

## **Instructions**

**Do not include this sheet in the Annual Report you send to the Commission**

### **General Information**

This is the excel file which makes up the annual report. The file is called WATERAR.XLS and contains general corporate information, financial statements, and various financial and operating data.

The pages in WATERAR.XLS are separated by Tabs. The names of the Tabs are arranged by page number. The Table of Contents in the file (Tab called Schedules) provides the Description of each Schedule and Page Number of the Schedule.

The file includes a tab called a Data Sheet. The completion of the Data Sheet will automatically transfer your company's name and year of the report to each page of the annual report. The file has not been protected. Therefore, please refrain from inserting or deleting rows or columns.

We have checked the accuracy of the formulas and cell references in the file. However, all corrections may not have been made. If you feel that certain formulas or cell references in the file are incorrect, make the correction and describe the change on the Table of Contents under the column called "Remarks".

It is not required for you to input the data in this excel file for the following schedules: Important Changes During the Year, Notes to the Financial Statements, General Description of Construction Overhead Procedures and other general notes. However, include these completed schedules in the paper copy of the annual report.

### **Insert Pages**

Due to a large amount of data, some companies will be required to file additional pages to complete certain schedules. If you are required to prepare insert pages, insert pages have been provided in the workspace below the applicable schedule. The totals of the insert pages should be input on the relates schedule. The print function will not print the insert pages. As a result, you will have to print these manually.

### **Saving the File**

As stated above, the name of the file is WATERAR.XLS. It is advised that you call up the file and then immediately save it using the assigned file names as shown below.

### **Print the Entire Report**

When you have completed the report, you may want to print out the entire report. To do this, select Print under the File menu. In the Print Dialogue box that appears chose the Entire Workbook option in the Print What Section.

### **Organizing the Paper Copy of the Annual Report**

The paper copy of the annual report contains several blank pages throughout the report so that schedules on two pages can be viewed at one time. This excel file does not contain those blank pages. As a result, please use the paper copy of the annual report as a guide for placing blank pages into the paper copy submitted.

<b><u>Company Name</u></b>	<b><u>WATERFORM.XLS File NAME TO SAVE</u></b>
Hertitage Hills Waterworks	HHWATER.XLS
Long Island Water	LIWATER.XLS
New York American-Water	NYAWATER.XLS
New York Water Service	NYWWATER.XLS
Sea Cliff Water	SCWATER.XLS
United Water - New Rochelle	UWATERNR.XLS
United Water - New York	UWATERNY.XLS
United Water - Oswego	UWATEROS.XLS

# STATE OF NEW YORK PUBLIC SERVICE COMMISSION

## ANNUAL REPORT OF WATERWORKS CORPORATIONS Year Ended December 31, 2011

### Instructions for this sheet:

- 1 Fill in your name, address and appropriate dates in the designated area below so that this information will carry to other sheets in the file.
- 2 If the respondent's name is long, the "Year ended December 31, 19\_\_" may over pass the print range. This can be corrected by one of two methods: selecting a smaller font size on the specific sheet, or to delete some spaces on the combined string below.

### Please fill in the following:

Respondent's exact legal name :	NEW YORK WATER SERVICE CORP
Address line 1:	60 Brooklyn Avenue
Address line 2:	Merrick, New York 11566
Date of Report (Mo,Da,Yr)	3/31/2012
Year of Report	December 31, 2011
For the period starting:	January 1, 2011
For the period ending:	December 31, 2011
Date due:	March 31, 2012

### Example

3/31/97

December 31,1996

January 1, 1996

December 31,1996

March 31, 1997

For the period starting January 1, 2011  
For the period ending December 31, 2011  
Year Ended December 31, 2011

Annual Report of NEW YORK WATER SERVICE CORP

Year Ended December 31, 2011

Annual Report of NEW YORK WATER SERVICE CORP

Year Ended December 31, 2011

Annual Report of NEW YORK WATER SERVICE CORP

Year Ended December 31, 2011

Annual Report of NEW YORK WATER SERVICE CORP

Year Ended December 31, 2011

Annual Report of NEW YORK WATER SERVICE CORP

Year Ended December 31, 2011

Annual Report of NEW YORK WATER SERVICE CORP

Year Ended December 31, 2011

Annual Report of NEW YORK WATER SERVICE CORP

Year Ended December 31, 2011



# **WATER WORKS CORPORATIONS CLASSES A AND B ANNUAL REPORT**

**OF**

**NEW YORK WATER SERVICE CORP**

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Exact legal name of reporting water utility

(If name was changed during year, show also the previous name and date of change)

**60 Brooklyn Avenue**

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**Merrick, New York 11566**

---

(Address of principal business office at end of year)

**FOR THE**

**Year Ended December 31, 2011**

**TO THE**

**STATE OF NEW YORK**

**PUBLIC SERVICE COMMISSION**

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Name, title, address and telephone number (including area code), of  
the person to contact concerning this report:

**Thomas Huber - Controller**

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**Aqua NY, Inc., 60 Brooklyn Ave., Merrick, NY 11566, (516) 378 - 3177**

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## **GENERAL INSTRUCTIONS**

1. The completed original of this report form, properly filled out, shall be filed with the Public Service Commission, Albany, N.Y., on or before the 31st of March next following the end of the year to which the report applies. At least one additional copy shall be retained in the files of the reporting utility.
2. All utility companies upon which this report form is served are required by statute to complete and to file the report. The statute further provides that when any such report is defective or believed to be erroneous, the reporting utility shall be duly notified and given a reasonable time within which to make the necessary amendments or corrections.
3. All accounting terms and phrases used in this form are to be interpreted in accordance with the Uniform Systems of Accounts prescribed by this Commission. Whenever the term respondent is used, it shall be understood to mean the reporting utility.
4. If the report is made for a period other than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). If the books are not closed as of that date, the data in the report should nevertheless be complete and the amounts reported should be supported by information set forth in, or as part of the books of account.
5. Every inquiry must be definitely answered. If "none" or "not applicable" states the fact, such an answer may be used. The annual report should be complete in itself. Reference to reports of previous years or to any paper or document should not be made in lieu of required entries except as specifically outlined.
6. Upon filing, the report may, if desired, be permanently bound. If it is so bound, the requirement for page by page identification of the reporting company set forth in paragraph 9 below, may be disregarded. Extra copies of any page will be furnished upon request.
7. If the utility conducts operations both within and without the State of New York, data should be reported so that there will be shown the quantities of commodities sold within this State, and (separately by accounts) the operating revenues from sources within this State, the operating revenue deductions applicable thereto and the plant investment as of the end of the year within this State.
8. All entries shall be made in black or dark blue except those of a contrary or opposite nature, which should be made in red or enclosed in parentheses. Inserts, if any, should be appropriately identified with the schedules to which they relate.
9. Insert the initials of the reporting utility and the year which the report covers in the space provided on each page.
10. Cents are to be omitted on all schedules except where they apply to averages and figures per unit where cents are important. The amounts shown on all supporting schedules shall agree with the item in the statement they support.

LIST OF SCHEDULES			
Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
<b>General Corporate Information and Financial Statements</b>			
General Information	101	12-78	✓
Company Profile	102-103	12-97	✓
Officers and Directors and Compensation	104-105	12-95	✓
Security Holders and Voting Powers	106-107	12-97	✓
Important Changes During the Year	108-109	12-97	✓
Reconciliation between PSC and Stockholders Report	110-113	12-97	✓
Comparative Balance Sheet	114-115	12-97	✓
Comparative Statement of Income for the Year	116-119	12-97	✓
Comparative Statement of Retained Earnings for the Year	120-121	12-97	✓
New York State Intrastate Revenue	121	12-97	✓
Statement of Cash Flows	122-123	12-97	✓
Notes to the Financial Statements	124-125	12-97	✓
<b>Balance Sheet Supporting Schedules (Assets and Other Debits)</b>			
Summary of Utility Plant and Accumulated Provision for Depreciation, Amortization, and Depletion	200-201	12-97	✓
Water Plant in Service	202-205	12-97	✓
Miscellaneous Plant Data	204-205	12-97	✓
Construction Work in Progress	206	12-97	✓
Construction Overheads	207	12-97	✓
General Description of Construction Overheads Procedures	208	12-97	✓
Accumulated Provision for Depreciation and Amortization of Water Plant	209	12-97	✓
Investments	210	12-97	✓
Non-Utility Property	211	12-97	✓
Special Funds and Deposits	212	12-97	✓
Notes and Accounts Receivable	213	12-97	✓
Receivables from Associated Companies	214	12-97	✓
Material & Supplies	215	12-97	✓
Prepayments	215	12-97	✓
Extraordinary Property Losses	216	12-97	✓
Miscellaneous Deferred Debits	216	12-97	✓
Accumulated Deferred Income Taxes	217	12-97	✓
<b>Balance Sheet Supporting Schedules (Liabilities Other Credits)</b>			
Capital Stock	250-251	12-97	✓
Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252	12-97	✓
Other Paid In Capital	253	12-97	✓
Capital Stock Expense	254	12-97	✓
Notes Payable	255	12-97	✓
Long-Term Debt	256-257	12-97	✓
Taxes Accrued, Prepaid and Charged During the Year	258-260	12-97	✓
Other Deferred Credits	261	12-97	✓
Accumulated Deferred Investment Tax Credits	262-263	12-97	✓
Accumulated Deferred Income Taxes	264-265	12-97	✓

LIST OF SCHEDULES			
Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
<b>Balance Sheet Supporting Schedules (Liabilities Other Credits) (Continued)</b>			
Excess/Deficient Deferred Federal Income Taxes	266	12-97	✓
Temporary Income Tax Differences	267	12-97	✓
<b>Income Account Supporting Schedules</b>			
Water Operating Revenues	300	12-97	✓
Sales of Water by Rate Schedule	301	12-97	✓
Sales of Water by Municipality	302-304	12-97	✓
Sales for Resale and Purchased Water	305	12-97	✓
Miscellaneous Service Revenues and Other Water Revenues	306	12-97	✓
Water Operation and Maintenance Expenses	307-309	12-97	✓
Number of Employees	309	12-97	✓
Fuel or Purchased Power for Pumping	310	12-97	✓
Depreciation and Amortization of Water Plant	311-312	12-97	✓
Miscellaneous General Expenses	313	12-97	✓
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	314	12-97	✓
Income from Merchandising, Jobbing and Contract Work	315	12-97	✓
Particulars Concerning Certain Other Income Accounts	316	12-97	✓
Gain and Loss on Disposition of Property	317	12-97	✓
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	318-320	12-97	✓
Extraordinary Items	321	12-97	✓
<b>General Section</b>			
Regulatory Commission Expenses	350-351	12-97	✓
Research, Development and Demonstration Activities	352-353	12-97	✓
Distribution of Salaries and Wages	354	12-97	✓
Charges of Outside Professional Services and Other Consultative Services	355-356	12-97	✓
Employee Protective Plans	357-358	12-97	✓
Analysis of Pension Costs	359-360	12-97	✓
Analysis of Pension Settlements, Curtailments and Terminations	361-362	12-97	✓
Analysis of OPEB Costs, Funding and Deferrals	363-366	12-97	✓
Miscellaneous Tax Refunds	367	12-97	✓
<b>Statistical Data</b>			
Water Production and Consumption	400	12-97	✓
Sources of Supply	401-402	12-97	✓
Pumping Station and Fire Service Statistics	403-404	12-97	✓
Water Treatment System/Treatment Process	405	12-97	✓
Distribution Reservoirs and Stand Pipes	406	12-97	✓
Mains	407-408	12-97	✓
Service Pipes	409	12-97	✓
Customer Meters	410	12-97	✓
Fire Hydrants	411	12-97	✓
<b>Verification</b>			
<b>Index</b>			

**GENERAL INFORMATION**

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Thomas Huber - Controller  
60 Brooklyn Avenue  
Merrick, New York 11566

2. Provide name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

New York  
February 28, 1888  
Water Works Act of June 12, 1873

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

None

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Residential, Commercial, Industrial and  
Municipal Water Supply and  
Public and Private Fire Protection

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) \_\_\_\_ Yes.....Enter the date when such independent accountant was initially engaged: \_\_\_\_

(2) ☒ No.



## COMPANY PROFILE

1. Brief company history and description of service territory.
2. Major short-term goals and objectives.
3. Major operating divisions and functions.
4. Current and projected customer growth patterns.
5. Provide an organizational chart that shows all parents and subsidiaries of the utility.
  - a. The chart must show the relationship between the utility and the affiliates.
  - b. For parents of the utility, provide the extent of control that the parent has over the utility.
  - c. For subsidiaries of the utility, provide the extent of control that the utility has over the subsidiary.

### **1 Company History**

Since Incorporation in 1888 the Company owned and operated a variety of water companies and districts throughout the State of New York. After World War II local communities commenced acquiring 18 of the 19 water distribution systems owned by the Company. The most recent was in 1974 when the City of New York acquired the Company's Woodhaven water district in Queens, New York. The Company continues to operate its sole remaining water distribution system in the southeasterly portion of Nassau County which it has owned since 1895. The service territory includes the unincorporated areas of Merrick, No. Merrick, Bellmore, No. Bellmore, Wantagh, Seaford, and a portion of Levittown in the Town of Hempstead and a portion of Massapequa in the Town of Oyster Bay.

### **2 Major Short Term Goals**

The Company intends to continue to maintain a consistent level of quality service and responsiveness to its customers and at the same time to control costs wherever possible in an effort to maximize efficiency and minimize future rate increases.

### **3 Major Operating Divisions and Functions**

**President** - Ensures that each department is operating efficiently and following guidelines set forth by senior management and by various agencies (NYS PSC, NYS DOH, etc.)

**Distribution** - Responsible for the operation and maintenance of field construction in distribution system.

**Operations** - Responsible for the operation and maintenance of all pumping stations.

**Customer Service/Safety** - Liaison with the Pennsylvania call center, maintains a pro-active safety program and is responsible for the operation of the Company's Cross Connection Control Program.

**Laboratory** - Ensures that all required water samples are taken, and water is in compliance with all health regulations, handles customer quality complaints, maintains New York State certified laboratory.

**Finance /Regulatory** - Responsible for maintaining the Company's books and records, plant records, operations and maintenance accounting, financial reporting, rate cases and regulatory compliance.

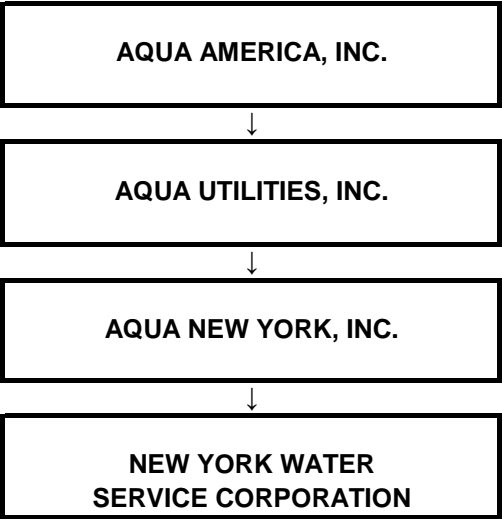
**Engineering** - Responsible for the preparation of maintenance and capital projects, updating files and drawings, and supervision of paving contractor and field work.

### **4 Current and Projected Customer Growth Patterns**

The Company's service area is located in a mature, developed area. The Company has grown from 43,466 general metered customers in 1986 to 45,014 in 2010. The increase of 1385 customers represents a growth of 3.2 % over the past twenty-three years. The Company does not expect this rate of growth will change in any significant amount in the future.

COMPANY PROFILE (Continued)

5 Organizational Chart



**OFFICERS AND DIRECTORS (Including Compensation)**

1. Furnish the indicated data with respect to each executive officer and director, whether or not they received any compensation from the respondent.
2. Executive officers include a company's president, secretary, treasurer and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
3. Indicate with an asterisk (\*) in column (a) those directors who were members of the executive committee, if any, and by a double asterisk (\*\*) the chairman, if any, of that committee, at the end of the year.

Line No.	Name of Person (a)	Title and Department Over Which Jurisdiction Is Exercised (b)	Term Expired or Current Term Will Expire (c)	Salary	
				Rate at Year End (d)	Paid During Year (e)
1	Nicholas DeBenedictis (1) & (2)	Chairman			
2	Christopher H Franklin (1) & (2)	CEO			
3	Roy H. Stahl (1) & (2)	VP and Secretary			
4	David P. Smeltzer (1) & (2)	VP Finance			
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**NOTES:**

- (1) These officers of the Company are included in the Aqua America, Inc. payroll of which a portion of such payroll is allocated to the Company as Management Fees.
- (2) Directors

**OFFICERS AND DIRECTORS (Including Compensation - Continued)**

4. If any person reported in this schedule received remuneration directly or indirectly other than salary shown in column (e) list the amounts in columns (f) through (k) with the footnotes necessary to explain the essentials of the plan, the basis of determining the ultimate benefits receivable and the payments or provisions made during the year to each person reported herein. If the word "none" correctly states the facts in regard to entries for columns (f) through (k), so state.
5. If any person reported hereunder received compensation from more than one affiliated company or was carried on the payroll of an affiliated company, details shall be given in a note.

Deferred Compensation (f)	Incentive Pay (Bonuses, etc.) (g)	Savings Plans (h)	Stock Options (i)	Life Insurance Premiums (j)	Other (Explain Below) (k)	Total (e thru k) (l)	Line No.
						\$0	1
						0	2
						0	3
						0	4
						0	5
						0	6
						0	7
						0	8
						0	9
						0	10
						0	11
						0	12
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						0	14
						0	15
						0	16
						0	17
						0	18
						0	19
						0	20
						0	21
						0	22
						0	23
						0	24
						0	25

NOTES:

**SECURITY HOLDERS AND VOTING POWERS**

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights,

explain in a footnote the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:

N/A

2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors of the respondent and number of such votes cast by proxy.

Total:

By proxy:

3. Give the date and place of such meeting:

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities				
5	TOTAL number of security holders	1	1		
6	TOTAL votes of security holders listed below				
7					
8	Aqua New York, Inc.				
9	60 Brooklyn Avenue				
10	Merrick, NY 11566				
11					
12					
13					
14					
15					
16					
17					
18					

**SECURITY HOLDERS AND VOTING POWERS (Continued)**

Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
19					
20					
21					
22					
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53					

**IMPORTANT CHANGES DURING THE YEAR**

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none", "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefor and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.

4. (Reserved)

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.

6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to State Commission authorization, as appropriate, and the amount of obligation or guarantee.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. (Reserved)

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instructions 1 to 11 above, such notes may be included on this page (Paper Copy Only).

1 None

2 None

3 None

4 N/A

5 None

6 None

7 None

8 None

9 The Company received a property tax refund of \$3.1m in December 2011 and has a petition on file with the NY PSC (Case 11-W-0695): the Company filed a petition with the PSC for amortization of FAS 88 settlement losses which is pending (Case 10-W-0263) and American Water filed a petition in July 2011 for the acquisition of Aqua New York (Case 11-W-0472).

10 None

11 N/A

12 None

**IMPORTANT CHANGES DURING THE YEAR (Continued)**



**RECONCILIATION BETWEEN PSC AND STOCKHOLDER'S ANNUAL REPORT**

Attach herein (following this page) the respondent's latest annual report to stockholders. If such a report is not prepared, but if audited annual financial statements on which a certified public accountant expresses an opinion are regularly prepared and distributed to bondholders, banking institutions or security analysts, submit that.

If the respondent's annual report to stockholders or audited annual financial statements are prepared on a calendar year basis, the major financial statements contained therein, i.e., Balance Sheet, Income and Retained Earnings Statement and Statement of Cash Flow, shall be reconciled with the corresponding PSC statements. The reconciliation shall contain an explanation of all differences in reporting.

If the respondent's annual report to stockholders or audited annual financial statements are prepared on a fiscal year basis, then a statement shall be included stating that, except as noted, the major financial statements are prepared on the same basis as in this annual report to the Commission and are in conformity with this Commission's applicable Uniform System of Accounts.

