

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR
TWELVE MONTHS ENDING
FEBRUARY 28, 2027, DECEMBER 31, 2025 AND ENDED DECEMBER 31, 2024

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 28, 2027 AND DECEMBER 31, 2025 AND ENDED DECEMBER 31, 2024

	February 28, 2027 (1)	Twelve Months Ended December 31, 2025 (2)	December 31, 2024 (3)
SOURCE OF SUPPLY EXPENSES			
Salaries and Wages-Operations	148,062	133,530	129,772
Salaries and Wages-Vacation	152,808	137,811	133,528
Salaries and Wages-Maintenance	166,522	150,178	141,084
Salaries and Wages-Reservoir Maintenance	-	-	-
Salaries and Wages-Structure PS Maintenance	99,921	90,114	76,608
Salaries and Wages-Equipment PS Maintenance	180,995	163,231	146,015
Purchased Water for Resale	-	-	-
Electric Expense-Operations	1,150,568	1,150,568	790,156
Fuel	39,704	39,704	25,184
Operations-Materials and Supplies	29,179	29,179	29,179
Operations-Computer Expenses	422	422	422
Operations-Outside Services	3,020	3,020	3,020
Water Preservation Expense-Operations	1,500	1,500	1,500
Operations-Miscellaneous Expense	13,510	13,510	13,510
Operations-Registration for Industry Meetings	28	28	28
Operations-Communications	35,802	35,802	35,802
Operations-Office Expense and Utilities	38,363	38,363	35,743
Operations-Uniforms	5,698	5,698	5,698
Operations-Travel	-	-	-
Operations-Meals	189	189	189
Operations-Lodging	-	-	-
Operations-Registration for Educational Seminars	1,370	1,370	1,370
Maintenance-Materials and Supplies	21,016	19,928	19,877
Maintenance-Materials and Supplies-Reservoirs	2,080	1,972	1,967
Maintenance-Materials and Supplies-Structures	18,993	18,009	17,963
Maintenance-Materials and Supplies-Equipment	36,360	34,477	34,389
Maintenance-Outside Services-Reservoirs	62,974	59,712	59,560
Maintenance-Outside Services-Structures	65,751	62,345	62,187
Maintenance-Outside Services-Equipment	105,199	99,749	99,496
Maintenance-Equipment Rental	3,702	3,510	3,501
Maintenance-Transportation Expense	65,100	65,100	61,556
Total Source of Supply Expenses	2,448,835	2,359,017	1,929,304

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS
ENDING FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND ENDED DECEMBER 31, 2024

	February 28, 2027 (1)	Twelve Months Ended December 31, 2025 (2)	December 31, 2024 (3)
WATER TREATMENT EXPENSES			
Salaries and Wages- Operations	1,339,043	1,207,619	1,086,740
Salaries and Wages- Vacation	196,441	177,161	162,227
Salaries and Wages- Maintenance	-	-	-
Salaries and Wages- Maintenance of Treatment Structures	133,346	120,259	96,485
Salaries and Wages- Maintenance of Treatment Equipment	143,568	129,478	108,064
Chemicals	1,661,328	1,661,328	1,790,404
Operations-Electric	84,844	84,844	65,457
Operations-Materials and Supplies	241,911	241,911	241,911
Operations-Computer Exp	5,570	5,570	5,570
Operations-Engineering Services	-	-	-
Operations-Testing Services	55,499	55,499	55,499
Operations-Lead Testing Services	-	-	-
Operations-Outside Services	405,649	405,649	405,649
Operations-Transportation Expense	51,450	51,450	48,649
Miscellaneous Expenses-Operations	4,440	4,440	4,440
Operations-Registration for Industry Meetings	150	150	150
Operations-Communications	37,784	37,784	37,784
Operations-Office Expense and Utilities	61,680	61,680	51,723
Operations-Uniforms	469	469	469
Operations-Mailing	752	752	752
Operations-Travel	175	175	175
Operations-Meals	180	180	180
Operations-Lodging	-	-	-
Operations-Registration for Educational Seminars	1,584	1,584	1,584
Maintenance-Materials and Supplies	104	98	98
Maintenance-Materials and Supplies-Structures	21,948	20,811	20,758
Maintenance-Materials and Supplies-Equipment	64,417	61,080	60,925
Maintenance-Outside Services-Structures	192,336	182,532	178,996
Maintenance-Outside Services-Equipment	128,428	121,775	121,466
Maintenance-Equip Rental	2,538	2,406	2,400
Maintenance-Transportation Expense	82,949	82,949	78,434
Total Water Treatment Expenses	4,918,581	4,719,631	4,626,989

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS
ENDING FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND ENDED DECEMBER 31, 2024

	February 28, 2027 (1)	Twelve Months Ended December 31, 2025 (2)	December 31, 2024 (3)
TRANSMISSION AND DISTRIBUTION EXPENSES			
Salaries and Wages- Operations	1,514,816	1,366,141	1,252,237
Salaries and Wages- Operation of Services	303,432	273,651	254,984
Salaries and Wages- Operation of Meters	178,190	160,701	160,715
Salaries and Wages- Operation of Hydrants	-	-	-
Salaries and Wages- Vacation	682,697	615,692	537,824
Salaries and Wages- Maintenance	235,695	212,562	198,117
Salaries and Wages- Maintenance of Distribution Structures	51,073	46,060	43,719
Salaries and Wages- Maintenance of Distribution Equipment	287,226	259,035	227,824
Salaries and Wages- Maintenance of Services	166,849	150,474	119,198
Salaries and Wages- Maintenance of Distribution Mains	359,055	323,815	317,699
Salaries and Wages- Maintenance of Meters	41,956	37,838	25,344
Salaries and Wages- Maintenance of Hydrants	112,296	101,274	91,194
Operations-Electric	952,234	952,234	559,160
Operations-Materials and Supplies	120,992	120,992	120,992
Operations-Materials and Supplies-Services	23,773	23,773	23,773
Operations-Materials and Supplies-Meters	19,665	19,665	19,665
Operations-Materials and Supplies-Hydrants	-	-	-
Operations-Computer Exp	13,992	13,992	13,992
Operations-Outside Services	10,019	10,019	10,019
Operations-Outside Services-Services	-	-	-
Operations-Outside Services-Meters	-	-	-
Operations-Outside Services-Hydrants	-	-	-
Operations-Transportation Expense	141,826	141,826	134,168
Operations-Transportation Expense-Services	116,549	116,549	110,205
Operations-Transportation Expense-Meters	37,800	37,800	35,742
Operations-Miscellaneous Expense	4,145	4,145	4,145
Operations-Registration for Industry Meetings	600	600	600
Operations-Communications	79,474	79,474	79,474
Operations-Office Expense and Utilities	25,888	25,888	24,287
Operations-Uniforms	16,636	16,636	16,636
Operations-Mailing	4,180	4,180	4,180
Operations-Subscriptions	(29)	(29)	(29)

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS
ENDING FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND ENDED DECEMBER 31, 2024

	Twelve Months Ended		
	February 28, 2027 (1)	December 31, 2025 (2)	December 31, 2024 (3)
Operations-Travel	521	521	521
Operations-Meals	8,697	8,697	8,697
Operations-Lodging	1,775	1,775	1,775
Operations-Registration for Educational Seminars	10,259	10,259	10,259
Maintenance-Materials and Supplies - General	22,400	21,240	21,186
Maintenance-Materials and Supplies - Structures	20,390	19,334	19,285
Maintenance-Materials and Supplies - Equipment	43,380	41,132	41,028
Maintenance-Materials and Supplies-Services	46,174	43,782	43,671
Maintenance-Materials and Supplies-Distribution Mains	211,613	200,651	200,142
Maintenance-Materials and Supplies-Meters	17,778	16,857	16,814
Maintenance-Materials and Supplies-Hydrants	35,879	34,020	33,934
Maintenance-Outside Services-Structures	207,295	196,557	196,058
Maintenance-Outside Services-Equipment	86,292	81,822	81,614
Maintenance-Outside Services-Services	1,160,516	1,093,263	1,227,905
Maintenance-Outside Services-Distribution Mains	1,497,988	1,420,390	1,416,785
Maintenance-Outside Services-Meters	1,168	1,108	1,105
Maintenance-Outside Services-Hydrants	46,870	44,442	44,329
Maintenance-Equipment Rental-Structures	-	-	-
Maintenance-Equipment Rental-Equipment	2,526	2,395	2,389
Maintenance-Equipment Rental-Services	161	152	152
Maintenance-Equipment Rental-Distribution Mains	-	-	-
Maintenance-Transportation Expense	26,250	26,250	24,821
Maintenance-Transportation Expense-Structures	22,050	22,050	20,850
Maintenance-Transportation Expense-Dist Equipment	55,649	55,649	52,620
Maintenance-Transportation Expense-Services	24,150	24,150	22,835
Maintenance-Transportation Expense-Distribution Mains	112,350	112,350	106,234
Maintenance-Transportation Expense-Meters	3,150	3,150	2,979
Maintenance-Transportation Expense-Hydrants	41,255	41,255	38,721
Maintenance-Mailing	4,140	4,140	4,140
Total Transmission and Distribution Expenses	9,211,705	8,642,378	8,026,713

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS
ENDING FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND ENDED DECEMBER 31, 2024

	February 28, 2027 (1)	Twelve Months Ended December 31, 2025 (2)	December 31, 2024 (3)
CUSTOMER ACCOUNTS EXPENSES			
Salaries and Wages-Operations	991,911	894,557	841,725
Salaries and Wages-PUC Collections	79,996	72,145	50,810
Salaries and Wages -Vacation	199,009	179,476	158,164
Operations-Materials and Supplies	4,055	4,055	4,055
Operations-Materials and Supplies-Equipment	-	-	-
Operations-Computer Exp	-	-	-
Operations-Outside Services	280,434	280,434	279,634
Operations-Outside Services-Equipment	2,054	1,948	1,943
Operations-Transportation Expense	114,144	114,144	108,219
Operations-Miscellaneous Expense	(16)	(16)	(16)
Operations-Registration for Industry Meetings	1,390	1,390	1,390
Operations-Communications	14,378	14,378	14,378
Operations-Trustee and Bank Fees	510,126	510,126	509,164
Operations-Uniforms	1,377	1,377	1,377
Operations-Mailing	435,856	435,856	435,856
Operations-Travel	636	636	636
Operations-Meals	536	536	536
Operations-Lodging	854	854	854
Operations-Registration for Educational Seminars	-	-	-
Total Customer Accounts Expenses	2,636,739	2,511,896	2,408,725

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS
ENDING FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND ENDED DECEMBER 31, 2024

	February 28, 2027 (1)	Twelve Months Ended December 31, 2025 (2)	December 31, 2024 (3)
ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and Wages-Operations	2,042,511	1,842,043	1,632,092
Salaries and Wages-Operations-Vacation	393,062	354,484	325,771
Salaries and Wages-Operations-Officers	563,343	508,053	447,542
Salaries and Wages-Maintenance-Office Structures	31,852	28,726	40,113
Salaries and Wages-Maintenance-Office Equipment	3,679	3,318	1,126
Employee Benefits-401k Match	429,730	429,730	429,730
Employee Benefits-Pension Administration	234,534	231,163	231,711
Employee Benefits-401k Administration	-	-	-
Employee Benefits-Health Insurance	2,374,697	2,249,128	1,599,876
Employee Benefits-Other Employee Benefits	226,490	226,490	219,040
Contractual Services-Auditing	260,558	248,358	232,297
Contractual Services-Tax	21,100	20,050	17,895
Contractual Services-Other Accounting	49,476	49,476	49,476
Contractual Services-Legal	240,327	240,327	366,311
Contractual Services-Outside Services	1,062,988	1,062,988	416,499
Insurance-Automobile	73,350	73,350	73,350
Insurance-General Liability	215,953	196,321	179,122
Insurance-General Liability-D&O	336,088	286,750	286,750
Insurance-General Liability-Excess Liability	276,532	197,110	165,754
Insurance-Workers Compensation	193,136	175,559	169,452
Insurance-Other	469,754	428,737	400,077
Rate Case Expense	236,188	236,188	99,224
Bad Debt Expense	443,390	439,449	1,071,758
Corporate Expense	286,866	286,866	286,866
Operations-Electric	22,520	22,520	14,734
Operations-Materials and Supplies	27,739	27,739	27,739
Operations-Computer Exp	263,518	263,518	261,414
Operations-Transportation Expense	65,100	65,100	61,556
Operations-Miscellaneous Expense	180	180	180
Operations-Injuries and Damages	108,234	108,234	108,234
Operations-Allocation to Wastewater	(862,142)	(774,776)	(782,717)
Operations-Memberships	82,688	82,688	82,688

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMPARATIVE STATEMENT OF OPERATING EXPENSES FOR TWELVE MONTHS
ENDING FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND ENDED DECEMBER 31, 2024

	February 28, 2027 (1)	Twelve Months Ended December 31, 2025 (2)	December 31, 2024 (3)
Operations-AWWA Research Foundation	19,038	19,038	19,038
Operations-Registration for Industry Meetings	2,345	2,345	2,345
Operations-Communications	38,274	38,274	38,274
Operations-Bank Fees	164,535	164,535	93,184
Operations-Trustee Fees	214,297	214,297	195,765
Operations-Bond and Corporate Rating Fees	94,000	94,000	93,000
Operations-Office Expense and Utilities	46,831	46,831	42,645
Operations-Directors Fees	650,316	564,500	480,807
Operations-Mailing	24,925	24,925	24,925
Operations-Subscriptions	5,171	5,171	5,171
Operations-Travel	7,674	7,674	7,674
Operations-Meals	9,155	9,155	9,155
Operations-Lodging	5,643	5,643	5,643
Operations-Registration for Educational Seminars	2,900	2,900	2,900
Maintenance-Materials and Supplies-Structures	14,697	13,935	13,900
Maintenance-Materials and Supplies-Equipment	659	625	623
Maintenance-Outside Services-Structures	56,338	53,420	53,284
Maintenance-Outside Services-Equipment	336,496	319,065	318,255
Miscellaneous Expenses-Maintenance-Equipment Rental	-	-	-
Administrative and General Expenses Capitalized	(669,575)	(597,869)	(620,092)
FAS 87 Pension Expense	635,000	111,209	111,209
Total Administrative and General Expenses	11,832,157	10,709,537	9,413,365
Amortization of Utility Plant Acquisition Adjustments	(23,331)	(23,331)	-
Increased Costs Resulting From Load Growth	130,031	68,351	-
General Price Level Adjustment	-	-	-
Total Operating Expenses	31,154,718	28,987,478	26,405,096

THE YORK WATER COMPANY

DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PRO FORMA OPERATING EXPENSES FOR
TWELVE MONTHS ENDING FEBRUARY 28, 2027
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, 2025 AND FEBRUARY 28, 2027

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

	Pro Forma Twelve Months Ended December 31, 2024 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates			Pro Forma Twelve Months Ending December 31, 2025 (7)
				Projected Twelve Months Ending December 31, 2025 (4)	Exhibit Reference (5)	Adjustment (6)	
SOURCE OF SUPPLY EXPENSES							
Salaries and Wages-Operations	128,668	FIII-2-1	4,863	133,530	FIII-2-15	12,600	146,131
Salaries and Wages-Vacation	132,792	FIII-2-1	5,018	137,811	FIII-2-15	13,004	150,815
Salaries and Wages-Maintenance	144,709	FIII-2-1	5,469	150,178	FIII-2-15	14,171	164,349
Salaries and Wages-Reservoir Maintenance	-	FIII-2-1	-	-	FIII-2-15	-	-
Salaries and Wages-Structure PS Maintenance	86,833	FIII-2-1	3,282	90,114	FIII-2-15	8,503	98,618
Salaries and Wages-Equipment PS Maintenance	157,287	FIII-2-1	5,944	163,231	FIII-2-15	15,403	178,634
Purchased Water for Resale	-			-			-
Electric Expense-Operations	1,150,568			1,150,568			1,150,568
Fuel	39,704			39,704			39,704
Operations-Materials and Supplies	29,179			29,179			29,179
Operations-Computer Expenses	422			422			422
Operations-Outside Services	3,020			3,020			3,020
Water Preservation Expense-Operations	1,500			1,500			1,500
Operations-Miscellaneous Expense	13,510			13,510			13,510
Operations-Registration for Industry Meetings	28			28			28
Operations-Communications	35,802			35,802			35,802
Operations-Office Expense and Utilities	38,363			38,363			38,363
Operations-Uniforms	5,698			5,698			5,698
Operations-Travel	-			-			-
Operations-Meals	189			189			189
Operations-Lodging	-			-			-
Operations-Registration for Educational Seminars	1,370			1,370			1,370
Maintenance-Materials and Supplies	19,877	FIII-2-12	51	19,928			19,928
Maintenance-Materials and Supplies-Reservoirs	1,967	FIII-2-12	5	1,972			1,972
Maintenance-Materials and Supplies-Structures	17,963	FIII-2-12	46	18,009			18,009
Maintenance-Materials and Supplies-Equipment	34,389	FIII-2-12	88	34,477			34,477
Maintenance-Outside Services-Reservoirs	59,560	FIII-2-12	152	59,712			59,712
Maintenance-Outside Services-Structures	62,187	FIII-2-12	158	62,345			62,345
Maintenance-Outside Services-Equipment	99,496	FIII-2-12	253	99,749			99,749
Maintenance-Equipment Rental	3,501	FIII-2-12	9	3,510			3,510
Maintenance-Transportation Expense	65,100			65,100			65,100
Total Source of Supply Expenses	2,333,681		25,336	2,359,017		63,682	2,422,699

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, 2025 AND FEBRUARY 28, 2027

Exhibit No.FIII-2
Page 3 of 22
Witness: M E Poff

	Pro Forma Twelve Months Ended December 31, 2024 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates			Pro Forma Twelve Months Ending December 31, 2025 (7)
				Projected Twelve Months Ending December 31, 2025 (4)	Exhibit Reference (5)	Adjustment (6)	
WATER TREATMENT EXPENSES							
Salaries and Wages- Operations	1,163,643	FIII-2-1	43,976	1,207,619	FIII-2-15	113,954	1,321,573
Salaries and Wages- Vacation	170,709	FIII-2-1	6,451	177,161	FIII-2-15	16,717	193,878
Salaries and Wages- Maintenance	-	FIII-2-1	-	-	FIII-2-15	-	-
Salaries and Wages- Maintenance of Treatment Structures	115,879	FIII-2-1	4,379	120,259	FIII-2-15	11,348	131,607
Salaries and Wages- Maintenance of Treatment Equipment	124,763	FIII-2-1	4,715	129,478	FIII-2-15	12,218	141,695
Chemicals	1,661,328			1,661,328			1,661,328
Operations-Electric	84,844			84,844			84,844
Operations-Materials and Supplies	241,911			241,911			241,911
Operations-Computer Exp	5,570			5,570			5,570
Operations-Engineering Services	-			-			-
Operations-Testing Services	55,499			55,499			55,499
Operations-Lead Testing Services	-			-			-
Operations-Outside Services	405,649			405,649			405,649
Operations-Transportation Expense	51,450			51,450			51,450
Miscellaneous Expenses-Operations	4,440			4,440			4,440
Operations-Registration for Industry Meetings	150			150			150
Operations-Communications	37,784			37,784			37,784
Operations-Office Expense and Utilities	61,680			61,680			61,680
Operations-Uniforms	469			469			469
Operations-Mailing	752			752			752
Operations-Travel	175			175			175
Operations-Meals	180			180			180
Operations-Lodging	-			-			-
Operations-Registration for Educational Seminars	1,584			1,584			1,584
Maintenance-Materials and Supplies	98	FIII-2-12	0	98			98
Maintenance-Materials and Supplies-Structures	20,758	FIII-2-12	53	20,811			20,811
Maintenance-Materials and Supplies-Equipment	60,925	FIII-2-12	155	61,080			61,080
Maintenance-Outside Services-Structures	182,077	FIII-2-12	455	182,532			182,532
Maintenance-Outside Services-Equipment	121,466	FIII-2-12	309	121,775			121,775
Maintenance-Equip Rental	2,400	FIII-2-12	6	2,406			2,406
Maintenance-Transportation Expense	82,949			82,949			82,949
Total Water Treatment Expenses	4,659,131		60,500	4,719,631		154,238	4,873,869

