

**Appendix K**

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

Operating Revenues	\$	12,698
Operating Expenses		
Operation and Maintenance		4,384
Depreciation and Amortization		4,527
General Taxes and Other		735
Total Operating Expenses		<u>9,646</u>
Operating income		3,052
Other Income/(Expenses)		
Other Income/(Expense), Net		
Interest Expense, Net		(6,077)
Total Other Expenses		<u>(6,077)</u>
Income Before Income Taxes		(3,025)
Provision for Income Taxes		(579)
Net Income	\$	<u><u>(2,446)</u></u>