If reports to stockholders or audited annual financial statements are not prepared, so state below:

**An audited financial report for New York Water Service Corporation is being prepared for the calendar year ending December 31, 2011 on the same basis as in this annual report and is in conformity with this Commission's applicable uniform systems of accounts. The draft report for 2011 is subject to audit and includes certain top-side adjustments not reflected in 2011 results in this report.**

**Financial statements of New York Water Service Corporation are consolidated with the financial statements of Aqua America, Inc. since 2007, when acquired by Aqua.**

**RECONCILIATION BETWEEN PSC AND STOCKHOLDER'S  
ANNUAL REPORT (Continued)  
(\$000s)**

Line No.	Description	PSC USOA	Adjustments						Consolidations Eliminations	Footnote Ref	Stockholder's Report
1	<b>Balance Sheet</b>										
2	<u>Assets</u>										
3	Total Net Utility Plant										
4											
5											
6											
7	Other Property & Investments										
8											
9											
10											
11	Current Assets										
12											
13											
14											
15	Deferred Debits										
16											
17											
18											
19											
20	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
21	<u>Liabilities &amp; Capital</u>										
22	Proprietary Capital										
23											
24											
25											
26	Long Term Debt										
27											
28	Other Noncurrent Liabilities										
29											
30											
31	Current & Accrued Liabilities										
32											
33											
34	Deferred Credits										
35											
36											
37											
38											
39	Operating Reserves										
40											
41	Income Taxes										
42											
43	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0

NYPSC 347-97

**RECONCILIATION BETWEEN PSC AND STOCKHOLDER'S  
ANNUAL REPORT (Continued)  
(\$000s)**

Line No.	Description	PSC USOA	Adjustments						Consolidations Eliminations	Footnote Ref	Stockholder's Report
1	<b>Income Statement</b>										
2	<u>Operating Revenues</u>										
3											
4											
5											
6	<u>Operating Expenses</u>										
7											
8											
9											
10	<u>Other Income and Deductions</u>										
11											
12											
13											
14	<u>Interest Charges</u>										
15											
16											
17											
18	<u>Extraordinary Items</u>										
19											
20											
21											
22											
23											
24											
25	Net Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0

**FOOTNOTES**

**RECONCILIATION BETWEEN FERC, PSC AND STOCKHOLDER'S  
ANNUAL REPORT (Continued)  
(\$000s)**

Line No.	Description	PSC USOA	Adjustments						Consolidations Eliminations	Footnote Ref	Stockholder's Report
1	<b>Statement of Cash Flows</b>										
2	<u>Operating Activities</u>										
3											
4											
5											
6											
7											
8	<u>Investing Activities</u>										
9											
10											
11											
12											
13											
14	<u>Financing Activities</u>										
15											
16											
17											
18	Net increase (decrease) in cash										
19	and cash equivalents	0	0	0	0	0	0	0	0		0
20											
21											
22	Cash and cash equivalents,										
23	Beginning of Year										
24											
25	Cash and cash equivalents,										
26	End of Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0

**FOOTNOTES**

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beg. of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Water Plant (101-107, 114, 116, 117, 118.1, 118.2)	200-201	\$81,485,757	\$84,195,531
3	(Less) Accum. Prov. for Depr. Amort. Depl. (108-113, 115, 119.1, 119.2)	200-201	33,580,581	35,676,370
4	Net Utility Plant ( Total of line 2 less 3)	-	47,905,176	48,519,161
5	OTHER PROPERTY AND INVESTMENTS	-		
6	Nonutility Property (121)	211	4,686	4,686
7	(Less) Accum. Prov. for Depr. and Amort. (122)	-	4,686	4,686
8	Investments in Associated Companies (123)	210		
9	Investment in Subsidiary Companies (123.1)	-		
10	Other Investments (124)	210		
11	Sinking Funds (125)	212		
12	Depreciation Funds (126)	212		
13	Other Special Funds (128)	212		
14	TOTAL Other Property and Investments (Total of lines 6 thru 13)	-	0	0
15	CURRENT AND ACCRUED ASSETS	-		
16	Cash (131)	-	750	750
17	Interest Special Deposits (132)	212		
18	Dividend Special Deposits (133)	212		
19	Other Special Deposits (134)	212	0	0
20	Working Fund (135)	-		
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	213		
23	Customer Accounts Receivable (142)	213	2,798,701	2,067,885
24	Other Accounts Receivable (143)	213		
25	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	213	390,246	253,755
26	Notes Receivable from Associated Companies (145)	214		
27	Accounts Receivable from Assoc. Companies (146)	214	3,562,966	9,280,674
28	Materials and Supplies (150)	215	269,121	251,258
29	Prepayments (165)	215	39,615	51,601
30	Interest and Dividends Receivable (171)	-		
31	Rents Receivable (172)	-		
32	Accrued Utility Revenues (173)	-	2,364,299	2,329,252
33	Miscellaneous Current and Accrued Assets (174)	-	1,517,526	
34	TOTAL Current and Accrued Assets (Enter Total of lines 16 thru 33)	-	10,162,732	13,727,665
35	DEFERRED DEBITS	-		
36	Unamortized Debt Expense (181)	-	1,052,688	959,515
37	Extraordinary Property Losses (182)	216		
38	Preliminary Survey and Investigative Charges (183)	-		
39	Clearing Accounts (184)	-		
40	Temporary Facilities (185)	-		
41	Miscellaneous Deferred Debits (186)	216	36,016,227	35,473,225
42	Investment in Research and Development (188)	352-353		
43	Unamortized Loss on Reacquired Debt	-		
44	Accumulated Deferred Income Taxes (190)	217		
45	TOTAL Deferred Debits (Enter Total of lines 36 thru 44)	-	37,068,915	36,432,740
46	TOTAL Assets and Other Debits (Enter Total of lines 4, 14, 34, and 45)	-	\$95,136,823	\$98,679,566

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beg. of Year (c)	Balance at End of Year (d)
1	<b>PROPRIETARY CAPITAL</b>	-		
2	Common Stock Issued (201)	250-251	\$3,674,470	\$3,674,470
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252	2,012,224	2,012,224
7	Other Paid-in Capital (208-211)	253	67,515	121,509
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock	-		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215, 216)	120-121	30,054,123	32,354,808
12	(Less) Reacquired Capital Stock (217)	120-121		
13	TOTAL Proprietary Capital ( Total of lines 2 thru 12)	-	35,808,332	38,163,011
14	<b>LONG-TERM DEBT</b>	-		
15	Bonds (221)	256-257		
16	(Less) Reacquired Bonds (222)	256-257		
17	Advances from Associated Companies (223)	256-257		
18	Other Long-Term Debt (224)	256-257	23,223,560	23,298,080
19	Unamortized Premium on Long-Term Debt (225)	256-257		
20	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	256-257		
21	TOTAL Long-Term Debt ( Total of Lines 16 thru 20)	-	23,223,560	23,298,080
22	<b>OPERATING RESERVES</b>	-		
23	Obligations Under Capital Leases - Noncurrent	-		
24	Property Insurance Reserve (261)	-		
25	Injuries and Damages Reserve (262)	-		
26	Pensions and Benefits Reserve (263)	-		
27	Misc Operating Reserves (265)	-		
28	TOTAL Operating Reserves (Total lines 23 thru 27)	-	0	0
29	<b>CURRENT AND ACCRUED LIABILITIES</b>	-		
30	Notes Payable (231)	255		
31	Accounts Payable (232)	255	389,466	561,568
32	Notes Payable to Associated Companies (233)	255		
33	Accounts Payable to Associated Companies (234)	255		
34	Customer Deposits (235)	-		
35	Taxes Accrued (236)	258-260	0	272,360
36	Interest Accrued (237)	-	270,792	325,858
37	Dividends Declared (238)	-		
38	Matured Long-Term Debt (239)	-		
39	Matured Interest (240)	-		
40	Tax Collections Payable (241)	-		
41	Miscellaneous Current and Accrued Liabilities (242)	-	2,997,616	2,251,754
42	Obligations Under Capital Leases - Current	-		
43	TOTAL Current and Accrued Liabilities ( Total of lines 30 thru 42)	-	3,657,874	3,411,540
44	<b>DEFERRED CREDITS</b>	-		
45	Customer Advances for Construction (252)	-	13,272	12,996
46	Other Deferred Credits (253)	261	20,109,392	21,106,434
47	Accumulated Deferred Investment Tax Credits (255)	262-263		
48	Deferred Gains from Disposition of Utility Plant	-		
49	Unamortized Gain on Reacquired Debt	-		
50	Accumulated Deferred Income Taxes (281 - 283)	264-265	12,324,393	12,687,505
51	TOTAL Deferred Credits ( Total of lines 45 thru 50)	-	32,447,057	33,806,935
52	TOTAL Liabilities and Other Credits( Total of lines 13, 21, 28, 43 and 51)	-	\$95,136,823	\$98,679,566

(\$2,709,774) plant  
(\$2,095,789) deprec  
(\$613,985) net

\$0  
\$0

\$0  
\$0  
\$0  
\$0  
\$0  
\$0  
\$0  
\$0  
\$730,816 Cust AR  
\$0  
(\$136,491) allow  
\$0  
(\$5,717,708) Affiliates AR  
\$17,863 Inventory  
(\$11,986) prepay  
\$0  
\$0  
\$35,047 unbilled  
\$1,517,526 Misc  
(\$3,564,933)  
  
\$93,173 Unamort debt  
\$0  
\$0  
\$0  
\$0  
\$543,002 other def assets  
  
\$636,175 total  
  
(\$3,542,743)

\$0

\$0

\$53,994 other paid in

\$2,300,685 net income

\$2,354,679 total ce

\$74,520 ltd

\$74,520 tptal ltd

\$172,102 ap

\$0

\$0

\$0

\$272,360 taxes accr

\$55,066 interest accr

\$0

\$0

\$0

\$0

(\$745,862) other

(\$246,334) total cl

(\$276) advances

\$997,042 other def credits

\$363,112 def taxes

\$1,359,878 total

\$3,542,743



## STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i, k, m, o) in a similar manner to a utility department. Spread the amount(s) over lines 02 thru 23 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

3. Use page 124-125 for important notes regarding the statement of income or any account thereof.

4. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to water purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to water purchases.

5. Give concise explanations concerning significant amount of any refunds made or received during the year

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME	-		
2	Operating Revenues (400)	300	\$27,258,288	\$27,478,959
3	Operating Expenses	-		
4	Operation Expenses (401)	307-309	9,019,286	9,293,490
5	Maintenance Expenses (402)	307-309	1,476,697	1,576,844
6	Depreciation Expense (403)	311-312	2,204,227	2,063,630
7	Amort. Limited-term Water Plant (404)	311-312	0	0
8	Amort. of Other Water Plant (405)	311-312	0	0
9	Amort. of Water Plant Acquisition Adjustment (406)	-	0	0
10	Amort. of Property Losses (407)	-	0	0
11	Regulatory Debits	-	0	0
12	(Less) Regulatory Credits	-	0	0
13	Taxes Other Than Income Taxes (408.1)	258-260	8,165,489	8,175,200
14	Income Taxes -- Federal (409.1)	258-260	843,119	237,261
15	-- Other (409.1)	258-260	358,456	261,494
16	Provision for Deferred Income Taxes (410.1)	-	362,824	1,134,485
17	(Less) Provision for Deferred Income Taxes -Cr. (411.1)	-	0	0
18	Investment Tax Credit Adj. -- Net (411.4)	-	0	0
19	Misc. Adjustments of Income Taxes (411.8)	-	0	0
20	(Less) Gains from Disp. of Utility Plant	-	0	0
21	Losses from Disp. of Utility Plant	-	0	0
22	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 21)	-	22,430,098	22,742,404
23	Net Utility Operating Income (Enter Total of line 2 less 22) (Carry forward to page 118)	-	\$4,828,190	\$4,736,555

**STATEMENT OF INCOME FOR THE YEAR (Continued)**

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for water purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

6. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on page 124-125.

7. Enter on page 124-125 a concise explanation of only those changes in accounting methods made during the year

which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

8. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

Water Utility		Other Utility		Other Utility		Line No.
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
(e)	(f)	(g)	(h)	(i)	(j)	
						1
\$27,258,288	\$27,478,959					2
						3
9,019,286	9,293,490					4
1,476,697	1,576,844					5
2,204,227	2,063,630					6
						7
						8
						9
						10
						11
						12
8,165,489	8,175,200					13
843,119	237,261					14
358,456	261,494					15
362,824	1,134,485					16
						17
						18
						19
						20
						21
22,430,098	22,742,404	0	0	0	0	22
\$4,828,190	\$4,736,555	\$0	\$0	\$0	\$0	23

## STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a) <input type="checkbox"/>	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
24	Net Utility Operating Income (Carried forward from page 116)	-	\$4,828,190	\$4,736,555
25	Other Income and Deductions	-		
26	Other Income	-		
27	Nonutility Operating Income	-		
28	Revenues From Merchandising, Jobbing and Contract Work (415)	315	(18,923)	(26,720)
29	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)	315		
30	Revenues From Nonutility Operations (417)	316		
31	(Less) Expenses of Nonutility Operations (417.1)	316		
32	Nonoperating Rental Income (418)	-		
33	Equity in Earnings of Subsidiary Companies	-		
34	Interest and Dividend Income (419)	-		
35	Allowance for Other Funds Used During Construction (419.1)	207	16,622	27,560
36	Miscellaneous Nonoperating Income (421)	316		
37	Gain in Disposition of Property (421.1)	317	13,931	50
38	TOTAL Other Income (Enter Total of lines 28 thru 37)	-	11,630	890
39	Other Income Deductions	-		
40	Loss on Disposition of Property (421.2)	317		
41	Miscellaneous Amortization (425)	318-320	1,096,588	1,023,146
42	Miscellaneous Income Deductions (426)	318-320		
43	TOTAL Other Income Deductions (Total of lines 40 thru 42)	-	1,096,588	1,023,146
44	Taxes Applic. to Other Income and Deductions	-		
45	Taxes Other Than Income Taxes (408.2)	258-260		
46	Income Taxes -- Federal (409.2)	258-260		
47	Income Taxes -- Other (409.2)	258-260		
48	Provision for Deferred Inc. Taxes (410.2)	-		
49	(Less) Provision for Deferred Income Taxes -- Cr. (411.2)	-		
50	Investment Tax Credit Adj. -- Net (411.5)	-		
51	(Less) Investment Tax Credits (420)	-		
52	TOTAL Taxes on Other Income and Deduct. (Total of 45 thru 51)	-	0	0
53	Net Other Income and Deductions (Enter Total of lines 38, 43, 52)	-	(1,084,958)	(1,022,256)
54	Interest Charges	-		
55	Interest on Long-Term Debt (427)	256-257	1,300,020	1,300,020
56	Amort. of Debt Disc. and Expense (428)	256-257	93,173	93,173
57	Amortization of Loss on Reacquired Debt	-		
58	(Less) Amort. of Premium on Debt-Credit (429)	256-257		
59	(Less) Amortization of Gain on Reacquired Debt-Credit	-		
60	Interest on Debt to Assoc. Companies (430)	318-320		
61	Other Interest Expense (431)	318-320	49,354	(11,553)
62	(Less) Allowance for Borrowed Funds Used During Construction-Cr.	-		
63	Net Interest Charges (Enter Total of lines 55 thru 62)	-	1,442,547	1,381,640
64	Income Before Extraordinary Items (Total of lines 24, 53 and 63)	-	2,300,685	2,332,659
65	Extraordinary Items	-		
66	Extraordinary Income (434)	321		
67	(Less) Extraordinary Deductions (435)	321		
68	Net Extraordinary Items (Enter Total of line 66 less line 67)	-	0	0
69	Income Taxes -- Federal and Other (409.3)	-		
70	Extraordinary Items After Taxes (Enter Total of line 68 less line 69)	-	0	0
71	Net Income (Enter Total of lines 64 and 70)	-	\$2,300,685	\$2,332,659

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## STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.

2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b).

3. State the purpose and amount of each reservation or appropriation of retained earnings.

4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.

5. Show dividends for each class and series of capital stock.

6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.

7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.

8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 124-125.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance -- Beginning of Year		\$30,054,123
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Acct. 439) (Total of lines 4 thru 8)		0
10	Debit:		
11	Debit:		
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Acct. 439) (Total of lines 10 thru 14)		0
16	Balance Transferred from Income (Account 433 less Account 418.1)		2,300,685
17	Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21			
22	TOTAL Appropriations to Retained Earnings (Acct. 436) (Total of lines 18 thru 21)		0
23	Dividends Declared -- Preferred Stock (Account 437)		
24			
25			
26			
27			
28			
29	TOTAL Dividends Declared -- Preferred Stock (Acct. 437) (Total of lines 24 thru 28)		0
30	Dividends Declared -- Common Stock (Account 438)		
31			0
32			
33			
34			
35			
36	TOTAL Dividends Declared -- Common Stock (Acct. 438) (Total of lines 31 thru 35)		0
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
38	Balance -- End of year (Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		32,354,808

STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)			
Line No.	Item (a)	Amount (b)	
	<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b> State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.		
39			
40			
41			
42			
43			
44			
45	TOTAL Appropriated Retained Earnings (Account 215)	0	
<b>New York State Intrastate Revenues</b>			
Show the amount of gross operating revenues derived from New York intrastate utility operations during the year. If these amounts differ from the corresponding revenue figures in the income statement , each such difference should be explained in sufficient detail to identify the amounts by detail revenue account. It is intended that the amounts shown here shall represent the revenues subject to assessment under Section 18a of the Public Service Law.			
Line No.	Description of Account (a)	Revenues Intrastate (b)	Interstate (c)
1	Metered Sales to General Customers	\$24,769,730	
2	Private Fire Protection Service	156,329	
3	Public Fire Protection Service	1,722,063	
4	Misc. Service Revenues	598,166	
5	Other Water Revenues	12,000	
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17	TOTAL	\$27,258,288	\$0

**STATEMENT OF CASH FLOWS**

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be included on pages 124-125. Information about noncash investing and financing activities should be provided on pages 124-125. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.

2. Under "Other" specify significant amounts and group others.

3. Operating Activities -- Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 124-125 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See Instructions for Explanations of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities:	
2	Net Income	\$2,300,685
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	2,204,227
5	Amortization of (Specify) Tanks, Rate Case Expense, Pension/OPEB	1,096,587
6	Bad Debt Expense	(16,227)
7		
8	Deferred Income Taxes (Net)	363,112
9	Investment Tax Credit Adjustment (Net)	0
10	Net (Increase) Decrease in Receivables	730,816
11	Net (Increase) Decrease in Inventory	17,863
12	Net Increase (Decrease) in Payables and Accrued Expenses	499,528
13	Net (Increase) Decrease in Other Regulatory Assets	
14	Net Increase (Decrease) in Other Regulatory Liabilities	
15	(Less) Allowance for Other Funds Used During Construction	16,622
16	(Less) Undistributed Earnings from Subsidiary Companies	
17	Other: Details see page 124	(4,615,055)
18		
19		
20		
21	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 20)	2,564,914
22		
23	Cash Flows from Investment Activities:	
24	Construction and Acquisition of Plant (including Land):	
25	Gross Additions to Utility Plant	
26	Gross Additions to Common Utility Plant	(2,709,774)
27	Gross Additions to Nonutility Plant	
28	(Less) Allowance for Other Funds Used During Construction	16,622
29	Other: Customer Advances for Construction	(276)
30		
31		
32	Cash Outflows for Plant (Total of lines 24 thru 31)	(2,693,428)
33		
34	Acquisition of Other Noncurrent Assets (d) see page 124	
35	Proceeds from Disposal of Noncurrent Assets (d)	
36		
37	Investments in and Advances to Assoc. and Subsidiary Companies	
38	Contributions and Advances from Assoc. and Subsidiary Companies	
39	Disposition and Investments in (and Advances to)	
40	Associated and Subsidiary Companies	
41		
42	Purchase of Investment Securities (a)	
43	Proceeds from Sales of Investment Securities (a)	

**STATEMENT OF CASH FLOWS (Continued)****4. Investing Activities**

Include at Other (line 29) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on pages 124-125.

**5. Codes used:**

- (a) Net proceeds or payments.
- (b) Bonds, debentures and other long-term debt.
- (c) Include commercial paper.
- (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on pages 124-125 clarifications and explanations.

Line No.	Description (See Instruction No. 5 for Explanations of Codes) (a)	Amounts (b)
44	Loans Made or Purchased	
45	Collections on Loans	
46		
47	Net (Increase) Decrease in Receivables	
48	Net (Increase) Decrease in Inventory	
49	Net Increase (Decrease) in Payables and Accrued Expenses	
50	Other:	
51		
52		
53	Net Cash Provided by (Used in) Investing Activities	
54	(Total of lines 32 thru 52)	(2,693,428)
55		
56	Cash Flows from Financing Activities:	
57	Proceeds from Issuance of:	
58	Long-Term Debt (b)	
59	Preferred Stock	
60	Common Stock	
61	Other: Amort FMV-LTD	74,520
62		
63	Net Increase in Short-Term Debt (c)	
64	Other: Paid in Capital	53,994
65		
66		
67	Cash Provided by Outside Sources (Total of lines 58 thru 66)	128,514
68		
69	Payments for Retirement of:	
70	Long-term Debt (b)	
71	Preferred Stock	
72	Common Stock	
73	Other:	
74		
75	Net Decrease in Short-Term Debt (c)	
76		
77	Dividends on Preferred Stock	
78	Dividends on Common Stock	0
79	Net Cash Provided by (Used in) Financing Activities	
80	(Total of lines 67 thru 78)	128,514
81		
82	Net Increase (Decrease) in Cash and Cash Equivalents	
83	(Total of lines 21, 54 and 80)	0
84		
85	Cash and Cash Equivalents at Beginning of Year	750
86		
87	Cash and Cash Equivalents at End of Year	\$750



**NOTES TO FINANCIAL STATEMENTS**

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and

plan of disposition contemplated, giving reference to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

5. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 108-109, such notes may be included herein.

Interest Paid:

Long Term Debt-A/C-427

\$ 1,300,020

Income Taxes Paid.

\$ 313,000

Details of Other - Page 122, line 17

Prepayments	(11,986)
Deferred Debt Expense	93,173
Pension/OPEB, liabilities	997,042
Accrued Revenue	35,047
Accounts Receivable from Associated Companies	(5,717,708)
Other	(10,623)
Total	<u>\$ (4,615,055)</u>

**NOTES TO FINANCIAL STATEMENTS (Continued)**

- 1a. Water Plant is stated at its "arms length" cost to the Corporation which is estimated to be \$139,865 in excess of its "original cost" on which the accumulated reserve and current provision for depreciation are based. In 1982, amortization of the net acquisition (\$87,849) was started at \$4,392 per year for twenty years. The amortization is being charged to a/c-425-Miscellaneous Amortization - Water Plant Acquisitions. At the end of 2008, the Water Plant Account is shown as follows:

114 Water Plant Acquisitions	\$139,865
114A Accumulated Depreciation	(139,865)
Water Plant	<u>\$0</u>

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)	Water (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified) (101)	\$83,549,909	\$83,549,909
4	Property Under Capital Leases		
5	Plant Purchased or Sold (102)	0	
6	Plant in Process of Reclassification (103)	0	
7	Completed Construction not Classified (106)	0	
8	TOTAL (Enter Total of lines 3 thru 7)	83,549,909	83,549,909
9	Leased to Others (104)	0	
10	Held for Future Use (105)	0	
11	Construction Work in Progress (107)	645,622	645,622
12	Plant Acquisition Adjustments (114)	0	
13	Other Plant Adjustments (116)	0	
14	Accumulated Gains and Losses from Disposition of Utility Land and Land Rights (117)	0	
15	TOTAL Utility Plant (Enter Total of lines 8 thru 14)	84,195,531	84,195,531
16	Less: Accum. Prov. for Depr. and Amort.	35,676,370	35,676,370
17	Net Utility Plant (Enter Total of line 13 less 14)	\$48,519,161	\$48,519,161
18	DETAIL OF ACCUMULATED PROVISIONS FOR		
19	DEPRECIATION & AMORTIZATION		
20	In Service		
21	Depreciation (108, 119.1, 119.2)	\$35,676,370	\$35,676,370
22	Amortization (111, 119.1, 119.2)	0	
23	TOTAL In Service (Enter Total of lines 21 thru 22)	35,676,370	35,676,370
24	Leased to Others		
25	Depreciation (109, 119.1, 119.2)	0	
26	Amortization (112, 119.1, 119.2)	0	
27	TOTAL Leased to Others (Enter Total of lines 25 and 26)	0	0
28	Held for Future Use		
29	Depreciation (110, 119.1, 119.2)	0	
30	Amortization (113, 119.1, 119.2)	0	
31	TOTAL Held for Future Use (Enter Total of lines 29 and 30)	0	0
32	Amort. of Plant Acquisition Adj.	0	
33	TOTAL Accumulated Provisions (Should agree with line 16 above)	\$35,676,370	\$35,676,370
34	(Enter Total of lines 23, 27, 31 and 32)		

**SUMMARY OF UTILITY PLANT ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Other (Specify) _____ (d)	Other (Specify) _____ (e)	Other (Specify) _____ (f)	Other (Specify) _____ (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
0	0	0	0	0	8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	15
0	0	0	0	0	16
\$0	\$0	\$0	\$0	\$0	17
					18
					19
					20
					21
					22
0	0	0	0	0	23
					24
					25
					26
0	0	0	0	0	27
					28
					29
					30
0	0	0	0	0	31
					32
\$0	\$0	\$0	\$0	\$0	33
					34

**WATER PLANT IN SERVICE (Accounts 101, 102, and 106)**

1. Report below the original cost of water plant in service according to the prescribed accounts.
2. In addition to Account 101, Water Plant in Service (Classified), this page and the next include Account 102, Water Plant Purchased or Sold; and Account 106, Completed Construction Not Classified.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c).

