

AQUA
Pennsylvania.

ORIGINAL

Aqua Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

www.aquapennsylvania.com

September 19, 2006

VIA FEDERAL EXPRESS

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Two North Keystone
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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SEP 19 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

P-00961036

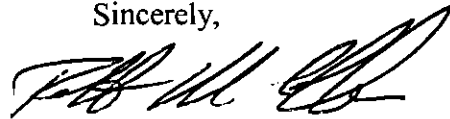
Re: Quarterly Distribution System Improvement Charge (DSIC)

Dear Secretary McNulty:

Enclosed are four copies of Aqua Pennsylvania's DSIC filing for the fourth quarter of 2006. As noted in the PUC Order, these documents are also being served to the Office of Consumer Advocate, the Office of Trial Staff and the Office of Small Business Advocate. Aqua Pennsylvania 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
Senior Manager of Regulatory Accounting

DOCUMENT
FOLDER

RMG/
Certificate of Service

AQUA PENNSYLVANIA, INC.
CERTIFICATE OF SERVICE

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Aqua Pennsylvania, Inc.

Distribution :
Improvement Charge (DSIC)
Filing

CERTIFICATE OF SERVICE

I hereby certify that I have this day filed Aqua Pennsylvania's DSIC filing for the fourth quarter of 2006 and Supplement No. 69 to Water-PA P.U.C. No. 1, with the PA Public Utility Commission and upon the person(s) and in the manner indicated below:

VIA FEDERAL EXPRESS

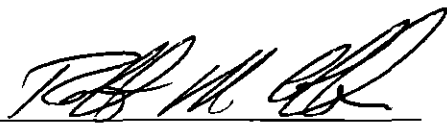
Irwin A. Popowsky, Esq.
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Three East Keystone
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Harrisburg, PA 17102
(email to riwallace@state.pa.us &
latreaster@state.pa.us)

Dated: September 19, 2006


Robert M. Griffin
Senior Manager of Regulatory Accounting

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AQUA PENNSYLVANIA, INC.
RATES AND RULES
GOVERNING THE DISTRIBUTION
OF
WATER
IN PORTIONS OF

P-00961036

ADAMS, BERKS, BRADFORD, BUCKS, CARBON, CHESTER, COLUMBIA, CRAWFORD,
CUMBERLAND, DELAWARE, FOREST, JUNIATA, LACKAWANNA, LAWRENCE, LUZERNE,
MERCER, MONTGOMERY, MONROE, NORTHHAMPTON, NORTHUMBERLAND, PIKE,
SCHUYLKILL, SUSQUEHANNA, SNYDER, WAYNE AND WYOMING COUNTIES

DOCUMENT
FOLDER

ISSUED: September 20, 2006
by
NICHOLAS DeBENEDICTIS, Chairman
762 Lancaster Avenue
Bryn Mawr, Pennsylvania 19010

Effective: October 1, 2006
Issued in accordance with Section
1307(g) of the PA Public Utility
Code and Docket No. P-00961036
entered August 26, 1996.

NOTICE

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

DOCKETED
SEP 25 2006

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S OFFICE

Aqua Pennsylvania, Inc.

Supplement No. 69
To
Water-PA.P.U.C. No. 1
Sixty Fifth Revised Page No. 1A
Canceling Sixty Fourth Revised Page No. 1A

LIST OF CHANGES MADE BY THIS TARIFF

Increase: This tariff increases the Distribution System Improvement Charge (DSIC) on page 20 (Seventeenth Revised) of the Company's tariff effective October 1, 2006, as approved by the Pennsylvania Public Utility Commission at Docket No. P-00961036 on August 26, 1996.

Aqua Pennsylvania, Inc.

Supplement No. 69
To
Water-PA.P.U.C. No. 1
Sixty Fifth Revised Page No. 2
Canceling Sixty Fourth Revised Page No. 2

