

ORIGINAL

Philadelphia  
Suburban  
Water Company

DOCUMENT  
FOLDER

March 20, 1998

RECEIVED

Mr. James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
North Office Building, Room B-18  
North St. and Commonwealth Avenue  
Harrisburg, PA 17120

P-00961036

KJR

MAR 24 1998

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

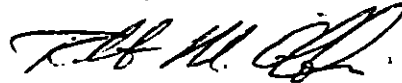
Re: PSW's Quarterly Distribution System Improvement Charge (DSIC) Filing

Dear Secretary McNulty:

Based on the December 31, 1997 Earnings Report that the Company filed earlier this month, PSW's earnings per schedule D-2, line 14 of 11.25% exceeds the Commission's authorized cap of 10% as referenced on attachment B-1, line 8, of the Bureau of Fixed Utility Services September 30, 1997 Quarterly Report on the Earnings of Jurisdictional Utilities. Therefore, the 0% DSIC charge, which was filed in compliance with the October 23, 1997 rate settlement, will still be in effect through June 30, 1998. Enclosed are eight copies of PSW's DSIC workpapers including the eligible additions from January 1, 1998 through February 28, 1998 which will be used as in calculating next quarter's DSIC rate (note: December 1997 was omitted due to its inclusion in the future test year of the Company's last rate filing). These documents are also being served on the Office of Consumer Advocate, the Office of Trial Staff and the Office of Small Business Advocate. PSW is also serving these documents on the PUC Bureau of Audits.

If you have any questions regarding this filing, please contact me at (610) 645-1130.

Sincerely,



Robert M. Griffin  
Manager of Rates

RMG  
Certificate of Service



PHILADELPHIA SUBURBAN WATER COMPANY  
CERTIFICATE OF SERVICE

RECEIVED

MAR 24 1998

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

PHILADELPHIA SUBURBAN  
WATER COMPANY

:  
:  
: Distribution System Improve-  
: ment Charge (DSIC) filed in  
: compliance with  
: the P.U.C. Order at Docket  
: No. P-00961036

CERTIFICATE OF SERVICE

I hereby certify that I have this day filed PSW's DSIC update including the supporting workpapers with the PA Public Utility Commission and upon the person(s) and in the manner indicated below:

VIA FEDERAL EXPRESS

Irwin A. Popowsky, Esq.  
Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

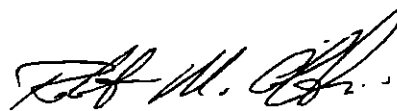
Bernard A. Ryan, Esq.  
Office of Small Business Advocate  
Suite 1102, Commerce Bldg.  
300 N. Second Street  
Harrisburg, PA 17101

Charles Hoffman, Director  
Office of Trial Staff  
Pitnick Building, Third Floor  
901 N. 7TH St., Rear  
Harrisburg, Pa. 17102

Glenn Bartron, Director  
Bureau of Audits  
901 Rear North Seventh Street  
Harrisburg, PA 17102

Thomas P. Gadsden, Esq.  
Morgan, Lewis & Bockius  
2000 One Logan Square  
Philadelphia, PA 19103-6933

Dated: March 20, 1998



Robert M. Griffin  
Manager of Rates

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

Acct	Description				Dec. 1997 Actual	Jan. 1998 Actual	Feb. 1998 Actual	Three Months To Date	
322000	Main Cleaning & Relining				0	0	0	0	
322000	Major Main Replacements				0	829,135	0	829,135	
322000	Minor Changes in Mains				0	0	1,761	1,761	
322000	Minor Main Replacements				0	40,874	94,093	134,967	
322000	Tie in Dead End Mains				0	54,194	0	54,194	
322000	Unreimbursed Imprvmts due to highway relocations				0	21,778	12,528	34,306	
322000	Valve Replacement Program				0	42,851	45,526	88,377	
323000	Repl Services				0	49,329	69,257	118,586	
323000	Repl Services due to Main Rehabilitation				0	13,307	30,711	44,018	
324000	Replacement Meters				0	77,073	279,269	356,342	
325000	Replacement Fire Hydrants				0	50,688	60,390	111,078	
<b>TOTAL ADDITIONS</b>					0	1,179,229	593,535	1,772,764	

**DOCKETED**  
**MAR 27 1998**

**DOCUMENT**  
**FOLDER**

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

Acct	Description		Quarterly Depr. on 12/97 - 2/98 Assets	Accumulated Depreciation Bal. 2/28/98	Depr Rate	Quarterly Depreciation
			(1)			
322000	Main Cleaning & Relining		0	0	2.12%	0
322000	Major Main Replacements		1,233	1,233	1.19%	2,467
322000	Minor Changes in Mains		3	3	1.19%	5
322000	Minor Main Replacements		201	201	1.19%	402
322000	Tie in Dead End Mains		81	81	1.19%	161
322000	Unreimbursed Imprvmts due to highway relocations		51	51	1.19%	102
322000	Valve Replacement Program		225	225	2.04%	451
323000	Repl Services		271	271	1.83%	543
323000	Repl Services due to Main Rehabilitation		101	101	1.83%	201
324000	Replacement Meters		2,575	2,575	5.78%	5,149
325000	Replacement Fire Hydrants		240	240	1.73%	480
	<b>TOTAL</b>		4,981	4,981		9,961

(1) Mid-Quarter Convention.

Philadelphia Suburban Water Company  
 DSIC Eligible Projects Closed To Utility Plant By Month

Category	Project Name	Auth	Acct	Actual Dec '97	Actual Jan '98	Actual Feb '98
Main Replacements	Lancaster Avenue, Wayne	b1006422	322000	0	829,135	0
				0	829,135	0
Tie - Ins	8" Llandover Drive, West Whiteland	d1501350	322000	0	54,194	0
				0	54,194	0
Main Cleaning & Lining	None		322000	0	0	0
				0	0	0
Minor Main Replacements			322000	0	40,874	94,093
				0	40,874	94,093
Main Replacement (Highway)	Franklin & Kedron Road, Ridley Park	a3007418	322000	0	21,778	0
Main Replacement (Highway)	12" Davisville Road, Upper Moreland	c3005361	322000	0	0	12,528
				0	21,778	12,528
Valve Replacement Program			322000	0	42,851	45,526
				0	42,851	45,526
Minor Changes in Mains, Valves, etc.			322000	0	0	1,761
				0	0	1,761
Replacement Meters				0	77,073	279,269
				0	77,073	279,269
Service Renewals - Worn Out in Service			323000	0	49,329	69,257
Service Renewals - Main Rehabilitation			323000	0	13,307	30,711
Fire Hydrants	Relocates/Replace		325000	0	19,159	12,832
Fire Hydrants	No Drain		325000	0	23,899	40,453
Fire Hydrants	2 Way Replacements		325000	0	7,630	7,105
				0	50,688	60,390
<b>GRAND TOTAL</b>				<b>0</b>	<b>1,179,229</b>	<b>593,535</b>

762 W. Lancaster Avenue  
Bryn Mawr, Pennsylvania  
19010-3489

610.525.1400

**Philadelphia  
Suburban  
Water Company**

**ORIGINAL**

**RECEIVED**

JUN 19 1998

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

June 19, 1998

P-961036

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
North Office Building  
North and Commonwealth Avenues  
Harrisburg, PA 17120

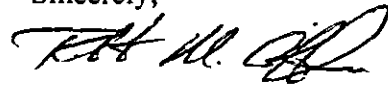
Re: Quarterly Distribution System Improvement Charge (DSIC) Filing

Dear Secretary McNulty:

Enclosed are eight copies of PSW's latest DSIC filing as well as Supplement No. 10 to Tariff Water - PA PUC No. 16. This filing is made in compliance with the PUC Order at Docket No. P-00961036 entered August 26, 1996. The attached tariff supplement updates DSIC Supplement No. 5 to Tariff Water - PA PUC NO. 16, which is presently in effect. As noted in the PUC Order, these documents are also being served on the Office of Consumer Advocate, the Office of Trial Staff and the Office of Small Business Advocate. PSW is also serving these documents to the PUC Bureau of Audits.

If you have any questions regarding this filing, please contact me at (610) 645-1130.

Sincerely,



Robert M. Griffin  
Manager of Rates

DOCUMENT  
FOLDER

RMG/  
Certificate of Service



**PHILADELPHIA SUBURBAN WATER COMPANY**  
**CERTIFICATE OF SERVICE**

**BEFORE THE**  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PHILADELPHIA SUBURBAN	:	Distribution System
WATER COMPANY	:	Improvement Charge (DSIC)
	:	Filing
	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day filed PSW's DSIC update including Supplement No. 10 of Tariff Water – PA PUC No. 16 and supporting workpapers with the PA Public Utility Commission and upon the person(s) and in the manner indicated below:

**VIA FEDERAL EXPRESS**

Irwin A. Popowsky, Esq.  
Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

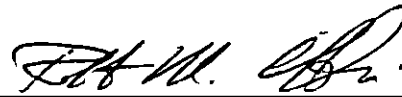
Bernard A. Ryan, Esq.  
Office of Small Business Advocate  
Suite 1102, Commerce Bldg.  
300 N. Second Street  
Harrisburg, PA 17101

Charles Hoffman, Director  
Office of Trial Staff  
Pitnick Building, Third Floor  
901 N. 7TH St., Rear  
Harrisburg, Pa. 17102

Glenn Bartron, Director  
Bureau of Audits  
901 Rear North Seventh Street  
Harrisburg, PA 17102

Thomas P. Gadsden, Esq.  
Morgan, Lewis & Bockius  
2000 One Logan Square  
Philadelphia, PA 19103-6933

Dated: June 19, 1998



Robert M. Griffin  
Manager of Rates

**RECEIVED**

**JUN 19 1998**

**PA PUBLIC UTILITY COMMISSION**  
**SECRETARY'S BUREAU**

**DOCUMENT  
FOLDER**

**PHILADELPHIA SUBURBAN WATER COMPANY**

**RATES AND RULES**

**GOVERNING THE DISTRIBUTION**

**OF**

**WATER**

**IN PORTIONS OF**

**MONTGOMERY, CHESTER, BUCKS**

**AND DELAWARE COUNTIES**

**(Detailed Description - Page 3)**

**RECEIVED**

**JUN 19 1998**

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

**DOCKETED**

**JUN 26 1998**

**ISSUED: June 19, 1998**  
by  
**NICHOLAS DeBENEDICTIS, Chairman**  
762 Lancaster Avenue  
Bryn Mawr, Pennsylvania

**EFFECTIVE: July 1, 1998**  
In accordance with Section 1307(g)  
of the Pennsylvania Public Utility  
Code and Docket No. P-00961036  
entered August 26, 1996.

