

AQUA
Pennsylvania.

ORIGINAL

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

www.aquapennsylvania.com

September 20, 2004

VIA EMAIL & FEDERAL EXPRESS

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

DOCUMENT

Re: Quarterly Distribution System Improvement Charge (DSIC)

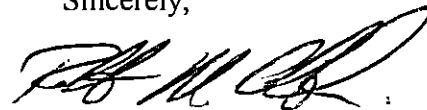
Dear Secretary McNulty:

P-00961036

Enclosed are eight copies of Aqua Pennsylvania's DSIC filing for the fourth quarter of 2004, including Supplement No. 45 to Water-PA P U C No. 1. 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. 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 Regulatory Accounting

RMG/
Certificate of Service

RECEIVED
SEP 21 2004
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

An Aqua America Company

116

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 2004, including Supplement No. 45 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 & EMAIL

Irwin A. Popowsky, Esq.
Office of Consumer Advocate
555 Walnut Avenue, Fifth Floor
Forum Place
Harrisburg, PA 17101-1921
(email to ddusman@paoca.org)

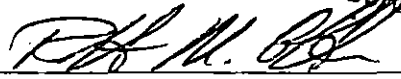
William R. Lloyd, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
300 N. Second Street
Harrisburg, PA 17101-1921

John Sims, Director
Office of Trial Staff
Two West Keystone
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Harrisburg, PA 17102

Larry Treaster
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Three East Keystone
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(email to riwallace@state.pa.us &
latreaster@state.pa.us)

Dated: September 20, 2004

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SEP 21 2004
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU


Robert M. Griffin
Manager of Regulatory Accounting

AQUA PENNSYLVANIA, INC.

RATES AND RULES

GOVERNING THE DISTRIBUTION

OF
WATER

ORIGINAL

IN PORTIONS OF

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

ISSUED: September 20, 2004
by
NICHOLAS DeBENEDICTIS, Chairman
762 Lancaster Avenue
Bryn Mawr, Pennsylvania 19010

Effective: October 1, 2004
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 UPDATES THE DISTRIBUTION SYSTEM
IMPROVEMENT CHARGE FOR ALL METERED AND UNMETERED
CUSTOMERS WITH THE EXCEPTION OF PUBLIC FIRE HYDRANT
CUSTOMERS AND CUSTOMERS WITH SPECIAL CONTRACTS.**

SEE PAGE 1A

DOCUMENT

RECEIVED

SEP 21 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKETED

DEC 09 2004

Supplement No. 45

To

Water-PA.P.U.C. No. 1

Forty Second Revised Page No. 1A

Canceling Forty First Revised Page No. 1A

Aqua Pennsylvania, Inc.

LIST OF CHANGES MADE BY THIS TARIFF

Increases: This tariff increases the Distribution System Improvement Charge (DSIC) on Page 20 (Ninth Revised) of the Company's tariff, effective October 1, 2004, as approved by the Pennsylvania Public Utility Commission at Docket No. P-00961036 on August 26, 1996.

Aqua Pennsylvania, Inc.

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RATES AND RULES

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Rates for Water Consumed-PSW Main Division

Fire Service-PSW Main Division

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Rates for Water Consumed-Monroe Manor, Rolling Green & Waymart Divisions

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Aqua Pennsylvania, Inc.

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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 0.00% will apply to all bills issued on and after August 5, 2004.

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) (I)

In addition to the net charges provided for in this Tariff, a surcharge of 1.28% will apply to all bills issued, excluding public fire hydrants, on or after October 1, 2004.

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;

(I) Indicates Increase

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description				June-04 Actual	July-04 Actual	August-04 Actual	Three Months To Date	Total To Date
322000	Main Cleaning & Relining				0	872,104	3,107,653	3,979,757	3,979,757
322000	Major Main Replacements				0	40,953	9,700,457	9,741,410	9,741,410
322000	Minor Changes in Mains				0	0	0	0	0
322000	Minor Main Replacements				0	105,498	124,243	229,741	229,741
322000	Tie in Dead End Mains				0	0	163,747	163,747	163,747
322000	Unreimbursed Imprvmts due to highway relocations				0	0	0	0	0
322000	Valve Replacement Program				0	44,225	33,505	77,730	77,730
323000	Repl Services				0	119,799	134,558	254,357	254,357
323000	Repl Services due to Main Rehabilitation				0	558,765	366,213	924,978	924,978
324000	Replacement Meters				0	3,828,096	2,059,886	5,887,982	5,887,982
325000	Replacement Fire Hydrants				0	95,020	83,335	178,355	178,355
TOTAL ADDITIONS					0	5,664,460	15,773,597	21,438,057	21,438,057