INDEX

	<u>Page</u>	
RATES AND RULES	1	Supplement No. 69
LIST OF CHANGES MADE BY THIS TARIFF	1A	Sixty Fifth Revised
INDEX	2	Sixty Fifth Revised
INDEX	2A	Fifteenth Revised
DESCRIPTION OF TERRITORY SERVED	3	Eighth Revised
DESCRIPTION OF TERRITORY SERVED	3A	Third Revised
DESCRIPTION OF TERRITORY SERVED	3B	Fourteenth Revised
DESCRIPTION OF TERRITORY SERVED	3C	Twenty Second Revised
Meter Service-PSW Main Division	4	Fifth Revised
Rates for Water Consumed-Main Division	4	Fifth Revised
Rates for Water Consumed-Main Division	4A	Sixth Revised
Fire Service-Main Division	4B	Fifth Revised
Fire Service-Main Division	5	Sixth Revised
Rates for Water Consumed-Hedgerow Division	5A	Fifth Revised
Meter Service-Fawn Lake, Tanglewood Woodledge Village & Western Division	7	Fifth Revised
Rates for Water Consumed-Fawn Lake, Tanglewood, Woodledge Village & Western Division	7	Fifth Revised
Rates for Water Consumed-Fawn Lake, Tanglewood, Woodledge Village & Western Division	7A	Sixth Revised
Fire Service-Fawn Lake, Tanglewood, Woodledge Village & Western Division	7B	Fifth Revised
Meter Service-Bensalem Division	7C	Fifth Revised
Rates for Water Consumed-Bensalem Division	7C	Fifth Revised
Fire Service-Bensalem Division	7D	Fifth Revised
Meter Service - Bristol Division	11	Fifth Revised
Rates for Water Consumed - Bristol Division	11	Fifth Revised
Rates for Water Consumed - Bristol Division	11A	Fifth Revised
Fire Service - Bristol Division	11B	Fifth Revised
Meter Service - Consumers Roaring Creek Division	15	Fifth Revised
Rates for Water Consumed - Consumers Roaring Creek Division	15	Fifth Revised
Rates for Water Consumed - Consumers Roaring Creek Division	15A	Fifth Revised
Fire Service - Consumers Roaring Creek Division	15B	Fifth Revised
Meter Service - Chalfont Division	17C	Sixth Revised
Rates for Water Consumed - Chalfont Division	17C	Sixth Revised
Rates for Water Consumed - Chalfont Division	17D	Sixth Revised
Fire Service - Chalfont Division	17E	Sixth Revised
Meter & Unmetered Service - Paupack Year-round Division	17G	Seventh Revised
Meter Service - Wapwallopen Division	17H	Sixth Revised
Metered and Unmetered Service - White Haven Division	17I	Sixth Revised
Metered and Unmetered Service - NUI Division I	17K	Fifth Revised
Metered and Unmetered Service - NUI Division II	17L	Fifth Revised
Metered and Unmetered Service - NUI Division III, Jefferson & Oneida	17M	Fifth Revised
Unmetered Service - Brooklyn Division of NUI	17N	Fifth Revised
Unmetered Service - Pincrest Division	17V	Original
Metered Service - Applewood and Marienville Divisions	17Y	Original
Metered & Unmetered Service - Eagle Rock Division	17AC	Second Revised
Unmetered Service - Thornhurst Division	17AF	Original
Metered Service - Pennsview Division	17AH	Second Revised
Metered Rates - Stanton Division	17AI	Second Revised
Metered Rates - Midway Manor Collective	17AJ	Second Revised
Metered Service - Garbush	17AK	Original
Metered Service - Oakland Beach	17AL	Original
Metered Service - CS Water	17AM	Original

Aqua Pennsylvania, Inc.

Industrial Standby Rate	18	Second Revised
Industrial Standby Rate	18A	Fifth Revised
Industrial Standby Rate	18B	Second Revised
Resale and Electric Generation Standby Rate	18C	Second Revised
Resale and Electric Generation Standby Rate	18D	Fourth Revised
Resale and Electric Generation Standby Rate	18E	Second Revised
Rider DIS - Demand Based Industrial Service	19	Third Revised
Rider DRS - Demand Based Resale Service	19A	Second Revised
Rider EGS - Electric Generation Service	19B	Second Revised
Rider OPI - Off Peak/Interruptible Service	19C	Second Revised
Rider OPI - Off Peak/Interruptible Service	19D	Second Revised
State Tax Surcharge Applicable to All Rates	20	Seventeenth Revised
Distribution System Improvement Charge	20A	Third Revised
Distribution System Improvement Charge	20B	Second Revised
Distribution System Improvement Charge	20C	Second Revised
Introduction	21	Fifth Revised
Classes of General Metered Service & Definitions	22	Fifth Revised
Application of Service	25	Second Revised
Deposits & Bill Payments	26	Fourth Revised
Service Connections	28	Fourth Revised
Meters & Meter Locations	31	Third Revised
Building Construction Service; Metered Fire Service	34	Fifth Revised
Unmetered Fire Service	35	Third Revised
Responsibility for Service; System Inspection and Integrity	37	Fifth Revised
Cross-Connection Control	38	Fifth Revised
Termination of Service	39	Fifth Revised
Water Conservation and Drought Emergency	40	Third Revised
Main Extensions	41	Fifth Revised
Main Extensions For Bona Fide Applicants	42	Fifth Revised
Main Extensions and Services by Builder	46	Fifth Revised

RIDER

STATE TAX SURCHARGE APPLICABLE TO ALL RATES

In addition to the net charges provided for in this Tariff, a surcharge of (0.01)% will apply to all bills issued on and after August 20, 2006.

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
- 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 re-computation; 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 re-computation 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) (I)

In addition to the net charges provided for in this Tariff, a surcharge of 0.95% will apply to all bills issued, excluding public fire hydrants, on or after October 1, 2006.

