



Teresa K. Harrold
Director, Corporate Counsel
852 Wesley Drive | Mechanicsburg, PA 17055
Phone: 717-550-1562 | Fax: 717-550-1255
teresa.harrold@amwater.com

VIA eFiling

September 28, 2023

Rosemary Chiavetta, Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

Re: Utility Code: 230073

Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a), for approval of the transfer, by sale, of substantially all of the Township of Farmington's assets, properties and rights related to its drinking water distribution and wastewater collection and treatment systems; and the right of Pennsylvania-American Water Company to begin to offer and furnish water service to the public in an additional portion and wastewater service to the public in a portion of the Township of Farmington, Clarion County, Pennsylvania

Docket No. A-2023-3042587 (Wastewater)

Dear Secretary Chiavetta:

On behalf of Pennsylvania-American Water Company, please find the attached Original Cost of Wastewater Utility Plant and Depreciation Reserve Calculations as of April 30, 2024, regarding the acquisition of the Farmington Township Wastewater System. This report was prepared by Sheffer Consulting LLC. This original cost study is based on data available as of August 4, 2023. A final cost study based on actual data will also be submitted after closing of the transaction.

If you have any questions, please contact me. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Teresa K. Harrold".

Teresa K. Harrold

Enclosures

cc: Bureau of Technical Utility Services w/Enc. (VIA Email)
Bureau of Audits w/Enc. (VIA Email)



***ACQUISITION OF THE
FARMINGTON TOWNSHIP WASTEWATER SYSTEM***

Original Cost of Wastewater Utility Plant and
Depreciation Reserve Calculations
As of April 30, 2024

FINAL DRAFT

David A. Sheffer

Sheffer Consulting LLC
223 Fox St.
Milton, DE 19968
www.ausinc.com

August 2023



DAVID A SHEFFER
223 Fox St.
Milton, DE 19968
717.497.6053 ▪ Mobile
717.763.9890
dshefferconsulting@gmail.com

August 4, 2023

Scott D. Fogelsanger
Director – Valuation Strategies
American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055-4475

RE: Acquisition of Farmington Township
Wastewater System

Dear Mr. Fogelsanger:

In accordance with your request, we have prepared a Depreciated Original Cost Study of the wastewater utility plant of the Farmington Township Wastewater System, (“Farmington”) as of April 30, 2024.

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

The original cost of the property of Farmington was determined from a detailed analysis of the books and records of the system and has been segregated as follows:

	Original <u>Cost</u>	Calculated <u>Reserve</u>
Depreciable Plant	\$5,698,512	\$ 1,689,290
Non-Depreciable Plant	21,666	
Total Utility Plant in Service	\$ 5,720,178	\$ 1,689,290
CIAC	\$ 1,970,206	\$ 766,018
Net Utility Plant in Service	\$ 3,749,972	\$ 923,272

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

Respectfully submitted,
AUS Consultants

By: DAVID A. SHEFFER

PENNSYLVANIA AMERICAN WATER COMPANY



Acquisition of The Farmington Township Wastewater System

Table of Contents

	Page
	<u>No.</u>
<u>SECTION 1</u>	
<u>EXECUTIVE SUMMARY</u>	
Background	1-1
Overview of the Farmington Township Wastewater Facilities	1-1
Overview of the Study Techniques	1-2
Explanation of the Study	1-3
Original Cost Analysis	1-4
Summary of Original Cost	1-5
Contributions In Aid of Construction	1-5
Customer Advances for Construction	1-6
Depreciation Reserve	1-6
<u>SECTION 2</u>	
<u>ORIGINAL COST</u>	
Summary of the Original Costs of Plant in Service at April 30, 2023	2-1
<u>Non-Depreciable Plant</u>	
353.00 Land and Land Rights	2-3

PENNSYLVANIA AMERICAN WATER COMPANY



Acquisition of The Farmington Township Wastewater System

Table of Contents

	Page
	<u>No.</u>
<u>Depreciable Plant</u>	
354.30 Structures and Improvements – Pump Station	2-4
354.40 Structures and Improvements-Treatment Plant	2-5
360.00 Collection Force Sewers	2-6
361.00 Collections Gravity Sewers	2-7
363.00 Service Connects	2-8
371.00 Pumping Equipment	2-9
380.00 Treatment Equipment	2-10
391.00 Transportation Equipment	2-11
393.00 Tools and Work Equipment	2-12
394.00 Communication Equipment	2-13
<u>CIAC</u>	
354.30 Structures and Improvements – Pump Stations	2-14
354.40 Structures and Improvements-Treatment Plant	2-15
361.00 Collection Gravity Sewers	2-16
363.00 Service Connects	2-17
371.00 Pumping Equipment	2-18
380.00 Treatment Equipment	2-19
393.00 Tools and Work Equipment	2-20

