

330	INGRAM WATER SUPPLY	1330011	13254	KERR
331	ROYAL OAKS WATER	1330013	13254	KERR
332	WESTCREEK ESTATES WATER SYSTEM	1330028	13254	KERR
333	ERLUND SUBDIVISION	1330036	13254	KERR
334	LOMA VISTA WATER SYSTEM	1330041	13254	KERR
335	AQUA VISTA UTILITIES	1330062	13254	KERR
336	OAK FOREST SOUTH WATER SUPPLY	1330091	13254	KERR
337	NICKERSON FARM WATER SYSTEM	1330097	13254	KERR
338	SLEEPY HOLLOW	1330101	13254	KERR
339	PECAN VALLEY	1330107	13254	KERR
340	CENTER POINT NORTH WATER SYSTEM	1330111	13254	KERR
341	FOUR SEASONS	1330113	13254	KERR
342	HORSESHOE OAKS SUBDIVISION WATER SYSTEM	1330118	13254	KERR
343	NORTHWEST HILLS SUBDIVISION	1330124	13254	KERR
344	BEAR PAW WATER SYSTEM	1330126	13254	KERR
345	PARK PLACE SUBDIVISION	1330127	13254	KERR
346	REAL OAKS SUBDIVISION	1330139	13254	KERR
347	CHERRY RIDGE WATER	1330147	13254	KERR
348	FALLING WATER SUBDIVISION	1330154	13254	KERR
349	SADDLEWOOD SUBDIVISION	1330155	13254	KERR
350	CYPRESS SPRINGS	1330156	13254	KERR
351	LONDON WATER SYSTEM	1340019	13254	KIMBLE
352	LAKE VISTA UTILITY CO	1490017	13254	LIVE OAK
353	PECAN UTILITIES OAK RIDGE SUBDIVISION	1500043	13254	LLANO
354	COUNTRY VIEW ESTATES	1630026	13254	MEDINA
355	VALENTINE RANCH	1630040	13254	MEDINA
356	DANCING BEAR	1630045	13254	MEDINA
357	GOLDEN ACRES WATER CO	1780019	13254	NUECES
358	RIVERCREST WATER SYSTEM	2270041	13254	TRAVIS
359	BEAR CREEK PARK	2270043	13254	TRAVIS
360	SANDY CREEK RANCHES SUBDIVISION	2270054	13254	TRAVIS
361	ONION CREEK MEADOWS	2270059	13254	TRAVIS
362	MOORELAND SUBDIVISION	2270114	13254	TRAVIS
363	HILL COUNTRY NORTHWEST CHERRY HOLLOW	2270173	13254	TRAVIS
364	NIGHTHAWK WSC	2270190	13254	TRAVIS
365	INDIAN SPRINGS SUBDIVISION	2270210	13254	TRAVIS
366	SHADY HOLLOW ESTATES WSC	2270212	13254	TRAVIS
367	BARTON CREEK LAKESIDE	2270282	13254	TRAVIS
368	LAKECLIFF ON LAKE TRAVIS	2270327	13254	TRAVIS
369	CANYON RIDGE SPRINGS	2270342	13254	TRAVIS
370	BRIARCREEK SUBDIVISION	2270354	13254	TRAVIS
371	SOUTH SAN GABRIEL RANCHES	2460026	13254	WILLIAMSON
372	SAN GABRIEL RIVER RANCHES	2460046	13254	WILLIAMSON
373	BRUSHY BEND PARK	2460050	13254	WILLIAMSON
374	TAL TEX	2460064	13254	WILLIAMSON
375	EAGLE CREEK RANCH	2470022	13254	WILSON

WQ Permitted Systems

List all the public water systems owned by the reporting entity below, or attach a list.

PWS Name	WQ Permit Number	CCN	COUNTY
1 VILLAGE TRACE WATER SYSTEM	0012822-001	20453	BRAZORIA
2 SOUTH MEADOWS EAST-Ashley Oaks	0014039-001	20453	BRAZORIA
3 WEYBRIDGE SUBDIVISION WATER SYSTEM	0014324-001	20453	BRAZORIA
4 COLONIAL HILLS	0010694-001	20453	HARRIS
5 GREENWOOD VILLAGE	0011255-001	20453	HARRIS
6 BRENTWOOD SUBDIVISION	0010742-001	20453	VICTORIA
7 EAGLES BLUFF	0013994-001	21059	CHEROKEE
8 SHALE CREEK COMMUNITY	0014186-001	21059	DENTON
9 BLUE WATER SHORES	0013022-001	21059	HOOD
10 RIDGE UTILITIES	0013025-001	21059	HOOD
11 CANYON CREEK ADDITION	0013786-001	21059	HOOD
12 TREATY OAKS	0014147-001	21059	HOOD
13 CRESTWOOD WATER CO	0012563-001	21059	MARION
14 THE RESORT AT EAGLE MOUNTAIN LAKE	0014125-001	21059	TARRANT
15 CHISHOLM SPRINGS	0014910-001	21059	WISE
16 PALM CREST	0014279-001	21065	BRAZORIA
17 GRAY UTILITY SERVICE (Veranda WWTP)	0011449-001	21065	CHAMBERS
18 NIAGRA PUBLIC WATER SUPPLY	0013600-001	21065	FORT BEND
19 ROSEMEADOWS III	0014175-001	21065	FORT BEND
20 RIVERWOOD FOREST	0014194-001	21065	FORT BEND
21 LAKES OF MISSION GROVE	0014243-001	21065	FORT BEND
22 BRITTMORE UTILITY (Brittmoore Utility (I&II))	0011193-001	21065	HARRIS
23 CANDLELIGHT HILLS SUBDIVISION	0011314-001	21065	HARRIS
24 CREEKSIDE ESTATES SOUTH	0011375-001	21065	HARRIS
25 PINE TRAILS UTILITY	0011701-001	21065	HARRIS
26 INDUSTRIAL UTILITIES SERVICE	0012122-001	21065	HARRIS
27 OAKWOOD VILLAGE MOBILE HOME SUBDIVISION	0012303-001	21065	HARRIS
28 TIMBERWILD	0012519-001	21065	HARRIS
29 REDWOOD ESTATES MOBILE HOME PARK	0012996-001	21065	HARRIS
30 HERON LAKES ESTATES	0013433-001	21065	HARRIS
31 WILLOW OAKS	0013619-001	21065	HARRIS
32 CLASSIC PINES SUBDIVISION	0013870-001	21065	HARRIS
33 STABLE GATES	0014032-001	21065	HARRIS
34 IMPERIAL VALLEY MHC	0014106-001	21065	HARRIS
35 BRITTMORE III WWTP (See T228 - Brittmoore Utility for Cus	0014117-001	21065	HARRIS
36 COUNTRY CLUB GREEN (estates of willow creek - Mahafee F	0014181-001	21065	HARRIS
37 COUNTRY SIDE ESTATES	0011249-001	21065	JEFFERSON
38 SHADOW BAY SUBDIVISION	0011419-001	21065	MONTGOMERY
39 BRUSHY CREEK UTILITY	0012898-001	21065	MONTGOMERY
40 TIMBERLOCH ESTATES	0014007-001	21065	MONTGOMERY
41 LAKE CONROE VILLAGE	0014018-001	21065	MONTGOMERY
42 WHITE OAK RANCH SECTION ONE	0014114-001	21065	MONTGOMERY
43 OLD EGYPT SUBDIVISION	0014141-001	21065	MONTGOMERY
44 LAKE CONROE FOREST SUBDIVISION - Tejas Creek	0014357-001	21065	MONTGOMERY
45 CEDAR POINT	0012454-001	21065	POLK
46 LAKE LIVINGSTON VILLAGE WATER UTILITY	0013209-001	21065	POLK

47	PORT ADVENTURE	0014096-001	21065	TRINITY
48	B & W GATHERING	0011332-001	21116	BURNET
49	GOFORTH	0013293-001	21116	HAYS
50	WOODCREEK UTILITY CO 1	0013989-001	21116	HAYS
51	SANDY CREEK RANCHES SUBDIVISION	0013337-001	21116	TRAVIS
52	BARTON CREEK LAKESIDE	0013477-001	21116	TRAVIS
53	BRIARCREEK SUBDIVISION	0014061-001	21116	TRAVIS
54	LAKECLIFF ON LAKE TRAVIS	R13477-001	21116	TRAVIS

Affiliated Transactions

(Except for blue cells, the values in this table will populate automatically)

Charges by an affiliate to the Reporting Utility

Name of Affiliated company: Aqua Services, Inc.

