JEFF ATWATER

President of the Senate



J.R. Kelly Public Counsel

# STATE OF FLORIDA OFFICE OF PUBLIC COUNSEL

c/o THE FLORIDA LEGISLATURE 111 WEST MADISON ST. ROOM 812 TALLAHASSEE, FLORIDA 32399-1400 850-488-9330

EMAIL: OPC\_WEBSITE@LEG.STATE.FL.US WWW.FLORIDAOPC.GOV RAY SANSOM Speaker of the House of Representatives



December 1, 2008

Ms. Ann Cole, Commission Clerk Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

Re: Docket No. 080121-WS

Dear Ms. Cole:

Enclosed for filing, on behalf of the Citizens of the State of Florida, are the original and 15 copies of the Revised Schedules 27 – 29 of the Direct Testimony of Kimberly H. Dismukes.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Sincerely,

Charlie Beck

**Deputy Public Counsel** 

CJB:bsr

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DOCUMENT NUMBER-DATE

11019 DEC-18

FPSC-COMMISSION CLERK

# Aqua Utilties Florida, Inc. Revenue Requirement

			Combin	ed				
	(1)	(2) Per	(3) Utility	(4) Adjusted	(5)	(6)	(7) Requested	(8) Requested
Line No.	Description	Books 2007	Test Year Adjustment	Test Year 2007	Pro Forma Adjustments	Pro Forma Adjusted	Revenue Adjustment	Annual Revenues
1	OPERATING REVENUES	8,990,438	(32,150)	8,958,288	228,262	9,186,549	1,611,858	10,798,40
2	Operation & Maintenance	7,957,858	88,550	8,046,408	(1,137,524)	6,908,883	4,820	6,913,704
3	Depreciation, net of CIAC Amort.	1,654,445	(268,225)	1,386,220	(4,407)	1,381,813	0	1,381,813
4	Amortization	0	66,419	66,419	(153,691)	(87,271)	- 0	(87,27
5	Taxes Other Than Income	854,818	(69,243)	785,575	107,150	892,725	72,534	965,25
6	Provision for Income Taxes	(569,630)	(157,766)	(727,397)	549,208	(178,188)	591,935	413,74
7	OPERATING EXPENSES	9,897,490	(340,265)	9,557,225	(639,264)	8,917,962	669,289	9,587,25
8	NET OPERATING INCOME	(907,052)	308,115	(598,938)	867,525	268,588	942,569	1,211,15
9	RATE BASE	28,570,883	(8,230,995)	20,339,888	(657,433)	19,682,455		19,682,45
10	RATE OF RETURN	-6.35%	2	-5.75%		<del></del>	:	12.29
						Requested R	evenue Increase:	17.5%

Note: The revenue requirement excludes Tomoka/Twin Rivers due to a link failure in Aqua's MFR model.

DOCUMENT NUMBER-DATE

11019 DEC-18

# Aqua Utilties Florida, Inc. Revenue Requirement

			Water	•				
Line	(1)	(2) Per Books	(3) Utility Test Year	(4) Adjusted Test Year	(5)	(6)	(7) Requested Revenue	(8) Requested Annual
No.	Description	2007	Adjustment	2007	Adjustments	Adjusted	Adjustment	Revenues
1	OPERATING REVENUES	5,597,982	1,278	5,599,260	226,539	5,825,798	699,502	6,525,300
2	Operation & Maintenance	4,933,352	258,609	5,191,961	(951,687)	4,240,274	2,092	4,242,366
3	Depreciation, net of CIAC Amort.	748,402	(26,991)	721,411	26,212	747,623	0	747,62
4	Amortization	0	48,954	48,954	(22,772)	26,182	0	26,18
5	Taxes Other Than Income	645,883	(162,538)	483,345	43,590	526,936	31,478	558,41
6	Provision for Income Taxes	(281,465)	(161,133)	(442,597)	427,872	(14,726)	256,883	242,15
7	OPERATING EXPENSES	6,046,172	(43,100)	6,003,073	(476,785)	5,526,288	290,453	5,816,74
8	NET OPERATING INCOME	(448,191)	44,378	(403,813)	703,323	299,510	409,049	708,55
9	RATE BASE	14,030,527	(2,967,835)	11,062,692	389,437	11,452,129		11,452,12
10	RATE OF RETURN	-3.19%		-3.65%			•	6.19
						Requested R	evenue Increase:	21.3%

Note: The revenue requirement excludes Tomoka/Twin Rivers due to a link failure in Aqua's MFR model.

# Aqua Utilties Florida, Inc. Revenue Requirement

			Wastewa	iter				
Line	(1)	(2) Per Books	(3) Utility Test Year	(4) Adjusted Test Year	(5) Pro Forma	(6) Pro Forma	(7) Requested Revenue	(8) Requested Annual
No.	Description	2007	Adjustment	2007	Adjustments	Adjusted	Adjustment	Revenues
1	OPERATING REVENUES	3,392,457	(33,429)	3,359,028	1,723	3,360,751	912,356	4,273,108
2	Operation & Maintenance	3,024,506	(170,059)	2,854,447	(185,838)	2,668,610	2,729	2,671,338
3	Depreciation, net of CIAC Amort.	906,043	(241,233)	664,809	(30,619)	634,190	0	634,190
4	Amortization	0	17,466	17,466	(130,919)	(113,453)	0	(113,453)
5	Taxes Other Than Income	208,935	93,295	302,230	63,559	365,789	41,056	406,845
6	Provision for Income Taxes	(288,166)	3,367	(284,799)	121,337	(163,462)	335,052	171,589
7	OPERATING EXPENSES	3,851,318	(297,165)	3,554,153	(162,479)	3,391,674	378,836	3,770,510
8	NET OPERATING INCOME	(458,861)	263,737	(195,125)	164,202	(30,922)	533,520	502,598
9	RATE BASE	14,540,356	(5,263,160)	9,277,196	(1,046,870)	8,230,326		8,230,326
10	RATE OF RETURN	-3.16%	_	-2.10%				6.11%
						Requested R	evenue Increase:	28.0%

Note: The revenue requirement excludes Tomoka/Twin Rivers due to a link failure in Aqua's MFR model.

## Aqua Utilities Florida, Inc. Rate Base Adjustments 48 Estates

Line		Water	Sewer
No.	Description PLANT IN SERVICE		
1 2	Allocation of Corporate IT	\$ 4,276	NA
3	Allocation of Corp Structures & Improvements	497	NA
4	PSC Audit Adjustments	858	
5	Entity Reclassification	=	NA
6	Total 2007 Adjustments	\$ 5,631	\$ -
7	•		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,085	NA
10	Meter replacement cost	17,010	NA
11	(Less) Retirement of existing meters	(4,543)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	\$ 13,552	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		•
19	Total 2007 Adjustments	\$ 1,320	<u>\$ -</u>
20		\$ 1,320	<u> </u>
21		•	
22	Pro Forma Adjustments		
23			<u>NA</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (6,656)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	<u>\$</u>
30			
31	ACCUMULATED DEPRECIATION	<b></b>	37.4
32	Allocation of Corporate IT	\$ 585	NA
33	Allocation of Corp Structures & Improvements	51	NA NA
34	PSC Audit Adjustments	8,102 (183)	NA NA
35	PSC Depr Rate Correction	(163)	NA NA
36 37	Correction for UPIS Reclassification Total 2007 Adjustments	\$ 8,555	\$ -
	Total 2007 Adjustitions	3 0,333	<del></del>
38	Dro Forms Adjustments		
39 40	Pro Forma Adjustments New PCs, Network & Telephone Upgrade	\$ 9	NA
		J 7	HA
41 42	Meter Replacements Retirement of existing meters	(4,543)	NA
42	6 Month Net Acc Depr (Addns less Retirements)	312	NA NA
44	Salvage	292	NA NA
45	Con 1 MBV	س <i>د ب</i> مد	. 14 &
46	#VALUE!		NA
47	11 Y 4 BBJ (C AZ)	-	- ··· •
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	\$ (3,930)	\$ -

## Aqua Utilities Florida, Inc. Rate Base Adjustments 48 Estates

	(1)		(2)	(	(3)
Line	(-)		Water		wer
No.	Description			***	
1	CIAC				
2	PSC Audit Adjustments	\$	4,338	NA.	
3	Total 2007 Adjustments	\$	4,338	\$	
4					
5	Pro Forma Adjustments	_			
6		\$	-	NA	
7	Total Pro Forma Adjustments	\$		\$	-
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	2,407	NA	
11	PSC Depr Rate Correction		(225)	<u>NA</u>	
12	Total 2007 Adjustments		2,182	<u> </u>	
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-	NA	
16 17			_	INA	
18			-	NA	
19	Total Pro Forma Adjustments	\$	<del></del>	\$	
20	Total 110 Forma Adjustinones	<u> </u>			
20	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(6,055)	\$	_
23	reguire requisition regustinent	4	(0,000)	•	
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26	· · · · · · · · · · · · · · · · · · ·				
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29	••				
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	1,448	\$	-
33					
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Arredondo Estates/Farms

Line		Water	Sewer
<u>No.</u>	Description PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 30,384	\$ 18,110
3	Allocation of Corp Structures & Improvements	3,530	2,104
4	, mountain of corp surviving to improvement	•	<b>-,</b>
5			-
6	Total 2007 Adjustments	\$ 33,914	\$ 20,214
7	·		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 7,707	\$ 4,593
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12		•	
13			•
14		-	
15			
16	Total Pro Forma Adjustments	\$ 7,707	\$ 4,593
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ -	\$ -
20		\$ -	\$ -
21			
22	Pro Forma Adjustments		
23			\$
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (66,740)	\$ (11,103)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 4,159	\$ 2,479
33	Allocation of Corp Structures & Improvements	362	216
34		-	•
35	PSC Depr Rate Correction	(1,218)	3,174
36		-	•
37	Total 2007 Adjustments	\$ 3,303	\$ 5,868
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 66	\$ 40
41	Meter Replacements		NT A
42	Retirement of existing meters	•	NA
43 44	6 Month Net Acc Depr (Addns less Retirements)	•	NA
44	Salvage Reduce Accumulated Depreciation per Staff Audit Finding No. 4	(16,992)	NA
45 46	Reduce Accumulated Depreciation per Statt Audit Finding No. 4	(10,332)	
47		_	•
48		•	_
49		-	-
50			-
51	Total Pro Forma Adjustments	\$ (16,926)	\$ 40
J.		(-3,720)	- 10

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Arredondo Estates/Farms

	(1)		(2)		(3)
Line			Water		Sewer
No.	Description				
1	CIAC				
2		<u>\$</u>	-	\$	
3	Total 2007 Adjustments	<u>\$</u>	-	<u>\$</u>	
4					
5	Pro Forma Adjustments				
6		\$	-	\$	-
7	Total Pro Forma Adjustments	<u>\$</u>	•	\$	
8					
9	ACCUMULATED AMORTIZATION OF CIAC	•		•	
10	DOOD DAGGER	\$	205	\$	-
11 12	PSC Depr Rate Correction	\$	295 295		
	Total 2007 Adjustments	<u> </u>	293	2	•
13	Des Process A.P. storents				
14 15	Pro Forma Adjustments				
16			-		
10					-
17			-		
18					•
19	Total Pro Forma Adjustments	\$	-	\$	-
20				******	manager of comments of supplemental sections of the supplemental sections
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(43,031)	\$	(25,651)
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	•
26					
27	ADVANCES FOR CONSTRUCTION	•		•	
28	Not Applicable	\$	-	\$	-
29	WODYNG CARITAL ALLOWANCE				
30 31	WORKING CAPITAL ALLOWANCE				
32	Recommended Working Capital	\$	10,291	\$	6,134
33	Recommended working Capital	Ф	10,271	J.	0,134
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-
55	Deterior tane Case Expense	•		Ψ	

# Aqua Utilities Florida, Inc. Rate Base Adjustments Beecher's Point

Line         Description           No.         Description           2         Allocation of Corporate IT         \$ 2,616         905           3         Allocation of Corporate IT         \$ 2,616         905           6         Total 2007 Adjustments         \$ 2,920         \$ 1,011           7         Pro Forma Adjustments         \$ 2,920         \$ 1,011           8         Pro Forma Adjustments         \$ 2,920         \$ 1,011           9         Allocation of Corporate IT         \$ 663         \$ 230           10         Meter replacement cost         7,921         NA           11         (Less) Retirement of existing meters         (6,255)         NA           12         Total Pro Forma Adjustments         \$ 2,330         \$ 20           15         Total Pro Forma Adjustments         \$ 2,330         \$ 2           16         Total 2007 Adjustments         \$ 2         \$ 2           17         Pro Forma Adjustments         \$ 2         \$ 2           18         UTLITY LAND & LAND RIGHTS         \$ 2         \$ 2           19         Total 2007 Adjustments         \$ 1         \$ 2           20         Total 2007 Adjustments         \$ 1         \$ 2				
PLANT IN SERVICE			Water	Sewer
Allocation of Corporate IT   \$ 2,616   \$ 905	-			
Allocation of Corp Structures & Improvements   304   105				•
Total 2007 Adjustments   S 2,920   S 1,011				
Total 2007 Adjustments   S 2,920   S 1,011		Allocation of Corp Structures & Improvements	304	105
Total 2007 Adjustments   \$ 2,920   \$ 1,011			-	
Pro Forma Adjustments		Tatal 2007 A dissersante	<u> </u>	<u> </u>
Pro Forma Adjustments		Total 2007 Adjustments	\$ 2,920	\$ 1,011
Allocation of Corporate IT		B. B. A.P. A.		
Meter replacement cost			<b>6</b> ((2)	<b>6</b> 220
1				
13		•		
13		(Less) Retirement of existing meters	(6,255)	NA
15			-	
Total Pro Forma Adjustments   \$ 2,330   \$ 230				•
Total Pro Forma Adjustments   \$ 2,330   \$ 230			-	
		Total Pro Forms Adjustments	\$ 2330	\$ 220
Item		Total To Forma Adjustments	2,330	3 250
Total 2007 Adjustments   \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		LITH ITV I AND & I AND DICHTS		
S			<b>c</b> _	<b>e</b> -
Pro Forma Adjustments		Total 2007 Adjustments		
Pro Forma Adjustments			4	***************************************
S		Dro Forms Adjustments		
NON-USED & USEFUL   To reflect calculated Adjusted NU&U amounts   \$ (102,948)   \$ (218,525)		110 I office Adjustments	<del></del>	<u> </u>
NON-USED & USEFUL   To reflect calculated Adjusted NU&U amounts   \$ (102,948)   \$ (218,525)				<del></del>
CONSTRUCTION WORK IN PROGRESS   S - S - S - S - S - S - S - S - S -		NON LISED & LISEFUL		
CONSTRUCTION WORK IN PROGRESS   S			\$ (102.948)	\$ (218 525)
Not Applicable   \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		to tonout salutation regioned record amount	4 (102,548)	<b>(210,323)</b>
Not Applicable   S		CONSTRUCTION WORK IN PROCEESS		
31 ACCUMULATED DEPRECIATION 32 Allocation of Corporate IT \$ 358 \$ 124 33 Allocation of Corp Structures & Improvements 31 11 34			\$ -	- 2
ACCUMULATED DEPRECIATION		Not Applicable		-
32       Allocation of Corporate IT       \$ 358       \$ 124         33       Allocation of Corp Structures & Improvements       31       11         34       -       -       -         35       PSC Depr Rate Correction       37       48         36       -       -       -         37       Total 2007 Adjustments       \$ 426       \$ 183         38       ***       ***       ***         39       Pro Forma Adjustments       ***       ***       ***         40       New PCs, Network & Telephone Upgrade       ***       6       ***       2         41       Meter Replacements       (6,255)       NA         42       Retirement of existing meters       (6,255)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       42       NA         44       Salvage       128       NA         45       -       -         46       -       -         47       -       -         48       -       -         49       -       -         50       -       -		ACCUMULATED DEPOECIATION		
33       Allocation of Corp Structures & Improvements       31       11         34       -       -         35       PSC Depr Rate Correction       37       48         36       -       -         37       Total 2007 Adjustments       \$ 426       \$ 183         38       -       -         39       Pro Forma Adjustments       \$ 6       \$ 2         40       New PCs, Network & Telephone Upgrade       \$ 6       \$ 2         41       Meter Replacements       (6,255)       NA         42       Retirement of existing meters       (6,255)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       42       NA         44       Salvage       128       NA         45       -       -         46       -       -         47       -       -         48       -       -         49       -       -         50       -       -			¢ 350	\$ 12 <i>4</i>
34				
35       PSC Depr Rate Correction       37       48         36           37       Total 2007 Adjustments       \$ 426       \$ 183         38           39       Pro Forma Adjustments       \$ 6       \$ 2         40       New PCs, Network & Telephone Upgrade       \$ 6       \$ 2         41       Meter Replacements       (6,255)       NA         42       Retirement of existing meters       (6,255)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       42       NA         44       Salvage       128       NA         45       -       -         46       -       -         47       -       -         48       -       -         49       -       -         50       -       -		Anocation of Corp structures & improvements	-	
Total 2007 Adjustments   S   426   S   183		PSC Denr Rate Correction	37	48
Total 2007 Adjustments   \$ 426   \$ 183		1 50 Dept Raid Collection	- -	
38 39 Pro Forma Adjustments 40 New PCs, Network & Telephone Upgrade \$ 6 \$ 2 41 Meter Replacements 42 Retirement of existing meters (6,255) NA 43 6 Month Net Acc Depr (Addns less Retirements) 42 NA 44 Salvage 128 NA 45 46 47 48 49 50		Total 2007 Adjustments	\$ 426	\$ 183
39 Pro Forma Adjustments         40 New PCs, Network & Telephone Upgrade         \$ 6         \$ 2           41 Meter Replacements         (6,255)         NA           42 Retirement of existing meters         (6,255)         NA           43 6 Month Net Acc Depr (Addns less Retirements)         42         NA           44 Salvage         128         NA           45         -         -           46         -         -           47         -         -           48         -         -           49         -         -           50         -         -				
40       New PCs, Network & Telephone Upgrade       \$ 6       \$ 2         41       Meter Replacements       (6,255)       NA         42       Retirement of existing meters       (6,255)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       42       NA         44       Salvage       128       NA         45       -       -         46       -       -         47       -       -         48       -       -         49       -       -         50       -       -		Pro Forma Adjustments		
41       Meter Replacements         42       Retirement of existing meters       (6,255)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       42       NA         44       Salvage       128       NA         45       -         46       -       -         47       -       -         48       -       -         49       -       -         50			\$ 6	<b>\$</b> 2
42       Retirement of existing meters       (6,255)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       42       NA         44       Salvage       128       NA         45       -       -         46       -       -         47       -       -         48       -       -         49       -       -         50			-	•
43 6 Month Net Acc Depr (Addns less Retirements) 44 Salvage 45 - 46 - 47 - 48 - 49 - 50 - 50 -  42 NA NA - 128 NA			(6,255)	NA
44 Salvage 128 NA 45 - 46 - 47 - 48 - 49 - 50				
45 - 46 47 48		• '	128	NA
46 47 48 49 50	45	-	-	
48 49 50				-
49 - 50	47		-	
				-
			-	
51 Total Pro Forma Adjustments \$ (6,080) \$ 2				-
	51	Total Pro Forma Adjustments	\$ (6,080)	\$ 2

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Beecher's Point

	(1)		(2)		(3)
Line No.	Description		Water		Sewer
1	CIAC				
2		\$	-	\$	_
3	Total 2007 Adjustments	<u>\$</u> \$	-	\$	•
4				***	·—·····
5	Pro Forma Adjustments				
6		\$		_\$	-
7	Total Pro Forma Adjustments	\$		\$	-
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction	-	24		(288)
12	Total 2007 Adjustments	\$	24	\$	(288)
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		•		
16 17					526
18			-		
19	Total Pro Forma Adjustments	\$		-\$	526
20	Total 110 Total Augustitions	Ψ			320
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(3,703)	\$	(1,270)
23	O	•	(0,, 00)	•	(1,2/0)
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31	B 11W 12 0 21	•			
32	Recommended Working Capital	\$	5,389	\$	2,195
33	Dec Former A directments				
34 35	Pro Forma Adjustments	\$		¢	
33	Deferred Rate Case Expense	2	-	\$	-

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Chuluota

Line		Water	Sewer
No.	Description		•
1	PLANT IN SERVICE	e 71.422	¢ 20.405
2	Allocation of Corporate IT	\$ 71,433	\$ 30,485
3	Allocation of Corp Structures & Improvements	8,299	3,542
4 5		-	_
6	Total 2007 Adjustments	\$ 79,732	\$ 34,026
7	Total 2007 Adjustificines	17,732	¥ 54,020
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 18,118	\$ 7,732
10	Meter replacement cost	120,663	NA
11	(Less) Retirement of existing meters	(33,464)	NA
12	(	-	
13			20,833
14		-	
15			
16	Total Pro Forma Adjustments	\$ 105,317	\$ 28,566
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u> </u>	<u>\$</u> -
20		\$ -	\$ -
21			
22	Pro Forma Adjustments		
23		***************************************	<u>\$ -</u>
24			
25	NON-USED & USEFUL	(100.004)	<u> </u>
26	To reflect calculated Adjusted NU&U amounts	\$ (109,391)	\$ (2,882,142)
27			
28	CONSTRUCTION WORK IN PROGRESS	<u> </u>	<u> </u>
29	Not Applicable	\$ -	<u> </u>
30	A CONTRACT A SEED DESDEED A TION		
31	ACCUMULATED DEPRECIATION	\$ 9,777	\$ 4,172
32	Allocation of Corporate IT	\$ 9,777 852	364
33 34	Allocation of Corp Structures & Improvements	832	304
35	PSC Depr Rate Correction	805	86
36	1 Se Depi Rate correction	-	-
37	Total 2007 Adjustments	\$ 11,434	\$ 4,622
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	<b>\$</b> 156	\$ 67
41	Meter Replacements		
42	Retirement of existing meters	(33,464)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	2,180	NA
44	Salvage	2,054	NA
45		-	
46	Alternative Effluent Disposal Project		326
47		-	
48			-
49		-	
50	Total Des Passes Addition	<b>e</b> (20.075)	\$ 392
51	Total Pro Forma Adjustments	\$ (29,075)	\$ 392

# Aqua Utilities Florida, Inc. Rate Base Adjustments Chuluota

	(1)		(2)		(3)
Line			Water		Sewer
No.	Description		<del></del>	-	
1	CIAC	¢		\$	
2	Total 2007 Adjustments	\$	<del></del> _	- <del>3</del>	<del></del>
4	Total 2007 Adjustitions				
5	Pro Forma Adjustments				
6	110 1 Office Augustinents	\$	-	\$	-
7	Total Pro Forma Adjustments	<u>\$</u>	-	\$	-
8			<del></del>		· · · · · · · · · · · · · · · · · · ·
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	•
11	PSC Depr Rate Correction		2,550		(19,533)
12	Total 2007 Adjustments	\$	2,550	\$	(19,533)
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		5,773		
16					36,153
17			-		
18	The LD D Add streets	<u> </u>	5 772	\$	36,153
19	Total Pro Forma Adjustments	3	5,773	3	30,133
20	A CONTROLL A D MICHAELTO				
21	ACQUISITION ADJUSTMENTS	\$	(101,118)	\$	(43,166)
22 23	Negative Acquisition Adjustment	J.	(101,116)	9	(43,100)
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26	110t Application	•		•	
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	57,771	\$	16,709
33					
34	Pro Forma Adjustments	<b>e</b> n		ø	
35	Deferred Rate Case Expense	\$	-	\$	-

# Aqua Utilities Florida, Inc. Rate Base Adjustments Carlton Village

ine		Water	Sewer
lo.	Description		
1	PLANT IN SERVICE	4 12.225	NTA
2	Allocation of Corporate IT	\$ 12,325	NA NA
3	Allocation of Corp Structures & Improvements	1,432	NA
4	Entity Declaration	-	NA
5	Entity Reclassification Total 2007 Adjustments	\$ 13,757	\$
6	Total 2007 Adjustments	3 13,737	4
7	Due Ferme A directments		
8	Pro Forma Adjustments Allocation of Corporate IT	\$ 3,126	NA
9 10	Meter replacement cost	21,350	NA
11	(Less) Retirement of existing meters	(6,462)	NA
12	(Less) Retilement of existing meters	(0,402)	1471
13			NA
14		_	
15			NA
16	Total Pro Forma Adjustments	\$ 18,014	\$
17	. Jour 1 to 1 Other regeomination		-7
1 / 18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ -	\$
20	Total 2007 Adjustitions	\$ -	\$
21			
21 22	Pro Forma Adjustments		
23	rio ronna Adjustincins		NA
23 24			
24 25	NON-USED & USEFUL		
25 26	To reflect calculated Adjusted NU&U amounts	\$ (183,841)	NA
	10 tottoet outoututed 1 tajusted 1 to 600 millionin	(103,011)	
27 28	CONSTRUCTION WORK IN PROGRESS		
28 29	Not Applicable	\$ -	\$
30	Not Applicable		
30 31	ACCUMULATED DEPRECIATION		
31 32	Allocation of Corporate IT	\$ 1,687	NA
32 33	Allocation of Corp Structures & Improvements	147	NA NA
33 34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	75	NA
36	Correction for UPIS Reclassification	•	NA
37	Total 2007 Adjustments	\$ 1,909	\$
38	2000 2007 7 2000000000		
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 27	NA
41	Meter Replacements		
42	Retirement of existing meters	(6,462)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	372	NA
44	Salvage	347	NA
45		-	
46	#VALUE!		NA
47			
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	\$ (5,716)	\$

# Aqua Utilities Florida, Inc. Rate Base Adjustments Carlton Village

CIAC   PSC Audit Adjustments   S		(1)		(2)	(	3)
CIAC	Line	· ·				
PSC Audit Adjustments   S -   NA	No.	Description				
Total 2007 Adjustments   S	1	CIAC				
Pro Forma Adjustments   S	2	PSC Audit Adjustments	_\$	-		
Pro Forma Adjustments	3	Total 2007 Adjustments	\$	•		
S	4					
Total Pro Forma Adjustments   \$ -	5	Pro Forma Adjustments				
8 9 ACCUMULATED AMORTIZATION OF CIAC 10 PSC Audit Adjustments \$	6			-	NA	
Second   S	7	Total Pro Forma Adjustments	\$	-	\$	
10	8			···		
11	9	ACCUMULATED AMORTIZATION OF CIAC				
Total 2007 Adjustments   \$ 367	10	PSC Audit Adjustments	\$	-	NA	
13	11	PSC Depr Rate Correction		367	NA	
Pro Forma Adjustments	12	Total 2007 Adjustments	\$	367		-
15   Correct Test Year Accumulated Amortization of CIAC	13					
NA	14	Pro Forma Adjustments				
Total Pro Forma Adjustments	15	Correct Test Year Accumulated Amortization of CIAC		511		
18	16				NA	
Total Pro Forma Adjustments   \$ 511   \$ -	17			-		
20 21 ACQUISITION ADJUSTMENTS 22 Negative Acquisition Adjustment \$ (17,461) \$ - 23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 11,160 \$ - 33 34 Pro Forma Adjustments						
ACQUISITION ADJUSTMENTS  Negative Acquisition Adjustment  ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS  Not Applicable  ADVANCES FOR CONSTRUCTION  Not Applicable  Not Applicable  Recommended Working Capital  Recommended Working Capital  Pro Forma Adjustments	19	Total Pro Forma Adjustments	<u>\$</u>	511	<u>\$</u>	
Negative Acquisition Adjustment	20					
23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 11,160 \$ - 33 34 Pro Forma Adjustments	21	ACQUISITION ADJUSTMENTS				
24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS         25 Not Applicable       \$ -       \$ -         26         27 ADVANCES FOR CONSTRUCTION       \$ -       \$ -         28 Not Applicable       \$ -       \$ -         29       \$ -       \$ -         30 WORKING CAPITAL ALLOWANCE       \$ 11,160       \$ -         31 Recommended Working Capital       \$ 11,160       \$ -         33 Pro Forma Adjustments		Negative Acquisition Adjustment	\$	(17,461)	\$	•
25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 11,160 \$ - 33 34 Pro Forma Adjustments						
26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 11,160 \$ - 33 34 Pro Forma Adjustments						
ADVANCES FOR CONSTRUCTION  Not Applicable  Not Applicable  WORKING CAPITAL ALLOWANCE  Recommended Working Capital  Recommended Working Capital  Pro Forma Adjustments		Not Applicable	\$	-	\$	-
Not Applicable \$ - \$ -  WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 11,160 \$ -  Pro Forma Adjustments						
30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 11,160 \$ - 33 34 Pro Forma Adjustments			_		•	
30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 11,160 \$ - 33 34 Pro Forma Adjustments		Not Applicable	· <b>\$</b>	•	\$	-
31 32 Recommended Working Capital \$ 11,160 \$ - 33 34 Pro Forma Adjustments						
Recommended Working Capital \$ 11,160 \$ - 33 Pro Forma Adjustments	-	WORKING CAPITAL ALLOWANCE				
33 34 Pro Forma Adjustments			•	11 160	•	
34 Pro Forma Adjustments	-	Recommended Working Capital	\$	11,160	\$	-
Deterred Rate Case Expense \$ - \$ -			•		•	
	35	Deterred Rate Case Expense	3	-	2	-

#### Aqua Utilities Florida, Inc. Rate Base Adjustments East Lake Harris Estates

Line		Water	Sewer
No.	Description		<del></del>
1	PLANT IN SERVICE	<b>f</b> 0.004	374
2	Allocation of Corporate IT	\$ 8,904	NA
3 4	Allocation of Corp Structures & Improvements	1,034	NA
5	Entity Reclassification	-	NT A
6	Total 2007 Adjustments	\$ 9,938	<u>NA</u>
	Total 2007 Adjustinents	3 9,736	<u> </u>
7	Due Ferme Adicatments		
8 9	Pro Forma Adjustments Allocation of Corporate IT	\$ 2,258	NI A
10	Meter replacement cost	31,170	NA NA
11			NA NA
12	(Less) Retirement of existing meters	(8,298)	INA
13		-	NA
14		_	INA
15		-	NA
16	Total Pro Forma Adjustments	\$ 25,131	\$ -
17	Total 110 Lottina / rejuditionits	20,101	
18	UTILITY LAND & LAND RIGHTS		
18 19	Total 2007 Adjustments	\$	\$ -
20	10tal 2007 Augustificitis	\$ -	\$ -
		<u> </u>	
21 22	Des Formes Adjustments		
22 23	Pro Forma Adjustments		- NA
			INA
24	NANI LICED A LICEDIU		
25	NON-USED & USEFUL To reflect calculated Adjusted NU&U amounts	\$ (88,667)	NA
26	To refrect calculated Adjusted Nowo amounts	\$ (88,007)	INA
27	CONCERNATION WORK IN DROCKERS		
28	CONSTRUCTION WORK IN PROGRESS	<u> </u>	
29	Not Applicable	\$	<u> </u>
30			
31	ACCUMULATED DEPRECIATION	4 1010	37.4
32	Allocation of Corporate IT	\$ 1,219	NA
33	Allocation of Corp Structures & Improvements	106	NA NA
34	PSC Audit Adjustments	29	NA NA
35	PSC Depr Rate Correction	29	NA NA
36	Correction for UPIS Reclassification	\$ 1,354	\$ -
37	Total 2007 Adjustments	<b>9</b> 1,334	J -
38	Dro Forms Adjustments		
39 40	Pro Forma Adjustments New PCs, Network & Telephone Linguiste	\$ 19	NA
	New PCs, Network & Telephone Upgrade	J 17	11/1
41 42	Meter Replacements Retirement of existing meters	(8,298)	. NA
42 43	6 Month Net Acc Depr (Addns less Retirements)	572	NA NA
43 44	Salvage	630	NA NA
44 45	Gairage	-	1471
46	#VALUE!		NA
47	11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	<u>-</u>	• • •
48	#VALUE!		NA
49	π TALOL.	-	171.
50			NA
~	Total Pro Forma Adjustments	\$ (7,077)	\$ -

# Aqua Utilities Florida, Inc. Rate Base Adjustments East Lake Harris Estates

	(1)		(2)		(3)
Line			Water		ewer
No.	Description				
1	CIAC				
2	PSC Audit Adjustments	\$		NA	
3	Total 2007 Adjustments	\$	-	\$	-
4		***************************************	······································		
5	Pro Forma Adjustments				
6		\$		NA	
7	Total Pro Forma Adjustments	\$	-	\$	-
8				<u> </u>	
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		102_	NA	
12	Total 2007 Adjustments	\$	102	\$	
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-		
16				NA	
17			•		
18				NA	
19	Total Pro Forma Adjustments	\$	-	\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(12,596)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS			_	
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION	•		•	
28	Not Applicable	\$	=	\$	-
29	The state of the s				
30	WORKING CAPITAL ALLOWANCE				
31	D. L. M. of the Control	\$	11,349	\$	
32	Recommended Working Capital	J	11,547	J	•
33	D. Come Adinator att				
34	Pro Forma Adjustments	\$	_	\$	_
35	Deferred Rate Case Expense	Ð	-	A)	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Fl Central Commerce Park

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	NA	\$ 3,270
3	Allocation of Corp Structures & Improvements	NA	380
4	PSC Audit Adjustments	NA	
5	Entity Reclassification	NA NA	
6	Total 2007 Adjustments	<u>s </u>	\$ 3,650
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	NA	\$ 829
10	Meter replacement cost	NA	NA
11	(Less) Retirement of existing meters	NA	NA
12		NA	
13			•
14		NA	
15			<u> </u>
16	Total Pro Forma Adjustments	<u> </u>	\$ 829
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	NA	<u> </u>
20	·	\$	\$ -
21			
22	Pro Forma Adjustments		
23	• • • • • • • • • • • • • • • • • • •		\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	- NA	\$ (302,396)
27	•••••••••••••••••••••••••••••••••••••••		<del></del>
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30	Not Applicable		
31	ACCUMULATED DEPRECIATION		
	Allocation of Corporate IT	NA	\$ 448
32 33	Allocation of Corp Structures & Improvements	NA.	39
33 34	PSC Audit Adjustments	NA NA	•
	PSC Depr Rate Correction	NA	429
35 36	Correction for UPIS Reclassification	NA	-
37	Total 2007 Adjustments	\$ -	\$ 916
	Total 2007 Adjustificitis		
38	D. France Advisorate		
39	Pro Forma Adjustments	NA	\$ 7
40	New PCs, Network & Telephone Upgrade	IVA	y ,
41	Meter Replacements	NA	NA
42	Retirement of existing meters	NA NA	NA
43	6 Month Net Acc Depr (Addns less Retirements)	NA NA	NA
44	Salvage	NA NA	1474
45		NA	_
46		NA	-
47		INA	_
48		NA	•
49		INA	
50	Total Des Campa A director and	· C	\$ 7
51	Total Pro Forma Adjustments	<u> </u>	\$ 7

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Fl Central Commerce Park

	(1)		(2)		(3)
Line		V	Vater		Sewer
No.	Description CIAC			****	
2	PSC Audit Adjustments	NI.		•	
3	Total 2007 Adjustments	<u>NA</u>	1	3	
4	10th 2007 / Adjustitions	9		3	
5	Pro Forma Adjustments				
6	110 1 orma / tajasanoms	N.A	١	\$	_
7	Total Pro Forma Adjustments	\$		\$	
8					- Wildenber
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	NA	<b>\</b>	\$	_
11	PSC Depr Rate Correction	N.A		•	(10,406)
12	Total 2007 Adjustments	\$	-	\$	(10,406)
13				<del></del>	
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC	NA	1		
16					15,816
17		NA	1		
18					-
19	Total Pro Forma Adjustments	\$	-	\$	15,816
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	•	\$	(4,622)
23 24	ACCUMULATED AMODT OF ACO ADMISTMENTS				
24 25	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS Not Applicable	\$		\$	
26	Not Applicable	Ψ	-	<b>.</b>	-
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	_
29		•		•	
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	-	\$	8,051
33					
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$		\$	

## Aqua Utilities Florida, Inc. Rate Base Adjustments Friendly Center

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE	_	
2	Allocation of Corporate IT	\$ 1,559	NA
3	Allocation of Corp Structures & Improvements	181	NA
4	T 10 T 10 10 10	-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	\$ 1,741	\$ -
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 396	NA
10	Meter replacement cost	6,510	NA
11	(Less) Retirement of existing meters	(1,708)	NA
12		-	
13			NA
14		-	
15	math. B. Att.		NA
16	Total Pro Forma Adjustments	\$ 5,198	\$
17			
18	UTILITY LAND & LAND RIGHTS	_	
19	Total 2007 Adjustments	<u>\$</u>	\$ -
20		\$ -	\$ -
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (3,112)	NA
27			<del></del>
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			
	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 213	NA
33	Allocation of Corp Structures & Improvements	19	NA
34	PSC Audit Adjustments		NA
35	PSC Depr Rate Correction	24	NA
36	Correction for UPIS Reclassification	_ ·	NA
37	Total 2007 Adjustments	\$ 256	\$ -
38			<del></del>
	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 3	NA
41	Meter Replacements	-	* ** *
42	Retirement of existing meters	(1,708)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	120	NA
<del>4</del> 3	Salvage	104	NA
45	Chir He	-	****
46	#VALUE!		NA
47	" TIMOD!	-	• • •
48	#VALUE!		NA
49	" TIDOD.	-	••••
50			NA
51	Total Pro Forma Adjustments	\$ (1,480)	\$ -

## Aqua Utilities Florida, Inc. Rate Base Adjustments Friendly Center

CIAC		44				
No.   Description   Substitute   Description	Lina	(1)		(2)		
CIAC	-			water	Se	ewer
PSC Audit Adjustments				· · · · · · · · · · · · · · · · · · ·		
Total 2007 Adjustments   S			\$	_	NA	
Pro Forma Adjustments			\$	-		
Total Pro Forma Adjustments   \$ -	4	•				
Total Pro Forma Adjustments   S	5	Pro Forma Adjustments				
Total Pro Forma Adjustments   \$ -	6	•	\$	-	NA	
ACCUMULATED AMORTIZATION OF CIAC   10	7	Total Pro Forma Adjustments	\$	-		-
PSC Audit Adjustments	8		<del></del>			
PSC Depr Rate Correction	9	ACCUMULATED AMORTIZATION OF CIAC				
Total 2007 Adjustments   \$ (118)   \$ -	10	PSC Audit Adjustments	\$	-	NA	
13				(118)	NA	
14    Pro Forma Adjustments	12	Total 2007 Adjustments	\$	(118)	\$	
15   Correct Test Year Accumulated Amortization of CIAC   162   NA   17	13					
16						
17		Correct Test Year Accumulated Amortization of CIAC		. 162		
NA					NA	
Total Pro Forma Adjustments   \$ 162   \$ - 20				•		
20 21 ACQUISITION ADJUSTMENTS 22 Negative Acquisition Adjustment \$ (2,216) \$ - 23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 1,495 \$ - 33 34 Pro Forma Adjustments		m. 10 n. 14				
ACQUISITION ADJUSTMENTS  Negative Acquisition Adjustment \$ (2,216) \$ -  ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS  Not Applicable \$ - \$ -  ADVANCES FOR CONSTRUCTION  Not Applicable \$ - \$ -  WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 1,495 \$ -  33  Pro Forma Adjustments		Total Pro Forma Adjustments	_\$	162		
Negative Acquisition Adjustment \$ (2,216) \$ -  Negative Acquisition Adjustment \$ (2,216) \$ -  ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS  Not Applicable \$ - \$ -  ADVANCES FOR CONSTRUCTION  Not Applicable \$ - \$ -  WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 1,495 \$ -  Pro Forma Adjustments						
23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 1,495 \$ - 33 34 Pro Forma Adjustments		•	•	(0.010)		
ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS  Not Applicable \$ - \$ -  ADVANCES FOR CONSTRUCTION  Not Applicable \$ - \$ -  WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 1,495 \$ -  33 Pro Forma Adjustments		Negative Acquisition Adjustment	2	(2,216)	\$	-
25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 1,495 \$ - 33 34 Pro Forma Adjustments		ACCUMULATED AMODT OF ACO ADDICTMENTS				
26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 1,495 \$ - 33 34 Pro Forma Adjustments			æ		æ	
ADVANCES FOR CONSTRUCTION  Not Applicable \$ - \$ -  WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 1,495 \$ -  Pro Forma Adjustments		Not Applicable	Ð	<b>-</b>	Ф	•
28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 1,495 \$ - 33 34 Pro Forma Adjustments		ADVANCES FOR CONSTRUCTION				
29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 1,495 \$ - 33 34 Pro Forma Adjustments			\$	_	\$	
30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 1,495 \$ - 33 34 Pro Forma Adjustments		. vo. rippindadio	•		•	
31 32 Recommended Working Capital \$ 1,495 \$ - 33 34 Pro Forma Adjustments		WORKING CAPITAL ALLOWANCE				
33 34 Pro Forma Adjustments						
33 34 Pro Forma Adjustments		Recommended Working Capital	\$	1,495	\$	-
	33			•		
35 Deferred Rate Case Expense \$ - \$	34	Pro Forma Adjustments				
	35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Fern Terrace

		***	
Line		Water	Sewer
No. 1	Description PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 6,288	NA
3	Allocation of Corp Structures & Improvements	731	NA NA
4	Amount of corp surrented a improvements		
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	\$ 7,019	\$ -
7	•		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,595	NA
10	Meter replacement cost	26,250	NA
11	(Less) Retirement of existing meters	(5,971)	NA
12	(200)	•	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	\$ 21,873	\$ -
17	•		
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ -	\$ -
20	2000 2007 1 10g anni 1000	\$ -	\$ -
21		<del></del>	
22	Pro Forma Adjustments		
23	110 1 othia 1 tajasinona		- NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (51,399)	NA
27	<b>3</b>		<del>=</del>
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u> </u>	<u> </u>
30	Not Apphendic		
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 861	NA
33	Allocation of Corp Structures & Improvements	75	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	28	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	\$ 964	\$ -
38	Loui 2007 Hajasanona		
38 39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 14	NA
41	Meter Replacements	<u> </u>	- :• •
42	Retirement of existing meters	(5,971)	NA
42	6 Month Net Acc Depr (Addns less Retirements)	507	NA
43	Salvage	446	NA
45	Juit 450	- · · · · · · · · · · · · · · · · · · ·	
46	#VALUE!		NA
47	n 11202.	-	
48	#VALUE!		NA
49	,	-	
50			NA
51	Total Pro Forma Adjustments	\$ (5,004)	\$ -
٥.			=

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Fern Terrace

	(1)		(2)		(3)
Line	Down tout		Water	Se	ewer
No.	Description				
1	CIAC	•		214	
2	PSC Audit Adjustments Total 2007 Adjustments	\$	<del></del>	NA	·
	Total 2007 Adjustments	<u> </u>	-	3	
4	Des Persons A.B. streets				
5	Pro Forma Adjustments	ø		NA	
6 7	Total Pro Forma Adjustments	<u>\$</u>	-	\$ NA	<del></del>
	Total Flo Forma Adjustments	<u> </u>	-	Ф	
8	ACCUMULATED AMORTIS ATION OF CLAC				
9	ACCUMULATED AMORTIZATION OF CIAC	¢		NIA	
10	PSC Audit Adjustments	\$	(120)	NA NA	
11	PSC Depr Rate Correction		(120)	\$ NA	
12	Total 2007 Adjustments	\$	(120)	<u> </u>	
13	n n				
14	Pro Forma Adjustments		220		
15	Correct Test Year Accumulated Amortization of CIAC		238	NA	
16				NA	•
17			•	NA	
18	Total Dec Forme Adjustments	-\$	238	\$	
19	Total Pro Forma Adjustments	•	236	3	
20	A CONTROL AND INCOMPANIES				
21	ACQUISITION ADJUSTMENTS	\$	(8,893)	\$	
22 23	Negative Acquisition Adjustment	Þ	(0,073)	J	
	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
24 25	Not Applicable	\$	_	\$	
26	NOT Applicable	Ψ	-	Ψ	
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	
29	110t / apprioudic	•		-	
30	WORKING CAPITAL ALLOWANCE				
31	TO CAREER THE COLD SECTION OF THE COLD SECTION				
32	Recommended Working Capital	\$	8,067	\$	
33			,		
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	

# Aqua Utilities Florida, Inc. Rate Base Adjustments Gibsonia Estates

ine		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 9,860	NA
3	Allocation of Corp Structures & Improvements	1,146	NA
4	m 11 m 4 m 14	•	
5	Entity Reclassification	<u> </u>	NA_
6	Total 2007 Adjustments	\$ 11,005	\$
7	D. P. Adhadasada		
	Pro Forma Adjustments	\$ 2,501	NTA
9	Allocation of Corporate IT		NA NA
10	Meter replacement cost	17,197	NA NA
11	(Less) Retirement of existing meters	(6,220)	INA
12		-	NA
13 14		_	IIA.
15		-	NA
16	Total Pro Forma Adjustments	\$ 13,477	\$
17	. out 110 1 other topoutions		
	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ -	\$ -
20	Total 2007 Pagastinona	\$ -	\$
21			
	Pro Forma Adjustments		
23	1 to 1 offina / tajustinoms		NA
24			
	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (75,092)	NA
27	10 10 10 10 10 10 10 10 10 10 10 10 10 1		
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$
30	110t / Applicable		
	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,350	NA
33	Allocation of Corp Structures & Improvements	118	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	30	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	\$ 1,497	\$
38	•		<del></del>
	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 22	NA
41	Meter Replacements		
42	Retirement of existing meters	(6,220)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	274	NA
44	Salvage	295	NA
45	-	-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA NA
51	Total Pro Forma Adjustments	\$ (5,629)	\$

# Aqua Utilities Florida, Inc. Rate Base Adjustments Gibsonia Estates

	(1)		(2)		(3)
Line	<b>D</b>		Water	Se	ewer
No. 1	Description CIAC				
2	PSC Audit Adjustments	e		NA	
3	Total 2007 Adjustments	<u> </u>		\$	<u> </u>
4	Total 2007 Adjustments	<u> </u>		<u> </u>	
5	Pro Forma Adjustments				
6	110 1 Offila Adjustificities	\$	_	NA	
7	Total Pro Forma Adjustments	\$	<del></del>	\$	
8	10th 110 10th a regulation is				
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$		NA	
11	PSC Depr Rate Correction	Ψ	446	NA	
12	Total 2007 Adjustments	-\$	446	\$	
13	/ <b>, ,</b>	<u> </u>			
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		162		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	162	\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(13,947)	\$	
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	
29					
30	WORKING CAPITAL ALLOWANCE				
31		_		•	
32	Recommended Working Capital	\$	3,339	\$	
33					
34	Pro Forma Adjustments	•		<b>e</b> r	
35	Deferred Rate Case Expense	\$	-	\$	

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Grand Terrace

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 5,534	NA
4	Allocation of Corp Structures & Improvements	643	NA
5	Entity Reclassification	•	37.4
6	Total 2007 Adjustments	\$ 6,176	NA NA
7	Total 2007 Fidjustificitis	\$ 0,170	<u>\$</u> -
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,404	NA
10	Meter replacement cost	23,310	NA NA
11	(Less) Retirement of existing meters	(5,107)	NA NA
12	(	(0,101)	1412
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	\$ 19,606	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u> </u>	\$ -
20		<u> </u>	\$ -
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (56,374)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>s - </u>	\$ -
30			<del>- ,</del>
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 757	NA
33	Allocation of Corp Structures & Improvements	66	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	39	NA
36	Correction for UPIS Reclassification	962	NA NA
37	Total 2007 Adjustments	\$ 862	<u>\$</u> -
38 39	Dro Forms Adjustments		
39 40	Pro Forma Adjustments New PCs, Network & Telephone Upgrade	<b>\$</b> 12	NA
40 41	Meter Replacements	<b>⊅</b> 1∠	INA
42	Retirement of existing meters	(5,107)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	455	NA NA
44	Salvage	389	NA NA
45	~ m · Mgv	-	147.1
46	#VALUE!		NA
47		-	- ** *
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	\$ (4,251)	\$ -

# Aqua Utilities Florida, Inc. Rate Base Adjustments Grand Terrace

	(1)		(2)		(3)
Line			Water	S	ewer
No.	Description		<del></del>		
1	CIAC PSC Audit Adjusters and	ď		N1.4	
2	PSC Audit Adjustments Total 2007 Adjustments	<u>\$</u>	<del></del>	<u>NA</u>	<u> </u>
	Total 2007 Adjustments	<u> </u>	<u> </u>	<u> </u>	
<b>4</b> 5	Pro Forma Adjustments				
6	Pio Polina Aujustinents	\$	_	NA	
7	Total Pro Forma Adjustments	<u>-\$</u>		\$	•
8	Total To Toma Augustiona				
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	•	NA	
11	PSC Depr Rate Correction	•	428	NA	
12	Total 2007 Adjustments	\$	428	\$	
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		32		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	32	\$	
20				<u> </u>	
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(7,839)	\$	•
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	_			
25	Not Applicable	\$	-	\$	•
26					
27	ADVANCES FOR CONSTRUCTION	\$		\$	
28	Not Applicable	Ф	-	æ	
29	WORKING CAPITAL ALLOWANCE				
30 31	WURKING CAPITAL ALLOWANCE				
32	Recommended Working Capital	\$	7,091	\$	
33	Recommended working Capital	Ψ	,,,,,	*	
34	Pro Forma Adjustments				
-37	Deferred Rate Case Expense	\$		\$	

# Aqua Utilities Florida, Inc. Rate Base Adjustments Harmony Homes

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 3,219	NA
3	Allocation of Corp Structures & Improvements	374	NA
4	Pode Bustoviće d	-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	\$ 3,594	\$ -
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 817	NA
10	Meter replacement cost	5,338	NA
11	(Less) Retirement of existing meters	(1,473)	NA
12		-	
13			NA
14		-	
15	T. 17. 7. 14.	·	NA
16	Total Pro Forma Adjustments	\$ 4,682	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
9	Total 2007 Adjustments	<u> </u>	<u> </u>
20		\$	\$ -
21			
2	Pro Forma Adjustments		
3			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (3,593)	NA
27			
	CONSTRUCTION WORK IN PROGRESS		
9	Not Applicable	\$ -	\$ -
10			
	ACCUMULATED DEPRECIATION		
2	Allocation of Corporate IT	\$ 441	NA
3	Allocation of Corp Structures & Improvements	38	NA NA
4	PSC Audit Adjustments	30	NA NA
5	PSC Depr Rate Correction	6	NA NA
6	Correction for UPIS Reclassification	-	NA NA
7	Total 2007 Adjustments	\$ 485	\$ -
8	A Com a CO / A regionalization	4 400	<u> </u>
	Pro Forma Adjustments		
0	New PCs, Network & Telephone Upgrade	\$ 7	NA
1	Meter Replacements	Ψ ′	11/2
2	Retirement of existing meters	(1,473)	NA
3	6 Month Net Acc Depr (Addns less Retirements)	97	NA NA
4	Salvage	92	NA NA
5	~m· 100	,	1411
6	#VALUE!		NA
7	n Tibob.	-	4 14 K
8	#VALUE!		NA
9	11 413EOE.	<u>-</u>	1111
0			NA
51	Total Pro Forma Adjustments	\$ (1,277)	\$ -

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Harmony Homes

	(1)		(2)		(3)
Line	<b>;</b>		Water		ewer
No.	Description				
1	CIAC				
2	PSC Audit Adjustments	_\$	-	NA	
3	Total 2007 Adjustments	\$	-	\$	_
4				<u> </u>	
5	Pro Forma Adjustments				
6		\$	-	NA	
7	Total Pro Forma Adjustments	<u>\$</u>	-	\$	-
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(1)	NA NA	
12	Total 2007 Adjustments	\$	(1)	\$	-
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		13		
16				NA	
17 18			-	NIA	
19	Total Pro Forma Adjustments	-\$	13	<u>NA</u>	
20	Total FTO Forma Adjustments		13	<u> </u>	
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(4,568)	\$	
23	Negative Acquisition Adjustinent	J.	(4,306)	Ф	-
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	_
26	110t 14philadola	•		•	
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	•	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	4,047	\$	-
33					
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Hobby Hills

Line		Water	Sewer
No.	Description		50
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 5,232	NA
3	Allocation of Corp Structures & Improvements	608	NA
4		•	
5	Entity Reclassification		NA
6	Total 2007 Adjustments	\$ 5,840	\$ -
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,327	NA
10	Meter replacement cost	21,000	NA
11	(Less) Retirement of existing meters	(5,668)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	\$ 16,659	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ <u>-</u>	\$ -
20		\$ -	\$ -
21			
22	Pro Forma Adjustments		
23	110 I Offina Augustinoms		NA
24	NON LICED & LICEFILE		
25	NON-USED & USEFUL  To reflect calculated Adjusted NU&U amounts	\$ (24,388)	NA NA
26	10 tenect calculated Adjusted NO&O amounts	\$ (24,388)	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u> </u>	<u> </u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 716	NA
33	Allocation of Corp Structures & Improvements	62	NA
34	PSC Audit Adjustments	<u>-</u>	NA
35	PSC Depr Rate Correction	2	NA
36	Correction for UPIS Reclassification		NA NA
37	Total 2007 Adjustments	\$ 780	<u> </u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 11	NA
41	Meter Replacements		
42	Retirement of existing meters	(5,668)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	383	NA
44	Salvage	342	NA
45		-	
46	#VALUE!		NA
47		•	
48	#VALUE!		NA
49		-	
50			NA NA
51	Total Pro Forma Adjustments	\$ (4,931)	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Hobby Hills

Line	(1)		(2)		3)
No.	Description		Water	Se	wer
1	CIAC			<del></del>	
2	PSC Audit Adjustments	\$	-	NA	
3	Total 2007 Adjustments	\$	-	\$	
4	•				
5	Pro Forma Adjustments				
6	•	\$	-	NA	
7	Total Pro Forma Adjustments	\$	-	\$	-
8			·	<del></del>	
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(44)	NA	
12	Total 2007 Adjustments	\$	(44)	\$	-
13		<del></del>			
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		79		
16				NA	
17			-		
18				NA_	
19	Total Pro Forma Adjustments	\$	79	\$	_
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(7,406)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS			•	
25	Not Applicable	\$	-	\$	-
26	ADMANGES FOR CONSTRUCTION				
27 28	ADVANCES FOR CONSTRUCTION	\$	_	\$	_
28 29	Not Applicable	<b>J</b>	_	4	_
30	WORKING CAPITAL ALLOWANCE				
31	WOMENO CHI ITALI ALLOWANCE				
32	Recommended Working Capital	\$	6,303	\$	-
33	· · · · · · · · · · · · · · · · · · ·	•			
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Hermits Cove

Line		Water	Sewer
No.	Description	***************************************	Sewei
	PLANT IN SERVICE		<u></u>
2	Allocation of Corporate IT	\$ 9,206	NA
3	Allocation of Corp Structures & Improvements	1,070	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	\$ 10,275	\$
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,335	NA
10	Meter replacement cost	36,750	NA
11	(Less) Retirement of existing meters	(11,112)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	\$ 27,973	\$
17			
	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments		<u>\$</u>
20		\$ -	\$
21			•
22	Pro Forma Adjustments		
23			NA
24		<del></del>	
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (68,446)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ .
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,260	NA
33	Allocation of Corp Structures & Improvements	110	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	1,877	NA
36	Correction for UPIS Reclassification	<u> </u>	NA
37	Total 2007 Adjustments	\$ 3,246	\$ -
38			
	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 20	NA
41	Meter Replacements		
42	Retirement of existing meters	(11,112)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	641	NA
44	Salvage	619	NA
45	-	-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	\$ (9,831)	\$ -

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Hermits Cove

	(1)		(2)		(3)
Line			Water		ewer
No.	Description			-	
1	CIAC				
2	PSC Audit Adjustments	\$	-	NA	<b>.</b> .
3	Total 2007 Adjustments	\$	•	\$	-
4					
5	Pro Forma Adjustments				
6	•	\$	-	NA	
7	Total Pro Forma Adjustments	\$	_	\$	-
8		-		10 FE 1 (10 )	
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(97)	NA	
12	Total 2007 Adjustments	\$	(97)	\$	-
13			······································		
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		(129)		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	(129)	\$	-
20		-			
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(13,028)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION			_	
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31		_			
32	Recommended Working Capital	\$	11,303	\$	-
33					
34	Pro Forma Adjustments			•	
35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Holiday Haven

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 6,288	\$ 5,584
3	Allocation of Corp Structures & Improvements	731	649
4		-	
5 6	Total 2007 A divistments	£ 7010	ф (222
	Total 2007 Adjustments	\$ 7,019	\$ 6,233
7	D. Frank A.P. Market		
8	Pro Forma Adjustments	<b>.</b>	
9	Allocation of Corporate IT	\$ 1,595	\$ 1,416
10	Meter replacement cost	14,086	NA
11 12	(Less) Retirement of existing meters	(8,803)	NA
		-	
13 14			-
15		-	
16	Total Pro Forma Adjustments	\$ 6,877	\$ 1,416
	Total Pro Forma Adjustments	φ 0,8//	J 1,410
17	LUTH TOWARD OF AND DICTOR		
18	UTILITY LAND & LAND RIGHTS	¢.	<b>c</b> r
19	Total 2007 Adjustments	<u>\$</u> -	<u>\$</u> -
20		3 -	3 -
21			
22	Pro Forma Adjustments		
23			\$ -
24			
25	NON-USED & USEFUL	(0.005)	Φ (120.227)
26	To reflect calculated Adjusted NU&U amounts	\$ (9,097)	\$ (128,327)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$</u>	<u>\$</u> -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 861	\$ 764
33	Allocation of Corp Structures & Improvements	75	67
34		-	•
35	PSC Depr Rate Correction	-	42
36	T . 1000 A . U	- 026	. 072
37	Total 2007 Adjustments	\$ 936	\$ 873
38			
39	Pro Forma Adjustments	<b>6</b> 14	6 12
40	New PCs, Network & Telephone Upgrade	\$ 14	\$ 12
41	Meter Replacements	(9.902)	NA
42	Retirement of existing meters 6 Month Net Acc Depr (Addns less Retirements)	(8,803) 132	NA NA
43 44	Salvage	220	NA NA
44 45	Sarvage	-	INZ
45 46		-	=
47		_	•
48		_	-
49		_	
50			_
	Total Pro Forma Adjustments	\$ (8,438)	\$ 12

# Aqua Utilities Florida, Inc. Rate Base Adjustments Holiday Haven

	(1)		(2)		(3)
Line			Water		Sewer
No.	Description CIAC		<del></del>		
2	CIAC	•	_	e	
3	Total 2007 Adjustments	\$	<del></del>	-\$	<del></del>
4	2000 200 1 1 <b>1 3 3 3 1 1 1 1 1 1 1 1 1 1 1 1 1 </b>				
5	Pro Forma Adjustments				
6		\$	_	\$	_
7	Total Pro Forma Adjustments	<u>\$</u>	-	\$	-
8	·				
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction		(224)		(789)
12	Total 2007 Adjustments	\$	(224)	\$	(789)
13		-			
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		125		(2.000)
16					(2,092)
17			-		
18 19	Total Pro Forma Adjustments	\$	125	\$	(2,092)
20	Total Flo Forma Adjustments		123		(2,072)
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(8,893)	\$	(7,893)
23	riogativo rioquistion riajastinoni	•	(0,050)	•	(1,020)
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	•	\$	•
29					
30	WORKING CAPITAL ALLOWANCE				
31	December ded Working Conital	\$	7,401	\$	6,270
32 33	Recommended Working Capital	Þ	7,401	A	0,270
<i>33</i>	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	•	\$	
55	Deteriou Rate Case Expense	Ψ		Ψ	

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Haines Creek

T i		177-4	•
Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 5,584	NA
3	Allocation of Corp Structures & Improvements	649	NA
4		•	• • •
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	\$ 6,233	\$ -
7	•		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,416	NA
10	Meter replacement cost	26,460	NA
11	(Less) Retirement of existing meters	(9,013)	NA
12	· · ·	•	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	\$ 18,863	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ -	\$ -
20	•	<u> </u>	<u> </u>
21			
22	Pro Forma Adjustments		
23		<del></del>	NA
24		<del></del>	
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (1,479)	NA
27		(1,112)	
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30	110t Applicable		
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 764	NA
33	Allocation of Corp Structures & Improvements	67	NA.
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	(109)	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	\$ 722	\$ -
38	<del> </del>		
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	<b>\$</b> 12	NA
41	Meter Replacements		
42	Retirement of existing meters	(9,013)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	436	NA
44	Salvage	392	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	\$ (8,172)	\$ -

## Aqua Utilities Florida, Inc. Rate Base Adjustments Haines Creek

	(1)		(2)		(3)
Line No.	Description		Water	Se	ewer
1	CIAC		<del>.</del>		
2	PSC Audit Adjustments	\$		NA	
3	Total 2007 Adjustments	<u>\$</u> \$	-	\$	
4		<del></del>	<del></del>		
5	Pro Forma Adjustments				
6	10.10.10.10.10.10.10.10.10.10.10.10.10.1	\$	-	NA	
7	Total Pro Forma Adjustments	\$		\$	-
8	·				
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		279	NA	
12	Total 2007 Adjustments	\$	279	\$	-
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	-	\$	
20					
21	ACQUISITION ADJUSTMENTS		( <b>=</b> 000)	•	
22	Negative Acquisition Adjustment	\$	(7,893)	\$	•
23	A CONTROL AMODEL OF A CO. AD HIGHMENITS				
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	\$		\$	_
25 26	Not Applicable	<b>J</b>	-	Ψ	_
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29	11061 Application	•		•	
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	1,891	\$	-
33					
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Interlachen Lake/Park Manor

Line		Water	Sewer
No.	Description PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 14,488	\$ 1,559
3	Allocation of Corp Structures & Improvements	1,683	181
4	Amount of corp structures & improvements	1,005	101
5		-	-
6	Total 2007 Adjustments	\$ 16,171	\$ 1,741
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,675	\$ 396
10	Meter replacement cost	28,984	NA
11	(Less) Retirement of existing meters	(8,382)	NA
12		-	
13			-
14		-	
15		<del></del>	-
16	Total Pro Forma Adjustments	\$ 24,277	\$ 396
17			
18	UTILITY LAND & LAND RIGHTS	•	•
19	Total 2007 Adjustments	<u> </u>	<u>s</u> -
20		\$	2 -
21			
22	Pro Forma Adjustments		
23			\$ -
24			
25	NON-USED & USEFUL	¢ (0,000)	e (10.002)
26	To reflect calculated Adjusted NU&U amounts	\$ (8,909)	\$ (10,983)
27	CONTRACTOR ON WICE WITH THE CONTRACT		
28	CONSTRUCTION WORK IN PROGRESS	<u> </u>	•
29	Not Applicable	<u>\$ - </u>	\$ -
30	A COLUMN DESCRIPTION		
31	ACCUMULATED DEPRECIATION	e 1.003	\$ 213
32	Allocation of Corporate IT	\$ 1,983 173	\$ 213 19
33	Allocation of Corp Structures & Improvements	173	19
34 35	DCC Dans Bata Compation	45	_
36	PSC Depr Rate Correction	-	-
37	Total 2007 Adjustments	\$ 2,201	\$ 232
38	Total 2007 / Adjustitions		
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 32	\$ 3
41	Meter Replacements		
42	Retirement of existing meters	(8,382)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	515	NA
44	Salvage	488	NA
45	-	-	
46			•
47		-	
48			-
49		-	
50		<b>6</b> (7.247)	-
51	Total Pro Forma Adjustments	\$ (7,347)	\$ 3

## Aqua Utilities Florida, Inc. Rate Base Adjustments Interlachen Lake/Park Manor

	(1)		(2)		(3)
Line			Water	;	Sewer
No.	Description				
1	CIAC				
2		<u>\$</u>	-	\$	
3	Total 2007 Adjustments		-	\$	-
4	· · · · · ·				
5	Pro Forma Adjustments	•		•	
6 7	Total Dan Forma A divetments	<u>\$</u>	<del></del>	<u>\$</u>	-
	Total Pro Forma Adjustments	<u> </u>		<u> </u>	
8	ACCUMULATED AMORTIZATION OF CIAC				
9 10	ACCUMULATED AMORTIZATION OF CIAC	\$		\$	
11	PSC Depr Rate Correction	J	415	J.	(1)
12	Total 2007 Adjustments	\$	415	\$	(1)
13	Total 2007 / Adjustitions				(.)
14	Pro Forma Adjustments				
15	170 i Orina riajastinants		-		
16					-
17			-		
18					-
19	Total Pro Forma Adjustments	\$		\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(20,515)	\$	(2,216)
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS			•	
25	Not Applicable	\$	-	\$	•
26 27	ADVANCES FOR CONSTRUCTION				
28		\$		\$	_
28 29	Not Applicable	J	-	Þ	-
30	WORKING CAPITAL ALLOWANCE				
31	WOMEN'S CHITALALLOWANGE				
32	Recommended Working Capital	\$	16,827	\$	2,102
33		*	.,.	•	
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	_	\$	_

## Aqua Utilities Florida, Inc. Rate Base Adjustments Imperial Mobile Terrace

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE	0 10 474	
2	Allocation of Corporate IT	\$ 12,476	NA
3	Allocation of Corp Structures & Improvements	1,449	NA
4	Futite Declaration	•	
5	Entity Reclassification	f 12.025	NA NA
6	Total 2007 Adjustments	\$ 13,925	<u> </u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,164	NA
10	Meter replacement cost	51,870	NA
11	(Less) Retirement of existing meters	(11,205)	NA
12	Increase to Plant per Staff Audit Finding No. 11	1,247	
13			NA
14		-	
15	TAIR R. A.P.	45.000	NA NA
16	Total Pro Forma Adjustments	\$ 45,076	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments		<u>s</u> -
20		<u>\$</u>	\$ -
21			
22	Pro Forma Adjustments		
23			NA
24			**************************************
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (22,528)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30	***************************************		<u> </u>
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,708	NA
33	Allocation of Corp Structures & Improvements	149	NA NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	1	NA NA
36	Correction for UPIS Reclassification	•	NA NA
37	Total 2007 Adjustments	\$ 1,857	\$ -
38	Total 2007 Aujustinoms	1,037	<u> </u>
38 39	Dro Forma Adjustments		
39 40	Pro Forma Adjustments New PCs Network & Telephone Lingrade	\$ 27	NA
	New PCs, Network & Telephone Upgrade Meter Replacements	<b>J</b>	1971
41 42		(11 205)	NIA
	Retirement of existing meters	(11,205)	NA NA
43	6 Month Net Acc Depr (Addns less Retirements)	1,017	NA
44	Salvage	882	NA
45	Increase to Plant per Staff Audit Finding No. 11	58	37.4
46	#VALUE!		NA
47	(177 A T Y 177)A	-	274
48	#VALUE!		NA
49		-	
50	m. In n. All .		NA_
51	Total Pro Forma Adjustments	\$ (9,222)	\$ -

## Aqua Utilities Florida, Inc. Rate Base Adjustments Imperial Mobile Terrace

	(1)		(2)		(3)
Line No.			Water	S	ewer
1	Description CIAC				
2	PSC Audit Adjustments	¢		NA	
3	Total 2007 Adjustments	\$		\$	<u>,                                     </u>
4	Total 2007 Augustinonis	<u> </u>		<u> </u>	
5	Pro Forma Adjustments				
6	110 I Ollia Adjustilionis	\$	_	NA	
7	Total Pro Forma Adjustments	\$		\$	
8	1000.1001000000000000000000000000000000				
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	_	NA	
11	PSC Depr Rate Correction	Ψ	557	NA	
12	Total 2007 Adjustments	\$	557	\$	·
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	-	\$	-
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(17,650)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31		•		•	
32	Recommended Working Capital	\$	15,684	\$	-
33	Des France A Horstoneste				
	Pro Forma Adjustments	•		<b>c</b> r	
35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Jungle Den

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE	6 5 70 5	<b>4</b> ( <b>90</b>
2	Allocation of Corporate IT	\$ 5,785	\$ 6,892
3 4	Allocation of Corp Structures & Improvements	672	801
5		-	
6	Total 2007 Adjustments	\$ 6,457	\$ 7,692
7	Total 2007 Adjustments	3 0,437	J 7,092
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,467	\$ 1,748
10	Meter replacement cost	10,645	NA
11	(Less) Retirement of existing meters	(4,848)	NA NA
12	(Less) retirement of existing meters	(4,040)	IVA
13		<u>-</u>	_
14		_	
15			-
16	Total Pro Forma Adjustments	\$ 7,265	\$ 1,748
17	•		
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$	\$ -
20		\$ -	\$ -
21			
22	Pro Forma Adjustments		
23		· · · · · · · · · · · · · · · · · · ·	\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (699)	\$ (64,515)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30	••		
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 792	\$ 943
33	Allocation of Corp Structures & Improvements	69	82
34	·	-	-
35		-	•
36		<u> </u>	
37	Total 2007 Adjustments	\$ 861	\$ 1,026
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 13	\$ 15
41	Meter Replacements		
42	Retirement of existing meters	(4,848)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	145	NA
44	Salvage	182	NA
45		-	
46			-
47		-	
48 49			-
50		-	_
51	Total Pro Forma Adjustments	\$ (4,508)	\$ 15
<i>-</i> 1	- our riv rouna regestitions	<u> </u>	<u> </u>

## Aqua Utilities Florida, Inc. Rate Base Adjustments Jungle Den

<del></del>	(1)		(2)		(3)
Line No.	Description		Water	i	Sewer
1	CIAC		<del> </del>		
2	CIAC	\$	_	\$	-
3	Total 2007 Adjustments	\$	•	<u>\$</u>	-
4	•			<del></del>	
5	Pro Forma Adjustments				
6		\$	-	\$	-
7	Total Pro Forma Adjustments	\$	-	\$	
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction		(130)		(1,703)
12	Total 2007 Adjustments	\$	(130)	\$	(1,703)
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		260		2.001
16					3,981
17			-		
18 19	Total Pro Forma Adjustments	\$	260	\$	3,981
20	Total Flo Folma Adjustitions		200	-	3,701
20	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(8,190)	\$	(9,758)
23	regular requisition rayusunom	•	(0,170)	•	(3,700)
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31		_			
32	Recommended Working Capital	\$	7,266	\$	7,852
33					
34	Pro Forma Adjustments	•		œ	
35	Deferred Rate Case Expense	\$	-	\$	-

### Aqua Utilities Florida, Inc. Rate Base Adjustments Jasmine Lakes

Line	D Mustan	Water	Sewer
No. 1	Description PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 78,526	\$ 78,123
3	Allocation of Corp Structures & Improvements	9,123	9,076
4	PSC Audit Adjustments	(1,298,086)	
5	1 SC Addit Adjustments	•	-
6	Total 2007 Adjustments	\$ (1,210,437)	\$ 87,200
7	101111 2007 1149 1101111111111		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 19,917	\$ 19,815
10	Meter replacement cost	141,742	NA
11	(Less) Retirement of existing meters	(52,578)	NA
••	(2000) 1000000000000000000000000000000000	• • •	
12		-	
13			-
14		-	
15			
16	Total Pro Forma Adjustments	\$ 109,082	\$ 19,815
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<b>\$</b> (2,372)	<u>\$</u> -
20	·	<b>\$</b> (2,372)	\$ -
21			
22	Pro Forma Adjustments		
23	•		\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ -	\$ -
27	•		
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>s</u> -	\$ -
30	140t / 1ppneuste	**************************************	
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 10,748	\$ 10,693
33	Allocation of Corp Structures & Improvements	937	932
34	PSC Audit Adjustments	(164,981)	77,792
35	PSC Depr Rate Correction	(25,247)	12,204
36	100 Dept Rate Convention	•	-
37	Total 2007 Adjustments	\$ (178,543)	\$ 101,622
38	10111 2007 1 149 404-1-1-1-1		
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 171	<b>\$</b> 170
41	Meter Replacements		
42	Retirement of existing meters	(52,578)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	2,229	NA
44	Salvage	2,405	NA
45	Reduce Accumulated Depreciation per Staff Audit Finding No. 4	(35,249)	
46	· · · · · · · · · · · · · · · · · · ·		-
47		-	
48			-
49		-	
50			
51	Total Pro Forma Adjustments	\$ (83,022)	<b>\$</b> 170

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Jasmine Lakes

	(1)		(2)		(3)
Line	(1)		Water		Sewer
No.	Description				
1	CIAC				
2	PSC Audit Adjustments	_\$	(68,618)	\$	
3	Total 2007 Adjustments	\$	(68,618)	\$	-
4					
5	Pro Forma Adjustments				
6		<u>\$</u> \$	-	\$	-
7	Total Pro Forma Adjustments	\$	-	\$	
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	(28,529)	\$	936
11	PSC Depr Rate Correction		3,155		1,103
12	Total 2007 Adjustments	\$	(25,373)	\$	2,039
13					
14	Pro Forma Adjustments				
15 16			-		
10					-
17			-		
18					-
19	Total Pro Forma Adjustments	\$	-	\$	-
20	•				
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(111,173)	\$	(110,605)
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION	•		s	
28	Not Applicable	\$	•	3	•
29	WORKING CAPITAL ALLOWANCE				
30 31	WURNING CAPITAL ALLOWANCE				
32	Recommended Working Capital	\$	26,596	\$	26,460
33	Note that the state of the stat	•	20,070	•	20,.00
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-
		-		•	

## Aqua Utilities Florida, Inc. Rate Base Adjustments Kings Cove

No.   Description   Description   PLANT IN SERVICE   Allocation of Corporate IT   Allocation of Corporate IT   S 10,514   S 10,061   S 10,221   S 1,169   S 2,000   S 1,221   S 1,169   S 10,241   S 1,169   S 1,221   S 1,169   S 1,221   S 1,169   S 1,221   S 1,169   S 1,230   S 11,230   S 1,230   S				
PLANT IN SERVICE			Water	Sewer
2 Allocation of Corporate IT				
Allocation of Corp Structures & Improvements			\$ 10.514	\$ 10.061
PSC Audit Adjustments			•	· ·
Total 2007 Adjustments   S				1,107
Total 2007 Adjustments   \$ (33,048)   \$ 11,230		1 50 Addit Adjustitions	. (11,701)	-
Pro Forma Adjustments		Total 2007 Adjustments	\$ (33,048)	\$ 11,230
Pro Forms Adjustments		10tal 2007 1.15j		
9 Allocation of Corporate IT \$ 2,667 \$ 2,552   10 Meter replacement cost		Pro Forma Adjustments		
Meter replacement cost			\$ 2,667	\$ 2,552
11   (Less) Retirement of existing meters			· · · · · · · · · · · · · · · · · · ·	•
12				NA
13		(======================================	· · · ·	
14				-
Total Pro Forma Adjustments   \$ 30,416   \$ 2,552			-	
17				<u>-</u>
		Total Pro Forma Adjustments	\$ 30,416	\$ 2,552
Non-USED & USEFUL   S   69   S   75	17	·		
Total 2007 Adjustments   \$ 69   \$ 75		UTILITY LAND & LAND RIGHTS		
20     3   69   3   75			\$ 69	\$ 75
Pro Forma Adjustments   S		•••••		\$ 75
Pro Forma Adjustments   S				
S		Pro Forma Adjustments		
NON-USED & USEFUL		110 1 011114 1 101444111111		\$ -
NON-USED & USEFUL				
To reflect calculated Adjusted NU&U amounts   \$ (21,612)   \$ (63,405)		NON-USED & USEFUL		
27 28 CONSTRUCTION WORK IN PROGRESS 29 Not Applicable \$			\$ (21.612)	\$ (63,405)
Not Applicable   \$   \$		••••••••••••••••••••••••••••••••••••••		
Not Applicable   \$ -		CONSTRUCTION WORK IN PROGRESS		
30 31 ACCUMULATED DEPRECIATION 32 Allocation of Corporate IT \$ 1,439 \$ 1,377 33 Allocation of Corp Structures & Improvements 125 120 34 PSC Audit Adjustments (6,258) 3,888 35 PSC Depr Rate Correction (1,096) (749) 36			<u> </u>	<u>s</u> -
ACCUMULATED DEPRECIATION   32		110t rippitous.		
Allocation of Corporate IT		ACCUMULATED DEPORCIATION		
125   120			\$ 1.439	<b>\$</b> 1.377
PSC Audit Adjustments   (6,258)   3,888   3,888   35   PSC Depr Rate Correction   (1,096)   (749)   36   -   -   -   -			•	
1,096   1,09				
Total 2007 Adjustments   S (5,790)   S (4,636			• • •	
Total 2007 Adjustments   \$ (5,790)   \$ 4,636		r de Deprimite contention	•	-
38 39 Pro Forma Adjustments 40 New PCs, Network & Telephone Upgrade \$ 23 \$ 22 41 Meter Replacements 42 Retirement of existing meters (15,511) NA 43 6 Month Net Acc Depr (Addns less Retirements) 694 NA 44 Salvage 742 NA 45 - 46 - 47 - 48 - 49 - 50 - 50 - 50 - 50 - 50 - 50 - 50 - 50		Total 2007 Adjustments	\$ (5,790)	\$ 4,636
39 Pro Forma Adjustments         \$ 23         \$ 22           40 New PCs, Network & Telephone Upgrade         \$ 23         \$ 22           41 Meter Replacements         (15,511)         NA           42 Retirement of existing meters         (15,511)         NA           43 6 Month Net Acc Depr (Addns less Retirements)         694         NA           44 Salvage         742         NA           45         -         -           46         -         -           47         -         -           48         -         -           49         -         -           50         -         -		• • • • • • • • • • • • • • • • • • •		
40 New PCs, Network & Telephone Upgrade \$ 23 \$ 22 41 Meter Replacements 42 Retirement of existing meters (15,511) NA 43 6 Month Net Acc Depr (Addns less Retirements) 694 NA 44 Salvage 742 NA 45 - 46 - 47 - 48 - 49 - 50 - 50 - 50 - 50 - 50 - 50 - 50 - 50		Pro Forma Adjustments		
41       Meter Replacements         42       Retirement of existing meters       (15,511)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       694       NA         44       Salvage       742       NA         45       -         46       -       -         47       -       -         48       -       -         49       -       -         50			\$ 23	\$ 22
42       Retirement of existing meters       (15,511)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       694       NA         44       Salvage       742       NA         45       -       -         46       -       -       -         47       -       -       -         48       -       -       -         49       -       -       -         50				,
43 6 Month Net Acc Depr (Addns less Retirements) 694 NA 44 Salvage 742 NA 45 - 46 - 47 - 48 - 49 - 50			(15.511)	NA
44 Salvage 742 NA 45 - 46 - 47 - 48 - 49 - 50				
45 46 47 48 49 50		· · · · · · · · · · · · · · · · · · ·		
46 47			-	
47 48 49 50				-
48 49 - 50			-	
49 50				-
			-	
51 Total Pro Forma Adjustments \$ (14,052) \$ 22	50			
	51	Total Pro Forma Adjustments	<u>\$ (14,052)</u>	\$ 22

## Aqua Utilities Florida, Inc. Rate Base Adjustments Kings Cove

			(2)		(2)
	(1)		(2) Water		(3) Sewer
Line			water		Sewer
No. 1	Description CIAC		<del></del>		
2	PSC Audit Adjustments	•	3,785	\$	7,002
3	Total 2007 Adjustments	<u>\$</u> \$	3,785	\$	7,002
4	10th 2007 ridjustitions		0,7.00	Ž	.,,,,-
5	Pro Forma Adjustments				
6	110 Forma Aujusunones	\$	_	\$	-
7	Total Pro Forma Adjustments	\$	-	\$	
8	1014 110 1011111 12910111-11	====	<del></del>		
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	(5,957)	\$	(18,258)
11	PSC Depr Rate Correction		1,274		2,248
12	Total 2007 Adjustments	\$	(4,682)	\$	(16,010)
13				<del></del>	
14	Pro Forma Adjustments				
15			•		
16					-
17			-		
18					
19	Total Pro Forma Adjustments	\$	-	\$	-
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(14,893)	\$	(14,245)
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS			•	
25	Not Applicable	\$	-	\$	•
26	CONCERNION OF THE CONCERNION O				
27	ADVANCES FOR CONSTRUCTION	\$		\$	
28	Not Applicable	<b>&gt;</b>	-	Þ	-
29	WORKING CARITAL ALLOWANCE				
30 31	WORKING CAPITAL ALLOWANCE				
32	Recommended Working Capital	\$	3,561	\$	3,408
33	Recommended working Capital	Ψ	3,301	Ψ.	5,100
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-
55	Deterred Rate Case Expense	•		•	

## Aqua Utilities Florida, Inc. Rate Base Adjustments Kingswood

Line No.			
NΙα		Water	Sewer
	Description		
-	PLANT IN SERVICE	<b>f</b> 2.210	NT A
2	Allocation of Corporate IT	\$ 3,219	NA NA
3	Allocation of Corp Structures & Improvements	374	NA
4	Futite Designation	-	NA
5	Entity Reclassification Total 2007 Adjustments	\$ 3,594	\$ -
6	Total 2007 Adjustments	3,374	
7	Des Course A director and a		
	Pro Forma Adjustments	\$ 817	NA
9	Allocation of Corporate IT  Meter replacement cost	3 817	NA NA
10	(Less) Retirement of existing meters	_	NA NA
11	(Less) Retirement of existing meters	_	IVA.
12 13		•	NA
13		_	1424
15			NA
16	Total Pro Forma Adjustments	\$ 817	\$ -
17	1 out 1 to 1 orma / rajustitions		
	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ -	\$ -
20	10tai 2007 Adjustitionis	\$ -	\$ -
21			
	Dro Forma Adjustments		
23	Pro Forma Adjustments		NA NA
24	NON-USED & USEFUL		
25 1 26	To reflect calculated Adjusted NU&U amounts	<u> </u>	NA
	10 reflect calculated Adjusted 110 cc o amounts	<b>J</b>	1471
27	CONCEDUCTION WORK IN BROCHESS		
	CONSTRUCTION WORK IN PROGRESS	<del>-</del>	\$ -
29	Not Applicable	9	
30	A COUNTY A TED DEDDECT A TION		
	ACCUMULATED DEPRECIATION	\$ 441	NA
32	Allocation of Corporate IT	38	NA NA
33	Allocation of Corp Structures & Improvements	36	NA NA
34	PSC Audit Adjustments PSC Depr Rate Correction	5	NA NA
35	Correction for UPIS Reclassification	-	NA NA
36 37	Total 2007 Adjustments	\$ 484	\$ -
	10tal 2007 Adjustinents	404	
38	Dro Forma Adjustments		
39 1 40	Pro Forma Adjustments New PCs, Network & Telephone Upgrade	\$ 7	NA
40	Meter Replacements	Ψ /	1473
41 42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	•	NA
44	Salvage	-	NA
45	~~··* <del>**</del>	-	- <del>* -</del>
46	#VALUE!		NA
47	····	-	
48	#VALUE!		NA
49		•	
50			NA NA
51	Total Pro Forma Adjustments	\$ 7	\$ -

## Aqua Utilities Florida, Inc. Rate Base Adjustments Kingswood

Line	(1)		(2) Water		(3) ewer
No.	Description		***	2.	
1	CIAC				
2	PSC Audit Adjustments	\$	-	NA	
3	Total 2007 Adjustments	<u>\$</u> \$	-	\$	
4	•	-		*******	
5	Pro Forma Adjustments				
6		\$	-	NA	
7	Total Pro Forma Adjustments	\$	-	\$	-
8	•				
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(6)	NA	
12	Total 2007 Adjustments	\$	(6)	\$	-
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-		
16				NA	
17			•		
18		-		NA	
19	Total Pro Forma Adjustments	\$	-	\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(4,568)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	_		_	
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION	•		•	
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31	5 1 1W 11 0 24	•	4.004	æ	
32	Recommended Working Capital	\$	4,004	\$	-
33	Due Camara A directorante				
34	Pro Forma Adjustments	\$	_	\$	
35	Deferred Rate Case Expense	3	-	Э	-

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Lake Gibson Estates

Line		Water	Sewer
No.	Description Description		
1 2	PLANT IN SERVICE Allocation of Corporate IT	\$ 42,407	\$ 16,047
3	Allocation of Corp Structures & Improvements	4,927	1,864
4	Anocation of Corp officiales & Improvements	4,527	1,004
5		-	_
6	Total 2007 Adjustments	\$ 47,334	\$ 17,912
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 10,756	\$ 4,070
10	Meter replacement cost	74,028	NA
11	(Less) Retirement of existing meters	(20,516)	NA
12		-	
13			•
14		-	
15			-
16	Total Pro Forma Adjustments	<u>\$ 64,269</u>	\$ 4,070
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$</u> -	\$ -
20		\$	\$ -
21			
22	Pro Forma Adjustments		
23			<u> </u>
24			
25	NON-USED & USEFUL		(1.00)
26	To reflect calculated Adjusted NU&U amounts	\$ (31,366)	\$ (1,255,782)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	<u> </u>
30			
31	ACCUMULATED DEPRECIATION	f	e 2.107
32	Allocation of Corporate IT	\$ 5,804 506	\$ 2,196 191
33 34	Allocation of Corp Structures & Improvements	306	191
35	DSC Dans Data Correction	35	1,263
36	PSC Depr Rate Correction	-	1,203
37	Total 2007 Adjustments	\$ 6,345	\$ 3,651
38	Total 2007 Tagaomiona		
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 93	\$ 35
41	Meter Replacements		•
42	Retirement of existing meters	(20,516)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	1,338	NA
44	Salvage	1,269	NA
45	-	-	
46			-
47		-	
48			-
49		-	
50			
51	Total Pro Forma Adjustments	\$ (17,816)	\$ 35

### Aqua Utilities Florida, Inc. Rate Base Adjustments Lake Gibson Estates

CIAC   Nater   Nater						
Not Applicable   Not	Line					
CIAC				water		Sewer
Total 2007 Adjustments   S						
Total 2007 Adjustments   S			\$	•	\$	
Pro Forma Adjustments   \$		Total 2007 Adjustments	\$	-	\$	-
Total Pro Forma Adjustments   S	4		***************************************			
Total Pro Forma Adjustments   S	5	Pro Forma Adjustments				
Total Pro Forma Adjustments   \$			\$	-	\$	-
ACCUMULATED AMORTIZATION OF CIAC	7	Total Pro Forma Adjustments	\$	-		-
PSC Depr Rate Correction						
PSC Depr Rate Correction		ACCUMULATED AMORTIZATION OF CIAC				
Total 2007 Adjustments   \$ (2,960)   \$ (2,594)			\$	-	\$	-
13						(2,594)
Pro Forma Adjustments   Correct Test Year Accumulated Amortization of CIAC		Total 2007 Adjustments	\$	(2,960)	\$	(2,594)
Correct Test Year Accumulated Amortization of CIAC			<u> </u>			
16						
Total Pro Forma Adjustments		Correct Test Year Accumulated Amortization of CIAC		4,424		
Total Pro Forma Adjustments   \$ 4,424   \$ 4,720						4,720
Total Pro Forma Adjustments   \$ 4,424   \$ 4,720				-		
20		Total Dec Former A dissequents		4.04		-
ACQUISITION ADJUSTMENTS   \$ (60,033) \$ (22,705)		Total Pio Forma Adjustments	3	4,424	\$	4,720
Negative Acquisition Adjustment		ACQUICITION AD HICTMENTO				
23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 14,363 \$ 5,435 33 34 Pro Forma Adjustments		-	•	((0.000)		
ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS  Not Applicable  ADVANCES FOR CONSTRUCTION  Not Applicable  Not Applicable  Recommended Working Capital  Recommended Working Capital  Pro Forma Adjustments  S - S -  S -  S -  S -  S -  S -  S -		Negative Acquisition Adjustment	2	(60,033)	\$	(22,705)
25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 14,363 \$ 5,435 33 4 Pro Forma Adjustments		ACCUMULATED AMORT OF ACO ADDISTMENTS				
ADVANCES FOR CONSTRUCTION Not Applicable \$ - \$ .  WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 14,363 \$ 5,435  Pro Forma Adjustments			•		e	
ADVANCES FOR CONSTRUCTION  Not Applicable \$ - \$ .  WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 14,363 \$ 5,435  Pro Forma Adjustments		110t ripplicatio	Ф	•	Þ	-
28 Not Applicable \$ - \$ .  29  30 WORKING CAPITAL ALLOWANCE  31  32 Recommended Working Capital \$ 14,363 \$ 5,435  33  4 Pro Forma Adjustments		ADVANCES FOR CONSTRUCTION				
WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 14,363 \$ 5,435  Pro Forma Adjustments			\$	_	•	_
31 32 Recommended Working Capital \$ 14,363 \$ 5,435 33 Pro Forma Adjustments	29		Ψ		Ψ	•
Recommended Working Capital \$ 14,363 \$ 5,435  34 Pro Forma Adjustments	30	WORKING CAPITAL ALLOWANCE				
33 34 Pro Forma Adjustments	31					
33 34 Pro Forma Adjustments	32	Recommended Working Capital	\$	14,363	\$	5.435
	33	• •		• • • •	-	-,
Deferred Rate Case Expense \$ - \$						
	35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Lake Josephine

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 28,825	NA
3	Allocation of Corp Structures & Improvements	3,349	NA
4	PSC Audit Adjustments	228,474	
5	Entity Reclassification		NA
6	Total 2007 Adjustments	\$ 260,648	\$ -
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 7,311	NA
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12	Build new WTP - Consent Order	321,452	
13			NA
14	Reduce Plant in Service per Staff Audit Finding No. 4	(329,672)	
15			NA
16	Total Pro Forma Adjustments	\$ (909)	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ (4,523)	\$ -
20		\$ (4,523)	\$ -
21			
22	Pro Forma Adjustments		
23	•		NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (249,528)	NA
27	·	3,000	Star All Day
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 3,945	NA
33	Allocation of Corp Structures & Improvements	344	NA NA
34	PSC Audit Adjustments	870	NA NA
35	PSC Depr Rate Correction	3,822	NA NA
36	Correction for UPIS Reclassification	5,622	NA NA
37	Total 2007 Adjustments	\$ 8,982	\$ -
	Total 2007 Adjustments	3,702	-
38	Pro Forma Adjustments		
39 40	•	\$ 63	NA
	New PCs, Network & Telephone Upgrade	<b>3</b> 03	INA
41	Meter Replacements		NIA
42 43	Retirement of existing meters  6 Month Not Aca Done (Addres less Retirements)	-	NA NA
	6 Month Net Acc Depr (Addns less Retirements)	-	
44 45	Salvage Build new WTP - Consent Order	(49.525)	NA
45 46	#VALUE!	(48,525)	NA
46 47	Reduce Plant in Service per Staff Audit Finding No. 4	(82,858)	INA
48	#VALUE!	(02,030)	NA
48 49	#VALUE!	_	INA
50		-	NA
51	Total Pro Forma Adjustments	\$ (131,320)	\$ -
31	Total Flo Forma Aujustinents	\$ (131,320)	<b>J</b>

### Aqua Utilities Florida, Inc. Rate Base Adjustments Lake Josephine

_	(1)		(2)		(2)
Lin	e (1)		(2) Water		(3)
No	Description		w ater	5	ewer
1	CIAC		<del></del>		
2	PSC Audit Adjustments	\$	101,658	N.A	
3	Total 2007 Adjustments	\$	101,658	\$	<del>`</del>
4				<del></del>	
5	Pro Forma Adjustments				
6		\$		NA	
7	Total Pro Forma Adjustments	<u>\$</u> \$	-	\$	<del></del>
8				=	
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	5,457	NA	
11	PSC Depr Rate Correction		(827)	NA	
12	Total 2007 Adjustments	\$	4,631	\$	
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	<u>\$</u>		\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(40,815)	\$	-
23	A COMMENT ARREST OF A CO. T. CO.				
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25 26	Not Applicable	\$	-	\$	-
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	•		•	
29	Not Applicable	\$	-	\$	-
30	WORKING CAPITAL ALLOWANCE				
31	WORKING CALLIAL ALLOWANCE				
32	Recommended Working Capital	\$	9,763	\$	
33	1200minonded Working Capital	D.	9,103	Þ	-
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	_	\$	
	24-1-1-2 Allie Cure Dapotio	Ψ	<del>-</del>	Ф	•

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Lake Osborne Estates

No. 1 2 3 4 5 6	PLANT IN SERVICE Allocation of Corporate IT		
2 3 4 5			
3 4 5	Allocation of Corporate II		
4 5		\$ 23,593	NA
5	Allocation of Corp Structures & Improvements	2,741	NA
	Postino Bondono (Constant	-	
0	Entity Reclassification	-	NA
_	Total 2007 Adjustments	\$ 26,334	\$ -
7			
	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 5,984	NA
10	Meter replacement cost	105,300	NA
11	(Less) Retirement of existing meters	(28,372)	NA
12	Reduce Plant in Service per Staff Audit Finding No. 4	(3,289)	
13			NA
14		-	
15			NA NA
16	Total Pro Forma Adjustments	\$ 79,624	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$	_\$
20		\$ -	\$ -
21			<u> </u>
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ 18	NA
27	•		
	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	<u> </u>
30	Not Applicable		
	ACCUMULATED DEPRECIATION		
32		\$ 3,229	NA
33	Allocation of Corporate IT	281	NA NA
	Allocation of Corp Structures & Improvements PSC Audit Adjustments	201	NA NA
34	PSC Depr Rate Correction	1,313	NA NA
35	•	1,515	NA NA
36	Correction for UPIS Reclassification	\$ 4,823	\$ -
37	Total 2007 Adjustments	4,823	<u> </u>
38	Des Farres A directments		
	Pro Forma Adjustments	<b>\$</b> 51	NA
40	New PCs, Network & Telephone Upgrade	<b>J</b>	INA
41	Meter Replacements	(28,372)	NA
42	Retirement of existing meters 6 Month Net Acc Depr (Addns less Retirements)	1,923	NA NA
43	• •		
44	Salvage	1,670	NA
45	Reduce Plant in Service per Staff Audit Finding No. 4	(941)	NA
46	#VALUE!		NA
47	" MALAY ETTEL	-	NA
48	#VALUE!		NA
49		-	NIA
50 51	Total Pro Forma Adjustments	\$ (25,667)	NA -

### Aqua Utilities Florida, Inc. Rate Base Adjustments Lake Osborne Estates

Cinc					_	
No.   Description	Lina	(1)				
CIAC				Water	S	ewer
PSC Audit Adjustments				<del></del>		
Total 2007 Adjustments   S			2	_	NIA	
Pro Forma Adjustments   S			\$	<del></del> _		
Total Pro Forma Adjustments   S - NA	4	•	<u> </u>		<del></del>	
Total Pro Forma Adjustments   S -	5	Pro Forma Adjustments				
## ACCUMULATED AMORTIZATION OF CIAC    PSC Audit Adjustments	6	•	\$		NA	
## ACCUMULATED AMORTIZATION OF CIAC    PSC Audit Adjustments	7	Total Pro Forma Adjustments	\$			
PSC Audit Adjustments	8				<del></del>	
PSC Depr Rate Correction	9	ACCUMULATED AMORTIZATION OF CIAC				
Total 2007 Adjustments   \$ (28)   \$ -	10	PSC Audit Adjustments	\$	-	NA	
Total 2007 Adjustments   \$ (28)		PSC Depr Rate Correction		(28)	NA	
Pro Forma Adjustments   Correct Test Year Accumulated Amortization of CIAC   NA	12	Total 2007 Adjustments	\$		\$	-
Correct Test Year Accumulated Amortization of CIAC	13		<del></del>			
NA						
17		Correct Test Year Accumulated Amortization of CIAC		-		
Total Pro Forma Adjustments  Total Pro Forma Adjustments  ACQUISITION ADJUSTMENTS  Negative Acquisition Adjustment  ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS  Not Applicable  ADVANCES FOR CONSTRUCTION  Not Applicable  Not Applicable  Recommended Working Capital  Pro Forma Adjustments					NA	
Total Pro Forma Adjustments  20 21 ACQUISITION ADJUSTMENTS 22 Negative Acquisition Adjustment \$ (33,409) \$ - 23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 7,991 \$ - 33 34 Pro Forma Adjustments				-		
20 21 ACQUISITION ADJUSTMENTS 22 Negative Acquisition Adjustment \$ (33,409) \$ - 23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 7,991 \$ - 33 34 Pro Forma Adjustments	-	m. 10 n				
21 ACQUISITION ADJUSTMENTS 22 Negative Acquisition Adjustment \$ (33,409) \$ -23 23		Total Pro Forma Adjustments	_\$	-	<u>\$</u>	<u> </u>
Negative Acquisition Adjustment \$ (33,409) \$ -  23  24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS  Not Applicable \$ - \$ -  ADVANCES FOR CONSTRUCTION  Not Applicable \$ - \$ -  WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 7,991 \$ -  33  4 Pro Forma Adjustments		A CONTROL A D WIGHT ADVING				
23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 7,991 \$ - 33 34 Pro Forma Adjustments		-	•	(22.120)	•	
24       ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS         25       Not Applicable       \$ -       \$ -         26       ADVANCES FOR CONSTRUCTION       \$ -       \$ -         28       Not Applicable       \$ -       \$ -         29       WORKING CAPITAL ALLOWANCE       \$ -       \$ -         31       Recommended Working Capital       \$ 7,991       \$ -         33       Pro Forma Adjustments		Negative Acquisition Adjustment	\$	(33,409)	\$	-
25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 7,991 \$ - 33 34 Pro Forma Adjustments		ACCUMULATED AMODT OF ACO ADDICTMENTS				
26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 7,991 \$ - 33 34 Pro Forma Adjustments			¢		•	
27 ADVANCES FOR CONSTRUCTION  28 Not Applicable \$ - \$ - 29  30 WORKING CAPITAL ALLOWANCE  31  32 Recommended Working Capital \$ 7,991 \$ - 33  34 Pro Forma Adjustments		τοι Αρριίνασιο	J	-	Þ	•
28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 7,991 \$ - 33 34 Pro Forma Adjustments		ADVANCES FOR CONSTRUCTION				
29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 7,991 \$ - 33 34 Pro Forma Adjustments			\$	-	s	-
31 32 Recommended Working Capital \$ 7,991 \$ - 33 34 Pro Forma Adjustments			•		•	
Recommended Working Capital \$ 7,991 \$ - 33 34 Pro Forma Adjustments	30	WORKING CAPITAL ALLOWANCE				
33 34 Pro Forma Adjustments	31					
34 Pro Forma Adjustments	32	Recommended Working Capital	\$	7,991	\$	-
35 Deferred Rate Case Expense \$ - \$						
	35	Deferred Rate Case Expense	\$	-	\$	-

### Aqua Utilities Florida, Inc. Rate Base Adjustments Leisure Lakes

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 14,588	\$ 14,186
3 4	Allocation of Corp Structures & Improvements	1,695	1,648
5		-	
6	Total 2007 Adjustments	\$ 16,283	\$ 15,834
7	Total 2007 Adjustinents	3 10,283	3 13,634
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,700	\$ 3,598
10	Meter replacement cost	5,700	NA
11	(Less) Retirement of existing meters	_	NA NA
12	(2000) Items and anothing motors	-	• • • • • • • • • • • • • • • • • • • •
13			-
14		-	
15			
16	Total Pro Forma Adjustments	\$ 3,700	\$ 3,598
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$	\$ -
20		\$ -	\$ -
21			
22	Pro Forma Adjustments		
23			\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (8,071)	\$ (49,064)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u> </u>	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,997	\$ 1,942
33	Allocation of Corp Structures & Improvements	174	169
34		•	•
35	PSC Depr Rate Correction	29	91
36		-	- 2002
37	Total 2007 Adjustments	\$ 2,200	\$ 2,202
38			
39	Pro Forma Adjustments	e 22	e 21
40	New PCs, Network & Telephone Upgrade	\$ 32	\$ 31
41	Meter Replacements		NA
42	Retirement of existing meters 6 Month Net Acc Depr (Addns less Retirements)	<u>.</u>	NA NA
43 44	Salvage	-	NA NA
44	29149Re	-	11/1
46			
47		-	
48			
49		-	
50		\$ 32	

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Leisure Lakes

	(1)		(2)		(3)
Line			Water		Sewer
No.	Description CIAC		<del></del>		
1 2	CIAC	\$	_	\$	_
3	Total 2007 Adjustments	<del>3</del>		-\$	<del></del>
4	Total 2007 Majasanona				
5	Pro Forma Adjustments				
6	110 t office regionalisms	_\$	_	\$	-
7	Total Pro Forma Adjustments	\$		\$	
8	•				
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction		1,261		1,551
12	Total 2007 Adjustments	\$	1,261	\$	1,551
13			<del></del>		
14	Pro Forma Adjustments				
15			-		
16					-
17			-		
18					
19	Total Pro Forma Adjustments	\$		\$	
20					
21	ACQUISITION ADJUSTMENTS	•	(00.651)	¢	(20.002)
22	Negative Acquisition Adjustment	\$	(20,651)	\$	(20,083)
23	ACCUMULATED AMORT OF ACO ADDISTMENTS				
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	\$	_	\$	_
25 26	Not Applicable	Ψ		•	
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	_	\$	-
29	Not Applicable				
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	16,361	\$	15,590
33	- ·				
34	Pro Forma Adjustments			_	
35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Lake Suzy

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 28,422	\$ 13,582
3	Allocation of Corp Structures & Improvements	3,302	1,578
4		-	
5 6	Total 2007 Adjustments	9 21 724	4 16160
	Total 2007 Adjustifichts	\$ 31,724	\$ 15,160
7 8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 7,209	<b>6</b> 2.445
10	Meter replacement cost	\$ 7,209	\$ 3,445
11	(Less) Retirement of existing meters	*	NA NA
12	Reduce Plant in Service per Staff Audit Finding No. 1	(524.221)	NA
13	Reduce Flait in Service per Staff Addit Finding No. 1	(534,221)	
14		•	-
15	Reduce Plant in Service per Staff Audit Finding No. 2	-	(1,119,520)
16	Total Pro Forma Adjustments	\$ (527,012)	\$ (1,116,075)
17	roug fro to martojoomiomo	(327,012)	<u> </u>
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<b>s</b> -	¢ _
20	Total 2007 Adjustments	<u>\$</u> -	\$ -
21			
22	Pro Forma Adjustments		
23	rio roma Aujustinents		<u>-</u>
			<u> </u>
24	NON TICED & LICEPIU		
25	NON-USED & USEFUL To reflect calculated Adjusted NU&U amounts	¢ (14.151)	<del></del>
26	10 leffect carculated Adjusted NO&O amounts	<b>\$</b> (14,151)	<u> </u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			
31	ACCUMULATED DEPRECIATION	4 200	
32	Allocation of Corporate IT	\$ 3,890	\$ 1,859
33	Allocation of Corp Structures & Improvements	339	162
34	707 7 7	(1.460)	(5.5(0)
35	PSC Depr Rate Correction	(1,460)	(5,569)
36	T-4-1 2007 A disseturante	\$ 2,770	\$ (3,548)
37	Total 2007 Adjustments	3 2,770	\$ (3,248)
38	D. D. A.P. saturanta		
39	Pro Forma Adjustments	\$ 62	\$ 30
40	New PCs, Network & Telephone Upgrade	3 02	\$ 50
41	Meter Replacements		NA
42	Retirement of existing meters	-	NA NA
43	6 Month Net Acc Depr (Addns less Retirements)	- -	NA NA
44 45	Salvage Reduce Plant in Service per Staff Audit Finding No. 1	(108,901)	1 1/ 1
45 46	Reduce Flant in Solvice per Statt Audit I maing 140. 1	(100,701)	-
46 47		-	
47	Reduce Plant in Service per Staff Audit Finding No. 2		(359,506)
49	reduce I take in perview per plant rudic I mains 140. 2	-	(222,230)
50			-
51	Total Pro Forma Adjustments	\$ (108,839)	\$ (359,476)
	· 0 10 · 011111 ·		

# Aqua Utilities Florida, Inc. Rate Base Adjustments

Lake Suzy

	(1)		(2)		(2)
Line			(2) Water		(3) Sewer
No.	Description		vv ater		Sewer
1	CIAC	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·		
2		\$	-	\$	-
3	Total 2007 Adjustments	\$	-	\$	
4					
5	Pro Forma Adjustments				
6	Reduce CIAC per Staff Audit Finding No. 1	\$	(126,533)	\$	-
7	Total Pro Forma Adjustments	\$	(126,533)	\$	
8			<del></del>		
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction		5,849		(1,487)
12	Total 2007 Adjustments	\$	5,849	\$	(1,487)
13				<del></del>	
14	Pro Forma Adjustments				
15			-		
16					•
17	Reduce Plant in Service per Staff Audit Finding No. 1		8,891		
18					
19	Total Pro Forma Adjustments	\$	8,891		
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(40,247)	\$	(19,218)
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	•		•	
25	Not Applicable	\$	-	\$	-
26	ADVANCES FOR CONSTRUCTION				
27 28		\$		\$	
29	Not Applicable	J	-	J	-
30	WORKING CAPITAL ALLOWANCE				
31	WORKING CAI HAL ALLOWANCE				
32	Recommended Working Capital	\$	9,626	\$	4,600
33	11000000000000000000000000000000000000	•	,,,,,	•	.,
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-
-		-		-	

## Aqua Utilities Florida, Inc. Rate Base Adjustments Morningview

Line		Water	Sewer
No.	Description	vv atci	Sewei
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 1,912	\$ 1,811
3	Allocation of Corp Structures & Improvements	222	210
4		-	
5		-	
6	Total 2007 Adjustments	\$ 2,134	\$ 2,021
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 485	\$ 459
10	Meter replacement cost	7,980	NA
11	(Less) Retirement of existing meters	(2,325)	NA
12		-	
13			•
14		•	
15	T 4-1 B - France A Boston and	<b>A</b> (130)	
16	Total Pro Forma Adjustments	\$ 6,139	\$ 459
17	TIME THE VIEW OF THE PROPERTY.		
18	UTILITY LAND & LAND RIGHTS	<b>d</b>	•
19	Total 2007 Adjustments	\$	\$ -
20		\$ -	<del></del>
21			
22	Pro Forma Adjustments		
23			<u> </u>
24			
25	NON-USED & USEFUL	(41.110)	(02.405)
26	To reflect calculated Adjusted NU&U amounts	\$ (41,117)	\$ (23,497)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u> </u>	<u> </u>
30			
31	ACCUMULATED DEPRECIATION		<b>6</b> 240
32	Allocation of Corporate IT	\$ 262	\$ 248
33	Allocation of Corp Structures & Improvements	23	22
34	DCC Davis Data Commention	38	184
35	PSC Depr Rate Correction	38	104
36 37	Total 2007 Adjustments	\$ 323	\$ 454
	Total 2007 Adjustments	325	<b>3 134</b>
38 39	Pro Forma Adiustments		
39 40	Pro Forma Adjustments New PCs, Network & Telephone Upgrade	\$ 4	\$ 4
41	Meter Replacements	\$ 4	<b>.</b>
42	Retirement of existing meters	(2,325)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	141	NA NA
44	Salvage	122	NA
45			* - " -
46			•
47		-	
48			-
49		-	
			-
50		\$ (2,057)	