PENNSYLVANIA AMERICAN WATER COMPANY



Acquisition of The Farmington Township Wastewater System

Table of Contents

	Page
	<u>No.</u>
394.00 Laboratory Equipment	2-21
 <u>SECTION 3</u>	
<u>DEPRECIATED ORIGINAL COST</u>	
Summary of Original Cost, Calculated Depreciation Reserve and Depreciated Original Cost as of April 30, 2024	3-1
Plant in Service	3-3
CIAC	3-20
 <u>SECTION 4</u>	
Site Pictures	4-1

Section 1

FINAL DRAFT

PENNSYLVANIA AMERICAN WATER COMPANY



Acquisition of Farmington Township Wastewater System

Executive Summary

BACKGROUND

Farmington Township Wastewater System (“Farmington”) provides wastewater service to approximately five hundred customers located in Farmington Township, Clarion County, Pennsylvania, north of the Borough of Clarion. The system is currently comprised of residents along Route 36 and Route 66 corridors along with extensions on Chapel, Wolbert and Griebel Roads, Hollow Lane, Lencer and McCloskey and streets in the villages of Leeper and Tylersburg. The customer base of the system is mostly residential with a small number of non-residential customers.

The system is relatively new with construction beginning in 2002. It was constructed in three phases. The initial phase was constructed in 2002 with the following phases constructed in subsequent years.

On June 8, 2023, Pennsylvania American Water Company (PAWC) and Farmington Township, in Clarion County finalized the deal to sell the wastewater system assets to PAWC. The sale included all assets of the wastewater collection and treatment facilities and the various components of the wastewater system. Easements and land were also exchanged and are currently maintained.

OVERVIEW OF FARMINGTON TOWNSHIP WASTEWATER FACILITIES

The wastewater system assets acquired from Farmington Township are for the treatment of sewage. The system currently only serves customers located in Farmington Township. There are no other municipalities that contribute sewage to the system. The current service area includes customers along Route 36 and Route 66 with various extensions and streets in the villages of Leeper and Tylersburg. The collections system consists of approximately 35,046 feet 8-inch PVC gravity mains and approximately 102,000 feet of small diameter force mains. There are four lift stations in the collection system. Tylersburg (Sunny Dr.) – 240 gpm, Pflenders Campground – 100 gpm, Crown – 82 gpm and Beer Barn – 40 gpm.

The treatment plant is located in Tylersburg. The treatment plant is an extended aeration activated sludge. The average and peak flows for the plant are 0.1 MGD and 0.25 MGD. The system consists of headworks, two 70 gpm submersible pumps which pumps to the two activated sludge aeration tanks with bubble diffusers. Treated wastewater then flows by gravity to two secondary clarifiers of 10,000 gallons each. From there, the wastewater flows to a chlorine contact tank and on to a dichlorination tank. Prior to discharge the flow then finishes with a post aeration tank and polishing clarifier.

OVERVIEW OF THE STUDY TECHNIQUES

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

Second, the original cost of the inventoried property was determined based on a review of the system's construction records and other sources. In addition to adequate data, a system

description report was provided, and an inventory list were received in order to appropriately develop an accurate cost. The age of the plant was determined using information that was obtained from the provided records and information provided by Farmington personnel with knowledge of the system. Construction costs were developed utilizing Farmington construction records.

In addition, PAWC requested theoretical accrued depreciation calculations performed based upon the results of the original cost study to reflect the theoretical capital recovery of the plant in service as of April 30, 2024.

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

EXPLANATION OF THE STUDY

Utility Plant Inventory

A review of a provided inventory list, as constructed, of the system's assets was conducted. Subsequently, the inventory was updated to include the assets that were updated and replaced.

Mass Property

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

For Accounts 360 and 361 footage of pipe was determined by reviewing construction documents and schedules, as well as speaking with township personnel. This same procedure was utilized for services.