NARUC Account and type of service*		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)
634.0	Aqua Services - Corporate Services	\$1,126,577	\$0	\$1,126,577
634.0	Aqua Services - Sundry	669,156	0	669,156
636.0	Aqua Customer Operations - Allocated Costs	620,681	0	620,681
636.0	Aqua Customer Operations - Direct Billing	79,286	0	79,286
636.0	Aqua Customer Operations - Postage	155,668	0	155,668
636.0	Aqua Customer Operations - Processing	122,547	0	122,547
636.0	Level One LLC - Bill Processing	8,980	0	8,980
636.0	Recovery Fees - Not Affiliated Transactions	72,095	0	72,095
734.0	Aqua Services - Corporate Services	310,647	0	310,647
734.0	Aqua Services - Sundry	184,516	0	184,516
736.0	Aqua Customer Operations - Allocated Costs	194,251	0	194,251
736.0	Aqua Customer Operations - Postage	43,200	0	43,200
736.0	Aqua Customer Operations - Processing	34,008	0	34,008
736.0	Bank Service Fee Charges	53,543	0	53,543
		0	0	0
		0	0	0

Charges by an Reporting Utility to Affiliates

Name of Affiliated company: _____

NARUC Account and type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)
		\$0	\$0	\$0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0

*Report affiliated transactions by NARUC account for each affiliate.

Historical Financial Statistics
(Texas-Jurisdictional Basis)

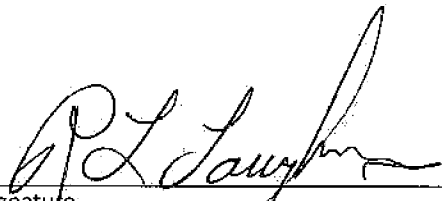
Note: If Texas-jurisdictional data from audited financial statements cannot be provided or unaudited financial statement are used, provide a complete identification and description of the alternative data used as the basis for the ratio calculations. All calculations should be provided.

Line	Fiscal Year:	(20XX-4)	(20XX-3)	(20XX-2)	(20XX-1)	Monitoring Period (20XX)
1	Total Debt as a Percent of Total Capital	50.03%	49.83%	51.35%	51.04%	49.83%
2						
3	Construction Work in Progress as a Percent of Net Plant	3.00%	6.99%	6.12%	7.55%	8.73%
4						
5	Construction Expenditures as a	12.03%	9.55%	14.20%	8.53%	27.46%
6	Percent of Average Total Capital					
7						
8	Pre-Tax Interest Coverage	5.60	5.49	4.63	4.58	4.20
9						
10	Fixed Charge Coverage	5.21	5.11	4.32	4.27	3.96
11						
12	Return on Average Common Equity	14.39%	13.61%	12.83%	10.93%	9.59%

SIGNATURE PAGE--PUC CLASS A ANNUAL REPORT

I certify that I am the responsible official of the above-named company and that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and correct and the said report is a correct statement of the business and affairs of the above-named company with respect to each and every matter set forth therein for the 12 Months Ending December 31, 2020 .

5/27/2021
Date


Signature
President
Title

Aqua Texas, Inc. Balance Sheet at 12/31/2020

	CY Balance
Utility Prop Plant Equip	554,928,879
Net Utility Plant Adjustment	(6,189,701)
Subtotal	548,739,178
Less Allow for Depreciation	(152,693,041)
Net Utility Plant	396,046,137
CWIP	38,388,356
Net Plant	434,434,493
Other Physical Property	-
Investments	-
Investments in Subsidiary	-
CSV Life Insurance	-
Other	-
Total Other Investments	-
Cash	216,974
Interest Rec. Affiliates	-
Dividends Rec. Affiliates	-
Temporary Investments	-
Accounts Receivable Trade	6,126,045
Allowance for Bad Debts	(668,101)
Intercompany	(10,056,858)
Notes Receivable	-
Notes Rec. Affiliates	-
Materials and Supplies	474,807
Unbilled Revenue	3,211,727
Prepayments	493,386
Deferred Tax Asset	-
Other Current Assets	-
Total Current Assets	(202,020)
Unamortized Debt Expense	-
Rate Case Expense	45,258
Prelim Survey & Invest	114,263
Regulatory Assets	5,914,829
Restricted Cash	-
RWIP	(323)
Accum Def Income Tax	-
Goodwill	5,046,585
Net Operating Lease Assets	736,348
Other non-current assets	60,507
Total Non-current Assets	11,917,466
Total Assets	446,149,939

Aqua Texas, Inc. Balance Sheet at 12/31/2020

	CY Balance
Preferred Stock	-
Common Shares	-
Premium on Common Shares	163,607,047
Capital in Excess of Par	(140,999,426)
Reinvested Earnings	
Balance January 1	128,830,537
Income Current Year	17,184,186
Dividends - Common	-
Dividends - Preferred	-
Unearned Compensation	-
Other	-
Subtotal	168,622,345
Mortgage Bonds	168,605,932
Unamortized debt issue costs	(1,130,001)
Total Long-term Debt (net)	167,475,932
Short Term Debt	-
Subtotal	-
Total Capitalization	336,098,276
Minority Int in Water Subs	-
Current Portion of LTD	753,605
Operating Acc/Pay Trade	4,474,293
Construction Accounts Payable	3,386,341
Dividends Payable	-
Accrued Taxes - Federal	4,878,510
Accrued Taxes - State	441,117
Accrued Taxes - Other	815,574
Accrued Interest	767
Advances due to Affiliates	-
Other Current Liabilities	1,831,749
Total Current Liabilities	16,581,956
Cust Advances for Const	3,106,679
Long Term Deferred FIT	17,524,494
Long Term Deferred SIT	-
Unamortized ITC	-
Regulatory Liabilities	19,394,055
Non-Current Operating Lease	486,714
Other Non-Current Liab	2,775
Total Def Cr & Non-current Lia	40,514,717
Contrib in Aid of Const	52,954,989
Total Liabilities and Capital	446,149,939

AQUA TEXAS INC.
P&L for Year Ending 12/31/2020

REVENUE	
Utility Revenue-Water	60,125,281
Utility Revenue-Waste Water	16,350,242
Non-Utility Revenue	606,536

TOTAL REVENUE	77,082,059

OPERATIONS AND MAINTENANCE	
Labor	7,300,732
Employee Benefits	2,207,700
Purchased Water	4,088,141
Purchased WW Treatment	190,992
Sludge	678,741
Power	3,558,056
Chemicals	1,075,653
Management Fees - Corp	2,290,896
Management Fees - Region	
Management Fees - States	
Cust Operations-ACO alloc	894,218
Cust Operations-Direct	490,041
Cust Operations-Non ACO	
Outside Services - Engineering	76,834
Outside Services - Accounting	123,902
Outside Services - Legal	277,007
Outside Services - Labtest	1,398,465
Outside Services - IT	16,419
Outside Services - Operations	877,724
Outside Services - Maintenance	3,074,044
Outside Services - Other	449,418
Leases	506,416
Supplies	516,414
Transportation	764,091
Insurance	885,972
Bad Debt Expense	600,769
Other Expense	1,463,568
Capital OH Credit	(995,045)
Other Non-Util Oper Exp	122,414

Total Operations & Maintenance	32,933,580
Amortization	(165,717)
Depreciation	10,190,269
Taxes Other	7,986,379

AQUA TEXAS INC.
P&L for Year Ending 12/31/2020

Federal Taxes	4,527,094
State Taxes	565,753

Operating Income	21,044,700
Gain on Sale of Assets	(55,015)
OTH NET PERIODIC BENEFIT COSTS	1,508
Equity earnings in JV	
Minority Interest of Subs	
AFUDC	(2,256,923)

Income Before Debt Interest	23,355,130
Debt Interest-Associated COS	
Debt Interest-Short Term Debt	
Debt Interest-Long Term Debt	5,884,758
Debt Interest-Customer Deposit	7,042
Interest Income	
Other Interest Expense	215,004
Amort-Debt Issuance Costs	64,140

Debt Expense	6,170,944

Dividends	

Net Income	17,184,186
Preferred Dividends	

Net Income Avail for Common	17,184,186

Exhibit No. “6”