Line No.	Account (a)	Balance at Beginning of Year (b)	Addition (c)
1	<b>1. INTANGIBLE PLANT</b>		
2	(301) Organization	\$29,109	
3	(302) Franchises and Consents	2,043	
4	(303) Miscellaneous Intangible Plant	0	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	31,152	0
6	<b>2. SOURCE OF SUPPLY PLANT</b>		
7	(310) Land and Land Rights	74,783	
8	(311) Structures and Improvements	0	
9	(312) Collecting and Impounding Reservoirs	0	
10	(313) Lake, River and Other Intakes	0	
11	(314) Wells and Springs	2,898,465	1,613,243
12	(315) Infiltration Galleries & Tunnels	0	
13	(316) Supply Mains	7,444	
14	(317) Other Water Source Plant	0	
15	TOTAL Source of Supply Plant (Enter Total of lines 7 thru 14)	2,980,692	1,613,243
16	<b>3. PUMPING PLANT</b>		
17	(320) Land and Land Rights	0	
18	(321) Structures and Improvements	3,495,427	
19	(322) Boiler Plant Equipment	0	
20	(323) Other Power Production Equipment	15,108	
21	(324) Steam Pumping Equipment	0	
22	(325) Electric Pumping Equipment	10,018,902	86,811
23	(326) Diesel Pumping Equipment	667,759	
24	(327) Hydraulic Pumping Equipment	0	
25	(328) Other Power Pumping Equipment	364,070	
26	TOTAL Pumping Equipment (Total of lines 17 thru 25)	14,561,266	86,811
27	<b>4. WATER TREATMENT PLANT</b>		
28	(330) Land and Land Rights	0	
29	(331) Structures and Improvements	1,389,047	115,497
30	(332) Water Treatment Equipment	9,090,285	51,898
31	TOTAL Water Treatment Plant (Enter Total of lines 28 thru 30)	10,479,332	167,395
32	<b>5. TRANSMISSION &amp; DISTRIBUTION PLANT</b>		
33	(340) Land and Land Rights	102,486	
34	(341) Structures and Improvements	0	
35	(342) Distribution Reservoirs & Standpipes	2,005,710	
36	(343) Transmission & Distribution Mains	21,136,478	560,257
37	(344) Fire Mains	0	
39	(345) Services	12,273,765	313,184
40	(346) Meters	8,050,892	185,047
41	(348) Hydrants	3,142,349	59,839
42	(349) Other Transmission & Distribution Plant	0	
43	Total Transmission & Distribution Plant (sum lines 33 thru 42)	\$46,711,680	\$1,118,327

**WATER PLANT IN SERVICE (Accounts 101, 102, and 106)**

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also the date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			\$29,109	(301)	2
			2,043	(302)	3
			0	(303)	4
0	0	0	31,152		5
					6
			74,783	(310)	7
			0	(311)	8
			0	(312)	9
			0	(313)	10
			4,511,708	(314)	11
			0	(315)	12
			7,444	(316)	13
			0	(317)	14
0	0	0	4,593,935		15
					16
			0	(320)	17
			3,495,427	(321)	18
			0	(322)	19
			15,108	(323)	20
			0	(324)	21
			10,105,713	(325)	22
			667,759	(326)	23
			0	(327)	24
			364,070	(328)	25
0	0	0	14,648,077		26
					27
			0	(330)	28
			1,504,544	(331)	29
533			9,141,650	(332)	30
	0	0	10,646,194		31
					32
			102,486	(340)	33
			0	(341)	34
			2,005,710	(342)	35
16			21,696,719	(343)	36
			0	(344)	37
			12,586,949	(345)	39
			8,235,939	(346)	40
20,113			3,182,075	(348)	41
			0	(349)	42
\$20,129	\$0	\$0	\$47,809,878		43

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<b>WATER PLANT IN SERVICE (Accounts 101, 102, and 106) (Continued)</b>			
	Account (a)	Balance at Beginning of Year (b)	Additions (c)
44	<b>6. GENERAL PLANT</b>		
45	(389) Land and Land Rights	52,897	
46	(390) Structures & Improvements	1,550,313	65,871
47	(391) Office Furniture & Equipment	2,072,990	535,355
48	(392) Transportation Equipment	419,280	58,561
49	(393) Stores Equipment	0	
50	(394) Tools Shop & Garage Equipment	119,538	14,760
51	(395) Laboratory Equipment	83,563	
52	(396) Power Operated Equipment	388,332	
53	(397) Communications Equipment	109,796	
54	(398) Misc Equipment	435,451	2,020
55	(399) Other Tangible Property		
56	Total General Plant (sum lines 45 thru 55)	5,232,160	676,567
57	(101) Total Plant Accounts (101)	79,996,282	3,662,343
58	(102) Water Plant Purchased or Sold		
59	Total Water Plant in Service	79,996,282	3,662,343
<b>MISCELLANEOUS PLANT DATA</b>			
<p>Furnish a summary statement for each of the accounts listed here if a balance was carried over at any time during the year. There should be a brief description and amounts, of transactions earned through each such account and, except to the extent that the information is shown elsewhere in this report, opening and closing balances. If any of the property involved has an income producing status during the year, the gross income and applicable expenses (suitably subdivided) should be reported.</p>			
103	Water Plant in Process of Reclassification	109	Accumulated Provision for Depreciation of Plant Leased to Others
104	Plant Leased to Others		
105	Plant Held for Future Use	110	Accumulated Provision for Depreciation of Plant Held for Future Use
114	Plant Acquisition Adjustments	112	Accumulated Provision for Amortization of Plant Leased to Others
116	Other Water Plant Adjustments		
117	Accumulated Gains and Losses from Disposition of Utility Plant and Land Rights	113	Accumulated Provision for Amortization of Plant Held for Future Use
		115	Accumulated Provision for Amortization of Plant Acquisition Adjustments
118.2	Other Utility Plant	119.2	Accumulated Provision for Depreciation and Amortization of Other Utility Plant

**MISCELLANEOUS PLANT DATA (Continued)**



**CONSTRUCTION WORK IN PROGRESS (Account 107)**

1. For each department and common plant in service, report below descriptions and balances at the end of year for each projects in process, of construction.
2. Minor projects may be grouped.

Line No.	Description of Each Project (a)	Construction Work in Progress (Account 107) (b)
1	Wells	\$310,530
2	Treatment Plant Upgrades	\$10,455
3	Mains	143,178
4	Services	13,359
5	Hydrants	451
6	Furniture & Equipment	103,236
7	Misc Structures	9,532
8	Meters	54,881
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
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28		
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31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	TOTAL	\$645,622

**CONSTRUCTION OVERHEADS**

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.
2. On page 208 furnish information concerning construction overheads.
3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page 208, the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.
4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)
1	Allowance for Funds Used During Construction	\$16,622
2	Employee Benefits & Payroll Taxes	265,842
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
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21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42	TOTAL	\$282,464

**GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE**

1. For each construction overhead explain: (a) the nature and extent of work, etc. the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rate(s) used by the company during the reporting year.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

**Description of Each Construction Overhead****1 Allowance For Funds During Construction -**

A percentage of .004975 % per month is applied to the balance of major construction work in progress for each month based on the rate of return established by the P.S.C.

**2 Employee Benefits -**

Includes medical, pension, vacation, holiday & sick pay and workman's compensation.

A percentage of 55.5% is applied to Company labor costs to cover the approximate costs of employee benefits chargeable to capital projects.

**3 Taxes -**

A percentage of 8.25% is applied to Company labor costs to cover the approximate cost of payroll taxes chargeable to capital projects. Included in 52.42% for benefits.

**COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES****1. Components of Formula**

Line No.	Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
1	Average Short-Term Debt			
2	Short-Term Interest			
3	Long-Term Debt	23,460,000	46.24%	5.55%
4	Preferred Stock		0.00%	
5	Common Equity	27,272,272	53.76%	10.50%
6	Total Capitalization	50,732,272	100.00%	
7	Average Construction Work in Progress Balance	1,067,000		

**2. Gross Rate for Borrowed Funds**

=> 2.94% per rate case (09-W-0237)

**3. Rate for Other Funds**

=> 4.91% per rate case (09-W-0237)

**4. Weighted Average Rate Actually Used for the Year:**

7.85% per rate case (09-W-0237)

a. Rate for Borrowed Funds -

=> 2.94%

b. Rate for Other Funds -

=> 4.91%

**ACCUMULATED PROVISION FOR DEPR. AND AMORT. OF WATER PLANT (A/C 108 and 111)**

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for water plant in service, pages 202-205, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d) (b)	Water Plant (A/C 108) (c)	Water Plant (A/C 111) (d)
1	Balance Beginning of Year	33,580,581	\$33,580,581	
2	Depreciation Provisions for Year, Charged to			
3	(403) Depreciation Expense	2,204,227	2,204,227	
4	(413) Exp. of Plt. Leas. to Others	0		
5	Transportation Expenses-Clearing	0		
6	Other Clearing Accounts	0		
7	Other Accounts (Specify):	0		
8		0		
9	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	2,204,227	2,204,227	0
10	Net Charges for Plant Retired:			
11	Book Cost of Plant Retired	(108,438)	(108,438)	
12	Cost of Removal	0		
13	Salvage (Credit)	0		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(108,438)	(108,438)	0
15	Other Dr. or Cr. Items (Describe):	0		
16	Asset Transfer	0		
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	\$35,676,370	\$35,676,370	\$0

**Section B. Balances at End of Year According to Functional Classifications**

18	Source of Supply	\$1,952,001	\$1,952,001	
19	Pumping	11,088,629	11,088,629	
20	Water Treatment	4,368,439	4,368,439	
21	Transmission and Distribution	15,683,793	15,683,793	
22	General	2,583,508	2,583,508	
23	TOTAL (Enter Total of lines 18 thru 22)	\$35,676,370	\$35,676,370	\$0

**Investments (Account 123 and 124)**

1. Report below investments greater than or equal to \$100,000 in Accounts 123, Investment in Associated Companies and 124, Other Investments.
2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.
3. Investment in Securities - List and describe each security owned, giving name of issuer. For bonds give also principal amount, date of issue, maturity, and interest rate. For capital stock state number of shares, class and series of stock. Minor investments may be grouped by classes.
4. Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are subject to repayment but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders or employees.
5. For any securities, notes, or accounts that were pledged, designate such securities, notes or accounts and in a footnote state the name of the pledgee and purpose of the pledge.
6. If commission approval was required for any advance made or security acquired, designate such fact and in a footnote give date of authorization and case number.
7. Interest and dividend revenues from investments should be reported in column (g), including such revenues from securities disposed of during the year.
8. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment ( or the other amount at which carried in the books of account if different from cost) and the selling price therefor, not including any dividend or interest adjustment includible in column (g).

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Book Cost Beginning Of Year (d)	Principal Amount or No. Of Shares End of Year (e)	Book Costs * End Of Year (f)	Revenues For Year (g)	Gain or Loss From Investment Disposed of (h)
1								
2								
3								
4								
5								
6								
7								
8	Totals (Account 123)			\$0		\$0	\$0	\$0
9								
10								
11								
12								
13								
14								
15								
16	Totals (Account 124)			\$0		\$0	\$0	\$0

\* If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.

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**NONUTILITY PROPERTY (Account 121)**

1. Give a brief description and state the location of nonutility property included in Account 121.
2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
5. Minor items may be grouped.

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	Non-Utility Property	\$4,686		\$4,686
2				0
3				0
4				0
5				0
6				0
7				0
8				0
9				0
10				0
11				0
12				0
13				0
14				0
15				0
16				0
17				0
18				0
19				0
20				0
21				0
22				0
23				0
24				0
25				0
26				0
27				0
28				0
29				0
30				0
31				0
32				0
33				0
34				0
35				0
36				0
37				0
38				0
39				0
40				0
41				0
42	Minor Items-Other Nonutility Property			0
43	TOTAL	\$4,686	\$0	\$4,686

**SPECIAL FUNDS (Accounts 125, 126, 128)**  
**(Sinking Funds, Depreciation Fund, Other Special Funds)**

1. For each fund at the end of the year, report the balance below.  
Aggregate all other funds. Indicate nature of any fund included in Account 128, Other Special Funds.
2. Explain, for each fund, any deductions other than withdrawals for the purpose for which the fund was created.
3. If the trustee of any fund is an associated company, give name of such associated company.
4. If assets other than cash comprise any fund, furnish a list of the securities or other assets, giving interest or dividend rate of each, cost to respondent, number of shares or principal amount, and book cost at end of year.

Line No.	Name of Fund and trustee if any (a)	Balance End of Year (b)
1		
2		
3		
4		
5		
6	Total (Account 125)	\$0
7		
8		
9		
10		
11		
12		
13	Total (Account 126)	\$0
14		
15		
16		
17		
18		
19		
20	Total (Account 128)	\$0

**SPECIAL DEPOSITS (Accounts 132, 133, 134)**

1. For each fund at the end of the year, report the balance below.  
Aggregate all other funds.
2. If any deposit consists of assets other than cash, give a brief description of such assets.
3. If any deposit is held by an associated company, give name of company.

Line No.	Description and purpose of deposit (a)	Balance End of Year (b)
21	Interest Special Deposits (Account 132)	
22	Dividend Special Deposits (Account 133)	
23	Other Special Deposits (Account 134):	
24	(Specify purpose of each other special deposit)	
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37	Total (Account 134)	\$0

**NOTES AND ACCOUNTS RECEIVABLE (Accounts 141, 142, 143)**

Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).  
 Note any capital stock subscriptions received included in Account 143, Other Accounts Receivable.

LINE NO.		Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)		
2	Customer Accounts Receivable (Account 142):		
3	General Customers	2,798,701	2,067,885
4	Other Water Companies		
5	Public Authorities		
6	Merchandising, Jobbing and Contract Work		
7	Other		
8	Other Accounts Receivable (Account 143)		
9	Total (Accounts 142 and 143)	2,798,701	2,067,885
10	Less: Accumulated Provision for Uncollectible Accounts - Cr. (Account 144)	390,246	253,755
11	Total, Less Accumulated Provision for Uncollectible Accounts	\$2,408,455	\$1,814,130
12			
13			
14			
15			

**ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (Account 144)**

1. Report below the information called for concerning this accumulated provision.
2. Explain any important adjustments of subaccounts.
3. Entries with respect to officers and employees shall not include items for utility services.

LINE NO.	Item (a)	Utility Customers (b)	Merchandising, Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
16	Balance Beginning of Year	\$390,246				\$390,246
17	Prov. for Uncollectibles for Year	(16,227)				(16,227)
18	Accounts Written Off and Other adj.	107,230				107,230
19	Collection of Accounts Written Off	(13,034)				(13,034)
20	Adjustments (Explain)					0
21						0
22	Balance End of Year	\$253,755	\$0	\$0	\$0	\$253,755

4. Summarize the collection and write-off practices applied to overdue customers' accounts.

Active Customers  
Collection

Day 1 Bill is produced

Day 30 Disconnect letter is sent to customer with an open balance providing an additional 18 days for payment arrangements.

Day 48 Red disconnect notice is left at the premises providing at least 72 hours to contact the Company prior to actual shut-off.



(continuation of 213)

Discontinued Customers  
COLLECTION

Final Bill Day	1	Account Finaled
Day	28	Attorney Final Bill Reminder Letter sent informing customer the account will be forwarded to a collection agency.
Day	46	Refer to collection agency.
Day	135	Account written off if uncollected either by Company or agency.

If the Company or agency collects any amounts written off,  
the provision for uncollectibles is credited for that amount.  
The Company charges customers a penalty of 1.5% for payment  
of bills 20 days past the due date.

**RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)**

1. Report particulars of notes and accounts receivable from associated companies at end of year.
2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.
3. For notes receivable list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.
4. If any note was received in satisfaction of an open account, state the period covered by such open account.
5. Include in column (f) interest recorded as income during the year, including interest on accounts and notes held any time during the year.
6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

Line No.	Particulars (a)	Balance Beginning of Year (b)			Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1					\$0	
2	None				0	
3					0	
4					0	
5					0	
6					0	
7					0	
8					0	
9					0	
10					0	
11					0	
12					0	
13					0	
14	Totals (Account 145)	\$0	\$0	\$0	\$0	\$0
15					\$0	
16	Intercompany balance with parent co				0	
17	Aqua America, Inc	3,562,966	33,808,828	28,091,120	9,280,674	
18					0	
19					0	
20					0	
21					0	
22					0	
23					0	
24					0	
25					0	
26					0	
27					0	
28					0	
29					0	
30					0	
31					0	
32					0	
33					0	
34					0	
35					0	
36					0	
37					0	
38					0	
39					0	
40					0	
41					0	
42					0	
43					0	
44					0	
45					0	
46					0	
47					0	
48	Totals (Account 146)	\$3,562,966	\$33,808,828	\$28,091,120	\$9,280,674	\$0

**MATERIALS AND SUPPLIES (Account 150)**

1. For Account 150, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.

2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected - debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 150.151)			
2	Fuel Stock Expenses Undistributed (Account 150.152)			
3	Residuals and Extracted Products			
4	Plant Materials and Operating Supplies (Account 150.154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	80,736	75,377	Const. & Dist.
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	188,385	175,881	Const. & Dist.
10	Assigned to - Other			
11	TOTAL Account 150.154 (Enter Total of lines 5 thru 10)	\$269,121	\$251,258	
12	Merchandise (Account 150.155)			
13	Other Material and Supplies (Account 150.156)			
14				
14	Stores Expense Undistributed (Account 150.163)			
15				
16				
17				
18				
19	TOTAL Materials and Supplies (per Balance Sheet)	\$269,121	\$251,258	

**PREPAYMENTS (ACCOUNT 165)**

1. Give below the particulars called for concerning each prepayment.

2. Minor items may be grouped by classes, showing number of such items.

Line No.	Nature of Prepayment (a)	End of Year Balance (b)
1	Prepaid insurance	
2	Prepaid rents	
3	Prepaid taxes	
4	Prepaid interest	
5	Miscellaneous prepayments: (specify:)	
6	Maintenance, Dues, etc	51,601
7		
8		
9		
10		
11		
12		
13		
14	TOTAL Prepayments (per Balance Sheet)	\$51,601

**EXTRAORDINARY PROPERTY LOSSES (Account 182)**

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING THE YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6	None					
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17	TOTAL	\$0	\$0		\$0	\$0

**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

Line No.	Description of Miscellaneous Deferred Debit [Include in the description of costs, the date of Commission authorization to use Account 186, and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING THE YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
18	Deferred Pension/OPEB Internal Reserves	\$5,920,831	\$2,695,021	186351	\$390,495	8,225,357
19						
20	Deferred Tank Expense- 10yrs.	5,201		186301	5,201	0
21						
22	Deferred Exp. SFAS106/OPEB	208,803		186320	18,424	190,379
23						
24	Deferred Tank Expense- 10yrs.	34,160		186302	14,640	19,520
25						
26	Deferred Tank Expense- 10yrs.	271,886		186301	58,788	213,098
27						
28	Deferred Tax Asset-Fas-109	163,900		186330		163,900
29						
30	Regulatory Asset- N.Y.S. TEMP.TAX	119,793	478,166	186396	477,518	120,441
31						
32	Regulatory Asset- OPEB/Pension- FAS-158	15,868,473	44,359	186375	1,881,111	14,031,721
33						
34	Regulatory Asset- Pension	1,175,342	208,198	186370	274,992	1,108,548
	Regulatory Assets - PTR	734,366		186399	746,047	(11,681)
35						
36	Other Deferred- Misc.	522,041		186200	53,194	468,847
37						
38	Goodwill	10,890,739		116000		10,890,739
39						
40	RWIP-Equip.					
41						
42	Deferred Rate Case	100,692		186101	48,336	52,356
43						
44						
45						
46	TOTAL	\$36,016,227	\$3,425,744		\$3,968,746	\$35,473,225

**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. Report the information called for below, concerning the respondent's accounting for deferred income taxes.