Non-Mass Property

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

Non-Depreciable Plant:

353.00 Land & Land Rights

Depreciable Plant:

- 354.30 Structures & Improvements – Pump Stations
- 354.40 Structures & Improvements – Treatment Plant
- 360.00 Collection Force Sewers
- 361.00 Collection Gravity Sewers
- 363.00 Services
- 371.00 Pumping Equipment
- 380.00 Treatment Equipment
- 391.00 Transportation Equipment
- 393.00 Tools and Work Equipment
- 394.00 Laboratory Equipment

ORIGINAL COST ANALYSIS

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

Account 360, Account 361, and Account 363

The original cost and footage of collection mains was determined from available source documents. A conversation with Farmington personnel revealed that the pipe footage listed on the supplied documentation is accurate. Unit costs were developed utilizing the detail construction schedules. The original cost values as of April 30, 2024, for the wastewater system Collection Force Sewers, Collection Gravity Sewers and Services is \$2,343,082, \$1,416,241 and \$286,835, respectively.

SUMMARY OF ORIGINAL COST

The results of the original cost study established that the original cost of the system's utility plant in service is not less than \$5,720,178, as summarized by plant account in Section 2 (Pg. 2-1).

CONTRIBUTIONS IN AID OF CONSTRUCTION

Sheffer Consulting LLC completed extensive research of records to determine if any contributions in aid of construction (CIAC) existed. The record research included all Farmington

documents that were available and discussed with Farmington personnel. Based on this record research, it was determined that Farmington received three USDA Grants in 2002, 2008 and 2009. The grants attributed to the water system total \$1,970,206.

CUSTOMER ADVANCES FOR CONSTRUCTION

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

DEPRECIATION RESERVE

Sheffer Consulting LLC, as requested, prepared a theoretical calculated depreciation reserve of the utility plant in service as of April 30, 2024. The calculated reserve net of CIAC accrued depreciation reserves amount to \$923,272 as of April 30, 2024. The calculations were based upon the Straight Line-Average Service Life Methodology utilizing appropriate service lives and mortality curves for the specific fixed capital assets by category and condition of the plant at the study date.

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

Section 2

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

<u>Acct. No.</u>	<u>Account Title</u>	<u>Original Cost</u>
<u>Non-Depreciable Plant</u>		
353.00	Land and Land Rights	\$ 21,665.74
	Total Non-Depreciable Plant	\$ 21,665.74
<u>Depreciable Plant</u>		
354.30	Structures & Improvements - Pump Stations	\$ 252,055.02
354.40	Structures & Improvements - Treatment Plant	536,915.81
360.00	<u>Collection Force Sewers</u>	
360.10	Mains	\$ 1,881,247.01
360.13	Air Release	116,953.09
360.14	Valve	31,453.58
360.15	Crossings	61,426.93
360.20	Clean Outs	252,001.42
	Total Account 360.00	\$ 2,343,082.03
361.00	<u>Collections Gravity Sewers</u>	
361.10	Mains	\$ 952,334.01
361.11	Concrete Encasement	10,691.19
361.12	Road Borings	105,926.52
361.20	Manholes	347,289.04
	Total Account 361	\$ 1,416,240.76
363.00	Service Connects	\$ 286,835.46
371.00	Pumping Equipment	248,618.98
380.00	Treatment Equipment	533,622.71
391.00	Transportation Equipment	36,879.00
393.00	Tools and Work Equipment	2,100.00
394.00	Laboratory Equipment	42,162.45
	Total Depreciable Plant	5,698,512.21
	Total Plant in Service	\$ 5,720,177.95

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

<u>Acct. No.</u>	<u>Account Title</u>	<u>Original Cost</u>
Contributions in Aid of Construction		
354.30	Structures & Improvements - Pump Stations	\$ 243,705.02
354.40	Structures & Improvements - Treatment Plant	\$ 522,134.78
361.00	<u>Collections Gravity Sewers</u>	
361.10	Mains	\$ 145,262.49
361.11	Concrete Encasement	1,717.94
361.12	Road Borings	17,021.05
361.20	Manholes	51,166.08
	Total Account 361	<u>\$ 215,167.56</u>
363.00	Service Connects	\$ 177,643.40
371.00	Pumping Equipment	248,618.98
380.00	Treatment Equipment	520,173.66
393.00	Tools and Work Equipment	600.00
394.00	Laboratory Equipment	42,162.45
	Total CIAC	<u>1,970,205.84</u>
	Total Plant Net of CIAC	<u><u>3,749,972.11</u></u>