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 3330), meters (account 3340) and hydrants (account 3350) installed as in-kind replacements for customers;

mains and valves (account 3310) 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 3310) 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;

(I) Indicates Increase

AQUA PENNSYLVANIA, INC.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description				June-06 Actual	July-06 Actual	August-06 Actual	Three Months To Date	Total To Date
322000	Main Cleaning & Relining					248,747	1,465,327	1,714,074	1,714,074
322000	Major Main Replacements					1,777,168	11,417,351	13,194,519	13,194,519
322000	Minor Changes in Mains					0	0	0	0
322000	Minor Main Replacements					279,208	423,330	702,538	702,538
322000	Tie in Dead End Mains					75,198	280,213	355,411	355,411
322000	Unreimbursed Imprvmts due to highway relocations					11,524	161,677	173,201	173,201
322000	Valve Replacement Program					34,220	77,958	112,178	112,178
323000	Repl Services					143,987	154,508	298,495	298,495
323000	Repl Services due to Main Rehabilitation					440,831	1,716,043	2,156,874	2,156,874
324000	Replacement Meters					225,717	166,253	391,970	391,970
325000	Replacement Fire Hydrants					136,180	98,167	234,347	234,347
TOTAL ADDITIONS						3,372,780	15,960,827	19,333,607	19,333,607

AQUA PENNSYLVANIA, INC.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Accumulated Depreciation Bal. 5/31/06	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on - 8/06 Assets (2)	Accumulated Depreciation Bal. 8/31/06	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	0	0	4,564	4,564	2.13%	9,127
322000	Major Main Replacements	0	0	17,648	17,648	1.07%	35,295
322000	Minor Changes in Mains	0	0	0	0	1.07%	0
322000	Minor Main Replacements	0	0	940	940	1.07%	1,879
322000	Tie in Dead End Mains	0	0	475	475	1.07%	51
322000	Unreimbursed Imprvmts due to highway relocations	0	0	232	232	1.07%	53
322000	Valve Replacement Program	0	0	258	258	1.84%	516
323000	Repl Services	0	0	638	638	1.71%	1,276
323000	Repl Services due to Main Rehabilitation	0	0	4,610	4,610	1.71%	9,221
324000	Replacement Meters	0	0	4,057	4,057	8.28%	8,114
325000	Replacement Fire Hydrants	0	0	483	483	1.65%	967
TOTAL		0	0	33,905	33,905		67,809

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

AQUA PENNSYLVANIA, INC.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

	DSIC EFFECTIVE	
	10/1/2006	
	Quarterly	Monthly
Applicable Additions		
Less Accumulated Depreciation @ August 31, 2006	19,333,607	
Net Rate Base Includable in DSIC Calculation	<u>(33,905)</u>	
	<u>19,299,702</u>	
Annual Revenue Requirement Rate	12.12%	
Quarterly Revenue Requirement Rate		3.03%
Quarterly Capital Cost Recovery	<u>584,781</u>	19,159
Quarterly Depreciation Expense	<u>67,809</u>	22,603
Total Quarterly DSIC Revenue Requirement	652,590	217,530
Current Cost Recovery Rate		0.93%
2005 DSIC True-up [\$60,207 Under-collection + \$0 Interest = / 4 qtrs = Apr '06 thru Mar '07]	15,052	5,017
2004 e-Factor [\$269 Under-collection + \$0 Interest = / 4 qtrs = Apr '06 thru Mar '07]	67	22
	<u>15,119</u>	5,040
E Factor Rate		0.02%
Applicable Base Rate Revenue	70,419,226	23,473,075
DSIC RATE		0.95%

WEIGHTED COST OF CAPITAL AT 8/31/06:

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	573,267,109	49.62%	6.03%	2.99%		2.99%
Preferred	0	0.00%	4.78%	0.00%	1.709211797	0.00%
Equity	582,102,828	50.38%	10.60%	5.34%	1.709211797	9.13%
	<u>1,155,369,937</u>	<u>100.0%</u>		8.33%		12.12%

Note: The cost rate of debt and preferred stock are the Company's actual cost rates. 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%.