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DOCKETED
DEC 09 2004

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Accumulated Depreciation Bal. 5/31/04	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on - /04 Assets (2)	Accumulated Depreciation Bal. 8/31/04	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	0	0	10,596	10,596	2.13%	21,192
322000	Major Main Replacements	0	0	14,125	14,125	1.16%	28,250
322000	Minor Changes in Mains	0	0	0	0	1.16%	0
322000	Minor Main Replacements	0	0	333	333	1.16%	666
322000	Tie in Dead End Mains	0	0	237	237	1.16%	475
322000	Unreimbursed Imprvmts due to highway relocations	0	0	0	0	1.16%	
322000	Valve Replacement Program	0	0	194	194	2.00%	388
323000	Repl Services	0	0	598	598	1.88%	1,195
323000	Repl Services due to Main Rehabilitation	0	0	2,174	2,174	1.88%	4,347
324000	Replacement Meters	0	0	37,977	37,977	5.16%	75,955
325000	Replacement Fire Hydrants	0	0	401	401	1.80%	803
TOTAL		0	0	66,635	66,635		133,272

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

	DSIC EFFECTIVE	
	10/1/2004	
	Annual	Monthly
Applicable Additions		
Less Accumulated Depreciation @ August 31, 2004		
Net Rate Base Includable in DSIC Calculation	21,438,057	
	<u>(66,635)</u>	
	<u>21,371,422</u>	
Annual Revenue Requirement Rate	12.10%	
Quarterly Revenue Requirement Rate		3.03%
Quarterly Capital Cost Recovery		646,486
Quarterly Depreciation Expense		133,272
Total Quarterly DSIC Revenue Requirement		<u>779,758</u>
		215,486
		44,400
		259,919
Current Cost Recovery Rate		1.30%
2003 DSIC True-up [\$23,285 Under-collection + \$0 Interest = / 4 qtrs = Apr '04 thru Mar '05]		5,821
2001 DSIC 'E' Factor from DSIC Audit [(\$49,312) Over-collection + (\$2,840) Interest = / 4 qtrs = Jan '04 thru Dec '04]		(13,038)
Per DSIC Audit Over-collection on PennDot project [(\$12,665) Over-collection + (\$1,460) Interest = / 4 qtrs = Jan '04 thru Dec '04]		<u>(3,531)</u>
		<u>(10,748)</u>
		(1,940)
		(4,346)
		(1,177)
		(3,583)
E Factor Rate		-0.02%
Applicable Base Rate Revenue	59,898,124	19,966,041
DSIC RATE		1.28%

WEIGHTED COST OF CAPITAL AT 8/31/04:

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	506,742,365	51.10%	6.36%	3.25%		3.25%
Preferred	0	0.00%	4.78%	0.00%	1.709211797	0.00%
Equity	484,831,705	48.90%	10.60%	5.18%	1.709211797	8.85%
	<u>991,574,070</u>	100.0%		8.43%		12.10%

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%.