**True and correct copy of Attachment 11 to the CCN Application
in Docket No. 52172**

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Essential Utilities, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets, including the consolidated statements of capitalization, of Essential Utilities, Inc. and its subsidiaries (the “Company”) as of December 31, 2019 and 2018, and the related consolidated statements of net income, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2019, including the related notes and schedule of condensed parent company financial statements as of December 31, 2019 and 2018 and for each of the three years in the period ended December 31, 2019 appearing after the signature pages (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with

generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Rate Regulation and Regulatory Accounting

As described in Notes 1 and 6 to the consolidated financial statements, most of the operating companies of the Company that are regulated public utilities are subject to regulation by the utility commissions of the states in which they operate. Some of the operating companies that are regulated public utilities are subject to rate regulation by county or city government. As of December 31, 2019, regulatory assets were \$878 million and regulatory liabilities were \$518 million. Regulated public utilities follow the Financial Accounting Standards Board's (FASB) accounting guidance for regulated operations, which provides for the recognition of regulatory assets and liabilities as allowed by regulators for costs or credits that are reflected in current rates or are considered probable of being included in future rates. The regulatory assets represent costs that are probable to be fully recovered from customers in future rates while regulatory liabilities represent amounts that are expected to be refunded to customers in future rates or amounts recovered from customers in advance of incurring the costs. The regulatory assets or liabilities are then relieved as the cost or credit is reflected in the Company's rates charged for utility service. If, as a result of a change in circumstances, it is determined that the regulated operating companies no longer meets the criteria to apply regulatory accounting, the operating company would have to discontinue regulatory accounting and write-off the respective regulatory assets and liabilities. Management makes significant judgments and estimates to record regulatory assets and liabilities. For each regulatory jurisdiction with regulated operations, management evaluates at the end of each reporting period, whether the regulatory assets and liabilities continue to meet the probable criteria for future recovery or refund. The evaluation considers factors such as regulatory orders or guidelines, in the same regulatory jurisdiction, of a specific matter or a similar matter, as provided to the Company in the past or to other regulated utilities. In addition, the evaluation may be impacted by changes in the regulatory environment and pending or new legislation that could impact the ability to recover costs through regulated rates. There may be multiple participants to rate or transactional regulatory proceedings who might offer different views on various aspects of such proceedings, and in these instances may challenge our prudence of business policies and practices, seek cost disallowances or request other relief.

The principal considerations for our determination that performing procedures relating to the Company's rate regulation and regulatory accounting is a critical audit matter are there was significant judgment by management in assessing the potential outcomes and related accounting impacts associated with pending rate cases which in turn led to a high degree of

auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence obtained related to the recovery of regulatory assets and the refund of regulatory liabilities.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's evaluation of regulatory matters impacting regulatory assets and liabilities. These procedures also included, among others (i) obtaining the Company's correspondence with regulators and assessing the reasonableness of management's judgments regarding the probability of recovery of regulatory assets and refund of regulatory liabilities in light of correspondence with regulators, among other factors, (ii) assessing the reasonableness of management's judgments regarding new and updated regulatory guidance and proceedings and the related accounting implications, and (iii) testing the calculation of regulatory assets and liabilities based on provisions and formulas outlined in regulatory orders and other correspondence.

A handwritten signature in cursive script, appearing to read "PricewaterhouseCoopers LLP", written in dark ink.

Philadelphia, Pennsylvania
February 28, 2020

We have served as the Company's auditor since 2000.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands of dollars, except per share amounts)

		December 31,	
		2019	2018
Assets			
Property, plant and equipment, at cost		\$ 8,201,936	\$ 7,648,469
Less: accumulated depreciation		1,856,146	1,718,143
Net property, plant and equipment		6,345,790	5,930,326
Current assets:			
Cash and cash equivalents		1,868,922	3,627
Accounts receivable, net		67,137	65,825
Unbilled revenues		40,483	35,400
Inventory, materials and supplies		18,379	15,844
Prepayments and other current assets		16,259	23,337
Assets held for sale		1,558	3,139
Total current assets		2,012,738	147,172
Regulatory assets		878,132	788,076
Deferred charges and other assets, net		42,652	39,237
Investment in joint venture		5,984	6,959
Goodwill		63,822	52,726
Operating lease right-of-use assets		12,867	-
Total assets		\$ 9,361,985	\$ 6,964,496
Liabilities and Equity			
Essential Utilities stockholders' equity:			
Common stock at \$0.50 par value, authorized 300,000,000 shares, issued 223,871,284 and 181,151,827 as of December 31, 2019 and December 31, 2018		\$ 111,935	\$ 90,576
Capital in excess of par value		2,636,555	820,378
Retained earnings		1,210,072	1,174,245
Treasury stock, at cost, 3,112,565 and 3,060,206 shares as of December 31, 2019 and December 31, 2018		(77,702)	(75,835)
Total stockholders' equity		3,880,860	2,009,364
Long-term debt, excluding current portion		2,972,349	2,419,115
Less: debt issuance costs		29,022	20,651
Long-term debt, excluding current portion, net of debt issuance costs		2,943,327	2,398,464
Commitments and contingencies (See Note 9)			
Current liabilities:			
Current portion of long-term debt		105,051	144,545
Loans payable		25,724	15,449
Accounts payable		74,919	77,331
Bank overdraft		10,944	8,950
Accrued interest		29,818	23,300
Accrued taxes		22,775	22,234
Interest rate swap agreements		-	59,779
Other accrued liabilities		49,618	47,389
Total current liabilities		318,849	398,977
Deferred credits and other liabilities:			
Deferred income taxes and investment tax credits		936,158	845,403
Customers' advances for construction		95,556	93,343
Regulatory liabilities		517,599	531,027
Operating lease liabilities		11,645	-
Other		102,465	97,182
Total deferred credits and other liabilities		1,663,423	1,566,955
Contributions in aid of construction		555,526	590,736
Total liabilities and equity		\$ 9,361,985	\$ 6,964,496

See accompanying notes to consolidated financial statements.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF NET INCOME
(In thousands, except per share amounts)

	Years ended December 31,		
	2019	2018	2017
Operating revenues	\$ 889,692	\$ 838,091	\$ 809,525
Operating expenses:			
Operations and maintenance	333,102	308,478	282,253
Depreciation	158,179	146,032	136,302
Amortization	(1,703)	641	422
Taxes other than income taxes	59,955	59,762	56,628
Total operating expenses	549,533	514,913	475,605
Operating income	340,159	323,178	333,920
Other expense (income):			
Interest expense	125,383	99,054	88,543
Interest income	(25,406)	(152)	(202)
Allowance for funds used during construction	(16,172)	(13,023)	(15,211)
Change in fair value of interest rate swap agreements	23,742	59,779	-
Loss on debt extinguishment	18,528	-	-
Gain on sale of other assets	(923)	(714)	(484)
Equity earnings in joint venture	(2,210)	(2,081)	(331)
Other	5,691	1,996	4,953
Income before income taxes	211,526	178,319	256,652
Provision for income taxes (benefit)	(13,017)	(13,669)	16,914
Net income	\$ 224,543	\$ 191,988	\$ 239,738
Net income per common share:			
Basic	\$ 1.04	\$ 1.08	\$ 1.35
Diluted	\$ 1.04	\$ 1.08	\$ 1.35
Average common shares outstanding during the period:			
Basic	215,550	177,904	177,612
Diluted	215,931	178,399	178,175

See accompanying notes to consolidated financial statements.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of dollars)

	Years ended December 31,		
	2019	2018	2017
Net income	\$ 224,543	\$ 191,988	\$ 239,738
Other comprehensive income, net of tax:			
Unrealized holding gain on investments, net of tax expense of \$102	-	-	191
Comprehensive income	<u>\$ 224,543</u>	<u>\$ 191,988</u>	<u>\$ 239,929</u>

See accompanying notes to consolidated financial statements.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CAPITALIZATION
(In thousands of dollars, except per share amounts)

