ending 2-29-24 (7)
				Projected Twelve Months Ending 2-29-24 (4)	Exhibit Reference (5)	Adjustment (6)	
TAXES OTHER THAN INCOME TAXES							
40801000 Assessments	340,368	FIV-15-9	2,121	342,489	FIV-15-11	1,591	344,080
40801100 Purta	269,141			269,141			269,141
40801201 Fica	700,373	FIV-15-8	9,671	710,043	FIV-15-10	19,156	729,199
40801101 Local Real Estate-County	28,588			28,588			28,588
40801102 Local Real Estate-School	62,038			62,038			62,038
40801202 Federal Unemployment	5,501			5,501			5,501
40801203 State Unemployment	16,676			16,676			16,676
40801302 Other Taxes	3,716			3,716			3,716
40801302 Payroll Taxes Capitalized	(76,191)	FIII-2-34	(1,185)	(77,376)	FIII-2-49	(2,569)	(79,945)
	1,350,210		10,607	1,360,817		18,178	1,378,995

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PRO FORMA TAXES OTHER THAN INCOME TAXES UNDER EXISTING RATES  
 FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FIV-15  
 Page 4 of 4  
 Witness: M C Winter

	Pro Forma Twelve Months Ending 2-29-24 (1)	Under Proposed Rates		Pro Forma Twelve Months Ending 2-29-24 (4)
		Exhibit Reference (2)	Adjustment (3)	
<b>TAXES OTHER THAN INCOME TAXES</b>				
40801000 Assessments	344,080	FIV-15-12	108,524	452,604
40801100 Purta	269,141			269,141
40801201 Fica	729,199			729,199
40801101 Local Real Estate-County	28,588			28,588
40801102 Local Real Estate-School	62,038			62,038
40801202 Federal Unemployment	5,501			5,501
40801203 State Unemployment	16,676			16,676
40801302 Other Taxes	3,716			3,716
40801302 Payroll Taxes Capitalized	(79,945)			(79,945)
	1,378,995		108,524	1,487,519

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust FICA by applying January 1, 2022 OASDI and HI tax rates and wage bases to projected payroll for twelve months ending December 31, 2022.	
	Total Projected Payroll	9,368,477
	Projected HI Component of FICA at 1.45% ( 9,368,477 x .0145)	135,843
	Total Projected Payroll	9,368,477
	Less: Payroll in Excess of OASDI Wage Base of \$147,000	538,654
	Total Projected Payroll Subject to OASDI Tax	8,829,823
	Projected OASDI Component of FICA at 6.2% ( 8,829,823 x .062)	547,449
	Total Projected FICA	683,292
	Less: Pro Forma FICA for Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HIV-15-1)	627,569
		55,723
40801201	Taxes Other Than Income Taxes-FICA	55,723



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Federal unemployment tax by applying January 1, 2022 Federal unemployment tax rate and wage base to projected payroll for twelve months ending December 31, 2022.	
	Total Projected Payroll	9,368,477
	Less; Payroll in Excess of \$7000 Taxable Wage Base	8,451,602
	Projected Taxable Payroll	916,875
	Projected Federal Unemployment Tax at .6%	5,501
	Less: Pro Forma Federal Unemployment Tax for Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HIV-15-2)	5,081
		420
40801202	Taxes Other Than Income Taxes-Federal Unemployment	420

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust state unemployment tax by applying estimated January 1, 2022 state unemployment tax rate and wage base to projected payroll for twelve months ending December 31, 2022.	
	Total Projected Payroll	9,368,477
	Less; Payroll in Excess of \$10,000 Taxable Wage Base	8,076,242
	Projected Taxable Payroll	1,292,235
	Pro Forma State Unemployment Tax at 1.2905%	16,676
	Less: Pro Forma State Unemployment Tax for Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HIV-15-3)	15,386
		1,291
40801203	Taxes Other Than Income Taxes-State Unemployment	1,291

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION		ADJUST- MENT INCREASE DECREASE
	To project Pennsylvania Public Utility Realty Tax for the twelve months ending December 31, 2022 based on the most recent state taxable value and millage rate.		
	State Taxable Value as of December 31, 2022 (Most Recent Available)	9,613,039	
	PURTA Millage Rate (Most Recent Available)	27.9975	
	Projected Pennsylvania Public Utility Tax for the Twelve Months Ending December 31, 2022 (9,613,039 x 27.9975 mills)	269,141	
	Utility Realty Tax for the Twelve Months Ended December 31, 2021	267,502	
		1,639	
40801100	Taxes Other Than Income Taxes-Purta		1,639

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on projected revenues under existing rates for twelve months ending December 31, 2022 and 2021-2022 assessment factors.	
	Projected Operating Revenues Under Existing Rates for the Twelve Months Ending December 31, 2022	50,446,207
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Projected Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Existing Rates for the Twelve Months Ending December 31, 2022 ( 50,446,207 x 0.00671560 )	338,777
	Less: Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments For Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HIV-15)	337,186
		1,591
40801000	Taxes Other Than Income Taxes-Assessments	1,591

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust FICA by applying January 1, 2022 OASDI and HI tax rates and wage bases to pro forma payroll for twelve months ending December 31, 2022.	
	Total Pro Forma Payroll	9,703,337
	Projected HI Component of FICA at 1.45% ( 9,703,337 x .0145)	140,698
	Total Pro Forma Payroll	9,703,337
	Less: Payroll in Excess of OASDI Wage Base of \$147,000	676,333
	Total Pro Forma Payroll Subject to OASDI Tax	9,027,004
	Pro Forma OASDI Component of FICA at 6.2% ( 9,027,004 x .062)	559,674
	Total Pro Forma FICA	700,373
	Less: Projected FICA for Twelve Months Ending December 31, 2022 (Refer to Exhibit No. FIV-15-1)	683,292
		17,081
40801201	Taxes Other Than Income Taxes-FICA	17,081

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on pro forma revenues under existing rates for twelve months ending December 31, 2022 and 2021-2022 assessment factors.	
	Pro Forma Operating Revenues Under Existing Rates for the Twelve Months Ending December 31, 2022	50,683,132
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Existing Rates for the Twelve Months Ending December 31, 2022 ( 50,683,132 x 0.00671560 )	340,368
	Less: Projected Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments For Twelve Months Ended December 31, 2022 (Refer to Exhibit No. FIV-15-5)	338,777
		1,591
40801000	Taxes Other Than Income Taxes-Assessments	1,591

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust FICA by applying January 1, 2022 OASDI and HI tax rates and wage bases to projected payroll for twelve months ending February 29, 2024.	
	Total Projected Payroll	9,854,287
	Projected HI Component of FICA at 1.45% ( 9,854,287 x .0145)	142,887
	Total Projected Payroll	9,854,287
	Less: Payroll in Excess of OASDI Wage Base of \$147,000	706,606
	Total Projected Payroll Subject to OASDI Tax	9,147,681
	Projected OASDI Component of FICA at 6.2% ( 9,147,681 x .062)	567,156
	Total Projected FICA	710,043
	Less: Pro Forma FICA for Twelve Months Ending December 31, 2022 (Refer to Exhibit No. FIV-15-5)	700,373
		9,671
40801201	Taxes Other Than Income Taxes-FICA	9,671

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on projected revenues under existing rates for twelve months ending February 29, 2024 and 2021-2022 assessment factors.	
	Projected Operating Revenues Under Existing Rates for the Twelve Months Ending February 29, 2024	50,999,033
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Projected Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Existing Rates for the Twelve Months Ending February 29, 2024 ( 50,999,033 x 0.00671560 )	342,489
	Less: Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments For Twelve Months Ended December 31, 2022 (Refer to Exhibit No. FIV-15-7)	340,368
		2,121
40801000	Taxes Other Than Income Taxes-Assessments	2,121



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
 RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust FICA by applying January 1, 2022 OASDI and HI tax rates and wage bases to pro forma payroll for twelve months ending February 29, 2024.	
	Total Pro Forma Payroll	10,181,483
	Projected HI Component of FICA at 1.45% ( 10,181,483 x .0145)	147,631
	Total Pro Forma Payroll	10,181,483
	Less: Payroll in Excess of OASDI Wage Base of \$147,000	801,354
	Total Pro Forma Payroll Subject to OASDI Tax	9,380,129
	Pro Forma OASDI Component of FICA at 6.2% ( 9,380,129 x .062)	581,568
	Total Pro Forma FICA	729,199
	Less: Projected FICA for Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FIV-15-10)	710,043
		19,156
40801201	Taxes Other Than Income Taxes-FICA	19,156

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
 RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on pro forma revenues under existing rates for twelve months ending February 29, 2024 and 2021-2022 assessment factors.	
	Pro Forma Operating Revenues Under Existing Rates for the Twelve Months Ending February 29, 2024	51,235,958
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Existing Rates for the Twelve Months Ending February 29, 2024 ( 51,235,958 x 0.00671560 )	344,080
	Less: Projected Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments For Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FIV-15-9)	342,489
		1,591
40801000	Taxes Other Than Income Taxes-Assessments	1,591

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER PROPOSED  
 RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on pro forma revenues under proposed rates for twelve months ending February 29, 2024 and 2021-2022 assessment factors.	
	Pro Forma Operating Revenues Under Proposed Rates for the Twelve Months Ending February 29, 2024	67,395,964
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Proposed Rates for the Twelve Months Ending February 29, 2024 ( 67,395,964 x 0.00671560 )	452,604
	Less: Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments For Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FIV-15-11)	344,080
		108,524
40801000	Taxes Other Than Income Taxes-Assessments	108,524

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED INCOME TAXES

53.53 IV Taxes

D. Water and Wastewater Utilities

16 Submit a schedule showing a breakdown of the deferred income taxes by state and federal per books, pro forma, existing rates, and under proposed rates.

Response: Refer to Exhibit No. FIV-17.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
FEDERAL AND STATE INCOME TAXES UNDER EXISTING RATES FOR  
TWELVE MONTHS ENDING FEBRUARY 29, 2024 AND ANTICIPATED  
FEDERAL AND STATE INCOME TAXES WHEN THE PROPOSED RATES  
BECOME EFFECTIVE

53.53 IV Taxes

D. Water and Wastewater Utilities

17 With respect to determination of income taxes, federal and state:

- a. Show income tax results of the annualizing and normalizing adjustments to the test year record before any rate increase.
- b. Show income taxes for the annualized and normalized test year.
- c. Show income tax effect of the rate increase requested.
- d. Show income taxes for the normalized and annualized test year after application of the full rate increase.

Response: Refer to pages 2 - 4.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED AND PRO FORMA FEDERAL AND STATE INCOME TAXES UNDER EXISTING RATES FOR  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No. FIV-17  
 Page 2 of 4  
 Witness: M C Winter

		Under Existing Rates						
		Pro Forma Twelve Months Ended December 31, 2021 (Refer to Exh No HIV-17)	Exhibit Reference	Adjustment	Projected Twelve Months Ending December 31, 2022	Exhibit Reference	Adjustment	Pro Forma Twelve Months Ending December 31, 2022
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
40901000	Current Federal Income Tax	565,430	FIV-17-2	(450,102)	115,328	FIV-17-5	(13,753)	101,575
40901100	Current State Income Tax	185,761	FIV-17-2	(207,597)	(21,835)	FIV-17-5	(7,268)	(29,104)
41001000	Deferred Federal Income Tax-Accelerated Depreciation	433,570	FIV-17-3	106,821	540,391			540,391
41001009	Deferred Federal Income Tax-Basis Diff	(172,348)			(172,348)			(172,348)
41001109	Deferred State Income Tax-Basis Diff	(86,802)			(86,802)			(86,802)
41001012	Deferred Federal Income Tax-Excess ADIT	(171,511)	FIV-17-4	9,602	(161,909)			(161,909)
41201100	Amortization of Investment Tax Credits	(39,242)	FIV-17-1	(36)	(39,277)			(39,277)
		714,858		(541,311)	173,547		(21,021)	152,526

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED FEDERAL AND STATE INCOME TAXES UNDER EXISTING  
 RATES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FIV-17  
 Page 3 of 4  
 Witness: M C Winter

Under Existing Rates

	Pro Forma Twelve Months Ended December 31, 2022 (1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending February 29, 2024 (4)
40901000 Current Federal Income Tax	101,575	FIV-17-7	(659,208)	(557,633)
40901100 Current State Income Tax	(29,104)	FIV-17-7	(338,112)	(367,216)
41001000 Deferred Federal Income Tax-Accelerated Depreciation	540,391	FIV-17-8	101,065	641,456
41001009 Deferred Federal Income Tax-Basis Diff	(172,348)			(172,348)
41001109 Deferred State Income Tax-Basis Diff	(86,802)			(86,802)
41001012 Deferred Federal Income Tax-Excess ADIT	(161,909)	FIV-17-9	(8,874)	(170,783)
41201100 Amortization of Investment Tax Credits	(39,277)	FIV-17-6	152	(39,126)
	152,526		(904,977)	(752,451)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PRO FORMA FEDERAL AND STATE INCOME TAXES UNDER EXISTING AND  
 PROPOSED RATES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FIV-17  
 Page 4 of 4  
 Witness: M C Winter

		Under Existing Rates			Under Proposed Rates		
	Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
40901000	Current Federal Income Tax		(557,633)	(64,374)	(622,007)	3,022,469	2,400,462
40901100	Current State Income Tax	FIV-17-10	(367,216)	(34,022)	(401,238)	1,597,413	1,196,175
41001000	Deferred Federal Income Tax-Accelerated Depreciation		641,456		641,456		641,456
41001009	Deferred Federal Income Tax-Basis Diff		(172,348)		(172,348)		(172,348)
41001109	Deferred State Income Tax-Basis Diff		(86,802)		(86,802)		(86,802)
41001012	Deferred Federal Income Tax-Excess ADIT		(170,783)		(170,783)		(170,783)
41201100	Amortization of Investment Tax Credits		(39,126)		(39,126)		(39,126)
			(752,451)	(98,396)	(850,847)	4,619,883	3,769,035



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES  
AMORTIZATION OF INVESTMENT TAX CREDITS

Account	Explanation	Adjustment Increase (Decrease)
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To adjust amortization of investment tax credits to reflect pro forma annual amortization.

Year (1)	Investment Tax Credit Generated (2)	Amortization Period (3)	Pro Forma Annual Amortization (4)
1972	9000	50 years	(90)
1973	10341	50 years	(207)
1974	13637	50 years	(273)
1975	58644	50 years	(1,173)
1976	67403	50 years	(1,348)
1977	81673	50 years	(1,633)
1978	93577	50 years	(1,872)
1979	148145	50 years	(2,963)
1980	63163	50 years	(1,263)
1981	128411	50 years	(2,568)
1982	217470	50 years	(4,349)
1983	93455	50 years	(1,869)
1984	194217	50 years	(3,884)
1985	346491	50 years	(6,930)
1986	102154	50 years	(2,043)
1987	20455	50 years	(409)
1988	33318	50 years	(666)
1989	9291	50 years	(186)
1990	209567	50 years	(4,191)
1991	1021	50 years	(20)
1992	674	50 years	(13)
1993	2009	50 years	(40)
1994	1024	50 years	(20)
1995	799	50 years	(16)
1996	41497	50 years	(830)
1997	2050	50 years	(41)
1998	981	50 years	(20)
1999	1302	50 years	(26)
2000	1436	50 years	(29)
2001	726	50 years	(15)
2002	2235	50 years	(45)
2003	1199	50 years	(24)
2004	226	50 years	(5)
2005	619	50 years	(12)
2006	1254	50 years	(25)
2007	68	50 years	(1)
2008	579	50 years	(12)
2009	469	50 years	(9)
2010	1036	50 years	(21)
2011	31	50 years	(1)
2012	181	50 years	(4)
2013	603	50 years	(12)
2014	377	50 years	(8)
2015	1132	50 years	(23)
2016	386	50 years	(8)
2017	68	50 years	(1)
2018	42	50 years	(1)
2019	257	50 years	(5)
2020	102	50 years	(2)
2021	1789	50 years	(36)
2022	1789	50 years	(36)

Total Pro Forma Amortization (39,277)

Less; Pro Forma Amortization  
Twelve Months Ended  
December 31, 2021 (39,242)

(36)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES

Account	Explanation	Adjustment Increase (Decrease)
	To adjust current Federal and state income tax for the twelve months ending December 31, 2022 based on projected taxable income under existing rates and current Federal and state income tax rates.	
	Projected Net Operating Income	29,119,718
	Add:	
	Customer Survey Expense	2,323
	Dividend Reinvestment and Direct Stock Purchase and Sale Expenses	8,305
	Long-Term Incentive Plan Expenses	1,740
	Employee Stock Purchase Plan Expenses	1,277
	Amortization of Rate Case Expense	238,125
	Amortization of Acquisition Adjustments	(11,746)
	Amortization of Lead Service Line Replacements	283,064
	Filter Plant Yard Piping Survey	3,081
	Service Life Study Expenses	4,928
	Long-Term Infrastructure Improvement Plan Expenses	844
	Nondeductible Parking	13,308
	Nondeductible Meals	1,286
	Deduct:	
	Tax Repair Expense	10,245,182
	Cost of Removal	3,189,983
	Tank Painting	685,000
	Deferred Rate Case Expense	952,500
	State Tax Depreciation	9,655,385
	Pro Forma Interest Expense (Interest Synchronization)	5,156,777
	Projected Taxable Income	(218,573)
	Projected State Income Tax at 9.99%	(21,835) (21,835)
	Federal Bonus Depreciation Greater Than State	(745,917)
	Projected Federal Taxable Income	549,179
	Projected Federal Income Tax at 21%	115,328
	Total Projected Current Income Tax	93,492
	Less: Pro Forma Current Income Taxes for the Twelve Months Ended December 31, 2021	751,191
		(657,699)
40901000	Current Federal Income Tax	(450,102)
40901100	Current State Income Tax	(207,597)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE  
RATE METHOD FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
1970 and Prior	Straight Line	179,168	179,168	-
1971	Asset Depreciation Range- Double Declining Balance	16,317	17,921	(1,604)
1972	Asset Depreciation Range- Double Declining Balance	7,117	4,386	2,731
1973	Asset Depreciation Range- Double Declining Balance	6,105	3,888	2,217
1974	Asset Depreciation Range- Double Declining Balance	8,586	4,457	4,129
1975	Asset Depreciation Range- Double Declining Balance	15,599	8,506	7,093
1976	Asset Depreciation Range- Double Declining Balance	11,245	9,905	1,340
1977	Asset Depreciation Range- Double Declining Balance	11,291	7,850	3,441
1978	Asset Depreciation Range- Double Declining Balance	17,003	14,962	2,041
1979	Asset Depreciation Range- Double Declining Balance	8,794	15,493	(6,699)
1980	Asset Depreciation Range- Double Declining Balance	4,536	2,925	1,611
1981	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		11,983	(11,983)
1982	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		27,315	(27,315)
1983	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		17,409	(17,409)
1984	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		42,308	(42,308)
1985	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		51,026	(51,026)
1986	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		61,003	(61,003)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE  
RATE METHOD FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
1987	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		30,572	(30,572)
1988	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		3,947	(3,947)
1989	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		48,508	(48,508)
1990	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	1,203	86,419	(85,216)
1991	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		50,706	(50,706)
1992	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	107	28,874	(28,767)
1993	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	115	72,554	(72,439)
1994	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	54	26,120	(26,066)
1995	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		57,863	(57,863)
1996	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	9,130	111,874	(102,744)
1997	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	73,504	64,796	8,708
1998	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	139,664	64,793	74,871

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE  
RATE METHOD FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
1999	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	191,066	73,968	117,098
2000	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	296,951	87,992	208,959
2001	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	199,114	115,430	83,684
2002	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	134,300	66,163	68,137
2003	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	123,390	98,284	25,106
2004	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	449,775	338,301	111,474
2005	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	488,998	278,729	210,269
2006	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	311,314	308,446	2,868
2007	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	449,622	406,046	43,576
2008	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	677,553	228,751	448,802
2009	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	258,594	237,500	21,094

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE  
RATE METHOD FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
2010	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	188,956	115,435	73,521
2011	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	24,156	150,634	(126,478)
2012	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	189,197	137,673	51,524
2013	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	146,366	152,947	(6,581)
2014	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	163,715	205,699	(41,984)
2015	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	160,368	225,592	(65,224)
2016	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	153,249	364,916	(211,667)
2017	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	258,375	282,839	(24,464)
2018	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	554,364	506,066	48,298
	Amortization of Net Salvage	-	385,960	(385,960)
2019	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	426,892	294,059	132,833
	Amortization of Net Salvage	-	308,202	(308,202)
2020	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	501,216	317,598	183,618
	Amortization of Net Salvage	-	504,408	(504,408)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE  
RATE METHOD FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
2021	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	1,149,884	627,061	522,823
	Amortization of Net Salvage	-	618,165	(618,165)
2022	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	1,376,299	797,554	578,745
	Amortization of Net Salvage	3,189,983	637,997	2,551,986
	Totals	12,573,236	9,999,946	2,573,290
	Deferred Federal Income Tax at 21% ( 2,573,290 x .21)			540,391
	Less: Pro Forma Deferred Federal Income Tax For Twelve Months Ended December 31, 2021			433,570
				106,821
41001000	Deferred Federal Income Tax-Accelerated Depreciation			106,821

**THE YORK WATER COMPANY**  
**STATE TAX ADJUSTMENT FOR BONUS DEPRECIATION**  
**2022**

<u>Description</u> (1)	<u>Basis</u> (2)	<u>Federal Depreciation</u> (3)	<u>Bonus Depreciation</u> (4)	<u>Net Federal Depreciation</u> (5)=(3)-(4)	<u>Additional State Depreciation</u> (6)=(5) x .42857-(4)
2001 Additions (half-year)					
SL Property	198,588	7,944		7,944	3,404
Adjustment for disposition					0
2002 Additions (half-year)					
SL Property	2,095,257	83,810		83,810	35,919
Adjustment for disposition					0
2003 Additions (half-year)					
SL Property	2,338,059	93,522		93,522	40,081
Adjustment for disposition					0
2004 Additions (mid-quarter)					
SL Property 1Q	1,002,517	40,101		40,101	17,186
SL Property 2Q	653,653	26,146		26,146	11,205
SL Property 3Q	515,993	20,640		20,640	8,846
SL Property 4Q	674,171	26,967		26,967	11,557
Adjustment for disposition					0
2008 Additions (mid-quarter)					
15 yr. MACRS property 3Q	6,094	360		360	154
15 yr. MACRS property 4Q	7,879	465		465	199
SL Property 2Q	73,410	2,936		2,936	1,258
SL Property 3Q	68,073	2,723		2,723	1,167
SL Property 4Q	444,137	17,765		17,765	7,614
Adjustment for disposition					0
2009 Additions (half-year)					
15 yr. MACRS property 50	22,934	1,353		1,353	580
SL Property 50	3,157,954	126,318		126,318	54,136
Adjustment for disposition					0
2010 Additions (mid-quarter)					
15 yr. MACRS property 2Q	3,014	178		178	76
15 yr. MACRS property 4Q	14,817	874		874	375
SL Property 1Q	438,089	17,524		17,524	7,510
SL Property 2Q	315,980	12,639		12,639	5,417
SL Property 3Q	793,030	31,721		31,721	13,595
SL Property 4Q	2,359,373	94,375		94,375	40,446
Adjustment for disposition					0
2011 Additions (half-year)					
SL Property 50	237,197	9,488		9,488	4,066
Adjustment for disposition					0



**THE YORK WATER COMPANY**  
**STATE TAX ADJUSTMENT FOR BONUS DEPRECIATION**  
**2022**

<u>Description</u> (1)	<u>Basis</u> (2)	<u>Federal Depreciation</u> (3)	<u>Bonus Depreciation</u> (4)	<u>Net Federal Depreciation</u> (5)=(3)-(4)	<u>Additional State Depreciation</u> (6)=(5) x .42857-(4)
2012 Additions (half-year)					
15 yr. MACRS property 50	74,450	4,400		4,400	1,886
SL Property 50	3,855,704	154,228		154,228	66,098
Adjustment for disposition					0
2013 Additions (half-year)					
15 yr. MACRS property 50	6,369	376		376	161
SL Property 50	2,955,164	118,207		118,207	50,660
Adjustment for disposition					0
2014 Additions (half-year)					
15 yr. MACRS property 50	54,298	3,209		3,209	1,375
SL Property 50	3,263,144	130,526		130,526	55,939
Adjustment for disposition					0
2015 Additions (half-year)					
7 yr. MACRS property 50	34,986	1,560		1,560	669
15 yr. MACRS property 50	70,988	4,188		4,188	1,795
SL Property 50	2,112,865	84,515		84,515	36,220
Adjustment for disposition					19,992
2016 Additions (half-year)					
7 yr. MACRS property 50	57,161	5,104		5,104	2,188
15 yr. MACRS property 50	20,670	1,220		1,220	523
SL Property 50	2,556,770	102,271		102,271	43,830
Adjustment for disposition					0
2017 Additions (half-year)					
5 yr. MACRS property 50 1Q	23,885	330		330	141
5 yr. MACRS property 50 2Q	64,369	2,742		2,742	1,175
5 yr. MACRS property 50 3Q	68,550	4,840		4,840	2,074
5 yr. MACRS property 50 4Q	30,093	2,883		2,883	1,236
7 yr. MACRS property 50 1Q	8,356	730		730	313
7 yr. MACRS property 50 2Q	5,610	498		498	213
7 yr. MACRS property 50 3Q	4,459	395		395	169
7 yr. MACRS property 50 4Q	1,466	128		128	55
15 yr. MACRS property 50 2Q	19,745	1,214		1,214	520
15 yr. MACRS property 50 3Q	11,461	723		723	310
15 yr. MACRS property 50 4Q	16,709	1,083		1,083	464
SL Property 50 1Q	225,592	9,024		9,024	3,867
SL Property 50 2Q	874,254	34,970		34,970	14,987
SL Property 50 3Q	468,364	18,735		18,735	8,029
SL Property 50 4Q	3,467,174	138,687		138,687	59,437
Adjustment for disposition					106,798
	<u>35,772,877</u>	<u>1,444,634</u>	<u>0</u>	<u>1,444,634</u>	<u>745,917</u>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CALCULATION OF EXCESS DEFERRED FEDERAL INCOME TAXES RELATED  
TO ACCELERATED DEPRECIATION FOR THE TWELVE MONTHS ENDING  
DECEMBER 31, 2021

ACCOUNT	EXPLANATION						ADJUST- MENT INCREASE DECREASE
	Vintage (1)	Tax Depreciat- ion (2)	Normalized (Booked) Depreciat- ion (3)	Tax Depreciat- ion Subject to Deferral (4)	Turn- Around Year (5)	Weighted Average Rate (6)	Deferred Federal Income Tax (7)
1971		16,317	17,921	(1,604)	2008	38	(607)
1979		8,794	15,493	(6,699)	2008	38	(2,513)
1981			11,983	(11,983)	1996	39	(4,697)
1982			27,315	(27,315)	1997	38	(10,489)
1983			17,409	(17,409)	1998	38	(6,546)
1984			42,308	(42,308)	2000	36	(15,430)
1985			51,026	(51,026)	2000	36	(18,306)
1986			61,003	(61,003)	2001	35	(21,473)
1987			30,572	(30,572)	2007	34	(10,486)
1988			3,947	(3,947)	2008	34	(1,342)
1989			48,508	(48,508)	2009	34	(16,493)
1990		1,203	86,419	(85,216)	2010	34	(28,973)
1991			50,706	(50,706)	2011	34	(17,240)
1992		107	28,874	(28,767)	2013	34	(9,781)
1993		115	72,554	(72,439)	2014	34	(24,629)
1994		54	26,120	(26,066)	2015	34	(8,862)
1995			57,863	(57,863)	2016	34	(19,673)
1996		9,130	111,874	(102,744)	2017	34	(34,933)
2011		24,156	150,634	(126,478)	2012	34	(43,002)
2013		146,366	152,947	(6,581)	2017	34	(2,238)
2014		163,715	205,699	(41,984)	2017	34	(14,275)
2015		160,368	225,592	(65,224)	2018	34	(22,176)
2016		153,249	364,916	(211,667)	2017	34	(71,967)
2017		258,375	282,839	(24,464)	2021	34	(8,318)
		941,950	2,144,522	(1,202,572)			(414,449)
							Deferred Federal Income Tax at 21% ( 1,202,572 x .21)
							252,540
							Deferred Federal Income Tax - Excess ADIT
							(161,909)
							Less: Pro Forma Excess Deferred Federal Income Tax For Twelve Months Ended December 31, 2021
							(171,511)
							9,602
41001012	Deferred Federal Income Tax-Excess ADIT						9,602

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES

Account	Explanation	Adjustment Increase (Decrease)
	To adjust current Federal and state income tax for the twelve months ending December 31, 2022 based on pro forma taxable income under existing rates and current Federal and state income tax rates.	
	Pro Forma Net Operating Income	29,046,960
	Add:	
	Customer Survey Expense	2,323
	Dividend Reinvestment and Direct Stock Purchase and Sale Expenses	8,305
	Long-Term Incentive Plan Expenses	1,740
	Employee Stock Purchase Plan Expenses	1,277
	Amortization of Rate Case Expense	238,125
	Amortization of Acquisition Adjustments	(11,746)
	Amortization of Lead Service Line Replacements	283,064
	Filter Plant Yard Piping Survey	3,081
	Service Life Study Expenses	4,928
	Long-Term Infrastructure Improvement Plan Expenses	844
	Nondeductible Parking	13,308
	Nondeductible Meals	1,286
	Deduct:	
	Tax Repair Expense	10,245,182
	Cost of Removal	3,189,983
	Tank Painting	685,000
	Deferred Rate Case Expense	952,500
	State Tax Depreciation	9,655,385
	Pro Forma Interest Expense (Interest Synchronization)	5,156,777
	Pro Forma Taxable Income	(291,330)
	Pro Forma State Income Tax at 9.99%	(29,104)
	Federal Bonus Depreciation Greater Than State	(745,917)
	Pro Forma Federal Taxable Income	483,690
	Pro Forma Federal Income Tax at 21%	101,575
	Total Pro Forma Current Income Tax	72,471
	Less: Projected Current Income Taxes for the Twelve Months Ending December 31, 2022	93,492
		(21,021)
40901000	Current Federal Income Tax	(13,753)
40901100	Current State Income Tax	(7,268)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES  
AMORTIZATION OF INVESTMENT TAX CREDITS

Account	Explanation	Adjustment Increase (Decrease)	
To adjust amortization of investment tax credits to reflect pro forma annual amortization.			
Year (1)	Investment Tax Credit Generated (2)	Amortization Period (3)	Pro Forma Annual Amortization (4)
1972	9000	50 years	-
1973	10341	50 years	(103)
1974	13637	50 years	(273)
1975	58644	50 years	(1,173)
1976	67403	50 years	(1,348)
1977	81673	50 years	(1,633)
1978	93577	50 years	(1,872)
1979	148145	50 years	(2,963)
1980	63163	50 years	(1,263)
1981	128411	50 years	(2,568)
1982	217470	50 years	(4,349)
1983	93455	50 years	(1,869)
1984	194217	50 years	(3,884)
1985	346491	50 years	(6,930)
1986	102154	50 years	(2,043)
1987	20455	50 years	(409)
1988	33318	50 years	(666)
1989	9291	50 years	(186)
1990	209567	50 years	(4,191)
1991	1021	50 years	(20)
1992	674	50 years	(13)
1993	2009	50 years	(40)
1994	1024	50 years	(20)
1995	799	50 years	(16)
1996	41497	50 years	(830)
1997	2050	50 years	(41)
1998	981	50 years	(20)
1999	1302	50 years	(26)
2000	1436	50 years	(29)
2001	726	50 years	(15)
2002	2235	50 years	(45)
2003	1199	50 years	(24)
2004	226	50 years	(5)
2005	619	50 years	(12)
2006	1254	50 years	(25)
2007	68	50 years	(1)
2008	579	50 years	(12)
2009	469	50 years	(9)
2010	1036	50 years	(21)
2011	31	50 years	(1)
2012	181	50 years	(4)
2013	603	50 years	(12)
2014	377	50 years	(8)
2015	1132	50 years	(23)
2016	386	50 years	(8)
2017	68	50 years	(1)
2018	42	50 years	(1)
2019	257	50 years	(5)
2020	102	50 years	(2)
2021	1789	50 years	(36)
2022	1789	50 years	(36)
2023	1789	50 years	(36)
2024	298	50 years	(6)
Total Pro Forma Amortization			(39,126)
Less; Pro Forma Amortization Twelve Months Ending December 31, 2022			(39,277)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES

Account	Explanation	Adjustment Increase (Decrease)
	To project current Federal and state income tax for the twelve months ending February 29, 2024 based on projected taxable income under existing rates and current Federal and state income tax rates.	
	Projected Net Operating Income	28,901,646
	Add:	
	Customer Survey Expense	2,323
	Dividend Reinvestment and Direct Stock Purchase and Sale Expenses	8,305
	Long-Term Incentive Plan Expenses	1,740
	Employee Stock Purchase Plan Expenses	1,277
	Amortization of Rate Case Expense	238,125
	Amortization of Acquisition Adjustments	(11,746)
	Amortization of Lead Service Line Replacements	283,064
	Filter Plant Yard Piping Survey	3,081
	Service Life Study Expenses	4,928
	Long-Term Infrastructure Improvement Plan Expenses	844
	Nondeductible Parking	13,308
	Nondeductible Meals	4,807
	Deduct:	
	Tax Repair Expense	11,007,201
	Cost of Removal	3,206,033
	Tank Painting	600,000
	State Tax Depreciation	12,113,583
	Pro Forma Interest Expense (Interest Synchronization)	6,200,718
	Projected Taxable Income	(3,675,831)
	Projected State Income Tax at 9.99%	(367,216)
		(367,216)
	Federal Bonus Depreciation Greater Than State	(653,220)
	Projected Federal Taxable Income	(2,655,396)
	Projected Federal Income Tax at 21%	(557,633)
	Total Projected Current Income Tax	(924,849)
	Less: Pro Forma Current Income Taxes for the Twelve Months Ending December 31, 2022	72,471
		(997,320)
40901000	Current Federal Income Tax	(659,208)
40901100	Current State Income Tax	(338,112)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE  
RATE METHOD FOR THE TWELVE MONTHS ENDED FEBRUARY 29, 2024

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
1970 and Prior	Straight Line	180,647	180,647	-
1971	Asset Depreciation Range- Double Declining Balance		18,775	(18,775)
1972	Asset Depreciation Range- Double Declining Balance	7,117	3,948	3,169
1973	Asset Depreciation Range- Double Declining Balance	6,105	3,406	2,699
1974	Asset Depreciation Range- Double Declining Balance	8,586	4,032	4,554
1975	Asset Depreciation Range- Double Declining Balance	15,599	8,562	7,037
1976	Asset Depreciation Range- Double Declining Balance	11,245	10,308	937
1977	Asset Depreciation Range- Double Declining Balance	11,291	7,208	4,083
1978	Asset Depreciation Range- Double Declining Balance	17,003	14,207	2,796
1979	Asset Depreciation Range- Double Declining Balance	8,354	14,815	(6,461)
1980	Asset Depreciation Range- Double Declining Balance	4,309	2,382	1,927
1981	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		8,360	(8,360)
1982	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		25,230	(25,230)
1983	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		14,908	(14,908)
1984	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		40,408	(40,408)
1985	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		42,624	(42,624)
1986	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		58,632	(58,632)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE  
RATE METHOD FOR THE TWELVE MONTHS ENDED FEBRUARY 29, 2024

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
1987	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		29,533	(29,533)
1988	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		3,474	(3,474)
1989	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		47,868	(47,868)
1990	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	1,203	86,088	(84,885)
1991	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		50,134	(50,134)
1992	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	107	28,146	(28,039)
1993	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	115	72,419	(72,304)
1994	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	54	25,614	(25,560)
1995	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System		57,258	(57,258)
1996	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	9,130	112,426	(103,296)
1997	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	1,760	64,751	(62,991)
1998	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	69,868	64,037	5,831

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE  
RATE METHOD FOR THE TWELVE MONTHS ENDED FEBRUARY 29, 2024

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
1999	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	183,724	72,817	110,907
2000	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	291,969	87,990	203,979
2001	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	196,084	116,851	79,233
2002	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	131,945	66,218	65,727
2003	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	120,805	97,510	23,295
2004	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	448,111	337,510	110,601
2005	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	486,149	277,241	208,908
2006	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	309,875	304,590	5,285
2007	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	442,148	403,229	38,919
2008	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	673,808	221,881	451,927
2009	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	258,271	233,859	24,412
2010	Straight Line, Accelerated Cost			



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE  
RATE METHOD FOR THE TWELVE MONTHS ENDED FEBRUARY 29, 2024

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
2011	Recovery System and Limited Accelerated Cost Recovery System Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	188,604	117,431	71,173
2012	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	23,798	152,052	(128,254)
2013	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	188,479	136,551	51,928
2014	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	146,202	139,379	6,823
2015	Straight Line, Accelerated Cost Recovery System, Limited Accelerated Cost Recovery System and Alternative Depreciation System	163,715	192,856	(29,141)
2016	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	158,807	246,362	(87,555)
2017	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	149,844	392,221	(242,377)
2018	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	244,806	254,502	(9,696)
2019	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	514,371	473,391	40,980
2020	Amortization of Net Salvage Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System Amortization of Net Salvage	275,005 - 410,105 -	287,966 308,202 318,181 504,408	(12,961) (308,202) 91,924 (504,408)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS NOT SUBJECT TO WEIGHTED AVERAGE  
RATE METHOD FOR THE TWELVE MONTHS ENDED FEBRUARY 29, 2024

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation on Assets Placed in Service During the Years 1971 and After (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
2021	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	1,068,435	619,932	448,503
	Amortization of Net Salvage	-	618,165	(618,165)
2022	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	1,456,937	682,150	774,787
	Amortization of Net Salvage	-	637,997	(637,997)
2023	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	2,884,271	1,893,420	990,851
	Amortization of Net Salvage	3,206,034	641,207	2,564,827
2024	Straight Line, Accelerated Cost Recovery System and Limited Accelerated Cost Recovery System	80,387	64,359	16,028
	Totals	15,055,181	12,000,628	3,054,553
	Deferred Federal Income Tax at 21% ( 3,054,553 x .21)			641,456
	Less: Pro Forma Deferred Federal Income Tax For Twelve Months Ended December 31, 2022			540,391
				101,065
41001000	Deferred Federal Income Tax-Accelerated Depreciation			101,065

THE YORK WATER COMPANY  
STATE TAX ADJUSTMENT FOR BONUS DEPRECIATION  
FEBRUARY 29, 2024

<u>Description</u> (1)	<u>Basis</u> (2)	<u>Federal Depreciation</u> (3)	<u>Bonus Depreciation</u> (4)	<u>Net Federal Depreciation</u> (5)=(3)-(4)	<u>Additional State Depreciation</u> (6)=(5) x .42857-(4)
2001 Additions (half-year)					
SL Property	198,588	7,944		7,944	3,404
Adjustment for disposition					0
2002 Additions (half-year)					
SL Property	2,095,257	83,810		83,810	35,919
Adjustment for disposition					0
2003 Additions (half-year)					
SL Property	2,338,059	93,522		93,522	40,081
Adjustment for disposition					0
2004 Additions (mid-quarter)					
SL Property 1Q	1,002,517	40,101		40,101	17,186
SL Property 2Q	653,653	26,146		26,146	11,205
SL Property 3Q	515,993	20,640		20,640	8,846
SL Property 4Q	674,171	26,967		26,967	11,557
Adjustment for disposition					0
2008 Additions (mid-quarter)					
15 yr. MACRS property 3Q	6,094	225		225	96
15 yr. MACRS property 4Q	7,879	407		407	175
SL Property 2Q	73,410	2,936		2,936	1,258
SL Property 3Q	68,073	2,723		2,723	1,167
SL Property 4Q	444,137	17,765		17,765	7,614
Adjustment for disposition					7,984
2009 Additions (half-year)					
15 yr. MACRS property 50	22,934	1,355		1,355	581
SL Property 50	3,157,954	126,318		126,318	54,136
Adjustment for disposition					0
2010 Additions (mid-quarter)					
15 yr. MACRS property 2Q	3,014	178		178	76
15 yr. MACRS property 4Q	14,817	876		876	375
SL Property 1Q	438,089	17,524		17,524	7,510
SL Property 2Q	315,980	12,639		12,639	5,417
SL Property 3Q	793,030	31,721		31,721	13,595
SL Property 4Q	2,359,373	94,375		94,375	40,446
Adjustment for disposition					0
2011 Additions (half-year)					
SL Property 50	237,197	9,488		9,488	4,066
Adjustment for disposition					0
2012 Additions (half-year)					
15 yr. MACRS property 50	74,450	4,393		4,393	1,883
SL Property 50	3,855,704	154,228		154,228	66,098
Adjustment for disposition					0

THE YORK WATER COMPANY  
STATE TAX ADJUSTMENT FOR BONUS DEPRECIATION  
FEBRUARY 29, 2024

<u>Description</u> (1)	<u>Basis</u> (2)	<u>Federal Depreciation</u> (3)	<u>Bonus Depreciation</u> (4)	<u>Net Federal Depreciation</u> (5)=(3)-(4)	<u>Additional State Depreciation</u> (6)=(5) x .42857-(4)
2013 Additions (half-year)					
15 yr. MACRS property 50	6,369	376		376	161
SL Property 50	2,955,164	118,207		118,207	50,660
Adjustment for disposition					0
2014 Additions (half-year)					
15 yr. MACRS property 50	54,298	3,204		3,204	1,373
SL Property 50	3,263,144	130,526		130,526	55,939
Adjustment for disposition					0
2015 Additions (half-year)					
15 yr. MACRS property 50	70,988	4,195		4,195	1,798
SL Property 50	2,112,865	84,515		84,515	36,220
Adjustment for disposition					0
2016 Additions (half-year)					
7 yr. MACRS property 50	57,161	2,549		2,549	1,093
15 yr. MACRS property 50	20,670	1,220		1,220	523
SL Property 50	2,556,770	102,271		102,271	43,830
Adjustment for disposition					32,664
2017 Additions (half-year)					
7 yr. MACRS property 50 1Q	8,356	731		731	313
7 yr. MACRS property 50 2Q	5,610	498		498	213
7 yr. MACRS property 50 3Q	4,459	395		395	169
7 yr. MACRS property 50 4Q	1,466	128		128	55
15 yr. MACRS property 50 2Q	19,745	1,167		1,167	500
15 yr. MACRS property 50 3Q	11,461	676		676	290
15 yr. MACRS property 50 4Q	16,709	986		986	423
SL Property 50 1Q	225,592	9,024		9,024	3,867
SL Property 50 2Q	874,254	34,970		34,970	14,987
SL Property 50 3Q	468,364	18,735		18,735	8,029
SL Property 50 4Q	3,467,174	138,687		138,687	59,437
Adjustment for disposition					0
	<u>35,550,993</u>	<u>1,429,339</u>	<u>0</u>	<u>1,429,339</u>	<u>653,220</u>



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES

Account	Explanation	Adjustment Increase (Decrease)
	To adjust current Federal and state income tax for the twelve months ending February 29, 2024 based on pro forma taxable income under existing rates and current Federal and state income tax rates.	
	Pro Forma Net Operating Income	28,561,082
	Add:	
	Customer Survey Expense	2,323
	Dividend Reinvestment and Direct Stock Purchase and Sale Expenses	8,305
	Long-Term Incentive Plan Expenses	1,740
	Employee Stock Purchase Plan Expenses	1,277
	Amortization of Rate Case Expense	238,125
	Amortization of Acquisition Adjustments	(11,746)
	Amortization of Lead Service Line Replacements	283,064
	Filter Plant Yard Piping Survey	3,081
	Service Life Study Expenses	4,928
	Long-Term Infrastructure Improvement Plan Expenses	844
	Nondeductible Parking	13,308
	Nondeductible Meals	4,807
	Deduct:	
	Tax Repair Expense	11,007,201
	Cost of Removal	3,206,033
	Tank Painting	600,000
	State Tax Depreciation	12,113,583
	Pro Forma Interest Expense (Interest Synchronization)	6,200,718
	Pro Forma Taxable Income	(4,016,396)
	Pro Forma State Income Tax at 9.99%	(401,238)
	State Depreciation Greater Than Federal	(653,220)
	Pro Forma Federal Taxable Income	(2,961,938)
	Pro Forma Federal Income Tax at 21%	(622,007)
	Total Pro Forma Current Income Tax	(1,023,245)
	Less: Projected Current Income Taxes for the Twelve Months Ending February 29, 2024	(924,849)
		(98,396)
40901000	Current Federal Income Tax	(64,374)
40901100	Current State Income Tax	(34,022)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING INCOME TAX ADJUSTMENTS UNDER PROPOSED RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE	
	To adjust current Federal and state income taxes based on pro forma revenue increase under proposed rates and current Federal and state income tax rates.		
	Proposed Increase in Sales of Water	16,160,006	
	Add: Increase in Late Charges	22,876	
	Less: Increase in Taxes Other Than Income Taxes and Uncollectible Accounts	192,758	
	Increase in State Taxable Income	15,990,124	
	State Income Tax at 9.99%	1,597,413	1,597,413
	Increase in Federal Taxable Income	14,392,710	
	Federal Income Tax at 21%	3,022,469	3,022,469
		4,619,883	4,619,883
40901000	Current Federal Income Tax		3,022,469
40901100	Current State Income Tax		1,597,413

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEBT INTEREST UTILIZED FOR INCOME TAX CALCULATIONS

53.53 IV Taxes

D. Water and Wastewater Utilities

18 State the amount of debt interest utilized for income tax calculations, and details of debt interest computations, under each of the following rate case bases;

- a. Actual test year.
- b. Annualized test year-end.
- c. Proposed test year-end.

Response: Debt interest expense utilized for the income tax calculation reflected on the Company's corporate books for the twelve months ended December 31, 2021 is actual debt expense incurred during that period.

Debt interest expense utilized for the income tax calculation on projected income for the twelve months ending December 31, 2022 shown on Exhibit No. FIV-17-1 is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

Rate base 291,591,611 x weighted debt cost rate of 1.77%  
= interest expense utilized for income tax calculations of 5,156,777

Debt interest expense utilized for the income tax calculation on pro forma income for the twelve months ending December 31, 2022 shown on Exhibit No. FIV-17-5 is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

Rate base 291,591,611 x weighted debt cost rate of 1.77%  
= interest expense utilized for income tax calculations of 5,156,777

Debt interest expense utilized for the income tax calculation on projected income for the twelve months ending February 29, 2024 shown on Exhibit No. FIV-17-6 is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

Rate base 350,621,590 x weighted debt cost rate of 1.77%  
= interest expense utilized for income tax calculations of 6,200,718

Debt interest expense utilized for the income tax calculation on pro forma income for the twelve months ending February 29, 2024 shown on Exhibit No. FIV-17-10 is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

Rate base 350,621,590 x weighted debt cost rate of 1.77%  
= interest expense utilized for income tax calculations of 6,200,718



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
MEASURE OF VALUE AND RATES OF RETURN AT ORIGINAL COST AS OF  
DECEMBER 31, 2022 AND FEBRUARY 29, 2024

53.53 V. Valuation

D. Water and Wastewater Utilities

1. Provide a schedule showing the measures of value and the rates of return at the original cost in the current rate case. All claims made on this exhibit should be cross-referenced to appropriate exhibits.

Response: The original cost measure of value and rate of return under proposed rates are shown below.

	Original Cost Measure of Value (1)	Rate of Return Under Proposed Rates (2)
February 29, 2024	350,621,590 (a)	7.93% (b)

(a) Refer to page 3 for a detail of the measure of value as of February 29, 2024.

(b) Refer to page 6 for a detail of the net operating income available for return and calculation of rates of return on the original cost measure of value.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SUMMARY OF MEASURE OF VALUE AS OF DECEMBER 31, 2022

Elements (1)	Exhibit Reference (2)	Original Cost (3)
Utility Plant in Service Less Accrued Depreciation	FVI	363,118,429
Deduct:		
Deferred Federal Income Taxes Related to Accelerated Depreciation	FV-1-1	24,137,333
Excess Deferred Federal Income Taxes Related to Accelerated Depreciation	FV-1-1	13,463,573
Contributions in Aid of Construction Less Accrued Depreciation	FVI	33,563,117
Customers' Advances for Construction Less Accrued Depreciation	FVI	4,665,300
Funds Supplied Through Customers' Advances Not Expended	FV-1-2	1,475,804
Total Deductions		77,305,126
Add:		
Materials and Supplies	FV-11	1,432,014
Cash Working Capital	FV-8	2,964,604
Utility Plant Acquisition Adjustment	FV-1-3, FV-1-4, FV-1-5, FV-1-6, FV-1-7, FV-1-8, FV-1-9	(82,899)
Taxes on Deposits for Construction and Customer Advances	FV-1-10	1,464,588
Total Additions		5,778,308
Total Measure of Value		291,591,611

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SUMMARY OF MEASURE OF VALUE AS OF FEBRUARY 29, 2024

Elements (1)	Exhibit Reference (2)	Original Cost (3)
Utility Plant in Service Less Accrued Depreciation	FVI	422,208,080
Deduct:		
Deferred Federal Income Taxes Related to Accelerated Depreciation	FV-1-1	24,488,981
Excess Deferred Federal Income Taxes Related to Accelerated Depreciation	FV-1-1	13,371,592
Contributions in Aid of Construction Less Accrued Depreciation	FVI	33,721,565
Customers' Advances for Construction Less Accrued Depreciation	FVI	4,455,584
Funds Supplied Through Customers' Advances Not Expended	FV-1-2	1,475,804
Total Deductions		77,513,526
Add:		
Materials and Supplies	FV-11	1,520,534
Cash Working Capital	FV-8	3,070,957
Utility Plant Acquisition Adjustment	FV-1-3, FV-1-4, FV-1-5, FV-1-6, FV-1-7, FV-1-8, FV-1-9	(68,018)
Taxes on Deposits for Construction and Customer Advances	FV-1-10	1,403,563
Total Additions		5,927,036
Total Measure of Value		350,621,590

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF CALCULATION OF THE RATE OF RETURN UNDER EXISTING  
RATES FOR TWELVE MONTHS ENDING DECEMBER 31, 2022

	Under Existing Rates						
	Pro Forma Twelve Months Ended December 31, 2021 (1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending December 31, 2022 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending December 31, 2022 (7)
Operating Revenues	52,652,325	FII-2	199,770	52,852,095	FII-2	227,963	53,080,058
Operating Expenses, Depreciation and Taxes							
Operating Expenses	21,048,786	FIII-2	1,349,424	22,398,210	FIII-2	284,677	22,682,887
Depreciation	10,052,283	FI-2	769,572	10,821,855			10,821,855
Taxes Other Than Income Taxes	1,279,493	FIV-15	54,674	1,334,168	FIV-15	16,042	1,350,210
Income Taxes	714,858	FIV-17	(541,311)	173,547	FIV-17	(21,021)	152,526
Total Operating Expenses, Dep- reciation and Taxes	33,095,420		1,632,359	34,727,779		279,699	35,007,478
Net Operating Income Available For Return	19,556,905		(1,432,589)	18,124,316		(51,736)	18,072,580
Measure of Value as of February 29, 2024 and Rates of Return (Refer to Page 2)	5.58%			5.17%			5.15%
Original Cost Less Accrued Depreciation	350,621,590						

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF CALCULATION OF THE RATE OF RETURN UNDER EXISTING  
RATES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024 AND THE ANTICIPATED RATE OF RETURN WHEN THE PROPOSED RATES BECOME EFFECTIVE

	Under Existing Rates						
	Pro Forma Twelve Months Ending December 31, 2022 (1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
Operating Revenues	53,080,058	FII-2	324,223	53,404,281	FII-2	238,179	53,642,460
Operating Expenses, Depreciation and Taxes							
Operating Expenses	22,682,887	FIII-2	458,930	23,141,818	FIII-2	560,565	23,702,383
Depreciation	10,821,855	FI-2	2,139,126	12,960,981			12,960,981
Taxes Other Than Income Taxes	1,350,210	FIV-15	10,607	1,360,817	FIV-15	18,178	1,378,995
Income Taxes	152,526	FIV-17	(904,977)	(752,451)	FIV-17	(98,396)	(850,847)
Total Operating Expenses, Depreciation and Taxes	35,007,478		1,703,687	36,711,165		480,347	37,191,512
Net Operating Income Available For Return	18,072,580		(1,379,463)	16,693,117		(242,168)	16,450,948
Measure of Value as of February 29, 2024 and Rates of Return (Refer to Page 2)	5.15%			4.76%			4.69%
Original Cost Less Accrued Depreciation	350,621,590						

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF CALCULATION OF THE RATE OF RETURN UNDER PROPOSED  
RATES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024 AND THE ANTICIPATED RATE OF RETURN WHEN THE PROPOSED RATES BECOME EFFECTIVE

	Under Proposed Rates			Pro Forma Twelve Months Ending February 29, 2024 (4)
	Pro Forma Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	
Operating Revenues	53,642,460	FII-2	16,182,882	69,825,342
Operating Expenses, Depreciation and Taxes				
Operating Expenses	23,702,383	FIII-2	84,234	23,786,617
Depreciation	12,960,981			12,960,981
Taxes Other Than Income Taxes	1,378,995	FIV-15	108,524	1,487,519
Income Taxes	(850,847)	FIV-17	4,619,883	3,769,035
Total Operating Expenses, Depreciation and Taxes	37,191,512		4,812,641	42,004,152
Net Operating Income Available For Return	16,450,948		11,370,241	27,821,190
Measure of Value as of February 29, 2024 and Rates of Return (Refer to Page 2)	4.69%			7.93%
Original Cost Less Accrued Depreciation	350,621,590			

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF DECEMBER 31, 2022 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Deferred Federal Income Taxes (Per Books) (2)
1971	911
1972	26,743
1973	21,543
1974	28,069
1975	29,817
1976	27,265
1977	61,180
1978	824
1979	82,877
1980	(14,242)
1981	90,105
1982	93,902
1983	43,181
1984	156,019
1985	205,730
1986	452,947
1987	85,948
1988	(13,634)
1989	378,418
1990	503,766
1991	337,481
1992	157,763
1993	391,505
1994	90,175
1995	400,651
1996	654,488
1997	493,439
1998	347,655
1999	235,995
2000	807,915
2001	544,004
2002	496,204
2003	536,287
2004	1,109,397
2005	1,360,664
2006	97,096
2007	315,271
2008	1,453,647
2009	1,609,739
2010	1,128,031
2011	1,318,294
2012	1,132,851
2013	892,624
2014	810,471
2015	714,292
2016	838,625
2017	1,353,174
2018	513,949
2019	201,506
2020	453,189
2021	422,127
2022	657,454

24,137,333

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF FEBRUARY 29, 2024 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Deferred Federal Income Taxes (Per Books) (2)
1971	(3,031)
1972	27,409
1973	22,110
1974	29,025
1975	31,294
1976	27,462
1977	62,037
1978	1,411
1979	81,520
1980	(13,837)
1981	88,349
1982	88,604
1983	40,050
1984	147,533
1985	196,779
1986	440,634
1987	80,640
1988	(13,275)
1989	370,266
1990	488,822
1991	328,359
1992	152,908
1993	378,606
1994	86,260
1995	390,253
1996	633,302
1997	480,211
1998	348,880
1999	259,286
2000	850,751
2001	560,643
2002	510,006
2003	541,179
2004	1,132,623
2005	1,404,535
2006	98,206
2007	323,444
2008	1,548,551
2009	1,614,865
2010	1,142,978
2011	1,291,360
2012	1,143,756
2013	894,057
2014	804,352
2015	695,905
2016	787,726
2017	1,351,138
2018	522,555
2019	134,061
2020	366,568
2021	386,498
2022	686,179
2023	746,692
2024	3,366

24,793,862



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF FEBRUARY 29, 2024 DEDUCTED FROM THE MEASURE OF VALUE

Projected Deferred Taxes at 2-28-23	24,231,123
Projected Deferred Taxes at 2-29-24	24,793,862
Increase in Deferred Taxes	562,739

Month (1)	Deferred Federal Income Taxes (Per Books) (2)	Increase Per Month (3)	Proration (4)	Prorated Increase Per Month (5)	Deferred Federal Income Taxes (Per Reg. Sec. 1.167) (6)	Difference (7)
Balance Deferred Taxes						
2/28/2023	24,231,123		365/365	-	24,231,123	-
3/31/2023	24,278,018	46,895	335/365	43,041	24,274,163	(3,854)
4/30/2023	24,324,913	46,895	305/365	39,186	24,313,350	(11,563)
5/31/2023	24,371,808	46,895	274/365	35,203	24,348,553	(23,255)
6/30/2023	24,418,703	46,895	244/365	31,349	24,379,902	(38,801)
7/31/2023	24,465,598	46,895	213/365	27,366	24,407,268	(58,330)
8/31/2023	24,512,493	46,895	182/365	23,383	24,430,651	(81,841)
9/30/2023	24,559,387	46,895	152/365	19,529	24,450,180	(109,207)
10/31/2023	24,606,282	46,895	121/365	15,546	24,465,726	(140,556)
11/30/2023	24,653,177	46,895	91/365	11,692	24,477,418	(175,760)
12/31/2023	24,700,072	46,895	60/365	7,709	24,485,126	(214,946)
1/31/2024	24,746,967	46,895	29/365	3,726	24,488,852	(258,115)
2/29/2024	24,793,862	46,895	1/365	128	24,488,981	(304,881)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
EXCESS DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF DECEMBER 31, 2022 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Deferred Federal Income Taxes (2)
1971	1,053
1972	15,235
1973	12,181
1974	15,136
1975	14,493
1976	16,715
1977	36,774
1978	(200)
1979	53,107
1980	(9,478)
1981	57,026
1982	59,568
1983	27,838
1984	102,922
1985	136,300
1986	296,414
1987	70,374
1988	(27,851)
1989	317,951
1990	411,288
1991	264,097
1992	131,421
1993	311,131
1994	88,927
1995	312,690
1996	447,060
1997	271,923
1998	171,244
1999	68,920
2000	377,705
2001	294,822
2002	271,963
2003	323,925
2004	633,228
2005	727,011
2006	48,242
2007	176,715
2008	632,770
2009	1,019,847
2010	688,231
2011	875,196
2012	728,864
2013	577,002
2014	529,629
2015	467,139
2016	554,187
2017	862,840
	13,463,573

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
EXCESS DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF FEBRUARY 29, 2024 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Deferred Federal Income Taxes (2)
1971	(2,108)
1972	15,235
1973	12,181
1974	15,136
1975	14,493
1976	16,715
1977	36,774
1978	(200)
1979	52,040
1980	(9,478)
1981	55,505
1982	55,178
1983	25,364
1984	96,670
1985	129,959
1986	288,088
1987	66,446
1988	(28,302)
1989	311,728
1990	400,253
1991	257,580
1992	127,776
1993	301,731
1994	85,604
1995	305,246
1996	433,631
1997	263,734
1998	171,244
1999	68,920
2000	377,705
2001	294,822
2002	271,963
2003	323,925
2004	633,228
2005	727,011
2006	48,242
2007	176,715
2008	632,770
2009	1,019,847
2010	688,231
2011	858,523
2012	728,864
2013	577,002
2014	525,841
2015	455,757
2016	522,677
2017	861,580
	13,291,845

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
EXCESS DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF FEBRUARY 29, 2024 DEDUCTED FROM THE MEASURE OF VALUE

Projected Excess Deferred Taxes at 2-28-23	13,439,040
Projected Excess Deferred Taxes at 2-29-24	13,291,845
Decrease in Excess Deferred Taxes	(147,196)

Month (1)	Deferred Federal Income Taxes (Per Books) (2)	Decrease Per Month (3)	Proration (4)	Prorated Decrease Per Month (5)	Deferred Federal Income Taxes (Per Reg. Sec. 1.167) (6)	Difference (7)
Balance Deferred Taxes						
2/28/2023	13,439,040		365/365	-	13,439,040	-
3/31/2023	13,426,774	(12,266)	335/365	(11,258)	13,427,782	1,008
4/30/2023	13,414,507	(12,266)	305/365	(10,250)	13,417,532	3,025
5/31/2023	13,402,241	(12,266)	274/365	(9,208)	13,408,324	6,083
6/30/2023	13,389,975	(12,266)	244/365	(8,200)	13,400,124	10,149
7/31/2023	13,377,709	(12,266)	213/365	(7,158)	13,392,966	15,257
8/31/2023	13,365,442	(12,266)	182/365	(6,116)	13,386,850	21,407
9/30/2023	13,353,176	(12,266)	152/365	(5,108)	13,381,741	28,565
10/31/2023	13,340,910	(12,266)	121/365	(4,066)	13,377,675	36,765
11/30/2023	13,328,643	(12,266)	91/365	(3,058)	13,374,617	45,973
12/31/2023	13,316,377	(12,266)	60/365	(2,016)	13,372,600	56,223
1/31/2024	13,304,111	(12,266)	29/365	(975)	13,371,626	67,515
2/29/2024	13,291,845	(12,266)	1/365	(34)	13,371,592	79,748

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CUSTOMERS' ADVANCES UNDER CONSTRUCTION AND RELATED EXPENDITURES  
(FUNDS SUPPLIED THROUGH CUSTOMERS ADVANCES NOT EXPENDED)  
PROJECTED AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Description (1)	Customers' Advances Under Construct- ion (2)	Related Construct- ion Expend- itures (3)	Advances in Excess of Construct- ion Expend- itures (4)=(2)-(3)
Developer Mains	3,365,966	1,890,162	1,475,804

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
UTILITY PLANT ACQUISITION ADJUSTMENT  
MARGARETTA MOBILE HOME PARK  
AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Acquisition Costs	101,667
Less Depreciated Original Cost of Waterworks Property and Rights	46,159
Acquisition Adjustment Subject to Amortization	55,509
<p>This amortization was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2018-3000019. The amortization period began March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends February 28, 2029.</p>	
Amortization During the Period 03-01-19 Through December 31, 2022	21,278
Unamortized Acquisition Adjustment As Of December 31, 2022	34,230

	<u>Amortization</u>	<u>Unamortized Balance</u>
Jan-23	463	33,768
Feb-23	463	33,305
Mar-23	463	32,843
Apr-23	463	32,380
May-23	463	31,918
Jun-23	463	31,455
Jul-23	463	30,992
Aug-23	463	30,530
Sep-23	463	30,067
Oct-23	463	29,605
Nov-23	463	29,142
Dec-23	463	28,680
Jan-24	463	28,217
Feb-24	463	27,754

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

The inclusion of this unamortized utility acquisition adjustment in original cost rate base was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2018-3000019. The amortization period began March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends February 28, 2029.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
UTILITY PLANT ACQUISITION ADJUSTMENT  
SECTION A WATER CORPORATION  
AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Acquisition Costs	170,725
Less Depreciated Original Cost of Waterworks Property and Rights	135,997
Acquisition Adjustment Subject to Amortization	34,728

This amortization was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2012-2336379. The amortization period began January 1, 2014 (the effective date of rates under Order No. R-2012-2336379) and ends December 31, 2023.

Amortization During the Period 01-01-14 Through December 31, 2022	31,255
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Unamortized Acquisition Adjustment As Of December 31, 2022	3,473
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	<u>Amortization</u>	<u>Unamortized Balance</u>
Jan-23	289	3,183
Feb-23	289	2,894
Mar-23	289	2,605
Apr-23	289	2,315
May-23	289	2,026
Jun-23	289	1,736
Jul-23	289	1,447
Aug-23	289	1,158
Sep-23	289	868
Oct-23	289	579
Nov-23	289	289
Dec-23	289	0
Jan-24	-	0
Feb-24	-	0

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

The inclusion of this unamortized utility acquisition adjustment in original cost rate base was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2012-2336379. The amortization period began January 1, 2014 (the effective date of rates under Order No. R-2012-2336379) and ends December 31, 2023.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
UTILITY PLANT ACQUISITION ADJUSTMENT  
YORK STARVIEW LP  
AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Acquisition Costs	130,437
Less Depreciated Original Cost of Waterworks Property and Rights	94,540
Acquisition Adjustment Subject to Amortization	35,897
<p>This amortization was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2012-2336379. The amortization period began January 1, 2014 (the effective date of rates under Order No. R-2012-2336379) and ends December 31, 2023.</p>	
Amortization During the Period 01-01-14 Through December 31, 2022	32,307
Unamortized Acquisition Adjustment As Of December 31, 2022	3,590

	<u>Amortization</u>	<u>Unamortized Balance</u>
Jan-23	299	3,291
Feb-23	299	2,991
Mar-23	299	2,692
Apr-23	299	2,393
May-23	299	2,094
Jun-23	299	1,795
Jul-23	299	1,496
Aug-23	299	1,197
Sep-23	299	897
Oct-23	299	598
Nov-23	299	299
Dec-23	299	0
Jan-24	-	0
Feb-24	-	0

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

The inclusion of this unamortized utility acquisition adjustment in original cost rate base was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2012-2336379. The amortization period began January 1, 2014 (the effective date of rates under Order No. R-2012-2336379) and ends December 31, 2023.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
UTILITY PLANT ACQUISITION ADJUSTMENT  
WESTWOOD MOBILE HOME PARK  
AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Acquisition Costs	21,321
Less Depreciated Original Cost of Waterworks Property and Rights	96,795
Acquisition Adjustment Subject to Amortization	(75,474)

This amortization was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2018-3000019. The amortization period began March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends February 28, 2029.

Amortization During the Period 03-01-19 Through December 31, 2022	(28,932)
Unamortized Acquisition Adjustment As Of December 31, 2022	(46,542)

	<u>Amortization</u>	<u>Unamortized Balance</u>
Jan-23	(629)	(45,913)
Feb-23	(629)	(45,284)
Mar-23	(629)	(44,655)
Apr-23	(629)	(44,027)
May-23	(629)	(43,398)
Jun-23	(629)	(42,769)
Jul-23	(629)	(42,140)
Aug-23	(629)	(41,511)
Sep-23	(629)	(40,882)
Oct-23	(629)	(40,253)
Nov-23	(629)	(39,624)
Dec-23	(629)	(38,995)
Jan-24	(629)	(38,366)
Feb-24	(629)	(37,737)

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

The inclusion of this unamortized utility acquisition adjustment in original cost rate base was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2018-3000019. The amortization period began March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends February 28, 2029.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
UTILITY PLANT ACQUISITION ADJUSTMENT  
LINCOLN ESTATES MOBILE HOME PARK  
AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Acquisition Costs	69,772
Less Depreciated Original Cost of Waterworks Property and Rights	146,957
Acquisition Adjustment Subject to Amortization	(77,185)

This amortization was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2018-3000019. The amortization period began March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends February 28, 2029.

Amortization During the Period 03-01-19 Through December 31, 2022	(29,588)
Unamortized Acquisition Adjustment As Of December 31, 2022	(47,597)

	<u>Amortization</u>	<u>Unamortized Balance</u>
Jan-23	(643)	(46,954)
Feb-23	(643)	(46,311)
Mar-23	(643)	(45,668)
Apr-23	(643)	(45,025)
May-23	(643)	(44,381)
Jun-23	(643)	(43,738)
Jul-23	(643)	(43,095)
Aug-23	(643)	(42,452)
Sep-23	(643)	(41,809)
Oct-23	(643)	(41,165)
Nov-23	(643)	(40,522)
Dec-23	(643)	(39,879)
Jan-24	(643)	(39,236)
Feb-24	(643)	(38,593)

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

The inclusion of this unamortized utility acquisition adjustment in original cost rate base was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2018-3000019. The amortization period began March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends February 28, 2029.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
UTILITY PLANT ACQUISITION ADJUSTMENT  
THE MEADOWS  
AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Acquisition Costs	62,960
Less Depreciated Original Cost of Waterworks Property and Rights	221,778
Acquisition Adjustment Subject to Amortization	(158,818)
<p>This amortization was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2018-3000019. The amortization period began March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends February 28, 2029.</p>	
Amortization During the Period 03-01-19 Through December 31, 2022	(60,880)
Unamortized Acquisition Adjustment As Of December 31, 2022	(97,938)

	<u>Amortization</u>	<u>Unamortized Balance</u>
Jan-23	(1,323)	(96,614)
Feb-23	(1,323)	(95,291)
Mar-23	(1,323)	(93,967)
Apr-23	(1,323)	(92,644)
May-23	(1,323)	(91,320)
Jun-23	(1,323)	(89,997)
Jul-23	(1,323)	(88,673)
Aug-23	(1,323)	(87,350)
Sep-23	(1,323)	(86,026)
Oct-23	(1,323)	(84,703)
Nov-23	(1,323)	(83,379)
Dec-23	(1,323)	(82,056)
Jan-24	(1,323)	(80,732)
Feb-24	(1,323)	(79,409)

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

The inclusion of this unamortized utility acquisition adjustment in original cost rate base was specifically approved by the Commission in accordance with the Settlement Agreement under Docket No. R-2018-3000019. The amortization period began March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends February 28, 2029.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
UTILITY PLANT ACQUISITION ADJUSTMENT  
WRIGHTSVILLE BOROUGH MUNICIPAL AUTHORITY  
AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Acquisition Costs	113,113
Less Depreciated Original Cost of Waterworks Property and Rights	45,227
Acquisition Adjustment Subject to Amortization as of December 31, 2022	67,886
Projected Amortization During the Period 01-01-23 Through February 29, 2024	

	<u>Amortization</u>	<u>Unamortized Balance</u>
Jan-23	566	67,320
Feb-23	566	66,755
Mar-23	566	66,189
Apr-23	566	65,623
May-23	566	65,057
Jun-23	566	64,492
Jul-23	566	63,926
Aug-23	566	63,360
Sep-23	566	62,795
Oct-23	566	62,229
Nov-23	566	61,663
Dec-23	566	61,097
Jan-24	566	60,532
Feb-24	566	59,966

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 TAXES ON DEPOSITS FOR CONSTRUCTION AND CUSTOMER ADVANCES  
 AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Taxes on Deposits for Construction and Customer Advances at December 31, 2021		1,525,613
Depreciation on Projects for the period ending December 31, 2022 at 4%	(211,215)	
State Income Tax Deduction at 9.99%	(21,100)	
Federal Income Tax Deduction at 21%	(39,924)	
Tax Deduction on Deposits for Construction and Customer Advances at December 31, 2022		(61,025)
Net Taxes on Deposits for Construction and Customer Advances at December 31, 2022		1,464,588
Depreciation on Projects for the period ending February 29, 2024 at 4%	(211,215)	
State Income Tax Deduction at 9.99%	(21,100)	
Federal Income Tax Deduction at 21%	(39,924)	
Tax Deduction on Deposits for Construction and Customer Advances at February 29, 2024		(61,025)
Net Taxes on Deposits for Construction and Customer Advances at February 29, 2024		1,403,563

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CONSTRUCTION WORK IN PROGRESS AS OF FEBRUARY 29, 2024

53.53 V. Valuation

D. Water and Wastewater Utilities

2. If a claim is made for construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion dates and estimated total amounts to be spent on each project. (This exhibit should be updated at the conclusion of these proceedings.)

Response: The Company is not making a claim for construction work in progress.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NON-REVENUE PRODUCING CONSTRUCTION WORK IN PROGRESS AS OF FEBRUARY 29, 2024

53.53 V. Valuation

D. Water and Wastewater Utilities

3. If a claim for non-revenue producing construction work in progress, include in the form of an exhibit the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion dates and estimate total amounts to be spend on each project. (This exhibit should be updated at the conclusion of these proceedings.)

Response: The Company is not making a claim for non-revenue producing construction work in progress.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PLANT HELD FOR FUTURE USE

53.53 V. Valuation

D. Water and Wastewater Utilities

4. If a claim is made for plant held for future use, supply the following:

- a. A brief description of the plant or land site and its original cost.
- b. Expected date of use for each item claimed.
- c. Explanation as to why it is necessary to acquire each item in advance of its date of use.
- d. Date when each item was acquired.
- e. Date when each item was placed in the plant held for future use account.

Response: The Company is not making a claim for plant held for future use.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
WORKING CAPITAL - FUEL STOCKS

53.53 V. Valuation

D. Water and Wastewater Utilities

5 If fuel stocks comprise part of the cash working capital claim, provide an exhibit showing the actual book balances (quantity and price) for the fuel inventories by type of fuel for the thirteen months prior to the end of the test year by location, station, etc. (Explain the method of determining claim if other than that described above.)

Response:

Year	Period	Quantity (Gallons)	#2 Fuel Oil		Quantity (Gallons)	Gasoline	
			Unit Price (a)	Amount (b)		Unit Price (a)	Amount (b)
2020	December	19778.7	2.01	39768	5615.0	2.08	11662
2021	January	19073.6	2.01	38351	323.3	2.08	672
	February	25709.5	1.96	50310	5481.8	2.40	13145
	March	24884.2	1.96	48695	7711.4	2.68	20657
	April	24223.5	1.96	47402	2166.4	2.68	5803
	May	23795	1.96	46563	4867.3	2.84	13809
	June	23730.1	1.96	46436	7505.5	2.77	20805
	July	20707.7	1.96	40522	1586.8	2.77	4399
	August	18977.3	1.96	37136	3770.6	2.97	11187
	September	18405	1.96	36016	2480.4	3.01	7464
	October	17590	1.96	34421	5331.6	3.15	16805
	November	16850.0	1.96	32973	8179.0	3.27	26704
	December	23748.8	1.96	46473	1217.0	3.27	3974

(a) Based on average unit price for gallons of fuel oil and gasoline on hand at each month-end.

(b) Total fuel oil and gasoline amounts are charged on the books in Account No. 15100001 Plant Materials and is included in the thirteen-month average balance of materials and supplies shown on Exhibit No. FV-11 and included in the measure of value on Exhibit No. FV-1.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
MEASURE OF VALUE

53.53 V. Valuation

D. Water and Wastewater Utilities

6. Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not previously mentioned, in the measures of value.

Response: The Company has not included any items in the measures of value not detailed in an exhibit or described in testimony.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CASH WORKING CAPITAL

53.53 V. Valuation

D. Water and Wastewater Utilities

7. Provide schedules and data in support of the following working capital items:

- a. Prepayments-list and identify all items.
- b. Federal income tax accrued or prepaid.
- c. Pa. state income tax accrued or prepaid.
- d. Pa. capital stock tax accrued or prepaid.
- e. Pa. public utility realty tax accrued or prepaid.
- f. Payroll taxes accrued or prepaid.
- g. Any adjustments related to the above items for ratemaking purposes.

Response: Refer to Exhibit No. FV-8-4 for a schedule and data in support of prepaid Public Utility Commission assessment, Office of Consumer Advocate assessment, Office of Small Business Advocate assessment and Damage Prevention Control assessment included in the Company's claim for cash working capital.

Refer to Exhibit Nos. FV-8-1(d), FV-8-1(e) and FV-8-1(f) for a schedule and data in support of payroll taxes, taxes other than income taxes and income taxes included in the Company's claim for cash working capital.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CASH WORKING CAPITAL REQUIREMENT FOR TWELVE MONTHS ENDING DECEMBER 31, 2022

53.53 V. Valuation

D. Water and Wastewater Utilities

8. Supply an exhibit supporting the claim for cash working capital requirement based on the lead-lag method.

Description (1)	Amount (2)
Pro Forma Operating Expenses and Taxes Less Uncollectible Accounts and Amortized Expenses	23,846,419
Average Daily Operating Expenses 23,846,419 / 365	65,333
Cash Working Capital Requirement 65,333 x 52.7 days	3,440,197
Prepaid PUC, OCA, SBA and DPC Assessments	162,289
Builders Deposits and Water Revenues Paid In Advance	(263,818)
Interest Adjustment	(374,064)
Cash Working Capital	2,964,604

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CASH WORKING CAPITAL REQUIREMENT FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

53.53 V. Valuation

D. Water and Wastewater Utilities

8. Supply an exhibit supporting the claim for cash working capital requirement based on the lead-lag method.

Description (1)	Amount (2)
Pro Forma Operating Expenses and Taxes Less Uncollectible Accounts and Amortized Expenses	24,826,410
Average Daily Operating Expenses 24,826,410 / 365	68,018
Cash Working Capital Requirement 68,018 x 53.3 days	3,623,867
Prepaid PUC, OCA, SBA and DPC Assessments	163,435
Builders Deposits and Water Revenues Paid In Advance	(263,818)
Interest Adjustment	(452,527)
Cash Working Capital	3,070,957

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CASH WORKING CAPITAL REQUIREMENT  
LAG RELATIONSHIP BETWEEN OPERATING REVENUES AND  
OPERATING EXPENSES AND TAXES FOR TWELVE MONTHS ENDING DECEMBER 31, 2022

Item (1)	Amount (2)	Number of Days Lag (3)	Dollar Days (4)=(2)*(3)	Weighted Average Lag Days (5)
Pro Forma Operating Revenues Under Existing Rates (Sales of Water)				
Metered Repumped Residential	23,581,027	53.7	1,267,388,128	
Metered Gravity Residential	10,505,040	52.5	551,911,265	
Metered Repumped Commercial	6,772,394	53.7	363,989,749	
Metered Gravity Commercial	3,704,684	52.5	194,635,825	
Metered Repumped Industrial	3,013,074	53.7	161,940,948	
Metered Gravity Industrial	1,062,017	52.5	55,795,990	
Private Fire Service	1,950,142	53.7	104,812,540	
Public Fire Service	1,382,106	52.5	72,612,742	
<b>Total Pro Forma Sales of Water</b>	<b>51,970,485</b>		<b>2,773,087,188</b>	
Revenue Weighted Average Lag Days in Receipt of Revenues				53.4
Pro Forma Operating Expenses and Taxes Under Existing Rates Less Bad Debts and Amortized Expenses				
Payroll (a)	9,108,208	7.0	63,757,458	
Payroll (Payroll Tax Withholding) (c)	742,305	13.7	10,191,450	
Power Purchased (b)	1,171,058	26.6	31,199,859	
Insurance (b)	2,777,529	-74.3	(206,273,881)	
Other Goods and Services (b)	8,624,637	18.1	156,307,044	
Payroll Taxes (c)	722,550	13.7	9,920,223	
Other Taxes (d)	627,660	-80.5	(50,504,307)	
Income Taxes (e)	72,471	29.6	2,148,743	
<b>Total Pro Forma Operating Expenses and Taxes Less Bad Debts and Amortized Expenses</b>	<b>23,846,419</b>		<b>16,746,589</b>	
Expense Weighted Average Lag Days in Payment of Expenses				0.7

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CASH WORKING CAPITAL REQUIREMENT  
LAG RELATIONSHIP BETWEEN OPERATING REVENUES AND  
OPERATING EXPENSES AND TAXES FOR TWELVE MONTHS ENDING DECEMBER 31, 2022

Item (1)	Amount (2)	Number of Days Lag (3)	Dollar Days (4)=(2)*(3)	Weighted Average Lag Days (5)
Net Lag Days (Difference Between Weighted Average Lag Days in Receipt of Revenues and Weighted Average Lag Days in Payment of Expenses)				52.7
(a) Midpoint of payroll period to payday				7.0 days lag
(b) Based on an analysis of invoices paid during the period January 1, 2021 through December 31, 2021 (Refer to Exhibit Nos. FV-8-1(a), FV-8-1(b) and FV-8-1(c).				
(c) Based on an analysis of invoices paid during the period January 1, 2021 through December 31, 2021 (Refer to Exhibit Nos.FV-8-1(d).				
(d) Based on an analysis of invoices paid during the period January 1, 2021 through December 31, 2021 (Refer to Exhibit Nos. FV-8-1(e).				
(e) Based on an analysis of invoices paid during the period January 1, 2021 through December 31, 2021 (Refer to Exhibit Nos. FV-8-1(f).				

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CASH WORKING CAPITAL REQUIREMENT  
LAG RELATIONSHIP BETWEEN OPERATING REVENUES AND  
OPERATING EXPENSES AND TAXES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Item (1)	Amount (2)	Number of Days Lag (3)	Dollar Days (4)=(2)*(3)	Weighted Average Lag Days (5)
Pro Forma Operating Revenues Under Existing Rates (Sales of Water)				
Metered Repumped Residential	24,687,304	53.7	1,326,846,198	
Metered Gravity Residential	9,781,992	52.5	513,923,951	
Metered Repumped Commercial	6,957,041	53.7	373,913,784	
Metered Gravity Commercial	3,610,022	52.5	189,662,486	
Metered Repumped Industrial	3,223,353	53.7	173,242,655	
Metered Gravity Industrial	851,750	52.5	44,749,062	
Private Fire Service	2,019,336	53.7	108,531,425	
Public Fire Service	1,392,525	52.5	73,160,123	
 Total Pro Forma Sales of Water	 52,523,324		 2,804,029,684	
 Revenue Weighted Average Lag Days in Receipt of Revenues				 53.4
Pro Forma Operating Expenses and Taxes Under Existing Rates Less Bad Debts and Amortized Expenses				
Payroll (a)	9,566,865	7.0	66,968,052	
Payroll (Payroll Tax Withholding) (c)	778,883	13.7	10,693,648	
Power Purchased (b)	1,171,058	26.6	31,199,859	
Insurance (b)	3,054,688	-74.3	(226,857,140)	
Other Goods and Services (b)	8,875,920	18.1	160,861,134	
Payroll Taxes (c)	751,377	13.7	10,316,000	
Other Taxes (d)	627,618	-80.5	(50,500,939)	
Income Taxes (e)	-	29.6	-	
 Total Pro Forma Operating Expenses and Taxes Less Bad Debts and Amortized Expenses	 24,826,410		 2,680,613	
 Expense Weighted Average Lag Days in Payment of Expenses				 0.1



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CASH WORKING CAPITAL REQUIREMENT  
LAG RELATIONSHIP BETWEEN OPERATING REVENUES AND  
OPERATING EXPENSES AND TAXES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Item (1)	Amount (2)	Number of Days Lag (3)	Dollar Days (4)=(2)*(3)	Weighted Average Lag Days (5)
Net Lag Days (Difference Between Weighted Average Lag Days in Receipt of Revenues and Weighted Average Lag Days in Payment of Expenses)				53.3
(a) Midpoint of payroll period to payday				7.0 days lag
(b) Based on an analysis of invoices paid during the period January 1, 2021 through December 31, 2021 (Refer to Exhibit Nos. FV-8-1(a), FV-8-1(b) and FV-8-1(c).				
(c) Based on an analysis of invoices paid during the period January 1, 2021 through December 31, 2021 (Refer to Exhibit Nos.FV-8-1(d).				
(d) Based on an analysis of invoices paid during the period January 1, 2021 through December 31, 2021 (Refer to Exhibit Nos. FV-8-1(e).				
(e) Based on an analysis of invoices paid during the period January 1, 2021 through December 31, 2021 (Refer to Exhibit Nos. FV-8-1(f).				

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2)				
		/2				

PREMISE 2260826  
 FILTER PLANT GATE (GS-SMALL)

04-Dec-20	05-Jan-21	20-Dec-20	21-Jan-21	32.0	41.16	1317
06-Jan-21	03-Feb-21	20-Jan-21	17-Feb-21	28.0	35.80	1002
04-Feb-21	04-Mar-21	18-Feb-21	11-Mar-21	21.0	34.89	733
05-Mar-21	05-Apr-21	20-Mar-21	15-Apr-21	25.5	35.41	903
06-Apr-21	05-May-21	20-Apr-21	13-May-21	22.5	33.75	759
06-May-21	06-Jun-21	21-May-21	17-Jun-21	26.5	33.80	896
07-Jun-21	06-Jul-21	21-Jun-21	15-Jul-21	23.5	32.64	767
07-Jul-21	04-Aug-21	21-Jul-21	12-Aug-21	22.0	32.38	712
05-Aug-21	06-Sep-21	21-Aug-21	16-Sep-21	26.0	35.42	921
07-Sep-21	05-Oct-21	21-Sep-21	14-Oct-21	23.0	34.39	791
06-Oct-21	03-Nov-21	20-Oct-21	11-Nov-21	22.0	35.48	781
04-Nov-21	05-Dec-21	19-Nov-21	16-Dec-21	26.5	37.94	1005

PREMISE 2438563  
 YORKANA TANK (GS-SMALL)

23-Dec-20	24-Jan-21	08-Jan-21	04-Feb-21	27.0	242.78	6555
25-Jan-21	23-Feb-21	08-Feb-21	04-Mar-21	23.5	222.25	5223
24-Feb-21	25-Mar-21	10-Mar-21	01-Apr-21	21.5	161.36	3469
26-Mar-21	25-Apr-21	10-Apr-21	06-May-21	26.0	40.83	1062
26-Apr-21	25-May-21	10-May-21	03-Jun-21	23.5	27.62	649
26-May-21	23-Jun-21	09-Jun-21	01-Jul-21	22.0	27.57	606
24-Jun-21	26-Jul-21	10-Jul-21	05-Aug-21	26.0	27.88	725
27-Jul-21	24-Aug-21	10-Aug-21	02-Sep-21	23.0	27.54	633
25-Aug-21	23-Sep-21	08-Sep-21	30-Sep-21	21.5	27.72	596
24-Sep-21	25-Oct-21	09-Oct-21	04-Nov-21	25.5	28.27	721
26-Oct-21	23-Nov-21	09-Nov-21	02-Dec-21	23.0	28.82	663
24-Nov-21	22-Dec-21	08-Dec-21	06-Jan-22	29.0	27.93	810

THE YORK WATER COMPANY  
 POWER PURCHASED LAG  
 TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No. FV-8-1(a)  
 Page 2 of 29  
 Witness: D E Coppersmith

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2367995  
 ROCKY RIDGE TANK (GS-SMALL)

21-Dec-20	20-Jan-21	05-Jan-21	04-Feb-21	30.0	31.81	954
21-Jan-21	18-Feb-21	04-Feb-21	04-Mar-21	28.0	21.14	592
19-Feb-21	22-Mar-21	06-Mar-21	01-Apr-21	25.5	59.27	1511
23-Mar-21	21-Apr-21	06-Apr-21	29-Apr-21	22.5	31.84	716
22-Apr-21	23-May-21	07-May-21	03-Jun-21	26.5	21.41	567
24-May-21	21-Jun-21	07-Jun-21	01-Jul-21	24.0	21.15	508
22-Jun-21	21-Jul-21	06-Jul-21	05-Aug-21	29.5	21.23	626
22-Jul-21	22-Aug-21	06-Aug-21	02-Sep-21	26.5	21.39	567
23-Aug-21	21-Sep-21	06-Sep-21	30-Sep-21	23.5	21.64	509
22-Sep-21	20-Oct-21	06-Oct-21	28-Oct-21	22.0	21.37	470
21-Oct-21	21-Nov-21	05-Nov-21	02-Dec-21	26.5	35.06	929
22-Nov-21	20-Dec-21	06-Dec-21	29-Dec-21	23.0	62.12	1429

PREMISE 3114615  
 JEFFERSON VAULT (GS-SMALL)

30-Dec-20	28-Jan-21	13-Jan-21	11-Feb-21	28.5	21.46	612
29-Jan-21	28-Feb-21	13-Feb-21	04-Mar-21	19.0	21.14	402
01-Mar-21	30-Mar-21	15-Mar-21	08-Apr-21	23.5	24.64	579
31-Mar-21	28-Apr-21	14-Apr-21	06-May-21	22.0	21.15	465
29-Apr-21	31-May-21	15-May-21	10-Jun-21	26.0	21.41	557
01-Jun-21	29-Jun-21	15-Jun-21	08-Jul-21	23.0	21.23	488
30-Jun-21	29-Jul-21	14-Jul-21	05-Aug-21	21.5	21.31	458
30-Jul-21	30-Aug-21	14-Aug-21	09-Sep-21	25.5	21.39	545
31-Aug-21	29-Sep-21	14-Sep-21	07-Oct-21	22.5	21.55	485
30-Sep-21	28-Oct-21	14-Oct-21	11-Nov-21	28.0	21.46	601
29-Oct-21	29-Nov-21	13-Nov-21	09-Dec-21	25.5	26.87	685
30-Nov-21	29-Dec-21	14-Dec-21	06-Jan-22	22.5	20.98	472

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2129970  
 CRESTLYN DR SPRY TANK (GS-SMALL)

30-Dec-20	28-Jan-21	13-Jan-21	11-Feb-21	28.5	63.31	1804
29-Jan-21	28-Feb-21	13-Feb-21	04-Mar-21	19.0	99.90	1898
01-Mar-21	30-Mar-21	15-Mar-21	08-Apr-21	23.5	86.98	2044
31-Mar-21	28-Apr-21	14-Apr-21	06-May-21	22.0	21.42	471
29-Apr-21	31-May-21	15-May-21	10-Jun-21	26.0	21.85	568
01-Jun-21	29-Jun-21	15-Jun-21	08-Jul-21	23.0	21.82	502
30-Jun-21	29-Jul-21	14-Jul-21	05-Aug-21	21.5	22.07	474
30-Jul-21	30-Aug-21	14-Aug-21	09-Sep-21	25.5	22.25	567
31-Aug-21	29-Sep-21	14-Sep-21	07-Oct-21	22.5	21.97	494
30-Sep-21	28-Oct-21	14-Oct-21	11-Nov-21	28.0	21.38	599
29-Oct-21	29-Nov-21	13-Nov-21	09-Dec-21	25.5	22.06	563
30-Nov-21	29-Dec-21	14-Dec-21	06-Jan-22	22.5	21.56	485

PREMISE 2130178  
 VIREO ROAD TANK (GS-SMALL)

30-Dec-20	28-Jan-21	13-Jan-21	11-Feb-21	28.5	21.28	606
29-Jan-21	28-Feb-21	13-Feb-21	04-Mar-21	19.0	21.41	407
01-Mar-21	30-Mar-21	15-Mar-21	08-Apr-21	23.5	21.15	497
31-Mar-21	28-Apr-21	14-Apr-21	06-May-21	22.0	21.33	469
29-Apr-21	31-May-21	15-May-21	10-Jun-21	26.0	21.41	557
01-Jun-21	29-Jun-21	15-Jun-21	08-Jul-21	23.0	21.14	486
30-Jun-21	29-Jul-21	14-Jul-21	05-Aug-21	21.5	21.23	456
30-Jul-21	30-Aug-21	14-Aug-21	09-Sep-21	25.5	21.47	547
31-Aug-21	29-Sep-21	14-Sep-21	07-Oct-21	22.5	22.81	513
30-Sep-21	28-Oct-21	14-Oct-21	11-Nov-21	28.0	33.54	939
29-Oct-21	29-Nov-21	13-Nov-21	09-Dec-21	25.5	21.63	552
30-Nov-21	29-Dec-21	14-Dec-21	06-Jan-22	22.5	20.80	468

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2344942  
 PLEASUREVILLE TANK (GS-SMALL)

21-Dec-20	20-Jan-21	05-Jan-21	04-Feb-21	30.0	108.47	3254
21-Jan-21	18-Feb-21	04-Feb-21	04-Mar-21	28.0	102.28	2864
19-Feb-21	22-Mar-21	06-Mar-21	01-Apr-21	25.5	111.32	2839
23-Mar-21	21-Apr-21	06-Apr-21	29-Apr-21	22.5	42.37	953
22-Apr-21	23-May-21	07-May-21	03-Jun-21	26.5	21.23	563
24-May-21	21-Jun-21	07-Jun-21	01-Jul-21	24.0	21.08	506
22-Jun-21	21-Jul-21	06-Jul-21	05-Aug-21	29.5	21.23	626
22-Jul-21	22-Aug-21	06-Aug-21	02-Sep-21	26.5	21.05	558
23-Aug-21	21-Sep-21	06-Sep-21	30-Sep-21	23.5	21.14	497
22-Sep-21	20-Oct-21	06-Oct-21	28-Oct-21	22.0	21.29	468
21-Oct-21	21-Nov-21	05-Nov-21	02-Dec-21	26.5	42.25	1120
22-Nov-21	20-Dec-21	06-Dec-21	29-Dec-21	23.0	68.04	1565

PREMISE 2156006  
 IMPOUNDMENT BUILDINGS (GS-SMALL)

04-Dec-20	05-Jan-21	20-Dec-20	21-Jan-21	32.0	36.30	1162
06-Jan-21	03-Feb-21	20-Jan-21	17-Feb-21	28.0	34.86	976
04-Feb-21	04-Mar-21	18-Feb-21	11-Mar-21	21.0	35.79	752
05-Mar-21	05-Apr-21	20-Mar-21	15-Apr-21	25.5	30.93	789
06-Apr-21	05-May-21	20-Apr-21	13-May-21	22.5	27.50	619
06-May-21	06-Jun-21	21-May-21	17-Jun-21	26.5	26.46	701
07-Jun-21	06-Jul-21	21-Jun-21	15-Jul-21	23.5	26.14	614
07-Jul-21	04-Aug-21	21-Jul-21	12-Aug-21	22.0	25.28	556
05-Aug-21	06-Sep-21	21-Aug-21	16-Sep-21	26.0	26.41	687
07-Sep-21	05-Oct-21	21-Sep-21	14-Oct-21	23.0	35.85	825
06-Oct-21	03-Nov-21	20-Oct-21	11-Nov-21	22.0	28.59	629
04-Nov-21	05-Dec-21	19-Nov-21	16-Dec-21	26.5	32.76	868

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2) /2				

PREMISE 2434298  
 LOGANVILLE TANK (GS-SMALL)

04-Dec-20	05-Jan-21	20-Dec-20	21-Jan-21	32.0	79.32	2538
06-Jan-21	03-Feb-21	20-Jan-21	17-Feb-21	28.0	69.15	1936
04-Feb-21	04-Mar-21	18-Feb-21	11-Mar-21	21.0	75.12	1578
05-Mar-21	05-Apr-21	20-Mar-21	15-Apr-21	25.5	59.56	1519
06-Apr-21	05-May-21	20-Apr-21	13-May-21	22.5	29.55	665
06-May-21	06-Jun-21	21-May-21	17-Jun-21	26.5	30.16	799
07-Jun-21	06-Jul-21	21-Jun-21	15-Jul-21	23.5	29.56	695
07-Jul-21	04-Aug-21	21-Jul-21	12-Aug-21	22.0	29.22	643
05-Aug-21	06-Sep-21	21-Aug-21	16-Sep-21	26.0	30.66	797
07-Sep-21	05-Oct-21	21-Sep-21	14-Oct-21	23.0	29.68	683
06-Oct-21	03-Nov-21	20-Oct-21	11-Nov-21	22.0	29.68	653
04-Nov-21	05-Dec-21	19-Nov-21	16-Dec-21	26.5	39.07	1035

PREMISE 2061151  
 WEST MANCHESTER TANK (GS-SMALL)

09-Dec-20	10-Jan-21	25-Dec-20	21-Jan-21	27.0	26.21	708
11-Jan-21	08-Feb-21	25-Jan-21	25-Feb-21	31.0	24.00	744
09-Feb-21	09-Mar-21	23-Feb-21	18-Mar-21	23.0	23.92	550
10-Mar-21	11-Apr-21	26-Mar-21	22-Apr-21	27.0	24.70	667
12-Apr-21	10-May-21	26-Apr-21	20-May-21	24.0	24.28	583
11-May-21	09-Jun-21	25-May-21	17-Jun-21	22.5	25.79	580
10-Jun-21	11-Jul-21	25-Jun-21	22-Jul-21	26.5	25.82	684
12-Jul-21	09-Aug-21	26-Jul-21	19-Aug-21	24.0	23.37	561
10-Aug-21	09-Sep-21	25-Aug-21	23-Sep-21	29.0	23.82	691
10-Sep-21	10-Oct-21	25-Sep-21	21-Oct-21	26.0	23.98	624
11-Oct-21	09-Nov-21	25-Oct-21	18-Nov-21	23.5	23.89	561
10-Nov-21	08-Dec-21	24-Nov-21	16-Dec-21	22.0	23.89	526

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2022368  
 JEFFERSON TANK (GS-SMALL)

30-Dec-20	28-Jan-21	13-Jan-21	11-Feb-21	28.5	47.31	1348
29-Jan-21	28-Feb-21	13-Feb-21	04-Mar-21	19.0	47.58	904
01-Mar-21	30-Mar-21	15-Mar-21	08-Apr-21	23.5	30.20	710
31-Mar-21	28-Apr-21	14-Apr-21	06-May-21	22.0	21.15	465
29-Apr-21	31-May-21	15-May-21	10-Jun-21	26.0	21.33	555
01-Jun-21	29-Jun-21	15-Jun-21	08-Jul-21	23.0	21.14	486
30-Jun-21	29-Jul-21	14-Jul-21	05-Aug-21	21.5	21.14	454
30-Jul-21	29-Aug-21	14-Aug-21	09-Sep-21	26.0	21.56	561
30-Aug-21	29-Sep-21	14-Sep-21	07-Oct-21	23.0	21.96	505
30-Sep-21	28-Oct-21	14-Oct-21	11-Nov-21	28.0	21.88	613
29-Oct-21	29-Nov-21	13-Nov-21	09-Dec-21	25.5	35.92	916
30-Nov-21	29-Dec-21	14-Dec-21	06-Jan-22	22.5	45.27	1018

PREMISE 2429846  
 MANCHESTER TANK (GS-MEDIUM)

20-Dec-20	19-Jan-21	04-Jan-21	28-Jan-21	24.0	294.30	7063
20-Jan-21	17-Feb-21	03-Feb-21	04-Mar-21	29.0	301.66	8748
18-Feb-21	21-Mar-21	05-Mar-21	01-Apr-21	26.5	332.08	8800
22-Mar-21	20-Apr-21	05-Apr-21	29-Apr-21	23.5	175.35	4121
21-Apr-21	20-May-21	05-May-21	27-May-21	21.5	110.29	2371
21-May-21	20-Jun-21	05-Jun-21	01-Jul-21	26.0	131.43	3417
21-Jun-21	20-Jul-21	05-Jul-21	05-Aug-21	30.5	143.19	4367
21-Jul-21	19-Aug-21	04-Aug-21	02-Sep-21	28.5	143.37	4086
20-Aug-21	20-Sep-21	04-Sep-21	30-Sep-21	25.5	151.21	3856
21-Sep-21	19-Oct-21	05-Oct-21	28-Oct-21	23.0	122.82	2825
20-Oct-21	18-Nov-21	03-Nov-21	02-Dec-21	28.5	190.80	5438
19-Nov-21	19-Dec-21	04-Dec-21	29-Dec-21	25.0	313.61	7840

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2) /2				

PREMISE 2301487  
 COOL CREEK RD (GS-SMALL)

23-Dec-20	24-Jan-21	08-Jan-21	04-Feb-21	27.0	123.80	3343
25-Jan-21	23-Feb-21	08-Feb-21	04-Mar-21	23.5	125.35	2946
24-Feb-21	25-Mar-21	10-Mar-21	01-Apr-21	21.5	103.39	2223
26-Mar-21	25-Apr-21	10-Apr-21	06-May-21	26.0	77.99	2028
26-Apr-21	25-May-21	10-May-21	03-Jun-21	23.5	66.31	1558
26-May-21	23-Jun-21	09-Jun-21	01-Jul-21	22.0	25.13	553
24-Jun-21	26-Jul-21	10-Jul-21	05-Aug-21	26.0	25.54	664
27-Jul-21	24-Aug-21	10-Aug-21	02-Sep-21	23.0	25.47	586
25-Aug-21	23-Sep-21	08-Sep-21	30-Sep-21	21.5	26.04	560
24-Sep-21	25-Oct-21	09-Oct-21	04-Nov-21	25.5	27.38	698
26-Oct-21	23-Nov-21	09-Nov-21	02-Dec-21	23.0	97.18	2235
24-Nov-21	22-Dec-21	08-Dec-21	06-Jan-22	29.0	39.72	1152

PREMISE 2152468  
 FLORIDA AVE PUMP HOUSE (GS-SMALL)

14-Dec-20	13-Jan-21	29-Dec-20	28-Jan-21	30.0	113.68	3410
14-Jan-21	11-Feb-21	28-Jan-21	25-Feb-21	28.0	107.92	3022
12-Feb-21	15-Mar-21	27-Feb-21	25-Mar-21	25.5	119.50	3047
16-Mar-21	14-Apr-21	30-Mar-21	22-Apr-21	22.5	111.32	2505
15-Apr-21	16-May-21	30-Apr-21	27-May-21	26.5	122.15	3237
17-May-21	14-Jun-21	31-May-21	24-Jun-21	24.0	113.56	2725
15-Jun-21	14-Jul-21	29-Jun-21	29-Jul-21	29.5	116.25	3429
15-Jul-21	15-Aug-21	30-Jul-21	26-Aug-21	26.5	121.94	3231
16-Aug-21	14-Sep-21	30-Aug-21	23-Sep-21	23.5	113.48	2667
15-Sep-21	13-Oct-21	29-Sep-21	21-Oct-21	22.0	112.51	2475
14-Oct-21	14-Nov-21	29-Oct-21	18-Nov-21	19.5	126.92	2475
15-Nov-21	13-Dec-21	29-Nov-21	29-Dec-21	30.0	118.15	3545



Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2) /2				

PREMISE 6289483  
 BRICKYARD TANK (GS-SMALL)

18-Dec-20	19-Jan-21	03-Jan-21	28-Jan-21	25.0	26.64	666
20-Jan-21	17-Feb-21	03-Feb-21	04-Mar-21	29.0	24.45	709
18-Feb-21	21-Mar-21	05-Mar-21	01-Apr-21	26.5	25.01	663
22-Mar-21	20-Apr-21	05-Apr-21	29-Apr-21	23.5	24.13	567
21-Apr-21	20-May-21	05-May-21	27-May-21	21.5	24.01	516
21-May-21	20-Jun-21	05-Jun-21	01-Jul-21	26.0	26.26	683
21-Jun-21	20-Jul-21	05-Jul-21	05-Aug-21	30.5	39.41	1202
21-Jul-21	19-Aug-21	04-Aug-21	02-Sep-21	28.5	23.88	681
20-Aug-21	20-Sep-21	04-Sep-21	30-Sep-21	25.5	23.65	603
21-Sep-21	19-Oct-21	05-Oct-21	28-Oct-21	23.0	23.54	541
20-Oct-21	18-Nov-21	03-Nov-21	02-Dec-21	28.5	23.63	673
19-Nov-21	19-Dec-21	04-Dec-21	29-Dec-21	25.0	23.64	591

PREMISE 2327326  
 LEHMAN ROAD TANK (GS-SMALL)

29-Dec-20	26-Jan-21	12-Jan-21	04-Feb-21	23.0	215.47	4956
27-Jan-21	25-Feb-21	10-Feb-21	11-Mar-21	28.5	98.20	2799
26-Feb-21	29-Mar-21	13-Mar-21	08-Apr-21	25.5	108.37	2763
30-Mar-21	27-Apr-21	13-Apr-21	06-May-21	23.0	28.86	664
28-Apr-21	27-May-21	12-May-21	08-Jul-21	56.5	22.46	1269
28-May-21	28-Jun-21	12-Jun-21	08-Jul-21	25.5	23.11	589
29-Jun-21	28-Jul-21	13-Jul-21	05-Aug-21	22.5	22.54	507
29-Jul-21	29-Aug-21	13-Aug-21	02-Sep-21	19.5	22.54	440
30-Aug-21	28-Sep-21	13-Sep-21	07-Oct-21	23.5	22.37	526
29-Sep-21	27-Oct-21	13-Oct-21	04-Nov-21	22.0	22.62	498
28-Oct-21	28-Nov-21	12-Nov-21	09-Dec-21	26.5	22.62	599
29-Nov-21	28-Dec-21	13-Dec-21	06-Jan-22	23.5	22.62	532

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2)				
		/2				

PREMISE 2261895  
 SPRING GROVE TANK OLD HANOVER ROAD (GS-MEDIUM)

29-Dec-20	26-Jan-21	12-Jan-21	04-Feb-21	23.0	201.21	4628
27-Jan-21	25-Feb-21	10-Feb-21	11-Mar-21	28.5	91.01	2594
26-Feb-21	29-Mar-21	13-Mar-21	08-Apr-21	25.5	98.51	2512
30-Mar-21	27-Apr-21	13-Apr-21	06-May-21	23.0	32.98	759
28-Apr-21	27-May-21	12-May-21	08-Jul-21	56.5	28.04	1584
28-May-21	28-Jun-21	12-Jun-21	08-Jul-21	25.5	29.12	743
29-Jun-21	28-Jul-21	13-Jul-21	05-Aug-21	22.5	28.10	632
29-Jul-21	29-Aug-21	13-Aug-21	02-Sep-21	19.5	28.45	555
30-Aug-21	28-Sep-21	13-Sep-21	07-Oct-21	23.5	28.02	658
29-Sep-21	27-Oct-21	13-Oct-21	04-Nov-21	22.0	28.12	619
28-Oct-21	28-Nov-21	12-Nov-21	09-Dec-21	26.5	48.65	1289
29-Nov-21	28-Dec-21	13-Dec-21	06-Jan-22	23.5	126.91	2982

PREMISE 2156005  
 CONFERENCE CENTER (RSD)

04-Dec-20	05-Jan-21	20-Dec-20	21-Jan-21	32.0	162.95	5214
06-Jan-21	03-Feb-21	20-Jan-21	17-Feb-21	28.0	150.71	4220
04-Feb-21	04-Mar-21	18-Feb-21	11-Mar-21	21.0	147.51	3098
05-Mar-21	05-Apr-21	20-Mar-21	15-Apr-21	25.5	137.91	3517
06-Apr-21	05-May-21	20-Apr-21	13-May-21	22.5	123.07	2769
06-May-21	06-Jun-21	21-May-21	17-Jun-21	26.5	120.35	3189
07-Jun-21	06-Jul-21	21-Jun-21	15-Jul-21	23.5	126.09	2963
07-Jul-21	04-Aug-21	21-Jul-21	12-Aug-21	22.0	144.83	3186
05-Aug-21	06-Sep-21	21-Aug-21	16-Sep-21	26.0	180.29	4688
07-Sep-21	05-Oct-21	21-Sep-21	14-Oct-21	23.0	146.66	3373
06-Oct-21	03-Nov-21	20-Oct-21	18-Nov-21	29.0	132.66	3847
04-Nov-21	05-Dec-21	19-Nov-21	16-Dec-21	26.5	332.50	8811

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2) /2				

PREMISE 2156004  
 STORMWATER SUMP (GS-SMALL)

04-Dec-20	05-Jan-21	20-Dec-20	21-Jan-21	32.0	23.63	756
06-Jan-21	03-Feb-21	20-Jan-21	17-Feb-21	28.0	20.02	561
04-Feb-21	04-Mar-21	18-Feb-21	11-Mar-21	21.0	20.79	437
05-Mar-21	05-Apr-21	20-Mar-21	15-Apr-21	25.5	20.38	520
06-Apr-21	05-May-21	20-Apr-21	13-May-21	22.5	20.45	460
06-May-21	06-Jun-21	21-May-21	17-Jun-21	26.5	20.38	540
07-Jun-21	06-Jul-21	21-Jun-21	15-Jul-21	23.5	20.28	477
07-Jul-21	04-Aug-21	21-Jul-21	12-Aug-21	22.0	20.52	451
05-Aug-21	06-Sep-21	21-Aug-21	16-Sep-21	26.0	23.29	606
07-Sep-21	05-Oct-21	21-Sep-21	14-Oct-21	23.0	20.93	481
06-Oct-21	03-Nov-21	20-Oct-21	11-Nov-21	22.0	20.83	458
04-Nov-21	05-Dec-21	19-Nov-21	16-Dec-21	26.5	20.32	538

PREMISE 2018688  
 FARBROOK TANK (GS-SMALL)

18-Dec-20	19-Jan-21	03-Jan-21	28-Jan-21	25.0	28.11	703
20-Jan-21	17-Feb-21	03-Feb-21	04-Mar-21	29.0	25.73	746
18-Feb-21	21-Mar-21	05-Mar-21	01-Apr-21	26.5	26.55	704
22-Mar-21	20-Apr-21	05-Apr-21	29-Apr-21	23.5	25.82	607
21-Apr-21	20-May-21	05-May-21	27-May-21	21.5	25.65	551
21-May-21	20-Jun-21	05-Jun-21	01-Jul-21	26.0	25.96	675
21-Jun-21	20-Jul-21	05-Jul-21	05-Aug-21	30.5	25.62	781
21-Jul-21	19-Aug-21	04-Aug-21	02-Sep-21	28.5	25.71	733
20-Aug-21	20-Sep-21	04-Sep-21	30-Sep-21	25.5	26.10	666
21-Sep-21	19-Oct-21	05-Oct-21	28-Oct-21	23.0	25.86	595
20-Oct-21	18-Nov-21	03-Nov-21	02-Dec-21	28.5	25.97	740
19-Nov-21	19-Dec-21	04-Dec-21	29-Dec-21	25.0	26.30	658

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 5589038  
 ASPEN LN CAPE HORN TANK (GS-SMALL)

29-Dec-20	26-Jan-21	12-Jan-21	04-Feb-21	23.0	47.97	1103
27-Jan-21	25-Feb-21	10-Feb-21	11-Mar-21	28.5	21.07	600
26-Feb-21	29-Mar-21	13-Mar-21	08-Apr-21	25.5	22.14	565
30-Mar-21	27-Apr-21	13-Apr-21	06-May-21	23.0	21.91	504
28-Apr-21	27-May-21	12-May-21	08-Jul-21	56.5	22.08	1248
28-May-21	28-Jun-21	12-Jun-21	08-Jul-21	25.5	22.77	581
29-Jun-21	28-Jul-21	13-Jul-21	05-Aug-21	22.5	22.15	498
29-Jul-21	29-Aug-21	13-Aug-21	02-Sep-21	19.5	22.24	434
30-Aug-21	28-Sep-21	13-Sep-21	07-Oct-21	23.5	21.98	517
29-Sep-21	27-Oct-21	13-Oct-21	04-Nov-21	22.0	22.14	487
28-Oct-21	28-Nov-21	12-Nov-21	09-Dec-21	26.5	22.38	593
29-Nov-21	28-Dec-21	13-Dec-21	13-Jan-22	30.5	22.22	678

PREMISE 6374711  
 OAK STREET PUMPHOUSE (GS-SMALL)

28-Dec-20	26-Jan-21	11-Jan-21	04-Feb-21	23.5	116.53	2738
27-Jan-21	25-Feb-21	10-Feb-21	11-Mar-21	28.5	62.31	1776
26-Feb-21	29-Mar-21	13-Mar-21	08-Apr-21	25.5	52.32	1334
30-Mar-21	27-Apr-21	13-Apr-21	06-May-21	23.0	38.46	885
28-Apr-21	27-May-21	12-May-21	17-Jun-21	35.5	21.56	765
28-May-21	28-Jun-21	12-Jun-21	08-Jul-21	25.5	21.42	546
29-Jun-21	28-Jul-21	13-Jul-21	05-Aug-21	22.5	21.23	478
29-Jul-21	29-Aug-21	13-Aug-21	02-Sep-21	19.5	21.31	416
30-Aug-21	28-Sep-21	13-Sep-21	07-Oct-21	23.5	21.39	503
29-Sep-21	27-Oct-21	13-Oct-21	04-Nov-21	22.0	21.79	479
28-Oct-21	28-Nov-21	12-Nov-21	09-Dec-21	26.5	45.11	1195
29-Nov-21	28-Dec-21	13-Dec-21	06-Jan-22	23.5	61.01	1434

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2) /2				

PREMISE 2017130  
 SHUNK'S HILL/ WYNDHAM HILLS TANK (GS-SMALL)

04-Dec-20	05-Jan-21	20-Dec-20	21-Jan-21	32.0	114.80	3674
06-Jan-21	03-Feb-21	20-Jan-21	17-Feb-21	28.0	100.38	2811
04-Feb-21	04-Mar-21	18-Feb-21	11-Mar-21	21.0	100.30	2106
05-Mar-21	05-Apr-21	20-Mar-21	15-Apr-21	25.5	80.34	2049
06-Apr-21	05-May-21	20-Apr-21	13-May-21	22.5	22.23	500
06-May-21	06-Jun-21	21-May-21	24-Jun-21	33.5	22.34	748
07-Jun-21	05-Jul-21	21-Jun-21	29-Jul-21	38.0	21.99	836
06-Jul-21	04-Aug-21	20-Jul-21	12-Aug-21	22.5	21.98	495
05-Aug-21	06-Sep-21	21-Aug-21	16-Sep-21	26.0	22.51	585
07-Sep-21	05-Oct-21	21-Sep-21	14-Oct-21	23.0	22.56	519
06-Oct-21	03-Nov-21	20-Oct-21	11-Nov-21	22.0	22.73	500
04-Nov-21	05-Dec-21	19-Nov-21	16-Dec-21	26.5	90.27	2392

PREMISE 6295522  
 GREEN VALLEY PUMPHOUSE (GS-SMALL)

30-Dec-20	28-Jan-21	13-Jan-21	11-Feb-21	28.5	95.63	2725
29-Jan-21	28-Feb-21	13-Feb-21	04-Mar-21	19.0	107.02	2033
01-Mar-21	30-Mar-21	15-Mar-21	08-Apr-21	23.5	99.07	2328
31-Mar-21	28-Apr-21	14-Apr-21	06-May-21	22.0	73.02	1606
29-Apr-21	31-May-21	15-May-21	10-Jun-21	26.0	64.48	1676
01-Jun-21	29-Jun-21	15-Jun-21	08-Jul-21	23.0	48.79	1122
30-Jun-21	29-Jul-21	14-Jul-21	05-Aug-21	21.5	49.65	1067
30-Jul-21	30-Aug-21	14-Aug-21	09-Sep-21	25.5	51.12	1304
31-Aug-21	29-Sep-21	14-Sep-21	07-Oct-21	22.5	49.74	1119
30-Sep-21	28-Oct-21	14-Oct-21	11-Nov-21	28.0	49.47	1385
29-Oct-21	29-Nov-21	13-Nov-21	09-Dec-21	25.5	67.37	1718
30-Nov-21	29-Dec-21	14-Dec-21	06-Jan-22	22.5	64.18	1444

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2) /2				

PREMISE 6507701  
 2412 BALTIMORE PIKE TANK (GS-SMALL)

07-Dec-20	06-Jan-21	22-Dec-20	21-Jan-21	30.0	24.69	741
07-Jan-21	04-Feb-21	21-Jan-21	17-Feb-21	27.0	22.34	603
05-Feb-21	07-Mar-21	20-Feb-21	18-Mar-21	26.0	22.53	586
08-Mar-21	06-Apr-21	22-Mar-21	15-Apr-21	23.5	22.44	527
07-Apr-21	06-May-21	21-Apr-21	20-May-21	28.5	22.36	637
07-May-21	07-Jun-21	22-May-21	17-Jun-21	25.5	22.53	575
08-Jun-21	07-Jul-21	22-Jun-21	15-Jul-21	22.5	22.34	503
08-Jul-21	05-Aug-21	22-Jul-21	19-Aug-21	28.0	22.25	623
06-Aug-21	07-Sep-21	22-Aug-21	16-Sep-21	25.0	22.44	561
08-Sep-21	06-Oct-21	22-Sep-21	14-Oct-21	22.0	22.58	497
07-Oct-21	04-Nov-21	21-Oct-21	18-Nov-21	28.0	22.67	635
05-Nov-21	06-Dec-21	20-Nov-21	16-Dec-21	25.5	22.78	581

PREMISE 2469269  
 DOVER TANK (GS-SMALL)

11-Dec-20	12-Jan-21	27-Dec-20	21-Jan-21	25.0	35.46	887
13-Jan-21	10-Feb-21	27-Jan-21	25-Feb-21	29.0	31.38	910
11-Feb-21	14-Mar-21	26-Feb-21	18-Mar-21	19.5	32.20	628
15-Mar-21	13-Apr-21	29-Mar-21	22-Apr-21	23.5	30.56	718
14-Apr-21	12-May-21	28-Apr-21	20-May-21	22.0	29.96	659
13-May-21	13-Jun-21	28-May-21	24-Jun-21	26.5	30.89	819
14-Jun-21	13-Jul-21	28-Jun-21	29-Jul-21	30.5	30.33	925
14-Jul-21	11-Aug-21	28-Jul-21	19-Aug-21	22.0	30.15	663
12-Aug-21	13-Sep-21	28-Aug-21	23-Sep-21	26.0	32.36	841
14-Sep-21	12-Oct-21	28-Sep-21	21-Oct-21	23.0	31.28	719
13-Oct-21	11-Nov-21	27-Oct-21	18-Nov-21	21.5	31.71	682
12-Nov-21	12-Dec-21	27-Nov-21	29-Dec-21	32.0	32.24	1032

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 3190833  
 SHREWSBURY TANK (GS-SMALL)

08-Dec-20	07-Jan-21	23-Dec-20	21-Jan-21	29.0	370.45	10743
08-Jan-21	07-Feb-21	23-Jan-21	25-Feb-21	33.0	432.42	14270
08-Feb-21	08-Mar-21	22-Feb-21	18-Mar-21	24.0	452.37	10857
09-Mar-21	07-Apr-21	23-Mar-21	15-Apr-21	22.5	322.82	7263
08-Apr-21	09-May-21	23-Apr-21	20-May-21	26.5	216.73	5743
10-May-21	08-Jun-21	24-May-21	17-Jun-21	23.5	186.02	4371
09-Jun-21	08-Jul-21	23-Jun-21	22-Jul-21	28.5	180.95	5157
09-Jul-21	08-Aug-21	24-Jul-21	19-Aug-21	26.0	197.47	5134
09-Aug-21	08-Sep-21	24-Aug-21	16-Sep-21	23.0	214.88	4942
09-Sep-21	07-Oct-21	23-Sep-21	21-Oct-21	28.0	196.00	5488
08-Oct-21	08-Nov-21	23-Oct-21	18-Nov-21	25.5	202.40	5161
09-Nov-21	07-Dec-21	23-Nov-21	16-Dec-21	23.0	213.93	4920

PREMISE 2433510  
 PEGRAM ST-WEST CUMBERLAND PUMPHOUSE (GS-SMALL)

03-Dec-20	04-Jan-21	19-Dec-20	14-Jan-21	26.0	109.36	2843
05-Jan-21	02-Feb-21	19-Jan-21	11-Feb-21	23.0	95.09	2187
03-Feb-21	03-Mar-21	17-Feb-21	18-Mar-21	29.0	88.80	2575
04-Mar-21	04-Apr-21	19-Mar-21	29-Apr-21	40.5	92.67	3753
05-Apr-21	04-May-21	19-Apr-21	13-May-21	23.5	95.93	2254
05-May-21	03-Jun-21	19-May-21	17-Jun-21	28.5	93.60	2668
04-Jun-21	05-Jul-21	19-Jun-21	15-Jul-21	25.5	99.92	2548
06-Jul-21	03-Aug-21	20-Jul-21	12-Aug-21	23.0	98.11	2257
04-Aug-21	02-Sep-21	18-Aug-21	16-Sep-21	28.5	103.03	2936
03-Sep-21	04-Oct-21	18-Sep-21	14-Oct-21	25.5	111.09	2833
05-Oct-21	02-Nov-21	19-Oct-21	18-Nov-21	30.0	108.40	3252
03-Nov-21	02-Dec-21	17-Nov-21	09-Dec-21	21.5	113.00	2430

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2)				
		/2				

PREMISE 6421556  
 STARVIEW PUMP HOUSE (GS-SMALL)

18-Dec-20	19-Jan-21	03-Jan-21	28-Jan-21	25.0	223.64	5591
20-Jan-21	17-Feb-21	03-Feb-21	04-Mar-21	29.0	204.39	5927
18-Feb-21	21-Mar-21	05-Mar-21	01-Apr-21	26.5	204.94	5431
22-Mar-21	20-Apr-21	05-Apr-21	06-May-21	30.5	170.26	5193
21-Apr-21	20-May-21	05-May-21	27-May-21	21.5	217.82	4683
21-May-21	20-Jun-21	05-Jun-21	01-Jul-21	26.0	197.73	5141
21-Jun-21	20-Jul-21	05-Jul-21	05-Aug-21	30.5	209.56	6392
21-Jul-21	19-Aug-21	04-Aug-21	02-Sep-21	28.5	219.26	6249
20-Aug-21	20-Sep-21	04-Sep-21	30-Sep-21	25.5	219.59	5600
21-Sep-21	19-Oct-21	05-Oct-21	28-Oct-21	23.0	205.21	4720
20-Oct-21	18-Nov-21	03-Nov-21	02-Dec-21	28.5	225.64	6431
19-Nov-21	19-Dec-21	04-Dec-21	29-Dec-21	25.0	211.98	5300



Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2215906  
 HAINES ACRES PUMP HOUSE (GS-MEDIUM)

22-Dec-20	21-Jan-21	06-Jan-21	04-Feb-21	29.0	2709.97	78589
22-Jan-21	21-Feb-21	06-Feb-21	04-Mar-21	26.0	2658.51	69121
22-Feb-21	24-Mar-21	09-Mar-21	01-Apr-21	23.0	2542.69	58482
25-Mar-21	22-Apr-21	08-Apr-21	06-May-21	28.0	2485.01	69580
23-Apr-21	24-May-21	08-May-21	03-Jun-21	25.5	2693.78	68691
25-May-21	22-Jun-21	08-Jun-21	01-Jul-21	23.0	2559.69	58873
23-Jun-21	22-Jul-21	07-Jul-21	05-Aug-21	28.5	2517.15	71739
23-Jul-21	23-Aug-21	07-Aug-21	02-Sep-21	25.5	2950.10	75228
24-Aug-21	22-Sep-21	07-Sep-21	30-Sep-21	22.5	2491.33	56055
23-Sep-21	24-Oct-21	08-Oct-21	04-Nov-21	26.5	2754.67	72999
25-Oct-21	22-Nov-21	08-Nov-21	02-Dec-21	24.0	2567.43	61618
23-Nov-21	21-Dec-21	07-Dec-21	29-Dec-21	22.0	2436.88	53611

PREMISE 2239761  
 PENN OAKS PUMP HOUSE (GS-MEDIUM)

22-Dec-20	21-Jan-21	06-Jan-21	04-Feb-21	29.0	1427.83	41407
22-Jan-21	21-Feb-21	06-Feb-21	04-Mar-21	26.0	1345.19	34975
22-Feb-21	24-Mar-21	09-Mar-21	01-Apr-21	23.0	1312.65	30191
25-Mar-21	22-Apr-21	08-Apr-21	06-May-21	28.0	1461.34	40918
23-Apr-21	24-May-21	08-May-21	03-Jun-21	25.5	1635.45	41704
25-May-21	22-Jun-21	08-Jun-21	01-Jul-21	23.0	1076.46	24759
23-Jun-21	22-Jul-21	07-Jul-21	05-Aug-21	28.5	1341.28	38226
23-Jul-21	23-Aug-21	07-Aug-21	02-Sep-21	25.5	1508.62	38470
24-Aug-21	22-Sep-21	07-Sep-21	30-Sep-21	22.5	1420.64	31964
23-Sep-21	24-Oct-21	08-Oct-21	04-Nov-21	26.5	1262.94	33468
25-Oct-21	22-Nov-21	08-Nov-21	02-Dec-21	24.0	1199.34	28784
23-Nov-21	21-Dec-21	07-Dec-21	29-Dec-21	22.0	1136.47	25002

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2366244  
 HELLAM PUMP HOUSE (GS-MEDIUM)

23-Dec-20	24-Jan-21	08-Jan-21	04-Feb-21	27.0	179.74	4853
25-Jan-21	23-Feb-21	08-Feb-21	04-Mar-21	23.5	170.32	4003
24-Feb-21	25-Mar-21	10-Mar-21	01-Apr-21	21.5	156.94	3374
26-Mar-21	25-Apr-21	10-Apr-21	06-May-21	26.0	138.27	3595
26-Apr-21	25-May-21	10-May-21	03-Jun-21	23.5	115.26	2709
26-May-21	23-Jun-21	09-Jun-21	01-Jul-21	22.0	107.52	2365
24-Jun-21	26-Jul-21	10-Jul-21	05-Aug-21	26.0	107.11	2785
27-Jul-21	24-Aug-21	10-Aug-21	02-Sep-21	23.0	106.80	2456
25-Aug-21	23-Sep-21	08-Sep-21	30-Sep-21	21.5	96.73	2080
24-Sep-21	25-Oct-21	09-Oct-21	04-Nov-21	25.5	98.47	2511
26-Oct-21	23-Nov-21	09-Nov-21	02-Dec-21	23.0	132.88	3056
24-Nov-21	22-Dec-21	08-Dec-21	06-Jan-22	29.0	153.35	4447

PREMISE 2062704  
 NEW SALEM PUMP HOUSE (GS-MEDIUM)

09-Dec-20	10-Jan-21	25-Dec-20	21-Jan-21	27.0	2951.97	79703
11-Jan-21	08-Feb-21	25-Jan-21	25-Feb-21	31.0	2562.09	79425
09-Feb-21	09-Mar-21	23-Feb-21	18-Mar-21	23.0	2506.30	57645
10-Mar-21	11-Apr-21	26-Mar-21	22-Apr-21	27.0	2495.36	67375
12-Apr-21	10-May-21	26-Apr-21	20-May-21	24.0	2221.83	53324
11-May-21	09-Jun-21	25-May-21	17-Jun-21	22.5	2493.19	56097
10-Jun-21	11-Jul-21	25-Jun-21	15-Jul-21	19.5	2783.04	54269
12-Jul-21	09-Aug-21	26-Jul-21	19-Aug-21	24.0	2742.80	65827
10-Aug-21	09-Sep-21	25-Aug-21	23-Sep-21	29.0	2674.56	77562
10-Sep-21	10-Oct-21	25-Sep-21	21-Oct-21	26.0	2689.31	69922
11-Oct-21	09-Nov-21	25-Oct-21	18-Nov-21	23.5	2548.01	59878
10-Nov-21	08-Dec-21	24-Nov-21	16-Dec-21	22.0	2467.47	54284

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2468620  
 DOVER PUMP HOUSE (GS-MEDIUM)

14-Dec-20	13-Jan-21	29-Dec-20	28-Jan-21	30.0	409.71	12291
14-Jan-21	11-Feb-21	28-Jan-21	25-Feb-21	28.0	417.69	11695
12-Feb-21	15-Mar-21	27-Feb-21	25-Mar-21	25.5	418.88	10681
16-Mar-21	14-Apr-21	30-Mar-21	22-Apr-21	22.5	414.86	9334
15-Apr-21	16-May-21	30-Apr-21	27-May-21	26.5	324.20	8591
17-May-21	14-Jun-21	31-May-21	24-Jun-21	24.0	245.14	5883
15-Jun-21	14-Jul-21	29-Jun-21	29-Jul-21	29.5	226.02	6668
15-Jul-21	15-Aug-21	30-Jul-21	26-Aug-21	26.5	252.58	6693
16-Aug-21	14-Sep-21	30-Aug-21	23-Sep-21	23.5	216.25	5082
15-Sep-21	13-Oct-21	29-Sep-21	21-Oct-21	22.0	198.74	4372
14-Oct-21	14-Nov-21	29-Oct-21	18-Nov-21	19.5	279.14	5443
15-Nov-21	13-Dec-21	29-Nov-21	29-Dec-21	30.0	410.64	12319

PREMISE 2195386  
 DISTRIBUTION CENTER (GS-MEDIUM)

23-Dec-20	24-Jan-21	08-Jan-21	04-Feb-21	27.0	1113.69	30070
25-Jan-21	23-Feb-21	08-Feb-21	04-Mar-21	23.5	1180.94	27752
24-Feb-21	25-Mar-21	10-Mar-21	01-Apr-21	21.5	1066.04	22920
26-Mar-21	25-Apr-21	10-Apr-21	06-May-21	26.0	929.33	24163
26-Apr-21	25-May-21	10-May-21	03-Jun-21	23.5	846.26	19887
26-May-21	23-Jun-21	09-Jun-21	01-Jul-21	22.0	917.65	20188
24-Jun-21	26-Jul-21	10-Jul-21	05-Aug-21	26.0	1054.37	27414
27-Jul-21	24-Aug-21	10-Aug-21	02-Sep-21	23.0	1016.31	23375
25-Aug-21	23-Sep-21	08-Sep-21	30-Sep-21	21.5	940.23	20215
24-Sep-21	25-Oct-21	09-Oct-21	04-Nov-21	25.5	854.22	21783
26-Oct-21	23-Nov-21	09-Nov-21	02-Dec-21	23.0	845.17	19439
24-Nov-21	22-Dec-21	08-Dec-21	06-Jan-22	29.0	898.27	26050

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2410006  
 FRONT OFFICE (GS-MEDIUM)

16-Dec-20	17-Jan-21	01-Jan-21	28-Jan-21	27.0	836.73	22592
18-Jan-21	15-Feb-21	01-Feb-21	25-Feb-21	24.0	806.21	19349
16-Feb-21	17-Mar-21	02-Mar-21	25-Mar-21	22.5	829.55	18665
18-Mar-21	18-Apr-21	02-Apr-21	29-Apr-21	26.5	845.47	22405
19-Apr-21	18-May-21	03-May-21	27-May-21	23.5	853.35	20054
19-May-21	16-Jun-21	02-Jun-21	01-Jul-21	29.0	947.11	27466
17-Jun-21	18-Jul-21	02-Jul-21	05-Aug-21	33.5	1170.79	39221
19-Jul-21	17-Aug-21	02-Aug-21	02-Sep-21	30.5	1035.19	31573
18-Aug-21	16-Sep-21	01-Sep-21	30-Sep-21	28.5	1046.48	29825
17-Sep-21	17-Oct-21	02-Oct-21	28-Oct-21	26.0	858.43	22319
18-Oct-21	16-Nov-21	01-Nov-21	02-Dec-21	30.5	970.97	29615
17-Nov-21	15-Dec-21	01-Dec-21	29-Dec-21	28.0	790.50	22134

PREMISE 2135476  
 LOGANVILLE PUMP HOUSE (GS-MEDIUM)

04-Dec-20	05-Jan-21	20-Dec-20	21-Jan-21	32.0	1875.48	60015
06-Jan-21	03-Feb-21	20-Jan-21	17-Feb-21	28.0	1567.10	43879
04-Feb-21	04-Mar-21	18-Feb-21	11-Mar-21	21.0	1578.47	33148
05-Mar-21	05-Apr-21	20-Mar-21	15-Apr-21	25.5	1668.37	42543
06-Apr-21	05-May-21	20-Apr-21	13-May-21	22.5	1450.46	32635
06-May-21	06-Jun-21	21-May-21	17-Jun-21	26.5	1523.45	40371
07-Jun-21	06-Jul-21	21-Jun-21	15-Jul-21	23.5	1582.01	37177
07-Jul-21	04-Aug-21	21-Jul-21	12-Aug-21	22.0	1515.71	33346
05-Aug-21	06-Sep-21	21-Aug-21	16-Sep-21	26.0	1666.57	43331
07-Sep-21	05-Oct-21	21-Sep-21	14-Oct-21	23.0	1667.17	38345
06-Oct-21	03-Nov-21	20-Oct-21	11-Nov-21	22.0	1678.76	36933
04-Nov-21	05-Dec-21	19-Nov-21	16-Dec-21	26.5	1730.01	45845

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2086450  
 WEST YORK PUMP HOUSE (GS-MEDIUM)

09-Dec-20	10-Jan-21	25-Dec-20	21-Jan-21	27.0	736.86	19895
11-Jan-21	08-Feb-21	25-Jan-21	25-Feb-21	31.0	674.84	20920
09-Feb-21	09-Mar-21	23-Feb-21	18-Mar-21	23.0	637.39	14660
10-Mar-21	11-Apr-21	26-Mar-21	22-Apr-21	27.0	767.90	20733
12-Apr-21	10-May-21	26-Apr-21	20-May-21	24.0	554.57	13310
11-May-21	09-Jun-21	25-May-21	17-Jun-21	22.5	669.49	15064
10-Jun-21	11-Jul-21	25-Jun-21	22-Jul-21	26.5	734.83	19473
12-Jul-21	09-Aug-21	26-Jul-21	19-Aug-21	24.0	663.10	15914
10-Aug-21	09-Sep-21	25-Aug-21	23-Sep-21	29.0	630.30	18279
10-Sep-21	10-Oct-21	25-Sep-21	21-Oct-21	26.0	674.17	17528
11-Oct-21	09-Nov-21	25-Oct-21	18-Nov-21	23.5	655.21	15397
10-Nov-21	08-Dec-21	24-Nov-21	16-Dec-21	22.0	655.76	14427

PREMISE 2042429  
 BERLIN PUMP HOUSE (GS-MEDIUM)

09-Dec-20	10-Jan-21	25-Dec-20	21-Jan-21	27.0	342.36	9244
11-Jan-21	08-Feb-21	25-Jan-21	25-Feb-21	31.0	342.03	10603
09-Feb-21	09-Mar-21	23-Feb-21	18-Mar-21	23.0	356.38	8197
10-Mar-21	11-Apr-21	26-Mar-21	22-Apr-21	27.0	294.37	7948
12-Apr-21	10-May-21	26-Apr-21	20-May-21	24.0	321.00	7704
11-May-21	09-Jun-21	25-May-21	17-Jun-21	22.5	313.87	7062
10-Jun-21	11-Jul-21	25-Jun-21	22-Jul-21	26.5	279.84	7416
12-Jul-21	09-Aug-21	26-Jul-21	19-Aug-21	24.0	268.81	6451
10-Aug-21	09-Sep-21	25-Aug-21	23-Sep-21	29.0	325.88	9451
10-Sep-21	10-Oct-21	25-Sep-21	21-Oct-21	26.0	346.76	9016
11-Oct-21	09-Nov-21	25-Oct-21	18-Nov-21	23.5	312.27	7338
10-Nov-21	08-Dec-21	24-Nov-21	16-Dec-21	22.0	311.65	6856

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2408256  
 NORTH POINT PUMP HOUSE (GS-MEDIUM)

18-Dec-20	19-Jan-21	03-Jan-21	28-Jan-21	25.0	284.29	7107
20-Jan-21	17-Feb-21	03-Feb-21	04-Mar-21	29.0	269.41	7813
18-Feb-21	21-Mar-21	05-Mar-21	01-Apr-21	26.5	269.81	7150
22-Mar-21	20-Apr-21	05-Apr-21	29-Apr-21	23.5	204.43	4804
21-Apr-21	20-May-21	05-May-21	27-May-21	21.5	198.92	4277
21-May-21	20-Jun-21	05-Jun-21	01-Jul-21	26.0	196.51	5109
21-Jun-21	20-Jul-21	05-Jul-21	05-Aug-21	30.5	195.58	5965
21-Jul-21	19-Aug-21	04-Aug-21	02-Sep-21	28.5	246.51	7026
20-Aug-21	20-Sep-21	04-Sep-21	30-Sep-21	25.5	221.47	5647
21-Sep-21	19-Oct-21	05-Oct-21	28-Oct-21	23.0	202.60	4660
20-Oct-21	18-Nov-21	03-Nov-21	02-Dec-21	28.5	221.95	6326
19-Nov-21	19-Dec-21	04-Dec-21	29-Dec-21	25.0	259.55	6489

PREMISE 3169227  
 HAMETOWN PUMP HOUSE (GS-MEDIUM)

07-Dec-20	06-Jan-21	22-Dec-20	21-Jan-21	30.0	708.62	21259
07-Jan-21	04-Feb-21	21-Jan-21	17-Feb-21	27.0	777.55	20994
05-Feb-21	07-Mar-21	20-Feb-21	18-Mar-21	26.0	838.59	21803
08-Mar-21	06-Apr-21	22-Mar-21	15-Apr-21	23.5	743.98	17484
07-Apr-21	06-May-21	21-Apr-21	20-May-21	28.5	632.95	18039
07-May-21	07-Jun-21	22-May-21	17-Jun-21	25.5	687.25	17525
08-Jun-21	07-Jul-21	22-Jun-21	15-Jul-21	22.5	650.81	14643
08-Jul-21	05-Aug-21	22-Jul-21	19-Aug-21	28.0	621.86	17412
06-Aug-21	07-Sep-21	22-Aug-21	16-Sep-21	25.0	666.18	16655
08-Sep-21	06-Oct-21	22-Sep-21	14-Oct-21	22.0	640.10	14082
07-Oct-21	04-Nov-21	21-Oct-21	18-Nov-21	28.0	668.45	18717
05-Nov-21	06-Dec-21	20-Nov-21	16-Dec-21	25.5	708.77	18074

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2021025  
 NORTH YORK PUMP HOUSE (GS-MEDIUM)

15-Dec-20	14-Jan-21	30-Dec-20	28-Jan-21	29.0	2567.99	74472
15-Jan-21	14-Feb-21	30-Jan-21	25-Feb-21	26.0	2525.69	65668
15-Feb-21	16-Mar-21	01-Mar-21	25-Mar-21	23.5	2730.66	64171
17-Mar-21	15-Apr-21	31-Mar-21	29-Apr-21	28.5	2310.05	65836
16-Apr-21	17-May-21	01-May-21	27-May-21	25.5	2995.81	76393
18-May-21	15-Jun-21	01-Jun-21	24-Jun-21	23.0	3178.43	73104
16-Jun-21	15-Jul-21	30-Jun-21	29-Jul-21	28.5	3511.59	100080
16-Jul-21	16-Aug-21	31-Jul-21	26-Aug-21	25.5	3800.15	96904
17-Aug-21	15-Sep-21	31-Aug-21	23-Sep-21	22.5	3160.04	71101
16-Sep-21	14-Oct-21	30-Sep-21	28-Oct-21	28.0	3274.54	91687
15-Oct-21	15-Nov-21	30-Oct-21	02-Dec-21	32.5	3414.13	110959
16-Nov-21	14-Dec-21	30-Nov-21	29-Dec-21	29.0	3082.65	89397

PREMISE 2346684  
 LONGSTOWN PUMP HOUSE (GS-MEDIUM)

28-Dec-20	25-Jan-21	11-Jan-21	04-Feb-21	24.0	1528.76	36690
26-Jan-21	24-Feb-21	09-Feb-21	11-Mar-21	29.5	1653.07	48766
25-Feb-21	28-Mar-21	12-Mar-21	08-Apr-21	26.5	1538.32	40765
29-Mar-21	26-Apr-21	12-Apr-21	06-May-21	24.0	1238.93	29734
27-Apr-21	26-May-21	11-May-21	10-Jun-21	29.5	1196.14	35286
27-May-21	27-Jun-21	11-Jun-21	08-Jul-21	26.5	1203.82	31901
28-Jun-21	27-Jul-21	12-Jul-21	05-Aug-21	23.5	1178.80	27702
28-Jul-21	26-Aug-21	11-Aug-21	02-Sep-21	21.5	1154.69	24826
27-Aug-21	27-Sep-21	11-Sep-21	07-Oct-21	25.5	1187.76	30288
28-Sep-21	26-Oct-21	12-Oct-21	04-Nov-21	23.0	1097.84	25250
27-Oct-21	25-Nov-21	10-Nov-21	02-Dec-21	21.5	1140.02	24510
26-Nov-21	27-Dec-21	11-Dec-21	06-Jan-22	25.5	1306.45	33314

Billing Period		Mid-point	Payment	Lag Days	Total	Dollar
From	To	Of Service	Date		Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2) /2				

PREMISE 6402356  
 SPRING GROVE PUMPHOUSE (GS-MEDIUM)

09-Dec-20	10-Jan-21	25-Dec-20	21-Jan-21	27.0	1065.30	28763
11-Jan-21	08-Feb-21	25-Jan-21	25-Feb-21	31.0	855.33	26515
09-Feb-21	09-Mar-21	23-Feb-21	18-Mar-21	23.0	906.20	20843
10-Mar-21	11-Apr-21	26-Mar-21	22-Apr-21	27.0	918.11	24789
12-Apr-21	10-May-21	26-Apr-21	20-May-21	24.0	760.82	18260
11-May-21	09-Jun-21	25-May-21	17-Jun-21	22.5	648.83	14599
10-Jun-21	11-Jul-21	25-Jun-21	22-Jul-21	26.5	664.64	17613
12-Jul-21	09-Aug-21	26-Jul-21	19-Aug-21	24.0	629.68	15112
10-Aug-21	09-Sep-21	25-Aug-21	23-Sep-21	29.0	664.16	19261
10-Sep-21	10-Oct-21	25-Sep-21	21-Oct-21	26.0	673.13	17501
11-Oct-21	09-Nov-21	25-Oct-21	18-Nov-21	23.5	685.14	16101
10-Nov-21	08-Dec-21	24-Nov-21	16-Dec-21	22.0	759.77	16715

PREMISE 6449378  
 RT 30 & AIRPORT RD PUMPHOUSE (GS-MEDIUM)

09-Dec-20	10-Jan-21	25-Dec-20	21-Jan-21	27.0	1576.71	42571
11-Jan-21	08-Feb-21	25-Jan-21	25-Feb-21	31.0	1509.96	46809
09-Feb-21	09-Mar-21	23-Feb-21	18-Mar-21	23.0	1494.32	34369
10-Mar-21	11-Apr-21	26-Mar-21	22-Apr-21	27.0	1520.96	41066
12-Apr-21	10-May-21	26-Apr-21	20-May-21	24.0	1370.93	32902
11-May-21	09-Jun-21	25-May-21	17-Jun-21	22.5	1403.39	31576
10-Jun-21	11-Jul-21	25-Jun-21	22-Jul-21	26.5	1484.01	39326
12-Jul-21	09-Aug-21	26-Jul-21	19-Aug-21	24.0	1398.77	33570
10-Aug-21	09-Sep-21	25-Aug-21	23-Sep-21	29.0	1609.12	46664
10-Sep-21	10-Oct-21	25-Sep-21	21-Oct-21	26.0	1905.66	49547
11-Oct-21	09-Nov-21	25-Oct-21	18-Nov-21	23.5	1838.79	43212
10-Nov-21	08-Dec-21	24-Nov-21	16-Dec-21	22.0	1467.93	32294



Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2280317  
 BERLIN TANK (GS-MEDIUM)

10-Dec-20	11-Jan-21	26-Dec-20	21-Jan-21	26.0	219.72	5713
12-Jan-21	09-Feb-21	26-Jan-21	25-Feb-21	30.0	192.35	5771
10-Feb-21	10-Mar-21	24-Feb-21	18-Mar-21	22.0	229.25	5044
11-Mar-21	12-Apr-21	27-Mar-21	22-Apr-21	26.0	143.95	3743
13-Apr-21	11-May-21	27-Apr-21	20-May-21	23.0	55.05	1266
12-May-21	10-Jun-21	26-May-21	24-Jun-21	28.5	55.97	1595
11-Jun-21	12-Jul-21	26-Jun-21	22-Jul-21	25.5	56.96	1453
13-Jul-21	10-Aug-21	27-Jul-21	19-Aug-21	23.0	55.65	1280
11-Aug-21	12-Sep-21	27-Aug-21	23-Sep-21	27.0	57.53	1553
13-Sep-21	11-Oct-21	27-Sep-21	21-Oct-21	24.0	56.17	1348
12-Oct-21	10-Nov-21	26-Oct-21	18-Nov-21	22.5	55.72	1254
11-Nov-21	09-Dec-21	25-Nov-21	29-Dec-21	34.0	56.54	1922

PREMISE 6513748  
 IRISHTOWN ROAD PUMP HOUSE (GS-MEDIUM)

14-Dec-20	13-Jan-21	29-Dec-20	28-Jan-21	30.0	1525.56	45767
14-Jan-21	11-Feb-21	28-Jan-21	25-Feb-21	28.0	1491.92	41774
12-Feb-21	15-Mar-21	27-Feb-21	25-Mar-21	25.5	1530.32	39023
16-Mar-21	14-Apr-21	30-Mar-21	29-Apr-21	29.5	1370.26	40423
15-Apr-21	16-May-21	30-Apr-21	27-May-21	26.5	1440.25	38167
17-May-21	14-Jun-21	31-May-21	24-Jun-21	24.0	1316.61	31599
15-Jun-21	14-Jul-21	29-Jun-21	29-Jul-21	29.5	1267.45	37390
15-Jul-21	15-Aug-21	30-Jul-21	26-Aug-21	26.5	1327.27	35173
16-Aug-21	14-Sep-21	30-Aug-21	23-Sep-21	23.5	1387.54	32607
15-Sep-21	13-Oct-21	29-Sep-21	21-Oct-21	22.0	1646.87	36231
14-Oct-21	14-Nov-21	29-Oct-21	18-Nov-21	19.5	1825.15	35590
15-Nov-21	13-Dec-21	29-Nov-21	29-Dec-21	30.0	1335.60	40068

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 6514009  
 NORTHWEST PUMP HOUSE (GS-MEDIUM)

15-Dec-20	14-Jan-21	30-Dec-20	28-Jan-21	29.0	4322.35	125348
15-Jan-21	14-Feb-21	30-Jan-21	25-Feb-21	26.0	4344.70	112962
15-Feb-21	16-Mar-21	01-Mar-21	25-Mar-21	23.5	4386.58	103085
17-Mar-21	15-Apr-21	31-Mar-21	29-Apr-21	28.5	3841.50	109483
16-Apr-21	17-May-21	01-May-21	27-May-21	25.5	4229.03	107840
18-May-21	15-Jun-21	01-Jun-21	24-Jun-21	23.0	4070.16	93614
16-Jun-21	15-Jul-21	30-Jun-21	29-Jul-21	28.5	4372.72	124623
16-Jul-21	16-Aug-21	31-Jul-21	26-Aug-21	25.5	4592.97	117121
17-Aug-21	15-Sep-21	31-Aug-21	23-Sep-21	22.5	4200.85	94519
16-Sep-21	14-Oct-21	30-Sep-21	28-Oct-21	28.0	4363.09	122167
15-Oct-21	15-Nov-21	30-Oct-21	02-Dec-21	32.5	4661.55	151500
16-Nov-21	14-Dec-21	30-Nov-21	29-Dec-21	29.0	4092.05	118669

PREMISE 2349331  
 WEST MANHEIM BOOSTER STATION (GS-MEDIUM)

04-Dec-20	05-Jan-21	20-Dec-20	21-Jan-21	32.0	729.82	23354
06-Jan-21	03-Feb-21	20-Jan-21	17-Feb-21	28.0	708.28	19832
04-Feb-21	04-Mar-21	18-Feb-21	11-Mar-21	21.0	699.45	14688
05-Mar-21	05-Apr-21	20-Mar-21	15-Apr-21	25.5	663.32	16915
06-Apr-21	05-May-21	20-Apr-21	13-May-21	22.5	536.73	12076
06-May-21	06-Jun-21	21-May-21	17-Jun-21	26.5	460.35	12199
07-Jun-21	06-Jul-21	21-Jun-21	15-Jul-21	23.5	382.92	8999
07-Jul-21	04-Aug-21	21-Jul-21	12-Aug-21	22.0	372.56	8196
05-Aug-21	06-Sep-21	21-Aug-21	16-Sep-21	26.0	416.36	10825
07-Sep-21	05-Oct-21	21-Sep-21	14-Oct-21	23.0	506.17	11642
06-Oct-21	03-Nov-21	20-Oct-21	11-Nov-21	22.0	502.51	11055
04-Nov-21	05-Dec-21	19-Nov-21	16-Dec-21	26.5	636.38	16864

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2350785  
 MEADOW DR-EAST CUMBERLAND WELLHOUSE (GS-MEDIUM)

07-Dec-20	06-Jan-21	22-Dec-20	21-Jan-21	30.0	220.67	6620
07-Jan-21	04-Feb-21	21-Jan-21	17-Feb-21	27.0	215.88	5829
05-Feb-21	07-Mar-21	20-Feb-21	18-Mar-21	26.0	235.29	6118
08-Mar-21	06-Apr-21	22-Mar-21	15-Apr-21	23.5	190.39	4474
07-Apr-21	06-May-21	21-Apr-21	20-May-21	28.5	184.92	5270
07-May-21	07-Jun-21	22-May-21	17-Jun-21	25.5	163.03	4157
08-Jun-21	07-Jul-21	22-Jun-21	15-Jul-21	22.5	149.34	3360
08-Jul-21	05-Aug-21	22-Jul-21	19-Aug-21	28.0	144.21	4038
06-Aug-21	07-Sep-21	22-Aug-21	16-Sep-21	25.0	116.24	2906
08-Sep-21	06-Oct-21	22-Sep-21	14-Oct-21	22.0	119.52	2630
07-Oct-21	04-Nov-21	21-Oct-21	18-Nov-21	28.0	136.18	3813
05-Nov-21	06-Dec-21	20-Nov-21	16-Dec-21	25.5	189.18	4824

PREMISE 2328180  
 1414 BALTIMORE ST HANOVER INTERCONNECT BOOSTER STATION (GS-MEDIUM)

04-Dec-20	05-Jan-21	20-Dec-20	21-Jan-21	32.0	115.49	3696
06-Jan-21	03-Feb-21	20-Jan-21	17-Feb-21	28.0	110.93	3106
04-Feb-21	04-Mar-21	18-Feb-21	11-Mar-21	21.0	116.25	2441
05-Mar-21	05-Apr-21	20-Mar-21	15-Apr-21	25.5	102.03	2602
06-Apr-21	05-May-21	20-Apr-21	13-May-21	22.5	68.69	1546
06-May-21	06-Jun-21	21-May-21	17-Jun-21	26.5	42.70	1132
07-Jun-21	06-Jul-21	21-Jun-21	15-Jul-21	23.5	58.49	1374
07-Jul-21	04-Aug-21	21-Jul-21	12-Aug-21	22.0	54.32	1195
05-Aug-21	06-Sep-21	21-Aug-21	16-Sep-21	26.0	62.42	1623
07-Sep-21	05-Oct-21	21-Sep-21	14-Oct-21	23.0	60.73	1397
06-Oct-21	03-Nov-21	20-Oct-21	11-Nov-21	22.0	59.49	1309
04-Nov-21	05-Dec-21	19-Nov-21	16-Dec-21	26.5	72.42	1919

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2365360  
 MT ZION PUMPHOUSE (GS-MEDIUM)

21-Dec-20	20-Jan-21	05-Jan-21	04-Feb-21	30.0	1301.54	39046
21-Jan-21	18-Feb-21	04-Feb-21	11-Mar-21	35.0	1315.45	46041
19-Feb-21	22-Mar-21	06-Mar-21	01-Apr-21	25.5	1332.24	33972
23-Mar-21	21-Apr-21	06-Apr-21	29-Apr-21	22.5	1266.07	28487
22-Apr-21	23-May-21	07-May-21	03-Jun-21	26.5	1431.76	37942
24-May-21	21-Jun-21	07-Jun-21	01-Jul-21	24.0	1251.73	30042
22-Jun-21	21-Jul-21	06-Jul-21	05-Aug-21	29.5	1319.12	38914
22-Jul-21	22-Aug-21	06-Aug-21	02-Sep-21	26.5	1349.47	35761
23-Aug-21	21-Sep-21	06-Sep-21	30-Sep-21	23.5	1336.17	31400
22-Sep-21	20-Oct-21	06-Oct-21	28-Oct-21	22.0	1276.38	28080
21-Oct-21	21-Nov-21	05-Nov-21	02-Dec-21	26.5	1410.69	37383
22-Nov-21	20-Dec-21	06-Dec-21	29-Dec-21	23.0	1169.11	26890

PREMISE 2368531  
 PLEASUREVILLE PUMP HOUSE (GS-MEDIUM)

21-Dec-20	20-Jan-21	05-Jan-21	04-Feb-21	30.0	1109.07	33272
21-Jan-21	18-Feb-21	04-Feb-21	04-Mar-21	28.0	1060.46	29693
19-Feb-21	22-Mar-21	06-Mar-21	01-Apr-21	25.5	1361.82	34726
23-Mar-21	21-Apr-21	06-Apr-21	29-Apr-21	22.5	1065.41	23972
22-Apr-21	23-May-21	07-May-21	03-Jun-21	26.5	1180.72	31289
24-May-21	21-Jun-21	07-Jun-21	01-Jul-21	24.0	1140.76	27378
22-Jun-21	21-Jul-21	06-Jul-21	05-Aug-21	29.5	1132.76	33416
22-Jul-21	22-Aug-21	06-Aug-21	02-Sep-21	26.5	1252.28	33185
23-Aug-21	21-Sep-21	06-Sep-21	30-Sep-21	23.5	1185.28	27854
22-Sep-21	20-Oct-21	06-Oct-21	28-Oct-21	22.0	1088.36	23944
21-Oct-21	21-Nov-21	05-Nov-21	02-Dec-21	26.5	1133.25	30031
22-Nov-21	20-Dec-21	06-Dec-21	29-Dec-21	23.0	1074.14	24705

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	(3)=(1)+(2) /2	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)

PREMISE 2348179  
 MAIN PUMPING STATION (GS-PRIMARY)

18-Dec-20	19-Jan-21	03-Jan-21	04-Feb-21	32.0	39474.94	1263198
20-Jan-21	17-Feb-21	03-Feb-21	04-Mar-21	29.0	36594.56	1061242
18-Feb-21	19-Mar-21	04-Mar-21	01-Apr-21	27.5	39134.49	1076198
20-Mar-21	20-Apr-21	04-Apr-21	29-Apr-21	24.5	39669.09	971893
21-Apr-21	20-May-21	05-May-21	27-May-21	21.5	40110.20	862369
21-May-21	18-Jun-21	04-Jun-21	01-Jul-21	27.0	39068.91	1054861
19-Jun-21	20-Jul-21	04-Jul-21	05-Aug-21	31.5	42619.86	1342525
21-Jul-21	19-Aug-21	04-Aug-21	02-Sep-21	28.5	34325.54	978278
20-Aug-21	20-Sep-21	04-Sep-21	30-Sep-21	25.5	39462.45	1006292
21-Sep-21	19-Oct-21	05-Oct-21	28-Oct-21	23.0	38941.60	895657
20-Oct-21	18-Nov-21	03-Nov-21	02-Dec-21	28.5	39146.32	1115670
19-Nov-21	17-Dec-21	03-Dec-21	29-Dec-21	26.0	37674.50	979537

THE YORK WATER COMPANY  
 POWER PURCHASED LAG  
 TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No. FV-8-1(a)  
 Page 29 of 29  
 Witness: D E Coppersmith

Billing Period		Mid-point	Payment		Total	Dollar
From	To	Of Service	Date	Lag Days	Charges	Days
(1)	(2)	Period	(4)	(5)=(4)-(3)	(6)	(7)=(6)*(5)
		(3)=(1)+(2) /2				

PREMISE 6017035  
 SOUTHERN REPUMP (GS SECONDARY TIME-OF-DAY )

05-Dec-20	06-Jan-21	21-Dec-20	21-Jan-21	31.0	11892.53	368668
07-Jan-21	04-Feb-21	21-Jan-21	17-Feb-21	27.0	11238.77	303447
05-Feb-21	05-Mar-21	19-Feb-21	18-Mar-21	27.0	11317.76	305580
06-Mar-21	06-Apr-21	21-Mar-21	15-Apr-21	24.5	12125.27	297069
07-Apr-21	06-May-21	21-Apr-21	20-May-21	28.5	11973.81	341254
07-May-21	07-Jun-21	22-May-21	17-Jun-21	25.5	13108.15	334258
08-Jun-21	07-Jul-21	22-Jun-21	22-Jul-21	29.5	13586.22	400793
08-Jul-21	05-Aug-21	22-Jul-21	19-Aug-21	28.0	12616.11	353251
06-Aug-21	07-Sep-21	22-Aug-21	16-Sep-21	25.0	13984.43	349611
08-Sep-21	06-Oct-21	22-Sep-21	21-Oct-21	29.0	12814.04	371607
07-Oct-21	04-Nov-21	21-Oct-21	18-Nov-21	28.0	11821.10	330991
05-Nov-21	06-Dec-21	20-Nov-21	16-Dec-21	25.5	12756.38	325288

Total Power Purchased Lag Days	26.64	977,097.97	26,032,279
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THE YORK WATER COMPANY  
CASH WORKING CAPITAL STUDY  
DAYS LAG IN PAYMENT OF INSURANCE  
TWELVE MONTHS ENDED DECEMBER 31, 2021

Check Number (1)	Billing Period From (2)	To (3)	Mid-Point Service Period (4)=(2)+(3) /2	Payment Date (5)	Lag Days (6)=(5)-(4)	Invoice Amount (7)	Dollar Days (8)=(6)*(7)
General Corporate Insurance (Glatfelter)							
200116	01-Jan-21	31-Mar-21	14-Feb-21	07-Jan-21	-38.5	17500.00	-673750
200116	01-Jan-21	31-Dec-21	02-Jul-21	07-Jan-21	-176.0	33574.00	-5909024
200116	01-Jan-21	31-Dec-21	02-Jul-21	07-Jan-21	-176.0	18500.00	-3256000
200116	01-Jan-21	31-Dec-23	02-Jul-22	07-Jan-21	-541.0	2667.00	-1442847
200116	01-Jan-21	31-Dec-21	02-Jul-21	07-Jan-21	-176.0	100000.00	-17600000
200116	01-Jan-21	31-Dec-21	02-Jul-21	07-Jan-21	-176.0	78750.00	-13860000
200116	01-Jan-21	31-Dec-21	02-Jul-21	07-Jan-21	-176.0	50000.00	-8800000
200116	01-Jan-21	31-Dec-21	02-Jul-21	07-Jan-21	-176.0	22000.00	-3872000
200116	01-Jan-21	31-Dec-21	02-Jul-21	07-Jan-21	-176.0	52500.00	-9240000
200116	01-Jan-21	31-Dec-21	02-Jul-21	07-Jan-21	-176.0	1750.00	-308000
200545	01-Jan-21	31-Mar-21	14-Feb-21	22-Feb-21	7.5	104066.00	780495
200707	05-Mar-21	05-Mar-24	04-Sep-22	04-Mar-21	-549.0	89504.00	-49137696
200707	05-Mar-21	05-Mar-22	03-Sep-21	04-Mar-21	-183.5	2919.00	-535637
200964	01-Apr-21	30-Jun-21	16-May-21	18-Mar-21	-59.0	17500.00	-1032500
201624	01-Apr-21	30-Jun-21	16-May-21	13-May-21	-3.0	104066.00	-312198
202019	01-Jul-21	30-Sep-21	15-Aug-21	17-Jun-21	-59.5	104066.00	-6191927
202056	01-Jul-21	30-Sep-21	15-Aug-21	17-Jun-21	-59.5	17500.00	-1041250
203151	01-Oct-21	31-Dec-21	15-Nov-21	23-Sep-21	-53.5	104065.00	-5567478
203877	01-Oct-21	31-Dec-21	15-Nov-21	18-Nov-21	2.5	17500.00	43750
Employment Practices Liability (McConkey)							
200146	01-Jan-21	31-Dec-21	02-Jul-21	14-Jan-21	-169.0	13500.00	-2281500
Flood Insurance (Selective)							
203865	13-Dec-21	13-Dec-22	13-Jun-22	18-Nov-21	-207.5	9063.00	-1880573
Workers Compensation (Eastern)							
200214	01-Jan-21	31-Dec-21	02-Jul-21	21-Jan-21	-162.0	11544.00	-1870128
200214	06-Feb-21	13-Mar-21	23-Feb-21	21-Jan-21	-33.5	11544.00	-386724
200569	14-Mar-21	20-Apr-21	01-Apr-21	25-Feb-21	-35.5	11549.00	-409990
201000	21-Apr-21	27-May-21	09-May-21	25-Mar-21	-45.0	11549.00	-519705
201411	28-May-21	02-Jul-21	14-Jun-21	29-Apr-21	-46.5	11549.00	-537029
201759	03-Jul-21	08-Aug-21	21-Jul-21	27-May-21	-55.0	11549.00	-635195
202098	09-Aug-21	15-Sep-21	27-Aug-21	24-Jun-21	-64.5	11548.00	-744846
202499	16-Sep-21	21-Oct-21	03-Oct-21	29-Jul-21	-66.5	11548.00	-767942
202837	22-Oct-21	26-Nov-21	08-Nov-21	26-Aug-21	-74.5	11547.00	-860252
203145	27-Nov-21	31-Dec-21	14-Dec-21	23-Sep-21	-82.0	11547.00	-946854
203145	01-Jan-20	31-Dec-20	01-Jul-20	23-Sep-21	448.5	-2981.00	-1336979
Health Insurance (Highmark)							
	01-Jan-21	31-Jan-21	16-Jan-21	05-Jan-21	-11.0	72639.36	-799033
	01-Feb-21	28-Feb-21	14-Feb-21	02-Feb-21	-12.5	73532.78	-919160
	01-Mar-21	31-Mar-21	16-Mar-21	02-Mar-21	-14.0	74733.03	-1046262
	01-Apr-21	30-Apr-21	15-Apr-21	09-Apr-21	-6.5	64295.94	-417924
	01-May-21	31-May-21	16-May-21	04-May-21	-12.0	69604.49	-835254
	01-Jun-21	30-Jun-21	15-Jun-21	02-Jun-21	-13.5	74377.79	-1004100
	01-Jul-21	31-Jul-21	16-Jul-21	02-Jul-21	-14.0	78120.86	-1093692

THE YORK WATER COMPANY  
CASH WORKING CAPITAL STUDY  
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TWELVE MONTHS ENDED DECEMBER 31, 2021

Check Number (1)	Billing Period From (2)	To (3)	Mid-Point Service Period (4)=(2)+(3)/2	Payment Date (5)	Lag Days (6)=(5)-(4)	Invoice Amount (7)	Dollar Days (8)=(6)*(7)
	01-Aug-21	31-Aug-21	16-Aug-21	03-Aug-21	-13.0	139612.95	-1814968
	01-Sep-21	30-Sep-21	15-Sep-21	02-Sep-21	-13.5	63402.84	-855938
	01-Oct-21	31-Oct-21	16-Oct-21	04-Oct-21	-12.0	61991.37	-743896
	01-Nov-21	30-Nov-21	15-Nov-21	02-Nov-21	-13.5	63998.82	-863984
	01-Dec-21	31-Dec-21	16-Dec-21	02-Dec-21	-14.0	52227.35	-731183

Dental (Delta)

01-Jan-21	31-Jan-21	16-Jan-21	05-Jan-21	-11.0	6001.19	-66013
01-Feb-21	28-Feb-21	14-Feb-21	02-Feb-21	-12.5	6040.01	-75500
01-Mar-21	31-Mar-21	16-Mar-21	02-Mar-21	-14.0	5744.76	-80427
01-Apr-21	30-Apr-21	15-Apr-21	09-Apr-21	-6.5	5778.62	-37561
01-May-21	31-May-21	16-May-21	04-May-21	-12.0	6006.15	-72074
01-Jun-21	30-Jun-21	15-Jun-21	02-Jun-21	-13.5	6107.73	-82454
01-Jul-21	31-Jul-21	16-Jul-21	02-Jul-21	-14.0	6315.85	-88422
01-Aug-21	31-Aug-21	16-Aug-21	03-Aug-21	-13.0	6035.05	-78456
01-Sep-21	30-Sep-21	15-Sep-21	02-Sep-21	-13.5	5967.33	-80559
01-Oct-21	31-Oct-21	16-Oct-21	04-Oct-21	-12.0	5894.65	-70736
01-Nov-21	30-Nov-21	15-Nov-21	02-Nov-21	-13.5	5981.78	-80754
01-Dec-21	31-Dec-21	16-Dec-21	02-Dec-21	-14.0	5599.40	-78392

Vision (VBA)

01-Jan-21	31-Jan-21	16-Jan-21	05-Jan-21	-11.0	1858.46	-20443
01-Feb-21	28-Feb-21	14-Feb-21	02-Feb-21	-12.5	1851.64	-23146
01-Mar-21	31-Mar-21	16-Mar-21	02-Mar-21	-14.0	1780.48	-24927
01-Apr-21	30-Apr-21	15-Apr-21	09-Apr-21	-6.5	1791.08	-11642
01-May-21	31-May-21	16-May-21	04-May-21	-12.0	1812.28	-21747
01-Jun-21	30-Jun-21	15-Jun-21	02-Jun-21	-13.5	1872.84	-25283
01-Jul-21	31-Jul-21	16-Jul-21	02-Jul-21	-14.0	1933.40	-27068
01-Aug-21	31-Aug-21	16-Aug-21	03-Aug-21	-13.0	1854.68	-24111
01-Sep-21	30-Sep-21	15-Sep-21	02-Sep-21	-13.5	1833.48	-24752
01-Oct-21	31-Oct-21	16-Oct-21	04-Oct-21	-12.0	1815.32	-21784
01-Nov-21	30-Nov-21	15-Nov-21	02-Nov-21	-13.5	1840.30	-24844
01-Dec-21	31-Dec-21	16-Dec-21	02-Dec-21	-14.0	1758.54	-24620

Life (Met Life)

200092	01-Jan-21	31-Jan-21	16-Jan-21	07-Jan-21	-9.0	1005.40	-9049
200362	01-Feb-21	28-Feb-21	14-Feb-21	04-Feb-21	-10.5	977.98	-10269
201037	01-Mar-21	30-Apr-21	31-Mar-21	25-Mar-21	-6.0	1974.24	-11845
201468	01-May-21	31-May-21	16-May-21	29-Apr-21	-17.0	950.56	-16160
201791	01-Jun-21	30-Jun-21	15-Jun-21	27-May-21	-19.5	1032.82	-20140
202216	01-Jul-21	31-Jul-21	16-Jul-21	01-Jul-21	-15.0	987.12	-14807
202604	01-Aug-21	31-Aug-21	16-Aug-21	05-Aug-21	-11.0	977.98	-10758
202866	01-Sep-21	30-Sep-21	15-Sep-21	26-Aug-21	-20.5	1023.68	-20985
203264	01-Oct-21	31-Oct-21	16-Oct-21	30-Sep-21	-16.0	968.84	-15501
203568	01-Nov-21	30-Nov-21	15-Nov-21	28-Oct-21	-18.5	987.12	-18262
203943	01-Dec-21	31-Dec-21	16-Dec-21	02-Dec-21	-14.0	959.70	-13436
204197	01-Jan-22	31-Jan-22	16-Jan-22	29-Dec-21	-18.0	968.84	-17439

-74.3 2068309.88 -153603534



THE YORK WATER COMPANY  
CASH WORKING CAPITAL STUDY  
DAYS LAG IN PAYMENT OF OTHER GOODS AND SERVICES  
TWELVE MONTHS ENDED DECEMBER 31, 2021

Check Number (1)	Billing Period From (2)	To (3)	Mid-Point Service Period (4)=(2)+(3) /2	Payment Date (5)	Lag Days (6)=(5)-(4)	Invoice Amount (7)	Dollar Days (8)=(6)*(7)	Account (9)
200051	12/1/2020	12/1/2020	12/1/2020	1/7/2021	37	39.21	1451	1847
200051	12/14/2020	12/14/2020	12/14/2020	1/7/2021	24	28.39	681	1847
200051	12/30/2020	12/30/2020	12/30/2020	1/7/2021	8	24.04	192	1847
200051	12/8/2020	12/8/2020	12/8/2020	1/7/2021	30	48.74	1462	6202
200069	9/1/2020	12/31/2020	10/31/2020	1/7/2021	68	66.00	4455	7755
200092	1/1/2021	1/31/2021	1/16/2021	1/7/2021	-9	1,005.40	-9049	6048
200111	12/7/2020	12/7/2020	12/7/2020	1/7/2021	31	680.00	21080	6368
103692	11/1/2020	11/30/2020	11/15/2020	1/6/2021	52	1,165.19	60007	6367
200128	12/3/2020	12/3/2020	12/3/2020	1/14/2021	42	60.00	2520	6364
200144	1/1/2021	1/31/2021	1/16/2021	1/14/2021	-2	85.00	-170	6758
200166	12/3/2020	12/30/2020	12/16/2020	1/14/2021	29	607.95	17327	620X
200186	12/23/2020	12/23/2020	12/23/2020	1/14/2021	22	110.00	2420	6366
103699	12/18/2020	1/11/2021	12/30/2020	1/13/2021	14	1,737.18	24321	1847
200203	1/15/2021	1/15/2021	1/15/2021	1/21/2021	6	642.63	3856	636X
200221	1/8/2021	1/8/2021	1/8/2021	1/21/2021	13	2,700.00	35100	6366
200239	1/19/2021	1/19/2021	1/19/2021	1/21/2021	2	38.50	77	6758
103712	12/21/2020	12/21/2020	12/21/2020	1/20/2021	30	2,523.14	75694	6364
200265	12/29/2020	12/29/2020	12/29/2020	1/28/2021	30	682.00	20460	6364
200279	12/24/2020	12/29/2020	12/26/2020	1/28/2021	33	450.00	14625	736X
200298	12/1/2020	12/31/2020	12/16/2020	1/28/2021	43	3,200.00	137600	6368
200315	1/22/2021	1/22/2021	1/22/2021	1/28/2021	6	90.00	540	6366
200315	1/24/2021	1/24/2021	1/24/2021	1/28/2021	4	90.00	360	6366
103728	12/1/2020	12/31/2020	12/16/2020	1/27/2021	42	70.37	2956	6422
200323	1/8/2021	1/8/2021	1/8/2021	2/4/2021	27	15.57	420	1847
200340	1/15/2021	1/15/2021	1/15/2021	2/4/2021	20	436.00	8720	1845
200362	2/1/2021	2/28/2021	2/14/2021	2/4/2021	-11	977.98	-10269	6048
200381	1/13/2021	1/13/2021	1/13/2021	2/4/2021	22	66.78	1469	7505
103749	1/29/2021	1/29/2021	1/29/2021	2/3/2021	5	370.00	1850	7355
103749	1/29/2021	1/29/2021	1/29/2021	2/3/2021	5	276.00	1380	7355
103749	1/29/2021	1/29/2021	1/29/2021	2/3/2021	5	680.00	3400	7355
200399	2/5/2021	2/5/2021	2/5/2021	2/11/2021	6	662.50	3975	636X
200418	1/22/2021	1/25/2021	1/23/2021	2/11/2021	19	2,525.00	46713	6366
200438	1/11/2021	1/17/2021	1/14/2021	2/11/2021	28	724.32	20281	6366
200459	12/15/2020	12/15/2020	12/15/2020	2/11/2021	58	198.50	11513	6364
103758	1/19/2021	1/19/2021	1/19/2021	2/10/2021	22	55.00	1210	6755
200464	1/21/2021	1/22/2021	1/21/2021	2/17/2021	27	60.00	1590	6353
200464	1/21/2021	1/22/2021	1/21/2021	2/17/2021	27	24.00	636	6353
200483	1/25/2021	1/25/2021	1/25/2021	2/17/2021	23	52.38	1205	6202
200483	1/25/2021	1/25/2021	1/25/2021	2/17/2021	23	53.44	1229	6206
200483	1/27/2021	1/27/2021	1/27/2021	2/17/2021	21	143.73	3018	6201
200483	1/27/2021	1/27/2021	1/27/2021	2/17/2021	21	630.50	13241	6206
200483	1/28/2021	1/28/2021	1/28/2021	2/17/2021	20	17.49	350	6201
200483	1/28/2021	1/28/2021	1/28/2021	2/17/2021	20	495.63	9913	7205
200483	1/29/2021	1/29/2021	1/29/2021	2/17/2021	19	979.37	18608	6203
200483	1/28/2021	1/28/2021	1/28/2021	2/17/2021	20	206.56	4131	7205
200526	12/20/2020	1/20/2021	1/4/2021	2/17/2021	44	31.37	1365	6422
103776	1/1/2021	1/31/2021	1/16/2021	2/19/2021	34	70.37	2393	6422
200548	2/8/2021	2/8/2021	2/8/2021	2/25/2021	17	811.01	13787	6362
200565	3/5/2021	3/5/2021	3/5/2021	2/25/2021	-8	1,548.13	-12385	6048
200586	11/30/2020	11/30/2020	11/30/2020	2/25/2021	87	26.19	2279	6208
200604	2/2/2021	2/2/2021	2/2/2021	2/25/2021	23	976.44	22458	1847
200604	2/4/2021	2/4/2021	2/4/2021	2/25/2021	21	718.02	15078	1847
200627	2/2/2021	2/2/2021	2/2/2021	2/25/2021	23	729.60	16781	1847.6208
200644	1/26/2021	1/28/2021	1/27/2021	2/25/2021	29	49.91	1447	6206
103785	2/11/2021	2/11/2021	2/11/2021	2/24/2021	13	266.30	3462	1847
200648	2/16/2021	2/16/2021	2/16/2021	3/4/2021	16	284.76	4556	6366
200668	2/5/2021	2/5/2021	2/5/2021	3/4/2021	27	691.68	18675	6204
200668	2/5/2021	2/5/2021	2/5/2021	3/4/2021	27	263.22	7107	1845
200668	2/5/2021	2/5/2021	2/5/2021	3/4/2021	27	205.85	5558	7205
200668	2/5/2021	2/5/2021	2/5/2021	3/4/2021	27	228.40	6167	7205
200668	2/8/2021	2/8/2021	2/8/2021	3/4/2021	24	17.65	424	6202
200668	2/8/2021	2/8/2021	2/8/2021	3/4/2021	24	45.82	1100	6202
200668	2/8/2021	2/8/2021	2/8/2021	3/4/2021	24	889.41	21346	6202

THE YORK WATER COMPANY  
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200668	2/9/2021	2/9/2021	2/9/2021	3/4/2021	23	434.00	9982	6202
200668	2/11/2021	2/11/2021	2/11/2021	3/4/2021	21	72.39	1520	7205
200668	2/12/2021	2/12/2021	2/12/2021	3/4/2021	20	337.27	6745	6204
200686	2/10/2021	2/10/2021	2/10/2021	3/4/2021	22	133.77	2943	1847
200686	2/11/2021	2/11/2021	2/11/2021	3/4/2021	21	133.77	2809	1847
200686	2/12/2021	2/12/2021	2/12/2021	3/4/2021	20	230.60	4612	1847
200686	2/12/2021	2/12/2021	2/12/2021	3/4/2021	20	133.77	2675	6758
200686	2/12/2021	2/12/2021	2/12/2021	3/4/2021	20	229.28	4586	6366
200708	2/4/2021	2/4/2021	2/4/2021	3/4/2021	28	1,639.34	45902	6366
103804	2/22/2021	2/22/2021	2/22/2021	3/3/2021	9	1,320.00	11880	6755
200786	3/5/2021	3/5/2021	3/5/2021	3/11/2021	6	662.50	3975	636x
200800	2/12/2021	2/12/2021	2/12/2021	3/11/2021	27	136.50	3686	6206
200820	2/16/2021	2/16/2021	2/16/2021	3/11/2021	23	67.28	1547	6201
200820	2/16/2021	2/16/2021	2/16/2021	3/11/2021	23	4.41	101	6201
200820	2/17/2021	2/17/2021	2/17/2021	3/11/2021	22	12.60	277	6201
200820	2/17/2021	2/17/2021	2/17/2021	3/11/2021	22	26.43	581	6202
200820	2/18/2021	2/18/2021	2/18/2021	3/11/2021	21	6.84	144	6201
200841	2/3/2021	3/1/2021	2/16/2021	3/11/2021	23	1,107.10	25463	various
200858	2/25/2021	2/25/2021	2/25/2021	3/11/2021	14	85.00	1190	6367
200872	2/18/2021	2/18/2021	2/18/2021	3/11/2021	21	53.70	1128	6366
103821	1/18/2021	1/18/2021	1/18/2021	3/10/2021	51	576.34	29393	6755
200882	2/9/2021	2/9/2021	2/9/2021	3/18/2021	37	138.00	5106	6353
200903	3/17/2021	3/17/2021	3/17/2021	3/18/2021	1	600.82	601	1847
200922	2/26/2021	2/26/2021	2/26/2021	3/18/2021	20	71.04	1421	6206
200945	2/17/2021	2/17/2021	2/17/2021	3/18/2021	29	500.00	14500	6755
200962	2/23/2021	2/23/2021	2/23/2021	3/18/2021	23	92.17	2120	1847
200962	2/25/2021	2/25/2021	2/25/2021	3/18/2021	21	92.17	1936	1847
103839	2/28/2021	2/28/2021	2/28/2021	3/17/2021	17	68.57	1166	6422
200979	3/3/2021	3/3/2021	3/3/2021	3/25/2021	22	407.04	8955	1845
200997	3/3/2021	3/3/2021	3/3/2021	3/25/2021	22	210.00	4620	1845
201018	2/2/2021	2/2/2021	2/2/2021	3/25/2021	51	300.00	15300	6048
201034	3/15/2021	3/15/2021	3/15/2021	3/25/2021	10	98.65	987	6204
201034	3/16/2021	3/16/2021	3/16/2021	3/25/2021	9	1,012.96	9117	1845
201058	2/25/2021	2/25/2021	2/25/2021	3/25/2021	28	189.00	5292	7365
201058	2/5/2021	2/26/2021	2/15/2021	3/25/2021	38	1,045.00	39188	7115
201058	2/26/2021	2/26/2021	2/26/2021	3/25/2021	27	522.50	14108	7115
201058	3/2/2021	3/2/2021	3/2/2021	3/25/2021	23	522.50	12018	7115
201058	3/3/2021	3/3/2021	3/3/2021	3/25/2021	22	522.50	11495	7115
201058	3/2/2021	3/2/2021	3/2/2021	3/25/2021	23	1,870.00	43010	7115
201081	2/10/2021	2/17/2021	2/13/2021	3/25/2021	40	765.00	30218	6048
103851	3/17/2021	3/17/2021	3/17/2021	3/24/2021	7	4,675.90	32731	1847
201096	3/26/2021	3/26/2021	3/26/2021	4/1/2021	6	642.63	3856	636X
201113	3/8/2021	3/8/2021	3/8/2021	4/1/2021	24	805.50	19332	1845
201133	2/10/2021	2/10/2021	2/10/2021	4/1/2021	50	525.00	26250	6366
201154	3/8/2021	3/8/2021	3/8/2021	4/1/2021	24	109.15	2620	1847
103869	2/19/2021	2/19/2021	2/19/2021	3/31/2021	40	61.45	2458	1847
201173	3/24/2021	3/24/2021	3/24/2021	4/8/2021	15	20.15	302	6205
201189	4/7/2021	4/7/2021	4/7/2021	4/8/2021	1	35.00	35	6753
201210	3/15/2021	3/15/2021	3/15/2021	4/8/2021	24	11.88	285	6202
201230	4/1/2021	4/30/2021	4/15/2021	4/8/2021	-8	119.35	-895	7755
201250	3/16/2021	3/16/2021	3/16/2021	4/8/2021	23	37.92	872	6204
103882	4/5/2021	4/5/2021	4/5/2021	4/7/2021	2	99.00	198	6366
103882	4/6/2021	4/6/2021	4/6/2021	4/7/2021	1	99.00	99	6366
201272	4/9/2021	4/9/2021	4/9/2021	4/15/2021	6	642.63	3856	636X
201290	3/24/2021	3/24/2021	3/24/2021	4/15/2021	22	2,310.54	50832	6203
201290	3/25/2021	3/25/2021	3/25/2021	4/15/2021	21	302.52	6353	6203
201312	3/19/2021	3/31/2021	3/25/2021	4/15/2021	21	707.50	14858	6338
201312	3/4/2021	3/15/2021	3/9/2021	4/15/2021	37	730.00	26645	6338
201331	3/25/2021	3/25/2021	3/25/2021	4/15/2021	21	106.35	2233	6202
103892	3/1/2021	3/31/2021	3/16/2021	4/14/2021	29	73.53	2132	6422
201335	3/26/2021	3/26/2021	3/26/2021	4/22/2021	27	60.00	1620	6353
201355	3/28/2021	3/28/2021	3/28/2021	4/22/2021	25	750.00	18750	6368
201375	3/30/2021	3/30/2021	3/30/2021	4/22/2021	23	32.50	748	6202

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201395	4/9/2021	5/8/2021	4/23/2021	4/22/2021	-2	178.52	-268	6753.6213
201395	4/15/2021	4/15/2021	4/15/2021	4/22/2021	7	172.63	1208	6203
201414	3/31/2021	3/31/2021	3/31/2021	4/22/2021	22	461.10	10144	1845
103912	4/12/2021	4/12/2021	4/12/2021	4/21/2021	9	99.00	891	6367
201421	4/5/2021	4/5/2021	4/5/2021	4/29/2021	24	425.00	10200	7355
201446	4/8/2021	4/8/2021	4/8/2021	4/29/2021	21	174.00	3654	7355
201465	4/19/2021	4/19/2021	4/19/2021	4/29/2021	10	20.15	202	6204
201465	4/20/2021	4/20/2021	4/20/2021	4/29/2021	9	430.59	3875	6202
201465	4/20/2021	4/20/2021	4/20/2021	4/29/2021	9	117.82	1060	6204
201465	4/21/2021	4/21/2021	4/21/2021	4/29/2021	8	24.41	195	6204
201465	4/26/2021	4/26/2021	4/26/2021	4/29/2021	3	311.57	935	6204
201479	4/5/2021	4/18/2021	4/11/2021	4/29/2021	18	2,400.00	42000	6363
201498	4/24/2021	4/24/2021	4/24/2021	4/29/2021	5	51.62	258	7755
103925	3/31/2021	3/31/2021	3/31/2021	4/29/2021	29	78.40	2274	6206
201513	4/29/2021	4/29/2021	4/29/2021	5/6/2021	7	308.46	2159	6758
201513	5/3/2021	5/3/2021	5/3/2021	5/6/2021	3	109.18	328	6758
201513	4/22/2021	4/22/2021	4/22/2021	5/6/2021	14	621.16	8696	4260
201534	5/1/2021	5/31/2021	5/16/2021	5/6/2021	-10	2,800.00	-28000	7365
201551	3/9/2021	3/9/2021	3/9/2021	5/6/2021	58	880.00	51040	6758
201574	4/10/2021	4/11/2021	4/10/2021	5/6/2021	26	2,095.00	53423	7115
201574	4/13/2021	4/13/2021	4/13/2021	5/6/2021	23	1,045.00	24035	7115
201591	4/1/2021	4/30/2021	4/15/2021	5/6/2021	21	1,919.00	39340	7425
103945	4/21/2021	4/21/2021	4/21/2021	5/5/2021	14	113.63	1591	6422
201598	5/10/2021	5/10/2021	5/10/2021	5/13/2021	3	56.42	169	1845
201617	5/13/2021	5/13/2021	5/13/2021	5/13/2021	0	1,528.86	0	1847
201638	3/11/2021	3/11/2021	3/11/2021	5/13/2021	63	456.00	28728	6338
201656	4/16/2021	4/16/2021	4/16/2021	5/13/2021	27	522.50	14108	7115
201656	4/19/2021	4/19/2021	4/19/2021	5/13/2021	24	838.00	20112	7115
201656	4/20/2021	4/20/2021	4/20/2021	5/13/2021	23	522.50	12018	7115
201656	4/20/2021	4/20/2021	4/20/2021	5/13/2021	23	838.00	19274	7115
103963	5/11/2021	5/11/2021	5/11/2021	5/12/2021	1	41.90	42	6202
201677	4/26/2021	4/26/2021	4/26/2021	5/20/2021	24	87.61	2103	6366
201693	5/10/2021	5/10/2021	5/10/2021	5/20/2021	10	85.00	850	6758
201714	5/4/2021	5/4/2021	5/4/2021	5/20/2021	16	106.64	1706	6208
201734	5/10/2021	6/9/2021	5/25/2021	5/20/2021	-5	18.69	-93	6753
201734	5/7/2021	6/6/2021	5/22/2021	5/20/2021	-2	68.63	-137	7753
201734	5/7/2021	6/6/2021	5/22/2021	5/20/2021	-2	68.83	-138	7753
201734	5/7/2021	6/6/2021	5/22/2021	5/20/2021	-2	68.77	-138	7753
201734	5/10/2021	6/9/2021	5/25/2021	5/20/2021	-5	605.68	-3028	675X
103970	4/1/2021	4/30/2021	4/15/2021	5/19/2021	34	71.87	2408	6422
201742	5/17/2021	5/17/2021	5/17/2021	5/27/2021	10	25.86	259	6206
201760	5/4/2021	5/4/2021	5/4/2021	5/27/2021	23	930.00	21390	6751
201785	5/5/2021	5/5/2021	5/5/2021	5/27/2021	22	789.63	17372	6204
201785	5/7/2021	5/7/2021	5/7/2021	5/27/2021	20	36.27	725	6202
201785	5/17/2021	5/17/2021	5/17/2021	5/27/2021	10	55.65	557	1845
201801	5/3/2021	5/16/2021	5/9/2021	5/27/2021	18	2,532.60	44321	6363
201822	4/23/2021	4/30/2021	4/26/2021	5/27/2021	31	1,400.00	42700	6048
103986	5/21/2021	5/21/2021	5/21/2021	5/26/2021	5	2,672.21	13361	1847
201833	5/28/2021	5/28/2021	5/28/2021	6/3/2021	6	662.50	3975	636X
201853	5/14/2021	5/14/2021	5/14/2021	6/3/2021	20	1,180.02	23600	6755
201871	2/25/2021	2/25/2021	2/25/2021	6/3/2021	98	160.14	15694	6202
201894	5/10/2021	5/10/2021	5/10/2021	6/3/2021	24	141.58	3398	6204
104004	5/6/2021	5/6/2021	5/6/2021	6/2/2021	27	302.52	8168	1845
104004	5/7/2021	5/7/2021	5/7/2021	6/2/2021	26	78.40	2038	6206
201909	5/21/2021	5/21/2021	5/21/2021	6/10/2021	20	1,200.00	24000	6364
201925	5/14/2021	5/14/2021	5/14/2021	6/10/2021	27	86.06	2324	1845
201948	5/21/2021	5/21/2021	5/21/2021	6/10/2021	20	154.11	3082	1845
201970	5/17/2021	5/30/2021	5/23/2021	6/10/2021	18	2,532.60	44321	6363
201987	5/18/2021	5/18/2021	5/18/2021	6/10/2021	23	21.67	498	7755
104016	5/25/2021	5/25/2021	5/25/2021	6/9/2021	15	68.34	1025	1847
104016	5/25/2021	5/25/2021	5/25/2021	6/9/2021	15	66.31	995	1847
104016	5/21/2021	5/21/2021	5/21/2021	6/9/2021	19	511.93	9727	7505
104016	5/21/2021	5/21/2021	5/21/2021	6/9/2021	19	66.67	1267	1847