Category	Project	Auth	Acct	Jun	July '04	Aug '04
Main Replacements	Academy Street, Waymart	15734098894	3310 0000	-	-	27,806
Main Replacements	Second Avenue, Prospect Park	15900111191	3310 0000	-	-	26,475
Main Replacements	1,900'-12" Ashland Avenue, Glenolden	15900111197	3310 0000	-	-	277,519
Main Replacements	Barker Savenue, Ridley Park	15900111199	3310 0000	-	-	130,490
Main Replacements	Felton Road, Ridley Park	15900111263	3310 0000	-	-	86,121
Main Replacements	Kosuth Road & Mount Vernon Avenue, Ridley Park	15900111276	3310 0000	-	-	127,259
Main Replacements	Nicholson Road, Ridley Park	15900111282	3310 0000	-	-	53,867
Main Replacements	Rolling Road, Springfield	15900111358	3310 0000	-	-	236,741
Main Replacements	Rosemont Avenue, Ridley Park	15900111359	3310 0000	-	-	202,545
Main Replacements	Stewart Avenue, Ridley Park	15900111364	3310 0000	-	-	95,848
Main Replacements	Ward Avenue, Ridley Park	15900111366	3310 0000	-	-	150,196
Main Replacements	1,020'-8" Chippewa Avenue, Tinicum	15900116902	3310 0000	-	-	128,659
Main Replacements	210'-8" Highland Avenue, North Providence	15900119487	3310 0000	-	-	33,873
Main Replacements	7,700'-12" Chester Pike, Prospect Park	15900132838	3310 0000	-	-	127,441
Main Replacements	MacDade Blvd., Collingdale	15900199191	3310 0000	-	-	104,254
Main Replacements	610'-8" Francis Road, Radnor	15900217701	3310 0000	-	-	56,874
Main Replacements	1,085'-8" South Valley Road, Tredyffryn	15900220063	3310 0000	-	-	88,946
Main Replacements	1,450'-8" Haverford Road, Haverford	15900220304	3310 0000	-	-	161,670
Main Replacements	Pembroke Road, Merion	15900220827	3310 0000	-	-	162,155
Main Replacements	646'-8" School Lane, Lower Merion	15900220896	3310 0000	-	-	66,038
Main Replacements	2,710'-8" Baird Road, Lower Merion	15900220926	3310 0000	-	-	221,898
Main Replacements	853'-8" Highland Road, Lower Merion	15900220941	3310 0000	-	-	93,063
Main Replacements	826'-8" Simpson Road, Lower Merion	15900220943	3310 0000	-	-	74,978
Main Replacements	700'-8" Old Manoa Road, Haverford	15900223574	3310 0000	-	-	15,776
Main Replacements	9,200'-8" Lancaster Avenue, Lower Merion & Radnor	15900283361	3310 0000	-	-	1,689,863
Main Replacements	2,120'-8" Miner Avenue, Malvern	15900219321	3311 0000	-	-	178,501
Main Replacements	Sorrell Lane, Lower Moreland	15900311211	3310 0000	-	-	269,539
Main Replacements	Bickley Road, Cheltenham	15900311215	3310 0000	-	-	128,795
Main Replacements	Central Avenue, Abington	15900311216	3310 0000	-	-	121,414
Main Replacements	Park and Pennsylvania Avenues, Springfield	15900311288	3310 0000	-	-	52,456
Main Replacements	Shoemaker Road, Cheltenham	15900311360	3310 0000	-	-	101,128
Main Replacements	3,440'-8" Juniper Road, Cheltenham	15900313851	3310 0000	-	-	433,487
Main Replacements	300'-8" Stratford Road, Abington	15900317436	3310 0000	-	-	17,688
Main Replacements	150'-8" Maplewood Road, Abington	15900317437	3310 0000	-	-	33,523
Main Replacements	Penrose Road, Cheltenham	15900317571	3310 0000	-	-	818,162
Main Replacements	4,170'-8" Crest Road, Cheltenham	15900317874	3310 0000	-	-	303,293
Main Replacements	1,240'-8" Whitewood Road, Cheltenham	15900317876	3310 0000	-	-	114,733
Main Replacements	430'-8" Bridefield Road, Abington	15900317878	3310 0000	-	-	89,392
Main Replacements	2,850'-8" Forest Road, Cheltenham	15900318389	3310 0000	-	-	211,426
Main Replacements	2,000'-12" Mount Carmel Road, Abington	15900319535	3310 0000	-	-	366,641
Main Replacements	2,075'-8" Wesley Road, Cheltenham	15900320179	3310 0000	-	-	190,987
Main Replacements	1,200'-8" Riverview Road, Bristol	15900320262	3310 0000	-	-	41,287
Main Replacements	750'-8" Poplar Road, Bristol	15900323085	3310 0000	-	-	40,653
Main Replacements	Lewis & Summitt Aves., Susquehanna	15724029013	3310 0000	-	-	121,095
Main Replacements	South Lake, White Haven	15744083016	3310 0000	-	-	165,628
Main Replacements	Union Street, West Chester	15900413790	3310 0000	-	-	259,336
Main Replacements	2,510'-8" Bradford Circle, Chester Springs	15900414962	3310 0000	-	-	329,078
				-	-	8,828,597
Tie-Ins	Spear and Jackson Streets, Abington	15900311363	3310 0000	-	-	136,702
Tie-Ins	250'-8" Abington Road, Abington	15900319334	3310 0000	-	-	27,045
				-	-	163,747
Main Cleaning & Lining	10,700'-6" Cherry Lane, Haverford Twp.	15900211078	3310 0000	-	321,501	
Main Cleaning & Lining	21,900'-6" Sussex Road, Lower Merion Twp.	15900212580	3310 0000	-	550,603	
Main Cleaning & Lining	19,700'-6" Academy Road, Ridley Park	15900113130	3310 0000	-	-	1,154,307
Main Cleaning & Lining	18,300'-6" Greenfield Road, Havertown	15900113858	3310 0000	-	-	732,123
Main Cleaning & Lining	10,700'-6" Cherry Lane, Haverford Twp.	15900211078	3310 0000	-	-	40,100
Main Cleaning & Lining	3,950'-6" Airdale Road, Lower Merion	15900227413	3310 0000	-	-	283,211
Main Cleaning & Lining	10,000'-6" Third Street, Conshohocken	15900327420	3310 0000	-	-	472,938
Main Cleaning & Lining	13,500'-6" Pond Road, Bristol	15900313649	3310 0000	-	-	424,974
				-	872,104	3,107,653
Main Replacement (Highway)			3310 0000	-	-	-
Minor Main Replacements			3310 0000	-	105,498	124,243
Valve Replacements			3310 0000	-	44,225	33,505
Other Main Work	Replace Check Valve, Unionville	15900416478	3310 0000	-	21,628	-
Other Main Work	Replace Check Valve, Broadview, West Whiteland	15900511440	3310 0000	-	19,325	39,456
Other Main Work	Old Eagle School Road, Tredyffryn	15900511461	3310 0000	-	-	96,157
Other Main Work	Hansen Access Road, Upper Merion	15900511468	3310 0000	-	-	44,238
Other Main Work	Hillcrest Road, Upper Darby	15900511470	3310 0000	-	-	91,527
Other Main Work	Eighth Street, Conshohocken	15900511474	3310 0000	-	-	43,782

