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Bryn Mawr, Pennsylvania
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**Philadelphia
Suburban
Water Company**

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MAR 19 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ORIGINAL

March 19, 1999

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

CP-00901036

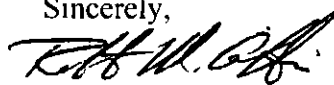
Re: Quarterly Distribution System Improvement Charge (DSIC) Filing

Dear Secretary McNulty:

Enclosed are eight copies of PSW's DSIC filing including Supplement No. 17 to Tariff Water - PA PUC No. 16. This filing includes the true-up of overcollections from 1998, which, along with the associated interest, will be given back to customers over a one year period beginning April 1, 1999. 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) 645-4130.

Sincerely,



Robert M. Griffin
Manager of Rates

RMG/
Certificate of Service

SRB

69



ORIGINAL

PHILADELPHIA SUBURBAN WATER COMPANY
CERTIFICATE OF SERVICE

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PHILADELPHIA SUBURBAN
WATER COMPANY

:
:
:
:
:

Distribution System
Improvement Charge (DSIC)
Filing

CERTIFICATE OF SERVICE

I hereby certify that I have this day filed PSW's DSIC update including Supplement No. 17 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

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Harrisburg, PA 17101-1921

Bernard A. Ryan, Esq.
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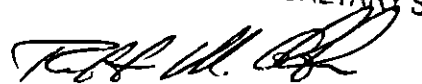
Glenn Bartron, Director
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MAR 19 1999

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



Robert M. Griffin
Manager of Rates

Dated: March 19, 1999

ORIGINAL

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)

DOCUMENT
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MAR 19 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKETED

APR 05 1999

ISSUED: March 19, 1999

by

NICHOLAS DeBENEDICTIS, Chairman

762 Lancaster Avenue

Bryn Mawr, Pennsylvania

EFFECTIVE: April 1, 1999

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

(STAS) In accordance with regulations
of the PA Public Utility Commission
at 52PA Code Sec. 69.52

NOTICE

THIS TARIFF UPDATES THE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE AND STATE TAX
ADJUSTMENT SURCHARGE 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 (Eighth Revised) of the Company's tariff, effective April 1, 1999, as approved by the Commission at Docket No. P-00961036 on August 26, 1996. The DSIC rate also includes a true-up of the over-collection of 1998 DSIC charges and the interest accrued through the collection period (April 1, 1999 – March 31, 2000).

This tariff updates the State Tax Adjustment Surcharge (STAS) on page 20 (Eighth Revised) of the Company's tariff, effective April 1, 1999, as prescribed by the Commission at 52PA Code Sec. 69.52. The STAS rate also includes a true-up of the over-collection of 1998 STAS charges which will be given back to customers during the course of the next year (April 1, 1999 – March 31, 2000).

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R I D E R

STATE TAX SURCHARGE APPLICABLE TO ALL RATES

(C)

In addition to the net charges provided for in this Tariff, a surcharge of 0.96% will apply to all service rendered on and after April 1, 1999.

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)

(C)

In addition to the net charges provided for in this Tariff, a surcharge of 3.05 % will apply to all service, excluding public fire hydrants, rendered on or after April 1, 1999.

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;

(C) Indicates Change

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Feb.-Nov. 1998 Actual			Dec. 1998 Actual	Jan. 1999 Actual	Feb. 1999 Actual	Three Months To Date	Total To Date
322000	Main Cleaning & Relining	3,266,358			664,739	0	0	664,739	3,931,097
322000	Major Main Replacements	7,022,719			3,125,153	0	179,934	3,305,087	10,327,806
322000	Minor Changes in Mains	43,012			0	0	45,460	45,460	88,472
322000	Minor Main Replacements	950,651			151,756	129,093	107,953	388,802	1,339,453
322000	Tie in Dead End Mains	2,341,008			2,973,908	(14,384)	0	2,959,524	5,300,532
322000	Unreimbursed Imprvmts due to highway relocations	1,423,931			132,258	38,598	0	170,856	1,594,787
322000	Valve Replacement Program	378,269			166,709	33,788	51,331	251,828	630,098
323000	Repl Services	691,608			60,255	64,521	90,195	214,971	906,579
323000	Repl Services due to Main Rehabilitation	915,929			144,455	34,780	151,715	330,950	1,246,879
324000	Replacement Meters	3,662,700			694,775	216,083	442,193	1,353,051	5,015,751
325000	Replacement Fire Hydrants	681,293			93,528	23,910	68,432	185,870	867,163
TOTAL ADDITIONS		21,377,478	0	0	8,207,536	526,389	1,137,213	9,871,138	31,248,616

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Accumulated Depreciation Bal. 11/30/98	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on 11/98 - 2/99 Assets (2)	Accumulated Depreciation Bal. 2/28/99	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	28,168	17,312	1,762	47,242	2.12%	20,835
322000	Major Main Replacements	39,128	20,893	4,916	64,937	1.19%	30,725
322000	Minor Changes in Mains	203	128	68	399	1.19%	263
322000	Minor Main Replacements	5,246	2,828	578	8,652	1.19%	3,985
322000	Tie in Dead End Mains	11,745	6,964	4,402	23,111	1.19%	15,769
322000	Unreimbursed Imprvmts due to highway relocations	11,421	4,236	254	15,911	1.19%	4,744
322000	Valve Replacement Program	3,826	1,929	642	6,397	2.04%	3,213
323000	Repl Services	6,060	3,164	492	9,716	1.83%	4,148
323000	Repl Services due to Main Rehabilitation	7,977	4,190	757	12,924	1.83%	5,704
324000	Replacement Meters	78,331	52,926	9,776	141,033	5.78%	72,478
325000	Replacement Fire Hydrants	5,055	2,947	402	8,404	1.73%	3,750
TOTAL		197,160	117,517	24,049	338,726		165,614

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

DSIC EFFECTIVE

4/1/99

Applicable Additions	31,248,616
Less Accumulated Depreciation @ February 28, 1999	(338,726)
Net Rate Base Includable in DSIC Calculation	<u>30,909,890</u>
Annual Revenue Requirement Rate	12.24%
Quarterly Revenue Requirement Rate	3.06%
Quarterly Capital Cost Recovery	<u>945,843</u>
Quarterly Depreciation Expense	<u>165,614</u>
Total Quarterly DSIC Revenue Requirement	1,111,457
Add: Applicable Portion of 1997 Under/Over Collections (Per True-Up)	(669)
[\$2,111 Overcollection + \$565 Interest] x [3 Months / 12 Months] = (\$669)	<u>1,110,788</u>
Applicable Base Rate Revenue	36,445,843
DSIC RATE	3.05%

WEIGHTED COST OF CAPITAL AT 2/28/99:

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	269,393,107	52.98%	7.49%	3.97%		3.97%
Preferred	0	0.00%	8.93%	0.00%	1.709211797	0.00%
Equity	239,088,431	47.02%	10.30%	4.84%	1.709211797	8.27%
	<u>508,481,538</u>	<u>100.0%</u>		<u>8.81%</u>		<u>12.24%</u>

Note: The cost rate of debt and preferred stock are the Company's actual cost rates at 2/28/99. 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%.

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

Category	Project Name	Auth	Acct	Actual	Actual	Actual
				Dec '98	Jan '99	Feb '99
Main Replacements	Wycombe Ave., Yeadon	a1007428	322000	0	0	0
Main Replacements	Delaware Ave., Norwood	a1007449	322000	25,599	0	0
Main Replacements	Mohawk ave., Norwood	a1007450	322000	120,265	0	0
Main Replacements	President ave., Norwood	a1007456	322000	84,202	0	0
Main Replacements	Rt. 420, Prospect Park	a1007476	322000	0	0	0
Main Replacements	Yale Ave., Swarthmore	a1007477	322000	109,006	0	0
Main Replacements	Front St., Colwyn	a1007485	322000	0	0	0
Main Replacements	Harvard Ave., Swarthmore	a1007486	322000	300,060	0	0
Main Replacements	Seminole Ave., Norwood	a1007487	322000	78,274	0	0
Main Replacements	Rutledge Ave., Rutledge	a1007488	322000	113,900	0	0
Main Replacements	Bartram Ave., Tinicum	a1007489	322000	160,346	0	0
Main Replacements	W. Ridley Ave., Ridley Park	a1007490	322000	127,069	0	0
Main Replacements	Cedar Ave., Swarthmore	a1007492	322000	83,351	0	0
Main Replacements	Oak ave., Lansdowne	a1007494	322000	38,078	0	0
Main Replacements	W Cobbs Creek Parkway, Yeadon	a1007500	322000	0	0	7,542
Main Replacements	Lancaster ave., W. Wayne	b1006500	322000	0	0	0
Main Replacements	Old Gulph Rd. to Springmill Rd.	b1006501	322000	192,058	0	0
Main Replacements	Wynnewood Rd., Lower Merion	b1006513	322000	210,805	0	0
Main Replacements	Waterloo Rd., Devon	b1006515	322000	70,184	0	0
Main Replacements	Castle Rock	b1006543	322000	75,733	0	0
Main Replacements	Darby Paoli Rd., Radnor	b1006544	322000	137,140	0	0
Main Replacements	Fairfield Ave., Devon	b1006570	322000	25,755	0	0
Main Replacements	Hedgerow Lane, Tredyffrin	b1006592	322000	5,741	0	0
Main Replacements	Campus Drive, Newtown Square	b0806594	322000	145,448	0	0
Main Replacements	Fairfield Rd., Easton	b1006604	322000	0	0	124,656
Main Replacements	Third Ave., Bristol	c1005407	322000	35,442	0	0
Main Replacements	Union Rd., Cheltenham	c1005419	322000	0	0	0
Main Replacements	Main St., Bristol	c1005432	322000	12,270	0	0
Main Replacements	Church St., Springfield	c1005434	322000	6,747	0	0
Main Replacements	Walnut St., Jenkintown	c1005464	322000	9,078	0	0
Main Replacements	Sycamore Ave., Bristol	c1005467	322000	10,756	0	0
Main Replacements	Clovernook Ave., Bristol	c1005468	322000	6,238	0	0
Main Replacements	Grieb La., Bristol	c1005469	322000	61,237	0	0
Main Replacements	Nice Ave., Jenkintown	c1005471	322000	173,479	0	0
Main Replacements	Dixon Ave., Bristol	c1005483	322000	342,449	0	0
Main Replacements	Fair Oaks, Horsham	c1005486	322000	38,772	0	0
Main Replacements	Old Elm St., Plymouth Meeting	c1005487	322000	170,375	0	0
Main Replacements	Rydal Ave., Abington	c1005493	322000	0	0	47,736
Main Replacements	Broad Run Rd.	d1001362	322000	0	0	0
Main Replacements	N. New St., West Chester	d1001445	322000	96,953	0	0
Main Replacements	North Hills, W Goshen	d1001454	322000	58,343	0	0
				3,125,153	0	179,934
Tie - Ins	Gesner Ave., Norwood	a1507434	322000	13,822	0	0
Tie - Ins	Ferguson Ave., Marple	a1507448	322000	10,654	0	0
Tie - Ins	Rockhill Rd., Lower Merion	b1506530	322000	0	0	0
Tie - Ins	20" Pickering to Chester Valley Well	b9906538	322000	888,189	0	0
Tie - Ins	Franklin Ave., Abington	c1505472	322000	20,809	0	0
Tie - Ins	Rubicam Ave., Abington	c1505481	322000	18,685	0	0
Tie - Ins	Hollowell Rd., Whitemarsh	c1505482	322000	13,377	0	0
Tie - Ins	Fairview Ave., Whitemarsh	c1505484	322000	13,821	0	0
Tie - Ins	Field Dr., Whitemarsh	c1505485	322000	0	17,565	0
Tie - Ins	Fairway Ave., E. Bradford	d1501358	322000	0	0	0
Tie - Ins	Strasburg Rd., W Bradford	d1501368	322000	0	0	0
Tie - Ins	Rt. 926, Marlborough Twp.	d1501378	322000	212,302	0	0

