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PUBLIC UTILITIES COMMISSION

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July 21, 2011

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.
Staff Recommendation on Permanent /Temporary Rate Recoupment

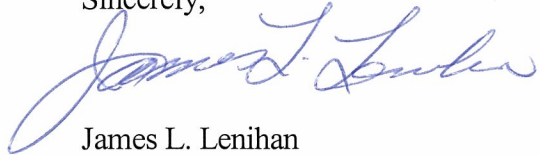
Dear Ms. Howland:

As directed in Order No. 25,229, Pittsfield Aqueduct Company, Inc. (PAC or the Company) filed on June 20, 2011 a proposal to reconcile the difference between temporary rates and permanent rates in Docket DW 10-090. Since the specific amounts necessary to fully reconcile the difference between the permanent and temporary rate were not available at the hearing on the merits, PAC was to file a reconciliation report that would identify the funds to be recouped or refunded for each customer class. Staff and PAC anticipated a recovery period of 12 months to recoup the incremental difference between the temporary rate levels effective June 16, 2010, through June 8, 2011 when the new permanent rates were established. The general metered customers will be surcharged based on the customer charge and actual usage for the temporary rate period. PAC requests total recoupment from its metered customers of \$44,175.18. For these metered customers, the average monthly surcharge for the 12 installments will be \$5.87. Private fire protection total class recoupment is \$777.35 and the Company proposes to recover the difference between temporary and permanent rates based on service pipe size. The total recoupment is to be recovered over 12 monthly installments. The public fire hydrant customer (the town of Pittsfield) is proposed to receive a surcharge of \$1,764.28 per month for 12 months for a total recoupment of \$21,171.32.

PAC's submission included copies of a Supplement No. 6 and attachments specifying the proposed recoupment amounts proposed as well as backup schedules providing the computations of the difference between the temporary and permanent revenue levels to be reconciled. Staff has reviewed the information submitted by the Company, notes that the recoupment proposals are as proposed in the settlement agreement approved by the Commission and recommends that the proposed recoupment amounts be approved.

If you have any questions, please contact me.

Sincerely,



James L. Lenihan
Utility Analyst, Gas & Water Division

Enclosures: PAC Supplement No. 6 including Recoupment for Permanent Rate increase
and Computation of Fire Protection Charges

cc: Service List



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June 20, 2011

Via Hand Delivery

Mark Naylor
Marcia Thunberg, Esquire
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Re: **DW 10-090 – Pittsfield Aqueduct Company, Inc.,
2010 Rate Case**

Dear Mr. Naylor and Ms. Thunberg:

In connection with the above captioned matter, I enclose Pittsfield Aqueduct Company, Inc.'s rate case expense including supporting invoices. Because some of the invoices contain confidential and proprietary rate information, the Company will be filing a motion for protective treatment with regard to certain of the attachments pursuant to Puc 203.08. I also enclose the Company's proposed recoupment calculation.

Very truly yours,

Sarah B. Knowlton

Enclosures

cc: Rorie E.P. Hollenberg, Esq. (with enclosures)
Bonaly J. Hartley

PERMANENT RATE RECOUPMENT & REFUND

General Metered Customers:

General Metered Customers (GM) will be surcharged based on the customer charge and actual usage. The Company will recoup from General Metered customers a surcharge for service rendered from June 16, 2010 through bills rendered June 8, 2011 for the incremental difference of Temporary and Permanent Rates. The surcharge will be billed in 12 (twelve) equal monthly instalments as follows:

<u>Customer Class</u>	<u>Total Recoupment</u>	<u>No Customers</u>	<u>Avg. Monthly Surcharge</u>
General Metered	\$ 44,175.18	627	\$5.87 per mo. for 12 mos.

Private Fire Protection Customers:

Private Fire Protection (PFP) customers will be refunded based on pipe size. The Company will recoup PFP customers in 12 (twelve) equal installments for service rendered from June 16, 2010 through bills rendered June 8, 2011 for the incremental difference of Temporary and Permanent Rates as follows:

<u>Customer Class</u>	<u>Total Recoupment</u>
Private FP	\$ 777.35

Public Fire Hydrant Customer:

The Public Fire Hydrant customer (the town of Pittsfield) will receive a surcharge in (12) twelve equal installments for service rendered from June 16, 2010 through bills rendered June 8, 2011 for the difference of Temporary and Permanent Rates as follows:

<u>Customer Class</u>	<u>Total Recoupment</u>
Public Fire Hydrant	
Town of Pittsfield	\$ 21,171.32 or \$1,764.28 per month for 12 months.