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104016	5/28/2021	5/28/2021	5/28/2021	6/9/2021	12	176.25	2115	1847
201998	6/3/2021	6/3/2021	6/3/2021	6/17/2021	14	15.22	213	1845
201998	6/3/2021	6/3/2021	6/3/2021	6/17/2021	14	31.48	441	1845
202015	5/24/2021	5/24/2021	5/24/2021	6/17/2021	24	52.92	1270	6206
202039	5/22/2021	5/22/2021	5/22/2021	6/17/2021	26	30.79	801	6422
202059	5/26/2021	5/26/2021	5/26/2021	6/17/2021	22	464.43	10217	6366
104032	6/3/2021	6/3/2021	6/3/2021	6/16/2021	13	78.40	1019	6206
104032	5/31/2021	5/31/2021	5/31/2021	6/16/2021	16	73.53	1176	6422
202077	5/13/2021	5/13/2021	5/13/2021	6/24/2021	42	107.00	4494	6353
202077	5/13/2021	5/13/2021	5/13/2021	6/24/2021	42	130.00	5460	6353
202077	5/12/2021	5/12/2021	5/12/2021	6/24/2021	43	274.00	11782	6353
202094	6/3/2021	6/3/2021	6/3/2021	6/24/2021	21	4,804.12	100887	6218
202114	5/22/2021	6/18/2021	6/4/2021	6/24/2021	20	95.40	1860	6361
202137	5/20/2021	5/20/2021	5/20/2021	6/24/2021	35	138.00	4830	6362
202157	6/22/2021	6/22/2021	6/22/2021	6/24/2021	2	68.90	138	1847
104050	6/8/2021	6/8/2021	6/8/2021	6/23/2021	15	78.40	1176	6206
104050	6/11/2021	6/11/2021	6/11/2021	6/23/2021	12	78.40	941	6206
202162	6/22/2021	6/22/2021	6/22/2021	7/1/2021	9	329.66	2967	6048
202162	6/23/2021	6/23/2021	6/23/2021	7/1/2021	8	329.66	2637	6048
202162	6/25/2021	6/25/2021	6/25/2021	7/1/2021	6	266.06	1596	6755
202176	6/7/2021	6/7/2021	6/7/2021	7/1/2021	24	174.00	4176	7355
202199	6/21/2021	6/21/2021	6/21/2021	7/1/2021	10	794.30	7943	675X
202222	6/25/2021	6/25/2021	6/25/2021	7/1/2021	6	50.00	300	6048
202239	6/14/2021	6/18/2021	6/16/2021	7/1/2021	15	2,060.64	30910	various
104066	6/22/2021	6/22/2021	6/22/2021	6/30/2021	8	99.00	792	6366
104066	6/23/2021	6/23/2021	6/23/2021	6/30/2021	7	99.00	693	6366
202256	6/30/2021	6/30/2021	6/30/2021	7/8/2021	8	325.00	2600	6368
202276	6/15/2021	6/15/2021	6/15/2021	7/8/2021	23	172.00	3956	7355
202295	6/28/2021	6/28/2021	6/28/2021	7/8/2021	10	288.50	2885	6204
202295	6/29/2021	6/29/2021	6/29/2021	7/8/2021	9	150.09	1351	6204
202295	6/30/2021	6/30/2021	6/30/2021	7/8/2021	8	590.93	4727	6204
202295	6/30/2021	6/30/2021	6/30/2021	7/8/2021	8	676.31	5410	6204
202316	6/21/2021	6/25/2021	6/23/2021	7/8/2021	15	2,789.92	41849	various
202316	6/25/2021	6/25/2021	6/25/2021	7/8/2021	13	65.72	854	7366
202335	7/1/2021	7/1/2021	7/1/2021	7/8/2021	7	450.00	3150	6758
104082	6/29/2021	6/29/2021	6/29/2021	7/7/2021	8	472.66	3781	1847
202338	6/15/2021	6/15/2021	6/15/2021	7/15/2021	30	60.00	1800	6364
202357	7/10/2021	7/10/2021	7/10/2021	7/15/2021	5	85.00	425	6758
202377	6/3/2021	6/29/2021	6/16/2021	7/15/2021	29	945.57	27422	various
202396	7/10/2021	7/10/2021	7/10/2021	7/15/2021	5	113.00	565	6757
104092	6/25/2021	6/25/2021	6/25/2021	7/14/2021	19	62.88	1195	1847
104092	7/1/2021	7/1/2021	7/1/2021	7/14/2021	13	226.93	2950	1847
104092	7/1/2021	7/1/2021	7/1/2021	7/14/2021	13	588.11	7645	1847
104092	7/9/2021	7/9/2021	7/9/2021	7/14/2021	5	66.31	332	1847
202406	7/16/2021	7/16/2021	7/16/2021	7/22/2021	6	218.63	1312	6368
202424	7/15/2021	7/15/2021	7/15/2021	7/22/2021	7	412.14	2885	6205
202444	6/30/2021	6/30/2021	6/30/2021	7/22/2021	22	435.64	9584	1847
202462	7/6/2021	7/7/2021	7/6/2021	7/22/2021	16	2,497.36	38709	various
104100	6/1/2021	6/30/2021	6/15/2021	7/21/2021	36	71.87	2551	6422
202480	7/23/2021	7/23/2021	7/23/2021	7/29/2021	6	238.50	1431	6368
202500	7/23/2021	7/23/2021	7/23/2021	7/29/2021	6	813.02	4878	1847
202519	6/19/2021	7/16/2021	7/2/2021	7/29/2021	27	95.40	2528	6361
202536	7/6/2021	7/6/2021	7/6/2021	7/29/2021	23	987.04	22702	1847
202552	7/8/2021	7/8/2021	7/8/2021	7/29/2021	21	25.85	543	7755
104108	5/26/2021	5/26/2021	5/26/2021	7/28/2021	63	557.49	35122	1847
104108	7/9/2021	7/9/2021	7/9/2021	7/28/2021	19	1,659.96	31539	1847
104108	7/13/2021	7/13/2021	7/13/2021	7/28/2021	15	750.17	11253	1847
104108	7/21/2021	7/21/2021	7/21/2021	7/28/2021	7	67.37	472	1847
104108	7/22/2021	7/22/2021	7/22/2021	7/28/2021	6	62.31	374	1847
104108	7/24/2021	7/24/2021	7/24/2021	7/28/2021	4	72.28	289	1847
202564	7/1/2021	7/1/2021	7/1/2021	8/5/2021	35	240.00	8400	6364
202586	8/2/2021	8/2/2021	8/2/2021	8/5/2021	3	2,353.50	7061	6048
202604	7/1/2021	7/31/2021	7/16/2021	8/5/2021	20	977.98	19560	6048

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202623	7/13/2021	7/13/2021	7/13/2021	8/5/2021	23	522.50	12018	7115
202623	7/12/2021	7/12/2021	7/12/2021	8/5/2021	24	1,676.00	40224	7115
202641	7/30/2021	7/30/2021	7/30/2021	8/5/2021	6	26.04	156	1847
104127	7/23/2021	7/23/2021	7/23/2021	8/4/2021	12	1,698.44	20381	1847
202649	6/1/2021	6/30/2021	6/15/2021	8/12/2021	58	264.00	15180	6368
202666	8/13/2021	8/13/2021	8/13/2021	8/12/2021	-1	434.60	-435	6048
202684	7/8/2021	7/30/2021	7/19/2021	8/12/2021	24	377.16	9052	various
202705	8/3/2021	8/3/2021	8/3/2021	8/12/2021	9	85.00	765	6366
104137	7/7/2021	7/7/2021	7/7/2021	8/11/2021	35	18.08	633	1847
104137	8/4/2021	8/4/2021	8/4/2021	8/11/2021	7	321.51	2251	1847
104137	7/22/2021	7/22/2021	7/22/2021	8/11/2021	20	67.37	1347	1847
104137	7/26/2021	7/26/2021	7/26/2021	8/11/2021	16	59.21	947	1847
104137	7/26/2021	7/26/2021	7/26/2021	8/11/2021	16	198.75	3180	1847
104137	7/27/2021	7/27/2021	7/27/2021	8/11/2021	15	2,557.30	38360	1847
104137	8/2/2021	8/2/2021	8/2/2021	8/11/2021	9	102.72	924	1847
104137	8/4/2021	8/4/2021	8/4/2021	8/11/2021	7	131.92	923	1847
202726	8/19/2021	8/19/2021	8/19/2021	8/19/2021	0	329.66	0	6758
202744	8/1/2021	8/31/2021	8/16/2021	8/19/2021	3	86.00	258	6758
202764	6/9/2021	6/9/2021	6/9/2021	8/19/2021	71	689.94	48986	6755
202784	7/23/2021	7/23/2021	7/23/2021	8/19/2021	27	532.00	14364	6206
202805	7/12/2021	7/26/2021	7/19/2021	8/19/2021	31	127.20	3943	6366
104152	6/7/2021	6/7/2021	6/7/2021	8/18/2021	72	520.00	37440	6755
104152	7/13/2021	7/13/2021	7/13/2021	8/18/2021	36	120.00	4320	6755
104152	6/24/2021	6/24/2021	6/24/2021	8/18/2021	55	246.00	13530	6755
202806	8/3/2021	8/3/2021	8/3/2021	8/26/2021	23	62.00	1426	6204
202819	8/11/2021	8/11/2021	8/11/2021	8/26/2021	15	63.54	953	6048
202819	8/18/2021	8/18/2021	8/18/2021	8/26/2021	8	63.54	508	6048
202847	8/1/2021	8/1/2021	8/1/2021	8/26/2021	25	150.00	3750	6206
202866	8/1/2021	8/31/2021	8/16/2021	8/26/2021	10	1,023.68	10237	6048
202886	7/28/2021	7/28/2021	7/28/2021	8/26/2021	29	1,450.00	42050	6368
202903	8/17/2021	8/17/2021	8/17/2021	8/26/2021	9	108.00	972	6366
104171	8/16/2021	8/16/2021	8/16/2021	8/25/2021	9	101.00	909	6367
202909	7/6/2021	7/22/2021	7/14/2021	9/2/2021	50	318.00	15900	6364
202932	8/25/2021	8/25/2021	8/25/2021	9/2/2021	8	100.00	800	6366
202948	8/12/2021	8/12/2021	8/12/2021	9/2/2021	21	126.86	2664	6751
202970	7/23/2021	7/23/2021	7/23/2021	9/2/2021	41	419.00	17179	7115
202970	8/9/2021	8/9/2021	8/9/2021	9/2/2021	24	838.00	20112	7115
202970	8/10/2021	8/10/2021	8/10/2021	9/2/2021	23	522.50	12018	7115
202970	8/6/2021	8/6/2021	8/6/2021	9/2/2021	27	838.00	22626	7115
202970	8/11/2021	8/11/2021	8/11/2021	9/2/2021	22	838.00	18436	7115
104189	8/10/2021	8/10/2021	8/10/2021	9/1/2021	22	43.18	950	6206
202988	8/18/2021	8/18/2021	8/18/2021	9/9/2021	22	5.29	116	1847
203009	8/28/2021	8/28/2021	8/28/2021	9/9/2021	12	278.64	3344	6758
203028	8/31/2021	8/31/2021	8/31/2021	9/9/2021	9	2,151.54	19364	6208
104203	8/10/2021	8/10/2021	8/10/2021	9/8/2021	29	534.00	15486	6755
203048	8/8/2021	8/11/2021	8/9/2021	9/16/2021	38	1,280.00	48000	6353
203068	8/24/2021	8/24/2021	8/24/2021	9/16/2021	23	230.16	5294	1845
203068	8/24/2021	8/24/2021	8/24/2021	9/16/2021	23	184.76	4249	1845
203088	9/9/2021	9/9/2021	9/9/2021	9/16/2021	7	390.15	2731	1845
203088	9/13/2021	9/13/2021	9/13/2021	9/16/2021	3	54.42	163	1845
203088	9/14/2021	9/14/2021	9/14/2021	9/16/2021	2	124.88	250	1845
203108	8/25/2021	8/25/2021	8/25/2021	9/16/2021	22	230.00	5060	1845
104214	9/8/2021	9/8/2021	9/8/2021	9/15/2021	7	64.63	452	1847
203123	8/7/2021	8/24/2021	8/15/2021	9/23/2021	39	318.00	12243	6364
203141	9/1/2021	9/30/2021	9/15/2021	9/23/2021	8	86.00	645	6758
203163	9/16/2021	9/16/2021	9/16/2021	9/23/2021	7	399.21	2794	6202
203163	9/20/2021	9/20/2021	9/20/2021	9/23/2021	3	17.62	53	1845
203182	9/9/2021	10/8/2021	9/23/2021	9/23/2021	-1	203.75	-102	6213.6753
203201	8/1/2021	8/31/2021	8/16/2021	9/23/2021	38	21,270.89	808294	6366
203201	8/1/2021	8/31/2021	8/16/2021	9/23/2021	38	371.90	14132	7362
104225	8/31/2021	8/31/2021	8/31/2021	9/22/2021	22	43.18	950	6206
104225	8/31/2021	8/31/2021	8/31/2021	9/22/2021	22	72.42	1593	6422
203214	9/2/2021	9/4/2021	9/3/2021	9/30/2021	27	860.00	23220	7366

THE YORK WATER COMPANY  
CASH WORKING CAPITAL STUDY  
DAYS LAG IN PAYMENT OF OTHER GOODS AND SERVICES  
TWELVE MONTHS ENDED DECEMBER 31, 2021

Check Number (1)	Billing Period From (2)	To (3)	Mid-Point Service Period (4)=(2)+(3)/2	Payment Date (5)	Lag Days (6)=(5)-(4)	Invoice Amount (7)	Dollar Days (8)=(6)*(7)	Account (9)
203214	9/4/2021	9/4/2021	9/4/2021	9/30/2021	26	460.00	11960	6364
203231	9/27/2021	9/27/2021	9/27/2021	9/30/2021	3	413.57	1241	6205
203249	9/8/2021	9/8/2021	9/8/2021	9/30/2021	22	1,259.99	27720	6202
203282	9/6/2021	9/19/2021	9/12/2021	9/30/2021	18	2,751.85	48157	6363
203294	9/1/2021	9/1/2021	9/1/2021	9/30/2021	29	450.00	13050	7185
104241	9/23/2021	9/23/2021	9/23/2021	9/29/2021	6	321.00	1926	6755
203306	9/23/2021	9/23/2021	9/23/2021	10/7/2021	14	21.31	298	6206
203327	9/13/2021	9/13/2021	9/13/2021	10/7/2021	24	376.00	9024	6364
203346	9/14/2021	9/14/2021	9/14/2021	10/7/2021	23	2,009.83	46226	6353
203369	9/29/2021	9/29/2021	9/29/2021	10/7/2021	8	400.00	3200	636X
104255	9/29/2021	9/29/2021	9/29/2021	10/6/2021	7	118.75	831	6366
203378	8/11/2021	8/11/2021	8/11/2021	10/14/2021	64	108.00	6912	6353
203399	9/20/2021	9/20/2021	9/20/2021	10/14/2021	24	34.68	832	7205
203419	9/23/2021	9/23/2021	9/23/2021	10/14/2021	21	76.84	1614	1845
203437	9/28/2021	9/28/2021	9/28/2021	10/14/2021	16	647.79	10365	7366
104272	10/1/2021	10/1/2021	10/1/2021	10/13/2021	12	8,480.63	101768	6503
203441	9/30/2021	9/30/2021	9/30/2021	10/21/2021	21	915.00	19215	6758
203462	9/27/2021	9/27/2021	9/27/2021	10/21/2021	24	221.04	5305	1845
203480	9/7/2021	9/7/2021	9/7/2021	10/21/2021	44	300.00	13200	6048
203501	9/30/2021	10/1/2021	9/30/2021	10/21/2021	21	717.56	14710	1847
104283	9/30/2021	9/30/2021	9/30/2021	10/20/2021	20	43.18	864	6206
104283	9/30/2021	9/30/2021	9/30/2021	10/20/2021	20	42.14	843	6422
203523	10/4/2021	10/4/2021	10/4/2021	10/28/2021	24	43.31	1039	7505
203539	10/26/2021	10/26/2021	10/26/2021	10/28/2021	2	777.49	1555	7203
203568	10/1/2021	10/31/2021	10/16/2021	10/28/2021	12	987.12	11845	6048
203579	10/20/2021	10/20/2021	10/20/2021	10/28/2021	8	489.99	3920	6208
203599	10/11/2021	10/15/2021	10/13/2021	10/28/2021	15	2,874.72	43121	various
203599	10/18/2021	10/22/2021	10/20/2021	10/28/2021	8	3,416.38	27331	various
104301	10/21/2021	10/21/2021	10/21/2021	10/27/2021	6	3,796.47	22779	1847
203621	10/14/2021	10/14/2021	10/14/2021	11/4/2021	21	906.12	19029	6755
203638	10/19/2021	10/25/2021	10/22/2021	11/4/2021	13	3,160.00	41080	6048
203659	10/15/2021	10/15/2021	10/15/2021	11/4/2021	20	1,158.18	23164	6203
203679	11/1/2021	11/1/2021	11/1/2021	11/4/2021	3	130.89	393	7755
203697	10/25/2021	10/28/2021	10/26/2021	11/4/2021	9	2,330.94	19813	various
104319	10/18/2021	10/18/2021	10/18/2021	11/3/2021	16	80.59	1289	6206
203713	9/20/2021	9/20/2021	9/20/2021	11/11/2021	52	2,100.00	109200	6362
203730	11/10/2021	11/10/2021	11/10/2021	11/11/2021	1	1,438.96	1439	1847
203751	10/19/2021	10/19/2021	10/19/2021	11/11/2021	23	305.76	7032	6353
203769	10/4/2021	10/4/2021	10/4/2021	11/11/2021	38	33.58	1276	6206
203769	10/19/2021	10/19/2021	10/19/2021	11/11/2021	23	26.56	611	1845
104336	10/21/2021	10/21/2021	10/21/2021	11/10/2021	20	15.35	307	1847
104336	11/2/2021	11/2/2021	11/2/2021	11/10/2021	8	759.11	6073	1847
203783	10/25/2021	10/25/2021	10/25/2021	11/18/2021	24	22.99	552	6753
203783	11/1/2021	11/1/2021	11/1/2021	11/18/2021	17	22.99	391	7755
203801	9/7/2021	9/7/2021	9/7/2021	11/18/2021	72	1,500.00	108000	6751
203820	10/20/2021	10/20/2021	10/20/2021	11/18/2021	29	331.00	9599	6598
203839	10/9/2021	11/5/2021	10/22/2021	11/18/2021	27	95.40	2528	6361
203862	11/9/2021	12/8/2021	11/23/2021	11/18/2021	-6	203.75	-1121	6213.6753
203880	11/4/2021	11/4/2021	11/4/2021	11/18/2021	14	301.45	4220	6201
104349	11/9/2021	11/9/2021	11/9/2021	11/17/2021	8	509.00	4072	6755
203898	10/14/2021	10/14/2021	10/14/2021	12/2/2021	49	906.12	44400	6755
203916	10/28/2021	10/28/2021	10/28/2021	12/2/2021	35	92.28	3230	6368
203935	11/9/2021	11/9/2021	11/9/2021	12/2/2021	23	280.00	6440	6362
203957	11/12/2021	11/12/2021	11/12/2021	12/2/2021	20	109.15	2183	1847
203975	10/21/2021	10/21/2021	10/21/2021	12/2/2021	42	1,060.00	44520	7362
203975	10/25/2021	10/25/2021	10/25/2021	12/2/2021	38	1,060.00	40280	7362
104369	11/9/2021	11/9/2021	11/9/2021	12/1/2021	22	105.92	2330	1847
104369	11/9/2021	11/9/2021	11/9/2021	12/1/2021	22	143.10	3148	1847
104369	11/9/2021	11/9/2021	11/9/2021	12/1/2021	22	513.57	11299	1847
104369	11/10/2021	11/10/2021	11/10/2021	12/1/2021	21	155.95	3275	1847
104369	11/15/2021	11/15/2021	11/15/2021	12/1/2021	16	83.70	1339	1847
104369	11/24/2021	11/24/2021	11/24/2021	12/1/2021	7	953.74	6676	1847
104369	11/26/2021	11/26/2021	11/26/2021	12/1/2021	5	64.56	323	7505

THE YORK WATER COMPANY  
CASH WORKING CAPITAL STUDY  
DAYS LAG IN PAYMENT OF OTHER GOODS AND SERVICES  
TWELVE MONTHS ENDED DECEMBER 31, 2021

Check Number (1)	Billing Period From (2)	To (3)	Mid-Point Service Period (4)=(2)+(3) /2	Payment Date (5)	Lag Days (6)=(5)-(4)	Invoice Amount (7)	Dollar Days (8)=(6)*(7)	Account (9)
203988	11/2/2021	12/3/2021	11/17/2021	12/9/2021	22	1,060.43	22799	6755
203988	10/5/2021	11/23/2021	10/29/2021	12/9/2021	41	165.37	6697	4260
203988	11/3/2021	12/6/2021	11/19/2021	12/9/2021	20	1,158.01	22581	6758
203988	11/3/2021	12/6/2021	11/19/2021	12/9/2021	20	1,368.27	26681	6758
204001	11/16/2021	11/16/2021	11/16/2021	12/9/2021	23	3,882.92	89307	6203
204001	11/18/2021	11/18/2021	11/18/2021	12/9/2021	21	198.60	4171	7205
204022	12/1/2021	12/1/2021	12/1/2021	12/9/2021	8	13.89	111	6758
204039	11/12/2021	11/18/2021	11/15/2021	12/9/2021	24	70.00	1680	1847
104385	12/3/2021	12/3/2021	12/3/2021	12/8/2021	5	36.00	180	6755
204046	11/8/2021	11/11/2021	11/9/2021	12/16/2021	37	1,280.00	46720	6353
204064	12/6/2021	12/6/2021	12/6/2021	12/16/2021	10	125,177.88	1251779	7755
204088	4/3/2021	4/3/2021	4/3/2021	12/16/2021	257	803.37	206466	6208
204107	11/29/2021	11/29/2021	11/29/2021	12/16/2021	17	1,471.09	25009	7204
204107	11/29/2021	11/29/2021	11/29/2021	12/16/2021	17	2,316.00	39372	7364
204107	11/28/2021	11/28/2021	11/28/2021	12/16/2021	18	1,538.78	27698	7364
204107	11/26/2021	11/26/2021	11/26/2021	12/16/2021	20	920.00	18400	7364
204125	9/22/2021	9/22/2021	9/22/2021	12/16/2021	85	2,450.00	208250	6362
104401	11/30/2021	11/30/2021	11/30/2021	12/15/2021	15	42.14	632	6422
204143	11/15/2021	11/15/2021	11/15/2021	12/29/2021	44	71.19	3132	7505
204162	12/17/2021	12/17/2021	12/17/2021	12/29/2021	12	232.76	2793	6205
204162	12/17/2021	12/17/2021	12/17/2021	12/29/2021	12	408.10	4897	6205
204162	12/20/2021	12/20/2021	12/20/2021	12/29/2021	9	469.07	4222	6205
204162	12/17/2021	12/17/2021	12/17/2021	12/29/2021	12	607.90	7295	6205
204162	12/17/2021	12/17/2021	12/17/2021	12/29/2021	12	290.37	3484	6205
204183	12/7/2021	12/7/2021	12/7/2021	12/29/2021	22	300.00	6600	6048
204200	12/16/2021	12/16/2021	12/16/2021	12/29/2021	13	159.00	2067	6362
204220	12/28/2021	12/28/2021	12/28/2021	12/29/2021	1	130.00	130	7755
204240	11/2/2021	11/2/2021	11/2/2021	12/29/2021	57	510.00	29070	6362
204260	11/18/2021	12/17/2021	12/2/2021	12/29/2021	27	349.00	9249	6048
104421	12/17/2021	12/17/2021	12/17/2021	12/29/2021	12	101.00	1212	6366
					18.1	379623.77	6880042.67	

THE YORK WATER COMPANY  
 CASH WORKING CAPITAL STUDY  
 DAYS LAG IN PAYMENT OF PAYROLL TAXES  
 TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No. FV-8-1 (d)  
 Page 1 of 2  
 Witness: D E Coppersmith

Voucher Number (1)	Service Period From (2)	To (3)	Mid-Point Service Period (4)=(2)+(3)	Payment Date (5)	Lag Days (6)=(5)-(4)	Invoice Amount (7)	Dollar Days (8)=(6)*(7)
FICA							
PR 52	21-Dec-20	27-Dec-20	24-Dec-20	06-Jan-21	13.0	30599.03	397787
PR 1	28-Dec-20	3-Jan-21	31-Dec-20	13-Jan-21	13.0	39822.17	517688
PR 2	4-Jan-21	10-Jan-21	07-Jan-21	20-Jan-21	13.0	37381.56	485960
PR 3	11-Jan-21	17-Jan-21	14-Jan-21	27-Jan-21	13.0	37899.51	492694
PR 4	18-Jan-21	24-Jan-21	21-Jan-21	03-Feb-21	13.0	38877.44	505407
PR 5	25-Jan-21	31-Jan-21	28-Jan-21	10-Feb-21	13.0	41434.33	538646
PR 6	1-Feb-21	7-Feb-21	04-Feb-21	17-Feb-21	13.0	38044.62	494580
PR 7	8-Feb-21	14-Feb-21	11-Feb-21	24-Feb-21	13.0	37033.05	481430
PR 8	15-Feb-21	21-Feb-21	18-Feb-21	03-Mar-21	13.0	41297.86	536872
PR 9	22-Feb-21	28-Feb-21	25-Feb-21	10-Mar-21	13.0	40342.39	524451
PR 10	1-Mar-21	7-Mar-21	04-Mar-21	17-Mar-21	13.0	37676.03	489788
PR 10A	11-Mar-21	11-Mar-21	11-Mar-21	17-Mar-21	6.0	60984.78	365909
PR 11	8-Mar-21	14-Mar-21	11-Mar-21	24-Mar-21	13.0	37645.38	489390
PR 12	15-Mar-21	21-Mar-21	18-Mar-21	31-Mar-21	13.0	27224.12	353914
PR 13	22-Mar-21	28-Mar-21	25-Mar-21	07-Apr-21	13.0	35990.50	467877
PR 14	29-Mar-21	4-Apr-21	01-Apr-21	14-Apr-21	13.0	40248.48	523230
PR 15	5-Apr-21	11-Apr-21	08-Apr-21	21-Apr-21	13.0	37139.93	482819
PR 16	12-Apr-21	18-Apr-21	15-Apr-21	28-Apr-21	13.0	37064.63	481840
PR 17	19-Apr-21	25-Apr-21	22-Apr-21	05-May-21	13.0	36444.54	473779
PR 18	26-Apr-21	2-May-21	29-Apr-21	12-May-21	13.0	40500.98	526513
PR 19	3-May-21	9-May-21	06-May-21	19-May-21	13.0	39535.72	513964
PR 20	10-May-21	16-May-21	13-May-21	26-May-21	13.0	38721.18	503375
PR 21	17-May-21	23-May-21	20-May-21	02-Jun-21	13.0	40933.45	532135
PR 21A	27-May-21	27-May-21	27-May-21	02-Jun-21	6.0	11886.88	71321
PR 22	24-May-21	30-May-21	27-May-21	09-Jun-21	13.0	42452.62	551884
PR 22A	3-Jun-21	3-Jun-21	03-Jun-21	09-Jun-21	6.0	88.16	529
PR 23	31-May-21	6-Jun-21	03-Jun-21	16-Jun-21	13.0	41131.53	534710
PR 24	7-Jun-21	13-Jun-21	10-Jun-21	23-Jun-21	13.0	30487.06	396332
PR 25	14-Jun-21	20-Jun-21	17-Jun-21	30-Jun-21	13.0	40940.61	532228
PR 26	21-Jun-21	27-Jun-21	24-Jun-21	07-Jul-21	13.0	39067.82	507882
PR 27	28-Jun-21	4-Jul-21	01-Jul-21	14-Jul-21	13.0	39721.88	516384
PR 28	5-Jul-21	11-Jul-21	08-Jul-21	21-Jul-21	13.0	38178.51	496321
PR 29	12-Jul-21	18-Jul-21	15-Jul-21	28-Jul-21	13.0	37958.23	493457
PR 30	19-Jul-21	25-Jul-21	22-Jul-21	04-Aug-21	13.0	37092.67	482205
PR 31	26-Jul-21	1-Aug-21	29-Jul-21	11-Aug-21	13.0	39457.06	512942
PR 32	2-Aug-21	8-Aug-21	05-Aug-21	18-Aug-21	13.0	37536.38	487973
PR 33	9-Aug-21	15-Aug-21	12-Aug-21	25-Aug-21	13.0	37091.70	482192
PR 34	16-Aug-21	22-Aug-21	19-Aug-21	01-Sep-21	13.0	40449.99	525850
PR 35	23-Aug-21	29-Aug-21	26-Aug-21	08-Sep-21	13.0	41189.60	535465
PR 36	30-Aug-21	5-Sep-21	02-Sep-21	15-Sep-21	13.0	37091.04	482184
PR 37	6-Sep-21	12-Sep-21	09-Sep-21	22-Sep-21	13.0	37939.04	493208
PR 38	13-Sep-21	19-Sep-21	16-Sep-21	29-Sep-21	13.0	36953.93	480401
PR 39	20-Sep-21	26-Sep-21	23-Sep-21	06-Oct-21	13.0	38680.51	502847



THE YORK WATER COMPANY  
 CASH WORKING CAPITAL STUDY  
 DAYS LAG IN PAYMENT OF PAYROLL TAXES  
 TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No. FV-8-1 (d)  
 Page 2 of 2  
 Witness: D E Coppersmith

Voucher Number (1)	Service Period From (2)	To (3)	Mid-Point Service Period (4)=(2)+(3)	Payment Date (5)	Lag Days (6)=(5)-(4)	Invoice Amount (7)	Dollar Days (8)=(6)*(7)
PR 39A	30-Sep-21	30-Sep-21	30-Sep-21	06-Oct-21	6.0	7344.13	44065
PR 40	27-Sep-21	3-Oct-21	30-Sep-21	13-Oct-21	13.0	43881.03	570453
PR 41	4-Oct-21	10-Oct-21	07-Oct-21	20-Oct-21	13.0	38904.53	505759
PR 42	11-Oct-21	17-Oct-21	14-Oct-21	27-Oct-21	13.0	37491.31	487387
PR 43	18-Oct-21	24-Oct-21	21-Oct-21	03-Nov-21	13.0	36442.15	473748
PR 44	25-Oct-21	31-Oct-21	28-Oct-21	10-Nov-21	13.0	38513.75	500679
PR 45	1-Nov-21	7-Nov-21	04-Nov-21	17-Nov-21	13.0	37044.91	481584
PR 46	8-Nov-21	14-Nov-21	11-Nov-21	24-Nov-21	13.0	36057.06	468742
PR 47	15-Nov-21	21-Nov-21	18-Nov-21	01-Dec-21	13.0	40842.19	530948
PR 48	22-Nov-21	28-Nov-21	25-Nov-21	08-Dec-21	13.0	41025.58	533333
PR 49	29-Nov-21	5-Dec-21	02-Dec-21	15-Dec-21	13.0	36237.93	471093
PR 49A	9-Dec-21	9-Dec-21	09-Dec-21	15-Dec-21	6.0	11475.54	68853
PR 50	6-Dec-21	12-Dec-21	09-Dec-21	22-Dec-21	13.0	36494.37	474427
PR 51	13-Dec-21	19-Dec-21	16-Dec-21	29-Dec-21	13.0	36785.63	478213
FUTA							
FUTA4Q	1-Oct-20	31-Dec-20	15-Nov-20	29-Jan-21	74.5	244.57	18220
FUTA1Q	1-Jan-21	31-Mar-21	14-Feb-21	30-Apr-21	74.5	4690.54	349445
FUTA2Q	1-Apr-21	30-Jun-21	16-May-21	30-Jul-21	75.0	280.10	21008
FUTA3Q	1-Jul-21	30-Sep-21	15-Aug-21	29-Oct-21	74.5	219.66	16365
SUTA							
SUTA4Q	1-Oct-20	31-Dec-20	15-Nov-20	01-Feb-21	77.5	2562.41	198587
SUTA1Q	1-Jan-21	31-Mar-21	14-Feb-21	30-Apr-21	74.5	22440.13	1671790
SUTA2Q	1-Apr-21	30-Jun-21	16-May-21	02-Aug-21	78.0	2536.28	197830
SUTA3Q	1-Jul-21	30-Sep-21	15-Aug-21	01-Nov-21	77.5	2145.91	166308
					13.7	2111896.61	28995197

THE YORK WATER COMPANY  
CASH WORKING CAPITAL STUDY  
DAYS LAG IN PAYMENT OF ,  
PUBLIC UTILITY REALTY  
AND LOCAL PROPERTY TAXES  
TWELVE MONTHS ENDED DECEMBER 31, 2021

Check Number (1)	Service Period		Mid-Point	Payment Date (5)	Lag Days (6)=(5)-(4)	Invoice Amount (7)	Dollar Days (8)=(6)*(7)
	From (2)	To (3)	Service Period (4)=(2)+(3) /2				
PURTA	01-Jan-21	31-Dec-21	02-Jul-21	30-Apr-21	-63.0	255581.00	-16101603
COUNTY	01-Jan-21	31-Dec-21	02-Jul-21	08-Apr-21	-85.0	35209.49	-2992807
SCHOOL	01-Jul-21	30-Jun-22	30-Dec-21	19-Aug-21	-133.0	46210.12	-6145946
SCHOOL	01-Jul-21	30-Jun-22	30-Dec-21	02-Sep-21	-119.0	48687.88	-5793858
					-80.5	385688.49	-31034213

THE YORK WATER COMPANY  
CASH WORKING CAPITAL STUDY  
DAYS LAG IN PAYMENT OF STATE AND FEDERAL INCOME TAXES  
TWELVE MONTHS ENDED DECEMBER 31, 2021

Check Number (1)	Service Period		Mid-Point	Payment Date (5)	Lag Days (6)=(5)-(4)	Invoice Amount (7)	Dollar Days (8)=(6)*(7)
	From (2)	To (3)	Service Period (4)=(2)+(3) /2				
FED1Q	01-Jan-21	31-Mar-21	14-Feb-21	15-Apr-21	59.5	0.00	0
FED2Q	01-Apr-21	30-Jun-21	16-May-21	15-Jun-21	30.0	217067.00	6512010
FED3Q	01-Jul-21	30-Sep-21	15-Aug-21	15-Sep-21	30.5	0.00	0
FED4Q	01-Oct-21	31-Dec-21	15-Nov-21	15-Dec-21	29.5	493773.82	14566328
ST1Q	01-Jan-21	31-Mar-21	14-Feb-21	15-Mar-21	28.5	0.00	0
ST2Q	01-Apr-21	30-Jun-21	16-May-21	15-Jun-21	30.0	0.00	0
ST3Q	01-Jul-21	30-Sep-21	15-Aug-21	15-Sep-21	30.5	0.00	0
ST4Q	01-Oct-21	31-Dec-21	15-Nov-21	15-Dec-21	29.5	14194.00	418723
					29.6	725034.82	21497061

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CASH WORKING CAPITAL REQUIREMENT  
 CALCULATION OF LAG DAYS IN RECEIPT OF REVENUES

Lag Component (1)	Average Metered Repumped Billing Cycle (Days) (2)	Average Metered Gravity Billing Cycle (Days) (3)
Midpoint of Monthly Billing Cycle Period (365 / 12 / 2)	15.2	15.2
Reading Meters, Entering Data, Validating and Processing Data Including Application of Cash Payments(Exhibit No. HV-8-1(g)1)	5.4	4.2
Average Collection Period (Exhibit No. HV-8-1(g)2)	33.1	33.1
Total Lag Days in Receipt of Revenues	53.7	52.5

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CASH WORKING CAPITAL REQUIREMENT

CALCULATION OF DAYS LAG TO READ METERS, ENTER DATA, VALIDATE AND  
 PROCESS DATA AND ENTER INTO ACCOUNTS RECEIVABLE DURING 2021 FOR  
 RESIDENTIAL, COMMERCIAL AND INDUSTRIAL REPUMPED CUSTOMERS (CYCLES 5 AND 8)

Month and Cycle (1)	Mid-Point Meter Reading Date (2)	Billing Date (Entered Into Accounts Receivable) (3)	Days Lag (4)=(3)-(2)
01-05	22-Jan-21	28-Jan-21	6.0
02-05	22-Feb-21	26-Feb-21	4.0
03-05	23-Mar-21	29-Mar-21	6.0
04-05	23-Apr-21	29-Apr-21	6.0
05-05	24-May-21	28-May-21	4.0
06-05	22-Jun-21	28-Jun-21	6.0
07-05	23-Jul-21	29-Jul-21	6.0
08-05	24-Aug-21	30-Aug-21	6.0
09-05	21-Sep-21	27-Sep-21	6.0
10-05	25-Oct-21	29-Oct-21	4.0
11-05	19-Nov-21	29-Nov-21	10.0
12-05	27-Dec-21	30-Dec-21	3.0
			67.0
01-08	29-Jan-21	04-Feb-21	6.0
02-08	01-Mar-21	05-Mar-21	4.0
03-08	29-Mar-21	05-Apr-21	7.0
04-08	02-May-21	07-May-21	5.0
05-08	01-Jun-21	04-Jun-21	3.0
06-08	29-Jun-21	06-Jul-21	7.0
07-08	02-Aug-21	06-Aug-21	4.0
08-08	30-Aug-21	03-Sep-21	4.0
09-08	28-Sep-21	04-Oct-21	6.0
10-08	01-Nov-21	05-Nov-21	4.0
11-08	30-Nov-21	06-Dec-21	6.0
12-08	30-Dec-21	06-Jan-22	7.0
			63.0
	Average Days Lag for Repumped Customers (Cycles 5 and 8)		5.4

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CASH WORKING CAPITAL REQUIREMENT

CALCULATION OF DAYS LAG TO READ METERS, ENTER DATA, VALIDATE AND  
 PROCESS DATA AND ENTER INTO ACCOUNTS RECEIVABLE DURING 2021 FOR  
 RESIDENTIAL, COMMERCIAL AND INDUSTRIAL GRAVITY CUSTOMERS (CYCLES 1 and 4)

Month and Cycle (1)	Mid-Point Reading Date (2)	Entered Into Accounts Receivable (4)	Days Lag (5)=(4)-(2)
01-01	04-Jan-21	08-Jan-21	3.0
02-01	05-Feb-21	11-Feb-21	5.0
03-01	05-Mar-21	11-Mar-21	5.0
04-01	06-Apr-21	12-Apr-21	5.0
05-01	07-May-21	13-May-21	5.0
06-01	07-Jun-21	11-Jun-21	3.0
07-01	06-Jul-21	12-Jul-21	5.0
08-01	09-Aug-21	13-Aug-21	3.0
09-01	07-Sep-21	10-Sep-21	2.0
10-01	05-Oct-21	12-Oct-21	6.0
11-01	08-Nov-21	12-Nov-21	3.0
12-01	07-Dec-21	13-Dec-21	5.0
			50.0
01-04	11-Jan-21	15-Jan-21	3.0
02-04	11-Feb-21	18-Feb-21	6.0
03-04	12-Mar-21	18-Mar-21	5.0
04-04	13-Apr-21	19-Apr-21	5.0
05-04	14-May-21	20-May-21	5.0
06-04	14-Jun-21	18-Jun-21	3.0
07-04	13-Jul-21	19-Jul-21	5.0
08-04	16-Aug-21	20-Aug-21	3.0
09-04	13-Sep-21	17-Sep-21	3.0
10-04	12-Oct-21	18-Oct-21	5.0
11-04	12-Nov-21	18-Nov-21	5.0
12-04	13-Dec-21	17-Dec-21	3.0
			51.0
Average Days Lag for Gravity Customers (Cycles 1 and 4)			4.2

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 ANALYSIS OF BILLING LAG

	Customer Classification	
	Residential Commercial Industrial Repumped	Residential Commercial Industrial Gravity
Billing Lag - 1991	15.6	12.2
Billing Lag - 1995	13.6	11.8
Billing Lag - 1998	14.4	13.1
Billing Lag - 2000	11.5	12.1
Billing Lag - 2002	11.0	11.4
Billing Lag - 2003	10.9	11.0
Billing Lag - 2005	8.8	9.1
Billing Lag - 2007	10.1	9.0
Billing Lag - 2009	9.7	7.1
Billing Lag - 2012	6.6	6.8
Billing Lag - 2017	5.7	5.4
Billing Lag - 2021	5.4	4.2
Total Reduction in Billing Lag Days	10.2	8.0
Per Cent	65.4%	65.6%

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CASH WORKING CAPITAL REQUIREMENT  
 AVERAGE REVENUE COLLECTION DAYS

Month (1)	Customers' Accounts Receivable (2)
January, 2021	4,832,563
February	5,301,831
March	4,184,264
April	4,463,434
May	5,029,199
June	4,543,627
July	4,673,221
August	4,966,763
September	4,477,820
October	4,593,833
November	4,801,806
December	4,785,667
	56,654,028
Average Customers Accounts Receivable Monthly Balance	4,721,169
Total Test Year Sales of Water and Penalties (Excluding Unbilled)	52,028,072
Turnover Ratio (Total Test Year Sales/Average Customers Accounts Receivable Monthly Balance)	11.0
Weighted Average Revenue Collection Lag Days (365 / 11.0 )	33.1



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
THIRTEEN MONTH AVERAGE OF BUILDERS DEPOSITS AND WATER REVENUES  
PAID IN ADVANCE

Month (1)	Builders Deposits and Water Revenues Paid In Advance (2)
2020 December	223,486
2021 January	259,519
February	231,875
March	274,738
April	262,083
May	257,897
June	266,766
July	258,491
August	267,592
September	264,724
October	272,030
November	304,978
December	285,452
	3,429,631
Thirteen Month Average	263,818

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CASH WORKING CAPITAL REQUIREMENT  
INTEREST ADJUSTMENT FOR TWELVE MONTHS ENDING DECEMBER 31, 2022

	Interest Payments (1)	Number Of Lag Days (2)	Weighted Interest Payments (3)=(1)*(2)	Weighted Average Lag Days (4)=(3)/(1)
Semi-Annual Interest Payments	4,297,764	91	391,096,506	
Monthly Interest Payments (In Arrears)	657,980	15	9,869,703	
	4,955,744		400,966,209	80.9
Less: Revenue Weighted Average Lag Days (Refer to Exhibit No. FV-8-1)				53.4
Net Interest Lag Days				27.6
Daily Interest Payments (Interest Payments / 365)				13,577
Interest Available For Working Capital (Daily Interest x Net Lag Days)				374,064

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CASH WORKING CAPITAL REQUIREMENT  
INTEREST ADJUSTMENT FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

	Interest Payments (1)	Number Of Lag Days (2)	Weighted Interest Payments (3)=(1)*(2)	Weighted Average Lag Days (4)=(3)/(1)
Semi-Annual Interest Payments	5,110,826	91	465,085,193	
Monthly Interest Payments (In Arrears)	705,050	15	10,575,743	
	5,815,876		475,660,936	81.8
Less: Revenue Weighted Average Lag Days (Refer to Exhibit No. FV-8-1)				53.4
Net Interest Lag Days				28.4
Daily Interest Payments (Interest Payments / 365)				15,934
Interest Available For Working Capital (Daily Interest x Net Lag Days)				452,527

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
THIRTEEN MONTH AVERAGE OF PREPAID PUBLIC UTILITY COMMISSION  
ASSESSMENT, OFFICE OF CONSUMER ADVOCATE ASSESSMENT,  
OFFICE OF SMALL BUSINESS ADVOCATE, AND DAMAGE PREVENTION  
COMMITTEE ASSESSMENT

Month (1)	Prepaid Assess- ments (2)
December, 2021	173,597
January, 2022	144,664
February	115,731
March	86,798
April	57,866
May	28,933
June	-
July	323,998
August	294,543
September	265,089
October	235,635
November	206,180
December	176,726
	2,109,758
Thirteen Month Average	162,289
December, 2022	176,726
January, 2023	147,272
February	117,817
March	88,363
April	58,909
May	29,454
June	-
July	335,521
August	305,019
September	274,517
October	244,015
November	213,513
December	183,011
January, 2024	152,509
February	122,008
	2,124,657
Thirteen Month Average	163,435

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
AMORTIZED EXPENSES FOR TWELVE MONTHS ENDING DECEMBER 31, 2022

53.53 V. Valuation

D. Water and Wastewater Utilities

9. Indicate if amortized expenses have been removed from the lead-lag study. If so, please provide documentation showing such removal. If not, provide a list of such amortization expenses included.

Documentation Showing Amortized Expenses Have Been Eliminated  
From The Calculation Of Cash Working Capital Based On The Lead-Lag  
Method

	Amount
Pro Forma Operating Expenses For The Twelve Months Ending December 31, 2022 (Refer To Exhibit No. FIII-2)	22,682,887
Pro Forma Current Income Taxes For The Twelve Months Ending December 31, 2022 (Refer To Exhibit No. FIV-17)	72,471
Pro Forma Taxes Other Than Income Taxes For Twelve Months Ending December 31, 2022 (Refer To Exhibit No. FIV-15)	1,350,210
Less: Bad Debt Expense ( Refer To Exhibit No. FIII-2)	270,895
Amortizations Detailed Below	(11,746)
	23,846,419

Description	Exhibit Number	Amount
Amortization of Margaretta Mobile Home Park Acquisition Adjustment	HIII-2-26	5,551
Amortization of York Starview LP Acquisition Adjustment	HIII-2-28	3,590
Amortization of Section A Water Corp. Acquisition Adjustment	HIII-2-11	3,473
Amortization of Wrightsville Borough Municipal Authority Acquisition Adjustment	HIII-2-22	6,789
Amortization of Westwood Mobile Home Park Acquisition Adjustment	HIII-2-15	(7,547)
Amortization of Lincoln Estates Mobile Home Park Acquisition Adjustment	HIII-2-32	(7,719)
Amortization of The Meadows Acquisition Adjustment	HIII-2-34	(15,882)
		(11,746)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
AMORTIZED EXPENSES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

53.53 V. Valuation

D. Water and Wastewater Utilities

9. Indicate if amortized expenses have been removed from the lead-lag study. If so, please provide documentation showing such removal. If not, provide a list of such amortization expenses included.

Documentation Showing Amortized Expenses Have Been Eliminated  
From The Calculation Of Cash Working Capital Based On The Lead-Lag  
Method

	Amount
Pro Forma Operating Expenses For The Twelve Months Ending February 29, 2024 (Refer To Exhibit No. FIII-2)	23,702,383
Pro Forma Current Income Taxes For The Twelve Months Ending February 29, 2024 (Refer To Exhibit No. FIV-17)	(1,023,245)
Pro Forma Taxes Other Than Income Taxes For Twelve Months Ending February 29, 2024 (Refer To Exhibit No. FIV-15)	1,378,995
Less: Bad Debt Expense ( Refer To Exhibit No. FIII-2)	273,777
Amortizations Detailed Below	(18,808)
	23,803,165

Description	Exhibit Number	Amount
Amortization of Margareta Mobile Home Park Acquisition Adjustment	HIII-2-26	5,551
Amortization of Wrightsville Borough Municipal Authority Acquisition Adjustment	HIII-2-22	6,789
Amortization of Westwood Mobile Home Park Acquisition Adjustment	HIII-2-15	(7,547)
Amortization of Lincoln Estates Mobile Home Park Acquisition Adjustment	HIII-2-32	(7,719)
Amortization of The Meadows Acquisition Adjustment	HIII-2-34	(15,882)
		(18,808)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
FUNDS AVAILABILITY

53.53 V. Valuation

D. Water and Wastewater Utilities

10 Identify the funds availability arrangements or terms which the company has with its banks with respect to deposits of customers checks. For example, does the company have same day or next day access to funds deposited.

Response:

The Company has same day access to funds deposited drawn on local banks, and next day access to funds deposited which are drawn on banks outside our region.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
WORKING CAPITAL - MATERIALS AND SUPPLIES

53.53 V. Valuation

D. Water and Wastewater Utilities

11 In reference to materials and supplies:

- (a) What method of inventory valuation was used to develop the claim for materials and supplies?
- (b) Does the utility use a material and supply model to calculate needed material and supply levels?
- (c) If so, provide the model. Supply an illustrative example of how the monthly balances are derived.
- (d) Provide the actual monthly value for the inventory of materials and supplies for the past twelve months. Supply as of the end of the test year, a thirteen month average, by month, for the material and supply account.
- (e) Provide the monthly level of materials and supplies for three years prior to the conclusion of the historic test year.

Response:

The Company values its materials and supplies inventory at cost.

The Company has established minimum and maximum levels for items reflected in its materials and supplies inventory. The Company does not use a materials and supplies model to determine needed materials and supplies levels.

Month (1)	End of Month Balance Thirteen Months Ended			Thirteen Months Ending December 31, 2022 (5)	Thirteen Months Ending February 29, 2024
	2019 (2)	December 31, 2020 (3)	2021 (4)		
December	875,569	1,006,802	1,009,812	1,916,729	
January	935,169	967,563	1,015,932	1,333,561	
February	1,034,158	1,048,792	1,051,184	1,340,204	1,450,076
March	1,042,995	1,080,990	1,023,525	1,358,944	1,455,304
April	1,078,291	1,161,743	1,057,343	1,371,463	1,460,133
May	980,481	1,038,904	1,112,094	1,378,142	1,465,149
June	986,993	1,064,278	1,039,099	1,400,648	1,471,884
July	956,860	1,013,101	1,291,517	1,405,278	1,476,713
August	941,471	1,094,590	1,438,677	1,410,228	1,481,610
September	1,031,010	1,167,186	1,388,403	1,415,701	1,486,870
October	1,006,351	1,141,850	1,604,413	1,420,211	1,491,699
November	1,013,495	959,270	1,667,290	1,424,755	1,614,045
December	1,006,802	1,009,812	1,916,729	1,440,324	1,632,615
January					1,637,773
February					1,643,068
Total				18,616,188	19,766,939
13 Month Average				1,432,014	1,520,534



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED PLANT ADDITIONS

53.53 V. Valuation

D. Water and Wastewater Utilities

- 12 For each non-blanket or projected plant addition to cost the lesser of \$100,000 or 0.5% of current rate base, included in the future test year, please provide:
- a. Description of the project.
  - b. Original budgeted cost (broken down by AFUDC and non-AFUDC components).
  - c. Current budgeted cost (broken down by AFUDC and non-AFUDC components).
  - d. Reason for change in budgeted cost.
  - e. Original estimated date of completion and in service.
  - f. Current estimated date of completion and in service.
  - g. Reason for change in completion date.
  - h. Anticipated retirement related to the plant addition.
  - i. Starting date of project.
  - j. Amount expended to date.
  - k. Percent of project currently complete.
  - l. The depreciation rate applicable.
  - m. Identify which projects are due to a PA-DEP or EPA requirement.

Response: Refer to Exhibit Nos. FV-12-1, FV-12-2, and FV-12-3 for the twelve months ending December 31, 2022 and Exhibit Nos. FV-12-4, FV-12-5, and FV-12-6 for the period ending February 29, 2024.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED MONTHLY ACTIVITY AND BALANCES FOR THE TWELVE MONTHS  
 ENDING DECEMBER 31, 2022 FOR UTILITY PLANT UNDER CONSTRUCTION AND  
 UTILITY PLANT IN SERVICE

Exhibit No.FV-12-1  
 Page 1 of 1  
 Witness: M A Wheeler

Period (1)	Utility Plant Under Construction (Account No. 105)				Utility Plant in Service (Account No. 101)			Balance End of Period (9)=(6)+(7) -(8)
	Balance Beginning of Period (2)	Construction Expenditures (3)	Plant Transferred to in Service (4)	Balance End of Period (5)=(2)+(3) -(4)	Balance Beginning of Period (6)	Plant Transferred From Under Construction (7)	Retirements (8)	
December, 2021				21,542,571 (a)				428,223,812
January, 2022	21,542,571	2,582,292	1,773,425	22,351,437	428,223,812	1,773,425	130,035	429,867,203
February	22,351,437	2,780,792	2,360,862	22,771,367	429,867,203	2,360,862	219,787	432,008,277
March	22,771,367	2,582,292	6,205,677	19,147,982	432,008,277	6,205,677	164,634	438,049,321
April	19,147,982	3,719,692	4,200,997	18,666,677	438,049,321	4,200,997	165,752	442,084,566
May	18,666,677	3,828,892	2,308,998	20,186,571	442,084,566	2,308,998	155,861	444,237,703
June	20,186,571	3,719,692	7,588,600	16,317,662	444,237,703	7,588,600	334,054	451,492,249
July	16,317,662	3,579,858	1,651,125	18,246,396	451,492,249	1,651,125	158,749	452,984,625
August	18,246,396	3,677,758	1,749,025	20,175,129	452,984,625	1,749,025	153,373	454,580,277
September	20,175,129	3,579,858	1,935,125	21,819,862	454,580,277	1,935,125	170,838	456,344,565
October	21,819,862	3,449,792	1,583,792	23,685,862	456,344,565	1,583,792	130,035	457,798,321
November	23,685,862	3,460,692	1,594,692	25,551,862	457,798,321	1,594,692	130,035	459,262,978
December	25,551,862	3,449,792	5,333,757	23,667,897	459,262,978	5,333,757	315,128	464,281,607

(a) Includes Utility Plant Under Construction As Of December 31, 2021  
 Which Is Completed And In Service (Refer to Exhibit No. FV-12-2).

Also Includes Utility Plant Under Construction As Of December 31, 2021  
 Which Will Be Completed And Placed In Service During The Twelve  
 Months Ending December 31, 2022. ( Refer to Exhibit No. FV-12-2)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED ADDITIONS PLACED IN SERVICE  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No.FV-12-2  
 Page 1 of 5  
 Witness: M A Wheeler

Description	Acct No.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>Structures and Improvements</b>														
Amblebrook Treatment Building & Tank Site Paving	304					41,000								41,000
Amblebrook Buildings - Replace Entry Doors	304		12,000											12,000
Distribution - Replace entry door near power washer	304					6,000								6,000
Distribution - Replace Roll Up Doors Where Meter Repair Parks	304								30,000					30,000
Roof Replacements Booster Stations	304						40,000			25,000				65,000
Conference Center Upgrades - Modify Entrance	304												75,000	75,000
Lagoon Property - Install Fence	304									15,000				15,000
Brillhart - Replace Slate Roof Over New Electrical Equipment	304			90,000										90,000
Brillhart - Paving	304								50,000					50,000
Brillhart - Pole Barn Addition (Electronics Relocation)	304						120,000							120,000
Brillhart - Office/Breakroom Addition (Electronics Relocation)	304						140,000							140,000
Brillhart - Expand Perimeter of Security Fence	304									36,000				36,000
Filter Plant - Basin 3 Handrail	304									25,000				25,000
Main office - 130 Rear Concrete Steps Rehab	304		5,000											5,000
Main Office - IT Area Water Remediation	304			15,000										15,000
Replace Lighting In IT Office	304		3,000											3,000
Light Upgrades - FP & Solids	304			25,000										25,000
Install Solar Panels at Filter Plant Front Gate, Grantly Road Electr	304						15,000							15,000
Farm Tek ClearSpan Storage Building for Topsoil	304						38,000							38,000
<b>Collection and Impounding Reservoirs</b>														
Lake Williams Water Street Abandonment	305												1,000,000	1,000,000
Source of Supply / Demand Projection Study	305												80,000	80,000
<b>Raw Water Mains</b>														
<b>Power Generation Equipment</b>														
Amblebrook Well House Generator	310			70,000										70,000
Hellam BS - Replace Generator	310						40,000							40,000
<b>Raw Water Pumping Equipment</b>														
Amblebrook Well 3 and Raw Water Main	311												120,000	120,000
Dual Diaphragm Pump - BPS Source Water	311		5,000											5,000
<b>Booster Pumping Equipment</b>														
Loganville Booster Station Expansion	311												120,000	120,000
S. Repump East #2 - Install VFD	311			20,000										20,000
Mt. Zion BS - Replace Exhaust Fan	311					6,500								6,500
Longstown BS - Replace Exhaust Fan	311					4,500								4,500
<b>Water Treatment Equipment</b>														
PAC (Carbon) Feed System Design/Install	320			165,000										165,000
Tank Mixers for Each Tank Being Maintained in 2022	320									10,000			10,000	20,000
Pumphouse Insulation	320						10,000							10,000
Replacement Filter Effluent Turbidimeters	320												120,000	120,000
Amblebrook CT Flush Point	320			25,000										25,000
Benchtop Spec	320		6,000											6,000
Backup Zetasizer	320		45,000											45,000
UV254 Probe	320					30,000								30,000
Filter Plant - New Airlock	320								3,200					3,200
Filter Plant - Solids Dewatering Press #1/#2 Gearbox Upgrade	320												16,000	16,000
Filter Plant - Install Air Brake Prior to Main Breakers	320						40,000							40,000
Filter Plant - Dewatering Press #3 Ring Rebuild	320						19,000							19,000
Filter Plant - Moyno Press Feed Pump Rebuild	320									13,000				13,000

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED ADDITIONS PLACED IN SERVICE  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No.FV-12-2  
 Page 2 of 5  
 Witness: M A Wheeler

Description	Acct No.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>Distribution Reservoirs and Standpipes</b>														
Paint Carroll Valley Tank	330									160,000				160,000
Paint Spry Tank	330						525,000							525,000
<b>Transmission and Distribution Mains</b>														
Developer Financed Mains	331	36,667	36,667	36,667	36,667	36,667	36,667	36,667	36,667	36,667	36,667	36,667	36,667	440,000
Misc. Bonafide Customer Mains	331	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	220,000
Replacement/Relining Mains	331	1,076,667	1,076,667	1,076,667	1,076,667	1,076,667	1,076,667	1,076,667	1,076,667	1,076,667	1,076,667	1,076,667	1,076,667	12,920,000
Valve Replacements	331	110,750	110,750	110,750	108,417	108,417	108,417	110,417	110,417	110,417	109,750	109,750		1,318,000
Greenbriar Road Main Tie-In	331												400,000	400,000
Amblebrook Section C Water Mains	331												1,000,000	1,000,000
<b>Service Lines</b>														
New Service Lines	333	118,333	118,333	118,333	118,333	118,333	118,333	118,333	118,333	118,333	118,333	118,333	118,333	1,420,000
Replacement Service Lines	333	75,625	75,625	75,625	75,625	75,625	75,625	75,625	75,625	75,625	75,625	75,625	75,625	907,500
<b>Meters</b>														
New Meters	334	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	272,000
Replacement Meters	334	57,667	57,667	57,667	57,667	57,667	57,667	57,667	57,667	57,667	57,667	57,667	57,667	692,000
<b>Fire Hydrants</b>														
New Hydrants	335	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500	426,000
Hydrant Replacements	335	27,917	27,917	27,917	27,917	27,917	27,917	27,917	27,917	27,917	27,917	27,917	27,917	335,000
<b>Backflow Preventors</b>														
Routine and Conventional Expenditures	336	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	32,000
<b>Office Furniture and Equipment</b>														
Project Labor External (GIS / Oracle Consulting)	340												262,100	262,100
Project Labor Internal (Includes GIS Summer Intern)	340												235,800	235,800
GIS - Automating USIC Data Pull	340						7,500							7,500
Security Incident Response Assessment / Planning	340			16,000										16,000
Insertor for Mailroom	340		70,000											70,000
Audio/Visual Equipment/Software for Communications	340		5,000											5,000
<b>Transportation Equipment</b>														
Fleet Vehicle Purchase	341	25,000	25,000	25,000	41,667	41,667	41,667	66,667	66,667	66,667				400,000
Angle Broom 32" x 96" Attachment (Case Compact Loader)	341					7,400								7,400
Sectional Snow Pusher 8' Length (Case Compact Loader)	341		10,500											10,500
Replace Spill Boat Motor	341		5,000											5,000
<b>Tools, Shop and Garage Equipment</b>														
Shell Cutter Rehab/Replacement	343					3,500						4,500		8,000
MTX 60 Rammer Replacement	343					2,800						2,800		5,600
Kupfuerle Automatic Flushing Systems	343								3,600					3,600
Data Logger / Correlator	343		20,000											20,000
8" Godwin Pump Composite Hoses	343		7,000											7,000
<b>Laboratory Equipment</b>														
<b>Communication Equipment</b>														
SCADA Upgrades - Southwestern Sites Cameras	346			35,000										35,000
SCADA Programming - Ongoing	346	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
<b>Miscellaneous Equipment</b>														
STS Leak Detection Equipment	347											3,600		3,600
RadioDetection RD5000 Pipe Line Locator	347								3,600					3,600
Confined Space Tripod Kit for Meter Shop	347		5,000											5,000
Equipment for New Main Flushing & Disinfection	347					7,500			7,500					15,000
		1,609,792	1,808,292	2,070,792	1,624,125	1,733,325	2,618,625	1,651,125	1,749,025	1,935,125	1,583,792	1,594,692	5,022,692	25,001,400





THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED ADDITIONS PLACED IN SERVICE  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No.FV-12-2  
 Page 5 of 5  
 Witness: M A Wheeler

Description	Acct No.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Utility Plant Under Construction as of December 31, 2021 Which Will Be Completed and Placed In Service During 2022 (These Expenditures <b>Are Not</b> Included In The Company's Forecast of Construction Expend- itures For 2022 (Exhibit No. HXI-4)														
A21-198 Conference Center Upgrades - Modify Entrance	304												37,634	37,634
A15-117 Lake Williams Bridge Rehab	305												152,477	152,477
A20-041 Install BPS Insertion Meters	309					107,472								107,472
A20-026 Loganville BS Expansion	311												120,954	120,954
A21-306 Rebuild Pump #2 at SRPS	311			14,807										14,807
A21-017 Buoy Systems & Sondes	320						121,123							121,123
A19-422 Amblebrook Water Tank	330						1,852,665							1,852,665
A20-218 Welbourne Reserve - Phase 1	331				730,209									730,209
A20-340 W Poplar St Main Replacement	331						1,284,248							1,284,248
A20-589 Core5-Codorus Creek-Ph1 Main E	331			361,909										361,909
A21-094 N Duke St Main Replacement 8X4	331						1,400,968							1,400,968
A21-130 Repl Main St YNS PA DOT 4181	331			688,207										688,207
A21-148 Hills at Valley View Main Ext	331			327,277										327,277
A21-202 Airport Reinforcg Mn Fleet St	331					468,200								468,200
A21-229 App High Pointe S ext 4844	331			98,562										98,562
A21-232 Sinking Spring Main Ext	331						118,708							118,708
A21-243 Prinland Heights- Phase 1	331			108,954										108,954
A21-271 Farmbrook Meadows Main Ext	331						192,263							192,263
A21-244 WIMS/ WIMS-DR Server Refresh	340			26,122										26,122
														0
														0
														0
														0
		0	0	1,625,837	730,209	575,673	4,969,975	0	0	0	0	0	311,065	8,212,758
		1,773,425	2,360,862	6,205,677	4,200,997	2,308,998	7,588,600	1,651,125	1,749,025	1,935,125	1,583,792	1,594,692	5,333,757	38,286,074





THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED RETIREMENTS REMOVED FROM SERVICE  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No.FV-12-3  
 Page 2 of 2  
 Witness: M A Wheeler

Description	Acct No.	Jan	Year	Feb	Year	Mar	Year	Apr	Year	May	Year	Jun	Year	Jul	Year	Aug	Year	Sep	Year	Oct	Year	Nov	Year	Dec	Year	Total
		130,035		191,618		164,634		165,752		155,861		334,054		158,749		153,373		170,838		130,035		130,035		315,128		2,200,110

Retirements Associated With  
 Utility Plant Under Construction  
 As of December 31, 2021 Which  
 Will Be Completed and Placed In  
 Service During 2022

Description	Acct No.	Jan	Year	Feb	Year	Mar	Year	Apr	Year	May	Year	Jun	Year	Jul	Year	Aug	Year	Sep	Year	Oct	Year	Nov	Year	Dec	Year	Total
21-085 Retire Lower Shop Upper Garage Covers	304			28,169	2006																					28,169
		0		28,169		0		0		0		0		0		0		0		0		0		0		28,169
		130,035		219,787		164,634		165,752		155,861		334,054		158,749		153,373		170,838		130,035		130,035		315,128		2,228,279

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED MONTHLY ACTIVITY AND BALANCES FOR THE FOURTEEN MONTHS  
 ENDING FEBRUARY 29, 2024 FOR UTILITY PLANT UNDER CONSTRUCTION AND  
 UTILITY PLANT IN SERVICE

Exhibit No.FV-12-4  
 Page 1 of 1  
 Witness: M A Wheeler

Period (1)	Utility Plant Under Construction (Account No. 105)				Utility Plant in Service (Account No. 101)			Balance End of Period (9)=(6)+(7) -(8)
	Balance Beginning of Period (2)	Construction Expenditures (3)	Plant Transferred to in Service (4)	Balance End of Period (5)=(2)+(3) -(4)	Balance Beginning of Period (6)	Plant Transferred From Under Constructor (7)	Retirements (8)	
December, 2022				23,667,897 (a)				464,281,607
January, 2023	23,667,897	3,827,006	1,671,417	25,823,487	464,281,607	1,671,417	114,841	465,838,183
February	25,823,487	3,878,631	1,723,042	27,979,076	465,838,183	1,723,042	135,974	467,425,250
March	27,979,076	3,867,631	1,837,042	30,009,665	467,425,250	1,837,042	152,013	469,110,279
April	30,009,665	4,052,839	1,671,417	32,391,088	469,110,279	1,671,417	114,843	470,666,853
May	32,391,088	4,176,964	1,795,542	34,772,511	470,666,853	1,795,542	178,511	472,283,883
June	34,772,511	4,093,464	2,367,042	36,498,934	472,283,883	2,367,042	196,182	474,454,743
July	36,498,934	3,882,839	1,671,417	38,710,356	474,454,743	1,671,417	114,843	476,011,317
August	38,710,356	3,930,664	1,719,242	40,921,779	476,011,317	1,719,242	140,420	477,590,138
September	40,921,779	3,923,464	1,872,042	42,973,202	477,590,138	1,872,042	176,573	479,285,607
October	42,973,202	3,832,006	1,671,417	45,133,791	479,285,607	1,671,417	114,843	480,842,181
November	45,133,791	3,883,631	39,985,467	9,031,955	480,842,181	39,985,467	547,794	520,279,854
December	9,031,955	2,113,358	6,211,748	4,933,566	520,279,854	6,211,748	225,856	526,265,745
January, 2024	4,933,566	1,777,650	1,777,650	4,933,566	526,265,745	1,777,650	114,844	527,928,551
February	4,933,566	1,821,400	1,821,400	4,933,566	527,928,551	1,821,400	114,845	529,635,106

(a) Includes Utility Plant Under Construction As Of December 31, 2022  
 Which Will be Completed And Placed In Service by February 29, 2024  
 ( Refer to Exhibit No. FV-12-5)



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED ADDITIONS PLACED IN SERVICE  
 FOURTEEN MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FV-12-5  
 Page 2 of 2  
 Witness: M A Wheeler

Description	Acct No.	2023												2024		Total
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Tools, Shop, and Garage Equipment	343															
Shell Cutter Rehab/Replacement	343					3,500							4,500			8,000
MTX 60 Rammer Replacement	343												2,800			2,800
Kupfuerle Automatic Flushing Systems	343								3,500							3,500
Communication Equipment	346															0
SCADA Upgrades	346			35,000												35,000
SCADA Programming - Ongoing	346	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,250	2,250	29,500
Cameras / Security Installation	346									15,000						15,000
Miscellaneous Equipment	347															0
STS Leak Detection Equipment	347												3,700			3,700
RadioDetection RD5000 Pipe Line Locator	347								3,700							3,700
		1,671,417	1,723,042	1,837,042	1,671,417	1,795,542	2,367,042	1,671,417	1,719,242	1,872,042	1,671,417	36,435,042	6,187,842	1,777,650	1,821,400	64,221,550
Utility Plant Under Construction as of December 31, 2022 Which Is Completed and Placed In Service As of December 31, 2022 (These Expenditures <b>Are Not</b> Included In The Company's Forecast of Construction Expend- itures Fourteen Months Ending February 29, 2024 (Exhibit No. HXI-4)																
Utility Plant Under Construction as of December 31, 2022 Which Will Be Completed and Placed In Service during Period ending February 29, 2024 (These Expenditures <b>Are Not</b> Included In The Company's Forecast of Construction Expend- itures Fourteen Months ending February 29, 2024 (Exhibit No. HXI-4)																
A20-306 Lk Williams Armoring, Spillway	305												3,550,425			3,550,425
A21-238 SRPS Sluice Gates/Air Burst Sy	305												23,906			23,906
		0	0	0	0	0	0	0	0	0	0	3,550,425	23,906	0	0	3,574,331
		1,671,417	1,723,042	1,837,042	1,671,417	1,795,542	2,367,042	1,671,417	1,719,242	1,872,042	1,671,417	39,985,467	6,211,748	1,777,650	1,821,400	67,795,881

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED RETIREMENTS REMOVED FROM SERVICE  
 FOURTEEN MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FV-12-6  
 Page 1 of 2  
 Witness: M A Wheele

Description	Acct No.	2023 Jan	Year	Feb	Year	Mar	Year	Apr	Year	May	Year	Jun	Year	Jul	Year
Land															
Structures and Improvements	304														
Roof Replacements Booster Stations	304											2,280	1990		
Main Office - 130 Roof Replacement	304														
Collection and Impounding Reservoirs															
Lake, River, and other Intakes															
Raw Water Mains															
Raw Water Pumping Equipment															
Booster Pumping Equipment	311														
Water Treatment Equipment	320														
Distribution Reservoirs and Standpipes															
Replace Jefferson Reservoir w/ Elevated Tank	330														
Pleasureville Standpipe Painting	330											39,218	1990		
Transmission and Distribution Mains															
Replacement/Relining Mains	331	19,107	VAR	19,107	VAR	19,107	VAR	19,107	VAR	19,107	VAR	19,107	VAR	19,107	VAR
Service Lines															
Replacement Service Lines	333	16,101	VAR	16,101	VAR	16,101	VAR	16,101	VAR	16,101	VAR	16,101	VAR	16,101	VAR
Meters															
Replacement Meters	334	72,188	VAR	72,189	VAR	72,189	VAR	72,189	VAR	72,189	VAR	72,189	VAR	72,189	VAR
Fire Hydrants															
Hydrant Replacements	335	7,445	VAR	7,445	VAR	7,445	VAR	7,446	VAR	7,446	VAR	7,446	VAR	7,446	VAR
Backflow Preventors															
Office Furniture and Computer Equipment	340														
Transportation Equipment															
Fleet Vehicle Purchase	341			21,132	2017	37,171	2013			29,297	2013	39,841	2015		
Purchase Skid Loader / Attachments to Replace New Holland Tra	341									34,371	2007				
Tools, Shop, and Garage Equipment	343														
Communication Equipment	346														
Miscellaneous Equipment	347														
		114,841		135,974		152,013		114,843		178,511		196,182		114,843	
Retirements Associated With Utility Plant Under Construction As Of December 31, 2022 Which Will Be Completed and Placed In Service During Fourteen Months ending February 29, 2024															
R18-389 Retire Lake Williams Spillway	305														
		0		0		0		0		0		0		0	
		114,841		135,974		152,013		114,843		178,511		196,182		114,843	

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED RETIREMENTS REMOVED FROM SERVICE  
 FOURTEEN MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FV-12-6  
 Page 2 of 2  
 Witness: M A Wheeler

Description	Acct No.	Aug	Year	Sep	Year	Oct	Year	Nov	Year	Dec	Year	2024 Jan	Year	Feb	Year	Total
Land																0
Structures and Improvements	304															0
Roof Replacements Booster Stations	304			12,889	1999											15,169
Main Office - 130 Roof Replacement	304			13,699	1987											13,699
Collection and Impounding Reservoirs																
Lake, River, and other Intakes																
Raw Water Mains																
Raw Water Pumping Equipment																
Booster Pumping Equipment	311															
Water Treatment Equipment	320															
Distribution Reservoirs and Standpipes																
Replace Jefferson Reservoir w/ Elevated Tank	330									74,160	1996					74,160
Pleasureville Standpipe Painting	330															39,218
Transmission and Distribution Mains																
Replacement/Relining Mains	331	19,107	VAR	19,108	VAR	19,107	VAR	19,107	VAR	19,108	VAR	19,108	VAR	19,108	VAR	267,502
Service Lines																
Replacement Service Lines	333	16,101	VAR	16,101	VAR	16,101	VAR	16,101	VAR	16,101	VAR	16,101	VAR	16,102	VAR	225,415
Meters																
Replacement Meters	334	72,189	VAR	72,189	VAR	72,189	VAR	72,189	VAR	72,189	VAR	72,189	VAR	72,189	VAR	1,010,645
Fire Hydrants																
Hydrant Replacements	335	7,446	VAR	7,446	VAR	7,446	VAR	7,446	VAR	7,446	VAR	7,446	VAR	7,446	VAR	104,241
Backflow Preventors																
Office Furniture and Computer Equipment	340															
Transportation Equipment																
Fleet Vehicle Purchase	341	25,577	2014	35,141	2015					36,852	2014					225,011
Purchase Skid Loader / Attachments to Replace New Holland Tra	341															34,371
Tools, Shop, and Garage Equipment	343															
Communication Equipment	346															
Miscellaneous Equipment	347															
		140,420		176,573		114,843		114,843		225,856		114,844		114,845		2,009,431
Retirements Associated With Utility Plant Under Construction As Of December 31, 2022 Which Will Be Completed and Placed In Service During Fourteen Months ending February 29, 2024																
R18-389 Retire Lake Williams Spillway	305							432,951	VAR							432,951
		0		0		0		432,951		0		0		0		432,951
		140,420		176,573		114,843		547,794		225,856		114,844		114,845		2,442,382

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED PLANT BALANCES

53.53 V. Valuation

D. Water and Wastewater Utilities

13. Explain how the future test year plant balances were projected and provide supporting workpapers and documentation.

Response: Refer to Exhibit No. FV-12

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SHARED ASSETS

53.53 V. Valuation

D. Water and Wastewater Utilities

14 Are all of the assets used in the plant-in-service claim used exclusively by the utility? If not, provide the estimated percentage that each shared asset is used by other entities.

Response:

The Company does not share with any other entity the assets used in its plant in service claim.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PLANT INCLUDED IN RATE BASE

53.53 V. Valuation

D. Water and Wastewater Utilities

15 Is all plant included in rate base currently being used in providing water service? If not, provide a schedule which presents those plant items which are not, and indicate the corresponding amounts and account numbers. Further, provide a detailed narrative explaining the reason why such plant is not being used and the anticipated disposition of the plant.

Response:

All plant included in rate base is currently being used in providing water service.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CONTRIBUTIONS IN AID OF CONSTRUCTION, CUSTOMERS ADVANCES FOR  
CONSTRUCTION, BUILDERS DEPOSITS AND CUSTOMERS DEPOSITS

53.53 V. Valuation

D. Water and Wastewater Utilities

16 Provide all workpapers and supporting documentation showing the derivation of the projected balances of contributions in aid of construction, customer advances for construction and company service line and customer deposits for the future test year.

Response:

Refer to Exhibit No. FV-16-1 for the projected balances of contributions in aid of construction for the twelve months ending December 31, 2022.

Refer to Exhibit No. FV-16-2 for the projected balances of customers advances for construction for the twelve months ending December 31, 2022.

Refer to Exhibit No. FV-16-3 for the projected balances of contributions in aid of construction for the twelve months ending February 29, 2024.

Refer to Exhibit no. FV-16-4 for the projected balances of customers advances for construction for the twelve months ending February 29, 2024.

Refer to Exhibit No. FV-8-2 for the projected balances of builders' deposits and water revenues paid in advance.

The Company has no customer deposits.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONTRIBUTIONS IN AID OF CONSTRUCTION  
 DECEMBER 31, 2022

Exhibit No.FV-16-1  
 Page 1 of 2  
 Witness: D E Coppersmith

Year	303	304 (Source)	304 (Pumping)	304 (Purification)	304 (Standpipe)	330 311	320 (Electronic)	331 ( 4 In & > )	331 ( 6 In & 8 In )	331 (10 In & Over)	331 ( Valves )	333	334	335	340 (Computer)	Total
1941	-	-	-	-	-	-	-	-	632	-	-	-	-	-	-	632
1946	-	-	-	-	-	-	-	-	1,762	-	-	139	-	-	-	1,900
1948	-	-	-	-	-	-	-	-	1,422	-	-	-	-	-	-	1,422
1949	-	-	-	-	-	-	-	-	6,598	-	-	-	-	-	-	6,598
1050	-	-	-	-	-	-	-	-	4,887	-	-	-	-	-	-	4,887
1951	-	-	-	-	-	-	-	-	-	-	-	76	-	-	-	76
1952	-	-	-	-	-	-	-	-	88,879	-	-	-	-	-	-	88,879
1953	-	-	-	-	-	-	-	-	1,537	-	-	456	-	75	-	2,068
1955	-	-	-	-	-	-	-	-	4,290	-	-	-	-	-	-	4,290
1955	-	-	-	-	-	-	-	-	14,612	-	53	-	-	-	-	14,665
1956	-	-	-	-	-	-	-	-	49,385	-	-	-	-	-	-	49,385
1957	-	-	-	-	-	-	-	-	25,988	-	-	-	-	-	-	25,988
1958	-	-	-	-	-	-	-	-	39,694	-	-	-	-	-	-	39,694
1959	-	-	-	-	-	-	-	-	27,321	-	148	-	-	-	-	27,469
1960	-	-	-	-	-	-	-	-	16,990	-	-	-	-	-	-	16,990
1961	-	-	-	-	-	-	-	-	9,516	-	-	-	-	-	-	9,516
1962	-	-	-	-	-	-	-	-	14,464	-	-	-	-	-	-	14,464
1963	-	-	-	-	-	-	-	-	27,781	-	-	-	-	-	-	27,781
1964	-	-	-	-	-	-	-	-	147,382	-	-	-	-	-	-	147,382
1965	-	-	-	-	-	-	-	-	70,687	-	-	-	-	-	-	70,687
1966	-	-	-	-	-	-	-	-	132,899	-	-	-	-	-	-	132,899
1967	-	70,625	-	-	-	-	-	-	133,327	-	-	-	-	-	-	203,952
1968	-	-	-	-	-	-	-	-	18,530	-	-	-	-	-	-	18,530
1969	-	-	-	-	-	-	-	-	122,806	-	297	-	-	-	-	123,103
1970	-	-	-	-	-	-	-	-	35,505	-	-	-	-	-	-	35,505
1971	-	-	-	-	-	-	-	-	53,528	-	-	-	-	-	-	53,528
1972	-	-	-	-	-	-	-	-	38,445	-	449	-	-	-	-	38,894
1973	-	-	-	-	-	-	-	-	57,206	-	-	-	-	-	-	57,206
1974	13,494	-	-	-	-	-	-	4,150	276,846	-	1,564	-	-	-	-	296,054
1975	-	-	-	-	-	-	-	-	107,529	-	-	-	4,265	-	-	111,794
1976	-	-	-	-	-	-	-	-	94,994	-	-	-	9,951	-	-	104,945
1977	-	-	-	-	490	-	-	-	177,771	-	2,070	-	3,095	-	-	183,426
1978	-	-	-	-	-	-	-	-	277,157	-	-	-	2,290	2,278	-	281,725
1979	-	-	-	-	-	-	-	-	475,308	-	759	-	2,095	4,958	-	483,120
1980	-	-	-	-	-	-	-	-	520,145	-	-	-	1,840	1,462	-	523,446
1981	-	-	-	-	-	-	-	-	475,820	-	-	-	3,020	-	-	478,840
1982	-	-	-	-	-	-	-	-	176,037	-	-	-	2,385	-	-	178,422
1983	-	-	-	-	-	-	-	-	223,138	-	-	-	1,633	1,296	-	226,067
1984	-	-	-	-	-	-	-	-	219,754	-	-	-	-	4,673	-	224,427
1985	-	-	-	-	-	-	-	-	238,850	-	-	-	-	692	-	239,543
1986	-	-	-	-	-	-	-	-	699,882	-	-	190	-	-	-	700,071
1987	-	-	48,187	-	-	-	-	-	319,550	-	-	-	-	2,545	-	370,282
1988	35,470	-	-	-	-	380,085	-	8,581	2,240,531	-	-	6,800	-	2,779	-	2,674,246
1989	-	-	-	4,072	-	-	-	8,276	1,103,953	-	-	-	-	-	-	1,116,302
1990	-	-	-	-	-	-	-	-	999,854	-	-	-	-	-	4,493	1,004,347

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONTRIBUTIONS IN AID OF CONSTRUCTION  
 DECEMBER 31, 2022

Exhibit No.FV-16-1  
 Page 2 of 2  
 Witness: D E Coppersmith

Year	303	304 (Source)	304 (Pumping)	304 (Purification)	330 (Standpipe)	311	320 (Electronic)	331 ( 4 In & > )	331 ( 6 In & 8 In )	331 (10 In & Over)	331 ( Valves )	333	334	335	340 (Computer)	Total
1991	-	-	-	-	-	-	-	-	736,804	-	-	-	-	-	-	736,804
1992	-	-	-	-	-	-	-	-	412,918	-	-	-	-	-	-	412,918
1993	-	-	-	-	-	-	-	-	766,861	-	-	-	-	-	-	766,861
1994	-	-	-	-	-	-	-	-	1,141,769	-	-	-	-	-	-	1,141,769
1995	-	-	-	-	-	-	-	-	581,026	54,800	13,112	-	4,900	-	-	653,839
1996	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1997	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1998	10,000	-	-	-	-	30,800	-	-	-	713	-	-	-	-	-	41,513
1999	-	-	-	-	-	9,900	-	-	29,800	-	-	-	-	-	-	39,700
2000	-	-	-	-	-	-	7,698	-	3,280	-	-	-	-	-	-	10,978
2001	-	-	-	-	-	-	-	-	4,008	1,070	-	-	432	-	-	5,510
2002	21,324	-	-	-	433,000	-	-	-	-	-	-	-	-	-	-	454,324
2003	60,643	-	-	-	15,750	6,300	-	-	-	-	-	-	-	-	-	82,693
2004	25,000	-	-	-	-	-	-	-	-	68,000	-	-	-	-	-	93,000
2005	25,000	-	50,000	-	115,000	-	-	-	-	-	-	-	-	-	-	190,000
2006	-	-	32,500	-	250,000	-	-	-	674,142	-	-	-	-	-	-	956,642
2007	-	-	-	-	200,000	-	-	-	3,573,822	-	-	-	-	-	-	3,773,822
2008	-	-	-	-	-	-	-	-	2,737,979	-	-	-	-	-	-	2,737,979
2009	1,938	-	-	-	100,000	-	-	-	1,558,684	326,996	8,990	407,500	-	25,942	-	2,430,050
2010	-	-	-	-	-	-	-	-	982,309	-	-	-	-	-	-	982,309
2011	-	-	-	-	-	-	-	-	1,050,807	-	-	-	-	-	-	1,050,807
2012	-	-	-	-	-	-	-	-	971,963	273,804	-	-	-	-	-	1,245,767
2013	-	-	-	-	-	-	-	-	1,571,293	131,644	-	-	-	-	-	1,702,937
2014	-	-	-	-	-	-	-	-	594,798	532,072	-	-	-	-	-	1,126,870
2015	-	-	-	-	-	-	-	-	2,325,344	1,531,134	-	1,191	-	15,251	-	3,872,920
2016	1,392	-	-	-	-	-	-	-	1,277,431	381,062	52,137	(51)	-	(652)	-	1,711,319
2017	-	-	-	-	-	-	-	-	1,777,003	216,099	-	-	-	-	-	1,993,102
2018	-	-	-	-	-	-	-	-	503,054	559,134	-	-	-	-	-	1,062,188
2019	-	-	-	-	48,000	-	-	-	167,218	61,920	-	-	-	-	-	277,138
2020	-	-	-	-	-	-	-	-	112,331	100,323	-	-	-	-	-	212,654
2021	-	-	-	-	-	-	-	7,013	32,493	518,313	-	-	-	-	-	557,819
2022	-	-	-	-	-	-	-	-	429,615	-	-	-	-	-	-	429,615
	194,261	70,625	130,687	4,562	1,541,835	47,000	7,698	28,020	33,789,945	4,757,084	79,579	416,300	35,906	61,300	4,493	41,169,295

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CUSTOMERS' ADVANCES FOR CONSTRUCTION  
DECEMBER 31, 2022

Year	303 (Standpipe)	304 (Pumping)	330 (Standpipe)	311	331 (6 In & 8 In)	Total
1986		36,184	158,931	31,045	57,790	283,950
1987						0
1997						0
1998						0
1999						0
2000						0
2001						0
2002						0
2003						0
2004						0
2005						0
2006						0
2007						0
2008						0
2009						0
2010						0
2011						0
2012						0
2013					624,724	624,724
2014					394,969	394,969
2015					509,989	509,989
2016					1,754,259	1,754,259
2017					699,238	699,238
2018					1,037,510	1,037,510
2019					1,089,178	1,089,178
2020					1,708,145	1,708,145
2021					246,411	246,411
2022					440,000	440,000
	-	36,184	158,931	31,045	8,562,216	8,788,375



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONTRIBUTIONS IN AID OF CONSTRUCTION  
 FEBRUARY 29, 2024

Exhibit No.FV-16-3  
 Page 2 of 2  
 Witness: D E Coppersmith

Year	303	304 (Source)	304 (Pumping)	304 (Purification (Standpipe)	330 311	320 (Electronic)	331 ( 4 In & > )	331 ( 6 In & 8 In )	331 ( 10 In & Over )	331 ( Valves )	333	334	335	340 (Computer)	Total	
1998	10,000	-	-	-	30,800	-	-	-	713	-	-	-	-	-	41,513	
1999	-	-	-	-	9,900	-	-	29,800	-	-	-	-	-	-	39,700	
2000	-	-	-	-	-	7,698	-	3,280	-	-	-	-	-	-	10,978	
2001	-	-	-	-	-	-	-	4,008	1,070	-	-	432	-	-	5,510	
2002	21,324	-	-	-	433,000	-	-	-	-	-	-	-	-	-	454,324	
2003	60,643	-	-	-	15,750	6,300	-	-	-	-	-	-	-	-	82,693	
2004	25,000	-	-	-	-	-	-	-	68,000	-	-	-	-	-	93,000	
2005	25,000	-	50,000	-	115,000	-	-	-	-	-	-	-	-	-	190,000	
2006	-	-	32,500	-	250,000	-	-	674,142	-	-	-	-	-	-	956,642	
2007	-	-	-	-	200,000	-	-	3,573,822	-	-	-	-	-	-	3,773,822	
2008	-	-	-	-	-	-	-	2,737,979	-	-	-	-	-	-	2,737,979	
2009	1,938	-	-	-	100,000	-	-	1,558,684	326,996	8,990	407,500	-	25,942	-	2,430,050	
2010	-	-	-	-	-	-	-	982,309	-	-	-	-	-	-	982,309	
2011	-	-	-	-	-	-	-	1,050,807	-	-	-	-	-	-	1,050,807	
2012	-	-	-	-	-	-	-	971,963	273,804	-	-	-	-	-	1,245,767	
2013	-	-	-	-	-	-	-	1,571,293	131,644	-	-	-	-	-	1,702,937	
2014	-	-	-	-	-	-	-	594,798	532,072	-	-	-	-	-	1,126,870	
2015	-	-	-	-	-	-	-	2,325,344	1,531,134	-	1,191	-	15,251	-	3,872,920	
2016	1,392	-	-	-	-	-	-	1,277,431	381,062	52,137	(51)	-	(652)	-	1,711,319	
2017	-	-	-	-	-	-	-	1,777,003	216,099	-	-	-	-	-	1,993,102	
2018	-	-	-	-	-	-	-	503,054	559,134	-	-	-	-	-	1,062,188	
2019	-	-	-	-	48,000	-	-	167,218	61,920	-	-	-	-	-	277,138	
2020	-	-	-	-	-	-	-	112,331	100,323	-	-	-	-	-	212,654	
2021	-	-	-	-	-	-	7,013	32,493	518,313	-	-	-	-	-	557,819	
2022	-	-	-	-	-	-	-	429,615	-	-	-	-	-	-	429,615	
JAN 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
FEB 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
MAR 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
APR 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
MAY 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
JUN 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
JUL 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
AUG 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
SEP 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
OCT 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
NOV 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
DEC 2023	-	-	-	-	-	-	-	52,060	-	-	-	-	-	-	52,060	
JAN 2024	-	-	-	-	-	-	-	32,914	-	-	-	-	-	-	32,914	
FEB 2024	-	-	-	-	-	-	-	32,914	-	-	-	-	-	-	32,914	
	194,261	70,625	130,687	4,562	1,541,835	47,000	7,698	28,020	34,480,497	4,757,084	79,579	416,300	35,906	61,300	4,493	41,859,847

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CUSTOMERS' ADVANCES FOR CONSTRUCTION  
FEBRUARY 29, 2024

Year	304 (Pumping)	330 (Standpipe) 311	331 (6 In & 8 In)	Total
1986	36,184	158,931	31,045	283,950
1987				0
1997				0
1998				0
1999				0
2000				0
2001				0
2002				0
2003				0
2004				0
2005				0
2006				0
2007				0
2008				0
2009				0
2010				0
2011				0
2012				0
2013				0
2014				329,141
2015				509,989
2016				1,754,259
2017				699,238
2018				1,037,510
2019				1,089,178
2020				1,708,145
2021				246,411
2022				440,000
JAN 2023				38,333
FEB 2023				38,333
MAR 2023				38,333
APR 2023				38,333
MAY 2023				38,333
JUN 2023				38,333
JUL 2023				38,333
AUG 2023				38,333
SEP 2023				38,333
OCT 2023				38,333
NOV 2023				38,333
DEC 2023				38,333
JAN 2024				40,000
FEB 2024				40,000
	36,184	158,931	31,045	8,411,663
				8,637,823



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEPRECIATION METHODS

53.53 VI. Depreciation

D. Water and Wastewater Utilities

1. Provide a description of the depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of the significant factors which were considered in arriving at estimates of service life and dispersion by account. Supply a comprehensive statement of any changes made in method of depreciation. Provide dates of all field inspections and facilities visited.

Response: Refer to Exhibit Nos. FVI-A and FVI-B.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEPRECIATION SURVIVOR CURVES

53.53 VI. Depreciation

D. Water and Wastewater Utilities

2 Set forth,in exhibit form,charts depicting the original and estimates survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis is utilized.

Response: Refer to Exhibit Nos. FVI-A and FVI-B.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEPRECIATION SURVIVING ORIGINAL COST

53.53 VI. Depreciation

D. Water and Wastewater Utilities

3 Provide the surviving original cost at test year end by vintage by account and include applicable depreciation reserves and accruals. These calculations should be provided for plant in service as well as other categories of plant, including, but not limited to, contributions in aid of construction and customers' advances for construction.

Response: Refer to Exhibit Nos. FVI-A and FVI-B.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEPRECIATION RESERVE

53.53 VI. Depreciation

D. Water and Wastewater Utilities

4 Provide a comparison of respondent's calculated depreciation reserve v.  
book reserve by account at the end of the test year.

Response: Refer to Exhibit Nos. FVI-A and FVI-B.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEPRECIATION

53.53 VI. Depreciation

D. Water and Wastewater Utilities

- 5 Supply a schedule by account and depreciable group showing the survivor curve and annual accrual rate estimated to be appropriate:
- a. For the purposes of this filing.
  - b. For the purposes of the most recent rate increase filing prior to the current proceedings.

Response: Refer to Exhibit Nos. FVI-A and FVI-B.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEPRECIATION SALVAGE AND COST OF REMOVAL

53.53 VI. Depreciation

D. Water and Wastewater Utilities

6 Provide an exhibit showing gross salvage, cost of removal, and net salvage for the five most recent calendar or fiscal years by account.

Response: Refer to Exhibit Nos. FVI-A and FVI-B.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN CAPITALIZATION RATIOS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

1. Provide capitalization and capitalization ratios for the last 5-year period and projected through the next two years (with short-term debt and without short-term debt for the company, parent and system (consolidated)).
  - a. Provide year-end interest coverages before and after taxes for the last three years and at the latest date (indenture and SEC bases) for the company, parent and system (consolidated).
  - b. Provide year-end preferred stock dividend coverages for last three years and at latest date (character and SEC bases).

Response:

Refer to Exhibit No. HVII-1.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN LATEST PROSPECTUS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

2. Provide latest prospectus (company and parent).

Response: Refer to Exhibit No. HVII-2.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN CAPITAL REQUIREMENTS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

3. Supply projected capital requirements and sources of company, parent and system (consolidated) for the test year and each of three comparable future years.

Response: Refer to Exhibit No. HVII-3.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN DEBT SCHEDULE

53.53 VII. Rate of Return

D. Provide a schedule of debt and preferred stock of company, parent and system (consolidated) as of test year-end and latest date, detailing for each issue (if applicable):

4.

- a. Date of issue.
- b. Date of maturity.
- c. Amount issued.
- d. Amount outstanding.
- e. Amount retired.
- f. Amount required.
- g. Gain on reacquisition.
- h. Coupon rate.
- i. Discount or premium at issuance.
- j. Issuance expenses
- k. Net proceeds
- l. Sinking fund requirements.
- m. Effective interest rate.
- n. Dividend rate.
- o. Effective interest rate.
- p. Total average weighted effective cost rate.

Response: Refer to Exhibit No. FVII.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN FINANCIAL DATA

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

5. Supply financial data of company and/or parent for last five years:

- a. Earnings-price ratio (average).
- b. Earnings-book value ratio (per share basis) (avg. book value).
- c. Dividend yield (average).
- d. Earnings per share (dollar).
- e. Dividends per share (dollars).
- f. Average book value per share yearly.
- g. Average yearly market price per share (monthly high-low basis).
- h. Pre-tax funded debt interest coverage.
- i. Post-tax funded debt interest coverage.
- j. Market price-book value ratio.

Response:

	2021	2020	2019	2018	2017
Price-Earnings Ratio	36.7	35.3	33.7	30.2	35.1
Earnings-Book Value Ratio	8.7	8.4	9.0	9.1	9.0
Dividend Yield (Average)	1.59%	1.63%	1.87%	2.14%	1.82%
Earnings Per Share	\$1.300	\$1.270	\$1.110	\$1.040	\$1.010
Dividends Per Share	\$0.7571	\$0.7280	\$0.7001	\$0.6731	\$0.6472
Average Book Value Per Share	\$11.31	\$10.64	\$10.03	\$9.52	\$9.08
Average Yearly Market Price Per Share	\$47.66	\$44.79	\$37.43	\$31.44	\$35.50
Pre-Tax Funded Debt Interest Coverage	4.68	4.95	4.25	3.88	4.28
Post-Tax Funded Debt Interest Coverage	4.45	4.53	3.81	3.43	3.43
Market Price-Book Value Ratio	4.22	4.21	3.73	3.30	3.91

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 RATE OF RETURN AFUDC RATE

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

6. Provide AFUDC charged by company at test year-end and latest date, explain method by which rate was calculated and provide workpaper showing derivation of the company's current AFUDC rate.

Response: The AFUDC rate used by the Company as of December 31, 2021 was 10.04%.

The AFUDC rate is set by the Company based upon the sum of the weighted cost of debt and the weighted cost of common equity as determined in the Company's most recent fully-litigated rate proceeding before the Pennsylvania Public Utility Commission. The AFUDC rate used by the Company has not changed since December 31, 1992. Under FAS62, the capitalization rate to be applied to projects financed with tax-free debt, is the rate of that specific borrowing.

Component	Weighted Cost Rate
Long Term Debt	5.61
Common Equity	4.43
	10.04

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN COVERAGE REQUIREMENTS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

7. Set forth provisions of company's and parent's charter and indentures (if applicable) which describe coverage requirements, limits on proportions of types of capital outstanding, and restrictions on dividend payouts.

Response:

Additional funded debt may be issued to the extent that total funded debt does not exceed an amount equal to 60% of net property additions, at the time the Company first becomes liable in respect of such indebtedness.

The most restrictive limitation upon payment of dividends on common stock is contained in the note agreements securing the senior notes issued by The York Water Company and all subsequent issues. This restriction provides that cash dividends paid on common stock and buybacks of common stock may not exceed the amount of earned surplus accumulated subsequent to December 31, 1982 plus \$1,500,000. As of December 31, 2021, none of the earnings retained in the business are restricted under this provision.

Under the Pedfa Series A debt issue of 2008, the Pedfa Series A and B debt issues of 2019, the YCIDA Series of 2015, and the line of credit, York Water Company is required to maintain an equity to total capitalization ratio of 38% and a minimum interest coverage ratio of 1.80. The Company has been able to maintain these ratios in all periods.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN BUDGET

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

8. Attach copies of the summaries of the company's projected budgets for the next two years (revenues, expenses and capital).

Response: Refer to Exhibit No. HVII-3 for the capital budgets, Exhibit No. HVII-8 for the 2023 revenue and expense budget, and Exhibit No. HXI-4 for the 2022 revenue and expense budget.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN DEBT REACQUISITIONS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

9. Describe long-term debt reacquisitions by company and parent as follows:
- a. Reacquisitions by issue by year.
  - b. Total gain on reacquisitions by issue by year.
  - c. Accounting of gain for income tax and book purposes.

Response: a. Reacquisition by Issue by Year:

3.3% Debentures due 1979 - In 1969, debentures in the principal amount of \$128,000 were reacquired.

4.8% Debentures due 1982 - In 1959, debentures in the principal amount of \$246,000 were reacquired.

6.0% PEDFA Series 2008B - In 2011, the Company bought back the principal amount of \$115,000 under an estate feature.

6.0% PEDFA Series 2008B - In 2013, the Company bought back the principal amount of \$5,000 under an estate feature.

4.5% PEDFA Series 2014 - In 2016, the Company bought back the principal amount of \$10,000 under an estate feature.

5.0% Monthly Senior Notes Series 2010A - In 2019, the Company bought back the principal amount of \$15,000,000 under a call provision.

4.75% YCIDA Series 2006 - In 2019, the Company bought back the principal amount of \$10,500,000 under a call provision.

4.5% PEDFA Series 2014 - In 2019, the Company bought back the principal amount of \$14,870,000 under a call provision.

b. Total Gain on Reacquisition by Issue by Year:

3.3% Debentures due 1979 - In 1969, the total gain on the reacquisition of debentures was \$56,000.

4.8% Debentures due 1982 - In 1959, the total gain on the reacquisition of debentures was \$95,325.

There were no gains on any other reacquisition as the bonds were bought back at par.

c. Accounting of Gain for Income Tax and Book Purposes:

3.3% Debentures due 1979 - For book purposes, the total gain on the reacquisition of debentures of \$56,000 was deferred in 1969 and amortized over a ten-year period. For tax purposes, the total gain on the reacquisition of debentures of \$56,000 was deducted from the tax basis of 1969 depreciable assets.

4.8% Debentures due 1982 - For book purposes, the total gain on the reacquisition of debentures of \$95,325 was deferred in 1959 and amortized over a ten-year period. For tax purposes, the total gain on the reacquisition of debentures of \$95,325 was deducted from the tax basis of 1959 depreciable assets.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN COMPENSATING BANK BALANCES

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

10.

Provide the following information concerning compensating bank balance requirements for actual test year:

- a. Name of each bank.
- b. Address of each bank.
- c. Type of accounts with each bank (checking, savings, escrow, other services, etc.)
- d. Average daily balance in each account.
- e. Amount and percentage requirements for compensating bank balances at each bank.
- f. Average daily compensating bank balance at each bank.
- g. Documents from each bank explaining compensating bank balance requirements.
- h. Interest earned on each type of account.

Response: The Company has no compensating balance requirements.



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 RATE OF RETURN BANK NOTES PAYABLE

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

11. Provide the following information concerning bank notes payable for actual test year:
- a. Line of credit at each bank.
  - b. Average daily balances of notes payable to each bank, by name of bank.
  - c. Interest rate charged on each bank note (prime rate formula).
  - d. Purpose of each bank note (e.g.-construction, fuel storage, working capital, debt retirement).
  - e. Prospective future need for this type of financing.

Response:

	Fulton
Line of Credit	\$ 50,000,000
Average Daily Balance	\$ 16,692,225
Interest Rate	LIBOR + 1.05% LIBOR floor of 0.25% Unused fee of 0.05%
Purpose	Construction, Acquisitions, and Working Capital

The Company expects to need this type of financing indefinitely into the future. When all cash on hand has been used, this type of financing will be used for construction expenditures, acquisitions, or working capital until permanent capital is issued.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN COMMON STOCK OFFERINGS

53.53 VII. Rate of Return

D. Submit details on company or parent common stock offerings (past five years to present) as follows:

12.
  - a. Date of prospectus.
  - b. Date of offering
  - c. Record date.
  - d. Offering period - dates and number of days.
  - e. Amount and number of shares of offering.
  - f. Offering ratio (if rights offering).
  - g. Percent subscribed.
  - h. Offering price.
  - i. Gross Proceeds per share.
  - j. Expenses per share.
  - k. Net proceeds per share (i -j).
  - l. Market price per share.
    - (1) At record date.
    - (2) At offering date.
    - (3) One month after close of offering.
  - m. Average market price during offering.
    - (1) Price per share.
    - (2) Rights per share - average value of rights.
  - n. Latest reported earnings per share at time of offering
  - o. Latest reported dividends at time of offering.

Response: Refer to page 2.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN COMMON STOCK OFFERINGS

In April, 2022, the Company closed an underwritten public offering of 976,600 shares and an over-allotment of 146,340 shares. Janney Montgomery Scott LLC was the underwriter in the offering. The Company received net proceeds in the offering, after deducting offering expenses and underwriter's discounts and commissions, of approximately \$44.0 million. The net proceeds were used for general corporate purposes, including the Company's capital investment program, repayment of outstanding indebtedness, and potential acquisitions.

The Securities Certificate for the issuance of up to 1,250,000 shares of common stock was registered by the Commission in its Order at Docket No. S-2021-3029613, dated January 13, 2022.

The Company has no parent.

Date of Prospectus	April 1, 2022	Market Price Per Share:	
		Record Date	\$44.87
Date of Offering	April 1, 2022	Offering Date	\$43.67
		One Month After Closing	TBD
Record Date	February 28, 2022		
		Average Market Price During Offering:	
Offering Period	April 5, 2022	Price Per Share	\$43.23
		Latest Reported Earnings	
Amount and Number of Shares of Offering	\$45,999,540 1,121,940 shares	Per Share At Offering (Annual)	\$1.30
		Latest Declared Dividends:	
		Per Share At Offering (Annual)	\$0.757
Percent Subscribed	100%		
Offering Price and Gross Proceeds Per Share	\$41.00		
Expenses Per Share	\$1.64		
Net Proceeds Per Share	\$39.36		

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN AFFILIATES

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

13. Attach chart explaining company's corporate relationship to its affiliates (system structure).

Response: The Company has no affiliates.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

14. If the utility plans to make a formal claim for a specified allowable rate of return, provide the following data in statement or exhibit form:
- a. Claimed capitalization and capitalization ratios with supporting data.
  - b. Claimed cost of long-term debt with supporting data.
  - c. Claimed cost of short-term debt with supporting data.
  - d. Claimed cost of total debt with supporting data.
  - e. Claimed cost of preferred stock with supporting data.
  - f. Claimed cost of common equity with supporting data.

Response: Refer to Exhibit No. FVII.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN FINANCIAL REPORTS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

15. Supply copies of the following documents for the company and, if applicable, its parent:
- a. Most recent annual report to shareholders including any statistical supplements.
  - b. Most recent SEC form 10K.
  - c. All SEC form 10Q reports issued within last year.

Response: Refer to Exhibit No. HVII-15.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN BALANCE SHEETS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

16. Supply copies of the company's balance sheets for each month/quarter for the last two years.

Response: Refer to Exhibit No. HVII-16.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN BOND RATING

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

17. Provide the bond rating history for the company and, if applicable, its parent from the major credit rating agencies for the last five years.

Response: Refer to Exhibit No. HVII-17.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN BOND RATING REPORTS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

18. Provide copies of all bond rating reports relating to the company and, if applicable, its parent for the past two years.

Response: Refer to Exhibit No. HVII-18.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN PRESENTATIONS TO SECURITY ANALYSTS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

19. Supply copies of all presentations by the company's and, if applicable, its parent's management to securities analysts during the past two years. This would include presentations of financial projections.

Response: Refer to Exhibit No. HVII-19.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN PROJECTED SECURITY ISSUANCES

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

20. Provide a listing of all securities issuances for the company and, if applicable, its parent projected for the next two years. The response should identify for each projected issuance the date, dollar amount, type of security, and effective cost rate.

Response: Refer to Exhibit No. HVII-20.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN DEBT REFINANCING

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

21. Identify any plan by the company to refinance high cost long-term debt or preferred stock.

Response: Refer to Exhibit No. HVII-21.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN ANALYST REPORTS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

22. Provide copies of all securities analysts reports relating to the company and/or its parent issued within the past two years.

Response: Refer to Exhibit No. HVII-22.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN EQUITY INFUSIONS FROM PARENT

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

23. If applicable, supply a listing of all common equity infusions from the parent to the company over the past five years. In each case, identify date and dollar amount.

Response: The Company has no parent.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN DIVIDEND PAYMENTS TO PARENT

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

24. If applicable, identify the company's common dividend payments to its parent for each of the last five years.

Response: The York Water Company has no parent.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN FINANCIAL PROJECTIONS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

25. Provide the latest year-by-year financial projections for the company for the next five years. Also, please indicate the date these projections were prepared; whether approved by management; and whether the projections have been submitted to bond rating agencies. The information will be treated in a confidential manner, if requested.

Response: Refer to Exhibit No. HVII-3.

The five-year projections are not formally approved by management or the Board of Directors. Management and the Board have approved only the next year's budget (2022). The budget for 2022 was prepared in November 2021 and the five year forecast was prepared in February and March 2022. The 2022 budget (operating and capital) were provided to Standard & Poor's.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN CONSTRUCTION BUDGET

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

26. Provide the company's 5-year construction budget.

Response: Refer to Exhibit No. HVII-3.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN CAPITAL STRUCTURE TARGET

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

27. Identify the company's and, if applicable, its parent's capital structure targets (percentages of capital types). Provide the complete basis for the capital structure targets.

Response: The Company's capital structure target is to maintain an equity ratio between 50% and 55% of capital.

The target capital structure is determined based on the Company's projected capital needs, the Company's size and the capital structures employed by other comparable investor-owned water utilities.

The Company believes that it must maintain a strong financial profile, including a strong equity ratio, given its construction expenditures and external capital requirements over the next several years. The Company's relatively small size makes it more difficult and expensive to raise external capital, and a strong equity ratio offsets some of the increased risk to investors.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN SHORT TERM DEBT AND CONSTRUCTION WORK IN PROGRESS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

28. For each month, of the most recent 24 months, supply the company's:
- a. Short-term debt balance.
  - b. Short-term debt interest rate.
  - c. Balance of construction work in progress.
  - d. Balance of construction work in progress which is eligible for AFUDC accrual:

Response: Refer to Exhibit No. HVII-28.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN OTHER DEBT

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

29. Fully identify all debt (other than instruments traded in public markets) owed to all shareholders, corporate officers, or members of the board of directors, its affiliates, parent company, or subsidiaries.

Response: The Company has no debt (other than instruments traded in public markets) owed to shareholders, corporate officers, or members of the Board of Directors. The Company has no affiliates, subsidiaries, or parent company.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN STOCK DIVIDENDS, SPLITS OR PAR VALUE CHANGES

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

30. Provide a summary statement of all stock dividends, splits, or par value changes during the 2-year calendar period preceding the rate case filing.

Response: None.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN PARENT CAPITAL STRUCTURE

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

31. If a claim of the filing utility is based on utilization of the capital structure or capital costs of the parent company and system (consolidated), the reasons for this claim must be fully stated and supported.

Response: The Company has no parent.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE OF RETURN FINANCIAL RATIOS

53.53 VII. Rate of Return

D. Water and Wastewater Utilities

32. To the extent not provided elsewhere, supply financial data of company and/or parent for the last five years.

- a. Times interest earned ratio - pre and post tax basis.
- b. Preferred stock dividend coverage ratio - post tax basis.
- c. Times fixed charges earned ratio - pre tax basis.
- d. Dividend payout ratio.
- e. AFUDC as a percent of earnings available for common equity.
- f. Construction work in progress as a percent of net utility plant.
- g. Effective income tax rate.
- h. Internal cash generations as a percent of total capital requirements.

Response: Refer to Exhibit No. HVII-32.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE STRUCTURE AND COST OF SERVICE

53.53 VIII. Rate Structure and Cost of Service

D. Water and Wastewater Utilities

1. Provide a complete (fully allocated) cost of service study if an interval of approximately three years has passed between a previous cost of service study and the historic test year date of the current filing. The cost of service study shall provide the necessary data to determine if the water rate structure is fair and equitable to all classifications of water users (including public and private fire protection customers) and reflects, as nearly as possible, the cost of providing the service. The study shall correspond to the test year proposed revenue requirements (future test year only, if used). Summaries of conclusions and all back-up calculations shall be made part of the submission of the cost of service study, and shall include the following:
  - a. A description of the allocation methods used. A comparison of the allocated cost of service by class with the present and proposed revenues. A cost of service schedule showing the rate of return produced by present and proposed rates by class of service.
  - b. Indicate if the method used for establishing the allocation factors in the cost of service study deviates from the previous study submitted in the last rate case. If yes, indicate which allocation factors were changed and discuss the reason for the changes.
  - c. Supply the average day, the maximum day and the maximum hour deliveries to the system adjusted for storage for the test year and two prior years. Also provide workpapers, analyses, comparative data or other documentation supporting the estimated maximum day and peak hour demands by customer class reflected in the company's cost of service study.
  - d. Explain thoroughly the methodology employed if the company distinguishes between transmission and distribution mains in its allocation of costs.
  - e. Provide a detailed explanation of how storage is utilized to meet base, maximum day and maximum hour demands.
  - f. Provide workpapers, calculations and supporting documentation which develop the equivalent meters and equivalent service line weights reflected in the company's cost of service study.
  - g. Provide all workpapers and supporting documentation for the fire flow requirement and duration utilized in the cost of service study.
  - h. Provide a breakdown of the number and size of private fire services according to the general water service class of customer.
  - i. Provide a calculation of the company's base cost of water per unit of consumption.
  - j. Provide a detailed cost analysis that supports the company's customer charges, by meter size, showing all direct and indirect costs included.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RATE STRUCTURE AND COST OF SERVICE SPECIAL RATE CONTRACTS

53.53 VIII. Rate Structure and Cost of Service

D. Water and Wastewater Utilities

2. Provide a listing of negotiated special rate contracts which includes a comparison of revenues under special rate contracts and under tariff rates. Provide the cost of service treatment of any deficiency in revenues resulting from the negotiated special rate contracts.

Response: The Company has no special rate contracts.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
QUALITY OF SERVICE SDWA VIOLATIONS

53.53 IX. Quality of Service

D. Water and Wastewater Utilities

1

Indicate whether the company is in violation of any provision of the Pennsylvania Safe Drinking Water Act (SDWA) or any rule, regulation or order, or any condition of any permit, variance or exemption granted by the Department of Environmental Protection (DEP), or its predecessor.

- a. Provide information indicating whether the company is in compliance with SDWA provisions at the 25 Pa. Code, § 109.401 regarding general public notification requirements.
  - (i) Provide a copy of each public notification given in accordance with this section, since the last rate proceeding.
  - (ii) Provide a detailed explanation of all actions taken to remedy an acute violation, and/or to comply with the requirements prescribed by a variance or exemption.
  - (iii) State whether any fines or penalties were assessed by DEP, and indicate the amounts paid by the company.
- b. Provide the most recent copies of all annual consumer confidence reports issued pursuant to SDWA Amendments of 1996 since the last rate proceeding.
  - (i) Provide any annual consumer confidence reports which reflect violations of state and federal safe drinking water requirements.
  - (ii) Explain how these violations were resolved.

Response: The Company is not in violation of any provision of the Pennsylvania Safe Drinking Water Act or any rule, regulation or order, or any condition of any permit, variance or exemption granted by the Department of Environmental Protection.

The Company is under a Consent Order and Agreement with the Department of Environmental Protection due to its exceedance of the Lead and Copper Rule in 2016.

The Company is in compliance with Safe Drinking Water Act provisions regarding general public notification requirements. No public notifications have been given since the last rate proceeding.

A summary of all violations, and actions taken to remedy, is attached to Exhibit No. HIX-1. There have been no fines or penalties assessed by DEP.

A copy of the annual consumer confidence reports issued since the last rate proceeding is attached to Exhibit No. HIX-1.

No annual consumer confidence report has reflected a violation of state and federal safe drinking water requirements.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
QUALITY OF SERVICE OPERATING PRESSURE STANDARDS

53.53 IX. Quality of Service

D. Water and Wastewater Utilities

2. Indicate whether the company is in compliance with 52 Pa. Code, § 65.5 regarding normal operating pressure standards, and with 52 Pa. Code, § 65.6(d) regarding pressure surveys at regular intervals.
  - a. Provide details on any major water pressure problems which had occurred since the last rate proceeding in any part of the water distribution system.
  - b. Describe any action taken on a temporary basis, and the long term solutions developed to address any major water pressure problems.

Response: The Company is in compliance with Commission regulations regarding normal operating pressure standards and pressure surveys at regular intervals.

No major water pressure problems have occurred since the last rate proceeding.

The ordinary range of pressure in the distribution system is 30 psi to 130 psi. System pressures are maintained by the hydraulic grade that is established by the level of water in various tanks and reservoirs and by pumping.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
QUALITY OF SERVICE SERVICE INTERRUPTIONS

53.53 IX. Quality of Service

D. Water and Wastewater Utilities

3. Provide support to demonstrate that water service is being furnished on a continuous basis by supplying a summary of the company records of each service interruption greater than 24 hours since the last rate proceeding.

Response: The Company has not had a service interruption greater than 24 hours since the last rate case proceeding.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
QUALITY OF SERVICE CUSTOMER COMPLAINTS

53.53 IX. Quality of Service

- D. Provide a discussion of the company's policy, or provide a copy of the policy if in written form, on tracking and responding to customer complaints.
  - 4. a. Provide a summary report demonstrating the company's compliance with 52 Pa. Code, § 65.3 regarding the full and prompt investigation of service or facility complaints and the record keeping requirements of such complaints.

Response: The company responds to informal and formal PUC complaints in accordance with the requirements of 52 Pa. Code 65.3

The company receives complaints and/or inquiries via telephone, email, in-person interaction and social media platforms. In most cases, complaints are resolved at the customer service employee level, and notes are entered in the Company's customer information system as part of the customer's history file. Complaints regarding service or facilities that require additional intervention are escalated to a supervisor for follow-up. When necessary, the Company will issue a Company Report to the customer.

All inquiries are tracked for action taken prior to being closed out, and if the inquiry requires action by someone outside of the customer service department, a customer work order will be created to track the activity until completion.

In addition, the Company established a special link on its web page through which customers can submit complaints or inquiries directly to the customer service department. The President and Chief Executive Officer and the Chief Operating Officer are both copied on all of these inquiries. The VP of Customer Service monitors the activity of any complaints and inquiries several times each day and coordinates the appropriate company response to the inquiry. In an effort to gauge customer satisfaction, the Company also conducts telephone surveys of randomly selected customers whose homes were recently visited in response to a service-related issue. Customer service representatives administer the surveys and the VP-Customer Service reviews the results.

The Company has a VoIP telephone system. The telephone system has a call back feature. Each call is returned in a timely fashion.

Complaints or inquiries requiring some action on the part of the Company are logged into the Company's customer information system as part of the customer's history file.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
QUALITY OF SERVICE DISTRIBUTION SYSTEM MAPPING

53.53 IX. Quality of Service

D. Water and Wastewater Utilities

5. Indicate whether the company is in compliance with 52 Pa. Code, § 65.4(b) regarding complete and current mapping of the entire distribution system.

Response: The Company keeps complete maps, plans and records of its entire distribution system for its water service showing the size, character and location of each main, street valve and service line, as well as its collection systems for wastewater service showing the size, character and location of each sewer line, manhole, and lateral.

53.53 IX. Quality of Service

D. Water and Wastewater Utilities

6. Provide a summary report demonstrating the company's efforts in water conservation, since the last rate proceeding, pursuant to 52 Pa. Code, § 65.20.

Response: Education - The Company and its employees undertake an active role in the community to stress the need for water conservation. Speakers are provided to local organizations to explain the need for water conservation. The Company provides text books and a film to local school and scout groups on water conservation. The Company has also sponsored and provided instruction for the Boy Scout merit badge on Water and Soil Conservation.

Water Audit For Large Users - The Company has assigned a team of employees to complete the water audit process in a continuous improvement effort.

Efficiency Plumbing Fixtures - Most municipalities in which the Company serves have building code provisions which require the installation of water saving plumbing fixtures.

Unaccounted For Water - Refer to Exhibit No. HXI-5, the Company's water audit team also is involved with this process.

Leak Detection - Leak detection and repair is one of the Company's highest priorities. The Company has an employee whose sole responsibility is leak detection. During calendar year 2021, the Company's Leak Detection Coordinator detected 166 leaks throughout the Company's service territory.

In 2021, the Company also invested in mobile leak detection equipment to continue to search for water leaks in the distribution system.

Our Distribution Department Superintendent periodically contacts municipal street crew superintendents, police and fire officials in the municipalities served by The York Water Company to remind and encourage them to contact the Company if they observe any unusual water flows in the streets or at valve boxes or hydrants. All such reports are promptly investigated.

Metering - The Company meters all customer usage with the exception of fire service. All meter readings are checked during the billing process to make sure that the most recent consumption is consistent with the historical average. If the reading is abnormal, before billings are mailed, a telephone call is placed to the customer to tell them about the abnormal reading and to encourage them to investigate whether they have any leaking fixtures. The Company has received high praise from its customers for the validation procedure.

Conservation Plan - The Company seeks to encourage cost-effective water conservation in all of its contacts with the citizens of York and Adams Counties. Each year our customers receive bill inserts that describe ways to conserve water. In addition, a brochure that the Company provides to all new customers contains a section on water conservation. Also, the Company's Consumer Confidence Report (Refer to Exhibit No. HIX-1) contains water conservation information.

The Company has a Drought Contingency Plan, approved by the Commission and the Department of Environmental Protection, filed as a part of its Tariff.

The York Water Company became a partner of EPA's Water Sense program in 2008. The Company provides information on its website and through a bill insert regarding this program. The program seeks to educate Americans about saving water and protecting the environment.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
QUALITY OF SERVICE METER TESTING

53.53 IX. Quality of Service

D. Water and Wastewater Utilities

7. Provide a discussion of the company's policy regarding meter requirements, replacements and testing. State if the company's procedures are in compliance with 52 Pa. Code, § 65.8(b).
  - a. Provide meter test records as required in 52 Pa. Code, § 65.8(c) for the 50 meters most recently removed from service.
  - b. Provide a discussion of the company's policy and history of compliance with 52 Pa. Code, § 65.9 regarding adjustment of bills for meter error within the last year.

Response: The Company's policies regarding meter requirements, replacements and testing and adjustment of bills for meter error are in compliance with 52 Pa. Code, Paragraphs 65.8 and 65.9.

Meter test records for the meters removed from service thus far in 2022 are attached to Exhibit No. HIX-7.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE BALANCE SHEET AS OF FEBRUARY 29, 2024 AND DECEMBER 31, 2021

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

1. Provide a comparative balance sheet for the test year-end and the preceding year-end.

Response: Refer to pages 2 and 3.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE BALANCE SHEET AS OF FEBRUARY 29, 2024 AND DECEMBER 31, 2021

ASSETS

	FEBRUARY 29, 2024 (1)	DECEMBER 31, 2021 (2)
<b>UTILITY PLANT</b>		
Utility Plant in Service	573,077,180	460,565,393
Construction Work in Progress	8,060,323	25,184,270
Utility Plant Acquisition Adjustment	(3,491,269)	(3,636,547)
	<u>577,646,234</u>	<u>482,113,116</u>
Less; Reserve for Depreciation	104,181,120	99,203,831
	<u>473,465,114</u>	<u>382,909,285</u>
 <b>OTHER PHYSICAL PROPERTY</b>		
Other Physical Property	1,199,858	1,199,858
Less: Reserve for Depreciation	533,146	482,838
	<u>666,712</u>	<u>717,020</u>
 <b>CURRENT ASSETS</b>		
Cash	(1,745,250)	(1,745,250)
Special Deposits	44,102	44,102
Other Investments	59,724	59,724
Customers Accounts Receivable Less Reserve for Uncollectible Accounts	4,560,027	4,183,511
Other Accounts Receivable Less Reserve for Uncollectible Accounts	27,374	449,617
Unbilled Revenues	3,035,083	2,784,480
Materials and Supplies	1,643,068	1,916,729
Prepayments	1,022,117	1,073,706
	<u>8,646,245</u>	<u>8,766,619</u>
 <b>OTHER LONG-TERM ASSETS</b>		
Deferred Debt Expense	3,097,260	2,868,405
Deferred Rate Case Expense	714,375	17,326
Notes Receivable	255,481	255,481
Deferred Regulatory Asset	32,922,949	33,392,469
Prepaid Pension Cost	14,054,454	14,054,454
Other Deferred Assets	4,970,036	4,226,888
	<u>56,014,556</u>	<u>54,815,023</u>
	538,792,626	447,207,947

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMPARATIVE BALANCE SHEET AS OF FEBRUARY 29, 2024 AND DECEMBER 31, 2021

LIABILITIES	FEBRUARY 29, 2024 (1)	DECEMBER 31, 2021 (2)
<b>CAPITALIZATION</b>		
Common Stock, No Par Value, Authorized 46,500,000, Outstanding 1,071,664 in 2019, 12,852,295 in 2016	136,191,323	88,229,701
Earnings Retained in the Business	75,585,783	64,392,117
	<u>211,777,106</u>	<u>152,621,818</u>
<b>LONG-TERM DEBT</b>		
8.43% Senior Notes, Series D, due 2022	-	7,500,000
Variable Rate PEDFA Exempt Facilities Revenue Bonds, Series A, due 2029	12,000,000	12,000,000
3.00% PEDFA Exempt Facilities Revenue Refunding Bonds, Series A of 2019, due 2036	10,500,000	10,500,000
3.10% PEDFA Exempt Facilities Revenue Refunding Bonds, Series B of 2019, due 2038	14,870,000	14,870,000
YCIDA Series 2015, due 2029-2045	10,000,000	10,000,000
3.23% Senior Notes, due 2040	15,000,000	15,000,000
4.54% Senior Notes, due 2049	20,000,000	20,000,000
3.24% Senior Notes, due 2050	30,000,000	30,000,000
4.00% Senior Notes, due 2052	30,000,000	-
4.25% Senior Notes, due 2053	32,500,000	-
	<u>174,870,000</u>	<u>119,870,000</u>
<b>CURRENT LIABILITIES</b>		
Short-term Borrowings	2,653,353	29,319,981
Accounts Payable	5,330,514	5,009,882
Dividends Declared	2,981,566	2,293,169
Taxes Accrued	25,890	(700,668)
Interest Accrued	1,693,009	958,809
Other Current and Accrued Liabilities	2,382,124	2,238,838
	<u>15,066,456</u>	<u>39,120,011</u>
<b>DEFERRED CREDITS</b>		
Customers' Advances	12,584,594	12,724,761
Builders' Deposits and Advance Water Revenues	285,752	285,752
Deferred Investment Tax Credit	381,694	462,724
Deferred Federal Income Taxes	35,308,396	34,062,524
Deferred State Income Taxes	15,064,637	15,064,637
Deferred Regulatory Liability	23,594,341	24,504,171
Deferred Employee Benefits	5,459,553	4,529,689
Other Deferred Credits	1,403,750	2,085,680
	<u>94,082,718</u>	<u>93,719,938</u>
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>		
	<u>42,996,347</u>	<u>41,876,180</u>
	<u>538,792,626</u>	<u>447,207,947</u>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OTHER PHYSICAL PROPERTY, INVESTMENTS IN AFFILIATED COMPANIES  
AND OTHER INVESTMENTS AS OF FEBRUARY 29, 2024

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

2 Provide a detail of other physical property, investments in affiliated companies and other investments.

Response: Other Physical Property

Description (1)	As Of February 29, 2024 (2)
Land and Land Rights	105,865
Employee Center	353,051
Hellam Reservoir	59,500
Nickol's Quarry	180,999
Dietz Tract Dwelling	66,252
Seven Valleys Borough	24,975
Jefferson Borough	67,271
York New Salem Borough	25,970
York County Parks	118,302
Railroad Borough	11,600
Fountains at FP and Rail Trail	14,391
Forest Lakes Reservoir Land	15,253
Detention Pond - Asbury	<u>156,429</u>
	1,199,858

Investments in Affiliated Companies

The Company has no affiliates.

Other Investments 59,724

On February 25, 1992, the Company purchased 900 shares of Columbia Water Company common stock in the amount of \$37,800.

On July 27, 1998, the Company purchased 363 shares of Columbia Water Company common stock in the amount of \$17,224. This purchase was approved by the Commission in its Order at Docket No. A-213550.

On February 22, 2002, the Company purchased 50 shares of Columbia Water Company common stock in the amount of \$1,250.

On November 27, 2007, the Company purchased 200 shares of Columbia Water Company common stock in the amount of \$3,450.

As a result of various stock splits, the Company now owns 25,510 shares of Columbia Water stock, with no change to the investment.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SPECIAL CASH DEPOSITS AS OF FEBRUARY 29, 2024

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

3. Provide the amounts and purpose of special cash deposits as of test-year end.

Response: Statement Savings Account

Funds of the employees of The York Water Company of 43,602 have been deposited in an interest-bearing savings account. These funds of the Company's employees are offset by a credit amount, reflected in Account No. 23100211, Employee Benefits Withheld-ESPP, and can be used only to purchase The York Water Company common stock on behalf of employees in accordance with the Company's Employee Stock Purchase Plan.

Special Cash Deposit-York Township 500

The Company has deposited \$500 with York Township to be used to indemnify the Township against any loss or damage caused by The York Water Company while working in the Township's streets.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NOTES RECEIVABLE, ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES AND OTHER ACCOUNTS RECEIVABLE AS OF FEBRUARY 29, 2024

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

4. Describe the nature and/or origin and amounts of Notes Receivable, Accounts Receivable from Associated Companies, and other significant receivables, other than Customer Accounts, which appear on Balance Sheet.

Response: Notes Receivable

Note Receivable-Mt Zion Water District (Springettsbury Township) (Filed with the Commission at Docket No. U-850075)	255,481
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The Company was approached by officials of the above-named municipality regarding the extension of the Company's water mains to serve the municipality. Residents in the municipality were experiencing contamination problems with their wells and public water service was believed to be the best solution. The Company wanted to assist in improving the water quality in these troubled areas. However, the municipality was unwilling to pay for the facilities, and the Company could not compel existing residents to make contributions.

The Company developed a solution that charges residents a reasonable fee for connection while not burdening the municipality. The Company provided the funds for the construction of the facilities. For accounting purposes the Company lent funds to the municipality to cover the cost of the project. The municipality concurrently returned the funds to the Company which were recorded as an advance for construction.

As a part of the arrangement, the facilities constructed were leased to the municipality. However, there are no lease payments. The Company operates the facilities as agent for the municipality. Customers are billed directly by the Company. Customers in the water districts are charged the Company's repumped system rates because the water district is connected to the repumped system. Sales volume of, and revenues received from customers in the water district, are included in the Company's pro forma revenues, as set forth in Exhibit No. HII-2. The municipality, as lessee of the facilities, charges an application fee for each customer requesting to be connected to the system. In addition, the water district requires customers to pay surcharges. Amounts received from application fees and surcharges are paid to the Company, and the Company applies such amounts as payment of interest on the funds lent by the Company to the municipality, and as payment of the principal of the loan. In addition, as customers are connected to the system, the note receivable and the advance are reduced.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NOTES RECEIVABLE, ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES AND OTHER ACCOUNTS RECEIVABLE AS OF FEBRUARY 29, 2024

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

4. Describe the nature and/or origin and amounts of Notes Receivable, Accounts Receivable from Associated Companies, and other significant receivables, other than Customer Accounts, which appear on Balance Sheet.  
Accounts Receivable From Affiliated Companies

The York Water Company had no accounts receivable from associated companies as of February 29, 2024.

Other Accounts Receivable	27,374
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The York Water Company classifies other significant receivables, other than customer accounts, in Account No. 142, Other Accounts Receivable. A detail of Other Accounts Receivable as of February 29, 2024 is shown below.

The York Water Company Employee Stock Purchase Plan (a)	-
Reimbursement Due From Insurance Company	5,988
Scrap Income Receivable	7,056
Electric Curtailment Receivable	12,112
Other Miscellaneous Accounts Receivable	7,218
Reserve For Uncollectible Accounts	(5,000)
	27,374

- (a) The York Water Company has an Employee Stock Purchase Plan program. Stock purchases are paid entirely by employees through employee payroll deductions. Stock purchases are made on a quarterly basis. Pending the actual stock purchases, the employee payroll deductions are deposited in a segregated bank account, and are credited on the Company's books as "Amounts Withheld From Employees". Interest earned on the payroll deductions also is credited to the employees. When stock purchases are made after the end of the quarter, the purchase price of the stock is credited to "Common Stock Issued" and debited to "Other Accounts Receivable." The Company is subsequently reimbursed for the sale of shares purchased through the plan from the monies deposited in the segregated bank account by debiting "Amounts Withheld From Employees" and crediting "Other Accounts Receivable."

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS  
AS OF FEBRUARY 29, 2024

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

5. Provide the amount of accumulated reserve for uncollectible accounts, method and rates of accrual, amounts accrued and amounts written-off in each of last three years.

Response: The York Water Company uses the reserve method of recording uncollectible accounts for book purposes.

The estimated amount of accumulated reserve as of February 29, 2024, December 31, 2022 and actual 2021, and the amounts accrued and projected to be written off for the twelve months ending February 29, 2024, and December 31, 2022 and actual 2021 are shown below.

Twelve Months Ended					
Year	Accumulated Reserve	Year	Annual Accrual	Write-offs	Recoveries of Amounts Previously Written-off
(1)	(2)	(3)	(4)	(5)	(6)
2/29/2024	855,000	2/29/2024	272,542	313,420	40,878
12/31/2022	855,000	12/31/2022	269,660	307,163	37,503
12/31/2021	855,000	12/31/2021	377,685	230,212	52,527

Refer to Exhibit No. FIII-2-7 for an adjustment of uncollectible accounts during the twelve months ending December 31, 2022 to a two-year ratio of the net of actual uncollectible accounts written-off to total projected operating revenues at existing rates.

Refer to Exhibit No. FIII-2-18 for an adjustment of uncollectible accounts during the twelve months ending December 31, 2022 to a two-year ratio of the net of actual uncollectible accounts written-off to total pro forma operating revenues at existing rates.

Refer to Exhibit No. FIII-2-31 for an adjustment of uncollectible accounts during the twelve months ending February 29, 2024 to a two-year ratio of the net of actual uncollectible accounts written-off to total projected operating revenues at existing rates.

Refer to Exhibit No. FIII-2-46 for an adjustment of uncollectible accounts during the twelve months ending February 29, 2024 to a two-year ratio of the net of actual uncollectible accounts written-off to total pro forma operating revenues at existing rates.

Refer to Exhibit No. FIII-2-55 for an adjustment of uncollectible accounts under proposed rates during the twelve months ending February 29, 2024 to a two-year ratio of the net of actual uncollectible accounts written-off to total operating revenues.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PREPAYMENTS AS OF FEBRUARY 29, 2024

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

6. Provide a list of prepayments and give an explanation of special prepayments.

Response: A schedule of prepayments as of February 29, 2024 is shown below.  
The York Water Company has no special prepayments as of February 29, 2024.

Prepayment (1)	Amount (2)
Prepaid Health Insurance	485,514
Prepaid General Insurance	110,070
Prepaid Public Utility Commission, Consumer Advocate, Small Business Advocate, Damage Prevention Control Assessments	122,008
Prepaid Property and Realty Tax	47,449
Other Prepayments	257,076
	<hr/> 1,022,117

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OTHER CURRENT ASSETS AS OF FEBRUARY 29, 2024

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

7. Explain in detail any other significant (in amount) current assets listed on balance sheet.

Response: The Company has no Miscellaneous Current and Accrued Assets.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED ASSETS AS OF FEBRUARY 29, 2024

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

8. Explain in detail, including the amount and purpose, the deferred asset accounts that currently operate to effect or will at a later date effect the operating account supplying:

- a. Origin of these accounts.
- b. Probable change to this account in the near future.
- c. Amortization of these amounts currently charged to operations or to be charged in the near future.

Response: (a), (b), and (c)

Account (1)	As Of February 29, 2024 (2)
Unamortized Debt Expense	3,097,260

This account includes the unamortized portion of debt expense as of February 29, 2024 associated with the issuance of long-term debt. The debt expense is amortized over the respective terms of long-term debt by crediting this account and debiting Account No. 428, Amortization of Debt Expense. The fully-projected future test year balance includes new debt issuance costs of \$300,000 for the 2022 issue as well as \$325,000 issuance costs for the 2023 issue and continued amortization of historic amounts.

Account (1)	As Of February 29, 2024 (2)
Other Deferred Debits - Deferred Rate Case Expense	714,375

Deferred rate case expenses will be normalized over forty-eight months on the corporate books. The normalization of rate case expense will be credited to this account and charged to Account No. 666.8, Amortization of Rate Case Expense.

Refer to Exhibit No. HIII-2-1 for the normalization of the estimated expenses of this rate case over forty-eight months.

Account (1)	As Of February 29, 2024 (2)
Other Deferred Debits- Cash Value of Insurance Policies	4,832,892

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED ASSETS AS OF FEBRUARY 29, 2024

The Company has a supplemental retirement benefit plan for eight key employees of the Company consisting of the President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Administrative Officer and General Counsel, Vice President-Customer Service, Vice President-Human Resources, Vice President-Engineering and Vice President-Technology and six retired former key employees. The plan is funded through life insurance policies.

The Company has a deferred savings plan for twenty-nine of its management and supervisory employees and eight retired former management employees. The plan is also funded through life insurance policies.

The deferred debit related to both plans' benefits represents the current cash surrender value of the life insurance policies that have been purchased to reimburse the Company for the costs of the plans.

The Company also reflects on its books of account as a deferred credit the current accrued liability with respect to the deferred compensation benefits.

The expenses and income associated with the Company's supplemental retirement and deferred savings plans have been eliminated from this rate case in accordance with the Settlement Agreement approved by the Commission under Docket No. R-000016236 with the exception of expenses from the deferred savings plan for employees not in the defined benefit pension plan.

Account (1)	As Of February 29, 2024 (2)
Other Deferred Debits - Preliminary Survey	137,144

This account includes expenditures for preliminary surveys, plans and investigations made for the purpose of determining the feasibility of projects under contemplation.

These expenditures are not included in the Company's rate base nor in the cost of service.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

9. Explain the nature of accounts payable to associated companies, and note amounts of significant items.

Response: The Company has no accounts payable to associated companies.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OTHER DEFERRED CREDITS AS OF FEBRUARY 29, 2024

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

10. Provide details of other deferred credits as to their origin and disposition policy (e.g. amortization)

Response:

Other Deferred Credits-Interest Rate Swap	1,403,750
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The Company utilizes an interest rate swap agreement to convert its variable rate debt to a fixed rate (cash flow hedge). As of February 29, 2024 the Company recorded an unrealized loss on the Interest Rate Swap. The Interest Rate Swap Agreement will expire on October 1, 2029.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OTHER RESERVES

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

11.

Provide details of any significant reserves, other than depreciation and bad debt, appearing on balance sheet.

Response:

There are no reserves other than depreciation and bad debt on the Company's balance sheet.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RETAINED EARNINGS FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024 AND  
DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021 AND 2020

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

12. Provide an analysis of unappropriated retained earnings for the test year and two preceding years.

Response: Refer to page 2.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
RETAINED EARNINGS FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024 AND  
DECEMBER 31, 2022 AND ENDED DECEMBER 31, 2021 AND 2020

	Period Ending February 29, 2024	Twelve Months Ending December 31, 2022	Twelve Months Ended December 31, 2021	Twelve Months Ended December 31, 2020
Balance at Beginning of Period	69,756,196	64,392,117	57,316,798	50,208,821
Add: Net Income for Period	20,579,284 *	16,156,738	16,983,810	16,597,712
Deduct: Cash Dividends for Period	14,749,697 **	10,792,659	9,908,491	9,489,735
Balance at End of Period	75,585,783	69,756,196	64,392,117	57,316,798

\* Net income for the Period Ending February 29, 2024 includes fourteen months rather than twelve months in the other periods presented.

\*\* Cash Dividends for the Period Ending February 29, 2024 includes five dividends rather than four in the other periods presented.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ADVANCES TO PARENT CORPORATION

53.53 X. Balance Sheet

D. Water and Wastewater Utilities

13. Describe the purpose of any advances made by the company to its parent corporation and describe all terms and conditions associated with such advances, including an estimate of future advances or repayments that are expected to occur.

Response: The Company has no parent corporation.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OTHER DATA MONTHLY BALANCE SHEETS

53.53 XI. Other Data

D. Water and Wastewater Utilities

1. Provide the company's monthly balance sheets and income statements for each month of the historic and future test year.

Response: Refer to Exhibit No. HXI-1.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OTHER DATA INDEPENDENT AUDIT REPORT

53.53 XI. Other Data

D. Water and Wastewater Utilities

2. Supply a copy of internal and independent audit reports of the test year and prior calendar year, noting any exceptions and recommendations and disposition thereof.

Response: Refer to Exhibit No. HXI-2.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OTHER DATA BUDGET VARIANCE REPORTS

53.53 XI. Other Data

D. Water and Wastewater Utilities

3. Provide all monthly and/or quarterly budget variance reports to management and/or the board of directors submitted during the past year. Please provide the most recent detailed budget variance report which the company compiled, and update as additional reports are issued.

Response: Refer to Exhibit No. HXI-3.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OTHER DATA OPERATING AND CAPITAL BUDGETS

53.53 XI. Other Data

D. Water and Wastewater Utilities

4. Provide a copy of the company's most recent operating and capital budgets.

Response: Refer to Exhibit No. HXI-4.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OTHER DATA UNACCOUNTED FOR WATER

53.53 XI. Other Data

D. Water and Wastewater Utilities

5.

Provide a schedule that shows the percentage of unaccounted for water for the test year and two prior years. Describe how this amount was determined and explain any steps taken to reduce unaccounted for water.

Response: Refer to Exhibit No. HXI-5 for the percentage of unaccounted for water.

Refer to Exhibit No. FIX-6 for a summary of the Company's efforts in water conservation.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CORPORATE HISTORY

53.53 XI. Other Data

D. Water and Wastewater Utilities

6. Provide a corporate history (include the dates of original incorporation, subsequent mergers and/or acquisitions). Indicate all counties and cities and other governmental subdivisions to which service is provided (including service areas outside the state), and the total population in the area served.

Response: A copy of the Company's corporate history is attached.

Refer to Exhibit No. FII-3 for a listing of the municipalities in which service is supplied.

The estimated population served by the Company is 204,000.



## **CORPORATE HISTORY OF THE YORK WATER COMPANY**

Letters Patent incorporating The York Water Company under Special Act of the General Assembly of Pennsylvania approved February 8, 1816 (Recorded in L Book Volume 1815-16, page 42) were issued by Simon Snyder, Governor of Pennsylvania, on February 23, 1816 (L.P. Volume 9, page 592).

By virtue of certain statutory mergers and Charter Amendments as hereinafter referred to, The York Water Company has extended its chartered territory so as to include 51 municipalities as follows: The City of York, the Boroughs of East Prospect, Felton, Glen Rock, Hallam, Jacobus, Jefferson, Loganville, Manchester, Mount Wolf, New Freedom, New Salem, North York, Railroad, Seven Valleys, Shrewsbury, Spring Grove, West York, York Haven and Yorkana, and the Townships of East Manchester, Manchester, Spring Garden, Springettsbury and West Manchester, and parts of the Townships of Codorus, Conewago, Hellam, Hopewell, Jackson, Lower Windsor, Newberry, North Codorus, North Hopewell, Paradise, Shrewsbury, Springfield, West Manheim, Windsor and York, in the County of York and the Boroughs of Abbottstown and Carroll Valley, and Townships of Berwick, Cumberland, Oxford, Hamilton, Reading, Mount Pleasant, Union and Straban, in the County of Adams and the Township of Letterkenny in the County of Franklin and the Commonwealth of Pennsylvania. The community served has an estimated population of 204,000.

Articles of Amendment, which expanded and consolidated the Company's chartered territory into one description, was duly filed with the Pennsylvania Department of State on June 29, 1990

(#9033866 to 9033870) with Certificate of Amendment issued thereon.

Miscellaneous amendments relating to administrative matters of minor importance were made to the corporate Charter by Act of April 13, 1827, P.L. 241 (L Book Volume 1826-27, page 241); Act of April 11, 1840, P.L. 300 (L Book Volume 1839-40, page 300); Act of April 2, 1850, P.L. 336 (L Book Volume 1850, page 336 at page 338); Act of February 2, 1866, P.L. 14 (L Book Volume 1866, page 14); by Amendment to the Charter filed May 17, 1967 (3-1-67.13 1261-1264 incl., recorded on August 16, 1967 in York County Record Book 60-L, page 974); and by Amendment to the Charter filed August 15, 1973 (3-1-73.37 607-611 incl., recorded on August 24, 1973 in York County Record Book 66-Y, page 542).

The Constitution of the Commonwealth of Pennsylvania adopted December 16, 1873 and the Act of April 29, 1874 and its Supplements were duly accepted by the Company by filing with the Secretary of the Commonwealth Certificates of Acceptance on May 6, 1891 (Volume 30, page 433), with Letters Patent duly issued thereon (L.P. Volume 55, page 2) and on March 18, 1896 (Volume 46, page 155), with Letters Patent duly issued thereon (L.P. Volume 55, page 56).

The Business Corporation Law of Pennsylvania was duly accepted by the Company by filing its Certificate of Acceptance with the Pennsylvania Department of State on October 27, 1984 (#398082).

\* \* \* \* \*

The York Water Company acquired certain of its chartered territory by purchase of the franchises and property of the following companies, which were incorporated on the respective dates hereinafter set forth:

THE MAYERSVILLE WATER COMPANY (October 13, 1890, Charter Book No. 34, page 65), with both Authorization for Sale to The York Water Company and Return of Sale filed April 25, 1898 (Miscellaneous Corporation Record Book 20, page 220).

THE WATER COMPANY OF MANCHESTER TOWNSHIP (July 20, 1896, Charter Book No. 49, page 278), with Authorization for Sale to The York Water Company filed February 25, 1897 and Return of Sale filed March 9, 1897 (Miscellaneous Corporation Record Book 20, page 56 and Book 17, page 170).

THE WATER COMPANY OF SPRING GARDEN TOWNSHIP (July 20, 1896, Charter Book No. 49, page 276), with Authorization for Sale to The York Water Company filed February 25, 1897 and Return of Sale filed March 9, 1897 (Miscellaneous Corporation Record Book 20, page 57 and Book 17, page 168).

THE WATER COMPANY OF WEST MANCHESTER TOWNSHIP (July 20, 1896, Charter Book No. 49, page 277), with Authorization for Sale to The York Water Company filed February 25, 1897 and Return of Sale filed March 9, 1897 (Miscellaneous Corporation Record Book 20, page 58 and Book 17, page 169).

THE WATER COMPANY OF SPRINGGETTSBURY TOWNSHIP (December 8, 1906, Charter Book No. 98, page 67), with corporate name changed to YORK SUBURBAN WATER COMPANY on October 31, 1925 (Charter Book No. 218, page 383).

MANCHESTER WATER COMPANY (December 19, 1929, Charter Book No. 272, page 87), with Authorization for Sale to Mt. Wolf-Manchester Water Company filed January 2, 1930 (Miscellaneous Corporation Record Book 175, page 521) and Return of Sale filed January 20, 1930 (Miscellaneous Corporate Record Book 176, page 46).

WATER COMPANY OF EAST MANCHESTER TOWNSHIP (December 19, 1929, Charter Book No. 260, page 462), with Authorization for Sale to Mt. Wolf-Manchester Water Company filed January 2, 1930 (Miscellaneous Corporation Record Book 175, page 524) and Return of Sale filed January 20, 1930 (Miscellaneous Corporation Record Book 176, page 49).

MT. WOLF-MANCHESTER WATER COMPANY (December 19, 1929, Charter Book No. 272, page 90), with Authorization for Sale to York Suburban Water Company filed February 6, 1930 (Miscellaneous Corporation Record Book 176, page 166) and Return of Sale filed February 26, 1930 (Miscellaneous Corporation Record Book 176, page 254); and with Approval from Water and Power Resources Board filed March 3, 1930 (Miscellaneous Corporation Record Book 176, page 276); and Approval of Acceptance of the Act of June 7, 1907 and the Act of April 13, 1905 by Water Supply Commission of Pennsylvania filed March 3, 1930 (Miscellaneous Corporation Record Book 176, page 277).

YORK SUBURBAN WATER COMPANY - Approval from Water and Power Resources Board filed March 3, 1930 (Miscellaneous Corporation Record Book 176, page 280); and Approval of Acceptance of the Act of June 7, 1907 and the Act of April 13, 1905 by Water Supply Commission of Pennsylvania filed March 3, 1930 (Miscellaneous Corporation Record Book 176, page 282).

THE WATER COMPANY OF YORK TOWNSHIP (October 1, 1940, Charter Book No. 379, pages 281-289 incl.), with Authorization for Sale to York Suburban Water Company filed December 30, 1940 (Miscellaneous Corporation Record Book 258, page 18) and Return of Sale filed December 31, 1940 (Miscellaneous Corporation Record Book 258, page 25).

YORK SUBURBAN WATER COMPANY, with Authorization for Sale to The York Water Company filed May 23, 1941 (Miscellaneous Corporation Record Book 261, page 49) and Return of Sale filed June 2, 1941 (Miscellaneous Corporation Record Book 261, page 188).

\* \* \* \* \*

By various Charter Amendments from time to time, The York Water Company expanded its chartered territory in York County, Pennsylvania, as follows:

July 7, 1960 - Arlington Park area in the Township of York (Recorded on July 11, 1960 in York County Record Book 49-Y, page 104).

March 23, 1964 - A portion of the Township of Hellam, the Borough of Jacobus and certain portions of the Township of York and of the Township of Springfield (3-1-64.08 1229-1234 incl., recorded on April 8, 1964 in York County Record Book 55-U, page 599).

June 9, 1965 - Portions of the Townships of Windsor and York (3-1-65.17 158-162 incl., recorded on June 23, 1965 in York County Record Book 57-Z, page 298).

August 23, 1967 - Portion of the Township of Jackson (3-1-67.24 289-293 incl., recorded on September 5, 1967 in York County Record Book 60-N, page 290).

July 7, 1977 - Borough of Loganville and portions of the Townships of Springfield and York (3-1-77.33 1336-1340 incl., recorded on July 21, 1977 in York County Record Book 72-J, page 278).

March 19, 1979 - Portion of Hellam Township (Recorded on July 23, 1979 in York County Record Book 79-V, page 935).

May 3, 1983 - Boroughs of New Salem, Seven Valleys, York Haven and Yorkana and portions of the Townships of Lower Windsor, Newberry and North Codorus (as part of the Company's then consolidated description of its total chartered territory) (Department of State #83291065 through 83291071-398082).

May 9, 1985 - Borough of Hallam and surrounding portion of Hellam Township adjacent to and east of the Company's May 3, 1983 consolidated chartered territory (Department of State #85380906 through 85380910-398082).

May 7, 1990 - Portions of Springfield, York, Windsor, Lower Windsor and Hellam Townships (as part of the Company's then consolidated description of its total chartered territory) (Department of State #9033866 - 9033870).

\* \* \* \* \*

Various Election Returns for Increases of Capital Stock were duly filed by the Company and its associate companies as more fully appears by reference to the following Miscellaneous Corporation Records Books and Pages: By Water Company of Springettsbury Township, Vol. 145, page 71, and Vol. 178, page 141; by Mt. Wolf-Manchester Water Company, Vol. 178, page 81; and by The York Water Company, Vol. 9, page 139 and Vol. 7, page 207; Vol. 17, page 100-110-277; Vol. 18, page 286; Vol. 21, page 125; Vol. 29, page 49; Vol. 27, page 190; Vol. 51, page 177; Vol. 65, page 249; Vol. 75, page 170; Vol. 112, page 562; Vol. 170, page 57; and Vol. 178, page 110. Certificate for the reduction of the par value of the Company's Common Stock from \$25.00 to \$10.00 a share was filed February 3, 1930 (Miscellaneous Corporation Record Book 176, page 163).

An Election Return for Increase of Indebtedness was similarly filed by the Company as more fully appears by reference to Roll 3-1-54.24, Film 290 (9-10-54), with Return of Actual Increase of Indebtedness filed to Roll 3-1-56.19, Film 1305 (6-2-56).

On May 20, 1986 the Company's Articles and Charter were amended so as to increase the Company's authorized number of shares to One Million (1,000,000) shares of Common Stock of the par value of \$10.00 per share (Department of State 8633 697 through 8633 699).

On June 29, 1990, the Company's Articles and Charter were amended to consolidate the Company's presently chartered territory and proposed additions thereto into one all-inclusive description. Added portions of Springfield, York, Windsor, Lower Windsor and Hellam Townships (9033866-9033870).

On February 28, 1994, the Company's Articles and Charter were amended to add portions of Lower Windsor, Jackson, North Codorus and Hellam Townships and East Prospect, Wrightsville and Spring Grove Boroughs (Microfilm Number 09415-0349-0352).

On May 20, 1996, the Company's Articles of Incorporation were restated and amended. The amended area added Jefferson Borough and portion of Codorus Township. In addition, authorized shares were increased to 1,200,000 shares (Microfilm Number 9636-94 to 9636-99).

On March 7, 1997, the Company's Articles of Incorporation were amended to add the Boroughs of Glen Rock, Shrewsbury, New Freedom, Railroad, Shrewsbury Township and portions of Hopewell and North Hopewell Townships (Microfilm Number 09719, 1725-1727).

On May 8, 1997, the Company's Articles of Incorporation were amended so as to increase the Company's authorized number of shares to six million (6,000,000) shares of common stock and to permit 500,000 shares of preferred stock, all shares at zero par value.

On January 2, 1998, the Company's Articles of Incorporation were amended to add a portion of the Township of Conewago to the Company's Charter Area (Microfilm Number 09796, 291-293).

On May 6, 1999, the Company's Articles of Incorporation were amended so as to increase the Company's authorized number of shares to thirty-one million (31,000,000) shares of common stock and five hundred thousand (500,000) shares of preferred stock. All shares are at zero par value. This was necessary to facilitate the Shareholder Rights Plan. (Microfilm Number 9935, 176-178)

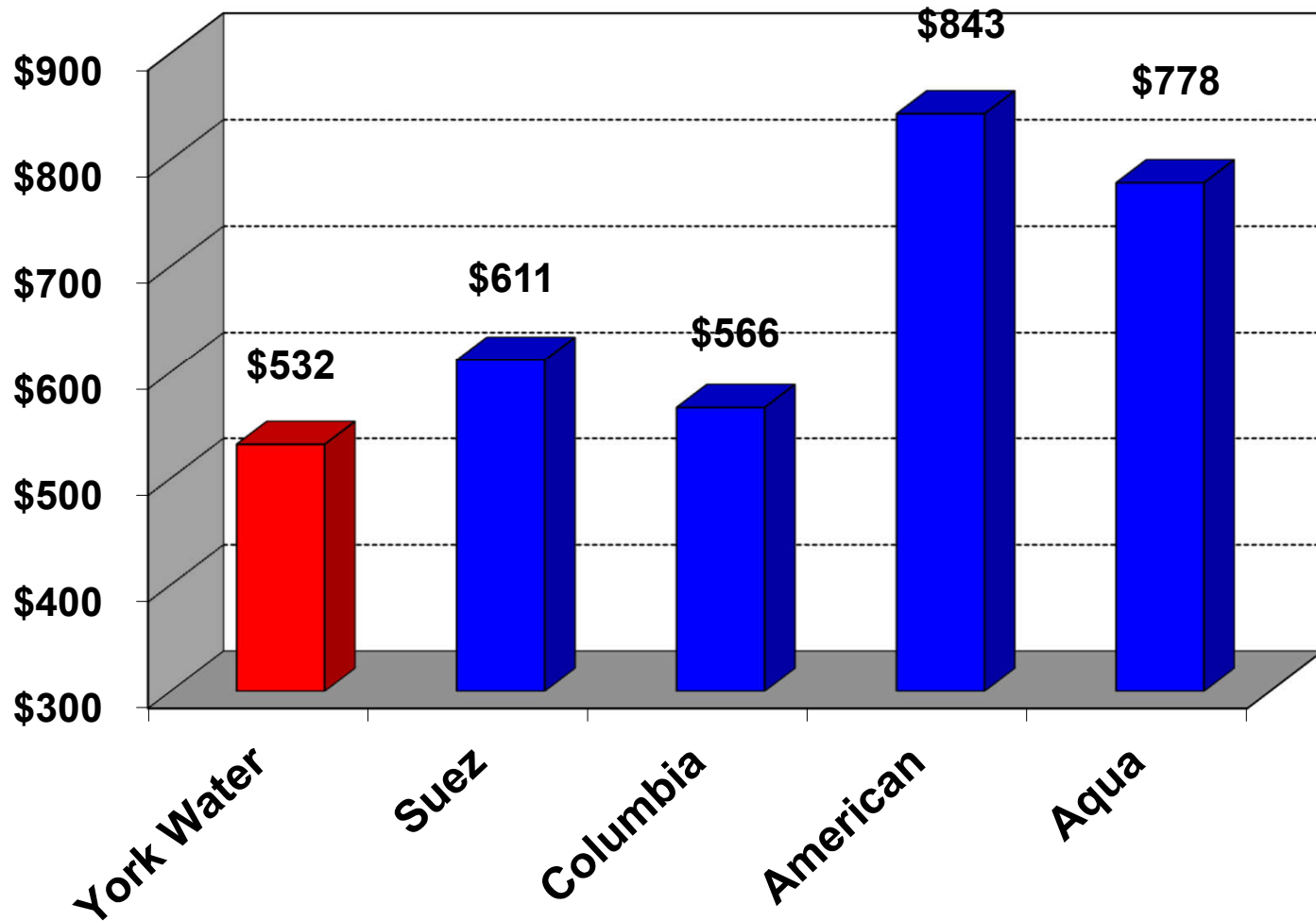


On May 1, 2000, the Company's Articles of Incorporation were amended and restated. The restated Articles (i) provide for conformance to a previous shareholder approved amendment to the Company's By-Laws and (ii) to delete provisions, which are no longer applicable due to previously approved amendments to the Restated Articles of Incorporation. (Microfilm Number 200035, 389-392)

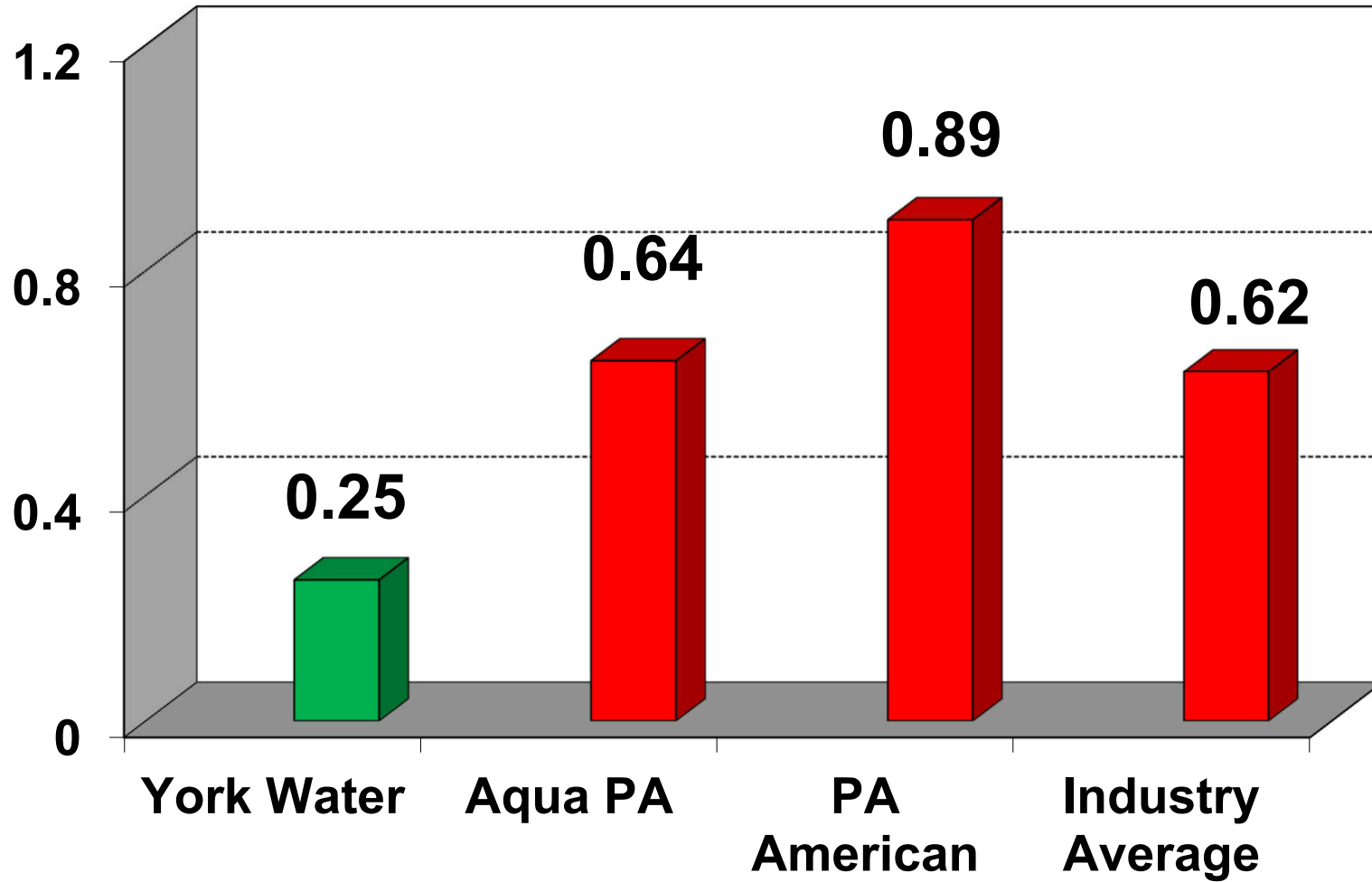
On May 4, 2010, the Company's Articles of Incorporation were amended so as to increase the Company's authorized number of shares to forty-six million, five hundred thousand (46,500,000) shares of common stock and five hundred thousand (500,000) shares of preferred stock. All shares are at zero par value.

Note: The York Water Company's entity number at the Pennsylvania Department of State is 398082.

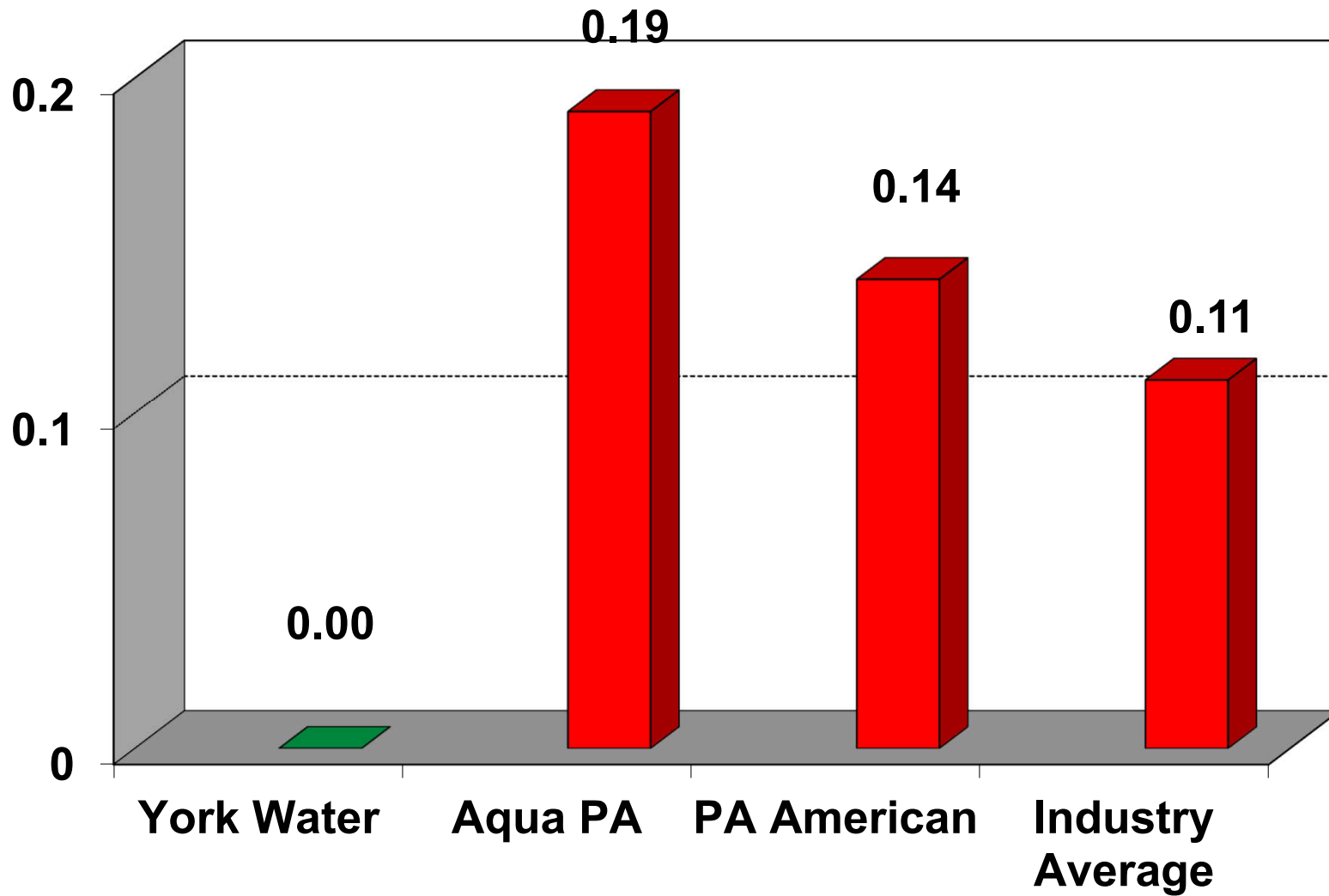
## Annual Residential Customer Rates



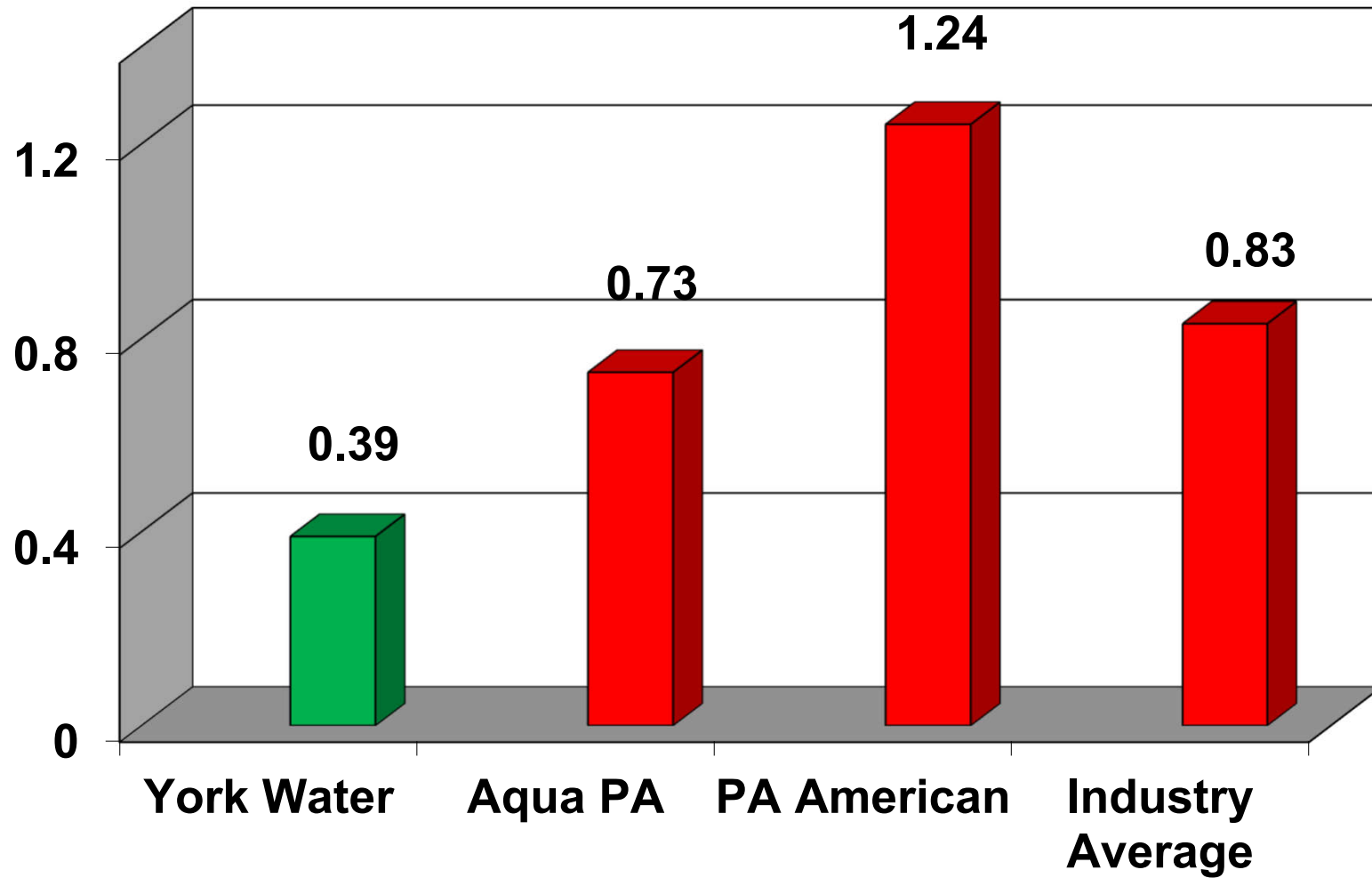
# 2017 Residential Complaint Rates



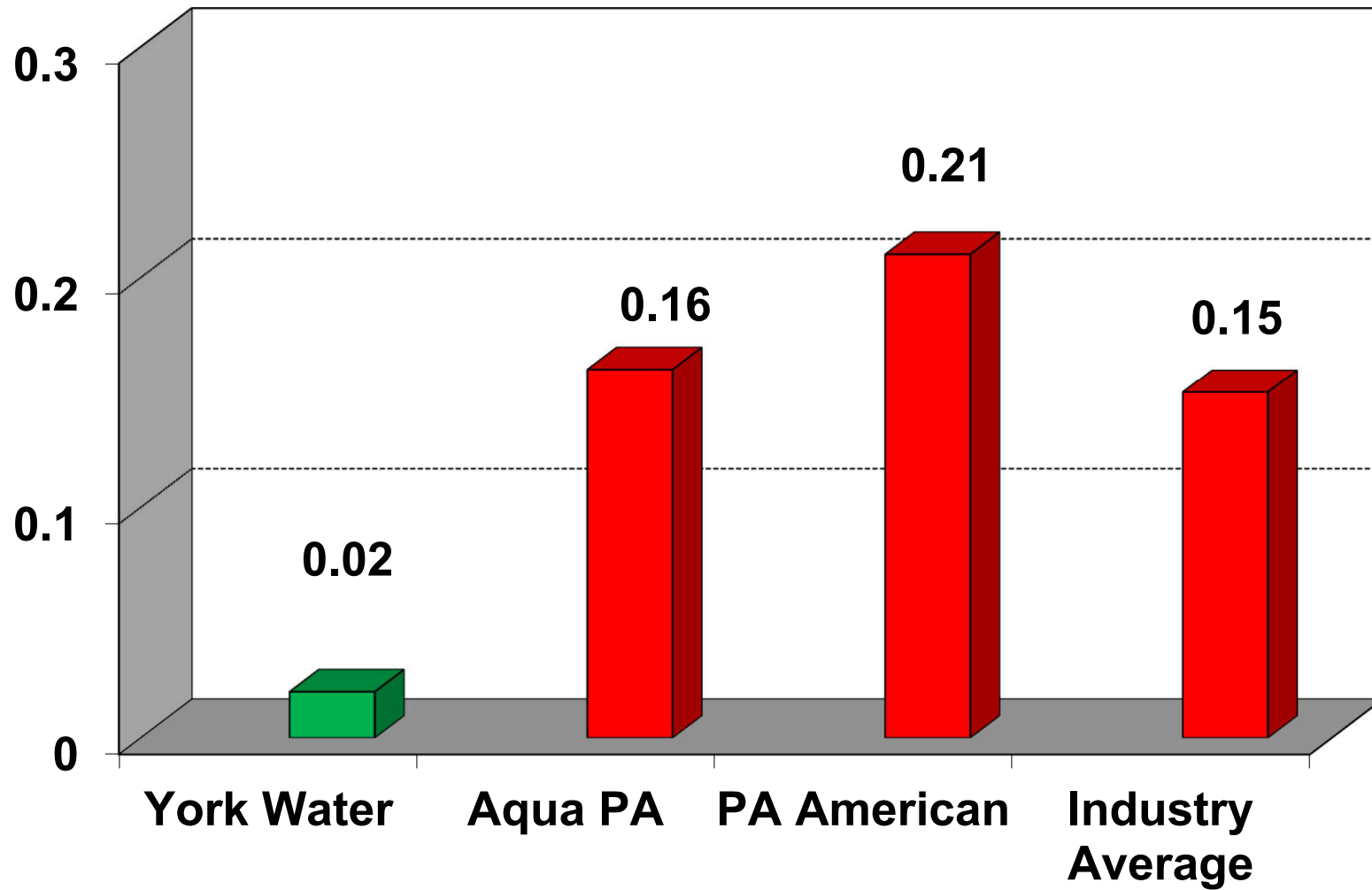
## 2017 Residential Justified Complaint Rates



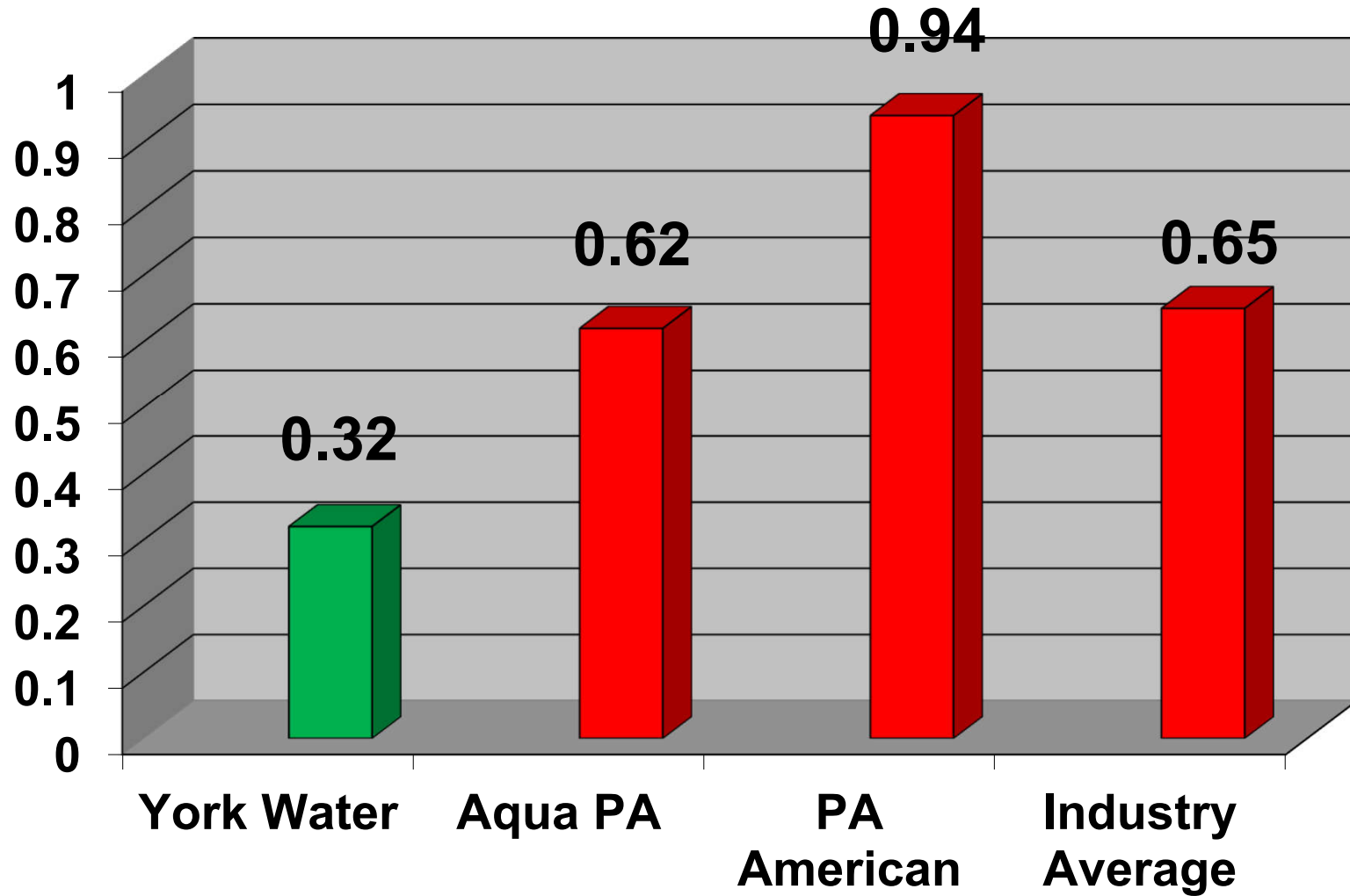
## 2018 Residential Complaint Rates



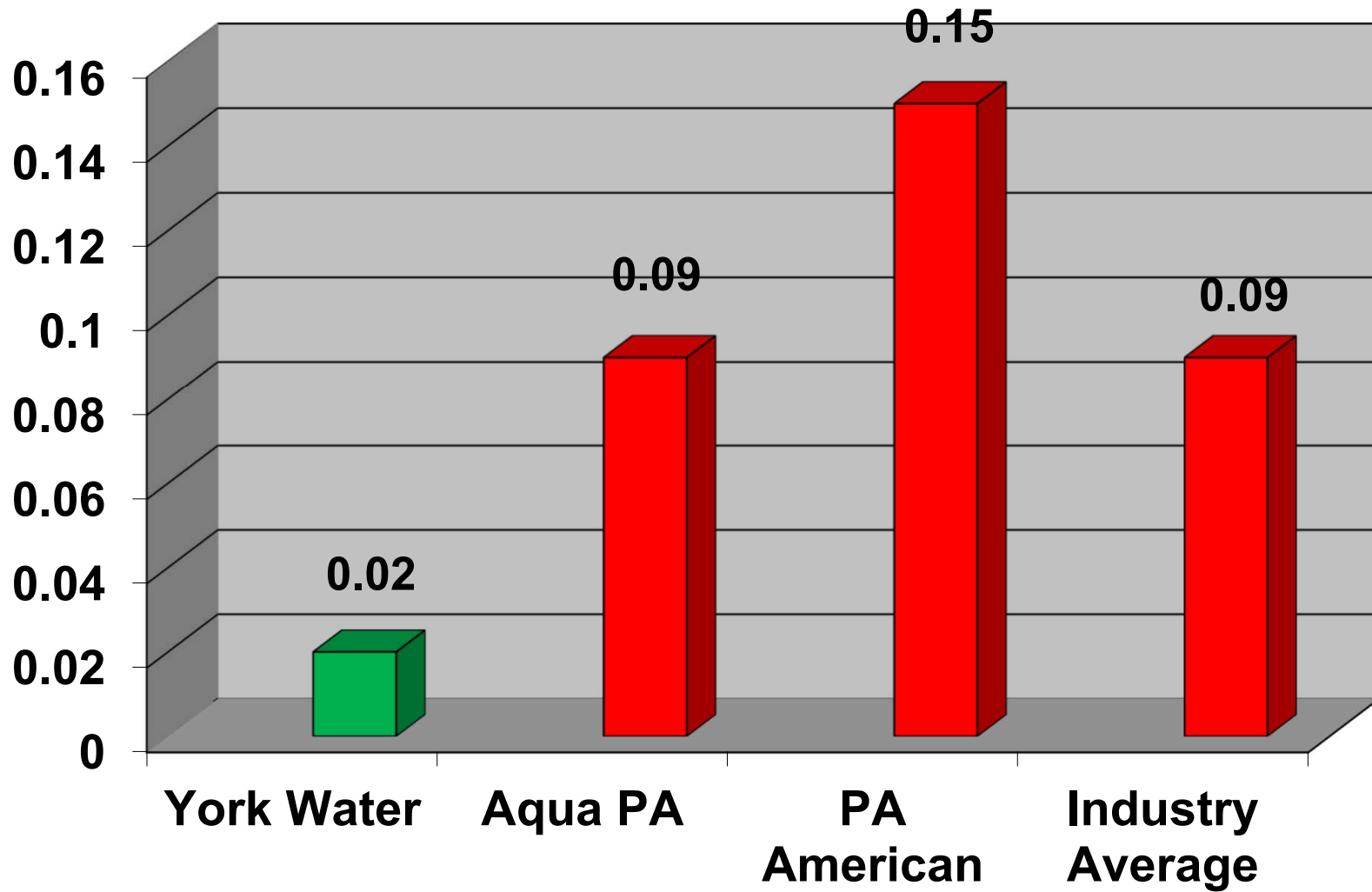
## 2018 Residential Justified Complaint Rate



## 2019 Residential Complaint Rates



## 2019 Residential Justified Complaint Rates





THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 NUMBER OF CUSTOMERS AS OF DECEMBER 31, 2021  
 WHOSE BILLS WILL BE INCREASED

- 53.52      Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies
- (b)          Whenever a public utility other than a canal, turnpike, tunnel, bridge, or wharf, company files a tariff, revision, or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:
- (3)          A calculation of the number of customers by tariff subdivision, whose bills will be increased.

Response:

Classification (1)	As Of December 31, 2021 (2)
Metered Customers	
Residential	1,164
Commercial	41
Industrial	2
Total Metered Customers	1,207
Unmetered Customers	
Residential	1,985
Commercial and Industrial	165
Total Unmetered Customers	2,150
Total Customers	3,357

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF INCOME

53.53 I. Statement of Income

D. Water and Wastewater Utilities

- 1 Provide comparative operating statements for the test year and the immediately preceding 12 months showing increases and decreases between the two periods. These statements should supply detailed explanation of the causes of the major variances between the test year and preceding year by detailed account number.

Response: Refer to page 2.

Major variances are those that are more than \$20,000 under or over the previous year.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 COMPARATIVE OPERATING STATEMENT FOR TWELVE MONTHS ENDED  
 DECEMBER 31, 2021 AND 2020

Exhibit No. HI-1W  
 Page 2 of 10  
 Witness: M E Poff

	Twelve Months Ended December 31, 2021 (1)	Twelve Months Ended December 31, 2020 (2)	Increase (Decrease) (3)	Major Variance Reference (4)
<b>WASTEWATER OPERATING REVENUES</b>				
<b>METERED SALES</b>				
Residential	834,097	795,363	38,734	1
Commercial	38,977	33,506	5,471	
Industrial	2,167	2,158	9	
<b>TOTAL METERED SALES</b>	<b>875,241</b>	<b>831,027</b>	<b>44,214</b>	
<b>UNMETERED SALES</b>				
Residential	1,060,279	949,462	110,817	2
Commercial and Industrial	275,441	268,718	6,723	
<b>TOTAL UNMETERED SALES</b>	<b>1,335,720</b>	<b>1,218,180</b>	<b>117,540</b>	
<b>OTHER OPERATING REVENUES</b>				
Late Charges	4,861	713	4,148	
Miscellaneous Revenues	-	700	(700)	
<b>TOTAL WASTEWATER OPERATING REVENUES</b>	<b>2,215,822</b>	<b>2,050,620</b>	<b>165,202</b>	

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 COMPARATIVE OPERATING STATEMENT FOR TWELVE MONTHS ENDED  
 DECEMBER 31, 2021 AND 2020

Exhibit No. HI-1W  
 Page 3 of 10  
 Witness: M E Poff

	Twelve Months Ended December 31, 2021 (1)	Twelve Months Ended December 31, 2020 (2)	Increase (Decrease) (3)	Major Variance Reference (4)
<b>OPERATING EXPENSES</b>				
<b>WASTEWATER TREATMENT</b>				
Salaries and Wages-Operations	295,244	227,644	67,600	3
Salaries and Wages-Vacation	44,998	32,572	12,426	
Salaries and Wages-Maintenance Structures	-	1,544	(1,544)	
Salaries and Wages-Maintenance Equipment	18,227	7,651	10,576	
Purchased Treatment-Operations	973,227	673,549	299,678	4
Sludge Removal-Operations	214,553	53,845	160,708	5
Electric Expense-Operations	41,948	37,317	4,631	
Fuel-Operations	-	-	-	
Chemicals	32,789	24,316	8,473	
Operations-Materials and Supplies	37,255	38,087	(832)	
Operations-Testing Services	25,287	17,180	8,107	
Operations-Outside Services	51,187	11,746	39,441	6
Operations-Rental of Equipment	12,306	2,034	10,272	
Operations-Transportation Expense	40,314	22,275	18,039	
Operations-Vehicle Leases	-	-	-	
Operations-Miscellaneous Expense	256,027	253,482	2,545	
Operations-Registration for Industry Meetings	-	-	-	
Operations-Communications	8,389	6,058	2,331	
Operations-Office Expense and Utilities	4,222	2,836	1,386	
Operations-Uniforms	1,447	330	1,117	
Operations-Mailing	355	12	343	
Operations-Travel	417	205	212	
Operations-Meals	-	627	(627)	
Operations-Registration for Educational Seminars	2,148	214	1,934	
Maintenance-Materials and Supplies Structures	2,413	3,495	(1,082)	
Maintenance-Materials and Supplies Equipment	18,971	16,871	2,100	
Maintenance-Outside Services Structures	13,835	7,495	6,340	
Maintenance-Outside Services Equipment	24,391	20,477	3,914	
<b>TOTAL WASTEWATER TREATMENT</b>	<b>2,119,950</b>	<b>1,461,862</b>	<b>658,088</b>	

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 COMPARATIVE OPERATING STATEMENT FOR TWELVE MONTHS ENDED  
 DECEMBER 31, 2021 AND 2020

Exhibit No. HI-1W  
 Page 4 of 10  
 Witness: M E Poff

	Twelve Months Ended December 31, 2021 (1)	Twelve Months Ended December 31, 2020 (2)	Increase (Decrease) (3)	Major Variance Reference (4)
<b>WASTEWATER COLLECTION</b>				
Salaries and Wages-Operations	1,058	30	89	
Operations-Communications	1,770	782	988	
Maintenance-Outside Services	32,055	77,010	(44,955)	7
Maintenance-Equipment Rental	-	-	-	
<b>TOTAL WASTEWATER COLLECTION</b>	<b>34,883</b>	<b>77,822</b>	<b>(43,878)</b>	
<b>PUMPING EXPENSES</b>				
Sludge Removal-Operations	3,360	3,959	(599)	
Electric Expense-Pumping	10,508	9,801	707	
Operations-Materials and Supplies	1,540	-	1,540	
Outside Services - Pumping	400	-	400	
Operations-Communications	6,611	9,338	(2,727)	
Maintenance-Materials and Supplies Structures	82	9	73	
Maintenance-Materials and Supplies Equipment	9,429	2,040	7,389	
Maintenance-Outside Services Structures	6,789	3,994	2,795	
Maintenance-Outside Services Equipment	19,002	21,856	(2,854)	
<b>Total Wastewater Pumping Expenses</b>	<b>57,721</b>	<b>50,997</b>	<b>7,323</b>	
<b>ADMINISTRATIVE AND GENERAL</b>				
Salaries and Wages-Admin & General	-	-	-	
Allocation from Water	589,761	536,041	53,720	8
Administrative and General Expenses Capitalized	(28,177)	(19,324)	(8,853)	
<b>TOTAL ADMINISTRATIVE AND GENERAL</b>	<b>561,584</b>	<b>516,717</b>	<b>44,867</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>2,774,138</b>	<b>2,107,398</b>	<b>666,400</b>	

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 COMPARATIVE OPERATING STATEMENT FOR TWELVE MONTHS ENDED  
 DECEMBER 31, 2021 AND 2020

Exhibit No. HI-1W  
 Page 5 of 10  
 Witness: M E Poff

	Twelve Months Ended December 31, 2021 (1)	Twelve Months Ended December 31, 2020 (2)	Increase (Decrease) (3)	Major Variance Reference (4)
<b>TAXES OTHER THAN INCOME TAXES</b>				
Assessments	11,864	8,337	3,527	
PURTA	-	-	-	
FICA	-	-	-	
Local Real Estate Taxes	18,310	8,295	10,015	
Federal Unemployment	-	-	-	
State Unemployment	-	-	-	
Payroll Taxes Capitalized	(2,738)	(2,465)	(273)	
<b>TOTAL TAXES OTHER THAN INCOME TAXES</b>	<b>27,436</b>	<b>14,167</b>	<b>13,269</b>	
<b>INCOME TAXES</b>				
Current Federal Income Tax	(179,923)	(35,202)	(144,721)	9
Current State Income Tax	(95,984)	(24,690)	(71,294)	10
Deferred Federal Tax-Accelerated Depreciation	28,561	1,135	27,426	11
Deferred Federal Income Tax-Excess ADIT	(7,119)	(7,009)	(110)	
<b>TOTAL INCOME TAXES</b>	<b>(254,465)</b>	<b>(65,766)</b>	<b>(188,699)</b>	
Depreciation and Amortization	260,777	189,034	71,743	12
<b>OPERATING INCOME</b>	<b>(592,064)</b>	<b>(194,213)</b>	<b>(397,851)</b>	

**Major Variance No. 1**

	Twelve Months Ended		Increase
	12-31-21	12-31-20	(Decrease)
Metered Sales to Residential Customers	834,097	795,363	38,734

The increase in metered sales to residential customers in the amount of 38,734 was primarily due to the acquisition of the wastewater system of Amblebrook development in December 2020.

**Major Variance No. 2**

	Twelve Months Ended		Increase
	12-31-21	12-31-20	(Decrease)
Unmetered Sales to Residential Customers	1,060,279	949,462	110,817

The increase in unmetered sales to residential customers in the amount of 110,817 was primarily due to the acquisition of the wastewater system of Felton Borough in April 2020 and the acquisition of Letterkenny Township Municipal Authority in September 2020.

**Major Variance No. 3**

	Twelve Months Ended		Increase
	12-31-21	12-31-20	(Decrease)
Wastewater Treatment			
Salaries and Wages - Wastewater Treatment Operations	295,244	227,644	67,600

During the twelve months ended December 31, 2021, Company labor charged to this account increased 67,600 when compared to the twelve months ended December 31, 2020. Most of the increase was due to an increase in employees and an annual wage increase.

**Major Variance No. 4**

	Twelve Months Ended		Increase
	12-31-21	12-31-20	(Decrease)
Wastewater Treatment			
Purchased Treatment - Operations	973,227	673,549	299,678

During the twelve months ended December 31, 2021, Purchased Treatment - Operations increased 299,678 when compared to the twelve months ended December 31, 2020. The increase was due to higher amounts charged by third party operators of treatment plants connected to some of the Company's collection systems.

**Major Variance No. 5**

	Twelve Months Ended		Increase
	12-31-21	12-31-20	(Decrease)
Wastewater Treatment			
Sludge Removal - Operations	214,553	53,845	160,708

During the twelve months ended December 31, 2021, Sludge Removal - Operations increased 160,708 when compared to the twelve months ended December 31, 2020. The increase was due to the acquisition of three wastewater systems in 2020.

**Major Variance No. 6**

Wastewater Treatment	Twelve Months Ended		Increase (Decrease)
	12-31-21	12-31-20	
Outside Services - Operations	51,187	11,746	39,441

During the twelve months ended December 31, 2021, Treatment - Outside Services - Operations increased 39,441 when compared to the twelve months ended December 31, 2020. The increase was primarily due to the addition of contract services for the former Letterkenny Township Municipal Authority wastewater system acquired by the Company in 2020.

**Major Variance No. 7**

Wastewater Collection	Twelve Months Ended		Increase (Decrease)
	12-31-21	12-31-20	
Outside Services - Maintenance	32,055	77,010	(44,955)

During the twelve months ended December 31, 2021, Collection - Outside Services - Maintenance decreased (44,955) when compared to the twelve months ended December 31, 2017. The decrease was due to less inspection of sewer mains through CCTV in 2021 as compared to 2020.

**Major Variance No. 8**

Administrative and General	Twelve Months Ended		Increase (Decrease)
	12-31-21	12-31-20	
Allocation from Water	589,761	536,041	53,720

During the twelve months ended December 31, 2021, Allocation from Water increased 53,720 when compared to the twelve months ended December 31, 2016. Upon the acquisition of several wastewater systems throughout 2020, additional expenses were allocated from water to wastewater.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
MAJOR VARIANCE EXPLANATIONS FOR COMPARATIVE OPERATING STATEMENT  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2021 AND 2020

**Major Variance No. 9**

	Twelve Months Ended		Increase
	12-31-21	12-31-20	(Decrease)
Current Federal Income Tax	(179,923)	(35,202)	(144,721)

During the twelve months ended December 31, 2021 current federal income taxes decreased (144,721) when compared to the twelve months ended December 31, 2020 primarily due to a decrease in federal taxable income.

Refer to Exhibit No. HIV-17-2W for an adjustment of current federal income tax for the twelve months ended December 31, 2021, based on pro forma federal taxable income under current base rates.