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, 2025 AND FEBRUARY 28, 2027

Exhibit No.FIII-2
Page 4 of 22
Witness: M E Poff

	Pro Forma Twelve Months Ended December 31, 2024 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates			Pro Forma Twelve Months Ending December 31, 2025 (7)
				Projected Twelve Months Ending December 31, 2025 (4)	Exhibit Reference (5)	Adjustment (6)	
TRANSMISSION AND DISTRIBUTION EXPENSES							
Salaries and Wages- Operations	1,316,393	FIII-2-1	49,748	1,366,141	FIII-2-15	128,913	1,495,054
Salaries and Wages- Operation of Services	263,686	FIII-2-1	9,965	273,651	FIII-2-15	25,822	299,473
Salaries and Wages- Operation of Meters	154,849	FIII-2-1	5,852	160,701	FIII-2-15	15,164	175,866
Salaries and Wages- Operation of Hydrants	-	FIII-2-1	-	-	FIII-2-15	-	-
Salaries and Wages- Vacation	593,272	FIII-2-1	22,420	615,692	FIII-2-15	58,098	673,791
Salaries and Wages- Maintenance	204,822	FIII-2-1	7,740	212,562	FIII-2-15	20,058	232,620
Salaries and Wages- Maintenance of Distribution Structures	44,383	FIII-2-1	1,677	46,060	FIII-2-15	4,346	50,406
Salaries and Wages- Maintenance of Distribution Equipment	249,603	FIII-2-1	9,433	259,035	FIII-2-15	24,443	283,479
Salaries and Wages- Maintenance of Services	144,994	FIII-2-1	5,480	150,474	FIII-2-15	14,199	164,673
Salaries and Wages- Maintenance of Distribution Mains	312,023	FIII-2-1	11,792	323,815	FIII-2-15	30,556	354,371
Salaries and Wages- Maintenance of Meters	36,460	FIII-2-1	1,378	37,838	FIII-2-15	3,570	41,408
Salaries and Wages- Maintenance of Hydrants	97,586	FIII-2-1	3,688	101,274	FIII-2-15	9,557	110,830
Operations-Electric	952,234			952,234			952,234
Operations-Materials and Supplies	120,992			120,992			120,992
Operations-Materials and Supplies-Services	23,773			23,773			23,773
Operations-Materials and Supplies-Meters	19,665			19,665			19,665
Operations-Materials and Supplies-Hydrants	-			-			-
Operations-Computer Exp	13,992			13,992			13,992
Operations-Outside Services	10,019			10,019			10,019
Operations-Outside Services-Services	-			-			-
Operations-Outside Services-Meters	-			-			-
Operations-Outside Services-Hydrants	-			-			-
Operations-Transportation Expense	141,826			141,826			141,826
Operations-Transportation Expense-Services	116,549			116,549			116,549
Operations-Transportation Expense-Meters	37,800			37,800			37,800
Operations-Miscellaneous Expense	4,145			4,145			4,145
Operations-Registration for Industry Meetings	600			600			600
Operations-Communications	79,474			79,474			79,474
Operations-Office Expense and Utilities	25,888			25,888			25,888
Operations-Uniforms	16,636			16,636			16,636
Operations-Mailing	4,180			4,180			4,180

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	Pro Forma Twelve Months Ended December 31, 2024 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates		Pro Forma Twelve Months Ending December 31, 2025 (7)
				Projected Twelve Months Ending December 31, 2025 (4)	Exhibit Reference (5)	
Operations-Subscriptions	(29)			(29)		(29)
Operations-Travel	521			521		521
Operations-Meals	8,697			8,697		8,697
Operations-Lodging	1,775			1,775		1,775
Operations-Registration for Educational Seminars	10,259			10,259		10,259
Maintenance-Materials and Supplies - General	21,186	FIII-2-12	54	21,240		21,240
Maintenance-Materials and Supplies - Structures	19,285	FIII-2-12	49	19,334		19,334
Maintenance-Materials and Supplies - Equipment	41,028	FIII-2-12	104	41,132		41,132
Maintenance-Materials and Supplies-Services	43,671	FIII-2-12	111	43,782		43,782
Maintenance-Materials and Supplies-Distribution Mains	200,142	FIII-2-12	509	200,651		200,651
Maintenance-Materials and Supplies-Meters	16,814	FIII-2-12	43	16,857		16,857
Maintenance-Materials and Supplies-Hydrants	33,934	FIII-2-12	86	34,020		34,020
Maintenance-Outside Services-Structures	196,058	FIII-2-12	499	196,557		196,557
Maintenance-Outside Services-Equipment	81,614	FIII-2-12	208	81,822		81,822
Maintenance-Outside Services-Services	1,090,138	FIII-2-12	3,124	1,093,263		1,093,263
Maintenance-Outside Services-Distribution Mains	1,416,785	FIII-2-12	3,605	1,420,390		1,420,390
Maintenance-Outside Services-Meters	1,105	FIII-2-12	3	1,108		1,108
Maintenance-Outside Services-Hydrants	44,329	FIII-2-12	113	44,442		44,442
Maintenance-Equipment Rental-Structures	-			-		-
Maintenance-Equipment Rental-Equipment	2,389	FIII-2-12	6	2,395		2,395
Maintenance-Equipment Rental-Services	152	FIII-2-12	0	152		152
Maintenance-Equipment Rental-Distribution Mains	-			-		-
Maintenance-Transportation Expense	26,250			26,250		26,250
Maintenance-Transportation Expense-Structures	22,050			22,050		22,050
Maintenance-Transportation Expense-Dist Equipment	55,649			55,649		55,649
Maintenance-Transportation Expense-Services	24,150			24,150		24,150
Maintenance-Transportation Expense-Distribution Mains	112,350			112,350		112,350
Maintenance-Transportation Expense-Meters	3,150			3,150		3,150
Maintenance-Transportation Expense-Hydrants	41,255			41,255		41,255
Maintenance-Mailing	4,140			4,140		4,140
Total Transmission and Distribution Expenses	8,504,690		137,688	8,642,378		334,728 8,977,106

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	Pro Forma Twelve Months Ended December 31, 2024 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates		Pro Forma Twelve Months Ending December 31, 2025 (7)
				Projected Twelve Months Ending December 31, 2025 (4)	Exhibit Reference Adjustment (5) (6)	
CUSTOMER ACCOUNTS EXPENSES						
Salaries and Wages-Operations	861,982	FIII-2-1	32,575	894,557	FIII-2-15	978,970
Salaries and Wages-PUC Collections	69,518	FIII-2-1	2,627	72,145	FIII-2-15	78,952
Salaries and Wages -Vacation	172,941	FIII-2-1	6,536	179,476	FIII-2-15	196,412
Operations-Materials and Supplies	4,055			4,055		4,055
Operations-Materials and Supplies-Equipment	-			-		-
Operations-Computer Exp	-			-		-
Operations-Outside Services	280,434			280,434		280,434
Operations-Outside Services-Equipment	1,943	FIII-2-12	5	1,948		1,948
Operations-Transportation Expense	114,144			114,144		114,144
Operations-Miscellaneous Expense	(16)			(16)		(16)
Operations-Registration for Industry Meetings	1,390			1,390		1,390
Operations-Communications	14,378			14,378		14,378
Operations-Trustee and Bank Fees	510,126			510,126		510,126
Operations-Uniforms	1,377			1,377		1,377
Operations-Mailing	435,856			435,856		435,856
Operations-Travel	636			636		636
Operations-Meals	536			536		536
Operations-Lodging	854			854		854
Operations-Registration for Educational Seminars	-			-		-
Total Customer Accounts Expenses	2,470,153		41,743	2,511,896		2,620,052

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	Pro Forma Twelve Months Ended December 31, 2024 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Projected Twelve Months Ending December 31, 2025 (4)	Under Existing Rates Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending December 31, 2025 (7)
ADMINISTRATIVE AND GENERAL EXPENSES							
Salaries and Wages-Operations	1,774,965	FIII-2-1	67,078	1,842,043	FIII-2-15	173,820	2,015,864
Salaries and Wages-Operations-Vacation	341,576	FIII-2-1	12,909	354,484	FIII-2-15	33,450	387,934
Salaries and Wages-Operations-Officers	489,552	FIII-2-1	18,501	508,053	FIII-2-15	47,941	555,994
Salaries and Wages-Maintenance-Office Structures	27,680	FIII-2-1	1,046	28,726	FIII-2-15	2,711	31,436
Salaries and Wages-Maintenance-Office Equipment	3,197	FIII-2-1	121	3,318	FIII-2-15	313	3,631
Employee Benefits-401k Match	429,730			429,730			429,730
Employee Benefits-Pension Administration	230,072	FIII-2-2	1,092	231,163	FIII-2-16	1,092	232,255
Employee Benefits-401k Administration	-			-			-
Employee Benefits-Health Insurance	2,011,113	FIII-2-3	238,015	2,249,128			2,249,128
Employee Benefits-Other Employee Benefits	226,490			226,490			226,490
Contractual Services-Auditing	235,755	FIII-2-4	12,603	248,358			248,358
Contractual Services-Internal Control	-			-			-
Contractual Services-Tax	17,895	FIII-2-4	2,155	20,050			20,050
Contractual Services-Other Accounting	49,476			49,476			49,476
Contractual Services-Legal	240,327			240,327			240,327
Contractual Services-Outside Services	1,062,988			1,062,988			1,062,988
Insurance-Automobile	73,350			73,350			73,350
Insurance-General Liability	179,122	FIII-2-5	17,199	196,321			196,321
Insurance-General Liability-D&O	286,750	FIII-2-5	-	286,750			286,750
Insurance-General Liability-Excess Liability	165,754	FIII-2-5	31,356	197,110			197,110
Insurance-Workers Compensation	169,143	FIII-2-6	6,416	175,559	FIII-2-17	14,668	190,227
Insurance-Other	400,077	FIII-2-5	28,660	428,737			428,737
Rate Case Expense	236,188			236,188			236,188
Bad Debt Expense	439,347	FIII-2-7	103	439,449	FIII-2-18	2,847	442,297
Corporate Expense	286,866			286,866			286,866
Operations-Electric	22,520			22,520			22,520
Operations-Materials and Supplies	27,739			27,739			27,739
Operations-Computer Exp	263,518			263,518			263,518
Operations-Transportation Expense	65,100			65,100			65,100
Operations-Miscellaneous Expense	180			180			180
Operations-Injuries and Damages	108,234			108,234			108,234
Operations-Allocation to Wastewater	(782,717)	FIII-2-8	7,941	(774,776)	FIII-2-19	(28,975)	(803,751)
Operations-Memberships	82,688			82,688			82,688

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	Pro Forma Twelve Months Ended December 31, 2024 (Refer to Exh No. HIII-2) (1)	Exhibit Reference (2)	Adjustment (3)	Under Existing Rates		Pro Forma Twelve Months Ending December 31, 2025 (7)
				Projected Twelve Months Ending December 31, 2025 (4)	Exhibit Reference Adjustment (5) (6)	
Operations-AWWA Research Foundation	19,038			19,038		19,038
Operations-Registration for Industry Meetings	2,345			2,345		2,345
Operations-Communications	38,274			38,274		38,274
Operations-Bank Fees	164,535			164,535		164,535
Operations-Trustee Fees	214,297			214,297		214,297
Operations-Bond and Corporate Rating Fees	94,000			94,000		94,000
Operations-Office Expense and Utilities	46,831			46,831		46,831
Operations-Directors Fees	482,159	FIII-2-9	82,341	564,500	FIII-2-20 18,489	582,988
Operations-Mailing	24,925			24,925		24,925
Operations-Subscriptions	5,171			5,171		5,171
Operations-Travel	7,674			7,674		7,674
Operations-Meals	9,155			9,155		9,155
Operations-Lodging	5,643			5,643		5,643
Operations-Registration for Educational Seminars	2,900			2,900		2,900
Maintenance-Materials and Supplies-Structures	13,900	FIII-2-12	35	13,935		13,935
Maintenance-Materials and Supplies-Equipment	623	FIII-2-12	2	625		625
Maintenance-Outside Services-Structures	53,284	FIII-2-12	136	53,420		53,420
Maintenance-Outside Services-Equipment	318,255	FIII-2-12	810	319,065		319,065
Miscellaneous Expenses-Maintenance-Equipment Rental	-			-		-
Administrative and General Expenses Capitalized	(572,161)	FIII-2-10	(25,708)	(597,869)	FIII-2-21 (18,776)	(616,645)
FAS 87 Pension Expense	111,209			111,209		111,209
Total Administrative and General Expenses	10,206,729		502,808	10,709,537	247,580	10,957,117
Amortization of Utility Plant Acquisition Adjustments	(23,331)			(23,331)		(23,331)
Increased Costs Resulting From Load Growth	54,876	FIII-2-11	13,474	68,351	FIII-2-22 36,665	105,016
General Price Level Adjustment	-			-		-
Total Operating Expenses	28,205,929		781,549	28,987,478	945,049	29,932,527

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	Pro Forma Twelve Months Ending December 31, 2025 (1)	Under Existing Rates		Projected Twelve Months Ending February 28, 2027 (4)
		Exhibit Reference (2)	Adjustment (3)	
SOURCE OF SUPPLY EXPENSES				
Salaries and Wages-Operations	146,131	FIII-2-25	1,932	148,062
Salaries and Wages-Vacation	150,815	FIII-2-25	1,994	152,808
Salaries and Wages-Maintenance	164,349	FIII-2-25	2,172	166,522
Salaries and Wages-Reservoir Maintenance	-	FIII-2-25	-	-
Salaries and Wages-Structure PS Maintenance	98,618	FIII-2-25	1,304	99,921
Salaries and Wages-Equipment PS Maintenance	178,634	FIII-2-25	2,361	180,995
Purchased Water for Resale	-			-
Electric Expense-Operations	1,150,568			1,150,568
Fuel	39,704			39,704
Operations-Materials and Supplies	29,179			29,179
Operations-Computer Expenses	422			422
Operations-Outside Services	3,020			3,020
Water Preservation Expense-Operations	1,500			1,500
Operations-Miscellaneous Expense	13,510			13,510
Operations-Registration for Industry Meetings	28			28
Operations-Communications	35,802			35,802
Operations-Office Expense and Utilities	38,363			38,363
Operations-Uniforms	5,698			5,698
Operations-Travel	-			-
Operations-Meals	189			189
Operations-Lodging	-			-
Operations-Registration for Educational Seminars	1,370			1,370
Maintenance-Materials and Supplies	19,928	FIII-2-37	1,089	21,016
Maintenance-Materials and Supplies-Reservoirs	1,972	FIII-2-37	108	2,080
Maintenance-Materials and Supplies-Structures	18,009	FIII-2-37	984	18,993
Maintenance-Materials and Supplies-Equipment	34,477	FIII-2-37	1,884	36,360
Maintenance-Outside Services-Reservoirs	59,712	FIII-2-37	3,262	62,974
Maintenance-Outside Services-Structures	62,345	FIII-2-37	3,406	65,751
Maintenance-Outside Services-Equipment	99,749	FIII-2-37	5,449	105,199
Maintenance-Equipment Rental	3,510	FIII-2-37	192	3,702
Maintenance-Transportation Expense	65,100			65,100
Total Source of Supply Expenses	2,422,699		26,136	2,448,835

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	Pro Forma Twelve Months Ending December 31, 2025 (1)	Under Existing Rates		Projected Twelve Months Ending February 28, 2027 (4)
		Exhibit Reference (2)	Adjustment (3)	
WATER TREATMENT EXPENSES				
Salaries and Wages- Operations	1,321,573	FIII-2-25	17,470	1,339,043
Salaries and Wages- Vacation	193,878	FIII-2-25	2,563	196,441
Salaries and Wages- Maintenance	-	FIII-2-25	-	-
Salaries and Wages- Maintenance of Treatment Structures	131,607	FIII-2-25	1,740	133,346
Salaries and Wages- Maintenance of Treatment Equipment	141,695	FIII-2-25	1,873	143,568
Chemicals	1,661,328			1,661,328
Operations-Electric	84,844			84,844
Operations-Materials and Supplies	241,911			241,911
Operations-Computer Exp	5,570			5,570
Operations-Engineering Services	-			-
Operations-Testing Services	55,499			55,499
Operations-Lead Testing Services	-			-
Operations-Outside Services	405,649			405,649
Operations-Transportation Expense	51,450			51,450
Miscellaneous Expenses-Operations	4,440			4,440
Operations-Registration for Industry Meetings	150			150
Operations-Communications	37,784			37,784
Operations-Office Expense and Utilities	61,680			61,680
Operations-Uniforms	469			469
Operations-Mailing	752			752
Operations-Travel	175			175
Operations-Meals	180			180
Operations-Lodging	-			-
Operations-Registration for Educational Seminars	1,584			1,584
Maintenance-Materials and Supplies	98	FIII-2-37	5	104
Maintenance-Materials and Supplies-Structures	20,811	FIII-2-37	1,137	21,948
Maintenance-Materials and Supplies-Equipment	61,080	FIII-2-37	3,337	64,417
Maintenance-Outside Services-Structures	182,532	FIII-2-37	9,804	192,336
Maintenance-Outside Services-Equipment	121,775	FIII-2-37	6,653	128,428
Maintenance-Equip Rental	2,406	FIII-2-37	131	2,538
Maintenance-Transportation Expense	82,949			82,949
Total Water Treatment Expenses	4,873,869		44,712	4,918,581