2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Balance End of Year (c)
1	Water		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18	TOTAL Water (Total of lines 2 through 17)	0	0
19	Other		
20			
21			
22			
23			
24			
25			
26			
27	TOTAL Other (Total of lines 20 through 26)	0	0
28	TOTAL Account 190 (TOTAL of lines 18 and 27)	\$0	\$0

Notes

**CAPITAL STOCK (Accounts 201 and 204)**

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	<u>Common - Account 201</u>			
2	Company Stock	2,500,000	\$2.00	
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Total	2,500,000		
21				
22	<u>Preferred - Account 204</u>			
23				
24				
25				
26	None			
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41	Total	0		
42				

**CAPITAL STOCK (Accounts 201 and 204) (Continued)**

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent.)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
1,837,235	\$3,674,470					1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
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30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
0	\$0	0	\$0	0	\$0	

**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION,  
PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK**

(Accounts 202 and 205, 203 and 206, 207, 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.		Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year.	
2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.		4. For Premium on Account 207, Capital Stock, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.	
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203,			
Line No.	Name of Account and Description of Item (a)	Number of Shares (b)	Amount (c)
1	<u>Common Stock Subscribed (Account 202)</u>		
2			
3	<b>None</b>		
4			
5			
6	TOTALS	0	\$0
7			
8	<u>Preferred Stock Subscribed (Account 205)</u>		
9			
10	<b>None</b>		
11			
12			
13	TOTALS	0	\$0
14			
15	<u>Common Stock Liability for Conversion (Account 203)</u>		
16			
17	<b>None</b>		
18			
19			
20	TOTALS	0	\$0
21			
22	<u>Preferred Stock Liability for Conversion (Account 206)</u>		
23			
24	<b>None</b>		
25			
26			
27	TOTALS	0	\$0
28			
29	<u>Premium on Capital Stock (Account 207)</u>		
30		1,837,235	\$2,012,224
31			
32			
33			
34			
35			
36	TOTALS	1,837,235	\$2,012,224
37			
38	<u>Installments Received on Capital Stock (Account 212)</u>		
39			
40			
41			
42			
43			
44			
45			
46	TOTALS	0	\$0



**OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)**

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with the balance sheet. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and give brief explanation of the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	<u>Donations Received from Stockholders (Account 208)</u>	
2		
3	<b>None</b>	
4		
5		
6		
7		
8	Subtotal	\$0
9		
10	<u>Reduction in Par or Stated Value of Common Stock (Account 209)</u>	
11		
12	<b>None</b>	
13		
14		
15		
16		
17	Subtotal	\$0
18		
19	<u>Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210)</u>	
20		
21	Gain on resale or cancellation of re-acquired Capital Stock	(416,021)
22		
23		
24		
25		
26	Subtotal	(\$416,021)
27		
28	<u>Miscellaneous Paid-In Capital (Account 211)</u>	
29		
30	The Company's Water Plant is stated at its "Arms Length" Cost	388,654
31	which is estimated to be \$139,865 in excess of its original cost	
32	less estimated excess depreciation of \$139,865. If the Company is	
33	required to charge this amount off, the balance of \$388,654 is available.	
34	Other Paid-in-Cap	148,876
35	Subtotal	\$537,530
36		
37		
38		
39		
40	<b>TOTAL</b>	<b>\$121,509</b>

**CAPITAL STOCK EXPENSE (Account 214)**

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	None	
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
31		
32		
33		
34		
35		
36		
32		
33		
34		
35		
36		
37	TOTAL	\$0

**NOTES PAYABLE (Account 231)**

1. Report the particulars indicated concerning notes payable at end of year.
2. Give particulars of collateral pledged, if any.
3. Furnish particulars for any formal or informal compensating balance agreements covering open lines of credit.
4. Any demand notes should be designated as such in Column (c).
5. Minor amounts may be grouped by classes, showing the number of such amounts.
6. Report in total, all other interest accrued and paid on notes discharged during the year.

Line No.	PAYEE AND INTEREST RATE (a)	DATE OF NOTE (b)	DATE OF MATURITY (c)	Outstanding at End of Year (d)	INTEREST DURING YEAR	
					ACCRUED (e)	PAID (f)
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTALS			\$0	\$0	\$0

**PAYABLES TO ASSOCIATED COMPANIES (ACCOUNTS 233 and 234)**

1. Report particulars of notes and accounts payable to associated companies to end of year.
2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies.
3. List each note separately and state the purpose for which issued. Show also in Column (a) date of note, maturity and interest rate.
4. Include in Column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.
5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

Line No.	PARTICULARS (a)	BALANCE BEGINNING OF YEAR (b)	TOTAL FOR YEAR		BALANCE END OF YEAR (e)	INTEREST FOR YEAR (f)
			DEBITS (c)	CREDITS (d)		
1					\$0	
2					0	
3					0	
4					0	
5					0	
6					0	
7	TOTALS (ACCOUNT 233)	0	0	0	0	0
8					0	
9					0	
10					0	
11					0	
12					0	
13					0	
14					0	
15	TOTALS (ACCOUNT 234)	\$0	\$0	\$0	\$0	\$0

**LONG-TERM DEBT (Accounts 221, 222, 223, and 224)**

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.

2. In column (a), for new issues, give Commission authorization numbers and dates.

3. For bonds assumed by the respondent, include in column(a) the name of the issuing company as well as a description of the bonds.

4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column(a) names of associated companies from which advances were received.

5. For receivers' certificates, show in column(a) the name of the court and date of court order under which such certificates were issued.

6. In column(b) show the principal amount of bonds or other long-term debt originally issued.

7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.

9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give Commission Authorization numbers and dates)	Principal Amount of Debt Issued	Total Expense, Premium or Discount
	(a)	(b)	(c)
1	<u>Bonds (Account 221)</u>		
2			
3			
4			
5	<b>None</b>		
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20	Subtotal	\$0	\$0
21			
22	<u>Reacquired Bonds (Account 222)</u>		
23			
24			
25	<b>None</b>		
26			
27			
28	Subtotal	\$0	\$0
29			
30	<u>From Insert Page</u>		
31	Advances from Associated Companies (Account 223)	0	0
32	Other Long Term Debt (Account 224)	23,460,000	1,661,123
33	<b>TOTAL</b>	<b>\$23,460,000</b>	<b>\$1,661,123</b>

**T (Accounts 221, 222, 223, and 224) (Continued)**

10. Identify separate indisposed amounts applicable to issues which were redeemed in prior years.

11. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

12. In a footnote, give explanatory particulars (details) for Accounts 223 and 224 of net charges during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

13. If the respondent has pledged any of its long-term debt

securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.

14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued

Nominal Date of Issue	Date of Maturity	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
(d)	(e)	(f)	(g)	(h)	(i)	1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
				\$0	\$0	20
						21
						22
						23
						24
						25
						26
						27
				\$0	\$0	28
						29
						30
				0	0	31
				23,460,000	1,300,020	32
				\$23,460,000	\$1,300,020	33

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LONG-TERM DEBT (Accounts 221, 222, 223, and 224)			
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give Commission Authorization numbers and dates)	Principal Amount of Debt Issued	Total Expense, Premium or Discount
	(a)	(b)	(c)
1	<u>Advances from Associated Companies (Account 223)</u>		
2			
3			
4			
5			
6			
7			
8	Subtotal	\$0	\$0
9			
10	<u>Other Long Term Debt (Account 224)</u>		
11			
12	Manufacturers & Traders Trust Company - Bank Loan-5.95%	7,500,000	653,656
13			
14	Manufacturers & Traders Trust Company - Bank Loan-6.00%	3,370,000	123,535
15			
16	Manufacturers & Traders Trust Company - Bank Loan-5.00%	7,070,000	554,225
17			
18	Manufacturers & Traders Trust Company - Bank Loan-5.4%	5,520,000	329,707
19			
20			
21	Note; LTD is reduced by \$236,440 to FMV.		
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45	Subtotal	\$23,460,000	\$1,661,123
46			
47			
48			

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)						
Nominal Date of Issue	Date of Maturity	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent)	Interest for Year Amount	Line No.
		Date From	Date To			
(d)	(e)	(f)	(g)	(h)	(i)	
						1
						2
						3
						4
						5
						6
						7
				\$0	\$0	8
						9
						10
						11
12/19/2001	1/15/2020	1/1/2002	1/15/2020	7,500,000	446,244	12
						13
12/19/2001	1/15/2031	1/1/2002	1/15/2031	3,370,000	202,200	14
						15
12/19/2005	12/1/2035	1/1/2006	12/1/2035	7,070,000	353,496	16
						17
12/19/2005	12/1/2015	1/1/2006	12/1/2015	5,520,000	298,080	18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
				\$23,460,000	\$1,300,020	45
						46
						47
						48

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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax under the appropriate heading of "Federal," "State," and "Local" in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
	Federal:					
1	Income Taxes	(\$1,085,784)		\$2,581,704	\$834,157	
2	FICA Contribution	3,077		253,133	256,210	
3	Unemployment			2,440	2,440	
4	Other					
5	Total	(1,082,707)	0	2,837,277	1,092,807	0
	State:					
6	Franchise - Gross Income - 186a					
7	Franchise - Gross Earnings - 186					
8	Franchise - Excess Dividends - 186					
9	Temporary Surcharges					
10	Sec. 186a (Gross Income)					
11	Sec. 186 (Gross Earnings)					
12	Sec. 186 (Excess Dividends)					
13	MTA Surcharge					
14	Unemployment Insurance			11,054	11,054	
15	Disability Insurance					
16	Sales and Use					
17	Petroleum Business Tax - New York					
18	Other			137	137	
19	Total	0	0	11,191	11,191	0
	Local:					
20	Real Estate			7,898,724	7,898,724	
21	Special Franchise					
22	Municipal Gross Income					
23	NYC Special Franchise					
24	Public Utility Excise					
25	Sales and Use					
26	Other-Revnuue Recon Reserve-**					
27	Total	0	0	7,898,724	7,898,724	0
	Other (list):					
28						
29	NYS Income Tax	(434,819)		358,456	313,040	
30						
31						
32						
33						
34	** Per PSC - Credited to RE Taxes.					
35						
36						
37						
38						
39						
40	TOTAL	(\$1,517,526)	\$0	\$11,105,648	\$9,315,762	\$0

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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

5. If any tax covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

**8. Report in columns (i) through (q) how the taxes were distributed.**

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED (Show utility dept. where applicable and acct. charged.)				Line No.
(Taxes Accrued Account 236) (g)	Prepaid Taxes (Incl. in Acct. 165) (h)	Water (Account 408.1,409.1) (i)	(j)	Other Utility Depts. (Account 408.1,409.1) (k)	Other Utility Operating Income (Account 408.1,409.1) (l)	
\$661,763		\$843,119 253,133 2,440				1
						2
						3
						4
661,763	0	1,098,692		0	0	5
						6
						7
						8
						9
						10
						11
		11,054				12
						13
						14
		137				15
0	0	11,191		0	0	16
						17
		7,898,724				18
						19
						20
						21
						22
						23
	0					24
0	0	7,898,724		0	0	25
						26
(389,403)		358,456				27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
\$272,360	\$0	\$9,367,063	\$0	\$0	\$0	40

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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
DISTRIBUTION OF TAXES CHARGED (Show utility dept. where applicable and acct. charged.)						
Line No.	Kind of Tax (See Instruction 5) (a)	Other Income and Deductions Account 408.2, 409.2 (m)	Extraordinary Items (Account 409.3) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	Other (q)
1	Federal:					
2	Income Taxes					
3	FICA Contribution					
4	Unemployment					
5	Other					
5	Total	0	0	0	0	0
6	State:					
6	Franchise - Gross Income - 186a					
7	Franchise - Gross Earnings - 186					
8	Franchise - Excess Dividends - 186					
9	Temporary Surcharges					
9	Sec. 186a (Gross Income)					
10	Sec. 186 (Gross Earnings)					
11	Sec. 186 (Excess Dividends)					
12	MTA Surcharge					
13	Unemployment Insurance					
14	Disability Insurance					
15	Sales and Use					
16	Petroleum Business Tax - New York					
17	Other					
18	Total	0	0	0	0	0
19	Local:					
19	Real Estate					
20	Special Franchise					
21	Municipal Gross Income					
22	NYC Special Franchise					
23	Public Utility Excise					
24	Sales and Use					
25	Other					
26	Total	0	0	0	0	0
27	Other (list):					
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40	TOTAL	\$0	\$0	\$0	\$0	\$0

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**OTHER DEFERRED CREDITS (Account 253)**

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items may be grouped by classes showing the number of items in each class.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debits		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1						\$0
2	Developer Deposit	356,048	252057			356,048
3	Pension Liability FAS 158, FAS 88	8,716,660	253250	4,425,584	1,315,547	5,606,623
4	OPEB liability FAS 158	5,151,690	253200	3,936,375	102,078	1,317,393
5	Reg. Liability-Opeb	825,809	253110	308,035	888,290	1,406,064
6	OPEB interest		263202		873	873
7	Debt- FMV	236,440	253114	74,520		161,920
8	Pension/OPEB internal reserve	4,822,745	263201	412,983	5,402,089	9,811,851
9	Property tax refund - for customers		253112		2,445,662	2,445,662
10						
11						0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20						0
21						0
22						0
23						0
24						0
25						0
26						0
27						0
28						0
29						0
30						0
31						0
32						0
33						0
34						0
35						0
36						0
37						0
38						0
39						0
40						0
41						0
42						0
43						0
44						0
45						0
46						0
47	TOTAL	\$20,109,392		\$9,157,497	\$10,154,539	\$21,106,434

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**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Water Utility						
2							
3	None						
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19	SUBTOTAL	\$0		\$0		\$0	\$0
20	Other						
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39	SUBTOTAL	\$0		\$0		\$0	\$0
40	TOTAL	\$0		\$0		\$0	\$0

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)			
Balance at End Year (h)	Average Period of Allocation to Income (i)	Adjustment Explanation	Line No.
			1
\$0			2
0			3
0			4
0			5
0			6
0			7
0			8
0			9
0			10
0			11
0			12
0			13
0			14
0			15
0			16
0			17
0			18
\$0			19
			20
\$0			21
0			22
0			23
0			24
0			25
0			26
0			27
0			28
0			29
0			30
0			31
0			32
0			33
0			34
0			35
0			36
0			37
0			38
\$0			39
\$0			40

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**ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, and 283)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.

2. For Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited To Account 410.1 (c)	Amounts Credited To Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Water			
3	Pollution Control			
4	Defense Facilities			
5	Other			
6				
7				
8	TOTAL WATER (Enter Total of lines 3 thru 7)	0	0	0
9	Other (Specify)			
10	TOTAL (Account 281)(Total of 8 and 9)	\$0	\$0	\$0
	Liberalized Depreciation (Account 282)			
11	Water			
12	Allowed in Rates-FIT	\$9,352,161	\$700,502	
13	Allowed in Rates-NYSIT	830,919		33,880
14	Deferred FIT- Stock Options	(9,928)		5,252
15		0		
16		0		
17	TOTAL WATER (Enter Total of lines 12 thru 16)	10,173,152	700,502	39,132
18	Other (Specify)	0		
19	TOTAL (Account 282)(Total of 17 and 18)	\$10,173,152	\$700,502	\$39,132
20	Other (Account 283)			
21	Water			
22	FAS 109	\$1,990,333		\$298,258
23	Deferred TX Liab-Pens./Opeb- Fas-158 (note)	0		
24	Deferred Tax Liab.	160,908		
25				
26				
27				
28				
29				
30	TOTAL WATER (Enter Total of lines 22 thru 29)	2,151,241	0	298,258
31	Other (Specify)			
32	TOTAL (Account 283)(Total of 30 and 31)	\$2,151,241	\$0	\$298,258
33	TOTAL (Accounts 281, 282, 283)			
34	Water	\$12,324,393	\$700,502	\$337,390
35	Other	0	0	0
36	TOTAL	\$12,324,393	\$700,502	\$337,390

Note: FAS 158 tax presentation changed in 2007 to conform to Aqua America presentation.

**ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, and 283)**

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited To Account 410.2 (e)	Amounts Credited To Account 411.2 (f)	Debits		Credits			
		Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)		
							1
							2
						\$0	3
						0	4
						0	5
						0	6
						0	7
0	0		0		0	0	8
						0	9
\$0	\$0		\$0		\$0	\$0	10
							11
						\$10,052,663	12
						797,039	13
						(15,180)	14
						0	15
						0	16
0	0		0		0	10,834,522	17
						0	18
\$0	\$0		\$0		\$0	\$10,834,522	19
							20
							21
						\$1,692,075	22
						0	23
						160,908	24
						0	25
						0	26
						0	27
						0	28
						0	29
0	0		0		0	1,852,983	30
						0	31
\$0	\$0		\$0		\$0	\$1,852,983	32
							33
\$0	\$0		\$0		\$0	\$12,687,505	34
0	0		0		0	0	35
\$0	\$0		\$0		\$0	\$12,687,505	36

**Excess/Deficient Deferred Federal Income Tax Balances\***

1. Report below the specified excess/deficient accumulated deferred Federal income taxes as of December 31 of the reporting year.
2. Protected amounts are accumulated deferred taxes that are depreciation related and are protected from rapid write-back by Section 203 (e) of the Tax Reform Act of 1986.
3. Unprotected amounts are those accumulated deferred taxes that are not subject to Section 203 (e) of the Tax Reform Act of 1986.
4. Excess/deficient deferred taxes result when there is a reduction/increase in the statutory income tax rate (e.g.. TRA-86 & Revenue Reconciliation Act of 1993) & the deferred tax balances provided are greater/less than the enacted tax rate, all calculated on a vintage year basis.

Line No.	Item (a)	Debits	Credits			Total (f)
		Account 190 (b)	Account 281 (c)	Account 282 (d)	Account 283 (e)	
	<u>Excess Deferred Taxes</u>					
1	Protected Excess Deferred Taxes					\$0
2	Unprotected Excess Deferred Taxes					0
3	Total Excess Deferred Taxes	\$0	\$0	\$0	\$0	\$0
	<u>Deficient Deferred Taxes</u>					
	Deficient Deferred FIT Balance Related to:					
4	1986 & Prior Vintage Yr. Assets/Liab.					\$0
5	1987 to Current Vintage Yr. Assets/Liabs.					0
	Average Remaining Amortization Period for:					
6	Protected Excess Deferred FIT Balance					0
7	Unprotected Excess Deferred FIT Balance					0
8	Deficient Deferred FIT Balance					\$0

\*NOTE: Do not include deferred Federal income taxes recorded purely from the implementation of FAS-109, Accounting for Income Taxes

Not Applicable - There are no excess/deficient Federal Income Taxes since all Federal Income Taxes are provided at the statutory rate of 34% per rate case #29432.



**TEMPORARY INCOME TAX DIFFERENCES - SFAS 109**

1. Report below the accumulated deferred Federal income tax assets/liabilities, as of December 31 of the reporting year, that result purely from the implementation of SFAS - 109, "Accounting for Income Taxes", and in accordance with the Commission's associated Policy Statement (issued January 15, 1993), in Case 92-M-1005.

Line No.	Item (a)	Debits	Credits			
		Account 190 (b)	Account 281 (c)	Account 282 (d)	Account 283 (e)	Total (f)
	<u>AFUDC</u>					
1	AFUDC - Net of Tax - Plant					\$0
2	AFUDC - Equity Component - Plant					0
3	Other Net of Tax Items (specify)					0
4						0
	<u>Prior Flow-Through Items</u>					
5	Depreciation			1,692,075		1,692,075
6	Asset Base Difference (non - ITC)					0
7	Other (specify)					0
8						0
	<u>ITC</u>					
9	Section 46(f)(1) ITC					0
10	Section 46(f)(2) ITC					0
11						0
	<u>Other Items</u>					
12						0
13						0
14						0
15						0
16	Total	\$0	\$0	\$1,692,075	\$0	\$1,692,075
17	Gross-up of above amounts for income tax effects; etc.					

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**WATER OPERATING REVENUES (Account 400)**

1. Report below water operating revenues for the year for each account.

2. Number of customers, columns (h) and (i), should be reported on the number of meters, plus number of flat rate accounts, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters so added. The average number of customers means the average of twelve figures at the close of each month. If customer count in the residential and commercial classifications includes customers counted more than once because of special services, indicate in a footnote the number of such customers included in each of the two service classifications.

3. If preceding year columns (e), (g) and (i) are not derived from previously reported figures, explain any inconsistencies.

Line No. (a)	Account No. (b)	Account Title (c)	Operating Revenues		Number of Thousand Gallons Sold		Average Number of Customers Per Month	
			Amount for Year (d)	Amount for Previous Year (e)	Amount for Year (f)	Amount for Previous Year (g)	Number for Year (h)	Number for Previous Year (i)
1		SALES OF WATER						
2	460.1, 461.1	Residential Sales	\$22,549,752	22,440,422	4,500,361	5,003,189	43,027	42,992
3	460.2, 461.2	Commercial Sales	2,219,976	2,556,073	666,933	884,377	1,225	1,150
4	460.3, 461.3	Industrial Sales						
5	462	Private Fire Protection Service	156,329	161,443			307	301
6	463	Public Fire Protection Service	1,722,063	1,705,295			8	8
7	464	Other Sales to Public Authorities						
8	465	Sales to Irrigation Customers						
9	466	Sales for Resale						
10	467	Interdepartmental Sales						
11		Total Sales of Water	26,648,120	26,863,233	5,167,294	5,887,566	44,567	44,451
12		OTHER OPERATING REVENUES						
13								
14	470	Forfeited Discounts						
15	471	Misc. Service Revenues	598,168	603,476				
16	472	Rent from Water Property						
17	473	Interdepartmental Rents						
18	474	Other Water Revenues	12,000	12,250				
19		Total Other Operating Revenues	610,168	615,726				
20		Total Water Operating Revenues	\$27,258,288	\$27,478,959				

check number

**BILLING ROUTINE - WATER**  
Report the following information in days for Accounts 460 and 461:

1. The period for which bills are rendered.
2. The period between the date meters are read and the date customers are billed.
3. The period between the billing date and the date on which discounts are forfeited.

## SALES OF WATER BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the thousand gallons sold, revenue, average number of customers, average thousand gallons sold per customer, and average revenue per thousand gallons.

2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Water Operating Revenues," page 300. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.

3. Where the same customers are served under more than one rate schedule in the same revenue account classification, the entries in column (d) for the special schedule should denote the duplication in number of reported customers.

4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).

Line No.	Number and Title of Rate Schedule (a)	Thousand Gallons Sold (b)	Revenue (c)	Average Number of Customers (d)	Thousand Gallons Per Customer (e)	Revenue Per Thousand Gallons (f)
1	Psc No. 11 Water Service Classification	5,167,294	\$24,769,728	44,252	117	\$4.79
2	No. 1-E Revenue a/c 461 Meter Sales to					
3	General Customers. Fifty Third Leaf, No 32					
4						
5	Psc No. 11 Water Service Classification					
6	No. 1-E Revenue a/c 461 Meter Sales to					
7	General Customers. Leaf 82					
8	TOTALS (Accounts 460.1, 461.1)	5,167,294	\$24,769,728	44,252	117	\$4.79
9						
10						
11						
12						
13						
14						
15						
16	TOTALS (Accounts 460.2, 461.2)	0	\$0	0		
17						
18						
19						
20						
21						
22						
23						
24	TOTALS (Accounts 460.3, 461.3)	0	\$0	0		
25	Private Fire Protection	Unmetered	\$156,329	307	Unmetered	
26	Forty Seventh Leaf					
27	No. 89					
28						
29						
30	TOTALS (Account 462)	0	\$156,329	307	0	
31	Psc No. 11 Water Service Classification	Unmetered	\$1,722,063	8	Unmetered	
32	No. 4E Revenue					
33	Forty Eighth Leaf					
34	No. 67					
35						
36	TOTALS (Account 463)	0	\$1,722,063	8	0	
37						
38						
39						
40						
41						
42	TOTALS (Account 464)	0	\$0	0		
43						
44						
45						
46						
47						
48	TOTALS (Account 465)	0	\$0	0		

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**SALES OF WATER BY MUNICIPALITIES**

1. Report below the information called for concerning each city, village, town, or water supply district at any time during the year. If service is restricted to a portion of a city, designate the boroughs or area covered by the respondent's operations.