Category	Project	Auth	Acct	June	July '04	Aug '04	
Other Main Work	Downingtown Main Replacement	15900412118	3310 0000	-	-	499,845	
Other Main Work	Highland Avenue,	15900527436	3310 0000	-	-	56,855	
				-	40,953	871,860	
Replacement Meters				3340 0500	-	3,828,096	2,059,886
					-	3,828,096	2,059,886
Service Renewals				3330 0000	-	119,799	134,558
					-	119,799	134,558
Service Renewals-Main Rehab Work				3330 0000	-	558,765	366,213
					-	558,765	366,213
Fire Hydrants	Relocates/Replace	3350 0000		-	58,754	42,650	
Fire Hydrants	No Drain	3350 0000		-	35,703	30,492	
Fire Hydrants	2 Way Replacements	3350 0000		-	563	8,994	
Fire Hydrants	Private FH Replacements	3350 0000		-	-	1,199	
					-	95,020	83,335
Total					-	5,664,460	15,773,597

AQUA
Pennsylvania.

ORIGINAL

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

www.aquapennsylvania.com

VIA FEDERAL EXPRESS

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FOLDER**

December 20, 2004

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

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

P-00961036

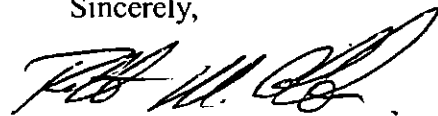
Re: Quarterly Distribution System Improvement Charge (DSIC)

Dear Secretary McNulty:

Enclosed are eight copies of Aqua Pennsylvania's DSIC filing for the first quarter of 2005, including Supplement No. 51 to Water-PA P U C No. 1. 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
Manager of Regulatory Accounting

RMG/
Certificate of Service

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AQUA PENNSYLVANIA, INC.
CERTIFICATE OF SERVICE

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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 first quarter of 2005, including Supplement No. 51 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.
Office of Consumer Advocate
555 Walnut Avenue, Fifth Floor
Forum Place
Harrisburg, PA 17101-1921
(email to ddusman@paoca.org)

William R. Lloyd, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
300 N. Second Street
Harrisburg, PA 17101-1921

John Sims, Director
Office of Trial Staff
Two West Keystone
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17102

Larry Treaster
Bureau of Audits
Three East Keystone
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17102
(email to riwallace@state.pa.us &
latreaster@state.pa.us)

Dated: December 20, 2004


Robert M. Griffin
Manager of Regulatory Accounting

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description		July-Aug 04 Actual	September-04 Actual	October-04 Actual	November-04 Actual	Three Months To Date	Total To Date
322000	Main Cleaning & Relining		3,979,757	1,110,385	1,090,136	2,360,349	4,560,870	8,540,627
322000	Major Main Replacements		9,741,410	316,822	4,328,959	7,359,869	12,005,650	21,747,060
322000	Minor Changes in Mains			0	0	0	0	0
322000	Minor Main Replacements		229,741	109,611	181,029	123,927	414,567	644,308
322000	Tie in Dead End Mains		163,747	0	372,187	801,877	1,174,064	1,337,811
322000	Unreimbursed Imprvmts due to highway relocations			0	633,908	15,863	649,771	649,771
322000	Valve Replacement Program		77,730	23,384	30,939	19,910	74,233	151,963
323000	Repl Services		254,357	131,090	148,870	117,745	397,705	062
323000	Repl Services due to Main Rehabilitation		924,978	338,027	346,935	384,992	1,069,954	1,069,932
324000	Replacement Meters		5,887,982	1,890,134	960,379	1,727,672	4,578,185	10,466,167
325000	Replacement Fire Hydrants		178,355	130,038	114,246	148,395	392,679	571,034
TOTAL ADDITIONS		0	21,438,057	4,049,491	8,207,588	13,060,599	25,317,678	46,755,735

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Accumulated Depreciation Bal. 8/31/04	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on - 11/04 Assets (2)	Accumulated Depreciation Bal. 11/30/04	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	10,596	21,192	12,143	43,931	2.13%	45,479
322000	Major Main Replacements	14,125	28,250	17,408	59,783	1.16%	63,066
322000	Minor Changes in Mains	0	0	0	0	1.16%	0
322000	Minor Main Replacements	333	666	601	1,600	1.16%	1,868
322000	Tie in Dead End Mains	237	475	1,702	2,414	1.16%	3,880
322000	Unreimbursed Imprvmts due to highway relocations	0	0	942	942	1.16%	44
322000	Valve Replacement Program	194	389	186	769	2.00%	760
323000	Repl Services	598	1,195	935	2,728	1.88%	3,065
323000	Repl Services due to Main Rehabilitation	2,174	4,347	2,514	9,035	1.88%	9,376
324000	Replacement Meters	37,977	75,955	29,529	143,461	5.16%	135,014
325000	Replacement Fire Hydrants	401	803	884	2,088	1.80%	2,570
TOTAL		66,635	133,272	66,844	266,751		266,962