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	Pro Forma Twelve Months Ending December 31, 2025 (1)	Under Existing Rates		Projected Twelve Months Ending February 28, 2027 (4)
		Exhibit Reference (2)	Adjustment (3)	
TRANSMISSION AND DISTRIBUTION EXPENSES				
Salaries and Wages- Operations	1,495,054	FIII-2-25	19,763	1,514,816
Salaries and Wages- Operation of Services	299,473	FIII-2-25	3,959	303,432
Salaries and Wages- Operation of Meters	175,866	FIII-2-25	2,325	178,190
Salaries and Wages- Operation of Hydrants	-	FIII-2-25	-	-
Salaries and Wages- Vacation	673,791	FIII-2-25	8,907	682,697
Salaries and Wages- Maintenance	232,620	FIII-2-25	3,075	235,695
Salaries and Wages- Maintenance of Distribution Structures	50,406	FIII-2-25	666	51,073
Salaries and Wages- Maintenance of Distribution Equipment	283,479	FIII-2-25	3,747	287,226
Salaries and Wages- Maintenance of Services	164,673	FIII-2-25	2,177	166,849
Salaries and Wages- Maintenance of Distribution Mains	354,371	FIII-2-25	4,684	359,055
Salaries and Wages- Maintenance of Meters	41,408	FIII-2-25	547	41,956
Salaries and Wages- Maintenance of Hydrants	110,830	FIII-2-25	1,465	112,296
Operations-Electric	952,234			952,234
Operations-Materials and Supplies	120,992			120,992
Operations-Materials and Supplies-Services	23,773			23,773
Operations-Materials and Supplies-Meters	19,665			19,665
Operations-Materials and Supplies-Hydrants	-			-
Operations-Computer Exp	13,992			13,992
Operations-Outside Services	10,019			10,019
Operations-Outside Services-Services	-			-
Operations-Outside Services-Meters	-			-
Operations-Outside Services-Hydrants	-			-
Operations-Transportation Expense	141,826			141,826
Operations-Transportation Expense-Services	116,549			116,549
Operations-Transportation Expense-Meters	37,800			37,800
Operations-Miscellaneous Expense	4,145			4,145
Operations-Registration for Industry Meetings	600			600
Operations-Communications	79,474			79,474
Operations-Office Expense and Utilities	25,888			25,888
Operations-Uniforms	16,636			16,636
Operations-Mailing	4,180			4,180
Operations-Subscriptions	(29)			(29)
Operations-Travel	521			521

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	Pro Forma Twelve Months Ending December 31, 2025 (1)	Under Existing Rates		Projected Twelve Months Ending February 28, 2027 (4)
		Exhibit Reference (2)	Adjustment (3)	
Operations-Meals	8,697			8,697
Operations-Lodging	1,775			1,775
Operations-Registration for Educational Seminars	10,259			10,259
Maintenance-Materials and Supplies - General	21,240	FIII-2-37	1,160	22,400
Maintenance-Materials and Supplies - Structures	19,334	FIII-2-37	1,056	20,390
Maintenance-Materials and Supplies - Equipment	41,132	FIII-2-37	2,247	43,380
Maintenance-Materials and Supplies-Services	43,782	FIII-2-37	2,392	46,174
Maintenance-Materials and Supplies-Distribution Mains	200,651	FIII-2-37	10,962	211,613
Maintenance-Materials and Supplies-Meters	16,857	FIII-2-37	921	17,778
Maintenance-Materials and Supplies-Hydrants	34,020	FIII-2-37	1,859	35,879
Maintenance-Outside Services-Structures	196,557	FIII-2-37	10,738	207,295
Maintenance-Outside Services-Equipment	81,822	FIII-2-37	4,470	86,292
Maintenance-Outside Services-Services	1,093,263	FIII-2-37	67,253	1,160,516
Maintenance-Outside Services-Distribution Mains	1,420,390	FIII-2-37	77,598	1,497,988
Maintenance-Outside Services-Meters	1,108	FIII-2-37	61	1,168
Maintenance-Outside Services-Hydrants	44,442	FIII-2-37	2,428	46,870
Maintenance-Equipment Rental-Structures	-			-
Maintenance-Equipment Rental-Equipment	2,395	FIII-2-37	131	2,526
Maintenance-Equipment Rental-Services	152	FIII-2-37	8	161
Maintenance-Equipment Rental-Distribution Mains	-			-
Maintenance-Transportation Expense	26,250			26,250
Maintenance-Transportation Expense-Structures	22,050			22,050
Maintenance-Transportation Expense-Dist Equipment	55,649			55,649
Maintenance-Transportation Expense-Services	24,150			24,150
Maintenance-Transportation Expense-Distribution Mains	112,350			112,350
Maintenance-Transportation Expense-Meters	3,150			3,150
Maintenance-Transportation Expense-Hydrants	41,255			41,255
Maintenance-Mailing	4,140			4,140
Total Transmission and Distribution Expenses	8,977,106		234,599	9,211,705

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	Pro Forma Twelve Months Ending December 31, 2025 (1)	Under Existing Rates		Projected Twelve Months Ending February 28, 2027 (4)
		Exhibit Reference (2)	Adjustment (3)	
CUSTOMER ACCOUNTS EXPENSES				
Salaries and Wages-Operations	978,970	FIII-2-25	12,941	991,911
Salaries and Wages-PUC Collections	78,952	FIII-2-25	1,044	79,996
Salaries and Wages -Vacation	196,412	FIII-2-25	2,596	199,009
Operations-Materials and Supplies	4,055			4,055
Operations-Materials and Supplies-Equipment	-			-
Operations-Computer Exp	-			-
Operations-Outside Services	280,434			280,434
Operations-Outside Services-Equipment	1,948	FIII-2-37	106	2,054
Operations-Transportation Expense	114,144			114,144
Operations-Miscellaneous Expense	(16)			(16)
Operations-Registration for Industry Meetings	1,390			1,390
Operations-Communications	14,378			14,378
Operations-Trustee and Bank Fees	510,126			510,126
Operations-Uniforms	1,377			1,377
Operations-Mailing	435,856			435,856
Operations-Travel	636			636
Operations-Meals	536			536
Operations-Lodging	854			854
Operations-Registration for Educational Seminars	-			-
Total Customer Accounts Expenses	2,620,052		16,687	2,636,739

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	Pro Forma Twelve Months Ending December 31, 2025 (1)	Under Existing Rates		Projected Twelve Months Ending February 28, 2027 (4)
		Exhibit Reference (2)	Adjustment (3)	
ADMINISTRATIVE AND GENERAL EXPENSES				
Salaries and Wages-Operations	2,015,864	FIII-2-25	26,647	2,042,511
Salaries and Wages-Operations-Vacation	387,934	FIII-2-25	5,128	393,062
Salaries and Wages-Operations-Officers	555,994	FIII-2-25	7,350	563,343
Salaries and Wages-Maintenance-Office Structures	31,436	FIII-2-25	416	31,852
Salaries and Wages-Maintenance-Office Equipment	3,631	FIII-2-25	48	3,679
Employee Benefits-401k Match	429,730			429,730
Employee Benefits-Pension Administration	232,255	FIII-2-26	2,279	234,534
Employee Benefits-401k Administration	-			-
Employee Benefits-Health Insurance	2,249,128	FIII-2-27	125,570	2,374,697
Employee Benefits-Other Employee Benefits	226,490			226,490
Contractual Services-Auditing	248,358	FIII-2-28	12,200	260,558
Contractual Services-Internal Control	-			-
Contractual Services-Tax	20,050	FIII-2-28	1,050	21,100
Contractual Services-Other Accounting	49,476			49,476
Contractual Services-Legal	240,327			240,327
Contractual Services-Outside Services	1,062,988			1,062,988
Insurance-Automobile	73,350			73,350
Insurance-General Liability	196,321	FIII-2-29	19,632	215,953
Insurance-General Liability-D&O	286,750	FIII-2-29	49,338	336,088
Insurance-General Liability-Excess Liability	197,110	FIII-2-29	79,422	276,532
Insurance-Workers Compensation	190,227	FIII-2-30	2,909	193,136
Insurance-Other	428,737	FIII-2-29	41,017	469,754
Rate Case Expense	236,188			236,188
Bad Debt Expense	442,297	FIII-2-31	1,093	443,390
Corporate Expense	286,866			286,866
Operations-Electric	22,520			22,520
Operations-Materials and Supplies	27,739			27,739
Operations-Computer Exp	263,518			263,518
Operations-Transportation Expense	65,100			65,100
Operations-Miscellaneous Expense	180			180
Operations-Injuries and Damages	108,234			108,234
Operations-Allocation to Wastewater	(803,751)	FIII-2-32	(58,390)	(862,142)
Operations-Memberships	82,688			82,688

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	Pro Forma Twelve Months Ending December 31, 2025 (1)	Under Existing Rates		Projected Twelve Months Ending February 28, 2027 (4)
		Exhibit Reference (2)	Adjustment (3)	
Operations-AWWA Research Foundation	19,038			19,038
Operations-Registration for Industry Meetings	2,345			2,345
Operations-Communications	38,274			38,274
Operations-Bank Fees	164,535			164,535
Operations-Trustee Fees	214,297			214,297
Operations-Bond and Corporate Rating Fees	94,000			94,000
Operations-Office Expense and Utilities	46,831			46,831
Operations-Directors Fees	582,988	FIII-2-33	67,328	650,316
Operations-Mailing	24,925			24,925
Operations-Subscriptions	5,171			5,171
Operations-Travel	7,674			7,674
Operations-Meals	9,155			9,155
Operations-Lodging	5,643			5,643
Operations-Registration for Educational Seminars	2,900			2,900
Maintenance-Materials and Supplies-Structures	13,935	FIII-2-37	761	14,697
Maintenance-Materials and Supplies-Equipment	625	FIII-2-37	34	659
Maintenance-Outside Services-Structures	53,420	FIII-2-37	2,918	56,338
Maintenance-Outside Services-Equipment	319,065	FIII-2-37	17,431	336,496
Miscellaneous Expenses-Maintenance-Equipment Rental	-			-
Administrative and General Expenses Capitalized	(616,645)	FIII-2-34	(52,930)	(669,575)
FAS 87 Pension Expense	111,209	FIII-2-35	523,791	635,000
Total Administrative and General Expenses	10,957,117		875,041	11,832,157
Amortization of Utility Plant Acquisition Adjustments	(23,331)			(23,331)
Increased Costs Resulting From Load Growth	105,016	FIII-2-36	25,015	130,031
General Price Level Adjustment	-			-
Total Operating Expenses	29,932,527		1,222,191	31,154,718

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SOURCE OF SUPPLY EXPENSES							
Salaries and Wages-Operations	148,062	FIII-2-40	3,771	151,833			151,833
Salaries and Wages-Vacation	152,808	FIII-2-40	3,892	156,700			156,700
Salaries and Wages-Maintenance	166,522	FIII-2-40	4,241	170,762			170,762
Salaries and Wages-Reservoir Maintenance	-	FIII-2-40	-	-			-
Salaries and Wages-Structure PS Maintenance	99,921	FIII-2-40	2,545	102,466			102,466
Salaries and Wages-Equipment PS Maintenance	180,995	FIII-2-40	4,609	185,604			185,604
Purchased Water for Resale	-			-			-
Electric Expense-Operations	1,150,568			1,150,568			1,150,568
Fuel	39,704			39,704			39,704
Operations-Materials and Supplies	29,179			29,179			29,179
Operations-Computer Expenses	422			422			422
Operations-Outside Services	3,020			3,020			3,020
Water Preservation Expense-Operations	1,500			1,500			1,500
Operations-Miscellaneous Expense	13,510			13,510			13,510
Operations-Registration for Industry Meetings	28			28			28
Operations-Communications	35,802			35,802			35,802
Operations-Office Expense and Utilities	38,363			38,363			38,363
Operations-Uniforms	5,698			5,698			5,698
Operations-Travel	-			-			-
Operations-Meals	189			189			189
Operations-Lodging	-			-			-
Operations-Registration for Educational Seminars	1,370			1,370			1,370
Maintenance-Materials and Supplies	21,016			21,016			21,016
Maintenance-Materials and Supplies-Reservoirs	2,080			2,080			2,080
Maintenance-Materials and Supplies-Structures	18,993			18,993			18,993
Maintenance-Materials and Supplies-Equipment	36,360			36,360			36,360
Maintenance-Outside Services-Reservoirs	62,974			62,974			62,974
Maintenance-Outside Services-Structures	65,751			65,751			65,751
Maintenance-Outside Services-Equipment	105,199			105,199			105,199
Maintenance-Equipment Rental	3,702			3,702			3,702
Maintenance-Transportation Expense	65,100			65,100			65,100
Total Source of Supply Expenses	2,448,835		19,057	2,467,892		-	2,467,892

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WATER TREATMENT EXPENSES							
Salaries and Wages- Operations	1,339,043	FIII-2-40	34,101	1,373,144			1,373,144
Salaries and Wages- Vacation	196,441	FIII-2-40	5,003	201,444			201,444
Salaries and Wages- Maintenance	-	FIII-2-40	-	-			-
Salaries and Wages- Maintenance of Treatment Structure:	133,346	FIII-2-40	3,396	136,742			136,742
Salaries and Wages- Maintenance of Treatment Equipmer	143,568	FIII-2-40	3,656	147,225			147,225
Chemicals	1,661,328			1,661,328			1,661,328
Operations-Electric	84,844			84,844			84,844
Operations-Materials and Supplies	241,911			241,911			241,911
Operations-Computer Exp	5,570			5,570			5,570
Operations-Engineering Services	-			-			-
Operations-Testing Services	55,499			55,499			55,499
Operations-Lead Testing Services	-			-			-
Operations-Outside Services	405,649			405,649			405,649
Operations-Transportation Expense	51,450			51,450			51,450
Miscellaneous Expenses-Operations	4,440			4,440			4,440
Operations-Registration for Industry Meetings	150			150			150
Operations-Communications	37,784			37,784			37,784
Operations-Office Expense and Utilities	61,680			61,680			61,680
Operations-Uniforms	469			469			469
Operations-Mailing	752			752			752
Operations-Travel	175			175			175
Operations-Meals	180			180			180
Operations-Lodging	-			-			-
Operations-Registration for Educational Seminars	1,584			1,584			1,584
Maintenance-Materials and Supplies	104			104			104
Maintenance-Materials and Supplies-Structures	21,948			21,948			21,948
Maintenance-Materials and Supplies-Equipment	64,417			64,417			64,417
Maintenance-Outside Services-Structures	192,336			192,336			192,336
Maintenance-Outside Services-Equipment	128,428			128,428			128,428
Maintenance-Equip Rental	2,538			2,538			2,538
Maintenance-Transportation Expense	82,949			82,949			82,949
Total Water Treatment Expenses	4,918,581		46,156	4,964,737		-	4,964,737

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TRANSMISSION AND DISTRIBUTION EXPENSES							
Salaries and Wages- Operations	1,514,816	FIII-2-40	38,577	1,553,394			1,553,394
Salaries and Wages- Operation of Services	303,432	FIII-2-40	7,727	311,159			311,159
Salaries and Wages- Operation of Meters	178,190	FIII-2-40	4,538	182,728			182,728
Salaries and Wages- Operation of Hydrants	-	FIII-2-40	-	-			-
Salaries and Wages- Vacation	682,697	FIII-2-40	17,386	700,083			700,083
Salaries and Wages- Maintenance	235,695	FIII-2-40	6,002	241,697			241,697
Salaries and Wages- Maintenance of Distribution Structure	51,073	FIII-2-40	1,301	52,373			52,373
Salaries and Wages- Maintenance of Distribution Equipme	287,226	FIII-2-40	7,315	294,541			294,541
Salaries and Wages- Maintenance of Services	166,849	FIII-2-40	4,249	171,099			171,099
Salaries and Wages- Maintenance of Distribution Mains	359,055	FIII-2-40	9,144	368,199			368,199
Salaries and Wages- Maintenance of Meters	41,956	FIII-2-40	1,068	43,024			43,024
Salaries and Wages- Maintenance of Hydrants	112,296	FIII-2-40	2,860	115,155			115,155
Operations-Electric	952,234			952,234			952,234
Operations-Materials and Supplies	120,992			120,992			120,992
Operations-Materials and Supplies-Services	23,773			23,773			23,773
Operations-Materials and Supplies-Meters	19,665			19,665			19,665
Operations-Materials and Supplies-Hydrants	-			-			-
Operations-Computer Exp	13,992			13,992			13,992
Operations-Outside Services	10,019			10,019			10,019
Operations-Outside Services-Services	-	FIII-2-50	150,000	150,000			150,000
Operations-Outside Services-Meters	-	FIII-2-52	23,900	23,900			23,900
Operations-Outside Services-Hydrants	-			-			-
Operations-Transportation Expense	141,826			141,826			141,826
Operations-Transportation Expense-Services	116,549			116,549			116,549
Operations-Transportation Expense-Meters	37,800			37,800			37,800
Operations-Miscellaneous Expense	4,145			4,145			4,145
Operations-Registration for Industry Meetings	600			600			600
Operations-Communications	79,474			79,474			79,474
Operations-Office Expense and Utilities	25,888			25,888			25,888
Operations-Uniforms	16,636			16,636			16,636
Operations-Mailing	4,180			4,180			4,180
Operations-Subscriptions	(29)			(29)			(29)
Operations-Travel	521			521			521

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	Projected Twelve Months Ending February 28, 2027 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 28, 2027 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 28, 2027 (7)
Operations-Meals	8,697			8,697			8,697
Operations-Lodging	1,775			1,775			1,775
Operations-Registration for Educational Seminars	10,259			10,259			10,259
Maintenance-Materials and Supplies - General	22,400			22,400			22,400
Maintenance-Materials and Supplies - Structures	20,390			20,390			20,390
Maintenance-Materials and Supplies - Equipment	43,380			43,380			43,380
Maintenance-Materials and Supplies-Services	46,174			46,174			46,174
Maintenance-Materials and Supplies-Distribution Mains	211,613			211,613			211,613
Maintenance-Materials and Supplies-Meters	17,778			17,778			17,778
Maintenance-Materials and Supplies-Hydrants	35,879			35,879			35,879
Maintenance-Outside Services-Structures	207,295			207,295			207,295
Maintenance-Outside Services-Equipment	86,292			86,292			86,292
Maintenance-Outside Services-Services	1,160,516			1,160,516			1,160,516
Maintenance-Outside Services-Distribution Mains	1,497,988			1,497,988			1,497,988
Maintenance-Outside Services-Meters	1,168			1,168			1,168
Maintenance-Outside Services-Hydrants	46,870			46,870			46,870
Maintenance-Equipment Rental-Structures	-			-			-
Maintenance-Equipment Rental-Equipment	2,526			2,526			2,526
Maintenance-Equipment Rental-Services	161			161			161
Maintenance-Equipment Rental-Distribution Mains	-			-			-
Maintenance-Transportation Expense	26,250			26,250			26,250
Maintenance-Transportation Expense-Structures	22,050			22,050			22,050
Maintenance-Transportation Expense-Dist Equipment	55,649			55,649			55,649
Maintenance-Transportation Expense-Services	24,150			24,150			24,150
Maintenance-Transportation Expense-Distribution Mains	112,350			112,350			112,350
Maintenance-Transportation Expense-Meters	3,150			3,150			3,150
Maintenance-Transportation Expense-Hydrants	41,255			41,255			41,255
Maintenance-Mailing	4,140			4,140			4,140
Total Transmission and Distribution Expenses	9,211,705		274,067	9,485,772		-	9,485,772