**NOTICE**

**THIS TARIFF UPDATES THE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE FOR ALL METERED AND UNMETERED CUSTOMERS WITH THE EXCEPTION OF PUBLIC FIRE HYDRANT CUSTOMERS.**

**SEE PAGE 1A**

LIST OF CHANGES MADE BY THIS TARIFF

Changes

This tariff updates the Distribution System Improvement Charge (DSIC) on page 20 (Fifth Revised) of the Company's tariff, effective July 1, 1998, as approved by the Commission at Docket No. P-00961036 on August 26, 1996.

I N D E X

	<u>Page</u>	
RATES AND RULES	1	Supplement No. 10
LIST OF CHANGES MADE BY THIS TARIFF	1A	Ninth Revised
INDEX	2	Ninth Revised
INDEX	2A	Seventh Revised
DESCRIPTION OF TERRITORY SERVED	3	Third Revised
DESCRIPTION OF TERRITORY SERVED	3A	Third Revised
SCHEDULE OF RATES:		
Meter Service-PSW Main Division	4	First Revised
Rates for Water Consumed-PSW Main Division	4	First Revised
Rates for Water Consumed-PSW Main Division	4A	First Revised
Fire Service-PSW Main Division	4B	Second Revised
Meter Service-Uwchlan Division	5	First Revised
Rates for Water Consumed-Uwchlan Division	5	First Revised
Rates for Water Consumed-Uwchlan Division	5A	First Revised
Fire Service-Uwchlan Division	5B	First Revised
Meter Service-W. Whiteland Division	6	First Revised
Rates for Water Consumed-W. Whiteland Division	6	First Revised
Rates for Water Consumed-W. Whiteland Division	6A	First Revised
Fire Service-W. Whiteland Division	6B	First Revised
Meter Service - Media Division	7	First Revised
Rates for Water Consumed - Media Division	7	First Revised
Rates for Water Consumed - Media Division	7A	First Revised
Fire Service - Media Division	7B	First Revised
Meter Service - Schuylkill Division	8	First Revised
Rates for Water Consumed - Schuylkill Division	8	First Revised
Rates for Water Consumed - Schuylkill Division	8A	First Revised
Fire Service - Schuylkill Division	8B	First Revised
Meter Service - La Reserve Division	9	First Revised
Rates for Water Consumed - La Reserve Division	9	First Revised
Rates for Water Consumed - La Reserve Division	9A	First Revised
Fire Service - La Reserve Division	9B	First Revised
Meter Service - Perkiomen Division	10	First Revised
Rates for Water Consumed - Perkiomen Division	10	First Revised
Rates for Water Consumed - Perkiomen Division	10A	First Revised
Fire Service - Perkiomen Division	10B	First Revised
Meter Service - Hatboro Division	11	First Revised
Rates for Water Consumed - Hatboro Division	11	First Revised
Rates for Water Consumed - Hatboro Division	11A	First Revised
Fire Service - Hatboro Division	11B	First Revised
Meter Service - Bristol Division	12	First Revised
Rates for Water Consumed - Bristol Division	12	First Revised
Rates for Water Consumed - Bristol Division	12A	First Revised
Fire Service - Bristol Division	12B	First Revised
Meter Service - Peddlers View Division	13	Original
Rates For Water Consumed - Peddlers View Division	13	Original
Fire Service - Peddlers View Division	13A	Original

<u>I N D E X</u>	<u>P A G E</u>
Meter Service - Bradford Glen Division	14 Original
Rates for Water Consumed - Bradford Glen Division	14 Original
Rates for Water Consumed - Bradford Glen Division	14A Original
Fire Service - Bradford Glen Division	14B Original
Meter Service - Little Washington Division	15 Original
Rates for Water Consumed - Little Washington Division	15 Original
Rates for Water Consumed - Little Washington Division	15A Original
Fire Service - Little Washington Division	15B Original
Meter Service - West Chester Division	16 Original
Rates for Water Consumed - West Chester Division	16 Original
Rates for Water Consumed - West Chester Division	16A Original
Fire Service - West Chester Division	16B Original
Rider DIS - Demand Based Industrial Service	19 First Revised
Rider DRS - Demand Based Resale Service	19A First Revised
Rider EGS - Electric Generation Service	19B First Revised
State Tax Surcharge Applicable to All Rates	20 Fifth Revised
Distribution System Improvement Charge	20A First Revised
Distribution System Improvement Charge	20B First Revised
Distribution System Improvement Charge	20C First Revised
 <b>RULES AND REGULATIONS</b>	
Introduction	21 First Revised
Classes of General Metered Service	22 First Revised
Definitions	22 First Revised
Application of Service	25 First Revised
Deposits	26 First Revised
Bills and Payments	26 First Revised
Service Connections	28 First Revised
Meters	31 First Revised
Meter Location	31 First Revised
Building Construction Service	34 First Revised
Metered Fire Service	34 First Revised
Unmetered Fire Service	35 First Revised
Responsibility for Service	37 First Revised
System Inspection and Integrity	37 First Revised
Cross-Connection Control	38 First Revised
Termination of Service	39 First Revised
Water Conservation and Drought Emergency	40 First Revised
Main Extensions	41 First Revised
Main Extensions For Bona Fide Applicants	42 First Revised
Main Extensions and Services by Builder	46 First Revised

R I D E R

STATE TAX SURCHARGE APPLICABLE TO ALL RATES

In addition to the net charges provided for in this Tariff, a surcharge of -0.11% will apply to all service rendered on and after May 18, 1998.

The above surcharge will be recomputed, using the same elements prescribed by the Commission:

- (a) Whenever any of the tax rates used in the calculation of the surcharge are changed;
- (b) Whenever the utility makes effective increased or decreased rates; and
- (c) On March 31, 1971, and each year thereafter.

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or date which occasioned such recomputation; and if the recomputed surcharge is less than the one in effect, the utility will, and if the recomputed surcharge is more than the one in effect, the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after filing.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a surcharge of 0.68 % will apply to all service, excluding public fire hydrants, rendered on or after July 1, 1998.

I. General Description

**Purpose:** To recover the fixed costs (depreciation and pre-tax return) of certain non-revenue producing, non-expense reducing distribution system improvement projects completed and placed in service and to be recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of its aging water distribution infrastructure, to comply with evolving regulatory requirements imposed by the Safe Drinking Water Act and to develop and implement solutions to regional water supply problems. Company projects receiving PENNVEST funding are not DSIC - eligible property.

**Eligible Property:** The DSIC-eligible property will consist of the following:

services (account 323), meters (account 324) and hydrants (account 325) installed as in-kind replacements for customers;

mains and valves (account 322) installed as replacements for existing facilities that have worn out, are in deteriorated condition, or upgraded to meet Chapter 65 regulations of Title 52;

main extensions (account 322) installed to eliminate dead ends and to implement solutions to regional water supply problems that have been documented as presenting a significant health and safety concern for customers currently receiving service from the Company or the acquired Company;

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

Acct	Description		Feb. 1998 Qtr Actual	Mar. 1998 Actual	Apr. 1998 Actual	May. 1998 Actual	Three Months To Date	Six Months To Date
322000	Main Cleaning & Relining		0	0	311,270	242,373	553,643	553,643
322000	Major Main Replacements		829,135	77,624	0	1,056,400	1,134,024	1,963,159
322000	Minor Changes in Mains		1,761	0	0	12,352	12,352	14,113
322000	Minor Main Replacements		134,967	53,235	51,522	89,414	194,171	329,138
322000	Tie in Dead End Mains		54,194	0	0	905,325	905,325	959,519
322000	Unreimbursed Imprvmts due to highway relocations		34,306	218,694	28,103	852,879	1,099,676	1,133,982
322000	Valve Replacement Program		88,377	48,880	28,615	31,285	108,780	197,000
323000	Repl Services		118,586	75,827	50,765	65,137	191,729	310,315
323000	Repl Services due to Main Rehabilitation		44,018	109,960	57,399	148,250	315,609	359,627
324000	Replacement Meters		356,342	247,994	200,270	282,599	730,863	1,087,205
325000	Replacement Fire Hydrants		111,078	58,987	46,082	70,469	175,538	286,616
<b>TOTAL ADDITIONS</b>			<b>1,772,764</b>	<b>891,201</b>	<b>774,026</b>	<b>3,756,483</b>	<b>5,421,710</b>	<b>7,194,474</b>

Description	Accumulated Depreciation Bal. 2/28/98	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on 3/98 - 5/98 Assets (2)	Accumulated Depreciation Bal. 5/31/98	Depr Rate	Quarterly Depreciation
Main Cleaning & Relining	0	0	1,467	1,467	2.12%	2,934
Major Main Replacements	1,233	2,467	1,687	5,387	1.19%	5,840
Minor Changes in Mains	3	5	18	26	1.19%	42
Minor Main Replacements	201	402	289	892	1.19%	979
Tie in Dead End Mains	81	161	1,347	1,589	1.19%	2,855
Unreimbursed Imprvmts due to highway relocations	51	102	1,636	1,789	1.19%	3,374
Valve Replacement Program	225	451	277	953	2.04%	1,006
Repl Services	271	543	439	1,253	1.83%	1,420
Repl Services due to Main Rehabilitation	101	201	722	1,024	1.83%	1,645
Replacement Meters	2,575	5,149	5,280	13,004	5.78%	15,710
Replacement Fire Hydrants	240	480	380	1,100	1.73%	1,240
<b>TOTAL</b>	<b>4,981</b>	<b>9,961</b>	<b>13,542</b>	<b>28,484</b>		<b>37,045</b>