Mar99

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

Category	Project Name	Auth	Acct	Actual Dec '98	Actual Jan '99	Actual Feb '99
Tie - Ins	Rt. 322, W. Bradford	d1501388	322000	60,151	0	0
Tie - Ins	16" Ship Rd., W Whiteland	d9901392	322000	355,762	0	0
Tie - Ins	Sconnetown Rd., E Bradford	d1501398	322000	164,396	0	0
Tie - Ins	Dutton Mill Rd., Willistown Twp.	d1501403	322000	84,964	0	0
Tie - Ins	Marshall Rd., E & W Brandywine Twp	d1501435	322000	1,105,382	0	0
Tie - Ins	8" East Bradford	d1501437	322000	0	(31,949)	0
Tie - Ins	Norwood St., Uwchlan	d1501462	322000	11,594	0	0
				<u>2,973,908</u>	<u>(14,384)</u>	<u>0</u>
Main Cleaning & Lining	6" Newtown St., Radnor	a2000131	322000	70,100	0	0
Main Cleaning & Lining	6" Seneca Ave., Norwood	a2001055	322000	268,169	0	0
Main Cleaning & Lining	6" Delmont Ave., Haverford	b2000242	322000	16,673	0	0
Main Cleaning & Lining	6" Parkes Run, Radnor	b2000733	322000	15,851	0	0
Main Cleaning & Lining	6" Marywatersford Rd., L. Merion	b2000978	322000	98,243	0	0
Main Cleaning & Lining	6" Kennedy La., Lower Merion	b2002015	322000	4,728	0	0
Main Cleaning & Lining	6" Josephine ave.	b2009179	322000	23,246	0	0
Main Cleaning & Lining	Pepper Rd., Jenkintown	c2000104	322000	91,705	0	0
Main Cleaning & Lining	Prospect ave., Abington	c2000455	322000	76,024	0	0
				<u>664,739</u>	<u>0</u>	<u>0</u>
Minor Main Replacements			322000	151,756	129,093	107,953
				<u>151,756</u>	<u>129,093</u>	<u>107,953</u>
Main Replacement (Highway)	McKinley Ave., Lansdowne	a3007446	322000	0	0	0
Main Replacement (Highway)	Ridley Lake, Ridley Park	a3007459	322000	7,157	0	0
Main Replacement (Highway)	Flinthill Rd., L Merion	b3006572	322000	18,842	0	0
Main Replacement (Highway)	Black Rock Rd., Lower Merion	b3006595	322000	3,404	0	0
Main Replacement (Highway)	Rt. 413 & Rt. 13, Bristol	c3005406	322000	0	38,598	0
Main Replacement (Highway)	Bethlehem Pike, Whitmarsh	c3005411	322000	0	0	0
Main Replacement (Highway)	Glenside Ave., Cheltenham	c3005458	322000	72,235	0	0
Main Replacement (Highway)	Paoli Pike, E. Goshen	d3001328	322000	30,620	0	0
				<u>132,258</u>	<u>38,598</u>	<u>0</u>
Valve Replacement Program			322000	166,709	33,788	51,331
				<u>166,709</u>	<u>33,788</u>	<u>51,331</u>
Minor Changes in Mains, Valves, etc.			322000	0	0	45,460
				<u>0</u>	<u>0</u>	<u>45,460</u>
Replacement Meters			324000	694,775	216,083	442,193
				<u>694,775</u>	<u>216,083</u>	<u>442,193</u>
Service Renewals - Worn Out in Service			323000	60,255	64,521	90,195
Service Renewals - Main Rehabilitation			323000	144,455	34,780	151,715
Fire Hydrants	Relocates/Replace		325000	53,007	15,048	15,439
Fire Hydrants	No Drain		325000	32,946	8,275	46,752
Fire Hydrants	2 Way Replacements		325000	7,575	587	6,241
				<u>93,528</u>	<u>23,910</u>	<u>68,432</u>
GRAND TOTAL				<u><u>8,207,536</u></u>	<u><u>526,389</u></u>	<u><u>1,137,213</u></u>

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	1998	0	0	0	8.75%	21	0
FEB		0	0	0	8.50%	20	0
MAR		0	0	0	8.25%	19	0
APR		0	0	0	8.50%	18	0
MAY		0	0	0	8.50%	17	0
JUN		0	0	0	8.50%	16	0
JUL		19,229	24,143	4,914	8.50%	15	522
AUG		50,215	56,424	6,209	8.25%	14	598
SEP		73,745	75,108	1,363	8.25%	13	122
OCT		66,272	67,365	1,093	8.25%	12	90
NOV		35,286	31,318	(3,968)	7.75%	11	(282)
DEC		11,756	4,255	(7,501)	7.75%	10	(484)
		256,503	258,614	2,111			565

PERCENTAGE BILLED WORKSHEET

	SAME MONTH	NEXT MONTH	TWO MONTHS	THREE MONTHS	
QUARTERLY	0.1667	0.3333	0.3333	0.1667	1.0000
WEIGHT	0.8255	0.8255	0.8255	0.8255	0.8255
WEIGHTED	0.1376	0.2752	0.2752	0.1375	0.8255
MONTHLY	0.5000	0.5000			1.0000
WEIGHT	0.1745	0.1745			0.8255
WEIGHTED	0.0873	0.0872			0.1745
TOTAL	0.2249	0.3624	0.2752	0.1375	1.0000

PHILADELPHIA SUBURBAN WATER COMPANY
1998 DSIC TRUE-UP
BREAKDOWN OF AUTHORIZED CAPITAL COST AND DEPRECIATION EXPENSE BY MONTH

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	TOTAL
FROM DSIC FILINGS:	0	0	0	0	0	0	85,501	85,501	85,501	0	0	0	256,503

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Jan-98	Feb-98	Mar-98	TOTAL
AS AUTHORIZED BASED ON DAYS OF SERVICE	0	0	0	0	0	0	19,229	50,215	73,745	68,272	35,288	11,756	0	0	0	256,503

EXAMPLE: THE \$85,501 AUTHORIZED CAPITAL COST AND DEPRECIATION EXPENSE IN JULY 1998 IS BROKEN OUT AS FOLLOWS: JULY 1998 BILLING (22.49%) \$19,229; AUGUST 1998 BILLING (36.24%) \$30,986; SEPTEMBER 1998 BILLING (27.52%) \$23,530; AND OCTOBER 1998 BILLING (13.75%) \$11,756 FOR A TOTAL OF \$85,501.

**Philadelphia
Suburban
Water Company**

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

ORIGINAL

RECEIVED

JUN 18 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

June 18, 1999
REP

**DOCUMENT
FOLDER**

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

~~P-00961036~~

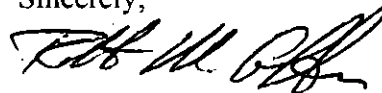
Re: Quarterly Distribution System Improvement Charge (DSIC) Filing

Dear Secretary McNulty:

Enclosed are eight copies of PSW's DSIC filing including Supplement No. 19 to Tariff Water - PA PUC No. 16. This filing includes the true-up of over-collections from 1998, which, along with the associated interest, will be given back to customers over a one year period beginning April 1, 1999. In addition, this filing includes the final e factor reconciliation for the year 1997 which will be given back to customers over 9 months beginning July 1, 1999. 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

RMG/
Certificate of Service

W3



PHILADELPHIA SUBURBAN WATER COMPANY
CERTIFICATE OF SERVICE

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PHILADELPHIA SUBURBAN
WATER COMPANY

:
:
:
:
:

Distribution System
Improvement Charge (DSIC)
Filing

CERTIFICATE OF SERVICE

I hereby certify that I have this day filed PSW's DSIC update including Supplement No. 19 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
555 Walnut Avenue, Fifth Floor
Forum Place
Harrisburg, PA 17101-1921

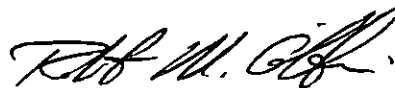
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Bureau of Audits
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Thomas P. Gadsden, Esq.
Morgan, Lewis & Bockius
1701 Market Street
Philadelphia, PA 19103-2921

Dated: June 18, 1999



Robert M. Griffin
Manager of Rates

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JUN 18 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

R-00 973964

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)

ORIGINAL

DOCKETED

JUN 23 1999

ISSUED: June 18, 1999

by
NICHOLAS DeBENEDICTIS, Chairman
762 Lancaster Avenue
Bryn Mawr, Pennsylvania

EFFECTIVE: July 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

**DOCUMENT
FOLDER
RECEIVED**

JUN 18 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Philadelphia Suburban Water Company

WATER-PA. P.U.C. NO. 16

EIGHTEENTH REVISED PAGE NO. 1A

CANCELING SEVENTEENTH REVISED PAGE NO. 1A

LIST OF CHANGES MADE BY THIS TARIFF

Changes

This tariff updates the Distribution System Improvement Charge (DSIC) on page 20 (Tenth Revised) of the Company's tariff, effective July 1, 1999, as approved by the Commission at Docket No. P-00961036 on August 26, 1996. The DSIC rate also includes a true-up of the overcollection of 1998 DSIC charges as well as the final reconciliation of the 1997 e factor.