## Aqua Utilities Florida, Inc. Rate Base Adjustments Morningview

	(1)		(2)		(3)
Line			Water	5	Sewer
No.	Description			-	
1	CIAC	•			
2	Total 2007 Adjustments	<u>\$</u>	-	\$	
	Total 2007 Adjustments	3		2	
4 5	Pro Forma Adjustments				
6	Pro Porma Adjustments	\$	_	\$	
7	Total Pro Forma Adjustments	\$	<del></del>	\$	<del></del> -
8	10111 1 10 1 011111 1 1 1 Juni 1 1 1 Juni 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	
11	PSC Depr Rate Correction	•	(65)	•	(102)
12	Total 2007 Adjustments	\$	(65)	\$	(102)
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		99		
16					203
17			-		
18					
19	Total Pro Forma Adjustments	\$	99	\$	203
20	A COLUMN AND AND AND AND AND AND AND AND AND AN				
21	ACQUISITION ADJUSTMENTS	•	(2.702)	•	(2.560)
22 23	Negative Acquisition Adjustment	\$	(2,703)	\$	(2,568)
23 24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$		\$	_
26	Not Applicable	Ψ		Ψ	
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29	4,				
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	2,880	\$	2,329
33					
34	Pro Forma Adjustments	•		•	
35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Ocala Oaks

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 91,454	NA
3	Allocation of Corp Structures & Improvements	10,625	NA
4 5	Entity Backgoodination	-	27.4
6	Entity Reclassification Total 2007 Adjustments	\$ 102,079	NA NA
7	Total 2007 Adjustitions	\$ 102,079	\$ -
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 23,197	NA
10	Meter replacement cost	23,177	NA NA
11	(Less) Retirement of existing meters	-	NA
12		-	
13			NA
14		•	
15	T. 17 T. 18		NA NA
16	Total Pro Forma Adjustments	\$ 23,197	\$
17	THE THE TANK OF AND DECEMEN		
18 19	UTILITY LAND & LAND RIGHTS	•	¢
20	Total 2007 Adjustments	<u>\$</u> -	<u>\$</u> -
21		3	<b>P</b>
21	Pro Forma Adjustments		
23	110 I Office Augustinents		NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (227,534)	NA
27	·		
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<b>s</b> -	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 12,517	NA
33	Allocation of Corp Structures & Improvements	1,091	NA
34	PSC Audit Adjustments		NA
35	PSC Depr Rate Correction	(1,905)	NA
36	Correction for UPIS Reclassification	-	NA NA
37	Total 2007 Adjustments	\$ 11,704	\$ -
38	Des Farmes A disestments		
39 40	Pro Forma Adjustments New PCs, Network & Telephone Upgrade	\$ 200	NA
40 41	Meter Replacements	<b>a</b> 200	11/1
41	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	-	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	NI A
50	Total Day Farmer Address	\$ 200	NA -
51	Total Pro Forma Adjustments	\$ 200	<b>.</b>

## Aqua Utilities Florida, Inc. Rate Base Adjustments Ocala Oaks

	(1)		(2)	(	3)
Line			Water	Se	wer
No.	Description				
1	CIAC	_			
2	PSC Audit Adjustments	<u>\$</u>		NA	•
3	Total 2007 Adjustments	<u>\$</u>	-	\$	-
4					
5	Pro Forma Adjustments	_			
6		\$	<u> </u>	NA	
7	Total Pro Forma Adjustments	\$	-	\$	-
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		6,157	NA	
12	Total 2007 Adjustments	\$	6,157	\$	-
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		•		
16				NA	
	Reduce Accumulated Amortization of CIAC per Staff Audit Finding				
17	No. 5		11,418		
18				NA	
19	Total Pro Forma Adjustments	\$	11,418	\$	-
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(129,472)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS			_	
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION	_		_	
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31			****		
32	Recommended Working Capital	\$	30,975	\$	-
33					
34	Pro Forma Adjustments	•		•	
35	Deferred Rate Case Expense	\$	-	\$	-

### Aqua Utilities Florida, Inc. Rate Base Adjustments Orange Hill/Sugar Creek

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 12,224	NA
3	Allocation of Corp Structures & Improvements	1,420	NA
4		-	
5	Entity Reclassification		NA
6	Total 2007 Adjustments	\$ 13,644	\$ -
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,101	NA
10	Meter replacement cost	20,650	NA
11	(Less) Retirement of existing meters	(5,037)	NA
12	(	•	
13			NA
14		_	
15			NA
16	Total Pro Forma Adjustments	\$ 18,714	\$ -
	. Jun 1 10 1 Olima / Tojudaliolita	Ψ 10,714	-
17	TUTH TOW I AND O. I AND DICTION		
18	UTILITY LAND & LAND RIGHTS Tatal 2007 Adjustments	•	•
19	Total 2007 Adjustments	\$ -	<u>\$</u> -
20		3 -	2 -
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (84,339)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30	***************************************		W-
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,673	NA
33	Allocation of Corp Structures & Improvements	146	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	80	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	\$ 1,899	\$ -
	Total 2007 Aujustitionis	1,077	<u> </u>
38	Due Forme Adjustments		
	Pro Forma Adjustments	<b>\$</b> 27	NA
40	New PCs, Network & Telephone Upgrade	J 21	INA
41	Meter Replacements	(5.027)	NA
42	Retirement of existing meters	(5,037)	
43	6 Month Net Acc Depr (Addns less Retirements)	390	NA NA
44	Salvage	348	NA
45		-	374
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	\$ (4,272)	\$ -

## Aqua Utilities Florida, Inc. Rate Base Adjustments Orange Hill/Sugar Creek

	(1)		(2)		(2)
Line			(2) Water		(3) ewer
No.	Description		vv aici	36	WCI
1	CIAC				
2	PSC Audit Adjustments	\$	-	NA	
3	Total 2007 Adjustments	\$		\$	<del></del>
4					
5	Pro Forma Adjustments				
6	•	\$	-	NA	
7	Total Pro Forma Adjustments	<u>\$</u>	-	\$	
8					<del></del>
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(377)	NA	
12	Total 2007 Adjustments	\$	(377)	\$	-
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		487		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	487	\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(17,299)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS			_	
25	Not Applicable	\$	-	\$	-
26	A DATA NATION FOR CONTOURNATION I				
27	ADVANCES FOR CONSTRUCTION	•		•	
28	Not Applicable	\$	-	\$	-
29 30	WODEING CARITAL ALLOWANCE				
30 31	WORKING CAPITAL ALLOWANCE				
31	Perammended Warking Conital	\$	4,140	\$	
33	Recommended Working Capital	Þ	4,140	Þ	-
33 34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	_	\$	_
33	Deterred Rate Case Expense	Φ	-	Þ	•

## Aqua Utilities Florida, Inc. Rate Base Adjustments Oakwood

Line		Water	Sewer
No.	Description	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Sewei
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 11,620	NA
3	Allocation of Corp Structures & Improvements	1,350	NA
4		•	
5	Entity Reclassification		NA
6	Total 2007 Adjustments	\$ 12,970	\$ -
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,947	NA
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12		-	
13			NA
14		-	
15			NA NA
16	Total Pro Forma Adjustments	\$ 2,947	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$	<u> </u>
20		\$ -	\$ -
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (5,128)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			***************************************
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	<b>\$</b> 1,590	NA
33	Allocation of Corp Structures & Improvements	139	NA
34	PSC Audit Adjustments	•	NA
35	PSC Depr Rate Correction	175	NA
36	Correction for UPIS Reclassification	<u>-</u>	NA
37	Total 2007 Adjustments	\$ 1,904	\$ -
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 25	NA
41	Meter Replacements		
42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	•	NA
45		•	
46	#VALUE!		NA
47		-	N/a
48	#VALUE!		NA
49		-	MA
50	m . I D. France A Produced	<u> </u>	NA -
51	Total Pro Forma Adjustments	\$ 25	, J

## Aqua Utilities Florida, Inc. Rate Base Adjustments Oakwood

	(1)		(2)		(3)
Line			Water	Se	ewer
No.	Description				
1	CIAC	_			
2	PSC Audit Adjustments	\$	-	NA	
3	Total 2007 Adjustments	\$		\$	
4					
5	Pro Forma Adjustments				
6	m d n n d ti d d	\$	-	NA	
7	Total Pro Forma Adjustments	\$		\$	
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction	_	6	NA	
12	Total 2007 Adjustments	\$	6	\$	
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-	***	
16				NA	
17			-	NIA	
18 19	Total Dra Forma Adjustments	\$		NA \$	
	Total Pro Forma Adjustments	3		<u> </u>	
20 21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(16,461)	\$	_
23	Negative Acquisition Adjustition	J	(10,401)	•	-
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	_	\$	_
26	тог причине	•		•	
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	
29	<b>T</b> F	-			
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	13,758	\$	-
33					
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-

### Aqua Utilities Florida, Inc. Rate Base Adjustments Picciola Island

ine		Water	Sewer
No.	Description Description		
1 2	PLANT IN SERVICE Allocation of Corporate IT	e 7.546	NT 4
2 3		\$ 7,546	NA
3 4	Allocation of Corp Structures & Improvements	877	NA
5	Entity Reclassification	<u>-</u>	NA
6	Total 2007 Adjustments	\$ 8,422	\$ -
7	Total 2007 Pagasanons	5 5,722	<u> </u>
, B	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,914	NA
0	Meter replacement cost	52,013	NA NA
i	(Less) Retirement of existing meters	(6,758)	NA NA
2	(Less) Retirement of existing meters	(0,758)	1971
3		_	NA
4		-	1471
5			NA
6	Total Pro Forma Adjustments	\$ 47,169	\$ -
7	- · · · · · · · · · · · · · · · · · · ·		
3	UTILITY LAND & LAND RIGHTS		
9	Total 2007 Adjustments	\$ -	\$ -
)		\$ -	\$ -
1			
	Pro Forma Adjustments		
3	101011001100110	-	NA
4			
	NON-USED & USEFUL		
6	To reflect calculated Adjusted NU&U amounts	\$ (29,344)	NA
7		(23,511)	
	CONSTRUCTION WORK IN PROGRESS		
9	Not Applicable	\$ -	\$ -
0	Trot rippirous.		
	ACCUMULATED DEPRECIATION		
2	Allocation of Corporate IT	\$ 1,033	NA
3	Allocation of Corp Structures & Improvements	90	NA
ļ	PSC Audit Adjustments	-	NA
5	PSC Depr Rate Correction	154	NA
5	Correction for UPIS Reclassification	<del>-</del>	NA
7	Total 2007 Adjustments	\$ 1,277	\$ -
3	-		
	Pro Forma Adjustments		
)	New PCs, Network & Telephone Upgrade	<b>\$</b> 16	NA
l	Meter Replacements		
?	Retirement of existing meters	(6,758)	NA
}	6 Month Net Acc Depr (Addns less Retirements)	1,131	NA
į	Salvage	443	NA
5		-	
6	#VALUE!		NA
7		-	
8	#VALUE!		NA
9		-	
0		···	NA
1	Total Pro Forma Adjustments	\$ (5,168)	\$ -

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Picciola Island

Line	(1)		(2) Water		(3) ewer
No.	Description		vv alei	50	SWEI
1	CIAC				
2	PSC Audit Adjustments	\$	-	NA	
3	Total 2007 Adjustments	<u>\$</u> \$	-	\$	-
4	·	·			
5	Pro Forma Adjustments				
6	•	\$	-	NA	
7	Total Pro Forma Adjustments	\$	-	\$	-
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	<b>-</b> ,	NA	
11	PSC Depr Rate Correction		296	NA	
12	Total 2007 Adjustments	\$	296	\$	-
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-		
16				NA	
17			-		
18				<u>NA</u>	
19	Total Pro Forma Adjustments	<u>\$</u> _		\$	
20					
21	ACQUISITION ADJUSTMENTS			_	
22	Negative Acquisition Adjustment	\$	(10,677)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS			•	
25	Not Applicable	\$	-	\$	-
26	ADVANCES DOD CONSTRUCTION				
27	ADVANCES FOR CONSTRUCTION	\$		œ	
28	Not Applicable	Э	-	\$	-
29 30	WORKING CAPITAL ALLOWANCE				
31	WURNING CAFITAL ALLOWANCE				
32	Recommended Working Capital	\$	8,998	\$	_
33	Recommended Working Capital	<b>.</b>	0,770	₩	_
34	Pro Forma Adjustments				
74	Deferred Rate Case Expense	\$			

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Palm Port

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		_
2	Allocation of Corporate IT	\$ 5,433	\$ 5,383
3	Allocation of Corp Structures & Improvements	631	625
4		-	
5	Total 2007 A divertments	<u> </u>	£ (000
6	Total 2007 Adjustments	\$ 6,064	\$ 6,008
7	Des Farmes A disentencents		
8	Pro Forma Adjustments	¢ 1279	e 1265
9 10	Allocation of Corporate IT  Meter replacement cost	\$ 1,378	\$ 1,365
11		22,260	NA NA
12	(Less) Retirement of existing meters	(7,139)	NA
13		-	
14		_	-
15		_	
16	Total Pro Forma Adjustments	\$ 16,499	\$ 1,365
17	Total Tio Lonna Tajaonii viib	10,177	1,505
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ .	\$ -
20	Total 2007 Adjustitions	<u>\$</u> -	\$ :
21			
22	Pro Forma Adjustments		
23	110 Forma Adjustinents		<u>s</u> -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (443)	\$ (37,328)
27		(113)	(07,320)
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30	Not Applicable		
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 744	<b>\$</b> 737
33	Allocation of Corp Structures & Improvements	65	64
34	Another of Corp structures a improvements	-	•
35	PSC Depr Rate Correction	42	18
36	1 50 Dept Raio consensi	-	
37	Total 2007 Adjustments	\$ 850	\$ 819
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 12	\$ 12
41	Meter Replacements		
42	Retirement of existing meters	(7,139)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	378	NA
44	Salvage	374	NA
45		-	
46	•		•
47		•	
48			-
49		-	
50	T. I.B. B A Francis	((274)	- 12
51	Total Pro Forma Adjustments	\$ (6,374)	\$ 12

## Aqua Utilities Florida, Inc. Rate Base Adjustments Palm Port

Line	(1)		(2) Water		(3)
No.	Description		water		Sewer
1	CIAC		<del></del>	<del></del>	
2		\$	<b>-</b>	\$	-
3	Total 2007 Adjustments	\$		\$	-
4				<del></del>	
5	Pro Forma Adjustments				
6		_\$		\$	
7	Total Pro Forma Adjustments	\$	-	\$	-
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction		123		196
12	Total 2007 Adjustments		123	\$	196
13	B. B				
14	Pro Forma Adjustments				
15 16			•		
17					-
18			-		_
19	Total Pro Forma Adjustments	\$	<del></del>	\$	<del></del>
20			***		
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(7,703)	\$	(7,622)
23			. , ,		( ) ,
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	•
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29	ANODEKANO CADIMAN ANNONANO				
30 31	WORKING CAPITAL ALLOWANCE				
32	Recommended Working Capital	\$	6 041	e	( 000
33	Recommended working Capital	2	6,841	\$	6,828
33 34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	_	\$	
در	Deferred Rate Case Expense	Ð	-	Ð	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Palm Terrace

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		<del></del>
2	Allocation of Corporate IT	\$ 59,661	\$ 51,562
3	Allocation of Corp Structures & Improvements	6,932	5,991
4	the same of the same same same same same same same sam	0,732	3,391
5	Entity Reclassification	(4,594)	_
6	Total 2007 Adjustments	\$ 61,998	\$ 57,553
7	·		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 15,133	\$ 13,078
10	Meter replacement cost	104,413	NA
11	(Less) Retirement of existing meters	(25,876)	NA
12		•	****
13			•
14		-	
15			-
16	Total Pro Forma Adjustments	\$ 93,669	\$ 13,078
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$	\$ -
20		<u> </u>	<u> </u>
21			
22	Pro Forma Adjustments		
23	•		\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (72,321)	\$ -
27	·		
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 8,166	\$ 7,057
33	Allocation of Corp Structures & Improvements	712	615
34		•	
35	PSC Depr Rate Correction	(21)	93
36	•	-	•
37	Total 2007 Adjustments	\$ 8,857	\$ 7,766
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 130	\$ 113
41	Meter Replacements		
42	Retirement of existing meters	(25,876)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	1,963	NA
44	Salvage	1,723	NA
45		-	
46			-
47		-	
48			-
49		-	
50	Total Due Common Adinature	(00.000)	
51	Total Pro Forma Adjustments	\$ (22,059)	\$ 113

## Aqua Utilities Florida, Inc. Rate Base Adjustments Palm Terrace

	(1)		(2)	<del></del>	(3)
Line			Water		Sewer
No.	Description				
1	CIAC	_		_	
2	T . 1000 A !!	<u>\$</u>	<del></del>	\$	
3	Total 2007 Adjustments	\$	-	2	
4	The state of the s				
5	Pro Forma Adjustments	•		•	
6 7	Total Dec Cormo Adjustments	<u>\$</u> \$	<del></del>	<u>\$</u>	
	Total Pro Forma Adjustments	7		<u> </u>	
8	ACCUMULATED AMORTIZATION OF CIAC				
9 10	ACCOMULATED AMORTIZATION OF CIAC	\$		\$	
11	PSC Depr Rate Correction	Þ	(243)	2	(4,650)
12	Total 2007 Adjustments	-\$	(243)	-\$	(4,650)
13	Total 2007 Aujustitotus		(243)	<u> </u>	(4,030)
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		41		
16	Correct fost four Accountanted Amortization of Ciric		7,		10,300
17			_		10,500
18					-
19	Total Pro Forma Adjustments	\$	41	\$	10,300
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(84,468)	\$	(73,007)
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION	_			
28	Not Applicable	\$	-	\$	•
29	WORKING CARREAY ALLOWANCE				
30	WORKING CAPITAL ALLOWANCE				
31 32	December ded Westring Conital	\$	77,304	\$	66,083
33	Recommended Working Capital	J	11,304	Þ	00,003
33 34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	
33	Deterred Rate Case Expense	Ð	-	Φ	-

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Palms MHP

Line		Water	S
No.	Description	water	Sewer
1	PLANT IN SERVICE		·
2	Allocation of Corporate IT	\$ 3,119	NA
3	Allocation of Corp Structures & Improvements	362	NA
4		•	
5	Entity Reclassification	<u>-</u> ·	NA
6	Total 2007 Adjustments	\$ 3,481	\$ -
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 791	NA
10	Meter replacement cost	15,330	NA
11	(Less) Retirement of existing meters	(2,883)	NA
12		- · · · · · · · · · · · · · · · · · · ·	
13			NA
14		•	
15			NA
16	Total Pro Forma Adjustments	\$ 13,238	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ -	\$ -
20		\$ -	\$ -
21			
22	Pro Forma Adjustments	•	
23	•	***	NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (17,994)	NA
27	•	(17,554)	11/2
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	•
30	. Total approach		-
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 427	NA
33	Allocation of Corp Structures & Improvements	37	
34	PSC Audit Adjustments	37	NA NA
35	PSC Depr Rate Correction	7	NA NA
36	Correction for UPIS Reclassification	,	NA NA
37	Total 2007 Adjustments	\$ 471	\$ -
38	Total 2007 Tagastinonts	3 471	J -
	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	<b>e</b> 7	NT A
41	Meter Replacements	\$ 7	NA
42	Retirement of existing meters	(2.002)	NI A
43	6 Month Net Acc Depr (Addns less Retirements)	(2,883)	NA NA
44	Salvage	311 209	NA NA
45	O41146V	209	NA
46	#VALUE!	-	NI A
47	# VALUE:		NA
48	#VALUE!	-	NA
49	# VALUE;		INA
50		•	NA
51	Total Pro Forma Adjustments	\$ (2,356)	\$ -
	· · · · · · · · · · · · · ·	Ψ (2,330)	ъ <u>-</u>

### Aqua Utilities Florida, Inc. Rate Base Adjustments Palms MHP

	(1)		(2)	<del></del>	(2)
Line	(1)		(2) Water		(3) ewer
No.	Description		** 4.01		WCI
1	CIAC				
2	PSC Audit Adjustments	\$	-	NA	
3	Total 2007 Adjustments	\$	-	\$	-
4		-			
5	Pro Forma Adjustments				
6	•	\$	-	NA	
7	Total Pro Forma Adjustments	\$	-	\$	-
8				#	
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	•	NA	
11	PSC Depr Rate Correction		(48)	NA	
12	Total 2007 Adjustments	\$	(48)	\$	
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		96		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	96	\$	-
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(4,406)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS			_	
25	Not Applicable	\$	•	\$	-
26	A DELANIZEO POD CONCEDITORIONI				
27	ADVANCES FOR CONSTRUCTION	•		•	
28 29	Not Applicable	\$	-	\$	-
30	WORKING CAPITAL ALLOWANCE				
31	WORKING CAFITAL ALLOWANCE				
32	Recommended Working Capital	\$	3,802	\$	
33	recommended working Capital	.p	3,002	æ	-
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-
55	Deterior trate case Experise			Ψ	

### Aqua Utilities Florida, Inc. Rate Base Adjustments Pomona Park

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 8,904	NA
3	Allocation of Corp Structures & Improvements	1,034	NA
4		-	
5	Entity Reclassification	-	NA NA
6	Total 2007 Adjustments	\$ 9,938	<u> </u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,258	NA
10	Meter replacement cost	22,021	NA
11	(Less) Retirement of existing meters	(8,874)	NA
12		-	
13			NA
14		•	
15		<del></del>	NA
16	Total Pro Forma Adjustments	\$ 15,406	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$</u> -	<u> </u>
20			\$ -
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (105,042)	NA
27			
	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30	The state of the s		
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,219	NA
33	Allocation of Corp Structures & Improvements	106	NA NA
34	PSC Audit Adjustments	100	NA NA
35	PSC Depr Rate Correction	80	NA NA
36	Correction for UPIS Reclassification	-	NA NA
37	Total 2007 Adjustments	\$ 1,405	\$ -
38	Total 2007 Pagasinonis	1,103	
	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 19	NA
41	Meter Replacements	Ψ 17	IVA
42	Retirement of existing meters	(8,874)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	329	NA NA
44	Salvage	366	NA NA
44	2a14a⊈c	-	INV
46	#VALUE!	-	NA
40 47	#YALUE!	_	INV
48	#VALUE!	-	NA
46 49	#VALUE!	-	INV
50		-	NA
51	Total Pro Forma Adjustments	\$ (8,160)	\$ -

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Pomona Park

	(1)	771	(2)		(3)
Line			Water	Se	wer
No.	Description				
1	CIAC DEC Audit Adiustments	•		27.4	
2	PSC Audit Adjustments Total 2007 Adjustments	<u>\$</u>	<del></del>	NA \$	
4	Total 2007 Adjustificitis	<u> </u>		<u> </u>	
5	Pro Forma Adjustments				
6	110 Politia Aujustinicius	¢	_	NA	
7	Total Pro Forma Adjustments	<u>\$</u> \$	-	\$	
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	_	NA	
11	PSC Depr Rate Correction	<del>-</del>	(245)	NA	
12	Total 2007 Adjustments	\$	(245)	\$	•
13	·			-	
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		353		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	353	\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(12,596)	\$	-
23	A CONTRACT A MADE AN ADDRESS AND ADDRESS A				
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	•		•	
25 26	Not Applicable	\$	-	\$	-
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$		\$	
29	Not Applicable	Ą	-	<b>J</b>	-
30	WORKING CAPITAL ALLOWANCE				
31	TOMARING CIRCLES INDUSTRICE				
32	Recommended Working Capital	\$	11,917	\$	-
33		•		-	
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	_
35	Deterred Rate Case Expense	2	-	2	_

# Aqua Utilities Florida, Inc. Rate Base Adjustments Piney Woods

ine		Water	Sewer
No.	Description		
1	PLANT IN SERVICE	e 0.00s	NIA
2	Allocation of Corporate IT	\$ 9,005	NA
3 4	Allocation of Corp Structures & Improvements	1,046	NA
5	Entity Reclassification	-	NI A
<i>5</i>	Total 2007 Adjustments	\$ 10,051	NA -
	Total 2007 Aujustinents	\$ 10,031	<u> </u>
7 8	Dec Compa A divertments		
9	Pro Forma Adjustments	\$ 2,284	NA
9	Allocation of Corporate IT  Meter replacement cost	\$ 2,284	NA NA
		-	NA NA
1	(Less) Retirement of existing meters	-	INA
3		-	NA
4			INA
5		•	NIA
5 6	Total Pro Forma Adjustments	\$ 2,284	<u>NA_</u>
	Total Flo Forma Adjustinents	3 2,264	<u> </u>
7	LITH ITV LAND & LAND DICHTS		
8	UTILITY LAND & LAND RIGHTS  Total 2007 Adjustments	¢	<b>c</b>
9	Total 2007 Adjustments	<u>\$ -</u> \$ -	\$ -
		2 -	<u> </u>
1			
2	Pro Forma Adjustments		
3			NA
4			
5	NON-USED & USEFUL		
6	To reflect calculated Adjusted NU&U amounts	\$ (18,474)	NA NA
27			
8	CONSTRUCTION WORK IN PROGRESS		
9	Not Applicable	\$	\$ -
0			
1	ACCUMULATED DEPRECIATION		
2	Allocation of Corporate IT	\$ 1,232	NA
3	Allocation of Corp Structures & Improvements	107	NA
4	PSC Audit Adjustments	-	NA
5	PSC Depr Rate Correction	49	NA
6	Correction for UPIS Reclassification		NA
7	Total 2007 Adjustments	\$ 1,389	\$ -
8			
9	Pro Forma Adjustments		
0	New PCs, Network & Telephone Upgrade	\$ 20	NA
1	Meter Replacements		
2	Retirement of existing meters	-	NA
3	6 Month Net Acc Depr (Addns less Retirements)	-	NA
4	Salvage		NA
5	-	-	
6	#VALUE!		NA
7		-	
8	#VALUE!		NA
9		-	
0			NA
1	Total Pro Forma Adjustments	\$ 20	\$ -

# Aqua Utilities Florida, Inc. Rate Base Adjustments Piney Woods

1 :	(1)		(2)		(3)
Line No.	Description		Water	Se	ewer
1	CIAC				
2	PSC Audit Adjustments	\$	_	NA	
3	Total 2007 Adjustments	<u>\$</u>	-	\$	
4					
5	Pro Forma Adjustments				
6		\$	-	NA	
7	Total Pro Forma Adjustments	\$	-	\$	
8	•				
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(216)	NA	
12	Total 2007 Adjustments	\$	(216)	\$	
13		. A. 1993 4 L			
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		431		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	431	\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(12,758)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	_		_	
25	Not Applicable	\$	-	\$	•
26	A DALANGEO POR GONGTRALCTION				
27	ADVANCES FOR CONSTRUCTION	•		ø	
28	Not Applicable	\$	-	\$	
29 30	WORKING CAPITAL ALLOWANCE				
31	WURKING CAPITAL ALLUWANCE				
32	Recommended Working Capital	\$	10,933	\$	
33	Recommended Working Capital	•	10,933	<b>J</b>	
34	Pro Forma Adjustments				
5	Deferred Rate Case Expense	\$		\$	

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Quail Ridge

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 4,829	NA
3	Allocation of Corp Structures & Improvements	561	NA
4	Freth, Deslaration	-	
5	Entity Reclassification	- C 200	NA_
6	Total 2007 Adjustments	\$ 5,390	\$ -
7	· · · · · · · · · · · · · · · · · ·		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,225	NA
10	Meter replacement cost	21,000	NA
11	(Less) Retirement of existing meters	(4,020)	NA
12		-	
13			NA
14		-	
15	Tradal Dan Prants Addition		NA NA
16	Total Pro Forma Adjustments	\$ 18,205	<u> </u>
17			
18	UTILITY LAND & LAND RIGHTS	_	
19	Total 2007 Adjustments	<u>s</u>	\$ -
20		\$ -	\$ -
21			
22	Pro Forma Adjustments		
23	,		NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (12,381)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	<b>\$</b> 661	NA
33	Allocation of Corp Structures & Improvements	58	NA
14	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	21	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	\$ 740	\$ -
8	•		
	Pro Forma Adjustments		
10	New PCs, Network & Telephone Upgrade	<b>\$</b> 11	NA
11	Meter Replacements		·- •
2	Retirement of existing meters	(4,020)	NA
3	6 Month Net Acc Depr (Addns less Retirements)	425	NA
14	Salvage	338	NA
15	ŭ	-	
16	#VALUE!		NA
7		•	- ··· •
18	#VALUE!		NA
9		-	- 14 %
0			NA
1	Total Pro Forma Adjustments	\$ (3,246)	\$ -

## Aqua Utilities Florida, Inc. Rate Base Adjustments Quail Ridge

CIAC		(1)		(2)		(2)
No.   Description	Line					
CIAC				***	50	,,,,,,,
Total 2007 Adjustments   S	1					
Pro Forma Adjustments   S	2	PSC Audit Adjustments	\$	-	NA	
Pro Forma Adjustments	3	Total 2007 Adjustments	\$	-	\$	-
S	4					
Total Pro Forma Adjustments   S	5	Pro Forma Adjustments				
## ACCUMULATED AMORTIZATION OF CIAC    PSC Audit Adjustments	6		_\$			
Second   S	7	Total Pro Forma Adjustments	\$	-	\$	-
PSC Audit Adjustments	8					
11	9	ACCUMULATED AMORTIZATION OF CIAC				
Total 2007 Adjustments   \$ (1,409)   \$ -			\$	-		
13						
Pro Forma Adjustments   Correct Test Year Accumulated Amortization of CIAC   1,970   NA		Total 2007 Adjustments		(1,409)	\$	
15   Correct Test Year Accumulated Amortization of CIAC						
NA						
Total Pro Forma Adjustments   S 1,970   S -		Correct Test Year Accumulated Amortization of CIAC		1,970		
Total Pro Forma Adjustments   \$ 1,970   \$ -					NA	
Total Pro Forma Adjustments   \$ 1,970   \$ - 20				-	214	
20 21 ACQUISITION ADJUSTMENTS 22 Negative Acquisition Adjustment \$ (6,838) \$ - 23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 2,462 \$ - 33 34 Pro Forma Adjustments		Total Das Formes Adjustments	-	1.070		
ACQUISITION ADJUSTMENTS   Solution   Solut		Total Pro Forma Adjustments	<u> </u>	1,970	_\$	
Negative Acquisition Adjustment		A COLUMNIA DI HICTRICATO				
23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 2,462 \$ - 33 34 Pro Forma Adjustments		•	•	(6 929)	<b>e</b>	
ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS  Not Applicable \$ - \$ -  ADVANCES FOR CONSTRUCTION  Not Applicable \$ - \$ -  WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 2,462 \$ -  Pro Forma Adjustments		Negative Acquisition Adjustment	J.	(0,030)	Φ	•
25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 2,462 \$ - 33 34 Pro Forma Adjustments		ACCUMULATED AMORT OF ACO ADJUSTMENTS				
26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 2,462 \$ - 33 34 Pro Forma Adjustments			\$	-	\$	_
ADVANCES FOR CONSTRUCTION  Not Applicable \$ - \$ -  WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 2,462 \$ -  Pro Forma Adjustments		Tiot Application	•		•	
30 WORKING CAPITAL ALLOWANCE 31 Recommended Working Capital \$ 2,462 \$ -33 34 Pro Forma Adjustments		ADVANCES FOR CONSTRUCTION				
WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 2,462 \$ -33  Pro Forma Adjustments	28	Not Applicable	\$	-	\$	-
30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 2,462 \$ - 33 34 Pro Forma Adjustments	29					
Recommended Working Capital \$ 2,462 \$ - 33 Pro Forma Adjustments		WORKING CAPITAL ALLOWANCE				
33 34 Pro Forma Adjustments	31					
33 34 Pro Forma Adjustments		Recommended Working Capital	\$	2,462	\$	-
	33					
35 Deferred Rate Case Expense \$ - \$	34	Pro Forma Adjustments				
	35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Rosalie Oaks

Line		Water	Sewer
No. 1	Description PLANT IN SERVICE		
2	Allocation of Corporate IT	<b>f</b> 4.000	
3	Allocation of Corp Structures & Improvements	\$ 4,880	\$ 4,880
4	Amocation of Corp structures & improvements	567	567
5		-	
6	Total 2007 Adjustments	\$ 5,446	6 5446
7	Total 2007 Pagastrions	3,440	\$ 5,446
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,238	<b>6</b> 1000
10	Meter replacement cost	9,294	\$ 1,238
11	(Less) Retirement of existing meters	(40)	NA NA
12	(and a state of the state of th	(40)	NA
13		-	
14		<u>_</u>	•
15		_	
16	Total Pro Forma Adjustments	\$ 10,491	\$ 1,238
17	·		1,230
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ -	\$ -
20	• • • • • • • • • • • • • • • • • • • •	<u>\$</u> -	\$ -
21			
22	Pro Forma Adjustments		
23			\$ -
24			<b>-</b>
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (30,080)	\$ (14,772)
27	•	(30,080)	J (14,772)
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30	· · · · · · · · · · · · · · · · · · ·	Ф	Ψ -
	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 668	¢ ((0
33	Allocation of Corp Structures & Improvements	58	\$ 668
34	· mountain of corp structures & improvements	36	58
35	PSC Depr Rate Correction	(64)	(444)
36	•	(01)	(444)
37	Total 2007 Adjustments	\$ 662	\$ 282
38	•		
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 11	\$ 11
41	Meter Replacements		• • • • • • • • • • • • • • • • • • • •
42	Retirement of existing meters	(40)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	231	NA
44	Salvage	159	NA
45		-	
46			-
47		-	
48			-
49		-	
50 51	Total Day Farmer Addition		-
	Total Pro Forma Adjustments	\$ 361	\$ 11

## Aqua Utilities Florida, Inc. Rate Base Adjustments Rosalie Oaks

I !	(1)		(2) Water		(3)
Line No.	Description		Water	•	Sewer
1	CIAC				
2		\$	_	\$	•
3	Total 2007 Adjustments	\$	-	\$	-
4					
5	Pro Forma Adjustments				
6		\$ \$	<u> </u>	\$	
7	Total Pro Forma Adjustments	\$		\$	
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction	-	22		18
12	Total 2007 Adjustments	<u>\$</u>	22	<u>_\$</u>	18
13					
14	Pro Forma Adjustments				
15			-		
16 17			_		•
18			-		_
19	Total Pro Forma Adjustments	<u> </u>	-	\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(6,920)	\$	(6,920)
23					.,,,
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31	December of Marking Conital	r	1.652	<b>e</b>	1 652
32	Recommended Working Capital	\$	1,653	\$	1,653
33	Dro Forma Adjustments				
34 35	Pro Forma Adjustments Deferred Rate Case Expense	\$	_	\$	_
33	Deferred Rate Case Expense	Ф	-	Ф	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments River Grove

Inter				
PLANT IN SERVICE			Water	Sewer
Allocation of Corporate IT   \$ 5,383	_			
Allocation of Corp Structures & Improvements   625			e 5202	NIA
Entity Reclassification				
Entity Reclassification		Anocation of Corp Structures & Improvements	623	NA
Total 2007 Adjustments   S   6,008   S	-	Entity Reclassification	<u>-</u>	NA
Pro Forma Adjustments			\$ 6,008	
Pro Forma Adjustments		10tm 2007 / rejuditionid		<del></del>
Allocation of Corporate IT		Pro Forma Adjustments		
Meter replacement cost			\$ 1365	NΔ
1				
13				
13		(2005) transmit of artisting materia	(2,020)	1411
14   15				NA
15			-	• • • •
Total Pro Forma Adjustments   \$ 18,805   \$ -				NA
	16	Total Pro Forma Adjustments	\$ 18,805	\$ -
18    UTILITY LAND & LAND RIGHTS	17	•		
Total 2007 Adjustments   S -   S -		UTILITY LAND & LAND RIGHTS		
S			<b>s</b> -	<b>s</b> -
Pro Forma Adjustments		·	\$ -	\$ -
Pro Forma Adjustments				
NA		Pro Forma Adjustments		
NON-USED & USEFUL				NA
NON-USED & USEFUL   To reflect calculated Adjusted NU&U amounts   \$ (658)   NA			****	
To reflect calculated Adjusted NU&U amounts   \$ (658)   NA		NON-USED & USEFUL		
CONSTRUCTION WORK IN PROGRESS   S - S - S - S - S - S - S - S - S -			\$ (658)	NA
Not Applicable   \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		•		
S		CONSTRUCTION WORK IN PROGRESS		
31 ACCUMULATED DEPRECIATION 32 Allocation of Corporate IT \$ 737 NA 33 Allocation of Corp Structures & Improvements 64 NA 34 PSC Audit Adjustments - NA 35 PSC Depr Rate Correction 53 NA 36 Correction 53 NA 37 Total 2007 Adjustments \$ 854 \$ -   38 Pro Forma Adjustments 40 New PCs, Network & Telephone Upgrade \$ 12 NA 41 Meter Replacements 42 Retirement of existing meters (5,030) NA 43 6 Month Net Acc Depr (Addns less Retirements) 436 NA 44 Salvage 385 NA 45 -   46 #VALUE! NA 47 NA 48 #VALUE! NA 49 NA			\$ -	<u>s</u> -
ACCUMULATED DEPRECIATION   32   Allocation of Corporate IT   \$   737   NA   733   Allocation of Corp Structures & Improvements   64   NA   734   PSC Audit Adjustments   -   NA   735   PSC Depr Rate Correction   53   NA   737   Total 2007 Adjustments   -   NA   737   Total 2007 Adjustments   -   NA   738   739   Pro Forma Adjustments   -   NA   739   Pro Forma Adjustments   -     Pro Forma Adjustments   -     Pro Forma Adjustments   -     Pro Forma Adjustments   -     Pro Forma Adjustments   -     Pro Forma Adjustments   -     Pro Forma Adjustments   -     Pro Forma Adjustments   -     Pro Forma Adjustments   -     Pro Forma Adjustments   -     Pro Forma Adjustments   -		<b></b>		
32       Allocation of Corporate IT       \$ 737       NA         33       Allocation of Corp Structures & Improvements       64       NA         34       PSC Audit Adjustments       -       NA         35       PSC Depr Rate Correction       53       NA         36       Correction for UPIS Reclassification       -       NA         37       Total 2007 Adjustments       \$ 854       \$ -         38       -       -       NA         39       Pro Forma Adjustments       \$ 12       NA         40       New PCs, Network & Telephone Upgrade       \$ 12       NA         41       Meter Replacements       (5,030)       NA         42       Retirement of existing meters       (5,030)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       436       NA         44       Salvage       385       NA         45       -       -       -         46       #VALUE!       NA         47       -       -         48       #VALUE!       NA         49       -       NA         50       NA       NA		ACCUMULATED DEPRECIATION		
33       Allocation of Corp Structures & Improvements       64       NA         34       PSC Audit Adjustments       -       NA         35       PSC Depr Rate Correction       53       NA         36       Correction for UPIS Reclassification       -       NA         37       Total 2007 Adjustments       \$ 854       \$ -         38       ***       -         39       Pro Forma Adjustments       ***       NA         40       New PCs, Network & Telephone Upgrade       \$ 12       NA         41       Meter Replacements       (5,030)       NA         42       Retirement of existing meters       (5,030)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       436       NA         44       Salvage       385       NA         45       -       -       -         46       #VALUE!       NA       -         48       #VALUE!       NA         49       -       NA         50       NA       -       NA			\$ 737	NA
34         PSC Audit Adjustments         -         NA           35         PSC Depr Rate Correction         53         NA           36         Correction for UPIS Reclassification         -         NA           37         Total 2007 Adjustments         \$ 854         \$ -           38         ***         -           39         Pro Forma Adjustments         ***         ***           40         New PCs, Network & Telephone Upgrade         \$ 12         NA           41         Meter Replacements         (5,030)         NA           42         Retirement of existing meters         (5,030)         NA           43         6 Month Net Acc Depr (Addns less Retirements)         436         NA           44         Salvage         385         NA           45         -         -         -           46         #VALUE!         NA           47         -         -           48         #VALUE!         NA           49         -         NA           50         NA         NA				
35         PSC Depr Rate Correction         53         NA           36         Correction for UPIS Reclassification         -         NA           37         Total 2007 Adjustments         \$ 854         \$ -           38         -         -           39         Pro Forma Adjustments         -         -           40         New PCs, Network & Telephone Upgrade         \$ 12         NA           41         Meter Replacements         (5,030)         NA           42         Retirement of existing meters         (5,030)         NA           43         6 Month Net Acc Depr (Addns less Retirements)         436         NA           44         Salvage         385         NA           45         -         -         -           46         #VALUE!         NA           47         -         NA           48         #VALUE!         NA           49         -         NA           50         NA         NA			•	
Correction for UPIS Reclassification   S   854   S   -			53	
Total 2007 Adjustments   \$ 854   \$ -			-	
38 39 Pro Forma Adjustments 40 New PCs, Network & Telephone Upgrade \$ 12 NA 41 Meter Replacements 42 Retirement of existing meters (5,030) NA 43 6 Month Net Acc Depr (Addns less Retirements) 436 NA 44 Salvage 385 NA 45			\$ 854	
39 Pro Forma Adjustments         40 New PCs, Network & Telephone Upgrade       \$ 12       NA         41 Meter Replacements       (5,030)       NA         42 Retirement of existing meters       (5,030)       NA         43 6 Month Net Acc Depr (Addns less Retirements)       436       NA         44 Salvage       385       NA         45	38	•		
40       New PCs, Network & Telephone Upgrade       \$ 12       NA         41       Meter Replacements       (5,030)       NA         42       Retirement of existing meters       (5,030)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       436       NA         44       Salvage       385       NA         45       -       -         46       #VALUE!       NA         47       -       -         48       #VALUE!       NA         49       -       NA         50       NA       NA		Pro Forma Adjustments		
41       Meter Replacements         42       Retirement of existing meters       (5,030)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       436       NA         44       Salvage       385       NA         45       -       -         46       #VALUE!       NA         47       -       -         48       #VALUE!       NA         49       -       NA         50       NA       NA		•	<b>\$</b> 12	NA
42       Retirement of existing meters       (5,030)       NA         43       6 Month Net Acc Depr (Addns less Retirements)       436       NA         44       Salvage       385       NA         45       -       -         46       #VALUE!       NA         47       -       -         48       #VALUE!       NA         49       -       NA         50       NA       NA				
43 6 Month Net Acc Depr (Addns less Retirements) 436 NA 44 Salvage 385 NA 45			(5,030)	NA
44 Salvage 385 NA 45				NA
46 #VALUE! NA 47			385	NA
47 - 48 #VALUE! NA - 149 - 150 NA - 150	45		-	
48 #VALUE! NA 49 - 50NA	46	#VALUE!		NA
49 50 - NA			-	
NA		#VALUE!		NA
			•	
51 Total Pro Forma Adjustments \$ (4,197) \$ -				
	51	Total Pro Forma Adjustments	\$ (4,197)	<u>\$ -</u>

# Aqua Utilities Florida, Inc. Rate Base Adjustments River Grove

	(1)		(2)		(3)
Line	December 1		Water	Se	ewer
No.	Description CIAC				
1 2	- · · · ·	¢		NIA	
3	PSC Audit Adjustments Total 2007 Adjustments	<u>\$</u>	<del>-</del>	<u>NA</u>	
	Total 2007 Adjustitions	-		J.	
4 5	Pro Forma Adjustments				
6	rio roinia Adjustinents	\$	_	NA	
7	Total Pro Forma Adjustments	-\$		\$	
8	Total 110 Forma ragusations	<u> </u>			
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	_	NA	
11	PSC Depr Rate Correction	•	64	NA NA	
12	Total 2007 Adjustments	\$	64	\$	
13	10100 2007 1100 2001/0110	<del></del>			
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	-	\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(7,622)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION			_	
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31	5 1 1 W 1 1 0 1 1	•	C 72.4	•	
32	Recommended Working Capital	\$	6,734	\$	-
33	Des Franço A d'instruments				
34	Pro Forma Adjustments	\$		\$	
35	Deferred Rate Case Expense	Э	•	Ф	-

### Aqua Utilities Florida, Inc. Rate Base Adjustments Ravenswood

Line	- ·	Water	Sewer
No.	Description PLANT IN SERVICE		
1 2	Allocation of Corporate IT	\$ 2,264	NA
3	Allocation of Corp Structures & Improvements	\$ 2,264 263	NA NA
<i>3</i>	Anocation of Corp Structures & Improvements	203	NA
5	Entity Reclassification	<u>-</u>	NA
6	Total 2007 Adjustments	\$ 2,527	\$ -
7	Total 2007 Adjustificitis	2,321	J -
8	Dec Forms Adjustments		
9	Pro Forma Adjustments Allocation of Corporate IT	\$ 574	NA
9 10	Meter replacement cost	9,660	NA NA
11	(Less) Retirement of existing meters	(7,372)	NA NA
12	(Less) Retirement of existing meters	(7,372)	NA
3		<u>-</u>	NA
13			INA
5		-	NA
6	Total Pro Forma Adjustments	\$ 2,862	\$ -
17	Total 110 Total Adjustitions	2,502	
17	UTILITY LAND & LAND RIGHTS		
9	Total 2007 Adjustments	\$ -	c
20	Total 2007 Adjustillens	\$ -	\$ -
		<u> </u>	<u>.,,</u>
21	Due Formes A directments		
22 23	Pro Forma Adjustments		NA
			NA NA
24	NON HORD & HOREVIA		
25	NON-USED & USEFUL To reflect calculated A divisted NU Pr I amounts	<b>6</b> (4.626)	- N/A
26	To reflect calculated Adjusted NU&U amounts	\$ (4,636)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u> </u>	<u> </u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 310	NA
3	Allocation of Corp Structures & Improvements	27	NA
4	PSC Audit Adjustments	-	NA
5	PSC Depr Rate Correction	(42)	NA
6	Correction for UPIS Reclassification	-	NA NA
7	Total 2007 Adjustments	\$ 295	<u> </u>
8	· · · ·		
	Pro Forma Adjustments	<b>.</b>	
Ю	New PCs, Network & Telephone Upgrade	\$ 5	NA
11	Meter Replacements	(# 252)	3.7.4
2	Retirement of existing meters	(7,372)	NA
3	6 Month Net Acc Depr (Addns less Retirements)	57	NA
4	Salvage	162	NA
15	#X7 A Y E 1774	-	314
16	#VALUE!		NA
17	HELAT TIPS	-	XTA
18	#VALUE!		NA
19		-	AT A
50	Total Des Famos A disservents	¢ (7.140)	NA NA
1	Total Pro Forma Adjustments	\$ (7,148)	\$ -

### Aqua Utilities Florida, Inc. Rate Base Adjustments Ravenswood

	(1)	<del></del>	(2)		(3)
Line			Water	Se	ewer
No.	Description				
1	CIAC	ø		NIA	
2	PSC Audit Adjustments	<u>\$</u> \$		<u>NA</u>	·
3	Total 2007 Adjustments	<u> </u>		3	-
4	B. B. A.P. A. and				
5	Pro Forma Adjustments	\$		NA	
6 7	Total Pro Forma Adjustments	<u>-\$</u>		\$	
-	Total Flo Forma Adjustments	4		4	
8	ACCUMULATED AMORTIZATION OF CIAC				
9 10		\$		NA	
11	PSC Audit Adjustments PSC Depr Rate Correction	J	261	NA NA	
12	Total 2007 Adjustments	\$	261	\$	
13	Total 2007 Adjustitions				
13	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		_		
16	Confect less real Accumulated Amortization of Circ			NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	-	\$	-
20				-	
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(3,217)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	767	\$	-
33					
34	Pro Forma Adjustments	_		•	
35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Sebring Lakes

Line		Water	Sewer
No.	Description		W
1	PLANT IN SERVICE	e 2.072	27.4
2	Allocation of Corporate IT	\$ 3,873	NA
3	Allocation of Corp Structures & Improvements	450	NA
4	Fatita Deslacaification	•	3.7.4
5	Entity Reclassification	- 4 222	NA NA
6	Total 2007 Adjustments	\$ 4,323	<u>s</u> -
7			
8	Pro Forma Adjustments	<b>4</b> 00 <b>5</b>	
9	Allocation of Corporate IT	\$ 982	NA
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12	Reduce Plant in Service per Staff Audit Finding No. 4	(20,122)	
13			NA
14		-	
15	m		NA NA
16	Total Pro Forma Adjustments	\$ (19,140)	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u> </u>	\$ -
20		\$ -	<b>\$</b> -
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (104,895)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 530	NA
33	Allocation of Corp Structures & Improvements	46	NA NA
34	PSC Audit Adjustments	40	NA NA
35	PSC Depr Rate Correction	(660)	NA NA
36	Correction for UPIS Reclassification	(000)	NA NA
30 37	Total 2007 Adjustments	\$ (83)	\$ -
38	Total 2007 Adjustificitis	3 (83)	<b>3</b> -
	Des Comes A diseases		
39 40	Pro Forma Adjustments	<b>£</b> 6	27.4
	New PCs, Network & Telephone Upgrade	\$ 8	NA
41 42	Meter Replacements		37.4
42 43	Retirement of existing meters	-	NA
	6 Month Net Acc Depr (Addns less Retirements)	•	NA
44 15	Salvage  Padvas Plant in Sagriag per Staff Audit Finding No. 4	(4.005)	NA
45	Reduce Plant in Service per Staff Audit Finding No. 4	(4,005)	***
46	#VALUE!		NA
47 40	#X / A Y X 1771	-	***
48	#VALUE!		NA
49		-	
50	mulp p Att	-	NA NA
51	Total Pro Forma Adjustments	\$ (3,997)	\$ -

# Aqua Utilities Florida, Inc. Rate Base Adjustments Sebring Lakes

Line	(1)		(2) Water		(3) ewer
No.	Description		vv atci	50	WCI
1	CIAC				
2	PSC Audit Adjustments	\$	-	NA	
3	Total 2007 Adjustments	<u>\$</u>	-	\$	-
4	•				
5	Pro Forma Adjustments				
6	•	\$	-	NA	
7	Total Pro Forma Adjustments	\$	<u> </u>	\$	-
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(1,503)	NA	
12	Total 2007 Adjustments	\$	(1,503)	\$	-
13				-	
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-		
16				NA	
17			•		
18				NA	
19	Total Pro Forma Adjustments	<u>\$</u>	-	<u> </u>	-
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(5,487)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	_			
25	Not Applicable	\$	•	\$	-
26	A DAVA NODE CON CONCEDITORIONI				
27 28	ADVANCES FOR CONSTRUCTION	\$		\$	
28 29	Not Applicable	Þ	-	Þ	-
30	WORKING CAPITAL ALLOWANCE				
31	WORMING CALITAL ALLOWANCE				
32	Recommended Working Capital	\$	1,312	\$	_
33	Accommended Working Capital	Ψ	1,512	J	_
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	
33	Deletion Rate Case Expense	Ψ		Ψ	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments St. John's Highlands

Line		Water	Sewer
No.	Description		***
1	PLANT IN SERVICE	4.000	
2	Allocation of Corporate IT	\$ 4,980	NA
3	Allocation of Corp Structures & Improvements	579	NA
4 5	Entity Reclassification	-	3.7.4
6	Total 2007 Adjustments	\$ 5,559	NA NA
	Total 2007 Adjustificitis	3,339	
7	Dec Former A division and		
8 9	Pro Forma Adjustments Allocation of Corporate IT	¢ 12/2	37.4
10	Meter replacement cost	\$ 1,263	NA
		20,160	NA.
11 12	(Less) Retirement of existing meters	(6,942)	NA
13		-	37.4
14			NA
14		•	27.4
16	Total Pro Forma Adjustments	\$ 14,482	NA NA
	rotai rio rotina Aujustinents	\$ 14,482	\$ -
17	TITH ITY I AND O. I AND DICTITE		
18 19	UTILITY LAND & LAND RIGHTS Total 2007 Adjustments	<b>d</b> t.	•
20	Total 2007 Adjustments	\$ - \$ -	<u>s</u> -
		<b>3</b> -	\$ -
21	Due Personal Additional and		
22	Pro Forma Adjustments		
23		<del></del>	NA
24	NO. 100 A 100 A		
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (8,353)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			<u> </u>
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 682	NA
33	Allocation of Corp Structures & Improvements	59	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	-	NA
36	Correction for UPIS Reclassification	Windows.	NA NA
37	Total 2007 Adjustments	. \$ 741	\$ -
38	· · · ·		
	Pro Forma Adjustments	_	
10	New PCs, Network & Telephone Upgrade	\$ 11	NA
11	Meter Replacements		
12	Retirement of existing meters	(6,942)	NA
13	6 Month Net Acc Depr (Addns less Retirements)	330	NA
14	Salvage	342	NA
45	1188	-	6.5
16	#VALUE!		NA
17	11×7×7×1974	-	
18 19	#VALUE!		NA
リソ		•	
50			NA

# Aqua Utilities Florida, Inc. Rate Base Adjustments St. John's Highlands

	(1)		(2)		(3)
Line			Water	Se	ewer
No.	Description CIAC			<del></del>	<del></del>
2	PSC Audit Adjustments	\$	_	NA	
3	Total 2007 Adjustments	\$		\$	
4	10th 2007 / Adjustitution				
5	Pro Forma Adjustments				
6	110 1 Othia 2 tajasanonts	s	-	NA	
7	Total Pro Forma Adjustments	\$	•	\$	
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(244)	NA	
12	Total 2007 Adjustments	\$	(244)	\$	-
13				<del></del>	
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		280		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	280	\$	-
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(7,055)	\$	-
23	A COMMENT AMERICAN OPER OF A CO. A P. HIGHESTER				
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	•		•	
25 26	Not Applicable	\$	-	\$	-
26	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	_	\$	
29	Not Applicable	Ф	-	Ф	-
30	WORKING CAPITAL ALLOWANCE				
31	TO THE TOTAL TO SEE A SECOND S				
32	Recommended Working Capital	\$	5,654	\$	_
33	······································	•	-,	<b>-</b>	
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	_	\$	_

# Aqua Utilities Florida, Inc. Rate Base Adjustments Skycrest

ine		Water	Sewer
ło.	Description		<u> </u>
1	PLANT IN SERVICE		374
2	Allocation of Corporate IT	\$ 6,137	NA
3	Allocation of Corp Structures & Improvements	713	NA
1		-	3.7.4
5	Entity Reclassification	-	NA
5	Total 2007 Adjustments	\$ 6,850	<u> </u>
7			
3	Pro Forma Adjustments		
)	Allocation of Corporate IT	\$ 1,557	NA
0	Meter replacement cost	24,990	NA
1	(Less) Retirement of existing meters	(6,438)	NA
2		-	
3			NA
4		•	
5		00.100	NA NA
6	Total Pro Forma Adjustments	\$ 20,109	\$ -
7			
8	UTILITY LAND & LAND RIGHTS		
9	Total 2007 Adjustments	<u> </u>	\$
0		<u> </u>	\$ -
1			
2	Pro Forma Adjustments		
3			NA
4			
25	NON-USED & USEFUL		
6	To reflect calculated Adjusted NU&U amounts	\$ (56,200)	NA
!7	·		
28	CONSTRUCTION WORK IN PROGRESS		
9	Not Applicable	<u> </u>	\$ -
0			
	ACCUMULATED DEPRECIATION		
2	Allocation of Corporate IT	\$ 840	NA
3	Allocation of Corp Structures & Improvements	73	NA NA
<i>3</i> 4		,3	NA NA
5	PSC Audit Adjustments PSC Depr Rate Correction	21	NA NA
	Correction for UPIS Reclassification	2.1	NA NA
6 7	Total 2007 Adjustments	\$ 934	\$ -
	Total 2007 Adjustments		<u> </u>
8	Des Farmes A dissettements		
9 0	Pro Forma Adjustments New P.Co. Network & Telephone Ungrade	<b>\$</b> 13	NA
	New PCs, Network & Telephone Upgrade	. J.	INA
1 2	Meter Replacements Retirement of existing meters	(6,438)	NA
2 3	6 Month Net Acc Depr (Addns less Retirements)	464	NA NA
s 4	· · · · · · · · · · · · · · · · · · ·	404 428	NA NA
	Salvage	420	INA
5	#N/ATTIEL	-	NA
6	#VALUE!		INA
7	#S/ATTIE!	•	NA
8	#VALUE!		INA
9		-	NA
			NA.

### Aqua Utilities Florida, Inc. Rate Base Adjustments Skycrest

	(1)		(2)		(3)
Line			Water		wer
No.	Description				
1	CIAC		<del></del>		
2	PSC Audit Adjustments	\$		NA	
3	Total 2007 Adjustments	\$	-	\$	•
4				<u> </u>	
5	Pro Forma Adjustments				
6	m	\$	-	NA	
7	Total Pro Forma Adjustments	\$		\$	
8					
9	ACCUMULATED AMORTIZATION OF CIAC	_			
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(213)	NA	
12	Total 2007 Adjustments	\$	(213)	\$	
13	Des Person A.P. etweente				
14	Pro Forma Adjustments		221		
15 16	Correct Test Year Accumulated Amortization of CIAC		331	214	
17				NA	
18			-	NA	
19	Total Pro Forma Adjustments	\$	331	\$ NA	
20	rom ro roma ragasanoms		331	<del></del>	
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(8,677)	\$	_
23		•	(0,077)	<b>J</b>	
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	•
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	7,475	\$	-
33	D D				
34	Pro Forma Adjustments			_	
35	Deferred Rate Case Expense	\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Silver Lake Est/Western Shores

T		137-4	0
Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 81,041	NA
3	Allocation of Corp Structures & Improvements	9,415	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	\$ 90,456	\$ -
7	-		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 20,555	NA
10	Meter replacement cost	336,000	NA
11	(Less) Retirement of existing meters	(124,275)	NA
12	•	· · · · · ·	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	\$ 232,281	\$ -
17	- -		
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ -	<b>\$</b> -
20		\$ -	\$ -
21			
22	Pro Forma Adjustments		
23	110 1 omia / tojustinents		NA
24			1172
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (114,332)	- NA
27	10 10 10 10 00 0 00 00 11 10 00 0 0 00 10 00 10 00 0	\$ (114,332)	INA
28	CONSTRUCTION WORK IN PROGRESS		
28 29		<u> </u>	-
	Not Applicable	<b>D</b> -	\$ -
30	ACCUMULATED DEDDECLATION		
31	ACCUMULATED DEPRECIATION	Ф. 11.000	27.4
32	Allocation of Corporate IT	\$ 11,092	NA
33	Allocation of Corp Structures & Improvements	967	NA
34	PSC Audit Adjustments	- (017)	NA
35	PSC Depr Rate Correction	(917)	NA
36	Correction for UPIS Reclassification		NA NA
37	Total 2007 Adjustments	\$ 11,142	\$ -
38	Des Ferme Additional		
39	Pro Forma Adjustments	<b>.</b>	37.4
40	New PCs, Network & Telephone Upgrade	\$ 177	NA
41	Meter Replacements	(104.075)	NT A
42 43	Retirement of existing meters  6 Month Not Ass Door (Addresses Retirements)	(124,275)	NA NA
4 <i>3</i> 44	6 Month Net Acc Depr (Addns less Retirements)	5,293 5,760	NA NA
44	Salvage	5,760	NA
46	#VALUE!	-	NA
47	#VALUE!	_	INA
48	#VALUE!	-	NA
49	# VALUE!	_	INA
50		-	NA
51	Total Pro Forma Adjustments	\$ (113,045)	\$ -
	rount to round raguodiiolio	<u> </u>	<del>-</del>

### Aqua Utilities Florida, Inc. Rate Base Adjustments Silver Lake Est/Western Shores

	(1)		(2)		(3)
Line			Water	S	ewer
No.	Description				
1	CIAC	•			
2	PSC Audit Adjustments	<u>\$</u>	-	NA	1
	Total 2007 Adjustments	<u> </u>		\$	
4	Due Person A diseases				
5 6	Pro Forma Adjustments	e e		27.4	
7	Total Pro Forma Adjustments	<u>\$</u>		<u> </u>	<u> </u>
8	Total Flo Forma Adjustinents	3		3	<u> </u>
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$		N.A	
11	PSC Depr Rate Correction	J	1,432	NA NA	
12	Total 2007 Adjustments	-\$	1,432	\$	<u> </u>
13	rota 2007 rajustitorits		1,432	<u> </u>	-
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		1,998		
16	Correct Fost Fost Fitte Frederication of Ciffe		1,270	NA	
17			_	142	•
18				NA	
19	Total Pro Forma Adjustments	\$	1,998	\$	•
20	·		<del>r</del>		······
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(114,741)	\$	-
23			, ,		
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29	INORANA CARANA A A A CARANA CA				
	WORKING CAPITAL ALLOWANCE				
31	December 4.4W-12-c Control			_	
32	Recommended Working Capital	\$	111,673	\$	-
33 34	Dra Forma Adingtonanta				
34 35	Pro Forma Adjustments  Deformed Parts Cons Expenses	ď		•	
33	Deferred Rate Case Expense	\$	-	\$	•

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Summit Chase

		***	
Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 11,067	\$ 10,966
3	Allocation of Corp Structures & Improvements	1,286	1,274
4	PSC Audit Adjustments	(47,067)	
5	T . 10007 4 1'		
6	Total 2007 Adjustments	\$ (34,714)	\$ 12,240
7	B. B		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,807	\$ 2,782
10	Meter replacement cost	46,200	NA
11	(Less) Retirement of existing meters	(9,549)	NA
12 13		-	
14			-
15		-	
16	Total Pro Forma Adjustments	£ 20.459	
17	Total Flo Folilla Aujustincius	\$ 39,458	\$ 2,782
18	LITH ITY I AND & I AND DICHTS		
19	UTILITY LAND & LAND RIGHTS Total 2007 Adjustments		• • • • • • • • • • • • • • • • • • • •
20	Total 2007 Adjustments	\$ 9,001 \$ 9,001	\$ 20,983
21		\$ 9,001	\$ 20,983
22	Des Comes Adineterents		
23	Pro Forma Adjustments		
			\$ -
24	NON LICED & LICEDIA		
25	NON-USED & USEFUL To reflect colouisted Adjusted NULE II amounts		
26	To reflect calculated Adjusted NU&U amounts	\$ (32,304)	\$ (67,162)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$</u>	<u>\$</u> -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,515	\$ 1,501
33	Allocation of Corp Structures & Improvements	132	131
34	PSC Audit Adjustments	11,547	18,678
35	PSC Depr Rate Correction	(1,686)	2,122
36	Correction for UPIS Reclassification	-	(19,933)
37	Total 2007 Adjustments	\$ 11,507	\$ 2,498
38	D D		
	Pro Forma Adjustments		_
40	New PCs, Network & Telephone Upgrade	\$ 24	\$ 24
41	Meter Replacements		
42	Retirement of existing meters	(9,549)	NA
43 44	6 Month Net Acc Depr (Addns less Retirements)	916	NA
44 45	Salvage	785	NA
45 46		-	
46 47			-
48		-	
49			-
50		-	
51	Total Pro Forma Adjustments	\$ (7,824)	\$ 24
	····· - · · · · · · · · · · · · · · · ·	<u> </u>	Ψ 2 <del>4</del>

## Aqua Utilities Florida, Inc. Rate Base Adjustments Summit Chase

Line         Description           No.         Description           1 CIAC         3 30,168         \$ 4,756           2 PSC Audit Adjustments         \$ 30,168         \$ 4,756           3 Total 2007 Adjustments         \$ 30,168         \$ 4,756           5 Pro Forma Adjustments         \$ -         \$ -           6 PSC Audit Adjustments         \$ -         \$ -           8 PSC CUMULATED AMORTIZATION OF CIAC         \$ 210         \$ (37,422)           11 PSC Depr Rate Correction         210         2,204           12 Total 2007 Adjustments         \$ 419         \$ (35,217)           14 Pro Forma Adjustments         \$ -         \$ -           15		. (1)		(2)		(3)
CIAC				Water		Sewer
PSC Audit Adjustments   \$ 30,168   \$ 4,756	$\overline{}$					
Total 2007 Adjustments   \$ 30,168   \$ 4,756					•	
Pro Forma Adjustments   S			<u>\$</u>			
Pro Forma Adjustments   \$		Total 2007 Adjustments	7	30,168	<del></del>	4,756
Total Pro Forma Adjustments   \$ -   \$ -						
Not Applicable   Secommended Working Capital   Secommended Worki		Pro Forma Adjustments	•		•	
Not Applicable   Secommended Working Capital   Secommended Worki		To the Property of	3	-	<u>\$</u>	
ACCUMULATED AMORTIZATION OF CIAC   10		Total Pro Forma Adjustments	7		2	
10						
PSC Depr Rate Correction	-		•	210	•	(27.422)
Total 2007 Adjustments   \$ 419   \$ (35,217)			3		3	• • •
13						
Pro Forma Adjustments   -		Total 2007 Adjustments	3	419	<u> </u>	(33,217)
15						
16		Pro Forma Adjustments				
17				-		
Total Pro Forma Adjustments   S -   S -						-
Total Pro Forma Adjustments				-		
20 21 ACQUISITION ADJUSTMENTS 22 Negative Acquisition Adjustment \$ (15,677) \$ (15,515) 23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 3,748 \$ 3,714 33 34 Pro Forma Adjustments		Total Pro Forms Adjustments	-		•	
21 ACQUISITION ADJUSTMENTS       \$ (15,677)       \$ (15,515)         22 Negative Acquisition Adjustment       \$ (15,677)       \$ (15,515)         23 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS       \$ -       \$ -         25 Not Applicable       \$ -       \$ -         26 ADVANCES FOR CONSTRUCTION       \$ -       \$ -         28 Not Applicable       \$ -       \$ -         29 WORKING CAPITAL ALLOWANCE       \$ 3,748       \$ 3,714         31 Recommended Working Capital       \$ 3,748       \$ 3,714         33 Pro Forma Adjustments		Total FTO Forma Adjustments	-		<del>- 4</del>	
Negative Acquisition Adjustment		A CONTINUE AD HIGHMENTS				
23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 3,748 \$ 3,714 33 34 Pro Forma Adjustments			¢	(15 677)	¢	(15 515)
24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS  25 Not Applicable \$ - \$ -  26  27 ADVANCES FOR CONSTRUCTION  28 Not Applicable \$ - \$ -  29  30 WORKING CAPITAL ALLOWANCE  31  32 Recommended Working Capital \$ 3,748 \$ 3,714  33  34 Pro Forma Adjustments		negative Acquisition Adjustinent	J	(13,077)	Ф	(13,313)
25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 3,748 \$ 3,714 33 34 Pro Forma Adjustments		ACCUMULATED AMODE OF ACO ADJUSTMENTS				
26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 3,748 \$ 3,714 33 34 Pro Forma Adjustments			•	_	•	_
ADVANCES FOR CONSTRUCTION  Not Applicable  Not Applicable  WORKING CAPITAL ALLOWANCE  Recommended Working Capital  Recommended Working Capital  Pro Forma Adjustments		Not Applicable	•		Ψ	
28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 3,748 \$ 3,714 33 34 Pro Forma Adjustments		ADVANCES FOR CONSTRUCTION				
WORKING CAPITAL ALLOWANCE  Recommended Working Capital \$ 3,748 \$ 3,714  Pro Forma Adjustments			\$	-	\$	-
30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ 3,748 \$ 3,714 33 34 Pro Forma Adjustments		1 tot rippinsacio	•		•	
31 32 Recommended Working Capital \$ 3,748 \$ 3,714 33 34 Pro Forma Adjustments		WORKING CAPITAL ALLOWANCE				
Recommended Working Capital \$ 3,748 \$ 3,714  33  4 Pro Forma Adjustments						
33 34 Pro Forma Adjustments		Recommended Working Capital	\$	3,748	\$	3,714
- · · · · · · · · · · · · · · · · · · ·	33	• .				
	34	Pro Forma Adjustments				
	35		\$	-	\$	-

## Aqua Utilities Florida, Inc. Rate Base Adjustments Stone Mountain

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 503	NA
3	Allocation of Corp Structures & Improvements	58	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	\$ 561	<u> </u>
7		·	
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 128	NA
10	Meter replacement cost	2,100	NA
11	(Less) Retirement of existing meters	(469)	NA
12		-	27.4
13			NA
14		•	314
15	Total Day France A & comments	f 1.750	<u>NA</u>
16	Total Pro Forma Adjustments	\$ 1,759	<u>\$</u> -
17	TIPLE SERVICE AND A TANK PAGISTRO		
18	UTILITY LAND & LAND RIGHTS	•	•
19	Total 2007 Adjustments	<u> </u>	<u> </u>
20		2 -	3 -
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (1,362)	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS	****	
29	Not Applicable	\$	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 69	NA
33	Allocation of Corp Structures & Improvements	6	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	2	NA
36	Correction for UPIS Reclassification	-	NA NA
37	Total 2007 Adjustments	\$ 77	\$ -
38			
39	Pro Forma Adjustments	Φ.	
40	New PCs, Network & Telephone Upgrade	\$ 1	NA
41	Meter Replacements	(4/0)	314
42	Retirement of existing meters	(469)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	41	NA NA
44	Salvage	36	NA
45	AND ALL THE	-	NI A
46	#VALUE!		NA
47 48	#VALUE!	•	NA
48 49	#VALUE!		INA
50		-	NA
51	Total Pro Forma Adjustments	\$ (391)	\$ -
JI	rotai i to i orina Aujustinonis	φ (391)	Ψ *

### Aqua Utilities Florida, Inc. Rate Base Adjustments Stone Mountain

	(1)		(2)		(3)
Line		'	Water	Se	ewer
No.	Description CIAC		<u>-</u>		
1 2	PSC Audit Adjustments	•		NA	
3	Total 2007 Adjustments	\$		\$	<u> </u>
4	Total 2007 Adjustitions	<u> </u>		<b>3</b>	
5	Pro Forma Adjustments				
6	110 Forma Aujustinoms	\$	_	NA	
7	Total Pro Forma Adjustments	\$	-	\$	<u> </u>
8		-			
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(76)	NA	
12	Total 2007 Adjustments	\$	(76)	\$	-
13	·		<del></del>		
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		106		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments	\$	106	\$	
20					
21	ACQUISITION ADJUSTMENTS	_		_	
22	Negative Acquisition Adjustment	\$	(703)	\$	-
23	A COUNTY AND A COOK OF A COOK OF WORLD AND				
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	•		\$	
25	Not Applicable	\$	-	Э	-
26 27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	
29	τιοι πργησάσιο	Ψ		Ψ	
30	WORKING CAPITAL ALLOWANCE				
31	TO CATALOG COME EXTENSIONAL TELEVISION				
32	Recommended Working Capital	\$	527	\$	-
33		•			
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Sunny Hills

Lin	e	Water	Sewer
No			Scwci
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 29,177	\$ 9,055
3	Allocation of Corp Structures & Improvements	3,390	1,052
4		•	•
5	T - 1000m - 12		
6	Total 2007 Adjustments	\$ 32,566	\$ 10,107
7	· · ·		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 7,400	\$ 2,297
10	Meter replacement cost	48,913	NA
11	(Less) Retirement of existing meters	(29,283)	NA
12 13	Replace water pump and motor - Well #5	5,000	
14			-
15		•	
16	Total Pro Forma Adjustments	<u> </u>	-
17	Total 110 10 mia Adjustificitis	\$ 32,030	\$ 2,297
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	•	_
20	Total 2007 Adjustineits	<u>\$</u> -	\$ -
21		3 -	<u> </u>
22	Pro Forma Adjustments		
23	110 I offinit Augustinoms		
24			\$ -
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (986.564)	6 ((1.0(5)
27	To total time and a region of the community	\$ (986,564)	\$ (61,965)
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u> </u>	
30	r tot rippineurie	3 -	\$ -
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	£ 2,002	<b>6</b> 1000
33	Allocation of Corp Structures & Improvements	\$ 3,993	\$ 1,239
34	· mountain of corp structures & improvements	348	108
35	PSC Depr Rate Correction	3,432	4,508
36		5,452	4,500
37	Total 2007 Adjustments	\$ 7,774	\$ 5,855
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 64	\$ 20
41	Meter Replacements		
42	Retirement of existing meters	(29,283)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	491	NA
44	Salvage	. 839	NA
45	Replace water pump and motor - Well #5	(11,542)	
46			-
47		-	
48			-
49 50		-	
50 51	Total Pro Forma Adjustments	(20, 422)	-
J1	rotai i to i otilia Aujustilicitis	\$ (39,432)	\$ 20

# Aqua Utilities Florida, Inc. Rate Base Adjustments Sunny Hills

	(1)		(2)		(3)
Line			Water		Sewer
No. 1	Description CIAC			<del> </del>	
2	CIAC	e		œ.	
3	Total 2007 Adjustments	<u>-\$</u>		\$	
4	10tta 2007 1 tajastinosits				
5	Pro Forma Adjustments				
6	110 1 011111 1 1 1 1 1 1 1 1 1 1 1 1 1	\$	-	\$	-
7	Total Pro Forma Adjustments	<u>\$</u>		\$	-
8		<b></b>		<del></del>	
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction		5,019		(22)
12	Total 2007 Adjustments	\$	5,019	\$	(22)
13				<del></del>	
14	Pro Forma Adjustments				
15			•		
16					-
17 18			-		
19	Total Pro Forma Adjustments	<u> </u>		-\$	
20	Total 110 Forma Adjustments		<del></del>		
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	S	(41,301)	\$	(12,812)
23		•	(12,007)	•	(,,
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	•
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	•
29					
30	WORKING CAPITAL ALLOWANCE				
31 32	Recommended Working Capital	\$	18,306	\$	32,450
33	Recommended Working Capital	J	10,500	J.	32,430
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	S	-	\$	-
20		-		•	

## Aqua Utilities Florida, Inc. Rate Base Adjustments South Seas

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE	NIA	\$ 3.421
2	Allocation of Corporate IT	NA NA	•
3	Allocation of Corp Structures & Improvements	NA NA	397
4	PSC Audit Adjustments	NA NA	
5	Entity Reclassification	NA NA	- 2010
6	Total 2007 Adjustments	<u> </u>	\$ 3,818
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	NA	\$ 868
10	Meter replacement cost	NA	NA
11	(Less) Retirement of existing meters	NA	NA
12		, NA	
13			33,333
14		NA	
15			18,090
16	Total Pro Forma Adjustments	\$ -	\$ 52,291
17			
	UTILITY LAND & LAND RIGHTS		
18		NIA	•
19	Total 2007 Adjustments	<u>NA</u> -	3 -
20		<del>. 3</del>	<u> </u>
21			
22	Pro Forma Adjustments		. <u> </u>
23			<u>s - </u>
24		<del>*************************************</del>	-
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	NA	\$ (756,959)
27	·		
28	CONSTRUCTION WORK IN PROGRESS		
29		\$ -	\$ -
	Not Applicable		J -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	. NA	\$ 468
33	Allocation of Corp Structures & Improvements	NA	41
34	PSC Audit Adjustments	NA	•
35	PSC Depr Rate Correction	NA	(87)
36	Correction for UPIS Reclassification	NA	-
37	Total 2007 Adjustments	\$ -	\$ 422
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	NA	\$ 7
41	Meter Replacements	••••	•
42	Retirement of existing meters	NA	NA
	6 Month Net Acc Depr (Addns less Retirements)	NA NA	NA
43	- · · · · · · · · · · · · · · · · · · ·	NA NA	NA NA
44	Salvage		INA
45		NA	501
46		N1 *	521
47		NA	
48			565
49		NA	
50	Total Pro Forma Adjustments	<u>s - </u>	\$ 1,094
51		s -	<b>\$</b> 1,094

## Aqua Utilities Florida, Inc. Rate Base Adjustments South Seas

No.   Description		(1)		(2)		(3)
CIAC	Line		W	/ater		Sewer
PSC Audit Adjustments						
Total 2007 Adjustments   S			N. A.		•	
Pro Forma Adjustments					3	
Total Pro Forma Adjustments	-	Total 2007 Adjustments	3		3	
NA   S   -		Dec Forms Adjustments				
Total Pro Forma Adjustments		Pro Porma Adjustments	NA		•	
8		Total Pro Forma Adjustments				
9 ACCUMULATED AMORTIZATION OF CIAC  10 PSC Audit Adjustments		Total Flo Forma Adjustments	<u> </u>			
10		ACCUMULATED AMODITIZATION OF CLAC				
11			NΔ		· ·	_
12 Total 2007 Adjustments \$ - \$ (1,087) 13 14 Pro Forma Adjustments 15 Correct Test Year Accumulated Amortization of CIAC NA 16					•	(1.087)
13 14 Pro Forma Adjustments 15 Correct Test Year Accumulated Amortization of CIAC 16 17 18					\$	
14 Pro Forma Adjustments 15 Correct Test Year Accumulated Amortization of CIAC 16 17 18 18 19 Total Pro Forma Adjustments 20 21 ACQUISITION ADJUSTMENTS 22 Negative Acquisition Adjustment 23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable 39 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital 33 34 Pro Forma Adjustments		rotal 2007 ragissitions				(1,007)
15 Correct Test Year Accumulated Amortization of CIAC  16 17 18 18 19 Total Pro Forma Adjustments  20 21 ACQUISITION ADJUSTMENTS 22 Negative Acquisition Adjustment  23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable  26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable  29 30 WORKING CAPITAL ALLOWANCE  31 32 Recommended Working Capital  33 34 Pro Forma Adjustments		Pro Forma Adjustments				
16			NA			
17		College 100 100 100 illustrated 1 illustration of Child	• • • •			
18			NA			
Total Pro Forma Adjustments						
20 21 ACQUISITION ADJUSTMENTS 22 Negative Acquisition Adjustment \$ - \$ (4,838) 23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ - \$ 1,159 33 34 Pro Forma Adjustments		Total Pro Forma Adjustments	\$	-	\$	
ACQUISITION ADJUSTMENTS  Negative Acquisition Adjustment  ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS  Not Applicable  ADVANCES FOR CONSTRUCTION  Not Applicable  Not Applicable  Recommended Working Capital  Pro Forma Adjustments  (4,838)  - \$ (4,838)  - \$ (4,838)	20	•				
22 Negative Acquisition Adjustment \$ - \$ (4,838) 23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ - \$ 1,159 33 34 Pro Forma Adjustments		ACOUISITION ADJUSTMENTS				
23 24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS 25 Not Applicable \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ - \$ 1,159 33 4 Pro Forma Adjustments	22		\$		\$	(4,838)
25 Not Applicable \$ - \$ - \$ - 26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ - \$ 1,159 33 4 Pro Forma Adjustments	23					
26 27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ - \$ 1,159 33 4 Pro Forma Adjustments	24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
27 ADVANCES FOR CONSTRUCTION 28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ - \$ 1,159 33 4 Pro Forma Adjustments		Not Applicable	\$	-	\$	•
28 Not Applicable \$ - \$ - 29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ - \$ 1,159 33 4 Pro Forma Adjustments						
29 30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ - \$ 1,159 33 34 Pro Forma Adjustments						
30 WORKING CAPITAL ALLOWANCE 31 32 Recommended Working Capital \$ - \$ 1,159 33 4 Pro Forma Adjustments		Not Applicable	\$	-	\$	•
31 32 Recommended Working Capital \$ - \$ 1,159 33 34 Pro Forma Adjustments						
32 Recommended Working Capital \$ - \$ 1,159 33 34 Pro Forma Adjustments		WORKING CAPITAL ALLOWANCE				
33 34 Pro Forma Adjustments		December 1 Westing Control	•		•	1 150
34 Pro Forma Adjustments		Recommended Working Capital	2	-	3	1,139
		Des Forms Adjustments				
	34 35	Deferred Rate Case Expense	S	_	\$	_

## Aqua Utilities Florida, Inc. Rate Base Adjustments Silver Lake Oaks

Line		Water	Sewer
No.			
1	PLANT IN SERVICE	e 2212	e 2162
2	Allocation of Corporate IT	\$ 2,213	\$ 2,163
3	Allocation of Corp Structures & Improvements	257	251
4		•	
5 6	Total 2007 A diverments	\$ 2,471	\$ 2,414
	Total 2007 Adjustments	3 2,4/1	3 2,414
7	D. P. Daniel A. Breston, Ar		
8	Pro Forma Adjustments	<b>e</b> 661	£ 640
9	Allocation of Corporate IT	\$ 561	\$ 549
10	Meter replacement cost	9,030	NA NA
11	(Less) Retirement of existing meters	(6,232)	NA
12		•	
13			•
14 15		•	
16	Total Pro Forma Adjustments	\$ 3,360	\$ 549
	Total Flo Forma Adjustments	3,300	3 347
17	UTILITY LAND & LAND RIGHTS		
18 19		•	•
20	Total 2007 Adjustments	\$ -	\$ -
			3
21	Des Comes A disserte		
22	Pro Forma Adjustments		<u>s</u> -
23			3 -
24			•
25	NON-USED & USEFUL	6 (570)	6 (10.228)
26	To reflect calculated Adjusted NU&U amounts	\$ (578)	\$ (10,338)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u> </u>	<u>s -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 303	\$ 296
33	Allocation of Corp Structures & Improvements	26	26
34		-	•
35	PSC Depr Rate Correction	55	•
36		-	
37	Total 2007 Adjustments	\$ 384	\$ 322
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	<b>\$</b> 5	<b>\$</b> 5
41	Meter Replacements	(( 222)	37.4
42	Retirement of existing meters	(6,232)	NA NA
43	6 Month Net Acc Depr (Addns less Retirements)	70	NA
44	Salvage	133	NA
45		-	
46			-
47		-	
48			•
49		-	
50	Total Pro Forms Adjustments	\$ (6,024)	\$ 5
51	Total Pro Forma Adjustments	<b>9</b> (0,024)	<b>J</b>

## Aqua Utilities Florida, Inc. Rate Base Adjustments Silver Lake Oaks

	(1)		(2)		(3)
Line			Water		Sewer
No.	Description				
1	CIAC				-
2		<u>\$</u>	-		-
3	Total 2007 Adjustments	\$	<u> </u>	\$	-
4					
5	Pro Forma Adjustments				
6		<u>-\$</u>	<u> </u>	<u>\$</u>	
7	Total Pro Forma Adjustments	\$	_	<u>\$</u>	
8			<del></del>		
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction		49		148
12	Total 2007 Adjustments	\$	49	\$	148
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-		
16					33
17					
18 19	Total Des Person Adinterents				
	Total Pro Forma Adjustments	7	<del>-</del>	3	33
20	A CONTROLL AND FROM AND THE				
21	ACQUISITION ADJUSTMENTS	•	(2.125)	•	(2.054)
22 23	Negative Acquisition Adjustment	\$	(3,135)	\$	(3,054)
23	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		•		
25	Not Applicable	\$		\$	
26	Not Applicable	Þ	•	•	•
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	s	-	\$	
29	1 to trippinamia	•		•	
30	WORKING CAPITAL ALLOWANCE				
31					
32	Recommended Working Capital	\$	2,097	\$	1,997
33		•	<del>,</del> -	•	-,,
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	•	\$	-
		•			

#### Aqua Utilities Florida, Inc. Rate Base Adjustments Tangerine

Line	•	Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 14,337	NA
4	Allocation of Corp Structures & Improvements	1,666	NA
5	Entity Reclassification	•	274
6	Total 2007 Adjustments	\$ 16,002	NA -
7	10th 2007 Aujustitotits	3 10,002	<u> </u>
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,636	NA
10	Meter replacement cost	54,810	NA NA
11	(Less) Retirement of existing meters	(23,261)	NA NA
••	(acce) remained of empling meters	(23,201)	NA.
12		-	
13			NA
14	•	•	
15			NA
16	Total Pro Forma Adjustments	\$ 35,186	<b>S</b> -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<b>S</b> -	\$ -
20		\$ -	\$ -
21			
22	Pro Forma Adjustments		
23	•		NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (67,021)	NA
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			***************************************
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,962	NA
33	Allocation of Corp Structures & Improvements	171	NA
34	PSC Audit Adjustments	•	NA
35	PSC Depr Rate Correction	21	NA
36	Correction for UPIS Reclassification		NA
37	Total 2007 Adjustments	\$ 2,154	\$ -
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 31	NA
41	Meter Replacements		
42	Retirement of existing meters	(23,261)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	789	NA
44	Salvage	940	NA
45		•	
46	#VALUE!		NA
47	*****	•	•••
48	#VALUE!		NA
49		• • • • • • • • • • • • • • • • • • •	•
50	Total Dan Forman Adinaturant	6 (01 (01)	NA NA
51	Total Pro Forma Adjustments	\$ (21,501)	<u>s</u> -

## Aqua Utilities Florida, Inc. Rate Base Adjustments Tangerine

	(1)		(2)		(3)
Line			Water	Se	ewer
No.	Description				
1	CIAC				
2	PSC Audit Adjustments	<u>s</u>		NA	<u> </u>
3	Total 2007 Adjustments	<u>s</u>	-	\$	-
4					
5	Pro Forma Adjustments				
6		<u>\$</u>	-	NA	
7	Total Pro Forma Adjustments	<u>\$</u>	•	\$	
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	S	-	NA	
11	PSC Depr Rate Correction		(233)	NA	
12	Total 2007 Adjustments	\$	(233)	\$	-
13				-	
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		827		
16				NA	
	Reduce Accumulated Amortization of CIAC per Staff Audit Finding				
17	No. 5		(2,830)		
18				NA	
19	Total Pro Forma Adjustments	\$	(2,003)	\$	-
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(20,299)	\$	-
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	_		_	
25	Not Applicable	\$	•	\$	-
26	A DATA A SOUR POR CONCERNACIONAL				
27	ADVANCES FOR CONSTRUCTION	•		•	
28	Not Applicable	\$	•	\$	•
29	WORKING CARTELL ALLOWANCE				
30	WORKING CAPITAL ALLOWANCE				
31 32	Paramanded Working Conital	\$	1 056	•	
32	Recommended Working Capital	<b>3</b>	4,856	S	-
	Due Forme Adjustments				
34 35	Pro Forma Adjustments	s		s	
33	Deferred Rate Case Expense	2	•	Þ	•

# Aqua Utilities Florida, Inc. Rate Base Adjustments The Woods

			<del> </del>
Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE	<b>f</b> 2.022	
2	Allocation of Corporate IT	\$ 3,823	\$ 3,622
4	Allocation of Corp Structures & Improvements	444	421
5		•	
6	Total 2007 Adjustments	\$ 4,267	\$ 4,043
7	Total 2007 Aujustinoliis	3 4,207	3 4,043
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	<b>\$</b> 970	\$ 919
10	Meter replacement cost	14,490	NA
11	(Less) Retirement of existing meters	(2,816)	NA NA
12	(Loss) Notifoliotic Of Oxisting motors	(2,010)	IVA
13		-	_
14	•		
15			_
16	Total Pro Forma Adjustments	\$ 12,643	\$ 919
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<b>s</b> -	<u> </u>
20		<u>\$</u> -	\$ -
21			
22	Pro Forma Adjustments		
23	110 1 Ollina 1 tajastationis	<del></del>	\$ -
24			***************************************
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (2,065)	\$ (13,786)
27		(2,003)	(13,100)
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	5	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	<b>\$</b> 523	<b>\$</b> 496
33	Allocation of Corp Structures & Improvements	46	43
34	Throughout of both but was to be ample to the state of		•
35	PSC Depr Rate Correction	3,093	2,373
36		•	•
37	Total 2007 Adjustments	\$ 3,662	\$ 2,912
38	•		
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 8	\$ 8
41	Meter Replacements		
42	Retirement of existing meters	(2,816)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	292	NA
44	Salvage	248	NA
45		-	
46			-
47		-	
48			-
49		-	
50	Table 1		<del></del>
51	Total Pro Forma Adjustments	\$ (2,268)	\$ 8

## Aqua Utilities Florida, Inc. Rate Base Adjustments The Woods

	(1)		(2)		(3)
Line No.	Description		Water	:	Sewer
1	CIAC				
2	Cinc	S		S	
3	Total 2007 Adjustments	<u>\$</u> \$	-	\$	
4	•				
5	Pro Forma Adjustments				
6	·	\$		\$	-
7	Total Pro Forma Adjustments	<u>\$</u>	-	\$	-
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction		(236)		(10)
12	Total 2007 Adjustments	\$	(236)	\$	(10)
13	· · · · · · · · · · · · · · · · · ·				
14	Pro Forma Adjustments  Correct Test Year Accumulated Amortization of CIAC				
15 16	Correct Test Year Accumulated Amortization of CIAC		•		1,011
17			_		1,011
18					
19	Total Pro Forma Adjustments	\$		\$	1,011
20	•				
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(5,406)	\$	(5,136)
23					
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	•
26	A DALABIOTE FOR CONCERNICATION				
27 28	ADVANCES FOR CONSTRUCTION	s		S	
29	Not Applicable	•	•		•
30	WORKING CAPITAL ALLOWANCE				
31	TORRES CRITICAL CAMPOSITATION				
32	Recommended Working Capital	\$	1,295	\$	1,227
33		-	-,	-	
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$		\$	

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 1 of 2 Revised

## Aqua Utilities Florida, Inc. Rate Base Adjustments Village Water

Line		Water	Sewer
No.	Description		
1 2	PLANT IN SERVICE Allocation of Corporate IT		_
3	Allocation of Corp Structures & Improvements	\$ 9,256	\$ 1,761
4	Anocation of Corp structures & improvements	1,075	205
5		•	
6	Total 2007 Adjustments	\$ 10,331	\$ 1,965
7			<b>a</b> 1,903
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,348	<b>\$</b> 447
10	Meter replacement cost	16,901	NA
11	(Less) Retirement of existing meters	(7,442)	NA
12		•	
13			-
14		-	
15	Total Day Day A. M. A.		
16	Total Pro Forma Adjustments	\$ 11,806	\$ 447
17	TITTLE PTV F AND Q I AND DECITOR		
18 19	UTILITY LAND & LAND RIGHTS Total 2007 Adjustments	•	_
20	Total 2007 Adjustifichts	3 -	<u>s</u> -
21		3 -	2 -
22	Pro Forma Adjustments		
23	110 1 011114 Adjustitetius		•
24			<u>\$</u>
	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (60,364)	\$ (347,551)
27	<b>3</b>	(00,304)	\$ (347,331)
	CONSTRUCTION WORK IN PROGRESS	١	
29	Not Applicable	\$ -	<u> </u>
30	••		
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,267	\$ 241
33	Allocation of Corp Structures & Improvements	110	21
34		-	-
35	PSC Depr Rate Correction	(295)	(1,901)
36			•
37	Total 2007 Adjustments	\$ 1,082	\$ (1,639)
38	Des Franço Adinadores de		
39 40	Pro Forma Adjustments	<b>f a</b> 0	
41	New PCs, Network & Telephone Upgrade Meter Replacements	\$ 20	<b>\$</b> 4
42	Retirement of existing meters	(7.442)	NT A
43	6 Month Net Acc Depr (Addns less Retirements)	(7,442) 236	NA NA
44	Salvage	268	NA NA
45		200	144
46			-
47		-	
48			· -
49		•	
50	Table Park A.C.		-
51	Total Pro Forma Adjustments	\$ (6,917)	\$ 4

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-I Schedule 28 Page 2 of 2 Revised

# Aqua Utilities Florida, Inc. Rate Base Adjustments Village Water

Line       Water         No.       Description         1       CIAC         2       \$ -         3       Total 2007 Adjustments         6       \$ -         7       Total Pro Forma Adjustments         8       -         9       ACCUMULATED AMORTIZATION OF CIAC         10       \$ -         11       PSC Depr Rate Correction       43         12       Total 2007 Adjustments       \$ 43         13       Pro Forma Adjustments       -         15       -         16       -	\$ \$ \$	Sewer
CIAC	\$ \$ \$	_
\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ \$ \$	<u>-</u>
Total 2007 Adjustments   \$ -	\$ \$ \$	-
4 5 Pro Forma Adjustments 6 \$ - 7 Total Pro Forma Adjustments 8 ACCUMULATED AMORTIZATION OF CIAC 10 \$ - 11 PSC Depr Rate Correction	\$ 5	
Pro Forma Adjustments   \$ -	\$	
\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$	
8 9 ACCUMULATED AMORTIZATION OF CIAC 10 11 PSC Depr Rate Correction 43 12 Total 2007 Adjustments \$ 43 13 14 Pro Forma Adjustments 15 16	\$	-
9 ACCUMULATED AMORTIZATION OF CIAC  10 \$ -  11 PSC Depr Rate Correction 43  12 Total 2007 Adjustments \$ 43  13  14 Pro Forma Adjustments  15 -  16		-
10 11		
11 PSC Depr Rate Correction 43 12 Total 2007 Adjustments \$ 43 13 14 Pro Forma Adjustments 15 - 16		
12 Total 2007 Adjustments \$ 43  13  14 Pro Forma Adjustments  15  16	\$	-
13 14 Pro Forma Adjustments 15		13
Pro Forma Adjustments 15 - 16	\$	13
15 16		
16		
		•
17 18		
19 Total Pro Forma Adjustments \$ -	\$	
20 ·		
21 ACQUISITION ADJUSTMENTS		
22 Negative Acquisition Adjustment \$ (13,109)	\$	(2,487)
23	-	(,
24 ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25 Not Applicable \$ -	\$	-
26		
27 ADVANCES FOR CONSTRUCTION	_	
28 Not Applicable \$ -	\$	•
29		
30 WORKING CAPITAL ALLOWANCE 31		
32 Recommended Working Capital \$ 3,135	\$	596
33	•	270
34 Pro Forma Adjustments		
35 Deferred Rate Case Expense \$ -		

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 1 of 2 Revised

## Aqua Utilities Florida, Inc. Rate Base Adjustments Valencia Terrace

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 17,808	\$ 17,556
4	Allocation of Corp Structures & Improvements	2,069	2,040
5		-	
6	Total 2007 Adjustments	\$ 19,877	\$ 19,596
7	Total 2007 Adjustitions	17,077	3 19,390
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 4,517	<b>\$</b> 4,453
10	Meter replacement cost	16,380	NA 4,433
11	(Less) Retirement of existing meters	(16,710)	NA NA
12	SCADA - Telemetry system	25,000	
13	DOLDA TOLOMONY BYSIGHT	25,000	-
14		-	
15			
16	Total Pro Forma Adjustments	\$ 29,187	\$ 4,453
17	·	<del></del>	
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<b>s</b> -	<b>s</b> -
20		\$ -	\$ -
21		·	
22	Pro Forma Adjustments		
23	110 1 0111111 1 1 1 1 1 1 1 1 1 1 1 1 1	·	<u>s</u> -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (61,108)	\$ (61,627)
27	•		<u> </u>
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 2,437	\$ 2,403
33	Allocation of Corp Structures & Improvements	212	209
34	Amount of corp of detailed to Improvements		
35	PSC Depr Rate Correction	44	156
36	100 Dept 1 and contention	•	
37	Total 2007 Adjustments	\$ 2,694	\$ 2,769
38		<del></del>	
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 39	\$ 38
41	Meter Replacements		
42	Retirement of existing meters	(16,710)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	(8)	NA
44	Salvage	1,253	NA
45	SCADA - Telemetry system	694	
46			•
47		-	•
48			-
49		-	
50 51			<del></del>
	Total Pro Forma Adjustments	\$ (14,732)	\$ 38

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 2 of 2 Revised

# Aqua Utilities Florida, Inc. Rate Base Adjustments Valencia Terrace

	(1)		(2)		(3)
Line			Water	;	Sewer
No.	Description				<del></del>
1	CIAC			_	
2		<u>\$</u> \$		<u> </u>	
3	Total 2007 Adjustments	7		7	
4					
5	Pro Forma Adjustments	•		•	
6	Total Dan Paris Additional and	<u> </u>		<u> </u>	<u> </u>
7	Total Pro Forma Adjustments	<del></del>		-	
8	A COUNTY ATER AMORTIZATION OF CLAC				
9	ACCUMULATED AMORTIZATION OF CIAC	\$		\$	
10	DCC Dawn Bata Companion	J	53	•	155
11 12	PSC Depr Rate Correction Total 2007 Adjustments	\$	53 53	\$	155
	10ta 2007 Adjustitions				
13	Due Forme A divergence				
14 15	Pro Forma Adjustments  Correct Test Year Accumulated Amortization of CIAC		192		
16	Coffect Test Teat Accumulated Amortization of CIAC		172		263
17					
18					-
19	Total Pro Forma Adjustments	\$	192	\$	263
20	•	-		•	
21	ACOUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(25,219)	\$	(24,867)
23	•				
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	•
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	S	-	\$	•
29					
30	WORKING CAPITAL ALLOWANCE				
31	m AMI add a Control	S	24,222	\$	24,254
32	Recommended Working Capital	Ð	£4,£££	Ψ	24,234
33 34	Dro Forms Adjustments				
35	Pro Forma Adjustments Deferred Rate Case Expense	\$	_	\$	
23	Deterred Nate Case Expense	Ψ	=	₩	

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 1 of 2 Revised

## Aqua Utilities Florida, Inc. Rate Base Adjustments Venetian Village

Line		Water	Sewer
No.	Description		<del></del>
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 8,300	\$ 4,779
3	Allocation of Corp Structures & Improvements	964	555
4		-	
5	T-1-1-0007 A 21	-	<del></del>
6	Total 2007 Adjustments	\$ 9,265	\$ 5,334
7	· · · · · · · · · · · · · · · · · ·		
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,105	\$ 1,212
10	Meter replacement cost	33,180	NA
11	(Less) Retirement of existing meters	(7,697)	NA
12		•	
13			•
14 15		-	
16	Total Dro Forma Adjustments	6 27.699	<u> </u>
	Total Pro Forma Adjustments	\$ 27,588	\$ 1,212
17	TITTI ITWI AND O I AND DICTITO		
18 19	UTILITY LAND & LAND RIGHTS Tatal 2007 Adjustments	·	•
20	Total 2007 Adjustments	<u> </u>	2 -
21		3	· · · · · · · · · · · · · · · · · · ·
	Pro Forma Adjustments		•
23	Pro Forma Adjustments		<del></del>
			3 -
24	NAME FOR A FOREST		
	NON-USED & USEFUL To reflect calculated Adjusted NU&U amounts	\$ (70,103)	¢ (01.020)
26	10 lenect calculated Adjusted NO&O attiounts	\$ (70,103)	\$ (81,929)
27	CONOMINACIONI IN ORIVINI DI DI OCIDECO		
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	<u>s -</u>
30	A COLUMN A MUDD DEPONICIA MICAN		
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,136	\$ 654
33	Allocation of Corp Structures & Improvements	99	57
34	DCC Dave Data Competion	-	
35 36	PSC Depr Rate Correction	28	(6)
37	Total 2007 Adjustments	\$ 1,263	\$ 706
38	Total 2007 Aujustinonis	<u> </u>	3 700
	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 18	<b>\$</b> 10
41	Meter Replacements	<b>J</b> 10	<b>y</b> 10
42	Retirement of existing meters	(7,697)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	637	NA NA
44	Salvage	562	NA
45		-	14/1
46			-
47	<u>.</u>	-	
48			
49		-	
50			-
51	Total Pro Forma Adjustments	\$ (6,481)	\$ 10

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 2 of 2 Revised

## Aqua Utilities Florida, Inc. Rate Base Adjustments Venetian Village

	(1)		(2)		(3)
Line No.	Description		Water	:	Sewer
100.	CIAC	<del> </del>			
2	CIAC	2		•	_
3	Total 2007 Adjustments	<u> </u>	•	<u> </u>	
4	•	<del></del>			
5	Pro Forma Adjustments				
6		\$	-	\$	-
7	Total Pro Forma Adjustments	\$	-	\$	-
8				-	
9	ACCUMULATED AMORTIZATION OF CIAC				
10		\$	-	\$	-
11	PSC Depr Rate Correction		394		547
12	Total 2007 Adjustments	\$	394	\$	547
13					
14	Pro Forma Adjustments				
15			•		
16					-
17 18			•		_
19	Total Pro Forma Adjustments	<u>s</u>		<u> </u>	<del>-</del> -
20	Total 1 to 1 offia Adjustificities	<del>-</del>			
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(11,758)	S	(6,757)
23	110Bun 10 110duionion 110Juonnom	•	(-1,/00)	•	(-,,-,,
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	•	\$	•
26					
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	-	\$	-
29					
30	WORKING CAPITAL ALLOWANCE				
31	Desamended Westing Conital	\$	0.200	•	5,801
32 33	Recommended Working Capital	D	9,398	\$	3,001
33 34	Pro Forma Adjustments		•		
35	Deferred Rate Case Expense	s		s	
33	Deterred rate Case Expense	•	_	•	

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 1 of 2 Revised

# Aqua Utilities Florida, Inc. Rate Base Adjustments Welaka/Saratoga Harbour

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	<b>\$</b> 7,797	NA
3	Allocation of Corp Structures & Improvements	906	NA
4		-	
5	Entity Reclassification	<u> </u>	NA
6	Total 2007 Adjustments	\$ 8,703	\$ -
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,978	NA
10	Meter replacement cost	12,863	NA
11	(Less) Retirement of existing meters	(6,954)	NA
12		-	
13			NA
14		•	
15			NA
16	Total Pro Forma Adjustments	\$ 7,886	\$ -
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	\$ -	\$ -
20		\$ -	\$ -
21	•		
22	Pro Forma Adjustments		
23	·		NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (24,398)	NA
27	•		
28	CONSTRUCTION WORK IN PROGRESS	,	
29	Not Applicable	\$ -	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,067	NA
33	Allocation of Corp Structures & Improvements	93	NA NA
34	PSC Audit Adjustments	-	NA NA
35	PSC Depr Rate Correction	116	NA
36	Correction for UPIS Reclassification	110	NA NA
37	Total 2007 Adjustments	\$ 1,276	\$ -
_	Total 2007 Adjustments	3 1,270	<b>J</b>
38 39	Dro Forms Adjustments		
39 40	Pro Forma Adjustments	<b>\$</b> 17	NA
41	New PCs, Network & Telephone Upgrade Meter Replacements	J 1/	IAM
41 42		(6.054)	NA
	Retirement of existing meters  6 Month Net Acc Dept (Addrs less Retirements)	(6,954) 148	NA NA
43 44	6 Month Net Acc Depr (Addns less Retirements) Salvage	216	NA NA
	Saivage	210	IAW
45 46	#\$/ATTIET	•	NA
46 47	#VALUE!		MW
	MAI TIET	•	NI A
48	#VALUE!	_	NA
49		-	NI A
50	Total Das Forms Adjustments	\$ (6,573)	NA NA
51	Total Pro Forma Adjustments	\$ (6,573)	\$ -

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 2 of 2 Revised

## Aqua Utilities Florida, Inc. Rate Base Adjustments Welaka/Saratoga Harbour

	(1)		(2)		(3)
Line			Water		wer
No.	Description				
1	CIAC				
2	PSC Audit Adjustments	<u> </u>	-	NA	
3	Total 2007 Adjustments	<u>\$</u>		\$	
4		·		<u> </u>	
5	Pro Forma Adjustments				
6		<u>\$</u>	-	NA	
7	Total Pro Forma Adjustments	<u>_\$</u>	-	\$	
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		113	NA	
12	Total 2007 Adjustments	\$	113	\$	-
13					
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		-		
16				NA	
17			-		
18	TALE TO A P. A.		···	NA.	
19	Total Pro Forma Adjustments	\$	-	<u>\$</u>	•
20					
21	ACQUISITION ADJUSTMENTS			•	
22	Negative Acquisition Adjustment	\$	(11,028)	\$	-
23 24	ACCUIRGUE ATTER ARCORT OF ACC. ARTHOTRAFFITO				
24 25	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	\$		S	
26	Not Applicable	Þ	-	3	•
27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$	_	\$	_
29	τοι πρμισασίο	J.	-	<b>.</b>	_
30	WORKING CAPITAL ALLOWANCE				
31	HOMENIO CALITAL ALLO HANGL				
32	Recommended Working Capital	\$	9,232	\$	
33	Transmission of American	-	-,	-	
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$		\$	

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 1 of 2 Revised

## Aqua Utilities Florida, Inc. Rate Base Adjustments Wootens

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 1,459	NA
3	Allocation of Corp Structures & Improvements	169	NA
4	management of the second	-	374
5	Entity Reclassification	- 1 (20	NA NA
6	Total 2007 Adjustments	\$ 1,628	<u>s -</u>
7			
8	Pro Forma Adjustments	<b>a</b> 270	27.4
9	Allocation of Corporate IT	\$ 370	NA
10	Meter replacement cost	5,880	NA
11	(Less) Retirement of existing meters	(3,534)	NA
12		-	NA
13			NA
14 15		-	NI A
16	Total Pro Forma Adjustments	\$ 2,716	NA S
	rotat rio roma Aujustificitis	2,/10	<b>.</b>
17	TIME TOUT AND S. I AND DECITO		
18	UTILITY LAND & LAND RIGHTS  Total 2007 Adjustments	•	¢
19 20	Total 2007 Adjustments	<u>s</u> -	\$
		3	
21	D. D A.P A		
	Pro Forma Adjustments		- NIA
23			NA
24	11011 TIGHT A VIGNITUR		
25	NON-USED & USEFUL To reflect coloulated Adjusted NULVII amounts	£ (479)	NIA
26	To reflect calculated Adjusted NU&U amounts	\$ (478)	NA
27	CALIFORNIA DE LA CARTA DE LA C		
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$	<u> </u>
30	A CONTROL A CONT		
31	ACCUMULATED DEPRECIATION	<b>4</b> 200	374
32	Allocation of Corporate IT	\$ 200	NA
33	Allocation of Corp Structures & Improvements	17	NA NA
34	PSC Audit Adjustments	41	NA NA
35	PSC Depr Rate Correction	41	
36 37	Correction for UPIS Reclassification	\$ 258	NA -
	Total 2007 Adjustments	3 230	<u> </u>
38	Dua Forma Adiustments		
	Pro Forma Adjustments New PCs, Network & Telephone Ungrade	\$ 3	NA
40 41	New PCs, Network & Telephone Upgrade Meter Replacements	<b>.</b>	INA
41 42	Retirement of existing meters	(3,534)	NA
42 43	6 Month Net Acc Depr (Addns less Retirements)	(3,334)	NA NA
43 44	Salvage	101	NA NA
<del>45</del>	om≀ag∨	-	4743
46	#VALUE!	-	NA
47	# TIBOD:	-	****
48	#VALUE!		NA
49	# 11 <b>DOD</b> :	-	****
50			NA
51	Total Pro Forma Adjustments	\$ (3,371)	\$ -