2. If any items were determined by estimate or apportionment, state that fact and give full particulars in a footnote.

Line No.	Name of Municipality (a)	Residential			Commercial		
		Operating Revenues (b)	Thousand Gallons (c)	Average Number of Customers (d)	Operating Revenues (e)	Thousand Gallons (f)	Average Number of Customers (g)
1	Town of Hempstead	\$19,731,033	3,937,807	37,650	\$1,942,479	583,566	1,072
2	Town of Oyster Bay	\$2,818,719	562,544	5,379	\$277,497	83,367	153
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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45							
46							
47	TOTAL SALES	\$22,549,752	4,500,351	43,029	\$2,219,976	666,933	1,225

**SALES OF WATER BY MUNICIPALITIES (CONTINUED)**

3. The information to be shown below should be the same basis as provided in "Water Operating Revenues".

4. The totals should agree with the amounts for those accounts shown in Schedule entitled "Water Operating Revenues".

Industrial			Private Fire Protection Service			Public Fire Protection Service			Line No.
Operating Revenues (h)	Thousand Gallons (i)	Average Number of Customers (j)	Operating Revenues (k)	Thousand Gallons (l)	Average Number of Customers (m)	Operating Revenues (n)	Thousand Gallons (o)	Average Number of Customers (q)	
			\$136,788	Unmetered	269	\$1,506,805	Unmetered	7	1
			19,541	Unmetered	38	215,258	Unmetered	1	2
									3
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\$0	0	0	\$156,329	0	307	\$1,722,063	0	8	47

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SALES OF WATER BY MUNICIPALITIES							
Line No.	Name of Municipality (a)	Other Sales to Public Authorities			Sales to Irrigation Customers		
		Operating Revenues (b)	Thousand Gallons (c)	Average Number of Customers (d)	Operating Revenues (e)	Thousand Gallons (f)	Average Number of Customers (g)
1							
2							
3							
4							
5							
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45							
46							
47	TOTAL SALES	\$0	0	0	\$0	0	0

## SALES FOR RESALE AND PURCHASED WATER (Account 466 and 602)

Report below particulars of sales or purchases for redistribution during the year.

Line No.	Sold To (a)	Thousand Gallons Supplied (b)	Revenue (c)	Average per Thousand Gallons (Cents) (d)	Purchased From (e)	Thousand Gallons Purchased (f)	Cost (g)	Average per Thousand Gallons (Cents) (h)
1	NONE							
2								
3								
4								
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30								
31								
32								
33	TOTAL	0	\$0	0.00	TOTAL	0	\$0	0.00

**MISCELLANEOUS SERVICE REVENUES AND OTHER WATER REVENUES (ACCOUNT 471, 474)**

1. Report particulars concerning other water revenues derived from water utility operations during the year. Provide a subheading and amount for each classification of Account 474.

2. Designate associated companies.

3. Minor items may be grouped by classes.

LINE NO.	DESCRIPTION OF SERVICE (a)	Amount of Revenue for Year (b)
1		
2		
3	Account 4-471-	
4	Reconnection Fees , Frozen Meters, Late Payment Fees and Non- Access	125,657
5		
6	NYS Assessment	490,920
7		
8		
9		
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18		
19	TOTAL (Account 471)	\$616,577
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42		
43		
44		
45		
46		
47	TOTAL (Account 474)	\$0



**WATER OPERATION AND MAINTENANCE EXPENSES (Accounts 401 - 402.1)**

Enter in the space provided the operation and maintenance expenses for the year and previous year.

LINE NO.	ACCOUNT (a)	AMOUNT FOR CURRENT YEAR (b)	AMOUNT FOR PREVIOUS YEAR (c)
1	<b>1. SOURCE OF SUPPLY EXPENSES</b>		
2	OPERATIONS		
3	600 OPERATION SUPERVISION AND ENGINEERING		
4	601 OPERATION LABOR & EXPENSES	55,258	45,916
5	602 PURCHASED WATER		
6	603 MISCELLANEOUS EXPENSES		
7	604 RENTS		
8	TOTAL OPERATION	55,258	45,916
9	MAINTENANCE		
10	610 MAINTENANCE SUPERVISION & ENGINEERING		
11	611 MAINTENANCE OF STRUCTURES & IMPROVEMENTS		
12	612 MAINTENANCE OF COLLECTING & IMPOUNDING RESERVOIRS		
13	613 MAINTENANCE OF LAKE, RIVER & OTHER INTAKES		
14	614 MAINTENANCE OF WELLS & SPRINGS	161,707	141,239
15	615 MAINTENANCE OF INFILTRATION GALLERIES & TUNNELS		
16	616 MAINTENANCE OF SUPPLY MAINS		
17	617 MAINTENANCE OF MISCELLANEOUS WATER RESOURCE PLANT		
18	TOTAL MAINTENANCE	161,707	141,239
19	TOTAL SOURCE OF SUPPLY EXPENSE	216,965	187,155
20	<b>2. PUMPING EXPENSES</b>		
21	OPERATIONS		
22	620 OPERATIONS SUPERVISION AND ENGINEERING		
23	621 FUEL FOR POWER PRODUCTION		
24	622 POWER PRODUCTION LABOR AND EXPENSES		
25	623 FUEL OR POWER PURCHASED FOR PUMPING	1,466,898	1,600,918
26	624 PUMPING AND LABOR EXPENSES	108,286	97,169
27	625 EXPENSES TRANSFERRED - CREDIT		
28	626 MISCELLANEOUS EXPENSES		
29	627 RENTS		
30	TOTAL OPERATIONS	1,575,184	1,698,087
31	MAINTENANCE		
32	630 MAINTENANCE SUPERVISION AND ENGINEERING		
33	631 MAINTENANCE OF STRUCTURES AND IMPROVEMENTS	233,812	245,042
34	632 MAINTENANCE OF POWER PRODUCTION IMPROVEMENTS		
35	633 MAINTENANCE OF PUMPING EQUIPMENT		
36	TOTAL MAINTENANCE	233,812	245,042
37	TOTAL PUMPING EXPENSES	1,808,996	1,943,129
38	<b>3. WATER TREATMENT EXPENSES</b>		
39	OPERATION		
40	640 OPERATION SUPERVISION AND ENGINEERING	259,980	241,369
41	641 CHEMICALS	629,738	680,283
42	642 OPERATION AND LABOR EXPENSE	7,383	67,366
43	643 MISCELLANEOUS EXPENSES		
44	644 RENTS		
45	TOTAL OPERATION	897,101	989,018

**WATER OPERATION AND MAINTENANCE EXPENSES (Accounts 401 - 402.1)**

Enter in the space provided the operation and maintenance expenses for the year and previous year.

LINE NO.	ACCOUNT (a)	AMOUNT FOR CURRENT YEAR (b)	AMOUNT FOR PREVIOUS YEAR (c)
46	MAINTENANCE		
47	650 MAINTENANCE SUPERVISION AND ENGINEERING		
48	651 MAINTENANCE OF STRUCTURES AND IMPROVEMENTS	4,561	14,620
49	652 MAINTENANCE OF WATER TREATMENT EQUIPMENT	301,823	298,946
50	TOTAL MAINTENANCE	306,384	313,566
51	TOTAL WATER TREATMENT EXPENSES	1,203,485	1,302,584
52	<b>4. TRANSMISSION AND DISTRIBUTION EXPENSES</b>		
53			
54	OPERATION		
55	660 OPERATION SUPERVISION AND ENGINEERING	23,814	21,654
56	661 STORAGE FACILITIES EXPENSE		
57	662 TRANSMISSION AND DISTRIBUTION LINE EXPENSES	41,301	86,626
58	663 METER EXPENSES	211,270	199,386
59	664 CUSTOMER INSTALLATIONS EXPENSE		93
60	665 MISC EXPENSES	87,053	
61	666 RENTS		16,941
62	TOTAL OPERATION	363,438	324,700
63	MAINTENANCE		
64	670 MAINTENANCE SUPERVISION AND ENGINEERING		
65	671 MAINTENANCE OF STRUCTURES AND IMPROVEMENTS	33,791	59,346
66	672 MAINTENANCE OF DISTRIBUTION RESERVOIRS AND STANDPIPES		33,009
67	673 MAINTENANCE OF TRANSMISSION AND DISTRIBUTION MAINS	533,682	592,476
68	674 MAINTENANCE OF FIRE MAINS		
69	675 MAINTENANCE OF SERVICES	269,378	303,357
70	676 MAINTENANCE OF METERS	7,322	19,851
71	677 MAINTENANCE OF HYDRANTS	72,810	63,609
72	678 MAINTENANCE OF MISCELLANEOUS PLANTS	7,268	11,062
73	TOTAL MAINTENANCE	924,251	1,082,710
74	TOTAL TRANSMISSION & DISTRIBUTION EXPENSE	1,287,689	1,407,410
75			
79	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>		
80			
81			
82	901 SUPERVISION		
83	902 METER READING EXPENSES	76,292	68,460
84	903 CUSTOMER RECORDS AND COLLECTION EXPENSES	212,986	562,164
85	904 UNCOLLECTIBLE ACCOUNTS	(29,261)	73,089
86	905 MISC CUSTOMER ACCOUNT EXPENSES		
87	TOTAL CUSTOMER ACCOUNT EXPENSES	260,017	703,713

**WATER OPERATION AND MAINTENANCE EXPENSES (Accounts 401 - 402.1)**

Enter in the space provided the operation and maintenance expenses for the year and previous year.

LINE NO.	ACCOUNT (a)	AMOUNT FOR CURRENT YEAR (b)	AMOUNT FOR PREVIOUS YEAR (c)
88	<b>6. SALES EXPENSES</b>		
89	OPERATIONS		
90	910 SALES EXPENSES		
91			
92	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
93	OPERATIONS		
94	920 ADMINISTRATION & GENERAL SALARIES	780,840	933,341
95	921 OFFICE SUPPLIES & OTHER EXPENSES	287,541	417,692
96	922 ADMINISTRATIVE EXPENSES TRANSFERRED - CR.		
97	923 OUTSIDE SERVICES EMPLOYED	1,030,479	464,081
98	924 PROPERTY INSURANCE	302,835	381,637
99	925 INJURIES AND DAMAGES		
100	926 EMPLOYEE PENSIONS AND BENEFITS	1,703,858	1,517,599
101	927 FRANCHISE REQUIREMENTS		
102	928 REGULATORY COMMISSION EXPENSES	501,982	580,540
103	929 DUPLICATE CHARGES - (CREDIT)		
104	930 MISCELLANEOUS GENERAL EXPENSES		
105	931.1 GENERAL RENTS	48,491	52,151
106	931.2 EXPENSES OF DATA PROCESSING EQUIPMENT		
107	MGMNT CHARGES	1,062,805	981,367
108	TOTAL OPERATION	5,718,831	5,328,408
109	MAINTENANCE		
110	932 MAINTENANCE OF GENERAL PLANT		
111	TOTAL MAINTENANCE	0	0
113	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	5,718,831	5,328,408
114			
115			
116			
117	<b>TOTAL WATER O&amp;M EXPENSES - SUM OF 7 CATEGORIES ABOVE</b>	\$10,495,983	\$10,872,399

NUMBER OF WATER DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending December 31, or any payroll period ending 60 days before December 31.

2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a

3. The number of employees assignable to the water company from joint functions of the parent or affiliates may be determined by estimate, on the basis of employee equivalents.

1.	Payroll Period ended (Date)	12/31/11
2.	Total Regular Full-Time Employees	41
3.	Total Part-Time and Temporary Employees	0
4.	Total Employees	41

**FUEL OR POWER PURCHASED FOR PUMPING (ACCOUNT 623)**

Show the requested information concerning items includible in account 623, Fuel or Power Purchased for Pumping during the year.

Line No.	Name of Vendor (a)	Kind of Power (b)	Number of units purchased or transferred (c)	Amount (d)
1	LIPA	Electric	7,937,800	\$1,466,898
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3				
4				
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48				
49	TOTAL		7,937,800	\$1,466,898

**DEPRECIATION AND AMORTIZATION OF WATER PLANT (Accounts 403, 404, 405)**

(Except amortization of acquisition adjustments)

1. Report in section A for the year amounts of depreciation expense (account 403) according to plant functional classifications, amortization of limited-term water Plant (Account 404); and (c) Amortization of Other Water Plant (Account 405).
2. Report in section B the rates used to compute amortization charges for water plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in section C every fifth year beginning with report year 1972, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
- Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of section C the type of plant included in any subaccounts used.
- In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
- For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.
- If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

**A. Summary of Depreciation and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Water Plant (Acct. 404) (c)	Amortization of Other Water Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant				\$0
2	Source of Supply	113,865			113,865
3	Pumping Plant	568,572			568,572
4	Water Treatment Plant	400,110			400,110
5	Transmission and Distribution Plant	713,129			713,129
6	General Plant	408,551			408,551
7	Common Plant-Water				0
8	TOTAL	\$2,204,227	\$0	\$0	\$2,204,227

**B. Basis for Amortization Charges**

**DEPRECIATION AND AMORTIZATION OF WATER PLANT (Continued)****C. Factors Used in Estimating Depreciation Charges**

Line No.	Account No. (a)	Depreciable Plant Base (In thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
9	314	\$4,511,708	35		2.860%	R 3.0	8.21
10	321	3,495,427	40		2.500%	13.0	22.34
11	323	15,108	30		3.300%	H 4.0	0.00
12	325	10,105,713	20	10.000%	4.500%	1st degree	7.95
13	326	667,759	30		3.330%	R	11.89
14	328	364,070	30		3.330%	R	16.94
15	331	1,504,544	40		2.500%	L	36.14
16	332CMP	9,141,650	25	5.000%	4.000%	H 4.0	16.29
17	332TNK		25	5.000%	4.000%	H 4.0	13.80
18	342	2,005,710	55		1.820%	H 4.0	33.29
19	343	21,696,719	100		1.000%	3rd degree	70.56
20	345	12,586,949	45		2.200%	3rd degree	24.82
21	346	8,235,939	50	10.000%	1.800%	H 4.0	17.99
22	348	3,182,075	70		1.430%	2nd degree	50.74
23	390MEA	1,616,184	50		2.000%	H 3.0	40.34
24	391MEB	2,477,606	10		10.000%	H 3.0	5.84
25	391MEC	130,739	32		3.125%	R 0.5	15.34
26	392	389,787	5		20.000%	H 3.0	0.35
27	394	134,298	25		3.600%	H 4.0	15.32
28	395	83,563	20		5.000%	H 3.0	16.72
29	396	388,332	8	20.000%	10.000%	H 3.0	3.53
30	397	109,796	15	5.000%	6.330%	H 3.0	0.00
31	398	437,471	25	10.000%	3.600%	H 4.0	18.65
32							
33		\$83,281,147					
34							
35							
36							
37							
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40							
41							
42							
43							
44							
45							
46							
47	390GOA						
48							
49							
50							
51	TOTAL	\$0					
52							
53							
54							
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56							

MISCELLANEOUS GENERAL EXPENSES (Account 930)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	\$47,415
2	Experimental and general research expenses	
3	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar, and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent	
4	Other Expenses (List items of \$1,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$1,000 by classes if the number of items so grouped is shown).	
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48		
49	TOTAL	\$47,415

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete line 27 and provide the substitute page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 118)	\$2,300,685
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	State Income Taxes	324,576
11	Bad Debt	10,000
12	Options	16,435
13	Federal Income Taxes	1,239,823
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	Depreciation - tax over book	2,800,000
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	\$1,091,519
28	Show Computation of Tax:	tax rate <u>0.35</u>
29		
30	Tax on net income	382,032
31		
32		
33		
34		
35	Federal taxes	382,032
36		
37		
38		
39		
40		
41		
42		
43		
44		



**INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK (Accounts 415 and 416)**

1. Report by utility departments the revenues, costs, expenses, and net income from merchandising, jobbing and contract work during the year. Report also the applicable taxes included in Accounts 408 and 409 and income after such taxes. Give the bases of any allocation of expenses between utility and merchandising, jobbing and contract work activities.

LINE NO.	ITEM (a)	WATER DEPARTMENT (b)	(c)	(d)	TOTAL (e)
1	Revenues:				
2	Merchandise sales, less discounts, allowances and returns				\$0
3	Contract work				0
4	Commissions				0
5	Other (list according to major classes)				0
6	Jobbing & Meter Pit Installation- Included in Other Revenue	12,000			12,000
7	Line -pg.116				0
8					0
9					0
10	Total Revenues	\$12,000	\$0	\$0	\$12,000
11					
12					
13	Costs and Expenses:				
14	Costs of Sales (list according to major classes of costs)				\$0
15	Company Labor	689			689
16	Materials & Supplies	18,234			18,234
17					0
18					0
19					0
20					0
21					0
22					0
23					0
24					0
25					0
26	Sales expenses				0
27	Customer accounts expenses				0
28	Administrative and general expenses				0
29	Depreciation				0
30	Total Costs and Expenses	\$18,923	\$0	\$0	\$18,923
31					
32					
33					
34	Net Income (before taxes)	(\$6,923)	\$0	\$0	(\$6,923)
35					
36	Taxes:( 408,409)	(\$2,790)			(2,790)
37	Federal				0
38	State				0
39	Other				0
40					
41	Total Taxes	(\$2,790)	\$0	\$0	(\$2,790)
42					
43					
44					
45	Net Income (after taxes)	(\$4,133)	\$0	\$0	(\$4,133)

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**PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS**

Report the information specified below, in the order given, for the respective other income accounts. Provide a subheading for each account and show a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Income from Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation, maintenance, depreciation, rents, amortization and net income, before

taxes from operations. Give the basis of any allocation of expenses between utility/nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.

(b) Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and the amount thereof for the year. Minor items may be grouped.

Line No.	Item (a)	Amount (b)
1	<u>Income from Nonutility Operations (Accounts 417 and 417.1)</u>	
2		
3		
4		
5		
6	<b>None</b>	
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21		
22		
23		
24	<b>TOTAL</b>	<b>\$0</b>
25		
26	<u>Miscellaneous Nonoperating Income (Account 421)</u>	
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40		
41	<b>TOTAL</b>	<b>\$0</b>

## GAIN OR LOSS ON DISPOSITION OF PROPERTY (Accounts 421.1 and 421.2)

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.  
2. Individual gains or losses relating to property with an

original cost of less than \$2,500 may be grouped, with the number of such transactions disclosed in column (a).  
3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). See Account 102, Utility Plant Purchased or Sold).

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	<u>Gain on Disposition of Property:</u>				
2					
3	Vehicles			13,931	
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15	TOTAL GAIN			\$13,931	
16	<u>Loss on Disposition of Property:</u>				
17					
18					
19					
20	None				
21					
22					
23					
24					
25					
26					
27					
28					
29					
30	TOTAL LOSS				\$0

**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other

Deductions, of the Uniform System of Accounts. Amounts of less than \$1,000 may be grouped by classes within the above subaccounts if the number of items so grouped is shown.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431)-Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	<u>Miscellaneous Amortization (Account 425)</u>	
2	Tank Painting - 10 yrs	77,811
3	Deferred Rate Case Amortization - 3 yrs	48,336
4	Pension FAS 158 Amortization - 15 yrs	535,476
5	OPEB FAS 158 Amortization - 15 yrs	230,460
6	Pension Reg Asset Amortization - 3 yrs	204,505
7		
8		
9		
10	Total Misc. Amortization	\$1,096,588
11	<u>Donations (Account 426.1)</u>	
12		
13	Donations-Included in A/C-921	1,096
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Donations	\$1,096

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
Line No.	Item (a)	Amount (b)
1	<u>Life Insurance (Account 426.2)</u>	
2		
3	None	
4		
5		
6		
7	Total Life Insurance	\$0
8	<u>Penalties (Account 426.3)</u>	
9		
10	None	
11		
12		
13		
14		
15	Total Penalties	\$0
16	<u>Expenditures for Certain Civic, Political, and Related Activities (Account 426.4)</u>	
17		
18	None	
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
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40		
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52	Total Exp. for Certain Civic, Political and Related Activities	\$0

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PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
Line No.	Item (a)	Amount (b)
1	<u>Other Deductions (Account 426.5)</u>	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15	Total Other Deductions	\$0
16	<u>Interest on Debt to Associated Companies (Account 430)</u>	
17		
18		
19		
20		
21		
22		
23		
24		
25		
26	Total Interest on Debt to Associated Companies	\$0
27	<u>Other Interest Expense (Account 431)</u>	
28		
29		
30		
31		
32		
33		
34		
35	Total Other Interest Expense	\$0
36		
37		
38		
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**EXTRAORDINARY ITEMS (Accounts 434 and 435)**

1. Give below a brief description of each item included in accounts 434, Extraordinary Income and 435, Extraordinary Deductions.
2. Give reference to Commission approval, including date of approval, for extraordinary treatment of any item which amounts to less than 5% of income. (See General Instruction section 561.7 of the applicable Uniform System of Accounts.
3. Income tax effects relating to each extraordinary item should be listed in Column (c).

LINE NO.	DESCRIPTION OF ITEMS (a)	GROSS AMOUNT (b)	RELATED FEDERAL TAXES (c)
1	Extraordinary Income (Account 434):		
2			
3	None		
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21	Total Extraordinary Income	\$0	\$0
22	Extraordinary Deductions (Account 435):		
23			
24	None		
25			
26			
27			
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31			
32			
33			
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36			
37			
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41			
42			
43			
44			
45			
46	Total Extraordinary Deductions	\$0	\$0
47	Net Extraordinary Items	\$0	\$0

**REGULATORY COMMISSION EXPENSES (Account 928)**

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.