I N D E X

	<u>Page</u>	
RATES AND RULES	1	Supplement No. 19
LIST OF CHANGES MADE BY THIS TARIFF	1A	Eighteenth Revised
INDEX	2	Eighteenth Revised
INDEX	2A	Fifteenth Revised
DESCRIPTION OF TERRITORY SERVED	3	Fourth Revised
DESCRIPTION OF TERRITORY SERVED	3A	Fourth 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>
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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
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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
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Rider DRS - Demand Based Resale Service	19A First Revised
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Rider OPI - Off Peak/Interruptible Service	19C Original
Rider OPI - Off Peak/Interruptible Service	19D Original
State Tax Surcharge Applicable to All Rates	20 Tenth Revised
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Distribution System Improvement Charge	20B 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 0.80% will apply to all service rendered on and after May 29, 1999.

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)

(C)

In addition to the net charges provided for in this Tariff, a surcharge of 3.63 % will apply to all service, excluding public fire hydrants, rendered on or after July 1, 1999.

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;

(C) Indicates Change

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Feb.-Nov. 1998 Actual	Dec. - Feb. 1999 Actual		Mar. 1999 Actual	Apr. 1999 Actual	May 1999 Actual	Three Months To Date	Total To Date
322000	Main Cleaning & Relining	3,266,358	664,739		0	10,192	1,922,515	1,932,707	5,863,804
322000	Major Main Replacements	7,022,719	3,305,087		1,003,763	277,618	1,533,394	2,814,775	13,142,581
322000	Minor Changes in Mains	43,012	45,460		26,034	1,047	3,386	30,467	118,939
322000	Minor Main Replacements	950,651	388,802		51,549	75,663	81,032	208,244	1,547,697
322000	Tie in Dead End Mains	2,341,008	2,959,524		822,767	117,198	545,679	1,485,644	6,786,176
322000	Unreimbursed Imprvmts due to highway relocations	1,423,931	170,856		0	21,838	14,312	36,150	1,630,937
322000	Valve Replacement Program	378,269	251,828		83,002	33,255	156,387	272,644	902,741
323000	Repl Services	691,608	214,971		63,602	55,575	68,470	187,647	1,094,226
323000	Repl Services due to Main Rehabilitation	915,929	330,950		168,500	87,706	101,541	357,747	1,604,626
324000	Replacement Meters	3,662,700	1,353,051		500,649	373,332	574,345	1,448,326	6,464,077
325000	Replacement Fire Hydrants	681,293	185,870		89,813	56,277	53,334	199,424	1,066,587
TOTAL ADDITIONS		21,377,478	9,871,138	0	2,809,679	1,109,701	5,054,395	8,973,775	40,222,391

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Accumulated Depreciation Bal. 2/28/99	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on 3/99 - 5/99 Assets (2)	Accumulated Depreciation Bal. 5/31/99	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	47,242	20,835	5,122	73,199	2.12%	31,078
322000	Major Main Replacements	64,937	30,725	4,187	99,849	1.19%	39,099
322000	Minor Changes in Mains	399	263	45	707	1.19%	354
322000	Minor Main Replacements	8,652	3,985	310	12,947	1.19%	4,604
322000	Tie in Dead End Mains	23,111	15,769	2,210	41,090	1.19%	20,189
322000	Unreimbursed Imprvmts due to highway relocations	15,911	4,744	54	20,709	1.19%	4,852
322000	Valve Replacement Program	6,397	3,213	695	10,305	2.04%	4,604
323000	Repl Services	9,716	4,148	429	14,293	1.83%	5,006
323000	Repl Services due to Main Rehabilitation	12,924	5,704	818	19,446	1.83%	7,341
324000	Replacement Meters	141,033	72,478	10,464	223,975	5.78%	93,406
325000	Replacement Fire Hydrants	8,404	3,750	431	12,585	1.73%	4,613
TOTAL		338,726	165,614	24,765	529,105		215,146

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

DSIC EFFECTIVE

	<u>7/1/99</u>
Applicable Additions	40,222,391
Less Accumulated Depreciation @ May 31, 1999	<u>(529,105)</u>
Net Rate Base Includable in DSIC Calculation	<u>39,693,286</u>
Annual Revenue Requirement Rate	11.96%
Quarterly Revenue Requirement Rate	2.99%
Quarterly Capital Cost Recovery	<u>1,186,829</u>
Quarterly Depreciation Expense	<u>215,146</u>
Total Quarterly DSIC Revenue Requirement	1,401,975
Add: Final True-Up of 1997 Under/Over Collections	(425)
[\$1,699 Overcollection] x [3 Months / 9 Months] = (\$425)	
Add: Applicable Portion of 1998 Under/Over Collections (Per True-Up)	<u>(669)</u>
[\$2,111 Overcollection + \$565 Interest] x [3 Months / 12 Months] = (\$669)	<u>1,400,881</u>
Applicable Base Rate Revenue	38,638,417
DSIC RATE	<u>3.63%</u>

WEIGHTED COST OF CAPITAL AT 5/31/99:

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	282,296,108	53.51%	7.35%	3.93%		3.93%
Preferred	0	0.00%	8.93%	0.00%	1.709211797	0.00%
Equity	245,269,383	46.49%	10.10%	4.70%	1.709211797	8.03%
	<u>527,565,491</u>	100.0%		8.63%		11.96%

Note: The cost rate of debt and preferred stock are the Company's actual cost rates at 5/31/99. 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%.

PHILADELPHIA SUBURBAN WATER COMPANY
 FINAL 1997 DSIC TRUE-UP
 PERCENTAGE BILLED WORKSHEET

	SAME MONTH	NEXT MONTH	TWO MONTHS	THREE MONTHS	
QUARTERLY	0.1667	0.3333	0.3333	0.1667	1.0000
WEIGHT	0.8255	0.8255	0.8255	0.8255	0.8255
WEIGHTED	0.1376	0.2752	0.2752	0.1375	0.8255
MONTHLY	0.5000	0.5000			1.0000
WEIGHT	0.1745	0.1745			0.8255
WEIGHTED	0.0873	0.0872			0.1745
TOTAL	0.2249	0.3624	0.2752	0.1375	1.0000

e Factor Billed Worksheet.

MONTH	YEAR	BILLINGS	FACTOR	RATE	COLLECTIONS
JULY	1998	13,049,951	22.49%	-0.01%	(293)
AUG		12,590,374	58.73%	-0.01%	(739)
SEPT		13,145,792	86.25%	-0.01%	(1,134)
OCT		12,498,542	100.00%	-0.01%	(1,250)
NOV		10,521,416	100.00%	-0.01%	(1,052)
DEC		13,407,629	100.00%	-0.01%	(1,341)
JAN	1999	10,602,897	100.00%	-0.01%	(1,060)
FEB		10,437,677	100.00%	-0.01%	(1,044)
MAR		13,267,264	100.00%	-0.01%	(1,327)
APR		11,220,497	77.51%	-0.01%	(870)
MAY		9,842,660	41.27%	-0.01%	(406)
JUNE (est)		13,400,000	13.75%	-0.01%	(184)
					(10,700)

PHILADELPHIA SUBURBAN WATER COMPANY
 STATEMENT OF OVER/(UNDER) COLLECTIONS (1307e)
 FINAL 1997 RECONCILIATION

DATE	1997 OVER- COLLECTION	1997 OVER- COLLECTION	OVER/ (UNDER) COLLECTION
MO. YR.	AUTHORIZED	BILLED	
JULY 1998	(1,378)	(293)	1,084
AUG	(1,378)	(739)	638
SEPT	(1,378)	(1,134)	244
OCT	(1,378)	(1,250)	128
NOV	(1,378)	(1,052)	326
DEC	(1,378)	(1,341)	37
JAN 1999	(1,378)	(1,060)	317
FEB	(1,378)	(1,044)	334
MAR	(1,378)	(1,327)	51
APR	-	(870)	(870)
MAY	-	(406)	(406)
JUNE (est)	-	(184)	(184)
		(12,399)	(10,700)
			1,699