	December 31,	
	2019	2018
Essential Utilities stockholders' equity:		
Common stock, \$0.50 par value	\$ 111,935	\$ 90,576
Capital in excess of par value	2,636,555	820,378
Retained earnings	1,210,072	1,174,245
Treasury stock, at cost	(77,702)	(75,835)
Accumulated other comprehensive income	-	-
Total stockholders' equity	3,880,860	2,009,364
Long-term debt of subsidiaries (substantially collateralized by utility plant):		
<u>Interest Rate Range</u>	<u>Maturity Date Range</u>	
0.00% to 0.99%	2020 to 2033	3,474
1.00% to 1.99%	2020 to 2039	10,733
2.00% to 2.99%	2024 to 2033	15,674
3.00% to 3.99%	2020 to 2056	655,685
4.00% to 4.99%	2020 to 2059	1,054,791
5.00% to 5.99%	2028 to 2043	60,683
6.00% to 6.99%	2026 to 2036	31,000
7.00% to 7.99%	2022 to 2027	30,751
8.00% to 8.99%	2021 to 2025	5,026
9.00% to 9.99%	2020 to 2026	19,300
		1,887,117
Notes payable to bank under revolving credit agreement, variable rate, due 2023	-	370,000
Unsecured notes payable:		
Bank note at 2.48% due 2019	-	50,000
Bank note at 3.50% due 2020	50,000	50,000
Amortizing notes at 3.00% due 2022	99,356	-
Notes ranging from 3.01% to 3.59%, due 2029 through 2041	490,000	245,000
Notes at 4.28%, due 2049	500,000	112,000
Notes ranging from 5.64% to 5.95%, due 2020 through 2034	50,927	132,427
Total long-term debt	3,077,400	2,563,660
Current portion of long-term debt	105,051	144,545
Long-term debt, excluding current portion	2,972,349	2,419,115
Less: debt issuance costs	29,022	20,651
Long-term debt, excluding current portion, net of debt issuance costs	2,943,327	2,398,464
Total capitalization	\$ 6,824,187	\$ 4,407,828

See accompanying notes to consolidated financial statements.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands of dollars, except per share amounts)

	Common stock	Capital in excess of par value	Retained earnings	Treasury stock	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2016	\$ 90,155	\$ 797,513	\$ 1,032,844	\$ (71,113)	\$ 669	\$ 1,850,068
Net income	-	-	239,738	-	-	239,738
Other comprehensive income, net of income tax of \$102	-	-	-	-	191	191
Dividends declared (\$0.7920 per share)	-	-	(140,660)	-	-	(140,660)
Issuance of common stock under dividend reinvestment plan (45,121 shares)	23	1,430	-	-	-	1,453
Repurchase of stock (69,339 shares)	-	-	-	(2,167)	-	(2,167)
Equity compensation plan (169,258 shares)	85	(85)	-	-	-	-
Exercise of stock options (174,527 shares)	87	2,786	-	-	-	2,873
Stock-based compensation	-	6,342	(348)	-	-	5,994
Cumulative effect of change in accounting principle - windfall tax benefit	-	-	982	-	-	982
Other	-	(851)	-	-	-	(851)
Balance at December 31, 2017	90,350	807,135	1,132,556	(73,280)	860	1,957,621
Net income	-	-	191,988	-	-	191,988
Dividends declared (\$0.8474 per share)	-	-	(150,736)	-	-	(150,736)
Issuance of common stock under dividend reinvestment plan (158,205 shares)	79	5,084	-	-	-	5,163
Repurchase of stock (73,898 shares)	-	-	-	(2,555)	-	(2,555)
Equity compensation plan (201,563 shares)	101	(101)	-	-	-	-
Exercise of stock options (91,808 shares)	46	1,413	-	-	-	1,459
Stock-based compensation	-	7,567	(423)	-	-	7,144
Cumulative effect of change in accounting principle - financial instruments	-	-	860	-	(860)	-
Other	-	(720)	-	-	-	(720)
Balance at December 31, 2018	90,576	820,378	1,174,245	(75,835)	-	2,009,364
Net income	-	-	224,543	-	-	224,543
Dividends declared (\$0.9066 per share)	-	-	(188,512)	-	-	(188,512)
Stock issued to finance acquisition (37,370,017 shares)	18,685	1,244,414	-	-	-	1,263,099
Proceeds from stock purchase contracts issued under tangible equity units	-	557,389	-	-	-	557,389
Issuance of common stock from stock purchase contracts (4,846,601 shares)	2,423	(2,423)	-	-	-	-
Issuance of common stock under dividend reinvestment plan (236,666 shares)	118	8,841	-	-	-	8,959
Repurchase of stock (52,359 shares)	-	-	-	(1,867)	-	(1,867)
Equity compensation plan (146,867 shares)	73	(73)	-	-	-	-
Exercise of stock options (119,306 shares)	60	1,838	-	-	-	1,898
Stock-based compensation	-	7,368	(204)	-	-	7,164
Other	-	(1,177)	-	-	-	(1,177)
Balance at December 31, 2019	\$ 111,935	\$ 2,636,555	\$ 1,210,072	\$ (77,702)	-\$	3,880,860

See accompanying notes to consolidated financial statements.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of dollars)

	Years ended December 31,		
	2019	2018	2017
Cash flows from operating activities:			
Net income	\$ 224,543	\$ 191,988	\$ 239,738
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	156,476	146,673	136,724
Deferred income taxes	(10,436)	(14,950)	13,780
Provision for doubtful accounts	5,306	5,305	4,986
Stock-based compensation	7,368	7,567	6,342
(Gain) loss on sale of utility system and market-based business unit	(405)	-	774
Loss on interest rate swap agreements	23,742	59,779	-
Loss on debt extinguishment	18,528	-	-
Settlement of interest rate swap agreements	(83,520)	-	-
Gain on sale of other assets	(923)	(714)	(484)
Net change in receivables, inventory and prepayments	(4,335)	(18,024)	(6,458)
Net change in payables, accrued interest, accrued taxes and other accrued liabilities	5,108	567	(763)
Pension and other postretirement benefits contributions	(8,597)	(14,216)	(16,240)
Other	5,668	4,547	2,919
Net cash flows from operating activities	338,523	368,522	381,318
Cash flows from investing activities:			
Property, plant and equipment additions, including the debt component of allowance for funds used during construction of \$4,231, \$3,332, and \$3,578	(550,273)	(495,737)	(478,089)
Acquisitions of utility systems and other, net	(59,687)	(145,693)	(5,860)
Net proceeds from the sale of utility systems and other assets	2,893	716	1,342
Other	2,464	899	2,223
Net cash flows used in investing activities	(604,603)	(639,815)	(480,384)
Cash flows from financing activities:			
Customers' advances and contributions in aid of construction	9,092	7,458	7,312
Repayments of customers' advances	(6,825)	(6,217)	(6,536)
Net proceeds (repayments) of short-term debt	10,275	11,799	(2,885)
Proceeds from long-term debt	1,434,506	1,331,868	591,024
Repayments of long-term debt	(1,048,471)	(914,125)	(359,068)
Extinguishment of long-term debt	(25,237)	-	-
Change in cash overdraft position	1,993	(12,678)	9,012
Proceeds from issuance of common stock under dividend reinvestment plan	8,959	5,163	1,453
Proceeds from stock issued to finance acquisition	1,263,099	-	-
Proceeds from tangible equity unit issuance	673,642	-	-
Proceeds from exercised stock options	1,898	1,459	2,873
Repurchase of common stock	(1,867)	(2,555)	(2,167)
Dividends paid on common stock	(188,512)	(150,736)	(140,660)
Other	(1,177)	(720)	(851)
Net cash flows from financing activities	2,131,375	270,716	99,507
Net increase (decrease) in cash and cash equivalents	1,865,295	(577)	441
Cash and cash equivalents at beginning of year	3,627	4,204	3,763
Cash and cash equivalents at end of year	\$ 1,868,922	\$ 3,627	\$ 4,204
Cash paid during the year for:			
Interest, net of amounts capitalized	\$ 89,228	\$ 93,630	\$ 81,771
Income taxes	970	2,103	3,177
Non-cash investing activities:			
Property, plant and equipment additions purchased at the period end, but not yet paid	\$ 60,628	\$ 65,285	\$ 45,385
Non-cash utility property contributions	30,693	24,660	39,220

See accompanying notes to consolidated financial statements.

Refer to Note 2 – *Acquisitions*, Note 11 – *Long-term Debt and Loans Payable*, and Note 15 – *Employee Stock and Incentive Plan* for a description of non-cash activities.