2. Report in columns (b) and (c) only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for Current Year (b) + (c) (d)	Deferred in Account 186 Beginning of Year (e)
1	Public Service Commission	54,575		54,575	
2	Public Service Commission- NYS Temporary Tax	490,920		490,920	
3					
4					
5					
6					
7					
8					
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44					
45					
46	TOTAL	\$545,495	\$0	\$545,495	\$0



**REGULATORY COMMISSION EXPENSES (Continued)**

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

5. Minor items may be grouped.

Expenses Incurred During Year				Amortized During Year			
Charged Currently to			Deferred to Account 186	Contra Account	Amount	Deferred in Account 186 End of Year	Line No.
Department (f)	Account No. (g)	Amount (h)					
	928	54,575					1
	928	490,920					2
							3
							4
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		\$545,495	\$0		\$0	\$0	46

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**RESEARCH AND DEVELOPMENT ACTIVITIES**

1. Describe and show below costs incurred and accounts charged during the year for technological research and development (R & D) project initiated, continued, or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R & D work carried on by the respondent in which there is a sharing of costs with others, show separately the respondent's cost for the year and cost chargeable to others. (See definition of research, development, and demonstration in Uniform System of Accounts.)

2. Indicate in column (a) the class of plant or operating function for which the project was undertaken, if payments were made in support of research by others performed outside the company, state the name of the person or organization to whom such payments were made.

3. Include in column (c) all R & D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped.

Line No.	Classification (a)	Description (b)
1	None	
2		
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37		
38	Total	

**RESEARCH AND DEVELOPMENT ACTIVITIES(Continued)**

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e).  
 5. Show in column (g) the total unamortized accumulation of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."  
 7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred - Current Year		AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
Internal (c)	External (d)	Account (e)	Amount (f)		
					1
					2
					3
					4
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					37
\$0	\$0		\$0	\$0	38

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**DISTRIBUTION OF SALARIES AND WAGES**

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate

lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1				
2	Operation			
3	Source of Supply			
4	Pumping	188,096		
5	Water Treatment	259,980		
6	Transmission and Distribution	240,516		
7	Customer Accounts	194,228		
8	Sales			
9	Administrative and General	780,840		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	1,663,660		
11	Maintenance			
12	Source of Supply			
13	Pumping	161,707		
14	Water Treatment	301,823		
15	Transmission and Distribution	804,905		
16	Administrative and General			
17	TOTAL Maint. (Total of lines 12 thru 16)	1,268,435		
18	Total Operation and Maintenance			
19	Source of Supply	0		
20	Pumping	349,803		
21	Water Treatment	561,803		
22	Transmission and Distribution	1,045,421		
23	Customer Accounts	194,228		
24	Sales	0		
25	Administrative and General	780,840		
26	TOTAL Oper. and Maint. (Total of lines 19 thru 25)	2,932,095		2,932,095
27	UTILITY PLANT			
28	Construction (By Utility Departments)			
29	Water Plant	437,580		437,580
30	Other			0
31	TOTAL Construction (Total of lines 29 thru 30)	437,580	0	437,580
32	Plant Removal (By Utility Departments)			
33	Water Plant			0
34	Other			0
35	TOTAL Plant Removal (Total of lines 33 thru 34)	0	0	0
36	Other Accounts (Specify):			0
37	TOTAL Salaries and Wages	3,369,675	0	3,369,675

**CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES**

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$1,000 in the case of a Class B company or \$5,000 in the case of a Class A company, including payments for legislative services, except those which should be reported in Account 426.4, Expenditures for Certain Civic, Political and Related Activities.

- (a) name of person or organization rendering services in alphabetical order,  
 (b) description of services received during year and project or case to which services relate,  
 (c) basis of charges,  
 (d) total charges for the year detailing utility department..

2. Designate with an asterisk associated companies.

Line No.	Vendor	Description of Services	Basis	Total Charges
1	*Aqua America, Inc	Management Services	Time Charges and Disbursements	1,644,225
2				
3				
4	Cullen , Dykman	Legal Services - Tax Challenges	Time Charges and Disbursements	67,511
5				
6	Drinker Biddle	Legal Services	Time Charges and Disbursements	24,098
7				
8				
9	Harris Beach PLLC	Legal Services	Time Charges and Disbursements	30,882
10				
11				
12	PriceWaterhouseCoopers	Auditing Services	Time Charges and Disbursements	76,687
13				
14				
15	Systems & Software	Computer Consultant	Time Charges and Disbursements	15,000
16				
17	Towers & Watson	Actuarial Services	Time Charges and Disbursements	31,850
18				
19				
20				
21				
22				
23				
24				
25				
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40				

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES				
Line No.	Vendor	Description of Services	Basis	Total Charges
1				
2				
3				
4				
5				
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7				
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11				
12				
13				
14				
15				
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**Employee Protective Plans**

Report a summary of each employee program in effect at any time during the year. This schedule is intended to cover pension, profit sharing, group life insurance, accident and sickness, medical, hospital, prescription drugs, guaranteed annual wage, severance pay, and any other plan maintained for employees (or retirees), but it is not intended to cover such a plan required by law, (e.g. social security).

For each plan report:

1. the identity thereof, and the employee group covered (e.g. management, non-management, executive officers, etc.)
2. whether the benefits are provided through an insurance carrier or directly by the company.
3. the total cost for the year.

Note: If any important change is made with respect to any such plan during the year, give brief particulars.

Charged to expense:

Medical, dental, life and disability	\$	705,513
Pension FAS 87 included in rates		709,683
OPEB FAS 106 included in rates		185,374
Total	\$	1,600,570

**Employee Protective Plans (Continued)**



**ANALYSIS OF PENSION COST**

1. On lines 1-21 report the terms of the Pension Plan for the holding company or parent company; on lines 22-32 report details for the reporting company. If the reporting company has more than one pension plan, report each using separate forms.
2. Report on line 1 the actuarial present value of benefits determined as of a specific date during the calendar year according to the terms of a pension plan and based on employees' compensation and service to that date (salary progression is not considered in making this computation).
3. Report on line 2 the actuarial present value of all benefits attributed to employee service up to a specific date, based on the terms of the plan including salary progression factor for final pay and career average pay plans.
4. Report on line 3 the amount the pension plan could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on line 8 the discount rate which was used to calculate the obligations reported on Lines 1 and 2.
6. Report on Line 9 the expected long-term return on plan assets.
7. Report on line 14 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on line 17.
8. Report on lines 19 through 21 and lines 29 through 32 the number of persons covered by the plan at the beginning of the policy year.
9. Report on line lines 21 and 32 the numbers of persons having vested pension rights but who are no longer employed by the company and not yet drawing a pension allowance.
10. On line 22, the term "Minimum Required Contribution" shall mean the payment by the employer to its employees' pension fund necessary to meet the requirement set forth in the Employee Retirement Income Security Act of 1974.
11. On line 24, the term "Maximum Amount Deductible" shall mean the amount of pension expense that is allowable under Section 415 of the Internal Revenue Code.
12. Report on line 26 the dollar amount applicable to the reporting company which has been included in the amount on line 18.
13. Report on line 27 the dollar amount included on line 26 which has been capitalized.

For each plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each such revision on each of the amounts reported on Page \*\*. Use a separate insert sheet if more space is required.

ANALYSIS OF PENSION COST (Continued)		
Line No.	Item (a)	Current Year (b)
<u>PLAN</u>		
1	Accumulated Benefit Obligation	\$ 17,809,000
2	Projected Benefit Obligation	\$ 21,394,000
3	Fair Value of Plan Assets	\$ 12,514,000
4	Unrecognized Transition Amount	\$
5	Unrecognized Prior Service Costs	\$
6	Unrecognized Gains or (Losses)	\$ (2,644,314)
7	Date of Valuation Reported on Lines 1 through 6	12/31/2011
8	Discount Rate	5.75%
9	Expected Long-Term Rate of Return on Assets	7.75%
10	Salary Progression Rate (if applicable)	4.00%
<u>Net Periodic Pension Cost:</u>		
11	Service Cost	\$ 334,366
12	Interest Cost	1,052,291
13	Actual Return on Plan Assets [(Gain) or Loss]	(909,655)
14	Deferral of Asset Gain or (Loss)	
15	Amortization of Transition Amount	
16	Amortization of Unrecognized Prior Service Cost	(60,822)
17	Amortization of Gains or Losses	364,153
18	Total Pension Cost	\$ 780,333
19	Number of Active Employees Covered by Plan	
20	Number of Retired Employees Covered by Plan	
21	Number of Previous Employees Vested but Not Retired	
<u>REPORTING COMPANY</u>		
22	Minimum Required Contribution	\$ 1,277,195
23	Actual Contribution*	\$ 3,700,000
24	Maximum Amount Deductible*	\$ 13,168,885
25	Benefit Payments	\$ 545,000
26	Total Pension Cost	\$ 780,333
27	Pension Cost Capitalized	\$ 112,367
28	Accumulated Pension Asset/(Liability) at Close of Year	\$
29	Total Number of Company Employees at Beginning of Policy Year	
30	Number of Active Employees Covered by Plan	28
31	Number of Retired Employees Covered by Plan	24
32	Number of Previous Employees Vested but Not Retired	48
<p>* Specify in the space below the reason(s) for any difference between the amounts reported on lines 23(b) and 24(b).</p> <p>Line 6 - based on latest Actuarial Valuation Report. Line 28 - not readily available</p>		

**ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS AND TERMINATIONS**

1. Report the amount of gains or losses arising from employee termination benefits or settlements, partial settlements, curtailments or suspensions of pensions or pension obligations during the year. If none have occurred, state "none" on line 5. If they qualified as "small settlements" under SFAS-88 and the company elected not to recognize the gain or loss, state "none" on line 5 and complete the applicable sections on the bottom of the form. Use separate forms to report the effect of each event and, if the event affected more than one plan, use separate forms for each plan. These events include:
  - a. purchases of annuity contracts.
  - b. lump-sum cash payments to plan participants.
  - c. other irrevocable actions that relieved the company or the plan of primary responsibility for a pension obligation and eliminates significant risks related to the obligation and assets.
  - d. an event that significantly reduces the expected years of future service for present employees who are entitled to receive benefits from that plan or that eliminates the accrual of benefits for some or all of the future services of a significant number of those employees.

If this is the first year the company is subject to the reporting requirements of this schedule, complete separate forms for each reportable event having occurred since the company's adoption of SFAS-87 and include those forms in the current Annual Report.
2. On lines 1-15 report activities for the holding company or parent company; on line 16-18 report details for the reporting company.
3. Report on line 1 the amount of overfunding remaining (excess of plan assets, adjusted for accrued or prepaid pension costs, over the Pension Benefit Obligation), if any, from when the company first complied with SFAS-87. The amount should be adjusted by the year-to-date amortization.
4. Report on line 2 the actuarial gains and losses that occurred in prior fiscal years following compliance with SFAS-87 but have not yet been amortized. The amount should be adjusted by the year-to-date amortization.
5. Report on line 3 the actual return on plan assets (the sum of investment income and appreciation).
6. Report on line 4 the expected return on plan assets (a component of the current-year expense calculation, which should be prorated for the elapsed portion of the current year).
7. Report on line 6 the Pension Benefit Obligation (PBO) updated from the previous year-end figure to the settlement date. This amount should reflect the addition of a pro rata portion of the service cost and interest cost and the subtraction of benefit payments. It should also reflect any plan changes made during the year.
8. Convert the basis points and percentages reported on line 7 and 8 to their decimal equivalents before entering them in the formula on line 9.
9. Report on line 17 the applicable Federal income tax rate. Although no tax is currently payable on the gain and loss, it should be reflected because it represents a reduction of future pretax pension expense.

State separately below for each reportable event having occurred since the company's initial compliance with SFAS-87, and for which amortization of deferred gains or losses was not completed by December 31 of last year, the (1) type of event, e.g. settlement or curtailment, (2) date of occurrence, (3) amount of gain or loss originally deferred, (4) period of amortization specified by beginning and ending dates, and (5) amount of the current year's amortization.

The Company has filed two petitions with the Commission relating to lump sum payouts from the pension trust which has resulted in settlement losses of approximately \$1.5 million - Case 10-W-0263. and Case

**ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS AND TERMINATIONS (Continued)**

Line No.	ESTIMATE OF SETTLEMENT GAIN OR LOSS (a)	(b)	(c)
	<b>PLAN</b>		
1	Unrecognized net asset		1. _____
2	Unrecognized net actuarial gain or (loss)		2. _____
	Year-to-date asset gain or (loss):		
3	Actual return	3. _____	
4	Expected return	4. _____	
5	Gain or (loss): (3)-(4)		5. _____ 0
	Year-to-date liability gain or (loss):		
6	PBO at settlement date	6. _____	
7	Year-to-date increase (or decrease) in actuarial discount rate	7. _____	basis points
8	Percentage decrease in PBO for each 100 basis-point increase in the discount rate	8. _____	
9	Liability gain or (loss): {(6) x (7) x (8)} x 100 -- see instructions		9. _____ 0
	Settlement gain or (loss):		
10	Accounting value of obligation which was settled	10. _____	
11	Settlement cost (e.g., price of purchased annuity contract)	11. _____	
12	Settlement gain or (loss): (10)-(11)		12. _____ 0
13	Total accumulated gain or (loss): (1)+(2)+(5)+(9)+(12)		13. _____ 0
14	Settlement ratio: (10)/(6)		14. _____ 0%
15	Pretax gain recognizable in current income: (13) x (14)		15. _____ 0
	<b>REPORTING COMPANY</b>		
16	Portion of amount on line 15 allocated to reporting company		16. _____
	Tax-affected gain:		
17	Tax rate	17. _____	
18	Gain or (loss) after provision for income tax: 16 x [100% - (17)]		18. _____ 0

Explain the basis of allocation used to derive the amount reported on line 16 from that reported on line 15:

For the amount reported on line 16 specify:

a. the amount recorded as income for the current year \_\_\_\_\_

b. the amount deferred on the balance sheet \_\_\_\_\_

c. amortization period for the deferred amount (specify beginning and ending dates). \_\_\_\_\_

Briefly describe the event (e.g., settlement, curtailment or termination with short description of the change) and the date of its occurrence.

If the event involves the purchase of an annuity contract(s), state whether they are participating or nonparticipating contracts. If they are participating, explain the terms and state the cost difference between the contract(s) purchased and identical contracts without the participating feature.

If the event qualified as a "small settlement" under SFAS 88, and the company elected not to recognize the gain or loss, state:

a. number of employees affected \_\_\_\_\_

b. the cost of the settlement \_\_\_\_\_

c. the amount of PBO settled \_\_\_\_\_

**ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS**

1. Report the requested data concerning Postretirement Benefits Other than Pensions (OPEB). For these schedules, the measurement date, calculation of the data requested, and separate reporting for different types of OPEB plans shall be consistent with the disclosure requirements specified in SFAS-106 (Paragraphs 72-89). If the reporting company's OPEB benefits are provided through a joint plan with its parent company or holding company, report under the columnar heading "Total Company" the data applicable to the total plan (i.e., that of the parent or holding company). The columnar heading "New York State Jurisdiction" refers to the New York State jurisdictional operations of the reporting company, exclusive of amounts applicable to subsidiary companies which are subject to the Commission's jurisdiction but are separately reported.
2. The quantification of amounts reported on Lines 1 - 12 shall be as of the date reported on Line 13.
3. Report on Lines 1 - 3 the actuarial present value of benefits attributed employees' service rendered to the date reported on Line 13.
4. Report on Line 4 the amount the OPEB plan(s) could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on Lines 5 and 6, the amounts applicable to OPEB that are recorded in internal reserves, net of their related deferred income tax effect. For New York State Jurisdictional Operations, creation of an internal reserve was required by the Commission's "Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and OPEB" (issued September 7, 1993).
6. Report on Line 10 the amount of unrecognized net gain or loss (including plan asset gains and losses not yet reflected in the market-related value of the plan assets).
7. Report on Line 11 the amount of unrecognized net asset gain or loss not yet reflected in the market-related value of plan assets.
8. In certain instances, a portion of the New York State Jurisdiction OPEB internal reserve may not be subject to the accrual of interest (e.g. in the company's last rate case a portion of the reserve may have been used to reduce rate base). Report on Line 12 the balance of the reserve, net of its related deferred income tax effect, which is subject to the accrual of interest.
9. Report on Line 14 the discount rate which was used to calculate the obligations reported on Lines 1-3.
10. Report on Line 15 the expected long-term return on plan assets reported on Line 4.
11. Report on Line 21 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on Line 24.
12. The amount reported on Line 24 is to include the amortization of gains and losses arising from changes in assumptions.

For each plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each revision on each of the amounts reported on Page \*\*. Use a separate insert sheet if more space is necessary.

**ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)**

Line No.	Item (a)	Total Company (b)
<b><u>ANALYSIS OF OPEB COSTS</u></b>		
	Accumulated Benefit Obligation Attributable to:	
1	Retirees Covered by the Plan	\$ 1,139,689
2	Other Fully Eligible Plan Participants	\$ 2,115,845
3	Other Active Plan Participants	\$ 2,528,301
4	Fair Value of Plan Assets Held in an Exterior Fund or Trust	\$ 4,356,037
	Plan Assets Held in an Internal Reserve (net of tax):	
5	New York State Jurisdiction	\$
6	Other	\$
7	Other Plan Assets (Specify .....)	\$
8	Unrecognized Transition Obligation	\$
9	Unrecognized Prior Service Costs	\$
10	Unrecognized Gains or (Losses)	\$
11	Gains or (Losses) Unrecognized in Market Related Value of Assets	\$
12	NYS Jurisdiction Internal Reserve Balance Subject to Accrual of Interest (net of tax)	\$
13	Date of Valuation for Amounts Reported on Lines 1 - 12.	12/31/11
14	Discount Rate	5.75%
15	Expected Long-Term Rate of Return on Assets (Exterior Fund)	7.75%
16	Interest Rate Applied to NYS Jurisdiction Internal Reserve Balance	11.11%
17	Salary Progression Rate (if applicable)	N/A
<b><u>NET PERIODIC OPEB COST</u></b>		
18	Service Cost	\$ 140,117
19	Interest Cost	334,406
20	Actual Return on Plan Assets [ (Gain) or Loss ]	(330,607)
21	Deferral of Asset Gain or (Loss)	
22	Amortization of Transition Amount	
23	Amortization of Unrecognized Prior Service Cost	
24	Amortization of (Gains) or Losses from Earlier Periods	
25	(Gain) or Loss Due to a Temporary Deviation From a Substantive Plan	49,171
26	<b>Net Periodic OPEB Cost</b>	\$ 193,087

**ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)**

1. Report on Line 3 items such as transfers of excess pension funds from the company's pension trust fund to an account set up under Section 401(h) of the Internal Revenue Code.
2. Report on Line 5 items of income (e.g., dividends and interest).
3. The amount reported on Line 9 should be the same amount as that reported on Line 4 on Page 364.

Line No.	Item (a)	Total Company (b)
<b>EXTERNALLY HELD OPEB DEDICATED FUNDS OR TRUSTS</b>		
1	Fair Value of Plan Assets at Beginning of Period	\$4,373,592
	Contributions to the Fund:	
2	Deposits of Company Funds	
3	Transfers from Pension Related Funds	
4	Other *	
5	Income or (Loss) Earned on Fund Assets	219,110
6	Capital Appreciation or (Depreciation) of Fund Assets	0
7	Cost Benefits Paid from the Fund To or For Plan Participants	191,007
8	Other Expenses Paid By the Fund **	45,658
9	Fair Value of Plan Assets at End of the Period	\$4,356,037

\* Specify the source of any amount reported on Line 4.

\*\* Specify the type and amount of any expenses reported on Line 8.

**ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)**

1. The data requested on Lines 1 through 12 are for the internal reserve, the establishment of which is required by the Commission's "Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and Postretirement Benefits Other Than Pensions" (Case 91-M-0890, issued and effective September 7, 1993). The amounts reported below are to be consistent with the definitions and intent contained in that Statement.
2. The "rate allowance" to be reported on Line 2 is the amount which was projected to be charged to expense accounts (i.e., not charged to construction, depreciation, nor the rate base allowance related to capitalized OPEB costs) in the company's latest rate proceeding, adjusted to actual applicable sales as per the above Policy Statement.
3. The amount reported on Line 9 less the amount on Line 10 should total the amount reported on Line 5 of Page 364.
4. In certain instances, a portion of the OPEB internal reserve may not be subject to the accrual of interest (e.g., in the company's last rate case, a portion of the reserve may have been used as a rate base reduction). Report on Line 12 the balance of the reserve, net of its related deferred income tax effect, which is subject to the accrual of interest.
5. The Commission's September 7, 1993 Policy Statement on pensions and OPEB stated that, except under certain circumstances, the difference between 1) the rate allowance for OPEB expense, plus any pension related or other funds or credits the company is directed to use for OPEB purposes, and 2) OPEB expense determined as required therein, are to be deferred for future recovery. Report on Lines 13 through 17 the amounts relating to this requirement.

Line No.	Item (a)	New York State Jurisdiction (b)
<b>OPEB RELATED ASSETS RECORDED IN AN INTERNAL RESERVE</b>		
1	Balance in Internal Reserve at Beginning of the Period - [ (Debit) / Credit ]	(\$172,728)
2	Amount of the Company's Latest Rate Allowance for OPEB Expense	185,374
3	Amount of OPEB costs actually charged to Construction	33,350
4	Pension Related or Other Funds or Credits this Commission Directed the Company to Use for OPEB Purposes	
5	Interest Accrued on Fund Balance	
6	Cost Benefits Paid to or for Plan Participants	
7	Amount Transferred to an External OPEB Dedicated Fund	
8	Other Debits or Credits to the Internal Reserve *	28,203
9	Balance in Internal Reserve at End of the Period	74,199
10	Balance of Deferred Income Tax Applicable to the Internal Reserve	29,680
11	Interest Rate Applied to Internal Reserve Balances	
12	Internal Reserve Balance Subject to Accrual of Interest (net of tax)	44,519
<b>ACCUMULATED DEFERRED OPEB EXPENSE</b>		
13	Accumulated Deferred Balance Beginning of Period - [Debit / (Credit)]	
14	Deferral Applicable to Current Year Variation	
15	Amortization of Previous Deferrals	
16	Accumulated Deferred Balance at End of Period	
17	Balance of Deferred Income Tax Applicable to Deferred OPEB Expense at the End of Period	
	* Briefly explain any amounts reported on Line 8.	