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

Category	Project Name	Auth	Acct	Actual Mar '99	Actual Apr '99	Actual May '99
Main Replacements	Poplar Walk, Ridley Park	a1007473	322000	50,689	-	-
Main Replacements	Yale Ave., Swarthmore	a1007477	322000	73,832	-	-
Main Replacements	Harvard Ave., Swarthmore	a1007486	322000	300,993	-	-
Main Replacements	Seminole Ave., Norwood	a1007487	322000	38,747	-	-
Main Replacements	Rutledge Ave., Rutledge	a1007488	322000	98,995	-	-
Main Replacements	Bartram Ave., Tinicum	a1007489	322000	-	-	98,230
Main Replacements	W. Ridley Ave., Ridley Park	a1007490	322000	-	-	151,013
Main Replacements	Cedar Ave., Swarthmore	a1007492	322000	71,381	-	-
Main Replacements	Oak ave., Lansdowne	a1007494	322000	13,585	-	-
Main Replacements	W Cobbs Creek Parkway, Yeadon	a1007500	322000	-	-	32,885
Main Replacements	Eddystone Ave., Eddystone	a1007525	322000	170,452	-	-
Main Replacements	S Penn Avenue	a1007526	322000	-	-	196,022
Main Replacements	11th St., Eddystone	a1007538	322000	-	126,584	-
Main Replacements	12th St., Eddystone	a1007539	322000	-	117,442	-
Main Replacements	13th St., Eddystone	a1007540	322000	58,165	-	-
Main Replacements	Wynnewood Rd., Lower Merion	b1006513	322000	-	-	213,849
Main Replacements	Fairfield Rd., Easton	b1006604	322000	-	-	75,581
Main Replacements	Springmill & Old Gulph	b1006611	322000	-	-	427,402
Main Replacements	Plank Ave., Willistown	b1006631	322000	-	20,079	-
Main Replacements	Old York Road	c1005374	322000	-	-	210,600
Main Replacements	Nice Ave., Jenkintown	c1005471	322000	-	-	71,327
Main Replacements	Dixon Ave., Bristol	c1005483	322000	21,914	-	-
Main Replacements	Fair Oaks, Horsham	c1005486	322000	-	-	12,953
Main Replacements	Old Elm St., Plymouth Meeting	c1005487	322000	49,330	-	-
Main Replacements	Rydal Ave., Abington	c1005493	322000	12,659	-	-
Main Replacements	Walton Rd., Lower Moreland	c1005498	322000	43,021	-	-
Main Replacements		c1005514	322000	-	-	42,779
Main Replacements	N. New St., West Chester	d1001445	322000	-	-	753
Main Replacements	Collins Drive, West Chester	d1001453	322000	-	25,660	-
Main Replacements	North Hills, W Goshen	d1001454	322000	-	(12,147)	-
				1,003,763	277,618	1,533,394
Tie - Ins	Ferguson Ave., Marple	a1507474	322000	(10,654)	-	-
Tie - Ins	Rodney Rd, Ridley Park	a1507497	322000	28,307	-	-
Tie - Ins	Darby Rd., Prospect Park	a1507499	322000	42,941	-	-
Tie - Ins	Anthony Ave., Marple	a1507527	322000	132,897	-	-
Tie - Ins	S Elm Street	a1507529	322000	-	-	11,706
Tie - Ins	2nd Ave., Prospect Park	a1507532	322000	-	-	45,346
Tie - Ins	Jackson Ave., Sharon Hill	a1507535	322000	8,337	-	-
Tie - Ins	S Berbro Street	a1507541	322000	-	-	.5,197
Tie - Ins	20" Pickering to Chester Valley Well	b9906538	322000	151,143	-	-
Tie - Ins	Tower La., Lower Merion	b1606603	322000	-	54,776	-
Tie - Ins	W Valley Forge Road	b1606628	322000	-	-	19,667
Tie - Ins	Franklin Ave., Abington	c1505472	322000	-	-	8,036
Tie - Ins	Rubicam Ave., Abington	c1505481	322000	-	-	7,860
Tie - Ins	Fairview Ave., Whitemarsh	c1505484	322000	-	-	10,212
Tie - Ins	Field Dr., Whitemarsh	c1505485	322000	(17,565)	-	-
Tie - Ins	Harry St., Whitemarsh	c1605492	322000	14,923	-	-
Tie - Ins	Brookfield Rd., Cheltenham	c1605517	322000	4,102	-	-
Tie - Ins	Rt. 926, Marlborough Twp.	d1501378	322000	72,093	-	-
Tie - Ins	Scanneltown Rd., E Bradford	d1501398	322000	68,219	-	-
Tie - Ins	Trinity Drive, W Goshen	d1601463	322000	-	32,862	-
Tie - Ins	William Penn Blvd, Thorndale	d1601464	322000	328,024	-	-
Tie - Ins	Cheyney Dr., Westtown	d1601480	322000	-	29,560	-
Tie - Ins	Rt. 322 to Grandstaff	d1601491	322000	-	-	437,655
				822,767	117,198	545,679
Main Cleaning & Lining	6" Seneca Ave., Norwood	a2001055	322000	-	10,192	-
Main Cleaning & Lining	6" S Fairview Road	a2001948	322000	-	-	389,543
Main Cleaning & Lining	6" S Martin Lane	a2003087	322000	-	-	390,510

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

Category	Project Name	Auth	Acct	Actual Mar '99	Actual Apr '99	Actual May '99
Main Cleaning & Lining	6" Sharon Park Drive	a2003174	322000	-	-	8,477
Main Cleaning & Lining	6" Hilldale Rd., Radnor	b2000753	322000	-	-	7,552
Main Cleaning & Lining	6" New Second St.	c2001243	322000	-	-	538,619
Main Cleaning & Lining	6" E Bonnett St & Orchard La.	c2009182	322000	-	-	207,053
Main Cleaning & Lining	6" West Union Avenue	d2009021	322000	-	-	380,761
				-	10,192	1,922,515
Minor Main Replacements			322000	51,549	75,663	81,032
				51,549	75,663	81,032
Main Replacement (Highway)	Warren ave., Tredyffrin	b3006636	322000	-	-	14,312
Main Replacement (Highway)	Wanamaker Ave., Abington	c3005516	322000	-	21,838	
				-	21,838	14,312
Valve Replacement Program			322000	83,002	33,255	156,387
				83,002	33,255	156,387
Minor Changes in Mains, Valves, etc.			322000	26,034	1,047	3,386
				26,034	1,047	3,386
Replacement Meters			324000	500,649	373,332	574,345
				500,649	373,332	574,345
Service Renewals - Worn Out in Service			323000	63,602	55,575	68,470
Service Renewals - Main Rehabilitation			323000	168,500	87,706	101,541
Fire Hydrants	Relocates/Replace		325000	30,414	25,979	29,405
Fire Hydrants	No Drain		325000	54,707	29,275	19,912
Fire Hydrants	2 Way Replacements		325000	4,692	1,023	4,017
				89,813	56,277	53,334
GRAND TOTAL				2,809,679	1,109,701	5,054,395

REP

Philadelphia Suburban Water Company

762 W. Lancaster Avenue, Bryn Mawr, Pennsylvania 19010-3489 610-625-1400

ORIGINAL

DOCUMENT FOLDER

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JUN 21 1999

June 21, 1999

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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

P-00961036

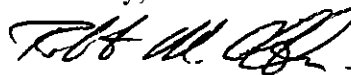
Re: Corrected Quarterly Distribution System Improvement Charge (DSIC) Filing

Dear Secretary McNulty:

Enclosed are eight copies of PSW's corrected DSIC filing including Supplement No. 19 to Tariff Water - PA PUC No. 16. The June 18, 1999 filing contained a data error which has been corrected. 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

RMG/
Certificate of Service



PHILADELPHIA SUBURBAN WATER COMPANY
CERTIFICATE OF SERVICE

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PHILADELPHIA SUBURBAN
WATER COMPANY

:
:
:
:
:

Distribution System
Improvement Charge (DSIC)
Filing

CERTIFICATE OF SERVICE

I hereby certify that I have this day filed PSW's corrected DSIC update including Supplement No. 19 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
555 Walnut Avenue, Fifth Floor
Forum Place
Harrisburg, PA 17101-1921

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

Thomas P. Gadsden, Esq.
Morgan, Lewis & Bockius
1701 Market Street
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Bernard A. Ryan, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
300 N. Second Street
Harrisburg, PA 17101-1921

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

RECEIVED

JUN 21 1999

Dated: June 21, 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Robert M. Griffin
Robert M. Griffin
Manager of Rates

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)

DOCKETED

JUN 24 1999

RECEIVED

JUN 21 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ISSUED: June 21, 1999
by
NICHOLAS DeBENEDICTIS, Chairman
762 Lancaster Avenue
Bryn Mawr, Pennsylvania

EFFECTIVE: July 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

ORIGINAL

DOCUMENT
FOLDER

Philadelphia Suburban Water Company

WATER-PA. P.U.C. NO. 16

EIGHTEENTH REVISED PAGE NO. 1A

CANCELING SEVENTEENTH REVISED PAGE NO. 1A

LIST OF CHANGES MADE BY THIS TARIFF

Changes

This tariff updates the Distribution System Improvement Charge (DSIC) on page 20 (Tenth Revised) of the Company's tariff, effective July 1, 1999, as approved by the Commission at Docket No. P-00961036 on August 26, 1996. The DSIC rate also includes a true-up of the overcollection of 1998 DSIC charges as well as the final reconciliation of the 1997 e factor.

I N D E X

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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
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Rider OPI - Off Peak/Interruptible Service	19C	Original
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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 0.80% will apply to all service rendered on and after May 29, 1999.

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)

(C)

In addition to the net charges provided for in this Tariff, a surcharge of 3.62 % will apply to all service, excluding public fire hydrants, rendered on or after July 1, 1999.