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

DSIC EFFECTIVE

7/1/98

Applicable Additions

Less Accumulated Depreciation @ May 31, 1998

Net Rate Base Includable in DSIC Calculation

7,194,474

(28,484)

7,165,990

Annual Revenue Requirement Rate

12.25%

Quarterly Revenue Requirement Rate

3.06%

Quarterly Capital Cost Recovery

219,458

Quarterly Depreciation Expense

37,045

Total Quarterly DSIC Revenue Requirement

256,503

Applicable Base Rate Revenue

37,582,852

DSIC RATE

0.68%

WEIGHTED COST OF CAPITAL AT 5/31/98:

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	253,628,402	52.17%	6.86%	3.58%		3.58%
Preferred	0	0.00%	8.93%	0.00%	1.709211797	0.00%
Equity	232,570,000	47.83%	10.60%	5.07%	1.709211797	8.67%
	486,198,402	100.0%		8.65%		12.25%

Philadelphia Suburban Water Company  
DSIC Eligible Projects Closed To Utility Plant By Month

Category	Project Name	Auth	Acct	Actual	Actual	Actual
				Mar '98	Apr '98	May '98
Main Replacements	12" Baltimore Pike, Lansdowne	a1007351	322000	0	0	598,811
Main Replacements	Ogden Ave., Swarthmore	a1007386	322000	0	0	17,400
Main Replacements	Wycombe Ave., Yeadon	a1007428	322000	0	0	125,896
Main Replacements	Elder Ave., Yeadon	a1007429	322000	0	0	77,814
Main Replacements	Union Ave., Yeadon	a1007430	322000	0	0	13,892
Main Replacements	Lancaster Avenue, Wayne	b1006422	322000	0	0	126,907
Main Replacements	Horace Ave., Abington	c1005393	322000	0	0	65,320
Main Replacements	Clement Ave., Jenkintown	c1005394	322000	0	0	30,360
Main Replacements	8" Horace Ave., Abington	c1005397	322000	77,624	0	0
				<u>77,624</u>	<u>0</u>	<u>1,056,400</u>
Tie - Ins	20" Phoenixville Pike	b0706374	322000	0	0	233,785
Tie - Ins	Fairview Ave., Lower Merion	b1506531	322000	0	0	24,794
Tie - Ins	Elmwood Ave., Lower Merion	b1506532	322000	0	0	16,488
Tie - Ins	Strasburg Rd., W Bradford	d1501368	322000	0	0	466,988
Tie - Ins	Lenape Rd., Pocopson	d1501372	322000	0	0	163,270
				<u>0</u>	<u>0</u>	<u>905,325</u>
Main Cleaning & Lining	Lindberg St., Marple	a2002271	322000	0	0	242,373
Main Cleaning & Lining	Mill Road, Upper Moreland	c2009175	322000	0	311,270	0
				<u>0</u>	<u>311,270</u>	<u>242,373</u>
Minor Main Replacements			322000	53,235	51,522	89,414
				<u>53,235</u>	<u>51,522</u>	<u>89,414</u>
Main Replacement (Highway)	Franklin & Kedron Road, Ridley Park	a3007418	322000	22,438	0	0
Main Replacement (Highway)	Maple Terrace, Darby	a3007432	322000	0	0	33,001
Main Replacement (Highway)	Rt. 422 and Rt. 202	b3006244	322000	0	0	781,651
Main Replacement (Highway)	16" Devon State Road, Tredyffrin	b3006512	322000	196,256	0	0
Main Replacement (Highway)	8" Monument Avenue	c3005398	322000	0	20,378	0
Main Replacement (Highway)	Rt. 413 & Rt. 13, Bristol	c3005406	322000	0	0	27,803
Main Replacement (Highway)	Bethlehem Pike, Whitemarsh	c3005411	322000	0	0	4,473
Main Replacement (Highway)	Maple & Jefferson Aves., Abington	c3005425	322000	0	0	5,951
Main Replacement (Highway)	Rt. 113 & Rt. 100	d3001353	322000	0	7,725	0
				<u>218,694</u>	<u>28,103</u>	<u>852,879</u>
Valve Replacement Program			322000	48,880	28,615	31,285
				<u>48,880</u>	<u>28,615</u>	<u>31,285</u>
Minor Changes in Mains, Valves, etc.			322000	0	0	12,352
				<u>0</u>	<u>0</u>	<u>12,352</u>
Replacement Meters				247,994	200,270	282,599
				<u>247,994</u>	<u>200,270</u>	<u>282,599</u>
Service Renewals - Worn Out in Service			323000	75,827	50,765	65,137
Service Renewals - Main Rehabilitation			323000	109,960	57,399	148,250
Fire Hydrants	Relocates/Replace		325000	19,049	23,579	31,395
Fire Hydrants	No Drain		325000	31,916	17,124	31,061
Fire Hydrants	2 Way Replacements		325000	8,022	5,379	8,013
				<u>58,987</u>	<u>46,082</u>	<u>70,469</u>
GRAND TOTAL				<u>891,201</u>	<u>774,026</u>	<u>3,756,483</u>

762 W. Lancaster Avenue  
Bryn Mawr, Pennsylvania  
19010-3489

610.525.1400

**Philadelphia  
Suburban  
Water Company**

**ORIGINAL**

September 17, 1998

200961036

**RECEIVED**

SEP 17 1998

Mr. James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
North Office Building, Room B-18  
North St. and Commonwealth Avenue  
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

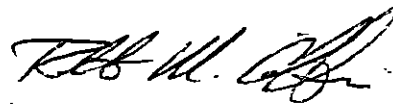
Re: PSW's Quarterly Distribution System Improvement Charge (DSIC) Filing

Dear Secretary McNulty:

Based on the June 30, 1998 Earnings Report that the Company filed in August 1998, PSW's earnings per schedule D-2, line 14 of 10.58% exceeds the Commission's authorized cap of 10.40% as referenced on attachment B-1, line 8 of the Bureau of Fixed Utility Services March 31, 1998 Quarterly Report on the Earnings of Jurisdictional Utilities. Therefore, the DSIC charge will be reset to zero on October 1, 1998. Enclosed are eight copies of PSW's DSIC workpapers including the eligible additions from June 1, 1998 through August 31, 1998 which will be used in calculating next quarter's DSIC rate. These documents are also being served on the Office of Consumer Advocate, the Office of Trial Staff and the Office of Small Business Advocate. PSW is also serving these documents on the PUC Bureau of Audits.

If you have any questions regarding this filing, please contact me at (610) 645-1130.

Sincerely,



Robert M. Griffin  
Manager of Rates

**DOCUMENT  
FOLDER**

RMG  
Certificate of Service

EEF

55



PHILADELPHIA SUBURBAN WATER COMPANY  
CERTIFICATE OF SERVICE

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PHILADELPHIA SUBURBAN  
WATER COMPANY

:  
:  
: Distribution System Improve-  
ment Charge (DSIC) filed in  
compliance with  
:  
: the P.U.C. Order at Docket  
No. P-00961036  
:  
:  
:

CERTIFICATE OF SERVICE

I hereby certify that I have this day filed PSW's DSIC update including the supporting workpapers with the PA Public Utility Commission and upon the person(s) and in the manner indicated below:

VIA FEDERAL EXPRESS

Irwin A. Popowsky, Esq.  
Office of Consumer Advocate  
Forum Place, 5<sup>th</sup> Floor  
555 Walnut Street  
Harrisburg, PA 17101-1921

Charles Hoffman, Director  
Office of Trial Staff  
Pitnick Building, Third Floor  
901 N. 7TH St., Rear  
Harrisburg, Pa. 17102

Bernard A. Ryan, Esq.  
Office of Small Business Advocate  
Suite 1102, Commerce Bldg.  
300 N. Second Street  
Harrisburg, PA 17101

Glenn Bartron, Director  
Bureau of Audits  
901 Rear North Seventh Street  
Harrisburg, PA 17102

Thomas P. Gadsden, Esq.  
Morgan, Lewis & Bockius  
2000 One Logan Square  
Philadelphia, PA 19103-6933

Dated: September 17, 1998

  
\_\_\_\_\_  
Robert M. Griffin  
Manager of Rates

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

Acct	Description	Feb. 1998 Qtr Actual	May 1998 Qtr Actual	Jun. 1998 Actual	Jul. 1998 Actual	Aug. 1998 Actual	Three Months To Date	Nine Months To Date
322000	Main Cleaning & Relining	0	553,643	149,873	77,368	1,304,563	1,531,804	2,085,447
322000	Major Main Replacements	829,135	1,134,024	0	219,594	3,212,174	3,431,768	5,394,927
322000	Minor Changes in Mains	1,761	12,352	0	0	8,014	8,014	22,127
322000	Minor Main Replacements	134,967	194,171	85,919	137,781	131,032	354,732	683,870
322000	Tie in Dead End Mains	54,194	905,325	0	0	270,512	270,512	1,230,000
322000	Unreimbursed Imprvmts due to highway relocations	34,306	1,099,676	0	183,773	29,493	213,266	1,347,248
322000	Valve Replacement Program	88,377	108,780	47,251	18,147	9,484	74,882	272,039
323000	Repl Services	118,586	191,729	53,411	63,895	57,570	174,876	485,191
323000	Repl Services due to Main Rehabilitation	44,018	315,609	37,143	74,838	160,222	272,203	631,830
324000	Replacement Meters	356,342	730,863	236,776	203,070	259,888	699,734	1,786,939
325000	Replacement Fire Hydrants	111,078	175,538	45,059	27,359	39,040	111,458	398,074
<b>TOTAL ADDITIONS</b>		<b>1,772,764</b>	<b>5,421,710</b>	<b>655,432</b>	<b>1,005,825</b>	<b>5,481,992</b>	<b>7,143,249</b>	<b>14,337,723</b>