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

	DSIC EFFECTIVE		
	1/1/2005		
	Annual	Quarterly	Monthly
Applicable Additions		46,755,735	
Less Accumulated Depreciation @ November 30, 2004		(266,751)	
Net Rate Base Includable in DSIC Calculation		<u>46,488,984</u>	
Annual Revenue Requirement Rate	12.10%		
Quarterly Revenue Requirement Rate		3.03%	
Quarterly Capital Cost Recovery		<u>1,406,292</u>	468,864
Quarterly Depreciation Expense		<u>266,962</u>	88,987
Total Quarterly DSIC Revenue Requirement		1,673,254	557,751
Current Cost Recovery Rate			2.76%
2003 DSIC True-up [\$23,285 Under-collection + \$0 Interest = / 4 qtrs = Apr '04 thru Mar '05]		5,821	1,940
		5,821	1,940
E Factor Rate			0.01%
Applicable Base Rate Revenue		60,595,598	20,198,533
DSIC RATE			<u>2.77%</u>

WEIGHTED COST OF CAPITAL AT 11/30/04:

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	508,086,819	51.06%	6.33%	3.23%		3.23%
Preferred	0	0.00%	4.78%	0.00%	1.709211797	0.00%
Equity	486,906,202	48.94%	10.60%	5.19%	1.709211797	8.87%
	<u>994,993,021</u>	100.0%		8.42%		12.10%

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: $1/[(1 - Pa. Tax Rate) \times (1 - Fed. Tax Rate)]$ where the Pa. tax rate is 9.99% and Fed. tax rate is 35%.

Category	Project Name	Auth	Acct	Sept '04	Oct '04	Nov '04
Main Replacements	Fruit Ave., Kerdo Highland St., Shenango	15784016614	3310 0000	-	-	54,699
Main Replacements	2,000'-8" Elm St., Shenango	15784026462	3310 0000	-	1,490	209
Main Replacements	800'-8" Woodrow, Shenango	15784026463	3310 0000	-	81,919	-
Main Replacements	900'-8" Hoon, Shenango	15784026466	3310 0000	-	85,968	16
Main Replacements	6700'-8" Whitford Hill Rd., Uwchlan	15900411367	3310 0000	-	-	821,979
Main Replacements	2,510'-8" Bradford Circle, Chester Springs	15900414962	3310 0000	-	-	-
				316,822	4,328,959	7,359,869
Tie-Ins	Green & Francis, Susquehanna	15724022654	3310 0000	-	-	5,087
Tie-Ins	Interconnect water systems, Tanglewood	15734025165	3310 0000	-	-	115,083
Tie-Ins	Marienville Pipeline	15784014924	3310 0000	-	205,004	-
Tie-Ins	935'-8" East Goshen	15900417617	3310 0000	-	-	82,106
Tie-Ins	140'-8" Rydal, Abington	15900321909	3310 0000	-	15,704	1,115
Tie-Ins	250'-8" Abington Road, Abington	15900319334	3310 0000	-	6,921	777
				-	227,629	204,168
Main Cleaning & Lining	10,700'-6" Cherry Lane, Haverford Twp.	15900211078	3310 0000	32,280	-	15,191
Main Cleaning & Lining	21,900'-6" Sussex Road, Lower Merion Twp.	15900212580	3310 0000	262,214	157,010	13,723
Main Cleaning & Lining	19,700'-6" Academy Road, Ridley Park	15900113130	3310 0000	283,571	143,481	69,858
Main Cleaning & Lining	18,300'-6" Greenfield Road, Havertown	15900113858	3310 0000	262,633	41,482	68,352
Main Cleaning & Lining	17900'-6" Kenmore Rd., Upper Darby	15900114099	3310 0000	-	-	480,771
Main Cleaning & Lining	9,800'-6" Levering Mill Rd., Lower Merion	15900211172	3310 0000	-	454,713	98,808
Main Cleaning & Lining	6850'-6" Riverview Rd., Bristol	15900311186	3310 0000	-	-	639,636
Main Cleaning & Lining	10300'-6" Wood St., Bristol	15900313728	3310 0000	-	-	576,001
Main Cleaning & Lining	13,500'-6" Pond Road, Bristol	15900313649	3310 0000	269,687	293,450	398,009
				1,110,385	1,090,136	2,360,349
Main Replacement (Highway)	16" Church and Waverly, Cheltenham	15900347304	3310 0000	-	633,908	15,863
Minor Main Replacements			3310 0000	109,611	181,029	123,927
Valve Replacements			3310 0000	23,384	30,939	19,910
Other Main Work	Replace Valve, Willow Grove	15900315120	3310 0000	-	11,441	-
Other Main Work	6", Manor, Bristol	15900306501	3310 0000	-	4,574	74
Other Main Work	6" Manor, Bristol	15900306502	3310 0000	-	2,966	-
Other Main Work	6" Wood & Coates, Bristol	15900306503	3310 0000	-	12,498	-
Other Main Work	8" Radcliffe Rd., Bristol	15900306504	3310 0000	-	-	5,974
Other Main Work	6" Wood & Hammond, Bristol	15900306505	3310 0000	-	6,582	-
Other Main Work	40'-8" Radcliffe Rd., Bristol	15900396316	3310 0000	-	-	16,694
Other Main Work	Replace Check Valve, Broadview, West Whiteland	15900511440	3310 0000	-	-	559
Other Main Work	Swedelend Road, Upper Merion	15900511460	3310 0000	-	79,320	77
Other Main Work	Old Eagle School Road, Tredyffrin	15900511461	3310 0000	-	24,076	11,976
Other Main Work	Hansen Access Road, Upper Merion	15900511468	3310 0000	-	328	286
Other Main Work	Eighth Street, Conshohocken	15900511474	3310 0000	-	2,773	-
Other Main Work	Downingtown Main Replacement	15900412118	3310 0000	-	-	561,914
Other Main Work	Highland Avenue,	15900527436	3310 0000	-	-	155
				-	144,558	597,709
Replacement Meters			3340 0500	1,890,134	960,379	1,727,672
				1,890,134	960,379	1,727,672
Service Renewals			3330 0000	131,090	148,870	117,745
				131,090	148,870	117,745
Service Renewals-Main Rehab Work			3330 0000	338,027	346,935	384,992
				338,027	346,935	384,992
Fire Hydrants	Relocates/Replace		3350 0000	86,241	55,481	56,589
Fire Hydrants	No Drain		3350 0000	28,127	49,914	85,025
Fire Hydrants	2 Way Replacements		3350 0000	14,281	8,727	5,687
Fire Hydrants	Private FH Replacements		3350 0000	1,389	124	1,094
				130,038	114,246	148,395
Total				4,049,491	8,207,588	13,060,599