Refer to Exhibit No. HIV-17-5W for an adjustment of current federal income tax for the twelve months ended December 31, 2021, based on pro forma federal taxable income under proposed base rates.

Refer to Exhibit No. FIV-17-1W for an adjustment of current federal income tax for the twelve months ending December 31, 2022 based on projected federal taxable income under current base rates.

Refer to Exhibit No. FIV-17-5W for an adjustment of current federal income tax for the twelve months ending December 31, 2022 based on pro forma federal taxable income under current base rates.

Refer to Exhibit No. FIV-17-6W for an adjustment of current federal income tax for the twelve months ending February 29, 2024, based on projected federal taxable income under current base rates.

Refer to Exhibit No. FIV-17-10W for an adjustment of current federal income tax for the twelve months ending February 29, 2024, based on pro forma federal taxable income under current base rates.

Refer to Exhibit No. FIV-17-11W for an adjustment of current federal income tax for the twelve months ending February 29, 2024, based on pro forma federal taxable income under proposed base rates.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
MAJOR VARIANCE EXPLANATIONS FOR COMPARATIVE OPERATING STATEMENT  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2021 AND 2020

**Major Variance No. 10**

	Twelve Months Ended		Increase
	12-31-21	12-31-20	(Decrease)
Current State Income Tax	(95,984)	(24,690)	(71,294)

During the twelve months ended December 31, 2021 current state income taxes decreased (71,294) when compared to the twelve months ended December 31, 2020 primarily due to a decrease in state taxable income.

Refer to Exhibit No. HIV-17-2W for an adjustment of current state income tax for the twelve months ended December 31, 2021, based on pro forma state taxable income under current base rates.

Refer to Exhibit No. HIV-17-5W for an adjustment of current state income tax for the twelve months ended December 31, 2021, based on pro forma state taxable income under proposed base rates.

Refer to Exhibit No. FIV-17-1W for an adjustment of current state income tax for the twelve months ending December 31, 2022 based on projected state taxable income under current base rates.

Refer to Exhibit No. FIV-17-5W for an adjustment of current state income tax for the twelve months ending December 31, 2022 based on pro forma state taxable income under current base rates.

Refer to Exhibit No. FIV-17-6W for an adjustment of current state income tax for the twelve months ending February 29, 2024, based on projected state taxable income under current base rates.

Refer to Exhibit No. FIV-17-10W for an adjustment of current state income tax for the twelve months ending February 29, 2024, based on pro forma state taxable income under current base rates.

Refer to Exhibit No. FIV-17-11W for an adjustment of current state income tax for the twelve months ending February 29, 2024, based on pro forma state taxable income under proposed base rates.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
MAJOR VARIANCE EXPLANATIONS FOR COMPARATIVE OPERATING STATEMENT  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2021 AND 2020

**Major Variance No. 11**

	Twelve Months Ended		Increase
	12-31-21	12-31-20	(Decrease)
Account No. 410.10, Deferred Federal Deferred Federal Income Tax- Accelerated Depreciation	28,561	1,135	27,426

The increase in deferred Federal income tax-accelerated depreciation during the twelve months ended December 31, 2021, in the amount of 27,426 was due to an increase in the difference between liberalized depreciation and booked depreciation recorded during the twelve months ended December 31, 2021, compared to the difference between liberalized depreciation and booked depreciation recorded during the twelve months ended December 31, 2020.

Refer to Exhibit Nos. HIV-17-3 and HIV-17-4 for an annualization of deferred Federal income tax-accelerated depreciation for the twelve months ended December 31, 2021, based on plant in service as of December 31, 2021.

Refer to Exhibit Nos. FIV-17-2 and FIV-17-3 for an annualization of deferred Federal income tax-accelerated depreciation for the twelve months ending December 31, 2022, based on plant in service as of December 31, 2022.

Refer to Exhibit Nos. FIV-17-7 and FIV-17-8 for an annualization of deferred Federal income tax-accelerated depreciation for the twelve months ending February 29, 2024, based on plant in service as of February 29, 2024.

**Major Variance No. 12**

	Twelve Months Ended		Increase
	12-31-21	12-31-20	(Decrease)
Depreciation	260,777	189,034	71,743

During the twelve months ended December 31, 2021, depreciation and amortization increased by 71,743 when compared to the twelve months ended December 31, 2020, due to an increase in plant in service.

Refer to Exhibit No. HI-2-1W for an adjustment of depreciation expense for the twelve months ended December 31, 2021, as shown in Exhibit No. HVI-W.

Refer to Exhibit No. FI-2-1W for an adjustment of depreciation expense for the twelve months ending December 31, 2022, as shown in Exhibit No. FVI-W.

Refer to Exhibit No. FI-2-2W for an adjustment of depreciation expense for the twelve months ending February 29, 2024, as shown in Exhibit No. FVI-W.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 STATEMENT OF INCOME UNDER EXISTING RATES FOR THE TWELVE MONTHS  
 ENDED DECEMBER 31, 2021 AND THE ANTICIPATED STATEMENT OF INCOME  
 WHEN THE PROPOSED RATES BECOME EFFECTIVE

Exhibit No. HI-2W  
 Page 1 of 2  
 Witness: M E Poff

	Under Existing Rates			Under Proposed Rates			
	Twelve Months Ended December 31, 2021 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ended December 31, 2021 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ended December 31, 2021 (7)
Operating Revenues	2,215,822	HII-2W	1,816,102	4,031,924	HII-2W	3,043,892	7,075,816
Operating Expenses, Depreciation and Taxes Other Than Income Taxes							
Wastewater Treatment Expenses	2,119,950	HIII-2W	991,998	3,111,948			3,111,948
Wastewater Collection Expenses	34,883	HIII-2W	(478)	34,405			34,405
Pumping Expenses	57,721	HIII-2W	50,564	108,285			108,285
Administrative and General Expenses	561,584	HIII-2W	-	561,584	HIII-2W	-	561,584
Increased Costs Resulting From Load Growth	-	HIII-2W	-	-			-
Amortization of Utility Plant Acquisition Adjustment	-	HIII-2W	29,481	29,481			29,481
General Price Level Adjustment	-			-			-
Depreciation and Amortization	260,777	HI-2-1W	429,078	689,855			689,855
Taxes Other Than Income Taxes	27,436	HIV-15W	15,180	42,616	HIV-15W	20,442	63,058
Total Operating Expenses, Depreciation and Taxes Other Than Income Taxes	3,062,351		1,515,823	4,578,174		20,442	4,598,616
Net Operating Income Before Income Taxes	(846,529)		300,278	(546,251)		3,023,450	2,477,200
Income Taxes							
Current Federal Income Tax	(179,923)	HIV-17W	28,401	(151,522)	HIV-17W	571,496	419,974
Current State Income Tax	(95,984)	HIV-17W	15,010	(80,974)	HIV-17W	302,043	221,069
Deferred Federal Income Tax-Accelerated Depreciation	28,561	HIV-17W	(85,444)	(56,883)			(56,883)
Deferred Federal Income Tax-Excess ADIT	(7,119)	HIV-17W	(506)	(7,625)			(7,625)
Total Income Taxes	(254,465)		(42,538)	(297,003)		873,538	576,535
Net Operating Income	(592,064)		342,816	(249,248)		2,149,912	1,900,664

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 STATEMENT OF INCOME UNDER EXISTING RATES FOR THE TWELVE MONTHS  
 ENDED DECEMBER 31, 2021 AND THE ANTICIPATED STATEMENT OF INCOME  
 WHEN THE PROPOSED RATES BECOME EFFECTIVE

Exhibit No. HI-2W  
 Page 2 of 2  
 Witness: M E Poff

	Under Existing Rates			Under Proposed Rates			
	Twelve Months Ended December 31, 2021 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ended December 31, 2021 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ended December 31, 2021 (7)
Other Income (Non-operating)							
Dividend Income	-			-			
Rent Income	-			-			
Interest Income	-			-			
Miscellaneous Non-operating Income	-			-			
Total Other Income	-			-			
Income Deductions							
Interest on Long Term Debt and Amort- ization of Debt Expense	-			-			-
Interest on Bank Borrowings	-			-			-
Interest Charged Construction	(158,860)			(158,860)			(158,860)
Miscellaneous Income Deductions	14,981			14,981			14,981
Total Income Deductions	(143,879)		-	(143,879)			(143,879)
Net Income	(448,185)		342,816	(105,369)		2,149,912	2,044,543

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF INCOME ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust depreciation recorded on the corporate books during the twelve months ended December 31, 2021 to pro forma annual depreciation accrual as of December 31, 2021 using straight-line, remaining life method.	
	Annual Depreciation Accrual	689,855
	Less: Depreciation for Twelve Months Ended December 31, 2021	260,777
		429,078
40300000	Depreciation	429,078

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

GALLONS SOLD (000 OMITTED) AND OPERATING REVENUES  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2021 AND 2020  
AND NUMBER OF CUSTOMERS AS OF DECEMBER 31, 2021 AND 2020

53.53 II. Operating Revenue

D. Prepare a summary of operating revenues for the test year and the year preceding the test year providing the following information:

1 a. For each classification of customers:

( i ) Number of customers as of year-end

( ii ) Gallons sold

( iii ) Revenues

b. Customers forfeited discounts and penalties and miscellaneous water revenues.

RESPONSE Refer to Page 2

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 GALLONS SOLD (THOUSANDS\*) AND OPERATING REVENUES  
 FOR TWELVE MONTHS ENDED DECEMBER 31, 2021 AND 2020  
 AND NUMBER OF CUSTOMERS AS OF DECEMBER 31, 2021 AND 2020

Exhibit No.HII-1W  
 Page 2 of 2  
 Witness: M E Poff

	AS OF 12-31-21 CUSTOMERS (1)	TWELVE MONTHS ENDED DECEMBER 31, 2021		AS OF 12-31-20 CUSTOMERS (4)	TWELVE MONTHS ENDED DECEMBER 31, 2020	
		GALLONS* SOLD (2)	REVENUES (3)		GALLONS* SOLD (5)	REVENUES (6)
OPERATING REVENUES						
SALES OF WASTEWATER						
METERED SALES						
RESIDENTIAL	1,164	48,250	834,097	1,093	45,189	795,363
COMMERCIAL	41	2,539	38,977	34	2,759	33,506
INDUSTRIAL	2	170	2,167	2	136	2,158
TOTAL METERED SALES	1,207	50,960	875,241	1,129	48,083	831,027
UNMETERED SALES						
RESIDENTIAL	1,985		1,060,279	1,985		949,462
COMMERCIAL AND INDUSTRIAL	165		275,441	165		268,718
TOTAL UNMETERED SALES	2,150	-	1,335,720	2,150	-	1,218,180
TOTAL SALES OF WASTEWATER		50,960	2,210,961		48,083	2,049,207
TOTAL CUSTOMERS	3,357			3,279		
OTHER OPERATING REVENUES						
LATE CHARGES			4,861			713
MISCELLANEOUS REVENUES			-			700
TOTAL OTHER OPERATING REVENUES			4,861			1,413
TOTAL OPERATING REVENUES		50,960	2,215,822		48,083	2,050,620



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUES UNDER EXISTING AND PROPOSED RATES  
 TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No.HII-2W  
 Page 1 of 2  
 Witness: M E Poff

	UNDER EXISTING RATES			UNDER PROPOSED RATES			
	TWELVE MONTHS ENDED 12-31-21 (1)	HISTORIC TEST YEAR ADJUSTMENTS PAGE 2 (2)	PRO FORMA RATES TWELVE MONTHS ENDED 12-31-21 (3)	EXHIBIT REFERENCE (4)	REVENUE INCREASE (5)	PERCENT INCREASE (6)	PRO FORMA (7)
OPERATING REVENUES							
SALES OF WASTEWATER							
METERED SALES							
RESIDENTIAL	834,097	1,703,012	2,537,109		1,917,697	75.59%	4,454,805
COMMERCIAL	38,977	110,724	149,701		113,153	75.59%	262,853
INDUSTRIAL	2,167	35	2,202		1,664	75.59%	3,866
TOTAL METERED SALES	875,241	1,813,770	2,689,011		2,032,514		4,721,525
UNMETERED SALES							
RESIDENTIAL	1,060,279	1,837	1,062,116		802,810	75.59%	1,864,926
COMMERCIAL AND INDUSTRIAL	275,441	494	275,935		-		-
					208,568	75.59%	484,504
TOTAL UNMETERED SALES	1,335,720	2,331	1,338,051		1,011,378		2,349,430
TOTAL SALES OF WASTEWATER	2,210,961	1,816,102	4,027,063		3,043,892		7,070,955
LATE CHARGES	4,861		4,861				4,861
MISCELLANEOUS REVENUES	-		-				-
TOTAL OTHER OPERATING REVENUES	4,861	-	4,861				4,861
TOTAL OPERATING REVENUES	2,215,822	1,816,102	4,031,924		3,043,892	75.49%	7,075,816

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SUMMARY OF OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

EXHIBIT REFER- ENCE (1)	UNMETERED SALES TO		METERED SALES TO			TOTAL (7)
	UNMETERED SALES TO RESIDENTIAL CUSTOMERS 52100100 (2)	COM- MERCIAL CUSTOM- ERS 52100200 (3)	METERED SALES TO RESIDENTIAL CUSTOMERS 52200100 (4)	COM- MERCIAL CUSTOM- ERS 52200200 (5)	METERED SALES TO INDUSTRIAL CUSTOMERS 52200300 (6)	
HII-2-2W			6,273	299	35	6,607
HII-2-3W	1,837	494	(572)	(59)	(0)	1,700
HII-2-4W			26,418			26,418
HII-2-5W				3,660		3,660
HII-2-6W			1,670,892			1,670,892
HII-2-7W				106,824		106,824
TOTAL HISTORIC TEST YEAR REVENUE ADJUSTMENTS	1,837	494	1,703,012	110,724	35	1,816,102

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To eliminate net accrued operating revenues recorded on the books during the twelve months ended December 31, 2021. Operating revenues for rate making purposes are reflected on an "as billed" basis. Refer to Exhibit No. HII-5W for an explanation of this adjustment.	
52200100	Metered Sales to Residential Customers	6,273
52200200	Metered Sales to Commercial Customers	299
52200300	Metered Sales to Industrial Customers	35

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To adjust operating revenues for residential, commercial and industrial customers by applying currently effective base rates to test year units and consumption.	
	Operating Revenues Net of Unbilled (Refer to Exhibit No. HII-2-2W) (1)	Annualized Revenues at Base Rates Effective March 1, 2019 (Refer to Exhibit No. HII-4W) (2)
		Adjustment (3)
	Metered	
	Residential 840,370	839,799 (572)
	Commercial 39,276	39,217 (59)
	Industrial 2,202	2,202 (0)
	881,848	881,217 (631)
	Unmetered	
	Residential 1,060,279	1,062,116 1,837
	Commercial/ Industrial 275,441	275,935 494
	1,335,720	1,338,051 2,331
52200100	Metered Sales to Residential Customers	(572)
52200200	Metered Sales to Commercial Customers	(59)
52200300	Metered Sales to Industrial Customers	(0)
52100100	Unmetered Sales to Residential Customers	1,837
52100200	Unmetered Sales to Commercial/Industrial Customers	494

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for metered residential customers connected and disconnected during the twelve months ended December 31, 2021.	
	Metered Residential Customers as of December 31, 2021	1,164
	Metered Residential Customers as of December 31, 2020	1,093
	Metered Residential Customers Net Gain (1164 - 1093)	71
	Test Year Average Number of Metered Residential Customers (1164 + 1093 / 2)	1,129
	Annualized Revenues for Metered Residential Customers at Metered Base Rates Effective March 1, 2019 (See Exhibit No. HII-4W).	839,799
	Average Annual Revenue per Average Metered Residential Customer (839,799 / 1,129)	744.17
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue / 2 (71 * 744.17 / 2)	26,418
52200100	Metered Sales to Residential Customers	26,418

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for metered commercial customers connected and disconnected during the twelve months ended December 31, 2021.	
	Metered Commercial Customers as of December 31, 2021	41
	Metered Commercial Customers as of December 31, 2020	34
	Metered Commercial Customers Net Gain (41 - 34)	7
	Test Year Average Number of Metered Commercial Customers (41 + 34 / 2)	38
	Annualized Revenues for Metered Commercial Customers at Metered Base Rates Effective March 1, 2019 (See Exhibit No. HII-4W).	39,217
	Average Annual Revenue per Average Metered Commercial Customer (39,217 / 38)	1,045.77
	Annualized Revenue Adjustment = Net Loss x Average Annual Revenue / 2 (7 * 1045.77 / 2)	3,660
52200200	Metered Sales to Commercial Customers	3,660

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for metered West Manheim Borough residential customers acquired January 3, 2022.	
	Monthly Revenue from Metered Residential Customers based on January 2022 Actual Revenue	139,241
	Twelve months of revenue not included in the historic test year	1,670,892
52200100	Metered Sales to Residential Customers	1,670,892

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for metered West Manheim Borough commercial customers acquired January 3, 2022.	
	Monthly Revenue from Metered Commercial Customers based on January 2022 Actual Revenue	8,902
	Twelve months of revenue not included in the historic test year	106,824
52200200	Metered Sales to Commercial Customers	106,824



THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PRESENT AND PROPOSED TARIFF RATES

53.53 II. Operating Revenue

- D. Prepare a schedule of present and proposed tariff rates showing dollar change and percent of change by block. Provide increases to customers at various monthly uses showing billings at existing and proposed rates. Provide also an explanation of any change in block structure and the reason therefor. Provide a copy of the proposed tariff or tariff supplement.
- 3

RESPONSE Refer to Exhibit No. FII-3W.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

CUSTOMER CONSUMPTION ANALYSIS AND RATE APPLICATION

53.53 II. Operating Revenue

D. Water and Wastewater Utilities

4 Provide for the test year a detailed customer consumption analysis and the application of rates to support present and proposed rates by customer classification and/or tariff rate schedule.

RESPONSE The requested information is presented on the following page as noted below:

<u>Description</u>	<u>Page No.</u>
Application of present rates to customer consumption analysis for the twelve months ended December 31, 2021	2 - 3

THE YORK WATER COMPANY  
 APPLICATION OF PRESENT RATES TO CONSUMPTION ANALYSIS (00)  
 TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No.HII-4W  
 Page 2 of 4  
 Witness: M E Poff

RATE BLOCK 100 GAL (1)	NUMBER OF EDU'S (2)	CONSUMPTION 100 GAL (3)	PRESENT BASE RATES (4)	REVENUE AT PRESENT BASE RATES (5)
<b><u>RESIDENTIAL METERED</u></b>				
CUSTOMER CHARGE				
Flat Rate	5848		62.50	365500
Flat Rate	7916		55.00	435380
OUTPUT CHARGE				
OVER 40		49174	0.2500	12294
OVER 40		53250	0.5000	26625
TOTAL RESIDENTIAL METERED	13764	102424		839799
<b><u>RESIDENTIAL UNMETERED</u></b>				
CUSTOMER CHARGE				
Flat Rate	2830		62.50	176875
Flat Rate	20707		32.71	677326
Flat Rate	1370		79.50	108915
Flat Rate	2200		45.00	99000
TOTAL RESIDENTIAL UNMETERED	27107			1062116
TOTAL RESIDENTIAL	40871	102424		1901914

THE YORK WATER COMPANY  
 APPLICATION OF PRESENT RATES TO CONSUMPTION ANALYSIS (00)  
 TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No.HII-4W  
 Page 3 of 4  
 Witness: M E Poff

RATE BLOCK 100 GAL (1)	NUMBER OF EDU'S (2)	CONSUMPTION 100 GAL (3)	PRESENT BASE RATES (4)	REVENUE AT PRESENT BASE RATES (5)
<b><u>COMMERCIAL METERED</u></b>				
CUSTOMER CHARGE				
Flat Rate	208		62.50	13000
Flat Rate	370		55.00	20323
OUTPUT CHARGE				
OVER 40		6732	0.2500	1683
OVER 40		8422	0.5000	4211
TOTAL COMMERCIAL METERED	578	15154		39217
<b><u>COMMERCIAL AND INDUSTRIAL UNMETERED</u></b>				
CUSTOMER CHARGE				
Flat Rate	0		62.50	0
Flat Rate	6527		40.42	263821
Flat Rate	132		79.50	10494
Flat Rate	36		45.00	1620
TOTAL COMMERCIAL UNMETERED	6695			275935
TOTAL COMMERCIAL	7272.5	15154		315152

THE YORK WATER COMPANY  
 APPLICATION OF PRESENT RATES TO CONSUMPTION ANALYSIS (00)  
 TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No.HII-4W  
 Page 4 of 4  
 Witness: M E Poff

RATE BLOCK 100 GAL (1)	NUMBER OF EDU'S (2)	CONSUMPTION 100 GAL (3)	PRESENT BASE RATES (4)	REVENUE AT PRESENT BASE RATES (5)
<b><u>INDUSTRIAL METERED</u></b>				
CUSTOMER CHARGE				
Flat Rate			62.50	0
Flat Rate	36		55.00	1980
OUTPUT CHARGE				
OVER 40			0.2500	0
OVER 40		444	0.5000	222
TOTAL INDUSTRIAL METERED	36	444		2202
TOTAL INDUSTRIAL	36	444		2202

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

ACCRUED UTILITY REVENUES AS OF DECEMBER 31, 2021 AND 2020

53.53 II. Operating Revenue

D Provide detailed computations of the determination of accrued revenues as of test year-end  
and year-end immediately preceding the test year, together with a detailed explanation of the  
procedures and methods used in developing accrued revenues.

5

RESPONSE

In response to the enactment of the Tax Reform Act of 1986, the Company estimates for income tax and financial reporting purposes the amount of income attributable to utility services provided during each accounting period, but after the final meter reading, which falls within that accounting period. Pages 2 and 3 of Exhibit No. HII-5W are the detailed computations of this estimate as of December 31, 2021 and 2020, respectively.

Since unbilled revenues from the end of one accounting period are included in the first meter reading for the next accounting period, unbilled revenues from one accounting period are offset by unbilled revenues in the succeeding accounting period, with the result that the Company will record as either for accounting purposes, a debit or credit, the negative or positive difference in accrued revenues between the two accounting periods. This difference represents net accrued revenues recorded for the latter accounting period.

Operating revenues are presented for ratemaking purposes on a "twelve month as billed basis" for the historic and future test years, to eliminate the uncertainties inherent in estimated "unbilled revenues." Refer to Exhibit No. HII-2-2W for an operating revenue adjustment, which eliminates net accrued revenues recorded during the test year from the cost of service.

Refer to Exhibit No. HII-5W, Page 2 of 4, for a detailed computation of accrued utility revenues as of December 31, 2021.

Refer to Exhibit No. HII-5W, Page 3 of 4, for a detailed computation of accrued utility revenues as of December 31, 2020.

Refer to Exhibit No. HII-5W, Page 4 of 4, for a summary of entries recorded during the twelve months ended December 31, 2021 accounting for accrued revenues.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 ACCRUED UTILITY REVENUES AS OF DECEMBER 31, 2021

Exhibit No.HII-5W  
 Page 2 of 4  
 Witness: M E Poff

Revenue Cycle Number (1)	Revenue Cycle (2)	General Ledger Account (3)	Revenue Cycle Amount (4)	Service Days in Cycle (5)	Average Revenue Per Day (6)	Cycle Cut-Off (7)	Service Days To Month End (8)	Unbilled Revenues (9)
1	WW Residential	52200100	26,882.75	28.91	929.88	12/7	24	22,317.12
	WW Commercial	52200200	761.00	28.91	26.32	12/7	24	631.68
	WW Commercial	52200200	328.25	28.91	11.35	12/7	24	272.40
5	WW Residential	52200100	46,559.93	37.42	1,244.25	12/27	4	4,977.00
	WW Commercial	52200200	2,448.75	37.42	65.44	12/27	4	261.76
	WW Industrial	52200300	177.50	37.42	4.74	12/27	4	18.96
	WW Commercial	52200200	110.00	37.42	2.94	12/27	4	11.76
			77,268.18					28,490.68

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 ACCRUED UTILITY REVENUES AS OF DECEMBER 31, 2020

Exhibit No.HII-5W  
 Page 3 of 4  
 Witness: M E Poff

Revenue Cycle Number (1)	Revenue Cycle (2)	General Ledger Account (3)	Revenue Cycle Amount (4)	Service Days in Cycle (5)	Average Revenue Per Day (6)	Cycle Cut-Off (7)	Service Days To Month End (8)	Unbilled Revenues (9)
1	WW Residential	52200100	27,015.25	31.81	849.27	12/7	24	20,382.48
	WW Commercial	52200200	835.25	31.81	26.26	12/7	24	630.24
	WW Commercial	52200200	316.50	31.81	9.95	12/7	24	238.80
5	WW Residential	52200100	40,226.71	30.51	1,318.48	12/21	10	13,184.80
	WW Commercial	52200200	1,742.50	30.51	57.11	12/21	10	571.10
	WW Industrial	52200300	165.00	30.51	5.41	12/21	10	54.10
	WW Commercial	52200200	110.00	30.51	3.61	12/21	10	36.10
			70,411.21					35,097.62



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NET ACCRUED OPERATING REVENUES RECORDED ON THE BOOKS DURING  
THE TWELVE MONTHS ENDED DECEMBER 31, 2021

Account Number (1)	Account Description (2)	Amount (3)
17300001	Accrued Utility Revenue	-6607
52200100	Metered Sales to Residential Customers	6273
52200200	Metered Sales to Commercial Customers	299
52200300	Metered Sales to Industrial Customers	35

0

Refer to Exhibit No. HII-2-2W for the elimination of net accrued operating revenues recorded during the twelve months ended December 31, 2021 from the cost of service.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NUMBER OF CUSTOMERS, CUSTOMERS ADDED AND LOST AND CONSUMPTION  
BY CUSTOMER CLASSIFICATION FOR THE HISTORIC TEST YEAR AND CURRENT  
YEAR TO DATE

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

7. Provide a monthly summary of customers added and lost by customer classification for the test year and the current year-to-date.

Response:

Period	Customers		Consumption
	Number of Customers	Added or Lost	
<b>Residential</b>			
December, 2020	3078		0.0
January, 2021	3083	5	0.0
February	3092	9	0.0
March	3094	2	0.0
April	3110	16	0.0
May	3111	1	0.0
June	3123	12	0.0
July	3121	-2	0.0
August	3127	6	0.0
September	3133	6	0.0
October	3133	0	0.0
November	3150	17	0.0
December	3149	-1	0.0
January, 2022	5193	2044	0.0
February	5204	11	0.0
March	5219	15	0.0
<b>Commercial</b>			
December, 2020	199		0.0
January, 2021	200	1	0.0
February	204	4	0.0
March	205	1	0.0
April	205	0	0.0
May	204	-1	0.0
June	203	-1	0.0
July	204	1	0.0
August	204	0	0.0
September	204	0	0.0
October	205	1	0.0
November	205	0	0.0
December	206	1	0.0
January, 2022	235	29	0.0
February	233	-2	0.0
March	232	-1	0.0

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NUMBER OF CUSTOMERS, CUSTOMERS ADDED AND LOST AND CONSUMPTION  
BY CUSTOMER CLASSIFICATION FOR THE HISTORIC TEST YEAR AND CURRENT  
YEAR TO DATE

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

7. Provide a monthly summary of customers added and lost by customer classification for the test year and the current year-to-date.

Response:

Period	Customers		Consumption
	Number of Customers	Added or Lost	
Industrial			
December, 2020	2		0.0
January, 2021	2	0	0.0
February	2	0	0.0
March	2	0	0.0
April	2	0	0.0
May	2	0	0.0
June	2	0	0.0
July	2	0	0.0
August	2	0	0.0
September	2	0	0.0
October	2	0	0.0
November	2	0	0.0
December	2	0	0.0
January, 2022	2	0	0.0
February	2	0	0.0
March	2	0	0.0

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NUMBER OF CUSTOMERS AND CONSUMPTION  
BY CUSTOMER CLASSIFICATION FOR THE HISTORIC TEST YEAR AND CURRENT  
YEAR TO DATE

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

8. Provide for the test year and the current year-to-date, the number of customers and monthly consumption for each classification of customers.

Response:

Refer to Exhibit No. HII-7W.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HISTORICAL AND PROJECTED NUMBER OF CUSTOMERS

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

9 Provide by customer classification for the test year and for the two prior years the number of customers and consumption, and projected number of customers and consumption for two subsequent years.

Response:

Refer to Exhibit No. FII-9W.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR  
TWELVE MONTHS ENDED DECEMBER 31, 2021, 2020 AND 2019

53.53 III      Operating Expense

D.              Water and Wastewater Utilities

1              Prepare a summary of operating expenses by operating expense account for  
the test year and the two years preceding the test year

RESPONSE      Refer to Page 2

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 COMPARATIVE STATEMENT OF OPERATING EXPENSES  
 FOR TWELVE MONTHS ENDED DECEMBER 31, 2021, 2020 AND 2019

		Twelve Months Ended		
		December 31, 2021 (1)	December 31, 2020 (2)	December 31, 2019 (3)
WASTEWATER TREATMENT EXPENSES				
Salaries and Wages-Operations	70150000	295244	227644	195440
Salaries and Wages-Vacation	70150050	44998	32572	25519
Salaries and Wages-Maintenance Structures	70160002	0	1544	1807
Salaries and Wages-Maintenance Equipment	70160003	18227	7651	9457
Purchased Treatment-Operations	71050000	973227	673549	589008
Sludge Removal-Operations	71150000	214553	53845	39874
Electric Expense-Operations	71550000	41948	37317	28955
Fuel-Operations	71650000	0	0	0
Chemicals	71850000	32789	24316	18740
Operations-Materials and Supplies	72050000	37255	38087	16167
Operations-Testing Services	73550000	25287	17180	14570
Operations-Outside Services	73650000	51187	11746	-796
Operations-Rental of Equipment	74250003	12306	2034	0
Operations-Transportation Expense	75050000	40314	22275	19502
Operations-Vehicle Leases	75050001	0	0	0
Operations-Miscellaneous Expense	77550000	256027	253482	237303
Operations-Registration for Industry Meetings	77550200	0	0	108
Operations-Communications	77550300	8389	6058	4808
Operations-Office Expense and Utilities	77550600	4222	2836	1842
Operations-Uniforms	77550700	1447	330	383
Operations-Mailing	77550900	355	12	170
Operations-Travel	77551210	417	205	0
Operations-Meals	77551220	0	627	70
Operations-Registration for Educational Seminars	77551300	2148	214	649
Maintenance-Materials and Supplies Structures	72060002	2413	3495	2508
Maintenance-Materials and Supplies Equipment	72060003	18971	16871	18159
Maintenance-Outside Services Structures	73660002	13835	7495	4161
Maintenance-Outside Services Equipment	73660003	24391	20477	5561
Maintenance-Equipment Rental	74260003	0	0	0
Total Wastewater Treatment Expenses		2119950	1461862	1233965

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 COMPARATIVE STATEMENT OF OPERATING EXPENSES  
 FOR TWELVE MONTHS ENDED DECEMBER 31, 2021, 2020 AND 2019

		Twelve Months Ended		
		December 31, 2021 (1)	December 31, 2020 (2)	December 31, 2019 (3)
<b>WASTEWATER COLLECTION EXPENSES</b>				
Salaries and Wages-Operations	70110000	1058	30	89
Maintenance-Materials and Supplies	72020008	1770	782	1179
Maintenance-Outside Services	73620000	32055	77010	1571
Maintenance-Equipment Rental	74220003	0	0	0
Total Water Collection Expenses		34883	77822	2839
<b>PUMPING EXPENSES</b>				
Sludge Removal-Operations	71130000	3360	3959	0
Electric Expense-Pumping	71530000	10508	9801	6279
Operations-Materials and Supplies	72030000	1540		
Outside Services - Pumping	73630000	400	0	0
Operations-Communications	77530300	6611	9338	4140
Maintenance-Materials and Supplies Structures	72040002	82	9	1581
Maintenance-Materials and Supplies Equipment	72040003	9429	2040	261
Maintenance-Outside Services Structures	73640002	6789	3994	3610
Maintenance-Outside Services Equipment	73640003	19002	21856	1738
Total Wastewater Pumping Expenses		57721	50997	17609
<b>GENERAL PLANT EXPENSES</b>				
Salaries and Wages-Admin & General	70180000	0	0	907
Allocation from Water	77580005	589761	536041	413815
Administrative and General Expenses Capitalized	77580002	-28177	-19324	-8667
Total General Plant Expenses		561584	516717	406055
Total Operating Expenses		2774138	2107398	1660468



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF PRO FORMA OPERATING EXPENSES  
UNDER EXISTING AND PROPOSED RATES  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No.HIII-2W  
Page 1 of 2  
Witness: M E Poff

	Twelve Months Ended December 31, 2021 (1)	Exhibit Reference (2)	Under Existing Rates		Under Proposed Rates		
			Adjustment (3)	Pro Forma Twelve Months Ended December 31, 2021 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ended December 31, 2021 (7)
<b>Wastewater Treatment Expenses</b>							
70150000 Salaries and Wages-Operations	295,244	HIII-2-4	(16,346)	278,898			278,898
70150050 Salaries and Wages-Vacation	44,998	HIII-2-4	(3,624)	41,374			41,374
70160002 Salaries and Wages-Maintenance Structures	-	HIII-2-4	824	824			824
70160003 Salaries and Wages-Maintenance Equipment	18,227	HIII-2-4	(4,424)	13,803			13,803
71050000 Purchased Treatment-Operations	973,227	HIII-2-2W	1,078,422	2,051,649			2,051,649
71150000 Sludge Removal-Operations	214,553	HIII-2-2W, HIII-2-3W	(66,342)	148,211			148,211
71550000 Electric Expense-Operations	41,948	HIII-2-9W	3,488	45,436			45,436
71650000 Fuel-Operations	-			-			-
71850000 Chemicals	32,789			32,789			32,789
72050000 Operations-Materials and Supplies	37,255			37,255			37,255
73550000 Operations-Testing Services	25,287			25,287			25,287
73650000 Operations-Outside Services	51,187			51,187			51,187
74250003 Operations-Rental of Equipment	12,306			12,306			12,306
75050000 Operations-Transportation Expense	40,314			40,314			40,314
75050001 Operations-Vehicle Leases	-			-			-
77550000 Operations-Miscellaneous Expense	256,027			256,027			256,027
77550200 Operations-Registration for Industry Meetings	-			-			-
77550300 Operations-Communications	8,389			8,389			8,389
77550600 Operations-Office Expense and Utilities	4,222			4,222			4,222
77550700 Operations-Uniforms	1,447			1,447			1,447
77550900 Operations-Mailing	355			355			355
77551210 Operations-Travel	417			417			417
77551220 Operations-Meals	-			-			-
77551300 Operations-Registration for Educational Seminars	2,148			2,148			2,148
72060002 Maintenance-Materials and Supplies Structures	2,413			2,413			2,413
72060003 Maintenance-Materials and Supplies Equipment	18,971			18,971			18,971
73660002 Maintenance-Outside Services Structures	13,835			13,835			13,835
73660003 Maintenance-Outside Services Equipment	24,391			24,391			24,391
74260003 Maintenance-Equipment Rental	-			-			-
<b>Total Wastewater Treatment Expenses</b>	<b>2,119,950</b>		<b>991,998</b>	<b>3,111,948</b>		<b>-</b>	<b>3,111,948</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF PRO FORMA OPERATING EXPENSES  
UNDER EXISTING AND PROPOSED RATES  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No.HIII-2W  
Page 2 of 2  
Witness: M E Poff

	Twelve Months Ended December 31, 2021 (1)	Exhibit Reference (2)	Under Existing Rates		Under Proposed Rates	
			Adjustment (3)	Pro Forma Twelve Months Ended December 31, 2021 (4)	Adjustment (5)	Pro Forma Twelve Months Ended December 31, 2021 (7)
<b>WASTEWATER COLLECTION EXPENSES</b>						
70110000 Salaries and Wages-Operations	1,058	HIII-2-4	(478)	580		580
72020008 Maintenance-Materials and Supplies	1,770			1,770		1,770
73620000 Maintenance-Outside Services	32,055			32,055		32,055
74220003 Maintenance-Equipment Rental	-			-		-
<b>Total Wastewater Collection Expenses</b>	<b>34,883</b>		<b>(478)</b>	<b>34,405</b>	<b>-</b>	<b>34,405</b>
<b>PUMPING EXPENSES</b>						
71130000 Sludge Removal-Operations	3,360			3,360		3,360
71530000 Electric Expense-Pumping	10,508	HIII-2-2W,HIII-2-9W	24,564	35,072		35,072
72030000 Operations-Materials and Supplies	1,540			1,540		1,540
73630000 Outside Services - Pumping	400			400		400
77530300 Operations-Communications	6,611	HIII-2-2W	2,000	8,611		8,611
72040002 Maintenance-Materials and Supplies Structures	82			82		82
72040003 Maintenance-Materials and Supplies Equipment	9,429	HIII-2-2W	9,000	18,429		18,429
73640002 Maintenance-Outside Services Structures	6,789	HIII-2-2W	6,000	12,789		12,789
73640003 Maintenance-Outside Services Equipment	19,002	HIII-2-2W	9,000	28,002		28,002
<b>Total Wastewater Pumping Expenses</b>	<b>57,721</b>		<b>50,564</b>	<b>108,285</b>	<b>-</b>	<b>108,285</b>
<b>Wastewater General Plant Expenses</b>						
70180000 Salaries and Wages-Admin & General	-			-		-
77580005 Allocation from Water	589,761			589,761		589,761
77580002 Administrative and General Expenses Capitalized	(28,177)			(28,177)		(28,177)
<b>Total Wastewater General Plant Expenses</b>	<b>561,584</b>		<b>-</b>	<b>561,584</b>	<b>-</b>	<b>561,584</b>
40600001 Amortization of Utility Plant Acquisition Adjustments	-	HIII-2-1W	29,481	29,481		29,481
Increased Costs Resulting From Load Growth	-			-		-
<b>Total Operating Expenses</b>	<b>2,774,138</b>		<b>1,071,565</b>	<b>3,845,703</b>	<b>-</b>	<b>3,845,703</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES  
FELTON BOROUGH ASSETS

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To amortize over ten years the acquisition costs of the wastewater property and rights of Felton Borough in excess of the original cost of the property when first devoted to public service less the applicable accrued depreciation. The amortization period ends in February 2033.	
	Acquisition Costs	913,679
	Less: Depreciated Original Cost of Wastewater Property and Rights	618,871
	Acquisition Adjustment	294,808
	Ten Year Amortization (294,808 / 10)	29,481
40600001	Amortization of Utility Plant Acquisition Adjustments	29,481

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project operating expenses for the West Manheim Borough wastewater collection system acquired January 3, 2022.	
	Purchased Treatment from Penn Township	1,078,422
	Sludge Removal for Pumping Stations	16,000
	Purchased Power for Pumping Stations	25,000
	Communications for Pumping Stations	2,000
	Maintenance Expenses for Pumping Stations	24,000
	Total Operating Expenses	1,145,422
71050000	Purchased Treatment-Operations	1,078,422
71130000	Sludge Removal-Operations	16,000
71530000	Electric Expense-Pumping	25,000
77530300	Operations-Communications	2,000
72040003	Maintenance-Materials and Supplies Equipment	9,000
73640002	Maintenance-Outside Services Structures	6,000
73640003	Maintenance-Outside Services Equipment	9,000

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust sludge hauling from Amblebrook for the twelve months ended December 31, 2021. When the Amblebrook treatment plant is placed in service the amount of sludge hauling required will decrease.	
	Projected Amblebrook sludge hauling based on one load per week at current prices of \$493 per load (52 weeks x \$493)	25,636
	Less: Amblebrook sludge hauling in the twelve months ended December 31, 2021	107,978
	Adjustment	(82,342)
71130000	Sludge Removal-Operations	(82,342)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE	
	To annualize and adjust power purchased expenses for the twelve months ended December 31, 2021 to reflect actual generation and transmission rates, distribution rates and competitive transition rates effective January 1, 2022.		
		Treatment	Pumping
	Asbury Pointe Wastewater Treatment Plant	8,810	
	East Prospect Wastewater Treatment Plant	14,257	
	Felton Wastewater Treatment Plant	9,287	
	Letterkenny Wastewater Treatment Plant	9,145	
	Amblebrook Wastewater Treatment Plant	3,937	
	S. Main Street Pump Station		1,409
	E. Maple Street Pump Station		1,243
	Hedgewick Lane Pump Station		1,243
	Greenbriar Road Pump Station		593
	S. Main Street Pump Station		795
	Water Street Pump Station		761
	The Woods Pump Station		1,285
	York Road Pump Station		2,744
		45,436	10,072
	Less: Purchased Power Expense Twelve Months Ended December 31, 2021	41,948	10,508
	Adjustment	3,488	(436)
71530000	Electric - Pumping Ops		(436)
71550000	Electric - Treatment Ops		3,488

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TAXABLE NET INCOME UNDER EXISTING RATES FOR TWELVE MONTHS  
ENDED DECEMBER 31, 2021

53.53 III. Balance Sheet and Operating Statement

D. All Utilities

- 6 Submit a schedule showing the adjustments for taxable net income per books (including below-the-line items) and pro forma under existing rates, together with an explanation of any differences between the adjustments. Indicate charitable donations and contributions in the tax calculation for ratemaking purposes.

Response: Expenses Recorded on Books Not Deducted on Return

Nondeductible Vacation Pay	7,317
Amortization of Acquisition Adjustments	(12,569)
Nondeductible Business Meals	-
	(5,252)

Income on Books Not Included on Return

Deductions Not Charged Against Booked Income

Tax Depreciation in Excess of Depreciation	
Recorded on Books	100,297
Tax Repair Expense	136,172
Cost of Removal Deducted Currently	20,958
	257,427

Refer to Exhibit No. HIV-17-2W for adjustments to pro forma taxable income for the twelve months ended December 31, 2021

There are no charitable contributions included in the tax calculation for ratemaking purposes.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PRO FORMA TAXES OTHER THAN INCOME TAXES UNDER EXISTING AND  
 PROPOSED RATES FOR TWELVE MONTHS ENDED DECEMBER 31, 2021

Exhibit No. HIV-15W  
 Page 1 of 1  
 Witness: M C Winter

	Twelve Months Ended 12-31-21 (1)	Under Existing Rates			Under Proposed Rates		
		Exhibit Reference (2)	Adjustment (3)	Pro Forma Under Existing Rates (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Under Proposed Rates (7)
<b>TAXES OTHER THAN INCOME TAXES</b>							
40801000 Assessments	11,864	HIV-15-1W	15,180	27,044	HIV-15-2W	20,442	47,486
40801100 Purta	-			-			-
40801201 Fica	-			-			-
40801101 Local Real Estate-County	3,930			3,930			3,930
40801102 Local Real Estate-School	14,380			14,380			14,380
40801301 Capital Stock	-			-			-
40801202 Federal Unemployment	-			-			-
40801203 State Unemployment	-			-			-
40801302 Payroll Taxes Capitalized	(2,738)			(2,738)			(2,738)
	27,436		15,180	42,616		20,442	63,058



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
 RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on pro forma revenues under existing rates for twelve months ended December 31, 2021 and 2021-2022 assessment factors.	
	Pro Forma Operating Revenues Under Existing Rates for the Twelve Months Ended December 31, 2021	4,027,063
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Existing Rates for the Twelve Months Ended December 31, 2021 ( 4,027,063	
	x 0.00671560 )	27,044
	Less: Test Year Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments	11,864
		15,180
40801000	Taxes Other Than Income Taxes-Assessments	15,180

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER PROPOSED  
 RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on pro forma revenues under proposed rates for twelve months ended December 31, 2021 and 2021-2022 assessment factors.	
	Pro Forma Operating Revenues Under Proposed Rates for the Twelve Months Ended December 31, 2021	7,070,955
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Proposed Rates for the Twelve Months Ended December 31, 2021	( 7,070,955
	x 0.00671560 )	47,486
	Less: Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments for the Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HIV-15-4W)	27,044
		20,442
40801000	Taxes Other Than Income Taxes-Assessments	20,442

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 FEDERAL AND STATE INCOME TAXES UNDER EXISTING RATES FOR  
 TWELVE MONTHS ENDED DECEMBER 31, 2021 AND ANTICIPATED  
 FEDERAL AND STATE INCOME TAXES WHEN THE PROPOSED RATES  
 BECOME EFFECTIVE

Exhibit No. HIV-17W  
 Page 1 of 1  
 Witness: M C Winter

	Twelve Months Ended December 31, 2021 (1)	Exhibit Reference (2)	Under Existing Rates		Under Proposed Rates		
			Adjustment (3)	Pro Forma Twelve Months Ended December 31, 2021 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ended December 31, 2021 (7)
40901000 Current Federal Income Tax	(179,923)	HIV-17-2W	28,401	(151,522)	HIV-17-5W	571,496	419,974
40901100 Current State Income Tax	(95,984)	HIV-17-2W	15,010	(80,974)	HIV-17-5W	302,043	221,069
41001000 Deferred Federal Income Tax-Accelerated Depreciation	28,561	HIV-17-3W	(85,444)	(56,883)			(56,883)
41001012 Deferred Federal Income Tax-Excess ADIT	(7,119)	HIV-17-4W	(506)	(7,625)			(7,625)
41201100 Amortization of Investment Tax Credits	-			-			-
	(254,465)		(42,538)	(297,003)		873,538	576,535

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES

Account	Explanation	Adjustment Increase (Decrease)
	To adjust current Federal and state income tax for the twelve months ended December 31, 2021 based on pro forma taxable income under existing rates and current Federal and state income tax rates.	
	Pro Forma Net Operating Income	143,604
	Add:	
	Amortization of Acquisition Adjustments	29,481
	Deduct:	
	Tax Repair Expense	136,172
	Cost of Removal	20,958
	State Tax Depreciation	402,637
	Pro Forma Interest Expense (Interest Synchronization)	423,867
	Pro Forma Taxable Income	(810,548)
	Pro Forma State Income Tax at 9.99%	(80,974)
		(80,974)
	Federal Bonus Depreciation in Excess of State	(8,043)
	Pro Forma Federal Taxable Income	(721,532)
	Pro Forma Federal Income Tax at 21%	(151,522)
	Total Pro Forma Current Income Tax Adjustments	(232,495)
	Less: Test Year Current Income Taxes	(275,907)
		43,412
40901000	Current Federal Income Tax	28,401
40901100	Current State Income Tax	15,010

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS FOR THE TWELVE MONTHS ENDED  
DECEMBER 31, 2021

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
2012	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	9,832	17,307	(7,475)
2013	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	3,991	5,644	(1,653)
2014	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	11,703	42,001	(30,298)
2015	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	392	16,214	(15,823)
2016	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	3,802	7,207	(3,405)
2017	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	21,510	19,063	2,448
2018	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	31,606	23,131	8,475
2019	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	84,313	62,694	21,619

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS FOR THE TWELVE MONTHS ENDED  
DECEMBER 31, 2021

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation (4)	Tax Depreciat- ion Subject to IRS Deferral Require- ments (5)
2020	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	50,523	56,931	(6,408)
2021	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	197,879	436,229	(238,349)
		415,552	686,421	(270,870)
	Deferred Federal Income Tax at 21% ( (270,870) x .21)			(56,883)
	Less: Deferred Federal Income Tax For Twelve Months Ended December 31, 2021			28,561
				(85,444)
41001000	Deferred Federal Income Tax-Accelerated Depreciation			(85,444)

**THE YORK WATER COMPANY**  
**STATE TAX ADJUSTMENT FOR BONUS DEPRECIATION**  
**2021**

<u>Description</u> (1)	<u>Basis</u> (2)	<u>Federal Depreciation</u> (3)	<u>Bonus Depreciation</u> (4)	<u>Net Federal Depreciation</u> (5)=(3)-(4)	<u>Additional State Depreciation</u> (6)=(5) x .42857
2012 Additions (half-year)					
15 yr. MACRS property 50 Adjustment for disposition	42,964	2,535		2,535	1,086 0
2013 Additions (half-year)					
SL Property 50 Adjustment for disposition	70,702	2,828		2,828	1,212 0
2014 Additions (half-year)					
SL Property 50 Adjustment for disposition	96,328	3,853		3,853	1,651 0
2015 Additions (half-year)					
SL Property 50	211	8		8	4
2016 Additions (half-year)					
7 yr. MACRS property 50	1,660	148		148	63
SL Property 50 Adjustment for disposition	88,597	3,544		3,544	1,519
2017 Additions (half-year)					
5 yr. MACRS property 50 Q1	12,390	1,364		1,364	585
5 yr. MACRS property 50 Q3	11,919	1,347		1,347	577
7 yr. MACRS property 50 Q2	6,038	536		536	230
7 yr. MACRS property 50 Q4	362	36		36	16
SL Property 50 Q1	1,341	54		54	23
SL Property 50 Q2	2,228	89		89	38
SL Property 50 Q3	3,849	154		154	66
Adjustment for disposition					973
	<u>338,590</u>	<u>16,496</u>	<u>0</u>	<u>16,496</u>	<u>8,043</u>

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CALCULATION OF EXCESS DEFERRED FEDERAL INCOME TAXES RELATED  
 TO ACCELERATED DEPRECIATION FOR THE TWELVE MONTHS ENDING  
 DECEMBER 31, 2021

ACCOUNT	EXPLANATION					ADJUST- MENT INCREASE DECREASE
Vintage (1)	Tax Depreciat- ion (2)	Normalized Tax (Booked) Depreciat- ion (3)	Depreciat- ion Subject to Deferral (4)	Turn- Around Year (5)	Weighted Average Rate (6)	Deferred Federal Income Tax (7)
2012	9,832	17,307	(7,475)	2013	34	(2,541)
2013	3,991	5,644	(1,653)	2014	34	(562)
2014	11,703	42,001	(30,298)	2015	34	(10,301)
2015	392	16,214	(15,823)	2016	34	(5,380)
2016	3,802	7,207	(3,405)	2017	34	(1,158)
	29,720	88,374	(58,654)			(19,942)
	Deferred Federal Income Tax at 21% ( 58,654 x .21)					12,317
	Deferred Federal Income Tax - Excess ADIT					(7,625)
	Less: Deferred Federal Income Tax For Twelve Months Ended December 31, 2021					(7,119)
						(506)
41001012	Deferred Federal Income Tax-Excess ADIT					(506)



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING INCOME TAX ADJUSTMENTS UNDER PROPOSED RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE	
	To adjust current Federal and state income taxes based on pro forma revenue increase under proposed rates and current Federal and state income tax rates.		
	Proposed Operating Revenue Increase	3,043,892	
	Less: Increase in Taxes Other Than Income Taxes	20,442	
	Increase in State Taxable Income	3,023,450	
	State Income Tax at 9.99%	302,043	302,043
	Increase in Federal Taxable Income	2,721,408	
	Federal Income Tax at 21%	571,496	
		873,538	
40901000	Current Federal Income Tax	571,496	
40901100	Current State Income Tax	302,043	

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEBT INTEREST UTILIZED FOR INCOME TAX CALCULATIONS

53.53 IV Taxes

D. Water and Wastewater Utilities

18 State the amount of debt interest utilized for income tax calculations, and details of debt interest computations, under each of the following rate case bases;

- a. Actual test year.
- b. Annualized test year-end.
- c. Proposed test year-end.

Response: Debt interest expense utilized for the income tax calculation reflected on the Company's corporate books for the twelve months ended December 31, 2021 is actual debt expense incurred during that period.

Debt interest expense utilized for the income tax calculation on pro forma income for the twelve months ended December 31, 2021 shown on Exhibit No. HIV-17-2 is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

Rate base	23,967,668	x weighted debt cost rate of	1.77%
= interest expense utilized for income tax calculations of			423,867

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
MEASURE OF VALUE AND RATES OF RETURN AT ORIGINAL COST AS OF  
DECEMBER 31, 2021

53.53 V. Valuation

D. Water and Wastewater Utilities

1. Provide a schedule showing the measures of value and the rates of return at the original cost in the current rate case. All claims made on this exhibit should be cross-referenced to appropriate exhibits.

Response: The original cost measure of value and rate of return under proposed rates are shown below.

Original Cost Measure of Value (1)	Rate of Return Under Proposed Rates (2)
23,967,668 (a)	7.93% (b)

- (a) Refer to page 2 for a detail of the measure of value.
- (b) Refer to page 3 for a detail of the net operating income available for return and calculation of rates of return on the original cost measure of value.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SUMMARY OF MEASURE OF VALUE AS OF DECEMBER 31, 2021

Elements (1)	Exhibit Reference (2)	Original Cost (3)
Utility Plant in Service Less Accrued Depreciation	HVI-W	24,835,489
Deduct:		
Deferred Federal Income Taxes Related to Accelerated Depreciation	HV-1-1W	102,208
Excess Deferred Federal Income Taxes Related to Accelerated Depreciation	HV-1-1W	18,036
Contributions in Aid of Construction Less Accrued Depreciation	HVI-W	1,062,328
Customers' Advances for Construction Less Accrued Depreciation	HVI-W	-
Funds Supplied Through Customers' Advances Not Expended		-
Total Deductions		1,182,572
Add:		
Materials and Supplies		-
Cash Working Capital		-
Utility Plant Acquisition Adjustments	HV-1-2W	294,808
Taxes on Deposits for Construction and Customer Advances	HV-1-3W	19,943
Total Additions		314,751
Total Measure of Value		23,967,668

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 STATEMENT OF CALCULATION OF THE RATE OF RETURN UNDER EXISTING  
 RATES FOR TWELVE MONTHS ENDED DECEMBER 31, 2021 AND THE ANTIC-  
 IPATED RATE OF RETURN WHEN THE PROPOSED RATES BECOME EFFECTIVE

Exhibit No. HV-1W  
 Page 3 of 3  
 Witness: D E Coppersmith

	Under Existing Rates			Under Proposed Rates			
	Twelve Months Ended December 31, 2021 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ended December 31, 2021 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ended December 31, 2021 (7)
Operating Revenues	2,215,822	HII-2W	1,816,102	4,031,924	HII-2W	3,043,892	7,075,816
Operating Expenses, Depreciation and Taxes							
Operating Expenses	2,774,138	HIII-2W	1,071,565	3,845,703	HIII-2W	-	3,845,703
Depreciation	260,777	HI-2W	429,078	689,855			689,855
Taxes Other Than Income Taxes	27,436	HIV-15W	15,180	42,616	HIV-15W	20,442	63,058
Income Taxes	(254,465)	HIV-17W	(42,538)	(297,003)	HIV-17W	873,538	576,535
Total Operating Expenses, Dep- reciation and Taxes	2,807,886		1,473,285	4,281,171		893,980	5,175,151
Net Operating Income Available For Return	(592,064)		342,816	(249,248)		2,149,912	1,900,664
Measure of Value as of December 31, 2021 and Rates of Return (Refer to Page 2)	-2.47%			-1.04%			7.93%
Original Cost Less Accrued Depreciation	23,967,668						

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF DECEMBER 31, 2021 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Deferred Federal Income Taxes (2)
2012	10,457
2013	10,862
2014	(15,988)
2015	13,450
2016	16,214
2017	7,725
2018	6,640
2019	19,945
2020	2,461
2021	30,444
	102,208

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
EXCESS DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF DECEMBER 31, 2021 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Excess Deferred Federal Income Taxes (2)
2012	1,944
2013	5,813
2014	(13,288)
2015	7,535
2016	8,761
2017	7,270
	18,036

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
UTILITY PLANT ACQUISITION ADJUSTMENT  
FELTON BOROUGH ASSETS  
AS OF DECEMBER 31, 2021

Acquisition Costs	913,679
Less Depreciated Original Cost of Waterworks Property and Rights	618,871
Acquisition Adjustment Subject to Amortization	294,808

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TAXES ON DEPOSITS FOR CONSTRUCTION AND CUSTOMER ADVANCES  
AS OF DECEMBER 31, 2021

Year (1)	Taxes on Deposits for Construction and Customer Advances (2)
2018	597
2019	7,551
2020	11,794
	19,943

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
CONTRIBUTIONS IN AID OF CONSTRUCTION, CUSTOMERS ADVANCES FOR  
CONSTRUCTION, BUILDERS DEPOSITS AND CUSTOMERS DEPOSITS

53.53 V. Valuation

D. Water and Wastewater Utilities

16 Provide all workpapers and supporting documentation showing the derivation of the projected balances of contributions in aid of construction, customer advances for construction and company service line and customer deposits for the future test year.

Response:

Refer to Exhibit No. FV-16-1W for the projected balances of contributions in aid of construction for the period ending December 31, 2022 and Exhibit No. FV-16-3W for the projected balances for the period ending February 29, 2024

The Company has no customer deposits.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONTRIBUTIONS IN AID OF CONSTRUCTION FOR WASTEWATER  
 DECEMBER 31, 2021

Exhibit No. HV-16-1W  
 Page 1 of 1  
 Witness: D E Coppersmith

Year	354 (Pumping)	354 (Treatment)	355 (Power Generation)	360.2 (Force)	361.2 (Gravity)	361.21 (Manholes)	363 (Service Laterals)	371 (Pumping Equip)	380 (Treatment Equip)	Total
2016							17,600			17,600
2017							13,200			13,200
2018							2,200			2,200
2019							4,400			4,400
2020	74,864	236,723	14,638	24,270	541,016	26,786	74,918	7,920	56,165	1,057,300
2021							6,600			6,600
	74,864	236,723		24,270	541,016	26,786	118,918	7,920	56,165	1,101,300

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 RATE OF RETURN SHORT TERM DEBT AND CONSTRUCTION WORK IN PROGRESS

## 53.53 VII. Rate of Return

## D. Water and Wastewater Utilities

28. For each month, of the most recent 24 months, supply the company's:
- Short-term debt balance.
  - Short-term debt interest rate.
  - Balance of construction work in progress.
  - Balance of construction work in progress which is eligible for AFUDC accrual:

Response:

Period	Short Term Debt	Short Term Debt Interest Rate	Construction Work In Progress	Construction Work In Progress Eligible For AFUDC
January, 2021	8,875,249	Various *	5,481,380	2,540,127
February	3,646,316		5,783,793	2,803,820
March	5,169,815		4,886,984	3,136,536
April	8,543,156		4,949,107	3,548,975
May	8,204,760		5,019,042	3,601,722
June	10,035,417		5,544,688	276,171
July	11,400,106		5,682,634	305,785
August	14,056,602		5,932,840	351,723
September	15,191,713		3,223,580	381,263
October	17,252,388		3,237,471	433,099
November	16,403,642		3,297,390	708,323
December	36,819,981		3,641,699	899,749
January, 2020	15,744,827		427,259	331,292
February	14,311,072		471,157	383,442
March	14,478,407		516,156	444,891
April	15,693,970		1,388,157	473,397
May	15,029,992		1,436,173	1,352,858
June	16,126,101		1,588,576	494,651
July	17,366,654		1,595,462	654,479
August	16,889,351		1,837,709	628,146
September	0		1,525,260	867,243
October	0		1,528,998	880,404
November	0		2,521,434	1,274,245
December	6,699,697		5,437,748	2,250,412

\* The Company's short-term debt interest rate fluctuates.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

EFFECT OF THE CHANGE ON THE UTILITY'S CUSTOMERS

- 53.52      Applicability: public utilities other than canal, turnpike, tunnel, bridge and wharf companies.
- (a)          Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision, or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:
- (4)          The effect of the change on the utility's customers.

RESPONSE

Refer to the attached Notice of Proposed Rate Changes.

## NOTICE OF PROPOSED WATER AND SEWER RATE CHANGES

Dear Customer:

The York Water Company filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your rates for water service, as well as wastewater service, as of August 1, 2022. A full investigation of this request could delay the change until March 2023. This notice describes the Company's rate request, the PUC's role, and what actions you can take.

The Company has requested an overall base rate increase for water service of \$18.8 million per year. If the Company's entire request is approved, the typical water bill for:

Residential gravity customers using 4,525 gallons per month would increase from \$40.54 to \$53.02 per month, or by 30.8%. Residential repumped customers using 3,784 gallons per month would increase from \$48.89 to \$62.27 per month, or by 27.4%.

Commercial gravity customers using 26,783 gallons per month would increase from \$120.92 to \$173.19 per month, or by 43.2%. Commercial repumped customers using 39,021 gallons per month would increase from \$284.57 to \$396.78 per month, or by 39.4%.

Industrial gravity customers using 133,186 gallons per month would increase from \$472.34 to \$672.85 per month, or by 42.5%. Industrial repumped customers using 308,115 gallons per month would increase from \$1,949.40 to \$2,643.56 per month, or by 35.6%.

The Company has also requested an increase in wastewater rates. If the Company's request is approved, the typical wastewater bill for:

Asbury Pointe Subdivision customers would increase from \$62.50 to \$80.55 per month, or by 28.9%.

The Company's filing with the PUC also requests to combine in part, the revenue requirement for the Company's wastewater operations with the Company's water operations as authorized by legislation enacted in 2012.

To find out your customer class or how the requested increase may affect your water or wastewater bill, contact The York Water Company at 1-800-750-5561. The rates requested by The York Water Company for water customers may be found in Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and the rates requested by The York Water Company for wastewater customers may be found in Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A Copy of this material is kept at The York Water Company's office. Upon request,

the Company will send you the Statement of Reasons for Water Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and Wastewater Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1, explaining why the rate increase has been requested.

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The Company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request, or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the Company as shown above.

There are three ways to challenge a Company's request to change its rates:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before August 1, 2022. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.
2. You can send us a letter telling why you object to the requested rate increase. Sometimes there is information in these letters that makes us aware of problems with the Company's service or management. This information can be helpful when we investigate the rate request.

Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the Company's rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the Company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the Company.

**The York Water Company**

## NOTICE OF PROPOSED WATER AND SEWER RATE CHANGES

Dear Customer:

The York Water Company filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your rates for water service, as well as wastewater service, as of August 1, 2022. A full investigation of this request could delay the change until March 2023. This notice describes the Company's rate request, the PUC's role, and what actions you can take.

The Company has requested an overall base rate increase for water service of \$18.8 million per year. If the Company's entire request is approved, the typical water bill for:

Residential gravity customers using 4,525 gallons per month would increase from \$40.54 to \$53.02 per month, or by 30.8%. Residential repumped customers using 3,784 gallons per month would increase from \$48.89 to \$62.27 per month, or by 27.4%.

Commercial gravity customers using 26,783 gallons per month would increase from \$120.92 to \$173.19 per month, or by 43.2%. Commercial repumped customers using 39,021 gallons per month would increase from \$284.57 to \$396.78 per month, or by 39.4%.

Industrial gravity customers using 133,186 gallons per month would increase from \$472.34 to \$672.85 per month, or by 42.5%. Industrial repumped customers using 308,115 gallons per month would increase from \$1,949.40 to \$2,643.56 per month, or by 35.6%.

The Company has also requested an increase in wastewater rates. If the Company's request is approved, the typical wastewater bill for:

East Prospect Borough and Lower Windsor Area residential customers using 3,586 gallons per month would increase from \$62.50 to \$80.55, or by 28.9%.

East Prospect Borough and Lower Windsor Area commercial customers using 5,491 gallons per month would increase from \$66.23 to \$91.00, or by 37.4%.

The Company's filing with the PUC also requests to combine in part, the revenue requirement for the Company's wastewater operations with the Company's water operations as authorized by legislation enacted in 2012.



To find out your customer class or how the requested increase may affect your water or wastewater bill, contact The York Water Company at 1-800-750-5561. The rates requested by The York Water Company for water customers may be found in Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and the rates requested by The York Water Company for wastewater customers may be found in Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A Copy of this material is kept at The York Water Company's office. Upon request, the Company will send you the Statement of Reasons for Water Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and Wastewater Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1, explaining why the rate increase has been requested.

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The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the Company as shown above.

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**The York Water Company**

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The Company has requested an overall base rate increase for water service of \$18.8 million per year. If the Company's entire request is approved, the typical water bill for:

Residential gravity customers using 4,525 gallons per month would increase from \$40.54 to \$53.02 per month, or by 30.8%. Residential repumped customers using 3,784 gallons per month would increase from \$48.89 to \$62.27 per month, or by 27.4%.

Commercial gravity customers using 26,783 gallons per month would increase from \$120.92 to \$173.19 per month, or by 43.2%. Commercial repumped customers using 39,021 gallons per month would increase from \$284.57 to \$396.78 per month, or by 39.4%.

Industrial gravity customers using 133,186 gallons per month would increase from \$472.34 to \$672.85 per month, or by 42.5%. Industrial repumped customers using 308,115 gallons per month would increase from \$1,949.40 to \$2,643.56 per month, or by 35.6%.

The Company has also requested an increase in wastewater rates. If the Company's request is approved, the typical wastewater bill for:

Felton Borough customers would increase from \$79.50 to \$80.55 per month per dwelling unit, or by 1.3%.

The Company's filing with the PUC also requests to combine in part, the revenue requirement for the Company's wastewater operations with the Company's water operations as authorized by legislation enacted in 2012.

To find out your customer class or how the requested increase may affect your water or wastewater bill, contact The York Water Company at 1-800-750-5561. The rates requested by The York Water Company for water customers may be found in Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and the rates requested by The York Water Company for wastewater customers may be found in Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A Copy of this material is kept at The York Water Company's office. Upon request,

the Company will send you the Statement of Reasons for Water Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and Wastewater Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1, explaining why the rate increase has been requested.

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3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the Company's rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the Company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the Company.

**The York Water Company**

## NOTICE OF PROPOSED WATER AND SEWER RATE CHANGES

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The York Water Company filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your rates for water service, as well as wastewater service, as of August 1, 2022. A full investigation of this request could delay the change until March 2023. This notice describes the Company's rate request, the PUC's role, and what actions you can take.

The Company has requested an overall base rate increase for water service of \$18.8 million per year. If the Company's entire request is approved, the typical water bill for:

Residential gravity customers using 4,525 gallons per month would increase from \$40.54 to \$53.02 per month, or by 30.8%. Residential repumped customers using 3,784 gallons per month would increase from \$48.89 to \$62.27 per month, or by 27.4%.

Commercial gravity customers using 26,783 gallons per month would increase from \$120.92 to \$173.19 per month, or by 43.2%. Commercial repumped customers using 39,021 gallons per month would increase from \$284.57 to \$396.78 per month, or by 39.4%.

Industrial gravity customers using 133,186 gallons per month would increase from \$472.34 to \$672.85 per month, or by 42.5%. Industrial repumped customers using 308,115 gallons per month would increase from \$1,949.40 to \$2,643.56 per month, or by 35.6%.

The Company has also requested an increase in wastewater rates. If the Company's request is approved, the typical wastewater bill for:

Jacobus Borough residential customers using 3,570 gallons per month would increase from \$55.00 to \$80.55, or by 46.5%.

Jacobus Borough commercial customers using 5,534 gallons per month would increase from \$62.67 to \$91.31, or by 45.7%.

The Company's filing with the PUC also requests to combine in part, the revenue requirement for the Company's wastewater operations with the Company's water operations as authorized by legislation enacted in 2012.

To find out your customer class or how the requested increase may affect your water or wastewater bill, contact The York Water Company at 1-800-750-5561. The rates requested by The York Water Company for water customers may be found in Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and the rates requested by The York Water Company for wastewater customers may be

found in Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A Copy of this material is kept at The York Water Company's office. Upon request, the Company will send you the Statement of Reasons for Water Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and Wastewater Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1, explaining why the rate increase has been requested.

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Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the Company's rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the Company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the Company.

**The York Water Company**

## NOTICE OF PROPOSED WATER AND SEWER RATE CHANGES

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The Company has requested an overall base rate increase for water service of \$18.8 million per year. If the Company's entire request is approved, the typical water bill for:

Residential gravity customers using 4,525 gallons per month would increase from \$40.54 to \$53.02 per month, or by 30.8%. Residential repumped customers using 3,784 gallons per month would increase from \$48.89 to \$62.27 per month, or by 27.4%.

Commercial gravity customers using 26,783 gallons per month would increase from \$120.92 to \$173.19 per month, or by 43.2%. Commercial repumped customers using 39,021 gallons per month would increase from \$284.57 to \$396.78 per month, or by 39.4%.

Industrial gravity customers using 133,186 gallons per month would increase from \$472.34 to \$672.85 per month, or by 42.5%. Industrial repumped customers using 308,115 gallons per month would increase from \$1,949.40 to \$2,643.56 per month, or by 35.6%.

The Company has also requested an increase in wastewater rates. If the Company's request is approved, the typical wastewater bill for:

Letterkenny Township customers would increase from \$45.00 to \$80.55 per month per dwelling unit, or by 79.0%.

The Company's filing with the PUC also requests to combine in part, the revenue requirement for the Company's wastewater operations with the Company's water operations as authorized by legislation enacted in 2012.

To find out your customer class or how the requested increase may affect your water or wastewater bill, contact The York Water Company at 1-800-750-5561. The rates requested by The York Water Company for water customers may be found in Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and the rates requested by The York Water Company for wastewater customers may be found in Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A Copy of this material is kept at The York Water Company's office. Upon request,

the Company will send you the Statement of Reasons for Water Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and Wastewater Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1, explaining why the rate increase has been requested.

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The Company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request, or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the Company as shown above.

There are three ways to challenge a Company's request to change its rates:

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2. You can send us a letter telling why you object to the requested rate increase. Sometimes there is information in these letters that makes us aware of problems with the Company's service or management. This information can be helpful when we investigate the rate request.

Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the Company's rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the Company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the Company.

**The York Water Company**

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The Company has requested an overall base rate increase for water service of \$18.8 million per year. If the Company's entire request is approved, the typical water bill for:

Residential gravity customers using 4,525 gallons per month would increase from \$40.54 to \$53.02 per month, or by 30.8%. Residential repumped customers using 3,784 gallons per month would increase from \$48.89 to \$62.27 per month, or by 27.4%.

Commercial gravity customers using 26,783 gallons per month would increase from \$120.92 to \$173.19 per month, or by 43.2%. Commercial repumped customers using 39,021 gallons per month would increase from \$284.57 to \$396.78 per month, or by 39.4%.

Industrial gravity customers using 133,186 gallons per month would increase from \$472.34 to \$672.85 per month, or by 42.5%. Industrial repumped customers using 308,115 gallons per month would increase from \$1,949.40 to \$2,643.56 per month, or by 35.6%.

The Company has also requested an increase in wastewater rates. If the Company's request is approved, the typical wastewater bill for:

Straban Township Area residential customers using 3,465 gallons per month would increase from \$62.50 to \$80.55, or by 28.9%.

Straban Township Area commercial customers using 2,500 gallons per month would increase from \$62.50 to \$80.55, or by 28.9%.

The Company's filing with the PUC also requests to combine in part, the revenue requirement for the Company's wastewater operations with the Company's water operations as authorized by legislation enacted in 2012.



To find out your customer class or how the requested increase may affect your water or wastewater bill, contact The York Water Company at 1-800-750-5561. The rates requested by The York Water Company for water customers may be found in Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and the rates requested by The York Water Company for wastewater customers may be found in Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A Copy of this material is kept at The York Water Company's office. Upon request, the Company will send you the Statement of Reasons for Water Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and Wastewater Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1, explaining why the rate increase has been requested.

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The Company has requested an overall base rate increase for water service of \$18.8 million per year. If the Company's entire request is approved, the typical water bill for:

Residential gravity customers using 4,525 gallons per month would increase from \$40.54 to \$53.02 per month, or by 30.8%. Residential repumped customers using 3,784 gallons per month would increase from \$48.89 to \$62.27 per month, or by 27.4%.

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The Company has also requested an increase in wastewater rates. If the Company's request is approved, the typical wastewater bill for:

West Manheim Township residential customers using 3,333 gallons per month would increase from \$61.67 to \$75.87, or by 23.0%.

West Manheim Township commercial customers using 21,383 gallons per month would increase from \$276.78 to \$291.82, or by 5.4%.

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The Company has also requested an increase in wastewater rates. If the Company's request is approved, the typical wastewater bill for:

West York Borough residential customers would increase from \$32.71 to \$55.61 per month per dwelling unit, or by 70.0%.

West York Borough commercial and industrial customers would increase from \$40.42 to \$68.71 per month per dwelling unit, or by 70.0%.

The Company's filing with the PUC also requests to combine in part, the revenue requirement for the Company's wastewater operations with the Company's water operations as authorized by legislation enacted in 2012.

To find out your customer class or how the requested increase may affect your water or wastewater bill, contact The York Water Company at 1-800-750-5561. The rates requested by The York Water Company for water customers may be found in Supplement

No. 143 to Tariff Water-Pa. P.U.C. No. 14, and the rates requested by The York Water Company for wastewater customers may be found in Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A Copy of this material is kept at The York Water Company's office. Upon request, the Company will send you the Statement of Reasons for Water Supplement No. 143 to Tariff Water-Pa. P.U.C. No. 14, and Wastewater Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1, explaining why the rate increase has been requested.

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The Company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request, or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the Company as shown above.

There are three ways to challenge a Company's request to change its rates:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before August 1, 2022. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.
2. You can send us a letter telling why you object to the requested rate increase. Sometimes there is information in these letters that makes us aware of problems with the Company's service or management. This information can be helpful when we investigate the rate request.

Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the Company's rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the Company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the Company.

**The York Water Company**

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

SPECIFIC REASONS FOR PROPOSED INCREASE IN WATER AND WASTEWATER RATES

53.52

Applicability; public utilities other than canal, turnpike, tunnel, bridge, and wharf companies

(b)

Whenever a public utility other than a canal, turnpike, tunnel, bridge, or wharf company files a tariff, revision, or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:

(1)

The specific reasons for each increase or decrease.

RESPONSE: The York Water Company has prepared and filed the data required under Title 52, Pennsylvania Code, Sections 53.52 and 53.53 in support of the proposed rates. The supporting data for the tariff revision are for the twelve months ending February 29, 2024, or as of the close of the same twelve-month period, adjusted for ratemaking purposes.

Despite the best efforts by The York Water Company to control costs, the effects of increased expenses and net additions to rate base have reduced returns.

The specific reasons the Company proposes to increase its water and wastewater rates are as follows:

(a) To provide sufficient revenues to recover the cost of providing water

and wastewater service to its consumers;

(b) To allow it to discharge properly its public duties by continuing to furnish an adequate, safe, and reliable level of service;

(c) To maintain its facilities properly; and

(d) To afford the opportunity to more nearly approach a fair and reasonable rate of return on the original cost measure of value of its property used and useful in rendering water and wastewater service.

Also, please see the attached Statement of Reasons to be provided to customers upon request.

# THE YORK WATER COMPANY

## Statement of Reasons For the 2022 Rate Increase Request

The York Water Company (the “Company”) is requesting Public Utility Commission (“PUC”) approval for a base rate increase for water customers of \$18.8 million, and for wastewater customers, a rate increase of \$1.5 million to begin August 1, 2022. From our past experience, it is likely the PUC may suspend implementation of the rates until its investigation of the need for the increases is completed which may take until March 2023. York Water last requested an increase in rates four years ago.

Our main reasons for the increase are as follows:

- Recovery of \$176 million in capital expenditures. We have greatly increased the total plant investment from the level claimed in our last rate request in 2018. This increase of approximately \$176 million (through February 2024) in system improvements since the last rate request includes the following major items:
  1. Replaced 45 miles of pipe. Replacement, reinforcement, and relining of aging water mains, replacement of service lines, meters, and hydrants. Nearly 45 miles of aging pipeline, about 4.5% of our total, was replaced which extends the life of our infrastructure, reduces costs associated with main breaks and leaks, and provides improved customer service and reliability.
  2. Improvements to Lake Williams dam. Construction project required by the Pennsylvania Department of Environmental Protection to replace the spillway and armor the dam. This will ensure that the dam continues to be safe and effective for many years into the future.
  3. Lead service lines replacement. Replacement of all company-owned lead service lines within a compressed two-year time frame. In addition, replacement of customer-owned lead service lines when discovered.
  4. Pumping equipment. Upgrade of pumping equipment at our primary pump station to increase efficiency that reduces costs and provide redundancy and reliability.
  5. Construction of a wastewater treatment plant. Construction required to service the wastewater needs of a community in a safe and efficient manner that meets or exceeds all regulatory requirements.
  6. Enhanced security. System monitoring and computer system upgrades.
  7. Distribution system improvements. Improvements to standpipes and pumping equipment to ensure customers have a safe and reliable supply of water that meets current and proposed regulations.
  8. Upgrades to water and wastewater treatment equipment and facilities. These projects are necessary to maintain compliance with existing and proposed regulations and provide resiliency in operations.

These and similar projects, all of which is spent in York, Adams and Franklin Counties, are important to our ability to ensure a safe, adequate, and reliable

supply of drinking water and to maintain proper handling and disposal of wastewater to our customers.

- The costs of serving our customers have gone up. During the past few years, we have taken steps to control our operating expenses. The increase would allow the Company to recover costs for increased wages, benefits, chemicals, materials, and supplies, and increased annual depreciation. Despite these increases, York Water remains one of the most efficient water utilities in the nation, continuing to reduce or eliminate various expenses since its last rate case, including reduction in income taxes from the tax repair deductions. These reduced expenses are reflected in this rate filing.
- The increase would provide an opportunity for our 206-year-old Company to earn a fair return on the money it has invested in infrastructure in our community and would assist the Company in maintaining a solid financial position.

Please refer to the Company's Direct Testimony and Exhibits for additional reasons for and support of the requested rate increase.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF INCOME

53.53 I. Statement of Income

D. Water and Wastewater Utilities

2 Prepare a Statement of Income for the various time frames of the rate proceeding including:

Col. 1 - Book recorded statement for the test year.

2 - Adjustments to book recorded statement to annualize and normalize under present rates.

3 - Income statement under present rates after adjustment in Col. 2.

4 - Adjustment to Col. 3 for revenue increase requested.

5 - Income statement under requested rates.

Response: Refer to pages 2 through 4.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED AND PRO FORMA STATEMENT OF INCOME UNDER EXISTING  
RATES FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No. FI-2W  
Page 2 of 4  
Witness: M E Poff

	Pro Forma Twelve Months Ended December 31, 2021 (1)	Under Existing Rates				Pro Forma Twelve Months Ending December 31, 2022 (7)	
		Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending December 31, 2022 (4)	Exhibit Reference (5)		Adjustment (6)
Operating Revenues	4,031,924	FII-2W	30,078	4,062,002	FII-2W	30,078	4,092,080
Operating Expenses, Depreciation and Taxes Other Than Income Taxes							
Wastewater Treatment Expenses	3,111,948	FIII-2W	29,685	3,141,632	FIII-2W	13,031	3,154,664
Wastewater Collection Expenses	34,405	FIII-2W	51	34,457	FIII-2W	23	34,479
Pumping Expenses	108,285	FIII-2W	-	108,285	FIII-2W	-	108,285
Administrative and General Expenses	561,584	FIII-2W	15,683	577,267	FIII-2W	13,629	590,896
Increased Costs Resulting From Load Growth	-	FIII-2W	-	-	FIII-2W	-	-
Amortization of Utility Plant Acquisition Adjustme	29,481	FIII-2W	-	29,481	FIII-2W	-	29,481
General Price Level Adjustment	-	FIII-2W	106,523	106,523	FIII-2W	-	106,523
Depreciation and Amortization	689,855	FI-2-1W	130,353	820,208			820,208
Taxes Other Than Income Taxes	42,616	FIV-15W	202	42,818	FIV-15W	202	43,020
Total Operating Expenses, Depreciation and Taxes Other Than Income Taxes	4,578,174		282,497	4,860,671		26,885	4,887,556
Net Operating Income Before Income Taxes	(546,251)		(252,418)	(798,669)		3,193	(795,476)
Income Taxes							
Current Federal Income Tax	(151,522)	FIV-17W	(412,868)	(564,390)	FIV-17W	604	(563,786)
Current State Income Tax	(80,974)	FIV-17W	(219,557)	(300,531)	FIV-17W	319	(300,212)
Deferred Federal Income Tax-Accelerated Depreciation	(56,883)	FIV-17W	91,152	34,270			34,270
Deferred Federal Income Tax-Excess ADIT	(7,625)	FIV-17W	344	(7,281)			(7,281)
Total Income Taxes	(297,003)		(540,929)	(837,932)		923	(837,009)
Net Operating Income	(249,248)		288,510	39,262		2,270	41,533
Income Deductions							
Interest on Long Term Debt and Amort- ization of Debt Expense	-			-			-
Interest on Bank Borrowings	-			-			-
Interest Charged Construction	(158,860)			(158,860)			(158,860)
Miscellaneous Income Deductions	14,981			14,981			14,981
Total Income Deductions	(143,879)		-	(143,879)		-	(143,879)
Net Income	(105,369)		288,510	183,141		2,270	185,412

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED AND PRO FORMA STATEMENT OF INCOME UNDER EXISTING  
RATES FOR THE TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FI-2W  
Page 3 of 4  
Witness: M E Poff

	Pro Forma Twelve Months Ended December 31, 2022 (1)	Under Existing Rates				Pro Forma Twelve Months Ending February 29, 2024 (7)	
		Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)		Adjustment (6)
Operating Revenues	4,092,080	FII-2W	40,104	4,132,184	FII-2W	30,078	4,162,262
Operating Expenses, Depreciation and Taxes Other Than Income Taxes							
Wastewater Treatment Expenses	3,154,664	FIII-2W	5,874	3,160,538	FIII-2W	12,733	3,173,271
Wastewater Collection Expenses	34,479	FIII-2W	10	34,490	FIII-2W	22	34,512
Pumping Expenses	108,285	FIII-2W	-	108,285	FIII-2W	-	108,285
Administrative and General Expenses	590,896	FIII-2W	(17,008)	573,888	FIII-2W	11,213	585,102
Increased Costs Resulting From Load Growth	-	FIII-2W	-	-	FIII-2W	-	-
Amortization of Acquisition Adjustments	29,481	FIII-2W	-	29,481	FIII-2W	-	29,481
General Price Level Adjustment	106,523	FIII-2W	191,840	298,363	FIII-2W	-	298,363
Depreciation and Amortization	820,208	FI-2-2W	113,510	933,718			933,718
Taxes Other Than Income Taxes	43,020	FIV-15W	269	43,289	FIV-15W	202	43,491
Total Operating Expenses, Depreciation and Taxes Other Than Income Taxes	4,887,556		294,496	5,182,052		24,170	5,206,223
Net Operating Income Before Income Taxes	(795,476)		(254,392)	(1,049,868)		5,908	(1,043,960)
Income Taxes							
Current Federal Income Tax	(563,786)	FIV-17W	46,628	(517,159)	FIV-17W	1,117	(516,042)
Current State Income Tax	(300,212)	FIV-17W	26,132	(274,080)	FIV-17W	590	(273,490)
Deferred Federal Income Tax-Accelerated Depreciation	34,270	FIV-17W	(10,916)	23,354			23,354
Deferred Federal Income Tax-Excess ADIT	(7,281)	FIV-17W	(136)	(7,417)			(7,417)
Total Income Taxes	(837,009)		61,707	(775,302)		1,707	(773,595)
Net Operating Income	41,533		(316,099)	(274,567)		4,201	(270,366)
Income Deductions							
Interest on Long Term Debt and Amort- ization of Debt Expense	-			-			-
Interest on Bank Borrowings	-			-			-
Interest Charged Construction	(158,860)			(158,860)			(158,860)
Miscellaneous Income Deductions	14,981			14,981			14,981
Total Income Deductions	(143,879)		-	(143,879)		-	(143,879)
Net Income	185,412		(316,099)	(130,688)		4,201	(126,487)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PRO FORMA STATEMENT OF INCOME UNDER PROPOSED  
RATES FOR THE TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FI-2W  
Page 4 of 4  
Witness: M E Poff

	Pro Forma Twelve Months Ended February 29, 2024 (1)	Under Proposed Rates		Pro Forma Twelve Months Ending February 29, 2024 (4)
		Exhibit Reference (2)	Adjustment (3)	
Operating Revenues	4,162,262	FII-2W	4,127,648	8,289,911
Operating Expenses, Depreciation and Taxes Other Than Income Taxes				
Wastewater Treatment Expenses	3,173,271		-	3,173,271
Wastewater Collection Expenses	34,512		-	34,512
Pumping Expenses	108,285		-	108,285
Administrative and General Expenses	585,102		-	585,102
Increased Costs Resulting From Load Growth	-		-	-
Amortization of Acquisition Adjustments	29,481		-	29,481
General Price Level Adjustment	298,363		-	298,363
Depreciation and Amortization	933,718		-	933,718
Taxes Other Than Income Taxes	43,491	FIV-15W	27,720	71,211
Total Operating Expenses, Depreciation and Taxes Other Than Income Taxes	5,206,223		27,720	5,233,943
Net Operating Income Before Income Taxes	(1,043,960)		4,099,929	3,055,968
Income Taxes				
Current Federal Income Tax	(516,042)	FIV-17W	774,973	258,931
Current State Income Tax	(273,490)	FIV-17W	409,583	136,093
Deferred Federal Income Tax-Accelerated Depreciation	23,354		-	23,354
Deferred Federal Income Tax-Excess ADIT	(7,417)		-	(7,417)
Total Income Taxes	(773,595)		1,184,556	410,961
Net Operating Income	(270,366)		2,915,373	2,645,008
Income Deductions				
Interest on Long Term Debt and Amort- ization of Debt Expense	-		-	-
Interest on Bank Borrowings	-		-	-
Interest Charged Construction	(158,860)		-	(158,860)
Miscellaneous Income Deductions	14,981		-	14,981
Total Income Deductions	(143,879)		-	(143,879)
Net Income	(126,487)		2,915,373	2,788,887

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED STATEMENT OF INCOME ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project depreciation for twelve months ending December 31, 2022 using straight-line, remaining life depreciation.	
	Annual Depreciation Accrual	820,208
	Less; Pro Forma Depreciation for Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HI-2-1W)	689,855
		130,353
403.0	Depreciation	130,353

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
PROJECTED STATEMENT OF INCOME ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project depreciation for twelve months ending February 29, 2024 using straight-line, remaining life depreciation.	
	Annual Depreciation Accrual	933,718
	Less; Pro Forma Depreciation for Twelve Months Ended December 31, 2022 (Refer to Exhibit No. FI-2-1W)	820,208
		113,510
403.0	Depreciation	113,510

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

OPERATING REVENUES UNDER EXISTING AND PROPOSED RATES  
FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

53.53 II Operating Revenues

D. Water and Wastewater Utilities

2 Prepare a summary of operating revenues for the test year, providing the following information:

a. For each classification of customers and for customers forfeited discounts and penalties and miscellaneous water/wastewater revenues:

( i ) Revenues.

( ii ) Annualizing and normalizing adjustments to arrive at adjusted operating revenues for ratemaking.

( iii ) Proposed increase in operating revenues.

( iv ) Percent increase in operating revenues.

( v ) Operating revenues under proposed rates.

RESPONSE Refer to pages 2 through 6.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING REVENUES UNDER EXISTING RATES  
TWELVE MONTHS ENDING DECEMBER 31, 2022

	PRO FORMA TWELVE MONTHS ENDED 12-31-21 (1)	UNDER EXISTING RATES ADJUST MENTS TO PROJECT TWELVE MONTHS ENDING DECEMBER 31, 2022 (PAGE 3) (2)	PROJECTED TWELVE MONTHS ENDING 12-31-22 (3)
OPERATING REVENUES			
SALES OF WASTEWATER			
METERED SALES			
RESIDENTIAL	2,537,109	26,418	2,563,527
COMMERCIAL	149,701	3,660	153,361
INDUSTRIAL	2,202		2,202
TOTAL METERED SALES	2,689,011	30,078	2,719,089
UNMETERED SALES			
RESIDENTIAL	1,062,116		1,062,116
COMMERCIAL AND INDUSTRIAL	275,935		275,935
TOTAL UNMETERED SALES	1,338,051	-	1,338,051
TOTAL SALES OF WASTEWATER	4,027,063	30,078	4,057,141
LATE CHARGES	4,861		4,861
MISCELLANEOUS REVENUES	-		-
TOTAL OTHER OPERATING REVENUES	4,861	-	4,861
TOTAL OPERATING REVENUES	4,031,924	30,078	4,062,002



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 SUMMARY OF OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

Exhibit No.FII-2W  
 Page 3 of 10  
 Witness: M E Poff

EXHIBIT REFER- ENCE (1)	METERED SALES TO RESIDENTIAL CUSTOMERS 52100100 (2)	METERED SALES TO COMMERCIAL CUSTOMERS 52100200 (3)	METERED SALES TO INDUSTRIAL CUSTOMERS 52100300 (4)	TOTAL (5)
FII-2-1W	26,418			26,418
FII-2-2W		3,660		3,660
TOTAL FUTURE TEST YEAR REVENUE ADJUSTMENTS	26,418	3,660	-	30,078

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUES UNDER EXISTING AND PROPOSED RATES  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No.FII-2W  
 Page 4 of 10  
 Witness: M E Poff

	UNDER EXISTING RATES		
	PRO JECTED TWELVE MONTHS ENDING 12-31-22 (1)	REVENUE ADJUST MENTS (PAGE 5) (2)	PRO FORMA TWELVE MONTHS ENDING 12-31-22 (3)
OPERATING REVENUES			
SALES OF WASTEWATER			
METERED SALES			
RESIDENTIAL	2,563,527	26,418	2,589,945
COMMERCIAL	153,361	3,660	157,021
INDUSTRIAL	2,202		2,202
TOTAL METERED SALES	2,719,089	30,078	2,749,168
UNMETERED SALES			
RESIDENTIAL	1,062,116		1,062,116
COMMERCIAL AND INDUSTRIAL	275,935		275,935
TOTAL UNMETERED SALES	1,338,051	-	1,338,051
TOTAL SALES OF WASTEWATER	4,057,141	30,078	4,087,219
LATE CHARGES			
MISCELLANEOUS REVENUES	4,861		4,861
	-		-
TOTAL OTHER OPERATING REVENUES	4,861	-	4,861
TOTAL OPERATING REVENUES	4,062,002	30,078	4,092,080

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 SUMMARY OF OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

Exhibit No.FII-2W  
 Page 5 of 10  
 Witness: M E Poff

EXHIBIT REFER- ENCE (1)	METERED SALES TO RESIDENTIAL CUSTOMERS 52100100 (2)	METERED SALES TO COMMERCIAL CUSTOMERS 52100200 (3)	METERED SALES TO INDUSTRIAL CUSTOMERS 52100300 (4)	TOTAL (5)
FII-2-3W	26,418			26,418
FII-2-4W		3,660		3,660
TOTAL FUTURE TEST YEAR PRO FORMA REVENUE ADJUSTMENTS	26,418	3,660	-	30,078

UNDER EXISTING RATES

	PRO FORMA TWELVE MONTHS ENDING 12-31-22 (3)	REVENUE ADJUST MENTS (2)	PROJECTED TWELVE MONTHS ENDING 2-29-24 (3)
OPERATING REVENUES			
SALES OF WASTEWATER			
METERED SALES			
RESIDENTIAL	2,589,945	35,224	2,625,169
COMMERCIAL	157,021	4,880	161,901
INDUSTRIAL	2,202		2,202
TOTAL METERED SALES	2,749,168	40,104	2,789,272
UNMETERED SALES			
RESIDENTIAL COMMERCIAL AND INDUSTRIAL	1,062,116		1,062,116
	275,935		275,935
TOTAL UNMETERED SALES	1,338,051	-	1,338,051
TOTAL SALES OF WASTEWATER	4,087,219	40,104	4,127,323
LATE CHARGES			
MISCELLANEOUS REVENUES	4,861		4,861
	-		-
TOTAL OTHER OPERATING REVENUES	4,861		4,861
TOTAL OPERATING REVENUES	4,092,080	40,104	4,132,184

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 SUMMARY OF OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

Exhibit No.FII-2W  
 Page 7 of 10  
 Witness: M E Poff

EXHIBIT REFER- ENCE (1)	METERED SALES TO RESIDENTIAL CUSTOMERS 52100100 (2)	METERED SALES TO COMMERCIAL CUSTOMERS 52100200 (3)	METERED SALES TO INDUSTRIAL CUSTOMERS 52100300 (4)	TOTAL (5)
FII-2-5W	8,806			8,806
FII-2-6W		1,220		1,220
FII-2-7W	26,418			26,418
FII-2-8W		3,660		3,660
TOTAL FULLY PROJECTED FUTURE TEST YEAR REVENUE ADJUSTMENTS	35,224	4,880	-	40,104

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 SUMMARY OF OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

Exhibit No.FII-2W  
 Page 8 of 10  
 Witness: M E Poff

EXHIBIT REFER- ENCE (1)	METERED SALES TO RESIDENTIAL CUSTOMERS 52100100 (2)	METERED SALES TO COMMERCIAL CUSTOMERS 52100200 (3)	METERED SALES TO INDUSTRIAL CUSTOMERS 52100300 (4)	TOTAL (5)
FII-2-9W	26,418			26,418
FII-2-10W		3,660		3,660
TOTAL FULLY PROJECTED FUTURE TEST YEAR PRO FORMA REVENUE ADJUSTMENTS	26,418	3,660	-	30,078

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUES UNDER EXISTING AND PROPOSED RATES  
 TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FII-2W  
 Page 9 of 10  
 Witness: M E Poff

	UNDER EXISTING RATES			UNDER PROPOSED RATES			
	PROJECTED TWELVE MONTHS ENDING 2-29-24 (1)	REVENUE ADJUST MENTS (PAGE 8) (2)	PRO FORMA TWELVE MONTHS ENDING 2-29-24 (3)	EXHIBIT REFERENCE (4)	PERCENT INCREASE (5)	REVENUE INCREASE (6)	PRO FORMA (7)
OPERATING REVENUES							
SALES OF WASTEWATER							
METERED SALES							
RESIDENTIAL	2,625,169	26,418	2,651,587		77.0%	2,042,328	4,693,915
COMMERCIAL	161,901	3,660	165,561		163.7%	271,045	436,606
INDUSTRIAL	2,202		2,202		45.8%	1,009	3,211
TOTAL METERED SALES	2,789,272	30,078	2,819,350			2,314,382	5,133,732
UNMETERED SALES							
RESIDENTIAL	1,062,116		1,062,116		111.0%	1,178,640	2,240,756
COMMERCIAL AND INDUSTRIAL	275,935		275,935		230.0%	634,627	910,562
TOTAL UNMETERED SALES	1,338,051	-	1,338,051			1,813,267	3,151,318
TOTAL SALES OF WASTEWATER	4,127,323	30,078	4,157,401		99.3%	4,127,648	8,285,050
LATE CHARGES	4,861		4,861				4,861
MISCELLANEOUS REVENUES	-		-				-
TOTAL OTHER OPERATING REVENUES	4,861	-	4,861			-	4,861
TOTAL OPERATING REVENUES	4,132,184	30,078	4,162,262		99.2%	4,127,648	8,289,911

THE YORK WATER COMPANY  
REVENUE SUMMARY

	Total Company	Water	Wastewater
Present Rate Revenues (1)	\$59,926,650	\$55,764,388	\$ 4,162,262
Additional Revenue Requirement (2) % Increase	\$20,310,530	\$16,182,882 29.0%	\$ 4,127,648 99.2%
Wastewater Revenue Allocation (3)	\$ -	\$ 2,670,856	\$ (2,670,856)
Proposed Revenues	<u>\$80,237,180</u>	<u>\$74,618,125</u>	<u>\$ 5,619,055</u>
Revenue Increase % Increase	\$20,310,530 33.9%	\$18,853,738 33.8%	\$ 1,456,792 35.0%

(1) As presented on Exhibit Nos. FII-2 page 9 and FII-2W page 2. Includes DSIC and STAS revenues for water.

(2) As calculated on Exhibit Nos. FV-1 page 6 and FV-1W page 6.

(3) The wastewater allocation is the amount of the wastewater revenue requirement that the Company is proposing to be consolidated with the water revenue requirement to derive the proposed water and wastewater rates in this case.



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered residential customers connected and disconnected during the future test year ending December 31, 2022.	
	One Year Average Metered Residential Customers Net Gain	71
	Average Annual Revenue per Average Metered Residential Customer	744.17
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	52,836
	(a) Portion of Adjustment Included in Twelve Months Ending December 31, 2022	26,418
52200100	Metered Sales to Residential Customers	26,418

(a) The estimated average net gain of metered residential customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending December 31, 2022 and is carried forward to Exhibit No. FII-2W, page 3. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-3W.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered commercial customers connected and disconnected during the future test year ending December 31, 2022.	
	One Year Average Metered Commercial Customers Net Gain	7
	Average Annual Revenue per Average Metered Commercial Customer	1,045.77
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	7,320
	(a) Portion of Adjustment Included in Twelve Months Ending December 31, 2022	3,660
52200200	Metered Sales to Commercial Customers	3,660

(a) The estimated average net gain of metered commercial customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending December 31, 2022 and is carried forward to Exhibit No. FII-2W, page 3. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-4W.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered residential customers connected and disconnected during the future test year ending December 31, 2022.	
	One Year Average Metered Residential Customers Net Gain	71
	Average Annual Revenue per Average Metered Residential Customer	744.17
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	52,836
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52200100	Metered Sales to Residential Customers	26,418

(a) The estimated average net gain of metered residential customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending December 31, 2022 and is carried forward to Exhibit No. FII-2W, page 5.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered commercial customers connected and disconnected during the future test year ending December 31, 2022.	
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	Average Annual Revenue per Average Metered Commercial Customer	1,045.77
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(a) The estimated average net gain of metered commercial customers for the twelve months ending December 31, 2022 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending December 31, 2022 and is carried forward to Exhibit No. FII-2W, page 5.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered residential customers connected and disconnected during January and February 2023, and included in revenue for twelve months ending February 29, 2024.	
	One Year Average Metered Residential Customers Net Gain	71
	Prorated Gain in Metered Residential Customers during the two months ending February 28, 2023 (71 / 12 * 2)	12
	Average Annual Revenue per Average Metered Residential Customer	744.17
	Annualized Revenue Adjustment = Prorated Net Gain x Average Annual Revenue	8,806
52200100	Metered Sales to Residential Customers	8,806

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered commercial customers connected and disconnected during January and February 2023, and included in revenue for twelve months ending February 29, 2024.	
	Two Year Average Metered Commercial Customers Net Gain	7
	Prorated Gain in Metered Commercial Customers during the two months ending February 28, 2023 ( $7 / 12 * 2$ )	1
	Average Annual Revenue per Average Metered Commercial Customer	1,045.77
	Annualized Revenue Adjustment = Prorated Net Gain x Average Annual Revenue	1,220
52200200	Metered Sales to Commercial Customers	1,220

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered residential customers connected and disconnected during the future test year ending February 29, 2024.	
	One Year Average Metered Residential Customers Net Gain	71
	Average Annual Revenue per Average Metered Residential Customer	744.17
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	52,836
	(a) Portion of Adjustment Included in Twelve Months Ending February 29, 2024	26,418
52200100	Metered Sales to Residential Customers	26,418

(a) The estimated average net gain of metered residential customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024 and is carried forward to Exhibit No. FII-2W, page 7. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-9W.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To project operating revenues for estimated metered commercial customers connected and disconnected during the future test year ending February 29, 2024.	
	One Year Average Metered Commercial Customers Net Gain	7
	Average Annual Revenue per Average Metered Commercial Customer	1,045.77
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	7,320
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52200200	Metered Sales to Commercial Customers	3,660

(a) The estimated average net gain of metered commercial customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024 and is carried forward to Exhibit No. FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on Exhibit No. FII-2-10W.



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered residential customers connected and disconnected during the future test year ending February 29, 2024.	
	One Year Average Metered Residential Customers Net Gain	71
	Average Annual Revenue per Average Metered Residential Customer	744.17
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	(a) Portion of Adjustment Included in Twelve Months Ending February 29, 2024	26,418
52200100	Metered Sales to Residential Customers	26,418

(a) The estimated average net gain of metered residential customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024 and is carried forward to Exhibit No. FII-2W, page 9.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING REVENUE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT (1)	EXPLANATION (2)	ADJUST- MENT INCREASE DECREASE (3)
	To annualize operating revenues for estimated metered commercial customers connected and disconnected during the future test year ending February 29, 2024.	
	One Year Average Metered Commercial Customers Net Gain	7
	Average Annual Revenue per Average Metered Commercial Customer	1,045.77
	Annualized Revenue Adjustment = Net Gain x Average Annual Revenue	7,320
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52200200	Metered Sales to Commercial Customers	3,660

(a) The estimated average net gain of metered commercial customers for the twelve months ending February 29, 2024 is presumed to occur evenly throughout the test year. Accordingly, one-half of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024 and is carried forward to Exhibit No. FII-2W, page 9.

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PRESENT AND PROPOSED RATES

53.53 II. Operating Revenue

D Water and Wastewater Utilities

3 Provide a schedule of present and proposed tariff rates showing dollar change and percent of change by block. Provide increases to customers at various monthly uses showing billings at existing and proposed rates. Provide also an explanation of any change in block structure and the reason therefor. Provide a copy of the proposed tariff or tariff supplement.

RESPONSE

A comparison of the rate schedule set forth in the present and proposed tariffs is presented below.

There are no proposed rule changes.

A comparison of bills under present and proposed rates for customers with increases is presented in Exhibit FVIII-W.

The complete proposed tariff supplement is attached.

**THE YORK WATER COMPANY**

**RATES, RULES AND REGULATIONS GOVERNING**

**THE PROVISION OF WASTEWATER COLLECTION, TREATMENT**

**AND/OR DISPOSAL SERVICE TO THE PUBLIC IN**

**THE BOROUGHS OF EAST PROSPECT, FELTON, JACOBUS, AND WEST YORK**

**AND THE**

**TOWNSHIPS OF EAST MANCHESTER (ASBURY POINTE RESIDENTIAL SUBDIVISION),**

**LOWER WINDSOR, AND WEST MANHEIM IN YORK COUNTY, PENNSYLVANIA**

**AND THE**

**TOWNSHIP OF LETTERKENNY IN FRANKLIN COUNTY, PENNSYLVANIA**

**AND THE**

**TOWNSHIP OF STRABAN IN ADAMS COUNTY, PENNSYLVANIA**

ISSUED: May 27, 2022

EFFECTIVE: August 1, 2022

By: Joseph T. Hand  
President and CEO  
130 East Market Street  
York, Pennsylvania



# **NOTICE**

THIS TARIFF MAKES INCREASES IN EXISTING RATES  
(See Thirteenth Revised Page No. 2)

## LIST OF CHANGES

### INCREASES

Base rates for wastewater service are increased by approximately 35.0% overall.

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	<u>Page</u>	
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Schedule of Miscellaneous Fees and Charges	5 Second Revised	
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(C) Indicates Change  
(I) Indicates Increase

**PART I: SCHEDULE OF RATES AND CHARGES**

Asbury Pointe Area, Felton Borough Area, and Letterkenny Township Area (C)

A flat rate of \$80.55 per month per equivalent dwelling unit. (I)

East Prospect and Lower Windsor Area, Jacobus Borough Area, and Straban Township Area (C)

A metered rate (based on water consumption) as follows:

	<u>Per Month</u>	<u>Rate</u>	
East Prospect and Lower Windsor Area	1 <sup>st</sup> 4,000 Gals.	\$80.55	(I)
Over	4,000 Gals.	\$7.012 per 1,000 Gals.	(I)

West York Borough Area Rate per Month

A flat rate per equivalent dwelling unit.

Residential	\$55.61	(I)
Commercial/Industrial	\$68.71	(I)

West Manheim Township Area

A metered rate (based on water consumption) as follows:

West Manheim Township Area	<u>Per Month</u>	<u>Rate</u>	
Base Rate		\$52.50	(D)
Usage Rate	0-3,500 Gals.	\$7.012 per 1,000 Gals.	(I)
Usage Rate	3,501-7,000 Gals.	\$10.00 per 1,000 Gals.	
Usage Rate	7,001 and above Gals.	\$12.50 per 1,000 Gals.	

(C) Indicates Change  
(D) Indicates Decrease  
(I) Indicates Increase

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

CUSTOMER CONSUMPTION ANALYSIS AND RATE APPLICATION

53.53 II. Operating Revenue

D Water and Wastewater Utilities

4 Provide for the test year a detailed customer consumption analysis and the application of rates to support present and proposed rates by customer classification and/or tariff rate schedule.

RESPONSE The requested information is presented on the following pages as noted below:

<u>Description</u>	<u>Page No.</u>
Application of present rates to customer consumption analysis for the twelve months ending February 29, 2024	2 - 3



THE YORK WATER COMPANY  
 APPLICATION OF PRESENT RATES TO CONSUMPTION ANALYSIS (00)  
 TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FII-4W  
 Page 2 of 3  
 Witness: M E Poff

RATE BLOCK 100 GAL (1)	NUMBER OF EDU'S (2)	CONSUMPTION 100 GAL (3)	PRESENT BASE RATES (4)	REVENUE AT PRESENT BASE RATES (5)
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**RESIDENTIAL METERED**

CUSTOMER CHARGE

Flat Rate	8102		62.50	506396
Flat Rate	7916		55.00	435380
Flat Rate	24564		55.00	1351020

OUTPUT CHARGE

OVER 40		49174	0.2500	12294
OVER 50		53250	0.5000	26625
0 - 35		633978	0.2000	126796
35 - 70		153372	1.0000	153372
OVER 70		31764	1.2500	39705

TOTAL RESIDENTIAL METERED	40582	921538		2651587
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**RESIDENTIAL UNMETERED**

CUSTOMER CHARGE

Flat Rate	2830		62.50	176875
Flat Rate	20707		32.71	677326
Flat Rate	1370		79.50	108915
Flat Rate	2200		45.00	99000

TOTAL RESIDENTIAL UNMETERED	27107			1062116
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TOTAL RESIDENTIAL	67689	921538		3713703
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THE YORK WATER COMPANY  
 APPLICATION OF PRESENT RATES TO CONSUMPTION ANALYSIS (00)  
 TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FII-4W  
 Page 3 of 3  
 Witness: M E Poff

RATE BLOCK 100 GAL (1)	NUMBER OF EDU'S (2)	CONSUMPTION 100 GAL (3)	PRESENT BASE RATES (4)	REVENUE AT PRESENT BASE RATES (5)
---------------------------------	---------------------------	-------------------------------	---------------------------------	--

**COMMERCIAL METERED**

CUSTOMER CHARGE

Flat Rate	464		62.50	29000
Flat Rate	434		55.00	23843
Flat Rate	360		55.00	19800

OUTPUT CHARGE

OVER 40		6732	0.2500	1683
OVER 40		8422	0.5000	4211
0 - 35		7597	0.2000	1519
35 - 70		5016	1.0000	5016
OVER 70		64392	1.2500	80490

TOTAL COMMERCIAL METERED	898	92159		165562
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**COMMERCIAL AND INDUSTRIAL UNMETERED**

CUSTOMER CHARGE

Flat Rate	0		62.50	0
Flat Rate	6527		40.42	263821
Flat Rate	132		79.50	10494
Flat Rate	36		45.00	1620

TOTAL COMMERCIAL UNMETERED	6695			275935
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TOTAL COMMERCIAL	7593	92159		441497
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THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ACCRUED UTILITY REVENUES

- 53.53 II. Operating Revenue
  - D Water and Wastewater Utilities
    - 5 Provide detailed computations of the determination of accrued revenues as of test year-end and year-end immediately preceding the test year, together with a detailed explanation of the procedures and methods used in developing accrued revenues.

RESPONSE Refer to Exhibit No. HII-5W.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NUMBER OF CUSTOMERS, CUSTOMERS ADDED AND LOST AND CONSUMPTION  
BY CUSTOMER CLASSIFICATION FOR THE HISTORIC TEST YEAR AND CURRENT  
YEAR TO DATE

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

7. Provide a monthly summary of customers added and lost by customer classification for the test year and the current year-to-date.

Response:

Refer to Exhibit No. HII-7W.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NUMBER OF CUSTOMERS AND CONSUMPTION  
BY CUSTOMER CLASSIFICATION FOR THE HISTORIC TEST YEAR AND CURRENT  
YEAR TO DATE

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

8. Provide for the test year and the current year-to-date, the number of customers and monthly consumption for each classification of customers.

Response:

Refer to Exhibit No. HII-7W.

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HISTORICAL AND PROJECTED NUMBER OF CUSTOMERS

53.53 II. Operating Revenues

D. Water and Wastewater Utilities

9 Provide by customer classification for the test year and for the two prior years the number of customers and consumption, and projected number of customers and consumption for two subsequent years.

Response:

Refer to pages 2 and 3.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 HISTORICAL AND PROJECTED NUMBER OF CUSTOMERS

Exhibit No.FII-9W  
 Page 2 of 3  
 Witness: M E Poff

CUSTOMER CLASSIFICATION (1)	AS OF	HISTORICAL AS OF	AS OF	AS OF	PROJECTED		
	DECEMBER 31, 2019 (2)	DECEMBER 31, 2020 (3)	DECEMBER 31, 2021 (4)	DECEMBER 31, 2022 (5)	AS OF FEBRUARY 29, 2024 (6)	AS OF FEBRUARY 28, 2025 (7)	AS OF FEBRUARY 28, 2026 (8)
<b>METERED CUSTOMERS</b>							
RESIDENTIAL	1,055	1,093	1,164	3,282	3,365	3,436	3,507
COMMERCIAL	31	34	41	78	86	93	100
INDUSTRIAL	2	2	2	2	2	2	2
<b>TOTAL METERED CUSTOMERS</b>	<b>1,088</b>	<b>1,129</b>	<b>1,207</b>	<b>3,362</b>	<b>3,453</b>	<b>3,531</b>	<b>3,609</b>
<b>UNMETERED CUSTOMERS</b>							
RESIDENTIAL	1,696	1,985	1,985	1,985	1,985	1,985	1,985
COMMERCIAL AND INDUSTRIAL	164	165	165	165	165	165	165
<b>TOTAL UNMETERED CUSTOMERS</b>	<b>1,860</b>	<b>2,150</b>	<b>2,150</b>	<b>2,150</b>	<b>2,150</b>	<b>2,150</b>	<b>2,150</b>
<b>TOTAL CUSTOMERS</b>	<b>2,948</b>	<b>3,279</b>	<b>3,357</b>	<b>5,512</b>	<b>5,603</b>	<b>5,681</b>	<b>5,759</b>

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 HISTORICAL AND PROJECTED CONSUMPTION (THOUSAND GALLONS)

Exhibit No.FII-9W  
 Page 3 of 3  
 Witness: M E Poff

CUSTOMER CLASSIFICATION (1)	AS OF	HISTORICAL	AS OF	AS OF	AS OF	PROJECTED	
	DECEMBER 31, 2019 (2)	AS OF DECEMBER 31, 2020 (3)	DECEMBER 31, 2021 (4)	DECEMBER 31, 2022 (5)	AS OF FEBRUARY 29, 2024 (6)	AS OF FEBRUARY 28, 2025 (7)	AS OF FEBRUARY 28, 2026 (8)
METERED CONSUMPTION							
RESIDENTIAL	26,684	45,189	48,250	133,193	136,740	139,775	142,809
COMMERCIAL	1,727	2,759	2,539	10,704	11,239	11,707	12,174
INDUSTRIAL	130	136	170	170	170	170	170
TOTAL METERED CONSUMPTION	28,541	48,083	50,960	144,068	148,150	151,652	155,154



THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PRO FORMA OPERATING EXPENSES FOR  
TWELVE MONTHS ENDING FEBRUARY 29, 2024  
UNDER EXISTING AND PROPOSED RATES

- 53.53 III      Operating Expense
- D.              Water and Wastewater Utilities
- 2                Prepare a summary of operating expenses for the test year providing annualizing and normalizing adjustments to arrive at adjusted operating expenses for ratemaking, including supporting data.

RESPONSE Refer to Pages 2 through 7.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 STATEMENT OF PROJECTED AND PRO FORMA OPERATING EXPENSES  
 UNDER EXISTING AND PROPOSED RATES  
 FOR TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No.FIII-2W  
 Page 2 of 7  
 Witness: M E Poff

	Pro Forma Twelve Months Ended December 31, 2021 (Refer to Exh No. HIII-2W)		Under Existing Rates				Pro Forma Twelve Months Ending December 31, 2022	
	(1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending December 31, 2022 (4)	Exhibit Reference (5)	Adjustment (6)	(7)	
<b>Wastewater Treatment Expenses</b>								
70150000	Salaries and Wages-Operations	278,898	FIII-2-1	24,721	303,619	FIII-2-15	10,852	314,471
70150050	Salaries and Wages-Vacation	41,374	FIII-2-1	3,667	45,042	FIII-2-15	1,610	46,652
70160002	Salaries and Wages-Maintenance Structures	824	FIII-2-1	73	897	FIII-2-15	32	929
70160003	Salaries and Wages-Maintenance Equipment	13,803	FIII-2-1	1,223	15,026	FIII-2-15	537	15,563
71050000	Purchased Treatment-Operations	2,051,649			2,051,649			2,051,649
71150000	Sludge Removal-Operations	148,211			148,211			148,211
71550000	Electric Expense-Operations	45,436			45,436			45,436
71650000	Fuel-Operations	-			-			-
71850000	Chemicals	32,789			32,789			32,789
72050000	Operations-Materials and Supplies	37,255			37,255			37,255
73550000	Operatins-Testing Services	25,287			25,287			25,287
73650000	Operations-Outside Services	51,187			51,187			51,187
74250003	Operations-Rental of Equipment	12,306			12,306			12,306
75050000	Operations-Transportation Expense	40,314			40,314			40,314
75050001	Operations-Vehicle Leases	-			-			-
77550000	Operations-Miscellaneous Expense	256,027			256,027			256,027
77550200	Operations-Registration for Industry Meetings	-			-			-
77550300	Operations-Communications	8,389			8,389			8,389
77550600	Operations-Office Expense and Utilities	4,222			4,222			4,222
77550700	Operations-Uniforms	1,447			1,447			1,447
77550900	Operations-Mailing	355			355			355
77551210	Operations-Travel	417			417			417
77551220	Operations-Meals	-			-			-
77551300	Operations-Registration for Educational Seminars	2,148			2,148			2,148
72060002	Maintenance-Materials and Supplies Structures	2,413			2,413			2,413
72060003	Maintenance-Materials and Supplies Equipment	18,971			18,971			18,971
73660002	Maintenance-Outside Services Structures	13,835			13,835			13,835
73660003	Maintenance-Outside Services Equipment	24,391			24,391			24,391
74260003	Maintenance-Equipment Rental	-			-			-
<b>Total Wastewater Treatment Expenses</b>		<b>3,111,948</b>		<b>29,685</b>	<b>3,141,632</b>		<b>13,031</b>	<b>3,154,664</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF PROJECTED AND PRO FORMA OPERATING EXPENSES  
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FOR TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No.FIII-2W  
Page 3 of 7  
Witness: M E Poff

	Pro Forma Twelve Months Ended December 31, 2021 (Refer to Exh No. HIII-2W)		Under Existing Rates				Pro Forma Twelve Months Ending December 31, 2022	
	(1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending December 31, 2022 (4)	Exhibit Reference (5)	Adjustment (6)	(7)	
<b>WASTEWATER COLLECTION EXPENSES</b>								
70110000 Salaries and Wages-Operations	580	FIII-2-1	51	632	FIII-2-15	23	654	
72020008 Maintenance-Materials and Supplies	1,770			1,770			1,770	
73620000 Maintenance-Outside Services	32,055			32,055			32,055	
74220003 Maintenance-Equipment Rental	-			-			-	
<b>Total Wastewater Collection Expenses</b>	<b>34,405</b>		<b>51</b>	<b>34,457</b>		<b>23</b>	<b>34,479</b>	
<b>PUMPING EXPENSES</b>								
71130000 Sludge Removal-Operations	3,360			3,360			3,360	
71530000 Electric Expense-Pumping	35,072			35,072			35,072	
72030000 Operations-Materials and Supplies	1,540			1,540			1,540	
73630000 Outside Services - Pumping	400			400			400	
77530300 Operations-Communications	8,611			8,611			8,611	
72040002 Maintenance-Materials and Supplies Structures	82			82			82	
72040003 Maintenance-Materials and Supplies Equipment	18,429			18,429			18,429	
73640002 Maintenance-Outside Services Structures	12,789			12,789			12,789	
73640003 Maintenance-Outside Services Equipment	28,002			28,002			28,002	
<b>Total Wastewater Pumping Expenses</b>	<b>108,285</b>		<b>-</b>	<b>108,285</b>		<b>-</b>	<b>108,285</b>	
<b>Wastewater General Plant Expenses</b>								
70180000 Salaries and Wages-Admin & General	-	FIII-2-1	-	-	FIII-2-15	-	-	
75780000 Insurance-General Liability	-			-			-	
75780002 Insurance-General Liability-Excess Liability	-			-			-	
75980000 Insurance-Other	-			-			-	
77580005 Allocation from Water	589,761	FIII-2-6W	15,683	605,444	FIII-2-13W	13,629	619,073	
64280000 Miscellaneous Expenses-Maintenance-Equipment F	-			-			-	
77580002 Administrative and General Expenses Capitalized	(28,177)			(28,177)			(28,177)	
<b>Total Wastewater General Plant Expenses</b>	<b>561,584</b>		<b>15,683</b>	<b>577,267</b>		<b>13,629</b>	<b>590,896</b>	
40600001 Amortization of Utility Plant Acquisition Adjustments	29,481			29,481			29,481	
Increased Costs Resulting From Load Growth	-			-			-	
General Price Level Adjustments	-	FIII-2-4W	106,523	106,523			106,523	
<b>Total Operating Expenses</b>	<b>3,845,703</b>		<b>151,942</b>	<b>3,997,645</b>		<b>26,683</b>	<b>4,024,328</b>	

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 STATEMENT OF PROJECTED AND PRO FORMA OPERATING EXPENSES  
 UNDER EXISTING RATES  
 FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FIII-2W  
 Page 4 of 7  
 Witness: M E Poff

	Pro Forma Twelve Months Ending December 31, 2022 (1)	Under Existing Rates		Projected Twelve Months Ending February 29, 2024 (4)
		Exhibit Reference (2)	Adjustment (3)	
<b>Wastewater Treatment Expenses</b>				
70150000 Salaries and Wages-Operations	314,471	FIII-2-25	4,892	319,363
70150050 Salaries and Wages-Vacation	46,652	FIII-2-25	726	47,377
70160002 Salaries and Wages-Maintenance Structures	929	FIII-2-25	14	943
70160003 Salaries and Wages-Maintenance Equipment	15,563	FIII-2-25	242	15,805
71050000 Purchased Treatment-Operations	2,051,649			2,051,649
71150000 Sludge Removal-Operations	148,211			148,211
71550000 Electric Expense-Operations	45,436			45,436
71650000 Fuel-Operations	-			-
71850000 Chemicals	32,789			32,789
72050000 Operations-Materials and Supplies	37,255			37,255
73550000 Operatins-Testing Services	25,287			25,287
73650000 Operations-Outside Services	51,187			51,187
74250003 Operations-Rental of Equipment	12,306			12,306
75050000 Operations-Transportation Expense	40,314			40,314
75050001 Operations-Vehicle Leases	-			-
77550000 Operations-Miscellaneous Expense	256,027			256,027
77550200 Operations-Registration for Industry Meetings	-			-
77550300 Operations-Communications	8,389			8,389
77550600 Operations-Office Expense and Utilities	4,222			4,222
77550700 Operations-Uniforms	1,447			1,447
77550900 Operations-Mailing	355			355
77551210 Operations-Travel	417			417
77551220 Operations-Meals	-			-
77551300 Operations-Registration for Educational Seminars	2,148			2,148
72060002 Maintenance-Materials and Supplies Structures	2,413			2,413
72060003 Maintenance-Materials and Supplies Equipment	18,971			18,971
73660002 Maintenance-Outside Services Structures	13,835			13,835
73660003 Maintenance-Outside Services Equipment	24,391			24,391
74260003 Maintenance-Equipment Rental	-			-
<b>Total Wastewater Treatment Expenses</b>	<b>3,154,664</b>		<b>5,874</b>	<b>3,160,538</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF PROJECTED AND PRO FORMA OPERATING EXPENSES  
UNDER EXISTING RATES  
FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FIII-2W  
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Witness: M E Poff

	Pro Forma Twelve Months Ending December 31, 2022 (1)	Under Existing Rates Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending February 29, 2024 (4)
<b>WASTEWATER COLLECTION EXPENSES</b>				
70110000 Salaries and Wages-Operations	654	FIII-2-25	10	665
72020008 Maintenance-Materials and Supplies	1,770			1,770
73620000 Maintenance-Outside Services	32,055			32,055
74220003 Maintenance-Equipment Rental	-			-
<b>Total Wastewater Collection Expenses</b>	<b>34,479</b>		<b>10</b>	<b>34,490</b>
<b>PUMPING EXPENSES</b>				
71130000 Sludge Removal-Operations	3,360			3,360
71530000 Electric Expense-Pumping	35,072			35,072
72030000 Operations-Materials and Supplies	1,540			1,540
73630000 Outside Services - Pumping	400			400
77530300 Operations-Communications	8,611			8,611
72040002 Maintenance-Materials and Supplies Structures	82			82
72040003 Maintenance-Materials and Supplies Equipment	18,429			18,429
73640002 Maintenance-Outside Services Structures	12,789			12,789
73640003 Maintenance-Outside Services Equipment	28,002			28,002
<b>Total Wastewater Pumping Expenses</b>	<b>108,285</b>		<b>-</b>	<b>108,285</b>
<b>Wastewater General Plant Expenses</b>				
70180000 Salaries and Wages-Admin & General	-	FIII-2-25	-	-
75780000 Insurance-General Liability	-			-
75780002 Insurance-General Liability-Excess Liability	-			-
75980000 Insurance-Other	-			-
77580005 Allocation from Water	619,073	FIII-2-20W	(17,008)	602,065
64280000 Miscellaneous Expenses-Maintenance-Equipment Rent:	-			-
77580002 Administrative and General Expenses Capitalized	(28,177)			(28,177)
<b>Total Wastewater General Plant Expenses</b>	<b>590,896</b>		<b>(17,008)</b>	<b>573,888</b>
40600001 Amortization of Utility Plant Acquisition Adjustments	29,481			29,481
Increased Costs Resulting From Load Growth	-			-
General Price Level Adjustments	106,523	FIII-2-28W	191,840	298,363
<b>Total Operating Expenses</b>	<b>4,024,328</b>		<b>180,717</b>	<b>4,205,045</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF PROJECTED AND PRO FORMA OPERATING EXPENSES  
UNDER PROPOSED RATES  
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Exhibit No.FIII-2W  
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Witness: M E Poff

	Projected Twelve Months Ending February 29, 2024 (1)	Under Existing Rates			Under Proposed Rates		
		Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
<b>Wastewater Treatment Expenses</b>							
70150000 Salaries and Wages-Operations	319,363	FIII-2-40	10,604	329,967			329,967
70150050 Salaries and Wages-Vacation	47,377	FIII-2-40	1,573	48,950			48,950
70160002 Salaries and Wages-Maintenance Structures	943	FIII-2-40	31	974			974
70160003 Salaries and Wages-Maintenance Equipment	15,805	FIII-2-40	525	16,330			16,330
71050000 Purchased Treatment-Operations	2,051,649			2,051,649			2,051,649
71150000 Sludge Removal-Operations	148,211			148,211			148,211
71550000 Electric Expense-Operations	45,436			45,436			45,436
71650000 Fuel-Operations	-			-			-
71850000 Chemicals	32,789			32,789			32,789
72050000 Operations-Materials and Supplies	37,255			37,255			37,255
73550000 Operatins-Testing Services	25,287			25,287			25,287
73650000 Operations-Outside Services	51,187			51,187			51,187
74250003 Operations-Rental of Equipment	12,306			12,306			12,306
75050000 Operations-Transportation Expense	40,314			40,314			40,314
75050001 Operations-Vehicle Leases	-			-			-
77550000 Operations-Miscellaneous Expense	256,027			256,027			256,027
77550200 Operations-Registration for Industry Meetings	-			-			-
77550300 Operations-Communications	8,389			8,389			8,389
77550600 Operations-Office Expense and Utilities	4,222			4,222			4,222
77550700 Operations-Uniforms	1,447			1,447			1,447
77550900 Operations-Mailing	355			355			355
77551210 Operations-Travel	417			417			417
77551220 Operations-Meals	-			-			-
77551300 Operations-Registration for Educational Seminars	2,148			2,148			2,148
72060002 Maintenance-Materials and Supplies Structures	2,413			2,413			2,413
72060003 Maintenance-Materials and Supplies Equipment	18,971			18,971			18,971
73660002 Maintenance-Outside Services Structures	13,835			13,835			13,835
73660003 Maintenance-Outside Services Equipment	24,391			24,391			24,391
74260003 Maintenance-Equipment Rental	-			-			-
<b>Total Wastewater Treatment Expenses</b>	<b>3,160,538</b>		<b>12,733</b>	<b>3,173,271</b>		<b>-</b>	<b>3,173,271</b>

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF PROJECTED AND PRO FORMA OPERATING EXPENSES  
UNDER PROPOSED RATES  
FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No.FIII-2W  
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Witness: M E Poff

	Projected Twelve Months Ending February 29, 2024 (1)	Under Existing Rates		Pro Forma Twelve Months Ending February 29, 2024 (4)	Under Proposed Rates		Pro Forma Twelve Months Ending February 29, 2024 (7)
		Exhibit Reference (2)	Adjustment (3)		Exhibit Reference (5)	Adjustment (6)	
<b>WASTEWATER COLLECTION EXPENSES</b>							
70110000 Salaries and Wages-Operations	665	FIII-2-40	22	687			687
72020008 Maintenance-Materials and Supplies	1,770			1,770			1,770
73620000 Maintenance-Outside Services	32,055			32,055			32,055
74220003 Maintenance-Equipment Rental	-			-			-
<b>Total Wastewater Collection Expenses</b>	<b>34,490</b>		<b>22</b>	<b>34,512</b>	<b>-</b>		<b>34,512</b>
<b>PUMPING EXPENSES</b>							
71130000 Sludge Removal-Operations	3,360			3,360			3,360
71530000 Electric Expense-Pumping	35,072			35,072			35,072
72030000 Operations-Materials and Supplies	1,540			1,540			1,540
73630000 Outside Services - Pumping	400			400			400
77530300 Operations-Communications	8,611			8,611			8,611
72040002 Maintenance-Materials and Supplies Structures	82			82			82
72040003 Maintenance-Materials and Supplies Equipment	18,429			18,429			18,429
73640002 Maintenance-Outside Services Structures	12,789			12,789			12,789
73640003 Maintenance-Outside Services Equipment	28,002			28,002			28,002
<b>Total Wastewater Pumping Expenses</b>	<b>108,285</b>		<b>-</b>	<b>108,285</b>	<b>-</b>		<b>108,285</b>
<b>Wastewater General Plant Expenses</b>							
70180000 Salaries and Wages-Admin & General	-	FIII-2-40	-	-			-
75780000 Insurance-General Liability	-			-			-
75780002 Insurance-General Liability-Excess Liability	-			-			-
75980000 Insurance-Other	-			-			-
77580005 Allocation from Water	602,065	FIII-2-30W	11,213	613,279			613,279
64280000 Miscellaneous Expenses-Maintenance-Equipment Rent	-			-			-
77580002 Administrative and General Expenses Capitalized	(28,177)			(28,177)			(28,177)
<b>Total Wastewater General Plant Expenses</b>	<b>573,888</b>		<b>11,213</b>	<b>585,102</b>	<b>-</b>		<b>585,102</b>
40600001 Amortization of Utility Plant Acquisition Adjustments	29,481			29,481			29,481
Increased Costs Resulting From Load Growth	-			-			-
General Price Level Adjustments	298,363			298,363			298,363
<b>Total Operating Expenses</b>	<b>4,205,045</b>		<b>23,968</b>	<b>4,229,013</b>	<b>-</b>		<b>4,229,013</b>

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION		ADJUST- MENT INCREASE DECREASE
	To project the effect of inflation during the twelve months ending December 31, 2022 on operating expenses not specifically adjusted to historic or future test year levels.		
	Total Operating Expenses for Twelve Months Ended December 31, 2021	2,774,138	
	Less: Amounts Specifically Adjusted In This Rate Filing		
	Electric Expense	52,456	
	Salaries & Wages	359,527	
	Sludge Removal	107,978	
	Allocation from Water	589,761	
	Total Operating Expenses for Twelve Months Ended December 31, 2021 Not Specifically Adjusted To Reflect The Effects Of Inflation	1,664,416	
	Estimated Effect of Inflation Based on the Annual Percent Change in the CPI-U Index Between February 2021 and February 2022 (All items less food and energy) of 6.4%	106,523	
	General Price Level Adjustment		106,523



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project the allocations from water operations for the period ending December 31, 2022 based on the Company's current allocation methodology (customer count) and projected expense adjustments to various accounts being allocated.	
	Projected allocation of indirect labor, indirect fringe and operating expenses from water operations for the period ending December 31, 2022	493,323
	Projected allocation of payroll taxes and fringe on direct labor from water operations for the period ending December 31, 2022	112,121
	Less: Allocation from water operations for the period ended December 31, 2021	<u>589,761</u>
	Adjustment (493,323 + 112,121) - 589,761	15,683
77580005	Allocation from Water Operations	15,683

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To annualize the allocation from water operations for the twelve months ending December 31, 2022, based on the Company's current allocation methodology (number of customers) and pro forma adjustments made to expenses being allocated.	
	Pro Forma Allocation of Indirect Labor, Indirect Fringe and Operating Expenses from water operations for the Twelve Months Ending December 31, 2022	502,945
	Pro Forma Allocation of Payroll Taxes and Fringe Benefits on Direct Labor from water operations for the Twelve Months Ending December 31, 2022	116,129
	Less: Projected Allocation from water operations for the Twelve Months Ending December 31, 2022 (Exhibit No. FIII-2-6W)	<u>605,444</u>
	Adjustment (502,945 + 116,129) - 605,444	13,629
77580005	Allocation from Water Ops	13,629

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project the allocations from water operations for the twelve months ending February 29, 2024 based on the Company's current allocation methodology (customer count) and projected expense adjustments to various accounts being allocated.	
	Projected allocation of Indirect labor, Indirect fringe and Operating Expenses from water operations for the Twelve Months Ending February 29, 2024	484,130
	Projected allocation of payroll taxes and fringe benefits on Direct Labor from water operations for the Twelve Months Ending February 29, 2024	117,935
	Pro Forma allocation from water operations for the period ended December 31, 2022. (Exhibit No. FIII-2-20)	<u>619,073</u>
	Adjustment (484,130 + 117,935) - 619,073	(17,008)
77580005	Allocation from Water Operations	(17,008)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To project the effect of inflation during the period ending February 29, 2024 on operating expenses not specifically adjusted to future test year levels.	
	Total Operating Expenses for Twelve Months Ended December 31, 2022	3,997,645
	Less: Amounts Specifically Adjusted In This Rate Filing	
	Salaries and Wages	365,215
	Allocation from Water	605,444
	Amortization of Utility Plant Acquisition Adjustments	29,481
	Remaining Operating Expenses For Twelve Months Ended December 31, 2022 Not Specifically Adjusted To Reflect The Effects Of Inflation	2,997,505
	Estimated Effect of Inflation Based on the Annual Percent Change in the CPI-U Index Between February 2021 and February 2022 (All items less food and energy) of 6.4%	191,840
	General Price Level Adjustment	191,840

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING EXPENSE ADJUSTMENTS UNDER EXISTING RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To annualize the allocation from water operations for the twelve months ended February 29, 2024, based on the Company's current allocation methodology (number of customers) and pro forma adjustments made to expenses being allocated.	
	Pro Forma Allocation of Indirect Payroll, fringe benefits and Operating Expenses from water operations for the Twelve Months Ending February 29, 2024	491,428
	Pro Forma Allocation of payroll taxes and fringe benefits on Direct Labor from water operations for the Twelve Months Ending February 29, 2024	121,851
	Less: Projected Allocation from water operations for the Twelve Months Ending February 29, 2024 (Exhibit No. FIII-2-41)	<u>602,065</u>
	Adjustment (491,428 + 121,851) - 602,065	11,213
77580005	Allocation from Water Ops	11,213

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
TAXES OTHER THAN INCOME TAXES

53.53 IV Taxes

D. Water and Wastewater Utilities

15 Provide a schedule of federal and Pennsylvania taxes, other than income taxes, calculated on the basis of test year per books, pro forma at present rates, and pro forma at proposed rates, to include the following categories:

- a. Social security.
- b. Unemployment.
- c. Capital stock.
- d. Public utility realty.
- e. PUC assessment.
- f. Other property.
- g. Any other appropriate categories.

Response: Refer to pages 2 - 4.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 TAXES OTHER THAN INCOME TAXES UNDER EXISTING RATES  
 FOR TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No. FIV-15W  
 Page 2 of 4  
 Witness: M C Winter

	Pro Forma Twelve Months Ended 12-31-21 (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates			Pro Forma Twelve Months Ending 12-31-22 (7)
				Projected Twelve Months Ending 12-31-22 (4)	Exhibit Reference (5)	Adjustment (6)	
TAXES OTHER THAN INCOME TAXES							
40801000 Assessments	27,044	FIV-15-1W	202	27,246	FIV-15-2W	202	27,448
40801100 Purta	-			-			-
40801201 Fica	-			-			-
40801101 Local Real Estate-County	3,930			3,930			3,930
40801102 Local Real Estate-School	14,380			14,380			14,380
40801301 Capital Stock	-			-			-
40801202 Federal Unemployment	-			-			-
40801203 State Unemployment	-			-			-
40801302 Payroll Taxes Capitalized	(2,738)			(2,738)			(2,738)
	42,616		202	42,818		202	43,020

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PRO FORMA TAXES OTHER THAN INCOME TAXES UNDER EXISTING RATES  
 FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FIV-15W  
 Page 3 of 4  
 Witness: M C Winter

	Pro Forma Twelve Months Ending 12-31-22 (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates			Pro Forma Twelve Months Ending 2-29-24 (7)
				Projected Twelve Months Ending 2-29-24 (4)	Exhibit Reference (5)	Adjustment (6)	
TAXES OTHER THAN INCOME TAXES							
40801000 Assessments	27,448	FIV-15-3W	269	27,717	FIV-15-4W	202	27,919
40801100 Purta	-			-			-
40801201 Fica	-			-			-
40801101 Local Real Estate-County	3,930			3,930			3,930
40801102 Local Real Estate-School	14,380			14,380			14,380
40801301 Capital Stock	-			-			-
40801202 Federal Unemployment	-			-			-
40801203 State Unemployment	-			-			-
40801302 Payroll Taxes Capitalized	(2,738)			(2,738)			(2,738)
	43,020		269	43,289		202	43,491



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PRO FORMA TAXES OTHER THAN INCOME TAXES UNDER EXISTING RATES  
 FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FIV-15W  
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 Witness: M C Winter

	Pro Forma Twelve Months Ending 2-29-24 (1)	Under Proposed Rates		Pro Forma Twelve Months Ending 2-29-24 (4)
		Exhibit Reference (2)	Adjustment (3)	
<b>TAXES OTHER THAN INCOME TAXES</b>				
40801000 Assessments	27,919	FIV-15-5W	27,720	55,639
40801100 Purta	-			-
40801201 Fica	-			-
40801101 Local Real Estate-County	3,930			3,930
40801102 Local Real Estate-School	14,380			14,380
40801301 Capital Stock	-			-
40801202 Federal Unemployment	-			-
40801203 State Unemployment	-			-
40801302 Payroll Taxes Capitalized	(2,738)			(2,738)
	43,491		27,720	71,211

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on projected revenues under existing rates for twelve months ending December 31, 2022 and 2021-2022 assessment factors.	
	Projected Operating Revenues Under Existing Rates for the Twelve Months Ending December 31, 2022	4,057,141
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Projected Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Existing Rates for the Twelve Months Ending December 31, 2022 ( 4,057,141	
	x 0.00671560 )	27,246
	Less: Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments For Twelve Months Ended December 31, 2021 (Refer to Exhibit No. HIV-15W)	27,044
		202
40801000	Taxes Other Than Income Taxes-Assessments	202

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on pro forma revenues under existing rates for twelve months ending December 31, 2022 and 2021-2022 assessment factors.	
	Pro Forma Operating Revenues Under Existing Rates for the Twelve Months Ending December 31, 2022	4,087,219
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Existing Rates for the Twelve Months Ending December 31, 2022 (	4,087,219
	x 0.00671560 )	27,448
	Less: Projected Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments For Twelve Months Ended December 31, 2022 (Refer to Exhibit No. FIV-15-1W)	27,246
		202

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
 RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on projected revenues under existing rates for twelve months ending February 29, 2024 and 2021-2022 assessment factors.	
	Projected Operating Revenues Under Existing Rates for the Twelve Months Ending February 29, 2024	4,127,323
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Projected Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Existing Rates for the Twelve Months Ending February 29, 2024 ( 4,127,323	
	x 0.00671560 )	27,717
	Less: Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments For Twelve Months Ended December 31, 2022 (Refer to Exhibit No. FIV-15-2W)	27,448
		269

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER EXISTING  
RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on pro forma revenues under existing rates for twelve months ending February 29, 2024 and 2021-2022 assessment factors.	
	Pro Forma Operating Revenues Under Existing Rates for the Twelve Months Ending February 29, 2024	4,157,401
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Existing Rates for the Twelve Months Ending February 29, 2024 ( 4,157,401 x 0.00671560 )	27,919
	Less: Projected Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments For Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FIV-15-3W)	27,717
		202

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING TAX OTHER THAN INCOME TAX ADJUSTMENTS UNDER PROPOSED  
 RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
	To adjust Pennsylvania Public Utility Commission General Assessment, Consumer Advocate Assessment, Small Business Advocate, and Damage Prevention Control Assessment based on pro forma revenues under proposed rates for twelve months ended February 29, 2024 and 2021-2022 assessment factors.	
	Pro Forma Operating Revenues Under Proposed Rates for the Twelve Months Ending February 29, 2024	8,285,050
	Combined 2021-2022 Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessment Factors	0.671560%
	Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments Under Proposed Rates for the Twelve Months Ending February 29, 2024	( 8,285,050
	x 0.00671560 )	55,639
	Less: Pro Forma Combined Pennsylvania Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control General and Supplemental Assessments For Twelve Months Ending February 29, 2024 (Refer to Exhibit No. FIV-15-4W)	27,919
		27,720
40801000	Taxes Other Than Income Taxes-Assessments	27,720

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED AND PRO FORMA FEDERAL AND STATE INCOME TAXES UNDER EXISTING RATES FOR  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No. FIV-17W  
 Page 1 of 3  
 Witness: M C Winter

		Under Existing Rates						
		Pro Forma Twelve Months Ended December 31, 2021 (Refer to Exh No HIV-17W)	Exhibit Reference	Adjustment	Projected Twelve Months Ending December 31, 2022	Exhibit Reference	Adjustment	Pro Forma Twelve Months Ending December 31, 2022
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
40901000	Current Federal Income Tax	(151,522)	FIV-17-2W	(412,868)	(564,390)	FIV-17-5W	604	(563,786)
40901100	Current State Income Tax	(80,974)	FIV-17-2W	(219,557)	(300,531)	FIV-17-5W	319	(300,212)
41001000	Deferred Federal Income Tax-Accelerated Depreciation	(56,883)	FIV-17-3W	91,152	34,270			34,270
41001012	Deferred Federal Income Tax-Excess ADIT	(7,625)	FIV-17-4W	344	(7,281)			(7,281)
41201100	Amortization of Investment Tax Credits	-			-			-
		(297,003)		(540,929)	(837,932)		923	(837,009)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED FEDERAL AND STATE INCOME TAXES UNDER EXISTING  
 RATES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FIV-17W  
 Page 2 of 3  
 Witness: M C Winter

Under Existing Rates

	Pro Forma Twelve Months Ended December 31, 2022 (1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending February 29, 2024 (4)
40901000 Current Federal Income Tax	(563,786)	FIV-17-7W	46,628	(517,159)
40901100 Current State Income Tax	(300,212)	FIV-17-7W	26,132	(274,080)
41001000 Deferred Federal Income Tax-Accelerated Depreciation	34,270	FIV-17-8W	(10,916)	23,354
41001012 Deferred Federal Income Tax-Excess ADIT	(7,281)	FIV-17-9W	(136)	(7,417)
41201100 Amortization of Investment Tax Credits	-			-
	(837,009)		61,707	(775,302)



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PRO FORMA FEDERAL AND STATE INCOME TAXES UNDER EXISTING AND  
 PROPOSED RATES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024

Exhibit No. FIV-17W  
 Page 3 of 3  
 W Witness: M C Winter

		Under Existing Rates			Under Proposed Rates			
		Projected Twelve Months Ending February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 29, 2024 (7)
40901000	Current Federal Income Tax	(517,159)	FIV-17-10W	1,117	(516,042)	FIV-17-11W	774,973	258,931
40901100	Current State Income Tax	(274,080)	FIV-17-10W	590	(273,490)	FIV-17-11W	409,583	136,093
41001000	Deferred Federal Income Tax-Accelerated Depreciation	23,354			23,354			23,354
41001012	Deferred Federal Income Tax-Excess ADIT	(7,417)			(7,417)			(7,417)
41201100	Amortization of Investment Tax Credits	-			-			-
		(775,302)		1,707	(773,595)		1,184,556	410,961

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES

Account	Explanation	Adjustment Increase (Decrease)
	To adjust current Federal and state income tax for the twelve months ending December 31, 2022 based on projected taxable income under existing rates and current Federal and state income tax rates.	
	Projected Net Operating Income	21,539
	Add:	
	Amortization of Acquisition Adjustments	29,481
	Deduct:	
	Tax Repair Expense	1,544,947
	Cost of Removal	496
	State Tax Depreciation	1,003,612
	Pro Forma Interest Expense (Interest Synchronization)	510,280
	Projected Taxable Income	(3,008,316)
	Projected State Income Tax at 9.99%	(300,531)
		(300,531)
	Federal Bonus Depreciation Less Than State	(20,215)
	Projected Federal Taxable Income	(2,687,570)
	Projected Federal Income Tax at 21%	(564,390)
	Total Projected Current Income Tax	(864,921)
	Less: Pro Forma Current Income Taxes for the Twelve Months Ended December 31, 2021	(232,495)
		(632,425)
40901000	Current Federal Income Tax	(412,868)
40901100	Current State Income Tax	(219,557)

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS FOR THE TWELVE MONTHS ENDED  
DECEMBER 31, 2022

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
2012	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	9,832	17,132	(7,300)
2013	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	3,991	5,630	(1,639)
2014	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	11,643	42,015	(30,372)
2015	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	392	14,626	(14,234)
2016	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	3,862	6,322	(2,460)
2017	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	19,807	9,552	10,256
2018	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	8,238	15,289	(7,051)
2019	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	83,487	62,280	21,207

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS FOR THE TWELVE MONTHS ENDED  
DECEMBER 31, 2022

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
2020	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	44,303	56,724	(12,421)
2021	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	698,230	448,410	249,820
2022	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	99,612	142,227	(42,615)
		983,397	820,208	163,189
	Deferred Federal Income Tax at 21% ( 163,189 x .21)			34,270
	Less: Pro Forma Deferred Federal Income Tax For Twelve Months Ended December 31, 2021			(56,883)
				91,152
41001000	Deferred Federal Income Tax-Accelerated Depreciation			91,152

THE YORK WATER COMPANY  
STATE TAX ADJUSTMENT FOR BONUS DEPRECIATION  
2022

<u>Description</u> (1)	<u>Basis</u> (2)	<u>Federal Depreciation</u> (3)	<u>Bonus Depreciation</u> (4)	<u>Net Federal Depreciation</u> (5)=(3)-(4)	<u>Additional State Depreciation</u> (6)=(5) x .42857
2012 Additions (half-year)					
15 yr. MACRS property 50 Adjustment for disposition	42,964	2,539		2,539	1,088 0
2013 Additions (half-year)					
SL Property 50 Adjustment for disposition	70,702	2,828		2,828	1,212 0
2014 Additions (half-year)					
SL Property 50 Adjustment for disposition	96,328	3,853		3,853	1,651 0
2015 Additions (half-year)					
SL Property 50 Adjustment for disposition	211	8		8	4 0
2016 Additions (half-year)					
7 yr. MACRS property 50	1,660	148		148	64
SL Property 50 Adjustment for disposition	88,597	3,544		3,544	1,519 0
2017 Additions (half-year)					
5 yr. MACRS property 50 1Q	12,390	171		171	73
5 yr. MACRS property 50 3Q	11,919	841		841	361
7 yr. MACRS property 50 2Q	6,038	536		536	230
7 yr. MACRS property 50 4Q	362	32		32	14
SL Property 50 Adjustment for disposition	6,362	254		254	109 13,891
	<u>337,534</u>	<u>14,755</u>	<u>0</u>	<u>14,755</u>	<u>20,215</u>

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CALCULATION OF EXCESS DEFERRED FEDERAL INCOME TAXES RELATED  
 TO ACCELERATED DEPRECIATION FOR THE TWELVE MONTHS ENDING  
 DECEMBER 31, 2022

ACCOUNT	EXPLANATION					ADJUST- MENT INCREASE DECREASE
Vintage (1)	Tax Depreciat- ion (2)	Normalized Tax (Booked) Depreciat- ion (3)	Depreciat- ion Subject to Deferral (4)	Turn- Around Year (5)	Weighted Average Rate (6)	Deferred Federal Income Tax (7)
2012	9,832	17,132	(7,300)	2013	34	(2,482)
2013	3,991	5,630	(1,639)	2014	34	(557)
2014	11,643	42,015	(30,372)	2015	34	(10,327)
2015	392	14,626	(14,234)	2016	34	(4,839)
2016	3,862	6,322	(2,460)	2017	34	(836)
	29,720	85,726	(56,006)			(19,042)
	Deferred Federal Income Tax at 21% ( 56,006 x .21)					11,761
	Deferred Federal Income Tax - Excess ADIT					(7,281)
	Less: Pro Forma Excess Deferred Federal Income Tax For Twelve Months Ended December 31, 2021					(7,625)
						344
41001012	Deferred Federal Income Tax-Excess ADIT					344

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES

Account	Explanation	Adjustment Increase (Decrease)
	To adjust current Federal and state income tax for the twelve months ending December 31, 2022 based on pro forma taxable income under existing rates and current Federal and state income tax rates.	
	Pro Forma Net Operating Income	24,732
	Add:	
	Amortization of Acquisition Adjustments	29,481
	Deduct:	
	Tax Repair Expense	1,544,947
	Cost of Removal	496
	State Tax Depreciation	1,003,612
	Pro Forma Interest Expense (Interest Synchronization)	510,280
	Pro Forma Taxable Income	(3,005,123)
	Pro Forma State Income Tax at 9.99%	(300,212)
		(300,212)
	Federal Bonus Depreciation Greater Than State	(20,215)
	Pro Forma Federal Taxable Income	(2,684,696)
	Pro Forma Federal Income Tax at 21%	(563,786)
	Total Pro Forma Current Income Tax	(863,998)
	Less: Projected Current Income Taxes for the Twelve Months Ending December 31, 2022	(864,921)
		923
40901000	Current Federal Income Tax	604
40901100	Current State Income Tax	319

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES

Account	Explanation	Adjustment Increase (Decrease)
	To project current Federal and state income tax for the twelve months ending February 29, 2024 based on projected taxable income under existing rates and current Federal and state income tax rates.	
	Projected Net Operating Income	(116,150)
	Add:	
	Amortization of Acquisition Adjustments	29,481
	Deduct:	
	Tax Repair Expense	1,015,000
	Cost of Removal	280
	State Tax Depreciation	1,051,733
	Pro Forma Interest Expense (Interest Synchronization)	589,862
	Projected Taxable Income	(2,743,545)
	Projected State Income Tax at 9.99%	(274,080)
		(274,080)
	State Depreciation Greater Than State	(6,805)
	Projected Federal Taxable Income	(2,462,660)
	Projected Federal Income Tax at 21%	(517,159)
	Total Projected Current Income Tax	(791,239)
	Less: Pro Forma Current Income Taxes for the Twelve Months Ending December 31, 2022	(863,998)
		72,759
40901000	Current Federal Income Tax	46,628
40901100	Current State Income Tax	26,132



## THE YORK WATER COMPANY

## DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS FOR THE TWELVE MONTHS ENDED FEBRUARY 29, 2024

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation (4)	Tax Depreciation Subject to IRS Deferral Requirements (5)
2012	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	9,832	17,128	(7,296)
2013	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	3,991	5,637	(1,647)
2014	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	11,643	41,889	(30,246)
2015	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	392	15,765	(15,373)
2016	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	3,788	6,281	(2,493)
2017	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	18,795	6,776	12,018
2018	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	7,820	7,693	127
2019	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	82,744	62,273	20,470

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION CALCULATION OF  
 DEFERRED FEDERAL INCOME TAXES ON ASSETS OTHER THAN ASSETS CONSTRUCTED WITH  
 TAXABLE CUSTOMERS ADVANCES AND CONTRIBUTIONS FOR THE TWELVE MONTHS ENDED  
 FEBRUARY 29, 2024

Vintage Year (1)	Method (2)	Tax Depreciation (3)	Normalized (Booked) Depreciation (4)	Tax Depreciat- ion Subject to IRS Deferral Require- ments (5)
2020	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	40,571	57,772	(17,201)
2021	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	673,724	451,346	222,378
2022	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	150,097	142,067	8,030
2023	Straight Line, Accelerated Cost Recovery System, and Limited Accelerated Cost Recovery System	41,532	119,090	(77,558)
		1,044,928	933,718	111,210
	Deferred Federal Income Tax at 21% ( 111,210 x .21)			23,354
	Less: Pro Forma Deferred Federal Income Tax For Twelve Months Ended December 31, 2022			34,270
				(10,916)
41001000	Deferred Federal Income Tax-Accelerated Depreciation			(10,916)

THE YORK WATER COMPANY  
STATE TAX ADJUSTMENT FOR BONUS DEPRECIATION  
FEBRUARY 29, 2024

<u>Description</u> (1)	<u>Basis</u> (2)	<u>Federal Depreciation</u> (3)	<u>Bonus Depreciation</u> (4)	<u>Net Federal Depreciation</u> (5)=(3)-(4)	<u>Additional State Depreciation</u> (6)=(5) x .42857-(4)
2012 Additions (half-year)					
15 yr. MACRS property 50 Adjustment for disposition	42,964	2,535		2,535	1,086 0
2013 Additions (half-year)					
SL Property 50 Adjustment for disposition	70,702	2,828		2,828	1,212 0
2014 Additions (half-year)					
SL Property 50 Adjustment for disposition	96,328	3,853		3,853	1,651 0
2015 Additions (half-year)					
SL Property 50 Adjustment for disposition	211	8		8	4 0
2016 Additions (half-year)					
7 yr. MACRS property 50	1,660	74		74	32
SL Property 50 Adjustment for disposition	88,597	3,544		3,544	1,519 949
2017 Additions (half-year)					
7 yr. MACRS property 50 2Q	6,038	536		536	230
7 yr. MACRS property 50 4Q	362	32		32	14
SL Property 50 Adjustment for disposition	6,362	254		254	109 0
	<u>313,225</u>	<u>13,664</u>	<u>0</u>	<u>13,664</u>	<u>6,805</u>

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CALCULATION OF EXCESS DEFERRED FEDERAL INCOME TAXES RELATED  
 TO ACCELERATED DEPRECIATION FOR THE TWELVE MONTHS ENDING  
 FEBRUARY 29, 2024

ACCOUNT	EXPLANATION					ADJUST- MENT INCREASE DECREASE		
	Vintage (1)	Tax Depreciat- ion (2)	Normalized Tax (Booked) Depreciat- ion (3)	Depreciat- ion Subject to Deferral (4)	Turn- Around Year (5)	Weighted Average Rate (6)	Deferred Federal Income Tax (7)	
2012		9,832	17,128	(7,296)	2013	34	(2,481)	
2013		3,991	5,637	(1,647)	2014	34	(560)	
2014		11,643	41,889	(30,246)	2015	34	(10,284)	
2015		392	15,765	(15,373)	2016	34	(5,227)	
2016		3,788	6,281	(2,493)	2017	34	(848)	
		29,646	86,701	(57,055)			(19,399)	
		Deferred Federal Income Tax at 21% ( 57,055 x .21)						11,982
		Deferred Federal Income Tax - Excess ADIT						(7,417)
		Less: Pro Forma Excess Deferred Federal Income Tax For Twelve Months Ended December 31, 2022						(7,281)
								(136)
41001012		Deferred Federal Income Tax-Excess ADIT						(136)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING INCOME TAX ADJUSTMENTS UNDER EXISTING RATES

Account	Explanation	Adjustment Increase (Decrease)
	To adjust current Federal and state income tax for the twelve months ending February 29, 2024 based on pro forma taxable income under existing rates and current Federal and state income tax rates.	
	Pro Forma Net Operating Income	(110,242)
	Add:	
	Amortization of Acquisition Adjustments	29,481
	Deduct:	
	Tax Repair Expense	1,015,000
	Cost of Removal	280
	State Tax Depreciation	1,051,733
	Pro Forma Interest Expense (Interest Synchronization)	589,862
	Pro Forma Taxable Income	(2,737,637)
	Pro Forma State Income Tax at 9.99%	(273,490)
		(273,490)
	State Depreciation Greater Than State	(6,805)
	Pro Forma Federal Taxable Income	(2,457,342)
	Pro Forma Federal Income Tax at 21%	(516,042)
	Total Pro Forma Current Income Tax	(789,532)
	Less: Projected Current Income Taxes for the Twelve Months Ending February 29, 2024	(791,239)
		1,707
40901000	Current Federal Income Tax	1,117
40901100	Current State Income Tax	590

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 OPERATING INCOME TAX ADJUSTMENTS UNDER PROPOSED RATES

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE	
	To adjust current Federal and state income taxes based on pro forma revenue increase under proposed rates and current Federal and state income tax rates.		
	Proposed Increase in Sales of Water	4,127,648	
	Add: Increase in Late Charges		
	Less: Increase in Taxes Other Than Income Taxes and Uncollectible Accounts	27,720	
	Increase in State Taxable Income	4,099,929	
	State Income Tax at 9.99%	409,583	409,583
	Increase in Federal Taxable Income	3,690,346	
	Federal Income Tax at 21%		774,973
			1,184,556
40901000	Current Federal Income Tax		774,973
40901100	Current State Income Tax		409,583

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEBT INTEREST UTILIZED FOR INCOME TAX CALCULATIONS

53.53 IV Taxes

D. Water and Wastewater Utilities

18 State the amount of debt interest utilized for income tax calculations, and details of debt interest computations, under each of the following rate case bases;

- a. Actual test year.
- b. Annualized test year-end.
- c. Proposed test year-end.

Response: Debt interest expense utilized for the income tax calculation reflected on the Company's corporate books for the twelve months ended December 31, 2021 is actual debt expense incurred during that period.

Debt interest expense utilized for the income tax calculation on projected income for the twelve months ending December 31, 2022 shown on Exhibit No. FIV-17-1W is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

Rate base 28,853,963 x weighted debt cost rate of 1.77%  
= interest expense utilized for income tax calculations of 510,280

Debt interest expense utilized for the income tax calculation on pro forma income for the twelve months ending December 31, 2022 shown on Exhibit No. FIV-17-5W is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

Rate base 28,853,963 x weighted debt cost rate of 1.77%  
= interest expense utilized for income tax calculations of 510,280

Debt interest expense utilized for the income tax calculation on projected income for the twelve months ending February 29, 2024 shown on Exhibit No. FIV-17-6W is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

Rate base 33,353,950 x weighted debt cost rate of 1.77%  
= interest expense utilized for income tax calculations of 589,862

Debt interest expense utilized for the income tax calculation on pro forma income for the twelve months ending February 29, 2024 shown on Exhibit No. FIV-17-10W is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

Rate base 33,353,950 x weighted debt cost rate of 1.77%  
= interest expense utilized for income tax calculations of 589,862

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
MEASURE OF VALUE AND RATES OF RETURN AT ORIGINAL COST AS OF  
FEBRUARY 29, 2024

53.53 V. Valuation

D. Water and Wastewater Utilities

1. Provide a schedule showing the measures of value and the rates of return at the original cost in the current rate case. All claims made on this exhibit should be cross-referenced to appropriate exhibits.

Response: The original cost measure of value and rate of return under proposed rates are shown below.

	Original Cost Measure of Value (1)	Rate of Return Under Proposed Rates (2)
February 29, 2024	33,353,950 (a)	7.93% (b)

(a) Refer to page 3 for a detail of the measure of value as of February 29, 2024.

(b) Refer to page 6 for a detail of the net operating income available for return and calculation of rates of return on the original cost measure of value.



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SUMMARY OF MEASURE OF VALUE AS OF DECEMBER 31, 2022

Elements (1)	Exhibit Reference (2)	Original Cost (3)
Utility Plant in Service Less Accrued Depreciation	FVI-WA	29,735,052
Deduct:		
Deferred Federal Income Taxes Related to Accelerated Dep- reciation	FV-1-1W	136,478
Excess Deferred Federal Income Taxes Related to Accelerated Depreciation	FV-1-1W	10,755
Contributions in Aid of Construction Less Accrued Depreciation	FVI-WA	1,047,809
Customers' Advances for Con- struction Less Accrued Dep- reciation	FVI-WA	-
Funds Supplied Through Cust- omers' Advances Not Expended		-
Total Deductions		1,195,042
Add:		
Materials and Supplies		-
Cash Working Capital		-
Utility Plant Acquisition Adjustment	FV-1-2W	294,808
Taxes on Deposits for Construction and Customer Advances	FV-1-3W	19,145
Total Additions		313,953
Total Measure of Value		28,853,963

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
SUMMARY OF MEASURE OF VALUE AS OF FEBRUARY 29, 2024

Elements (1)	Exhibit Reference (2)	Original Cost (3)
Utility Plant in Service Less Accrued Depreciation	FVI-WB	34,264,142
Deduct:		
Deferred Federal Income Taxes Related to Accelerated Dep- reciation	FV-1-1W	148,987
Excess Deferred Federal Income Taxes Related to Accelerated Depreciation	FV-1-1W	6,782
Contributions in Aid of Construction Less Accrued Depreciation	FVI-WB	1,033,184
Customers' Advances for Con- struction Less Accrued Dep- reciation	FVI-WB	-
Funds Supplied Through Cust- omers' Advances Not Expended	FV-1-2	-
Total Deductions		1,188,953
Add:		
Materials and Supplies		-
Cash Working Capital		-
Utility Plant Acquisition Adjustment	FV-1-2W	260,414
Taxes on Deposits for Construction and Customer Advances	FV-1-3W	18,347
Total Additions		278,761
Total Measure of Value		33,353,950

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF CALCULATION OF THE RATE OF RETURN UNDER EXISTING  
RATES FOR TWELVE MONTHS ENDED DECEMBER 31, 2022

	Pro Forma			Under Existing Rates			Pro Forma Twelve Months Ended December 31, 2022 (7)
	Twelve Months Ended December 31, 2021 (1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ended December 31, 2022 (4)	Exhibit Reference (5)	Adjustment (6)	
Operating Revenues	4,031,924	FII-2W	30,078	4,062,002	FII-2W	30,078	4,092,080
Operating Expenses, Depreciation and Taxes							
Operating Expenses	3,845,703	FIII-2W	151,942	3,997,645	FIII-2W	26,683	4,024,328
Depreciation	689,855	FI-2W	130,353	820,208			820,208
Taxes Other Than Income Taxes	42,616	FIV-15W	202	42,818	FIV-15W	202	43,020
Income Taxes	(297,003)	FIV-17W	(540,929)	(837,932)	FIV-17W	923	(837,009)
Total Operating Expenses, Dep- reciation and Taxes	4,281,171		(258,432)	4,022,739		27,808	4,050,547
Net Operating Income Available For Return	(249,248)		288,510	39,262		2,270	41,533
Measure of Value as of February 29, 2024 and Rates of Return (Refer to Page 2)	-0.75%			0.12%			0.12%
Original Cost Less Accrued Depreciation	33,353,950						

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF CALCULATION OF THE RATE OF RETURN UNDER EXISTING  
RATES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024 AND THE ANTICIPATED RATE OF RETURN WHEN THE PROPOSED RATES BECOME EFFECTIVE

	Under Existing Rates						
	Pro Forma Twelve Months Ended December 31, 2022 (1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ended February 29, 2024 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ended February 29, 2024 (7)
Operating Revenues	4,092,080	FII-2W	40,104	4,132,184	FII-2W	30,078	4,162,262
Operating Expenses, Depreciation and Taxes							
Operating Expenses	4,024,328	FIII-2W	180,717	4,205,045	FIII-2W	23,968	4,229,013
Depreciation	820,208	FI-2W	113,510	933,718			933,718
Taxes Other Than Income Taxes	43,020	FIV-15W	269	43,289	FIV-15W	202	43,491
Income Taxes	(837,009)	FIV-17W	61,707	(775,302)	FIV-17W	1,707	(773,595)
Total Operating Expenses, Depreciation and Taxes	4,050,547		356,204	4,406,751		25,877	4,432,628
Net Operating Income Available For Return	41,533		(316,099)	(274,567)		4,201	(270,366)
Measure of Value as of February 29, 2024 and Rates of Return (Refer to Page 2)	0.12%			-0.82%			-0.81%
Original Cost Less Accrued Depreciation	33,353,950						

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
STATEMENT OF CALCULATION OF THE RATE OF RETURN UNDER PROPOSED  
RATES FOR TWELVE MONTHS ENDING FEBRUARY 29, 2024 AND THE ANTICIPATED RATE OF RETURN WHEN THE PROPOSED RATES BECOME EFFECTIVE

	Under Proposed Rates			Pro Forma Twelve Months Ended February 29, 2024 (4)
	Pro Forma Twelve Months Ended February 29, 2024 (1)	Exhibit Reference (2)	Adjustment (3)	
Operating Revenues	4,162,262	FII-2W	4,127,648	8,289,911
Operating Expenses, Depreciation and Taxes				
Operating Expenses	4,229,013	FIII-2W	-	4,229,013
Depreciation	933,718			933,718
Taxes Other Than Income Taxes	43,491	FIV-15W	27,720	71,211
Income Taxes	(773,595)	FIV-17W	1,184,556	410,961
Total Operating Expenses, Depreciation and Taxes	4,432,628		1,212,275	5,644,903
Net Operating Income Available For Return	(270,366)		2,915,373	2,645,008
Measure of Value as of February 29, 2024 and Rates of Return (Refer to Page 2)	-0.81%			7.93%
Original Cost Less Accrued Depreciation	33,353,950			

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF DECEMBER 31, 2022 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Deferred Federal Income Taxes (Per Books) (2)
2012	8,924
2013	10,517
2014	(22,367)
2015	10,461
2016	15,698
2017	9,878
2018	5,159
2019	24,399
2020	(148)
2021	82,906
2022	(8,949)
	136,478

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF FEBRUARY 29, 2024 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Deferred Federal Income Taxes (Per Books) (2)
2012	7,392
2013	10,172
2014	(28,718)
2015	7,232
2016	15,174
2017	12,402
2018	5,186
2019	28,697
2020	(3,760)
2021	129,605
2022	(7,263)
2023	(16,287)
	159,832

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF FEBRUARY 29, 2024 DEDUCTED FROM THE MEASURE OF VALUE

Projected Deferred Taxes at 2-28-23	139,814
Projected Deferred Taxes at 2-29-24	159,832
Increase in Deferred Taxes	20,018

Month (1)	Deferred Federal Income Taxes (Per Books) (2)	Increase Per Month (3)	Proration (4)	Prorated Increase Per Month (5)	Deferred Federal Income Taxes (Per Reg. Sec. 1.167) (6)	Difference (7)
Balance Deferred Taxes						
2/28/2023	139,814		365/365	-	139,814	-
3/31/2023	141,483	1,668	335/365	1,531	141,346	(137)
4/30/2023	143,151	1,668	305/365	1,394	142,739	(411)
5/31/2023	144,819	1,668	274/365	1,252	143,992	(827)
6/30/2023	146,487	1,668	244/365	1,115	145,107	(1,380)
7/31/2023	148,155	1,668	213/365	973	146,080	(2,075)
8/31/2023	149,823	1,668	182/365	832	146,912	(2,911)
9/30/2023	151,492	1,668	152/365	695	147,607	(3,885)
10/31/2023	153,160	1,668	121/365	553	148,160	(5,000)
11/30/2023	154,828	1,668	91/365	416	148,576	(6,252)
12/31/2023	156,496	1,668	60/365	274	148,850	(7,646)
1/31/2024	158,164	1,668	29/365	133	148,982	(9,182)
2/29/2024	159,832	1,668	1/365	5	148,987	(10,845)



THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
EXCESS DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF DECEMBER 31, 2022 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Deferred Federal Income Taxes (2)
2012	995
2013	5,600
2014	(17,236)
2015	5,685
2016	8,441
2017	7,270
	10,755

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
EXCESS DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF FEBRUARY 29, 2024 DEDUCTED FROM THE MEASURE OF VALUE

Year (1)	Deferred Federal Income Taxes (2)
2012	46
2013	5,386
2014	(21,168)
2015	3,687
2016	8,117
2017	7,270
	3,338

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
DEFERRED FEDERAL INCOME TAXES RELATED TO ACCELERATED DEPRECIATION  
AS OF FEBRUARY 29, 2024 DEDUCTED FROM THE MEASURE OF VALUE

Projected Excess Deferred Taxes at 2-28-23	9,695
Projected Excess Deferred Taxes at 2-29-24	3,338
Decrease in Excess Deferred Taxes	(6,358)

Month (1)	Deferred Federal Income Taxes (Per Books) (2)	Decrease Per Month (3)	Proration (4)	Prorated Decrease Per Month (5)	Deferred Federal Income Taxes (Per Reg. Sec. 1.167) (6)	Difference (7)
Balance Deferred Taxes						
2/28/2023	9,695		365/365	-	9,695	-
3/31/2023	9,165	(530)	335/365	(486)	9,209	44
4/30/2023	8,636	(530)	305/365	(443)	8,766	131
5/31/2023	8,106	(530)	274/365	(398)	8,369	263
6/30/2023	7,576	(530)	244/365	(354)	8,014	438
7/31/2023	7,046	(530)	213/365	(309)	7,705	659
8/31/2023	6,516	(530)	182/365	(264)	7,441	925
9/30/2023	5,987	(530)	152/365	(221)	7,220	1,234
10/31/2023	5,457	(530)	121/365	(176)	7,045	1,588
11/30/2023	4,927	(530)	91/365	(132)	6,913	1,986
12/31/2023	4,397	(530)	60/365	(87)	6,826	2,428
1/31/2024	3,867	(530)	29/365	(42)	6,783	2,916
2/29/2024	3,338	(530)	1/365	(1)	6,782	3,444

THE YORK WATER COMPANY  
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
UTILITY PLANT ACQUISITION ADJUSTMENT  
FELTON BOROUGH ASSETS  
AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Acquisition Costs	913,679
Less Depreciated Original Cost of Wastewater Property and Rights	618,871
Acquisition Adjustment Subject to Amortization as of December 31, 2022	294,808
Projected Amortization During the Period 01-01-23 Through February 29, 2024	

	<u>Amortization</u>	<u>Unamortized Balance</u>
Jan-23	2,457	292,351
Feb-23	2,457	289,895
Mar-23	2,457	287,438
Apr-23	2,457	284,981
May-23	2,457	282,524
Jun-23	2,457	280,068
Jul-23	2,457	277,611
Aug-23	2,457	275,154
Sep-23	2,457	272,697
Oct-23	2,457	270,241
Nov-23	2,457	267,784
Dec-23	2,457	265,327
Jan-24	2,457	262,870
Feb-24	2,457	260,414

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 TAXES ON DEPOSITS FOR CONSTRUCTION AND CUSTOMER ADVANCES  
 AS OF DECEMBER 31, 2022 AND FEBRUARY 29, 2024

Taxes on Deposits for Construction and Customer Advances at December 31, 2021		19,943
Depreciation on Projects for the period ending December 31, 2022 at 4%	(2,761)	
State Income Tax Deduction at 9.99%	(276)	
Federal Income Tax Deduction at 21%	(522)	
Tax Deduction on Deposits for Construction and Customer Advances at December 31, 2022		(798)
Net Taxes on Deposits for Construction and Customer Advances at December 31, 2022		19,145
Depreciation on Projects for the period ending December 31, 2022 at 4%	(2,761)	
State Income Tax Deduction at 9.99%	(276)	
Federal Income Tax Deduction at 21%	(522)	
Tax Deduction on Deposits for Construction and Customer Advances at December 31, 2022		(798)
Net Taxes on Deposits for Construction and Customer Advances at February 29, 2024		18,347

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED MONTHLY ACTIVITY AND BALANCES FOR WASTEWATER FOR  
 THE TWELVE MONTHS ENDING DECEMBER 31, 2022 FOR UTILITY PLANT  
 UNDER CONSTRUCTION AND UTILITY PLANT IN SERVICE

Exhibit No.FV-12-1W  
 Page 1 of 1  
 Witness: M A Wheeler

Period (1)	Utility Plant Under Construction (Account No. 105)				Utility Plant in Service (Account No. 101)			Balance End of Period (9)=(6)+(7) -(8)
	Balance Beginning of Period (2)	Construction Expenditures (3)	Plant Transferred to in Service (4)	Balance End of Period (5)=(2)+(3) -(4)	Balance Beginning of Period (6)	Plant Transferred From Under Construction (7)	Retirements (8)	
December, 2021				3,641,699 (a)				32,341,581
January, 2022	3,641,699	335,333	-	3,977,032	32,341,581	-	-	32,341,581
February	3,977,032	345,833	63,128	4,259,738	32,341,581	63,128	-	32,404,709
March	4,259,738	335,333	834,286	3,760,785	32,404,709	834,286	6,566	33,232,429
April	3,760,785	510,333	3,461,049	810,070	33,232,429	3,461,049	-	36,693,478
May	810,070	282,833	22,500	1,070,403	36,693,478	22,500	-	36,715,978
June	1,070,403	260,333	197,312	1,133,424	36,715,978	197,312	-	36,913,290
July	1,133,424	276,667	-	1,410,091	36,913,290	-	-	36,913,290
August	1,410,091	276,667	-	1,686,757	36,913,290	-	-	36,913,290
September	1,686,757	276,667	120,000	1,843,424	36,913,290	120,000	-	37,033,290
October	1,843,424	236,667	-	2,080,091	37,033,290	-	-	37,033,290
November	2,080,091	236,667	-	2,316,757	37,033,290	-	-	37,033,290
December	2,316,757	236,667	1,000,000	1,553,424	37,033,290	1,000,000	5,608	38,027,682

(a) Includes Utility Plant Under Construction As Of December 31, 2021  
 Which Is Completed And In Service (Refer to Exhibit No. FV-12-2W).

Also Includes Utility Plant Under Construction As Of December 31, 2021  
 Which Will Be Completed And Placed In Service During The Twelve  
 Months Ending December 31, 2022. ( Refer to Exhibit No. FV-12-2W)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED ADDITIONS PLACED IN SERVICE FOR WASTEWATER  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No.FV-12-2W  
 Page 1 of 2  
 Witness: M A Wheeler

Description	Acct No.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Wastewater														
Structures and Improvements														
AC Split Unit LWWWTP Office/Lab/VFD Room	354						10,000							10,000
Access for LABS Personnel @ EP	354						3,000							3,000
Shelving/Workbench/Chemical Storage @ EP	354		2,500											2,500
Roof Replacement (Lab) & Gutter Guard (Chem Bldg)	354			6,000										6,000
Power Generation Equipment														
Generator (East Branch Lift Station)	355									65,000				65,000
Collection Sewers														
Replace Existing Main - West York	361												1,000,000	1,000,000
I & I Reduction / Manhole Rehab	361						15,000							15,000
Pumping Equipment														
West Manheim Upgrade DGM Controls	371									25,000				25,000
Install Bypass Valves @ Lift Stations in Jacobus	371									30,000				30,000
Grinder/Spiral Lift Upgrade and Maintenance @ Low	371						33,000							33,000
Rebuild Pumps	371						10,000							10,000
Treatment & Monitoring Equipment														
Moisture Balance x2	380		8,000											8,000
Samplers	380					15,000								15,000
Purchase (2) - 2" Trash Pumps, Hose and Fittings for	380					7,500								7,500
		0	10,500	6,000	0	22,500	71,000	0	0	120,000	0	0	1,000,000	1,230,000

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED ADDITIONS PLACED IN SERVICE FOR WASTEWATER  
 TWELVE MONTHS ENDING DECEMBER 31, 2022

Exhibit No.FV-12-2W  
 Page 2 of 2  
 Witness: M A Wheeler

Description	Acct No.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Utility Plant Under Construction as of December 31, 2021 Which Is Completed and Placed In Service As of December 31, 2021 (These Expenditures <b>Are Not</b> Included In The Company's Forecast of Construction Expend- itures For 2018 (Exhibit No. HXI-4)														
WA15-007A Addtl Chgs- Lower Windsor WWTP	354		52,628											52,628
WA20-019 WY Repl Sewer Main-Dewey/Popla	361			529,947										529,947
		0	52,628	529,947	0	0	0	0	0	0	0	0	0	582,575
Utility Plant Under Construction as of December 31, 2021 Which Will Be Completed and Placed In Service During 2022 (These Expenditures <b>Are Not</b> Included In The Company's Forecast of Construction Expend- itures For 2022 (Exhibit No. HXI-4)														
WA19-013 Amblebrook WWTP Phase I	354				3,461,049									3,461,049
WA19-018 Jacobus Bor Wastewater SCADA	396						72,242							72,242
WA19-019 W Manheim Wastewater SCADA	396						13,968							13,968
WA19-020 Felton Borough WWTP Scada	396						32,055							32,055
WA19-021 Letterkenny Twp WWTP Scada	396						8,047							8,047
WA20-023 Letterkenny WW Outfall Pipes	382			130,032										130,032
WA21-006 Shed/Blower Bldg-Letterkenny	354			44,438										44,438
WA21-009 Generators-Jacobus Lift Stations	355			123,869										123,869
		0	0	298,339	3,461,049	0	126,312	0	0	0	0	0	0	3,885,700
		0	63,128	834,286	3,461,049	22,500	197,312	0	0	120,000	0	0	1,000,000	5,698,275





THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED MONTHLY ACTIVITY AND BALANCES FOR WASTEWATER FOR  
 THE FOURTEEN MONTHS ENDING FEBRUARY 29, 2024 FOR UTILITY PLANT  
 UNDER CONSTRUCTION AND UTILITY PLANT IN SERVICE

Exhibit No.FV-12-4W  
 Page 1 of 1  
 Witness: M A Wheeler

Period (1)	Utility Plant Under Construction (Account No. 105)				Utility Plant in Service (Account No. 101)			
	Balance Beginning of Period (2)	Construction Expenditures (3)	Plant Transferred to in Service (4)	Balance End of Period (5)=(2)+(3) -(4)	Balance Beginning of Period (6)	Plant Transferred From Under Construction (7)	Retirements (8)	Balance End of Period (9)=(6)+(7) -(8)
December, 2022				1,553,424 (a)				38,027,682
January, 2023	1,553,424	616,667	-	2,170,091	38,027,682	-	-	38,027,682
February	2,170,091	616,667	-	2,786,757	38,027,682	-	-	38,027,682
March	2,786,757	616,667	1,500,000	1,903,424	38,027,682	1,500,000	-	39,527,682
April	1,903,424	521,667	-	2,425,091	39,527,682	-	-	39,527,682
May	2,425,091	536,667	15,000	2,946,757	39,527,682	15,000	-	39,542,682
June	2,946,757	521,667	15,000	3,453,424	39,542,682	15,000	-	39,557,682
July	3,453,424	526,667	-	3,980,091	39,557,682	-	-	39,557,682
August	3,980,091	526,667	-	4,506,757	39,557,682	-	-	39,557,682
September	4,506,757	526,667	30,000	5,003,424	39,557,682	30,000	-	39,587,682
October	5,003,424	516,667	-	5,520,091	39,587,682	-	-	39,587,682
November	5,520,091	516,667	-	6,036,757	39,587,682	-	-	39,587,682
December	6,036,757	516,667	3,460,000	3,093,424	39,587,682	3,460,000	5,608	43,042,074
January, 2024	3,093,424	216,667	400,000	2,910,091	43,042,074	400,000	-	43,442,074
February	2,910,091	216,667	-	3,126,757	43,442,074	-	-	43,442,074

(a) Includes Utility Plant Under Construction As Of December 31, 2022  
 Which Will be Completed And Placed In Service by February 29, 2024  
 (Refer to Exhibit No. FV-12-5)

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 PROJECTED ADDITIONS PLACED IN SERVICE FOR WASTEWATER  
 FOURTEEN MONTHS ENDED FEBRUARY 29, 2024

Exhibit No.FV-12-5W  
 Page 1 of 1  
 Witness: M A Wheeler

Description	Acct No.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024		Total
														Jan	Feb	
<b>Wastewater</b>																
<b>Structures and Improvements</b>																
Amblebrook WWTP Expansion - Engineering	354												60,000			60,000
Amblebrook WWTP Expansion - Construction	354												2,400,000			2,400,000
<b>Power Generation Equipment</b>																
<b>Collection Sewers</b>																
Amblebrook Section C Sewer Mains	361			1,500,000												1,500,000
Replace Existing Main - West York	361												1,000,000			1,000,000
I & I Reduction / Manhole Rehab	361						15,000									15,000
<b>Pumping Equipment</b>																
Hedgewick Lane Pumping Station Expansion	371													400,000		400,000
Install Bypass Valves @ Lift Stations in Jacobus	371									30,000						30,000
<b>Treatment &amp; Monitoring Equipment</b>																
Samplers	380					15,000										15,000
<b>Shop Equipment</b>																
		0	0	1,500,000	0	15,000	15,000	0	0	30,000	0	0	3,460,000	400,000	0	5,420,000
<b>Utility Plant Under Construction as of December 31, 2022 Which Is Completed and Placed In Service As of December 31, 2022 (These Expenditures Are Not Included In The Company's Forecast of Construction Expenditures Fourteen Months Ending February 29, 2024 (Exhibit No. HXI-4))</b>																
																0
																0
																0
																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Utility Plant Under Construction as of December 31, 2022 Which Will Be Completed and Placed In Service During Period Ending February 29, 2024 (These Expenditures Are Not Included In The Company's Forecast of Construction Expenditures Fourteen Months Ending February 29, 2024 (Exhibit No. HXI-4))</b>																
																0
																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	1,500,000	0	15,000	15,000	0	0	30,000	0	0	3,460,000	400,000	0	5,420,000



THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUB  
 PROJECTED RETIREMENTS REMOVED FROM SERVICE  
 FOURTEEN MONTHS ENDED FEBRUARY 29, 2024

Exhibit No.FV-12-6W  
 Page 2 of 2  
 Witness: M A Wheeler

Description	Acct No.	Aug	Year	Sep	Year	Oct	Year	Nov	Year	Dec	Year	2024 Jan	Year	Feb	Year	Total
Wastewater																
Structures and Improvements																
Power Generation Equipment																
Collection Sewers																
Replace Existing Main - West York	361									5,608	1935					5,608
Pumping Equipment																
Treatment & Monitoring Equipment																
Shop Equipment																
		0		0		0		0		5,608		0		0		5,608

Retirements Associated With Utility Plant Under Construction As Of December 31, 2022 Which Will Be Completed and Placed In Service During Fourteen Months Ending February 29, 2024	Acct No.	Aug	Year	Sep	Year	Oct	Year	Nov	Year	Dec	Year	2024 Jan	Year	Feb	Year	Total
																0
																0
																0
																0
		0		0		0		0		0		0		0		0
		0		0		0		0		5,608		0		0		5,608

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONTRIBUTIONS IN AID OF CONSTRUCTION FOR WASTEWATER  
 DECEMBER 31, 2022

Exhibit No.FV-16-1W  
 Page 1 of 1  
 Witness: D E Coppersmith

Year	354 (Pumping)	354 (Treatment)	355 (Power Generation)	360.2 (Force)	361.2 (Gravity)	361.21 (Manholes)	363 (Service Laterals)	371 (Pumping Equip)	380 (Treatment Equip)	Total
2016							17,600			17,600
2017							13,200			13,200
2018							2,200			2,200
2019							4,400			4,400
2020	74,864	236,723	14,638	24,270	541,016	26,786	74,918	7,920	56,165	1,057,300
2021							6,600			6,600
2022							17,600			17,600
	74,864	236,723		24,270	541,016	26,786	136,518	7,920	56,165	1,118,900

THE YORK WATER COMPANY  
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 CONTRIBUTIONS IN AID OF CONSTRUCTION FOR WASTEWATER  
 FEBRUARY 29, 2024

Exhibit No.FV-16-3W  
 Page 1 of 1  
 Witness: D E Coppersmith

Year	354 (Pumping)	354 (Treatment)	355 (Power Generation)	360.2 (Force)	361.2 (Gravity)	361.21 (Manholes)	363 (Service Laterals)	371 (Pumping Equip)	380 (Treatment Equip)	Total
2016							17,600			17,600
2017							13,200			13,200
2018							2,200			2,200
2019							4,400			4,400
2020	74,864	236,723	14,638	24,270	541,016	26,786	74,918	7,920	56,165	1,057,300
2021							6,600			6,600
2022							17,600			17,600
JAN 2023										-
FEB 2023							2,200			2,200
MAR 2023							2,200			2,200
APR 2023										-
MAY 2023							2,200			2,200
JUN 2023							2,200			2,200
JUL 2023										-
AUG 2023							2,200			2,200
SEP 2023							2,200			2,200
OCT 2023										-
NOV 2023							2,200			2,200
DEC 2023							2,200			2,200
JAN 2024										-
FEB 2024										-
	74,864	236,723		24,270	541,016	26,786	154,118	7,920	56,165	1,136,500

1 **YORK WATER STATEMENT NO. 4**

2  
3 **BEFORE THE**  
4 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

5  
6 **THE YORK WATER COMPANY**

7  
8 **DIRECT TESTIMONY OF DANIEL E. COPPERSMITH JR.**

9  
10 Q. State your name and business address.

11 A. Daniel E. Coppersmith Jr. My business address is: 130 East Market Street, York,  
12 Pennsylvania.

13  
14 Q. By whom are you employed?

15 A. I am employed by The York Water Company (“York Water” or the “Company”).  
16

17 Q. State your present position with the Company and explain your duties and  
18 responsibilities.

19 A. I am the Finance Manager for the Company. My duties and responsibilities include  
20 preparing the operating budget, managing the Property Records Department, and filing  
21 data requirements with the Pennsylvania Public Utility Commission (“Commission”).  
22

23 Q. How long have you been employed by the Company?

24 A. I have been employed by the Company since June 19, 2007.



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Q. What is your educational background?

A. I have a Bachelor's of Science Degree in Accounting from Central Penn College.

Q. Have you previously testified before a regulatory commission?

A. Yes, I have presented testimony to the Commission in the Company's last rate case.

Q. Will you list the exhibits you are sponsoring in this proceeding?

A. I am sponsoring the following water operations exhibits prepared by me or under my direction and supervision:

Exhibit No. H (c)-3 relating to utility plant;

Exhibit No. HI-2-1 relating to depreciation expense included in the statement of operations for the water division; and

Exhibit Nos. H (c)-1, HV-1, HV-1-2, HV-1-3, HV-1-4, HV-1-5, HV-1-6, HV-1-7, HV-1-8, HV-1-9, HV-2, HV-3, HV-4, HV-5, HV-6, HV-7, HV-8, HV-8-1, HV-8-2, HV-8-3, HV-8-4, HV-9, HV-11, HV-13, HV-14, HV-15, HV-16, HV-16-1, and HV-16-2 relating to the original cost measure of value for the water division.

Q. Explain Exhibit No. H(c)-3.

A. Exhibit No. H(c)-3 provides a summary, by detailed plant account, of the book value of utility property as of December 31, 2021.

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Q. Explain Exhibit No. HI-2-1.

A. Exhibit No. HI-2-1 adjusts the water depreciation accrual from the level reflected on the corporate books for the twelve months ended December 31, 2021, to the level determined in the depreciation study identified as Exhibit No. HVI. The adjustment in the amount of \$1,387,135 is determined by subtracting the booked depreciation accrual for the twelve months ended December 31, 2021, in the amount of \$8,665,148 from the pro forma annual depreciation accrual in the amount of \$10,052,283. The adjustment in the amount of \$1,387,135 has been carried forward to Exhibit No. HI-2, Column 2.

Q. Who will testify with respect to the pro forma depreciation expense for the twelve-month period ended December 31, 2021?

A. John J. Spanos, President, Depreciation and Valuation Studies, Gannett Fleming Valuation and Rate Consultants, Inc. will testify with respect to the annual water depreciation accrual.

Q. Are you sponsoring any other exhibits regarding the Company's water statement of operations?

A. No.

Q. Explain Exhibit No. HV-1.

A. Exhibit No. HV-1 provides a summary of the components of the water original cost measure of value in the amount of \$260,841,584 as of December 31, 2021, net operating income available and rate of return under existing rates for the twelve months ended

1 December 31, 2021, net operating income and rate of return under existing rates after  
2 adjustments for ratemaking purposes (“pro forma”) for the twelve months ended  
3 December 31, 2021, and net operating income and rate of return under proposed rates for  
4 the twelve months ended December 31, 2021.

5  
6 A summary of the components of the original cost measure of value in the amount of  
7 \$260,841,584 as of December 31, 2021, is shown on page 2 of Exhibit No. HV-1.

8  
9 One component is the utility plant in service less book accrued depreciation as of  
10 December 31, 2021. The original cost of utility plant in service per books as of  
11 December 31, 2021, is \$428,223,812 and the accrued depreciation as of December 31,  
12 2021, is \$95,636,498. The depreciated original cost of utility plant in service as of  
13 December 31, 2021, is \$332,587,314 ( $\$428,223,812 - \$95,636,498 = \$332,587,314$ ). The  
14 details of original cost of utility plant in service and accrued depreciation by account, sub  
15 account and vintage are set forth in Exhibit No. HVI.

16  
17 Q. Who will testify with respect to accrued depreciation in the amount of \$95,636,498 as of  
18 December 31, 2021, related to utility plant in service?

19 A. John J. Spanos will testify with respect to water accrued depreciation (see York Water  
20 Statement No. 106).

21  
22 Q. Will you continue with your explanation of Page 2 of Exhibit No. HV-1?

23 A. The unamortized balance, as of December 31, 2021, of deferred Federal income taxes  
24 related to water accelerated depreciation in the amount of \$23,651,956 is deducted from

1 the original cost measure of value, and this amount is set forth in Exhibit No. HV-1-1,  
2 which is explained in Mr. Poff's testimony (see York Water Statement No. 3).

3  
4 The unamortized balance, as of December 31, 2021, of excess deferred Federal income  
5 taxes related to accelerated depreciation in the amount of \$13,625,482 is deducted from  
6 the original cost measure of value, and this amount is set forth in Exhibit No. HV-1-1,  
7 which is explained in Mr. Poff's testimony (York Water Statement No. 3).

8  
9 An amount of \$33,658,658 representing contributions in aid of construction less accrued  
10 depreciation as of December 31, 2021, is deducted from the original cost measure of  
11 value. This amount consists of the original cost of contributions in aid of construction per  
12 books as of December 31, 2021, in the amount of \$40,739,680 less accrued depreciation  
13 as of December 31, 2021, in the amount of \$7,081,022 ( $\$40,739,680 - \$7,081,022 =$   
14  $\$33,658,658$ ). The details are shown by account, sub account and vintage in Exhibit No.  
15 HVI.

16  
17 An amount of \$4,714,578 for customers' advances for construction less accrued  
18 depreciation as of December 31, 2021, is deducted from the original cost measure of  
19 value. This component consists of the original cost of customers' advances for  
20 construction per books as of December 31, 2021, in the amount of \$8,777,990 less  
21 accrued depreciation as of December 31, 2021, in the amount of \$4,063,412 ( $\$8,777,990 -$   
22  $\$4,063,412 = \$4,714,578$ ). The details are shown by account, sub account, and vintage in  
23 Exhibit No. HVI.

1 Q. Who will testify with respect to the accrued depreciation related to contributions and  
2 advances?

3 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
4 Statement No. 106).

