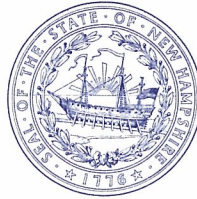


THE STATE OF NEW HAMPSHIRE

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**PUBLIC UTILITIES COMMISSION**  
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Concord, N.H. 03301-2429

Tel. (603) 271-2431  
FAX (603) 271-3878  
TDD Access: Relay NH  
1-800-735-2964  
Website:  
www.puc.nh.gov

January 5, 2010

Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301



Re: DW 08-052 / DW 09-051, Pittsfield Aqueduct Company, Inc.  
Staff Recommendation for Rate Case Expenses

Dear Ms. Howland:

On December 15, 2009, Pittsfield Aqueduct Company, Inc. (PAC) submitted to Staff a proposal to recoup rate case expenses incurred in the above-captioned dockets totaling \$109,157.59. PAC's submission was made in accordance with the terms of the Settlement Agreement which was recently approved by the Commission in Order No. 25,051 issued on December 11, 2009. The Settlement Agreement proposed that PAC be allowed to recoup its rate case expenses in the form of a surcharge to its Pittsfield and North Country customers over the course of an 18-month period. In its submission to Staff, PAC proposed a monthly surcharge of \$3.40 per customer based on a customer count of 1,782 as of November 30, 2009. A copy of PAC's proposal and supporting schedules is attached to this correspondence.

PAC's submission included copies of invoices in support of the individual costs comprising the total amount being sought for recovery. Staff reviewed each cost submitted by the Company and is recommending that \$3,377.87 be eliminated from the total as follows:

- McLane Law Firm invoice dated 1/9/08 - \$3,157.55: These charges represent legal fees associated with a contemplated filing by PAC for emergency rate relief which was ultimately never submitted to the Commission. It is Staff's position that the costs associated with such filing should not be eligible for rate case expense recovery as it was PAC's ultimate choice not to submit the filing to the Commission.
- Union Leader Corporation invoice dated 5/31/08 - \$42.82: This represents a discount that was made available to PAC relative to the publishing of a

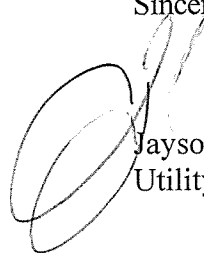
legal notice. It appears that PAC did not take advantage of this discount but instead paid the full amount indicated on the invoice. It is Staff's position that PAC's customers should not be responsible for recovery of the equivalent cost of this discount that PAC did not take advantage of.

- McLane Law Firm invoice dated 11/12/08 - \$177.50: This amount represents legal services provided on 10/27/08 relative to the Commission Staff's audit of PAC. Costs associated with Commission audits have historically been disallowed by the Commission from recovery through the rate case expense surcharge to customers as they are deemed to be part of the normal cost of operations recoverable through rates.

With the elimination of these costs, the total amount recommended by Staff for rate case expense recovery is \$105,779.72. Based upon this amount, the monthly surcharge recommended by Staff is \$3.30 per customer over a period of 18 months.

All of the parties to the approved Settlement Agreement (PAC, PEU, Town of Pittsfield, Birch Hill Water District) were contacted relative to the above recommendations proposed by Staff. In response, each party indicated its complete concurrence with these recommendations. Please feel free to contact me with regard to any questions that you may have concerning this matter.