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 353.00 - Land and Land Rights

Item	Year	-----Quantity-----		Original Cost
	Installed	Unit	No.	
Land and Land Rights	2004	Lot	\$	20,773.24
	2008	Lot		892.50
Total Account 353.00			<u>\$</u>	<u>21,665.74</u>

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 354.30 - Structures and Improvements - Pump Stations

Item	Year Installed	-----Quantity----- Unit No.	Original Cost
Structures and Improvements - Pump Stations			
Tylersburg (Sunny)	2002	Lot	\$ 33,157.94
Pflanders Campground	2002	Lot	\$ 23,213.86
	2008	Lot	22,005.05
	2016	Lot	8,350.00
Total Pflanders Campground			<hr/> \$ 53,568.91
Crown Rt.66	2008	Lot	\$ 86,520.54
Beer Barn	2008	Lot	\$ 78,807.63
Total Account 354.30			<hr/> <hr/> \$ 252,055.02

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 354.40 - Structures and Improvements - Treatment Plant

Item	Year Installed	-----Quantity----- Unit No.	Original Cost
Structures and Improvements - Treatment Plant			
Treatment Plant	2002	Lot	\$ 522,134.78
	2009	Lot	1,459.03
Furnace	2019	Lot	2,763.00
WWTP Lift Station	2022	Lot	10,559.00
Total Treatment Plant			<u><u>\$ 536,915.81</u></u>

Total Account 354.340

\$ 536,915.81

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 360.00 - Collection Force Sewer

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
360.10 Mains	2002	Ft	46,350.0	\$ 769,687.18
	2008	Ft	36,709.0	716,910.30
	2009	Ft	19,692.0	394,649.53
				<u>102,751.0</u>
360.13 Air Release	2002	Ea	29.0	\$ 99,573.34
	2008	Ea	5.0	12,142.21
	2009	Ea	1.0	5,237.54
				<u>35.0</u>
360.14 Valve	2008	Ea	30.0	13,197.04
	2009	Ea	22.0	18,256.54
				<u>52.0</u>
360.15 Crossings	2008	Ea	1,742.0	53,615.53
	2009	Ea	340.0	7,811.40
				<u>2,082.0</u>
360.20 Clean Outs	2002	Ea	41.0	84,089.11
	2008	Ea	32.0	86,805.39
	2009	Ea	26.0	81,106.92
				<u>73.0</u>
Total Account 360				<u><u>\$ 2,343,082.03</u></u>

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 361.00 - Collection Gravity Sewer

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
361.10 Mains	2002	Ft	34,135.0	\$ 904,007.10
	2008	Ft	911.0	48,326.91
			35,046.0	\$ 952,334.01
361.11 Concrete Encasements	2002	Ea	2.0	\$ 10,691.19
361.12 Road Borings	2002	Ea	3.0	\$ 105,926.52
361.20 Manholes	2002	Ea	196.0	\$ 318,420.05
	2008	Ea	5.0	13,266.49
	2013	Rehab		10,112.50
	2016	Rehab		1,895.00
	2018	Rehab		3,595.00
			201.0	\$ 347,289.04
 Total Account 361				 \$ 1,416,240.76

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 363.00 - Service Connects

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Services	2002	Ea	336.0	\$ 115,980.83
	2008	Ea	105.0	112,016.18
	2009	Ea	60.0	58,838.45
			501.0	\$ 286,835.46
Total Account 363				\$ 286,835.46

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 371.00 - Pumping Equipment

Item	Year Installed	-----Quantity----- Unit	----- No.	Original Cost
Pumping Equip Tylersburg (Sunny)	2002	Lot		\$ 33,157.94
Pflanders Campground	2002	Lot		28,127.84
	2008	Lot		22,005.04
				<u>50,132.88</u>
Crown Rt 66	2008	Lot		86,520.53
Beer Barn	2008	Lot		78,807.63
 Total Account 371				 <u><u>\$ 248,618.98</u></u>

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 380.00 - Treatment Plant

Item	Year Installed	-----Quantity----- Unit No.	Original Cost
Treatment Plant			
Treatment Plant	2002	Lot	\$ 520,173.67
	2009	Lot	7,949.04
Sludge Tank Paining	2011	Lot	5,500.00
			<hr/>
			\$ 533,622.71

FINAL DRAFT

Total Account 380.00

\$ 533,622.71

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 391.00 - Transportation Equipment