5

6 Q. Do the amounts set forth in Exhibit No. HV-1 for Contributions and Advances reflect any  
7 amounts related to income tax liabilities that the Company has incurred between January  
8 1, 1987, and June 12, 1996, as a result of the TRA-86 requirement that Contributions and  
9 Advances be taxed or has incurred between January 1, 2018, and December 31, 2020, as a  
10 result of the Tax Cuts and Jobs Act of 2017 requirement that Contributions and Advances  
11 be taxed?

12 A. No. Consistent with the Company's ratemaking and accounting procedure in effect at the  
13 time with regard to the income taxes on Contributions and Advances, the Company has  
14 made no adjustment to amounts recorded between January 1, 1987, and June 12, 1996, or  
15 between January 1, 2018, and December 31, 2020, for Contributions or Advances to  
16 reflect additional income taxes that were required to be paid with respect to receipt of  
17 such Contributions or Advances as a result of Section 824 of TRA-86 or the Tax Cuts and  
18 Jobs Act of 2017. Contributions and Advances received between January 1, 1987, and  
19 June 12, 1996, and between January 1, 2018, and December 31, 2020, are reflected in the  
20 utility plant accounts and in the accounts for Contributions and Advances, as shown in  
21 Exhibit No. HVI at the original cost of the facilities constructed with the Contribution or  
22 Advance, without consideration of the associated income tax liability incurred by the  
23 Company. Under federal tax law provisions in effect at the time, contributions and  
24 advances received subsequent to June 12, 1996, through December 31, 2017, were not

1           taxed. Under federal tax law provisions currently in effect, contributions and advances  
2           received subsequent to December 31, 2020, are not taxed.

3  
4    Q.    Will you continue with your explanation of Exhibit No. HV-1?

5    A.    Funds supplied through Customer Advances in the amount of \$1,475,804 are deducted  
6           from the original cost measure of value, and this amount is set forth in Exhibit No. HV-1-  
7           2, which I will explain later.

8  
9           Materials and supplies in the amount of \$1,278,155 are included in the original cost  
10          measure of value, and the details are set forth in Exhibit No. HV-11, which I will explain  
11          later.

12  
13          An allowance for cash working capital in the amount of \$2,678,411 is included in the  
14          original cost measure of value. The details are shown in Exhibit Nos. HV-8, HV-8-1,  
15          HV-8-1 (a), HV-8-1 (b), HV-8-1 (c), HV-8-1 (d), HV-8-1 (e), HV-8-1 (f), HV-8-1 (g),  
16          HV-8-1 (g) 1, HV-8-1 (g) 2, HV-8-2, HV-8-3, and HV-8-4, which Mr. Poff and I will  
17          explain later.

18  
19          Unamortized utility plant adjustments for Margaretta Mobile Home Park, Section A  
20          Water Corporation, York Starview LP, Westwood Mobile Home Park, Lincoln Estates  
21          Mobile Home Park, The Meadows, and Wrightsville Borough Municipal Authority in the  
22          amount of (\$101,433) (\$39,781 + \$6,946 + \$7,179 + (\$54,090) + (\$55,316) + (\$113,820)  
23          + \$67,886) are included in the original cost measure of value. The details are set forth in  
24          Exhibit Nos. HV-1-3, HV-1-4, HV-1-5, HV-1-6, HV-1-7, HV-1-8, and HV-1-9.

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Taxes on deposits for construction and customer advances in the amount of \$1,525,613 are included in the original in the original cost measure of value. The details are set forth in Exhibit No. HV-1-10, which Mr. Poff will explain in his testimony (see York Water Statement No. 3).

Column 1 of page 3 of Exhibit No. HV-1 shows net operating income available for return under existing rates for the twelve months ended December 31, 2021, in the amount of \$21,522,940 and the rate of return on the original cost measure of value as of December 31, 2021, of 8.25%. Column 3 of page 3 of Exhibit No. HV-1 shows the adjustments to net operating income in the amount of (\$1,966,035). These water operation adjustments have been detailed in other exhibits, to which Mr. Poff and Mr. Winter are testifying (see York Water Statement Nos. 3 and 5, respectively). Column 4 of page 3 of Exhibit No. HV-1 shows pro forma net operating income available for return under existing rates for twelve months ended December 31, 2021, in the amount of \$19,556,905 and the rate of return on the original cost of measure of value as of December 31, 2021, of 7.50%.

Adjustments to pro forma net operating income for the twelve months ended December 31, 2021, related to the effect of proposed rates in the amount of \$1,129,778 are shown in Column 6 of page 3 of Exhibit No. HV-1. These adjustments have been detailed in other exhibits, to which Mr. Poff and Mr. Winter are testifying (see York Water Statement Nos. 3 and 5, respectively). Column 7 of page 3 of Exhibit No. HV-1 shows pro forma net operating income available for return for the twelve months ended December 31, 2021, in the amount of \$20,686,683 and the rate of return on the original cost measure of value as of December 31, 2021, of 7.93%.

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Q. Explain Exhibit No. HV-1-2.

A. Exhibit No. HV-1-2 shows the thirteen-month average of customers' advances received from developers that have not been spent on construction projects as of December 31, 2021. The Company's normal procedure with respect to revenue-producing projects is to estimate the cost of the project and to require the developer to deposit the estimated cost prior to construction. Construction generally is completed within a period of several months, after which any advance in excess of construction costs is refunded. If construction costs exceed the original estimate, the developer must advance additional costs to make up the difference. The thirteen-month average of customer advances received from developers with respect to revenue-producing projects remaining under construction as of December 31, 2021, in the amount of \$3,365,966 is shown in Column 2 of Exhibit No. HV-1-2. The thirteen-month average of advance dollars that have been spent as of December 31, 2021, in the amount of \$1,890,162 are shown in Column 3 of Exhibit No. HV-1-2. The thirteen-month average of customers' advances remaining to be spent as of December 31, 2021, in the amount of \$1,475,804 ( $\$3,365,966 - \$1,890,162$ ) is shown in Column 4 of Exhibit No. HV-1-2. The customers' advances remaining to be spent as of December 31, 2021, of \$1,475,804 has been carried forward to Exhibit No. HV-1, page 2 and has been deducted from the original cost measure of value.

Q. Explain Exhibit No. HV-1-3.

A. Exhibit No. HV-1-3 provides the calculation of the unamortized utility plant acquisition adjustment relative to the acquisition of Margaretta Mobile Home Park as of December 31, 2021, in the amount of \$39,781 included in the original cost measure of value.



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Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

The unamortized acquisition adjustment of \$39,781 is determined by subtracting the depreciated original cost of waterworks property acquired from Margaretta Mobile Home Park in the amount of \$46,159 and the amortization from March 1, 2019, the effective date of rates under the Order issued in the Company's 2018 base rate proceeding (Docket No. R-2018-3000019), to December 31, 2021, in the amount of \$15,728 from the Margaretta Mobile Home Park acquisition costs of \$101,667 ( $\$101,667 - \$46,159 - \$15,728 = \$39,781$ ).

Q. Explain Exhibit No. HV-1-4.

A. Exhibit No. HV-1-4 provides the calculation of the unamortized utility plant acquisition adjustment relative to the acquisition of Section A Water Corporation as of December 31, 2021, in the amount of \$6,946 included in the original cost measure of value.

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code.

The acquisition adjustment subject to amortization of \$34,728 is determined by subtracting the depreciated original cost of waterworks property acquired from the

1 Section A Water Corporation in the amount of \$135,997 from the Section A Water  
2 Corporation waterworks acquisition costs of \$170,725 ( $\$170,725 - \$135,997 = \$34,728$ ).  
3 The unamortized Section A Water Corporation acquisition adjustment as of December  
4 31, 2021, of \$6,946 is determined by subtracting the amortization during the period  
5 January 1, 2014, the effective date of rates under the Order issued in the Company's 2013  
6 base rate proceeding (Docket No. R-2012-2336379), through December 31, 2021, of  
7 \$27,782 from the acquisition adjustment subject to amortization of \$34,728 ( $\$34,728 -$   
8  $\$27,782 = \$6,946$ ).

9  
10 Q. Explain Exhibit No. HV-1-5.

11 A. Exhibit No. HV-1-5 provides the calculation of the unamortized utility plant acquisition  
12 adjustment relative to the acquisition of York Starview LP as of December 31, 2021, in  
13 the amount of \$7,179 included in the original cost measure of value.

14  
15 Reasonable acquisition costs greater than depreciated original cost are permitted to be  
16 included in rate base and amortized over ten years in accordance with Section 1327 of the  
17 Public Utility Code.

18  
19 The acquisition adjustment subject to amortization of \$35,897 is determined by  
20 subtracting the depreciated original cost of waterworks property acquired from York  
21 Starview LP in the amount of \$94,540 from York Starview LP waterworks acquisition  
22 costs of \$130,437 ( $\$130,437 - \$94,540 = \$35,897$ ). The unamortized York Starview LP  
23 acquisition adjustment as of December 31, 2021, of \$7,179 is determined by subtracting  
24 the amortization during the period January 1, 2014, the effective date of rates under the

1 Order issued in the Company's 2013 base rate proceeding (Docket No. R-2012-2336379),  
2 through December 31, 2021, of \$28,718 from the acquisition adjustment subject to  
3 amortization of \$35,897 ( $\$35,897 - \$28,718 = \$7,179$ ).

4  
5 Q. Explain Exhibit No. HV-1-6.

6 A. Exhibit No. HV-1-6 provides the calculation of the unamortized negative utility plant  
7 acquisition adjustment relative to the acquisition of Westwood Mobile Home Park as of  
8 December 31, 2021, in the amount of \$(54,090) deducted from the original cost measure  
9 of value.

10  
11 The negative acquisition adjustment subject to amortization of \$(75,474) is determined by  
12 subtracting the depreciated original cost of waterworks property acquired from Westwood  
13 Mobile Home Park in the amount of \$96,795 from the Westwood Mobile Home Park  
14 acquisition costs of \$21,321 [ $\$21,321 - \$96,795 = (\$75,474)$ ]. The unamortized  
15 Westwood Mobile Home Park negative acquisition adjustment as of December 31, 2021,  
16 of \$(54,090) is determined by subtracting the amortization during the period March 1,  
17 2019, the effective date of rates under the Order issued in the Company's 2018 base rate  
18 proceeding (Docket No. R-2018-3000019), through December 31, 2021, of \$(21,384)  
19 from the negative acquisition adjustment subject to amortization of \$(75,474) [ $\$75,474$   
20  $- \$21,384 = (\$54,090)$ ].

21  
22 Q. Explain Exhibit No. HV-1-7.

23 A. Exhibit No. HV-1-7 provides the calculation of the unamortized negative utility plant  
24 acquisition adjustment relative to the acquisition of Lincoln Estates Mobile Home Park as

1 of December 31, 2021, in the amount of \$(55,316) deducted from the original cost  
2 measure of value.

3  
4 The negative acquisition adjustment subject to amortization of \$(77,185) is determined by  
5 subtracting the depreciated original cost of waterworks property acquired from Lincoln  
6 Estates Mobile Home Park in the amount of \$146,957 from the Lincoln Estates Mobile  
7 Home Park acquisition costs of \$69,772 [ $\$69,772 - \$146,957 = \$(77,185)$ ]. The  
8 unamortized Lincoln Estates Mobile Home Park negative acquisition adjustment as of  
9 December 31, 2021, of \$(55,316) is determined by subtracting the amortization during the  
10 period March 1, 2019, the effective date of rates under the Order issued in the Company's  
11 2018 base rate proceeding (Docket No. R-2018-3000019), through December 31, 2021,  
12 of \$(21,869) from the negative acquisition adjustment subject to amortization of  
13 \$(77,185) [ $\$(77,185) - \$21,869 = \$(55,316)$ ].

14  
15 Q. Explain Exhibit No. HV-1-8.

16 A. Exhibit No. HV-1-8 provides the calculation of the unamortized negative utility plant  
17 acquisition adjustment relative to the acquisition of The Meadows as of December 31,  
18 2021, in the amount of \$(113,820) deducted from the original cost measure of value.

19  
20 The negative acquisition adjustment subject to amortization of \$(158,818) is determined  
21 by subtracting the depreciated original cost of waterworks property acquired from The  
22 Meadows in the amount of \$221,778 from The Meadows acquisition costs of \$62,960  
23 [ $\$62,960 - \$221,778 = \$(158,818)$ ]. The unamortized The Meadows negative acquisition  
24 adjustment as of December 31, 2021, of \$(113,820) is determined by subtracting the

1 amortization during the period March 1, 2019, the effective date of rates under the Order  
2 issued in the Company's 2018 base rate proceeding (Docket No. R-2018-3000019),  
3 through December 31, 2021, of \$(44,998) from the negative acquisition adjustment  
4 subject to amortization of \$(158,818) [ $$(158,818) - \$44,998 = $(113,820)$ ].  
5

6 Q. Explain Exhibit No. HV-1-9.

7 A. Exhibit No. HV-1-9 provides the calculation of the acquisition adjustment subject to  
8 amortization relative to the acquisition of Wrightsville Borough Municipal Authority as  
9 of December 31, 2021, in the amount of \$67,886 included in the original cost measure of  
10 value.  
11

12 Reasonable acquisition costs greater than depreciated original cost are permitted to be  
13 included in rate base and amortized over ten years in accordance with Section 1327 of the  
14 Public Utility Code. Please see the testimony of Mr. Hand (York Water Statement No. 1)  
15 for details on this acquisition.  
16

17 The acquisition adjustment subject to amortization of \$67,886 is determined by  
18 subtracting the depreciated original cost of waterworks property acquired from  
19 Wrightsville Borough Municipal Authority in the amount of \$45,227 from Wrightsville  
20 Borough Municipal Authority acquisition costs of \$113,113 ( $$(113,113) - \$45,227 =$   
21  $$(67,886)$ ).  
22

23 The Company is proposing amortization over a ten-year period in Exhibit No. HIII-2-22.  
24

1 Q. Explain Exhibit No. HV-8.

2 A. Exhibit No. HV-8 is the calculation of the cash working capital requirement in the  
3 amount of \$2,678,411 to be included in the original cost measure of value. The cash  
4 working capital requirement consists of various amounts that are listed on Exhibit No.  
5 HV-8. The first amount on Exhibit No. HV-8 is \$3,208,430 that is the cash working  
6 capital allowance calculated using the lead-lag methodology. The total of pro forma  
7 operating expenses including taxes, less uncollectible accounts and amortized expenses in  
8 the amount of \$22,822,791 is divided by the number of days in the pro forma test year,  
9 365 ( $\$22,822,791 \div 365$ ) to derive the average daily operating expense, including taxes,  
10 in the amount of \$62,528 and this amount is then multiplied by the net lag relationship  
11 between the receipt of operating revenues and the payment of operating expenses and  
12 taxes of 51.3 days to arrive at the cash working capital requirement in the amount of  
13 \$3,208,430 ( $\$62,528 \times 51.3$ ). The calculation of the net lag of 51.3 days is shown on  
14 Exhibit No. HV-8-1, which will be explained later.

15  
16 The second amount shown on Exhibit No. HV-8 is \$109,505 and is for prepayment of the  
17 Commission, Office of Consumer Advocate (“OCA”), Office of Small Business  
18 Advocate (“OSBA”), and Damage Prevention Committee (“DPC”) assessments. This  
19 represents a thirteen-month average of monthly prepayment balances of the Commission,  
20 OCA, OSBA, and DPC assessments reflected on the Company’s balance sheet for the  
21 thirteen months ended December 31, 2021. Prepaid Commission, OCA OSBA, and DPC  
22 assessments have been excluded from the Company’s lead-lag study. The calculation of  
23 the thirteen-month average prepayment balance is presented on Exhibit No. HV-8-4,  
24 which I will explain later.

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The third amount shown on Exhibit No. HV-8 is \$(263,818) that is a deduction with respect to builders' deposits and water revenues paid by customers in advance. This represents a thirteen-month average of builders' deposits and water revenues paid in advance. The calculation of the thirteen-month average is shown on Exhibit No. HV-8-2, which I will explain later.

The fourth amount is \$(375,705) that is a deduction with respect to interest payments. The calculation of the deduction with respect to interest payments is shown on Exhibit No. HV-8-3, which I will explain later.

The total cash working capital requirement in the amount of \$2,678,411, is carried forward to Exhibit No. HV-1 and is included in the Company's original cost measure of value.

- Q. Explain Exhibit No. HV-8-1.
- A. Exhibit No. HV-8-1 is the calculation of the net lag relationship of 51.3 days between the receipt of operating revenues and the payment of operating expenses including taxes. The 51.3-day net lag relationship, shown in Column 5, is determined by reducing the weighted average lag days in receipt of revenues of 53.4 days by the weighted average lag days in payment of expenses and taxes of 2.1 days ( $53.4 - 2.1 = 51.3$ ). The weighted average lag days in receipt of operating revenues of 53.4 days is determined by multiplying pro forma sales of water under existing rates by class, shown in Column 2, by the estimated number of lag days by class, shown in Column 3, to arrive at dollar days of

1 2,749,544,505 shown in Column 4. The estimated number of lag days by class is  
2 calculated in Exhibit No. HV-8-1 (g), which Mr. Poff will explain in his testimony (York  
3 Water Statement No. 3). The dollar-day amount of 2,749,544,505 shown in Column 4 is  
4 divided by total pro forma revenues from sales of water at existing rates of \$51,496,634  
5 shown in Column 2 to produce 53.4 days ( $2,749,544,505 \div \$51,496,634 = 53.4$ ).

6  
7 The weighted average lag days in payment of operating expenses and taxes of 2.1 days is  
8 determined by multiplying pro forma operating expenses including taxes, excluding  
9 uncollectible accounts and amortized expenses, shown in Column 2, in the amount of  
10 \$22,822,791 by the estimated number of lag days in payment of expenses and taxes by  
11 class of expense and tax, shown in Column 3, to arrive at dollar days of 47,493,587,  
12 shown in Column 4. The dollar-day amount of 47,493,587, shown in Column 4, is  
13 divided by total pro forma operating expenses including taxes, excluding uncollectible  
14 accounts and amortized expenses, in the amount of \$22,822,791 to produce 2.1 days  
15 ( $47,594,634 \div \$22,826,199 = 2.1$ ). The calculation of lag days for payroll expense is  
16 presented in footnotes (a) and (c) of Exhibit No. HV-8-1. The calculation of lag days for  
17 power purchased, insurance, other goods and services, and taxes is based on an analysis  
18 of invoices paid during twelve months ended December 31, 2021.

19  
20 The net lag relationship of 51.3 days between the receipt of operating revenues and the  
21 payment of operating expenses including taxes has been carried forward to Exhibit No.  
22 HV-8.

23  
24 Q. Explain Exhibit No. HV-8-2.



1 A. Exhibit No. HV-8-2 shows the calculation of the thirteen-month average of builders'  
2 deposits and water revenues paid in advance in the amount of \$263,818 based upon the  
3 month-end balances of builders' deposits and water revenues paid in advance for the  
4 thirteen months ended December 31, 2021. The thirteen-month average of builders'  
5 deposits and water revenues in advance of \$263,818 has been carried forward to Exhibit  
6 No. HV-8.

7  
8 Q. Explain Exhibit No. HV-8-3.

9 A. Exhibit No. HV-8-3 presents the calculation of the payment lag for interest payments in  
10 the amount of \$375,705. The amount of \$375,705 is calculated by multiplying the  
11 average daily interest payments of \$12,980 by the net interest payment lag of 28.9 days  
12 ( $\$12,980 \times 28.9$ ). The average daily interest expense in the amount of \$12,980 is  
13 calculated by dividing the interest payments in the amount of \$4,737,816 by the number  
14 of days in the test year of 365 ( $\$4,736,816 \div 365 = \$12,980$ ). The net interest payment  
15 lag of 28.9 days is determined by subtracting the weighted average lag days in receipt of  
16 operating revenues of 53.4 days from the weighted average lag days for interest payments  
17 of 82.3 days ( $82.3 \text{ days} - 53.4 \text{ days} = 28.9 \text{ days}$ ). The weighted average lag days for  
18 interest payments of 82.3 days is determined by dividing weighted interest payments of  
19 390,097,289 shown in Column 3, by interest payments in the amount of \$4,737,816,  
20 shown in Column 1 ( $390,097,289 \div \$4,737,816 = 82.3$ ). The interest available for  
21 working capital in the amount of \$375,705 has been carried forward to Exhibit No. HV-8.

22  
23 Q. Explain Exhibit No. HV-8-4.

1 A. Exhibit No. HV-8-4 shows the calculation of the thirteen-month average of prepaid  
2 Commission, OCA, OSBA, and DPC assessments of \$109,505 based upon the month-end  
3 balances of prepaid Commission, OCA, OSBA, and DPC assessments for the thirteen  
4 months ended December 31, 2021. Prepaid Commission, OCA, OSBA, and DPC  
5 assessments have been excluded from the Company's lead-lag study. The thirteen-month  
6 average of prepaid Commission, OCA, OSBA, and DPC assessments of \$109,505 has  
7 been carried forward to Exhibit No. HV-8.

8

9 Q. Explain Exhibit No. HV-11.

10 A. Exhibit No. HV-11 describes the Company's materials and supplies methodology. In  
11 addition, this Exhibit shows the calculation of the thirteen-month average, in the amount  
12 of \$1,278,155, of materials and supplies based upon month-end balances for the thirteen  
13 months ended December 31, 2021. I note that under the Company's accounting  
14 procedure, amounts are included in the materials and supplies balance upon receipt of the  
15 materials and supplies. The total for the thirteen-month period is \$16,616,018, and this  
16 amount is divided by 13 to arrive at the thirteen-month average of the materials and  
17 supplies balance in the amount of \$1,278,155 ( $\$16,616,018 \div 13$ ). The thirteen-month  
18 average in the amount of \$1,278,155 has been carried forward to Exhibit No. HV-1, page  
19 2 and has been added to the original cost measure of value.

20

21 Q. Are you sponsoring any other exhibits regarding the original cost measure of value?

22 A. Yes, I am also sponsoring Exhibit Nos. H (c)-1, HV-2, HV-3, HV-4, HV-5, HV-6, HV-7,  
23 HV-9, HV-13, HV-14, HV-15, HV-16, HV-16-1, and HV-16-2.

24

1 Q. Does this conclude your historic test year direct testimony at this time?

2 A. Yes.

1 **YORK WATER STATEMENT NO. 1**

2  
3 **BEFORE THE**  
4 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

5  
6 **THE YORK WATER COMPANY**

7  
8 **DIRECT TESTIMONY OF JOSEPH T. HAND**

9  
10 Q. State your name and business address.

11 A. Joseph T. Hand. My business address is: 130 East Market Street, York,  
12 Pennsylvania.

13  
14 Q. By whom are you employed?

15 A. I am employed by The York Water Company (“York Water” or the “Company”).  
16

17 Q. State your present position with the Company.

18 A. I am President and Chief Executive Officer.  
19

20 Q. How long have you been employed by the Company?

21 A. I have been employed by the Company since March 5, 2008. I served as Chief  
22 Operating Officer from March 2008 through February 2020.

23  
24 Q. What is your educational background?

1 A. I have a Bachelor of Science degree in Civil Engineering from the University of  
2 Vermont, Burlington, VT and a Master's Degree in Business Administration from  
3 York College of Pennsylvania, York, Pennsylvania. I am also a graduate of the US  
4 Army's Command and General Staff College.

5  
6 Q. Are you a member of any professional societies or trade associations?

7 A. Yes, I am currently a member of the American Water Works Association  
8 ("AWWA"), the Waterworks Operators Association of Pennsylvania and the  
9 National Association of Water Companies ("NAWC"). I currently serve as the  
10 Chair of the Pennsylvania Chapter of NAWC and serve on the Board of Directors  
11 of NAWC. I am the Vice-Chair of the PA Section AWWA Water Utility Council  
12 and a member of the Small Water Systems Technical Assistance Center Board.

13  
14 Q. What has been your other business experience?

15 A. In my last assignment on Active Duty with the United States Army, I served as the  
16 Deputy Commander and Deputy District Engineer for the Baltimore District, US  
17 Army Corps of Engineers ("USACE"). Immediately prior to joining the Company,  
18 I was Chief, Navigation Branch, Baltimore District, USACE. I served on Active  
19 Duty as an Engineer Officer in the United States Army Corps of Engineers for  
20 approximately 22 years.

21  
22 Q. Have you previously testified before a regulatory commission?

23 A. Yes, I testified in the Company's last three base rate proceedings.

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Q. Will you list the exhibits you are sponsoring in this proceeding?

A. I am sponsoring the following exhibits prepared by me or under my direction and supervision:

Exhibit Nos. HXII-1, HXII-2, FXII-1 and FXII-2 relating to quality of service;

Exhibit Nos. HXI-5 and FXI-5 relating to unaccounted for water, HXI-6 and FXI-6 relating to corporate history; and

Exhibit Nos. HIII-22 and FIII-22 relating to the incentive program.

Q. Please explain the history of the Company.

A. As explained in Exhibit No. FXI-6, York Water is the oldest investor-owned public utility in the country, having been formed in 1816. The Company is engaged in the business of furnishing water and wastewater service to over 75,000 customers pursuant to certificates of public convenience and necessity issued by the Commission. York Water provides direct water service in the City of York, in the Boroughs of East Prospect, Hallam, Jacobus, Jefferson, Loganville, Manchester, Mount Wolf, New Salem, North York, Railroad, Seven Valleys, Spring Grove, West York, York Haven and Yorkana, and in the Townships of Codorus, Conewago, East Manchester, Hellam, Hopewell, Jackson, Lower Windsor, Manchester, Newberry, North Codorus, North Hopewell, Paradise, Shrewsbury,

1 Springettsbury, Springfield, Spring Garden, West Manchester, West Manheim,  
2 Windsor and York in York County, Pennsylvania and the Boroughs of  
3 Abbottstown and Carroll Valley and Townships of Berwick, Cumberland, Oxford,  
4 Hamilton, Reading, Mount Pleasant, Union, and Straban in Adams County,  
5 Pennsylvania. The Company also provides wholesale service to the Boroughs of  
6 Glen Rock, New Freedom, and Stewartstown and to Dover Township. In addition,  
7 York Water provides wastewater service in the Boroughs of East Prospect, Felton,  
8 Jacobus, and West York, in the Townships of East Manchester, Lower Windsor,  
9 and West Manheim in York County, Pennsylvania, in the Township of Letterkenny  
10 in Franklin County, Pennsylvania, and in the Township of Straban in Adams  
11 County, Pennsylvania.

12  
13 Q. What are the goals of the Company, and has it met these goals?

14 A. York Water is committed to providing its customers with safe, dependable, high-  
15 quality water and wastewater service that meets or exceeds its customers'  
16 expectations. The Company provides high-quality water and wastewater service at  
17 reasonable rates and in an environment that allows its employees to achieve a high  
18 standard of performance. York Water's dependability was highlighted after a fire  
19 in its service territory, when the fire chief said that "great water and great  
20 manpower" resulted in no injuries to firefighters or residents.

21  
22 Q. How has the Company accomplished these goals?

1           A.    The Company conducts its business in a manner that demonstrates the highest  
2                   standards of integrity. Each employee is responsible to act with honesty and  
3                   accountability. The reputation of the Company is vital to its success. York Water  
4                   has no patience for corrupt practices.

5  
6           The Company continually strives to maintain and improve upon the reputation it  
7                   has in the community. Recently, the Company partnered with York County  
8                   Emergency Services and Nextel to help provide a solution to the County's 911  
9                   communication issues by allowing an antenna and equipment to be installed for a  
10                  new digital radio tower and paging site on one of York Water's standpipes. This is  
11                  something that could benefit the County greatly, at no cost to the Company's  
12                  customers. In addition, the Company has partnered with local, state, and federal  
13                  agencies on a number of emergency preparedness and response exercises with the  
14                  use of the Company's facilities. One such exercise simulated a dam breach and  
15                  deployment of the Swiftwater Emergency Response Team ("SWERT"), numerous  
16                  rotary aircraft from the Pennsylvania Army National Guard, the Pennsylvania Fish  
17                  and Boat Commission, and local and state first responders recovering multiple  
18                  simulated victims from the Company's reservoir.

19  
20          York Water continually strives to provide affordable service to its customers. The  
21                  Company exceeds all standards for water quality, assuring that its customers  
22                  receive safe water. And, the Company designs and upgrades its delivery system so  
23                  that customers receive their water reliably. One of the ways the Company delivers



1 affordable service is by partnering with the City of York and the municipalities in  
2 which it serves with regards to roadwork. As but one example, the City of York  
3 has a standing coordinating committee hosted by the Department of Public Works.  
4 Through this committee and less formal means, the City of York informs York  
5 Water of the paving and improvement projects for the following year. York Water  
6 then reviews the age and issues associated with the mains and services under the  
7 roads to be paved and replaces the facilities where appropriate in advance of the  
8 paving. As a result, the City of York pays for the paving saving York Water's  
9 customers money, and York Water does not have to dig up the street right after it is  
10 paved, which would cause the Company's neighbors and customers additional  
11 inconvenience and cost.

12  
13 As shown on Exhibit No. HXII-1 and FXII-1, the Company's rates are amongst the  
14 lowest of the Class A water utilities regulated by the Commission. The Company  
15 has provided a comparison of the annual average base rate charges under existing  
16 rates for the Company and presently effective base rate charges of SUEZ Water  
17 Pennsylvania, Columbia Water Company, Pennsylvania-American Water  
18 Company, and Aqua Pennsylvania, Inc. The annual average residential base rates  
19 are based on monthly consumption of 4,000 gallons (York Water's average usage).  
20 Average annual residential base rate charges for the Company are \$532. The  
21 average annual residential base rate charges for SUEZ Water Pennsylvania,  
22 Columbia Water Company, Pennsylvania-American Water Company, and Aqua  
23 Pennsylvania, Inc. are \$611, \$566, \$843, and \$778, respectively. The Company's

1 annual average residential base rate charges are more affordable than the  
2 Pennsylvania Class A water utilities that serve the majority of Pennsylvania  
3 customers.

4  
5 One of the reasons why the Company's rates are so low is efficiency. The  
6 Company maintains lower rates by managing expenses. In fact, in one of its  
7 reports, Standard & Poor's commented that the Company's "operating costs are  
8 among the lowest in the state."

9  
10 Exhibit Nos. HXII-2 and FXII-2, pages 1 through 6 provide a comparison of the  
11 Company's 2019, 2018, and 2017 residential complaint rates and justified  
12 residential complaint rates to the 2019, 2018, and 2017 residential complaint rates  
13 and justified residential complaint rates of Aqua Pennsylvania, Inc., Pennsylvania-  
14 American Water Company, and the industry as a whole. The residential complaint  
15 rates and justified residential complaint rates for Aqua Pennsylvania, Inc.,  
16 Pennsylvania-American Water Company, and the industry as a whole are published  
17 by the Commission's Bureau of Consumer Services. 2019 is the latest information  
18 available. York Water's 2019, 2018, and 2017 residential complaint rates and  
19 justified residential complaint rates are significantly lower than the residential  
20 complaint rates and justified residential complaint rates of Aqua Pennsylvania, Inc.,  
21 Pennsylvania-American Water Company and the industry as a whole.

22

1 Exhibit Nos. HXII-1, HXII-2, FXII-1 and FXII-2 provide data that demonstrates  
2 that the Company, due to its efforts, delivers to its customers' exceptional customer  
3 service and exceptional value.

4  
5 Q. As indicated in Mr. Wheeler's testimony, the Company is projecting to place in  
6 service \$43,984,349 in new or replacement facilities during 2022 and \$73,215,881  
7 during 2023 and the first two months of 2024. How is the Company financing its  
8 capital requirements?

9 A. The Company is financing its capital requirements through internally generated  
10 funds, proceeds from the issuance of common stock under its dividend  
11 reinvestment and direct stock purchase plan and employee stock purchase plans,  
12 customer advances, issuances of equity and long-term debt, and temporary  
13 borrowings under its lines of credit.

14  
15 In April 2022, the Company closed an underwritten public offering of 976,600  
16 shares and an over-allotment of 146,340 shares. Janney Montgomery Scott LLC  
17 was the underwriter in the offering. The Company received net proceeds in the  
18 offering, after deducting offering expenses and underwriter's discounts and  
19 commissions, of approximately \$44.0 million. No additional major equity  
20 issuances are planned in the next two years. The net proceeds were used to repay  
21 its short-term debt generated in 2021.

22

1 In December 2022, one of the Company's long-term debt issuances mature, the  
2 Series D Senior Notes. The Company plans to repay that issue and the short-term  
3 debt generated in 2022 at the end of 2022. The amount of the borrowing is  
4 expected to be approximately \$30.0 million. For purposes of this case, the  
5 Company projects to be able to borrow at a rate of 4.0%. This issuance will likely  
6 be taxable debt.

7  
8 The Company is also currently planning to refinance short-term debt generated in  
9 2023 at the end of 2023. The amount of the borrowing is expected to be  
10 approximately \$32.5 million. For purposes of this case, the Company projects to  
11 be able to borrow at a rate of 4.25%. This issuance will likely be taxable debt.

12  
13 Since 2003, York Water has implemented a variety of financing methods in the  
14 Company's efforts to produce interest cost savings for its customers. These  
15 methods include aggressively seeking tax-free debt financing and securing a  
16 Standard & Poor's rating on the Company's bond issues. As a result of these  
17 financing methods, the Company has greatly reduced its overall cost of debt  
18 resulting in interest cost savings for its customers. I note that the Company's long-  
19 term goal for permanent capital is to maintain a capital structure between 50% and  
20 55% equity, which will assist the Company in maintaining an investment grade  
21 credit rating.

1 Q. Does the Company promote the continuation of superior and affordable service to  
2 its customers in other ways?

3 A. Yes. To help York Water continue providing superior and affordable service, the  
4 Company has established a Cash Incentive Plan approved by the Company's  
5 Compensation Committee and Board of Directors on January 26, 2003.

6  
7 The purpose of the Company's Cash Incentive Plan is to help the Company  
8 motivate and reward participants who provide superior service to the Company,  
9 contribute to the achievement of Company goals, and promote the creation of value  
10 for customers.

11  
12 The Company establishes performance objectives for the calendar year, each of  
13 which provides a direct benefit to its customers.

14  
15 The Company's Cash Incentive Plan provides for business criterion upon which  
16 annual incentive awards are conditioned. The business criterion is not a  
17 performance objective and is not the objective for the incentive plan. However, the  
18 business criterion is established to ensure that cash incentives are paid only when  
19 the Company's financial profile warrants such a payout.

20  
21 In addition, the Company established a Long-Term Incentive Plan approved by the  
22 Company's stockholders on May 2, 2016, to help York Water continue providing  
23 superior and affordable service.

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The purpose of the Company’s Long-Term Incentive Plan is to advance the long-term success of the Company by providing the incentive of long-term stock-based awards to officers, directors, and key employees. The Long-Term Incentive Plan is designed to ensure the compensation practices of the Company are competitive in the industry to assist in the attraction and retention of directors and key employees vital to the providing superior and affordable service to York Water’s customers.

Q. Can you describe the Company’s recent acquisition activity?

A. The following is a summary of York Water’s recent acquisition activity. York Water supports the Commission’s objectives of promoting regionalization and strengthening water and wastewater system viability. These acquisitions will improve the overall capability of the Commonwealth’s water and wastewater industry, enrich the quality of water and wastewater service to customers, advance the communities’ economic development, and protect the environment.

**Wrightsville Borough**

On February 15, 2018, the Company completed the acquisition of certain water assets of Wrightsville Borough Municipal Authority (“Wrightsville”) in York County, Pennsylvania, an expansion of its territory and the provision of water service to Eastern York School District (“District”) and the surrounding residences. The Company began providing water service to this customer previously served by Wrightsville on February 20, 2018. The primary purpose of this transaction was to

1 transfer to the Company from Wrightsville the responsibility to provide public  
2 water service to an educational campus of the District.

3  
4 Wrightsville provided water and wastewater service for the District buildings.  
5 Wrightsville owned an approximately 90,000-gallon finished water standpipe  
6 situated on District property, whose sole purpose was to store and provide finished  
7 water to the District. Additionally, Wrightsville owned a small booster station and  
8 finished water force mains that pumped water to the finished water standpipe. No  
9 other customers of Wrightsville were connected to the finished water force mains  
10 or served by the finished water standpipe.

11  
12 The District was not satisfied with its service from Wrightsville, including issues  
13 regarding responsibility to maintain certain facilities owned by the Authority and  
14 used to serve the District. The District ultimately determined that it was in the best  
15 interest of its faculty, staff, students, and families to request public water service  
16 from the Company.

17  
18 Upon completion of the acquisition, the Company interconnected the acquired  
19 facilities with the Company's water distribution system. The Company  
20 incorporated and operated the finished water standpipe as part of its water  
21 operations to provide fire protection services for the District's buildings. In 2020,  
22 the Company replaced the purchased water standpipe with a 310,000 gallon

1 finished water standpipe to provide the necessary water for the expanding  
2 educational campus of the District.

3  
4 The Company installed an emergency interconnect with Wrightsville's water  
5 system. Wrightsville's single source of supply is the Susquehanna River. The  
6 Pennsylvania Department of Environmental Protection ("DEP") stresses the  
7 importance of alternate sources of supply. The emergency interconnect enables the  
8 Company to provide Wrightsville with up to 8 million gallons of water supply per  
9 month on an as-needed basis and is intended to provide Wrightsville with an  
10 additional source of water supply in case there is a disruption to its only current  
11 source of supply.

12  
13 On June 11, 2018, the Company submitted to the Commission an original cost  
14 plant-in-service valuation of the acquired assets of Wrightsville. As noted in the  
15 testimony of Mr. Coppersmith (York Water Statement Nos. 4 and 104), the  
16 Company's net cost to acquire the Wrightsville water assets was \$67,886 greater  
17 than the original cost of the property less applicable accrued depreciation. See  
18 Exhibit No. FV-1-9.

19  
20 The negotiations for the purchase the Wrightsville assets were conducted at arm's  
21 length. York Water was not affiliated with Wrightsville.

22



1 The actual purchase price was reasonable. The net premium is reasonable  
2 considering the projected annual revenues that the Company will receive from the  
3 customers added as a result of the acquisition. The additional revenue is reflected  
4 in this case.

5  
6 Rates to pre-acquisition customers will not increase unreasonably due to this  
7 acquisition. Annual revenues from the added customers are sufficient to cover the  
8 incremental costs of the acquisition.

9  
10 In accordance with Section 1327 of the Public Utility Code, the Company requests  
11 that amortization of the \$67,886 positive acquisition adjustment be permitted over a  
12 10-year period as part of rate base.

13  
14 **Jacobus Borough Sewer Authority (Wastewater purchase)**

15 On August 29, 2019, the Company completed the acquisition of the wastewater  
16 facilities of Jacobus Borough Sewer Authority (“Jacobus”) in York County,  
17 Pennsylvania. The Company began operating the existing collection facilities on  
18 August 30, 2019. Jacobus served approximately 700 wastewater customers.

19  
20 Jacobus was not certificated by the Commission and did not wish to continue  
21 providing wastewater service to its residents due to increasing costs and the  
22 challenges of meeting regulatory oversight and reporting requirements. The  
23 Company was already certificated and providing water service to the entirety of

1 Jacobus Borough. Jacobus determined it was in the best interest of its current  
2 customers to sell its wastewater collection system to a company that has sufficient  
3 wastewater operations and maintenance experience to meet the wastewater  
4 demands of the public and has more experience dealing with utility service and  
5 regulatory requirements associated with providing such service. Jacobus also  
6 concluded that its investment in maintaining the collection system in the future  
7 would be insufficient to provide reliable wastewater collection and transportation  
8 services. The sole contract operator responsible for maintaining the sanitary lift  
9 stations was retiring with no immediate successor available. Jacobus determined  
10 that its volunteer, part-time board had insufficient experience to continue meeting  
11 the regulatory requirements associated with its wastewater obligations.

12  
13 The Company acquired Jacobus's wastewater collection system including all the  
14 physical plant, property, and equipment. Upon taking over the Jacobus wastewater  
15 collection system, the Company installed Supervisory Control and Data  
16 Acquisition ("SCADA") equipment and backup power generation at each of the  
17 system's sanitary lift stations to improve the reliability of service.

18  
19 On November 27, 2019, the Company submitted to the Commission an original  
20 cost plant-in-service valuation of the Jacobus wastewater system. The Company  
21 paid less than depreciated original cost of the acquired system. York Water has  
22 included in rate base the depreciated original cost of the acquired system. No  
23 amortization of pass-through of the difference between the acquisition cost and the

1 depreciated original cost is appropriate because this acquisition involves a matter of  
2 substantial public interest.

3  
4 **Felton Borough (Wastewater purchase)**

5 On April 9, 2020, the Company completed the acquisition of the wastewater  
6 facilities of Felton Borough (“Felton”) in York County, Pennsylvania. The  
7 Company began operating the existing collection and treatment facilities on April  
8 16, 2020. Felton served approximately 130 wastewater customers.

9  
10 Felton was not certificated by the Commission and did not wish to continue  
11 providing wastewater service to its residents due to increasing costs and the  
12 challenges of meeting regulatory oversight and reporting requirements. Felton  
13 determined that it was in the best interest of its current customers to sell its  
14 wastewater system to a company that has sufficient wastewater operations and  
15 maintenance experience to meet the wastewater demands of the public and has  
16 more experience in dealing with utility service and the regulatory requirements  
17 associated with providing such service. Felton also concluded that its investment in  
18 maintaining the wastewater system in future years would be insufficient to provide  
19 reliable wastewater collection and treatment services. In July 2018, DEP served a  
20 Notice of Violation (“NOV”) on Felton resulting from DEP’s inspection of Felton  
21 in June 2018. The findings in the Inspection Compliance Report and subsequent  
22 NOV are indicative of Felton’s difficulties with operating its wastewater system.  
23 In addition to the conditions that resulted in the NOV, DEP also noted an effluent

1 violation occurring in August 2017. Additionally, Felton identified Inflow and  
2 Infiltration (“I&I”) problems with the collection system as noted in its 2018  
3 Chapter 94 report. Felton concluded that its volunteer, part-time board had  
4 insufficient experience to continue meeting the regulatory requirements associated  
5 with its wastewater obligations.

6  
7 The Company acquired Felton’s wastewater collection and treatment system,  
8 including all the physical plant, property, and equipment. Upon taking over the  
9 Felton wastewater collection and treatment system, the Company installed SCADA  
10 equipment and backup power generation at the treatment plant and sanitary lift  
11 station.

12  
13 On July 14, 2020, the Company submitted to the Commission an original cost plant-  
14 in-service valuation of the Felton wastewater system. As noted in the testimony of  
15 Mr. Coppersmith (York Water Statement Nos. 4 and 104), the Company’s net cost  
16 to acquire the Felton wastewater collection and treatment system was \$294,808  
17 greater than the original cost of the property less applicable accrued depreciation.  
18 See Exhibit No. FV-1-2W.

19  
20 The negotiations for the purchase the Felton wastewater system were conducted at  
21 arm’s length. York Water was not affiliated with Felton.

22

1 The actual purchase price was reasonable. The net premium is reasonable  
2 considering the projected annual revenues that the Company will receive from the  
3 customers added as a result of the acquisition. The additional revenue is reflected  
4 in this case.

5  
6 Rates to pre-acquisition customers will not increase unreasonably due to this  
7 acquisition. Annual revenues from the added customers are sufficient to cover the  
8 incremental costs of the acquisition.

9  
10 In accordance with Section 1327 of the Public Utility Code, the Company requests  
11 that amortization of the \$294,808 positive acquisition adjustment be permitted over  
12 a 10-year period as part of rate base.

13  
14 **Letterkenny Township Municipal Authority (Wastewater purchase)**

15 On September 14, 2020, the Company completed the acquisition of the wastewater  
16 facilities of Letterkenny Township Municipal Authority (“Letterkenny”) in  
17 Franklin County, Pennsylvania. The Company began operating the existing  
18 collection and treatment facilities on September 14, 2020. Letterkenny served  
19 approximately 180 wastewater customers.

20  
21 Letterkenny was not certificated by the Commission and did not wish to continue  
22 providing wastewater service to its residents due to increasing costs and the  
23 challenges of meeting regulatory oversight and reporting requirements.

1 Letterkenny determined that it was in the best interest of its current customers to  
2 sell its wastewater system to a company that has sufficient wastewater operations  
3 and maintenance experience to meet the wastewater demands of the public and has  
4 more experience in dealing with utility service and the regulatory requirements  
5 associated with providing such service. Letterkenny also concluded that its  
6 investment in maintaining the wastewater system in future years would be  
7 insufficient to provide reliable wastewater collection and treatment services. For  
8 example, in September 2018, DEP entered into a Consent Order and Agreement  
9 (“COA”) with Letterkenny for discharges between April 2013 and August 2017  
10 that, as stated on page 2 of the COA, were “contrary to the terms and conditions set  
11 forth in its NPDES Permit.” On January 2, 2018, DEP conducted an inspection of  
12 the wastewater treatment plant and identified accumulated sewage solids at the  
13 outfall. Subsequently, DEP issued an NOV on January 5, 2018. DEP concluded  
14 that Letterkenny had violated Sections 201 and 202 of The Clean Streams Law, 35  
15 P.S. §§ 691.201 and 691.202, as well as its National Pollutant Discharge  
16 Elimination System permit. Letterkenny was ordered to take certain corrective  
17 actions and pay a civil penalty. The findings in the COA are indicative of  
18 Letterkenny’s difficulties with operating its wastewater system.

19  
20 The Company acquired Letterkenny’s wastewater collection and treatment system,  
21 including all the physical plant, property, and equipment. Upon taking over the  
22 Letterkenny wastewater collection and treatment system, the Company installed

1 SCADA equipment and backup power generation. The Company has also  
2 corrected all items the resulted in the COA discussed above.

3  
4 On November 25, 2020, the Company submitted to the Commission an original  
5 cost plant-in-service valuation of the Letterkenny wastewater system. The  
6 Company paid less than depreciated original cost of the acquired system. York  
7 Water has included in rate base the depreciated original cost of the acquired system.  
8 No amortization of pass-through of the difference between the acquisition cost and  
9 the depreciated original cost is appropriate because this acquisition involves a  
10 matter of substantial public interest.

11  
12 **West Manheim Township (Wastewater purchase)**

13 On December 30, 2021, the Company completed the acquisition of the wastewater  
14 facilities of West Manheim Township (“West Manheim”) in York County,  
15 Pennsylvania. The Company began operating the existing collection facilities on  
16 January 3, 2022. West Manheim served approximately 1,900 wastewater  
17 customers.

18  
19 West Manheim was not certificated by the Commission and did not wish to  
20 continue providing wastewater service to its residents due to increasing costs and  
21 the challenges of meeting regulatory oversight and reporting requirements.

22

1 The Company was already certificated and providing water service to portions of  
2 West Manheim. The Company acquired West Manheim's wastewater collection  
3 system, including all the physical plant, property, and equipment.

4  
5 On January 6, 2022, the Company submitted to the Commission an original cost  
6 plant-in-service valuation of the West Manheim wastewater system. The  
7 Company's net cost to acquire the West Manheim wastewater collection system  
8 was \$3,124 greater than the original cost of the property less applicable accrued  
9 depreciation.

10  
11 The negotiations for the purchase the West Manheim wastewater system were  
12 conducted at arm's length. York Water was not affiliated with West Manheim.

13  
14 The actual purchase price was reasonable. The net premium is reasonable  
15 considering the projected annual revenues that the Company will receive from the  
16 customers added as a result of the acquisition. The additional revenue is reflected  
17 in this case.

18  
19 Rates to pre-acquisition customers will not increase unreasonably due to this  
20 acquisition. Annual revenues from the added customers are sufficient to cover the  
21 incremental costs of the acquisition.

22



1 Due to the immaterial amount, the Company is not requesting amortization of the  
2 \$3,124 positive acquisition adjustment.

3  
4 As required by the Commission in Docket No. A-2021-3025720, the Company  
5 believes the original cost and accumulated depreciation presented in the original  
6 cost plant-in-service valuation of the West Manheim wastewater system filed with  
7 the Commission on January 6, 2022, should be allowed in rate base and are claimed  
8 as part of rate base in this case. The depreciated original cost of all acquisitions of  
9 the Company prior to this case has been allowed in rate base. It is the Company's  
10 understanding that no customer funds or contributions were used to build the  
11 facilities. The Company is not claiming any utility plant acquisition adjustment in  
12 this case.

13  
14 Q. Related to the West Manheim wastewater purchase, does the Company intend to  
15 charge for the provision of wastewater services to Penn Township?

16 A. No. There are approximately 14 properties located in Penn Township that are  
17 connected to the collection and conveyance system in the West Manheim service  
18 area. These are wastewater service customers of Penn Township and not of the  
19 Company. Per the Bulk Service Agreement with Penn Township, the volume of  
20 flow from these customers is deducted from the available capacity and credited to  
21 York Water's total flows. Penn Township is responsible for all maintenance costs  
22 related to the wastewater assets that are in Penn Township but connected to the  
23 collection and conveyance system in the West Manheim service area, including

1 replacement of sewer mains and service laterals if required. Any costs for  
2 conveyance of the wastewater from these customers through Company assets is  
3 small and immaterial compared to total costs for the conveyance of wastewater to  
4 Penn Township. As such, the Company does not propose a rate for these services  
5 to be charged to Penn Township.

6  
7 Q. What are your conclusions about the overall effectiveness of the service provided  
8 by the Company?

9 A. York Water is superior in its overall effectiveness and provides exceptional  
10 service to its customers at exceptional value. The Commission should recognize  
11 such performance in arriving at the allowed rate of return on common equity.

12  
13 Q. Does this conclude your direct testimony at this time?

14 A. Yes.



1 A. I have a Bachelor of Science degree in Accounting from the Pennsylvania State  
2 University, University Park, Pennsylvania and a Master's Degree in Business  
3 Administration from York College of Pennsylvania, York, Pennsylvania.

4  
5 Q. Are you a member of any professional societies or trade associations?

6 A. Yes, I am currently a member of the American Water Works Association, the  
7 Waterworks Operators Association of Pennsylvania, and the National Association  
8 of Water Companies.

9  
10 Q. What has been your other business experience?

11 A. From July 2015 through August 2019, I was the Chief Financial Officer for Knott  
12 Mechanical in Hunt Valley, Maryland. From January 2006 through July 2015, I  
13 was the Chief Financial Officer for New Standard Corporation in York,  
14 Pennsylvania. From March 2003 through January 2006, I was the Site Controller  
15 and then the Senior Manager, Financial Analysis for Armstrong World Industries,  
16 Lancaster, Pennsylvania. Prior to that, I held various positions of increasing  
17 responsibility for York International Corporation and Gichner Systems Group.

18  
19 Q. Have you previously testified before a regulatory commission?

20 A. No, this is the first time I have presented testimony to the Pennsylvania Public  
21 Utility Commission ("Commission").

22  
23 Q. Will you list the exhibits you are sponsoring in this proceeding?

1 A. I am sponsoring the following exhibits prepared by me or under my direction and  
2 supervision:

3  
4 Exhibit Nos. HIX-1, HIX-2, HIX-3, HIX-4, HIX-5, HIX-6, HIX-7, FIX-1, FIX-2,  
5 FIX-3, FIX-4, FIX-5, FIX-6, and FIX-7 relating to quality of service, and Exhibit  
6 Nos. HV-12, FV-12, FV-12-1, FV-12-1W, FV-12-2, FV-12-2W, FV-12-3, FV-12-  
7 3W, FV-12-4, FV-12-4W, FV-12-5, FV-12-5W, FV-12-6, and FV-12-6W relating  
8 to plant additions and retirements.

9  
10 Q. Please outline the operations of the Company.

11 A. The Company obtains its water for its main water distribution system from the  
12 South and East Branches of the Codorus Creek. The East Branch flows into the  
13 Company's two impounding basins known as Lake Williams and Lake Redman.  
14 The water is taken from the confluence of the east and south branches of the creek  
15 and pumped by the Company's Brillhart Pumping Station a distance of  
16 approximately two miles to the Company's Purification Plant. The Company also  
17 has an intake in the Susquehanna River. Water is pumped through a 15-mile  
18 transmission pipeline connecting the Susquehanna River to the Company's Lake  
19 Redman impounding reservoir. The Company has an alternate pumping station at  
20 Lake Redman, which allows the Company to pump directly from Lake Redman.  
21 Water from Lake Redman is pumped a distance of approximately three miles to the  
22 Company's Purification Plant.

1 The Company fully treats and filters the water that is supplied to the public. The  
2 Company was one of the first public water supply systems in the nation to treat and  
3 filter its water supply, having constructed its first filtration and treatment facilities  
4 in 1898. After treatment, water is retained in two storage basins located at the  
5 Purification Plant for eventual distribution to the Company’s service areas. In  
6 compliance with requirements of the Department of Environmental Protection  
7 (“DEP”) related to finished water storage facilities, the two basins were covered in  
8 1993 and 1994.

9  
10 The Company has two separate types of service areas. One is referred to as the  
11 “Gravity System.” In the “Gravity System,” water flows to customers from the  
12 Purification Plant without the use of booster pumps. The second service area is  
13 referred to as the “Repumped System,” for which booster pumps are used to  
14 provide necessary water pressure and flow. All booster stations are equipped with  
15 at least two pumps and backup power generation to safeguard water service in the  
16 event of mechanical or electrical failure.

17  
18 The Company has thirty-five standpipes, two finished water reservoirs, and thirty-  
19 three booster stations located throughout its service territory, which provide  
20 emergency supplies and water pressure.

21  
22 In addition to the water assets described above, the Company owns and operates  
23 four groundwater sources, one in the Borough of Carroll Valley, Adams County,

1 PA, two in Cumberland Township, Adams County, PA, and one in Straban  
2 Township, Adams County, PA. These water supply systems are not connected to  
3 the Company's main water treatment plant and have their own water treatment  
4 facilities.

5  
6 The Company owns and operates five wastewater collection systems and treatment  
7 facilities, one in East Manchester Township, York County, PA, one in the Borough  
8 of East Prospect and Lower Windsor Township, York County, PA, one in Felton  
9 Borough, York County, PA, one in Letterkenny Township, Franklin County, PA,  
10 and one in Straban Township, Adams County, PA. The Company owns and  
11 operates three wastewater collection systems, one in West York Borough, York  
12 County, PA with wastewater treatment provided by the City of York, pursuant to  
13 contract,<sup>1</sup> one in Jacobus Borough, York County, PA, with wastewater treatment  
14 provided by Springfield Township York County Sewer Authority, and one in West  
15 Manheim Township, York County, PA, with wastewater treatment provided by  
16 Penn Township.

17  
18 Q. What measures has the Company taken to ensure the safety and availability of  
19 water in the event of an emergency?

20 A. The Company has a long-standing Emergency Response Plan for drinking water  
21 contamination incidents prepared in accordance with the regulatory requirements of

---

<sup>1</sup> On April 14, 2022, at Docket No. A-2021-3024681, the Commission entered an Order approving Pennsylvania-American Water Company's ("PAWC") Application to, among other things, acquire the wastewater collection and treatment system operated by the City of York. Upon closing of that transaction, PAWC will be the entity providing wastewater treatment service for York Water's West York Borough wastewater collection system.

1 DEP and the guidelines established by the United States Environmental Protection  
2 Agency (“EPA”). The Emergency Response Plan is tested, evaluated, and updated  
3 on a regular basis, not less frequent than annually.  
4

5 The Company has established a York County Inter Water Utility Cooperation Plan.  
6 Under the Plan, if a York County water utility has a water contamination incident  
7 or a water loss, the neighboring utilities would assist in meeting drinking water  
8 needs through the operation of one or more Drinking Water Fill Stations.  
9

10 Customers of the affected utility will be notified of the locations and operating  
11 hours of the Drinking Water Fill Stations. The Company will maintain an  
12 inventory of the Drinking Water Fill Station connection facilities.  
13

14 In addition, York Water has improved its notification procedures in the event of a  
15 water contamination incident. To ensure that residential customers, businesses,  
16 governmental agencies, and health care facilities are promptly and properly  
17 informed and protected in the event of an emergency, the Company has entered into  
18 an emergency telephone message distribution contract, which will provide rapid  
19 telephone notification to its customer base. Annually the Company attempts to  
20 secure current telephone numbers and email addresses from all of its customers,  
21 and currently has approximately 90% of its customers’ landline, cellular, or email  
22 telephone numbers/addresses. The telephone numbers and email addresses are kept  
23 secure in the Company’s database, and access is restricted to customer service staff.



1 In addition to the emergency telephone message distribution notification, the  
2 Company will provide notification through the Company's website, local radio and  
3 television stations, newspapers, and other media.

4  
5 York Water has installed a Supervisory Control and Data Acquisition ("SCADA")  
6 process control network, which enables the Company to immediately detect a water  
7 contamination incident throughout its distribution system. This process control  
8 network allows the Company to provide rapid customer notification in the event of  
9 an emergency.

10  
11 Q. Mr. Hand's testimony states that one of the goals of the Company is to provide  
12 high quality water and excellent service. How has the Company achieved this  
13 goal?

14 A. York Water continually strives to provide superior service to its customers. The  
15 Company exceeds all standards for water quality, assuring that its customers  
16 receive safe water. And York Water designs and upgrades the Company's delivery  
17 system so that its customers receive their water reliably.

18  
19 To reduce the cost of service to York Water's customers and keep the Company's  
20 rates as affordable as possible, York Water encourages water conservation by its  
21 customers.

22

1 The Company meters all customer water usage with the exception of fire service.  
2 All meter readings are checked during the billing process to make sure that the  
3 most recent consumption is consistent with the historical average. If the reading is  
4 abnormal, before billings are mailed, a customer service employee attempts to  
5 contact the customer to inform the customer of the abnormal reading and suggest  
6 the customer investigate a possible leak. The Company has received high praise  
7 from its customers for this validation procedure.

8  
9 Each year, York Water's customers receive bill inserts or onserts (messages printed  
10 on the actual water bill) that describe ways to conserve water. In addition, a  
11 brochure that the Company provides to all new customers contains a section on  
12 water conservation. Also, the Company's Consumer Confidence Report (Refer to  
13 Exhibit No. FIX-1) contains water conservation information.

14  
15 The Company and its employees undertake an active role in the community to  
16 stress the need for water conservation. Speakers are provided to local organizations  
17 to explain the need for water conservation. The Company provides coloring books  
18 and brochures to local school and scout groups on water conservation. The  
19 Company has also sponsored and provided instruction for the Boy Scout merit  
20 badge on Water and Soil Conservation. The Company has assigned a team of  
21 employees to complete and analyze monthly water audits using industry  
22 benchmarks as a guide for performance. When safety conditions allow, the  
23 Company offers tours of its water treatment process to school-age children and

1 local scout troops to demonstrate the importance of water conservation, the quality  
2 of the product and the value of drinking water to the community.

3  
4 During the drought periods of 1997, 1999 and 2001-2003, the Company issued  
5 many press releases urging customers to conserve water. In addition, the Company  
6 sponsored a series of water conservation tips broadcast over a local TV station and  
7 over the local Cable TV network.

8  
9 The Company has a Drought Contingency Plan, approved by the Commission and  
10 DEP, filed as a part of its Tariff.

11  
12 The Company practices water conservation as well. Leak detection and repair has  
13 always been one of the Company's highest priorities.

14  
15 The repair of a large leak or one doing any damage takes precedence over all other  
16 activities of the distribution department, which operates 24 hours a day, 365 days a  
17 year.

18  
19 The Company has an employee whose sole responsibility is leak detection. During  
20 the calendar year 2021, the Company's Leak Detection Coordinator detected 166  
21 leaks throughout the Company's service territory. The Company has purchased  
22 and installed leak detection equipment, which allows York Water to continuously  
23 monitor portions of its distribution system to detect leaks.

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In addition, York Water’s Distribution Department Superintendent periodically contacts municipal street crew superintendents, police and fire officials in the 51 municipalities served by the Company to remind and encourage them to contact the Company if they observe any unusual water flows in the streets or at valve boxes or hydrants. All such reports are promptly investigated.

It should also be noted that most of the municipalities in which York Water serves have code provisions that require the installation of water saving plumbing fixtures.

The Company’s conservation efforts have been very successful. As shown on Exhibit No. HXI-5, York Water’s unaccounted-for water was 13.8%, 13.9%, and 13.4% during 2021, 2020, and 2019, respectively. For comparison purposes, Section 65.20 of the Commission’s regulations (52 Pa. Code § 65.20) identifies 20% unaccounted for water as an outside limit of reasonableness. Therefore, the Company’s unaccounted-for water is well within that limit.

- Q. Does the Company have a program to assist low-income customers?
- A. Yes. While the Company’s rates are among the most affordable rates of the Class A water utilities regulated by the Commission, York Water recognizes that not all its customers can easily pay a monthly water bill. To assist those payment troubled customers, the Company established a Pilot Low Income Customer Assistance

1 Program in 2005. This program grew to serve a high of 68 customers in 2008 and  
2 is no longer known as a “pilot” program.

3  
4 The Company’s Low Income Customer Assistance Program is designed to aid low-  
5 income, payment troubled customers in reducing water consumption and arrearage  
6 amounts. The Company’s Low Income Customer Assistance program includes the  
7 following features: (1) it is targeted to low income payment troubled customers  
8 (150% of poverty level); (2) it includes a water usage reduction component with  
9 plumbing repairs and the installation of water conservation devices; (3) it includes  
10 a requirement of monthly payments to reduce arrearages; and (4) customers earn  
11 immediate forgiveness of up to \$120 by meeting payment obligations.

12  
13 The Company’s Low Income Customer Assistance Program was expanded as part  
14 of York Water’s 2018 base rate case at Docket Nos. R-2018-3000019, *et al.* The  
15 Commission in its Opinion and Order entered March 1, 2019, approved \$20,000  
16 annually on a pilot basis until its next base rate case. The Company has followed  
17 all conditions stipulated in the Order, and there are no unspent funds to be refunded  
18 to ratepayers. The program has been a success in helping low-income customers  
19 pay their water and wastewater bills to avoid shut off, especially during the  
20 COVID-19 pandemic. The Company is requesting that the program be established  
21 permanently and that the funding level be increased to \$40,000 annually because:  
22 (1) the \$20,000 each year has been fully expended; and (2) the Company’s  
23 customer base and service territory continues to grow.

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Q. How does the Company recover the costs associated with the Low Income Customer Assistance Program?

A. Because the program helps residential customers only, the Company includes the costs associated with the program, including plumbing repairs and bad debt forgiveness, in the cost of service for residential customers.

Q. Has the Company taken any other measures to assist low-income, payment-troubled customers?

A. Yes. The Company has chosen to exercise significant flexibility with regard to the implementation of the Responsible Utility Customer Protection Act (Chapter 14). The Company has not modified its existing tariff rules and regulations to the extent authorized under Chapter 14. York Water does not require a deposit as a condition of service, nor does the Company propose to implement such a policy at this time. York Water has not altered its termination dates or winter termination procedures. And the Company will negotiate second or subsequent payment agreements.

Q. Is there any demonstration that customers view the Company's service favorably?

A. The superior level of customer service provided by the Company can be demonstrated by reviewing the frequency of customer complaints filed with the Commission's Bureau of Consumer Services. As shown on Exhibit No. HXII-2 and Exhibit No. FXII-2, the Company's 2019, 2018, and 2017 residential consumer complaint rate and justified residential consumer complaint rate are significantly

1 lower than the 2019, 2018, and 2017 complaint rates of Aqua Pennsylvania, Inc.,  
2 Pennsylvania-American Water Company, and the industry average.

3  
4 To maintain this exceptionally high level of customer satisfaction, the Company  
5 has a policy and procedures for responding and tracking customer inquiries and  
6 complaints.

7  
8 All customer inquiries are tracked for action taken prior to being closed. If an  
9 inquiry requires action by someone outside the customer service area, a customer  
10 work order will be created to track the activity until completion.

11  
12 The President and Chief Executive Officer and Chief Operating Officer receive all  
13 customer inquiries. The VP of Customer Service monitors the activity of all  
14 inquiries to determine that the customer has received satisfaction or a satisfactory  
15 response to the customer's concern.

16  
17 In addition, all inquiries requiring some action on the part of the Company are  
18 logged into the Company's customer information system as part of the customer  
19 history file.

20  
21 York Water also conducts Customer Attitude Surveys to measure the level of its  
22 customers' satisfaction and to anticipate and respond to changes in its customers'  
23 expectations.

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The Company has conducted independent Customer Attitude Surveys in 1989, 1992, 1996, 2000, 2004, 2009, 2015, and 2020.

The surveys measured customer satisfaction as it relates to water quality and service. The customer opinions of both quality and service were uniformly excellent.

In 2020, when the last survey was performed, 85.5% of the customers gave the Company an overall excellent or very good rating. 86.0% of the customers gave the Company an excellent or very good rating of the water service provided by the Company. Finally, respondents were asked to evaluate the quality of water they receive from York Water. 85.7% of the people rated the overall quality as excellent or very good.

Q. Please describe the actions that the Company takes to maintain and improve the quality and safety of the water provided to customers.

A. In addition to the affordability of the Company’s water and the exceptional customer service that York Water provides to its customers, the quality of water the Company delivers to its customers is second to none. As reflected in the attachment to Exhibit No. FIX-1, the Company compares the chemical characteristics of the Company’s water supply to the EPA’s and DEP’s Safe Drinking Water Act standards. This information is posted on the Company’s



1 website and mailed to customers who use York Water's water in processing or  
2 request the information. The Company's water quality in all instances exceeds, and  
3 in most instances, far exceeds the Safe Drinking Water Act standards.

4  
5 The Company maintains its own laboratory and performs nearly 70,000 chemical  
6 and bacteriological tests every year to make certain that water quality meets or  
7 exceeds recognized standards of water quality and purity. In addition, periodic  
8 tests are performed by independent laboratories to confirm that water delivered to  
9 customers is safe and aesthetically pleasing to customers.

10  
11 The Company is not in violation of any provision of the Pennsylvania Safe  
12 Drinking Water Act or any rule, regulation or order or any condition of any permit,  
13 variance, or exemption granted by the DEP. To the contrary, the Company is in  
14 compliance with all Safe Drinking Water Act provisions and generally exceeds  
15 such standards. Providing safe and high-quality water is as critically important to  
16 the Company as it is to its customers.

17  
18 No annual consumer confidence report has reflected a violation of State and  
19 Federal safe drinking water requirements.

20  
21 Attached to Exhibit No. HIX-1 is the Company's 2021 annual Drinking Water  
22 Quality Reports prepared and provided to York Water's customers and users in  
23 February 2022. The Safe Drinking Water Act requires community water systems

1 to annually prepare and provide to customers and users annual consumer  
2 confidence reports detailing the quality of water delivered by the Company. In  
3 addition to sending the report to customers electronically, the Company mails  
4 copies to those customers requesting a hard copy of the report. Prior to releasing  
5 the report, the Company advertises its availability in local newspapers and places  
6 the report on the Company's website so that non-customer users can obtain a copy.

7  
8 The Company entered into a consent order agreement with DEP in December 2016  
9 after the Company determined it exceeded the action level for lead as established  
10 by the Lead and Copper Rule ("LCR") issued by the EPA. The Company has not  
11 had an exceedance in any subsequent compliance test. Under the agreement, the  
12 Company committed to exceed the LCR replacement schedule by replacing all of  
13 the remaining known company-owned lead service lines within four years from the  
14 agreement. The Company completed the replacement of all known company-  
15 owned lead service lines by the end of 2018, compressing the replacement schedule  
16 from four year to two. Any additional company-owned lead service lines that have  
17 been discovered since the end of 2018 have been replaced. Currently, all known  
18 company-owned lead service lines have been replaced.

19  
20 The Company was granted approval by the Commission to modify its tariff to  
21 include the cost of the replacement of lead customer-owned service lines that are  
22 discovered when the Company replaces its lead service lines, and to include the  
23 cost of the annual replacement of up to 400 lead customer-owned service lines

1 whenever they are discovered, regardless of the material used for the company-  
2 owned service line over nine years from the agreement. All known customer-  
3 owned lead service lines that were connected to a company-owned lead service line  
4 were replaced by the end of 2018. Any additional customer-owned lead service  
5 lines connected to a company-owned lead service line that have been discovered  
6 since the end of 2018 have been replaced.

7  
8 To identify customer-owned lead service lines not adjoining active, identified  
9 company-owned lead service lines, the Company continues to canvass its  
10 customers and seek their assistance with identifying the material composition of  
11 their customer-owned service lines. The Company has used its website as well as  
12 targeted mailings to identify customer-owned lead service lines. To date, over 700  
13 customer-owned lead service lines have been replaced by the Company.

14  
15 Q. Is the Company making substantial expenditures to provide for the water supply  
16 and wastewater service needs of its customers?

17 A. Yes. For the Company to continue providing its high-quality water service and  
18 exceptional customer service, it is necessary to invest in replacements,  
19 improvements, and additions to the Company's facilities. As explained in Exhibit  
20 Nos. FV-12-1, FV-12-2, FV-12-4 and FV-12-5, York Water has projected to place  
21 in service \$38,286,074 in new or replacement facilities during 2022 and  
22 \$67,795,881 in 2023 and the first two months of 2024. The significant increase in  
23 2023 is a result of the completion of the dam armoring and spillway replacement

1 project on the Lake Williams reservoir currently in process. The Company's  
2 projection of new facilities includes: (1) standpipe, booster station, and pumping  
3 equipment upgrades; (2) improvements to the Company's water treatment facilities  
4 that will make them more efficient; (3) improvements to the impounding dams as  
5 required by the DEP; (4) the replacement or relining of aging mains; and (5) the  
6 replacement of other infrastructure. Projected additions also include the cost of  
7 new services, hydrants, and mains resulting from organic growth within York  
8 Water's service territory as well as upgraded meter reading equipment and  
9 electronics to make the Company's operations more efficient.

10  
11 For the Company to continue providing its high-quality wastewater service, it is  
12 necessary to invest in replacements, improvements, and additions to the Company's  
13 facilities. As explained in Exhibit Nos. FV-12-1W, FV-12-2W, FV-12-4W and  
14 FV-12-5W, York Water has projected to place in service \$5,698,275 in new or  
15 replacement facilities during 2022 and \$5,420,000 in 2023 and the first two months  
16 of 2024. The Company's projection of new facilities includes improvements to the  
17 Company's wastewater treatment facilities that will make them more efficient as  
18 well as the replacement and rehabilitation of aging mains, manholes, and other  
19 infrastructure. Projected additions also include the cost of upgraded equipment and  
20 electronics to make the Company's operations more efficient.

21  
22 Q. Has the Company also projected retirements and removed them from rate base?

1           A.    Yes.  As shown in Exhibit Nos. FV-12-3 and FV-12-6, the Company plans to retire  
2                    approximately \$2,228,279 from utility plant in service during 2022 and \$2,442,382  
3                    during 2023 and the first two months of 2024.

4  
5                    As shown in Exhibit Nos. FV-12-3W and FV-12-6W, the Company plans to retire  
6                    approximately \$12,174 from wastewater utility plant in service during 2022 and  
7                    \$5,608 during 2023.

8  
9           Q.    Does this conclude your direct testimony at this time?

10          A.    Yes.

1 **YORK WATER STATEMENT NO. 3**

2  
3 **BEFORE THE**  
4 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

5  
6 **THE YORK WATER COMPANY**

7  
8 **DIRECT TESTIMONY OF MATTHEW E. POFF**  
9

10 Q. State your name and business address.

11 A. Matthew E. Poff. My business address is: 130 East Market Street, York, Pennsylvania.

12

13 Q. By whom are you employed?

14 A. I am employed by The York Water Company (“York Water” or the “Company”).

15

16 Q. State your present position with the Company and explain your duties and  
17 responsibilities.

18 A. I am Chief Financial Officer and Treasurer for the Company. My duties and  
19 responsibilities include managing the day to day financial transactions of the Company.

20

21 Q. How long have you been employed by the Company?

22 A. I have been employed by the Company since June 15, 2009.

23

24 Q. What is your educational background?

1 A. I have a Bachelor's Degree from the Pennsylvania State University, University Park,  
2 Pennsylvania and a Master's Degree in Business Administration from York College of  
3 Pennsylvania, York, Pennsylvania.  
4

5 Q. Are you a certified public accountant?

6 A. Yes, I am a certified public accountant licensed by the Commonwealth of Pennsylvania.  
7

8 Q. What has been your other business experience?

9 A. From September 2006 through June 2009, I was employed by I. B. Abel, Inc. in York,  
10 Pennsylvania as the Chief Financial Officer. In this capacity, I managed the day-to-day  
11 accounting and financial transactions of the Company.  
12

13 From July 1995 through September 2006, I was employed by Beard Miller Company  
14 LLP (now Baker Tilly US, LLP) as a certified public accountant. In this capacity, I  
15 oversaw the audits and reviews and preparation of financial statements and tax returns for  
16 various business entities, both private and public companies of various sizes.  
17

18 Q. Have you previously testified before a regulatory commission?

19 A. Yes, I have presented testimony to the Pennsylvania Public Utility Commission  
20 ("Commission") in the Company's last two rate cases.  
21

22 Q. Will you list the water operations exhibits you are sponsoring in this proceeding?

23 A. I am sponsoring the following water operations exhibits prepared by me or under my  
24 direction and supervision:

1  
2  
3  
4  
5  
6  
7  
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9  
10  
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23

Exhibit Nos. H (b)-2, H (c)-5, H (c)-6, HI-1, HI-2, HI-3, HI-4, and HI-5 relating to the statement of operations for the water division;

Exhibit Nos. H (a)-2, H (a)-3, H (a)-4, H (a)-5, H (b)-3, H (b)-4, H (b)-5, H (b)-6, HII-1, HII-2, HII-2-1, HII-2-2, HII-2-3, HII-2-4, HII-2-5, HII-2-6, HII-2-7, HII-2-8, HII-2-9, HII-2-10, HII-2-11, HII-2-12, HII-2-14, HII-2-15, HII-3, HII-4, HII-5, HII-6, HII-7, HII-8, HII-9, HII-10, HII-11, HII-12, and HII-13 relating to operating revenues for the water division;

Exhibit Nos. HIII-1, HIII-2, HIII-2-1, HIII-2-2, HIII-2-3, HIII-2-4, HIII-2-4 (a), HIII-2-5, HIII-2-6, HIII-2-7, HIII-2-8, HIII-2-9, HIII-2-10, HIII-2-11, HIII-2-12, HIII-2-13, HIII-2-14, HIII-2-15, HIII-2-16, HIII-2-17, HIII-2-18, HIII-2-19, HIII-2-20, HIII-2-21, HIII-2-22, HIII-2-23, HIII-2-24, HIII-2-25, HIII-2-26, HIII-2-27, HIII-2-28, HIII-2-29, HIII-2-30, HIII-2-31, HIII-2-32, HIII-2-33, HIII-2-34, HIII-2-35, HIII-2-36, HIII-2-37, HIII-2-38, HIII-3, HIII-4, HIII-5, HIII-6, HIII-7, HIII-8, HIII-9, HIII-10, HIII-11, HIII-12, HIII-13, HIII-14, HIII-15, HIII-16, HIII-17, HIII-18, HIII-19, HIII-20, HIII-21, HIII-23, HIII-24, HIII-25, HIII-26, HIII-27, and HIII-28 relating to operating expenses for the water division;

Exhibit No. HV-1-1, HV-1-10, HV-8-1 (g), HV-8-1 (g)1, HV-8-1 (g)2, and HV-10 relating to the original cost measure of value for the water division;



1 Exhibit Nos. HVII-1, HVII-2, HVII-3, HVII-4, HVII-5, HVII-6, HVII-7, HVII-8, HVII-9,  
2 HVII-10, HVII-11, HVII-12, HVII-13, HVII-14, HVII-15, HVII-16, HVII-17 HVII-18,  
3 HVII-19, HVII-20, HVII-21, HVII-22, HVII-23, HVII-24, HVII-25, HVII-26, HVII-27,  
4 HVII-28, HVII-29, HVII-30, HVII-31, and HVII-32, relating to rate of return;

5  
6 Exhibit Nos. H (c)-2, HX-1, HX-2, HX-3, HX-4, HX-5, HX-6, HX-7, HX-8, HX-9, HX-  
7 10, HX-11, HX-12, and HX-13 relating to the balance sheet; and

8  
9 Exhibit Nos. H (a)-1, H (a)-6, H (a)-9, H (a)-10, H (a)-11, H (b)-1, HVIII-1, HVIII-2,  
10 HXI-1, HXI-2, HXI-3, and HXI-4.

11  
12 Q. Explain Exhibit No. H (b)-1.

13 A. Exhibit No. H (b)-1 provides the specific reasons the Company proposes to increase its  
14 water rates. Despite the best efforts by York Water to control costs, the effects of  
15 increased expenses and net additions to rate base have reduced returns. The Company  
16 proposes to increase its water rates to: (1) provide sufficient revenues to recover the cost  
17 of providing water service to its customers; (2) allow the Company to properly discharge  
18 its public duties by continuing to furnish adequate, safe, and reliable service; (3) maintain  
19 its facilities properly; and (4) afford the opportunity to more nearly approach a fair and  
20 reasonable rate of return on the original cost measure of value of its used and useful  
21 property.

22  
23 Q. Explain Exhibit No. HI-1.

1 A. Exhibit No. HI-1 provides a detailed comparative operating statement for the twelve  
2 months ended December 31, 2021, and December 31, 2020. Column 1 of pages 2  
3 through 8 of Exhibit No. HI-1 reflects the Company's detailed water operating statement  
4 per books for the twelve months ended December 31, 2021, showing operating income of  
5 \$21,522,940. Column 2 of pages 2 through 8 of Exhibit No. HI-1 reflects the Company's  
6 detailed operating statement per books for the twelve months ended December 31, 2020,  
7 showing operating income of \$21,082,565. Column 3 of pages 2 through 8 of Exhibit  
8 No. HI-1 reflects the increases and decreases by account between the operating statement  
9 for the twelve months ended December 31, 2021, and the operating statement for the  
10 twelve months ended December 31, 2020. Major account variances (>\$50,000) between  
11 the detailed operating statement for the twelve months ended December 31, 2021, and the  
12 detailed operating statement for the twelve months ended December 31, 2020 are  
13 identified in Column 4 of pages 2 through 8 of Exhibit No. HI-1. Detailed explanations  
14 of the causes of the major account variances between the operating statement for the  
15 twelve months ended December 31, 2021, and the operating statement for the twelve  
16 months ended December 31, 2020, are provided beginning on page 9 of Exhibit No. HI-1.

17  
18 Pages 18 and 19 of Exhibit HI-1 show the increase in Company labor expense for the  
19 twelve months ended December 31, 2021. The increase is principally due to wage  
20 increases for existing employees, promotions, and an increase in the number of  
21 employees.

22  
23 As explained on pages 21 and 22 of Exhibit No. HI-1, each year the Company incurs  
24 expenses to maintain different components of its plant facilities. As a consequence, the

1 level of maintenance costs charged to each account will vary from year to year,  
2 depending upon the nature of maintenance projects undertaken in any one year. The  
3 significant factor for ratemaking is not whether an individual account has varied, but  
4 whether the overall level of maintenance costs is reasonable. As pages 21 and 22  
5 demonstrate, while maintenance expenses rose by 3.9%, test year maintenance expense,  
6 as a percentage of plant in service, fell slightly during the historic test year as compared  
7 to the prior twelve-month period.

8  
9 Page 20 of Exhibit No. HI-1 shows the allocated transportation expenses in 2020 and in  
10 2021. Overall transportation expenses went up by 21.2% from 2020 to 2021 due to  
11 higher gas prices, higher costs for replacement vehicles generating higher depreciation  
12 expense, and higher maintenance expense from an expanding fleet.

13  
14 Q. Explain Exhibit No. HI-2.

15 A. Exhibit No. HI-2 summarizes ratemaking adjustments under existing rates to per book  
16 water statement of income for the twelve months ended December 31, 2021, and the  
17 anticipated statement of income when proposed rates become effective. The water  
18 income per books for the twelve months ended December 31, 2021, as shown in Column  
19 1 of Exhibit No. HI-2 is \$17,301,088. I note that this amount reflects non-operating  
20 income and other income deductions not included in the calculation of net operating  
21 income for ratemaking purposes. Net operating income for ratemaking purposes was  
22 \$21,522,940 for the twelve months ended December 31, 2021, as shown in Column 1,  
23 page 2 of Exhibit No. HI-2. Column 3 of Exhibit No. HI-2 shows adjusted net operating  
24 income of \$19,556,905. The adjustments to net operating income in the amount of

1 \$(1,966,035) are shown in Column 2 of Exhibit No. HI-2. These adjustments are detailed  
2 in other exhibits, which I will explain later. Column 5 of Exhibit No. HI-2 shows net  
3 operating income of \$20,686,683 after reflecting adjustments related to the effects of  
4 proposed rates. The adjustments to net operating income in the amount of \$1,129,778 are  
5 shown in Column 4 of Exhibit No. HI-2, and these adjustments are detailed in other  
6 exhibits, which I will explain later.

7  
8 Q. Are you sponsoring any other exhibits regarding the Company's statement of operations?

9 A. Yes, I am also sponsoring Exhibit Nos. H (b)-2, H (c)-5, H (c)-6, HI-3, HI-4, and HI-5.

10  
11 Q. Explain Exhibit No. H (b)-3.

12 A. Exhibit No. H (b)-3 provides the number of water customers whose monthly bills will  
13 increase under proposed rates based on pro forma historic test year volumes.

14  
15 Q. Explain Exhibit No. H (b)-5.

16 A. Exhibit No. H (b)-5 states that no water customers' monthly bills will decrease under  
17 proposed rates based on pro forma historic test year volumes.

18  
19 Q. Explain Exhibit No. HII-1.

20 A. Exhibit No. HII-1 is a comparative statement of gallons sold and operating revenues per  
21 books by class for the twelve months ended December 31, 2021, and December 31, 2020,  
22 and the number of customers by class as of December 31, 2021, and December 31, 2020.

23  
24 Q. Explain Exhibit No. HII-2.

1 A. Exhibit No. HII-2 summarizes adjustments to per book operating revenues for the twelve  
2 months ended December 31, 2021, that are required for ratemaking purposes. As I will  
3 explain later, such adjustments reflect elimination of Distribution System Improvement  
4 Charge (“DSIC”) revenues billed and recorded on the books during the twelve months  
5 ended December 31, 2021, and elimination of net accrued operating revenues recorded on  
6 the corporate books during the twelve months ended December 31, 2021. The  
7 adjustments also annualize the effects of changes in number of customers, which occurred  
8 during the twelve months ended December 31, 2021.

9  
10 Exhibit No. HII-2, page 2 of 3, shows operating revenues from metered sales, by class,  
11 from fire protection, by class, and revenues from other than sales of water.

12  
13 The operating revenues per books, for the twelve months ended December 31, 2021, as  
14 shown in Column 1, page 2 of 3 of Exhibit No. HII-2, were \$52,903,579. Adjustments  
15 under existing rates to decrease historic test year operating revenues in the amount of  
16 \$(251,254) are summarized on page 3 of 3 of Exhibit No. HII-2 and are shown in Column  
17 2, page 2 of 3 of Exhibit No. HII-2. These adjustments are explained later in Exhibit Nos.  
18 HII-2-1 through HII-2-12 and HII-2-14. Pro forma operating revenues under existing  
19 rates, after adjustments, for twelve months ended December 31, 2021, of \$52,652,325 are  
20 shown in Column 3, page 2 of 3, of Exhibit No. HII-2. The proposed increase in historic  
21 test year operating revenues in the amount of \$1,607,976 is shown in Column 5, page 2 of  
22 3 of Exhibit No. HII-2. The corresponding percentage increase in operating revenues is  
23 shown in Column 6, page 2 of 3.

1 For historic test year purposes, the increase of \$1,607,976 shown on Exhibit No. HII-2  
2 was not produced by the application of proposed rates to historic test year volumes.  
3 Since the Company's claim in this case is based upon data for a fully projected future test  
4 year ending February 29, 2024, annualized and normalized for ratemaking purposes, the  
5 increase of \$1,607,976, or 3.05%, is the increase calculated based upon pro forma historic  
6 test year revenues, expenses and rate base that is distributed proportionately among the  
7 customer classes.

8  
9 Q. Explain Exhibit No. HII-2-1.

10 A. Exhibit No. HII-2-1 eliminates DSIC revenues billed and recorded on the books during  
11 the twelve months ended December 31, 2021. The Company's calculations zero the  
12 DSIC and roll-into base rates the costs recovered through the charge. The adjustment to  
13 eliminate DSIC revenues is carried forward to Exhibit No. HII-2.

14  
15 Q. Explain Exhibit No. HII-2-2.

16 A. Exhibit No. HII-2-2 eliminates net accrued operating revenues recorded on the corporate  
17 books during the twelve months ended December 31, 2021. In response to the enactment  
18 of the Tax Reform Act of 1986, the Company estimates for income tax and financial  
19 reporting purposes the amount of income attributable to utility services provided during  
20 each accounting period, but after the final meter reading which falls within that  
21 accounting period.

22  
23 Since unbilled revenues from the end of one accounting period are included in the first  
24 meter reading for the next accounting period, unbilled revenues from one accounting

1 period are offset by unbilled revenues in the succeeding accounting period, with the result  
2 that the Company will record for accounting purposes, as either a debit or credit, the  
3 negative or positive difference in accrued revenues between the two accounting periods.  
4 This difference represents net accrued revenues recorded for the latter accounting period.

5  
6 Operating revenues are presented for ratemaking purposes on an “as billed basis” for the  
7 historic, future, and fully projected future test years, to eliminate the uncertainties  
8 inherent in estimated “unbilled revenues.” Therefore, for ratemaking purposes, net  
9 accrued operating revenues are eliminated.

10  
11 Q. Explain Exhibit No. HII-2-3.

12 A. Exhibit No. HII-2-3 annualizes water operating revenues for metered residential,  
13 commercial, and industrial customers by applying metered base rates effective March 1,  
14 2019, to test year water consumption. By Order entered at Docket No. R-2018-3000019,  
15 the Commission authorized increased base rates for the Company. These rates are the  
16 currently effective base rates of the Company. Annualization of revenues by customer  
17 class at present-metered base rates effective March 1, 2019, in the amount of \$48,107,419  
18 are shown in Column 2 on Exhibit No. HII-2-3. Application of present base rates to the  
19 customer consumption analysis for the twelve months ended December 31, 2021, is  
20 shown on Exhibit No. HII-4, which I will explain later. Metered operating revenues by  
21 customer class billed and recorded on the corporate books during the twelve months  
22 ended December 31, 2021, in the amount of \$48,076,574 are shown in Column 1 of  
23 Exhibit No. HII-2-3 and are subtracted from annualized revenues at metered base rates  
24 effective March 1, 2019, to determine the adjustment by customer class to operating

1 revenues shown in Column 3 of Exhibit No. HII-2-3 [ $\$48,107,419 - \$48,076,574 =$   
2  $\$30,845$ ]. The adjustment by customer class of operating revenues in the amount of  
3  $\$30,845$  is carried forward to Exhibit No. HII-2, page 3.

4  
5 Q. Explain Exhibit No. HII-2-4.

6 A. Exhibit No. HII-2-4 annualizes operating revenues for metered residential gravity  
7 customers connected and disconnected during the twelve months ended December 31,  
8 2021. The net loss in number of metered residential gravity customers during the twelve  
9 months ended December 31, 2021, was 87 (20,813 metered residential gravity customers  
10 as of December 31, 2021, less 20,900 metered residential gravity customers as of  
11 December 31, 2020). Since 87 metered residential gravity customers were lost  
12 throughout the historic test year, it is assumed the historic test year average number of  
13 metered residential gravity customers is equal to the average of metered residential  
14 gravity customers at the beginning and end of the historic test year, or 20,857 ( $[20,813 +$   
15  $20,900] \div 2$ ). Annualized revenues for metered residential gravity customers of  
16  $\$9,743,607$  (refer to Exhibit No. HII-4) are divided by the historic test year average  
17 number of metered residential gravity customers of 20,857 to calculate the average  
18 annual revenue per average metered residential gravity customer in the amount of  
19  $\$467.16$  ( $\$9,743,607 \div 20,857 = \$467.16$ ). The adjustment to annualize revenues for the  
20 net loss in metered residential gravity customers during the twelve months ended  
21 December 31, 2021, is determined by multiplying the net loss of 87 metered residential  
22 gravity customers by the average annual revenue per average metered residential gravity  
23 customer in the amount of  $\$467.16$  and by dividing the product of this calculation by two  
24  $[(87) \times \$467.16 \div 2 = \$(20,321)]$ . The product is divided by two since it is reasonable to



1 assume that customers were lost evenly through the historic test year and that annualized  
2 revenues already reflect the loss of one-half of one year's revenue, on average, for the 87  
3 customers. The result of the calculations described above is the amount of \$(20,321),  
4 which is carried forward to Exhibit No. HII-2, page 3.

5  
6 Q. Explain Exhibit No. HII-2-5.

7 A. Exhibit No. HII-2-5 annualizes operating revenues for metered residential repumped  
8 customers connected and disconnected during the twelve months ended December 31,  
9 2021. The net gain in number of metered residential repumped customers during the  
10 twelve months ended December 31, 2021, was 442 (42,664 metered residential repumped  
11 customers as of December 31, 2021, less 42,222 metered residential repumped customers  
12 as of December 31, 2020). Since 442 additional metered residential repumped customers  
13 were added throughout the twelve months ended December 31, 2021, it is assumed the  
14 historic test year average number of metered residential repumped customers is equal to  
15 the average of the numbers of metered residential repumped customers at the beginning  
16 and end of the historic test year, or 42,443 ( $[42,664 + 42,222] \div 2$ ). Annualized revenues  
17 for metered residential repumped customers of \$23,909,801 (Refer to Exhibit No. HII-4)  
18 are divided by the historic test year average number of metered residential repumped  
19 customers of 42,443 to calculate the average annual revenue per average metered  
20 residential repumped customer in the amount of \$563.34 ( $\$23,909,801 \div 42,443 =$   
21  $\$563.34$ ). The adjustment to annualize revenues for the net increase in metered  
22 residential repumped customers during the twelve months ended December 31, 2021, is  
23 determined by multiplying the net gain of 442 metered residential repumped customers  
24 by the average annual revenue per average metered residential repumped customer in the

1 amount of \$563.34 and by dividing the product of this calculation by two ( $442 \times \$563.34$   
2  $\div 2 = \$124,498$ ). The product is divided by two since it is reasonable to assume that  
3 customers were added evenly throughout the twelve months ended December 31, 2021,  
4 and that annualized revenues already reflect one-half of one year's revenue, on average,  
5 for the 442 customers. The result of the calculations described above is the amount of  
6 \$124,498, which is carried forward to Exhibit No. HII-2, page 3.

7  
8 Q. Explain Exhibit No. HII-2-6.

9 A. Exhibit No. HII-2-6 annualizes operating revenues for metered commercial gravity  
10 customers connected and disconnected during the twelve months ended December 31,  
11 2021. The net loss in number of metered commercial gravity customers during the twelve  
12 months ended December 31, 2021, was 10 (2,531 metered commercial gravity customers  
13 as of December 31, 2021, less 2,541 metered commercial gravity customers as of  
14 December 31, 2020). Since 10 metered commercial gravity customers were lost  
15 throughout the twelve months ended December 31, 2021, it is assumed the historic test  
16 year average number of metered commercial gravity customers is equal to the average of  
17 the numbers of metered commercial gravity customers at the beginning and end of the  
18 historic test year, or 2,536 ( $[2,531 + 2,541] \div 2$ ). Annualized revenues for metered  
19 commercial gravity customers of \$3,533,320 (Refer to Exhibit No. HII-4 reduced by  
20 priced out bulk truck sales) are divided by the historic test year average number of  
21 metered commercial gravity customers of 2,536 to calculate the average annual revenue  
22 per average metered commercial gravity customer in the amount of \$1,393.26  
23 ( $\$3,533,320 \div 2,536 = \$1,393.26$ ). The adjustment to annualize revenues for the net  
24 decrease in the number of metered commercial gravity customers during the twelve

1 months ended December 31, 2021, is determined by multiplying the net loss of 10  
2 metered commercial gravity customers by the average annual revenue per metered  
3 commercial gravity customer in the amount of \$1,393.26 and by dividing the product of  
4 this calculation by two  $[(10) \times \$1,393.26 \div 2 = \$(6,966)]$ . The product is divided by two  
5 since it is reasonable to assume that customers were lost evenly throughout the twelve  
6 months ended December 31, 2021, and that annualized revenues already reflect the loss  
7 of one-half of one year's revenue, on average, for the 10 customers. The result of the  
8 calculations described above is the amount of  $\$(6,966)$ , which is carried forward to  
9 Exhibit No. HII-2, page 3.

10  
11 Q. Explain Exhibit No. HII-2-7.

12 A. Exhibit No. HII-2-7 annualizes operating revenues for metered commercial repumped  
13 customers connected and disconnected during the twelve months ended December 31,  
14 2021. The net gain in number of metered commercial repumped customers during the  
15 twelve months ended December 31, 2021, was 13 (2,077 metered commercial repumped  
16 customers as of December 31, 2021, less 2,064 metered commercial repumped customers  
17 as of December 31, 2020). Since 13 metered commercial repumped customers were  
18 added throughout the twelve months ended December 31, 2021, it is assumed the historic  
19 test year average number of metered commercial repumped customers is equal to the  
20 average of the numbers of metered commercial repumped customers at the beginning and  
21 end of the historic test year, or 2,071  $[(2,077 + 2,064) \div 2]$ . Annualized revenues for  
22 metered commercial repumped customers of \$6,790,252 (Refer to Exhibit No. HII-4  
23 reduced by priced out bulk truck sales) are divided by the historic test year average  
24 number of metered commercial repumped customers of 2,071 to calculate the average

1 annual revenue per average metered commercial repumped customer in the amount of  
2 \$3,278.73 ( $\$6,790,252 \div 2,071 = \$3,278.73$ ). The adjustment to annualize revenues for  
3 the net increase in metered commercial repumped customers during the twelve months  
4 ended December 31, 2021, is determined by multiplying the net gain of 13 metered  
5 commercial repumped customers by the average annual revenue per average metered  
6 commercial repumped customer in the amount of \$3,278.73 and by dividing the product  
7 of this calculation by two ( $13 \times \$3,278.73 \div 2 = \$21,312$ ). The product is divided by two  
8 since it is reasonable to assume that customers were gained evenly throughout the twelve  
9 months ended December 31, 2021, and that annualized revenues already reflect the gain  
10 of one-half of one year's revenue, on average, for the 13 customers. The result of the  
11 calculations described above is the amount of \$21,312, which is carried forward to  
12 Exhibit No. HII-2, page 3.

13  
14 Q. Explain Exhibit No. HII-2-8.

15 A. Exhibit No. HII-2-8 eliminates operating revenues for a net of zero metered industrial  
16 gravity customers connected and disconnected during the twelve months ended December  
17 31, 2021. The annualized revenue adjustment for one metered industrial gravity customer  
18 connected during the test year of \$7,286 was offset by test year revenues for one metered  
19 industrial gravity customer disconnected during the test year of \$2,675. The net  
20 adjustment of \$4,611 ( $\$7,286 - \$2,675 = \$4,611$ ) is carried forward to Exhibit No. HII-2,  
21 page 3.

22  
23 Q. Explain Exhibit No. HII-2-9.

1 A. Exhibit No. HII-2-9 annualizes operating revenues for two metered industrial repumped  
2 customers who were connected during the twelve months ended December 31, 2021. The  
3 annualized revenue adjustment for two metered industrial repumped customers connected  
4 during the test year of \$2,073 was carried forward to Exhibit No. HII-2, page 3.  
5

6 Q. Explain Exhibit No. HII-2-10.

7 A. Exhibit No. HII-2-10 annualizes operating revenues to reflect the number of private fire  
8 protection customers as of December 31, 2021, at present rates. Annualized private fire  
9 protection revenues in the amount of \$1,890,834 shown on Exhibit No. HII-2-10, page 2  
10 of 2 were determined by applying present private fire protection rates effective March 1,  
11 2019, authorized by the Commission's Order entered at Docket No. R-2018-3000019 to  
12 the number of private fire hydrants and standby service connections in service as of  
13 December 31, 2021. The difference in the amount of \$16,119 between the annualized  
14 private fire protection revenues of \$1,890,834 and the historic test year private fire  
15 protection revenues of \$1,874,714 ( $\$1,890,834 - \$1,874,714 = \$16,119$ ), shown on page 2  
16 of 2 of Exhibit No. HII-2-10, is the adjustment to annualize operating revenues for private  
17 fire protection customers as of December 31, 2021, which has been carried forward to  
18 Exhibit No. HII-2, page 3.  
19

20 Q. Explain Exhibit No. HII-2-11.

21 A. Exhibit No. HII-2-11 annualizes operating revenues to reflect the number of public fire  
22 protection customers as of December 31, 2021, at present rates. Annualized public fire  
23 protection revenues in the amount of \$1,373,175 shown on Exhibit No. HII-2-11 were  
24 determined by applying the present public fire protection rates effective March 1, 2019,

1 authorized by the Commission's Order entered at Docket No. R-2018-3000019 to the  
2 number of public fire hydrants in service as of December 31, 2021. The difference in the  
3 amount of \$9,280 between the annualized public fire protection revenues of \$1,373,175  
4 and the historic test year public fire protection revenues of \$1,363,896 ( $\$1,373,175 -$   
5  $\$1,363,896 = \$9,280$ ) shown on Exhibit No. HII-2-11 is the adjustment to annualize  
6 operating revenues for public fire protection customers as of December 31, 2021, which  
7 has been carried forward to Exhibit No. HII-2, page 3.

8  
9 Q. Explain Exhibit No. HII-2-12.

10 A. Exhibit No. HII-2-12 annualizes lease payments received for communication equipment  
11 installed on the Company's standpipes in accordance with the non-exclusive license  
12 agreement between the Company and cellular telephone companies. These cellular  
13 telephone companies are not affiliated with the Company. This industry is experiencing  
14 consolidation. As cellular telephone companies merge, they may have leases with the  
15 Company for equipment on the same standpipe for each of the legacy companies. As a  
16 result, they are not renewing these duplicate leases or providing notice they will not be  
17 renewing these duplicate leases upon the end of the lease. This is resulting in decreases  
18 in annualized lease payments. Rent from water property for the twelve months ended  
19 December 31, 2021, reflects lease payments from the dates of the license agreements.  
20 The adjustment of \$(11,154) is determined by subtracting the lease payments received  
21 and recorded as rental income during the twelve months ended December 31, 2021, of  
22 \$550,745 from the annual lease payments for the installation of communication  
23 equipment in the amount of \$539,590 [ $\$539,590 - \$550,745 = \$(11,154)$ ]. This  
24 adjustment of \$(11,154) has been carried forward to Exhibit No. HII-2, page 3.

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Q. Explain Exhibit No. HII-2-13.

A. Exhibit No. HII-2-13 eliminates the billing and revenue collection services provided to West Manheim Township included in the historic test year miscellaneous water revenues. Before this year, West Manheim Township provided wastewater service to their residents, and the Company acted as the billing and revenue collection agent for the municipality. On December 30, 2021, the Company completed the acquisition of the wastewater collection assets of West Manheim Township and began operating the collection facilities on January 3, 2022. As a result, the billing and revenue collection services the Company provided to West Manheim Township ceased beginning in 2022. West Manheim Township was billed on a quarterly basis for the billing and revenue collection services provided by the Company. The Company determined the total revenue included in the historic test year for these services was \$16,356. This adjustment of \$(16,356) has been carried forward to Exhibit No. HII-2, page 3.

Q. Explain Exhibit No. HII-2-14.

A. Exhibit No. HII-2-14 adjusts customers' penalties based on pro forma sales of water under existing rates and a two-year average ratio of customers' penalties to total sales of water. The two-year average ratio used for this analysis was based on the years ended December 31, 2019, and December 31, 2018. These two years were used rather than the historic test year and the second most previous year ended because the data from those years were skewed by the impact for the COVID-19 pandemic and customer protections that were put in place. The Company believes using these two years provides a more

1 accurate ratio. This ratio was used in all historic test year, future test year, and fully  
2 project future test year pro forma and projected adjustments for customers' penalties.

3  
4 Pro forma sales of water under existing rates (Refer to Exhibit No. HII-2) of \$51,496,634  
5 are multiplied by the two-year average ratio of customers' penalties to total sales of water  
6 of 0.14% (rounded) to determine the annualized customers' penalties under existing rates  
7 of \$72,899 ( $\$51,496,634 \times 0.0014$ ).

8  
9 The adjustment to customers' penalties in the amount of \$(12,522) is determined by  
10 subtracting test year customers' penalties of \$85,421 from annualized customers'  
11 penalties under existing rates of \$72,899 [ $\$72,899 - \$85,421 = \$(12,522)$ ]. The  
12 adjustment to customers' penalties of \$(12,522) has been carried forward to Exhibit No.  
13 HII-2, as an adjustment to Account No. 47100500.

14  
15 Q. Explain Exhibit No. HII-2-15.

16 A. Exhibit No. HII-2-15 adjusts customers' penalties based on pro forma sales of water  
17 under proposed rates and a two-year average ratio of customers' penalties to total sales of  
18 water. Pro forma sales of water under proposed rates (Refer to Exhibit No. HII-2) of  
19 \$53,102,336 are multiplied by the two-year average ratio of customers' penalties to total  
20 sales of water of 0.14% (rounded) to determine the pro forma customers' penalties under  
21 proposed rates of \$75,172 ( $\$53,102,336 \times 0.0014$ ).

22  
23 The adjustment to customers' penalties in the amount of \$2,273 is determined by  
24 subtracting pro forma customers' penalties under existing rates of \$72,899 (Refer to



1 Exhibit No. HII-2-14) from pro forma customers' penalties under proposed rates of  
2 \$75,172 ( $\$75,172 - \$72,899 = \$2,273$ ). The adjustment to customers' penalties of \$2,273  
3 has been carried forward to Exhibit No. HII-2, page 2, Column 5, as an adjustment to  
4 Account No. 47100500.

5  
6 Q. Explain Exhibit No. HII-4.

7 A. Exhibit No. HII-4 provides a detailed customer consumption analysis by customer  
8 classification and meter size.

9  
10 Pages 2 through 4 of Exhibit No. HII-4 provide the application of present-metered base  
11 rates, which became effective March 1, 2019, to the customer consumption analysis for  
12 the twelve months ended December 31, 2021. The details of the customer consumption  
13 analysis are presented on pages 5 through 18 of Exhibit No. HII-4. The application of  
14 present-metered base rates to the customer consumption analysis for the twelve months  
15 ended December 31, 2021, results in annualized revenues at present-metered base rates  
16 on pages 2-4 of Exhibit No. HII-4 of \$48,107,419 ( $\$33,653,408 + \$10,385,604 +$   
17  $\$4,068,407$ ). Annualized revenues at current base rates of \$48,107,419 have been carried  
18 forward to Exhibit No. HII-2-3, which I have explained previously.

19  
20 Q. Explain Exhibit No. HII-5.

21 A. Exhibit No. HII-5 provides a detailed explanation of the accounting procedures and  
22 methods used to determine accrued revenues and detailed computations of accrued  
23 revenues as of December 31, 2021, and December 31, 2020, based on the explanation that  
24 was previously provided with respect to Exhibit No. HII-2-2. Refer to Exhibit No. HII-2-

1 2, which I explained previously, for an operating revenue adjustment, which eliminates  
2 net accrued revenues, recorded during the test year from the cost of service.

3  
4 Page 2 of Exhibit No. HII-5 provides a detailed computation of accrued utility revenues  
5 as of December 31, 2021.

6  
7 Page 3 of Exhibit No. HII-5 provides a detailed computation of accrued utility revenues  
8 as of December 31, 2020.

9  
10 Page 4 of Exhibit No. HII-5 provides a summary of entries recorded during the twelve  
11 months ended December 31, 2021, accounting for accrued revenues.

12  
13 Q. Explain Exhibit No. HII-6.

14 A. Exhibit No. HII-6 provides a detailed analysis of miscellaneous water revenues for the  
15 twelve months ended December 31, 2021, and the calendar years 2020 and 2019.

16  
17 Q. Explain Exhibit No. HII-7.

18 A. Exhibit No. HII-7 provides the number of customers, the number of customers added or  
19 lost, and the consumption by customer classification for the year ended December 31,  
20 2021, and the year-to-date period ended March 31, 2022.

21  
22 Q. Explain Exhibit No. HII-10.

23 A. Exhibit No. HII-10 provides a listing of all public fire protection customers as of  
24 December 31, 2021.

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Q. Are you sponsoring any other exhibits regarding the Company’s operating revenues?

A. Yes, I am also sponsoring Exhibit Nos. H (a)-2, H (a)-3, H (a)-4, H (a)-5, H (b)-4, H (b)-6, HII-3, HII-8, HII-9, HII-11, HII-12, and HII-13.

Q. Explain Exhibit No. HIII-1.

A. Exhibit No. HIII-1 is a comparative statement of water operating expenses per books for the twelve months ended December 31, 2021, December 31, 2020, and December 31, 2019.

I note that in comparing operating expenses for the three twelve-month periods ended December 31, 2021, December 31, 2020, and December 31, 2019, there are variations in labor costs charged to the various expense accounts during the three twelve-month periods. The direct labor charge to the numerous accounts will vary from year to year, in proportion to the change in the number of man-hours from year to year, actually reported on time sheets for different activities charged to different accounts. To the extent permitted with respect to its unionized employees, York Water utilized its complement of employees during the twelve-month periods ended December 31, 2021, 2020, and 2019, where there was the greatest need for manpower. Employees are not assigned to the same work, nor do they perform the same functions, from year to year or from month to month, inasmuch as the need for manpower by system function changes. Therefore, the man-hours charged to the functional accounts, and thus, the labor expense recorded on the books, are directly related to the time the employees spend on the various functions as reported on time sheets. Consequently, the individual expense accounts reflect increases

1 and decreases of various magnitudes in Company labor when comparing different twelve-  
2 month periods. These variations in labor costs charged to different expense accounts can  
3 be seen on Exhibit No. HIII-2-4.  
4

5 Each year the Company incurs expenses to maintain different components of its plant  
6 facilities. Therefore, the level of maintenance costs charged to each account will vary  
7 from year to year, depending upon the nature of maintenance projects undertaken in any  
8 one year. The significant factor for ratemaking is not whether an individual account has  
9 varied, but whether the overall level of maintenance costs is reasonable. I note that test  
10 year maintenance expense as a percentage of plant in service, has remained the same  
11 during the twelve months ended December 31, 2021, as compared to the prior twelve-  
12 month period.  
13

14 Q. Explain Exhibit No. HIII-2.

15 A. Exhibit No. HIII-2 summarizes adjustments to operating expenses for the twelve months  
16 ended December 31, 2021, to: (1) annualize and normalize the effect of changes  
17 occurring during the twelve months ended December 31, 2021; and (2) reflect changes in  
18 uncollectible accounts expenses due to the increase in operating revenues resulting from  
19 the proposed increase in rates.  
20

21 Operating expenses per books for the twelve months ended December 31, 2021, in the  
22 amount of \$20,045,215 are shown in Column 1 of Exhibit No. HIII-2, pages 2 through 5.  
23 Adjustments to operating expenses in the amount of \$1,003,571, to annualize and  
24 normalize the effect of changes occurring during the twelve months ended December 31,

1 2021, are shown in Column 3 of Exhibit No. HIII-2, pages 2 through 5, and are detailed  
2 in Exhibit Nos. HIII-2-1 through HIII-2-37. Adjustments to operating expenses in the  
3 amount of \$8,370 to reflect changes in uncollectible accounts expenses due to the  
4 increase in operating revenues resulting from the proposed increase in rates are shown in  
5 Column 6 of Exhibit No. HIII-2, pages 2 through 5, and is detailed in Exhibit No. HIII-2-  
6 38.

7  
8 Q. Explain Exhibit No. HIII-2-1.

9 A. Exhibit No. HIII-2-1 adjusts per books operating expenses to reflect a normalized level of  
10 rate case expenses for this rate case in the amount of \$238,125. The estimated expenses  
11 of this rate case are \$952,500, assuming a fully-litigated rate case, and Exhibit No. HIII-  
12 2-1 normalizes the estimated expenses of this rate case over 48 months. The Company  
13 proposes to normalize the cost of the current rate case over 48 months, which is the  
14 approximate average elapsed time between the filing dates for the Company's last three  
15 rate cases.

16  
17 The adjustment in the amount of \$134,171 is determined by subtracting amortization of  
18 rate case expenses in the amount of \$103,954 recorded on the corporate books during the  
19 twelve months ended December 31, 2021, from the annual normalized expenses of this  
20 rate case. The annual normalized expenses of the rate case of \$238,125 is determined by  
21 dividing the estimated expenses of this rate case of \$952,500 by 48 months and  
22 multiplying by 12 months ( $\$952,500 \div 48 \times 12$ ), the normalization period. The  
23 adjustment to Account No. 66680000 in the amount of \$134,171 ( $\$238,125 - \$103,954$ )  
24 has been carried forward to Exhibit No. HIII-2, Column 3.

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Q. Explain Exhibit No. HIII-2-2.

A. Exhibit No. HIII-2-2 adjusts uncollectible accounts expense for the twelve months ended December 31, 2021, based on a two-year ratio of the net of uncollectible accounts written-off, less recoveries of amounts previously written-off to total operating revenues. The two-year average ratio used for this analysis was based on the years ended December 31, 2019, and December 31, 2018. These two years were used rather than the historic test year and the second most previous year ended because the data from those years were skewed by the impact for the COVID-19 pandemic and customer protections that were put in place. The Company believes using these two years provides a more accurate ratio. This ratio was used in all historic test year, future test year, and fully project future test year pro forma and projected adjustments for uncollectible accounts.

The two-year ratio of 0.52% is multiplied by pro forma operating revenues of \$51,496,634 (see Exhibit HII-2) to calculate pro forma uncollectible accounts expense for ratemaking purposes of \$268,425 ( $\$51,496,634 \times 0.0052$ ). The adjustment to uncollectible accounts in the amount of \$(109,260) is determined by subtracting the uncollectible accounts accrual recorded on the books during the test year of \$377,685 from the calculated pro forma uncollectible accounts for ratemaking purposes of \$268,425 [ $\$268,425 - \$377,685 = \$(109,260)$ ]. The adjustment to uncollectible accounts expense of \$(109,260) to Account No. 67070000 has been carried forward to Exhibit No. HIII-2, Column 3.

Q. Explain Exhibit No. HIII-2-3.

1 A. Exhibit No. HIII-2-3 adjusts chemical expense, based on a two-year average of amounts  
2 of chemicals used. Pro forma chemical expense in the amount of \$729,214 is based on  
3 applying unit prices of chemicals effective at the time of the rate filing to the two-year  
4 average amounts of chemicals used. The adjustment to chemical expense in the amount  
5 of \$135,950 is determined by subtracting test year chemical expense of \$792,214 from  
6 calculated pro forma chemical expense of \$656,264 ( $\$792,214 - \$656,264 = \$135,950$ ).  
7 The adjustment to Account No. 61830000 in the amount of \$135,950 has been carried  
8 forward to Exhibit No. HIII-2, Column 3.

9

10 Q. Why do you use a two-year average of chemicals used?

11 A. The Company's raw water quality varies continually as a result of factors beyond the  
12 Company's control, including in particular the amount and quality of rainfall. Different  
13 raw water qualities require different chemical treatment to ensure that the Company's  
14 treated water quality meets the high-quality standards that York Water's customers have  
15 come to expect. A two-year average provides a reasonable normalization of chemical  
16 usage. A two-year average has been used in prior base rate cases.

17

18 Q. Explain Exhibit No. HIII-2-4.

19 A. Exhibit No. HIII-2-4 presents an adjustment of payroll expense for union and nonunion  
20 employees to reflect the full annual effect of actual hourly and salary rates and annual  
21 cash incentive awards and annual stock incentive awards that are effective December 31,  
22 2021. I started by applying the actual hourly rates to a two-year average of regular,  
23 overtime and double time hours. Because the need for manpower by system function  
24 changes each year, the Company used an average of the two years ended December 31,

1 2021, and December 31, 2020, to calculate pro forma payroll hours and the distribution of  
2 pro forma payroll among capital and expense accounts. Pro forma payroll expense is  
3 determined by applying wage rates and annual incentive awards effective December 31,  
4 2021, to the modified two-year average of regular, overtime, and double time payroll  
5 hours. The Company included year-end bonuses in an amount of \$34,080 in pro forma  
6 payroll expense. The Company has consistently provided year-end bonuses to employees  
7 for over 26 years as a part of the employees' overall compensation package, and this is an  
8 expected part of compensation. The distribution of pro forma payroll among the various  
9 capital and expense accounts is determined by allocating pro forma payroll over the two-  
10 year average payroll distribution. The allocation of pro forma payroll is reflected on  
11 Exhibit No. HIII-2-4 (a), which I will explain later. Total pro forma payroll expense, by  
12 account, of \$7,756,320 is shown in Column 1 on page 1 of Exhibit No. HIII-2-4. It is to  
13 be noted, in comparing pro forma payroll expense to test year payroll expense, the critical  
14 issue is not increases or decreases to individual accounts. The differences for individual  
15 accounts are substantially the result of using a two-year average to allocate pro forma  
16 payroll, combined with the fact that every year the need for manpower by system function  
17 changes.

18  
19 Total test year payroll expense, by account, in the amount of \$7,471,838 is shown in  
20 Column 2 on page 1 of Exhibit No. HIII-2-4. The increase in payroll expense of  
21 \$284,482 represents the difference between pro forma payroll expense, by account, and  
22 test year payroll expense, by account, and is shown by account in Column 3 on page 1 of  
23 Exhibit No. HIII-2-4. The adjustments have been carried forward to Exhibit No. HIII-2,  
24 Column 3.



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I note that a portion of pro forma payroll expense for certain specified supervisory and general office employees for twelve months ended December 31, 2021, was capitalized and is reflected, as a reduction to operating expenses, in Account No. 67580002, Miscellaneous Expenses-Administrative and General Expenses Transferred, on Exhibit No. HIII-2-6, which I will explain later.

Q. Explain Exhibit No. HIII-2-4 (a).

A. Exhibit No. HIII-2-4 (a) is the distribution of pro forma labor based on Company labor for the two years ended December 31, 2021, and December 31, 2020. Company labor for the twelve months ended December 31, 2021, of \$8,252,050, is shown in Column 1 on page 1 of Exhibit No. HIII-2-4 (a). Company labor for the twelve months ended December 31, 2020, of \$7,882,196 is shown in Column 2 on page 1 of Exhibit No. HIII-2-4 (a). Two-year Company labor of \$16,134,246, which represents the addition of Company labor for the twelve months ended December 31, 2020, and Company labor for the twelve months ended December 31, 2021, is shown in Column 3 on page 1 of Exhibit No. HIII-2-4 (a). Pro forma payroll of \$8,605,691 is distributed among the various capital and expense accounts based on the two-year Company labor. The allocation factor of 0.53338039 shown in Column 4 on page 1 of Exhibit No. HIII-2-4 (a) used to distribute pro forma payroll among the various capital and expense accounts is calculated by dividing Pro Forma Company Labor of \$8,605,691 by Two Year Company Labor of \$16,134,246. The allocation factor of 0.53338039 is multiplied by each capital and expense amount of Two Year Company Labor shown in Column 3 on page 1 of Exhibit No. HIII-2-4 (a) to determine the pro forma Company labor amount allocated to each

1 capital and expense account shown in Column 5 on page 1 of Exhibit No. HIII-2-4 (a).  
2 Pro Forma Company Labor Expense is carried forward to Column 1, pages 1 and 2 of  
3 Exhibit No. HIII-2-4.  
4

5 Q. Explain Exhibit No. HIII-2-5.

6 A. Exhibit No. HIII-2-5 normalizes over five years the costs of a customer survey. The  
7 purpose of the survey is to assist the Company in further improving its customer service.  
8 The Company commissions a customer survey approximately every five years. The  
9 Company has commissioned a customer survey in 1989, 1992, 1996, 2000, 2004, 2009,  
10 2015, and 2020. The Company anticipates conducting another customer survey in 2025.  
11 This expense was approved by the Commission as a normalized expense in its Order at  
12 Docket No. R-901813 entered July 17, 1991.  
13

14 The costs of the customer survey completed in 2020 of \$11,614 are divided by five years  
15 to determine the normalized level of \$2,323 ( $\$11,614 \div 5$ ). The adjustment to Account  
16 No. 63670000 in the amount of \$2,323 has been carried forward to Exhibit No. HIII-2,  
17 Column 3.  
18

19 Refer to Mr. Wheeler's testimony (York Water Statement No. 2) for a further explanation  
20 of the customer survey.  
21

22 Q. Explain Exhibit No. HIII-2-6.

23 A. Exhibit No. HIII-2-6, consistent with the settlements approved by the Commission in the  
24 Company's 1987 and 1996 base rate cases at Docket Nos. R-870769 and R-963619,

1 respectively, adjusts administrative and general expenses capitalized for the twelve  
 2 months ended December 31, 2021, based on pro forma indirect labor, employee benefit  
 3 costs, property insurance, workers' compensation insurance, and pension expense for the  
 4 twelve months ended December 31, 2021, and a two-year average capitalization ratio.

5  
 6 A portion of the pay of certain specified supervisory and general office employees is  
 7 capitalized (referred to as "indirect labor") in addition to capitalized payroll determined  
 8 directly from employee time records. The indirect labor capitalization is calculated based  
 9 upon three, separate, experienced ratios of directly capitalized payroll to total payroll, as  
 10 follows:

<u>Employee Position</u>	<u>Allocation</u>
(a) President and Chief Executive Officer Chief Operating Officer Chief Financial Officer Chief Administrative Officer and General Counsel Controller Finance Manager CPR Clerk CPR Clerk Buyer Materials and Supplies Clerk Operations Manager	Ratio of total payroll directly Capitalized to total payroll
(b) GIS Administrator Assistant Distribution Superintendent Assistant Distribution Superintendent Distribution Superintendent Distribution Line Representative Distribution Customer Service Manager Distribution Services Representative Engineering Technician Engineering Technician Dispatcher Relief Dispatcher	Ratio of directly capitalized payroll of Distribution System Department employees to total Distribution System Department payroll
(c) Maintenance & Grounds Superintendent	Ratio of directly capitalized payroll

Maintenance & Grounds Assistant  
Superintendent  
Maintenance & Grounds Assistant  
Superintendent

of Maintenance and Grounds  
Department employees to total  
Maintenance and Grounds  
Department payroll

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20

The two-year average general and administrative employees' capitalized ratio is 13.38%. This ratio was applied to pro forma payroll of \$1,523,321 for the specified administrative and general employees to determine the pro forma capitalized indirect labor for general and administrative employees of \$203,808 ( $\$1,523,321 \times 0.1338$ ).

The two-year average distribution employees' capitalized ratio is 17.95%. This ratio was applied to pro forma payroll of \$622,328 for the specified distribution employees to determine the pro forma capitalized indirect labor for distribution employees of \$111,732 ( $\$622,328 \times 0.1795$ ).

The two-year average maintenance and grounds employees' capitalized ratio is 5.94%. This ratio was applied to pro forma payroll of \$229,186 for the specified maintenance and grounds employees to determine the pro forma capitalized indirect labor for maintenance and grounds employees of \$13,603 ( $\$229,186 \times 0.0594$ ).

As further provided in the settlement of the Company's 1987 base rate proceeding at Docket No. R-870769, group life and health insurance expense and property insurance are capitalized based upon the ratio of capitalized payroll to total payroll.

1 In addition, as provided in the settlement of the Company's 1996 base rate proceeding at  
2 Docket No. R-963619, a portion of pension expense is capitalized based upon the ratio of  
3 capitalized payroll to total payroll.  
4

5 The two-year average capitalized payroll ratio is 9.61%. This ratio was applied to pro  
6 forma group life and health insurance expense, property insurance expense and pension  
7 expense of \$1,434,778, \$126,627, and \$2,510,079, respectively, to determine the  
8 capitalized employee benefits, property insurance expense, and pension expense of  
9 \$137,858, \$12,167, and \$241,177.  
10

11 The capitalized payroll ratio of 9.61% used to capitalize a portion of group life insurance,  
12 health insurance, property insurance, and pension expense is different from the  
13 capitalization ratios used for indirect labor because the calculations are based on different  
14 allocation factors as prescribed by the 1987 and 1996 base rate case settlements.  
15

16 The capitalization ratios for workers' compensation and payroll taxes of 1.49% and  
17 8.01%, respectively, are based on a two-year average of the actual workers' compensation  
18 insurance premiums and payroll tax rates applied to capitalized payroll. The 1.49% ratio  
19 of workers' compensation was applied to pro forma capitalized labor from Exhibit HIII-  
20 2-4(a) of \$843,482 to determine capitalized workers' compensation expense of \$12,607.  
21 The 8.01% ratio of payroll taxes (including FICA, FUTA, and SUTA) was applied to pro  
22 forma capitalized labor from Exhibit HIII-2-4(a) of \$843,482 to determine capitalized  
23 payroll tax expense of \$67,572. These two ratios were not previously approved in a rate  
24 settlement, but they more accurately reflect the actual rates to be applied to capitalized

1 payroll. In addition, higher capitalization rates result in lower expenses and a lower  
2 revenue requirement. The same calculations were used in the Company's last rate case at  
3 Docket No. R-2018-3000019.

4  
5 Pro forma capitalized indirect labor, employee benefits, property insurance expense,  
6 payroll taxes and pension expense total \$800,525 ( $\$203,808 + \$111,732 + \$13,603 +$   
7  $\$137,858 + \$12,167 + \$12,607 + \$67,572 + \$241,177$ ). The adjustment to capitalized  
8 indirect labor, employee benefits, property insurance expense, payroll taxes and pension  
9 expense in the amount of \$14,276 is determined by subtracting test year capitalized  
10 indirect labor, employee benefits, property insurance expenses, payroll taxes and pension  
11 expense of \$786,246 from calculated pro forma capitalized indirect labor, employee  
12 benefits, property insurance expense, payroll taxes and pension expense of \$800,525  
13 ( $\$800,525 - \$786,246$ ). The adjustment to capitalized indirect labor, employee benefits,  
14 property insurance expense, payroll taxes and pension expense in the amount of  
15  $\$(14,279)$  as an adjustment to Account No. 67580002 and Account No. 40801302 has  
16 been carried forward to Exhibit No. HIII-2, Column 3 and Exhibit No. HIV-15.

17  
18 Q. Explain Exhibit No. HIII-2-7.

19 A. Exhibit No. HIII-2-7 annualizes the standby letter of credit fees to reflect expected  
20 increases in fees. To keep variable interest rates down and to enhance the marketability  
21 of the Pennsylvania Economic Development Financing Authority Exempt Facilities  
22 Revenue Refunding Bonds, Series A of 2008, the Company entered into a  
23 Reimbursement, Credit and Security Agreement that provides a direct pay letter of credit  
24 issued to the trustee. Based on the current rising interest rate environment, the Company

1 expects a 10-basis point increase in the fee from its current rate of 1.40% to 1.50%. The  
2 Company experienced a 30-basis point increase in the fee from 1.10% to 1.40% in  
3 October 2020. The rate of 1.50% is applied to the basis of the letter of credit of  
4 \$12,185,425 based on a 360-day year to determine the total annual fees of \$185,320  
5 ( $\$12,185,425 \times 0.015 \times 365/360 = \$185,230$ ).

6  
7 The adjustment to the letter of credit fees in the amount of \$12,355 is determined by  
8 subtracting test year letter of credit fees of \$175,965 from calculated letter of credit fees  
9 of \$185,320 ( $\$185,320 - \$172,965$ ). The adjustment to letter of credit fees in the amount  
10 of \$12,355 as an adjustment to Account No. 67580402 has been carried forward to  
11 Exhibit No. HIII-2, Column 3.

12  
13 Q. Explain Exhibit No. HIII-2-8.

14 A. Exhibit No. HIII-2-8 annualizes expenses for directors' fees for the twelve months ended  
15 December 31, 2021, based on the Company's current complement of directors and  
16 schedule of board of director and board committee meetings. During the twelve months  
17 ended December 31, 2021, the Company had one vacancy on the board of directors,  
18 which was filled on May 2, 2022. President and Chief Executive Officer Hand, who also  
19 serves as a director of the Company, is not paid directors' fees.

20  
21 The adjustment in the amount of \$1,684 is determined by subtracting directors' fees for  
22 the twelve months ended December 31, 2021, of \$348,540 from pro forma directors' fees  
23 for the twelve months ended December 31, 2021, of \$350,224 ( $\$350,224 - \$348,540 =$

1           \$1,684). The adjustment to directors' fees in the amount of \$1,684 as an adjustment to  
2           Account No. 67580800 has been carried forward to Exhibit No. HIII-2, Column 3.

3  
4   Q.    Explain Exhibit No. HIII-2-9.

5   A.    Exhibit No. HIII-2-9 adjusts purchased power expenses by location for the twelve months  
6           ended December 31, 2021, to reflect generation, transmission, and distribution rates  
7           effective January 1, 2022, from the Company's electric service providers. Purchased  
8           power expense charged to Account Nos. 61510000, 61530000, 61550000, and 61580000  
9           during the twelve months ended December 31, 2021, of \$646,914, \$26,051, \$458,930,  
10          and \$12,821, respectively, are subtracted from pro forma purchased power expense of  
11          \$661,709, \$26,162, \$470,368, and \$12,820, respectively, to determine the adjustments to  
12          purchased power expense of \$14,795, \$111, \$11,438, and \$(1) respectively. Pro forma  
13          purchased power includes contracted credits related to a curtailment program with  
14          CPower Energy Management expected to be effective for future periods. The  
15          adjustments to purchased power expense of \$14,795, \$111, \$11,438, and \$(1) have been  
16          carried forward to Exhibit No. HIII-2, Column 3.

17  
18   Q.    Explain Exhibit No. HIII-2-10.

19   A.    Exhibit No. HIII-2-10 eliminates expenses of the Company's annual employee picnic  
20          incurred during the twelve months ended December 31, 2021, of \$5,662. The elimination  
21          of the costs of the Company's annual employee picnic of \$(5,662) as an adjustment to  
22          Account No. 60480006 has been carried forward to Exhibit No. HIII-2, Column 3.

23  
24   Q.    Explain Exhibit No. HIII-2-11.



1 A. Exhibit No. HIII-2-11 amortizes over ten years the acquisition costs of the waterworks  
2 property and rights of the Section A Water Corporation in excess of the original cost of the  
3 property when first devoted to public service less the applicable accrued depreciation.  
4 Reasonable acquisition costs greater than depreciated original cost are permitted to be  
5 included in rate base and amortized over ten years in accordance with Section 1327 of the  
6 Public Utility Code. The acquisition adjustment of \$34,729 is determined by subtracting  
7 the depreciated original cost of waterworks property and rights of \$135,977 from  
8 acquisition costs of \$170,725 ( $\$170,725 - \$135,977 = \$34,729$ ). The acquisition  
9 adjustment of \$34,729 is divided by ten years to determine the annual amortization of  
10 \$3,473 ( $\$34,729 \div 10$ ). The annual amortization of the acquisition costs of \$3,473 has  
11 been carried forward to Exhibit No. HIII-2, Column 3. The Commission specifically  
12 approved this amortization as part of the settlement in the Company's 2012 base rate case  
13 at Docket No. R-2012-2336379. The amortization period began March 1, 2013 (the  
14 effective date of rates under Docket No. R-2012-2336379) and ends February 28, 2023.  
15 This adjustment is removed from the fully projected future test year as explained in York  
16 Water Statement No. 103.

17  
18 Q. Explain Exhibit No. HIII-2-12.

19 A. Exhibit No. HIII-2-12 adjusts operating expenses in the amount of \$10,735 for additional  
20 costs of customer accounting and collecting (excluding uncollectible accounts),  
21 purchased power, and chemicals resulting from the annualization of the net increase in  
22 number of customers served during the twelve months ended December 31, 2021.

23

1 The historical average ratio of customer accounting and collecting, purchased power, and  
2 chemical costs to sales of water of 7.10% for the two-year period ended December 31,  
3 2021, was calculated. This ratio was applied to the total operating revenue adjustments in  
4 the amount of \$150,605 representing annualized increases from load growth, as  
5 calculated on Exhibit Nos. HII-2-4 through HII-2-11, to derive the adjustment of \$10,735  
6 (\$150,605 x 0.071). The adjustment in the amount of \$10,735 for additional costs of  
7 customer accounting and collecting, purchased power, and chemicals has been carried  
8 forward to Exhibit No. HIII-2, Column 3.

9  
10 Q. Explain Exhibit No. HIII-2-13.

11 A. Exhibit No. HIII-2-13 annualizes trustee and portfolio management fees for the  
12 Company's qualified defined benefit pension plans based on plan asset values as of  
13 December 31, 2021. The Company pays for trustee and portfolio management services  
14 for its qualified defined benefit pension plans based upon the plan asset values as of the  
15 end of each calendar quarter. The adjustment in trustee and portfolio management fees in  
16 the amount of \$(104,369) is determined by subtracting trustee and portfolio management  
17 fees recorded on the corporate books during the twelve months ended December 31,  
18 2021, of \$268,328 from the annual trustee and portfolio management fees based on plan  
19 asset values as of December 31, 2021, of \$163,959, which is calculated based on a trustee  
20 and portfolio management fee of 0.25% of the market value of pension plan assets as of  
21 December 31, 2021, of \$65,583,553 ( $\$65,583,553 \times 0.0025 = \$163,959$ ). The Company  
22 transitioned its trustee and portfolio management for its defined benefit pension plans to a  
23 new provider in 2022 at a fee of 0.25%, lower than its fee during the historic test year.  
24 The adjustment to Account No. 60480001 in the amount of \$(104,369) for annualized

1 trustee and portfolio management fees has been carried forward to Exhibit No. HIII-2,  
2 Column 3. The recovery of administrative costs of the Company's qualified defined  
3 benefit pension plans as an expense was specifically approved by the Commission as part  
4 of the settlements in York Water's 2000, 2008, 2010, 2012, and 2018 base rate cases at  
5 Docket No. No. R-00027975, Docket No. R-2008-2023067, Docket No. R-2010-  
6 2157140, Docket No. R-2012-2336379, and Docket No. R-2018-3000019, respectively.  
7

8 Q. Explain Exhibit No. HIII-2-14.

9 A. Exhibit No. HIII-2-14 adjusts fees for the Company's Standard & Poor's corporate credit  
10 rating based on the fee schedule in effect January 1, 2022, to December 31, 2022. The  
11 Company obtains an investment grade credit rating from Standard & Poor's to allow the  
12 Company to issue debt at lower interest rates than the Company could otherwise obtain,  
13 thereby reducing the cost of debt paid by York Water's customers. The adjustment of  
14 \$2,333 is determined by subtracting the corporate credit rating fee incurred and recorded  
15 on the books during the twelve months ended December 31, 2021, of \$80,667 from the  
16 corporate credit rating based on the fee schedule in effect January 1, 2022, of \$83,000  
17 (\$83,000 - \$80,667 = \$2,333).  
18

19 The adjustment to Account No. 67580403 in the amount of \$2,333 for the Standard &  
20 Poor's corporate credit rating has been carried forward to Exhibit No. HIII-2, Column 3.  
21

22 Q. Explain Exhibit No. HIII-2-15.

23 A. Exhibit No. HIII-2-15 amortizes over ten years the acquisition costs of the waterworks  
24 property and rights of the Westwood Mobile Home Park less than the original cost of the

1 property when first devoted to public service less the applicable accrued depreciation. The  
2 negative acquisition adjustment of \$(75,474) is determined by subtracting the depreciated  
3 original cost of waterworks property and rights of \$96,795 from acquisition costs of  
4 \$21,321 [ $\$21,321 - \$96,795 = \$(75,474)$ ]. The negative acquisition adjustment of  
5 \$(75,474) is divided by ten years to determine the annual negative amortization of  
6 \$(7,547) [ $\$(75,474) \div 10$ ]. The annual negative amortization of the acquisition costs of  
7 \$(7,547) has been carried forward to Exhibit No. HIII-2, Column 3. This amortization was  
8 specifically approved by the Commission as part of the settlement in the Company's 2018  
9 base rate case at Docket No. R-2018-3000019. The amortization period began March 1,  
10 2019 (the effective date of rates under Docket No. R-2018-3000019) and ends February  
11 28, 2029.

12  
13 Q. Explain Exhibit No. HIII-2-16.

14 A. Exhibit No. HIII-2-16 annualizes health insurance expense and group life insurance  
15 expense based on the Company's complement of employees and the annualization of  
16 actual monthly premiums effective in 2022 for health insurance and group life insurance.  
17 The Company offers health insurance coverage for its employees. The Company pays  
18 health benefits up to 80% of the premium cost for all participating employees. The  
19 Company also offers dental and vision programs for its employees. The Company pays  
20 for 80% of the participating employees' dental and vision benefits. The Company pays  
21 for a group life insurance benefit for all employees.

22  
23 The actual 2022 monthly insurance premiums by class are annualized to determine the  
24 pro forma annual health insurance and group life insurance expense of \$1,781,431. The

1 adjustment in the amount of \$201,392 is determined by subtracting the portion of health  
2 insurance expense to be borne by all employees of \$346,653 and the health insurance  
3 expense recorded on the corporate books during the twelve months ended December 31,  
4 2021, in the amount of \$1,233,386 from the pro forma annual health insurance expense of  
5 \$1,781,431 ( $\$1,781,413 - \$346,653 - \$1,233,386 = \$201,392$ ). The adjustment to  
6 Account No. 60480005 of \$201,392 has been carried forward to Exhibit No. HIII-2,  
7 Column 3.

8  
9 I note that a portion of pro forma health insurance expense and group life insurance  
10 expense for the twelve months ended December 31, 2021, was capitalized in accordance  
11 with Appendix "B" of the settlement approved in the Company's 1987 rate case (Docket  
12 No. R-870769) and is reflected, as a reduction to operating expenses, in Account No.  
13 67580002, Miscellaneous Expenses-Administrative and General Expenses Transferred on  
14 Exhibit No. HIII-2-6, which I have explained earlier.

15  
16 Q. Explain Exhibit No. HIII-2-17.

17 A. Exhibit No. HIII-2-17 adjusts workers' compensation insurance expense based on pro  
18 forma payroll at workers compensation rates in effect as of January 1, 2022. Total pro  
19 forma payroll of \$8,605,691 is detailed by workers' compensation insurance  
20 classifications of waterworks employees, outside sales employees, and clerical employees  
21 in the amounts of \$4,421,708, \$1,060,087, and \$3,123,896, respectively. The actual  
22 January 1, 2022 workers' compensation premium rates per \$100 by classifications are  
23 \$2.89, \$0.28, and \$0.13, respectively. These rates are applied to the pro forma payroll by  
24 classification to determine the initial workers' compensation insurance premiums. The

1 initial premiums are \$127,787 for waterworks employees, \$2,968 for outside sales  
2 employees, and \$4,061 for clerical employees. The initial premiums are subject to an  
3 increased employer's liability limit factor of 1.10% and an experience modification factor  
4 of 1.098 as established by the Pennsylvania Compensation Insurance Bureau. Total  
5 premiums subject to experience modification of \$134,817 ( $\$127,787 + \$2,968 + \$4,061 =$   
6  $\$134,817$ ) are multiplied by the employer's liability limit coverage factor of 1.10% to  
7 determine the cost of the increased employer's liability limit of \$1,483 ( $\$134,817 \times$   
8  $0.011$ ). The total of initial premiums of \$134,817 and increased employer's liability limit  
9 cost of \$1,483 are multiplied by the Pennsylvania Experience Modification of 1.098 to  
10 arrive at adjusted workers' compensation insurance premiums of \$149,657 [ $(\$134,817 +$   
11  $\$1,483) \times 1.098$ ]. Adjusted workers' compensation insurance premiums of \$149,657 are  
12 reduced by a (5.0%) schedule rating premium of \$(7,483) [ $\$149,657 \times (0.05)$ ]. The  
13 premiums adjusted by application of experience modification of \$149,657 and schedule  
14 rating of \$(7,483) are multiplied by and reduced by a 5% safety credit of \$7,109  
15 [ $(\$149,657 - \$7,483) \times 0.05$ ] to arrive at premiums adjusted by application of schedule  
16 rating and safety credit of \$135,065 ( $\$149,657 - \$7,483 - \$7,109$ ). Premiums adjusted by  
17 application of schedule rating and safety credit of \$135,065 are reduced by an 11.0%  
18 premium discount of \$14,857 [ $\$135,065 \times (0.11)$ ] and increased by the Pennsylvania  
19 Compensation Rating Bureau Fee of \$175, a foreign and domestic terrorism surcharge of  
20 \$2,582, a catastrophe (other than terrorism) surcharge of \$1,721, and a 2.48%  
21 Pennsylvania Employer Assessment of \$3,092 [ $(\$135,065 - \$14,857 + \$175 + \$2,582 +$   
22  $1,721) \times 0.0248$ ] to determine pro forma workers' compensation insurance expense of  
23 \$127,778 ( $\$135,065 - \$14,857 + \$175 + \$2,582 + 1,721 + \$3,092$ ). The adjustment to  
24 Workers' Compensation Insurance expense of \$15,285 is determined by subtracting

1 Workers' Compensation Insurance expense recorded on the corporate books during the  
2 twelve months ended December 31, 2021, of \$112,493 from pro forma workers'  
3 compensation insurance expense of \$127,778 ( $\$127,778 - \$112,493 = \$12,285$ ). The  
4 adjustment to Account No. 65880000 of \$15,285 has been carried forward to Exhibit No.  
5 HIII-2, Column 3.

6  
7 A portion of pro forma workers' compensation insurance expense for twelve months  
8 ended December 31, 2021, is capitalized in accordance with Appendix "B" of the  
9 settlement approved in the Company's 1987 rate case (Docket No. R-870769) and is  
10 reflected, as a reduction to operating expenses, in Account No. 67580002, Miscellaneous  
11 Expenses-Administrative and General Expenses Transferred, on Exhibit No. HIII-2-6,  
12 which I have explained earlier.

13  
14 Q. Explain Exhibit No. HIII-2-18.

15 A. Exhibit No. HIII-2-18 adjusts gas service expenses incurred during the historic test year  
16 to annualized levels based on service rates in effect as of January 1, 2022, reflecting  
17 average gas usage over the two-year period including the historic test year. Average gas  
18 usage was calculated for the Company's five facilities based on billings for calendar years  
19 2020 and 2021.

20  
21 The calculated average gas usage by facility was multiplied by the 2022 supply charge,  
22 gas cost, distribution charge, and state tax adjustment surcharge and added to the fixed  
23 customer charge for each facility. Sales tax was calculated on the combined costs to  
24 arrive at pro forma gas service costs of \$10,819, \$7,178, \$10,659, \$30,922, and \$19,841.

1 Gas costs recorded on the corporate books for the twelve months ended December 31,  
2 2020, in the amounts of \$10,333, \$5,988, \$8,728, \$25,328, and \$14,208 were subtracted  
3 from pro forma gas costs of \$10,819, \$7,178, \$10,659, \$30,922, and \$19,841,  
4 respectively, to determine the adjustments of \$486, \$1,190, \$1,931, \$5,594, and \$5,633,  
5 or a total adjustment of \$14,834. The adjustments to gas service expense of \$486,  
6 \$1,190, \$1,931, \$5,594, and \$5,633 have been carried forward to Exhibit No. HIII-2,  
7 Column 3.

8  
9 Q. Explain Exhibit No. HIII-2-19.

10 A. Exhibit No. HIII-2-19 normalizes over three years the costs of accounting, legal, printing,  
11 and other services related to the Amendment to Form S-3 for the Company's Dividend  
12 Reinvestment and Direct Stock Purchase and Sale Plan filed with the Securities and  
13 Exchange Commission in 2019 and the filing of a Securities Certificate to allow  
14 shareholders to continue to reinvest their dividends and shareholders and first-time buyers  
15 to purchase and sell the Company's stock. Based on the present rate of issuance of  
16 common shares under the Company's Dividend Reinvestment and Direct Stock Purchase  
17 and Sale Plan, the Company would be required to file another Form S-3 with the  
18 Securities and Exchange Commission in 2022 in order to continue its Dividend  
19 Reinvestment and Direct Stock Purchase and Sale Plan.

20  
21 The costs of accounting, legal, printing, and other services related to the Amendment to  
22 Form S-3 for the Company's Dividend Reinvestment and Direct Stock Purchase and Sale  
23 Plan of \$24,916 is divided by three years to determine the annual normalization of  
24 \$8,305. The normalization of the costs of accounting, legal, printing, and other services



1 related to the Amendment to Form S-3 for the Company's Dividend Reinvestment and  
2 Direct Stock Purchase and Sale Plan of \$8,305 has been carried forward to Exhibit No.  
3 HIII-2, Column 3.

4  
5 Q. Explain Exhibit No. HIII-2-20.

6 A. Exhibit No. HIII-2-20 normalizes over ten years the costs of accounting and legal  
7 services related to the Form S-8 for the Company's Long-term Incentive Plan filed with  
8 the Securities and Exchange Commission in 2016 and the filing of a Securities Certificate  
9 to allow shareholders to allow the Company to ensure its compensation practices are  
10 competitive in the industry to assist in the attraction and retention of directors and key  
11 employees vital to the Company's success. Based on the ten-year life of the Long-term  
12 Incentive Plan, the Company would be required to file another Form S-8 with the  
13 Securities and Exchange Commission in 2026 in order to continue its Long-term  
14 Incentive Plan.

15  
16 The costs of accounting, legal, printing, and other services related to the Form S-8 for the  
17 Company's Long-term Incentive Plan of \$17,402 is divided by ten years to determine the  
18 annual normalization of \$1,740. The normalization of the costs of accounting and legal  
19 services related to the Amendment to Form S-3 for the Company's Long-term Incentive  
20 Plan of \$1,740 has been carried forward to Exhibit No. HIII-2, Column 3.

21  
22 Q. Explain Exhibit No. HIII-2-21.

23 A. Exhibit No. HIII-2-21 normalizes over fourteen years the costs of accounting and legal  
24 services related to the Amendment to Form S-8 for the Company's Employee Stock

1 Purchase Plan filed with the Securities and Exchange Commission in 2013 to register  
2 additional shares for the plan's use. Based on the present rate of issuance of common  
3 shares under the Company's Employee Stock Purchase Plan, the Company would be  
4 required to file another Form S-8 with the Securities and Exchange Commission in 2027  
5 in order to continue its Employee Stock Purchase Plan.

6  
7 The costs of accounting, legal, printing, and other services related to the Form S-8 for the  
8 Company's Employee Stock Purchase Plan of \$17,878 is divided by fourteen years to  
9 determine the annual normalization of \$1,277. The normalization of the costs of  
10 accounting and legal services related to the Amendment to Form S-8 for the Company's  
11 Employee Stock Purchase Plan of \$1,277 has been carried forward to Exhibit No. HIII-2,  
12 Column 3.

13  
14 Q. Explain Exhibit No. HIII-2-22.

15 A. Exhibit No. HIII-2-22 amortizes over ten years the acquisition costs of the waterworks  
16 property and rights of Wrightsville Borough Municipal Authority in excess of the original  
17 cost of the property when first devoted to public service less the applicable accrued  
18 depreciation. Reasonable acquisition costs greater than depreciated original cost are  
19 permitted to be included in rate base and amortized over ten years in accordance with  
20 Section 1327 of the Public Utility Code. The acquisition adjustment of \$67,886 is  
21 determined by subtracting the depreciated original cost of waterworks property and rights  
22 of \$45,227 from acquisition costs of \$113,113 ( $\$113,113 - \$45,227 = \$67,886$ ). The  
23 acquisition adjustment of \$67,886 is divided by ten years to determine the annual

1 amortization of \$6,789 ( $\$67,886 \div 10$ ). The annual amortization of the acquisition costs of  
2 \$6,789 has been carried forward to Exhibit No. HIII-2, Column 3.

3  
4 Refer to the testimony of Mr. Hand (York Water Statement No. 1) for a further  
5 explanation of this acquisition and the basis for the Company's proposed amortization.

6  
7 Q. Explain Exhibit No. HIII-2-23.

8 A. Exhibit No. HIII-2-23 adjusts gasoline expense for the twelve months ended December  
9 31, 2021, based on the volumes of gasoline used during the twelve months ended  
10 December 31, 2021, and the gasoline price per gallon as of March 2022. Pro forma  
11 gasoline costs of \$294,089 are determined by multiplying the volume of gasoline used  
12 during the twelve months ended December 31, 2021, of 68,092 gallons times the price per  
13 gallon of gasoline as of March 2022 of \$4.319 ( $68,092 \times \$4.319 = \$294,089$ ). Gasoline  
14 costs recorded on the corporate books during the twelve months ended December 31,  
15 2021, of \$190,900 and pro forma gasoline costs charged to capital and non-operating  
16 accounts of \$8,874 are subtracted from the pro forma gasoline costs of \$294,089 to  
17 determine the adjustment of gasoline costs of \$94,315 ( $\$294,089 - \$190,900 - \$8,874 =$   
18  $\$94,315$ ). The adjustment of \$94,315 has been carried forward to Exhibit No. HIII-2,  
19 Column 3.

20  
21 Q. Explain Exhibit No. HIII-2-24.

22 A. Exhibit No. HIII-2-24 adjusts the present value costs of postretirement benefits other than  
23 pensions (unfunded health and death benefits) expensed during the twelve months ended  
24 December 31, 2021, to reflect pay-as-you-go costs of postretirement benefits other than

1 pensions (unfunded death benefits). The present value costs of postretirement benefits  
2 other than pensions expensed during the twelve months ended December 31, 2021, is  
3 \$(9,002). Pay-as-you-go costs of postretirement benefits other than pensions incurred by  
4 the Company during the twelve months ended December 31, 2021, were \$4,000,  
5 representing two deaths. The adjustment in the amount of \$13,002 is determined by  
6 subtracting the present value of postretirement benefit other than pensions recorded on  
7 the corporate books during the twelve months ended December 31, 2021, in the amount  
8 of \$(9,002) from the pay-as-you-go costs of postretirement benefits other than pensions  
9 during the twelve months ended December 31, 2021, in the amount of \$4,000 [ $\$4,000 -$   
10  $\$(9,002) = \$13,002$ ]. The adjustment to postretirement benefits other than pensions of  
11 \$13,002 has been carried forward to Exhibit No. HIII-2, Column 3.

12  
13 Q. Explain Exhibit No. HIII-2-25.

14 A. Exhibit No. HIII-2-25 adjusts fuel expense used for pumping to reflect current unit prices  
15 applied to a two-year average of fuel oil used. Pro forma fuel expense in the amount of  
16 \$21,428 for fuel oil used for pumping is based on applying the unit price of fuel oil near  
17 the time of the rate filing to the two-year average of fuel oil used. The adjustment to fuel  
18 expense in the amount of \$1,393 is determined by subtracting test year fuel expense used  
19 for pumping of \$21,428 from calculated pro forma fuel expense of \$22,821 ( $\$22,821 -$   
20  $\$21,428 = \$1,393$ ). The adjustment to fuel expense in the amount of \$1,393 has been  
21 carried forward to Exhibit No. HIII-2, Column 3.

22  
23 Q. Explain Exhibit No. HII-2-26

1 A. Exhibit No. HIII-2-26 amortizes over ten years the acquisition costs of the waterworks  
2 property and rights of Margareta Mobile Home Park in excess of the original cost of the  
3 property when first devoted to public service less the applicable accrued depreciation.  
4 Reasonable acquisition costs greater than depreciated original cost are permitted to be  
5 included in rate base and amortized over ten years in accordance with Section 1327 of the  
6 Public Utility Code. The acquisition adjustment of \$55,509 is determined by subtracting  
7 the depreciated original cost of waterworks property and rights of \$46,159 from  
8 acquisition costs of \$101,667 ( $\$101,667 - \$46,159 = \$55,509$ ). The acquisition adjustment  
9 of \$55,509 is divided by ten years to determine the annual amortization of \$5,551  
10 ( $\$55,509 \div 10$ ). The annual amortization of the acquisition costs of \$5,551 has been  
11 carried forward to Exhibit No. HIII-2, Column 3. This amortization was specifically  
12 approved by the Commission as part of the settlement in the Company's 2018 base rate  
13 case at Docket No. R-2018-3000019. The amortization period began March 1, 2019 (the  
14 effective date of rates under Docket No. R-2018-3000019) and ends February 28, 2029.

15

16 Q. Explain Exhibit No. HIII-2-27.

17 A. Exhibit No. HIII-2-27 includes, in operating costs, the expansion of The York Water  
18 Cares Low Income Customer Assistance Program. As part of Company's 2018 base rate  
19 case settlement, the Commission approved \$20,000 annually on a pilot basis until York  
20 Water's next base rate case. The Company has followed all conditions stipulated in the  
21 Commission's Order and there are no unspent funds to be refunded to ratepayers. The  
22 program has been a success in helping low-income customers pay their water and  
23 wastewater bills to avoid shut off, especially during the COVID-19 pandemic. As  
24 explained in the direct testimony of Mr. Wheeler (York Water Statement No. 2), the

1 Company requests the program be established permanently and that the funding level be  
2 increased to \$40,000 annually. This adjustment of \$20,000 has been carried forward to  
3 Exhibit No. FIII-2, Column 3.  
4

5 Q. Explain Exhibit No. HIII-2-28.

6 A. Exhibit No. HIII-2-28 amortizes over ten years the acquisition costs of the waterworks  
7 property and rights of York Starview LP in excess of the original cost of the property  
8 when first devoted to public service less the applicable accrued depreciation. Reasonable  
9 acquisition costs greater than depreciated original cost are permitted to be included in rate  
10 base and amortized over ten years in accordance with Section 1327 of the Public Utility  
11 Code. The acquisition adjustment of \$35,897 is determined by subtracting the  
12 depreciated original cost of waterworks property and rights of \$94,540 from acquisition  
13 costs of \$130,437 ( $\$130,437 - \$94,540 = \$35,897$ ). The acquisition adjustment of  
14 \$35,897 is divided by ten years to determine the annual amortization of \$3,590 ( $\$35,897$   
15  $\div 10$ ). The annual amortization of the acquisition costs of \$3,590 has been carried  
16 forward to Exhibit No. HIII-2, Column 3. This amortization was specifically approved  
17 by the Commission as part of the settlement in the Company's 2012 base rate case at  
18 Docket No. R-2012-2336379. The amortization period began March 1, 2013 (the  
19 effective date of rates under Docket No. R-2012-2336379) and ends February 28, 2023.  
20 This adjustment is removed from the fully projected future test year as explained in York  
21 Water Statement No. 103.  
22

23 Q. Explain Exhibit No. HIII-2-29.

1 A. Exhibit No. HIII-2-29 normalizes over ten years the costs of a survey of the Company's  
2 filter plant property conducted in 2015. The Company is aware of potential transfers of  
3 real estate on lands adjacent to the filter plant property, and desired to identify the  
4 boundaries of its filter plant property. The Company anticipates surveying its filter plant  
5 property approximately every ten years.

6  
7 The costs of the survey of the Company's filter plant property during the twelve months  
8 ended December 31, 2015, of \$30,810 are divided by 20 years to determine the  
9 normalized level of \$3,081 ( $\$30,810 \div 10$ ). The adjustment to normalize the costs of  
10 surveying the Company's filter plant property of \$3,081 as an adjustment to Account No.  
11 63620002 have been carried forward to Exhibit No. HIII-2, Column 3. I note that the  
12 Company reflected a normalized level of survey costs related to its filter plant property in  
13 its last rate case at Docket No. R-2018-3000019.

14  
15 Q. Explain Exhibit No. HIII-2-30.

16 A. Exhibit No. HIII-2-30 normalizes over five years the cost of a service life study incurred  
17 and recorded during the twelve months ended December 31, 2017, of \$24,641. The  
18 Company, as a public utility with gross intrastate revenues in excess of \$20 million, is  
19 required to file a service life study with the Commission every five years pursuant to  
20 Chapter 73 of the Public Utility Code.

21  
22 The costs of the service life study during the twelve months ended December 31, 2017, of  
23 \$24,641 are divided by five years to determine the normalized level of \$4,928. Cost of  
24 this study amortized on the corporate books during the twelve months ended December

1 31, 2021, of \$4,928 are subtracted from the normalized costs of \$4,928 to determine the  
2 adjustment of \$0. The adjustment to normalize the costs of the service life study of \$0 as  
3 an adjustment to Account No. 63280003 has been carried forward to Exhibit No. HIII-2,  
4 Column 3. I note that the Company reflected a normalized level of service life study  
5 costs in its last rate case at Docket No. R-2018-3000019. The accrual rates used to  
6 calculate depreciation used in this base rate case are based on the rates to be included in  
7 the cost of service life study to be filed with the Commission in 2022.

8  
9 Q. Explain Exhibit No. HIII-2-31.

10 A. Exhibit No. HIII-2-31 normalizes on-line bill payment fees for the twelve months ended  
11 December 31, 2021, based on the Company's average monthly fees charged under the  
12 current contract. Monthly fees have been generally increasing as more customers use the  
13 on-line bill payment method. Average monthly fees for the period January and February  
14 2022 of \$32,074 were used as the baseline for normalization by dividing by two and  
15 multiplying by twelve to determine pro forma annual fees of \$384,887. Fees recorded on  
16 the corporate books for the twelve months ended December 31, 2021, of \$289,195 are  
17 subtracted from annualized fees of \$384,887 to determine the adjustment of \$95,692.  
18 The adjustment to on-line bill payment fees of \$95,692 to Account No. 67570400 has  
19 been carried forward to Exhibit No. HIII-2, Column 3.

20  
21 Q. Explain Exhibit No. HIII-2-32.

22 A. Exhibit No. HIII-2-32 amortizes over ten years the acquisition costs of the waterworks  
23 property and rights of Lincoln Estates Mobile Home Park less than the original cost of the  
24 property when first devoted to public service less the applicable accrued depreciation. The



1 negative acquisition adjustment of \$(77,186) is determined by subtracting the depreciated  
2 original cost of waterworks property and rights of \$146,957 from acquisition costs of  
3 \$69,772 [ $\$69,772 - \$146,957 = \$(77,186)$ ]. The negative acquisition adjustment of  
4 \$(77,186) is divided by ten years to determine the annual negative amortization of  
5 \$(7,719) [ $\$(77,186) \div 10$ ]. The annual negative amortization of the acquisition costs of  
6 \$(7,719) has been carried forward to Exhibit No. HIII-2, Column 3. This amortization was  
7 specifically approved by the Commission as part of the settlement in the Company's 2018  
8 base rate case at Docket No. R-2018-3000019. The amortization period began March 1,  
9 2019 (the effective date of rates under Docket No. R-2018-3000019) and ends February  
10 28, 2029.

11  
12 Q. Explain Exhibit No. HIII-2-33.

13 A. Exhibit No. HIII-2-33 amortizes over ten years the acquisition costs of the waterworks  
14 property and rights of The Meadows less than the original cost of the property when first  
15 devoted to public service less the applicable accrued depreciation. The negative  
16 acquisition adjustment of \$(158,818) is determined by subtracting the depreciated original  
17 cost of waterworks property and rights of \$221,778 from acquisition costs of \$62,960  
18 [ $\$62,960 - \$221,778 = \$(158,818)$ ]. The negative acquisition adjustment of \$(158,818) is  
19 divided by ten years to determine the annual negative amortization of \$(15,882)  
20 [ $\$(158,818) \div 10$ ]. The annual negative amortization of the acquisition costs of \$(15,882)  
21 has been carried forward to Exhibit No. HIII-2, Column 3. This amortization was  
22 specifically approved by the Commission as part of the settlement in the Company's 2018  
23 base rate case at Docket No. R-2018-3000019. The amortization period began March 1,

1 2019 (the effective date of rates under Docket No. R-2018-3000019) and ends February  
2 28, 2029.

3  
4 Q. Explain Exhibit No. HIII-2-34.

5 A. Exhibit No. HIII-2-34 normalizes over five years the costs of legal services related to the  
6 Company's Long Term Infrastructure Improvement Plan filed with the Commission in  
7 2021 to file the plan required pursuant to 52 Pa. Code Section 121. The Code requires the  
8 Company files a Long Term Infrastructure Improvement Plan every five years with the  
9 Commission, so the Company would be required to file another plan in 2026.

10  
11 The costs of legal services related to the Company's Long Term Infrastructure  
12 Improvement Plan of \$4,220 are divided by five years to determine the annual  
13 normalization of \$844. Fees recorded on the corporate books for the twelve months  
14 ended December 31, 2021, of \$4,220 are subtracted from normalized fees of \$844 to  
15 determine the adjustment of \$(3,376). The adjustment of the costs of legal services  
16 related to the Company's Long Term Infrastructure Improvement Plan of \$(3,376) has  
17 been carried forward to Exhibit No. HIII-2, Column 3.

18  
19 Q. Explain Exhibit No. HIII-2-35.

20 A. Exhibit No. HIII-2-35 normalizes the cost of replacing the laptop and desktop computers  
21 of the Company. In the past, the Company has replaced all its laptop and desktop  
22 computers at the same time. In the future, the Company intends to replace a portion of its  
23 laptop and desktop computers each year so when all have been replaced over a period of  
24 approximately five years, the laptop and desktop computers placed in service in the first

1 year will have reached the end of their five-year life and will be replaced again. The  
2 Company has determined to replace twenty laptop and desktop computers each year  
3 beginning in 2022.

4  
5 The estimated cost for the hardware and software for each laptop and desktop computer is  
6 \$1,766. The total estimated cost to replace twenty laptop and desktop computers is  
7 \$35,318 ( $\$1,766 \times 20$ ). There were no laptop or desktop computers replaced in the  
8 twelve months ended December 31, 2021, so the adjustment is \$35,318. The adjustment  
9 to Materials & Supplies - Computer of \$35,318 to Account No. 62180000 has been  
10 carried forward to Exhibit No. HIII-2, Column 3

11  
12 Q. Explain Exhibit No. HIII-2-36.

13 A. Exhibit No. HIII-2-36 eliminates legal expenses related to potential acquisitions incurred  
14 during the twelve months ended December 31, 2021, of \$104,478. The elimination of the  
15 costs of the Company's legal expense related to potential acquisitions of \$(104,478) as an  
16 adjustment to Account No. 63380000 has been carried forward to Exhibit No. HIII-2,  
17 Column 3.

18  
19 Q. Explain Exhibit No. HIII-2-37.

20 A. Exhibit No. HIII-2-37 amortizes the actual costs of replacing customer-owned lead  
21 service lines, excluding the costs recovered as part of the Commission-approved  
22 settlement in the Company's 2018 base rate case at Docket No. R-2018-3000019, over a  
23 period of four years. In accordance with Commission's Order entered at Docket No. P-  
24 2016-2577404, the Company is permitted to record the cost of all customer-owned lead

1 service line replacements as a regulatory asset. The Company is permitted to amortize  
2 the amounts booked to the regulatory asset account in a base rate proceeding over a  
3 reasonable period to be not less than four years and not to exceed six years.

4  
5 The Company has incurred actual costs replacing customer-owned lead service lines since  
6 its last base rate case of \$1,132,257. As part of the settlement in the Company's 2018  
7 base rate case at Docket No. R-2018-3000019, the Commission allowed the regulatory  
8 asset to be amortized over a period of four years. The amortization is determined to be  
9 \$283,064 ( $\$1,132,257 \div 4 = \$283,064$ ). The adjustment to maintenance of services in the  
10 amount of \$215,890 is determined by subtracting the updated amortization of \$283,064  
11 from the amortization recorded during the twelve months ended December 31, 2021, of  
12 \$67,174 ( $\$283,064 - \$67,174 = \$215,890$ ). The adjustment for customer-owned lead  
13 service line replacements of \$215,890 as an adjustment to Account No. 63660004 has  
14 been carried forward to Exhibit No. HIII-2, Column 3.

15  
16 Q. Explain Exhibit No. HIII-2-38.

17 A. Exhibit No. HIII-2-38 adjusts uncollectible accounts expense based on pro forma  
18 revenues under proposed rates and a two-year average ratio of net uncollectible accounts  
19 written off to total operating revenues.

20  
21 Pro forma revenues under proposed rates (Refer to Exhibit No. HII-2) of \$53,102,336 are  
22 multiplied by the two-year average ratio of net write-offs to total operating revenues of  
23 0.52% to determine the pro forma uncollectible accounts expense under proposed rates of  
24 \$276,795 ( $\$53,102,336 \times 0.0052$ ). The adjustment to uncollectible accounts expense in

1 the amount of \$8,370 is determined by subtracting pro forma uncollectible accounts  
2 expense under existing rates of \$268,425 (Refer to Exhibit No. HIII-2-2) from pro forma  
3 uncollectible accounts expense under proposed rates of \$276,795 ( $\$276,795 - \$268,425 =$   
4  $\$8,370$ ). The adjustment to uncollectible accounts expense of \$8,370 to Account No.  
5 67070000 has been carried forward to Exhibit No. HIII-2, Column 6.

6  
7 Q. Explain Exhibit No. HIII-9.

8 A. Exhibit No. HIII-9 provides a comparative statement of advertising expense per books for  
9 the twelve months ended December 31, 2021, December 31, 2020, and December 31,  
10 2019. The Company did not have advertising expenses during the three-year period  
11 ended December 31, 2021.

12  
13 Q. Explain Exhibit No. HIII-10.

14 A. Exhibit No. HIII-10 provides a schedule of social and service organization memberships  
15 paid for by the Company during the twelve months ended December 31, 2021, in the  
16 amount of \$1,520.

17  
18 The Company charged social and service membership fees for the twelve months ended  
19 December 31, 2021, to Account No. 42600060, Miscellaneous Non-operating Expenses.  
20 No social or service memberships are included in the cost of service in this rate  
21 proceeding.

22  
23 Q. Explain Exhibit No. HIII-11.

1 A. Exhibit No. HIII-11 provides a schedule, by major components, of Contractual Services,  
2 Rate Case Expense and Miscellaneous Expense for the twelve months ended December  
3 31, 2021, 2020, and 2019. Page 2 of Exhibit No. HIII-11 provides a schedule of  
4 Contractual Services-Auditing for the twelve months ended December 31, 2021, 2020,  
5 and 2019. Page 3 of Exhibit No. HIII-11 provides a schedule of Contractual Services-  
6 Tax, for the twelve months ended December 31, 2021, 2020, and 2019. Page 4 of Exhibit  
7 No. HIII-11 provides a schedule by major components of Contractual Services-Other  
8 Accounting for the twelve months ended December 31, 2021, 2020, and 2019. Page 5 of  
9 Exhibit No. HIII-11 provides a schedule of Legal Fees Expense for the twelve months  
10 ended December 31, 2021, 2020, and 2019. Page 6 of Exhibit No. HIII-11 provides a  
11 schedule, by major components, of Contractual Services-Outside Services for the twelve  
12 months ended December 31, 2021, 2020, and 2019. Page 7 of Exhibit No. HIII-11  
13 provides a schedule of Rate Case Expense for the twelve months ended December 31,  
14 2021, 2020, and 2019. Page 8 of Exhibit No. HIII-11 shows the components of Other  
15 Miscellaneous Expense for the twelve months ended December 31, 2021, 2020, and  
16 2019.

17  
18 Q. Explain Exhibit No. HIII-13.

19 A. Exhibit No. HIII-13 provides a detailed schedule of all charitable and civic contributions  
20 in the amount of \$509,899 for the twelve months ended December 31, 2021. These  
21 contributions were offset by \$146,073 of tax credits received from the state for  
22 educational improvement and scholarship contributions, for a net contribution of  
23 \$363,826. York Water charged charitable and civic contributions for the twelve months

1 ended December 31, 2021, to Account No. 42600020, Contributions. No charitable or  
2 civic contributions are included in the cost of service in this rate proceeding.

3  
4 Q. Explain Exhibit No. HIII-15.

5 A. Exhibit No. HIII-15 provides a schedule of pension contributions, SFAS87 pension  
6 expense, the amount of SFAS87 pension that was expensed to Operations & Maintenance  
7 expenses, and the amount of SFAS87 that was deferred. The Company has two defined  
8 benefit pension plans (one plan for union-represented employees and one plan for  
9 administrative and general employees). The Company has reflected in its cost of service  
10 for ratemaking purposes the cash contributions to its two defined benefit pension plans  
11 since the pension plans were established in 1959. The Commission, in its Order at  
12 Docket No. R-00027975, dated June 26, 2003, in its Order at Docket No. R-00049165,  
13 dated November 9, 2004, in its Order at Docket No. R-00063122, dated September 15,  
14 2006, in its Order at Docket No. R-2008-2023067, dated October 9, 2008, in its Order at  
15 Docket No. R-2010-2157140, dated November 4, 2010, in its Order at Docket No. R-  
16 2012-2336379, dated February 28, 2014, and in its Order at Docket No. R-2018-3000019,  
17 dated March 1, 2019, approved cash contributions plus administrative costs as the basis  
18 for the Company's ratemaking claim for pension expenses and authorized the Company  
19 to defer on its books, the difference between cash contributions and SFAS87 expense.

20  
21 Q. Explain Exhibit No. HIII-16.

22 A. Exhibit No. HIII-16 provides SFAS106 expenses incurred during the twelve months  
23 ended December 31, 2021, for postretirement death benefits. These expenses were  
24 eliminated from the cost of service on Exhibit No. HIII-2-24. The "pay-as-you-go"

1 expense of \$4,000, representing two death benefits paid, is reflected as part of the historic  
2 test year cost of service.

3  
4 Q. Explain Exhibit No. HIII-24.

5 A. Exhibit No. HIII-24 provides a listing of payments made to industry organizations during  
6 the twelve months ended December 31, 2021. These payments are exclusive of lobbying  
7 fees, and they are included in cost of service.

8  
9 Q. Explain Exhibit No. HIII-27.

10 A. Exhibit No. HIII-27 indicates that no employee positions have been eliminated in the  
11 2021/2022 timeframe.

12  
13 Q. Are you sponsoring any other exhibits regarding the Company's operating expenses?

14 A. Yes, I am also sponsoring Exhibit Nos. HIII-3, HIII-4, HIII-5, HIII-6, HIII-7, HIII-8,  
15 HIII-12, HIII-14, HIII-17, HIII-18, HIII-19, HIII-20, HIII-21, HIII-23, HIII-25, HIII-26,  
16 and HIII-28.

17  
18 Q. Explain Exhibit No. HV-1-1.

19 A. Exhibit No. HV-1-1 is a summary, by year, of the unamortized balances of deferred  
20 income taxes related to accelerated depreciation and the unamortized balances of excess  
21 deferred income taxes related to accelerated depreciation that are deducted from the  
22 measure of value.

23



1 Page 1 of Exhibit No. HV-1-1 is a summary, by year, of the unamortized balance in the  
2 amount of \$23,651,956, as of December 31, 2021, of deferred income taxes related to  
3 accelerated depreciation, that are deducted from the measure of value. Column 2 lists, by  
4 year, deferred federal income taxes resulting from accelerated depreciation from 1971  
5 through 2021. The balance in Column 2 is \$23,651,956.

6  
7 Deferred Federal Income Tax Related to Accelerated Depreciation on Property  
8 Constructed with Customers' Advances for Construction and Contributions in Aid of  
9 Construction have been eliminated from this schedule.

10  
11 By Order entered April 28, 1988, at Docket Nos. R-870769 and P-870225, the  
12 Commission approved the Company's proposal to account for income taxes on  
13 Customers' Advances for Construction ("Advances") and Contributions in Aid of  
14 Construction ("Contributions") pursuant to what is known as "Method 5" treatment.  
15 Under Method 5 treatment, the Company excluded, for ratemaking purposes, all income  
16 taxes paid by the Company as a result of receipt of Contributions or Advances and  
17 excluded, from the calculation of income taxes, the portion of tax depreciation that  
18 related to property constructed with Contributions or Advances. Under this procedure,  
19 customers did not bear the increased income taxes resulting from the receipt of  
20 Contributions or Advances, and the Company recovered, over the tax life of the property,  
21 reductions in income taxes in an amount equal to the increased income taxes resulting  
22 from receipt of Contributions and Advances. Under Method 5, it is necessary for the  
23 Company to retain the benefits resulting from depreciation on property constructed with a  
24 Contribution or Advance, so that York Water is compensated for the additional income

1 taxes paid as a result of the TRA-86 requirement that a Contribution or Advance be  
2 recognized as taxable income in the year received.

3  
4 The unamortized balance of deferred income taxes as of December 31, 2021, in the  
5 amount of \$23,651,956 has been carried forward to Exhibit No. HV-1, page 2 and has  
6 been deducted from the original cost measure of value.

7  
8 Page 2 of Exhibit No. HV-1-1 is a summary, by year, of the unamortized balance in the  
9 amount of \$13,625,482, as of December 31, 2021, of excess deferred income taxes  
10 related to accelerated depreciation, that are deducted from the measure of value. Column  
11 2 lists, by year, excess deferred federal income taxes resulting from accelerated  
12 depreciation from 1971 through 2017. The balance in Column 2 is \$13,625,482.

13  
14 The unamortized balance of excess deferred income taxes as of December 31, 2021, in  
15 the amount of \$13,625,482 has been carried forward to Exhibit No. HV-1, page 2 and has  
16 been deducted from the original cost measure of value.

17  
18 Q. Explain Exhibit No. HV-1-10.

19 A. Exhibit No. HV-1-10 is a summary, by year, of the unamortized balance in the amount of  
20 \$1,525,613, as of December 31, 2021, of taxes on deposits for construction and customer  
21 advances, that are added to the original measure of value. Column 2 lists, by year, taxes  
22 on deposits for construction and customer advances from 2018 through 2020. The  
23 balance in Column 2 is \$1,525,613.

1 Under the Tax Cuts and Jobs Act of 2017, the definition of tax contributions in aid of  
2 construction was modified under Section 118(b) and the exclusion from gross income  
3 under Section 118(c) was repealed. The modification to the definition of taxable  
4 contribution in aid of construction includes contributions from customers as well as any  
5 payment received from a governmental or civic entity. Under the Company's approved  
6 tariff, the Company will pay income taxes on any deposit, Customer Advance,  
7 Contribution in Aid of Construction, or other like amounts received from an applicant  
8 which shall constitute taxable income as defined by the Internal Revenue Service. Such  
9 income taxes shall be segregated in a deferred account for inclusion in rate base in a  
10 future rate case proceeding. Such income taxes associated with a deposit or advance will  
11 not be charged to the specific depositor of capital. This provision was rescinded under  
12 the Infrastructure Investment and Jobs Act of 2021.

13  
14 The unamortized balance of taxes on deposits for construction and customer advances as  
15 of December 31, 2021, in the amount of \$1,525,613 has been carried forward to Exhibit  
16 No. HV-1, page 2 and has been included in the original cost measure of value.

17  
18 Q. Explain Exhibit No. HV-8-1 (g).

19 A. Exhibit No. HV-8-1 (g) is the calculation by service territory of the average lag days from  
20 the provision of service to receipt of operating revenues. Calculations of the lag days in  
21 receipt of operating revenues of 53.7 for metered repumped customers and lag days of  
22 52.5 for metered gravity customers are shown in Columns 2 and 3, respectively. The  
23 components of the operating revenue lag day calculation, shown in Column 1, include the  
24 lag from the midpoints of the billing cycle (service lag), the lag from mid-point of the

1 meter reading to billing (billing lag) and the lag from billing to collection (“collection  
2 lag”). “Billing” for purposes of determining the billing lag and the collection lag is the  
3 date that bills are entered into the Company’s accounts receivable for that billing cycle.  
4 The calculation of the billing lag for metered repumped customers and metered gravity  
5 customers are presented on Exhibit No. HV-8-1 (g) 1, which I will explain later. The  
6 calculation of the collection period lag is presented in Exhibit No. HV-8-1 (g) 2, which I  
7 will explain later. The total lag days have been carried forward to Column 3 of Exhibit  
8 No. HV-8-1.

9  
10 Q. Explain Exhibit No. HV-8-1 (g) 1.

11 A. Exhibit No. HV-8-1 (g) 1 provides the calculation of average lag days to read meters,  
12 enter data, validate and process data, and enter amounts into accounts receivable. The  
13 calculation of average lag days for repumped customers during the twelve months ended  
14 December 31, 2017, of 5.4 is shown on page 1 of Exhibit No. HV-8-1 (g) 1, and the  
15 calculation of average lag days for gravity customers during the twelve months ended  
16 December 31, 2017, of 4.2 is shown on page 2 of Exhibit No. HV-8-1 (g) 1.

17  
18 For each service area, the date of the mid-point of the meter reading for each billing cycle  
19 is shown in Column 2, and the date amounts were entered into the Company’s accounts  
20 receivable for each billing cycle is shown in Column 3. The number of days of lag  
21 between the date of the mid-point of the meter reading and the date amounts were entered  
22 into the Company’s accounts receivable is calculated and shown in Column 4. The  
23 twelve-month average of lag days per billing cycle is determined by adding the lag days  
24 for each billing cycle shown in Column 4 and dividing by the number of billing cycles.

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The average billing lag days of 5.4 and 4.2 for metered repumped and metered gravity billing cycles, respectively, have been carried forward to Exhibit HV-8-1 (g).

Under the Company’s validation procedure, if a customer’s meter reading meets certain criteria of either high or low consumption based on historical averages, the reading is listed on a report for review by the accounts receivable coordinator. If the coordinator is unable to determine the reason for the unusual consumption, a reread order is generated, and a meter reader is dispatched to the customer’s premises to investigate the situation.

The meter reader rereads the meter and, assuming the reading confirms the initial reading, checks for leaks, checks meter operation, and notifies the customer of the results of the investigation. Only after this process is completed is the meter reading considered to be validated. I note that internal controls set up within our accounting system require that validation for all bills be completed before all bills for each cycle are booked to accounts receivable.

Page 3 of Exhibit No. HV-8-1 (g) 1 is a summary of the Company’s billing lag calculated during the period 1991 to 2021. The billing lag calculations demonstrate a significant improvement (reduction) in the billing lag during this period. As reflected on this exhibit, the billing lag for repumped and gravity customers has been reduced by 65.4% and 65.6%, respectively, since 1991 due to the installation of radio frequency reading for all meters and the realignment of meter reading routes and cycles. The Company continues to look at other automated meter reading options to make the meter reading process even more efficient.

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Q. Explain Exhibit No. HV-8-1 (g) 2.

A. Exhibit No. HV-8-1 (g) 2 presents the calculation of the weighted average operating revenue collection lag. This is the average lag between billing customers and receipt of revenues.

The weighted average operating revenue collection lag of 33.1 days is determined by dividing the number of days in the test year by the calculated turnover ratio of 11.0 times ( $365 \div 11.0 = 33.1$ ). The calculated turnover ratio of 11.0 times is determined by dividing test year sales of water and penalties (excluding unbilled) in the amount of \$52,028,072 by the annual average of outstanding customers' monthly accounts receivable balances per books in the amount of \$4,721,169 ( $\$52,028,072 \div \$4,721,169 = 11.0$ ). The weighted average operating revenue collection lag of 32.7 days has been carried forward to Exhibit No. HV-8-1 (g).

Q. Are you sponsoring any other exhibits regarding the original cost measure of value?

A. Yes, I am also sponsoring Exhibit No. HV-10.

Q. Explain Exhibit No. HVII-1.

A. Exhibit No. HVII-1 provides capitalization and capitalization ratios for the five years ended December 31, 2021, and the projected capitalization and capitalization ratios for December 31, 2022, through February 29, 2024.

Exhibit No. HVII-1 also provides year-end interest coverages for the last three years.

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Q. Explain Exhibit No. HVII-2.

A. Exhibit No. HVII-2 details the latest prospectus offered by the Company.  
A copy of the prospectus, dated April 1, 2022, issued in connection with the common stock offering is attached to Exhibit No. HVII-2.

Q. Explain Exhibit No. HVII-3.

A. Attached to Exhibit No. HVII-3 is a copy of Projected Five Year Capital Requirements for Five Years Ended December 31, 2026 and a Schedule of Projected Statement of Cash Flows for Five Years Ended December 31, 2026, which reflects the sources of funds for each of the future five years.

Q. Explain Exhibit No. HVII-6.

A. Exhibit No. HVII-6 provides information concerning the rate used for the Company's allowance for funds used during construction ("AFUDC"). The AFUDC rate used by the Company as of December 31, 2021, was 10.04%. The AFUDC rate is set by the Company based upon the sum of the weighted cost of debt and the weighted cost of common equity as determined in the Company's most recent fully litigated rate proceeding before the Commission. The AFUDC rate used by the Company has not changed since December 31, 1992.

Q. Explain Exhibit No. HVII-7.

A. Exhibit No. HVII-7 describes the Company's indenture requirements and dividend restrictions.

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Q. Explain Exhibit No. HVII-9.

A. Exhibit No. HVII-9 describes long-term debt reacquisitions by the Company. There have been no long-term debt reacquisitions by the Company since 1969.

Q. Explain Exhibit No. HVII-11.

A. Exhibit No. HVII-11 provides information on the lines of credit available to the Company. The Company had average daily borrowings of \$11,487,404 under its lines of credit during the twelve months ended December 31, 2021. Refer to Exhibit No. FVII-11 for the projected borrowings under the Company’s lines of credit during the twelve months ending February 29, 2024.

Q. Explain Exhibit No. HVII-15.

A. Attached to Exhibit No. HVII-15 is a copy of the 2021 Annual Report to Shareholders, The York Water Company 2021 SEC Form 10-K, and the 2021 SEC Forms 10-Q.

Q. Explain Exhibit No. HVII-17

A. Exhibit No. HVII-17 provides the corporate and bond rating history for the Company. The Company has obtained a Standard & Poor’s Corporate Rating to meet the criteria for the issuance of tax-free bonds through the Pennsylvania Economic Development Financing Authority. In addition to meeting the criteria to secure tax-free debt, obtaining an investment grade credit rating from Standard & Poor’s allows the Company to issue tax-free debt at lower interest rates than the Company could otherwise obtain, thereby reducing the cost of debt paid by York Water’s customers.



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On October 9, 2019, Standard and Poor’s assigned its ‘A-’ rating to the Company’s Pennsylvania Economic Development Financing Authority \$10,500,000 Exempt Facilities Revenue Refunding Bonds Series A of 2019 and the Company’s Pennsylvania Economic Development Financing Authority \$14,870,000 Exempt Facilities Revenue Refunding Bonds Series B of 2019. The rating on the bonds reflects the Company’s credit rating without the use of credit enhancements.

The Company’s overall corporate rating of ‘A-’ from Standard and Poor’s has been reaffirmed every year since 2004.

Q. Explain Exhibit No. HVII-20.

A. Exhibit No. HVII-20 provides a listing of security issuances for the Company for the next two years.

It is important for York Water to maintain a strong financial profile so that it can raise both equity and debt capital needed to finance construction during 2022 and 2023. The Company expects to incur \$100 million in construction expenditures (exclusive of acquisitions) during this two-year period. While a portion of these expenditures will be provided from internally generated funds and developer contributions, a strong financial profile is necessary to access capital markets for the remaining capital requirements at reasonable terms.

1 Capital is needed to meet the ongoing capital needs of providing water and wastewater  
2 service to customers in the Company's service territory.

3  
4 In April 2022, the Company closed an underwritten public offering of 976,600 shares and  
5 an over-allotment of 146,340 shares. Janney Montgomery Scott LLC was the underwriter  
6 in the offering. The Company received net proceeds in the offering, after deducting  
7 offering expenses and underwriter's discounts and commissions, of approximately \$43  
8 million. No additional major equity issuances are planned in the next two years. The net  
9 proceeds were used to repay the Company's short-term debt generated in 2021.

10  
11 In addition, the Company plans to continue to issue equity through its Dividend  
12 Reinvestment and Direct Stock Purchase and Sale Plan and its Employee Stock Purchase  
13 Plan. No additional major equity issuances are planned in the next two years.

14  
15 In 2022, the Series D Senior Notes, which is one of the Company's long-term debt  
16 issuances, matures. The Company plans to refinance those issuances and the short-term  
17 debt expected to be generated in 2022. The amount of the borrowing is expected to be  
18 approximately \$30 million. The Company expects to be able to borrow at a rate of 4%.  
19 This issuance will likely be taxable debt. The Company is also currently planning to  
20 refinance short-term debt generated in 2023 at the end of 2023. The amount of the  
21 borrowing is expected to be approximately \$32.5 million. The Company expects to be  
22 able to borrow at a rate of 4.25%. This issuance will likely be taxable debt.

23  
24 Q. Explain Exhibit No. HVII-27.

1 A. Exhibit No. HVII-27 provides the Company's capital structure target.

2

3 The Company's capital structure target is to maintain an equity ratio between 50% and  
4 55% of capital.

5

6 The target capital structure is determined based on the Company's projected capital  
7 needs, the Company's size and the capital structures employed by other comparable  
8 investor-owned water utilities.

9

10 The Company believes that it must maintain a strong financial profile, including a strong  
11 equity ratio given its construction expenditures and external capital requirements over the  
12 next several years. The Company's relatively small size makes it more difficult and  
13 expensive to raise external capital, and a strong equity ratio offsets the increased risk to  
14 investors.

15

16 Q. Explain Exhibit No. HVII-28.

17 A. Exhibit No. HVII-28 shows the Company's short-term debt balance, the construction  
18 work in progress balance, and the balance of construction work in progress, which is  
19 eligible for AFUDC for the most recent twenty-four months.

20

21 Q. Explain Exhibit No. HVII-32.

22 A. Exhibit No. HVII-32 provides various financial ratios not provided elsewhere for the five  
23 years ended December 31, 2021.

24

1 Q. Are you sponsoring any other Exhibits relating to rate of return?

2 A. Yes, I am also sponsoring Exhibit Nos. HVII-4, HVII-5, HVII-8, HVII-10, HVII-12,  
3 HVII-13, HVII-14, HVII-16, HVII-18, HVII-19, HVII-21, HVII-22, HVII-23, HVII-24,  
4 HVII-25, HVII-26, HVII-29, HVII-30 and HVII-31.

5  
6 Q. Explain Exhibit No. HX-1.

7 A. Exhibit No. HX-1 is the Company's comparative balance sheet, per books, as of  
8 December 31, 2021, and December 31, 2020. Page 2 of Exhibit HX-1 reflects the assets  
9 of the Company net of depreciation reserve and reserve for uncollectible accounts in the  
10 amount of \$447,207,947 as of December 31, 2021, and \$407,984,877 as of December 31,  
11 2020. Page 3 of Exhibit No. HX-1 reflects the liabilities and total capitalization of the  
12 Company in the amount of \$447,207,947 as of December 31, 2021, and \$407,984,877  
13 as of December 31, 2020.

14  
15 Q. Explain Exhibit No. HX-2.

16 A. Exhibit No. HX-2 sets forth the major items of Other Physical Property, Investment in  
17 Affiliated Companies and Other Investments as of December 31, 2021. Exhibit No. HX-  
18 2 reflects the Other Physical Property of the Company as of December 31, 2021, in the  
19 amount of \$1,199,858 and other investments as of December 31, 2021, in the amount of  
20 \$59,724. Other investments of \$59,724 represent shares of stock of Columbia Water  
21 Company purchased by York Water. The Company has no affiliates.

22  
23 Q. Explain Exhibit No. HX-3.

1 A. Exhibit No. HX-3 sets forth the amount and a description of Special Cash Deposits held  
2 by the Company as of December 31, 2021. As of December 31, 2021, the Company has  
3 deposited in an interest-bearing statement savings account funds of its employees in the  
4 amount of \$43,602. These funds of the Company's employees in the amount of \$43,602  
5 are offset by a credit amount, reflected in Account 23100211, Employee Benefits  
6 Withheld-ESPP and can be used only for purchase of the Company's common stock on  
7 behalf of employees in accordance with the Company's Employee Stock Purchase Plan.

8  
9 As of December 31, 2021, the Company has deposited \$500 with York Township to be  
10 used to indemnify the Township against any loss or damage caused by the Company  
11 while working in the Township's streets.

12

13 Q. Explain Exhibit No. HX-4.

14 A. Exhibit No. HX-4 details and describes Notes Receivable, Accounts Receivable from  
15 Associated Companies and Other Accounts Receivable as of December 31, 2021. Page 1  
16 of Exhibit No. HX-4 details Notes Receivable as of December 31, 2021, in the amount of  
17 \$255,481, comprised of a note receivable from a water district. A general description of  
18 the water district procedure can be found in the Commission's Order in York Water's  
19 1992 rate case (77 Pa. P.U.C. 367).

20

21 York Water had no accounts receivable from associated companies  
22 as of December 31, 2021.

23

1 York Water classifies other significant receivables, other than customer accounts, in  
2 Account 142, Other Accounts Receivable. A detail of Other Accounts Receivable as of  
3 December 31, 2021, in the amount of \$449,617 is shown on page 2 of Exhibit No. HX-4.

4  
5 A component of Other Accounts Receivable as of December 31, 2021, shown on page 2  
6 of Exhibit No. HX-4 is The York Water Company Employees' Stock Purchase Plan in the  
7 amount of \$43,602.

8  
9 York Water has an Employee Stock Purchase Plan program. Stock purchases are paid  
10 entirely by employees through employee payroll deductions. Stock purchases are made  
11 on a quarterly basis. Pending the actual stock purchases, the employee payroll deductions  
12 are deposited in a segregated bank account and are credited on the Company's books as  
13 Employee Benefits Withheld-ESPP (See Exhibit No. HX-3). As an offsetting entry, the  
14 Company debits, to Other Accounts Receivable, an amount that matches the payroll  
15 deductions. Interest earned on the payroll deductions also is credited to the employees.  
16 When stock purchases are made, the purchase price of the stock is credited to Other  
17 Accounts Receivable and is debited to Amounts Withheld from Employees.

18  
19 Q. Explain Exhibit No. HX-5.

20 A. York Water uses the reserve method of recording uncollectible accounts for book  
21 purposes. Exhibit No. HX-5 provides the amount of accumulated reserve for  
22 uncollectible accounts as of December 31, 2021, 2020 and 2019. Exhibit No. HX-5 also  
23 provides the annual accruals, amounts of accounts written off and recoveries of amounts  
24 previously written off for the twelve months ended December 31, 2021, 2020, and 2019.

1 Exhibit Nos. HIII-2-2 and HIII-2-38 present the Company's uncollectible accounts  
2 expense for ratemaking purposes.

3  
4 Q. Explain Exhibit No. HX-6.

5 A. Exhibit No. HX-6 provides a list of prepayments as of December 31, 2021, in the amount  
6 of \$1,073,706.

7  
8 Q. Explain Exhibit No. HX-8.

9 A. Exhibit No. HX-8 details and describes Other Deferred Assets as of December 31, 2021.

10 As of December 31, 2021, the Company reflected on its balance sheet Unamortized Debt  
11 Expense in the amount of \$2,868,405. This account includes the unamortized portion of  
12 debt expense as of December 31, 2021, associated with the issuance of long-term debt.  
13 The debt expense is amortized over the respective terms of long-term debt by crediting  
14 this account and debiting Account 428, Amortization of Debt Expense.

15  
16 As of December 31, 2021, the Company reflected on its balance sheet Deferred Rate Case  
17 Expense in the amount of \$17,326. The normalization of rate case expenses for book  
18 purposes will be credited to this account and charged to Account No. 66680000, Rate  
19 Case Expenses. I note that the Company's claim for rate case expense is based upon a  
20 normalization of estimated expenses.

21  
22 As of December 31, 2021, the Company reflected on its balance sheet Cash Value of  
23 Deferred Compensation Plans in the amount of \$4,089,744. The Company has a  
24 supplemental retirement plan for eight key employees of the Company, consisting of the

1 President and Chief Executive Officer, Chief Operating Officer, Chief Administrative  
2 Officer and General Counsel, Vice-President-Customer Service, Chief Financial Officer,  
3 Vice President-Human Resources, Vice President-Engineering, Vice President-  
4 Technology and six retired former key employees. The plan is funded through life  
5 insurance policies. The Company has a deferred savings plan for twenty-five of its  
6 management and supervisory employees and eight retired former management  
7 employees. The plan is also funded through life insurance policies. The deferred debit  
8 related to both plans' benefits represents the current cash surrender value of the life  
9 insurance policies that have been purchased to reimburse the Company for the costs of  
10 the plans. The Company also reflects on its books of account as a deferred credit the  
11 current accrued amount of the Company's future liability with respect to the deferred  
12 compensation benefits.