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

SEP 17 1998

RECEIVED

25 1998

DOCKETED

DOCUMENT  
FOLDER

CALC02.XLS

ORIGINAL

R-00973964

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

Acct	Description	Accumulated Depreciation Bal. 5/31/98	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on 6/98 - 8/98 Assets (2)	Accumulated Depreciation Bal. 8/31/98	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	6,993	2,934	4,059	13,986	2.12%	11,053
322000	Major Main Replacements	9,712	5,840	5,105	20,657	1.19%	16,050
322000	Minor Changes in Mains	52	42	12	106	1.19%	66
322000	Minor Main Replacements	1,307	979	528	2,814	1.19%	2,035
322000	Tie in Dead End Mains	3,176	2,855	402	6,433	1.19%	3,659
322000	Unreimbursed Imprvmts due to highway relocations	3,608	3,374	317	7,299	1.19%	4,008
322000	Valve Replacement Program	971	1,006	191	2,168	2.04%	1,387
323000	Repl Services	1,548	1,420	400	3,368	1.83%	2,220
323000	Repl Services due to Main Rehabilitation	2,168	1,645	623	4,436	1.83%	2,891
324000	Replacement Meters	18,192	15,710	5,056	38,958	5.78%	25,821
325000	Replacement Fire Hydrants	1,240	1,240	241	2,721	1.73%	1,722
<b>TOTAL</b>		<b>48,967</b>	<b>37,045</b>	<b>16,934</b>	<b>102,946</b>		<b>70,912</b>

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

R-00973964

Sept98

Philadelphia Suburban Water Company  
 DSIC Eligible Projects Closed To Utility Plant By Month

R-00973964

Category	Project Name	Auth	Acct	Actual Jun '98	Actual Jul '98	Actual Aug '98
Main Replacements	Elder Ave., Yeadon	a1007429	322000	0	0	25,978
Main Replacements	Union Ave., Yeadon	a1007430	322000	0	0	10,777
Main Replacements	Lancaster Ave., Wayne	b1006422	322000	0	0	204,637
Main Replacements	Lancaster Ave., W Wayne	b1006500	322000	0	0	723,767
Main Replacements	Old Gulph Rd. to Springmill	b1006501	322000	0	0	594,321
Main Replacements	Waterloo Rd., Devon	b1006515	322000	0	0	822,080
Main Replacements	Bala Ave., Lower Merion	b1006517	322000	0	0	471,198
Main Replacements	Castle Rock Phase III	b1006543	322000	0	0	152,192
Main Replacements	Darby Paoli Rd., Radnor	b1006544	322000	0	207,148	0
Main Replacements	Fairfield Ave., Devon	b1006570	322000	0	0	49,087
Main Replacements	Horace Ave., Abington	c1005393	322000	0	0	27,162
Main Replacements	Clement Ave., Jenkintown	c1005394	322000	0	6,797	0
Main Replacements	Fourth Ave., Bristol	c1005395	322000	0	5,649	0
Main Replacements	Horace Ave., Abington	c1005397	322000	0	0	21,667
Main Replacements	Third Ave., Bristol	c1005407	322000	0	0	109,308
				0	219,594	3,212,174
Tie - Ins	Rockhill Rd., Lower Merion	b1506530	322000	0	0	62,016
Tie - Ins	Fairview Ave., Lower Merion	b1506531	322000	0	0	7,213
Tie - Ins	Elmwood Ave., Lower Merion	b1506532	322000	0	0	3,859
Tie - Ins	Strasburg Rd., W Bradford	d1501368	322000	0	0	67,265
Tie - Ins	Lenape Rd., Pocopson	d1501372	322000	0	0	7,936
Tie - Ins	Tree La., W Goshen	d1501385	322000	0	0	2,312
Tie - Ins	Longview Dr., W Goshen	d1501386	322000	0	0	2,238
Tie - Ins	Dutton Mill Rd., Willistown	d1501403	322000	0	0	117,673
				0	0	270,512
Main Cleaning & Lining	Lindberg St., Marple	a2002271	322000	68,043	0	0
Main Cleaning & Lining	Bonair Rd., Havertown	a2002330	322000	0	0	213,123
Main Cleaning & Lining	Rodney Rd., Ridley Park	a2002892	322000	64,066	0	0
Main Cleaning & Lining	Sharon Park Drive	a2003174	322000	17,764	0	0
Main Cleaning & Lining	Delmont Ave., Havertown	b2000242	322000	0	0	714,391
Main Cleaning & Lining	Parkes Run, Radnor	b2000733	322000	0	0	36,462
Main Cleaning & Lining	Pepper Rd., Jenkintown	c2000104	322000	0	0	340,587
Main Cleaning & Lining	Mill Road, Upper Moreland	c2009175	322000	0	77,368	0
				149,873	77,368	1,304,563
Minor Main Replacements			322000	85,919	137,781	131,032
				85,919	137,781	131,032
Main Replacement (Highway)	McKinley Ave., Lansdowne	a3007446	322000	0	50,345	0
Main Replacement (Highway)	Ridley Lake, Ridley Park	a3007459	322000	0	20,689	0
Main Replacement (Highway)	Rt. 352 & Rt. 30, W Whiteland	b3006528	322000	0	89,965	0
Main Replacement (Highway)	Prince Frederick, Upper Merion	b3006571	322000	0	22,774	0
Main Replacement (Highway)	Argyle Rd., Easttown	b3006586	322000	0	0	7,842
Main Replacement (Highway)	Davisville Rd., U Moreland	c3005306	322000	0	0	10,685
Main Replacement (Highway)	Bradfield & Avondale, Roslyn	c3005349	322000	0	0	10,966
				0	183,773	29,493
Valve Replacement Program			322000	47,251	18,147	9,484
				47,251	18,147	9,484

Isdsic

Sept98

Philadelphia Suburban Water Company  
 DSIC Eligible Projects Closed To Utility Plant By Month

R-00973964

Category	Project Name	Auth	Acct	Actual Jun '98	Actual Jul '98	Actual Aug '98
Minor Changes in Mains, Valves, etc.			322000	0	0	8,014
				0	0	8,014
Replacement Meters				236,776	203,070	259,888
				236,776	203,070	259,888
Service Renewals - Worn Out in Service			323000	53,411	63,895	57,570
Service Renewals - Main Rehabilitation			323000	37,143	74,838	160,222
Fire Hydrants	Relocates/Replace		325000	35,704	23,759	20,325
Fire Hydrants	No Drain		325000	6,554	3,340	12,253
Fire Hydrants	2 Way Replacements		325000	2,801	260	6,462
				45,059	27,359	39,040
<b>GRAND TOTAL</b>				<b>655,432</b>	<b>1,005,825</b>	<b>5,481,992</b>

762 W. Lancaster Avenue  
Bryn Mawr, Pennsylvania  
19010-3489

610.525.1400

**Philadelphia  
Suburban  
Water Company**

**ORIGINAL**

September 22, 1998

**RECEIVED**

Mr. James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
North Office Building, Room B-18  
North St. and Commonwealth Avenue  
Harrisburg, PA 17120

SEP 22 1998

*FD0961036*

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Re: PSW's Quarterly Distribution System Improvement Charge (DSIC) Filing

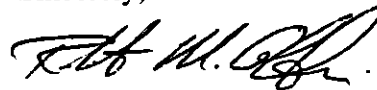
Dear Secretary McNulty:

I inadvertently omitted Supplement No. 13 to Water-PA PUC NO. 16 in PSW's September 17, 1998 DSIC filing. Attached are eight copies of the entire DSIC filing, including the pages that were filed last week. These documents are also being served on the Office of Consumer Advocate, the Office of Trial Staff, the Office of Small Business Advocate and the PUC Bureau of Audits.

If you have any questions regarding this filing, please contact me at (610) 645-1130.

**DOCUMENT  
FOLDER**

Sincerely,



Robert M. Griffin  
Manager of Rates

RMG  
Certificate of Service

EEF



PHILADELPHIA SUBURBAN WATER COMPANY  
CERTIFICATE OF SERVICE

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PHILADELPHIA SUBURBAN  
WATER COMPANY

:  
:  
: Distribution System Improve-  
ment Charge (DSIC) filed in  
compliance with  
:  
: the P.U.C. Order at Docket  
No. P-00961036  
:  
:  
:

CERTIFICATE OF SERVICE

I hereby certify that I have this day filed PSW's DSIC update including the supporting workpapers with the PA Public Utility Commission and upon the person(s) and in the manner indicated below:

VIA FEDERAL EXPRESS

Irwin A. Popowsky, Esq.  
Office of Consumer Advocate  
Forum Place, 5<sup>th</sup> Floor  
555 Walnut Street  
Harrisburg, PA 17101-1921

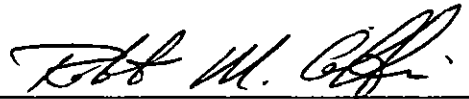
Charles Hoffman, Director  
Office of Trial Staff  
Pitnick Building, Third Floor  
901 N. 7TH St., Rear  
Harrisburg, Pa. 17102

Bernard A. Ryan, Esq.  
Office of Small Business Advocate  
Suite 1102, Commerce Bldg.  
300 N. Second Street  
Harrisburg, PA 17101

Glenn Bartron, Director  
Bureau of Audits  
901 Rear North Seventh Street  
Harrisburg, PA 17102

Thomas P. Gadsden, Esq.  
Morgan, Lewis & Bockius  
2000 One Logan Square  
Philadelphia, PA 19103-6933

Dated: September 22, 1998

  
Robert M. Griffin  
Manager of Rates

PHILADELPHIA SUBURBAN WATER COMPANY

RATES AND RULES

GOVERNING THE DISTRIBUTION

OF

WATER

IN PORTIONS OF

MONTGOMERY, CHESTER, BUCKS, BERKS

AND DELAWARE COUNTIES

(Detailed Description - Page 3)

DOCKETED

SEP 29 1998

DOCUMENT  
FOLDER

ISSUED: September 17, 1998  
by  
NICHOLAS DeBENEDICTIS, Chairman  
762 Lancaster Avenue  
Bryn Mawr, Pennsylvania

EFFECTIVE: October 1, 1998  
In accordance with Section 1307(g)  
of the Pennsylvania Public Utility  
Code and Docket No. P-00961036  
entered August 26, 1996.