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 2 of 2 Revised

## Aqua Utilities Florida, Inc. Rate Base Adjustments Wootens

	(1)		(2)	· · · · · · · · · · · · · · · · · · ·	(2)
Line			(2) Water		(3) ewer
No.	Description		vv atci	56	WCI
1	CIAC				
2	PSC Audit Adjustments	\$	•	NA	
3	Total 2007 Adjustments	<u>\$</u>	•	\$	
4				<del></del>	
5	Pro Forma Adjustments				
6		_\$	•	NA	
7	Total Pro Forma Adjustments	\$	-	\$	•
8					
9	ACCUMULATED AMORTIZATION OF CIAC				
10	PSC Audit Adjustments	\$	-	NA	
11	PSC Depr Rate Correction		(141)	NA.	
12	Total 2007 Adjustments	\$	(141)	\$	
13		•			
14	Pro Forma Adjustments				
15	Correct Test Year Accumulated Amortization of CIAC		173		
16				NA	
17			-		
18				NA	
19	Total Pro Forma Adjustments		173	\$	
20					
21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(2,054)	\$	-
23	ACCURATE ATTENDANCE OF ACCUANTIONS				
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS	•		•	
25 26	Not Applicable	\$	•	\$	-
20 27	ADVANCES FOR CONSTRUCTION				
28	Not Applicable	\$		S	
29	Not Applicable	Þ	-	J	•
30	WORKING CAPITAL ALLOWANCE				
31	" Onimite Calling appearance				
32	Recommended Working Capital	\$	1,649	S	_
33	resonantian monthly capture	Ψ	1,077	4	-
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	S	-	S	-
		•		•	

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 1 of 2 Revised

# Aqua Utilities Florida, Inc. Rate Base Adjustments Zephyr Shores

Line		Water	Sewer
No.	Description		
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 26,209	\$ 26,007
3	Allocation of Corp Structures & Improvements	3,045	3,022
4		-	
5	m . 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		
6	Total 2007 Adjustments	\$ 29,254	\$ 29,029
7			
8	Pro Forma Adjustments	1	
9	Allocation of Corporate IT	\$ 6,648	\$ 6,597
10	Meter replacement cost	44,673	NA
11	(Less) Retirement of existing meters	(12,459)	NA
12		•	
13			-
14		-	
15	Total Day Farmer Adingstructure	\$ 20.061	6 (502
16	Total Pro Forma Adjustments	\$ 38,861	\$ 6,597
17			
18	UTILITY LAND & LAND RIGHTS	_	<u>.</u>
19	Total 2007 Adjustments	<u>\$</u> -	<u> </u>
20		3 -	<u>s</u> -
21			
	Pro Forma Adjustments		
23			<u>s</u> -
24			
	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	\$ (152,216)	\$ (95,948)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$</u>	<u>s</u> -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 3,587	\$ 3,560
33	Allocation of Corp Structures & Improvements	313	310
34		-	-
35	PSC Depr Rate Correction	39	-
36		-	
37	Total 2007 Adjustments	\$ 3,939	\$ 3,870
38			
	Pro Forma Adjustments		_
40	New PCs, Network & Telephone Upgrade	\$ 57	\$ 57
41	Meter Replacements		<u>.</u>
42	Retirement of existing meters	(12,459)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	805	NA
44	Salvage	761	NA
45		-	
46			-
47		-	
48			
49		-	
50	main n Alba	<b>6</b> (10.000)	-
51	Total Pro Forma Adjustments	\$ (10,836)	\$ 57

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 28 Page 2 of 2 Revised

# Aqua Utilities Florida, Inc. Rate Base Adjustments Zephyr Shores

	(1)		(2)		(3)
Line			Water		Sewer
No.	Description				
1	CIAC	•		•	
2	T. 4.1 2007. A Hostoneste	\$		<u>\$</u>	
3	Total 2007 Adjustments	<u> </u>			
4	Due Ferre Adjustments				
5 6	Pro Forma Adjustments	•		\$	
7	Total Pro Forma Adjustments	<u> </u>	•	\$	
8	1044.1010	سخة	<del> </del>		*
9	ACCUMULATED AMORTIZATION OF CIAC				
10	110001122111221111121121111111111111111	\$	-	\$	•
11	PSC Depr Rate Correction		1,014		1,592
12	Total 2007 Adjustments	\$	1,014	\$	1,592
13					
14	Pro Forma Adjustments				
15	•		-		
16					•
17			-		
18	Total Due Tarma Adinatments	\$		\$	
19	Total Pro Forma Adjustments	<u> </u>	<del> </del>		
20 21	ACQUISITION ADJUSTMENTS				
22	Negative Acquisition Adjustment	\$	(37,112)	S	(36,814)
23	140Peri to 170daminu 170daminu	•	(,,		· , ,
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS				
25	Not Applicable	\$	-	\$	-
26					
27	ADVANCES FOR CONSTRUCTION			_	
28	Not Applicable	\$	-	\$	•
29	TIONING CANTELL AND OWNER				
30	WORKING CAPITAL ALLOWANCE				
31 32	Recommended Working Capital	\$	32,440	\$	32,278
33	Accommended Working Capital	•	52,110	•	,
34	Pro Forma Adjustments				
35	Deferred Rate Case Expense	\$	-	\$	-

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 1 of 4 Revised

ine No.	Acct	Description			2007 Water	_	007 ewer
		CAR ADJUSTMENTS - 2007					
2	A	REVENUES					
3	•	Billed less Booked Revenue		2	(56)		
4		Billed less Booked Revenue			` '	N.	4
5		TOTAL REVENUE ADJUSTMENTS		s	(56)	N.	Ā —
6	-	TOTAL REVERSE ABJOURNATION					
-	В	OPERATIONS & MAINTENANCE					
	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	(2,261)	S	
	601/701	3-1-10-10 magaz mmp-1,-10-1	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		65		
0	603/703	Salaries & Wages - Officers, Exec.					
ì	604/704	Employee Pensions & Benefits			-		
2	610/710	Purchased Water / Sewer Treatment			-		
3	NA /711	Sludge Removal Expense	•				
4	615/715	Purchased Power			-		
5	616/716	Fuel for Purchased Power			•		
6	618/718	Chemicals			-		
7	620/720	Materials & Supplies			•		
8	631/731	Contractual Services - Engineering			•		
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		101		
0	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		20		
1:	634/734	Contractual Services - Mgmt. Fees			•		
22	634/734				-		
23	634/734				•		
4	635/735	Contractual Services - Testing			•		
:5	636/736	Contractual Services - Other			•		
:6	641/741	Rental of Building/Real Prop.			-		
7	642/742	Rental of Equipment			•		
8	650/750	Transportation Expenses			•		
9	656/756	Insurance - Vehicle			-		
0	657/757	Insurance - General Liability			•		
1	658/758	Insurance - Workman's Comp.			-		
2	659/759	Insurance - Other			•		
3	660/760	Advertising Expense			-		
14	666/766	Reg. Comm. Exp Rate Case Amort.			-		
15	667/767	Reg. Comm. Exp Rate Case Other			•		
	670/770	Bad Debt Expense					
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		2,676		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(58)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(37)		
40 41							
12		TOTAL O&M ADJUSTMENTS		S	506	N	A

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine	<b></b>	•	-	o Forma Water	Pro Forma
No.	Description YEAR ADJUSTMENTS - 2007, cons			water	Sewer
2 C		RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	RILATION OF CIAC (OSCI W OSCIAI)	S	725	NA
4	Allocation of Corp Structures & Ir	norovements	•	12	NA
•	PSC Audit Adjustments				NA
6	PSC Depr Rate Correction, Depr E	exnn		(380)	NA
7	PSC Depr Rate Correction, Amort			2,806	NA
8	Reduction for NU&U			(245)	NA
9	TOTAL DEPRECIATION ADJUST	STMENTS	\$	2,918	NA
0					
11					
2 D	AMORTIZATION				
3			\$	-	NA
4	•				NA
5	TOTAL AMORTIZATION ADJU	STMENTS	\$		NA
16					
17					
18 E	TAXES OTHER THAN INCOME				
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(3)	NA
0	Payroll tax adjustment	On Salary & Wage adjustments explained above		(5)	NA
21	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(40)	NA_
23	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	_\$	(47)	NA
24					
25					
26 F	INCOME TAXES		•	(1.704)	NTA
27	Income tax impact of the adjustme		3	(1,794)	NA NA
8	TOTAL INCOME TAX ADJUST	MENTS	_2	(1,794)	NA
29			•	1 602	NA
10	TOTAL EXPENSE ADJUSTMEN	115	- 3	1,583	INA

ĬΦ.	Acct	Description			Water	9.	ewer
-		RMA ADJUSTMENTS			Walti		
	A	REVENUES					
			Aqua America Commission	S	22	\$	
			•	\$		<b>S</b>	
		TOTAL REVENUE ADJUSTMENTS		S	22	N/	<u>.                                    </u>
	В	OPERATIONS & MAINTENANCE					
	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	S	197	S	
	601/701		Market Based Increases	Ş	60	S	
	601/701		Lake County Facility Operator II	S	2,463	S	
	601/701		Reduction in Meter Readers	S S	(24)	S	
	601/701 601/701		Remove Carl Smith Salary - Acquisition Related	S	(34) (210)	s s	
			Reduce President Salary	Š	(210)	s	
	601/701		reduce resident salary	Š	(51)	Š	
,				Š		Š	
		Salaries & Wages - Officers, Exec.		Š	-	Š	
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	Š	237	Š	
	604/704	• ••	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(3)	Š	
	610/710	Purchased Water / Sewer Treatment		S	•	S	
	NA /711	Sludge Removal Expense		S		S	
	615/715	Purchased Power		\$		S	
	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	S	(585)	\$	
	618/718	Chemicals		s	•	s	
	620/720	Materials & Supplies		S	•	S	
	631/731	Contractual Services - Engineering		S	•	\$	
	632/732	Contractual Services - Accounting		S		S	
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(1)	S	
	633/733	a		S	-	S	
	634/734	Contractual Services - Mgmt. Fees		s s	•	S	
	634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customers		(136)	<b>S</b>	
	634/734			s		s	
	634/734		Remove Excess Costs Charged from Affiliates	S	(3,302)	s	
	635/735	Contractual Services - Testing	•	S	•	S	
	636/736	Contractual Services - Other		\$	-	2	
	636/736		ACO allocation adjustment for dual Water/Sewer customers	S	(118)	S	
	636/736			\$	•	S	
	636/736			S	•	\$	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(23)	\$	
	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	S	(72)	\$	
	636/736		Adjustment to Deferred Maintenance	S	(373)	S	
	636/736		•	\$	`. ′	S	
	636/736	•		S	-	S	
	641/741	Rental of Building/Real Prop.		\$	-	S	
	642/742	Rental of Equipment		S	•	\$	
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	143	S	
	656/756	Insurance - Vehicle		\$	-	S	
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	S	(28)	S	
	658/758	Insurance - Workman's Comp.		S	•	S	
	659/759	Insurance - Other		2	•	2	
	660/760	Advertising Expense	Daniero Adenatina Frances	Ş	· /0`	Ş	
	660/760		Remove Advertising Expenses	s s	(2) (88)	\$ \$	
	660/760 666/766	Reg. Comm. Exp Rate Case Amort.	Remove Lobbying Expenses	S	(00)	S	
	667/767	Reg. Comm. Exp Rate Case Amort. Reg. Comm. Exp Rate Case Other		s	•	s	
	670/770	Bad Debt Expense		Š	•	Š	
	670/770			Š	•	Š	
	670/770		Adjustment to Bad Debt	Š	(195)	\$	
	675/775	Miscellaneous Expense	•	\$ .	-	Š	
	675/775	•	Normalize Relocation Expenses	S	(32)	S	
	675/775		Remove Test Year Fines and Penalties	S	(71)	\$	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	S	

ne		- · · ·			_
<u>.</u>	С	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)	Water		Sewer
	C	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	312 N	IA.
		Allocation of new corp. PCs and Network & Telephony enhancements	•	90	NA
		Allocation of new corp. I estate Network & Telephony cimalicentisits		-	1424
					NA
		•			
					NA
		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(39)	
		•		<b>()</b>	NA
		TOTAL	S	363	NA
]	D	AMORTIZATION			
		Correct Test Year Amortization of CIAC		•	NA
		Remove U&U Adjustment to Test Year Amortization of CIAC		16 _	NA
		TOTAL	<u></u>	16	NA
	_				
1	E	TAXES OTHER THAN INCOME TAX	•	••	N
		Payroll tax adjustment On Salary & Wage adjustments explained above	\$	20	NA
		Property taxes associated with 2007 plant additions, allocations, adjustments		158)	NA
)		Property taxes associated with Pro Forma plant	•	288	DI.A
		Property Tax adjustment for Non-Used & Useful plant		<u>(7)</u> 144	NA NA
2		TOTAL	<u>s</u>		INA
	_	NICOVE TAYES			
] 	F	INCOME TAXES Income tax impact of the adjustments to per book income	•	523	NA
5		TOTAL		523 —	NA
7		IOIAL	_•		INA
8		TOTAL EXPENSE ADJUSTMENTS	\$ (1,3	225)	NA
9		TO ITE BIT GROW RESIDENTE			سمنسند
)					
1	UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS	<del></del>		
2					
	A	NET OPERATING REVENUE	\$ 13,8		NA
! 5		Required Revenue Adjustment	<b>s</b> 13,8		INA
	В	OPERATION & MAINTENANCE EXPENSE			
	D		\$	41	NA
7 8		Bad Debt Adjustment Due To Proposed Rate Increase	<u> </u>	<u> </u>	
	E	TAXES OTHER THAN INCOME TAX			
, ,	_	RAF on Revenue Adjustment @	4.500% \$	621	NA
	F	INCOME TAX ADJUSTMENT			
	-	Rate Year Revenue at Present Rates	\$ 30,	783	NA
,		Plus Required Revenue Adjustment	13,1	809	NA
;		Rate Year Revenue at Proposed Rates	\$ 44,	591	NA
		·			
,		Less Operating Expenses Before Income Taxes	\$ (39,		NA
		Less Interest Expense		631)	NA
)		Taxable Income		234	NA
ı		Income Tax at Composite Rate of		248	NA
l		Less Income Tax at Present Rates	3,	823	NA
2					
3		Income Tax Adjustment for Requested Revenue Increase	\$ 5,0	071	NA
		·			

line No.	Acct	Description			2007 Water	_	2007 ewer
		LAR ADJUSTMENTS - 2007			VY du Ci		CHCI
2	A	REVENUES					
3	^	Billed less Booked Revenue		s	(308)		
4		Billed less Booked Revenue		•	(333)	S	(693
5		TOTAL REVENUE ADJUSTMENTS		\$	(308)	Š	(693
6		TOTAL REVEROL ADJUSTING			(300)	<u> </u>	(033
-	В	OPERATIONS & MAINTENANCE					
•	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	_	s	(40)
	601/701	Salaties & Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	_	•	238
,	001//01		Profitalize 4.074 Wage morease effective 4/1/07 (assumonat 1.074)				23.0
10	603/703	Salaries & Wages - Officers, Exec.			-		
11	604/704	Employee Pensions & Benefits			-		-
12	610/710	Purchased Water / Sewer Treatment			•		-
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			•		•
15	616/716	Fuel for Purchased Power			-		-
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			•		-
18	631/731	Contractual Services - Engineering					-
19	632/732	Contractual Services - Accounting	#N/A		716		427
20	633/733	Contractual Services - Legal	#N/A		141		84
21	634/734	Contractual Services - Mgmt. Fees			-		
22	634/734	_			-		-
23	634/734				•		-
24	635/735	Contractual Services - Testing			•		
25	636/736	Contractual Services - Other			•		-
26	641/741	Rental of Building/Real Prop.			-		-
	642/742	Rental of Equipment			•		-
28	650/750	Transportation Expenses			-		-
	656/756	Insurance - Vehicle			•		-
30	657/757	Insurance - General Liability			•	•	-
	658/758	Insurance - Workman's Comp.			-		-
	659/759	Insurance - Other					
33	660/760	Advertising Expense			-		
	666/766	Reg. Comm. Exp Rate Case Amort.			-		-
35	667/767	Reg. Comm. Exp Rate Case Other			-		•
	670/770	Bad Debt Expense			-		
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		-		12,669
	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to		-		(244
			Operating Expenses				
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		-		(157
40		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(322)		
41		• • • • • • • • • • • • • • • • • • • •					
42		TOTAL O&M ADJUSTMENTS		S	535	3	12,977

Line No.	Description			Pro Forma Water		o Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, con	tinued				
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	5,154	S	3,072
4	Allocation of Corp Structures & I	mprovements		88		53
5				•		-
6	PSC Depr Rate Correction, Depr 1	Expn		(2,582)		6,352
7	PSC Depr Rate Correction, Amon	CIAC		(591)		-
8	Reduction for NU&U	•		(4,375)		(1,890)
9	TOTAL DEPRECIATION ADJU	STMENTS	S	(2,307)	S	7,586
10						
11		•				
12 D	AMORTIZATION			•		
13			S	•	S	-
14	•					
15	TOTAL AMORTIZATION ADJ	STMENTS	S		\$	
16						
17						
18 E	TAXES OTHER THAN INCOM					
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	S	(14)	\$	(31)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		1,225		725
21	Property tax adjustment	Distributing from Water to Water & Sewer		(2,155)		2,155
22	Property tax adjustment	NU&U portion of Property Taxes		(1,636)		(207)
23	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	<u> </u>	(2,580)	<u>\$</u>	2,643
24						
25		·				
26 F	INCOME TAXES					
27	Income tax impact of the adjustme		<u>s</u>	(798)	<u>\$</u>	(10,490)
28	TOTAL INCOME TAX ADJUST	MENTS		(798)	<u>s</u>	(10,490)
29						
30	TOTAL EXPENSE ADJUSTMEN	ITS	\$	(5,150)	\$	12,716

No.	Acct	Description			Water		Sewer
1		RMA ADJUSTMENTS					
2	A	REVENUES					
2			Aqua America Commission	S	•	S	91
3		TOTAL REVENUE ADJUSTMENTS		\$	<u> </u>	\$	
4		TOTAL NEW CIVIL ADJOURNMENTS		<u> </u>	<u> </u>	-3-	91
3	В	OPERATIONS & MAINTENANCE	·				
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$		\$	721
5	601/701		Market Based Increases	\$		S	257
4	601/701			\$		\$	-
5	601/701			\$	-	\$	-
6	601/701		Reduction in Meter Readers	\$	•	\$	(224
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$	•	\$	(888)
8	601/701 601/701		Reduce President Salary	S	•	\$	(412
10	601/701			S	•	\$	-
11	603/703	Salaries & Wages - Officers, Exec.		Ş	•	S	-
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	s s	•	S	460
	604/704	Employed Considera & Dates is	Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	-	Š	(15
13	610/710	Purchased Water / Sewer Treatment		Š		s	(1.
	NA /711	Sludge Removal Expense		Š		Š	
	615/715	Purchased Power		Š	-	Š	
16	616/716	Fuel for Purchased Power		S	•	\$	
17	618/718	Chemicals		S	•	S	
	620/720	Materials & Supplies	Normalize Test Year Maintenance Expense	S	•	S	(172
	631/731	Contractual Services - Engineering		\$	•	S	•
	632/732	Contractual Services - Accounting		2	•	S	•
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	-	\$	(4
	633/733		•	\$	•	S	•
	634/734	Contractual Services - Mgmt. Fees		Ş	•	Ş	•
	634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ \$	•	S	(577
26	634/734			s	-	s	
27	634/734		Remove Excess Costs Charged from Affiliates	S	(23,463)	S	(13,985
28	635/735	Contractual Services - Testing		\$	-	\$	-
	636/736	Contractual Services - Other		\$	-	S	-
	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	•	S	(502
	636/736			S	•	S	•
	636/736 636/736		Paracra Brica Barind European per Staff Audit Finding No. 10	s s	•	S	- (04
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10 Disallow Shareholders Services Expenses per Staff Audit Finding No. 12	S	•	S	(96 (305
35	636/736		170.12	s		s	-
	636/736			Š	-	Š	-
	636/736			s	-	Š	-
	641/741	Rental of Building/Real Prop.		Š	•	S	
	642/742	Rental of Equipment		\$	-	\$	-
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	-	\$	608
11	656/756	Insurance - Vehicle		S	•	S	-
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	S	-	S	(118
	658/758	Insurance - Workman's Comp.		S	•	S	-
14	659/759	Insurance - Other		S	-	S	-
15	660/760	Advertising Expense	Persona Advertising Function	S	•	Ş	
10 17	660/760 660/760		Remove Advertising Expenses	s s	•	S	(10
	666/766	Reg. Comm. Exp Rate Case Amort.	Remove Lobbying Expenses	S	•	\$	(374
	667/767	Reg. Comm. Exp Rate Case Athort.		Š	•	Š	
	670/770	Bad Debt Expense		s	•	s	
	670/770	and a series and a		s	•	Š	
	670/770		Adjustment to Bad Debt	Š	(21,479)	Š	(3,495
	675/775	Miscellaneous Expense	•	s	•	Š	•
	675/775	•	Normalize Relocation Expenses	s		s	(13
	675/775		Remove Test Year Fines and Penalties	\$	•	\$	(4
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	-	\$	Ò
6	0/3///3						
	013/113						

	ORMA ADJUSTMENTS, continued			
:	Description			
С	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water	Sewer
C	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	_	NA
	Allocation of new corp. PCs and Network & Telephony enhancements	•	642	3
	This control of the total of th			•
			-	
			-	
				(1
	TOTAL	-	642	\$ 2
	IOIAL	<del></del>	042	<u> </u>
D	AMORTIZATION			
-	Correct Test Year Amortization of CIAC			
	Remove U&U Adjustment to Test Year Amortization of CIAC		-	
	TOTAL	\$	-	S
E	TAXES OTHER THAN INCOME TAX			
	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	154	\$
	Property taxes associated with 2007 plant additions, allocations, adjustments		2,279	(1
	Property taxes associated with Pro Forma plant		126	
	Property Tax adjustment for Non-Used & Useful plant	<del></del>	(579)	
	TOTAL	\$	1,980	
_	DICONCE TANKED			
F	INCOME TAXES Income tax impact of the adjustments to per book income	2	1,514	\$ 7,6
	TOTAL	3	1,514	\$ 7,6
	IOIAL		1,217	,,
	TOTAL EXPENSE ADJUSTMENTS	\$	(40,806)	\$ (11,4
	101112 214 2102 12200 11121110			
UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
A	NET OPERATING REVENUE		62.162	6 64 6
	Required Revenue Adjustment	<u>s</u>	53,163	\$ 54,6
В	OPERATION & MAINTENANCE EXPENSE			
D	Bad Debt Adjustment Due To Proposed Rate Increase	<u>s</u>	159	\$
	Day Deat Adjustment Due 10 Froposed Nate mid case		.57	-
E	TAXES OTHER THAN INCOME TAX			
-	RAF on Revenue Adjustment @	4.500% \$	2,392	\$ 2,4
	· · · · · · · · · · · · · · · · ·			
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	153,106	\$ 101,4
	Plus Required Revenue Adjustment		53,163	54,6
	Rate Year Revenue at Proposed Rates	\$	206,269	\$ 156,1
		_		
	Less Operating Expenses Before Income Taxes	S	(189,334)	\$ (148,9
	Less Interest Expense		(6,208)	(2,
	Taxable Income	30 5759/ 5	10,727	\$ 4,4 \$ 1.7
	Income Tax at Composite Rate of	38.575% \$	4,138 15,386	\$ 1,3 18,3
	Less Income Tax at Present Rates		13,380	10,.
	Income Tax Adjustment for Requested Revenue Increase	<u>s</u>	19,523	\$ 20,0
			17,343	40,0

Line No.	Acct	Description		•	2007 Water		2007 Sewer
1		EAR ADJUSTMENTS - 2007			Water	<u> </u>	icwei
2	A	REVENUES					
3	••	Billed less Booked Revenue		S'	(186)		
4		Billed less Booked Revenue		•	(100)	S	(136)
5		TOTAL REVENUE ADJUSTMENTS		\$	(186)	<u>*</u>	(136)
6		to the text block here of the block			(.00)	<u> </u>	(130)
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	s	425	s	(112)
9	601/701	Salaries in Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	63	•	12
,	001//01		1401manize 4.078 Wage increase effective 4/1/07 (additional 1.079)		03		12
10	603/703	Salaries & Wages - Officers, Exec.			•		
П	604/704	Employee Pensions & Benefits					
12	610/710	Purchased Water / Sewer Treatment	Normalize Beecher's Point Purchased Water		8,765		4,654
13	NA /711	Sludge Removal Expense					
14	615/715	Purchased Power			-		-
15	616/716	Fuel for Purchased Power					-
16	618/718	Chemicals					
17	620/720	Materials & Supplies			•		-
18	631/731	Contractual Services - Engineering			-		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		62		21
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		12		4
21	634/734	Contractual Services - Mgmt, Fees	-				-
22	634/734	_					
23	634/734				•		•
24	635/735	Contractual Services - Testing					-
25	636/736	Contractual Services - Other			•		
26	641/741	Rental of Building/Real Prop.					
27	642/742	Rental of Equipment					
28	650/750	Transportation Expenses					-
29	656/756	Insurance - Vehicle			•		
30	657/757	Insurance - General Liability					-
31	658/758	Insurance - Workman's Comp.			•		-
32	659/759	Insurance - Other					
33	660/760	Advertising Expense					
34	666/766	Reg. Comm. Exp Rate Case Amort.					
35	667/767	Reg. Comm. Exp Rate Case Other					
36	670/770	Bad Debt Expense			-		
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(6,244)		(4,455)
	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to		(35)		(12)
			Operating Expenses		` '		` '
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(23)		(8)
40		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(7,535)		
41 42		TOTAL ORM ADDICTMENTS		<del>-</del>	(4 500)		104
42 43		TOTAL O&M ADJUSTMENTS		<u> </u>	(4,509)	<u>s</u>	104

Line No.	Description			o Forma Water		o Forma Sewer
	YEAR ADJUSTMENTS - 2007, con				_	
2 C		RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		S	444	S	154
4	Allocation of Corp Structures & I	mprovements		8		3
5				-		
6	PSC Depr Rate Correction, Depr	Expn		74		97
7	PSC Depr Rate Correction, Amor	CIAC		(44)		1,548
8	Reduction for NU&U			(2,537)		(9,369)
9	TOTAL DEPRECIATION ADJU	STMENTS	<u>s</u>	(2,056)	S	(7,567)
10		•				
11						
12 D	AMORTIZATION					
13	To record annual amortization of	regulatory assets per order PSC-05-1242-PAA-WS	S	530	S	222
14	-					-
15	TOTAL AMORTIZATION ADJU	JSTMENTS	\$	530	\$	222
16						
i7						
18 E	TAXES OTHER THAN INCOM	ETAX				
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	S	(8)	\$	(6)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		138		28
21	Property tax adjustment	Distributing from Water to Water & Sewer		(6,378)		6,378
22	Property tax adjustment	NU&U portion of Property Taxes		(1,789)		(1,884)
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	\$	(8,038)	S	4,516
24						
25						
26 F	INCOME TAXES					
27	Income tax impact of the adjustme		\$	5,052	_\$	(9)
28	TOTAL INCOME TAX ADJUST	MENTS	\$	5,052	5	(9)
29						
30	TOTAL EXPENSE ADJUSTMEN	VTS	S	(9,021)	\$	(2,734)

٧o.	Acct	Description			Water		Sewer
ī		RMA ADJUSTMENTS			vv alex	<del>,</del>	3ewei
2	A	REVENUES					
3			Aqua America Commission	S	13	s	
2				S	•	s	
3		TOTAL REVENUE ADJUSTMENTS		\$	13	s	5
4							
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	S	190	S	3:
5	601/701		Market Based Increases	S	201	S	:
4	601/701			s	-	S	
5	601/701		Reduction in Meter Readers	Ş	(21)	s	- 0
7	601/701 601/701		Remove Carl Smith Salary - Acquisition Related Reduce President Salary	\$ \$	(128)	S	(4-
8	601/701		Reduce President Salary	\$	(59)	S	(2
9	601/701			Š	•	S	•
10	601/701			Š	_	Š	_
11	603/703	Salaries & Wages - Officers, Exec.		Š		s	
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	Š	197	Š	123
-	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(2)	Š	(
13	610/710	Purchased Water / Sewer Treatment	Parameter and an arrangement of the same and the same arrangement of the same	Š	- '-'	s	.`
	NA /711	Sludge Removal Expense		Š		ş	
	615/715	Purchased Power		S	•	s	-
16	616/716	Fuel for Purchased Power		s		Š	
17	618/718	Chemicals		S	-	\$	-
18	620/720	Materials & Supplies		S	•	S	
9	631/731	Contractual Services - Engineering		S	•	S	
20	632/732	Contractual Services - Accounting		\$	-	\$	
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(1)	\$	(
22	633/733		• •	S	•	\$	•
23	634/734	Contractual Services - Mgmt, Fees		S	•	\$	-
24	634/734			\$	-	\$	•
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customer	s \$	(83)	\$	(29
26	634/734			s	•	\$	-
27	634/734		Remove Excess Costs Charged from Affiliates	S	(2,020)	S	(699
	635/735	Contractual Services - Testing		\$	•	\$	•
	636/736	Contractual Services - Other		S	•	\$	-
	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(72)	3	(2:
	636/736		TI 1 . 0/0 0	S	•	S	-
	636/736		Eliminate O/S Contractor meter reading	S	(6)	S	٠.
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(14)	\$	(:
4	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(44)	S	(1:
	636/736			\$	-	\$	-
	636/736			\$	•	\$	-
	636/736			S	•	\$	-
	641/741	Rental of Building/Real Prop.		S	•	S	-
	642/742	Rental of Equipment	A 4: C 82 26/ml	S		S	-
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	S	88	S	30
	656/756	Insurance - Vehicle	Parana Francisco Rick Insuran - Francisco	S		S	•
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	S	(17)	S	(6
	658/758 659/759	Insurance - Workman's Comp. Insurance - Other		s s	•	S	•
	660/760	Advertising Expense		S	•	2	•
	660/760	Timestraing Exhouse	Remove Advertising Expenses	Š	<i>.</i>	s	- (
	660/760		Remove Lobbying Expenses	s	(1) (54)	\$	(1 <sup>1</sup>
	666/766	Reg. Comm. Exp Rate Case Amort.		š	(54)	Š	٠,
	667/767	Reg. Comm. Exp Rate Case Other		Š	-	Š	
	670/770	Bad Debt Expense		s		Š	
	670/770	· F		s	-	Š	
	670/770		Adjustment to Bad Debt	Š	(72)	s	(11)
	675/775	Miscellaneous Expense	•	s	/	s	
	675/775	• • •	Normalize Relocation Expenses	s	(19)	s	(
	675/775		Remove Test Year Fines and Penalties	S	5	s	Ò
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	S	ì
					``'		•
7 B							

PRO:	FORMA ADJUSTMENTS, continued			
3	Description	u	ater	Sewer
C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		1101	
•	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	42	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		55	
	, , ,		•	
			-	
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(24)	
	TOTAL	<u></u>	73	<u>s</u>
D	AMORTIZATION			
	Correct Test Year Amortization of CIAC		-	(9
	Remove U&U Adjustment to Test Year Amortization of CIAC		-	
	TOTAL	\$		<b>s</b> (9
			·	
E	TAXES OTHER THAN INCOME TAX			
	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	30	S
	Property taxes associated with 2007 plant additions, allocations, adjustments		(79)	(2
	Property taxes associated with Pro Forma plant		139	
	Property Tax adjustment for Non-Used & Useful plant		(38)	
	TOTAL	\$	52	<u>s</u> (1
F	INCOME TAXES			
	Income tax impact of the adjustments to per book income	\$	636	<u>s</u> 7
	TOTAL	<u>s</u>	636	<u>s</u> 7
	·	<del></del>		
	TOTAL EXPENSE ADJUSTMENTS	<u> </u>	(1,173)	\$ (1,1
UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS	<del></del>		
Α	NET OPERATING REVENUE			
••	Required Revenue Adjustment	-\$	28,036	\$ 51,9
В	OPERATION & MAINTENANCE EXPENSE			
_	Bad Debt Adjustment Due To Proposed Rate Increase	\$	84	\$ 1
	•			
Ė	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4,500% \$	1,262	\$ 2,3
	·			
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	25,969	\$ 17,0
	Plus Required Revenue Adjustment		28,036	51,9
	Rate Year Revenue at Proposed Rates	\$ .	54,005	\$ 69,0
	Less Operating Expenses Before Income Taxes	S	(51,140)	\$ (61,3
	Less Interest Expense		(965)	(2,6
	Taxable Income	S	1,900	\$ 5,1
	Income Tax at Composite Rate of	38.575% \$	733	\$ 1,5
	Less Income Tax at Present Rates		9,563	17,1
	Income Tax Adjustment for Requested Revenue Increase	S	10,296	\$ 19,0

Line No.	Acct	Description			2007 Water		2007 Sewer
1	TEST Y	EAR ADJUSTMENTS - 2007					
2	A	REVENUES					
3		Billed less Booked Revenue		S	442		
4		Billed less Booked Revenue	Adjustment for 122 customers not billed			S	85,842
5		TOTAL REVENUE ADJUSTMENTS	•	\$	442	s	85,842
6							
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	(1,844)	S	(2,310
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		930		425
10	603/703	Salaries & Wages - Officers, Exec.			-		-
11	604/704	Employee Pensions & Benefits	•		•		-
12	610/710	Purchased Water / Sewer Treatment			•		-
13	NA/711	Sludge Removal Expense	•				-
14	615/715	Purchased Power			•		-
15	616/716	Fuel for Purchased Power			-		-
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			•		-
18	631/731	Contractual Services - Engineering			•		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		1,683		719
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		332		142
21	634/734	Contractual Services - Mgmt. Fees			-		-
22	634/734				-		-
23	634/734				•		-
24	635/735	Contractual Services - Testing			•		•
25	636/736	Contractual Services - Other			-		
26	641/741	Rental of Building/Real Prop.			-		•
27	642/742	Rental of Equipment			-		-
28	650/750	Transportation Expenses			•		-
29	656/756	Insurance - Vehicle			•		-
30	657/757	Insurance - General Liability			•		•
	658/758	Insurance - Workman's Comp.	•		•		•
	659/759 660/760	Insurance - Other			•		•
33		Advertising Expense			•		-
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		•
35	667/767	Reg. Comm. Exp Rate Case Other			•		-
	670/770 675/775	Bad Debt Expense	No		44.250		20.415
37		Miscellaneous Expense	Normalize 2007 Intercompany allocations  Normalize 2007 Intracompany misallocation of a/c 426 to		44,259		
38	675/775		Operating Expenses		(961)		(410
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(618)		(264)
40 41		Excess water loss adjustment for Purchase	d Water, Power, and Chemicals		(559)		
41 42		TOTAL O&M ADJUSTMENTS		\$	43,223	<u>s</u>	18,717
43		TOTAL ORBITALISTINEITIS		<del></del>	73,223		10,717

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

Line No.	Description			Pro Forma Water		o Forma Sewer
	YEAR ADJUSTMENTS - 2007, continu	ıed				
2 C		IZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT	•	S	12,116	\$	5,171
4	Allocation of Corp Structures & Impe	rovements		208		89
5	,			•		-
6	PSC Depr Rate Correction, Depr Exp	n		1,610		207
7	PSC Depr Rate Correction, Amort CI			5,623		105,818
8	Reduction for NU&U			(4,356)		(208,062
9	TOTAL DEPRECIATION ADJUST	MENTS	\$	15,201	_\$	(96,778
10						
11						
12 D	AMORTIZATION					
13	To record annual amortization of reg	ulatory assets per order PSC-05-1242-PAA-WS	\$	3,950	\$	751
14	•			<u> </u>		
15	TOTAL AMORTIZATION ADJUST	MENTS	<u>\$</u>	3,950	<u>s</u>	751
16						
17						
18 E	TAXES OTHER THAN INCOME T		_		_	2 2/2
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	20	S	3,863
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		2,386		926
21	Property tax adjustment	Distributing from Water to Water & Sewer		(30,726)		30,726
22	Property tax adjustment	NU&U portion of Property Taxes		(1,589)		(14,862 20,653
23	TOTAL TAXES OTHER THAN IN	COME ADJUSTMENTS	_\$	(29,910)	\$	20,653
24						
25						
26 F	INCOME TAXES			(20.100)		26 521
27	Income tax impact of the adjustments			(39,199)	-\$	36,531 36,531
28	TOTAL INCOME TAX ADJUSTM	ENTS	\$	(39,199)	<u> </u>	30,331
29		_		(( 725)		(20,126
30	TOTAL EXPENSE ADJUSTMENT	5		(6,735)	<u> </u>	(∠0,1∠0

Lin No		Description		Water		Sewer
ī	PRO FO	RMA ADJUSTMENTS			_	
2	A	REVENUES	Amor Amort of Ground and	. 3/0		154
2			Aqua America Commission	\$ 360 \$ -	S	154
3		TOTAL REVENUE ADJUSTMENTS		\$ 360	-\$	154
4						
3	В	OPERATIONS & MAINTENANCE				
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 2,817 \$ 2,327	S	1,288 959
5	601/701 601/701		Market Based Increases  Lake County Facility Operator II	\$ 2,327 \$ 55	\$	• •
5	601/701		Lake County I active Operator II	<b>s</b> -	Š	
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (3,499)	\$	(1,494
7	601/701		Reduction in Meter Readers	\$ (563)	\$	(240
8	601/701		Reduce President Salary	\$ (1,624)	S	(693
9	601/701			\$ - \$ -	S	•
10 11		Salaries & Wages - Officers, Exec.		\$ -	S	•
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 2,649	s	1,215
-	604/704	<b>,,,</b>	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (58)	S	(25
13	610/710	Purchased Water / Sewer Treatment		\$ -	\$	-
	NA /711	Sludge Removal Expense		s -	S	-
		Purchased Power		\$	S	
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (1,225)	S	(383)
17	618/718	Chemicals	Ammonia for Chloramination in Chuluota	\$ 22,680	s	
18		Materials & Supplies	Tallion and the control and th	\$ -	Š	
19		Contractual Services - Engineering		<b>S</b> -	S	
20	632/732	Contractual Services - Accounting		\$ ·	\$	-
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (23)	S	(10)
	633/733	0		\$ - \$ -	\$	-
	634/734 634/734	Contractual Services - Mgmt. Fees		- 2	S	•
	634/734		Service Co. allocation adjustment for dual Water/Sewer customer	-	s	(971)
26	634/734			<b>s</b> -	\$	-
27	-		Remove Excess Costs Charged from Affiliates	\$ (55,161)	S	(23,541)
	635/735	Contractual Services - Testing		s -	\$	-
	636/736 636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Sewer customers	\$ - \$ (1,978)	S	(845)
	636/736		ACO anocation adjustment to dual water/sewer customers	\$ (1,576) \$ -	Š	- (043)
	636/736			\$	s	
33			Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (377)	\$	(161)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (1,202)	\$	(513)
	636/736			s .	S	-
	636/736 636/736			\$ - \$ -	S	•
37 38	641/741	Rental of Building/Real Prop.		,	S	:
	642/742	Rental of Equipment		\$ .	s	-
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 2,395	\$	1,022
41		Insurance - Vehicle		<b>s</b> -	\$	-
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (464)	S	(198)
	658/758	Insurance - Workman's Comp.		\$ . \$ .	S	•
44 45	659/759 660/760	Insurance - Other Advertising Expense		\$ -	\$	
	660/760	Advertising Expense	Remove Advertising Expenses	\$ (39)	Š	(17)
47			Remove Lobbying Expenses	\$ (1,473)	s	(629)
48	666/766	Reg. Comm. Exp Rate Case Amort.		<b>s</b> -	\$	•
49		Reg. Comm. Exp Rate Case Other		<b>s</b> -	\$	•
	670/770	Bad Debt Expense	•	<b>S</b> -	Ş	•
	670/770 670/770		Adjustment to Rod Daht	\$ - \$ (9,495)	\$ \$	(1 040
	675/775	Miscellaneous Expense	Adjustment to Bad Debt	\$ (9,495) \$ -	S	(1,068
	675/775	Provincieus Pybrise	Normalize Relocation Expenses	\$ (532)	Š	(227
	675/775		Remove Test Year Fines and Penalties	\$ (45,498)	s	(741)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10-	\$ (1)	\$	(0)
57 58						
						(27,271)

	FORMA ADJUSTMENTS, continued		
e	Description	Water	Sewer
c	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)	77 atci	
•	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 2,180	) NA
	Allocation of new corp. PCs and Network & Telephony enhancements	1,510	
	Throughout the transfer of the	•	•
			33
			•
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(649	9)
		•	(2:
	TOTAL	\$ 3,04	\$ 69
	IOIAL		<u> </u>
D	AMORTIZATION		
D	Correct Test Year Amortization of CIAC	(10,658	3) (66,74
	Remove U&U Adjustment to Test Year Amortization of CIAC	(10,050	- (00,7
	TOTAL	\$ (10,658	\$ (66.7
	IVIAL	(10,000	-/ - 100,71
E	TAXES OTHER THAN INCOME TAX		
E	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 40	D <b>S</b> 1
	Property taxes associated with 2007 plant additions, allocations, adjustments	3,709	
	Property taxes associated with Pro Forma plant	2,21	
	· ·	(17:	
	Property Tax adjustment for Non-Used & Useful plant	\$ 6,15	
	TOTAL	3 0,13	25,1
_	BIGOV (F.T. 1700		
F	INCOME TAXES	\$ 35,683	3 <b>S</b> 24.4
	Income tax impact of the adjustments to per book income		
	TOTAL	\$ 35,683	<u>\$ 24,4</u>
	TOTAL EXPENSE ADJUSTMENTS	\$ (58,340	5) \$ (39,1
		•	
UTIL	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS	<del></del>	
A	NET OPERATING REVENUE	- (24 B2)	s (1,5
	Required Revenue Adjustment	\$ (25,828	3) <b>\$</b> (1,5
_	Anna Antoni a a Caramana Caramana da Caram		
В	OPERATION & MAINTENANCE EXPENSE		7) <b>S</b>
	Bad Debt Adjustment Due To Proposed Rate Increase	<u>s</u> (7*	<u>s</u>
E	TAXES OTHER THAN INCOME TAX		
E	· · · · · · · · · · · · · · · · · · ·	4.500% \$ (1,162	2) \$ (
	RAF on Revenue Adjustment @	4.300% (1,10	2
F	INCOME TAX ADJUSTMENT		
r		\$ 772.86	5 \$ 522,4
	Rate Year Revenue at Present Rates	(25,82)	
	Plus Required Revenue Adjustment	\$ 747,03°	
	Rate Year Revenue at Proposed Rates	3 141,03	, 3 320,9
	t o v n · no it · n	e /227.27	T) 6 (379.6
	Less Operating Expenses Before Income Taxes	\$ (537,37	
	Less Interest Expense	(71,45)	
	Taxable Income	\$ 138,20	
	Income Tax at Composite Rate of	38.575% \$ 53,313	
	Less Income Tax at Present Rates	(62,79)	8) (36,8
	Income Tax Adjustment for Requested Revenue Increase	\$ (9,48	5) <b>\$</b> (5

#### Aqua Utilities Florida, Inc. Expense Adjustments Cariton Village

ine No.	Acct	Description			2007 Water	200 Sew	
1		CAR ADJUSTMENTS - 2007					
2	A	REVENUES					
3	••	Billed less Booked Revenue		\$	(119)		
4		Billed less Booked Revenue				NA	
5		TOTAL REVENUE ADJUSTMENTS		s	(911)	NA	
6							
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	296	S	-
9	601/701	•	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		169		
0	603/703	Salaries & Wages - Officers, Exec.			•		
1	604/704	Employee Pensions & Benefits			•		
2	610/710	Purchased Water / Sewer Treatment			•		
3	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			•		
5	616/716	Fuel for Purchased Power			-		
6	618/718	Chemicals			•		
7	620/720	Materials & Supplies			•		
8	631/731	Contractual Services - Engineering					
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		291		
0.	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		57		
1	634/734	Contractual Services - Mgmt, Fees			•		
22	634/734				•		
23	634/734				-		
4	635/735	Contractual Services - Testing			-		
5	636/736	Contractual Services - Other			•		
6	641/741	Rental of Building/Real Prop.			•		
7	642/742	Rental of Equipment			-		
8	650/750	Transportation Expenses			•		
9	656/756	Insurance - Vehicle			•		
10	657/757	Insurance - General Liability			•		
1	658/758	Insurance - Workman's Comp.			•		
_	659/759	Insurance - Other			•		
13	660/760	Advertising Expense	•		•		
4	666/766	Reg. Comm. Exp Rate Case Amort.			•		
5	667/767	Reg. Comm. Exp Rate Case Other			-		
	670/770	Bad Debt Expense	Normaliza 2007 Intercompany allocations		1,189		
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations  Normalize 2007 Intracompany misallocation of a/c 426 to		(166)		
8	675/775		Operating Expenses		, ,		
19	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(107)		
10 11							
2		TOTAL O&M ADJUSTMENTS		s	1,730	NA	

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

Aqua Utilities Florida, Inc. Expense Adjustments Cariton Village

ine				o Forma	Pro Form Sewer
No.	Description			Water	Sewer
	YEAR ADJUSTMENTS - 2007, continued				
2 C	DEPRECIATION NET OF AMORTIZAT	ION OF CIAC (Used & Useful)	s	2.090	NA
3	Allocation of Corporate IT		•	2,090	NA.
4	Allocation of Corp Structures & Improver	ents		30	NA NA
5	PSC Audit Adjustments			151	NA NA
6	PSC Depr Rate Correction, Depr Expn				NA NA
7	PSC Depr Rate Correction, Amort CIAC			1,275	NA NA
8	Reduction for NU&U			(5,238)	NA NA
9	TOTAL DEPRECIATION ADJUSTMEN	rs	<u>s</u>	(1,686)	NA NA
10					
11					
2 D	AMORTIZATION		_	000	NA
3	To record annual amortization of regulator	y assets per order PSC-05-1242-PAA-WS	S	822	NA NA
4	-			822	NA NA
5	TOTAL AMORTIZATION ADJUSTMEN	TS .	\$	844_	NA.
16					
17					
18 E	TAXES OTHER THAN INCOME TAX		S	(193)	NA
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	•	454	NA.
90	Payroll tax adjustment	On Salary & Wage adjustments explained above		434	NA.
21	Property tax adjustment			(1,986)	NA.
22	Property tax adjustment	NU&U portion of Property Taxes	2	(1,724)	NA NA
:3	TOTAL TAXES OTHER THAN INCOM	E ADJUSTMENTS		(1,724)	1177
24					
15					
26 F	INCOME TAXES		•	(1.240)	NA
27	Income tax impact of the adjustments to pe		3	(1,340)	NA NA
8	TOTAL INCOME TAX ADJUSTMENTS		\$	(1,340)	INA
29			•	(2.100)	NA
10	TOTAL EXPENSE ADJUSTMENTS		3	(2,199)	147

#### Aqua Utilities Florida, Inc. Expense Adjustments Carlton Village

O.	Acct	Description			Water		Sewer
1 2	PRO FO	RMA ADJUSTMENTS					
	A	REVENUES		_		_	
3			Aqua America Commission	S	62	S	
2		TOTAL REVENUE ADJUSTMENTS		<u>s</u>	62	2	ĪA.
4		TOTAL REVENUE ADVOSTMENTS					<u> </u>
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	513	S	
5	601/701		Market Based Increases	\$	365	\$	
4	601/701		Lake County Facility Operator II	S	298	\$	
5	601/701			S	-	S	
6	601/701		Reduction in Meter Readers	\$	(97)	S	
7	601/701		Remove Carl Smith Salary - Acquisition Related	S	(604)	S	
8	601/701		Reduce President Salary	\$	(280)	2	
9	601/701			S	-	S	
10	601/701 603/703	Salarias & Wages Officers Even		s s	-	S	
11	604/704	Salaries & Wages - Officers, Exec. Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	S	476	s	
14	604/704	Limployee I chalons & Delicina	Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(10)	Š	
13	610/710	Purchased Water / Sewer Treatment	Time . T a rior a private parpaisson par press report a moning rio. To	Š	-	Š	
	NA /711	Sludge Removal Expense		Š	_	Š	
	615/715	Purchased Power		Š	•	Š	
	616/716	Fuel for Purchased Power		Š	-	s	
	618/718	Chemicals		S	-	S	
	620/720	Materials & Supplies		S	-	\$	
19	631/731	Contractual Services - Engineering		\$	•	\$	
20	632/732	Contractual Services - Accounting		S	•	S	
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(4)	\$	
	633/733			S	•	S	
	634/734	Contractual Services - Mgmt. Fees		S	•	S	
	634/734			S	(202)	S	
23	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	<b>.</b> .	(393)	\$	
26	634/734			\$	-	S	
27	634/734		Remove Excess Costs Charged from Affiliates	S	(9,517)	\$	
28	635/735	Contractual Services - Testing		S	•	S	
	636/736	Contractual Services - Other		, <b>\$</b>	·	\$	
	636/736		ACO allocation adjustment for dual Water/Sewer customers	S	(342)	\$	
	636/736			S	-	\$	
	636/736		n noncontrata de COA Partir de 100	S	-	S	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(65)	S	
94	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	S	(208)	\$	
16	636/736		110.12	S	_	s	
	636/736			Š	•	Š	
	636/736			Š	•	Š	
	641/741	Rental of Building/Real Prop.		s	•	S	
	642/742	Rental of Equipment		\$	•	S	
ю	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	S	414	\$	
	656/756	Insurance - Vehicle		\$	•	S	
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	S	(80)	\$	
		Insurance - Workman's Comp.		S	•	2	
		Insurance - Other		S	•	\$	
5	660/760	Advertising Expense	Damento Administra European	S	· /5\	2	
7	660/760 660/760		Remove Advertising Expenses Remove Lobbying Expenses	s s	(7) (254)	\$ \$	
8	666/766	Reg. Comm. Exp Rate Case Amort.	COROAG COODAUR Exhenses	S	(234)	S	
	667/767	Reg. Comm. Exp Rate Case Amort.		Š	-	Š	
	670/770	Bad Debt Expense		s	•	Š	
	670/770			Š	-	Š	
	670/770		Adjustment to Bad Debt	S	(2,358)	s	
	675/775	Miscellaneous Expense		S	•	S	
	675/775	-	Normalize Relocation Expenses	S	(92)	\$	
•	675/775		Remove Test Year Fines and Penalties	S	(179)	\$	
•	carmae		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	\$	
	675/775			-	\-,		
	6/3///3			-	(-)		

## Aqua Utilities Florida, Inc. Expense Adjustments Cariton Village

	PRO FORMA ADJUSTMENTS, continued		
ine	Description	Water	Sewer
io. 1 (	Description C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)	Water	
2	Meter Replacements 6 Month Net Depr (Addns less Retirements	s) <b>S</b> 37	2 NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	26	l NA
4			-
5	·		NA
6			•
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No.	. 19 (11	2) NA
9	TOTAL	<u>s</u> 52	I NA
0	TOTAL		
11			
2 [	D AMORTIZATION		
3	Correct Test Year Amortization of CIAC	(94	
4	Remove U&U Adjustment to Test Year Amortization of CIAC	99	
5	TOTAL	\$ 5	4 NA
6			
7 E		_	
8	Payroll tax adjustment On Salary & Wage adjustments explained ab		8 NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments	(18	
20	Property taxes associated with Pro Forma plant	. 39	
21	Property Tax adjustment for Non-Used & Useful plant	\$ 19	
22	TOTAL	3 19	y INA
:3 t	E DICOME TAYES		
!4 F !5	F INCOME TAXES Income tax impact of the adjustments to per book income	<b>s</b> 4,39	8 NA
:5 !6	TOTAL	\$ 4,39	
7	IVIAL		<u> </u>
. / . 8	TOTAL EXPENSE ADJUSTMENTS	\$ (7,25	3) NA
.9	101112 212 2132 112700111111110		
ю п т	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
2			
3 A	A NET OPERATING REVENUE		<del> </del>
4	Required Revenue Adjustment	\$ (47,70	3) NA
5			
	B OPERATION & MAINTENANCE EXPENSE	<b>S</b> (14	3) NA
7	Bad Debt Adjustment Due To Proposed Rate Increase	3 (14	- 110
9 E	E TAXES OTHER THAN INCOME TAX		
0	RAF on Revenue Adjustment @	4.500% \$ (2,14	7) NA
1	· ·		-
2 F	•		
3	Rate Year Revenue at Present Rates	\$ 119,22	
14	Plus Required Revenue Adjustment	(47,70	
5	Rate Year Revenue at Proposed Rates	\$ 71,52	0 NA
6			
7	Less Operating Expenses Before Income Taxes	\$ (60,83	
8	Less Interest Expense	(3,73	
9	Taxable Income	\$ 6,94	
60	Income Tax at Composite Rate of	38.575% \$ 2,67	
11	Less Income Tax at Present Rates	(20,19	8) NA
		\$ (17,51	8) NA
3 3	Income Tax Adjustment for Requested Revenue Increase		

ine Vo.	Acct	Description			2007 Water	2007 Sewe	
ï		EAR ADJUSTMENTS - 2007					÷
2	A	REVENUES					
3		Billed less Booked Revenue		s	(188)		
4		Billed less Booked Revenue		•	(,	NA	
5		TOTAL REVENUE ADJUSTMENTS		\$	(188)	NA	_
6							_
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	(331)	\$	
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		137		
0	603/703	Salaries & Wages - Officers, Exec.					
1	604/704	Employee Pensions & Benefits			-		
2	610/710	Purchased Water / Sewer Treatment			-		
3	NA /711	Sludge Removal Expense					
	615/715	Purchased Power			•		
5	616/716	Fuel for Purchased Power			•		
6	618/718	Chemicals			•		
7	620/720	Materials & Supplies			-		
8	631/731	Contractual Services - Engineering			•		
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		210		
0	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		41		
21	634/734	Contractual Services - Mgmt. Fees			• '		
	634/734				•		
	634/734				•		
24	635/735	Contractual Services - Testing			•		
25	636/736	Contractual Services - Other			•		
26	641/741	Rental of Building/Real Prop.			•		
27	642/742	Rental of Equipment			-		
8	650/750	Transportation Expenses			•		
29	656/756	Insurance - Vehicle			•		
10	657/757	Insurance - General Liability			•		
1	658/758	Insurance - Workman's Comp.			•		
2	659/759	Insurance - Other			-		
	660/760	Advertising Expense			•		
	666/766	Reg. Comm. Exp Rate Case Amort.			•		
-	667/767	Reg. Comm. Exp Rate Case Other			•		
	670/770	Bad Debt Expense			•		
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		4,104		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(120)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(77)		
10							
1							
2		TOTAL O&M ADJUSTMENTS		S	3,964	NA_	_

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine	December :		P	ro Forma Water	Pro Forma Sewer
No.	Description YEAR ADJUSTMENTS - 2007, conf			Water	Jewei
2 C		RTIZATION OF CIAC (Used & Useful)			
1	Allocation of Corporate IT	CILATION OF CIAC (Osed & Oscial)	s	1,510	NA
,	Allocation of Corp Structures & Ir	norovemente	•	26	NA
5	PSC Audit Adjustments	iproveniens			NA
, ,	PSC Depr Rate Correction, Depr B	· · · · · · · · · · · · · · · · · · ·		57	NA
7	PSC Depr Rate Correction, Amort			(76)	NA
8	Reduction for NU&U	CIAC		(5,477)	NA
9	TOTAL DEPRECIATION ADJUS	STMENTS	S	(3,960)	NA
10	TOTAL DEFRECIATION ADJO	JIMEN 10		(2,2 2 2)	
11					
12 D	AMORTIZATION				
12 D 13		egulatory assets per order PSC-05-1242-PAA-WS	S	980	NA
14	TO TECOTO MINUM MITORIZATION OF I	egulatory assets per order 1 3C-03-12-12-17-17-17-	•		NA
15	TOTAL AMORTIZATION ADJL	STMENTS	2	980	NA
16	TOTAL AMORTIZATION ADJU	SINLIVIS			
17					
17 18 E	TAXES OTHER THAN INCOME	TAY			
19	RAF adjustment	RAF on Adi'd Rev less RAF Per Books	S	(8)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	•	358	NA
20 21	Property tax adjustment	On Salary to Wago adjustments explained account		•	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(1,386)	NA
23	TOTAL TAXES OTHER THAN		2	(1,037)	NA
24 24	TOTAL TIMES OTTER TIMES				
25 25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	nts to per book income	s	(2,879)	NA
28	TOTAL INCOME TAX ADJUST		\$	(2,879)	NA
29					
30	TOTAL EXPENSE ADJUSTMEN	rts	S	(2,931)	NA

	Acct	Description		N	ater	Se	wer
Pi	RO FO	RMA ADJUSTMENTS			<del></del>		
A	•	REVENUES					
			Aqua America Commission	S	45	S	
		TOTAL RELIGIOUS ADDITIONS (EXTRE		\$	45	S NA	_
		TOTAL REVENUE ADJUSTMENTS		<u> </u>	43	INA	<u> </u>
В		OPERATIONS & MAINTENANCE					
	01/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	S	416	\$	
	01/701		Market Based Increases	\$	332	S	
60	01/701		Lake County Facility Operator II	S	321	S	
60	01/701			\$	•	\$	
	01/701		Reduction in Meter Readers	S	(70)	S	
	01/701		Remove Carl Smith Salary - Acquisition Related	S	(436)	S	
	01/701		Reduce President Salary	S S	(202)	S S	
	01/701 01/701			s		s	
	03/703	Salaries & Wages - Officers, Exec.		S	-	Š	
	04/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	s	311	Š	
	04/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	s	(7)	Š	
	10/710	Purchased Water / Sewer Treatment	• • • • • • • • • • • • • • • • • • • •	S	- '	\$	
	A /711	Sludge Removal Expense		S	-	\$	
	15/715	Purchased Power		\$	-	\$	
	16/716	Fuel for Purchased Power		\$	•	\$	
	18/718	Chemicals		S	•	S	
	20/720	Materials & Supplies		S	•	S	
	31/731	Contractual Services - Engineering		S	-	S	
	32/732	Contractual Services - Accounting	Parana Daire Baried Frances are Cooff Audit Finding No. 10	S S	(3)	S S	
	33/733 33/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(3)	S	
	13/733 14/734	Contractual Services - Mgmt. Fees		Š	-	Š	
	34/734	Contractual Services - Mighit: 1 ces		Š		Š	
	34/734		Service Co. allocation adjustment for dual Water/Sewer customers		(283)	S	
63	4/734			s	-	s	
	4/734		Remove Excess Costs Charged from Affiliates	\$	(6,876)	S	
63	5/735	Contractual Services - Testing	•	\$	-	S	
63	6/736	Contractual Services - Other		\$	•	\$	
63	6/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(246)	\$	
	6/736			S		S	
	6/736			S	- (47)	\$	
	6/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(47)	S	
63	6/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	S	(150)	S	
63	6/736			S	-	S	
	6/736			S	•	S	
	6/736	Postal of Politica /Politica		S S	-	\$	
	1/741	Rental of Building/Real Prop.		S	•	\$ \$	
	2/742 60/750	Rental of Equipment Transportation Expenses	Adjust fuel to \$3.36/gal	s	298	s	
	6/756	Insurance - Vehicle	rajon zder to 92.24 gar	\$	-	Š	
	7/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	Š	(58)	Š	
	8/758	Insurance - Workman's Comp.		\$		s	
	9/759	Insurance - Other		s	-	S	
	0/760	Advertising Expense		\$	-	S	
66	0/760	•	Remove Advertising Expenses	\$	(5)	\$	
	0/760		Remove Lobbying Expenses	S	(184)	\$	
	6/766	Reg. Comm. Exp Rate Case Amort.		S	-	S	
	7/767	Reg. Comm. Exp Rate Case Other		S	-	S	
	0/770	Bad Debt Expense		s s	•	s s	
	0/770		Adjustment to Rad Deht	\$	(8)	s	
	'0/770 '5/775	Miscellaneous Expense	Adjustment to Bad Debt	Š	. (0)	Š	
	5/775	intraceitations Expertse	Normalize Relocation Expenses	s	(66)	Š	
	5/775		Remove Test Year Fines and Penalties	s	(73)	s	
	5/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(0)	s	
			•		• •		

	FORMA ADJUSTMENTS, continued			
c	Description	,	Water	Sewer
C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
•	Meter Replacements 6 Month Net Depr (Addns less Retirements)	S	572	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		188	NA
	Throughout of the state of the		-	
				NA
			-	
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(81)	
	Remote Deposition Depositor (Modern 1941)		, ,	NA
	TOTAL	\$	679	NA
	IOIAL	<u></u>		
_	A MODELLA ATTOM			
D	AMORTIZATION  Correct Test Year Amortization of CIAC			NA
	•			NA
	Remove U&U Adjustment to Test Year Amortization of CIAC	\$		NA
	TOTAL			
	TAXES OTHER THAN INCOME TAX			
E		s	58	NA
	Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments	•	(241)	NA
•			531	••
)	Property taxes associated with Pro Forma plant		(70)	NA
	Property Tax adjustment for Non-Used & Useful plant	\$	278	NA
	TOTAL			
_				
F	INCOME TAXES	•	2,080	NA
	Income tax impact of the adjustments to per book income		2,080	NA NA
i	TOTAL	3	2,080	NA.
'		\$	(3,998)	NA
1	TOTAL EXPENSE ADJUSTMENTS	3	(3,990)	NA.
)				
	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
:				
A	NET OPERATING REVENUE	S	36,998	NA
	Required Revenue Adjustment		30,570	- 1111
_	OPERATION & MAINTENANCE EVENICE			
В	OPERATION & MAINTENANCE EXPENSE		111	NA
	Bad Debt Adjustment Due To Proposed Rate Increase	<u> </u>		
	TAXES OTHER THAN INCOME TAX			
E		4,500% \$	1,665	NA
)	RAF on Revenue Adjustment @		1,555	
	INCOME TAX ADJUSTMENT			
F	Rate Year Revenue at Present Rates	s	41,941	NA
		•	36,998	NA
•	Plus Required Revenue Adjustment	\$	78,939	NA
	Rate Year Revenue at Proposed Rates			
•	Land Occasion Frances Refere Income Tours	S	(54,979)	NA
	Less Operating Expenses Before Income Taxes	•	(8,058)	NA
	Less Interest Expense	-	15,901	NA NA
)	Taxable Income	38.575% <b>\$</b>	6,134	NA NA
)	Income Tax at Composite Rate of	30,31370 3	7,453	NA
	Less Income Tax at Present Rates		1,433	INA
2		2	13,587	NA
l .	Income Tax Adjustment for Requested Revenue Increase	2	13,38/	NA.

Line No.	Acct	Description		2007 Water			2007 Sewer
1		AR ADJUSTMENTS - 2007					
2	A	REVENUES					
3		Billed less Booked Revenue		NA			
4		Billed less Booked Revenue				\$	1,434
5		TOTAL REVENUE ADJUSTMENTS		NA		\$	1,434
6							
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	-	S	(11,856)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		•		524
10	603/703	Salaries & Wages - Officers, Exec.			•		•
11	604/704	Employee Pensions & Benefits			•		-
12	610/710	Purchased Water / Sewer Treatment			•		•
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			•		-
15	616/716	Fuel for Purchased Power			•		-
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			•		-
18	631/731	Contractual Services - Engineering			•		•
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		-		17
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		•		15
21	634/734	Contractual Services - Mgmt. Fees			•		•
22	634/734				•		•
23	634/734				•		•
24	635/735	Contractual Services - Testing			•		•
25	636/736	Contractual Services - Other			•		-
26	641/741	Rental of Building/Real Prop.			•		•
27	642/742	Rental of Equipment			•		-
28	650/750	Transportation Expenses			•		•
29	656/756	Insurance - Vehicle			-		-
30	657/757	Insurance - General Liability			•		•
31	658/758	Insurance - Workman's Comp.			-		-
32	659/759	Insurance - Other			•		-
33	660/760	Advertising Expense			•		-
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		-
35	667/767	Reg. Comm. Exp Rate Case Other			•		-
36	670/770	Bad Debt Expense			•		(00.001
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		•		(38,931
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		-		(44
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		٠		(28
40							
41		TOTAL ORLINE CTLOTHER		NA		\$	(50,243
42 43		TOTAL O&M ADJUSTMENTS		1711		<u> </u>	V0-4-

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine		•	Pro Forma		o Forma
No.	Description		Water		Sewer
1 TEST 2 C	YEAR ADJUSTMENTS - 2007, com	unuea RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	KILEATION OF CIAC (Osed & Osedus)	NA	2	555
4	Allocation of Corp Structures & I	marayamanta	NA NA	•	10
-	PSC Audit Adjustments	mprovements	NA NA		10
6	PSC Depr Rate Correction, Depr	Fynn	NA NA		988
7	PSC Depr Rate Correction, Amor		NA.		50,007
é	Reduction for NU&U	iche	NA NA		(40,282)
9	TOTAL DEPRECIATION ADJU	STMENTS	NA NA	<u> </u>	11,277
10	10 I to Da te ce i i i con te ce i	O I MEDI VIO		- <del>-</del> -	11,21,
11					
12 D	AMORTIZATION				
13		regulatory assets per order PSC-05-1242-PAA-WS	NA	s	817
14	•		NA		
15	TOTAL AMORTIZATION ADJ	JSTMENTS	NA	<u> </u>	817
16			***************************************		
17					
18 E	TAXES OTHER THAN INCOM	ETAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	NA	\$	65
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	NA		(725)
21	Property tax adjustment	Distributing from Water to Water & Sewer	NA		-
22	Property tax adjustment	NU&U portion of Property Taxes	NA		(12,058)
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	NA	<u>s</u>	(12,718)
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	ints to per book income	NA		19,334
28	TOTAL INCOME TAX ADJUST	MENTS	NA		19,334
29					
30	TOTAL EXPENSE ADJUSTMEN	VTS	_ NA	S	(31,534)

No.	Acct	Description		Water			Sewer
ī		RMA ADJUSTMENTS					
2	A	REVENUES	A anna A annainn Communication	s	_	s	16
3 2			Aqua America Commission	5	-	s	- 10
3		TOTAL REVENUE ADJUSTMENTS		NA		5	16
4							
	В	OPERATIONS & MAINTENANCE		_			
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ \$	•	\$ \$	1,587 1,564
5 4	601/701 601/701		Market Based Increases	, s		Š	1,304
5	601/701		Reduction in Meter Readers	Š		Š	(26
	601/701		Remove Carl Smith Salary - Acquisition Related	\$	-	S	(160
7	601/701		Reduce President Salary	\$	•	\$	(74)
	601/701			\$	•	S	•
	601/701 601/701			\$ \$	•	S	-
	603/703	Salaries & Wages - Officers, Exec.		S	-	s	-
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	s	-	s	2,261
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	-	\$	(3)
13	610/710	Purchased Water / Sewer Treatment		\$	-	\$	•
	NA /711	Sludge Removal Expense		S	•	S	•
	615/715	Purchased Power		S	-	S	•
	616/716 618/718	Fuel for Purchased Power Chemicals		s s	-	. S	-
	620/720	Materials & Supplies	Reduction per Staff Audit Finding No. 16	Š		\$	(302)
	631/731	Contractual Services - Engineering	readelies for each read and an area	Š		Š	•
	632/732	Contractual Services - Accounting		S	-	\$	•
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	-	S	(1)
	633/733			S	-	S	•
	634/734	Contractual Services - Mgmt. Fees		S S	•	s s	•
	634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customers		-	\$	(104)
23	UJ-11 / J-1		Service Co. another adjustment for that which server the control of	•		•	(,
26	634/734			S		\$	-
27	634/734		Remove Excess Costs Charged from Affiliates	\$	•	\$	(2,525)
	635/735	Contractual Services - Testing		S	•	S	-
	636/736	Contractual Services - Other	ACC allocation adjustment for dual Water/Course quetomen	\$ \$	-	s s	(90)
	636/736 636/736		ACO allocation adjustment for dual Water/Sewer customers	s	•	Š	(50)
	636/736			Š		s	-
	636/736		Remove Abnormal Repair and Maintenance Expesnes Florida Commerca	\$	•	\$	(11,447)
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	•	S	(17)
	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No. 12	s	•	s	(55) (13,552)
	636/736 636/736		Adjustment to Deferred Maintenance	s		Š	(13,332)
	641/741	Rental of Building/Real Prop.		s	-	\$	
	642/742	Rental of Equipment		S		S	-
10	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	S	-	\$	109
	656/756	Insurance - Vehicle		S	-	S	
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	S		S	(21
	658/758	Insurance - Workman's Comp.		S S	-	\$	-
	659/759 660/760	Insurance - Other Advertising Expense		S	-	Š	-
	660/760		Remove Advertising Expenses	s	-	Š	(2
	660/760		Remove Lobbying Expenses	\$	-	\$	(67
	666/766	Reg. Comm. Exp Rate Case Amort.		S	-	S	-
	667/767	Reg. Comm. Exp Rate Case Other		S	-	S	-
	670/770	Bad Debt Expense		\$ \$	-	S	•
	670/770 670/770		Adjustment to Bad Debt	S	-	s	(1,602)
	675/775	Miscellaneous Expense	rejection to say soon	Š		Š	(1,002
	675/775		Normalize Relocation Expenses	S	-	s	(24
	675/775		Remove Test Year Fines and Penalties	\$	-	\$	(251
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	-	\$	(0
37							
8							

e				
	Description		Water	Sewer
С	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		•••	
	Meter Replacements 6 Month Net Depr (Addns less Retirements)		NA	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		NA NA	
			NA	
	TOTAL	-	NA	<u> </u>
		-		
D	AMORTIZATION			
	Correct Test Year Amortization of CIAC		NA	(29,
	Remove U&U Adjustment to Test Year Amortization of CIAC	_	NA	
-	TOTAL		NA	\$ (29,
		_		
E	TAXES OTHER THAN INCOME TAX			
	Payroll tax adjustment On Salary & Wage adjustments explained above		NA	S
	Property taxes associated with 2007 plant additions, allocations, adjustments		NA	(
	Property taxes associated with Pro Forma plant			-
	Property Tax adjustment for Non-Used & Useful plant	-	NA	
	TOTAL	-	NA	<u>s</u> (
F	INCOME TAXES			
	Income tax impact of the adjustments to per book income	_	NA	<u>\$ 20,</u>
	TOTAL	_	NA	\$ 20,
		_		
	TOTAL EXPENSE ADJUSTMENTS		NA	<b>\$</b> (33,
UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
A	NET OPERATING REVENUE	-		
	Required Revenue Adjustment	-	NA	\$ 89,
_				
В	OPERATION & MAINTENANCE EXPENSE	-	2/4	
	Bad Debt Adjustment Due To Proposed Rate Increase	-	NA	<u>s</u>
	TAVES OTHER THAN INCOME TAV			
E	TAXES OTHER THAN INCOME TAX	4.500%	NA	<b>S</b> 4.
	RAF on Revenue Adjustment @	4.300%	NA	
F	INCOME TAX ADJUSTMENT			
٠.	Rate Year Revenue at Present Rates		NA	\$ 152,
	Plus Required Revenue Adjustment		NA NA	89.
	Rate Year Revenue at Proposed Rates	-	NA NA	\$ 242,
	rate that statement troposed states	-		
	Less Operating Expenses Before Income Taxes		NA	\$ (235,
	Less Interest Expense		NA.	(2,
	Taxable Income	-	NA NA	S 4,
	Income Tax at Composite Rate of	38.575%	NA	<u> </u>
	Less Income Tax at Present Rates	50.5.57	NA	31,
	A STANDARD AND MAINGER EMBY		****	31,
	Income Tax Adjustment for Requested Revenue Increase	-	NA	\$ 32,
	and the same and an experience are a supplementally and a supplementally a supplementally and a supplementally a supplementally and a supplementally a supplementally and a supplementally a supplementally a supplementally and a supplementally a supplementall			

ine		<b>.</b>			2007	200 Sev	
lo.	Acct	Description			Water	sev	/CI
1		CAR ADJUSTMENTS - 2007					
2	A	REVENUES		s	(79)		
3		Billed less Booked Revenue		•	(13)	NA	
4		Billed less Booked Revenue		\$	(79)	NA.	
5		TOTAL REVENUE ADJUSTMENTS		<u> </u>	(72)	11/1	
6 7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	s	(22)	\$	
9	601/701	Salaries & Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	42	•	
0	603/703	Salaries & Wages - Officers, Exec.			•		
1	604/704	Employee Pensions & Benefits			•		
_	610/710	Purchased Water / Sewer Treatment			•		
3	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			•		
	616/716	Fuel for Purchased Power			•		
	618/718	Chemicals			•		
7	620/720	Materials & Supplies			•		
8	631/731	Contractual Services - Engineering			-		
•	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		37 7		
	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		,		
1	634/734	Contractual Services - Mgmt. Fees			•		
_	634/734				<u>.</u>		
3	634/734	0			•		
		Contractual Services - Testing			•		
5	636/736	Contractual Services - Other			•		
-		Rental of Building/Real Prop.			•		
7	642/742	Rental of Equipment					
	650/750	Transportation Expenses			•		
	656/756	Insurance - Vehicle			•		
	657/757	Insurance - General Liability					
1	658/758	Insurance - Workman's Comp.			-		
	659/759	Insurance - Other			-		
3	660/760 666/766	Advertising Expense Reg. Comm. Exp Rate Case Amort.					
	667/767	Reg. Comm. Exp Rate Case Amort. Reg. Comm. Exp Rate Case Other					
-	670/770	Bad Debt Expense			_		
7	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(10,004)		
	675/775	manufacture expense	Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(21)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(14)		
0							
1		TOTAL O&M ADJUSTMENTS		<u>s</u>	(9,974)	NA	_

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine Vo.	Description			o Forma Water	Pro Form Sewer
1 TEST	F YEAR ADJUSTMENTS - 2007, con	linued			
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		\$	265	NA
4	Allocation of Corp Structures & I	nprovements		5	NA
5	PSC Audit Adjustments				NA
6	PSC Depr Rate Correction, Depr 1	Expn		47	NA
7	PSC Depr Rate Correction, Amort	CIAC		536	NA
8	Reduction for NU&U			(413)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	439	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of	egulatory assets per order PSC-05-1242-PAA-WS	S	114	NA
14	•			-	NA
15	TOTAL AMORTIZATION ADJU	STMENTS	\$	114	NA
16					
17					
8 E	TAXES OTHER THAN INCOME	TAX			
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	S	(4)	NA
0	Payroll tax adjustment	On Salary & Wage adjustments explained above		56	NA
?]	Property tax adjustment			-	NA
2	Property tax adjustment	NU&U portion of Property Taxes		(45)	NA
.3	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	S	7	NA
!4					
:5					
6 F	INCOME TAXES				
:7	Income tax impact of the adjustme	nts to per book income	S	3,567	NA
8	TOTAL INCOME TAX ADJUST	MENTS	S	3,567	NA
9					
0	TOTAL EXPENSE ADJUSTMEN	ITS	\$	(5,847)	NA

o. A	ect Description		Water		Sev	<u>ver</u>
PRO	FORMA ADJUSTMENTS					_
A	REVENUES					
		Aqua America Commission	S	8	S	
			<u>s</u>		<u>\$</u>	
	TOTAL REVENUE ADJUSTMENTS		<u>s</u>	8	NA.	_
В	OPERATIONS & MAINTENANCE					
601/7		4.0% Wage increase effective 4/1/08	s	128	S	
601/7	·	Market Based Increases	s	137	s	
601/7		Lake County Facility Operator II	S	9	s	
601/7			S		\$	
601/7	01	Reduction in Meter Readers	S	(12)	\$	
601/7	01	Remove Carl Smith Salary - Acquisition Related	S	(77)	S	
601/7	01	Reduce President Salary	S	(36)	\$	
601/7			S	•	S	
601/7			S	-	S	
603/7	•	To an a first Comment of the comment	\$ \$	100	s s	
604/7		Increase in Benefit costs/head in 2008	\$	190	s	
604/7		Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(1)	Š	
NA/			Š		Š	
615/7	•		Š	-	Š	
616/7		Adjustment to Fuel for Power Production for Fueling Generators	s	(17)	Š	
		•				
618/7	18 Chemicals		S	-	\$	
620/7	20 Materials & Supplies		S	•	S	
631/7	31 Contractual Services - Engineering		\$	•	S	
632/7	32 Contractual Services - Accounting		S	-	S	
633/7		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(1)	S	
633/7			S	-	ş	
634/7	<del>-</del>		S	•	S	
634/7 634/7		Service Co. allocation adjustment for dual Water/Sewer customers	. S	(50)	s s	
				• •		
634/7		D	S	-	s	
634/7		Remove Excess Costs Charged from Affiliates	\$ \$	(1,204)	s s	
635/7			\$	•	Š	
636/7 636/7		ACO allocation adjustment for dual Water/Sewer customers	Š	(43)	Š	
636/7		ACO allocation adjustment for dual visual control obstonios	š	-	Š	
636/7		·	Š	-	Š	
636/7		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(8)	S	
636/7		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(26)	S	
636/7	36		2	-	\$	
636/7			S	•	S	
636/7			S	•	S	
641/7			S	•	S	
642/7 650/7	• •	A Jima Cool on 62 2 Clark	S	52	S	
		Adjust fuel to \$3.36/gal	\$ \$	34	S	
656/7		Persona Evenutive Disk Insurance Evenences	\$	(10)	s	
657/7 658/7		Remove Executive Risk Insurance Expenses	\$	•	Š	
659/7	•		Š	-	Š	
660/7			s	-	Š	
660/7		Remove Advertising Expenses	S	(1)	S	
660/7		Remove Lobbying Expenses	s	(32)	S	
666/7		• • •	S	•	5	
667/7			S	-	\$	
670/7	70 Bad Debt Expense		S	-	S	
670/7			S		S	
670/7		Adjustment to Bad Debt	S	(166)	S	
675/7		No. 1 . D. Loude Posses	S	(12)	S	
675/7		Normalize Relocation Expenses	S S	(12)	s s	
675/7		Remove Test Year Fines and Penalties	\$ \$	(21) (0)	2	
675/7	13	Remove Prior Period Expenses per Staff Audit Finding No. 10	•	(0)	•	
						_
				(1,201)		

	FORMA ADJUSTMENTS, continued			
ne	war and a second se			_
o. C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)	······································	Water	Sewe
:	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	120	NA
•	Allocation of new corp. PCs and Network & Telephony enhancements	•	33	NA NA
,	Anomion of new corp. I cause from one to receptions citizationicita		-	1475
;			•	NA
•			_	
,				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(14)	
			(/	NA
	TOTAL	\$	139	NA
)				
l			91	
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		(300)	NA
ŀ	Remove U&U Adjustment to Test Year Amortization of CIAC			NA
i	TOTAL	S	(300)	NA
j		<del></del>		
E	TAXES OTHER THAN INCOME TAX			
3	Payroll tax adjustment On Salary & Wage adjustments explained above	S	20	NA
)	Property taxes associated with 2007 plant additions, allocations, adjustments		(10)	NA
)	Property taxes associated with Pro Forma plant		110	
	Property Tax adjustment for Non-Used & Useful plant		(32)	NA
<b>!</b>	TOTAL	\$	88	NA
l				
F	INCOME TAXES			
	Income tax impact of the adjustments to per book income	<u>s</u>	434	NA
,	TOTAL	\$	434	NA
	TOTAL EXPENSE ADJUSTMENTS	\$	(839)	NA
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
Α	NET OPERATING REVENUE			
	Required Revenue Adjustment		1,358	NA
_				
В	OPERATION & MAINTENANCE EXPENSE	-		
	Bad Debt Adjustment Due To Proposed Rate Increase	3	4	NA_
E	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4.500% S	61	NA
	·			
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	12,276	NA
	Plus Required Revenue Adjustment		1,358	NA
	Rate Year Revenue at Proposed Rates	2	13,634	NA
	Less Operating Expenses Before Income Taxes	S	(12,949)	NA
	Less Interest Expense		(243)	NA.
	Taxable Income	\$	442	NA
	Income Tax at Composite Rate of	38.575% \$	170	NA
	Less Income Tax at Present Rates		328	NA
	Income Tax Adjustment for Requested Revenue Increase	S	499	NA

Line No.	Acct	Description			2007 Water		007 wer
1		EAR ADJUSTMENTS - 2007					.,,,,,
2	A	REVENUES					
3	••	Billed less Booked Revenue		S	(377)		
4		Billed less Booked Revenue		-	<b>\-/</b>	NA	
5		TOTAL REVENUE ADJUSTMENTS		\$	(377)	NA	
6		101/101/101/101/101/101/101/101/101/101					
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	(1,744)	S	
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		101		
10	603/703	Salaries & Wages - Officers, Exec.			•		
11	604/704	Employee Pensions & Benefits			=		
12	610/710	Purchased Water / Sewer Treatment			•		
13	NA/711	Sludge Removal Expense					
14	615/715	Purchased Power			•		
	616/716	Fuel for Purchased Power			-		
	618/718	Chemicals			-		
-	620/720	Materials & Supplies			•		
	631/731	Contractual Services - Engineering					
	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		148		
	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		29		
	634/734	Contractual Services - Mgmt. Fees			•		
	634/734				•		
	634/734				•		
	635/735	Contractual Services - Testing			•		
	636/736	Contractual Services - Other			•		
	641/741	Rental of Building/Real Prop.			-		
	642/742	Rental of Equipment			_		
	650/750 656/756	Transportation Expenses Insurance - Vehicle					
	657/757	Insurance - General Liability					
	658/758	Insurance - Workman's Comp.			_		
	659/759	Insurance - Other					
	660/760	Advertising Expense					
	666/766	Reg. Comm. Exp Rate Case Amort.					
	667/767	Reg. Comm. Exp Rate Case Other			-		
	670/770	Bad Debt Expense					
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		3,048		
	675/775	erronan-manan mikunaa	Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(85)		
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(54)		
40 41							
41 42		TOTAL O&M ADJUSTMENTS		<u>s</u>	1,443	NA.	Ξ-
43		101.12 00111 (12700111121110					_

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine Io.	Description			o Forma Water	Pro Forma
	YEAR ADJUSTMENTS - 2007, con	tinued	<del>,</del>	***************************************	- OCHCI
2 C		RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	in the first of the country	s	1.067	NA
4	Allocation of Corp Structures & In	mprovements	•	18	NA
5	PSC Audit Adjustments			•	NA
6	PSC Depr Rate Correction, Depr I	Expn		52	NA
7	PSC Depr Rate Correction, Amort			676	NA
, R	Reduction for NU&U			(2,514)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	S	(702)	NA
0					
1					
2 D	AMORTIZATION				
3	To record annual amortization of	egulatory assets per order PSC-05-1242-PAA-WS	S	699	NA
4	•			-	NA
5	TOTAL AMORTIZATION ADJU	ISTMENTS	S	699	NA
6					
7					
8 E	TAXES OTHER THAN INCOME	ETAX			
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	S	(17)	NA
0	Payroll tax adjustment	On Salary & Wage adjustments explained above		136	NA
1	Property tax adjustment			-	NA
2	Property tax adjustment	NU&U portion of Property Taxes		(565)	NA .
:3	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	S	(446)	NA
.4					
:5					
6 F	INCOME TAXES				
.7	Income tax impact of the adjustme	ents to per book income	_\$	(995)	NA
.8	TOTAL INCOME TAX ADJUST		S	(995)	NA
9					
0	TOTAL EXPENSE ADJUSTMEN	VTS	<u>s</u>	(1)	NA

ne o.	Acct	Description			Water	S	ewer
		RMA ADJUSTMENTS					
	A	REVENUES					
,			Agua America Commission	\$	32	S	-
				<u>s</u>	•	<u>s</u>	<del>-</del>
,		TOTAL REVENUE ADJUSTMENTS		S	32_	N	^
ļ							
3	В	OPERATIONS & MAINTENANCE		_	205		
ļ	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	S	305	S S	•
,	601/701		Market Based Increases	S	142	s	
ļ	601/701		Lake County Facility Operator II	s s	2,514	Š	
	601/701		m. t. d. de Marco Bondone	s	(50)	Š	
	601/701		Reduction in Meter Readers	s	(308)	Š	
	601/701		Remove Carl Smith Salary - Acquisition Related	Š	(143)	Š	
	601/701		Reduce President Salary	Š		s	
	601/701			Š		Š	
	601/701			s		Š	
	603/703	Salaries & Wages - Officers, Exec.	Increase in Benefit costs/head in 2008	Š	299	S	
Z	604/704	Employee Pensions & Benefits	Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(5)	S	
	604/704	Burchased Water / Sauce Treatment	Remove Frint Feriod Expenses per court rooms manig fro. 10	s	• '	\$	
	610/710	Purchased Water / Sewer Treatment		s		S	
	NA /711	Sludge Removal Expense Purchased Power		\$	-	S	
	615/715 616/716	Fuel for Purchased Power		S	•	S	
	618/718	Chemicals		S	•	\$	
	620/720	Materials & Supplies		S	•	\$	
	631/731	Contractual Services - Engineering		\$	•	S	
	632/732	Contractual Services - Accounting		S	•	S	
		Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(2)	S	
	633/733	Communication and a second		\$	•	\$	
	634/734	Contractual Services - Mgmt. Fees		\$	•	\$	
	634/734	<b>Co</b>		S	•	S	
	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$	(200)	S	
	634/734			\$		S	
	634/734		Remove Excess Costs Charged from Affiliates	\$	(4,856)	S	
	635/735	Contractual Services - Testing	Normalizing Testing Expenses	\$	(474)	S	
	636/736	Contractual Services - Other	•	S	•	S	
	636/736		ACO allocation adjustment for dual Water/Sewer customers	S	(174)	\$	
	636/736			\$	•	S	
	636/736		·	s	-	S	
33			Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(33)	S	
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	s	(106)	s	
15	636/736			S	-	S	
	636/736			S	•	s	
	636/736			S	•	S	
	641/741	Rental of Building/Real Prop.		S	•	s	
9	642/742	Rental of Equipment		S	•	S	
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	S	211	S	
1	656/756	Insurance - Vehicle		s	(41)	s	
2	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	s	(41)	s	
13	658/758	Insurance - Workman's Comp.		\$	•	Š	
14	659/759	Insurance - Other		s s	•	s	
15	660/760	Advertising Expense	a contract warmen		(3)	Š	
16	660/760		Remove Advertising Expenses	S	(130)	s	
17			Remove Lobbying Expenses	S	(130)	Š	
		Reg. Comm. Exp Rate Case Amort.		Š		Š	
19		Reg. Comm. Exp Rate Case Other		Š		Š	
		Bad Debt Expense		Š	-	s	
	.670/770		Adjustment to Bad Debt	Š	(654)	Š	
		Mine Hannau Francis	Adjustition to had been	Š	•	S	
-	675/775	Miscellaneous Expense	Normalize Relocation Expenses	Š	(47)	s	
			Remove Test Year Fines and Penalties	Š	(70)	\$	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(0)	\$	
56	675/775		remove time touch published her come treour a manifestor to		(-)		
57						_	
58					(3,823)		NA

	ORMA ADJUSTMENTS, continued			
ne	<b>*</b> ***		Water	C
C C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		water	Sewe
	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	507	NA
<u>.</u>	Allocation of new corp. PCs and Network & Telephony enhancements	•	133	NA.
	Allocation of new corp. PCs and Network & Telephony emialicements			11/1
· i			-	NA
				1176
			-	NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(57)	IVA
1	Remove Depreciation Expense Anocased from Adda America per Statt Addit i monig (10. 17		(37)	NA
,	TOTAL	\$	583	NA
)				
ĺ				
D	AMORTIZATION			
3 -	Correct Test Year Amortization of CIAC		(439)	NA
,	Remove U&U Adjustment to Test Year Amortization of CIAC		()	NA
• 5	TOTAL	\$	(439)	NA NA
, ,	101111	<del></del>	(.55)	
E	TAXES OTHER THAN INCOME TAX			
, E	Payroll tax adjustment On Salary & Wage adjustments explained above	s	35	NA
) )	Property taxes associated with 2007 plant additions, allocations, adjustments	•	(5)	NA NA
			443	IVA
)	Property taxes associated with Pro Forma plant			NA
	Property Tax adjustment for Non-Used & Useful plant		(207)	
2	TOTAL	<u>s</u>	266	NA
	D (GO) (D T. VIDO			
F	INCOME TAXES		1.000	27.4
5	Income tax impact of the adjustments to per book income	2	1,080	NA_NA
•	TOTAL	<u>_s</u>	1,080	NA_
'		<del>- <u>:</u></del> -		
}	TOTAL EXPENSE ADJUSTMENTS	\$	(2,333)	NA
) )				
UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
. A	NET OPERATING REVENUE			
•••	Required Revenue Adjustment	\$	(8,850)	NA
i	110421.00 110 110 110 110 110 110 110 110 110	<del></del>		
В	OPERATION & MAINTENANCE EXPENSE			
	Bad Debt Adjustment Due To Proposed Rate Increase	\$	(26)	NA
1	man man ranjaming and an aropound amin and and			
E	TAXES OTHER THAN INCOME TAX			
, E	RAF on Revenue Adjustment @	4.500% \$	(398)	NA
•	Est of resente trajustition (6)	1.500/0	(3/3)	
F	INCOME TAX ADJUSTMENT			
r	Rate Year Revenue at Present Rates	s	48,399	NA
:		•	(8,850)	NA.
	Plus Required Revenue Adjustment	<u>s</u>	39,550	NA NA
	Rate Year Revenue at Proposed Rates	<u> </u>	37,330	- 470
	Y A Commission Different commission	s	(24.252)	NA
	Less Operating Expenses Before Income Taxes	•	(34,252)	
	Less Interest Expense		(1,852)	NA_NA
1	Taxable Income	20 2220 2	3,445	NA NA
•	Income Tax at Composite Rate of	38.575% \$	1,329	NA
	Less Income Tax at Present Rates		(4,579)	NA
:				
	Income Tax Adjustment for Requested Revenue Increase	S	(3,250)	NA

ine Vo.	Acct	Description			2007 Water		07 wer
1		CAR ADJUSTMENTS - 2007			77 44 (-)		
2	A	REVENUES					
3		Billed less Booked Revenue	Credit adjmnt for Dec '06 was made in Jan '07.	s	6,542		
4		Billed less Booked Revenue		-		NA	
5		TOTAL REVENUE ADJUSTMENTS		S	6,542	NA	
6		TOTAL REVERSE PROGRAMMENTS					
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	142	S	
9	601/701	Datation at 11 agos aniproy too	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		147		
0	603/703	Salaries & Wages - Officers, Exec.					
l	604/704	Employee Pensions & Benefits			-		
2	610/710	Purchased Water / Sewer Treatment			•		
3	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			-		
	616/716	Fuel for Purchased Power			• .		
6	618/718	Chemicals			-		
7	620/720	Materials & Supplies			-		
8	631/731	Contractual Services - Engineering			•		
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		232		
0	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		46		
ı	634/734	Contractual Services - Mgmt. Fees			-		
2	634/734		•		•		
3	634/734				•		
4	635/735	Contractual Services - Testing			-		
5	636/736	Contractual Services - Other			-		
5	641/741	Rental of Building/Real Prop.			-		
7	642/742	Rental of Equipment			•		
-	650/750	Transportation Expenses			-		
-	656/756	Insurance - Vehicle			•		
	657/757	Insurance - General Liability			-		
-	658/758	Insurance - Workman's Comp.			•		
	659/759	Insurance - Other			-		
-	660/760	Advertising Expense			•		
	666/766	Reg. Comm. Exp Rate Case Amort.			-		
	667/767	Reg. Comm. Exp Rate Case Other			-		
	670/770	Bad Debt Expense	No		9,794		
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(133)		
5	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		• •		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(85)		
0							
l							
2		TOTAL O&M ADJUSTMENTS		\$	10,143	NA	<u>_</u>

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine Io.	Description		• • •	Forma Vater	Pro Forms Sewer
	YEAR ADJUSTMENTS - 2007, cont	nued		Water	Jewei
2 C		TIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		S	1,672	NA
•	Allocation of Corp Structures & Im	provements	•	29	NA
5	PSC Audit Adjustments	•		-	NA
,	PSC Depr Rate Correction, Depr E	xpn		61	NA
1	PSC Depr Rate Correction, Amort			(585)	NA
}	Reduction for NU&U			(2,451)	NA
)	TOTAL DEPRECIATION ADJUS	TMENTS	\$	(1,275)	NA
0					
í		•			
2 D	AMORTIZATION	•			
3	To record annual amortization of re	gulatory assets per order PSC-05-1242-PAA-WS	\$	-	NA
4	•			<u> </u>	NA_
5	TOTAL AMORTIZATION ADJU	STMENTS	\$		NA
6					
7					
8 E	TAXES OTHER THAN INCOME				
)	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	294	NA
)	Payroll tax adjustment	On Salary & Wage adjustments explained above		359	NA
	Property tax adjustment			-	NA
2	Property tax adjustment	NU&U portion of Property Taxes		(23)	NA NA
l	TOTAL TAXES OTHER THAN I	NCOME ADJUSTMENTS	<u> </u>	631	NA
; 	D.CO. (D.D.A.) (D.C.				
5 F 1	INCOME TAXES	An An mark and income		(2,000)	NA
, }	Income tax impact of the adjustmen	•	3	(3,009)	NA NA
	TOTAL INCOME TAX ADJUSTS	MENIO	<u> </u>	(3,003)	INA
) )	TOTAL EVENINE ADDICTAGE	TS	` •	6,490	NA
/	TOTAL EXPENSE ADJUSTMEN	10	3	0,470	17/7

0.	Acct	Description	. <u> </u>	Water		S	ewer
		RMA ADJUSTMENTS					
-	A	REVENUES		_			
			Aqua America Commission	S	50	s s	
		COMPANDATE A DISCUSSION OF SERVICE		2	50	N/	A
		TOTAL REVENUE ADJUSTMENTS	•	<u> </u>			
1	В	OPERATIONS & MAINTENANCE					
	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	445	S	
•	601/701		Market Based Increases	\$	408	Ş	
	601/701			S	- (645)	S S	
	601/701		Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	s	(483)	Š	
	601/701 601/701		Reduce President Salary	Š	(224)	Š	
	601/701		Rouges President Surary	\$	`. ′	\$	
	601/701	•		\$	•	\$ .	
	601/701			\$	-	\$	
•	603/703	Salaries & Wages - Officers, Exec.		\$		S	
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	s	636	\$ \$	
	604/704	n 1 1975 - 16	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(8)	s	
	610/710 NA /711	Purchased Water / Sewer Treatment		s		Š	
	NA /711 615/715	Sludge Removal Expense Purchased Power		š	-	Š	
	616/716	Fuel for Purchased Power		S	-	\$	
	618/718	Chemicals		S	•	\$	
1	620/720	Materials & Supplies		\$	•	\$	
	631/731	Contractual Services - Engineering		\$	-	S	
	632/732	Contractual Services - Accounting	m m m to the man and country and to Friedling No. 10	S S	(3)	Š	
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	- (3)	Š	
	633/733 634/734	Contractual Services - Mgmt. Fees		s	-	s	
	634/734	Contractual Services - Mgm. 1 ces		S	-	\$	
	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	s	(314)	S	
, (	634/734			s	· · ·	s	
	634/734		Remove Excess Costs Charged from Affiliates	\$ \$	(7,614)	S	
	635/735	Contractual Services - Testing		s		Š	
	636/736 636/736	Contractual Services - Other	ACQ allocation adjustment for dual Water/Sewer customers	Š	(273)	s	
	636/736		ACC BIOCHION BOJASTINATION TO THE THEORY	\$	`• ´	\$	
	636/736		Eliminate O/S Contractor meter reading	S	(2,094)	\$	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(52)	S	
. (	636/736		Disaflow Shareholders Services Expenses per Staff Audit Finding No.12	S	(166)	\$	
; (	636/736			S	-	S	
	636/736			s s	:	s s	
	636/736	Bondel of Building (Post Bond		\$ \$	. <del>.</del>	S	
	641/741 642/742	Rental of Building/Real Prop. Rental of Equipment		Š		Š	
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	s	330	\$	
	656/756	Insurance - Vehicle	- grant transfer	S	-	\$	
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	S	(64)	S	
	658/758	Insurance - Workman's Comp.		S	•	\$ \$	
	659/759	Insurance - Other		S	•	2	
	660/760	Advertising Expense	Remove Advertising Expenses	<b>S</b>	(5)	Š	
	660/760 660/760		Remove Lobbying Expenses	Š	(203)	Š	
	666/766	Reg. Comm. Exp Rate Case Amort.		S	•	\$	
	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	
	670/770	Bad Debt Expense		S	•	S	
	670/770		A #	S	(626)	S	
	670/770		Adjustment to Bad Debt	\$ \$	(535)	S	
	675/775	Miscellaneous Expense	Normalize Relocation Expenses	S	(73)	Š	
	675/775 675/775		Remove Test Year Fines and Penalties	Š	(67)	s	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	\$	
			, ,				
1							

	FORMA ADJUSTMENTS, continued			
16 )	Description	u	ater at	Sewe
). C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		ater	Sewe
	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	274	NA
	Allocation of new corp. PCs and Network & Telephony enhancements	•	208	NA
	Thiodaidh de fian adip. I Ca and Francis de Europhony dinianachana			••••
				NA
				1476
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(90)	••••
			(20)	NA
	TOTAL	\$	393	NA
)	IVIAL	<del></del>		147
ĺ				
D	AMORTIZATION			
	Correct Test Year Amortization of CIAC		(299)	NA
,	Remove U&U Adjustment to Test Year Amortization of CIAC		(277)	NA.
	TOTAL	\$	(299)	NA NA
;		<del></del>	(277)	11/1
E	TAXES OTHER THAN INCOME TAX			
	Payroll tax adjustment On Salary & Wage adjustments explained above	s	66	NA
,	Property taxes associated with 2007 plant additions, allocations, adjustments	•	(95)	NA
)	Property taxes associated with Pro Forma plant		315	
	Property Tax adjustment for Non-Used & Useful plant		(55)	NA
!	TOTAL	S	231	NA
•	101100	-	231	110
F	INCOME TAXES			
•	Income tax impact of the adjustments to per book income	2	4,040	NA
	TOTAL	<u></u>	4,040	NA NA
	IVIAL	-	4,040	110
	TOTAL EXPENSE ADJUSTMENTS	\$	(6,639)	NA
+			(0,00,0)	
	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
A	NET OPERATING REVENUE			
	Required Revenue Adjustment	S	44,039	NA
В	OPERATION & MAINTENANCE EXPENSE			
	Bad Debt Adjustment Due To Proposed Rate Increase	\$	132	NA
	•			
E	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4.500% S	1,982	NA
	· -			
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	24,742	NA
	Plus Required Revenue Adjustment		44,039	NA
	Rate Year Revenue at Proposed Rates	\$	68,781	NA
	·			
	Less Operating Expenses Before Income Taxes	\$	(53,837)	NA
	Less Interest Expense		(5,097)	NA
	Taxable Income	\$	9,846	NA
	Income Tax at Composite Rate of	38.575% S	3,798	NA
	Less Income Tax at Present Rates		12,375	NA
	Income Tax Adjustment for Requested Revenue Increase	S	16,173	NA
		***************************************		

ine		· Contraction			2007 Water	_	007 wer
io.	Acct	Description					
		AR ADJUSTMENTS - 2007					
_	A	REVENUES		S	(272)		
3		Billed less Booked Revenue				NA.	١
4		Billed less Booked Revenue TOTAL REVENUE ADJUSTMENTS	• •	s	(272)	N/	
5		TOTAL REVENUE ADJUSTMENTS					
, ,	В	OPERATIONS & MAINTENANCE					
, B	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	(2,377)	\$	•
,	601/701	Salaries de Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		91		
0	603/703	Salaries & Wages - Officers, Exec.			•		
i	604/704	Employee Pensions & Benefits			_		
2	610/710	Purchased Water / Sewer Treatment					
3	NA /711	Sludge Removal Expense			-		
	615/715	Purchased Power	•				
-	616/716	Fuel for Purchased Power			_		
6	618/718	Chemicals					
7	620/720	Materials & Supplies					
8	631/731	Contractual Services - Engineering	Normalize 2007 Audit Fees		131		
9	632/732	Contractual Services - Accounting	Normalize Legal fees on Used & Useful		26		
	633/733	Contractual Services - Legal	NOTHBRIZE Degai rees on Oscola Ostola		-		
1	634/734	Contractual Services - Mgmt. Fees			-		
2	634/734				-		
3	634/734	Contractual Services - Testing					
4	635/735 636/736	Contractual Services - Testing			•		
5	641/741	Rental of Building/Real Prop.			•		
7	642/742	Rental of Equipment			-		
	650/750	Transportation Expenses			-		
9	656/756	Insurance - Vehicle			•		
0	657/757	Insurance - General Liability			-		
ı	658/758	Insurance - Workman's Comp.			•		
12		Insurance - Other			•		
3	660/760	Advertising Expense			•		
14	666/766	Reg. Comm. Exp Rate Case Amort.			-		
35	667/767	Reg. Comm. Exp Rate Case Other			•		
36	670/770	Bad Debt Expense	£ .		(9,000)		
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations				
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(75)		
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(48)		
40 41							
42		TOTAL O&M ADJUSTMENTS		\$	(11,252)	N	IA_

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

GD	ına	T	:113	ICE
_	_		_	_

ine No.	Description		P	ro Forma Water	Pro Forma Sewer
	YEAR ADJUSTMENTS - 2007, con	tinued		Water	Jewa
2 C		RTIZATION OF CIAC (Used & Useful)			
1	Allocation of Corporate IT	Million of Chic (State a Charles)	s	939	NA
4	Allocation of Corp Structures & I	mprovements	•	16	NA
5	PSC Audit Adjustments				NA
6	PSC Depr Rate Correction, Depr	Exon		70	NA
7	PSC Depr Rate Correction, Amor			325	NA
8	Reduction for NU&U			(1,410)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	(60)	NA
0					
1					
2 D	AMORTIZATION				
3	To record annual amortization of	regulatory assets per order PSC-05-1242-PAA-WS	\$	614	NA
4	•			-	NA_
5	TOTAL AMORTIZATION ADJ	JSTMENTS	\$	614	NA
6					
7					
8 E	TAXES OTHER THAN INCOM	ETAX			
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(12)	NA
0	Payroll tax adjustment	On Salary & Wage adjustments explained above		55	NA
1	Property tax adjustment			-	NA
2	Property tax adjustment	NU&U portion of Property Taxes		(441)	NA
3	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	\$	(397)	NA
4					
5					
6 F	INCOME TAXES				
7	Income tax impact of the adjustment		<u> </u>	3,471	NA_
8	TOTAL INCOME TAX ADJUST	MENTS	<u>s</u>	3,471	NA
9			_		
0	TOTAL EXPENSE ADJUSTME	NTS	2	(7,625)	NA

łо.	Acct	Description		War	ter	S	ewer
1		RMA ADJUSTMENTS					
?	A	REVENUES					
3			Aqua America Commission	\$	28	\$	
2			•	S	-	S	
}		TOTAL REVENUE ADJUSTMENTS		S	28	N/	٨
ŀ							
	В	OPERATIONS & MAINTENANCE					
	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	S	277	S	
	601/701		Market Based Increases	\$	67	S	
	601/701		Lake County Facility Operator II	S S	2,576	S S	
	601/701 601/701		Reduction in Meter Readers	S	(44)	S	
	601/701		Remove Carl Smith Salary - Acquisition Related	Š	(271)	Š	
	601/701		Reduce President Salary	Š	(126)	Š	
	601/701	4 (4	100000110000000000000000000000000000000	Š		Š	
)	601/701			Š	-	S	
	603/703	Salaries & Wages - Officers, Exec.		S	-	\$	
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	S	266	S	
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(4)	\$	
	610/710	Purchased Water / Sewer Treatment		S	-	S	
	NA /711	Sludge Removal Expense		S	•	S	
	615/715	Purchased Power	A direct control for Decree Products for Paris Control	S		2	
	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	(17)	•	
,	618/718	Chemicals		S	_	s	
;	620/720	Materials & Supplies		s		Š	
,	631/731	Contractual Services - Engineering		Š	-	s	
		Contractual Services - Accounting		Š		Š	
		Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(2)	S	
				S	-	\$	
ı	634/734	Contractual Services - Mgmt. Fees		S	•	\$	
ţ	634/734		·	\$	-	\$	
5	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	s <b>S</b>	(176)	\$	
				_			
	634/734		Description Control Character ACCUITATE	S	(4.222)	S	
	634/734	Control Services Testine	Remove Excess Costs Charged from Affiliates	s s	(4,273)	<b>S</b>	
	635/735 636/736	Contractual Services - Testing Contractual Services - Other	Normalizing Testing Expenses	s	(832)	Š	
	636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Sewer customers	Š	(153)	Š	
	636/736		1100 allocation adjustment for data in account of the control of t	s	•	Š	
	636/736			S	-	S	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(29)	\$	
			Disallow Shareholders Services Expenses per Staff Audit Finding	S	(93)	\$	
			No.12	_		_	>
	636/736		Adjustment to Deferred Maintenance	S	(363)	S	
	636/736			S	•	S	
	636/736	nontagnottinament non		S	-	\$ \$	
		Rental of Building/Real Prop.		s s		Š	
	642/742 650/750	Rental of Equipment	Adjust fuel to \$3.36/gal	S	186	\$	
'	656/756	Transportation Expenses Insurance - Vehicle	Aujust tuel to \$3.30/gai	S	100	Š	
	657/757	Insurance - Venicle Insurance - General Liability	Remove Executive Risk Insurance Expenses	s	(36)	Š	
	658/758	Insurance - Workman's Comp.		Š		Š	
	659/759	Insurance - Other	•	S		\$	
;	660/760	Advertising Expense		\$	•	\$	
	660/760		Remove Advertising Expenses	\$	(3)	\$	
	660/760		Remove Lobbying Expenses	S	(114)	\$	
		Reg. Comm. Exp Rate Case Amort.		S	•	S	
	667/767	Reg. Comm. Exp Rate Case Other		S	•	S	
	670/770	Bad Debt Expense		s	•	S	
	670/770		Adjustment to Bod Dobt	S	(270)	S	
	670/770	Miraellanania Evner	Adjustment to Bad Debt	\$ \$	(378)	\$ \$	
	675/775	Miscellaneous Expense	Normalize Relocation Expenses	s	(41)	s	
	675/775 675/775		Remove Test Year Fines and Penalties	Š	(41)	Š	
	675/775	•	Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(0)	Š	
	0/////						
	בוווכום		• •				