13  
14 The expenses and income associated with the Company's supplemental retirement and  
15 deferred savings plans have been eliminated from this rate case in accordance with the  
16 settlement approved by the Commission in the Company's 2001 base rate case at Docket  
17 No. R-00016236 with the exception of expenses from the deferred savings plan for  
18 employees not in the defined benefit pension plan.

19  
20 As of December 31, 2021, the Company reflected on its balance sheet deferred  
21 preliminary survey costs in the amount of \$137,144. This account includes expenditures  
22 for preliminary surveys, plans and investigations made for the purpose of determining the  
23 feasibility of projects under consideration. These expenditures are not included in the  
24 Company's rate base or in the cost of service in this case.



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York Water does not have deferred asset accounts for temporary facilities, research and development and property losses, and therefore, there is no amortization with regard to such items, which would affect operating results.

Q. Explain Exhibit No. HX-10.

A. Exhibit No. HX-10 details and describes Other Deferred Credits as of December 31, 2021. As of December 31, 2021, the Company reflected on its corporate books deferred interest rate swap in the amount of \$2,085,680. The Company utilizes an interest rate swap agreement to convert its variable rate debt to a fixed rate (a cash flow hedge). As of December 31, 2021, the Company recorded an unrealized loss on the interest rate swap. The interest rate swap agreement will expire on October 1, 2029.

Q. Explain Exhibit No. HX-12.

A. Page 2 of Exhibit No. HX-12 provides an analysis of Retained Earnings for the twelve months ended December 31, 2021, 2020, 2019, and 2018.

Q. Are you sponsoring any other exhibits regarding the Company's balance sheet?

A. Yes, I am also sponsoring Exhibit Nos. H (c)-2, HX-7, HX-9, HX-11, and HX-13.

Q. Are you sponsoring any other exhibits?

A. Yes, I am also sponsoring Exhibit Nos. H (a)-1, H (a)-6, H (a)-9, H (a)-10, H (a)-11, HVIII-1, HVIII-2, HXI-1, HXI-2, HX1-3, and HXI-4.

1 Q. Does this conclude your historic test year direct testimony at this time?

2 A. Yes.

1 **YORK WATER STATEMENT NO. 5**

2  
3 **BEFORE THE**  
4 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

5  
6 **THE YORK WATER COMPANY**

7  
8 **DIRECT TESTIMONY OF MICHAEL C. WINTER**  
9

10 Q. State your name and business address.

11 A. Michael C. Winter. My business address is: 130 East Market Street, York, Pennsylvania.  
12

13 Q. By whom are you employed?

14 A. I am employed by The York Water Company (“York Water” or the “Company”).  
15

16 Q. State your present position with the Company and explain your duties and  
17 responsibilities.

18 A. I am Controller of the Company. My duties and responsibilities include managing the  
19 financial operations of the Company and overseeing the accounting department in order  
20 to meet the requirements of regulatory agencies.  
21

22 Q. How long have you been employed by the Company?

23 A. I have been employed by the Company since May 22, 2017.  
24

1 Q. What is your educational background?

2 A. I have a Bachelors Degree from the Pennsylvania State University, York, Pennsylvania  
3 and a Master's Degree in Business Administration from Strayer University, Owings  
4 Mills, Maryland.

5  
6 Q. Are you a certified public accountant?

7 A. Yes, I am a certified public accountant licensed by the Commonwealth of Pennsylvania.  
8

9 Q. What has been your other business experience?

10 A. From June 2014 to September 2016, I served as the Director of Operations for Simon  
11 Lever LLP, an accounting firm based in Lancaster, Pennsylvania. In that capacity, I  
12 managed the operations of the accounting firm including, financial operations,  
13 administration, human resources, marketing, and information technology. From July  
14 2007 to June 2014, I worked at T. Rowe Price in Owings Mills, Maryland. I worked in  
15 several positions of increasing authority and my final position was Assistant Vice  
16 President. My responsibilities included overseeing various accounting and financial  
17 reporting duties for T. Rowe Price's Retirement Plan Services division.  
18

19 Q. Have you previously testified before a regulatory commission?

20 A. No, this is the first time I have presented testimony to the Pennsylvania Public Utility  
21 Commission ("Commission").  
22

23 Q. Will you list the exhibits you are sponsoring in this proceeding?

1 A. I am sponsoring the following exhibits prepared by me or under my direction and  
2 supervision:

3  
4 Exhibit Nos. HIV-2, HIV-12, HIV-15, HIV-15-1, HIV-15-2, HIV-15-3, HIV-15-4, and  
5 HIV-15-5 related to operating taxes other than income taxes for the water division; and

6  
7 Exhibit Nos. HIV-1, HIV-3, HIV-4, HIV-5, HIV-6, HIV-7, HIV-8, HIV-9, HIV-10, HIV-  
8 11, HIV-13, HIV-14, HIV-16, HIV-17, HIV-17-1, HIV-17-2, HIV-17-3, HIV-17-3 (a),  
9 HIV-17-4, HIV-17-5, and HIV-18 relating to operating income taxes for the water  
10 division.

11  
12 Q. Explain Exhibit No. HIV-1.

13 A. Exhibit No. HIV-1 provides a copy of the Company's latest Pennsylvania corporate tax  
14 report (calendar year 2020). A Pennsylvania corporate tax settlement is not included as  
15 the Department of Revenue no longer sends tax settlements.

16  
17 Q. Explain Exhibit No. HIV-5.

18 A. Exhibit No. HIV-5 provides a schedule of deferred water operations investment tax  
19 credits as of December 31, 2021. In 1972, the Company timely elected the special rule  
20 for ratable flow-through of investment tax credits under former Section 46(f)(2) (at that  
21 time, Section 46(e)(2)) of the Internal Revenue Code which requires that the Federal  
22 investment tax credits be flowed through to ratepayers as a reduction to federal income  
23 taxes ratably over the depreciable life of the property. The Company adopted a fifty-year  
24 amortization period for Federal investment tax credits to meet the requirements of former

1 Section 46(f)(2) of the Internal Revenue Code. The Company's books reflect the annual  
2 amortization for the test year. Because the Company timely elected in 1972 the special  
3 rule for ratable flow-through of Federal investment tax credits under former Section  
4 46(f)(2) (at that time Section 46(e)(2)) of the Internal Revenue Code, the only reduction  
5 that may be made to the Company's cost of service, with respect to Federal investment  
6 tax credits generated in calendar year 1972 and thereafter, is to amortize the Federal  
7 investment tax credits ratably over the life of the property. Under the special rule for  
8 ratable flow-through, the rate base of the utility cannot be reduced by any portion of  
9 deferred Federal investment tax credits.

10  
11 Q. Explain Exhibit No. HIV-6.

12 A. Exhibit No. HIV-6 provides a schedule of the adjustments to water taxable net income  
13 per books for the twelve months ended December 31, 2021. Adjustments to taxable net  
14 income per books for the twelve months ended December 31, 2021, are classified as  
15 Expenses Recorded on Books Not Deducted on Return, Income on Books Not Included  
16 on Return, and Deductions Not Charged against Booked Income. Tax adjustments  
17 classified as expenses recorded on books not deducted on return include: (1) depreciation  
18 on the books in excess of tax depreciation in the amount of \$990,122; (2) nondeductible  
19 lobbying expenses in the amount of \$4,855 (for ratemaking purposes the Company does  
20 not include lobbying expenses in the cost of service); (3) amortization of rate case  
21 expense in the amount of \$103,954 (the Company deducts rate case expense in the year  
22 incurred for tax purposes but amortizes the expense for book purposes); (4) amortization  
23 of service life study expense in the amount of \$4,928 (the Company deducts service life  
24 study expense in the year incurred for tax purposes but amortizes the expense for book

1 purposes); (5) debt expense amortization on the PEDFA Exempt Facilities Revenue  
2 Bonds, Series 2004, the PEDFA Exempt Facilities Revenue Bonds, Series 2008B, the  
3 PEDFA Exempt Facilities Revenue Bonds, Series 2004, Monthly Senior Notes, Series  
4 2010A, YCIDA Revenue Bonds, Series 2006, and the PEDFA Exempt Facilities Revenue  
5 Refunding Bonds, Series 2014 in the amount of \$107,409 (the Company deducted the  
6 debt expense in the year it was refinanced for tax purposes but amortizes the expense for  
7 book purposes); (6) postretirement benefits in the amount of \$(13,001) (for ratemaking  
8 purposes the Company does not include the present value of postretirement benefits in  
9 the cost of service) (Refer to Exhibit No. HIII-2-24 for the elimination of postretirement  
10 benefits from the cost of service); (7) nondeductible vacation pay in the amount of \$9,420  
11 (for ratemaking purposes, the Company does not include accrued vacation pay in the cost  
12 of service); (8) amortization of acquisition adjustments in the amount of \$(54,482) that  
13 are not deductible for income taxes (acquisition adjustments are reflected on the  
14 Company's income statement as "below the line"); (9) change in bad debt reserve in the  
15 amount of \$200,000 (the Company deducts bad debt expense when it is incurred and not  
16 when it is reserved); (10) expenses relative to the Company's savings plan and  
17 supplemental retirement plan in the amount of \$(77,552) (savings plan and supplemental  
18 retirement plan expenses are reflected on the Company's income statement as "below the  
19 line"); (11) stock based compensation in the amount of \$17,902 (for ratemaking  
20 purposes, the Company does not include non-vested stock based compensation in the cost  
21 of service); (12) nondeductible parking expenses in the amount of \$13,308 (pursuant to  
22 the Tax Cuts and Jobs Act of 2017, the cost of qualified parking expenses provided to  
23 employees are 50% deductible); (13) nondeductible business meals in the amount in the  
24 amount of \$1,286 (100% of restaurant meals incurred for a business purpose are

1 deductible under temporary rules in the Taxpayer Certainty and Disaster Tax Relief Act  
2 of 2020; other meals incurred for a business purpose are 50% deductible); and (14) a  
3 prior year state income tax adjustment in the amount of \$(6,828) (included on 2021's  
4 Form 1120).

5  
6 Tax adjustments classified as income on books not subject to income taxes include  
7 interest income received in the amount of \$164,051, which is exempt from Federal and  
8 state income taxes, and the portion of dividends from domestic corporations (Columbia  
9 Water Company common stock) not subject to income tax of \$8,801 (interest income and  
10 dividends are reflected on the Company's income statement as "below the line").

11  
12 Tax adjustments classified as deductions not charged against book income include: (1)  
13 tax repair expense in the amount of \$11,769,219 (the Company deducts repair items for  
14 tax purposes but capitalizes repair items for book purposes); (2) cost of customer-owned  
15 lead service line replacements in the amount of \$79,621 (the Company deducts the cost  
16 of customer-owned lead service line replacements in the year incurred for tax purposes  
17 but amortizes the expense for book purposes); (3) cost of removal deducted currently in  
18 the amount of \$3,090,826 (the Company deducts cost of removal for tax purposes but  
19 capitalizes cost of removal for book purposes); (4) tank painting deducted currently of  
20 \$419,160 (the Company capitalizes tank painting for book purposes but deducts the costs  
21 immediately for tax purposes); and (5) changes in prepaid expenses during the current  
22 accounting period of \$51,715 (the Company deducts prepaid expenses in the year  
23 incurred for tax purposes but amortizes the expense for book purposes).

24



1 Adjustments to pro forma taxable net income for ratemaking purposes for the twelve  
2 months ended December 31, 2021, are shown on Exhibit No. HIV-17-2, which I will  
3 explain later.

4  
5 Q. Explain Exhibit No. HIV-12.

6 A. Page 2 of Exhibit No. HIV-12 provides a detail of taxes accrued per books as of  
7 December 31, 2021, as well as an explanation of the basis for the accrual of each tax.  
8 Page 3 of Exhibit HIV-12 provides a schedule of the amount of taxes accrued monthly for  
9 the twelve months ended December 31, 2021.

10  
11 Q. Explain Exhibit No. HIV-14.

12 A. Exhibit No. HIV-14 provides a copy of the Company's corporate federal tax returns and  
13 supporting schedules for the calendar years 2020, 2019, and 2018. The 2021 corporate  
14 federal tax return is on extension and will not be filed until September or October 2022.

15  
16 Q. Explain Exhibit No. HIV-15.

17 A. Exhibit No. HIV-15 summarizes adjustments to operating taxes other than income taxes  
18 for the twelve months ended December 31, 2021, for ratemaking purposes and to reflect  
19 additional operating taxes other than income taxes resulting from the proposed increase in  
20 operating revenues.

21  
22 Operating taxes other than income taxes per books for the twelve months ended  
23 December 31, 2021, in the amount of \$1,231,647 are shown in Column 1 of Exhibit No.  
24 HIV-15 page 2.

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Adjustments to operating taxes other than income taxes of \$47,846 are made to reflect the calculation of the pro forma level of taxes other than income taxes under existing rates for the twelve months ended December 31, 2021. Such adjustments are shown in Column 3 of Exhibit No. HIV-15 and are detailed in Exhibit Nos. HIV-15-1 through HIV-15-4, and HIII 2-6. Adjustments to operating taxes other than income taxes amounting to \$10,783 are made to reflect the increased operating taxes other than income taxes that result from the increase in water operating revenues under proposed rates, and these adjustments are shown in Column 6 of Exhibit No. HIV-15 and are detailed in Exhibit No. HIV-15-5.

- Q. Explain Exhibit No. HIV-15-1.
- A. Exhibit No. HIV-15-1 presents an adjustment to reflect FICA payroll taxes on pro forma payroll for twelve months ended December 31, 2021, at the tax rate and wage bases effective January 1, 2022. The January 1, 2022 hospitalization insurance (“HI”) component of the FICA tax of 1.45% is applied to taxable pro forma payroll of \$8,605,691 (Refer to Exhibit No. HIII-2-4 (a), page 1) to determine pro forma HI component of FICA taxes of \$124,783 ( $\$8,605,691 \times 0.0145 = \$124,783$ ). Total pro forma payroll in the amount of \$8,605,691 is reduced by \$496,231, which is that portion of pro forma payroll not subject to old age, survivors, and disability insurance component (“OASDI”) of FICA tax to arrive at taxable pro forma payroll of \$8,109,459 ( $\$8,605,691 - \$496,231 = \$8,109,459$ ). The January 1, 2022 OASDI component of FICA tax rate of 6.2% is applied to the taxable pro forma payroll of \$8,109,459 to determine pro forma OASDI component of FICA taxes of \$502,786 ( $\$8,109,459 \times 0.062$ ). The HI component in the amount of \$124,783 and the OASDI component in the amount of \$502,786 FICA

1 taxes are totaled to determine pro forma FICA taxes in the amount of \$627,569  
2 (\$124,783+ \$502,786 = \$627,569). The adjustment to FICA taxes, in the amount of  
3 \$41,321, is determined by subtracting the test year FICA taxes of \$586,248 from the  
4 calculated pro forma FICA taxes of \$627,569 ( $\$627,569 - \$586,248 = \$41,321$ ). The  
5 FICA adjustment, in the amount of \$41,321, has been carried forward to Exhibit No.  
6 HIV-15, Column 3.

7  
8 I note that a portion of pro forma FICA taxes for the twelve months ended December 31,  
9 2021, was capitalized and is reflected, as a reduction to operating expenses, in Account  
10 40801201, Taxes Other than Income Taxes-FICA on Exhibit No. HIII-2-6.

11  
12 Q. Explain Exhibit No. HIV-15-2.

13 A. Exhibit No. HIV-15-2 presents an adjustment to reflect Federal unemployment tax on pro  
14 forma payroll for twelve months ended December 31, 2021, at the tax rate and wage base  
15 effective January 1, 2022. Total pro forma payroll in the amount of \$8,605,691 (Refer to  
16 Exhibit No. HIII-2-4 (a), page 1) is reduced by \$7,758,816, which is that portion of pro  
17 forma payroll that exceeds the 2022 taxable wage base per employee of \$7,000, to arrive  
18 at taxable pro forma payroll of \$846,875 ( $\$8,605,691 - \$7,758,816 = \$846,875$ ). The  
19 2022 Federal unemployment tax rate of 0.6% is applied to the taxable pro forma payroll  
20 of \$846,875 to determine pro forma Federal unemployment tax of \$5,081. The  
21 adjustment to Federal unemployment tax in the amount of \$(587) is determined by  
22 subtracting the test year Federal unemployment tax of \$5,668 from the calculated pro  
23 forma Federal unemployment tax of \$5,081 [ $\$5,081 - \$5,668 = \$(587)$ ]. The Federal

1 unemployment tax adjustment, in the amount of \$(587), has been carried forward to  
2 Exhibit No. HIV-15, Column 3.

3  
4 I note that a portion of pro forma Federal unemployment tax for the twelve months ended  
5 December 31, 2021, was capitalized and is reflected, as a reduction to operating expenses,  
6 in Account No. 40801202, Taxes Other than Income Taxes-Federal Unemployment on  
7 Exhibit No. HIII-2-6.

8  
9 Q. Explain Exhibit No. HIV-15-3.

10 A. Exhibit No. HIV-15-3 presents an adjustment to reflect Pennsylvania unemployment tax  
11 on pro forma payroll for twelve months ended December 31, 2021, at the tax rate and  
12 wage base effective January 1, 2022. Total pro forma payroll in the amount of  
13 \$8,605,691 (Refer to Exhibit No. HIII-2-4 (a), page 1) is reduced by \$7,413,456, which is  
14 that portion of pro forma payroll expense that exceeds the 2022 taxable wage base per  
15 employee of \$10,000, to arrive at taxable pro forma payroll of \$1,192,235 ( $\$8,605,691 -$   
16  $\$7,413,456 = \$1,192,235$ ). The 2022 Pennsylvania unemployment tax rate of 1.2905% is  
17 applied to the taxable pro forma payroll of \$1,192,235 to determine pro forma  
18 Pennsylvania unemployment tax of \$15,386. The adjustment to Pennsylvania  
19 unemployment tax in the amount of \$(8,812) is determined by subtracting the test year  
20 Pennsylvania unemployment tax of \$24,198 from the calculated pro forma Pennsylvania  
21 unemployment tax of \$15,386 [ $\$15,386 - \$24,198 = \$(8,812)$ ]. The Pennsylvania  
22 unemployment tax adjustment, in the amount of \$(8,812), has been carried forward to  
23 Exhibit No. HIV-15, Column 3.

24

1 I note that a portion of pro forma Pennsylvania unemployment tax for the twelve months  
2 ended December 31, 2021, was capitalized and is reflected as a reduction to operating  
3 expenses in Account No. 40801203, Taxes Other than Income Taxes-State  
4 Unemployment on Exhibit No. HIII-2-6.  
5

6 Q. Explain Exhibit No. HIV-15-4.

7 A. Exhibit No. HIV-15-4 presents an adjustment to reflect the Commission's General  
8 Assessment, the Consumer Advocate's Assessment, the Small Business Advocate's  
9 Assessment, and the Damage Prevention Committee Assessment based on pro forma  
10 operating revenues under existing rates for twelve months ended December 31, 2021, and  
11 the 2021-2022 assessment factors. The currently-effective combined 2021-2022  
12 assessment rate of 0.671560% for the Commission's General Assessment, the Consumer  
13 Advocate's Assessment, the Small Business Advocate's Assessment, and the Damage  
14 Prevention Committee Assessment is applied to pro forma operating revenues at existing  
15 rates for combined assessment purposes for the twelve months ended December 31, 2021,  
16 in the amount of \$50,209,281. The pro forma operating revenues at existing rates for  
17 combined assessment purposes is determined by removing sales for resale customers  
18 included on Exhibit No. FII-11 and Exhibit No. FII-12 and priced out bulk truck sales  
19 included on Exhibit No. HII-4 from total pro forma operating revenues at existing rates  
20 on Exhibit No. HII-2, Page 2, Column 3. Sales for resale customers and priced out bulk  
21 truck sales are not included in the combined assessment calculation. The currently-  
22 effective combined 2021-2022 assessment rate of 0.671560% is applied to the pro forma  
23 operating revenues at existing rates for combined assessment purposes for the twelve  
24 months ended December 31, 2021, in the amount of \$50,209,281 to determine the pro

1           forma combined assessment under existing rates for twelve months ended December 31,  
2           2021, in the amount of \$337,186 ( $\$50,209,281 \times 0.671560\%$ ). The adjustment in the  
3           amount of \$16,717 is determined by subtracting the test year assessments of \$320,469  
4           from the calculated pro forma amount of \$337,186 [ $\$337,186 - \$320,469 = \$16,717$ ].  
5           The adjustment in the amount of \$16,717 has been carried forward to Exhibit No. HIV-  
6           15, Page 2, Column 3.

7  
8    Q.    Explain Exhibit No. HIV-15-5.

9    A.    Exhibit No. HIV-15-5 presents an adjustment to reflect the Commission's General  
10       Assessment, the Consumer Advocate's Assessment, the Small Business Advocate's  
11       Assessment, and the Damage Prevention Committee Assessment based on pro forma  
12       operating revenues at proposed rates. The currently effective combined 2021-2022  
13       assessment rate of 0.671560% for the Commission's General Assessment, the Consumer  
14       Advocate's Assessment, the Small Business Advocate's Assessment, and the Damage  
15       Prevention Committee Assessment is applied to pro forma operating revenues under  
16       proposed rates in the amount of \$51,814,984. The pro forma operating revenues at  
17       existing rates for combined assessment purposes is determined by removing sales for  
18       resale customers included on Exhibit No. FII-11 and Exhibit No. FII-12 and priced out  
19       bulk truck sales included on Exhibit No. HII-4 from total pro forma operating revenues at  
20       proposed rates on Exhibit No. HII-2, Page 2, Column 6. Sales for resale customers and  
21       priced out bulk truck sales are not included in the combined assessment calculation. The  
22       currently effective combined 2021-2022 assessment rate of 0.671560% is applied to the  
23       pro forma operating revenues at proposed rates for combined assessment purposes for the  
24       twelve months ended December 31, 2021, in the amount of \$51,814,984 to determine the

1 pro forma combined assessment under existing rates for twelve months ended December  
2 31, 2021, in the amount of \$347,969 ( $\$51,815,024 \times 0.00671560$ ). The adjustment in the  
3 amount of \$10,783 is determined by subtracting the calculated pro forma expense for the  
4 combined assessment under existing rates in the amount of \$337,186 (Refer to Exhibit  
5 No. HIV-15-4) from the calculated pro forma expense under proposed rates in the amount  
6 of \$347,969 [ $\$347,969 - \$337,186 = \$10,783$ ]. The adjustment in the amount of \$10,783  
7 has been carried forward to Exhibit No. HIV-15, Column 3.

8  
9 Q. Explain Exhibit No. HIV-17.

10 A. Exhibit No. HIV-17 summarizes adjustments to water operating income taxes for the  
11 twelve months ended December 31, 2021, for ratemaking purposes and to reflect  
12 additional operating income taxes resulting from the proposed increase in operating  
13 revenues.

14  
15 Operating income taxes per books for the twelve months ended December 31, 2021, in  
16 the amount of \$1,438,629 are shown in Column 1 of Exhibit No. HIV-17. Pro forma  
17 adjustments to operating income taxes of \$(723,771) are shown in Column 3 of Exhibit  
18 No. HIV-17 and are detailed in Exhibit Nos. HIV-17-1 through HIV-17-4. Adjustments  
19 to operating income taxes amounting to \$459,044 are made to reflect the increased  
20 operating income taxes that result from the increase in operating revenues under proposed  
21 rates, and these adjustments are shown in Column 6 of Exhibit No. HIV-17 and are  
22 detailed in Exhibit No. HIV-17-5.

23  
24 Q. Explain Exhibit No. HIV-17-1.

1 A. Exhibit No. HIV-17-1 presents an annualized amortization of Federal investment tax  
2 credits for the twelve months ended December 31, 2021. The Tax Reform Act of 1986  
3 repealed the investment tax credit provisions effective December 31, 1985. The  
4 investment tax credits for 1986 through 2021 are claimed under the transitional property  
5 provisions of TRA-86.

6  
7 Federal investment tax credits as of December 31, 2021, generated during the period  
8 1972 through 2021 are shown on Column 2 of Exhibit No. HIV-17-1. The Company  
9 adopted a fifty-year amortization period for Federal investment tax credits to meet the  
10 requirements of former Section 46(f)(a) of the Internal Revenue Code. The pro forma  
11 annual amortization of Federal investment tax credits in the amount of \$(39,242) shown  
12 in Column 4 of Exhibit No. HIV-17-1 is determined by dividing the Federal investment  
13 tax credits generated, shown in Column 2, by the fifty-year amortization period shown in  
14 Column 3.

15  
16 In 1972, the Company timely elected the special rule for ratable flow-through of  
17 investment tax credits under former Section 46(f)(2) (at that time Section 46(e)(2)) of the  
18 Internal Revenue Code, which requires that Federal investment tax credits be flowed  
19 through to ratepayers as a reduction to Federal income taxes ratably over the depreciable  
20 life of the property. The Company's books reflect the annual amortization for the twelve  
21 months ended December 31, 2021. An adjustment of the annual amortization of Federal  
22 investment tax credits in the amount of \$(1,717) is determined by subtracting the  
23 amortization of Federal investment tax credits recorded on the corporate books during the  
24 twelve months ended December 31, 2021, in the amount of \$(37,525) from the calculated



1 pro forma annual amortization of Federal investment tax credits in the amount of  
2 \$(39,242), shown in Column 4 [ $$(39,242) - $(37,525) = $(1,717)$ ]. The adjustment of the  
3 annual amortization of Federal investment tax credits in the amount of \$(1,717) has been  
4 carried forward to Exhibit HIV-17, Column 3.

5  
6 Because the Company timely elected in 1972, the special rule for ratable flow-through of  
7 Federal investment tax credits under former Section 46(f)(2) (at that time Section  
8 46(e)(2)) of the Internal Revenue Code, the only reduction that may be made to the  
9 Company's cost of service, with respect to Federal investment tax credits generated in  
10 calendar year 1972 and thereafter, is to amortize the Federal investment tax credits  
11 ratably over the life of the property. Under the special rule for ratable flow-through, the  
12 rate base of the utility cannot be reduced by any portion of deferred Federal investment  
13 tax credits.

14  
15 Q. Explain Exhibit No. HIV-17-2.

16 A. Exhibit No. HIV-17-2 presents an adjustment to reflect current Federal income tax and  
17 current Pennsylvania corporate net income tax based on pro forma water taxable income  
18 under existing rates at the currently effective Federal income tax rate of 21% and at the  
19 currently effective Pennsylvania corporate net income tax rate of 9.99%.

20  
21 Total pro forma operating income before income taxes and excluding depreciation under  
22 existing rates in the amount of \$30,324,046 is determined by subtracting pro forma  
23 operating expenses under existing rates in the amount of \$21,048,786 (Refer to Exhibit  
24 No. HIII-2, Page 2 of 8, Column 4) and pro forma operating taxes other than income

1 taxes under existing rates in the amount of \$1,279,493 (Refer to Exhibit No. HIV-15,  
2 Page 2 of 2, Column 4) from pro forma operating revenues under existing rates in the  
3 amount of \$52,652,325 (Refer to Exhibit No. HII-2, Page 2 of 3, Column 3) (\$52,652,325  
4 - \$21,048,786 - \$1,279,493 = \$30,324,046). To arrive at taxable income at present rates,  
5 amounts are added for expenses of the Customer Survey of \$2,323, Dividend  
6 Reinvestment and Direct Stock Purchase and Sale Plan of \$8,305, Long-term Incentive  
7 Plan of \$1,740, Employee Stock Purchase Plan of \$1,277, Normalization of Rate Case  
8 Expenses of \$238,125, Amortization of Acquisition Adjustments of \$(11,746),  
9 Amortization of Lead Service Line Replacements of \$238,064, Filter Plant Yard Piping  
10 Survey of \$3,081, Service Life Study of \$4,928, Long-term Infrastructure Improvement  
11 Plan of \$844, Nondeductible Parking of \$13,308, and Nondeductible Meals of \$1,286,  
12 and amounts are then deducted for tax repair expense in the amount of \$11,769,219, cost  
13 of removal in the amount of \$3,090,826, tank painting in the amount of \$419,160, state  
14 tax depreciation in the amount of \$9,118,938, and pro forma interest expense deduction  
15 for ratemaking purposes in the amount of \$4,612,965. Expenses of the Company's  
16 Customer Survey of \$2,323, Dividend Reinvestment and Direct Stock Purchase and Sale  
17 Plan of \$8,305, Long-term Incentive Plan of \$1,740, Employee Stock Purchase Plan of  
18 \$1,277, Normalization of Rate Case Expense of \$238,125, Amortization of Acquisition  
19 Adjustments of \$(11,746), Amortization of Lead Service Line Replacements of \$283,064,  
20 Filter Plant Yard Piping Survey of \$3,081, Service Life Study of \$4,928, Long-term  
21 Infrastructure Improvement Plan of \$844, Nondeductible Parking of \$13,308, and  
22 Nondeductible Meals of \$1,286 are not allowed as a deduction for income tax purposes.  
23 Since these amounts are included in operating expenses and deducted in arriving at the  
24 figure of \$30,324,046, they must be added back in arriving at taxable income. Tax repair

1 expense in the amount of \$11,769,219 has been capitalized on the corporate books but is  
2 taken as a current deduction on the Company's Federal and State income tax returns.  
3 Cost of removal in the amount of \$3,090,826 has been capitalized on the corporate books  
4 but is taken as a current deduction on the Company's Federal and State income tax  
5 returns. Tax depreciation in the amount of \$9,118,938 is detailed on Exhibit No. HIV-  
6 17-3 and Exhibit No. HIV-17-3 (a). I note that the state tax depreciation is greater than  
7 Federal tax depreciation due to the provisions of Act 89 of 2002, which I will explain  
8 later with respect to Exhibit No. HIV-17-3 (a). Pro forma interest expense deduction for  
9 ratemaking purposes in the amount of \$4,612,965 is determined by reflecting the interest  
10 charges to ratepayers in the cost of capital determination (Interest Synchronization) (Rate  
11 Base of \$260,841,584 x Weighted Debt Cost Rate of 1.77%).

12  
13 Pro forma taxable income under existing rates in the amount of \$1,859,474 is determined  
14 by adding the expenses of the Customer Survey of \$2,323, Dividend Reinvestment and  
15 Direct Stock Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740,  
16 Employee Stock Purchase Plan of \$1,277, Normalization of Rate Case Expense of  
17 \$238,125, Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead  
18 Service Line Replacements of \$283,064, Filter Plant Yard Piping Survey of \$3,081,  
19 Service Life Study of \$4,928, Long-term Infrastructure Improvement Plan of \$844,  
20 Nondeductible Parking of \$13,308, and Nondeductible Meals of \$1,286, and deducting  
21 tax repair expense in the amount of \$11,769,219, cost of removal in the amount of  
22 \$3,090,826, tank painting in the amount of \$419,160, state tax depreciation in the amount  
23 of \$9,118,938, and pro forma interest expense in the amount of \$4,612,965 from pro  
24 forma net operating income in the amount of \$30,324,046 ( $\$30,324,046 + \$2,323 +$

1           \$8,305 + \$1,740 + \$1,277 + \$238,125 + (\$11,746) + \$283,064 + \$3,081 + \$4,928 + \$844  
2           + \$13,308 + \$1,286 - \$11,769,219 - \$3,090,826 - \$419,160 - \$9,118,938 - \$4,612,965 =  
3           \$1,859,474).

4  
5           Pro forma State income tax under existing rates in the amount of \$185,761 is determined  
6           by applying the Pennsylvania corporate net income tax rate of 9.99% to pro forma  
7           taxable income in the amount of \$1,859,474 ( $\$1,859,474 \times 0.0999 = \$185,761$ ). Pro  
8           forma Federal taxable income under existing rates in the amount of \$2,692,523 is  
9           determined by subtracting pro forma State income tax under existing rates in the amount  
10          of \$185,761 and adding back State depreciation in excess of Federal depreciation of  
11          \$1,018,811 [Refer to Exhibit No. HIV-17-3 (a)] from pro forma taxable income in the  
12          amount of \$1,859,474 ( $\$1,859,474 - \$185,761 + \$1,018,811 = \$2,692,520$ ). Pro forma  
13          Federal income tax under existing rates in the amount of \$565,430 is determined by  
14          applying the presently effective Federal income tax rate of 21% to the pro forma Federal  
15          taxable income under existing rates in the amount of \$2,692,523 ( $\$2,692,523 \times 0.21 =$   
16          \$565,430). Total pro forma current income taxes under existing rates in the amount of  
17          \$751,191 is determined by adding pro forma state income tax under existing rates in the  
18          amount of \$185,761 and pro forma Federal income tax under existing rates in the amount  
19          of \$565,430 ( $\$185,761 + \$565,430 = \$751,191$ ). The adjustment to income taxes in the  
20          amount of \$(480,454) is determined by subtracting current income taxes recorded on the  
21          corporate books during the twelve months ended December 31, 2021, in the amount of  
22          \$1,231,645 from total pro forma current income taxes under existing rates in the amount  
23          of \$751,191 [ $\$751,191 - \$1,231,645 = \$(480,454)$ ]. The adjustment to income taxes at

1 present rates in the amount of \$(480,454) has been carried forward to Exhibit No. HIV-  
2 17, Column 3.

3  
4 Q. Explain Exhibit No. HIV-17-3.

5 A. Exhibit No. HIV-17-3 provides information concerning income tax depreciation used to  
6 calculate current and deferred Federal Income Taxes for ratemaking purposes. To  
7 explain Exhibit HIV-17-3, a general explanation of the tax depreciation methods used by  
8 York Water for various vintages of property is required.

9  
10 For property placed in service during calendar year 1970 and prior years, the Company's  
11 method of tax depreciation is the straight-line method. No provision has been made in  
12 the rate case exhibits for normalization of tax depreciation for property placed in service  
13 in 1970 and prior years.

14  
15 For property placed in service during calendar years 1971 through 1978, the Company's  
16 method of tax depreciation is the double declining balance method. As explained later,  
17 normalization of the income tax deferrals resulting from use of an accelerated tax  
18 depreciation method for property placed in service during calendar years 1971 through  
19 1978 is required by Internal Revenue Code Section 167(1)(2)(B) because the Company's  
20 "applicable 1968 method" was straight line. The Company also filed, as a precaution, a  
21 timely election with the Internal Revenue Service electing normalization of accelerated  
22 depreciation.

1 For property placed in service during calendar years 1979 and 1980, the Company's  
2 method of tax depreciation is the double declining balance method under the Internal  
3 Revenue Service's Asset Depreciation Range System. Normalization of the income tax  
4 deferrals resulting from use of an accelerated depreciation method for property placed in  
5 service during the calendar years 1979 and 1980 also is required by Internal Revenue  
6 Code Section 167(1)(2)(B).

7  
8 Normalization of the income tax deferrals resulting from the use of an accelerated tax  
9 depreciation method for property placed in service during calendar years 1971 through  
10 1980 is required because the Company's "applicable 1968 method," for purposes of  
11 Section 167 of the Internal Revenue Code, was the straight-line method. Under Section  
12 167(1)(2)(B) of the Internal Revenue Code, because the Company's "applicable 1968  
13 method" was straight line, the Company may not deduct accelerated depreciation for  
14 property placed in service during calendar years 1971 through 1980 for income tax  
15 purposes unless there is normalization for ratemaking purposes.

16  
17 For property placed in service beginning with calendar year 1981 and continuing through  
18 2021, the Company employs various methods of tax depreciation as permitted by law.  
19 Normalization of the tax deferrals resulting from the use of these accelerated depreciation  
20 methods is required by the Internal Revenue Code.

21  
22 I note that for qualified property placed in service after September 10, 2001, and before  
23 January 1, 2005, the Company's method of tax depreciation includes either the Internal

1 Revenue Code's Special 30 Percent Depreciation Allowance or the Internal Revenue  
2 Code's Special 50 Percent Depreciation Allowance.

3  
4 I note that for qualified property placed in service after January 1, 2008, and before  
5 January 1, 2018, the Company's method of tax depreciation includes either the Internal  
6 Revenue Code's 50 Percent First Year Bonus Depreciation or the Internal Revenue  
7 Code's 100 Percent First Year Bonus Depreciation.

8  
9 If the Company is not permitted to recover revenues necessary to provide for  
10 normalization of the income tax effects of accelerated depreciation, the Company will not  
11 be permitted to deduct accelerated depreciation for Federal income tax purposes.

12  
13 Tax depreciation by vintage year in the amount of \$11,463,192 for property included in  
14 the measure of value is shown on Exhibit No. HIV-17-3, Column 3.

15  
16 Deferred taxes must comply with the normalization requirements of Internal Revenue  
17 Code Sections 167 and 168. The amount of \$11,463,192 is reduced by \$9,398,575,  
18 which is the amount included for ratemaking purposes as depreciation to determine the  
19 difference of \$2,064,617 to be used for calculating the deferred Federal income tax  
20 (\$11,463,192 - \$9,398,575 = \$2,064,617). The Federal income tax rate of 21% is applied  
21 to the \$2,064,617 to determine the deferred Federal income tax amount of \$433,570  
22 (\$2,064,617 x 0.21). The adjustment to deferred Federal income tax in the amount of  
23 \$(245,244) is determined by subtracting deferred Federal income tax recorded on the  
24 corporate books during the twelve months ended December 31, 2021, in the amount of

1 \$678,814 from the calculated deferred Federal income tax amount of \$433,570 [\$433,570  
2 - \$678,814 = \$(245,244)]. The adjustment to deferred Federal income tax in the amount  
3 of \$(245,244) has been carried forward to Exhibit No. HIV-17, Column 3.  
4

5 Q. Explain Exhibit No. HIV-17-3 (a).

6 A. Exhibit No. HIV-17-3 (a) presents the calculation of the state tax decoupling from the  
7 Federal Special 30-Percent and 50 Percent Depreciation Allowance in accordance with  
8 Act 89 of 2002 signed into law June 29, 2002 and the Economic Growth and Tax Relief  
9 Reconciliation Act of 2001, the Job Creation and Worker Assistance Act of 2002, the  
10 Jobs and Growth Tax Relief Reconciliation Act of 2003, the Economic Stimulus Act of  
11 2008, and the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation  
12 Act of 2010. These acts require corporate taxpayers who elect the Federal Special 30-  
13 Percent and 50 Percent Depreciation Allowance to make adjustments that eliminate the  
14 effect of the Federal Special 30-Percent and 50 Percent Depreciation Allowance in  
15 arriving at Pennsylvania taxable income. Because Act 89 of 2002 eliminated the effect of  
16 the first-year Federal bonus depreciation, additional State depreciation deductions are  
17 allowed in subsequent years.  
18

19 The recovery of a portion of the bonus depreciation of \$1,018,811 is carried forward to  
20 Exhibit No. HIV-17-2 as an adjustment to State Tax Depreciation.  
21

22 The basis of property qualified for the additional first year depreciation allowance is  
23 reflected in Column 2 of Exhibit No. HIV-17-3 (a). Total Federal tax depreciation is  
24 shown in Column 3 of Exhibit No. HIV-17-3 (a). The adjustment for additional allowed



1 state depreciation in lieu of the Federal Special 30-Percent and 50 Percent depreciation is  
2 reflected in Column 6 and is determined by multiplying Federal depreciation shown in  
3 Column 5 by 0.42857 (3/7). The factor of 0.42857 (3/7) is reflected in the Bureau of  
4 Corporation Taxes Adjustment for Bonus Depreciation (Form REV-784).

5  
6 Q. Explain Exhibit No. HIV-17-4.

7 A. Exhibit No. HIV-17-4 calculates the reversal of excess deferred Federal income taxes  
8 related to accelerated depreciation on property. Upon passage of the Tax Cuts and Jobs  
9 Act of 2017, the Company adjusted the balance of its deferred Federal income taxes  
10 related to accelerated depreciation on property to the newly enacted statutory Federal  
11 income tax rate of 21%. The difference between the existing balance of deferred Federal  
12 income taxes related to accelerated depreciation on property and the adjusted balance of  
13 deferred Federal income taxes related to accelerated depreciation on property was  
14 recorded as a regulatory liability for the excess deferred Federal income taxes related to  
15 accelerated depreciation on property.

16  
17 A reversal is recorded for the excess deferred Federal income taxes whose normalized  
18 depreciation exceeds tax depreciation, that is, the tax life of the property has reached  
19 what is commonly referred to as the “turnaround point.” The vintage years that have  
20 reached the turnaround point are 1971, 1979, 1981 through 1996, and 2011 through 2017.  
21 Tax depreciation for these vintage years subject to normalization requirements of Internal  
22 Revenue Code Section 167 and 168 is \$1,176,049. The amount of tax depreciation of  
23 \$1,176,049 is less than \$2,450,784, which is the amount included for ratemaking  
24 purposes as depreciation on property placed in service during these vintage years. The

1 difference of \$(1,274,735) is to be used for calculating the return of excess previously  
2 deferred Federal income tax to be reversed [ $\$1,176,049 - \$2,450,784 = \$(1,274,735)$ ].  
3 Tax depreciation, and thus excess deferred Federal income taxes recovered from  
4 customers, was computed to the turnaround point for all of these properties at a rate of  
5 21%, 34%, 46%, or 48%. The excess of 2% between 48% and 46% has been amortized  
6 as a reduction to the cost of service in prior rate proceedings. However, the Tax Reform  
7 Act of 1986 and the Tax Cuts and Jobs Act of 2017 prohibits flow back of the excess  
8 between the prior rates and the current rate any faster than ratably over the tax life of the  
9 property following the property attaining the turnaround point. This ratable flow back is  
10 to be achieved by using a weighted average tax rate, representing the weighted average  
11 rate for each vintage for all years prior to the turnaround year. The weighted average rate  
12 for each vintage year, which has reached the turnaround point, is shown in Column 6.  
13 The weighted average tax rate is applied to the tax depreciation subject to deferral shown  
14 in Column 4 to determine the reversal of deferred Federal income taxes in the amount of  
15 \$(439,206). This was compared to the value of the deferred Federal income taxes at the  
16 newly enacted rate of \$267,694 determined by multiplying the total tax depreciation  
17 subject to deferral of \$(1,274,735) by the newly enacted rate of 21% [ $\$(1,274,735) \times 0.21$   
18  $= \$267,694$ ]. The difference between the deferred Federal income taxes at prior rates of  
19 \$(439,206) and those at the newly enacted rate of \$267,694 is the reversal of the excess  
20 deferred Federal income taxes of \$(171,511) [ $\$(439,206) - \$267,694 = \$(171,511)$ ]. An  
21 adjustment of the excess deferred Federal income taxes in the amount of \$3,644 is  
22 determined by subtracting the reversal of excess deferred Federal income taxes recorded  
23 on the corporate books during the twelve months ended December 31, 2021, in the  
24 amount of \$(175,155), from the calculated pro forma reversal of excess deferred Federal

1 income taxes in the amount of \$(171,511) [ $$(171,155) - $(175,155) = $3,644$ ]. The  
2 adjustment of the reversal of deferred Federal income taxes in the amount of \$3,644 has  
3 been carried forward to Exhibit HIV-17, Column 3.  
4

5 Q. Please explain Exhibit No. HIV-17-5.

6 A. Exhibit No. HIV-17-5 presents an adjustment to reflect increased Federal income tax and  
7 state income tax based on the calculated revenue increase using historic test year data.  
8

9 The total calculated water operating revenue increase using historic test year data in the  
10 amount of \$1,605,703 (Refer to Exhibit No. HII-2, page 2, Column 5) is increased by the  
11 increase in late charges of \$2,273 (Refer to Exhibit No. HII-2-15) and is reduced by the  
12 increase in pro forma expense for the Commission's General Assessment, the Consumer  
13 Advocate's Assessment, the Small Business Advocate's Assessment, and the Damage  
14 Prevention Committee Assessment under calculated rates in the amount of \$10,783  
15 (Refer to Exhibit No. HIV-15-5) and the increase in pro forma uncollectible accounts  
16 expense under calculated rates of \$8,370 (Refer to Exhibit No. HIII-2-38) to arrive at the  
17 net increase in taxable income subject to state income tax in the amount of \$1,588,863  
18 [ $$(1,605,703) + $2,273 - $10,783 - $8,370 = $1,588,823$ ]. The state income tax rate of  
19 9.99% is applied to the net increase in taxable income subject to state income tax in the  
20 amount of \$1,588,823 to determine the increase of \$158,723 in the state income tax as a  
21 result of the proposed revenue increase [ $$(1,588,823) \times 0.0999$ ]. The increase in the  
22 amount of \$158,723 in the state income tax has been carried forward to Exhibit No. HIV-  
23 17, Column 6.  
24

1 The proposed revenue increase subject to state income tax of \$1,588,823 is reduced  
2 further by the increase of \$158,723 in state income tax to determine the proposed revenue  
3 decrease in the amount of \$1,430,099 subject to Federal income tax [ $\$1,588,823 -$   
4  $\$158,723 = \$1,430,099$ ]. The presently effective Federal income tax rate of 21% is  
5 applied to determine the increase in the amount of \$300,321 in the Federal income tax  
6 that results from the proposed revenue increase [ $\$1,430,099 \times 0.21$ ], and this amount has  
7 been carried forward to Exhibit No. HIV-17, Column 6.

8  
9 Q. Explain Exhibit No. HIV-18.

10 A. Exhibit No. HIV-18 provides an explanation of the debt interest expense utilized for the  
11 income tax calculation reflected on the Company's corporate books, and an explanation  
12 and the calculation of debt interest expense utilized for the income tax calculation on pro  
13 forma income for the twelve months ended December 31, 2021.

14  
15 Debt interest expense utilized for the income tax calculation reflected on the Company's  
16 corporate books for the twelve months ended December 31, 2021, is actual debt expense  
17 incurred during that period. Debt interest expense utilized for the income tax calculation  
18 on pro forma income for the twelve months ended December 31, 2021, is determined by  
19 reflecting the interest charges to ratepayers in the cost of capital determination (interest  
20 synchronization).

21  
22 The original cost measure of value as of December 31, 2021 (Refer to Exhibit No. HV-1,  
23 page 2) of \$260,841,584 times the weighted debt cost rate of 1.77% equals the interest

1 expense utilized for income tax calculation on pro forma income for the twelve months  
2 ended December 31, 2021, of \$4,612,965 ( $\$260,841,584 \times 1.77\% = \$4,612,965$ ).

3  
4 Debt interest expense on pro forma income for the twelve months ended December 31,  
5 2021, in the amount of \$4,612,965 has been carried forward to Exhibit No. HIV-17-2,  
6 which I explained previously.

7  
8 Q. Are you sponsoring any other exhibits regarding the Company's operating taxes?

9 A. Yes, I am also sponsoring Exhibit Nos. HIV-2, HIV-3, HIV-4, HIV-7, HIV-8, HIV-9,  
10 HIV-10, HIV-11, HIV-13, and HIV-16.

11  
12 Q. Does this conclude your historic test year direct testimony at this time?

13 A. Yes.

1 **YORK WATER STATEMENT NO. 104**

2  
3 **BEFORE THE**  
4 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

5  
6 **THE YORK WATER COMPANY**

7  
8 **DIRECT TESTIMONY OF DANIEL E. COPPERSMITH JR.**

9  
10 Q. State your name and business address.

11 A. Daniel E. Coppersmith Jr. My business address is: 130 East Market Street, York,  
12 Pennsylvania.

13  
14 Q. By whom are you employed?

15 A. I am employed by The York Water Company (the "Company").  
16

17 Q. State your present position with the Company and explain your duties and  
18 responsibilities.

19 A. I am the Finance Manager for the Company. My duties and responsibilities include  
20 preparing the operating budget, managing the Property Records Department, and filing  
21 data requirements with the Pennsylvania Public Utility Commission (the "Commission").  
22

23 Q. How long have you been employed by the Company?

24 A. I have been employed by the Company since June 19, 2007.

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Q. What is your educational background?

A. I have a Bachelor’s of Science Degree in Accounting from Central Penn College.

Q. Have you previously testified before a regulatory commission?

A. Yes, I have presented testimony to the Pennsylvania Public Utility Commission (“Commission”) in the Company’s last rate case.

Q. Will you list the exhibits you are sponsoring in this proceeding?

A. I am sponsoring the following exhibits prepared by me or under my direction and supervision:

Exhibit No. F(c)-3 relating to utility plant;

Exhibit Nos. FI-2-1 and FI-2-2 relating to depreciation expense included in the statement of operations for the water division; and

Exhibit Nos. F(c)-1, FV-1, FV-1-2, FV-1-3, FV-1-4, FV-1-5, FV-1-6, FV-1-7, FV-1-8, FV-1-9, FV-2, FV-3, FV-4, FV-5, FV-6, FV-7, FV-8, FV-8-1, FV-8-1(a), FV-8-1(b), FV-8-1(c), FV-8-1(d), FV-8-1(e), FV-8-1(f), FV-8-2, FV-8-3, FV-8-4, FV-9, FV-11, FV-13, FV-14, FV-15, FV-16, FV-16-1, FV-16-2, FV-16-3, and FV-16-4 relating to the original cost measure of value for the water division.

Q. Explain Exhibit No. F(c)-3.

1 A. Exhibit No. F(c)-3 provides a projected summary, by detailed plant account, of the book  
2 value of utility property as of February 29, 2024.

3

4 Q. Explain Exhibit No. FI-2-1.

5 A. Exhibit No. FI-2-1 adjusts the depreciation accrual from the level determined in the  
6 depreciation study identified as Exhibit No. HVI for the twelve months ended December  
7 31, 2021, to the pro forma level determined in the depreciation study identified as Exhibit  
8 No. FVI-A for the twelve months ending December 31, 2022. The adjustment in the  
9 amount of \$769,572 is determined by subtracting the pro forma depreciation accrual for  
10 the twelve months ended December 31, 2021, in the amount of \$10,052,283 from the pro  
11 forma annual depreciation accrual in the amount of \$10,821,855. The adjustment in the  
12 amount of \$769,572 has been carried forward to Exhibit No. FI-2, page 2, Column 3.

13

14 Q. Explain Exhibit No. FI-2-2.

15 A. Exhibit No. FI-2-2 adjusts the depreciation accrual from the level determined in the  
16 depreciation study identified as Exhibit No. FVI-A for the twelve months ended  
17 December 31, 2022, to the projected level determined in the depreciation study identified  
18 as Exhibit No. FVI-B for the twelve months ending February 29, 2024. The adjustment  
19 in the amount of \$2,139,126 is determined by subtracting the pro forma depreciation  
20 accrual for the twelve months ended December 31, 2022, in the amount of \$10,821,855  
21 from the projected annual depreciation accrual in the amount of \$12,960,981. The  
22 adjustment in the amount of \$2,139,126 has been carried forward to Exhibit No. FI-2,  
23 page 6, Column 3.

24



1 Q. Who will testify with respect to the pro forma depreciation expense for the twelve-month  
2 periods ended December 31, 2022, and February 29, 2024?

3 A. John J. Spanos, Vice President, Depreciation and Valuation Studies, Gannett Fleming  
4 Valuation and Rate Consultants, Inc. will testify with respect to the annual depreciation  
5 accrual (York Water Statement No. 106).

6

7 Q. Are you sponsoring any other exhibits regarding the Company's statement of operations?

8 A. No.

9

10 Q. Explain Exhibit No. FV-1.

11 A. Exhibit No. FV-1 provides a summary of the components of the original cost measure of  
12 value in the amount of \$291,591,611 as of December 31, 2022, and \$350,621,590 as of  
13 February 29, 2024, pro forma net operating income available and rate of return under  
14 existing rates for the twelve months ended December 31, 2021, projected net operating  
15 income and rate of return under existing rates for the twelve months ending December 31,  
16 2022, and February 29, 2024, net operating income and rate of return under existing rates  
17 after adjustments for ratemaking purposes ("pro forma") for the twelve months ending  
18 December 31, 2022, and February 29, 2024, and net operating income and rate of return  
19 under proposed rates for the twelve months ending February 29, 2024.

20

21 A summary of the components of the original cost measure of value in the amount of  
22 \$291,591,611 as of December 31, 2022, is shown on page 2 of Exhibit No. FV-1.

23

1 One component is the projected utility plant in service less projected book accrued  
2 depreciation as of December 31, 2022. The projected original cost of utility plant in  
3 service as of December 31, 2022, is \$464,281,607, and the projected accrued depreciation  
4 as of December 31, 2022, is \$101,163,178. The projected depreciated original cost of  
5 utility plant in service as of December 31, 2022, is \$363,118,429 ( $\$464,281,607 -$   
6  $\$101,163,178 = \$363,118,429$ ). The details of projected original cost of utility plant in  
7 service and projected accrued depreciation by account, sub account and vintage are set  
8 forth in Exhibit No. FVI-A.

9  
10 Q. Who will testify with respect to projected accrued depreciation in the amount of  
11 \$101,163,178 as of December 31, 2022, related to utility plant in service?

12 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
13 Statement No. 106).

14  
15 Q. Will you continue with your explanation of page 2 of Exhibit No. FV-1?

16 A. The projected unamortized balance as of December 31, 2022, of deferred Federal income  
17 taxes related to accelerated depreciation in the amount of \$24,137,333 is deducted from  
18 the original cost measure of value, and this amount is set forth in Exhibit No. FV-1-1,  
19 page 1, which Mr. Poff addresses in his testimony (see York Water Statement No. 103).

20  
21 The projected unamortized balance, as of December 31, 2022, of excess deferred Federal  
22 income taxes related to accelerated depreciation in the amount of \$13,463,573 is deducted  
23 from the original cost measure of value, and this amount is set forth in Exhibit No. FV-1-

1 1, page 4, which Mr. Poff addresses in his testimony (see York Water Statement No.  
2 103).

3  
4 An amount of \$33,563,117 representing projected contributions in aid of construction less  
5 accrued depreciation as of December 31, 2022, is deducted from the original cost measure  
6 of value. This amount is comprised of the projected original cost of contributions in aid  
7 of construction as of December 31, 2022, in the amount of \$41,169,295 less projected  
8 accrued depreciation as of December 31, 2022, in the amount of \$7,606,178 ( $\$41,169,295$   
9  $- \$7,606,178 = \$33,563,117$ ). The details are shown by account, sub account, and vintage  
10 in Exhibit No. FVI-A.

11  
12 An amount of \$4,665,300 for customers' advances for construction less projected accrued  
13 depreciation as of December 31, 2022, is deducted from the original cost measure of  
14 value. This component is comprised of the projected original cost of customers'  
15 advances for construction as of December 31, 2022, in the amount of \$8,788,375 less  
16 projected accrued depreciation as of December 31, 2022, in the amount of \$4,123,075  
17 ( $\$8,788,375 - \$4,123,075 = \$4,665,300$ ). The details are shown by account, sub account,  
18 and vintage in Exhibit No. FVI-A.

19  
20 Q. Who will testify with respect to the projected accrued depreciation related to  
21 contributions and advances?

22 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
23 Statement No. 106).

24

1 Q. Do the amounts set forth in Exhibit No. HV-1 for Contributions and Advances reflect any  
2 amounts related to income tax liabilities that the Company has incurred between January  
3 1, 1987, and June 12, 1996, as a result of the TRA-86 requirement that Contributions and  
4 Advances be taxed or has incurred between January 1, 2018, and December 31, 2020, as a  
5 result of the Tax Cuts and Jobs Act of 2017 requirement that Contributions and Advances  
6 be taxed?

7 A. No. Consistent with the Company's ratemaking and accounting procedure in effect at the  
8 time with regard to the income taxes on Contributions and Advances, the Company has  
9 made no adjustment to amounts recorded between January 1, 1987, and June 12, 1996, or  
10 between January 1, 2018, and December 31, 2020, for Contributions or Advances to  
11 reflect additional income taxes that were required to be paid with respect to receipt of  
12 such Contributions or Advances as a result of Section 824 of TRA-86 or the Tax Cuts and  
13 Jobs Act of 2017. Contributions and Advances received between January 1, 1987, and  
14 June 12, 1996, or between January 1, 2018, and December 31, 2020, are reflected in the  
15 utility plant accounts and in the accounts for Contributions and Advances, as shown in  
16 Exhibit No. HVI at the original cost of the facilities constructed with the Contribution or  
17 Advance, without consideration of the associated income tax liability incurred by the  
18 Company. Under federal tax law provisions in effect at the time, Contributions and  
19 Advances received subsequent to June 12, 1996, through December 31, 2017, were not  
20 taxed. Under federal tax law provisions currently in effect, Contributions and Advances  
21 received subsequent to December 31, 2020, are not taxed.

22  
23 Q. Will you continue with your explanation of page 2 of Exhibit No. FV-1?

1 A. Projected funds supplied through Customer Advances not expended as of December 31,  
2 2022, in the amount of \$1,475,804 is deducted from the original cost measure of value,  
3 and this amount is set forth in Exhibit No. FV-1-2, which I will explain later.

4  
5 Projected materials and supplies in the amount of \$1,432,014 are included in the original  
6 cost measure of value, and the details are set forth in Exhibit No. FV-11, which I will  
7 explain later.

8  
9 An allowance for projected cash working capital in the amount of \$2,964,604 is included  
10 in the original cost measure of value. The details are shown in Exhibit Nos. FV-8, FV-8-  
11 1, FV-8-1 (a), FV-8-1 (b), FV-8-1 (c), FV-8-1 (d), FV-8-1 (e), FV-8-1 (f), FV-8-1 (g),  
12 FV-8-1 (g) 1, FV-8-1 (g) 2, FV-8-2, FV-8-3, and FV-8-4, which I will explain later and  
13 Mr. Poff addresses in his testimony (see York Water Statement No. 103).

14  
15 Unamortized utility plant adjustments for Margaretta Mobile Home Park, Section A  
16 Water Corporation, York Starview LP, Westwood Mobile Home Park, Lincoln Estates  
17 Mobile Home Park, The Meadows, and Wrightsville Borough Municipal Authority in the  
18 amount of (\$82,899) which is [ $\$34,230 + \$3,473 + \$3,590 + \$(46,542) + \$(47,597) +$   
19  $\$(97,938) + \$67,886 = (\$82,899)$ ] are included in the original cost measure of value. The  
20 details are set forth in Exhibit Nos. FV-1-3, FV-1-4, FV-1-5, FV-1-6, FV-1-7, FV-1-8,  
21 and FV-1-9, which I will explain later.

1 Taxes on deposits for construction and customer advances in the amount of \$1,464,588  
2 are included in the original cost measure of value. The details are shown in Exhibit No.  
3 FV-1-10, which Mr. Poff addresses in his testimony (see York Water Statement No. 103).

4  
5 A summary of the components of the original cost measure of value in the amount of  
6 \$350,621,590 as of February 29, 2024, is shown on page 3 of Exhibit No. FV-1.

7  
8 One component is the projected utility plant in service less projected book accrued  
9 depreciation as of February 29, 2024. The projected original cost of utility plant in  
10 service as of February 29, 2024, is \$529,635,105, and the projected accrued depreciation  
11 as of February 29, 2024, is \$107,427,025. The projected depreciated original cost of  
12 utility plant in service as of February 29, 2024, is \$422,208,080 ( $\$529,635,105 -$   
13  $\$107,427,025 = \$422,208,080$ ). The details of projected original cost of utility plant in  
14 service and projected accrued depreciation by account, sub account, and vintage are set  
15 forth in Exhibit No. FVI-B.

16  
17 Q. Who will testify with respect to projected accrued depreciation in the amount of  
18 \$107,427,025 as of February 29, 2024, related to utility plant in service?

19 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
20 Statement No. 106).

21  
22 Q. Will you continue with your explanation of page 3 of Exhibit No. FV-1?

23 A. The projected unamortized balance as of February 29, 2024, of deferred Federal income  
24 taxes related to accelerated depreciation in the amount of \$24,488,981 is deducted from

1 the original cost measure of value, and this net amount is set forth in Exhibit No. FV-1-1,  
2 pages 2 and 3, which Mr. Poff addresses in his testimony (see York Water Statement No.  
3 103).

4  
5 The projected unamortized balance as of February 29, 2024, of excess deferred Federal  
6 income taxes related to accelerated depreciation in the amount of \$13,371,592 is deducted  
7 from the original cost measure of value, and this net amount is set forth in Exhibit No.  
8 FV-1-1, pages 5 and 6, which Mr. Poff addresses in his testimony (see York Water  
9 Statement No. 103).

10  
11 An amount of \$33,721,565 representing projected contributions in aid of construction less  
12 accrued depreciation as of February 29, 2024, is deducted from the original cost measure  
13 of value. This amount is comprised of the projected original cost of contributions in aid  
14 of construction as of February 29, 2024, in the amount of \$41,859,847 less projected  
15 accrued depreciation as of February 29, 2024, in the amount of \$8,138,282 (\$41,859,847 -  
16 \$8,138,282 = \$33,721,565). The details are shown by account, sub account, and vintage  
17 in Exhibit No. FVI-B.

18  
19 An amount of \$4,455,584 for customers' advances for construction less projected accrued  
20 depreciation as of February 29, 2024, is deducted from the original cost measure of value.  
21 This component consists of the projected original cost of customers' advances for  
22 construction as of February 29, 2024, in the amount of \$8,637,823 less projected accrued  
23 depreciation as of February 29, 2024, in the amount of \$4,182,239 (\$8,637,823 -

1 \$4,182,239 = \$4,455,584). The details are shown by account, sub account, and vintage in  
2 Exhibit No. FVI-B.

3  
4 Q. Who will testify with respect to the projected accrued depreciation related to  
5 contributions and advances?

6 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
7 Statement No. 106).

8  
9 Q. Do the amounts set forth in Exhibit No. HV-1 for Contributions and Advances reflect any  
10 amounts related to income tax liabilities that the Company has incurred between January  
11 1, 1987, and June 12, 1996, as a result of the TRA-86 requirement that Contributions and  
12 Advances be taxed or has incurred between January 1, 2018, and December 31, 2020, as a  
13 result of the Tax Cuts and Jobs Act of 2017 requirement that Contributions and Advances  
14 be taxed?

15 A. No.

16  
17 Q. Will you continue with your explanation of page 3 of Exhibit No. FV-1?

18 A. Projected funds supplied through Customer Advances not expended as of February 29,  
19 2024, in the amount of \$1,475,804 are deducted from the original cost measure of value,  
20 and this amount is set forth in Exhibit No. FV-1-2, which I will explain later.

21  
22 Projected materials and supplies in the amount of \$1,520,534 are included in the original  
23 cost measure of value, and the details are set forth in Exhibit No. FV-11, which I will  
24 explain later.



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An allowance for projected cash working capital in the amount of \$3,070,957 is included in the original cost measure of value. The details are shown in Exhibit Nos. FV-8, FV-8-1, FV-8-1 (a), FV-8-1 (b), FV-8-1 (c), FV-8-1 (d), FV-8-1 (e), FV-8-1 (f), FV-8-1 (g), FV-8-1 (g) 1, FV-8-1 (g) 2, FV-8-2, FV-8-3, and FV-8-4, which I will explain later and Mr. Poff addresses in his testimony (see York Water Statement No. 103).

Unamortized utility plant adjustments for Margareta Mobile Home Park, Section A Water Corporation, York Starview LP, Westwood Mobile Home Park, Lincoln Estates Mobile Home Park, The Meadows, and Wrightsville Borough Municipal Authority in the amount of (\$68,018) which is [ $\$27,754 + \$0 + \$0 + (\$37,737) + (\$38,593) + (\$79,409) + \$59,966 = (\$68,018)$ ] are included in the original cost measure of value. The details are set forth in Exhibit Nos. FV-1-3, FV-1-4, FV-1-5, FV-1-6, FV-1-7, FV-1-8, and FV-1-9, which I will explain later.

Taxes on deposits for construction and customer advances in the amount of \$1,403,563 are included in the original cost measure of value. The details are shown in Exhibit No. FV-1-10, which Mr. Poff addresses in his testimony (see York Water Statement No. 103).

Column 1 of page 4 of Exhibit No. FV-1 shows pro forma net operating income available for return under existing rates for the twelve months ended December 31, 2021, in the amount of \$19,556,905 and the rate of return on the original cost measure of value as of February 29, 2024, of 5.58%. Column 3 of page 4 of Exhibit No. FV-1 shows the adjustments to determine projected net operating income for the twelve months ending

1 December 31, 2022, in the amount of (\$1,432,589). These adjustments have been  
2 detailed in other exhibits, which Mr. Poff and Mr. Winter address in their testimony (see  
3 York Water Statement Nos. 103 and 105). Projected net operating income available for  
4 return under existing rates for twelve months ending December 31, 2022, in the amount  
5 of \$18,124,316 and the rate of return on the original cost measure of value as of February  
6 29, 2024, of 5.17% are shown in Column 4 of page 4 of Exhibit No. FV-1. Column 6 of  
7 page 4 of Exhibit No. FV-1 shows the adjustments to determine pro forma net operating  
8 income for the twelve months ending December 31, 2022, in the amount of (\$51,736).  
9 These adjustments have been detailed in other exhibits, which Mr. Poff and Mr. Winter  
10 address in their testimony (see York Water Statement Nos. 103 and 105). Pro Forma net  
11 operating income available for return under existing rates for twelve months ending  
12 December 31, 2022, in the amount of \$18,072,580 and the rate of return on the original  
13 cost measure of value as of February 29, 2024, of 5.15% are shown in Column 7 of page  
14 4 of Exhibit No. FV-1 and are carried forward to Column 1, page 5 of Exhibit No. FV-1.  
15  
16 Column 3 of page 5 of Exhibit No. FV-1 shows the adjustments to determine pro forma  
17 net operating income for the twelve months ending February 29, 2024, in the amount of  
18 (\$1,379,463). These adjustments have been detailed in other exhibits, which Mr. Poff  
19 and Mr. Winter address in their testimony (York Water Statement Nos. 103 and 105).  
20 Projected net operating income available for return under existing rates for twelve months  
21 ending February 29, 2024, in the amount of \$16,693,117 and the rate of return on the  
22 original cost measure of value as of February 29, 2024, of 4.76% are shown in Column 4  
23 of page 5 of Exhibit No. FV-1. Pro forma adjustments to net operating income available  
24 for return in the amount of (\$242,168) are shown in Column 6, page 5 of Exhibit No. FV-

1 1. These adjustments have been detailed in other exhibits, which Mr. Poff and Mr.  
2 Winter address in their testimony (York Water Statement Nos. 103 and 105). Column 7,  
3 page 5 of Exhibit No. FV-1 shows pro forma net operating income available for return for  
4 the twelve months ending February 29, 2024, under existing rates of \$16,450,948 and the  
5 rate of return on the original cost measure of value as of February 29, 2024, of 4.69%.  
6 The Column 7 figures are carried forward to Column 1, page 6 of Exhibit No. FV-1.

7  
8 Adjustments to pro forma net operating income available for return for the twelve months  
9 ending February 29, 2024, related to the effect of proposed rates in the amount of  
10 \$11,370,241 are shown in column 3 of page 6 of Exhibit No. FV-1. These adjustments  
11 have been detailed in other exhibits which Mr. Poff and Mr. Winter address in their  
12 testimony (York Water Statement Nos. 103 and 105). Column 4 of page 6 of Exhibit No.  
13 FV-1 shows pro forma net operating income available for return for the twelve months  
14 ending February 29, 2024, in the amount of \$27,821,190 and the rate of return on the  
15 original cost measure of value as of February 29, 2024, of 7.93%.

16  
17 Q. Explain Exhibit No. FV-1-2.

18 A. Exhibit No. FV-1-2 provides projected thirteen-month average of customers' advances  
19 received from developers that, as of December 31, 2022, and February 29, 2024, will not  
20 have been spent on construction projects. The Company's normal procedure with respect  
21 to revenue-producing projects is to estimate the cost of the project and to require the  
22 developer to deposit the estimated cost prior to construction. Construction generally is  
23 completed within a period of several months, after which any advance in excess of  
24 construction costs is refunded. If construction costs exceed the original estimate, the

1 developer must advance additional costs to make up the difference. The projected  
2 thirteen-month average of customer advances received from developers with respect to  
3 revenue-producing projects remaining under construction as of December 31, 2022, and  
4 February 29, 2024, in the amount of \$3,365,966 is shown in Column 2 of Exhibit No. FV-  
5 1-2. The projected thirteen-month average of related construction expenditures as of  
6 December 31, 2022, and February 29, 2024, in the amount of \$1,890,162 are shown in  
7 Column 3 of Exhibit No. FV-1-2. The thirteen-month average of customers' advances in  
8 excess of related construction expenditures remaining under construction as of December  
9 31, 2022, and February 29, 2024, in the amount of \$1,475,804 ( $\$3,365,966 - \$1,890,162$ )  
10 is shown in Column 4 of Exhibit No. FV-1-2. The thirteen-month average of customers'  
11 advances in excess of related construction expenditures as of December 31, 2022, and  
12 February 29, 2024, in the amount of \$1,475,804 has been carried forward to Exhibit No.  
13 FV-1, page 2 and has been deducted from the original cost measure of value. The  
14 projected thirteen-month average of customer advances from developers remaining under  
15 construction, the thirteen-month average of related construction expenditures, and the  
16 projected thirteen-month average of advances in excess of construction expenditures  
17 remaining under construction for December 31, 2022, and February 29, 2024, are equal to  
18 the historic test year actual (Refer to HV-1-2 for detail of thirteen-month average).

19  
20 Q. Explain Exhibit No. FV-1-3.

21 A. Exhibit No. FV-1-3 provides the calculation of the unamortized utility plant acquisition  
22 adjustment relative to the acquisition of Margaretta Mobile Home Park as of December  
23 31, 2022, in the amount of \$34,230 and as of February 29, 2024, in the amount of  
24 \$27,754 included in the original cost measure of value.

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Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code. This amortization was specifically approved by the Commission in accordance with the Settlement Agreement at Docket No. R-2018-3000019. The amortization period began March 1, 2019 (the effective date of rates under the Order issued in the Company’s 2018 base rate proceeding (Docket No. R-2018-3000019)) and ends February 28, 2029.

The acquisition adjustment subject to amortization of \$55,509 is determined by subtracting the depreciated original cost of waterworks property acquired from Margaretta Mobile Home Park in the amount of \$46,159 from the Margaretta Mobile Home Park acquisition costs of \$101,667 ( $\$101,667 - \$46,159 = \$55,509$ ). The unamortized Margaretta Mobile Home Park acquisition adjustment as of December 31, 2022, in the amount of \$34,230 is determined by subtracting the amortization during the period March 1, 2019, the effective date of rates under the Order issued in the Company’s 2018 base rate proceeding (Docket No. R-2018-3000019), through December 31, 2022, of \$21,278 from the acquisition adjustment subject to amortization of \$55,509 ( $\$55,509 - \$21,278 = \$34,230$ ). Unamortized utility plant acquisition adjustment as of December 31, 2022, in the amount of \$34,230 has been carried forward to Exhibit FV-1, page 2 and has been added to the original cost measure of value.

The unamortized acquisition adjustment for the period ending February 29, 2024, of \$27,754 is determined by taking the unamortized acquisition adjustment as of December

1 31, 2022, of \$34,230 and deducting the monthly amortization in the amount of \$463  
2 (\$55,509 / 10 years / 12 months) for the fourteen months from January 2023 through  
3 February 29, 2024, of \$6,476 ( $\$463 \times 14$ ) ( $\$34,230 - \$6,476 = \$27,754$ ). The  
4 unamortized utility plant acquisition adjustment as of February 29, 2024, in the amount of  
5 \$27,754 has been carried forward to Exhibit FV-1, page 3 and has been added to the  
6 original cost measure of value.

7  
8 Q. Explain Exhibit No. FV-1-4.

9 A. Exhibit No. FV-1-4 provides the calculation of the unamortized utility plant acquisition  
10 adjustment relative to the acquisition of Section A Water Corporation as of December 31,  
11 2022, in the amount of \$3,473 and as of February 29, 2024, in the amount of \$0 included  
12 in the original cost measure of value.

13  
14 Reasonable acquisition costs greater than depreciated original cost are permitted to be  
15 included in rate base and amortized over ten years in accordance with Section 1327 of the  
16 Public Utility Code. This amortization was specifically approved by the Commission in  
17 accordance with the Settlement Agreement at Docket No. R-2012-2336379. The  
18 amortization period began January 1, 2014 (the effective date of rates under the Order  
19 issued in the Company's 2013 base rate proceeding (Docket No. R-2012-2336379)) and  
20 ends December 31, 2023.

21  
22 The acquisition adjustment subject to amortization of \$34,728 is determined by  
23 subtracting the depreciated original cost of waterworks property acquired from Section A  
24 Water Corporation in the amount of \$135,997 from the Section A Water Corporation

1 acquisition costs of \$170,725 ( $\$170,725 - \$135,997 = \$34,728$ ). The unamortized  
2 Section A Water Corporation acquisition adjustment as of December 31, 2022, in the  
3 amount of \$3,473 is determined by subtracting the amortization during the period January  
4 1, 2014, the effective date of rates under the Order issued in the Company's 2013 base  
5 rate proceeding (Docket No. R-2012-2336379), through December 31, 2022, of \$31,255  
6 from the acquisition adjustment subject to amortization of \$34,728 ( $\$34,728 - \$31,255 =$   
7  $\$3,473$ ). Unamortized utility plant acquisition adjustment as of December 31, 2022, in  
8 the amount of \$3,473 has been carried forward to Exhibit FV-1, page 2 and has been  
9 added to the original cost measure of value.

10  
11 The unamortized acquisition adjustment for the period ending February 29, 2024, of \$0 is  
12 determined by taking the unamortized acquisition adjustment as of December 31, 2022,  
13 of \$3,473 and deducting the monthly amortization in the amount of \$289 ( $\$34,728 / 10$   
14  $\text{years} / 12 \text{ months}$ ) for the twelve months from January 1, 2023, through December 31,  
15 2023, of \$3,473 ( $\$289 \times 12$ ) ( $\$3,473 - \$3,473 = \$0$ ). The unamortized utility plant  
16 acquisition adjustment as of February 29, 2024, in the amount of \$0 has been carried  
17 forward to Exhibit FV-1, page 3 and has been added to the original cost measure of value.

18  
19 Q. Explain Exhibit No. FV-1-5.

20 A. Exhibit No. FV-1-5 provides the calculation of the unamortized utility plant acquisition  
21 adjustment relative to the acquisition of York Starview LP as of December 31, 2022, in  
22 the amount of \$3,590 and as of February 29, 2024, in the amount of \$0 included in the  
23 original cost measure of value.

24

1 Reasonable acquisition costs greater than depreciated original cost are permitted to be  
2 included in rate base and amortized over ten years in accordance with Section 1327 of the  
3 Public Utility Code. This amortization was specifically approved by the Commission in  
4 accordance with the Settlement Agreement at Docket No. R-2012-2336379. The  
5 amortization period began January 1, 2014 (the effective date of rates under Order No. R-  
6 2012-2336379) and ends December 31, 2023.

7  
8 The acquisition adjustment subject to amortization of \$35,897 is determined by  
9 subtracting the depreciated original cost of waterworks property acquired from York  
10 Starview LP in the amount of \$94,540 from the York Starview LP acquisition costs of  
11 \$130,437 ( $\$130,437 - \$94,540 = \$35,897$ ). The unamortized York Starview LP  
12 acquisition adjustment as of December 31, 2022, in the amount of \$3,590 is determined  
13 by subtracting the amortization during the period January 1, 2014, the effective date of  
14 rates under the Order issued in the Company's 2013 base rate proceeding (Docket No. R-  
15 2012-2336379), through December 31, 2022, of \$32,307 from the acquisition adjustment  
16 subject to amortization of \$35,897 ( $\$35,897 - \$32,307 = \$3,590$ ). Unamortized utility  
17 plant acquisition adjustment as of December 31, 2022, in the amount of \$3,590 has been  
18 carried forward to Exhibit FV-1, page 2 and has been added to the original cost measure  
19 of value.

20  
21 The unamortized acquisition adjustment for the period ending February 29, 2024, of \$0 is  
22 determined by taking the unamortized acquisition adjustment as of December 31, 2022,  
23 of \$3,590 and deducting the monthly amortization in the amount of \$299 ( $\$35,897 / 10$   
24 years / 12 months) for the twelve months from January 1, 2023, through December 31,



1 2023, of \$3,590 ( $\$299 \times 12$ ) ( $\$3,590 - \$3,590 = \$0$ ). The unamortized utility plant  
2 acquisition adjustment as of February 29, 2024, in the amount of \$0 has been carried  
3 forward to Exhibit FV-1, page 3 and has been added to the original cost measure of value.

4  
5 Q. Explain Exhibit No. FV-1-6.

6 A. Exhibit No. FV-1-6 provides the calculation of the unamortized utility plant negative  
7 acquisition adjustment relative to the acquisition of Westwood Mobile Home Park as of  
8 December 31, 2022, in the amount of \$(46,542) and as of February 29, 2024, in the  
9 amount of \$(37,737) included in the original cost measure of value.

10  
11 This amortization was specifically approved by the Commission in accordance with the  
12 Settlement Agreement at Docket No. R-2018-3000019. The amortization period began  
13 March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends  
14 February 28, 2029.

15  
16 The negative acquisition adjustment subject to amortization of \$(75,474) is determined by  
17 subtracting the depreciated original cost of waterworks property acquired from Westwood  
18 Mobile Home Park in the amount of \$96,795 from the Westwood Mobile Home Park  
19 acquisition costs of \$21,321 [ $\$21,321 - \$96,795 = (\$75,474)$ ]. The unamortized  
20 Westwood Mobile Home Park negative acquisition adjustment as of December 31, 2022,  
21 in the amount of \$(46,542) is determined by subtracting the amortization during the  
22 period March 1, 2019, the effective date of rates under the Order issued in the Company's  
23 2018 base rate proceeding (Docket No. R-2018-3000019), through December 31, 2022,  
24 of \$28,932 from the negative acquisition adjustment subject to amortization of \$(75,474)

1             $[(75,474) - 28,932 = (46,542)]$ . Unamortized utility plant negative acquisition  
2            adjustment as of December 31, 2022, in the amount of  $(46,542)$  has been carried forward  
3            to Exhibit FV-1, page 2 and has been added to the original cost measure of value.

4  
5            The negative unamortized acquisition adjustment for the period ending February 29,  
6            2024, of  $(37,737)$  is determined by taking the unamortized negative acquisition  
7            adjustment as of December 31, 2022, of  $(46,542)$  and deducting the monthly  
8            amortization in the amount of  $(629)$   $[(75,474) / 10 \text{ years} / 12 \text{ months}]$  for the fourteen  
9            months from January 1, 2023 through February 29, 2024, of  $(8,805)$   $[(629) \times 14]$   
10            $[(46,542) - 8,805 = (37,737)]$ . The unamortized negative utility plant acquisition  
11           adjustment as of February 29, 2024, in the amount of  $(37,737)$  has been carried forward  
12           to Exhibit FV-1, page 3 and has been added to the original cost measure of value.

13  
14    Q.    Explain Exhibit No. FV-1-7.

15    A.    Exhibit No. FV-1-7 provides the calculation of the unamortized utility plant negative  
16           acquisition adjustment relative to the acquisition of Lincoln Estates Mobile Home Park as  
17           of December 31, 2022, in the amount of  $(47,597)$  and as of February 29, 2024, in the  
18           amount of  $(38,593)$  included in the original cost measure of value.

19  
20           This amortization was specifically approved by the Commission in accordance with the  
21           Settlement Agreement at Docket No. R-2018-3000019. The amortization period began  
22           March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends  
23           February 28, 2029.

1 The negative acquisition adjustment subject to amortization of \$(77,185) is determined by  
2 subtracting the depreciated original cost of waterworks property acquired from Lincoln  
3 Estates Mobile Home Park in the amount of \$146,957 from the Lincoln Estates Mobile  
4 Home Park acquisition costs of \$69,772 [ $\$69,772 - \$146,957 = (\$77,185)$ ]. The  
5 unamortized Lincoln Estates Mobile Home Park negative acquisition adjustment as of  
6 December 31, 2022, in the amount of \$(47,597) is determined by subtracting the  
7 amortization during the period March 1, 2019, the effective date of rates under the Order  
8 issued in the Company's 2018 base rate proceeding (Docket No. R-2018-3000019),  
9 through December 31, 2022, of \$29,588 from the negative acquisition adjustment subject  
10 to amortization of \$(77,185) [ $\$(77,185) - \$29,588 = (\$47,597)$ ]. Unamortized negative  
11 utility plant acquisition adjustment as of December 31, 2022, in the amount of \$(47,597)  
12 has been carried forward to Exhibit FV-1, page 2 and has been added to the original cost  
13 measure of value.

14  
15 The unamortized negative acquisition adjustment for the period ending February 29,  
16 2024, of \$(38,593) is determined by taking the unamortized negative acquisition  
17 adjustment as of December 31, 2022, of \$(47,597) and deducting the monthly  
18 amortization in the amount of \$(643) [ $\$(77,185) / 10 \text{ years} / 12 \text{ months}$ ] for the fourteen  
19 months from January 1, 2023, through February 29, 2024, of \$(9,004) [ $\$(643) \times 14$ ]  
20 [ $\$(47,597) - \$9,004 = (\$38,593)$ ]. The unamortized negative utility plant acquisition  
21 adjustment as of February 29, 2024, in the amount of \$(38,593) has been carried forward  
22 to Exhibit FV-1, page 3 and has been added to the original cost measure of value.

23  
24 Q. Explain Exhibit No. FV-1-8.

1 A. Exhibit No. FV-1-8 provides the calculation of the unamortized utility plant negative  
2 acquisition adjustment relative to the acquisition of The Meadows as of December 31,  
3 2022, in the amount of \$(97,938) and as of February 29, 2024, in the amount of \$(79,409)  
4 included in the original cost measure of value.

5  
6 This amortization was specifically approved by the Commission in accordance with the  
7 Settlement Agreement at Docket No. R-2018-3000019. The amortization period began  
8 March 1, 2019 (the effective date of rates under Order No. R-2018-3000019) and ends  
9 February 28, 2029.

10  
11 The negative acquisition adjustment subject to amortization of \$(158,818) is determined  
12 by subtracting the depreciated original cost of waterworks property acquired from The  
13 Meadows in the amount of \$221,778 from The Meadows acquisition costs of \$62,960  
14 [\$62,960 - \$221,778 = \$(158,818)]. The unamortized The Meadows negative acquisition  
15 adjustment as of December 31, 2022, in the amount of \$(97,938) is determined by  
16 subtracting the amortization during the period March 1, 2019, the effective date of rates  
17 under the Order issued in the Company's 2018 base rate proceeding (Docket No. R-2018-  
18 3000019), through December 31, 2022, of \$60,880 from the negative acquisition  
19 adjustment subject to amortization of \$(158,818) [\$(158,818) - \$60,880 = \$(97,938)].

20 Unamortized negative utility plant acquisition adjustment as of December 31, 2022, in the  
21 amount of \$(97,938) has been carried forward to Exhibit FV-1, page 2 and has been  
22 added to the original cost measure of value.

1 The unamortized negative acquisition adjustment for the period ending February 29,  
2 2024, of \$(79,409) is determined by taking the unamortized negative acquisition  
3 adjustment as of December 31, 2022, of \$(97,938) and deducting the monthly  
4 amortization in the amount of \$(1,323) [ $$(158,818) / 10 \text{ years} / 12 \text{ months}$ ] for the  
5 fourteen months from January 1, 2023, through February 29, 2024, of \$(18,529) [ $$(1,323)$   
6  $\times 14$ ] [ $$(97,938) - \$18,529 = $(79,409)$ ]. The unamortized utility plant negative  
7 acquisition adjustment as of February 29, 2024, in the amount of \$(79,409) has been  
8 carried forward to Exhibit FV-1, page 3 and has been added to the original cost measure  
9 of value.

10  
11 Q. Explain Exhibit No. FV-1-9.

12 A. Exhibit No. FV-1-9 provides the calculation of the unamortized utility plant acquisition  
13 adjustment relative to the acquisition of the Wrightsville Borough Municipal Authority as  
14 of December 31, 2022, in the amount of \$67,886 and as of February 29, 2024, in the  
15 amount of \$59,966 included in the original cost measure of value.

16  
17 Reasonable acquisition costs greater than depreciated original cost are permitted to be  
18 included in rate base and amortized over ten years in accordance with Section 1327 of the  
19 Public Utility Code. The Company is seeking approval to amortize the reasonable  
20 acquisition costs greater than the depreciated original cost of waterworks property and  
21 rights. Please see the testimony of Mr. Hand for details on this acquisition (see York  
22 Water Statement No. 1).

1 The acquisition adjustment subject to amortization of \$67,886 is determined by  
2 subtracting the depreciated original cost of waterworks property acquired from the  
3 Wrightsville Borough Municipal Authority in the amount of \$45,227 from the  
4 Wrightsville Borough Municipal Authority acquisition costs of \$113,113 ( $\$113,113 -$   
5  $\$45,227 = \$67,886$ ).

6  
7 The unamortized acquisition adjustment for the period ending February 29, 2024, of  
8 \$59,966 is determined by taking the acquisition adjustment as of December 31, 2022, of  
9 \$67,886 and deducting the monthly amortization in the amount of \$566 ( $\$67,886 / 10$   
10  $\text{years} / 12 \text{ months}$ ) for the fourteen months from January 1, 2023, through February 29,  
11 2024, of \$7,920 ( $\$566 \times 14$ ) ( $\$67,886 - \$7,920 = \$59,966$ ). The unamortized utility plant  
12 acquisition adjustment as of February 29, 2024, in the amount of \$59,966 has been  
13 carried forward to Exhibit FV-1, page 3 and has been added to the original cost measure  
14 of value.

15  
16 Q. Explain Exhibit No. FV-8.

17 A. Exhibit No. FV-8 is the calculation of the projected cash working capital requirement for  
18 the periods ending December 31, 2022, and February 29, 2024, in the amounts of  
19 \$2,964,604 and \$3,070,957 respectively, to be included in the original cost measure of  
20 value. The projected cash working capital requirement for December 31, 2022, consists  
21 of various amounts that are listed on page 1 of Exhibit No. FV-8. The first amount on  
22 page 1 of Exhibit No. FV-8 is \$3,440,197 that is the cash working capital allowance  
23 calculated using the lead-lag methodology. The total of pro forma operating expenses  
24 including taxes, less uncollectible accounts and amortized expenses, in the amount of

1           \$23,846,419 is divided by the number of days in the pro forma test year, 365  
2           (\$23,846,419 ÷ 365) to derive the average daily operating expense, including taxes, in the  
3           amount of \$65,333, and this amount is then multiplied by the net lag relationship between  
4           the receipt of operating revenues and the payment of operating expenses and taxes of 52.7  
5           days to arrive at the projected cash working capital requirement in the amount of  
6           \$3,440,197 (\$65,333 x 52.7). The calculation of the net lag of 52.7 days is shown on  
7           Exhibit No. FV-8-1, which I will explain later.

8  
9           The second amount shown on page 1 of Exhibit No. FV-8 is \$162,289 and is for  
10          projected prepayment of the Commission, Office of Consumer Advocate (“OCA”),  
11          Office of Small Business Advocate (“OSBA”), and Damage Prevention Committee  
12          (“DPC”) assessments. This represents a thirteen-month average of projected monthly  
13          prepayment balances of the Commission, OCA, OSBA, and DPC assessments reflected  
14          on the Company’s balance sheet for the twelve months ending December 31, 2022.  
15          Prepaid Commission, OCA, OSBA, and DPC assessments have been excluded from the  
16          Company’s lead-lag study. The calculation of the projected thirteen-month average  
17          prepayment balance is presented on Exhibit No. FV-8-4, which I will explain later.

18  
19          The third amount shown on page 1 of Exhibit No. FV-8 is \$(263,818) that is a deduction  
20          with respect to projected water revenues paid by customers in advance. This represents a  
21          thirteen-month average of projected water revenues paid in advance. The calculation of  
22          the thirteen-month average is shown on Exhibit No. FV-8-2, which I will explain later.

1 The fourth amount is \$(374,064) that is a deduction with respect to projected interest  
2 payments. The calculation of the deduction with respect to projected interest payments is  
3 shown on Exhibit No. FV-8-3, which I will explain later.  
4

5 The total projected cash working capital requirement for the period ending December 31,  
6 2022, in the amount of \$2,964,604 [ $\$3,440,197 + \$162,289 + (\$263,818) + (\$374,064)$ ] is  
7 carried forward to Exhibit No. FV-1 page 2 and is included in the Company's original  
8 cost measure of value.  
9

10 Page 2 of Exhibit No. FV-8 is the calculation of the projected cash working capital  
11 requirement for the period ending February 29, 2024, in the amount of \$3,070,957 to be  
12 included in the original cost measure of value. The projected cash working capital  
13 requirement consists of various amounts that are listed on page 2 of Exhibit No. FV-8.  
14 The first amount on page 2 of Exhibit No. FV-8 is \$3,623,867 that is the cash working  
15 capital allowance calculated using the lead-lag methodology. The total of pro forma  
16 operating expenses including taxes, less uncollectible accounts and amortized expenses,  
17 in the amount of \$24,826,410 is divided by the number of days in the pro forma test year,  
18 365 ( $\$24,826,410 \div 365$ ) to derive the average daily operating expense, including taxes,  
19 in the amount of \$68,018, and this amount is then multiplied by the net lag relationship  
20 between the receipt of operating revenues and the payment of operating expenses and  
21 taxes of 53.3 days to arrive at the projected cash working capital requirement in the  
22 amount of \$3,623,867 ( $\$68,018 \times 53.3$ ). The calculation of the net lag of 53.3 days is  
23 shown on Exhibit No. FV-8-1, which I will explain later.  
24



1 The second amount shown on page 2 of Exhibit No. FV-8 is \$163,435 and is for  
2 projected prepayment of the Commission, OCA, OSBA, and DPC assessments. This  
3 represents a thirteen-month average of projected monthly prepayment balances of the  
4 Commission, OCA, OSBA, and DPC assessments reflected on the Company's balance  
5 sheet for the twelve months ending February 29, 2024. Prepaid Commission, OCA,  
6 OSBA, and DPC assessments have been excluded from the Company's lead-lag study.  
7 The calculation of the projected thirteen-month average prepayment balance is presented  
8 on Exhibit No. FV-8-4, which I will explain later.

9  
10 The third amount shown on page 2 of Exhibit No. FV-8 is \$(263,818) that is a deduction  
11 with respect to projected water revenues paid by customers in advance. This represents a  
12 thirteen-month average of projected water revenues paid in advance. The calculation of  
13 the thirteen-month average is shown on Exhibit No. FV-8-2, which I will explain later.

14  
15 The fourth amount is \$(452,527) that is a deduction with respect to projected interest  
16 payments. The calculation of the deduction with respect to projected interest payments is  
17 shown on Exhibit No. FV-8-3, which I will explain later.

18  
19 The total projected cash working capital requirement for the period ending February 29,  
20 2024, in the amount of \$3,070,957 [ $\$3,623,867 + \$163,435 + (\$263,818) + (\$452,527)$ ] is  
21 carried forward to Exhibit No. FV-1 page 3 and is included in the Company's original  
22 cost measure of value.

23  
24 Q. Explain Exhibit No. FV-8-1.

1 A. Exhibit No. FV-8-1 is the calculation of the net lag relationship between the receipt of  
2 operating revenues and the payment of operating expenses, including taxes, for the  
3 periods ending December 31, 2022, and February 29, 2024, of 52.7 days and 53.3 days,  
4 respectively. The 52.7-day net lag relationship for the period ending December 31, 2022,  
5 shown in Column 5 of page 1, is determined by reducing the weighted average lag days in  
6 receipt of revenues of 53.4 days by the weighted average lag days in payment of expenses  
7 and taxes of 0.7 days ( $53.4 - 0.7 = 52.7$ ). The weighted average lag days in receipt of  
8 operating revenues of 53.4 days is determined by multiplying pro forma sales of water  
9 under existing rates by class, shown in Column 2, by the estimated number of lag days by  
10 class, shown in Column 3, to arrive at dollar days of 2,773,087,188, shown in Column 4.  
11 The estimated number of lag days by class is calculated in Exhibit No. FV-8-1 (g), which  
12 Mr. Poff addresses in his testimony (York Water Statement No. 103). The dollar-day  
13 amount of 2,773,087,188, shown in Column 4, is divided by total pro forma revenues for  
14 the sales of water at existing rates of \$51,970,485 shown in Column 2 to produce 53.4  
15 days ( $2,773,087,188 \div \$51,970,485 = 53.4$ ).

16  
17 The weighted average lag days in payment of operating expenses and taxes of 0.7 days is  
18 determined by multiplying pro forma operating expenses including taxes, excluding  
19 uncollectible accounts and amortized expenses, shown in Column 2, in the amount of  
20 \$23,846,419 by the estimated number of lag days in payment of expenses and taxes by  
21 class of expense and tax, shown in Column 3, to arrive at dollar days of 16,746,589,  
22 shown in Column 4. The dollar-day amount of 16,746,589, shown in Column 4, is  
23 divided by total pro forma operating expenses including taxes, excluding uncollectible  
24 accounts and amortized expenses, in the amount of \$23,846,419 to produce 0.7 days

1 (16,746,589 ÷ \$23,846,419 = 0.7). The calculation of lag days for payroll expense is  
2 presented in footnote (a) of Exhibit No. FV-8-1. The calculation of lag days for power  
3 purchased, insurance, and other goods and services and taxes is based on an analysis of  
4 invoices paid during twelve months ended December 31, 2021, and is shown on Exhibit  
5 Nos. FV-8-1 (a), FV-8-1 (b), and FV-8-1 (c), FV-8-1 (d), FV-8-1 (e), and FV-8-1 (f),  
6 which I will explain later. The net lag relationship of 52.7 days between the receipt of  
7 operating revenues and the payment of operating expenses has been carried forward to  
8 Exhibit No. FV-8.

9  
10 The 53.3-day net lag relationship for the period ending February 29, 2024, shown in  
11 Column 5 of page 3, is determined by reducing the weighted average lag days in receipt  
12 of revenues of 53.4 days by the weighted average lag days in payment of expenses and  
13 taxes of 0.1 days (53.4 – 0.1 = 53.3). The estimated number of lag days by class has been  
14 previously explained. The weighted average lag days in receipt of operating revenues of  
15 53.4 days is calculated as follows. The dollar-day amount of 2,804,029,684, shown in  
16 Column 4, is divided by total pro forma revenues from sales of water at existing rates of  
17 \$52,523,324 shown in Column 2 to produce 53.4 days (2,804,029,684 ÷ \$52,523,324 =  
18 53.4).

19  
20 The weighted average lag days in payment of operating expenses and taxes of 0.1 days is  
21 determined by multiplying pro forma operating expenses including taxes, excluding  
22 uncollectible accounts and amortized expenses, shown in Column 2, in the amount of  
23 \$24,826,410 by the estimated number of lag days in payment of expenses and taxes by  
24 class of expense and tax, shown in Column 3, to arrive at dollar days of 2,680,613, shown

1 in Column 4. The dollar-day amount of 2,680,613, shown in Column 4, is divided by  
2 total pro forma operating expenses including taxes, excluding uncollectible accounts and  
3 amortized expenses, in the amount of \$24,826,410 to produce 0.1 days ( $2,680,613 \div$   
4  $\$24,826,410 = 0.1$ ). The calculation of lag days for payroll expense is presented in  
5 footnote (a) of Exhibit No. FV-8-1. The calculation of lag days for power purchased,  
6 insurance and other goods and services and taxes is based on an analysis of invoices paid  
7 during twelve months ended December 31, 2021, and is shown on Exhibit No. FV-8-1  
8 (a), FV-8-1 (b) and FV-8-1 (c), FV-8-1 (d), FV-8-1 (e), and FV-8-1 (f), which I will  
9 explain later.

10  
11 The net lag relationship of 53.3 days between the receipt of operating revenues and the  
12 payment of operating expenses has been carried forward to Exhibit No. FV-8 page 2.

13  
14 Q. Explain Exhibit No. FV-8-1(a).

15 A. Exhibit No. FV-8-1(a) reflects the calculation of the average days lag in payment of  
16 purchased power of 26.6 days. The average days lag in payment of purchased power of  
17 26.6 is determined by dividing total dollar days lag in the amount of 26,032,279 by total  
18 charges for the accounts included in the Company's sample of purchased power locations  
19 incurred during the twelve months ended December 31, 2021, of \$977,098 ( $26,032,279 \div$   
20  $\$977,098 = 26.6$ ). The average days lag in payment of purchased power of 26.6 has been  
21 carried forward to Exhibit No. FV-8-1 page 1 and FV-8-1 page 3.

22  
23 Q. Explain Exhibit No. FV-8-1 (b).

1 A. Exhibit No. FV-8-1 (b) page 1 reflects the calculation of the average days lag in payment  
2 of insurance expense of (74.3) days. The average days lag in payment of insurance  
3 expense of (74.3) days is determined by dividing total dollar days lag in the amount of  
4 (153,603,534) by total invoice amount of \$2,068,310 included in insurance expense  
5 during the twelve months ended December 31, 2021  $[(153,603,534) \div \$2,068,310 =$   
6  $(74.3)]$ . The Company's sample of insurance payments includes all insurance payments  
7 made during the twelve months ended December 31, 2021. Negative average lag days for  
8 insurance expense are determined because insurance payments precede the midpoints of  
9 service provided as a result of such payment. The average days lag in payment of  
10 insurance expense of (74.3) has been carried forward to Exhibit No. FV-8-1 page 1 and  
11 FV-8-1 page 3.

12  
13 Q. Explain Exhibit No. FV-8-1 (c).

14 A. Exhibit No. FV-8-1 (c) reflects the calculation of the average days lag in payment of  
15 other goods and services of 18.1 days. The average days lag in payment of other goods  
16 and services of 18.1 days is determined by dividing total dollar days lag in the amount of  
17 6,880,043 by total invoice amount included in the Company's sample of other goods and  
18 services invoices of \$379,624  $(6,880,043 \div \$379,624 = 18.1)$ . The Company performed a  
19 random sampling of other goods and services payments by selecting approximately every  
20 20th payment made during the twelve months ended December 31, 2021. The average  
21 days lag in payment of other goods and services of 18.1 has been carried forward to  
22 Exhibit No. FV-8-1 page 1 and FV-8-1 page 3.

23  
24 Q. Explain Exhibit FV-8-1 (d).

1 A. Exhibit No. FV-8-1 (d) reflects the calculation of the average days lag in payment of  
2 employment taxes of 13.7 days. The average days lag in payment of employment taxes  
3 of 13.7 days is determined by dividing total dollar days in the amount of 28,995,197 by  
4 total amount included in the Company's sample of employment tax payments of  
5 \$2,111,897 ( $28,995,197 \div \$2,111,897 = 13.7$  days). The Company's sample of  
6 employment tax payments includes all employment tax payments made during the twelve  
7 months ended December 31, 2021. The average days lag in payment of employment  
8 taxes of 13.7 has been carried forward to Exhibit No. FV-8-1, page 1 and FV-8-1, page 3.

9

10 Q. Explain Exhibit No. FV-8-1 (e).

11 A. Exhibit No. FV-8-1 (e) reflects the calculation of the average days lag in payment of  
12 other taxes of (80.5) days. The average days lag in payment of other taxes of (80.5) days  
13 is determined by dividing total dollar days in the amount of (31,034,213) by total amount  
14 included in the Company's sample of other tax payments of \$385,688 [ $(31,034,213) \div$   
15  $\$385,688 = (80.5)$  days]. The Company's sample of other tax payments includes all other  
16 tax payments made during the twelve months ended December 31, 2021. The average  
17 days lag in payment of other taxes of (80.5) has been carried forward to Exhibit No. FV-  
18 8-1, page 1 and FV-8-1, page 3. Negative average lag days for the payment of other taxes  
19 are determined because most other tax payments precede the midpoints of service  
20 provided as a result of such payment.

21

22 Q. Explain Exhibit No. FV-8-1 (f).

23 A. Exhibit No. FV-8-1 (f) reflects the calculation of the average days lag in payment of  
24 income taxes of 29.6 days. The average days lag in payment of income taxes of 29.6 is

1 determined by dividing total dollar days lag in the amount of 21,497,061 by total invoice  
2 amounts included in the Company's sample of income tax payments of \$725,035  
3 (21,497,061 ÷ \$725,035 = 29.6 days). The Company's sample of income tax payments  
4 includes all income tax payments made during the twelve months ended December 31,  
5 2021. The average days lag in payment of income taxes of 29.6 has been carried forward  
6 to Exhibit No. FV-8-1, page 1 and FV-8-1, page 3.

7  
8 Q. Explain Exhibit No. FV-8-2.

9 A. Exhibit No. FV-8-2 shows the calculation of the thirteen-month average of projected  
10 builders' deposits and water revenues paid in advance in the amount of \$263,818 based  
11 upon the actual month-end balances of builders' deposits and water revenues paid in  
12 advance for the thirteen months ended December 31, 2021. The thirteen-month average  
13 of projected builders' deposits and water revenues in advance of \$263,818 has been  
14 carried forward to Exhibit No. FV-8 page 1 and FV-8 page 2.

15  
16 Q. Explain Exhibit No. FV-8-3.

17 A. Exhibit FV-8-3 presents the calculation of the projected payment lag for interest  
18 payments for the years ending December 31, 2022, and February 29, 2024, in the  
19 amounts of \$374,064 and \$452,527, respectively. The amount of \$374,064 on page 1 of  
20 Exhibit No. FV-8-3 is calculated by multiplying the projected average daily interest  
21 expense of \$13,577 by the net interest payment lag of 27.6 days ( $\$13,577 \times 27.6$ ). The  
22 average projected daily interest expense in the amount of \$13,577 is calculated by  
23 dividing the projected interest payments in the amount of \$4,955,744 by the number of  
24 days in the future test year of 365 ( $\$4,955,744 \div 365 = \$13,577$ ). The net interest

1 payment lag of 27.6 days is determined by subtracting the weighted average lag days in  
2 receipt of operating revenues of 53.3 days from the weighted average lag days for interest  
3 payments of 80.9 days ( $80.9 \text{ days} - 53.3 \text{ days} = 27.6 \text{ days}$ ). The weighted average lag  
4 days for interest payments of 80.9 days is determined by dividing weighted projected  
5 interest payments of 400,966,209, shown in Column 3, by projected interest payment in  
6 the amount of \$4,955,744, shown in Column 1 ( $400,966,209 \div \$4,955,744 = 80.9$ ). The  
7 amount of \$374,064 has been carried forward to Exhibit No. FV-8, page 1.

8  
9 The amount of \$452,527 on page 2 of Exhibit No. FV-8-3 is calculated by multiplying the  
10 projected average daily interest expense of \$15,934 by the net interest payment lag of  
11 28.4 days ( $\$15,934 \times 28.4$ ). The average projected daily interest expense in the amount  
12 of \$15,934 is calculated by dividing the projected interest payments in the amount of  
13 \$5,815,876 by the number of days in the fully projected future test year of 365  
14 ( $\$5,815,876 \div 365 = \$15,934$ ). The net interest payment lag of 28.4 days is determined  
15 by subtracting the weighted average lag days in receipt of operating revenues of 53.4 days  
16 from the weighted average lag days for interest payments of 81.8 days ( $81.8 \text{ days} - 53.4$   
17  $\text{days} = 28.4 \text{ days}$ ). The weighted average lag days for interest payments of 81.8 days is  
18 determined by dividing weighted projected interest payments of 475,660,936, shown in  
19 Column 3, by projected interest payment in the amount of \$5,815,876, shown in Column  
20 1 ( $475,660,936 \div \$5,815,876 = 81.8$ ). The amount of \$452,527 has been carried forward  
21 to Exhibit No. FV-8, page 2.

22  
23 Q. Explain Exhibit No. FV-8-4.



1 A. Exhibit No. FV-8-4 shows the calculation of the thirteen-month average of projected  
2 prepaid Commission, OCA, OSBA, and DPC assessments of \$162,289 and  
3 \$163,435 based upon the projected month-end balances of prepaid Commission, OCA,  
4 OSBA, and DPC assessments for the thirteen months ending December 31, 2022, and for  
5 the thirteen months ending February 29, 2024, respectively. Prepaid Commission, OCA,  
6 OSBA, and DPC assessments have been excluded from the Company's lead-lag study.  
7 The thirteen-month average of projected prepaid Commission, OCA, OSBA, and DPCA  
8 assessments of \$162,289 for December 31, 2022, has been carried forward to Exhibit FV-  
9 8, page 1, and the thirteen-month average of \$163,435 for February 29, 2024, has been  
10 carried forward to Exhibit No. FV-8, page 2.

11

12 Q. Explain Exhibit No. FV-9.

13 A. Exhibit No. FV-9 shows that amortized expenses and bad debt expense have been  
14 removed from total expenses for the cash working capital calculations for the period  
15 ending December 31, 2022, and the period ending February 29, 2024.

16

17 Q. Explain Exhibit No. FV-11.

18 A. Exhibit No. FV-11 shows the calculation of the thirteen-month average, in the amounts of  
19 \$1,432,014 and \$1,520,534, of projected materials and supplies based upon projected  
20 month-end balances for the thirteen months ending December 31, 2022, and February 29,  
21 2024, respectively. The 2022-month end balances were projected by applying the 2021  
22 (13-month average) ratio of materials and supplies to utility plant in service, to projected  
23 2022 monthly plant in service balances. I note that under the Company's accounting  
24 procedure, amounts are included in the materials and supplies balance upon receipt of the

1 materials and supplies. The total for the thirteen-month period is \$18,616,188, and this  
2 amount is divided by 13 to arrive at the thirteen-month average of the materials and  
3 supplies balance in the amount of \$1,432,014 for the period ending December 31, 2022.  
4 The thirteen-month average in the amount of \$1,432,014 has been carried forward to  
5 Exhibit No. FV-1, page 2 and has been added to the original cost measure of value.

6  
7 The February 29, 2024 month end balances were projected by applying the 2021 (13-  
8 month average) ratio of materials and supplies to utility plant in service, to projected 2023  
9 monthly plant in service balances. The total for the thirteen-month period is \$19,766,939,  
10 and this amount is divided by 13 to arrive at the thirteen-month average of the materials  
11 and supplies balance in the amount of \$1,520,534 for the period ending February 29,  
12 2024. The thirteen-month average in the amount of \$1,520,534 has been carried forward  
13 to Exhibit No. FV-1, page 3 and has been added to the original cost measure of value.

14  
15 Q. Are you sponsoring any other exhibits regarding the original cost measure of value?

16 A. Yes, I am also sponsoring Exhibit Nos. F(c)-1, FV-2, FV-3, FV-4, FV-5, FV-6, FV-7,  
17 FV-13, FV-14, FV-15, FV-16, FV-16-1, FV-16-2, FV-16-3, and FV-16-4.

18  
19 Q. Are you sponsoring any other exhibits?

20 A. No.

21  
22 Q. Does this conclude your future test year and fully projected future test year direct  
23 testimony at this time?

24 A. Yes.

1 **YORK WATER STATEMENT NO. 103**

2 **BEFORE THE**  
3 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
4

5 **THE YORK WATER COMPANY**  
6

7 **DIRECT TESTIMONY OF MATTHEW E. POFF**  
8

9  
10 Q. State your name and business address.

11 A. Matthew E. Poff. My business address is: 130 East Market Street, York, Pennsylvania.  
12

13 Q. By whom are you employed?

14 A. I am employed by The York Water Company (“York Water” or the “Company”).  
15

16 Q. State your present position with the Company and explain your duties and  
17 responsibilities.

18 A. I am Chief Financial Officer and Treasurer for the Company. My duties and  
19 responsibilities include managing the day to day financial transactions of the Company.  
20

21 Q. How long have you been employed by the Company?

22 A. I have been employed by the Company since June 15, 2009.  
23

24 Q. What is your educational background?  
25

1 A. I have a Bachelor's Degree from the Pennsylvania State University, University Park,  
2 Pennsylvania and a Master's Degree in Business Administration from York College of  
3 Pennsylvania, York, Pennsylvania.

4  
5 Q. Are you a certified public accountant?

6 A. Yes, I am a certified public accountant licensed by the Commonwealth of Pennsylvania.

7  
8 Q. What has been your other business experience?

9 A. From September, 2006 through June, 2009, I was employed by I. B. Abel, Inc. in York,  
10 Pennsylvania as the Chief Financial Officer. In this capacity, I managed the day to day  
11 accounting and financial transactions of the Company.

12  
13 From July, 1995 through September, 2006, I was employed by Beard Miller Company  
14 LLP (now Baker Tilly US, LLP) as a certified public accountant. In this capacity, I  
15 oversaw the audits and reviews and preparation of financial statements and tax returns for  
16 various business entities, both private and public companies of various sizes.

17  
18 Q. Have you previously testified before a regulatory commission?

19 A. Yes, I have presented testimony to the Pennsylvania Public Utility Commission  
20 ("Commission") in the Company's last two rate case.

21  
22 Q. Will you list the exhibits you are sponsoring in this proceeding?

23 A. I am sponsoring the following exhibits prepared by me or under my direction and  
24 supervision:

25

1 Exhibit Nos. F (b)-2, F (c)-5, F (c)-6, FI-1, FI-2, FI-3, FI-4, and FI-5 relating to the  
2 statement of operations for the water division;

3  
4 Exhibit Nos. F (a)-2, F (a)-3, F (a)-4, F (a)-5, F (b)-3, F (b)-4, F (b)-5, F (b)-6, FII-1, FII-  
5 2, FII-2-1, FII-2-2, FII-2-3, FII-2-4, FII-2-5, FII-2-6, FII-2-7, FII-2-8, FII-2-11, FII-2-12,  
6 FII-2-13, FII-2-14, FII-2-15, FII-2-16, FII-2-17, FII-2-18, FII-2-20, FII-2-21, FII-2-22,  
7 FII-2-23, FII-2-24, FII-2-25, FII-2-26, FII-2-27, FII-2-28, FII-2-29, FII-2-30, FII-2-31,  
8 FII-2-34, FII-2-35, FII-2-36, FII-2-37, FII-2-38, FII-2-39, FII-2-40, FII-2-41, FII-2-42,  
9 FII-3, FII-4, FII-5, FII-6, FII-7, FII-8, FII-9, FII-10, FII-11, FII-12, and FII-13 relating to  
10 operating revenues for the water division;

11  
12 Exhibit Nos. FIII-1, FIII-2, FIII-2-1, FIII-2-1(a), FIII-2-1(b), FIII-2-2, FIII-2-3, FIII-2-4,  
13 FIII-2-5, FIII-2-6, FIII-2-7, FIII-2-8, FIII-2-9, FII-2-10, FIII-2-11, FIII-2-12, FIII-2-15,  
14 FIII-2-15(a), FIII-2-15(b), FIII-2-16, FIII-2-17, FIII-2-18, FIII-2-19, FIII-2-20, FIII-2-21,  
15 FIII-2-22, FIII-2-25, FIII-2-25(a), FIII-2-25(b), FIII-2-26, FIII-2-27, FIII-2-28, FIII-2-29,  
16 FIII-2-30, FIII-2-31, FIII-2-32, FIII-2-33, FIII-2-34, FIII-2-35FIII-2-36, FIII-2-37, FIII-2-  
17 40, FIII-2-40(a), FIII-2-40(b), FIII-2-41, FIII-2-42, FIII-2-43, FIII-2-44, FIII-2-45, FIII-2-  
18 46, FIII-2-47, FIII-2-48, FIII-2-49, FIII-2-50, FIII-2-51, FIII-2-55, FIII-3, FIII-4, FIII-5,  
19 FIII-6, FIII-7, FIII-8, FIII-9, FIII-10, FIII-11, FIII-12, FIII-13, FIII-14, FIII-15, FIII-16,  
20 FIII-17, FIII-18, FIII-19, FIII-20, FIII-21, FIII-23, FIII-24, FIII-25, FIII-26, FIII-27, and  
21 FIII-28 relating to operating expenses for the water division;

22  
23 Exhibit Nos. FV-1-1, FV-1-10, FV-8-1(g), FV-8-1(g)1, FV-8-1(g)2, and FV-10 relating  
24 to the original cost measure of value for the water division;

1 Exhibit Nos. FVII-1, FVII-2, FVII-3, FVII-4, FVII-5, FVII-6, FVII-7, FVII-8, FVII-9,  
2 FVII-10, FVII-11, FVII-12, FVII-13, FVII-14, FVII-15, FVII-16, FVII-17, FVII-18,  
3 FVII-19, FVII-20, FVII-21, FVII-22, FVII-23, FVII-24, FVII-25, FVII-26, FVII-27,  
4 FVII-28, FVII-29, FVII-30, FVII-31, and FVII-32, relating to rate of return;

5  
6 Exhibit Nos. F (c)-2, FX-1, FX-2, FX-3, FX-4, FX-5, FX-6, FX-7, FX-8, FX-9, FX-10,  
7 FX-11, FX-12, and FX-13 relating to the balance sheet; and

8  
9 Exhibit Nos. F (a)-1, F (a)-6, F (a)-9, F (a)-10, F (a)-11, F (b)-1, FVIII-2, FXI-1, FXI-2,  
10 FXI-3, and FXI-4.

11  
12 Q. Explain Exhibit No. F (b)-1.

13 A. Exhibit No. F (b)-1 provides the specific reasons the Company proposes to increase its  
14 water rates. Despite the best efforts by York Water to control costs, the effects of  
15 increased expenses and net additions to rate base have reduced returns. The Company  
16 proposes to increase its water rates for the following reasons: (1) to provide sufficient  
17 revenues to recover the cost of providing water service to its customers; (2) to allow the  
18 Company to properly discharge its public duties by continuing to furnish adequate, safe,  
19 and reliable service; (3) to maintain its facilities properly; and (4) to afford the  
20 opportunity to more nearly approach a fair and reasonable rate of return on the original  
21 cost measure of value of its used and useful property.

22  
23 Q. Explain Exhibit No. FI-2.

24 A. Exhibit No. FI-2 summarizes the projections of income for the twelve months ending  
25 December 31, 2022, and February 29, 2024, and the adjustments to such projected

1 income to: (1) annualize and normalize the effect of changes occurring during the twelve  
2 months ending December 31, 2022, and February 29, 2024; and (2) reflect changes in  
3 operating revenues, uncollectible accounts, Commission, Consumer Advocate, Small  
4 Business Advocate, and Damage Prevention Control assessments, and income taxes due  
5 to the increase in operating revenues resulting from the proposed increase in rates.

6  
7 Projected net income for the twelve months ending December 31, 2022, in the amount of  
8 \$13,878,544 is shown in Column 4 of Exhibit No. FI-2, pages 2 through 4. I note that  
9 this amount reflects non-operating income and other income deductions not included in  
10 the calculation of net operating income for ratemaking purposes. In deriving the  
11 projected net operating income, I began with the pro forma net operating income at  
12 present rates for the twelve months ended December 31, 2021, in the amount of  
13 \$15,335,053, which is shown in Column 1 of Exhibit No. FI-2, pages 2 through 4, and  
14 which is taken from Exhibit No. HI-2. The net of all adjustments to revenues and  
15 expenses results in projected future test year level of income adjustments of \$(1,432,589)  
16 at present rates as shown in Column 3 of Exhibit No. FI-2, pages 2 and 3. These  
17 adjustments are detailed in other exhibits, which will be explained later. The net  
18 operating income of \$18,124,316 represents net operating income for the projected future  
19 test year. It is necessary to adjust such net operating income to reflect and annualize  
20 various changes during the future test year to determine operating income at the level of  
21 operations at the end of the test year at present rates to be used for ratemaking purposes.

22  
23 Exhibit No. FI-2, pages 5 and 6 summarize the pro forma adjustments to the projected  
24 future test year net operating income. Projected net operating income for the twelve  
25 months ending December 31, 2022, in the amount of \$18,124,316 is shown in Column 1

1 of Exhibit No. FI-2, pages 5 and 6. Adjustments to operating income in the net amount of  
2 \$(51,736), to annualize and normalize the effect of changes during the twelve months  
3 ending December 31, 2022, are shown in Column 3 of Exhibit No. FI-2, pages 5 and 6.  
4 These adjustments are detailed in other exhibits, which I will explain later. The net  
5 operating income of \$18,072,580 represents net operating income for the pro forma future  
6 test year.

7  
8 In deriving the projected net operating income for the fully projected future test year, I  
9 began with the pro forma net operating income at present rates for the twelve months  
10 ended December 31, 2022, in the amount of \$18,072,580, which is shown in Column 1 of  
11 Exhibit No. FI-2, pages 8 and 9. The net of all adjustments to revenues and expenses  
12 results in fully projected future test year income adjustments of \$(1,379,463) at present  
13 rates as shown in Column 3 of Exhibit No. FI-2, pages 8 and 9. These adjustments are  
14 detailed in other exhibits, which I will explain later. The net operating income of  
15 \$16,693,117 represents net operating income for the fully projected future test year  
16 ending February 29, 2024. It is necessary to adjust such net operating income to reflect  
17 and annualize various changes during the future test year to determine operating income  
18 at the level of operations at the end of the test year at present rates to be used for  
19 ratemaking purposes.

20  
21 Exhibit No. FI-2, pages 11 and 12 summarize the pro forma adjustments to the fully  
22 projected future test year net operating income. Projected net operating income for the  
23 twelve months ending February 29, 2024, in the amount of \$16,693,117 is shown in  
24 Column 1 of Exhibit No. FI-2, pages 11 and 12. Adjustments to operating income in the  
25 net amount of \$(242,168), to annualize and normalize the effect of changes during the



1 twelve months ending February 29, 2024, are shown in Column 3 of Exhibit No. FI-  
2 2,pages 11 and 12. These adjustments are detailed in other exhibits, which I will explain  
3 later. The net operating income of \$16,450,948 represents net operating income for the  
4 pro forma fully projected future test year.

5  
6 Column 6 of Exhibit No. FI-2 pages 11 and 12 provides a summary of the increases to net  
7 operating income under proposed base rates at the fully projected future test year level of  
8 operations. The net increase to net operating income at proposed rates would be  
9 \$11,370,241 after reflecting increases in operating revenues, and related increase in  
10 uncollectible accounts, Commission, Consumer Advocate, and Small Business Advocate  
11 assessments and income taxes. These adjustments are shown in Column 6 of Exhibit No.  
12 FI-2, pages 11 and 12 and are detailed in other exhibits, which I will explain later. Pro  
13 forma net operating income for the twelve months ending February 29, 2024, in the  
14 amount of \$27,821,190 is shown in Column 7 of Exhibit No. FI-2, pages 11 and 12.

15  
16 Q. Are you sponsoring any other exhibits regarding the Company's statement of operations?

17 A. Yes, I am also sponsoring Exhibit Nos. F (b)-2, F (c)-5, F (c)-6, FI-1, FI-3, FI-4, and FI-  
18 5.

19  
20 Q. Explain Exhibit No. F (b)-3.

21 A. Exhibit No. F (b)-3 provides the number of customers whose monthly bills will increase  
22 under proposed rates based on pro forma historic test year volumes.

23  
24 Q. Explain Exhibit No. F (b)-5.

25

1 A. Exhibit No. F (b)-5 provides that no customers' monthly bills will decrease under  
2 proposed rates based on pro forma historic test year volumes.

3

4 Q. Explain Exhibit No. FII-1.

5 A. Exhibit No. FII-1 is a comparative statement of gallons sold and operating revenues by  
6 class for the twelve months ending December 31, 2022, and ending February 29, 2024,  
7 and the number of customers by class as of December 31, 2022, and February 29, 2024.

8

9 Q. Explain Exhibit No. FII-2.

10 A. Exhibit No. FII-2 summarizes the projections of operating revenues under existing rates  
11 for the twelve months ending December 31, 2022, and February 29, 2024, as well as the  
12 adjustments to such projected operating revenues to: (1) annualize the effect of changes  
13 occurring during the twelve months ending December 31, 2022, and February 29, 2024,  
14 under existing rates; (2) reflect the increase in operating revenues resulting from the  
15 proposed increase in rates for water service; and (3) reflect the combined proposed  
16 increase in water rates after allocating a portion of the wastewater revenue requirement.

17

18 Projected operating revenues under existing rates for the twelve months ending December  
19 31, 2022, in the amount of \$52,852,095 are shown in Column 3 of Exhibit No. FII-2,  
20 page 2. In deriving the projected operating revenues under existing rates, I began with  
21 the pro forma operating revenues at present rates for the twelve months ended December  
22 31, 2021, in the amount of \$52,652,325, which are shown in Column 1 of Exhibit No.  
23 FII-2, page 2, and which are taken from Exhibit No. HII-2. Adjustments to the pro forma  
24 historic test year operating revenues to project the future test year operating revenues  
25 under existing rates in the amount of \$199,770 are shown in Column 2 of Exhibit No. FII-

1 2, page 2. These adjustments are detailed in Exhibit Nos. FII-2-1 through FII-2-8, which  
2 I will explain later and are summarized in Exhibit No. FII-2, page 3.

3  
4 Exhibit No. FII-2, page 4 summarizes the pro forma adjustments to the projected future  
5 test year operating revenues. Projected operating revenues under existing rates for the  
6 twelve months ending December 31, 2022, in the amount of \$52,852,095 are shown in  
7 Column 1 of Exhibit No. FII-2, page 4. Adjustments to operating revenues under existing  
8 rates in the amount of \$227,963 to annualize the effect of changes during the twelve  
9 months ending December 31, 2022, are shown in Column 2 of Exhibit No. FII-2, page 4.  
10 These adjustments are detailed in Exhibit Nos. FII-2-11 through FII-2-18, which I will  
11 explain later, and are summarized in Exhibit No. FII-2, page 5. Column 3 of Exhibit No.  
12 FII-2, page 4 shows the pro forma operating revenues under existing rates of \$53,080,058  
13 for the twelve months ending December 31, 2022.

14  
15 Projected operating revenues under existing rates for the twelve months ending February  
16 29, 2024, in the amount of \$53,404,281 are shown in Column 3 of Exhibit No. FII-2,  
17 page 6. In deriving the projected operating revenues under existing rates, I began with  
18 the pro forma operating revenues at present rates for the twelve months ended December  
19 31, 2022, in the amount of \$53,080,058, which are shown in Column 1 of Exhibit No.  
20 FII-2, page 6. Adjustments to the pro forma future test year operating revenues to project  
21 the fully projected future test year operating revenues under existing rates in the amount  
22 of \$324,223 are shown in Column 2 of Exhibit No. FII-2, page 6. These adjustments are  
23 detailed in Exhibit Nos. FII-2-20 through FII-2-31, which I will explain later, and are  
24 summarized in Exhibit No. FII-2, page 7.

25

1 Exhibit No. FII-2, page 9 summarizes the pro forma adjustments to the fully projected  
2 future test year operating revenues. Projected operating revenues under existing rates for  
3 the twelve months ending February 29, 2024, in the amount of \$53,404,281 are shown in  
4 Column 1 of Exhibit No. FII-2, page 9. Adjustments to operating revenues under existing  
5 rates in the amount of \$238,179 to annualize the effect of changes during the twelve  
6 months ending February 29, 2024, are shown in Column 2 of Exhibit No. FII-2, page 9.  
7 These adjustments are detailed in Exhibit Nos. FII-2-34 through FII-2-41, which I will  
8 explain later, and are summarized in Exhibit No. FII-2, page 8.

9  
10 Pro Forma Distribution System Improvement Charge revenues at existing rates of  
11 \$2,121,928 based upon current DSIC rates are shown in Column 4, page 9. Adjustments  
12 to operating revenues in the amount of \$16,182,882 reflect the increase in operating  
13 revenues due to the application of proposed base rates set forth in Supplement No. 143 to  
14 Tariff Water-Pa. P.U.C. No. 14 are shown in Column 8 of Exhibit No. FII-2, page 9. Pro  
15 forma operating revenues under proposed rates for the twelve months ending February  
16 29, 2024, in the amount of \$69,825,342 are shown in Column 9 of Exhibit No. FII-2,  
17 page 9.

18  
19 Page 10 of Exhibit No. FII-2 shows pro forma revenue under existing rates for  
20 wastewater customers of \$4,162,262 (Refer to Exhibit No. FII-2W) and the additional  
21 revenue required for wastewater customers as shown on Exhibit No. FV-1W, page 6 of  
22 \$4,127,648. The revenue increase would amount to 99.2% if the additional revenue were  
23 spread to just the wastewater customers. The Company does not believe that it is  
24 appropriate for wastewater customers to incur a 99.2% increase at this time. Therefore,  
25 the Company is proposing to limit the increase in rates for wastewater customers to 35%.

1 This 35% increase is more than the overall water rate increase percentage and will move  
2 wastewater customers closer to cost of service. A 35% increase for wastewater customers  
3 is \$1,456,792 ( $\$4,162,262 \times 0.35$ ). The Company proposes to allocate the remaining  
4 additional revenue requirement of \$2,670,856 ( $\$4,127,648 - \$1,456,792$ ) to water  
5 customers, increasing the water revenue requirement by 4.8% (33.8% - 29.0%).  
6

7 Q. Explain Exhibit No. FII-2-1.

8 A. Exhibit No. FII-2-1 projects operating revenues under existing rates for estimated  
9 metered residential gravity customers connected and disconnected during the twelve  
10 months ending December 31, 2022. The projected net gain in number of metered  
11 residential gravity customers during the twelve months ending December 31, 2022, is 58.  
12 This projection is based on the average net gain in metered residential gravity customers  
13 for the two years ended December 31, 2021. The projected net gain of metered  
14 residential gravity customers during the twelve months ending December 31, 2022, of 58  
15 is multiplied by the annual average revenue per average metered residential gravity  
16 customer during the historic test year ended December 31, 2021, of \$467.16 to derive the  
17 annualized revenue adjustment of \$27,095 ( $58 \times \$467.16$ ).  
18

19 In order to present the projected future test year metered sales to residential customers, it  
20 is necessary to determine the portion of the annualized revenue adjustment in the amount  
21 of \$27,095 that will occur during the twelve months ending December 31, 2022. The  
22 projected net gain of metered residential gravity customers for the twelve months ending  
23 December 31, 2022, is presumed to occur evenly throughout the future test year.

24 Accordingly, one half (0.50) of the annualized revenue adjustment determined in this  
25 Exhibit is projected to occur during the twelve months ending December 31, 2022. The

1 portion of the annualized revenue adjustment included in the twelve months ending  
2 December 31, 2022, or \$13,548 ( $\$27,095 \times 0.50$ ) has been carried forward to Exhibit No.  
3 FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on  
4 Exhibit No. FII-2-11, which I will explain later.

5  
6 Q. Explain Exhibit No. FII-2-2.

7 A. Exhibit No. FII-2-2 projects operating revenues under existing rates for estimated  
8 metered residential repumped customers connected and disconnected during the twelve  
9 months ending December 31, 2022. The projected net gain in number of metered  
10 residential repumped customers during the twelve months ending December 31, 2022, is  
11 535. This projection is based on the average net gain in metered residential repumped  
12 customers for the two years ended December 31, 2021. The projected net gain of metered  
13 residential repumped customers during the twelve months ending December 31, 2022, of  
14 535 is multiplied by the annual average revenue per average metered residential  
15 repumped customer during the historic test year ended December 31, 2021 of \$563.34 to  
16 derive the annualized revenue adjustment of \$301,387 ( $535 \times \$563.34$ ).

17  
18 In order to present projected future test year metered sales to residential customers, it is  
19 necessary to determine the portion of the annualized revenue adjustment in the amount of  
20 \$301,387 that will occur during the twelve months ending December 31, 2022. The  
21 projected net gain of metered residential repumped customers for the twelve months  
22 ending December 31, 2022, is presumed to occur evenly throughout the future test year.

23  
24 Accordingly, one half (0.50) of the annualized revenue adjustment determined in this  
25 Exhibit is projected to occur during the twelve months ending December 31, 2022. The

1 portion of the annualized revenue adjustment included in the twelve months ending  
2 December 31, 2022, or \$150,693 ( $\$301,387 \times 0.50$ ) has been carried forward to Exhibit  
3 No. FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on  
4 Exhibit No. FII-2-12, which I will explain later.

5  
6 Q. Explain Exhibit No. FII-2-3.

7 A. Exhibit No. FII-2-3 projects operating revenues under existing rates for estimated  
8 metered commercial gravity customers connected and disconnected during the twelve  
9 months ending December 31, 2022. The projected net gain in number of metered  
10 commercial gravity customers during the twelve months ending December 31, 2022, is  
11 13. This projection is based on the average net gain in metered commercial gravity  
12 customers for the two years ended December 31, 2021. The projected net gain of metered  
13 commercial gravity customers during the twelve months ending December 31, 2022, of  
14 13 is multiplied by the annual average revenue per average metered commercial gravity  
15 customer during the historic test year ended December 31, 2021 of \$1,393.26 to derive  
16 the annualized revenue adjustment of \$18,112 ( $13 \times \$1,393.26$ ).

17  
18 In order to present projected future test year metered sales to commercial customers, it is  
19 necessary to determine the portion of the annualized revenue adjustment in the amount of  
20 \$18,112 that will occur during the twelve months ending December 31, 2022. The  
21 projected net gain of metered commercial gravity customers for the twelve months ending  
22 December 31, 2022, is presumed to occur evenly throughout the future test year.

23  
24 Accordingly, one-half (.50) of the annualized revenue adjustment determined in this  
25 Exhibit is projected to occur during the twelve months ending December 31, 2022. The

1 portion of the annualized revenue adjustment included in the twelve months ending  
2 December 31, 2022, or \$9,056 ( $\$18,112 \times 0.50$ ) has been carried forward to Exhibit No.  
3 FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on  
4 Exhibit No. FII-2-13, which I will explain later.  
5

6 Q. Explain Exhibit No. FII-2-4.

7 A. Exhibit No. FII-2-4 projects operating revenues under existing rates for estimated  
8 metered commercial repumped customers connected and disconnected during the twelve  
9 months ending December 31, 2022. The projected net gain in number of metered  
10 commercial repumped customers during the twelve months ending December 31, 2022, is  
11 18. This projection is based on the average net gain in metered commercial repumped  
12 customers for the two years ended December 31, 2021. The projected net gain of metered  
13 commercial customers during the twelve months ending December 31, 2022, of 18 is  
14 multiplied by the annual average revenue per average metered commercial repumped  
15 customer during the historic test year ended December 31, 2021 of \$3,278.73 to derive  
16 the annualized revenue adjustment of \$59,017 ( $18 \times \$3,278.73$ ).  
17

18 In order to present projected future test year metered sales to commercial customers, it is  
19 necessary to determine the portion of the annualized revenue adjustment in the amount of  
20 \$59,017 that will occur during the twelve months ending December 31, 2022. The  
21 projected net gain of metered commercial repumped customers for the twelve months  
22 ending December 31, 2022, is presumed to occur evenly throughout the future test year.  
23

24 Accordingly, one-half (.50) of the annualized revenue adjustment determined in this  
25 Exhibit is projected to occur during the twelve months ending December 31, 2022. The



1 portion of the annualized revenue adjustment included in the twelve months ending  
2 December 31, 2022, or \$29,509 ( $\$59,017 \times 0.50$ ) has been carried forward to Exhibit  
3 No.FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on  
4 Exhibit No. FII-2-14, which I will explain later.  
5

6 Q. Explain Exhibit No. FII-2-5.

7 A. Exhibit No. FII-2-5 projects private fire protection revenues under existing rates based on  
8 the projected number of private fire hydrants and standby private fire service connections  
9 placed in service during the future test year ending December 31, 2022. The projected  
10 net gain in the number of private fire hydrants and standby private fire service  
11 connections is multiplied by the present annual rate for private fire hydrants and standby  
12 private fire service connections as approved by the Commission effective March 1, 2019,  
13 to derive the annualized private fire protection revenue adjustment in the amount of  
14 \$59,309. The projected net gain in the number of private fire hydrants and standby  
15 private fire service connections is based on the average gain in private fire hydrants and  
16 standby private fire service connections for the two years ended December 31, 2021.  
17

18 In order to present projected future test year private fire protection revenues, it is  
19 necessary to determine the portion of the annualized revenue adjustment in the amount of  
20 \$59,309 that will occur during the twelve months ending December 31, 2022. The  
21 projected net gain of private fire hydrants and standby private fire service connections for  
22 the twelve months ending December 31, 2022, is presumed to occur evenly throughout  
23 the future test year.  
24  
25

1 Accordingly, one half (.50) of the annualized revenue adjustment determined in this  
2 Exhibit is projected to occur during the twelve months ending December 31, 2022. The  
3 portion of the annualized revenue adjustment included in the twelve months ending  
4 December 31, 2022, or \$29,654 ( $\$59,309 \times 0.50$ ) has been carried forward to Exhibit No.  
5 FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on  
6 Exhibit No. FII-2-15, which I will explain later.

7  
8 Q. Explain Exhibit No. FII-2-6.

9 A. Exhibit No. FII-2-6 projects public fire protection revenues under existing rates based on  
10 the projected number of public fire hydrants placed in service during the future test year  
11 ending December 31, 2022. The projected net gain in the number of public fire hydrants  
12 is multiplied by the present annual rate for public fire hydrants as approved by the  
13 Commission effective March 1, 2019, to derive the annualized public fire protection  
14 revenue adjustment in the amount of \$8,930. The projected net gain in the number of  
15 public fire hydrants is based on the average net gain in public fire hydrants for the two  
16 years ended December 31, 2021.

17  
18 In order to present projected future test year public fire protection revenues, it is  
19 necessary to determine the portion of the annualized revenue adjustment in the amount of  
20 \$8,930 that will occur during the twelve months ending December 31, 2022. The  
21 projected net gain of public fire hydrants for the twelve months ending December 31,  
22 2022, is presumed to occur evenly throughout the future test year.

23  
24 Accordingly, one half (.50) of the annualized revenue adjustment determined in this  
25 Exhibit is projected to occur during the twelve months ending December 31, 2022. The

1 portion of the annualized revenue adjustment included in the twelve months ending  
2 December 31, 2022, or \$4,465 ( $\$8,930 \times 0.50$ ) has been carried forward to Exhibit No.  
3 FII-2, page 3. The remainder of the annualized revenue adjustment is reflected on  
4 Exhibit No. FII-2-16, which I will explain later.  
5

6 Q. Explain Exhibit No. FII-2-7.

7 A. Exhibit No. FII-2-7 projects lease payments received for communication equipment  
8 installed on the Company's standpipes in accordance with the non-exclusive license  
9 agreements between the Company and non-affiliated cellular telephone companies. This  
10 industry is experiencing consolidation. As cellular telephone companies merge, they may  
11 have leases with the Company for equipment on the same standpipe for each of the legacy  
12 companies. As a result, they are not renewing these duplicate leases or providing notice  
13 they will not be renewing these duplicate leases upon the end of the lease. This is  
14 resulting in decreases in annualized lease payments. Projected rent from water property  
15 for the twelve months ending December 31, 2022, of \$502,100 reflects actual lease  
16 payments to be received during the twelve months ending December 31, 2022. The  
17 adjustment of \$(37,491) is determined by subtracting the pro forma lease payments for  
18 the installation of communication equipment for the twelve months ended December 31,  
19 2021, in the amount of \$539,590 (Refer to Exhibit No. HII-2-12) from the projected lease  
20 payments to be received and recorded as rental income during the twelve months ending  
21 December 31, 2022, of \$502,100 [ $\$502,100 - \$539,590 = \$(37,491)$ ]. The revenue  
22 adjustment in the amount of \$(37,491) has been carried forward to Exhibit No. FII-2,  
23 page 3.  
24

25 Q. Explain Exhibit No. FII-2-8.

1 A. Exhibit No. FII-2-8 projects customers' penalties based on projected sales of water under  
2 existing rates and a two-year average ratio of customers' penalties to total sales of water.  
3 Projected sales of water under existing rates (Refer to Exhibit No. FII-2) of \$51,733,559  
4 are multiplied by the two-year average ratio of customers' penalties to total sales of water  
5 of 0.14% to determine the projected customers' penalties under existing rates of \$73,235  
6 (\$51,733,559 x 0.14%).

7  
8 The adjustment to customers' accounts in the amount of \$335 is determined by  
9 subtracting pro forma customers' penalties under existing rates for twelve months ended  
10 December 31, 2021, of \$72,899 (Refer to Exhibit No. HII-2-14) from projected  
11 customers' penalties under existing rates for twelve months ending December 31, 2022,  
12 of \$73,235 (\$73,235 - \$72,899 = \$335). The adjustment to customers' penalties of \$335  
13 has been carried forward to Exhibit No. FII-2, page 3 as an adjustment to Account No.  
14 47100500.

15  
16 Q. Explain Exhibit No. FII-2-11.

17 A. Exhibit No. FII-2-11 annualizes operating revenues for estimated metered residential  
18 gravity customers connected and disconnected during the twelve months ending  
19 December 31, 2022. As explained previously, the Company projects a net gain of 58 in  
20 the number of metered residential gravity customers during the twelve months ending  
21 December 31, 2022. The projected net gain of metered residential gravity customers  
22 during the twelve months ending December 31, 2022, of 58 is multiplied by the annual  
23 average revenue per average metered residential gravity customer during the historic test  
24 year ended December 31, 2021 of \$467.16 to derive the annualized revenue adjustment of  
25 \$27,095 (58 x \$467.16).

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As explained previously with respect to Exhibit No. FII-2-1, I have already reflected in projected future test year revenues that portion of the increased revenues from these 58 customers that are projected to be gained during the future test year ending December 31, 2022. That projected amount is \$13,548, or one half of the annualized revenue adjustment of \$27,095. The remaining half of the annualized revenue adjustment is reflected on Exhibit No. FII-2-11 as an annualization adjustment to the future test year projection. The remaining half of the annualized revenue adjustment of \$13,548 has been carried forward to Exhibit No. FII-2, page 5.

Q. Explain Exhibit No. FII-2-12.

A. Exhibit No. FII-2-12 annualizes operating revenues for estimated metered residential repumped customers connected and disconnected during the twelve months ending December 31, 2022. As explained previously, the Company projects a net gain of 535 in the number of metered residential repumped customers during the twelve months ending December 31, 2022. The projected net gain of metered residential repumped customers during the twelve months ending December 31, 2022, of 535 is multiplied by the annual average revenue per average metered residential repumped customer during the historic test year ended December 31, 2021 of \$563.34 to derive the annualized revenue adjustment of \$301,387 (535 x \$563.34).

As explained previously with respect to Exhibit No. FII-2-2, I have already reflected in projected future test year revenues that portion of the additional revenues from these 535 customers that are projected to be received during the future test year ending December 31, 2022. That projected amount is \$150,693, or one half of the annualized revenue

1 adjustment of \$301,387. The remaining half of the annualized revenue adjustment is  
2 reflected on Exhibit No. FII-2-12 as an annualization adjustment to the future test year  
3 projection. The remaining half of the annualized revenue adjustment of \$150,693 has  
4 been carried forward to Exhibit No. FII-2, page 5.

5  
6 Q. Explain Exhibit No. FII-2-13.

7 A. Exhibit No. FII-2-13 annualizes operating revenues for estimated metered commercial  
8 gravity customers connected and disconnected during the twelve months ending  
9 December 31, 2022. As explained previously, the Company projects a net gain of 13 in  
10 the number of metered commercial gravity customers during the twelve months ending  
11 December 31, 2022. The projected net gain of metered commercial gravity customers  
12 during the twelve months ending December 31, 2022, of 13 is multiplied by the annual  
13 average revenue per average metered commercial gravity customer during the historic test  
14 year ended December 31, 2021 of \$1,393.26 to derive the annualized revenue adjustment  
15 of \$18,112 (13 x \$1,393.26).

16  
17 As explained previously with respect to Exhibit No. FII-2-3, I have already reflected in  
18 projected future test year revenues that portion of the reduced revenues from these 13  
19 customers that are projected to be gained during the future test year ending December 31,  
20 2022. That projected amount is \$9,056, or one half of the annualized revenue adjustment  
21 of \$18,112. The remaining half of the annualized revenue adjustment is reflected on  
22 Exhibit No. FII-2-13 as an annualization adjustment to the future test year projection.  
23 The remaining half of the annualized revenue adjustment of \$9,056 has been carried  
24 forward to Exhibit No. FII-2, page 5.

25

1 Q. Explain Exhibit No. FII-2-14.

2 A. Exhibit No. FII-2-14 annualizes operating revenues for estimated metered commercial  
3 repumped customers connected and disconnected during the twelve months ending  
4 December 31, 2022. As explained previously, the Company projects a net gain of 18 in  
5 the number of metered commercial repumped customers during the twelve months ending  
6 December 31, 2022. The projected net gain of metered commercial repumped customers  
7 during the twelve months ending December 31, 2022, of 18 is multiplied by the annual  
8 average revenue per average metered commercial repumped customer during the historic  
9 test year ended December 31, 2021 of \$3,278.73 to derive the annualized revenue  
10 adjustment of \$59,017 (18 x \$3,278.73).

11  
12 As explained previously with respect to Exhibit No. FII-2-4, I have already reflected in  
13 projected future test year revenues that portion of the additional revenues from these 18  
14 customers that are projected to be lost during the future test year ending December 31,  
15 2022. That projected amount is \$29,509, or one half of the annualized revenue  
16 adjustment of \$59,017. The remaining half of the annualized revenue adjustment is  
17 reflected on Exhibit No. FII-2-14 as an annualization adjustment to the future test year  
18 projection. The remaining half of the annualized revenue adjustment of \$29,509 has been  
19 carried forward to Exhibit No. FII-2, page 5.

20

21 Q. Explain Exhibit No. FII-2-15.

22 A. Exhibit No. FII-2-15 annualizes private fire protection revenues under existing rates  
23 based on the estimated number of private fire hydrants and standby private fire service  
24 connections placed in service during the future test year ending December 31, 2022. The  
25 projected net gain in the number of private fire hydrants and standby private fire service

1 connections is multiplied by the present annual rate for private fire hydrants and standby  
2 private fire service connections as approved by the Commission effective March 1, 2019,  
3 to derive the annualized private fire protection revenue adjustment in the amount of  
4 \$59,309.

5  
6 As explained previously with respect to Exhibit No. FII-2-5, I have already reflected in  
7 projected future test year revenues that portion of the additional revenues from these  
8 connections that are projected to be received during the future test year ending December  
9 31, 2022. That projected amount is \$29,654, or one half of the annualized revenue  
10 adjustment of \$59,309. The remaining half of the annualized revenue adjustment in the  
11 amount of \$29,654 is reflected on Exhibit No. FII-2-15 as an annualization adjustment to  
12 the future test year projection. The remaining half of the annualization adjustment in the  
13 amount of \$29,654 has been carried forward to Exhibit No. FII-2, page 5.

14  
15 Q. Explain Exhibit No. FII-2-16.

16 A. Exhibit No. FII-2-16 annualizes public fire protection revenues under existing rates based  
17 on the estimated number of public fire hydrants placed in service during the future test  
18 year ending December 31, 2022. The projected net gain in the number of public fire  
19 hydrants is multiplied by the present annual rate for public fire hydrants as approved by  
20 the Commission effective March 1, 2019, to derive the annualized public fire protection  
21 revenue adjustment in the amount of \$8,930.

22  
23 As explained previously with respect to Exhibit No. FII-2-6, I have already reflected in  
24 projected future test year revenues that portion of the additional revenues from these  
25 connections that are projected to be received during the future test year ending December



1 31, 2022. That projected amount is \$4,465, or one half of the annualized revenue  
2 adjustment of \$8,930. The remaining half of the annualized revenue adjustment in the  
3 amount of \$4,465 is reflected on Exhibit No. FII-2-16 as an annualization adjustment to  
4 the future test year projection. The remaining half of the annualized revenue adjustment  
5 in the amount of \$4,465 has been carried forward to Exhibit No. FII-2, page 5.

6  
7 Q. Explain Exhibit No. FII-2-17.

8 A. Exhibit No. FII-2-17 annualizes lease payments received for communication equipment  
9 installed on the Company's standpipes in accordance with the non-exclusive license  
10 agreement between the Company and cellular telephone companies. These cellular  
11 telephone companies are not affiliated with the Company. This industry is experiencing  
12 consolidation. As cellular telephone companies merge, they may have leases with the  
13 Company for equipment on the same standpipe for each of the legacy companies. As a  
14 result, they are not renewing these duplicate leases or providing notice they will not be  
15 renewing these duplicate leases upon the end of the lease. This is resulting in decreases  
16 in annualized lease payments. Rent from water property for the twelve months ending  
17 December 31, 2022, reflects annualized lease payments from the license agreements of  
18 \$492,802. The adjustment of \$(9,298) is determined by subtracting the lease payments to  
19 be received and recorded as rental income during the twelve months ending December  
20 31, 2022, of \$502,100 from the annual lease payments for the installation of  
21 communication equipment in the amount of \$492,802 [ $\$492,802 - \$502,100 = \$(9,298)$ ].  
22 This amount of \$(9,298) has been carried forward to Exhibit No. FII-2, page 5.

23  
24 Q. Explain Exhibit No. FII-2-18.

1 A. Exhibit No. FII-2-18 annualizes customers' penalties based on pro forma sales of water  
2 under existing rates and a two-year average ratio of customers' penalties to total sales of  
3 water. Pro forma sales of water under existing rates (Refer to Exhibit No. FII-2) of  
4 \$51,970,485 are multiplied by the two-year average ratio of customers' penalties to total  
5 sales of water of 0.14% to determine the pro forma customers' penalties under existing  
6 rates of \$73,570 ( $\$51,970,485 \times 0.14\%$ ).

7  
8 The adjustment to customers' penalties in the amount of \$335 is determined by  
9 subtracting projected customers' penalties under existing rates for twelve months ending  
10 December 31, 2022, of \$73,235 (Refer to Exhibit No. FII-2-8) from pro forma customers'  
11 penalties under existing rates for twelve months ending December 31, 2022, of \$73,570  
12 ( $\$73,570 - \$73,235 = \$335$ ). The adjustment to customers' penalties of \$335 has been  
13 carried forward to Exhibit No. FII-2, page 5 as an adjustment to Account No. 47100500.

14  
15 Q. Explain Exhibit No. FII-2-20.

16 A. Exhibit No. FII-2-20 projects operating revenues for the estimated metered residential  
17 gravity and repumped customers connected and disconnected during January and  
18 February 2023. Although these customers are projected to be added prior to the fully  
19 projected future test year, the revenues from these customers will be included in the  
20 revenues earned for the twelve months ending February 29, 2024, so it is appropriate to  
21 include these revenues.

22  
23 As was the case for the twelve months ending December 31, 2022, the Company projects  
24 a net gain of 58 in the number of metered residential gravity customers during the twelve  
25 months ending December 31, 2023. The projected net gain of metered residential gravity

1 customers during the twelve months ending December 31, 2023 of 58 is divided by  
2 twelve and multiplied by two to yield the number of customers expected to be gained  
3 during the two-month period ending February 28, 2023, which is 10 ( $58 / 12 \times 2$ ). Next,  
4 the number of customers gained during the two-month period is multiplied by the annual  
5 average revenue per average metered residential gravity customer during the future test  
6 year ended December 31, 2022, of \$467.16 to derive the annualized revenue adjustment  
7 for residential gravity customers of \$4,516 ( $10 \times \$467.16$ ).

8  
9 Next, the same process is followed for residential repumped customers. The Company  
10 projects a net gain of 535 in the number of metered residential repumped customers  
11 during the twelve months ending December 31, 2023. The projected net gain of metered  
12 residential repumped customers during the twelve months ending December 31, 2023, is  
13 divided by twelve and multiplied by two to yield the number of customers expected to be  
14 gained during the two-month period ending February 28, 2023, which is 89 ( $535 / 12 \times 2$ ).  
15 Next, the number of customers gained during the two-month period is multiplied by the  
16 annual average revenue per average metered residential repumped customer during the  
17 future test year ended December 31, 2022, of \$563.34 to derive the annualized revenue  
18 adjustment for residential repumped customers of \$50,231 ( $89 \times \$563.34$ ).

19  
20 The total adjustment for the estimated residential gravity and repumped customers to be  
21 added during January and February 2023, of \$54,747 ( $\$4,516 + \$50,231$ ) has been carried  
22 forward to Exhibit No. FII-2, page 7.

23  
24 Q. Explain Exhibit No. FII-2-21.

25

1 A. Exhibit No. FII-2-21 projects operating revenues for the estimated metered commercial  
2 gravity and repumped customers connected and disconnected during January and  
3 February 2023. Although these customers are projected to be added prior to the fully  
4 projected future test year, the revenues from these customers will be included in the  
5 revenues earned for the twelve months ending February 29, 2024, so it is appropriate to  
6 include these revenues.

7  
8 As was the case for the twelve months ending December 31, 2022, the Company projects  
9 a net gain of 13 in the number of metered commercial gravity customers during the  
10 twelve months ending December 31, 2022. The projected net gain of metered  
11 commercial gravity customers during the twelve months ending December 31, 2022, of  
12 13 is divided by twelve and multiplied by two to yield the number of customers expected  
13 to be gained during the two-month period ending February 28, 2023, which is 2 ( $13 / 12 \times$   
14 2). Next, the number of customers gained during the two-month period is multiplied by  
15 the annual average revenue per average metered commercial gravity customer during the  
16 future test year ended December 31, 2022, of \$1,393.26 to derive the annualized revenue  
17 adjustment for commercial gravity customers of \$3,019 ( $2 \times \$1,393.26$ ).

18  
19 Next, the same process is followed for commercial repumped customers. The Company  
20 projects a net gain of 18 in the number of metered commercial repumped customers  
21 during the twelve months ending December 31, 2023. The projected net gain of metered  
22 commercial repumped customers during the twelve months ending December 31, 2023 is  
23 divided by twelve and multiplied by two to yield the number of customers expected to be  
24 gained during the two-month period ending February 28, 2023, which is 3 ( $18 / 12 \times 2$ ).

1 Next, the number of customers gained during the two-month period is multiplied by the  
2 annual average revenue per average metered commercial repumped customer during the  
3 future test year ended December 31, 2022, of \$3,278.73 to derive the annualized revenue  
4 adjustment for commercial repumped customers of \$9,836 (3 x \$3,278.73).

5  
6 The total adjustment for the estimated commercial gravity and repumped customers to be  
7 added during January and February 2023, of \$12,855 (\$3,019 + \$9,836) has been carried  
8 forward to Exhibit No. FII-2, page 7.

9  
10 Q. Explain Exhibit No. FII-2-22.

11 A. Exhibit No. FII-2-22 projects private fire protection revenues under existing rates based  
12 on the projected number of private fire hydrants and standby private fire service  
13 connections placed in service during the two-month period ending February 28, 2023.  
14 Although these hydrants and connections are projected to be added prior to the fully  
15 projected future test year, the revenues from these customers will be included in the  
16 revenues earned for the twelve months ending February 29, 2024, so it is appropriate to  
17 include these customers.

18  
19 The projected net gain in the number of private fire hydrants and standby private fire  
20 service connections is divided by twelve and multiplied by two to get the prorated gain in  
21 customers for the two-month period ending February 28, 2023, for each service type.

22 The prorated gain in customers is multiplied by the present annual rate for private fire  
23 hydrants and standby private fire service connections as approved by the Commission  
24 effective March 1, 2019, to derive the annualized private fire protection revenue  
25 adjustment in the amount of \$9,885.

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The adjustment for private fire protection hydrants and connections projected to be added during the two months ending February 28, 2023 of \$9,885 has been carried forward to Exhibit No. FII-2, page 7.

Q. Explain Exhibit No. FII-2-23.

A. Exhibit No. FII-2-23 projects public fire protection revenues for hydrant customers projected to be added during the two months ending February 28, 2023. Although these hydrants are projected to be added prior to the fully projected future test year, the revenues from these customers will be included in the revenues earned for the twelve months ending February 29, 2024, so it is appropriate to include these customers.

The projected net gain in the number of public fire hydrants is divided by twelve and multiplied by two to get the prorated gain in hydrants for the two-month period ending February 28, 2023. The prorated gain in customers is multiplied by the present annual rate for public fire hydrants as approved by the Commission effective March 1, 2019, to derive the annualized public fire protection revenue adjustment in the amount of \$1,488.

The adjustment for public fire protection hydrants projected to be added during the two months ending February 28, 2023 of \$1,488 has been carried forward to Exhibit No. FII-2, page 7.

Q. Explain Exhibit No. FII-2-24.

A. Exhibit No. FII-2-24 projects operating revenues under existing rates for estimated metered residential gravity customers connected and disconnected during the twelve

1 months ending February 29, 2024. The projected net gain in number of metered  
2 residential gravity customers during the twelve months ending February 29, 2024, is 58.  
3 This projection is based on the average net gain in metered residential gravity customers  
4 for the two years ended December 31, 2021. The projected net gain of metered  
5 residential gravity customers during the twelve months ending February 29, 2024, of 58 is  
6 multiplied by the annual average revenue per average metered residential gravity  
7 customer of \$467.16 to derive the annualized revenue adjustment of \$27,095 (58 x  
8 \$467.16).

9  
10 In order to present the fully projected future test year metered sales to residential  
11 customers, it is necessary to determine the portion of the annualized revenue adjustment  
12 in the amount of \$27,095 that will occur during the twelve months ending February 29,  
13 2024. The projected net gain of metered residential gravity customers for the twelve  
14 months ending February 29, 2024, is presumed to occur evenly throughout the fully  
15 projected future test year.

16  
17 Accordingly, one half (0.50) of the annualized revenue adjustment determined in this  
18 Exhibit is projected to occur during the twelve months ending February 29, 2024. The  
19 portion of the annualized revenue adjustment included in the twelve months ending  
20 February 29, 2024, or \$13,548 ( $\$27,095 \times 0.50$ ) has been carried forward to Exhibit No.  
21 FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on  
22 Exhibit No. FII-2-34, which I will explain later.

23  
24 Q. Explain Exhibit No. FII-2-25.

25

1 A. Exhibit No. FII-2-25 projects operating revenues under existing rates for estimated  
2 metered residential repumped customers connected and disconnected during the twelve  
3 months ending February 29, 2024. The projected net gain in number of metered  
4 residential repumped customers during the twelve months ending February 29, 2024, is  
5 535. This projection is based on the average net gain in metered residential repumped  
6 customers for the two years ended December 31, 2021. The projected net gain of metered  
7 residential repumped customers during the twelve months ending February 29, 2024, of  
8 535 is multiplied by the annual average revenue per average metered residential  
9 repumped customer of \$563.34 to derive the annualized revenue adjustment of \$301,387  
10 (535 x \$563.34).

11

12 In order to present fully projected future test year metered sales to residential customers,  
13 it is necessary to determine the portion of the annualized revenue adjustment in the  
14 amount of \$301,387 that will occur during the twelve months ending February 29, 2024.  
15 The projected net gain of metered residential repumped customers for the twelve months  
16 ending February 29, 2024, is presumed to occur evenly throughout the fully projected  
17 future test year.

18

19 Accordingly, one half (0.50) of the annualized revenue adjustment determined in this  
20 Exhibit is projected to occur during the twelve months ending February 29, 2024. The  
21 portion of the annualized revenue adjustment included in the twelve months ending  
22 February 29, 2024, or \$150,693 ( $\$301,387 \times 0.50$ ) has been carried forward to Exhibit  
23 No. FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on  
24 Exhibit No. FII-2-35, which I will explain later.

25



1 Q. Explain Exhibit No. FII-2-26.

2 A. Exhibit No. FII-2-26 projects operating revenues under existing rates for estimated  
3 metered commercial gravity customers connected and disconnected during the twelve  
4 months ending February 29, 2024. The projected net gain in number of metered  
5 commercial gravity customers during the twelve months ending February 29, 2024, is 13.  
6 This projection is based on the average net gain in metered commercial gravity customers  
7 for the two years ended December 31, 2021. The projected net gain of metered  
8 commercial gravity customers during the twelve months ending February 29, 2024, of 13  
9 is multiplied by the annual average revenue per average metered commercial gravity  
10 customer of \$1,393.26 to derive the annualized revenue adjustment of \$18,112 (13 x  
11 \$1,393.26).

12

13 In order to present fully projected future test year metered sales to commercial customers,  
14 it is necessary to determine the portion of the annualized revenue adjustment in the  
15 amount of \$18,112 that will occur during the twelve months ending February 29, 2024.  
16 The projected net gain of metered commercial gravity customers for the twelve months  
17 ending February 29, 2024, is presumed to occur evenly throughout the fully projected  
18 future test year.

19

20 Accordingly, one-half (0.50) of the annualized revenue adjustment determined in this  
21 Exhibit is projected to occur during the twelve months ending February 29, 2024. The  
22 portion of the annualized revenue adjustment included in the twelve months ending  
23 February 29, 2024, or \$9,056 ( $\$18,112 \times 0.50$ ) has been carried forward to Exhibit No.  
24 FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on  
25 Exhibit No. FII-2-36, which I will explain later.

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Q. Explain Exhibit No. FII-2-27.

A. Exhibit No. FII-2-27 projects operating revenues under existing rates for estimated metered commercial repumped customers connected and disconnected during the twelve months ending February 29, 2024. The projected net gain in number of metered commercial repumped customers during the twelve months ending February 29, 2024, is 18. This projection is based on the average net loss in metered commercial repumped customers for the two years ended December 31, 2021. The projected net gain of metered commercial customers during the twelve months ending February 29, 2024, of 18 is multiplied by the annual average revenue per average metered commercial repumped customer of \$3,278.73 to derive the annualized revenue adjustment of \$59,017 (18 x \$3,278.73).

In order to present fully projected future test year metered sales to commercial customers, it is necessary to determine the portion of the annualized revenue adjustment in the amount of \$59,017 that will occur during the twelve months ending February 29, 2024. The projected net gain of metered commercial repumped customers for the twelve months ending February 29, 2024, is presumed to occur evenly throughout the fully projected future test year.

Accordingly, one-half (0.50) of the annualized revenue adjustment determined in this Exhibit is projected to occur during the twelve months ending February 29, 2024. The portion of the annualized revenue adjustment included in the twelve months ending February 29, 2024, or \$29,509 (\$59,017 x 0.50) has been carried forward to Exhibit

1 No.FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on  
2 Exhibit No. FII-2-37, which I will explain later.

3  
4 Q. Explain Exhibit No. FII-2-28.

5 A. Exhibit No. FII-2-28 projects private fire protection revenues under existing rates based  
6 on the projected number of private fire hydrants and standby private fire service  
7 connections placed in service during the fully projected future test year ending February  
8 29, 2024. The projected net gain in the number of private fire hydrants and standby  
9 private fire service connections is multiplied by the present annual rate for private fire  
10 hydrants and standby private fire service connections as approved by the Commission  
11 effective March 1, 2019, to derive the annualized private fire protection revenue  
12 adjustment in the amount of \$59,309. The projected net gain in the number of private fire  
13 hydrants and standby private fire service connections is based on the average gain in  
14 private fire hydrants and standby private fire service connections for the two years ended  
15 December 31, 2021.

16  
17 In order to present fully projected future test year private fire protection revenues, it is  
18 necessary to determine the portion of the annualized revenue adjustment in the amount of  
19 \$59,309 that will occur during the twelve months ending February 29, 2024. The  
20 projected net gain of private fire hydrants and standby private fire service connections for  
21 the twelve months ending February 29, 2024, is presumed to occur evenly throughout the  
22 fully projected future test year.

23  
24 Accordingly, one half (0.50) of the annualized revenue adjustment determined in this  
25 Exhibit is projected to occur during the twelve months ending February 29, 2024. The

1 portion of the annualized revenue adjustment included in the twelve months ending  
2 February 29, 2024, or \$29,654 ( $\$59,309 \times 0.50$ ) has been carried forward to Exhibit No.  
3 FII-2, page 7. The remainder of the annualized revenue adjustment is reflected on  
4 Exhibit No. FII-2-38, which I will explain later.

5  
6 Q. Explain Exhibit No. FII-2-29.

7 A. Exhibit No. FII-2-29 projects public fire protection revenues under existing rates based on  
8 the projected number of public fire hydrants placed in service during the fully projected  
9 future test year ending February 29, 2024. The projected net gain in the number of public  
10 fire hydrants is multiplied by the present annual rate for public fire hydrants as approved  
11 by the Commission effective March 1, 2019, to derive the annualized public fire  
12 protection revenue adjustment in the amount of \$8,930. The projected net gain in the  
13 number of public fire hydrants is based on the average net gain in public fire hydrants for  
14 the two years ended December 31, 2021.

15  
16 In order to present fully projected future test year public fire protection revenues, it is  
17 necessary to determine the portion of the annualized revenue adjustment in the amount of  
18 \$8,930 that will occur during the twelve months ending February 29, 2024. The projected  
19 net gain of public fire hydrants for the twelve months ending February 29, 2024, is  
20 presumed to occur evenly throughout the fully projected future test year.

21  
22 Accordingly, one half (0.50) of the annualized revenue adjustment determined in this  
23 Exhibit is projected to occur during the twelve months ending February 29, 2024.

24 The portion of the annualized revenue adjustment included in the twelve months ending  
25 February 29, 2024, or \$4,465 ( $\$8,930 \times 0.50$ ) has been carried forward to Exhibit No. FII-

1 2, page 7. The remainder of the annualized revenue adjustment is reflected on Exhibit  
2 No. FII-2-39, which I will explain later.

3  
4 Q. Explain Exhibit No. FII-2-30.

5 A. Exhibit No. FII-2-30 projects lease payments received for communication equipment  
6 installed on the Company's standpipes in accordance with the non-exclusive license  
7 agreements between the Company and non-affiliated cellular telephone companies.  
8 Projected rent from water property for the twelve months ending February 29, 2024, of  
9 \$500,677 reflects actual lease payments to be received during the twelve months ending  
10 February 29, 2024. The adjustment of \$7,875 is determined by subtracting the pro forma  
11 lease payments for the installation of communication equipment for the twelve months  
12 ended December 31, 2022, in the amount of \$492,802 (Refer to Exhibit No. FII-2-17)  
13 from the projected lease payments to be received and recorded as rental income during  
14 the twelve months ending February 29, 2024, of \$500,677 ( $\$500,677 - \$492,802 =$   
15  $\$7,875$ ). The revenue adjustment in the amount of \$7,875 has been carried forward to  
16 Exhibit No. FII-2, page 7.

17  
18 Q. Explain Exhibit No. FII-2-31.

19 A. Exhibit No. FII-2-31 projects customers' penalties based on projected sales of water  
20 under existing rates and a two-year average ratio of customers' penalties to total sales of  
21 water. Projected sales of water under existing rates (Refer to Exhibit No. FII-2) of  
22 \$52,286,385 are multiplied by the two-year average ratio of customers' penalties to total  
23 sales of water of 0.14% to determine the projected customers' penalties under existing  
24 rates of \$74,017 ( $\$52,286,385 \times 0.14\%$ ).

25

1 The adjustment to customers' accounts in the amount of \$447 is determined by  
2 subtracting pro forma customers' penalties under existing rates for twelve months ended  
3 December 31, 2022, of \$73,570 (Refer to Exhibit No. FII-2-18) from projected  
4 customers' penalties under existing rates for twelve months ending February 29, 2024, of  
5 \$74,017 ( $\$74,017 - \$73,570 = \$447$ ). The adjustment to customers' penalties of \$447 has  
6 been carried forward to Exhibit No. FII-2, page 7 as an adjustment to Account No.  
7 47100500.

8  
9 Q. Explain Exhibit No. FII-2-34.

10 A. Exhibit No. FII-2-34 annualizes operating revenues for estimated metered residential  
11 gravity customers connected and disconnected during the twelve months ending February  
12 29, 2024. As explained previously, the Company projects a net gain of 58 in the number  
13 of metered residential gravity customers during the twelve months ending February 29,  
14 2024. The projected net gain of metered residential gravity customers during the twelve  
15 months ending February 29, 2024, of 58 is multiplied by the annual average revenue per  
16 average metered residential gravity customer of \$467.16 to derive the annualized revenue  
17 adjustment of \$27,095 ( $58 \times \$467.16$ ).

18  
19 As explained previously with respect to Exhibit No. FII-2-24, I have already reflected in  
20 fully projected future test year revenues that portion of the increased revenues from these  
21 58 customers that are projected to be gained during the fully projected future test year  
22 ending February 29, 2024. That projected amount is \$13,548, or one half of the  
23 annualized revenue adjustment of \$27,095. The remaining half of the annualized revenue  
24 adjustment is reflected on Exhibit No. FII-2-34 as an annualization adjustment to the fully  
25

1 projected future test year projection. The remaining half of the annualized revenue  
2 adjustment of \$13,548 has been carried forward to Exhibit No. FII-2, page 8.

3  
4 Q. Explain Exhibit No. FII-2-35.

5 A. Exhibit No. FII-2-35 annualizes operating revenues for estimated metered residential  
6 repumped customers connected and disconnected during the twelve months ending  
7 February 29, 2024. As explained previously, the Company projects a net gain of 535 in  
8 the number of metered residential repumped customers during the twelve months ending  
9 February 29, 2024. The projected net gain of metered residential repumped customers  
10 during the twelve months ending February 29, 2024, of 535 is multiplied by the annual  
11 average revenue per average metered residential repumped customer of \$563.34 to derive  
12 the annualized revenue adjustment of \$301,387 (535 x \$563.34).

13  
14 As explained previously with respect to Exhibit No. FII-2-25, I have already reflected in  
15 fully projected future test year revenues that portion of the additional revenues from these  
16 535 customers that are projected to be received during the fully projected future test year  
17 ending February 29, 2024. That projected amount is \$150,693, or one half of the  
18 annualized revenue adjustment of \$301,387. The remaining half of the annualized  
19 revenue adjustment is reflected on Exhibit No. FII-2-35 as an annualization adjustment to  
20 the fully projected future test year projection. The remaining half of the annualized  
21 revenue adjustment of \$150,693 has been carried forward to Exhibit No. FII-2, page 8.

22  
23 Q. Explain Exhibit No. FII-2-36.

24 A. Exhibit No. FII-2-36 annualizes operating revenues for estimated metered commercial  
25 gravity customers connected and disconnected during the twelve months ending February

1 29, 2024. As explained previously, the Company projects a net gain of 13 in the number  
2 of metered commercial gravity customers during the twelve months ending February 29,  
3 2024. The projected net gain of metered commercial gravity customers during the twelve  
4 months ending February 29, 2024, of 13 is multiplied by the annual average revenue per  
5 average metered commercial gravity customer of \$1,393.26 to derive the annualized  
6 revenue adjustment of \$18,112 (13 x \$1,393.26).

7  
8 As explained previously with respect to Exhibit No. FII-2-26, I have already reflected in  
9 fully projected future test year revenues that portion of the reduced revenues from these  
10 13 customers that are projected to be gained during the fully projected future test year  
11 ending February 29, 2024. That projected amount is \$9,056, or one half of the annualized  
12 revenue adjustment of \$18,112. The remaining half of the annualized revenue adjustment  
13 is reflected on Exhibit No. FII-2-36 as an annualization adjustment to the fully projected  
14 future test year projection. The remaining half of the annualized revenue adjustment of  
15 \$9,056 has been carried forward to Exhibit No. FII-2, page 8.

16  
17 Q. Explain Exhibit No. FII-2-37.

18 A. Exhibit No. FII-2-37 annualizes operating revenues for estimated metered commercial  
19 repumped customers connected and disconnected during the twelve months ending  
20 February 29, 2024. As explained previously, the Company projects a net gain of 18 in the  
21 number of metered commercial repumped customers during the twelve months ending  
22 February 29, 2024. The projected net gain of metered commercial repumped customers  
23 during the twelve months ending February 29, 2024, of 18 is multiplied by the annual  
24 average revenue per average metered commercial repumped customer of \$3,278.73 to  
25 derive the annualized revenue adjustment of \$59,017 (18 x \$3,278.73).



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As explained previously with respect to Exhibit No. FII-2-27, I have already reflected in fully projected future test year revenues that portion of the additional revenues from these 18 customers that are projected to be gained during the fully projected future test year ending February 29, 2024. That projected amount is \$29,509, or one half of the annualized revenue adjustment of \$59,017. The remaining half of the annualized revenue adjustment is reflected on Exhibit No. FII-2-37 as an annualization adjustment to the fully projected future test year projection. The remaining half of the annualized revenue adjustment of \$29,509 has been carried forward to Exhibit No. FII-2, page 8.

Q. Explain Exhibit No. FII-2-38.

A. Exhibit No. FII-2-38 annualizes private fire protection revenues under existing rates based on the estimated number of private fire hydrants and standby private fire service connections placed in service during the fully projected future test year ending February 29, 2024. The projected net gain in the number of private fire hydrants and standby private fire service connections is multiplied by the present annual rate for private fire hydrants and standby private fire service connections as approved by the Commission effective March 1, 2019, to derive the annualized private fire protection revenue adjustment in the amount of \$59,309.

As explained previously with respect to Exhibit No. FII-2-28, I have already reflected in fully projected future test year revenues that portion of the additional revenues from these connections that are projected to be received during the fully projected future test year ending February 29, 2024. That projected amount is \$29,654, or one half of the annualized revenue adjustment of \$59,309. The remaining half of the annualized revenue

1 adjustment in the amount of \$29,654 is reflected on Exhibit No. FII-2-28 as an  
2 annualization adjustment to the fully projected future test year projection. The remaining  
3 half of the annualization adjustment in the amount of \$29,654 has been carried forward to  
4 Exhibit No. FII-2, page 8.

5  
6 Q. Explain Exhibit No. FII-2-39.

7 A. Exhibit No. FII-2-39 annualizes public fire protection revenues under existing rates based  
8 on the estimated number of public fire hydrants placed in service during the fully  
9 projected future test year ending February 29, 2024. The projected net gain in the number  
10 of public fire hydrants is multiplied by the present annual rate for public fire hydrants as  
11 approved by the Commission effective March 1, 2019, to derive the annualized public fire  
12 protection revenue adjustment in the amount of \$8,930.

13  
14 As explained previously with respect to Exhibit No. FII-2-29, I have already reflected in  
15 fully projected future test year revenues that portion of the additional revenues from these  
16 connections that are projected to be received during the fully projected future test year  
17 ending February 29, 2024. That projected amount is \$4,465, or one half of the annualized  
18 revenue adjustment of \$8,930. The remaining half of the annualized revenue adjustment  
19 in the amount of \$4,465 is reflected on Exhibit No. FII-2-39 as an annualization  
20 adjustment to the fully projected future test year projection. The remaining half of the  
21 annualized revenue adjustment in the amount of \$4,465 has been carried forward to  
22 Exhibit No. FII-2, page 8.

23  
24 Q. Explain Exhibit No. FII-2-40.

1 A. Exhibit No. FII-2-40 annualizes lease payments received for communication equipment  
2 installed on the Company's standpipes in accordance with the non-exclusive license  
3 agreement between the Company and cellular telephone companies. These cellular  
4 telephone companies are not affiliated with the Company. Rent from water property for  
5 the twelve months ending February 29, 2024, reflects annualized lease payments from the  
6 license agreements of \$501,595. The adjustment of \$918 is determined by subtracting the  
7 lease payments to be received and recorded as rental income during the twelve months  
8 ending February 29, 2024, of \$500,677 from the annual lease payments for the  
9 installation of communication equipment in the amount of \$501,595 ( $\$501,595 -$   
10  $\$500,677 = \$918$ ). This amount of \$918 has been carried forward to Exhibit No. FII-2,  
11 page 8.

12  
13 Q. Explain Exhibit No. FII-2-41.

14 A. Exhibit No. FII-2-41 annualizes customers' penalties based on pro forma sales of water  
15 under existing rates and a two-year average ratio of customers' penalties to total sales of  
16 water. Pro forma sales of water under existing rates (Refer to Exhibit No. FII-2) of  
17 \$52,523,311 are multiplied by the two-year average ratio of customers' penalties to total  
18 sales of water of 0.14% to determine the pro forma customers' penalties under existing  
19 rates of \$74,353 ( $\$52,523,311 \times 0.14\%$ ).

20  
21 The adjustment to customers' penalties in the amount of \$335 is determined by  
22 subtracting projected customers' penalties under existing rates for twelve months ending  
23 February 29, 2024, of \$74,017 (Refer to Exhibit No. FII-2-31) from pro forma customers'  
24 penalties under existing rates for twelve months ending February 29, 2024, of \$74,353

25

1 (\$74,353 - \$74,017 = \$335). The adjustment to customers' penalties of \$335 has been  
2 carried forward to Exhibit No. FII-2, page 8 as an adjustment to Account No. 47100500.

3  
4 Q. Explain Exhibit No. FII-2-42.

5 A. Exhibit No. FII-2-42 adjusts customers' penalties based on pro forma sales of water under  
6 proposed rates and a two-year average ratio of customers' penalties to total sales of water.  
7 Pro forma sales of water under proposed rates of \$68,683,317 are multiplied by the two-  
8 year average ratio of customers' penalties to total sales of water of 0.14% to determine  
9 the pro forma customers' penalties under proposed rates of \$97,229 ( $\$68,683,317 \times$   
10  $0.0014$ ).

11  
12 The adjustment to customers' penalties in the amount of \$22,876 is determined by  
13 subtracting pro forma customers' penalties under existing rates of \$74,353 (Refer to  
14 Exhibit No. FII-2-41) from pro forma customers' penalties under proposed rates of  
15 \$97,229 ( $\$97,229 - \$74,353 = \$22,876$ ). The adjustment to customers' penalties of  
16 \$22,876 has been carried forward to Exhibit No. FII-2, page 9, Column 6, as an  
17 adjustment to Account No. 47100500.

18  
19 Q. Explain Exhibit No. FII-3.

20 A. Exhibit No. FII-3 provides a comparison of present and proposed base rates. The present  
21 base rates are those set forth in Supplement No. 134 to Water-Pa P.U.C. No. 14 approved  
22 by the Commission March 1, 2019. The proposed base rates are set forth in Supplement  
23 No. 143 to Water-Pa. P.U.C. No. 14. A copy of the Company's proposed tariff  
24 supplement is attached to Exhibit No. FII-3.

25

1 Q. Explain Exhibit No. FII-4.

2 A. Exhibit No. FII-4 provides a detailed customer consumption analysis by customer  
3 classification and meter size. Pages 2 through 7 of Exhibit No. FII-4 provides the  
4 application of present metered base rates, which became effective March 1, 2019, to the  
5 pro forma customer consumption analysis for the twelve months ending February 29,  
6 2024.

7

8 Q. Explain Exhibit No. FII-9

9 A. Exhibit No. FII-9, page 2 provides the number of customers by class as of December 31,  
10 2019, 2020, and 2021 and the projected number of customers by class as of December 31,  
11 2022, and as of February 29, 2024, February 28, 2025, and February 28, 2026. Page 3 of  
12 Exhibit No. FII-9 provides consumption by customer class for the twelve months ended  
13 December 31, 2019, 2020, and 2021 and the projected consumption by customer class for  
14 the twelve months ending December 31, 2022, and as of February 29, 2024, February 28,  
15 2025, and February 28, 2026.

16

17 Q. Explain Exhibit No. FII-11.

18 A. Exhibit No. FII-11 provides revenues from sales for resale to four municipalities for years  
19 ended December 31, 2019, 2020, and 2021. These revenues are for single-point  
20 customers covered by the Company's tariff provisions and are included as commercial  
21 customer sales on the Company's books.

22

23 Q. Explain Exhibit No. FII-12.

24 A. Exhibit No. FII-12 provides consumption and billings at current metered base rates and  
25 proposed metered base rates for the Company's ten largest customers for the twelve

1 months ended December 31, 2021. Exhibit No. FII-12 also provides consumption and  
2 billing at metered base rates for the Company's ten largest customers for the twelve  
3 months ended December 31, 2020 and 2019.

4  
5 Q. Explain Exhibit No. FII-13.

6 A. Exhibit No. FII-13 provides consumption and billings for the twelve months ended  
7 December 31, 2021, 2020, and 2019 for the one (1) sale for resale customer not included  
8 in Exhibit No. FII-12.

9  
10 Q. Are you sponsoring any other exhibits relative to operating revenues?

11 A. Yes, I am also sponsoring Exhibit Nos. F (a)-2, F (a)-3, F (a)-4, F (a)-5, F (b)-4, F (b)-6,  
12 FII-5, FII-6, FII-7, FII-8, and FII-10.

13  
14 Q. Explain Exhibit No. FIII-1.

15 A. Exhibit No. FIII-1 is a comparative statement of operating expenses per books for the  
16 twelve months ended December 31, 2021, and projected operating expenses, by account,  
17 for the twelve months ending December 31, 2022, and February 29, 2024.

18  
19 Q. Explain Exhibit No. FIII-2.

20 A. The purpose of Exhibit No. FIII-2 is to summarize adjustments to operating expenses for  
21 the twelve months ending December 31, 2022, to annualize and normalize the effect of  
22 changes occurring during the twelve months ending December 31, 2022, to summarize  
23 adjustments to operating expenses for the twelve months ending February 29, 2024, to  
24 annualize and normalize the effect of changes occurring during the twelve months ending

25

1 February 29, 2024, and to reflect changes in uncollectible accounts expenses due to the  
2 increase in operating revenues resulting from the proposed increase in rates.

3  
4 Pro forma operating expenses for the twelve months ended December 31, 2021, in the  
5 amount of \$21,048,786 are shown in Column 1 of Exhibit FIII-2, pages 2 through 8.

6 Adjustments required to project operating expenses for the twelve months ending  
7 December 31, 2022, in the amount of \$1,349,424 are shown in Column 3 of Exhibit FIII-  
8 2, pages 2 through 8, and are detailed in Exhibit Nos. FIII-2-1 through FIII-2-12.

9 Projected operating expenses for the twelve months ending December 31, 2022, in the  
10 amount of \$22,398,210 are shown in Column 4 of Exhibit FIII-2, pages 2 through 8.

11  
12 Adjustments to operating expenses in the amount of \$284,677 to annualize and normalize  
13 the effect of changes projected to occur during the twelve months ending December 31,  
14 2022, are shown in Column 6 of Exhibit FIII-2, pages 2 through 8, and are detailed in  
15 Exhibit Nos. FIII-2-15 through FIII-2-22. Pro forma operating expenses for the twelve  
16 months ending December 31, 2022, in the amount of \$22,682,887 are shown in Column 7  
17 of Exhibit FIII-2, pages 2 through 8.

18  
19 Pro forma operating expenses for the twelve months ending December 31, 2022, in the  
20 amount of \$22,682,887 are shown in Column 1 of Exhibit FIII-2, pages 9 through 15.

21 Adjustments required to project operating expenses for the twelve months ending  
22 February 29, 2024, in the amount of \$458,930 are shown in Column 3 of Exhibit FIII-2,  
23 pages 9 through 15, and are detailed in Exhibit Nos. FIII-2-25 through FIII-2-37.

24 Projected operating expenses for the twelve months ending February 29, 2024, in the  
25 amount of \$23,141,818 are shown in Column 4 of Exhibit FIII-2, pages 9 through 15.

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Projected operating expenses for the twelve months ending February 29, 2024, in the amount of \$23,141,818 are shown in Column 1 of Exhibit FIII-2, pages 16 through 22. Adjustments to operating expenses in the amount of \$560,565 to annualize and normalize the effect of changes projected to occur during the twelve months ending February 29, 2024, are shown in Column 3 of Exhibit FIII-2, pages 16 through 22, and are detailed in Exhibit Nos. FIII-2-40 through FIII-2-51. Pro forma operating expenses for the twelve months ending February 29, 2024, in the amount of \$23,702,383 are shown in Column 4 of Exhibit FIII-2, pages 16 through 22.

Adjustments to operating expenses in the amount of \$84,234 to reflect changes in uncollectible accounts expenses due to the increase in operating revenues resulting from the proposed increase in rates are shown in Column 6 of Exhibit FIII-2, pages 16 through 22, and are detailed in Exhibit FIII-2-55. Pro forma operating expenses for the twelve months ending February 29, 2024, in the amount of \$23,786,617 are shown in Column 7 of Exhibit FIII-2, pages 16 through 22.

- Q. Explain Exhibit FIII-2-1.
- A. Exhibit FIII-2-1 is a projection of payroll expense for union and nonunion employees for the future test year ending December 31, 2022. It reflects projected hourly and salary rates effective in 2022, annual cash and equity incentive awards effective in 2022, and projected new employees. The Company included year-end bonuses in an amount of \$37,103 in projected payroll expense. The Company has consistently provided year-end bonuses to employees for over 26 years as a part of the employee’s overall compensation package, and this is an expected part of compensation. Column 1 of Exhibit FIII-2-1



1 reflects pro forma payroll expense for the twelve months ended December 31, 2021, in  
2 the amount of \$7,756,320 (Refer to Exhibit No. HIII-2-4). Column 2 of Exhibit No. FIII-  
3 2-1 reflects the effect during the twelve months ending December 31, 2022, of the  
4 projected hourly and salary rate increases effective in 2022, annual cash and equity  
5 incentive awards effective in 2022, and projected new employees, in the amount of  
6 \$687,500. The effect of the projected hourly and salary rate increases, annual cash and  
7 equity incentive awards, and projected new employees is determined and shown on  
8 Exhibit No. FIII-2-1 (a), which I will explain later. The effect during the twelve months  
9 ending December 31, 2022, of the projected hourly and salary rate increases, annual cash  
10 and equity incentive awards, and projected new employees in the amount of \$687,500 has  
11 been carried forward to Column 3 of Exhibit No. FIII-2, pages 2 through 8. Column 3 of  
12 Exhibit No. FIII-2-1 reflects the projected payroll expense for the twelve months ending  
13 December 31, 2022, in the amount of \$8,443,820.

14  
15 I note that a portion of projected payroll expense for certain specified supervisory and  
16 general office employees for twelve months ending December 31, 2022, was capitalized  
17 and is reflected, as a reduction to operating expenses, in Account No. 67580002,  
18 Administrative and General Expenses Capitalized, on Exhibit No. FIII-2-10, which I will  
19 explain later.

20  
21 Q. Explain Exhibit No. FIII-2-1 (a).

22 A. Exhibit No. FIII-2-1 (a) is a projection of the effect during the twelve months ending  
23 December 31, 2022, of the projected hourly and salary rate increases, annual cash and  
24 equity incentive awards, and projected new employees. Column 1 of Exhibit No. FIII-2-1  
25 (a) reflects the projected payroll expense for the twelve months ending December 31,

1 2022, in the amount of \$8,443,820. The projected payroll expense for the twelve months  
2 ending December 31, 2022, in the amount of \$8,443,820 is determined and shown on  
3 Exhibit No. FIII-2-1 (b), which I will explain later. Column 2 of Exhibit No. FIII-2-2 (a)  
4 reflects the annualized payroll expense for the historic test year in the amount of  
5 \$7,556,320 (Refer to Exhibit No. HIII-2-4). Column 3 of Exhibit No. FIII-2-2 (a) is the  
6 projected increase in payroll expense in the amount of \$687,500 as a result of the  
7 projected union employee increases effective May 1, 2022, the projected nonunion  
8 employee increases effective October 1, 2022, annual cash and equity incentive awards,  
9 and projected new employees. The projected increase in payroll expense is determined  
10 by subtracting the annualized historic test year payroll expense of \$7,756,320, shown in  
11 Column 2 from the projected payroll expense for the twelve months ending December 31,  
12 2022, of \$8,443,820, shown in Column 1 ( $\$8,443,820 - \$7,756,320 = \$687,500$ ). The  
13 amount of the projected payroll expense increases to be incurred during the twelve  
14 months ending December 31, 2022, in the amount of \$687,500 has been carried forward  
15 to Exhibit No. FIII-2-1, Column 2.

16  
17 Q. Explain Exhibit No. FIII-2-1 (b).

18 A. Exhibit No. FIII-2-1 (b) provides the distribution of projected labor based on Company  
19 labor for the two years ended December 31, 2021. Company labor for the twelve months  
20 ended December 31, 2021, of \$8,252,050, is shown in Column 1 of Exhibit No. FIII-2-1  
21 (b). Company labor for the twelve months ended December 31, 2020 of \$7,882,196 is  
22 shown in Column 2 of Exhibit No. FIII-2-1 (b). Two-Year Company Labor of  
23 \$16,134,246, which represents the addition of Company labor for the twelve months  
24 ended December 31, 2021, and Company labor for the twelve months ended December  
25 31, 2020, is shown in Column 3 on Exhibit No. FIII-2-1 (b). Projected payroll of

1           \$9,368,477 is distributed among the various capital and expense accounts based on the  
2           Two-Year Company Labor. The allocation factor of 0.58066 shown in Column 4 of  
3           Exhibit No. FIII-2-1 (b) used to distribute projected payroll among the various capital and  
4           expense accounts is calculated by dividing Projected Company Labor of \$9,368,477 by  
5           Two-Year Company Labor of \$16,134,246. The allocation factor of 0.58066 is  
6           multiplied by each capital and expense amount of Two-Year Company Labor shown in  
7           Column 3 of Exhibit No. FIII-2-1 (b) to determine the projected Company labor amount  
8           allocated to each capital and expense account shown in Column 5 of Exhibit No. FIII-2-1  
9           (b). Projected Company Labor Expense is carried forward to Column 1 of Exhibit No.  
10          FIII-2-1 (a).

11  
12   Q.    Explain Exhibit No. FIII-2-2.

13   A.    Exhibit No. FIII-2-2 projects trustee and portfolio management fees for the twelve  
14          months ending December 31, 2022, for the Company's qualified defined benefit pension  
15          plans based on projected plan asset values during 2022. The Company pays for trustee  
16          and portfolio management services for its qualified defined benefit pension plans based  
17          upon the plan asset values. The adjustment in trustee and portfolio management fees in  
18          the amount of \$5,940 is determined by subtracting pro forma trustee and portfolio  
19          management fees for the twelve months ended December 31, 2021, of \$163,959 (Refer to  
20          Exhibit No. HIII-2-13) from the projected trustee and portfolio management fees based  
21          on projected plan asset values during the twelve months ending December 31, 2022, of  
22          \$169,899, which is calculated based on a trustee and portfolio management fee of 0.25%,  
23          the current rate, of the average projected plan assets for 2022 of \$67,959,721  
24          (\$67,959,721 x 0.0025). The average projected plan assets for 2022 of \$67,959,721 is  
25          determined by averaging the actual plan assets as of December 31, 2021, of \$65,583,553

1 and projected plan assets as of December 31, 2022, of \$70,335,889, based on a 6.5%  
2 annual growth rate, assumed contributions and distributions. The adjustment in the  
3 amount of \$5,940 for projected trustee and portfolio management fees as an adjustment to  
4 Account No. 60480001 has been carried forward to Exhibit No. FIII-2, Column 3.  
5

6 Q. Explain Exhibit No. FIII-2-3.

7 A. Exhibit No. FIII-2-3 projects health insurance expense and group life insurance expense  
8 for the twelve months ending December 31, 2022, based on the Company's complement  
9 of employees and the annualization of actual monthly premiums effective in 2022 for  
10 health insurance and group life insurance. The Company offers health insurance  
11 coverage for its employees. The Company pays health benefits up to 80% of the  
12 premium cost for all participating employees. The Company also offers dental and vision  
13 programs for its employees. The Company pays for 80% of the participating employees'  
14 dental and vision benefits. The Company pays for a group life insurance benefit for all  
15 employees.  
16

17 The actual 2022 monthly insurance premiums by class are annualized to determine the  
18 projected annual health insurance expense of \$1,992,688. The adjustment in the amount  
19 of \$161,794 is determined by subtracting the portion of health insurance expense to be  
20 borne by all employees of \$396,116 and the pro forma health insurance expense for the  
21 twelve months ended December 31, 2021, in the amount of \$1,434,778 from the projected  
22 annual health insurance expense of \$1,992,688 ( $\$1,992,688 - \$396,116 - \$1,434,778 =$   
23  $\$161,794$ ). The adjustment to Account No. 60480005 of \$161,794 has been carried  
24 forward to Exhibit No. FIII-2, Column 3.  
25

1 I note that a portion of projected health insurance expense for the twelve months ended  
2 December 31, 2022, was capitalized in accordance with Appendix “B” to the Settlement  
3 Agreement in the Company’s 1987 rate case (Docket No. R-870769) and is reflected, as a  
4 reduction to operating expenses, in Account No. 67580002, Miscellaneous Expenses-  
5 Administrative and General Expenses Transferred on Exhibit No. FIII-2-10, which I will  
6 explain later.

7  
8 Q. Explain Exhibit No. FIII-2-4.

9 A. Exhibit No. FIII-2-4 adjusts auditing fees for the twelve months ending December 31,  
10 2022, based upon the Audit Committee approved proposal for services of the Company’s  
11 independent registered public accountants.