Sincerely,



Jayson P. Laflamme  
Utility Analyst, Gas & Water Division

Enclosures: PAC Rate Case Expense Proposal and Schedules

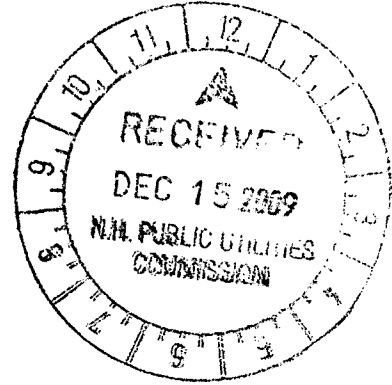
cc: Service List



**PENNICHUCK**

December 14, 2009

Mr. Jayson P. Laflamme  
Staff Utility Analyst, Gas and Water Division  
New Hampshire Public Utilities Commission  
21 S Fruit St, Suite 10  
Concord, NH 03301-2429



Dear Jayson,

Enclosed is the rate case expense support for DW 08-052. Included is a summary of invoices for a total of \$109,157.59 and a sheet calculating the proposed monthly surcharge per customer over 18 months of \$3.40.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Charlie Hoeppe

**Pittsfield Aqueduct Company**

**Computation of Rate Case Expenses per Customer**

Total Rate Case Expenses	\$	109,157.59
Total No. Customers 11/30/09		1,782
Total per Customer	\$	61.26
Proposed Surcharge over 18 months	\$	3.40

PITTSFIELD AQUEDUCT COMPANY  
 RATE CASE 2008 EXPENSES - 6186-375-002 & 6186-380-001  
 July 1, 2007 - November 30, 2009

Date	Vendor	Description	Amount	Guastella	S.Knowlton McLane	J. Paiko AUS
07/06/07	McLane, Graf, Raulerson & Middleton	Legal Services	650.00	-	650.00	-
09/05/07	AUS Consultants	Cost of Service Allocation Study	2,215.00	-	-	2,215.00
10/09/07	AUS Consultants	Cost of Service Allocation Study	2,470.00	-	-	2,470.00
10/09/07	Guastella Associates, Inc.	Consultant for Depreciation Analysis	848.50	848.50	-	-
11/01/07	Bonalyn Hartley	Mileage - Concord, NH - PAC Rate Case	42.80	-	-	-
11/01/07	Charles Hoeppe	Mileage - Concord, NH - PAC Rate Case	31.04	-	-	-
11/05/07	AUS Consultants	Cost of Service Allocation Study	1,140.00	-	-	1,140.00
12/07/07	Guastella Associates, Inc.	Consultant for Depreciation Analysis	1,261.00	1,261.00	-	-
01/09/08	McLane, Graf, Raulerson & Middleton	Legal Services	3,157.55	-	3,157.55	-
01/09/08	Bonalyn Hartley	Mileage - Concord, NH - PAC Rate Case	17.40	-	-	-
01/09/08	Charles Hoeppe	Mileage - Concord, NH - PAC Rate Case	15.52	-	-	-
02/29/08	McLane, Graf, Raulerson & Middleton	Legal Services	54.00	-	54.00	-
03/03/08	AUS Consultants	Cost of Service Allocation Study	1,520.00	-	-	1,520.00
03/13/08	Guastella Associates, Inc.	Consultant for Depreciation Analysis	9,586.50	9,586.50	-	-
04/04/08	Guastella Associates, Inc.	Consultant for Depreciation Analysis	451.50	451.50	-	-
04/14/08	McLane, Graf, Raulerson & Middleton	Legal Services	277.00	-	277.00	-