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ne	FORMA ADJUSTMENTS, continued			
o.	Description	W	ater	Sewe
С	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
	Meter Replacements 6 Month Net Depr (Addns less Retirements)	S	455	NA
	Allocation of new corp. PCs and Network & Telephony enhancements	•	117	NA
ŀ			-	
i				NA
5			-	
,				NA
}	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(50)	
				NA
)	TOTAL	\$	522	NA
0				
1				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		(60)	NA
	Remove U&U Adjustment to Test Year Amortization of CIAC		·	NA
5	TOTAL	\$	(60)	NA
6				
, , E	TAXES OTHER THAN INCOME TAX			
3	Payroli tax adjustment On Salary & Wage adjustments explained above	S	27	NA
,	Property taxes associated with 2007 plant additions, allocations, adjustments		(3)	NA
Ó	Property taxes associated with Pro Forma plant		394	
ì	Property Tax adjustment for Non-Used & Useful plant		(151)	NA_
2	TOTAL	\$	267	NA
3				
, 4 F	INCOME TAXES			
, r	Income tax impact of the adjustments to per book income	\$	909	NA
) 5	TOTAL	\$	909	NA
7	IVION	<del></del>		
, 8	TOTAL EXPENSE ADJUSTMENTS	2	(1,994)	NA
8 9	TOTAL EXPENSE ADJUSTMENTS	-		
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
2				
3 A	NET OPERATING REVENUE	-	4,621	NA
4	Required Revenue Adjustment		7,021	- 1111
5				
6 B	OPERATION & MAINTENANCE EXPENSE	<u> </u>	14	NA NA
7 3	Bad Debt Adjustment Due To Proposed Rate Increase	-3	14	NA
8 9 E	TAXES OTHER THAN INCOME TAX			
0	RAF on Revenue Adjustment @	4.500% S	208	NA_
1	• • • •			
2 F	INCOME TAX ADJUSTMENT			
3	Rate Year Revenue at Present Rates	S	33,237	NA
4	Plus Required Revenue Adjustment		4,621	NA
	Rate Year Revenue at Proposed Rates	\$	37,858	NA
5		s	(30,889)	NA
5	Less Operating Expenses Before Income Taxes			
5 6 7	Less Operating Expenses Before Income Taxes	*	(2,401)	NA
5 6 7 8	Less Interest Expense	\$	(2,401) 4,568	NA NA
5 6 7 8	Less Interest Expense Taxable Income	\$ 38.575% <b>\$</b>		
5 6 7 8 9	Less Interest Expense Taxable Income Income Tax at Composite Rate of	\$	4,568 1,762	NA
5 6 7 8 9 0	Less Interest Expense Taxable Income	\$	4,568	NA NA
5 6 7 8 9	Less Interest Expense Taxable Income Income Tax at Composite Rate of	\$	4,568 1,762	NA NA

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 1 of 4 Revised

пе		Description			2007 Water	200 Sew	
0.	Acct	Description AR ADJUSTMENTS - 2007					_
2		REVENUES					
3	A	Billed less Booked Revenue		s	(216)		
ı		Billed less Booked Revenue		-	` '	NA	
		TOTAL REVENUE ADJUSTMENTS		s	(216)	NA	_
5		TOTAL REVENUE ADJUSTMENTS					_
•	В	OPERATIONS & MAINTENANCE					
	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	(118)	\$	
}	601/701	Salaries & Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		94		
0	603/703	Salaries & Wages - Officers, Exec.			•		
	604/704	Employee Pensions & Benefits			•		
2	610/710	Purchased Water / Sewer Treatment			•		
	NA /711	Sludge Removal Expense			_		
,	615/715	Purchased Power			•		
i	616/716	Fuel for Purchased Power			•		
5	618/718	Chemicals			•		
7	620/720	Materials & Supplies					
3	631/731	Contractual Services - Engineering			76		
•	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		15		
)	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		15		
	634/734	Contractual Services - Mgmt. Fees			-		
2	634/734						
3	634/734				•		
ŀ	635/735	Contractual Services - Testing					
5	636/736	Contractual Services - Other					
,	641/741	Rental of Building/Real Prop.					
	642/742	Rental of Equipment					
3	650/750	Transportation Expenses					
•	656/756	Insurance - Vehicle					
	657/757	Insurance - General Liability			-		
	658/758	Insurance - Workman's Comp.					
-	659/759	Insurance - Other					
,	660/760	Advertising Expense					
١	666/766	Reg. Comm. Exp Rate Case Amort.					
	667/767	Reg. Comm. Exp Rate Case Other					
-	670/770	Bad Debt Expense	Normalize 2007 Intercompany allocations		(12,742)		
		Miscellaneous Expense	Normalize 2007 Intercompany anocations  Normalize 2007 Intracompany misallocation of a/c 426 to		(43)		
3	675/775		Operating Expenses		()		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(28)		
0		Excess water loss adjustment for Purchas	ed Water, Power, and Chemicals		(307)		
1				_	(13,052)	- NA	_
2	,	TOTAL O&M ADJUSTMENTS		<u>s</u>	(13,032)	INA	<u>`</u>

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine	<b></b>			Forma Vater	Pro Forma
lo.	Description YEAR ADJUSTMENTS - 2007, con		<u> </u>	v atei	36WEI
		RTIZATION OF CIAC (Used & Useful)			
2 C	Allocation of Corporate IT	KILEATION OF CIAC (Osed & Oseda)	2	546	NA
3			•	9	NA
4	Allocation of Corp Structures & In	nprovements			NA
)	PSC Audit Adjustments	•		12	NA.
-	PSC Depr Rate Correction, Depr I			38	NA.
7	PSC Depr Rate Correction, Amort	CIAC		(217)	NA.
8	Reduction for NU&U	OCT 170 TO 0		388	NA NA
9	TOTAL DEPRECIATION ADJU	SIMENIS	-	300	
10					
11					
2 D	AMORTIZATION			240	NA
3	To record annual amortization of a	egulatory assets per order PSC-05-1242-PAA-WS	\$	348	
14	•			<u>-</u>	NA NA
15	TOTAL AMORTIZATION ADJ	ISTMENTS	<u>\$</u>	348_	NA.
16					
17					
18 E	TAXES OTHER THAN INCOME		_	410)	37.4
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(10)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		132	NA
<b>!</b> [	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(83)	NA_
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	<u>s</u>	40	NA
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	ints to per book income	S	3,981	NA_
28	TOTAL INCOME TAX ADJUST	MENTS	S	3,981	NA
9					
0	TOTAL EXPENSE ADJUSTMEN	VTS	S	(8,296)	NA

2	Acct	Description			Vater		wer
!	PRO FO	RMA ADJUSTMENTS					
	A	REVENUES			_	_	
,			Aqua America Commission	s	16	S	
2				\$	16	S	
		TOTAL REVENUE ADJUSTMENTS		<u>_2</u>	10	N/	<u>.                                    </u>
,	В	OPERATIONS & MAINTENANCE					
•	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	S	286	\$	
5	601/701	Calaries of Wages - Employees	Market Based Increases	S	295	\$	
4	601/701			\$	٠,	\$	
5	601/701		Reduction in Meter Readers	\$	(25)	\$	
6	601/701		Remove Carl Smith Salary - Acquisition Related	S	(158)	\$	
7	601/701		Reduce President Salary	S	(73)	S	
8	601/701			S	•	S	
9	601/701			S	•	2	
0	601/701	_ :		s s	•	\$ \$	
1	603/703	Salaries & Wages - Officers, Exec.	T	S	322	S	
2		Employee Pensions & Benefits	Increase in Benefit costs/head in 2008  Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(3)	S	
•	604/704	Burnhaund Water / Sauce Treatment	Remove that remain expenses per statt Audit Finding 140. 10	\$	-	Š	
	610/710 NA /711	Purchased Water / Sewer Treatment		s		Š	
14	615/715	Sludge Removal Expense Purchased Power		Š		Š	
	616/716	Fuel for Purchased Power		Š	-	s	
	618/718	Chemicals		s	_	S	
8		Materials & Supplies		s	•	S	
19		Contractual Services - Engineering		\$	-	S	
20	632/732	Contractual Services - Accounting		\$	-	\$	
21		Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(1)	S	
	633/733	-		\$	•	S	
:3	634/734	Contractual Services - Mgmt. Fees		S	-	S	
4	634/734			S	(100)	S	
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	S	(103)	S	
6	634/734			S	-	\$	
27	634/734		Remove Excess Costs Charged from Affiliates	\$	(2,486)	\$	
	635/735	Contractual Services - Testing		S	-	S	
9		Contractual Services - Other		\$	•	\$	
0	636/736		ACO allocation adjustment for dual Water/Sewer customers	S	(89)	S	
1	636/736			S	-	S	
12			m mar mar mar mar mar from the state to	\$	(17)	s s	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(17) (54)	5 5	
14	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding	S	(34)	•	
	636/736		No.12 Adjustment to Deferred Maintenance	s	(324)	\$	
	636/736 636/736		Adjustment of Deterior Intermediance	s	•	S	
	636/736			s	•	S	
	641/741	Rental of Building/Real Prop.		S	-	S	
	642/742	Rental of Equipment	•	S	-	S	
-	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	S	108	S	
	656/756	Insurance - Vehicle		S	•	S	
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(21)	S	
	658/758	Insurance - Workman's Comp.		S	-	S	
14	659/759	Insurance - Other		S	•	S	
15	660/760	Advertising Expense		S	- (2)	S	
16			Remove Advertising Expenses	S S	(2) (67)	S	
7			Remove Lobbying Expenses	S	(07)	s	
8		Reg. Comm. Exp Rate Case Amort.		Š	•	Š	
9		Reg. Comm. Exp Rate Case Other		s		Š	
90		Bad Debt Expense		s	-	S	
5 ! 5 2			Adjustment to Bad Debt	s	(1,332)	\$	
	675/775	Miscellaneous Expense		\$	•	S	
	675/775		Normalize Relocation Expenses	\$	(24)	\$	
	675/775		Remove Test Year Fines and Penalties	S	(47)	\$	
56			Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	\$	
7			•				
8					(2.016)		_
9		TOTAL O&M ADJUSTMENTS		\$	(3,816)	N	<u> </u>

	PRO FC	RMA ADJUSTMENTS, continued			
ne o.		Description		Water	Sewer
	c	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
2		Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	97	NA
3		Allocation of new corp. PCs and Network & Telephony enhancements		68	NA
4				•	
5					NA
6				•	
7					NA
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(29)	NA
,		TOTAL	-\$	135	NA .
0		TOTAL			
1					
	D	AMORTIZATION			
3	_	Correct Test Year Amortization of CIAC		(25)	NA
4		Remove U&U Adjustment to Test Year Amortization of CIAC	_	*-	NA.
5		TOTAL	S	(25)	NA
6					
	E	TAXES OTHER THAN INCOME TAX			
8		Payroll tax adjustment On Salary & Wage adjustments explained above	· \$	45	NA
9		Property taxes associated with 2007 plant additions, allocations, adjustments		51	NA
0:		Property taxes associated with Pro Forma plant		98	
1		Property Tax adjustment for Non-Used & Useful plant		(9)	NA_
2		TOTAL	<u>_s</u>	145	NA
3					
	F	INCOME TAXES	_	1.200	37.4
5		Income tax impact of the adjustments to per book income	-3	1,352	NA_NA
6		TOTAL	<u></u>	1,352	NA_
:7			<del></del>	(2.200)	N/A
8		TOTAL EXPENSE ADJUSTMENTS	<u> </u>	(2,209)	NA
9					
	UTILIT	Y PROPOSED REVENUE REQUIREMENT ADJUSTMENTS	··········		
_	A	NET OPERATING REVENUE			
4	^	Required Revenue Adjustment	5	6,553	NA
5		technico servina i telannicis	<del></del>		
	В	OPERATION & MAINTENANCE EXPENSE			
7	_	Bad Debt Adjustment Due To Proposed Rate Increase	<u> </u>	20	NA
8					
	Е	TAXES OTHER THAN INCOME TAX			
ó		RAF on Revenue Adjustment @	4.500% \$	295	NA
1		• •			
	F	INCOME TAX ADJUSTMENT			
3		Rate Year Revenue at Present Rates	· \$	30,233	NA
4		Plus Required Revenue Adjustment		6,553	NA NA
5		Rate Year Revenue at Proposed Rates	<u> </u>	36,786	NA_
6					
7		Less Operating Expenses Before Income Taxes	\$	(31,513)	NA
8		Less Interest Expense		(1,814)	NA NA
9		Taxable Income	<u>\$</u>	3,458	NA.
0		Income Tax at Composite Rate of	38.575% \$	1,334	NA
1		Less Income Tax at Present Rates		1,072	NA
2					
3		Income Tax Adjustment for Requested Revenue Increase	<u>s</u>	2,406	NA

Line		Description			2007 Vater	200 Sev	
ło.	Acct	Description EAR ADJUSTMENTS - 2007					
		REVENUES					
2	A	Billed less Booked Revenue		S	(218)		
,		Billed less Booked Revenue				NA.	
5		TOTAL REVENUE ADJUSTMENTS		S	(218)	NA.	
6		TOTAL REVEREE ADJOURNELLE					
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	195	S	•
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		85		
0	603/703	Salaries & Wages - Officers, Exec.	•		-		
1	604/704	Employee Pensions & Benefits					
2	610/710	Purchased Water / Sewer Treatment			•		
3	NA /711	Sludge Removal Expense			_		
	615/715	Purchased Power			-		
_	616/716	Fuel for Purchased Power					
	618/718	Chemicals					
	620/720	Materials & Supplies					
	631/731	Contractual Services - Engineering	Normalina 2007 Audia Fran		123		
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees Normalize Legal fees on Used & Useful		24		
-	633/733	Contractual Services - Legal	Normalize Legal rees on osed & oseidi		-		
21	634/734	Contractual Services - Mgmt. Fees			-		
22	634/734				-		
	634/734	Control Services Testing			•		
	635/735	Contractual Services - Testing Contractual Services - Other			•		
5	636/736	+ · · · · · · · · · · · · · · · · ·			•		
-	641/741	Rental of Building/Real Prop.			•		
27	642/742	Rental of Equipment Transportation Expenses			•		
	650/750 656/756	Insurance - Vehicle			-		
19 10	657/757	Insurance - General Liability			-		
_	658/758	Insurance - Workman's Comp.			•		
	659/759	Insurance - Other			-		
_	660/760	Advertising Expense			•		
	666/766	Reg. Comm. Exp Rate Case Amort.			•		
	667/767	Reg. Comm. Exp Rate Case Other			•		
-	670/770	Bad Debt Expense			•		
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(8,900)		
	675/775	•	Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(70)		
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(45)		
40		Excess water loss adjustment for Purchas	ed Water, Power, and Chemicals		(48)		
41 42		TOTAL O&M ADJUSTMENTS		\$	(8,635)	- NA	

ine No.	Description		P	ro Forma Water	Pro Forma
	YEAR ADJUSTMENTS - 2007, con	inued			
2 C		RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	,	S	887	NA
4	Allocation of Corp Structures & In	nprovements		15	NA
5	PSC Audit Adjustments	•		•	NA
6	PSC Depr Rate Correction, Depr I	Expa		4	NA
7	PSC Depr Rate Correction, Amort			234	NA
8	Reduction for NU&U			(1,024)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	117	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS		S	533	NA
14					NA
15	TOTAL AMORTIZATION ADJUSTMENTS		\$	533	NA
16		,			
17					
18 E	TAXES OTHER THAN INCOME	ETAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(10)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		239	NA
21	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(172)	NA_
23	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	\$	57	NA
24			•		
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	nts to per book income	\$	2,722	NA_
28	TOTAL INCOME TAX ADJUST	MENTS	\$	2,722	NA
29					
10	TOTAL EXPENSE ADJUSTMEN	VTS	\$	(5,206)	NA_

No. A. 1 PRO 2 A	FORMA ADJUSTMENTS					-
2 4						
	REVENUES					
3		Aqua America Commission	-		S S	
2	TOTAL DEVENIE ADDICTMENTS		<u>s</u> - 2	6	NA	-
3 4	TOTAL REVENUE ADJUSTMENTS		<del></del>	<u> </u>		_
т 3 В	OPERATIONS & MAINTENANCE					
4 601/7		4.0% Wage increase effective 4/1/08	S 25		\$	
5 601/		Market Based Increases	\$ 20		\$	
4 601/	701	Lake County Facility Operator II	-		\$	
5 601/	701		\$		S	
6 601/		Reduction in Meter Readers			S	
7 601/		Remove Carl Smith Salary - Acquisition Related	\$ (25 \$ (11		S S	
8 601/		Reduce President Salary	\$ (1)		S	
9 601/			s -		S	
10 601/1 11 603/1			š .		s	
2 604/		Increase in Benefit costs/head in 2008	\$ 23	30	S	
604/		Remove Prior Period Expenses per Staff Audit Finding No. 10		(4)	S	
13 610/			\$ -	;	\$	
14 NA/			<b>s</b> -		S	
15 615/	•		s -		S	
16 616/	116 Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (1	17)	\$	
			_		_	
17 618/			<b>S</b> -		\$	
18 620/	•••		<b>S</b> -		S S	
19 631/			\$ \$		3 S	
20 632/	-	Barrers Brian Bariad Erranness and Staff Audit Finding No. 10			, S	
21 633/		Remove Prior Period Expenses per Staff Audit Finding No. 10	s -		Š	
22 633/1 23 634/1			š -		s	
23 634/: 24 634/:	•		š ·		S	
25 634/		Service Co. allocation adjustment for dual Water/Sewer customers	<b>s</b> (16	i7) :	S	
26 634/	734		<b>s</b> -		S	
27 634/	34	Remove Excess Costs Charged from Affiliates	\$ (4,04		S	
28 635/7	<del>-</del>		s -		S	
9 636/		100 11 11 11 11 11 11 11 11 11	\$ - \$ (14		\$ \$	
30 636/7		ACO allocation adjustment for dual Water/Sewer customers	\$ (14 \$ -	•	\$	
31 636/7			\$ -		s	
32 636/1 33 636/1		Remove Prior Period Expenses per Staff Audit Finding No. 10			Š	
34 636/		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	1.		S	
35 636/	36		<b>s</b> -		\$	
636/			<b>s</b> -		S	
37 636/			s -		S	
38 641/			\$ - \$ -		s s	
39 642/		Adjust final to \$3.36/cal	•		s \$	
40 650/		Adjust fuel to \$3.36/gal	\$		S	
11 656/1 12 657/1		Remove Executive Risk Insurance Expenses			s	
12 657/1 13 658/1		tremote Executive trisk monthing Expenses	\$ -	,	Š	
43 659/ 44 659/			\$ -		s	
15 660/			\$ -		\$	
46 660/		Remove Advertising Expenses	\$		S	
7 660/		Remove Lobbying Expenses			S	
8 666/	766 Reg. Comm. Exp Rate Case Amort.		<b>s</b> •		S	
9 667/			s -		S	
0 670/	•		s -		S	
1 670/		A.F. a	\$ -		S S	
2 670/		Adjustment to Bad Debt	\$ (1,3°	•	s S	
3 675/		Normaliza Relocation Evnenses			\$	
4 675/ 5 675/		Normalize Relocation Expenses Remove Test Year Fines and Penalties		•	Š	
55 675/ 56 675/		Remove Prior Period Expenses per Staff Audit Finding No. 10	•		s	
	10			• •		
7						

	O FORMA ADJUSTMENTS, continued			
ine	Description		Water	Sewer
l C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water	Sewei
-	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	383	NA
2 3	Allocation of new corp. PCs and Network & Telephony enhancements	•	111	NA
4	Allocation of flow corp. 1 cd and flot rock of 1 stephony difficulties.			
5				NA
6				
7				NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(48)	
•				NA
9	TOTAL	\$	446	NA
0	101/12			
1				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		(146)	NA
4	Remove U&U Adjustment to Test Year Amortization of CIAC		•	NA
5	TOTAL	<u>s</u>	(146)	NA
6		<del></del>	· · · · · · · · · · · · · · · · · · ·	
7 E	TAXES OTHER THAN INCOME TAX			
8	Payroll tax adjustment On Salary & Wage adjustments explained above	S	. 36	NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments		(9)	NA
20	Property taxes associated with Pro Forma plant		356	
21	Property Tax adjustment for Non-Used & Useful plant		(125)	NA
22	TOTAL	S	258	NA
3				
24 F	INCOME TAXES			
25	Income tax impact of the adjustments to per book income	S	1,737	NA
!6	TOTAL	S	1,737	NA
27				
28	TOTAL EXPENSE ADJUSTMENTS	S	(3,243)	NA
29				
10 <u> </u>				
11 U. 12	TILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
13 A	NET OPERATING REVENUE			
14	Required Revenue Adjustment	\$	7,518	NA
15				
6 B	OPERATION & MAINTENANCE EXPENSE			
17	Bad Debt Adjustment Due To Proposed Rate Increase	2	22	NA
18	•			
19 E	TAXES OTHER THAN INCOME TAX			
10	RAF on Revenue Adjustment @	4.500% S	338	NA
11	• •	<del></del> _		-
12 F	INCOME TAX ADJUSTMENT			
13	Rate Year Revenue at Present Rates	\$	25,189	NA
14	Plus Required Revenue Adjustment		7,518	NA_
5	Rate Year Revenue at Proposed Rates	\$	32,707	NA
16	•	<u> </u>		
17	Less Operating Expenses Before Income Taxes	S	(29,406)	NA
18	Less Interest Expense		(1,157)	NA.
19	Taxable Income	\$	2,143	NA
50	Income Tax at Composite Rate of	38.575% \$	827	NA
31	Less Income Tax at Present Rates		1,934	NA
2				
3	Income Tax Adjustment for Requested Revenue Increase	\$	2,761	NA
54	•	-		

ine					2007	200	
٧o.	Acct	Description			Water	Sew	er
1		AR ADJUSTMENTS - 2007					
2	A	REVENUES		s	(469)		
3		Billed less Booked Revenue		•	(403)	NA	
4		Billed less Booked Revenue	•	\$	(469)	NA	
5		TOTAL REVENUE ADJUSTMENTS		<del></del>	(405)	- 1777	
6	_						
7	В	OPERATIONS & MAINTENANCE	Normalize 2007 employee terminations & New Hires	S	(182)	s	
8	601/701	Salaries & Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	113	•	
9	601/701		Normalize 4.0% wage increase effective 4/1/07 (additional 1.0%)				
0	603/703	Salaries & Wages - Officers, Exec.					
11	604/704	Employee Pensions & Benefits			•		
12	610/710	Purchased Water / Sewer Treatment			-		
13	NA /711	Sludge Removal Expense					
14	615/715	Purchased Power			•		
15	616/716	Fuel for Purchased Power			•		
16	618/718	Chemicals			•		
17	620/720	Materials & Supplies			-		
18	631/731	Contractual Services - Engineering			-		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		217		
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		43		
15	634/734	Contractual Services - Mgmt. Fees			•		
22	634/734				•		
23	634/734				-		
24	635/735	Contractual Services - Testing			•		
25	636/736	Contractual Services - Other			-		
26	641/741	Rental of Building/Real Prop.			-		
27	642/742	Rental of Equipment			•		
28	650/750	Transportation Expenses			-		
29	656/756	Insurance - Vehicle			-		
30	657/757	Insurance - General Liability			•		
31	658/758	Insurance - Workman's Comp.			-		
32	659/759	Insurance - Other			-		
33	660/760	Advertising Expense			•		
34	666/766	Reg. Comm. Exp Rate Case Amort.			•		
35	667/767	Reg. Comm. Exp Rate Case Other			•		
36	670/770	Bad Debt Expense					
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		6,941		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to		(124)		
39	675/775		Operating Expenses Normalize 2007 Intercompany misallocation due to Fairways		(80)		
10							
41		TOTAL OLD LANGUE FROM		<u>s</u>	6,928	NA.	
42 43		TOTAL O&M ADJUSTMENTS		-	0,720		

ine Vo.	Description			o Forma Water	Pro Form Sewer
	YEAR ADJUSTMENTS - 2007, con	tinued			
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	·	\$	1,561	NA
4	Allocation of Corp Structures & I	mprovements		27	NA
5	PSC Audit Adjustments	•		•	NA
6	PSC Depr Rate Correction, Depr 1	Expn		3,773	NA
7	PSC Depr Rate Correction, Amor	CIAC		(33)	NA
8	Reduction for NU&U			(4,247)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	1,082	NA
0					
1					
2 D	AMORTIZATION				
3	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS		S	963	NA
4	-			NA	
5	TOTAL AMORTIZATION ADJUSTMENTS		\$	963	NA
6					
17					
8 E	TAXES OTHER THAN INCOM	ETAX			
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(21)	NA
0	Payroll tax adjustment	On Salary & Wage adjustments explained above		380	NA
1	Property tax adjustment			-	NA
2	Property tax adjustment	NU&U portion of Property Taxes		(1,462)	NA
3	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	S	(1,103)	NA
4					
.5 ·					
6 F	INCOME TAXES				
.7	Income tax impact of the adjustme	ents to per book income	<u>s</u>	(7,517)	NA
8	TOTAL INCOME TAX ADJUST	MENTS	S	(7,517)	NA
9					
0	TOTAL EXPENSE ADJUSTMEN	VTS	\$	352_	NA

ło.	Acct	Description		1	Vater	Sev	
l		RMA ADJUSTMENTS			7 at Ci		/CI
2	A	REVENUES					
3			Aqua America Commission	\$	46	s	
2				Š	-	Š	
3		TOTAL REVENUE ADJUSTMENTS		s	46	NA	_
•							
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	343	S	
5	601/701		Market Based Increases	S	257	S	
4	601/701		Production in Mason Product	S	(70)	S	
5 6	601/701 601/701		Reduction in Meter Readers  Remove Carl Smith Salary Apprintion Related	S S	(73)	S	
7	601/701		Remove Carl Smith Salary - Acquisition Related Reduce President Salary	S	(451) (209)	s s	
8	601/701		Reduce Mesident Salary	Š	(209)	Š	
9	601/701			Š	-	Š	
	601/701			Š	-	Š	
1	603/703	Salaries & Wages - Officers, Exec.		S	-	S	
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	Š	265	s	
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(7)	S	
	610/710	Purchased Water / Sewer Treatment		\$	•	\$	
	NA /711	Sludge Removal Expense		5	•	S	
	615/715	Purchased Power		S	-	S	
	616/716	Fuel for Purchased Power		S	•	S	
	618/718	Chemicals		S	-	S	
	620/720	Materials & Supplies		S	•	S	
	631/731	Contractual Services - Engineering		S	•	S	
	632/732 633/733	Contractual Services - Accounting Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(2)	s s	
	633/733	Cormactual Scivices - Legal	Remove that remot expenses per start Audit rinding No. 10	<b>S</b>	(3)	S	
	634/734	Contractual Services - Mgmt. Fees		s	-	Š	
	634/734			s	•	\$	
	634/734		Service Co. allocation adjustment for dual Water/Sewer customers		(293)	S	
	634/734			s		s	
	634/734		Remove Excess Costs Charged from Affiliates	S	(7,109)	\$	
	635/735	Contractual Services - Testing		\$	-	S	
	636/736	Contractual Services - Other	ACO all antique adjustment for the 1977 and Comment	S	(0.00)	S	
	636/736 636/736		ACO allocation adjustment for dual Water/Sewer customers	s s	(255)	s s	
	636/736 636/736			S	•	S	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	- (49)	S	
	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	Š	(155)	s	
5	636/736		<del></del>	S	_	s	
	636/736			Š	-	Š	
	636/736			Š	•	S	
	641/741	Rental of Building/Real Prop.		S	-	\$	
9	642/742	Rental of Equipment		\$	-	\$	
0	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	309	\$	
	656/756	Insurance - Vehicle		S	, <b>-</b>	\$	
_	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	S	(60)	S	
	658/758	Insurance - Workman's Comp.		S	-	S	
	659/759	Insurance - Other		S	-	S	
-	660/760	Advertising Expense	Process Administration Programme	S	-	S	
	660/760		Remove Advertising Expenses	S	(5)	S	
	660/760 666/766	Reg. Comm. Exp Rate Case Amort.	Remove Lobbying Expenses	S S	(190)	s s	
	667/767	Reg. Comm. Exp Rate Case Amort.  Reg. Comm. Exp Rate Case Other		Š	-	s	
	670/770	Bad Debt Expense		Š	-	Š	
	670/770	unponte		Š	-	Š	
	670/770		Adjustment to Bad Debt	Š	(967)	Š	
	675/775	Miscellaneous Expense		Š		\$	
	675/775		Normalize Relocation Expenses	Š	(69)	Š	
	675/775		Remove Test Year Fines and Penalties	Š	(67)	s	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	S	
7			•				
•							

ne				
D	Description Control of the Control o		Water	Sewe
С	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)	s	641	NA
	Meter Replacements 6 Month Net Depr (Addns less Retirements) Allocation of new corp. PCs and Network & Telephony enhancements	•	195	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		175	14/3
;				NA
,			_	• •
				NA
3	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(84)	••
•	Name of September 2 Appendix 1 Ap		<b>\</b> =- <b>'</b>	NA
•	TOTAL	S	752	NA
0				
1				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		238	NA
4	Remove U&U Adjustment to Test Year Amortization of CIAC		6	NA.
5	TOTAL	2	244	NA_
6				
7 E	TAXES OTHER THAN INCOME TAX	_		
В	Payroll tax adjustment On Salary & Wage adjustments explained above	S	47	NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments		(307)	NA
0	Property taxes associated with Pro Forma plant		624	***
I	Property Tax adjustment for Non-Used & Useful plant	· -	(48)	NA NA
2	TOTAL	\$	315	NA
3	NAME OF THE OWNER OWNER OF THE OWNER OWNE			
4 F	INCOME TAXES		2,553	NA
5	Income tax impact of the adjustments to per book income	- <del>S</del>	2,553	NA NA
5	TOTAL	3	2,333	NA
7	TOTAL EMPENCE ADDICTMENTS	-	(4,923)	NA
3	TOTAL EXPENSE ADJUSTMENTS	-	(4,743)	17/1
<b>)</b>				
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
2 3 A	NET OPERATING REVENUE			
4	Required Revenue Adjustment	S	64,133	NA
5				
5 B	OPERATION & MAINTENANCE EXPENSE			
7	Bad Debt Adjustment Due To Proposed Rate Increase	\$	192	NA
3				
E	TAXES OTHER THAN INCOME TAX			
)	RAF on Revenue Adjustment @	4.500% \$	2,886	NA
1				
2 F	INCOME TAX ADJUSTMENT	_	,	***
3	Rate Year Revenue at Present Rates	S	43,661	NA
4	Plus Required Revenue Adjustment		64,133	NA_
5	Rate Year Revenue at Proposed Rates	\$	107,794	NA_
5			(71.000	27.4
7	Less Operating Expenses Before Income Taxes	\$	(71,968)	NA
3	Less Interest Expense		(12,053)	NA NA
9	Taxable Income	S 5700/ S	23,773	NA NA
	Income Tax at Composite Rate of	38.575% \$	9,170	NA
1	Less Income Tax at Present Rates		14,382	NA
2	To a Born and Conference of Property of Pr		22 552	NA NA
3	Income Tax Adjustment for Requested Revenue Increase	<u>s</u>	23,552	NA

Line No.	Acct	Description			2007 Water	_	2007 ewer
110.		EAR ADJUSTMENTS - 2007			77 dLC1		<u> </u>
2	A	REVENUES					
3	^	Billed less Booked Revenue		s	(150)		
4		Billed less Booked Revenue		•	(130)	\$	(479)
5		TOTAL REVENUE ADJUSTMENTS		<u>s</u>	(150)	2	(479)
6		TOTAL REVENUE ADJUSTINENTS		<u> </u>	(130)		
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	s	559	\$	160
9	601/701	Salailes & Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	70	•	114
10	603/703	Salaries & Wages - Officers, Exec.					-
11	604/704	Employee Pensions & Benefits			-		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Holiday Haven Purchased Water		375		-
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			-		-
15	616/716	Fuel for Purchased Power			•		-
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies	•		-		-
18	631/731	Contractual Services - Engineering			-		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		148		131
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		29		26
	634/734	Contractual Services - Mgmt. Fees			•		•
22	634/734				-		•
23	634/734				-		•
24	635/735	Contractual Services - Testing			-		•
25	636/736	Contractual Services - Other			-		-
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment			•		-
28	650/750	Transportation Expenses	•		•		-
	656/756	Insurance - Vehicle			•		•
30	657/757	Insurance - General Liability			•		-
	658/758	Insurance - Workman's Comp.			-		-
	659/759	Insurance - Other			•		•
	660/760	Advertising Expense			•		-
	666/766	Reg. Comm. Exp Rate Case Amort.			•		-
	667/767	Reg. Comm. Exp Rate Case Other			-		-
	670/770	Bad Debt Expense					
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(5,841)		(3,293)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(85)		(75)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(54)		(48)
40		Excess water loss adjustment for Purchase			(7,930)		(764)
41		Excess I&I adjustment for Purchased Trea	itment, rower, and Chemicals	<u>s</u>	(12,728)	<u> </u>	(3.749)
42 43		TOTAL O&M ADJUSTMENTS		<u> </u>	(12,728)	-3-	(3,749)

Line	Description			Pro Forma Water	Pro Forma Sewer	
No.	YEAR ADJUSTMENTS - 2007, conti	nuer				
2 C		TIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		S	1,067	S	947
4	Allocation of Corp Structures & In	provements		18		16
5		•		•		-
6	PSC Depr Rate Correction, Depr E	xpn		-		83
7	PSC Depr Rate Correction, Amort			722		(2,275
8	Reduction for NU&U			(331)		(6,874)
9	TOTAL DEPRECIATION ADJUS	TMENTS	\$	1,476	_\$	(8,103
10						
11						
12 D	AMORTIZATION		2			
13	To record annual amortization of re	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS		620	\$	515
14	•	•				
15	TOTAL AMORTIZATION ADJU	STMENTS	_s	620	S	515
16						
17						
18 E	TAXES OTHER THAN INCOME		2	(7)	2	(22
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	•	308	•	274
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		(4,879)		4,879
21	Property tax adjustment	Distributing from Water to Water & Sewer NU&U portion of Property Taxes		(98)		(1,578
22 23	Property tax adjustment TOTAL TAXES OTHER THAN I			(4,676)	<u>s</u>	3,553
24	TOTAL TAXES OTHER THAN I	NCOME ADJUSTMENTS	<del></del>	(.,0.07		
25						
26 F	INCOME TAXES					
20 F 27	Income tax impact of the adjustmen	nts to ner book income	s	5,418	S	(334
28	TOTAL INCOME TAX ADJUSTI		S	5,418	5	(334
29	TOTAL BICOME TAX ABOUT			<del></del>		
30	TOTAL EXPENSE ADJUSTMEN	TS.	\$	(9,890)	S	(8,117

0.	Acct	Description		,	Water		Sewer
_		RMA ADJUSTMENTS					
2 A	١.	REVENUES					
3			Aqua America Commission	S	32	\$	28
2				<u>s</u>		_\$	<u>.</u>
3		TOTAL REVENUE ADJUSTMENTS		<u>s</u>	32	\$	28
• -							
B		OPERATIONS & MAINTENANCE	4 04/ W/ in access affine 4/1/09	•	211	s	346
	01/701 01/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 Market Based Increases	\$ \$	159	s	27
	01/701		Market Dased Increases	Š	122	Š	-
	01/701		Reduction in Meter Readers	Š	(50)	Š	(4
_	01/701		Remove Carl Smith Salary - Acquisition Related	Š	(308)	Š	(27
	01/701		Reduce President Salary	Š	(143)	S	(12
	01/701		•	\$	`• ´	\$	`•
9 6	01/701			\$	-	S	
0 6	01/701			\$		\$ .	
i 60	03/703	Salaries & Wages - Officers, Exec.		\$	•	S	•
2 6	04/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	S	170	S	36
6	04/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(5)	S	(
	10/710	Purchased Water / Sewer Treatment		S	-	S	-
	A /711	Sludge Removal Expense		S	-	S	-
	15/715	Purchased Power		S	-	S	-
6 6	16/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	(13)	2	-
		~					
	18/718	Chemicals		S	-	S	-
	20/720	Materials & Supplies		S S	•	S	•
	31/731	Contractual Services - Engineering		S	•	S	•
	32/732 33/733	Contractual Services - Accounting Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	2	(2)	Š	
	33/733	Contractual Services - Legal	Remove Prof. Period Expenses per Statt Addit Finding No. 10	Š	(2)	Š	. `
	34/734	Contractual Services - Mgmt. Fees		Š		Š	
	34/734	Contraction Services - Ingitte, 1 ces		Š		Š	
	34/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$	(200)	\$	(17
	34/734			\$		S	
	34/734		Remove Excess Costs Charged from Affiliates	S	(4,856)	S	(4,31
	35/735	Contractual Services - Testing		S	•	S	•
	36/736	Contractual Services - Other	A CO - No. of the state of the deal Water/Course containing	S	(174)	S	(15
	36/736		ACO allocation adjustment for dual Water/Sewer customers	S S	(174)	Š	(15
	36/736 36/736			Š		Š	
	36/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(33)	Š	(2
	36/736		Disallow Shareholders Services Expenses per Staff Audit Finding No. 12	s	(106)	Š	(9
	36/736			S	•	S	-
	36/736			<b>S</b>	- -	s s	•
	36/736 41/741	Rental of Building/Real Prop.		\$	•	\$	•
	42/742	Rental of Equipment		Š	•	Š	•
	50/750	Transportation Expenses	Adjust fuel to \$3.36/gal	Š	211	Š	18
	56/756	Insurance - Vehicle	rajan sau wasan ga	Š		Š	
	57/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	Š	(41)	Š	(3
	58/758	Insurance - Workman's Comp.		s	-	S	
	59/759	Insurance - Other		S	•	\$	-
	60/760	Advertising Expense		\$	•	S	-
	50/760		Remove Advertising Expenses	S	(3)	S	
	50/760		Remove Lobbying Expenses	S	(130)	Ş	- (11
	56/766	Reg. Comm. Exp Rate Case Amort.		S	•	Ş	•
	57/767	Reg. Comm. Exp Rate Case Other		S	-	S	-
	70/770	Bad Debt Expense		S S	•	S S	•
	70/770		Adjustment to Rad Deht	S	(261)	S	•
	70/770 75/775	Missellaneous Evnerse	Adjustment to Bad Debt	S	(201)	S	_
	75/775 75/775	Miscellaneous Expense	Normalize Relocation Expenses	Š	(47)	Š	(4
	75/775		Remove Test Year Fines and Penalties	Š	(52)	Š	(7
				s		Š	,
67	75/775		Remove Prior Period Expenses per Statt Audit Prinding No. 10	•	(0)	•	
67	75/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	•	(0)	•	,

	FORMA ADJUSTMENTS, continued			
•	Provident		177.	<b>6</b>
С	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water	Sewer
C	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	132	NA
	Allocation of new corp. PCs and Network & Telephony enhancements	•	133	11
	And Cation of new corp. I co and the work of telephony chinancements		,,,,	•••
			_	
			-	
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(57)	
			(4.)	(5
	TOTAL	<u> </u>	208	\$ 6
		<u></u>		
D	AMORTIZATION			
-	Correct Test Year Amortization of CIAC		(231)	3,86
	Remove U&U Adjustment to Test Year Amortization of CIAC		43	-,
	TOTAL	\$	(188)	\$ 3,86
	- · · · · · · · · · · · · · · · · · · ·		-\:-3/	
E	TAXES OTHER THAN INCOME TAX			
-	Payroll tax adjustment On Salary & Wage adjustments explained above	S.	29	S 4
	Property taxes associated with 2007 plant additions, allocations, adjustments	•	56	(32
	Property taxes associated with Pro Forma plant		253	`2
	Property Tax adjustment for Non-Used & Useful plant		(59)	ç
	TOTAL	\$	278	\$ (1:
		<del>. Z</del>		
F	INCOME TAXES			
•	Income tax impact of the adjustments to per book income	2	1,982	\$ 31
	TOTAL	<u></u>	1,982	\$ 31
	101Nb	-	.,,,,,	
	TOTAL EXPENSE ADJUSTMENTS	<u>s</u>	(3,391)	\$ (23
		سبسبيني	(2)222/	
UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
A	NET OPERATING REVENUE			
	Required Revenue Adjustment	\$	20,255	\$ 57,79
В	OPERATION & MAINTENANCE EXPENSE			
	Bad Debt Adjustment Due To Proposed Rate Increase	\$	61	\$ 17
E	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4.500% \$	911	\$ 2,60
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	37,653	\$ 53,54
	Plus Required Revenue Adjustment		20,255	57,79
	Rate Year Revenue at Proposed Rates	\$	57,908	\$ 111,33
		<del></del>		
	Less Operating Expenses Before Income Taxes	\$	(53,934)	\$ (87,78
	Less Interest Expense		(1,376)	(7,93
	Taxable Income	\$	2,598	\$ 15,61
	Income Tax at Composite Rate of	38.575% \$	1,002	\$ 6,02
	Less Income Tax at Present Rates		6,436	15,19
	Income Tax Adjustment for Requested Revenue Increase	\$	7,438	\$ 21,22
	•		كالمنافع المنافع المنا	-

ine No.	Acct	Description			2007 Water		07 ver
1		EAR ADJUSTMENTS - 2007					
2	A	REVENUES					
3	••	Billed less Booked Revenue		\$	(208)		
4		Billed less Booked Revenue			` '	NA	
s		TOTAL REVENUE ADJUSTMENTS		\$	(208)	NA	
6							
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	(1,484)	S	
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		76		
0	603/703	Salaries & Wages - Officers, Exec.			•		
ı	604/704	Employee Pensions & Benefits			•		
2	610/710	Purchased Water / Sewer Treatment			•		
3	NA /711	Sludge Removal Expense					
	615/715	Purchased Power			-		
-	616/716	Fuel for Purchased Power			•		
6	618/718	Chemicals			•		
7	620/720	Materials & Supplies			•		
8	631/731	Contractual Services - Engineering			•		
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		131		
-	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		26		
1	634/734	Contractual Services - Mgmt. Fees			-		
2	634/734				-		
3	634/734				-		
4	635/735	Contractual Services - Testing			•		
5	636/736	Contractual Services - Other			-		
6	641/741	Rental of Building/Real Prop.			•		
7	642/742	Rental of Equipment			•		
8	650/750	Transportation Expenses			-		
9	656/756	Insurance - Vehicle			•		
0	657/757	Insurance - General Liability			•		
l	658/758	Insurance - Workman's Comp.			•		
2	659/759	Insurance - Other			•		
3	660/760	Advertising Expense			-		
4	666/766	Reg. Comm. Exp Rate Case Amort.			•		
5	667/767	Reg. Comm. Exp Rate Case Other			-		
6	670/770	Bad Debt Expense					
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(6,602)		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(75)		
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(48)		
10		Excess water loss adjustment for Purchas	ed Water, Power, and Chemicals		(16)		
  2		TOTAL O&M ADJUSTMENTS		\$	(7,992)	NA	

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine				Forma	Pro Form
No.	Description		··········	Water	Sewer
	YEAR ADJUSTMENTS - 2007, con				
2 C		RTIZATION OF CIAC (Used & Useful)	s	947	NA
3	Allocation of Corporate IT		•	16	NA.
4	Allocation of Corp Structures & I	mprovements		10	NA NA
5	PSC Audit Adjustments	_		(228)	NA NA
6	PSC Depr Rate Correction, Depr 1			, ,	NA NA
7	PSC Depr Rate Correction, Amon	CIAC		(561)	NA NA
8	Reduction for NU&U			(74)	NA NA
9	TOTAL DEPRECIATION ADJU	STMENTS	<u>s</u>	100	NA.
10					
11					
2 D	AMORTIZATION				214
13			S	•	NA
14	•		2		NA NA
15	TOTAL AMORTIZATION ADJ	JSTMENTS	7		NA NA
16					
17					
18 E	TAXES OTHER THAN INCOM			(0)	214
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	S	(9)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		120	NA
21	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(16)	NA
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	<u>_s</u>	95	NA
24					
25	<u>.</u>				
26 F	INCOME TAXES			2 610	NIA
27	Income tax impact of the adjustme		3	2,510	NA NA
:8	TOTAL INCOME TAX ADJUST	MENIS	7	2,510	NA
19				(5.007)	27.4
10	TOTAL EXPENSE ADJUSTMEN	NTS	2	(5,287)	NA

REVENUES	1 PRO F 2 A 3 2 2 3 4 4 601/70 5 601/70 4 601/70 5 601/70 7 601/70 8 601/70 9 601/70	FORMA ADJUSTMENTS REVENUES	Aqua America Commission				
Aqua America Commission   S	3 2 3 4 4 601/70 5 601/70 6 601/70 7 601/70 8 601/70 9 601/70		Aqua America Commission				
TOTAL REVENUE ADJUSTMENTS   \$	B 601/70 601/70 601/70 601/70 601/70 601/70 601/70 601/70	TOTAL REVENUE ADJUSTMENTS	Aqua America Commission				
B	B 601/70 6 601/70 6 601/70 6 601/70 6 601/70 6 601/70 6 601/70 6 601/70	TOTAL REVENUE ADJUSTMENTS		S	28	\$	
B	601/70 601/70 601/70 601/70 601/70 601/70 601/70 601/70 601/70	TOTAL REVENUE ADJUSTMENTS			-	\$	
B	B 601/70 6 601/70 6 601/70 6 601/70 6 601/70 7 601/70 9 601/70				28		Ā
	601/70 601/70 601/70 601/70 601/70 7 601/70 9 601/70						
601/701	601/70 601/70 601/70 601/70 601/70 601/70 601/70	OPERATIONS & MAINTENANCE					
Sol   Facility   Sol	601/70 601/70 601/70 601/70 601/70 601/70	1 Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	S	230	\$	
Sol	601/70 6 601/70 7 601/70 8 601/70 9 601/70			\$	88	S	
Sol   Total   Reduction in Meter Readers   S   4   4   5	601/70 601/70 601/70 601/70	t .					
	601/70 601/70 601/70	t			•		
Section   Soling   Section   Secti	601/70 601/70 601/70		Reduction in Meter Readers		(44)		
Service Co. allocation adjustment for dual Water/Sewer customers   Service Co. allocation adjustment	601/70 601/70						
601/701   501/703   Salaries & Wagea - Officers, Exec.   5   5   5   5   5   5   5   5   5	601/70						
090703   0			, , , , , , , , , , , , , , , , , , ,	-	(,		
693/703   Salaries & Wages - Officers, Exec.   904/704   Following Prior Period Expenses per Staff Audit Finding No. 10 \$ 14 \$ 10/704   Sudge Removal Expense   Sudges Prior Period Expenses per Staff Audit Finding No. 10 \$ 14 \$ 10/704   Sudge Removal Expense   Sudges Prior Period Expenses per Staff Audit Finding No. 10 \$ 14 \$ 10/704   Sudges Removal Expense   Sudges Prior Period Expenses per Staff Audit Finding No. 10 \$ 16 \$ 10/704   Sudges Removal Expense   Sudges Prior Period Expenses per Staff Audit Finding No. 10 \$ 16 \$ 10/704   Sudges Removal Expense   Sudges Prior Period Expenses per Staff Audit Finding No. 10 \$ 16 \$ 10/704   Sudges Removal Expense   Sudges Prior Period Expenses per Staff Audit Finding No. 10 \$ 16 \$ 10/704   Sudges Prior Period Expenses per Staff Audit Finding No. 10 \$ 16 \$ 10/704   Sudges Prior Period Expenses per Staff Audit Finding No. 10 \$ 16 \$ 10/704   Sudges Prior Period Expenses per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses Per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses Per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses Per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses Per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses Per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses Per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses Per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses Per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses Per Staff Audit Finding No. 10 \$ 10/704   Sudges Prior Period Expenses Perior Period Expens	1 601/70				_		
2604704   Employee Peasons & Benefits   Increase in Benefit costs/head in 2008   S   329   S   605701   Purchased Water / Sever Treatment   NA / 11   Studge Removal Expenses   S   S   S   S   5   5   5   5   5   5					_		
Solition   Purchased Water / Sewer Treatment   Solition   Soliti		•	Increase in Benefit costs/head in 2008		120		
		• •					
NA / TI   Sludge Removel Expense   \$ . \$   \$   \$   \$   \$   \$   \$   \$   \$			remove their removerapenses per start requiremental No. 10		(4)		
6 15/1715         Purchased Power         Adjustment to Fuel for Power Production for Fueling Generators         \$ (125)           6 16/716         Fuel for Purchased Power         Adjustment to Fuel for Power Production for Fueling Generators         \$ (125)           6 18/718         Chemicals         \$					•	-	
618/718   Chemicals   Contractual Services - Engineering   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   Contractual Services - Service Co. allocation adjustment for dual Water/Sewer customers   Contractual Services - Other   Contractual Services - Other   Contractual Services - Testing   Contractual Services - Other   Contractual Services -		•		-	•		
618/718   Chemicals   Contractual Supplies   Contractual Services - Engineering   Contractual Services - Accounting   Contractual Services - Accounting   Contractual Services - Accounting   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   Contractual Services - Mgmt. Fees   Service Co. allocation adjustment for dual Water/Sewer customers   Contractual Services - Testing   Contractual Services - Testing   Contractual Services - Testing   Contractual Services - Testing   Contractual Services - Other   Contrac			Adjustment to Final for Danies Designation for Final and	-	(105)		
630773	016/710	o ruel for rurchased Power	Adjustment to rule for rower Production for Fueling Generators	2	(125)	3	
630773		0 01 1 1 1		•		_	
631/713   Contractual Services - Engineering   5   5   5   5   5   5   5   5   5					•		
6337732   Contractual Services - Accounting   S   S   S   S   S   S   S   S   S					•		
6337733   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   C   S				-	-		
6347734   Contractual Services - Mgmt. Fees   Service Co. allocation adjustment for dual Water/Sewer customers   Contractual Services - Mgmt. Fees   Service Co. allocation adjustment for dual Water/Sewer customers   Contractual Services - Testing   Service Co. allocation adjustment for dual Water/Sewer customers   Contractual Services - Cother   Contractual Services - Other   Contractual Services -					•		
G347734   Contractual Services - Mgmt. Fees   G347734   Service Co. allocation adjustment for dual Water/Sewer customers   G1777   S   G347734   Service Co. allocation adjustment for dual Water/Sewer customers   G1777   S   G347734   Services - Testing   S   S   S   S   G347736   S   S   S   S   S   S   S   S   S	633/733	3 Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10		(2)		
G347734   Service Co. allocation adjustment for dual Water/Sewer customers   S   C177   S	2 633/73	3	•	S	•	\$	
634/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   C1777   S	634/734	4 Contractual Services - Mgmt. Fees		\$	•	S	
634/734   634/734   Remove Excess Costs Charged from Affiliates   \$ (4,112) \$ (337/735   Contractual Services - Other   \$	634/734	4		\$		S	
Remove Excess Costs Charged from Affiliates   S   (4,312)   S	5 634/734	4	Service Co. allocation adjustment for dual Water/Sewer customers	\$	(177)	\$	
Remove Excess Costs Charged from Affiliates   S   (4,312)   S	c 624/92			•			
G35/735   Contractual Services - Testing   S   Contractual Services - Other   S   Co			Remove Excess Costs Charged from Affiliates		/4 312\		
636/736   ACO allocation adjustment for dual Water/Sewer customers   S   C   S   S   C   S			Remove Excess Costs Charged Irom Attimates		(4,312)		
ACO allocation adjustment for dual Water/Sewer customers   S   C 154   S		_			•		
Section   Sect			4.00 - Harris				
636/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   (29)   S			ACO allocation adjustment for dual water/sewer customers				
Section   Sect					•	-	
Disallow Shareholders Services Expenses per Staff Audit Finding No.12   S   S   S   S   S   S   S   S   S			n n' n' 10 n n n' 10 n n n' 10 n n		•		
No.12   S							
636/736	636/736	6		S	(94)	\$	
S	636/736	6	119.12	S	-	\$	
Rental of Building/Real Prop.   S   -   S	636/736	5		\$	-	S	
Remove Executive Risk Insurance Expenses   S   S   S   S   S   S   S   S   S	636/736	5		S	-	S	
Remove Executive Risk Insurance Expenses   S   S   S   S   S   S   S   S   S	641/741	Rental of Building/Real Prop.		\$		S	
187   5   187				S			
Section   Sect			Adjust fuel to \$3.36/gal	\$	187		
1		• •	· ·		•		
158/758   Insurance - Workman's Comp.   S   - S     1659/759   Insurance - Other   S   - S     1660/760   Advertising Expense   S   - S     1660/760   Remove Advertising Expenses   S   (3) S     1660/760   Remove Lobbying Expenses   S   (115) S     1667/767   Reg. Comm. Exp Rate Case Amort.     1667/767   Reg. Comm. Exp Rate Case Other     1670/770   Bad Debt Expense   S   - S     1670/770   Adjustment to Bad Debt   S   (1,464) S     1675/775   Miscellaneous Expense   S   - S     1675/775   Remove Test Year Fines and Penalties   S   (42) S     1675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     1675/775   Remove Prior Period Expenses   S   (0) S     1675/775			Remove Executive Risk Insurance Expenses		(36)		
659/759   Insurance - Other		•	•				
660/760   Advertising Expense   S   -   S		•			•		
Remove Advertising Expenses   S   (3)   S				-		1	
Remove Lobbying Expenses   S   (115)   S			Remove Advertising Expenses		(3)		
Reg. Comm. Exp Rate Case Amort.   S   -   S			• .				
Reg. Comm. Exp Rate Case Other   S   -   S			, <u>, ,</u>		•		
670/770 Bad Debt Expense \$ - \$ 670/770 \$ \$ - \$ 670/770 \$ \$ - \$ 670/770 \$ \$ (1,464) \$ \$ 675/775 Miscellaneous Expense \$ \$ (42) \$ 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$							
670/770		•					
670/770		•			_		
675/775         Miscellaneous Expense         \$ - \$           675/775         Normalize Relocation Expenses         \$ (42) \$           675/775         Remove Test Year Fines and Penalties         \$ (5) \$           675/775         Remove Prior Period Expenses per Staff Audit Finding No. 10         \$ (0) \$			Adjustment to Bad Debt		(1 464)		
675/775 Normalize Relocation Expenses \$ (42) \$ 675/775 Remove Test Year Fines and Penalties \$ (5) \$ 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$			Adjustment to pad Deot		(1,404)		
675/775 Remove Test Year Fines and Penalties \$ (5) \$ 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$		•	Namedia Polostias Erranos		(40)		
675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$			·				
		•	Remove Prior Period Expenses per Staff Audit Finding No. 10	2	(0)	2	
		TOTAL ORM ADDICTMENTS		-	(2 (00)	- NT	

ne	O FORMA ADJUSTMENTS, continued			
o.	Description		Water	Sewer
l C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
?	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	436	NA
1	Allocation of new corp. PCs and Network & Telephony enhancements		118	NA
4			•	
5				NA
5	A.		•	
7				NA
3	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(51)	NA
)	TOTAL	<u>s</u>	504	- NA
0		<del></del>		
ı				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		-	NA
4	Remove U&U Adjustment to Test Year Amortization of CIAC		<u> </u>	NA
5	TOTAL	\$	-	NA
6				
7 E	TAXES OTHER THAN INCOME TAX	_		***
8	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	25	NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments		251	NA
0	Property taxes associated with Pro Forma plant		446	NTA
l	Property Tax adjustment for Non-Used & Useful plant	<u> </u>	(25) 696	NA NA
2 3	TOTAL	· <u> </u>	090	NA.
3 4 F	INCOME TAXES			
4 F	Income tax impact of the adjustments to per book income	•	710	NA
, 6	TOTAL	\$	710	NA NA
7	IOIAD	<del></del>	7.7	
B	TOTAL EXPENSE ADJUSTMENTS	2	(1,779)	NA
9		***************************************		
0				
UT	LITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
2				
3 A	NET OPERATING REVENUE			
4	Required Revenue Adjustment	\$	10,879	NA
5	·			
6 B	OPERATION & MAINTENANCE EXPENSE			
7	Bad Debt Adjustment Due To Proposed Rate Increase	<u>s</u>	33	NA
8 9 E	TAVES OTHER THAN INCOME TAV			
9 E	TAXES OTHER THAN INCOME TAX RAF on Revenue Adjustment @	4.500% S	490	NA NA
J I	VAL OII Veseine Valaziment (A	4.500/8	730	1471
2 F	INCOME TAX ADJUSTMENT			
3	Rate Year Revenue at Present Rates	. s	22.054	NA
•	Plus Required Revenue Adjustment	*	10,879	NA
5	Rate Year Revenue at Proposed Rates	\$	32,933	NA NA
5				
7	Less Operating Expenses Before Income Taxes	S	(27,708)	NA
8	Less Interest Expense		(1,756)	NA
9	Taxable Income	\$	3,470	NA
)	Income Tax at Composite Rate of	38.575% \$	1,338	NA
l	Less Income Tax at Present Rates		2,657	NA
2				
3	Income Tax Adjustment for Requested Revenue Increase	\$	3,995	NA
4				

Line No.	Acct	Description			2007 Water	-	2007 Sewer
1		EAR ADJUSTMENTS - 2007			77 04.61		CWC!
2	Α	REVENUES					
3		Billed less Booked Revenue		S	(586)		
4		Billed less Booked Revenue		•	(500)	2	(132)
5		TOTAL REVENUE ADJUSTMENTS		<u>s</u>	(586)	3	(132)
6		101110141101110111011101110		<u> </u>	(300)	<u> </u>	(:35
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	177	s	603
9	601/701	Calaries of Wagos - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	158	•	60
10	603/703	Salaries & Wages - Officers, Exec.			•		
11	604/704	Employee Pensions & Benefits			-		-
12	610/710	Purchased Water / Sewer Treatment			•		-
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			•		-
15	616/716	Fuel for Purchased Power			-		-
16	618/718	Chemicals			•		-
17	620/720	Materials & Supplies			•		-
18	631/731	Contractual Services - Engineering			•		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		342		37
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		67		7
21	634/734	Contractual Services - Mgmt. Fees	-		-		-
22	634/734	•					-
23	634/734				-		-
24	635/735	Contractual Services - Testing					
25	636/736	Contractual Services - Other					-
26	641/741	Rental of Building/Real Prop.			-		
27	642/742	Rental of Equipment					-
28	650/750	Transportation Expenses					
29	656/756	Insurance - Vehicle			-		
30	657/757	Insurance - General Liability					
	658/758	Insurance - Workman's Comp.					
32	659/759	Insurance - Other					
	660/760	Advertising Expense					
	666/766	Reg. Comm. Exp Rate Case Amort.					
	667/767	Reg. Comm. Exp Rate Case Other					-
	670/770	Bad Debt Expense					-
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		12,209		(6,196)
	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to		(195)		(21)
39	675/775		Operating Expenses Normalize 2007 Intercompany misallocation due to Fairways		(125)		(14)
40		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(1,251)		
11							
<b>42</b>		TOTAL O&M ADJUSTMENTS		S	11,381	S	(5,524)

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

Line No.	Description			ro Forma Water		o Forma Sewer
	YEAR ADJUSTMENTS - 2007, con	tinued				
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	2,457	\$	265
4	Allocation of Corp Structures & I	mprovements		42		5
5	•			-		•
6	PSC Depr Rate Correction, Depr	Expn		91		-
7	PSC Depr Rate Correction, Amor	CIAC		(753)		16
8	Reduction for NU&U			(251)		(1,409)
9	TOTAL DEPRECIATION ADJU	STMENTS	S	1,586	S	(1,124)
10						
11						
12 D	AMORTIZATION					
13	To record annual amortization of	regulatory assets per order PSC-05-1242-PAA-WS	S	1,402	\$	185
14	•					
15	TOTAL AMORTIZATION ADJ	JSTMENTS	S	1,402	5	185
16						
17						
18 E	TAXES OTHER THAN INCOM	ETAX				
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	S	(51)	\$	(6)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		595		107
21	Property tax adjustment			-		-
22	Property tax adjustment	NU&U portion of Property Taxes		(264)		(60)
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	\$	280	_\$	41
24						
25						
26 F	INCOME TAXES					
27	Income tax impact of the adjustme		<u>s</u>	(4,763)	<u>\$</u>	2,251
28	TOTAL INCOME TAX ADJUST	MENTS		(4,763)	<u>s</u>	2,251
29						
30	TOTAL EXPENSE ADJUSTMEN	NTS	<u>s</u>	9,886	2	(4,170)

No.	Acct	Description		Water		Sewer
1 2	PRO FO	RMA ADJUSTMENTS REVENUES				
3	^	REVENCES	Aqua America Commission	<b>\$</b> 73	s	8
2			Aqua America Commission	<u>s</u> -	Š	
3		TOTAL REVENUE ADJUSTMENTS		\$ 73	<u> </u>	8
4					_	
3	В	OPERATIONS & MAINTENANCE	4 24 44 42		_	
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 478	S	181
5 4	601/701 601/701		Market Based Increases	\$ 332 \$ -	. S	168
5	601/701		Reduction in Meter Readers	\$ (114)	Š	(12
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (710)	s	(77
7	601/701		Reduce President Salary	\$ (329)	S	(36
8	601/701			\$ -	\$	•
9	601/701			<b>\$</b>	S	-
10	601/701	Calarias & Wassa Offices Even		\$	\$ \$	-
11	603/703 604/704	Salaries & Wages - Officers, Exec. Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ - \$ 355	S	310
12	604/704	Employee I clisions & Delicins	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (12)	Š	()
13	610/710	Purchased Water / Sewer Treatment		\$ -	S	_``
14	NA /711	Sludge Removal Expense	•	<b>s</b> -	\$	•
	615/715	Purchased Power			S	•
	616/716	Fuel for Purchased Power		•	S	•
17		Chemicals		<b>s</b> -	\$	-
18 10	620/720 631/731	Materials & Supplies Contractual Services - Engineering		\$ -	S	-
20		Contractual Services - Accounting		\$	Š	-
_	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (5)	Š	(1
	633/733			\$ .	S	-`
23	634/734	Contractual Services - Mgmt. Fees		<b>s</b> -	\$	•
	634/734			<b>s</b> -	\$	-
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	s <b>\$</b> (461)	S	(50
	634/734			\$ .	\$	· ·
27			Remove Excess Costs Charged from Affiliates	\$ (11,188)	S	(1,204
	635/735 636/736	Contractual Services - Testing Contractual Services - Other		\$ - \$ -	s s	•
	636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Sewer customers	\$ (401)	Š	(43
	636/736		100 mioralisti adjastilisti isi saali vi asii oova saatsiisis	\$ .	Š	-
32	636/736			\$ -	S	-
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (76)	\$	(8
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (244)	\$	(26
	636/736			<b>s</b> -	\$	•
	636/736			<b>s</b> -	S	•
	636/736	Provide CD- 3 Contract Date		s -	S	•
	641/741 642/742	Rental of Building/Real Prop.  Rental of Equipment		\$ . \$ -	S S	•
10	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 486	Š	52
41		Insurance - Vehicle		\$ -	Š	
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (94)	\$	(10
13	658/758	Insurance - Workman's Comp.	•	s -	\$	
14	659/759	Insurance - Other		•	\$	•
45	660/760	Advertising Expense		\$	S	
	660/760		Remove Advertising Expenses	\$ (8)	Ş	(1
17 18	660/760 666/766	Reg. Comm. Exp Rate Case Amort.	Remove Lobbying Expenses	\$ (299) \$ -	S	(32
	667/767	Reg. Comm. Exp Rate Case Amort.		, .	Š	-
	670/770	Bad Debt Expense		s -	s	
i	670/770	·		\$ -	\$	-
52	670/770		Adjustment to Bad Debt	\$ (1,595)	S	(193
	675/775	Miscellaneous Expense		\$ -	S	-
	675/775		Normalize Relocation Expenses	\$ (108)	S	(12
	675/775 675/775		Remove Test Year Fines and Penalties Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1,061) \$ (0)	S	(O (O
	3131113		Actions From Ferious Expenses per Statt Audit Fritting No. 10	• (U)	•	(0
57 58						

	FORMA ADJUSTMENTS, continued			
	Description		Water	Sewer
· C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		- 17 dt Ci	<u> </u>
•	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	515	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		306	
			•	
			•	
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(132)	(
	TOTAL	<u> </u>	690	\$
			·····	
D	AMORTIZATION			
	Correct Test Year Amortization of CIAC		-	
	Remove U&U Adjustment to Test Year Amortization of CIAC	<del></del>	67	
	TOTAL	<u> </u>	67	\$
_	MANUFO CONTRIBUTED TO AN INCOME TAN			
E	TAXES OTHER THAN INCOME TAX	•	<b>70</b>	•
	Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments	s	68 (82)	s (
	Property taxes associated with Pro Forma plant		522	,
	Property Tax adjustment for Non-Used & Useful plant		(32)	
	TOTAL	\$	475	\$
	IOIAL		4,3	<u>•</u>
F	INCOME TAXES			
-	Income tax impact of the adjustments to per book income	s	5,147	S 3
	TOTAL	S	5,147	\$ 3
	TOTAL EXPENSE ADJUSTMENTS	S	(8,677)	<b>s</b> (5
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
A	NET OPERATING REVENUE			
••	Required Revenue Adjustment	<u>s</u>	(5,104)	<b>S</b> 13.9
	<b></b>			
В	OPERATION & MAINTENANCE EXPENSE			
	Bad Debt Adjustment Due To Proposed Rate Increase	\$	(15)	\$
E	TAXES OTHER THAN INCOME TAX			
-	RAF on Revenue Adjustment @	4.500% \$	(230)	\$ 6
		<u></u>	1-1-7	
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	S	76,092	\$ 14,9
	Plus Required Revenue Adjustment		(5,104)	13,9
	Rate Year Revenue at Proposed Rates	\$	70,988	\$ 28,8
	Less Operating Expenses Before Income Taxes	s	(63,448)	\$ (27,6
	Less Interest Expenses before income Taxes	•	(2,600)	(4
	Taxable Income	2	4,941	\$ 7
	Income Tax at Composite Rate of	38,575% \$	1,906	\$ 3
	Less Income Tax at Present Rates		(3,780)	4,8
		_		
	Income Tax Adjustment for Requested Revenue Increase	\$	(1,874)	\$ 5,1

ine					2007	200	
ło.	Acct	Description			Water	Sew	er
1		EAR ADJUSTMENTS - 2007					
2	A	REVENUES					
3		Billed less Booked Revenue		S	(410)		
4		Billed less Booked Revenue				NA	_
5		TOTAL REVENUE ADJUSTMENTS		<u>s</u>	(410)	NA	
5							
7	В	OPERATIONS & MAINTENANCE					
3	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	(2,293)	S	•
)	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		127		
)	603/703	Salaries & Wages - Officers, Exec.			•		
1	604/704	Employee Pensions & Benefits			•		
2	610/710	Purchased Water / Sewer Treatment			•		
3	NA /711	Sludge Removal Expense					
	615/715	Purchased Power			-		
5	616/716	Fuel for Purchased Power			-		
6	618/718	Chemicals			•		
7	620/720	Materials & Supplies			-		
3	631/731	Contractual Services - Engineering			•		
,	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		294		
0	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		58		
ı	634/734	Contractual Services - Mgmt. Fees	•		-		
2	634/734	-			-		
3	634/734				-		
4	635/735	Contractual Services - Testing			•		
5	636/736	Contractual Services - Other			-		
,	641/741	Rental of Building/Real Prop.			•		
7	642/742	Rental of Equipment			-		
3	650/750	Transportation Expenses			-		
9	656/756	Insurance - Vehicle			-		
)	657/757	Insurance - General Liability			•		
ı	658/758	Insurance - Workman's Comp.			•		
2	659/759	Insurance - Other			-		
3	660/760	Advertising Expense			•		
4	666/766	Reg. Comm. Exp Rate Case Amort.			-		
5	667/767	Reg. Comm. Exp Rate Case Other			-		
6	670/770	Bad Debt Expense			•		
7	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		6,131		
•	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(168)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(108)		
)							
1 2		TOTAL O&M ADJUSTMENTS		<u> </u>	4,041	NA	

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine ło.	Description		5	Pro Forma Water	Pro Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, contin	nued	· · · · · · · · · · · · · · · · · · ·		
2 C	DEPRECIATION NET OF AMOR	FIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		S	2,116	NA
4	Allocation of Corp Structures & Im	provements		36	NA
5	PSC Audit Adjustments			•	NA
6	PSC Depr Rate Correction, Depr Ex			1	NA
7	PSC Depr Rate Correction, Amort C	TAC		(1,114)	NA
8	Reduction for NU&U			(567)	NA.
9	TOTAL DEPRECIATION ADJUST	TMENTS	<u>s</u>	472	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of reg	gulatory assets per order PSC-05-1242-PAA-WS	\$	1,348	NA
4	•				NA NA
15	TOTAL AMORTIZATION ADJUS	TMENTS	\$	1,348	NA
16					
17					
18 E	TAXES OTHER THAN INCOME				
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(18)	NA
20	Payroll tax adjustment ·	On Salary & Wage adjustments explained above		347	NA
1	Property tax adjustment			•	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(170)	NA
23	TOTAL TAXES OTHER THAN IN	COME ADJUSTMENTS	\$	159	NA
:4					
.5					
6 F	INCOME TAXES				
:7	Income tax impact of the adjustment		<u>s</u>	(4,623)	NA
8	TOTAL INCOME TAX ADJUSTM	ENTS	\$	(4,623)	NA
9					
0	TOTAL EXPENSE ADJUSTMENT	S	<u>s</u>	1,397	NA

o. Ac	ct Description		1	Vater	S	ewe
PRO	FORMA ADJUSTMENTS			· · · · ·		
A	REVENUES					
! !		Aqua America Commission	S	63	\$	
			\$		<u>s</u>	
	TOTAL REVENUE ADJUSTMENTS		\$	63	N	<u> </u>
В	ODED ATIONS & MAINTENANCE					
601/70	OPERATIONS & MAINTENANCE  1 Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	s	386	s	
601/70		Market Based Increases	Š	109	Š	
601/70		Lake County Facility Operator II	Š	2,511	Š	
601/70		band downly running operator in	Š	2,311	Š	
601/70		Reduction in Meter Readers	Š	(98)	Š	
601/70		Remove Carl Smith Salary - Acquisition Related	Š	(611)	Š	
601/70		Reduce President Salary	Š	(283)	s	
601/70		•	Š		Š	
601/70			Š		s	
603/70	3 Salaries & Wages - Officers, Exec.		S	•	S	
604/70		Increase in Benefit costs/head in 2008	S	336	S	
604/70	* *	Remove Prior Period Expenses per Staff Audit Finding No. 10	s	(10)	s	
610/71	0 Purchased Water / Sewer Treatment	•	S	- 1	\$	
NA /7			S	-	S	
615/71			S	-	S	
6 616/71	6 Fuel for Purchased Power		S		\$	
7 618/71	8 Chemicals	•	\$	•	\$	
620/72	0 Materials & Supplies	Remove Abnormal Test Year Maintenance Expense Imperial	S	(3,324)	\$	
		Mobile Terrace	_		_	
631/73			s	-	S	
632/73		no no notano de marco de la color	S	•	\$	
633/73		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(4)	S	
2 633/73			S	•	S	
634/73			\$	•	S	
634/73 634/73		Service Co. allocation adjustment for dual Water/Sewer customers	S : S	(397)	s s	
	•	and an angular and the same restricted business	•	(33.)	-	
634/73			\$	-	\$	
634/73		Remove Excess Costs Charged from Affiliates	S	(9,634)	\$	
635/73	•		\$	•	\$	
636/73			\$	-	S	
636/73		ACO allocation adjustment for dual Water/Sewer customers	S	(345)	\$	
636/73			S	-	S	
636/73			S		S	
636/73		Reduction per Staff Audit Finding No. 11	S	(4,986)	S	
636/73		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(66)	\$	
636/73	0	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	S	(210)	S	
636/73	6	Adjustment to Deferred Maintenance	\$	(237)	s	
636/73		-	Š		Š	
641/74			s	-	Š	
642/74	<u> </u>		Š	•	Š	
650/75	• •	Adjust fuel to \$3.36/gal	\$	418	S	
656/75	•		S	-	\$	
657/75		Remove Executive Risk Insurance Expenses	S	(81)	S	
658/75			\$	/	S	
659/75			\$		\$	
660/76	0 Advertising Expense		S	-	\$	
660/76		Remove Advertising Expenses	S	(7)	5	
660/76		Remove Lobbying Expenses	\$	(257)	S	
666/76			\$	-	\$	
667/76	• .		S	-	\$	
670/77	•		S	-	\$	
670/77			S	•	\$	
670/77		Adjustment to Bad Debt	S	54	S	
675/77	•		S	•	S	
675/77		Normalize Relocation Expenses	S	(93)	\$	
675/77		Remove Test Year Fines and Penalties	Ş	(3,430)	S	
675/77	•	Remove Prior Period Expenses per Staff Audit Finding No. 10	s	(0)	S	

e				
	Description		Water	Sewe
С	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	1,017	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		264	NA
	Increase to Plant per Staff Audit Finding No. 11		58	
				NA
			-	
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(113)	NA
	TOTAL	<u></u>	1,225	NA NA
	IOIAL		1,223	IVA
D	AMORTIZATION			
U	Correct Test Year Amortization of CIAC			NA
	Remove U&U Adjustment to Test Year Amortization of CIAC		•	NA NA
	TOTAL	<u>s</u>	<del></del>	NA NA
	IOIAL	•		1177
E	TAXES OTHER THAN INCOME TAX			
E	Payroll tax adjustment On Salary & Wage adjustments explained above	s	39	NA
	Property taxes associated with 2007 plant additions, allocations, adjustments	•	(120)	NA NA
	Property taxes associated with Pro Forma plant		896	1171
	Property Tax adjustment for Non-Used & Useful plant		(61)	NA
	TOTAL	\$	753	NA NA
	IVIAL	<u>.                                    </u>	,,,	110
F	INCOME TAXES			
r.	Income tax impact of the adjustments to per book income	•	6,567	NA
	TOTAL	<u> </u>	6,567	NA NA
	IVIAL		0,307	NA
	TOTAL EXPENSE ADJUSTMENTS	\$	(11,714)	NA
	TOTAL EXPENSE AUJUSTMENTS	,	(11,7(4)	IAV
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
A	NET OPERATING REVENUE			
	Required Revenue Adjustment	<u>s</u>	17,748	NA NA
_	ONED ATION A MARKETANICE EXPENSE.			
В	OPERATION & MAINTENANCE EXPENSE			
	Bad Debt Adjustment Due To Proposed Rate Increase	<u>. s</u>	53	NA
E	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4.500% \$	799	NA
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	52,167	NA
	Plus Required Revenue Adjustment		17,748	NA
	Rate Year Revenue at Proposed Rates	\$	69,916	NA
	Less Operating Expenses Before Income Taxes	\$	(49,606)	NA
	Less Interest Expense		(6,874)	NA.
	Taxable Income	S	13,436	NA
	Income Tax at Composite Rate of	38.575% \$	5,183	NA
	Less Income Tax at Present Rates		1,335	NA
	Income Tax Adjustment for Requested Revenue Increase	S	6,518	NA
		\$		***************************************

Line No.	Acct	Description			2007 Water	9	2007 Sewer
1		EAR ADJUSTMENTS - 2007			17 d.C.	—	JU1101
2	A	REVENUES					
3	**	Billed less Booked Revenue		s	(174)		
4		Billed less Booked Revenue	Cap not applied in 2007	•	()	s	(7,829
5		TOTAL REVENUE ADJUSTMENTS	cap not approx in avoi	\$	(174)	\$	(7,829
6		1011212121212121					
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	s	150	S	(69
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	52		130
10	603/703	Salaries & Wages - Officers, Exec.			•		-
11	604/704	Employee Pensions & Benefits			•		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Jungle Den Purchased Water		208		-
13	NA /711	Sludge Removal Expense					•
14	615/715	Purchased Power			-		-
	616/716	Fuel for Purchased Power			•		-
-	618/718	Chemicals			-		-
	620/720	Materials & Supplies			•		•
	631/731	Contractual Services - Engineering			•		-
	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		136		162
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		27		32
21	634/734	Contractual Services - Mgmt. Fees			-		•
	634/734				-		-
	634/734				-		-
	635/735	Contractual Services - Testing			•		-
	636/736	Contractual Services - Other			•		-
	641/741	Rental of Building/Real Prop.			•		-
_	642/742	Rental of Equipment			-		•
	650/750	Transportation Expenses			•		-
	656/756	Insurance - Vehicle			•		-
	657/757	Insurance - General Liability			•		-
	658/758	Insurance - Workman's Comp.			•		-
	659/759	Insurance - Other			-		-
	660/760	Advertising Expense			•		-
	666/766	Reg. Comm. Exp Rate Case Amort.			•		•
	667/767	Reg. Comm. Exp Rate Case Other			-		•
	670/770	Bad Debt Expense			-		
-	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(3,240)		1,421
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(78)		(93)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(50)		(60)
40 41							
41 42		TOTAL O&M ADJUSTMENTS		<u>s</u>	(2,794)	<u>s</u>	1,523
42 43		TOTAL OWN ADJUSTMENTS			\4,194)	-	1,523

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

Line No.	Description	•		o Forma Water		o Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, continue	d	-			
2 C	DEPRECIATION NET OF AMORTIZ	ATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	981	S	1,169
4	Allocation of Corp Structures & Impro-	vements		17		20
5	•					•
6				•		-
7	PSC Depr Rate Correction, Amort CIA	С		736		10,758
8	Reduction for NU&U			(56)		(6,854)
9	TOTAL DEPRECIATION ADJUSTM	ENTS	<u>s</u>	1,678	_\$	5,093
10						
11						
12 D	AMORTIZATION				_	
13	To record annual amortization of regula	atory assets per order PSC-05-1242-PAA-WS	\$	624	\$	649
14	•					
15	TOTAL AMORTIZATION ADJUSTM	(ENTS	<u>_s</u>	624	\$	649
16	•					
17						
18 E	TAXES OTHER THAN INCOME TA		_	(0)	s	(352)
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	S	(8) 248	•	285
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		(5,531)		5,531
21	Property tax adjustment	Distributing from Water to Water & Sewer NU&U portion of Property Taxes		(9)		(1,166)
22 23	Property tax adjustment TOTAL TAXES OTHER THAN INCO		S	(5,300)	<u>s</u>	4,298
23 24	TOTAL TAXES OTHER THAN INCO	DIME ADJUGIMENTS	<u> </u>	(3,300)	<u>.</u>	7,2,70
2 <del>4</del> 25						
26 F	INCOME TAXES					
20 F 27	Income tax impact of the adjustments to	ner hook income	\$	1,933	S	(10,036)
28	TOTAL INCOME TAX ADJUSTMEN		\$	1,933	\$	(10,036)
29	TOTAL GOODE TAX REPORTED	•••				,,,
**	TOTAL EXPENSE ADJUSTMENTS		s	(3,859)	s	1,527

	Description		Wa	ret	_	Sewer
	RMA ADJUSTMENTS					
2 A 3	REVENUES	A must A must as Once that	_		_	_
2		Aqua America Commission	\$	29	S	
3	TOTAL REVENUE ADJUSTMENTS		\$	29	<u>s</u>	
4			<del></del>		-	
3 B	OPERATIONS & MAINTENANCE					
4 601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	S	158	\$	. 3
5 601/701		Reduction in Meter Readers	\$	56	\$	2
4 601/701			S	-	\$	-
5 601/701		Reduction in Meter Readers	S	-	S	(
6 601/701		Remove Carl Smith Salary - Acquisition Related	S	(283)	\$	(3
7 601/701 3 601/701		Reduce President Salary	s	(131)	S	(1
8 601/701 9 601/701			S	•	S	•
0 601/701			S S	-	S	•
1 603/703	Salaries & Wages - Officers, Exec.		2	-	S	-
2 604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	Š	110	s	3
604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(5)	Š	•
610/710	Purchased Water / Sewer Treatment	per creat a management per creat a management to	š	-	Š	
NA /711	Sludge Removal Expense		Š	-	Š	
615/715	Purchased Power		Š		Š	
616/716	Fuel for Purchased Power		\$	-	\$	
618/718	Chemicals		S	•	S	
620/720	Materials & Supplies		S	•	S	
631/731	Contractual Services - Engineering		S	-	\$	
632/732	Contractual Services - Accounting		S	-	\$	
633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(2)	\$	
633/733			S	-	\$	•
634/734 634/734	Contractual Services - Mgmt. Fees		\$	-	S	•
634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customer	S 's S	(184)	\$ \$	(2
634/734			S	_	s	
634/734		Remove Excess Costs Charged from Affiliates	Š	(4,467)	Š	(5,3
635/735	Contractual Services - Testing	•	Š	-	s	(-,-
636/736	Contractual Services - Other		S	•	S	-
636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(160)	S	(1
636/736			S	•	\$	
636/736			\$	•	\$	
636/736		Remove Abnormal Repairs Jungel Den Repoart water pipe	S	(1,000)	S	(8
636/736 636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(30)	S	(
		Disallow Shareholders Services Expenses per Staff Audit Finding No. 12	; <b>S</b>	(97)	\$	- (1
636/736		Adjustment to Deferred Maintenance	S	•	\$	(1
636/736			\$	-	\$	-
641/741 642/742	Rental of Building/Real Prop.		S	•	S	•
	Rental of Equipment	Adima Sual as #2.26/I	\$	•	S	
650/750 656/756	Transportation Expenses Insurance - Vehicle	Adjust fuel to \$3.36/gal	S	194	S	2
657/757	Insurance - Venicle Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ \$	(20)	\$	-
658/758	Insurance - Workman's Comp.	Nomero Executive Mak manualte Expenses	\$ \$	(38)	S	(
659/759	Insurance - Other		\$	-	\$	•
660/760	Advertising Expense		Š		Š	
660/760		Remove Advertising Expenses	Š	(3)	Š	
660/760		Remove Lobbying Expenses	s	(119)	Š	(1
666/766	Reg. Comm. Exp Rate Case Amort.		S	•	\$	
667/767	Reg. Comm. Exp Rate Case Other		S	•	S	
670/770	Bad Debt Expense		S	•	S	-
670/770			S	•	S	-
670/770	Missellanson Posses	Adjustment to Bad Debt	S	10	\$	
675/775 675/775	Miscellaneous Expense	Normalina Palasation Frances	S	-	S	
675/775		Normalize Relocation Expenses Remove Test Year Fines and Penalties	S	(43)	Ş	(
			S	(1)	S	
675/775 675/775		Remove Prior Period Gynenese ass Staff Audit Einding No. 10				
675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	\$	

e	FORMA ADJUSTMENTS, continued		
).	Description	Water	Sewer
c	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
-	Meter Replacements 6 Month Net Depr (Addns less Retirements)	<b>\$</b> 145	NA
	Allocation of new corp. PCs and Network & Telephony enhancements	122	. 1
		-	
		-	
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(53	)
	TOTAL	\$ 215	5
D	AMORTIZATION		
	Correct Test Year Amortization of CIAC	(480	) (7,3
	Remove U&U Adjustment to Test Year Amortization of CIAC		
	TOTAL	\$ (480	) <b>\$</b> (7,3
_			
E	TAXES OTHER THAN INCOME TAX		_
	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 20	-
	Property taxes associated with 2007 plant additions, allocations, adjustments	(16	
	Property taxes associated with Pro Forma plant	194	
	Property Tax adjustment for Non-Used & Useful plant TOTAL	<u>(7</u> \$ 192	
	IOIAL	3 192	<u> </u>
F	INCOME TAXES		
•	Income tax impact of the adjustments to per book income	\$ 2,303	\$ 5,3
	TOTAL	\$ 2,303	\$ 5,3
	TOTAL EXPENSE ADJUSTMENTS	\$ (3,807	\$ (8,3
			-
		···	
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
Α	NET OPERATING REVENUE		
	Required Revenue Adjustment	<u>\$ 17,982</u>	\$ 43,3
В	OPERATION & MAINTENANCE EXPENSE		
	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 54	S
E	TAXES OTHER THAN INCOME TAX		
	RAF on Revenue Adjustment @	4.500% \$ 809	\$ 1,9
F	INCOME TAX ADJUSTMENT	_	
	Rate Year Revenue at Present Rates	\$ 17,185	\$ 38,3
	Plus Required Revenue Adjustment	17,982	
	Rate Year Revenue at Proposed Rates	<b>s</b> 35,167	\$ 81,6
	Less Operating Expenses Before Income Taxes	\$ (32,896	
	Less Interest Expense	(777	·
	Taxable Income	\$ 1,495 38.575% \$ 577	
	Income Tax at Composite Rate of		•
	Less Income Tax at Present Rates	6,027	10,9
	Income Tax Adjustment for Requested Revenue Increase	\$ 6,604	S 15,9
	Income 1 ax Adjustment for Requested Revenue increase	a 0,0U4	3 12,5

Line					2007		2007
No.	Acct	Description			Water	:	Sewer
1		EAR ADJUSTMENTS - 2007					
2	A	REVENUES					
3		Billed less Booked Revenue	Credit adjmnt for Dec '06 was made in Jan '07.	\$	24,038		
4		Billed less Booked Revenue				<u>s</u>	(2,950
5		TOTAL REVENUE ADJUSTMENTS		\$	24,038	\$	(2,950
6	_						
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	(1,269)	\$	(758)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		618		666
10	603/703	Salaries & Wages - Officers, Exec.			•		
11	604/704	Employee Pensions & Benefits					
12	610/710	Purchased Water / Sewer Treatment			-		-
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			-		-
15	616/716	Fuel for Purchased Power			•		-
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies					
18	631/731	Contractual Services - Engineering					-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		1,851		1,841
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		365		364
21	634/734	Contractual Services - Mgmt. Fees			-		
22	634/734						
23	634/734						-
24	635/735	Contractual Services - Testing			-		-
25	636/736	Contractual Services - Other			-		
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment					
28	650/750	Transportation Expenses			•		
29	656/756	Insurance - Vehicle			-		
30	657/757	Insurance - General Liability			-		
31	658/758	Insurance - Workman's Comp.					
32	659/759	Insurance - Other	'				
33	660/760	Advertising Expense					
34	666/766	Reg. Comm. Exp Rate Case Amort.					
35	667/767	Reg. Comm. Exp Rate Case Other					
36	670/770	Bad Debt Expense					
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		68,953		75,951
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to		(1,057)		(1,052)
			Operating Expenses		(1,057)		(1,052)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(679)		(676)
40		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(177)		
41 42		TOTAL O&M ADJUSTMENTS			69.605	<del></del>	76 227
42 43		TO THE OWN ADJUSTMENTS		\$	68,605	<u>s</u>	76,337

Line No.	Description		J	Pro Forma Water		o Forma Sewer
	YEAR ADJUSTMENTS - 2007, cont	inued	<del></del>	77 00.01	<del></del>	3040
2 C		RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT	,	s	13,319	S	13,251
4	Allocation of Corp Structures & In	nprovements		229		228
5	•	•				
6	PSC Depr Rate Correction, Depr E	xpn		(47,577)		22,604
7	PSC Depr Rate Correction, Amort	CIAC		(32,204)		(3,073)
8				-		
9	TOTAL DEPRECIATION ADJUS	STMENTS	S	(66,233)	<u>s</u>	33,009
10						
11						
12 D	AMORTIZATION					
13			S	•	\$	-
14	•		·			-
15	TOTAL AMORTIZATION ADJU	STMENTS	_ \$		<u>s</u>	
16						
17						
18 E	TAXES OTHER THAN INCOME		_		_	
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	s	1,082	\$	(133)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		3,241		3,307
21	Property tax adjustment	Distributing from Water to Water & Sewer		(8,922)		8,922
22	Property tax adjustment TOTAL TAXES OTHER THAN I	NOOME A DISCONNECTION	-	(4.600)	<u>s</u>	10.006
23 24	IOIAL TAXES OTHER THAN I	NCOME ADJUSTMENTS	<u> </u>	(4,599)	3	12,096
2 <del>4</del> 25						
25 26 F	INCOME TAXES	•				
20 F 27	Income tax impact of the adjustmen	nte to nac hook income		2,860	s	(71,819)
27 28	TOTAL INCOME TAX ADJUSTS		3	2,860	<del>-</del> -	(71,819)
28 29	TOTAL INCOME TAX ADJUSTS	TENT S	<u> </u>	2,000	<u></u>	(/1,019
30	TOTAL EXPENSE ADJUSTMEN	me	2	633		49,622

Line		December		Water	Sewer
No.	PRO FO	Description RMA ADJUSTMENTS		water	Sewei
2	A	REVENUES			
3			Aqua America Commission	\$ 396	\$ 394
2			Record Street Lighting and Garbage Revenue Above the Line	<b>s</b> 194,539	<u>s</u> .
3		TOTAL REVENUE ADJUSTMENTS		<b>\$</b> 194,935	\$ 394
4	_				
3	B	OPERATIONS & MAINTENANCE	4.09/4 Whose increase effective 4/1/08	\$ 1,872	\$ 2,018
4	601/701 601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 Market Based Increases	\$ 856	\$ 1,000
4	601/701	-	Mark Dase incluses	\$ -	s -
5	601/701		Reduction in Meter Readers	\$ (8,889)	\$ (2,604)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (3,847)	\$ (3,828)
7	601/701		Reduce President Salary	\$ (1,785)	\$ -
8	601/701			\$	<b>s</b> -
9				<b>S</b> -	s -
	601/701			s -	s - s -
	603/703	Salaries & Wages - Officers, Exec.	Increase in Benefit costs/head in 2008	\$ - \$ 1,007	\$ 1,506
12	604/704 604/704	Employee Pensions & Benefits	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ 1,007 \$ (63)	\$ (63)
12	610/710	Purchased Water / Sewer Treatment	Remove Phot Period Expenses per Statt Addit Philang No. 10	\$ -	\$ -
-	NA /711	Sludge Removal Expense	Pasco County Sludge Hauling price increase in 2008	š -	\$ 16,057
	615/715	Purchased Power		s -	\$ -
	616/716	Fuel for Purchased Power		\$ -	s .
17	618/718	Chemicals		<b>s</b> -	<b>s</b> -
18	620/720	Materials & Supplies		s -	<b>s</b> -
	631/731	Contractual Services - Engineering		\$	s -
	632/732	Contractual Services - Accounting		\$ .	\$ -
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (26)	\$ (26)
	633/733		Normalize Legal Expenses Booked in Error	\$ - \$ -	\$ 5,142 \$
	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -	\$ -
	634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customers		\$ (2,487)
26	634/734			s -	<b>s</b> -
	634/734		Remove Excess Costs Charged from Affiliates	\$ (60,639)	\$ (60,328)
28	635/735	Contractual Services - Testing	Normalizing Testing Expenses	s -	\$ (3,071)
29	636/736	Contractual Services - Other	•	\$ -	\$ .
	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (2,175)	\$ (2,164)
	636/736		FIT: 1 0/6 0	\$ - \$ (6,877)	\$ - \$ -
	636/736		Eliminate O/S Contractor meter reading Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (6,877) \$ (414)	\$ (412)
	636/736 636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No. 12	\$ (1,322)	\$ (1,315)
35	636/736		Adjustment to Deferred Maintenance	\$ (510)	\$ (1,140)
	636/736		100,400,700,100 200,002 31,000,000	\$ .	\$ -
	636/736			<b>s</b> -	<b>s</b> -
38	641/741	Rental of Building/Real Prop.		<b>s</b> -	\$ -
39	642/742	Rental of Equipment		<b>s</b> -	<b>s</b> -
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 2,633	\$ 2,620
	656/756	Insurance - Vehicle	D Provide Did Income Provide	\$ (510)	\$ - \$ (507)
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (510) \$ -	\$ (507) \$ -
	658/758 659/759	Insurance - Workman's Comp. Insurance - Other		\$ -	\$ .
	660/760	Advertising Expense		\$ -	s -
46	660/760	recognition where	Remove Advertising Expenses	\$ (43)	\$ (43)
47	660/760		Remove Lobbying Expenses	\$ (1,620)	\$ (1,612)
48	666/766	Reg, Comm. Exp Rate Case Amort.		<b>s</b> -	<b>s</b> -
49	667/767	Reg. Comm. Exp Rate Case Other		<b>s</b> -	\$ ·
	670/770	Bad Debt Expense		\$	s -
51	670/770		A dissertment to Bod Dobt	\$ (0.386)	\$ - \$ (4,021)
52		Minaltonesia Even	Adjustment to Bad Debt	\$ (9,386) \$ -	\$ (4,021) \$ -
53		Miscellaneous Expense		, . , .	, .
	675/775 675/775		Normalize Relocation Expenses	\$ (1,344)	\$ (1,125)
56	675/775	•	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)	\$ -
57	3.3.113			(-)	-
58					\$ (56,402)

	FORMA ADJUSTMENTS, continued		
e	Description	Water	Sewer
C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)	Water	Sewer
C	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 2,229	) NA
	Allocation of new corp. PCs and Network & Telephony enhancements	1,660	
	Allocation of new corp. I Cs and Network & Telephony chinalicanicins	1,000	,.
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(714	
	Tonio i o Doprovizioni Dispanor i motatta Irom i 1922 i militare per dimir i menigrici.	<b>、</b>	(7
	TOTAL	\$ 3,175	\$ 9
	IOIAL	3,172	<u> </u>
D	AMORTIZATION	•	
	Correct Test Year Amortization of CIAC		
	Remove U&U Adjustment to Test Year Amortization of CIAC		
	TOTAL	\$	<u> </u>
	IVIND		<u> </u>
E	TAXES OTHER THAN INCOME TAX		
E	Payroll tax adjustment On Salary & Wage adjustments explained above	S 216	<b>s</b> 2
	Property taxes associated with 2007 plant additions, allocations, adjustments	(11,816	
		2,588	
	Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant	2,388	, , ,
	TOTAL	\$ (9,012	\$ 18,4
	IVIND	. (9,012	/ 3 18,4
F	INCOME TAXES		
r	Income tax impact of the adjustments to per book income	\$ 113,126	<b>\$</b> 15,3
	TOTAL	\$ 113,126	
	IVIAL	a 113,120	• • • • •
	TOTAL EXPENSE ADJUSTMENTS	\$ 11,707	S (21,6
	TOTAL EVI EVICE VENOSTMENTS	3 11,707	3 (21,0
UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
Α	NET OPERATING REVENUE		
••	Required Revenue Adjustment	\$ (351,412	\$ 327.2
		- (551,412	
В	OPERATION & MAINTENANCE EXPENSE		
-	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (1,051	<u> </u>
	man man and the state of a stake one and a stake one and a stake one and a stake one and a stake one a		<u> </u>
E	TAXES OTHER THAN INCOME TAX		
-	RAF on Revenue Adjustment @	4.500% \$ (15,814	) <b>S</b> 14,7
		(12,01.	
F	INCOME TAX ADJUSTMENT		
-	Rate Year Revenue at Present Rates	\$ 652,636	\$ 371,0
	Plus Required Revenue Adjustment	(351,412	
	Rate Year Revenue at Proposed Rates	\$ 301,223	
	Less Operating Expenses Before Income Taxes	\$ (230,872	) <b>\$</b> (525,13
	Less Interest Expense	(21,942	
	Taxable Income	\$ 48,410	
	Income Tax at Composite Rate of	38.575% \$ 18,674	
	Less Income Tax at Present Rates	(147,726	•
	STORE AND	(141,720	, ,0,2
	Income Tax Adjustment for Requested Revenue Increase	\$ (129,052	) <b>\$</b> 120,1
	surcoure 1 av Andrasmann for Vedrassian Vescina metasse	(129,032	120,1

Line No.	Acct	Description .			2007 Water		2007 lewer
1		AR ADJUSTMENTS - 2007		-			
2	A	REVENUES					
3		Billed less Booked Revenue		s	(16)		
4		Billed less Booked Revenue		•	(10)	•	(755
5		TOTAL REVENUE ADJUSTMENTS		\$	(16)	\$	(755
6		TOTAL REVERSE ADJUSTRACIOS			(10)	<u> </u>	
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	s	866	s	(95)
9	601/701	Suidiles de Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	140	•	143
10	603/703	Salaries & Wages - Officers, Exec.					-
11	604/704	Employee Pensions & Benefits					
12	610/710	Purchased Water / Sewer Treatment					-
13	NA /711	Sludge Removal Expense					
14	615/715	Purchased Power					-
15	616/716	Fuel for Purchased Power					_
16	618/718	Chemicals			-		
17	620/720	Materials & Supplies					-
18	631/731	Contractual Services - Engineering					٠.
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		248		237
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		49		47
21	634/734	Contractual Services - Mgmt. Fees					-
22	634/734	-			-		
23	634/734						-
24	635/735	Contractual Services - Testing			-		-
25	636/736	Contractual Services - Other			•		-
26	641/741	Rental of Building/Real Prop.					-
27	642/742	Rental of Equipment			-		
28	650/750	Transportation Expenses					-
29	656/756	Insurance - Vehicle			-		
30	657/757	Insurance - General Liability					-
31	658/758	Insurance - Workman's Comp.			-		-
32	659/759	Insurance - Other			-		
33	660/760	Advertising Expense	,		-		-
34	666/766	Reg. Comm. Exp Rate Case Amort.					-
35	667/767	Reg. Comm. Exp Rate Case Other					-
36	670/770	Bad Debt Expense					
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(3,876)		(8,005)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(142)		(135)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(91)		(87)
40							
41							
42		TOTAL O&M ADJUSTMENTS		\$	(2,806)	\$	(7,896)

Line No.	Description			ro Forma Water	P	ro Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, cont	nued				
2 C	DEPRECIATION NET OF AMOR	TIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		S	1,783	\$	1,707
4	Allocation of Corp Structures & In	provements		31		29
5				-		-
6	PSC Depr Rate Correction, Depr E	хрп		(1,964)		(1,471)
7	PSC Depr Rate Correction, Amort	CIAC		(8,707)		(21,965)
8	Reduction for NU&U			(106)		2,649
9	TOTAL DEPRECIATION ADJUS	TMENTS	<u>s</u>	(8,964)	5	(19,051)
10						
11						
12 D	AMORTIZATION					
13			S	-	S	•
14	·			·		:
15	TOTAL AMORTIZATION ADJU	STMENTS	<u>s</u>	<u>-</u>	\$	
16						
17	m. 1999 000100 0001111 D1001 00	m.v.				
18 E	TAXES OTHER THAN INCOME		_		_	
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	S	(1)	S	(34)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		502		418
21 22	Property tax adjustment	Distributing from Water to Water & Sewer NU&U portion of Property Taxes		(1,978)		1,978
23	Property tax adjustment TOTAL TAXES OTHER THAN I			(1,592)	<u> </u>	(524) 1,838
23 24	TOTAL TAXES OTHER THAN E	ACOME ADJUST MENTS	3	(1,392)		1,638
24 25						
26 F	INCOME TAXES					
26 F 27	Income tax impact of the adjustmen	ste to per hook income	•	4,207	•	8,499
27 28	TOTAL INCOME TAX ADJUSTIN			4,207	-3	8,499
28 29	TOTAL INCOME TAX ADJUSTS	RENIS	<u> </u>	4,207	-	0,499
29 30	TOTAL EXPENSE ADJUSTMEN	Te	•	(9,155)	•	(16,609)
30	IOTAL EXPENSE ADJUSTMEN	19		(7,133)		(10,009

No. Acct	Description			Water		Sewer
PRO FO	PRMA ADJUSTMENTS REVENUES					
3	REVERGES	Aqua America Commission	s	53	s	51
2		Aqua America Commission	Š	-	s	-
3	TOTAL REVENUE ADJUSTMENTS		S	53	\$	5
4	•					
3 B	OPERATIONS & MAINTENANCE					
4 601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	Ş	424	\$	434
5 601/701 4 601/701		Market Based Increases	s s	322 343	S	30
5 601/701		Lake County Facility Operator II	s	343	s	:
6 601/701		Reduction in Meter Readers	Š	(83)	Š	(7
7 601/701		Remove Carl Smith Salary - Acquisition Related	S	(515)	\$	(49
8 601/701		Reduce President Salary	S	(239)	\$	(22
9 601/701			S	-	\$	-
10 601/701			\$	•	S	•
11 603/703	Salaries & Wages - Officers, Exec.	In in Donafd and in 2008	S	260	S	-
604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008  Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	. 360 (8)	S	40
3 610/710	Purchased Water / Sewer Treatment	Remove That Ferror Expenses per Statt Audit Finding No. 10	Š	(0)	Š	_'
4 NA/711	Sludge Removal Expense		Š	-	Š	-
5 615/715	Purchased Power		\$	-	S	•
6 616/716	Fuel for Purchased Power		S	•	S	-
7 618/718	Chemicals		\$	•	\$	-
8 620/720	Materials & Supplies		S	-	\$	-
9 631/731	Contractual Services - Engineering		S	•	S	•
0 632/732	Contractual Services - Accounting	n ni ni ta ni ta ni	S	•	S	٠,
1 633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(3)	S	(
2 633/733 3 634/734	Contractual Services - Mgmt, Fees		S	•	S	-
4 634/734	Contactual Scivices - Mignit, 1 ces		Š	-	Š	
5 634/734		Service Co. allocation adjustment for dual Water/Sewer customers		(335)	s	(32
6 634/734			s		\$	
7 634/734		Remove Excess Costs Charged from Affiliates	S	(8,119)	S	(7,76
8 635/735	Contractual Services - Testing		S S	• .	S	-
9 636/736 0 636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Sewer customers	S	(291)	\$	(27
1 636/736			Š	(2)1)	Š	(2,
2 636/736			s		s	
3 636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(55)	\$	(5:
4 636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(177)	S	(16
5 636/736		Adjustment to Deferred Maintenance	2	(757)	\$	•
6 636/736			S	-	S	-
7 636/736	Develop 14' or 15		S	-	\$	•
8 641/741 9 642/742	Rental of Building/Real Prop.		\$ \$	-	S	-
0 650/750	Rental of Equipment Transportation Expenses	Adjust fuel to \$3.36/gal	S	353	s	33
1 656/756	Insurance - Vehicle	rigus tuel to 93.34 gai	s	-	Š	
2 657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(68)	s	(6
3 658/758	Insurance - Workman's Comp.	• • •	s	•	\$	
4 659/759	Insurance - Other		\$	-	\$	•
5 660/760	Advertising Expense		S	•	\$	-
6 660/760		Remove Advertising Expenses	S	(6)	\$	(
660/760	B 0 F. B. 0	Remove Lobbying Expenses	S	(217)	S	(20
666/766	Reg. Comm. Exp Rate Case Amort.		s s	•	S	•
667/767	Reg. Comm. Exp Rate Case Other Bad Debt Expense		Š		S	•
670/770	and sout expense		Š	•	Š	
670/770		Adjustment to Bad Debt	Š	443	Š	(7
675/775	Miscellaneous Expense	-	S	•	\$	
675/775	•	Normalize Relocation Expenses	\$	(78)	S	(7
675/775		Remove Test Year Fines and Penalties	\$	(119)	\$	(18
		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	S	(
6 <b>675/775</b> 7	•	Remove that remaind expenses per state About thinking to. To	•	(-)	•	`

	FORMA ADJUSTMENTS, continued			
ne D.	Description		Water	Sewer
, C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		77 0101	
•	Meter Replacements 6 Month Net Depr (Addns less Retirements)	S	694	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		222	2
			•	
			-	
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(96)	C
	TOTAL	<u> </u>	820	<b>s</b> 1
)	IVIAL	<del></del>		
ĺ				
D	AMORTIZATION			
	Correct Test Year Amortization of CIAC			
	Remove U&U Adjustment to Test Year Amortization of CIAC		-	
	TOTAL	\$	•	\$
i	•			
E	TAXES OTHER THAN INCOME TAX			
!	Payroll tax adjustment On Salary & Wage adjustments explained above	S	58	\$
<del>)</del>	Property taxes associated with 2007 plant additions, allocations, adjustments		(2,130)	(9
)	Property taxes associated with Pro Forma plant		734	
	Property Tax adjustment for Non-Used & Useful plant		110	2
!	TOTAL	\$	(1,229)	<b>s</b> (6
F	INCOME TAXES			
	Income tax impact of the adjustments to per book income	<u>_s</u>	3,179	\$ 3,6
•	TOTAL	<u>_s</u>	3,179	\$ 3,6
i	TOTAL EXPENSE ADJUSTMENTS	<u>\$</u>	(6,056)	\$ (5,4
ı I	•			
UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
A	NET OPERATING REVENUE			
	Required Revenue Adjustment	\$	(48,336)	\$ (64,4
	,			
В	OPERATION & MAINTENANCE EXPENSE			
	Bad Debt Adjustment Due To Proposed Rate Increase	S	(145)	<b>S</b> (1
E	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4.500% \$	(2,175)	\$ (2,9
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	61,898	\$ 73,3
	Plus Required Revenue Adjustment		(48,336)	(64,4
	Rate Year Revenue at Proposed Rates	S	13,561	\$ 8,9
		_	4 550	
	Less Operating Expenses Before Income Taxes	S	(3,778)	\$ (3,5
	Less Interest Expense		(3,486)	(2,0
	Taxable Income	30 6754/ 6	6,297	\$ 3,3
	Income Tax at Composite Rate of	38.575% \$	2,429	\$ 1,3
	Less Income Tax at Present Rates		(20,180)	(24,9
	T. M. A.C. and a College and Discount.		(17.761)	e (02.5
	Income Tax Adjustment for Requested Revenue Increase	7	(17,751)	\$ (23,6

ine					2007	_	007
0.	Acct	Description			Water	Se	wer
ŧ		EAR ADJUSTMENTS - 2007					
2	A	REVENUES		s	(114)		
3		Billed less Booked Revenue		3	(114)	D.T.A	
4		Billed less Booked Revenue		_	(114)	- NA	
5		TOTAL REVENUE ADJUSTMENTS	•	<u>s</u>	(114)	NA.	<u> </u>
6							
7	В	OPERATIONS & MAINTENANCE	- H. W A. F		(20)	s	
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	S	(30)	•	
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		55		
0	603/703	Salaries & Wages - Officers, Exec.			-		
1	604/704	Employee Pensions & Benefits			•		
	610/710	Purchased Water / Sewer Treatment	Normalize Kingswood Purchased Water		984		
_	NA /711	Sludge Removal Expense	· · · · · · · · · · · · · · · · · · ·				
14	615/715	Purchased Power			•		
	616/716	Fuel for Purchased Power					
	618/718	Chemicals			-		
17	620/720	Materials & Supplies			-		
18	631/731	Contractual Services - Engineering			-		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		76		
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	•	15		
21	634/734	Contractual Services - Mgmt. Fees	•				
22	634/734	•			•		
23	634/734				•		
24	635/735	Contractual Services - Testing			-		
25	636/736	Contractual Services - Other					
26	641/741	Rental of Building/Real Prop.					
27	642/742	Rental of Equipment			-		
28	650/750	Transportation Expenses					
29	656/756	Insurance - Vehicle			•		
30	657/757	Insurance - General Liability			•		
31	658/758	Insurance - Workman's Comp.					
	659/759	Insurance - Other			-		
33	660/760	Advertising Expense			-		
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		
35	667/767	Reg. Comm. Exp Rate Case Other	•		-		
36	670/770	Bad Debt Expense			•		
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(10,272)		
38	675/775	•	Normalize 2007 Intracompany misallocation of a/c 426 to		(43)		
			Operating Expenses				
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(28)		
<b>\$</b> 0							
41					(0.242)	- NT 4	
42 43		TOTAL O&M ADJUSTMENTS		<u>s</u>	(9,243)	NA	<u></u>