12  
13 The costs of auditing fees for twelve months ending December 31, 2022, are \$198,600.  
14 The adjustment of \$9,032 is determined by subtracting auditing fees incurred and  
15 recorded during the twelve months ended December 31, 2021, of \$189,568 from  
16 proposed auditing fees for the twelve months ending December 31, 2022, of \$198,600  
17 (\$198,600 - \$189,568 = \$9,032). The adjustment of auditing fees for the twelve months  
18 ending December 31, 2022, of \$9,032 as an adjustment to Account No. 63280 has been  
19 carried forward to Exhibit No. FIII-2, Column 3.

20  
21 Q. Explain Exhibit No. FIII-2-5.

22 A. Exhibit No. FIII-2-5 projects property, miscellaneous property floater, crime and  
23 fiduciary liability, ERISA bond, cyber, general liability, excess liability, directors and  
24 officers liability, pollution and underground storage tank liability, employment practices,  
25 flood, kidnap and ransom, service fee and highway restoration bond insurance expense

1 for the twelve months ending December 31, 2022, to reflect actual insurance premiums  
2 effective January 1, 2022. The projected property, miscellaneous property floater, crime  
3 and fiduciary liability, ERISA bond, cyber, general liability, excess liability, directors and  
4 officers liability, pollution and underground storage tank liability, employment practices,  
5 flood, kidnap and ransom, service fee and highway restoration bond insurance expense  
6 for the twelve months ending December 31, 2021, is shown in Column 2 of Exhibit No.  
7 FIII-2-5. Property, miscellaneous property floater, crime and fiduciary liability, ERISA  
8 bond, cyber, general liability, excess liability, directors and officers liability, pollution  
9 and underground storage tank liability, employment practices, flood, kidnap and ransom,  
10 service fee and highway restoration bond insurance expense of \$869,572 for the twelve  
11 months ended December 31, 2021, shown in Column 3 of Exhibit No. FIII-2-5, is  
12 subtracted from the projected insurance expense of \$1,000,281 to derive the adjustments  
13 to property, miscellaneous property floater, crime and fiduciary liability, ERISA bond,  
14 cyber, general liability, excess liability, directors and officers liability, pollution and  
15 underground storage tank liability, employment practices, flood, kidnap and ransom,  
16 service fee and highway restoration bond insurance expense shown in Column 4. The  
17 adjustments totaling \$130,709 for the insurance premiums have been carried forward to  
18 Exhibit No. FIII-2, Column 3.

19  
20 A portion of projected property insurance expense for twelve months ending December  
21 31, 2022, is capitalized in accordance with Appendix “B” to the Settlement Agreement in  
22 the Company’s 1987 rate case (Docket No. R-870769) and is reflected as a reduction to  
23 operating expenses in Account No. 67580002, Administrative and General Expenses  
24 Capitalized, on Exhibit No. FIII-2-10, which I will explain later.

25

1 Q. Explain Exhibit No. FIII-2-6.

2 A. Exhibit No. FIII-2-6 projects workers' compensation insurance expense based on  
3 projected payroll for the twelve months ending December 31, 2022, at workers  
4 compensation rates in effect as of January 1, 2022. Total projected payroll of \$9,368,477  
5 is detailed by workers' compensation insurance classifications of waterworks employees,  
6 outside sales and clerical employees in the amounts of \$4,855,365, \$1,164,616, and  
7 \$3,348,496, respectively. The actual January 1, 2022 workers' compensation premium  
8 rates per \$100 by classifications are \$2.89, \$0.28, and \$0.13 respectively. These rates are  
9 applied to the projected payroll by classification to determine the projected initial  
10 workers' compensation insurance premiums. The projected initial premiums are  
11 \$140,320 for waterworks employees, \$3,261 for outside sales, and \$4,353 for clerical  
12 employees. The projected initial premiums are subject to an increased employer's  
13 liability limit factor of 1.10% and an experience modification factor of 1.098 as  
14 established by the Pennsylvania Compensation Insurance Bureau. Total projected  
15 premiums subject to experience modification of \$147,934 ( $\$140,320 + \$3,261 + \$4,353 =$   
16  $\$147,934$ ) are multiplied by the increased employer's liability limit factor of 1.10% to  
17 determine the cost of the increased employer's liability limit of \$1,627 ( $\$147,934 \times$   
18  $0.011$ ). The total of initial premiums of \$147,934 and increased employer's liability limit  
19 cost of \$1,637 are multiplied by the Pennsylvania Experience Modification of 1.098 to  
20 arrive at adjusted workers' compensation insurance premiums of \$164,218 [ $(\$147,934 +$   
21  $\$1,627) \times 1.098$ ]. Adjusted workers' compensation insurance premiums of \$164,218 are  
22 reduced by a 5.0% schedule rating premium of \$(8,211) [ $\$164,218 \times (0.05)$ ] and  
23 decreased by a 5% safety credit of \$7,800 [ $(\$164,218 - \$8,211) \times 0.05$ ] to arrive at  
24 premiums adjusted by application of schedule rating and safety credit of \$148,207  
25 ( $\$164,218 - \$8,211 - \$7,800$ ). Premiums adjusted by application of schedule rating and

1 safety credit of \$148,207 are decreased by a 11.0% premium discount of \$16,303  
2 [\$148,207 x (0.11)] and increased by the Pennsylvania Compensation Rating Bureau Fee  
3 of \$175, a foreign and domestic terrorism surcharge of \$2,811, a catastrophe (other than  
4 terrorism) surcharge of \$1,874 and a 2.48% Pennsylvania Employer Assessment of  
5 \$3,392  $[(\$148,207 - \$16,303 + \$175 + \$2,811 + \$1,874) \times 0.0248]$  to determine projected  
6 workers' compensation insurance expense of \$140,155  $(\$148,207 - \$16,303 + \$175 +$   
7  $\$2,811 + \$1,874 + \$3,392)$ . The adjustment to Workers' Compensation Insurance  
8 expense of \$12,377 is determined by subtracting pro forma Workers' Compensation  
9 Insurance expense for the twelve months ended December 31, 2021, of \$127,778 from  
10 projected workers' compensation insurance expense of \$140,155  $(\$140,155 - \$127,778 =$   
11  $\$12,377)$ . The adjustment to Account No. 65880000 of \$12,377 has been carried forward  
12 to Exhibit No. FIII-2, Column 3.

13  
14 A portion of projected workers' compensation insurance expense for twelve months  
15 ending December 31, 2022, is capitalized in accordance with Appendix "B" to the  
16 Settlement Agreement in the Company's 1987 rate case (Docket No. R-870769) and is  
17 reflected, as a reduction to operating expenses, in Account No. 67580002, Administrative  
18 and General Expenses Capitalized, on Exhibit No. FIII-2-10, which I will explain later.

19  
20 Q. Explain Exhibit FIII-2-7.

21 A. Exhibit FIII-2-7 projects uncollectible accounts expense for the twelve months ending  
22 December 31, 2022, in the amount of \$269,660 by applying the two-year average percent  
23 of uncollectible accounts actually written off less recoveries of 0.52% to projected  
24 operating revenues under existing rates for the twelve months ending December 31, 2022,  
25 of \$51,733,559 (Refer to Exhibit No. FII-1)  $(\$51,733,559 \times 0.0052)$ . The adjustment to



1 uncollectible accounts in the amount of \$1,235 is determined by subtracting pro forma  
2 uncollectible accounts during the twelve months ended December 31, 2021, in the  
3 amount of \$268,425 (Refer to Exhibit No. HIII-2-2) from the calculated projected  
4 uncollectible accounts for ratemaking purposes in the amount of \$269,660 ( $\$269,660 -$   
5  $\$268,425 = \$1,235$ ). The adjustment to uncollectible accounts expense in the amount of  
6 \$1,235 to Account No. 67070000 has been carried forward to Exhibit FIII-2, Column 3.

7  
8 Q. Explain Exhibit No. FIII-2-8.

9 A. Exhibit No. FIII-2-8 projects the allocations to wastewater for the twelve months ending  
10 December 31, 2022, based on the Company's current allocation methodology and  
11 projected expense adjustments to the accounts that are allocated. Various expenses that  
12 are for both the water and wastewater portions of the business are recorded on the water  
13 side of the business. At the end of each accounting period, a portion of those allocable  
14 expenses are recorded as a reduction to expense on the water side of the business and an  
15 addition to expense on the wastewater side of the business.

16  
17 The allocable portion of indirect labor, indirect fringe benefits, and operating expense to  
18 wastewater based on the projected balances of the accounts to be allocated for the twelve  
19 months ending December 31, 2022, is calculated to be \$(493,323). The payroll taxes and  
20 fringe benefits on the direct labor recorded on the wastewater side of the business is  
21 calculated to be \$(112,121). The adjustment of \$(15,683) is determined by subtracting  
22 the allocation to wastewater for the twelve months ended December 31, 2021, of  
23 \$(589,761) by the calculated allocable portion of indirect labor, indirect fringe benefits,  
24 and operating expense of \$(493,323) and calculated payroll taxes and fringe benefits on  
25 the direct labor of \$(112,121) [ $\$(493,323) + \$(112,121) - \$(589,761) = \$(15,683)$ ]. The

1 adjustment of allocations to wastewater for the twelve months ending December 31,  
2 2022, of \$(15,683) as an adjustment to Account No. 67580005 has been carried forward  
3 to Exhibit No. FIII-2, Column 3.

4  
5 Q. Explain Exhibit No. FIII-2-9.

6 A. Exhibit No. FIII-2-9 projects director's fees for the twelve months ending December 31,  
7 2022, based on the Company's current complement of directors, schedule of Board of  
8 Director and Board committee meetings, and fee increase as of May 1, 2022. Directors  
9 who are also current employees of the Company receive no additional compensation for  
10 Board service.

11  
12 The projected costs of director's fees for twelve months ending December 31, 2022, are  
13 \$386,960. The adjustment of \$36,737 is determined by subtracting pro forma director's  
14 fees for the twelve months ended December 31, 2021, of \$350,224 from Exhibit No.  
15 HIII-2-8, from projected director's fees for the twelve months ending December 31, 2022,  
16 of \$386,960 ( $\$386,960 - \$350,224 = \$36,737$ ). The projection of director's fees for the  
17 twelve months ending December 31, 2022, of \$36,737 as an adjustment to Account No.  
18 67580800 has been carried forward to Exhibit No. FIII-2, Column 3.

19  
20 Q. Explain Exhibit No. FIII-2-10.

21 A. Exhibit No. FIII-2-10 projects administrative and general expenses capitalized for the  
22 twelve months ending December 31, 2022, as previously agreed to in the Settlement  
23 Agreements under Docket Nos. R-870769 and R-963619 based on projected indirect  
24 labor, employee benefit costs, property insurance, workers' compensation insurance, and

25

1 pension expense for the twelve months ending December 31, 2022, and a two-year  
 2 average capitalization ratio.

3  
 4 A portion of the pay of certain specified supervisory and general office employees is  
 5 capitalized (referred to as “indirect labor”) in addition to capitalized payroll determined  
 6 directly from employee time records. The Company has updated the specified  
 7 supervisory and general office employees to reflect the current complement of employee  
 8 positions. Some employee positions described in the settlement of the Company’s 1987  
 9 base rate proceeding no longer exist, and many new employee positions have been  
 10 created. The indirect labor capitalization is calculated based upon three, separate,  
 11 experienced ratios of directly capitalized payroll to total payroll, as follows:

	<u>Employee Position</u>	<u>Allocation</u>
14		
15	(a) President and Chief Executive Officer	Ratio of total payroll directly Capitalized to total payroll
16	Chief Operating Officer	
17	Chief Financial Officer	
18	Chief Administrative Officer and	
19	General Counsel	
20	Controller	
21	Finance Manager	
22	CPR Clerk	
23	CPR Clerk	
24	Buyer	
25	Materials and Supplies Clerk	
	Operations Manager	
22	(b) GIS Administrator	Ratio of directly capitalized payroll of Distribution System Department employees to total Distribution System Department payroll
23	Assistant Distribution Superintendent	
24	Assistant Distribution Superintendent	
25	Distribution Superintendent	
	Distribution Line Representative	
	Distribution Customer Service Manager	
	Distribution Services Representative	
	Engineering Technician	

1           Engineering Technician  
2           Dispatcher  
3           Relief Dispatcher

3	(c) Maintenance & Grounds Superintendent	Ratio of directly capitalized payroll
4	Maintenance & Grounds Assistant	of Maintenance and Grounds
5	Superintendent	Department employees to total
6	Maintenance & Grounds Assistant	Maintenance and Grounds
7	Superintendent	Department payroll

8           The two-year average general and administrative employees' capitalized ratio is 13.38%.

9           This ratio was applied to projected payroll of \$1,554,502 for the specified administrative  
10          and general employees to determine the projected capitalized indirect labor for general  
11          and administrative employees of \$207,980 ( $\$1,554,502 \times 0.1338$ ). The two-year average  
12          distribution employees' capitalized ratio is 17.95%. This ratio was applied to projected  
13          payroll of \$645,486 for the specified distribution employees to determine the projected  
14          capitalized indirect labor for distribution employees of \$115,890 ( $\$645,486 \times 0.1795$ ).

15          The two-year average maintenance and grounds employees' capitalized ratio is 5.94%.

16          This ratio was applied to projected payroll of \$232,040 for the specified maintenance and  
17          grounds employees to determine the projected capitalized indirect labor for maintenance  
18          and grounds employees' of \$13,773 ( $\$232,040 \times 0.0594$ ).

19  
20          As further provided in the settlement of the Company's 1987 base rate proceeding at  
21          Docket No. R-870769, a portion of group life and health insurance expense and property  
22          insurance expense will be capitalized based upon the ratio of capitalized payroll to total  
23          payroll.

1 In addition, as provided in the settlement of the Company's 1996 base rate proceeding at  
2 Docket No. R-963619, a portion of pension expense will be capitalized based upon the  
3 ratio of capitalized payroll to total payroll.

4  
5 The two-year average capitalized payroll ratio is 9.61%. This ratio was applied to  
6 projected group life and health insurance expense, property insurance expense and  
7 pension expense of \$1,596,572, \$146,100, and \$2,516,019, respectively, to determine the  
8 projected capitalized employee benefits, property insurance expense and pension expense  
9 of \$153,404, \$14,038, and \$241,748, respectively.

10  
11 The capitalized payroll ratio of 9.61% used to capitalize these expenses is different than  
12 the capitalized ratios used for indirect labor because the calculations are based on  
13 different allocation factors as prescribed by the Settlement Agreement. The latter ratio  
14 compares total capitalized payroll to total payroll, while the ratios used for indirect labor  
15 concern only a portion of the Company's employees.

16  
17 The capitalization ratios for workers' compensation and payroll taxes of 1.49% and  
18 8.01%, respectively, are based on a two-year average of the actual workers' compensation  
19 insurance premiums and payroll tax rates applied to capitalized payroll. The 1.49% ratio  
20 of workers' compensation was applied to pro forma capitalized labor from Exhibit FIII-2-  
21 1 (b) of \$918,246 to determine capitalized workers' compensation expense of \$13,725.  
22 The 8.01% ratio of payroll taxes (including FICA, FUTA, and SUTA) was applied to pro  
23 forma capitalized labor from Exhibit FIII-2-1 (b) of \$918,246 to determine capitalized  
24 payroll tax expense of \$73,562. These two ratios were not previously approved in a rate  
25 settlement, but they more accurately reflect the actual rates to be applied to capitalized

1 payroll. In addition, higher capitalization rates result in lower expenses and a lower  
2 revenue requirement. The same calculations were used in the Company's last rate case at  
3 Docket No. R-2018-3000019.

4  
5 Projected capitalized indirect labor, employee benefits, property insurance expense,  
6 payroll taxes and pension expense total \$834,118 ( $\$207,980 + \$115,890 + \$13,773 +$   
7  $\$153,404 + \$14,038 + \$13,725 + \$73,562 + \$241,748$ ). The adjustment to capitalized  
8 indirect labor, employee benefits, property insurance expense, payroll taxes and pension  
9 expense in the amount of \$33,593 is determined by subtracting pro forma capitalized  
10 indirect labor, employee benefits, property insurance expenses, payroll taxes and pension  
11 expense for the twelve months ended December 31, 2021, of \$800,525 from calculated  
12 projected capitalized indirect labor, employee benefits, property insurance expense,  
13 payroll taxes and pension expense of \$834,118 ( $\$834,118 - \$800,525$ ). The adjustment to  
14 capitalized indirect labor, employee benefits, property insurance expense, payroll taxes  
15 and pension expense in the amount of  $\$(33,593)$  as an adjustment to Account No.  
16 67580002 and Account No. 40801302 has been carried forward to Exhibit No. FIII-2,  
17 Column 3 and Exhibit No. FIV-15.

18  
19 Q. Explain Exhibit No. FIII-2-11.

20 A. Exhibit No. FIII-2-11 projects increased operating expenses for additional costs of  
21 customer accounting and collecting expenses (excluding uncollectible accounts),  
22 purchased power and chemicals resulting from the projection of the net increase in  
23 number of customers served during the twelve months ending December 31, 2022.

1 The historical average ratio of customer accounting and collecting, purchased power and  
2 chemical costs to sales of water of 7.10% for the two-year period ended December 31,  
3 2021, was calculated. This ratio was applied to the total operating revenue adjustments in  
4 the amount of \$236,925 representing projected increases from load growth, as calculated  
5 on Exhibit Nos. FII-2-1 through FII-2-6, to derive an adjustment of \$16,887 ( $\$236,925 \times$   
6  $0.071$ ). The adjustment in the amount of \$16,887 for additional costs of customer  
7 accounting and collecting, purchased power and chemicals has been carried forward to  
8 Exhibit No. FIII-2, Column 3.

9  
10 Q. Explain Exhibit No. FIII-2-12.

11 A. Exhibit No. FIII-2-12 projects the effect of inflation during the twelve months ending  
12 December 31, 2022, on operating expenses, which have not been specifically adjusted to  
13 future test year levels. Amounts specifically adjusted in this rate filing are identified and  
14 deducted from total operating expenses for twelve months ended December 31, 2021, to  
15 determine the remaining expenses for twelve months ended December 31, 2021, which  
16 have not been specifically adjusted to reflect the effects of inflation of \$5,628,687. The  
17 projected effect of inflation on operating expenses not specifically adjusted in the amount  
18 of \$360,236 is determined by applying the annual percent change in the CPI-U Index  
19 between February 2021 and February 2022 of 6.4% to the total operating expenses not  
20 specifically adjusted of \$5,628,687 ( $\$5,628,687 \times 0.064$ ). The adjustment of \$360,236  
21 has been carried forward to Exhibit No. FIII-2, Column 3 and identified as General Price  
22 Level Adjustment.

23  
24 Q. Explain Exhibit FIII-2-15.

25

1 A. Exhibit FIII-2-15 is a pro forma of payroll expense for union and nonunion employees for  
2 the future test year ending December 31, 2022. It reflects projected hourly and salary  
3 rates effective in 2022, annual cash and equity incentive awards effective in 2022, and  
4 projected new employees. The Company included year-end bonuses in an amount of  
5 \$37,103 in projected payroll expense. The Company has consistently provided year-end  
6 bonuses to employees for over 26 years as a part of the employee's overall compensation  
7 package, and this is an expected part of compensation. Column 1 of Exhibit FIII-2-1  
8 reflects projected payroll expense for the twelve months ended December 31, 2021, in the  
9 amount of \$8,443,820 (Refer to Exhibit No. FIII-2-1). Column 2 of Exhibit No. FIII-2-1  
10 reflects the effect during the twelve months ending December 31, 2022, of the pro forma  
11 hourly and salary rate increases effective in 2022, annual cash and equity incentive  
12 awards effective in 2022, and projected new employees in the amount of \$301,810. The  
13 effect of the pro forma hourly and salary rate increases, annual cash and equity incentive  
14 awards, and projected new employees is determined and shown on Exhibit No. FIII-2-15  
15 (a), which I will explain later. The effect during the twelve months ending December 31,  
16 2022, of the pro forma hourly and salary rate increases, annual cash and equity incentive  
17 awards, and projected new employees in the amount of \$301,810 has been carried  
18 forward to Column 6 of Exhibit No. FIII-2. Column 3 of Exhibit No. FIII-2-1 reflects the  
19 pro forma payroll expense for the twelve months ending December 31, 2022, in the  
20 amount of \$8,745,630.

21  
22 I note that a portion of pro forma payroll expense for certain specified supervisory and  
23 general office employees for twelve months ending December 31, 2022, was capitalized  
24 and is reflected, as a reduction to operating expenses, in Account No. 67580002,

25



1 Administrative and General Expenses Capitalized, on Exhibit No. FIII-2-21, which I will  
2 explain later.

3  
4 Q. Explain Exhibit No. FIII-2-15 (a).

5 A. Exhibit No. FIII-2-15 (a) is a pro forma of the effect during the twelve months ending  
6 December 31, 2022, of the projected hourly and salary rate increases, annual cash and  
7 equity incentive awards, and projected new employees. Column 1 of Exhibit No. FIII-2-1  
8 (a) reflects the pro forma payroll expense for the twelve months ending December 31,  
9 2022, in the amount of \$8,745,630. The pro forma payroll expense for the twelve months  
10 ending December 31, 2022, in the amount of \$8,745,630 is determined and shown on  
11 Exhibit No. FIII-2-15 (b), which I will explain later. Column 2 of Exhibit No. FIII-2-15  
12 (a) reflects the projected payroll expense for the twelve months ending December 31,  
13 2022 in the amount of \$8,443,820 (Refer to Exhibit No. FIII-2-1). Column 3 of Exhibit  
14 No. FIII-2-15 (a) is the pro forma increase in payroll expense in the amount of \$301,810  
15 as a result of the projected union employee increases effective May 1, 2022, the projected  
16 nonunion employee increases effective October 1, 2022, annual cash and equity incentive  
17 awards, and projected new employees. The pro forma increase in payroll expense is  
18 determined by subtracting the projected payroll expense for the twelve months ending  
19 December 31, 2022, of \$8,443,820, shown in Column 2 from the pro forma payroll  
20 expense for the twelve months ending December 31, 2022, of \$8,745,630, shown in  
21 Column 1 ( $\$8,745,630 - \$8,443,820 = \$301,810$ ). The amount of the pro forma payroll  
22 expense increases to be incurred during the twelve months ending December 31, 2022, in  
23 the amount of \$301,810 has been carried forward to Exhibit No. FIII-2-15, Column 2.

24  
25 Q. Explain Exhibit No. FIII-2-15 (b).

1 A. Exhibit No. FIII-2-15 (b) provides the distribution of pro forma labor based on Company  
2 labor for the two years ended December 31, 2021. Company labor for the twelve months  
3 ended December 31, 2021, of \$8,252,050, is shown in Column 1 of Exhibit No. FIII-2-1  
4 (b). Company labor for the twelve months ended December 31, 2020 of \$7,882,196 is  
5 shown in Column 2 of Exhibit No. FIII-2-1 (b). Two-Year Company Labor of  
6 \$16,134,246, which represents the addition of Company labor for the twelve months  
7 ended December 31, 2021, and Company labor for the twelve months ended December  
8 31, 2020, is shown in Column 3 on Exhibit No. FIII-2-1 (b). Pro forma payroll of  
9 \$9,703,337 is distributed among the various capital and expense accounts based on the  
10 Two-Year Company Labor. The allocation factor of 0.60141 shown in Column 4 of  
11 Exhibit No. FIII-2-15 (b) used to distribute pro forma payroll among the various capital  
12 and expense accounts is calculated by dividing Pro Forma Company Labor of \$9,703,337  
13 by Two-Year Company Labor of \$16,134,246. The allocation factor of 0.60141 is  
14 multiplied by each capital and expense amount of Two-Year Company Labor shown in  
15 Column 3 of Exhibit No. FIII-2-1 (b) to determine the pro forma Company labor amount  
16 allocated to each capital and expense account shown in Column 5 of Exhibit No. FIII-2-  
17 15 (b). Pro Forma Company Labor Expense is carried forward to Column 1 of Exhibit  
18 No. FIII-2-15 (a).

19

20 Q. Explain Exhibit No. FIII-2-16.

21 A. Exhibit No. FIII-2-16 adjusts trustee and portfolio management fees for the twelve  
22 months ending December 31, 2022, for the Company's qualified defined benefit pension  
23 plans based on projected plan asset values as of December 31, 2022. The Company pays  
24 for trustee and portfolio management services for its qualified defined benefit pension  
25 plans based upon the plan asset values. The adjustment in trustee and portfolio

1 management fees in the amount of \$5,940 is determined by subtracting projected trustee  
2 and portfolio management fees for the twelve months ending December 31, 2022, of  
3 \$169,899 (Refer to Exhibit No. FIII-2-2) from the pro forma trustee and portfolio  
4 management fees based on projected plan asset values as of December 31, 2022, of  
5 \$175,840, which is calculated based on a trustee and portfolio management fee of 0.25%  
6 of the projected plan assets as of December 31, 2022, of \$70,335,889 ( $\$70,335,889 \times$   
7  $0.0025$ ). The projected plan assets as of December 31, 2022, of \$70,335,889 are based on  
8 a 6.5% annual growth rate, assumed contributions and assumed distributions. The  
9 adjustment in the amount of \$5,940 for pro forma trustee and portfolio management fees  
10 as an adjustment to Account No. 60480001 has been carried forward to Exhibit No. FIII-  
11 2, Column 6.

12  
13 Q. Explain Exhibit No. FIII-2-17.

14 A. Exhibit No. FIII-2-17 adjusts workers' compensation insurance expense based on pro  
15 forma payroll at workers compensation rates in effect as of January 1, 2022. Total pro  
16 forma payroll of \$9,703,337 is detailed by workers' compensation insurance  
17 classifications of waterworks employees, outside sales and clerical employees in the  
18 amounts of \$4,949,871, \$1,225,298 and \$3,528,168, respectively. The actual January 1,  
19 2022 workers' compensation premium rates per \$100 by classifications are \$2.89, \$0.28,  
20 and \$0.13, respectively. These rates are applied to the pro forma payroll by classification  
21 to determine the pro forma initial workers' compensation insurance premiums. The  
22 initial premiums are \$143,051 for waterworks employees, \$3,431 for outside sales, and  
23 \$4,587 for clerical employees. The initial premiums are subject to an increased  
24 employer's liability limits factor of 1.10% and an experience modification factor of  
25 1.098, as established by the Pennsylvania Compensation Insurance Bureau. Total

1 premiums subject to experience modification of \$151,069 ( $\$143,051 + \$3,431 + \$4,587 =$   
2  $\$151,069$ ) are multiplied by the increased employer's liability limit factor of 1.10% to  
3 determine the cost of the increased employer's liability limits of \$1,662 ( $\$151,069 \times$   
4  $0.011$ ). The total of initial premiums of \$151,069 and increased employer's liability  
5 limits cost of \$1,662 are multiplied by the Pennsylvania Experience Modification of  
6 1.098 to arrive at adjusted workers' compensation insurance premiums of \$167,698  
7  $[(\$151,069 + \$1,662) \times 1.098]$ . Adjusted workers' compensation insurance premiums of  
8 \$167,698 are decreased by a 5.0% schedule rating premium of \$(8,385)  $[\$167,698 \times$   
9  $0.05]$  and decreased by a 5% safety credit of \$(7,966)  $[(\$167,698 - \$8,385) \times 0.05]$  to  
10 arrive at premiums adjusted by application of schedule rating and safety credit of  
11 \$151,348  $(\$167,698 - \$8,385 - \$7,966)$ . Premiums adjusted by application of schedule  
12 rating and safety credit of \$151,348 are decreased by a 11.0% premium discount of  
13 \$(16,648)  $(\$151,348 \times 0.11)$  and increased by the Pennsylvania Compensation Rating  
14 Bureau Fee of \$175, a foreign and domestic terrorism surcharge of \$2,911, a catastrophe  
15 (other than terrorism) surcharge of \$1,941 and a 2.48% Pennsylvania Employer  
16 Assessment of \$2,782  $[(\$151,348 - \$16,648 + \$175 + \$2,911 + \$1,941) \times 0.0248]$  to  
17 determine pro forma workers' compensation insurance expense of \$143,191  $(\$151,348 -$   
18  $\$16,648 + \$175 + \$2,911 + \$1,941 + \$3,465)$ . The adjustment to Workers'  
19 Compensation Insurance expense of \$3,036 is determined by subtracting projected  
20 Workers' Compensation Insurance expense during the twelve months ending December  
21 31, 2022, of \$140,155 from pro forma workers' compensation insurance expense of  
22 \$143,191  $(\$143,191 - \$140,155 = \$3,036)$ . The adjustment to Account No. 65880000 of  
23 \$3,036 has been carried forward to Exhibit No. FIII-2, Column 6.

1 A portion of pro forma workers' compensation insurance expense for twelve months  
2 ending December 31, 2022, is capitalized in accordance with Appendix "B" to the  
3 Settlement Agreement in the Company's 1987 rate case (Docket R-870769) and is  
4 reflected, as a reduction to operating expenses, in Account No. 67580002, Administrative  
5 and General Expenses Capitalized, on Exhibit No. FIII-2-21, which I will explain later.

6  
7 Q. Explain Exhibit No. FIII-2-18.

8 A. Exhibit No. FIII-2-18 annualizes uncollectible accounts expense for the twelve months  
9 ending December 31, 2022, in the amount of \$270,895 by applying the two-year average  
10 percent of uncollectible accounts actually written off less recoveries of 0.52% to pro  
11 forma operating revenues under existing rates for the twelve months ending December  
12 31, 2022, of \$51,970,485 (Refer to Exhibit No. FII-2) ( $\$51,970,485 \times 0.0052$ ). The  
13 adjustment to uncollectible accounts in the amount of \$1,235 is determined by subtracting  
14 projected uncollectible accounts during the twelve months ending December 31, 2022, in  
15 the amount of \$269,660 (Refer to Exhibit No. FIII-2-7) from the calculated pro forma  
16 uncollectible accounts for ratemaking purposes in the amount of \$270,895 ( $\$270,895 -$   
17  $\$269,660 = \$1,235$ ). The adjustment of \$1,235 to Account No. 67070000 has been  
18 carried forward to Exhibit No. FIII-2, Column 6.

19  
20 Q. Explain Exhibit No. FIII-2-19.

21 A. Exhibit No. FIII-2-19 annualizes the allocations to wastewater for the twelve months  
22 ending December 31, 2022, based on the Company's current allocation methodology and  
23 pro forma expense adjustments to the accounts that are allocated. Various expenses that  
24 are for both the water and wastewater portions of the business are recorded on the water  
25 side of the business. At the end of each accounting period, a portion of those allocable

1 expenses are recorded as a reduction to expense on the water side of the business and an  
2 addition to expense on the wastewater side of the business.

3  
4 The allocable portion of indirect labor, indirect fringe benefits and operating expense to  
5 wastewater based on the pro forma balances of the accounts to be allocated for the twelve  
6 months ending December 31, 2022, is calculated to be \$(502,945). The payroll taxes and  
7 fringe benefits on the direct labor recorded on the wastewater side of the business is  
8 calculated to be \$(116,129). The adjustment of \$(13,629) is determined by subtracting  
9 the projected allocation to wastewater for the twelve months ending December 31, 2022,  
10 of \$(605,444) (see Exhibit No. FIII-2-8) by the calculated allocable portion of indirect  
11 labor, indirect fringe benefits and operating expense of \$(502,945) and calculated payroll  
12 taxes and fringe benefits on the direct labor of \$(116,129) [ $$(502,945) + $(116,129) -$   
13  $$(605,444) = $(13,629)$ ]. The adjustment of allocations to wastewater for the twelve  
14 months ending December 31, 2022, of \$(13,629) as an adjustment to Account No.  
15 67580005 has been carried forward to Exhibit No. FIII-2, Column 6.

16  
17 Q. Explain Exhibit No. FIII-2-20.

18 A. Exhibit No. FIII-2-20 annualizes director's fees for the twelve months ending December  
19 31, 2022, based on the Company's current complement of directors, schedule of  
20 meetings, and the increased rates effective in May 2022. The adjustment to annualize, in  
21 the amount of \$9,010, is determined by subtracting the projected director's fees for the  
22 twelve months ending December 31, 2022 (see Exhibit No. FIII-2-9) in the amount of  
23 \$386,960 from the calculated pro forma director's fees for the twelve months ended  
24 December 31, 2022, of \$359,970 ( $$(359,970) - $386,960 = $9,010$ ). The annualization  
25 adjustment of \$9,010 is carried forward to Exhibit No. FIII-2, Column 6. Directors who

1 are also current employees of the Company receive no additional compensation for Board  
2 service.

3  
4 Q. Explain Exhibit No. FIII-2-21.

5 A. Exhibit No. FIII-2-21 adjusts administrative and general expenses capitalized for the  
6 twelve months ending December 31, 2022, in accordance with the Settlement Agreements  
7 under Docket Nos. R-870769 and R-963619 based on pro forma indirect labor, employee  
8 benefit costs, property insurance, workers' compensation insurance and pension expense  
9 for the twelve months ending December 31, 2022, and a two-year average capitalization  
10 ratio.

11  
12 A portion of the pay of certain specified supervisory and general office employees is  
13 capitalized (referred to as "indirect labor") in addition to capitalized payroll determined  
14 directly from employee time records. The Company has updated the specified  
15 supervisory and general office employees to reflect the current complement of employee  
16 positions. Some employee positions described in the Settlement of the Company's 1987  
17 base rate proceeding no longer exist, and many new employee positions have been  
18 created. The indirect labor capitalization is calculated based upon three, separate,  
19 experienced ratios of directly capitalized payroll to total payroll, as follows:

	<b><u>Employee Position</u></b>	<b><u>Allocation</u></b>
21	(a) President and Chief Executive Officer	Ratio of total payroll directly
22	Chief Operating Officer	Capitalized to total payroll
23	Chief Financial Officer	
24	Chief Administrative Officer and General Counsel	
25	Controller	
	Finance Manager	
	CPR Clerk	

CPR Clerk  
Buyer  
Materials and Supplies Clerk  
Operations Manager

- |    |     |                                       |                                       |
|----|-----|---------------------------------------|---------------------------------------|
| 3  | (b) | GIS Administrator                     | Ratio of directly capitalized payroll |
| 4  |     | Assistant Distribution Superintendent | of Distribution System Department     |
| 5  |     | Assistant Distribution Superintendent | employees to total Distribution       |
| 6  |     | Distribution Superintendent           | System Department payroll             |
| 7  |     | Distribution Line Representative      |                                       |
| 8  |     | Distribution Customer Service Manager |                                       |
| 9  |     | Distribution Services Representative  |                                       |
| 10 |     | Engineering Technician                |                                       |
| 11 |     | Engineering Technician                |                                       |
| 12 |     | Dispatcher                            |                                       |
| 13 |     | Relief Dispatcher                     |                                       |
| 14 | (c) | Maintenance & Grounds Superintendent  | Ratio of directly capitalized payroll |
| 15 |     | Maintenance & Grounds Assistant       | of Maintenance and Grounds            |
| 16 |     | Superintendent                        | Department employees to total         |
| 17 |     | Maintenance & Grounds Assistant       | Maintenance and Grounds               |
| 18 |     | Superintendent                        | Department payroll                    |

The two-year average general and administrative employees' capitalized ratio is 13.38%. This ratio was applied to pro forma payroll of \$1,648,045 for the specified administrative and general employees to determine the pro forma capitalized indirect labor for general and administrative employees of \$220,495 ( $\$1,648,045 \times 0.1338$ ).

The two-year average distribution employees' capitalized ratio is 17.95%. This ratio was applied to pro forma payroll of \$714,959 for the specified distribution employees to determine the pro forma capitalized indirect labor for distribution employees of \$128,363 ( $\$714,959 \times 0.1795$ ).

The two-year average maintenance and grounds employees' capitalized ratio is 5.94%. This ratio was applied to pro forma payroll of \$240,600 for the specified maintenance and



1 grounds employees to determine the pro forma capitalized indirect labor for maintenance  
2 and grounds employees of \$14,281 ( $\$240,600 \times 0.0594$ ).

3  
4 As further provided in the settlement of the Company's 1987 base rate proceeding at  
5 Docket No. R-870769, a portion of payroll taxes, group life and health insurance expense,  
6 workers' compensation insurance expense, and property insurance will be capitalized  
7 based upon the ratio of capitalized payroll to total payroll.

8  
9 The two-year average capitalized payroll ratio is 9.61%. This ratio was applied to pro  
10 forma group life and health insurance expense, property insurance expense, and pension  
11 expense of \$1,596,572, \$146,100, and \$2,521,960, respectively, to determine the pro  
12 forma capitalized employee benefits, property insurance expense, and pension expense of  
13 \$153,404, \$14,038, and \$242,318, respectively.

14  
15 The capitalized payroll ratio of 9.61% used to capitalize a portion of pension expense is  
16 lower than the capitalized ratios used for indirect labor because the calculations are based  
17 on different allocation factors as prescribed by the Settlement Agreement. The latter ratio  
18 compares total capitalized payroll to total payroll, while the ratios used for indirect labor  
19 concern only a portion of the Company's employees.

20  
21 The capitalization ratios for workers' compensation and payroll taxes of 1.49% and  
22 8.01%, respectively, are based on a two-year average of the actual workers' compensation  
23 insurance premiums and payroll tax rates applied to capitalized payroll. The 1.49% ratio  
24 of workers' compensation was applied to pro forma capitalized labor from Exhibit FIII-2-  
25 15 (b) of \$951,067 to determine capitalized workers' compensation expense of \$14,215.

1 The 8.01% ratio of payroll taxes (including FICA, FUTA and SUTA) was applied to pro  
2 forma capitalized labor from Exhibit FIII-2-15 (b) of \$951,067 to determine capitalized  
3 payroll tax expense of \$76,191. These two ratios were not previously approved in a rate  
4 settlement, but they more accurately reflect the actual rates to be applied to capitalized  
5 payroll. In addition, higher capitalization rates result in lower expenses and a lower  
6 revenue requirement. The same calculations were used in the Company's last rate case at  
7 Docket No. R-2018-3000019.

8  
9 Total pro forma capitalized indirect labor, employee benefits, property insurance expense,  
10 payroll taxes and pension expense total \$863,305 ( $\$220,495 + \$128,363 + \$14,281 +$   
11  $\$153,404 + \$14,038 + \$14,215 + \$76,191 + \$242,318$ ). The adjustment to capitalized  
12 indirect labor, employee benefits, property insurance expense, payroll taxes, and pension  
13 expense in the amount of \$29,187 is determined by subtracting projected capitalized  
14 indirect labor, employee benefits, property insurance expenses, payroll taxes, and pension  
15 expense for the twelve months ending December 31, 2022, of \$834,118 from calculated  
16 pro forma capitalized indirect labor, employee benefits, property insurance expense,  
17 payroll taxes, and pension expense of \$863,305 ( $\$863,305 - \$834,118$ ). The adjustment  
18 to capitalized indirect labor, employee benefits, property insurance expense, payroll  
19 taxes, and pension expense in the amount of \$(29,187) as an adjustment to Account No.  
20 67580002 and Account No. 40801302 has been carried forward to Exhibit No. FIII-2,  
21 Column 6 and Exhibit No. FIV-15, Column 6.

22  
23 Q. Explain Exhibit No. FIII-2-22.

24 A. Exhibit No. FIII-2-22 adjusts operating expenses in the amount of \$16,887 for additional  
25 costs of customer accounting and collecting expenses (excluding uncollectible accounts),

1 purchased power and chemicals resulting from the annualization of the net increase in  
2 number of customers served during the twelve months ending December 31, 2022. The  
3 historical average ratio of customer accounting and collecting, purchased power, and  
4 chemical costs to sales of water of 7.10% for the two-year period ended December 31,  
5 2021, was calculated. This ratio was applied to the total operating revenue adjustments in  
6 the amount of \$236,925 representing pro forma increases from load growth, as calculated  
7 on Exhibit Nos. FII-2-11 through FII-2-16, to derive the adjustment of \$16,887 ( $\$236,925$   
8  $\times 0.071$ ). The adjustment in the amount of \$16,887 for additional costs of customer  
9 accounting and collecting, purchased power and chemicals has been carried forward to  
10 Exhibit No. FIII-2, Column 6.

11  
12 Q. Explain Exhibit FIII-2-25.

13 A. Exhibit FIII-2-25 is a projection of payroll expense for union and nonunion employees for  
14 the fully projected future test year ending February 29, 2024. It reflects projected hourly  
15 and salary rates effective in 2023 and annual cash and equity incentive awards effective  
16 in 2023. The Company included year-end bonuses in an amount of \$37,103 in projected  
17 payroll expense. The Company has consistently provided year-end bonuses to employees  
18 for over 26 years as a part of the employee's overall compensation package, and this is an  
19 expected part of compensation. Column 1 of Exhibit FIII-2-1 reflects pro forma payroll  
20 expense for the twelve months ending December 31, 2022, in the amount of \$8,745,630  
21 (Refer to Exhibit No. FIII-2-15). Column 2 of Exhibit No. FIII-2-25 reflects the effect  
22 during the twelve months ending February 29, 2024, of the projected hourly and salary  
23 rate increases effective in 2023 and annual cash and equity incentive awards effective in  
24 2023 in the amount of \$136,051. The effect of the projected hourly and salary rate  
25 increases and annual cash and equity incentive awards is determined and shown on

1 Exhibit No. FIII-2-25 (a), which I will explain later. The effect during the twelve months  
2 ending February 29, 2024, of the projected hourly and salary rate increases and annual  
3 cash and equity incentive awards in the amount of \$136,051 has been carried forward to  
4 Column 3 of Exhibit No. FIII-2, pages 9 through 15. Column 3 of Exhibit No. FIII-2-25  
5 reflects the projected payroll expense for the twelve months ending February 29, 2024, in  
6 the amount of \$8,881,681.

7  
8 I note that a portion of projected payroll expense for certain specified supervisory and  
9 general office employees for twelve months ending February 29, 2024, was capitalized  
10 and is reflected, as a reduction to operating expenses, in Account No. 67580002,  
11 Administrative and General Expenses Capitalized, on Exhibit No. FIII-2-34, which I will  
12 explain later.

13  
14 Q. Explain Exhibit No. FIII-2-25 (a).

15 A. Exhibit No. FIII-2-25 (a) is a projection of the effect during the twelve months ending  
16 February 29, 2024, of the projected hourly and salary rate increases and annual cash and  
17 equity incentive awards. Column 1 of Exhibit No. FIII-2-25 (a) reflects the projected  
18 payroll expense for the twelve months ending February 29, 2024, in the amount of  
19 \$8,881,681. The projected payroll expense for the twelve months ending February 29,  
20 2024, in the amount of \$8,881,681 is determined and shown on Exhibit No. FIII-2-25 (b),  
21 which I will explain later. Column 2 of Exhibit No. FIII-2-25 (a) reflects the pro forma  
22 payroll expense for the future test year in the amount of \$8,745,630 (Refer to Exhibit No.  
23 FIII-2-15). Column 3 of Exhibit No. FIII-2-25 (a) is the projected increase in payroll  
24 expense in the amount of \$136,051 as a result of the projected union employee increases  
25 effective May 1, 2023, the projected nonunion employee increases effective October 1,

1 2023, and annual cash and equity incentive awards. The projected increase in payroll  
2 expense is determined by subtracting the pro forma future test year payroll expense of  
3 \$8,745,630, shown in Column 2 from the projected payroll expense for the twelve months  
4 ending February 29, 2024, of \$8,881,681, shown in Column 1 ( $\$8,881,681 - \$8,745,630 =$   
5  $\$136,051$ ). The amount of the projected payroll expense increases to be incurred during  
6 the twelve months ending February 29, 2024, in the amount of \$136,051 has been carried  
7 forward to Exhibit No. FIII-2-25, Column 2.

8  
9 Q. Explain Exhibit No. FIII-2-25 (b).

10 A. Exhibit No. FIII-2-1 (b) provides the distribution of projected labor based on Company  
11 labor for the two years ended December 31, 2021. Company labor for the twelve months  
12 ended December 31, 2021, of \$8,252,050, is shown in Column 1 of Exhibit No. FIII-2-1  
13 (b). Company labor for the twelve months ended December 31, 2020 of \$7,882,196 is  
14 shown in Column 2 of Exhibit No. FIII-2-1 (b). Two-Year Company Labor of  
15 \$16,134,246, which represents the addition of Company labor for the twelve months  
16 ended December 31, 2021, and Company labor for the twelve months ended December  
17 31, 2020, is shown in Column 3 on Exhibit No. FIII-2-1 (b). Projected payroll of  
18 \$9,854,287 is distributed among the various capital and expense accounts based on the  
19 Two-Year Company Labor. The allocation factor of 0.61077 shown in Column 4 of  
20 Exhibit No. FIII-2-25 (b) used to distribute projected payroll among the various capital  
21 and expense accounts is calculated by dividing Projected Company Labor of \$9,854,287  
22 by Two-Year Company Labor of \$16,134,246. The allocation factor of 0.61077 is  
23 multiplied by each capital and expense amount of Two-Year Company Labor shown in  
24 Column 3 of Exhibit No. FIII-2-25 (b) to determine the projected Company labor amount  
25 allocated to each capital and expense account shown in Column 5 of Exhibit No. FIII-2-

1 25 (b). Projected Company Labor Expense is carried forward to Column 1 of Exhibit No.  
2 FIII-2-25 (a).

3  
4 Q. Explain Exhibit No. FIII-2-26.

5 A. Exhibit No. FIII-2-26 projects trustee and portfolio management fees for the twelve  
6 months ending February 29, 2024, for the Company's qualified defined benefit pension  
7 plans based on projected plan asset values. The Company pays for trustee and portfolio  
8 management services for its qualified defined benefit pension plans based upon the plan  
9 asset values. The adjustment in trustee and portfolio management fees in the amount of  
10 \$7,550 is determined by subtracting pro forma trustee and portfolio management fees for  
11 the twelve months ended December 31, 2022, of \$175,840 (Refer to Exhibit No. HIII-2-  
12 16) from the projected trustee and portfolio management fees based on projected plan  
13 asset values during the twelve months ending February 29, 2024, of \$183,390, which is  
14 calculated based on a trustee and portfolio management fee of 0.25%, the current rate, of  
15 the average projected plan assets of \$73,356,023 ( $\$73,356,023 \times 0.0025$ ). The average  
16 projected plan assets of \$73,356,023 is determined by averaging the projected plan assets  
17 as of February 28, 2023, of \$71,181,996 and projected plan assets as of February 29,  
18 2024, of \$75,350,051, based on a 6.5% annual growth rate, assumed contributions and  
19 distributions. The adjustment in the amount of \$7,550 for projected trustee and portfolio  
20 management fees as an adjustment to Account No. 60480001 has been carried forward to  
21 Column 3 of Exhibit No. FIII-2, Pages 9 through 15.

22  
23 Q. Explain Exhibit No. FIII-2-27.

24 A. Exhibit No. FIII-2-27 projects health insurance expense for the twelve months ending  
25 February 29, 2024, based on the Company's complement of employees and the

1 annualization of projected monthly premiums effective in 2023, for health insurance and  
2 group life insurance. The Company offers health insurance coverage for its employees.  
3 The Company pays health benefits up to 80% of the premium cost for all participating  
4 employees. The Company also offers dental and vision programs for its employees. The  
5 Company pays for 80% of the participating employees' dental and vision benefits. The  
6 Company pays for a group life insurance benefit for all employees.

7  
8 The projected 2023 monthly insurance premiums by class, as determined through  
9 consultation with the Company's actuary, are annualized to determine the projected  
10 annual health insurance expense of \$2,123,831. The adjustment in the amount of \$99,136  
11 is determined by subtracting the portion of health insurance expense to be borne by all  
12 employees of \$428,123 and the projected health insurance expense for the twelve months  
13 ended December 31, 2022, in the amount of \$1,596,572 from the projected annual health  
14 insurance expense of \$2,123,831 ( $\$2,123,831 - \$428,123 - \$1,596,572 = \$99,136$ ). The  
15 adjustment to Account No. 60480005 of \$99,136 has been carried forward to Column 3  
16 of Exhibit No. FIII-2, pages 9 through 15.

17  
18 I note that a portion of projected health insurance expense for the twelve months ended  
19 February 29, 2024, was capitalized in accordance with Appendix "B" to the Settlement  
20 Agreement in the Company's 1987 rate case (Docket No. R-870769) and is reflected, as a  
21 reduction to operating expenses, in Account No. 67580002, Miscellaneous Expenses-  
22 Administrative and General Expenses Transferred on Exhibit No. FIII-2-34, which I will  
23 explain later.

24  
25 Q. Explain Exhibit No. FIII-2-28.

1 A. Exhibit No. FIII-2-28 projects auditing fees for the twelve months ending February 29,  
2 2024, based upon the increase in 2022 fees over 2021 fees of 3.0% for services of the  
3 Company's independent registered public accountants for the integrated audits of the  
4 financial statements and internal controls, quarterly reviews, and tax preparation of the  
5 federal income tax return, and upon the increase in 2022 fees over 2021 fees of 1.0% for  
6 service of the Company's independent auditors for the limited scope audits of the  
7 employee benefit plans.

8

9 The costs of auditing fees for twelve months ending December 31, 2022, are \$198,600 as  
10 shown on Exhibit No. FIII-2-4. Projected auditing fees for the twelve months ending  
11 February 29, 2024, of \$204,250 are calculated by taking the 2022 auditing fees for the  
12 integrated audits of the financial statements and internal controls, quarterly reviews, and  
13 tax preparation of the federal income tax return and applying a 3.0% increase ( $\$180,600 \times$   
14  $1.03 = \$186,050$ ) and by taking the 2022 auditing fees for the limited scope audits of the  
15 employee benefit plans and applying a 1.0% increase ( $\$18,000 \times 1.01 = \$18,200$ ). The  
16 adjustment of \$5,650 is determined by subtracting auditing fees for the twelve months  
17 ending December 31, 2022, of \$198,600 from proposed auditing fees for the twelve  
18 months ending February 29, 2024, of \$204,250 ( $\$204,250 - \$198,600 = \$5,650$ ). The  
19 adjustment to auditing fees for the twelve months ending February 29, 2024, of \$5,650 as  
20 an adjustment to Account No. 63280 has been carried forward to Column 3 of Exhibit  
21 No. FIII-2, pages 9 through 15.

22

23 Q. Explain Exhibit No. FIII-2-29.

24 A. Exhibit No. FIII-2-29 projects property, miscellaneous property floater, crime and  
25 fiduciary liability, ERISA bond, cyber, general liability, excess liability, directors and



1 officers liability, pollution and underground storage tank liability, employment practices,  
2 flood, kidnap and ransom, service fee and highway restoration bond insurance expense  
3 for the twelve months ending February 29, 2024, based upon actual insurance premiums  
4 effective January 1, 2022, with an average inflationary increases and anticipated increases  
5 in coverage amounts of certain lines of insurance. The projected property, miscellaneous  
6 property floater, crime and fiduciary liability, ERISA bond, cyber, general liability,  
7 excess liability, directors and officers liability, pollution and underground storage tank  
8 liability, employment practices, flood, kidnap and ransom, service fee, and highway  
9 restoration bond insurance expense for the twelve months ending February 29, 2024, is  
10 shown in Column 2. Property, miscellaneous property floater, crime and fiduciary  
11 liability, ERISA bond, cyber, general liability, excess liability, directors and officers  
12 liability, pollution and underground storage tank liability, employment practices, flood,  
13 kidnap and ransom, service fee, and highway restoration bond insurance expense of  
14 \$1,000,281 for the future test year ended December 31, 2022, shown in Column 3 of  
15 Exhibit No. FIII-2-5, is subtracted from the projected insurance expense of \$1,172,131 to  
16 derive the adjustments to property, miscellaneous property floater, crime and fiduciary  
17 liability, ERISA bond, cyber, general liability, excess liability, directors and officers  
18 liability, pollution and underground storage tank liability, employment practices, flood,  
19 kidnap and ransom, service fee, and highway restoration bond insurance expense shown  
20 in Column 4. The adjustments totaling \$171,850 for the insurance premiums have been  
21 carried forward to Column 3 of Exhibit No. FIII-2, pages 9 through 15.

22  
23 A portion of projected property insurance expense for twelve months ending February 29,  
24 2024, is capitalized in accordance with Appendix “B” to the Settlement Agreement in the  
25 Company’s 1987 rate case (Docket No. R-870769) and is reflected as a reduction to

1 operating expenses in Account No. 67580002, Administrative and General Expenses  
2 Capitalized, on Exhibit No. FIII-2-34, which I will explain later.

3  
4 Q. Explain Exhibit No. FIII-2-30.

5 A. Exhibit No. FIII-2-30 projects workers' compensation insurance expense based on  
6 projected payroll for the twelve months ending February 29, 2024, at workers  
7 compensation rates in effect as of January 1, 2022. Total projected payroll of \$9,854,287  
8 is detailed by workers' compensation insurance classifications of waterworks employees,  
9 outside sales and clerical employees in the amounts of \$5,033,456, \$1,242,969 and  
10 \$3,577,862, respectively. The actual January 1, 2022 workers' compensation premium  
11 rates per \$100 by classifications are \$2.89, \$0.28, and \$0.13 respectively. These rates are  
12 applied to the projected payroll by classification to determine the projected initial  
13 workers' compensation insurance premiums. The projected initial premiums are  
14 \$145,467 for waterworks employees, \$3,480 for outside sales and \$4,651 for clerical  
15 employees. The projected initial premiums are subject to an increased employer's  
16 liability limit factor of 1.10% and an experience modification factor of 1.098 as  
17 established by the Pennsylvania Compensation Insurance Bureau. Total projected  
18 premiums subject to experience modification of \$153,598 ( $\$145,467 + \$3,480 + \$4,651 =$   
19  $\$153,598$ ) are multiplied by the increased employer's liability limit factor of 1.10% to  
20 determine the cost of the increased employer's liability limit of \$1,690 ( $\$153,598 \times$   
21  $0.011$ ). The total of initial premiums of \$153,598 and increased employer's liability limit  
22 cost of \$1,690 are multiplied by the Pennsylvania Experience Modification of 1.098 to  
23 arrive at adjusted workers' compensation insurance premiums of \$170,506 [ $(\$153,598 +$   
24  $\$1,690) \times 1.098$ ]. Adjusted workers' compensation insurance premiums of \$170,506 are  
25 decreased by a 5.0% schedule rating premium of \$(8,525) [ $\$170,506 \times (0.05)$ ] and

1 decreased by a 5% safety credit of \$(8,099)  $[(\$170,506 - \$8,525) \times 0.05]$  to arrive at  
2 premiums adjusted by application of schedule rating and safety credit of \$153,882  
3  $(\$170,506 - \$8,525 - \$8,099)$ . Premiums adjusted by application of schedule rating and  
4 safety credit of \$153,882 are decreased by a 11.0% premium discount of  $\$(16,927)$   
5  $[\$153,882 \times (0.11)]$  and increased by the Pennsylvania Compensation Rating Bureau Fee  
6 of \$175, a foreign and domestic terrorism surcharge of \$2,956, a catastrophe (other than  
7 terrorism) surcharge of \$1,971, and a 2.48% Pennsylvania Employer Assessment of  
8  $\$3,523 [(\$153,882 - \$16,927 + \$175 + \$2,956 + \$1,971) \times 0.0248]$  to determine projected  
9 workers' compensation insurance expense of \$145,580  $[(\$153,882 - \$16,927 + \$175 +$   
10  $\$2,956 + \$1,971 + \$3,523)$ . The adjustment to Workers' Compensation Insurance  
11 expense of \$2,389 is determined by subtracting pro forma Workers' Compensation  
12 Insurance expense for the twelve months ended December 31, 2022, of \$143,191 from  
13 projected workers' compensation insurance expense of \$145,580  $(\$145,580 - \$143,191 =$   
14  $\$2,389)$ . The adjustment to Account No. 65880000 of \$2,389 has been carried forward to  
15 Column 3 of Exhibit No. FIII-2, pages 9 through 15.

16  
17 A portion of projected workers' compensation insurance expense for twelve months  
18 ending February 29, 2024, is capitalized in accordance with Appendix "B" to the  
19 Settlement Agreement in the Company's 1987 rate case (Docket No. R-870769) and is  
20 reflected, as a reduction to operating expenses, in Account No. 67580002, Administrative  
21 and General Expenses Capitalized, on Exhibit No. FIII-2-34, which I will explain later.

22  
23 Q. Explain Exhibit No. FIII-2-31.

24 A. Exhibit No. FIII-2-31 projects uncollectible accounts expense for the twelve months  
25 ending February 29, 2024, in the amount of \$272,542 by applying the two-year average

1 percent of uncollectible accounts actually written off less recoveries of 0.52% to  
2 projected operating revenues under existing rates for the twelve months ending February  
3 29, 2024, of \$52,286,385 (Refer to Exhibit No. FII-1) ( $\$52,286,385 \times 0.0052$ ). The  
4 adjustment to uncollectible accounts in the amount of \$1,647 is determined by subtracting  
5 pro forma uncollectible accounts during the twelve months ending December 31, 2022, in  
6 the amount of \$270,895 (Refer to Exhibit No. FIII-2-18) from the calculated projected  
7 uncollectible accounts for ratemaking purposes in the amount of \$272,542 ( $\$272,542 -$   
8  $\$270,895 = \$1,647$ ). The adjustment to uncollectible accounts expense in the amount of  
9 \$1,647 to Account No. 67070000 has been carried forward to Column 3 of Exhibit FIII-2,  
10 pages 9 through 15.

11  
12 Q. Explain Exhibit No. FIII-2-32.

13 A. Exhibit No. FIII-2-32 projects the allocations to wastewater for the twelve months ending  
14 February 29, 2024, based on the Company's current allocation methodology and  
15 projected expense adjustments to the accounts that are allocated. Various expenses that  
16 are for both the water and wastewater portions of the business are recorded on the water  
17 side of the business. At the end of each accounting period, a portion of those allocable  
18 expenses are recorded as a reduction to expense on the water side of the business and an  
19 addition to expense on the wastewater side of the business.

20  
21 The allocable portion of indirect labor, indirect fringe benefits, and operating expense to  
22 wastewater based on the projected balances of the accounts to be allocated for the twelve  
23 months ending February 29, 2024, is calculated to be \$(484,130). The payroll taxes and  
24 fringe benefits on the direct labor recorded on the wastewater side of the business is  
25 calculated to be \$(117,935). The adjustment of \$17,008 is determined by subtracting the

1 allocation to wastewater for the future test year ended December 31, 2022, of \$(619,073)  
2 (see Exhibit No. FIII-2-19) by the calculated allocable portion of indirect labor, indirect  
3 fringe benefits and operating expense of \$(484,130) and calculated payroll taxes and  
4 fringe benefits on the direct labor of \$(117,935) [ $$(484,130) + $(117,935) - $(619,073) =$   
5 \$17,008]. The adjustment of allocations to wastewater for the twelve months ending  
6 February 29, 2024, of \$17,008 as an adjustment to Account No. 67580005 has been  
7 carried forward to Column 3 of Exhibit No. FIII-2, pages 9 through 15.

8  
9 Q. Explain Exhibit No. FIII-2-33.

10 A. Exhibit No. FIII-2-33 projects director's fees for the twelve months ending February 29,  
11 2024, based on the Company's 2022 complement of directors, schedule of Board of  
12 Director and Board committee meetings, and projected fee increase as of May 1, 2023.  
13 Directors who are also current employees of the Company receive no additional  
14 compensation for Board service.

15  
16 The projected costs of director's fees for the twelve months ending February 29, 2024,  
17 are \$422,833. The adjustment of \$26,863 is determined by subtracting pro forma  
18 director's fees for the twelve months ended December 31, 2022, of \$395,970 from  
19 Exhibit No. FIII-2-25, from projected director's fees for the twelve months ending  
20 February 29, 2024, of \$422,833 ( $$422,833 - $395,970 = $26,863$ ). The projection of  
21 director's fees for the twelve months ending February 29, 2024, of \$26,863 as an  
22 adjustment to Account No. 67580800 has been carried forward to Column 3 of Exhibit  
23 No. FIII-2, pages 9 through 15.

24  
25 Q. Explain Exhibit No. FIII-2-34.

1 A. Exhibit No. FIII-2-34 projects administrative and general expenses capitalized for the  
2 twelve months ending February 29, 2024, as previously agreed to in the Settlement  
3 Agreements under Docket Nos. R-870769 and R-963619 based on projected indirect  
4 labor, employee benefit costs, property insurance, workers' compensation insurance, and  
5 pension expense for the twelve months ending February 29, 2024, and a two-year average  
6 capitalization ratio.

7  
8 A portion of the pay of certain specified supervisory and general office employees is  
9 capitalized (referred to as "indirect labor") in addition to capitalized payroll determined  
10 directly from employee time records. The Company has updated the specified  
11 supervisory and general office employees to reflect the current complement of employee  
12 positions. Some employee positions described in the settlement of the Company's 1987  
13 base rate proceeding no longer exist, and many new employee positions have been  
14 created. Please refer to my testimony with regard to Exhibit No. FIII-2-10 for a listing of  
15 employee positions capitalized and the allocation ratio for each.

16  
17 The two-year average general and administrative employees' capitalized ratio is 13.38%.  
18 This ratio was applied to projected payroll of \$1,668,606 for the specified administrative  
19 and general employees to determine the projected capitalized indirect labor for general  
20 and administrative employees of \$223,246 ( $\$1,658,606 \times 0.1338$ ). The two-year average  
21 distribution employees' capitalized ratio is 17.95%. This ratio was applied to projected  
22 payroll of \$723,858 for the specified distribution employees to determine the projected  
23 capitalized indirect labor for distribution employees of \$129,960 ( $\$723,858 \times 0.1795$ ).

1 The two-year average maintenance and grounds employees' capitalized ratio is 5.94%.  
2 This ratio was applied to projected payroll of \$243,597 for the specified maintenance and  
3 grounds employees to determine the projected capitalized indirect labor for maintenance  
4 and grounds employees' of \$14,459 ( $\$243,597 \times 0.0594$ ).

5  
6 As further provided in the settlement of the Company's 1987 base rate proceeding at  
7 Docket No. R-870769, a portion of group life and health insurance expense and property  
8 insurance expense will be capitalized based upon the ratio of capitalized payroll to total  
9 payroll. In addition, as provided in the settlement of the Company's 1996 base rate  
10 proceeding at Docket No. R-963619 a portion of pension expense will be capitalized  
11 based upon the ratio of capitalized payroll to total payroll.

12  
13 The two-year average capitalized payroll ratio is 9.61%. This ratio was applied to  
14 projected group life and health insurance expense, property insurance expense, and  
15 pension expense of \$1,695,708, \$160,710, and \$1,785,510, respectively, to determine the  
16 projected capitalized employee benefits, property insurance expense, and pension expense  
17 of \$162,929, \$15,442 and \$171,558, respectively.

18  
19 The capitalized payroll ratio of 9.61% used to capitalize these expenses is different than  
20 the capitalized ratios used for indirect labor because the calculations are based on  
21 different allocation factors as prescribed by the Settlement Agreement. The latter ratio  
22 compares total capitalized payroll to total payroll, while the ratios used for indirect labor  
23 concern only a portion of the Company's employees.

1 The capitalization ratios for workers' compensation and payroll taxes of 1.49% and  
2 8.01%, respectively, are based on a two-year average of the actual workers' compensation  
3 insurance premiums and payroll tax rates applied to capitalized payroll. The 1.49% ratio  
4 of workers' compensation was applied to pro forma capitalized labor from Exhibit FIII-2-  
5 25 (b) of \$965,862 to determine capitalized workers' compensation expense of \$14,436.  
6 The 8.01% ratio of payroll taxes (including FICA, FUTA and SUTA) was applied to pro  
7 forma capitalized labor from Exhibit FIII-2-25 (b) of \$965,862 to determine capitalized  
8 payroll tax expense of \$77,376. These two ratios were not previously approved in a rate  
9 settlement, but they more accurately reflect the actual rates to be applied to capitalized  
10 payroll. In addition, higher capitalization rates result in lower expenses and a lower  
11 revenue requirement. The same calculations were used in the Company's last rate case at  
12 Docket No. R-2018-3000019.

13  
14 Projected capitalized indirect labor, employee benefits, property insurance expense,  
15 payroll taxes, and pension expense total \$809,406 ( $\$223,246 + \$129,960 + \$14,459 +$   
16  $\$162,929 + \$15,442 + \$14,436 + \$77,376 + \$171,558$ ). The adjustment to capitalized  
17 indirect labor, employee benefits, property insurance expense, payroll taxes, and pension  
18 expense in the amount of \$(53,899) is determined by subtracting pro forma capitalized  
19 indirect labor, employee benefits, property insurance expenses, payroll taxes, and pension  
20 expense for the twelve months ended December 31, 2022, of \$863,305 from calculated  
21 projected capitalized indirect labor, employee benefits, property insurance expense,  
22 payroll taxes and pension expense of \$809,406 ( $\$809,406 - \$863,305$ ). The adjustment to  
23 capitalized indirect labor, employee benefits, property insurance expense, payroll taxes,  
24 and pension expense in the amount of \$53,899 as an adjustment to Account No.

25



1 67580002 and Account No. 40801302 has been carried forward to Column 3 of Exhibit  
2 No. FIII-2, pages 9 through 15 and Exhibit No. FIV-15.

3  
4 Q. Explain Exhibit No. FIII-2-35.

5 A. Exhibit No. FIII-2-35 is to adjust pension expense included in the cost of service for the  
6 Company's two defined benefit pension plans (one plan for general and administrative  
7 employees and one plan for union-represented employees) to reflect the cash contribution  
8 to the pension trust. The Company has reflected in its cost of service for ratemaking  
9 purposes the cash contributions to its two defined benefit pension plans since the pension  
10 plans were established in 1959. The Commission in its Order at Docket R-00027975,  
11 dated June 26, 2003, in its Order at Docket No. R-00049165, dated November 9, 2004, in  
12 its Order at Docket No. R-00061322, dated September 16, 2006, in its Order at Docket  
13 No. R-2008-2023067, dated October 9, 2008, in its Order at Docket No. R-2010-  
14 2157140, dated November 4, 2010, in its Order at Docket No. R-2012-2336379, dated  
15 February 28, 2014, and in its Order at Docket No. R-2018-3000019, dated March 1, 2019,  
16 approved cash contributions plus administrative costs as the basis for the Company's  
17 ratemaking claim for pension expense as part of full settlements of those cases.

18  
19 The Company intends to make cash contributions to its two defined benefit pension plans  
20 equal to the Service Cost as of January 1, 2021, the Amortization of Net Loss as of  
21 January 1, 2021, and the Amortization of Prior Service Cost as of January 1, 2021. The  
22 service cost represents the cost of benefits that are earned each year by the participants.  
23 The amortization of the net loss is the recognition of losses from the annual  
24 remeasurement of the plan over a period of time the Company believes is consistent with  
25 the recognition of the ongoing service cost. The amortization of the prior service cost is

1 the recognition of the benefit of previous plan amendments the Company believes is  
2 consistent with the recognition of the ongoing service cost.

3  
4 For the general and administrative employees pension plan, the service cost is \$771,920,  
5 the amortization of the net loss is \$389,249, and the amortization of the prior service cost  
6 is \$(12,379). For the union-represented employees pension plan, the service cost is  
7 \$313,584, the amortization of the net loss is \$93,798, and the amortization of the prior  
8 service cost is \$(375). The total to be contributed is rounded to \$1,556,000 [ $\$771,920 +$   
9  $\$389,249 + \$(12,379) + \$313,584 + \$93,798 + \$(375) = \$1,555,797$ ].

10  
11 The Company believes that it is in the best interest of the plans, their participants, and  
12 York Water's customers to make cash contributions to the plans to ensure that the plans  
13 are fully funded. The Company is recommending a contribution to the plans to fund the  
14 service cost, the amortization of the net loss, and the amortization of the prior service cost  
15 that will maintain the fully funded status of the plans.

16  
17 The adjustment in pension expense in the amount of \$(744,000) is determined by  
18 subtracting actual pension contributions made during the twelve months ended December  
19 31, 2021, in the amount of \$2,300,000 from the projected cash contributions during the  
20 twelve months ending February 29, 2024 of \$1,556,000. The pension adjustment in the  
21 amount of \$(744,000) ( $\$1,556,000 - \$2,300,000$ ) to account 67580003 has been carried  
22 forward to Column 3 of Exhibit No. FIII-2, pages 9 through 15.

23  
24 Q. Explain Exhibit No. FIII-2-36.

25

1 A. Exhibit No. FIII-2-36 projects increased operating expenses for additional costs of  
2 customer accounting and collecting expenses (excluding uncollectible accounts),  
3 purchased power and chemicals resulting from the projection of the net increase in  
4 number of customers served during the twelve months ending February 29, 2024.

5  
6 The historical average ratio of customer accounting and collecting, purchased power, and  
7 chemical costs to sales of water of 7.10% for the two-year period ended December 31,  
8 2021, was calculated. This ratio was applied to the total operating revenue adjustments in  
9 the amount of \$315,901 representing projected increases from load growth, as calculated  
10 on Exhibit Nos. FII-2-20 through FII-2-29, to derive an adjustment of \$22,516 ( $\$315,901$   
11  $\times 0.071$ ).

12  
13 The adjustment in the amount of \$22,516 for changes in costs of customer accounting and  
14 collecting, purchased power, and chemicals has been carried forward to Column 3 of  
15 Exhibit No. FIII-2, pages 9 through 15.

16  
17 Q. Explain Exhibit No. FIII-2-37.

18 A. Exhibit No. FIII-2-37 projects the effect of inflation during the twelve months ending  
19 February 29, 2024, on operating expenses, which have not been specifically adjusted to  
20 fully projected future test year levels. Amounts specifically adjusted in this rate filing are  
21 identified and deducted from total operating expenses for twelve months ending  
22 December 31, 2022, to determine the remaining expenses for twelve months ending  
23 December 31, 2022, which have not been specifically adjusted to reflect the effects of  
24 inflation of \$8,880,421. The projected effect of inflation on operating expenses not  
25 specifically adjusted in the amount of \$663,071 is determined by applying the annual

1 percent change in the CPI-U Index between February 2021 and February 2022 of 6.4% to  
2 the total operating expenses not specifically adjusted of \$8,880,421, for a period of 14  
3 months ( $\$8,880,421 \times 0.064 \times 14/12$ ). The adjustment of \$663,071 has been carried  
4 forward to Column 3 of Exhibit No. FIII-2, pages 9 through 15 and has been identified as  
5 General Price Level Adjustment.

6  
7 Q. Explain Exhibit FIII-2-40.

8 A. Exhibit FIII-2-40 is a pro forma of payroll expense for union and nonunion employees for  
9 the fully projected future test year ending February 29, 2024. It reflects pro forma hourly  
10 and salary rates effective in 2023 and annual cash and equity incentive awards effective  
11 in 2023. The Company included year-end bonuses in an amount of \$37,103 in pro forma  
12 payroll expense. The Company has consistently provided year-end bonuses to employees  
13 for over 26 years as a part of the employee's overall compensation package, and this is an  
14 expected part of compensation. Column 1 of Exhibit FIII-2-1 reflects projected payroll  
15 expense for the twelve months ended February 29, 2024, in the amount of \$8,881,681  
16 (Refer to Exhibit No. FIII-2-25). Column 2 of Exhibit No. FIII-2-40 reflects the effect  
17 during the twelve months ending February 29, 2024 of the pro forma hourly and salary  
18 rate increases effective in 2023 and annual cash and equity incentive awards effective in  
19 2023, in the amount of \$294,902. The effect of the pro forma hourly and salary rate  
20 increases and annual cash and equity incentive awards is determined and shown on  
21 Exhibit No. FIII-2-40 (a), which I will explain later. The effect during the twelve months  
22 ending February 29, 2024, of the pro forma hourly and salary rate increases and annual  
23 cash and equity incentive awards in the amount of \$294,902 has been carried forward to  
24 Column 3 of Exhibit No. FIII-2, page 16 through 22. Column 3 of Exhibit No. FIII-2-40

25

1 reflects the pro forma payroll expense for the twelve months ending February 29, 2024, in  
2 the amount of \$9,176,583.

3  
4 I note that a portion of pro forma payroll expense for certain specified supervisory and  
5 general office employees for twelve months ending February 29, 2024, was capitalized  
6 and is reflected, as a reduction to operating expenses, in Account No. 67580002,  
7 Administrative and General Expenses Capitalized, on Exhibit No. FIII-2-49, which I will  
8 explain later.

9  
10 Q. Explain Exhibit No. FIII-2-40 (a).

11 A. Exhibit No. FIII-2-40 (a) is a pro forma of the effect during the twelve months ending  
12 February 29, 2024, of the projected hourly and salary rate increases and annual cash and  
13 equity incentive awards. Column 1 of Exhibit No. FIII-2-1 (a) reflects the pro forma  
14 payroll expense for the twelve months ending February 29, 2024, in the amount of  
15 \$9,176,583. The pro forma payroll expense for the twelve months ending February 29,  
16 2024, in the amount of \$9,176,583 is determined and shown on Exhibit No. FIII-2-40 (b),  
17 which I will explain later. Column 2 of Exhibit No. FIII-2-15 (a) reflects the projected  
18 payroll expense for the twelve months ending February 29, 2024 in the amount of  
19 \$8,881,681 (Refer to Exhibit No. FIII-2-25). Column 3 of Exhibit No. FIII-2-40 (a) is the  
20 pro forma increase in payroll expense in the amount of \$294,902 as a result of the  
21 projected union employee increases effective May 1, 2023, the projected nonunion  
22 employee increases effective October 1, 2023, and annual cash and equity incentive  
23 awards. The pro forma increase in payroll expense is determined by subtracting the  
24 projected payroll expense for the twelve months ending February 29, 2024 of \$8,881,681,  
25 shown in Column 2 from the pro forma payroll expense for the twelve months ending

1 February 29, 2024, of \$9,176,583, shown in Column 1 (\$9,176,583 - \$8,881,681 =  
2 \$294,902). The amount of the pro forma payroll expense increases to be incurred during  
3 the twelve months ending February 29, 2024, in the amount of \$294,902 has been carried  
4 forward to Exhibit No. FIII-2-40, Column 2.  
5

6 Q. Explain Exhibit No. FIII-2-40 (b).

7 A. Exhibit No. FIII-2-40 (b) provides the distribution of pro forma labor based on Company  
8 labor for the two years ended December 31, 2021. Company labor for the twelve months  
9 ended December 31, 2021, of \$8,252,050, is shown in Column 1 of Exhibit No. FIII-2-1  
10 (b). Company labor for the twelve months ended December 31, 2020 of \$7,882,196 is  
11 shown in Column 2 of Exhibit No. FIII-2-1 (b). Two-Year Company Labor of  
12 \$16,134,246, which represents the addition of Company labor for the twelve months  
13 ended December 31, 2021, and Company labor for the twelve months ended December  
14 31, 2020, is shown in Column 3 on Exhibit No. FIII-2-40 (b). Pro forma payroll of  
15 \$10,181,483 is distributed among the various capital and expense accounts based on the  
16 Two-Year Company Labor. The allocation factor of 0.63105 shown in Column 4 of  
17 Exhibit No. FIII-2-40 (b) used to distribute pro forma payroll among the various capital  
18 and expense accounts is calculated by dividing Pro Forma Company Labor of  
19 \$10,181,483 by Two-Year Company Labor of \$16,134,246. The allocation factor of  
20 0.63105 is multiplied by each capital and expense amount of Two-Year Company Labor  
21 shown in Column 3 of Exhibit No. FIII-2-40 (b) to determine the pro forma Company  
22 labor amount allocated to each capital and expense account shown in Column 5 of  
23 Exhibit No. FIII-2-40 (b). Pro Forma Company Labor Expense is carried forward to  
24 Column 1 of Exhibit No. FIII-2-40 (a).  
25

1 Q. Explain Exhibit No. FIII-2-41.

2 A. Exhibit No. FIII-2-41 projects market adjustment to the Company's 401(k) match and  
3 contributions to be implemented during the twelve months ending December 31, 2023  
4 and included in cost of service for the twelve months ending February 29, 2024. The  
5 Company believes that these changes are necessary to retain and recruit qualified  
6 employees in a competitive labor market.

7  
8 There are two provisions within the Company's 401(k) plan. The basic 401(k) plan is  
9 available for employees that are eligible for the Company's defined benefit pension plans.  
10 The Company match in the basic 401(k) plan is 100% of employees contributions up to a  
11 flat amount of \$2,800. The Company is projecting to increase this match by \$500 for  
12 each participating employee. Currently there are 50 employees participating in this  
13 provision of the 401(k) plan. The adjustment will be \$25,000 (50 x \$500).

14  
15 The enhanced 401(k) plan is available for employees that are not eligible for the  
16 Company's defined benefit pension plan. All employees hired after May 1, 2010, are  
17 included in the enhanced 401(k) plan. The Company makes an annual contribution of  
18 \$1,200 to each employee's account whether or not they defer their own compensation.  
19 The Company is projecting to increase this contribution for each participating employee.  
20 Currently there are 63 employees participating in this provision of the 401(k) plan. The  
21 adjustment will be \$31,500 (63 x \$500). The Company match in the enhanced 401(k)  
22 plan is 100% of employees contributions up to 4% of the employee's compensation. The  
23 Company is projecting to increase this match to 6% of the employee's compensation.  
24 The adjustment will be \$69,708 based on the increase from 4% to 6% for those  
25 participants currently contributing 4%.

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The total adjustment of \$126,208 is determined by combining the increase in the basis 401(k) match of \$25,000, the increase in the enhanced 401(k) contributions of \$31,500, and the increase in the enhanced 401(k) match of \$69,708 ( $\$25,000 + \$31,500 + \$69,708 = \$126,208$ ). The adjustment for 401(k) contributions for the twelve months ending February 29, 2024, of \$126,208 as an adjustment to Account No. 60400002 has been carried forward to Exhibit No. FIII-2, Column 3.

Q. Explain Exhibit No. FIII-2-42.

A. Exhibit No. FIII-2-42 projects annual Company 401(k) match and contributions for employees added during the future test year ending December 31, 2022, as of February 29, 2024. The Company has projected a net increase of ten employees during the future test year ending December 31, 2022. The Company is responsible for an annual contribution of \$1,700 per employee. The Company's 401(k) contributions for the added employees will be \$17,000 ( $\$1,700 \times 10 = \$17,000$ ). In addition, the Company is responsible to make matching contributions of 100% of the employee's contribution up to a maximum of 6% of the employee's compensation. The matching contribution for the added employees will be \$39,436 based on the application of the 6% matching contribution rate multiplied by the annual wages of the added employees of \$657,271 ( $\$657,271 \times 6\% = \$39,436$ ). The total adjustment of \$56,436 is determined by combining the Company contributions of \$17,000 and the Company matching contributions of \$39,436 ( $\$17,000 + \$39,436 = \$56,436$ ). The adjustment for 401(k) contributions for the twelve months ending February 29, 2024, of \$56,436 as an adjustment to Account No. 60400002 has been carried forward to Exhibit No. FIII-2, Column 3.



1 Q. Explain Exhibit No. FIII-2-43.

2 A. Exhibit No. FIII-2-43 projects annual deferred compensation matching contributions for  
3 employees currently participating, and salaried employees to be added during the future  
4 test year ending December 31, 2022, as of February 29, 2024. The Company sponsors a  
5 deferred compensation plan with members of its management that requires it to make  
6 matching contributions of 100% of the employee's contribution up to a maximum of 5%  
7 of the employee's compensation. Previous rate cases have eliminated the expenses  
8 associated with the deferred compensation plan in accordance with the Settlement  
9 Agreement approved by the Commission under Docket No. R-000016236. The Company  
10 is including in this rate case the deferred compensation matching contributions for  
11 employees not eligible for the Company's defined benefit plan. The employees will build  
12 their retirement savings through the 401(k) plan and the deferred compensation plan.  
13 Since the contributions to the defined benefit plan are included in the cost of service, the  
14 Company believes its contributions to the deferred compensation plan for those  
15 employees on whose behalf it is not making contributions to the defined benefit plan  
16 should be included in the cost of service.

17  
18 There are currently eleven employees participating in the deferred compensation plan not  
19 eligible for the defined benefit pension plan. The annual matching contributions for these  
20 eleven employees based on their pro forma wages for the twelve months ending February  
21 29, 2024, and their current matching percentages is \$79,850. Four salaried employees  
22 projected to be added during the twelve months ended December 31, 2022, will be  
23 eligible for participation in the deferred compensation plan but not in the defined benefit  
24 pension plan. The annual matching contributions for these four employees based on their  
25 pro forma wages for the twelve months ending February 29, 2024, and the average

1 matching percentage of the four employees currently participating of 3.75% is calculated  
2 to be \$16,624. The total adjustment of \$96,474 is determined by combining the Company  
3 matching contributions for the currently participating employees of \$79,850 and the  
4 Company matching contributions for the added employees of \$16,624 ( $\$79,850 +$   
5  $\$16,624 = \$96,474$ ). The adjustment for deferred compensation contributions for the  
6 twelve months ending February 29, 2024, of \$96,474 as an adjustment to Account No.  
7 60400002 has been carried forward to Exhibit No. FIII-2, Column 3.

8  
9 Q. Explain Exhibit No. FIII-2-44.

10 A. Exhibit No. FIII-2-44 adjusts trustee and portfolio management fees for the twelve  
11 months ending February 29, 2024, for the Company's qualified defined benefit pension  
12 plans based on projected plan asset values as of February 29, 2024. The Company pays  
13 for trustee and portfolio management services for its qualified defined benefit pension  
14 plans based upon the plan asset values. The adjustment to trustee and portfolio  
15 management fees in the amount of \$5,435 is determined by subtracting projected trustee  
16 and portfolio management fees for the twelve months ending February 29, 2024, of  
17 \$183,390 (Refer to Exhibit No. FIII-2-26) from the pro forma trustee and portfolio  
18 management fees based on projected plan asset values as of February 29, 2024, of  
19 \$188,825, which is calculated based on a trustee and portfolio management fee of 0.25%  
20 of the projected plan assets as of February 29, 2024, of \$75,530,051 ( $\$75,530,051 \times$   
21  $0.0025$ ). The projected plan assets as of February 29, 2024, of \$75,530,051 are based on  
22 a 6.5% annual growth rate, assumed contributions, and assumed distributions. The  
23 adjustment in the amount of \$5,435 for pro forma trustee and portfolio management fees  
24 as an adjustment to Account No. 60480001 has been carried forward to Exhibit No. FIII-  
25 2, Column 3.

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Q. Explain Exhibit No. FIII-2-45.

A. Exhibit No. FIII-2-45 adjusts workers' compensation insurance expense based on pro forma payroll at workers compensation rates in effect as of January 1, 2022. Total pro forma payroll of \$10,181,483 is detailed by workers' compensation insurance classifications of waterworks employees, outside sales, and clerical employees in the amounts of \$5,158,556, \$1,295,983, and \$3,726,944, respectively. The actual January 1, 2022 workers' compensation premium rates per \$100 by classifications are \$2.89, \$0.28, and \$0.13 respectively. These rates are applied to the pro forma payroll by classification to determine the pro forma initial workers' compensation insurance premiums. The initial premiums are \$149,082 for waterworks employees, \$3,629 for outside sales, and \$4,845 for clerical employees. The initial premiums are subject to an increased employer's liability limits factor of 1.10% and an experience modification factor of 1.098, as established by the Pennsylvania Compensation Insurance Bureau. Total premiums subject to experience modification of \$157,556 ( $\$149,082 + \$3,629 + \$4,845 = \$157,556$ ) are multiplied by the increased employer's liability limit factor of 1.10% to determine the cost of the increased employer's liability limits of \$1,733 ( $\$157,556 \times 0.011$ ). The total of initial premiums of \$157,556 and increased employer's liability limits cost of \$1,733 are multiplied by the Pennsylvania Experience Modification of 1.098 to arrive at adjusted workers' compensation insurance premiums of \$174,900 ( $[\$157,556 + \$1,733] \times 1.098$ ). Adjusted workers' compensation insurance premiums of \$174,900 are decreased by a 5.0% schedule rating premium of \$(8,745) [ $\$174,900 \times (0.05)$ ] and decreased by a 5% safety credit of \$(8,308) [ $(\$174,900 - \$8,745) \times 0.05$ ] to arrive at premiums adjusted by application of schedule rating and safety credit of \$157,847 ( $\$174,900 - \$8,745 - \$8,308$ ). Premiums adjusted by application of schedule

1 rating and safety credit of \$157,847 are decreased by a 11.0% premium discount of  
2 \$17,363 ( $\$157,847 \times 0.11$ ) and increased by the Pennsylvania Compensation Rating  
3 Bureau Fee of \$175, a foreign and domestic terrorism surcharge of \$3,054, a catastrophe  
4 (other than terrorism) surcharge of \$2,036 and a 2.48% Pennsylvania Employer  
5 Assessment of \$3,615 [ $(\$157,847 - \$17,363 + \$175 + \$3,054 + \$2,036) \times 0.0248$ ] to  
6 determine pro forma workers' compensation insurance expense of \$149,364 ( $\$157,847 -$   
7  $\$17,363 + \$175 + \$3,054 + \$2,036 + \$3,615$ ). The adjustment to Workers'  
8 Compensation Insurance expense of \$3,784 is determined by subtracting projected  
9 Workers' Compensation Insurance expense during the twelve months ending February  
10 29, 2024, of \$145,580 from pro forma workers' compensation insurance expense of  
11 \$149,364 ( $\$149,364 - \$145,580 = \$3,784$ ). The adjustment to Account No. 65880000 of  
12 \$3,784 has been carried forward to Exhibit No. FIII-2, Column 3.

13  
14 A portion of pro forma workers' compensation insurance expense for twelve months  
15 ending February 29, 2024, is capitalized in accordance with Appendix "B" to the  
16 Settlement Agreement in the Company's 1987 rate case (Docket R-870769) and is  
17 reflected, as a reduction to operating expenses, in Account No. 67580002, Administrative  
18 and General Expenses Capitalized, on Exhibit No. FIII-2-49, which I will explain later.

19  
20 Q. Explain Exhibit No. FIII-2-46.

21 A. Exhibit No. FIII-2-46 annualizes uncollectible accounts expense for the twelve months  
22 ending February 29, 2024, in the amount of \$273,777 by applying the two-year average  
23 percent of uncollectible accounts actually written off less recoveries of 0.52% to pro  
24 forma operating revenues under existing rates for the twelve months ending February 29,  
25 2024, of \$52,523,311 (Refer to Exhibit No. FII-2) ( $\$52,523,311 \times 0.0052$ ). The

1 adjustment to uncollectible accounts in the amount of \$1,235 is determined by subtracting  
2 projected uncollectible accounts during the twelve months ending February 29, 2024, in  
3 the amount of \$272,542 (Refer to Exhibit No. FIII-2-31) from the calculated pro forma  
4 uncollectible accounts for ratemaking purposes in the amount of \$273,777 ( $\$273,777 -$   
5  $\$272,542 = \$1,235$ ). The adjustment of \$1,235 to Account No. 67070000 has been  
6 carried forward to Exhibit No. FIII-2, Column 3.

7  
8 Q. Explain Exhibit No. FIII-2-47.

9 A. Exhibit No. FIII-2-47 annualizes the allocations to wastewater for the twelve months  
10 ending February 29, 2024, based on the Company's current allocation methodology and  
11 pro forma expense adjustments to the accounts that are allocated. Various expenses that  
12 are for both the water and wastewater portions of the business are recorded on the water  
13 side of the business. At the end of each accounting period, a portion of those allocable  
14 expenses are recorded as a reduction to expense on the water side of the business and an  
15 addition to expense on the wastewater side of the business.

16  
17 The allocable portion of indirect labor, indirect fringe benefits and operating expense to  
18 wastewater based on the pro forma balances of the accounts to be allocated for the twelve  
19 months ending February 29, 2024, is calculated to be \$(491,428). The payroll taxes and  
20 fringe benefits on the direct labor recorded on the wastewater side of the business is  
21 calculated to be \$(121,851). The adjustment of \$(11,213) is determined by subtracting  
22 the projected allocation to wastewater for the twelve months ended February 29, 2024, of  
23 \$(602,065) (see Exhibit No. FIII-2-32) by the calculated allocable portion of indirect  
24 labor, indirect fringe benefits and operating expense of \$(491,428) and calculated payroll  
25 taxes and fringe benefits on the direct labor of \$(121,851) [ $\$(491,428) + \$(121,851) -$

1 \$(602,065) = \$(11,213)]. The adjustment of allocations to wastewater for the twelve  
2 months ending February 29, 2024, of \$(11,213) as an adjustment to Account No.  
3 67580005 has been carried forward to Exhibit No. FIII-2, Column 3.

4  
5 Q. Explain Exhibit No. FIII-2-48.

6 A. Exhibit No. FIII-2-48 annualizes director's fees for the twelve months ending February  
7 29, 2024, based on the Company's projected 2022 complement of directors, schedule of  
8 meetings, and the projected fees effective on May 1, 2023. The adjustment to annualize  
9 in the amount of \$4,816 is determined by subtracting the projected director's fees for the  
10 twelve months ending February 29, 2024 (see Exhibit No. FIII-2-33) in the amount of  
11 \$422,833 from the calculated pro forma director's fees for the twelve months ended  
12 February 29, 2024, of \$427,649 ( $\$427,649 - \$422,833 = \$4,816$ ). The annualization  
13 adjustment of \$4,816 is carried forward to Exhibit No. FIII-2, Column 3. Directors who  
14 are also current employees of the Company receive no additional compensation for Board  
15 service.

16  
17 Q. Explain Exhibit No. FIII-2-49.

18 A. Exhibit No. FIII-2-49 adjusts administrative and general expenses capitalized for the  
19 twelve months ending February 29, 2024, in accordance with the Settlement Agreements  
20 under Docket Nos. R-870769 and R-963619 based on pro forma indirect labor, employee  
21 benefit costs, property insurance, workers' compensation insurance, and pension expense  
22 for the twelve months ending February 29, 2024, and a two-year average capitalization  
23 ratio.

1 A portion of the pay of certain specified supervisory and general office employees is  
2 capitalized (referred to as “indirect labor”) in addition to capitalized payroll determined  
3 directly from employee time records. The Company has updated the specified  
4 supervisory and general office employees to reflect the current complement of employee  
5 positions. Some employee positions described in the Settlement of the Company’s 1987  
6 base rate proceeding no longer exist, and many new employee positions have been  
7 created. Please refer to my testimony with regard to Exhibit No. FIII-2-10 for a listing of  
8 employee positions capitalized and the allocation ratio for each.

9  
10 The two-year average general and administrative employees’ capitalized ratio is 13.38%.  
11 This ratio was applied to pro forma payroll of \$1,730,286 for the specified administrative  
12 and general employees to determine the pro forma capitalized indirect labor for general  
13 and administrative employees of \$231,499 ( $\$1,730,286 \times 0.1338$ ).

14  
15 The two-year average distribution employees’ capitalized ratio is 17.95%. This ratio was  
16 applied to pro forma payroll of \$750,556 for the specified distribution employees to  
17 determine the pro forma capitalized indirect labor for distribution employees of \$134,754  
18 ( $\$750,556 \times 0.1795$ ).

19  
20 The two-year average maintenance and grounds employees’ capitalized ratio is 5.94%.  
21 This ratio was applied to pro forma payroll of \$252,585 for the specified maintenance and  
22 grounds employees to determine the pro forma capitalized indirect labor for maintenance  
23 and grounds employees of \$14,992 ( $\$252,585 \times 0.0594$ ).

1 As further provided in the settlement of the Company's 1987 base rate proceeding at  
2 Docket No. R-870769, a portion of payroll taxes, group life and health insurance expense,  
3 workers' compensation insurance expense, and property insurance will be capitalized  
4 based upon the ratio of capitalized payroll to total payroll.

5  
6 The two-year average capitalized payroll ratio is 9.61%. This ratio was applied to pro  
7 forma group life and health insurance expense, property insurance expense, and pension  
8 expense of \$1,695,708, \$160,710, and \$1,790,945, respectively, to determine the pro  
9 forma capitalized employee benefits, property insurance expense, and pension expense of  
10 \$162,929, \$15,442, and \$172,080, respectively.

11  
12 The capitalized payroll ratio of 9.61% used to capitalize a portion of pension expense is  
13 lower than the capitalized ratios used for indirect labor because the calculations are based  
14 on different allocation factors as prescribed by the Settlement Agreement. The latter ratio  
15 compares total capitalized payroll to total payroll, while the ratios used for indirect labor  
16 concern only a portion of the Company's employees.

17  
18 The capitalization ratios for workers' compensation and payroll taxes of 1.49% and  
19 8.01%, respectively, are based on a two-year average of the actual workers' compensation  
20 insurance premiums and payroll tax rates applied to capitalized payroll. The 1.49% ratio  
21 of workers' compensation was applied to pro forma capitalized labor from Exhibit FIII-2-  
22 40 (b) of \$997,932 to determine capitalized workers' compensation expense of \$14,916.  
23 The 8.01% ratio of payroll taxes (including FICA, FUTA and SUTA) was applied to pro  
24 forma capitalized labor from Exhibit FIII-2-40 (b) of \$997,932 to determine capitalized  
25 payroll tax expense of \$79,945. These two ratios were not previously approved in a rate



1 settlement, but they more accurately reflect the actual rates to be applied to capitalized  
2 payroll. In addition, higher capitalization rates result in lower expenses and a lower  
3 revenue requirement. The same calculations were used in the Company's last rate case at  
4 Docket No. R-2018-3000019.

5  
6 Total pro forma capitalized indirect labor, employee benefits, property insurance expense,  
7 payroll taxes and pension expense total \$826,556 ( $\$231,499 + \$134,754 + \$14,992 +$   
8  $\$162,929 + \$15,442 + \$14,916 + \$79,945 + \$172,080$ ). The adjustment to capitalized  
9 indirect labor, employee benefits, property insurance expense, payroll taxes and pension  
10 expense in the amount of \$17,150 is determined by subtracting projected capitalized  
11 indirect labor, employee benefits, property insurance expenses, payroll taxes, and pension  
12 expense for the twelve months ending February 29, 2024, of \$809,406 (Refer to Exhibit  
13 No. FIII-2-34) from calculated pro forma capitalized indirect labor, employee benefits,  
14 property insurance expense, payroll taxes, and pension expense of \$826,556 ( $\$826,556 -$   
15  $\$809,406$ ). The adjustment to capitalized indirect labor, employee benefits, property  
16 insurance expense, payroll taxes, and pension expense in the amount of \$17,150 as an  
17 adjustment to Account No. 67580002 and Account No. 40801302 has been carried  
18 forward to Exhibit No. FIII-2, Column 3 and Exhibit No. FIV-15, Column 6.

19  
20 Q. Explain Exhibit No. FIII-2-50.

21 A. Exhibit No. FIII-2-50 adjusts amortization of utility plant acquisition adjustments for  
22 amortization that will end in 2023. The annual amortization of \$3,473 of the acquisition  
23 costs of the waterworks property and rights of the Section A Water Corporation in excess  
24 of the original cost of the property when first devoted to public service less the applicable  
25 accrued depreciation was established at ten years beginning January 1, 2014 (*i.e.*, the

1 effective date of rates established by Commission Order at Docket No. R-2012-2336379)  
2 and ends December 31, 2023. The annual amortization of \$3,590 of the acquisition costs  
3 of the waterworks property and rights of the York Starview LP in excess of the original  
4 cost of the property when first devoted to public service less the applicable accrued  
5 depreciation was established at ten years beginning January 1, 2014 (*i.e.*, the effective  
6 date of rates established by Commission Order at Docket No. R-2012-2336379) and ends  
7 December 31, 2023. The total adjustment of \$(7,063) is determined by combining the  
8 amortization of Section A Water Corporation of \$3,473 and York Starview LP of \$3,590  
9 (\$3,473 + \$3,590 = \$7,063) which end December 31, 2023. The adjustment for  
10 amortization of utility plant acquisition adjustments for the twelve months ending  
11 February 29, 2024, of \$(7,063) as an adjustment to Account No. 40600001 has been  
12 carried forward to Exhibit No. FIII-2, Column 3.

13  
14 Q. Explain Exhibit No. FIII-2-51.

15 A. Exhibit No. FIII-2-51 adjusts operating expenses in the amount of \$16,887 for additional  
16 costs of customer accounting and collecting expenses (excluding uncollectible accounts),  
17 purchased power and chemicals resulting from the annualization of the net increase in  
18 number of customers served during the twelve months ending February 29, 2024. The  
19 historical average ratio of customer accounting and collecting, purchased power and  
20 chemical costs to sales of water of 7.10% for the two-year period ended December 31,  
21 2021, was calculated. This ratio was applied to the total operating revenue adjustments in  
22 the amount of \$236,925 representing pro forma increases from load growth, as calculated  
23 on Exhibit Nos. FII-2-34 through FII-2-39, to derive the adjustment of \$16,887 ( $\$236,925$   
24  $\times 0.071$ ). The adjustment in the amount of \$16,887 for additional costs of customer

25

1 accounting and collecting, power and chemicals has been carried forward to Exhibit No.  
2 FIII-2, Column 3.

3  
4 Q. Explain Exhibit No. FIII-2-55.

5 A. Exhibit No. FIII-2-55 adjusts uncollectible accounts expense based on pro forma  
6 revenues under proposed rates and a two-year average ratio of net uncollectible accounts  
7 written off to total operating revenues. Pro forma revenues under proposed rates (Refer  
8 to Exhibit No. FII-2) of \$68,683,317 are multiplied by the two-year average ratio of net  
9 write-offs to total operating revenues of 0.52% to determine the pro forma uncollectible  
10 accounts expense under proposed rates of \$358,010 ( $\$68,683,317 \times 0.0052$ ). The  
11 adjustment to uncollectible accounts expense in the amount of \$84,234 is determined by  
12 subtracting pro forma uncollectible accounts expense under existing rates of \$273,777  
13 (Refer to Exhibit No. FIII-2-46) from pro forma uncollectible accounts expense under  
14 proposed rates of \$358,010 ( $\$358,010 - \$273,777 = \$84,234$ ). The adjustment to  
15 uncollectible accounts expense of \$84,234 to Account No. 67070000 has been carried  
16 forward to Exhibit No. FIII-2, Column 6.

17  
18 Q. Explain Exhibit No. FIII-11.

19 A. Exhibit No. FIII-11 provides a schedule, by major components, of Contractual Services,  
20 Rate Case Expense and Miscellaneous Expense for the projected twelve months ending  
21 February 29, 2024, and December 31, 2022, and the twelve months ended December 31,  
22 2021. Page 2 of Exhibit No. FIII-11 provides a schedule of Contractual Services-  
23 Auditing for the twelve months ending February 29, 2024, and December 31, 2022, and  
24 the twelve months ended December 31, 2021. Page 3 of Exhibit No. FIII-11 provides a  
25 schedule of Contractual Services-Tax for the twelve months ending February 29, 2024,

1 and December 31, 2022, and the twelve months ended December 31, 2021. Page 4 of  
2 Exhibit No. FIII-11 provides a schedule, by major components, of Contractual Services-  
3 Other Accounting for the twelve months ending February 29, 2024, and December 31,  
4 2022, and the twelve months ended December 31, 2021. Page 5 of Exhibit No. FIII-11  
5 provides a schedule of Contractual Services-Legal for the twelve months ending February  
6 29, 2024, and December 31, 2022, and the twelve months ended December 31, 2021.  
7 Page 6 of Exhibit FIII-11 provides a schedule of Contractual Services-Outside Services  
8 for the twelve months ending February 29, 2024, and December 31, 2022, and the twelve  
9 months ended December 31, 2021. Page 7 of Exhibit No. FIII-11 provides a schedule, by  
10 rate case, of Rate Case Expense for the twelve months ending February 29, 2024, and  
11 December 31, 2022, and the twelve months ended December 31, 2021. Page 8 of Exhibit  
12 No. FIII-11 provides a schedule, by major components, of Miscellaneous Expense for the  
13 twelve months ending February 29, 2024, and December 31, 2022, and the twelve months  
14 ended December 31, 2021.

15  
16 Q. Explain Exhibit No. FIII-15.

17 A. Exhibit No. FIII-15 provides a schedule of pension contributions, SFAS87 pension  
18 expense, the amount of SFAS pension expense, which was expensed to O&M, and the  
19 amount of SFAS87, which was deferred.

20  
21 The Company has two defined benefit pension plans (one plan for general and  
22 administrative employees, and one plan for union-represented employees). The Company  
23 has reflected in its cost of service for ratemaking purposes the cash contributions to its  
24 two defined benefit pension plans since the pension plans were established in 1959. The  
25 Commission, in its Order at Docket No. R-00027975, dated June 26, 2003, in its Order at

1 Docket No. R-00049165, dated November 9, 2004, in its Order at Docket No. R-  
2 00063122, dated September 15, 2006, in its Order at Docket No. R-2008-2023067, dated  
3 October 9, 2008, in its Order at Docket No. R-2010-2157140, dated November 4, 2010,  
4 in its Order at Docket No. R-2012-2336379, dated February 28, 2014, and in its Order at  
5 Docket No. R-2018-3000019, dated March 1, 2019 approved cash contributions plus  
6 administrative costs as the basis for the Company's ratemaking claim for pension expense  
7 and authorized the Company to defer on its books, the difference between cash  
8 contributions and SFAS87 expense, per the full settlement agreements in each case.

9  
10 The Company believes that it is in the best interest of the plans, their participants, and  
11 York Water's customers to make cash contributions to the plans to ensure that the plans  
12 are fully funded. The Company is recommending a contribution to the plans to fund the  
13 service cost, the amortization of the net loss, and the amortization of the prior service cost  
14 that will maintain the fully funded status of the plans.

15  
16 Q. Explain Exhibit No. FIII-16.

17 A. Exhibit No. FIII-16 provides for no SFAS106 expenses to be included in the cost of  
18 service for the twelve months ended February 29, 2024. The "pay-as-you-go" expense of  
19 \$4,000 representing two death benefits paid to the beneficiaries of Company retirees is  
20 reflected as part of the fully projected future test year cost of service on Exhibit No. HIII-  
21 2-24.

22  
23 Q. Are you sponsoring any other exhibits regarding the Company's operating expenses?  
24  
25

1 A. Yes, I am also sponsoring Exhibit Nos. FIII-3, FIII-4, FIII-5, FIII-6, FIII-7, FIII-8, FIII-9,  
2 FIII-10, FIII-12, FIII-13, FIII-14, FIII-17, FIII-18, FIII-19, FIII-20, FIII-21, FIII-23, FIII-  
3 24, FIII-25, FIII-26, FIII-27, and FIII-28.

4  
5 Q. Explain Exhibit No. FV-1-1.

6 A. Exhibit No. FV-1-1 is a summary, by year, of the projected unamortized balance of  
7 deferred income taxes related to accelerated depreciation and the unamortized balances of  
8 excess deferred income taxes related to accelerated depreciation that are deducted from  
9 the measure of value.

10  
11 Deferred Federal Income Tax Related to Accelerated Depreciation on Property  
12 Constructed with Customers' Advances for Construction and Contributions in Aid of  
13 Construction have been eliminated from this schedule.

14  
15 By Order entered April 28, 1988, at Docket Nos. R-870769 and P-870225, the  
16 Commission approved the Company's proposal to account for income taxes on  
17 Customers' Advances for Construction ("Advances") and Contributions in Aid of  
18 Construction ("Contributions") pursuant to what is known as "Method 5" treatment.  
19 Under Method 5 treatment, the Company excluded, for ratemaking purposes, all income  
20 taxes paid by the Company as a result of receipt of Contributions or Advances and  
21 excluded, from the calculation of income taxes, the portion of tax depreciation that  
22 related to property constructed with Contributions or Advances. Under this procedure,  
23 customers did not bear the increased income taxes resulting from the receipt of  
24 Contributions or Advances, and the Company recovered, over the tax life of the property,  
25 reductions in income taxes in an amount equal to the increased income taxes resulting

1 from receipt of contributions and advances. Under Method 5, it is necessary for the  
2 Company to retain the benefits resulting from depreciation on property constructed with a  
3 Contribution or Advance, in order to be compensated for the additional income taxes paid  
4 as a result of the TRA-86 requirement that a Contribution or Advance be recognized as  
5 taxable income in the year received.

6  
7 The projected unamortized balance of deferred income taxes as of December 31, 2022, in  
8 the amount of \$24,137,333 has been carried forward to Exhibit FV-1, page 2 and has  
9 been deducted from the original cost measure of value.

10  
11 Page 2 of Exhibit No. FV-1-1 is a summary, by year, of the projected unamortized  
12 balance in the amount of \$24,793,862, as of February 29, 2024, of deferred income taxes  
13 related to accelerated depreciation that are deducted from the measure of value. Column  
14 2 lists, by year, deferred federal income taxes resulting from accelerated depreciation  
15 from 1971 through February 29, 2024. The balance in Column 2 is \$24,793,862.

16  
17 The projected unamortized balance of deferred income taxes as of February 29, 2024, in  
18 the amount of \$24,793,862 has been carried forward to Exhibit FV-1, page 3 and has  
19 been deducted from the original cost measure of value.

20  
21 Page 3 of Exhibit No. FV-1-1 is a calculation of the adjustment to the deferred income  
22 taxes related to accelerated depreciation as required under Treasury Regulation 1.167(l)-1  
23 of the Internal Revenue Code. Under the regulation, if a future period is used in  
24 determining the maximum amount of the reserve to be excluded from the rate base, the  
25 amount of the reserve is the amount of the reserve at the beginning of the period and a

1 pro rata portion of the projected increase to the account during the period. The increase  
2 in deferred income taxes from February 28, 2023, to February 29, 2024, is \$562,739, or a  
3 monthly increase of \$46,895 as presented in Column 3. The regulation requires the pro  
4 rata portion of the increase to be determined by multiplying the increase by a fraction of  
5 which the numerator is the number of days remaining in the period and the denominator  
6 is the total number of days in the period. Those fractions are presented in Column 4 and  
7 the pro rata portion of the increase is presented in Column 5. The deferred income taxes  
8 under this regulation are presented in Column 6 as the pro rata portion of the increase  
9 added to the deferred income taxes at the beginning of the period. The difference  
10 between the deferred income taxes per the corporate books and the deferred income taxes  
11 per this regulation is presented in Column 7. The difference as of February 29, 2024, in  
12 the amount of \$(304,881) has been carried forward to Exhibit FV-1, page 3 and has offset  
13 the projected unamortized balance of deferred income taxes as of February 29, 2024, in  
14 the amount of \$24,793,862 presented on Page 2 of Exhibit No. FV-1-1.

15  
16 Page 4 of Exhibit No. FV-1-1 is a summary, by year, of the projected unamortized  
17 balance in the amount of \$13,463,573, as of December 31, 2022, of excess deferred  
18 income taxes related to accelerated depreciation that are deducted from the measure of  
19 value. Column 2 lists, by year, deferred federal income taxes resulting from accelerated  
20 depreciation from 1971 through 2017. The balance in Column 2 is \$13,463,573.

21  
22 The projected unamortized balance of excess deferred income taxes as of December 31,  
23 2022, in the amount of \$13,463,573 has been carried forward to Exhibit FV-1, page 2 and  
24 has been deducted from the original cost measure of value.



1 Page 5 of Exhibit No. FV-1-1 is a summary, by year, of the projected unamortized  
2 balance in the amount of \$13,291,845, as of February 29, 2024, of excess deferred  
3 income taxes related to accelerated depreciation that are deducted from the measure of  
4 value. Column 2 lists, by year, deferred federal income taxes resulting from accelerated  
5 depreciation from 1971 through 2017. The balance in Column 2 is \$13,291,845.

6  
7 The projected unamortized balance of excess deferred income taxes as of February 29,  
8 2024, in the amount of \$13,291,845 has been carried forward to Exhibit FV-1, page 2 and  
9 has been deducted from the original cost measure of value.

10  
11 Page 6 of Exhibit No. FV-1-1 is a calculation of the adjustment to the excess deferred  
12 income taxes related to accelerated depreciation as required under Treasury Regulation  
13 1.167(l)-1 of the Internal Revenue Code. Under the regulation, if a future period is used  
14 in determining the maximum amount of the reserve to be excluded from the rate base, the  
15 amount of the reserve is the amount of the reserve at the beginning of the period and a  
16 pro rata portion of the projected decrease to the account during the period. The decrease  
17 in excess deferred income taxes from February 28, 2023, to February 29, 2024, is  
18 \$147,196, or a monthly decrease of \$12,266 as presented in Column 3. The regulation  
19 requires the pro rata portion of the decrease to be determined by multiplying the decrease  
20 by a fraction of which the numerator is the number of days remaining in the period and  
21 the denominator is the total number of days in the period. Those fractions are presented  
22 in Column 4 and the pro rata portion of the decrease is presented in Column 5. The  
23 excess deferred income taxes under this regulation are presented in Column 6 as the pro  
24 rata portion of the decrease subtracted from the excess deferred income taxes at the  
25 beginning of the period. The difference between the excess deferred income taxes per the

1 corporate books and the excess deferred income taxes per this regulation is presented in  
2 Column 7. The difference as of February 29, 2024, in the amount of \$79,748 has been  
3 carried forward to Exhibit FV-1, page 3 and has been added to the projected unamortized  
4 balance of excess deferred income taxes as of February 29, 2024, in the amount of  
5 \$13,291,845 presented on Page 5 of Exhibit No. FV-1-1.

6  
7 Q. Explain Exhibit No. FV-1-10.

8 A. Exhibit No. FV-1-10 provides the calculation of the unamortized taxes on deposits for  
9 construction and customer advances as of December 31, 2022, in the amount of  
10 \$1,464,588 and as of February 29, 2024, in the amount of \$1,403,563, that are added to  
11 the original cost measure of value.

12  
13 Under the Tax Cuts and Jobs Act of 2017, the definition of tax contributions in aid of  
14 construction was modified under Section 118(b) and the exclusion from gross income  
15 under Section 118(c) was repealed. The modification to the definition of taxable  
16 contribution in aid of construction includes contributions from customers as well as any  
17 payment received from a governmental or civic entity. Under the Company's approved  
18 tariff, the Company paid income taxes on any deposit, Customer Advance, Contribution  
19 in Aid of Construction, or other like amounts received from an applicant which would  
20 constitute taxable income as defined by the Internal Revenue Service. Such income taxes  
21 would be segregated in a deferred account for inclusion in rate base in a future rate case  
22 proceeding. Such income taxes associated with a deposit or advance would not be  
23 charged to the specific depositor of capital. This provision was rescinded under the  
24 Infrastructure Investment and Jobs Act of 2021.

1 The Company paid taxes on deposits for construction and customer advances received  
2 during the period under which the deposits for construction and customer advances was  
3 taxable of \$1,525,613 as of December 31, 2021.

4  
5 The total income taxes on deposits for construction and customer advances as of  
6 December 31, 2021, of \$1,525,613 is offset by the reduction of income taxes from the  
7 depreciation on the projects paid for with the deposits for construction and customer  
8 advances. The depreciation on the projects paid for with the deposits for construction  
9 and customer advances of \$211,215 for the period ending December 31, 2022, is  
10 determined by applying the depreciation rate of 4% to the deposits for construction and  
11 customer advances. State income tax deduction in the amount of \$21,100 is determined  
12 by applying the Pennsylvania corporate net income tax rate of 9.99% to the depreciation  
13 on the projects paid for with deposits for construction and customer advances of \$21,100  
14 ( $\$211,215 \times 0.0999 = \$21,100$ ). Federal income tax deduction in the amount of \$39,924  
15 is determined by subtracting State income tax deduction in the amount of \$21,100 from  
16 the depreciation on the projects paid for with deposits for construction and customer  
17 advances of \$211,215 and applying the presently effective Federal income tax rate of  
18 21% [ $(\$211,215 - \$21,100) \times 0.21 = \$39,924$ ]. Total income tax deductions on  
19 depreciation on the projects paid for with deposits for construction and customer  
20 advances for the period ending December 31, 2022, in the amount of \$61,025 is  
21 determined by adding state income taxes in the amount of \$21,100 and Federal income  
22 taxes in the amount of \$39,924 [ $\$21,100 + \$39,924 = \$61,025$ ]. The net taxes on  
23 deposits for construction and customer advance as of December 31, 2022, of \$1,464,588  
24 is determined by subtracting the income tax deductions on depreciation on the projects  
25 paid for with deposits for construction and customer advances for the period ending

1 December 31, 2022, in the amount of \$61,025 from the income taxes on deposits for  
2 construction and customer advances as of December 31, 2021, in the amount of  
3 \$1,525,613 ( $\$1,525,613 - \$61,025 = \$1,464,588$ ). The net taxes on deposits for  
4 construction and customer advance as of December 31, 2022, of \$1,464,588 has been  
5 carried forward to Exhibit No. FV-1, Page 2.

6  
7 The total income taxes on deposits for construction and customer advances as of  
8 December 31, 2022, of \$1,464,588 is offset by the reduction of income taxes from the  
9 depreciation on the projects paid for with the deposits for construction and customer  
10 advances. The depreciation on the projects paid for with the deposits for construction  
11 and customer advances of \$211,215 for the period ending February 29, 2024, is  
12 determined by applying the depreciation rate of 4% to the deposits for construction and  
13 customer advances. State income tax deduction in the amount of \$21,100 is determined  
14 by applying the Pennsylvania corporate net income tax rate of 9.99% to the depreciation  
15 on the projects paid for with deposits for construction and customer advances of \$21,100  
16 ( $\$211,215 \times 0.0999 = \$21,100$ ). Federal income tax deduction in the amount of \$39,924  
17 is determined by subtracting State income tax deduction in the amount of \$21,100 from  
18 the depreciation on the projects paid for with deposits for construction and customer  
19 advances of \$211,215 and applying the presently effective Federal income tax rate of  
20 21% [ $(\$211,215 - \$21,100) \times 0.21 = \$39,924$ ]. Total income tax deductions on  
21 depreciation on the projects paid for with deposits for construction and customer  
22 advances for the period ending February 29, 2024, in the amount of \$61,025 is  
23 determined by adding state income taxes in the amount of \$21,100 and Federal income  
24 taxes in the amount of \$39,924 [ $\$21,100 + \$39,924 = \$61,025$ ]. The net taxes on  
25 deposits for construction and customer advance as of February 29, 2024, of \$1,403,564 is

1 determined by subtracting the income tax deductions on depreciation on the projects paid  
2 for with deposits for construction and customer advances for the period ending February  
3 29, 2024, in the amount of \$61,025 from the income taxes on deposits for construction  
4 and customer advances as of December 31, 2022, in the amount of \$1,464,588  
5 (\$1,464,588 - \$61,025 = \$1,403,563). The net taxes on deposits for construction and  
6 customer advance as of February 29, 2024, of \$1,403,563 has been carried forward to  
7 Exhibit No. FV-1, Page 3.  
8

9 Q. Explain Exhibit No. FV-8-1 (g).

10 A. Exhibit No. FV-8-1 (g) is the calculation by customer classification of the average lag  
11 days from the provision of service to receipt of operating revenues. Calculations of the  
12 lag days in receipt of operating revenues of 53.7 for metered repumped customers and lag  
13 days of 52.5 for metered gravity customers are shown in Columns 2 and 3, respectively.  
14 The components of the operating revenue lag day calculation, shown in Column 1,  
15 include the lag from the midpoints of the service periods (service period lag), the lag from  
16 the mid-point of the meter reading to billing (billing lag), and the lag from billing to  
17 collection (“collection lag”). “Billing” for purposes of determining the billing lag and the  
18 collection lag is the date that bills are entered into the Company’s accounts receivable for  
19 that billing cycle. The calculation of the billing lag from metered repumped customers  
20 and metered gravity customers are presented on Exhibit No. FV-8-1 (g) 1, which I will  
21 explain later. The calculation of the collection period lag is presented in Exhibit No. FV-  
22 8-1 (g) 2, which I will explain later. The total lag days have been carried forward to  
23 Column 3 of Exhibit No. FV-8-1.  
24

25 Q. Explain Exhibit No. FV-8-1 (g) 1.

1 A. Exhibit No. FV-8-1 (g) 1 provides the calculation of average lag days to read meters,  
2 enter data, validate and process data, and enter amounts into accounts receivable. The  
3 calculation of average lag days for repumped customers during the twelve months ended  
4 December 31, 2021, of 5.4 is shown on page 1 of Exhibit No. FV-8-1 (g) 1, and the  
5 calculation of average lag days for gravity customers during the twelve months ended  
6 December 31, 2017, of 4.2 is shown on page 2 of Exhibit No. FV-8-1 (g) 1.

7  
8 For each customer classification, the date of the mid-point of the meter reading for each  
9 billing cycle is shown in Column 2, and the date amounts were entered into the  
10 Company's accounts receivable for each billing cycle is shown in Column 3. The number  
11 of days lag between the date mid-point of the of the meter reading and the date amounts  
12 were entered into the Company's accounts receivable is calculated and shown in Column  
13 4. The twelve-month average of lag days per billing cycle is determined by adding the  
14 lag days for each billing cycle shown in Column 4 and dividing by the number of billing  
15 cycles. The average billing lag days of 5.4 and 4.2 for metered repumped and metered  
16 gravity billing cycles, respectively, have been carried forward to Exhibit No. FV-8-1 (g).

17  
18 Under the Company's validation procedure, if a customer's meter reading meets certain  
19 criteria of either high or low consumption based on historical averages, the reading is  
20 listed on a report for review by the billing control coordinator. If the billing control  
21 coordinator is unable to determine the reason for the unusual consumption, a reread order  
22 is generated and a meter reader is dispatched to the customer's premises to investigate the  
23 situation. The meter reader will reread the meter and, assuming the reading confirms the  
24 initial reading, check for leaks, check meter operation, and notify the customer of the

25

1 results of the investigation. Only after this process is completed is the meter reading  
2 considered to be validated.

3  
4 I note that internal auditing controls set up within the Company's accounting system  
5 require that validation for all bills be completed before all bills for each cycle are booked  
6 to accounts receivable.

7  
8 Page 3 of Exhibit No. FV-8-1 (g) 1 is a summary of the Company's billing lag calculated  
9 during the period 1991 to 2021. The billing lag calculations demonstrate a significant  
10 improvement (reduction) in the billing lag during this period. As reflected on this exhibit,  
11 the billing lag for repumped and gravity customers has been reduced by 65.4% and  
12 65.6%, respectively, since 1991.

13  
14 Q. Explain Exhibit No. FV-8-1 (g) 2.

15 A. Exhibit No. FV-8-1 (g) 2 is the calculation of the weighted average operating revenue  
16 collection lag. This is the average lag between billing customers and receipt of revenues.

17  
18 The weighted average operating revenue collection lag of 33.1 days is determined by  
19 dividing the number of days in the test year by the calculated turnover ratio of 11.0 times  
20 ( $365 \div 11.0 = 33.1$ ). The calculated turnover ratio of 11.0 times is determined by  
21 dividing test year sales and penalties in the amount of \$52,028,072 by the annual average  
22 of outstanding monthly accounts receivable balances per books in the amount of  
23 \$4,721,169 ( $\$52,028,072 \div \$4,721,169 = 11.0$ ).

24  
25 Q. Are you sponsoring any other exhibits regarding the original cost measure of value?

1 A. Yes, I am also sponsoring Exhibit No. FV-10.

2

3 Q. Explain Exhibit No. FVII-5.

4 A. Exhibit No. FVII-5 provides financial data of the Company for the last five years.

5

6 Q. Explain Exhibit No. FVII-6.

7 A. Exhibit No. FVII-6 provides information concerning the rate used for the Company's  
8 allowance for funds used during construction ("AFUDC"). The AFUDC rate used by the  
9 Company as of December 31, 2021, was 10.04%. The AFUDC rate is set by the  
10 Company based upon the sum of the weighted cost of debt and the weighted cost of  
11 common equity as determined in the Company's most recent fully-litigated rate  
12 proceeding before the Commission. The AFUDC rate used by the Company has not  
13 changed since December 31, 1992. I note that under FAS62, the capitalization rate to be  
14 applied to projects financed with tax-free debt is the rate of that specific borrowing.

15

16 Q. Explain Exhibit No. FVII-7.

17 A. Exhibit No. FVII-7 describes the Company's indenture requirements and dividend  
18 restrictions.

19

20 Q. Explain Exhibit No. FVII-9.

21 A. Exhibit No. FVII-9 describes long-term debt reacquisition by the Company. There have  
22 been no long-term debt re-acquisitions by the Company since 1969.

23

24 Q. Explain Exhibit No. FVII-11.

25



1 A. Exhibit No. FVII-11 provides information concerning the Company's lines of credit. The  
2 Company anticipates having a balance of \$2,653,353 of short-term loans as of February  
3 29, 2024, and an average daily balance of ST loans outstanding for the twelve months  
4 ended February 29, 2024, of \$16,692,225.

5  
6 Q. Are you sponsoring any other exhibits relating to rate of return?

7 A. Yes, I am also sponsoring Exhibits FVII-1, FV11-2, FVII-3, FV11-4, FVII-8, FVII-10,  
8 FVII-12, FVII-13, FVII-14, FVII-15, FVII-16, FVII-17, FVII-18, FVII-19, FVII-20,  
9 FVII-21, FVII-22, FVII-23, FVII-24, FVII-25, FVII-26, FVII-27, FVII-28, FVII-29,  
10 FVII-30, FVII-31, and FVII-32.

11  
12 Q. Explain Exhibit FX-1.

13 A. Exhibit FX-1 is the Company's comparative balance sheet, per books, as of February 29,  
14 2024, and December 31, 2021. Page 2 of Exhibit FX-1 reflects the projected assets of the  
15 Company net of depreciation reserve and reserve for uncollectible accounts in the amount  
16 of \$538,792,626 as of February 29, 2024, and actual assets of the Company net of  
17 depreciation reserve and reserve for uncollectible accounts in the amount of  
18 \$447,207,947 as of December 31, 2021. Page 3 of Exhibit FX-1 reflects the projected  
19 liabilities and total capitalization of the Company in the amount of \$538,792,626 as of  
20 February 29, 2024, and actual liabilities and total capitalization of the Company in the  
21 amount of \$447,207,947 as of December 31, 2021.

22  
23 Q. Explain Exhibit FX-2.

24 A. Exhibit FX-2 sets forth the major items of Other Physical Property, Investment in  
25 Affiliated Companies, and Other Investments as of February 29, 2024. The Exhibit

1 reflects the projected Other Physical Property of the Company as of February 29, 2024, in  
2 the amount of \$1,199,858. York Water projects to have no investments in affiliated  
3 companies as of February 29, 2024. Other investments include Columbia Water  
4 Company common stock owned by the Company in the amount of \$59,724.  
5

6 Q. Explain Exhibit FX-3.

7 A. Exhibit FX-3 sets forth the amount and a description of Special Cash Deposits held by  
8 the Company as of February 29, 2024. As of February 29, 2024, the Company has  
9 projected to deposit in an interest-bearing statement savings account funds of its  
10 employees in the amount of \$43,602. These funds of the Company's employees in the  
11 amount of \$43,602 are offset by a credit amount, reflected in Account 231.27, Employee  
12 Benefits Withheld-ESPP and can be used only for purchase of the Company's common  
13 stock on behalf of employees in accordance with the Company's Employee Stock  
14 Purchase Plan.  
15

16 As of February 29, 2024, the Company projects to have deposited \$500 with York  
17 Township to be used to indemnify the Township against any loss or damage caused by  
18 the Company while working in the Township's streets.  
19

20 Q. Explain Exhibit FX-4.

21 A. Exhibit FX-4 details and describes Notes Receivable, Accounts Receivable from  
22 Associated Companies, and Other Accounts Receivable as of February 29, 2024. Page 1  
23 of Exhibit FX-4 details projected Notes Receivable as of February 29, 2024, in the  
24 amount of \$255,481, which consists of notes receivable from water districts. A general  
25

1 description of the water district procedure can be found in the Commission’s Order in  
2 York Water’s 1992 rate case (77 Pa. P.U.C. 367).

3  
4 York Water projects no accounts receivable from associated companies as of February  
5 29, 2024. There is no other company projected to be an “associated company” of York  
6 Water.

7  
8 York Water classifies other significant receivables, other than customer accounts, in  
9 Account 142, Other Accounts Receivable. A detail of Other Accounts Receivable  
10 projected as of February 29, 2024, in the amount of \$27,374 is shown on page 2 of  
11 Exhibit FX-4.

12  
13 Q. Explain Exhibit FX-5.

14 A. York Water uses the reserve method of recording uncollectible accounts for book  
15 purposes. Exhibit FX-5 provides the amount of accumulated reserve for uncollectible  
16 accounts as of February 29, 2024, and December 31, 2022 and 2021. Exhibit FX-5 also  
17 provides the annual accruals, amounts of accounts written off and recoveries of amounts  
18 previously written off for the twelve months ended February 29, 2024, and December 31,  
19 2022 and 2021.

20  
21 Q. Explain Exhibit FX-6.

22 A. Exhibit FX-6 provides a list of projected prepayments as of February 29, 2024. York  
23 Water projected no special prepayments as of February 29, 2024.

24  
25 Q. Explain Exhibit FX-8.

1 A. Exhibit FX-8 details and describes projected Other Deferred Assets as of February 29,  
2 2024. As of February 29, 2024, the Company projects to reflect on its balance sheet  
3 Unamortized Debt Expense in the amount of \$3,097,260. This account includes the  
4 unamortized portion of debt expense as of February 29, 2024, associated with the  
5 issuance of long-term debt. The balance as of February 29, 2024, includes continued  
6 amortization of historic amounts and the new issuance costs. The debt expense is  
7 amortized over the respective terms of long-term debt by crediting this account and  
8 debiting Account 428, Amortization of Debt Expense.

9  
10 As of February 29, 2024, the Company projects to reflect on its balance sheet Deferred  
11 2022 Rate Case Expenses in the amount of \$714,375. The Company anticipates that  
12 Deferred 2022 Rate Case Expenses will be normalized over 48 months on the corporate  
13 books. The normalization of 2022 Rate Case Expenses will be credited to this account  
14 and charged to Account No. 66680000, Rate Case Expense. (See Exhibit No. HIII-2-1  
15 for the normalization of 2022 rate case expense.)

16  
17 As of February 29, 2024, the Company projects to reflect on its balance sheet Cash Value  
18 of Supplemental Retirement Plan in the amount of \$4,832,892. The Company has a  
19 supplemental retirement plan for eight key employees of the Company, consisting of the  
20 President and Chief Executive Officer, Chief Operating Officer, Chief Administrative  
21 Officer and General Counsel, Vice-President-Customer Service, Chief Financial Officer,  
22 Vice President-Human Resources, Vice President-Engineering, Vice President-  
23 Technology, and six retired former key employees. The plan is funded through life  
24 insurance policies. The Company has a deferred savings plan for twenty-nine of its  
25 management and supervisory employees and eight retired former management

1 employees. The plan is also funded through life insurance policies. The deferred debit  
2 related to both plans' benefits represents the current cash surrender value of the life  
3 insurance policies that have been purchased to reimburse the Company for the costs of  
4 the plans. The Company also reflects on its books of account as a deferred credit the  
5 current accrued amount of the Company's future liability with respect to the deferred  
6 compensation benefits.

7  
8 The expenses and income associated with the Company's supplemental retirement and  
9 deferred savings plans have been eliminated from this rate case in accordance with the  
10 Settlement Agreement approved by the Commission at Docket No. R-00016236 with the  
11 exception of expenses from the deferred savings plan for employees not in the defined  
12 benefit pension plan.

13  
14 York Water does not have deferred asset accounts for temporary facilities, research and  
15 development, and property losses, and therefore, there is no amortization with regard to  
16 such items, which would affect operating results.

17  
18 As of February 29, 2024, the Company projects to reflect on its balance sheet deferred  
19 preliminary survey costs in the amount of \$137,144. This account includes expenditures  
20 for preliminary surveys, plans and investigations made for the purpose of determining the  
21 feasibility of projects under consideration. These expenditures are not included in the  
22 Company's rate base or in the cost of service in this case.

23  
24 Q. Explain Exhibit FX-10.

25

1 A. Exhibit FX-10 details and describes Other Deferred Credits as of February 29, 2024. As  
2 of February 29, 2024, the Company projects to reflect on its corporate books deferred  
3 interest rate swap in the amount of \$1,403,750. The Company utilizes an interest rate  
4 swap agreement to convert its variable rate debt to a fixed rate (a cash flow hedge). As of  
5 February 29, 2024, the Company recorded an unrealized loss on the interest rate swap.  
6 The interest rate swap agreement will expire on October 1, 2029.  
7

8 Q. Explain Exhibit FX-12.

9 A. Page 2 of Exhibit FX-12 provides an analysis of Retained Earnings as of February 29,  
10 2024, and December 31, 2022, 2021, and 2020. The analysis includes activity for the  
11 fourteen months ended February 29, 2024, and for the twelve months ended December  
12 31, 2022, 2021, and 2020.  
13

14 Q. Are you sponsoring any other exhibits regarding the Company's balance sheet?

15 A. Yes, I am also sponsoring Exhibit Nos. F (c)-2, FX-7, FX-9, FX-11, and FX-13.  
16

17 Q. Are you sponsoring any other exhibits?

18 A. Yes, I am also sponsoring Exhibit Nos. F (a)-1, F (a)-6, F (a)-9, F (a)-10, F (a)-11, FVIII-  
19 2, FXI-1, FXI-2, FXI-3, and FXI-4.  
20

21 Q. Does this conclude your future test year and fully projected future test year direct  
22 testimony at this time?

23 A. Yes.  
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**YORK WATER STATEMENT NO. 105**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**THE YORK WATER COMPANY**

**DIRECT TESTIMONY OF MICHAEL C. WINTER**

Q. State your name and business address.

A. Michael C. Winter. My business address is: 130 East Market Street, York, Pennsylvania.

Q. By whom are you employed?

A. I am employed by The York Water Company (“York Water” or the “Company”).

Q. State your present position with the Company and explain your duties and responsibilities.

A. I am Controller of the Company. My duties and responsibilities include managing the financial operations of the Company and overseeing the accounting department in order to meet the requirements of regulatory agencies.

Q. How long have you been employed by the Company?

A. I have been employed by the Company since May 22, 2017.

1 Q. What is your educational background?

2 A. I have a Bachelors Degree from the Pennsylvania State University, York, Pennsylvania  
3 and a Master's Degree in Business Administration from Strayer University, Owings  
4 Mills, Maryland.

5  
6 Q. Are you a certified public accountant?

7 A. Yes, I am a certified public accountant licensed by the Commonwealth of Pennsylvania.

8  
9 Q. What has been your other business experience?

10 A. From June 2014 to September 2016, I served as the Director of Operations for Simon  
11 Lever LLP, an accounting firm based in Lancaster, Pennsylvania. In that capacity, I  
12 managed the operations of the accounting firm including, financial operations,  
13 administration, human resources, marketing, and information technology. From July  
14 2007 to June 2014, I worked at T. Rowe Price in Owings Mills, Maryland. I worked in  
15 several positions of increasing authority and my final position was Assistant Vice  
16 President. My responsibilities included overseeing various accounting and financial  
17 reporting duties for T. Rowe Price's Retirement Plan Services division.

18

19 Q. Have you previously testified before a regulatory commission?

20 A. No, this is the first time I have presented testimony to the Pennsylvania Public Utility  
21 Commission ("Commission").

22

23 Q. Will you list the exhibits you are sponsoring in this proceeding?

24 A. I am sponsoring the following exhibits prepared by me or under my direction and  
25 supervision:



1  
2 Exhibit Nos. FIV-2, FIV-12, FIV-15, FIV-15-1, FIV-15-2, FIV-15-3, FIV-15-4, FIV-15-  
3 5, FIV-15-6, FIV-15-7, FIV-15-8, FIV-15-9, FIV-15-10, FIV-15-11, and FIV-15-12  
4 relating to operating taxes other than income taxes for the water division; and  
5

6 Exhibit Nos. FIV-1, FIV-3, FIV-4, FIV-5, FIV-6, FIV-7, FIV-8, FIV-9, FIV-10, FIV-11,  
7 FIV-13, FIV-14, FIV-16, FIV-17, FIV-17-1, FIV-17-2, FIV-17-3, FIV-17-3 (a), FIV-17-  
8 4, FIV-17-5, FIV-17-6, FIV-17-7, FIV-17-8, FIV-17-8 (a), FIV-17-9, FIV-17-10, FIV-  
9 17-11, and FIV-18 relating to operating income taxes for the water division.  
10

11 Q. Explain Exhibit No. FIV-15.

12 A. Exhibit No. FIV-15 summarizes projected and pro forma adjustments to operating taxes  
13 other than income taxes for the twelve months ending December 31, 2022, and February  
14 29, 2024, for ratemaking purposes and to reflect additional operating taxes other than  
15 income taxes resulting from the proposed increase in operating revenues.  
16

17 Pro forma operating taxes other than income taxes for the twelve months ended  
18 December 31, 2021, in the amount of \$1,279,493 are shown in Column 1, Page 2 of  
19 Exhibit FIV-15. Adjustments to operating taxes other than income taxes of \$54,674  
20 reflect the calculation of the projected level of taxes other than income taxes under  
21 existing rates for the twelve months ending December 31, 2022. Such adjustments are  
22 shown in Column 3, Page 2 of Exhibit No. FIV-15 and are detailed in Exhibit Nos. FIV-  
23 15-1, FIV-15-2, FIV-15-3, FIV-15-4, FIV-15-5, and FIII-2-10. Projected operating taxes  
24  
25

1 other than income taxes for the twelve months ended December 31, 2022, in the amount  
2 of \$1,334,168 are shown in Column 4, Page 2 of Exhibit FIV-15.

3  
4 Adjustments to operating taxes other than income taxes of \$16,042 reflect the calculation  
5 of the Pro Forma level of taxes other than income taxes under existing rates for the twelve  
6 months ending December 31, 2022. Such adjustments are shown in Column 6, Page 2 of  
7 Exhibit No. FIV-15 and are detailed in Exhibit Nos. FIV-15-6, FIV-15-7, and FIII-2-21.  
8 Pro Forma operating taxes other than income taxes for the twelve months ending  
9 December 31, 2022, in the amount of \$1,350,210 are shown in Column 7, Page 2 of  
10 Exhibit No. FIV-15 and are carried forward to Column 1, Page 3 of Exhibit No. FIV-15.

11  
12 Projected adjustments to operating taxes other than income taxes of \$10,607 are shown in  
13 Column 3, Page 3 of Exhibit No. FIV-15 and are detailed in Exhibit Nos. FIV-15-18,  
14 FIV-15-9, and FIII-2-34. Projected operating taxes other than income taxes for the  
15 twelve months ended February 29, 2024, in the amount of \$1,360,817 are shown in  
16 Column 4, Page 3 of Exhibit FIV-15. Adjustments to operating taxes other than income  
17 taxes of \$18,178 reflect the calculation of the Pro Forma level of taxes other than income  
18 taxes under existing rates for the twelve months ending February 29, 2024. Such  
19 adjustments are shown in Column 6, Page 3 of Exhibit No. FIV-15 and are detailed in  
20 Exhibit Nos. FIV-15-10, FIV-15-11, and FIII-2-49. Pro forma operating taxes other than  
21 income taxes for the twelve months ending February 29, 2024, of \$1,378,995 are shown  
22 in Column 7, Page 3 of Exhibit No. FIV-15 and are carried forward to Column 1 of Page  
23 4 of Exhibit No. FIV-15.

1 Adjustments to operating taxes other than income taxes amounting to \$108,524 are made  
2 to reflect the increased operating taxes other than income taxes that result from the  
3 increase in operating revenues under proposed rates. These adjustments are shown in  
4 Column 3, Page 4 of Exhibit No. FIV-15 and are detailed in Exhibit No. FIV-15-12. Pro  
5 Forma operating taxes other than income taxes under proposed rates for the twelve  
6 months ended February 29, 2024, in the amount of \$1,487,519 are shown in Column 4,  
7 Page 4 of Exhibit FIV-15.

8  
9 Q. Explain Exhibit No. FIV-15-1.

10 A. Exhibit No. FIV-15-1 is an adjustment to reflect FICA payroll taxes on projected payroll  
11 for twelve months ending December 31, 2022, at the tax rate and wage bases effective  
12 January 1, 2022. The January 1, 2022 hospitalization insurance (“HI”) component of the  
13 FICA tax of 1.45% is applied to taxable projected payroll of \$9,368,477 to determine  
14 projected HI component of FICA taxes of \$135,843 ( $\$9,368,477 \times 0.0145 = \$135,843$ ).  
15 Total projected payroll in the amount of \$9,368,477 is reduced by \$538,654, which is that  
16 portion of projected payroll not subject to old age, survivors, and disability insurance  
17 component (“OASDI”) of FICA tax to arrive at taxable projected payroll of \$8,829,823  
18 ( $\$9,368,477 - \$538,654 = \$8,829,823$ ). The January 1, 2022 OASDI component of FICA  
19 tax rate of 6.2% is applied to the taxable projected payroll of \$8,829,823 to determine  
20 projected OASDI component of FICA taxes of \$547,449 ( $\$8,829,823 \times 0.062$ ). The HI  
21 component in the amount of \$135,843 and the OASDI component in the amount of  
22 \$547,449 FICA taxes are totaled to determine projected FICA taxes in the amount of  
23 \$683,292 ( $\$135,843 + \$547,449 = \$683,292$ ). The adjustment to FICA taxes, in the  
24 amount of \$55,723, is determined by subtracting the pro forma FICA taxes for twelve  
25

1 months ended December 31, 2021, of \$627,569 (Refer to Exhibit No. HIV-15-1) from the  
2 calculated projected FICA taxes of \$683,292 ( $\$683,292 - \$627,569 = \$55,723$ ). The  
3 FICA adjustment, in the amount of \$55,723, has been carried forward to Exhibit No. FIV-  
4 15, Page 2, Column 3.

5  
6 I note that a portion of projected FICA taxes for the twelve months ending December 31,  
7 2022, was capitalized and is reflected, as a reduction to operating expenses, in Account  
8 40801302, Miscellaneous Taxes Other Than Income Taxes on Exhibit No. FIII-2-10.

9  
10 Q. Explain Exhibit No. FIV-15-2.

11 A. Exhibit No. FIV-15-2 presents an adjustment to reflect Federal unemployment tax on  
12 projected payroll for twelve months ended December 31, 2022, at the tax rate and wage  
13 base effective January 1, 2022. Total projected payroll in the amount of \$9,368,477 is  
14 reduced by \$8,451,602, which is that portion of projected payroll that exceeds the 2022  
15 taxable wage base per employee of \$7,000, to arrive at taxable projected payroll of  
16 \$916,875 ( $\$9,368,477 - \$8,451,602 = \$916,875$ ). The 2022 Federal unemployment tax  
17 rate of 0.6% is applied to the taxable projected payroll of \$916,875 to determine projected  
18 Federal unemployment tax of \$5,501. The adjustment to Federal unemployment tax in  
19 the amount of \$420 is determined by subtracting the pro forma test year Federal  
20 unemployment tax of \$5,081 from the calculated projected Federal unemployment tax of  
21 \$5,501 ( $\$5,501 - \$5,081 = \$420$ ). The Federal unemployment tax adjustment in the  
22 amount of \$420 has been carried forward to Exhibit No. FIV-15, Column 3.

1 I note that a portion of projected Federal unemployment tax for the twelve months ended  
2 December 31, 2022, was capitalized and is reflected, as a reduction to operating expenses,  
3 in Account No. 40801302, Miscellaneous Taxes Other Than Income Taxes on Exhibit  
4 No. FIII-2-10.

5  
6 Q. Explain Exhibit No. FIV-15-3.

7 A. Exhibit No. FIV-15-3 presents an adjustment to reflect Pennsylvania unemployment tax  
8 on projected payroll for twelve months ended December 31, 2022, at the tax rate and  
9 wage base effective January 1, 2022. Total projected payroll in the amount of \$9,368,477  
10 is reduced by \$8,076,242 which is that portion of projected payroll expense that exceeds  
11 the 2022 taxable wage base per employee of \$10,000, to arrive at taxable projected  
12 payroll of \$1,292,235 ( $\$9,368,477 - \$8,076,242 = \$1,292,235$ ). The 2022 Pennsylvania  
13 unemployment tax rate of 1.2905% is applied to the taxable projected payroll of  
14 \$1,292,235 to determine projected Pennsylvania unemployment tax of \$16,676. The  
15 adjustment to Pennsylvania unemployment tax in the amount of \$1,291 is determined by  
16 subtracting the pro forma test year Pennsylvania unemployment tax of \$15,386 from the  
17 calculated projected Pennsylvania unemployment tax of \$16,676 ( $\$16,676 - \$15,386 =$   
18  $\$1,291$ ). The Pennsylvania unemployment tax adjustment, in the amount of \$1,291, has  
19 been carried forward to Exhibit No. FIV-15, Column 3.

20  
21 I note that a portion of projected Pennsylvania unemployment tax for the twelve months  
22 ended December 31, 2022, was capitalized and is reflected, as a reduction to operating  
23 expenses, in Account No. 40801302, Miscellaneous Taxes Other Than Income Taxes on  
24 Exhibit No. FIII-2-10.

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Q. Explain Exhibit No. FIV-15-4.

A. FIV-15-4 is an adjustment to reflect the Pennsylvania Public Utility Realty Tax for the twelve months ending December 31, 2022, based on the most recent state taxable value, millage rate and transitional credit adjustments. The adjustment in the amount of \$1,639 is determined by subtracting the pro forma realty taxes for the twelve months ended December 31, 2021, of \$269,141 (Refer to Exhibit No. HIV-15 Page 2) from the calculated projected amount of \$267,502 [ $\$269,141 - \$267,502 = \$1,639$ ]. The adjustment in the amount of \$1,639 has been carried forward to Exhibit No. FIV-15, Page 2, Column 3.

Q. Explain Exhibit No. FIV-15-5.

A. Exhibit No. FIV-15-5 is an adjustment to reflect the Commission’s General Assessment, the Consumer Advocate’s Assessment, the Small Business Advocate’s Assessment, and the Damage Prevention Control Assessment, based on projected operating revenues under existing rates for twelve months ending December 31, 2022, and the 2021-2022 assessment factors. The currently-effective combined 2021-2022 assessment rate of 0.671560% for the Commission’s General Assessment, the Consumer Advocate’s Assessment, the Small Business Advocate’s Assessment, and the Damage Prevention Control Assessment is applied to projected operating revenues at existing rates for twelve months ending December 31, 2022, in the amount of \$50,446,207. The projected operating revenues at existing rates for combined assessment purposes is determined by removing sales for resale customers included on Exhibit No. FII-12 and Exhibit No. FII-13 and priced out bulk truck sales included on Exhibit No. HII-4 from total projected

1 operating revenues at existing rates on Exhibit No. FII-2, Page 2, Column 4. Sales for  
2 resale customers and priced out bulk truck sales are not included in the combined  
3 assessment calculation. The currently-effective combined 2021-2022 assessment rate of  
4 0.671560% is applied to the projected operating revenues at existing rates for combined  
5 assessment purposes for the twelve months ended December 31, 2022, in the amount of  
6 \$50,446,207 to determine the projected combined assessment under existing rates for  
7 twelve months ended December 31, 2022, in the amount of \$338,777 ( $\$50,446,207 \times$   
8  $0.671560\%$ ). The adjustment in the amount of \$1,591 is determined by subtracting the  
9 pro forma assessments for the twelve months ended December 31, 2021, of \$337,186  
10 (Refer to Exhibit No. HIV-15-4) from the calculated projected amount of \$338,777  
11 [ $\$338,777 - \$337,186 = \$1,591$ ]. The adjustment in the amount of \$1,591 has been  
12 carried forward to Exhibit No. FIV-15, Page 2, Column 3.

13  
14 Q. Explain Exhibit No. FIV-15-6.

15 A. Exhibit No. FIV-15-6 is an adjustment to reflect FICA payroll taxes on pro forma payroll  
16 for twelve months ending December 31, 2022, at the tax rate and wage bases effective  
17 January 1, 2022. The January 1, 2022 HI component of the FICA tax of 1.45% is applied  
18 to taxable pro forma payroll of \$9,703,337 to determine projected HI component of FICA  
19 taxes of \$140,698 ( $\$9,703,337 \times 0.0145 = \$140,698$ ). Total pro forma payroll in the  
20 amount of \$9,703,337 is reduced by \$676,333, which is that portion of pro forma payroll  
21 not subject to OASDI of FICA tax to arrive at taxable pro forma payroll of \$9,027,004  
22 ( $\$9,027,004 - \$676,333 = \$9,027,004$ ). The January 1, 2022 OASDI component of FICA  
23 tax rate of 6.2% is applied to the taxable pro forma payroll of \$9,027,004 to determine  
24 pro forma OASDI component of FICA taxes of \$559,674 ( $\$9,027,004 \times 0.062$ ). The HI

1 component in the amount of \$140,698 and the OASDI component in the amount of  
2 \$559,674 of FICA taxes are totaled to determine projected FICA taxes in the amount of  
3 \$700,373 ( $\$140,698 + \$559,674 = \$700,373$ ). The adjustment to FICA taxes in the  
4 amount of \$17,081 is determined by subtracting the projected FICA taxes for twelve  
5 months ending December 31, 2022, of \$683,292 (Refer to Exhibit No. FIV-15-1) from  
6 the calculated pro forma FICA taxes of \$700,373 ( $\$700,373 - \$683,292 = \$17,081$ ). The  
7 FICA adjustment, in the amount of \$17,081, has been carried forward to Exhibit No.  
8 FIV-15, Page 2, Column 6.

9  
10 I note that a portion of pro forma FICA taxes for the twelve months ending December 31,  
11 2022, was capitalized and is reflected, as a reduction to operating expenses, in Account  
12 40801302, Miscellaneous Taxes Other Than Income Taxes Transferred on Exhibit No.  
13 FIII-2-21.

14  
15 Q. Explain Exhibit No. FIV-15-7.

16 A. Exhibit No. FIV-15-7 is an adjustment to reflect the Commission's General Assessment,  
17 the Consumer Advocate's Assessment, the Small Business Advocate's Assessment, and  
18 the Damage Prevention Control Assessment based on Pro Forma operating revenues  
19 under existing rates for twelve months ending December 31, 2022, and the 2021-2022  
20 assessment factors. The currently-effective combined 2021-2022 assessment rate of  
21 0.671560% for the Commission's General Assessment, the Consumer Advocate's  
22 Assessment, the Small Business Advocate's Assessment, and the Damage Prevention  
23 Control Assessment is applied to Pro Forma operating revenues at existing rates for  
24 twelve months ending December 31, 2022, in the amount of \$50,683,132. The pro forma  
25



1 operating revenues at existing rates for combined assessment purposes is determined by  
2 removing sales for resale customers included on Exhibit No. FII-12 and Exhibit No. FII-  
3 13 and priced out bulk truck sales included on Exhibit No. HII-4 from total pro forma  
4 operating revenues at existing rates on Exhibit No. FII-2, Page 2, Column 4. Sales for  
5 resale customers and priced out bulk truck sales are not included in the combined  
6 assessment calculation. The currently-effective combined 2021-2022 assessment rate of  
7 0.671560% is applied to the pro forma operating revenues at existing rates for combined  
8 assessment purposes for the twelve months ended December 31, 2022, in the amount of  
9 \$50,683,132 to determine the pro forma combined assessment under existing rates for  
10 twelve months ended December 31, 2022, in the amount of \$340,368 ( $\$50,683,132 \times$   
11  $0.671560\%$ ). The adjustment in the amount of \$1,591 is determined by subtracting the  
12 projected year assessments for the twelve months ended December 31, 2022, of \$338,777  
13 (Refer to Exhibit No. FIV-15-5) from the calculated pro forma amount of \$340,368  
14 ( $\$340,368 - \$338,777 = \$1,591$ ). The adjustment in the amount of \$1,591 has been  
15 carried forward to Exhibit No. FIV-15, Page 2, Column 6.

16  
17 Q. Explain Exhibit No. FIV-15-8.

18 A. Exhibit No. FIV-15-8 is an adjustment to reflect FICA payroll taxes on projected payroll  
19 for twelve months ending February 29, 2024, at the tax rate and wage bases effective  
20 January 1, 2022. The January 1, 2022 HI component of the FICA tax of 1.45% is applied  
21 to taxable pro forma payroll of \$9,854,287 to determine projected HI component of FICA  
22 taxes of \$142,887 ( $\$9,854,287 \times 0.0145 = \$142,887$ ). Total projected payroll in the  
23 amount of \$9,854,287 is reduced by \$706,606, which is that portion of projected payroll  
24 not subject to OASDI of FICA tax to arrive at taxable projected payroll of \$9,147,681

25

1 (\$9,854,287 - \$706,606 = \$9,147,681). The January 1, 2022 OASDI component of FICA  
2 tax rate of 6.2% is applied to the taxable projected payroll of \$9,147,681 to determine pro  
3 forma OASDI component of FICA taxes of \$567,156 ( $\$9,147,681 \times 0.062$ ). The HI  
4 component in the amount of \$142,887 and the OASDI component in the amount of  
5 \$567,156 of FICA taxes are totaled to determine projected FICA taxes in the amount of  
6 \$710,043 ( $\$142,887 + \$567,156 = \$710,043$ ). The adjustment to FICA taxes in the  
7 amount of \$9,671 is determined by subtracting the Pro Forma FICA taxes for twelve  
8 months ending December 31, 2022, of \$700,373 (Refer to Exhibit No. FIV-15-6) from  
9 the calculated projected FICA taxes of \$710,043 ( $\$710,043 - \$700,373 = \$9,671$ ). The  
10 FICA adjustment, in the amount of \$9,671, has been carried forward to Exhibit No. FIV-  
11 15, Page 3, Column 3.

12  
13 I note that a portion of projected FICA taxes for the twelve months ending February 29,  
14 2024, was capitalized and is reflected, as a reduction to operating expenses, in Account  
15 40801302, Miscellaneous Taxes Other Than Income Taxes Transferred on Exhibit No.  
16 FIII-2-34.

17  
18 Q. Explain Exhibit No. FIV-15-9.

19 A. Exhibit No. FIV-15-9 is an adjustment to reflect the Commission's General Assessment,  
20 the Consumer Advocate's Assessment, the Small Business Advocate's Assessment, and  
21 the Damage Prevention Control Assessment based on projected operating revenues under  
22 existing rates for twelve months ending February 29, 2024, and the 2021-2022  
23 assessment factors. The currently-effective combined 2021-2022 assessment rate of  
24 0.671560% for the Commission's General Assessment, the Consumer Advocate's

25

1 Assessment, the Small Business Advocate's Assessment, and the Damage Prevention  
2 Control Assessment is applied to projected operating revenues at existing rates for twelve  
3 months ending February 29, 2024, in the amount of \$50,999,033. The projected  
4 operating revenues at existing rates for combined assessment purposes is determined by  
5 removing sales for resale customers included on Exhibit No. FII-12 and Exhibit No. FII-  
6 13 and priced out bulk truck sales included on Exhibit No. HII-4 from total projected  
7 operating revenues at existing rates on Exhibit No. FII-2, Page 2, Column 4. Sales for  
8 resale customers and priced out bulk truck sales are not included in the combined  
9 assessment calculation. The currently-effective combined 2021-2022 assessment rate of  
10 0.671560% is applied to the projected operating revenues at existing rates for combined  
11 assessment purposes for the twelve months ended February 29, 2024, in the amount of  
12 \$50,999,033 to determine the projected combined assessment under existing rates for  
13 twelve months ended February 29, 2024, in the amount of \$342,489 ( $\$50,999,033 \times$   
14  $0.671560\%$ ). The adjustment in the amount of \$2,121 is determined by subtracting the  
15 Pro Forma year assessments for the twelve months ending December 31, 2022, of  
16 \$340,368 (Refer to Exhibit No. FIV-15-7) from the calculated projected amount of  
17 \$342,489 [ $\$342,489 - \$340,368 = \$2,121$ ]. The adjustment in the amount of \$2,121 has  
18 been carried forward to Exhibit No. FIV-15, Page 3, Column 3.

19  
20 Q. Explain Exhibit No. FIV-15-10.

21 A. Exhibit No. FIV-15-10 is an adjustment to reflect FICA payroll taxes on Pro Forma  
22 payroll for twelve months ending February 29, 2024, at the tax rate and wage bases  
23 effective January 1, 2022. The January 1, 2022 HI component of the FICA tax of 1.45%  
24 is applied to taxable Pro Forma payroll of \$10,181,483 to determine projected HI

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1 component of FICA taxes of \$147,631 ( $\$10,181,483 \times 0.0145 = \$147,631$ ). Total Pro  
2 Forma payroll in the amount of \$10,181,483 is reduced by \$801,354, which is that  
3 portion of Pro Forma payroll not subject to OASDI of FICA tax to arrive at taxable Pro  
4 Forma payroll of \$9,380,129 ( $\$10,181,483 - \$801,354 = \$9,380,129$ ). The January 1,  
5 2018 OASDI component of FICA tax rate of 6.2% is applied to the taxable Pro Forma  
6 payroll subject to OASDI of \$9,380,129 to determine pro forma OASDI component of  
7 FICA taxes of \$581,568 ( $\$9,380,129 \times 0.062$ ). The HI component in the amount of  
8 \$147,631 and the OASDI component in the amount of \$581,568 of FICA taxes are  
9 totaled to determine Pro Forma FICA taxes in the amount of \$729,199 ( $\$147,631 +$   
10  $\$581,568 = \$729,199$ ). The adjustment to FICA taxes, in the amount of \$19,156, is  
11 determined by subtracting the projected FICA taxes for twelve months ending February  
12 29, 2024, of \$710,043 (Refer to Exhibit No. FIV-15-6) from the calculated Pro Forma  
13 FICA taxes of \$729,199 ( $\$729,199 - \$410,043 = \$19,156$ ). The FICA adjustment in the  
14 amount of \$19,156 has been carried forward to Exhibit No. FIV-15, Page 3, Column 6.

15  
16 I note that a portion of Pro Forma FICA taxes for the twelve months ending February 29,  
17 2024, was capitalized and is reflected, as a reduction to operating expenses, in Account  
18 40801302, Miscellaneous Taxes Other Than Income Taxes Transferred on Exhibit No.  
19 FIII-2-49.

20  
21 Q. Explain Exhibit No. FIV-15-11.

22 A. Exhibit No. FIV-15-11 is an adjustment to reflect the Commission's General Assessment,  
23 the Consumer Advocate's Assessment, the Small Business Advocate's Assessment, and  
24 the Damage Prevention Control Assessment based on Pro Forma operating revenues  
25

1 under existing rates for twelve months ending February 29, 2024, and the 2021-2022  
2 assessment factors. The currently-effective combined 2021-2022 assessment rate of  
3 0.671560% for the Commission's General Assessment, the Consumer Advocate's  
4 Assessment, the Small Business Advocate's Assessment, and the Damage Prevention  
5 Control Assessment is applied to Pro Forma operating revenues at existing rates for  
6 twelve months ending February 29, 2024, in the amount of \$51,235,958. The pro forma  
7 operating revenues at existing rates for combined assessment purposes is determined by  
8 removing sales for resale customers included on Exhibit No. FII-12 and Exhibit No. FII-  
9 13 and priced out bulk truck sales included on Exhibit No. HII-4 from total pro forma  
10 operating revenues at existing rates on Exhibit No. FII-2, Page 2, Column 4. Sales for  
11 resale customers and priced out bulk truck sales are not included in the combined  
12 assessment calculation. The currently-effective combined 2021-2022 assessment rate of  
13 0.671560% is applied to the pro forma operating revenues at existing rates for combined  
14 assessment purposes for the twelve months ended February 29, 2024, in the amount of  
15 \$51,235,958 to determine the pro forma combined assessment under existing rates for  
16 twelve months ended February 29, 2024, in the amount of \$344,080 ( $\$51,235,958 \times$   
17  $0.00671560$ ). The adjustment in the amount of \$1,591 is determined by subtracting the  
18 projected year assessments for the twelve months ending February 29, 2024, of \$342,489  
19 (Refer to Exhibit No. FIV-15-9) from the calculated Pro Forma amount of \$344,080  
20 ( $\$344,080 - \$342,489 = \$1,591$ ). The adjustment in the amount of \$1,591 has been  
21 carried forward to Exhibit No. FIV-15, Page 3, Column 6.

22  
23 Q. Explain Exhibit No. FIV-15-12.

24

25

1 A. Exhibit No. FIV-15-12 is an adjustment to reflect the Commission's General Assessment,  
2 the Consumer Advocate's Assessment, the Small Business Advocate's Assessment, and  
3 the Damage Prevention Control Assessment based on Pro Forma operating revenues  
4 under proposed rates for twelve months ending February 29, 2024, and the 2021-2022  
5 assessment factors. The currently-effective combined 2021-2022 assessment rate of  
6 0.671560% for the Commission's General Assessment, the Consumer Advocate's  
7 Assessment, the Small Business Advocate's Assessment, and the Damage Prevention  
8 Control Assessment is applied to Pro Forma operating revenues under proposed rates for  
9 twelve months ending February 29, 2024, in the amount of \$67,395,964. The pro forma  
10 operating revenues at proposed rates for combined assessment purposes is determined by  
11 removing sales for resale customers included on Exhibit No. FII-12 and Exhibit No. FII-  
12 13 and priced out bulk truck sales included on Exhibit No. HII-4 from total pro forma  
13 operating revenues at proposed rates on Exhibit No. FII-2, Page 2, Column 4. Sales for  
14 resale customers and priced out bulk truck sales are not included in the combined  
15 assessment calculation. The currently-effective combined 2021-2022 assessment rate of  
16 0.671560% is applied to the pro forma operating revenues at proposed rates for combined  
17 assessment purposes for the twelve months ended February 29, 2024, in the amount of  
18 \$67,395,964 to determine the pro forma combined assessment under proposed rates for  
19 twelve months ended February 29, 2024, in the amount of \$452,604 ( $\$67,395,964 \times$   
20  $0.00671560$ ). The adjustment in the amount of \$108,524 is determined by subtracting the  
21 pro forma year assessments for the twelve months ending February 29, 2024, of \$344,080  
22 (Refer to Exhibit No. FIV-15-11) from the calculated Pro Forma amount of \$452,604  
23 ( $\$452,604 - \$344,080 = \$108,524$ ). The adjustment in the amount of \$108,524 has been  
24 carried forward to Exhibit No. FIV-15, Page 4, Column 3.

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Q. Are you sponsoring any other exhibits regarding the Company’s taxes other than income taxes?

A. Yes, I am also sponsoring Exhibit Nos. FIV-2 and FIV-12.

Q. Explain Exhibit No. FIV-5.

A. Exhibit No. FIV-5 provides a schedule of deferred investment tax credits as of February 29, 2024. In 1972, the Company timely elected the special rule for ratable flow-through of investment tax credits under former Section 46(f)(2) (at that time Section 46(e)(2)) of the Internal Revenue Code, which requires that the Federal investment tax credits be flowed through to ratepayers as a reduction to federal income taxes ratably over the depreciable life of the property. The Company adopted a fifty-year amortization period for Federal investment tax credits to meet the requirements of former Section 46(f)(2) of the Internal Revenue Code.

Because the Company timely elected in 1972 the special rule for ratable flow-through of Federal investment tax credits under former Section 46(f)(2) (at that time Section 46(e)(2)) of the Internal Revenue Code, the only reduction that may be made to the Company’s cost of service, with respect to Federal investment tax credits generated in calendar year 1972 and thereafter, is to amortize the Federal investment tax credits ratably over the life of the property. Under the special rule for ratable flow-through, the rate base of the utility cannot be reduced by any portion of deferred Federal investment tax credits.

1 Q. Explain Exhibit No. FIV-17.

2 A. Exhibit No. FIV-17 summarizes adjustments to operating income taxes for the twelve  
3 months ending February 29, 2024, for ratemaking purposes and to reflect additional  
4 operating income taxes resulting from the proposed increase in operating revenues.  
5

6 Pro forma operating income taxes for the twelve months ended December 31, 2021, in  
7 the amount of \$714,858 are shown in Column 1 of Page 2 of Exhibit FIV-17. Projected  
8 adjustments to operating income taxes of \$(541,311) are shown in Column 3 of Page 2 of  
9 Exhibit No. FIV-17 and are detailed in Exhibit Nos. FIV-17-1 through FIV-17-4, which I  
10 will explain later. Pro forma adjustments to operating income taxes of \$(21,021) are  
11 shown in Column 6 of Page 2 of Exhibit No. FIV-17 and are detailed in Exhibit No. FIV-  
12 17-5, which I will explain later. Pro forma operating income taxes for the twelve months  
13 ending December 31, 2022, in the amount of \$152,526 are shown in Column 7 of Page 2  
14 of Exhibit No. FIV-17 and are carried forward to Column 1 of Page 3 of Exhibit No.  
15 FIV-17. Projected adjustments to operating income taxes of \$(904,977) are shown in  
16 Column 3 of Page 3 of Exhibit No. FIV-17 and are detailed in Exhibit Nos. FIV-17-6  
17 through FIV-17-9, which I will explain later. Projected operating income taxes for the  
18 twelve months ending February 29, 2024, in the amount of \$(752,451) are shown in  
19 Column 4 of Page 3 of Exhibit No. FIV-17 and are carried forward to Column 1 of Page  
20 4 of Exhibit No. FIV-17. Pro forma adjustments to operating income taxes of \$(98,396)  
21 are shown in Column 3 of Page 4 of Exhibit No. FIV-17 and are detailed in Exhibit No.  
22 FIV-17-10 and Exhibit No. FIV-17-11, which I will explain later. Adjustments to  
23 operating income taxes amounting to \$4,619,883 are made to reflect the increased  
24 operating income taxes that will result from the increase in operating revenues under  
25



1 proposed rates and these adjustments are shown in Column 6 of Page 4 of Exhibit No.  
2 FIV-17 and are detailed in Exhibit No. FIV-17-11, which I will explain later.

3  
4 Q. Explain Exhibit No. FIV-17-1.

5 A. Exhibit No. FIV-17-1 is an annualized amortization of Federal investment tax credits for  
6 the twelve months ended December 31, 2022. The Tax Reform Act of 1986 repealed the  
7 investment tax credit provisions effective December 31, 1985. The investment tax credits  
8 for 1986 through 2022 are claimed under the transitional property provisions of TRA-86.

9  
10 Federal investment tax credits as of December 31, 2022, generated during the period  
11 1972 through 2022 are shown on Column 2 of Exhibit No. FIV-17-1. The Company  
12 adopted a fifty-year amortization period for Federal investment tax credits to meet the  
13 requirements of former Section 46(f)(2) of the Internal Revenue Code. The pro forma  
14 annual amortization of Federal investment tax credits in the amount of (39,277) shown in  
15 Column 4 of Exhibit No. FIV-17-1 is determined by dividing the Federal investment tax  
16 credits generated, shown in Column 2, by the fifty-year amortization period shown in  
17 Column 3.

18  
19 In 1972, the Company timely elected the special rule for ratable flow-through of  
20 investment tax credits under former Section 46(f)(2) (at that time Section 46(e)(2)) of the  
21 Internal Revenue Code which requires that Federal investment tax credits be flowed  
22 through the ratepayers as a reduction to Federal income taxes ratably over the depreciable  
23 life of the property. An adjustment of the annual amortization of Federal investment tax  
24 credits in the amount of \$(36) is determined by subtracting the pro forma amortization of  
25

1 Federal investment tax credits for the period ended December 31, 2021, of \$(39,242)  
2 (Refer to Exhibit No. HIV-17-1) from the calculated pro forma annual amortization of  
3 Federal investment tax credits in the amount of \$(39,277), shown in Column 4 [\$(39,277)  
4 - \$(39,242) = \$(36)]. The adjustment of the annual amortization of Federal investment  
5 tax credits in the amount of \$(36) has been carried forward to Exhibit FIV-17, Page 2,  
6 Column 3.

7  
8 Because the Company timely elected in 1972 the special rule for ratable flow-through of  
9 Federal investment tax credits under former Section 46(f)(2) (at that time Section  
10 46(e)(2)) of the Internal Revenue Code, the only reduction that may be made to the  
11 Company's cost of service, with respect to Federal investment tax credits generated in  
12 calendar year 1972 and thereafter, is to amortize the Federal investment tax credits  
13 ratably over the life of the property. Under the special rule for ratable flow-through, the  
14 rate base of the utility cannot be reduced by any portion of deferred Federal investment  
15 tax credits.

16  
17 Q. Explain Exhibit No. FIV-17-2.

18 A. Exhibit No. FIV-17-2 is an adjustment to reflect projected current Federal income tax and  
19 projected current Pennsylvania corporate net income tax based on projected taxable  
20 income for the twelve months ending December 31, 2022, under existing rates at the  
21 currently effective Federal income tax rate of 21% and at the Pennsylvania corporate net  
22 income tax rate of 9.99%.

1 Total projected operating income before income taxes and excluding depreciation under  
2 existing rates for the twelve months ending December 31, 2022, in the amount of  
3 \$29,119,718 is determined by subtracting projected operating expenses under existing  
4 rates in the amount of \$22,398,210 (Refer to Exhibit No. FIII-2, Page 2 of 22, Column 4)  
5 and projected operating taxes other than income taxes under existing rates in the amount  
6 of \$1,334,168 (Refer to Exhibit No. FIV-15, Page 2 of 4, Column 4) from projected  
7 operating revenues under existing rates in the amount of \$52,852,095 (Refer to Exhibit  
8 No. FII-2, Page 2 of 9, Column 3) ( $\$52,852,095 - \$22,398,210 - \$1,334,168 =$   
9  $\$29,119,718$ ). To arrive at taxable income at present rates, amounts are added for  
10 expenses of the Customer Survey of \$2,323, Dividend Reinvestment and Direct Stock  
11 Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740, Employee Stock  
12 Purchase Plan of \$1,277, Normalization of Rate Case Expenses of \$238,125,  
13 Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead Service  
14 Line Replacements of \$283,064, Filter Plant Yard Piping Survey of \$3,081, Service Life  
15 Study of \$4,928, Long-term Infrastructure Improvement Plan of \$844, Nondeductible  
16 Parking of \$13,308, and Nondeductible Meals of \$1,286 and amounts are then deducted  
17 for tax repair expense in the amount of \$10,245,182, cost of removal in the amount of  
18 \$3,189,983, tank painting in the amount of \$685,000, deferred rate case expense in the  
19 amount of \$952,500, state tax depreciation in the amount of \$9,655,385, and pro forma  
20 interest expense deduction for ratemaking purposes in the amount of \$5,156,777.

21  
22 Expenses of the Company's Customer Survey of \$2,323, Dividend Reinvestment and  
23 Direct Stock Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740,  
24 Employee Stock Purchase Plan of \$1,277, Normalization of Rate Case Expenses of  
25

1 \$238,125, Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead  
2 Service Line Replacements of \$238,064, Filter Plant Yard Piping Survey of \$3,081,  
3 Service Life Study of \$4,928, Long-term Infrastructure Improvement Plan of \$844,  
4 Nondeductible Parking of \$13,308 and Nondeductible Meals of \$1,286 are not allowed as  
5 a deduction for income tax purposes. Since these amounts are included in operating  
6 expenses and deducted in arriving at the figure of \$29,119,718, they must be added back  
7 in arriving at taxable income. Tax repair expense in the amount of \$10,245,182 has been  
8 capitalized on the corporate books but is taken as a current deduction on the Company's  
9 Federal and State income tax returns. Cost of removal in the amount of \$3,189,983 has  
10 been capitalized on the corporate books but is taken as a current deduction on the  
11 Company's Federal and State income tax returns. Tax depreciation in the amount of  
12 \$9,655,385 is detailed on Exhibit No. HIV-17-3, and Exhibit No. HIV-17-3 (a). I note  
13 that the Federal tax depreciation is less than state tax depreciation due to the provisions of  
14 Act 89 of 2002, which I will explain later with respect to Exhibit No. HIV-17-3 (a). Pro  
15 forma interest expense deduction for ratemaking purposes in the amount of \$5,156,777 is  
16 determined by reflecting the interest charges to ratepayers in the cost of capital  
17 determination (Interest Synchronization) (Rate Base of \$291,591,611 x Weighted Debt  
18 Cost Rate of 1.77%).

19  
20 Projected taxable income under existing rates in the amount of \$(218,577) is determined  
21 by adding the expenses of the Customer Survey of \$2,323, Dividend Reinvestment and  
22 Direct Stock Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740,  
23 Employee Stock Purchase Plan of \$1,277, Amortization of Rate Case of \$238,125,  
24 Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead Service  
25

1 Line Replacements of \$283,064, Filter Plant Yard Piping Survey of \$3,081, Service Life  
2 Study of \$4,928, Long-term Infrastructure Improvement Plan of \$844, Nondeductible  
3 Parking of \$13,308, and Nondeductible Meals of \$1,286, and deducting tax repair  
4 expense in the amount of \$10,245,182, cost of removal in the amount of \$3,189,983, tank  
5 painting in the amount of \$685,000, deferred rate case expense in the amount of  
6 \$952,500, state tax depreciation in the amount of \$9,655,385, and pro forma interest  
7 expense deduction for ratemaking purposes in the amount of \$5,156,777 from projected  
8 net operating income in the amount of \$29,119,718 [ $\$29,119,718 + \$2,323 + \$8,305 +$   
9  $\$1,740 + \$1,277 + \$238,125 + \$(11,746) + 283,064 + \$3,081 + \$4,928 + \$844 + \$13,308$   
10  $+ \$1,286 - \$10,245,182 - \$3,189,983 - \$685,000 - \$952,500 - \$9,655,385 - \$5,156,777 =$   
11  $\$(218,573)$ ].

12  
13 Projected State income tax under existing rates in the amount of  $\$(21,835)$  is determined  
14 by applying the Pennsylvania corporate net income tax rate of 9.99% to projected taxable  
15 income in the amount of  $\$(218,573)$  [ $\$(218,573) \times 0.0999 = \$(21,835)$ ]. Projected  
16 Federal taxable income under existing rates in the amount of  $\$549,179$  is determined by  
17 subtracting projected State income tax under existing rates in the amount of  $\$(21,835)$   
18 and adding back additional allowed State depreciation on bonus property of  $\$745,917$  to  
19 projected taxable income in the amount of  $\$(218,573)$  [ $\$(218,573) - \$(21,835) +$   
20  $\$745,917 = \$549,179$ ]. Projected Federal income tax under existing rates in the amount  
21 of  $\$115,328$  is determined by applying the presently effective Federal income tax rate of  
22 21% to the projected Federal taxable income under existing rates in the amount of  
23  $\$549,179$  [ $\$549,179 \times 0.21 = \$115,328$ ]. Total projected current income taxes under  
24 existing rates in the amount of  $\$93,492$  is determined by adding projected state income  
25

1 tax under existing rates in the amount of \$(21,835) and projected Federal income tax  
2 under existing rates in the amount of \$115,328 [ $$(21,835) + \$115,328 = \$93,492$ ]. The  
3 adjustment to income taxes in the amount of \$(657,699) is determined by subtracting  
4 total pro forma current income taxes under existing rates during the twelve months ended  
5 December 31, 2021, in the amount of \$751,191 (Refer to Exhibit No. FIV-17) from total  
6 projected current income taxes under existing rates in the amount of \$93,492 [ $\$93,492 -$   
7  $\$751,190 = \$(657,699)$ ]. The adjustment to income taxes at present rates in the amount  
8 of \$(657,699) has been carried forward to Exhibit No. FIV-17, Page 2, Column 3.

9  
10 Q. Explain Exhibit No. FIV-17-3.

11 A. Exhibit No. FIV-17-3 provides information concerning income tax depreciation used to  
12 calculate current and deferred Federal Income Taxes for ratemaking purposes. In order to  
13 explain Exhibit No. FIV-17-3, a general explanation of the tax depreciation methods used  
14 by York Water for various vintages of property is required.

15  
16 For property placed in service during calendar year 1970 and prior years, the Company's  
17 method of tax depreciation is the straight-line method. No provision has been made in  
18 the rate case exhibits for normalization of tax depreciation for property placed in service  
19 in 1970 and prior years.

20  
21 For property placed in service during calendar years 1971 through 1978, the Company's  
22 method of tax depreciation is the double declining balance method. As explained later,  
23 normalization of the income tax deferrals resulting from use of an accelerated tax  
24 depreciation method for property placed in service during calendar years 1971 through  
25

1 1978 is required by Internal Revenue Code Section 167(1)(2)(B) because the Company's  
2 "applicable 1968 method" was straight line. The Company also filed, as a precaution, a  
3 timely election with the Internal Revenue Service electing normalization of accelerated  
4 depreciation.

5  
6 For property placed in service during calendar years 1979 and 1980, the Company's  
7 method of tax depreciation is the double declining balance method under the Internal  
8 Revenue Service's Asset Depreciation Range System. Normalization of the income tax  
9 deferrals resulting from use of an accelerated depreciation method for property placed in  
10 service during the calendar years 1979 and 1980 also is required by Internal Revenue  
11 Code Section 167(1)(2)(B).

12  
13 Normalization of the income tax deferrals resulting from the use of an accelerated tax  
14 depreciation method for property placed in service during calendar years 1971 through  
15 1980 is required because the Company's "applicable 1968 method", for purposes of  
16 Section 167 of the Internal Revenue Code, was the straight-line method. Under Section  
17 167(1)(2)(B) of the Internal Revenue Code, because the Company's "applicable 1968  
18 method" was straight line, the Company may not deduct accelerated depreciation for  
19 property placed in service during calendar years 1971 through 1980 for income tax  
20 purposes unless there is normalization for ratemaking purposes.

21  
22 For property placed in service beginning with calendar year 1981 and continuing through  
23 2022, the Company employs various methods of tax depreciation as permitted by law.

1 Normalization of the tax deferrals resulting from the use of these accelerated depreciation  
2 methods is required by the Internal Revenue Code.

3  
4 I note that for qualified property placed in service after September 10, 2001, and before  
5 January 1, 2005, the Company's method of tax depreciation includes either the Internal  
6 Revenue Code's Special 30 Percent Depreciation Allowance or the Internal Revenue  
7 Code's Special 50 Percent Depreciation Allowance.

8  
9 I note that for qualified property placed in service after January 1, 2008, and before  
10 January 1, 2018, the Company's method of tax depreciation includes either the Internal  
11 Revenue Code's 50 Percent First Year Bonus Depreciation or the Internal Revenue  
12 Code's 100 Percent First Year Bonus Depreciation.

13  
14 If the Company is not permitted to recover revenues necessary to provide for  
15 normalization of the income tax effects of accelerated depreciation, the Company will not  
16 be permitted to deduct accelerated depreciation for Federal income tax purposes.

17  
18 Tax depreciation by vintage year in the amount of \$12,573,236 for property included in  
19 the measure of value is shown on Exhibit FIV-17-2, Column 3.

20  
21 Deferred taxes must be provided with the normalization requirements of Internal  
22 Revenue Code Sections 167 and 168. The amount of \$12,573,236 is reduced by  
23 \$9,999,946, which is the amount included for ratemaking purposes as depreciation in  
24 order to determine the difference of \$2,573,290 to be used for calculating the deferred  
25



1 Federal income tax ( $\$12,573,236 - \$9,999,946 = \$2,573,290$ ). The Federal income tax  
2 rate of 21% is applied to the difference of  $\$2,573,290$  to determine deferred Federal  
3 income tax in the amount of  $\$540,391$  ( $\$2,573,290 \times 0.21$ ). The adjustment to deferred  
4 Federal income tax in the amount of  $\$106,821$  is determined by subtracting deferred  
5 Federal income tax recorded on the corporate books during the twelve months ended  
6 December 31, 2021, in the amount of  $\$433,570$  from the calculated deferred Federal  
7 income tax in the amount of  $\$540,391$  [ $\$540,391 - \$433,570 = \$106,821$ ]. The  
8 adjustment to deferred Federal income tax in the amount of  $\$106,821$  has been carried  
9 forward to Exhibit No. FIV-17, Column 3.

10  
11 Q. Explain Exhibit No. FIV-17-3 (a).

12 A. Exhibit No. FIV-17-3 (a) is the calculation of the state tax decoupling from the Federal  
13 Special 30-Percent and 50-Percent Depreciation Allowance in accordance with  
14 Pennsylvania Act 89 of 2002 signed into law June 29, 2002 and the Economic Growth  
15 and Tax Relief Reconciliation Act of 2001, the Job Creation and Worker Assistance Act  
16 of 2002, the Jobs and Growth Tax Relief Reconciliation Act of 2003, the Economic  
17 Stimulus Act of 2008, and the Tax Relief, Unemployment Insurance Reauthorization, and  
18 Job Creation Act of 2010. These acts require corporate taxpayers who elect the Federal  
19 Special 30-Percent and Special 50-Percent Depreciation Allowance to make adjustments,  
20 which eliminate the effect of the Federal Special 30-Percent and Special 50-Percent  
21 Depreciation Allowance in arriving at Pennsylvania taxable income. Because Act 89 of  
22 2002 eliminated the effect of the first-year Federal bonus depreciation, additional State  
23 depreciation deductions are allowed in subsequent years.

1 The basis of property qualified for the additional first year depreciation allowance is  
2 reflected in Column 2 of Exhibit No. FIV-17-3 (a). Total Federal tax depreciation is  
3 shown in Column 3 of Exhibit No. FIV-17-3 (a). The adjustment for additional allowed  
4 state depreciation in lieu of the Federal Special 30-Percent and 50 Percent depreciation is  
5 reflected in Column 6 and is determined by multiplying Federal depreciation shown in  
6 Column 5 by 0.42857 (3/7). The factor of 0.42857 (3/7) is reflected in the Bureau of  
7 Corporation Taxes Adjustment for Bonus Depreciation (Form REV-784).

8  
9 The recovery of a portion of the bonus depreciation of \$745,917 is carried forward to  
10 Exhibit No. FIV-17-2 and FIV-17-5 as an adjustment to State tax depreciation.

11  
12 Q. Explain Exhibit No. FIV-17-4.

13 A. Exhibit No. FIV-17-4 calculates the reversal of excess deferred Federal income taxes  
14 related to accelerated depreciation on property. Upon passage of the Tax Cuts and Jobs  
15 Act of 2017, the Company adjusted the balance of its deferred Federal income taxes  
16 related to accelerated depreciation on property to the newly enacted statutory Federal  
17 income tax rate of 21%. The difference between the existing balance of deferred Federal  
18 income taxes related to accelerated depreciation on property and the adjusted balance of  
19 deferred Federal income taxes related to accelerated depreciation on property was  
20 recorded as a regulatory liability for the excess deferred Federal income taxes related to  
21 accelerated depreciation on property.

22  
23 A reversal is recorded for the excess deferred Federal income taxes whose normalized  
24 depreciation exceeds tax depreciation, that is, the tax life of the property has reached  
25

1 what is commonly referred to as the “turnaround point.” The vintage years that have  
2 reached the turnaround point are 1971, 1979, 1981 through 1996, 2011, and 2013 through  
3 2017. Tax depreciation for these vintage years subject to normalization requirements of  
4 Internal Revenue Code Section 167 and 168 is \$941,950. The amount of tax depreciation  
5 of \$941,950 is less than \$2,144,522, which is the amount included for ratemaking  
6 purposes as depreciation on property placed in service during these vintage years. The  
7 difference of \$(1,202,572) is to be used for calculating the return of excess previously  
8 deferred Federal income tax to be reversed [ $\$941,950 - \$2,144,522 = \$(1,202,572)$ ]. Tax  
9 depreciation, and thus excess deferred Federal income taxes recovered from customers,  
10 was computed to the turnaround point for all of these properties at a rate of 21%, 34%,  
11 46%, or 48%. The excess of 2% between 48% and 46% has been amortized as a  
12 reduction to the cost of service in prior rate proceedings. However, the Tax Reform Act  
13 of 1986 and the Tax Cuts and Jobs Act of 2017 prohibits flow back of the excess between  
14 the prior rates and the current rate any faster than ratably over the tax life of the property  
15 following the property attaining the turnaround point. This ratable flow back is to be  
16 achieved by using a weighted average tax rate, representing the weighted average rate for  
17 each vintage for all years prior to the turnaround year. The weighted average rate for  
18 each vintage year, which has reached the turnaround point, is shown in Column 6. The  
19 weighted average tax rate is applied to the tax depreciation subject to deferral shown in  
20 Column 4 to determine the reversal of deferred Federal income taxes in the amount of  
21 \$(414,449). This was compared to the value of the deferred Federal income taxes at the  
22 newly enacted rate of \$252,540 determined by multiplying the total tax depreciation  
23 subject to deferral of \$(1,202,572) by the newly enacted rate of 21% [ $\$(1,202,572) \times 0.21$   
24  $= \$(252,540)$ ]. The difference between the deferred Federal income taxes at prior rates of  
25

1 \$(414,449) and those at the newly enacted rate of \$252,540 is the reversal of the excess  
2 deferred Federal income taxes of \$(161,909) [ $$(414,449) - \$252,540 = $(161,909)$ ]. An  
3 adjustment of the excess deferred Federal income taxes in the amount of \$9,602 is  
4 determined by subtracting the reversal of pro forma excess deferred Federal income taxes  
5 during the twelve months ended December 31, 2021, in the amount of \$(171,511), from  
6 the calculated pro forma reversal of excess deferred Federal income taxes in the amount  
7 of \$(161,909) [ $$(161,909) - $(171,511) = $9,602$ ]. The adjustment of the reversal of  
8 deferred Federal income taxes in the amount of \$9,602 has been carried forward to  
9 Exhibit HIV-17, Column 3.

10  
11 Q. Explain Exhibit No. FIV-17-5.

12 A. Exhibit No. FIV-17-5 is an adjustment to reflect pro forma current Federal income tax  
13 and pro forma current Pennsylvania corporate net income tax based on pro forma taxable  
14 income for the twelve months ending December 31, 2022, under existing rates at the  
15 currently effective Federal income tax rate of 21% and at the Pennsylvania corporate net  
16 income tax rate of 9.99%.

17  
18 Total pro forma operating income before income taxes and excluding depreciation under  
19 existing rates for the twelve months ending December 31, 2022, in the amount of  
20 \$29,046,960 is determined by subtracting pro forma operating expenses under existing  
21 rates in the amount of \$22,682,887 (Refer to Exhibit No. FIII-2, Page 9 of 9, Column 1)  
22 and pro forma operating taxes other than income taxes under existing rates in the amount  
23 of \$1,350,210 (Refer to Exhibit No. FIV-15, Page 2 of 4, Column 7) from pro forma  
24 operating revenues under existing rates in the amount of \$53,080,058 (Refer to Exhibit  
25

1 No. FII-2, Page 4 of 9, Column 3) (\$53,080,058 - \$22,682,887 - \$1,350,210 =  
2 \$29,046,960). To arrive at taxable income at present rates, amounts are added for the  
3 expenses of the Customer Survey of \$2,323, Dividend Reinvestment and Direct Stock  
4 Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740, Employee Stock  
5 Purchase Plan of \$1,277, Normalization of Rate Case Expenses of \$238,125,  
6 Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead Service  
7 Line Replacements of \$283,064, Filter Plant Yard Piping Survey of \$3,081, Service Life  
8 Study of \$4,928, Long-term Infrastructure Improvement Plan of \$844, Nondeductible  
9 Parking of \$13,308 and Nondeductible Meals of \$1,286 and amounts are then deducted  
10 for tax repair expense in the amount of \$10,245,182, cost of removal in the amount of  
11 \$3,189,983, tank painting in the amount of \$685,000, deferred rate case expense in the  
12 amount of \$952,500, state tax depreciation in the amount of \$9,655,385, and pro forma  
13 interest expense deduction for ratemaking purposes in the amount of \$5,156,777.

14  
15 Expenses of the Company's Customer Survey of \$2,323, Dividend Reinvestment and  
16 Direct Stock Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740,  
17 Employee Stock Purchase Plan of \$1,277, Normalization of Rate Case Expenses of  
18 \$238,125, Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead  
19 Service Line Replacements of \$283,064, Filter Plant Yard Piping Survey of \$3,081,  
20 Service Life Study of \$4,928, Long-term Infrastructure Improvement Plan of \$1,488,  
21 Nondeductible Parking of \$13,308, and Nondeductible Meals of \$1,286 are not allowed  
22 as a deduction for income tax purposes. Since these amounts are included in operating  
23 expenses and deducted in arriving at the figure of \$29,046,960, they must be added back  
24 in arriving at taxable income. Tax repair expense in the amount of \$10,245,182 has been  
25

1 capitalized on the corporate books but is taken as a current deduction on the Company's  
2 Federal and State income tax returns. Cost of removal in the amount of \$3,189,983 has  
3 been capitalized on the corporate books but is taken as a current deduction on the  
4 Company's Federal and State income tax returns. Tank painting in the amount of  
5 \$685,000 has been capitalized on the corporate books but is taken as a current deduction  
6 on the Company's Federal and State income tax returns. Deferred rate case expense in  
7 the amount of \$952,500 has been capitalized on the corporate books but is taken as a  
8 current deduction on the Company's Federal and State income tax returns. Tax  
9 depreciation in the amount of \$9,655,385 is detailed on Exhibit No. FIV-17-3 and Exhibit  
10 No. FIV-17-3 (a). I note that the Federal tax depreciation is less than state tax  
11 depreciation due to the provisions of Act 89 of 2002, which I previously explained with  
12 respect to Exhibit No. FIV-17-3 (a). Pro forma interest expense deduction for ratemaking  
13 purposes in the amount of \$5,156,777 is determined by reflecting the interest charges to  
14 ratepayers in the cost of capital determination (Interest Synchronization) (Rate Base of  
15 \$291,591,611 x Weighted Debt Cost Rate of 1.77%).

16  
17 Pro forma taxable income under existing rates in the amount of \$(291,330) is determined  
18 by adding the expenses of the Customer Survey of \$2,323, Dividend Reinvestment and  
19 Direct Stock Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740,  
20 Employee Stock Purchase Plan of \$1,277, Normalization of Rate Case Expenses of  
21 \$238,125, Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead  
22 Service Line Replacements of \$283,064, Filter Plant Yard Piping Survey of \$3,087,  
23 Service Life Study of \$4,928, Long-term Infrastructure Improvement Plan of \$844,  
24 Nondeductible Parking of \$13,308, and Nondeductible Meals of \$1,286, and deducting  
25

1 tax repair expense in the amount of \$10,245,182, cost of removal in the amount of  
2 \$3,189,983, tank painting in the amount of \$685,000, deferred rate case expense in the  
3 amount of \$952,500, state tax depreciation in the amount of \$9,655,385 and pro forma  
4 interest expense deduction for ratemaking purposes in the amount of \$5,156,777 from pro  
5 forma net operating income in the amount of \$29,046,960 [ $\$29,046,960 + \$2,323 +$   
6  $\$8,305 + \$1,740 + \$1,277 + \$238,125 + \$(11,746) + \$283,064 + \$3,081 + \$4,928 + \$844$   
7  $+ 13,308 + 1,286 - \$10,245,182 - \$3,189,983 - \$685,000 - \$952,500 - \$9,655,385 -$   
8  $\$5,156,777 = (291,330)$ ].

9  
10 Pro forma State income tax under existing rates in the amount of \$(29,104) is determined  
11 by applying the Pennsylvania corporate net income tax rate of 9.99% to pro forma  
12 taxable income in the amount of \$(291,330) [ $\$(291,330) \times 0.0999 = \$(29,104)$ ]. Pro  
13 forma Federal taxable income under existing rates in the amount of \$483,690 is  
14 determined by subtracting pro forma State income tax under existing rates in the amount  
15 of \$(29,104) and adding back additional allowed State depreciation on bonus property of  
16 \$745,917 to pro forma taxable income in the amount of \$(291,330) [ $\$(291,330) -$   
17  $\$(29,104) + \$745,917 = \$483,690$ ]. Pro forma Federal income tax under existing rates in  
18 the amount of \$101,575 is determined by applying the presently effective Federal income  
19 tax rate of 21% to the pro forma Federal taxable income under existing rates in the  
20 amount of \$483,690 [ $\$483,690 \times 0.21 = \$101,575$ ]. Total pro forma current income taxes  
21 under existing rates in the amount of \$72,471 is determined by adding pro forma state  
22 income tax under existing rates in the amount of \$(29,104) and pro forma Federal income  
23 tax under existing rates in the amount of \$101,575 [ $\$(29,104) + \$101,575 = \$72,471$ ].