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;

(C) Indicates Change

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Feb.-Nov. 1998 Actual	Dec. - Feb. 1999 Actual		Mar. 1999 Actual	Apr. 1999 Actual	May 1999 Actual	Three Months To Date	Total To Date
322000	Main Cleaning & Relining	3,266,358	664,739		0	10,192	1,922,515	1,932,707	5,863,804
322000	Major Main Replacements	7,022,719	3,305,087		1,003,763	277,618	1,533,394	2,814,775	13,142,581
322000	Minor Changes in Mains	43,012	45,460		26,034	1,047	3,386	30,467	118,939
322000	Minor Main Replacements	950,651	388,802		51,549	75,663	81,032	208,244	1,547,697
322000	Tie in Dead End Mains	2,341,008	2,959,524		822,767	117,198	545,679	1,485,644	6,786,176
322000	Unreimbursed Imprvmts due to highway relocations	1,423,931	170,856		0	21,838	14,312	36,150	1,630,937
322000	Valve Replacement Program	378,269	251,828		83,002	33,255	156,387	272,644	902,711
323000	Repl Services	691,608	214,971		63,602	55,575	68,470	187,647	1,094,226
323000	Repl Services due to Main Rehabilitation	915,929	330,950		168,500	87,706	101,541	357,747	1,604,626
324000	Replacement Meters	3,662,700	1,353,051		500,649	373,332	574,345	1,448,326	6,464,077
325000	Replacement Fire Hydrants	681,293	185,870		89,813	56,277	53,334	199,424	1,066,587
TOTAL ADDITIONS		21,377,478	9,871,138	0	2,809,679	1,109,701	5,054,395	8,973,775	40,222,391

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Accumulated Depreciation Bal. 2/28/99	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on 3/99 - 5/99 Assets (2)	Accumulated Depreciation Bal. 5/31/99	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	47,242	20,835	5,122	73,199	2.12%	31,078
322000	Major Main Replacements	64,937	30,725	4,187	99,849	1.19%	39,099
322000	Minor Changes in Mains	399	263	45	707	1.19%	354
322000	Minor Main Replacements	8,652	3,985	310	12,947	1.19%	4,604
322000	Tie in Dead End Mains	23,111	15,769	2,210	41,090	1.19%	20,189
322000	Unreimbursed Imprvmts due to highway relocations	15,911	4,744	54	20,709	1.19%	4,852
322000	Valve Replacement Program	6,397	3,213	695	10,305	2.04%	4,604
323000	Repl Services	9,716	4,148	429	14,293	1.83%	5,006
323000	Repl Services due to Main Rehabilitation	12,924	5,704	818	19,446	1.83%	7,341
324000	Replacement Meters	141,033	72,478	10,464	223,975	5.78%	93,406
325000	Replacement Fire Hydrants	8,404	3,750	431	12,585	1.73%	4,613
TOTAL		338,726	165,614	24,765	529,105		215,146

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

DSIC EFFECTIVE

	7/1/99
Applicable Additions	40,222,391
Less Accumulated Depreciation @ May 31, 1999	(529,105)
Net Rate Base Includable in DSIC Calculation	39,693,286
Annual Revenue Requirement Rate	11.93%
Quarterly Revenue Requirement Rate	2.98%
Quarterly Capital Cost Recovery	1,183,852
Quarterly Depreciation Expense	215,146
Total Quarterly DSIC Revenue Requirement	1,398,998
Add: Final True-Up of 1997 Under/Over Collections [\$1,699 Overcollection] x [3 Months / 9 Months] = (\$566)	(566)
Add: Applicable Portion of 1998 Under/Over Collections (Per True-Up) [\$2,111 Overcollection + \$565 Interest] x [3 Months / 12 Months] = (\$669)	(669)
	1,397,763
Applicable Base Rate Revenue	38,638,417
 DSIC RATE	 3.62%

WEIGHTED COST OF CAPITAL AT 5/31/99:

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	282,296,108	53.72%	7.35%	3.95%		3.95%
Preferred	0	0.00%	8.93%	0.00%	1.709211797	0.00%
Equity	243,192,347	46.28%	10.10%	4.67%	1.709211797	7.98%
	525,488,455	100.0%		8.62%		11.93%

Note: The cost rate of debt and preferred stock are the Company's actual cost rates at 5/31/99. 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
 FINAL 1997 DSIC TRUE-UP
 PERCENTAGE BILLED WORKSHEET

	SAME MONTH	NEXT MONTH	TWO MONTHS	THREE MONTHS	
QUARTERLY	0.1667	0.3333	0.3333	0.1667	1.0000
WEIGHT	0.8255	0.8255	0.8255	0.8255	0.8255
WEIGHTED	0.1376	0.2752	0.2752	0.1375	0.8255
MONTHLY	0.5000	0.5000			1.0000
WEIGHT	0.1745	0.1745			0.8255
WEIGHTED	0.0873	0.0872			0.1745
TOTAL	0.2249	0.3624	0.2752	0.1375	1.0000

e Factor Billed Worksheet

MONTH	YEAR	BILLINGS	FACTOR	RATE	COLLECTIONS
JULY	1998	13,049,951	22.49%	-0.01%	(293)
AUG		12,590,374	58.73%	-0.01%	(739)
SEPT		13,145,792	86.25%	-0.01%	(1,134)
OCT		12,498,542	100.00%	-0.01%	(1,250)
NOV		10,521,416	100.00%	-0.01%	(1,052)
DEC		13,407,629	100.00%	-0.01%	(1,341)
JAN	1999	10,602,897	100.00%	-0.01%	(1,060)
FEB		10,437,677	100.00%	-0.01%	(1,044)
MAR		13,267,264	100.00%	-0.01%	(1,327)
APR		11,220,497	77.51%	-0.01%	(870)
MAY		9,842,660	41.27%	-0.01%	(406)
JUNE (est)		13,400,000	13.75%	-0.01%	(184)
					(10,700)

PHILADELPHIA SUBURBAN WATER COMPANY
 STATEMENT OF OVER/(UNDER) COLLECTIONS (1307e)
 FINAL 1997 RECONCILIATION

DATE	1997 OVER- COLLECTION	1997 OVER- COLLECTION	OVER/ (UNDER) COLLECTION
MO. YR.	AUTHORIZED	BILLED	
JULY 1998	(1,378)	(293)	1,084
AUG	(1,378)	(739)	638
SEPT	(1,378)	(1,134)	244
OCT	(1,378)	(1,250)	128
NOV	(1,378)	(1,052)	326
DEC	(1,378)	(1,341)	37
JAN 1999	(1,378)	(1,060)	317
FEB	(1,378)	(1,044)	334
MAR	(1,378)	(1,327)	51
APR	-	(870)	(870)
MAY	-	(406)	(406)
JUNE (est)	-	(184)	(184)
	(12,399)	(10,700)	1,699

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

Category	Project Name	Auth	Acct	Actual Mar '99	Actual Apr '99	Actual May '99
Main Replacements	Poplar Walk, Ridley Park	a1007473	322000	50,689	-	-
Main Replacements	Yale Ave., Swarthmore	a1007477	322000	73,832	-	-
Main Replacements	Harvard Ave., Swarthmore	a1007486	322000	300,993	-	-
Main Replacements	Seminole Ave., Norwood	a1007487	322000	38,747	-	-
Main Replacements	Rutledge Ave., Rutledge	a1007488	322000	98,995	-	-
Main Replacements	Bartram Ave., Tincicum	a1007489	322000	-	-	98,230
Main Replacements	W. Ridley Ave., Ridley Park	a1007490	322000	-	-	151,013
Main Replacements	Cedar Ave., Swarthmore	a1007492	322000	71,381	-	-
Main Replacements	Oak ave., Lansdowne	a1007494	322000	13,585	-	-
Main Replacements	W Cobbs Creek Parkway, Yeadon	a1007500	322000	-	-	32,885
Main Replacements	Eddystone Ave., Eddystone	a1007525	322000	170,452	-	-
Main Replacements	S Penn Avenue	a1007526	322000	-	-	196,022
Main Replacements	11th St., Eddystone	a1007538	322000	-	126,584	-
Main Replacements	12th St., Eddystone	a1007539	322000	-	117,442	-
Main Replacements	13th St., Eddystone	a1007540	322000	58,165	-	-
Main Replacements	Wynnewood Rd., Lower Merion	b1006513	322000	-	-	213,849
Main Replacements	Fairfield Rd., Easton	b1006604	322000	-	-	75,581
Main Replacements	Springmill & Old Gulph	b1006611	322000	-	-	427,402
Main Replacements	Plank Ave., Willistown	b1006631	322000	-	20,079	-
Main Replacements	Old York Road	c1005374	322000	-	-	210,600
Main Replacements	Nice Ave., Jenkintown	c1005471	322000	-	-	71,327
Main Replacements	Dixon Ave., Bristol	c1005483	322000	21,914	-	-
Main Replacements	Fair Oaks, Horsham	c1005486	322000	-	-	12,953
Main Replacements	Old Elm St., Plymouth Meeting	c1005487	322000	49,330	-	-
Main Replacements	Rydal Ave., Abington	c1005493	322000	12,659	-	-
Main Replacements	Walton Rd., Lower Moreland	c1005498	322000	43,021	-	-
Main Replacements		c1005514	322000	-	-	42,779
Main Replacements	N. New St., West Chester	d1001445	322000	-	-	753
Main Replacements	Collins Drive, West Chester	d1001453	322000	-	25,660	-
Main Replacements	North Hills, W Goshen	d1001454	322000	-	(12,147)	-
				1,003,763	277,618	1,533,394
Tie - Ins	Ferguson Ave., Marple	a1507474	322000	(10,654)	-	-
Tie - Ins	Rodney Rd, Ridley Park	a1507497	322000	28,307	-	-
Tie - Ins	Darby Rd., Prospect Park	a1507499	322000	42,941	-	-
Tie - Ins	Anthony Ave., Marple	a1507527	322000	132,897	-	-
Tie - Ins	S Elm Street	a1507529	322000	-	-	11,706
Tie - Ins	2nd Ave., Prospect Park	a1507532	322000	-	-	45,346
Tie - Ins	Jackson Ave., Sharon Hill	a1507535	322000	8,337	-	-
Tie - Ins	S Berbro Street	a1507541	322000	-	-	5,197
Tie - Ins	20" Pickering to Chester Valley Well	b9906538	322000	151,143	-	-
Tie - Ins	Tower La., Lower Merion	b1606603	322000	-	54,776	-
Tie - Ins	W Valley Forge Road	b1606628	322000	-	-	19,667
Tie - Ins	Franklin Ave., Abington	c1505472	322000	-	-	8,036
Tie - Ins	Rubicam Ave., Abington	c1505481	322000	-	-	7,860
Tie - Ins	Fairview Ave., Whitemarsh	c1505484	322000	-	-	10,212
Tie - Ins	Field Dr., Whitemarsh	c1505485	322000	(17,565)	-	-
Tie - Ins	Harry St., Whitemarsh	c1605492	322000	14,923	-	-
Tie - Ins	Brookfield Rd., Cheltenham	c1605517	322000	4,102	-	-
Tie - Ins	Rt. 926, Marlborough Twp.	d1501378	322000	72,093	-	-
Tie - Ins	Sconnetown Rd., E Bradford	d1501398	322000	68,219	-	-
Tie - Ins	Trinity Drive, W Goshen	d1601463	322000	-	32,862	-
Tie - Ins	William Penn Blvd, Thorndale	d1601464	322000	328,024	-	-
Tie - Ins	Cheyney Dr., Westtown	d1601480	322000	-	29,560	-
Tie - Ins	Rt. 322 to Grandstaff	d1601491	322000	-	-	437,655
				822,767	117,198	545,679
Main Cleaning & Lining	6" Seneca Ave., Norwood	a2001055	322000	-	10,192	-
Main Cleaning & Lining	6" S Fairview Road	a2001948	322000	-	-	389,543
Main Cleaning & Lining	6" S Martin Lane	a2003087	322000	-	-	390,510