\$ (5,200) NA

# Aqua Utilities Florida, Inc. Expense Adjustments Kingswood

TOTAL EXPENSE ADJUSTMENTS

ine	<b>.</b>			Forma Water	Pro Form Sewer
No.	Description		· · · · · · · · · · · · · · · · · · ·	water	Sewer
	YEAR ADJUSTMENTS - 2007, con	nnued RTIZATION OF CIAC (Used & Useful)			
2 C	Allocation of Corporate IT	KITEATION OF CIAC (Used & Useful)	s	546	NA
3			3	9	NA.
4	Allocation of Corp Structures & I	mprovements		,	NA NA
5	PSC Audit Adjustments	D		10	NA NA
6	PSC Depr Rate Correction, Depr			8	NA NA
,	PSC Depr Rate Correction, Amor	TCIAC		•	NA NA
8	Reduction for NU&U	OTTAKEN TOO	<u>s</u>	573	NA NA
9	TOTAL DEPRECIATION ADJU	SIMENIS	3	3/3	- NA
10					
11 12 D	AMORTIZATION				
3		regulatory assets per order PSC-05-1242-PAA-WS	\$	343	NA
14	To record annual amortization of	regulatory assets per order 13C-05-1242-1 AA-WS	•	343	NA.
15	TOTAL AMORTIZATION ADJ	ICTMENTS	\$	343	NA NA
16	TOTAL AMORTIZATION ADJ	DSTMENTS		343	1473
17					
18 E	TAXES OTHER THAN INCOM	FTAY			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	S	(5)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	•	138	NA
21	Property tax adjustment	On balany of Trage augustions of printed above			NA
22	Property tax adjustment				NA
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	\$	133	NA
4	.01115 115150 011551 11551				
25					
.6 F	INCOME TAXES				
7	Income tax impact of the adjustm	ents to ner book income	s	2,994	NA
28	TOTAL INCOME TAX ADJUST		<u> </u>	2,994	NA

ne o.	Acct	Description		W:	ater	Se	wer
-		RMA ADJUSTMENTS					
	A	REVENUES					
			Aqua America Commission	\$	16	\$	
				<u>\$</u>	- 16	\$	
		TOTAL REVENUE ADJUSTMENTS		<u>\$</u>	16	NA	<u> </u>
	n	OPERATIONS & MAINTENANCE					
	B 601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	s	168	\$	
	601/701	Salaries of Wages - Employees	Market Based Increases	\$	165	\$	
	601/701			\$		\$	
	601/701		Reduction in Meter Readers	\$	(25)	\$	
	601/701		Remove Carl Smith Salary - Acquisition Related	\$	(158)	\$	
	601/701		Reduce President Salary	\$	(73)	\$	
	601/701			\$	-	\$	
	601/701			S	•	\$	
)	601/701			\$ .	-	\$	
	603/703	Salaries & Wages - Officers, Exec.		S	-	\$	
2	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	174	\$	
	604/704	p., 1., 1., 1.6	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(3)	S	
	610/710	Purchased Water / Sewer Treatment		\$ \$	-	\$ \$	
	NA /711	Sludge Removal Expense Purchased Power		\$ \$	-	\$	
	615/715 616/716	Fuel for Purchased Power		S	-	\$	
	618/718	Chemicals		\$	-	S	
	620/720	Materials & Supplies		\$	-	Š	
	631/731	Contractual Services - Engineering		\$	-	\$	
	632/732	Contractual Services - Accounting		\$	-	\$	
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(1)	S	
	633/733	•	• • •	\$	-	\$	
3	634/734	Contractual Services - Mgmt. Fees		\$	•	\$	
ŧ	634/734			\$	-	\$	
5	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$	(103)	\$	
	634/734		D D G G 10 10 100	\$	- (0.40()	S	
	634/734	Community Contraction	Remove Excess Costs Charged from Affiliates	\$ \$	(2,486)	\$ \$	
	635/735 636/736	Contractual Services - Testing Contractual Services - Other		S	-	S	
	636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Sewer customers	\$	(89)	Š	
ĺ	636/736		7100 allocation adjustment for data 11 activities outstands	Š	-	Š	
	636/736			s	-	\$	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	s	(17)	\$	
	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(54)	S	
5	636/736			\$	-	\$	
	636/736			\$	-	\$	
7	636/736			\$	-	\$	
	641/741	Rental of Building/Real Prop.		\$	-	S	
	642/742	Rental of Equipment	A 11	\$	-	S	
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	108	S	
	656/756	Insurance - Vehicle	Domesia Especialism Biola Incorporate Especialism	\$ \$	(21)	\$ \$	
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ \$	(21)	S	
	658/758 659/759	Insurance - Workman's Comp. Insurance - Other		\$	-	\$	
	660/760	Advertising Expense		Š	•	Š	
	660/760	vertaining nyberiae	Remove Advertising Expenses	\$	(2)	Š	
	660/760		Remove Lobbying Expenses	Š	(67)	s	
	666/766	Reg. Comm. Exp Rate Case Amort.	, • .	s	- 1	\$	
	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	
	670/770	Bad Debt Expense		\$	-	\$	
	670/770			\$	-	\$	
	670/770		Adjustment to Bad Debt	\$	(491)	\$	
	675/775	Miscellaneous Expense		\$	-	\$	
	675/775		Normalize Relocation Expenses	\$	(24)	S	
	675/775		Remove Test Year Fines and Penalties	\$	(1)	S	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	
7	0.5.7.5						

Kingswood
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	PRO FORMA ADJUSTMENTS, continued			
ine	Description		Water	Sewe
√о. 1 (	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
2	Meter Replacements 6 Month Net Depr (Addns less Retirements	s) \$	•	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	•	68	NA
4	Anocaton of new corp. I co and not restrict to I corp. on the corp.			
5				NA
6				
7				NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No	. 19	(29)	
0	Remote Depression Expense : mounted nom : -que : maner per sum : maner		` ′	NA
	TOTAL	<u>s</u>	39	NA
9	TOTAL	<u> </u>		14/1
10				
11	A MORTITATION			
	D AMORTIZATION			NA
13	Correct Test Year Amortization of CIAC		-	NA NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	<u> </u>		NA NA
15	TOTAL	3		INA
16	TAYER OTHER THAN BUOME TAY			
	E TAXES OTHER THAN INCOME TAX	ove \$	26	NA
18	Payroll tax adjustment On Salary & Wage adjustments explained at	ove D	184	NA NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments		184	INA
20	Property taxes associated with Pro Forma plant		13	NT A
21	Property Tax adjustment for Non-Used & Useful plant	<u>s</u>	223	NA NA
22	TOTAL	3		INA
23				
	F INCOME TAXES	•	1.101	NA
25	Income tax impact of the adjustments to per book income	3	1,101	NA NA
26	TOTAL	<u>_s</u>	1,101	NA
27			(1.627)	N/A
28	TOTAL EXPENSE ADJUSTMENTS	\$	(1,637)	NA
29 30				
	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
32				
	A NET OPERATING REVENUE		16,006	- NIA
34	Required Revenue Adjustment	<u></u>	16,996	NA
35				
	B OPERATION & MAINTENANCE EXPENSE			- NIA
37 38	Bad Debt Adjustment Due To Proposed Rate Increase	\$	51	NA
	E TAXES OTHER THAN INCOME TAX			
40	RAF on Revenue Adjustment @	4.500% \$	765	NA
41				
	F INCOME TAX ADJUSTMENT			
43	Rate Year Revenue at Present Rates	S	15,553	NA
44	Plus Required Revenue Adjustment		16,996_	NA
45	Rate Year Revenue at Proposed Rates	\$	32,549	NA
46				
<b>1</b> 7	Less Operating Expenses Before Income Taxes	S	(31,946)	NA
48	Less Interest Expense	•	(218)	NA
49	Taxable Income	\$	385	NA
<del>19</del> 50	Income Tax at Composite Rate of	38.575% \$	149	NA
50 51	Less Income Tax at Present Rates		6,093	NA
51 52	Personne 1 fix at Liesent Lates		0,075	
52 53	Income Tax Adjustment for Requested Revenue Increase	•	6,242	NA
J)	moome 1ax Adjustment for Acquested Revenue increase		V,2-72	17/1

Line No.	Acct	Description			2007 Water		2007 Sewer
1		CAR ADJUSTMENTS - 2007					
2	A	REVENUES					
3		Billed less Booked Revenue		\$	(649)		
4		Billed less Booked Revenue				\$	(1,629)
5		TOTAL REVENUE ADJUSTMENTS		\$	(649)	\$	(1,629)
6							
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	(1,781)	\$	(151)
9	601/701	,	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		631		136
10	603/703	Salaries & Wages - Officers, Exec.			-		-
11	604/704	Employee Pensions & Benefits			•		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Lake Gibson Purchased Wastewater		-		51,366
13	NA /711	Sludge Removal Expense					•
14	615/715	Purchased Power			-		•
15	616/716	Fuel for Purchased Power			-		•
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			•		-
18	631/731	Contractual Services - Engineering					-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		999		378
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		197		75
21	634/734	Contractual Services - Mgmt. Fees			•		-
22	634/734				-		•
23	634/734				•		-
24	635/735	Contractual Services - Testing			-		-
25	636/736	Contractual Services - Other			-		•
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment			-		-
28	650/750	Transportation Expenses			-		-
29	656/756	Insurance - Vehicle			•		-
30	657/757	Insurance - General Liability			•		-
31	658/758	Insurance - Workman's Comp.			-		-
32	659/759	Insurance - Other			-		•
33	660/760	Advertising Expense			-		-
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		-
35	667/767	Reg. Comm. Exp Rate Case Other			-		-
36	670/770	Bad Debt Expense			· · · · · ·		
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		28,133		(43,359)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(571)		(216)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(367)		(139)
40		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(61)		
41					07.100		9.000
42 43		TOTAL O&M ADJUSTMENTS		_\$	27,182	s	8,089

Line No.	Description		J	Pro Forma Water		o Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, con-	inued			-	
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	7,193	\$	2,722
4	Allocation of Corp Structures & In	nprovements		124		47
5				-		
6	PSC Depr Rate Correction, Depr I			70		3,271
7	PSC Depr Rate Correction, Amort	CIAC		14,086		13,900
8	Reduction for NU&U			(1,860)		(87,782)
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	19,613	\$	(67,842)
10						
11						
12 D	AMORTIZATION					
13	To record annual amortization of a	egulatory assets per order PSC-05-1242-PAA-WS	\$	•	\$	-
14	•					-
15	TOTAL AMORTIZATION ADJU	ISTMENTS			\$	
16						
17						
18 E	TAXES OTHER THAN INCOME					
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(29)	\$	(73)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		1,622		656
21	Property tax adjustment	Distributing from Water to Water & Sewer		(41,677)		41,677
22	Property tax adjustment	NU&U portion of Property Taxes	·	(623)		(6,018)
23	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	\$	(40,707)	\$	36,242
24						
25 26 F	INCOME TAXES					
26 F 27			•	10 4		
28	Income tax impact of the adjustme TOTAL INCOME TAX ADJUST		- 5	(6,415)	\$	2,373
28 29	TOTAL INCOME TAX ADJUST	MENIS	_2	(6,415)	\$	2,373
30	TOTAL EXPENSE ADJUSTMEN	ITS	•	(202)	_	(0.1.100)
30	IUIAL EAPENSE ADJUSTMEN	113	3	(327)	<u>.</u>	(21,138)

TOTAL REVENUE ADJUSTMENTS  4	Meter Readers	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	811
Aqua Amer   Aqua	S	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	81 411 105 - (126 (365 - - - - 27 (13 55,766
TOTAL REVENUE ADJUSTMENTS	S	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	81 411 105 - (126 (365 - - - - 27 (13 55,766
TOTAL REVENUE ADJUSTMENTS	S   214	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	411 105 - (126 (786 (365 - - 274 (13 55,766 - - - - (5
3	Increase effective 4/1/08 \$ 1,913 d Increases \$ 1,625 \$  Meter Readers \$ (901)   S (2,078)   S (964)   S (964)   S  Identify Salary - Acquisition Related \$ (2,078)   S (964)   S  Senefit costs/head in 2008 \$  Senefit costs/head in 2008 \$ 1,571   S  Pro Forma Purchased Wastewater \$  S .	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	411 105 - (126 (786 (365 - - 274 (13 55,766 - - - - (5
B	d Increases \$ 1,625  Meter Readers \$ (901)  I Smith Salary - Acquisition Related \$ (2,078)  ident Salary \$ (964)  S -  S -  S -  S -  S -  S -  S -  S	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	105 - (126 (786 (365 (5
4. 601/701   Salaries & Wages - Employees   4.0% Wage   Market Base   4. 601/701   Reduction in   Remove Ca   Reduce Pres   6. 601/701   Reduce Pres   Reduce Pres   6. 601/701   Reduce Pres	d Increases \$ 1,625  Meter Readers \$ (901)  I Smith Salary - Acquisition Related \$ (2,078)  ident Salary \$ (964)  S -  S -  S -  S -  S -  S -  S -  S	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	105 - (126 (786 (365) - - - 274 (13 55,766 - - - - - - (5
Materials & Supplies   Gal/734   Contractual Services - Legal   Remove Pri	Meter Readers   \$   (901)       I Smith Salary - Acquisition Related   \$ (2,078)   (964)   \$ (964)   \$   (964)	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(126 (786 (365 - - - 274 (13 55,766 - - - - - - (5
Reduction in Remove Ca   Reduce Pres	Meter Readers   \$ (901)     Smith Salary - Acquisition Related   \$ (2,078)     Genefit Costs/head in 2008   \$	*************	(126 (786 (365 - - - - - - - - - - - - - - - - - - -
Remove Ca   Reduce Press	Smith Salary - Acquisition Related   \$ (2,078)	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(786 (365 - - - - - - (13 55,766
Reduce Pres	S	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(365
8   601/701   9   601/701   1   603/703   Salaries & Wages - Officers, Exec.   2   604/704   Employee Pensions & Benefits   Remove Pri   604/704   Sludge Removal Expense   Lake Gibson   1   1   1   1   1   1   1   1   1	S	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2744 (13 55,766
9 601/701 0 601/701 0 601/701 1 603/703	S	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	274 (13 55,766 (5 5 )
10   601/701   10   603/703   Salaries & Wages - Officers, Exec.   Employee Pensions & Benefits   Increase in I   Remove Pri   13   610/710   Purchased Water / Sewer Treatment   Lake Gibson   Salaries & Wages - Officers, Exec.   Increase in I   Remove Pri   15   15/715   Purchased Power   Lake Gibson   Salaries & Supplies   16   16/716   Fuel for Purchased Power   Chemicals   Chemicals   Chemicals   Contractual Services - Engineering   Contractual Services - Accounting   Contractual Services - Legal   Remove Pri   16   634/734   Contractual Services - Mgmt. Fees   Contractual Services - Mgmt. Fees   Contractual Services - Other   Contractual	Separation   Sep	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	274 (13 55,766 (5 5 )
12 604/704   Employee Pensions & Benefits   Remove Pri	Senefit costs/head in 2008   1,571   3   (34)     Pro Forma Purchased Wastewater   \$   -     S   -	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	274 (13 55,766
604/704   Remove Pri	S	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(13 55,766 - - - - - - - (5
13	Pro Forma Purchased Wastewater \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	55,766
14 NA /711   Sludge Removal Expense	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ r Period Expenses per Staff Audit Finding No. 10 \$ (14) \$ -	\$ \$ \$ \$ \$ \$ \$ \$ \$	- (5
15 615/715   Purchased Power   Fuel for Purchased Power     16 616/716   Fuel for Purchased Power     17 618/718   Chemicals     18 620/720   Materials & Supplies     19 631/731   Contractual Services - Engineering     10 632/732   Contractual Services - Accounting     12 633/733   Contractual Services - Legal   Remove Pri     12 634/734   Service     13 634/734   Service     14 634/734   Service     15 636/736   Contractual Services - Testing   Normalizing     16 636/736   ACO alloca     16 636/736   Service     17 636/736   Eliminate O     18 636/736   Remove Pri     18 636/736   Eliminate O     19 632/736   Remove Pri     19 636/736   Remove Pri     10 636/736   Remove Pri     10 636/736   Remove Pri     10 636/736   Remove Pri     10 636/736   Remove Pri     11 636/736   Remove Pri     12 636/736   Remail of Building/Real Prop     13 636/736   Remail of Equipment     14 636/736   Transportation Expenses   Adjust fuel     16 656/756   Insurance - Vehicle   Insurance - Other     18 658/758   Insurance - Other     18 658/759   Insurance - Other     18 660/760   Advertising Expense     18 658/759   Insurance - Other     18 660/760   Advertising Expense     18 658/759   Insurance - Other     19 660/760   Advertising Expense     10 650/750   Insurance - Other     10 660/750   Insurance - Other     11 67 67 600/750   Insurance - Other     12 67 67 600/750   Insurance - Other     13 67 67 600/750   Insurance - Other     14 67 67 600/750   Insurance - Other     15 660/750   Insurance - Other     16 67 67 600/750   Insurance - Other     17 67 67 600/750   Insurance - Other     18 67 67 600/750   Insurance -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ (14)	\$ \$ \$ \$ \$ \$ \$	-
16   616/716   Fuel for Purchased Power   Chemicals   Chemicals   Materials & Supplies   G31/731   Contractual Services - Engineering   Contractual Services - Accounting   Contractual Services - Legal   Remove Pri   Contractual Services - Legal   Remove Pri   Contractual Services - Legal   Remove Pri   Contractual Services - Mgmt. Fees   Contractual Services - Other   Contractua	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ (14) \$ -	\$ \$ \$ \$ \$ \$	-
Contractual Services - Legal   Remove Pri	\$ - \$ - \$ - \$ - \$ (14) \$ -	\$ \$ \$ \$ \$	-
Materials & Supplies   Goldractual Services - Engineering   Contractual Services - Engineering   Contractual Services - Accounting   Contractual Services - Legal   Remove Pri   Goldractual Services - Mgmt. Fees   Goldractual Services - Mgmt. Fees   Goldractual Services - Mgmt. Fees   Goldractual Services - Testing   Service Co.   Goldractual Services - Testing   Normalizing   Goldractual Services - Other   Goldractual Se	\$ - \$ - \$ - \$ (14) \$ -	\$ \$ \$ \$	-
Contractual Services - Accounting   Contractual Services - Legal   Remove Pri	or Period Expenses per Staff Audit Finding No. 10 \$ (14) \$ -	\$ \$ \$ \$	-
1	or Period Expenses per Staff Audit Finding No. 10 \$ (14)	\$ \$ \$	-
22 633/733 23 634/734 Contractual Services - Mgmt. Fees 24 634/734 Service Co. 25 634/734 Remove Ex. 26 634/734 Remove Ex. 27 634/734 Remove Ex. 28 635/735 Contractual Services - Testing Normalizing 29 636/736 ACO alloca 20 636/736 Eliminate O 20 636/736 Remove Pri 21 636/736 Remove Pri 22 636/736 Remove Pri 23 636/736 Remove Pri 24 636/736 Remove Pri 25 636/736 Remove Pri 26 636/736 Remail of Building/Real Prop. 27 636/736 Remail of Equipment 28 636/736 Remail of Equipment 29 642/742 Rental of Equipment 29 642/747 Rental of Equipment 20 650/750 Insurance - Vehicle Insurance - General Liability Remove Ex. 25 656/756 Insurance - Workman's Comp. 25 660/760 Advertising Expense	\$ -	\$ \$	-
23 634/734 Contractual Services - Mgmt. Fees 24 634/734 Service Co. 25 634/734 Remove Ex. 26 634/734 Remove Ex. 27 634/734 Remove Ex. 28 635/735 Contractual Services - Testing Normalizing 29 636/736 ACO alloca 20 636/736 Eliminate O 21 636/736 Remove Pri 22 636/736 Disallow Sh 23 636/736 Remove Pri 24 636/736 Rental of Building/Real Prop. 25 636/736 Rental of Equipment 26 636/736 Insurance - Workman's Comp. 27 636/736 Insurance - Workman's Comp. 28 658/758 Insurance - Workman's Comp. 28 660/760 Advertising Expense		\$	-
4 634/734 5 634/734 6 634/734 7 634/734 8 635/735 Contractual Services - Testing Normalizing 9 636/736 Contractual Services - Other 0 636/736 1 636/736 2 636/736 2 636/736 3 636/736 4 636/736 5 636/736 5 636/736 7 636/736 8 641/741 Rental of Building/Real Prop. 8 642/742 Rental of Building/Real Prop. 9 642/742 Rental of Building/Real Prop. 9 642/743 Rental of Building/Real Prop. 9 642/744 Rental of Building/Real Prop. 9 642/745 Rental of Building/Real Prop. 9 642/747 Rental of Building/Real Prop. 9 642/747 Rental of Building/Real Prop. 9 642/740 Rental of Building/Real Prop. 9 642/741 Rental of Building/Real Prop. 9 642/742 Rental of Building/Real Prop. 9 642/743 Rental of Building/Real Prop. 9 642/745 Rental of Building/Real Prop. 9 642/745 Rental of Building/Real Prop. 9 642/747 Rental of Building/Real Prop. 9 642/745 Rental of Building/Real Prop. 9 642/746 Rental of Building/Real Prop. 9 642/747 Rental of Building/Real Prop. 9 642/745 Rental of Buil			
25 634/734	<b>s</b> -		-
Remove Export   Remove Export   Remove Export	allocation adjustment for dual Water/Sewer customers \$ (1,350)	\$	(511
28 635/735 Contractual Services - Testing Normalizing 29 636/736 Contractual Services - Other 30 636/736 ACO alloca 31 636/736 Eliminate O 32 636/736 Remove Pri 33 636/736 Disallow Sh 35 636/736 36 636/736 37 636/736 38 641/741 Rental of Building/Real Prop. 39 642/742 Rental of Equipment 40 650/750 Transportation Expenses Adjust fuel 41 656/756 Insurance - Vehicle 42 657/757 Insurance - General Liability Remove Exception 43 658/758 Insurance - Other	\$ -	S	
29 636/736 Contractual Services - Other  ACO alloca 30 636/736 Eliminate O 31 636/736 Remove Pri 32 636/736 Disallow Sh 33 636/736 34 636/736 35 636/736 36 636/736 37 636/736 38 641/741 Rental of Building/Real Prop. 39 642/742 Rental of Equipment 40 650/750 Transportation Expenses Adjust fuel 41 656/756 Insurance - Vehicle 42 657/757 Insurance - Other 43 659/759 Insurance - Other 44 659/759 Insurance - Other 45 660/760 Advertising Expense	ess Costs Charged from Affiliates \$ (32,747)	\$	(12,392)
ACO alloca 36/736  10 636/736  11 636/736  12 636/736  13 636/736  14 636/736  15 636/736  16 636/736  17 636/736  18 641/741  19 642/742  19 642/742  10 656/756  11 Rental of Building/Real Prop.  10 656/756  11 Rental of Equipment  10 656/757  11 Surrance - Vehicle 11 656/757  12 Insurance - General Liability 13 658/758  14 659/759  15 660/760  16 ACO alloca  Remove Pri  Disallow Sh  No.12  Adjust fuel of Suitable of Suit	Testing Expenses \$ - \$ -	S S	(182
11 636/736   Eliminate O	ion adjustment for dual Water/Sewer customers \$ (1,175)	S	(444
12   636/736   Eliminate O   Remove Pri	\$ -	\$	-
636/736   Disallow Sh. No.12	S Contractor meter reading \$ (2,000)	\$	-
No.12	or Period Expenses per Staff Audit Finding No. 10 \$ (224)	\$	(85
35 636/736	archolders Services Expenses per Staff Audit Finding \$ (714)	\$	(270)
17   636/736	\$ - \$ -	\$ \$	-
88       641/741       Rental of Building/Real Prop.         89       642/742       Rental of Equipment         40       650/750       Transportation Expenses       Adjust fuel of the strength of the stre	\$ - \$	\$	-
99 642/742   Rental of Equipment   Adjust fuel	\$ -	\$	_
1 656/756   Insurance - Vehicle   Remove Extended   Remove Exten	\$ -	\$	-
12 657/757   Insurance - General Liability   Remove Extended   R	o \$3.36/gal \$ 1,422	\$	538
13     658/758     Insurance - Workman's Comp.       14     659/759     Insurance - Other       15     660/760     Advertising Expense	\$ -	\$	-
4 659/759 Insurance - Other 15 660/760 Advertising Expense	cutive Risk Insurance Expenses \$ (275)	S	(104)
5 660/760 Advertising Expense	\$ - \$ -	\$ \$	-
		\$	-
Kemoveria	<u>.</u>	Š	(9
7 660/760 Remove Lo	vertising Expenses \$ - (23)	s	(331
8 666/766 Reg. Comm. Exp Rate Case Amort.	vertising Expenses \$ (23)	\$	-
9 667/767 Reg. Comm. Exp Rate Case Other	rertising Expenses \$ (23) bying Expenses \$ (875) \$ -	\$	-
0 670/770 Bad Debt Expense	rertising Expenses \$ (23) bying Expenses \$ (875) \$ - \$ -	\$	-
1 670/770	rertising Expenses \$ (23) bying Expenses \$ (875) \$ - \$ - \$ -	\$ \$	(270
·	rertising Expenses \$ (23) bying Expenses \$ (875) \$ - \$ - \$ - \$ - \$ -		(279
•	retrising Expenses \$ (23) bying Expenses \$ (875) \$ - \$ - \$ - \$ - \$ 0 Bad Debt \$ (2,121)	\$	(120
	retrising Expenses \$ (23) bying Expenses \$ (875) \$ - \$ - \$ - \$ - \$ 0 Bad Debt \$ (2,121) \$ -	S S	
	retrising Expenses \$ (23) bying Expenses \$ (875) \$ - \$ - \$ - \$ - \$ 0 Bad Debt \$ (2,121) \$ -	\$ \$ \$	•
57 58	retrising Expenses \$ (23) bying Expenses \$ (875) \$ - \$ - \$ - \$ 0 Bad Debt \$ (2,121) \$ - elocation Expenses \$ (316)	\$	(949 (0
9 TOTAL O&M ADJUSTMENTS	retrising Expenses \$ (23) bying Expenses \$ (875) \$ - \$ - \$ - \$ 0 Bad Debt \$ (2,121) elocation Expenses \$ (316) t Year Fines and Penalties \$ (238)	\$ \$	(949

ne o.				
	Description		Water	Sewer
C .	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		- Water	Sewei
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	1,338	NA
1	Allocation of new corp. PCs and Network & Telephony enhancements		896	3:
1	·		-	
;				
i .			-	
,				
;	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(385)	(1
ı	TOTAL	<u> </u>	1,849	<b>S</b> 1
)	1011111	<del></del>		
1				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		(8,167)	(8,7
ļ	Remove U&U Adjustment to Test Year Amortization of CIAC		,	• •
i	TOTAL	\$	(8,167)	\$ (8,7
5				
E	TAXES OTHER THAN INCOME TAX			
3	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	275	\$
)	Property taxes associated with 2007 plant additions, allocations, adjustments		589	(7
)	Property taxes associated with Pro Forma plant		1,354	
l	Property Tax adjustment for Non-Used & Useful plant		(129)	
2	TOTAL	\$	2,089	\$ (5
}				
F	INCOME TAXES			
į	Income tax impact of the adjustments to per book income	<u> </u>	16,500	\$ (11,8
5	TOTAL	<u>s</u>	16,500	\$ (11,8
'				
3	TOTAL EXPENSE ADJUSTMENTS	\$	(27,247)	\$ 19,2
) )				
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
Α	NET OPERATING REVENUE			
1	Required Revenue Adjustment	\$	100,142	\$ 255,1
i	•			
В	OPERATION & MAINTENANCE EXPENSE			
,	Bad Debt Adjustment Due To Proposed Rate Increase	\$	299	\$ 7
E	TAXES OTHER THAN INCOME TAX			
ı	RAF on Revenue Adjustment @	4.500% \$	4,506	\$ 11,4
. F	INCOME TAX ADJUSTMENT			
i	Rate Year Revenue at Present Rates	\$	141,016	\$ 97,1
	Plus Required Revenue Adjustment	<del></del>	100,142	255,1
	Rate Year Revenue at Proposed Rates	<u>s</u>	241,159	\$ 352,2
		_	,	
	Less Operating Expenses Before Income Taxes	\$	(209,333)	\$ (306,8
	Less Interest Expense		(11,082)	(15,3
	Taxable Income	\$	20,743	\$ 30,0
)	Income Tax at Composite Rate of	38.575% \$	8,002	\$ 11,5
	Less Income Tax at Present Rates		28,774	82,1
	In the Table Adjuster and Car Democrated Dem		26.775	
; ,	Income Tax Adjustment for Requested Revenue Increase	\$	36,776	\$ 93,6

ine					2007	200	)7
ło.	Acct	Description			Water	Sev	ver
1		EAR ADJUSTMENTS - 2007					
2	A	REVENUES			(1.003)		
3		Billed less Booked Revenue		\$	(1,203)		
4		Billed less Booked Revenue		_	(1.003)	NA.	_
5		TOTAL REVENUE ADJUSTMENTS		\$	(1,203)	NA	_
6	_	OPER APPROVE A MAINTENIANOE					
7	B	OPERATIONS & MAINTENANCE	De distribute Admin southern territories & Name History		(272)	\$	
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$		Э	
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		286		
10	603/703	Salaries & Wages - Officers, Exec.			-		
11	604/704	Employee Pensions & Benefits			-		
12	610/710	Purchased Water / Sewer Treatment			-		
13	NA /711	Sludge Removal Expense					
14	615/715	Purchased Power					
15	616/716	Fuel for Purchased Power			-		
16	618/718	Chemicals			-		
17	620/720	Materials & Supplies					
18	631/731	Contractual Services - Engineering			-		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		680		
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		134		
21	634/734	Contractual Services - Mgmt. Fees	•		-		
22	634/734	•			-		
23	634/734				-		
24	635/735	Contractual Services - Testing			-		
25	636/736	Contractual Services - Other			-		
26	641/741	Rental of Building/Real Prop.					
27	642/742	Rental of Equipment			-		
28	650/750	Transportation Expenses			•		
29	656/756	Insurance - Vehicle			-		
30	657/757	Insurance - General Liability			-		
31	658/758	Insurance - Workman's Comp.			•		
32	659/759	Insurance - Other			-		
33	660/760	Advertising Expense			-		
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		
35	667/767	Reg. Comm. Exp Rate Case Other			-		
36	670/770	Bad Debt Expense			-		
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		24,357		
38	675/775	·	Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(388)		
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(249)		
40							
41							_
42 43		TOTAL O&M ADJUSTMENTS			24,547	NA_	_

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine				o Forma	Pro Forma
ło.	Description			Water	Sewer
	YEAR ADJUSTMENTS - 2007, cont				
2 C		RTIZATION OF CIAC (Used & Useful)			***
3	Allocation of Corporate IT		\$	4,889	NA
4	Allocation of Corp Structures & Ir	nprovements		84	NA
5	PSC Audit Adjustments			-	NA
6	PSC Depr Rate Correction, Depr E			6,993	NA
7	PSC Depr Rate Correction, Amort	CIAC		6,485	NA
8	Reduction for NU&U			(9,250)	NA.
9	TOTAL DEPRECIATION ADJUS	STMENTS	<u> </u>	9,202	NA
0					
1					
2 D	AMORTIZATION				314
3			\$	•	NA
4	-	com are imp			NA NA
15	TOTAL AMORTIZATION ADJU	SIMENIS	<u>_s</u>	<u>-</u>	NA NA
6					
7	TARRO OFFICE THAN DIGO.	TAV			
8 E	TAXES OTHER THAN INCOME		s	(54)	NA
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	3	1,146	NA NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		1,140	NA NA
21	Property tax adjustment	MIIOII and and Barrett Torres		(3,937)	NA NA
22	Property tax adjustment	NU&U portion of Property Taxes	\$	(2,845)	NA NA
23	TOTAL TAXES OTHER THAN I	NCOME ADJUSTMENTS	3	(2,843)	INA
24					
25	NICOMETANES				
26 F	INCOME TAXES	uta ta nau haali inaama	\$	(14,196)	NA
27 28	Income tax impact of the adjustme TOTAL INCOME TAX ADJUST		-\$	(14,196)	NA NA
	TOTAL INCOME TAX ADJUST	MENIS	<u> </u>	(14,150)	
29 10	TOTAL EXPENSE ADJUSTMEN		s	16,708	NA

io. A	Acct Description			Water	Se	ewer
PRC	FORMA ADJUSTMENTS			***************************************		
2 A	REVENUES					
		Aqua America Commission	\$	145	\$	
			\$		\$	
	TOTAL REVENUE ADJUSTMENTS		\$	145	N/	١.
В	OPERATIONS & MAINTENIANCE					
B 601/	OPERATIONS & MAINTENANCE	4.09/ Wass in success officering 4/1/09	•	066	•	
601/ 601/	0 . ,	4.0% Wage increase effective 4/1/08 Market Based Increases	\$ \$	866 312	S S	
601/		Walket Dased McCases	\$	312	\$ \$	
601/		Reduction in Meter Readers	s	(760)	\$	
601/		Remove Carl Smith Salary - Acquisition Related	Š	(1,412)	\$	
601/		Reduce President Salary	\$	(655)	Š	
601/		······································	s	-	Š	
601/			\$	-	Š	
601/	701		\$	-	\$	
603/	703 Salaries & Wages - Officers, Exec.		\$	-	\$	
604/	704 Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	486	\$	
604/	704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(23)	\$	
610/	710 Purchased Water / Sewer Treatment		\$	-	\$	
NA/			\$	-	\$	
615/		Normalize Test Year Purchased Power	\$	(3,795)	\$	
616/	716 Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	(242)	\$	
					_	
618/			\$	-	\$	
620/	• •		\$	•	\$	
631/			\$	•	S	
632/		Book Bridge Bridge Brown Brown A. Brigge Brown 10	\$	- (0)	S	
633/	•	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(9)	\$	
633/			\$ \$	•	\$ \$	
634/	2		S	-	\$ \$	
634/		Service Co. allocation adjustment for dual Water/Sewer customers	-	(918)	\$	
		·		` '		
634/			S	-	\$	
634/		Remove Excess Costs Charged from Affiliates	\$	(22,259)	\$	
635/			\$	-	\$	
636/		ACO -II	\$ \$	(799)	\$ \$	
636/		ACO allocation adjustment for dual Water/Sewer customers	s S	(199)	5 \$	
636/ 636/		Eliminate O/S Contractor meter reading	S	(15,700)	\$	
636/		Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(15,700)	\$	
636/		Disallow Shareholders Services Expenses per Staff Audit Finding		(485)	Š	
		No.12		, ,		
636/	736	Adjustment to Deferred Maintenance	\$	(309)	\$	
636/			\$	-	\$	
636/			\$	-	\$	
641/3			\$	-	\$	
642/		Adjust Gual to \$2.26/pal	\$ \$	- 967	\$ \$	
650/		Adjust fuel to \$3.36/gal	\$ \$	907	\$ \$	
656/7		Remove Executive Risk Insurance Expenses	\$	(187)	S	
657/7 658/7		Remove Executive risk insulance Expenses	\$	(107)	Š	
659/7			\$	-	S	
660/7			Š		S	
660/7		Remove Advertising Expenses	s	(16)	\$	
660/7		Remove Lobbying Expenses	\$	(595)	\$	
666/7			\$	•	\$	
667/	767 Reg. Comm. Exp Rate Case Other		\$	•	\$	
670/7			\$	•	\$	
670/			\$	-	\$	
670/7		Adjustment to Bad Debt	\$	(1,566)	\$	
675/	•		\$		S	
675/7		Normalize Relocation Expenses	\$	(215)	\$	
675/7		Remove Test Year Fines and Penalties	\$	177	\$	
675/7	113	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	

ine	O FORMA ADJUSTMENTS, continued			
o.	Description		Water	Sewe
i C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		water	Sewe
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	_	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	•	609	NA
1	Build new WTP - Consent Order		5,023	
5			-,	NA
5	Reduce Plant in Service per Staff Audit Finding No. 4		(10,615)	
7				NA
В	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(262)	NA
•	TOTAL	<u>-</u>	(5,245)	NA
0			(5,2.5)	
1				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC			NA
4	Remove U&U Adjustment to Test Year Amortization of CIAC			NA
5	TOTAL	\$	-	NA
6				
7 E	TAXES OTHER THAN INCOME TAX			
8	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	93	NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments		4,840	NA
0	Property taxes associated with Pro Forma plant		2,152	
l	Property Tax adjustment for Non-Used & Useful plant		(3,393)	NA_
2	TOTAL	\$	3,692	NA
3				
4 F	INCOME TAXES			
5	Income tax impact of the adjustments to per book income	<u>s</u>	18,846	NA NA
6	TOTAL	\$	18,846	NA
7	MODELL BUILDINGS A DAY 1000 AT 1000		<del></del>	
8	TOTAL EXPENSE ADJUSTMENTS	\$	(29,997)	NA
9				
1 U1 2	ILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
3 A	NET OPERATING REVENUE			
4	Required Revenue Adjustment	<u>s</u>	5,279	NA
5				
6 B	OPERATION & MAINTENANCE EXPENSE			
7	Bad Debt Adjustment Due To Proposed Rate Increase	\$	16	NA
8	•			
9 E	TAXES OTHER THAN INCOME TAX			
0	RAF on Revenue Adjustment @	4.500% \$	238	NA
1			·	
2 F	INCOME TAX ADJUSTMENT			
3	Rate Year Revenue at Present Rates	\$	125,780	NA
4	Plus Required Revenue Adjustment		5,279	NA
5	Rate Year Revenue at Proposed Rates	\$	131,058	NA
5				
7	Less Operating Expenses Before Income Taxes	\$	(117,270)	NA
3	Less Interest Expense		(4,825)	NA
9	Taxable Income	<u>s</u>	8,963	NA NA
0	Income Tax at Composite Rate of	38.575% \$	3,458	NA
1	Less Income Tax at Present Rates		(1,519)	NA
2	Income Tax Adjustment for Requested Revenue Increase			
3			1,938	NA

ine				2007			2007	
lo.	Acct	Description		<del></del>	Water	Se	wer	
l		EAR ADJUSTMENTS - 2007						
2	A	REVENUES						
3		Billed less Booked Revenue		\$	250			
4		Billed less Booked Revenue				NA		
5		TOTAL REVENUE ADJUSTMENTS		\$	250	NA.	١	
6								
7	В	OPERATIONS & MAINTENANCE						
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$	(223)	\$		
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		126			
0	603/703	Salaries & Wages - Officers, Exec.			-			
1	604/704	Employee Pensions & Benefits			-			
2	610/710	Purchased Water / Sewer Treatment	Normalize Lake Osborne Purchased Water		(1,604)			
3	NA /711	Sludge Removal Expense						
4	615/715	Purchased Power			-			
5	616/716	Fuel for Purchased Power			•			
6	618/718	Chemicals			-			
7	620/720	Materials & Supplies			-			
8	631/731	Contractual Services - Engineering			-			
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		556			
0	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		110			
!1	634/734	Contractual Services - Mgmt. Fees			-			
2	634/734				-			
23	634/734				-			
4	635/735	Contractual Services - Testing			-			
:5	636/736	Contractual Services - Other			-			
6	641/741	Rental of Building/Real Prop.			• *			
7	642/742	Rental of Equipment			-			
8	650/750	Transportation Expenses			•			
9	656/756	Insurance - Vehicle			-			
0	657/757	Insurance - General Liability			-			
1	658/758	Insurance - Workman's Comp.			-			
	659/759	Insurance - Other			-			
3	660/760	Advertising Expense			•			
4	666/766	Reg. Comm. Exp Rate Case Amort.			-			
5	667/767	Reg. Comm. Exp Rate Case Other			-			
6	670/770	Bad Debt Expense			-			
7	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		12,970			
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(318)			
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(204)			
0		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(165)			
1								
2		TOTAL O&M ADJUSTMENTS		\$	11,249	NA		

ine No.	Description		 o Forma Water	Pro Forms Sewer
	YEAR ADJUSTMENTS - 2007, cont	inued	 	
2 C		RTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	,	\$ 4,002	NA
4	Allocation of Corp Structures & Ir	nprovements	69	NA
5	PSC Audit Adjustments		-	NA
6	PSC Depr Rate Correction, Depr I	Expn	2,646	NA
7	PSC Depr Rate Correction, Amort	CIAC	55	NA
8	Reduction for NU&U		(43)	NA
9	TOTAL DEPRECIATION ADJUS	STMENTS	\$ 6,729	NA
10				
11				
12 D	AMORTIZATION			
13			\$ -	NA
14	•		,	NA
15	TOTAL AMORTIZATION ADJU	STMENTS	\$ -	NA
16			 	
17				
18 E	TAXES OTHER THAN INCOME	TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ 11	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	970	NA
21	Property tax adjustment		-	NA
22	Property tax adjustment	NU&U portion of Property Taxes	(31)	NA
23	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	\$ 950	NA
24			 	
25				
26 F	INCOME TAXES			
27	Income tax impact of the adjustme	nts to per book income	\$ (7,461)	NA
28	TOTAL INCOME TAX ADJUST		\$ (7,461)	NA
29			 	
30	TOTAL EXPENSE ADJUSTMEN	ITS	\$ 11,467	NA

Vo.	Acct	Description			Water		Sewer
1		RMA ADJUSTMENTS					
2	A	REVENUES					
3			Aqua America Commission	\$	119	\$	
2				\$	-	_\$	
3		TOTAL REVENUE ADJUSTMENTS		\$	119	N	A
1	_	OPER ATIONIS S ASSETTATION					
3	B	OPERATIONS & MAINTENANCE	4.09/ Ware increase official 4/1/09	•	200		
\$ 5	601/701 601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 Market Based Increases	\$ \$	380 79	\$ \$	
4	601/701		Walker Dased Hicreases	\$	- 19	\$	
5	601/701		Reduction in Meter Readers	\$	(228)	\$	
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$	(1,156)	Š	
7	601/701		Reduce President Salary	Š	(536)	Š	
8	601/701		·	\$	`- ′	\$	
9	601/701			\$	-	\$	
10	601/701			\$	-	\$	
1	603/703	Salaries & Wages - Officers, Exec.		\$	•	\$	
2	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	52	\$	
_	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(19)	\$	
	610/710	Purchased Water / Sewer Treatment		\$	-	\$	
	NA /711	Sludge Removal Expense		\$	-	\$	
	615/715	Purchased Power		\$	-	\$	
	616/716	Fuel for Purchased Power		\$ \$	-	\$ \$	
	618/718 620/720	Chemicals Materials & Supplies		\$ \$	-	s	
	631/731	Contractual Services - Engineering		S		\$	
	632/732	Contractual Services - Accounting		S	-	\$	
	633/733	Contractual Services - Accounting	Remove Prior Period Expenses per Staff Audit Finding No. 10	s	(8)	\$	
	633/733			s	-	S	
23	634/734	Contractual Services - Mgmt. Fees		s	-	\$	
24		<b>2</b>		S	-	\$	
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$	(751)	\$	
26	634/734			\$	-	\$	
27			Remove Excess Costs Charged from Affiliates	\$	(18,219)	\$	
28		Contractual Services - Testing	•	\$	· · ·	\$	
29	636/736	Contractual Services - Other		\$	-	\$	
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(654)	\$	
31	636/736			\$	-	\$	
32	636/736		Eliminate O/S Contractor meter reading	\$	(9,191)	\$	
33			Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(124)	\$	
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(397)	\$	
35	636/736			\$	-	\$	
	636/736			\$	-	\$	
37	636/736			\$	•	\$	
38	641/741	Rental of Building/Real Prop.		\$	-	\$	
	642/742	Rental of Equipment		\$	-	S	
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	791	\$	
<b>‡</b> ]		Insurance - Vehicle		\$		\$	
12		Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(153)	\$	
13		Insurance - Workman's Comp.		\$	-	\$	
14	659/759	Insurance - Other		\$	•	\$	
	660/760	Advertising Expense	Daniel Advantaire Process	S	- (12)	Ş	
	660/760		Remove Advertising Expenses	\$ \$	(13) (487)	\$ \$	
7 8	660/760 666/766	Reg. Comm. Exp Rate Case Amort.	Remove Lobbying Expenses	\$ \$	(40/)	\$	
9	667/767	Reg. Comm. Exp Rate Case Amort.  Reg. Comm. Exp Rate Case Other		Š	-	S	
0		Bad Debt Expense		\$		Š	
1	670/770			\$	-	\$	
2			Adjustment to Bad Debt	Š	76	\$	
	675/775	Miscellaneous Expense	•	S	-	\$	
	675/775	•	Normalize Relocation Expenses	\$	(176)	\$	
5			Remove Test Year Fines and Penalties	\$	(490)	\$	
6	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	
7							
3							

	PRO FORMA ADJUSTMENTS, continued		
ine No.	Description	Water	Sewe
	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns l		,923 NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	•	499 NA
4	Reduce Plant in Service per Staff Audit Finding No. 4		(84)
5			NA.
6			-
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Au	dit Finding No. 19	(214)
			NA
9	TOTAL	\$	2,123 NA
10	101112		
11			
	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC		- NA
4	Remove U&U Adjustment to Test Year Amortization of CIAC		- NA
15	TOTAL	S	- NA
16	- •	<del></del>	
7 1	E TAXES OTHER THAN INCOME TAX		
8	Payroll tax adjustment On Salary & Wage adjustmen	ts explained above \$	37 NA
9	Property taxes associated with 2007 plant additions, allocations, adjustmer		19 NA
20	Property taxes associated with Pro Forma plant		,735
21	Property Tax adjustment for Non-Used & Useful plant		(63) NA
22	TOTAL	\$	,729 NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	_\$	,717 NA
26	TOTAL	\$ 9	,717 NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (17	,655) NA
29			
30 _		-	
	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32 33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 163	,562 NA
35	todanaa rasanaa rajaaanan		
	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$	489 NA
38			
-	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @	4.500% \$	,360 NA
41	. 3		
	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates		2,049 NA
<b>\$</b> 4	Plus Required Revenue Adjustment		,562 NA
45	Rate Year Revenue at Proposed Rates	\$ 275	i,611 NA
16	·		
47	Less Operating Expenses Before Income Taxes		5,793) NA
<b>18</b>	Less Interest Expense		2,964) NA
49	Taxable Income		,853 NA
50	Income Tax at Composite Rate of		2,258 NA
51	Less Income Tax at Present Rates	57	7,808 NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 60	0,066 NA

Line No.	Acct	Description			2007 Water	,	2007 Sewer
1		EAR ADJUSTMENTS - 2007			++ alci		JOWEI
2	A	REVENUES					
3		Billed less Booked Revenue		\$	(434)		
4		Billed less Booked Revenue		•	(454)	\$	(408
5		TOTAL REVENUE ADJUSTMENTS		\$	(434)	\$	(408
6		101112121121121			7.5.7	<u> </u>	(,,,,
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$	(138)	\$	(134
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		114		89
10	603/703	Salaries & Wages - Officers, Exec.			-		
11	604/704	Employee Pensions & Benefits			•		-
	610/710	Purchased Water / Sewer Treatment			-		-
13	NA /711	Sludge Removal Expense					
14	615/715	Purchased Power			•		-
15	616/716	Fuel for Purchased Power			•		-
	618/718	Chemicals			•		-
17	620/720	Materials & Supplies			•		-
18	631/731	Contractual Services - Engineering			•		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		344		334
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		68		66
21	634/734	Contractual Services - Mgmt, Fees			-		-
22	634/734				-		•
23	634/734				•		-
24	635/735	Contractual Services - Testing			-		•
25	636/736	Contractual Services - Other			•		-
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment			-		-
28	650/750	Transportation Expenses			•		-
29	656/756	Insurance - Vehicle			-		-
30	657/757	Insurance - General Liability			-		•
31	658/758	Insurance - Workman's Comp.			-		•
32	659/759	Insurance - Other			-		-
33	660/760	Advertising Expense			•		'-
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		-
35	667/767	Reg. Comm. Exp Rate Case Other			•		-
36	670/770	Bad Debt Expense	N. P. GOOT International Providence		(12.752)		(14.497
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(13,753)		(14,487
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(196)		(191
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(126)		(123
40 41		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(185)		
41		TOTAL O&M ADJUSTMENTS		\$	(13,872)	\$	(14,445
43		101112 Own ribros interio			-, <del>-</del> /		,

Line No.	Description		Pro Forma Water		Pro Forma Sewer	
1 TEST	YEAR ADJUSTMENTS - 2007, con	tinued				
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	2,474	\$	2,406
4	Allocation of Corp Structures & In	mprovements		42		41
5				-		-
6	PSC Depr Rate Correction, Depr I			58		182
7	PSC Depr Rate Correction, Amort	CIAC		(2,386)		(3,103)
8	Reduction for NU&U			(211)		(2,245)
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	(22)	\$	(2,719)
10						
11						
12 D	AMORTIZATION					
13	To record annual amortization of a	regulatory assets per order PSC-05-1242-PAA-WS	\$	1,344	\$	1,269
14	·					-
15	TOTAL AMORTIZATION ADJU	JSTMENTS	\$	1,344	\$	1,269
16						
17						
18 E	TAXES OTHER THAN INCOME		_		_	
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(23)	\$	(37)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		597		576
21	Property tax adjustment	171011 OD T		-		-
22	Property tax adjustment	NU&U portion of Property Taxes		(23)	_	(750)
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	\$	551	\$	(211)
24						
25	INCOME TAXES					
26 F		and the second second second	•	2.072	•	E 444
27	Income tax impact of the adjustme		\$	2,073	\$	5,444
28	TOTAL INCOME TAX ADJUST	MENIS	3	2,073	3	5,444
29	TOTAL EVENING AND OTHER	ere .	•	(0.037)	•	(10.663)
30	TOTAL EXPENSE ADJUSTMEN	NI 5	\$	(9,927)	\$	(10,662)

	acct Description		VV	ater		
	) FORMA ADJUSTMENTS					Sewer
2 A	REVENUES					
3		Aqua America Commission	\$	74	\$	7:
2			\$	-	\$	•
3	TOTAL REVENUE ADJUSTMENTS		\$	74	\$	7
4 3 B	OPERATIONS & MAINTENANCE					
4 601/		4.0% Wage increase effective 4/1/08	s	344	\$	27
5 601/		Market Based Increases	\$	125	\$	4
4 601/			\$	-	\$	_
5 601/	701	Reduction in Meter Readers	\$	(348)	\$	(12
6 601/		Remove Carl Smith Salary - Acquisition Related	\$	(715)	\$	(69
7 601/		Reduce President Salary	\$	(332)	\$	(32
8 601/			\$	-	\$	-
9 601/			\$ \$	-	\$ \$	-
10 601/1 11 603/1			\$ \$	-	\$	-
11 603/1 12 604/1		Increase in Benefit costs/head in 2008	s	192	s	
604/		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(12)	s	(1
3 610/3		trainer a trick a strong amparison per creati returning tree tree	\$	-	s	-
4 NA/			\$	-	\$	-
5 615/			\$		\$	-
6 616/7	716 Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	(2)	\$	•
7 618/7	718 Chemicals		\$	-	\$	-
8 620/7	• •		\$	-	\$	-
9 631/7	•		\$	-	\$	-
0 632/			\$	-	\$	•
1 633/		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(5)	S	
2 633/7			S S	-	\$ \$	-
3 634/7 4 634/7			\$	•	\$	-
5 634/		Service Co. allocation adjustment for dual Water/Sewer customers		(464)	Š	(4:
6 634/7	734		s		\$	-
27 634/7	734	Remove Excess Costs Charged from Affiliates	\$	(11,265)	\$	(10,95
8 635/7			\$	-	\$	-
9 636/			\$	-	\$	-
0 636/7		ACO allocation adjustment for dual Water/Sewer customers	\$	(404)	S	(39
1 636/7			S S	-	\$	-
2 636/7		Normalize Test Year Contractual Services Other	\$	(2,348)	Š	Ċ
3 636/7 4 636/7		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(2,340)	S	-
5 636/7		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(246)	S	(23
6 636/7	736		\$	-	\$	-
7 636/7			\$	•	\$	-
8 641/7			\$	-	\$	-
9 642/7			S	-	\$	-
0 650/7	•	Adjust fuel to \$3.36/gal	\$	489	\$	4
1 656/7		D Diel Insuero - D.	\$	(05)	\$	-
2 657/7	•	Remove Executive Risk Insurance Expenses	\$ \$	(95)	\$ \$	(
3 658/7 4 659/7			\$ \$	-	\$	
4 639/7 5 660/7			\$	-	S	_
6 660/7		Remove Advertising Expenses	s	(8)	\$	
7 660/7		Remove Lobbying Expenses	\$	(301)	\$	(2
8 666/			\$	-	\$	•
9 667/7			\$	-	\$	-
0 670/			\$	-	\$	•
1 670/		Adi atau anta Bal Bala	\$		\$	-
2 670/7		Adjustment to Bad Debt	\$ \$	264	\$ \$	_
675/7		Normalize Relocation Expenses	\$	(109)	\$	(1
4 675/7 5 675/7		Remove Test Year Fines and Penalties	\$	(109)	\$	()
6 675/7		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	,
	* * <del>*</del>	· · · · · · · · · · · · · · · · · · ·		,		
3						

	O FORMA ADJUSTMENTS, continued				
ne o.	Description		Water	Se	wer
<u>в.</u> I С	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		** tite!		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	-	NA	
3	Allocation of new corp. PCs and Network & Telephony enhancements		308		30
1			-		
5					
ś			-		
7					
3	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(133)		(12
,	TOTAL	<u> </u>	176	<u>s</u>	17
0	IOIAD				
1					
1 2 D	AMORTIZATION				
3	Correct Test Year Amortization of CIAC		-		
4	Remove U&U Adjustment to Test Year Amortization of CIAC		141		
5	TOTAL	\$	141	\$	
6		<del></del>			
7 E	TAXES OTHER THAN INCOME TAX				
8	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	37	\$	2
9	Property taxes associated with 2007 plant additions, allocations, adjustments		3,301		(19
0	Property taxes associated with Pro Forma plant		61		
1	Property Tax adjustment for Non-Used & Useful plant		(117)		
2	TOTAL	S	3,282	\$	(:
3					
4 F	INCOME TAXES				
5	Income tax impact of the adjustments to per book income	\$	4,730	\$	5,12
6	TOTAL	\$	4,730	S	5,12
7					
8	TOTAL EXPENSE ADJUSTMENTS	\$	(7,006)	\$	(7,64
9 0		-			
ı U	TILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS	····			
2 3 A	NET OPERATING REVENUE				
э A 4	Required Revenue Adjustment	\$	26,879	\$	(81
5	Required Revenue Adjustinent		20,075		10
6 B	OPERATION & MAINTENANCE EXPENSE				
7	Bad Debt Adjustment Due To Proposed Rate Increase	\$	80	\$	-
8	Dad Deof Adjustificiti Due 10 110posed Nate ilicitatse				
9 E	TAXES OTHER THAN INCOME TAX				
0	RAF on Revenue Adjustment @	4.500% \$	1,210	\$	(3
1	KAT Of Revenue Aujustinent (a)				
2 F	INCOME TAX ADJUSTMENT				
3	Rate Year Revenue at Present Rates	S	56,571	\$	68,43
4	Plus Required Revenue Adjustment		26,879		(81
5	Rate Year Revenue at Proposed Rates	\$	83,450	\$	67,62
6	TOTAL TOTAL TENNESS AND TOTAL TOTAL TOTAL TOTAL TOTAL TENNESS AND TOTAL TOTAL TENNESS AND TOTAL TOTAL TENNESS AND				
7	Less Operating Expenses Before Income Taxes	\$	(66,454)	\$ (	(64,33
8	Less Interest Expense		(5,739)		(1,14
9	Taxable Income	\$	11,257	\$	2,14
ó	Income Tax at Composite Rate of	38.575% \$	4,342	<u>s</u>	82
1	Less Income Tax at Present Rates		5,529		(1,1
2					
3	Income Tax Adjustment for Requested Revenue Increase	\$	9,871	\$	(30

#### Aqua Utilities Florida, Inc. Expense Adjustments Lake Suzy

Line No.	Acct	Description			2007 Water		2007 Sewer
1		EAR ADJUSTMENTS - 2007			77 atei		Sewei
2	A	REVENUES					
3	A	Billed less Booked Revenue		\$	(2,399)		
4		Billed less Booked Revenue		•	(=,=>>)	\$	(3,183)
5		TOTAL REVENUE ADJUSTMENTS		\$	(2,399)	\$	(3,183)
6		TOTAL TOTAL TOTAL TEST CONTENTS			(2,222)		(0,100)
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	S	(268)	\$	(128)
9	601/701	Cultivo to Wagoo Emproyago	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	209	•	218
10	603/703	Salaries & Wages - Officers, Exec.					-
11	604/704	Employee Pensions & Benefits			-		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Lake Suzy Purchased Water		44,743		-
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			-		-
15	616/716	Fuel for Purchased Power			-		-
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			-		-
18	631/731	Contractual Services - Engineering			•		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		670		320
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		132		63
21	634/734	Contractual Services - Mgmt. Fees			-		-
22	634/734				-		-
23	634/734				•		-
24	635/735	Contractual Services - Testing			-		-
25	636/736	Contractual Services - Other			-		-
26	641/741	Rental of Building/Real Prop.	Normalize Lake Suzy land rent/sale		-		(27,056)
27	642/742	Rental of Equipment			-		•
28	650/750	Transportation Expenses			-		•
29	656/756	Insurance - Vehicle			•		-
30	657/757	Insurance - General Liability			-		•
31	658/758	Insurance - Workman's Comp.			•		-
32	659/759	Insurance - Other			-		-
33	660/760	Advertising Expense			-		-
34	666/766	Reg. Comm. Exp Rate Case Amort.			=		•
35	667/767	Reg. Comm. Exp Rate Case Other			-		•
36	670/770	Bad Debt Expense					((4 (01)
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		17,253		(64,621)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(383)		(183)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(246)		(117)
40							
41		TOTAL O&M ADJUSTMENTS		\$	62,110	<u>s</u>	(91,503)
42 43		TOTAL OWN ADJUSTMENTS			02,110		(71,505)

I	a	ke	S	11	73

Line No.	Description			Pro Forma Water	-	o Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, continued					
2 C	DEPRECIATION NET OF AMORTIZAT	TON OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	4,821	\$	2,304
4	Allocation of Corp Structures & Improver	nents		83		40
5				-		-
6	PSC Depr Rate Correction, Depr Expn			(3,012)		(10,125)
7	PSC Depr Rate Correction, Amort CIAC			(11,686)		2,995
8	Reduction for NU&U			307		-
9	TOTAL DEPRECIATION ADJUSTMEN	TS	\$	(9,488)	\$	(4,786)
10						
11						
12 D	AMORTIZATION					
13			\$	-	\$	-
14	-			-		
15	TOTAL AMORTIZATION ADJUSTME	NTS	<u> </u>	<u> </u>	_\$_	-
16						
17						
18 E	TAXES OTHER THAN INCOME TAX		_		_	
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(108)	\$	(143)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		1,084		490
21	Property tax adjustment	ARIONI CO CO		(2.424)		-
22	Property tax adjustment	NU&U portion of Property Taxes	-	(2,424)	<u> </u>	347
23	TOTAL TAXES OTHER THAN INCOM	E ADJUSTMENTS		(1,448)		347
24						
25 26 F	INCOME TAXES					
26 F 27	Income tax impact of the adjustments to p	er hook income	· ·	(24,511)	\$	28,927
28	TOTAL INCOME TAX ADJUSTMENTS			(24,511)	\$	28,927
28 29	TOTAL INCOME TAX ADJUSTMENTS	•		(24,511)	_	20,721
30	TOTAL EXPENSE ADJUSTMENTS		•	26,663	s	(67,015)
30	TOTAL EATERSE ADJUSTMENTS			20,003	<u> </u>	(07,012)

### Aqua Utilities Florida, Inc. Expense Adjustments Lake Suzy

No.	Acct	Description		Wa	ter	_	Sewer
1	PRO FO	RMA ADJUSTMENTS					
2	A	REVENUES				_	
3			Aqua America Commission	\$ \$	143	\$ \$	68
2 3		TOTAL REVENUE ADJUSTMENTS		\$	143	\$	- 68
4		TOTAL REVERSE DESCRIPTION				_	
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	633	\$	661
5	601/701 601/701		Market Based Increases	\$ \$	246	S	326
4 5	601/701		Reduction in Meter Readers	\$	(260)	s	(252
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$	(1,393)	s	(665
7	601/701		Reduce President Salary	\$	(646)	\$	(309
8	601/701			\$	•	\$	-
9	601/701			\$	•	\$	-
10 11	601/701 603/703	Salaries & Wages - Officers, Exec.		\$ \$	-	\$ \$	-
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	322	\$	556
-	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(23)	\$	(11
13	610/710	Purchased Water / Sewer Treatment	Remove Lake Suzy Purchased Water rate increases	\$	(20,531)	\$	-
	NA /711	Sludge Removal Expense		\$	-	\$	-
	615/715	Purchased Power		\$	-	\$	-
6	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	S	(242)	\$	(182
	618/718	Chemicals		\$	-	\$	-
	620/720	Materials & Supplies		\$	-	\$	
	631/731	Contractual Services - Engineering	Reduction per Staff Audit Finding No. 15	\$	-	S	(2,695)
	632/732	Contractual Services - Accounting	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	- (0)	\$ \$	- (4
	633/733 633/733	Contractual Services - Legal	Remove Frior Ferrou Expenses per Staff Adult Friding No. 10	S	(9)	\$	(4)
	634/734	Contractual Services - Mgmt. Fees		\$	_	\$	_
	634/734			\$		\$	-
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	S	(905)	\$	(432)
26	634/734			\$	-	\$	-
	634/734		Remove Excess Costs Charged from Affiliates	\$	(21,948)	\$	(10,488
	635/735	Contractual Services - Testing	Reduction per Staff Audit Finding No. 16	\$	-	\$	(190)
	636/736 636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Sewer customers	\$ \$	- (787)	\$ \$	(376)
	636/736		ACO anocation adjustment for dual water/sewer customers	\$	(101)	\$	(370
	636/736		Eliminate O/S Contractor meter reading	ŝ	(1,595)	Š	(1,531)
	636/736			\$	`-	\$	
34	636/736		Reduction per Staff Audit Finding No. 16	\$	•	\$	(941)
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(150)	\$	(72)
16	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(478)	S	(228)
37	636/736		Adjustment to Deferred Maintenance	\$		\$	(315
	641/741	Rental of Building/Real Prop.	•	\$	-	\$	
39	642/742	Rental of Equipment		\$	-	\$	-
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	953	\$	455
	656/756	Insurance - Vehicle	D E tim Disk I E	S	(195)	S	- (99
	657/757 658/758	Insurance - General Liability Insurance - Workman's Comp.	Remove Executive Risk Insurance Expenses	\$ \$	(185)	S	(88)
	659/759	Insurance - Workman's Comp.		\$	-	\$	
	660/760	Advertising Expense		S		\$	-
	660/760		Remove Advertising Expenses	\$	(16)	\$	(7)
	660/760		Remove Lobbying Expenses	\$	(586)	\$	(280
	666/766	Reg. Comm. Exp Rate Case Amort.		\$	-	\$	-
19 10	667/767 670/770	Reg. Comm. Exp Rate Case Other Bad Debt Expense		\$ \$	•	\$ \$	-
	670/770	Bad Debt Expense		Š		Š	
	670/770		Adjustment to Bad Debt	\$	(1,530)	\$	(908)
	675/775	Miscellaneous Expense	•	\$	•	\$	-
4	675/775	•	Normalize Relocation Expenses	\$	(212)	\$	(101
	675/775		Remove Test Year Fines and Penalties	\$	(400)	S	(517
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	\$	(0)
57							
8							

### Aqua Utilities Florida, Inc. Expense Adjustments Lake Suzy

I ie					
).	Description	Water			Sewer
	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)				
	Meter Replacements 6 Month Net Depr (Addns less	Retirements) \$		NA	_
	Allocation of new corp. PCs and Network & Telephony enhancements		601		2
	Reduce Plant in Service per Staff Audit Finding No. 1	(10,	229)		
			-		
					(36,1
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit	Finding No. 19	258)		
					(1
	TOTAL	\$ (9.	887)	\$	(35,9
)	IOIAL	<u> </u>	307)	<u> </u>	(33,5
	D AMORTIZATION				
! I	Correct Test Year Amortization of CIAC				
			-		
	Remove U&U Adjustment to Test Year Amortization of CIAC	<u> </u>	<u> </u>	\$	
	TOTAL	<del>-3</del>	<u> </u>	<u> </u>	
•	TANDS OF THE THAN DIGONETAN				
_		sumlained above	60	s	
	Payroll tax adjustment On Salary & Wage adjustments			•	(2,0
)	Property taxes associated with 2007 plant additions, allocations, adjustments		362		
)	Property taxes associated with Pro Forma plant	(6,	900)		
ı	Property Tax adjustment for Non-Used & Useful plant		646		(1.0
2	TOTAL	\$ (4,	822)	\$	(1,9
1					
	F INCOME TAXES				
•	Income tax impact of the adjustments to per book income			\$	30,4
,	TOTAL	\$ 29,	815	\$	30,4
,					
1	TOTAL EXPENSE ADJUSTMENTS	\$ (34,	636)	\$	(26,0
•					
	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
:   A	A NET OPERATING REVENUE				
, ,	A NET OPERATING REVENUE Required Revenue Adjustment	\$ 31,	263	S	(219,6
;	Required Revenue Adjustment	<u> </u>		-	(217,0
	B OPERATION & MAINTENANCE EXPENSE				
, .		<u>-</u>	93	\$	(6
	Bad Debt Adjustment Due To Proposed Rate Increase	<u> </u>	<del></del>	<u> </u>	
	E TAXES OTHER THAN INCOME TAX				
	RAF on Revenue Adjustment @	4.500% \$ 1,	407	\$	(9,8
•	RAT on Revenue Adjustment @	4.50070		<u> </u>	(2)
	F INCOME TAX ADJUSTMENT				
	•	\$ 328.	223	S	370.9
} }	Rate Year Revenue at Present Rates	· ·	263	-	(219,6
	Plus Required Revenue Adjustment			s	151,3
5	Rate Year Revenue at Proposed Rates	9 337		<u> </u>	101,0
	I Otime European Before 1 T	\$ (368.	364)	s	(165,2
!	Less Operating Expenses Before Income Taxes		730 730	•	4,5
}	Less Interest Expense			\$	(9,3
)	Taxable Income				
)	Income Tax at Composite Rate of			\$	(3,6
	Less Income Tax at Present Rates	13,	853		(77,0
2			<del></del> -		(00 :
ŀ	Income Tax Adjustment for Requested Revenue Increase	<u>\$ 11</u>	481	\$	(80,6
,					

Line					2007		2007
No.	Acct	Description			Water		ewer
1		CAR ADJUSTMENTS - 2007					
2	A	REVENUES		s	(25)		
3		Billed less Booked Revenue		J.	(23)	•	(256
4		Billed less Booked Revenue		\$	(25)	\$	(256
5		TOTAL REVENUE ADJUSTMENTS		<del></del> -	(23)		(230
6		ORDERATIONS & MAINTENANCE					
7	B	OPERATIONS & MAINTENANCE	Normalize 2007 employee terminations & New Hires	s	(1.981)	S	(15
8 9	601/701 601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations to New Titles  Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	63	•	82
10	603/703	Salaries & Wages - Officers, Exec.			-		
11	604/704	Employee Pensions & Benefits					
12	610/710	Purchased Water / Sewer Treatment					
	NA /711	Sludge Removal Expense					_
14	615/715	Purchased Power					-
-	616/716	Fuel for Purchased Power			-		-
	618/718	Chemicals			-		
	620/720	Materials & Supplies			-		
18	631/731	Contractual Services - Engineering			-		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		45		43
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		9		8
21	634/734	Contractual Services - Mgmt. Fees	•		•		
22	634/734				-		-
23	634/734				-		-
24	635/735	Contractual Services - Testing			•		-
25	636/736	Contractual Services - Other			-		-
26	641/741	Rental of Building/Real Prop.			-		
27	642/742	Rental of Equipment			-		
28	650/750	Transportation Expenses			-		
29	656/756	Insurance - Vehicle			-		-
30	657/757	Insurance - General Liability			-		-
31	658/758	Insurance - Workman's Comp.			•		
32	659/759	Insurance - Other			•		•
33	660/760	Advertising Expense			-		•
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		
35	667/767	Reg. Comm. Exp Rate Case Other			•		-
36	670/770	Bad Debt Expense			•		
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		346		(3,702
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(26)		(24
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(17)		(16
40 41							
42		TOTAL O&M ADJUSTMENTS		<u>s</u>	(1,560)	<u>s</u>	(3,624

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

Line No.	Description		P	ro Forma Water		o Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, con	tinued				
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	324	\$	307
4	Allocation of Corp Structures & I	mprovements		6		5
5				-		-
6	PSC Depr Rate Correction, Depr 1	Expn		77		1,250
7	PSC Depr Rate Correction, Amort	CIAC		309		578
8	Reduction for NU&U			(1,850)		(5,820)
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	(1,135)	\$	(3,680)
10						
11						
12 D	AMORTIZATION					
13	To record annual amortization of	regulatory assets per order PSC-05-1242-PAA-WS	\$	263	\$	202
14	-					
15	TOTAL AMORTIZATION ADJ	JSTMENTS	\$	263	\$	202
16						
17						•
18 E	TAXES OTHER THAN INCOM					
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(1)	S	(11)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		(73)		74
21	Property tax adjustment	Distributing from Water to Water & Sewer		(1,338)		1,338
22	Property tax adjustment	NU&U portion of Property Taxes		(777)		(228)
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	<u>\$</u>	(2,190)	\$	1,173
24						
25						
26 F	INCOME TAXES					
27	Income tax impact of the adjustme		\$	1,389	\$	1,963
28	TOTAL INCOME TAX ADJUST	MENTS	\$	1,389	\$	1,963
29						
30	TOTAL EXPENSE ADJUSTMEN	NTS	<u>\$</u>	(3,233)	S	(3,966)

No.	Acct	Description			Water		Sewer
1	PRO FO	RMA ADJUSTMENTS					
2	A	REVENUES					
3			Aqua America Commission	\$	10	\$	
2		TOTAL REVENUE ADJUSTMENTS		\$	10	<u>\$</u>	
4		TOTAL REVERSE ADJUSTALERIS		<del></del>	10		
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	190	\$	24
5	601/701		Market Based Increases	\$	107	\$	21
4	601/701 601/701		Lake County Facility Operator II	\$ \$	2,443	\$ \$	-
6	601/701		Reduction in Meter Readers	\$	(15)	\$	(1
7	601/701		Remove Carl Smith Salary - Acquisition Related	s	(94)	\$	(8
8	601/701		Reduce President Salary	\$	(43)	\$	(4
9	601/701			\$	-	\$	-
10	601/701			\$	-	\$	-
11	603/703	Salaries & Wages - Officers, Exec.	Instance in Bound's acceptanced in 2008	\$ \$		\$ \$	-
12	604/704 604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008 Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	193 (2)	\$	25
13	610/710	Purchased Water / Sewer Treatment	Remove their remod Expenses per Statt Audit Finding No. 10	\$	(2)	\$	- (
	NA /711	Sludge Removal Expense		s	-	\$	-
	615/715	Purchased Power	Reduction per Staff Audit Finding No. 16	\$	(73)	\$	-
	616/716	Fuel for Purchased Power		\$	-	\$	-
	618/718	Chemicals	Reduction per Staff Audit Finding No. 16	\$	(50)	\$	•
18	620/720 631/731	Materials & Supplies		\$	-	\$ \$	-
19	632/732	Contractual Services - Engineering Contractual Services - Accounting		\$ \$	<del>-</del>	\$	
21		Contractual Services - Accounting	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(1)	\$	- (
22		Communication Communication	Tomore The Tellor Superiors per State Thank This ing To. 10	s	• •	Š	_`
23	634/734	Contractual Services - Mgmt. Fees		\$	-	\$	-
24				\$	-	\$	-
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customer	's \$	(61)	\$	(5
	634/734			\$	-	\$	-
27		Communication of the contract	Remove Excess Costs Charged from Affiliates	\$	(1,476)	s	(1,39
28 29	635/735 636/736	Contractual Services - Testing Contractual Services - Other		\$ \$	•	s s	-
30		Contractual Services - Other	ACO allocation adjustment for dual Water/Sewer customers	Š	(53)	\$	(5
31				\$	-	s	-
32	636/736			\$	-	\$	-
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(10)	\$	(1
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12		(32)	\$	(3
	636/736			S	-	\$	•
36 37	636/736 636/736			\$ \$	•	S	-
38	641/741	Rental of Building/Real Prop.		\$	-	s	
9	642/742	Rental of Equipment		Š	-	\$	-
ю	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	Š	64	Š	6
н	656/756	Insurance - Vehicle		\$	-	\$	•
12		Insurance - General Liability	Remove Executive Risk Insurance Expenses	S	(12)	\$	(1
13	658/758	Insurance - Workman's Comp.		\$	-	\$	-
14 15	659/759 660/760	Insurance - Other Advertising Expense		\$ \$	-	\$ \$	-
	660/760	Advertising Expense	Remove Advertising Expenses	\$	(1)	\$	. (
	660/760		Remove Lobbying Expenses	Š	(39)	\$	(3
18	666/766	Reg. Comm. Exp Rate Case Amort.		Š	-	\$	-
9	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	-
0	670/770	Bad Debt Expense		S	•	S	-
1	670/770		A.P. serve as Political	\$		\$	•.
	670/770	Missellensous Even	Adjustment to Bad Debt	\$ \$	11	S	1
	675/775 675/775	Miscellaneous Expense	Normalize Relocation Expenses	S	(14)	\$ \$	(1
	675/775		Remove Test Year Fines and Penalties	s	(2,280)	Š	(4
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(0)	s	(
7					•		•
8							

	FORMA ADJUSTMENTS, continued				
e	Description		11/		c
C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water		Sewer
•	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	141	NA	
	Allocation of new corp. PCs and Network & Telephony enhancements	•	40		
	• • • • • • • • • • • • • • • • • • • •		- -		
			•		
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(17)		
	TOTAL	<u> </u>	164	<u> </u>	
1	· Olim	<del></del>	104		
D	AMORTIZATION				
	Correct Test Year Amortization of CIAC		(182)		(3
	Remove U&U Adjustment to Test Year Amortization of CIAC		` _		`
	TOTAL	\$	(182)	\$	(:
		-			
E	TAXES OTHER THAN INCOME TAX				
	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	23	\$	
	Property taxes associated with 2007 plant additions, allocations, adjustments		364		
	Property taxes associated with Pro Forma plant		135		
	Property Tax adjustment for Non-Used & Useful plant		(268)		
	TOTAL	<u> </u>	255	\$	
_					
F	INCOME TAXES				
	Income tax impact of the adjustments to per book income	\$	316	\$	
	TOTAL	<u>s</u>	316	\$	5
	TOTAL PURCHOS ABILIOTAGENING		((0.5)		
	TOTAL EXPENSE ADJUSTMENTS	2	(695)	S	(8
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
Α	NET OPERATING REVENUE				
	Required Revenue Adjustment	<u>s</u>	7,644	<u>s</u>	7,8
					.,,-
В	OPERATION & MAINTENANCE EXPENSE				
	Bad Debt Adjustment Due To Proposed Rate Increase	\$	23	<u>s</u>	
	·				-
E	TAXES OTHER THAN INCOME TAX	<u></u>			
	RAF on Revenue Adjustment @	4.500% \$	344	\$	3
F	INCOME TAX ADJUSTMENT				
	Rate Year Revenue at Present Rates	\$	17,454	\$	21,5
	Plus Required Revenue Adjustment		7,644		7,8
	Rate Year Revenue at Proposed Rates	\$	25,098	\$	29,4
		_			
	Less Operating Expenses Before Income Taxes	\$	(21,597)	\$	(27,8
	Less Interest Expense		(1,198)		(5
	Taxable Income	39 5750/ 5	2,302	\$	9
	Income Tax at Composite Rate of	38.575% \$	888	S	3
	Less Income Tax at Present Rates		1,919		2,4
	Income Tax Adjustment for Requested Revenue Increase	<u>s</u>	2,807	\$	2,8
				3.	2.8

ine					2007	2007	
No.	Acct	Description			Water	Sewe	r
1	TEST YE	EAR ADJUSTMENTS - 2007					
2	A	REVENUES					
3		Billed less Booked Revenue		\$	(4,919)		
4		Billed less Booked Revenue				NA_	_
5		TOTAL REVENUE ADJUSTMENTS		\$	(4,919)	NA	_
6							
7	В	OPERATIONS & MAINTENANCE	- 0.00	_	(0.50)	_	
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$	(863)	\$	•
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		1,373		
0	603/703	Salaries & Wages - Officers, Exec.			-		
1	604/704	Employee Pensions & Benefits			-		
	610/710	Purchased Water / Sewer Treatment			-		
13	NA /711	Sludge Removal Expense					
	615/715	Purchased Power			-		
	616/716	Fuel for Purchased Power			-		
	618/718	Chemicals					
17	620/720	Materials & Supplies			-		
8	631/731	Contractual Services - Engineering			-		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		2,156		
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		426		
21	634/734	Contractual Services - Mgmt. Fees	-				
22	634/734	•			-		
23	634/734				-		
24	635/735	Contractual Services - Testing			-		
25	636/736	Contractual Services - Other			-		
26	641/741	Rental of Building/Real Prop.			-		
27	642/742	Rental of Equipment			-		
8	650/750	Transportation Expenses					
29	656/756	Insurance - Vehicle			•		
30	657/757	Insurance - General Liability			-		
31	658/758	Insurance - Workman's Comp.			-		
32	659/759	Insurance - Other			-		
13	660/760	Advertising Expense			-		
4	666/766	Reg. Comm. Exp Rate Case Amort.			-		
	667/767	Reg. Comm. Exp Rate Case Other			-		
36	670/770	Bad Debt Expense			-		
7	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		81,698		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(1,231)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(791)		
0							
<b>1</b> 1							_
12		TOTAL O&M ADJUSTMENTS		\$	82,768	NA .	

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine Io.	Description			Pro Forma Water	Pro Forma Sewer
	YEAR ADJUSTMENTS - 2007, cont	linued		***************************************	50000
2 C		RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	,	\$	15,512	NA
4	Allocation of Corp Structures & Ir	nprovements		266	NA
5	PSC Audit Adjustments			-	NA
6	PSC Depr Rate Correction, Depr I	Sxpn		(3,598)	NA
7	PSC Depr Rate Correction, Amort			(12,335)	NA
8	Reduction for NU&U			(6,094)	NA
9	TOTAL DEPRECIATION ADJUS	STMENTS	-\$	(6,248)	NA
10				<del></del>	
11					
12 D	AMORTIZATION				
13			\$	-	NA
14	•			-	NA
15	TOTAL AMORTIZATION ADJU	USTMENTS	\$	-	NA
16					
17					
18 E	TAXES OTHER THAN INCOME	ETAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(221)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		3,652	NA
21	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(1,393)	NA
23	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	\$	2,038	NA
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	nts to per book income	\$	(44,966)	NA
28	TOTAL INCOME TAX ADJUST	MENTS	S	(44,966)	NA
29					
30	TOTAL EXPENSE ADJUSTMEN	VTS	\$	33,591	NA

ine Vo.	Acet	Description		Wa	ter	s	ewer
1		RMA ADJUSTMENTS					
2	Α	REVENUES		_		_	
3			Aqua America Commission	S	461	\$ \$	
2		MOTAL DEVICE ADVICTMENTS		\$	461	N.	<u> </u>
3 4		TOTAL REVENUE ADJUSTMENTS	•	•	701		1
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	4,161	\$	
5	601/701		Market Based Increases	\$	2,880	\$	
4	601/701			\$		\$	
5	601/701		Reduction in Meter Readers	S	(8,017)	\$	
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$	(4,481)	\$	
7	601/701		Reduce President Salary	\$ \$	(2,079)	\$ \$	
8	601/701 601/701			\$		\$	
)  0	601/701			s	_	\$	
11	603/703	Salaries & Wages - Officers, Exec.		S	-	\$	
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	3,675	\$	
	604/704	• •	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(74)	\$	
13	610/710	Purchased Water / Sewer Treatment		\$	-	\$	
	NA /711	Sludge Removal Expense		\$	-	\$	
	615/715	Purchased Power		\$	-	\$	
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	(1,336)	s	
17	618/718	Chemicals		\$	•	\$	
18	620/720	Materials & Supplies		\$	•	\$	
19	631/731	Contractual Services - Engineering		\$	-	S	
20		Contractual Services - Accounting		\$	-	\$	
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(30)	\$	
	633/733			\$	•	\$	
23		Contractual Services - Mgmt. Fees		\$ \$	•	\$ \$	
24 25	634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customers	-	(2,911)	\$	
26	634/734			\$	_	s	
27	634/734		Remove Excess Costs Charged from Affiliates	\$	(70,622)	\$	
28	635/735	Contractual Services - Testing	•	\$	-	\$	
29	636/736	Contractual Services - Other		\$	-	\$	
30			ACO allocation adjustment for dual Water/Sewer customers	\$	(2,533)	\$	
31				S	-	S	
	636/736		Eliminate O/S Contractor meter reading	\$	(182)	S	
33 34	636/736 636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10 Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ \$	(482) (1,539)	S	
35	636/736		110.12	\$	-	\$	
36	636/736			\$	-	\$	
37	636/736			\$	-	\$	
	641/741	Rental of Building/Real Prop.		\$	-	\$	
39	642/742	Rental of Equipment	Adjust find to \$2.26/cml	\$ \$	2 047	\$ \$	
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	3,067	\$ \$	
41 42	656/756 657/757	Insurance - Vehicle Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(594)	\$	
42	658/758	Insurance - Workman's Comp.	remove Executive risk manage Expenses	\$	•	\$	
44		Insurance - Other		\$	-	Š	
15	660/760	Advertising Expense		\$	-	\$	
46	660/760	<b>.</b>	Remove Advertising Expenses	\$	(50)	\$	
47	660/760		Remove Lobbying Expenses	S	(1,887)	S	
18	666/766	Reg. Comm. Exp Rate Case Amort.		\$	-	\$	
19	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	
50	670/770	Bad Debt Expense		\$	•	\$ \$	
51	670/770		Adjustment to Rad Deht	\$ \$	(6,511)	\$	
52 53		Miscellaneous Expense	Adjustment to Bad Debt	\$	(0,311)	S	
4	675/775 675/775	Miscellaticous Expelise	Normalize Relocation Expenses	\$	(682)	\$	
55	675/775		Remove Test Year Fines and Penalties	Š	(866)	Š	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(1)	\$	
57			- · ·				
8							

	FORMA ADJUSTMENTS, continued			
ne ).	Description		Water	Sewe
, <u>c</u>	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
-	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	•	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		1,933	NA
			-	
				NA
			•	
			(001)	NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(831)	NA
	TOTAL	\$	1,102	NA
)	· · · · · ·			
i				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		-	NA
ı	Remove U&U Adjustment to Test Year Amortization of CIAC			NA
5	TOTAL			NA
5				
7 E	TAXES OTHER THAN INCOME TAX	•	£ 47	314
3	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	547 5,331	NA NA
	Property taxes associated with 2007 plant additions, allocations, adjustments		3,331	INA
) 	Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant		(626)	NA
2	TOTAL	<u>s</u>	5,632	NA NA
3	TOTAL			
F	INCOME TAXES			
5	Income tax impact of the adjustments to per book income	\$	33,692	NA
5	TOTAL	\$	33,692	NA
7				
3	TOTAL EXPENSE ADJUSTMENTS	\$	(50,668)	NA
)				
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
2 3 A	NET OPERATING REVENUE			
	Required Revenue Adjustment	\$	94,238	NA
;				
5 B	OPERATION & MAINTENANCE EXPENSE			
	Bad Debt Adjustment Due To Proposed Rate Increase	\$	282	NA
3 9 E	TAXES OTHER THAN INCOME TAX			
)	RAF on Revenue Adjustment @	4.500% \$	4,241	NA
	- <del>-</del>			
2 F	INCOME TAX ADJUSTMENT			
3	Rate Year Revenue at Present Rates	\$	512,335	NA
١	Plus Required Revenue Adjustment		94,238	NA NA
5	Rate Year Revenue at Proposed Rates	<u>\$</u>	606,572	NA
5	I O C P DC IV. To	•	(£10 100\)	NIA
7	Less Operating Expenses Before Income Taxes	s	(518,189)	NA NA
3	Less Interest Expense	2	(30,571)	NA NA
)	Taxable Income	38,575% \$	57,812 22,301	NA NA
)	Income Tax at Composite Rate of	30,31376 \$	12,306	NA NA
,	Less Income Tax at Present Rates		12,300	INA
2 3	Income Tax Adjustment for Requested Revenue Increase	<u>-</u>	34,608	NA
, ,	mounts to walkerment to wednester weating more as		37,000	17/1

Jine No.	Acct	Description		2007 Water		007 wer
1		CAR ADJUSTMENTS - 2007		 		-
2	A	REVENUES				
3	••	Billed less Booked Revenue		\$ (422)		
4		Billed less Booked Revenue		` '	NA	١.
5		TOTAL REVENUE ADJUSTMENTS		\$ (422)	N/	1
6				 ·····		
	В	OPERATIONS & MAINTENANCE				
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 330	\$	
9	601/701	•	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	168		
0	603/703	Salaries & Wages - Officers, Exec.		-		
ì	604/704	Employee Pensions & Benefits		-		
2	610/710	Purchased Water / Sewer Treatment		-		
	NA /711	Sludge Removal Expense				
	615/715	Purchased Power		•		
5	616/716	Fuel for Purchased Power	•	-		
16	618/718	Chemicals		•		
17	620/720	Materials & Supplies		•		
	631/731	Contractual Services - Engineering		•		
-	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	288		
	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	57		
	634/734	Contractual Services - Mgmt. Fees		-		
	634/734			•		
23	634/734			•		
-	635/735	Contractual Services - Testing		-		
25	636/736	Contractual Services - Other		-		
	641/741	Rental of Building/Real Prop.		-		
	642/742	Rental of Equipment		•		
	650/750	Transportation Expenses		•		
	656/756	Insurance - Vehicle		-		
	657/757	Insurance - General Liability		•		
	658/758	Insurance - Workman's Comp.		•		
	659/759	Insurance - Other		-		
33	660/760	Advertising Expense		•		
	666/766	Reg. Comm. Exp Rate Case Amort.		•		
	667/767	Reg. Comm. Exp Rate Case Other		-		
	670/770	Bad Debt Expense	Name aline 2007 Intercompose allocations	(39,103)		
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations Normalize 2007 Intracompany misallocation of a/c 426 to	(39,103)		
8	675/775		Operating Expenses			
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(106)		
40 41						
12		TOTAL O&M ADJUSTMENTS		\$ (38,530)	N/	·

ine No.	Description		P	ro Forma Water	Pro Form Sewer
	YEAR ADJUSTMENTS - 2007, con	linued			
2 C		RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		\$	2,073	NA
4	Allocation of Corp Structures & In	nprovements		36	NA
5	PSC Audit Adjustments			-	NA
6	PSC Depr Rate Correction, Depr I	Expn		153	NA
7	PSC Depr Rate Correction, Amort	CIAC		1,656	NA
8	Reduction for NU&U			(3,081)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	837	NA
10					
11					
12 D	AMORTIZATION				
3	To record annual amortization of a	egulatory assets per order PSC-05-1242-PAA-WS	\$	-	NA
14	-				NA
15	TOTAL AMORTIZATION ADJU	JSTMENTS	\$	•	NA
16					
17					
8 E	TAXES OTHER THAN INCOME				
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(19)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		547	NA
21	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(1,046)	NA
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	<u>s</u>	(518)	NA
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme		\$	23,653	NA
8	TOTAL INCOME TAX ADJUST	MENTS	_ \$	23,653	NA
9			_		
0	TOTAL EXPENSE ADJUSTMEN	VTS	\$	(14,558)	NA

ło.	Acct	Description		Water		Sev	ve
	PRO FO	RMA ADJUSTMENTS					
	Α	REVENUES					
			Aqua America Commission	\$	62	\$	
				\$		\$	
		TOTAL REVENUE ADJUSTMENTS		\$	62	NA	
ŀ							
1	В	OPERATIONS & MAINTENANCE				_	
•	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08		509	\$	
5	601/701		Market Based Increases		405	\$	
1	601/701			\$	•	\$	
5	601/701		Reduction in Meter Readers	,	855)	\$	
ó	601/701		Remove Carl Smith Salary - Acquisition Related		599)	\$	
'	601/701		Reduce President Salary		278)	\$	
3	601/701			S	-	\$	
9	601/701			\$	-	\$	
0	601/701			\$	-	\$	
1	603/703	Salaries & Wages - Officers, Exec.	, p. 6 4. 1. 0000	\$	-	\$	
2	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008		493	\$	
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10		(10)	S	
	610/710	Purchased Water / Sewer Treatment		•	-	\$	
	NA /711	Sludge Removal Expense	All and the second of the seco	<b>S</b>	-	\$	
	615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing		141)	S	
	616/716	Fuel for Purchased Power		\$	-	\$	
	618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing		(70)	\$	
	620/720	Materials & Supplies		\$	-	S	
	631/731	Contractual Services - Engineering		\$	-	S	
	632/732	Contractual Services - Accounting	and the second s	\$		\$	
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(4)	\$	
	633/733			S	-	\$	
	634/734	Contractual Services - Mgmt. Fees		\$	-	\$	
	634/734			\$	-	\$	
5	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	s \$ (2	389)	\$	
6	634/734			\$	_	\$	
	634/734		Remove Excess Costs Charged from Affiliates		440)	S	
	635/735	Contractual Services - Testing		\$	•	s	
	636/736	Contractual Services - Other		Š	_	\$	
	636/736	Connection on vices Conci	ACO allocation adjustment for dual Water/Sewer customers		338)	\$	
	636/736		ACO anocation adjustment for data. Water bowler dustomers	s (.	-	Š	
	636/736		Eliminate O/S Contractor meter reading		388)	Š	
3	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10		(64)	\$	
	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding		206)	\$	
*	030//30		No.12	• (	.00)	•	
۲.	636/736		110.12	S		S	
	636/736			_	-	\$	
7	636/736			\$	_	\$	
		Pental of Building/Peal Pean		_	-	\$	
	641/741 642/742	Rental of Building/Real Prop.			_	\$	
	650/750	Rental of Equipment Transportation Expenses	Adjust fuel to \$3.36/gal		- 410	\$	
1	656/756	Insurance - Vehicle	ragues ruei to 93.30/gas	\$	-	\$	
			Remove Executive Risk Insurance Expenses		- (79)	\$	
	657/757 658/758	Insurance - General Liability	Memore Executive Max modulates Expenses	\$	(17)	\$	
3		Insurance - Workman's Comp.		\$		\$ \$	
4	659/759	Insurance - Other		\$	-	\$	
	660/760	Advertising Expense	Pamaya Advertising Evnences	\$	(7)	S	
	660/760		Remove Advertising Expenses	-		\$	
	660/760	Per Comm Evn - Pote Core Amen	Remove Lobbying Expenses	\$ (	252)	\$	
3	666/766	Reg. Comm. Exp Rate Case Amort.		\$		S	
,	667/767	Reg. Comm. Exp Rate Case Other		\$	_	\$	
	670/770	Bad Debt Expense		\$ \$	-	\$	
l	670/770		Adjustment to Bod Daht		1581	-	
	670/770	Minally Francis	Adjustment to Bad Debt	. ,	058)	\$	
	675/775	Miscellaneous Expense	Nameline Palacetion Evanger	\$	(01)	\$	
	675/775		Normalize Relocation Expenses		(91) (92)	\$	
	675/775		Remove Test Year Fines and Penalties		(92)	S	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	
7							
,							

ne	FORMA ADJUSTMENTS, continued			
lo.	Description	1	Vater	Sewe
ı c	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	390	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements		258	NA
4			-	
5				NA
6			•	
7				NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(111)	NA
9	TOTAL	\$	538	NA NA
0				
1				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		(899)	NA
.4	Remove U&U Adjustment to Test Year Amortization of CIAC			NA
.5	TOTAL	\$	(899)	NA
.6				
7 E	TAXES OTHER THAN INCOME TAX	_	_	
8	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	71	NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments		(74)	NA
20	Property taxes associated with Pro Forma plant		379	214
21	Property Tax adjustment for Non-Used & Useful plant	\$	(125) 251	NA NA
2	TOTAL	3	231	NA
:3 :4 F	INCOME TAXES			
и г !5	Income tax impact of the adjustments to per book income	e	5,552	NA
.5 26	TOTAL	3	5,552	NA NA
.0 !7	TOTAL		5,552	11/1
8	TOTAL EXPENSE ADJUSTMENTS	\$	(9,100)	NA
9				
io I <b>UTII</b>	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
2				
3 A	NET OPERATING REVENUE			
4	Required Revenue Adjustment	_\$	15,713	NA_
5	OPER ATION & MAINTENANCE BYRENCE	•		
6 B	OPERATION & MAINTENANCE EXPENSE Bad Debt Adjustment Due To Proposed Rate Increase	\$	47	NA
8	Day Door Adjustment Due 10 Hoposed Rate merease	<u> </u>		11/1
9 E	TAXES OTHER THAN INCOME TAX			
0	RAF on Revenue Adjustment @	4.500% \$	707	NA
1				
2 F	INCOME TAX ADJUSTMENT			
3	Rate Year Revenue at Present Rates	\$	51,680	NA
4	Plus Required Revenue Adjustment		15,713	NA
5	Rate Year Revenue at Proposed Rates	S	67,393	NA
6				
7	Less Operating Expenses Before Income Taxes	\$	(59,294)	NA
8	Less Interest Expense		(2,817)	NA
9	Taxable Income	\$	5,282	NA NA
0	Income Tax at Composite Rate of	38.575% \$	2,037	NA
1	Less Income Tax at Present Rates		3,733	NA
2	The state of the s			
3	Income Tax Adjustment for Requested Revenue Increase	<u>\$</u>	5,770	NA

Line No.		Description			2007 Water		07 wer
1	Acct	EAR ADJUSTMENTS - 2007			water	Se	wer
2	A	REVENUES					
3	Λ.	Billed less Booked Revenue		\$	(532)		
4		Billed less Booked Revenue		Ψ.	(332)	NA	
5		TOTAL REVENUE ADJUSTMENTS		\$	(532)	NA NA	
5		TOTAL REVEROL ADJUSTRALIVIS			(332)	14/3	
,	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	(311)	\$	
9	601/701	Salarios de Wagos · Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	129	•	
0	603/703	Salaries & Wages - Officers, Exec.					
1	604/704	Employee Pensions & Benefits			-		
2	610/710	Purchased Water / Sewer Treatment	Normalize Oakwood Purchased Water		3,420		
3	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			-		
5	616/716	Fuel for Purchased Power			-		
6	618/718	Chemicals			-		
7	620/720	Materials & Supplies			•		
8	631/731	Contractual Services - Engineering			-		
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		274		
0	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		54		
21	634/734	Contractual Services - Mgmt. Fees					
2	634/734				-		
23	634/734				-		
24	635/735	Contractual Services - Testing			-		
25	636/736	Contractual Services - Other					
6	641/741	Rental of Building/Real Prop.			-		
:7	642/742	Rental of Equipment					
8	650/750	Transportation Expenses			-		
9	656/756	Insurance - Vehicle			-		
0	657/757	Insurance - General Liability			-		
1	658/758	Insurance - Workman's Comp.			-		
2	659/759	Insurance - Other			-		
3	660/760	Advertising Expense			-		
4	666/766	Reg. Comm. Exp Rate Case Amort.			-		
5	667/767	Reg. Comm. Exp Rate Case Other			-		
6	670/770	Bad Debt Expense			-		
7	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		1,549		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(157)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(101)		
10		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(4,928)		
11 12		TOTAL O&M ADJUSTMENTS		\$	(70)	NA	

ine Io.	Description			o Forma Water	Pro Form
	YEAR ADJUSTMENTS - 2007, com	inned			Derroi
2 C		RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	,	\$	1,971	NA
4	Allocation of Corp Structures & In	nprovements		34	NA
5	PSC Audit Adjustments			-	NA
6	PSC Depr Rate Correction, Depr I	ixpn		351	NA
7	PSC Depr Rate Correction, Amort			(12)	NA
8	Reduction for NU&U			(170)	NA
9	TOTAL DEPRECIATION ADJU-	STMENTS	\$	2,174	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of a	egulatory assets per order PSC-05-1242-PAA-WS	\$	1,156	NA
14	-			-	NA
15	TOTAL AMORTIZATION ADJU	STMENTS	\$	1,156	NA
16					
17					
8 E	TAXES OTHER THAN INCOME	TAX			
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(23)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		470	NA
21	Property tax adjustment			•	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(42)	NA
23	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	S	405	NA.
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	nts to per book income	\$	(1,965)	NA
28	TOTAL INCOME TAX ADJUST		\$	(1,965)	NA
29			<del></del>	<u></u>	
10	TOTAL EXPENSE ADJUSTMEN	TS	S	1,699	NA

lo.	Acct	Description		V	ater	S	ewer
		RMA ADJUSTMENTS	· · · · · · · · · · · · · · · · · · ·			-	
?	Α	REVENUES					
3			Aqua America Commission	\$	59	\$	
:				\$	•	_\$	
		TOTAL REVENUE ADJUSTMENTS		\$	59	N	<u> </u>
		OPERATIONS A MAINTENANCE					
	B 601/701	OPERATIONS & MAINTENANCE Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	391	\$	
;	601/701	Salaries & Wages - Employees	Market Based Increases	\$	319	Š	
ì	601/701		17201101 20000 1110100000	\$	-	Š	
	601/701		Reduction in Meter Readers	\$	(92)	\$	
	601/701		Remove Carl Smith Salary - Acquisition Related	\$	(570)	\$	
	601/701		Reduce President Salary	\$	(264)	\$	
	601/701			\$	-	\$	
	601/701			\$	-	\$	
)	601/701			S	-	\$	
l	603/703	Salaries & Wages - Officers, Exec.		S	-	\$	
2	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	348	\$	
,	604/704	Durchand Water / Sauce Treatment	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(9)	\$ \$	
	610/710 NA /711	Purchased Water / Sewer Treatment Sludge Removal Expense		\$ \$	-	\$	
	615/715	Purchased Power		\$	-	\$	
	616/716	Fuel for Purchased Power		\$	•	\$	
	618/718	Chemicals		Š	•	S	
	620/720	Materials & Supplies	Normalize Test Year Maintenance Expense	\$	(197)	\$	
•	631/731	Contractual Services - Engineering	·	\$	-	\$	
)	632/732	Contractual Services - Accounting		\$	-	\$	
l	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(4)	\$	
	633/733			\$	•	\$	
	634/734	Contractual Services - Mgmt. Fees		\$	-	S	
	634/734			\$	-	S	
•	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$	(370)	\$	
6	634/734			\$	-	\$	
	634/734		Remove Excess Costs Charged from Affiliates	\$	(8,973)	\$	
	635/735	Contractual Services - Testing		S	-	\$	
	636/736	Contractual Services - Other	400 H C F - 40 L 107 - 10	S	(200)	\$	
	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ \$	(322)	s s	
	636/736 636/736			S	•	\$	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(61)	Š	
	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	Š	(196)	\$	
5	636/736			\$	-	\$	
5	636/736			\$	-	\$	
7	636/736			\$	-	\$	
	641/741	Rental of Building/Real Prop.		\$	-	\$	
	642/742	Rental of Equipment	4 11 - C 1 - 40 04/ 1	\$	-	S	
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	390	S	
	656/756	Insurance - Vehicle	Damaya Evanyiya Bid. Ingurar E	\$ \$	-	\$ \$	
	657/757 658/758	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ \$	(76)	\$	
	659/759	Insurance - Workman's Comp. Insurance - Other		\$	-	S	
	660/760	Advertising Expense		\$	-	S	
	660/760		Remove Advertising Expenses	s	(6)	\$	
	660/760		Remove Lobbying Expenses	s	(240)	s	
	666/766	Reg. Comm. Exp Rate Case Amort.		S	- 1	\$	
	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	
	670/770	Bad Debt Expense		\$	-	\$	
	670/770			\$		\$	
	670/770		Adjustment to Bad Debt	\$	(1,423)	S	
	675/775	Miscellaneous Expense	Name the Delay the Property	\$	-	S	
	675/775		Normalize Relocation Expenses Remove Test Year Fines and Penalties	\$	(87)	\$	
	675/775 675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(3) (0)	S S	
	0131113		remove i not renou expenses per statt Audit rinding No. 10	•	(0)	<u> </u>	

	FORMA ADJUSTMENTS, continued			
ie			13.7 - 4	٠
) <u>.</u>	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)	<del></del>	Water	Sewe
С	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s		NA
	Allocation of new corp. PCs and Network & Telephony enhancements	•	246	NA NA
	Allocation of new corp. PCs and Network & Telephony enhancements		240	1174
				NA
			_	
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(106)	
	Remote Depression Depositor intended from regularization per dual results from 15		(100)	NA
	TOTAL	<u> </u>	140	NA NA
)				
	•			
2 D	AMORTIZATION			
	Correct Test Year Amortization of CIAC		-	NA
<b>.</b>	Remove U&U Adjustment to Test Year Amortization of CIAC	_		NA
;	TOTAL	\$	-	NA
5				
E	TAXES OTHER THAN INCOME TAX			
3	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	55	NA
•	Property taxes associated with 2007 plant additions, allocations, adjustments		570	NA
)	Property taxes associated with Pro Forma plant		48	
ļ.	Property Tax adjustment for Non-Used & Useful plant		(71)	NA_
2	TOTAL	<u>s</u>	603	NA
3				
F	INCOME TAXES	•	4,287	NA
	Income tax impact of the adjustments to per book income	<u>s</u>	4,287	NA NA
5 1	TOTAL	<u>•</u>	4,207	IVA
3	TOTAL EXPENSE ADJUSTMENTS	\$	(6,415)	NA
,	TOTAL EXI ENDE ADVOSTMENTS	حست	(0,415)	
)				
	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
2	NEW ONED ATOLO REVENUE			
A	NET OPERATING REVENUE	\$	71,512	NA
<b>.</b>	Required Revenue Adjustment		71,312	110
5 5 B	OPERATION & MAINTENANCE EXPENSE			
, ,	Bad Debt Adjustment Due To Proposed Rate Increase	\$	214	NA
3	Data Dest regulation Due to Frepoise rule dividas			
, ) E	TAXES OTHER THAN INCOME TAX			
, -	RAF on Revenue Adjustment @	4.500% \$	3,218	NA
	<i>,</i>			
? F	INCOME TAX ADJUSTMENT			
3	Rate Year Revenue at Present Rates	\$	54,323	NA
l	Plus Required Revenue Adjustment		71,512	NA
<b>;</b>	Rate Year Revenue at Proposed Rates	\$	125,835	NA
5				
,	Less Operating Expenses Before Income Taxes	\$	(124,448)	NA
3	Less Interest Expense		(536)	NA NA
)	Taxable Income	\$	851	NA_
)	Income Tax at Composite Rate of	38.575% \$	328	NA
	Less Income Tax at Present Rates		25,934	NA
2			26.052	
1	Income Tax Adjustment for Requested Revenue Increase	\$	26,262	NA

ine					2007	200	
lo.	Acct	Description	Annual Martine Committee C		Water	Sewe	er
		CAR ADJUSTMENTS - 2007					
2	A	REVENUES		•	(610)		
3		Billed less Booked Revenue		\$	(618)	NIA	
4		Billed less Booked Revenue		<u>s</u>	(618)	NA NA	_
5		TOTAL REVENUE ADJUSTMENTS		<u> </u>	(018)	- NA	
6	_	OPER ATIONS & MAINTENANCE					
7 8	B	OPERATIONS & MAINTENANCE	Normalize 2007 employee terminations & New Hires	\$	532	s	_
	601/701 601/701	Salaries & Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	92		-
,	001/701		Normanze 4.076 Wage Increase effective 4/1/07 (additional 1.076)		74		
0	603/703	Salaries & Wages - Officers, Exec.			-		
	604/704	Employee Pensions & Benefits			-		
	610/710	Purchased Water / Sewer Treatment			-		
	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			-		
5	616/716	Fuel for Purchased Power			-		
6	618/718	Chemicals			-		
7	620/720	Materials & Supplies			-		
8	631/731	Contractual Services - Engineering			-		
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		178		
0	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		35		
1	634/734	Contractual Services - Mgmt. Fees			-		
2	634/734				•		
3	634/734				-		
4	635/735	Contractual Services - Testing			•		
5	636/736	Contractual Services - Other			•		
6	641/741	Rental of Building/Real Prop.			•		
7	642/742	Rental of Equipment			•		
8	650/750	Transportation Expenses			•		
9	656/756	Insurance - Vehicle			•		
	657/757	Insurance - General Liability			-		
	658/758	Insurance - Workman's Comp.			-		
_	659/759	Insurance - Other			-		
_	660/760	Advertising Expense			-		
	666/766	Reg. Comm. Exp Rate Case Amort.			-		
-	667/767	Reg. Comm. Exp Rate Case Other			-		
	670/770	Bad Debt Expense			-		
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		1,233		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(102)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(65)		
0		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(20)		
1							_
2		TOTAL O&M ADJUSTMENTS		\$	1,882	NA_	

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine No.	Description		!	Pro Forma Water	Pro Forma Sewer
	YEAR ADJUSTMENTS - 2007, con	inned	<del></del>	71 4101	Jewei
2 C		RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	CHEACTION OF CASE (CASE COSTAL)	\$	1,280	NA
4	Allocation of Corp Structures & In	nnrovements	•	22	NA
5	PSC Audit Adjustments				NA
6	PSC Depr Rate Correction, Depr I	žxnn		483	NA
7	PSC Depr Rate Correction, Amort			(481)	NA
8	Reduction for NU&U			(1,124)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	180	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of	egulatory assets per order PSC-05-1242-PAA-WS	\$	758	NA
14	•	• • •			NA
15	TOTAL AMORTIZATION ADJU	ISTMENTS	\$	758	NA
16					
17					
18 E	TAXES OTHER THAN INCOME	ETAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(34)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		351	NA
21	Property tax adjustment	•		-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(295)	NA
23	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	\$	22	NA
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme		\$	(1,591)	NA
28	TOTAL INCOME TAX ADJUST	MENTS	\$	(1,591)	NA
29					
30	TOTAL EXPENSE ADJUSTMEN	NTS	<u> </u>	1,251	NA