Aqua Pennsylvania, inc.
 DSIC Pipe Plant Closings By Month

Activity Group	Activity #	Description	2006 July	2006 August
110 Main Replacement				
	15714002084	Trevorton Main Replacement	267,637	8,849
	15724001732	Stevenson/Desmond Main Replacement	1,683	15,552
	15734000334	Hudson St., Hawley	-	31,763
	15734021787	5100'-8" Moscow	2,148	3,060
	15734036998	11,000'-8" Tanglewood, Paupack	33,428	1,310
	15784035490	Chestnut St., Morton St. to end, Shenango	-	37,747
	15784035491	Vine St., Chestnut to Pine, Shenango	-	17,853
	15784035498	Selina to Haywood, Shenango	-	157,074
	15784035499	Pitt to Reno Rd., Shenango	-	69,109
	15784035515	Erie St., Plum to North, Shenango	-	385,991
	15784035522	Sharon Ave., Chestnut to Walnut, Shenango	-	191,872
	15900100062	Township Line Rd., Upper Darby	115,869	971
	15900100151	West Avenue, Springfield	157,068	-
	15900100962	Lansdowne Ave., Yeadon	166,169	287,422
	15900101741	Private Lane off Lincoln Highway, Upper Prov.	-	57,174
	15900102204	Cascade Rd., Springfield	-	150,163
	15900102205	Briarwood Rd., Nether Providence	-	160,049
	15900135745	Bonsall Ave., Yeadon	99,151	878
	15900135756	Felton Ave., Collingdale	4,408	204,099
	15900135799	Holly Rd., Yeadon	-	302,286
	15900135808	Lincoln Street, U. Providence	6,194	15,869
	15900135885	Woodland Ave., Springfield	-	1,297,950
	15900136940	13900'-12" Chester Pike, Ridley Park	-	1,365,517
	15900139632	1731'-8" Wilde Ave., Upper Darby	-	326,745
	15900200951	Darby Paoli Rd., Radnor	-	207,756
	15900222615	5100'-16" Montgomery Ave., Lower Merion	45,365	253,542
	15900236191	Righters Mill Rd., Lower Merion	-	487,820
	15900239801	Berkeley Rd., Tredyffryn	-	212,287
	15900240187	Mt. Moro & Mt. Pleasant Rds., Lower Merion	-	91,845
	15900241026	8" Leopard Rd., Easttown	-	512,345
	15900300061	Filmore Ave., Abington	189,074	-
	15900300399	Church Rd., Cheltenham	157,049	8,989
	15900300992	Old Welch Rd., Abington	255,920	6,464
	15900302768	Woodbrook La., Plymouth	-	21,526
	15900303917	Lycoming Ave., Abington	-	606,658
	15900303938	Sierra Rd., Plymouth	-	606,650
	15900303940	Rockwell Ave., Abington	-	450,888
	15900330769	4555'-8" Hillside Rd., Jenkintown	-	24,902
	15900331523	4750'-8" Walton Rd., Plymouth	99,611	21,525
	15900335854	State Rd. & Station Rd., Bensalem	25,308	510,717
	15900336995	Old York Rd., Abington	-	1,219,771
	15900340993	Mount Carmel Rd., Abington	1,360	268,950
	15900340994	Terry's Trailer Park, Bristol	149,155	-
	15900402749	Gay St., west Chester	-	372,452
	15900435793	Adams St., West Chester	-	327,620
	15900435803	Kingsway Rd., W. Goshen	571	115,341
			<u>1,777,168</u>	<u>11,417,351</u>
116 Tie in Dead End Mains				
	15784035519	Mt. Connelly at Sterling, Shenango	-	47,927
	15900302080	Willow Ave., Upper Moreland	78	7,150
	15900302086	Linden Ave., Upper Moreland	617	7,800

Aqua Pennsylvania, inc.
 DSIC - Eligible Plant Closings By Month

Activity Group	Activity #	Description	2006 July	2006 August
	15900302154	Sycamore Ave., Upper Noreland	-	9,489
	15900304278	Terwood Rd., Upper Moreland	-	103,078
	15900335752	Davisville Rd., Upper Moreland	74,503	104,769
			<u>75,198</u>	<u>280,213</u>
120 Main Cleaning & Lining				
	15900136187	Lynn Blvd., Upper Darby	91,909	145,101
	15900136238	Hollywood Ave., Upper Darby	-	873,366
	15900236242	Wiltshire Rd., Lower Merion	25,153	5,884
	15900236244	Hillcrest Ave., Haverford	68,909	256,826
	15900300969	Chelsea Ave., Upper Dublin	27,235	75,916
	15900335925	Woodland Rd., Abington	35,541	108,234
			<u>248,747</u>	<u>1,465,327</u>
125 Capitalized Main Breaks			279,208	423,330
132 Highway Relocations				
	15900235655	Rt. 202 Bridge over Turnpike	252	156,000
	15900322523	300'-16" Willow Grove Ave.	11,272	5,677
			<u>11,524</u>	<u>161,677</u>
135 Valve Replacements			34,220	77,958
198 Other Main Work			-	-
205 Eligible Meters			225,717	166,253
310 Renewal Services			143,987	154,508
315 Renewal Services-Main Rehab			440,831	1,716,043
410 Replaced/Relocated Fire Hydrants			90,637	74,479
415 Eliminate No Drain Fire Hydrants			45,327	13,596
420 Change 2 W to 3 W Fire Hydrants			185	2,763
435 Replace Private Fire Hydrants			31	7,329
			<u>3,372,780</u>	<u>15,960,827</u>

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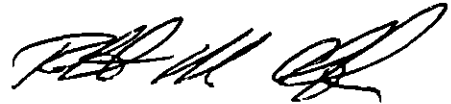
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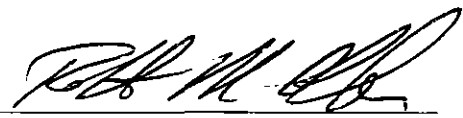
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ISSUED: December 20, 2006
by
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Supplement No. 71
To
Water-PA.P.U.C. No. 1
Sixty Seventh Revised Page No. 1A
Canceling Sixty Sixth Revised Page No. 1A

LIST OF CHANGES MADE BY THIS TARIFF

Increase: This tariff increases the Distribution System Improvement Charge (DSIC) on page 20 (Nineteenth Revised) of the Company's tariff effective January 1, 2007, as approved by the Pennsylvania Public Utility Commission at Docket No. P-00961036 on August 26, 1996.