---

NOTICE

THIS TARIFF UPDATES THE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE FOR ALL METERED AND UNMETERED CUSTOMERS WITH THE EXCEPTION OF PUBLIC FIRE HYDRANT CUSTOMERS.

SEE PAGE 1A

**ORIGINAL**

**R-00973964**

**LIST OF CHANGES MADE BY THIS TARIFF**

Changes

This tariff updates the Distribution System Improvement Charge (DSIC), Page 20 (Sixth Revised), as approved by the Commission at Docket No. P-00961036 on August 26, 1996. The DSIC rate will be reset to zero because of the over-collection safeguard in the Commission's regulation but does include the continuation of the true-up of the overcollection of 1997 DSIC charges and the interest accrued through the collection period. As a result, the DSIC rate effective October 1, 1998 will be (0.01%).

**RECEIVED**

SEP 22 1998

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

I N D E X

	<u>Page</u>
RATES AND RULES	1
LIST OF CHANGES MADE BY THIS TARIFF	1A
INDEX	2
INDEX	2A
DESCRIPTION OF TERRITORY SERVED	3
DESCRIPTION OF TERRITORY SERVED	3A
SCHEDULE OF RATES:	
Meter Service-PSW Main Division	4
Rates for Water Consumed-PSW Main Division	4
Rates for Water Consumed-PSW Main Division	4A
Fire Service-PSW Main Division	4B
Meter Service-Uwchlan Division	5
Rates for Water Consumed-Uwchlan Division	5
Rates for Water Consumed-Uwchlan Division	5A
Fire Service-Uwchlan Division	5B
Meter Service-W. Whiteland Division	6
Rates for Water Consumed-W. Whiteland Division	6
Rates for Water Consumed-W. Whiteland Division	6A
Fire Service-W. Whiteland Division	6B
Meter Service - Media Division	7
Rates for Water Consumed - Media Division	7
Rates for Water Consumed - Media Division	7A
Fire Service - Media Division	7B
Meter Service - Schuylkill Division	8
Rates for Water Consumed - Schuylkill Division	8
Rates for Water Consumed - Schuylkill Division	8A
Fire Service - Schuylkill Division	8B
Meter Service - La Reserve Division	9
Rates for Water Consumed - La Reserve Division	9
Rates for Water Consumed - La Reserve Division	9A
Fire Service - La Reserve Division	9B
Meter Service - Perkiomen Division	10
Rates for Water Consumed - Perkiomen Division	10
Rates for Water Consumed - Perkiomen Division	10A
Fire Service - Perkiomen Division	10B
Meter Service - Hatboro Division	11
Rates for Water Consumed - Hatboro Division	11
Rates for Water Consumed - Hatboro Division	11A
Fire Service - Hatboro Division	11B
Meter Service - Bristol Division	12
Rates for Water Consumed - Bristol Division	12
Rates for Water Consumed - Bristol Division	12A
Fire Service - Bristol Division	12B
Meter Service - Peddlers View Division	13
Rates For Water Consumed - Peddlers View Division	13
Fire Service - Peddlers View Division	13A

<u>I N D E X</u>	<u>PAGE</u>
Meter Service - Bradford Glen Division	14 Original
Rates for Water Consumed - Bradford Glen Division	14 Original
Rates for Water Consumed - Bradford Glen Division	14A Original
Fire Service - Bradford Glen Division	14B Original
Meter Service - Little Washington Division	15 Original
Rates for Water Consumed - Little Washington Division	15 Original
Rates for Water Consumed - Little Washington Division	15A Original
Fire Service - Little Washington Division	15B Original
Meter Service - West Chester Division	16 Original
Rates for Water Consumed - West Chester Division	16 Original
Rates for Water Consumed - West Chester Division	16A Original
Fire Service - West Chester Division	16B Original
Meter Service - Flying Hills Division	17 Original
Rates for Water Consumed - Flying Hills Division	17 Original
Rates for Water Consumed - Flying Hills Division	17A Original
Fire Service - Flying Hills Division	17B Original
Rider DIS - Demand Based Industrial Service	19 First Revised
Rider DRS - Demand Based Resale Service	19A First Revised
Rider EGS - Electric Generation Service	19B First Revised
Rider OPI - Off Peak/Interruptible Service	19C Original
Rider OPI - Off Peak/Interruptible Service	19D Original
State Tax Surcharge Applicable to All Rates	20 Sixth Revised
Distribution System Improvement Charge	20A First Revised
Distribution System Improvement Charge	20B First Revised
<i>Distribution System Improvement Charge</i>	20C First Revised
 <b>RULES AND REGULATIONS</b>	
Introduction	21 Second Revised
Classes of General Metered Service	22 Second Revised
Definitions	22 Second Revised
Application of Service	25 First Revised
Deposits	26 First Revised
Bills and Payments	26 Second Revised
Service Connections	28 First Revised
Meters	31 First Revised
Meter Location	31 First Revised
Building Construction Service	34 First Revised
Metered Fire Service	34 First Revised
Unmetered Fire Service	35 First Revised
Responsibility for Service	37 First Revised
System Inspection and Integrity	37 First Revised
Cross-Connection Control	38 First Revised
Termination of Service	39 First Revised
Water Conservation and Drought Emergency	40 First Revised
Main Extensions	41 First Revised
Main Extensions For Bona Fide Applicants	42 First Revised
Main Extensions and Services by Builder	46 First Revised

R I D E R

STATE TAX SURCHARGE APPLICABLE TO ALL RATES

In addition to the net charges provided for in this Tariff, a surcharge of -0.11% will apply to all service rendered on and after May 18, 1998.

The above surcharge will be recomputed, using the same elements prescribed by the Commission:

- (a) Whenever any of the tax rates used in the calculation of the surcharge are changed;
- (b) Whenever the utility makes effective increased or decreased rates; and
- (c) On March 31, 1971, and each year thereafter.

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or date which occasioned such recomputation; and if the recomputed surcharge is less than the one in effect, the utility will, and if the recomputed surcharge is more than the one in effect, the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after filing.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a surcharge of -0.01 % will apply to all service, excluding public fire hydrants, rendered on or after October 1, 1998.

I. General Description

Purpose: To recover the fixed costs (depreciation and pre-tax return) of certain non-revenue producing, non-expense reducing distribution system improvement projects completed and placed in service and to be recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of its aging water distribution infrastructure, to comply with evolving regulatory requirements imposed by the Safe Drinking Water Act and to develop and implement solutions to regional water supply problems. Company projects receiving PENNVEST funding are not DSIC - eligible property.

Eligible Property: The DSIC-eligible property will consist of the following:

- services (account 323), meters (account 324) and hydrants (account 325) installed as in-kind replacements for customers;
- mains and valves (account 322) installed as replacements for existing facilities that have worn out, are in deteriorated condition, or upgraded to meet Chapter 65 regulations of Title 52;
- main extensions (account 322) installed to eliminate dead ends and to implement solutions to regional water supply problems that have been documented as presenting a significant health and safety concern for customers currently receiving service from the Company or the acquired Company;

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

Acct	Description	Feb. 1998 Qtr Actual	May 1998 Qtr Actual	Jun. 1998 Actual	Jul. 1998 Actual	Aug. 1998 Actual	Three Months To Date	Nine Months To Date
322000	Main Cleaning & Relining	0	553,643	149,873	77,368	1,304,563	1,531,804	2,085,447
322000	Major Main Replacements	829,135	1,134,024	0	219,594	3,212,174	3,431,768	5,394,927
322000	Minor Changes in Mains	1,761	12,352	0	0	8,014	8,014	22,127
322000	Minor Main Replacements	134,967	194,171	85,919	137,781	131,032	354,732	683,870
322000	Tie in Dead End Mains	54,194	905,325	0	0	270,512	270,512	1,237,031
322000	Unreimbursed Imprvmts due to highway relocations	34,306	1,099,676	0	183,773	29,493	213,266	1,347,148
322000	Valve Replacement Program	88,377	108,780	47,251	18,147	9,484	74,882	272,039
323000	Repl Services	118,586	191,729	53,411	63,895	57,570	174,876	485,191
323000	Repl Services due to Main Rehabilitation	44,018	315,609	37,143	74,838	160,222	272,203	631,830
324000	Replacement Meters	356,342	730,863	236,776	203,070	259,888	699,734	1,786,939
325000	Replacement Fire Hydrants	111,078	175,538	45,059	27,359	39,040	111,458	398,074
<b>TOTAL ADDITIONS</b>		<b>1,772,764</b>	<b>5,421,710</b>	<b>655,432</b>	<b>1,005,825</b>	<b>5,481,992</b>	<b>7,143,249</b>	<b>14,337,723</b>

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

Acct	Description	Accumulated Depreciation Bal. 5/31/98	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on 6/98 - 8/98 Assets (2)	Accumulated Depreciation Bal. 8/31/98	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	6,993	2,934	4,059	13,986	2.12%	11,053
322000	Major Main Replacements	9,712	5,840	5,105	20,657	1.19%	16,050
322000	Minor Changes in Mains	52	42	12	106	1.19%	66
322000	Minor Main Replacements	1,307	979	528	2,814	1.19%	2,035
322000	Tie in Dead End Mains	3,176	2,855	402	6,433	1.19%	3,659
322000	Unreimbursed Imprvmts due to highway relocations	3,608	3,374	317	7,299	1.19%	4,008
322000	Valve Replacement Program	971	1,006	191	2,168	2.04%	1,387
323000	Repl Services	1,548	1,420	400	3,368	1.83%	2,220
323000	Repl Services due to Main Rehabilitation	2,168	1,645	623	4,436	1.83%	2,891
324000	Replacement Meters	18,192	15,710	5,056	38,958	5.78%	25,821
325000	Replacement Fire Hydrants	1,240	1,240	241	2,721	1.73%	1,722
<b>TOTAL</b>		<b>48,967</b>	<b>37,045</b>	<b>16,934</b>	<b>102,946</b>		<b>70,912</b>