Exhibit No. “7”

**True and correct copy of Attachment 12 to the CCN Application
in Docket No. 52172**

Customer (LUE) Growth					
	Year 1	Year 2	Year 3	Year 4	Year 5
LUE/yr.	643	275			
Total	643	918	918	918	918

NOTE: Two total meters that are comprised of 918 LUEs
Two (2) eight inch (8") meters in the first year of operations and Zero (0) for all other years.
This project is to provide wholesale water through two (2) master meters, that is no retail residential meters. The master meters provide water to Luxe of Prosper (470 residential units) & Mansions of Prosper II (448 residential units).

Capital Data					
	Year 1	Year 2	Year 3	Year 4	Year 5
Plant Investment (Aqua)	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Well Investment (Aqua)				\$75,000	\$75,000
Total Plant (CIAC)	\$1,917,100				
Total Well (CIAC)	\$2,175,112				
Tap Fees	\$12,000				
Total Contributed Utility Infrastructure Assets	\$4,092,212	\$0	\$0	\$0	\$0
Total Capital Spent by Aqua (less Tap Fees)	\$28,000	\$40,000	\$40,000	\$115,000	\$115,000
NOTE: CIAC Plant and Well data provided by the developer. Tap Fees are estimated for 8" meter (tap fee is \$6,000 per, times 2 meters). Aqua Capital figures provided by Aqua Texas Regional Area Manager					

Mansions & Luxe Prosper Water Plant Capital Investment Cost (provided by Developer and Engineer)	
Water Well # 1& 2 Contract - C. Miller Drilling	\$1,712,000
Test Well # 1 CO- C.Miller Drilling	\$74,055
Permanent Well #1 CO - C. Miller Drilling	\$22,000
Temp Water for Drilling - C. Miller Drilling	\$10,619
Well # 1 Final - C. Miller Drilling	\$40,250
Well # 2 Final - C. Miller Drilling	\$71,600
Cement Casing CO - C. Miller	\$19,000
Control Panel CO - Temp Water - C. Miller Drilling	\$7,900
Temp Water for Drilling - C. Miller Drilling	\$5,178
Well #2 Pump size increase CO - C. Miller Drilling	\$47,300
CO for Line to tie wells together - Bandera Utilities	\$65,940
CO - Electrical Duct Bank - Bandera Utilities	\$99,270
CO - Secondary Conductors - wells to plant	TBD
Total Cost Water Wells	\$2,175,112
Water Plant Contract - Fryer Construction	\$1,850,000
CO - Add Fill line to tank - Fryer Construction	\$3,935
CO - Electrical - Bore for 3 Phase Power - Bandera	\$4,500
CO - Increase Motor Size - Fryer Construction	\$31,865
CO - Electrical - Tie in Well #2 to plant - Fryer Const	\$26,800
Total Cost Water Plant	\$1,917,100

Rate Information (Data - Aqua TX Regional Tariff) and Projected Annual Revenue					
Consumption: 4k gallons per LUE					
Base Charge: \$45 per month					
Volumetric Charge: \$3 per 1k gallons					
	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue (Annual)	\$439,812	\$627,912	\$627,912	\$627,912	\$627,912
Revenue Per LUE (Annual)	\$684	\$684	\$684	\$684	\$684

Proforma Modeling Assumptions	
Assumed O&M Expense Inflation=>	2.00%
Assumed Cost of Long Term Debt => REGULATED	4.50%
Assumed Cost of Long Term Debt => ACTUAL 1-2 YRS	4.50%
Assumed Composite Rate Depreciation on Rate Base=>	2.50%
Bad Debt Expense Rate =>	0.70%
Federal Income Tax Rate =>	21.00%
State Income Tax Rate =>	2.00%
CIAC Tax Rate	22.58%
Payroll Taxes (FICA, FUTA, SUTA) =>	7.65%
Property Taxes	0.50%
Gross Receipts and Franchise Taxes =>	0.00%
Regulatory Assessments =>	0.00%

Proforma					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$439,812	\$627,912	\$627,912	\$627,912	\$627,912
Operating and Maintenance Expenses	-\$249,425	-\$363,222	-\$370,486	-\$377,896	-\$385,454
Taxes Other than Income	-\$4,321	-\$5,489	-\$5,564	-\$5,640	-\$5,717
EBITDA	\$186,066	\$259,201	\$251,862	\$244,376	\$236,741
Depreciation	-\$700	-\$1,683	-\$2,640	-\$5,449	-\$8,188
EBIT	\$185,366	\$257,519	\$249,222	\$238,927	\$228,553
Interest	-\$1,229	-\$2,953	-\$4,634	-\$9,564	-\$14,370
Pre-Tax Income	\$184,138	\$254,566	\$244,588	\$229,363	\$214,182
Income Taxes	-\$41,578	-\$57,481	-\$55,228	-\$51,790	-\$48,362

Projected Rate Base (Includes Capital Investment and Deferred Tax Asset due to CIAC Tax)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Total Rate Base (Only Aqua TX Capital) Less D&A	\$27,300	\$65,618	\$102,977	\$212,528	\$319,339
Total Deferred Tax Asset (CIAC Tax Less Amort)	\$889,662	\$854,075	\$819,912	\$787,116	\$755,631
Total Rate Base + CIAC Deferred Tax Less Amort	\$916,962	\$919,693	\$922,889	\$999,644	\$1,074,971

Exhibit No. “8”

**True and correct copy of Independent Auditors Report
of Calendar Years Ending December 31, 2019 and 2020**

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Essential Utilities, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets, including the consolidated statements of capitalization, of Essential Utilities, Inc. and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2020, including the related notes and schedule of condensed parent company financial statements as of December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 appearing after the signature pages (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Peoples Gas from its assessment of internal control over financial reporting as of December 31, 2020, because it was acquired by the Company in a purchase business combination during 2020. We have also excluded Peoples Gas from our audit of internal control over financial reporting. Peoples Gas is a wholly-owned subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent approximately 23% and 36%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2020.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Rate Regulation and Regulatory Accounting

As described in Notes 1 and 6 to the consolidated financial statements, most of the operating companies of the Company that are regulated public utilities are subject to regulation by the utility commissions of the states in which they operate. Some of the operating companies that are regulated public utilities are subject to rate regulation by county or city government. As of December 31, 2020, regulatory assets were \$1,368 million and regulatory liabilities were \$793 million. Regulated public utilities follow the Financial Accounting Standards Board's (FASB) accounting guidance for regulated operations, which provides for the recognition of regulatory assets and liabilities as allowed by regulators for costs or credits that are reflected in current rates or are considered probable of being included in future rates. The regulatory assets represent costs that are probable to be fully recovered from customers in future rates while regulatory liabilities represent amounts that are expected to be refunded to customers in future rates or amounts recovered from customers in advance of incurring the costs. The regulatory assets or liabilities are then relieved as the cost or credit is reflected in the Company's rates charged for utility service. If, as a result of a change in circumstances, it is determined that a regulated operating company no longer meets the criteria to apply regulatory accounting, the operating company would have to discontinue regulatory accounting and write-off the respective regulatory assets and liabilities. Management makes significant judgments and estimates to record regulatory assets and liabilities. For each regulatory jurisdiction with regulated operations, management evaluates at the end of each reporting period, whether the regulatory

assets and liabilities continue to meet the probable criteria for future recovery or refund. The evaluation considers factors such as regulatory orders or guidelines, in the same regulatory jurisdiction, of a specific matter or a similar matter, as provided to the Company in the past or to other regulated utilities. In addition, the evaluation may be impacted by changes in the regulatory environment and pending or new legislation that could impact the ability to recover costs through regulated rates. There may be multiple participants to rate or transactional regulatory proceedings who might offer different views on various aspects of such proceedings, and in these instances may challenge the prudence of business policies and practices, seek cost disallowances or request other relief.

The principal considerations for our determination that performing procedures relating to the Company's rate regulation and regulatory accounting is a critical audit matter are the significant judgment by management in assessing the potential outcomes and related accounting impacts associated with pending rate cases; this in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures related to the recovery of regulatory assets and the refund of regulatory liabilities.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's evaluation of regulatory matters impacting regulatory assets and liabilities, excluding regulatory assets and liabilities acquired in the purchase of Peoples Gas. These procedures also included, among others (i) obtaining the Company's correspondence with regulators and assessing the reasonableness of management's judgments regarding the probability of recovery of regulatory assets and refund of regulatory liabilities in light of correspondence with regulators, among other factors, (ii) assessing the reasonableness of management's judgments regarding new and updated regulatory guidance and proceedings and the related accounting implications, and (iii) testing the calculation of regulatory assets and liabilities based on provisions and formulas outlined in regulatory filings, pending regulatory orders and other correspondence.



