



May 30, 2025

**Matt Homsher, Secretary**  
***Pennsylvania Public Utility Commission***  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor – 1 North  
PO Box 3265  
Harrisburg, PA 17120

**SUBJECT: Veolia Water Pennsylvania, Inc. Financial Report**  
**Docket Number M-2025-3052807**

Dear Secretary Homsher,

Enclosed please find the Financial Report of Veolia Water Pennsylvania Inc. for the twelve months ended March 31, 2025. In accordance with the Commission letter dated February 4, 2000, this report has been sent via e-mail to Marc Hoffer, Bureau of Technical Utility Services.

Please contact me via email at [lela.buzaladze@veolia.com](mailto:lela.buzaladze@veolia.com) for any questions or further information relating to the filing.

Best regards,

A handwritten signature in black ink, appearing to read 'L. Buzaladze', with a long, sweeping flourish extending to the right.

Lela Buzaladze  
Senior Regulatory Specialist

Enclosures

cc: Bureau of Investigation and Enforcement  
Office of Small Business Advocate  
Office of Special Assistants  
Office of Consumer Advocate  
Marc Hoffer, via email  
Larry Finnicum  
Michael Watkin  
Maryanne Hatch  
David Njuguna  
Lela Buzaladze

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**Veolia Water Pennsylvania**  
**FINANCIAL REPORT**  
**For the Twelve Months Ended 03/31/2025**  
(Thousands of Dollars)

	Actual per Books (1)	Intrastate Percent (2)	Intrastate per books (3)	Adjustments [a] (4)	Adjusted Results (5)
(1) Original Cost of Plant In Service	542,214	1.0000	\$542,214	\$33,998	\$576,212
(2) Less: Depreciation Reserve	119,938	1.0000	119,938		119,938
(3) Net Plant in Service	422,276		422,276	33,998	456,274
<u>Additions:</u>					
(4) Land/Plant Held for Future Use	53	1.0000	53		53
(5) Materials & Supplies & Fuel Stocks	1,583	1.0000	1,583		1,583
(6) Cash Working Capital [b]	790	1.0000	790		790
(7) Other-Acquisition adjustments	113	1.0000	113		113
(8) Regulatory Assets	0	1.0000	0		0
<u>Deductions:</u>					
(9) Accumulated Deferred Income Taxes	0	1.0000	0		0
(10) Liberalized Depreciation	14,367	1.0000	14,367		14,367
(11) Investment Tax Credit	0	1.0000	(0)		(0)
(12) Other	0	1.0000	0		0
(13) Customer Deposits	21	1.0000	21		21
(14) Customer Advances	43,181	1.0000	43,181		43,181
(15) Contributions in Aid of Construction	33,401	1.0000	33,401		33,401
(16) Other	0	1.0000	0		0
(17) TCJA	9,664	1.0000	9,664		9,664
(18) <b>RATE BASE</b>	<b>\$324,181</b>		<b>\$324,181</b>	<b>\$33,998</b>	<b>\$358,180</b>
(19) Operating Revenues	65,042	1.0000	65,042	0	65,042
<u>Operating Expenses</u>					
(20) Operation & Maintenance	26,748	1.0000	26,748	(531)	26,217
(21) Annual Depreciation	10,634	1.0000	10,634	1,818	12,452
(22) Taxes - Other than Income	1,300	1.0000	1,300		1,300
(23) State Income Tax - Current	1,048	1.0000	1,048	336	1,383
(24) Federal Income Tax - Current	2,718	1.0000	2,718	616	3,334
(25) Deferred Income Taxes	1,321	1.0000	1,321	(1,321)	0
(26) Investment Tax Credit (Net)	(0)	1.0000	(0)	0	0
(27) Total Operating Expenses	43,768		43,768	918	44,686
(28) <b>INCOME AVAILABLE FOR RETURN</b>	<b>\$21,273</b>		<b>\$21,273</b>	<b>(\$918)</b>	<b>\$20,355</b>
<b>RATE OF RETURN - OVERALL</b>	<b>6.56%</b>		<b>6.56%</b>		<b>5.68%</b>

[a] Schedule B and Schedule C

[b] as updated in the following rate cases: R-2024-3045192-Water R-2024-3045193 WW

**Veolia Water Pennsylvania**  
**SUMMARY OF PRO FORMA INTRASTATE ADJUSTMENTS**  
**For the Twelve Months Ended 03/31/2025**  

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**(Thousands of Dollars)**

	<u>Rate Base Adjustments</u>	<u>Rate Base</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Taxes*</u>
(1)					
(2)					
(3)					
<u>Income Statement Adjustments</u>					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
Totals		<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Veolia Water Pennsylvania  
EXPLANATION OF ADJUSTMENTS  
For the Twelve Months Ended 03/31/2025**

(Thousands of Dollars)

Rate Base Adjustments

(1)	Utility Plant in Service	33,998
	Total Rate Base Adjustments	33,998

Income Statement Adjustments

(1)	State Tax Adjustment	0
(2)	Labor annualized	(692)
(3)	M&S Shared Assets	103
(4)	Bad Dbt-Provsn-Cust Acct Uncol	58
(5)	Depreciation Expense Annualization	1,818
(6)	State and Federal Income Tax Normalization	(369)
	Total Income Statement Adjustments	918