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Transportation Equip.				
Dodge Truck	2020	Ea	1	\$ 36,879.00
Total Account 39100				<u>\$ 36,879.00</u>

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 393.00 - Tools, Shop and Garage Equipment

Item	Year	-----Quantity-----		Original Cost
	Installed	Unit	No.	
Tools, Shop and Garage Equip.	2008	Lot		\$ 600.00
	2009	Lot		1,500.00

FINAL DRAFT

Total Account 393.00

\$ 2,100.00

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 394.00 - Laboratory Equipment

Item	Year Installed	Quantity ----- Unit	No.	Original Cost
Laboratory Equip.	2002	Lot		\$ 20,754.45
	2008	Lot		21,408.00

FINAL DRAFT

Total Account 394.00

\$ 42,162.45

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 354.30 - Structures and Improvements - Pump Stations
CIAC

Item	Year Installed	-----Quantity----- Unit No.	Original Cost
Structures and Improvements - Pump Stations			
Tylersburg (Sunny)	2002	Lot	\$ 33,157.94
Pflanders Campground	2002	Lot	\$ 23,213.86
	2008	Lot	22,005.05
Total Pflanders Campground			<u>\$ 45,218.91</u>
Crown Rt.66	2008	Lot	\$ 86,520.54
Beer Barn	2008	Lot	\$ 78,807.63
Total Account 354.30			<u><u>\$ 243,705.02</u></u>

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 354.40 - Structures and Improvements - Treatment Plant
CIAC

Item	Year Installed	Quantity Unit	No.	Original Cost
Structures and Improvements - Treatment Plant				
Treatment Plant	2002	Lot		\$ 522,134.78

FINAL DRAFT

Total Account 354.40

\$ 522,134.78

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 361.00 - Collection Gravity Sewer
CIAC

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
361.10 Mains	2002	Ft	5,486	\$ 145,262.49
361.11 Concrete Encasements	2002	Ea	-	\$ 1,717.94
361.12 Road Borings	2002	Ea	-	\$ 17,021.05
361.20 Manholes	2002	Ea	31	\$ 51,166.08
Total Account 361				<u>\$ 215,167.56</u>

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 363.00 - Services

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Services	2002	Ea	336.0	\$ 115,980.83
	2008	Ea	58.0	61,662.57
			394.0	\$ 177,643.40
Total Account 363				\$ 177,643.40

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 371.00 - Pumping Equipment

Item	Year Installed	-----Quantity----- Unit No.	Original Cost
Pumping Equip Tylersburg (Sunny)	2002	Lot	\$ 33,157.94
Pflanders Campground	2002	Lot	28,127.84
	2008	Lot	22,005.04
			<u>\$ 50,132.88</u>
Crown Rt 66	2008	Lot	86,520.53
Beer Barn	2008	Lot	78,807.63
 Total Account 371			 <u><u>\$ 248,618.98</u></u>

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 380.00 - Treatment Equipment

Item	Year Installed	-----Quantity----- Unit No.	Original Cost
Treatment Equipment Treatment Plant	2002	Lot	\$ 520,173.66
Total Account 380			<u>\$ 520,173.66</u>

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 393.00 - Tools, Shop and Garage Equipment
CIAC

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Tools, Shop and Garage Equip.	2008	Lot		\$ 600.00

FINAL DRAFT

Total Account 393.00

\$ 600.00

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Original Cost at April 30, 2024

Account 394.00 - Laboratory Equipment
CIAC

Item	Year Installed	-----Quantity----- Unit	No.	Original Cost
Laboratory Equip.	2002	Lot		\$ 20,754.45
	2008	Lot		21,408.00

FINAL DRAFT

Total Account 393.00

\$ 42,162.45

Section 3

FINAL DRAFT

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Summary of Original Cost, Calculated Depreciation Reserve
and Depreciated Original Cost as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