24 The adjustment to income taxes in the amount of \$(21,021) is determined by subtracting  
25

1 total projected current income taxes under existing rates during the twelve months ending  
2 December 31, 2022, in the amount of \$93,492 (Refer to Exhibit No. FIV-17-2) from total  
3 pro forma current income taxes under existing rates in the amount of \$72,471 [ $\$72,471 -$   
4  $\$93,492 = \$(21,021)$ ]. The adjustment to income taxes at present rates in the amount of  
5  $\$(21,021)$  has been carried forward to Exhibit No. FIV-17, Page 2, Column 6.

6  
7 Q. Explain Exhibit No. FIV-17-6.

8 A. Exhibit No. FIV-17-6 is an annualized amortization of Federal investment tax credits for  
9 the twelve months ended February 29, 2024. The Tax Reform Act of 1986 repealed the  
10 investment tax credit provisions effective December 31, 1985. The investment tax credits  
11 for 1986 through February 29, 2024, are claimed under the transitional property  
12 provisions of TRA-86.

13  
14 Federal investment tax credits as of February 29, 2024, generated during the period 1972  
15 through February 29, 2024, are shown on Column 2 of Exhibit No. FIV-17-9. The  
16 Company adopted a fifty-year amortization period for Federal investment tax credits to  
17 meet the requirements of former Section 46(f)(2) of the Internal Revenue Code. The pro  
18 forma annual amortization of Federal investment tax credits in the amount of  $\$(39,126)$   
19 shown in Column 4 of Exhibit No. FIV-17-6 is determined by dividing the Federal  
20 investment tax credits generated, shown in Column 2, by the fifty-year amortization  
21 period shown in Column 3.

22  
23 In 1972, the Company timely elected the special rule for ratable flow-through of  
24 investment tax credits under former Section 46(f)(2) (at that time Section 46(e)(2)) of the  
25



1 Internal Revenue Code which requires that Federal investment tax credits be flowed  
2 through the ratepayers as a reduction to Federal income taxes ratably over the depreciable  
3 life of the property. An adjustment of the annual amortization of Federal investment tax  
4 credits in the amount of \$152 is determined by subtracting the pro forma amortization of  
5 Federal investment tax credits for the period ended December 31, 2022, of \$(39,277) (see  
6 Exhibit No. FIV-17-1) from the calculated pro forma annual amortization of Federal  
7 investment tax credits in the amount of \$(39,126), shown in Column 4 [ $$(39,126) -$   
8  $$(39,277) = \$152$ ]. The adjustment of the annual amortization of Federal investment tax  
9 credits in the amount of \$152 has been carried forward to Exhibit FIV-17, Page 3,  
10 Column 3.

11  
12 Because the Company timely elected in 1972 the special rule for ratable flow-through of  
13 Federal investment tax credits under former Section 46(f)(2) (at that time Section  
14 46(e)(2)) of the Internal Revenue Code, the only reduction that may be made to the  
15 Company's cost of service, with respect to Federal investment tax credits generated in  
16 calendar year 1972 and thereafter, is to amortize the Federal investment tax credits  
17 ratably over the life of the property. Under the special rule for ratable flow-through, the  
18 rate base of the utility cannot be reduced by any portion of deferred Federal investment  
19 tax credits.

20  
21 Q. Explain Exhibit No. FIV-17-7.

22 A. Exhibit No. FIV-17-7 is an adjustment to reflect projected current Federal income tax and  
23 projected current Pennsylvania corporate net income tax based on projected taxable  
24 income for the twelve months ending February 29, 2024, under existing rates at the  
25

1 currently effective Federal income tax rate of 21% and at the Pennsylvania corporate net  
2 income tax rate of 9.99%.

3  
4 Total projected operating income before income taxes and excluding depreciation under  
5 existing rates for the twelve months ending February 29, 2024, in the amount of  
6 \$28,901,646 is determined by subtracting projected operating expenses under existing  
7 rates in the amount of \$23,141,818 (Refer to Exhibit No. FIII-2, Page 16 of 22, Column  
8 1) and projected operating taxes other than income taxes under existing rates in the  
9 amount of \$1,360,817 (Refer to Exhibit No. FIV-15, Page 3 of 4, Column 4) from  
10 projected operating revenues under existing rates in the amount of \$53,404,281 (Refer to  
11 Exhibit No. FII-2, Page 6 of 9, Column 3) ( $\$53,404,281 - \$23,141,818 - \$1,360,817 =$   
12  $\$28,901,646$ ). To arrive at taxable income at present rates, amounts are added for the  
13 expenses of the Customer Survey of \$2,323, Dividend Reinvestment and Direct Stock  
14 Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740, Employee Stock  
15 Purchase Plan of \$1,277, Normalization of Rate Case Expenses of \$238,125,  
16 Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead Service  
17 Line Replacements of \$283,064, Filter Plant Yard Piping Survey of \$3,081, Service Life  
18 Study of \$4,928, Long-term Infrastructure Improvement Plan of \$844, Nondeductible  
19 Parking of \$13,308, and Nondeductible Meals of \$4,807, and amounts are then deducted  
20 for tax repair expense in the amount of \$11,007,201, cost of removal in the amount of  
21 \$3,206,033, tank painting in the amount of \$600,000, state tax depreciation in the amount  
22 of \$12,113,583, and pro forma interest expense deduction for ratemaking purposes in the  
23 amount of \$6,202,718.

1 Expenses of the Company's Customer Survey of \$2,323, Dividend Reinvestment and  
2 Direct Stock Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740,  
3 Employee Stock Purchase Plan of \$1,277, Normalization of Rate Case Expenses of  
4 \$238,125, Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead  
5 Service Line Replacements of \$283,064, Filter Plant Yard Piping Survey of \$3,081,  
6 Service Life Study of \$4,928, Long-term Infrastructure Improvement Plan of \$844,  
7 Nondeductible Parking of \$13,308, and Nondeductible Meals of \$4,807 are not allowed  
8 as a deduction for income tax purposes. Since these amounts are included in operating  
9 expenses and deducted in arriving at the figure of \$28,901,646, they must be added back  
10 in arriving at taxable income. Tax repair expense in the amount of \$11,007,201 has been  
11 capitalized on the corporate books but is taken as a current deduction on the Company's  
12 Federal and State income tax returns. Cost of removal in the amount of \$3,206,033 is  
13 capitalized on the corporate books but is taken as a current deduction on the Company's  
14 Federal and State income tax returns. Tank painting in the amount of \$600,000 has been  
15 capitalized on the corporate books but is taken as a current deduction on the Company's  
16 Federal and State income tax returns. State tax depreciation in the amount of  
17 \$12,113,583 is detailed on Exhibit No. FIV-17-8 and Exhibit No. FIV-17-8 (a). I note  
18 that the state tax depreciation is greater than Federal tax depreciation, which I will  
19 explain later with respect to Exhibit No. FIV-17-8 (a). Projected interest expense  
20 deduction for ratemaking purposes in the amount of \$6,200,718 is determined by  
21 reflecting the interest charges to ratepayers in the cost of capital determination (Interest  
22 Synchronization) (Rate Base of \$350,621,590 x Weighted Debt Cost Rate of 1.77%).  
23  
24  
25

1 Projected taxable income under existing rates in the amount of \$(3,675,831) is  
2 determined by adding the expenses of the Customer Survey of \$2,323, Dividend  
3 Reinvestment and Direct Stock Purchase and Sale Plan of \$8,305, Long-term Incentive  
4 Plan of \$1,740, Employee Stock Purchase Plan of \$1,277, Normalization of Rate Case  
5 Expenses of \$238,125, Amortization of Acquisition Adjustments of \$(11,746),  
6 Amortization of Lead Service Line Replacements of \$283,064, Filter Plant Yard Piping  
7 Survey of \$3,081, Service Life Study of \$4,928, Long-term Infrastructure Improvement  
8 Plan of \$844, Nondeductible Parking of \$13,308, and Nondeductible Meals of \$4,807 and  
9 deducting tax repair expense in the amount of \$11,007,201, cost of removal in the  
10 amount of \$3,206,033, tank painting of \$600,000, state tax depreciation in the amount of  
11 \$12,113,583, and pro forma interest expense deduction for ratemaking purposes in the  
12 amount of \$6,200,718 from projected net operating income in the amount of \$28,901,646  
13  $(\$28,901,646 + \$2,323 + \$8,305 + \$1,740 + \$1,277 + \$238,125 + \$(11,746) + \$283,064$   
14  $+ \$3,081 + \$4,928 + \$844 + \$13,308 + \$4,807 - \$11,007,201 - \$3,206,033 - \$600,000 -$   
15  $\$12,113,583 - \$6,200,718 = \$(3,675,831)$ .

16  
17 Projected State income tax under existing rates in the amount of \$(367,216) is determined  
18 by applying the Pennsylvania corporate net income tax rate of 9.99% to projected taxable  
19 income in the amount of \$(3,675,831)  $[\$(3,675,831) \times 0.0999 = \$(367,216)]$ . Projected  
20 Federal taxable income under existing rates in the amount of \$(2,655,396) is determined  
21 by subtracting projected State income tax under existing rates in the amount of  
22 \$(367,216) and adding back additional allowed state depreciation on bonus property of  
23 \$653,220 to projected taxable income in the amount of \$(3,675,831)  $[\$(3,675,831) -$   
24  $\$(367,216) + \$653,220 = \$(2,655,396)]$ . Projected Federal income tax under existing  
25

1 rates in the amount of \$(557,633) is determined by applying the presently effective  
2 Federal income tax rate of 21% to the projected Federal taxable income under existing  
3 rates in the amount of \$(2,656,396) [ $(2,656,396) \times 0.21 = (557,633)$ ]. Total projected  
4 current income taxes under existing rates in the amount of \$(924,849) is determined by  
5 adding projected state income tax under existing rates in the amount of \$(367,216) and  
6 projected Federal income tax under existing rates in the amount of \$(557,633)  
7 [ $(367,216) + (557,633) = (924,849)$ ]. The adjustment to income taxes in the amount  
8 of \$(997,320) is determined by subtracting total pro forma current income taxes under  
9 existing rates during the twelve months ended December 31, 2022, in the amount of  
10 \$72,471 (Refer to Exhibit No. FIV-17-5) from total projected current income taxes under  
11 existing rates in the amount of \$(924,849) [ $(924,849) - 72,471 = (997,320)$ ]. The  
12 adjustment to income taxes at present rates in the amount of \$(997,320) has been carried  
13 forward to Exhibit No. FIV-17, Page 3, Column 3.

14  
15 Q. Explain Exhibit FIV-17-8.

16 A. Exhibit No. FIV-17-8 provides information concerning income tax depreciation used to  
17 calculate current and deferred Federal Income Taxes for ratemaking purposes for the  
18 fully projected future test year. A general explanation of the tax depreciation methods  
19 used by York Water for various vintages of property is required in order to fully  
20 understand Exhibit No. FIV-17-8. That explanation was previously provided with  
21 respect to Exhibit No. FIV-17-3.

22  
23 Tax depreciation by vintage year in the amount of \$15,055,181 for property included in  
24 the measure of value is shown on Exhibit FIV-17-8, Column 3.

25

1  
2 Deferred taxes must be provided with the normalization requirements of Internal  
3 Revenue Code Sections 167 and 168. The amount of \$15,055,181 is reduced by  
4 \$12,000,628, which is the amount included for ratemaking purposes as depreciation in  
5 order to determine the difference of \$3,054,553 to be used for calculating the deferred  
6 Federal income tax ( $\$15,055,181 - \$12,000,628 = \$3,054,553$ ). The Federal income tax  
7 rate of 21% is applied to the difference of 3,054,553 to determine deferred Federal  
8 income tax in the amount of \$641,456 ( $\$3,054,553 \times 0.21$ ). The adjustment to deferred  
9 Federal income tax in the amount of \$101,065 is determined by subtracting deferred pro  
10 forma Federal income tax during the twelve months ended December 31, 2022, in the  
11 amount of \$540,391 from the calculated deferred Federal income tax in the amount of  
12 \$641,456 [ $\$641,456 - \$540,391 = \$101,065$ ]. The adjustment to deferred Federal income  
13 tax in the amount of \$101,065 has been carried forward to Exhibit No. FIV-17, Column  
14 3.

15  
16 Q. Explain Exhibit No. FIV-17-8 (a).

17 A. Exhibit No. FIV-17-8 (a) presents the calculation of the state tax decoupling from the  
18 Federal Special 30-Percent and 50 Percent Depreciation Allowance for the fully projected  
19 future test year in accordance with Act 89 of 2002 signed into law June 29, 2002 and the  
20 Economic Growth and Tax Relief Reconciliation Act of 2001, the Job Creation and  
21 Worker Assistance Act of 2002, the Jobs and Growth Tax Relief Reconciliation Act of  
22 2003, the Economic Stimulus Act of 2008, and the Tax Relief, Unemployment Insurance  
23 Reauthorization, and Job Creation Act of 2010. These acts require corporate taxpayers  
24 who elect the Federal Special 30-Percent and 50 Percent Depreciation Allowance to make  
25

1 adjustments, which eliminate the effect of the Federal Special 30-Percent and 50 Percent  
2 Depreciation Allowance in arriving at Pennsylvania taxable income. Because Act 89 of  
3 2002 eliminated the effect of the first-year Federal bonus depreciation, additional State  
4 depreciation deductions are allowed in subsequent years.

5  
6 The basis of property qualified for the additional first-year depreciation allowance is  
7 reflected in Column 2 of Exhibit No. FIV-17-8 (a). Total Federal tax depreciation is  
8 shown in Column 3 of Exhibit No. HIV-17-3 (a). The adjustment for additional allowed  
9 state depreciation in lieu of the Federal Special 30-Percent and 50 Percent depreciation is  
10 reflected in Column 6 and is determined by multiplying Federal depreciation shown in  
11 Column 5 by 0.42857 (3/7). The factor of 0.42857 (3/7) is reflected in the Bureau of  
12 Corporation Taxes Adjustment for Bonus Depreciation (Form REV-784).

13  
14 The increase in depreciation of \$653,220 is carried forward to Exhibit No. FIV-17-7 and  
15 FIV-17-10 as an adjustment to State tax depreciation.

16  
17 Q. Explain Exhibit No. FIV-17-9.

18 A. Exhibit No. FIV-17-9 calculates the reversal of excess deferred Federal income taxes  
19 related to accelerated depreciation on property for the fully projected future test year.  
20 Upon passage of the Tax Cuts and Jobs Act of 2017, the Company adjusted the balance  
21 of its deferred Federal income taxes related to accelerated depreciation on property to the  
22 newly enacted statutory Federal income tax rate of 21%. The difference between the  
23 existing balance of deferred Federal income taxes related to accelerated depreciation on  
24 property and the adjusted balance of deferred Federal income taxes related to accelerated

25

1 depreciation on property was recorded as a regulatory liability for the excess deferred  
2 Federal income taxes related to accelerated depreciation on property.

3  
4 A reversal is recorded for the excess deferred Federal income taxes whose normalized  
5 depreciation exceeds tax depreciation, that is, the tax life of the property has reached  
6 what is commonly referred to as the “turnaround point.” The vintage years that have  
7 reached the turnaround point are 1971, 1979, 1981 through 1997, 2011, and 2014 through  
8 2017. Tax depreciation for these vintage years subject to normalization requirements of  
9 Internal Revenue Code Section 167 and 168 is \$761,692. The amount of tax depreciation  
10 of \$761,692 is less than \$2,039,456, which is the amount included for ratemaking  
11 purposes as depreciation on property placed in service during these vintage years. The  
12 difference of \$(1,277,764) is to be used for calculating the return of excess previously  
13 deferred Federal income tax to be reversed [ $\$761,692 - \$2,039,456 = \$(1,277,764)$ ]. Tax  
14 depreciation, and thus excess deferred Federal income taxes recovered from customers,  
15 was computed to the turnaround point for all of these properties at a rate of 21%, 34%,  
16 46%, or 48%. The excess of 2% between 48% and 46% has been amortized as a  
17 reduction to the cost of service in prior rate proceedings. However, the Tax Reform Act  
18 of 1986 and the Tax Cuts and Jobs Act of 2017 prohibits flow back of the excess between  
19 the prior rates and the current rate any faster than ratably over the tax life of the property  
20 following the property attaining the turnaround point. This ratable flow back is to be  
21 achieved by using a weighted average tax rate, representing the weighted average rate for  
22 each vintage for all years prior to the turnaround year. The weighted average rate for  
23 each vintage year, which has reached the turnaround point, is shown in Column 6. The  
24 weighted average tax rate is applied to the tax depreciation subject to deferral shown in  
25



1 Column 4 to determine the reversal of deferred Federal income taxes in the amount of  
2 \$(439,113). This was compared to the value of the deferred Federal income taxes at the  
3 newly enacted rate of \$268,330 determined by multiplying the total tax depreciation  
4 subject to deferral of \$(1,277,764) by the newly enacted rate of 21% [ $$(1,277,764) \times 0.21$   
5  $= $(268,330)$ ]. The difference between the deferred Federal income taxes at prior rates of  
6 \$(439,113) and those at the newly enacted rate of \$268,330 is the reversal of the excess  
7 deferred Federal income taxes of \$(170,783) [ $$(439,113) - $268,330 = $(170,783)$ ]. An  
8 adjustment of the excess deferred Federal income taxes in the amount of \$(8,874) is  
9 determined by subtracting the reversal of pro forma excess deferred Federal income taxes  
10 during the twelve months ended December 31, 2022, in the amount of \$(161,909), from  
11 the calculated pro forma reversal of excess deferred Federal income taxes in the amount  
12 of \$(170,783) [ $$(170,783) - $(161,909) = $(8,874)$ ]. The adjustment of the reversal of  
13 deferred Federal income taxes in the amount of \$(8,874) has been carried forward to  
14 Exhibit HIV-17, Column 3.

15  
16 Q. Explain Exhibit No. FIV-17-10.

17 A. Exhibit No. FIV-17-10 is an adjustment to reflect pro forma current Federal income tax  
18 and pro forma current Pennsylvania corporate net income tax based on pro forma taxable  
19 income for the twelve months ending February 29, 2024, under existing rates at the  
20 currently effective Federal income tax rate of 21% and at the Pennsylvania corporate net  
21 income tax rate of 9.99%.

22  
23 Total pro forma operating income before income taxes and excluding depreciation under  
24 existing rates for the twelve months ending February 29, 2024, in the amount of  
25

1           \$28,561,082 is determined by subtracting pro forma operating expenses under existing  
2           rates in the amount of \$23,702,383 (Refer to Exhibit No. FIII-2, Page 16 of 16, Column  
3           4) and pro forma operating taxes other than income taxes under existing rates in the  
4           amount of \$1,378,995 (Refer to Exhibit No. FIV-15, Page 3 of 4, Column 7) from pro  
5           forma operating revenues under existing rates in the amount of \$53,642,460 (Refer to  
6           Exhibit No. FII-2, Page 9 of 9, Column 3) ( $\$53,642,460 - \$23,702,383 - \$1,378,995 =$   
7           \$28,561,082). To arrive at taxable income at present rates, amounts are added for the  
8           expenses of the Customer Survey of \$2,323, Dividend Reinvestment and Direct Stock  
9           Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740, Employee Stock  
10          Purchase Plan of \$1,277, Normalization of Rate Case Expenses of \$238,125,  
11          Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead Service  
12          Line Replacements of \$283,064, Filter Plant Yard Piping Survey of \$3,081, Service Life  
13          Study of \$4,928, Long-term Infrastructure Improvement Plan of \$844, Nondeductible  
14          Parking of \$13,308, and Nondeductible Meals of \$4,807 and amounts are then deducted  
15          for tax repair expense in the amount of \$11,007,201, cost of removal in the amount of  
16          \$3,206,033, tank painting in the amount of \$600,000, state tax depreciation in the amount  
17          of \$123,113,583, and pro forma interest expense deduction for ratemaking purposes in  
18          the amount of \$6,200,718.

19  
20          Expenses of the Company's Customer Survey of \$2,323, Dividend Reinvestment and  
21          Direct Stock Purchase and Sale Plan of \$8,305, Long-term Incentive Plan of \$1,740,  
22          Employee Stock Purchase Plan of \$1,277, Amortization of Rate Case Expense of  
23          \$238,125, Amortization of Acquisition Adjustments of \$(11,746), Amortization of Lead  
24          Service Line Replacements of \$283,064, Filter Plant Yard Piping Survey of \$3,081,

25

1 Service Life Study of \$4,928, Long-term Infrastructure Improvement Plan of \$844,  
2 Nondeductible Parking of \$13,308, and Nondeductible Meals of \$4,807 are not allowed  
3 as a deduction for income tax purposes. Since these amounts are included in operating  
4 expenses and deducted in arriving at the figure of \$28,561,082, they must be added back  
5 in arriving at taxable income. Tax repair expense in the amount of \$11,007,201 has been  
6 capitalized on the corporate books but is taken as a current deduction on the Company's  
7 Federal and State income tax returns. Cost of removal in the amount of \$3,206,033 is  
8 capitalized on the corporate books but is taken as a current deduction on the Company's  
9 Federal and State income tax returns. Tank painting in the amount of \$600,000 has been  
10 capitalized on the corporate books but is taken as a current deduction on the Company's  
11 Federal and State income tax returns. State tax depreciation in the amount of  
12 \$12,113,583 is detailed on Exhibit No. FIV-17-8 and Exhibit No. FIV-17-8 (a). I note  
13 that the state tax depreciation is greater than Federal tax depreciation, which I explained  
14 previously with respect to Exhibit No. FIV-17-8 (a). Projected interest expense  
15 deduction for ratemaking purposes in the amount of \$6,200,718 is determined by  
16 reflecting the interest charges to ratepayers in the cost of capital determination (Interest  
17 Synchronization) (Rate Base of \$350,621,590 x Weighted Debt Cost Rate of 1.77%).

18  
19 Pro forma taxable income under existing rates in the amount of \$(4,016,396) is  
20 determined by adding the expenses of the Customer Survey of \$2,323, Dividend  
21 Reinvestment and Direct Stock Purchase and Sale Plan of \$8,305, Long-term Incentive  
22 Plan of \$1,740, Employee Stock Purchase Plan of \$1,277, Normalization of Rate Case  
23 Expenses of \$238,125, Amortization of Acquisition Adjustments of \$(11,746),  
24 Amortization of Lead Service Line Replacements of \$283,064, Filter Plant Yard Piping  
25

1 Survey of \$3,081, Service Life Study of \$4,928, Long-term Infrastructure Improvement  
2 Plan of \$844, Nondeductible Parking of \$13,308, and Nondeductible Meals of \$4,807 and  
3 deducting tax repair expense in the amount of \$11,007,201, cost of removal in the  
4 amount of \$3,206,033, tank painting in the amount of \$600,000, state tax depreciation in  
5 the amount of \$12,113,583, and pro forma interest expense deduction for ratemaking  
6 purposes in the amount of \$6,200,718 from pro forma net operating income in the amount  
7 of \$28,561,082 [ $\$28,561,082 + \$2,323 + \$8,305 + \$1,740 + \$1,277 + \$238,125 +$   
8  $\$(11,746) + \$283,064 + \$3,081 + \$4,928 + \$844 + \$13,308 + \$4,807 - \$11,007,201 -$   
9  $\$3,206,033 - \$600,000 - \$12,113,583 - \$6,200,718 = \$(4,016,396)$ ].

10  
11 Pro forma State income tax under existing rates in the amount of \$(401,238) is  
12 determined by applying the Pennsylvania corporate net income tax rate of 9.99% to pro  
13 forma taxable income in the amount of \$(4,016,396) [ $\$(4,016,396) \times 0.0999 =$   
14  $\$(401,238)$ ]. Pro forma Federal taxable income under existing rates in the amount of  
15 \$(2,961,938) is determined by subtracting pro forma State income tax under existing rates  
16 in the amount of \$(401,238) and adding back additional allowed state depreciation on  
17 bonus property of \$653,220 to pro forma taxable income in the amount of \$(4,016,396)  
18 [ $\$(4,016,396) - \$(401,238) + \$653,220 = \$(2,961,938)$ ]. Pro forma Federal income tax  
19 under existing rates in the amount of \$(622,007) is determined by applying the presently  
20 effective Federal income tax rate of 21% to the pro forma Federal taxable income under  
21 existing rates in the amount of \$(2,961,938) [ $\$(2,961,938) \times 0.21 = \$(622,007)$ ]. Total pro  
22 forma current income taxes under existing rates in the amount of \$(1,023,245) is  
23 determined by adding pro forma state income tax under existing rates in the amount of  
24 \$(401,238) and pro forma Federal income tax under existing rates in the amount of

25

1 \$(622,007) [ $$(401,238) + $(622,007) = $(1,023,245)$ ]. The adjustment to income taxes in  
2 the amount of \$(98,396) is determined by subtracting total projected current income taxes  
3 under existing rates during the twelve months ending February 29, 2024, in the amount of  
4 \$(924,849) (Refer to Exhibit No. FIV-17-7) from total pro forma current income taxes  
5 under existing rates in the amount of \$(1,023,245) [ $$(1,023,245) - $(924,849) =$   
6  $$(98,396)$ ]. The adjustment to income taxes at present rates in the amount of \$(98,396)  
7 has been carried forward to Exhibit No. FIV-17, Page 4, Column 3.  
8

9 Q. Please explain Exhibit No. FIV-17-11.

10 A. Exhibit No. FIV-17-11 is an adjustment to reflect increased Federal income tax and  
11 Pennsylvania corporate net income tax based on the proposed revenue increase resulting  
12 from proposed rates.  
13

14 The total proposed increase in sales of water in the amount of \$16,160,006 (Refer to  
15 Exhibit No. FII-2, page 9, Column 8) is increased by the increase in late charges of  
16 \$22,876 (Refer to Exhibit No. FII-2-42) and reduced by the increase in pro forma  
17 expense for the Commission's general assessment, the Consumer Advocate's assessment,  
18 the Small Business Advocate's assessment, and the Damage Prevention Control  
19 Assessment under proposed rates in the amount of \$108,524 (Refer to Exhibit No. FIV-  
20 15-12) and the increase in pro forma uncollectible accounts expense under proposed rates  
21 of \$84,234 (Refer to Exhibit No. FIII-2-55) to arrive at the net increase in taxable income  
22 subject to Pennsylvania corporate net income tax in the amount of \$15,990,124  
23 ( $$(16,160,006) + $22,876 - $108,524 - $84,234 = $15,990,124$ ). The Pennsylvania  
24 corporate net income tax rate of 9.99% is applied to the net increase in taxable income  
25

1 subject to state income tax in the amount of \$15,990,124 to determine the increase of  
2 \$1,597,413 in the state income tax as a result of the proposed revenue increase  
3 (\$15,990,124 x 0.0999). The increase in the amount of \$1,597,413 in the state income  
4 tax has been carried forward to Exhibit No. FIV-17, Page 4, Column 6.

5  
6 The proposed revenue increase subject to state income tax of \$15,990,124 is reduced  
7 further by the increase of \$1,597,413 in the state income tax to determine the proposed  
8 revenue increase in the amount of \$14,392,710 subject to Federal income tax  
9 (\$15,990,124 - \$1,597,413 = \$14,392,710). The presently effective Federal income tax  
10 rate of 21% is applied to the net increase in taxable income subject to Federal income tax  
11 to determine the increase in the amount of \$3,022,469 in the Federal income tax that  
12 results from the proposed revenue increase (\$14,392,710 x 0.21), and this amount has  
13 been carried forward to Exhibit No. FIV-17, Page 4, Column 6.

14  
15 Q. Explain Exhibit No. FIV-18.

16 A. Exhibit No. FIV-18 provides an explanation of the debt interest expense utilized for the  
17 income tax calculation on projected income for the twelve months ending December 31,  
18 2022, and an explanation and the calculation of debt interest expense utilized for the  
19 income tax calculation on pro forma income for the twelve months ending December 31,  
20 2022.

21  
22 Debt interest expense utilized for the income tax calculation on projected and pro forma  
23 income for the twelve months ending December 31, 2022, is determined by reflecting the  
24  
25

1 interest charges to ratepayers in the cost of capital determination (interest  
2 synchronization).

3  
4 The original cost measure of value as of December 31, 2022 (Refer to Exhibit No. FV-1,  
5 page 2) of \$291,591,611 times the weighted debt cost rate of 1.77% equals the interest  
6 expense utilized for income tax calculation on projected and pro forma income for the  
7 twelve months ending December 31, 2022, of \$5,156,777.

8  
9 Debt interest expense on projected and pro forma income for the twelve months ending  
10 December 31, 2022, in the amount of \$5,156,777 has been carried forward to Exhibit  
11 Nos. FIV-17-2 and FIV-17-5, which I explained previously.

12  
13 Exhibit No. FIV-18 also provides an explanation of the debt interest expense utilized for  
14 the income tax calculation on projected income for the twelve months ending February  
15 29, 2024, and an explanation and the calculation of debt interest expense utilized for the  
16 income tax calculation on pro forma income for the twelve months ending February 29,  
17 2024.

18  
19 Debt interest expense utilized for the income tax calculation on projected and pro forma  
20 income for the twelve months ending February 29, 2024, is determined by reflecting the  
21 interest charges to ratepayers in the cost of capital determination (interest  
22 synchronization).

1 The original cost measure of value as of February 29, 2024 (Refer to Exhibit No. FV-1,  
2 page 3) of \$350,621,590 times the weighted debt cost rate of 1.77% equals the interest  
3 expense utilized for income tax calculation on projected and pro forma income for the  
4 twelve months ending February 29, 2024, of \$6,200,718.

5  
6 Debt interest expense on projected and pro forma income for the twelve months ending  
7 February 29, 2024, in the amount of \$6,200,718 has been carried forward to Exhibit Nos.  
8 FIV-17-7 and FIV-17-10, which I explained previously.

9  
10 Q. Are you sponsoring any other exhibits regarding the Company's operating income taxes?

11 A. Yes, I am also sponsoring Exhibit Nos. FIV-1, FIV-3, FIV-4, FIV-6, FIV-7, FIV-8, FIV-  
12 9, FIV-10, FIV-11, FIV-13, FIV-14, and FIV-16.

13  
14 Q. Does this conclude your future test year and fully projected future test year direct  
15 testimony at this time?

16 A. Yes.



Statement No. 107  
Docket No. R-2022-3031340  
Witness: Paul R. Moul

**THE YORK WATER COMPANY**

Direct Testimony

Of

Paul R. Moul, Managing Consultant  
P. Moul & Associates

Concerning  
Fair Rate of Return

May 27, 2022

**The York Water Company**  
Direct Testimony of Paul R. Moul  
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## GLOSSARY OF ACRONYMS AND DEFINED TERMS

ACRONYM	DEFINED TERM
AFUDC	Allowance for Funds Used During Construction
b	Represents the retention rate that consists of the fraction of earnings that are not paid out as dividends
$\beta$	Beta
b x r	Represents internal growth
CAPM	Capital Asset Pricing Model
CCR	Corporate Credit Rating
CE	Comparable Earnings
DCF	Discounted Cash Flow
DDBP	Disinfection/Disinfection By-Products
EPA	Environmental Protection Agency
ESWTR	Enhanced Surface Water Treatment Rule
FOMC	Federal Open Market Committee
g	Growth rate
IGF	Internally generated funds
M&M	Modigliani & Miller
MTBE	Methyl Tertiary Butyl Ether
PEDFA	Pennsylvania Economic Development Financing Authority
PUC	Public Utility Commission
r	Represents the expected rate of return on common equity
Rf	Risk-free rate of return
Rm	Market risk premium
RP	Risk Premium
s	Represents the new common shares expected to be issued by a firm
s x v	Represents external growth
S&P	Standard & Poor's
SBBI	Stocks, Bonds, Bills and Inflation

**GLOSSARY OF ACRONYMS AND DEFINED TERMS**

<b>ACRONYM</b>	<b>DEFINED TERM</b>
SDWA	Safe Drinking Water Act Amendments of 1996
v	Represents the value that accrues to existing shareholders from selling stock at a price different from book value.

## DIRECT TESTIMONY OF PAUL R. MOUL

1

### INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

2 **Q. Please state your name, occupation and business address.**

3 A. My name is Paul Ronald Moul. My business address is 251 Hopkins Road,  
4 Haddonfield, New Jersey 08033-3062. I am Managing Consultant at the firm P. Moul  
5 & Associates, an independent financial and regulatory consulting firm. My  
6 educational background, business experience and qualifications are provided in  
7 Appendix A that follows my direct testimony.

8 **Q. What is the purpose of your testimony?**

9 A. My testimony presents evidence, analysis and recommendation concerning the  
10 appropriate cost of common equity and overall rate of return that the Pennsylvania  
11 Public Utility Commission ("PUC" or the "Commission") should recognize in the  
12 determination of the revenues that The York Water Company ("York Water" or the  
13 "Company") should realize as a result of this proceeding. My analysis and  
14 recommendation are supported by the detailed financial data set forth in Exhibit No.  
15 FVII, which is a multi-page document that is divided into fourteen (14) schedules. The  
16 items covered in these appendices deal with the technical aspects of my testimony.

17 **Q. Based upon your analysis, what is your conclusion concerning the appropriate  
18 rate of return for the Company?**

19 A. Based upon my independent analysis, my conclusion is that the Company should be  
20 afforded an opportunity to earn a rate of return on common equity of 11.25%. My cost  
21 of equity determination should be viewed in the context of increasing capital costs  
22 revealed by rising interest rates and the need for supportive regulation at a time of  
23 increased infrastructure improvements now underway for the Company. As shown on  
24 Schedule 1, I have provided the weighted average cost of capital of 7.93%, which  
25 includes the 11.25% rate of return on common equity. The calculation of the weighted  
26 average cost of capital requires the selection of appropriate capital structure ratios

**DIRECT TESTIMONY OF PAUL R. MOUL**

1 and a determination of the cost rate for each capital component. In the case of the  
2 capital structure ratios, the components are taken from the fully projected future test  
3 year (“FPFTY”) ended February 29, 2024. My overall cost of capital recommendation  
4 is set forth below and is shown on page 1 of Schedule 1.

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-Term Debt	45.23%	3.91%	1.77%
Common Equity	<u>54.77%</u>	11.25%	<u>6.16%</u>
Total	<u>100.00%</u>		<u>7.93%</u>

5 The resulting overall rate of return, when applied to the Company’s rate base, will  
6 provide a compensatory level of return for the use of capital and provide the Company  
7 with the ability to attract capital on reasonable terms.

8 **Q. What background information concerning the Company have you considered as**  
9 **part of your testimony?**

10 A. York Water provides water service to 73,144 customers in York County, including the  
11 City of York, and in Adams County. The Company’s source of supply consists of  
12 surface water obtained from the south and east branches of the Codorus Creek and  
13 the Susquehanna River. The Company also provides wastewater service to 3,280  
14 customers.

15 The Company’s water sales were represented by approximately 50% to  
16 residential customers, 27% to commercial customers, 16% to industrial customers,  
17 and 7% to other customers including sales for resale. While representing 16% of  
18 sales, industrial customers comprise less than one-half of one-percent of the  
19 Company’s customers (i.e., 304 customers). This means that the water demands of a  
20 few customers can have a significant impact on the Company’s operations.

## DIRECT TESTIMONY OF PAUL R. MOUL

1 York Water has taken a leadership position in the consolidation of separate  
2 water utility systems in York and Adams Counties. Since 1978, the Company has  
3 acquired over 40 systems. During the past five years, the Company has experienced  
4 approximately 2.0% annual growth in customers, attributed mostly to acquisitions.  
5 Acquisitions often require investment of new capital to remedy deficiencies in the  
6 systems acquired. The benefits of regionalization accrue to all of the Company's  
7 constituencies -- new customers and local municipalities benefit from the Company's  
8 management expertise, which enhances service reliability and water quality of the  
9 acquired systems; existing customers benefit from the economies of scale derived  
10 from adding new customers; the Company's employees benefit from a wider scope of  
11 responsibilities and opportunities for professional development; and investors benefit  
12 from the additional growth of the Company.

13 **Q. In your opinion, what factors should the Commission consider when**  
14 **determining the Company's cost of capital in this proceeding?**

15 A. The Commission's rate of return allowance must be set to cover the Company's  
16 interest and dividend payments, provide a reasonable level of earnings retention,  
17 produce an adequate level of internally generated funds to meet capital requirements,  
18 be commensurate with the risk to which the Company's capital is exposed, assure  
19 confidence in the financial integrity of the Company, support reasonable credit quality,  
20 and allow the Company to raise capital on reasonable terms. The return that I  
21 propose fulfills these established standards of a fair rate of return set forth by the  
22 landmark Bluefield and Hope cases.<sup>1</sup> That is to say, my proposed rate of return is  
23 commensurate with returns available on investments having corresponding risks.

24 **Q. How have you determined the cost of common equity in this case?**

---

<sup>1</sup> Bluefield Water Works & Improvement Co. v. P.S.C. of West Virginia, 262 U.S. 679 (1923)  
and F.P.C. v. Hope Natural Gas Co., 320 U.S. 591 (1944).

## DIRECT TESTIMONY OF PAUL R. MOUL

1 A. The cost of common equity is established using capital market and financial data  
2 relied upon by investors to assess the relative risk, and hence the cost of equity, for a  
3 water utility, such as York Water. In this regard, I have relied on four well-recognized  
4 measures of the cost of equity: the Discounted Cash Flow (“DCF”) model, the Risk  
5 Premium (“RP”) analysis, the Capital Asset Pricing Model (“CAPM”), and the  
6 Comparable Earnings (“CE”) approach. By considering the results of a variety of  
7 approaches, I determined that the cost of equity is 11.25%. I have determined the  
8 cost of equity for the Company using data from a group of eight (8) water companies  
9 that are identified on page 2 of Schedule 3 of Exhibit No. FVII. I will refer to my group  
10 of eight water companies as the “Water Group.”

11 **Q. Is the market impact of the COVID-19 pandemic reflected in your analysis of the**  
12 **cost of equity for the company?**

13 A. Yes. My cost of equity analysis reflects the impact of the COVID-19 Pandemic  
14 (“Pandemic”). These events had a significant impact on the stock and bond markets  
15 beginning in the February-March 2020 time frame. During this period, we saw abrupt  
16 reaction to the Pandemic, which ended a record-setting 128-month economic  
17 expansion. As we entered a recession in February 2020, extraordinary actions were  
18 taken by the Federal Open Market Committee (“FOMC”) to address these disruptions.  
19 Recently, renewed economic growth has produced inflation levels higher than have  
20 been seen in four decades. Indeed, in March 2022, the rate of inflation spiked upward  
21 to 8.5%, the highest in forty years, due to pandemic-related supply side issues, strong  
22 consumer demand, and tight labor markets. Supply shortages have also significantly  
23 impacted the consumer sector of the economy. While short-term interest rates  
24 remained at historically low levels through much of the Pandemic, longer term interest  
25 rates began to rise in February 2021. At present, short-term interest rates are poised  
26 to increase based upon recent FOMC actions. Due to inflationary pressures, the



## DIRECT TESTIMONY OF PAUL R. MOUL

1 FOMC ended its bond buying program (i.e., quantitative easing) in March 2022, and it  
2 now plans to run off its \$9 trillion asset portfolio, which will boost interest rates. The  
3 FOMC has indicated that several increases in the Fed Funds rate will likely occur in  
4 2022 and 2023. The first of these increases occurred on March 16, 2022, when the  
5 Fed Funds rate was increased by 0.25%. On May 4, 2022, the Fed Funds rate was  
6 increased by an additional 0.50%. The FOMC also ended its quantitative easing at  
7 that time. The yield on ten-year Treasury notes has reached 2.00% for the first time  
8 since mid-2019. Over the course of the Pandemic, stock prices rebounded and  
9 reached a new high in reaction to renewed economic growth. While there has been a  
10 pullback in overall market prices in early 2022, commonly known as a market  
11 correction, it followed a stellar market performance of 28.71% in 2021. I have  
12 considered these events as they impact the inputs that I used in the various models of  
13 the cost of equity.

14 **Q. Why have you performed your cost of equity analysis utilizing the market data**  
15 **for the Water Group?**

16 A. The Company is overwhelmingly a water utility, which makes the selection of a water  
17 proxy group an obvious choice. I have also used the same proxy group of water  
18 utilities for its wastewater operations. I have followed this approach because there  
19 are insufficient data for predominantly wastewater utilities with traded stock that could  
20 be used in an analysis such as this. Moreover, of all utility types, the water utilities  
21 are probably most similar to the wastewater utilities. In addition, I am aware that  
22 several of the companies in my proxy group have wastewater operations. The use of  
23 a group average (or portfolio) of utilities will reduce the effect that anomalous results  
24 for an individual company may have on the rate of return determination. That is to  
25 say, by employing group average data, rather than individual company analyses, I  
26 have minimized the effect of extraneous influences on the market data for an

## DIRECT TESTIMONY OF PAUL R. MOUL

1 individual company.

2 **Q. Please summarize the basis for your cost of equity recommendation in this**  
3 **proceeding.**

4 A. My cost of equity determination was derived from the results of the methods/models  
5 identified above. In general, the use of more than one method provides a superior  
6 foundation to arrive at the cost of equity. At any point in time, reliance on a single  
7 method can provide an incomplete measure of the cost of equity depending upon  
8 extraneous factors that may influence market sentiment. The specific application of  
9 these methods/models will be described later in my testimony. The following table  
10 provides a summary of the indicated costs of equity as set forth on page 2 of  
11 Schedule 1.

	Water Group
DCF	10.77%
Risk Premium	11.00%
CAPM	14.36%
Comparable Earnings	12.15%

12 Viewing the results of all four measures, there is a range of common equity results  
13 from 10.77% to 14.36%. Recognizing the Commission's general approach of giving  
14 greater reliance to the DCF method, I have narrowed that range by viewing the results  
15 of the market-based models, i.e., DCF, RP and CAPM, producing a range of the cost  
16 of equity from 10.77% to 14.36%. The average of those three measures of the cost of  
17 equity is 12.04% and the median is 11.00%. As described in the testimony of Mr.  
18 Joseph T. Hand, the Company has undertaken many initiatives that have produced  
19 high quality service. In recognition of its outstanding performance, the Company

## DIRECT TESTIMONY OF PAUL R. MOUL

1 should be granted an opportunity to earn a return on equity of at least 11.00%, to  
2 which 0.25% should be added in recognition of that performance. This return is  
3 11.25% (11.00% + 0.25%) in recognition of the exemplary performance of the  
4 Company's management. The rate of return on common equity of 11.25% is well  
5 within the range of returns shown above and makes no provision for the prospect that  
6 the rate of return may not be achieved due to unforeseen events, such as unexpected  
7 spikes in the cost of purchased products and other expenses. To obtain new capital  
8 and retain existing capital, the rate of return on common equity must be high enough  
9 to satisfy investors' requirements.

### WATER UTILITY RISK FACTORS

10  
11 **Q. Please identify some of the risk factors that impact the water utility industry.**

12 A. The business risk of the water utilities has been strongly influenced by water quality  
13 concerns. The Safe Drinking Water Act Amendments of 1996 ("SDWA"), which re-  
14 authorized the SDWA for the second time since its original passage in 1974, instituted  
15 policies and procedures governing water quality. Significant aspects of the 1996 Act  
16 provide that the federal Environmental Protection Agency ("EPA"), in conjunction with  
17 other interested parties, will develop a list of contaminants for possible regulation and  
18 must update that list every 5 years. From that list, EPA must select at least five  
19 contaminants and determine whether to regulate them. This process must be  
20 repeated every five years. The EPA may bypass this process and adopt interim  
21 regulations for contaminants that pose an urgent health threat.

22 The current priorities of the EPA include regulations directed to: (i)  
23 microbials, disinfectants and disinfection byproducts, (ii) radon, (iii) radionuclides, and  
24 (iv) arsenic. The regulations that emanate from the EPA concerning certain  
25 potentially hazardous substances noted above, together with the Federal Clean Water  
26 Act and the Resource Conservation and Recovery Act, bear upon the risk of all water

## DIRECT TESTIMONY OF PAUL R. MOUL

1 utilities. Most of these regulations affect the entire water industry in contrast with  
2 certain regulations issued pursuant to the Clean Air Act, which may impact only  
3 selected electric utilities. This business risk factor, together with the important role  
4 that water service facilities play within the infrastructure, underscores the public policy  
5 concerns that are focused on the water utilities.

6 **Q. Are there specific infrastructure issues that the Company is currently**  
7 **addressing?**

8 A. Yes. Lead in service lines has reached national prominence after it was identified as  
9 a source of contamination in Flint, Michigan. Investors are aware of the  
10 consequences of lead contamination on public health and steps that need to be taken  
11 to deal with this issue. After all, water utilities deliver a product that is ingested by the  
12 public and are the only type of utility that faces public health issues related thereto.

13 In addition, effective in 2017, the Company was required to file with the PUC  
14 a formal Long-Term Infrastructure Improvement Plan (“LTIIIP”). It is my understanding  
15 that the Company is further accelerating the pace of replacement of water mains in its  
16 system.

17 **Q. How do these issues impact the water utility industry?**

18 A. Managers of water utilities have in the past and will in the future focus increased  
19 attention on environmental and related regulatory issues. Drinking water quality has  
20 also received heightened attention out of concern over the integrity of the source of  
21 supply, which is often threatened by changing land use and the permissible level of  
22 discharged contaminants established by state and federal agencies, and now  
23 potential threats from terrorists. Drilling activity in the Marcellus shale formation has  
24 also raised concerns over the integrity of the aquifers that supply drinking water and  
25 the disposal of wastewater from drilling activities in the Marcellus shale formation.  
26 Moreover, water companies have experienced increased water treatment and

## DIRECT TESTIMONY OF PAUL R. MOUL

1 monitoring requirements and escalating costs in order to comply with the increasingly  
2 stringent regulatory requirements noted above. Water utilities may also be required to  
3 expend resources to undertake research and employ technological innovations to  
4 comply with potential regulatory requirements. These factors are symptomatic of the  
5 changing business risk faced by water utilities.

6 **Q. Are there other factors that influence the business risk of water utilities?**

7 A. Yes. Being the sole purveyor of potable water from an established infrastructure does  
8 not insulate a water utility's operations from general business conditions, regulatory  
9 policy, the influence of weather, and customers' usage habits. For example, the  
10 Company has been faced with a sustained decline in the average use per customer.  
11 This trend has prevented the Company from realizing the sales levels used to set  
12 rates. It is also important to recognize that water companies face higher degrees of  
13 capital intensity than other utilities, more costly waste disposal requirements, and  
14 threats to their sources of supply. The headlines surrounding MTBE contamination  
15 and the regulation of arsenic are cases-in-point.

16 **Q. Are there other structural issues that affect the business risk of water utilities?**

17 A. Yes. As noted above, the high fixed costs of water utilities make earnings vulnerable  
18 to significant variations when usage fluctuates with weather, the economy, and  
19 customer conservation efforts. Conservation efforts can take the form of low water  
20 usage clothes washers, toilets and shower heads, and other reductions due to  
21 changes in usage. While the wise use of water is always the objective, the business  
22 risk of the water utility industry can be affected by increased customer awareness of  
23 conservation. Moreover, current building standards have mandated the use of  
24 fixtures that must comply with more stringent water use requirements.

25 **Q. Please identify some of the specific water utility risk factors that impact the**  
26 **Company.**

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1 A. The Company must conform its operations to the requirements of the SDWA and the  
2 Enhanced Surface Water Treatment Rule (“ESWTR”), which include monitoring and  
3 testing, compliance with the lead and copper rule, regulation of Disinfectants/-  
4 Disinfection By-Products (“DDBP”), and other contaminants. Moreover, high capital  
5 intensity is a characteristic typically found in the water utility business. In this regard,  
6 the Company’s investment in net plant is 6.19 times its revenue, as compared to the  
7 Water Group’s investment in net plant, which is 4.50 times its revenue. This makes  
8 York Water the most capital intensive member of the Water Group, and hence more  
9 risky.

10 **Q. How is the Company’s risk profile affected by its construction program?**

11 A. The Company is engaged in a continuing capital expenditure program, excluding  
12 acquisitions, necessary to meet the needs of its customers and to comply with various  
13 regulations. For the future, the Company expects its total capital expenditures, net of  
14 customer advances and excluding potential acquisitions, to be:

Year	Capital Expenditures
2022	\$ 47,014,000
2023	69,635,500
2024	35,901,800
2025	35,086,800
2026	37,407,800
Total	<u>\$ 225,045,900</u>

15 The Company’s total capital expenditures over the next five years will represent  
16 approximately 59% ( $\$225,045,900 \div \$382,909,000$ ) of the total depreciated utility  
17 plant in service (net of contributions) based upon the amount at December 31, 2021.  
18 The Company expects that its capital expenditures will be financed with internally

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1 generated funds and issuance of debt and common stock through its dividend  
2 reinvestment, direct stock purchase and employee stock purchase plans.

3 **Q. How should the Commission respond to the evolving business risk facing the**  
4 **Company?**

5 A. The Company is faced with the requirement to invest in new facilities and to maintain  
6 and upgrade existing facilities in its service territory. Where a substantial ongoing  
7 capital investment is required to meet the high quality of product and service that  
8 customers demand, supportive regulation is absolutely essential.

### FUNDAMENTAL RISK ANALYSIS

9  
10 **Q. Is it necessary to conduct a fundamental risk analysis to provide a framework**  
11 **for a determination of a utility's cost of equity?**

12 A. Yes. It is necessary to establish a company's relative risk position within its industry  
13 through a fundamental analysis of various quantitative and qualitative factors that  
14 bear upon investors' assessment of overall risk and are detailed in the testimony of  
15 Mr. Hand. The qualitative factors that bear upon the Company's risk have already  
16 been discussed. The quantitative risk analysis follows. For this purpose, I compared  
17 the Company to the S&P Public Utilities, an industry-wide proxy consisting of various  
18 regulated businesses, and the Water Group.

19 **Q. What criteria have you employed to assemble your Water Group?**

20 A. The Water Group companies have the following common characteristics: (i) they are  
21 listed in the "Water Utility Industry" section (basic and expanded) of The Value Line  
22 Investment Survey and (ii) their stock is publicly traded. The members of the Water  
23 Group are: American States Water, American Water Works Co., Artesian Resources  
24 Corp., California Water Service Group, Essential Utilities, Inc., Middlesex Water  
25 Company, SJW Corporation, and York Water.

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1 **Q. What are the components of the S&P Public Utilities?**

2 A. The S&P Public Utilities is a widely recognized index that consists of electric power  
3 and natural gas companies. These companies are identified on page 3 of Schedule 4  
4 of Exhibit No. FVII.

5 **Q. Is knowledge of a utility's bond rating an important factor in assessing its risk  
6 and cost of capital?**

7 A. Yes. Knowledge of a company's credit quality rating is important because the cost of  
8 each type of capital is directly related to the associated risk of the firm. So, while a  
9 company's credit quality risk is shown directly by the rating and yield on its bonds,  
10 these relative risk assessments also bear upon the cost of equity. This is because a  
11 firm's cost of equity is represented by its borrowing cost plus compensation to  
12 recognize the higher risk of an equity investment compared to debt.

13 **Q. How do the bond ratings compare for York Water, the Water Group, and the  
14 S&P Public Utilities?**

15 A. York Water has an A- corporate credit rating ("CCR") from Standard & Poor's  
16 Corporation ("S&P"). The average ratings for the Water Group are A by S&P and A3  
17 by Moody's. The CCR designation by S&P and LT issuer rating by Moody's focus  
18 upon the credit quality of the issuer of the debt, rather than upon the debt obligation  
19 itself. For the S&P Public Utilities, the average composite rating is BBB+ by S&P and  
20 A3 by Moody's. Many of the financial indicators that I will subsequently discuss are  
21 considered during the rating process.

22 **Q. How do the financial data compare for York Water, the Water Group, and the  
23 S&P Public Utilities?**

24 A. The broad categories of financial data that I will discuss are shown on Schedules 2, 3,  
25 and 4 of Exhibit No. FVII. The data cover the five-year period 2017-2021. The  
26 important categories of relative risk may be summarized as follows:



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1           Size. In terms of capitalization, the Company is very much smaller (less  
2 than 10%) than the average size of the Water Group. The average size of the S&P  
3 Public Utilities is very much larger than the Water Group and the Company. All other  
4 things being equal, a smaller company is riskier than a larger company because a  
5 given change in revenue and expense has a proportionately greater impact on a small  
6 firm. As I will demonstrate later, the size of a firm can impact its cost of equity. This is  
7 the case for the Company and the Water Group.

8           Market Ratios. Market-based financial ratios provide a partial indication of  
9 the investor-required cost of equity. If all other factors are equal, investors will require  
10 a higher rate of return on equity for companies that exhibit greater risk, in order to  
11 compensate for that risk. That is to say, a firm that investors perceive to have higher  
12 risks will experience a lower price per share in relation to expected earnings and  
13 hence; a lower price-earnings ratio.<sup>2</sup>

14           The five-year average price-earnings multiple was highest for York Water,  
15 followed closely by the Water Group and then the S&P Public Utilities, which had the  
16 lowest price-earnings multiple. The five-year average dividend yield was lowest for  
17 York Water followed closely by the Water Group, while the S&P Public Utilities had  
18 the highest dividend yield. The average market-to-book ratio was highest for York  
19 Water, followed by the Water Group and finally the S&P Public Utilities.

20           Common Equity Ratio. The level of financial risk is measured by the  
21 proportion of long-term debt and other senior capital that is contained in a company's  
22 capitalization. Financial risk is also analyzed by comparing common equity ratios (the  
23 complement of the ratio of debt and other senior capital). That is to say, a firm with a

---

<sup>2</sup>For example, two otherwise similarly situated firms each reporting \$1.00 earnings per share would have different market prices at varying levels of risk, i.e., the firm with a higher level of risk will have a lower share value, while the firm with a lower risk profile will have a higher share value.

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1 high common equity ratio has lower financial risk, while a firm with a low common  
2 equity ratio has higher financial risk. The five-year average common equity ratios,  
3 based on permanent capital, were 55.2% for the Company, 51.8% for the Water  
4 Group, and 41.0% for the S&P Public Utilities. For reporting purposes, the  
5 Company's Form 10-K includes the Committed Line of Credit as part of long-term  
6 debt, because its maturity is beyond one-year. But for ratesetting purposes, it is  
7 removed from long-term debt because is a revolving credit facility that is periodically  
8 repaid with permanent financing. Indeed, the balance of the revolving credit facility is  
9 now zero after the Company's recent financing. The Company is proposing a 54.77%  
10 common equity ratio for the purpose of calculating its weighted average cost of  
11 capital. This common equity ratio contains about the same degree of financial risk  
12 than shown historically for the Company. Moreover, the Company's financial risk is  
13 not dissimilar to the Water Group.

14 Return on Book Equity. Greater variability (i.e., uncertainty) of a firm's  
15 earned returns signifies relatively greater levels of risk, as shown by the coefficient of  
16 variation (standard deviation ÷ mean) of the rate of return on book common equity.  
17 The higher the coefficients of variation, the greater degree of variability. For the five-  
18 year period, the coefficients of variation were 0.035 (0.4% ÷ 11.3%) for the Company,  
19 0.067 (0.7% ÷ 10.4%) for the Water Group, and 0.051 (0.5% ÷ 9.9%) for the S&P  
20 Public Utilities. The earnings variability for the Company was lower than the Water  
21 Group and S&P Public Utilities.

22 Operating Ratios. I have also compared operating ratios (the percentage of  
23 revenues consumed by operating expense, depreciation and taxes other than income  
24 taxes).<sup>3</sup> The higher the operating ratio, the lower the operating margin. The five-year

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<sup>3</sup> The complement of the operating ratio is the operating margin which provides a measure of profitability.

## DIRECT TESTIMONY OF PAUL R. MOUL

1 average operating ratios were 54.7% for the Company, 70.3% for the Water Group,  
2 and 79.8% for the S&P Public Utilities. The Company's lower operating ratio can be  
3 traced to its high capital intensity because a larger operating margin (i.e., the  
4 complement of the operating ratio) derives from the income taxes and return  
5 associated with a larger capital investment per dollar of revenue.

6 Coverage. The level of fixed charge coverage (i.e., the multiple by which  
7 available earnings cover fixed charges, such as interest expense) provides an  
8 indication of the earnings protection for creditors. Higher levels of coverage, and  
9 hence earnings protection for fixed charges, are usually associated with superior  
10 grades of creditworthiness. The five-year average interest coverage (excluding  
11 Allowance for Funds Used During Construction ("AFUDC")) was 4.28 times for the  
12 Company, 3.93 times for the Water Group, and 2.97 times for the S&P Public Utilities.  
13 The interest coverages were somewhat above, albeit fairly similar, for York Water and  
14 the Water Group.

15 Quality of Earnings. Measures of earnings quality usually are revealed by  
16 the percentage of AFUDC related to income available for common equity, the  
17 effective income tax rate, and other cost deferrals. These measures of earnings  
18 quality usually influence a firm's internally generated funds because poor quality of  
19 earnings would not generate high levels of cash flow. Quality of earnings has not  
20 been a significant concern for the Company, the Water Group, and the S&P Public  
21 Utilities.

22 Internally Generated Funds. Internally generated funds ("IGF") provide an  
23 important source of new investment capital for a utility and represent a key measure  
24 of credit strength. Historically, the five-year average percentage of IGF to capital  
25 expenditures was 60.6% for the Company, 52.2% for the Water Group, and 66.0% for

## DIRECT TESTIMONY OF PAUL R. MOUL

1 the S&P Public Utilities. The percentage of IGF to construction for the Company was  
2 somewhat higher than that of the Water Group.

3 Betas. The financial data that I have been discussing relate primarily to  
4 company-specific risks. Market risk for firms with publicly-traded stock is measured  
5 by beta coefficients. Beta coefficients attempt to identify systematic risk, i.e., the risk  
6 associated with changes in the overall market for common equities. Value Line  
7 publishes such a statistical measure of a stock's relative historical volatility to the rest  
8 of the market.<sup>4</sup> A comparison of market risk is shown by the Value Line beta of 0.85  
9 for York Water, 0.77 as the average for the Water Group (see page 2 of Schedule 3),  
10 and 0.90 as the average for the S&P Public Utilities (see page 3 of Schedule 4). The  
11 market risk (i.e. systematic risk) for York Water is higher than that of the Water Group,  
12 but less than for S&P Public Utilities.

13 **Q. Please summarize your risk evaluation of the Company and the Water Group.**

14 A. For the future, the risk of the water industry will be strongly influenced by the  
15 regulatory requirements associated with the SDWA, the need to maintain adequate  
16 supply, the need to rehabilitate infrastructure, high capital intensity, a low rate of  
17 capital recovery, and construction expenditures that exceed IGF. The Company's risk  
18 is generally equal to that of the Water Group, although York Water is very much  
19 smaller in size, it lacks geographic diversity, and it has a much higher degree of  
20 capital intensity. As such, the cost of equity for the Water Group will provide a  
21 reasonable measure of a fair return for the Company.

---

<sup>4</sup> Beta is a relative measure of the historical sensitivity of the stock's price to overall fluctuations in the New York Stock Exchange Composite Index. The "Beta coefficient" is derived from a regression analysis of the relationship between weekly percentage changes in the price of a stock and weekly percentage changes in the NYSE Index over a period of five years. The betas are adjusted for their long-term tendency to converge toward 1.00. A common stock that has a beta less than 1.0 is considered to have less systematic risk than the market as a whole and would be expected to rise and fall more slowly than the rest of the market. A stock with a beta above 1.0 would have more systematic risk.

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### CAPITAL STRUCTURE RATIOS

1

2 **Q. Please explain the selection of capital structure ratios for York Water.**

3 A. The capital structure ratios of York Water should be employed for rate of return  
4 purposes. In the situation where the operating public utility raises its own debt directly  
5 in the capital markets, as is the case for the Company, it is proper to employ the  
6 capital structure ratios and senior capital cost rates of the regulated public utility for  
7 rate of return purposes. Furthermore, consistency requires that the embedded cost  
8 rate of the Company's senior securities should also be employed. This procedure is  
9 consistent with the ratesetting procedures used by the Commission in numerous prior  
10 rate cases for York Water.

11 **Q. Does Schedule 5 provide the capitalization and capital structure ratios you have  
12 considered?**

13 A. Yes. Schedule 5 presents the Company's capitalization and related capital structure  
14 ratios based upon investor-provided capital. The December 31, 2021 capitalization  
15 corresponds with the end of the historic test year in this case. The projected February  
16 29, 2024 capitalization reflects the end of the FPFTY. The primary changes in the  
17 future test year and FPFTY capital structure include a debt maturity of \$7.5 million on  
18 December 18, 2022, the issuance of two new series of debt (\$30 million in 2022 and  
19 \$32.5 million in 2023), and changes in common equity consisting of proceeds from the  
20 issue of common stock that has been completed that provided approximately \$43  
21 million of new equity and proceeds from the Dividend Reinvestment, Direct Stock  
22 Purchase, and Employee Stock Purchase Plans, totaling approximately \$5 million,  
23 and the build-up of retained earnings. Explanatory notes are provided on Schedule 5  
24 noting the changes in the Company's capital structure preceding the end of the  
25 FPFTY.

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1 **Q. Have you included short-term debt as a component of the Company's capital**  
2 **structure in the case?**

3 A. No. I have considered the issue of short-term debt, but I have rejected its use here.  
4 The Company uses short-term debt to finance non-rate base items, principally  
5 construction work in progress ("CWIP"). In reaching this conclusion, I have compared  
6 the historical December 31, 2021 CWIP balance of \$25.2 million to the FPFTY  
7 balance of \$8 million for the revolving credit facility. Indeed, short-term debt is  
8 financing all CWIP at December 31, 2021. In order to avoid double-counting the  
9 amount of short-term debt that finances CWIP, those amounts must be removed from  
10 the short-term debt amounts for rate case purposes. As a consequence, no amount  
11 of short-term debt can be assumed to finance the rate base in this case. Hence, all  
12 short-term debt is excluded from the capital structure in the FPFTY.

13 **Q. What capital structure ratios do you recommend be adopted for rate of return**  
14 **purposes in this proceeding?**

15 A. Since ratesetting is prospective, the rate of return should, at a minimum, reflect known  
16 or reasonably foreseeable changes which will occur during the course of the future  
17 and FPFTY. As a result, I will adopt the Company's FPFTY capital structure ratios of  
18 45.23% long-term debt and 54.77% common equity. It is worth noting that these  
19 ratios are within the range of the ratios of the Water Group. These capital structure  
20 ratios are the best approximation of the mix of capital the Company will employ to  
21 finance its rate base during the period new rates are effective.

### COST OF SENIOR CAPITAL

23 **Q. What cost rate have you assigned to the long-term debt portion of York Water's**  
24 **capital structure?**

25 A. The determination of the cost of debt is essentially an arithmetic exercise. This is due  
26 to the fact that the Company has contracted for the use of this capital for a specific

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1 period of time at a specified cost rate. As shown on page 1 of Schedule 6, the actual  
2 embedded cost rate of long-term debt was 4.05% on December 31, 2021. Page 2 of  
3 Schedule 6 shows that the embedded debt cost rate is expected to be 3.91% at  
4 February 29, 2024. For the two new debt issues of long-term debt, the 2022 issuance  
5 has a 4.00% estimated coupon rate and the 2023 issuance has a 4.25% estimated  
6 coupon rate. This reflects rising interest rates that I will discuss below. I should note  
7 that although the new issuances reflect rising interest rates, the weighted cost rate is  
8 declining because the new debt is still substantially lower than the cost rate of the  
9 retiring debt. The details leading to the development of the individual effective cost  
10 rates for each series of long-term debt, using the cost rate to maturity technique, are  
11 shown on page 3 of Schedule 6. The cost rate, or yield to maturity, is the rate of  
12 discount that equates the present value of all future interest and principal payments  
13 with the net proceeds of the bond.

14 I will adopt the 3.91% embedded cost of long-term debt for the FPPTY. The  
15 3.91% long-term debt cost rate is related to the amount of long-term debt shown on  
16 Schedule 5, which provides the basis for the 45.23% long-term debt ratio.

### **COST OF EQUITY – GENERAL APPROACH**

17  
18 **Q. Please describe how you determined the cost of equity for the company.**

19 A. Although my fundamental financial analysis provides the required framework to  
20 establish the risk relationships among York Water, the Water Group, and the S&P  
21 Public Utilities, the cost of equity must be measured by standard financial models that  
22 I identified above. Differences in risk traits, such as size, business diversification,  
23 geographical diversity, regulatory policy, financial leverage, and bond ratings must be  
24 considered when analyzing the cost of equity.

25 It is also important to reiterate that no one method or model of the cost of  
26 equity can be applied in an isolated manner. Rather, informed judgment must be

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1 used to take into consideration the relative risk traits of the company. It is for this  
2 reason that I have used more than one method to measure the Company's cost of  
3 equity. As I describe below, each of the methods used to measure the cost of equity  
4 contains certain incomplete and/or overly restrictive assumptions and constraints that  
5 are not optimal. Therefore, I favor considering the results from a variety of methods.  
6 In this regard, I applied each of the methods with data taken from the Water Group  
7 and arrived at a cost of equity of 11.25% for York Water.

### DISCOUNTED CASH FLOW

8  
9 **Q. Please describe the DCF model.**

10 A. The DCF model seeks to explain the value of an asset as the present value of future  
11 expected cash flows discounted at the appropriate risk-adjusted rate of return. In its  
12 simplest form, the DCF-determined return on common stock consists of a current  
13 cash (dividend) yield and future price appreciation (growth) of the investment. The  
14 dividend discount equation is the familiar DCF valuation model, which assumes that  
15 future dividends are systematically related to one another by a constant growth rate.  
16 The DCF formula is derived from the standard valuation model:  $P = D/(k-g)$ , where  $P =$   
17 price,  $D =$  dividend,  $k =$  the cost of equity, and  $g =$  growth in cash flows. By  
18 rearranging the terms, we obtain the familiar DCF equation:  $k = D/P + g$ . All of the  
19 terms in the DCF equation represent investors' assessment of expected future cash  
20 flows that they will receive in relation to the value that they set for a share of stock ( $P$ ).  
21 The DCF equation is sometimes referred to as the "Gordon" model.<sup>5</sup> My DCF results  
22 are provided on Schedule 1, page 2, for the Water Group. The DCF return is 10.77%  
23 with the leverage adjustment and 9.31% without the leverage adjustment for the

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<sup>5</sup> Although the popular application of the DCF model is often attributed to the work of Myron J. Gordon in the mid-1950s, J.B. Williams explicated the DCF model in its present form nearly two decades earlier.



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1 Water Group. The leverage adjustment is discussed more fully below.

2 Among the limitations of the model, there is a certain element of circularity in  
3 the DCF method when applied in rate cases. This is because investors' expectations  
4 for the future depend upon regulatory decisions. In turn, when regulators depend  
5 upon the DCF model to set the cost of equity, they rely upon investor expectations  
6 that include an assessment of how regulators will decide rate cases. Due to this  
7 circularity, the DCF model may not fully reflect the true risk of a utility. Other  
8 limitations of the DCF include the constant P-E multiple assertion that does not  
9 conform with actual stock market performance. And, indeed, the FERC has moved to  
10 using multiple methods for measuring the cost of equity due to the limitations of the  
11 DCF.

12 **Q. What is the dividend yield component of a DCF analysis?**

13 A. The dividend yield reveals the portion of investors' cash flow that is generated by the  
14 return provided by the dividends an investor receives. It is measured by the dividends  
15 per share relative to the price per share. The DCF methodology requires the use of an  
16 expected dividend yield to establish the investor-required cost of equity. For the  
17 twelve months ended March 2022, the monthly dividend yields are shown on  
18 Schedule 7. The month-end prices were adjusted to reflect the buildup of the  
19 dividend in the price that has occurred since the last ex-dividend date (i.e., the date by  
20 which a shareholder must own the shares to be entitled to the dividend payment –  
21 usually about two to three weeks prior to the actual payment).

22 For the twelve months ended March 2022, the average dividend yield was  
23 1.77% for the Water Group based upon a calculation using annualized dividend  
24 payments and adjusted month-end stock prices. The dividend yields for the more  
25 recent six-month and three-month periods were 1.75% and 1.79%, respectively. For  
26 applying the DCF model, I have used the six-month average dividend yield of 1.75%

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1 for the Water Group. The use of this dividend yield will reflect current capital costs  
2 while avoiding spot yields. For the purpose of a DCF calculation, the average  
3 dividend yield must be adjusted to reflect the prospective nature of the dividend  
4 payments, i.e., the higher expected dividends for the future. Recall that the DCF is an  
5 expectational model that must reflect investors' anticipated cash flows. I have  
6 adjusted the six-month average dividend yield in three different but generally  
7 accepted manners and used the average of the three adjusted values as calculated in  
8 the lower panel of data presented on Schedule 7.<sup>6</sup> This adjustment adds six basis  
9 points to the six-month average historical yield, thus producing the 1.81% adjusted  
10 dividend yield for the Water Group.

11 **Q. What factors influence investors' growth expectations?**

12 A. As noted previously, investors are interested principally in the dividend yield and  
13 future growth of their investment (i.e., the price per share of the stock). Future growth  
14 in earnings per share is the DCF model's primary focus because, under the model's  
15 assumption that the P-E multiple remains constant, the price per share of stock will  
16 grow at the same rate as earnings per share. A growth rate analysis considers a  
17 variety of variables to reach a consensus of prospective growth, including historical  
18 data and widely available analysts' forecasts of earnings, dividends, book value, and  
19 cash flow (all stated on a per-share basis). A fundamental growth rate analysis is  
20 frequently based upon internal growth ("b x r"), where "r" is the expected rate of return

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<sup>6</sup> These adjustments are the 1/2 growth approach, the discrete approach, and the quarterly approach. Under the 1/2 approach, the procedure to adjust the average dividend yield for the expectation of a dividend increase during the initial investment period will be at a rate of one-half the growth component, which assumes that half of the dividend payments will be at the expected higher rate during the initial investment period. Under the discrete approach, the "g" in the DCF model reflects the discrete growth in the quarterly dividend, which is required for the periodic form of the DCF to properly recognize that dividends are expected to grow on a discrete basis. The quarterly approach takes into account that investors have the opportunity to reinvest quarterly dividend receipts. Recognizing the compounding of the periodic quarterly dividend payments ( $D_0$ ) results in this third DCF formulation. This DCF equation provides no further recognition of growth in the quarterly dividend. A compounding of the quarterly dividend yield recognizes the necessity for an adjusted dividend yield.

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1 on common equity and “b” is the retention rate (a fraction representing the proportion  
2 of earnings not paid out as dividends). To be complete, the internal growth rate  
3 should be modified to account for sales of new common stock (external growth),  
4 which is represented by the formula  $s \times v$ , where “s” is the number of new common  
5 shares that the firm expects to issue and “v” is the value that accrues to existing  
6 shareholders from selling stock at a price above book value. Fundamental growth,  
7 which combines internal and external growth, encompasses the factors that cause  
8 book value per share to grow over time.

9 Growth also can be expressed in multiple stages. This expression of growth  
10 consists of an initial “growth” stage during which a firm enjoys rapidly expanding  
11 markets, high profit margins, and abnormally high growth in earnings per share.  
12 Thereafter, a firm enters a “transition” stage during which fewer technological  
13 advances and increased product saturation begin to reduce the growth rate and profit  
14 margins come under pressure. During the “transition” stage, investment opportunities  
15 begin to mature, capital requirements decline, and a firm begins to pay out a larger  
16 percentage of earnings to shareholders. Finally, the mature or “steady-state” stage is  
17 reached when a firm’s earnings growth, payout ratio, and return on equity stabilize at  
18 levels where they remain for the life of a firm. The three stages of growth assume a  
19 step-down of high initial growth to lower sustainable growth. Even if these three  
20 stages of growth can be envisioned for a firm, the third “steady-state” growth stage,  
21 which is assumed to remain fixed in perpetuity, represents an unrealistic expectation  
22 because the three stages of growth can be repeated. That is to say, the stages can  
23 be repeated where growth for a firm ramps up and ramps down in cycles over time.  
24 For these reasons, there is no need to analyze growth rates individually for each  
25 cycle, but rather to rely upon analysts’ growth forecasts that are used by investors  
26 when pricing common stocks.

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1 **Q. How did you determine an appropriate growth rate?**

2 A. The growth rate used in a DCF calculation should measure investor expectations.  
3 Investors consider both company-specific variables and overall market sentiment (i.e.,  
4 level of inflation rates, interest rates, economic conditions, etc.) when balancing their  
5 capital gains expectations with their dividend yield requirements. Investors are not  
6 influenced solely by a single set of company-specific variables weighted in a formulaic  
7 manner. Therefore, all relevant growth rate indicators should be evaluated using a  
8 variety of techniques when formulating a judgment of investor-expected growth.

9 **Q. What data for the water group have you considered in your growth rate**  
10 **analysis?**

11 A. I considered the growth in the financial variables shown on Schedules 8 and 9, which  
12 reflect historical (Schedule 8) and projected (Schedule 9) rates of growth in earnings  
13 per share, dividends per share, book value per share, and cash flow per share for the  
14 Water Group. While analysts will review all measures of growth, as I have done,  
15 earnings per share growth directly influences the expectations of investors for the  
16 future performance of utility stocks. Forecasts of earnings growth are required  
17 because the DCF model is forward-looking, and, with the constant P-E multiple and  
18 constant payout ratio that the DCF model assumes, all other measures of growth will  
19 mirror earnings growth. The historical growth rates were obtained from the Value Line  
20 publication that provides this data. While historical data cannot be ignored, they are  
21 much less significant when applying the DCF model than projections of future growth.  
22 Investors cannot purchase the past earnings of a utility. To the contrary they are only  
23 entitled to future earnings, which are the focus of growth projections. Furthermore, if  
24 significant weight is assigned to historical performance, the historical data are double-  
25 counted because they are already factored into analysts' forecasts of earnings  
26 growth.

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1 **Q. Is a five-year investment horizon associated with the analysts' forecasts**  
2 **consistent with the traditional DCF model?**

3 A. Yes, it is. Although the constant form of the DCF model assumes an infinite stream of  
4 cash flows, investors do not expect to hold an investment indefinitely. Rather than  
5 viewing the DCF in the context of an endless stream of growing dividends (e.g., a  
6 century of cash flows), the growth in the share value (i.e., capital appreciation, or  
7 capital gains yield) is most relevant to investors' total return expectations. Hence, the  
8 sale price of a stock can be viewed as a liquidating dividend that can be discounted  
9 along with the annual dividend receipts during the investment-holding period to arrive  
10 at the investors' expected return. The growth in the price per share will equal the  
11 growth in earnings per share if, as the DCF model assumes, there is no change in the  
12 P-E multiple. As such, my company-specific growth analysis, which focuses  
13 principally upon five-year forecasts of earnings per share growth, conforms with the  
14 type of analysis that influences investors' expectations of their actual total return.  
15 Moreover, academic research also focuses on five-year growth rates specifically  
16 because market outcomes occurring over that investment horizon are what influence  
17 stock prices. Indeed, if investors required forecasts beyond five years in order to  
18 properly value common stocks, then it would be reasonable to expect that some  
19 investment advisory service would begin publishing that information for individual  
20 stocks in order to meet the demands of the marketplace. The absence of such a  
21 publication suggests that there is no market for this information because investors do  
22 not require forecasts for an infinite series of future data points in order to make  
23 informed decisions to purchase and sell stocks.

24 **Q. What are the analysts' forecasts of future growth that you considered?**

25 A. Schedule 9 provides projected earnings per share growth rates taken from analysts'  
26 five-year forecasts compiled by IBES/First Call, Zacks, and Value Line. These are all

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1 reliable authorities of projected growth that investors use to make buy, sell, and hold  
2 decisions. The IBES/First Call and Zacks estimates are obtained from the Internet  
3 and are widely available to investors. The growth rates reported by IBES/First Call  
4 and Zacks are consensus forecasts taken from a survey of analysts that make growth  
5 projections for these companies. Notably, First Call's earnings forecasts are  
6 frequently quoted in the financial press. The Value Line forecasts also are widely  
7 available to investors and can be obtained by subscription or free of charge at most  
8 public and collegiate libraries. The IBES/First Call and Zacks forecasts are limited to  
9 earnings per share growth, while Value Line makes projections of other financial  
10 variables. The Value Line forecasts of dividends per share, book value per share,  
11 and cash flow per share for the Water Group are also included on Schedule 7.

12 **Q. What are the projected growth rates published by the sources you discussed?**

13 A. Schedule 9 shows the prospective five-year earnings per share growth rates projected  
14 for the Water Group by IBES/First Call (6.00%), Zacks (7.10%), and Value Line  
15 (7.57%).

16 **Q. Are certain growth rate forecasts entitled to greater weight in developing a  
17 growth rate for use in the DCF model?**

18 A. Yes. While a variety of factors should be examined to reach a reasonable conclusion  
19 on the DCF growth rate, growth in earnings per share should receive the greatest  
20 emphasis. Growth in earnings per share is the primary determinant of investors'  
21 expectations of the total returns they will obtain from stocks because the capital gains  
22 yield (i.e., price appreciation) will track earnings growth if the P-E multiple remains  
23 constant, as the DCF model assumes. Moreover, earnings per share (derived from  
24 net income) are the source of dividend payments and are the primary driver of  
25 retention growth and its surrogate, i.e., book value per share growth. As such, under  
26 these circumstances, greater emphasis must be placed upon projected earnings per

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1 share growth. In fact, Professor Gordon, the foremost proponent of the use of the  
2 DCF model in setting utility rates, concluded that the best measure of growth for use  
3 in the DCF model is a forecast of earnings per-share growth.<sup>7</sup> Consistent with  
4 Professor Gordon's findings, projections of earnings per share growth, such as those  
5 published by IBES/First Call, Zacks, and Value Line, provide the best indication of  
6 investor expectations.

7 **Q. What growth rate do you use in your DCF model?**

8 A. The forecasts shown on Schedule 9 for the Water Group exhibit a range of average  
9 earnings per share growth rates from 6.08% to 7.57%. DCF growth rates should not  
10 be established by mathematical formulation, and I have not done so. In my opinion, a  
11 growth rate of 7.50% is a reasonable estimate of investor-expected growth for the  
12 Water Group. This value is within the array of analysts' forecasts of five-year earnings  
13 per share growth rates. The reasonableness of this growth rate is also supported by  
14 the expected continuation of utility infrastructure spending.

15 **Q. Are the dividend yield and growth components of the DCF adequate to**  
16 **accurately depict the rate of return on common equity when it is used to**  
17 **calculate a utility's weighted average overall cost of capital?**

18 A. The components of the DCF model are adequate for that purpose only if the capital  
19 structure ratios are measured by the market value of debt and equity. In the case of  
20 the Water Group, average market value capital structure ratios are 25.26% long-term  
21 debt, 0.01% preferred stock, and 74.72% common equity, as shown on Schedule 10.  
22 If book values are used to compute the capital structure ratios, then a leverage  
23 adjustment is required.

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<sup>7</sup> Gordon, Gordon & Gould, "Choice Among Methods of Estimating Share Yield," The Journal of Portfolio Management (Spring 1989).

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1 **Q. What is a leverage adjustment?**

2 A. If a firm's capitalization, as measured by its stock price, diverges from its  
3 capitalization, measured at book value, the potential exists for a financial risk  
4 difference. Such a risk difference arises because a market-valued capitalization  
5 contains more equity and less debt than a book-value capitalization and, therefore,  
6 has less risk than the book-value capitalization. A leverage adjustment properly  
7 accounts for the risk differential between market-value and book-value capital  
8 structures.

9 **Q. Why is a leverage adjustment necessary?**

10 A. In order to make the DCF results relevant to the capitalization measured at book  
11 value (as is done for rate setting purposes), the market-derived cost rate must be  
12 adjusted to account for this difference in financial risk. The only perspective that is  
13 important to investors is the return that they can realize on the market value of their  
14 investment. As I have measured the DCF, the simple yield (D/P) plus growth (g)  
15 provides a return applicable strictly to the price (P) that an investor is willing to pay for  
16 a share of stock. The need for the leverage adjustment arises when the results of the  
17 DCF model (k) are to be applied to a capital structure that is different from the capital  
18 structure indicated by the market price (P). From the market perspective, the financial  
19 risk of the Water Group is accurately measured by the capital structure ratios  
20 calculated from the market-valued capitalization of a firm. If the ratemaking process  
21 utilized the market capitalization ratios, then no additional analysis or adjustment  
22 would be required, and the simple yield (D/P) plus growth (g) components of the DCF  
23 would satisfy the financial risk associated with the market value of the equity  
24 capitalization. Because the ratemaking process uses ratios calculated from a firm's  
25 book value capitalization, further analysis is required to synchronize the financial risk  
26 of the book capitalization with the required return on the book value of the firm's



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1 equity. This adjustment is developed through precise mathematical calculations,  
2 using well-recognized analytical procedures that are widely accepted in the financial  
3 literature. To arrive at that return, the rate of return on common equity is the  
4 unleveraged cost of capital (or equity return at 100% equity) plus one or more terms  
5 reflecting the increase in financial risk resulting from the use of leverage in the capital  
6 structure. The calculations presented in the lower panel of data shown on Schedule  
7 10, under the heading "M&M,"<sup>8</sup> provide a return of 8.06% when applicable to a capital  
8 structure with 100% common equity.

9 **Q. Are there specific factors that influence market-to-book ratios that determine**  
10 **whether the leverage adjustment should be made?**

11 A. No. The leverage adjustment is not intended, nor was it designed, to address the  
12 reasons that stock prices vary from book value. Hence, any observations concerning  
13 market prices relative to book value are not on point. The leverage adjustment deals  
14 with the issue of financial risk and does not transform the DCF result to a book value  
15 return through a market-to-book adjustment. Again, the leverage adjustment that I  
16 propose is based on the fundamental financial precept that the cost of equity is equal  
17 to the rate of return for an unleveraged firm (i.e., where the overall rate of return  
18 equates to the cost of equity with a capital structure that contains 100% equity) plus  
19 the additional return required for introducing debt and/or preferred stock leverage into  
20 the capital structure.

21 Further, as noted previously, the relatively high market prices of utility stocks  
22 cannot be attributed solely to the notion that these companies are expected to earn a  
23 return on the book value of equity that differs from their cost of equity determined from

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<sup>8</sup> Franco Modigliani and Merton H. Miller, "The Cost of Capital, Corporation Finance, and the Theory of Investments," American Economic Review, June 1958, at 261-97. Franco Modigliani and Merton H. Miller, "Taxes and the Cost of Capital: A Correction," American Economic Review, June 1963, at 433-43.

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1 stock market prices. Stock prices above book value are common for utility stocks,  
2 and indeed the stock prices of non-regulated companies exceed book values by even  
3 greater margins. It is difficult to accept that the vast majority of all firms operating in  
4 our economy are generating returns far in excess of their cost of capital. Certainly, in  
5 our free-market economy, competition should contain such “excesses” if they actually  
6 exist.

7 Finally, the leverage adjustment adds stability to the final DCF cost rate.  
8 That is to say, as the market capitalization increases relative to its book value, the  
9 leverage adjustment increases while the simple yield (D/P) plus growth (g) result  
10 declines. The reverse is also true: when the market capitalization declines, the  
11 leverage adjustment also declines as the simple yield (D/P) plus growth (g) result  
12 increases.

13 **Q. Is the leverage adjustment that you propose designed to transform the market**  
14 **return into one that is designed to produce a particular market-to-book ratio?**

15 A. No, it is not. What I label a “leverage adjustment” is merely a convenient way of  
16 showing the amount that must be added to (or subtracted from) the result of the  
17 simple DCF model (i.e.,  $D/P + g$ ) when the DCF return applies to a capital structure  
18 used for ratemaking that is computed with book-value weighting rather than market-  
19 value weighting. Although I specify a separate factor, which I call the leverage  
20 adjustment, there is no need to do so other than to identify this factor. If I were to  
21 express my return solely in the context of the book value weighting that we use to  
22 calculate the weighted average cost of capital and ignore the familiar  $D/P + g$   
23 expression entirely, then a separate element in the DCF cost of equity determination  
24 would not be needed to reflect the differential in financial leverage between a market-  
25 value and book-value capitalization. As shown in the bottom panel of data on  
26 Schedule 10, the equity return applicable to the book value common equity ratio is

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1 equal to 8.06%, which is the return for the Water Group appropriate for a capital  
2 structure with no debt (i.e., a 100% equity ratio) plus 2.71% to compensate investors  
3 for the risk of a 45.23% debt ratio, which is the debt ratio used for York Water in this  
4 case, along with its 3.91% embedded cost of debt. These are the book-value ratios  
5 that differ markedly from the market-value based ratios I discussed previously. Under  
6 this approach, the parts add up to 10.77% (8.06% + 2.71%), and there is no need to  
7 even address the cost of equity in terms of  $D/P + g$ . To express this same return in  
8 the context of the familiar DCF model, I added the 1.81% dividend yield, the 7.50%  
9 growth rate, and 1.46% for the leverage adjustment in order to arrive at the same  
10 10.77% (1.81% + 7.50% + 1.46%) return. I know of no means to mathematically  
11 solve for the 1.46% leverage adjustment by expressing it in the terms of any particular  
12 relationship of market price to book value. The 1.46% adjustment is merely a  
13 convenient way to compare the 10.77% return computed using the Modigliani & Miller  
14 formulas to the 9.31% return generated by the DCF model (i.e.,  $D_1/P_0 + g$ , or the  
15 traditional form of the DCF shown on Schedule 1, page 2) based on a market-value  
16 capital structure. A 9.31% return assigned to anything other than the market value of  
17 equity cannot equate to a reasonable return on book value that has higher financial  
18 risk. My point is that when we use a market-determined cost of equity developed from  
19 the DCF model, it reflects a level of financial risk that is different (in this case, lower)  
20 from the capital structure stated at book value. This process has nothing to do with  
21 targeting any particular market-to-book ratio.

22 **Q. Please provide the DCF return based upon your preceding discussion of**  
23 **dividend yield, growth, and leverage.**

24 A. As explained previously, I have utilized a six-month average dividend yield ( $D_1/P_0$ )  
25 adjusted in a forward-looking manner for my DCF calculation. This dividend yield is  
26 used in conjunction with the growth rate ( $g$ ) previously developed. The DCF also

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1 includes the leverage modification (Lev.) required when the book value equity ratio is  
2 used in determining the weighted average cost of capital in the ratemaking process  
3 rather than the market value equity ratio related to the price of stock. The resulting  
4 DCF cost rate is 10.77%, computed as follows:

$$D_1/P_0 + g + lev. = k$$

$$\text{Water Group} \quad 1.81\% + 7.50\% + 1.46\% = 10.77\%$$

5 The DCF result shown above represents the simplified (i.e., Gordon) form of  
6 the model that contains a constant-growth assumption. I should reiterate, however,  
7 that the DCF-indicated cost rate provides an explanation of the rate of return on  
8 common stock market prices without regard to the prospect of a change in the P-E  
9 multiple. An assumption that there will be no change in the P-E multiple is not  
10 supported by the realities of the equity market because P-E multiples do not remain  
11 constant. This is one of the constraints of this model that makes it important to  
12 consider the results of other models when determining a company's cost of equity. In  
13 fact, the DCF understates the cost of equity in a time of rapidly increasing capital  
14 costs, resulting from inflation and the Fed's actions identified earlier in the testimony.  
15 The RP and CAPM reflect projections of interest rates that are more appropriate in a  
16 period of rising interest rates.

### RISK PREMIUM ANALYSIS

17  
18 **Q. Please describe your use of the Risk Premium approach to determine the cost**  
19 **of equity.**

20 A. With the Risk Premium approach, the cost of equity capital is determined by corporate  
21 bond yields plus a premium to account for the fact that common equity is exposed to  
22 greater investment risk than debt capital. The result of my Risk Premium study is  
23 shown on Schedule 1, page 2. That result is 11.00%.

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1 **Q. What long-term public utility debt cost rate did you use in your Risk Premium**  
2 **analysis?**

3 A. In my opinion, and as I will explain in more detail further in my testimony, a 4.25%  
4 yield represents a reasonable estimate of the prospective yield on long-term, A-rated  
5 public utility bonds.

6 **Q. What historical data are shown by the Moody's data?**

7 A. I have analyzed the historical yields on the Moody's index of long-term public utility  
8 debt as shown on Schedule 11, page 1. As can be seen across all rating levels, there  
9 has been a sharp and consistent rise in interest rates since November of 2021. For  
10 the twelve months ended March 2022, the average monthly yield on Moody's index of  
11 A-rated public utility bonds was 3.24%. For the six- and three-month periods ended  
12 March 2022, the yields were 3.37% and 3.66%, respectively. During the twelve  
13 months ended March 2022, the range of the yields on A-rated public utility bonds was  
14 2.95% to 3.98%. Page 2 of Schedule 11 shows the long-run spread in yields between  
15 A-rated public utility bonds and long-term Treasury bonds. As shown on page 3 of  
16 Schedule 11, the yields on A-rated public utility bonds have exceeded those on  
17 Treasury bonds by 1.14% on a twelve-month average basis, 1.27% on a six-month  
18 average basis, and 1.41% on a three-month average basis. With these data, 1.25%  
19 represents a reasonable spread for the yield on A-rated public utility bonds over  
20 Treasury bonds.

21 **Q. What forecasts of interest rates have you considered in your analysis?**

22 A. I have determined the prospective yield on A-rated public utility debt by using the Blue  
23 Chip Financial Forecasts ("Blue Chip") along with the spread in the yields that I  
24 describe below. Blue Chip is a reliable authority and contains consensus forecasts of  
25 a variety of interest rates compiled from a panel of banking, brokerage, and  
26 investment advisory services. In early 1999, Blue Chip stopped publishing forecasts

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1 of yields on A-rated public utility bonds because the Federal Reserve deleted these  
2 yields from its Statistical Release H.15. To independently project a forecast of the  
3 yields on A-rated public utility bonds, I have combined the forecast yields on long-term  
4 Treasury bonds published on April 1, 2022 and a yield spread of 1.25%, derived from  
5 historical data.

6 **Q. How have you used these data to project the yield on a-rated public utility**  
7 **bonds for the purpose of your Risk Premium analyses?**

8 A. Shown below is my calculation of the prospective yield on A-rated public utility bonds  
9 using the building blocks discussed above, i.e., the Blue Chip forecast of Treasury  
10 bond yields and the public utility bond yield spread. For comparative purposes, I also  
11 have shown the Blue Chip forecasts of Aaa-rated and Baa-rated corporate bonds.  
12 These forecasts are:

		<u>Blue Chip Financial Forecasts</u>			<u>A-rated Public Utility</u>	
		<u>Corporate</u>		<u>30-Year</u>	<u>Spread</u>	
<u>Year</u>	<u>Quarter</u>	<u>Aaa-rated</u>	<u>Baa-rated</u>	<u>Treasury</u>	<u>Yield</u>	
2022	Second	3.7%	4.6%	2.6%	1.25%	3.85%
2022	Third	4.0%	4.9%	2.8%	1.25%	4.05%
2022	Fourth	4.2%	5.1%	3.0%	1.25%	4.25%
2023	First	4.4%	5.3%	3.2%	1.25%	4.45%
2023	Second	4.5%	5.4%	3.3%	1.25%	4.55%
2023	Third	4.6%	5.5%	3.3%	1.25%	4.55%

13 **Q. Are there additional forecasts of interest rates that extend beyond those shown**  
14 **above?**

15 A. Yes. Twice yearly, Blue Chip provides long-term forecasts of interest rates. In its  
16 December 1, 2021 publication Blue Chip published longer-term forecasts of interest  
17 rates, which were reported to be:

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Averages	Blue Chip Financial Forecasts		
	Corporate		30-Year
	Aaa-rated	Baa-rated	Treasury
2022-2026	4.40%	5.20%	3.40%
2027-2031	4.90%	5.70%	3.80%

1           The longer-term forecasts by Blue Chip suggest that interest rates will move  
2 up from the levels revealed by the near-term forecasts. A 4.25% yield on A-rated  
3 public utility bonds represents a reasonable benchmark for measuring the cost of  
4 equity in this case. All the data I used to formulate my conclusion as to a prospective  
5 yield on A-rated public utility debt are available to investors, who regularly rely upon  
6 such data to make investment decisions. Recent FOMC pronouncements have  
7 moved the forecasts of interest rates to higher levels.

8 **Q. What equity Risk Premium have you determined for public utilities?**

9 A. To develop an appropriate equity risk premium, I analyzed the results from 2022 SBB  
10 Yearbook, Stocks, Bonds, Bills and Inflation. My investigation reveals that the equity  
11 risk premium varies according to the level of interest rates. That is to say, the equity  
12 risk premium increases as interest rates decline, and it declines as interest rates  
13 increase. This inverse relationship is revealed by the summary data presented below  
14 and shown on Schedule 12, page 1.

<u>Common Equity Risk Premiums</u>	
Low Interest Rates	6.81%
Average Across All Interest Rates	5.93%
High Interest Rates	5.05%

15           Based on my analysis of the historical data, the equity risk premium was  
16 6.81% when the marginal cost of long-term government bonds was low (i.e., 2.80%,  
17 which was the average yield during periods of low rates). Conversely, when the yield  
18 on long-term government bonds was high (i.e., 7.03% on average during periods of

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1 high interest rates), the spread narrowed to 5.05%. Over the entire spectrum of  
2 interest rates, the equity risk premium was 5.93% when the average government  
3 bond yield was 4.92%. I have utilized a 6.75% equity risk premium. The equity risk  
4 premium of 6.75% that I employed is near the risk premiums (i.e., 6.81%) associated  
5 with low interest rates (i.e., 2.80%).

6 **Q. What common equity cost rate did you determine based on your Risk Premium**  
7 **analysis?**

8 A. The cost of equity (i.e., “k”) is represented by the sum of the prospective yield for  
9 long-term public utility debt (i.e., “i”), and the equity risk premium (i.e., “RP”). The Risk  
10 Premium approach provides a cost of equity of:

$$\begin{array}{rccccccc} & & i & + & RP & = & k \\ & & 4.25\% & + & 6.75\% & = & 11.00\% \\ \text{Water Group} & & & & & & \end{array}$$

## 11 CAPITAL ASSET PRICING MODEL

12 **Q. How is the CAPM used to measure the cost of equity?**

13 A. The CAPM uses the yield on a risk-free interest-bearing obligation plus a rate of  
14 return premium that is proportional to the systematic risk of an investment. As shown  
15 on page 2 of Schedule 1, the result of the CAPM is 14.36% for the Water Group with  
16 the leverage adjustment. Without the leverage adjustment, the CAPM result is  
17 11.90% (14.36% - (0.24 x 10.24%)). To compute the cost of equity with the CAPM,  
18 three components are necessary: a risk-free rate of return (“Rf”), the beta measure of  
19 systematic risk (“β”), and the market risk premium (“Rm-Rf”) derived from the total  
20 return on the market of equities reduced by the risk-free rate of return. The CAPM  
21 specifically accounts for differences in systematic risk (i.e., market risk as measured  
22 by the beta) between an individual firm or group of firms and the entire market of  
23 equities.



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1 **Q. What betas have you considered in the CAPM?**

2 A. For my CAPM analysis, I initially considered the Value Line betas. As shown on page  
3 2 of Schedule 3, the average beta is 0.77 for the Water Group.

4 **Q. Did you use the Value Line betas in the CAPM determined cost of equity?**

5 A. I used the Value Line betas as a foundation for the leverage adjusted betas that I  
6 used in the CAPM. The betas must be reflective of the financial risk associated with  
7 the ratemaking capital structure that is measured at book value. Therefore, Value  
8 Line betas cannot be used directly in the CAPM, unless the cost rate developed using  
9 those betas is applied to a capital structure measured with market values. To develop  
10 a CAPM cost rate applicable to a book-value capital structure, the Value Line (market  
11 value) betas have been unleveraged and re-leveraged for the book value common  
12 equity ratios using the Hamada formula,<sup>9</sup> as follows:

$$13 \quad \beta_l = \beta_u [1 + (1 - t) D/E + P/E]$$

14  $\beta_l$  = the leveraged beta,  $\beta_u$  = the unleveraged beta, t = income tax rate, D =  
15 debt ratio, P = preferred stock ratio, and E = common equity ratio. The betas  
16 published by Value Line have been calculated with the market price of stock and are  
17 related to the market value capitalization. By using the formula shown above and the  
18 capital structure ratios measured at market value, the beta would become 0.61 for the  
19 Water Group if it employed no leverage and was 100% equity financed. Those  
20 calculations are shown on Schedule 10 under the section labeled "Hamada," who is  
21 credited with developing those formulas. With the unleveraged beta as a base, I  
22 calculated the leveraged beta of 1.01 for the book value capital structure of the Water  
23 Group.

---

<sup>9</sup> Robert S. Hamada, "The Effects of the Firm's Capital Structure on the Systematic Risk of Common Stocks;" The Journal of Finance, Vol. 27, No. 2; Papers and Proceedings of the Thirtieth Annual Meeting of the American Finance Association, New Orleans, Louisiana, Dec. 27-29, 1971. (May 1972), pp. 435-52.

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1 **Q. What risk-free rate have you used in the CAPM?**

2 A. As shown on page 1 of Schedule 13, I provided the historical yields on Treasury notes  
3 and bonds. For the twelve months ended March 2022, the average yield on 30-year  
4 Treasury bonds was 2.10%. For the six- and three-months ended March 2022, the  
5 yields on 30-year Treasury bonds were 2.10% and 2.25%, respectively. During the  
6 twelve months ended March 2022, the range of the yields on 30-year Treasury bonds  
7 was 1.85% to 2.41%. The low yields that existed during 2020 can be traced to  
8 extraordinary events associated with the Pandemic that jolted the capital markets.  
9 These events led to the end of the record-setting 128-month economic expansion. As  
10 the recession unfolded in February 2020, the FOMC acted to address these  
11 disruptions. The FOMC continued to support the money and capital markets during  
12 the recovery from the Pandemic. A transition is now taking place that will  
13 prospectively produce higher interest rates as the Pandemic nears its end and the  
14 FOMC has ended its quantitative easing. That program ended in March 2022 and a  
15 Fed Funds rate increase of 0.25% occurred at that time. While interest rates have  
16 moved up generally, there had been a "flight" to safety in Treasury obligations due to  
17 geopolitical turmoil in Europe. A forward-looking assessment of the capital markets is  
18 especially relevant now because the Company's rates will be based on financial  
19 conditions in 2024 and beyond. Higher inflation expectations are a contributing factor  
20 that points to higher interest rates. Indeed, higher inflation today is revealed by a  
21 5.9% increase in Social Security payments announced on October 13, 2021, which is  
22 the largest one-year increase in nearly four decades. The Fed Funds rate is expected  
23 to continue to increase from very low levels that existed during the Pandemic. Higher  
24 interest rates clearly point to higher capital costs prospectively.

25 As shown on page 2 of Schedule 13, forecasts published by Blue Chip on  
26 April 1, 2022 indicate that the yields on long-term Treasury bonds are expected to be

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1 in the range of 2.6% to 3.3% during the next six quarters. The longer-term forecasts  
2 described previously show that the yields on 30-year Treasury bonds will average  
3 3.4% from 2023 through 2027 and 3.8% from 2028 to 2032. For the reasons  
4 explained previously, forecasts of interest rates should be emphasized at this time in  
5 selecting the risk-free rate of return in CAPM. Hence, I have used a 3.00% risk-free  
6 rate of return for CAPM purposes, which considers the Blue Chip forecasts.

7 **Q. What market premium have you used in the CAPM?**

8 A. As shown in the lower panel of data presented on Schedule 13, page 2, the market  
9 premium is derived from historical data and the forecast returns. For the historically  
10 based market premium, I have used the arithmetic mean obtained from the data  
11 presented on Schedule 12, page 1. On that schedule, the market return was 12.09%  
12 on large stocks during periods of low interest rates. During those periods, the yield on  
13 long-term government bonds was 2.80% when interest rates were low. As such, I  
14 carried over to Schedule 13, page 2, the average large common stock returns of  
15 12.09% and the average yield on long-term government bonds of 2.80%. The  
16 resulting market premium is 9.29% (12.09% - 2.80%) based on historical data, as  
17 shown on Schedule 13, page 2. As also shown on Schedule 13, page 2, I calculated  
18 the forecast returns, which show a 14.19% total market return. With this forecast, I  
19 calculated a market premium of 11.19% (14.19% - 3.00%) using forecast data. The  
20 resulting market premium applicable to the CAPM derived from these sources equals  
21 10.24% ( $11.19\% + 9.29\% = 20.48\% \div 2$ ).

22 **Q. Are there adjustments to the CAPM that are necessary to fully reflect the rate of**  
23 **return on common equity?**

24 A. Yes. The technical literature supports an adjustment relating to the size of the  
25 company or portfolio for which the calculation is performed. As the size of a firm  
26 decreases, its risk and required return increases. Moreover, in his discussion of the

## DIRECT TESTIMONY OF PAUL R. MOUL

1 cost of capital, Professor Eugene F. Brigham has indicated that smaller firms have  
2 higher capital costs than otherwise similar larger firms. Also, the Fama/French study  
3 (see “The Cross-Section of Expected Stock Returns”; The Journal of Finance, June  
4 1992) established that the size of a firm helps explain stock returns. In an October  
5 15, 1995 article in Public Utility Fortnightly, entitled “Equity and the Small-Stock  
6 Effect,” it was demonstrated that the CAPM could significantly understate the cost of  
7 equity according to a company’s size. Indeed, it was demonstrated in the SBB  
8 Yearbook that the returns for stocks in lower deciles (i.e., smaller stocks) had returns  
9 in excess of those shown by the simple CAPM. To recognize this fact, I used the mid-  
10 cap adjustment of 1.02%, as revealed on page 3 of Schedule 13, for the CAPM  
11 calculation. The adjustment here is related to the size of the Water Group. As I  
12 observed previously, York Water is substantially smaller than the average size of the  
13 Water Group.

14 **Q. WHAT DOES YOUR CAPM ANALYSIS SHOW?**

15 A. Using the 3.00% risk-free rate of return, the leverage adjusted beta of 1.01 for the  
16 Water Group, the 10.24% market premium, and the 1.02% size adjustment, the  
17 following result is indicated.

$$R_f + \beta \times ( R_m - R_f ) + \text{size} = k$$

$$\text{Water Group } 3.00\% + 1.01 \times ( 10.24\% ) + 1.02\% = 14.36\%$$

18 **COMPARABLE EARNINGS APPROACH**

19 **Q. What is the Comparable Earnings approach?**

20 A. The Comparable Earnings approach estimates a fair return on equity by comparing  
21 returns realized by non-regulated companies to returns that a public utility with similar  
22 risk characteristics would need to realize in order to compete for capital. Because  
23 regulation is a substitute for competitively determined prices, the returns realized by

## DIRECT TESTIMONY OF PAUL R. MOUL

1 non-regulated firms with comparable risks to a public utility provide useful insight into  
2 investor expectations for public utility returns. The firms selected for the Comparable  
3 Earnings approach should be companies whose prices are not subject to cost-based  
4 price ceilings (i.e., non-regulated firms) so that circularity is avoided.

5 There are two avenues available to implement the Comparable Earnings  
6 approach. One method involves the selection of another industry (or industries) with  
7 comparable risks to the public utility in question, and the results for all companies  
8 within that industry serve as a benchmark. The second approach requires the  
9 selection of parameters that represent similar risk traits for the public utility and the  
10 comparable risk companies. Using this approach, the business lines of the  
11 comparable companies become unimportant. The latter approach is preferable with  
12 the further qualification that the comparable risk companies exclude regulated firms in  
13 order to avoid the circular reasoning implicit in the use of the achieved earnings/book  
14 ratios of other regulated firms. The United States Supreme Court has held that:

15 A public utility is entitled to such rates as will permit it  
16 to earn a return on the value of the property which it  
17 employs for the convenience of the public equal to that  
18 generally being made at the same time and in the  
19 same general part of the country on investments in  
20 other business undertakings which are attended by  
21 corresponding risks and uncertainties. The return  
22 should be reasonably sufficient to assure confidence  
23 in the financial soundness of the utility and should be  
24 adequate, under efficient and economical  
25 management, to maintain and support its credit and  
26 enable it to raise the money necessary for the proper  
27 discharge of its public duties. Bluefield Water Works  
28 v. Public Service Commission, 262 U.S. 668 (1923).  
29

30 It is important to identify the returns earned by firms that compete for capital  
31 with a public utility. This can be accomplished by analyzing the returns of non-  
32 regulated firms that are subject to the competitive forces of the marketplace.

## DIRECT TESTIMONY OF PAUL R. MOUL

1 **Q. Did you compare the results of your DCF and CAPM analyses to the results**  
2 **indicated by a Comparable Earnings approach?**

3 A. Yes. I selected companies from The Value Line Investment Survey for Windows that  
4 have six categories of comparability designed to reflect the risk of the Water Group.  
5 These screening criteria were based upon the range as defined by the rankings of the  
6 companies in the Water Group. The items considered were Timeliness Rank, Safety  
7 Rank, Financial Strength, Price Stability, Value Line betas, and Technical Rank. The  
8 definition for these parameters is provided on Schedule 14, page 3. The identities of  
9 the companies comprising the Comparable Earnings group and their associated  
10 rankings within the ranges are identified on Schedule 14, page 1.

11 I relied upon Value Line data because it provides a comprehensive basis for  
12 evaluating the risks of the comparable firms. As to the returns calculated by Value  
13 Line for these companies, there is some downward bias in the figures shown on  
14 Schedule 14, page 2, because Value Line computes the returns on year-end rather  
15 than average book value. If average book values had been employed, the rates of  
16 return would have been slightly higher. Nevertheless, these are the returns  
17 considered by investors when taking positions in these stocks. Because many of the  
18 comparability factors, as well as the published returns, are used by investors in  
19 selecting stocks, and the fact that investors rely on the Value Line service to gauge  
20 returns, it is an appropriate database for measuring comparable return opportunities.

21 **Q. What data did you consider in your Comparable Earnings analysis?**

22 A. I used both historical realized returns and forecasted returns for non-utility companies.  
23 As noted previously, I have not used returns for utility companies in order to avoid the  
24 circularity that arises from using regulatory-influenced returns to determine a  
25 regulated return. It is appropriate to consider a relatively long measurement period in  
26 the Comparable Earnings approach in order to cover conditions over an entire

## DIRECT TESTIMONY OF PAUL R. MOUL

1 business cycle. A ten-year period (five historical years and five projected years) is  
2 sufficient to cover an average business cycle. Unlike the DCF and CAPM, the results  
3 of the Comparable Earnings method can be applied directly to the book value  
4 capitalization. In other words, the Comparable Earnings approach does not contain  
5 the potential misspecification contained in market models when the market  
6 capitalization and book value capitalization diverge significantly. A point of  
7 demarcation was chosen to eliminate the results of highly profitable enterprises, which  
8 the Bluefield case stated were not the type of returns that a utility was entitled to earn.  
9 For this purpose, I used 20% as the point where those returns could be viewed as  
10 highly profitable and should be excluded from the Comparable Earnings approach.  
11 The average historical rate of return on book common equity was 13.1% using only  
12 the returns that were less than 20%, as shown on Schedule 14, page 2. The average  
13 forecasted rate of return as published by Value Line is 11.2% also using values less  
14 than 20%, as provided on Schedule 14, page 2. Using the average of these data, my  
15 Comparable Earnings result is 12.15%, as shown on Schedule 1, page 2.

### CONCLUSION ON COST OF EQUITY

17 **Q. What is your conclusion regarding the company's cost of common equity?**

18 A. Based upon the application of a variety of methods and models described previously,  
19 it is my opinion that a reasonable cost of common equity for York Water is 11.25%.  
20 My cost of equity determination is based on a range of results and should be  
21 considered in the context of York Water's risk characteristics, as well as the general  
22 condition of the capital markets. It is essential that the Commission employ a variety  
23 of techniques to measure York Water's cost of equity because of the  
24 limitations/infirmities that are inherent in each method. It is also imperative that the  
25 Commission acknowledge the exemplary performance of the Company's  
26 management.

**DIRECT TESTIMONY OF PAUL R. MOUL**

1 **Q. Does this complete your direct testimony?**

2 A. Yes. However, I reserve the right to supplement my testimony, if necessary, and to  
3 respond to witnesses presented by other parties.



## APPENDIX A TO DIRECT TESTIMONY OF PAUL R. MOUL

### 1                    **EDUCATIONAL BACKGROUND, BUSINESS EXPERIENCE** 2                    **AND QUALIFICATIONS**

---

3                    I was awarded a degree of Bachelor of Science in Business Administration by  
4 Drexel University in 1971. While at Drexel, I participated in the Cooperative Education  
5 Program which included employment, for one year, with American Water Works Service  
6 Company, Inc., as an internal auditor, where I was involved in the audits of several  
7 operating water companies of the American Water Works System and participated in the  
8 preparation of annual reports to regulatory agencies and assisted in other general  
9 accounting matters.

10                  Upon graduation from Drexel University, I was employed by American Water Works  
11 Service Company, Inc., in the Eastern Regional Treasury Department where my duties  
12 included preparation of rate case exhibits for submission to regulatory agencies, as well as  
13 responsibility for various treasury functions of the thirteen New England operating  
14 subsidiaries.

15                  In 1973, I joined the Municipal Financial Services Department of Betz Environmental  
16 Engineers, a consulting engineering firm, where I specialized in financial studies for  
17 municipal water and wastewater systems.

18                  In 1974, I joined Associated Utility Services, Inc., now known as AUS Consultants. I  
19 held various positions with the Utility Services Group of AUS Consultants, concluding my  
20 employment there as a Senior Vice President.

21                  In 1994, I formed P. Moul & Associates, an independent financial and regulatory  
22 consulting firm. In my capacity as Managing Consultant and for the past twenty-nine years,  
23 I have continuously studied the rate of return requirements for cost of service-regulated  
24 firms. In this regard, I have supervised the preparation of rate of return studies, which were  
25 employed, in connection with my testimony and in the past for other individuals. I have

## APPENDIX A TO DIRECT TESTIMONY OF PAUL R. MOUL

1 presented direct testimony on the subject of fair rate of return, evaluated rate of return  
2 testimony of other witnesses, and presented rebuttal testimony.

3 My studies and prepared direct testimony have been presented before thirty-seven  
4 (37) federal, state and municipal regulatory commissions, consisting of: the Federal Energy  
5 Regulatory Commission; state public utility commissions in Alabama, Alaska, California,  
6 Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa,  
7 Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri,  
8 New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania,  
9 Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, Wisconsin, and  
10 the Philadelphia Gas Commission, and the Texas Commission on Environmental Quality.  
11 My testimony has been offered in over 200 rate cases involving electric power, natural gas  
12 distribution and transmission, resource recovery, solid waste collection and disposal,  
13 telephone, wastewater, and water service utility companies. While my testimony has  
14 involved principally fair rate of return and financial matters, I have also testified on capital  
15 allocations, capital recovery, cash working capital, income taxes, factoring of accounts  
16 receivable, and take-or-pay expense recovery. My testimony has been offered on behalf of  
17 municipal and investor-owned public utilities and for the staff of a regulatory commission. I  
18 have also testified at an Executive Session of the State of New Jersey Commission of  
19 Investigation concerning the BPU regulation of solid waste collection and disposal.

20 I was a co-author of a verified statement submitted to the Interstate Commerce  
21 Commission concerning the 1983 Railroad Cost of Capital (Ex Parte No. 452). I was also  
22 co-author of comments submitted to the Federal Energy Regulatory Commission regarding  
23 the Generic Determination of Rate of Return on Common Equity for Public Utilities in 1985,  
24 1986 and 1987 (Docket Nos. RM85-19-000, RM86-12-000, RM87-35-000 and RM88-25-  
25 000). Further, I have been the consultant to the New York Chapter of the National

## APPENDIX A TO DIRECT TESTIMONY OF PAUL R. MOUL

1 Association of Water Companies, which represented the water utility group in the  
2 Proceeding on Motion of the Commission to Consider Financial Regulatory Policies for New  
3 York Utilities (Case 91-M-0509). I have also submitted comments to the Federal Energy  
4 Regulatory Commission in its Notice of Proposed Rulemaking (Docket No. RM99-2-000)  
5 concerning Regional Transmission Organizations and on behalf of the Edison Electric  
6 Institute in its intervention in the case of Southern California Edison Company (Docket No.  
7 ER97-2355-000). Also, I was a member of the panel of participants at the Technical  
8 Conference in Docket No. PL07-2 on the Composition of Proxy Groups for Determining Gas  
9 and Oil Pipeline Return on Equity.

10 In late 1978, I arranged for the private placement of bonds on behalf of an investor-  
11 owned public utility. I have assisted in the preparation of a report to the Delaware Public  
12 Service Commission relative to the operations of the Lincoln and Ellendale Electric  
13 Company. I was also engaged by the Delaware P.S.C. to review and report on the  
14 proposed financing and disposition of certain assets of Sussex Shores Water Company  
15 (P.S.C. Docket Nos. 24-79 and 47-79). I was a co-author of a Report on Proposed  
16 Mandatory Solid Waste Collection Ordinance prepared for the Board of County  
17 Commissioners of Collier County, Florida.

18 I have been a consultant to the Bucks County Water and Sewer Authority  
19 concerning rates and charges for wholesale contract service with the City of Philadelphia.  
20 My municipal consulting experience also included an assignment for Baltimore County,  
21 Maryland, regarding the City/County Water Agreement for Metropolitan District customers  
22 (Circuit Court for Baltimore County in Case 34/153/87-CSP-2636).

**THE YORK WATER COMPANY**  
EXHIBIT  
TO ACCOMPANY  
THE DIRECT TESTIMONY  
OF  
PAUL R. MOUL, MANAGING CONSULTANT  
P. MOUL & ASSOCIATES

**May 27, 2022**

The York Water Company  
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**The York Water Company**  
Summary Cost of Capital  
for the Fully Projected Future Test Year Ending February 29, 2024

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-Term Debt	45.23%	3.91%	1.77%
Common Equity	<u>54.77%</u>	11.25%	<u>6.16%</u>
Total	<u>100.00%</u>		<u>7.93%</u>

Indicated levels of fixed charge coverage assuming that the Company could actually achieve its overall cost of capital:

Pre-tax coverage of interest expense based upon a 28.8921% composite federal and state income tax rate ( 10.43% ÷ 1.77% )	5.89 x
Post-tax coverage of interest expense ( 7.93% ÷ 6.16% )	1.29 x

**The York Water Company**

Cost of Equity  
as of March 31, 2022

<b>Discounted Cash Flow (DCF)</b>	$D_1/P_0$	<sup>(1)</sup>	+	<b>g</b>	<sup>(2)</sup>	+	<b>lev.</b>	<sup>(3)</sup>	=	<b>k</b>
Water Group	1.81%		+	7.50%		+	1.46%		=	10.77%

<b>Risk Premium (RP)</b>				<b>I</b>	<sup>(4)</sup>	+	<b>RP</b>	<sup>(5)</sup>	=	<b>k</b>
Water Group				4.25%		+	6.75%		=	11.00%

<b>Capital Asset Pricing Model (CAPM)</b>	<b>Rf</b>	<sup>(6)</sup>	+	<b>β</b>	<sup>(7)</sup>	x	<b>(Rm-Rf)</b>	<sup>(8)</sup>	+	<b>size</b>	<sup>(9)</sup>	=	<b>k</b>
Water Group	3.00%		+	1.01		x	( 10.24% )		+	1.02%		=	14.36%

<b>Comparable Earnings (CE)</b>	<sup>(10)</sup>			<b>Historical</b>	<b>Forecast</b>	<b>Average</b>
Comparable Earnings Group				13.1%	11.2%	12.15%

- References
- <sup>(1)</sup> Schedule 7, page 1
  - <sup>(2)</sup> Schedule 9, page 1
  - <sup>(3)</sup> Schedule 10, page 1
  - <sup>(4)</sup> A-rated public utility bond yield comprised of a 2.75% risk-free rate of return (Schedule 13, page 2) and a yield spread of 1.25% (Schedule 11, page 3)
  - <sup>(5)</sup> Schedule 12, page 1
  - <sup>(6)</sup> Schedule 13, page 2
  - <sup>(7)</sup> Schedule 9, page 1
  - <sup>(8)</sup> Schedule 13, page 2
  - <sup>(9)</sup> Schedule 13, page 3
  - <sup>(10)</sup> Schedule 14, page 2

**The York Water Company**  
Capitalization and Financial Statistics  
2017-2021, Inclusive

	2021	2020	2019	2018	2017	
	(Millions of Dollars)					
<b>Amount of Capital Employed</b>						
Permanent Capital	\$ 299.0	\$ 266.8	\$ 235.2	\$ 219.6	\$ 209.5	
Short-Term Debt	\$ -	\$ -	\$ -	\$ 1.0	\$ 1.0	
<b>Total Capital</b>	<u>\$ 299.0</u>	<u>\$ 266.8</u>	<u>\$ 235.2</u>	<u>\$ 220.6</u>	<u>\$ 210.5</u>	
<b>Market-Based Financial Ratios</b>						<u>Average</u>
Price-Earnings Multiple	36 x	34 x	35 x	31 x	35 x	34 x
Market/Book Ratio	417.8%	403.3%	386.7%	333.9%	394.3%	387.2%
Dividend Yield	1.6%	1.7%	1.8%	2.1%	1.8%	1.8%
Dividend Payout Ratio	58.3%	57.2%	63.1%	65.0%	64.1%	61.5%
<b>Capital Structure Ratios</b>						
<b>Based on Permanent Capital:</b>						
Long-Term Debt	49.0%	46.3%	43.0%	42.5%	43.0%	44.8%
Common Equity <sup>(1)</sup>	51.0%	53.7%	57.0%	57.5%	57.0%	55.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Based on Total Capital:</b>						
Total Debt incl. Short Term	49.0%	46.3%	43.0%	42.8%	43.3%	44.9%
Common Equity <sup>(1)</sup>	51.0%	53.7%	57.0%	57.2%	56.7%	55.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity <sup>(1)</sup>	11.5%	12.0%	11.1%	10.9%	11.1%	11.3%
Operating Ratio <sup>(2)</sup>	57.6%	54.6%	53.9%	53.5%	53.7%	54.7%
<b>Coverage incl. AFUDC <sup>(3)</sup></b>						
Pre-tax: All Interest Charges	4.68 x	4.95 x	4.25 x	3.88 x	4.28 x	4.41 x
Post-tax: All Interest Charges	4.45 x	4.53 x	3.81 x	3.43 x	3.43 x	3.93 x
<b>Coverage excl. AFUDC <sup>(4)</sup></b>						
Pre-tax: All Interest Charges	4.43 x	4.84 x	4.18 x	3.84 x	4.11 x	4.28 x
Post-tax: All Interest Charges	4.20 x	4.41 x	3.74 x	3.39 x	3.26 x	3.80 x
<b>Quality of Earnings &amp; Cash Flow</b>						
AFC/Income Avail. for Common Equity	7.2%	3.2%	2.5%	1.7%	6.7%	4.3%
Effective Income Tax Rate	6.2%	10.8%	13.5%	15.7%	25.9%	14.4%
Internal Cash Generation/Construction <sup>(5)</sup>	47.7%	48.8%	76.9%	72.5%	57.3%	60.6%
Gross Cash Flow/ Avg. Total Debt <sup>(6)</sup>	19.4%	22.3%	23.7%	22.4%	25.4%	22.6%
Gross Cash Flow Interest Coverage <sup>(7)</sup>	6.15 x	6.21 x	5.46 x	4.73 x	5.04 x	5.52 x
Common Dividend Coverage <sup>(8)</sup>	2.67 x	2.67 x	2.58 x	2.43 x	2.71 x	2.61 x

See Page 2 for Notes.



The York Water Company  
Capitalization and Financial Statistics  
2017-2021, Inclusive

Notes:

- (1) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (2) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (6) Gross Cash Flow plus interest charges divided by interest charges.
- (7) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: SEC Form 10-K  
Utility COMPUSTAT

Water Group  
Capitalization and Financial Statistics <sup>(1)</sup>  
2017-2021, Inclusive

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 4,528.6	\$ 4,107.0	\$ 3,466.3	\$ 2,855.0	\$ 2,521.4	
Short-Term Debt	\$ 102.2	\$ 241.8	\$ 142.1	\$ 151.3	\$ 163.3	
Total Capital	<u>\$ 4,630.8</u>	<u>\$ 4,348.8</u>	<u>\$ 3,608.4</u>	<u>\$ 3,006.3</u>	<u>\$ 2,684.7</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	32 x	30 x	39 x	30 x	28 x	32 x
Market/Book Ratio	344.7%	311.6%	325.1%	299.2%	301.3%	316.4%
Dividend Yield	1.8%	2.0%	1.9%	2.1%	2.1%	2.0%
Dividend Payout Ratio	54.1%	56.9%	71.4%	60.6%	56.9%	60.0%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	50.6%	50.5%	48.8%	45.7%	45.1%	48.1%
Preferred Stock	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
Common Equity <sup>(2)</sup>	49.4%	49.4%	51.2%	54.3%	54.8%	51.8%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	51.8%	53.1%	50.4%	48.1%	48.3%	50.3%
Preferred Stock	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
Common Equity <sup>(2)</sup>	48.1%	46.9%	49.6%	51.8%	51.6%	49.6%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity <sup>(2)</sup>	11.0%	10.5%	9.5%	10.0%	11.0%	10.4%
Operating Ratio <sup>(3)</sup>	72.1%	71.0%	71.3%	69.0%	68.0%	70.3%
Coverage incl. AFUDC <sup>(4)</sup>						
Pre-tax: All Interest Charges	4.21 x	3.99 x	3.67 x	3.77 x	4.70 x	4.07 x
Post-tax: All Interest Charges	3.86 x	3.65 x	3.31 x	3.35 x	3.50 x	3.53 x
Overall Coverage: All Int. & Pfd. Div.	3.85 x	3.64 x	3.30 x	3.33 x	3.48 x	3.52 x
Coverage excl. AFUDC <sup>(4)</sup>						
Pre-tax: All Interest Charges	4.07 x	3.83 x	3.50 x	3.67 x	4.59 x	3.93 x
Post-tax: All Interest Charges	3.72 x	3.49 x	3.15 x	3.24 x	3.39 x	3.40 x
Overall Coverage: All Int. & Pfd. Div.	3.71 x	3.48 x	3.14 x	3.23 x	3.37 x	3.39 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	5.3%	6.1%	8.7%	5.1%	4.8%	6.0%
Effective Income Tax Rate	9.4%	10.9%	14.9%	15.9%	32.4%	16.7%
Internal Cash Generation/Construction <sup>(5)</sup>	51.8%	50.3%	45.9%	50.8%	62.1%	52.2%
Gross Cash Flow/ Avg. Total Debt <sup>(6)</sup>	16.7%	17.1%	17.4%	20.3%	24.8%	19.3%
Gross Cash Flow Interest Coverage <sup>(7)</sup>	5.58 x	5.25 x	4.78 x	5.18 x	6.00 x	5.36 x
Common Dividend Coverage <sup>(8)</sup>	3.24 x	3.28 x	2.91 x	3.30 x	3.86 x	3.32 x

See Page 2 for Notes.

Water Group  
Capitalization and Financial Statistics  
2017-2021, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income (“OCI”) from the equity account.
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (7) Gross Cash Flow plus interest charges divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Basis of Selection:

The Water Group companies have the following common characteristics: (i) they are listed in the “Water Utility Industry” section (basic and expanded editions) of The Value Line Investment Survey, and (ii) their stock is publicly traded.

Ticker	Company	Corporate Credit Ratings		Stock Traded	Value Line Beta
		Moody's	S&P		
AWR	American States Water	A2	A+	NYSE	0.65
AWK	American Water Works Co.	A3	A	NYSE	0.85
ARTNA	Artesian Resources Corp.	-	-	NASDAQ	0.70
CWT	California Water Serv. Grp.	-	A+	NYSE	0.65
WTRG	Essential Utilities, Inc.	Baa2	A	NASDAQ	0.95
MSEX	Middlesex Water Company	-	A	NASDAQ	0.70
SJW	SJW Corporation	-	A-	NYSE	0.80
YORW	York Water Company	-	A-	NASDAQ	0.85
	Average	<u>A3</u>	<u>A</u>		<u>0.77</u>

Note: Ratings are those of utility subsidiaries

Source of Information: Utility COMPUSTAT  
Moody's Investors Service  
Standard & Poor's Corporation

Standard & Poor's Public Utilities  
Capitalization and Financial Statistics <sup>(1)</sup>  
2017-2021, Inclusive

	2021	2020	2019	2018	2017	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 40,154.3	\$ 38,732.9	\$ 36,461.6	\$ 32,871.6	\$ 30,827.6	
Short-Term Debt	\$ 1,397.4	\$ 1,154.1	\$ 1,221.9	\$ 1,420.3	\$ 1,076.1	
Total Capital	<u>\$ 41,551.7</u>	<u>\$ 39,887.0</u>	<u>\$ 37,683.5</u>	<u>\$ 34,291.9</u>	<u>\$ 31,903.7</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	22 x	23 x	20 x	21 x	20 x	21 x
Market/Book Ratio	219.9%	218.2%	220.9%	204.4%	214.4%	215.6%
Dividend Yield	3.5%	3.6%	3.2%	3.5%	3.3%	3.4%
Dividend Payout Ratio	72.9%	78.0%	62.7%	68.7%	65.2%	69.5%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	57.4%	58.1%	56.7%	55.0%	56.8%	56.8%
Preferred Stock	2.3%	2.6%	2.4%	2.5%	1.4%	2.2%
Common Equity <sup>(2)</sup>	40.4%	39.4%	41.0%	42.5%	41.8%	41.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	58.9%	59.4%	58.1%	57.0%	58.4%	58.3%
Preferred Stock	2.2%	2.5%	2.3%	2.4%	1.4%	2.1%
Common Equity <sup>(2)</sup>	38.9%	38.1%	39.6%	40.7%	40.3%	39.5%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity <sup>(2)</sup>	9.4%	10.2%	10.3%	10.3%	9.4%	9.9%
Operating Ratio <sup>(3)</sup>	83.1%	79.8%	79.3%	79.8%	77.0%	79.8%
Coverage incl. AFUDC <sup>(4)</sup>						
Pre-tax: All Interest Charges	3.16 x	2.80 x	3.05 x	2.94 x	3.42 x	3.07 x
Post-tax: All Interest Charges	2.87 x	2.60 x	3.10 x	2.59 x	2.86 x	2.80 x
Overall Coverage: All Int. & Pfd. Div.	2.81 x	2.55 x	3.04 x	2.55 x	2.84 x	2.76 x
Coverage excl. AFUDC <sup>(4)</sup>						
Pre-tax: All Interest Charges	3.06 x	2.70 x	2.95 x	2.84 x	3.31 x	2.97 x
Post-tax: All Interest Charges	2.78 x	2.50 x	3.00 x	2.48 x	2.75 x	2.70 x
Overall Coverage: All Int. & Pfd. Div.	2.72 x	2.46 x	2.94 x	2.44 x	2.73 x	2.66 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	7.4%	6.8%	6.0%	7.3%	7.3%	7.0%
Effective Income Tax Rate	10.6%	9.9%	12.2%	19.0%	28.2%	16.0%
Internal Cash Generation/Construction <sup>(5)</sup>	60.5%	58.6%	65.9%	66.2%	78.7%	66.0%
Gross Cash Flow/ Avg. Total Debt <sup>(6)</sup>	15.0%	15.9%	17.5%	17.4%	19.9%	17.1%
Gross Cash Flow Interest Coverage <sup>(7)</sup>	5.17 x	4.90 x	4.97 x	4.98 x	5.57 x	5.12 x
Common Dividend Coverage <sup>(8)</sup>	3.47 x	3.52 x	5.56 x	4.80 x	4.33 x	4.34 x

See Page 2 for Notes.

Standard & Poor's Public Utilities  
Capitalization and Financial Statistics  
2017-2021, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) as a percentage of average total debt.
- (7) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Annual Reports to Shareholders  
Utility COMPUSTAT

**Standard & Poor's Public Utilities**  
Company Identities

	Ticker	Credit Rating <sup>(1)</sup>		Common Stock Traded	Value Line Beta
		Moody's	S&P		
Alliant Energy Corporation	LNT	Baa1	A-	NYSE	0.85
Ameren Corporation	AEE	Baa1	BBB+	NYSE	0.80
American Electric Power	AEP	Baa1	A-	NYSE	0.75
American Water Works	AWK	Baa1	A	NYSE	0.85
CenterPoint Energy	CNP	Baa1	BBB+	NYSE	1.15
CMS Energy	CMS	A3	A-	NYSE	0.80
Consolidated Edison	ED	Baa1	A-	NYSE	0.75
Dominion Energy	D	A2	BBB+	NYSE	0.85
DTE Energy Co.	DTE	A2	A-	NYSE	0.95
Duke Energy	DUK	A2	BBB+	NYSE	0.85
Edison Int'l	EIX	Baa2	BBB	NYSE	0.95
Entergy Corp.	ETR	Baa1	BBB+	NYSE	0.95
Eversource	ES	A3	A	NYSE	0.90
Exelon Corp.	EXC	A2	BBB+	NYSE	0.95
FirstEnergy Corp.	FE	A3	BBB	NYSE	0.85
NextEra Energy Inc.	NEE	A1	A	NYSE	0.90
NiSource Inc.	NI	Baa2	BBB+	NYSE	0.85
NRG Energy Inc.	NRG	Ba1	BB+	NYSE	1.15
Pinnacle West Capital	PNW	A3	BBB+	NYSE	0.90
PPL Corp.	PPL	A3	A-	NYSE	1.10
Public Serv. Enterprise Inc.	PEG	A3	A-	NYSE	0.90
Sempra Energy	SRE	A3	BBB+	NYSE	0.95
Southern Co.	SO	Baa1	BBB+	NYSE	0.95
WEC Energy Corp.	WEC	A2	A-	NYSE	0.80
Xcel Energy Inc	XEL	A2	A-	NYSE	0.80
Average for S&P Utilities		<u>A3</u>	<u>BBB+</u>		<u>0.90</u>

Note: <sup>(1)</sup> Ratings are those of utility subsidiaries

Source of Information: Moody's Investors Service, Inc.  
S&P Global Inc.  
The Value Line Investment Survey

**The York Water Company**  
Capitalization and Related Capital Structure Ratios  
Actual at December 31, 2021 and Estimated at February 29, 2024

	Actual at December 31, 2021			Estimated at February 29, 2024		
	Amount Outstanding	Ratios		Amount Outstanding	Ratios	
		Excl. S-T Debt	Incl. S-T Debt		Excl. S-T Debt	Incl. S-T Debt
Long-Term Debt	\$ 119,870,000	43.99%	39.72%	\$ 174,870,000 <sup>(1)</sup>	45.23%	44.92%
Common Equity						
Common stock	88,229,701			136,191,323 <sup>(2)</sup>		
Retained earnings	64,392,117			75,585,783 <sup>(3)</sup>		
Total Common Equity	<u>152,621,818</u>	<u>56.01%</u>	<u>50.57%</u>	<u>211,777,106</u>	<u>54.77%</u>	<u>54.40%</u>
Total Permanent Capital	272,491,818	<u>100.00%</u>	90.29%	386,647,106	<u>100.00%</u>	99.32%
Short-Term Debt	<u>29,320,000</u>		<u>9.71%</u>	<u>2,653,353</u>		<u>0.68%</u>
Total Capital Employed	<u>\$ 301,811,818</u>		<u>100.00%</u>	<u>\$ 389,300,459</u>		<u>100.00%</u>

Notes: <sup>(1)</sup> Reflects changes in long-term debt as follows:

8.43% Senior Note maturity	\$ (7,500,000)
Senior Note issue 01/01/2019	30,000,000
Senior Note issue 02/01/2020	32,500,000
	<u>\$ 55,000,000</u>

<sup>(2)</sup> Reflects changes in common stock related to:

Common Stock offering	\$ 43,000,000
Dividend Reinvestment, Stock Purchase & Employee Stock Purchase Plans	
2022	2,395,639
2023 and thru 02/29/2024	2,565,983
	<u>\$ 47,961,622</u>

<sup>(3)</sup> Projection of retained earnings reflects:

Net income - 2022	\$ 16,156,738
Net income - 2023 and thru 02/29/2024	20,579,284
Common dividends - 2022	(10,792,659)
Common dividends - 2023 and thru 02/29/2024	(14,749,697)
	<u>\$ 11,193,666</u>

Source of Information: Company provided data

**The York Water Company**  
Calculation of the Embedded Cost of Long-Term Debt  
Actual at December 31, 2021

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u> <sup>(1)</sup>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> <sup>(2)</sup>
8.43%	12/18/22	\$ 7,500,000	6.26%	8.53%	0.53%
3.18%	10/01/29	12,000,000	10.01%	3.58%	0.36%
3.00%	10/01/36	10,500,000	8.76%	3.35%	0.29%
3.10%	11/01/38	14,870,000	12.41%	3.59%	0.45%
3.23%	10/01/40	15,000,000	12.51%	3.50%	0.44%
4.30%	06/01/45	10,000,000	8.34%	4.70%	0.39%
4.54%	01/31/49	20,000,000	16.69%	4.60%	0.77%
3.24%	09/30/50	30,000,000	25.03%	3.27%	0.82%
4.00%	12/01/52	-	0.00%	4.06%	0.00%
4.25%	12/01/53	-	0.00%	4.32%	0.00%
<b>Total Long -Term Debt</b>		<b><u>\$119,870,000</u></b>	<b><u>100.00%</u></b>		<b><u>4.05%</u></b>

Notes: <sup>(1)</sup> Includes current portion of long-term debt.

<sup>(2)</sup> As calculated on page 3 of this schedule.

Source of Information: Company provided data



**The York Water Company**  
Calculation of the Embedded Cost of Long-Term Debt  
Estimated at February 29, 2024

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u> <sup>(1)</sup>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> <sup>(2)</sup>
8.43%	12/18/22	\$ -	0.00%	8.53%	0.00%
3.18%	10/01/29	12,000,000	6.86%	3.58%	0.25%
3.00%	10/01/36	10,500,000	6.00%	3.35%	0.20%
3.10%	11/01/38	14,870,000	8.50%	3.59%	0.31%
3.23%	10/01/40	15,000,000	8.58%	3.50%	0.30%
4.30%	06/01/45	10,000,000	5.72%	4.70%	0.27%
4.54%	01/31/49	20,000,000	11.44%	4.60%	0.53%
3.24%	09/30/50	30,000,000	17.16%	3.27%	0.56%
4.00%	12/01/52	30,000,000	17.16%	4.06%	0.70%
4.25%	12/01/53	<u>32,500,000</u>	<u>18.59%</u>	4.32%	<u>0.80%</u>
Total Long -Term Debt		<u>\$174,870,000</u>	<u>100.00%</u>		<u>3.91%</u>

Notes: <sup>(1)</sup> Includes current portion of long-term debt.

<sup>(2)</sup> As calculated on page 3 of this schedule.

Source of Information: Company provided data

**The York Water Company**  
Calculation of the Effective Cost of Long-Term Debt by Series

Series	Date of Issue	Date of Maturity	Principal Amount Issued	Premium/Discount and Expense	Net Proceeds	Net Proceeds Ratio	Effective Cost Rate <sup>(1)</sup>
8.43%	12/15/92	12/18/22	\$ 7,500,000	\$ 81,274 <sup>(2)</sup>	\$ 7,418,726	98.92%	8.53%
3.18%	05/07/08	10/01/29	12,000,000	712,585 <sup>(3)</sup>	11,287,415	94.06%	3.58%
3.00%	10/08/19	10/01/36	10,500,000	474,801 <sup>(4)</sup>	10,025,199	95.48%	3.35%
3.10%	10/08/19	11/01/38	14,870,000	1,004,682 <sup>(5)</sup>	13,865,318	93.24%	3.59%
3.23%	10/01/19	10/01/40	15,000,000	604,631 <sup>(6)</sup>	14,395,369	95.97%	3.50%
4.30%	07/23/15	06/01/45	10,000,000	542,646 <sup>(7)</sup>	9,457,354	94.57%	4.70%
4.54%	01/31/19	01/31/49	20,000,000	177,014	19,822,986	99.11%	4.60%
3.24%	09/30/20	09/30/50	30,000,000	162,709	29,837,291	99.46%	3.27%
4.00% <sup>(8)</sup>	12/01/22	12/01/52	30,000,000	300,000	29,700,000	99.00%	4.06%
4.25% <sup>(8)</sup>	12/01/23	12/01/53	32,500,000	325,000	32,175,000	99.00%	4.32%

- Notes: <sup>(1)</sup> The effective cost for each issue is the yield to maturity using as inputs the average term of issue, coupon rate, and net proceeds ratio.
- <sup>(2)</sup> Includes the actual issuance expenses of \$18,797, \$8,424 premiums paid to redeem the 8.625% Debentures, and unamortized debt issuance expense of \$2,970 (8.625% Debentures), \$2,417 (7% YCIDA Note), \$5,504 (7.125% YCIDA Note), and \$43,162 (8.0615% Water Facility Loans) which were all redeemed with the proceeds of the 8.43% Senior Note.
- <sup>(3)</sup> Includes additional issuance expenses of \$263,546 and \$449,039 remaining amortization associated with the refinancing of 2004 PEDFA Exempt Facilities Revenue Bonds, Series B of 2004, with PEDFA Exempt Facilities Revenue Bonds, Series A of 2008.
- <sup>(4)</sup> Includes additional issuance expenses of \$145,997 and \$328,804 remaining amortization associated with the refinancing of 2006 YCIDA Revenue Bonds, Series 2006, with 2019 PEDFA Exempt Facilities Revenue Refunding Bonds, Series A of 2019.
- <sup>(5)</sup> Includes additional issuance expenses of \$175,495 and \$829,187 remaining amortization associated with the refinancing of 2014 PEDFA Exempt Facilities Revenue Refunding Bonds, Series 2014, with 2019 PEDFA Exempt Facilities Revenue Refunding Bonds, Series B of 2019.
- <sup>(6)</sup> Includes additional issuance expenses of \$112,356 and \$492,275 remaining amortization associated with the refinancing of 2010A Monthly Senior Notes, Series 2010A, with 2019 Senior Notes.
- <sup>(7)</sup> Includes additional issuance expenses of \$298,297 and \$1,854 remaining amortization associated with the refinancing of 2004 PEDFA A Exempt Facilities Revenue Bonds with 2015 YCIDA Exempt Facilities
- <sup>(8)</sup> Estimated.

Source of Information: Company provided data

**Monthly Dividend Yields for  
Water Group  
for the Twelve Months Ending March 2022**

<u>Company</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>12-Month Average</u>	<u>6-Month Average</u>	<u>3-Month Average</u>
American States Water Co (AWR)	1.70%	1.69%	1.69%	1.66%	1.58%	1.71%	1.61%	1.55%	1.41%	1.59%	1.74%	1.64%			
American Water Works Co Inc (AWK)	1.55%	1.56%	1.57%	1.42%	1.32%	1.43%	1.39%	1.43%	1.28%	1.50%	1.60%	1.46%			
Artesian Resource Corp Class A (ARTNA)	2.60%	2.54%	2.85%	2.69%	2.65%	2.75%	2.68%	2.51%	2.32%	2.23%	2.30%	2.21%			
California Water Service Group (CWT)	1.57%	1.62%	1.66%	1.47%	1.45%	1.56%	1.52%	1.46%	1.28%	1.62%	1.76%	1.69%			
Essential Utilities, Inc. (WTRG)	2.14%	2.10%	2.20%	2.19%	2.16%	2.34%	2.29%	2.27%	2.00%	2.21%	2.28%	2.10%			
Middlesex Water Co (MSEX)	1.33%	1.27%	1.34%	1.07%	1.00%	1.06%	1.06%	1.13%	0.97%	1.15%	1.16%	1.10%			
SJW Corp (SJW)	2.08%	2.11%	2.16%	1.98%	1.96%	2.07%	2.07%	2.02%	1.86%	2.10%	2.21%	2.08%			
The York Water Co (YORW)	1.46%	1.50%	1.65%	1.56%	1.46%	1.72%	1.63%	1.67%	1.57%	1.72%	1.74%	1.74%			
<b>Average</b>	<b>1.80%</b>	<b>1.80%</b>	<b>1.89%</b>	<b>1.76%</b>	<b>1.70%</b>	<b>1.83%</b>	<b>1.78%</b>	<b>1.76%</b>	<b>1.59%</b>	<b>1.77%</b>	<b>1.85%</b>	<b>1.75%</b>	<b>1.77%</b>	<b>1.75%</b>	<b>1.79%</b>

Note: Monthly dividend yields are calculated by dividing the annualized quarterly dividend by the month-end closing stock price adjusted by the fraction of the ex-dividend.

Source of Information: <https://finance.yahoo.com/quote/>  
<http://www.nasdaq.com>

<b>Forward-looking Dividend Yield</b>	1/2 Growth	$D_0/P_0$	(.5g)	$D_1/P_0$	$K = \frac{D_0(1+g)^0 + D_0(1+g)^1 + D_0(1+g)^2 + D_0(1+g)^3}{P_0} + g$
		1.75%	1.037500	1.82%	
	Discrete	$D_0/P_0$	Adj.	$D_1/P_0$	$K = \frac{D_0(1+g)^{25} + D_0(1+g)^{50} + D_0(1+g)^{75} + D_0(1+g)^{100}}{P_0} + g$
		1.75%	1.046451	1.83%	
	Quarterly	$D_0/P_0$	Adj.	$D_1/P_0$	$K = \left[ \left( 1 + \frac{D_0(1+g)^{25}}{P_0} \right)^4 - 1 \right] + g$
	Average	0.4375%	1.018245	1.79%	
				1.81%	
	<b>Growth rate</b>			<u>7.50%</u>	
	<b>K</b>			<u>9.31%</u>	

**Historical Growth Rates**  
Earnings Per Share, Dividends Per Share,  
Book Value Per Share, and Cash Flow Per Share

<b>Company</b>	<b>Earnings per Share</b>		<b>Dividends per Share</b>		<b>Book Value per Share</b>		<b>Cash Flow per Share</b>	
	<u>Value Line</u>		<u>Value Line</u>		<u>Value Line</u>		<u>Value Line</u>	
	<u>5 Year</u>	<u>10 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>5 Year</u>	<u>10 Year</u>
American States Water	8.50%	9.00%	8.00%	9.50%	6.00%	5.50%	4.50%	5.50%
American Water Works Co., Inc.	8.00%	10.50%	11.50%	11.00%	4.50%	3.50%	7.00%	8.00%
Artesian Res. Corp.	6.50%	-	3.00%	-	4.50%	-	5.50%	-
California Water Serv. Grp.	11.00%	6.50%	5.00%	3.50%	7.00%	6.00%	9.00%	6.50%
Essential Utilities, Inc.	1.00%	6.00%	7.00%	7.50%	14.00%	11.00%	3.00%	5.00%
Middlesex Water Company	11.00%	9.50%	6.00%	3.50%	9.00%	6.00%	9.50%	8.00%
SJW Corporation	-6.50%	6.00%	10.50%	6.50%	11.50%	9.00%	0.50%	6.00%
York Water Company	6.00%	6.00%	4.00%	3.50%	5.00%	4.50%	5.50%	6.00%
Average	<u>5.69%</u>	<u>7.64%</u>	<u>6.88%</u>	<u>6.43%</u>	<u>7.69%</u>	<u>6.50%</u>	<u>5.56%</u>	<u>6.43%</u>

Source of Information: Value Line Investment Survey, April 8, 2022

Earnings Per Share, Dividends Per Share,  
Book Value Per Share, and Cash Flow Per Share

<u>Water Group</u>	<u>I/B/E/S First Call</u>	<u>Zacks</u>	<u>Value Line</u>				
			<u>Earnings Per Share</u>	<u>Dividends Per Share</u>	<u>Book Value Per Share</u>	<u>Cash Flow Per Share</u>	<u>Percent Retained to Common Equity</u>
American States Water	4.90%	NA	5.50%	9.00%	5.50%	5.50%	4.50%
American Water Works	8.30%	8.10%	7.50%	9.00%	8.00%	6.00%	4.00%
Artesian Resources Corp.	4.00%	NA	-	-	-	-	-
California Water Serv. Grp.	11.70%	NA	6.50%	6.50%	4.00%	2.00%	5.50%
Essential Utilities, Inc.	6.40%	6.10%	10.00%	8.00%	6.00%	10.00%	2.50%
Middlesex Water Company	2.70%	NA	4.50%	5.00%	2.00%	3.50%	6.00%
SJW Corporation	5.70%	NA	14.00%	5.50%	4.00%	2.50%	4.50%
York Water Company	4.90%	NA	5.00%	5.50%	2.50%	4.50%	5.00%
Average	<u>6.08%</u>	<u>7.10%</u>	<u>7.57%</u>	<u>6.93%</u>	<u>4.57%</u>	<u>4.86%</u>	<u>4.57%</u>

Source of Information : Yahoo First Call, March 30, 2022  
Zacks, March 30, 2022  
Value Line, April 8, 2022

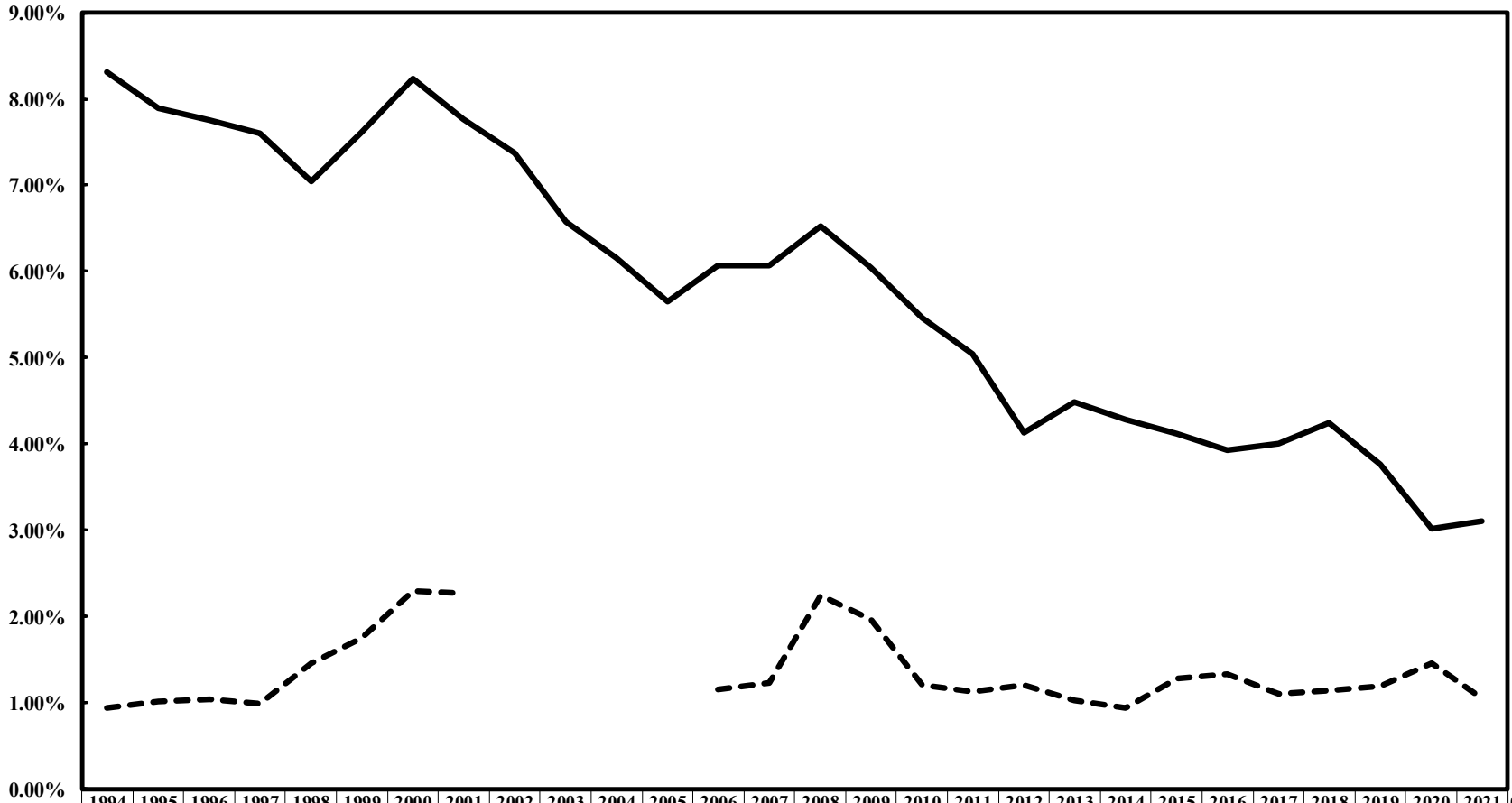
Water Group  
Financial Risk Adjustment

Fiscal Year	American States	American Water	Artesian	California Water	Essential	Middlesex Water	SJW Corp	The York Water	Average
	Water Co (NYSE:AWR)	Works Co. (NYSE:AWK)	Resources Corp (NDS:ARTNA)	Service Group (NYSE:CWT)	Utilities, Inc. (NYSE:WTRG)	Co. (NDS:MSEX)	(NYSE:SJW)	Company (NDS:YORW)	
	12/31/21	12/31/21	12/31/21	12/31/21	12/31/21	12/31/21	12/31/21	12/31/21	
<b>Capitalization at Fair Values</b>									
Debt(D)	\$665,352	\$11,818,000	\$163,182	\$1,338,831	\$6,482,499	\$320,081	\$1,651,825	\$168,000	2,825,971
Preferred(P)	0	6,000	0	0	0	2,084	0	0	1,011
Equity(E)	3,820,689	34,299,070	437,530	3,860,032	13,576,463	2,107,897	2,209,275	652,763	7,620,465
Total	<u>\$4,486,041</u>	<u>\$46,123,070</u>	<u>\$600,712</u>	<u>\$5,198,863</u>	<u>\$20,058,962</u>	<u>\$2,430,062</u>	<u>\$3,861,100</u>	<u>\$820,763</u>	<u>10,447,446</u>
<b>Capital Structure Ratios</b>									
Debt(D)	14.83%	25.62%	27.16%	25.75%	32.32%	13.17%	42.78%	20.47%	25.26%
Preferred(P)	0.00%	0.01%	0.00%	0.00%	0.00%	0.09%	0.00%	0.00%	0.01%
Equity(E)	85.17%	74.36%	72.84%	74.25%	67.68%	86.74%	57.22%	79.53%	74.72%
Total	<u>100.00%</u>	<u>99.99%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>99.99%</u>
<b>Common Stock</b>									
Issued	36,936,285	186,880,413	9,443,772	53,716,000	256,102,388	17,522,000	30,181,348	13,112,948	
Treasury	0,000	5,269,324	0,000	0,000	3,234,765	0,000	0,000	0,000	
Outstanding	36,936,285	181,611,089	9,443,772	53,716,000	252,867,623	17,522,000	30,181,348	13,112,948	
Market Price	\$103.44	\$188.86	\$46.33	\$71.86	\$53.69	\$120.30	\$73.20	\$49.78	
<b>Capitalization at Carrying Amounts</b>									
Debt(D)	\$590,288	\$10,396,000	\$144,850	\$1,060,986	\$5,947,357	\$311,128	\$1,522,955	\$149,190	<b>YORK FPFT</b> 174,870
Preferred(P)	0	4,000	0	0	0	2,084	0	0	0
Equity(E)	685,947	7,298,000	178,010	1,182,980	5,184,450	367,726	1,034,519	152,622	211,777
Total	<u>\$1,276,235</u>	<u>\$17,698,000</u>	<u>\$322,860</u>	<u>\$2,243,966</u>	<u>\$11,131,807</u>	<u>\$680,938</u>	<u>\$2,557,474</u>	<u>\$301,812</u>	<u>386,647</u>
<b>Capital Structure Ratios</b>									
Debt(D)	46.25%	58.74%	44.86%	47.28%	53.43%	45.69%	59.55%	49.43%	45.23%
Preferred(P)	0.00%	0.02%	0.00%	0.00%	0.00%	0.31%	0.00%	0.00%	0.00%
Equity(E)	53.75%	41.24%	55.14%	52.72%	46.57%	54.00%	40.45%	50.57%	54.77%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
<b>Betas</b>									
Value Line	0.65	0.85	0.70	0.65	0.95	0.70	0.80	0.85	0.77
<b>Hamada</b>									
BI	=	Bu	[1+	(1 - t)	D/E	+	P/E	]	
0.77	=	Bu	[1+	(1-0.21)	0.3381	+	0.0001	]	
0.77	=	Bu	[1+	0.79	0.3381	+	0.0001	]	
0.61	=	Bu	1.2672						
<b>Hamada</b>									
BI	=	0.61	[1+	(1 - t)	D/E	+	P/E	]	
BI	=	0.61	[1+	0.79	0.8258	+	0.0000	]	
BI	=	0.61	1.6524						
BI	=	1.01							
<b>M&amp;M</b>									
ku	=	ke	-	((	ku	-	i	)	1-t
8.06%	=	9.31%	-	((	8.06%	-	3.37%	)	0.79
8.06%	=	9.31%	-	((	4.69%	-		)	0.79
8.06%	=	9.31%	-	((	3.71%	-		)	
8.06%	=	9.31%	-	((	1.25%	-		)	
<b>M&amp;M</b>									
ke	=	ku	+	((	ku	-	i	)	1-t
10.77%	=	8.06%	+	((	8.06%	-	3.91%	)	0.79
10.77%	=	8.06%	+	((	4.15%	-		)	0.79
10.77%	=	8.06%	+	((	3.28%	-		)	
10.77%	=	8.06%	+	((	2.71%	-		)	
<b>M&amp;M</b>									
D	/	E	-	(	ku	-	d	)	P / E
25.26%	/	74.72%	-	(	8.06%	-	5.68%	)	0.01% / 74.72%
0.3381	/	0.3381	-	(	2.38%	-		)	0.0001
0.3381	/	0.3381	-	(	2.38%	-		)	0.0001
	/		-	(	0.00%	-		)	

**Interest Rates for Investment Grade Public Utility Bonds  
Yearly for 2017-2021  
and the Twelve Months Ended March 2022**

<u>Years</u>	<u>Aa Rated</u>	<u>A Rated</u>	<u>Baa Rated</u>	<u>Average</u>
2017	3.82%	4.00%	4.38%	4.07%
2018	4.09%	4.25%	4.67%	4.34%
2019	3.61%	3.77%	4.19%	3.86%
2020	2.79%	3.02%	3.39%	3.07%
2021	2.97%	3.11%	3.36%	3.15%
<b>Five-Year Average</b>	<u>3.46%</u>	<u>3.63%</u>	<u>4.00%</u>	<u>3.70%</u>
 <b><u>Months</u></b>				
Apr-21	3.13%	3.30%	3.57%	3.33%
May-21	3.17%	3.33%	3.58%	3.36%
Jun-21	3.01%	3.16%	3.41%	3.19%
Jul-21	2.80%	2.95%	3.20%	2.99%
Aug-21	2.82%	2.95%	3.19%	2.99%
Sep-21	2.84%	2.96%	3.19%	3.00%
Oct-21	2.99%	3.09%	3.32%	3.13%
Nov-21	2.91%	3.02%	3.25%	3.06%
Dec-21	3.01%	3.13%	3.36%	3.17%
Jan-22	3.19%	3.33%	3.57%	3.36%
Feb-22	3.56%	3.68%	3.95%	3.73%
Mar-22	3.81%	3.98%	4.28%	4.02%
<b>Twelve-Month Average</b>	<u>3.10%</u>	<u>3.24%</u>	<u>3.49%</u>	<u>3.28%</u>
<b>Six-Month Average</b>	<u>3.25%</u>	<u>3.37%</u>	<u>3.62%</u>	<u>3.41%</u>
<b>Three-Month Average</b>	<u>3.52%</u>	<u>3.66%</u>	<u>3.93%</u>	<u>3.70%</u>

# Yields on A-rated Public Utility Bonds and Spreads over 30-Year Treasuries



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
— A-rated Public Utility	8.31	7.89	7.75	7.60	7.04	7.62	8.24	7.76	7.37	6.58	6.16	5.65	6.07	6.07	6.53	6.04	5.46	5.04	4.13	4.48	4.28	4.12	3.93	4.00	4.25	3.77	3.02	3.11
- - - Spread vs. 30-year	0.94	1.01	1.04	0.99	1.46	1.75	2.30	2.27					1.16	1.23	2.25	1.96	1.21	1.13	1.21	1.03	0.94	1.28	1.33	1.10	1.14	1.19	1.46	1.06



**A rated Public Utility Bonds over 30-Year Treasuries**

A rated Public Utility Bonds over 30-Year Treasuries															
Year	A-rated Public Utility	30-Year Treasuries		Year	A-rated Public Utility	30-Year Treasuries		Year	A-rated Public Utility	30-Year Treasuries		Year	A-rated Public Utility	30-Year Treasuries	
		Yield	Spread			Yield	Spread			Yield	Spread			Yield	Spread
Jan-99	6.97%	5.16%	1.81%	Jan-05	5.78%			Jan-11	5.57%	4.52%	1.05%	Jan-17	4.14%	3.02%	1.12%
Feb-99	7.09%	5.37%	1.72%	Feb-05	5.61%			Feb-11	5.68%	4.65%	1.03%	Feb-17	4.18%	3.03%	1.15%
Mar-99	7.26%	5.58%	1.68%	Mar-05	5.83%			Mar-11	5.56%	4.51%	1.05%	Mar-17	4.23%	3.08%	1.15%
Apr-99	7.22%	5.55%	1.67%	Apr-05	5.64%			Apr-11	5.55%	4.50%	1.05%	Apr-17	4.12%	2.94%	1.18%
May-99	7.47%	5.81%	1.66%	May-05	5.53%			May-11	5.32%	4.29%	1.03%	May-17	4.12%	2.96%	1.16%
Jun-99	7.74%	6.04%	1.70%	Jun-05	5.40%			Jun-11	5.26%	4.23%	1.03%	Jun-17	3.94%	2.80%	1.14%
Jul-99	7.71%	5.98%	1.73%	Jul-05	5.51%			Jul-11	5.27%	4.27%	1.00%	Jul-17	3.99%	2.88%	1.11%
Aug-99	7.91%	6.07%	1.84%	Aug-05	5.50%			Aug-11	4.69%	3.65%	1.04%	Aug-17	3.86%	2.80%	1.06%
Sep-99	7.93%	6.07%	1.86%	Sep-05	5.52%			Sep-11	4.48%	3.18%	1.30%	Sep-17	3.87%	2.78%	1.09%
Oct-99	8.06%	6.26%	1.80%	Oct-05	5.79%			Oct-11	4.52%	3.13%	1.39%	Oct-17	3.91%	2.88%	1.03%
Nov-99	7.94%	6.15%	1.79%	Nov-05	5.88%			Nov-11	4.25%	3.02%	1.23%	Nov-17	3.83%	2.80%	1.03%
Dec-99	8.14%	6.35%	1.79%	Dec-05	5.80%			Dec-11	4.33%	2.98%	1.35%	Dec-17	3.79%	2.77%	1.02%
Jan-00	8.35%	6.63%	1.72%	Jan-06	5.75%			Jan-12	4.34%	3.03%	1.31%	Jan-18	3.86%	2.88%	0.98%
Feb-00	8.25%	6.23%	2.02%	Feb-06	5.82%	4.54%	1.28%	Feb-12	4.36%	3.11%	1.25%	Feb-18	4.09%	3.13%	0.96%
Mar-00	8.28%	6.05%	2.23%	Mar-06	5.98%	4.73%	1.25%	Mar-12	4.48%	3.28%	1.20%	Mar-18	4.13%	3.09%	1.04%
Apr-00	8.29%	5.85%	2.44%	Apr-06	6.29%	5.06%	1.23%	Apr-12	4.40%	3.18%	1.22%	Apr-18	4.17%	3.07%	1.10%
May-00	8.70%	6.15%	2.55%	May-06	6.42%	5.20%	1.22%	May-12	4.20%	2.93%	1.27%	May-18	4.28%	3.13%	1.15%
Jun-00	8.36%	5.93%	2.43%	Jun-06	6.40%	5.15%	1.25%	Jun-12	4.08%	2.70%	1.38%	Jun-18	4.27%	3.05%	1.22%
Jul-00	8.25%	5.85%	2.40%	Jul-06	6.37%	5.13%	1.24%	Jul-12	3.93%	2.59%	1.34%	Jul-18	4.27%	3.01%	1.26%
Aug-00	8.13%	5.72%	2.41%	Aug-06	6.20%	5.00%	1.20%	Aug-12	4.00%	2.77%	1.23%	Aug-18	4.26%	3.04%	1.22%
Sep-00	8.23%	5.83%	2.40%	Sep-06	6.00%	4.85%	1.15%	Sep-12	4.02%	2.88%	1.14%	Sep-18	4.32%	3.15%	1.17%
Oct-00	8.14%	5.80%	2.34%	Oct-06	5.98%	4.85%	1.13%	Oct-12	3.91%	2.90%	1.01%	Oct-18	4.45%	3.34%	1.11%
Nov-00	8.11%	5.78%	2.33%	Nov-06	5.80%	4.69%	1.11%	Nov-12	3.84%	2.80%	1.04%	Nov-18	4.52%	3.36%	1.16%
Dec-00	7.84%	5.49%	2.35%	Dec-06	5.81%	4.68%	1.13%	Dec-12	4.00%	2.88%	1.12%	Dec-18	4.37%	3.10%	1.27%
Jan-01	7.80%	5.54%	2.26%	Jan-07	5.96%	4.85%	1.11%	Jan-13	4.15%	3.08%	1.07%	Jan-19	4.35%	3.04%	1.31%
Feb-01	7.74%	5.45%	2.29%	Feb-07	5.90%	4.82%	1.08%	Feb-13	4.18%	3.17%	1.01%	Feb-19	4.25%	3.02%	1.23%
Mar-01	7.68%	5.34%	2.34%	Mar-07	5.85%	4.72%	1.13%	Mar-13	4.20%	3.16%	1.04%	Mar-19	4.16%	2.98%	1.18%
Apr-01	7.94%	5.65%	2.29%	Apr-07	5.97%	4.87%	1.10%	Apr-13	4.00%	2.93%	1.07%	Apr-19	4.08%	2.94%	1.14%
May-01	7.99%	5.78%	2.21%	May-07	5.99%	4.90%	1.09%	May-13	4.17%	3.11%	1.06%	May-19	3.98%	2.82%	1.16%
Jun-01	7.85%	5.67%	2.18%	Jun-07	6.30%	5.20%	1.10%	Jun-13	4.53%	3.40%	1.13%	Jun-19	3.82%	2.57%	1.25%
Jul-01	7.78%	5.61%	2.17%	Jul-07	6.25%	5.11%	1.14%	Jul-13	4.68%	3.61%	1.07%	Jul-19	3.69%	2.57%	1.12%
Aug-01	7.59%	5.48%	2.11%	Aug-07	6.24%	4.93%	1.31%	Aug-13	4.73%	3.76%	0.97%	Aug-19	3.29%	2.12%	1.17%
Sep-01	7.75%	5.48%	2.27%	Sep-07	6.18%	4.79%	1.39%	Sep-13	4.80%	3.79%	1.01%	Sep-19	3.37%	2.16%	1.21%
Oct-01	7.63%	5.32%	2.31%	Oct-07	6.11%	4.77%	1.34%	Oct-13	4.70%	3.68%	1.02%	Oct-19	3.39%	2.19%	1.20%
Nov-01	7.57%	5.12%	2.45%	Nov-07	5.97%	4.52%	1.45%	Nov-13	4.77%	3.80%	0.97%	Nov-19	3.43%	2.28%	1.15%
Dec-01	7.83%	5.48%	2.35%	Dec-07	6.16%	4.53%	1.63%	Dec-13	4.81%	3.89%	0.92%	Dec-19	3.40%	2.30%	1.10%
Jan-02	7.66%	5.45%	2.21%	Jan-08	6.02%	4.33%	1.69%	Jan-14	4.63%	3.77%	0.86%	Jan-20	3.29%	2.22%	1.07%
Feb-02	7.54%	5.40%	2.14%	Feb-08	6.21%	4.52%	1.69%	Feb-14	4.53%	3.66%	0.87%	Feb-20	3.11%	1.97%	1.14%
Mar-02	7.76%			Mar-08	6.21%	4.39%	1.82%	Mar-14	4.51%	3.62%	0.89%	Mar-20	3.50%	2.82%	1.04%
Apr-02	7.57%			Apr-08	6.29%	4.44%	1.85%	Apr-14	4.41%	3.52%	0.89%	Apr-20	3.19%	1.27%	1.92%
May-02	7.52%			May-08	6.28%	4.60%	1.68%	May-14	4.26%	3.39%	0.87%	May-20	3.14%	1.38%	1.76%
Jun-02	7.42%			Jun-08	6.38%	4.69%	1.69%	Jun-14	4.29%	3.42%	0.87%	Jun-20	3.07%	1.49%	1.58%
Jul-02	7.31%			Jul-08	6.40%	4.57%	1.83%	Jul-14	4.23%	3.33%	0.90%	Jul-20	2.74%	1.31%	1.43%
Aug-02	7.17%			Aug-08	6.37%	4.50%	1.87%	Aug-14	4.13%	3.20%	0.93%	Aug-20	2.73%	1.36%	1.37%
Sep-02	7.08%			Sep-08	6.49%	4.27%	2.22%	Sep-14	4.24%	3.26%	0.98%	Sep-20	2.84%	1.42%	1.42%
Oct-02	7.23%			Oct-08	7.56%	4.17%	3.39%	Oct-14	4.06%	3.04%	1.02%	Oct-20	2.95%	1.57%	1.38%
Nov-02	7.14%			Nov-08	7.60%	4.00%	3.60%	Nov-14	4.09%	3.04%	1.05%	Nov-20	2.85%	1.62%	1.23%
Dec-02	7.07%			Dec-08	6.52%	2.87%	3.65%	Dec-14	3.95%	2.83%	1.12%	Dec-20	2.77%	1.67%	1.10%
Jan-03	7.07%			Jan-09	6.39%	3.13%	3.26%	Jan-15	3.58%	2.46%	1.12%	Jan-21	2.91%	1.82%	1.09%
Feb-03	6.93%			Feb-09	6.30%	3.59%	2.71%	Feb-15	3.67%	2.57%	1.10%	Feb-21	3.09%	2.04%	1.05%
Mar-03	6.79%			Mar-09	6.42%	3.64%	2.78%	Mar-15	3.74%	2.63%	1.11%	Mar-21	3.44%	2.34%	1.10%
Apr-03	6.64%			Apr-09	6.48%	3.76%	2.72%	Apr-15	3.75%	2.59%	1.16%	Apr-21	3.30%	2.30%	1.00%
May-03	6.36%			May-09	6.49%	4.23%	2.26%	May-15	4.17%	2.96%	1.21%	May-21	3.33%	2.32%	1.01%
Jun-03	6.21%			Jun-09	6.20%	4.52%	1.68%	Jun-15	4.39%	3.11%	1.28%	Jun-21	3.16%	2.16%	1.00%
Jul-03	6.57%			Jul-09	5.97%	4.41%	1.56%	Jul-15	4.40%	3.07%	1.33%	Jul-21	2.95%	1.94%	1.01%
Aug-03	6.78%			Aug-09	5.71%	4.37%	1.34%	Aug-15	4.25%	2.86%	1.39%	Aug-21	2.95%	1.92%	1.03%
Sep-03	6.56%			Sep-09	5.53%	4.19%	1.34%	Sep-15	4.39%	2.95%	1.44%	Sep-21	2.96%	1.94%	1.02%
Oct-03	6.43%			Oct-09	5.55%	4.19%	1.36%	Oct-15	4.29%	2.89%	1.40%	Oct-21	3.09%	2.06%	1.03%
Nov-03	6.37%			Nov-09	5.64%	4.31%	1.33%	Nov-15	4.40%	3.03%	1.37%	Nov-21	3.02%	1.94%	1.08%
Dec-03	6.27%			Dec-09	5.79%	4.49%	1.30%	Dec-15	4.35%	2.97%	1.38%	Dec-21	3.13%	1.85%	1.28%
Jan-04	6.15%			Jan-10	5.77%	4.60%	1.17%	Jan-16	4.27%	2.86%	1.41%	Jan-22	3.33%	2.10%	1.23%
Feb-04	6.15%			Feb-10	5.87%	4.62%	1.25%	Feb-16	4.11%	2.62%	1.49%	Feb-22	3.68%	2.25%	1.43%
Mar-04	5.97%			Mar-10	5.84%	4.64%	1.20%	Mar-16	4.16%	2.68%	1.48%	Mar-22	3.98%	2.41%	1.57%
Apr-04	6.35%			Apr-10	5.81%	4.69%	1.12%	Apr-16	4.00%	2.62%	1.38%				
May-04	6.62%			May-10	5.50%	4.29%	1.21%	May-16	3.93%	2.63%	1.30%				
Jun-04	6.46%			Jun-10	5.46%	4.13%	1.33%	Jun-16	3.78%	2.45%	1.33%	Average:	12-months		1.14%
Jul-04	6.27%			Jul-10	5.26%	3.99%	1.27%	Jul-16	3.57%	2.23%	1.34%		6-months		1.27%
Aug-04	6.14%			Aug-10	5.01%	3.80%	1.21%	Aug-16	3.59%	2.26%	1.33%		3-months		1.41%
Sep-04	5.98%			Sep-10	5.01%	3.77%	1.24%	Sep-16	3.66%	2.35%	1.31%				
Oct-04	5.94%			Oct-10	5.10%	3.87%	1.23%	Oct-16	3.77%	2.50%	1.27%				
Nov-04	5.97%			Nov-10	5.37%	4.19%	1.18%	Nov-16	4.08%	2.86%	1.22%				
Dec-04	5.92%			Dec-10	5.56%	4.42%	1.14%	Dec-16	4.27%	3.11%	1.16%				

**Common Equity Risk Premiums**  
**Years 1926-2021**

	<b><u>Large Common Stocks</u></b>	<b><u>Long- Term Corp. Bonds</u></b>	<b><u>Equity Risk Premium</u></b>	<b><u>Long- Term Govt. Bonds Yields</u></b>
Low Interest Rates	12.09%	5.28%	6.81%	2.80%
Average Across All Interest Rates	12.33%	6.40%	5.93%	4.92%
High Interest Rates	12.57%	7.52%	5.05%	7.03%

Source of Information: 2022 SBBI Yearbook Stocks, Bonds, Bills, and Inflation

Basic Series  
Annual Total Returns (except yields)

Year	Large Common Stocks	Long- Term Corp. Bonds	Long- Term Govt. Bonds Yields
2020	18.40%	15.40%	1.37%
2021	28.71%	-2.66%	1.88%
1940	-9.78%	3.39%	1.94%
1945	36.44%	4.08%	1.99%
1941	-11.59%	2.73%	2.04%
1949	18.79%	3.31%	2.09%
1946	-8.07%	1.72%	2.12%
1950	31.71%	2.12%	2.24%
2019	31.49%	19.95%	2.25%
1939	-0.41%	3.97%	2.26%
1948	5.50%	4.14%	2.37%
1947	5.71%	-2.34%	2.43%
1942	20.34%	2.60%	2.46%
1944	19.75%	4.73%	2.46%
2012	16.00%	10.68%	2.46%
2014	13.69%	17.28%	2.46%
1943	25.90%	2.83%	2.48%
1938	31.12%	6.13%	2.52%
2017	21.83%	12.25%	2.54%
1936	33.92%	6.74%	2.55%
2011	2.11%	17.95%	2.55%
2015	-1.38%	-1.02%	2.68%
1951	24.02%	-2.69%	2.69%
1954	52.62%	5.39%	2.72%
2016	11.96%	6.70%	2.72%
1937	-35.03%	2.75%	2.73%
1953	-0.99%	3.41%	2.74%
1935	47.67%	9.61%	2.76%
1952	18.37%	3.52%	2.79%
2018	-4.38%	-4.73%	2.84%
1934	-1.44%	13.84%	2.93%
1955	31.56%	0.48%	2.95%
2008	-37.00%	8.78%	3.03%
1932	-8.19%	10.82%	3.15%
1927	37.49%	7.44%	3.17%
1957	-10.78%	8.71%	3.23%
1930	-24.90%	7.98%	3.30%
1933	53.99%	10.38%	3.36%
1928	43.61%	2.84%	3.40%
1929	-8.42%	3.27%	3.40%
1956	6.56%	-6.81%	3.45%
1926	11.62%	7.37%	3.54%
2013	32.39%	-7.07%	3.78%
1960	0.47%	9.07%	3.80%
1958	43.36%	-2.22%	3.82%
1962	-8.73%	7.95%	3.95%
1931	-43.34%	-1.85%	4.07%
2010	15.06%	12.44%	4.14%
1961	26.89%	4.82%	4.15%
1963	22.80%	2.19%	4.17%
1964	16.48%	4.77%	4.23%
1959	11.96%	-0.97%	4.47%
1965	12.45%	-0.46%	4.50%
2007	5.49%	2.60%	4.50%
1966	-10.06%	0.20%	4.55%
2009	26.46%	3.02%	4.58%
2005	4.91%	5.87%	4.61%
2002	-22.10%	16.33%	4.84%
2004	10.88%	8.72%	4.84%
2006	15.79%	3.24%	4.91%
2003	28.68%	5.27%	5.11%
1998	28.58%	10.76%	5.42%
1967	23.98%	-4.95%	5.56%
2000	-9.10%	12.87%	5.58%
2001	-11.89%	10.65%	5.75%
1971	14.30%	11.01%	5.97%
1968	11.06%	2.57%	5.98%
1972	18.99%	7.26%	5.99%
1997	33.36%	12.95%	6.02%
1995	37.58%	27.20%	6.03%
1970	3.86%	18.37%	6.48%
1993	10.08%	13.19%	6.54%
1996	22.96%	1.40%	6.73%
1999	21.04%	-7.45%	6.82%
1969	-8.50%	-8.09%	6.87%
1976	23.93%	18.65%	7.21%
1973	-14.69%	1.14%	7.26%
1992	7.62%	9.39%	7.26%
1991	30.47%	19.89%	7.30%
1974	-26.47%	-3.06%	7.60%
1986	18.67%	19.85%	7.89%
1994	-1.32%	-5.76%	7.99%
1977	-7.16%	1.71%	8.03%
1975	37.23%	14.64%	8.05%
1989	31.69%	16.23%	8.16%
1990	-3.10%	6.78%	8.44%
1978	6.57%	-0.07%	8.98%
1988	16.61%	10.70%	9.19%
1987	5.25%	-0.27%	9.20%
1985	31.73%	30.09%	9.56%
1979	18.61%	-4.18%	10.12%
1982	21.55%	42.56%	10.95%
1984	6.27%	16.86%	11.70%
1983	22.56%	6.26%	11.97%
1980	32.50%	-2.76%	11.99%
1981	-4.92%	-1.24%	13.34%

**Yields for Treasury Constant Maturities  
Yearly for 2017-2021  
and the Twelve Months Ended March 2022**

<u>Years</u>	<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>	<u>20-Year</u>	<u>30-Year</u>
2017	1.20%	1.40%	1.58%	1.91%	2.16%	2.33%	2.65%	2.90%
2018	2.33%	2.53%	2.63%	2.75%	2.85%	2.91%	3.02%	3.11%
2019	2.05%	1.97%	1.94%	1.96%	2.05%	2.14%	2.40%	2.58%
2020	0.38%	0.40%	0.43%	0.54%	0.73%	0.89%	1.35%	1.56%
2021	0.10%	0.27%	0.46%	0.86%	1.19%	1.44%	1.98%	2.05%
<b>Five-Year Average</b>	<u>1.21%</u>	<u>1.31%</u>	<u>1.41%</u>	<u>1.60%</u>	<u>1.80%</u>	<u>1.94%</u>	<u>2.28%</u>	<u>2.44%</u>
<b><u>Months</u></b>								
Apr-21	0.06%	0.16%	0.35%	0.86%	1.31%	1.64%	2.20%	2.30%
May-21	0.05%	0.16%	0.32%	0.82%	1.28%	1.62%	2.22%	2.32%
Jun-21	0.07%	0.20%	0.39%	0.84%	1.23%	1.52%	2.09%	2.16%
Jul-21	0.08%	0.22%	0.40%	0.76%	1.07%	1.32%	1.87%	1.94%
Aug-21	0.07%	0.22%	0.42%	0.77%	1.06%	1.28%	1.83%	1.92%
Sep-21	0.08%	0.24%	0.47%	0.86%	1.16%	1.37%	1.87%	1.94%
Oct-21	0.11%	0.39%	0.67%	1.11%	1.40%	1.58%	2.03%	2.06%
Nov-21	0.18%	0.51%	0.82%	1.20%	1.45%	1.56%	1.97%	1.94%
Dec-21	0.30%	0.68%	0.95%	1.23%	1.40%	1.47%	1.90%	1.85%
Jan-22	0.55%	0.98%	1.25%	1.54%	1.70%	1.76%	2.15%	2.10%
Feb-22	1.00%	1.44%	1.65%	1.81%	1.91%	1.93%	2.31%	2.25%
Mar-22	1.34%	1.91%	2.09%	2.11%	2.15%	2.13%	2.51%	2.41%
<b>Twelve-Month Average</b>	<u>0.32%</u>	<u>0.59%</u>	<u>0.82%</u>	<u>1.16%</u>	<u>1.43%</u>	<u>1.60%</u>	<u>2.08%</u>	<u>2.10%</u>
<b>Six-Month Average</b>	<u>0.58%</u>	<u>0.99%</u>	<u>1.24%</u>	<u>1.50%</u>	<u>1.67%</u>	<u>1.74%</u>	<u>2.15%</u>	<u>2.10%</u>
<b>Three-Month Average</b>	<u>0.96%</u>	<u>1.44%</u>	<u>1.66%</u>	<u>1.82%</u>	<u>1.92%</u>	<u>1.94%</u>	<u>2.32%</u>	<u>2.25%</u>

Source: Federal Reserve statistical release H.15

**Measures of the Risk-Free Rate & Corporate Bond Yields**

The forecast of Treasury and Corporate yields  
per the consensus of nearly 50 economists  
reported in the Blue Chip Financial Forecasts dated December 1, 2021 and April 1, 2022

Year	Quarter	Treasury					Corporate	
		1-Year Bill	2-Year Note	5-Year Note	10-Year Note	30-Year Bond	Aaa Bond	Baa Bond
2022	Second	1.6%	2.2%	2.4%	2.4%	2.6%	3.7%	4.6%
2022	Third	1.9%	2.4%	2.6%	2.6%	2.8%	4.0%	4.9%
2022	Fourth	2.2%	2.6%	2.7%	2.8%	3.0%	4.2%	5.1%
2023	First	2.5%	2.8%	2.9%	2.9%	3.2%	4.4%	5.3%
2023	Second	2.7%	2.9%	3.0%	3.0%	3.3%	4.5%	5.4%
2023	Third	2.8%	2.9%	3.1%	3.1%	3.3%	4.6%	5.5%
<b>Long-range CONSENSUS</b>								
2023		1.0%	1.3%	1.9%	2.4%	2.9%	3.7%	4.6%
2024		1.6%	1.9%	2.4%	2.8%	3.3%	4.2%	5.0%
2025		2.1%	2.4%	2.8%	3.1%	3.6%	4.5%	5.3%
2026		2.4%	2.6%	2.9%	3.2%	3.7%	4.6%	5.5%
2027		2.5%	2.6%	2.9%	3.2%	3.7%	4.8%	5.6%
Averages:								
	2023-2027	1.9%	2.2%	2.6%	2.9%	3.4%	4.4%	5.2%
	2028-2032	2.4%	2.6%	3.0%	3.3%	3.8%	4.9%	5.7%

**Measures of the Market Premium**

Value Line Return			
As of:	Dividend Yield	Median Appreciation Potential	Median Total Return
1-Apr-22	1.9%	+ 10.67%	= 12.57%

DCF Result for the S&P 500 Composite			
D/P	( 1+5g )	+	g = k
1.41%	( 1.072 )	+	14.3% = 15.81%

Summary	
Value Line	12.57%
S&P 500	15.81%
Average	14.19%
Risk-free Rate of Return (Rf)	3.00%
Forecast Market Premium	11.19%
Historical Market Premium	
Low Interest Rates	(Rm) (Rf)
1926-2021 Arith. mean	12.09% 2.80% 9.29%
Average - Forecast/Historical	10.24%



**Exhibit 7.8:** Size-Decile Portfolios of the NYSE/NYSE MKT/NASDAQ Long-Term Returns in Excess of CAPM  
1926–2016

<u>Size Grouping</u>	<u>OLS Beta</u>	<u>Arithmetic Mean</u>	<u>Return in Excess of Risk-free Rate (actual)</u>	<u>Return in Excess of Risk-free Rate (as predicted by CAPM)</u>	<u>Size Premium</u>
Mid-Cap (3–5)	1.12	13.82%	8.80%	7.79%	1.02%
Low-Cap (6–8)	1.22	15.26%	10.24%	8.49%	1.75%
Micro-Cap (9–10)	1.35	18.04%	13.02%	9.35%	3.67%
<u>Breakdown of Deciles 1–10</u>					
1-Largest	0.92	11.05%	6.04%	6.38%	-0.35%
2	1.04	12.82%	7.81%	7.19%	0.61%
3	1.11	13.57%	8.55%	7.66%	0.89%
4	1.13	13.80%	8.78%	7.80%	0.98%
5	1.17	14.62%	9.60%	8.09%	1.51%
6	1.17	14.81%	9.79%	8.14%	1.66%
7	1.25	15.41%	10.39%	8.67%	1.72%
8	1.30	16.14%	11.12%	9.04%	2.08%
9	1.34	16.97%	11.96%	9.28%	2.68%
10-Smallest	1.39	20.27%	15.25%	9.66%	5.59%

Betas are estimated from monthly returns in excess of the 30-day U.S. Treasury bill total return, January 1926–December 2016. Historical riskless rate measured by the 91-year arithmetic mean income return component of 20-year government bonds (5.02%). Calculated in the context of the CAPM by multiplying the equity risk premium by beta. The equity risk premium is estimated by the arithmetic mean total return of the S&P 500 (11.95%) minus the arithmetic mean income return component of 20-year government bonds (5.02%) from 1926–2016. Source: Morningstar *Direct* and CRSP. Calculated based on data from CRSP US Stock Database and CRSP US Indices Database ©2017 Center for Research. Used with permission. All calculations performed by Duff & Phelps, LLC.



**Comparable Earnings Approach**

Using Non-Utility Companies with

Timeliness of 3 & 4; Safety Rank of 2 & 3; Financial Strength of B+, B++, & A;  
Price Stability of 80 to 100; Betas of .65 to .95; and Technical Rank of 3, 4 & 5

<u>Company</u>	<u>Industry</u>	<u>Timeliness Rank</u>	<u>Safety Rank</u>	<u>Financial Strength</u>	<u>Price Stability</u>	<u>Beta</u>	<u>Technical Rank</u>
Altria Group Inc	Tobacco	4	3	B++	85	0.95	3
AMERCO	Trucking	3	2	B++	90	0.95	3
Assurant Inc	Financial Svcs. (Div.)	4	2	A	90	0.90	4
Ball Corp	Packaging & Container	3	2	B++	85	0.95	3
Bio Rad Laboratories Inc	Med Supp Non-Invasive	3	2	A	80	0.75	3
Broadridge Fin'l	Information Services	3	2	B++	95	0.85	4
Chemed Corporation	Diversified Co.	3	2	A	95	0.85	3
CSG Systems International Inc	IT Services	3	3	B+	90	0.75	3
Exponent Inc.	Information Services	3	3	B+	85	0.90	4
F5 Inc.	Telecom. Equipment	3	2	A	80	0.95	3
FTI Consulting Inc	Industrial Services	3	2	A	80	0.70	3
Gentex Corp	Auto Parts	3	2	B++	90	0.95	3
Hanover Insurance Group Inc	Insurance (Prop/Cas.)	3	2	A	95	0.95	3
Heartland Express Inc	Trucking	4	2	A	95	0.75	3
Lancaster Colony Corporation	Food Processing	4	2	A	95	0.70	4
ManTech International Corporation	IT Services	3	3	B++	85	0.85	4
Motorola Solutions Inc	Telecom. Equipment	3	2	B++	95	0.90	3
Northwest Bancshares Inc	Thrift	4	3	B+	95	0.95	3
Park National Corp	Bank (Midwest)	3	3	B++	80	0.80	3
Quest Diagnostics Inc	Medical Services	3	2	B++	90	0.80	4
Sensient Technologies Corp	Food Processing	3	2	B++	95	0.90	3
Service Corp International Inc	Industrial Services	3	3	B+	90	0.95	3
Stepan Company	Chemical (Specialty)	4	3	B++	80	0.80	3
Verisk Analytics Inc	Information Services	3	2	B++	100	0.85	3
Waters Corp	Precision Instrument	4	2	A	85	0.95	3
West Pharmaceutical Services Inc	Med Supp Non-Invasive	3	2	A	80	0.80	3
Western Union Company	Financial Svcs. (Div.)	4	3	B+	95	0.80	4
Average		<u>3</u>	<u>2</u>	<u>B++</u>	<u>89</u>	<u>0.86</u>	<u>3</u>
Water Group	Average	<u>3</u>	<u>3</u>	<u>B++</u>	<u>89</u>	<u>0.77</u>	<u>4</u>

Source of Information: Value Line Investment Survey for Windows, April 2022

**Comparable Earnings Approach**  
Five -Year Average Historical Earned Returns  
for Years 2017-2021 and  
Projected 3-5 Year Returns

<u>Company</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Average</u>	<u>Projected 2025-27</u>
Altria Group Inc	42.5%	51.0%	NMF	NMF	NMF	46.8%	NMF
AMERCO	9.0%	10.0%	7.0%	12.6%	19.5%	11.6%	10.5%
Assurant Inc	12.2%	4.9%	6.8%	7.4%	9.0%	8.1%	6.5%
Ball Corp	7.7%	13.1%	19.2%	17.9%	24.2%	16.4%	27.5%
Bio Rad Laboratories Inc	2.2%	4.4%	3.7%	3.2%	10.0%	4.7%	6.5%
Broadridge Fin'l	32.6%	46.1%	49.1%	43.7%	36.8%	41.7%	35.5%
Chemed Corporation	26.1%	33.9%	31.7%	32.9%	49.5%	34.8%	32.0%
CSG Systems International Inc	17.9%	18.3%	20.9%	13.9%	16.5%	17.5%	22.0%
Exponent Inc.	14.3%	23.0%	23.5%	22.8%	25.5%	21.8%	29.0%
F5 Inc.	34.2%	35.3%	24.3%	13.8%	14.0%	24.3%	16.0%
FTI Consulting Inc	7.6%	11.4%	14.8%	15.9%	16.0%	13.1%	10.5%
Gentex Corp	18.0%	23.5%	21.9%	17.7%	18.3%	19.9%	27.0%
Hanover Insurance Group Inc	6.8%	9.9%	11.4%	11.1%	11.4%	10.1%	10.5%
Heartland Express Inc	7.4%	11.8%	10.7%	9.8%	11.0%	10.1%	10.0%
Lancaster Colony Corporation	20.0%	20.7%	20.7%	17.5%	16.9%	19.2%	15.5%
ManTech International Corporation	4.7%	5.9%	7.6%	7.6%	8.0%	6.8%	8.5%
Motorola Solutions Inc	-	-	-	-	-	-	NMF
Northwest Bancshares Inc	7.6%	8.4%	8.2%	4.9%	9.7%	7.8%	9.5%
Park National Corp	11.3%	13.3%	10.6%	12.3%	13.9%	12.3%	11.5%
Quest Diagnostics Inc	16.2%	16.8%	15.9%	22.6%	26.3%	19.6%	17.0%
Sensient Technologies Corp	17.7%	18.3%	14.2%	11.7%	13.0%	15.0%	13.0%
Service Corp International Inc	21.2%	20.4%	19.4%	29.8%	315.5%	81.3%	13.5%
Stepan Company	12.4%	14.4%	11.6%	12.9%	14.0%	13.1%	13.0%
Verisk Analytics Inc	28.8%	28.9%	19.9%	26.4%	25.0%	25.8%	24.0%
Waters Corp	27.0%	39.9%	-	NMF	NMF	33.5%	29.0%
West Pharmaceutical Services Inc	11.8%	14.8%	15.4%	18.7%	26.0%	17.3%	18.0%
Western Union Company	-	-	-	NMF	NMF	-	NMF
Average						21.3%	17.3%
Median						17.3%	14.5%
Average (excluding companies with values >20%)						13.1%	11.2%



### **Comparable Earnings Approach**

#### Screening Parameters

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##### Timeliness Rank

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The rank for a stock's probable relative market performance in the year ahead. Stocks ranked 1 (Highest) or 2 (Above Average) are likely to outpace the year-ahead market. Those ranked 4 (Below Average) or 5 (Lowest) are not expected to outperform most stocks over the next 12 months. Stocks ranked 3 (Average) will probably advance or decline with the market in the year ahead. Investors should try to limit purchases to stocks ranked 1 (Highest) or 2 (Above Average) for Timeliness.