2 A 3 3 4 4 501/701 5 601/701 5 601/701 6 601/701 8 601/701 8 601/701 9 601/701 0 601/701 11 603/703 12 604/704	Description  MA ADJUSTMENTS REVENUES  TOTAL REVENUE ADJUSTMENTS  OPERATIONS & MAINTENANCE Salaries & Wages - Employees  Salaries & Wages - Officers, Exec.	Aqua America Commission  4.0% Wage increase effective 4/1/08 Market Based Increases Lake County Facility Operator II  Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related Reduce President Salary	\$ 38 \$ - \$ 38 \$ 279 \$ 213 \$ 110 \$ - \$ (59) \$ (369) \$ (171)	\$ \$ NA	
3 2 3 4 4 3 B 4 601/701 5 601/701 6 601/701 7 8 601/701 9 601/701 10 601/701 10 601/701 10 601/701 10 601/701 10 601/701 10 601/701 10 601/703 11 603/703 11 603/703 11 603/703	TOTAL REVENUE ADJUSTMENTS OPERATIONS & MAINTENANCE Salaries & Wages - Employees  Salaries & Wages - Officers, Exec.	4.0% Wage increase effective 4/1/08 Market Based Increases Lake County Facility Operator II Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	\$ - \$ 38 \$ 279 \$ 213 \$ 110 \$ - \$ (59) \$ (369)	\$ NA \$ \$ \$ \$ \$ \$	<u> </u>
2 3 4 4 4 3 B 4 601/701 5 601/701 5 601/701 6 601/701 7 601/701 9 601/701 0 601/701 1 603/703 2 604/704 604/704	OPERATIONS & MAINTENANCE Salaries & Wages - Employees  Salaries & Wages - Officers, Exec.	4.0% Wage increase effective 4/1/08 Market Based Increases Lake County Facility Operator II Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	\$ - \$ 38 \$ 279 \$ 213 \$ 110 \$ - \$ (59) \$ (369)	\$ NA \$ \$ \$ \$ \$ \$	<u> </u>
3 B 4 601/701 5 601/701 4 601/701 5 601/701 7 601/701 8 601/701 9 601/701 0 601/701 0 601/701 1 603/703 2 604/704	OPERATIONS & MAINTENANCE Salaries & Wages - Employees  Salaries & Wages - Officers, Exec.	Market Based Increases Lake County Facility Operator II  Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	\$ 38 \$ 279 \$ 213 \$ 110 \$ - \$ (59) \$ (369)	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	<u> </u>
4 604/704 5 B B 601/701 5 601/701 5 601/701 6 601/701 6 601/701 7 601/701 9 601/701 0 601/701 0 601/701 604/704	OPERATIONS & MAINTENANCE Salaries & Wages - Employees  Salaries & Wages - Officers, Exec.	Market Based Increases Lake County Facility Operator II  Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	\$ 279 \$ 213 \$ 110 \$ - \$ (59) \$ (369)	\$ \$ \$ \$	<u> </u>
3 B 4 601/701 4 601/701 5 601/701 6 601/701 8 601/701 9 601/701 9 601/701 0 601/701 1 603/703 2 604/704	Salaries & Wages - Employees  Salaries & Wages - Officers, Exec.	Market Based Increases Lake County Facility Operator II  Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	\$ 213 \$ 110 \$ - \$ (59) \$ (369)	\$ \$ \$ \$	
\$ 601/701 5 601/701 4 601/701 5 601/701 6 601/701 7 601/701 8 601/701 9 601/701 1 603/703 2 604/704	Salaries & Wages - Employees  Salaries & Wages - Officers, Exec.	Market Based Increases Lake County Facility Operator II  Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	\$ 213 \$ 110 \$ - \$ (59) \$ (369)	\$ \$ \$ \$	
4 601/701 5 601/701 6 601/701 7 601/701 8 601/701 9 601/701 0 601/701 1 603/703 2 604/704 604/704		Lake County Facility Operator II  Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	\$ 110 \$ - \$ (59) \$ (369)	\$ \$ \$	
5 601/701 6 601/701 7 601/701 8 601/701 9 601/701 0 601/701 1 603/703 2 604/704 604/704		Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	\$ - \$ (59) \$ (369)	\$ \$	
6 601/701 7 601/701 8 601/701 9 601/701 0 601/701 1 603/703 2 604/704 604/704		Remove Carl Smith Salary - Acquisition Related	\$ (59) \$ (369)	\$	
7 601/701 3 601/701 9 601/701 0 601/701 1 603/703 2 604/704 604/704		Remove Carl Smith Salary - Acquisition Related	\$ (369)		
8 601/701 9 601/701 0 601/701 1 603/703 2 604/704 604/704			, ,	3	
9 601/701 0 601/701 1 603/703 2 604/704 604/704		Reduce Flesidem Salary	3 (1/1)	•	
0 601/701 1 603/703 2 604/704 604/704			s -	\$ \$	
1 603/703 2 604/704 604/704			\$ -	s	
2 604/704 604/704			\$ -	s	
604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 289	\$	
		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (6)	Š	
3 610/710	Purchased Water / Sewer Treatment	. ,	\$ -	\$	
4 NA /711	Sludge Removal Expense		s -	\$	
5 615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing	\$ (2)	\$	
6 616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (35)	\$	
	o		_	_	
	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing	\$ (0)	\$	
	Materials & Supplies		\$ -	\$	
	Contractual Services - Engineering		\$ - \$ -	S S	
	Contractual Services - Accounting	Remove Prior Period Expenses per Staff Audit Finding No. 10		s	
2 633/733	Contractual Services - Legal	Remove Filor Feriod Expenses per Start Audit Finding No. 10	\$ (2) \$ -	\$	
	Contractual Services - Mgmt. Fees		\$ -	Š	
24 634/734	Collination Services 1718.11. 2 ces		\$ -	\$	
25 634/734		Service Co. allocation adjustment for dual Water/Sewer customers	s \$ (240)	\$	
26 634/734			<b>s</b> -	\$	
27 634/734		Remove Excess Costs Charged from Affiliates	\$ (5,827)	\$	
	Contractual Services - Testing		\$ -	\$	
	Contractual Services - Other		\$ -	\$	
0 636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (209)	S	
11 636/736			<b>S</b> -	\$ \$	
32 636/736 33 636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ - \$ (40)	\$ \$	
4 636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12		\$	
5 636/736		Adjustment to Deferred Maintenance	\$ (830)	\$	
6 636/736		-	\$ .	s	
7 636/736			\$ -	\$	
8 641/741	Rental of Building/Real Prop.		<b>s</b> -	\$	
	Rental of Equipment		<b>s</b> -	\$	
	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 253	\$	
	Insurance - Vehicle		\$ -	\$	
	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (49)	\$	
	Insurance - Workman's Comp.		<b>S</b> -	S	
	Insurance - Other		<b>\$</b>	S	
5 660/760 <i>i</i> 6 660/760	Advertising Expense	Remove Advertising Expenses	\$ - \$ (4)	\$ \$	
7 660/760		Remove Advertising Expenses Remove Lobbying Expenses	\$ (4) \$ (156)	\$	
	Reg. Comm. Exp Rate Case Amort.		\$ (150) \$ -	\$	
	Reg. Comm. Exp Rate Case Other		\$ -	\$	
	Bad Debt Expense		\$ -	\$	
670/770	•		\$ -	s	
670/770		Adjustment to Bad Debt	\$ (157)	\$	
	Miscellaneous Expense		<b>s</b> -	\$	
675/775		Normalize Relocation Expenses	\$ (56)	\$	
5 675/775		Remove Test Year Fines and Penalties	\$ (97)	\$	
6 675/775 1		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	S	
3	TOTAL O&M ADJUSTMENTS		\$ (7,293)	- NA	

	FORMA ADJUSTMENTS, continued			
ne o.	Description		Water	Sewe
1 C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water	
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	1,131	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements		159	NA
1	·		-	
5				NA
5			-	
7				NA
3	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(69)	NA
,	TOTAL	\$	1,222	NA.
0		<del></del>	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	11/1
ĭ				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC			NA
4	Remove U&U Adjustment to Test Year Amortization of CIAC		112	NA
5	TOTAL	\$	112	NA
6				
7 E	TAXES OTHER THAN INCOME TAX			
8	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	38	NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments		(48)	NA
0	Property taxes associated with Pro Forma plant		864	
1	Property Tax adjustment for Non-Used & Useful plant	<del></del>	(243)	NA NA
2	TOTAL	<u>_s</u>	611	NA_
3 -	DIGON CONTRACTOR			
4 F	INCOME TAXES	•	1.640	
5	Income tax impact of the adjustments to per book income	2	1,543	NA NA
6	TOTAL	2	1,543	NA
7 8	TOTAL EXPENSE ADJUSTMENTS		(3,805)	NA
9	TOTAL LAI MICE ADJUSTMENTS	J	(3,003)	INA
0				
UTII	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
2 3 A	NET OPERATING REVENUE			
4	Required Revenue Adjustment	\$	(12,219)	NA
5	Acquired Revenue Aujustinone		(12,213)	- 11/1
6 B	OPERATION & MAINTENANCE EXPENSE			
7	Bad Debt Adjustment Due To Proposed Rate Increase	\$	(37)	NA
8	· · · · · · · · · · · · · · · · · · ·		<u> </u>	
9 E	TAXES OTHER THAN INCOME TAX			
0	RAF on Revenue Adjustment @	4.500% \$	(550)	NA
ì	• •			
2 F	INCOME TAX ADJUSTMENT			
3	Rate Year Revenue at Present Rates	\$	52,537	NA
4	Plus Required Revenue Adjustment		(12,219)	NA_
5	Rate Year Revenue at Proposed Rates	\$	40,318	NA
5				
7	Less Operating Expenses Before Income Taxes	\$	(34,382)	NA
3	Less Interest Expense		(2,050)	NA NA
9	Taxable Income	\$	3,887	NA
0	Income Tax at Composite Rate of	38.575% \$	1,499	NA
1	Less Income Tax at Present Rates		(5,987)	NA
2	To the Albert of December 1D Street		(1.10==	
3	Income Tax Adjustment for Requested Revenue Increase	\$	(4,487)	NA

Line No.	Acct	Description			2007 Water		2007 ewer
1		EAR ADJUSTMENTS - 2007			***************************************		
2	A	REVENUES					
3	••	Billed less Booked Revenue		\$	(146)		
4		Billed less Booked Revenue		•	(1.5)	\$	(430
5		TOTAL REVENUE ADJUSTMENTS		<u> </u>	(146)	\$	(430
6					11.107		(.50
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	25	\$	240
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		90	•	89
10	603/703	Salaries & Wages - Officers, Exec.			-		-
11	604/704	Employee Pensions & Benefits			-		-
12	610/710	Purchased Water / Sewer Treatment			-		-
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			-		-
15	616/716	Fuel for Purchased Power			-		-
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			-		-
18	631/731	Contractual Services - Engineering			-		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		128		127
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		25		25
21	634/734	Contractual Services - Mgmt. Fees			-		-
22	634/734				-		-
23	634/734				-		-
24	635/735	Contractual Services - Testing			-		-
25	636/736	Contractual Services - Other			-		-
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment			-		-
28	650/750	Transportation Expenses			•		-
29	656/756	Insurance - Vehicle			-		-
30	657/757	Insurance - General Liability			-		•
31	658/758	Insurance - Workman's Comp.			•		-
32	659/759	Insurance - Other			-		-
33	660/760	Advertising Expense			-		-
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		-
35	667/767	Reg. Comm. Exp Rate Case Other			-		-
	670/770	Bad Debt Expense			-		· •
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		5,380		3,882
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(73)		(72)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(47)		(47)
40 41							
42		TOTAL O&M ADJUSTMENTS		<u> </u>	5,528	<u>s</u>	4,244

ine No.	Description			Forma Water		Forma Sewer
	YEAR ADJUSTMENTS - 2007, cont	inued				
2 C		RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	922	\$	913
4	Allocation of Corp Structures & Ir	nprovements		16		16
5	•			-		
6	PSC Depr Rate Correction, Depr I	Expn		89		156
7	PSC Depr Rate Correction, Amort	CIAC		(214)		(356
8	Reduction for NU&U			(6)		(5,902
9	TOTAL DEPRECIATION ADJUS	STMENTS	<u>\$</u>	807	\$	(5,173
10						
11						
12 D	AMORTIZATION					
13	To record annual amortization of a	egulatory assets per order PSC-05-1242-PAA-WS	\$	588	\$	589
14	•				_	
15	TOTAL AMORTIZATION ADJU	ISTMENTS	<u>_s</u>	588	\$	589
16						
17						
18 E	TAXES OTHER THAN INCOME		_	(60)		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(63)	\$	(119
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		233		249
21	Property tax adjustment	AUTONI CO CO Tour		(16)		/729
22	Property tax adjustment	NU&U portion of Property Taxes	<u>-</u>	(16) 153	<u> </u>	(728
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	3	133		(390
24						
25 26 F	INCOME TAXES					
20 F 27	Income tax impact of the adjustme	ente to ner hook income	•	(3,772)	s	(544
28	TOTAL INCOME TAX ADJUST		\$	(3,772)	\$	(544
28 29	TOTAL INCOME TAX ADJUST	**************************************		(2,.12)	<u> </u>	
30	TOTAL EXPENSE ADJUSTMEN	ITO	c	3,304	\$	(1,482

No.	Acct	Description			Water		Sewer
1	PRO FO	RMA ADJUSTMENTS REVENUES					
2	^	REVENCES	Aqua America Commission	\$	27	\$	27
2			Aqua / Micros Commission	\$	-	\$	
3		TOTAL REVENUE ADJUSTMENTS		\$	27	\$	27
4		OPERATIONS & MAINTENIANCE					
3 4	B 601/701	OPERATIONS & MAINTENANCE Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	s	274	s	270
5	601/701	Salaries de Wages - Employees	Market Based Increases	Š	244	\$	182
4	601/701			\$	-	\$	-
5	601/701		Reduction in Meter Readers	\$	(43)	\$	(42
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$	(267)	\$	(264
7 8	601/701 601/701		Reduce President Salary	\$ \$	(124)	\$ \$	(122
9	601/701			s		S	-
10	601/701			\$	-	\$	-
11	603/703	Salaries & Wages - Officers, Exec.		\$	-	\$	-
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	327	\$	224
	604/704	B 1 133 46 T 1 13	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(4)	s s	(4
	610/710 NA /711	Purchased Water / Sewer Treatment Sludge Removal Expense		\$ \$	<u>.</u>	\$ \$	-
	615/715	Purchased Power		\$	-	\$	
	616/716	Fuel for Purchased Power		Š		Š	_
7		Chemicals		\$	-	\$	-
18	620/720	Materials & Supplies		\$	-	S	•
19		Contractual Services - Engineering		\$	•	\$	-
20	632/732	Contractual Services - Accounting	Process Bright Process Comment of the Process Assets	S	- (2)	\$	- "
21		Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(2)	\$ \$	(2
23	634/734	Contractual Services - Mgmt. Fees		\$	-	\$	-
24		Commentati Con Media Magnini 1 ees		s	-	Š	-
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customer	rs \$	(173)	\$	(171
26	634/734			\$	-	\$	
27			Remove Excess Costs Charged from Affiliates	\$	(4,195)	\$	(4,157
28 29	635/735 636/736	Contractual Services - Testing Contractual Services - Other		\$ \$	-	\$ \$	-
	636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Sewer customers	\$	(151)	\$	(149
31			1100 anotation seguinten 201 data Trates Correl Castolines	Š	(.5.)	Š	(11)
32				\$	-	\$	-
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(29)	\$	(28
34	636/736		Disaflow Shareholders Services Expenses per Staff Audit Finding No.12		(92)	\$	(91
35				\$	•	\$	-
36				\$ \$	-	\$ \$	-
37 12	636/736 641/741	Rental of Building/Real Prop.		\$	•	\$	-
39	642/742	Rental of Equipment		Š		\$	_
10	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	182	S	181
41	656/756	Insurance - Vehicle		\$	•	\$	-
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(35)	\$	(35
13	658/758	Insurance - Workman's Comp.		\$	. •	S	-
4	659/759 660/760	Insurance - Other Advertising Expense		\$ \$	•	\$ \$	•
16		Advertising Expense	Remove Advertising Expenses	Š	(3)	\$	(3
	660/760		Remove Lobbying Expenses	s	(112)	Š	(111
8	666/766	Reg. Comm. Exp Rate Case Amort.		\$		\$	•
19	667/767	Reg. Comm. Exp Rate Case Other		\$	•	S	-
	670/770	Bad Debt Expense		\$	•	\$	•
2	670/770 670/770		Adjustment to Bad Debt	\$ \$	2	\$ \$	26
3		Miscellaneous Expense	- my months to brown brots	\$		\$	-
	675/775	• •	Normalize Relocation Expenses	\$	(41)	s	(40
5	675/775		Remove Test Year Fines and Penalties	\$	(55)	\$	(14
6	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	(0
_							
57 58							

PRO FORMA ADJUSTMENTS, continued					
ne	Description		Water		Sewer
0. C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		vvalei	<del></del> ;	Sewei
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	378	NA	
	Allocation of new corp. PCs and Network & Telephony enhancements	•	115		114
	,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,		-		
	,				
,			-		
,					
3	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(49)		(4
)	TOTAL	<u> </u>	443	<u> </u>	6
0	IOIAL		443		
1					
2 D	AMORTIZATION				
3	Correct Test Year Amortization of CIAC		-		
4	Remove U&U Adjustment to Test Year Amortization of CIAC		_		
5	TOTAL	<u>-</u>	-	\$	
6					
7 E	TAXES OTHER THAN INCOME TAX				
В	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	40	\$	3
9	Property taxes associated with 2007 plant additions, allocations, adjustments		502		(22
0	Property taxes associated with Pro Forma plant		377		2
1	Property Tax adjustment for Non-Used & Useful plant		(2)		7
2	TOTAL	\$	918	\$	(9
3					
4 F	INCOME TAXES				
5	Income tax impact of the adjustments to per book income	<u>\$</u>	930	<u>\$</u>	1,76
6	TOTAL	\$	930	\$	1,76
7			/2.422		
8	TOTAL EXPENSE ADJUSTMENTS	\$	(2,005)	S	(2,61
9 0					
1 UTIL 2	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
2 3 A	NET OPERATING REVENUE				
4	Required Revenue Adjustment	<u>s</u>	14,230	\$	6,185
5		<del> </del>	- 1,		
6 B	OPERATION & MAINTENANCE EXPENSE				
7	Bad Debt Adjustment Due To Proposed Rate Increase	<u> </u>	43	\$	1
8	•				
9 E	TAXES OTHER THAN INCOME TAX				
0	RAF on Revenue Adjustment @	4.500% \$	640	\$	27
1	. •				
2 F	INCOME TAX ADJUSTMENT				
3	Rate Year Revenue at Present Rates	\$	36,164	\$	58,50
4	Plus Required Revenue Adjustment		14,230		6,18
5	Rate Year Revenue at Proposed Rates	\$	50,394	\$	64,69
6	·				
7	Less Operating Expenses Before Income Taxes	\$	(41,219)	\$	(59,56
8	Less Interest Expense		(3,109)		(1,75
9	Taxable Income	\$	6,067	\$	3,37
0	Income Tax at Composite Rate of	38.575% \$	2,340	\$	1,30
1	Less Income Tax at Present Rates		2,886		97
2					
3	Income Tax Adjustment for Requested Revenue Increase	\$	5,226	\$	2,27
4					

Line No.	Acct	Description			2007 Water	:	2007 Sewer
1		EAR ADJUSTMENTS - 2007					304401
2	A	REVENUES					
3		Billed less Booked Revenue		\$	(2,793)		
4		Billed less Booked Revenue		•	(=,,,=,,	\$	(3,130)
5		TOTAL REVENUE ADJUSTMENTS		\$	(2,793)	\$	(3,130)
6		TOTAL REVEROL ADJOURNALITY		<u> </u>	(2,7,55)		(5,150)
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	4,505	\$	582
9	601/701	Surges to Wiggs Emproyees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	-	406	•	409
10	603/703	Salaries & Wages - Officers, Exec.			•		-
11	604/704	Employee Pensions & Benefits			•		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Palm Terrace Purchased Water		1,921		-
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			-		-
15	616/716	Fuel for Purchased Power			•		-
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			-		-
18	631/731	Contractual Services - Engineering			-		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		1,406		1,215
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		278		240
21	634/734	Contractual Services - Mgmt. Fees			•		-
22	634/734				-		-
23	634/734				-		-
24	635/735	Contractual Services - Testing			-		
25	636/736	Contractual Services - Other			-		-
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment			-		-
28	650/750	Transportation Expenses			•		-
29	656/756	Insurance - Vehicle			-		
30	657/757	Insurance - General Liability			-		-
31	658/758	Insurance - Workman's Comp.			-		-
32	659/759	Insurance - Other			-		-
33	660/760	Advertising Expense			-		-
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		
35	667/767	Reg. Comm. Exp Rate Case Other			-		-
36	670/770	Bad Debt Expense			-		
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		41,598		33,818
38	675/775	·	Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(803)		(694)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(516)		(446)
40							
41 42		TOTAL O&M ADJUSTMENTS		<u>s</u>	48,794	<u>s</u>	35,124
42		TOTAL OWN ADJUSTMENTS		<u> </u>	40,794	3	33,124

Line No.	Description		P	ro Forma Water		o Forma Sewer
	YEAR ADJUSTMENTS - 2007, con	tinued				
2 C		RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	10,120	\$	8,746
4	Allocation of Corp Structures & In	nprovements		174		150
5				-		-
6	PSC Depr Rate Correction, Depr I	Expn		(233)		323
7	PSC Depr Rate Correction, Amon	CIAC		558		28,318
8	Reduction for NU&U	4		(1,461)		
9	TOTAL DEPRECIATION ADJU	STMENTS	_\$	9,158	_\$_	37,536
10						
11						
12 D	AMORTIZATION	•				
13	To record annual amortization of	regulatory assets per order PSC-05-1242-PAA-WS	\$	6,717	\$	5,720
14	-					-
15	TOTAL AMORTIZATION ADJU	JSTMENTS	\$	6,717	\$	5,720
16						
17						
18 E	TAXES OTHER THAN INCOMI		•	(126)		(1.40)
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(126)	S	(140)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		2,869		2,242
21	Property tax adjustment	Distributing from Water to Water & Sewer		(10,235)		10,235
22	Property tax adjustment TOTAL TAXES OTHER THAN	NU&U portion of Property Taxes	<u>s</u>	(337)	<u>s</u>	12,337
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS		(7,829)	-3-	12,337
24						
25 26 F	INCOME TAXES					
26 F 27	Income tax impact of the adjustme	ante to per hook income	e	(25,359)	•	(46,429)
28	TOTAL INCOME TAX ADJUST			(25,359)	\$	(46,429)
	TOTAL INCOME TAX ADJUST	MITTINI		(23,339)		(40,42)
29 30	TOTAL EXPENSE ADJUSTME	NT9	•	31,481	\$	44,289
30	TOTAL EXPENSE ADJUSTME	110	-	31,731		77,603

No.	A 224	Description		Wat	аг		Sewer
1	PRO FO	RMA ADJUSTMENTS		vv at			<u>SCWCI</u>
2	A	REVENUES					
3			Aqua America Commission	\$	301	\$	260
2			Record Street Lighting Revenue Above the Line	\$	27,606	\$	
3		TOTAL REVENUE ADJUSTMENTS	• •	\$	27,906	S	260
4							
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	1,230	\$	1,239
5	601/701		Market Based Increases	\$	467	\$	542
4	601/701		Publisher S. Marco Poudo.	\$	(10.808)	S	(1.07/
5	601/701		Reduction in Meter Readers	\$ \$	(10,808) (2,923)	S S	(1,274
6	601/701		Remove Carl Smith Salary - Acquisition Related Reduce President Salary	\$	(1,356)	S	(1,172
7 8	601/701 601/701		Reduce President Salary	Š	(1,330)	s	(1,172
9	601/701			š		Š	
10	601/701			\$	-	Š	-
1	603/703	Salaries & Wages - Officers, Exec.		\$	_	s	-
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	597	S	725
	604/704	<b>-,-</b>	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(48)	\$	(42
13	610/710	Purchased Water / Sewer Treatment	Palm Terrace Purchased Water rate increases	\$	2,838	\$	-
14	NA /711	Sludge Removal Expense	Pasco County Sludge Hauling price increase in 2008	\$	-	\$	13,597
5	615/715	Purchased Power		\$	-	\$	-
	616/716	Fuel for Purchased Power		\$	-	\$	-
17	618/718	Chemicals		\$	-	\$	-
	620/720	Materials & Supplies		\$	-	\$	-
19	631/731	Contractual Services - Engineering		\$	-	\$	-
20	632/732	Contractual Services - Accounting		\$	-	\$	-
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(20)	\$	(17
	633/733			\$	-	\$	-
	634/734	Contractual Services - Mgmt. Fees		S	•	\$	-
	634/734			\$		S	
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$	(1,899)	\$	(1,642
26	634/734			\$	-	\$	-
27	634/734		Remove Excess Costs Charged from Affiliates	\$	(46,071)	\$	(39,817
28	635/735	Contractual Services - Testing		S	-	\$	-
29	636/736	Contractual Services - Other		\$	-	\$	-
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(1,653)	\$	(1,428
31	636/736			\$	-	\$	-
	636/736		Eliminate O/S Contractor meter reading	\$	(4,194)	\$	-
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(315)	\$	(272
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(1,004)	\$	(868
35	636/736		Adjustment to Deferred Maintenance	\$	-	\$	(831
	636/736		<b>y</b>	S	_	S	`-
	636/736			\$	-	\$	-
38	641/741	Rental of Building/Real Prop.		\$	-	\$	-
39	642/742	Rental of Equipment		\$	-	\$	-
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	S	2,001	\$	1,729
<b>1</b> 1	656/756	Insurance - Vehicle		\$	-	\$	-
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(387)	\$	(335
43	658/758	Insurance - Workman's Comp.		\$	-	\$	-
14	659/759	Insurance - Other		\$	-	\$	-
15	660/760	Advertising Expense		\$	-	S	-
	660/760		Remove Advertising Expenses	\$	(33)	S	(28
17	660/760		Remove Lobbying Expenses	\$	(1,231)	S	(1,064
	666/766	Reg. Comm. Exp Rate Case Amort.		s	•	S	-
	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	-
	670/770	Bad Debt Expense		S S	•	\$	•
1	670/770		Adjustment to Red Debt	s S	(7 772\	\$ \$	(A 145
	670/770	Missellaneous Euner	Adjustment to Bad Debt	\$ \$	(7,773)	s	(4,147
	675/775	Miscellaneous Expense	Normalize Relocation Expenses	\$	(445)	S	(384
	675/775 675/775		Remove Test Year Fines and Penalties	\$	(443)	S	(551
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(1)	S	(1)
56	3131113		remove their tenor Expenses per stan Audit thining No. 10	•	(1)	•	(1
<b>`7</b>							
57 58							

	FORMA ADJUSTMENTS, continued			
e	Description	,	Water	Sewer
. C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
-	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	1,963	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		1,261	1,090
			-	
			•	
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(542)	(469
	TOTAL	\$	2,682	\$ 621
	••··-			
D	AMORTIZATION			
	Correct Test Year Amortization of CIAC		(76)	(19,016
	Remove U&U Adjustment to Test Year Amortization of CIAC			
	TOTAL	\$	(76)	\$ (19,016
E	TAXES OTHER THAN INCOME TAX			
	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	135	\$ 141
	Property taxes associated with 2007 plant additions, allocations, adjustments		617	3,445
1	Property taxes associated with Pro Forma plant		1,910	214
	Property Tax adjustment for Non-Used & Useful plant		(323)	
	TOTAL	<u>s</u>	2,339	\$ 3,801
_				
F	INCOME TAXES	•	36.646	6 01 111
	Income tax impact of the adjustments to per book income	-3	36,646	\$ 21,111
	TOTAL		36,646	\$ 21,111
	TOTAL DISPUSION ADDISONATION	<u>s</u>	(21,024)	6 (22.05)
	TOTAL EXPENSE ADJUSTMENTS	2	(31,924)	\$ (32,05)
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
Α	NET OPERATING REVENUE			
• •	Required Revenue Adjustment	\$	98,468	\$ (14,463
В	OPERATION & MAINTENANCE EXPENSE			
	Bad Debt Adjustment Due To Proposed Rate Increase	S	294	\$ (43
	·			
E	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4.500% \$	4,431	\$ (651
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	342,522	\$ 381,797
	Plus Required Revenue Adjustment		98,468	(14,463
	Rate Year Revenue at Proposed Rates	\$	440,990	\$ 367,334
	Less Operating Expenses Before Income Taxes	\$	(417,837)	\$ (292,755
	Less Interest Expense		(7,583)	(25,205
	Taxable Income	\$	15,571	\$ 49,373
	Income Tax at Composite Rate of	38.575% \$	6,006	\$ 19,046
	Less Income Tax at Present Rates		30,155	(24,357
	The state of the s	<del></del>	3616	6 (5.23)
	Income Tax Adjustment for Requested Revenue Increase	2	36,161	\$ (5,311

ine		Description			2007 Water		2007 ewer
No.	Acct	Description AR ADJUSTMENTS - 2007					
	A V	REVENUES					
3	Α.	Billed less Booked Revenue		\$	(123)		
4		Billed less Booked Revenue					Α
5		TOTAL REVENUE ADJUSTMENTS		\$	(123)	N	A
6		TOTAL ILLY ENGLY INCOME.					
-	В	OPERATIONS & MAINTENANCE					
	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	(60)	\$	-
	601/701	Data to to the good and project	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		77		
0	603/703	Salaries & Wages - Officers, Exec.			-		
1	604/704	Employee Pensions & Benefits			-		
2	610/710	Purchased Water / Sewer Treatment			•		
3	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			-		
5	616/716	Fuel for Purchased Power			-		
16	618/718	Chemicals			-		
7	620/720	Materials & Supplies			-		
8	631/731	Contractual Services - Engineering			-		
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		73 15		
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		15		
21	634/734	Contractual Services - Mgmt. Fees			•		
	634/734				•		
	634/734						
	635/735	Contractual Services - Testing			_		
	636/736	Contractual Services - Other			_		
	641/741	Rental of Building/Real Prop.			_		
	642/742	Rental of Equipment			-		
	650/750	Transportation Expenses			_		
	656/756	Insurance - Vehicle					
	657/757	Insurance - General Liability					
	658/758	Insurance - Workman's Comp.					
-	659/759	Insurance - Other			_		
33	660/760	Advertising Expense Reg. Comm. Exp Rate Case Amort.			-		
	666/766 667/767	Reg. Comm. Exp Rate Case Amort.  Reg. Comm. Exp Rate Case Other			-		
	670/770	Bad Debt Expense			-		
30 37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(2,102)		
	675/775	Misonininons Pubolise	Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(42)		
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(27)		
40		Excess water loss adjustment for Purchas	sed Water, Power, and Chemicals		(76)		
41 42		TOTAL O&M ADJUSTMENTS		<u>s</u>	(2,141)		NΑ

ine No.	Description			o Forma Water	Pro Form Sewer
	YEAR ADJUSTMENTS - 2007, cont	inued	<u> </u>		
2 C		RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		\$	529	NA
4	Allocation of Corp Structures & Ir	nprovements		9	NA
5	PSC Audit Adjustments			•	NA
6	PSC Depr Rate Correction, Depr I	Expn		14	NA
7	PSC Depr Rate Correction, Amort	CIAC		268	NA
8	Reduction for NU&U			(766)	NA
9	TOTAL DEPRECIATION ADJUS	STMENTS	\$	54	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of r	egulatory assets per order PSC-05-1242-PAA-WS	\$	323	NA
14	-				NA
15	TOTAL AMORTIZATION ADJU	STMENTS	\$	323	NA
16					
17					
18 E	TAXES OTHER THAN INCOME	TAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	2	(6)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		131	NA
21	Property tax adjustment				NA
22	Property tax adjustment	NU&U portion of Property Taxes		(185)	NA
23	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	\$	(59)	NA
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme		\$	102	NA_
28	TOTAL INCOME TAX ADJUST	MENTS	\$	102	NA
29					
30	TOTAL EXPENSE ADJUSTMEN	TTS .	_\$	(1,721)	NA

lo.		Description		Water	36	wei
Ī	PRO FO	RMA ADJUSTMENTS				
	A	REVENUES				
;			Aqua America Commission	\$ 16	\$	
			•	s <u>-</u>	\$	
		TOTAL REVENUE ADJUSTMENTS		<b>\$</b> 16	NA.	<u>.                                    </u>
	В	OPERATIONS & MAINTENANCE			_	
ļ	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 234	\$	
,	601/701		Market Based Increases	\$ 214 \$ 557	\$ \$	
	601/701		Lake County Facility Operator II	\$ 557 \$ -	\$ \$	
	601/701 601/701		Reduction in Meter Readers	\$ (25)		
	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (152)		
	601/701		Reduce President Salary	\$ (71)		
	601/701		1100001100001100001	\$ -	s	
)	601/701			\$ -	\$	
ĺ	603/703	Salaries & Wages - Officers, Exec.		<b>S</b> -	\$	
2	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 274	\$	
	604/704	•	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)		
3	610/710	Purchased Water / Sewer Treatment		\$ -	\$	
	NA /711	Sludge Removal Expense		\$ -	\$	
	615/715	Purchased Power		\$ -	S	
	616/716	Fuel for Purchased Power		<b>s</b> -	\$	
	618/718	Chemicals		\$ - \$ -	\$ \$	
	620/720	Materials & Supplies		\$ -	\$ \$	
	631/731	Contractual Services - Engineering		\$ -	\$	
	632/732 633/733	Contractual Services - Accounting Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)	\$	
	633/733	Contractual Services - Legal	Remove Phot Period Expenses per Stati Addit Finding No. 10	\$ -	\$	
	634/734	Contractual Services - Mgmt. Fees		s -	Š	
	634/734	Commenced Services - Mignit. 1 see		\$ -	Š	
	634/734		Service Co. allocation adjustment for dual Water/Sewer customers		\$	
	634/734			s -	\$	
	634/734		Remove Excess Costs Charged from Affiliates	\$ (2,408)	S	
	635/735	Contractual Services - Testing		<b>S</b> -	\$	
	636/736	Contractual Services - Other	ACCO all and an affirm that the table of the Land Wester (Commence of the Commence of the Comm	\$ - \$ (86)	\$ \$	
	636/736 636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (86) \$ -	s	
	636/736			\$ -	s	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	<b>\$</b> (16)		
	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (52)	s	
5	636/736			\$ -	\$	
	636/736			\$ -	s	
,	636/736			\$ -	\$	
3	641/741	Rental of Building/Real Prop.		<b>s</b> -	\$	
	642/742	Rental of Equipment		<b>s</b> -	\$	
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 104	\$	
	656/756	Insurance - Vehicle	non-consideration with the constant of the con	\$ -	S	
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (20)	\$	
	658/758	Insurance - Workman's Comp.		\$ - \$ -	\$ \$	
	659/759	Insurance - Other		\$ -	\$	
	660/760 660/760	Advertising Expense	Remove Advertising Expenses	\$ (2)		
	660/760		Remove Lobbying Expenses	\$ (64)		
	666/766	Reg. Comm. Exp Rate Case Amort.		\$ -	\$	
	667/767	Reg. Comm. Exp Rate Case Other		\$ -	s	
	670/770	Bad Debt Expense		<b>s</b> -	\$	
l	670/770	-		<b>s</b> -	\$	
2	670/770		Adjustment to Bad Debt	\$ (126)	\$	
1	675/775	Miscellaneous Expense		<b>s</b> -	\$	
	675/775		Normalize Relocation Expenses	<b>\$</b> (23)		
	675/775		Remove Test Year Fines and Penalties	<b>S</b> (15)		
5	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$	
7						

	FORMA ADJUSTMENTS, continued			
ne o.	Description		Water	Sewe
, C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	311	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		66	NA
	,,,,,,,, .			
				NA
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(28)	
			, ,	NA
	TOTAL	\$	349	NA
)		<del>-7</del>		
i				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		(177)	NA
Í	Remove U&U Adjustment to Test Year Amortization of CIAC		-	NA
5	TOTAL	\$	(177)	NA
5				
, , E	TAXES OTHER THAN INCOME TAX			
3	Payroll tax adjustment On Salary & Wage adjustments explained above	s	35	NA
,	Property taxes associated with 2007 plant additions, allocations, adjustments	•	(54)	NA
)	Property taxes associated with Pro Forma plant		257	14/4
ļ	Property Tax adjustment for Non-Used & Useful plant		(41)	NA
2	TOTAL	\$	198	NA NA
3	TOTAL		170	INA
F	INCOME TAXES			
, r	Income tax impact of the adjustments to per book income	•	396	NA
, 5	TOTAL		396	NA NA
,	TOTAL	3	390	- 11/4
3	TOTAL EXPENSE ADJUSTMENTS	\$	(1,016)	NA
,	TOTAL EXPENSE ADJUSTMENTS	3	(1,010)	IVA
UTII	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
A	NET OPERATING REVENUE			
	Required Revenue Adjustment	\$	20,614	NA
5				
Б	OPERATION & MAINTENANCE EXPENSE			
, -	Bad Debt Adjustment Due To Proposed Rate Increase	\$	62	NA
3				
E	TAXES OTHER THAN INCOME TAX			
)	RAF on Revenue Adjustment @	4.500% \$	928	NA
		1,500/4	720	
F	INCOME TAX ADJUSTMENT			
•	Rate Year Revenue at Present Rates	\$	11,201	NA
	Plus Required Revenue Adjustment	•	20,614	NA
	Rate Year Revenue at Proposed Rates	\$	31,814	NA NA
,	The rate and troposed reason		21,014	
,	Less Operating Expenses Before Income Taxes	s	(26,346)	NA
	Less Interest Expense	•	(1,838)	NA NA
	Taxable Income	-	3,630	NA NA
,	Income Tax at Composite Rate of	38.575% \$	1,400	NA NA
'	Less Income Tax at Present Rates	30,31376 3		
	Less modific eas at fresent rates		6,170	NA
	Income Tax Adjustment for Requested Revenue Increase	<u>s</u>	7,570	NA NA
	moone ray nojustificit for requested revenue increase	3	1,570	NA

ine lo.	Acct	Description		2007 Vater		07 wer
1		CAR ADJUSTMENTS - 2007		 		
2	A	REVENUES				
3		Billed less Booked Revenue		\$ (286)		
4		Billed less Booked Revenue		 	NA	
5		TOTAL REVENUE ADJUSTMENTS		\$ (286)	NA.	
6						
7	В	OPERATIONS & MAINTENANCE				
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 183	\$	-
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	123		
10	603/703	Salaries & Wages - Officers, Exec.		•		
11	604/704	Employee Pensions & Benefits		-		
12	610/710	Purchased Water / Sewer Treatment		-		
13	NA /711	Sludge Removal Expense				
14	615/715	Purchased Power		•		
15	616/716	Fuel for Purchased Power		-		
16	618/718	Chemicals		-		
17		Materials & Supplies		-		
18	631/731	Contractual Services - Engineering				
19		Contractual Services - Accounting	Normalize 2007 Audit Fees	210		
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	41		
21		Contractual Services - Mgmt. Fees		•		
22	634/734			•		
23	634/734			-		
24	635/735	Contractual Services - Testing		•		
25		Contractual Services - Other		-		
26	641/741	Rental of Building/Real Prop.		•		
27	642/742	Rental of Equipment		•		
	650/750	Transportation Expenses		-		
29	656/756	Insurance - Vehicle		•		
30	657/757	Insurance - General Liability		-		
31	658/758	Insurance - Workman's Comp.		-		
	659/759	Insurance - Other		_		
33	660/760	Advertising Expense		-		
	666/766	Reg. Comm. Exp Rate Case Amort.		-		
	667/767	Reg. Comm. Exp Rate Case Other		_		
	670/770	Bad Debt Expense	Normalize 2007 Intercompany allocations	(61,284)		
37	675/775 675/775	Miscellaneous Expense	Normalize 2007 Intercompany anocations  Normalize 2007 Intracompany misallocation of a/c 426 to	(120)		
38	6/3///3		Operating Expenses	(120)		
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(77)		
40		Excess water loss adjustment for Purchas	ed Water, Power, and Chemicals	(6)		
41				 ((0.001)		
42		TOTAL O&M ADJUSTMENTS		\$ (60,931)	NA	<u> </u>

ine Vo.	Description			o Forma Water	Pro Form Sewer
	YEAR ADJUSTMENTS - 2007, continued				
2 C	DEPRECIATION NET OF AMORTIZA	TION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	,	\$	1,510	NA
4	Allocation of Corp Structures & Improve	ments		26	NA
5	PSC Audit Adjustments			-	NA
6	PSC Depr Rate Correction, Depr Expn			160	NA
7	PSC Depr Rate Correction, Amort CIAC			1,150	NA
8	Reduction for NU&U			(3,520)	NA
9	TOTAL DEPRECIATION ADJUSTME	NTS	\$	(674)	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of regulate	ory assets per order PSC-05-1242-PAA-WS	\$	1,047	NA
14	-	•			NA
15	TOTAL AMORTIZATION ADJUSTME	ENTS	\$	1,047	NA
16					
17					
18 E	TAXES OTHER THAN INCOME TAX				
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(13)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		402	NA
21	Property tax adjustment			•	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(2,332)	NA
23	TOTAL TAXES OTHER THAN INCOM	ME ADJUSTMENTS	\$	(1,943)	NA
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustments to	per book income	S	21,575	NA
28	TOTAL INCOME TAX ADJUSTMENT		\$	21,575	NA
29				···	
30	TOTAL EXPENSE ADJUSTMENTS		\$	(40,925)	NA

ne	A	Description		,	Water	Se	wer
o. 1	Acct PRO FOR	RMA ADJUSTMENTS					
-	A	REVENUES					
3			Aqua America Commission	\$	45	\$	
2				\$		\$	
3		TOTAL REVENUE ADJUSTMENTS		\$	45	NA.	
4							
	В	OPERATIONS & MAINTENANCE					
ı	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	371	\$	
5	601/701		Market Based Increases	\$	273	\$	
\$	601/701			\$	•	\$	
5	601/701		Reduction in Meter Readers	\$	(70)	S	
,	601/701		Remove Carl Smith Salary - Acquisition Related	\$	(436)	\$	
•	601/701		Reduce President Salary	\$	(202)	\$	
3	601/701			\$	-	\$ \$	
	601/701			\$	•		
	601/701			\$	-	\$	
	603/703	Salaries & Wages - Officers, Exec.	T	\$	224	S	
2	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	224	\$	
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(7)	S S	
	610/710	Purchased Water / Sewer Treatment		S	-	\$ \$	
	NA /711	Sludge Removal Expense		\$ \$	•	\$	
	615/715	Purchased Power		\$	-	\$ \$	
	616/716	Fuel for Purchased Power		S	·	\$	
	618/718	Chemicals		\$	-	\$ \$	
	620/720	Materials & Supplies		\$ \$	-	\$	
	631/731	Contractual Services - Engineering		s \$	-	\$	
	632/732	Contractual Services - Accounting	D D C & Francisco and Cook Audit Finding No. 10	\$	(3)	\$	
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(3)	Š	
	633/733	O		\$		\$	
	634/734	Contractual Services - Mgmt. Fees		s	_	Š	
	634/734		Service Co. allocation adjustment for dual Water/Sewer customers		(283)	s	
25	634/734		Service Co. anocation adjustment for dual water/sewer customers	•	(205)	•	
6	634/734			\$	-	\$	
	634/734		Remove Excess Costs Charged from Affiliates	\$	(6,876)	\$	
	635/735	Contractual Services - Testing	Normalizing Testing Expenses	\$	(1,677)	\$	
	636/736	Contractual Services - Other		\$	-	\$	
	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(246)	\$	
	636/736			\$	-	\$	
	636/736			\$	-	\$	
13	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(47)	S	
14	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(150)	S	
5	636/736			\$	•	S	
	636/736			\$	•	S	
7	636/736			S	•	S	
	641/741	Rental of Building/Real Prop.		S	-	\$	
9	642/742	Rental of Equipment		\$	•	\$	
0	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	298	S	
IJ	656/756	Insurance - Vehicle		\$	-	\$	
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(58)	\$	
3	658/758	Insurance - Workman's Comp.		\$	-	\$	
14		Insurance - Other		\$	-	S	
5	660/760	Advertising Expense		S	-	\$	
6	660/760		Remove Advertising Expenses	\$	(5)	S	
7			Remove Lobbying Expenses	\$	(184)	\$	
	666/766	Reg. Comm. Exp Rate Case Amort.		S	-	\$	
	667/767	Reg. Comm. Exp Rate Case Other		\$ \$	•	s s	
	670/770	Bad Debt Expense		\$ \$	-	\$	
	670/770		A division on the Deal Debt	\$ \$	9010	\$	
	670/770	Misselles and Power	Adjustment to Bad Debt	\$	(3,011)	\$	
	675/775	Miscellaneous Expense	Name aline Poleostion Rypenses	\$ \$	(66)	\$	
	675/775		Normalize Relocation Expenses Remove Test Year Fines and Penalties	\$	(618)	\$	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(013)	Š	
56	675/775		Actione From Ferrou Expenses per Statt Audit Finding No. 10	•	(0)	•	
7							

PRO	FORMA ADJUSTMENTS, continued			
е	Description		Water	Sewe
- <u>-</u> -	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		774401	
C	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	329	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		188	NA
	Allocation of new corp. I as and Network & Telephony emillioning			
				NA
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(81)	
	Remove Depreciation Expense Anocard from Adda America per State Addition and Service Land		(4.7)	NA
	TOTAL	\$	436	NA
)				
D	AMORTIZATION			
	Correct Test Year Amortization of CIAC		(651)	NA
,	Remove U&U Adjustment to Test Year Amortization of CIAC		` ´5´	NA
;	TOTAL	<u>-s</u>	(646)	NA
, ,	••••			
E	TAXES OTHER THAN INCOME TAX			
1	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	50	NA
,	Property taxes associated with 2007 plant additions, allocations, adjustments	-	(4)	NA
)	Property taxes associated with Pro Forma plant		389	
	Property Tax adjustment for Non-Used & Useful plant		(114)	NA
2	TOTAL	\$	321	NA
; } ·	IOIAL		<u> </u>	14/1
F	INCOME TAXES			
-		•	4,728	NA
<b>.</b>	Income tax impact of the adjustments to per book income	<del></del> -	4,728	NA NA
	TOTAL	<del></del>	4,720	NA
	TOTAL EMPENIES AND ICTACATE	-	(7,933)	NA
<b>3</b>	TOTAL EXPENSE ADJUSTMENTS	J	(1,733)	11/1
-	THE PROPERTY OF THE PROPERTY ADDITION OF THE P			
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
A	NET OPERATING REVENUE			
1	Required Revenue Adjustment	\$	16,125	NA
;				
В	OPERATION & MAINTENANCE EXPENSE			
, -	Bad Debt Adjustment Due To Proposed Rate Increase	\$	48	NA
}	· · · · · · · · · · · · · · · · · · ·	<del></del>		
E	TAXES OTHER THAN INCOME TAX			
,	RAF on Revenue Adjustment @	4.500% \$	726	NA
. F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	59,925	NA
	Plus Required Revenue Adjustment	•	16,125	NA
i	Rate Year Revenue at Proposed Rates	\$	76,051	NA
) ;	nate that nevertee at Froposed reases		.0,031	
) !	Less Operating Expenses Before Income Taxes	\$	(\$6,227)	NA
;	Less Interest Expenses before income Taxes	•	(6,734)	NA
; )	•	-	13,090	NA NA
	Taxable Income	38.575% \$		NA NA
)	Income Tax at Composite Rate of	30.3/370 3	5,049	
	Less Income Tax at Present Rates		873	NA
! i	Income Tax Adjustment for Requested Revenue Increase	<del></del>	5,922	NA
	Income Lay Adjustment for Kedijested KeVenije Incresse		3 4/2	NA

ine					2007	20	
lo.	Acct	Description		***	Water	Sev	ver
l	TEST YE	AR ADJUSTMENTS - 2007					
2	A	REVENUES		•	(((0)		
		Billed less Booked Revenue		\$	(660)	27.4	
ı		Billed less Booked Revenue			(((0)	NA NA	_
,		TOTAL REVENUE ADJUSTMENTS		<u> </u>	(660)	NA.	
7	В	OPERATIONS & MAINTENANCE		•	(04)	s	
3	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	· (94)	3	
•	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		144		
)	603/703	Salaries & Wages - Officers, Exec.			-		
1	604/704	Employee Pensions & Benefits			-		
2	610/710	Purchased Water / Sewer Treatment			-		
3	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			•		
5	616/716	Fuel for Purchased Power			-		
6	618/718	Chemicals			-		
7	620/720	Materials & Supplies			-		
8	631/731	Contractual Services - Engineering			- -		
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		212		
0	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		42		
1	634/734	Contractual Services - Mgmt. Fees			-		
2	634/734				•		
23	634/734				-		
4	635/735	Contractual Services - Testing			-		
5	636/736	Contractual Services - Other			-		
6	641/741	Rental of Building/Real Prop.			•		
7	642/742	Rental of Equipment			-		
8	650/750	Transportation Expenses			•		
9	656/756	Insurance - Vehicle			-		
0	657/757	Insurance - General Liability			•		
ŀ		Insurance - Workman's Comp.			-		
2	659/759	Insurance - Other			•		
3	660/760	Advertising Expense			•		
4	666/766	Reg. Comm. Exp Rate Case Amort.			-		
5		Reg. Comm. Exp Rate Case Other			-		
6	670/770	Bad Debt Expense					
7	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		3,410		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(121)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(78)		
0		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(29)		
2		TOTAL O&M ADJUSTMENTS		<u>s</u>	3,486	NA	

ine	Description		_	ro Forma Water	Pro Form Sewer
No.	YEAR ADJUSTMENTS - 2007, con	invad		water	Sewei
2 C		RTIZATION OF CIAC (Used & Useful)			
2 (	Allocation of Corporate IT	KILL/IIION OF CITIC (COLD & COLD)	\$	1,527	NA
4	Allocation of Corp Structures & In	nnrovements	•	26	NA
τ .	PSC Audit Adjustments	nprovements			NA
6	PSC Depr Rate Correction, Depr I	Synn		97	NA
7	PSC Depr Rate Correction, Amon			1,241	NA
8	Reduction for NU&U			(1,949)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	<u> </u>	943	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of	regulatory assets per order PSC-05-1242-PAA-WS	S	927	NA
14	-	-B			NA
15	TOTAL AMORTIZATION ADJU	ISTMENTS	<u>s</u>	927	NA
16					
17					
18 E	TAXES OTHER THAN INCOME	ETAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(30)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		366	NA
21	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(401)	NA
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	\$	(65)	NA
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	ents to per book income	\$	(4,651)	NA
28	TOTAL INCOME TAX ADJUST	MENTS	\$	(4,651)	NA
29					
30	TOTAL EXPENSE ADJUSTMEN	VTS	\$	641	NA

Ο.	Acct	Description		Water		Sev	wer
I		RMA ADJUSTMENTS					
2	Α	REVENUES					
3			Aqua America Commission	<b>\$</b> 45		\$	
2				<u>s</u> -		\$	
3		TOTAL REVENUE ADJUSTMENTS		\$ 45		NA	
1	_						
3	B	OPERATIONS & MAINTENANCE	4 OB/ Ware increase offentiary 4/1/09	<b>\$</b> 436		\$	
<b>1</b> 5	601/701 601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08  Market Based Increases	\$ 430 \$ 372		\$	
, 1	601/701		Lake County Facility Operator II	\$ 352		\$	
5	601/701		back county rabinty operator in	\$ .		Š	
5	601/701		Reduction in Meter Readers	\$ (71		\$	
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (442		S	
3	601/701		Reduce President Salary	\$ (205	)	\$	
•	601/701			<b>s</b> -	:	\$	
0	601/701			\$ -		\$	
1	603/703	Salaries & Wages - Officers, Exec.		\$ -		\$	
2	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 517		\$	
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (7	•	S	
	610/710	Purchased Water / Sewer Treatment		<b>s</b> -		\$	
	NA /711	Sludge Removal Expense		\$ -		\$	
-	615/715	Purchased Power		<b>S</b> -		S	
	616/716	Fuel for Purchased Power		\$ -		\$	
	618/718	Chemicals		<b>\$</b> -		\$	
	620/720	Materials & Supplies		\$ -		\$	
	631/731	Contractual Services - Engineering		<b>\$</b> -		\$	
	632/732	Contractual Services - Accounting	n ni	\$ - ·		\$	
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3		\$	
	633/733	0		s -		\$	
	634/734	Contractual Services - Mgmt. Fees		<b>S</b> -		S C	
	634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ - \$ (287		\$ \$	
5	634/734			<b>s</b> -	,	\$	
7	634/734		Remove Excess Costs Charged from Affiliates	\$ (6,953	) :	\$	
8	635/735	Contractual Services - Testing		<b>S</b> -		\$	
9	636/736	Contractual Services - Other		<b>S</b> -		\$	
	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (250	•	S	
	636/736		•	<b>.</b>		\$	
	636/736			<b>s</b> -		\$	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (48	•	S	
4	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (152	) :	\$	
5	636/736			\$ -	:	S	
	636/736			<b>s</b> -		\$	
	636/736			<b>s</b> -		\$	
	641/741	Rental of Building/Real Prop.		<b>\$</b> -		S	
	642/742	Rental of Equipment		\$ -		5	
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 302			
	656/756	Insurance - Vehicle		\$ -	. 1		
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (59		5	
	658/758	Insurance - Workman's Comp.		<b>S</b> -		\$	
	659/759	Insurance - Other		<b>S</b> -		\$ \$	
	660/760	Advertising Expense	Pamous Advertising Evanses	\$ -		_	
	660/760 660/760		Remove Advertising Expenses Remove Lobbying Expenses	\$ (5 \$ (186			
	666/766	Reg. Comm. Exp Rate Case Amort.	remove roots all robeinges	\$ (180	,		
	667/767	Reg. Comm. Exp Rate Case Other		\$ -	5		
	670/770	Bad Debt Expense		š -	5		
	670/770	<b>F</b>		\$ .	\$		
	670/770		Adjustment to Bad Debt	\$ (194			
	675/775	Miscellaneous Expense	•	\$ -	´ \$		
	675/775	•	Normalize Relocation Expenses	\$ (67)			
	675/775		Remove Test Year Fines and Penalties	\$ (132		ì	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0			
•			•	3 '			
7							

TILITYP	Description  DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)  Meter Replacements 6 Month Net Depr (Addns less Retirements)  Allocation of new corp. PCs and Network & Telephony enhancements  Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19  TOTAL  AMORTIZATION  Correct Test Year Amortization of CIAC  Remove U&U Adjustment to Test Year Amortization of CIAC  TOTAL  TAXES OTHER THAN INCOME TAX  Payroll tax adjustment  On Salary & Wage adjustments explained above  Property taxes associated with 2007 plant additions, allocations, adjustments  Property Tax adjustment for Non-Used & Useful plant  TOTAL  INCOME TAXES  Income tax impact of the adjustments to per book income	\$ \$ \$ \$	(796)  63 (96) 37 7 10	NA N
C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)  Meter Replacements 6 Month Net Depr (Addns less Retirements)  Allocation of new corp. PCs and Network & Telephony enhancements  Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19  TOTAL  AMORTIZATION  Correct Test Year Amortization of CIAC  Remove U&U Adjustment to Test Year Amortization of CIAC  TOTAL  TAXES OTHER THAN INCOME TAX  Payroll tax adjustment  On Salary & Wage adjustments explained above  Property taxes associated with 2007 plant additions, allocations, adjustments  Property taxes associated with Pro Forma plant  Property Tax adjustment for Non-Used & Useful plant  TOTAL  INCOME TAXES  Income tax impact of the adjustments to per book income	\$	. 190 	NA NA NA NA NA NA NA NA NA
	Meter Replacements 6 Month Net Depr (Addns less Retirements) Allocation of new corp. PCs and Network & Telephony enhancements  Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19  TOTAL  AMORTIZATION Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	(82)  108  (796)  - (796)  63 (96) 37 7 10	NA
E TILITYP  LTILITYP  A N  B  B  C  E  C  C  C  C  C  C  C  C  C  C  C	Allocation of new corp. PCs and Network & Telephony enhancements  Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19  TOTAL  AMORTIZATION  Correct Test Year Amortization of CIAC  Remove U&U Adjustment to Test Year Amortization of CIAC  TOTAL  TAXES OTHER THAN INCOME TAX  Payroll tax adjustment  On Salary & Wage adjustments explained above  Property taxes associated with 2007 plant additions, allocations, adjustments  Property taxes associated with Pro Forma plant  Property Tax adjustment for Non-Used & Useful plant  TOTAL  INCOME TAXES  Income tax impact of the adjustments to per book income	\$	(82)  108  (796)  - (796)  63 (96) 37 7 10	NA NA NA NA NA NA NA
E 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19  TOTAL  AMORTIZATION Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	(82)  108  (796)  - (796)  63 (96) 37 7 10	NA NA NA NA NA NA NA
E 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	AMORTIZATION Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	(796) - (796) 63 (96) 37 7	NA NA NA NA NA NA NA
	AMORTIZATION Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	(796) - (796) 63 (96) 37 7	NA NA NA NA NA NA NA
TILITYP  TO BE COMMENT OF THE COMMEN	AMORTIZATION Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	(796) - (796) 63 (96) 37 7	NA NA NA NA NA NA NA
1	AMORTIZATION Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	(796) - (796) 63 (96) 37 7	NA NA NA NA NA NA NA
TILITYP  TO BE COMMENT OF THE COMMEN	AMORTIZATION Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	(796) - (796) 63 (96) 37 7	NA NA NA NA NA NA
D	AMORTIZATION Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxe adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	(796) - (796) 63 (96) 37 7	NA NA NA NA NA
D	AMORTIZATION Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxe adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	(796) - (796) 63 (96) 37 7	NA NA NA NA NA
2 D	Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	s	(796)  63 (96) 37 7 10	NA NA NA NA NA
2 D / 2 B /	Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	s	(796)  63 (96) 37 7 10	NA NA NA NA NA
TILITYP  A F C C C C C C C C C C C C C C C C C C	Correct Test Year Amortization of CIAC Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	s	(796)  63 (96) 37 7 10	NA NA NA NA NA
E 7	Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL  TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	s	(796)  63 (96) 37 7 10	NA NA NA NA NA
UTILITYP	TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	s	63 (96) 37 7 10	NA NA NA
E T	TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	s	63 (96) 37 7 10	NA NA
7 E 1 3 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income		(96) 37 7 10	NA <u>NA</u>
UTILITY P	Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income		(96) 37 7 10	NA <u>NA</u>
	Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL INCOME TAXES Income tax impact of the adjustments to per book income		(96) 37 7 10	NA <u>NA</u>
	Property taxes associated with Pro Forma plant Property Tax adjustment for Non-Used & Useful plant TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	37 7 10	NA
UTILITY P  3 A B  6 B C	Property Tax adjustment for Non-Used & Useful plant TOTAL INCOME TAXES Income tax impact of the adjustments to per book income	\$	7 10	
2 1 3 4 F II 5 5 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	TOTAL  INCOME TAXES Income tax impact of the adjustments to per book income	\$	10	
UTILITY P	INCOME TAXES Income tax impact of the adjustments to per book income			NA
UTILITY P	Income tax impact of the adjustments to per book income	_\$	2 114	
TILITYP  A B  B C	Income tax impact of the adjustments to per book income	_\$	2	
5 1 7 7 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	·	_3		NA
TO THE TOTAL	IOTAL	•	3,114	
UTILITY P			3,114	NA
UTILITY P  A N  B B C	TOTAL EXPENSES AND INTERIOR		(4.645)	
UTILITY P  A N  B B C	TOTAL EXPENSE ADJUSTMENTS	<u> </u>	(4,645)	NA NA
UTILITY P				
B A N B F B B C	PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
F F F F F F F F F F F F F F F F F F F	NET OPERATING REVENUE			
; ; B (			2.007	
6 B (	Required Revenue Adjustment	<u>_s</u>	2,886	NA
E	OPERATION & MAINTENANCE EXPENSE			
•	Bad Debt Adjustment Due To Proposed Rate Increase	<u>s</u>	9	NA_
Е Т	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4.500% \$	130	NA
	KAT ON POSTORIO VOJUSTINOM (II)	4.50070 3	130	NA
	INCOME TAX ADJUSTMENT			
		s	77 000	MA
	Rate Year Revenue at Present Rates	3	77,900	NA
	Plus Required Revenue Adjustment		2,886	NA NA
	Rate Year Revenue at Proposed Rates		80,786	NA NA
	1. O of the Property of th	_	,,	
	Less Operating Expenses Before Income Taxes	S	(63,591)	NA
	Less Interest Expense	<del></del>	(5,836)	NA
-		<u>s</u>	11,359	NA NA
	Taxable Income	38.575% \$	4,382	NA
	Income Tax at Composite Rate of		(3,322)	NA
!				
i In	Income Tax at Composite Rate of		1,060	NA.

No. Acct Description  TEST YEAR ADJUSTMENTS - 2007 2 A REVENUES 3 Billed less Booked Revenue 5 TOTAL REVENUE ADJUSTMENTS 6 BIlled less Booked Revenue 5 TOTAL REVENUE ADJUSTMENTS 6 601/701 Salaries & Wages - Employees 8 601/701 Salaries & Wages - Employees 9 601/701 Purchased Water / Sewer Treatment 10 603/703 Salaries & Wages - Officers, Exec. 11 604/704 Employee Pensions & Benefits 12 610/710 Purchased Power 13 NA /711 Sludge Removal Expense 14 615/715 Purchased Power 15 616/716 Fuel for Purchased Power 16 618/718 Chemicals 17 630/720 Contractual Services - Accounting 18 631/731 Contractual Services - Legal Normalize 2007 Audit Fees 18 631/731 Contractual Services - Mgmt. Fees 18 631/731 Contractual Services - Mgmt. Fees 19 636/735 Contractual Services - Other 19 641/741 Rental of Building/Real Prop. 19 642/742 Rental of Equipment 10 7 ransportation Expenses 11 656/767 Reg. Comm. Exp Rate Case Amort. 19 66/767 Reg. Comm. Exp Rate Case Other 19 66/767 Reg. Comm. Exp Rate Case Other 20 675/775 Normalize 2007 Intercompany misallocation due to Fairw 20 775 Normalize 2007 Intercompany misallocation due to Fairw 20 775 Normalize 2007 Intercompany misallocation due to Fairw		2007 Water	2007 Sewer
2 A REVENUES 3 Billed less Booked Revenue 5 TOTAL REVENUE ADJUSTMENTS 6 OPERATIONS & MAINTENANCE 8 601/701 Salaries & Wages - Employees			
Billed less Booked Revenue Bornal Revenue Sewer Bornalize 2007 employee terminations & New Hires Bornalize 2007 employee terminations Pew Hires Bornalize 2007 Audit Fees Bornalize 2007 Audit Fees Bornalize 2007 Audit Fees Bornalize 2007 Intercompany misallocation of a/c 426 to Operating Expenses Bornalize 2007 Intercompany misallocation due to Fairw			
TOTAL REVENUE ADJUSTMENTS    TOTAL REVENUE ADJUSTMENTS	\$	(170)	
TOTAL REVENUE ADJUSTMENTS  OPERATIONS & MAINTENANCE Salaries & Wages - Employees OO1/701 Salaries & Wages - Employees Normalize 2007 employee terminations & New Hires Normalize 4.0% Wage increase effective 4/1/07 (addition  OO3/703 Salaries & Wages - Officers, Exec. Employee Pensions & Benefits OO4/704 Employee Pensions & Benefits OO4/704 Insurance - General Liability Oo4/705 Insurance - Other OO5/705 Insurance - Other OO5/705 Insurance - Other OO6/706 OO7/707 Insurance - Other OO7/707 OO7			NA
OPERATIONS & MAINTENANCE Salaries & Wages - Employees  Normalize 2007 employee terminations & New Hires Normalize 4.0% Wage increase effective 4/1/07 (addition  of 603/703  Salaries & Wages - Officers, Exec. Employee Pensions & Benefits 10 604/704  Employee Pensions & Benefits 11 604/705  Employee Pensions & Benefits 12 610/710  Purchased Water / Sewer Treatment 13 NA /711  Sudge Removal Expense 14 615/715  Purchased Power  Chemicals Materials & Supplies Contractual Services - Accounting Contractual Services - Accounting Contractual Services - Accounting Contractual Services - Mgmt. Fees  Normalize 2007 Audit Fees Normalize Legal fees on Used & Useful  Normalize Legal fees on Used & Useful  Contractual Services - Other Rental of Building/Real Prop. Rental of Equipment 15 658/755 Insurance - Vehicle Insurance - Vehicle Insurance - Other Advertising Expense 16 660/760 Advertising Expense 17 659/775 Miscellaneous Expense Miscellaneous Expense Normalize 2007 Intercompany misallocation of a/c 426 to Operating Expenses Normalize 2007 Intercompany misallocation due to Fairw	S	(170)	NA
OPERATIONS & MAINTENANCE Salaries & Wages - Employees Normalize 2007 employee terminations & New Hires Normalize 4.0% Wage increase effective 4/1/07 (addition  Salaries & Wages - Officers, Exec. Employee Pensions & Benefits 16 604/704 Employee Pensions & Benefits 17 604/704 Employee Pensions & Benefits 18 7/11 Sludge Removal Expense 19 616/716 Fuel for Purchased Power 19 616/717 Contractual Services - Engineering 19 632/732 Contractual Services - Accounting 19 632/732 Contractual Services - Legal Contractual Services - Mgmt. Fees 19 634/734 Contractual Services - Testing Contractual Services - Testing Contractual Services - Other Rental of Building/Real Prop. Rental of Equipment Transportation Expenses 10 658/756 Transportation Expenses 11 fost/750 Transportation Expenses 12 659/759 Transportation Expenses 13 660/760 Reg. Comm. Exp Rate Case Amort. Reg. Comm. Exp Rate Case Amort. Reg. Comm. Exp Rate Case Other Bad Debt Expense Miscellaneous Expense Normalize 2007 Intercompany misallocation of a/c 426 to Operating Expenses Normalize 2007 Intercompany misallocation due to Fairx			
8 601/701 Salaries & Wages - Employees Normalize 2007 employee terminations & New Hires Normalize 4.0% Wage increase effective 4/1/07 (addition of the control of the contr			
Normalize 4.0% Wage increase effective 4/1/07 (addition 603/703	\$	(1,214)	\$
11 604/704 Employee Pensions & Benefits 12 610/710 Purchased Water / Sewer Treatment 13 NA /711 Sludge Removal Expense 14 615/715 Purchased Power 15 616/716 Fuel for Purchased Power 16 618/718 Chemicals 17 620/720 Materials & Supplies 18 631/731 Contractual Services - Engineering 19 632/732 Contractual Services - Accounting 20 633/733 Contractual Services - Legal Normalize Legal fees on Used & Useful 21 634/734 Contractual Services - Testing 22 634/734 23 634/734 24 635/735 Contractual Services - Testing 25 636/736 Contractual Services - Other 26 641/741 Rental of Building/Real Prop. 27 642/742 Rental of Equipment 28 650/750 Insurance - Vehicle 29 656/756 Insurance - Vehicle 30 657/757 Insurance - Other 31 688/758 Insurance - Workman's Comp. 32 659/759 Insurance - Other 33 660/760 Reg. Comm. Exp Rate Case Amort. 35 667/767 Reg. Comm. Exp Rate Case Other 36 67/775 Bad Debt Expense 37 675/775 Miscellaneous Expense 38 675/775 Miscellaneous Expense 39 675/775 Normalize 2007 Intercompany misallocation due to Fairw. 30 Normalize 2007 Intercompany misallocation due to Fairw.	nal 1.0%)	79	
2 610/710 Purchased Water / Sewer Treatment 3 NA /711 Sludge Removal Expense Purchased Power 15 616/716 Fuel for Purchased Power 16 618/718 Chemicals 17 620/720 Materials & Supplies 18 631/731 Contractual Services - Engineering 19 632/732 Contractual Services - Accounting 19 632/732 Contractual Services - Legal Normalize Legal fees on Used & Useful 10 634/734 Contractual Services - Mgmt. Fees 10 634/734 Contractual Services - Testing 10 634/734 Contractual Services - Testing 11 634/734 Contractual Services - Other 12 636/735 Contractual Services - Other 13 636/736 Contractual Services - Other 14 635/735 Contractual Services - Other 15 636/736 Contractual Services - Other 16 636/736 Contractual Services - Other 17 642/742 Rental of Equipment 18 658/750 Transportation Expenses 19 656/756 Insurance - Vehicle Insurance - General Liability 18 16 558/758 Insurance - Other 19 660/760 Advertising Expense 19 660/760 Reg. Comm. Exp Rate Case Amort. 19 675/775 Miscellaneous Expense 19 675/775 Miscellaneous Expense 19 675/775 Miscellaneous Expense 19 675/775 Normalize 2007 Intercompany misallocation due to Fairw 19 675/775 Normalize 2007 Intercompany misallocation due to Fairw		-	
NA /711 Sludge Removal Expense 14 615/715 Purchased Power 15 616/716 Fuel for Purchased Power 16 618/718 Chemicals 17 620/720 Materials & Supplies 18 631/731 Contractual Services - Engineering 19 632/732 Contractual Services - Accounting 20 633/733 Contractual Services - Legal Normalize Legal fees on Used & Useful 21 634/734 Contractual Services - Mgmt. Fees 23 634/734 24 635/735 Contractual Services - Testing 25 636/736 Contractual Services - Other 26 641/741 Rental of Building/Real Prop. 27 642/742 Rental of Equipment 28 650/750 Insurance - Vehicle 29 656/756 Insurance - Workman's Comp. 20 658/758 Insurance - Other 21 659/759 Insurance - Other 22 659/759 Advertising Expense 23 660/760 Reg. Comm. Exp Rate Case Amort. 25 67/775 Reg. Comm. Exp Rate Case Other 26 67/775 Miscellaneous Expense 27 675/775 Miscellaneous Expense 28 675/775 Normalize 2007 Intercompany misallocation due to Fairw. 28 Normalize 2007 Intercompany misallocation due to Fairw.		-	
14 615/715 Purchased Power 15 616/716 Fuel for Purchased Power 16 618/718 Chemicals 17 620/720 Materials & Supplies 18 631/731 Contractual Services - Engineering 20 633/733 Contractual Services - Accounting 21 634/734 Contractual Services - Mgmt. Fees 22 634/734 23 634/734 24 635/735 Contractual Services - Testing 25 636/736 Contractual Services - Other 26 641/741 Rental of Building/Real Prop. 27 642/742 Rental of Equipment 28 650/750 Transportation Expenses 29 656/756 Insurance - Vehicle 20 657/757 Insurance - Workman's Comp. 21 1 1 638/758 Insurance - Workman's Comp. 22 659/759 Insurance - Other 23 660/766 Reg. Comm. Exp Rate Case Amort. 26 67/777 Reg. Comm. Exp Rate Case Other 28 Bad Debt Expense 29 675/775 Miscellaneous Expense 30 675/775 Miscellaneous Expense 31 675/775 Miscellaneous Expense 32 675/775 Normalize 2007 Intercompany misallocation due to Fairw. 33 675/775 Normalize 2007 Intercompany misallocation due to Fairw.		•	
15 616/716 Fuel for Purchased Power 16 618/718 Chemicals 17 620/720 Materials & Supplies 18 631/731 Contractual Services - Engineering 19 632/732 Contractual Services - Accounting 20 633/733 Contractual Services - Legal Normalize 2007 Audit Fees 21 634/734 Contractual Services - Mgmt. Fees 22 634/734 23 634/734 24 635/735 Contractual Services - Testing 25 636/736 Contractual Services - Other 26 641/741 Rental of Building/Real Prop. 27 642/742 Rental of Equipment 28 650/750 Transportation Expenses 29 656/756 Insurance - Werkman's Comp. 20 659/759 Insurance - Workman's Comp. 21 659/759 Insurance - Workman's Comp. 23 660/760 Advertising Expense 24 660/766 Reg. Comm. Exp Rate Case Amort. 26 676/777 Reg. Comm. Exp Rate Case Other 27 675/775 Miscellaneous Expense 28 675/775 Miscellaneous Expense 39 675/775 Normalize 2007 Intercompany misallocation due to Fairw. 39 675/775 Normalize 2007 Intercompany misallocation due to Fairw.			
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Materials & Supplies Contractual Services - Engineering Contractual Services - Accounting Contractual Services - Legal Contractual Services - Mgmt. Fees  Normalize Legal fees on Used & Useful  Contractual Services - Testing Contractual Services - Other Contractual Services - Mgmt. Fees Contractual Services - Other Contractual Service		•	
18 631/731 Contractual Services - Engineering 20 632/732 Contractual Services - Accounting 30 632/732 Contractual Services - Accounting 31 634/734 Contractual Services - Legal 32 634/734 Contractual Services - Mgmt. Fees 33 636/735 Contractual Services - Testing 34 641/741 Rental of Building/Real Prop. 35 650/750 Contractual Services - Other 36 650/750 Insurance - Vehicle 37 652/751 Insurance - Workman's Comp. 38 650/750 Insurance - Workman's Comp. 39 660/760 Reg. Comm. Exp Rate Case Amort. 39 660/760 Reg. Comm. Exp Rate Case Other 39 675/775 Miscellaneous Expense 30 675/775 Miscellaneous Expense 31 675/775 Miscellaneous Expense 32 675/775 Miscellaneous Expense 33 675/775 Miscellaneous Expense 34 675/775 Miscellaneous Expense 35 675/775 Miscellaneous Expense 36 675/775 Mormalize 2007 Intercompany misallocation of a/c 426 to Operating Expenses 37 Normalize 2007 Intercompany misallocation due to Fairw		•	
Normalize 2007 Audit Fees Normalize 2007 Audit Fees Normalize Legal fees on Used & Useful Contractual Services - Legal Contractual Services - Mgmt. Fees Contractual Services - Mgmt. Fees Contractual Services - Mgmt. Fees Contractual Services - Testing Contractual Services - Testing Contractual Services - Other Rental of Building/Real Prop. Rental of Equipment Transportation Expenses Insurance - Verbicle Insurance - Workman's Comp. Insurance - Workman's Comp. Insurance - Workman's Comp. Comm. Exp Rate Case Amort. Reg. Comm. Exp Rate Case Other Bad Debt Expense Miscellaneous Expense Miscellaneous Expense Normalize 2007 Intercompany misallocation due to Fairw		-	
Contractual Services - Legal Normalize Legal fees on Used & Useful Contractual Services - Mgmt. Fees Contractual Services - Other Contractual Serv		•	
21 634/734 22 634/734 23 634/734 24 635/735 25 636/736 26 641/741 27 Rental of Building/Real Prop. 28 650/750 29 656/756 20 657/757 20 Insurance - Vehicle 20 657/757 21 Insurance - Workman's Comp. 21 650/760 22 659/759 23 660/760 24 666/766 25 667/767 26 Comm. Exp Rate Case Amort. 27 Reg. Comm. Exp Rate Case Other 28 675/775 29 675/775 20 675/775 21 Reg. Comm. Exp Rate Case Other 29 675/775 29 675/775 20 Miscellaneous Expense 20 75/775 21 Normalize 2007 Intercompany misallocation of a/c 426 to Operating Expenses 29 675/775 20 Normalize 2007 Intercompany misallocation due to Fairw.		114	
22 634/734 23 634/734 23 634/735 25 636/736 Contractual Services - Testing 26 641/741 Rental of Building/Real Prop. 27 642/742 Rental of Equipment 28 650/750 Transportation Expenses 29 656/751 Insurance - Vehicle 30 657/757 Insurance - University Insurance - Other 31 658/758 Insurance - Workman's Comp. 32 659/759 Insurance - Other 33 660/760 Reg. Comm. Exp Rate Case Amort. 36 667/767 Reg. Comm. Exp Rate Case Other 37 675/775 Miscellaneous Expense 38 675/775 Miscellaneous Expense 39 675/775 Normalize 2007 Intercompany allocation of a/c 426 to Operating Expenses 39 675/775 Normalize 2007 Intercompany misallocation due to Fairw		22	
634/734 46 635/735 Contractual Services - Testing Contractual Services - Other Rental of Building/Real Prop. Contractual of Equipment Transportation Expenses Contractual of Equipment Transportation Expenses Contractual Services - Other Rental of Equipment Transportation Expenses Contractual Services - Testing Contractual Services		•	
24 635/735 Contractual Services - Testing 25 636/736 Contractual Services - Other 26 641/741 Rental of Building/Real Prop. 27 642/742 Rental of Equipment 28 650/750 Transportation Expenses 29 656/756 Insurance - Vehicle 30 657/757 Insurance - Other 31 658/758 Insurance - Other 32 659/759 Insurance - Other 33 660/760 Advertising Expense 34 660/760 Reg. Comm. Exp Rate Case Amort. 36 670/770 Reg. Comm. Exp Rate Case Other 37 675/775 Miscellaneous Expense 38 675/775 Miscellaneous Expense 39 675/775 Normalize 2007 Intercompany misallocation of a/c 426 to Operating Expenses 39 675/775 Normalize 2007 Intercompany misallocation due to Fairw		•	
Contractual Services - Other Contractual Serv		•	
26 641/741 Rental of Building/Real Prop. 27 642/742 Rental of Equipment 28 650/750 Transportation Expenses 29 656/756 Insurance - Vehicle 30 657/757 Insurance - General Liability 31 658/758 Insurance - Other 32 659/759 Insurance - Other 33 660/760 Advertising Expense 34 666/766 Reg. Comm. Exp Rate Case Amort. 36 667/767 Reg. Comm. Exp Rate Case Other 37 675/775 Miscellaneous Expense 38 675/775 Miscellaneous Expense 39 675/775 Normalize 2007 Intercompany allocation of a/c 426 to Operating Expenses 39 675/775 Normalize 2007 Intercompany misallocation due to Fairw		•	
Rental of Equipment Transportation Expenses 1		•	
28 650/750 Transportation Expenses 29 656/756 Insurance - Vehicle 29 656/756 Insurance - General Liability 30 658/758 Insurance - Workman's Comp. 31 658/758 Insurance - Workman's Comp. 32 659/759 Insurance - Other 33 660/760 Advertising Expense 34 660/760 Reg. Comm. Exp Rate Case Amort. 36 667/767 Reg. Comm. Exp Rate Case Other 37 675/775 Miscellaneous Expense 38 675/775 Miscellaneous Expense 39 675/775 Normalize 2007 Intercompany misallocation of a/c 426 to Operating Expenses 39 675/775 Normalize 2007 Intercompany misallocation due to Fairw		•	
1 Insurance - Vehicle Insurance - General Liability Insurance - General Liability Insurance - General Liability Insurance - Other Advertising Expense Advertising Expe		•	
10   657/757   Insurance - General Liability   Insurance - Workman's Comp.   Insurance - Workman's Comp.   Insurance - Other   Advertising Expense   Reg. Comm. Exp Rate Case Amort.   Reg. Comm. Exp Rate Case Other   Bad Debt Expense   Miscellaneous Expense   Miscellaneous Expense   Mormalize 2007 Intercompany misallocation of a/c 426 to Operating Expenses   Normalize 2007 Intercompany misallocation due to Fairwall   Company misallocation   Company misallocation due to Fairwall   Company misallocation   Company mi		•	
1		•	
1		•	
Advertising Expense Advert		•	
34 666/766 Reg. Comm. Exp Rate Case Amort. 35 667/767 Reg. Comm. Exp Rate Case Other 36 670/770 Bad Debt Expense 37 675/775 Miscellaneous Expense 38 675/775 Normalize 2007 Intercompany allocation of a/c 426 to Operating Expenses 39 675/775 Normalize 2007 Intercompany misallocation due to Fairw		•	
35 667/767 Reg. Comm. Exp Rate Case Other 36 670/770 Bad Debt Expense 37 675/775 Miscellaneous Expense 38 675/775 Normalize 2007 Intercompany allocation of a/c 426 to Operating Expenses 39 675/775 Normalize 2007 Intercompany misallocation due to Fairw		-	
36 670/770 Bad Debt Expense 37 675/775 Miscellaneous Expense 38 675/775 Normalize 2007 Intercompany allocations Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses 39 675/775 Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany misallocation due to Fairway for the following Expenses Normalize 2007 Intercompany for the following Expenses Normal		•	
Normalize 2007 Intercompany allocations Normalize 2007 Intercompany misallocation of a/c 426 to Operating Expenses Normalize 2007 Intercompany misallocation due to Fairw		•	
Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses Normalize 2007 Intercompany misallocation due to Fairwa		(7 F70)	
Operating Expenses Normalize 2007 Intercompany misallocation due to Fairwa	_	(7,570)	
	0	(65)	
	vays	(42)	
40 41			
42 TOTAL O&M ADJUSTMENTS		(8,676)	NA

ine No.	Description			ro Forma Water	Pro Form Sewer
	YEAR ADJUSTMENTS - 2007, contin	ued			
2 C		IZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	,	\$	819	NA
4	Allocation of Corp Structures & Imp	rovements		14	NA
5	PSC Audit Adjustments			-	NA
6	PSC Depr Rate Correction, Depr Exp	on		43	NA
7	PSC Depr Rate Correction, Amort C	IAC		6,456	NA
8	Reduction for NU&U			(1,254)	NA
9	TOTAL DEPRECIATION ADJUST	MENTS	\$	6,077	NA
10					
11					
12 D	AMORTIZATION				
3	To record annual amortization of reg	ulatory assets per order PSC-05-1242-PAA-WS	\$	97	NA
14	-			-	NA
15	TOTAL AMORTIZATION ADJUST	TMENTS	\$	97	NA
16					
17					
18 E	TAXES OTHER THAN INCOME T	'AX			
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(8)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		64	NA
21	Property tax adjustment			•	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(248)	NA
23	TOTAL TAXES OTHER THAN IN	COME ADJUSTMENTS	\$	(191)	NA
24			<u>-</u>		
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustments	s to per book income	<b>.</b> \$	724	NA
8	TOTAL INCOME TAX ADJUSTM	ENTS	<u>s</u>	724	NA
9					
10	TOTAL EXPENSE ADJUSTMENT	S	\$	(1,969)	NA

14

2

ο.	Acct	Description		Water	Sewe
<u>,                                     </u>		RMA ADJUSTMENTS			-
	Α	REVENUES			
				\$ 24	\$
				<u> </u>	\$
		TOTAL REVENUE ADJUSTMENTS		\$ 24	NA
	В	OPERATIONS & MAINTENANCE			_
	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 240	\$
	601/701		Market Based Increases	\$ 97	\$
	601/701		Lake County Facility Operator II	\$ 2,317	\$
	601/701			\$ -	\$
•	601/701		Reduction in Meter Readers	\$ (38)	\$
'	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (237)	S
	601/701		Reduce President Salary	\$ (110)	\$ \$
	601/701			\$ - \$ -	\$
)	601/701	0.1 1 0.111- 0.05 France		\$ - \$ -	\$
١	603/703	Salaries & Wages - Officers, Exec.	Increase in Density contributed in 2009	\$ 260	\$
2	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008		\$ \$
	604/704	Purchased Water / Sewer Treatment	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4) \$ -	\$
	NA /711	Sludge Removal Expense		\$ -	\$
	615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing	\$ (4)	\$
	616/716	Fuel for Purchased Power	and a serious of the	\$ -	\$
	618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing	<b>\$</b> (1)	\$
	620/720	Materials & Supplies	regulation to chemicals and ratellased rower for ritishing	\$ -	Š
-	631/731	Contractual Services - Engineering		\$ -	s
	632/732	Contractual Services - Accounting		\$ -	s
	633/733	Contractual Services - Accounting	Remove Prior Period Expenses per Staff Audit Finding No. 10	<b>\$</b> (2)	Š
	633/733	Contractual Services - Degas	remote from Ferrod Expenses per chair reads i maing fro. 19	\$ -	Š
	634/734	Contractual Services - Mgmt. Fees		<b>s</b> -	s
	634/734	Contractor of these magnitudes		š -	\$
	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (154)	\$
6	634/734			s -	s
7	634/734		Remove Excess Costs Charged from Affiliates	\$ (3,729)	\$
8	635/735	Contractual Services - Testing		s -	S
9	636/736	Contractual Services - Other		\$ -	\$
0	636/736		ACO allocation adjustment for dual Water/Sewer customers	<b>\$</b> (134)	S
1	636/736			<b>s</b> -	\$
	636/736		•	<b>s</b> -	\$
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (25)	S
4	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (81)	\$
5	636/736			s -	\$
5	636/736			<b>s</b> -	\$
7	636/736			<b>s</b> -	\$
3	641/741	Rental of Building/Real Prop.		<b>s</b> -	\$
)	642/742	Rental of Equipment		<b>s</b> -	\$
)	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 162	\$
l	656/756	Insurance - Vehicle	•	s -	\$
?	657/7,57	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (31)	\$
	658/758	Insurance - Workman's Comp.		<b>s</b> -	\$
ŀ	659/759	Insurance - Other		<b>s</b> -	\$
	660/760	Advertising Expense		\$ -	\$
	660/760			\$ (3)	\$
	660/760			\$ (100)	S
	666/766	Reg. Comm. Exp Rate Case Amort.		<b>s</b> -	\$
	667/767	Reg. Comm. Exp Rate Case Other		<b>S</b> -	\$
	670/770	Bad Debt Expense		<b>S</b> -	S
	670/770			<b>.</b>	S
	670/770		Adjustment to Bad Debt	<b>\$</b> (343)	\$
	675/775	Miscellaneous Expense		<b>S</b> -	S
	675/775			\$ (36)	S
	675/775			\$ (73)	S
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$
•					

	FORMA ADJUSTMENTS, continued			
e	The contract of		Water	Sewer
c	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		water	Sewe
C	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	425	NA
	Allocation of new corp. PCs and Network & Telephony enhancements	•	102	NA
	Anocation of new corp. I es and horrors at 1 depitory commencements			****
				NA
			-	
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(44)	
				NA
	TOTAL		483	NA.
	TOTAL	<u>\$</u>	483	NA
D	AMORTIZATION			
D	Correct Test Year Amortization of CIAC		(3,637)	NA
	Remove U&U Adjustment to Test Year Amortization of CIAC		(5,057)	NA
	TOTAL	<u></u>	(3,637)	NA NA
	TOTAL		(5,557)	
E	TAXES OTHER THAN INCOME TAX			
L	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	26	NA
	Property taxes associated with 2007 plant additions, allocations, adjustments		(61)	NA
	Property taxes associated with Pro Forma plant		354	
	Property Tax adjustment for Non-Used & Useful plant		(42)	NA
	TOTAL	\$	276	NA
F	INCOME TAXES			
	Income tax impact of the adjustments to per book income	\$	1,685	NA
	TOTAL	S	1,685	NA
	TOTAL EXPENSE ADJUSTMENTS	S	(3,221)	NA
		\		
	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS	<del></del>		
A	NET OPERATING REVENUE		(12.020)	
	Required Revenue Adjustment	<u>s</u>	(13,038)	NA
	OBED ATION 6. MADITUM ANCE EVBENCE			
В	OPERATION & MAINTENANCE EXPENSE  Bad Debt Adjustment Due To Proposed Rate Increase	<u></u>	(39)	NA
	Bau Debt Adjustitient Due 10 Froposed Kale increase		(39)	NA.
Е	TAXES OTHER THAN INCOME TAX			
_	RAF on Revenue Adjustment @	4.500% \$	(587)	NA
F	INCOME TAX ADJUSTMENT			
-	Rate Year Revenue at Present Rates	\$	45,804	NA
	Plus Required Revenue Adjustment		(13,038)	NA
	Rate Year Revenue at Proposed Rates	\$	32,767	NA
	·			
	Less Operating Expenses Before Income Taxes	\$	(29,323)	NA
	Less Interest Expense		(1,207)	NA
	Taxable Income	\$	2,237	NA
	Income Tax at Composite Rate of	38.575% \$	863	NA
	Less Income Tax at Present Rates		(5,651)	NA
	Income Tax Adjustment for Requested Revenue Increase	\$	(4,788)	NA

Line No.	Acct	Description		_	007 ater		2007 ewer
1		CAR ADJUSTMENTS - 2007					
2	A	REVENUES					
3		Billed less Booked Revenue		\$	(121)		
4		Billed less Booked Revenue		_		\$	235
5		TOTAL REVENUE ADJUSTMENTS		\$	(121)	\$	235
6							
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	69	\$	(46)
9	601/701	• .,	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		90		122
10	603/703	Salaries & Wages - Officers, Exec.			•		-
11	604/704	Employee Pensions & Benefits			-		-
12	610/710	Purchased Water / Sewer Treatment			-		-
	NA /711	Sludge Removal Expense					-
	615/715	Purchased Power			•		•
	616/716	Fuel for Purchased Power			-		-
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			-		-
18	631/731	Contractual Services - Engineering			•		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		115		115
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		23		23
21	634/734	Contractual Services - Mgmt. Fees			-		•
					-		-
	634/734				-		-
	635/735	Contractual Services - Testing			•		•
	636/736	Contractual Services - Other			-		-
	641/741	Rental of Building/Real Prop.			-		-
	642/742	Rental of Equipment			-		•
	650/750 656/756	Transportation Expenses Insurance - Vehicle			•		•
					-		-
	657/757 658/758	Insurance - General Liability Insurance - Workman's Comp.					•
	659/759	Insurance - Workman's Comp.			-		
	660/760	Advertising Expense					
	666/766	Reg. Comm. Exp Rate Case Amort.			_		. [
	667/767	Reg. Comm. Exp Rate Case Athor:			_		-
	670/770	Bad Debt Expense			_		_
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		2,251		(4)
	675/775	Miscellaneous Expense	Normalize 2007 Intracompany misallocation of a/c 426 to		(66)		(66)
30	015/115		Operating Expenses		(00)		(00)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(42)		(42)
40							
41		Excess I&I adjustment for Purchased Tre-	atment, Power, and Chemicals				(316)
42 43		TOTAL O&M ADJUSTMENTS		\$	2,440	<u>\$</u>	(214)

No.	Description		Р	ro Forma Water		o Forma Sewer
	TEST YEAR ADJUSTMENTS - 2007,	ontinued				
		MORTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT	,	\$	828	\$	828
4	Allocation of Corp Structures	& Improvements		14		14
5	·	·		-		-
6	PSC Depr Rate Correction, De	pr Expn		(78)		(902)
7	PSC Depr Rate Correction, An	nort CIAC		(45)		(34)
8	Reduction for NU&U			(1,472)		(709)
9	TOTAL DEPRECIATION AD	JUSTMENTS	_\$	(752)	\$	(802)
10						
11						
12	D AMORTIZATION					
13			\$	-	\$	-
14	•				_	-
15	TOTAL AMORTIZATION A	DJUSTMENTS	_\$		_\$	
16						
17						
	E TAXES OTHER THAN INCO		•	(5)		11
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(5) 209	S	203
20	Payroll tax adjustment	On Salary & Wage adjustments explained above				4,210
21	Property tax adjustment	Distributing from Water to Water & Sewer		(4,210) (471)		(178)
22	Property tax adjustment	NU&U portion of Property Taxes AN INCOME ADJUSTMENTS	<u> </u>	(4,477)	<u> </u>	4,245
23	IUIAL IAXES UIHER IHA	AN INCOME ADJUSTMENTS	-3	(4,477)	<u> </u>	4,243
24 25						
	F INCOME TAXES					
27	Income tax impact of the adjus	tments to ner hook income	•	735	s	(3,809)
28	TOTAL INCOME TAX ADJU		-\$	735	\$	(3,809)
28 29	TOTAL INCOME TAX ADM	JOINE NE				(3,003)
30	TOTAL EXPENSE ADJUSTN	AFNTS	\$	(2,054)	s	(580)

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Line		Dev		Wate			Sewer
No.	PRO FO	Description RMA ADJUSTMENTS		wate	<u> </u>		Sewer
2	A	REVENUES					
3			Aqua America Commission	\$	25	\$	25
2				\$	<u> </u>	\$	
3		TOTAL REVENUE ADJUSTMENTS		<u>\$</u>	25	\$	25
4	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	272	\$	368
5	601/701		Market Based Increases	\$	254	\$	29
4	601/701			\$	-	\$	-
5	601/701		Reduction in Meter Readers	\$ \$	(351)	\$ \$	(40 (239
6 7	601/701 601/701		Remove Carl Smith Salary - Acquisition Related Reduce President Salary	\$	(239) (111)	\$	(11
8	601/701		reduce resident salay	Š	-	\$	-
9	601/701			\$	-	\$	-
10	601/701			\$	-	\$	-
11	603/703	Salaries & Wages - Officers, Exec.		\$	•	\$	-
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	177	\$	287
	604/704	D Land Water / Comm. Treatment	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(4)	\$ \$	(4
	610/710 NA /711	Purchased Water / Sewer Treatment Sludge Removal Expense		\$	-	S	-
	615/715	Purchased Power		Š	_	Š	_
	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	(326)	\$	
			,				
17	618/718	Chemicals		\$	-	\$	-
	620/720	Materials & Supplies	A. W	\$	•	\$	-
	631/731	Contractual Services - Engineering	Adjustment to Deferred Maintenance	\$	-	\$	(188
	632/732 633/733	Contractual Services - Accounting Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(2)	S S	(2
	633/733	Contractual Services - Degai	Remove That I end Expenses per Staff Addit I maing No. 10	\$	- (2)	\$	- (2
	634/734	Contractual Services - Mgmt. Fees		s	-	\$	
	634/734			\$	-	\$	-
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$	(156)	\$	(156
26	634/734			\$	-	\$	-
27	634/734		Remove Excess Costs Charged from Affiliates	\$	(3,768)	\$	(3,768
	635/735	Contractual Services - Testing	Reduction per Staff Audit Finding No. 16	\$	•	\$	(120
	636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Square quaternare	\$ \$	(125)	\$ \$	(126
	636/736 636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ \$	(135)	Š	(135
	636/736		Eliminate O/S Contractor meter reading	Š	(300)	Š	-
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	s	(26)	\$	(26
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	S	(82)	\$	(82
35	636/736		Adjustment to Deferred Maintenance	\$	(577)	\$	(158
	636/736			\$	•	\$	-
	636/736			\$	-	\$	-
	641/741	Rental of Building/Real Prop.		\$	•	S	-
	642/742	Rental of Equipment	Adjust fuel to \$3.36/gal	S S	164	\$ \$	- 164
	650/750 656/756	Transportation Expenses Insurance - Vehicle	Aujust fuel to \$5.50/gat	\$ \$	164	\$	104
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	Š	(32)	S	(32
	658/758	Insurance - Workman's Comp.		Š	-	\$	
	659/759	Insurance - Other		\$	•	\$	-
45	660/760	Advertising Expense		S	•	\$	-
	660/760		Remove Advertising Expenses	S	(3)	\$	(3
	660/760	Box Comm Euro Bata Core Assess	Remove Lobbying Expenses	S S	(101)	S	(101
	666/766 667/767	Reg. Comm. Exp Rate Case Amort. Reg. Comm. Exp Rate Case Other		S	-	S	-
	670/770	Bad Debt Expense		Š		\$	
	670/770			Š	-	Š	-
	670/770		Adjustment to Bad Debt	S	158	\$	(1
	675/775	Miscellaneous Expense		\$	•	\$	-
	675/775			\$	•	\$	-
	675/775		Normalize Relocation Expenses	S	(43)	\$	(48
56 57	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	\$	(0
8							
59		TOTAL O&M ADJUSTMENTS		\$	(5,231)	\$	(4,096

	FORMA ADJUSTMENTS, continued				
e	Description		Vater	•	ewer
C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		valei		EWCI
C	Meter Replacements 6 Month Net Depr (Addns less Retirements)	S	231	NA	
	Allocation of new corp. PCs and Network & Telephony enhancements		103		16
	•		-		
			-		
			(44)		
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(44)		(
	TOTAL	\$	290	<u>s</u>	
)					
D	AMORTIZATION				
	Correct Test Year Amortization of CIAC		-		
	Remove U&U Adjustment to Test Year Amortization of CIAC				
	TOTAL	\$	<u> </u>	\$	
,					
E	TAXES OTHER THAN INCOME TAX	_		•	
	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	41	\$	
)	Property taxes associated with 2007 plant additions, allocations, adjustments		74		:
)	Property taxes associated with Pro Forma plant		167		
	Property Tax adjustment for Non-Used & Useful plant	\$	168	\$	
:	TOTAL	<u> </u>	108	3	
	DIOON OF TA VEG				
F	INCOME TAXES Income tax impact of the adjustments to per book income	· ·	1.797	\$	1,3
,	TOTAL	<u> </u>	1,797	\$	1,3
,	IOIAL	<del></del>	1,777		
	TOTAL EXPENSE ADJUSTMENTS	\$	(2,977)	\$	(2,0
)	TOTAL EAGL ADJOURNELTO		<u> </u>		
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
Α	NET OPERATING REVENUE				
	Required Revenue Adjustment	\$	(4,639)	\$	19,2
В	OPERATION & MAINTENANCE EXPENSE				
	Bad Debt Adjustment Due To Proposed Rate Increase	<u>\$</u>	(14)	\$	
_	TANKS OF THE MILES IN COLUMN TANK				
E	TAXES OTHER THAN INCOME TAX	4 6000/ -	(200)	\$	
	RAF on Revenue Adjustment @	4.500%_\$	(209)		
F	INCOME TAX ADJUSTMENT				
F	Rate Year Revenue at Present Rates	s	13,925	\$	27,1
	Plus Required Revenue Adjustment	•	(4,639)	-	19,
	Rate Year Revenue at Proposed Rates	\$	9,286	<u>s</u>	46,
	tane tour sterandous troposed tanes		.,		
	Less Operating Expenses Before Income Taxes	\$	(6,601)	\$	(26,3
	Less Interest Expense	-	(903)		(6,
	Taxable Income	\$	1,782	\$	13,
)	Income Tax at Composite Rate of	38.575% \$	687	\$	5,
	Less income Tax at Present Rates		(2,391)		1,9
;					
	Income Tax Adjustment for Requested Revenue Increase	\$	(1,704)	\$	7,0
				_	_

Rive	er G	rove
------	------	------

1 2 3 4		Description			Water	Sewe
2 3		EAR ADJUSTMENTS - 2007				
3	Α	REVENUES				
4		Billed less Booked Revenue		\$	(304)	
		Billed less Booked Revenue		-	. ,	NA
5		TOTAL REVENUE ADJUSTMENTS		\$	(304)	NA
6						
7	В	OPERATIONS & MAINTENANCE				
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	(3)	\$
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		86	
0	603/703	Salaries & Wages - Officers, Exec.				
1	604/704	Employee Pensions & Benefits			•	
	610/710	Purchased Water / Sewer Treatment			•	
	NA /711	Sludge Removal Expense				
	615/715	Purchased Power			~	
-	616/716	Fuel for Purchased Power			•	
	618/718	Chemicals			~	
	620/720	Materials & Supplies			•	
	631/731	Contractual Services - Engineering			•	
	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		127	
	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		25	
	634/734	Contractual Services - Mgmt. Fees			•	
	634/734				•	
	634/734				•	
	635/735	Contractual Services - Testing			•	
	636/736	Contractual Services - Other			•	
	641/741	Rental of Building/Real Prop.			•	
	642/742	Rental of Equipment			-	
	650/750	Transportation Expenses			•	
	656/756	Insurance - Vehicle			•	
	657/757	Insurance - General Liability			•	
	658/758	Insurance - Workman's Comp.			-	
_	659/759	Insurance - Other			•	
	660/760	Advertising Expense			•	
	666/766	Reg. Comm. Exp Rate Case Amort.			•	
	667/767	Reg. Comm. Exp Rate Case Other			-	
	670/770	Bad Debt Expense				
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(24,860)	
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(72)	
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(47)	
10 11						
2		TOTAL O&M ADJUSTMENTS		<u>s</u>	(24,744)	NA

## Aqua Utilities Florida, Inc. Expense Adjustments River Grove

ine No.	Description			o Forma Water	Pro Form Sewer
	YEAR ADJUSTMENTS - 2007, cont	tinued			
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		\$	913	NA
4	Allocation of Corp Structures & In	mprovements		16	NA
5	PSC Audit Adjustments			-	NA
6	PSC Depr Rate Correction, Depr I	Expn		107	NA
7	PSC Depr Rate Correction, Amort	CIAC		(161)	NA
8	Reduction for NU&U			(25)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	851	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of a	regulatory assets per order PSC-05-1242-PAA-WS	\$	578	NA
14	•			-	NA
15	TOTAL AMORTIZATION ADJU	JSTMENTS	\$	578	NA
16					
17					
18 E	TAXES OTHER THAN INCOMI	ETAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(23)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		230	NA
21	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(14)	NA
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	\$	193	NA
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	ents to per book income	<u> </u>	8,068	NA
28	TOTAL INCOME TAX ADJUST	MENTS	\$	8,068	NA
29					
80	TOTAL EXPENSE ADJUSTMEN	NTS	\$	(15,054)	NA

	^
River	Grave

PRO PORMA ADJUSTMENTS	ne o. Ad	oct Description		Water		Sewe
Agua America Commission   S   27   S   C						
TOTAL REVENUE ADJUSTMENTS   S   27	A	REVENUES				
B			Aqua America Commission	\$ 2	7 \$	
Society						
B   OPERATIONS & MAINTENANCE   Solizion & Wages - Employee   40% Wage increase effective 41/08   \$ 228   \$ 280   \$ 601/701   \$ 4076   \$		TOTAL REVENUE ADJUSTMENTS		\$ 2	<u>7 N</u>	IA.
Market Biased Increases   \$   228   \$	В	OPERATIONS & MAINTENANCE				
Section   Sect		- · · · · · · · · · · · · · · · · · · ·				
Section   Sect			Market Based Increases			
Service   Serv						
Section   Sect						
Solition			· ·		•	
Solition			Reduce President Salary			
Solition						
Salaries & Wages - Officers, Exec.   Employee Pensions & Benefits						
SOUTON   Employee Pensions & Benefits   Horcease in Benefit costs/head in 2008   S   260   S						
Section   Purchased Water / Sewer Treatment   Section			*	•		
Society						
NA / TI   Sludge Removal Expense   \$   .   \$			Kemove Prior Period Expenses per Statt Audit Finding No. 10		,	
Filtrage   Power						
Service   Serv						
618/718   Chemicals   Chemicals   Chemicals   Courtactual Services - Engineering   Contractual Services - Accounting   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   Contractual Services - Accounting   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   Contractual Services - Mgmt. Fees   Contractual Services - Testing   Contractual Services - Testing   Contractual Services - Other   Contractual Services - Testing   Contractual Services - Testin						
Section   Sect						
Contractual Services - Engineering   S   - S						
632/732   Contractual Services - Accounting   Sarvices   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   Sarvices   Sa		•••				
Sair						
633/733		_				
Salaria			Remove Prior Period Expenses per Staff Audit Finding No. 10			
Salari   Service Co. allocation adjustment for dual Water/Sewer customers   Salari   Salari   Service   Service   Co. allocation adjustment for dual Water/Sewer customers   Salari						
Service Co. allocation adjustment for dual Water/Sewer customers   Service Co. allocation adjustment		<del>-</del>			-	
Section				-		
Salaria	5 634/7	734	Service Co. allocation adjustment for dual Water/Sewer customers	; <b>\$</b> (17	1) \$	
634/734	634/7	734		\$ -	\$	
Section   Sect			Remove Excess Costs Charged from Affiliates	\$ (4,15	7) \$	
636/736				\$ (43	4) \$	
636/736				\$ -	\$	
636/736			ACO allocation adjustment for dual Water/Sewer customers	<b>S</b> (14	9) \$	
636/736			•	\$ -	\$	
636/736			Eliminate O/S Contractor meter reading	\$ (1	1) \$	
Section   Sect						
\$ 636/736 \$ 641/741 Rental of Building/Real Prop. \$ 5 - \$ 5 636/736 \$ 641/742 Rental of Equipment \$ 5 - \$ 5 642/742 Rental of Equipment \$ 5 - \$ 5 656/756 Transportation Expenses Adjust fuel to \$3.36/gal \$ 181 \$ 5 - \$ 5 656/756 Insurance - Vehicle \$ 5 - \$ 656/756 Insurance - Vehicle \$ 5 - \$ 656/756 Insurance - Workman's Comp. \$ 5 - \$ 656/7575 Insurance - Other \$ 5 - \$ 656/758 Insurance - Other \$ 5 - \$ 656/758 Insurance - Other \$ 5 - \$ 656/759 Insurance - Other \$ 5 - \$ 656/759 Insurance - Other \$ 5 - \$ 656/759 Insurance - Other \$ 5 - \$ 656/750 Advertising Expense \$ 660/760 Remove Advertising Expenses \$ (3) \$ 5 660/760 Remove Advertising Expenses \$ (111) \$ 660/760 Reg. Comm. Exp Rate Case Amort. \$ 5 - \$ 660/760 Reg. Comm. Exp Rate Case Amort. \$ 5 - \$ 676/770 Bad Debt Expense \$ 5 - \$ 676/770 Adjustment to Bad Debt \$ 5 - \$ 676/775 Miscellaneous Expense \$ 676/775 Reg. Comm. Exp Rate Case Other \$ 670/770 Adjustment to Bad Debt \$ 676/775 Remove Test Year Fines and Penalties \$ 675/775 Remove Test Year Fines and Penalties \$ 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ 600/750 S 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ 600/750 S 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ 600/750 S 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ 600/750 S 600/750			· · · · · · · · · · · · · · · · · · ·	\$ (9	1) \$	
\$ 636/736 7 636/736 8 641/741 8 Rental of Building/Real Prop. 9 642/742 8 Rental of Equipment 9 650/750 1 Transportation Expenses 1 656/756 1 Insurance - Vehicle 9 657/757 1 Insurance - General Liability 1 Remove Executive Risk Insurance Expenses 1 656/756 1 Insurance - Workman's Comp. 1 659/759 1 Insurance - Other 2 657/757 1 Insurance - Other 3 656/760 4 Advertising Expense 4 659/759 1 Insurance - Other 5 660/760 8 Remove Advertising Expenses 5 (35) 8 Remove Advertising Expenses 7 (37) 8 Remove Advertising Expenses 8 (3) 8 Remove Lobbying Expenses 9 (111) 9 660/760 8 Reg. Comm. Exp Rate Case Amort. 9 667/767 8 Reg. Comm. Exp Rate Case Other 9 670/770 9 Adjustment to Bad Debt 9 7 (404) 9 8 (404) 9 8 (404) 9 9 7 (4	5 636/7	736		\$ -	\$	
\$ - \$ \$ 636/736 \$ 641/741 Rental of Building/Real Prop. \$ - \$ \$ - \$ \$ 641/741 Rental of Equipment \$ - \$ - \$ \$ 642/742 Rental of Equipment \$ - \$ - \$ \$ - \$ \$ 642/742 Rental of Equipment \$ - \$ - \$ \$ - \$ \$ 650/750 Transportation Expenses Adjust fuel to \$3.36/gal \$ 181 \$ \$ - \$ \$ 656/756 Insurance - Vehicle \$ - \$ - \$ \$ 656/757 Insurance - General Liability Remove Executive Risk Insurance Expenses \$ (35) \$ \$ 658/758 Insurance - Workman's Comp. \$ - \$ \$ - \$ \$ 658/758 Insurance - Other \$ \$ - \$ \$ - \$ \$ 660/760 Advertising Expense \$ \$ (33) \$ \$ - \$ \$ 660/760 Advertising Expense \$ \$ (33) \$ \$ Remove Advertising Expenses \$ \$ (33) \$ \$ Remove Lobbying Expenses \$ \$ (111) \$ \$ 660/760 Reg. Comm. Exp Rate Case Amort. Reg. Comm. Exp Rate Case Other \$ \$ - \$ \$ 670/770 Bad Debt Expense \$ \$ - \$ \$ 670/770 Adjustment to Bad Debt \$ \$ (404) \$ \$ 675/775 Miscellaneous Expense \$ Normalize Relocation Expenses \$ \$ (40) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$						
\$ 641/741 Rental of Building/Real Prop. \$					\$	
642/742   Rental of Equipment   S   - S					\$	
650/750   Transportation Expenses   Adjust fuel to \$3.36/gal   \$   181   \$				s -	\$	
1.556/755   Insurance - Vehicle   S   - S     1.657/757   Insurance - General Liability   Remove Executive Risk Insurance Expenses   S     1.658/758   Insurance - Workman's Comp.   S     1.658/758   Insurance - Other   S     1.658/759   Insurance - Other   S     1.658/759   Insurance - Other   S     1.658/750   Advertising Expense   S     1.658/750   Remove Advertising Expenses   S     1.658/750   Remove Advertising Expenses   S     1.660/760   Remove Advertising Expenses   S     1.660/760   Remove Lobbying Expenses   S     1.660/760   Reg. Comm. Exp Rate Case Amort.   S     1.660/760   Reg. Comm. Exp Rate Case Other     1.670/770   S     1.670/770   Adjustment to Bad Debt   S     1.675/775   Miscellaneous Expense   S     1.675/775   Remove Test Year Fines and Penalties   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     1.675/775   Remove Prior Period Expenses per Staf			Adjust fuel to \$3.36/gal	\$ 18	1 \$	
657/757   Insurance - General Liability   Remove Executive Risk Insurance Expenses   \$ (35)		•	-	<b>s</b> -	\$	
658/758   Insurance - Workman's Comp.   \$ - \$ \$   659/759   Insurance - Other   \$ - \$ \$   - \$ \$   660/760   \$   660/760   \$   Remove Advertising Expenses   \$   (3) \$   660/760   Remove Lobbying Expenses   \$   (111) \$   \$   660/760   Remove Lobbying Expenses   \$   (111) \$   \$   660/760   Reg. Comm. Exp Rate Case Amort.   \$   - \$   \$   \$   \$   \$   \$   \$   \$			Remove Executive Risk Insurance Expenses	\$ (3	5) \$	
659/759   Insurance - Other				•		
S   C   C						
Remove Advertising Expenses   S   C   S						
660760   Remove Lobbying Expenses   \$ (111)   \$   \$   666766   Reg. Comm. Exp Rate Case Amort.   \$   -   \$   \$   670777   Reg. Comm. Exp Rate Case Other   \$   -   \$   \$   -   \$   \$   \$   \$   \$		• .	Remove Advertising Expenses			
Reg. Comm. Exp Rate Case Amort.   S   - S			- ·	-		
Reg. Comm. Exp Rate Case Other   S   - S						
670/770 Bad Debt Expense \$ - \$ 670/770 \$ \$ - \$ 670/770 \$ \$ - \$ 670/770 \$ \$ - \$ 670/770 \$ \$ - \$ 670/770 \$ \$ - \$ 670/775 Miscellaneous Expense \$ - \$ 675/775 Miscellaneous Expense \$ - \$ 675/775 \$ Normalize Relocation Expenses \$ (40) \$ 675/775 \$ Remove Test Year Fines and Penalties \$ (590) \$ 675/775 \$ Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$						
670/770						
670/770   Adjustment to Bad Debt   \$ (404) \$   \$ (405) \$   \$ (407) \$   \$ (40						
675/775         Miscellaneous Expense         \$ - \$           675/775         Normalize Relocation Expenses         \$ (40) \$           675/775         Remove Test Year Fines and Penalties         \$ (590) \$           675/775         Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$			Adjustment to Bad Debt			
6675/775         Normalize Relocation Expenses         \$ (40)         \$           6675/775         Remove Test Year Fines and Penalties         \$ (590)         \$           6675/775         Remove Prior Period Expenses per Staff Audit Finding No. 10         \$ (0)         \$				,	•	
Remove Test Year Fines and Penalties \$ (590) \$ 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$			Normalize Relocation Expenses			
6 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$						
		··•	The state of the s	•	, -	
		TOTAL ORNA A PRICON CONTRO		6 (5.70)	<del></del>	IA.