05/06/08	AUS Consultants	Cost of Service Allocation Study	7,127.50	-	-	7,127.50
05/14/08	McLane, Graf, Raulerson & Middleton	Legal Services	4,158.00	-	4,158.00	-
05/20/08	United Shipping Solutions	Mailing to PUC	64.93	-	-	-
05/21/08	Alpha Courier	Mailing Costs	59.60	-	-	-
05/21/08	United Shipping Solutions	Mailing Costs	104.45	-	-	-
05/31/08	United Shipping Solutions	Mailing to McLane	25.39	-	-	-
05/31/08	Postage	Postage for Customer Mailing - Order of Notice	271.74	-	-	-
05/31/08	Postage	Postage for Customer Mailing - Order of Notice	469.56	-	-	-
05/31/08	Union Leader	Legal Notice	428.19	-	-	-
06/10/08	McLane, Graf, Raulerson & Middleton	Legal Services	941.62	-	941.62	-
06/26/08	The Suncook Valley Sun, Inc	Order of Notice	489.60	-	-	-
06/30/08	AUS Consultants	Cost of Service Allocation Study	4,500.00	-	-	4,500.00
07/17/08	The Daily Sun	Order of Notice	162.00	-	-	-
07/31/08	United Shipping Solutions	Mailing to PUC	27.96	-	-	-
08/11/08	McLane, Graf, Raulerson & Middleton	Legal Services	6,007.67	-	6,007.67	-
08/14/08	Steven E. Patnaude, CSR	Transcript Services	385.10	-	-	-
08/19/08	Guastella Associates, Inc.	Consultant for Depreciation Analysis	891.00	891.00	-	-
08/31/08	Bonalyn Hartley	Mileage - Concord, NH - PAC Rate Case	46.79	-	-	-
09/08/08	Steven E. Patnaude, CSR	Transcript Services	447.60	-	-	-
09/10/08	Guastella Associates, Inc.	Consultant for Depreciation Analysis	1,021.50	1,021.50	-	-
09/13/08	Bonalyn Hartley	Mileage - Concord, NH - PAC Rate Case	20.74	-	-	-
09/15/08	Steven E. Patnaude, CSR	Transcript Services	792.50	-	-	-
09/26/08	McLane, Graf, Raulerson & Middleton	Legal Services	5,923.69	-	5,923.69	-
09/30/08	Charles Hoeppe	Mileage - Concord, NH - PAC Rate Case	74.88	-	-	-
10/03/08	AUS Consultants	Cost of Service Allocation Study	2,505.00	-	-	2,505.00
10/14/08	McLane, Graf, Raulerson & Middleton	Legal Services	3,219.75	-	3,219.75	-
10/15/08	Bonalyn Hartley	Mileage - Concord, NH - PAC Rate Case	32.88	-	-	-
10/15/08	Bonalyn Hartley	Mileage - Concord, NH - PAC Rate Case	21.28	-	-	-
10/31/08	Steven E. Patnaude, CSR	Transcript Services	811.00	-	-	-
11/05/08	AUS Consultants	Cost of Service Allocation Study	95.00	-	-	95.00
11/14/08	Guastella Associates, Inc.	Consultant for Depreciation Analysis	606.00	606.00	-	-
12/17/08	McLane, Graf, Raulerson & Middleton	Legal Services	3,687.32	-	3,687.32	-
12/23/08	Dawn DeBlois	Mileage - Concord, NH - PAC Rate Case	45.12	-	-	-
12/31/08	Dwyer, Donovan & Pendlton	Legal Services	580.00	-	-	-