<u>Acct. No.</u>	<u>Account Title</u>	<u>Original Cost</u>	<u>ASL/Iowa Curve</u>	<u>Calculated Depreciation Reserve</u>	<u>Depreciated Original Cost 04/30/2024</u>
<u>Non-Depreciable Plant</u>					
353.00	Land and Land Rights	\$ 21,665.74			\$ 21,665.74
	Total Non-Depreciable Plant	\$ 21,665.74			\$ 21,665.74
<u>Depreciable Plant</u>					
354.30	Structures & Improvements - Pump Stations	\$ 252,055.02	55-S0	\$ 59,926.55	\$ 192,128.47
354.40	Structures & Improvements - Treatment Plant	\$ 536,915.81	55-S0	\$ 154,625.34	\$ 382,290.47
360.00	<u>Collection Force Sewers</u>				
360.10	Mains	\$ 1,881,247.01	75-R3	\$ 436,801.73	\$ 1,444,445.28
360.13	Air Release	116,953.09	75-R3	31,255.99	85,697.10
360.14	Valve	31,453.58	75-R3	6,196.33	25,257.25
360.15	Crossings	61,426.93	75-R3	12,452.19	48,974.74
360.20	Clean Outs	252,001.42	75-R3	56,737.29	195,264.13
	Total Account 360.00	\$ 2,343,082.03		\$ 543,443.53	\$ 1,799,638.50
361.00	<u>Collections Gravity Sewers</u>				
361.10	Mains	\$ 952,334.01	75-R3	\$ 262,001.86	\$ 690,332.15
361.11	Concrete Encasement	10,691.19	75-R3	2,981.77	7,709.42
361.12	Road Borings	105,926.52	75-R3	29,542.93	76,383.59
361.20	Manholes	347,289.04	75-R3	93,409.16	253,879.88
	Total Account 361	\$ 1,416,240.76		\$ 387,935.72	\$ 1,028,305.04
363.00	Service Connects	\$ 286,835.46	47-R3	\$ 103,783.61	\$ 183,051.85
371.00	Pumping Equipment	248,618.98	30-S0.5	107,424.47	141,194.51
380.00	Treatment Equipment	533,622.71	35-S1.5	278,329.29	255,293.42
391.00	Transportation Equipment	36,879.00	14-L4	10,097.43	26,781.57
393.00	Tools and Work Equipment	2,100.00	20-SQ	1,561.48	538.52
394.00	Laboratory Equipment	42,162.45	15-SQ	42,162.45	-
	Total Depreciable Plant	\$ 5,698,512.22		\$ 1,689,289.87	\$ 4,009,222.35
	Total Plant in Service	\$ 5,720,177.96		\$ 1,689,289.87	\$ 4,030,888.09

Pennsylvania American Water Company

Acquisition of the Farmington Township Wastewater System

Summary of Original Cost, Calculated Depreciation Reserve
and Depreciated Original Cost as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

<u>Acct. No.</u>	<u>Account Title</u>	<u>Original Cost</u>	<u>ASL/Iowa Curve</u>	<u>Calculated Depreciation Reserve</u>	<u>Depreciated Original Cost 04/30/2024</u>
<u>Contributions in Aid of Construction</u>					
354.30	Structures & Improvements - Pump Stations	\$ 243,705.02	55-S0	\$ 58,903.26	\$ 184,801.76
354.40	Structures & Improvements - Treatment Plant	522,134.78	55-S0	153,761.33	368,373.45
361.00	<u>Collections Gravity Sewers</u>				
361.10	Mains	\$ 145,262.49	75-R3	\$ 40,513.74	\$ 104,748.75
361.11	Concrete Encasement	1,717.94	75-R3	479.13	1,238.81
361.12	Road Borings	17,021.05	75-R3	4,747.17	12,273.88
361.20	Manholes	51,166.08	75-R3	14,270.23	36,895.85
	Total Account 361	\$ 215,167.56		\$ 60,010.27	\$ 155,157.29
363.00	Service Connects	\$ 177,643.40	47-R3	\$ 69,911.17	\$ 107,732.23
371.00	Pumping Equipment	248,618.98	30-S0.5	107,424.47	141,194.51
380.00	Treatment Equipment	520,173.66	35-S1.5	273,378.05	246,795.61
393.00	Tools and Work Equipment	600.00	20-SQ	467.21	132.79
394.00	Laboratory Equipment	42,162.45	15-SQ	42,162.45	-
	Total CIAC	\$ 1,970,205.85		\$ 766,018.21	\$ 1,204,187.64
	Total Plant Net of CIAC	\$ 3,749,972.11		\$ 923,271.66	\$ 2,826,700.45

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

354.30 Structures & Impr. - Pump Stations

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 55 Survivor Curve: S0

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	56,371.80	38.80	55.00	0.29449	16,601
2008	187,333.22	42.58	55.00	0.22581	42,303
2016	8,350.00	48.26	55.00	0.12255	1,023
<i>Total</i>	252,055.02				59,926.55

