



The York Water Company

March 28, 2025

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P O Box 3265
Harrisburg, PA 17105-3265

Re: Docket Number M-2025-3052807

Dear Secretary:

Enclosed is the York Water Company's Quarterly Earnings Report for the twelve months ended December 31, 2024. If you should have any questions, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Dan Coppersmith".

Dan Coppersmith
Finance Manager

Enclosure

cc: Office of Special Assistants
Bureau of Investigation and Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
Marc Hoffer
Michael W. Hassell, Esq.

THE YORK WATER COMPANY
Financial Report for Twelve Months
Ended December 31, 2024

	Actual per Books (1)	Intrastate Percent (2)	Intrastate per Books (3)	Pro Forma Intrastate Adjustments (a) (4)	Intrastate Pro Forma Results (5)
1 Original cost of plant	573,754,156		573,754,156	41,398,230	615,152,386
2 Less: Depreciation Res.	111,364,866		111,364,866	(8,046,787)	103,318,079
3 Net Plant	<u>462,389,290</u>		<u>462,389,290</u>	<u>49,445,017</u>	<u>511,834,307</u>
<u>Additions</u>					
4 Land/Plant held for future use	0		0	0	0
5 Materials and Supplies	3,413,499		3,413,499		3,413,499
6 Cash Working Capital (b)	2,678,411		2,678,411		2,678,411
7 Income Taxes on CAC & CIAC	1,157,922		1,157,922		1,157,922
8 Other	0		0		0
<u>Deductions</u>					
9 Accumulated Deferred Income Taxes					
10 Liberalized Depreciation	39,023,135		39,023,135	0	39,023,135
11 Investment Tax Credit	0		0		0
12 Other	0		0		0
13 Customer Deposits	0		0		0
14 Customer Advances	19,215,015		19,215,015		19,215,015
15 Contribution in Aid of Construction	43,064,337		43,064,337		43,064,337
16 Other	0		0		0
17 RATE BASE	368,336,635		368,336,635	49,445,017	417,781,652
18 <u>Operating Revenues</u>	67,541,585		67,541,585	(364,063)	67,177,522
<u>Operating Expenses</u>					
19 Operating & Maintenance Expense	26,405,093		26,405,093	458,482	26,863,575
20 Annual Depreciation	11,958,322		11,958,322	2,071,255	14,029,577
21 Taxes - Other than income	1,525,679		1,525,679	17,050	1,542,729
22 State Income - Current	62,597		62,597	(232,577)	(169,980)
23 Federal Income - Current	536,413		536,413	(562,437)	(26,024)
24 Deferred Income Taxes	98,032		98,032	0	98,032
25 Investment Tax Credit (net)	<u>(35,753)</u>		<u>(35,753)</u>		<u>(35,753)</u>
26 Total Operating Expenses	40,550,383		40,550,383	1,751,773	42,302,156
27 Income available for return	26,991,202		26,991,202	(2,115,836)	24,875,366
RATE OF RETURN - OVERALL	<u>7.3%</u>		<u>7.3%</u>		<u>6.0%</u>

(a) Schedule B and Schedule C
(b) As adjudicated in last rate case
or as currently calculated

THE YORK WATER COMPANY
Summary of Pro Forma Intrastate Adjustments

<u>Rate Base Adjustments</u>	<u>Rate Base</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Taxes</u>
Utility Plant Under Construction	41,398,230			
Eliminate FAS 143	10,118,042			
<u>Income Statement Adjustments</u>				
Operating Revenues		(364,063)		
Operating Expenses			458,482	
Depreciation	(2,071,255)		2,071,255	
Taxes - Other than Income			17,050	
State Income - Current				(232,577)
Federal Income - Current				(562,437)

THE YORK WATER COMPANY
Explanation of Adjustments

Rate Base Adjustments

Utility Plant Under Construction which is completed and in service and Utility Plant Under Construction which will be completed and in service as of December 31, 2025	41,398,230
Eliminate FAS 143	10,118,042

Income Statement Adjustments

Normalize Pension Cost	(111,209)
Revenue granted by Docket R-2022-3031340	0
Eliminate DSIC revenues	(359,980)
Eliminate STAS revenues	0
Eliminate unbilled revenues	(4,083)
Additional Depreciation on Utility Plant Under Construction which will be completed and in service as of December 31, 2025 (\$41,398,230 x 2.50%)	1,034,956
Normalize depreciation expense	1,036,299
Amortization of Acquisition expense granted by Docket R-2022-3031340	25,798
Amortization of Customer-owned lead service lines granted by Docket R-2022-3031340	0
Pro forma payroll adjustments	305,746
Vacation Accrual adjustment	(11,248)
Normalize Bad Debt Expense	(266,758)
Normalize Gasoline Expense	12,499
Normalize Chemical Expense	(74,606)
General Price Level Adjustment	354,929
Normalize Pension Fees	(1,785)
Normalize Health Insurance Expense	106,977
Rate Case Expense	0
Normalize Bank and Trustee Fee Expense	23,588
Normalize General Insurance Expense	94,551
Normalize Realty Tax Expense	17,050
State income tax on adjustments (7.99%)	(232,577)
Federal income tax on adjustments (21.00%)	(562,437)

Note: The 2.50% depreciation rate used hereon represents depreciation expense as a percent of utility plant excluding depreciation through clearing accounts, customers' advances and contributions in aid of construction calculated for the Company's annual report.