Issued: June 8, 2011

Issued by: Bonaly J. Hartley

Effective: June 8, 2011

Title: VP, Admin & Regulatory Affairs

Authorized by NHPUC Order No. 25,229 in Docket No. DW 10-090, dated June 8, 2011.

DW 10-090

Pittsfield Aqueduct Company Order No. 25,229

Recoupment Calculations for PAC Perm Rate Increase

General Metered Customer to be surcharged individually based customer charge and actual usage:

The company will recoup from G-M customers by a surcharge in twelve equal installments for service rendered from June 16, 2010 through bills rendered June 8, 2011 for the incremental difference of rates.

Private Fire Protection Customers to be surcharged individually based on size:

The company will recoup from Private Fire Protection customers by a surcharge in twelve equal installments for service rendered from June 16, 2010 through bills rendered June 8, 2011 for the incremental difference of rates.

Percentage Calculation for service from June 16, 2010 through October 8, 2010 bills.

Method- permanent rate increase percentage based on cost of service study
total overall increase of 17.45%

Customer Type	Recoupment %
Usage Charge	18.65%
Customer Charge	17.45%
Private Fire Protection	12.77%

Percentage Calculation for billings from October 9, 2010 to June 8, 2011.

Method- percentage difference from temporary percent to permanent percent.

* ie: (1.1865 divided by 1.1000) minus 1 equals 7.86%

Customer Type	Recoupment %	Temp Increase	Perm Increase Cost of Service Study
Usage Charge	7.86% *	10.00%	18.65%
Customer Charge	6.77%	10.00%	17.45%
Private Fire Protection	2.52%	10.00%	12.77%

Public Hydrant Calculations

The company will recoup from the Public Hydrant accounts in twelve equal installments for service rendered from June 16, 2010 through bills rendered June 8, 2011 based on the Cost of Service Study.

Calculated for each municipality based on amount billed and the adjusted bill amount at permanent rates resulting in a surcharge (see attached schedules).

14-Jun-11

**Pittsfield Aqueduct Company
Computation of Fire Protection Charge June 8, 2011
Attachment I**

Permanent Rate Increase Effective June 16, 2010

	Actual Billed Amount		Billing at Permanent Rate (1)		Recoupment (2)
July 2010	\$ 10,107.87	\$	12,883.37	\$	555.10 *
Aug 2010	\$ 10,107.87	\$	12,883.37	\$	2,775.50
Sept 2010	\$ 10,107.87	\$	12,883.37	\$	2,775.50
Oct 2010	\$ 10,107.87	\$	12,883.37	\$	2,775.50
Nov 2010	\$ 11,118.46	\$	12,883.37	\$	1,764.91
Dec 2010	\$ 11,118.46	\$	12,883.37	\$	1,764.91
Jan 2011	\$ 11,118.46	\$	12,883.37	\$	1,764.91
Feb 2011	\$ 11,118.46	\$	12,883.37	\$	1,764.91
Mar 2011	\$ 11,157.25	\$	12,883.37	\$	1,726.12
Apr 2011	\$ 11,131.39	\$	12,883.37	\$	1,751.98
May 2011	\$ 11,131.39	\$	12,883.37	\$	1,751.98
Jun 2011	\$ 11,131.39	\$	12,883.37	\$	1,751.98
Total:					\$ 21,171.32

* Prorated for service rendered on or after June 16, 2010.

	2011/2012 Updated Billing (3)		Mthly Recoupment (4)		Rate Case Expense (5)		Total Bill
Jul 2011	\$ 13,046.26						\$ 13,046.26
Aug 2011	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
Sept 2011	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
Oct 2011	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
Nov 2011	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
Dec 2011	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
Jan 2012	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
Feb 2012	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
Mar 2012	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
Apr 2012	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
May 2012	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
Jun 2012	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70
Jul 2012	\$ 13,232.42	\$	1,764.28	\$			\$ 14,996.70

(1) Updated Billing at the Permanent Rate increase effective for service rendered as of 6/16/2010. (See Attachment II)

(2) Recoupment for the difference between actual billings and Permanent Rate.

(3) Updated Billing for Step Rate Increase. (See Attachment II)

(4) Total Recoupment \$21,171.32 divided by 12 for a monthly bill amount beginning August 2011.

(5) Rate Case Expense pending final approval.

Note: January through June 2012 billing amount subject to change for hydrant and inch-foot additions in first quarter of 2011.