Philadelphia, Pennsylvania
March 1, 2021

We have served as the Company's auditor since 2000.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands of dollars, except per share amounts)

	December 31,	
	2020	2019
Assets		
Property, plant and equipment, at cost	\$ 11,620,019	\$ 8,201,936
Less: accumulated depreciation	2,107,142	1,856,146
Net property, plant and equipment	<u>9,512,877</u>	<u>6,345,790</u>
Current assets:		
Cash and cash equivalents	4,827	1,868,922
Accounts receivable, net	154,775	67,137
Unbilled revenues	118,538	40,483
Inventory - materials and supplies	21,669	18,379
Inventory - gas stored	36,732	-
Prepayments and other current assets	38,594	16,259
Regulatory assets	5,085	2,389
Assets held for sale	-	1,558
Total current assets	<u>380,220</u>	<u>2,015,127</u>
Regulatory assets	1,362,788	875,743
Deferred charges and other assets, net	56,002	42,652
Investment in joint venture	-	5,984
Funds restricted for construction activity	1,268	-
Goodwill	2,324,547	63,822
Operating lease right-of-use assets	60,334	12,867
Intangible assets	7,241	-
Total assets	<u>\$ 13,705,277</u>	<u>\$ 9,361,985</u>

See accompanying notes to consolidated financial statements.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
(In thousands of dollars, except per share amounts)

	December 31,	
	2020	2019
Liabilities and Equity		
Essential Utilities stockholders' equity:		
Common stock at \$0.50 par value, authorized 600,000,000 shares, issued 248,571,355 and 223,871,284 as of December 31, 2020 and December 31, 2019	\$ 124,285	\$ 111,935
Capital in excess of par value	3,379,057	2,636,555
Retained earnings	1,261,862	1,210,072
Treasury stock, at cost, 3,180,887 and 3,112,565 shares as of December 31, 2020 and December 31, 2019	(81,327)	(77,702)
Total stockholders' equity	<u>4,683,877</u>	<u>3,880,860</u>
Long-term debt, excluding current portion	5,545,890	2,972,349
Less: debt issuance costs	<u>38,146</u>	<u>29,022</u>
Long-term debt, excluding current portion, net of debt issuance costs	<u>5,507,744</u>	<u>2,943,327</u>
Commitments and contingencies (See Note 9)		
Current liabilities:		
Current portion of long-term debt	84,353	105,051
Loans payable	78,198	25,724
Accounts payable	177,489	74,919
Bank overdraft	44,003	10,944
Accrued interest	39,408	29,818
Accrued taxes	37,172	22,775
Regulatory liabilities	19,866	4,612
Other accrued liabilities	<u>123,384</u>	<u>49,618</u>
Total current liabilities	<u>603,873</u>	<u>323,461</u>
Deferred credits and other liabilities:		
Deferred income taxes and investment tax credits	1,258,098	936,158
Customers' advances for construction	99,014	95,556
Regulatory liabilities	773,310	512,987
Asset retirement obligations	1,336	-
Operating lease liabilities	55,642	11,645
Pension and other postretirement benefit liabilities	91,896	69,406
Other	<u>56,713</u>	<u>33,059</u>
Total deferred credits and other liabilities	<u>2,336,009</u>	<u>1,658,811</u>
Contributions in aid of construction	<u>573,774</u>	<u>555,526</u>
Total liabilities and equity	<u>\$13,705,277</u>	<u>\$9,361,985</u>

See accompanying notes to consolidated financial statements.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except per share amounts)

	Years ended December 31,		
	2020	2019	2018
Operating revenues	\$ 1,462,698	\$ 889,692	\$ 838,091
Operating expenses:			
Operations and maintenance	528,611	333,102	308,478
Purchased gas	165,745	-	-
Depreciation	251,443	158,179	146,032
Amortization	5,616	(1,703)	641
Taxes other than income taxes	76,597	59,955	59,762
Total operating expenses	1,028,012	549,533	514,913
Operating income	434,686	340,159	323,178
Other expense (income):			
Interest expense	188,435	125,383	99,054
Interest income	(5,363)	(25,406)	(152)
Allowance for funds used during construction	(12,687)	(16,172)	(13,023)
Change in fair value of interest rate swap agreements	-	23,742	59,779
Loss on debt extinguishment	-	18,528	-
Gain on sale of other assets	(661)	(923)	(714)
Equity loss (earnings) in joint venture	3,374	(2,210)	(2,081)
Other	(3,383)	5,691	1,996
Income before income taxes	264,971	211,526	178,319
Provision for income tax benefit	(19,878)	(13,017)	(13,669)
Net income	\$ 284,849	\$ 224,543	\$ 191,988
Comprehensive income	\$ 284,849	\$ 224,543	\$ 191,988
Net income per common share:			
Basic	\$ 1.14	\$ 1.04	\$ 1.08
Diluted	\$ 1.12	\$ 1.04	\$ 1.08
Average common shares outstanding during the period:			
Basic	249,768	215,550	177,904
Diluted	254,629	215,931	178,399

See accompanying notes to consolidated financial statements.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CAPITALIZATION
(In thousands of dollars, except per share amounts)

	December 31,	
	2020	2019
Essential Utilities stockholders' equity:		
Common stock, \$0.50 par value	\$ 124,285	\$ 111,935
Capital in excess of par value	3,379,057	2,636,555
Retained earnings	1,261,862	1,210,072
Treasury stock, at cost	(81,327)	(77,702)
Total stockholders' equity	4,683,877	3,880,860
Long-term debt of subsidiaries (substantially collateralized by utility plant):		
<u>Interest Rate Range</u>	<u>Maturity Date Range</u>	
0.00% to 0.99%	2023 to 2033	2,805 3,474
1.00% to 1.99%	2020 to 2039	10,260 10,733
2.00% to 2.99%	2022 to 2033	265,557 15,674
3.00% to 3.99%	2020 to 2056	1,316,872 655,685
4.00% to 4.99%	2020 to 2059	1,315,812 1,054,791
5.00% to 5.99%	2020 to 2043	17,804 60,683
6.00% to 6.99%	2022 to 2036	33,955 31,000
7.00% to 7.99%	2022 to 2027	29,890 30,751
8.00% to 8.99%	2021 to 2025	4,425 5,026
9.00% to 9.99%	2021 to 2026	16,900 19,300
	3,014,280	1,887,117
Notes payable to bank under revolving credit agreement, variable rate, due 2023	385,000	-
Unsecured notes payable:		
Bank note at 3.50% due 2020	-	50,000
Amortizing notes at 3.00% due 2022	60,502	99,356
Notes at 2.704% due 2030	500,000	-
Notes ranging from 3.01% to 3.59%, due 2029 through 2050	1,125,000	490,000
Notes at 4.28%, due 2049	500,000	500,000
Notes ranging from 5.64% to 5.95%, due 2020 through 2034	45,461	50,927
Total long-term debt	5,630,243	3,077,400
Current portion of long-term debt	84,353	105,051
Long-term debt, excluding current portion	5,545,890	2,972,349
Less: debt issuance costs	38,146	29,022
Long-term debt, excluding current portion, net of debt issuance costs	5,507,744	2,943,327
Total capitalization	\$ 10,191,621	\$ 6,824,187

See accompanying notes to consolidated financial statements.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands of dollars, except per share amounts)