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

	<b>DSIC EFFECTIVE</b>
	<b>10/1/98</b>
Applicable Additions	14,337,723
Less Accumulated Depreciation @ August 31, 1998	(102,946)
Net Rate Base Includable in DSIC Calculation	<u>14,234,777</u>
Annual Revenue Requirement Rate	12.44%
Quarterly Revenue Requirement Rate	3.11%
Quarterly Capital Cost Recovery	<u>442,702</u>
Quarterly Depreciation Expense	<u>70,912</u>
Total Quarterly DSIC Revenue Requirement	513,614
Reset to zero due to over-collection safeguard	0
Add: Applicable Portion of 1997 Under/Over Collections (Per True-Up)	(4,133)
[ \$10,984 Overcollection + \$1,414 Interest] x [3 Months / 9 Months] = (\$4,133)	<u>(4,133)</u>
Applicable Base Rate Revenue	34,492,479
<b>DSIC RATE</b>	<b>-0.01%</b>

**WEIGHTED COST OF CAPITAL AT 8/31/98:**

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	256,076,359	52.17%	7.57%	3.95%		3.95%
Preferred	0	0.00%	8.93%	0.00%	1.709211797	0.00%
Equity	234,801,227	47.83%	10.40%	4.97%	1.709211797	8.49%
	490,877,586	100.0%		8.92%		12.44%

Note: The cost rate of debt and preferred stock are the Company's actual cost rates at 8/31/97. The equity cost rate is the equity return rate calculated by the Commission staff and presented in the latest Quarterly Report on the Earnings of Jurisdictional Utilities. The tax multiplier is calculated as follows:  $1/[(1 - \text{Pa. Tax Rate}) \times (1 - \text{Fed. Tax Rate})]$  where the Pa. tax rate is 9.99% and Fed. tax rate is 35%.

Philadelphia Suburban Water Company  
 DSIC Eligible Projects Closed To Utility Plant By Month

Category	Project Name	Auth	Acct	Actual Jun '98	Actual Jul '98	Actual Aug '98
Main Replacements	Elder Ave., Yeadon	a1007429	322000	0	0	25,978
Main Replacements	Union Ave., Yeadon	a1007430	322000	0	0	10,777
Main Replacements	Lancaster Ave., Wayne	b1006422	322000	0	0	204,637
Main Replacements	Lancaster Ave., W Wayne	b1006500	322000	0	0	723,767
Main Replacements	Old Gulph Rd. to Springmill	b1006501	322000	0	0	594,321
Main Replacements	Waterloo Rd., Devon	b1006515	322000	0	0	822,080
Main Replacements	Bala Ave., Lower Merion	b1006517	322000	0	0	471,198
Main Replacements	Castle Rock Phase III	b1006543	322000	0	0	152,192
Main Replacements	Darby Paoli Rd., Radnor	b1006544	322000	0	207,148	0
Main Replacements	Fairfield Ave., Devon	b1006570	322000	0	0	49,087
Main Replacements	Horace Ave., Abington	c1005393	322000	0	0	27,162
Main Replacements	Clement Ave., Jenkintown	c1005394	322000	0	6,797	0
Main Replacements	Fourth Ave., Bristol	c1005395	322000	0	5,649	0
Main Replacements	Horace Ave., Abington	c1005397	322000	0	0	21,667
Main Replacements	Third Ave., Bristol	c1005407	322000	0	0	109,308
				0	219,594	3,212,174
Tie - Ins	Rockhill Rd., Lower Merion	b1506530	322000	0	0	62,016
Tie - Ins	Fairview Ave., Lower Merion	b1506531	322000	0	0	7,213
Tie - Ins	Elmwood Ave., Lower Merion	b1506532	322000	0	0	3,859
Tie - Ins	Strasburg Rd., W Bradford	d1501368	322000	0	0	67,265
Tie - Ins	Lenape Rd., Pocopson	d1501372	322000	0	0	7,936
Tie - Ins	Tree La., W Goshen	d1501385	322000	0	0	2,312
Tie - Ins	Longview Dr., W Goshen	d1501386	322000	0	0	2,238
Tie - Ins	Dutton Mill Rd., Willistown	d1501403	322000	0	0	117,673
				0	0	270,512
Main Cleaning & Lining	Lindberg St., Marple	a2002271	322000	68,043	0	0
Main Cleaning & Lining	Bonair Rd., Havertown	a2002330	322000	0	0	213,123
Main Cleaning & Lining	Rodney Rd., Ridley Park	a2002892	322000	64,066	0	0
Main Cleaning & Lining	Sharon Park Drive	a2003174	322000	17,764	0	0
Main Cleaning & Lining	Delmont Ave., Havertown	b2000242	322000	0	0	714,391
Main Cleaning & Lining	Parkes Run, Radnor	b2000733	322000	0	0	36,462
Main Cleaning & Lining	Pepper Rd., Jenkintown	c2000104	322000	0	0	340,587
Main Cleaning & Lining	Mill Road, Upper Moreland	c2009175	322000	0	77,368	0
				149,873	77,368	1,304,563
Minor Main Replacements			322000	85,919	137,781	131,032
				85,919	137,781	131,032
Main Replacement (Highway)	McKinley Ave., Lansdowne	a3007446	322000	0	50,345	0
Main Replacement (Highway)	Ridley Lake, Ridley Park	a3007459	322000	0	20,689	0
Main Replacement (Highway)	Rt. 352 & Rt. 30, W Whiteland	b3006528	322000	0	89,965	0
Main Replacement (Highway)	Prince Frederick, Upper Merion	b3006571	322000	0	22,774	0
Main Replacement (Highway)	Argyle Rd., Easttown	b3006586	322000	0	0	7,842
Main Replacement (Highway)	Davisville Rd., U Moreland	c3005306	322000	0	0	10,685
Main Replacement (Highway)	Bradfield & Avondale, Roslyn	c3005349	322000	0	0	10,966
				0	183,773	29,493
Valve Replacement Program			322000	47,251	18,147	9,484
				47,251	18,147	9,484

Sept98

Philadelphia Suburban Water Company  
 DSIC Eligible Projects Closed To Utility Plant By Month

Category	Project Name	Auth	Acct	Actual Jun '98	Actual Jul '98	Actual Aug '98
Minor Changes in Mains, Valves, etc.			322000	0	0	8,014
				0	0	8,014
Replacement Meters				236,776	203,070	259,888
				236,776	203,070	259,888
Service Renewals - Worn Out in Service			323000	53,411	63,895	57,570
Service Renewals - Main Rehabilitation			323000	37,143	74,838	160,222
Fire Hydrants	Relocates/Replace		325000	35,704	23,759	20,325
Fire Hydrants	No Drain		325000	6,554	3,340	12,253
Fire Hydrants	2 Way Replacements		325000	2,801	260	6,462
				45,059	27,359	39,040
<b>GRAND TOTAL</b>				<b>655,432</b>	<b>1,005,825</b>	<b>5,481,992</b>

PHILADELPHIA SUBURBAN WATER COMPANY  
STATEMENT OF OVER/(UNDER) COLLECTIONS (1307e)

DATE MO.	YR.	CAPITAL COSTS & DEPREC. EXPENSE AUTHORIZED	DSIC BILLED	OVER/ (UNDER) COLLECTION	INTEREST RATE	NO. OF MONTHS	INTEREST AMOUNT
JAN	1997	10,959	12,211	1,252	9.00%	21.5	202
FEB		28,619	29,655	1,036	9.25%	20.5	164
MAR		42,029	41,922	(107)	9.50%	19.5	(17)
APR		61,648	50,792	(10,856)	9.25%	18.5	(1,548)
MAY		82,465	75,739	(6,726)	9.50%	17.5	(932)
JUN		98,274	104,472	6,198	9.75%	16.5	831
JUL		116,890	131,175	14,285	9.50%	15.5	1,753
AUG		134,162	135,763	1,601	9.25%	14.5	179
SEP		147,277	156,433	9,156	9.00%	13.5	927
OCT		149,623	168,504	18,881	9.25%	12.5	1,819
NOV		112,455	90,855	(21,600)	9.00%	11.5	(1,863)
DEC		58,338	63,309	4,971	8.75%	10.5	381
JAN	1998	18,579	12,308	(6,271)	8.75%	9.5	(434)
FEB		0	(441)	(441)	8.50%	8.5	(27)
MAR		0	(395)	(395)	8.25%	7.5	(20)
THRU DEC '97		1,061,318	1,072,302	10,984			1,414

**Philadelphia  
Suburban  
Water Company**

762 W. Lancaster Avenue, Bryn Mawr, Pennsylvania 19010-3489 610-525-1400

**ORIGINAL**

December 17, 1998

*[Handwritten signature]*  
00961036

Mr. James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
North Office Building, Room B-18  
North St. and Commonwealth Avenue  
Harrisburg, PA 17120

Re: PSW's Quarterly Distribution System Improvement Charge (DSIC) Filing

Dear Secretary McNulty:

Attached are eight copies of PSW's DSIC filing that is due on December 20, 1998. Aside from the true-up of the 1997 DSIC overcollections, the DSIC rate has been set to zero in recognition of the Commission's over-earnings safeguard. These documents are also being served on the Office of Consumer Advocate, the Office of Trial Staff, the Office of Small Business Advocate and the PUC Bureau of Audits.

If you have any questions regarding this filing, please contact me at (610) 645-1130.