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CUSTOMER ACCOUNTS EXPENSES							
Salaries and Wages-Operations	991,911	FIII-2-40	25,261	1,017,171			1,017,171
Salaries and Wages-PUC Collections	79,996	FIII-2-40	2,037	82,033			82,033
Salaries and Wages -Vacation	199,009	FIII-2-40	5,068	204,077			204,077
Operations-Materials and Supplies	4,055			4,055			4,055
Operations-Materials and Supplies-Equipment	-			-			-
Operations-Computer Exp	-			-			-
Operations-Outside Services	280,434			280,434			280,434
Operations-Outside Services-Equipment	2,054			2,054			2,054
Operations-Transportation Expense	114,144			114,144			114,144
Operations-Miscellaneous Expense	(16)			(16)			(16)
Operations-Registration for Industry Meetings	1,390			1,390			1,390
Operations-Communications	14,378			14,378			14,378
Operations-Trustee and Bank Fees	510,126			510,126			510,126
Operations-Uniforms	1,377			1,377			1,377
Operations-Mailing	435,856			435,856			435,856
Operations-Travel	636			636			636
Operations-Meals	536			536			536
Operations-Lodging	854			854			854
Operations-Registration for Educational Seminars	-			-			-
Total Customer Accounts Expenses	2,636,739		32,366	2,669,105		-	2,669,105

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ADMINISTRATIVE AND GENERAL EXPENSES							
Salaries and Wages-Operations	2,042,511	FIII-2-40	52,016	2,094,527			2,094,527
Salaries and Wages-Operations-Vacation	393,062	FIII-2-40	10,010	403,072			403,072
Salaries and Wages-Operations-Officers	563,343	FIII-2-40	14,346	577,690			577,690
Salaries and Wages-Maintenance-Office Structures	31,852	FIII-2-40	811	32,663			32,663
Salaries and Wages-Maintenance-Office Equipment	3,679	FIII-2-40	94	3,772			3,772
		FIII-2-41, FIII-2-					
Employee Benefits-401k Match	429,730	42, FIII-2-43	203,890	633,620			633,620
Employee Benefits-Pension Administration	234,534	FIII-2-44	1,920	236,454			236,454
Employee Benefits-401k Administration	-			-			-
Employee Benefits-Health Insurance	2,374,697			2,374,697			2,374,697
Employee Benefits-Other Employee Benefits	226,490			226,490			226,490
Contractual Services-Auditing	260,558			260,558			260,558
Contractual Services-Internal Control	-			-			-
Contractual Services-Tax	21,100			21,100			21,100
Contractual Services-Other Accounting	49,476			49,476			49,476
Contractual Services-Legal	240,327			240,327			240,327
Contractual Services-Outside Services	1,062,988			1,062,988			1,062,988
Insurance-Automobile	73,350			73,350			73,350
Insurance-General Liability	215,953			215,953			215,953
Insurance-General Liability-D&O	336,088			336,088			336,088
Insurance-General Liability-Excess Liability	276,532			276,532			276,532
Insurance-Workers Compensation	193,136	FIII-2-45	4,061	197,196			197,196
Insurance-Other	469,754			469,754			469,754
Rate Case Expense	236,188			236,188			236,188
Bad Debt Expense	443,390	FIII-2-46	2,068	445,458	FIII-2-55	133,785	579,243
Corporate Expense	286,866			286,866			286,866
Operations-Electric	22,520			22,520			22,520
Operations-Materials and Supplies	27,739			27,739			27,739
Operations-Computer Exp	263,518			263,518			263,518
Operations-Transportation Expense	65,100			65,100			65,100
Operations-Miscellaneous Expense	180			180			180
Operations-Injuries and Damages	108,234			108,234			108,234
Operations-Allocation to Wastewater	(862,142)	FIII-2-47	(13,413)	(875,555)			(875,555)

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 28, 2027

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

	Under Existing Rates			Under Proposed Rates			
	Projected Twelve Months Ending February 28, 2027 (1)	Exhibit Reference (2)	Adjustment (3)	Pro Forma Twelve Months Ending February 28, 2027 (4)	Exhibit Reference (5)	Adjustment (6)	Pro Forma Twelve Months Ending February 28, 2027 (7)
Operations-Memberships	82,688			82,688			82,688
Operations-AWWA Research Foundation	19,038			19,038			19,038
Operations-Registration for Industry Meetings	2,345			2,345			2,345
Operations-Communications	38,274			38,274			38,274
Operations-Bank Fees	164,535			164,535			164,535
Operations-Trustee Fees	214,297			214,297			214,297
Operations-Bond and Corporate Rating Fees	94,000			94,000			94,000
Operations-Office Expense and Utilities	46,831			46,831			46,831
Operations-Directors Fees	650,316	FIII-2-48	10,711	661,028			661,028
Operations-Mailing	24,925			24,925			24,925
Operations-Subscriptions	5,171			5,171			5,171
Operations-Travel	7,674			7,674			7,674
Operations-Meals	9,155			9,155			9,155
Operations-Lodging	5,643			5,643			5,643
Operations-Registration for Educational Seminars	2,900			2,900			2,900
Maintenance-Materials and Supplies-Structures	14,697			14,697			14,697
Maintenance-Materials and Supplies-Equipment	659			659			659
Maintenance-Outside Services-Structures	56,338			56,338			56,338
Maintenance-Outside Services-Equipment	336,496			336,496			336,496
Miscellaneous Expenses-Maintenance-Equipment Rental	-			-			-
Administrative and General Expenses Capitalized	(669,575)	FIII-2-49	(10,265)	(679,840)			(679,840)
FAS 87 Pension Expense	635,000			635,000			635,000
Total Administrative and General Expenses	11,832,157		276,249	12,108,406		133,785	12,242,191
Amortization of Utility Plant Acquisition Adjustments	(23,331)			(23,331)			(23,331)
Increased Costs Resulting From Load Growth	130,031	FIII-2-51	30,150	160,181			160,181
General Price Level Adjustment	-			-			-
Total Operating Expenses	31,154,718		678,044	31,832,762		133,785	31,966,547

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, 2025 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 2025 Increases (2)	Projected Future Test Year Payroll Expense (3)=(1)+(2)
60110000	128,668	4,863	133,530
60110050	132,792	5,018	137,811
60120000	144,709	5,469	150,178
60120001	-	-	-
60120002	86,833	3,282	90,114
60120003	157,287	5,944	163,231
60130000	1,163,643	43,976	1,207,619
60130050	170,709	6,451	177,161
60140000	-	-	-
60140002	115,879	4,379	120,259
60140003	124,763	4,715	129,478
60150000	1,316,393	49,748	1,366,141
60150004	263,686	9,965	273,651
60150006	154,849	5,852	160,701
60150007	-	-	-
60150050	593,272	22,420	615,692
60160000	204,822	7,740	212,562
60160002	44,383	1,677	46,060
60160003	249,603	9,433	259,035
60160004	144,994	5,480	150,474
60160005	312,023	11,792	323,815
60160006	36,460	1,378	37,838
60160007	97,586	3,688	101,274
60170000	861,982	32,575	894,557
60170001	69,518	2,627	72,145
60170050	172,941	6,536	179,476
60180000	1,774,965	67,078	1,842,043
60180050	341,576	12,909	354,484
60380000	489,552	18,501	508,053
60180002	27,680	1,046	28,726
60180003	3,197	121	3,318
70150000	647,192	24,458	671,650
70150050	73,815	2,790	76,605
70160002	346	13	359
70160003	26,083	986	27,069
70110000	10,472	396	10,868
	10,142,670	383,304	10,525,974

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 2025 Rates (See Exhibit No. FIII-2-1(b)) (1)	Pro Forma Historic Test Year Com- pany Labor, Based On 2024 Rates (See Exhibit No. HIII-2-4) (2)	Projected Future Test Year Com- pany Labor Increases (3)=(1)-(2)
60110000	133,530	128,668	4,863
60110050	137,811	132,792	5,018
60120000	150,178	144,709	5,469
60120001	-	-	-
60120002	90,114	86,833	3,282
60120003	163,231	157,287	5,944
60130000	1,207,619	1,163,643	43,976
60130050	177,161	170,709	6,451
60140000	-	-	-
60140002	120,259	115,879	4,379
60140003	129,478	124,763	4,715
60150000	1,366,141	1,316,393	49,748
60150004	273,651	263,686	9,965
60150006	160,701	154,849	5,852
60150007	-	-	-
60150050	615,692	593,272	22,420
60160000	212,562	204,822	7,740
60160002	46,060	44,383	1,677
60160003	259,035	249,603	9,433
60160004	150,474	144,994	5,480
60160005	323,815	312,023	11,792
60160006	37,838	36,460	1,378
60160007	101,274	97,586	3,688
60170000	894,557	861,982	32,575
60170001	72,145	69,518	2,627
60170050	179,476	172,941	6,536
60180000	1,842,043	1,774,965	67,078
60180050	354,484	341,576	12,909
60380000	508,053	489,552	18,501
60180002	28,726	27,680	1,046
60180003	3,318	3,197	121
70150000	671,650	647,192	24,458
70150050	76,605	73,815	2,790
70160002	359	346	13
70160003	27,069	26,083	986
70110000	10,868	10,472	396
	10,525,974	10,142,670	383,304

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, 2024

Account	Twelve Months Ended		Two-Year Company Labor (3)=(1)+(2)	Allocation Factor (4)	Pro Forma Company Labor (5)=(3)x(4)
	December 31, 2024 (1)	December 31, 2023 (2)			
10520000	48,324	72,775	121,099	0.57748	69,932
10530000	669,305	548,486	1,217,791		703,251
42600000	25,543	25,862	51,405		29,686
	743,172	647,123	1,390,295		802,869
60110000	129,772	101,457	231,229		133,530
60110050	133,528	105,113	238,641		137,811
60120000	141,084	118,973	260,057		150,178
60120001	-	-	-		-
60120002	76,608	79,439	156,047		90,114
60120003	146,015	136,645	282,660		163,231
60130000	1,086,740	1,004,444	2,091,184		1,207,619
60130050	162,227	144,555	306,782		177,161
60140000	-	-	-		-
60140002	96,485	111,762	208,247		120,259
60140003	108,064	116,147	224,211		129,478
60150000	1,252,237	1,113,453	2,365,690		1,366,141
60150004	254,984	218,886	473,870		273,651
60150006	160,715	117,565	278,280		160,701
60150007	-	-	-		-
60150050	537,824	528,345	1,066,169		615,692
60160000	198,117	169,968	368,085		212,562
60160002	43,719	36,041	79,760		46,060
60160003	227,824	220,737	448,561		259,035
60160004	119,198	141,371	260,569		150,474
60160005	317,699	243,038	560,737		323,815
60160006	25,344	40,178	65,522		37,838
60160007	91,194	84,178	175,372		101,274
60170000	841,725	707,343	1,549,068		894,557
60170001	50,810	74,120	124,930		72,145
60170050	158,164	152,628	310,792		179,476
60180000	1,632,092	1,557,699	3,189,791		1,842,043
60180050	325,771	288,075	613,846		354,484
60380000	447,542	432,232	879,774		508,053
60180002	40,113	9,630	49,743		28,726
60180003	1,126	4,619	5,745		3,318
70150000	617,403	545,666	1,163,069		671,650
70150050	68,699	63,954	132,653		76,605
70160002	-	622	622		359
70160003	22,011	24,863	46,874		27,069
70110000	5,669	13,151	18,820		10,868
	9,520,503	8,706,897	18,227,400		10,525,974
	10,263,675	9,354,020	19,617,695		11,328,843
	Pro Forma Company Labor				11,328,843
	Two-Year Company Labor				19,617,695
	Allocation Factor(11,328,843		
	divided by		19,617,695)		0.57748

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, 2025 based on average projected net asset value of the Company's pension plans for 2025. The Company sponsors two pension plans, one for union represented employees and another for general and administrative employees.	
	Plan Assets as of December 31, 2024	62,565,878
	Projected Plan Assets as of December 31, 2025 (Based on a 5.0% Annual Growth Rate)	63,439,172
	Average Projected Plan Assets for 2025 (62,565,878 + 63,439,172) / 2	63,002,525
	Annual Trustee and Portfolio Management Fees at 0.25% (63,002,525 * .0025)	157,506
	Less: Pro Forma Trustee and Portfolio Management Fees For The Twelve Months Ended December 31, 2024 (Refer To Exhibit No. HIII-2-13)	156,415
		1,092
60480001	Employee Benefits-Pension Administration	1,092

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, 2025 based on the Company's expected complement of employees and actual health insurance rates as of January 1, 2025			
Number of Employees (1)	Class (2)	Provider (3)	Monthly Insurance Premium (4)	Annual Insurance Expense (5)
74 Individual	Individual	Delta Dental	32.51	28,869
58 Family	Family	Delta Dental	83.64	58,213
67 Individual	Individual	VBA	10.60	8,522
65 Family	Family	VBA	24.98	19,484
73 Individual	Individual	Highmark	1064.07	932,122
56 Multi	Multi	Highmark	2457.33	1,651,323
20 Individual	Individual	HSA	500.00	10,000
17 Multi	Multi	HSA	1000.00	17,000
146		Met Life	6.53	11,441
	Total Projected Health Insurance Expense			2,736,975
	Less: Portion of Projected Health Insurance to be Borne by Employees			489,302
	Projected Health Insurance Borne by Company			2,247,673
	Test Year Pro Forma Health Insurance Expense Net of Employee Contributions			2,009,658
				238,015
60480005	Employee Benefits-Health Insurance			238,015

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, 2025, 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 Quarterly Reviews	220,500
	Limited Scope Audit of the Company's 401k Plan	12,800
	Limited Scope Audit of the G & A Pension Plar	11,600
	Tax Preparation of Federal Income Tax Return	20,050
		264,950
	Less: Auditing Fees for the Twelve Months Ended December 31, 2024	250,192
		14,758
63280000	Contractual Services-Auditing	12,603
63280002	Tax Services	2,155

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, 2025 based on premiums effective January 1, 2025.			
		Projected 2025 Expense	Historic Test Year Expense	Adjustment
	Insurance	(2)	(3)	(4)
	(1)			
	Property	211,664	189,440	22,224
	Miscellaneous Property			
	Floater	10,785	6,050	4,735
	Crime and Fiduciary	26,902	26,770	132
	ERISA Bond	1,750	1,750	-
	Cyber Liability	41,557	41,557	-
	General Liability	196,321	179,122	17,199
	Excess Liability	197,110	165,754	31,356
	D & O Liability	286,750	286,750	-
	Pollution/Underground			
	Storage Tank Liability	37,560	37,020	540
	Employment Practices	21,300	20,500	800
	Flood Insurance	1,319	1,090	229
	Kidnap & Ransom	900	900	-
	Service Fee	70,000	70,000	-
	Highway Restoration			
	Bond	5,000	5,000	-
		1,108,918	1,031,703	77,215
65780000	Insurance-General Liability			17,199
65780001	Insurance-D & O Liability			-
65780002	Insurance-General Liability-Excess Liability			31,356
65980000	Insurance-Other			28,660

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, 2025 and January 1, 2025 workers compensation insurance rates and 2025 experience modification.					
	<table border="0" style="width: 100%;"> <tr> <td style="width: 33%;">Waterworks Employees (1)</td> <td style="width: 16.5%;">Outside Sales (2)</td> <td style="width: 16.5%;">Clerical Employees (3)</td> <td style="width: 34%;">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, 2025	6,102,950	1,379,092	3,846,801	11,328,843		
Premium Rates Per \$100	\$2.31	\$0.21	\$0.08			
Premiums Subject to Experience Modification	140,978	2,896	3,077	146,952		
Increased Employers Liability Limit @ 1.10%				1,616		
Pa Experience Modification				1.260		
Premiums Adjusted by Application of Experience Modification				187,196		
Schedule Rating @ 5%				9,360		
Safety Credit @ 5%				(9,828)		
Premiums Adjusted By Application of Schedule Rating and Safety Credit				186,728		
Premium Discount at 11.33%				(21,156)		
Total Premium				165,572		

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	3,399
	Catastrophe (Other than terrorism)	2,266
	Pennsylvania Employer Assessment @ 2.42%	4,148
	Projected Workers' Compensation Insurance Expense for the Twelve Months Ending December 31, 2025	175,559
	Less: Pro Forma Workers Compensation Insurance Expense for the Twelve Months Ended December 31, 2024 (Refer to Exhibit No. HIII-2-17)	169,143
		6,416
65880000	Insurance-Workers Compensation	6,416

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, 2025 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, 2024</td> <td style="text-align: center;">466,758</td> <td style="text-align: center;">66,300,134</td> <td></td> </tr> <tr> <td style="text-align: center;">December 31, 2023</td> <td style="text-align: center;">388,152</td> <td style="text-align: center;">63,203,691</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">854,910</td> <td style="text-align: center;">129,503,825</td> <td style="text-align: center;">0.0066</td> </tr> </tbody> </table>	Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)	December 31, 2024	466,758	66,300,134		December 31, 2023	388,152	63,203,691			854,910	129,503,825	0.0066	
Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)															
December 31, 2024	466,758	66,300,134																
December 31, 2023	388,152	63,203,691																
	854,910	129,503,825	0.0066															
	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, 2025	<table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">66,568,868</td> <td style="text-align: center;">x</td> <td style="text-align: right;">0.0066</td> <td style="text-align: right;">439,449</td> </tr> </table>	66,568,868	x	0.0066	439,449												
66,568,868	x	0.0066	439,449															
	Less: Pro Forma Test Year Uncollectible Accounts for Twelve Months Ended December 31, 2024 (Refer to Exhibit No. HIII-2-2)	439,347																
		103																
67070000	Bad Debt Expense	103																

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, 2025 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, 2025	(531,732)
	Projected allocation of payroll taxes and fringe on direct labor to wastewater for the period ending December 31, 2025	(243,044)
	Less: Allocation to wastewater for the period ended December 31, 2024	<u>(782,717)</u>
	Adjustment $[(531,732) + (243,044)] - (782,717)$	7,941
67580005	Allocation to Wastewater	7,941

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, 2025, 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, 2025	501,702
	Less: Pro Forma Director Fees for the Twelve Months Ended December 31, 2024	419,361
		82,341
67580800	Miscellaneous Expenses-Operations-Directors Fees	82,341

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, 2025 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)	(5)
December 31, 2024	66,300,134	5,639,086		3,230,361		
December 31, 2023	63,203,691	5,368,972		3,168,875		
	129,503,825	11,008,058	0.085	6,399,236	0.049	
Load Growth Adjustments						
Exhibit No. FII-2-1				34,666		
Exhibit No. FII-2-2				227,517		
Exhibit No. FII-2-3				6,513		
Exhibit No. FII-2-4				26,926		
Exhibit No. FII-2-5				43,526		
Exhibit No. FII-2-6				17,858		
Exhibit No. FII-2-9					(341,440)	
Total Load Growth Adjustments				357,005	(341,440)	
Additional Cost Resulting From a Net Increase in the Number of Customers During the Twelve Months Ending December 31, 2025						
357,005 x		0.085		30,346		
(341,440) x		0.049		(16,872)		
Increased Costs Resulting From Load Growth					13,474	