	Common stock	Capital in excess of par value	Retained earnings	Treasury stock	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2017	\$ 90,350	\$ 807,135	\$ 1,132,556	\$ (73,280)	\$ 860	\$ 1,957,621
Net income	-	-	191,988	-	-	191,988
Dividends declared (\$0.8474 per share)	-	-	(150,736)	-	-	(150,736)
Issuance of common stock under dividend reinvestment plan (158,205 shares)	79	5,084	-	-	-	5,163
Repurchase of stock (73,898 shares)	-	-	-	(2,555)	-	(2,555)
Equity compensation plan (201,563 shares)	101	(101)	-	-	-	-
Exercise of stock options (91,808 shares)	46	1,413	-	-	-	1,459
Stock-based compensation	-	7,567	(423)	-	-	7,144
Cumulative effect of change in accounting principle - financial instruments	-	-	860	-	(860)	-
Other	-	(720)	-	-	-	(720)
Balance at December 31, 2018	90,576	820,378	1,174,245	(75,835)	-	2,009,364
Net income	-	-	224,543	-	-	224,543
Dividends declared (\$0.9066 per share)	-	-	(188,512)	-	-	(188,512)
Stock issued to finance acquisition (37,370,017 shares)	18,685	1,244,414	-	-	-	1,263,099
Proceeds from stock purchase contracts issued under tangible equity units	-	557,389	-	-	-	557,389
Issuance of common stock from stock purchase contracts (4,846,601 shares)	2,423	(2,423)	-	-	-	-
Issuance of common stock under dividend reinvestment plan (236,666 shares)	118	8,841	-	-	-	8,959
Repurchase of stock (52,359 shares)	-	-	-	(1,867)	-	(1,867)
Equity compensation plan (146,867 shares)	73	(73)	-	-	-	-
Exercise of stock options (119,306 shares)	60	1,838	-	-	-	1,898
Stock-based compensation	-	7,368	(204)	-	-	7,164
Other	-	(1,177)	-	-	-	(1,177)
Balance at December 31, 2019	111,935	2,636,555	1,210,072	(77,702)	-	3,880,860
Net income	-	-	284,849	-	-	284,849
Dividends declared (\$0.97 per share)	-	-	(232,571)	-	-	(232,571)
Issuance of common stock from private placement (21,661,095 shares)	10,831	718,470	-	-	-	729,301
Issuance of common stock from stock purchase contracts (2,335,634 shares)	1,168	(1,168)	-	-	-	-
Issuance of common stock under dividend reinvestment plan (388,978 shares)	194	16,328	-	-	-	16,522
Repurchase of stock (82,320 shares)	-	-	-	(4,365)	-	(4,365)
Equity compensation plan (239,512 shares)	120	(120)	-	-	-	-
Exercise of stock options (74,832 shares)	37	1,552	-	-	-	1,589
Stock-based compensation	-	8,276	(488)	-	-	7,788
Other	-	(836)	-	740	-	(96)
Balance at December 31, 2020	\$ 124,285	\$ 3,379,057	\$ 1,261,862	\$ (81,327)	\$ -	\$ 4,683,877

See accompanying notes to consolidated financial statements.

ESSENTIAL UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of dollars, except per share amounts)

	Years ended December 31,		
	2020	2019	2018
Cash flows from operating activities:			
Net income	\$ 284,849	\$ 224,543	\$ 191,988
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	257,059	156,476	146,673
Deferred income taxes	(17,782)	(10,436)	(14,950)
Provision for doubtful accounts	32,325	5,306	5,305
Stock-based compensation	8,160	7,368	7,567
Gain on sale of utility system and other assets	(642)	(1,328)	(714)
Loss on interest rate swap agreements	-	23,742	59,779
Loss on debt extinguishment	-	18,528	-
Settlement of interest rate swap agreements	-	(83,520)	-
Net change in receivables, inventory and prepayments	(35,348)	(4,335)	(18,024)
Net change in payables, accrued interest, accrued taxes and other accrued liabilities	(1,819)	5,108	567
Pension and other postretirement benefits contributions	(20,282)	(8,597)	(14,216)
Other	1,504	5,668	4,547
Net cash flows from operating activities	508,024	338,523	368,522
Cash flows from investing activities:			
Property, plant and equipment additions, including the debt component of allowance for funds used during construction of \$4,434, \$4,231, and \$3,332	(835,642)	(550,273)	(495,737)
Acquisitions of utility systems and other, net	(3,501,835)	(59,687)	(145,693)
Net proceeds from the sale of utility systems and other assets	2,115	2,893	716
Other	1,696	2,464	899
Net cash flows used in investing activities	(4,333,666)	(604,603)	(639,815)
Cash flows from financing activities:			
Customers' advances and contributions in aid of construction	9,585	9,092	7,458
Repayments of customers' advances	(8,337)	(6,825)	(6,217)
Net proceeds (repayments) of short-term debt	(129,407)	10,275	11,799
Proceeds from long-term debt	3,366,838	1,434,506	1,331,868
Repayments of long-term debt	(1,820,571)	(1,048,471)	(914,125)
Extinguishment of long-term debt	-	(25,237)	-
Change in cash overdraft position	33,059	1,993	(12,678)
Proceeds from issuance of common stock under dividend reinvestment plan	16,522	8,959	5,163
Proceeds from stock issued to finance acquisition	729,301	1,263,099	-
Proceeds from tangible equity unit issuance	-	673,642	-
Proceeds from exercised stock options	1,589	1,898	1,459
Repurchase of common stock	(4,365)	(1,867)	(2,555)
Dividends paid on common stock	(232,571)	(188,512)	(150,736)
Other	(96)	(1,177)	(720)
Net cash flows from financing activities	1,961,547	2,131,375	270,716
Net increase (decrease) in cash and cash equivalents	(1,864,095)	1,865,295	(577)
Cash and cash equivalents at beginning of year	1,868,922	3,627	4,204
Cash and cash equivalents at end of year	\$ 4,827	\$ 1,868,922	\$ 3,627
Cash paid during the year for:			
Interest, net of amounts capitalized	\$ 169,048	\$ 89,228	\$ 93,630
Income taxes	4,853	970	2,103
Non-cash investing activities:			
Property, plant and equipment additions purchased at the period-end, but not yet paid	\$ 98,569	\$ 60,628	\$ 65,285
Non-cash utility property contributions	36,181	30,693	24,660

See accompanying notes to consolidated financial statements.

Refer to Note 2 – *Acquisitions*, Note 11 – *Long-term Debt and Loans Payable*, and Note 15 – *Employee Stock and Incentive Plan* for a description of non-cash activities.

Exhibit No. “9”

**True and correct copy of Affidavit of Beirj Bagdasarian,
Controller for Aqua Texas, Inc.**

DOCKET NO. 52172

APPLICATION OF AQUA TEXAS, INC.	§	BEFORE THE PUBLIC UTILITY
TO AMEND ITS CERTIFICATES OF	§	
CONVENIENCE AND NECESSITY IN	§	COMMISSION OF TEXAS
COLLIN COUNTY	§	

AFFIDAVIT OF BEIRJ BAGDASARIAN

THE COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF MONTGOMERY:

BEFORE ME, the undersigned official on this day personally appeared Beirj Bagdasarian, who is personally known to me and first being duly sworn according to law, upon his oath deposed and said:

1) My name is Beirj Bagdasarian. I am over the age of 18 years and reside in Travis County, Texas. I am of sound mind and fully competent to make this affidavit. I have personal knowledge of the facts stated herein, and they are true and correct.

2) I am the controller for Aqua Texas, Inc. dba Aqua Texas ("Aqua"). I have held this position since June 1, 2020. Prior to holding this position, I was employed by Essential Utilities, Inc. ("Essential"), the parent company of Aqua, in the role of Manager of Strategy and Corporate Development, a position I held since February 29, 2016.

3) In my capacity as Aqua's controller, I am authorized to make this affidavit on behalf of Aqua as the Applicant in the above-styled and numbered case.

