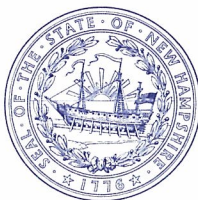


THE STATE OF NEW HAMPSHIRE

CHAIRMAN
Thomas B. Getz

COMMISSIONERS
Clifton C. Below
Amy L. Ignatius

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland



PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
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

April 28, 2011

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

Re: DW 10-090, Pittsfield Aqueduct Company, Inc.
Finalized Step Increase Recommendation



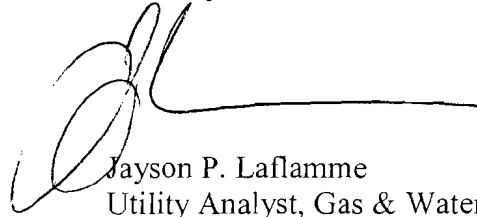
Dear Ms. Howland:

On April 26, 2011, an executed Settlement Agreement between Pittsfield Aqueduct Company, Inc. (PAC) and the Commission Staff (Staff) was presented at hearing to the Commission with the intention of resolving all issues relative to Docket No. DW 10-090, PAC's general rate proceeding. Contained within that agreement was a stipulation proposing the implementation of a step increase in rates to recover the cost of improvements made to PAC's Berry Pond Dam. The proposed additional revenues generated by this step increase were \$19,339 resulting from improvements totaling \$114,940. The Settlement Agreement also indicated that these costs had not yet been examined by the Commission's Audit Staff.

On April 27, 2011, the Commission's Audit Staff issued its report relative to the proposed Berry Pond Dam construction work. A copy of the Audit Staff's report is attached to this correspondence. In that report, the Audit Staff stated that it had examined the documentation relative to the \$114,940 in improvements, consisting mostly of invoices and workorder records, and found no exceptions relative to the documented costs. Therefore, based upon the findings contained in the report issued by the Audit Staff, it is Staff's recommendation that the Commission approve the proposed Step Increase as presented in the Settlement Agreement submitted in this case.

If you have any questions with regard to this matter, please feel free to contact me or any other of the Staff within the Gas & Water Division.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'J' followed by a horizontal line.

Jayson P. Laflamme
Utility Analyst, Gas & Water Division

Enclosures: DW 10-090 Audit Report issued on April 27, 2011

cc: Service List

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: April 27, 2011
AT (OFFICE): NHPUC

FROM: James Schuler, Examiner

SUBJECT: PITTSFIELD AQUEDUCT COMPANY, INC.
DW 10-090, Berry Pond Dam Construction
Audit Report

TO: Mark Naylor, Division Director
Stuart Hodgdon, Chief Auditor
Jayson Laflamme, Analyst

Berry Pond Dam Construction, Work Order No. 007-1003211/01

Audit reviewed the Work Order Detail Report, the supporting invoices and timesheets submitted by Pittsfield Aqueduct Company (PAC) for the Berry Pond Dam Construction project.

Audit tied the vendor invoices to the Company's Work Order detail for four different vendors and in-house engineering work. The Turner Group provided what was described as engineering, obtaining permit and construction documents and providing inspections. Northeast Mechanics provided site restoration and landscaping work. R.D. Bartlett & Associates provided surveying and drafting services while PAC charged to the project in-house engineering labor at approximately \$66 an hour. The following summary represents the individual vendor totals;

<u>Vendor</u>	<u>Amount</u>
The H.L. Turner Group	\$56,748
Northeast Earth Mechanics, Inc.	38,801
Engineering IS Overhead	10,814
R.D. Bartlett & Assoc., LLC	8,526
UNISHIPPERS (Misc. shipping)	51
TOTAL	\$114,940

Conclusion

The supporting invoices provided to Audit contained the billing rates and number of hours charged to the project for all vendors, although some invoices billed by the percentage of completion method. Audit was able to tie all charges from the invoices to the Work Order Detail with no exceptions.