Aqua Pennsylvania, Inc.

	Page	
I N D E X		
RATES AND RULES	1	Supplement No. 71
LIST OF CHANGES MADE BY THIS TARIFF	1A	Sixty Seventh Revised
INDEX	2	Sixty Seventh Revised
INDEX	2A	Seventeenth Revised
DESCRIPTION OF TERRITORY SERVED	3	Eighth Revised
DESCRIPTION OF TERRITORY SERVED	3A	Third Revised
DESCRIPTION OF TERRITORY SERVED	3B	Fourteenth Revised
DESCRIPTION OF TERRITORY SERVED	3C	Twenty Second Revised
Meter Service-PSW Main Division	4	Fifth Revised
Rates for Water Consumed-Main Division	4	Fifth Revised
Rates for Water Consumed-Main Division	4A	Sixth Revised
Fire Service-Main Division	4B	Fifth Revised
Fire Service-Main Division	5	Sixth Revised
Rates for Water Consumed-Hedgerow Division	5A	Fifth Revised
Meter Service-Fawn Lake, Tanglewood Woodledge Village & Western Division	7	Fifth Revised
Rates for Water Consumed-Fawn Lake, Tanglewood, Woodledge Village & Western Division	7	Fifth Revised
Rates for Water Consumed-Fawn Lake, Tanglewood, Woodledge Village & Western Division	7A	Sixth Revised
Fire Service-Fawn Lake, Tanglewood, Woodledge Village & Western Division	7B	Fifth Revised
Meter Service-Bensalem Division	7C	Fifth Revised
Rates for Water Consumed-Bensalem Division	7C.	Fifth Revised
Fire Service-Bensalem Division	7D	Fifth Revised
Meter Service - Bristol Division	11	Fifth Revised
Rates for Water Consumed - Bristol Division	11	Fifth Revised
Rates for Water Consumed - Bristol Division	11A	Fifth Revised
Fire Service - Bristol Division	11B	Fifth Revised
Meter Service - Consumers Roaring Creek Division	15	Fifth Revised
Rates for Water Consumed - Consumers Roaring Creek Division	15	Fifth Revised
Rates for Water Consumed - Consumers Roaring Creek Division	15A	Fifth Revised
Fire Service - Consumers Roaring Creek Division	15B	Fifth Revised
Meter Service - Chalfont Division	17C	Sixth Revised
Rates for Water Consumed - Chalfont Division	17C	Sixth Revised
Rates for Water Consumed - Chalfont Division	17D	Sixth Revised
Fire Service - Chalfont Division	17E	Sixth Revised
Meter & Unmetered Service - Paupack Year-round Division	17G	Seventh Revised
Meter Service - Wapwallopen Division	17H	Sixth Revised
Metered and Unmetered Service - White Haven Division	17I	Sixth Revised
Metered and Unmetered Service - NUI Division I	17K	Fifth Revised
Metered and Unmetered Service - NUI Division II	17L	Fifth Revised
Metered and Unmetered Service - NUI Division III, Jefferson & Oneida	17M	Fifth Revised
Unmetered Service - Brooklyn Division of NUI	17N	Fifth Revised
Unmetered Service - Pinecrest Division	17V	Original
Metered Service - Applewood and Marienville Divisions	17Y	Original
Metered & Unmetered Service - Eagle Rock Division	17AC	Second Revised
Unmetered Service - Thornhurst Division	17AF	Original
Metered Service - Pennsvlew Division	17AH	Second Revised
Metered Rates - Stanton Division	17AI	Second Revised
Metered Rates - Midway Manor Collective	17AJ	Second Revised
Metered Service - Garbush	17AK	Original
Metered Service - Oakland Beach	17AL	Original
Metered Service - CS Water	17AM	Original

Aqua Pennsylvania, Inc.