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 project maintenance expenses during the twelve months ending December 31, 2025 based on specifically adjusted to historic or future test year levels.		
62020000	Mat & Sup-Source Maint	19,877	25,976
62020001	Mat & Sup-Reservoir Maint	1,967	-
62020002	Mat & Sup-Struc-Source Maint	17,963	10,825
62020003	Mat & Sup-Equip Source Maint	34,389	52,005
62040000	Mat & Sup-Treatment Maint	98	1,868
62040002	Mat & Sup-Treat. Struct. Maint	20,758	22,819
62040003	Mat & Sup-Treat. Equip Maint	60,925	53,730
62060000	Mat & Sup-Trans & Dist Maint	21,186	26,421
62060002	Mat & Sup-Maint of Dist Struct	19,285	16,764
62060003	Mat & Sup-Maint of Dist Equip	41,028	53,038
62060004	Mat & Sup-Maint of Services	43,671	51,718
62060005	Mat & Sup-Maint of Dist Mains	200,142	137,175
62060006	Mat & Sup-Maint of Meters	16,814	8,954
62060007	Mat & Sup-Maint of Hydrants	33,934	24,101
62080002	Mat & Sup-Maint of Office Struc	13,900	3,694
62080003	Mat & Sup-Maint of Office Equip	623	900
63620001	O/S Serv-Maint of Reservoirs	59,560	32,444
63620002	O/S Serv-Maint of Source Struc	62,187	65,344
63620003	O/S Serv-Maint of Source Equip	99,496	82,694
63640002	O/S Serv-Maint of Treat Struc	178,996	157,760
63640003	O/S Serv-Maint of Treat Equip	121,466	110,933
63660002	O/S Serv-Maint of Dist Struct	196,058	129,136
63660003	O/S Serv-Maint of Dist Equip	81,614	68,594
63660004	O/S Serv-Maint of Services	1,227,905	1,014,649
63660005	O/S Serv-Maint of Dist Mains	1,416,785	883,166
63660006	O/S Serv-Maint of Meters	1,105	3,452
63660007	O/S Serv-Maint of Hydrants	44,329	56,169
63670003	O/S Serv-Maint of Equip-Cust Ac	1,943	10,076
63680002	O/S Serv-Maint of Office Struc	53,284	44,926
63680003	O/S Serv-Maint of Office Equip	318,255	274,706
64220000	Equip Rent-Source	3,501	-
64240000	Equip Rent-Filter Plant	2,400	-
64260003	Equip Rent-Maint of Equip	2,389	-
64260004	Equip Rent-Maint of Svcs	152	167
72020000	Mat & Supplies-Collection-Maint	1,222	296
72020008	Mat & Supplies-Collection-Maint	290	1,456
72040002	Mat & Supplies-Pumping-Maint-St	1,828	199
72040003	Mat & Supplies-Pumping-Maint-Eq	35,172	28,342
72060002	Mat & Supplies-Treat-Maint-Stru	6,397	12,141
72060003	Mat & Supplies-Treat-Maint-Equi	73,549	57,354
73620000	O/S Serv-Collection-Maint	178,132	37,683
73620003	O/S Serv-Collection-Maint-Equip	206	-
73640002	O/S Serv-Pumping-Maint-Structur	11,222	27,408
73640003	O/S Serv-Pumping-Maint-Equip	95,568	33,245
73660002	O/S Serv-Treat-Maint-Structure	94,170	41,070
73660003	O/S Serv-Treat-Maint-Equip	64,594	53,580
		4,980,334	3,716,975
Utility Plant in Service		636,298,824	544,282,643
Rate		0.78%	0.68%
Utility Plant in Service at December 31, 2025			681,352,401
Twp-Year Average Rate			0.73%
Projected Maintenance Expenses			4,993,006
Adjustment			12,672

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

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
62020000	Mat & Sup-Source Maint	51
62020001	Mat & Sup-Reservoir Maint	5
62020002	Mat & Sup-Struc-Source Maint	46
62020003	Mat & Sup-Equip Source Maint	88
62040000	Mat & Sup-Treatment Maint	0
62040002	Mat & Sup-Treat. Struct. Maint	53
62040003	Mat & Sup-Treat. Equip Maint	155
62060000	Mat & Sup-Trans & Dist Maint	54
62060002	Mat & Sup-Maint of Dist Struct	49
62060003	Mat & Sup-Maint of Dist Equip	104
62060004	Mat & Sup-Maint of Services	111
62060005	Mat & Sup-Maint of Dist Mains	509
62060006	Mat & Sup-Maint of Meters	43
62060007	Mat & Sup-Maint of Hydrants	86
62080002	Mat & Sup-Maint of Office Struc	35
62080003	Mat & Sup-Maint of Office Equip	2
63620001	O/S Serv-Maint of Reservoirs	152
63620002	O/S Serv-Maint of Source Struc	158
63620003	O/S Serv-Maint of Source Equip	253
63640002	O/S Serv-Maint of Treat Struc	455
63640003	O/S Serv-Maint of Treat Equip	309
63660002	O/S Serv-Maint of Dist Struct	499
63660003	O/S Serv-Maint of Dist Equip	208
63660004	O/S Serv-Maint of Services	3,124
63660005	O/S Serv-Maint of Dist Mains	3,605
63660006	O/S Serv-Maint of Meters	3
63660007	O/S Serv-Maint of Hydrants	113
63670003	O/S Serv-Maint of Equip-Cust Ac	5
63680002	O/S Serv-Maint of Office Struc	136
63680003	O/S Serv-Maint of Office Equip	810
64220000	Equip Rent-Source	9
64240000	Equip Rent-Filter Plant	6
64260003	Equip Rent-Maint of Equip	6
64260004	Equip Rent-Maint of Svcs	0
72020000	Mat & Supplies-Collection-Maint	3
72020008	Mat & Supplies-Collection-Maint	1
72040002	Mat & Supplies-Pumping-Maint-St	5
72040003	Mat & Supplies-Pumping-Maint-Eq	89
72060002	Mat & Supplies-Treat-Maint-Stru	16
72060003	Mat & Supplies-Treat-Maint-Equi	187
73620000	O/S Serv-Collection-Maint	453
73620003	O/S Serv-Collection-Maint-Equip	1
73640002	O/S Serv-Pumping-Maint-Structur	29
73640003	O/S Serv-Pumping-Maint-Equip	243
73660002	O/S Serv-Treat-Maint-Structure	240
73660003	O/S Serv-Treat-Maint-Equip	164

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, 2025, 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 2025 Increases (2)	Pro Forma Future Test Year Payroll Expense (3)=(1)+(2)
60110000	133,530	12,600	146,131
60110050	137,811	13,004	150,815
60120000	150,178	14,171	164,349
60120002	90,114	8,503	98,618
60120003	163,231	15,403	178,634
60130000	1,207,619	113,954	1,321,573
60130050	177,161	16,717	193,878
60140000	-	-	-
60140002	120,259	11,348	131,607
60140003	129,478	12,218	141,695
60150000	1,366,141	128,913	1,495,054
60150004	273,651	25,822	299,473
60150006	160,701	15,164	175,866
60150050	615,692	58,098	673,791
60160000	212,562	20,058	232,620
60160002	46,060	4,346	50,406
60160003	259,035	24,443	283,479
60160004	150,474	14,199	164,673
60160005	323,815	30,556	354,371
60160006	37,838	3,570	41,408
60160007	101,274	9,557	110,830
60170000	894,557	84,413	978,970
60170001	72,145	6,808	78,952
60170050	179,476	16,936	196,412
60180000	1,842,043	173,820	2,015,864
60180050	354,484	33,450	387,934
60380000	508,053	47,941	555,994
60180002	28,726	2,711	31,436
60180003	3,318	313	3,631
70150000	671,650	63,379	735,029
70150050	76,605	7,229	83,833
70160002	359	34	393
70160003	27,069	2,554	29,623
70110000	10,868	1,026	11,894
	10,525,974	993,261	11,519,235

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	Pro Forma Future Test Year Com- pany Labor, Based On 2025 Rates (See Exhibit No. FIII-2-15(b)) (1)	Projected Future Test Year Com- pany Labor Based On 2025 Rates (See Exhibit No. FIII-2-1) (2)	Pro Forma Future Test Year Wage Increases (3)=(1)-(2)
60110000	146,131	133,530	12,600
60110050	150,815	137,811	13,004
60120000	164,349	150,178	14,171
60120001	-	-	-
60120002	98,618	90,114	8,503
60120003	178,634	163,231	15,403
60130000	1,321,573	1,207,619	113,954
60130050	193,878	177,161	16,717
60140000	-	-	-
60140002	131,607	120,259	11,348
60140003	141,695	129,478	12,218
60150000	1,495,054	1,366,141	128,913
60150004	299,473	273,651	25,822
60150006	175,866	160,701	15,164
60150007	-	-	-
60150050	673,791	615,692	58,098
60160000	232,620	212,562	20,058
60160002	50,406	46,060	4,346
60160003	283,479	259,035	24,443
60160004	164,673	150,474	14,199
60160005	354,371	323,815	30,556
60160006	41,408	37,838	3,570
60160007	110,830	101,274	9,557
60170000	978,970	894,557	84,413
60170001	78,952	72,145	6,808
60170050	196,412	179,476	16,936
60180000	2,015,864	1,842,043	173,820
60180050	387,934	354,484	33,450
60380000	555,994	508,053	47,941
60180002	31,436	28,726	2,711
60180003	3,631	3,318	313
70150000	735,029	671,650	63,379
70150050	83,833	76,605	7,229
70160002	393	359	34
70160003	29,623	27,069	2,554
70110000	11,894	10,868	1,026
	11,519,235	10,525,974	993,261

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, 2024

Account	Twelve Months Ended		Two-Year Company Labor (3)=(1)+(2)	Allocation Factor (4)	Pro Forma Company Labor (5)=(3)x(4)
	December 31, 2024 (1)	December 31, 2023 (2)			
10520000	48,324	72,775	121,099	0.63197	76,531
10530000	669,305	548,486	1,217,791		769,612
42600000	25,543	25,862	51,405		32,487
	743,172	647,123	1,390,295		878,630
60110000	129,772	101,457	231,229		146,131
60110050	133,528	105,113	238,641		150,815
60120000	141,084	118,973	260,057		164,349
60120001	-	-	-		-
60120002	76,608	79,439	156,047		98,618
60120003	146,015	136,645	282,660		178,634
60130000	1,086,740	1,004,444	2,091,184		1,321,573
60130050	162,227	144,555	306,782		193,878
60140000	-	-	-		-
60140002	96,485	111,762	208,247		131,607
60140003	108,064	116,147	224,211		141,695
60150000	1,252,237	1,113,453	2,365,690		1,495,054
60150004	254,984	218,886	473,870		299,473
60150006	160,715	117,565	278,280		175,866
60150007	-	-	-		-
60150050	537,824	528,345	1,066,169		673,791
60160000	198,117	169,968	368,085		232,620
60160002	43,719	36,041	79,760		50,406
60160003	227,824	220,737	448,561		283,479
60160004	119,198	141,371	260,569		164,673
60160005	317,699	243,038	560,737		354,371
60160006	25,344	40,178	65,522		41,408
60160007	91,194	84,178	175,372		110,830
60170000	841,725	707,343	1,549,068		978,970
60170001	50,810	74,120	124,930		78,952
60170050	158,164	152,628	310,792		196,412
60180000	1,632,092	1,557,699	3,189,791		2,015,864
60180050	325,771	288,075	613,846		387,934
60380000	447,542	432,232	879,774		555,994
60180002	40,113	9,630	49,743		31,436
60180003	1,126	4,619	5,745		3,631
70150000	617,403	545,666	1,163,069		735,029
70150050	68,699	63,954	132,653		83,833
70160002	-	622	622		393
70160003	22,011	24,863	46,874		29,623
70110000	5,669	13,151	18,820		11,894
	9,520,503	8,706,897	18,227,400		11,519,235
	10,263,675	9,354,020	19,617,695		12,397,865
			Pro Forma Company Labor		12,397,865
			Two-Year Company Labor		19,617,695
			Allocation Factor(divided by	12,397,865 19,617,695)	0.63197

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, 2025 based on projected net asset value of the Company's pension plans as of December 31, 2025. 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, 2025 (Based on a 5.0% Annual Growth Rate)	63,439,172
	Annual Trustee and Portfolio Management Fees at 0.25% (63,439,172 * .0025)	158,598
	Less: Projected Trustee and Portfolio Management Fees For The Twelve Months Ending December 31, 2025 (Refer To Exhibit No. FIII-2-2)	157,506
		1,092
60480001	Employee Benefits-Pension Administration	1,092

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, 2025 and January 1, 2025 workers compensation insurance rates and 2025 experience modification.				
	Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)	
Pro Forma Payroll Twelve Months Ending December 31, 2025	6,608,356	1,463,935	4,325,574	12,397,865	
Premium Rates Per \$100	\$2.31	\$0.21	\$0.08		
Premiums Subject to Experience Modification	152,653	3,074	3,460	159,188	
Increased Employers Liability Limit @ 1.10%				1,751	
Pa Experience Modification				1,260	
Premiums Adjusted by Application of Experience Modification				202,783	
Schedule Rating @ 5%				10,139	
Safety Credit @ 5%				(10,646)	
Premiums Adjusted By Application of Schedule Rating and Safety Credit				202,276	
Premium Discount at 11.33%				(22,918)	

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, 2025 and January 1, 2025 workers compensation insurance rates and 2025 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	179,358												
	Pennsylvania Compensation Rating Bureau Fee	175												
	Foreign and Domestic Terrorism Surcharge	3,719												
	Catastrophe (Other than terrorism)	2,480												
	Pennsylvania Employer Assessment @ 2.42%	4,495												
	Pro Forma Workers' Compensation Insurance Expense for the Twelve Months Ending December 31, 2025	190,227												
	Less: Projected Workers Compensation Insurance Expense for the Twelve Months Ending December 31, 2025 (Refer to Exhibit No. FIII-2-6)	175,559												
		14,668												
65880000	Insurance-Workers Compensation	14,668												

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, 2025 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"> <thead> <tr> <th>Twelve Months Ended (1)</th> <th>Write-offs Less Recoveries (2)</th> <th>Operating Revenues (3)</th> <th>Ratio of Net Write-offs (4)</th> </tr> </thead> <tbody> <tr> <td>December 31, 2024</td> <td>466,758</td> <td>66,300,134</td> <td></td> </tr> <tr> <td>December 31, 2023</td> <td>388,152</td> <td>63,203,691</td> <td></td> </tr> <tr> <td></td> <td>854,910</td> <td>129,503,825</td> <td>0.0066</td> </tr> </tbody> </table>	Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)	December 31, 2024	466,758	66,300,134		December 31, 2023	388,152	63,203,691			854,910	129,503,825	0.0066	
Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)															
December 31, 2024	466,758	66,300,134																
December 31, 2023	388,152	63,203,691																
	854,910	129,503,825	0.0066															
	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, 2025																	
	67,000,211	x	0.0066	442,297														
	Less: Projected Test Year Uncollectible Accounts for Twelve Months Ending December 31, 2025 (Refer to Exhibit No. FIII-2-7)			439,449														
				2,847														
67070000	Bad Debt Expense			2,847														

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, 2025, 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, 2025	(537,773)
	Pro Forma Allocation of Payroll Taxes and Fringe Benefits on Direct Labor to Wastewater for the Twelve Months Ending December 31, 2025	(265,979)
	Less: Projected Allocation to Wastewater for the Twelve Months Ending December 31, 2025 (Exhibit No. FIII-2-8)	<u>(774,776)</u>
	Adjustment [(537,773) + (265,979)] - (774,776)	(28,975)
67580005	Allocation to Wastewater	(28,975)

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, 2025, 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, 2025	520,191
	Less: Projected Director Fees for the Twelve Months Ending December 31, 2025	501,702
		18,489
67580800	Miscellaneous Expenses-Operations-Directors Fees	18,489

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, 2025 based on pro forma indirect labor, employee benefit costs, property insurance expense, and pension expense for the twelve months ending December 31, 2025 and two-year average capitalization ratios.									
	Indirect Labor									
	<table border="0" style="width: 100%;"> <thead> <tr> <th style="width: 35%;"></th> <th style="width: 15%;">2025 Pro Forma Payroll</th> <th style="width: 15%;">2-Year Avg Capital- ization Ratio</th> <th style="width: 35%;">Capitalized Indirect Payroll</th> </tr> <tr> <th style="text-align: center;">(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>		2025 Pro Forma Payroll	2-Year Avg Capital- ization Ratio	Capitalized Indirect Payroll	(1)	(2)	(3)	(4)	
	2025 Pro Forma Payroll	2-Year Avg Capital- ization Ratio	Capitalized Indirect Payroll							
(1)	(2)	(3)	(4)							
	Administrative and General	1,978,522	10.55%	208,783						
	Distribution	764,220	17.98%	137,370						
	Maintenance and Grounds	253,500	2.55%	6,477						
	Employee Benefits, Property Insurance and Pension Expense									
	Benefit									
	Health Insurance	2,247,673	7.30%	163,981						
	Property Insurance	222,449	7.30%	16,229						
	Workers' Compensation Insurance	846,143	1.71%	14,431						
	Payroll Taxes	846,143	7.90%	66,883						
	Pension Expense	343,464	7.30%	25,058						
	Total Pro Forma Indirect Labor, Employee Benefits, Property Insurance Expense and Pension Expense Capitalized			639,212						
	Less: Projected Indirect Labor, Employee Benefits, Property Insurance Expense and Pension Expense Capitalized During the Twelve Months Ending December 31, 2025 (Refer to Exhibit No. FIII-2-10)			614,669						
				24,543						
67580002	Administrative and General Expenses Capitalized			(18,776)						
40801302	Payroll Taxes Capitalized			(5,767)						

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, 2025 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</th> <th style="text-align: center;">Customer Accounting and Collect- ing Expense (Excluding Bad Debts) Power and Chemical Costs</th> <th style="text-align: center;">Ratio of Customer Accounting and Collect- ing Expense, Power and Chemicals/ Sales of Water</th> </tr> <tr> <td></td> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> </tr> </thead> <tbody> <tr> <td>December 31, 2024</td> <td style="text-align: right;">66,300,134</td> <td style="text-align: right;">5,639,086</td> <td></td> </tr> <tr> <td>December 31, 2023</td> <td style="text-align: right;">63,203,691</td> <td style="text-align: right;">5,368,972</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">129,503,825</td> <td style="text-align: right;">11,008,058</td> <td style="text-align: right;">0.085</td> </tr> </tbody> </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, 2024	66,300,134	5,639,086		December 31, 2023	63,203,691	5,368,972			129,503,825	11,008,058	0.085	
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, 2024	66,300,134	5,639,086																				
December 31, 2023	63,203,691	5,368,972																				
	129,503,825	11,008,058	0.085																			
	Load Growth Adjustments																					
	Exhibit No. FII-2-10	34,666																				
	Exhibit No. FII-2-11	227,517																				
	Exhibit No. FII-2-12	6,513																				
	Exhibit No. FII-2-13	26,926																				
	Exhibit No. FII-2-14	24,867																				
	Exhibit No. FII-2-15	43,526																				
	Exhibit No. FII-2-16	49,472																				
	Exhibit No. FII-2-17	17,858																				
	Total Load Growth Adjustments	431,343																				
	Additional Cost Resulting From a Net Increase in the Number of Customers During the Twelve Months Ending December 31, 2025																					
	431,343 x	0.085	36,665																			
	Increased Costs Resulting From Load Growth		36,665																			