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

354.40 Structures & Impr. Treatment Plant

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 55 Survivor Curve: S0

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	522,134.78	38.80	55.00	0.29449	153,761
2009	1,459.03	43.25	55.00	0.21372	312
2019	2,763.00	50.65	55.00	0.07902	218
2022	10,559.00	53.26	55.00	0.03162	334
<i>Total</i>	536,915.81				154,625.34

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

360.10 Collection Force Sewers - Mains

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	769,687.18	54.08	75.00	0.27890	214,666
2008	716,910.30	59.68	75.00	0.20432	146,479
2009	394,649.53	60.62	75.00	0.19171	75,657
<i>Total</i>	1,881,247.01				436,801.73

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

360.13 Collection Force Sewers - Air Release

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	99,573.34	54.08	75.00	0.27890	27,771
2008	12,142.21	59.68	75.00	0.20432	2,481
2009	5,237.54	60.62	75.00	0.19171	1,004
<i>Total</i>	116,953.09				31,255.99

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

360.14 Collection Force Sewers - Valve

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	13,197.04	59.68	75.00	0.20432	2,696
2009	18,256.54	60.62	75.00	0.19171	3,500
<i>Total</i>	31,453.58				6,196.33

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

360.15 Collection Force Sewers - Crossings

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	53,615.53	59.68	75.00	0.20432	10,955
2009	7,811.40	60.62	75.00	0.19171	1,498
<i>Total</i>	61,426.93				12,452.19

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

360.20 Collection Force Sewers - Clean Outs

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	84,089.11	54.08	75.00	0.27890	23,452
2008	86,805.39	59.68	75.00	0.20432	17,736
2009	81,106.92	60.62	75.00	0.19171	15,549
Total	252,001.42				56,737.29

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

361.10 Collection Gravity Sewers - Mains

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	904,007.10	54.08	75.00	0.27890	252,128
2008	48,326.91	59.68	75.00	0.20432	9,874
<i>Total</i>	952,334.01				262,001.86

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater
361.11 Collection Gravity Sewers - Concrete Encastments

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	10,691.19	54.08	75.00	0.27890	2,982
Total	10,691.19				2,981.77

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

361.12 Collection Gravity Sewers - Road Borings

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	105,926.52	54.08	75.00	0.27890	29,543
<i>Total</i>	105,926.52				29,542.93

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

361.20 Collection Gravity Sewers - Manholes

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	318,420.05	54.08	75.00	0.27890	88,807
2008	13,266.49	59.68	75.00	0.20432	2,711
2013	10,112.50	64.44	75.00	0.14077	1,424
2016	1,895.00	67.34	75.00	0.10215	194
2018	3,595.00	69.28	75.00	0.07623	274
Total	347,289.04				93,409.16

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater
 363.00 Services Connects

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 47 Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	115,980.83	26.68	47.00	0.43233	50,142
2008	112,016.18	31.93	47.00	0.32060	35,912
2009	58,838.45	32.84	47.00	0.30132	17,729
Total	286,835.46				103,783.51

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater
371.00 Pumping Equipment

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	61,285.78	14.56	30.00	0.51470	31,544
2008	187,333.20	17.85	30.00	0.40506	75,880
Total	248,618.98				107,424.47

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater
380.00 Treatment Equipment

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 35 Survivor Curve: S1.5

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	520,173.67	16.61	35.00	0.52555	273,378
2009	7,949.04	21.46	35.00	0.38672	3,074
2011	5,500.00	23.05	35.00	0.34130	1,877
Total	533,622.71				278,329.29

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater
391.00 Transportation Equip

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 14 Survivor Curve: L4

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2020	36,879.00	10.17	14.00	0.27380	10,097
Total	36,879.00				10,097.43

FINAL DRAFT

Pennsylvania-American Water Co., Inc.