Category	Project Name	Auth	Acct	Sept '04	Oct '04	Nov '04
Main Replacements	Kosuth Road & North Vernon Avenue, Ridley Park	15900111276	3310 0000	-	476	-
Main Replacements	Nicholson Road, Ridley Park	15900111282	3310 0000	131	-	-
Main Replacements	Rosemont Avenue, Ridley Park	15900111359	3310 0000	3,433	-	-
Main Replacements	Ward Avenue, Ridley Park	15900111366	3310 0000	523	-	-
Main Replacements	1,150'-8" North Providence,	15900119489	3310 0000	-	155,854	21,585
Main Replacements	886'-8" Carlisle Ave., Proppect Park	15900125810	3310 0000	-	-	41,635
Main Replacements	3060'-8" Crest & Walnut Ave., Swarthmore	15900127945	3310 0000	-	-	245,921
Main Replacements	7,700'-12" Chester Pike, Prospect Park	15900132838	3310 0000	11,488	-	-
Main Replacements	1,095'-8" Delaware, Ridley Park	15900120257	3310 0000	-	103,923	51,284
Main Replacements	565'-8" Diamond Rd., Clifton Heights	15900126873	3310 0000	-	-	46,404
Main Replacements	610'-8" Francis Road, Radnor	15900217701	3310 0000	297	-	25,232
Main Replacements	1,085'-8" South Valley Road, Tredyffryn	15900220063	3310 0000	3,568	35,525	9,300
Main Replacements	1,450'-8" Haverford Road, Haverford	15900220304	3310 0000	29,170	238	-
Main Replacements	6,300'-8" Maplewood, Radnor	15900220743	3310 0000	-	511,334	133,263
Main Replacements	Pembroke Road, Merion	15900220827	3310 0000	3,510	-	738
Main Replacements	646'-8" School Lane, Lower Merion	15900220896	3310 0000	-	-	25,354
Main Replacements	2,710'-8" Baird Road, Lower Merion	15900220926	3310 0000	7,450	11,615	53,499
Main Replacements	853'-8" Highland Road, Lower Merion	15900220941	3310 0000	18,422	-	24,886
Main Replacements	826'-8" Simpson Road, Lower Merion	15900220943	3310 0000	7,632	7,063	22,614
Main Replacements	4,150'-12" City Line Ave., Merion	15900211262	3310 0000	-	1,105,031	748,275
Main Replacements	2,544'-8" City Line Ave., Lower Merion	15900224595	3310 0000	-	323,243	47,893
Main Replacements	625'-8" City Line Rd., Lower Merion	15900229042	3310 0000	-	-	26,271
Main Replacements	5295'-8" Wynnewood Rd., Lower Merion	15900211371	3310 0000	-	-	459,020
Main Replacements	700'-8" Old Manoa Road, Haverford	15900223574	3310 0000	28,988	9,357	-
Main Replacements	886'-8" Crls, Prospect Park	15900125810	3310 0000	-	79,959	-
Main Replacements	3604'-8" Ardmore Ave., Haverford	15900225892	3310 0000	-	-	368,629
Main Replacements	2,073'-12" Lancaster Ave., Radnor	15900223073	3310 0000	-	305,819	57,164
Main Replacements	9,200'-8" Lancaster Avenue, Lower Merion & Radnor	15900283361	3310 0000	8,734	436,892	535,117
Main Replacements	2,120'-8" Miner Avenue, Malvern	15900219321	3310 0000	-	910	-
Main Replacements	1770'-8" Monument Ave., Malvern	15900219470	3310 0000	-	-	162,434
Main Replacements	5,822'-8" Church Road, Lower Merion	15900236331	3310 0000	-	275,919	264,496
Main Replacements	Sorrell Lane, Lower Moreland	15900311211	3310 0000	2,209	-	2,129
Main Replacements	1150'-8" Jenkintown Rd., Abington	15900311274	3310 0000	-	-	159,538
Main Replacements	3,440'-8" Juniper Road, Cheltenham	15900313851	3310 0000	909	853	3,960