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 28, 2027 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 2026 Increases (2)	Projected Fully Projected Future Test Year Payroll Expense (3)=(1)+(2)
60110000	146,131	1,932	148,062
60110050	150,815	1,994	152,808
60120000	164,349	2,172	166,522
60120002	98,618	1,304	99,921
60120003	178,634	2,361	180,995
60130000	1,321,573	17,470	1,339,043
60130050	193,878	2,563	196,441
60140000	-	-	-
60140002	131,607	1,740	133,346
60140003	141,695	1,873	143,568
60150000	1,495,054	19,763	1,514,816
60150004	299,473	3,959	303,432
60150006	175,866	2,325	178,190
60150050	673,791	8,907	682,697
60160000	232,620	3,075	235,695
60160002	50,406	666	51,073
60160003	283,479	3,747	287,226
60160004	164,673	2,177	166,849
60160005	354,371	4,684	359,055
60160006	41,408	547	41,956
60160007	110,830	1,465	112,296
60170000	978,970	12,941	991,911
60170001	78,952	1,044	79,996
60170050	196,412	2,596	199,009
60180000	2,015,864	26,647	2,042,511
60180050	387,934	5,128	393,062
60380000	555,994	7,350	563,343
60180002	31,436	416	31,852
60180003	3,631	48	3,679
70150000	735,029	9,716	744,745
70150050	83,833	1,108	84,941
70160002	393	5	398
70160003	29,623	392	30,015
70110000	11,894	157	12,051
	11,519,235	152,270	11,671,506

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 2026 Rates (See Exhibit No. FIII-2-25(b)) (1)	Future Test Year Com- pany Labor, Based On 2025 Rates (See Exhibit No. FIII-2-15) (2)	Projected Fully Projected Future Test Year Wage Increases (3)=(1)-(2)
60110000	148,062	146,131	1,932
60110050	152,808	150,815	1,994
60120000	166,522	164,349	2,172
60120002	99,921	98,618	1,304
60120003	180,995	178,634	2,361
60130000	1,339,043	1,321,573	17,470
60130050	196,441	193,878	2,563
60140000	-	-	-
60140002	133,346	131,607	1,740
60140003	143,568	141,695	1,873
60150000	1,514,816	1,495,054	19,763
60150004	303,432	299,473	3,959
60150006	178,190	175,866	2,325
60150050	682,697	673,791	8,907
60160000	235,695	232,620	3,075
60160002	51,073	50,406	666
60160003	287,226	283,479	3,747
60160004	166,849	164,673	2,177
60160005	359,055	354,371	4,684
60160006	41,956	41,408	547
60160007	112,296	110,830	1,465
60170000	991,911	978,970	12,941
60170001	79,996	78,952	1,044
60170050	199,009	196,412	2,596
60180000	2,042,511	2,015,864	26,647
60180050	393,062	387,934	5,128
60380000	563,343	555,994	7,350
60180002	31,852	31,436	416
60180003	3,679	3,631	48
70150000	744,745	735,029	9,716
70150050	84,941	83,833	1,108
70160002	398	393	5
70160003	30,015	29,623	392
70110000	12,051	11,894	157
	11,671,506	11,519,235	152,270

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, 2024

Account	Twelve Months Ended		Two-Year Company Labor (3)=(1)+(2)	Allocation Factor (4)	Pro Forma Fully Projected Company Labor (5)=(3)x(4)
	December 31, 2024 (1)	December 31, 2023 (2)			
10520000	48,324	72,775	121,099	0.64033	77,543
10530000	669,305	548,486	1,217,791		779,785
42600000	25,543	25,862	51,405		32,916
	743,172	647,123	1,390,295		890,244
60110000	129,772	101,457	231,229		148,062
60110050	133,528	105,113	238,641		152,808
60120000	141,084	118,973	260,057		166,522
60120001	-	-	-		-
60120002	76,608	79,439	156,047		99,921
60120003	146,015	136,645	282,660		180,995
60130000	1,086,740	1,004,444	2,091,184		1,339,043
60130050	162,227	144,555	306,782		196,441
60140000	-	-	-		-
60140002	96,485	111,762	208,247		133,346
60140003	108,064	116,147	224,211		143,568
60150000	1,252,237	1,113,453	2,365,690		1,514,816
60150004	254,984	218,886	473,870		303,432
60150006	160,715	117,565	278,280		178,190
60150007	-	-	-		-
60150050	537,824	528,345	1,066,169		682,697
60160000	198,117	169,968	368,085		235,695
60160002	43,719	36,041	79,760		51,073
60160003	227,824	220,737	448,561		287,226
60160004	119,198	141,371	260,569		166,849
60160005	317,699	243,038	560,737		359,055
60160006	25,344	40,178	65,522		41,956
60160007	91,194	84,178	175,372		112,296
60170000	841,725	707,343	1,549,068		991,911
60170001	50,810	74,120	124,930		79,996
60170050	158,164	152,628	310,792		199,009
60180000	1,632,092	1,557,699	3,189,791		2,042,511
60180050	325,771	288,075	613,846		393,062
60380000	447,542	432,232	879,774		563,343
60180002	40,113	9,630	49,743		31,852
60180003	1,126	4,619	5,745		3,679
70150000	617,403	545,666	1,163,069		744,745
70150050	68,699	63,954	132,653		84,941
70160002	-	622	622		398
70160003	22,011	24,863	46,874		30,015
70110000	5,669	13,151	18,820		12,051
	9,520,503	8,706,897	18,227,400		11,671,506
	10,263,675	9,354,020	19,617,695		12,561,750
	Pro Forma Company Labor				12,561,750
	Two-Year Company Labor				19,617,695
	Allocation Factor(12,561,750		
	divided by		19,617,695)		0.64033

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 28, 2027 based on average projected net asset value of the Company's pension plans at February 28, 2027. The Company sponsors two plans, one for union represented employees and another for general and administrative employees.	
	Plan Assets as of December 31, 2025	63,439,172
	Projected Plan Assets as of February 28, 2026	63,582,832
	Projected Plan Assets as of February 28, 2027 (Based on a 5.0% Annual Growth Rate)	65,118,723
	Average Projected Plan Assets for twelve months ending February 28, 2027 $(63,582,832 + 65,118,723) / 2$	64,350,777
	Annual Trustee and Portfolio Management Fees at 0.25% $(64,350,777 * .0025)$	160,877
	Less: Pro Forma Trustee and Portfolio Management Fees For The Twelve Months Ending December 31, 2025 (Refer To Exhibit No. FIII-2-16)	158,598
		2,279
60480001	Employee Benefits-Pension Administration	2,279

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 28, 2027 based on actual health insurance rates as of January 1, 2025 plus 8.325%.			
Number of Employees (1)	Class (2)	Provider (3)	Monthly Insurance Premium (4)	Annual Insurance Expense (5)
74	Individual	Delta Dental	32.51	28,869
58	Family	Delta Dental	83.64	58,213
67	Individual	VBA	10.60	8,522
65	Family	VBA	24.98	19,484
73	Individual	Highmark	1130.51	990,325
56	Multi	Highmark	2610.76	1,754,430
20	Individual	HSA	500.00	10,000
17	Multi	HSA	1000.00	17,000
146		Met Life	6.53	11,441
	Total Projected Health Insurance Expense			2,898,285
	Less: Portion of Projected Health Insurance to be Borne by Employees			525,042
	Projected Health Insurance Borne by Company			2,373,243
	Less: Projected 2025 Health Insurance Expense Net of Employee Contributions			2,247,673
				125,570
60480005	Employee Benefits-Health Insurance			125,570

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 28, 2027, based on the increase of 5.0%.	
	Intregrated Audits of Financial Statements and Quarterly Reviews	231,500
	Limited Scope Audit of the Company's 401k Plan	13,400
	Limited Scope Audit of the G & A Pension Plan	12,200
	Tax Preparation of Federal Income Tax Return	21,100
		278,200
	Less: Auditing Fees for the Twelve Months Ending December 31, 2025	264,950
		13,250
63280000	Contractual Services-Auditing	12,200
63280002	Tax Services	1,050

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 28, 2027 based on premiums effective January 1, 2025 with market increases and anticipated increases in coverage.			
		Projected 2027 Expense	Projected Test Year Expense	Adjustment
	Insurance	(2)	(3)	(4)
	(1)			
	Property	237,064	211,664	25,400
	Miscellaneous Property			
	Floater	12,079	10,785	1,294
	Crime and Fiduciary	31,997	26,902	5,095
	ERISA Bond	2,000	1,750	250
	Cyber Liability	43,635	41,557	2,078
	General Liability	215,953	196,321	19,632
	Excess Liability	276,532	197,110	79,422
	D & O Liability	336,088	286,750	49,338
	Pollution/Underground			
	Storage Tank Liability	38,091	37,560	531
	Employment Practices	22,365	21,300	1,065
	Flood Insurance	1,622	1,319	303
	Kidnap & Ransom	900	900	-
	Service Fee	75,000	70,000	5,000
	Highway Restoration			
	Bond	5,000	5,000	-
		1,298,326	1,108,918	189,408
65780000	Insurance-General Liability			19,632
65780001	Insurance-D & O Liability			49,338
65780002	Insurance-General Liability-Excess Liability			79,422
65980000	Insurance-Other			41,017

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 28, 2027 and January 1, 2025 workers compensation insurance rates and 2025 experience modification.				
	Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)	
Projected Payroll Twelve Months Ending February 28, 2027	6,711,378	1,478,997	4,371,375	12,561,750	
Premium Rates Per \$100	\$2.31	\$0.21	\$0.08		
Premiums Subject to Experience Modification	155,033	3,106	3,497	161,636	
Increased Employers Liability Limit @ 1.10%				1,778	
Pa Experience Modification				1.260	
Premiums Adjusted by Application of Experience Modification				205,901	
Schedule Rating @ 5%				10,295	
Safety Credit @ 5%				(10,810)	
Premiums Adjusted By Application of Schedule Rating and Safety Credit				205,387	

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 28, 2027 and January 1, 2025 workers compensation insurance rates and 2025 experience modification.													
	<table border="0" style="margin-left: auto; margin-right: auto;"> <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)											
	Premium Discount at 11.33%	(23,270)												
	Total Premium	182,116												
	Pennsylvania Compensation Rating Bureau Fee	175												
	Foreign and Domestic Terrorism Surcharge	3,769												
	Catastrophe (Other than terrorism)	2,512												
	Pennsylvania Employer Assessment @ 2.42%	4,563												
	Projected Workers' Compensation Insurance Expense for the Twelve Months Ending February 28, 2027	193,136												
	Less: Pro Forma Workers Compensation Insurance Expense for the Twelve Months Ending December 31, 2025 (Refer to Exhibit No. FIII-2-17)	190,227												
		2,909												
65880000	Insurance-Workers Compensation	2,909												

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 28, 2027 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%;">Twelve Months Ended (1)</td> <td style="width: 20%;">Write-offs Less Recoveries (2)</td> <td style="width: 20%;">Operating Revenues (3)</td> <td style="width: 30%;">Ratio of Net Write-offs (4)</td> </tr> <tr> <td>December 31, 2024</td> <td style="text-align: right;">466,758</td> <td style="text-align: right;">66,300,134</td> <td></td> </tr> <tr> <td>December 31, 2023</td> <td style="text-align: right;">388,152</td> <td style="text-align: right;">63,203,691</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">854,910</td> <td style="text-align: right;">129,503,825</td> <td style="text-align: right;">0.0066</td> </tr> </table>	Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)	December 31, 2024	466,758	66,300,134		December 31, 2023	388,152	63,203,691			854,910	129,503,825	0.0066	
Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)															
December 31, 2024	466,758	66,300,134																
December 31, 2023	388,152	63,203,691																
	854,910	129,503,825	0.0066															
	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 28, 2027	443,390																
	67,165,761 x	0.0066																
	Less: Pro Forma Future Test Year Uncollectible Accounts for Twelve Months Ending December 31, 2025 (Refer to Exhibit No. FIII-2-18)	442,297																
		1,093																
67070000	Bad Debt Expense	1,093																

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 28, 2027 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 28, 2027	(592,647)
	Projected allocation of payroll taxes and fringe benefits on direct labor to wastewater for the period ending February 28, 2027	(269,494)
	Pro Forma allocation to wastewater for the period ending December 31, 2025. (Exhibit No. FIII-2-19)	<u>(803,751)</u>
	Adjustment $[(592,647) + (269,494)] - (803,751)$	(58,390)
67580005 Allocation to Wastewater		(58,390)

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 ending February 28, 2027, 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.	
	Projected Director Fees for the Twelve Months Ending February 28, 2027	587,519
	Less: Pro Forma Director Fees for the Twelve Months Ending December 31, 2025	520,191
		67,328
67580800	Miscellaneous Expenses-Operations-Directors Fees	67,328

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, Docket No. R-2018-3000019, dated March 1, 2019, and Docket No. R-2022-3031340 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, 2024	427,208	208,004		635,212
Total to be Contributed (Rounded)				635,000
Less: Actual Contributions During the Twelve Months Ended December 31, 2024	-	111,209		111,209
Contributions to be Made				523,791
67580003 Miscellaneous Expense-Pension Expense				523,791

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 28, 2027 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, 2024	66,300,134	5,639,086		3,230,361
	December 31, 2023	63,203,691	5,368,972		3,168,875
		129,503,825	11,008,058	0.085	6,399,236
					0.049
	Load Growth Adjustments				
	Exhibit No. FII-2-20			86,734	
	Exhibit No. FII-2-21			11,146	
	Exhibit No. FII-2-22			14,509	
	Exhibit No. FII-2-23			5,953	
	Exhibit No. FII-2-24			34,384	
	Exhibit No. FII-2-25			225,491	
	Exhibit No. FII-2-26			6,513	
	Exhibit No. FII-2-27			26,926	
	Exhibit No. FII-2-28			43,526	
	Exhibit No. FII-2-29			17,858	
	Exhibit No. FII-2-32				(307,488)
	Total Load Growth Adjustments			473,038	(307,488)
	Additional Cost Resulting From a Net Increase in the Number of Customers During the period Ending February 28, 2027				
	473,038 x	0.085		40,209	
	(307,488) x	0.049		(15,194)	
	Increased Costs Resulting From Load Growth				25,015

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 maintenance expenses during the twelve months ending December 31, 2025 based on specifically adjusted to historic or future test year levels.		
62020000	Mat & Sup-Source Maint	19,877	25,976
62020001	Mat & Sup-Reservoir Maint	1,967	-
62020002	Mat & Sup-Struc-Source Maint	17,963	10,825
62020003	Mat & Sup-Equip Source Maint	34,389	52,005
62040000	Mat & Sup-Treatment Maint	98	1,868
62040002	Mat & Sup-Treat. Struct. Maint	20,758	22,819
62040003	Mat & Sup-Treat. Equip Maint	60,925	53,730
62060000	Mat & Sup-Trans & Dist Maint	21,186	26,421
62060002	Mat & Sup-Maint of Dist Struct	19,285	16,764
62060003	Mat & Sup-Maint of Dist Equip	41,028	53,038
62060004	Mat & Sup-Maint of Services	43,671	51,718
62060005	Mat & Sup-Maint of Dist Mains	200,142	137,175
62060006	Mat & Sup-Maint of Meters	16,814	8,954
62060007	Mat & Sup-Maint of Hydrants	33,934	24,101
62080002	Mat & Sup-Maint of Office Struc	13,900	3,694
62080003	Mat & Sup-Maint of Office Equip	623	900
63620001	O/S Serv-Maint of Reservoirs	59,560	32,444
63620002	O/S Serv-Maint of Source Struc	62,187	65,344
63620003	O/S Serv-Maint of Source Equip	99,496	82,694
63640002	O/S Serv-Maint of Treat Struc	178,996	157,760
63640003	O/S Serv-Maint of Treat Equip	121,466	110,933
63660002	O/S Serv-Maint of Dist Struct	196,058	129,136
63660003	O/S Serv-Maint of Dist Equip	81,614	68,594
63660004	O/S Serv-Maint of Services	1,227,905	1,014,649
63660005	O/S Serv-Maint of Dist Mains	1,416,785	883,166
63660006	O/S Serv-Maint of Meters	1,105	3,452
63660007	O/S Serv-Maint of Hydrants	44,329	56,169
63670003	O/S Serv-Maint of Equip-Cust Ac	1,943	10,076
63680002	O/S Serv-Maint of Office Struc	53,284	44,926
63680003	O/S Serv-Maint of Office Equip	318,255	274,706
64220000	Equip Rent-Source	3,501	-
64240000	Equip Rent-Filter Plant	2,400	-
64260003	Equip Rent-Maint of Equip	2,389	-
64260004	Equip Rent-Maint of Svcs	152	167
72020000	Mat & Supplies-Collection-Maint	1,222	296
72020008	Mat & Supplies-Collection-Maint	290	1,456
72040002	Mat & Supplies-Pumping-Maint-St	1,828	199
72040003	Mat & Supplies-Pumping-Maint-Eq	35,172	28,342
72060002	Mat & Supplies-Treat-Maint-Stru	6,397	12,141
72060003	Mat & Supplies-Treat-Maint-Equi	73,549	57,354
73620000	O/S Serv-Collection-Maint	178,132	37,683
73620003	O/S Serv-Collection-Maint-Equip	206	-
73640002	O/S Serv-Pumping-Maint-Structur	11,222	27,408
73640003	O/S Serv-Pumping-Maint-Equip	95,568	33,245
73660002	O/S Serv-Treat-Maint-Structure	94,170	41,070
73660003	O/S Serv-Treat-Maint-Equip	64,594	53,580
		4,980,334	3,716,975
Utility Plant in Service	636,298,824	544,282,643	
Rate	0.78%	0.68%	
Utility Plant in Service at December 31, 2025		718,575,838	
Twp-Year Average Rate		0.73%	
Projected Maintenance Expenses		5,265,782	
Adjustment		285,449	
		(12,672)	
		272,776	

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

ACCOUNT	EXPLANATION	ADJUST- MENT INCREASE DECREASE
62020000	Mat & Sup-Source Maint	1,089
62020001	Mat & Sup-Reservoir Maint	108
62020002	Mat & Sup-Struc-Source Maint	984
62020003	Mat & Sup-Equip Source Maint	1,884
62040000	Mat & Sup-Treatment Maint	5
62040002	Mat & Sup-Treat. Struct. Maint	1,137
62040003	Mat & Sup-Treat. Equip Maint	3,337
62060000	Mat & Sup-Trans & Dist Maint	1,160
62060002	Mat & Sup-Maint of Dist Struct	1,056
62060003	Mat & Sup-Maint of Dist Equip	2,247
62060004	Mat & Sup-Maint of Services	2,392
62060005	Mat & Sup-Maint of Dist Mains	10,962
62060006	Mat & Sup-Maint of Meters	921
62060007	Mat & Sup-Maint of Hydrants	1,859
62080002	Mat & Sup-Maint of Office Struc	761
62080003	Mat & Sup-Maint of Office Equip	34
63620001	O/S Serv-Maint of Reservoirs	3,262
63620002	O/S Serv-Maint of Source Struct	3,406
63620003	O/S Serv-Maint of Source Equip	5,449
63640002	O/S Serv-Maint of Treat Struct	9,804
63640003	O/S Serv-Maint of Treat Equip	6,653
63660002	O/S Serv-Maint of Dist Struct	10,738
63660003	O/S Serv-Maint of Dist Equip	4,470
63660004	O/S Serv-Maint of Services	67,253
63660005	O/S Serv-Maint of Dist Mains	77,598
63660006	O/S Serv-Maint of Meters	61
63660007	O/S Serv-Maint of Hydrants	2,428
63670003	O/S Serv-Maint of Equip-Cust Ac	106
63680002	O/S Serv-Maint of Office Struc	2,918
63680003	O/S Serv-Maint of Office Equip	17,431
64220000	Equip Rent-Source	192
64240000	Equip Rent-Filter Plant	131
64260003	Equip Rent-Maint of Equip	131
64260004	Equip Rent-Maint of Svcs	8
72020000	Mat & Supplies-Collection-Maint	67
72020008	Mat & Supplies-Collection-Maint	16
72040002	Mat & Supplies-Pumping-Maint-St	100
72040003	Mat & Supplies-Pumping-Maint-Eq	1,926
72060002	Mat & Supplies-Treat-Maint-Stru	350
72060003	Mat & Supplies-Treat-Maint-Equi	4,028
73620000	O/S Serv-Collection-Maint	9,756
73620003	O/S Serv-Collection-Maint-Equip	11
73640002	O/S Serv-Pumping-Maint-Structur	615
73640003	O/S Serv-Pumping-Maint-Equip	5,234
73660002	O/S Serv-Treat-Maint-Structure	5,158
73660003	O/S Serv-Treat-Maint-Equip	3,538