Sincerely,

*[Handwritten signature of Robert M. Griffin]*

Robert M. Griffin  
Manager of Rates

**DOCUMENT  
FOLDER**

RMG  
Certificate of Service

**RECEIVED**  
98 DEC 17 AM 9:42  
PA. P.U.C.  
SECRETARY'S BUREAU

SRP

5



PHILADELPHIA SUBURBAN WATER COMPANY  
CERTIFICATE OF SERVICE

ORIGINAL

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

R-00973964

PHILADELPHIA SUBURBAN  
WATER COMPANY

:  
:  
Distribution System Improve-  
ment Charge (DSIC) filed in  
compliance with  
:  
the P.U.C. Order at Docket  
No. P-00961036  
:  
:  
:

CERTIFICATE OF SERVICE

I hereby certify that I have this day filed PSW's DSIC update including the supporting workpapers with the PA Public Utility Commission and upon the person(s) and in the manner indicated below:

AS INDICATED BELOW

Irwin A. Popowsky, Esq.  
Office of Consumer Advocate  
Forum Place, 5<sup>th</sup> Floor  
555 Walnut Street  
Harrisburg, PA 17101-1921  
(Via Federal Express)

Bernard A. Ryan, Esq.  
Office of Small Business Advocate  
Suite 1102, Commerce Bldg.  
300 N. Second Street  
Harrisburg, PA 17101  
(Via Federal Express)

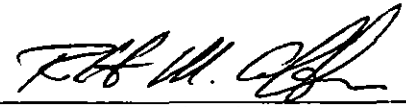
Charles Hoffman, Director  
Office of Trial Staff  
Pitnick Building, Third Floor  
901 N. 7TH St., Rear  
Harrisburg, Pa. 17102  
(Via Hand Delivery)

Glenn Bartron, Director  
Bureau of Audits  
901 Rear North Seventh Street  
Harrisburg, PA 17102  
(Via Hand Delivery)

Thomas P. Gadsden, Esq.  
Morgan, Lewis & Bockius  
2000 One Logan Square  
Philadelphia, PA 19103-9933  
(Via U. S. Post Office)

RECEIVED  
98 DEC 17 AM 9:42  
PA. P.U.C.  
SECRETARY'S BUREAU

Dated: December 17, 1998

  
Robert M. Griffin  
Manager of Rates

# ORIGINAL

R-00973964

PHILADELPHIA SUBURBAN WATER COMPANY

RATES AND RULES

GOVERNING THE DISTRIBUTION

OF

WATER

IN PORTIONS OF

MONTGOMERY, CHESTER, BUCKS, BERKS

AND DELAWARE COUNTIES

(Detailed Description - Page 3)

DOCKET )  
DEC 29 1998

DOCUMENT  
FOLDER

RECEIVED  
98 DEC 17 AM 9:42  
PA.P.U.C. BUREAU  
SECRETARY'S BUREAU

ISSUED: December 17, 1998  
by  
NICHOLAS DeBENEDICTIS, Chairman  
762 Lancaster Avenue  
Bryn Mawr, Pennsylvania

EFFECTIVE: January 1, 1999  
In accordance with Section 1307(g)  
of the Pennsylvania Public Utility  
Code and Docket No. P-00961036  
entered August 26, 1996.

NOTICE

THIS TARIFF UPDATES THE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE FOR ALL METERED AND UNMETERED CUSTOMERS WITH THE EXCEPTION OF PUBLIC FIRE HYDRANT CUSTOMERS.

SEE PAGE 1A

LIST OF CHANGES MADE BY THIS TARIFF

Changes

The Distribution System Improvement Charge (DSIC) will remain at the current level of (0.01%), established on October 1, 1998 (re: Sixth Revised Page 20) due to two factors: the Company is unable to collect the applicable level of DSIC for the first quarter 1999 due to the over-earnings safeguard built into the regulation; and, the (0.01%) true-up for the 1997 DSIC overcollection continues through March 1999.

Based on the Pennsylvania Public Utility Commission's December 31, 1997 DSIC Audit Finding No. 1, the Company added wording to the DSIC tariff revising the "DSI" definition to read, "The original cost of eligible distribution system improvement projects, **net of accumulated depreciation** (See Second Revised Page No. 20B).

Philadelphia Suburban Water Company

I N D E X

		<u>Page</u>
RATES AND RULES	1	Supplement No. 14
LIST OF CHANGES MADE BY THIS TARIFF	1A	Thirteenth Revised
INDEX	2	Thirteenth Revised
INDEX	2A	Eleventh Revised
DESCRIPTION OF TERRITORY SERVED	3	Third Revised
DESCRIPTION OF TERRITORY SERVED	3A	Third Revised
SCHEDULE OF RATES:		
Meter Service-PSW Main Division	4	First Revised
Rates for Water Consumed-PSW Main Division	4	First Revised
Rates for Water Consumed-PSW Main Division	4A	First Revised
Fire Service-PSW Main Division	4B	Second Revised
Meter Service-Uwchlan Division	5	First Revised
Rates for Water Consumed-Uwchlan Division	5	First Revised
Rates for Water Consumed-Uwchlan Division	5A	First Revised
Fire Service-Uwchlan Division	5B	First Revised
Meter Service-W. Whiteland Division	6	First Revised
Rates for Water Consumed-W. Whiteland Division	6	First Revised
Rates for Water Consumed-W. Whiteland Division	6A	First Revised
Fire Service-W. Whiteland Division	6B	First Revised
Meter Service - Media Division	7	First Revised
Rates for Water Consumed - Media Division	7	First Revised
Rates for Water Consumed - Media Division	7A	First Revised
Fire Service - Media Division	7B	First Revised
Meter Service - Schuylkill Division	8	First Revised
Rates for Water Consumed - Schuylkill Division	8	First Revised
Rates for Water Consumed - Schuylkill Division	8A	First Revised
Fire Service - Schuylkill Division	8B	First Revised
Meter Service - La Reserve Division	9	First Revised
Rates for Water Consumed - La Reserve Division	9	First Revised
Rates for Water Consumed - La Reserve Division	9A	First Revised
Fire Service - La Reserve Division	9B	First Revised
Meter Service - Perkiomen Division	10	First Revised
Rates for Water Consumed - Perkiomen Division	10	First Revised
Rates for Water Consumed - Perkiomen Division	10A	First Revised
Fire Service - Perkiomen Division	10B	First Revised
Meter Service - Hatboro Division	11	First Revised
Rates for Water Consumed - Hatboro Division	11	First Revised
Rates for Water Consumed - Hatboro Division	11A	First Revised
Fire Service - Hatboro Division	11B	First Revised
Meter Service - Bristol Division	12	First Revised
Rates for Water Consumed - Bristol Division	12	First Revised
Rates for Water Consumed - Bristol Division	12A	First Revised
Fire Service - Bristol Division	12B	First Revised
Meter Service - Peddlers View Division	13	Original
Rates For Water Consumed - Peddlers View Division	13	Original
Fire Service - Peddlers View Division	13A	Original

<u>I N D E X</u>	<u>PAGE</u>	
Meter Service - Bradford Glen Division	14	Original
Rates for Water Consumed - Bradford Glen Division	14	Original
Rates for Water Consumed - Bradford Glen Division	14A	Original
Fire Service - Bradford Glen Division	14B	Original
Meter Service - Little Washington Division	15	Original
Rates for Water Consumed - Little Washington Division	15	Original
Rates for Water Consumed - Little Washington Division	15A	Original
Fire Service - Little Washington Division	15B	Original
Meter Service - West Chester Division	16	Original
Rates for Water Consumed - West Chester Division	16	Original
Rates for Water Consumed - West Chester Division	16A	Original
Fire Service - West Chester Division	16B	Original
Meter Service - Flying Hills Division	17	Original
Rates for Water Consumed - Flying Hills Division	17	Original
Rates for Water Consumed - Flying Hills Division	17A	Original
Fire Service - Flying Hills Division	17B	Original
Rider DIS - Demand Based Industrial Service	19	First Revised
Rider DRS - Demand Based Resale Service	19A	First Revised
Rider EGS - Electric Generation Service	19B	First Revised
Rider OPI - Off Peak/Interruptible Service	19C	Original
Rider OPI - Off Peak/Interruptible Service	19D	Original
State Tax Surcharge Applicable to All Rates	20	Sixth Revised
Distribution System Improvement Charge	20A	First Revised
Distribution System Improvement Charge	20B	Second Revised
Distribution System Improvement Charge	20C	First Revised
 <b>RULES AND REGULATIONS</b>		
Introduction	21	Second Revised
Classes of General Metered Service	22	Second Revised
Definitions	22	Second Revised
Application of Service	25	First Revised
Deposits	26	First Revised
Bills and Payments	26	Second Revised
Service Connections	28	First Revised
Meters	31	First Revised
Meter Location	31	First Revised
Building Construction Service	34	First Revised
Metered Fire Service	34	First Revised
Unmetered Fire Service	35	First Revised
Responsibility for Service	37	First Revised
System Inspection and Integrity	37	First Revised
Cross-Connection Control	38	First Revised
Termination of Service	39	First Revised
Water Conservation and Drought Emergency	40	First Revised
Main Extensions	41	First Revised
Main Extensions For Bona Fide Applicants	42	First Revised
Main Extensions and Services by Builder	46	First Revised

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE**

(C)

Formula: The formula for calculation of the DSIC surcharge is as follows:

$$\text{DSIC} = \frac{(\text{DSI} \times \text{PTRR}) + \text{Dep} + e}{\text{PQR}}$$

Where:

DSI= the original cost of eligible distribution system improvement projects, net of accumulated depreciation.

PTRR= the pre-tax return rate applicable to eligible distribution system improvement projects.

Dep= depreciation expense related to eligible distribution system improvement projects.

e= the amount calculated under the annual reconciliation feature as described below.

PQR= projected quarterly revenue including revenue from existing customers plus revenue from any customers which will be acquired by the beginning of the applicable service period.

Quarterly updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Office of Trial Staff, the Office of Consumer Advocate and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

**III. Safeguards**

Cap: The DSIC will be capped at 5% of the amount billed to customers under otherwise applicable rates and charges.