Industrial Standby Rate	18	Second Revised
Industrial Standby Rate	18A	Fifth Revised
Industrial Standby Rate	18B	Second Revised
Resale and Electric Generation Standby Rate	18C	Second Revised
Resale and Electric Generation Standby Rate	18D	Fourth Revised
Resale and Electric Generation Standby Rate	18E	Second Revised
Rider DIS - Demand Based Industrial Service	19	Third Revised
Rider DRS - Demand Based Resale Service	19A	Second Revised
Rider EGS - Electric Generation Service	19B	Second Revised
Rider OPI - Off Peak/Interruptible Service	19C	Second Revised
Rider OPI - Off Peak/Interruptible Service	19D	Second Revised
State Tax Surcharge Applicable to All Rates	20	Nineteenth Revised
Distribution System Improvement Charge	20A	Third Revised
Distribution System Improvement Charge	20B	Second Revised
Distribution System Improvement Charge	20C	Second Revised
Introduction	21	Fifth Revised
Classes of General Metered Service & Definitions	22	Fifth Revised
Application of Service	25	Second Revised
Deposits & Bill Payments	26	Fourth Revised
Service Connections	28	Fourth Revised
Meters & Meter Locations	31	Third Revised
Building Construction Service; Metered Fire Service	34	Fifth Revised
Unmetered Fire Service	35	Third Revised
Responsibility for Service; System Inspection and Integrity	37	Fifth Revised
Cross-Connection Control	38	Fifth Revised
Termination of Service	39	Fifth Revised
Water Conservation and Drought Emergency	40	Third Revised
Main Extensions	41	Fifth Revised
Main Extensions For Bona Fide Applicants	42	Fifth Revised
Main Extensions and Services by Builder	46	Fifth Revised

RIDER
STATE TAX SURCHARGE APPLICABLE TO ALL RATES

In addition to the net charges provided for in this Tariff, a surcharge of 1.39% will apply to all bills issued on and after December 5, 2006.

The above surcharge will be recomputed using the elements prescribed by the Commission in its policy at 52 PA Code section 69.51 et seq.:

- On or before March 31 of each year; and/or
- Whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in the state tax liability arising under the law.

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations or orders. If the recomputed surcharge is less than the one in effect, the utility will, or 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 such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations or orders. In the event that the Company files an increased surcharge subsequent to 10 days after the occurrence of an event which occasions a recomputation, the effective date of such tariff or supplement shall be 60 days after filing in accordance with section 1308(a) of the Public Utility Code, 66 C.S. section 1308(a)(regarding voluntary changes in rates) unless otherwise directed by the Commission.

The surcharge shall be rolled into base rates when increased or decreased base rates are made effective.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (I)

In addition to the net charges provided for in this Tariff, a surcharge of 2.24% will apply to all bills issued, excluding public fire hydrants, on or after January 1, 2007.

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 3330), meters (account 3340) and hydrants (account 3350) installed as in-kind replacements for customers;

mains and valves (account 3310) 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 3310) 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;

(I) Indicates Increase

AQUA PENNSYLVANIA, INC.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description		June-Aug-06 Actual	September-06 Actual	October-06 Actual	November-06 Actual	Three Months To Date	Total To Date		
322000	Main Cleaning & Relining		1,714,074	87,877	30,317	4,026,141	4,144,335	5,858,409		
322000	Major Main Replacements		13,194,519	741,265	1,041,417	13,537,436	15,320,118	28,514,637		
322000	Minor Changes in Mains		0	0	0	0	0	0		
322000	Minor Main Replacements		702,538	270,173	409,905	233,086	913,164	1,615,702		
322000	Tie in Dead End Mains.		355,411	3,829	68,762	1,936,876	2,009,467	2,364,878		
322000	Unreimbursed Imprvmts due to highway relocations		173,201	0	0	0	0	173,201		
322000	Valve Replacement Program		112,178	84,576	54,159	28,292	167,027	279,205		
323000	Repl Services		298,495	100,501	157,070	68,292	325,863	610,368		
323000	Repl Services due to Main Rehabilitation		2,156,874	294,905	679,949	756,660	1,731,514	3,886,688		
324000	Replacement Meters		391,970	170,536	246,394	95,396	512,326	904,296		
325000	Replacement Fire Hydrants		234,347	88,083	110,087	88,404	286,574	520,921		
TOTAL ADDITIONS			0	0	19,333,607	1,841,745	2,798,060	20,770,583	25,410,388	44,743,995

AQUA PENNSYLVANIA, INC.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Accumulated Depreciation Bal. 8/31/06	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on - 11/06 Assets (2)	Accumulated Depreciation Bal. 11/31/06	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	4,564	9,127	11,034	24,725	2.13%	31,196
322000	Major Main Replacements	17,648	35,295	20,491	73,434	1.07%	76,277
322000	Minor Changes in Mains	0	0	0	0	1.07%	0
322000	Minor Main Replacements	940	1,879	1,221	4,040	1.07%	4,322
322000	Tie in Dead End Mains	475	951	2,688	4,114	1.07%	4,322
322000	Unreimbursed Imprvmts due to highway relocations	232	463	0	695	1.07%	733
322000	Valve Replacement Program	258	516	384	1,158	1.84%	1,284
323000	Repl Services	638	1,276	697	2,611	1.71%	2,669
323000	Repl Services due to Main Rehabilitation	4,610	9,221	3,701	17,532	1.71%	16,623
324000	Replacement Meters	4,057	8,114	5,303	17,474	8.28%	18,719
325000	Replacement Fire Hydrants	483	967	591	2,041	1.65%	2,149
TOTAL		33,905	67,809	46,110	147,824		160,028