Explanation of Changes to Intrastate Allocation Factors (if applicable)

Note:(1) Includes CWIP at 3/31/2025 plus additional UPIS at 6/30/2025

**Veolia Water Pennsylvania  
Intrastate Per Books  
Calculation of Return on Common Equity  
For the Twelve Months Ended 03/31/2025**

(Thousands of Dollars)

	Capital Ratios (a) (1)	x	Rate Base (b) (2)	=	Totals (3)	x	Embedded Cost Rates(c) (4)	=	Total Rate Base Related Cost of Debt and Preferred & Preference (5)
	(a) Sch. E Col. 2		(b) Sch. A. Col. 3 Line 16				(c) Sch. F Col. 7		
1) Debt	49.63%		\$324,181		\$160,903		4.58%		\$7,374
2) Preferred	0.00%		\$324,181		0		0.00%		0
3) Common Equity	<u>50.37%</u>		\$324,181		<u>163,278</u>				
4) Total	<u>100.00%</u>				<u>\$324,181</u>				<u>\$7,374</u>

For the Twelve Months Ended 03/31/2025

	Intrastate Per Books
5) Income Available for Return (from Sch. A, Col. 3, Line 26)	\$21,273
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>\$7,374</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$13,899</u>
8) Debt Cost (Col 5., Line 1)	\$7,374
9) Less: Interest Expense used to compute State and Federal Income Taxes	<u>7,374</u>
10) Difference (Line 8 Less Line 9)	0
11) Times: Composite State and Federal Income Tax Rate	<u>27.31%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>\$0</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$13,899</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	<u>8.51%</u>
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	<u>8.51%</u>

**Veolia Water Pennsylvania  
Intrastate Pro Forma Results  
Calculation of Return on Common Equity  
For the Twelve Months Ended 03/31/2025**

(Thousands of Dollars)

	Capital Ratios(a) (1)		Rate Base(b) (2)		Totals (3)		Embedded Cost Rates(c) (4)		Total Rate Base Related Cost of Debt and Preferred & Preference (5)
	(a) Sch. E Col. 2	x	(b) Sch. A. Col. 5 Line 16	=		x	(c) Sch. F Col. 7	=	
1) Debt	49.63%		\$358,180		\$177,778		4.58%		\$8,147
2) Preferred	0.00%		\$358,180		0		0.00%		0
3) Common Equity	<u>50.37%</u>		\$358,180		<u>180,402</u>				<u>0</u>
4) Total	<u>100.00%</u>				<u>\$358,180</u>				<u>\$8,147</u>

For the Twelve Months Ended 03/31/2025

	Intrastate Adjusted
5) Income Available for Return (from Sch. A, Col. 5, Line 26)	\$20,355
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>\$8,147</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$12,208</u>
8) Debt Cost (Col 5., Line 1)	\$8,147
9) Less: Interest Expense used to compute State and Federal Income Taxes	<u>8,147</u>
10) Difference (Line 8 Less Line 9)	0
11) Times: Composite State and Federal Income Tax Rate	<u>27.31%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>\$0</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$12,208</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	<u>6.77%</u>
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	<u>6.77%</u>

SCHEDULE E

**Veolia Water Pennsylvania  
Calculation of Capital Structure and Related Ratios  
For the Twelve Months Ended 03/31/2025**

(Thousands of Dollars)

	Total Company Actual Amount Outstanding (1)	Ratios (2)
Total Debt (Sch. F., Col. 4)	\$1,805,000	49.63%
Total Preferred & Preference Stock Stock (Sch. F., Co.. 4)		0.00%
<u>Common Equity</u>		
Common Stock	558,044	
Premium on Common Stock		
Capital Surplus		
Capital Stock	34,894	
Retained Earnings	1,238,708	
Other		
Total Common Equity	1,831,646	50.37%
Total Capital	\$3,636,646	100.00%

**SCHEDULE F**

**Veolia Water Pennsylvania  
Cost of Debt and Preferred Stock as Adjusted  
For the Twelve Months Ended 03/31/2025**

(Thousands of Dollars)

Item/Description	Issue Date (1)	Maturity Date (2)	Interest Rate (3)	Outstanding Balance (4)	Effective Cost Rate (5)	Percent to Total (6)	Weighted Cost Rate (7)
Long Term Debt			(See Appendix A)	\$ 1,805,000	4.58%	49.63%	2.27%
Short Term Debt (If Applicable)							
Total				1,805,000	4.58%	49.63%	2.27%
Preferred Stock				0		0.00%	0.00%
Total				0	0.00%	0.00%	0.00%

**Veolia Water Pennsylvania**  
Summary of Returns  
For the Twelve Months Ended 03/31/2025

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Overall Return Actual (Schedule A)	Overall Return Adjusted (Schedule A)	Equity Return Actual (Schedule D-1)	Equity Return Adjusted (Schedule D-2)
6.56%	5.68%	8.51%	6.77%

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