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##### Safety Rank

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A measure of potential risk associated with individual common stocks rather than large diversified portfolios (for which Beta is good risk measure). Safety is based on the stability of price, which includes sensitivity to the market (see Beta) as well as the stock's inherent volatility, adjusted for trend and other factors including company size, the penetration of its markets, product market volatility, the degree of financial leverage, the earnings quality, and the overall condition of the balance sheet. Safety Ranks range from 1 (Highest) to 5 (Lowest). Conservative investors should try to limit purchases to equities ranked 1 (Highest) or 2 (Above Average) for Safety.

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##### Financial Strength

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The financial strength of each of the more than 1,600 companies in the VS II data base is rated relative to all the others. The ratings range from A++ to C in nine steps. (For screening purposes, think of an A rating as "greater than" a B). Companies that have the best relative financial strength are given an A++ rating, indicating ability to weather hard times better than the vast majority of other companies. Those who don't quite merit the top rating are given an A+ grade, and so on. A rating as low as C++ is considered satisfactory. A rating of C+ is well below average, and C is reserved for companies with very serious financial problems. The ratings are based upon a computer analysis of a number of key variables that determine (a) financial leverage, (b) business risk, and (c) company size, plus the judgment of Value Line's analysts and senior editors regarding factors that cannot be quantified across-the-board for companies. The primary variables that are indexed and studied include equity coverage of debt, equity coverage of intangibles, "quick ratio", accounting methods, variability of return, fixed charge coverage, stock price stability, and company size.

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##### Price Stability Index

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An index based upon a ranking of the weekly percent changes in the price of the stock over the last five years. The lower the standard deviation of the changes, the more stable the stock. Stocks ranking in the top 5% (lowest standard deviations) carry a Price Stability Index of 100; the next 5%, 95; and so on down to 5. One standard deviation is the range around the average weekly percent change in the price that encompasses about two thirds of all the weekly percent change figures over the last five years. When the range is wide, the standard deviation is high and the stock's Price Stability Index is low.

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##### Beta

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A measure of the sensitivity of the stock's price to overall fluctuations in the New York Stock Exchange Composite Average. A Beta of 1.50 indicates that a stock tends to rise (or fall) 50% more than the New York Stock Exchange Composite Average. Use Beta to measure the stock market risk inherent in any diversified portfolio of, say, 15 or more companies. Otherwise, use the Safety Rank, which measures total risk inherent in an equity, including that portion attributable to market fluctuations. Beta is derived from a least squares regression analysis between weekly percent changes in the price of a stock and weekly percent changes in the NYSE Average over a period of five years. In the case of shorter price histories, a smaller time period is used, but two years is the minimum. The Betas are periodically adjusted for their long-term tendency to regress toward 1.00.

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##### Technical Rank

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A prediction of relative price movement, primarily over the next three to six months. It is a function of price action relative to all stocks followed by Value Line. Stocks ranked 1 (Highest) or 2 (Above Average) are likely to outpace the market. Those ranked 4 (Below Average) or 5 (Lowest) are not expected to outperform most stocks over the next six months. Stocks ranked 3 (Average) will probably advance or decline with the market. Investors should use the Technical and Timeliness Ranks as complements to one another.



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Q. What is your educational background?

A. I have a Bachelor's of Science Degree in Accounting from Central Penn College.

Q. Have you previously testified before a regulatory commission?

A. Yes, I have presented testimony to the Commission in the Company's last rate case.

Q. Will you list the exhibits you are sponsoring in this proceeding?

A. In addition to the exhibits identified in York Water Statement No. 4, I am sponsoring the following exhibits prepared by me or under my direction and supervision:

Exhibit No. HI-2-1W relating to depreciation expense included in the statement of operations for the wastewater division; and

Exhibit Nos. HV-1W and HV-1-2W relating to the original cost measure of value for the wastewater division.

Q. Explain Exhibit No. HI-2-1W.

A. Exhibit No. HI-2-1W adjusts the wastewater depreciation accrual from the historic test year level for the twelve months ended December 31, 2021, to the level determined in the depreciation study identified as Exhibit No. HVI-W. The adjustment in the amount of \$429,078 is determined by subtracting the booked depreciation accrual for the twelve months ended December 31, 2021, in the amount of \$260,777 from the pro forma annual

1 depreciation accrual in the amount of \$689,855. The adjustment in the amount of  
2 \$429,078 has been carried forward to Exhibit No. HI-2W, Column 3.

3  
4 Q. Who will testify regarding the determination of the pro forma annual wastewater  
5 depreciation accrual for the twelve months ending December 31, 2021?

6 A. John J. Spanos, President, Depreciation and Valuation Studies, Gannett Fleming  
7 Valuation and Rate Consultants, Inc. will testify with respect to the pro forma  
8 depreciation accrual (see York Water Statement No. 106).

9  
10 Q. Are you sponsoring any other exhibits regarding the Company's wastewater statement of  
11 operations?

12 A. No.

13  
14 Q. Explain Exhibit No. HV-1W.

15 A. Exhibit No. HV-1W provides the wastewater original cost measure of value in the  
16 amount of \$23,967,668 as of December 31, 2021, net operating income available and rate  
17 of return under existing rates for the twelve months ended December 31, 2021, net  
18 operating income and rate of return under existing rates after adjustments for ratemaking  
19 purposes ("pro forma") for the twelve months ended December 31, 2021, and net  
20 operating income and rate of return under proposed rates for the twelve months ended  
21 December 31, 2021. The original cost measure of value in the amount of \$23,967,668 as  
22 of December 31, 2021, is shown on page 2 of Exhibit No. HV-1W.

1 The original cost of utility plant in service per books as of December 31, 2021, is  
2 \$32,341,581, and the accrued depreciation as of December 31, 2021, is \$7,506,092. The  
3 depreciated original cost of utility plant in service as of December 31, 2021, is  
4 \$24,835,489 ( $\$32,341,581 - \$7,506,092 = \$24,835,489$ ). The details of original cost of  
5 utility plant in service and accrued depreciation by account, sub account and vintage are  
6 set forth in Exhibit No. HVI-W.

7  
8 Q. Who will testify with respect to accrued depreciation in the amount of \$7,506,092 as of  
9 December 31, 2021, related to wastewater utility plant in service?

10 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
11 Statement No. 106).

12  
13 Q. Continue with your explanation of Exhibit No. HV-1W.

14 A. The unamortized balance, as of December 31, 2021, of deferred Federal income taxes  
15 related to accelerated depreciation in the amount of \$102,208 is deducted from the  
16 original cost measure of value, and this amount is set forth in Exhibit No. HV-1-1W,  
17 which is explained in Mr. Poff's testimony (see York Water Statement No. 3W).

18  
19 The unamortized balance, as of December 31, 2021, of excess deferred Federal income  
20 taxes related to accelerated depreciation in the amount of \$18,036 is deducted from the  
21 original cost measure of value, and this amount is set forth in Exhibit No. HV-1-1W,  
22 which is explained in Mr. Poff's testimony (see York Water Statement No. 3W).

1 An amount of \$1,062,328 representing contributions in aid of construction less accrued  
2 depreciation as of December 31, 2021, is deducted from the original cost measure of  
3 value. This amount consists of the original cost of contributions in aid of construction per  
4 books as of December 31, 2021, in the amount of \$1,101,300 less accrued depreciation as  
5 of December 31, 2021, in the amount of \$38,972 ( $\$1,101,300 - \$38,972 = \$1,062,328$ ).

6 The details are shown by account, sub account and vintage in Exhibit No. HVI-W.  
7

8 Q. Who will testify with respect to the accrued depreciation related to contributions and  
9 advances?

10 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
11 Statement No. 106).  
12

13 Q. Do the amounts set forth in Exhibit No. HV-1 for Contributions reflect any amounts  
14 related to income tax liabilities that the Company has incurred between January 1, 1987,  
15 and June 12, 1996, as a result of the TRA-86 requirement that Contributions and  
16 Advances be taxed or has incurred between January 1, 2018, and December 31, 2020, as a  
17 result of the Tax Cuts and Jobs Act of 2017 requirement that Contributions and Advances  
18 be taxed?

19 A. No. Consistent with the Company's ratemaking and accounting procedure in effect at the  
20 time with regard to the income taxes on Contributions, the Company has made no  
21 adjustment to amounts recorded between January 1, 1987, and June 12, 1996, or between  
22 January 1, 2018, and December 31, 2020, for Contributions to reflect additional income  
23 taxes that were required to be paid with respect to receipt of such Contributions as a result  
24 of Section 824 of TRA-86 or the Tax Cuts and Jobs Act of 2017. Contributions received

1 between January 1, 1987, and June 12, 1996, and between January 1, 2018, and  
2 December 31, 2020, are reflected in the utility plant accounts and in the accounts for  
3 Contributions, as shown in Exhibit No. HVI at the original cost of the facilities  
4 constructed with the Contribution or Advance, without consideration of the associated  
5 income tax liability incurred by the Company. Under federal tax law provisions in effect  
6 at the time, Contributions received subsequent to June 12, 1996, through December 31,  
7 2017, were not taxed. Under federal tax law provisions currently in effect, Contributions  
8 received subsequent to December 31, 2020, are not taxed.

9  
10 Q. Continue with your explanation of Exhibit No. HV-1.

11 A. An unamortized utility plant adjustment for the Felton Borough wastewater acquisition in  
12 the amount of \$294,808 is included in the original cost measure of value. The details are  
13 set forth in Exhibit No. HV-1-2W.

14  
15 Taxes on deposits for construction and customer advances in the amount of \$19,943 are  
16 included in the original cost measure of value. The details are set forth in Exhibit No.  
17 HV-1-3W, which is explained in Mr. Poff's testimony (see York Water Statement No.  
18 3W).

19  
20 There are no other components of the measure of value for the wastewater portion of the  
21 business. The wastewater portion of the business did not have its own materials and  
22 supplies inventory, nor did it have its own cash working capital calculation as of  
23 December 31, 2021.

24

1 Column 1 of page 3 of Exhibit No. HV-1W shows net operating income available for  
2 return under existing rates for the twelve months ended December 31, 2021, in the  
3 amount of (\$592,064) and the rate of return on the original cost measure of value as of  
4 December 31, 2021, of (2.47)%. Column 3 of page 3 of Exhibit No. HV-1W shows the  
5 adjustments to net operating income in the amount of \$342,816. These adjustments have  
6 been detailed in other exhibits that Mr. Poff and Mr. Winter address in their testimony  
7 (see York Water Statement Nos. 3W and 5W). Column 4 of page 3 of Exhibit No. HV-  
8 1W shows pro forma net operating income available for return under existing rates for the  
9 twelve months ended December 31, 2021, in the amount of (\$249,248) and the rate of  
10 return on the original cost of measure of value as of December 31, 2021, of (1.04%).  
11 Adjustments to pro forma net operating income for the twelve months ended December  
12 31, 2021, related to the effect of proposed rates in the amount of \$2,149,912 are shown in  
13 Column 6 of page 3 of Exhibit No. HV-1W. These adjustments have been detailed in  
14 other exhibits that Mr. Poff and Mr. Winter address in their testimony (see York Water  
15 Statement Nos. 3W and 5W). Column 7 of page 3 of Exhibit No. HV-1W shows pro  
16 forma net operating income available for return for the twelve months ended December  
17 31, 2021, in the amount of \$1,900,664 and the rate of return on the original cost measure  
18 of value as of December 31, 2021, of 7.93%. The rate of return used for the wastewater  
19 portion of the business is identical to that used for the water portion of the business.

20  
21 Q. Explain Exhibit No. HV-1-2W.

22 A. Exhibit No. HV-1-2W provides the calculation of the unamortized utility plant  
23 acquisition adjustment relative to the acquisition of Felton Borough wastewater assets as



1 of December 31, 2021, in the amount of \$294,808 included in the original cost measure  
2 of value.

3  
4 Reasonable acquisition costs greater than depreciated original cost are permitted to be  
5 included in rate base and amortized over ten years in accordance with Section 1327 of the  
6 Public Utility Code. Please see the testimony of Mr. Hand (York Water Statement No. 1)  
7 for details on this acquisition.

8  
9 The acquisition adjustment subject to amortization of \$294,808 is determined by  
10 subtracting the depreciated original cost of waterworks property acquired from Felton  
11 Borough in the amount of \$618,871 from the Felton Borough acquisition costs of  
12 \$913,679 ( $\$913,679 - \$618,871 = \$294,808$ ).

13  
14 The Company is proposing amortization over a ten-year period in Exhibit No. HIII-2-1W.

15  
16 Q. Are you sponsoring any other exhibits regarding the original cost measure of value?

17 A. No.

18  
19 Q. Does this conclude your historic test year direct testimony at this time?

20 A. Yes.



1 A. I have a Bachelor's Degree from the Pennsylvania State University, University Park,  
2 Pennsylvania and a Master's Degree in Business Administration from York College of  
3 Pennsylvania, York, Pennsylvania.  
4

5 Q. Are you a certified public accountant?

6 A. Yes, I am a certified public accountant licensed by the Commonwealth of Pennsylvania.  
7

8 Q. What has been your other business experience?

9 A. From September, 2006 through June, 2009, I was employed by I. B. Abel, Inc. in York,  
10 Pennsylvania as the Chief Financial Officer. In this capacity, I managed the day to day  
11 accounting and financial transactions of the Company.  
12

13 From July, 1995 through September, 2006, I was employed by Beard Miller Company  
14 LLP (now Baker Tilly US, LLP) as a certified public accountant. In this capacity, I  
15 oversaw the audits and reviews and preparation of financial statements and tax returns for  
16 various business entities, both private and public companies of various sizes.  
17

18 Q. Have you previously testified before a regulatory commission?

19 A. Yes, I have presented testimony to the Pennsylvania Public Utility Commission  
20 ("Commission") in the Company's last two rate cases.  
21

22 Q. Will you list the exhibits you are sponsoring in this proceeding?

23 A. In addition to the exhibits identified in York Water Statement No. 3, I am sponsoring the  
24 following exhibits prepared by me or under my direction and supervision:  
25

1 Exhibit Nos. HI-1W and HI-2W relating to the statement of operations for the wastewater  
2 division;

3  
4 Exhibit Nos. H (b)-3W, HII-1W, HII-2W, HII-2-2W, HII-2-3W, HII-2-4W, HII-2-6W,  
5 HII-2-7W, HII-3W, HII-4W, HII-5W, HII-7W, HII-8W and HII-9W relating to operating  
6 revenues for the wastewater division;

7  
8 Exhibit Nos. HIII-1W, HIII-2W, HIII-2-1W, HIII-2-2W, HIII-2-3W and HIII-2-9W  
9 relating to operating expenses for the wastewater division;

10  
11 Exhibit No. HV-1-1W and HV-1-3W relating to the original cost measure of value for the  
12 wastewater division; and

13  
14 Exhibit No. HVII-28W relating to rate of return.

15  
16 Q. Explain Exhibit No. HI-1W.

17 A. Exhibit No. HI-1W provides a detailed comparative operating statement for wastewater  
18 operations for the twelve months ended December 31, 2021, and December 31, 2020.  
19 Column 1 of pages 2 through 3 of Exhibit No. HI-1W reflects the Company's detailed  
20 operating statement per books for the twelve months ended December 31, 2021, showing  
21 operating loss of (\$592,064). Column 2 of pages 2 through 3 of Exhibit No. HI-1W  
22 reflects the Company's detailed operating statement per books for the twelve months  
23 ended December 31, 2020, showing operating loss of (\$194,213). Column 3 of pages 2  
24 through 3 of Exhibit No. HI-1W reflects the increases and decreases by account between  
25 the operating statement for the twelve months ended December 31, 2021, and the

1 operating statement for the twelve months ended December 31, 2020. Major wastewater  
2 account variances (>\$20,000) between the detailed operating statement for the twelve  
3 months ended December 31, 2021, and the detailed operating statement for the twelve  
4 months ended December 31, 2020, are identified in Column 4 of pages 2 through 3 of  
5 Exhibit No. HI-1W. Detailed explanations of the causes of the major account variances  
6 between the operating statement for the twelve months ended December 31, 2021, and  
7 the operating statement for the twelve months ended December 31, 2020, are provided  
8 beginning on page 4 of Exhibit No. HI-1W.

9  
10 Q. Explain Exhibit No. HI-2W.

11 A. Exhibit No. HI-2W summarizes ratemaking adjustments under existing rates to per book  
12 statement of income for the twelve months ended December 31, 2021, and the anticipated  
13 statement of income when proposed rates become effective. The loss per books for the  
14 twelve months ended December 31, 2021, as shown in Column 1 of Exhibit No. HI-2W is  
15 (\$448,185). I note that this amount reflects non-operating loss and other income  
16 deductions not included in the calculation of net operating loss for ratemaking purposes.  
17 Net operating loss, for ratemaking purposes, was (\$592,064) for the twelve months ended  
18 December 31, 2021, as shown in column 1, page 1 of Exhibit No. HI-2W. Column 4 of  
19 Exhibit No. HI-2W shows adjusted net operating loss of (\$249,248). The adjustments to  
20 net operating income in the amount of \$342,816 are shown in Column 3 of Exhibit No.  
21 HI-2W. These adjustments are detailed in other exhibits, which will be explained later in  
22 my testimony or others' testimony. Column 7 of Exhibit No. HI-2W shows net operating  
23 income of \$1,900,664 after reflecting adjustments related to the effects of proposed rates.  
24 The adjustments to net operating income in the amount of \$2,149,912 are shown in

1 Column 6 of Exhibit No. HI-2W, and these adjustments are detailed in other exhibits,  
2 which will be explained later in my testimony or others' testimony.

3  
4 Q. Explain Exhibit No. H(b)-3W.

5 A. Exhibit No. H(b)-3W provides the number of wastewater customers whose monthly bills  
6 will increase under proposed rates based on pro forma historic test year volumes.

7  
8 Q. Explain Exhibit No. HII-1W.

9 A. Exhibit No. HII-1W is a comparative statement of volumes received and operating  
10 revenues per books by class for the twelve months ended December 31, 2021, and  
11 December 31, 2020, and the number of customers by class as of December 31, 2021, and  
12 December 31, 2020. Volumes received is based upon metered water usage for those  
13 customers who are metered wastewater service customers of York Water. Volumes  
14 received are not tracked for customers who billed at flat rates.

15  
16 Q. Explain Exhibit No. HII-2W.

17 A. Exhibit No. HII-2W summarizes adjustments to per book operating revenues for the  
18 twelve months ended December 31, 2021, that are required for ratemaking purposes. As I  
19 will explain later, such adjustments reflect elimination of net accrued operating revenues  
20 recorded on the corporate books during the twelve months ended December 31, 2021.  
21 The adjustments also annualize the effects of changes in number of customers and the  
22 acquisition of the West Manheim Township wastewater collection system, which  
23 occurred during the twelve months ended December 31, 2021.

1 The operating revenues per books, for the twelve months ended December 31, 2021, as  
2 shown in Column 1 of Exhibit No. HII-2W, were \$2,215,822. Adjustments under  
3 existing rates to increase historic test year operating revenues in the amount of  
4 \$1,816,102 are summarized on page 2 of 2 of Exhibit No. HII-2W and are shown in  
5 Column 2, page 1 of 2 of Exhibit No. HII-2W. These adjustments are explained later in  
6 Exhibit Nos. HII-2-2W through HII-2-7W. Pro forma operating revenues under existing  
7 rates, after adjustment, for twelve months ended December 31, 2021, of \$4,031,924 are  
8 shown in Column 3 of Exhibit No. HII-2W. The proposed increase in historic test year  
9 operating revenues in the amount of \$3,043,892 is shown in Column 5 of Exhibit No.  
10 HII-2W. The corresponding percentage increase in operating revenues is shown in  
11 Column 6.

12  
13 For historic test year purposes, the increase of \$3,043,892 shown on Exhibit No. HII-2W  
14 was not produced by the application of proposed rates to historic test year volumes.  
15 Since the Company's claim in this case is based upon data for a fully forecasted future  
16 test year ending February 29, 2024, annualized and normalized for ratemaking purposes,  
17 the increase of \$3,043,892, or 75.49%, is the increase calculated based upon pro forma  
18 historic test year revenues, expenses, and rate base.

19  
20 Q. Explain Exhibit No. HII-2-2W.

21 A. Exhibit No. HII-2-2W eliminates net accrued operating revenues recorded on the  
22 corporate books during the twelve months ended December 31, 2021. In response to the  
23 enactment of the Tax Reform Act of 1986, the Company estimates for income tax and  
24 financial reporting purposes the amount of income attributable to utility services provided

1 during each accounting period, but after the final meter reading which falls within that  
2 accounting period.

3  
4 Since unbilled revenues from the end of one accounting period are included in the first  
5 meter reading for the next accounting period, unbilled revenues from one accounting  
6 period are offset by unbilled revenues in the succeeding accounting period, with the result  
7 that the Company will record for accounting purposes, as either a debit or credit, the  
8 negative or positive difference in accrued revenues between the two accounting periods.  
9 This difference represents net accrued revenues recorded for the latter accounting period.

10  
11 Operating revenues are presented for ratemaking purposes on an “as billed basis” for the  
12 historic and future test years, to eliminate the uncertainties inherent in estimated “unbilled  
13 revenues.” Therefore, for ratemaking purposes, net accrued operating revenues are  
14 eliminated.

15  
16 Q. Explain Exhibit No. HII-2-3W.

17 A. Exhibit No. HII-2-3W annualizes operating revenues for metered residential, commercial,  
18 and industrial customers and unmetered residential and commercial/industrial customers  
19 by applying base rates effective March 1, 2019, to test year units and consumption. By  
20 Order entered in the Company’s 2018 base rate case at Docket No. R-2018-3000019, the  
21 Commission authorized increased base rates for the Company. These rates along with the  
22 rates approved by the Commission as part of the Company’s acquisitions since the 2018  
23 base rate case are the currently effective base rates of the Company. Annualization of  
24 revenues by customer class at present base rates effective March 1, 2019, in the amount  
25 of \$881,217 for metered customers and \$1,338,051 for unmetered customers are shown



1 in Column 2 on Exhibit No. HII-2-3W. Application of present base rates to the customer  
2 units and consumption analysis for the twelve months ended December 31, 2021, is  
3 shown on Exhibit No. HII-4W, which I will explain later. Metered operating revenues by  
4 customer class billed and recorded on the corporate books during the twelve months  
5 ended December 31, 2021, in the amount of \$881,848 are shown in Column 1 of Exhibit  
6 No. HII-2-3W and are subtracted from annualized revenues at metered base rates  
7 effective March 1, 2019, to determine the adjustment by customer class to operating  
8 revenues shown in Column 3 of Exhibit No. HII-2-3 [ $\$881,217 - \$881,848 = \$(631)$ ].  
9 Unmetered operating revenues by customer class billed and recorded on the corporate  
10 books during the twelve months ended December 31, 2021, in the amount of \$1,335,720  
11 are shown in Column 1 of Exhibit No. HII-2-3W and are subtracted from annualized  
12 revenues at unmetered base rates effective March 1, 2019, to determine the adjustment by  
13 customer class to operating revenues shown in Column 3 of Exhibit No. HII-2-3  
14 [ $\$1,338,051 - \$1,335,720 = \$2,331$ ]. The adjustment by customer class of operating  
15 revenues in the amount of \$1,700 [ $\$(631) + \$2,331$ ] is carried forward to Exhibit No.  
16 HII-2, page 3.

17  
18 Q. Explain Exhibit No. HII-2-4W.

19 A. Exhibit No. HII-2-4W annualizes operating revenues for metered residential wastewater  
20 customers connected and disconnected during the twelve months ended December 31,  
21 2021. For metered residential customers, the net gain in number of metered residential  
22 customers during the twelve months ended December 31, 2021, was 71 (1,164 metered  
23 residential wastewater customers as of December 31, 2021, less 1,093 metered residential  
24 wastewater customers as of December 31, 2020). Since 71 metered residential  
25 wastewater customers were gained throughout the test year, it is assumed the historic test

1 year average number of metered residential wastewater customers is equal to the average  
2 of metered residential wastewater customers at the beginning and end of the historic test  
3 year, or 1,129  $([1,164 + 1,093] \div 2)$ . Annualized revenues for metered residential  
4 wastewater customers of \$839,799 (refer to Exhibit No. HII-4W) are divided by the  
5 historic test year average number of metered residential wastewater customers of 1,129 to  
6 calculate the average annual revenue per average metered residential wastewater  
7 customer in the amount of \$744.17  $(\$839,799 \div 1,129 = \$744.17)$ . The adjustment to  
8 annualize revenues for the net gain in metered residential wastewater customers during  
9 the twelve months ended December 31, 2021, is determined by multiplying the net gain  
10 of 71 metered residential wastewater customers by the average annual revenue per  
11 average metered residential wastewater customer in the amount of \$744.17, and by  
12 dividing the product of this calculation by two  $(71 \times \$744.17 \div 2 = \$26,418)$ . The  
13 product is divided by two since it is reasonable to assume that customers were gained  
14 evenly through the historic test year and that annualized revenues already reflect the gain  
15 of one-half of one year's revenue, on average, for the 71 customers. The result of the  
16 calculations described above is the amount of \$26,418, which is carried forward to  
17 Exhibit No. HII-2W, page 2.

18  
19 Q. Explain Exhibit No. HII-2-5W.

20 A. Exhibit No. HII-2-5W annualizes operating revenues for metered commercial wastewater  
21 customers connected and disconnected during the twelve months ended December 31,  
22 2021. For metered commercial customers, the net gain in number of metered commercial  
23 customers during the twelve months ended December 31, 2021, was 7 (41 metered  
24 commercial wastewater customers as of December 31, 2021, less 34 metered commercial  
25 wastewater customers as of December 31, 2020). Since 7 metered commercial

1 wastewater customers were gained throughout the test year, it is assumed the historic test  
2 year average number of metered commercial wastewater customers is equal to the  
3 average of metered commercial wastewater customers at the beginning and end of the  
4 historic test year, or 38  $([41 + 34] \div 2)$ . Annualized revenues for metered commercial  
5 wastewater customers of \$39,217 (refer to Exhibit No. HII-4W) are divided by the  
6 historic test year average number of metered commercial wastewater customers of 38 to  
7 calculate the average annual revenue per average metered commercial wastewater  
8 customer in the amount of \$1,045.77  $(\$39,217 \div 38 = \$1,045.77)$ . The adjustment to  
9 annualize revenues for the net gain in metered commercial wastewater customers during  
10 the twelve months ended December 31, 2021, is determined by multiplying the net gain  
11 of 7 metered commercial wastewater customers by the average annual revenue per  
12 average metered commercial wastewater customer in the amount of \$1,045.77, and by  
13 dividing the product of this calculation by two  $(7 \times \$1,045.77 \div 2 = \$3,660)$ . The product  
14 is divided by two since it is reasonable to assume that customers were gained evenly  
15 through the historic test year and that annualized revenues already reflect the gain of one-  
16 half of one year's revenue, on average, for the 7 customers. The result of the calculations  
17 described above is the amount of \$3,660, which is carried forward to Exhibit No. HII-  
18 2W, page 2.

19  
20 Q. Explain Exhibit No. HII-2-6W.

21 A. Exhibit No. HII-2-6W annualizes operating revenues for metered West Manheim  
22 Borough residential wastewater customers acquired by the Company during the twelve  
23 months ended December 31, 2021. The addition of West Manheim Borough metered  
24 residential customers for the twelve months ended December 31, 2021, occurred on  
25 January 3, 2022. There are twelve months of revenue not included in the historic test

1 year. January 2022 actual residential revenue of \$139,241 was used to annualize metered  
2 West Manheim Borough residential revenue. The adjustment of \$1,670,892 was  
3 calculated by multiplying the January 2022 actual residential revenue of \$139,241 by  
4 twelve months ( $\$139,241 \times 12 = \$1,670,892$ ). The adjustment of \$1,670,892 is carried  
5 forward to Exhibit No. HII-2W, page 2.

6  
7 Q. Explain Exhibit No. HII-2-7W.

8 A. Exhibit No. HII-2-7W annualizes operating revenues for metered West Manheim  
9 Borough commercial wastewater customers acquired by the Company during the twelve  
10 months ended December 31, 2021. The addition of West Manheim Borough metered  
11 commercial customers for the twelve months ended December 31, 2021, occurred on  
12 January 3, 2022. There are twelve months of revenue not included in the historic test  
13 year. January 2022 actual commercial revenue of \$8,902 was used to annualize metered  
14 West Manheim Borough commercial revenue. The adjustment of \$106,824 was  
15 calculated by multiplying the January 2022 actual commercial revenue of \$8,902 by  
16 twelve months ( $\$8,902 \times 12 = \$106,824$ ). The adjustment of \$106,824 is carried forward  
17 to Exhibit No. HII-2W, page 2.

18  
19 Q. Explain Exhibit No. HII-4W.

20 A. Exhibit No. HII-4W provides a detailed customer consumption analysis by customer  
21 classification for metered wastewater customers and a detailed customer revenue analysis  
22 by customer classification for unmetered wastewater customers.

23  
24 Pages 2 through 4 of Exhibit No. HII-4W provide the application of present-metered and  
25 unmetered base rates to the customer analysis for the twelve months ended December 31,

1 2021. The application of present-metered and unmetered base rates to the customer  
2 analysis for the twelve months ended December 31, 2021, results in annualized revenues  
3 at present-metered and unmetered base rates on pages 2 through 4 of Exhibit No. HII-4W  
4 of \$2,219,268 (\$1,901,914 + \$315,152 + \$2,202).

5  
6 Q. Explain Exhibit No. HII-5W.

7 A. Exhibit No. HII-5W provides a detailed explanation of the accounting procedures and  
8 methods used to determine accrued revenues and detailed computations of accrued  
9 revenues as of December 31, 2021, and December 31, 2020.

10  
11 In response to the enactment of the Tax Reform Act of 1986, the Company estimates for  
12 income tax and financial reporting purposes the amount of income attributable to utility  
13 services provided during each accounting period, but after the final meter reading which  
14 falls within that accounting period. Since unbilled revenues from the end of one  
15 accounting period are included in the first meter reading for the next accounting period,  
16 unbilled revenues from one accounting period are offset by unbilled revenues in the  
17 succeeding accounting period, with the result that the Company will record for  
18 accounting purposes, as either a debit or credit, the negative or positive difference in  
19 accrued revenues between the two accounting periods. This difference represents net  
20 accrued revenues recorded for the latter accounting period. Operating revenues are  
21 presented for ratemaking purposes on an “as billed basis” for the historic and future test  
22 years, to eliminate the uncertainties inherent in estimated “unbilled revenues.” Refer to  
23 Exhibit No. HII-2-2W, which I explained previously, for an operating revenue  
24 adjustment, which eliminates net accrued revenues recorded during the test year from the  
25 cost of service.

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Page 2 of Exhibit No. HII-5W provides a detailed computation of accrued utility revenues as of December 31, 2021.

Page 3 of Exhibit No. HII-5W provides a detailed computation of accrued utility revenues as of December 31, 2020.

Page 4 of Exhibit No. HII-5W provides a summary of entries recorded during the twelve months ended December 31, 2021, accounting for accrued revenues.

Q. Explain Exhibit No. HII-7W.

A. Exhibit No. HII-7W provides the number of customers and the number of customers added or lost by customer classification for the year ended December 31, 2021, and the year-to-date period ended March 31, 2022.

Q. Are you sponsoring any other exhibits regarding the Company’s operating revenues?

A. Yes, I am also sponsoring Exhibit Nos. HII-3W, HII-8W, and HII-9W.

Q. Explain Exhibit No. HIII-1W.

A. Exhibit No. HIII-1W is a comparative statement of wastewater operating expenses per books for the twelve months ended December 31, 2021, December 31, 2020, and December 31, 2019.

Q. Explain Exhibit No. HIII-2W.

1 A. Exhibit No. HIII-2W summarizes adjustments to operating expenses for the twelve  
2 months ended December 31, 2021, to annualize and normalize the effect of changes  
3 occurring during the twelve months ended December 31, 2021.

4  
5 Operating expenses per books for the twelve months ended December 31, 2021, in the  
6 amount of \$2,774,138 are shown in Column 1 of Exhibit No. HIII-2W. Adjustments to  
7 operating expenses in the amount of \$1,071,565, to annualize and normalize the effect of  
8 changes occurring during the twelve months ended December 31, 2021, are shown in  
9 Column 3 of Exhibit No. HIII-2W and are detailed in Exhibit Nos. HIII-2-4 of the water  
10 portion of the case, and HIII-2-1W through HIII-2-3W, and HIII-2-9W of the wastewater  
11 portion of the case. The Company has made no adjustments to operating expenses due to  
12 the increase in operating revenues resulting from the proposed increase in rates.

13  
14 Q. Explain Exhibit No. HIII-2-1W.

15 A. Exhibit No. HIII-2-1W amortizes over ten years the acquisition costs of the wastewater  
16 property and rights of Felton Borough in excess of the original cost of the property when  
17 first devoted to public service less the applicable accrued depreciation. Reasonable  
18 acquisition costs greater than depreciated original cost are permitted to be included in rate  
19 base and amortized over ten years in accordance with Section 1327 of the Public Utility  
20 Code. The acquisition adjustment of \$294,808 is determined by subtracting the  
21 depreciated original cost of wastewater property and rights of \$618,871 from acquisition  
22 costs of \$913,679 ( $\$913,679 - \$618,871 = \$294,808$ ). The acquisition adjustment of  
23 \$294,808 is divided by ten years to determine the annual amortization of \$29,481  
24 ( $\$294,808 \div 10$ ). The annual amortization of the acquisition costs of \$29,481 has been  
25 carried forward to Exhibit No. HIII-2W, Column 3.

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Refer to the testimony of Mr. Hand (York Water Statement No. 1) for a further explanation of this acquisition and why the acquisition costs above depreciated original cost should be reflected in accordance with Section 1327.

Q. Explain Exhibit No. HIII-2-2W.

A. Exhibit No. HIII-2-2W annualizes operating costs for the West Manheim Borough wastewater collection system acquired on January 3, 2022.

York Water assumed the contract between West Manheim Borough and Penn Township for wastewater treatment. The annualized amount of purchased treatment of \$1,078,422 was calculated by multiplying the first quarterly invoice received from Penn Township in the amount of \$269,606 by four quarters ( $\$269,606 \times 4 = \$1,078,422$ ). It was determined sludge removal from the pumping stations would be completed every quarter. The annualized amount of sludge removal from the pumping stations of \$16,000 was calculated at \$4,000 per quarter ( $\$4,000 \times 4 = \$16,000$ ). The annualized amount of purchased power for the pumping stations of \$25,000 was based on a review of the first two invoices received. The annualized amount of communications expense to remotely monitor the pumping stations of \$2,000 was based on a review of the annual invoice received. The annualized amount of maintenance for the pumping stations of \$24,000 was budgeted based on the initial inspections, age, and operating characteristics of the pumping stations. The adjustments of \$1,078,422, \$16,000, \$25,000, \$2,000, and \$24,000 have been carried forward to Exhibit No. HIII-2W, Column 3.

Q. Explain Exhibit No. HIII-2-3W.



1 A. Exhibit No. HIII-2-3W adjusts sludge hauling from Amblebrook for the twelve months  
2 ended December 31, 2021. The Amblebrook wastewater collection system was in service  
3 during the twelve months ended December 31, 2021. The Amblebrook treatment plant  
4 was being constructed so all wastewater was collected and hauled. The Amblebrook  
5 treatment plant was placed in service in 2022 resulting in a decline in ongoing sludge  
6 hauling expense. The Company estimates ongoing sludge hauling with an operational  
7 treatment plant will be \$25,636 based on one load per week at the current price of \$493  
8 per load ( $\$493 \times 52 = \$25,636$ ). The adjustment of  $\$(82,342)$  was determined by  
9 comparing the actual Amblebrook sludge hauling expense during the twelve months  
10 ended December 31, 2021, of \$107,978 to the estimated ongoing Amblebrook sludge  
11 hauling expense of \$25,636 [ $\$25,636 - \$107,978 = \$(82,342)$ ]. The adjustment of  
12  $\$(82,342)$  has been carried forward to Exhibit No. HIII-2W, Column 3.

13  
14 Q. Explain Exhibit No. HIII-2-9W.

15 A. Exhibit No. HIII-2-9W adjusts purchased power expense for the twelve months ended  
16 December 31, 2021, to reflect generation, transmission, and distribution rates effective  
17 January 1, 2022, from the Company's electric service providers. Purchased power  
18 expense charged to Account Nos. 71530000 and 71550000 during the twelve months  
19 ended December 31, 2021, of \$10,508 and \$41,948, respectively, are subtracted from pro  
20 forma purchased power expense of \$10,072 and \$45,436, respectively, to determine the  
21 adjustment to purchased power expense of  $\$(436)$  and  $\$3,488$ , respectively. The  
22 adjustments to purchased power expense of  $\$(436)$  and  $\$3,488$  has been carried forward  
23 to Exhibit No. HIII-2W, Column 3.

24  
25 Q. Explain Exhibit No. HV-1-1W.

1 A. Exhibit No. HV-1-1W is a summary, by year, of the unamortized balances of deferred  
2 income taxes related to wastewater accelerated depreciation and the unamortized  
3 balances of excess deferred income taxes related to wastewater accelerated depreciation  
4 that are deducted from the measure of value.

5  
6 Page 1 of Exhibit No. HV-1-1W is a summary, by year, of the unamortized balance in the  
7 amount of \$102,208, as of December 31, 2021, of deferred income taxes related to  
8 accelerated depreciation, that are deducted from the measure of value. Column 2 lists  
9 deferred federal income taxes resulting from accelerated depreciation from 2012 through  
10 2021. The balance in Column 2 is \$102,208.

11  
12 The unamortized balance of deferred income taxes as of December 31, 2021, in the  
13 amount of \$102,208 has been carried forward to Exhibit No. HV-1W, page 2 and has  
14 been deducted from the original cost measure of value.

15  
16 Page 2 of Exhibit No. HV-1-1 is a summary, by year, of the unamortized balance in the  
17 amount of \$18,036, as of December 31, 2021, of excess deferred income taxes related to  
18 accelerated depreciation, that are deducted from the measure of value. Column 2 lists, by  
19 year, excess deferred federal income taxes resulting from accelerated depreciation from  
20 2012 through 2017. The balance in Column 2 is \$18,036.

21  
22 The unamortized balance of excess deferred income taxes as of December 31, 2021, in  
23 the amount of \$18,036 has been carried forward to Exhibit No. HV-1, page 2 and has  
24 been deducted from the original cost measure of value.

1 Q. Explain Exhibit No. HV-1-3W.

2 A. Exhibit No. HV-1-3W is a summary, by year, of the unamortized balance in the amount  
3 of \$19,943, as of December 31, 2021, of taxes on deposits for construction and customer  
4 advances, that are added to the wastewater measure of value. Column 2 lists, by year,  
5 taxes on deposits for construction and customer advances from 2018 through 2020. The  
6 balance in Column 2 is \$19,943.

7

8 Under the Tax Cuts and Jobs Act of 2017, the definition of taxable contributions in aid of  
9 construction was modified under Section 118(b) and the exclusion from gross income  
10 under Section 118(c) was repealed. The modification to the definition of taxable  
11 contribution in aid of construction includes contributions from customers as well as any  
12 payment received from a governmental or civic entity. Under the Company's approved  
13 tariff, the Company will pay income taxes on any deposit, Customer Advance,  
14 Contribution in Aid of Construction, or other like amounts received from an applicant  
15 which shall constitute taxable income as defined by the Internal Revenue Service. Such  
16 income taxes shall be segregated in a deferred account for inclusion in rate base in a  
17 future rate case proceeding. Such income taxes associated with a deposit or advance will  
18 not be charged to the specific depositor of capital. This provision was rescinded under  
19 the Infrastructure Investment and Jobs Act of 2021.

20

21 The unamortized balance of taxes on deposits for construction and customer advances as  
22 of December 31, 2021, in the amount of \$19,943 has been carried forward to Exhibit No.  
23 HV-1W, page 2 and has been included in the original cost measure of value.

24

25 Q. Explain Exhibit No. HVII-28W.

1 A. Exhibit No. HVII-28W shows the Company's short-term debt balance, the construction  
2 work in progress balance, and the balance of construction work in progress, which is  
3 eligible for Allowance for Funds Used During Construction ("AFUDC") for the most  
4 recent twenty-four months.

5

6 Q. Does this conclude your historic test year direct testimony at this time?

7 A. Yes.

1 **YORK WATER STATEMENT NO. 5W**

2  
3 **BEFORE THE**  
4 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

5  
6 **THE YORK WATER COMPANY**

7  
8 **DIRECT TESTIMONY OF MICHAEL C. WINTER**  
9

10 Q. State your name and business address.

11 A. Michael C. Winter. My business address is: 130 East Market Street, York, Pennsylvania.  
12

13 Q. By whom are you employed?

14 A. I am employed by The York Water Company (“York Water” or the “Company”).  
15

16 Q. State your present position with the Company and explain your duties and  
17 responsibilities.

18 A. I am Controller of the Company. My duties and responsibilities include managing the  
19 financial operations of the Company and overseeing the accounting department in order  
20 to meet the requirements of regulatory agencies.  
21

22 Q. How long have you been employed by the Company?

23 A. I have been employed by the Company since May 22, 2017.  
24

25 Q. What is your educational background?

1 A. I have a Bachelors Degree from the Pennsylvania State University, York, Pennsylvania  
2 and a Master's Degree in Business Administration from Strayer University, Owings  
3 Mills, Maryland.

4  
5 Q. Are you a certified public accountant?

6 A. Yes, I am a certified public accountant licensed by the Commonwealth of Pennsylvania.

7  
8 Q. What has been your other business experience?

9 A. From June 2014 to September 2016, I served as the Director of Operations for Simon  
10 Lever LLP, an accounting firm based in Lancaster, Pennsylvania. In that capacity, I  
11 managed the operations of the accounting firm including, financial operations,  
12 administration, human resources, marketing, and information technology. From July  
13 2007 to June 2014, I worked at T. Rowe Price in Owings Mills, Maryland. I worked in  
14 several positions of increasing authority and my final position was Assistant Vice  
15 President. My responsibilities included overseeing various accounting and financial  
16 reporting duties for T. Rowe Price's Retirement Plan Services division.

17

18 Q. Have you previously testified before a regulatory commission?

19 A. No, this is the first time I have presented testimony to the Pennsylvania Public Utility  
20 Commission ("Commission").

21

22 Q. Will you list the exhibits you are sponsoring in this proceeding?

23 A. In addition to the exhibits identified in York Water Statement No. 5, I am sponsoring the  
24 following exhibits prepared by me or under my direction and supervision:

25

1 Exhibit Nos. HIV-15W, HIV-15-1W, and HIV-15-2W relating to taxes other than income  
2 taxes for the wastewater division; and

3  
4 Exhibit Nos. HIV-6W, HIV-17W, HIV-17-2W, HIV-17-3W, HIV-17-3(a)W, HIV-17-  
5 4W, HIV-17-5W, and HIV-18W relating to operating income taxes for the wastewater  
6 division.

7  
8 Q. Explain Exhibit No. HIV-6W.

9 A. Exhibit No. HIV-6W provides a schedule of the adjustments to wastewater taxable net  
10 income per books for the twelve months ended December 31, 2021. Adjustments to  
11 taxable net income per books for the twelve months ended December 31, 2021, are  
12 classified as Expenses Recorded on Books Not Deducted on Return and Deductions Not  
13 Charged against Booked Income. Tax adjustments classified as expenses recorded on  
14 books not deducted on return include nondeductible vacation pay of \$7,317 (for  
15 ratemaking purposes, the Company does not include accrued vacation pay in the cost of  
16 service) and amortization of acquisition adjustments of \$(12,569) which is not deductible  
17 for income taxes (acquisition adjustments are reflected on the Company's income  
18 statement as "below the line"). Tax adjustments classified as deductions not charged  
19 against book income include tax depreciation in excess of depreciation recorded on books  
20 in the amount of \$100,297 (the normalization of accelerated tax depreciation expense for  
21 ratemaking purposes is explained later in this testimony), tax repair expense in the  
22 amount of \$136,172 (the Company deducts eligible repair items for tax purposes, but  
23 capitalizes repair items for book purposes), and cost of removal deducted currently in the  
24 amount of \$20,958 (the Company deducts cost of removal for tax purposes, but  
25 capitalizes cost of removal for book purposes).

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Adjustments to pro forma taxable net income for ratemaking purposes for the twelve months ended December 31, 2021, are shown on Exhibit No. HIV-17-2W, which I will explain later.

Q. Explain Exhibit No. HIV-15W.

A. Exhibit No. HIV-15W summarizes adjustments to operating taxes other than income taxes for the twelve months ended December 31, 2021, for ratemaking purposes and to reflect additional operating taxes other than income taxes resulting from the proposed increase in operating revenues. Operating taxes other than income taxes per books for the twelve months ended December 31, 2021, in the amount of \$27,436 are shown in Column 1 of Exhibit No. HIV-15W. Adjustments to operating taxes other than income taxes of \$15,180 are made to reflect the calculation of the pro forma level of taxes other than income taxes under existing rates for the twelve months ended December 31, 2021. Such adjustments are shown in Column 3 of Exhibit No. HIV-15W and are detailed in Exhibit Nos. HIV-15-1W, which I will explain later. Adjustments to operating taxes other than income taxes amounting to \$20,442 are made to reflect the increased operating taxes other than income taxes that result from the increase in operating revenues under proposed rates. These adjustments are shown in Column 6 of Exhibit No. HIV-15W and are detailed in Exhibit No. HIV-15-2W, which I will explain later.

Q. Explain Exhibit No. HIV-15-1W.

A. Exhibit No. HIV-15-1W is an adjustment to reflect the Commission’s General Assessment, the Consumer Advocate’s Assessment, the Small Business Advocate’s Assessment, and Damage Prevention Committee Assessment based on pro forma



1 operating revenues under existing rates for twelve months ended December 31, 2021, and  
2 the 2021-2022 assessment factors. The currently-effective combined 2021-2022  
3 assessment rate of 0.671560% for the Commission's General Assessment, the Consumer  
4 Advocate's Assessment, the Small Business Advocate's Assessment, and Damage  
5 Prevention Committee Assessment is applied to pro forma operating revenues at existing  
6 rates for twelve months ended December 31, 2021, in the amount of \$4,027,063 (See  
7 Exhibit No. HII-2W, Column 3) to determine the pro forma combined assessment under  
8 existing rates for twelve months ended December 31, 2021, in the amount of \$27,044  
9 (\$4,027,063 x 0.671560%). The adjustment in the amount of \$15,180 is determined by  
10 subtracting the test year assessments of \$11,864 from the calculated pro forma amount of  
11 \$27,044 ( $\$27,044 - \$11,864 = \$15,180$ ). The adjustment in the amount of \$15,180 has  
12 been carried forward to Exhibit No. HIV-15W, Column 3. The large adjustment reflects  
13 the fact that the combined assessment incurred in the historic test year did not reflect  
14 revenues from customers added as a result of the West Manheim Borough acquisition.

15  
16 Q. Explain Exhibit No. HIV-15-2W.

17 A. Exhibit No. HIV-15-2W presents an adjustment to reflect the Commission's General  
18 Assessment, the Consumer Advocate's Assessment, the Small Business Advocate's  
19 Assessment, and Damage Prevention Committee Assessment based on pro forma  
20 operating revenues under proposed rates for twelve months ended December 31, 2021,  
21 and the 2021-2022 assessment factors. The currently-effective combined 2021-2022  
22 assessment rate of 0.671560% for the Commission's General Assessment, the Consumer  
23 Advocate's Assessment, the Small Business Advocate's Assessment, and the Damage  
24 Prevention Committee Assessment is applied to pro forma operating revenues at proposed  
25 rates for twelve months ended December 31, 2021, in the amount of \$7,070,955 (See

1 Exhibit No. HII-2W, Column 6) to determine the pro forma combined assessment under  
2 proposed rates for twelve months ended December 31, 2021, in the amount of \$47,486  
3 (\$7,070,955 x 0.671560%). The adjustment in the amount of \$20,442 is determined by  
4 subtracting the pro forma assessment under existing rates for the twelve months ended  
5 December 31, 2021, of \$27,044 from the calculated pro forma amount of \$47,486  
6 (\$47,486 – \$27,044 = \$20,442). The adjustment in the amount of \$20,442 has been  
7 carried forward to Exhibit No. HIV-15W, Column 6.  
8

9 Q. Explain Exhibit No. HIV-17W.

10 A. Exhibit No. HIV-17W summarizes adjustments to operating income taxes for the twelve  
11 months ended December 31, 2021, for ratemaking purposes and to reflect additional  
12 operating income taxes resulting from the proposed increase in operating revenues.

13  
14 Operating income taxes per books for the twelve months ended December 31, 2021, in  
15 the amount of (\$254,465) are shown in Column 1 of Exhibit No. HIV-17W. Pro forma  
16 adjustments to operating income taxes of (\$42,538) are shown in Column 3 of Exhibit  
17 No. HIV-17W and are detailed on Exhibit Nos. HIV-17-2W through HIV-17-4W.

18 Adjustments to operating income taxes amounting to \$873,538 are made to reflect the  
19 increased operating income taxes that result from the increase in operating revenues  
20 under proposed rates, and these adjustments are shown in Column 6 of Exhibit No. HIV-  
21 17W and are detailed in Exhibit No. HIV-17-5W.

22  
23 Q. Explain Exhibit No. HIV-17-2W.

24 A. Exhibit No. HIV-17-2W shows an adjustment to reflect current Federal income tax and  
25 current Pennsylvania corporate net income tax based on pro forma taxable income under

1 existing rates at the currently effective Federal income tax rate of 21% and at the  
2 currently effective Pennsylvania corporate net income tax rate of 9.99%.

3  
4 Total pro forma operating income before income taxes and excluding depreciation under  
5 existing rates in the amount of \$143,604 is determined by subtracting pro forma operating  
6 expenses under existing rates in the amount of \$3,845,703 (Refer to Exhibit No. HIII-  
7 2W, Column 4) and pro forma operating taxes other than income taxes under existing  
8 rates in the amount of \$42,616 (Refer to Exhibit No. HIV-15W, Column 4) from pro  
9 forma operating revenues under existing rates in the amount of \$4,031,924 (Refer to  
10 Exhibit No. HII-2W, Column 3) [ $\$4,031,924 - \$3,845,703 - \$42,616 = \$143,604$ ]. To  
11 arrive at taxable income at present rates, amounts are added for Amortization of  
12 Acquisition Adjustments of \$29,481, and amounts are then deducted for tax repair  
13 expense in the amount of \$136,172, cost of removal in the amount of \$20,958, state tax  
14 depreciation in the amount of \$402,637 and pro forma interest expense deduction for  
15 ratemaking purposes in the amount of \$423,867. Expenses of the Company's  
16 Amortization of Acquisition Adjustments of \$29,481 are not allowed as a deduction for  
17 income tax purposes. Since this amount is included in operating expenses and deducted  
18 in arriving at the figure of \$143,604, it must be added back in arriving at taxable income.  
19 Tax repair expense in the amount of \$136,172 has been capitalized on the corporate  
20 books but is taken as a current deduction on the Company's Federal and State income tax  
21 returns. Cost of removal in the amount of \$20,958 has been capitalized on the corporate  
22 books but is taken as a current deduction on the Company's Federal and State income tax  
23 returns. Tax depreciation in the amount of \$402,637 is detailed on Exhibit No. HIV-17-  
24 3W and Exhibit No. HIV-17-3 (a)W. I note that the state tax depreciation is greater than  
25 Federal tax depreciation due to the provisions of Act 89 of 2002, which I will explain

1 later with respect to Exhibit No. HIV-17-3 (a)W. Pro forma interest expense deduction  
2 for ratemaking purposes in the amount of \$423,867 is determined by reflecting the  
3 interest charges to ratepayers in the cost of capital determination (Interest  
4 Synchronization) (Rate Base of \$23,967,668 x Weighted Debt Cost Rate of 1.77%).  
5

6 Pro forma taxable income under existing rates in the amount of \$(810,548) is determined  
7 by adding the expenses of the Amortization of Acquisition Adjustments of \$29,481 and  
8 deducting tax repair expense in the amount of \$136,172, cost of removal in the amount of  
9 \$20,958, tax depreciation in the amount of \$402,637, and pro forma interest expense in  
10 the amount of \$423,867 from pro forma net operating income in the amount of \$143,604  
11 [ $\$143,604 + \$29,481 - \$136,172 - \$20,958 - \$402,637 - \$423,867 = \$(810,548)$ ].  
12

13 Pro forma State income tax under existing rates in the amount of \$(80,974) is determined  
14 by applying the Pennsylvania corporate net income tax rate of 9.99% to pro forma  
15 taxable income in the amount of \$(810,548) [ $\$(810,548) \times 0.0999 = \$(80,974)$ ]. Pro  
16 forma Federal taxable income under existing rates in the amount of \$(721,532) is  
17 determined by subtracting pro forma State income tax under existing rates in the amount  
18 of \$(80,974) and adding back state depreciation in excess of Federal depreciation of  
19 \$8,043 [Refer to Exhibit No. HIV-17-3 (a)W] from pro forma taxable income in the  
20 amount of \$(810,548) [ $\$(810,548) - \$80,974 + \$8,043 = \$(721,532)$ ]. Pro forma Federal  
21 income tax under existing rates in the amount of \$(151,522) is determined by applying  
22 the presently effective Federal income tax rate of 21% to the pro forma Federal taxable  
23 income under existing rates in the amount of \$(721,532) [ $\$(721,532) \times 0.21 =$   
24  $\$(151,522)$ ]. Total pro forma current income taxes under existing rates in the amount of  
25  $\$(232,495)$  is determined by adding pro forma state income tax under existing rates in the

1 amount of \$(80,974) and pro forma Federal income tax under existing rates in the amount  
2 of \$(151,522) [ $$(80,974) + $(151,522) = $(232,495)$ ]. The adjustment to income taxes in  
3 the amount of \$43,412 is determined by subtracting current income taxes recorded on the  
4 corporate books during the twelve months ended December 31, 2021, in the amount of  
5 \$(275,907) from total pro forma current income taxes under existing rates in the amount  
6 of \$(232,495) [ $$(232,495) - $(275,907) = $43,412$ ]. The adjustment to income taxes at  
7 present rates in the amount of \$43,412 has been carried forward to Exhibit No. HIV-  
8 17W, Column 3.

9  
10 Q. Explain Exhibit No. HIV-17-3W.

11 A. Exhibit No. HIV-17-3W provides information concerning income tax depreciation used  
12 to calculate current and deferred Federal Income Taxes for ratemaking purposes. To  
13 explain Exhibit HIV-17-3W, a general explanation of the tax depreciation methods used  
14 by York Water for various vintages of property is required.

15  
16 For property placed in service beginning with calendar year 2012, the Company employs  
17 various methods of tax depreciation as permitted by law. Normalization of the tax  
18 deferrals resulting from the use of these accelerated depreciation methods is required by  
19 the Internal Revenue Code.

20  
21 If the Company is not permitted to recover revenues necessary to provide for  
22 normalization of the income tax effects of accelerated depreciation, the Company will not  
23 be permitted to deduct accelerated depreciation for Federal income tax purposes.  
24

1 Tax depreciation by vintage year in the amount of \$415,552 for property included in the  
2 measure of value is shown on Exhibit No. HIV-17-3W, Column 3.

3  
4 Deferred taxes must be provided with the normalization requirements of Internal  
5 Revenue Code Sections 167 and 168. The amount of \$415,552 is reduced by \$686,421,  
6 which is the amount included for ratemaking purposes as depreciation to determine the  
7 difference of \$(270,870) to be used for calculating the deferred Federal income tax  
8 [ $\$415,552 - \$686,421 = \$(270,870)$ ]. The Federal income tax rate of 21% is applied to  
9 the \$(270,870) to determine the deferred Federal income tax amount of \$(56,883)  
10 [ $\$(270,870) \times 0.21$ ]. The adjustment to deferred Federal income tax expense in the  
11 amount of \$(85,444) is determined by subtracting deferred Federal income tax recorded  
12 on the corporate books during the twelve months ended December 31, 2021, in the  
13 amount of \$28,561 from the calculated deferred Federal income tax amount of \$(56,883)  
14 [ $\$(56,883) - \$28,561 = \$(85,444)$ ]. The adjustment to deferred Federal income tax in the  
15 amount of \$(85,444) has been carried forward to Exhibit No. HIV-17W, Column 3.

16  
17 Q. Explain Exhibit No. HIV-17-3(a)W.

18 A. Exhibit No. HIV-17-3(a)W is the calculation of the state tax decoupling from the Federal  
19 Special 30-Percent and 50 Percent Depreciation Allowance in accordance with Act 89 of  
20 2002 signed into law June 29, 2002, and the Economic Growth and Tax Relief  
21 Reconciliation Act of 2001, the Job Creation and Worker Assistance Act of 2002, the  
22 Jobs and Growth Tax Relief Reconciliation Act of 2003, the Economic Stimulus Act of  
23 2008, and the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation  
24 Act of 2010. These acts require corporate taxpayers who elected the Federal Special 30-  
25 Percent and 50 Percent Depreciation Allowance to make adjustments that eliminate the

1 effect of the Federal Special 30-Percent and 50 Percent Depreciation Allowance in  
2 arriving at Pennsylvania taxable income. Because Act 89 of 2002 eliminated the effect of  
3 the first-year Federal bonus depreciation, additional State depreciation deductions are  
4 allowed in subsequent years.

5  
6 The recovery of a portion of the bonus depreciation of \$8,043 is carried forward to  
7 Exhibit No. HIV-17-2 as an adjustment to State Tax Depreciation.

8  
9 The basis of property qualified for the additional first year depreciation allowance is  
10 reflected in Column 2 of Exhibit No. HIV-17-3 (a). Total Federal tax depreciation is  
11 shown in Column 3 of Exhibit No. HIV-17-3 (a). The adjustment for additional allowed  
12 state depreciation in lieu of the Federal special 30-percent and 50 percent depreciation is  
13 reflected in Column 6 and is determined by multiplying Federal depreciation (net of  
14 current year bonus depreciation) shown in Column 5 by 0.42857 (3/7). The factor of  
15 0.42857 (3/7) is reflected in the Bureau of Corporation Taxes Adjustment for Bonus  
16 Depreciation (Form REV-784).

17  
18 Q. Explain Exhibit No. HIV-17-4W.

19 A. Exhibit No. HIV-17-4W calculates the reversal of excess deferred Federal income taxes  
20 related to accelerated depreciation on property. Upon passage of the Tax Cuts and Jobs  
21 Act of 2017, the Company adjusted the balance of its deferred Federal income taxes  
22 related to accelerated depreciation on property to the newly enacted statutory Federal  
23 income tax rate of 21%. The difference between the existing balance of deferred Federal  
24 income taxes related to accelerated depreciation on property and the adjusted balance of  
25 deferred Federal income taxes related to accelerated depreciation on property was

1 recorded as a regulatory liability for the excess deferred Federal income taxes related to  
2 accelerated depreciation on property.

3  
4 A reversal is recorded for the excess deferred Federal income taxes whose normalized  
5 depreciation exceeds tax depreciation, that is, the tax life of the property has reached  
6 what is commonly referred to as the “turnaround point.” The vintage years that have  
7 reached the turnaround point are 2012 through 2016. Tax depreciation for these vintage  
8 years subject to normalization requirements of Internal Revenue Code Section 167 and  
9 168 is \$29,720. The amount of tax depreciation of \$29,720 is less than \$88,374, which is  
10 the amount included for ratemaking purposes as depreciation on property placed in  
11 service during these vintage years. The difference of \$(58,654) is to be used for  
12 calculating the return of excess previously deferred Federal income tax to be reversed  
13 [\$29,720 - \$88,374 = \$(58,654)]. Tax depreciation, and thus excess deferred Federal  
14 income taxes recovered from customers, was computed to the turnaround point for all of  
15 these properties at a rate of 34%. However, the Tax Cuts and Jobs Act of 2017 prohibits  
16 flow back of the excess between the 34% rate and the current rate any faster than ratably  
17 over the tax life of the property following the property attaining the turnaround point.  
18 This ratable flow back is to be achieved by using a weighted average tax rate,  
19 representing the weighted average rate for each vintage for all years prior to the  
20 turnaround year. The weighted average rate for each vintage year, which has reached the  
21 turnaround point, is shown in Column 6. The weighted average tax rate is applied to the  
22 tax depreciation subject to deferral shown in Column 4 to determine the reversal of  
23 deferred Federal income taxes in the amount of \$(19,942). This was compared to the  
24 value of the deferred Federal income taxes at the newly enacted rate of \$12,317  
25 determined by multiplying the total tax depreciation subject to deferral of \$(58,654) by



1 the newly enacted rate of 21% [ $58,654 \times 0.21 = 12,317$ ]. The difference between  
2 the deferred Federal income taxes at prior rates of  $19,942$  and those at the newly  
3 enacted rate of  $12,317$  is the reversal of the excess deferred Federal income taxes of  
4  $7,625$  [ $19,942 - 12,317 = 7,625$ ]. An adjustment of the excess deferred Federal  
5 income taxes in the amount of  $506$  is determined by subtracting the reversal of excess  
6 deferred Federal income taxes recorded on the corporate books during the twelve months  
7 ended December 31, 2021, in the amount of  $7,119$ , from the calculated pro forma  
8 reversal of excess deferred Federal income taxes in the amount of  $7,625$  [ $7,625 -$   
9  $7,119 = 506$ ]. The adjustment of the reversal of deferred Federal income taxes in  
10 the amount of  $506$  has been carried forward to Exhibit HIV-17, Column 3.

11  
12 Q. Please explain Exhibit No. HIV-17-5W.

13 A. Exhibit No. HIV-17-5W is an adjustment to reflect increased Federal income tax and  
14 state income tax based on the calculated revenue increase using historic test year data.

15  
16 The total calculated operating revenue increase using historic test year data in the amount  
17 of  $3,043,892$  (Refer to Exhibit No. HII-2W, Column 6) is reduced by the increase in pro  
18 forma expense for the Commission's General Assessment, the Consumer Advocate's  
19 Assessment, the Small Business Advocate's Assessment, and the Damage Prevention  
20 Committee Assessment under calculated rates in the amount of  $20,442$  (Refer to Exhibit  
21 No. HIV-15-2W) to arrive at the net increase in taxable income subject to state income  
22 tax in the amount of  $3,023,450$  ( $3,043,892 - 20,442 = 3,023,450$ ). The state income  
23 tax rate of 9.99% is applied to the net increase in taxable income subject to state income  
24 tax in the amount of  $3,023,450$  to determine the increase of  $302,043$  in the state income  
25 tax as a result of the proposed revenue increase ( $3,023,450 \times 0.0999 = 302,043$ ). The

1 increase in the amount of \$302,043 in the state income tax has been carried forward to  
2 Exhibit No. HIV-17W, Column 6.

3  
4 The proposed revenue increase subject to state income tax of \$3,023,450 is reduced  
5 further by the increase of \$302,043 in state income tax to determine the proposed revenue  
6 increase in the amount of \$2,721,408 subject to Federal income tax ( $\$3,023,450 -$   
7  $\$302,043 = \$2,721,408$ ). The presently effective Federal income tax rate of 21% is  
8 applied to determine the increase in the amount of \$571,496 in the Federal income tax  
9 that results from the proposed revenue increase ( $\$2,721,408 \times 0.21$ ), and this amount has  
10 been carried forward to Exhibit No. HIV-17W, Column 6.

11  
12 Q. Explain Exhibit No. HIV-18W.

13 A. Exhibit No. HIV-18W provides an explanation of the debt interest expense utilized for  
14 the income tax calculation reflected on the Company's corporate books as well as an  
15 explanation and the calculation of debt interest expense utilized for the income tax  
16 calculation on pro forma income for the twelve months ended December 31, 2021.

17  
18 Debt interest expense utilized for the income tax calculation reflected on the Company's  
19 corporate books for the twelve months ended December 31, 2021, is actual debt expense  
20 incurred during that period for the combined water and wastewater company. Debt  
21 interest expense utilized for the income tax calculation on pro forma income for the  
22 twelve months ended December 31, 2021, is determined by reflecting the interest charges  
23 to ratepayers in the cost of capital determination (interest synchronization). Wastewater  
24 does not have its own capital structure, but rather that of the Company as a whole.

1 The original cost measure of value as of December 31, 2021 (Refer to Exhibit No. HV-  
2 1W, page 2) of \$23,967,668 times the weighted debt cost rate of 1.77% equals the  
3 interest expense utilized for income tax calculation on pro forma income for the twelve  
4 months ended December 31, 2021, of \$423,867 ( $\$23,967,668 \times 1.77\% = \$423,867$ ).

5  
6 Debt interest expense on pro forma income for the twelve months ended December 31,  
7 2021, in the amount of \$423,867 has been carried forward to Exhibit No. HIV-17-2W,  
8 which I explained previously.

9  
10 Q. Does this conclude your historic test year direct testimony at this time?

11 A. Yes.

1 **YORK WATER STATEMENT NO. 104W**

2  
3 **BEFORE THE**  
4 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

5  
6 **THE YORK WATER COMPANY**

7  
8 **DIRECT TESTIMONY OF DANIEL E. COPPERSMITH JR.**  
9

10 Q. State your name and business address.

11 A. Daniel E. Coppersmith Jr. My business address is: 130 East Market Street, York,  
12 Pennsylvania.

13  
14 Q. By whom are you employed?

15 A. I am employed by The York Water Company (the "Company").  
16

17 Q. State your present position with the Company and explain your duties and  
18 responsibilities.

19 A. I am the Finance Manager for the Company. My duties and responsibilities include  
20 preparing the operating budget, managing the Property Records Department, and filing  
21 data requirements with the Pennsylvania Public Utility Commission (the "Commission").  
22

23 Q. How long have you been employed by the Company?

24 A. I have been employed by the Company since June 19, 2007.

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Q. What is your educational background?

A. I have a Bachelor’s of Science Degree in Accounting from Central Penn College.

Q. Have you previously testified before a regulatory commission?

A. Yes, I have presented testimony to the Pennsylvania Public Utility Commission (“Commission”) in the Company’s last rate case.

Q. Will you list the exhibits you are sponsoring in this proceeding?

A. In addition to the exhibits identified in York Water Statement No. 104, I am sponsoring the following exhibits prepared by me or under my direction and supervision:

Exhibit Nos. FI-2-1W and FI-2-2W relating to depreciation expense included in the statement of operations for the wastewater division; and

Exhibit Nos. FV-1W, FV-1-2W, FV-1-3W, FV-16-1W, and FV-16-3W relating to the original cost measure of value for the wastewater division.

Q. Explain Exhibit No. FI-2-1W.

A. Exhibit No. FI-2-1W adjusts the depreciation accrual from the Pro Forma level reflected on the corporate books for the twelve months ended December 31, 2021, to the Pro Forma level determined in the depreciation study identified as Exhibit No. FVI-WA for the twelve-month period ending December 31, 2022. The adjustment in the amount of \$130,353 is determined by subtracting the Pro Forma depreciation accrual for the twelve

1 months ended December 31, 2021, in the amount of \$689,855 from the projected annual  
2 depreciation accrual in the amount of \$820,208. The adjustment in the amount of  
3 \$130,353 has been carried forward to Exhibit No. FI-2W page 2, Column 3.  
4

5 Q. Explain Exhibit No. FI-2-2W.

6 A. Exhibit No. FI-2-2W adjusts the depreciation accrual from the Pro Forma level reflected  
7 for the twelve months ending December 31, 2022, to the Pro Forma level determined in  
8 the depreciation study identified as Exhibit No. FVI-WB for the twelve-month period  
9 ending February 29, 2024. The adjustment in the amount of \$113,510 is determined by  
10 subtracting the Pro Forma depreciation accrual for the twelve months ending December  
11 31, 2022, in the amount of \$820,208 from the projected annual depreciation accrual in the  
12 amount of \$933,718. The adjustment in the amount of \$113,510 has been carried forward  
13 to Exhibit No. FI-2W, page 3, Column 3.  
14

15 Q. Who will testify with respect to pro forma annual depreciation expense for the Future  
16 Test Year and the Fully Projected Future Test Year?

17 A. John J. Spanos will testify with respect to annual depreciation expense (see York Water  
18 Statement No. 106).  
19

20 Q. Are you sponsoring any other exhibits regarding the Company's statement of operations?

21 A. No.  
22

23 Q. Explain Exhibit No. FV-1W.

1 A. Exhibit No. FV-1W provides a summary of the components of the original cost measure  
2 of value in the amount of \$28,853,963 as of December 31, 2022, and \$33,353,950 as of  
3 February 29, 2024, pro forma net operating income available and rate of return under  
4 existing rates for the twelve months ended December 31, 2021, projected net operating  
5 income and rate of return under existing rates for the twelve months ending December 31,  
6 2022, and February 29, 2024, net operating income and rate of return under existing rates  
7 after adjustments for ratemaking purposes (“pro forma”) for the twelve months ending  
8 December 31, 2022, and February 29, 2024, and net operating income and rate of return  
9 under proposed rates for the twelve months ending February 29, 2024.

10  
11 A summary of the components of the original cost measure of value in the amount of  
12 \$28,853,963 as of December 31, 2022, is shown on page 2 of Exhibit No. FV-1W.

13  
14 One component is the projected utility plant in service less projected book accrued  
15 depreciation as of December 31, 2022. The projected original cost of utility plant in  
16 service as of December 31, 2022, is \$38,027,682, and the projected accrued depreciation  
17 as of December 31, 2022, is \$8,292,630. The projected depreciated original cost of utility  
18 plant in service as of December 31, 2022, is \$29,735,052 ( $\$38,027,682 - \$8,292,630 =$   
19  $\$29,735,052$ ). The details of projected original cost of utility plant in service and  
20 projected accrued depreciation by account, sub account, and vintage are set forth in  
21 Exhibit No. FVI-WA.

22  
23 Q. Who will testify with respect to projected accrued depreciation in the amount of  
24 \$8,292,630 as of December 31, 2022, related to utility plant in service?

1 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
2 Statement No. 106).

3  
4 Q. Will you continue with your explanation of page 2 of Exhibit No. FV-1W?

5 A. The projected unamortized balance as of December 31, 2022, of deferred Federal income  
6 taxes related to accelerated depreciation in the amount of \$136,478 is deducted from the  
7 original cost measure of value, and this amount is set forth in Exhibit No. FV-1-1W, page  
8 1, which Mr. Poff addresses in his testimony (see York Water Statement No. 103W).

9  
10 The projected unamortized balance, as of December 31, 2022, of excess deferred Federal  
11 income taxes related to accelerated depreciation in the amount of \$10,755 is deducted  
12 from the original cost measure of value, and this amount is set forth in Exhibit No. FV-1-  
13 1W, page 4, which Mr. Poff addresses in his testimony (see York Water Statement No.  
14 103W).

15  
16 An amount of \$1,047,809 representing contributions in aid of construction less accrued  
17 depreciation as of December 31, 2022, is deducted from the original cost measure of  
18 value. This amount consists of the original cost of contributions in aid of construction per  
19 books as of December 31, 2022, in the amount of \$1,118,900 less accrued depreciation as  
20 of December 31, 2022, in the amount of \$71,091 ( $\$1,118,900 - \$71,091 = \$1,047,809$ ).

21 The details are shown by account, sub account, and vintage in Exhibit No. FVI-WA.

22  
23 Q. Who will testify with respect to the accrued depreciation related to contributions and  
24 advances?



1 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
2 Statement No. 106).

3  
4 Q. Do the amounts set forth in Exhibit No. FV-1W for Contributions reflect any amounts  
5 related to income tax liabilities that the Company has incurred between January 1, 1987,  
6 and June 12, 1996, as a result of the TRA-86 requirement that Contributions and  
7 Advances be taxed or has incurred between January 1, 2018, and December 31, 2020, as a  
8 result of the Tax Cuts and Jobs Act of 2017 requirement that Contributions and Advances  
9 be taxed?

10 A. No. Consistent with the Company's ratemaking and accounting procedure in effect at the  
11 time with regard to the income taxes on Contributions and Advances, the Company has  
12 made no adjustment to amounts recorded between January 1, 1987, and June 12, 1996, or  
13 between January 1, 2018, and December 31, 2020, for Contributions to reflect additional  
14 income taxes that were required to be paid with respect to receipt of such Contributions as  
15 a result of Section 824 of TRA-86 or the Tax Cuts and Jobs Act of 2017. Contributions  
16 received between January 1, 1987, and June 12, 1996, or between January 1, 2018, and  
17 December 31, 2020, are reflected in the utility plant accounts and in the accounts for  
18 Contributions, as shown in Exhibit No. FVI at the original cost of the facilities  
19 constructed with the Contribution, without consideration of the associated income tax  
20 liability incurred by the Company. Under federal tax law provisions in effect at the time,  
21 Contributions and Advances received subsequent to June 12, 1996, through December 31,  
22 2017, were not taxed. Under federal tax law provisions currently in effect, Contributions  
23 and Advances received subsequent to December 31, 2020, are not taxed.

24

1 Q. Continue with your explanation of Exhibit No. FV-1.

2 A. An unamortized utility plant adjustment for Felton Borough in the amount of \$294,808 is  
3 included in the original cost measure of value. The details are set forth in Exhibit No.  
4 FV-1-2W, which I will explain later.

5  
6 Taxes on deposits for construction and customer Advances in the amount of \$19,145 are  
7 included in the original cost measure of value. The details are set forth in Exhibit No.  
8 FV-1-3W, which Mr. Poff addresses in his testimony (see York Water Statement No.  
9 103W).

10

11 A summary of the components of the original cost measure of value in the amount of  
12 \$33,353,950 as of February 29, 2024, is shown on page 3 of Exhibit No. FV-1W.

13

14 One component is the projected utility plant in service less projected book accrued  
15 depreciation as of February 29, 2024. The projected original cost of utility plant in  
16 service as of February 29, 2024, is \$43,442,074, and the projected accrued depreciation as  
17 of February 29, 2024, is \$9,177,932. The projected depreciated original cost of utility  
18 plant in service as of February 29, 2024, is \$34,264,142 ( $\$43,442,074 - \$9,177,932 =$   
19  $\$34,264,142$ ). The details of projected original cost of utility plant in service and  
20 projected accrued depreciation by account, sub account, and vintage are set forth in  
21 Exhibit No. FVI-WB.

22

23 Q. Who will testify with respect to projected accrued depreciation in the amount of  
24 \$9,177,932 as of February 29, 2024, related to utility plant in service?

1 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
2 Statement No. 106).

3  
4 Q. Will you continue with your explanation of page 3 of Exhibit No. FV-1W?

5 A. The projected unamortized balance as of February 29, 2024, of deferred Federal income  
6 taxes related to accelerated depreciation in the amount of \$148,987 is deducted from the  
7 original cost measure of value, and this net amount is set forth in Exhibit No. FV-1-1W,  
8 pages 2 and 3, which Mr. Poff addresses in his testimony (see York Water Statement No.  
9 103W).

10

11 The projected unamortized balance, as of February 29, 2024, of excess deferred Federal  
12 income taxes related to accelerated depreciation in the amount of \$6,782 is deducted from  
13 the original cost measure of value, and this net amount is set forth in Exhibit No. FV-1-  
14 1W, pages 5 and 6, which Mr. Poff addresses in his testimony (see York Water Statement  
15 No. 103W).

16

17 An amount of \$1,033,184 representing projected contributions in aid of construction less  
18 accrued depreciation as of February 29, 2024, is deducted from the original cost measure  
19 of value. This amount consists of the projected original cost of contributions in aid of  
20 construction as of February 29, 2024, in the amount of \$1,136,500 less projected accrued  
21 depreciation as of February 29, 2024, in the amount of \$103,316 ( $\$1,136,500 - \$103,316$   
22  $= \$1,033,184$ ). The details are shown by account, sub account, and vintage in Exhibit  
23 No. FVI-WB.

24

1 Q. Who will testify with respect to the projected accrued depreciation related to  
2 contributions and advances?

3 A. John J. Spanos will testify with respect to accrued depreciation (see York Water  
4 Statement No. 106).

5  
6 Q. Do the amounts set forth in Exhibit No. FV-1W for Contributions reflect any amounts  
7 related to income tax liabilities that the Company has incurred between January 1, 1987,  
8 and June 12, 1996, as a result of the TRA-86 requirement that Contributions and  
9 Advances be taxed or has incurred between January 1, 2018, and December 31, 2020, as a  
10 result of the Tax Cuts and Jobs Act of 2017 requirement that Contributions and Advances  
11 be taxed?

12 A. No.

13  
14 Q. Will you continue with your explanation of page 3 of Exhibit No. FV-1W?

15 A. An unamortized utility plant adjustment for Felton Borough in the amount of \$260,414  
16 are included in the original cost measure of value. The details are set forth in Exhibit No.  
17 FV-1-2W, which I will explain later.

18  
19 Taxes on deposits for construction and customer advances in the amount of \$18,347 are  
20 included in the original cost measure of value. The details are set forth in Exhibit No.  
21 FV-1-3W, which Mr. Poff addresses in his testimony (see York Water Statement No.  
22 103W).

23

1 Column 1 of page 4 of Exhibit No. FV-1W shows pro forma net operating income  
2 available for return under existing rates for the twelve months ended December 31, 2021,  
3 in the amount of (\$249,248) and the rate of return on the original cost measure of value as  
4 of February 29, 2024, of (0.75)%. Column 3 of page 4 of Exhibit No. FV-1W shows the  
5 adjustments to determine projected net operating income for the twelve months ending  
6 December 31, 2022, in the amount of \$288,510. These adjustments have been detailed in  
7 other exhibits that Mr. Poff and Mr. Winter address in their testimony (see York Water  
8 Statement Nos. 103W and 105W). Projected net operating income available for return  
9 under existing rates for twelve months ending December 31, 2022, in the amount of  
10 \$39,262 and the rate of return on the original cost measure of value as of February 29,  
11 2024, of 0.12% are shown in Column 4 of page 4 of Exhibit No. FV-1W. Column 6 of  
12 page 4 of Exhibit No. FV-1W shows the adjustments to determine pro forma net  
13 operating income for the twelve months ending December 31, 2022, in the amount of  
14 \$2,270. These adjustments have been detailed in other exhibits that Mr. Poff and Mr.  
15 Winter address in their testimony (see York Water Statement Nos. 103W and 105W).  
16 Pro forma net operating income available for return under existing rates for twelve  
17 months ending December 31, 2022, in the amount of \$41,533 and the rate of return on the  
18 original cost measure of value as of February 29, 2024, of 0.12% are shown in Column 7  
19 of page 4 of Exhibit No. FV-1W and are carried forward to Column 1, page 5 of Exhibit  
20 No. FV-1W.

21  
22 Column 3 of page 5 of Exhibit No. FV-1W shows the adjustments to determine projected  
23 net operating income for the twelve months ending February 29, 2024, in the amount of  
24 \$(316,099). These adjustments have been detailed in other exhibits that Mr. Poff and Mr.

1 Winter address in their testimony (see York Water Statement Nos. 103W and 105W).  
2 Projected net operating income available for return under existing rates for twelve months  
3 ending February 29, 2024, in the amount of \$(274,567) and the rate of return on the  
4 original cost measure of value as of February 29, 2024, of (0.82)% are shown in Column  
5 4 of page 5 of Exhibit No. FV-1W. Pro forma adjustments to net operating income  
6 available for return in the amount of \$4,201 are shown in Column 6, page 5 of Exhibit  
7 No. FV-1W. These adjustments have been detailed in other exhibits that Mr. Poff and  
8 Mr. Winter address in their testimony (see York Water Statement Nos. 103W and 105W).  
9 Column 7, page 5 of Exhibit No. FV-1W shows pro forma net operating income available  
10 for return for the twelve months ending February 29, 2024, under existing rates of  
11 \$(270,366) and the rate of return on the original cost measure of value as of February 29,  
12 2024, of (0.81)%. The Column 7 figures are carried forward to Column 1, page 6 of  
13 Exhibit No. FV-1W.

14  
15 Adjustments to pro forma net operating income available for return for the twelve months  
16 ending February 29, 2024, related to the effect of proposed rates in the amount of  
17 \$2,915,373 are shown in column 3 of page 6 of Exhibit No. FV-1W. These adjustments  
18 have been detailed in other exhibits which Mr. Poff and Mr. Winter address in their  
19 testimony (see York Water Statement Nos. 103W and 105W). Column 4 of page 6 of  
20 Exhibit No. FV-1W shows pro forma net operating income available for return for the  
21 twelve months ending February 29, 2024, in the amount of \$2,645,008 and the rate of  
22 return on the original cost measure of value as of February 29, 2024, of 7.93%. The rate  
23 of return used for the wastewater portion of the business is identical to that used for the  
24 water portion of the business.

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Q. Explain Exhibit No. FV-1-2W.

A. Exhibit No. FV-1-2W provides the calculation of the unamortized utility plant acquisition adjustment relative to the acquisition of Felton Borough as of December 31, 2022, in the amount of \$294,808 and as of February 29, 2024, in the amount of \$260,414 included in the original cost measure of value.

Reasonable acquisition costs greater than depreciated original cost are permitted to be included in rate base and amortized over ten years in accordance with Section 1327 of the Public Utility Code. The Company is seeking approval to amortize the reasonable acquisition costs greater than the depreciated original cost of waterworks property and rights. Please see the testimony of Mr. Hand for details on this acquisition (see York Water Statement No. 1).

The acquisition adjustment subject to amortization of \$294,808 is determined by subtracting the depreciated original cost of waterworks property acquired from Felton Borough in the amount of \$618,871 from Felton Borough acquisition costs of \$913,679 ( $\$913,679 - \$618,871 = \$294,808$ ).

The unamortized acquisition adjustment for the period ending February 29, 2024, of \$260,414 is determined by taking the unamortized acquisition adjustment as of December 31, 2022, of \$294,808 and deducting the monthly amortization in the amount of \$2,457 ( $\$294,808 / 10 \text{ years} / 12 \text{ months}$ ) for the fourteen months from January 2023 through February 29, 2024, of \$34,394 ( $\$2,457 \times 14$ ) ( $\$294,808 - \$34,394 = \$260,414$ ). The

1 unamortized utility plant acquisition adjustment as of February 29, 2024, in the amount of  
2 \$260,414 has been carried forward to Exhibit FV-1W, page 3 and has been added to the  
3 original cost measure of value.  
4

5 Q. Are you sponsoring any other exhibits regarding the original cost measure of value?

6 A. Yes, I am also sponsoring Exhibit Nos. FV-16-1W and FV-16-3W.  
7

8 Q. Does this conclude your future test year and fully projected future test year direct  
9 testimony at this time?

10 A. Yes.



1 **YORK WATER STATEMENT NO. 103W**

2  
3 **BEFORE THE**  
4 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

5  
6 **THE YORK WATER COMPANY**

7  
8 **DIRECT TESTIMONY OF MATTHEW E. POFF**  
9

10 Q. State your name and business address.

11 A. Matthew E. Poff. My business address is: 130 East Market Street, York, Pennsylvania.

12

13 Q. By whom are you employed?

14 A. I am employed by The York Water Company (“York Water” or the “Company”).

15

16 Q. State your present position with the Company and explain your duties and  
17 responsibilities.

18 A. I am Chief Financial Officer and Treasurer for the Company. My duties and  
19 responsibilities include managing the day-to-day financial transactions of the Company.

20

21 Q. How long have you been employed by the Company?

22 A. I have been employed by the Company since June 15, 2009.

23

24 Q. What is your educational background?

1 A. I have a Bachelor's Degree from the Pennsylvania State University, University Park,  
2 Pennsylvania and a Master's Degree in Business Administration from York College of  
3 Pennsylvania, York, Pennsylvania.  
4

5 Q. Are you a certified public accountant?

6 A. Yes, I am a certified public accountant licensed by the Commonwealth of Pennsylvania.  
7

8 Q. What has been your other business experience?

9 A. From September, 2006 through June, 2009, I was employed by I. B. Abel, Inc. in York,  
10 Pennsylvania as the Chief Financial Officer. In this capacity, I managed the day to day  
11 accounting and financial transactions of the Company.  
12

13 From July, 1995 through September, 2006, I was employed by Beard Miller Company  
14 LLP (now Baker Tilly US, LLP) as a certified public accountant. In this capacity, I  
15 oversaw the audits and reviews and preparation of financial statements and tax returns for  
16 various business entities, both private and public companies of various sizes.  
17

18 Q. Have you previously testified before a regulatory commission?

19 A. Yes, I have presented testimony to the Pennsylvania Public Utility Commission  
20 ("Commission") in the Company's last two rate cases.  
21

22 Q. Will you list the exhibits you are sponsoring in this proceeding?

23 A. In addition to the exhibits identified in York Water Statement No. 103, I am sponsoring  
24 the following exhibits prepared by me or under my direction and supervision:

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Exhibit Nos. FI-2W relating to the statement of operations for the wastewater division;

Exhibit Nos. F(a)-4W, FII-2W, FII-2-1W, FII-2-2W, FII-2-3W, FII-2-4W, FII-2-5W, FII-2-6W, FII-2-7W, FII-2-8W, FII-2-9W, FII-2-10W, FII-3W, FII-4W, FII-5W, FII-7W, FII-8W, and FII-9W relating to operating revenues for the wastewater division;

Exhibit Nos. FIII-2W, FIII-2-4W, FIII-2-6W, FIII-2-13W, FIII-2-20W, FIII-2-28W, and FIII-2-30W relating to operating expenses for the wastewater division; and

Exhibit No. FV-1-1W and FV-1-3W relating to the original cost measure of value for the wastewater division; and

Exhibit Nos. F(b)-1W.

Q. Explain Exhibit No. FI-2W.

A. Exhibit No. FI-2W summarizes projections of income for the twelve months ending December 31, 2022 and February 29, 2024, and summarizes adjustments to such projected income to: (1) annualize and normalize the effect of changes occurring during the twelve months ending December 31, 2022, and February 29, 2024, and (2) reflect changes in operating revenues, Public Utility Commission, Consumer Advocate, Small Business Advocate, and Damage Prevention Control assessments, and income taxes due to the increase in operating revenues resulting from the proposed increase in rates.

1 Projected net income for the twelve months ending December 31, 2022, in the amount of  
2 \$183,141 is shown in Column 4 of Exhibit No. FI-2W, page 2. I note that this amount  
3 reflects non-operating income and other income deductions not included in the  
4 calculation of net operating income for ratemaking purposes. In deriving the projected  
5 net operating income, I began with the pro forma net operating income at present rates for  
6 the twelve months ended December 31, 2021, in the amount of \$(249,248), which is  
7 shown in Column 1 of Exhibit No. FI-2W, page 2, and which is taken from Exhibit No.  
8 HI-2W. The net of all adjustments to revenues and expenses results in projected future  
9 test year level of income adjustments of \$288,510 at present rates as shown in Column 3  
10 of Exhibit No. FI-2W, page 2. These adjustments are detailed in other exhibits, which  
11 will be explained later. The net operating income of \$39,262 represents net operating  
12 income for the projected future test year. It is necessary to adjust such net operating  
13 income to reflect and annualize various changes during the future test year to determine  
14 operating income at the level of operations at the end of the test year at present rates to be  
15 used for ratemaking purposes.

16  
17 Column 6 of Exhibit No. FI-2W, page 2 summarizes the pro forma adjustments to the  
18 projected future test year net operating income. Projected net operating income for the  
19 twelve months ending December 31, 2022, in the amount of \$39,262 is shown in Column  
20 4 of Exhibit No. FI-2W, page 2. Adjustments to operating income in the net amount of  
21 \$2,270 to annualize and normalize the effect of changes during the twelve months ending  
22 December 31, 2022, are shown in Column 6 of Exhibit No. FI-2W, page 2. These  
23 adjustments are detailed in other exhibits, which will be explained by various witnesses.  
24 The net operating income of \$41,533 represents net operating income for the pro forma

1 future test year. The figures in Column 7 of page 2 of Exhibit No. FI-2W have been  
2 carried over to Column 1 of page 3 of Exhibit No. FI-2W.

3  
4 In deriving the projected net operating income for the fully projected future test year, I  
5 began with the pro forma net operating income at present rates for the twelve months  
6 ended December 31, 2022, in the amount of \$41,533, which is shown in Column 1 of  
7 Exhibit No. FI-2W, page 3. The net of all adjustments to revenues and expenses results  
8 in fully projected future test year income adjustments of \$(316,099) at present rates as  
9 shown in Column 3 of Exhibit No. FI-2W, page 3. These adjustments are detailed in  
10 other exhibits, which will be explained by various witnesses. The net operating income  
11 of \$(274,567) represents net operating income for the fully projected future test year  
12 ending February 29, 2024. It is necessary to adjust such net operating income to reflect  
13 and annualize various changes during the fully projected future test year to determine  
14 operating income at the level of operations at the end of the test year at present rates to be  
15 used for ratemaking purposes.

16  
17 Column 6 of Exhibit No. FI-2W, page 3 summarizes the pro forma adjustments to the  
18 fully projected future test year net operating income. Projected net operating income for  
19 the twelve months ending February 29, 2024, in the amount of \$(274,567) is shown in  
20 Column 4 of Exhibit No. FI-2W, page 3. Adjustments to operating income in the net  
21 amount of \$4,201, to annualize and normalize the effect of changes during the twelve  
22 months ending February 29, 2024, are shown in Column 6 of Exhibit No. FI-2W, page 3.  
23 These adjustments are detailed in other exhibits, which will be explained by various  
24 witnesses. The net operating income of \$(270,366) represents pro forma net operating

1 income for the fully projected future test year. Column 7 figures have been carried over  
2 to Column 1 of Exhibit FI-2W, page 4.

3  
4 Column 3 of Exhibit No. FI-2W page 4 provides a summary of the increases to net  
5 operating income under proposed base rates at the fully projected future test year level of  
6 operations. The net increase to net operating income at proposed rates would be  
7 \$2,915,373 after reflecting increases in operating revenues, and related increase in Public  
8 Utility Commission, Consumer Advocate, Small Business Advocate, and Damage  
9 Prevention Control assessments and income taxes. These adjustments are shown in  
10 Column 3 of Exhibit No. FI-2W, page 4 and are detailed in other exhibits, which various  
11 witnesses will explain later. Pro forma net operating income for the twelve months  
12 ending February 29, 2024, in the amount of \$2,645,008 is shown in Column 4 of Exhibit  
13 No. FI-2W, page 4.

14  
15 Q. Explain Exhibit No. FII-2W.

16 A. Exhibit No. FII-2W is to summarize projections of operating revenues under existing  
17 rates for the twelve months ending December 31, 2022, and February 29, 2024, and to  
18 summarize adjustments to such projected operating revenues to: (1) annualize the effect  
19 of changes occurring during the twelve months ending December 31, 2022, and February  
20 29, 2024, under existing rates; (2) reflect the increase in operating revenues resulting  
21 from the proposed increase in rates; and (3) summarize the revenue requirement for  
22 wastewater after allocating a portion to water customers.

23

1 Projected operating revenues under existing rates for the twelve months ending December  
2 31, 2022, in the amount of \$4,062,002 are shown in Column 3 of Exhibit No. FII-2W,  
3 page 2. In deriving the projected operating revenues under existing rates, I began with  
4 the pro forma operating revenues at present rates for the twelve months ended December  
5 31, 2021, in the amount of \$4,031,924, which are shown in Column 1 of Exhibit No. FII-  
6 2W, page 2, and which are taken from Exhibit No. HII-2W. Adjustments to the pro  
7 forma historic test year operating revenues to project the future test year operating  
8 revenues under existing rates in the amount of \$30,078 are shown in Column 2 of Exhibit  
9 No. FII-2W, page 2. These adjustments are detailed in Exhibit Nos. FII-2-1W through  
10 FII-2-2W, which I will explain later and are summarized in Exhibit No. FII-2W, page 3.

11  
12 Exhibit No. FII-2, page 4 summarizes the pro forma adjustments to the projected future  
13 test year operating revenues. Projected operating revenues under existing rates for the  
14 twelve months ending December 31, 2022, in the amount of \$4,062,002 are shown in  
15 Column 1 of Exhibit No. FII-2W, page 4. Adjustments to operating revenues under  
16 existing rates in the amount of \$30,078 to annualize the effect of changes during the  
17 twelve months ending December 31, 2022, are shown in Column 2 of Exhibit No. FII-  
18 2W, page 4. These adjustments are detailed in Exhibit Nos. FII-2-3W through FII-2-4W,  
19 which I will explain later, and are summarized in Exhibit No. FII-2, page 5. Column 3 of  
20 Exhibit No. FII-2, page 4 shows the pro forma operating revenues under existing rates of  
21 \$4,092,080 for the twelve months ending December 31, 2022.

22  
23 Projected operating revenues under existing rates for the twelve months ending February  
24 29, 2024, in the amount of \$4,132,184 are shown in Column 3 of Exhibit No. FII-2W,

1 page 6. In deriving the projected operating revenues under existing rates, I began with  
2 the pro forma operating revenues at present rates for the twelve months ended December  
3 31, 2022, in the amount of \$4,092,080, which are shown in Column 1 of Exhibit No. FII-  
4 2W, page 6. Adjustments to the pro forma future test year operating revenues to project  
5 the fully projected future test year operating revenues under existing rates in the amount  
6 of \$40,104 are shown in Column 2 of Exhibit No. FII-2W, page 6. These adjustments are  
7 detailed in Exhibit Nos. FII-2-5W through FII-2-8W, which I will explain later, and are  
8 summarized in Exhibit No. FII-2W, page 7.

9  
10 Exhibit No. FII-2W, page 9 summarizes the pro forma adjustments to the fully projected  
11 future test year operating revenues. Projected operating revenues under existing rates for  
12 the twelve months ending February 29, 2024, in the amount of \$4,132,184 are shown in  
13 Column 1 of Exhibit No. FII-2W, page 9. Adjustments to operating revenues under  
14 existing rates in the amount of \$30,078 to annualize the effect of changes during the  
15 twelve months ending February 29, 2024, are shown in Column 2 of Exhibit No. FII-2W,  
16 page 9. These adjustments are detailed in Exhibit Nos. FII-2-9W through FII-2-10W,  
17 which I will explain later, and are summarized in Exhibit No. FII-2W, page 8.

18  
19 Adjustments to operating revenues in the amount of \$4,127,648, or 99.2% reflect the  
20 increase in operating revenues due to the application of proposed base rates set forth in  
21 Supplement No. 14 to Tariff Wastewater-Pa. P.U.C. No. 1 are shown on Column 6 of  
22 Exhibit No. FII-2W, page 9. Pro forma operating revenues under proposed rates for the  
23 twelve months ending February 29, 2024, in the amount of \$8,289,911 are shown on  
24 Column 7 of Exhibit No. FII-2W, page 9.



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The Company does not believe that it is appropriate for wastewater customers to incur a 99.2% increase at this time. Therefore, the Company is proposing to limit the increase in rates for wastewater customers to 35%. This 35% increase is more than the overall water rate increase percentage and will move wastewater customers closer to cost of service. A 35% increase for wastewater customers is \$1,456,792 ( $\$4,162,262 \times 0.35$ ). The Company proposes to allocate the remaining additional revenue requirement of \$2,670,856 ( $\$4,127,648 - \$1,456,792$ ) to water customers, increasing the water revenue requirement by 4.8% (33.8% - 29.0%).

Q. Explain Exhibit No. FII-2-1W.

A. Exhibit No. FII-2-1W projects operating revenues under existing rates for estimated metered residential wastewater customers connected and disconnected during the twelve months ending December 31, 2022. The projected net gain in number of metered residential wastewater customers during the twelve months ending December 31, 2022, is 71. This projection is based on the average net gain in metered residential wastewater customers for the year ended December 31, 2021. The projected net gain of metered residential wastewater customers during the twelve months ending December 31, 2022, of 71 is multiplied by the annual average revenue per average metered residential wastewater customer during the historic test year ended December 31, 2021, of \$744.17 to derive the annualized revenue adjustment of \$52,836 ( $71 \times \$744.17$ ).

In order to present the projected future test year metered sales to residential wastewater customers, it is necessary to determine the portion of the annualized revenue adjustment

1 in the amount of \$52,836 that will occur during the twelve months ending December 31,  
2 2022. The projected net gain of metered residential wastewater customers for the twelve  
3 months ending December 31, 2022, is presumed to occur evenly throughout the future  
4 test year. Accordingly, one half (0.50) of the annualized revenue adjustment determined  
5 in this Exhibit is projected to occur during the twelve months ending December 31, 2022.  
6 The portion of the annualized revenue adjustment included in the twelve months ending  
7 December 31, 2022, or \$26,418 ( $\$52,836 \times 0.50$ ) has been carried forward to Exhibit No.  
8 FII-2W, page 3. The remainder of the annualized revenue adjustment is reflected on  
9 Exhibit No. FII-2-3W, which I will explain later.

10  
11 Q. Explain Exhibit No. FII-2-2W.

12 A. Exhibit No. FII-2-2W projects operating revenues under existing rates for estimated  
13 metered commercial wastewater customers connected and disconnected during the twelve  
14 months ending December 31, 2022. The projected net gain in number of metered  
15 commercial wastewater customers during the twelve months ending December 31, 2022,  
16 is 7. This projection is based on the average net gain in metered commercial wastewater  
17 customers for the year ended December 31, 2021. The projected net gain of metered  
18 commercial wastewater customers during the twelve months ending December 31, 2022,  
19 of 7 is multiplied by the annual average revenue per average metered commercial  
20 wastewater customer during the historic test year ended December 31, 2021, of \$1,045.77  
21 to derive the annualized revenue adjustment of \$7,320 ( $7 \times \$1,045.77$ ).

22  
23 In order to present the projected future test year metered sales to commercial wastewater  
24 customers, it is necessary to determine the portion of the annualized revenue adjustment

1 in the amount of \$7,320 that will occur during the twelve months ending December 31,  
2 2022. The projected net gain of metered commercial wastewater customers for the  
3 twelve months ending December 31, 2022, is presumed to occur evenly throughout the  
4 future test year. Accordingly, one half (0.50) of the annualized revenue adjustment  
5 determined in this Exhibit is projected to occur during the twelve months ending  
6 December 31, 2022. The portion of the annualized revenue adjustment included in the  
7 twelve months ending December 31, 2022, or \$3,660 ( $\$7,320 \times 0.50$ ) has been carried  
8 forward to Exhibit No. FII-2W, page 3. The remainder of the annualized revenue  
9 adjustment is reflected on Exhibit No. FII-2-4W, which I will explain later.

10  
11 Q. Explain Exhibit No. FII-2-3W.

12 A. Exhibit No. FII-2-3W annualizes operating revenues for estimated metered residential  
13 wastewater customers connected and disconnected during the twelve months ending  
14 December 31, 2022. As explained previously, the Company projects a net gain of 71 in  
15 the number of metered residential wastewater customers during the twelve months ending  
16 December 31, 2022. The projected net gain of metered residential wastewater customers  
17 during the twelve months ending December 31, 2022, of 71 is multiplied by the annual  
18 average revenue per average metered residential wastewater customer during the historic  
19 test year ended December 31, 2021, of \$744.17 to derive the annualized revenue  
20 adjustment of \$52,836 ( $71 \times \$744.17$ ).

21  
22 As explained previously with respect to Exhibit No. FII-2-1W, I have already reflected in  
23 projected future test year revenues that portion of the increased revenues from these 71  
24 customers that are projected to be gained during the future test year ending December 31,

1 2022. That projected amount is \$26,418, or one half of the annualized revenue  
2 adjustment of \$52,836. The remaining half of the annualized revenue adjustment is  
3 reflected on Exhibit No. FII-2-3W as an annualization adjustment to the future test year  
4 projection. The remaining half of the annualized revenue adjustment of \$26,418 has been  
5 carried forward to Exhibit No. FII-2W, page 5.

6  
7 Q. Explain Exhibit No. FII-2-4W.

8 A. Exhibit No. FII-2-4W annualizes operating revenues for estimated metered commercial  
9 wastewater customers connected and disconnected during the twelve months ending  
10 December 31, 2022. As explained previously, the Company projects a net gain of 7 in the  
11 number of metered commercial wastewater customers during the twelve months ending  
12 December 31, 2022. The projected net gain of metered commercial wastewater  
13 customers during the twelve months ending December 31, 2022, of 7 is multiplied by the  
14 annual average revenue per average metered commercial wastewater customer during the  
15 historic test year ended December 31, 2021, of \$1,045.77 to derive the annualized  
16 revenue adjustment of \$7,320 (7 x \$1,045.77).

17  
18 As explained previously with respect to Exhibit No. FII-2-2W, I have already reflected in  
19 projected future test year revenues that portion of the increased revenues from these 7  
20 customers that are projected to be gained during the future test year ending December 31,  
21 2022. That projected amount is \$3,660, or one half of the annualized revenue adjustment  
22 of \$7,320. The remaining half of the annualized revenue adjustment is reflected on  
23 Exhibit No. FII-2-4W as an annualization adjustment to the future test year projection.

1 The remaining half of the annualized revenue adjustment of \$3,660 has been carried  
2 forward to Exhibit No. FII-2W, page 5.

3  
4 Q. Explain Exhibit No. FII-2-5W.

5 A. Exhibit No. FII-2-5W projects operating revenues for the estimated metered residential  
6 wastewater customers connected and disconnected during January and February 2023.  
7 Although these customers are projected to be added prior to the fully projected future test  
8 year, the revenues from these customers will be included in the revenues earned for the  
9 twelve months ending February 29, 2024, so it is appropriate to include these revenues.

10  
11 As was the case for the twelve months ending December 31, 2022, the Company projects  
12 a net gain of 71 in the number of metered residential wastewater customers during the  
13 twelve months ending December 31, 2023. The projected net gain of metered residential  
14 wastewater customers during the twelve months ending December 31, 2023 of 71 is  
15 divided by twelve and multiplied by two to yield the number of customers expected to be  
16 gained during the two-month period ending February 28, 2023, which is 12 ( $71 / 12 \times 2$ ).  
17 Next, the number of customers gained during the two-month period is multiplied by the  
18 annual average revenue per average metered residential wastewater customer during the  
19 future test year ended December 31, 2022, of \$744.17 to derive the annualized revenue  
20 adjustment for residential wastewater customers of \$8,806 ( $12 \times \$744.17$ ).

21  
22 The adjustment for the estimated residential wastewater customers to be added during  
23 January and February 2023, of \$8,806 has been carried forward to Exhibit No. FII-2W,  
24 page 7.

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Q. Explain Exhibit No. FII-2-6W.

A. Exhibit No. FII-2-6W projects operating revenues for the estimated metered commercial wastewater customers connected and disconnected during January and February 2023. Although these customers are projected to be added prior to the fully projected future test year, the revenues from these customers will be included in the revenues earned for the twelve months ending February 29, 2024, so it is appropriate to include these revenues.

As was the case for the twelve months ending December 31, 2022, the Company projects a net gain of 7 in the number of metered commercial wastewater customers during the twelve months ending December 31, 2023. The projected net gain of metered commercial wastewater customers during the twelve months ending December 31, 2023 of 7 is divided by twelve and multiplied by two to yield the number of customers expected to be gained during the two-month period ending February 28, 2023, which is 1 (7 / 12 x 2). Next, the number of customers gained during the two-month period is multiplied by the annual average revenue per average metered commercial wastewater customer during the future test year ended December 31, 2022, of \$1,045.77 to derive the annualized revenue adjustment for commercial wastewater customers of \$1,220 (1 x \$1,045.77).

The adjustment for the estimated commercial wastewater customers to be added during January and February 2023, of \$1,220 has been carried forward to Exhibit No. FII-2W, page 7.

1 Q. Explain Exhibit No. FII-2-7W.

2 A. Exhibit No. FII-2-7W projects operating revenues under existing rates for estimated  
3 metered residential wastewater customers connected and disconnected during the twelve  
4 months ending February 29, 2024. The projected net gain in number of metered  
5 residential wastewater customers during the twelve months ending February 29, 2024, is  
6 71. This projection is based on the average net gain in metered residential wastewater  
7 customers for the year ended December 31, 2021. The projected net gain of metered  
8 residential wastewater customers during the twelve months ending February 29, 2024, of  
9 71 is multiplied by the annual average revenue per average metered residential  
10 wastewater customer during the historic test year ended December 31, 2021, of \$744.17  
11 to derive the annualized revenue adjustment of \$52,836 (71 x \$744.17).

12  
13 In order to present the projected future test year metered sales to residential wastewater  
14 customers, it is necessary to determine the portion of the annualized revenue adjustment  
15 in the amount of \$52,836 that will occur during the twelve months ending February 29,  
16 2024. The projected net gain of metered residential wastewater customers for the twelve  
17 months ending February 29, 2024, is presumed to occur evenly throughout the future test  
18 year. Accordingly, one half (0.50) of the annualized revenue adjustment determined in  
19 this Exhibit is projected to occur during the twelve months ending February 29, 2024.

20 The portion of the annualized revenue adjustment included in the twelve months ending  
21 February 29, 2024, or \$26,418 ( $\$52,836 \times 0.50$ ) has been carried forward to Exhibit No.  
22 FII-2W, page 7. The remainder of the annualized revenue adjustment is reflected on  
23 Exhibit No. FII-2-9W, which I will explain later.

24

1 Q. Explain Exhibit No. FII-2-8W.

2 A. Exhibit No. FII-2-8W projects operating revenues under existing rates for estimated  
3 metered commercial wastewater customers connected and disconnected during the twelve  
4 months ending February 29, 2024. The projected net gain in number of metered  
5 commercial wastewater customers during the twelve months ending February 29, 2024, is  
6 7. This projection is based on the average net gain in metered commercial wastewater  
7 customers for the year ended December 31, 2021. The projected net gain of metered  
8 commercial wastewater customers during the twelve months ending February 29, 2024,  
9 of 7 is multiplied by the annual average revenue per average metered commercial  
10 wastewater customer during the historic test year ended December 31, 2021, of \$1,045.77  
11 to derive the annualized revenue adjustment of \$7,320 (7 x \$1,045.77).

12  
13 In order to present the projected future test year metered sales to commercial wastewater  
14 customers, it is necessary to determine the portion of the annualized revenue adjustment  
15 in the amount of \$7,320 that will occur during the twelve months ending February 29,  
16 2024. The projected net gain of metered commercial wastewater customers for the  
17 twelve months ending February 29, 2024, is presumed to occur evenly throughout the  
18 future test year. Accordingly, one half (0.50) of the annualized revenue adjustment  
19 determined in this Exhibit is projected to occur during the twelve months ending February  
20 29, 2024. The portion of the annualized revenue adjustment included in the twelve  
21 months ending February 29, 2024, or \$3,660 ( $\$7,320 \times 0.50$ ) has been carried forward to  
22 Exhibit No. FII-2W, page 7. The remainder of the annualized revenue adjustment is  
23 reflected on Exhibit No. FII-2-10W, which I will explain later.

24



1 Q. Explain Exhibit No. FII-2-9W.

2 A. Exhibit No. FII-2-9W annualizes operating revenues for estimated metered residential  
3 wastewater customers connected and disconnected during the twelve months ending  
4 February 29, 2024. As explained previously, the Company projects a net gain of 71 in the  
5 number of metered residential wastewater customers during the twelve months ending  
6 February 29, 2024. The projected net gain of metered residential wastewater customers  
7 during the twelve months ending February 29, 2024, of 71 is multiplied by the annual  
8 average revenue per average metered residential wastewater customer during the historic  
9 test year ended December 31, 2021, of \$744.17 to derive the annualized revenue  
10 adjustment of \$52,836 (71 x \$744.17).

11  
12 As explained previously with respect to Exhibit No. FII-2-7W, I have already reflected in  
13 projected future test year revenues that portion of the increased revenues from these 71  
14 customers that are projected to be gained during the fully projected future test year ending  
15 February 29, 2024. That projected amount is \$26,418, or one half of the annualized  
16 revenue adjustment of \$52,836. The remaining half of the annualized revenue adjustment  
17 is reflected on Exhibit No. FII-2-3W as an annualization adjustment to the future test year  
18 projection. The remaining half of the annualized revenue adjustment of \$26,418 has been  
19 carried forward to Exhibit No. FII-2W, page 8.

20

21 Q. Explain Exhibit No. FII-2-10W.

22 A. Exhibit No. FII-2-10W annualizes operating revenues for estimated metered commercial  
23 wastewater customers connected and disconnected during the twelve months ending  
24 February 29, 2024. As explained previously, the Company projects a net gain of 7 in the

1 number of metered commercial wastewater customers during the twelve months ending  
2 February 29, 2024. The projected net gain of metered commercial wastewater customers  
3 during the twelve months ending February 29, 2024, of 7 is multiplied by the annual  
4 average revenue per average metered commercial wastewater customer during the  
5 historic test year ended December 31, 2021, of \$1,045.77 to derive the annualized  
6 revenue adjustment of \$7,320 (7 x \$1,045.77).

7  
8 As explained previously with respect to Exhibit No. FII-2-8W, I have already reflected in  
9 projected future test year revenues that portion of the increased revenues from these 7  
10 customers that are projected to be gained during the fully projected future test year ending  
11 February 29, 2024. That projected amount is \$3,660, or one half of the annualized  
12 revenue adjustment of \$7,320. The remaining half of the annualized revenue adjustment  
13 is reflected on Exhibit No. FII-2-4W as an annualization adjustment to the future test year  
14 projection. The remaining half of the annualized revenue adjustment of \$3,660 has been  
15 carried forward to Exhibit No. FII-2W, page 8.

16  
17 Q. Explain Exhibit No. FII-3W.

18 A. Exhibit No. FII-3W provides a comparison of present and proposed base rates. The  
19 present base rates are those set forth in Supplement No. 8 to Wastewater-Pa P.U.C. No. 1  
20 approved by the Commission March 1, 2019. The proposed base rates are set forth in  
21 Supplement No. 14 to Wastewater-Pa. P.U.C. No. 1. A copy of the Company's proposed  
22 tariff supplement is attached to Exhibit No. FII-3W.

23  
24 Q. Explain Exhibit No. FII-4W.

1 A. Exhibit No. FII-4W provides a detailed customer analysis by customer classification.  
2 Pages 2 through 3 of Exhibit No. FII-4W provides the application of present metered base  
3 rates, which became effective March 1, 2019, to the pro forma customer analysis for the  
4 twelve months ending February 29, 2024.

5  
6 Q. Explain Exhibit No. FII-9W.

7 A. Exhibit No. FII-9W, page 2 provides the number of customers by class as of December  
8 31, 2019, 2020, and 2021 and the projected number of customers by class as of December  
9 31, 2022, and as of February 29, 2024, February 28, 2025, and February 28, 2026. Page 3  
10 of Exhibit No. FII-9W provides consumption by customer class for the twelve months  
11 ended December 31, 2019, 2020, and 2021 and the projected consumption by customer  
12 class for the twelve months ending December 31, 2022, and as of February 29, 2024,  
13 February 28, 2025, and February 28, 2026.

14  
15 Q. Are you sponsoring any other exhibits relative to operating revenues?

16 A. Yes, I am also sponsoring Exhibit Nos. F(a)-4W, FII-5, FII-7 and FII-8.

17  
18 Q. Explain Exhibit No. FIII-2W.

19 A. Exhibit No. FIII-2W summarizes adjustments to operating expenses for the twelve  
20 months ending December 31, 2022, annualizes and normalizes the effect of changes  
21 occurring during the twelve months ending December 31, 2022, summarizes adjustments  
22 to operating expenses for the twelve months ending February 29, 2024, and annualizes  
23 and normalizes the effect of changes occurring during the twelve months ending February

1 29, 2024, due to the increase in operating revenues resulting from the proposed increase  
2 in rates.

3  
4 Pro forma operating expenses for the twelve months ended December 31, 2021, in the  
5 amount of \$3,845,703 are shown in Column 1 of Exhibit FIII-2W page 2. Adjustments  
6 required to project operating expenses for the twelve months ending December 31, 2022  
7 in the amount of \$151,942 are shown in Column 3 of Exhibit FIII-2W, page 2, and are  
8 detailed in Exhibit Nos. FIII-2-1, FIII-2-4W, and FIII-2-6W. Projected operating  
9 expenses for the twelve months ending December 31, 2022, in the amount of \$3,997,645  
10 are shown in Column 4 of Exhibit FIII-2W, page 2.

11  
12 Adjustments to operating expenses in the amount of \$26,683 to annualize and normalize  
13 the effect of changes projected to occur during the twelve months ending December 31,  
14 2022, are shown in Column 6 of Exhibit FIII-2W, page 2, and are detailed in Exhibit No.  
15 FIII-2-15 and FIII-2-13W. Pro forma operating expenses for the twelve months ending  
16 December 31, 2022, in the amount of \$4,024,328 are shown in Column 7 of Exhibit FIII-  
17 2W, page 2 and are carried over to Column 1 of Exhibit No. FIII-2W, page 3.

18  
19 Adjustments required to project operating expenses for the twelve months ending  
20 February 29, 2024, in the amount of \$180,717 are shown in Column 3 of Exhibit FIII-  
21 2W, page 3, and are detailed in Exhibit Nos. FIII-2-25, FIII-2-20W, and FIII-2-28W.  
22 Projected operating expenses for the twelve months ending February 29, 2024, in the  
23 amount of \$4,205,045 are shown in Column 4 of Exhibit FIII-2W, page 3 and are carried  
24 over to Column 1 of Exhibit No. FIII-2W, page 4.

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Adjustments to operating expenses in the amount of \$23,968 to annualize and normalize the effect of changes projected to occur during the twelve months ending February 29, 2024, are shown in Column 3 of Exhibit FIII-2W, page 4, and are detailed in Exhibit No. FIII-2-40 and FIII-2-30W. Pro forma operating expenses for the twelve months ending February 29, 2024, in the amount of \$4,229,013 are shown in Column 4 of Exhibit FIII-2W, page 4.

There are no projected adjustments to operating expenses due to the increase in operating revenues resulting from the proposed increase. Pro forma operating expenses for the twelve months ending February 29, 2024, in the amount of \$4,229,013 are shown in Column 7 of Exhibit FIII-2W, page 4.

Q. Explain Exhibit No. FIII-2-4W.

A. Exhibit No. FIII-2-4W projects the effect of inflation during the twelve months ending December 31, 2022 on operating expenses, which have not been specifically adjusted to future test year levels. Amounts specifically adjusted in this rate filing are identified and deducted from total operating expenses for twelve months ended December 31, 2021, to determine the remaining expenses for twelve months ended December 31, 2021, which have not been specifically adjusted to reflect the effects of inflation of \$1,664,416. The projected effect of inflation on operating expenses not specifically adjusted in the amount of \$106,523 is determined by applying the annual percent change in the CPI-U Index between February 2021 and February 2022 of 6.4% to the total operating expenses not specifically adjusted of \$1,664,416 ( $\$1,664,416 \times 0.064$ ). The adjustment of \$106,523

1 has been carried forward to Exhibit No. FIII-2W, Page 2, Column 3 and identified as  
2 General Price Level Adjustment.

3  
4 Q. Explain Exhibit No. FIII-2-6W.

5 A. Exhibit No. FIII-2-6W projects the allocations from water operations for the twelve  
6 months month ending December 31, 2022, based on the Company's current allocation  
7 methodology and projected expense adjustments to the accounts that are allocated.

8 Various expenses that are for both the water and wastewater portions of the business are  
9 recorded on the water side of the business. At the end of each accounting period, a  
10 portion of those allocable expenses are recorded as a reduction to expense on the water  
11 side of the business and an addition to expense on the wastewater side of the business.

12  
13 The allocable portion of indirect labor, indirect fringe benefits and operating expense to  
14 wastewater based on the projected balances of the accounts to be allocated for the twelve  
15 months ending December 31, 2022, is calculated to be \$493,323. The payroll taxes and  
16 fringe benefits on the direct labor recorded on the wastewater side of the business is  
17 calculated to be \$112,121. The adjustment of \$15,683 is determined by subtracting the  
18 allocation to wastewater for the twelve months ended December 31, 2021, of \$589,761 by  
19 the calculated allocable portion of indirect labor, indirect fringe benefits and operating  
20 expense of \$493,323 and calculated payroll taxes and fringe benefits on the direct labor of  
21 \$112,121 [ $\$493,323 + \$112,121 - \$589,761 = \$15,683$ ]. The adjustment of allocations to  
22 wastewater for the twelve months ending December 31, 2022, of \$15,683 as an  
23 adjustment to Account No. 77580005 has been carried forward to Exhibit No. FIII-2W,  
24 Page 3, Column 3.

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Q. Explain Exhibit No. FIII-2-13W.

A. Exhibit No. FIII-2-13W annualizes the allocations from water operations for the twelve months month ending December 31, 2022, based on the Company’s current allocation methodology and pro forma expense adjustments to the accounts that are allocated.

Various expenses that are for both the water and wastewater portions of the business are recorded on the water side of the business. At the end of each accounting period, a portion of those allocable expenses are recorded as a reduction to expense on the water side of the business and an addition to expense on the wastewater side of the business.

The allocable portion of indirect labor, indirect fringe benefits and operating expense to wastewater based on the pro forma balances of the accounts to be allocated for the twelve months ending December 31, 2022, is calculated to be \$502,945. The payroll taxes and fringe benefits on the direct labor recorded on the wastewater side of the business is calculated to be \$116,129. The adjustment of \$13,629 is determined by subtracting the projected allocation to wastewater for the twelve months ended December 31, 2022, of \$605,444 (see Exhibit No. FIII-2-6W) by the calculated allocable portion of indirect labor, indirect fringe benefits and operating expense of \$502,945 and calculated payroll taxes and fringe benefits on the direct labor of \$116,129 [ $\$502,945 + \$116,129 - \$605,444 = \$13,629$ ]. The adjustment of allocations to wastewater for the twelve months ending December 31, 2022, of \$13,629 as an adjustment to Account No. 77580005 has been carried forward to Exhibit No. FIII-2W, Page 3, Column 6.

Q. Explain Exhibit No. FIII-2-20W.

1 A. Exhibit No. FIII-2-20W projects the allocations from water operations for the twelve  
2 months ending February 29, 2024, based on the Company's current allocation  
3 methodology and projected expense adjustments to the accounts that are allocated.  
4 Various expenses that are for both the water and wastewater portions of the business are  
5 recorded on the water side of the business. At the end of each accounting period, a  
6 portion of those allocable expenses are recorded as a reduction to expense on the water  
7 side of the business and an addition to expense on the wastewater side of the business.

8  
9 The allocable portion of indirect labor, indirect fringe benefits, and operating expense to  
10 wastewater based on the projected balances of the accounts to be allocated for the twelve  
11 months ending February 29, 2024, is calculated to be \$484,130. The payroll taxes and  
12 fringe benefits on the direct labor recorded on the wastewater side of the business is  
13 calculated to be \$117,935. The adjustment of \$(17,008) is determined by subtracting the  
14 allocation to wastewater for the future test year ended December 31, 2022, of \$619,073  
15 (see Exhibit No. FIII-2-13W) by the calculated allocable portion of indirect labor, indirect  
16 fringe benefits, and operating expense of \$484,130 and calculated payroll taxes and fringe  
17 benefits on the direct labor of \$117,935 [ $\$484,130 + \$117,935 - \$619,073 = \$(17,008)$ ].  
18 The adjustment of allocations to wastewater for the twelve months ending February 29,  
19 2024, of \$(17,008) as an adjustment to Account No. 77580005 has been carried forward  
20 to Exhibit No. FIII-2W, Page 5, Column 3.

21  
22 Q. Explain Exhibit No. FIII-2-28W.

23 A. Exhibit No. FIII-2-28W projects the effect of inflation during the twelve months ending  
24 February 29, 2024, on operating expenses, which have not been specifically adjusted to



1 future test year levels. Amounts specifically adjusted in this rate filing are identified and  
2 deducted from total operating expenses for twelve months ending December 31, 2022, to  
3 determine the remaining expenses for twelve months ending December 31, 2022, which  
4 have not been specifically adjusted to reflect the effects of inflation of \$2,997,505. The  
5 projected effect of inflation on operating expenses not specifically adjusted in the amount  
6 of \$191,840 is determined by applying the annual percent change in the CPI-U Index  
7 between February 2021 and February 2022 of 6.4% to the total operating expenses not  
8 specifically adjusted of \$2,997,505, for a period of 14 months ( $\$2,997,505 \times 0.064 \times$   
9  $14/12$ ). The adjustment of \$191,840 has been carried forward to Exhibit No. FIII-2W,  
10 Page 5, Column 3 and identified as General Price Level Adjustment.

11  
12 Q. Explain Exhibit No. FIII-2-30W.

13 A. Exhibit No. FIII-2-30W annualizes the allocations from water operations for the twelve  
14 months month ending February 29, 2024, based on the Company's current allocation  
15 methodology and pro forma expense adjustments to the accounts that are allocated.  
16 Various expenses that are for both the water and wastewater portions of the business are  
17 recorded on the water side of the business. At the end of each accounting period, a  
18 portion of those allocable expenses is recorded as a reduction to expense on the water side  
19 of the business and an addition to expense on the wastewater side of the business.

20  
21 The allocable portion of indirect labor, indirect fringe benefits, and operating expense to  
22 wastewater based on the pro forma balances of the accounts to be allocated for the twelve  
23 months ending February 29, 2024, is calculated to be \$491,428. The payroll taxes and  
24 fringe benefits on the direct labor recorded on the wastewater side of the business is

1 calculated to be \$121,851. The adjustment of \$11,213 is determined by subtracting the  
2 projected allocation to wastewater for the twelve months ended February 29, 2024, of  
3 \$602,065 (see Exhibit No. FIII-2-20W) by the calculated allocable portion of indirect  
4 labor, indirect fringe benefits and operating expense of \$491,428 and calculated payroll  
5 taxes and fringe benefits on the direct labor of \$121,851 [ $\$491,428 + \$121,851 -$   
6  $\$602,065 = \$11,213$ ]. The adjustment of allocations to wastewater for the twelve months  
7 ending February 29, 2024, of \$11,213 as an adjustment to Account No. 77580005 has  
8 been carried forward to Exhibit No. FIII-2, Page 7, Column 3.

9  
10 Q. Explain Exhibit No. FV-1-1W.

11 A. Exhibit No. FV-1-1W is a summary, by year, of the projected unamortized balance of  
12 deferred income taxes related to accelerated depreciation and the unamortized balances of  
13 excess deferred income taxes related to accelerated depreciation that are deducted from  
14 the measure of value.

15  
16 Page 1 of Exhibit No. FV-1-1W is a summary, by year, of the projected unamortized  
17 balance in the amount of \$136,478 as of December 31, 2022, of deferred income taxes  
18 related to accelerated depreciation that are deducted from the measure of value. Column  
19 2 lists, by year, deferred federal income taxes resulting from accelerated depreciation  
20 from 2012 through December 31, 2022. The balance in Column 2 is \$136,478.

21  
22 The projected unamortized balance of deferred income taxes as of December 31, 2022, in  
23 the amount of \$136,478 has been carried forward to Exhibit FV-1W, page 2 and has been  
24 deducted from the original cost measure of value.

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Page 2 of Exhibit No. FV-1-1W is a summary, by year, of the projected unamortized balance in the amount of \$159,832 as of February 29, 2024, of deferred income taxes related to accelerated depreciation that are deducted from the measure of value. Column 2 lists, by year, deferred federal income taxes resulting from accelerated depreciation from 2012 through February 29, 2024. The balance in Column 2 is \$159,832.

The projected unamortized balance of deferred income taxes as of February 29, 2024, in the amount of \$159,832 has been carried forward to Exhibit FV-1W, page 3 and has been deducted from the original cost measure of value.

Page 3 of Exhibit No. FV-1-1W is a calculation of the adjustment to the deferred income taxes related to accelerated depreciation as required under Treasury Regulation 1.167(l)-1 of the Internal Revenue Code. Under the regulation, if a future period is used in determining the maximum amount of the reserve to be excluded from the rate base, the amount of the reserve is the amount of the reserve at the beginning of the period and a pro rata portion of the projected increase to the account during the period. The increase in deferred income taxes from February 28, 2023, to February 29, 2024, is \$20,018, or a monthly increase of \$1,668 as presented in Column 3. The regulation requires the pro rata portion of the increase to be determined by multiplying the increase by a fraction of which the numerator is the number of days remaining in the period and the denominator is the total number of days in the period. Those fractions are presented in Column 4 and the pro rata portion of the increase is presented in Column 5. The deferred income taxes under this regulation are presented in Column 6 as the pro rata portion of the increase

1 added to the deferred income taxes at the beginning of the period. The difference  
2 between the deferred income taxes per the corporate books and the deferred income taxes  
3 per this regulation is presented in Column 7. The difference as of February 29, 2024, in  
4 the amount of \$(10,845) has been carried forward to Exhibit FV-1W, page 3 and has  
5 offset the projected unamortized balance of deferred income taxes as of February 29,  
6 2024, in the amount of \$159,832 presented on Page 2 of Exhibit No. FV-1-1W.

7  
8 Page 4 of Exhibit No. FV-1-1W is a summary, by year, of the projected unamortized  
9 balance in the amount of \$10,755, as of December 31, 2022, of excess deferred income  
10 taxes related to accelerated depreciation that are deducted from the measure of value.  
11 Column 2 lists, by year, excess deferred federal income taxes resulting from accelerated  
12 depreciation from 2012 through 2017. The balance in Column 2 is \$10,755.

13  
14 The projected unamortized balance of excess deferred income taxes as of December 31,  
15 2022, in the amount of \$10,755 has been carried forward to Exhibit FV-1W, page 2 and  
16 has been deducted from the original cost measure of value.

17  
18 Page 5 of Exhibit No. FV-1-1W is a summary, by year, of the projected unamortized  
19 balance in the amount of \$3,338, as of February 29, 2024, of excess deferred income  
20 taxes related to accelerated depreciation that are deducted from the measure of value.  
21 Column 2 lists, by year, excess deferred federal income taxes resulting from accelerated  
22 depreciation from 2012 through 2017. The balance in Column 2 is \$3,338.

1 Page 6 of Exhibit No. FV-1-1W is a calculation of the adjustment to the excess deferred  
2 income taxes related to accelerated depreciation as required under Treasury Regulation  
3 1.167(l)-1 of the Internal Revenue Code. Under the regulation, if a future period is used  
4 in determining the maximum amount of the reserve to be excluded from the rate base, the  
5 amount of the reserve is the amount of the reserve at the beginning of the period and a  
6 pro rata portion of the projected decrease to the account during the period. The decrease  
7 in excess deferred income taxes from February 28, 2023, to February 29, 2024, is \$6,358,  
8 or a monthly decrease of \$530 as presented in Column 3. The regulation requires the pro  
9 rata portion of the decrease to be determined by multiplying the decrease by a fraction of  
10 which the numerator is the number of days remaining in the period and the denominator  
11 is the total number of days in the period. Those fractions are presented in Column 4 and  
12 the pro rata portion of the decrease is presented in Column 5. The excess deferred  
13 income taxes under this regulation are presented in Column 6 as the pro rata portion of  
14 the decrease subtracted from the excess deferred income taxes at the beginning of the  
15 period. The difference between the excess deferred income taxes per the corporate books  
16 and the excess deferred income taxes per this regulation is presented in Column 7. The  
17 difference as of February 29, 2024, in the amount of \$3,444 has been carried forward to  
18 Exhibit FV-1W, page 3 and has been added to the projected unamortized balance of  
19 excess deferred income taxes as of February 29, 2024, in the amount of \$3,338 presented  
20 on Page 5 of Exhibit No. FV-1-1W.

21  
22 Q. Explain Exhibit No. FV-1-3W.

23 A. Exhibit No. FV-1-3W provides the calculation of the unamortized taxes on deposits for  
24 construction and customer advances as of December 31, 2022, in the amount of \$19,145

1 and as of February 29, 2024, in the amount of \$18,347, that are added to the original cost  
2 measure of value.

3  
4 Under the Tax Cuts and Jobs Act of 2017, the definition of tax contributions in aid of  
5 construction was modified under Section 118(b) and the exclusion from gross income  
6 under Section 118(c) was repealed. The modification to the definition of taxable  
7 contribution in aid of construction includes contributions from customers as well as any  
8 payment received from a governmental or civic entity. Under the Company's approved  
9 tariff, the Company paid income taxes on any deposit, Customer Advance, Contribution  
10 in Aid of Construction, or other like amounts received from an applicant that shall  
11 constitute taxable income as defined by the Internal Revenue Service. Such income taxes  
12 shall be segregated in a deferred account for inclusion in rate base in a future rate case  
13 proceeding. Such income taxes associated with a deposit or advance will not be charged  
14 to the specific depositor of capital. This provision was rescinded under the Infrastructure  
15 Investment and Jobs Act of 2021.

16  
17 The Company paid taxes on deposits for construction and customer advances received  
18 during the period under which the deposits for construction and customer advances was  
19 taxable of \$19,943 as of December 31, 2021.

20  
21 The total income taxes on deposits for construction and customer advances as of  
22 December 31, 2021, of \$19,943 is offset by the reduction of income taxes from the  
23 depreciation on the projects paid for with the deposits for construction and customer  
24 advances. The depreciation on the projects paid for with the deposits for construction

1 and customer advances of \$2,761 for the period ending December 31, 2022, is  
2 determined by applying the depreciation rate of 4% to the deposits for construction and  
3 customer advances. State income tax deduction in the amount of \$276 is determined by  
4 applying the Pennsylvania corporate net income tax rate of 9.99% to the depreciation on  
5 the projects paid for with deposits for construction and customer advances of \$2,761  
6 ( $\$2,761 \times 0.0999 = \$276$ ). Federal income tax deduction in the amount of \$522 is  
7 determined by subtracting State income tax deduction in the amount of \$276 from the  
8 depreciation on the projects paid for with deposits for construction and customer  
9 advances of \$2,761 and applying the presently effective Federal income tax rate of 21%  
10 [ $(\$2,761 - \$276) \times 0.21 = \$522$ ]. Total income tax deductions on depreciation on the  
11 projects paid for with deposits for construction and customer advances for the period  
12 ending December 31, 2022, in the amount of \$798 is determined by adding state income  
13 taxes in the amount of \$276 and Federal income taxes in the amount of \$522 [ $\$276 +$   
14  $\$522 = \$798$ ]. The net taxes on deposits for construction and customer advance as of  
15 December 31, 2022, of \$19,145 is determined by subtracting the income tax deductions  
16 on depreciation on the projects paid for with deposits for construction and customer  
17 advances for the period ending December 31, 2022, in the amount of \$798 from the  
18 income taxes on deposits for construction and customer advances as of December 31,  
19 2021, in the amount of \$19,943 ( $\$19,943 - \$798 = \$19,145$ ). The net taxes on deposits  
20 for construction and customer advance as of December 31, 2022, of \$19,145 has been  
21 carried forward to Exhibit No. FV-1W, Page 2.

22  
23 The total income taxes on deposits for construction and customer advances as of  
24 December 31, 2022 of \$18,347, is offset by the reduction of income taxes from the

1 depreciation on the projects paid for with the deposits for construction and customer  
2 advances. The depreciation on the projects paid for with the deposits for construction  
3 and customer advances of \$2,761 for the period ending February 29, 2024, is determined  
4 by applying the depreciation rate of 4% to the deposits for construction and customer  
5 advances. State income tax deduction in the amount of \$276 is determined by applying  
6 the Pennsylvania corporate net income tax rate of 9.99% to the depreciation on the  
7 projects paid for with deposits for construction and customer advances of \$2,761 ( $\$2,761$   
8  $\times 0.0999 = \$276$ ). Federal income tax deduction in the amount of \$522 is determined by  
9 subtracting State income tax deduction in the amount of \$276 from the depreciation on  
10 the projects paid for with deposits for construction and customer advances of \$2,761 and  
11 applying the presently effective Federal income tax rate of 21% [ $(\$2,761 - \$276) \times 0.21 =$   
12  $\$522$ ]. Total income tax deductions on depreciation on the projects paid for with deposits  
13 for construction and customer advances for the period ending December 31, 2022, in the  
14 amount of \$798 is determined by adding state income taxes in the amount of \$276 and  
15 Federal income taxes in the amount of \$522 [ $\$276 + \$522 = \$798$ ]. The net taxes on  
16 deposits for construction and customer advance as of February 29, 2024, of \$18,347 is  
17 determined by subtracting the income tax deductions on depreciation on the projects paid  
18 for with deposits for construction and customer advances for the period ending February  
19 29, 2024, in the amount of \$798 from the income taxes on deposits for construction and  
20 customer advances as of December 31, 2022, in the amount of \$19,145 ( $\$19,145 - \$798 =$   
21  $\$18,347$ ). The net taxes on deposits for construction and customer advance as of  
22 February 29, 2024, of \$18,347 has been carried forward to Exhibit No. FV-1W, Page 3.

23  
24 Q. Are you sponsoring any other exhibits?



1 A. Yes, I am also sponsoring Exhibit No. F(b)-1W.

2

3 Q. Does this conclude your future test year and fully projected future test year direct  
4 testimony at this time?

5 A. Yes.

1 **YORK WATER STATEMENT NO. 105W**

2  
3 **BEFORE THE**  
4 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

5  
6 **THE YORK WATER COMPANY**

7  
8 **DIRECT TESTIMONY OF MICHAEL C. WINTER**  
9

10 Q. State your name and business address.

11 A. Michael C. Winter. My business address is: 130 East Market Street, York, Pennsylvania.  
12

13 Q. By whom are you employed?

14 A. I am employed by The York Water Company (“York Water” or the “Company”).  
15

16 Q. State your present position with the Company and explain your duties and  
17 responsibilities.

18 A. I am Controller of the Company. My duties and responsibilities include managing the  
19 financial operations of the Company and overseeing the accounting department in order  
20 to meet the requirements of regulatory agencies.  
21

22 Q. How long have you been employed by the Company?

23 A. I have been employed by the Company since May 22, 2017.  
24

1 Q. What is your educational background?

2 A. I have a Bachelors Degree from the Pennsylvania State University, York, Pennsylvania  
3 and a Master's Degree in Business Administration from Strayer University, Owings  
4 Mills, Maryland.

5  
6 Q. Are you a certified public accountant?

7 A. Yes, I am a certified public accountant licensed by the Commonwealth of Pennsylvania.  
8

9 Q. What has been your other business experience?

10 A. From June 2014 to September 2016, I served as the Director of Operations for Simon  
11 Lever LLP, an accounting firm based in Lancaster, Pennsylvania. In that capacity, I  
12 managed the operations of the accounting firm including, financial operations,  
13 administration, human resources, marketing, and information technology. From July  
14 2007 to June 2014, I worked at T. Rowe Price in Owings Mills, Maryland. I worked in  
15 several positions of increasing authority and my final position was Assistant Vice  
16 President. My responsibilities included overseeing various accounting and financial  
17 reporting duties for T. Rowe Price's Retirement Plan Services division.  
18

19 Q. Have you previously testified before a regulatory commission?

20 A. No, this is the first time I have presented testimony to the Pennsylvania Public Utility  
21 Commission ("Commission").  
22

23 Q. Will you list the exhibits you are sponsoring in this proceeding?

1 A. In addition to the exhibits identified in York Water Statement No. 105, I am sponsoring  
2 the following exhibits prepared by me or under my direction and supervision:

3  
4 Exhibit Nos. FIV-15W, FIV-15-1W, FIV-15-2W, FIV-15-3W, FIV-15-4W, and FIV-15-  
5 5W relating to taxes other than income taxes for the wastewater division; and

6  
7 Exhibit Nos. FIV-17W, FIV-17-2W, FIV-17-3W, FIV-17-3(a)W, FIV-17-4, FIV-17-5W,  
8 FIV-17-7W, FIV-17-8W, FIV-17-8(a)W, FIV-17-9, FIV-17-10W, FIV-17-11W, and  
9 FIV-18W relating to operating income taxes for the wastewater division.

10

11 Q. Explain Exhibit No. FIV-15W.

12 A. Exhibit No. FIV-15W summarizes projected and pro forma adjustments to operating  
13 taxes other than income taxes for the twelve months ending December 31, 2022, and  
14 February 29, 2024, for ratemaking purposes and to reflect additional operating taxes other  
15 than income taxes resulting from the proposed increase in operating revenues.

16

17 Pro forma operating taxes other than income taxes for the twelve months ended  
18 December 31, 2021, in the amount of \$42,616 are shown in Column 1, Page 2 of Exhibit  
19 FIV-15W. Adjustments to operating taxes other than income taxes of \$202 reflect the  
20 calculation of the projected level of taxes other than income taxes under existing rates for  
21 the twelve months ending December 31, 2022. Such adjustments are shown in Column 3,  
22 Page 2 of Exhibit No. FIV-15W and are detailed in Exhibit No. FIV-15-1W. Projected  
23 operating taxes other than income taxes for the twelve months ended December 31, 2022,  
24 in the amount of \$42,818 are shown in Column 4, Page 2 of Exhibit FIV-15.

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Adjustments to operating taxes other than income taxes of \$202 reflect the calculation of the Pro Forma level of taxes other than income taxes under existing rates for the twelve months ending December 31, 2022. Such adjustments are shown in Column 6, Page 2 of Exhibit No. FIV-15W and are detailed in Exhibit Nos. FIV-15-2W. Pro Forma operating taxes other than income taxes for the twelve months ending December 31, 2022, in the amount of \$43,020 are shown in Column 7, Page 2 of Exhibit No. FIV-15W and are carried forward to Column 1 of Page 3 of Exhibit No. FIV-15W.

Projected adjustments to operating taxes other than income taxes of \$269 are shown in Column 3, Page 3 of Exhibit No. FIV-15W and are detailed in Exhibit Nos. FIV-15-3W. Projected operating taxes other than income taxes for the twelve months ended February 29, 2024, in the amount of \$43,289 are shown in Column 4, Page 3 of Exhibit FIV-15.

Adjustments to operating taxes other than income taxes of \$202 reflect the calculation of the Pro Forma level of taxes other than income taxes under existing rates for the twelve months ending February 29, 2024. Such adjustments are shown in Column 6, Page 3 of Exhibit No. FIV-15W and are detailed in Exhibit Nos. FIV-15-4W. Pro forma operating taxes other than income taxes for the twelve months ending February 29, 2024, of \$43,491 are shown in Column 7, Page 3 of Exhibit No. FIV-15W and are carried forward to Column 1 of Page 4 of Exhibit No. FIV-15W.

Adjustments to operating taxes other than income taxes amounting to \$27,720 are made to reflect the increased operating taxes other than income taxes that result from the

1 increase in operating revenues under proposed rates. These adjustments are shown in  
2 Column 3, Page 4 of Exhibit No. FIV-15W and are detailed in Exhibit No. FIV-15-5W.  
3 Pro Forma operating taxes other than income taxes under proposed rates for the twelve  
4 months ended February 29, 2024, in the amount of \$71,211 are shown in Column 4, Page  
5 4 of Exhibit FIV-15W.

6  
7 Q. Explain Exhibit No. FIV-15-1W.

8 A. Exhibit No. FIV-15-1W is an adjustment to reflect the Commission's General  
9 Assessment, the Consumer Advocate's Assessment, the Small Business Advocate's  
10 Assessment, and the Damage Prevention Control Assessment based on projected  
11 operating revenues under existing rates for twelve months ending December 31, 2022,  
12 and the 2021-2022 assessment factors. The currently-effective combined 2021-2022  
13 assessment rate of 0.671560% for the Commission's General Assessment, the Consumer  
14 Advocate's Assessment, the Small Business Advocate's Assessment, and the Damage  
15 Prevention Control Assessment is applied to projected operating revenues at existing rates  
16 for twelve months ending December 31, 2022, in the amount of \$4,057,141 (Refer to  
17 Exhibit No. FII-2W) to determine the projected combined assessment under existing rates  
18 for twelve months ended December 31, 2022, in the amount of \$27,246 ( $\$4,057,141 \times$   
19  $0.671560\%$ ). The adjustment in the amount of \$202 is determined by subtracting the pro  
20 forma assessments for the twelve months ended December 31, 2021, of \$27,044 (Refer to  
21 Exhibit No. HIV-15-1W) from the calculated projected amount of \$27,246 [ $\$27,246 -$   
22  $\$27,044 = \$202$ ]. The adjustment in the amount of \$202 has been carried forward to  
23 Exhibit No. FIV-15W, Page 2, Column 3.

24

1 Q. Explain Exhibit No. FIV-15-2W.

2 A. Exhibit No. FIV-15-2W is an adjustment to reflect the Commission's General  
3 Assessment, the Consumer Advocate's Assessment, the Small Business Advocate's  
4 Assessment, and the Damage Prevention Control Assessment based on Pro Forma  
5 operating revenues under existing rates for twelve months ending December 31, 2022,  
6 and the 2021-2022 assessment factors. The currently-effective combined 2021-2022  
7 assessment rate of 0.671560% for the Commission's General Assessment, the Consumer  
8 Advocate's Assessment, the Small Business Advocate's Assessment, and the Damage  
9 Prevention Control Assessment is applied to Pro Forma operating revenues at existing  
10 rates for twelve months ending December 31, 2022, in the amount of \$4,087,219 (Refer  
11 to Exhibit No. FII-2W) to determine the pro forma combined assessment under existing  
12 rates for twelve months ended December 31, 2022, in the amount of \$27,448 ( $\$4,087,219$   
13  $\times 0.671560\%$ ). The adjustment in the amount of \$202 is determined by subtracting the  
14 projected year assessments for the twelve months ended December 31, 2022, of \$27,246  
15 (Refer to Exhibit No. FIV-15-1W) from the calculated pro forma amount of \$27,448  
16 ( $\$27,448 - \$27,246 = \$202$ ). The adjustment in the amount of \$202 has been carried  
17 forward to Exhibit No. FIV-15W, Page 2, Column 6.

18

19 Q. Explain Exhibit No. FIV-15-3W.

20 A. Exhibit No. FIV-15-3W is an adjustment to reflect the Commission's General  
21 Assessment, the Consumer Advocate's Assessment, the Small Business Advocate's  
22 Assessment, and the Damage Prevention Control Assessment based on projected  
23 operating revenues under existing rates for twelve months ending February 29, 2024, and  
24 the 2021-2022 assessment factors. The currently-effective combined 2021-2022

1 assessment rate of 0.671560% for the Commission's General Assessment, the Consumer  
2 Advocate's Assessment, the Small Business Advocate's Assessment, and the Damage  
3 Prevention Control Assessment is applied to projected operating revenues at existing rates  
4 for twelve months ending February 29, 2024, in the amount of \$4,127,323 (Refer to  
5 Exhibit No. FII-2W) to determine the projected combined assessment under existing rates  
6 for twelve months ended February 29, 2024, in the amount of \$27,717 ( $\$4,127,323 \times$   
7  $0.671560\%$ ). The adjustment in the amount of \$269 is determined by subtracting the Pro  
8 Forma year assessments for the twelve months ending December 31, 2022, of \$27,448  
9 (Refer to Exhibit No. FIV-15-2W) from the calculated projected amount of \$27,717  
10 [ $\$27,717 - \$27,448 = \$269$ ]. The adjustment in the amount of \$269 has been carried  
11 forward to Exhibit No. FIV-15W, Page 3, Column 3.

12  
13 Q. Explain Exhibit No. FIV-15-4W.

14 A. Exhibit No. FIV-15-4W is an adjustment to reflect the Commission's General  
15 Assessment, the Consumer Advocate's Assessment, the Small Business Advocate's  
16 Assessment, and the Damage Prevention Control Assessment based on Pro Forma  
17 operating revenues under existing rates for twelve months ending February 29, 2024, and  
18 the 2021-2022 assessment factors. The currently-effective combined 2021-2022  
19 assessment rate of 0.671560% for the Commission's General Assessment, the Consumer  
20 Advocate's Assessment, the Small Business Advocate's Assessment, and the Damage  
21 Prevention Control Assessment is applied to Pro Forma operating revenues at existing  
22 rates for twelve months ending February 29, 2024, in the amount of \$4,157,401 (Refer to  
23 Exhibit No. FII-2W) to determine the pro forma combined assessment under existing  
24 rates for twelve months ended February 29, 2024, in the amount of \$27,919 ( $\$4,157,401 \times$



1 0.00671560). The adjustment in the amount of \$202 is determined by subtracting the  
2 projected year assessments for the twelve months ending February 29, 2024, of \$27,717  
3 (Refer to Exhibit No. FIV-15-3W) from the calculated Pro Forma amount of \$27,919  
4 (\$27,919 - \$27,717 = \$202). The adjustment in the amount of \$202 has been carried  
5 forward to Exhibit No. FIV-15, Page 3, Column 6.

6  
7 Q. Explain Exhibit No. FIV-15-5W.

8 A. Exhibit No. FIV-15-5W is an adjustment to reflect the Commission's General  
9 Assessment, the Consumer Advocate's Assessment, the Small Business Advocate's  
10 Assessment, and the Damage Prevention Control Assessment based on Pro Forma  
11 operating revenues under proposed rates for twelve months ending February 29, 2024,  
12 and the 2021-2022 assessment factors. The currently-effective combined 2021-2022  
13 assessment rate of 0.671560% for the Commission's General Assessment, the Consumer  
14 Advocate's Assessment, the Small Business Advocate's Assessment, and the Damage  
15 Prevention Control Assessment is applied to Pro Forma operating revenues under  
16 proposed rates for twelve months ending February 29, 2024, in the amount of \$8,285,050  
17 (Refer to Exhibit No. FII-2W) to determine the Pro Forma combined assessment under  
18 proposed rates for twelve months ending February 29, 2024, in the amount of \$55,639  
19 (\$8,285,050 x 0.00671560). The adjustment in the amount of \$27,720 is determined by  
20 subtracting the Pro Forma year assessments under existing rates for the twelve months  
21 ending February 29, 2024, of \$27,919 (Refer to Exhibit No. FIV-15-4W) from the  
22 calculated Pro Forma amount under proposed rates of \$55,639 (\$55,639 - \$27,919 =  
23 \$27,720). The adjustment in the amount of \$27,720 has been carried forward to Exhibit  
24 No. FIV-15W, Page 4, Column 3.

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Q. Explain Exhibit No. FIV-17W.

A. Exhibit No. FIV-17W is to summarize adjustments to operating income taxes for the twelve months ending December 31, 2022, and February 29, 2024, for ratemaking purposes and to reflect additional operating income taxes resulting from the proposed increase in operating revenues.

Pro forma operating income taxes for the twelve months ended December 31, 2021, in the amount of \$(297,003) are shown in Column 1 of Page 1 of Exhibit FIV-17W.

Projected adjustments to operating income taxes of \$(540,929) are shown in Column 3 of Page 1 of Exhibit No. FIV-17W and are detailed in Exhibit Nos. FIV-17-2W through FIV-17-4W, which I will explain later. Pro forma adjustments to operating income taxes of \$923 are shown in Column 6 of Page 1 of Exhibit No. FIV-17W and are detailed in Exhibit No. FIV-17-5W, which I will explain later. Pro forma operating income taxes for the twelve months ending December 31, 2022, in the amount of \$(837,009) are shown in Column 7 of Page 1 of Exhibit No. FIV-17W and are carried forward to Column 1 of Page 2 of Exhibit No. FIV-17W. Projected adjustments to operating income taxes of \$61,707 are shown in Column 3 of Page 2 of Exhibit No. FIV-17W and are detailed in Exhibit Nos. FIV-17-7W through FIV-17-9W, which I will explain later. Projected operating income taxes for the twelve months ending February 29, 2024, in the amount of \$(775,302) are show in Column 4 of Page 2 of Exhibit No. FIV-17W and are carried forward to Column 1 of Page 3 of Exhibit No. FIV-17W. Pro forma adjustments to operating income taxes of \$1,707 are shown in Column 3 of Page 3 of Exhibit No. FIV-17W and are detailed in Exhibit No. FIV-17-10W, which I will explain later.

1 Adjustments to operating income taxes amounting to \$1,184,556 are to reflect the  
2 increased operating income taxes that will result from the increase in operating revenues  
3 under proposed rates, and these adjustments are shown in Column 6 of Page 3 of Exhibit  
4 No. FIV-17W and are detailed in Exhibit No. FIV-17-11W, which I will explain later.  
5

6 Q. Explain Exhibit No. FIV-17-2W.

7 A. Exhibit No. FIV-17-2W is an adjustment to reflect projected current Federal income tax  
8 and projected current Pennsylvania corporate net income tax based on projected taxable  
9 income for the twelve months ending December 31, 2022, under existing rates at the  
10 currently effective Federal income tax rate of 21% and at the Pennsylvania corporate net  
11 income tax rate of 9.99%.

12  
13 Total projected operating income before income taxes and excluding depreciation under  
14 existing rates for the twelve months ending December 31, 2022, in the amount of \$21,539  
15 is determined by subtracting projected operating expenses under existing rates in the  
16 amount of \$3,997,645 (Refer to Exhibit No. FIII-2W, Page 2 of 4, Column 4) and  
17 projected operating taxes other than income taxes under existing rates in the amount of  
18 \$42,818 (Refer to Exhibit No. FIV-15W, Page 2 of 4, Column 4) from projected  
19 operating revenues under existing rates in the amount of \$4,062,002 (Refer to Exhibit No.  
20 FII-2W, Page 2 of 5) [ $\$4,062,002 - \$3,997,645 - \$42,818 = \$21,539$ ]. To arrive at  
21 taxable income at present rates, amounts are added for Amortization of Acquisition  
22 Adjustments of \$29,481, and amounts are then deducted for tax repair expense in the  
23 amount of \$1,544,947, cost of removal in the amount of \$496, state tax depreciation in  
24 the amount of \$1,003,612 and pro forma interest expense deduction for ratemaking

1 purposes in the amount of \$510,280. Expenses of the Company's Amortization of  
2 Acquisition Adjustments of \$29,481 are not allowed as a deduction for income tax  
3 purposes. Since this amount is included in operating expenses and deducted in arriving at  
4 the figure of \$21,539, it must be added back in arriving at taxable income. Tax repair  
5 expense in the amount of \$1,544,947 has been capitalized on the corporate books but is  
6 taken as a current deduction on the Company's Federal and State income tax returns.  
7 Cost of removal in the amount of \$496 has been capitalized on the corporate books but is  
8 taken as a current deduction on the Company's Federal and State income tax returns.  
9 State tax depreciation in the amount of \$1,003,612 is detailed on Exhibit No. FIV-17-3W  
10 and Exhibit No. FIV-17-3 (a)W. I note that the Federal tax depreciation is less than state  
11 tax depreciation, which I will explain later with respect to Exhibit No. FIV-17-3 (a)W.  
12 The projected interest expense deduction for ratemaking purposes in the amount of  
13 \$510,280 is determined by reflecting the interest charges to ratepayers in the cost of  
14 capital determination (Interest Synchronization) (Rate Base of \$28,853,963 x Weighted  
15 Debt Cost Rate of 1.77%).

16  
17 Projected taxable income under existing rates in the amount of \$(3,008,316) is  
18 determined by adding the expenses of the Amortization of Acquisition Adjustments of  
19 \$29,481 and deducting tax repair expense in the amount of \$1,544,947, cost of removal in  
20 the amount of \$496, state tax depreciation in the amount of \$1,003,612, and projected  
21 interest expense in the amount of \$510,280 from projected net operating income in the  
22 amount of \$21,539 [ $\$21,539 + \$29,481 - \$1,544,947 - \$496 - \$1,003,612 - \$510,280 =$   
23  $\$(3,008,316)$ ].  
24

1 Projected State income tax under existing rates in the amount of \$(300,531) is determined  
2 by applying the Pennsylvania corporate net income tax rate of 9.99% to projected taxable  
3 income in the amount of \$(3,008,316) [ $\$(3,008,316) \times 0.0999 = \$(300,531)$ ]. Projected  
4 Federal taxable income under existing rates in the amount of \$(564,390) is determined by  
5 subtracting projected State income tax under existing rates in the amount of \$(300,531)  
6 and adding back additional allowed State depreciation on bonus property of \$20,215 from  
7 projected taxable income in the amount of \$(3,008,316) [ $\$(3,008,316) - \$(300,531) +$   
8  $\$20,215 = \$(2,687,570)$ ]. Projected Federal income tax under existing rates in the  
9 amount of \$(564,390) is determined by applying the presently effective Federal income  
10 tax rate of 21% to the projected Federal taxable income under existing rates in the  
11 amount of \$(2,687,570) [ $\$(2,687,570) \times 0.21 = \$(564,390)$ ]. Total projected current  
12 income taxes under existing rates in the amount of \$(864,921) is determined by adding  
13 projected state income tax under existing rates in the amount of \$(300,531) and projected  
14 Federal income tax under existing rates in the amount of \$(564,390) [ $\$(300,531) +$   
15  $\$(564,390) = \$(864,921)$ ]. The adjustment to income taxes in the amount of \$(632,425)  
16 is determined by subtracting total pro forma current income taxes under existing rates  
17 during the twelve months ended December 31, 2021, in the amount of \$(232,495) (Refer  
18 to Exhibit No. FIV-17W) from total projected current income taxes under existing rates  
19 in the amount of \$(864,921) [ $\$(864,921) - \$(232,495) = \$(632,425)$ ]. The adjustment to  
20 income taxes at present rates in the amount of \$(632,425) has been carried forward to  
21 Exhibit No. FIV-17W, Page 1, Column 3.

22  
23 Q. Explain Exhibit No. FIV-17-3W.

1 A. Exhibit No. FIV-17-3W provides information concerning income tax depreciation used to  
2 calculate current and deferred Federal Income Taxes for ratemaking purposes for the  
3 future test year. In order to explain Exhibit FIV-17-3W, a general explanation of the tax  
4 depreciation methods used by York Water for various vintages of property is required.

5  
6 For property placed in service beginning with calendar year 2012, the Company employs  
7 various methods of tax depreciation as permitted by law. Normalization of the tax  
8 deferrals resulting from the use of these accelerated depreciation methods is required by  
9 the Internal Revenue Code.

10  
11 If the Company is not permitted to recover revenues necessary to provide for  
12 normalization of the income tax effects of accelerated depreciation, the Company will not  
13 be permitted to deduct accelerated depreciation for Federal income tax purposes.

14  
15 Tax depreciation by vintage year in the amount of \$983,397 for property included in the  
16 measure of value is shown on Exhibit No. FIV-17-3W, Column 3.

17  
18 Deferred taxes must be provided with the normalization requirements of Internal  
19 Revenue Code Sections 167 and 168. The amount of \$983,397 is reduced by \$820,208,  
20 which is the amount included for ratemaking purposes as depreciation in order to  
21 determine the difference of \$163,189 to be used for calculating the deferred Federal  
22 income tax [ $\$983,397 - \$820,208 = \$163,189$ ]. The Federal income tax rate of 21% is  
23 applied to the difference of \$163,189 to determine deferred Federal income tax in the  
24 amount of \$34,270 [ $\$163,189 \times 0.21$ ]. The adjustment to deferred Federal income tax

1 expense in the amount of \$91,152 is determined by subtracting deferred Federal income  
2 tax recorded on the corporate books during the twelve months ended December 31, 2021,  
3 in the amount of \$(56,883) from the calculated deferred Federal income tax in the amount  
4 of \$34,270 [ $\$34,270 - \$(56,883) = \$91,152$ ]. The adjustment to deferred Federal income  
5 tax in the amount of \$91,152 has been carried forward to Exhibit No. FIV-17W, Column  
6 3.

7  
8 Q. Explain Exhibit No. FIV-17-3 (a)W.

9 A. Exhibit No. FIV-17-3 (a)W is the calculation of the state tax decoupling from the Federal  
10 Special 30-Percent and 50 Percent Depreciation Allowance for the twelve months ended  
11 December 31, 2022, in accordance with Act 89 of 2002 signed into law June 29, 2002,  
12 and the Economic Growth and Tax Relief Reconciliation Act of 2001, the Job Creation  
13 and Worker Assistance Act of 2002, the Jobs and Growth Tax Relief Reconciliation Act  
14 of 2003, the Economic Stimulus Act of 2008, and the Tax Relief, Unemployment  
15 Insurance Reauthorization, and Job Creation Act of 2010. These acts require corporate  
16 taxpayers who elected the Federal Special 30-Percent and 50 Percent Depreciation  
17 Allowance to make adjustments, which eliminate the effect of the Federal Special 30-  
18 Percent and 50 Percent Depreciation Allowance in arriving at Pennsylvania taxable  
19 income. Because Act 89 of 2002 eliminated the effect of the first-year Federal bonus  
20 depreciation, additional State depreciation deductions are allowed in subsequent years.

21  
22 The recovery of a portion of the bonus depreciation of \$20,215 is carried forward to  
23 Exhibit No. FIV-17-2W as an adjustment to State Tax Depreciation.

24

1 The basis of property qualified for the additional first year depreciation allowance is  
2 reflected in Column 2 of Exhibit No. FIV-17-3 (a)W. Total Federal tax depreciation is  
3 shown in Column 3 of Exhibit No. FIV-17-3 (a)W. The adjustment for additional  
4 allowed state depreciation in lieu of the Federal special 30-percent and 50 percent  
5 depreciation is reflected in Column 6 and is determined by multiplying Federal  
6 depreciation (net of current year bonus depreciation) shown in Column 5 by 0.42857  
7 (3/7). The factor of 0.42857 (3/7) is reflected in the Bureau of Corporation Taxes  
8 Adjustment for Bonus Depreciation (Form REV-784).

9  
10 Q. Explain Exhibit No. FIV-17-4W.

11 A. Exhibit No. FIV-17-4W calculates the reversal of excess deferred Federal income taxes  
12 related to accelerated depreciation on property for the Future Test Year.. Upon passage  
13 of the Tax Cuts and Jobs Act of 2017, the Company adjusted the balance of its deferred  
14 Federal income taxes related to accelerated depreciation on property to the newly enacted  
15 statutory Federal income tax rate of 21%. The difference between the existing balance of  
16 deferred Federal income taxes related to accelerated depreciation on property and the  
17 adjusted balance of deferred Federal income taxes related to accelerated depreciation on  
18 property was recorded as a regulatory liability for the excess deferred Federal income  
19 taxes related to accelerated depreciation on property.

20  
21 A reversal is recorded for the excess deferred Federal income taxes whose normalized  
22 depreciation exceeds tax depreciation, that is, the tax life of the property has reached  
23 what is commonly referred to as the “turnaround point.” The vintage years that have  
24 reached the turnaround point are 2012 through 2016. Tax depreciation for these vintage



1 years subject to normalization requirements of Internal Revenue Code Section 167 and  
2 168 is \$29,720. The amount of tax depreciation of \$29,720 is less than \$85,726, which is  
3 the amount included for ratemaking purposes as depreciation on property placed in  
4 service during these vintage years. The difference of \$(56,006) is to be used for  
5 calculating the return of excess previously deferred Federal income tax to be reversed  
6 [\$29,720 - \$85,726 = \$(56,006)]. Tax depreciation, and thus excess deferred Federal  
7 income taxes recovered from customers, was computed to the turnaround point for all of  
8 these properties at a rate of 34%. However, the Tax Cuts and Jobs Act of 2017 prohibits  
9 flow back of the excess between the 34% rate and the current rate any faster than ratably  
10 over the tax life of the property following the property attaining the turnaround point.  
11 This ratable flow back is to be achieved by using a weighted average tax rate,  
12 representing the weighted average rate for each vintage for all years prior to the  
13 turnaround year. The weighted average rate for each vintage year, which has reached the  
14 turnaround point, is shown in Column 6. The weighted average tax rate is applied to the  
15 tax depreciation subject to deferral shown in Column 4 to determine the reversal of  
16 deferred Federal income taxes in the amount of \$(19,042). This was compared to the  
17 value of the deferred Federal income taxes at the newly enacted rate of \$(11,761)  
18 determined by multiplying the total tax depreciation subject to deferral of \$(56,006) by  
19 the newly enacted rate of 21% [\$(56,006) x 0.21 = \$(11,761)]. The difference between  
20 the deferred Federal income taxes at prior rates of \$(19,042) and those at the newly  
21 enacted rate of \$(11,761) is the reversal of the excess deferred Federal income taxes of  
22 \$(7,281) [\$(19,042) - \$(11,761) = \$(7,281)]. An adjustment of the excess deferred  
23 Federal income taxes in the amount of \$344 is determined by subtracting the reversal of  
24 excess deferred Federal income taxes recorded on the corporate books during the twelve

1 months ended December 31, 2021, in the amount of \$(7,625), from the calculated pro  
2 forma reversal of excess deferred Federal income taxes in the amount of \$(7,281)  
3  $[(7,281) - (7,625) = 344]$ . The adjustment of the reversal of deferred Federal income  
4 taxes in the amount of \$344 has been carried forward to Exhibit FIV-17, Column 3.

5  
6 Q. Explain Exhibit No. FIV-17-5W.

7 A. Exhibit No. FIV-17-5W is an adjustment to reflect pro forma current Federal income tax  
8 and pro forma current Pennsylvania corporate net income tax based on pro forma taxable  
9 income for the twelve months ending December 31, 2022, under existing rates at the  
10 currently effective Federal income tax rate of 21% and at the Pennsylvania corporate net  
11 income tax rate of 9.99%.

12  
13 Total pro forma operating income before income taxes and excluding depreciation under  
14 existing rates for the twelve months ending December 31, 2022, in the amount of \$24,732  
15 is determined by subtracting pro forma operating expenses under existing rates in the  
16 amount of \$4,024,328 (Refer to Exhibit No. FIII-2W, Page 2 of 4, Column 7) and pro  
17 forma operating taxes other than income taxes under existing rates in the amount of  
18 \$43,020 (Refer to Exhibit No. FIV-15W, Page 2 of 4, Column 7) from pro forma  
19 operating revenues under existing rates in the amount of \$4,092,080 (Refer to Exhibit No.  
20 FII-2W, Page 2 of 2)  $[\$4,092,080 - \$4,024,328 - \$43,020 = \$24,732]$ . To arrive at  
21 taxable income at present rates, amounts are added for Amortization of Acquisition  
22 Adjustments of \$29,481, and amounts are then deducted for deducted for tax repair  
23 expense in the amount of \$1,544,947, cost of removal in the amount of \$496, state tax  
24 depreciation in the amount of \$1,003,612, and pro forma interest expense deduction for

1 ratemaking purposes in the amount of \$510,280. Expenses of the Company's  
2 Amortization of Acquisition Adjustments of \$29,481 are not allowed as a deduction for  
3 income tax purposes. Since this amount is included in operating expenses and deducted  
4 in arriving at the figure of \$24,732 it must be added back in arriving at taxable income.  
5 Tax repair expense in the amount of \$1,544,947 has been capitalized on the corporate  
6 books but is taken as a current deduction on the Company's Federal and State income tax  
7 returns. Cost of removal in the amount of \$496 has been capitalized on the corporate  
8 books but is taken as a current deduction on the Company's Federal and State income tax  
9 returns. State tax depreciation in the amount of \$1,003,612 is detailed on Exhibit No.  
10 FIV-17-3W and Exhibit No. FIV-17-3 (a)W. I note that the Federal tax depreciation is  
11 less than state tax depreciation, as previously explained with respect to Exhibit No. FIV-  
12 17-3 (a)W. The projected interest expense deduction for ratemaking purposes in the  
13 amount of \$510,280 is determined by reflecting the interest charges to ratepayers in the  
14 cost of capital determination (Interest Synchronization) (Rate Base of \$28,853,963 x  
15 Weighted Debt Cost Rate of 1.77%).

16  
17 Pro forma taxable income under existing rates in the amount of \$(3,005,123) is  
18 determined by adding the expenses of the Amortization of Acquisition Adjustments of  
19 \$29,481 and deducting tax repair expense in the amount of \$1,544,947, cost of removal in  
20 the amount of \$496, state tax depreciation in the amount of \$1,003,612, and projected  
21 interest expense in the amount of \$510,280 from pro forma net operating income in the  
22 amount of \$24,732 [ $\$24,732 + \$29,481 - \$1,544,947 - \$496 - \$1,003,612 - \$510,280 =$   
23  $\$(3,005,123)$ ].

24

1 Pro forma State income tax under existing rates in the amount of \$(300,212) is  
2 determined by applying the Pennsylvania corporate net income tax rate of 9.99% to pro  
3 forma taxable income in the amount of \$(3,005,123) [ $(3,005,123) \times 0.0999 =$   
4  $(300,212)$ ]. Pro forma Federal taxable income under existing rates in the amount of  
5  $(2,684,696)$  is determined by subtracting pro forma State income tax under existing rates  
6 in the amount of  $(300,212)$  and adding back additional allowed State depreciation on  
7 bonus property of  $20,215$  from pro forma taxable income in the amount of  $(3,005,123)$   
8 [ $(3,005,123) - (300,212) + 20,215 = (2,684,696)$ ]. Pro forma Federal income tax  
9 under existing rates in the amount of  $(563,786)$  is determined by applying the presently  
10 effective Federal income tax rate of 21% to the pro forma Federal taxable income under  
11 existing rates in the amount of  $(2,684,696)$  [ $(2,684,696) \times 0.21 = (563,786)$ ]. Total  
12 pro forma current income taxes under existing rates in the amount of  $(863,998)$  is  
13 determined by adding pro forma state income tax under existing rates in the amount of  
14  $(300,212)$  and pro forma Federal income tax under existing rates in the amount of  
15  $(563,786)$  [ $(300,212) + (563,786) = (863,998)$ ]. The adjustment to income taxes in  
16 the amount of  $923$  is determined by subtracting total projected current income taxes  
17 under existing rates during the twelve months ended December 31, 2022, in the amount  
18 of  $(864,921)$  (Refer to Exhibit No. FIV-17-2W) from total pro forma current income  
19 taxes under existing rates in the amount of  $(863,998)$  [ $(863,998) - (864,921) = 923$ ].  
20 The adjustment to income taxes at present rates in the amount of  $923$  has been carried  
21 forward to Exhibit No. FIV-17W, Page 1, Column 6.

22  
23 Q. Explain Exhibit No. FIV-17-7W.

1 A. Exhibit No. FIV-17-7W is an adjustment to reflect projected current Federal income tax  
2 and projected current Pennsylvania corporate net income tax based on projected taxable  
3 income for the twelve months ending February 29, 2024, under existing rates at the  
4 currently effective Federal income tax rate of 21% and at the Pennsylvania corporate net  
5 income tax rate of 9.99%.

6  
7 Total projected operating income before income taxes and excluding depreciation under  
8 existing rates for the twelve months ending February 29, 2024, in the amount of  
9 \$(116,150) is determined by subtracting projected operating expenses under existing rates  
10 in the amount of \$4,205,045 (Refer to Exhibit No. FIII-2W, Page 3 of 4, Column 4) and  
11 projected operating taxes other than income taxes under existing rates in the amount of  
12 \$43,289 (Refer to Exhibit No. FIV-15, Page 3 of 4, Column 4) from projected operating  
13 revenues under existing rates in the amount of \$4,132,184 (Refer to Exhibit No. FII-2W,  
14 Page 2 of 2) [ $\$4,132,184 - \$4,205,045 - \$43,289 = \$(116,150)$ ]. To arrive at taxable  
15 income at present rates, amounts are added for Amortization of Acquisition Adjustments  
16 of \$29,481, and amounts are then deducted for deducted for tax repair expense in the  
17 amount of \$1,015,000, cost of removal in the amount of \$280, state tax depreciation in  
18 the amount of \$1,051,733, and pro forma interest expense deduction for ratemaking  
19 purposes in the amount of \$589,862. Expenses of the Company's Amortization of  
20 Acquisition Adjustments of \$29,481 are not allowed as a deduction for income tax  
21 purposes. Since this amount is included in operating expenses and deducted in arriving at  
22 the figure of \$(116,150), it must be added back in arriving at taxable income. Tax repair  
23 expense in the amount of \$1,015,000 has been capitalized on the corporate books but is  
24 taken as a current deduction on the Company's Federal and State income tax returns.

1 Cost of removal in the amount of \$280 has been capitalized on the corporate books but is  
2 taken as a current deduction on the Company's Federal and State income tax returns.  
3 State tax depreciation in the amount of \$1,051,733 is detailed on Exhibit No. FIV-17-8W  
4 and Exhibit No. FIV-17-8 (a)W. I note that the state tax depreciation is greater than  
5 Federal tax depreciation, which I will explain later with respect to Exhibit No. FIV-17-8  
6 (a)W. The projected interest expense deduction for ratemaking purposes in the amount of  
7 \$589,862 is determined by reflecting the interest charges to ratepayers in the cost of  
8 capital determination (Interest Synchronization) (Rate Base of \$33,353,950 x Weighted  
9 Debt Cost Rate of 1.77%).

10  
11 Projected taxable income under existing rates in the amount of \$(2,743,545) is  
12 determined by adding the expenses of the Amortization of Acquisition Adjustments of  
13 \$29,481 and deducting tax repair expense in the amount of \$1,015,000, cost of removal in  
14 the amount of \$280, state tax depreciation in the amount of \$1,051,733 and projected  
15 interest expense in the amount of \$589,862 from pro forma net operating income in the  
16 amount of \$(116,150) [ $$(116,150) + \$29,481 - \$1,015,000 - \$280 - \$1,051,733 -$   
17  $\$589,862 = \$(2,743,545)$ ].

18  
19 Projected State income tax under existing rates in the amount of \$(274,080) is determined  
20 by applying the Pennsylvania corporate net income tax rate of 9.99% to projected taxable  
21 income in the amount of \$(2,743,545) [ $\$(2,743,545) \times 0.0999 = \$(274,080)$ ]. Projected  
22 Federal taxable income under existing rates in the amount of \$(2,462,660) is determined  
23 by subtracting projected State income tax under existing rates in the amount of  
24 \$(274,080) and adding back additional allowed state depreciation on bonus property of

1           \$6,805 to projected taxable income in the amount of \$(2,743,545) [\$(2,743,545) –  
2           \$(274,080) + \$6,805 = \$(2,462,660)]. Projected Federal income tax under existing rates  
3           in the amount of \$(517,159) is determined by applying the presently effective Federal  
4           income tax rate of 21% to the projected Federal taxable income under existing rates in the  
5           amount of \$(2,462,660) [\$(2,462,660) x 0.21 = \$(517,159)]. Total projected current  
6           income taxes under existing rates in the amount of \$(791,239) is determined by adding  
7           projected state income tax under existing rates in the amount of \$(274,080) and projected  
8           Federal income tax under existing rates in the amount of \$(517,159) [\$(274,080) +  
9           \$(517,159) = \$(791,239)]. The adjustment to income taxes in the amount of \$72,759 is  
10          determined by subtracting total pro forma current income taxes under existing rates  
11          during the twelve months ended December 31, 2022, in the amount of \$(863,998) (Refer  
12          to Exhibit No. FIV-17-5W) from total projected current income taxes under existing rates  
13          in the amount of \$(791,239) [\$(791,239) – \$(863,998) = \$72,759]. The adjustment to  
14          income taxes at present rates in the amount of \$72,759 has been carried forward to  
15          Exhibit No. FIV-17, Page 2, Column 3.

16  
17    Q.    Explain Exhibit No. FIV-17-8W.

18    A.    Exhibit No. FIV-17-8W provides information concerning income tax depreciation used to  
19          calculate current and deferred Federal Income Taxes for ratemaking purposes for the  
20          fully projected future test year. A general explanation of the tax depreciation methods  
21          used by York Water for various vintages of property is required in order to fully  
22          understand Exhibit No. FIV-17-8W. That explanation was previously provided with  
23          respect to Exhibit No. FIV-17-3W.

1 Tax depreciation by vintage year in the amount of \$1,044,928 for property included in the  
2 measure of value is shown on Exhibit No. FIV-17-3W, Column 3.

3  
4 Deferred taxes must be provided with the normalization requirements of Internal  
5 Revenue Code Sections 167 and 168. The amount of \$1,044,928 is reduced by \$933,718,  
6 which is the amount included for ratemaking purposes as depreciation in order to  
7 determine the difference of \$111,210 to be used for calculating the deferred Federal  
8 income tax [ $\$1,044,928 - \$933,718 = \$111,210$ ]. The Federal income tax rate of 21% is  
9 applied to the difference of \$111,210 to determine deferred Federal income tax in the  
10 amount of \$23,354 [ $\$111,210 \times 0.21$ ]. The adjustment to deferred Federal income tax  
11 expense in the amount of \$(10,916) is determined by subtracting deferred Federal income  
12 tax recorded on the corporate books during the twelve months ended December 31, 2022,  
13 in the amount of \$34,270 from the calculated deferred Federal income tax in the amount  
14 of \$23,354 [ $\$23,354 - \$34,270 = \$(10,916)$ ]. The adjustment to deferred Federal income  
15 tax in the amount of \$(10,916) has been carried forward to Exhibit No. FIV-17W,  
16 Column 3.

17  
18 Q. Explain Exhibit No. FIV-17-8 (a)W.

19 A. Exhibit No. FIV-17-8 (a)W is the calculation of the state tax decoupling from the Federal  
20 Special 30-Percent and 50 Percent Depreciation Allowance for the projected period  
21 ending February 29, 2024, in accordance with Act 89 of 2002 signed into law June 29,  
22 2002, and the Economic Growth and Tax Relief Reconciliation Act of 2001, the Job  
23 Creation and Worker Assistance Act of 2002, the Jobs and Growth Tax Relief  
24 Reconciliation Act of 2003, the Economic Stimulus Act of 2008, and the Tax Relief,



1 Unemployment Insurance Reauthorization, and Job Creation Act of 2010. These acts  
2 require corporate taxpayers who elected the Federal Special 30-Percent and 50 Percent  
3 Depreciation Allowance to make adjustments, which eliminate the effect of the Federal  
4 Special 30-Percent and 50 Percent Depreciation Allowance in arriving at Pennsylvania  
5 taxable income. Because Act 89 of 2002 eliminated the effect of the first-year Federal  
6 bonus depreciation, additional State depreciation deductions are allowed in subsequent  
7 years.

8  
9 The recovery of a portion of the bonus depreciation of \$6,805 is carried forward to  
10 Exhibit No. FIV-17-5W as an adjustment to State Tax Depreciation.

11  
12 The basis of property qualified for the additional first year depreciation allowance is  
13 reflected in Column 2 of Exhibit No. FIV-17-8 (a)W. Total Federal tax depreciation is  
14 shown in Column 3 of Exhibit No. FIV-17-8 (a)W. The adjustment for additional  
15 allowed state depreciation in lieu of the Federal special 30-percent and 50 percent  
16 depreciation is reflected in Column 6 and is determined by multiplying Federal  
17 depreciation (net of current year bonus depreciation) shown in Column 5 by 0.42857  
18 (3/7). The factor of 0.42857 (3/7) is reflected in the Bureau of Corporation Taxes  
19 Adjustment for Bonus Depreciation (Form REV-784).

20  
21 Q. Explain Exhibit No. FIV-17-9W.

22 A. Exhibit No. FIV-17-9W calculates the reversal of excess deferred Federal income taxes  
23 related to accelerated depreciation on property for the projected period ending February  
24 29,2024. Upon passage of the Tax Cuts and Jobs Act of 2017, the Company adjusted the

1 balance of its deferred Federal income taxes related to accelerated depreciation on  
2 property to the newly enacted statutory Federal income tax rate of 21%. The difference  
3 between the existing balance of deferred Federal income taxes related to accelerated  
4 depreciation on property and the adjusted balance of deferred Federal income taxes  
5 related to accelerated depreciation on property was recorded as a regulatory liability for  
6 the excess deferred Federal income taxes related to accelerated depreciation on property.

7  
8 A reversal is recorded for the excess deferred Federal income taxes whose normalized  
9 depreciation exceeds tax depreciation, that is, the tax life of the property has reached  
10 what is commonly referred to as the “turnaround point.” The vintage years that have  
11 reached the turnaround point are 2012 through 2016. Tax depreciation for these vintage  
12 years subject to normalization requirements of Internal Revenue Code Section 167 and  
13 168 is \$29,646. The amount of tax depreciation of \$29,646 is less than \$85,701, which is  
14 the amount included for ratemaking purposes as depreciation on property placed in  
15 service during these vintage years. The difference of \$(57,055) is to be used for  
16 calculating the return of excess previously deferred Federal income tax to be reversed  
17 [\$29,646 - \$86,701 = \$(57,055)]. Tax depreciation, and thus excess deferred Federal  
18 income taxes recovered from customers, was computed to the turnaround point for all of  
19 these properties at a rate of 34%. However, the Tax Cuts and Jobs Act of 2017 prohibits  
20 flow back of the excess between the 34% rate and the current rate any faster than ratably  
21 over the tax life of the property following the property attaining the turnaround point.  
22 This ratable flow back is to be achieved by using a weighted average tax rate,  
23 representing the weighted average rate for each vintage for all years prior to the  
24 turnaround year. The weighted average rate for each vintage year, which has reached the

1 turnaround point, is shown in Column 6. The weighted average tax rate is applied to the  
2 tax depreciation subject to deferral shown in Column 4 to determine the reversal of  
3 deferred Federal income taxes in the amount of \$(19,399). This was compared to the  
4 value of the deferred Federal income taxes at the newly enacted rate of \$(11,982)  
5 determined by multiplying the total tax depreciation subject to deferral of \$(57,055) by  
6 the newly enacted rate of 21% [ $$(57,055) \times 0.21 = $(11,982)$ ]. The difference between  
7 the deferred Federal income taxes at prior rates of \$(19,399) and those at the newly  
8 enacted rate of \$(11,982) is the reversal of the excess deferred Federal income taxes of  
9 \$(7,417) [ $$(19,399) - $(11,982) = $(7,417)$ ]. An adjustment of the excess deferred  
10 Federal income taxes in the amount of \$(136) is determined by subtracting the reversal of  
11 excess deferred Federal income taxes recorded on the corporate books during the twelve  
12 months ended December 31, 2022, in the amount of \$(7,281), from the calculated pro  
13 forma reversal of excess deferred Federal income taxes in the amount of \$(7,417)  
14 [ $$(7,417) - $(7,281) = $(136)$ ]. The adjustment of the reversal of deferred Federal  
15 income taxes in the amount of \$(136) has been carried forward to Exhibit FIV-17W,  
16 Column 3.

17  
18 Q. Explain Exhibit No. FIV-17-10W.

19 A. Exhibit No. FIV-17-10W is an adjustment to reflect pro forma current Federal income tax  
20 and pro forma current Pennsylvania corporate net income tax based on pro forma taxable  
21 income for the twelve months ending February 29, 2024, under existing rates at the  
22 currently effective Federal income tax rate of 21% and at the Pennsylvania corporate net  
23 income tax rate of 9.99%.

24

1 Total pro forma operating income before income taxes and excluding depreciation under  
2 existing rates for the twelve months ending February 29, 2024, in the amount of  
3 \$(110,242) is determined by subtracting pro forma operating expenses under existing  
4 rates in the amount of \$4,229,013 (Refer to Exhibit No. FIII-2W, Page 4 of 4, Column 7)  
5 and pro forma operating taxes other than income taxes under existing rates in the amount  
6 of \$43,491 (Refer to Exhibit No. FIV-15W, Page 3 of 4, Column 7) from pro forma  
7 operating revenues under existing rates in the amount of \$4,162,262 (Refer to Exhibit No.  
8 FII-2W, Page 2 of 2) [ $\$4,162,262 - \$4,229,013 - \$43,491 = \$(110,242)$ ]. To arrive at  
9 taxable income at present rates, amounts are added for Amortization of Acquisition  
10 Adjustments of \$29,481, and amounts are then deducted for deducted for tax repair  
11 expense in the amount of \$1,015,000, cost of removal in the amount of \$280, state tax  
12 depreciation in the amount of \$1,051,733, and pro forma interest expense deduction for  
13 ratemaking purposes in the amount of \$589,862. Expenses of the Company's  
14 Amortization of Acquisition Adjustments of \$29,481 are not allowed as a deduction for  
15 income tax purposes. Since this amount is included in operating expenses and deducted  
16 in arriving at the figure of \$(110,242), it must be added back in arriving at taxable  
17 income. Tax repair expense in the amount of \$1,015,000 has been capitalized on the  
18 corporate books but is taken as a current deduction on the Company's Federal and State  
19 income tax returns. Cost of removal in the amount of \$280 has been capitalized on the  
20 corporate books but is taken as a current deduction on the Company's Federal and State  
21 income tax returns. State tax depreciation in the amount of \$1,051,733 is detailed on  
22 Exhibit No. 17-8W and Exhibit No. FIV-17-8 (a)W. I note that the state tax depreciation  
23 is greater than Federal tax depreciation, which I explained previously with respect to  
24 Exhibit No. FIV-17-8 (a)W. The projected interest expense deduction for ratemaking

1 purposes in the amount of \$589,862 is determined by reflecting the interest charges to  
2 ratepayers in the cost of capital determination (Interest Synchronization) (Rate Base of  
3 \$33,353,950 x Weighted Debt Cost Rate of 1.77%).

4  
5 Pro forma taxable income under existing rates in the amount of \$(2,737,637) is  
6 determined by adding the expenses of the Amortization of Acquisition Adjustments of  
7 \$29,481 and deducting tax repair expense in the amount of \$1,015,000, cost of removal in  
8 the amount of \$280, state tax depreciation in the amount of \$1,051,733, and projected  
9 interest expense in the amount of \$589,862 from pro forma net operating income in the  
10 amount of \$(110,242) [ $$(110,242) + \$29,481 - \$1,015,000 - \$280 - \$1,051,733 -$   
11  $\$589,862 = \$(2,737,637)$ ].

12  
13 Pro forma State income tax under existing rates in the amount of \$(273,490) is  
14 determined by applying the Pennsylvania corporate net income tax rate of 9.99% to pro  
15 forma taxable income in the amount of \$(2,737,637) [ $\$(2,737,637) \times 0.0999 =$   
16  $\$(273,490)$ ]. Pro forma Federal taxable income under existing rates in the amount of  
17  $\$(2,457,342)$  is determined by subtracting pro forma State income tax under existing rates  
18 in the amount of  $\$(273,490)$  and adding back additional allowed state depreciation on  
19 bonus property of \$6,805 to pro forma taxable income in the amount of  $\$(2,737,637)$   
20 [ $\$(2,737,637) - \$(273,490) + \$6,805 = \$(2,457,342)$ ]. Pro forma Federal income tax  
21 under existing rates in the amount of  $\$(516,042)$  is determined by applying the presently  
22 effective Federal income tax rate of 21% to the pro forma Federal taxable income under  
23 existing rates in the amount of  $\$(2,457,342)$  [ $\$(2,457,342) \times 0.21 = \$(516,042)$ ]. Total  
24 pro forma current income taxes under existing rates in the amount of  $\$(789,532)$  is

1 determined by adding pro forma state income tax under existing rates in the amount of  
2 \$(273,490) and pro forma Federal income tax under existing rates in the amount of  
3 \$(516,042) [ $$(273,490) + $(516,042) = $(789,532)$ ]. The adjustment to income taxes in  
4 the amount of \$1,707 is determined by subtracting total projected current income taxes  
5 under existing rates during the twelve months ending February 29, 2024, in the amount of  
6 \$(791,239) (Refer to Exhibit No. FIV-17-7W) from total pro forma current income taxes  
7 under existing rates in the amount of \$(789,532) [ $$(789,532) - $(791,239) = $1,707$ ].  
8 The adjustment to income taxes at present rates in the amount of \$1,707 has been carried  
9 forward to Exhibit No. FIV-17W, Page 3, Column 3.

10  
11 Q. Please explain Exhibit No. FIV-17-11W.

12 A. Exhibit No. FIV-17-11W is an adjustment to reflect increased Federal income tax and  
13 Pennsylvania corporate net income tax based on the proposed revenue increase resulting  
14 from proposed rates.

15  
16 The total proposed increase in wastewater revenue in the amount of \$4,127,648 (Refer to  
17 Exhibit No. FII-2W, page 2 of 2) is reduced by the increase in pro forma expense for the  
18 Public Utility Commission's general assessment, the Consumer Advocate's assessment,  
19 the Small Business Advocate's assessment, and the Damage Prevention Control  
20 assessment under proposed rates in the amount of \$27,720 (Refer to Exhibit No. FIV-15-  
21 3W) to arrive at the net increase in taxable income subject to Pennsylvania corporate net  
22 income tax in the amount of \$4,099,929 ( $$(4,127,648) - $27,720 = $4,099,929$ ). The  
23 Pennsylvania corporate net income tax rate of 9.99% is applied to the net increase in  
24 taxable income subject to state income tax in the amount of \$4,099,929 to determine the

1 increase of \$409,583 in the state income tax as a result of the proposed revenue increase  
2 (\$4,099,929 x 0.0999 = \$409,583). The increase in the amount of \$409,583 in the state  
3 income tax has been carried forward to Exhibit No. FIV-17W, Page 3, Column 6.  
4

5 The proposed revenue increase subject to state income tax of \$4,099,929 is reduced  
6 further by the increase of \$409,583 in the state income tax to determine the proposed  
7 revenue increase in the amount of \$3,690,346 subject to Federal income tax (\$4,099,929 -  
8 \$409,583 = \$3,690,346). The presently effective Federal income tax rate of 21% is  
9 applied to the net increase in taxable income subject to Federal income tax to determine  
10 the increase in the amount of \$774,973 in the Federal income tax that results from the  
11 proposed revenue increase (\$3,690,346 x 0.21 = \$774,973), and this amount has been  
12 carried forward to Exhibit No. FIV-17W, Page 3, Column 6.  
13

14 Q. Explain Exhibit No. FIV-18W.

15 A. Exhibit No. FIV-18W provides an explanation of the debt interest expense utilized for the  
16 income tax calculation on projected income for the twelve months ending December 31,  
17 2022, and an explanation and the calculation of debt interest expense utilized for the  
18 income tax calculation on pro forma income for the twelve months ending December 31,  
19 2022.  
20

21 Debt interest expense utilized for the income tax calculation on projected and pro forma  
22 income for the twelve months ending December 31, 2022, is determined by reflecting the  
23 interest charges to ratepayers in the cost of capital determination (interest  
24 synchronization).

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The original cost measure of value as of December 31, 2022 (Refer to Exhibit No. FV-1W, page 2) of \$28,853,963 times the weighted debt cost rate of 1.77% (from Exhibit No. FVII) equals the interest expense utilized for income tax calculation on projected and pro forma income for the twelve months ending December 31, 2022, of \$510,280.

Debt interest expense on projected and pro forma income for the twelve months ending December 31, 2022, in the amount of \$510,280 has been carried forward to Exhibit Nos. FIV-17-2W and FIV-17-6W, which I explained previously.

Exhibit No. FIV-18W also provides an explanation of the debt interest expense utilized for the income tax calculation on projected income for the twelve months ending February 29, 2024, and an explanation and the calculation of debt interest expense utilized for the income tax calculation on pro forma income for the twelve months ending February 29, 2024.

Debt interest expense utilized for the income tax calculation on projected and pro forma income for the twelve months ending February 29, 2024, is determined by reflecting the interest charges to ratepayers in the cost of capital determination (interest synchronization).

The original cost measure of value as of February 29, 2024 (Refer to Exhibit No. FV-1W, page 3) of \$33,353,950 times the weighted debt cost rate of 1.77% (from Exhibit No.



1 FVII) equals the interest expense utilized for income tax calculation on projected and pro  
2 forma income for the twelve months ending February 29, 2024, of \$589,862.

3  
4 Debt interest expense on projected and pro forma income for the twelve months ending  
5 February 29, 2024, in the amount of \$589,862 has been carried forward to Exhibit Nos.  
6 FIV-17-7W and FIV-17-10W, which I explained previously.

7  
8 Q. Are you sponsoring any other exhibits?

9 A. No.

10  
11 Q. Does this conclude your future test year and fully projected future test year direct  
12 testimony at this time?

13 A. Yes.