**MISCELLANEOUS TAX REFUNDS**

1. Report below particulars concerning all tax refunds received or used as a reduction of taxes payable during the year which are not more than \$1,500,000 and do not exceed \$1,000 or 0.2% of the utility's operating revenues. This information is requested in compliance with Section 89.3, Notification Concerning Tax Refunds, of 16NYCRR. This report shall be inapplicable to ordinary operating refunds that are not attributable to negotiation or to new legislation, adjudication, or rulemaking ( such as refunds for overpayment of estimated taxes, and carrybacks of net operating losses and investment tax credits).
2. In determining whether a refund exceeds 0.2% of operating revenues for purposes of this report, in the case of a gas, electric, steam, or combination utility, operating revenues shall be reduced by the amounts properly chargeable to the functional group of Production Operation and Maintenance expense accounts; in the case of a combination utility the refund shall be deemed to exceed 0.2% of operating revenues if, after the refund is allocated among the gas, electric and steam departments in a manner reflecting insofar as possible the extent to which the refund is related to each department's activities, one or more of the portions thus allocated exceeds 0.2% of the operating revenues of the department to which it is allocated.
3. In determining whether a refund meets the criteria stated in Instruction 1 above, multiple refunds shall be treated as a single refund if they share a common cause such as a common act of negotiation legislation, adjudication or rulemaking.
4. In this report, the utility also shall either propose a method of distributing to its customers the entire amount refunded, or show why it should not make such a distribution.

LINE NO.	Description of Item (a)	Amount (b)
1	The Company received a property tax refund in December 2011 and filed a petition with the Commission (Case 11-W-0695) on December 22, 2011.	\$3,100,000
2		
3		
4		
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13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34	Total	\$3,100,000

**WATER PRODUCTION AND CONSUMPTION**

1. Show quantities of water produced and purchased and the quantities delivered to consumers and lost or unaccounted for during the year. Where estimates are used, the bases thereof should be set forth in a footnote.

schedule separately for each plant.

2. If respondent has two or more major plants, show the information called for in this

3. Insert in the column headings preceding the abbreviation "gals." the initial letter of Thousand, Million or Billion to indicate the unit in which the quantities are expressed.

C o n s u m p t i o n											Losses Accounted for					Losses Un- accounted for
LINE  NO.	Month  (a)	Water Produced		Water Purchased  gals. (d)	General		Public*		Respondent		Pump Slip  gals. (k)	Trans mission  gals. (l)	Distri bution  gals. (m)	Other  gals. (n)		
		Gravity  gals. (b)	Pumped  gals. (c)		Metered  gals. (e)	Un- Metered  gals. (f)	Metered  gals. (g)	Un- Metered  gals. (h)	Metered  gals. (i)	Un- Metered  gals. (j)						
1	Jan		295,060		306,097		1,050		4,010				16,000		(32,097)	
2	Feb		274,100		362,257		1,050		4,010				13,050		(106,267)	
3	Mar		311,110		280,215		1,050		9,010				6,000		14,835	
4	Apr		334,530		152,261		2,050		11,010				6,000		163,209	
5	May		489,150		350,131		1,050		11,030				4,000		122,939	
6	Jun		679,250		395,932		1,050		12,030				4,000		266,238	
7	Jul		860,030		691,536		1,050		12,040				2,050		153,354	
8	Aug		637,700		717,945		1,050		11,050				2,050		(94,395)	
9	Sep		534,190		678,984		1,050		11,020				3,050		(159,914)	
10	Oct		442,340		502,581		1,050		6,010				3,060		(70,361)	
11	Nov		321,170		439,280		1,050		5,010				3,010		(127,180)	
12	Dec		313,180		290,074		1,050		4,010				8,010		10,036	
13	Totals	0	5,491,810	0	5,167,293	0	13,600	0	100,240	0	0	0	70,280	0	140,397	

\*Includes all sales to public authorities except those made under service classifications having general consumer application.

## SOURCES OF WATER SUPPLY

1. Show the requested information concerning surface water supply. In the lower section of the schedule insert in "Designation" column some letter or other symbol which will identify the reservoir with related water shed and structures described in the upper section.

state that fact in a footnote, and give full particulars concerning respondent's title.

2. If any property was held at the end of the year under any title other than full ownership,

3. Insert in the headings of columns (q) and (a) to (w) and column (y) the initial letter of Thousand, Million or Billion to indicate the unit in which the quantities are expressed.

LINE NO.	Designation of water shed (a)	D A M S						I N T A K E S					
		Area of water shed sq. miles (b)	Location (village or town) (c)	Year of construction (d)	Type and material (e)	Length ft. (f)	Maximum height ft. (g)	Number (h)	Kind (i)	Location (j)	Diameter in. (k)	Depth below surface ft. (l)	Length ft. (m)
1	N/A												
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13	Designation (n)	Impounding Reservoirs					Draft during year			Draft during reservoir service			
14		Year of Construction (o)	Natural or Artificial (p)	Capacity gals (q)	Spillway elevation ft. (r)	Est daily yield dry year gals (s)	Avg. daily gals (t)	Maximum Daily gals (u)	Minimum Daily gals (v)	Maximum Daily		Minimum Daily	
15										gals (w)	Year (x)	gals (y)	Year (z)
16	N/A												
17													
18													
19													
20													
21													
22													
23													
24													
25													
26													
27													
28													
29													
30													
31													
32													
33													

## SOURCES OF WATER SUPPLY

1. Show the requested information concerning surface water supply. In column (b) indicate whether supply is from springs, wells, or infiltration galleries. Columns (f) to (l) relate to wells only, but other columns should also be filled out in respect of this source of supply.

3. In column (l) indicate whether Natural flow, Suction, Air lift, or Deep well pump.

2. If any property was held at the end of the year under any title other than full ownership, state that fact in a footnote, and give full particulars concerning respondent's title.

LINE NO.	Location (city, village or town) and designation of system (a)	Type of develop-ment (b)	Year of Construc-tion (c)	Number of each type (d)	Elevation (ground surface) ft.)* (e)	W E L L S						Average daily yield, thousand gals. (m)	
						Type (driven, dug etc.) (f)	Depth ft. (g)	Minimum diameter of well in. (h)	Depth water below surface not. operating - ft. (i)	Draw down			Method of Operation (l)
										Below static ft. (j)	Pumping at G.P.M. (k)		
1	<u>Merrick</u>												
2	Jefferson St. #11	Well	1963	1	22.89	Gravel	649	16	22	23	222	Deep Well	1020
3	Jefferson St. #12	Well	1967	1	22.63	Gravel	602	18	15	75	1200	Deep Well	820
4	Charles St. #2	Well	1983	1	30.55	Gravel	570	20	17.4	42	1625	Deep Well	1500
5													
6	<u>No. Bellmore</u>												
7	Newbridge Rd. #1	Well	1952	1	38.00	Gravel	350	14	-	-	-	Deep Well	-
8	Newbridge Rd. #3	Well	1979	1	39.00	Gravel	700	16	14	96	1667	Deep Well	1880
9	Newbridge Rd. #4	Well	1982	1	41.18	Gravel	664	20	30	75	1820	Deep Well	1100
10													
11	<u>Wantagh</u>												
12	Old Mill Rd. #1	Well	1967	1	27.00	Gravel	513	18	12	50	1935	Deep Well	1600
13	Jerusalem #4	Well	1980	1	34.57	Gravel	660	20	8	74	1650	Deep Well	1200
14	Jerusalem #5	Well	1985	1	34.57	Gravel	583	20	12	60	1900	Deep Well	2000
15	DeMott #4	Well	1956	1	33.87	Gravel	387	16	13	91	2250	Deep Well	1200
16	DeMott #5	Well	1972	1	29.50	Gravel	680	10	15	70	1078	Deep Well	600
17	DeMott #6	Well	1983	1	31.30	Gravel	774	20	7	100	1550	Deep Well	1800
18													
19	<u>Levittown</u>												
20	Seaman Nk. Rd. #2	Well	1952	1	62.00	Gravel	151	16	-	-	-	Deep Well	-
21	Seaman Nk. Rd. #3	Well	1969	1	60.00	Gravel	655	20	30	43	1600	Deep Well	1400
22	Seaman Nk. Rd. #4	Well	1979	1	69.00	Gravel	649	20	24	54	1791	Deep Well	2100
23													
24	<u>Massapequa</u>												
25	Sunrise Mall #6	Well	1963	1	26.67	Gravel	533	16	42	58	1463	Deep Well	1400
26	Sunrise Mall #7	Well	1971	1	26.50	Gravel	892	20	16	27	1265	Deep Well	1300
27	Sunrise Mall #8	Well	1988	1	30.33	Gravel	684	20	20	48	2069	Deep Well	2000

\* Above Sea Level

**PUMPING STATION & FIRE SERVICE**

1. Show the requested information concerning each pumping station in operation at any time during the year. expressed.

2. Where quantities of water are requested, insert in col. (a) preceding the abbreviation "gals." the initial letter of Thousand, Million, or Billion to indicate the unit in which entries

3. Utilize the blank spaces,. column (a), for inserting designations against which are to be entered data separately for each pump, kind of fuel etc.

LINE NO.	Designation of Station**	Jefferson	Charles	Newbridge	Old Mill Rd.	Jerusalem	Seaman Nk.
	I t e m (a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Location of station (city, village or town)	Merrick	Merrick	No. Bellmore	Wantagh	Wantagh	Levittown
2	Elevation above sea level (ft.)	22	31	29	27	29	60
3	Number of Pumps	2	1	1	1	1	3
4	Water pumps with slip (.....gals.)		All Pumps Are Either Deep Well Or Centrifugal				
5	Water pumps without slip (.....gals.)	211,170	233,230	717,190	648,950	1,047,400	1,184,850
6	Water pumps by sta. mass (.....gals.)	"	"	"	"	"	"
7	How measured	Orifice Pl.	Orifice Pl.	Orifice Pl.	Orifice Pl.	Orifice Pl.	Orifice Pl.
8	Average daily for each pump (gals.....)						
9							
10							
11							
12							
13							
14	Maximum daily output of station (....gals)	5,030	2,840	4,840	3,260	5,810	4,720
15	Number of Pumps Used	2	1	2	1	2	2
16	Date on which the above maximum occurred	23-Jul	17-Jul	7-Jul	15-Jul	13-Jul	23-Jul
17	Max daily output of entire system						
18	Date on which the above maximum occurred						
19	Av. head against which each pump works						
20							
21							
22	Kind of power (if system operates by gravity, so state)	Electric	Electric	Electric	Electric	Electric	Electric
23	Kinds of fuel used						
24							
25							
26	Unit of fuel	KWH	KWH	KWH	KWH	KWH	KWH
27							
28	Fuel on hand at beginning of year						
29							
30	Quantity received during year	305,600	350,000	1,186,160	728,280	1,450,920	1,885,440
31							
32	Average cost per unit	0.20	0.18	0.18	0.15	0.15	0.02
33							
34	Quantity used for pumping	305,600	350,000	1,186,160	728,280	1,450,920	1,885,440
35							
36	Quantity used for other than pumping						
37	Quantity on hand at end of year						
38	Avg. fuel or pwr. cost per ....gals. pumped	0.20	0.18	0.18	0.15	0.15	0.15
39	<b>FIRE DATA</b>						
40	Date of largest fire damage during year						
41	Number of 250 g.p.m. fire streams used						
42	Duration of maximum fire draft (hrs.)						
43	Number of hydrants used.						
44	Total head required for max. fire draft (ft.)						

\* If electric is used, give name of the company from which purchased. Where station is serving two zones designate according to zones.

**PUMPING STATION & FIRE SERVICE (Continued)**

4. In column (i), assign a designation no. or letter to each pump, which designation must be used to indicate performance of the particular unit under the captions on lines 8 and 19.

6. If pumpage data are not available for individual pumps, give the information per station.

5. If electricity was used, specify on lines 23 to 38 the requested quantities (kwh) and averages.

	DeMott Avenue		Massapequa		Bernard	Morton	Total	Total	Total
LINE NO.	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
1	Wantagh		Massapequa		Merrick	Massapequa			
2	30	30	23	23	9	23			
3	3	2	3	1	2	2			
4	All Pumps Are Either Deep Well Or Centrifugal								
5	608,230		840,810		3,330	24,000		5,519,160	
6	"		"		"	"			
7	Orifice Pl.	Orifice Pl.	Orifice Pl.	Orifice Pl.	Orifice Pl.	Orifice Pl.			
8									
9									
10									
11									
12									
13									
14	5,710		5,590		720	790			
15	2		3		1	1			
16	21-Jul		21-Jul		7-Jul	21-Jul			
17									
18									
19	Note:	column l & m	0						
20		column p = water repumped and produced							
21									
22									
23	Electric	Gas	Electric		Electric	Electric	Gas	Electric	
24									
25									
26	KWH	Therms	KWH		KWH	KWH	Therms	KWH	
27									
28									
29									
30	835,560	35,420	1,093,120		39,600	63,120	35,420	7,937,800	
31									
32	0.17	0.93	0.16		0.30	0.36	0.93		
33									
34	835,560	35,420	1,093,120		39,600	63,120	35,420	7,937,800	
35									
36									
37									
38	0.17	0.93	0.16		0.30	0.36	0.93		

**WATER TREATMENT SYSTEM**

1. Show the requested information concerning the treatment system which was owned or operated at any time during the year covered by the report. If not in continuous operation, state in column (h), the beginning and end of the period of actual use within the year.

LINE NO.	Location (city, village or town) and designation of system (a)	Type (b)	Year of construction or installation (c)	Number of units, basins or beds (d)	Area of basins or beds sq. ft. (e)	Depth of basins or beds ft. (f)	Normal Daily capacity .....gals* (g)	Method of Operation (h)
1	Merrick - Jefferson St.	Caustic Soda, Hypo	1967	2,2,2	N/A	N/A	N/A	Force Feed To Discharge
2	No. Merrick - Charles St.	Caustic Soda, Hypo	1969	1,1,1	N/A	N/A	N/A	Force Feed To Discharge
3	No. Bellmore - Newbridge Rd.	Caustic Soda, Hypo	1969	2,2,2	N/A	N/A	N/A	Force Feed To Discharge
4	Levittown - Seamans Nk. Rd.	Caustic Soda, Hypo	1967	2,2,2	N/A	N/A	N/A	Force Feed To Discharge
5	Wantagh - Jerusalem Ave.	Caustic Soda, Hypo	1969	2,2,2	N/A	N/A	N/A	Force Feed To Discharge
6	Wantagh - DeMott Ave.	Caustic Soda, Hypo	1970	3,3,3	N/A	N/A	N/A	Force Feed To Discharge
7	Wantagh - Old Mill Rd.	Caustic Soda, Hypo	1969	1,1,1	N/A	N/A	N/A	Force Feed To Discharge
8	Massapequa - Wells 6,7,8	Caustic Soda, Hypo	1969	3,3,3	N/A	N/A	N/A	Force Feed To Discharge
9								
10	Maximum safe daily capacity							

\*Prefix the initial letter of thousands, million or billion to indicate in which entries are expressed.

**TREATMENT PROCESS**

1. Show the requested information concerning Water Treatment Processes, the quantities treated by each process, and the chemicals used in connection therewith.

2. If respondent has two or more treatment plants, show the information separately for each plant.

3. Insert the heading of column (b) preceding the abbreviation "gals." the initial

letter of Thousand, Million or Billion to indicate the unit in which quantities are expressed.

4. If certain quantities of water are subject to more than one method of treatment, make suitable deduction on line 33.

5. In column (d) specify short tons gallons, or other unit in which quantities of chemicals in column (c) are expressed..

LINE NO.	Process (a)	.....gals. purified (b)	Kind (c)	Chemicals used		Total Cost (f)	Remarks (g)
				Units (d)	Number of Units (e)		
23	Sedimentation						
24	Coagulation						
25	Softening - Corrosion Control	6,052,300	Caustic Soda (50%)	lbs.	3,292,860	\$464,495	
26	Iron Removal - Iron Control	6,052,300	Calciquest	lbs.	154,193	82,566	
27	Filtration (Specify method)						
28	Aeration		Tablet Chlorine	lbs.	4,800	9,936	
29	Chlorine - Hypochlorite	6,052,300	Liquid Chlorine	Gallons	90,997	<u>123,286</u>	
30	Copper sulphate						
31	Other:					\$680,283	
32	Totals	6,052,300					
33	Less duplications:						
34	Quantity purified						
35	Quantity not purified						
36	Total available for distribution	6,052,300					

**DISTRIBUTION RESERVOIRS AND STANDPIPES**

1. Show the requested information concerning structures employed for storage of water in connection with the distribution system.

2. In column (i) indicate whether some is high pressure, low pressure, or other characteristics.

3. If any property was held at the end of the year under any title other than full owner-ship, state the fact in a footnote, and give full particulars concerning respondent's title.

LINE NO.	Location (city, village or town) and designation of system (a)	Elevation of overflow ft. (b)	Classification (c)	Year of construction (d)	Material (e)	Open or closed (f)	Dimensions ft.. (g)	Capacity .....gals. (h)	Service zone supplied (i)
1	<u>MERRICK</u>								
2	Jefferson St.	174.88	Elev. Tk.	1987	Steel	Closed	58 x 42' - 1"	750	
3	Bernard	31.55	Ground	1964	Steel	Closed	25 x 85	1000	
4									
5									
6	<u>WANTAGH</u>								
7	DeMott Avenue	52	Ground	1951	Steel	Closed	25 x 85	1000	
8									
9	<u>NO. BELLMORE</u>								
10	Newbridge	55	Ground	1952	Pre-Stressed Concrete	Closed	21 x 90	1000	
11									
12									
13	<u>MASSAPEQUA</u>								
14	Morton	49.75	Ground	1973	Steel	Closed	25 x 117	2000	
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									



## MAINS

1. Show the requested information concerning mains in service of the respondent at the end of the year  
 2. If any portion of the mains was held by respondent under any title other than full ownership, state that fact in a footnote and give the particulars concerning respondent's title.

LINE NO.	Municipality and designation of system (a)	Diameter of pipe in. (b)	Length of Pipe to the nearest foot							Total Length of Pipes	
			Cast Iron (c)	Wrought Iron (d)	(e)	(f)	(g)	(h)	(i)	Private right of way ft. (j)	Public Streets ft. (k)
1	Transmission and										
2	Distribution Mains										
3	Merrick	3/4"		560		40					600
4	No. Merrick	1"				114					114
5	Bellmore	1 1/4"	216	263							479
6	No. Bellmore	1 1/2"		137							137
7	Wantagh	2"	6,449								6,449
8	Seaford	3"		158							158
9	Massapequa	4"	30,646				3,599			12,278	21,967
10		6"	1,160,623				239,639			725,499	674,763
11		8"	494,884		1,283		110,110			285,391	320,886
12		10"	171							171	0
13		12"	210,112		1,804		14,871			29,092	197,695
14		16"	11,433		479					4,634	7,278
15		18"									
16		20"	127							127	
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											
31											
32			1,914,661	1,118	3,566	154	368,219	0	0	1,057,192	1,230,526

**MAINS (Continued)**

1. Show the requested information concerning mains in service of the respondent at the end of the year  
 2. If any portion of the mains was held by respondent under any title other than full ownership, state that fact in a footnote and give the particulars concerning respondent's title.

LINE NO.	Municipality and designation of system (a)	Diameter of pipe in. (b)	Length of Pipe to the nearest foot							Total Length of Pipes	
			Cast Iron (c)	Wrought Iron (d)	(e)	(f)	(g)	(h)	(i)	Private right of way ft. (j)	Public Streets ft. (k)
1	Fire Mains										
2											
3	None										
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											
31											
32											

## SERVICE PIPES

1. Show the requested information concerning the service pipes used in the delivery of water from the distribution mains. If the respondent has two or more separate distribution systems, the particulars for each should be separately stated.

2. State in a footnote upon what basis, if any, customers are charged for the installations of services.

3. If the respondent owns the services from the mains to the curb or property line, classify such services as "owned by respondent," and restrict the average length in column (g) to the portion of the service owned.

Line No.	Diameter In. (a)	Number at end of year				Material (f)	Average length feet (g)
		Total (b)	In Use (c)	Temporarily Inactive (d)	Advance connections, not yet used (e)		
1	<u>Owned by Respondent</u>						
2	3/4"	38,795	39,079	(284)		Steel, Copper & Plastic	25
3	1"	6,763	6,403	360		Steel, Copper & Plastic	25
4	1 1/2"	23	13	10		Galvanized Steel	25
5	2"	104	96	8		Galvanized Steel	24
6	3"	158	104	54		Galvanized Steel & C.I.	36
7	4"	8	11	(3)		Galvanized Steel & C.I.	25
8	5"	29	4	25		Cast Iron	21
9	6"	93	92	1		Cast Iron	24
10	8"	60	55	5		Cast Iron	10
11	10"	24	23	1		Cast Iron	20
12	12"	5	4	1		Cast Iron	20
13		0					
14		0					
15		0					
16	TOTALS	46,062	45,884	178	0		
17	<u>Owned by Customers</u>						
18		0					
19		0					
20		0					
21		0					
22		0					
23		0					
24		0					
25		0					
26		0					
27		0					
28		0					
29		0					
30		0					
31		0					
32		0					
33		0					
34	TOTALS	0	0	0	0		

**CUSTOMERS' METERS**

1. Show the requested information concerning customers' meters in service or in stock during the year, and also the information called for concerning meters owned by customers.

3. If the respondent has two or more distribution systems, the entries hereunder should be identified with the system of which the meters form a part.

2. Under type, classify them as Displacement, Current, Compound, and Fire service.

Line No.	Type  (a)	Size In.  (b)	Owned by Company					Number In stock at end of year (h)	Owned by Customers	
			Annual		Seasonal				Beginning of Year (i)	End of Year (j)
			Beginning of Year (c)	End of Year (d)	Beginning of Year (e)	Mid-season maximum (f)	End of Year (g)			
1	Displacement	5/8"	40,647	40,537					None	None
2	Displacement	3/4"	802	802					None	None
3	Displacement	1"	3,045	3,152					None	None
4	Displacement	1 1/2"	64	120					None	None
5	Displacement	2"	72	319					None	None
6	Displacement	3"	3	40					None	None
7	Compound	4"	10	23					None	None
8	Compound	6"	26	22					None	None
9	Compound	8"							None	None
10	Compound	12"							None	None
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34	TOTALS		44,669	45,015	0		0	0	0	0

## FIRE HYDRANTS

1. Show the requested information concerning fire hydrants used in furnishing water for public and private fire protection.