Farmington Twp. - Wastewater

393.00 Tools, Shop and Garage Equipment

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of April 30, 2024

Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 20 Survivor Curve: SQ

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	600.00	4.50	20.33	0.77869	467
2009	1,500.00	5.50	20.33	0.72951	1,094
<i>Total</i>	2,100.00				1,561.48

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater
 394.00 Laboratory Equip

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 15 Survivor Curve: SQ

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	20,754.45	0.00	0.00	1.00000	20,754
2008	21,408.00	0.00	0.00	1.00000	21,408
Total	42,162.45				42,162.45

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
354.30 Structures & Impr. - Pump Stations

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 55 Survivor Curve: S0

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	56,371.80	38.80	55.00	0.29449	16,601
2008	187,333.22	42.58	55.00	0.22581	42,303
Total	243,705.02				58,903.26

FINAL DRAFT

***Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
354.40 Structures & Impr. Treatment Plant***

***Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique***

Salvage Value: 0% Average Service Life: 55 Survivor Curve: S0

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	522,134.78	38.80	55.00	0.29449	153,761
<i>Total</i>	522,134.78				153,761.33

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
 361.10 Collection Gravity Sewers - Mains

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	145,262.49	54.08	75.00	0.27890	40,514
Total	145,262.49				40,513.74

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
361.11 Collection Gravity Sewers - Concrete Encastments

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	1,717.94	54.08	75.00	0.27890	479
Total	1,717.94				479.13

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
 361.12 Collection Gravity Sewers - Road Borings

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	17,021.05	54.08	75.00	0.27890	4,747
Total	17,021.05				4,747.17

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
 361.20 Collection Gravity Sewers - Manholes

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	51,166.08	54.08	75.00	0.27890	14,270
Total	51,166.08				14,270.23

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
 363.00 Services Connects

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 47 Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	115,980.83	26.68	47.00	0.43233	50,142
2008	61,662.57	31.93	47.00	0.32060	19,769
Total	177,643.40				69,911.17

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
371.00 Pumping Equipment

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

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

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
(1)	(2)	(3)	(4)	(5)	(6)
2002	61,285.78	14.56	30.00	0.51470	31,544
2008	187,333.20	17.85	30.00	0.40506	75,880
Total	248,618.98				107,424.47

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
380.00 Treatment Equipment

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 35 Survivor Curve: S1.5

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	520,173.66	16.61	35.00	0.52555	273,378
Total	520,173.66				273,378.05

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
393.00 Tools, Shop and Garage Equipment

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 20 Survivor Curve: SQ

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	600.00	4.50	20.33	0.77869	467
Total	600.00				467.21

FINAL DRAFT

Pennsylvania-American Water Co., Inc.
Farmington Twp. - Wastewater-CIAC
 394.00 Laboratory Equip

Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of April 30, 2024
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0% Average Service Life: 15 Survivor Curve: SQ

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	20,754.45	0.00	0.00	1.00000	20,754
2008	21,408.00	0.00	0.00	1.00000	21,408
Total	42,162.45				42,162.45

FINAL DRAFT

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a), for approval of (1) the transfer, by sale, of substantially all of the Township of Farmington’s assets, properties and rights related to its drinking water distribution system to Pennsylvania-American Water Company, (2) the transfer, by sale, of substantially all of the Township of Farmington’s assets, properties and rights related to its wastewater collection and treatment system to Pennsylvania-American Water Company; and (3) the right of Pennsylvania-American Water Company to begin to offer and furnish water service to the public in an additional portion and wastewater service to the public in a portion of the Township of Farmington, Clarion County, Pennsylvania

Docket No. A-2023-3042587

In re: Filing by Pennsylvania-American Water Company under Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507, of (i) the Asset Purchase Agreement By and Between Farmington Township, Clarion County and Pennsylvania-American Water Company

Docket No. U-2023-_____

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Original Cost of Wastewater Utility Plant and Depreciation Reserve Calculations regarding the Farmington Township Wastewater System, upon the persons and in the manner indicated below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

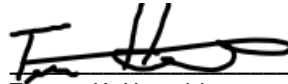
Service in the manner listed below addressed as follows:

David T. Evrard
Assistant Consumer Advocate
PA Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
*(via electronic mail – devrard@paoca.org
and ra-oca@paoca.org)*

Steven C. Gray
Senior Supervising
Assistant Small Business Advocate
PA Office of Small Business Advocate
555 Walnut Street, 1st Floor, Forum Place
Harrisburg, PA 17101
*(via electronic mail – sgray@pa.gov and
ra-sba@pa.gov)*

Richard A. Kanaskie
Director and Chief Prosecutor
PA Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor, West
Harrisburg, PA 17120
(via *electronic mail* – rkanaskie@pa.gov)

Dated: September 28, 2023



Teresa K. Harrold
Director, Corporate Counsel
Pennsylvania-American Water Company
852 Wesley Drive, Mechanicsburg, PA 17055
Office: 717.550.1562
Teresa.Harrold@amwater.com