Explanation of Changes to Intrastate Allocation Factors (if applicable)

Not applicable

THE YORK WATER COMPANY
INTRASTATE PER BOOKS
 Calculation of Return on Common Equity for
 The 12 Months Ended December 31, 2024

	Capital Ratios (a)		Rate Base (b)		Totals		Weighted Cost Rate (c)		Total Rate Base Related Cost of Debt
	(1)	x	(2)	=	(3)	x	(4)	=	(5)
	Sch. E Col. 2		Sch. A Col. 3 Line 17				Sch. F Col. 7		
1 Debt	45.5				\$167,593,169		4.54%		\$7,608,730
2 Preferred									
3 Common Equity	54.5				\$200,743,466				
4 TOTAL	100.0		\$368,336,635		\$368,336,635				\$7,608,730

12 Months Ended

	Intrastate per Books (1)
5 Income Available for Return (from Sch. A. Col. 3 Line 27)	26,991,202
6 Less: Total Rate Base Related Cost of Debt (Col. 5, Line 4)	7,608,730
7 Income Available for Common Equity (Line 5 Less Line 6)	19,382,472
8 Debt Cost (Col. 5, Line 1)	7,608,730
9 Less: Interest Expense used to compute State and Federal Income Taxes	8,903,719
10 Difference (Line 8, Less Line 9)	(1,294,989)
11 Times: Effective State and Federal Income Taxes	0.2731
12 Net Addition or (Deduction) (Line 10 x Line 11)	(353,689)
13 Income Available for Common Equity, Including Income Tax Effect of Using Debt Cost (Line 7 + Line 12)	19,028,783
14 Return on Common Equity (Line 7 ÷ Line 3, Col. 3)	9.66%
15 Return on Common Equity Including Tax Effect of Using Debt Cost (Line 13 ÷ Line 3, Col. 3)	9.48%

THE YORK WATER COMPANY
INTRASTATE PER BOOKS
 Calculation of Return on Common Equity for
 The 12 Months Ended December 31, 2024

	Capital Ratios (a)		Rate Base (b)		Totals		Weighted Cost Rate (c)		Total Rate Base Related Cost of Debt
	(1)	x	(2)	=	(3)	x	(4)	=	(5)
	Sch. E Col. 2		Sch. A Col. 5 Line 17				Sch. F Col. 7		
1 Debt	45.5				\$190,090,652		4.54%		\$8,630,116
2 Preferred									
3 Common Equity	54.5				\$227,691,000				
4 TOTAL	100.0		\$417,781,652		\$417,781,652				\$8,630,116

12 Months Ended

	Intrastate Adjusted (1)
5 Income Available for Return (from Sch. A. Col. 5 Line 27)	24,875,366
6 Less: Total Rate Base Related Cost of Debt (Col. 5, Line 4)	8,630,116
7 Income Available for Common Equity (Line 5 Less Line 6)	16,245,251
8 Debt Cost (Col. 5, Line 1)	8,630,116
9 Less: Interest Expense used to compute State and Federal Income Taxes	8,903,719
10 Difference (Line 8, Less Line 9)	(273,603)
11 Times: Effective State and Federal Income Taxes	0.2731
12 Net Addition or (Deduction) (Line 10 x Line 11)	(74,727)
13 Income Available for Common Equity, Including Income Tax Effect of Using Debt Cost (Line 7 + Line 12)	16,170,524
14 Return on Common Equity (Line 7 ÷ Line 3, Col. 3)	7.13%
15 Return on Common Equity Including Tax Effect of Using Debt Cost (Line 13 ÷ Line 3, Col. 3)	7.10%

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Calculation of Capital Structure
and Related Ratios for the 12 Months
Ended December 31, 2024

	Total Company Actual Amount Outstanding	Ratios
	<u>(1)</u>	<u>(2)</u>
(1) Total Debt (Sch F., Col 4)	192,370,000	45.5
 <u>Common Equity</u>		
Common Stock	138,089,526	
Retained Earnings	92,560,586	
Total Common Equity	<u>230,650,112</u>	54.5
Total Capital	<u><u>423,020,112</u></u>	<u><u>100.0</u></u>

(1) Does not include committed line of credit borrowings of \$15,807,585 as of December 31, 2024.

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Cost of Debt as Adjusted for the 12 Months
 Ended December 31, 2024

Item/Description	Issue Date	Maturity Date	Interest Rate	Outstanding Balance	Effective Cost Rate	Percent to Total	Weighted Cost Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Var Rate PA Econ. Dev. Financing Authority Facilities Rev Bonds Series A	2008	2029	3.47%	12,000,000	3.88%	6.2%	0.24%
YCIDA Series 2015	2015	2029-2045	4.00% - 4.50%	10,000,000	4.70%	5.2%	0.24%
4.54% Senior Notes Series 2019	2019	2049	4.54%	20,000,000	4.59%	10.4%	0.48%
3.23% Senior Notes Series 2019	2019	2040	3.23%	15,000,000	3.50%	7.8%	0.27%
3.00% PEDFA Series A Bonds	2019	2036	3.00%	10,500,000	3.35%	5.5%	0.18%
3.10% PEDFA Series B Bonds	2019	2038	3.10%	14,870,000	3.59%	7.7%	0.28%
3.24% Senior Notes Series 2050	2020	2050	3.24%	30,000,000	3.27%	15.6%	0.51%
5.50% Senior Notes Series 2053	2023	2053	5.50%	40,000,000	5.53%	20.8%	1.15%
5.67% Senior Notes Series 2054	2024	2054	5.67%	<u>40,000,000</u>	5.70%	20.8%	1.19%
				<u><u>192,370,000</u></u>		<u><u>100.0%</u></u>	<u><u>4.54%</u></u>