2. If respondent gives fire protection without direct charge, the hydrants used for such purpose should be so designated by appropriate footnotes.

3. If any unit listed hereunder was held at the end of the year under any title other than full ownership, give, in a footnote, particulars concerning respondent's title.

Line No.	Location (city, village or town)  (a)	Size Hydrant (valve opening), in. (b)	Hose Connections		Steamer Connections		Diameter of pipe to main in. (g)	Number of Hydrants in Service			
			Number per Hydrant (c)	Size in. (d)	Number per Hydrant (e)	Size in. (f)		At beginning of year		At end of year	
								Owned by Company (h)	Not owned by company (i)	Owned by Company (j)	Not owned by company (k)
1	Public Fire Protection										
2	Town of Hempstead										
3	Bellmore Fire District	4 & 5	2	21/2	-	-	6	194	-	194	
4	Bellmore Fire District	4,5,5 1/4	2	21/2	1	41/2	6	174	-	174	
5	No. Bellmore Fire District	4 & 5	2	21/2	-	-	6	211	-	211	
6	No. Bellmore Fire District	4,5,5 1/4	2	21/2	1	41/2	6	111	-	111	
7	Merrick Water Supply District	4 & 5	2	21/2	-	-	6	217	-	217	
8	Merrick Water Supply District	4,5,5 1/4	2	21/2	1	41/2	6	261	-	261	
9	No. Merrick Fire District	4 & 5	2	21/2	-	-	6	115	-	115	
10	No. Merrick Fire District	4,5,5 1/4	2	21/2	1	41/2	6	112	-	112	
11	Seaford Fire District	4,5,5 1/4	2	21/2	1	41/2	6	200	-	200	
12	Levittown Water Supply	4,5,5 1/4	2	21/2	1	41/2	6	11	-	11	
13	Wantagh Fire District	4 & 5	2	21/2	-	-	6	449	-	449	
14	Wantagh Fire District	4,5,5 1/4	2	21/2	1	41/2	6	379	-	379	
15											
16	Town of Oyster Bay										
17	Massapequa Fire District	4,5,5 1/4	2	21/2	1	41/2	6	380	-	380	
18											
19											
20											
21											
22											
23	Sub-Total							2,814		2,814	
24	Non-Revenue							425		429	
25	Hydrants & Blow-Off										
26	Public Property										
27											
28											
29											
30											
31											
32											
33											
34							TOTALS	\$6,053	\$0	\$6,057	\$0

## FIRE HYDRANTS (Continued)

1. Show the requested information concerning fire hydrants used in furnishing water for public and private fire protection.

2. If respondent gives fire protection without direct charge, the hydrants used for such purpose should be so designated by appropriate footnotes.

3. If any unit listed hereunder was held at the end of the year under any title other than full ownership, give, in a footnote, particulars concerning respondent's title.

Line No.	Location (city, village or town)  (a)	Size Hydrant (valve opening), in. (b)	Hose Connections		Steamer Connections		Diameter of pipe to main in. (g)	Number of Hydrants in Service			
			Number per Hydrant (c)	Size in. (d)	Number per Hydrant (e)	Size in. (f)		At beginning of year		At end of year	
								Owned by Company (h)	Not owned by company (i)	Owned by Company (j)	Not owned by company (k)
1	<u>Private Fire Protection</u>										
2									28		37
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
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28											
29											
30											
31											
32											
33											
34								TOTALS	-	37	-

NYSPSC 347-97

**STATE OF NEW YORK**  
**Public Service Commission**  
**5 Year Book Data - From FERC Form 1**

**NEW YORK WATER SERVICE CORP**

**COMPARATIVE BALANCE SHEET**

	Annual Report Source Page, Line (Column)	December 31, 2011
<b>UTILITY PLANT</b>		
Net Utility Plant	Pg 114, L 4 (d)	\$48,519,161
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Nonutility Property (Net)	Pg 114, L 6 (d) - L 7 (d)	0
Other Investments	Pg 114, L 8, 9, 10 (d)	0
Sinking Funds and Other Special Funds	Pg 114, L 11, 12, 13 (d)	0
Total Other Property and Investments	Formula	0
<b>CURRENT AND ACCRUED ASSETS</b>		
Cash and Cash Equivalents	Pg 114, L 16=>21 (d)	750
Notes and Accounts Receivables - Net	Pg 114, L 22=>24 (d) - L 25 (d)	1,814,130
Receivables from Associated Companies	Pg 114, L 26, 27 (d)	9,280,674
Materials and Supplies	Pg 114, L 28 (d)	251,258
Prepayments	Pg 114, L 29 (d)	51,601
Accrued Utility Revenue	Pg 114, L 32 (d)	2,329,252
Misc Current and Accrued Assets	Pg 114, L 30, 31, 33 (d)	0
Total Current and Accrued Assets	Formula	13,727,665
<b>DEFERRED DEBITS</b>		
Unamort. Debt Expense	Pg 114, L 36 (d)	959,515
Other Deferred Debits	Pg 114, L 37=>43 (d)	35,473,225
Accumulated Deferred Income Taxes	Pg 114, L 44 (d)	0
Total Deferred Debits	Formula	36,432,740
<b>Total Assets and Other Debits</b>	Formula	98679566.19
<b>PROPRIETARY CAPITAL</b>		
Common Stock Issued	Pg 115, L 2, (d)	3,674,470
Preferred Stock Issued	Pg 115, L 3, (d)	0
Other Paid-in Capital	Pg 115, L 4=>8 - L 9=>10 (d)	2,133,733
Retained Earnings	Pg 115, L 11 (d)	32,354,808
Reacquired Capital Stock	Pg 115, L 12 (d) (-)	0
Total Proprietary Capital	Formula	38,163,011
<b>LONG-TERM DEBT</b>		
Long-Term Debt	Pg 115, L 21 (d)	23,298,080
<b>CURRENT AND ACCRUED LIABILITIES</b>		
Notes Payable	Pg 115, L 30 (d)	0
Accounts Payable	Pg 115, L 31 (d)	561,568
Payables to Associated Companies	Pg 115, L 32, 33 (d)	0
Customer Deposits	Pg 115, L 34 (d)	0
Taxes Accrued	Pg 115, L 35 (d)	272,360
Interest Accrued	Pg 115, L 36 (d)	325,858
Matured Long-Term Debt	Pg 115, L 38 (d)	0
Misc Current and Accrued Liabilities	Pg 115, L 37, 39=>42 (d)	2,251,754
Total Current and Accrued Liabilities	Formula	3411540
<b>DEFERRED CREDITS</b>		
Customer Advances for Construction	Pg 115, L 45 (d)	12,996
Other Deferred Credits	Pg 115, L 46 (d)	21,106,434
Accumulated Deferred Investment Tax Credits	Pg 115, L 47 (d)	0
Accumulated Deferred Income Taxes	Pg 115, L 50 (d)	12,687,505
Total Deferred Credits	Formula	33,806,935
<b>OPERATING RESERVES</b>		
Operating Reserves	Pg 115, L 28 (d)	0
<b>Total Liabilities and Other Credits</b>	Formula	<b>\$98,679,566</b>

**COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT**  
**TOTAL UTILITY OPERATING INCOME**

	Annual Report Source Page, Line (Column)	December 31, 2011
<b>UTILITY OPERATING INCOME</b>		
Operating Revenues	Pg 117, L 2 (e)	\$27,258,288
Operating Expense:		
Operation Expense	Pg 117, L 4 (e)	9,019,286
Maintenance Expense	Pg 117, L 5 (e)	1,476,697
Depreciation and Amortization Expense	Pg 117, L 6=>11 - L 12 (e)	2,204,227
Taxes Other than Income Taxes	Pg 117, L 13 (e)	8,165,489
Income Taxes	Pg 117, L 14=>16, 18, 19, - L 17 (e)	1,564,399
Total Operating Expenses	Formula	22,430,098
Net Operating Revenues	Formula	4,828,190
Other Utility Operating Income	Pg 117, L 23 (g), (i)	0
<b>Total Utility Operating Income</b>	Formula	4,828,190
<b>OTHER INCOME</b>		
Interest and Dividend Income	Pg 118, L 34 (c)	
Allowance for Funds Used During Construction	Pg 118, L 35 (c)	16,622
Miscellaneous Nonoperating Income	Pg 118, L 36 (c)	0
Other Income	Pg 118, L 28, 30, 32, 33, 37 - L 29, 31	(4,992)
Total Other Income	Formula	11,630
Other Income Deductions	Pg 118, L 43 (c)	1,096,588
Taxes-Other Income and Deductions	Pg 118, L 52 (c)	0
<b>Income Available</b>	Formula	3,743,232
<b>INTEREST CHARGES</b>		
Interest on Long-Term Debt	Pg 118, L 55=>57 - L 58, 59 (c)	1,393,193
Interest on Debt to Associated Co.	Pg 118, L 60 (c)	0
Other Interest Expense	Pg 118, L 61 - L 62 (c)	49,354
Total Interest Charges	Formula	1,442,547
Income Before Extraordinary Items	Formula	2,300,685
Extraordinary Items	Pg 118, L 70 (c)	0
<b>Net Income</b>	Formula	\$2,300,685
<hr/>		
<b>RETAINED EARNINGS</b>		
Unappropriated (BOP)	Pg 120, L 1 (c)	\$30,054,123
Balance Transferred from Income	Pg 120, L 16 (c)	2300685
Appropriated	Pg 120, L 22 (c) (-)	0
Dividends Declared-Preferred Stock	Pg 120, L 29 (c) (-)	0
Dividends Declared-Common Stock	Pg 120, L 36 (c) (-)	0
Adjustments to Retained Earnings	Pg 120, L -9, 15, -37 (c)	0
Net Change	Formula	2,300,685
Unappropriated (EOP)	Formula	32,354,808
Appropriated (EOP)	Pg 121, L 45 (b)	0
<b>Total Retained Earnings</b>	Formula	\$32,354,808



## CASH FLOW STATEMENT

	Annual Report Source Page, Line (Column)	December 31, 2011
<b>Cash Flows From Operating Activities</b>		
Net Income	Pg 122, L 2 (b)	\$2,300,685
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, Depletion & Amortization	Pg 122, L 4=>7 (b)	3,284,587
Deferred Taxes & ITCs	Pg 122, L 8, 9 (b)	363,112
Receivables and Inventory	Pg 122, L 10=>11 (b)	748,679
Payables and Accrued Expenses	Pg 122, L 12 (b)	499,528
Capitalized AFUDC - Equity Funds	Pg 122, L 15 (b) (-)	(16,622)
Equity In Loss (Earnings) Of Affiliates	Pg 122, L 16 (b) (-)	0
Other Adjustments	Pg 122, L 17 (b)	(4,615,055)
	Pg 122, L 18 (b)	0
	Pg 122, L 19=>20 (b)	0
Net Cash From Operating Activities	Formula	<u>2,564,914</u>
<b>Cash Flows From Investing Activities</b>		
Cash Outflows For Construction	Pg 122, L 32 (b)	(2,693,428)
Acquisition Of Other Non-Current Assets	Pg 122, L 34=>36 (b)	0
Investments In & Advances to Affiliates.	Pg 122, L 37 (b)	0
Contributions & Advances from Affiliates	Pg 122, L 38 (b)	0
Net Proceeds - Sale Or Disposition Of:		
Property, Plant & Equipment	No Entry	
Investments in Affiliated Companies	Pg 122, L 40, 41 (b)	0
Other Debt & Equity Investments	Pg 122, L 42, 43 (b)	0
Other Non-Current Assets	Pg 123, L 44=>46 (b)	0
Other Cash Flows - Investing Activities	Pg 123, L 47=>49 (b)	0
	Pg 123, L 50=>52 (b)	0
Net Cash From Investing Activities	Formula	<u>(2,693,428)</u>
<b>Cash Flows From Financing Activities</b>		
Net Proceeds (Payments) - Issuing & Retiring:		
Long-Term Debt	Pg 123, L 58, 61, 62, 70, 73, 74 (b)	74,520
Common Stock	Pg 123, L 60+72 (b)	0
Preferred Stock	Pg 123, L 59+71 (b)	0
Short-Term Debt	Pg 123, L 63, 75 (b)	0
Dividends Paid	Pg 123, L 77, 78 (b)	0
Other Cash Flows - Financing Activities	Pg 123, L 64=>66, 76 (b)	53,994
Net Cash From Financing Activities	Formula	<u>128,514</u>
Net Increase/(Decrease) In Cash Equivalents	Formula	0
Cash & Cash Equivalents At Beginning Of Year	Pg 123, L 85 (b)	750
<b>Cash &amp; Cash Equivalents At End Of Year</b>	Formula	<b>\$750</b>

# STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE

	Annual Report Source Page, Line (Column)	December 31, 2011
<b>REVENUES</b>		
Residential Sales	Pg 300, L 2 (d)	\$22,549,752
Commercial and Industrial Sales	Pg 300, L 3, 4 (d)	2,219,976
Fire Protection Service	Pg 300, L 5, 6 (d)	1,878,392
Sales for Resale	Pg 300, L 9 (d)	0
Other Sales	Pg 300, L 7, 8, 10 (d)	0
Other Operating Revenues	Pg 300, L 19 (d)	610,168
Total Water Operating Revenues	Formula	\$27,258,288
<b>WATER SALES (Thousands of Gallons)</b>		
Residential Sales	Pg 300, L 2 (f)	4,500,361
Commercial and Industrial Sales	Pg 300, L 3, 4 (f)	666,933
Fire Protection Service	Pg 300, L 5, 6 (f)	0
Sales for Resale	Pg 300, L 9 (f)	0
Other Sales	Pg 300, L 7, 8, 10 (f)	0
Total Sales of Water	Formula	5,167,294
<b>AVERAGE CUSTOMERS PER MONTH</b>		
Residential Sales	Pg 300, L 2 (h)	43,027
Commercial and Industrial Sales	Pg 300, L 3, 4 (h)	1,225
Fire Protection Service	Pg 300, L 5, 6 (h)	315
Sales for Resale	Pg 300, L 9 (h)	0
Other Sales	Pg 300, L 7, 8, 10 (h)	0
Total Customers	Formula	44,567
<b>OPERATING REVENUE RELATIONSHIP</b>		
<b>RESIDENTIAL SALES</b>		
Average Annual Bill per Customer	Formula	\$524.08
Average Consumption per Customer (T.Gal)	Formula	105
Average Revenue per T Gallons Sold	Formula	5.01
<b>COMMERCIAL/INDUSTRIAL SALES</b>		
Average Annual Bill per Customer	Formula	\$1,812.23
Average Consumption per Customer (T.Gal)	Formula	544
Average Revenue per T Gallons Sold	Formula	3.33
<b>OPERATION AND MAINTENANCE EXPENSES</b>		
Source of Supply	Pg 307, L 19 (b)	\$216,965
Pumping	Pg 307, L 37 (b)	1,808,996
Water Treatment	Pg 308, L 51 (b)	1,203,485
Transmission and Distribution	Pg 308, L 74 (b)	1,287,689
Customer Accounting and Collecting	Pg 308, L 87 (b)	260,017
Sales	Pg 309, L 90 (b)	0
Administrative and General	Pg 309, L 113 (b)	5,718,831
Total O & M Expense	Formula	\$10,495,983

## DISTRIBUTION OF WATER REVENUES

Annual Report Source  
Page, Line (Column)

December 31, 2011

Revenues	Formula	\$27,258,288
Sales (Thousands of Gallons)	Formula	5,167,294

### DOLLAR AMOUNTS

Purchased Water, Fuel or Power for Pumping, and Chemicals	Formula	\$2,096,636
Wages and Benefits	Formula	4,635,953
Other Operation and Maintenance Expense	Formula	3,763,394
Depreciation and Amortization Expense	Formula	2,204,227
Income Taxes-Operating	Formula	1,564,399
Other Taxes-Operating	Formula	8,165,489
Capital Costs	Formula	4,828,190
Total	Formula	\$27,258,288

### PERCENT OF REVENUES

Purchased Water, Fuel or Power for Pumping, and Chemicals	Formula	7.7
Wages and Benefits	Formula	17.0
Other Operation and Maintenance Expense	Formula	13.8
Depreciation and Amortization Expense	Formula	8.1
Income Taxes-Operating	Formula	5.7
Other Taxes-Operating	Formula	30.0
Capital Costs	Formula	17.7
Total	Formula	100.0

### DOLLARS PER THOUSAND GALLONS SOLD

Purchased Water, Fuel or Power for Pumping, and Chemicals	Formula	0.41
Wages and Benefits	Formula	0.90
Other Operation and Maintenance Expense	Formula	0.73
Depreciation and Amortization Expense	Formula	0.43
Income Taxes-Operating	Formula	0.30
Other Taxes-Operating	Formula	1.58
Capital Costs	Formula	0.93
Total	Formula	5.28

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**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water	Pg 307, L 5 (b)	0
Fuel for Pumping	Pg 307, L 25 (b)	1,466,898
Chemicals	Pg 307, L 41 (b)	629,738

Total PW, Fuel and Chemicals	Formula	2,096,636
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**Wages and Benefits**

Salaries	Pg 354, L 26 (d)	2,932,095
Pensions and Benefits	Pg 309, L 100 (b)	1,703,858
Total Wages and Benefits	Formula	4,635,953

**Other Expenses**

Total O&M Expenses	Formula	10,495,983
-Total PW, Fuel and Chemicals	Formula	2,096,636
-Wages and Benefits	Formula	4635953

Other Expenses	Formula	3,763,394
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**Depreciation and Amortization**

Depreciation Exp	Formula	2,204,227
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Total Depre and Amort	Formula	2,204,227
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**Income Taxes-Operating**

Income Taxes- Operating	Formula	1,564,399
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**Other Taxes-Operating**

Other Taxes-Operating	Formula	8,165,489
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# COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS

	Annual Report Source Page, Line (Column)	December 31, 2011
<b>Plant in Service</b>		
Intangible	Pg 203, L 5 (g)	\$31,152
Source of Supply	Pg 203, L 15 (g)	4,593,935
Pumping	Pg 203, L 26 (g)	14,648,077
Water Treatment	Pg 203, L 31 (g)	10,646,194
Transmission and Distribution	Pg 203, L 43 (g)	47,809,878
General	Pg 205, L 56 (g)	5,820,673
Purchased or Sold	Pg 200, L 5=>7 (c)	0
<b>Total Plant in Service</b>	Formula	83,549,909
Plant Leased To Others	Pg 200, L 9 (c)	0
Construction Work In Progress	Pg 200, L 11 (c)	645,622
Plant Held For Future Use	Pg 200, L 10 (c)	0
Plant Acquisition Adjustments	Pg 200, L 12, 13 (c)	0
Accum. Gains & Losses - Utility Land & Land Rights	Pg 200, L 14 (c)	0
<b>Total Plant</b>	Formula	84,195,531
Accum. Prov. - Depr. & Amort.	Pg 200, L 16 (c)	35,676,370
<b>Net Plant</b>	Formula	\$48,519,161

## SELECTED RATIOS AND STATISTICS

Current Assets / Current Liabilities	Formula	4.02
Total Capitalization	Formula	\$61,461,091
<u>Percent Of Capitalization (incl S-T Debt)</u>		
Long-Term Debt	Formula	37.9%
Preferred Stock	Formula	0.0%
Common Stock & Retained Earnings	Formula	62.1%
Short-Term Debt	Formula	0.0%
Pretax Coverage of Interest Expense	Formula	4.4
Com. Stock Dividends as a % of Earnings	Formula	0.0%
Return on Common Equity	Formula	12.1%
Internal Cash Generated as a % of Cash Outflows for Construction	Formula	-95.2%
CWIP as a % of Plant	Formula	0.8%
Number of Employees	Formula	41

**5 Year Book Source**

Current Assets	Pg 1, L 13	13,727,665
Current Liabilities	Pg 1, L 34	3,411,540
Total Capitalization	Formula	61,461,091
Long-Term Debt	Pg 1, L 25	23,298,080
Preferred Stock	Pg 1, L 20	0
Common Stock and Retained Earnings (Excl. Preferred Stock)	Pg 1, L 24 - 20	38,163,011
Short-Term Debt	Pg 1, L 26, 32	0
Pretax Income	Pg 2, L 6, 10, 15 - L 16	6,404,219
Interest Expense	Pg 2, L 22	1,442,547
Dividends Paid	Pg 3, (L 28)	0
Net Income (Excl. Preferred Stock Dividends)	Pg 3, L 25 - 29	2,300,685
Internal Cash	Pg 3, L 11	2,564,914
Cash Outflows for Construction	Pg 3, (L 12)	2,693,428
CWIP	Pg 6, L 10	645,622
Total Plant	Pg 6, L 14	84,195,531
Number of Employees	A/R - Pg 309, L 4	41

## VERIFICATION

The Public Service Law requires that "... it shall be the duty of every such person and corporation to file with the Commission an annual report, verified by oath of the president, vice-president, treasurer, secretary, general manager, or receiver, if any, thereof, or by the person required to file the same. The verification shall be made by said official holding office at the time of the filing of said report, and if not made upon the knowledge of the person verifying the same shall set forth the sources of his information and the grounds of his belief as to any matters not stated to be verified upon his knowledge."

State of New York.....)

) ss. :

County of Nassau.....)

Thomas Huber.....makes oath and

says: I am the Controller of New York Water Service Corporation .....

(Here insert the official title of the deponent) (Here insert exact name of the reporting company)

I am familiar with the preparation of the foregoing report know generally the contents thereof. The said report which

consists of 101-125, 200-217, 213A, 250-267, 256A, 257A, 300-321, 350-367, 400-412

(Here insert exact identification of the sections and pages comprising this report)

is true and correct to the best of my knowledge and belief. As to matters not actually stated upon my knowledge,

the sources of my information and the grounds for my belief are as follows: .....

Signature

Subscribed and sworn to before me a

.....

this ..... day of ..... .....

[ use an im-

L . S .

pression seal ]

(Signature of officer authorized to administer oaths)

(This space for use of the Public Service Commission)

Computed .....

Examined .....

Reviewed .....

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