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

Category	Project Name	Auth	Acct	Actual Mar '99	Actual Apr '99	Actual May '99
Main Cleaning & Lining	6" Sharon Park Drive	a2003174	322000	-	-	8,477
Main Cleaning & Lining	6" Hilldale Rd., Radnor	b2000753	322000	-	-	7,552
Main Cleaning & Lining	6" New Second St.	c2001243	322000	-	-	538,619
Main Cleaning & Lining	6" E Bonnett St & Orchard La.	c2009182	322000	-	-	207,053
Main Cleaning & Lining	6" West Union Avenue	d2009021	322000	-	-	380,761
				-	10,192	1,922,515
Minor Main Replacements			322000	51,549	75,663	81,032
				51,549	75,663	81,032
Main Replacement (Highway)	Warren ave., Tredyffrin	b3006636	322000	-	-	14,312
Main Replacement (Highway)	Wanamaker Ave., Abington	c3005516	322000	-	21,838	
				-	21,838	14,312
Valve Replacement Program			322000	83,002	33,255	156,387
				83,002	33,255	156,387
Minor Changes in Mains, Valves, etc.			322000	26,034	1,047	3,386
				26,034	1,047	3,386
Replacement Meters			324000	500,649	373,332	574,345
				500,649	373,332	574,345
Service Renewals - Worn Out in Service			323000	63,602	55,575	68,470
Service Renewals - Main Rehabilitation			323000	168,500	87,706	101,541
Fire Hydrants	Relocates/Replace		325000	30,414	25,979	29,405
Fire Hydrants	No Drain		325000	54,707	29,275	19,912
Fire Hydrants	2 Way Replacements		325000	4,692	1,023	4,017
				89,813	56,277	53,334
GRAND TOTAL				2,809,679	1,109,701	5,054,395

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

610.525.1400

ORIGINAL

Philadelphia
Suburban
Water Company

RECEIVED

SEP 21 1999

September 20, 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

P-00961036

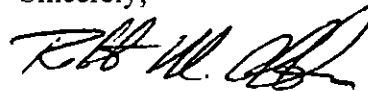
Re: Quarterly Distribution System Improvement Charge (DSIC) Filing

Dear Secretary McNulty:

Enclosed are eight copies of PSW's DSIC filing including Supplement No. 20 to Tariff Water - PA PUC No. 16. 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

RMG/
Certificate of Service

KJR

DOCUMENT
FOLDER

62



PHILADELPHIA SUBURBAN WATER COMPANY
CERTIFICATE OF SERVICE

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PHILADELPHIA SUBURBAN
WATER COMPANY

:
:
:
:
:

Distribution System
Improvement Charge (DSIC)
Filing

CERTIFICATE OF SERVICE

I hereby certify that I have this day filed PSW's DSIC update including Supplement No. 20 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
555 Walnut Avenue, Fifth Floor
Forum Place
Harrisburg, PA 17101-1921

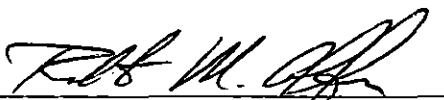
Charles Hoffman, Director
Office of Trial Staff
Pitnick Building, Third Floor
901 N. 7TH St., Rear
Harrisburg, PA 17102

Thomas P. Gadsden, Esq.
Morgan, Lewis & Bockius
1701 Market Street
Philadelphia, PA 19103-2921

Bernard A. Ryan, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
300 N. Second Street
Harrisburg, PA 17101-1921

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

Dated: September 20, 1999


Robert M. Griffin
Manager of Rates

R-00973964

PHILADELPHIA SUBURBAN WATER COMPANY

RATES AND RULES

GOVERNING THE DISTRIBUTION

OF

WATER

IN PORTIONS OF

MONTGOMERY, CHESTER, BUCKS, BERKS AND DELAWARE COUNTIES
PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

(Detailed Description - Page 3)

RECEIVED

SEP 21 1999

ISSUED: September 20, 1999
by
NICHOLAS DeBENEDICTIS, Chairman
762 Lancaster Avenue
Bryn Mawr, Pennsylvania

EFFECTIVE: October 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

ORIGINAL

DOCUMENT
FOLDER

DOCKETED

SEP 23 1999

Philadelphia Suburban Water Company

Supplement No. 20
To
WATER-PA. P.U.C. NO. 16
NINETEENTH REVISED PAGE NO. 1A
CANCELING EIGHTEENTH REVISED PAGE NO. 1A

LIST OF CHANGES MADE BY THIS TARIFF

Changes

This tariff updates the Distribution System Improvement Charge (DSIC) on page 20 (Eleventh Revised) of the Company's tariff, effective October 1, 1999, as approved by the Commission at Docket No. P-00961036 on August 26, 1996. The DSIC rate also includes a true-up of the overcollection of 1998 DSIC charges as well as the final reconciliation of the 1997 e factor.

ISSUED: September 20, 1999

-1A-

EFFECTIVE: October 1, 1999

I N D E X

		<u>Page</u>
RATES AND RULES	1	Supplement No. 20
LIST OF CHANGES MADE BY THIS TARIFF	1A	Nineteenth Revised
INDEX	2	Nineteenth Revised
INDEX	2A	Sixteenth Revised
DESCRIPTION OF TERRITORY SERVED	3	Fourth Revised
DESCRIPTION OF TERRITORY SERVED	3A	Fourth 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

I N D E XPAGE

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	Eleventh Revised
Distribution System Improvement Charge	20A	First Revised
Distribution System Improvement Charge	20B	Second Revised
Distribution System Improvement Charge	20C	First Revised
 RULES AND REGULATIONS		
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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 0.80% will apply to all service rendered on and after May 29, 1999.

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)

(C)

In addition to the net charges provided for in this Tariff, a surcharge of 5.00 % will apply to all service, excluding public fire hydrants, rendered on or after October 1, 1999.

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;

(C) Indicates Change

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Feb.-Nov. 1998 Actual	Dec. - Feb. 1999 Actual	Mar.-May 1999 Actual	June 1999 Actual	July 1999 Actual	Aug. 1999 Actual	Three Months To Date	Total To Date
322000	Main Cleaning & Relining	3,266,358	664,739	1,932,707	217,864	0	1,552,274	1,770,138	7,633,942
322000	Major Main Replacements	7,022,719	3,305,087	2,814,775	1,969,831	0	2,459,083	4,428,914	17,571,495
322000	Minor Changes in Mains	43,012	45,460	30,467	33,662	305	9,320	43,287	162,226
322000	Minor Main Replacements	950,651	388,802	208,244	78,745	84,382	168,783	331,910	1,879,607
322000	Tie in Dead End Mains	2,341,008	2,959,524	1,485,644	300,659	34,336	977,555	1,312,550	8,098,726
322000	Unreimbursed Imprvmts due to highway relocations	1,423,931	170,856	36,150	78,716	4,325	96,684	179,725	1,810,662
322000	Valve Replacement Program	378,269	251,828	272,644	13,772	19,274	65,506	98,552	1,001,293
323000	Repl Services	691,608	214,971	187,647	100,280	55,516	115,314	271,110	1,365,336
323000	Repl Services due to Main Rehabilitation	915,929	330,950	357,747	135,133	59,948	174,281	369,362	1,973,988
324000	Replacement Meters	3,662,700	1,353,051	1,448,326	564,884	299,478	574,752	1,439,114	7,903,191
325000	Replacement Fire Hydrants	681,293	185,870	199,424	78,742	78,152	66,402	223,296	1,289,883
TOTAL ADDITIONS		21,377,478	9,871,138	8,973,775	3,572,288	635,716	6,259,954	10,467,958	50,690,349

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Accumulated Depreciation Bal. 5/31/99	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on 6/99 - 8/99 Assets (2)	Accumulated Depreciation Bal. 8/31/99	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	73,199	31,078	4,691	108,968	2.12%	40,460
322000	Major Main Replacements	99,849	39,099	6,588	145,536	1.19%	52,275
322000	Minor Changes in Mains	707	354	64	1,125	1.19%	483
322000	Minor Main Replacements	12,947	4,604	494	18,045	1.19%	5,592
322000	Tie in Dead End Mains	41,090	20,189	1,952	63,231	1.19%	24,094
322000	Unreimbursed Imprvmnts due to highway relocations	20,709	4,852	267	25,828	1.19%	5,387
322000	Valve Replacement Program	10,305	4,604	251	15,160	2.04%	5,107
323000	Repl Services	14,293	5,006	620	19,919	1.83%	6,246
323000	Repl Services due to Main Rehabilitation	19,446	7,341	845	27,632	1.83%	9,031
324000	Replacement Meters	223,975	93,406	10,398	327,779	5.78%	114,201
325000	Replacement Fire Hydrants	12,585	4,613	483	17,681	1.73%	5,579
TOTAL		529,105	215,146	26,653	770,904		268,455