	FORMA ADJUSTMENTS, continued			
ne o.	Description		Water	Sewer
). C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		,,,,,,,	
·	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	436	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		114	NA
	Tallocation of the very second			
				NA
			-	
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(49)	
	10.1014 2 - prostation			NA
II	TOTAL	<u>s</u>	501	NA
	IOIAL		301	1177
)				
	AMORTIZATION			
2 D			_	NA
3 4	Correct Test Year Amortization of CIAC		_	NA
	Remove U&U Adjustment to Test Year Amortization of CIAC	\$		NA NA
5	TOTAL		<del></del>	11/1
5	TAXES OTHER THAN INCOME TAX			
7 E		\$	38	NA
3	Payroll tax adjustment On Salary & Wage adjustments explained above	3	(35)	NA.
9	Property taxes associated with 2007 plant additions, allocations, adjustments		380	INA
	Property taxes associated with Pro Forma plant			NTA
l	Property Tax adjustment for Non-Used & Useful plant		(3)	NA NA
2	TOTAL	\$	379	NA
3				
ŧ F	INCOME TAXES	_		27.4
5	Income tax impact of the adjustments to per book income	\$	1,667	NA NA
5	TOTAL	<u>_s</u>	1,667	NA
7				
3	TOTAL EXPENSE ADJUSTMENTS	\$	(3,183)	NA
•				
UTI	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS	· · · · · · · · · · · · · · · · · · ·		
2				
3 A	NET OPERATING REVENUE			
\$	Required Revenue Adjustment	<u> </u>	3,391	NA
5				
5 B	OPERATION & MAINTENANCE EXPENSE			
7	Bad Debt Adjustment Due To Proposed Rate Increase	<u>s</u>	10	NA
8 9 E	TAXES OTHER THAN INCOME TAX			
)	RAF on Revenue Adjustment @	4.500% \$	153	NA
l	KAT OII Revenue Aujustineit (b)	1.00070		
1 2 F	INCOME TAX ADJUSTMENT			
2 F 3	Rate Year Revenue at Present Rates	s	36,454	NA
, 4	Plus Required Revenue Adjustment	•	3,391	NA
* 5		<u>s</u>	39,845	NA NA
	Rate Year Revenue at Proposed Rates		37,043	- 110
5	I O	s	(32,632)	NA
7	Less Operating Expenses Before Income Taxes	J	(2,459)	NA NA
3	Less Interest Expense		4,755	NA NA
•	Taxable Income	38.575% \$		NA NA
)	Income Tax at Composite Rate of	38.3/3% \$	1,834	
	Less Income Tax at Present Rates		(589)	NA
2			10/2	
3	Income Tax Adjustment for Requested Revenue Increase	5	1,245	NA

ine					2007		07
lo.	Acct	Description			Water	Se	wer
1		AR ADJUSTMENTS - 2007					
2	A	REVENUES		s	(178)		
3		Billed less Booked Revenue		2	(176)	NA	
4		Billed less Booked Revenue		\$	(178)	- NA	
5		TOTAL REVENUE ADJUSTMENTS		3	(178)	NA	
6	_						
7	В	OPERATIONS & MAINTENANCE	N. F. 2007. I a service diam & New ITimes	\$	(1,535)	\$	
8 9	601/701 601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	(1,333)	<b>J</b>	
0	603/703	Salaries & Wages - Officers, Exec.					
1	604/704	Employee Pensions & Benefits			-		
2	610/710	Purchased Water / Sewer Treatment			_		
3	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			-		
5	616/716	Fuel for Purchased Power			-		
6	618/718	Chemicals			-		
7	620/720	Materials & Supplies			-		
8	631/731	Contractual Services - Engineering					
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		54		
ó	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		11		
i	634/734	Contractual Services - Mgmt. Fees			-		
2	634/734	Contractal Services 11.5 1 445			•		
3	634/734				•		
4	635/735	Contractual Services - Testing			-		
5	636/736	Contractual Services - Other			-		
6	641/741	Rental of Building/Real Prop.			-		
7	642/742	Rental of Equipment					
В	650/750	Transportation Expenses			-		
9	656/756	Insurance - Vehicle			•		
0	657/757	Insurance - General Liability			-		
1	658/758	Insurance - Workman's Comp.			-		
2	659/759	Insurance - Other			-		
3	660/760	Advertising Expense			-		
4	666/766	Reg. Comm. Exp Rate Case Amort.			-		
5	667/767	Reg. Comm. Exp Rate Case Other			-		
6	670/770	Bad Debt Expense			-		
7	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		2,251		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(31)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(20)		
0							
2		TOTAL O&M ADJUSTMENTS		<u>s</u>	785	NA	

ine				o Forma Water	Pro Form Sewer
lo.	Description			water	Sewer
	YEAR ADJUSTMENTS - 2007, cont				
2 C		RTIZATION OF CIAC (Used & Useful)	s	384	NA
3	Allocation of Corporate IT		•	7	NA.
4	Allocation of Corp Structures & Ir	nprovements		,	NA.
5	PSC Audit Adjustments			(84)	NA.
6	PSC Depr Rate Correction, Depr E			(516)	NA.
7	PSC Depr Rate Correction, Amort Reduction for NU&U	CIAC		(270)	NA.
8		TTI ATTA PEC	S	(480)	NA NA
9	TOTAL DEPRECIATION ADJUS	DIMENIS	_*	(460)	- NA
10					
11	AMORTIZATION				
12 D	AMORTIZATION		s	_	NA
13 14			•	_	NA
14 15	TOTAL AMORTIZATION ADJU	STMENTS			NA
15 16	TOTAL AMORTIZATION ADJU	SIMENIS	<del></del>		
17					
17 18 E	TAXES OTHER THAN INCOME	TAY			
18 E 19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	2	(8)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	•	(25)	NA
20 21	Property tax adjustment	On Salary to Wage adjustments supramou desire		-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(87)	NA
23	TOTAL TAXES OTHER THAN		S	(121)	NA
24	TOTAL TALLS OTTER THAN				
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	nts to per book income	\$	(378)	NA
28	TOTAL INCOME TAX ADJUST		\$	(378)	NA
29					
30	TOTAL EXPENSE ADJUSTMEN	rrs	S	(194)	NA

REVENUES   A REVENUES   Aqua America Commission   \$ 1   \$ 5   \$ 5   \$ 1   \$ 5   \$	ine lo.	Acct	Description			Water	s	ewer
Aqua America Commission								
TOTAL REVENUE ADJUSTMENTS   S   11   NA	2	Α	REVENUES		_		_	
Committee   Comm				Aqua America Commission		11		
B			TOTAL REVENUE ADDITISTMENTS		-\$			
B   OPERATIONS & MAINTENANCE   Sol/701   Salarie & Wages - Employees   4.0% Wage increase effective 4/1/08   \$ 165 \$ 5 601/701   Cale County Teachilly Operator II   \$ 1,873 \$ 6 601/701   Cale County Teachilly Operator II   \$ 1,873 \$ 6 601/701   Cale County Teachilly Operator II   \$ 1,873 \$ 6 601/701   Cale County Teachilly Operator II   \$ 1,873 \$ 6 601/701   C	4		TOTAL REVENUE ADJUSTIMENTS		-			
	•	В	OPERATIONS & MAINTENANCE					
Section   Market Based Increases   S   79   S				4.0% Wage increase effective 4/1/08	\$	165	\$	
\$ 601/701   Reduction in Meter Readers \$ (18) \$   5 601/701   Reduction in Meter Readers \$ (18) \$   5 601/701   Reduce President Salary - Acquisition Related \$ (111) \$   5 601/701   Reduce President Salary - Acquisition Related \$ (111) \$   5 601/701   Reduce President Salary - Acquisition Related \$ (111) \$   601/701   Reduce President Salary - Acquisition Related \$ (111) \$   601/701   Salaries & Wages - Officers, Exec.   601/702   Employee Pensions & Benefits   601/703   Salaries & Wages - Officers, Exec.   601/704   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/705   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/701   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (3) \$   601/701   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (1) \$   601/701   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (1) \$   601/701   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (1) \$   601/701   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/701   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/702   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/703   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/704   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/705   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/705   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/705   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/705   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/705   Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2) \$   601/705   Remove Prior Period Expenses \$ (2) \$   601/705	5	601/701	. ,		\$	79	\$	
Sel1701   Reduction in Meter Readers   S   (18)   S   S   S   S   S   S   S   S   S	4	601/701		Lake County Facility Operator II	\$	1,873	\$	
Sol1701   Remove Carl Smith Salary - Acquisition Related   S   111   S   S   S   S   S   S   S	5	601/701				•	\$	
Section   Sect						• ,		
6610701   0610701   S   - S   S   - S   S   C   C								
0.601/701   1.603/703   Salaries & Wages - Officers, Exec. 2.604/704   Employee Pensions & Benefits				Reduce President Salary		(52)		
603/703   Salaries & Wages - Officers, Exec.   Prophysey Pensions & Benefits   Increase in Benefit costs/head in 2008   146   \$   \$   \$   \$   \$   \$   \$   \$   \$					-	-		
2 694704   Employee Peasions & Benefits   Increase in Benefit costs/head in 2008   \$   146   \$   \$   \$   \$   \$   \$   \$   \$   \$			Calada & Wassa Officer Free			-		
Semove Prior Period Expenses per Staff Audit Finding No. 10				Increase in Ponella conto/hand in 2009		146		
3     3     10   10     10			Employee reasions & benefits					
NA / 711   Sludge Removal Expense   S			Purchased Water / Sewer Treatment	Remove their remod Expenses per sign Augit Finding No. 10		(2)		
6 16/1715         Putchased Power         \$ . \$ . \$           6 16/0716         Full for Purchased Power         Remove Abnormal Expense Due to Tank Leak         \$ . 5           7 6 18/178         Chemicals         \$ \$           8 62/07/20         Materials & Supplies         \$ \$           9 631/731         Contractual Services - Engineering         \$ \$           0 632/732         Contractual Services - Legal         Remove Prior Period Expenses per Staff Audit Finding No. 10         \$ \$           6 34/734         Contractual Services - Mgmt. Fees         \$ \$         \$ \$           5 34/734         Contractual Services - Mgmt. Fees         \$ \$         \$ \$           6 34/734         Contractual Services - Testing         \$ \$         \$ \$           6 34/734         Remove Excess Costs Charged from Affiliates         \$ (1,748)         \$ \$           6 34/736         Contractual Services - Testing         \$ \$         \$ \$           6 36/736         Contractual Services - Testing         \$ \$         \$ \$           6 36/736         Contractual Services - Testing         \$ \$         \$ \$           6 36/736         Contractual Services - Testing         \$ \$         \$ \$           6 36/736						-		
6 616/716 Fuel for Purchased Power 7 618/718 Chemicals 8 620/720 Materials & Supplies 9 631/731 Contractual Services - Engineering 1 632/732 Contractual Services - Accounting 1 632/733 Contractual Services - Legal 1 632/734 Contractual Services - Legal 2 631/734 Contractual Services - Legal 2 631/734 Contractual Services - Mgmt. Fees 3 634/734 Contractual Services - Mgmt. Fees 4 634/734 Service Co. allocation adjustment for dual Water/Sewer customers 5 7 5 634/734 Services - Testing 6 634/734 Contractual Services - Testing 6 634/734 Contractual Services - Testing 7 634/735 Contractual Services - Testing 7 634/736 Contractual Services - Testing 7 634/736 Contractual Services - Testing 7 636/736 Contractual Services - Testing 8 636/736 Contractual Services - Testing 8 636/736 Contractual Services - Testing 9 636/736 Contractual Services - Testing								
6 18/17/8         Chemicals         \$				Remove Abnormal Expense Due to Tank Leak		(355)		
8 620720 Materials & Supplies   5   -   5   6 31731 Contractual Services - Regineering   5   -   5   6 32732 Contractual Services - Accounting   5   -   5   6 32733 Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   5   6 33773 Contractual Services - Mgmt. Fees   5   -   5   6 347734 Contractual Services - Mgmt. Fees   5   -   5   6 347734 Service - Mgmt. Fees   5   -   5   6 347734 Contractual Services - Mgmt. Fees   5   -   5   6 347734 Service - Testing   5   -   5   6 347734 Contractual Services - Testing   5   -   5   6 347734 Service - Testing   5   -   5   6 347735 Contractual Services - Testing   5   -   5   6 347736 Contractual Services - Other   5   -   5   6 367736 Contractual Services - Other   5   -   5   6 367736 ACO allocation adjustment for dual Water/Sewer customers   5   (3)   6 367736 Service - Other   5   -   5   6 367736 Service - Other -   5   6 367737 Service - Other -   5   6								
G32/732   Contractual Services - Accounting   G33/733   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   C1   S   C33/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   C3   S   C3   C34/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   C3   S   C34/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   C3   S   C34/734   Remove Excess Costs Charged from Affiliates   S   C1   C1   C1   C1   C1   C1   C2   C3   C34/734   Remove Excess Costs Charged from Affiliates   S   C1   C1   C3   C3   C3   C3   C3   C3						-		
633/733   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   \$   634734   \$   \$   5   634734   \$   \$   \$   \$   \$   \$   \$   \$   \$	19	631/731	Contractual Services - Engineering		\$	-	\$	
2 634/734 Contractual Services - Mgmt. Fees	20	632/732	Contractual Services - Accounting			-	\$	
3 634734   Service Co. allocation adjustment for dual Water/Sewer customers   C72   S   6 634734   Remove Excess Costs Charged from Affiliates   S   1,748   S   6 634734   Remove Excess Costs Charged from Affiliates   S   1,748   S   6 634734   Remove Excess Costs Charged from Affiliates   S   1,748   S   6 634736   Contractual Services - Other   S   - S   6 636736   ACO allocation adjustment for dual Water/Sewer customers   S   63   S   6 636736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   (12)   S   6 636736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   (12)   S   6 636736   Adjustment to Deferred Maintenance   S   (396)   S   6 636736   Adjustment to Deferred Maintenance   S   (396)   S   6 636736   Adjustment to Deferred Maintenance   S   (396)   S   6 636736   Adjustment to Deferred Maintenance   S   (396)   S   6 636736   Insurance - Other   S   - S   6 636736   Advertising Expense   S   (15)   S   6 636736   Remove Text of Deferred Maintenance   S   (15)   S   6 636736   Insurance - Other   S   - S   6 636736   Advertising Expense   S   (15)   S   6 636736   Remove Advertising Expenses   S   (15)   S   6 637770   Advertising Expense   S   (17)   S   6 637777   Adjustment to Bad Debt   S   - S   6 637777   Miscellaneous Expense   S   (17)   S   6 637777   Miscellaneous Expense   S   (17)   S   6 637777   Miscellaneous Expense   S   (17)   S   6 637777   Remove Text Year Fines and Penalties   S   (18)   S   6 637777   Remove Perior Period Expenses   Staff Audit Finding No. 10   S   6 637777   Remove Perior Period Expenses   Staff Audit Finding No. 10   S   6 637777   Remove Perior Period Expenses   Staff Audit Finding No. 10   S   6 637777   Remove Perior Period Expenses   Staff Audit Finding No. 10   S   6 637777   Remove Perior Period Expenses   Staff Audit Finding No. 10   S   6 637777   Remove Per			Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10		(1)		
\$ 634/734   Service Co. allocation adjustment for dual Water/Sewer customers \$ (72) \$ 634/734   Service Co. allocation adjustment for dual Water/Sewer customers \$ (72) \$ 634/734   Services - Contractual Services - Testing \$ 1,1748 \$ \$ 634/735   Contractual Services - Other \$ 1,1748 \$ \$ 636/736   Contractual Services - Other \$ 2 \$ - \$ \$ 636/736   Contractual Services - Other \$ 3 \$ - \$ \$ \$ 636/736   Services - Other \$ 3 \$ - \$ \$ \$ 636/736   Services - Other \$ 3 \$ - \$ \$ \$ 636/736   Services - Other \$ 3 \$ - \$ \$ \$ 636/736   Services - Other \$ 3 \$ - \$ \$ \$ 636/736   Services - Other \$ 3 \$ - \$ \$ \$ 636/736   Services - Other \$ 3 \$ - \$ \$ \$ \$ - \$ \$ \$ \$ \$ - \$ \$ \$ \$ \$						-		
Service Co. allocation adjustment for dual Water/Sewer customers   Service Co. allocation adjustment for dual Water/Sewer customers   Services Costs Charged from Affiliates   Services Costs Charged f			Contractual Services - Mgmt. Fees			-		
Section   Sect				Out to Out the state of the sta		-		
G34/734   Remove Excess Costs Charged from Affiliates   S   (1,748)   S	23	034/734		Service Co. allocation adjustment for dual water/Sewer customers	<b>.</b> .	(72)	2	
8 635/736 Contractual Services - Testing	26	634/734			\$	-	\$	
G36/736   ACO allocation adjustment for dual Water/Sewer customers   S   G3   S   G36/736   S   G3	27	634/734		Remove Excess Costs Charged from Affiliates	\$	(1,748)	\$	
ACO allocation adjustment for dual Water/Sewer customers   S   G3   S						-		
636/736   S   -   S   S   -   S   S   -   S   S			Contractual Services - Other			-		
Remove Prior Period Expenses per Staff Audit Finding No. 10				ACO allocation adjustment for dual Water/Sewer customers		(63)		
Remove Prior Period Expenses per Staff Audit Finding No. 10   S   (12)   S						•		
A district   Disallow Shareholders Services Expenses per Staff Audit Finding No. 12   No. 12   Adjustment to Deferred Maintenance   \$ (396)				B BOOK AND AND COMMANDERS AT AN		-		
Adjustment to Deferred Maintenance   \$   (396)   \$				Disallow Shareholders Services Expenses per Staff Audit Finding		. ,		
\$ 636/736 6 636/736 6 636/736 6 636/736 6 641/741 Rental of Building/Real Prop. 6 641/742 Rental of Equipment 7 650/750 Transportation Expenses 8 650/750 Transportation Expenses 9 650/750 Transportation Expenses 9 650/750 Transportation Expenses 9 650/750 Transportation Expenses 9 76 8 76 8 76 8 76 8 76 8 76 8 76 8 76 8	35	636/736			•	(396)	c	
				. mj		(350)		
Section   Sect						-		
642/742   Rental of Equipment   S   -   S     650/750   Transportation Expenses   Adjust fuel to \$3.36/gal   S   76   S     656/756   Insurance - Vehicle   S   -   S     658/757   Insurance - General Liability   Remove Executive Risk Insurance Expenses   S   (15)   S     658/758   Insurance - Workman's Comp.   S   -   S     659/759   Insurance - Other   S   -   S     660/760   Advertising Expense   S   (11)   S     660/760   Remove Advertising Expenses   S   (11)   S     660/760   Remove Advertising Expenses   S   (17)   S     660/760   Reg. Comm. Exp Rate Case Amort.   S   -   S     660/760   Reg. Comm. Exp Rate Case Other   S   -   S     670/770   Bad Debt Expense   S   (78)   S     670/770   Adjustment to Bad Debt   S   (78)   S     675/775   Miscellaneous Expense   S   (17)   S     675/775   Remove Test Year Fines and Penalties   S   (8)   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses   S   (17)   S     76   S   S   (17)   S     77   S   (17)   S   (17)   S     78   S   (17)   S   (17)   S     79   S   (17)   S     70   S   (17			Rental of Building/Real Prop.			_		
0 650/750   Transportation Expenses   Adjust fuel to \$3.36/gal   \$   76   \$   \$   656/756   Insurance - Vehicle   \$   -   \$   \$   \$   \$   \$   \$   \$   \$						-		
Section   Sect	ю	650/750		Adjust fuel to \$3.36/gal	\$	76		
Saction   Sact						-		
659/759   Insurance - Other				Remove Executive Risk Insurance Expenses		(15)		
Semove Advertising Expense   Semove Advertising Expenses   Semove Prior Period Expenses			•			-		
Remove Advertising Expenses   S   (1)   S						•		
Remove Lobbying Expenses   \$   (47)   \$	_		Advertising Expense	Decree Advanti in Process		-		
Reg. Comm. Exp Rate Case Amort.   S								
667/767   Reg. Comm. Exp Rate Case Other   S			Reg Comm Evn - Date Case Amort	Remove Loodying Expenses		(47)		
670/770						-		
670/770						-		
Adjustment to Bad Debt			was week proposed			-		
675/775   Miscellaneous Expense   \$ - \$   \$   \$   \$   \$   \$   \$   \$   \$				Adjustment to Bad Debt		(78)		
675/775   Normalize Relocation Expenses   \$ (17)   \$ (1			Miscellaneous Expense	•		-		
Remove Test Year Fines and Penalties \$ (8) \$ (675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$			•	Normalize Relocation Expenses		(17)		
6 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$								
		675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$		\$	
	7							
	8							

	FORMA ADJUSTMENTS, continued			
e	Description	ν	Vater	Sewe
. <u>C</u>	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
C	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	57	NA
	Allocation of new corp. PCs and Network & Telephony enhancements	•	48	NA
	Allocation of her corp. I co and the work as Totopholis statements		-	
				NA
			-	
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(21)	
	Action of the Control		, ,	NA
	TOTAL	<u> </u>	84	NA
)	IOIAL			
	AMORTIZATION			
D	Correct Test Year Amortization of CIAC		_	NA
1			_	NA
	Remove U&U Adjustment to Test Year Amortization of CIAC TOTAL	\$		NA NA
<b>i</b>	IOIAL	<u> </u>		- 110
	TAYER OTHER THAN INCOME TAY			
E	TAXES OTHER THAN INCOME TAX Payroll tax adjustment On Salary & Wage adjustments explained above	s	19	NA
} }	Payroll tax adjustment On Salary & Wage adjustments explained above Property taxes associated with 2007 plant additions, allocations, adjustments	5	(26)	NA NA
			165	14/1
)	Property taxes associated with Pro Forma plant		(29)	NA
l	Property Tax adjustment for Non-Used & Useful plant	\$	130	NA NA
2	TOTAL	3	130	INA
3				
F	INCOME TAXES	•	97	NIA
5	Income tax impact of the adjustments to per book income	3		NA_NA
5	TOTAL	2	97	NA
'			(204)	NIA.
3	TOTAL EXPENSE ADJUSTMENTS	2	(384)	NA
) )				
	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS	<del></del>		
2	NET OPERATING REVENUE			
A		\$	(6,948)	NA
}	Required Revenue Adjustment	<u> </u>	(0,540)	1971
	OPERATION & MAINTENIANCE EVPENICE			
В	OPERATION & MAINTENANCE EXPENSE	\$	(21)	NA
? }	Bad Debt Adjustment Due To Proposed Rate Increase		(21)	11/1
, ) E	TAXES OTHER THAN INCOME TAX			
)	RAF on Revenue Adjustment @	4.500% \$	(313)	NA
l	. •			
? F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	14,971	NA
	Plus Required Revenue Adjustment		(6,948)	NA
;	Rate Year Revenue at Proposed Rates	\$	8,023	NA
, 5				
,	Less Operating Expenses Before Income Taxes	S	(5,463)	NA
3	Less Interest Expense	-	(859)	NA
,	Taxable Income	\$	1,700	NA
,	Income Tax at Composite Rate of	38.575% \$	656	NA
,	Less Income Tax at Present Rates		(3,207)	NA
i <u>2</u>	LASS AROUNG I DA DE FICSOR MAIOS		(3,207)	• • • •
<u>.</u> }	Income Tax Adjustment for Requested Revenue Increase	<u>s</u>	(2,551)	NA
,	mediae 187 volestiness tos treducisco veresine mercase		2,551/	

ine			•		2007		07
10.	Acct	Description			Water	Se	wer
1		CAR ADJUSTMENTS - 2007					
2	A	REVENUES		•	102		
3		Billed less Booked Revenue		\$	183		
4		Billed less Booked Revenue			102	NA NA	
5		TOTAL REVENUE ADJUSTMENTS		\$	183	NA	
6	_						
7	В	OPERATIONS & MAINTENANCE	De distribute Admin social construction of New History	•	(27)	\$	
9	601/701 601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	\$	(37) 148	3	
0	603/703	Salaries & Wages - Officers, Exec.			-		
1	604/704	Employee Pensions & Benefits			-		
2	610/710	Purchased Water / Sewer Treatment			-		
3	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			-		
5	616/716	Fuel for Purchased Power			-		
	618/718	Chemicals			-		
7	620/720	Materials & Supplies			-		
8	631/731	Contractual Services - Engineering					
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		91		
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		18		
21	634/734	Contractual Services - Mgmt. Fees			-		
22	634/734				-		
23	634/734				•		
4	635/735	Contractual Services - Testing			•		
25	636/736	Contractual Services - Other			-		
26	641/741	Rental of Building/Real Prop.			-		
27	642/742	Rental of Equipment			-		
8	650/750	Transportation Expenses			•		
!9	656/756	Insurance - Vehicle			•		
10	657/757	Insurance - General Liability			-		
31	658/758	Insurance - Workman's Comp.			-		
12	659/759	Insurance - Other			•		
33		Advertising Expense			•		
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		
15	667/767	Reg. Comm. Exp Rate Case Other			-		
36	670/770	Bad Debt Expense			-		
17	675/775	Miscellaneous Expense	N		(52)		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(52)		
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(34)		
ю Н		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(487)		
2		TOTAL O&M ADJUSTMENTS		<u>s</u>	(352)	NA.	

ine No.	Description		Pro Forma Water		Pro Form Sewer	
	YEAR ADJUSTMENTS - 2007, con	tinued				
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT	·	\$	657	NA	
4	Allocation of Corp Structures & Is	mprovements		11	NA	
5	PSC Audit Adjustments			-	NA	
6	PSC Depr Rate Correction, Depr I	Expn		(1,336)	NA	
7	PSC Depr Rate Correction, Amort CIAC			4,463	NA	
8	Reduction for NU&U			(2,827)	NA	
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	968	NA	
10						
11						
12 D	AMORTIZATION					
13			\$	-	NA	
14	-			-	NA	
15	TOTAL AMORTIZATION ADJUSTMENTS		\$		NA	
16			· <u></u>			
17						
18 E	TAXES OTHER THAN INCOM	ETAX				
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	8	NA	
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		132	NA	
21	Property tax adjustment			-	NA	
22	Property tax adjustment	NU&U portion of Property Taxes		(1,601)	NA	
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS		S	(1,461)	NA	
24			<u> </u>			
25						
26 F	INCOME TAXES					
27	Income tax impact of the adjustments to per book income		\$	648	NA	
28	TOTAL INCOME TAX ADJUST	MENTS	\$	648	NA	
9						
30	TOTAL EXPENSE ADJUSTMEN	VTS	_\$	(197)	NA	

io.	Acct	Description			Water	S	ewe
	PRO FO	RMA ADJUSTMENTS					
	Α	REVENUES		_			
3			Aqua America Commission	\$	20	\$	
?		TOTAL DEVENILE ADDICTMENTS		\$	20		
3 4		TOTAL REVENUE ADJUSTMENTS		3			1_
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	448	\$	
5	601/701		Market Based Increases	\$	232	\$	
1	601/701			\$	-	\$	
5	601/701			\$	-	\$	
5	601/701		Sebring Lakes Facility Operator II	\$	37,856	S	
7	601/701		Reduction in Meter Readers	\$	(498)	\$	
3	601/701		Remove Carl Smith Salary - Acquisition Related	\$ \$	(190)	\$ \$	
9	601/701 601/701		Reduce President Salary	S	(88)	S	
1	603/703	Salaries & Wages - Officers, Exec.		\$	-	S	
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	464	Š	
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(3)	\$	
3	610/710	Purchased Water / Sewer Treatment		\$	•	\$	
	NA /711	Sludge Removal Expense		\$		\$	
	615/715	Purchased Power		\$	-	\$	
6	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	(186)	\$	
_	(10/=	Character la					
		Chemicals Meterials & Supplies		\$	-	S	
8	620/720	Materials & Supplies		\$	•	\$	
9	631/731 632/732	Contractual Services - Engineering		\$	-	S	
	633/733	Contractual Services - Accounting Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	· (1)	S	
	633/733	Contractual Services - Legar	Remove Prior Period Expenses per Statt Addit Phiding No. 10	S	(1)	\$	
	634/734	Contractual Services - Mgmt. Fees		Š	-	Š	
	634/734	Communication Free Property Communication Co		Š	-	Š	
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$	(123)	\$	
6	634/734			\$	-	s	
:7	634/734		Remove Excess Costs Charged from Affiliates	S	(2,991)	S	
	635/735	Contractual Services - Testing		\$	-	\$	
	636/736	Contractual Services - Other		\$	•	\$	
	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(107)	\$	
	636/736		The state of the s	S	4	S	
	636/736		Eliminate O/S Contractor meter reading	\$	(1,492)	S	
	636/736 636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10 Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ \$	(20) (65)	\$ \$	
5	636/736			\$	-	\$	
	636/736			\$	-	\$	
	636/736			\$	-	\$	
	641/741	Rental of Building/Real Prop.		\$	•	S	
	642/742	Rental of Equipment	Adjust final to \$2.26/cml	S	-	\$	
	650/750 656/756	Transportation Expenses Insurance - Vehicle	Adjust fuel to \$3.36/gal	\$ \$	130	\$ \$	
	657/757	Insurance - Venicle Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ \$	(26)	\$	
	658/758	Insurance - Workman's Comp.	Como to Exposure trial manage Expenses	\$	(25)	\$	
	659/759	Insurance - Other		\$	- -	Š	
_	660/760	Advertising Expense		Š		Š	
	660/760		Remove Advertising Expenses	s	(2)	\$	
	660/760		Remove Lobbying Expenses	\$	(80)	\$	
	666/766	Reg. Comm. Exp Rate Case Amort.		\$	•	\$	
	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	
	670/770	Bad Debt Expense		S	-	S	
	670/770		Adjustment to Red Debt	\$	-	\$	
	670/770 675/775	Miscellaneous Expense	Adjustment to Bad Debt	\$ \$	90	\$	
	675/775	Prisocitations Expense	Normalize Relocation Expenses	\$ \$	(29)	\$ \$	
	675/775		Remove Test Year Fines and Penalties	\$	(1)	\$	
,			Remove Prior Period Expenses per Statt Audit Finding No. 10	S	(0)	2	
,	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	S	

	PRO FOR	MA ADJUSTMENTS, continued			
ine No.		Description		Water	Sewe
	С	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		· · · · · · · · · · · · · · · · · · ·	
2	_	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	-	NA
3		Allocation of new corp. PCs and Network & Telephony enhancements		82	NA
4		Reduce Plant in Service per Staff Audit Finding No. 4		(640)	
5		·			NA
6				-	
7					NA
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(35)	NA
9		TOTAL	\$	(593)	- NA
10					
11					
12	D	AMORTIZATION			
13		Correct Test Year Amortization of CIAC		-	NA
14		Remove U&U Adjustment to Test Year Amortization of CIAC		1,400	NA_
15		TOTAL		1,400	NA
16	_	TANES OF THE THAN INCOME TAN			
	E	TAXES OTHER THAN INCOME TAX	•	50	NIA
18		Payroll tax adjustment On Salary & Wage adjustments explained above	\$	52 326	NA NA
19 20		Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant		(250)	INA
20 21		Property Tax adjustment for Non-Used & Useful plant		(26)	NA
22		TOTAL	<u>s</u>	103	NA NA
23		<del></del>	<del></del>		
	F	INCOME TAXES			
25		Income tax impact of the adjustments to per book income	_\$	(12,989)	NA
26		TOTAL	\$	(12,989)	NA
27					
28		TOTAL EXPENSE ADJUSTMENTS	\$	21,238	NA
29 30					
	UTILITY	PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
	A	NET OPERATING REVENUE			
34	••	Required Revenue Adjustment	\$	93,690	NA
35					
36	В	OPERATION & MAINTENANCE EXPENSE			
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$	280	NA
38					
	E	TAXES OTHER THAN INCOME TAX			
10		RAF on Revenue Adjustment @	4.500% \$	4,216	NA
11	_				
-	F	INCOME TAX ADJUSTMENT	_	1,700	***
43		Rate Year Revenue at Present Rates	S	16,380	NA
14 15		Plus Required Revenue Adjustment	<u>s</u>	93,690 110,070	NA NA
15 16		Rate Year Revenue at Proposed Rates	-	110,070	- IAV
ю 17		Less Operating Expenses Before Income Taxes	s	(113,829)	NA
* / 18		Less Interest Expense	₩	1,231	NA.
19		Taxable Income	\$	(2,528)	NA NA
50		Income Tax at Composite Rate of	38.575% \$	(975)	NA
51		Less Income Tax at Present Rates		35,382	NA.
52					
53		Income Tax Adjustment for Requested Revenue Increase	-	34,407	NA

ine ło.	Acct	Description		2007 Water	-	007 :wer
1		EAR ADJUSTMENTS - 2007				
2	Α	REVENUES				
3		Billed less Booked Revenue		\$ 269		
4		Billed less Booked Revenue		 	NA.	1
5		TOTAL REVENUE ADJUSTMENTS		\$ 269	N/	١.
6						
7	В	OPERATIONS & MAINTENANCE				
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (28)	\$	-
9	601/701	•	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	35		
0	603/703	Salaries & Wages - Officers, Exec.		-		
1	604/704	Employee Pensions & Benefits		-		
2	610/710	Purchased Water / Sewer Treatment		-		
3	NA /711	Sludge Removal Expense				
4	615/715	Purchased Power		-		
5	616/716	Fuel for Purchased Power		•		
	618/718	Chemicals		-		
7	620/720	Materials & Supplies		-		
8	631/731	Contractual Services - Engineering		•		
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	117		
0	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	23		
1	634/734	Contractual Services - Mgmt. Fees		-		
2	634/734			-		
!3	634/734			-		
4	635/735	Contractual Services - Testing		-		
5	636/736	Contractual Services - Other		-		
6	641/741	Rental of Building/Real Prop.		-		
7	642/742	Rental of Equipment		-		
8	650/750	Transportation Expenses		•		
9	656/756	Insurance - Vehicle		-		
0	657/757	Insurance - General Liability		-		
1	658/758	Insurance - Workman's Comp.		-		
_	659/759	Insurance - Other		•		
13	660/760	Advertising Expense		•		
	666/766	Reg. Comm. Exp Rate Case Amort.		•		
5	667/767	Reg. Comm. Exp Rate Case Other		•		
	670/770	Bad Debt Expense	N. P. BOOK C	(900)		
7	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(800)		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(67)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(43)		
0						
2		TOTAL O&M ADJUSTMENTS		\$ (763)	N/	_
3		TOTAL ORM ADJUSTMENTS		 (703)	- 11/	<u>.                                    </u>

ine Io.	Description		P	ro Forma Water	Pro Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, con	tinued			
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		\$	845	NA
4	Allocation of Corp Structures & I	mprovements		15	NA
5	PSC Audit Adjustments			-	NA
6	PSC Depr Rate Correction, Depr	Expn		•	NA
7	PSC Depr Rate Correction, Amor	CIAC		1,010	NA
8	Reduction for NU&U			(343)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	1,527	NA
10					
11					
2 D	AMORTIZATION				
3	To record annual amortization of	regulatory assets per order PSC-05-1242-PAA-WS	\$	467	NA
4	-				NA
5	TOTAL AMORTIZATION ADJU	JSTMENTS	\$	467	NA
6					
7					
8 E	TAXES OTHER THAN INCOM	ETAX			
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	S	12	NA
:0	Payroll tax adjustment	On Salary & Wage adjustments explained above		204	NA
21	Property tax adjustment			•	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(91)	NA
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	\$	124	NA
24					
25					
6 F	INCOME TAXES				
:7	Income tax impact of the adjustme	ents to per book income	\$	(542)	NA
8	TOTAL INCOME TAX ADJUST	MENTS	\$	(542)	NA
9					
0	TOTAL EXPENSE ADJUSTME	NTS	\$	813	NA

٩o.	Acct	Description		Water		Sev	ver
1	PRO FO	RMA ADJUSTMENTS			_		
2	A	REVENUES					
3			Aqua America Commission		25	\$ \$	
2		TOTAL DEVENILE ADMISTMENTS		\$ - \$ 2	25	NA NA	
3 4		TOTAL REVENUE ADJUSTMENTS			<u> </u>	- 11/1	
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 10	7	\$	
5	601/701		Market Based Increases	\$ 6	<b>i</b> 3	\$	
4	601/701			\$ -		\$	
5	601/701		Reduction in Meter Readers		19)	\$	
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (24	•	\$	
7	601/701		Reduce President Salary	\$ (11	3)	\$	
8	601/701			<b>S</b> -		\$ \$	
9	601/701			\$ - \$ -		s \$	
10	601/701	Salarias & Wages Officers Even		\$ -		\$	
11	603/703 604/704	Salaries & Wages - Officers, Exec. Employee Pensions & Benefits	Increase in Benefit costs/head in 2008		9	\$	
	604/704	Employee i chalona & Delicina	Remove Prior Period Expenses per Staff Audit Finding No. 10		(4)	Š	
13	610/710	Purchased Water / Sewer Treatment		\$ -		\$	
	NA /711	Sludge Removal Expense		\$ -		\$	
	615/715	Purchased Power		\$ -		\$	
16	616/716	Fuel for Purchased Power		<b>s</b> -		\$	
17	618/718	Chemicals		\$ -		\$	
18	620/720	Materials & Supplies		<b>\$</b> -		\$	
	631/731	Contractual Services - Engineering		<b>\$</b> -		S	
	632/732	Contractual Services - Accounting		\$ -	· • ·	\$	
	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10		(2)	\$	
	633/733	0 10		\$ - \$ -		\$ \$	
23		Contractual Services - Mgmt. Fees		\$ -		\$	
	634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customers	-	9)	\$	
26	634/734			s -		s	
27			Remove Excess Costs Charged from Affiliates	\$ (3,84	6)	\$	
	635/735	Contractual Services - Testing	<b>.</b>	\$ -		\$	
	636/736	Contractual Services - Other		\$ -		\$	
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (13	8)	\$	
31	636/736			\$ -		\$	
32	636/736			\$ -		\$	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10		(6)	\$	
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (8	34)	\$	
35	636/736			\$ -		\$	
	636/736			<b>s</b> -		\$	
37				\$ -		\$	
38	641/741	Rental of Building/Real Prop.		<b>S</b> -		\$	
	642/742	Rental of Equipment		\$ -		\$	
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 16	17	S	
	656/756	Insurance - Vehicle	n n d'a Nid Isa an P	\$ -	2	S	
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses		12)	\$	
	658/758	Insurance - Workman's Comp.		\$ - \$ -		S S	
	659/759	Insurance - Other		s -		\$	
	660/760	Advertising Expense	Remove Advertising Evnenses		(3)	\$	
16 17	660/760 660/760		Remove Advertising Expenses Remove Lobbying Expenses	\$ (10		\$	
	666/766	Reg. Comm. Exp Rate Case Amort.	Remove Loopying Expenses	\$ -	٠,	\$	
9	667/767	Reg. Comm. Exp Rate Case Athor:		\$ -		\$	
	670/770	Bad Debt Expense		\$ -		s	
51	670/770	•		\$ -		\$	
	670/770		Adjustment to Bad Debt	\$ (14	0)	\$	
	675/775	Miscellaneous Expense		<b>s</b> -		\$	
	675/775	-	Normalize Relocation Expenses		17)	\$	
	675/775		Remove Test Year Fines and Penalties		(4)	S	
			Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (	(0)	\$	
6	675/775		recitione that t cried Expenses per state reader than 5 1.0. 10	,	٠,		
	675/775		remove the Ferror Expenses per State Main Finance To	·	. ,		

	FORMA ADJUSTMENTS, continued			
ne	Description		Water	Sewe
0. C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		YY atci	Jewe
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	330	NA
}	Allocation of new corp. PCs and Network & Telephony enhancements	•	105	NA
,	Another of new corp. Tes and Network & Telephony enhancements		105	****
5				NA
, 5			_	
,	•			NA
1	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(45)	••••
•	Tomo to Bolt contains Enpoined into an extensive a per contains interest and intere		(,	NA
<b>)</b>	TOTAL	\$	390	- NA
0		· · · · · · · · · · · · · · · · · · ·		
1				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		(517)	NA
4	Remove U&U Adjustment to Test Year Amortization of CIAC			NA
5	TOTAL	\$	(515)	NA
6				
7 E	TAXES OTHER THAN INCOME TAX			
8	Payroll tax adjustment On Salary & Wage adjustments explained above	S	13	NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments		(16)	NA
0	Property taxes associated with Pro Forma plant		342	
1	Property Tax adjustment for Non-Used & Useful plant		(61)	NA
2	TOTAL	\$	279	NA
3		•		
4 F	INCOME TAXES			
5	Income tax impact of the adjustments to per book income	\$	1,541	NA
6	TOTAL	\$	1,541	NA
7		<u></u>		
8	TOTAL EXPENSE ADJUSTMENTS	\$	(2,912)	NA
9		•	•	
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
2	A TOTAL CONTRACTOR OF THE PARTY			
3 A	NET OPERATING REVENUE		(0.046)	- 374
4	Required Revenue Adjustment	<u>\$</u>	(8,246)	NA
5	OND AMON A LANDER LANDE ENDENIA			
6 B	OPERATION & MAINTENANCE EXPENSE	_	(25)	- 314
7 8	Bad Debt Adjustment Due To Proposed Rate Increase	3	(25)	NA NA
9 E	TAXES OTHER THAN INCOME TAX			
0	RAF on Revenue Adjustment @	4.500% \$	(371)	NA
i			<u> </u>	
2 F	INCOME TAX ADJUSTMENT			
3	Rate Year Revenue at Present Rates	s	25,050	NA
4	Plus Required Revenue Adjustment	•	(8,246)	NA
5	Rate Year Revenue at Proposed Rates	\$	16,804	NA NA
5			.0,007	
7	Less Operating Expenses Before Income Taxes	s	(14,472)	NA
8	Less Interest Expenses Serore income Taxes	•	(802)	NA.
9	Taxable Income	\$	1,530	NA NA
0	Income Tax at Composite Rate of	38.575% \$	590	NA NA
1	Less Income Tax at Present Rates	JU.J.J/8 9	(3,618)	NA.
2	Person the tay at the felt trains		(3,010)	11/1
2 3	Income Tax Adjustment for Requested Revenue Increase	2	(3,028)	NA
4	module tan requestion to requested notation motions	***************************************	(3,020)	****

S	k٧	CI	es

ine lo.	Acct	Description			2007 Vater	200 Sev	
1		CAR ADJUSTMENTS - 2007					
2	Α	REVENUES					
3		Billed less Booked Revenue		\$	(296)		
4		Billed less Booked Revenue				NA	
5		TOTAL REVENUE ADJUSTMENTS		\$	(296)	NA	
6							
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	78	\$	-
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		82		
0	603/703	Salaries & Wages - Officers, Exec.			-		
1	604/704	Employee Pensions & Benefits	•		-		
2	610/710	Purchased Water / Sewer Treatment			•		
3	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			-		
5	616/716	Fuel for Purchased Power			•		
	618/718	Chemicals			-		
7	620/720	Materials & Supplies			-		
8	631/731	Contractual Services - Engineering					
9	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		144		
0	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		29		
1	634/734	Contractual Services - Mgmt. Fees			-		
2	634/734				•		
3	634/734				-		
4		Contractual Services - Testing			•		
5	636/736	Contractual Services - Other			-		
	641/741	Rental of Building/Real Prop.			-		
7	642/742	Rental of Equipment			•		
8	650/750	Transportation Expenses			•		
9	656/756	Insurance - Vehicle			•		
0	657/757	Insurance - General Liability			•		
1	658/758	Insurance - Workman's Comp.			-		
_	659/759 660/760	Insurance - Other			•		
3		Advertising Expense			-		
4	666/766 667/767	Reg. Comm. Exp Rate Case Amort.			-		
5	670/770	Reg. Comm. Exp Rate Case Other Bad Debt Expense			-		
o 7	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		4,292		
	675/775	iviiscenaileous Expense	Normalize 2007 Intercompany misallocation of a/c 426 to		(82)		
0	0/3///3		Operating Expenses				
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(53)		
0							
1		TOTAL CALL DELICES (DVC)			4.490	N/A	
2		TOTAL O&M ADJUSTMENTS		<u>\$</u>	4,489	NA	_

## Aqua Utilities Florida, Inc. Expense Adjustments Skycrest

ine	<b></b>			o Forma Water	Pro Form Sewer
lo.	Description YEAR ADJUSTMENTS - 2007, conf	1		water	Sewer
1 1 <b>ES</b> 1 2 C		RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	ATIZATION OF CIAC (OSCI & OSCIAI)	s	1.041	NA
3 A	Allocation of Corp Structures & Ir	nnrovemente	•	18	NA
5	PSC Audit Adjustments	iprovements			NA
6	PSC Depr Rate Correction, Depr E	ernn		37	NA
7	PSC Depr Rate Correction, Amort			1,035	NA
, 8	Reduction for NU&U			(2,415)	NA
9	TOTAL DEPRECIATION ADJUS	STMENTS	\$	(284)	NA
0					
11					
2 D	AMORTIZATION				
3	To record annual amortization of r	egulatory assets per order PSC-05-1242-PAA-WS	\$	635	NA
4	•			-	NA
5	TOTAL AMORTIZATION ADJU	STMENTS	\$	635	NA
16					
7					
8 E	TAXES OTHER THAN INCOME	ETAX			
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(13)	NA
:0	Payroll tax adjustment	On Salary & Wage adjustments explained above		268	NA
:1	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(659)	NA
23	TOTAL TAXES OTHER THAN	NCOME ADJUSTMENTS	S	(404)	NA
24					
25					
6 F	INCOME TAXES				
27	Income tax impact of the adjustme		<u>s</u>	(2,592)	NA
8	TOTAL INCOME TAX ADJUST	MENTS	S	(2,592)	NA
9					
0	TOTAL EXPENSE ADJUSTMEN	VTS	\$	1,843	NA

#### Aqua Utilities Florida, Inc. Expense Adjustments Skycrest

o. Acct	Description		W	ater	Se	ewer
	RMA ADJUSTMENTS					
Α	REVENUES					
		Aqua America Commission	\$	31	\$	
			\$		\$	
	TOTAL REVENUE ADJUSTMENTS		\$	31_	N/	۸
B 601/701	OPERATIONS & MAINTENANCE					
601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	248	\$	
601/701		Market Based Increases	\$	189	\$	
601/701		Lake County Facility Operator II	\$	46	\$	
601/701		n to the take not	\$	-	\$	
601/701 601/701		Reduction in Meter Readers	\$ \$	(48)	S	
		Remove Carl Smith Salary - Acquisition Related	\$ \$	(300)	\$ \$	
601/701		Reduce President Salary	\$	(139)	\$	
601/701			s \$	-	\$	
603/703	Salaries & Wages - Officers, Exec.		\$		\$	
604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	Š	258	\$	
604/704	amproject customs to Dellettis	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(5)	S	
610/710	Purchased Water / Sewer Treatment		Š	- (3)	\$	
NA /711	Sludge Removal Expense		\$	-	Š	
615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing	\$	(10)	S	
616/716	Fuel for Purchased Power		\$	-	\$	
618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing	Š	(2)	\$	
620/720	Materials & Supplies		S	- (2)	\$	
631/731	Contractual Services - Engineering		Š	-	Š	
632/732	Contractual Services - Accounting		Š	-	Š	
633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(2)	Š	
633/733	Commenced box vious Logar	Transfer From Lands Superiors per State Classic Classic Control of the Control of	Š	- (-)	Š	
634/734	Contractual Services - Mgmt. Fees		Š	-	Š	
634/734	Contracted borvious Highli. 1 000		Š	_	s	
634/734		Service Co. allocation adjustment for dual Water/Sewer customers	s <b>S</b>	(195)	\$	
634/734			\$	-	\$	
634/734		Remove Excess Costs Charged from Affiliates	\$	(4,739)	\$	
635/735	Contractual Services - Testing		\$	-	S	
636/736	Contractual Services - Other	100 11 11 11 11 11 11	\$	-	\$	
636/736		ACO allocation adjustment for dual Water/Sewer customers	S	(170)	S	
636/736			\$	-	\$	
636/736		Demand Daire Desired Francesco and Cardio Audio Binding No. 10	\$ \$	(22)	S S	
636/736 636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10 Disallow Shareholders Services Expenses per Staff Audit Finding No. 12		(32) (103)	\$	
636/736		110.16	\$		s	
636/736			Š	_	Š	
636/736			\$	-	Š	
641/741	Rental of Building/Real Prop.		Š	-	Š	
642/742	Rental of Equipment		S	-	\$	
650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	206	\$	
656/756	Insurance - Vehicle	-	\$	-	\$	
657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	S	(40)	\$	
658/758	Insurance - Workman's Comp.	•	\$	-	\$	
659/759	Insurance - Other		\$	-	S	
660/760	Advertising Expense		S	-	\$	
660/760		Remove Advertising Expenses	\$	(3)	\$	
660/760		Remove Lobbying Expenses	S	(126)	\$	
666/766	Reg. Comm. Exp Rate Case Amort.		s	-	\$	
667/767	Reg. Comm. Exp Rate Case Other		S	-	\$	
670/770	Bad Debt Expense		\$	-	\$	
670/770		Adicatorant to Bod Dalet	\$	(0.00)	\$	
670/770	Minadana Pana	Adjustment to Bad Debt	\$	(879)	S	
675/775	Miscellaneous Expense	Name ding Balanstine Frances	S		\$	
675/775		Normalize Relocation Expenses	S	(46)	S	
675/775 675/775		Remove Test Year Fines and Penalties Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(84)	\$ \$	
013/1/3		remote their renou Expenses per stair Audit Finding No. 10		(0)	•	

## Aqua Utilities Florida, Inc. Expense Adjustments Skycrest

	FORMA ADJUSTMENTS, continued			
ne o.	Description		Water	Sewe
1 C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)	· · · · · · · · · · · · · · · · · · ·		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	464	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements		130	NA
4	·			
5				NA
6			-	
7				NA
В	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(56)	
				NA
9	TOTAL	\$	538	NA
0	TOTAL	<u> </u>	330	
1				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		(611)	NA
4	Remove U&U Adjustment to Test Year Amortization of CIAC		(311)	NA
5	TOTAL	\$	(611)	NA
6	1011E		(0.1)	
7 E	TAXES OTHER THAN INCOME TAX			
8 8	Payroll tax adjustment On Salary & Wage adjustments explained above	s	34	NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments	•	(75)	NA
0	Property taxes associated with Pro Forma plant		423	
:1	Property Tax adjustment for Non-Used & Useful plant		(120)	NA
2	TOTAL	\$	262	NA
3	101/M			****
3 4 F	INCOME TAXES			
	Income tax impact of the adjustments to per book income	2.	2,006	NA
.5	TOTAL	2	2,006	NA NA
7	TOTAL			
:8	TOTAL EXPENSE ADJUSTMENTS	<u> </u>	(3,784)	NA
9		-		
0				
	LITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
2 3 A	NET OPERATING REVENUE			
4	Required Revenue Adjustment	\$	(10,990)	NA
5			<del></del>	
6 B	OPERATION & MAINTENANCE EXPENSE			
7	Bad Debt Adjustment Due To Proposed Rate Increase	\$	(33)	NA
8	· · · · · · · · · · · · · · · · · · ·			
9 E	TAXES OTHER THAN INCOME TAX			
0	RAF on Revenue Adjustment @	4.500% \$	(495)	NA
1	. •			
2 F	INCOME TAX ADJUSTMENT			
3	Rate Year Revenue at Present Rates	\$	51,922	NA
4	Plus Required Revenue Adjustment		(10,990)	NA.
5	Rate Year Revenue at Proposed Rates	\$	40,932	NA
6	•			
7	Less Operating Expenses Before Income Taxes	\$	(33,343)	NA
8	Less Interest Expense	***************************************	(2,608)	NA
9	Taxable Income	S	4,981	NA
0	Income Tax at Composite Rate of	38.575% \$	1,921	NA
ı	Less Income Tax at Present Rates		(5,957)	NA
2				
3	Income Tax Adjustment for Requested Revenue Increase	\$	(4,036)	NA
4	•			

ine No.	Acct	Description		2007 Water		07 wer
1		EAR ADJUSTMENTS - 2007				
2	A	REVENUES				
3		Billed less Booked Revenue		\$ (2,856)		
4		Billed less Booked Revenue			NA	
5		TOTAL REVENUE ADJUSTMENTS		\$ (2,856)	NA	
6				 		
7	В	OPERATIONS & MAINTENANCE				
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (3,114)	\$	
9	601/701	•	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	711		
10	603/703	Salaries & Wages - Officers, Exec.		-		
1	604/704	Employee Pensions & Benefits		•		
2	610/710	Purchased Water / Sewer Treatment		-		
3	NA /711	Sludge Removal Expense				
4	615/715	Purchased Power		-		
5	616/716	Fuel for Purchased Power		-		
	618/718	Chemicals		-		
17	620/720	Materials & Supplies		•		
18	631/731	Contractual Services - Engineering		•		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	1,910		
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	377		
	634/734	Contractual Services - Mgmt. Fees		-		
	634/734			-		
	634/734			-		
	635/735	Contractual Services - Testing		-		
	636/736	Contractual Services - Other		-		
	641/741	Rental of Building/Real Prop.		-		
	642/742	Rental of Equipment		-		
	650/750	Transportation Expenses		-		
	656/756	Insurance - Vehicle		-		
	657/757	Insurance - General Liability		-		
-	658/758	Insurance - Workman's Comp.		-		
_	659/759	Insurance - Other		-		
	660/760	Advertising Expense		•		
	666/766	Reg. Comm. Exp Rate Case Amort.		-		
	667/767	Reg. Comm. Exp Rate Case Other		•		
	670/770	Bad Debt Expense				
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	78,606		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(1,091)		
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(701)		
10		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals	(95)		
11 12		TOTAL O&M ADJUSTMENTS		\$ 76,604	NA	

ine	Description		I	ro Forma Water	Pro Form Sewer
lo.	YEAR ADJUSTMENTS - 2007, con	4d		Water	Sewei
2 C		RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	RIZATION OF CIAC (OSCI & OSCIAI)	s	13,746	NA
4	Allocation of Corp Structures & I	mnrovements	4	236	NA
5	PSC Audit Adjustments	mprovenents			NA
6	PSC Depr Rate Correction, Depr l	evnn		(1,668)	NA
7	PSC Depr Rate Correction, Amon			844	NA
8	Reduction for NU&U	iene		(5,536)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	<u>s</u>	7,621	NA NA
10	TOTAL BLI RECIRTION TIBSE	JINID. 110		1,521	
11					
12 D	AMORTIZATION				
3		regulatory assets per order PSC-05-1242-PAA-WS	S	9,909	NA
4	-	ogulatory association of the contract of the c	•	•	NA
15	TOTAL AMORTIZATION ADJ	ISTMENTS	S	9,909	NA
16					
17					
18 E	TAXES OTHER THAN INCOM	ETAX			
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(186)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		3,017	NA
21	Property tax adjustment				NA
22	Property tax adjustment	NU&U portion of Property Taxes		(1,299)	NA
23	TOTAL TAXES OTHER THAN		\$	1,532	NA
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	ents to per book income	S	(47,069)	NA
8	TOTAL INCOME TAX ADJUST		S	(47,069)	NA
29					
30	TOTAL EXPENSE ADJUSTME	NTS	S	48,597	NA

0.	Acct	Description		Wate	er.	S	Sewer
<u>.</u>		RMA ADJUSTMENTS		1,000			
!	A	REVENUES					
,			Aqua America Commission	\$	409	\$	
!			•	\$	-	\$	
		TOTAL REVENUE ADJUSTMENTS		\$	409	N	A
ļ							
	В	OPERATIONS & MAINTENANCE					
ļ	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	2,154	\$	
,	601/701		Market Based Increases	S	914	\$	
	601/701		Lake County Facility Operator II	\$	6,631	\$	
	601/701		Budanda California Bandana	\$ \$	(620)	S	
,	601/701		Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	s \$	(639) (3,971)	\$ \$	
	601/701 601/701		Reduce President Salary	\$	(1,842)	\$	
,	601/701		reduce i resident Salary	\$	(1,042)	\$	
	601/701			\$	_	\$	
1	603/703	Salaries & Wages - Officers, Exec.		Š	_	\$	
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	1,036	\$	
•	604/704	,	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(65)	\$	
3	610/710	Purchased Water / Sewer Treatment		\$	-	\$	
	NA /711	Sludge Removal Expense		\$	-	\$	
	615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing	\$	(1,360)	\$	
	616/716	Fuel for Purchased Power		\$	-	\$	
7	618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing	S	(79)	\$	
8	620/720	Materials & Supplies		\$	-	\$	
9	631/731	Contractual Services - Engineering		\$	-	\$	
0	632/732	Contractual Services - Accounting		\$	-	\$	
l	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(27)	\$	
	633/733			\$	-	\$	
	634/734	Contractual Services - Mgmt. Fees		\$	-	\$	
	634/734			\$	•	\$	
5	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$	(2,580)	\$	
5	634/734			\$	•	\$	
7	634/734		Remove Excess Costs Charged from Affiliates	\$	(62,581)	\$	
	635/735	Contractual Services - Testing		\$	-	\$	
	636/736	Contractual Services - Other		\$	-	\$	
	636/736		ACO allocation adjustment for dual Water/Sewer customers	S	(2,245)	S	
	636/736		TIL 1 - 0/0 0 - 1 - 1 - 1	\$	-	\$	
	636/736		Eliminate O/S Contractor meter reading	\$	(13,280)	\$	
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(427)	S	
4	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	3	(1,364)	3	
•	636/736		140.12	s	_	\$	
	636/736			Š	-	s	
	636/736			s	-	\$	
	641/741	Rental of Building/Real Prop.		\$	•	\$	
	642/742	Rental of Equipment		\$	-	\$	
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	2,718	\$	
ı	656/756	Insurance - Vehicle		\$	-	\$	
2	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(526)	\$	
	658/758	Insurance - Workman's Comp.		\$	-	\$	
	659/759	Insurance - Other		\$	•	\$	
	660/760	Advertising Expense		\$	-	\$	
	660/760		Remove Advertising Expenses	\$	(45)	S	
	660/760	Bas Comm Fun Bas Com t	Remove Lobbying Expenses	\$ \$	(1,672)	S	
	666/766 667/767	Reg. Comm. Exp Rate Case Amort. Reg. Comm. Exp Rate Case Other		S	-	\$ \$	
	670/770	Bad Debt Expense	· ·	S		S	
	670/770	Data Deut Expense		Š		S	
	670/770		Adjustment to Bad Debt	Š	(1,585)	Š	
	675/775	Miscellaneous Expense	· agreement to bid boot	\$		S	
	675/775		Normalize Relocation Expenses	Š	(604)	Š	
	675/775		Remove Test Year Fines and Penalties	š	(1,010)	\$	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	Š	(1)	Š	
5							
,	0/3/1/3						

ie	FORMA ADJUSTMENTS, continued			
1 <b>e</b> ).	Description		Water	Sewe
C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	5,293	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		1,713	NA
	, ,		´ •	
				NA
			-	
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(737)	
				NA
	TOTAL	\$	6,269	NA
)				
	AMORTIZATION			
. D	AMORTIZATION		(2.600)	NIA
}	Correct Test Year Amortization of CIAC		(3,688)	NA
}	Remove U&U Adjustment to Test Year Amortization of CIAC		(2.600)	NA NA
<b>.</b>	TOTAL	<u>s</u>	(3,688)	NA
, <sub>E</sub>	TAVES OTHER THAN INCOME TAV			
E	TAXES OTHER THAN INCOME TAX	s	243	NA
5 )	Payroll tax adjustment On Salary & Wage adjustments explained above	2	243 641	NA NA
	Property taxes associated with 2007 plant additions, allocations, adjustments			NA
)	Property taxes associated with Pro Forma plant		5,698	214
	Property Tax adjustment for Non-Used & Useful plant	<u> </u>	(469)	NA NA
}	TOTAL	7	6,113	NA
	DICOMP TAVES			
F	INCOME TAXES	•	26.201	B.T.A
<b>;</b>	Income tax impact of the adjustments to per book income	3	25,281	NA NA
<u>,</u>	TOTAL	<u> </u>	25,281	NA_
, 	TOTAL EXPENSE ADJUSTMENTS	<u></u>	(49.477)	NA NA
	TOTAL EXPENSE ADJUSTMENTS	3	(48,477)	NA
	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
	•			
Α .	NET OPERATING REVENUE			
	Required Revenue Adjustment	\$	(36,918)	NA
В	OPERATION & MAINTENANCE EXPENSE			
	Bad Debt Adjustment Due To Proposed Rate Increase	\$	(110)	NA
E	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4.500%_\$	(1,661)	NA
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	\$	532,838	NA
	Plus Required Revenue Adjustment		(36,918)	NA
	Rate Year Revenue at Proposed Rates	\$	495,919	NA
	Less Operating Expenses Before Income Taxes	\$	(383,128)	NA
	Less Interest Expense		(37,988)	NA_
	Taxable Income	\$	74,803	NA
	Income Tax at Composite Rate of	38.575% \$	28,855	NA
	Less Income Tax at Present Rates		(42,413)	NA
	Income Tax Adjustment for Requested Revenue Increase	S	(13,558)	NA
	•			

Line No.	Acct	Description		2007 Water		007 ewer
1		CAR ADJUSTMENTS - 2007				
2	A	REVENUES				
3		Billed less Booked Revenue		\$ (306)		
4		Billed less Booked Revenue		 	\$	(240)
5		TOTAL REVENUE ADJUSTMENTS		\$ (306)	S	(240)
6						
7	В	OPERATIONS & MAINTENANCE				
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 949	\$	(103
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	144		160
10	603/703	Salaries & Wages - Officers, Exec.		-		-
11	604/704	Employee Pensions & Benefits		-		-
12	610/710	Purchased Water / Sewer Treatment		-		-
13	NA /711	Sludge Removal Expense				-
14	615/715	Purchased Power		-		-
15	616/716	Fuel for Purchased Power		-		-
16	618/718	Chemicals		=		-
17	620/720	Materials & Supplies		-		-
18	631/731	Contractual Services - Engineering		-		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	261		258
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	51		51
21		Contractual Services - Mgmt. Fees		-		-
22	634/734			-		-
23	634/734			-		-
24	635/735	Contractual Services - Testing		•		-
25	636/736	Contractual Services - Other		-		-
	641/741	Rental of Building/Real Prop.		-		-
27	642/742	Rental of Equipment		-		-
28	650/750	Transportation Expenses		-		•
29	656/756	Insurance - Vehicle		-		-
30	657/757	Insurance - General Liability		-		-
31	658/758	Insurance - Workman's Comp.		-		•
32	659/759	Insurance - Other		•		-
33	660/760	Advertising Expense		•		-
34	666/766	Reg. Comm. Exp Rate Case Amort.		-		•
35		Reg. Comm. Exp Rate Case Other		-		-
36	670/770	Bad Debt Expense	N. I. COOT.	11.000		(66,801
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(149)		(148
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(149)		(170
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(96)		(95
40		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals	(830)		
41		Excess I&I adjustment for Purchased Trea		 		(2,110
42		TOTAL O&M ADJUSTMENTS		\$ 11,332	\$	(68,788

Line No.	Description		P	ro Forma Water		ro Forma Sewer
	YEAR ADJUSTMENTS - 2007, con	tinued				-, ,
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	1,877	S	1,860
4	Allocation of Corp Structures & Is	nprovements		32		32
5				-		-
6	PSC Depr Rate Correction, Depr I	Expn		(2,869)		4,250
7	PSC Depr Rate Correction, Amor	CIAC		(79)		(37,635)
8	Reduction for NU&U			(938)		11,205
9	TOTAL DEPRECIATION ADJU	STMENTS	_\$	(1,976)		(20,288)
10						
11						
12 D	AMORTIZATION		_		_	
13			\$	-	\$	-
14	·	VACTA (Tr			_	-
15	TOTAL AMORTIZATION ADJU	ISTMENTS			_\$_	
16						
17	TAXES OTHER THAN INCOM	TAV				
18 E 19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(14)	s	(11)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	J	540		459
21	Property tax adjustment	Distributing from Water to Water & Sewer		(880)		880
22	Property tax adjustment	NU&U portion of Property Taxes		(322)		(74)
23	TOTAL TAXES OTHER THAN		-\$	(675)	\$	1,254
24	TOTAL TAKES OTTER THEIR	TOOME RESCONNESS		(0.17)		
25						
26 F	INCOME TAXES					
27	Income tax impact of the adjustme	ents to per book income	\$	(4,034)	\$	33,311
28	TOTAL INCOME TAX ADJUST		\$	(4,034)	\$	33,311
29						
30	TOTAL EXPENSE ADJUSTMEN	VTS	\$	4,647	\$	(54,512)

No	. Acct	Description		W	ater		Sewer
1	PRO FO	RMA ADJUSTMENTS			<u> </u>		
2	A	REVENUES		_		_	
3			Aqua America Commission	\$	56	\$	55
2		TOTAL REVENUE ADJUSTMENTS		\$	56	\$	55
4		TOTAL REVENUE ADJUSTMENTS					- 33
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	437	\$	483
5	601/701		Market Based Increases	\$	347	\$	337
4	601/701		Lake County Facility Operator II	\$	238	\$	-
5	601/701		P. L. Carlotta, Parks	\$	-	S	-
6 7	601/701 601/701		Reduction in Meter Readers Remove Carl Smith Salary - Acquisition Related	\$ \$	(87)	S S	(623
8	601/701		Reduce President Salary	\$	(543) (252)	\$	(249
9	601/701		Acade Freshaem Salay	Š	-	\$	(24)
10				\$	-	s	_
11	603/703	Salaries & Wages - Officers, Exec.		\$	-	\$	-
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	391	\$	482
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(9)	\$	(9)
	610/710	Purchased Water / Sewer Treatment		\$	-	\$	-
	NA /711	Sludge Removal Expense		S	-	\$	-
15		Purchased Power	A E annual to E al Co. Por an Built of the Co. E al Co.	\$	(00.4)	\$	-
10	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	(284)	\$	-
17	618/718	Chemicals		s	_	\$	
18		Materials & Supplies		S	-	\$	
19		Contractual Services - Engineering	Adjustment to Deferred Maintenance	S	-	\$	(188
20		Contractual Services - Accounting	,	Š	-	\$	-
21		Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(4)	\$	(4)
22	633/733	· ·		\$	• •	\$	-`
23	634/734	Contractual Services - Mgmt. Fees		\$	-	\$	-
24	634/734			\$	-	\$	-
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	s \$	(353)	\$	(349)
26	634/734			\$	-	S	-
27			Remove Excess Costs Charged from Affiliates	\$	(8,546)	\$	(8,468)
	635/735	Contractual Services - Testing		\$	-	\$	-
29		Contractual Services - Other		\$	-	\$	-
30			ACO allocation adjustment for dual Water/Sewer customers	\$	(307)	S	(304)
31				\$ \$	-	S	-
32 33			Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(58)	S	(58)
	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No. 12		(186)	\$	(184)
35	636/736		Adjustment to Deferred Maintenance	\$	-	S	(158)
	636/736		•	\$	-	\$	`-
37	636/736			\$	•	\$	-
38		Rental of Building/Real Prop.		S	-	\$	-
39		Rental of Equipment	A.V 6 1. 60.00/ 1	S	-	S	-
40		Transportation Expenses	Adjust fuel to \$3.36/gal	S	371	S	367
11		Insurance - Vehicle	Damana Europatina Diek Ingurar E	\$ \$	- /70\	\$ \$	- /71
12 13	657/757 658/758	Insurance - General Liability Insurance - Workman's Comp.	Remove Executive Risk Insurance Expenses	S	(72)	\$	(71)
13 14		Insurance - Workman's Comp. Insurance - Other		\$	•	\$	-
15	660/760	Advertising Expense		\$		\$	-
16		Tio Tollioning Expense	Remove Advertising Expenses	Š	(6)	\$	(6)
17	660/760		Remove Lobbying Expenses	\$	(228)	S	(226)
18		Reg. Comm. Exp Rate Case Amort.		\$	-	\$	-
9	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	-
0		Bad Debt Expense		\$	•	\$	-
1				S	-	S	-
	670/770	1. T. T.	Adjustment to Bad Debt	\$	(668)	\$	(197)
	675/775	Miscellaneous Expense	Namualina Balanatian Frances	S	- (02)	\$	-
4			Normalize Relocation Expenses Remove Test Year Fines and Penalties	\$ \$	(83) (63)	\$ \$	(82) (55)
5 6			Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(0)	\$	(0)
7	313/113		ASSESSED THOSE ESTIMATE PROPERTY AND ASSESSED ASSESSEDA ASSESSED ASSESSED ASSESSED ASSESSED ASSESSED ASSESSED ASSESSEDANCE ASSESSED ASSESSEDANCE ASSESSEDANCE ASSESSEDANCE ASSESSEDANCE	•	(0)	-	(0)
8							
,o ;9		TOTAL O&M ADJUSTMENTS		S	(9,963)	\$	(9,561)

	FORMA ADJUSTMENTS, continued				
ne			•••		_
). C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water		Sewer
!	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	916	NA	
	Allocation of new corp. PCs and Network & Telephony enhancements	•	234	1471	23
	2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		254		
,			-		
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(101)		
					(1)
	TOTAL	<u>s</u>	1,050	<u>s</u>	1
)	IOIAL		1,030	-3	1.
ĺ					
2 D	AMORTIZATION				
3	Correct Test Year Amortization of CIAC		-		
<b>\$</b>	Remove U&U Adjustment to Test Year Amortization of CIAC		-		
5	TOTAL	\$		\$	
5		\ <u>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</u>			
7 E	TAXES OTHER THAN INCOME TAX				
3	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	61	\$	
•	Property taxes associated with 2007 plant additions, allocations, adjustments		(3,532)		1,0
	Property taxes associated with Pro Forma plant		780		
!	Property Tax adjustment for Non-Used & Useful plant		404	_	
2	TOTAL	\$	(2,287)	<u>\$</u>	1,0
} } F	INCOME TAXES				
, r	Income tax impact of the adjustments to per book income	•	3,861	•	3,30
, 5	TOTAL	<del></del>	3,861	<u>\$</u>	3,3
í	IOIAL	<del></del>	3,661		3,30
3	TOTAL EXPENSE ADJUSTMENTS	2	(7,339)	\$	(4,9
)		-	(1,000)		177
·					
UTIL	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
. A	NET OPERATING REVENUE				
	Required Revenue Adjustment	S	18,759	<u>s</u>	4,29
i	•	<del></del>			
В	OPERATION & MAINTENANCE EXPENSE				
'	Bad Debt Adjustment Due To Proposed Rate Increase	\$	56	\$	
i					
E	TAXES OTHER THAN INCOME TAX				
)	RAF on Revenue Adjustment @	4.500% \$	844	<u>s</u>	
	BIOOME TAN A SHI IOTH ITS IT				
F	INCOME TAX ADJUSTMENT	\$	42.051		41.00
i L	Rate Year Revenue at Present Rates Plus Required Revenue Adjustment	3	43,051 18.750	\$	41,82
	Rate Year Revenue at Proposed Rates	<u> </u>	18,759 61,810	\$	46,12
		<del>-3</del>	31,010		70,1
	Less Operating Expenses Before Income Taxes	s	(54,144)	s	(43,5
	Less Interest Expense	•	(2,583)	-	(8)
)	Taxable Income	\$	5,083	\$	1,72
)	Income Tax at Composite Rate of	38.575% \$	1,961	s	60
	Less Income Tax at Present Rates		4,928		9
	Income Tax Adjustment for Requested Revenue Increase	S	6,889	\$	1,5
		****			

ine					2007	20	
lo.	Acct	Description			Water	Sev	ver
1		EAR ADJUSTMENTS - 2007					
2	Α	REVENUES			_		
3		Billed less Booked Revenue		\$	2	NT.A	
4		Billed less Booked Revenue				NA NA	
5		TOTAL REVENUE ADJUSTMENTS		\$	2	<u>NA</u>	
6							
7	В	OPERATIONS & MAINTENANCE	N	•	(143)	\$	
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	(143)	3	
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		43		
0	603/703	Salaries & Wages - Officers, Exec.			•		
11	604/704	Employee Pensions & Benefits			•		
	610/710	Purchased Water / Sewer Treatment			-		
	NA /711	Sludge Removal Expense					
14	615/715	Purchased Power			-		
15	616/716	Fuel for Purchased Power			•		
16	618/718	Chemicals			-		
	620/720	Materials & Supplies			-		
18	631/731	Contractual Services - Engineering			-		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		12		
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		2		
21	634/734	Contractual Services - Mgmt. Fees			-		
22	634/734				-		
23	634/734				-		
24	635/735	Contractual Services - Testing			-		
25	636/736	Contractual Services - Other			-		
26	641/741	Rental of Building/Real Prop.			-		
27	642/742	Rental of Equipment			•		
28	650/750	Transportation Expenses			-		
29	656/756	Insurance - Vehicle			-		
30	657/757	Insurance - General Liability			-		
31	658/758	Insurance - Workman's Comp.			-		
	659/759	Insurance - Other			-		
33	660/760	Advertising Expense			-		
34	666/766	Reg. Comm. Exp Rate Case Amort.			•		
	667/767	Reg. Comm. Exp Rate Case Other			=		
	670/770	Bad Debt Expense	The second secon		(2.500)		
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(2,599)		
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(7)		
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(4)		
40							
41 42		TOTAL O&M ADJUSTMENTS		\$	(2,696)	NA	_
42 43		TOTAL OWN ADJOSTMENTS		<del>-</del>	(2,50)		_

ine Io.	Description		P	ro Forma Water	Pro Forma
	YEAR ADJUSTMENTS - 2007, cont	inued			
2 C	DEPRECIATION NET OF AMOU	RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		\$	85	NA
4	Allocation of Corp Structures & Ir	nprovements		1	NA
5	PSC Audit Adjustments			-	NA
6	PSC Depr Rate Correction, Depr E	Expn		4	NA
7	PSC Depr Rate Correction, Amort	CIAC		346	NA
8	Reduction for NU&U			(115)	NA
9	TOTAL DEPRECIATION ADJUS	STMENTS	\$	322	NA
0					
1					
2 D	AMORTIZATION				
3	To record annual amortization of r	egulatory assets per order PSC-05-1242-PAA-WS	\$	42	NA
14	-				NA
5	TOTAL AMORTIZATION ADJU	STMENTS	S	42	NA
6			<u></u>		
7					
8 E	TAXES OTHER THAN INCOME	ETAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	0	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		13	NA
21	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(33)	NA
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	S	(20)	NA
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	nts to per book income	<u> </u>	868	NA
28	TOTAL INCOME TAX ADJUST	MENTS	\$	868	NA
29			<del></del>		
10	TOTAL EXPENSE ADJUSTMEN	VTS	\$	(1,484)	NA

A REVENUES	o. Acct	Description	•	Water		Sev	νег
TOTAL REVENUE ADJUSTMENTS					—		
TOTAL REVENUE ADJUSTMENTS   S 3 3 NA   NA	Α.	REVENUES					
### OPERATIONS & MAINTENANCE    OPERATIONS & MAINTENANCE   Stairie & Wages - Employees   A0% Wage increase effective 4/108   Stairie & Wages - Employees   A0% Wage increase effective 4/108   Stairie & Wages - Employees   A0% Wage increase effective 4/108   Stairie & Wages - Employees   A0% Wage increase effective 4/108   Stairie & Wages - Employees   A0% Wage increase effective 4/108   Stairie & Wages - Employees   A0% Wage increase effective 4/108   Stairie & Wages - Collection of Market Based Location Facility Operator II   Stairie & Collection of Wages - Collection Wages - Collection of Wages - Collection of Wages - Collection			Aqua America Commission	\$	3	\$	
Section   Sect	:			\$	-	\$	
B   OPERATIONS & MAINTENANCE		TOTAL REVENUE ADJUSTMENTS		\$	3	NA	_
Market Based Increases   S   152   S							
Sol   Fig.   Sol		Salaries & Wages - Employees					
Solition							
Sol   Colling   Reduction in Meter Readers   Sol   S			Lake County Facility Operator II				
Service Co. allocation adjustment for dual Water/Sewer customers   Service Co. allocation adjustment							
Solition							
Sol							
661/701			Reduce President Salary		(11)		
603/703   Salaries & Wages - Officers, Exec.					-		
2,604/704   Employee Pensions & Benefits   Increase in Benefit costs/head in 2008   S   168   S   604/704   For Charles   S   C   S   S   604/704   For Charles   S   C   S   S   615/15   Purchased Water / Sever Treatment   NA/711   Studge Removal Expense   S   C   S   S   615/15   Purchased Power   S   C   S   S   C   S   S   615/15   Purchased Power   S   C   S   S   C   S   615/15   Purchased Power   S   C   S   S   C   S   S   C		Colories & Wasse Officers From			-		
G00/704			Increase in Benefit costs/head in 2008		160		
Social   S		Employee rensions & Denems					
NA/711   Sludge Removal Expense   \$   - \$		Purchased Water / Sewar Treatment	Remove From Feriou Expenses per Stati Addit Finding 140. 10		(U)		
5   5   5   5   5   5   5   5   5   5					_		
5 (16716   Fuel for Purchased Power     5   - 5					_		
618/118   Chemicals   S   - S     631/731   Contractual Services - Engineering   S   - S     631/732   Contractual Services - Accounting   S   - S     632/732   Contractual Services - Accounting   S   - S     632/733   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     634/734   Contractual Services - Mgmt Fees   S   - S     634/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   - S     634/734   Service Scots Charged from Affiliates   S   - S     634/734   Service Scots Charged from Affiliates   S   - S     634/735   Contractual Services - Testing     636/736   Contractual Services - Other     636/736   Goldania							
G01/73    Contractual Services - Engineering   S   S   S   S   S   S   S   S   S					_		
631/732   Contractual Services - Engineering   S   - S     632/733   Contractual Services - Accounting   S   - S     633/733   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     634/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   - S     634/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   - S     634/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   - S     634/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   - S     634/735   Contractual Services - Testing   S   - S     635/735   Contractual Services - Other     636/736   ACO allocation adjustment for dual Water/Sewer customers   S   (14)   S     636/736   Service Co. allocation adjustment for dual Water/Sewer customers   S   (14)   S     636/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   S     636/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   S     636/736   Service Co. allocation adjustment for dual Water/Sewer customers   S   (14)   S     636/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     636/736   Service Co. allocation adjustment for dual Water/Sewer customers   S   (14)   S     636/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     636/736   Service Expenses per Staff Audit Finding No. 10   S     636/736   Service Expenses per Staff Audit Finding No. 10   S     636/736   Service Expenses per Staff Audit Finding No. 10   S     636/736   Service Expenses per Staff Audit Finding No. 10   S     636/736   Service Expenses per Staff Audit Finding No. 10   S     636/736   Service Expenses per Staff Audit Finding No. 10   S     636/736   Service Expenses per Staff Audit Finding No. 10   S     636/736   Service Expenses   S   S     5							
632773   Contractual Services - Accounting   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   Contractual Services - Mgmt. Fees   S   Contractual Services - Testing   S   Contractual Services - Testing   Contractual Services - Testing   Contractual Services - Other   Contractual Services - Contractual Service				•	_		
633/733   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   \$   \$   \$   \$   \$   \$   \$   \$   \$					-		
6347734   Contractual Services - Mgmt. Fees   S   - S		-	Pamova Prior Pariod Evnances per Stoff Audit Finding No. 10		· (0)		
G34/734   Contractual Services - Mgmt. Fees   S   G34/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   G34/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   G34/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   G38/8   S   G34/735   S   G35/735   Contractual Services - Other   S   G38/736   S   G36/736   S		Contractual Services - Legal	Remove that teriod Expenses per Statt Addit I manig 140. 10		(0)		
G34/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   C16   S		Contractual Commisses Mart France			-		
634/734   Service Co. allocation adjustment for dual Water/Sewer customers   S   C   S		Contractual Services - Mgnk. 1 ees			•		
634/735   Contractual Services - Testing   636/736   Contractual Services - Other	634/734		Service Co. allocation adjustment for dual Water/Sewer customers		(16)		
G35/736   Contractual Services - Testing   S   G36/736   Contractual Services - Other   S   G36/736   ACO allocation adjustment for dual Water/Sewer customers   S   G36/736   G36/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   G36/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   G36/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   G36/736   S   G36	6 634/734			s	-	s	
636/736   ACO allocation adjustment for dual Water/Sewer customers   S   C14   S   636/736   ACO allocation adjustment for dual Water/Sewer customers   S   636/736   S   636/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   636/736   Disallow Shareholders Services Expenses per Staff Audit Finding   S   636/736	634/734		Remove Excess Costs Charged from Affiliates	\$ (	388)	\$	
636/736   ACO allocation adjustment for dual Water/Sewer customers   S   Cl4   S   636/736   S   - S   636/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   636/736   Disallow Shareholders Services Expenses per Staff Audit Finding No. 10   636/736   S   - S   636/737   S   636/736   S   - S   636/736   S   - S   636/736   S   - S   636/737   S   S   636/736   S   S   636/736   S   S   636/737   S   S   636/736   S   S   636/736   S   S   636/736   S   S   636/737   S   S   636/737   S   S   636/737   S   S   636/736   S   S   636/737   S   S   636/738   S   S   636/738   S   636/73	635/735	Contractual Services - Testing		\$	-	\$	
Sacron   S	636/736	Contractual Services - Other	•	\$	-	\$	
636/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   \$   (3)   \$	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(14)	\$	
636/736   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   (3)   S	636/736				-	\$	
Disallow Shareholders Services Expenses per Staff Audit Finding No.12   S   S   S   S   S   S   S   S   S	636/736				-	\$	
No.12   S   -   S	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(3)	\$	
636/736	636/736			\$	(8)	\$	
636/736	636/736			\$		\$	
636/736   641/741   Rental of Building/Real Prop.   \$   -   \$   \$   642/742   Rental of Equipment   \$   \$   -   \$   \$   \$   \$   \$   \$   \$					-		
641/741   Rental of Building/Real Prop.   S   -   S     642/742   Rental of Equipment   S   -   S     650/750   Transportation Expenses   Adjust fuel to \$3.36/gal   S   17   S     650/7575   Insurance - Vehicle   S   -   S     658/758   Insurance - General Liability   Remove Executive Risk Insurance Expenses   S   (3)   S     658/759   Insurance - Workman's Comp.   S   -   S     659/759   Insurance - Other   S   -   S     660/760   Advertising Expense   S   (10)   S     660/760   Remove Advertising Expenses   S   (10)   S     660/760   Reg. Comm. Exp Rate Case Amort.   S   -   S     667/761   Reg. Comm. Exp Rate Case Other   S   -   S     670/770   Bad Debt Expense   S   -   S     670/770   Adjustment to Bad Debt   S   3   S     675/775   Miscellaneous Expense   S   (4)   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per Staf					-		
642/742   Rental of Equipment   S   -   S		Rental of Building/Real Prop.		\$	-	\$	
650/750   Transportation Expenses   Adjust fuel to \$3.36/gal   \$   17   \$					-		
1			Adjust fuel to \$3.36/gal		17		
658/758   Insurance - Workman's Comp.   S   - S     659/759   Insurance - Other   S   - S     660/760   Advertising Expense   S   (0) S     660/760   Remove Advertising Expenses   S   (0) S     660/760   Remove Lobbying Expenses   S   (10) S     660/760   Reg. Comm. Exp Rate Case Amort.     660/761   Reg. Comm. Exp Rate Case Other   S   - S     670/770   Bad Debt Expense   S   - S     670/770   Adjustment to Bad Debt   S   3 S     675/775   Miscellaneous Expense   S   (4) S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10 S     675/775   Remove Prior Period Expenses per Staff Audit Finding	656/756	Insurance - Vehicle	•	\$	-	\$	
658/758   Insurance - Workman's Comp.   S   - S     659/759   Insurance - Other   S   - S     660/760   Advertising Expense   S   (0) S     660/760   Remove Advertising Expenses   S   (10) S     660/760   Remove Lobbying Expenses   S   (10) S     660/760   Reg. Comm. Exp Rate Case Amort.     667/677   Reg. Comm. Exp Rate Case Other   S   - S     670/770   Bad Debt Expense   S   - S     670/770   Adjustment to Bad Debt   S   3     675/775   Miscellaneous Expense   S   - S     675/775   Normalize Relocation Expenses   S   (4) S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   S   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per Staff Audit Finding No. 10   S     675/775   Remove Prior Period Expenses per	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(3)	\$	
660/760   Remove Advertising Expenses   \$   (0) \$	658/758	Insurance - Workman's Comp.			-	\$	
Remove Advertising Expenses   \$ (0) \$	659/759	Insurance - Other		\$	•	\$	
660/760   Remove Lobbying Expenses   \$ (10) \$	660/760	Advertising Expense		\$	-	\$	
Reg. Comm. Exp Rate Case Amort.   S   -   S							
Reg. Comm. Exp Rate Case Other   S   - S			Remove Lobbying Expenses		(10)		
670/770 Bad Debt Expense \$ - \$ 670/770 \$ \$ - \$ 670/770 \$ \$ - \$ 670/770 \$ \$ 3 \$ \$ - \$ \$ 670/770 \$ \$ \$ 3 \$ \$ \$ - \$ \$ 670/770 \$ \$ \$ 3 \$ \$ \$ - \$ \$ 670/770 \$ \$ \$ 3 \$ \$ \$ - \$ \$ 675/775 \$ Miscellaneous Expense \$ \$ - \$ \$ \$ - \$ \$ 675/775 \$ Normalize Relocation Expenses \$ \$ (4) \$ \$ 675/775 \$ Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (12) \$ 675/775 \$ \$ - \$ \$ \$ \$ - \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$					-		
670/770					-		
670/770		Bad Debt Expense			-		
675/775 Miscellaneous Expense					•		
675/775 Normalize Relocation Expenses \$ (4) \$ 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (12) \$ 675/775 \$ - \$			Adjustment to Bad Debt		3		
675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (12) \$ 675/775 \$ - \$		Miscellaneous Expense			-		
675/775 \$ - \$	675/775						
			Remove Prior Period Expenses per Staff Audit Finding No. 10		(12)		
				\$	•	\$	

	FORMA ADJUSTMENTS, continued			
ne	P. Confinediana		***	_
0. l C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water	Sew
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	41	NA
	Allocation of new corp. PCs and Network & Telephony enhancements	3	11	NA NA
•	Anotation of new corp. Tes and Network & Telephony emiancements			NA
<b>,</b>			•	NA
, 5				IVA
,			-	NA
3	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(5)	INA
,	Remove Depreciation Expense Anocated from Aqua America per Statt Adult Finding (4): 17		(3)	NA
•	TOTAL	<u> </u>	47	NA NA
0				
1				
2 D	AMORTIZATION			
3	Correct Test Year Amortization of CIAC		(196)	NA
4	Remove U&U Adjustment to Test Year Amortization of CIAC		ì	NA
5	TOTAL	\$	(195)	NA
6				
7 E	TAXES OTHER THAN INCOME TAX			
8	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	22	NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments		(8)	NA
0	Property taxes associated with Pro Forma plant		35	
1	Property Tax adjustment for Non-Used & Useful plant		(5)	NA
2	TOTAL	\$	44	NA
3				
4 F	INCOME TAXES			
5	Income tax impact of the adjustments to per book income	S	(50)	NA
6	TOTAL	\$	(50)	NA
7	77112	<del></del>		
8	TOTAL EXPENSE ADJUSTMENTS	\$	28	NA
9				
O I UTI	LITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
2				
3 A	NET OPERATING REVENUE		( ) ) (	
4	Required Revenue Adjustment	_\$	6,276	NA
5				
6 B	OPERATION & MAINTENANCE EXPENSE			
7 8	Bad Debt Adjustment Due To Proposed Rate Increase	3	19	NA
8 9 E	TAXES OTHER THAN INCOME TAX			
0		4.500% \$	282	NA
1	RAF on Revenue Adjustment @	1.000/B		
1 2 F	INCOME TAX ADJUSTMENT			
2 Г 3	Rate Year Revenue at Present Rates	s	5,000	NA
<i>3</i> 4		•	6,276	NA
4 5	Plus Required Revenue Adjustment	<u>s</u>	11,276	NA NA
	Rate Year Revenue at Proposed Rates	-	11,270	1411
6 <b>7</b>	Laur On continu Timesean Before Income Toyon	s	(10,834)	NA
	Less Operating Expenses Before Income Taxes		(158)	NA NA
8	Less Interest Expense	•	284	NA NA
9	Taxable Income	38,575% \$	110	NA NA
0	Income Tax at Composite Rate of	38.373% 3		
1	Less Income Tax at Present Rates		2,195	NA
2			3 205	
3	Income Tax Adjustment for Requested Revenue Increase	3	2,305	NA

Line No.	Acet	Description			2007 Water		2007 Sewer
1	TEST YE	EAR ADJUSTMENTS - 2007					001101
2	A	REVENUES					
3		Billed less Booked Revenue		\$	(2,391)		
4		Billed less Booked Revenue			` ,	S	(2,269
5		TOTAL REVENUE ADJUSTMENTS		\$	(2,391)	\$	(2,269
6							. , ,
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$	(275)	\$	(85
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		563		286
10	603/703	Salaries & Wages - Officers, Exec.			-		
11	604/704	Employee Pensions & Benefits			•		
	610/710	Purchased Water / Sewer Treatment			-		
	NA /711	Sludge Removal Expense					
14	615/715	Purchased Power			-		-
	616/716	Fuel for Purchased Power			-		-
16	618/718	Chemicals			-		
17	620/720	Materials & Supplies			-		
18	631/731	Contractual Services - Engineering			-		
	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		688		213
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		136		42
21	634/734	Contractual Services - Mgmt. Fees			-		-
22	634/734				-		-
23	634/734				-		-
24	635/735	Contractual Services - Testing			-		
25	636/736	Contractual Services - Other			-		-
	641/741	Rental of Building/Real Prop.			-		-
	642/742	Rental of Equipment			•		-
	650/750	Transportation Expenses			•		-
	656/756	Insurance - Vehicle			-		-
	657/757	Insurance - General Liability			-		-
	658/758	Insurance - Workman's Comp.			-		-
	659/759	Insurance - Other			•		-
	660/760	Advertising Expense			-		-
	666/766	Reg. Comm. Exp Rate Case Amort.			•		-
	667/767	Reg. Comm. Exp Rate Case Other			-		-
	670/770	Bad Debt Expense			•		•
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		26,531		(14,456
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(393)		(122
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(252)		(78
40		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(81)		
41 42		TOTAL O&M ADJUSTMENTS		<u>s</u>	26,917	<u>s</u>	(14,200
42 43		TOTAL OWN ADJUSTNENTS			20,517	<u> </u>	(17,200

Line No.	Description		P	ro Forma Water		o Forma Sewer
	YEAR ADJUSTMENTS - 2007, continued	· · · · · · · · · · · · · · · · · · ·		vv acci		Jewei
2 C	DEPRECIATION NET OF AMORTIZA					
3	Allocation of Corporate IT		\$	4,949	S	1.536
4	Allocation of Corp Structures & Improve	ements		85		26
5				-		-
6	PSC Depr Rate Correction, Depr Expn			6,917		7,953
7	PSC Depr Rate Correction, Amort CIAC	!		(951)		50
8	Reduction for NU&U			(33,717)		(9,310)
9	TOTAL DEPRECIATION ADJUSTME	NTS	\$	(22,717)	\$	255
10						
11						
12 D	AMORTIZATION					
13	To record annual amortization of regulat	ory assets per order PSC-05-1242-PAA-WS	\$	3,457	\$	991
14						
15	TOTAL AMORTIZATION ADJUSTMI	ENTS	<u>s</u>	3,457	\$	991
16 17						
17 18 E	TAXES OTHER THAN INCOME TAX					
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(551)	s	(102)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	•	966	J	386
21	Property tax adjustment	Distributing from Water to Water & Sewer		(4,515)		4,515
22	Property tax adjustment	NU&U portion of Property Taxes		(23,633)		(1,862)
23	TOTAL TAXES OTHER THAN INCOM		\$	(27,733)	<u>s</u>	2,938
24				(27,700)		
25						
26 F	INCOME TAXES					
27	Income tax impact of the adjustments to	per book income	\$	6,763	\$	1,718
28	TOTAL INCOME TAX ADJUSTMENT		\$	6,763	\$	1,718
29						•
30	TOTAL EXPENSE ADJUSTMENTS		\$	(13,314)	\$	(8,299)

No.	Acct	Description		w	ater		Sewer
1	PRO FO	RMA ADJUSTMENTS					
2	A	REVENUES	A A	•	147	•	44
3			Aqua America Commission	\$ \$	147	\$ \$	46
3		TOTAL REVENUE ADJUSTMENTS		\$	147	\$	46
4							
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	1,707	\$	869
5 4	601/701 601/701		Market Based Increases	\$ \$	751	\$ \$	39
5	601/701		Reduction in Meter Readers	\$	(230)	\$	(7
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$	(1,429)	\$	(44
7	601/701		Reduce President Salary	\$	(663)	\$	(20
8	601/701			\$	-	\$	-
9	601/701			\$	-	\$	-
10	601/701	61: 622 - 607 - 7		S	-	\$	-
11	603/703 604/704	Salaries & Wages - Officers, Exec.	Increase in Benefit costs/head in 2008	\$ \$	1,587	\$ \$	1,24
2	604/704	Employee Pensions & Benefits	Remove Prior Period Expenses per Staff Audit Finding No. 10	s S	(24)	\$	1,24
3	610/710	Purchased Water / Sewer Treatment	tentore the renee Expenses per cutti rushi rinding ite. re	s	-	s	_ '
4	NA /711	Sludge Removal Expense	Normalize Test Year Sludge Expenses	\$	-	s	(35
5	615/715	Purchased Power	- '	\$	-	\$	-
6	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	(1,251)	\$	-
7	618/718	Chemicals		\$	-	\$	-
8	620/720	Materials & Supplies		\$	-	\$	-
9	631/731	Contractual Services - Engineering		\$	-	\$	-
0:	632/732	Contractual Services - Accounting		\$	-	\$	-
1	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(10)	S	1
	633/733 634/734	Contractual Services - Mamt. Fees		\$ \$		\$ \$	•
	634/734	Contractual Services - Mgmt. Fees		S	-	\$	-
	634/734		Service Co. allocation adjustment for dual Water/Sewer customers		(929)	\$	(28
	634/734			s	-	\$	
27	634/734		Remove Excess Costs Charged from Affiliates	\$	(22,531)	\$	(6,99
8	635/735	Contractual Services - Testing		S	-	\$	-
0	636/736 636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Power austamore	\$ \$	(808)	\$ \$	(25
1	636/736		ACO allocation adjustment for dual Water/Sewer customers	S	(806)	\$	(23
2	636/736			s		Š	-
3	636/736		Normalize Test Year Contratual Services Other	\$	-	Š	(1,57
4	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(154)	\$	(4
5	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(491)	\$	(15
6	636/736			\$	-	\$	-
7	636/736			\$	-	\$	-
	641/741	Rental of Building/Real Prop.		\$	-	\$	-
9	642/742 650/750	Rental of Equipment Transportation Expenses	Adjust fuel to \$3.36/gal	\$ \$	978	\$ \$	30
ı	656/756	Insurance - Vehicle	rayus rati to \$3.50/gai	\$	-	S	-
2	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	s	(189)	Š	(5
3	658/758	Insurance - Workman's Comp.	- <b>-</b>	\$	`• ′	\$	-
4	659/759	Insurance - Other		\$	•	\$	-
5	660/760	Advertising Expense		\$	•	\$	-
6	660/760		Remove Advertising Expenses	\$	(16)	\$	(15
7 8	660/760	Reg. Comm. Exp Rate Case Amort.	Remove Lobbying Expenses	\$ \$	(602)	\$ \$	(18
)	666/766 667/767	Reg. Comm. Exp Rate Case Amort.  Reg. Comm. Exp Rate Case Other		\$		\$	
)	670/770	Bad Debt Expense		S		Š	_
ĺ	670/770			\$	•	\$	
2	670/770		Adjustment to Bad Debt	\$	(363)	\$	(5
,	675/775	Miscellaneous Expense		\$	•	\$	-
ļ	675/775		Normalize Relocation Expenses	\$	(217)	S	(6
5	675/775		Remove Test Year Fines and Penalties	S	(436)	\$	
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	(
•	0,0,,,,						

	FORMA ADJUSTMENTS, continued				
e	Description			_	
С	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water		ewer
	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	491	NA	
	Allocation of new corp. PCs and Network & Telephony enhancements	•	617	11/1	1
	Replace water pump and motor - Well #5		125		
			122		
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(265)		(
	TOTAL	<u> </u>	967	<u> </u>	1
		<del></del>	707		
D	AMORTIZATION				
	Correct Test Year Amortization of CIAC		-		
	Remove U&U Adjustment to Test Year Amortization of CIAC		9,284		
	TOTAL	\$	9,284	\$	
_					
E	TAXES OTHER THAN INCOME TAX				
	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	191	\$	
	Property taxes associated with 2007 plant additions, allocations, adjustments		14,615		(1
	Property taxes associated with Pro Forma plant		1,179		
	Property Tax adjustment for Non-Used & Useful plant TOTAL		(9,566)	_	
	IOTAL	3	6,419	<u>s</u>	
F	INCOME TAXES				
	Income tax impact of the adjustments to per book income	¢	2 122	•	2 2
	TOTAL	<u>\$</u>	3,123	<u>s</u>	3,3
	1011111		3,143	<u> </u>	د,د
	TOTAL EXPENSE ADJUSTMENTS	\$	(5,527)	<u>s</u>	(5,0
			(3,32.1)		(5,0
UTII	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
	NET OPERATING REVENUE				
A	Required Revenue Adjustment	<u>s</u>	(27.550)	<u>s</u>	15,8
	Required Revenue Adjustment	_3	(37,558)	3	13,8
В	OPERATION & MAINTENANCE EXPENSE				
D	Bad Debt Adjustment Due To Proposed Rate Increase	\$	(112)	\$	
	San Sect Angustation Sub-10-110/0000 train Molege		(112)	<u> </u>	
Е	TAXES OTHER THAN INCOME TAX				
-	RAF on Revenue Adjustment @	4.500% \$	(1,690)	\$	7
	,	<del></del>	<u>\\\</u>		
F	INCOME TAX ADJUSTMENT				
	Rate Year Revenue at Present Rates	\$	273,356	S	84,6
	Plus Required Revenue Adjustment		(37,558)		15,8
	Rate Year Revenue at Proposed Rates	\$	235,798	\$	100,4
	Less Operating Expenses Before Income Taxes	\$	(233,925)	\$	(91,6
	Less Interest Expense		(841)		(3,0
	Taxable Income	<u>s</u>	1,032	\$	5,7
	Income Tax at Composite Rate of	38.575% \$	398	\$	2,2
	Less Income Tax at Present Rates		(14,191)		3,5
					5,8
	Income Tax Adjustment for Requested Revenue Increase	\$	(13,793)	\$	

ine No.	Acct	Description		2007 Wate			2007 ewer
1		EAR ADJUSTMENTS - 2007					
2	Α	REVENUES					
3		Billed less Booked Revenue		NA			
4		Billed less Booked Revenue	Golf Course irrigation was booked in Dec '07 for 426 days.			\$	(31,420
5		TOTAL REVENUE ADJUSTMENTS	•	NA		\$	(31,420
6							
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	-	\$	(3,156
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		-		416
10	603/703	Salaries & Wages - Officers, Exec.			•		-
11	604/704	Employee Pensions & Benefits			-		-
12	610/710	Purchased Water / Sewer Treatment			-		-
13	NA /711	Sludge Removal Expense	Normalize 2007 Sludge Hauling price decrease for South Seas				(15,400
14	615/715	Purchased Power			-		-
15	616/716	Fuel for Purchased Power			-		-
16	618/718	Chemicals			· -		-
17	620/720	Materials & Supplies			•		-
18	631/731	Contractual Services - Engineering			-		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		-		81
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		-		16
21	634/734	Contractual Services - Mgmt. Fees			-		-
22	634/734				-		-
23	634/734				•		-
24	635/735	Contractual Services - Testing			-		-
25	636/736	Contractual Services - Other			-		-
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment			-		-
28	650/750	Transportation Expenses			-		-
29	656/756	Insurance - Vehicle			-		-
30	657/757	Insurance - General Liability			-		-
31	658/758	Insurance - Workman's Comp.			-		-
32	659/759	Insurance - Other			-		•
33	660/760	Advertising Expense			-		-
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		-
35	667/767	Reg. Comm. Exp Rate Case Other			-		-
	670/770	Bad Debt Expense			-		-
37	675/775	Miscellaneous Expense			•		-
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		-		(46
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		-		(30
40							
41		TOTAL CALL ADDITION (PAPER		- NA		\$	(18,119
42 43		TOTAL O&M ADJUSTMENTS				•	110,117

Line No.	Description		Pro Forma Water	-	ro Forma Sewer
	YEAR ADJUSTMENTS - 2007, continued		Water		Sewei
2 C	DEPRECIATION NET OF AMORTIZAT	ON OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		NA	s	580
4	Allocation of Corp Structures & Improven	nents	NA	•	10
5	PSC Audit Adjustments	17.110	NA		
6	PSC Depr Rate Correction, Depr Expn		NA		(154)
7	PSC Depr Rate Correction, Amort CIAC		NA		2,210
8	Reduction for NU&U		NA		(73,974)
9	TOTAL DEPRECIATION ADJUSTMEN	TS	NA	<u> </u>	(71,328)
10					
11					
12 D	AMORTIZATION				
13			NA	\$	-
14	-		NA		<u>-</u>
15	TOTAL AMORTIZATION ADJUSTMEN	NTS	NA		-
16					
17					
18 E	TAXES OTHER THAN INCOME TAX				
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	NA	S	(1,414)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	NA		(76)
21	Property tax adjustment	Distributing from Water to Water & Sewer	NA		-
22	Property tax adjustment	NU&U portion of Property Taxes	NA		(9,501)
23	TOTAL TAXES OTHER THAN INCOM	E ADJUSTMENTS	NA		(10,991)
24					
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustments to pe	er book income	NA		17,341
28	TOTAL INCOME TAX ADJUSTMENTS	i	NA		17,341
29				_	(00.000)
30	TOTAL EXPENSE ADJUSTMENTS		NA	<u> </u>	(83,098)