Main Replacements	1500'-8" Horsham Rd., Cheltenham	15900325418	3310 0000	-	-	223,505
Main Replacements	300'-8" Stratford Road, Abington	15900317436	3310 0000	-	107	-
Main Replacements	150'-8" Maplewood Road, Abington	15900317437	3310 0000	6,250	-	-
Main Replacements	Penrose Road, Cheltenham	15900317571	3310 0000	8,291	3,964	-
Main Replacements	4,170'-8" Crest Road, Cheltenham	15900317874	3310 0000	40,017	7,036	128,133
Main Replacements	1,240'-8" Whitewood Road, Cheltenham	15900317876	3310 0000	7,864	40,914	57
Main Replacements	430'-8" Bridefield Road, Abington	15900317878	3310 0000	-	-	0
Main Replacements	2,850'-8" Forest Road, Cheltenham	15900318389	3310 0000	21,142	88,942	4,050
Main Replacements	2,075'-8" Wesley Road, Cheltenham	15900320179	3310 0000	68,479	1,209	4,015
Main Replacements	440'-8" Pine, Whitemarsh	15900322911	3310 0000	-	49,104	-
Main Replacements	750'-8" Poplar Road, Bristol	15900323085	3310 0000	25,225	22,216	-
Main Replacements	200'-8" Valley Green, Whitemarsh	15900325734	3310 0000	13,090	-	148
Main Replacements	5265'-8" Central Ave., Abington	15900325937	3310 0000	-	-	336,298
Main Replacements	1500'-8" Kenmore Ave., Abington	15900326870	3310 0000	-	-	162,630
Main Replacements	10687'-8" E. Brandywine	15900417616	3310 0000	-	-	936,240
Main Replacements	Replace various 4" Unlined Pipe, Roaring Creek	15714010209	3310 0000	-	-	285,738
Main Replacements	Various transite main replacements, Roaring Creek	15714010221	3310 0000	-	-	325,885
Main Replacements	A Street, Girardville	15714024732	3310 0000	-	-	9,707
Main Replacements	McKnight St., Gordon	15714027707	3310 0000	-	-	22,426
Main Replacements	650'-4" West St., Susquehanna	15724022654	3310 0000	-	-	8,199
Main Replacements	Lewis & Summitt Aves., Susquehanna	15724029013	3310 0000	-	43,480	617
Main Replacements	8" Lincoln Street, Susquehanna	15724029017	3310 0000	-	67,564	-
Main Replacements	Van Auken Stream Crossing	15734013798	3310 0000	-	-	14,111
Main Replacements	Vine & Madison St., Hawley	15734024306	3310 0000	-	-	35,970
Main Replacements	South Lake, White Haven	15744083016	3310 0000	-	16,469	-
Main Replacements	Replace Coyningham Twp Main	15744020916	3310 0000	-	-	84,305
Main Replacements	Stream Crossing, Moscow	15744013328	3310 0000	-	-	196,545
Main Replacements	Replace Galv Main-Kitchen Ave., Warden Place	15744024581	3310 0000	-	-	59,521
Main Replacements	Replace 1000'-3" Rhodes Ave., NUI	15744090165	3310 0000	-	-	18,124
Main Replacements	1,500'-12" Haywood, Shenango	15784011214	3310 0000	-	50,242	28
Main Replacements	1,900'-8" Wengler, Shenango	15784011283	3310 0000	-	149,404	78
Main Replacements	1,900'-8" Crowder, Shenango	15784011286	3310 0000	-	152,970	47
Main Replacements	500'-8" King, Shenango	15784011287	3310 0000	-	25,723	86
Main Replacements	800'-8" Charles, Shenango	15784011289	3310 0000	-	33,889	15
Main Replacements	1300'-8" Market St., Shenango	15784011293	3310 0000	-	-	76,785
Main Replacements	750'-8" Taylor Rd., Shenango	15784011296	3310 0000	-	-	13,015
Main Replacements	Wallice Ave., Highland to St	15784016614	3310 0000	-	42,338	47