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 28, 2027, 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 2026 Increases (2)	Pro Forma Fully Projected Future Test Year Payroll Expense (3)=(1)+(2)
60110000	148,062	3,771	151,833
60110050	152,808	3,892	156,700
60120000	166,522	4,241	170,762
60120001	-	-	-
60120002	99,921	2,545	102,466
60120003	180,995	4,609	185,604
60130000	1,339,043	34,101	1,373,144
60130050	196,441	5,003	201,444
60140000	-	-	-
60140002	133,346	3,396	136,742
60140003	143,568	3,656	147,225
60150000	1,514,816	38,577	1,553,394
60150004	303,432	7,727	311,159
60150006	178,190	4,538	182,728
60150007	-	-	-
60150050	682,697	17,386	700,083
60160000	235,695	6,002	241,697
60160002	51,073	1,301	52,373
60160003	287,226	7,315	294,541
60160004	166,849	4,249	171,099
60160005	359,055	9,144	368,199
60160006	41,956	1,068	43,024
60160007	112,296	2,860	115,155
60170000	991,911	25,261	1,017,171
60170001	79,996	2,037	82,033
60170050	199,009	5,068	204,077
60180000	2,042,511	52,016	2,094,527
60180050	393,062	10,010	403,072
60380000	563,343	14,346	577,690
60180002	31,852	811	32,663
60180003	3,679	94	3,772
70150000	744,745	18,966	763,711
70150050	84,941	2,163	87,105
70160002	398	10	408
70160003	30,015	764	30,779
70110000	12,051	307	12,358
	11,671,506	297,234	11,968,739

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 2026 Rates (See Exhibit No. FIII-2-40(b)) (1)	Projected Fully Projected Future Test Year Com- pany Labor, Based On 2026 Rates (See Exhibit No. FIII-2-25) (2)	Annualized Fully Projected Future Test Year Wage Increases (3)=(1)-(2)
60110000	151,833	148,062	3,771
60110050	156,700	152,808	3,892
60120000	170,762	166,522	4,241
60120001	-	-	-
60120002	102,466	99,921	2,545
60120003	185,604	180,995	4,609
60130000	1,373,144	1,339,043	34,101
60130050	201,444	196,441	5,003
60140000	-	-	-
60140002	136,742	133,346	3,396
60140003	147,225	143,568	3,656
60150000	1,553,394	1,514,816	38,577
60150004	311,159	303,432	7,727
60150006	182,728	178,190	4,538
60150007	-	-	-
60150050	700,083	682,697	17,386
60160000	241,697	235,695	6,002
60160002	52,373	51,073	1,301
60160003	294,541	287,226	7,315
60160004	171,099	166,849	4,249
60160005	368,199	359,055	9,144
60160006	43,024	41,956	1,068
60160007	115,155	112,296	2,860
60170000	1,017,171	991,911	25,261
60170001	82,033	79,996	2,037
60170050	204,077	199,009	5,068
60180000	2,094,527	2,042,511	52,016
60180050	403,072	393,062	10,010
60380000	577,690	563,343	14,346
60180002	32,663	31,852	811
60180003	3,772	3,679	94
70150000	763,711	744,745	18,966
70150050	87,105	84,941	2,163
70160002	408	398	10
70160003	30,779	30,015	764
70110000	12,358	12,051	307
	11,968,739	11,671,506	297,234

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, 2024

Account	Twelve Months Ended		Two-Year Company Labor (3)=(1)+(2)	Allocation Factor (4)	Pro Forma Fully Projected Company Labor (5)=(3)x(4)
	December 31, 2024 (1)	December 31, 2023 (2)			
10520000	48,324	72,775	121,099	0.65663	79,518
10530000	669,305	548,486	1,217,791		799,644
42600000	25,543	25,862	51,405		33,755
	743,172	647,123	1,390,295		912,916
60110000	129,772	101,457	231,229		151,833
60110050	133,528	105,113	238,641		156,700
60120000	141,084	118,973	260,057		170,762
60120001	-	-	-		-
60120002	76,608	79,439	156,047		102,466
60120003	146,015	136,645	282,660		185,604
60130000	1,086,740	1,004,444	2,091,184		1,373,144
60130050	162,227	144,555	306,782		201,444
60140000	-	-	-		-
60140002	96,485	111,762	208,247		136,742
60140003	108,064	116,147	224,211		147,225
60150000	1,252,237	1,113,453	2,365,690		1,553,394
60150004	254,984	218,886	473,870		311,159
60150006	160,715	117,565	278,280		182,728
60150007	-	-	-		-
60150050	537,824	528,345	1,066,169		700,083
60160000	198,117	169,968	368,085		241,697
60160002	43,719	36,041	79,760		52,373
60160003	227,824	220,737	448,561		294,541
60160004	119,198	141,371	260,569		171,099
60160005	317,699	243,038	560,737		368,199
60160006	25,344	40,178	65,522		43,024
60160007	91,194	84,178	175,372		115,155
60170000	841,725	707,343	1,549,068		1,017,171
60170001	50,810	74,120	124,930		82,033
60170050	158,164	152,628	310,792		204,077
60180000	1,632,092	1,557,699	3,189,791		2,094,527
60180050	325,771	288,075	613,846		403,072
60380000	447,542	432,232	879,774		577,690
60180002	40,113	9,630	49,743		32,663
60180003	1,126	4,619	5,745		3,772
70150000	617,403	545,666	1,163,069		763,711
70150050	68,699	63,954	132,653		87,105
70160002	-	622	622		408
70160003	22,011	24,863	46,874		30,779
70110000	5,669	13,151	18,820		12,358
	9,520,503	8,706,897	18,227,400		11,968,739
	10,263,675	9,354,020	19,617,695		12,881,655
	Pro Forma Company Labor				12,881,655
	Two-Year Company Labor				19,617,695
	Allocation Factor(12,881,655		
	divided by		19,617,695)		0.65663

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 annualize market changes to the Company's 401K match and contributions to be implemented during the twelve months ending December 31, 2026 and included in cost of service for the twelve months ending February 28, 2027. These changes are necessary to retain and recruit qualified employees in a competitive labor market.</p> <p>Increase in Company contribution for enhanced 401K participants to the greater of 1,200 or 2% of pay</p>	
	Increase in annual Company contribution	42,712
60400002 Employee Benefits - 401k Match		42,712

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, 2025, as of February 28, 2027.	
	Company contributions at the greater of 1,200 or 2% of pay	23,381
	Company match percentage of employee pay	4%
	New employee annual wages (FIII-2-22)	<u>1,067,841</u>
	Company Match (1,067,841 * 4%)	42,714
	Total Adjustment (23,381 + 42,714)	66,095
60400002	Employee Benefits - 401k Match	66,095

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, 2025 as of February 28, 2027. 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 six employees currently participating in the deferred compensation plan that are not eligible for the defined benefit pension plan as of February 28, 2027.	60,062
	Projected annual matching contributions for six salaried employees to be added during the twelve months ending December 31, 2025, as of February 28, 2027. The match is calculated at the average match of the six employees who are currently participating of 4.0%.	<u>35,021</u>
	Adjustment (60,062 + 35,021)	95,083
60400002	Employee Benefits - 401k Match	95,083

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 28, 2027 based on projected net asset value of the Company's pension plans as of February 28, 2027. The Company sponsors two pension plans, one for union represented employees and another for general and administrative employees.	
	Projected Plan Assets as of February 28, 2027 (Based on a 6.5% Annual Growth Rate)	65,118,723
	Annual Trustee and Portfolio Management Fees at 0.25% (65,118,723 * .0025)	162,797
	Less: Projected Trustee and Portfolio Management Fees For The Twelve Months Ending February 28, 2027 (Refer To Exhibit No. FIII-2-26)	160,877
		1,920
60480001	Employee Benefits-Pension Administration	1,920

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 28, 2027 and January 1, 2025 workers compensation insurance rates and 2025 experience modification.				
	Waterworks Employees (1)	Outside Sales (2)	Clerical Employees (3)	Total (4)	
Pro Forma Payroll Twelve Months Ending February 28, 2027	6,848,697	1,524,182	4,508,776	12,881,655	
Premium Rates Per \$100	\$2.31	\$0.21	\$0.08		
Premiums Subject to Experience Modification	158,205	3,201	3,607	165,013	
Increased Employers Liability Limit @ 1.10%				1,815	
Pa Experience Modification				1,260	
Premiums Adjusted by Application of Experience Modification				210,203	
Schedule Rating @ 5%				10,510	
Safety Credit @ 5%				(11,036)	
Premiums Adjusted By Application of Schedule Rating and Safety Credit				209,678	
Premium Discount at 11.33%				(23,756)	

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 28, 2027 and January 1, 2025 workers compensation insurance rates and 2025 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	185,921												
	Pennsylvania Compensation Rating Bureau Fee	175												
	Foreign and Domestic Terrorism Surcharge	3,864												
	Catastrophe (Other than terrorism)	2,576												
	Pennsylvania Employer Assessment @ 2.42%	4,659												
	Pro Forma Workers' Compensation Insurance Expense for the Twelve Months Ending February 28, 2027	197,196												
	Less: Projected Workers Compensation Insurance Expense for the Twelve Months Ending February 28, 2027 (Refer to Exhibit No. FIII-2-30)	193,136												
		4,061												
65880000	Insurance-Workers Compensation	4,061												

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 28, 2027 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, 2024</td> <td style="text-align: center;">466,758</td> <td style="text-align: center;">66,300,134</td> <td></td> </tr> <tr> <td style="text-align: center;">December 31, 2023</td> <td style="text-align: center;">388,152</td> <td style="text-align: center;">63,203,691</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">854,910</td> <td style="text-align: center;">129,503,825</td> <td style="text-align: center;">0.0066</td> </tr> </table>	Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)	December 31, 2024	466,758	66,300,134		December 31, 2023	388,152	63,203,691			854,910	129,503,825	0.0066	
Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)															
December 31, 2024	466,758	66,300,134																
December 31, 2023	388,152	63,203,691																
	854,910	129,503,825	0.0066															
	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 28, 2027	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">67,479,058</td> <td style="text-align: center;">x</td> <td style="text-align: center;">0.0066</td> <td style="text-align: center;">445,458</td> </tr> </table>	67,479,058	x	0.0066	445,458												
67,479,058	x	0.0066	445,458															
	Less: Projected Test Year Uncollectible Accounts for Twelve Months Ending February 28, 2027 (Refer to Exhibit No. FIII-2-31)	443,390																
		2,068																
67070000	Bad Debt Expense	2,068																

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 28, 2027, 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 28, 2027	(599,197)
	Pro Forma Allocation of payroll taxes and fringe benefits on direct labor to wastewater for the Twelve Months Ending February 28, 2027	(276,358)
	Less: Projected Allocation to Wastewater for the Twelve Months Ending February 28, 2027 (Exhibit No. FIII-2-32)	<u>(862,142)</u>
	Adjustment $[(599,197) + (276,358)] - (862,142)$	(13,413)
67580005 Allocation to Wastewater		(13,413)

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 28, 2027, 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 28, 2027	598,230
	Less: Projected Director Fees for the Twelve Months Ending February 28, 2027 (See Exhibit No. FIII-2-33)	587,519
		10,711
67580800	Miscellaneous Expenses-Operations-Directors Fees	10,711

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 costs associated with identification of customer-owned service line materials in compliance with EPA's Lead and Copper Rule Improvements (LCRI)	
	Service line identification costs	150,000
63650004	Operations-Outside Services-Services	150,000

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 operating expenses for additional costs resulting from an increase in load growth and the number of customers during the twelve months ending February 28, 2027 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, 2024</td> <td style="text-align: right;">66,300,134</td> <td style="text-align: right;">5,639,086</td> <td></td> </tr> <tr> <td>December 31, 2023</td> <td style="text-align: right;">63,203,691</td> <td style="text-align: right;">5,368,972</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">129,503,825</td> <td style="text-align: right;">11,008,058</td> <td style="text-align: right;">0.085</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, 2024	66,300,134	5,639,086		December 31, 2023	63,203,691	5,368,972			129,503,825	11,008,058	0.085	
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, 2024	66,300,134	5,639,086																				
December 31, 2023	63,203,691	5,368,972																				
	129,503,825	11,008,058	0.085																			
	Load Growth Adjustments																					
	Exhibit No. FII-2-34	34,384																				
	Exhibit No. FII-2-35	225,491																				
	Exhibit No. FII-2-36	6,513																				
	Exhibit No. FII-2-37	26,926																				
	Exhibit No. FII-2-38	43,526																				
	Exhibit No. FII-2-39	17,858																				
	Total Load Growth Adjustments	354,697																				
	Additional Cost Resulting From a Net Increase in the Number of Custom- ers During the Twelve Months Ending February 28, 2027																					
	354,697 x	0.085	30,150																			
	Increased Costs Resulting From Load Growth		30,150																			

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 costs associated with acoustic leak detection software	
	Total Annual Cost for Kamstrup Acoustic Leak Detection Software	23,900
63650006	Operations-Outside Services-Meters	23,900

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 28, 2027 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"> <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, 2024</td> <td style="text-align: center;">466,758</td> <td style="text-align: center;">66,300,134</td> <td></td> </tr> <tr> <td style="text-align: center;">December 31, 2023</td> <td style="text-align: center;">388,152</td> <td style="text-align: center;">63,203,691</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">854,910</td> <td style="text-align: center;">129,503,825</td> <td style="text-align: center;">0.0066</td> </tr> </table>	Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)	December 31, 2024	466,758	66,300,134		December 31, 2023	388,152	63,203,691			854,910	129,503,825	0.0066	
Twelve Months Ended (1)	Write-offs Less Recoveries (2)	Operating Revenues (3)	Ratio of Net Write-offs (4)															
December 31, 2024	466,758	66,300,134																
December 31, 2023	388,152	63,203,691																
	854,910	129,503,825	0.0066															
	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 28, 2027	579,243																
	Less: Pro Forma Test Year Uncollectible Accounts for Twelve Months Ending February 28, 2027 (Refer to Exhibit No. FIII-2-46)	445,458																
		133,785																
67070000	Bad Debt Expense	133,785																

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
EXTRAORDINARY PROPERTY LOSSES FOR TWELVE MONTHS ENDING
FEBRUARY 28, 2027 AND DECEMBER 31, 2025

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 28, 2027 and December 31, 2025.

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 2025, 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 2026.
- b. and c. In 2025, an approximate 3.5% increase is projected to union, and 3.7% to non-union and management employees. The increase does not reflect a merit allowance. Performance is considered in establishing nonunion and management compensation.
- In 2026, an approximate 3.5% increase is projected to union, and 3.7% 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, 2025 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 28, 2027 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, 2025, and Exhibit No. FIII-2-34 and FIII-2-49 for the computations for the twelve months ending February 28, 2027.
- 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, 2025, is 1,464,624
- The amount of vacation (including personal days and holidays) to be paid during the twelve months ending February 28, 2027, is 1,624,018
- 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 28, 2027 AND ENDING DECEMBER 31, 2025

- 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 28, 2027

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, 2024, and to date, has had no major storm damage costs in 2025.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
ADVERTISING EXPENSES FOR
TWELVE MONTHS ENDING
FEBRUARY 28, 2027, DECEMBER 31, 2025 AND ENDED DECEMBER 31, 2024

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 28, 2027 AND DECEMBER 31, 2025

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-INTERNAL
CONTROLS, CONTRACTUAL SERVICES-TAX, CONTRACTUAL SERVICES-OTHER
ACCOUNTING, CONTRACTUAL SERVICES-LEGAL, CONTRACTUAL SERVICES-
OUTSIDE SERVICES, AMORTIZATION OF RATE CASE EXPENSE AND MISCELLANEOUS
EXPENSES FOR THE TWELVE MONTHS ENDING FEBRUARY 28, 2027, ENDING
DECEMBER 31, 2025 AND ENDED DECEMBER 31, 2024

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 28, 2027, December 31, 2025 and 2024.

Refer to page 3 for an analysis, by major components, of Account No. 63280002, Contractual Services-Tax, for twelve months ending February 28, 2027, December 31, 2025 and 2024.

Refer to page 4 for an analysis, by major components, of Account No. 63280003, Contractual Services-Other Accounting, for twelve months ending February 28, 2027, December 31, 2025 and 2024.

Refer to page 5 for an analysis, by major components, of Account No. 63380000, Contractual Services-Legal, for twelve months ending February 28, 2027, December 31, 2025 and 2024.

Refer to page 6 for an analysis, by major components, of Account No. 63680000, Contractual Services-Outside Services, for twelve months ending February 28, 2027, December 31, 2025 and 2024.

Refer to page 7 for an analysis, by major components, of Account No. 66680000, Rate Case Expense, for twelve months ending February 28, 2027, December 31, 2025 and 2024.

Refer to page 8 for an analysis, by major components, of Account No. 67580000, Miscellaneous Expense, for twelve months ending February 28, 2027, December 31, 2025 and 2024.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CONTRACTUAL SERVICES-AUDITING FOR TWELVE MONTHS ENDING
FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND 2024

Description (1)	Twelve Months Ending 2-28-27 (2)	Twelve Months Ending 12-31-25 (3)	Twelve Months Ended 12-31-24 (4)
Annual Audit Fees and Expenses (Independent Accountant)	257,100	244,900	232,297
Direct Stock Purchase and Reinvestment	3,060	3,060	-
Long-Term Incentive Plan	222	222	-
Employee Stock Purchase Plan	<u>176</u>	<u>176</u>	<u> </u>
	260,558	248,358	232,297

Refer to Exhibit No. HIII-2-19 for an adjustment to normalize 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 normalize 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 normalize the costs of an amendment to the employee stock purchase plan over a period of 17 years.

Refer to Exhibit No. FIII-2-4 for an adjustment of annual auditing fees for the twelve months ending December 31, 2025.

Refer to Exhibit No. FIII-2-28 for an adjustment of annual auditing fees for the twelve months ending February 28, 2027.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CONTRACTUAL SERVICES-TAX FOR TWELVE MONTHS ENDING
FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND 2024

Description (1)	Twelve Months Ending 2-28-27 (2)	Twelve Months Ending 12-31-25 (3)	Twelve Months Ended 12-31-24 (4)
Tax Return Preparation	21,100	20,050	17,895

Refer to Exhibit No. FIII-2-4 for an adjustment of tax service fees for the twelve months ending December 31, 2025.