4	PRO FO	Description RMA ADJUSTMENTS REVENUES		Water			Sewer
2 3 4							
2							
2 3 4			Aqua America Commission	s	_	\$	17
				\$	-	\$	
4		TOTAL REVENUE ADJUSTMENTS		NA		\$	17
ว							
	В	OPERATIONS & MAINTENANCE		_			
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	•	\$	1,260
5	601/701		Market Based Increases	S	-	\$	986
4 5	601/701 601/701		Reduction in Meter Readers	\$ \$	-	\$ \$	(2.756
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$	-	\$	(2,756 (167
7	601/701		Reduce President Salary	Š		\$	(78
8	601/701		reduce resident Salary	Š		Š	,,,
9	601/701			s	-	\$	
10	601/701			\$	-	\$	-
11	603/703	Salaries & Wages - Officers, Exec.		\$	-	\$	-
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	-	\$	2,424
	604/704	• •	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	-	\$	(3
13	610/710	Purchased Water / Sewer Treatment		\$	-	\$	-
14	NA /711	Sludge Removal Expense		\$	-	\$	-
	615/715	Purchased Power		\$	-	\$	-
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	•	\$	(242
	618/718	Chemicals		\$	-	\$	•
18	620/720	Materials & Supplies		S	-	\$	-
9	631/731	Contractual Services - Engineering		\$	-	\$	-
20	632/732	Contractual Services - Accounting		\$	-	\$	
21		Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	-	\$	(1
	633/733			\$	-	\$	-
23	634/734	Contractual Services - Mgmt. Fees		\$ \$	•	\$	-
24 25	634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customers		-	\$ \$	(109
26	634/734			s	-	\$	_
	634/734		Remove Excess Costs Charged from Affiliates	\$	-	\$	(2,642)
	635/735	Contractual Services - Testing	•	\$	-	S	•
29	636/736	Contractual Services - Other		\$	-	\$	-
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	-	\$	(95
1	636/736			\$	-	\$	-
32	636/736		Eliminate O/S Contractor meter reading	\$	-	\$	(672
33	636/736		New Contract Services for South Seas Operator	\$	-	\$	102,276
	636/736			\$	-	\$	-
	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	•	\$	(18
16	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	-	\$	(58)
37	636/736		Adjustment to Deferred Maintenance	\$	-	\$	(712
8	641/741	Rental of Building/Real Prop.		S	-	\$	-
	642/742	Rental of Equipment	A CONTRACT A	S	-	\$	-
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	-	S	115
11		Insurance - Vehicle		S	-	S	-
12	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	-	S	(22
13		Insurance - Workman's Comp.		\$ \$	-	S	-
4	659/759	Insurance - Other		\$ \$	-	\$	-
5		Advertising Expense	Remove Advertising Expenses	\$	-	\$	(2
ю 17	660/760 660/760		Remove Lobbying Expenses	Š	-	\$	(71
8	666/766	Reg. Comm. Exp Rate Case Amort.		Š	-	\$	-
9	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	-
50	670/770	Bad Debt Expense		\$	-	\$	-
1	670/770			\$	-	\$	-
2	670/770		Adjustment to Bad Debt	\$	-	\$	(763
3		Miscellaneous Expense		\$	-	\$	-
4	675/775		Normalize Relocation Expenses	\$	-	\$	(25
5			Remove Test Year Fines and Penalties	S	-	\$	(1,146
6 7	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	-	S	(0
8							
9		TOTAL O&M ADJUSTMENTS		NA NA		\$	97,481

	PRO FO	RMA ADJUSTMENTS, continued			
ine		Possilist.			
io. 1	С	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water	Sewer
2	C	Meter Replacements 6 Month Net Depr (Addns less Retirements)		NA	NA
3		Allocation of new corp. PCs and Network & Telephony enhancements		NA NA	INA
4		Anocation of new corp. Tes and Network & Telephony enhancements		NA NA	
5				NA	4
6				NA	٠
7				NA.	:
8				NA	•
0				MA	
9		TOTAL		NA	\$ 1,1
0		TOTAL	-	NA .	
1					
2	D	AMORTIZATION			
3	U	Correct Test Year Amortization of CIAC		NA	
4		Remove U&U Adjustment to Test Year Amortization of CIAC		NA NA	
5		TOTAL	-	NA NA	<u>s</u>
16		IOIAL	-	NA .	
	E	TAXES OTHER THAN INCOME TAX			
8	L	Payroll tax adjustment On Salary & Wage adjustments explained above		NA	<b>S</b> 1
9		Property taxes associated with 2007 plant additions, allocations, adjustments		NA.	4,3
20		Property taxes associated with Pro Forma plant			- 8
21		Property Tax adjustment for Non-Used & Useful plant		NA	(2,1
22		TOTAL	-	NA	\$ 3,2
23		IOTAL	-		
	F	INCOME TAXES			
5	1	Income tax impact of the adjustments to per book income		NA	\$ (39,6
26		TOTAL	-	NA	\$ (39,6
27		IVIAL	-		
28		TOTAL EXPENSE ADJUSTMENTS	-	NA	\$ 62,1
9		TOTAL EAT ENSE ADJOSTRIGITIS	=		
10					
	UTILITY	PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
12					
33	A	NET OPERATING REVENUE	_		
4		Required Revenue Adjustment	_	NA	\$ 184,4
5					
6	В	OPERATION & MAINTENANCE EXPENSE	_		
7		Bad Debt Adjustment Due To Proposed Rate Increase	-	NA	<b>\$</b> 5
8					
9	E	TAXES OTHER THAN INCOME TAX			
0		RAF on Revenue Adjustment @	4.500%	NA	\$ 8,3
1					
2	F	INCOME TAX ADJUSTMENT			
3		Rate Year Revenue at Present Rates		NA	\$ 421,4
4		Plus Required Revenue Adjustment	_	NA	184,4
5		Rate Year Revenue at Proposed Rates		NA	\$ 605,9
6					
7		Less Operating Expenses Before Income Taxes		NA	\$ (531,0
8		Less Interest Expense	_	NA	(25,1
9		Taxable Income	_	NA	\$ 49,8
0		Income Tax at Composite Rate of	38.575%	NA	\$ 19,2
i		Less Income Tax at Present Rates		NA	48,5
2			_		
3		Income Tax Adjustment for Requested Revenue Increase	_	NA	\$ 67,7
4			•		

Line					2007		2007
No.	Acct	Description			Water		Sewer
2	A TEST Y	EAR ADJUSTMENTS - 2007 REVENUES					
3	A	Billed less Booked Revenue		_			
4		Billed less Booked Revenue		\$	(144)	_	
5		TOTAL REVENUE ADJUSTMENTS			(110	\$	(124)
6		TOTAL REVENUE ADJUSTMENTS		\$	(144)	\$	(124)
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	s	499	\$	(100)
9	601/701	omailes de Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	3	76	3	(122) 66
10	603/703	Salaries & Wages - Officers, Exec.			-		-
11	604/704	Employee Pensions & Benefits			•		-
12	610/710	Purchased Water / Sewer Treatment			-		-
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			-		-
	616/716	Fuel for Purchased Power			-		-
	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			-		-
18	631/731	Contractual Services - Engineering			-		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		52		51
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		10		10
21	634/734	Contractual Services - Mgmt. Fees			•		-
22	634/734				•		-
23	634/734				•		-
24	635/735	Contractual Services - Testing			-		-
	636/736	Contractual Services - Other			-		-
	641/741	Rental of Building/Real Prop.			-		-
	642/742 650/750	Rental of Equipment			•		•
	656/756	Transportation Expenses Insurance - Vehicle			-		-
	657/757	Insurance - Venicie Insurance - General Liability			-		-
	658/758	Insurance - General Liability Insurance - Workman's Comp.			-		-
	659/759	Insurance - Workman's Comp.			•		•
	660/760	Advertising Expense			-		-
	666/766	Reg. Comm. Exp Rate Case Amort.					_
	667/767	Reg. Comm. Exp Rate Case Other			-		-
	670/770	Bad Debt Expense			_		
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(1,019)		(1,055)
	675/775	Miscentalicous Expense	Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(30)		(29)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(19)		(19)
40 41							
41 42		TOTAL O&M ADJUSTMENTS		<u>s</u>	(430)	<u>s</u>	(1,098)
42 43		TO THE OWN ADJUSTMENTS		<del>-</del>	(430)	<u> </u>	(1,076)

ine No.	Description		1	Pro Forma Water		o Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, continued					
2 C	DEPRECIATION NET OF AMORTIZA	TION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	375	\$	367
4	Allocation of Corp Structures & Improve	ments		6		6
5				-		_
6	PSC Depr Rate Correction, Depr Expn			. 110		-
7	PSC Depr Rate Correction, Amort CIAC			(2)		225
8	Reduction for NU&U			(25)		(2,652)
9	TOTAL DEPRECIATION ADJUSTMEN	NTS	\$	465	\$	(2,054
10						
11						
12 D	AMORTIZATION					
13	To record annual amortization of regulate	ory assets per order PSC-05-1242-PAA-WS	\$	159	\$	149
14	•			-		
15	TOTAL AMORTIZATION ADJUSTME	INTS	<u> </u>	159_	\$	149
16						
17						
18 E	TAXES OTHER THAN INCOME TAX		_		_	
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(6)	\$	(6)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		151		103
21	Property tax adjustment	Distributing from Water to Water & Sewer		(852)		852
22	Property tax adjustment	NU&U portion of Property Taxes		(24)		(418)
23	TOTAL TAXES OTHER THAN INCOM	AE ADJUSTMENTS	_\$	(731)	_\$	531
24						
25						
26 F	INCOME TAXES		_		_	
27	Income tax impact of the adjustments to		<u>s</u>	(762)	2	721
28	TOTAL INCOME TAX ADJUSTMENT	S		(762)	<u> </u>	721
29			_	(* ***)		(1.55.
30	TOTAL EXPENSE ADJUSTMENTS		<u> </u>	(1,300)	2	(1,751)

_	Acct	Description			Water		Sewer
1	PRO FO	RMA ADJUSTMENTS		**	Water		Sewer
2	Α	REVENUES					
2			Aqua America Commission	\$	11	\$	1
3		TOTAL REVENUE ADJUSTMENTS		<u>s</u>	<del></del>	<u>\$</u>	-
4		TOTAL REVENUE ADJUSTMENTS		\$	11_	\$	. 1
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	230	\$	20
5	601/701		Market Based Increases	Š	244	\$	20
4	601/701			S	-	\$	-
5	601/701		Reduction in Meter Readers	\$	(17)	\$	(1
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$	(109)	\$	(Ì0
7	601/701		Reduce President Salary	\$	(50)	\$	(4
8	601/701			\$	-	\$	-
9	601/701			\$	-	\$	•
10	601/701	Salada AW OM P		\$	-	\$	-
11	603/703 604/704	Salaries & Wages - Officers, Exec.	Introduce in Densett and the disc 2008	S		\$	
14	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	242	\$	22
13	610/710	Purchased Water / Sewer Treatment	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(2)	\$	(
	NA /711	Sludge Removal Expense		\$	-	\$ \$	-
	615/715	Purchased Power		S	-	S	-
	616/716	Fuel for Purchased Power		\$		\$	-
	618/718	Chemicals		s		\$	_
18	620/720	Materials & Supplies		Š	_	Š	-
19	631/731	Contractual Services - Engineering		\$	-	\$	
20	632/732	Contractual Services - Accounting		\$	•	\$	-
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(1)	\$	(
	633/733			\$	-	\$	-
23		Contractual Services - Mgmt. Fees		S	-	\$	-
24	634/734			S	-	S	-
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customer	s <b>\$</b>	(71)	\$	(69
26	634/734			\$	-	\$	-
	634/734		Remove Excess Costs Charged from Affiliates	\$	(1,709)	\$	(1,670
28	635/735	Contractual Services - Testing		\$	-	S	-
29		Contractual Services - Other		\$	-	\$	-
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	S	(61)	\$	(60
31	636/736 636/736			S	•	\$	-
33			Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(12)	\$ \$	(11
	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding		(12) (37)	S	(36
-	050/750		No.12	•	(31)	•	(50
	636/736			\$	-	\$	-
16				\$	-	\$	-
	636/736	B		\$	-	\$	-
	641/741	Rental of Building/Real Prop.		\$	-	\$	-
	642/742	Rental of Equipment	Adina Calas 62 26/ad	\$	-	S	-
10	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$	74	\$	72
11	656/756	Insurance - Vehicle	Demove Evenutive Disk Insurance Evenues	\$ \$	(14)	\$	- (14
12	657/757 658/758	Insurance - General Liability Insurance - Workman's Comp.	Remove Executive Risk Insurance Expenses	\$ \$	(14)	S S	(14
14	659/759	Insurance - Workman's Comp.		\$ \$	-	\$	-
15	660/760	Advertising Expense		\$	-	\$	-
	660/760	Transmitting Expense	Remove Advertising Expenses	s	(1)	Š	(1
7	660/760		Remove Lobbying Expenses	s	(46)	\$	(4:
8	666/766	Reg. Comm. Exp Rate Case Amort.		\$	-	\$	-
9	667/767	Reg. Comm. Exp Rate Case Other		\$	•	S	-
0	670/770	Bad Debt Expense		\$	-	\$	-
ì	670/770			\$	-	\$	-
2	670/770		Adjustment to Bad Debt	\$	(951)	\$	(2,62
	675/775	Miscellaneous Expense		\$	-	\$	
	675/775		Normalize Relocation Expenses	S	(17)	\$	(10
5	675/775		Remove Test Year Fines and Penalties	\$	(22)	\$	(
			Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	((
6	675/775		The state of the s	•	(0)		
	675/775			Ť	(0)		

	FORMA ADJUSTMENTS, continued			
e	Description		Water	Sewer
C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		water	Sewer
	Meter Replacements 6 Month Net Depr (Addns less Retirements)	S	70	NA
	Allocation of new corp. PCs and Network & Telephony enhancements		47	
			-	
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(20)	
	TOTAL	\$	97	<u>s</u>
D	AMORTIZATION			
	Correct Test Year Amortization of CIAC		-	
	Remove U&U Adjustment to Test Year Amortization of CIAC		1	
	TOTAL	\$	1	\$
_				
E	TAXES OTHER THAN INCOME TAX	•		
	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	37	\$
	Property taxes associated with 2007 plant additions, allocations, adjustments		(26) 155	
	Property taxes associated with Pro Forma plant			
	Property Tax adjustment for Non-Used & Useful plant TOTAL	\$	164	\$
	IOTAL	<del></del>	104	
F	INCOME TAXES			
•	Income tax impact of the adjustments to per book income	S	714	\$ 1.5
	TOTAL	\$	714	\$ 1,5
		<del></del>		
	TOTAL EXPENSE ADJUSTMENTS	\$	(1,353)	\$ (2,4
	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS	<del></del>		
Α	NET OPERATING REVENUE			
^	Required Revenue Adjustment	\$	21,967	\$ 20.9
	Required Revenue Adjustment		2.,,,,,,	
В	OPERATION & MAINTENANCE EXPENSE			
-	Bad Debt Adjustment Due To Proposed Rate Increase	\$	66	\$
	·			
Е	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4.500% \$	989	\$
F	INCOME TAX ADJUSTMENT	_		
	Rate Year Revenue at Present Rates	\$	13,108	\$ 18,7
	Plus Required Revenue Adjustment		21,967	20,9
	Rate Year Revenue at Proposed Rates	<u>s</u>	35,075	\$ 39,0
	I O / D Defendance Trans	s	(27.422)	\$ (38,5
	Less Operating Expenses Before Income Taxes	3	(27,423)	\$ (38,5
	Less Interest Expense	-	(2,598) 5,055	\$ 7
	Taxable Income Income Tax at Composite Rate of	38.575% \$	1,950	\$
	Less Income Tax at Present Rates	JU,J1J/U W	6,117	7.4
	Less moone 1 an at 1 total nates		٠,,	••
	Income Tax Adjustment for Requested Revenue Increase	\$	8,067	\$ 7,
		-		

ine					2007	2	2007
ło.	Acct	Description			Water	s	ewer
1		EAR ADJUSTMENTS - 2007					
2	A	REVENUES		_			
3		Billed less Booked Revenue		\$	(783)	٠	_
1		Billed less Booked Revenue				N	
5		TOTAL REVENUE ADJUSTMENTS			(783)	N	<u>A</u>
5	_						
7	B	OPERATIONS & MAINTENANCE	No. 1' and a second sec	•	1.026	s	
3	601/701 601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	\$	1,036 246	•	
0	603/703	Salaries & Wages - Officers, Exec.			_		
	604/704	Employee Pensions & Benefits			-		
	610/710	Purchased Water / Sewer Treatment			-		
	NA /711	Sludge Removal Expense			-		
-	615/715	Purchased Power			_		
	616/716	Fuel for Purchased Power			-		
	618/718	Chemicals					
-	620/720	Materials & Supplies					
	631/731	Contractual Services - Engineering					
	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		338		
	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		67		
	634/734	Contractual Services - Mgmt. Fees			_		
	634/734				•		
3	634/734						
4	635/735	Contractual Services - Testing			•		
5	636/736	Contractual Services - Other			-		
6	641/741	Rental of Building/Real Prop.			-		
7	642/742	Rental of Equipment			-		
8	650/750	Transportation Expenses			-		
9	656/756	Insurance - Vehicle			-		
0	657/757	Insurance - General Liability			-		
1	658/758	Insurance - Workman's Comp.			-		
2	659/759	Insurance - Other			-		
	660/760	Advertising Expense			-		
	666/766	Reg. Comm. Exp Rate Case Amort.			-		
-	667/767	Reg. Comm. Exp Rate Case Other			-		
	670/770	Bad Debt Expense					
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		13,521		
3	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(193)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(124)		
0		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(32)		
1 2		TOTAL O&M ADJUSTMENTS		<u>s</u>	14,859	N.	4

ine No.	Description			o Forma Water	Pro Forma
1 TEST	YEAR ADJUSTMENTS - 2007, con	tinued			
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		\$	2,432	NA
4	Allocation of Corp Structures & In	nprovements		42	NA
5	PSC Audit Adjustments			-	NA
6	PSC Depr Rate Correction, Depr I	Expn		43	NA
7	PSC Depr Rate Correction, Amort	CIAC		2,124	NA
8	Reduction for NU&U			(2,735)	NA
9	TOTAL DEPRECIATION ADJUST	STMENTS	\$	1,906	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of r	egulatory assets per order PSC-05-1242-PAA-WS	\$	-	NA
14	•			-	NA
15	TOTAL AMORTIZATION ADJU	ISTMENTS	\$	-	NA
16			<del></del>		** ** ** ** ***
17					
18 E	TAXES OTHER THAN INCOME	ETAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(35)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		605	NA
21	Property tax adjustment				NA
22	Property tax adjustment	NU&U portion of Property Taxes		(860)	NA
23	TOTAL TAXES OTHER THAN I	NCOME ADJUSTMENTS	\$	(291)	NA
24			•		
25					
26 F	INCOME TAXES				
27	Income tax impact of the adjustme	nts to per book income	\$	(8,802)	NA
28	TOTAL INCOME TAX ADJUST		\$	(8,802)	NA
29					
30	TOTAL EXPENSE ADJUSTMEN	ite.	•	7,672	NA

A REVENUES	ine lo. Acc			Wat	er	Se	ewer
Aqua America Commission   \$							
TOTAL REVENUE ADJUSTMENTS   \$ 7.2   NA	2 A	REVENUES					
B   OFERATIONS & MAINTENANCE   S   72   NA	3		Aqua America Commission	\$	72	\$	
B	2						
B   OPERATIONS & MAINTENANCE   Sol1/701   Salarie & Wages - Employees   4.0% Wage increase effective 4/1/08   5   746   \$   \$   \$   \$   \$   \$   \$   \$   \$	3	TOTAL REVENUE ADJUSTMENTS		\$	72	NA	<u> </u>
	4						
	3 B	OPERATIONS & MAINTENANCE					
Section   Sect	4 601/70	l Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08		746		
\$ 601/701   Reduction in Meter Readers \$ (113) \$ 601/701   Reduction in Meter Readers \$ (113) \$ 601/701   Reduce President Salary - Acquisition Related \$ (702) \$ (702	5 601/70	1	Market Based Increases		602	\$	
September   Sept	4 601/70	1	Lake County Facility Operator II	\$	306	\$	
Sol	5 601/70	1		\$	-	\$	
Section   Sect	6 601/70	1		S	(113)	\$	
661/701   063/703   Salaries & Wages - Officers, Exec.   S   C   C   C   C   C   C   C   C   C	7 601/70	1	Remove Carl Smith Salary - Acquisition Related	\$	(702)	\$	
601/701   1 603/703   Salaries & Wages - Officers, Exec.   2 604/704   Employee Pensions & Benefits   1 603/703   Solaries & Wages - Officers, Exec.   2 604/704   Employee Pensions & Benefits   1 603/703   Solaries & Wages - Officers, Exec.   2 604/704   Employee Pensions & Benefits   1 604/704   Employee Pensions & Benefits   1 604/704   Solaries   1 604/704   S	8 601/70	1	Reduce President Salary	\$	(326)	\$	
603/703   Salaries & Wages - Officers, Exec.	9 601/70	1		\$	-	\$	
2 6047704 Employee Pensions & Benefit (softs/head in 2008 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (12) \$ (174) \$	10 601/701	1		\$	•	\$	
2 6047704   Employee Pensions & Benefits   Increase in Benefit to stylead in 2008   S   751   S   6047704   Purchased Water / Sewer Treatment   NA /711   Sludge Removal Expense   Adjustment to Chemicals and Purchased Power for Flushing   S   C   S   S   618715   Purchased Power   Adjustment to Chemicals and Purchased Power for Flushing   S   C   S   S   College Removal Expense   Adjustment to Chemicals and Purchased Power for Flushing   S   C   S   S   College Removal Expense   Adjustment to Chemicals and Purchased Power for Flushing   S   C   S   S   College Removal Expenses   Adjustment to Chemicals and Purchased Power for Flushing   S   C   S   S   College Removal Expenses   S   C   S   S   College Removal Expenses   S   C   S   College Removal	11 603/703	3 Salaries & Wages - Officers, Exec.		\$	-	\$	
Sol-709	2 604/704		Increase in Benefit costs/head in 2008	\$	751	\$	
3   610710   Purchased Water / Sewer Treatment			Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(12)	\$	
NA / 711   Sludge Removal Expense   S   - S	3 610/710	Purchased Water / Sewer Treatment		\$	-	\$	
6 is   15   Purchased Power         Adjustment to Chemicals and Purchased Power for Flushing         \$ (174) \$           6 is   16   Full Four Purchased Power         Adjustment to Chemicals and Purchased Power for Flushing         \$ \$           6 is   17   Full Full Four Purchased Power for Flushing         \$ \$           6 is   17   Full Full Full Full Full Full Full Fu					-		
6 616/716 Fuel for Purchased Power 7 618/718 Chemicals 8 620/720 Materials & Supplies 8 620/720 Materials & Supplies 8 620/720 Materials & Supplies 9 631/731 Contractual Services - Accounting 1 632/732 Contractual Services - Legianeering 2 631/733 Contractual Services - Legianeering 8 7 5 5 7 5 7 5 7 5 7 5 7 5 7 5 7 5 7 5			Adjustment to Chemicals and Purchased Power for Flushing		(174)		
6 18 718 Chemicals Materials & Supplies         Adjustment to Chemicals and Purchased Power for Flushing         \$ (82) S (83) S (82) S (83) S (82) S (83) S (82) S (83) S			•		-		
8 620/720 Materials & Supplies   S   S   S   S   S   S   S   S   S			Adjustment to Chemicals and Purchased Power for Flushing		(82)		
9 6317/31 Contractual Services - Engineering					(02)		
0. 6327732 Contractual Services - Accounting 1 6337733 Contractual Services - Legal Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (5) \$ 2 6337733 Contractual Services - Legal Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (5) \$ 2 6347734 Service Co. allocation adjustment for dual Water/Sewer customers \$ (456) \$ 5 \$ 5 6347734 Service Co. allocation adjustment for dual Water/Sewer customers \$ (456) \$ 5 \$ 6 6347734 Contractual Services - Testing \$ \$ (11,071) \$ 5 \$ 6 6367736 Contractual Services - Other \$ 6367736 ACCO allocation adjustment for dual Water/Sewer customers \$ (11,071) \$ 5		••			-		
633/733   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   S   C   S					-		
2 634/734 Contractual Services - Mgmt. Fees \$ 0.34/734 Service Co. allocation adjustment for dual Water/Sewer customers \$ (456) \$ 0.5 \$ 0.		_	Remove Prior Period Evnences ner Stoff Audit Einding No. 10		(5)		
3 6347734 Contractual Services - Mgmt. Fees		_	remove that remod expenses per sign Augus rinding No. 10		(3)		
4 634/734   Service Co. allocation adjustment for dual Water/Sewer customers   \$ (456)   \$ 634/734   Remove Excess Costs Charged from Affiliates   \$ (11,071)   \$ 8 634/734   Remove Excess Costs Charged from Affiliates   \$ (11,071)   \$ 8 634/735   Contractual Services - Other   \$					-	-	
Service Co. allocation adjustment for dual Water/Sewer customers   S   Co.   S					-		
Remove Excess Costs Charged from Affiliates   \$ (11,071)   \$			Service Co. allocation adjustment for dual Water/Sewer customers		(456)		
Remove Excess Costs Charged from Affiliates   \$ (11,071)   \$	26 634/734	<b>.</b>		\$	-	s	
8 635/736 Contractual Services - Testing 636/736 Contractual Services - Other 636/736 Contractual Services - Other 636/736 Contractual Services - Other 636/736 ACO allocation adjustment for dual Water/Sewer customers 5 (397) \$ 636/736 S - \$ 636/736 Remove Prior Period Expenses per Staff Audit Finding No. 10 (76) \$ 7 5 636/736 No. 12 S - \$ 636/736 No. 12 S - \$ 636/736 No. 12 S - \$ 636/736 S -	27 634/734		Remove Excess Costs Charged from Affiliates		(11,071)		
9 636/736 Contractual Services - Other ACO allocation adjustment for dual Water/Sewer customers \$ (397) \$ 3 (397) \$	28 635/735	Contractual Services - Testing	•	\$		\$	
ACO allocation adjustment for dual Water/Sewer customers   3 (397)   5					-	\$	
636/736			ACO allocation adjustment for dual Water/Sewer customers		(397)		
2 636/736			•		- 1		
Remove Prior Period Expenses per Staff Audit Finding No. 10   S   (76)   S					-		
A 636/736			Remove Prior Period Expenses per Staff Audit Finding No. 10		(76)		
\$ 636/736 \$ \$ . \$ \$ . \$ \$ 636/736 \$ \$ . \$ \$ . \$ \$ . \$ \$ 636/736 \$ \$ . \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ \$ . \$ \$ . \$ \$ \$ . \$ . \$ \$ .			Disallow Shareholders Services Expenses per Staff Audit Finding				
\$ 636/736 6 636/736 6 636/736 6 636/736 6 636/736 6 636/736 6 641/741 Rental of Building/Real Prop. 8 641/741 Rental of Equipment 9 642/742 Rental of Equipment 9 650/750 Transportation Expenses 1 693) \$ 1 650/750 Transportation Expenses 2 693) \$ 1 650/750 Transportation Expenses 3 693 Transportation Expenses 4 659/750 Transportation Expenses 5 7 8 Tra	5 636/736	5	110.10	s		s	
Section   Sect					_		
9 642/742 Rental of Equipment 0 650/750 Transportation Expenses Adjust fuel to \$3.36/gal \$ 481 \$ 1650/756 Transportation Expenses Adjust fuel to \$3.36/gal \$ 481 \$ 181 \$					-		
0   650/750   Transportation Expenses   Adjust fuel to \$3.36/gal   \$   481   \$   5   565/756   Insurance - Vehicle   \$   -   \$   \$   5   5   5   5   5   5   5   5					-		
656/756   Insurance - Vehicle   \$   -   \$   \$   \$   \$   \$   \$   \$   \$		• •	Adjust finel to \$3.36/gal		- 491		
1			regarded to \$5.50 gai		-		
Saction			Remove Evenutive Pick Insurance Eveneses		(03)		
A 659/759   Insurance - Other   Advertising Expense   S - S		•	Remove Executive Risk insulance Expenses		(93)		
S		•			-		
Remove Advertising Expenses   S   (8)   S					-		
Remove Lobbying Expenses   S   (296)   S			Damassa Advanticina Esmanaa	•	-	•	
8 666/766 Reg. Comm. Exp Rate Case Amort. Reg. Comm. Exp Rate Case Other 6 667/770 Bad Debt Expense 6 670/770 7 Adjustment to Bad Debt 7 S S S S S S S S S S S S S S S S S S S						3	
667/767   Reg. Comm. Exp Rate Case Other   S			Remove Loopying Expenses		(296)		
0 670/770					-		
670/770		• .			-		
Adjustment to Bad Debt		•			-		
3 675/775   Miscellaneous Expense   S							
4 675/775 Normalize Relocation Expenses \$ (107) \$ 5 675/775 Remove Test Year Fines and Penalties \$ (216) \$ 6 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$ 7 8			Adjustment to Bad Debt		(1,746)		
6 675/775 Remove Test Year Fines and Penalties \$ (216)					-		
6 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$							
	6 675/775 7	j	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	S	
	, <b>8</b> 9	TOTAL O&M ADJUSTMENTS		\$	(13,235)	- NA	_

PRO FORMA ADJUSTMENTS, continued				
ine	Description		Water	Sewe
ю. 1 С			vv atei	sewe
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	S	789	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements		303	NA
4			-	
5				NA
6			-	
7				NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(130)	NA
9	TOTAL	-\$	961	- NA
10				
11				
2 D	AMORTIZATION			
13	Correct Test Year Amortization of CIAC		(1,527)	NA
4	Remove U&U Adjustment to Test Year Amortization of CIAC	-	136	NA
5	TOTAL	\$	(1,391)	NA
16				
7 E				
8	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	104	NA
9	Property taxes associated with 2007 plant additions, allocations, adjustments		10,280	NA
20	Property taxes associated with Pro Forma plant		935	
21	Property Tax adjustment for Non-Used & Useful plant		(2,936)	NA_
22	TOTAL	<u> </u>	8,384	NA
23	NICOMP TAMES			
24 F 25	INCOME TAXES Income tax impact of the adjustments to per book income	•	1,574	NA
26	TOTAL		1,574	NA NA
27	TOTAL	<del></del>	1,374	- 10.0
28	TOTAL EXPENSE ADJUSTMENTS		(3,706)	NA
29	TOTAL DISTRICTION TO A PROPERTY OF		(3,)	
80 81 TJ	TILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
32	TIDITI I NOT CODD AD ADA MARQUANDO TA			
33 A	NET OPERATING REVENUE			
34	Required Revenue Adjustment	\$	35,614	NA
35				
66 B				
37 38	Bad Debt Adjustment Due To Proposed Rate Increase	<u>s</u>	107	NA
19 E	TAXES OTHER THAN INCOME TAX			
10	RAF on Revenue Adjustment @	4.500% \$	1,603	NA
H	·····	· · · <del></del>	-7	
12 F	INCOME TAX ADJUSTMENT			
13	Rate Year Revenue at Present Rates	\$	73,429	NA
14	Plus Required Revenue Adjustment		35,614	NA
15	Rate Year Revenue at Proposed Rates	S	109,043	NA
16	•			
17	Less Operating Expenses Before Income Taxes	S	(89,132)	NA
18	Less Interest Expense	<u></u>	(6,833)	NA
19	Taxable Income	\$	13,079	NA
60	Income Tax at Composite Rate of	38.575% \$	5,045	NA
51	Less Income Tax at Present Rates		8,034	NA
2				
3	Income Tax Adjustment for Requested Revenue Increase	_\$	13,079	NA

Line					2007		2007
No.	Acct	Description			Water	s	ewer
1		CAR ADJUSTMENTS - 2007 REVENUES					
2	A	Billed less Booked Revenue		\$	(184)		
3		Billed less Booked Revenue		•	(104)	•	(157
5		TOTAL REVENUE ADJUSTMENTS		\$	(184)	\$	(157
6		TOTAL REVENUE ADJUSTMENTS			(104)		(137
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	508	S	(456
9	601/701	Salaries & Wages - Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	165		134
10	603/703	Salaries & Wages - Officers, Exec.			-		
11	604/704	Employee Pensions & Benefits					
12	610/710	Purchased Water / Sewer Treatment			-		
13	NA /711	Sludge Removal Expense					
14	615/715	Purchased Power			-		
15	616/716	Fuel for Purchased Power			-		
16	618/718	Chemicals			•		
17	620/720	Materials & Supplies			-		
18	631/731	Contractual Services - Engineering			-		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		90		8
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		18		1
21	634/734	Contractual Services - Mgmt. Fees			-		
22	634/734				-		
23	634/734				•		
24	635/735	Contractual Services - Testing			-		
25	636/736	Contractual Services - Other			-		
26	641/741	Rental of Building/Real Prop.			•		
27	642/742	Rental of Equipment			•		
28	650/750	Transportation Expenses			•		
29	656/756	Insurance - Vehicle			-		
30	657/757	Insurance - General Liability			•		
31	658/758	Insurance - Workman's Comp.			•		
32	659/759	Insurance - Other			-		
33	660/760	Advertising Expense			•		
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		
35	667/767	Reg. Comm. Exp Rate Case Other			•		
36	670/770	Bad Debt Expense			•		
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		-		(1,77
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(51)		(4
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(33)		(3
40							
41							
42		TOTAL O&M ADJUSTMENTS		\$	696	<u>s</u>	(2,07

Line No.	Description		1	Pro Forma Water		Forma Sewer
	YEAR ADJUSTMENTS - 2007, cont	inued				
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	648	\$	614
4	Allocation of Corp Structures & In	nprovements		11		11
5				-		-
6	PSC Depr Rate Correction, Depr I	Expn		6,183		4,599
7	PSC Depr Rate Correction, Amort	CIAC		484		1,906
8	Reduction for NU&U			(15)		(2,943)
9	TOTAL DEPRECIATION ADJUS	STMENTS	\$	7,312	\$	4,187
10						
11						
12 D	AMORTIZATION					
13			\$	-	\$	-
14	-					
15	TOTAL AMORTIZATION ADJU	ISTMENTS	_\$		_\$	-
16						
17						
18 E	TAXES OTHER THAN INCOME					
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(9)	\$	(7)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		196		111
21	Property tax adjustment			-		-
22	Property tax adjustment	NU&U portion of Property Taxes		(16)		(60)
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	_\$	171	\$	44
24						
25						
26 F	INCOME TAXES		_		_	
27	Income tax impact of the adjustme		<u>s</u>	(3,810)	<u>*</u>	(1,171)
28	TOTAL INCOME TAX ADJUST	MENIS	2	(3,810)	\$	(1,171)
29	moment supposition and to the	770	•	4.200	•	001
30	TOTAL EXPENSE ADJUSTMEN	418	<u>s</u>	4,369	<u>s</u>	981

No.	Acct	Description			Water		Sewer
1 2		RMA ADJUSTMENTS					
	A	REVENUES	A mus A marine Commission		10		1
3 2			Aqua America Commission	\$ \$	19	\$ \$	11
3		TOTAL REVENUE ADJUSTMENTS		\$	19	3	
4		TO THE REVENUE THE CONTRACTOR		<u> </u>			
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	500	\$	40
5	601/701		Market Based Increases	\$	527	\$	32
4	601/701		Lake County Facility Operator II	\$	285	\$	12
5	601/701			\$	-	\$	-
6	601/701		Reduction in Meter Readers	\$	(30)	\$	(2
7	601/701		Remove Carl Smith Salary - Acquisition Related	S	(187)	\$	(17
8	601/701		Reduce President Salary	\$	(87)	\$	(8
9 10	601/701 601/701			\$ \$	-	S	-
11	603/703	Salaries & Wages - Officers, Exec.		\$	•	\$	-
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	Š	943	\$	44
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	s	(3)	Š	(
13	610/710	Purchased Water / Sewer Treatment		Š	-	Š	_`
14	NA /711	Sludge Removal Expense		\$		\$	-
15	615/715	Purchased Power		\$		\$	-
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$	(271)	\$	-
17	618/718	Chemicals		\$	-	\$	
18	620/720	Materials & Supplies		\$	-	\$	
19	631/731	Contractual Services - Engineering		\$	-	\$	-
20	632/732	Contractual Services - Accounting		\$	•	\$	-
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(1)	\$	(
22	633/733			S	•	\$	-
23	634/734	Contractual Services - Mgmt. Fees		\$	-	\$	-
24 25	634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ \$	(122)	\$ \$	(11
					(122)		(
26 27	634/734 634/734		Remove Excess Costs Charged from Affiliates	\$ \$	(2,952)	\$ \$	(2,79
	635/735	Contractual Services - Testing		\$	-	S	-,
	636/736	Contractual Services - Other		Š	_	Š	-
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(106)	S	(10
31	636/736		·	\$	`• ′	S	`-
32	636/736			\$	-	\$	-
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(20)	\$	(1
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(64)	\$	(6
	636/736			S	-	\$	-
	636/736 636/736			S	-	S	-
	641/741	Rental of Building/Real Prop.		\$ \$	•	\$ \$	-
	642/742	Rental of Equipment		\$	-	\$	•
	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	s S	128	\$	12
ı	656/756	Insurance - Vehicle	INDER THE TO BUILD BOX	\$	120	\$	- 12
	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	Š	(25)	s	(2
	658/758	Insurance - Workman's Comp.	tomo to answer to a single and any any and	Š	•	Š	- (2
	659/759	Insurance - Other		Š	-	s	
	660/760	Advertising Expense		S	-	\$	-
	660/760		Remove Advertising Expenses	\$	(2)	S	(
			Remove Lobbying Expenses	\$	(79)	\$	(7
	666/766	Reg. Comm. Exp Rate Case Amort.		\$	-	\$	-
	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	-
		Bad Debt Expense		S	-	\$	-
			A Francisco D. ( Defe	\$	-	\$	
	670/770	Minester Property	Adjustment to Bad Debt	\$	(2,040)	S	(70
		Miscellaneous Expense	Namedia Dela satis Essense	\$	-	\$	-
	675/775		Normalize Relocation Expenses	\$	(28)	S	(2
	675/775		Remove Test Year Fines and Penalties	\$	(7)	S	(
	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	(
•							

The Woods
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					_
·	Description		Water		Sewer
С	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)  Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	292	NA	
		•	81	אייו	
	Allocation of new corp. PCs and Network & Telephony enhancements		01		
			-		
			•		
	Day Day State Day and Allegated Grown Agus America non Staff Audit Finding No. 10		(35)		
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(33)		
	TOTAL	<u> </u>	338	\$	<u> </u>
)					
D	AMORTIZATION				
	Correct Test Year Amortization of CIAC		-		(1,
	Remove U&U Adjustment to Test Year Amortization of CIAC		14		` ′
	TOTAL	<u>s</u>	14	\$	(1,
	****				
E	TAXES OTHER THAN INCOME TAX				
_	Payroll tax adjustment On Salary & Wage adjustments explained above	s	79	\$	
	Property taxes associated with 2007 plant additions, allocations, adjustments	•	197	•	
1	Property taxes associated with Pro Forma plant		246		
	Property Tax adjustment for Non-Used & Useful plant		(6)		(
:	TOTAL	<u>s</u>	516	<u>s</u>	
	IOIAL		310	<u> </u>	
F	INCOME TAXES				
, r	Income tax impact of the adjustments to per book income	c	945	\$	1,
	TOTAL	\$	945	\$	1,
,	IUIAL	<u> </u>	747		٠,,
	TOTAL EXPENSE ADDITIONATE TO	<u>-</u>	(1,831)	\$	(2,0
3	TOTAL EXPENSE ADJUSTMENTS		(1,631)		(2,
)					
UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
Α.	NET OPERATING REVENUE				
, A	Required Revenue Adjustment	<u></u>	32,986	\$	29.
	Required Revende Adjustment	<del></del>	32,700	<u> </u>	<u> </u>
В	OPERATION & MAINTENANCE EXPENSE				
, в	Bad Debt Adjustment Due To Proposed Rate Increase	<u>-s</u>	99	\$	
;	Bad Debt Adjustment Due To Proposed Rate increase			<u> </u>	
, ) E	TAXES OTHER THAN INCOME TAX				
, E	RAF on Revenue Adjustment @	4.500% \$	1,484	\$	1,
	KAF on Revenue Adjustment (#	4.30076	1,404	<u> </u>	
	DICOME TAY ADDICTMENT				
F	INCOME TAX ADJUSTMENT	s	23,038	s	20.0
	Rate Year Revenue at Present Rates	•	23,038 32,986		29,9
	Plus Required Revenue Adjustment	<u> </u>		-	_
	Rate Year Revenue at Proposed Rates	<u>.</u>	56,024	<u>\$</u>	50,
i		•	(60.404)		(40
	Less Operating Expenses Before Income Taxes	\$	(50,494)	\$	(48,
:	Less Interest Expense		(1,859)		(
1	Taxable Income	<u>\$</u>	3,671	<u>\$</u>	1,
)	Income Tax at Composite Rate of	38.575% \$	1,416	\$	
	Less Income Tax at Present Rates		10,698		10,
:					
	Income Tax Adjustment for Requested Revenue Increase	\$	12,114	S	11,

Line No.	Acct	Description			2007 Water		2007 Sewer
INO.		EAR ADJUSTMENTS - 2007			.,		
2	A	REVENUES					
3	^	Billed less Booked Revenue		\$	(431)		
4		Billed less Booked Revenue	Revenues booked to Village in error.	-	· · · · /	\$	(62,472)
5		TOTAL REVENUE ADJUSTMENTS	November Cookes to TimeBe III allow	\$	(431)	\$	(62,472)
6		TOTAL REVENUE ADJUSTINE					
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	(54)	S	114
9	601/701	Dutation to 11 ages Employees	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		129		202
10	603/703	Salaries & Wages - Officers, Exec.			•		-
11	604/704	Employee Pensions & Benefits			-		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Village Water Purchased Water		1,137		-
13	NA /711	Sludge Removal Expense					•
14	615/715	Purchased Power			-		-
15	616/716	Fuel for Purchased Power			-		-
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			•		•
18	631/731	Contractual Services - Engineering					
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		218		41
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		43		8
21	634/734	Contractual Services - Mgmt. Fees			-		•
22	634/734				-		-
23	634/734				-		•
24	635/735	Contractual Services - Testing			-		-
25	636/736	Contractual Services - Other			•		-
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment			•		•
28	650/750	Transportation Expenses			•		-
29	656/756	Insurance - Vehicle			•		-
30	657/757	Insurance - General Liability			•		•
31	658/758	Insurance - Workman's Comp.			•		•
32	659/759	Insurance - Other			•		-
33	660/760	Advertising Expense			•		-
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		-
35	667/767	Reg. Comm. Exp Rate Case Other			•		•
36	670/770	Bad Debt Expense	N. P. BOOK		0.262		(1,854)
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		8,263		٠,,,
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(125)		(24)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(80)		(15)
40 41		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(24,094)		
41		TOTAL O&M ADJUSTMENTS		\$	(14,563)	<u>s</u>	(1,527)

Line No.	Description			Pro Forma Water	P	ro Forma Sewer
	YEAR ADJUSTMENTS - 2007, continu	ed			_	
2 C	DEPRECIATION NET OF AMORTI	ZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	1,570	\$	299
4	Allocation of Corp Structures & Impr	ovements		27		5
5				-		-
6	PSC Depr Rate Correction, Depr Expr	1		(613)		(4,199
7	PSC Depr Rate Correction, Amort CL	AC		(78)		(29)
8	Reduction for NU&U			(1,743)		(14,894)
9	TOTAL DEPRECIATION ADJUSTS	MENTS	\$	(838)	\$	(18,818)
10						
11						
12 D	AMORTIZATION					
13			\$	-	\$	-
14	-			-		-
15	TOTAL AMORTIZATION ADJUST	MENTS	\$		\$	
16						
17						
18 E	TAXES OTHER THAN INCOME TA	<del></del>				
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(19)	\$	(2,811)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		395		97
21	Property tax adjustment	Distributing from Water to Water & Sewer		(7,078)		7,078
22	Property tax adjustment	NU&U portion of Property Taxes		(1,745)		(1,483)
23	TOTAL TAXES OTHER THAN INC	OME ADJUSTMENTS	\$	(8,448)	\$	2,882
24						
25						
26 F	INCOME TAXES					
27	Income tax impact of the adjustments		\$	7,516	\$	(21,936)
28	TOTAL INCOME TAX ADJUSTME	NTS	S	7,516	_\$_	(21,936)
29						
30	TOTAL EXPENSE ADJUSTMENTS		\$	(16,333)	\$	(39,400)

PRO FORMA ADJUSTMENTS   A REVENUES   Aqua America Commission   \$ 47 \$ \$ 2 \$ 5 \$ 7 \$ \$ \$ 47 \$ \$ \$ \$ 2 \$ \$ 7 TOTAL REVENUE ADJUSTMENTS   \$ 47 \$ \$ \$ 47 \$ \$ \$ \$ 47 \$ \$ \$ \$ \$ 47 \$ \$ \$ \$	Line No.	Acct	Description		v	Vater		Sewer
Aqua America Commission   S   47   S   S   50   70   S   50   50   S   50   70   S   50   S   50   50   S   50   50	1	PRO FO	RMA ADJUSTMENTS		······································	· · · · · · · · · · · · · · · · · · ·		501101
S		A	REVENUES					
TOTAL REVENUE ADJUSTMENTS				Aqua America Commission		47	\$	,
Service   Serv			TOTAL DEVENIE ADDICTMENTS					
Semon	-		TOTAL REVENUE ADJUSTMENTS		2	47	-2	9
4   601/70    Salaries & Wages - Employees   4.0% Wage increases effective 4/108   \$   309   \$   \$   \$   \$   \$   \$   \$   \$   \$	•	В	OPERATIONS & MAINTENANCE					
5 601701         Market Based Increases         \$ 370         \$ 4601701           6 601701         Reduction in Meter Readers         \$ (337)         \$ (454)         \$ (210)           6 601701         Reduce President Salary - Acquisition Related         \$ (210)         \$ (454)         \$ (210) <td></td> <td></td> <td></td> <td>4.0% Wage increase effective 4/1/08</td> <td>\$</td> <td>390</td> <td>s</td> <td>61:</td>				4.0% Wage increase effective 4/1/08	\$	390	s	61:
4 601701   Reduction in Meter Readers   S     S   (337)   S   (347)   S   (348)   S								53
6   601/70     Reduce President Salary - Acquisition Related   \$   (454)   \$   \$   \$   \$   \$   \$   \$   \$   \$						-		-
	5	601/701		Reduction in Meter Readers	\$	(837)	\$	(26
8   601/70	6	601/701		Remove Carl Smith Salary - Acquisition Related	\$	(454)	\$	(8
9   601/70   0   0   601/70   0   0   0   0   0   0   0   0   0	7	601/701		Reduce President Salary	\$	(210)	\$	(4
10   601/70     603/703   Salaries & Wages - Officers, Exec.						-	\$	-
11 693/703   Salaries & Wages - Officers, Exec.						-	-	-
12   604/704   Contractual Services - Remove Prior Period Expenses per Staff Audit Finding No. 10   S   C7   S						-		-
604/704						-		•
13   610710   Purchased Water / Sewer Treatment			Employee Pensions & Benefits					69
14   NA/711   Sludge Removal Expense   \$			Durchased Water / Sauce Treatment	Remove Prior Period Expenses per Statt Audit Finding No. 10		(7)		(
15   615/715   Purchased Power						-		-
16   616716   Fuel for Purchased Power						-		•
17   618718   Chemicals   Reduction per Staff Audit Finding No. 16   \$								•
18   620/720   Materials & Supplies   S   -   S   S   S   S   S   S   S   S				Reduction per Staff Audit Finding No. 16		•		(11)
19   631/73    Contractual Services - Engineering   S   - S				reduction per dual reduct intelliging 110. 10		-		(11)
20   6327732   Contractual Services - Accounting   Remove Prior Period Expenses per Staff Audit Finding No. 10   \$   (3)   \$   \$   (3)   \$   \$   (3)   \$   \$   (3)   \$   \$   (3)   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   (3)   \$   (3)   (3)   \$   (3)   (3)   \$   (3)   (3)   \$   (3)   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)   \$   (3)						_		_
21   633/733   Contractual Services - Legal   Remove Prior Period Expenses per Staff Audit Finding No. 10   \$   (3)   \$   \$   \$   \$   \$   \$   \$   \$   \$								-
Remove Legal Expenses Booked in Error to Village Water   \$ (25,712)   \$ 2 (34,7734   \$ (25,712)   \$ 2 (34,7734   \$ (25,712)   \$ 2 (27,712)   \$ 2 (27,712)   \$ 3 (34,7734   \$ (27,7134   \$	21 (	633/733		Remove Prior Period Expenses per Staff Audit Finding No. 10		(3)		(
23   634/734	22 (	633/733	-		\$			_`
Service Co. allocation adjustment for dual Water/Sewer customers   Service Co. allocation Expenses   Service Co. allocation Expenses   Service Co. allocation Expenses   Service Expenses   Service Co. allocation Expenses   Service Co.	23 (	634/734	Contractual Services - Mgmt. Fees		\$	-	\$	-
26 634/734 Remove Excess Costs Charged from Affiliates \$ (7,148) \$ 2 (36/736) Contractual Services - Other \$ (7,148)						-	\$	-
Remove Excess Costs Charged from Affiliates   \$ (7,148)   \$   \$   \$   \$   \$   \$   \$   \$   \$	25	634/734		Service Co. allocation adjustment for dual Water/Sewer custome	rs \$	(295)	\$	(50
Section   Sect	26 (	634/734			\$	-	\$	-
Section   Sect	27 (	634/734		Remove Excess Costs Charged from Affiliates		(7,148)	\$	(1,360
ACO allocation adjustment for dual Water/Sewer customers   \$ (256)   \$   \$   \$   \$   \$   \$   \$   \$   \$						-		-
31   636/736   Eliminate O/S Contractor meter reading   \$   1,413   \$   \$   32   636/736   Eliminate O/S Contractor meter reading   \$   (1,413   \$   \$   \$   3   636/736   Reduction per Staff Audit Finding No. 17   \$   \$   \$   \$   \$   \$   \$   \$   \$			Contractual Services - Other			-		-
Section   Sect	-			ACO allocation adjustment for dual Water/Sewer customers		(256)		(4
Reduction per Staff Audit Finding No. 17   S   C   S				File-in-to-O/S Control to the Artist Control of the				-
Remove Prior Period Expenses per Staff Audit Finding No. 10						(1,413)		(11.04)
Disallow Shareholders Services Expenses per Staff Audit Finding No.12						(40)		(11,841
Adjustment to Deferred Maintenance   S   -   S				Disallow Shareholders Services Expenses per Staff Audit Finding				(30
S								
Rental of Building/Real Prop.   S   -   S				Adjustment to Deferred Maintenance		-		(92
Section   Sect			B . I 4D 111			-		-
Adjust fuel to \$3.36/gal   \$   \$   \$   \$   \$   \$   \$   \$   \$						-		-
1				Adjust final to \$3.36/gal		211		-
Section   Sect				Aujust fuel to \$5.30/gai		311		59
Sample   S				Remove Executive Risk Insurance Evnences		(60)		(11
14   659/759   Insurance - Other   \$   -   \$   \$   \$   \$   \$   \$   \$   \$				Action a product of the manufact Expenses		(00)		(1
Advertising Expense   \$ - \$ \$						-		-
Remove Advertising Expenses   S   C5   S						-		
Remove Lobbying Expenses   \$ (191)   \$			······································	Remove Advertising Expenses	1	(5)	_	(1
Section   Sect								(30
6 70/770	8 6	666/766	Reg. Comm. Exp Rate Case Amort.			-		•
1 670/770       \$ - \$         2 670/770       Adjustment to Bad Debt       \$ (1,043)         3 675/775       Miscellaneous Expense       \$ - \$         4 675/775       Normalize Relocation Expenses       \$ (69)         5 675/775       Remove Test Year Fines and Penalties       \$ (2)         6 675/775       Remove Prior Period Expenses per Staff Audit Finding No. 10       \$ (0)						-	\$	-
22       670/770       Adjustment to Bad Debt       \$ (1,043)       \$         33       675/775       Miscellaneous Expense       \$ -       \$         4       675/775       Normalize Relocation Expenses       \$ (69)       \$         5       675/775       Remove Test Year Fines and Penalties       \$ (2)       \$         6       675/775       Remove Prior Period Expenses per Staff Audit Finding No. 10       \$ (0)       \$			Bad Debt Expense			-	\$	-
3 675/775         Miscellaneous Expense         \$ - \$           4 675/775         Normalize Relocation Expenses         \$ (69) \$           5 675/775         Remove Test Year Fines and Penalties         \$ (2) \$           6 675/775         Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$						-		-
4 675/775       Normalize Relocation Expenses       \$ (69)       \$         5 675/775       Remove Test Year Fines and Penalties       \$ (2)       \$         6 675/775       Remove Prior Period Expenses per Staff Audit Finding No. 10       \$ (0)       \$				Adjustment to Bad Debt		(1,043)		(9)
5 675/775         Remove Test Year Fines and Penalties         \$ (2) \$           6 675/775         Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$			Miscellaneous Expense			-		-
6 675/775 Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0) \$				•				(1
								(15,01
		b/5//75		Kemove Prior Period Expenses per Staff Audit Finding No. 10	2	(0)	\$	(6
8 9 TOTAL O&M ADJUSTMENTS	8							(28,046

	FORMA ADJUSTMENTS, continued				
•	Description		Water		Sewer
Ċ	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		vv atci		ocwei .
•	Meter Replacements 6 Month Net Depr (Addns less Retirements)	S	236	NA	
	Allocation of new corp. PCs and Network & Telephony enhancements	•	196		3
	, ,				_
			-		
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(84)		
					(1
	TOTAL	<u>s</u>	348	<u>s</u>	2
	Tomb			<u> </u>	
D	AMORTIZATION				
-	Correct Test Year Amortization of CIAC				
	Remove U&U Adjustment to Test Year Amortization of CIAC				
	TOTAL	\$	-	\$	
	* <del>* * * * * ***</del>		,		
E	TAXES OTHER THAN INCOME TAX				
_	Payroll tax adjustment On Salary & Wage adjustments explained above	S	59	\$	8
	Property taxes associated with 2007 plant additions, allocations, adjustments	-	532		12,06
	Property taxes associated with Pro Forma plant		309		,
	Property Tax adjustment for Non-Used & Useful plant		(206)		(2,52
	TOTAL	\$	694	\$	9,63
F	INCOME TAXES				
-	Income tax impact of the adjustments to per book income	\$	13,552	\$	7,12
	TOTAL	\$	13,552	\$	7,12
		<del></del>			-,
	TOTAL EXPENSE ADJUSTMENTS	\$	(21,795)	\$	(11,27
UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
A	NET OPERATING REVENUE				
^	Required Revenue Adjustment	\$	42,544	\$	66,96
	Required Revenue Adjustment		12,517	<u> </u>	
В	OPERATION & MAINTENANCE EXPENSE				
Đ	Bad Debt Adjustment Due To Proposed Rate Increase	<u> </u>	127	\$	20
	tian neor uningritient nue 10 Linhosen ware merease		121		
Е	TAXES OTHER THAN INCOME TAX				
E.	RAF on Revenue Adjustment @	4.500% \$	1,914	\$	3,01
	VVI. on vescure valuement (6)	4.50076	1,214	<u> </u>	5,51
F	INCOME TAX ADJUSTMENT				
r	Rate Year Revenue at Present Rates	s	100,129	\$	93,63
		•	42,544	•	66,96
	Plus Required Revenue Adjustment Rate Year Revenue at Proposed Rates	\$	142,673	\$	160,59
	rate real revenue at Proposed rates		1.12,075	<u> </u>	,57
	Less Operating Expenses Before Income Taxes	\$	(130,335)	\$	(125,42
	Less Operating Expenses before income Taxes  Less Interest Expense	•	(4,195)	-	(11,80
	Taxable Income	2	8,143	\$	23,37
	Income Tax at Composite Rate of	38.575% \$	3,141	\$	9,01
	•	JG.J/J/U Ø	12,483	•	15,57
	Less Income Tax at Present Rates		12,403		,.
	Income Tax Adjustment for Requested Revenue Increase	-	15,624	5	24,59
			13,024		44,27

Line No.	Acct	Description			2007 Water	,	2007 Sewer
1	TEST YE	EAR ADJUSTMENTS - 2007					301101
2	A	REVENUES					
3		Billed less Booked Revenue		\$	(616)		
4		Billed less Booked Revenue		-	()	s	(1,105
5		TOTAL REVENUE ADJUSTMENTS		\$	(616)	\$	(1,105
6				<del></del>	(0.10)		(1,105
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	(94)	\$	(59)
9	601/701	•	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		201		208
10	603/703	Salaries & Wages - Officers, Exec.					-
11	604/704	Employee Pensions & Benefits			•		-
12	610/710	Purchased Water / Sewer Treatment			•		-
13	NA /711	Sludge Removal Expense					
14	615/715	Purchased Power			•		-
15	616/716	Fuel for Purchased Power			-		-
16	618/718	Chemicals			•		-
17	620/720	Materials & Supplies			-		-
18	631/731	Contractual Services - Engineering			-		
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		420		414
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		83		82
21	634/734	Contractual Services - Mgmt. Fees			•		-
22	634/734				-		-
23	634/734				-		-
24	635/735	Contractual Services - Testing			•		-
25	636/736	Contractual Services - Other			•		-
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment			-		-
28	650/750	Transportation Expenses			•		-
29	656/756	Insurance - Vehicle			•		-
30	657/757	Insurance - General Liability			-		-
31	658/758	Insurance - Workman's Comp.			-		-
32	659/759	Insurance - Other			-		-
33	660/760	Advertising Expense			-		-
34	666/766	Reg. Comm. Exp Rate Case Amort.			•		-
35	667/767	Reg. Comm. Exp Rate Case Other			-		-
36	670/770	Bad Debt Expense			-		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		10,226		8,478
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(240)		(236)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(154)		(152
40							
41 42		TOTAL O&M ADJUSTMENTS		\$	10,443	\$	8,734

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

Line No.	Description			Pro Forma Water		o Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, con	tinued				
2 C		RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	3,021	\$	2,978
4	Allocation of Corp Structures & I	mprovements		52		51
5				-		-
6	PSC Depr Rate Correction, Depr			82		312
7	PSC Depr Rate Correction, Amor	CIAC		256		193
8	Reduction for NU&U			(1,560)		(5,726)
9	TOTAL DEPRECIATION ADJU	STMENTS	_\$	1,851	\$	(2,191)
10						
11						
12 D	AMORTIZATION	•				
13	To record annual amortization of	regulatory assets per order PSC-05-1242-PAA-WS	\$	2,140	\$	2,154
14	<u> </u>			-		-
15	TOTAL AMORTIZATION ADJ	JSTMENTS	\$	2,140	\$	2,154
16						
17						
18 E	TAXES OTHER THAN INCOM					
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(28)	\$	(59)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		712		715
21	Property tax adjustment	Distributing from Water to Water & Sewer		(2,698)		2,698
22	Property tax adjustment	NU&U portion of Property Taxes		(582)	_	(517)
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	_\$	(2,596)	\$	2,837
24						
25	DIGOLE TANES					
26 F	INCOME TAXES			(T.020)		(( 010)
27	Income tax impact of the adjustme		3	(7,039)	<u>\$</u>	(6,918)
28	TOTAL INCOME TAX ADJUST	MENIS	-2	(7,039)	\$	(6,918)
29	TOTAL EXPENSE ADVICEMENT	ITC	•	4 700		4616
30	TOTAL EXPENSE ADJUSTMEN	412	2	4,799	\$_	4,616

lo. Acc	t Description			11/		^
	ORMA ADJUSTMENTS			Water		Sewer
2 A	REVENUES					
3		Aqua America Commission	S	90	s	8
2		•	\$	-	\$	-
3	TOTAL REVENUE ADJUSTMENTS		\$	90	S	89
4						
3 B	OPERATIONS & MAINTENANCE	4.007.337	_			
4 601/70 5 601/70	. , , ,	4.0% Wage increase effective 4/1/08	\$	609	\$	63
4 601/70		Market Based Increases Lake County Facility Operator II	\$ \$	354	S	43
5 601/70		Lake County Facility Operator II	\$ \$	311	\$ \$	•
6 601/70		Reduction in Meter Readers	S	(140)	\$	(99
7 601/70	1	Remove Carl Smith Salary - Acquisition Related	Š	(873)	\$	-
8 601/70	1	Reduce President Salary	\$	(405)	S	(39
9 601/70	1		\$	` <b>-</b>	\$	`-
0 601/70			\$	-	\$	-
1 603/70	<b>3</b>		\$	-	\$	-
2 604/70		Increase in Benefit costs/head in 2008	\$	490	\$	49
604/70		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(14)	\$	(14
3 610/71			\$	-	\$	-
4 NA/71 5 615/71:			\$ \$	-	S	-
6 616/71		Adjustment to Chemicals and Purchased Power for Flushing	\$ \$	(134)	\$ \$	-
7 618/71		Adjustment to Chemicals and Purchased Power for Flushing Adjustment to Chemicals and Purchased Power for Flushing	\$	(38)	\$	-
8 620/72		Adjustment to entitions and ratefasco rower for rushing	Š	(36)	Š	
9 631/73			\$	-	\$	
0 632/73			\$		s	_
1 633/73	3 Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(6)	\$	(4
2 633/73	•		\$	-	\$	-
3 634/73	Contractual Services - Mgmt. Fees		\$	-	\$	
4 634/73			\$	•	\$	-
5 634/73	1	Service Co. allocation adjustment for dual Water/Sewer customer	s \$	(567)	\$	(55
6 634/73			\$	•	\$	-
7 634/73		Remove Excess Costs Charged from Affiliates	\$	(13,752)	\$	(13,557
8 635/73:			\$	-	\$	-
9 636/730 0 636/730		ACO allocation adjustment for dual Water/Sauce and account	S	(403)	\$	(40)
1 636/730		ACO allocation adjustment for dual Water/Sewer customers	\$ \$	(493)	\$ \$	(48
2 636/736			\$	-	\$	-
3 636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(94)	Š	(93
4 636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12		(300)	\$	(29
5 636/730	i ·		\$	-	\$	-
6 636/736	5		\$	-	\$	-
7 636/736			\$	-	\$	-
8 641/741			\$	•	S	-
9 642/742		A.F C. 1. 00.07/ h	\$	-	\$	-
0 650/750	•	Adjust fuel to \$3.36/gal	\$	597	S	589
1 656/756		Damara Evacutiva Diali Ingurar - E	\$		\$	· /1•
2 657/757 3 658/758	•	Remove Executive Risk Insurance Expenses	\$ \$	(116)	\$	(114
3 658/758 4 659/759	•		S	•	\$ \$	-
5 660/760			S	•	\$	-
6 660/760		Remove Advertising Expenses	\$	(10)	\$	(10
7 660/760		Remove Lobbying Expenses	S	(367)	\$	(36)
8 666/766		,	s	•	s	
9 667/767			\$	-	\$	-
0 670/770	Bad Debt Expense		\$	•	\$	-
1 670/770	1		\$	-	\$	-
2 670/770		Adjustment to Bad Debt	\$	(216)	\$	(10
3 675/775	•		S	-	\$	•
4 675/775		Normalize Relocation Expenses	S	(133)	\$	(13
5 675/775		Remove Test Year Fines and Penalties	\$	(195)	\$	(29)
6 675/775 7	1	Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(0)	\$	((
8						
						(15,285

	FORMA ADJUSTMENTS, continued			
ne ).	Description			
C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Vater	Sewer
·	Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	(8)	NA
	Allocation of new corp. PCs and Network & Telephony enhancements	•	376	37
	SCADA - Telemetry system		694	,
	, , , , , , , , , , , , , , , , , , ,		• • • • • • • • • • • • • • • • • • • •	
			-	
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(162)	
				(10
	TOTAL	\$	901	\$ 21
)	101112	<del>. *</del>		
D	AMORTIZATION			
	Correct Test Year Amortization of CIAC		(355)	(48
ı	Remove U&U Adjustment to Test Year Amortization of CIAC		-	
i	TOTAL	\$	(355)	\$ (4)
,		***************************************		
E	TAXES OTHER THAN INCOME TAX			
;	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	75	\$
1	Property taxes associated with 2007 plant additions, allocations, adjustments		155	3:
ı	Property taxes associated with Pro Forma plant		725	
	Property Tax adjustment for Non-Used & Useful plant		(163)	(
	TOTAL	\$	792	\$ 4
F	INCOME TAXES			
	Income tax impact of the adjustments to per book income	. \$	5,220	\$ 6,0
	TOTAL	\$	5,220	\$ 6,08
	TOTAL EXPENSE ADJUSTMENTS	\$	(8,933)	\$ (9,00
	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
	NET OPERATING REVENUE			
A		\$	983	\$ (2,33
	Required Revenue Adjustment	3	963	\$ (2,3.
В	OPERATION & MAINTENANCE EXPENSE			
D	Bad Debt Adjustment Due To Proposed Rate Increase	\$	3	\$
	Dad Deol Adjustinent Due To Proposed Rate Increase	<del></del>		
Е	TAXES OTHER THAN INCOME TAX			
	RAF on Revenue Adjustment @	4.500% \$	44	\$ (10
	.a on .a. ongasinon w			<u> </u>
F	INCOME TAX ADJUSTMENT			
	Rate Year Revenue at Present Rates	s	93,048	\$ 126,68
	Plus Required Revenue Adjustment	•	983	(2,33
	Rate Year Revenue at Proposed Rates	\$	94,031	\$ 124,3
	Less Operating Expenses Before Income Taxes	\$	(74,733)	\$ (110,27
	Less Interest Expense		(6,505)	(4,7
	Taxable Income	\$	12,793	\$ 9,32
	Income Tax at Composite Rate of	38.575% \$	4,935	\$ 3,59
	Less Income Tax at Present Rates		(4,574)	(4,4
	Income Tax Adjustment for Requested Revenue Increase	\$	361	\$ (8:

Line No.	Acct	Description			007 /ater		2007 Sewer
1		EAR ADJUSTMENTS - 2007	· · · · · · · · · · · · · · · · · · ·		atti		rewei
2	A	REVENUES					
3		Billed less Booked Revenue		S	(487)		
4		Billed less Booked Revenue		•	(,	\$	(433)
5		TOTAL REVENUE ADJUSTMENTS		\$	(487)	\$	(433)
6							
7	В.	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	306	\$	(227)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		120		111
10	603/703	Salaries & Wages - Officers, Exec.			•		•
11	604/704	Employee Pensions & Benefits			-		-
12	610/710	Purchased Water / Sewer Treatment			-		-
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			-		-
15	616/716	Fuel for Purchased Power			-		-
	618/718	Chemicals			•		-
17	620/720	Materials & Supplies			-		-
18	631/731	Contractual Services - Engineering					
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		196		113
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		39		22
21	634/734	Contractual Services - Mgmt. Fees			-		-
22	634/734				-		-
23	634/734				-		-
24	635/735	Contractual Services - Testing			•		-
25	636/736	Contractual Services - Other			-		-
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment			•		-
28	650/750	Transportation Expenses			-		•
	656/756	Insurance - Vehicle			•		•
	657/757	Insurance - General Liability			-		-
31	658/758	Insurance - Workman's Comp.			•		-
32	659/759	Insurance - Other			-		-
33	660/760	Advertising Expense			-		-
34	666/766	Reg. Comm. Exp Rate Case Amort.					
35	667/767 670/770	Reg. Comm. Exp Rate Case Other			-		_
	675/775	Bad Debt Expense Miscellaneous Expense	Normalize 2007 Intercompany allocations		3,447		(75,759)
	675/775	Miscellaneous Expense	Normalize 2007 Intercompany misallocation of a/c 426 to		(112)		(64)
30	013/113		Operating Expenses		(112)		(04)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(72)		(41)
40							
41							
42		TOTAL O&M ADJUSTMENTS		\$	3,923	<u>s</u>	(75,847)

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

Line No.	Description			o Forma Water		ro Forma Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, cor	tinued				
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	1,408	\$	811
4	Allocation of Corp Structures & 1	mprovements		24		14
5				-		-
6	PSC Depr Rate Correction, Depr			55		(11)
7	PSC Depr Rate Correction, Amor	t CIAC		(705)		(1,092)
8	Reduction for NU&U		-	(1,793)		(4,361)
9	TOTAL DEPRECIATION ADJU	ISTMENTS	\$	(1,010)	S	(4,639)
10						
11						
12 D	AMORTIZATION					
13	To record annual amortization of	regulatory assets per order PSC-05-1242-PAA-WS	\$	775	\$	492
14	•			-		
15	TOTAL AMORTIZATION ADJ	USTMENTS	_\$	775	\$	492
16						
17						
18 E	TAXES OTHER THAN INCOM		_		_	
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(24)	\$	(44)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		344		188
21	Property tax adjustment	Distributing from Water to Water & Sewer		(1,124)		1,124
22	Property tax adjustment	NU&U portion of Property Taxes	<del></del>	(496)	_	(456)
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	_\$	(1,300)	<u>\$</u>	812
24						
25						
26 F	INCOME TAXES		_	(* 0.5)		
27	Income tax impact of the adjustm		<u>-s</u>	(2,065)	2	29,611
28	TOTAL INCOME TAX ADJUST	MENTS	_\$	(2,065)	_\$_	29,611
29			•	201		(40.571)
30	TOTAL EXPENSE ADJUSTME	NIS	\$	324	\$	(49,571)

lo.	Acct	Description		,	Water		Sewer
1		RMA ADJUSTMENTS					
2	A	REVENUES					
3			Aqua America Commission	\$	42	\$	:
2		TOTAL REVENUE ADJUSTMENTS		\$	- 40	\$_	•
4		TOTAL REVENUE ADJUST MENTS		3	42	<u>s</u>	
3	В	OPERATIONS & MAINTENANCE					
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	362	\$	3
5	601/701		Market Based Increases	\$	287	\$	2
4	601/701		Lake County Facility Operator II	\$	14	\$	-
5	601/701			\$	-	\$	-
6	601/701		Reduction in Meter Readers	\$	(65)	\$	(
7 B	601/701 601/701		Remove Carl Smith Salary - Acquisition Related	\$	(407)	\$	(2
,	601/701		Reduce President Salary	\$ \$	(189)	\$ \$	(1
0	601/701			s	-	\$	-
ı	603/703	Salaries & Wages - Officers, Exec.		Š	-	\$ \$	-
	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	s	402	Š	3:
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	S	(7)	\$	
3	610/710	Purchased Water / Sewer Treatment		s	- ` '	Š	
	NA /711	Sludge Removal Expense		\$	•	s	-
5	615/715	Purchased Power		S	-	\$	-
5	616/716	Fuel for Purchased Power		\$	-	\$	-
	618/718	Chemicals		\$	•	\$	-
	620/720	Materials & Supplies		\$	-	\$	-
9	631/731	Contractual Services - Engineering		S	-	\$	•
0	632/732	Contractual Services - Accounting	m minimize an area of the state of	S	-	S	-
١	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(3)	\$	
?	633/733 634/734	Contractual Sanciana Manut Fore		\$ \$	-	\$ \$	-
,	634/734	Contractual Services - Mgmt. Fees		S	-	\$	•
	634/734		Service Co. allocation adjustment for dual Water/Sewer customers		(264)	\$	(1
5	634/734			\$	_	s	_
7	634/734		Remove Excess Costs Charged from Affiliates	\$	(6,410)	\$	(3,6
В	635/735	Contractual Services - Testing	<del>-</del>	\$	•	\$	-
•	636/736	Contractual Services - Other		\$	-	\$	-
)			ACO allocation adjustment for dual Water/Sewer customers	\$	(230)	\$	(1
ı				S	•	\$	-
	636/736		n ni ni in	S	-	\$	-
3	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(44)	S	9
٠	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(140)	\$	(
,	636/736			\$	-	\$	-
	636/736			\$	-	\$	-
,	636/736			\$	-	\$	-
1		Rental of Building/Real Prop.		S	•	S	-
)	642/742	Rental of Equipment	A House Cool as 62 24/sol	S	- 270	S	-
)	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ \$	278	S S	1
		Insurance - Vehicle	Remove Executive Risk Insurance Expenses	s \$	(54)	\$	(
3	657/757 658/758	Insurance - General Liability Insurance - Workman's Comp.	Remove Executive Risk mountains Expenses	\$	(34)	\$	,
,	659/759	Insurance - Workman's Comp. Insurance - Other		Š		Š	-
	660/760	Advertising Expense		s	-	\$	-
	660/760	······································	Remove Advertising Expenses	s	(5)	\$	
			Remove Lobbying Expenses	\$	(171)	\$	(
•		Reg. Comm. Exp Rate Case Amort.	· -	\$	-	\$	-
	667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	-
	670/770	Bad Debt Expense		S	•	\$	-
	670/770			S	-	S	-
	670/770		Adjustment to Bad Debt	S	(147)	\$	
		Miscellaneous Expense	M. making Dalamating Programs	S	-	\$	7
	675/775		Normalize Relocation Expenses	\$	(62)	S	(
	675/775			•	/011	•	
:	675/775 675/775		Remove Test Year Fines and Penalties	\$	(81)	\$	(
	675/775			\$ \$	(81) (0)	\$ \$	

	RO FORMA ADJUSTMENTS, continued				
ne o.	Description		137	•	
C			Water		ewer
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	637	NA	
3	Allocation of new corp. PCs and Network & Telephony enhancements	•	175	147.	1
\$			.,,		•
5					
5			-		
,					
3	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(75)		(-
)	TOTAL		727		
0	TOTAL	\$	737	\$	
1					
1 2 D	AMORTIZATION				
2 D 3	Correct Test Year Amortization of CIAC				
4			-		
5	Remove U&U Adjustment to Test Year Amortization of CIAC		80		
6	TOTAL	\$	80		
-	TAVES OTHER THAN INCOME TAV				
7 E	TAXES OTHER THAN INCOME TAX				
B	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	50	\$	•
9	Property taxes associated with 2007 plant additions, allocations, adjustments		(44)		
0	Property taxes associated with Pro Forma plant		562		:
1	Property Tax adjustment for Non-Used & Useful plant		(172)		
2	TOTAL	<u>\$</u>	397		1
3 _					
4 F	INCOME TAXES			_	
5	Income tax impact of the adjustments to per book income	<u>s</u>	1,913		1,40
5	TOTAL	<u></u>	1,913	\$	1,40
7			<del></del>		
В	TOTAL EXPENSE ADJUSTMENTS	\$	(3,808)	\$	(2,00
9					
υ <u>τ</u> υ:	FILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
3 A	NET OPERATING REVENUE				
•	Required Revenue Adjustment	\$	(6,174)	\$	(1,60
5	required revenue rajustinoin	<del></del>	(0,174)		(1,00
, 5 B	OPERATION & MAINTENANCE EXPENSE				
, ,	Bad Debt Adjustment Due To Proposed Rate Increase	<u>s</u>	(18)	\$	
3	Bag Best Augustinent Bue 10 Proposed Raile Increase		(10)		
, P E	TAXES OTHER THAN INCOME TAX				
, .	RAF on Revenue Adjustment @	4.500% \$	(278)	\$	(7
ĺ	KAI on Revenue Aujustinem (g	4:500%	(270)	<u> </u>	
2 F	INCOME TAX ADJUSTMENT				
2 F }	Rate Year Revenue at Present Rates	s	57,990	s	49,46
, 1	Plus Required Revenue Adjustment	3	(6,174)		(1,60
5	·	\$	51,816	<u>s</u>	47,80
	Rate Year Revenue at Proposed Rates		31,610		47,00
,	Land On antique Francesco Defense Income Tours	s	(42.224)		(42.40
,	Less Operating Expenses Before Income Taxes	3	(42,226)	\$	(42,49
3	Less Interest Expense		(3,281)		(1,83
)	Taxable Income	30.575%	6,309	\$	3,5
)	Income Tax at Composite Rate of	38.575% \$	2,434	S	1,30
l	Less Income Tax at Present Rates		(4,701)		(1,9
2					
3	Income Tax Adjustment for Requested Revenue Increase	\$	(2,267)	\$	(5)
ļ.					

ine					007		007
lo.	Acct	Description		w	ater	Se	ewer
l		EAR ADJUSTMENTS - 2007					
2	A	REVENUES		_	(20.1)		
3		Billed less Booked Revenue		\$	(384)		
1		Billed less Booked Revenue			(204)	N/	
5		TOTAL REVENUE ADJUSTMENTS		\$	(384)	N/	<u> </u>
5	_	OPER ATTOMO & MAINTENANCE					
7	B	OPERATIONS & MAINTENANCE	No. 1: 20071 time 6 No. Ilian	\$	207	\$	
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	<b>&gt;</b>		2	
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		97		
0	603/703	Salaries & Wages - Officers, Exec.			-		
1	604/704	Employee Pensions & Benefits			-		
2	610/710	Purchased Water / Sewer Treatment			-		
	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			-		
_	616/716	Fuel for Purchased Power			-		
	618/718	Chemicals			-		
	620/720	Materials & Supplies			•		
8	631/731	Contractual Services - Engineering			•		
	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		184		
	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		36		
	634/734	Contractual Services - Mgmt. Fees			-		
-	634/734				-		
23	634/734				-		
4	635/735	Contractual Services - Testing			-		
25	636/736	Contractual Services - Other			-		
6	641/741	Rental of Building/Real Prop.			-		
27	642/742	Rental of Equipment			-		
8	650/750	Transportation Expenses			•		
9	656/756	Insurance - Vehicle			-		
30	657/757	Insurance - General Liability			-		
31	658/758	Insurance - Workman's Comp.			-		
12	659/759	Insurance - Other			•		
3	660/760	Advertising Expense			-		
34	666/766	Reg. Comm. Exp Rate Case Amort.			-		
-	667/767	Reg. Comm. Exp Rate Case Other			-		
36	670/770	Bad Debt Expense			•		
17	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		903		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(105)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(67)		
10		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(89)		
11				<u>-</u>	1,166	N	_
12 13		TOTAL O&M ADJUSTMENTS			1,100		<u>-</u>

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine lo	Description			ro Forma Water	Pro Form Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, con	inued			
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		\$	1,323	NA
4	Allocation of Corp Structures & In	nprovements		23	NA
5	PSC Audit Adjustments				NA
6	PSC Depr Rate Correction, Depr I	xpn		232	NA
7	PSC Depr Rate Correction, Amort	CIAC		(166)	NA
8	Reduction for NU&U			(1,047)	NA
9	TOTAL DEPRECIATION ADJUST	STMENTS	\$	365	NA
0					
1					
2 D	AMORTIZATION				
13	To record annual amortization of r	egulatory assets per order PSC-05-1242-PAA-WS	\$	775	NA
14	-			<b>.</b>	NA
15	TOTAL AMORTIZATION ADJU	STMENTS	\$	775	NA
16					
7					
8 E	TAXES OTHER THAN INCOME	TAX			
9	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(17)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		341	NA
21	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(526)	NA
23	TOTAL TAXES OTHER THAN I	NCOME ADJUSTMENTS	\$	(202)	NA
24				-	
:5					
6 F	INCOME TAXES				
27	Income tax impact of the adjustme	nts to per book income	<u> </u>	3,064	NA
28	TOTAL INCOME TAX ADJUST	MENTS	\$	3,064	NA
.9					
0	TOTAL EXPENSE ADJUSTMEN	ITS	\$	5,168	NA

	<b>D</b> . 1.0					
PRO FO	Description PRMA ADJUSTMENTS			Water	s	ewe
A	REVENUES					
		Aqua America Commission	\$	39	\$	
		•	\$	-	\$	
	TOTAL REVENUE ADJUSTMENTS		\$	39	N.	A
В	OPERATIONIC & MAINTENANOR					
601/701	OPERATIONS & MAINTENANCE Salaries & Wages - Employees	4 094 Wage increase effective 4/1/09	•		_	
601/701	Salaites & Wages - Employees	4.0% Wage increase effective 4/1/08 Market Based Increases	\$	293	\$	
601/701		Market Dased McTeases	\$ \$	239	\$ \$	
601/701		Reduction in Meter Readers	S	(61)	\$	
601/701		Remove Carl Smith Salary - Acquisition Related	Š	(382)	\$	
601/701		Reduce President Salary	\$	(177)	\$	
601/701			\$	`- `	\$	
601/701			\$	•	\$	
601/701 603/703	Salarian & Warran Officer From		\$	=	\$	
603/703 604/704	Salaries & Wages - Officers, Exec. Employee Pensions & Benefits	Increase in Denefit acceptant in 2009	\$	-	S	
604/704	Employee rensions & Bellents	Increase in Benefit costs/head in 2008	\$	223	\$	
610/710	Purchased Water / Sewer Treatment	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ \$	(6)	\$ \$	
NA /711	Sludge Removal Expense		\$	-	\$ \$	
615/715	Purchased Power		Š		S	
616/716	Fuel for Purchased Power		\$	-	\$	
618/718	Chemicals		s	-	\$	
620/720	Materials & Supplies		\$	-	\$	
631/731	Contractual Services - Engineering		\$	-	\$	
632/732	Contractual Services - Accounting	n ninin	\$	-	\$	
633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(3)	\$	
633/733 634/734	Contractual Services Mant Free		S	•	S	
634/734	Contractual Services - Mgmt. Fees		\$ \$	-	\$ \$	
634/734		Service Co. allocation adjustment for dual Water/Sewer customers		(248)	\$	
634/734			s	-	\$	
634/734		Remove Excess Costs Charged from Affiliates	\$	(6,021)	S	
635/735	Contractual Services - Testing		\$	-	S	
636/736 636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/S	S	(216)	S	
636/736		ACO allocation adjustment for dual Water/Sewer customers	S S	(216)	\$ \$	
636/736			s		\$	
636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(41)	\$	
636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	Š	(131)	\$	
636/736			\$	•	\$	
636/736			\$	-	\$	
636/736	D		\$	-	\$	
641/741	Rental of Building/Real Prop.		\$	-	\$	
642/742 650/750	Rental of Equipment	Adjust final to \$3.36/ppl	\$	- 261	\$	
656/756	Transportation Expenses Insurance - Vehicle	Adjust fuel to \$3.36/gal	\$ \$	261	\$ \$	
657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(51)	3 \$	
658/758	Insurance - Workman's Comp.	Tomoto Engolisto Fron Househole Enpolitico	\$	(31)	\$	
659/759	Insurance - Other		Š	-	Š	
660/760	Advertising Expense		\$	-	\$	
660/760		Remove Advertising Expenses	\$	(4)	\$	
660/760		Remove Lobbying Expenses	\$	(161)	\$	
666/766	Reg. Comm. Exp Rate Case Amort.		\$	-	\$	
667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	
670/770	Bad Debt Expense		S	-	S	
670/770 670/770		Adjustment to Bad Debt	\$ \$	(1.106)	\$ \$	
675/775	Miscellaneous Expense	Augustinett to Day Dept	\$	(1,106)	\$	
675/775		Normalize Relocation Expenses	S	(58)	s	
675/775		Remove Test Year Fines and Penalties	s	(67)	Š	
675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	s	
		·				
			\$	(7,717)	NA	

	FORMA ADJUSTMENTS, continued			
ne D.	Description		***	
C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water	Sewe
	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	148	NA
	Allocation of new corp. PCs and Network & Telephony enhancements	•	165	NA
			-	
				NA
			-	
				NA
	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(71)	NA
	TOTAL	\$	242	- NA
)				
D	AMORTIZATION			
	Correct Test Year Amortization of CIAC		-	NA
	Remove U&U Adjustment to Test Year Amortization of CIAC		62	NA
	TOTAL	\$	62	NA
,				
E	TAXES OTHER THAN INCOME TAX			
	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	62	NA
	Property taxes associated with 2007 plant additions, allocations, adjustments		(112)	NA
	Property taxes associated with Pro Forma plant		239	
	Property Tax adjustment for Non-Used & Useful plant		(17)	NA NA
	TOTAL		171	NA
F	INCOME TAXES			
	Income tax impact of the adjustments to per book income	•	2,534	NA
	TOTAL	-\$	2,534	NA NA
	TOTAL	<u> </u>	2,554	
	TOTAL EXPENSE ADJUSTMENTS	<u>s</u>	(4,708)	NA
	ITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
A	NET OPERATING REVENUE			
	Required Revenue Adjustment	\$	15,728	NA
В	OPERATION & MAINTENANCE EXPENSE			
	Bad Debt Adjustment Due To Proposed Rate Increase	\$	47	NA
Е	TAXES OTHER THAN INCOME TAX			
E	RAF on Revenue Adjustment @	4.500% \$	708	NA
	-2. Co. 112 / Otto / reliabilitatio @			
F	INCOME TAX ADJUSTMENT			
-	Rate Year Revenue at Present Rates	\$	46,249	NA
	Plus Required Revenue Adjustment		15,728	NA_
	Rate Year Revenue at Proposed Rates	S	61,977	NA
			_	
	Less Operating Expenses Before Income Taxes	\$	(51,852)	NA
	Less Interest Expense	<del></del>	(3,435)	NA NA
	Taxable Income	\$	6,690	NA_
	Income Tax at Composite Rate of	38.575% \$	2,581	NA
	Less Income Tax at Present Rates		3,195	NA
	To A Fortuna Co Dominated Dominated Dominated		5 774	NIA
	Income Tax Adjustment for Requested Revenue Increase	\$	5,776	NA

ine lo.	Acct	Description			2007 Water	20 Se <sup>-</sup>	
ī		EAR ADJUSTMENTS - 2007					
2	A	REVENUES					
,		Billed less Booked Revenue		\$	(53)		
ı		Billed less Booked Revenue		•	()	NA	
5		TOTAL REVENUE ADJUSTMENTS		\$	(53)	- NA	_
5							
7	В	OPERATIONS & MAINTENANCE					
ì	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	S	264	\$	
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	•	63	•	
)	603/703	Salaries & Wages - Officers, Exec.			-		
l	604/704	Employee Pensions & Benefits			-		
2	610/710	Purchased Water / Sewer Treatment			-		
3	NA /711	Sludge Removal Expense					
4	615/715	Purchased Power			-		
5	616/716	Fuel for Purchased Power			-		
5	618/718	Chemicals			-		
7	620/720	Materials & Supplies			-		
8	631/731	Contractual Services - Engineering			-		
•	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		34		
)	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		7		
l	634/734	Contractual Services - Mgmt. Fees			•		
2	634/734				•		
3	634/734				-		
4	635/735	Contractual Services - Testing			-		
5	636/736	Contractual Services - Other			-		
6	641/741	Rental of Building/Real Prop.			-		
7	642/742	Rental of Equipment			-		
В	650/750	Transportation Expenses			-		
9	656/756	Insurance - Vehicle			-		
0	657/757	Insurance - General Liability			•		
1	658/758	Insurance - Workman's Comp.			-		
2	659/759	Insurance - Other			•		
3	660/760	Advertising Expense			-		
4	666/766	Reg. Comm. Exp Rate Case Amort.			-		
-	667/767	Reg. Comm. Exp Rate Case Other			-		
-	670/770	Bad Debt Expense			(07.500)		
7	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations		(27,530)		
8	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		(20)		
9	675/775		Normalize 2007 Intercompany misallocation due to Fairways		(13)		
0		Excess water loss adjustment for Purchase	ed Water, Power, and Chemicals		(175)		
2		TOTAL O&M ADJUSTMENTS		\$	(27,370)	NA	_

	D- 111					
o. Acct PRO FO	Description PRMA ADJUSTMENTS		W	ater	<u>s</u>	ewer
A A	REVENUES					
		Aqua America Commission	\$	7	\$	
		rique i morios Commission	\$	- '	\$	
	TOTAL REVENUE ADJUSTMENTS		\$	7	N.	Ā
						-
В	OPERATIONS & MAINTENANCE					
601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$	190	\$	
601/701		Market Based Increases	\$	181	\$	
601/701			\$	-	\$	
601/701		Reduction in Meter Readers	\$	(11)	\$	
601/701 601/701		Remove Carl Smith Salary - Acquisition Related	\$	(71)	S	
		Reduce President Salary	S	(33)	\$	
601/701 601/701			\$	-	S	
601/701			\$ \$	-	\$ \$	
603/703	Salaries & Wages - Officers, Exec.		\$	•	\$ \$	
604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$	213	S	
604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	s	(1)	\$	
610/710	Purchased Water / Sewer Treatment	The same of the sa	\$	-	\$	
NA /711	Sludge Removal Expense		\$	-	Š	
615/715	Purchased Power		S	-	\$	
616/716	Fuel for Purchased Power		\$	-	\$	
618/718	Chemicals		\$	-	\$	
620/720	Materials & Supplies		\$	-	\$	
631/731	Contractual Services - Engineering		\$	-	\$	
632/732	Contractual Services - Accounting		\$	•	\$	
633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	
633/733	Contractual Complete March Pro-		\$	-	\$	
634/734 634/734	Contractual Services - Mgmt. Fees		\$ \$	•	\$ \$	
634/734		Service Co. allocation adjustment for dual Water/Sewer customers	-	(46)	\$	
634/734			s	-	s	
634/734		Remove Excess Costs Charged from Affiliates	\$	(1,127)	\$	
635/735	Contractual Services - Testing		\$	-	\$	
636/736	Contractual Services - Other		\$	•	S	
636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(40)	\$	
636/736			\$	-	S	
636/736		Remove Brief Berind Gynanics nor Stoff Audit Finding No. 10	\$ \$	· (8)	\$ \$	
636/736 636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10 Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(8) (24)	S	
636/736			\$	-	\$	
636/736			S	-	\$	
636/736	Pantal of Duilding/Paul Paul		S	•	\$ \$	
641/741 642/742	Rental of Building/Real Prop.		\$ \$	-	\$ \$	
642/742 650/750	Rental of Equipment	Adjust fuel to \$3.36/gal	\$ \$	49	\$ \$	
656/756	Transportation Expenses Insurance - Vehicle	riguot ruoi 10 43.30/gai	\$	**** -	\$	
657/757	Insurance - Venicle Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(9)	S	
658/758	Insurance - Workman's Comp.		\$	-	\$	
659/759	Insurance - Other		Š	-	Š	
660/760	Advertising Expense		\$	•	\$	
660/760		Remove Advertising Expenses	\$	(1)	\$	
660/760		Remove Lobbying Expenses	\$	(30)	\$	
666/766	Reg. Comm. Exp Rate Case Amort.		\$	-	\$	
667/767	Reg. Comm. Exp Rate Case Other		\$	-	\$	
670/770	Bad Debt Expense	•	\$	-	\$	
670/770		AF	\$	-	\$	
670/770		Adjustment to Bad Debt	\$	(27)	\$	
675/775	Miscellaneous Expense	Namedia Dalamia Empare	\$	-	\$	
675/775		Normalize Relocation Expenses	\$ \$	(11)	\$	
675/775 675/775		Remove Prior Period Expenses per Stoff Audit Finding No. 10	\$ \$	(10)	S S	
0/3///3		Remove Prior Period Expenses per Staff Audit Finding No. 10	٠	(0)		

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

ine Vo.	Description			o Forma Water	Pro Form Sewer
1 TEST	YEAR ADJUSTMENTS - 2007, con	tinued			
2 C	DEPRECIATION NET OF AMO	RTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT		\$	247	NA
4	Allocation of Corp Structures & I	mprovements		4	NA
5	PSC Audit Adjustments			_	NA
6	PSC Depr Rate Correction, Depr 1	Expn		83	NA
7	PSC Depr Rate Correction, Amor	CIAC		595	NA
8	Reduction for NU&U			(19)	NA
9	TOTAL DEPRECIATION ADJU	STMENTS	\$	910	NA
10					
11					
12 D	AMORTIZATION				
13	To record annual amortization of	regulatory assets per order PSC-05-1242-PAA-WS	\$	136	NA
14	-				NA
15	TOTAL AMORTIZATION ADJ	JSTMENTS	\$	136	NA
16					
17					
18 E	TAXES OTHER THAN INCOM				
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(2)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		86	NA
21	Property tax adjustment			-	NA
22	Property tax adjustment	NU&U portion of Property Taxes		(11)	NA NA
23	TOTAL TAXES OTHER THAN	INCOME ADJUSTMENTS	<u></u>	72	NA
24					
25					
26 F	INCOME TAXES		•	0.600	B.T.A
27	Income tax impact of the adjustme		<u>\$</u>	9,522	NA NA
8	TOTAL INCOME TAX ADJUST	MENIS	7	9,522	NA
29		·mo	•	(16 720)	NIA
10	TOTAL EXPENSE ADJUSTME	NIS	2	(16,730)	NA

PRO FORMA ADJUSTMENTS, continued					
ine					
o. I C	Description DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water	Sewe	
2		•			
3	Meter Replacements 6 Month Net Depr (Addns less Retirements) Allocation of new corp. PCs and Network & Telephony enhancements	\$	59	NA	
4	Anocation of new corp. I es and rectwork & Telephony enhancements		31	NA	
5			-		
5				NA	
7			•	***	
3	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(12)	NA	
	The state of the s		(13)	NA	
)	TOTAL	<u> </u>	76		
0	TOTAL	<u> </u>	76	NA NA	
1					
2 D	AMORTIZATION				
3	Correct Test Year Amortization of CIAC		(319)	NA	
4	Remove U&U Adjustment to Test Year Amortization of CIAC		(319)	NA NA	
5	TOTAL -	<u>-s</u>	(319)	NA NA	
6	· · · · · · ·		(319)	INA	
7 E	TAXES OTHER THAN INCOME TAX				
8	Payroll tax adjustment On Salary & Wage adjustments explained above	s	29	NA	
9	Property taxes associated with 2007 plant additions, allocations, adjustments	•	55	NA	
0	Property taxes associated with Pro Forma plant		100		
1	Property Tax adjustment for Non-Used & Useful plant		(1)	NA	
2	TOTAL	S	183	NA NA	
3			105		
4 F	INCOME TAXES				
5	Income tax impact of the adjustments to per book income	\$	283	NA	
6	TOTAL	\$	283	NA	
7					
8	TOTAL EXPENSE ADJUSTMENTS	\$	(595)	NA NA	
9					
UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
2					
3 A	NET OPERATING REVENUE				
•	Required Revenue Adjustment	\$	17,991	NA NA	
5	AND 18701 A 17 18 18 18 18 18 18 18 18 18 18 18 18 18				
5 B	OPERATION & MAINTENANCE EXPENSE				
7	Bad Debt Adjustment Due To Proposed Rate Increase	\$	54_	NA NA	
3 9 E	TAXES OTHER THAN INCOME TAX				
, E		4.500% \$	810	NA	
, l	RAF on Revenue Adjustment @	4.20078 3	010	INA	
1 2 F	INCOME TAX ADJUSTMENT				
2 F 3	Rate Year Revenue at Present Rates	s	7,085	NA	
,	Plus Required Revenue Adjustment	•	17,991	NA.	
5	Rate Year Revenue at Proposed Rates	\$	25,076	NA NA	
, 5	anne ann arrenne ma repense annes		23,070	- 11/1	
,	Less Operating Expenses Before Income Taxes	s	(20,122)	NA	
, 3	Less Operating Expenses Defore Income Taxes  Less Interest Expense	J	(1,666)	NA NA	
,	Taxable Income	•	3,288	NA NA	
)	Income Tax at Composite Rate of	38.575% \$	1,268	NA NA	
, l	Less Income Tax at Present Rates	JU.J. J/4 4	5,339	NA.	
2	SOUR THOUSE A WA OF A LONGIN THROU		5,559	14/3	
3	Income Tax Adjustment for Requested Revenue Increase	<u> </u>	6,607	NA	
ļ			0,007		

Line No.	Acct	Description		_	007 'ster		2007 Sewer
1	Acct Description Water TEST YEAR ADJUSTMENTS - 2007				atei		ewei
2	A	REVENUES					
3		Billed less Booked Revenue		\$	(599)		
4		Billed less Booked Revenue			· · · /	\$	(710
5		TOTAL REVENUE ADJUSTMENTS		\$	(599)	s	(710
6							
7	В	OPERATIONS & MAINTENANCE					
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$	(306)	\$	(245)
9	601/701	• . ,	Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		317		153
10	603/703	Salaries & Wages - Officers, Exec.			-		-
11	604/704	Employee Pensions & Benefits			-		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Zephyr Shores Purchased Water		(1,840)		1,758
13	NA /711	Sludge Removal Expense					-
14	615/715	Purchased Power			-		-
15	616/716	Fuel for Purchased Power			•		•
16	618/718	Chemicals			-		-
17	620/720	Materials & Supplies			-		-
18	631/731	Contractual Services - Engineering			•		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees		618		613
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful		122		121
21	634/734	Contractual Services - Mgmt. Fees			-		-
22	634/734				-		-
23	634/734				-		-
24	635/735	Contractual Services - Testing			-		-
25	636/736	Contractual Services - Other			-		-
26	641/741	Rental of Building/Real Prop.			-		-
27	642/742	Rental of Equipment			-		-
28	650/750	Transportation Expenses			-		-
29	656/756	Insurance - Vehicle			-		-
	657/757	Insurance - General Liability			-		-
31	658/758	Insurance - Workman's Comp.			•		-
	659/759	Insurance - Other			•		-
33	660/760	Advertising Expense			-		-
		Reg. Comm. Exp Rate Case Amort.			•		-
	667/767	Reg. Comm. Exp Rate Case Other			-		•
	670/770	Bad Debt Expense	N		17,799		21,122
	675/775 675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations  Normalize 2007 Intracompany misallocation of a/c 426 to		(353)		(350)
39	675/775		Operating Expenses Normalize 2007 Intercompany misallocation due to Fairways		(227)		(225)
40	_	Excess water loss adjustment for Purchase	ed Water. Power, and Chemicals		(143)		
41		Energy water too augustinent tol 1 diction	,,				
42		TOTAL O&M ADJUSTMENTS		\$	15,988	\$	22,947

Docket No. 080121-WS Kimberly H. Dismukes Exhibit No. KHD-1 Schedule 29 Page 2 of 4 Revised

Line No.	Description		Pro Forma Water		Pro Forma Sewer	
	YEAR ADJUSTMENTS - 2007, conti	nued				
2 C	DEPRECIATION NET OF AMOR	TIZATION OF CIAC (Used & Useful)				
3	Allocation of Corporate IT		\$	4,445	\$	4,411
4	Allocation of Corp Structures & Im	provements		76		76
5	·					
6	PSC Depr Rate Correction, Depr E:	kpn .		77		-
7	PSC Depr Rate Correction, Amort	CIAC		(763)		(825)
8	Reduction for NU&U			(3,863)		(6,894)
9	TOTAL DEPRECIATION ADJUS	TMENTS	\$	(27)	\$	(3,232)
10						
11						
12 D	AMORTIZATION					
13	To record annual amortization of re	gulatory assets per order PSC-05-1242-PAA-WS	\$	2,772	\$	2,761
14	-			-		
15	TOTAL AMORTIZATION ADJUS	STMENTS	\$	2,772	\$	2,761
16						
17		<b></b>				
18 E	TAXES OTHER THAN INCOME			(27)		(20)
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$	(27)	S	(32)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above		1,236		1,222
21	Property tax adjustment	Distributing from Water to Water & Sewer		(2,351)		2,351
22	Property tax adjustment	NU&U portion of Property Taxes		(1,305)	<u>s</u>	(1,005) 2,535
23	TOTAL TAXES OTHER THAN I	NCOME ADJUSTMENTS		(2,447)		2,333
24						
25 26 F	INCOME TAXES					
26 F 27	Income tax impact of the adjustmen	its to per book income	\$	(7,652)	\$	(11,161)
28	TOTAL INCOME TAX ADJUSTN			(7,652)	\$	(11,161)
28 29	TOTAL INCOME TAX ADJUSTIN	ILIN 13		(1,032)		
30	TOTAL EXPENSE ADJUSTMEN	TO	s	8,634	S	13,851

Line No.	Acct	Depariation			Water		C
1		Description RMA ADJUSTMENTS			Water	_	Sewer
2	Α	REVENUES					
3			Aqua America Commission	\$	132	\$	131
2				\$		\$	-
3		TOTAL REVENUE ADJUSTMENTS		\$	132	\$	131
4	_	ONCE ATTIONIS & MAINTENANCE					
3	B	OPERATIONS & MAINTENANCE	4.09/ Wass increase offerting 4/1/09	s	042	•	466
4 5	601/701 601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 Market Based Increases	\$	962 562	\$ \$	465 99
4	601/701		Market Dased IIIMeases	\$	502	\$	
5	601/701		Reduction in Meter Readers	Š	(816)	Š	(205
6	601/701		Remove Carl Smith Salary - Acquisition Related	S	(1,284)	\$	(1,274
7	601/701		Reduce President Salary	\$	(596)	\$	(591
8	601/701			\$	-	\$	-
9	601/701			\$	-	\$	-
10				\$	•	\$	-
11	603/703	Salaries & Wages - Officers, Exec.	T	S	-	\$	-
12		Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ \$	690	\$ \$	131
12	604/704 610/710	Purchased Water / Sewer Treatment	Remove Prior Period Expenses per Staff Audit Finding No. 10 Zephyr Shores Pro Forma Purchased Wastewater	S	(21)	\$	(21 271
	NA /711	Sludge Removal Expense	Zopiny, Shores i to romina i dichlased wastewater	\$	-	\$	
	615/715	Purchased Power		\$	-	\$	
	616/716	Fuel for Purchased Power		s	-	\$	_
17		Chemicals		\$		\$	-
18		Materials & Supplies		\$		\$	-
19	631/731	Contractual Services - Engineering		\$	-	\$	•
20	632/732	Contractual Services - Accounting		\$	-	\$	-
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(9)	\$	(9
	633/733			\$	•	\$	-
23	634/734	Contractual Services - Mgmt. Fees		\$	-	\$	-
24 25	634/734 634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ \$	(834)	\$ \$	(828
24	634/734			s		\$	_
20 27	634/734		Remove Excess Costs Charged from Affiliates	Š	(20,239)	Š	(20,083)
	635/735	Contractual Services - Testing	Normalizing Testing Expenses	\$	(1,437)	\$	
29	636/736	Contractual Services - Other		\$	-	\$	-
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$	(726)	\$	(720
31	636/736			\$	•	\$	-
32			Eliminate O/S Contractor meter reading	\$	(2,344)	\$	•
33			Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(138)	\$	(137
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$	(441)	\$	(438
	636/736			s s	-	\$ \$	•
36 37	636/736 636/736			\$	•	\$	
31 38		Rental of Building/Real Prop.		\$	-	\$	_
	642/742	Rental of Equipment		Š		Š	_
40		Transportation Expenses	Adjust fuel to \$3.36/gal	\$	879	\$	872
41		Insurance - Vehicle	,	\$		S	-
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$	(170)	\$	(169
43	658/758	Insurance - Workman's Comp.		\$	•	\$	-
44	659/759	Insurance - Other		S	-	\$	-
45		Advertising Expense		\$	-	S	-
	660/760		Remove Advertising Expenses	\$	(14)	\$	(14
47	660/760	n 0 E n 0 A	Remove Lobbying Expenses	\$ \$	(541)	\$ \$	(536
48	666/766	Reg. Comm. Exp Rate Case Amort.		s		\$	-
49 50	667/767 670/770	Reg. Comm. Exp Rate Case Other Bad Debt Expense		\$	-	\$	-
50 51	670/770	Data Sect Expense		Š	-	S	-
	670/770		Adjustment to Bad Debt	\$	(968)	\$	160
	675/775	Miscellaneous Expense	•	s	•	\$	-
54			Normalize Relocation Expenses	S	(195)	\$	(194
55	675/775		Remove Test Year Fines and Penalties	\$	(3,635)	\$	(227
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$	(0)	\$	(0
57							
58							

lo.		Description				_
	c	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		Water		Sewer
2		Meter Replacements 6 Month Net Depr (Addns less Retirements)	s	805	NA	
3		Allocation of new corp. PCs and Network & Telephony enhancements	-	554	• • • •	55
4				-		
5 6						
7				•		
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(238)		
				(250)		(23
•		TOTAL	<u></u>	1,121	\$	3
0						
1 2 1		AMODELLATION				
3	ט	AMORTIZATION Correct Test Year Amortization of CIAC				
4		Remove U&U Adjustment to Test Year Amortization of CIAC		•		
5		TOTAL	\$	<del></del>	<u>s</u>	
6			<del></del>		<u> </u>	
7 1	E	TAXES OTHER THAN INCOME TAX				
8 9		Payroll tax adjustment On Salary & Wage adjustments explained above	\$	119	\$	4
0		Property taxes associated with 2007 plant additions, allocations, adjustments Property taxes associated with Pro Forma plant		8		(6
1		Property Tax adjustment for Non-Used & Useful plant		820 (402)		10
2		TOTAL	\$	545	\$	
3			_ <u></u>		<u> </u>	
4 I	F	INCOME TAXES				
5		Income tax impact of the adjustments to per book income		11,253	\$	9,26
6 7		TOTAL	\$	11,253	\$	9,26
B		TOTAL EXPENSE ADJUSTMENTS	<u>s</u>	(10.207)		(12.00
9		10118 DIN BIND THE OUTTENATO	3	(18,397)	<u>\$</u>	(13,80
<b>)</b> _						
1 T	UTILI	TY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
2 3 A	4	NET OPERATING REVENUE				
•	-	Required Revenue Adjustment	<u> </u>	20,894	\$	(32,52
5		•		20,074		(32,32
E	3	OPERATION & MAINTENANCE EXPENSE				
7 3		Bad Debt Adjustment Due To Proposed Rate Increase	\$	62	\$	(9
Þ	3	TAXES OTHER THAN INCOME TAX				
) -		RAF on Revenue Adjustment @	4.500% \$	940	\$	(1,46
		•	··			(-,+0
F	7	INCOME TAX ADJUSTMENT				
		Rate Year Revenue at Present Rates	\$	76,431		133,85
;		Plus Required Revenue Adjustment Rate Year Revenue at Proposed Rates		20,894		(32,52
,		Rate Teal Revenue at Proposed Rates	_\$	97,325	\$	101,32
,		Less Operating Expenses Before Income Taxes	s	(86,828)	s	(94,29
1		Less Interest Expense	. •	(3,563)	-	(2,40
•		Taxable Income	\$	6,934	S	4,63
)		Income Tax at Composite Rate of	38.575% \$	2,675	\$	1,78
		Less Income Tax at Present Rates		4,998		(13,73
		Income Tax Adjustment for Requested Revenue Increase	<del></del>	7.673		(11.64
			<u>\$</u>	7,673	<u>s</u>	(11,94