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

AQUA PENNSYLVANIA, INC.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

	DSIC EFFECTIVE		
	Annual	1/1/2007 Quarterly	Monthly
Applicable Additions		44,743,995	
Less Accumulated Depreciation @ November 30, 2006		(147,824)	
Net Rate Base Includable in DSIC Calculation		<u>44,596,171</u>	
Annual Revenue Requirement Rate	12.01%		
Quarterly Revenue Requirement Rate		3.00%	
Quarterly Capital Cost Recovery		<u>1,339,000</u>	440,333
Quarterly Depreciation Expense		160,028	53,343
Total Quarterly DSIC Revenue Requirement		<u>1,499,028</u>	499,676
Current Cost Recovery Rate			2.22%
2005 DSIC True-up [\$60,207 Under-collection + \$0 Interest = / 4 qtrs = Apr '06 thru Mar '07]		15,052	5,017
2004 e-Factor [\$269 Under-collection + \$0 Interest = / 4 qtrs = Apr '06 thru Mar '07]		67	22
		<u>15,119</u>	5,040
E Factor Rate			0.02%
Applicable Base Rate Revenue		67,462,072	22,487,357
DSIC RATE			<u>2.24%</u>

WEIGHTED COST OF CAPITAL AT 11/31/06:

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	592,093,144	50.31%	5.96%	3.00%		3.00%
Preferred	0	0.00%	4.78%	0.00%	1.709211797	0.00%
Equity	584,829,791	49.69%	10.60%	5.27%	1.709211797	9.01%
	<u>1,176,922,935</u>	100.0%		8.27%		12.01%

Note: The cost rate of debt and preferred stock are the Company's actual cost rates. 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%.

Aqua Pennsylvania, inc.
SIC-eligible Plant Closings By Month

Activity Group	Activity #	Description	Closed Sep-06	Closed Oct-06	Closed Nov-06
110 Main Replacement					
	15714002084	Trevorton Main Replacement	134,992	-	-
	15714004922	Spruce St. to Elysburg	-	-	200,729
	15714006527	West Center St., Elysburg	-	-	21,475
	15714039681	Whitemans Dam, Cungham Twp	-	-	346,240
	15724001732	Stevenson/Desmond Main Replacement	105,100	226,537	1,879
	15724022305	Olive St. Main Replacement	-	-	(28,599)
	15724004746	Penna. Ave. Blue Spruce Trailer	-	-	17,596
	15734000334	Hudson St., Hawley	-	-	346,146
	15734002821	Chestnut St., Hawley	-	-	1,081
	15734006676	Grandview & surrounding area	-	-	796
	15734021787	5100'-8" Moscow	-	-	(15,045)
	15734036998	11,000'-8" Tanglewood, Paupack	-	-	3,199
	15744000586	Chinchilla Main Replacement	-	-	365,162
	15744002297	Barrett Main Replacement	-	-	29,671
	15744006438	Brick Church & Lilly St., Hamilton	-	-	232,135
	15744006677	Crest St., Hex Acres	-	-	1,330
	15744038564	Magnolia & Fern St., Thornhurst	-	-	36,861
	15574038987	RPC Leaking Stream Crossing	-	-	96,540
	15784002535	Crawford & stateline	-	-	186,205
	15784011213	Replace 2220'-12" Shenango	-	-	36,065
	15784035483	Dakota, Stambaugh to Indi	-	-	49,866
	15784035486	State, Androla to Keeler	-	-	104,350
	15784035490	Chestnut St., Morton St. to end, Shenango	-	-	8,357
	15784035498	Selina to Haywood, Shenango	-	-	3,357
	15784035510	E Birch, Existing 4" to	-	-	89,320
	15784035513	W. Birch, Forest to Hemlock	-	-	72,454
	15784035515	Erie St., Plum to North, Shenango	-	-	22,481
	15784035522	Sharon Ave., Chestnut to Walnut, Shenango	-	-	20,070
	15900100085	Sproul Rd. Main Replacement	-	-	1,923,139
	15900100962	Lansdowne Ave., Yeadon	4,956	-	-
	15900101252	Brookside Rd., Springfield	-	-	83,292
	15900102205	Briarwood Rd., Nether Providence	328	-	-
	15900104734	Morton Ave., Morton	-	-	1,056,765
	15900104768	Plush Mill Rd., Nether Prov.	-	-	129,267
	15900106448	Bond Ave., Upper Darby	-	-	2,367
	15900106589	Howard Ave. Haverford	-	-	11,636
	15900106733	Girard Ave., Ridley	-	-	63,540
	15900135808	Lincoln Street, U. Providence	2,239	-	-
	15900135861	Union Ave., Upper Darby	-	-	890,998
	15900135885	Woodland Ave., Springfield	1,775	70,966	6,419
	15900136940	13900'-12" Chester Pike, Ridley Park	-	-	802,804
	15900139632	1731'-8" Wilde Ave., Upper Darby	304	-	-
	15900200951	Darby Paoli Rd., Radnor	786	-	-
	15900202538	Brentwood Ave., Haverdord	-	-	157,646
	15900204422	Woodland Ave., Malvern	-	-	86,853
	15900204446	Polo Rd., Haverford	-	-	81,801
	15900204452	Millbrook La., Haverford	-	-	102,498
	15900222615	5100'-16" Montgomery Ave., Lower Merion	28,495	8,372	1,603
	15900230780	Montgomery Ave., Lower Merion	-	-	16,738
	15900236191	Righters Mill Rd., Lower Merion	-	-	389,527
	15900241026	8" Leopard Rd., Easttown	-	-	286,522
	15900300992	Old Welch Rd., Abington	1,198	599	-