4) I have reviewed Order No. 8 in the above styled and numbered case and, in particular, the portion where the presiding administrative law judge ("ALJ") discusses 16 Texas Administrative Code (TAC) § 24.11(e)(3), stating:

The applicant can normally pass the [operations] test by demonstrating that it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations. Alternatively, the applicant “may” choose to pass the operations test by relying on the financial strength of its affiliate. If the applicant chooses this option, then the affiliate must pass the leverage test *and* must provide a written guarantee that it will cover any temporary cash shortages that the applicant may experience.¹

5) Based upon my training and education, experience at Aqua, and my experience with the operation of regulated water and wastewater retail utility operations in Texas, I have the following professional opinions regarding Aqua’s satisfaction of the requirements described in the quoted language:

- a) Based upon my personal knowledge and review of the records of Aqua, Aqua has been operating water and wastewater systems without cash shortages in the State of Texas for over five years. Based upon my experience and knowledge of Aqua’s financial condition, it is my professional opinion that Aqua does not expect cash shortages within the next five years - temporary or otherwise.
- b) Additionally, based upon my personal knowledge and review of the records of Aqua, the Public Utility Commission of Texas, and the Texas Commission on Environmental Quality (“TCEQ”) prior to the Commission’s jurisdiction over water and sewer utility economic regulation, have approved Aqua as the certificate of convenience and necessity (“CCN”) holder responsible for both retail water and wastewater service areas in various other CCN amendment applications, as well as approved separate sale, transfer, or merger (“STM”) application matters for Aqua’s operations throughout Texas.
- c) Based upon my personal knowledge and review of the records of Aqua, and

¹ Order No. 8 at 3 (Dec. 8, 2021).


knowledge of the corporate relationship of Aqua with its parent affiliate entity, Essential, Aqua's financing relationship satisfies the need for assurance of financial support from Essential as contemplated by 16 TAC § 24.11(e)(3) and Order No. 8. The willingness of Essential to financially support the operations of Aqua is demonstrated through the intentionally structured relationship between the entities. In my opinion, the relationship between Aqua and Essential is a common parent-subsidiary relationship for both private and public companies whereby the subsidiary's allocation of debt and equity from the corporate parent is governed by intercompany agreements. Any debt or equity infusion for Aqua is pushed down from its corporate parent, Essential. All transactions between Aqua and Essential are via intercompany journal entry for appropriate booking, and the financial structure of the Aqua operating subsidiary is dependent on the corporate parent's (*i.e.*, Essential's) capitalization.

- d) Based upon my personal knowledge and review of the records of Aqua, Aqua routinely works closely with Essential to report its current financial standing and inform Essential of any future Aqua debt/equity needs. As Aqua financial needs arise, the transactions between Aqua and its corporate parent (*i.e.*, Essential) are discussed, structured, and signed off/executed by officers of both the Aqua operating company and Essential as parent. As an example, please see the Aqua/Essential Note No. 2021-3, dated October 31, 2021, a true and correct copy of which is attached hereto as **Exhibit A**, and incorporated herein by reference for all purposes.

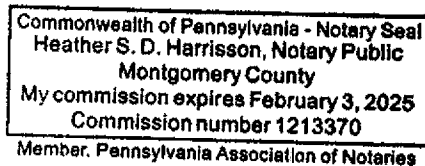
6) In my professional opinion, based upon my personal knowledge and review of the records of Aqua, the existing corporate structure and operating arrangement between Aqua as the operating entity and its corporate parent Essential satisfies the requirements of 16 TAC § 24.11(e)(3) in the event any temporary cash shortages should occur even though none are anticipated here.

7) Affiant's statements in paragraphs 1) through 6) above, inclusive, and including the attached Exhibit A, are true and correct, and within Affiant's personal knowledge.

Further Affiant sayeth not.


Benj Bagdasarian
Controller
Aqua Texas, Inc.

SUBSCRIBED AND SWORN TO BEFORE ME on this the 21st day of December, 2021,
to which witness my hand and official seal.



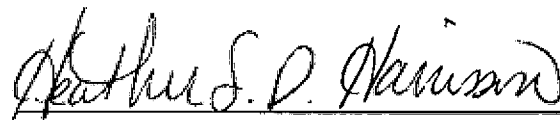

Notary Public in and for
The Commonwealth of Pennsylvania

EXHIBIT "A"

Aqua Texas, Inc. Note No. 2021-3 (dated October 31, 2021)

AQUA TEXAS, INC.

No. 2021-3

October 31, 2021

\$194,655,781

FOR EQUAL VALUE RECEIVED, the undersigned, AQUA TEXAS, INC. (the "Company"), a corporation organized and existing under the laws of the State of Texas, hereby promises to pay to Essential Utilities, Inc. or registered assigns (the "Holder"), the principal sum of ONE HUNDRED NINETY FOUR MILLION SIX HUNDRED AND FIFTY FIVE THOUSAND SEVEN HUNDRED AND EIGHTY ONE DOLLARS (\$194,655,781.00), together with interest (computed on the basis of a 360 day year of twelve 30-day months) on the unpaid balance thereof at the rate per annum from the date hereof as noted on Exhibit A. Interest shall accrue and be due and payable on a monthly basis as noted on Exhibit A, provided, however, that the Company shall have the option, but not an obligation, to prepay accrued interest as and when the Company in its sole and absolute discretion deems such payment desirable.

Payments of principal of and interest on this Note are to be made in lawful money of the United States of America at the principal office of the Holder in Bryn Mawr, Pennsylvania or at such other place as the Holder shall have designated by written notice to the Company.

The Company represents that (a) it has full power and authority, not restricted by any law or governmental regulation, to execute and deliver this Note and to perform hereunder; (b) this Note evidences its valid and legally binding obligation, enforceable in accordance with its terms; and (c) its execution, delivery and performance of this Note do not and will not contravene any bylaw or contractual restriction binding on or affecting it.

This Note is subject to optional prepayment, in whole or in part, from time to time, at a redemption price of 100% of the principal amount prepaid, plus accrued interest thereon. Prepayments of this Note shall be noted on Exhibit B attached hereto and made a part hereof.

This Note may not be changed or modified orally, nor any right or provision hereof be waived orally, but in each instance only by an instrument in writing signed by the party against which enforcement of such change, modification or waiver is sought.

If any provisions hereof shall, for any reason and to any extent, be invalid or unenforceable, then the remainder of the document or instrument in which such provision is contained, and this Note shall not be affected thereby but, instead, shall be enforceable to the maximum extent permitted by law.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the Commonwealth of Pennsylvania excluding choice-of-law principles of the law of such Commonwealth that would require the application of the laws of a jurisdiction other than such Commonwealth.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the day and year first above written.

ATTEST:

ESSENTIAL UTILITIES, INC.

DocuSigned by:
By: Tracy McGonigle
1130F47E9E7A4E3
(Assistant) Secretary

DocuSigned by:
By: Stan Szczygiel
30843810FB8F400
Name: Stanley F. Szczygiel
Title: SVP Finance and Treasurer

ATTEST:

AQUA TEXAS, INC.

DocuSigned by:
By: Tracy McGonigle
1130F47E9E7A4E3
(Assistant) Secretary

DocuSigned by:
By: Bob Laughman
EEA868820B7440
Name: Robert L. Laughman
Title: President

AQUA TEXAS, INC.

EXHIBIT A

LONG TERM DEBT SCHEDULE

Structure	Interest Rate	Issue Date	Maturity Date	Amount
Senior Unsecured Notes	2.704%	4/13/21	4/15/30	13,181,819
Senior Unsecured Notes	3.351%	4/13/21	4/15/50	15,818,181
Senior Unsecured Notes	3.25%	11/03/16	11/03/35	21,424,083
Senior Unsecured Notes	3.41%	11/03/16	11/03/38	523,645
Senior Unsecured Notes	3.57%	11/03/16	11/03/41	8,700,000
Senior Unsecured Notes	3.556%	04/26/19	05/01/29	60,003,579
Senior Unsecured Notes	4.276%	04/26/19	05/01/49	<u>75,004,474</u>
Total				<u>194,655,781</u>

AQUA TEXAS, INC.

EXHIBIT B

RECORD OF PREPAYMENTS

Amount Prepaid	Date Prepaid

AMENDMENT TO AQUA TEXAS, INC. NOTE


This Amendment, dated as of October 31, 2021, is attached to and made part of the following instrument:


Promissory Note dated July 31, 2021, by Aqua Texas, Inc., a Texas corporation, in favor of Essential Utilities, Inc. (formerly known as Aqua America, Inc.), a Pennsylvania corporation, in the original principal sum of \$184,655,781.

The undersigned parties hereby confirm the principal amount of the above-referenced Promissory Note has been increased by \$10,000,000.00.

ATTEST:

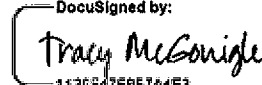
AQUA TEXAS, INC.

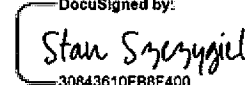
By: 
(Assistant) Secretary

By: 
Name: Robert L. Laughman
Title: President

ATTEST:

ESSENTIAL UTILITIES, INC.

By: 
(Assistant) Secretary

By: 
Name: Stanley F. Szczygiel
Title: SVP Finance and Treasurer