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

	DSIC EFFECTIVE
	10/1/99
Applicable Additions	50,690,349
Less Accumulated Depreciation @ August 31, 1999	(770,904)
Net Rate Base Includable in DSIC Calculation	<u>49,919,445</u>
Annual Revenue Requirement Rate	12.08%
Quarterly Revenue Requirement Rate	3.02%
Quarterly Capital Cost Recovery	<u>1,507,567</u>
Quarterly Depreciation Expense	<u>268,455</u>
Total Quarterly DSIC Revenue Requirement	<u>1,776,022</u>
Add: Final True-Up of 1997 Under/Over Collections	(566)
[\$1,699 Overcollection] x [3 Months / 9 Months] = (\$566)	
Add: Applicable Portion of 1998 Under/Over Collections (Per True-Up)	(669)
[\$2,111 Overcollection + \$565 Interest] x [3 Months / 12 Months] = (\$669)	
	<u>1,774,787</u>
Applicable Base Rate Revenue	34,901,327
DSIC RATE	5.00%

WEIGHTED COST OF CAPITAL AT 8/31/99:

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	284,868,547	53.00%	7.34%	3.89%		3.89%
Preferred	0	0.00%	8.93%	0.00%	1.709211797	0.00%
Equity	252,600,487	47.00%	10.20%	4.79%	1.709211797	8.19%
	<u>537,469,034</u>	<u>100.0%</u>		<u>8.68%</u>		<u>12.08%</u>

Note: The cost rate of debt and preferred stock are the Company's actual cost rates at 5/31/99. 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 Wastewater Treatment Plant By Month

Category	Project Name	Auth	Acct	Actual Jun '99	Actual Jul '99	Actual Aug '99
Main Replacements	8" Cedar Ave., Upper Darby	a1007523	322000	0	0	597,024
Main Replacements	8" Eddystone Ave., Eddystone	a1007525	322000	127,648	0	0
Main Replacements	8" S Penn Ave.	a1007526	322000	21,016	0	0
Main Replacements	8" 11th St., Eddystone	a1007538	322000	74,883	0	0
Main Replacements	8" 12th St., Eddystone	a1007539	322000	46,896	0	0
Main Replacements	8" 13th St., Eddystone	a1007540	322000	110,863	0	0
Main Replacements	12" Lancaster Ave, Lower Merion	b1006502	322000	816,818	0	461,743
Main Replacements	12" First Ave, Upper Merion	b1006606	322000	193,817	0	400,091
Main Replacements	Springmill & Old Gulph	b1006611	322000	313,623	0	0
Main Replacements	8" Sugartown Rd, Easttown Twp	b1006627	322000	0	0	100,129
Main Replacements	8" Plank Ave., Willistown	b1006631	322000	0	0	443,799
Main Replacements	Midland Ave, Radnor	b1006633A	322000	103,757	0	0
Main Replacements	8" Godfrey Rd., Radnor	b1006639	322000	0	0	92,645
Main Replacements	8" W King Rd.	b1006640	322000	0	0	24,005
Main Replacements	8" Old York Rd.	c1005374	322000	0	0	339,647
Main Replacements	Dixon Ave., Bristol	c1005483	322000	104,707	0	0
Main Replacements	Old Elm, Plymouth Meeting	c1005487	322000	40,437	0	0
Main Replacements	Rydal Ave., Abington	c1005493	322000	15,366	0	0
				1,969,831	0	2,459,083
Tie - Ins	8" S Elm Ave.	a1607529	322000	0	0	10,361
Tie - Ins	8" Jackson Ave., Sharon Hill	a1607535	322000	24,673	0	0
Tie - Ins	8" S Berbro St.	a1607541	322000	0	0	14,123
Tie - Ins	8" W Valley Forge Rd.	b1606628	322000	2,977	0	13,727
Tie - Ins	8" Earls Lane, Newtown Square	b1606653	322000	0	15,183	0
Tie - Ins	Hollowell Rd., Whitemarsh	c1505482	322000	0	4,794	125
Tie - Ins	8" Field Drive, Whitemarsh	c1505485	322000	0	8,299	786
Tie - Ins	8" Harry St., Whitemarsh	c1605492	322000	0	6,060	0
Tie - Ins	8" Hickory Road, Plymouth Twp	c1605519	322000	126,590	0	0
Tie - Ins	8" Papermill Rd, Bryn Athyn	c1605520	322000	84,472	0	0
Tie - Ins	8" Brandywine Overlook, E Bradford Twp	d1501448	322000	34,320	0	0
Tie - Ins	12" William Penn Blvd., Thorndale	d1601464	322000	27,627	0	0
Tie - Ins	8" Cheyney Dr., Westtown	d1601480	322000	0	0	6,325
Tie - Ins	Rt. 322 to Grandstaff	d1601491	322000	0	0	932,108
				300,659	34,336	977,555
Main Cleaning & Lining	6" School La., Upper Darby	a2001522	322000	0	0	516,587
Main Cleaning & Lining	6" S Fairview Rd.	a2001948	322000	0	0	76,054
Main Cleaning & Lining	6" S Martin Lane	a2003087	322000	0	0	88,444
Main Cleaning & Lining	6" Ladbroke, Lower Merion	b2000614	322000	72,144	0	13,635
Main Cleaning & Lining	6" Hilldale Rd., Radnor	b2000753	322000	0	0	251,404
Main Cleaning & Lining	6" County Line, L Merion	b2000813	322000	0	0	167,795
Main Cleaning & Lining	6" Woodlawn, U Merion	c2000602	322000	0	0	308,204
Main Cleaning & Lining	6" Country Club, U Merion	c200722	322000	0	0	65,076
Main Cleaning & Lining	6" New Second Street	c2001243	322000	66,242	0	0
Main Cleaning & Lining	6" E Bonnett & Orchard La.	c2009182	322000	79,478	0	0
Main Cleaning & Lining	6" West Union Ave.	d2009021	322000	0	0	65,075
				217,864	0	1,552,274
Minor Main Replacements			322000	78,745	84,382	168,783
				78,745	84,382	168,783
Main Replacement (Highway)	8"-Ridley Creek, Upper Providence	a3207544	322000	36,910	0	0
Main Replacement (Highway)	Continental, Upper Merion	b3006647	322000	9,129	0	0
Main Replacement (Highway)	N Warner, Upper Merion	b3006651	322000	27,127	0	0
Main Replacement (Highway)	12" Whitehorse, Schuylkill	b3206652	322000	0	0	42,446

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

Category	Project Name	Auth	Acct	Actual	Actual	Actual
				Jun '99	Jul '99	Aug '99
Main Replacement (Highway)	6" DeHaven St., W Consh.	b3206656	322000	0	0	40,873
Main Replacement (Highway)	8" Valley Forge Rd., Tredyffrin	b3206657	322000	0	0	13,365
Main Replacement (Highway)	Sentry Lane, Tredyffrin	b3206658	322000	0	2,568	0
Main Replacement (Highway)	Timber Lane, Tredyffrin	b3206659	322000	0	1,757	0
Main Replacement (Highway)	8"-Old Rodgers, Bristol	c3005528	322000	5,550	0	0
				<u>78,716</u>	<u>4,325</u>	<u>96,684</u>
Valve Replacement Program			322000	13,772	19,274	65,506
				<u>13,772</u>	<u>19,274</u>	<u>65,506</u>
Minor Changes in Mains			322000	3,066	305	9,320
Minor Changes in Mains	SugarKnoll, Easttown	b9905320	322000	2,196	0	0
Minor Changes in Mains	20" Pickering to Chester Valley Well	b9906538	322000	28,400	0	0
				<u>33,662</u>	<u>305</u>	<u>9,320</u>
Replacement Meters				<u>564,884</u>	<u>299,478</u>	<u>574,752</u>
				564,884	299,478	574,752
Service Renewals - Worn Out in Service			323000	100,280	55,516	115,314
Service Renewals - Main Rehabilitation			323000	135,133	59,948	174,281
Fire Hydrants	Relocates/Replace		325000	30,711	29,549	35,563
Fire Hydrants	No Drain		325000	39,559	36,810	29,319
Fire Hydrants	2 Way Replacements		325000	8,472	11,793	1,520
				<u>78,742</u>	<u>78,152</u>	<u>66,402</u>
			GRAND TOTAL	<u><u>3,572,288</u></u>	<u><u>635,716</u></u>	<u><u>6,259,954</u></u>

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

610.525.1400

**Philadelphia
Suburban
Water Company**

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December 20, 1999

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

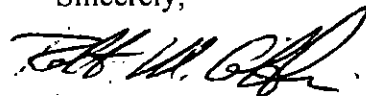
Re: Quarterly Distribution System Improvement Charge (DSIC) Filing

Dear Secretary McNulty:

Enclosed are eight copies of PSW's DSIC filing. There is no tariff supplement needed since the DSIC rate is the same as the September 20, 1999 filing. 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 Regulatory Reporting

RMG/
Certificate of Service

SRB

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PHILADELPHIA SUBURBAN WATER COMPANY
CERTIFICATE OF SERVICE

DEC 20 1999

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PHILADELPHIA SUBURBAN
WATER COMPANY

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:
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Distribution System
Improvement Charge (DSIC)
Filing

CERTIFICATE OF SERVICE

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

VIA FAX & FEDERAL EXPRESS

Irwin A. Popowsky, Esq.
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Glenn Bartron, Director
Bureau of Audits
901 Rear North Seventh Street
Harrisburg, PA 17102

Thomas P. Gadsden, Esq.
Morgan, Lewis & Bockius
1701 Market Street
Philadelphia, PA 19103-2921
(via first class mail)