PITTSFIELD AQUEDUCT COMPANY  
 RATE CASE 2008 EXPENSES - 6186-375-002 & 6186-380-001  
 July 1, 2007 - November 30, 2009

Date	Vendor	Description	Amount	S.Knowlton			J. Palko
				Guastella	McLane	AUS	AUS
12/31/08	Charles Hoeppe	Mileage - Concord, NH - PAC Rate Case	82.88	-	-	-	-
12/31/08	Charles Hoeppe	Mileage - Concord, NH - PAC Rate Case	41.44	-	-	-	-
01/10/09	Bonaly Hartley	Mileage - Concord, NH - PAC Rate Case	23.20	-	-	-	-
01/15/09	AUS Consultants	Cost of Service Allocation Study	445.00	-	-	-	445.00
01/22/09	McLane, Graf, Raulerson & Middleton	Legal Services	1,230.15	-	1,230.15	-	-
01/28/09	McLane, Graf, Raulerson & Middleton	Legal Services	642.60	-	642.60	-	-
02/28/09	McLane, Graf, Raulerson & Middleton	Legal Services	4,844.00	-	4,844.00	-	-
02/28/09	McLane, Graf, Raulerson & Middleton	Legal Services	300.00	-	300.00	-	-
03/16/09	Unishippers	Mailing to McLane	17.87	-	-	-	-
03/16/09	Unishippers	Mailing to AUS	23.49	-	-	-	-
03/25/09	Alpha Courier	Mailing to McLane	31.79	-	-	-	-
04/21/09	Bonaly Hartley	Mileage - Concord, NH - PAC Rate Case	23.20	-	-	-	-
04/27/09	The Suncook Valley Sun, Inc	Order of Notice	351.50	-	-	-	-
04/30/09	The Daily Sun	Order of Notice	243.00	-	-	-	-
04/30/09	Union Leader	Order of Notice	395.25	-	-	-	-
04/30/09	Concord Monitor	Order of Notice	472.50	-	-	-	-
05/08/09	McLane, Graf, Raulerson & Middleton	Legal Services	360.00	-	360.00	-	-
05/18/09	Curtis 1000	Mailing to Customers - Order of Notice	1,832.79	-	-	-	-
05/18/09	Curtis 1000	Postage for Customer Mailing - Order of Notice	2,383.96	-	-	-	-
05/21/09	Charles Hoeppe	Mileage - Concord, NH - PAC Rate Case	41.44	-	-	-	-
05/23/09	Bonaly Hartley	Mileage - Concord, NH - PAC Rate Case	23.20	-	-	-	-
06/08/09	McLane, Graf, Raulerson & Middleton	Legal Services	242.70	-	242.70	-	-
06/08/09	McLane, Graf, Raulerson & Middleton	Legal Services	2,040.00	-	2,040.00	-	-
06/08/09	McLane, Graf, Raulerson & Middleton	Legal Services	936.00	-	936.00	-	-
06/16/09	McLane, Graf, Raulerson & Middleton	Legal Services	1,370.60	-	1,370.60	-	-
06/16/09	McLane, Graf, Raulerson & Middleton	Legal Services	2,127.50	-	2,127.50	-	-
06/16/09	McLane, Graf, Raulerson & Middleton	Legal Services	2,234.65	-	2,234.65	-	-
07/13/09	McLane, Graf, Raulerson & Middleton	Legal Services	300.00	-	300.00	-	-
07/13/09	McLane, Graf, Raulerson & Middleton	Legal Services	172.10	-	172.10	-	-
08/11/09	McLane, Graf, Raulerson & Middleton	Legal Services	120.00	-	120.00	-	-
08/24/09	The Suncook Valley Sun, Inc	Order of Notice	388.50	-	-	-	-
08/29/09	Bonaly Hartley	Mileage - Concord, NH - PAC Rate Case	23.20	-	-	-	-
08/31/09	Union Leader	Order of Notice	441.36	-	-	-	-
09/14/09	McLane, Graf, Raulerson & Middleton	Legal Services	2,610.00	-	2,610.00	-	-
09/30/09	Bonaly Hartley	Mileage - Concord, NH - PAC Rate Case	23.20	-	-	-	-
09/30/09	Charles Hoeppe	Mileage - Concord, NH - PAC Rate Case	78.40	-	-	-	-
10/15/09	McLane, Graf, Raulerson & Middleton	Legal Services	9,523.15	-	9,523.15	-	-
10/21/09	AUS Consultants	Cost of Service Allocation Study	792.50	-	-	-	792.50
10/27/09	Susan J Robidas, LCR	Transcript Services	2,069.75	-	-	-	-
11/23/09	McLane, Graf, Raulerson & Middleton	Legal Services	71.55	-	71.55	-	-
<b>Total Ratecase Expenses</b>			<b>109,157.59</b>	<b>14,666.00</b>	<b>57,201.60</b>	<b>22,810.00</b>	

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Docket #: 08-052      Printed: January 04, 2010

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Docket #: 09-051      Printed: January 04, 2010

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