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

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

ISSUED: December 20, 2004
by
NICHOLAS DeBENEDICTIS, Chairman
762 Lancaster Avenue
Bryn Mawr, Pennsylvania 19010

Effective: January 1, 2005
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 UPDATES THE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
FOR ALL METERED AND UNMETERED CUSTOMERS WITH THE EXCEPTION OF
PUBLIC FIRE HYDRANT CUSTOMERS AND CUSTOMERS WITH SPECIAL
CONTRACTS.**

SEE PAGE 1A

DOCKETED
SEP 15 2005

**DOCUMENT
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Aqua Pennsylvania, Inc.

Supplement No. 51
To
Water-PA.P.U.C. No. 1
Forty Eighth Revised Page No. 1A
Canceling Forty Seventh Revised Page No. 1A

LIST OF CHANGES MADE BY THIS TARIFF

Increases: This tariff increases the Distribution System Improvement Charge (DSIC) on Page 20 (Tenth Revised) of the Company's tariff, effective January 1, 2005, as approved by the Pennsylvania Public Utility Commission at Docket No. P-00961036 on August 26, 1996.

Changes: The plant account references for the DSIC-eligible accounts have been updated to reflect the 1996 NARUC chart of accounts (Re: Docket No. D-03DSC024)..

Aqua Pennsylvania, Inc.

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RATES AND RULES

LIST OF CHANGES MADE BY THIS TARIFF

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DESCRIPTION OF TERRITORY SERVED

DESCRIPTION OF TERRITORY SERVED

DESCRIPTION OF TERRITORY SERVED

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Rates for Water Consumed-PSW Main Division

Rates for Water Consumed-PSW Main Division

Fire Service-PSW Main Division

Meter Service-Monroe Manor, Rolling Green & Waymart Divisions

Rates for Water Consumed-Monroe Manor, Rolling Green & Waymart Divisions

Fire Service-Monroe Manor, Rolling Green & Waymart Divisions

Meter Service-Fawn Lake, Woodloch Springs Woodledge Village & Western Division

Rates for Water Consumed-Fawn Lake, Woodloch Springs, Woodledge Village & Western Division

Rates for Water Consumed-Fawn Lake, Woodloch Springs, Woodledge Village & Western Division

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Fire Service - Flying Hills Division

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Rates for Water Consumed - Consumers Roaring Creek Division

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Unmetered Service - Tafton Division

Metered Service - Applewood Division

Metered Service - Marienville Division

Metered Service - Meribah Division

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Metered & Unmetered Service - Eagle Rock Division

Metered Service - Oneida Division

Unmetered Service - Fieldcrest Division

Unmetered Service - Thornhurst Division

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Supplement No. 51

Forty Eighth Revised

Forty Eighth Revised

Twenty Fifth Revised

Fourth Revised

First Revised

Eighth Revised

Nineteenth Revised

Third Revised

Third Revised

Fourth Revised

Third Revised

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Aqua Pennsylvania, Inc.

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Industrial Standby Rate	18A	Third Revised
Industrial Standby Rate	18B	Second Revised
Resale and Electric Generation Standby Rate	18C	Second Revised
Resale and Electric Generation Standby Rate	18D	Second Revised
Resale and Electric Generation Standby Rate	18E	Second Revised
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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
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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 0.00% will apply to all bills issued on and after August 5, 2004.

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 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 2.77% will apply to all bills issued, excluding public fire hydrants, on or after January 1, 2005.

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; (C)

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; (C)

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; (C)

(I) Indicates Increase
(C) Indicates Change

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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

main cleaning and relining (account 3310) projects; and (C)

un-reimbursed funds related to capital projects to relocate Company facilities due to highway relocations. (account 3310) (C)

Effective Date: The DSIC will become effective for bills issued on and after January 1, 1997.

II. Computation of the DSIC

Calculation: The initial charge, effective January 1, 1997, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rate base and will have been placed in service between September 1, 1996 and November 30, 1996. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

<u>Effective Date Of Change</u>	<u>Date To Which DSIC Eligible Plant Additions Reflected</u>
April 1	February 28/29
July 1	May 31
October 1	August 31
January 1	November 30

The fixed costs of eligible distribution system improvement projects will consist of depreciation and pre-tax return, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying to the original cost of DSIC-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded.

Pre-tax return: The pre-tax return will be calculated using the state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day of the three month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission and labeled Distribution System Improvement Charge Return in its Value Line Water Company Group analysis.

DSIC Surcharge Amount: The charge will be expressed as a percentage carried to two decimal places and will be applied to the effective portion of the total amount billed to each customer under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection service and the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected applicable revenue for sales of water for the quarterly period during which the charge will be effective.

(C) Indicates Change