Dated: December 20, 1999



Robert M. Griffin
Manager of Regulatory Reporting

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Feb '98-Feb '99 Actual	Mar.-May 1999 Actual	June-Aug. 1999 Actual	June 1999 Actual	July 1999 Actual	Aug. 1999 Actual	Three Months To Date	Total To Date
322000	Main Cleaning & Relining	3,931,097	1,932,707	1,770,138	873,078	272,943	141,283	1,287,304	8,921,246
322000	Major Main Replacements	10,327,806	2,814,775	4,428,914	318,651	1,599,675	197,214	2,115,540	19,687,035
322000	Minor Changes in Mains	88,472	30,467	43,287	12,984	67,569	29,427	109,980	272,206
322000	Minor Main Replacements	1,339,453	208,244	331,910	70,151	174,812	98,940	343,903	2,223,510
322000	Tie in Dead End Mains	5,300,532	1,485,644	1,312,550	0	0	58,612	58,612	8,157,338
322000	Unreimbursed Imprvmts due to highway relocations	1,594,787	36,150	179,725	57,192	6,016	19,409	82,617	1,893,277
322000	Valve Replacement Program	630,097	272,644	98,552	20,107	60,685	51,450	132,242	1,133,533
323000	Repl Services	906,579	187,647	271,110	86,841	107,232	70,714	264,787	1,630,123
323000	Repl Services due to Main Rehabilitation	1,246,879	357,747	369,362	109,519	143,475	117,430	370,424	2,344,412
324000	Replacement Meters	5,015,751	1,448,326	1,439,114	221,174	219,739	78,914	519,827	8,423,018
325000	Replacement Fire Hydrants	867,163	199,424	223,296	62,894	67,270	51,001	181,165	1,471,048
TOTAL ADDITIONS		31,248,616	8,973,775	10,467,958	1,832,591	2,719,416	914,394	5,466,401	56,156,750

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PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

Acct	Description	Accumulated Depreciation Bal. 8/31/99	Quarterly Depr. On Prior Assets (1)	Quarterly Depr. on 9/99 - 11/99 Assets (2)	Accumulated Depreciation Bal. 11/31/99	Depr Rate	Quarterly Depreciation
322000	Main Cleaning & Relining	108,968	40,460	3,411	152,839	2.12%	47,283
322000	Major Main Replacements	145,536	52,275	3,147	200,958	1.19%	58,569
322000	Minor Changes in Mains	1,125	483	164	1,772	1.19%	810
322000	Minor Main Replacements	18,045	5,592	512	24,149	1.19%	6,615
322000	Tie in Dead End Mains	63,231	24,094	87	87,412	1.19%	24,268
322000	Unreimbursed Imprvmts due to highway relocations	25,828	5,387	123	31,338	1.19%	5,633
322000	Valve Replacement Program	15,160	5,107	337	20,604	2.04%	5,781
323000	Repl Services	19,919	6,246	606	26,771	1.83%	7,458
323000	Repl Services due to Main Rehabilitation	27,632	9,031	847	37,510	1.83%	10,726
324000	Replacement Meters	327,779	114,201	3,756	445,736	5.78%	121,713
325000	Replacement Fire Hydrants	17,681	5,579	392	23,652	1.73%	6,362
TOTAL		770,904	268,455	13,382	1,052,741		295,218

(1) One Full Quarter's Depreciation.

(2) One Half Quarter Depreciation.

PHILADELPHIA SUBURBAN WATER COMPANY

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") CALCULATION

DSIC EFFECTIVE

1/1/00

Applicable Additions	56,156,750
Less Accumulated Depreciation @ November 30, 1999	<u>(1,052,741)</u>
Net Rate Base Includable in DSIC Calculation	<u>55,104,009</u>
Annual Revenue Requirement Rate	12.11%
Quarterly Revenue Requirement Rate	3.03%
Quarterly Capital Cost Recovery	<u>1,668,274</u>
Quarterly Depreciation Expense	<u>295,218</u>
Total Quarterly DSIC Revenue Requirement	<u>1,963,492</u>
Add: Final True-Up of 1997 Under/Over Collections	(566)
[\$1,699 Overcollection] x [3 Months / 9 Months] = (\$566)	
Add: Applicable Portion of 1998 Under/Over Collections (Per True-Up)	<u>(669)</u>
[\$2,111 Overcollection + \$565 Interest] x [3 Months / 12 Months] = (\$669)	
	<u>1,962,257</u>
Applicable Base Rate Revenue	33,139,263
DSIC RATE	<u>5.00%</u>

WEIGHTED COST OF CAPITAL AT 11/30/99:

	Proforma Per Books	Capital Structure	Cost Rate	Weighted Avg. Cost Rate	Tax Multiplier	Rev Req
Debt	289,411,398	53.06%	7.38%	3.92%		3.92%
Preferred	0	0.00%	8.93%	0.00%	1.709211797	0.00%
Equity	255,999,101	46.94%	10.20%	4.79%	1.709211797	8.19%
	<u>545,410,499</u>	<u>100.0%</u>		<u>8.71%</u>		<u>12.11%</u>

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%.

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

Category	Project Name	Auth	Acct	Actual Sept '99	Actual Oct '99	Actual Nov '99
Main Replacements	12" Chester Pike, Glenolden	a1007503	322000	-	457,688	-
Main Replacements	8" Elm Ave, Swarthmore	a1007530	322000	-	214,866	-
Main Replacements	8" Princeton Ave, Swarthmore	a1007531	322000	-	7,403	-
Main Replacements	12" Lansdowne Ave, Upper Darby	a1007534	322000	-	378,873	-
Main Replacements	1" Fizzano Alley, Ridley	a1007553	322000	1,317	-	-
Main Replacements	1.5" Maplewood Ave, Upper Darby	a1007554	322000	-	2,440	-
Main Replacements	2" Baltimore Pike, Lansdowne	a1007557	322000	4,016	-	-
Main Replacements	12" Chester Pike, Norwood	a1007558	322000	-	124,520	-
Main Replacements	8" Chestnut St, Swarthmore	a1007573	322000	-	21,363	-
Main Replacements	12" First Ave, Upper Merion	b1006606	322000	-	175,222	-
Main Replacements	8" Sugartown Rd, Easttown Twp	b1006627	322000	-	-	117,058
Main Replacements	8" Godfrey Rd., Radnor	b1006639	322000	-	142,033	-
Main Replacements	8" Walnut Ave, Lower Merion	b1006642	322000	-	5,703	-
Main Replacements	8" Essex Ave, Narberth	b1006676	322000	89,022	-	-
Main Replacements	Walton Rd., Lower Moreland	c1005498	322000	15,883	-	-
Main Replacements	12" Conshohocken Rd, Plymouth	c1005523	322000	208,413	-	-
Main Replacements	8" Sherwood Rd, Abington	c1005525	322000	-	-	63,109
Main Replacements	8" Lamott Ave, Abington	c1005562	322000	-	44,601	-
Main Replacements	Collins Drive, West Chester	d1001453E	322000	-	-	17,047
Main Replacements	North Hills, W. Goshen	d1001454E	322000	-	24,963	-
				318,651	1,599,675	197,214
Tie - Ins	8" Glenwood Rd, Clifton Heights	a1607568	322000	-	-	39,562
Tie - Ins	8" Earls Lane, Newtown Square	b1606653	322000	-	-	5,145
Tie - Ins	8" Belvoir Rd, Plymouth	c1605563	322000	-	-	13,905
				-	-	58,612
Main Cleaning & Lining	6" School La., Upper Darby	a2001522	322000	-	-	113,958
Main Cleaning & Lining	6" Hilldale Rd., Radnor	b2000753	322000	-	-	27,325
Main Cleaning & Lining	6" County Line Rd., L Merion	b2000813	322000	359,710	-	-
Main Cleaning & Lining	6" Parkview Dr, Lower Merion	b2001917	322000	-	272,943	-
Main Cleaning & Lining	6" Woodlawn, U Merion	c2000602	322000	226,827	-	-
Main Cleaning & Lining	6" Country Club, U Merion	c2000722	322000	216,897	-	-
Main Cleaning & Lining	6" New Second Street	c2001243	322000	69,644	-	-
				873,078	272,943	141,283
Minor Main Replacements			322000	70,151	174,812	98,940
				70,151	174,812	98,940
Main Replacement (Highway)	Continental, Upper Merion	b3006647	322000	-	-	7,279
Main Replacement (Highway)	12" Whitehorse, Schuylkill	b3206652	322000	-	-	12,130
Main Replacement (Highway)	8" Valley Forge Rd., Tredffrin	b3206657	322000	41,704	-	-
Main Replacement (Highway)	6" Devon Rd, Easttown	b3206677	322000	-	6,016	-
Main Replacement (Highway)	6" Glenside Ave, Cheltenham	c3205557	322000	15,488	-	-
				57,192	6,016	19,409
Valve Replacement Program			322000	20,107	60,685	51,450
				20,107	60,685	51,450
Minor Changes in Mains			322000	12,984	-	-
Minor Changes in Mains	Regulator Pennock & West Chester Pike	11923	322000	-	67,569	-
Minor Changes in Mains	20" Pickering to Chester Valley Well	b9906538	322000	-	-	29,427
				12,984	67,569	29,427
Replacement Meters				221,174	219,739	78,914
				221,174	219,739	78,914

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

Category	Project Name	Auth	Acct	Actual Sept '99	Actual Oct '99	Actual Nov '99
Service Renewals - Worn Out in Service			323000	86,841	107,232	70,714
Service Renewals - Main Rehabilitation			323000	109,519	143,475	117,430
Fire Hydrants	Relocates/Replace		325000	24,194	32,740	41,776
Fire Hydrants	No Drain		325000	34,206	29,340	9,103
Fire Hydrants	2 Way Replacements		325000	4,494	5,190	122
				62,894	67,270	51,001
GRAND TOTAL				1,832,591	2,719,416	914,394