Audits/Reconciliation: The DSIC will be subject to audit at intervals determined by the Commission. It will also be subject to an annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such overcollections will be refunded with interest. Interest on the overcollections will be calculated at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P. S. sec.101, et seq.) and will be refunded in the same manner as an overcollection.

(C) Indicates Change

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

Acct	Description	Feb. 1998 Qtr Actual	May 1998 Qtr Actual	Aug. 1998 Qtr Actual	Sept. 1998 Actual	Oct. 1998 Actual	Nov. 1998 Actual	Three Months To Date	Twelve Months To Date
322000	Main Cleaning & Relining	0	553,643	1,531,804	240,961	438,817	501,133	1,180,911	3,266,358
322000	Major Main Replacements	829,135	1,134,024	3,431,768	246,370	405,274	976,148	1,627,792	7,022,719
322000	Minor Changes in Mains	1,761	12,352	8,014	20,885	0	0	20,885	43,012
322000	Minor Main Replacements	134,967	194,171	354,732	75,088	58,523	133,170	266,781	950,651
322000	Tie in Dead End Mains	54,194	905,325	270,512	1,025,799	32,833	52,345	1,110,977	2,341,000
322000	Unreimbursed Imprvmts due to highway relocations	34,306	1,099,676	213,266	31,422	0	45,261	76,683	1,423,931
322000	Valve Replacement Program	88,377	108,780	74,882	23,675	61,973	20,582	106,230	378,269
323000	Repl Services	118,586	191,729	174,876	46,384	69,747	90,286	206,417	691,608
323000	Repl Services due to Main Rehabilitation	44,018	315,609	272,203	89,939	112,795	81,365	284,099	915,929
324000	Replacement Meters	356,342	730,863	699,734	576,986	394,291	904,484	1,875,761	3,662,700
325000	Replacement Fire Hydrants	111,078	175,538	111,458	145,551	53,167	84,501	283,219	681,293
<b>TOTAL ADDITIONS</b>		<b>1,772,764</b>	<b>5,421,710</b>	<b>7,143,249</b>	<b>2,523,060</b>	<b>1,627,420</b>	<b>2,889,275</b>	<b>7,039,755</b>	<b>21,377,478</b>

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

Acct	Description	Accumulated Depreciation Bal. 8/31/98	Quarterly Depr. On Prior Assets (1)	- Quarterly Depr. on 9/98 - 11/98 Assets (2)	Accumulated Depreciation Bal. 11/30/98	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	13,986	11,053	3,129	28,168	2.12%	17,312
322000	Major Main Replacements	20,657	16,050	2,421	39,128	1.19%	20,893
322000	Minor Changes in Mains	106	66	31	203	1.19%	128
322000	Minor Main Replacements	2,814	2,035	397	5,246	1.19%	2,828
322000	Tie in Dead End Mains	6,433	3,659	1,653	11,745	1.19%	6,964
322000	Unreimbursed Imprvmts due to highway relocations	7,299	4,008	114	11,421	1.19%	4,236
322000	Valve Replacement Program	2,168	1,387	271	3,826	2.04%	1,929
323000	Repl Services	3,368	2,220	472	6,060	1.83%	3,164
323000	Repl Services due to Main Rehabilitation	4,436	2,891	650	7,977	1.83%	4,190
324000	Replacement Meters	38,958	25,821	13,552	78,331	5.78%	52,926
325000	Replacement Fire Hydrants	2,721	1,722	612	5,055	1.73%	2,947
<b>TOTAL</b>		<b>102,946</b>	<b>70,912</b>	<b>23,302</b>	<b>197,160</b>		<b>117,517</b>

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

**PHILADELPHIA SUBURBAN WATER COMPANY**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION**

DSIC EFFECTIVE

	1/1/99
Applicable Additions	21,377,478
Less Accumulated Depreciation @ November 30, 1998	(197,160)
Net Rate Base Includable in DSIC Calculation	21,180,318
Annual Revenue Requirement Rate	12.35%
Quarterly Revenue Requirement Rate	3.09%
Quarterly Capital Cost Recovery	653,942
Quarterly Depreciation Expense	117,517
Total Quarterly DSIC Revenue Requirement	771,459
Reset to zero due to over-collection safeguard	0
Add: Applicable Portion of 1997 Under/Over Collections (Per True-Up)	(4,133)
[ \$10,984 Overcollection + \$1,414 Interest] x [3 Months / 9 Months] = (\$4,133)	(4,133)
Applicable Base Rate Revenue	34,187,338
<b>DSIC RATE</b>	<b>-0.01%</b>

**WEIGHTED COST OF CAPITAL AT 11/30/98:**

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	259,641,359	52.21%	7.54%	3.94%		3.94%
Preferred	0	0.00%	8.93%	0.00%	1.709211797	0.00%
Equity	237,703,500	47.79%	10.30%	4.92%	1.709211797	8.41%
	497,344,859	100.0%		8.86%		12.35%

Note: The cost rate of debt and preferred stock are the Company's actual cost rates at 11/30/98. The equity cost rate is the equity return rate calculated by the Commission staff and presented in the latest Quarterly Report on the Earnings of Jurisdictional Utilities. The tax multiplier is calculated as follows:  $1/[(1 - \text{Pa. Tax Rate}) \times (1 - \text{Fed. Tax Rate})]$  where the Pa. tax rate is 9.99% and Fed. tax rate is 35%.

Sept98

Philadelphia Suburban Water Company  
 DSIC Eligible Projects Closed To Utility Plant By Month

Category	Project Name	Auth	Acct	Actual Sept '98	Actual Oct '98	Actual Nov '98
Main Replacements	Wycombe Ave., Yeadon	a1007428	322000	52,226	0	0
Main Replacements	Delaware Ave., Norwood	a1007449	322000	58,495	0	0
Main Replacements	Mohawk ave., Norwood	a1007450	322000	0	0	193,380
Main Replacements	President ave., Norwood	a1007456	322000	0	0	150,407
Main Replacements	Rt. 420, Prospect Park	a1007476	322000	0	0	32,811
Main Replacements	Front St., Colwyn	a1007485	322000	0	0	37,250
Main Replacements	Lancaster ave., W. Wayne	b1006500	322000	0	245,506	0
Main Replacements	Old Gulph Rd. to Springmill Rd.	b1006501	322000	0	0	154,434
Main Replacements	Waterloo Rd., Devon	b1006515	322000	0	0	388,041
Main Replacements	Hedgerow Lane, Tredyffrin	b1006592	322000	0	0	19,825
Main Replacements	Third Ave., Bristol	c1005407	322000	0	12,830	0
Main Replacements	Union Rd., Cheltenham	c1005419	322000	0	57,453	0
Main Replacements	Main St., Bristol	c1005432	322000	31,011	0	0
Main Replacements	Church St., Springfield	c1005434	322000	57,246	0	0
Main Replacements	Walnut St., Jenkintown	c1005464	322000	0	51,452	0
Main Replacements	Sycamore Ave., Bristol	c1005467	322000	47,392	0	0
Main Replacements	Broad Run Rd.	d1001362	322000	0	38,033	0
				246,370	405,274	976,148
Tie - Ins	Gesner Ave., Norwood	a1507434	322000	26,707	0	0
Tie - Ins	Rockhill Rd., Lower Merion	b1506530	322000	0	0	20,396
Tie - Ins	Fairway Ave., E. Bradford	d1501358	322000	0	0	31,949
Tie - Ins	Strasburg Rd., W Bradford	d1501368	322000	0	32,833	0
Tie - Ins	Rt. 322, W. Bradford	d1501388	322000	967,143	0	0
Tie - Ins	8" East Bradford	d1501437	322000	31,949	0	0
				1,025,799	32,833	52,345
Main Cleaning & Lining	6" Newtown St., Radnor	a2000131	322000	0	0	209,286
Main Cleaning & Lining	6" Delmont Ave., Haverford	b2000242	322000	18,655	0	0
Main Cleaning & Lining	6" Parkes Run, Radnor	b2000733	322000	186,374	0	0
Main Cleaning & Lining	6" Marywatersford Rd., L. Merion	b2000978	322000	0	438,817	0
Main Cleaning & Lining	6" Kennedy La., Lower Merion	b2002015	322000	0	0	21,308
Main Cleaning & Lining	Pepper Rd., Jenkintown	c2000104	322000	35,932	0	0
Main Cleaning & Lining	Prospect ave., Abington	c2000455	322000	0	0	270,539
				240,961	438,817	501,133
Minor Main Replacements			322000	75,088	58,523	133,170
				75,088	58,523	133,170
Main Replacement (Highway)	McKinley Ave., Lansdowne	a3007446	322000	0	0	14,888
Main Replacement (Highway)	Black Rock Rd., Lower Merion	b3006595	322000	0	0	30,373
Main Replacement (Highway)	Bethlehem Pike, Whitmarsh	c3005411	322000	13,768	0	0
Main Replacement (Highway)	Paoli Pike, E. Goshen	d3001328	322000	17,654	0	0
				31,422	0	45,261
Valve Replacement Program			322000	23,675	61,973	20,582
				23,675	61,973	20,582
Minor Changes in Mains, Valves, etc.			322000	20,885	0	0
				20,885	0	0
Replacement Meters				576,986	394,291	904,484

Sept98

Philadelphia Suburban Water Company  
 DSIC Eligible Projects Closed To Utility Plant By Month

Category	Project Name	Auth	Acct	Actual Sept '98	Actual Oct '98	Actual Nov '98
				576,986	394,291	904,484
Service Renewals - Worn Out in Service			323000	46,384	69,747	90,286
Service Renewals - Main Rehabilitation			323000	89,939	112,795	81,365
Fire Hydrants	Relocates/Replace		325000	93,055	24,835	30,810
Fire Hydrants	No Drain		325000	46,007	28,332	44,969
Fire Hydrants	2 Way Replacements		325000	6,489	0	8,722
				145,551	53,167	84,501
<b>GRAND TOTAL</b>				<u>2,523,060</u>	<u>1,627,420</u>	<u>2,889,275</u>