Aqua Pennsylvania, inc.
SIC-eligible Plant Closings By Month

Activity Group	Activity #	Description	Closed Sep-06	Closed Oct-06	Closed Nov-06
	15900302768	Woodbrook La., Plymouth	-	259,930	145,767
	15900303917	Lycoming Ave., Abington	-	231,166	4,737
	15900303938	Sierra Rd., Plymouth	-	-	307,308
	15900303940	Rockwell Ave., Abington	-	-	351,498
	15900305181	Yellowstone Rd., Plymouth	-	-	948,592
	15900305189	Corinthian ave., abington	-	238,139	256,971
	15900331523	4750'-8" Walton Rd., Plymouth	-	430	-
	15900334045	7758'-8" Monroe St., Abington	176,371	-	-
	15900335802	Joshua Rd., Whitemarsh	-	-	1,433,033
	15900335854	State Rd. & Station Rd., Bensalem	-	-	(1,496)
	15900336260	7840'-16" State Rd., Bristol	209,315	1,460	1,269
	15900336995	Old York Rd., Abington	-	-	1,401,254
	15900340993	Mount Carmel Rd., Abington	73,601	3,567	12,370
	15900402749	Gay St., west Chester	-	-	332,997
	15900435793	Adams St., West Chester	1,483	251	-
	15900435803	Kingsway Rd., W. Goshen	322	-	-
			<u>741,265</u>	<u>1,041,417</u>	<u>13,537,436</u>
116 Tie in Dead End Mains					
	15714006488	Across Drive Transmission Loop	-	-	165,574
	15714029141	Transmission Reinforcement	-	-	422,543
	15724027176	Agnes St., Main Extension	-	68,762	-
	15734037257	Mast Hope interconnect	-	-	96,990
	15784021734	6" Pattison to Spruce	-	-	35,917
	15784035520	Lynwood, Llodia to Freedl	-	-	83,622
	15900304278	Terwood Rd., Upper Moreland	3,829	-	-
	15900404475	Morstein Rd., E. Goshen	-	-	167,722
	15900405170	Brooke Rd., Uwchlan	-	-	89,755
	15900335752	Davisville Rd., Upper Moreland	-	-	(8,814)
			<u>3,829</u>	<u>68,762</u>	<u>1,053,309</u>
120 Main Cleaning & Lining					
	15900136187	Lynn Blvd., Upper Darby	85,439	3,149	-
	15900136238	Hollywood Ave., Upper Darby	-	-	448,372
	15900136240	Bond Ave., Upper Darby	-	-	1,088,593
	15900236242	Wiltshire Rd., Lower Merion	-	27,168	-
	15900236243	Ott Rd., Lower Merion	-	-	555,354
	15900300969	Chelsea Ave., Upper Dublin	2,448	-	-
	15900335919	10th Ave., Conshohocken	-	-	1,279,553
	15900335920	Glen Rd., Abington	-	-	640,103
	15900335926	Elm Ave., Croydon	-	-	14,065
	15900335925	Woodland Rd., Abington	-	-	101
			<u>87,887</u>	<u>30,317</u>	<u>4,026,141</u>
125 Capitalized Main Breaks			270,173	409,905	233,086
132 Highway Relocations			-	-	-
135 Valve Replacements			84,576	54,159	28,292
198 Other Main Work					
	15900412261	Ingrams Mill to Marshallton	-	-	883,567
			<u>-</u>	<u>-</u>	<u>883,567</u>

Aqua Pennsylvania, inc.
 SIC-eligible Plant Closings By Month

Activity Group	Activity #	Description	Closed Sep-06	Closed Oct-06	Closed Nov-06
		205 Eligible Meters	170,536	246,394	95,396
		310 Renewal Services	100,501	157,070	68,292
		315 Renewal Services-Main Rehab	294,905	679,949	756,660
		410 Replaced/Relocated Fire Hydrants	59,079	73,358	61,360
		415 Eliminate No Drain Fire Hydrants	14,866	8,874	9,781
		420 Change 2 W to 3 W Fire Hydrants	13,989	24,527	17,263
		435 Replace Private Fire Hydrants	149	3,328	-
			<u>1,841,755</u>	<u>2,798,060</u>	<u>20,770,583</u>