Refer to Exhibit No. FIII-2-28 for an adjustment of tax service fees for the twelve months ending February 28, 2027.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CONTRACTUAL SERVICES-OTHER ACCOUNTING FOR TWELVE MONTHS ENDING
FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND 2024

Description (1)	Twelve Months Ending 2-28-27 (2)	Twelve Months Ending 12-31-25 (3)	Twelve Months Ended 12-31-24 (4)
Depreciation Services and Service Life Study	29,758	29,758	29,758
Interest Rate Swap Accounting Fees	3,000	3,000	3,000
Public Company Accounting Oversight Board Annual Fee	4,200	4,200	4,200
Other (YCIDA, 5500 etc.)	<u>12,518</u>	<u>12,518</u>	<u>12,518</u>
	49,476	49,476	49,476

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, 2024, over five years.

THE YORK WATER COMPANY
DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CONTRACTUAL SERVICES-LEGAL FOR TWELVE MONTHS ENDING
FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND 2024

Description (1)	Twelve Months Ending 2-28-27 (2)	Twelve Months Ending 12-31-25 (3)	Twelve Months Ended 12-31-24 (4)
Costs associated with amending the Dividend Reinvestment and Direct Stock Purchase Plan (1)	4,702	4,702	-
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)	876	876	-
Costs associated with filing the Long-term Infrastructure Improvement Plan (4)	1,630	1,630	958
Costs associated with potential acquisitions (5)	-	-	133,751
Debt Agreements	450	450	450
Class Action	116,598	116,598	116,598
Contracts	2,684	2,684	2,684
Customer Complaints	3,434	3,434	3,434
Property Issues	31,910	31,910	31,910
Regulatory compliance	19,963	19,963	19,963
SEC compliance	42,255	42,255	42,255
Employee Benefits/Labor Matters	5,908	5,908	5,908
Other legal fees (Auditor resp., tax, financing, general)	8,400	8,400	8,400
	<u>240,327</u>	<u>240,327</u>	<u>366,311</u>

- (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 17 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 28, 2027 AND DECEMBER 31, 2025 AND 2024

Description (1)	Twelve Months Ending 2-28-27 (2)	Twelve Months Ending 12-31-25 (3)	Twelve Months Ended 12-31-24 (4)
XBRL Software (1)	10,550	10,550	5,000
Communication	48,865	48,865	48,865
Compliance Reporting	28,000	28,000	28,000
Computer Network & Hardware Support and Software Support & Consulting (2)	924,334	924,334	283,395
Executive Compensation Consulting	25,500	25,500	25,500
Training	1,300	1,300	1,300
Document Removal	7,524	7,524	7,524
Payment Consulting	5,500	5,500	5,500
Miscellaneous Contractual Fees and Services	<u>11,415</u>	<u>11,415</u>	<u>11,415</u>
	1,062,988	1,062,988	416,499

(1) Refer to Exhibit No. HIII-2-35 for an adjustment of XBRL software for the twelve months ended December 31, 2025.

(2) Refer to Exhibit No. HIII-2-38 for an adjustment of ERP license fees for the twelve months ended December 31, 2025.

THE YORK WATER COMPANY
 DATA REQUIREMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
 AMORTIZATION OF RATE CASE EXPENSE TWELVE MONTHS ENDING
 FEBRUARY 28, 2027 AND DECEMBER 31, 2025 AND 2024

Description (1)	Twelve Months Ending 2-28-27 (2)	Twelve Months Ending 12-31-25 (3)	Twelve Months Ended 12-31-24 (4)
Normalization of March 1, 2023 Rate Case Expense (Docket No. R-2022-3031340)	-	99,224	99,224
Normalization of the Current Rate Case	236,188	-	-
	236,188	99,224	99,224

The normalization period used on the Company's corporate books for the March 1, 2023 rate case (forty-eight months) will end February 28, 2027.

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 28, 2027 AND DECEMBER 31, 2025 AND 2024

Description (1)	Twelve Months Ending 2-28-27 (2)	Twelve Months Ending 12-31-25 (3)	Twelve Months Ended 12-31-24 (4)
Licenses (Notary and CPA)	882	882	882
Sponsorships	150	150	150
Restitution	(1,599)	(1,599)	(1,599)
Other Miscellaneous Expenses	<u>748</u>	<u>748</u>	<u>748</u>
	180	180	180

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 28, 2027

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, 2025
AND ENDED DECEMBER 31, 2024 AND 2023

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
2025	-	(568,748)	-	(568,748)
2024	111,209	(687,331)	111,209	(798,540)
2023	1,680,000	(1,150,827)	1,680,000	(2,830,827)

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, Docket No. R-2018-3000019, dated January 17, 2019, and Docket No. R-2022-3031340, dated January 12, 2023 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 28, 2027

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	(10,712)	2,000

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, 2025 were 2,000 representing one death. The Company has assumed the same one death 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 28, 2027

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 28, 2027

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 28, 2027

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 2024 and 2025 is also attached.

Projected cash incentive payments of \$351,394 for the twelve months ending February 28, 2027 are included in the cost of service. Cash incentive payments for the twelve months ending December 31, 2025 and ended December 31, 2024, are \$338,857 and \$296,198, 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 \$266,136 for the twelve months ending February 28, 2027 are included in the cost of service. LTIP stock grants for the twelve months ending December 31, 2025 and ended December 31, 2024, were \$219,191 and \$182,192, respectively.

THE YORK WATER COMPANY

Cash Incentive Plan

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.

2024 Performance Objectives

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

		Possible	Actual
1	Infrastructure Replacement/Relining: 52,000 feet of mains	5	
2	Analyze Susquehanna River Pumping Station Energy Supply	5	
3	Develop a Water Quality Model for the Primary Distribution System	5	
4	Continue Development of Actions to meet 2024 Revised Lead & Copper Rule	5	
5	Develop and Implement an Enhanced CSR Training Program	5	
6	Evaluate a potential bill discount program for low-income customers	5	
7	Conduct a Customer Survey across the Company's customer base	5	
8	ERP Evaluation and Selection	10	
9	Complete a market benefits study	5	
10	Website Payment Process Enhancements and Public Education Material	5	
11	Complete a Debt Offering	5	
12	Review the Taxation of Real Property	5	
13	Integrate Organic Growth and Acquired Customers Seamlessly	5	
14	Wastewater Inflow and Infiltration	5	
15	Metering Infrastructure	5	
16	ESG Program Development and Expansion	5	

Earnings Per Share: **\$ 1.21**

Total	85	_____
Required for 75%	65	
Actual		

Detailed Discussion

1. Infrastructure Replacement/Relining: ~52,000 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, as well as acquired transite main. 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. This is an increase to the 50,000 feet objective in 2023.

2. Analyze the Energy Source for Susquehanna River Pumping Station [VP, Engr]

With the drought of 2023, for the first time since constructed over 20 years ago, the Company operated the diesel pumps at SRPS to transfer up to 12 MGD from the Susquehanna River to Lake Redman. There was significant expense for diesel fuel and air emissions permit considerations for using the diesel engines. The Company will conduct a study and analyze the cost/benefit opportunity of converting from diesel to electric.

3. Develop a Water Quality Model for the Main Distribution System [VP, Engr]

New regulations, most notably the Disinfection Requirements Rule of 2018, are forcing the Company to reevaluate its distribution network of pipes, tanks, and pumps. Beginning April 2019 the Company must maintain a minimum disinfectant residual concentration in the distribution system of a least 0.2 mg/L, a tenfold increase over the previous standard of 0.02 mg/L. Using the existing WaterCAD modeling software and supplementing with chemical degradation modelling, the Company will develop a predictive model to anticipate disinfectant stability to better manage resources and reduce costs associated with warm-weather flushing and water storage.

4. Develop Actions and Processes to Comply with 2024 Revised Lead and Copper Rule and New Regulations including PFAS [VP, Ops]

The Company must be compliant with existing and new regulations as promulgated by EPA, DEP and other regulating bodies. While elements remain to be finalized, the Company recognizes certain elements of the Revised Lead and Copper Rule will be enforceable by October 16, 2024. Beginning 2025 the Company must sample for lead and copper at schools and licensed daycare facilities. The company will develop a sampling plan, enhanced employee training program, and communications strategy for the communities we serve ahead of the 2025 sampling requirements and comply with the rule. EPA is expected to release a National Primary Drinking Water Regulation in 2024 establishing Maximum Contaminant Levels for six PFAS in drinking water. The company will comply with the regulation.

5. Develop and Implement an Enhanced Customer Service Representative Training Program [VP, CS]

The Company has experienced significant turnover in the Customer Service Department. The Department is no longer filled with long-tenured, experienced representatives. The Company will develop an enhanced orientation and training program for CSRs that will lead to improving the customer experience while providing additional professional development and paths towards advancement for our employees.

6. Evaluate a potential bill discount program for low-income customers [VP, CS]

As part of the settlement agreement for the Company's most recent base rate filing, the Company agreed to conduct an analysis of the estimated costs, potentially eligible customers, and impact on non-eligible customers of a potential bill discount program. The Company will schedule to meet with the parties to the settlement 30 days after the analysis is complete.

7. Conduct a Customer Survey across the Company's customer base [VP, CS]

Develop and conduct, with outside consultation, a comprehensive customer satisfaction survey. The last survey was conducted on the heels of the Covid pandemic and conditions have changed significantly. The Company will use the results of the survey to inform decisions in how to improve the total customer experience and what investments should be made to more efficiently manage and monitor customer relationships.

8. ERP Evaluation and Selection [CAO]

Complete the ERP evaluation of requirements, select an ERP platform and implementation partner, and award these contracts so that the ERP project can enter Phase II as we close 2024.

9. Complete a market benefits study [VP, HR]

In 2023 the Company conducted a market compensation study. To ensure that we recruit and retain highly skilled team members, we will extend our research to review and benchmark current employee benefits to ensure relevance and alignment with the current labor market.

10. Website Payment Process Enhancements and Public Education Material [CAO]

Reinforcing our focus on improving the customer experience, engage with our payment platform and/or ancillary partner to develop a more streamlined process (fewer clicks) to manage and pay bills and assist customers with payment agreement compliance. Produce and distribute at least 2 public education videos for customer education.

11. Complete a Debt Offering [CFO]

A debt offering would secure the necessary financing to pay down our line of credit to provide the necessary access to capital to fund the Company's anticipated 2024 construction expenditures and water and wastewater acquisitions as well as ensure capital is available in the event of an emergency that requires cash which benefits the customers. The Company will consider its capital structure and current obligations when determining the structure and maturity of this issue and utilize its current credit rating and analysis of market conditions to obtain the lowest debt cost possible.

12. Review the Taxation of Real Property [CFO]

This is a carry-over (incomplete) from 2023. The Company continues to grow and acquire or construct additional real property. The Company intends to audit the taxation of these properties to verify if they should be taxed under municipal property tax code or under Pennsylvania Public Utility Realty Tax (PURTA). The correct classification is important to verify the Company is paying the correct amount of tax on its real property and the correct amount of tax is being passed along to customers in rates.

13. Integrate Organic Growth and Acquired Customers Seamlessly (Water/Wastewater) [VP, OPS]

We expect to receive PUC approval for at least three acquisitions (York Haven, Brookhaven and Pine Run) in 2024 as well as organic growth throughout the year. Integrating these acquisitions involves significant resources across the Company. The seamless transition of customers and services to York Water level service, sound compliance and O&M practices, and mitigation of costs and expenses through economies of scale all must be accomplished while providing a quality customer experience.

14. Metering Infrastructure [VP, Ops]

Prepare and issue an RFP to analyze the process and pace required to achieve 100% remote read capability no later than January 1, 2035. A fixed-base, two-way communications platform can empower customers with actionable insight regarding usage and account management, reduce customer complaints and improve the customer experience. Conduct a survey of suppliers, technologies, propagation studies, cost/benefit analysis, leading to a plan recommendation. The objective is to complete the scope of work contracted for under the RFP in 2024.

15. Wastewater Inflow and Infiltration [VP, Ops]

Create a comprehensive SOP for investigation and reduction of I&I, to include development of a tracking tool and customer education about our wastewater system and water quality. The SOP and results of investigations will assist the Company in prioritizing capital for rehabilitation and repair of defective sanitary sewer assets.

16. ESG Program Development and Expansion [CAO]

Complete a climate baseline assessment for consumption of resources and emissions in 2024 and identify industry benchmarking tools to enable the Company to institute initiatives and programming in 2025. Determine where we are so we can envision where to go. Continue to build organizational awareness of ESG through 2 trainings in 2024 and identification of specific opportunities from each Department. Comply with direction provided by the Board of Directors for prioritization of ESG initiatives. Include an invitation to Board member Paul Bonney to meet with and educate the Company's leadership on ESG and create cross-functional integration of ESG priorities.

Earnings Per Share:

\$1.21. The 2023 EPS was audited \$1.66/share. The 2024 budget is estimated at \$1.26/share. A \$1.21 earnings goal is appropriate in 2024 as compared to our budget. 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.

2025 Performance Objectives

Approved January 27, 2025

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

		<u>Possible</u>	<u>Actual</u>
1	Infrastructure Replacement/Relining: 53,000 feet of mains	5	
2	Complete a Groundwater Study for the Carroll Valley Water System	5	
3	Development of the Company's Sanitary Sewer Geographic Information System	5	
4	Complete a Market Compensation Study	5	
5	Conduct an Employee Engagement Survey	5	
6	File a Base Rate Case to PA PUC	5	
7	Implement a Pilot Study for New Metering Technology	5	
8	ERP Integration	10	
9	Refine the Company's Water Audit Methodology	5	
10	Conduct a Physical Security Audit of Finished Water and Wastewater Facilities	5	
11	Create a Metric-Driven Customer Service Dashboard	5	

Earnings Per Share: [\\$ 1.18](#)

	Total	60
	Required for 75%	45
	Actual	_____

Detailed Discussion

1. Infrastructure Replacement/Relining: ~53,000 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 again be on replacing pre-1940's pipes, which are most likely to have lead service lines, as well as acquired transite main. 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. This is an increase to the 52,000 feet objective in 2024. Highlight the sustainability component of ductile iron pipe as reinforced from intended primary source, US Pipe.

2. Complete a Groundwater Study for the Carroll Valley Water System [VP, Engr]

With the drought of 2023 rolling into 2024 and January 2025, the Company must be proactive in identifying new sources of supply; the Carroll Valley System is a priority due to growth and demand potential on the existing two-well system. The Company will engage a consultant to conduct a desktop analysis of potential new well sites for the Carroll Valley water system. Adding new wells would address the current vulnerability of having the only two existing wells in very close proximity to one another. Developing new wells would also add redundancy for existing customers and help prepare for future growth in the system. Sustainable and reliable sources of supply are the foundation of our sustainability initiatives.

3. Expedite Development of the Company's Sanitary Sewer Geographic Information System [VP, Engr]

The Company has a rudimentary geospatial system for wastewater assets compared to the more sophisticated and more highly developed model for water assets. We will develop the existing sanitary sewer GIS to the standards established for the potable water system by fixing connectivity and providing proper symbology, color schema, and network structure points to wastewater assets. In conjunction with the Wastewater Department, new asset management functionality will be added, including CCTV inspection data, with the goal of improving sanitary sewer asset management and capital project planning. More precise geospatial data that is available to operations and customer service personnel will improve service delivery to our growing portfolio of wastewater customers, especially regarding sanitary sewer blockages and opportunities to reduce I&I.

4. 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 that covers Directors, Executives and Employees. 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.

5. Conduct an Employee Engagement Survey [VP, HR]

The Company is experiencing higher employee turnover rates than had been the norm pre-Covid (2020). While the turnover rates are below utility industry averages, they are anomalous to York Water. The survey will address questions such as ethics, compliance, culture, satisfaction, benefits, employee recognition and events. The Company will use the results of the survey to prepare action and

communication plans responding to survey results and informing our employees of the results. The results and action steps will be shared with the Board of Directors at the September 26, 2025 strategy session.

6. File a Base Rate Case to PA PUC [CFO]

Due to increasing expenses, the recovery of capital costs, and the recovery of capital investments to bring acquired distressed systems to standard, a rate case may be necessary in 2025. Submission of a rate case will ensure the company remains financially sound which will benefit customers.

7. ERP Integration [CAO]

With the selection of a platform and implementation partner, proceed with transition to a new ERP. While recognizing and tending to the challenges of change management and the interruption to old methods, hold to the milestone and budget framework to close 2025 on schedule and on budget for the 2026 launch.

8. Implement a Pilot Study for New Metering Technology [VP, Ops]

Implement and evaluate a pilot of Kamstrup meters, fixed collectors, and acoustic leak detection software, by end of calendar year 2025. The plan for the pilot, including timeline of project, locations of installations, and evaluation criteria, will be developed in consultation with Kamstrup and York Water Operations Team, with the end goal of evaluating Kamstrup as a long-term partner for York Water's metering technology. In addition to the operational benefits provided to York Water, we will evaluate the benefits to improving the customer experience with two-way communication, real-time leak detection, and water usage profiles that encourage conservation. Fixed collection technology, at full build out, would eliminate two meter-reading vehicles from the fleet and reduce the Company's carbon footprint.

9. Refine the Company's Water Audit Methodology and Reduce Unaccounted For Water Below 21% with target of 20% [VP, Ops]

The Company has experienced an increase in unaccounted for water. Redesign the Company's metered and unmetered water loss data collection and reporting, to include utilization of automated Hach WIMS reporting to inform company decision-making to address targeted water loss areas, metering enhancements, and company water use reporting. Using AWWA's methods and standards, improve data validity score to elevate from Tier III to Tier IV by April 2025 with a baseline water loss established by December 2025. Capital has been allocated in the 2025 budget for improved automation, metering and monitoring. This will be an item added to board education for 2025 and presented to the board at two meetings in 2025.

10. Conduct a Physical Security Audit of all Finished Water and Wastewater Facilities [VP, Ops]

Perform a system wide physical security/access audit of all facilities that store, treat or convey finished water and all facilities that treat or convey treated wastewater, including booster stations, tank sites, water treatment plants, wastewater treatment plants, wastewater lift stations etc. Results of the audit will guide how the team improves security/access by utilizing video, drone and access technology, creating consistency, and ultimately better protecting our water/wastewater resources. The results of the audit will inform decisions on how best to deploy resources in 2026 and beyond and better prepare the Company for the next PUC Management Audit.

11. Create a Metric-Driven Customer Service Dashboard [VP, CS]

The Company has a number of digital tools to track customer service responsiveness and customer trends, but they are disjointed. With the arrival of a new VP, CS in March, the Company will take this opportunity to create a Customer Service Dashboard that guides decision making for allocation of resources and takes better advantage of technology. Elements to be considered are payment agreement compliance, customer hold-time, routine appointment scheduling, and data related to customer interface time (length, frequency). The dashboard and results may indicate an opportunity to modify the supervisor and employee structure in the department and how/where best to flex human capital resources, and/or flexible scheduling aligned with customer demand.

Earnings Per Share:

\$1.18. The 2024 EPS was audited \$1. /share. The 2025 budget is estimated at \$1.23 /share. A \$1.18 earnings goal is appropriate in 2025 as compared to our budget. 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 more appropriate long-term growth and sustainability. In the event that actual earnings are less than the goal, 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. (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 15th 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 (2026) 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.