

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

August 10, 2011

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



Re: DW 10-091, Pennichuck Water Works, Inc.
Staff Recommendation on Permanent /Temporary Rate Recoupment

Dear Ms. Howland:

As directed in Order No. 25,230, Pennichuck Water Works, Inc. (PWW) filed on June 20, 2011 a proposal to reconcile the difference between temporary rates and permanent rates in Docket DW 10-091. Since the specific amounts necessary to provide that reconciliation were not available at the hearing on the merits, PWW was to file a reconciliation report that would identify the funds to be recouped or refunded for each customer class over a twelve-month period. Temporary rates representing a 10.81% increase were approved by Commission in its Order No. 25,153 issued on October 8, 2010, to be effective for service rendered on or after June 16, 2010. However, a provision in the Settlement Agreement on Temporary Rates under Section C. EFFECTIVE DATE AND RECOUPMENT stated that "Any difference between the temporary rates agreed to herein and the permanent rates ultimately approved by the Commission in this docket is subject to reconciliation upon implementation of new permanent rates." Although the effective date for temporary rates was June 16, 2010, PWW did not bill nor receive revenues representing the 10.81% temporary increase in rates for the period beginning June 16, 2010 to October 8, 2010, the date temporary rates were approved. The difference between the new permanent overall revenue increase of 11.95% and the temporary increase of 10.81% will be reconciled for service provided in the period from October 8, 2010 to the effective date of the permanent rate level of June 9, 2011. Since the temporary rate increase was not billed for the period from June 16, 2010 to October 8, 2010, the reconciliation amount for that period will represent the entire new permanent revenue level of 11.95%.

PWW is proposing that General Metered Customers (GM) will be surcharged individually based on customer charge, actual usage, and contract rates. The Company will recoup from customers for service rendered from June 16, 2010 through bills rendered June 9, 2011 for the difference between temporary and permanent rates as described above. The surcharged is to be billed in twelve equal monthly installments. Recoupment amounts

for the GM class will total \$1,087,888.14. An average residential customer will see an annual recoupment of \$35.56 or \$2.96 per month (\$858,517.58 divided by 24,144 customers). Recoupment amounts for Anheuser Busch will be \$77,231.24, the Town of Milford \$16,659.86, and the Town of Hudson \$31,899.70. Private Fire Protection customers will be refunded a total of \$70,802.82¹. Proposed Recoupment for Public Fire Hydrants for Nashua is \$73,582.42, for the town of Bedford, \$5,127.86, the Town of Merrimack \$2,806.32, the Town of Amherst \$10,467.84, and the Town of Derry \$1,124.69.

Staff has reviewed the information contained in PWW's June 20, 2011 submission specifying the proposed recoupment/refund amounts as well as the backup schedules provided. Staff finds the submission to be consistent with the final order in this proceeding as well as the recommended rates set forth in PWW's May 24, 2011 revised cost of service study and recommends that the proposed recoupment/refund amounts be approved.

If you have any questions regarding this information please contact me.

Sincerely,



James L. Lenihan
Utility Analyst, Gas & Water Division

Enclosures: PWW's June 20, 2011 letter with attachments.

cc: Service List

¹ The Report of Proposed Rate Changes provided with the May 20, 2011 settlement agreement (Exhibit 16) incorrectly stated the overall level of revenue increase for both the Private Fire Protection and Public Fire Protection – Hydrants classes. The proforma test year revenues presented on Exhibit 16 for these classes (\$852,380 for Private Fire and \$2,817,166 for Public Fire) did not reflect a proper allocation of annualized revenues that originated with the revenue adjustment illustrated on Schedule 1 Attachment A of the company's rate filing. Test year 2009 revenues for the customer classes had to be adjusted for the increase in rates (and the changes in rate design) approved by the Commission in DW 08-073, but the company provided an across the board allocation of those revenues instead of an allocation that was in alignment with the approved rate design changes in that docket. The corrected test year revenues for the Private Fire class is \$981,903, which yields an overall class increase of 2.56% instead of the 18.15% shown. Because the temporary rate increase of 10.80% was allocated equally to all customer classes including Private Fire, a refund is due to Private Fire customers in this reconciliation of temporary rates with permanent rates. The corrected test year revenues for the Public Fire class is \$2,687,643 which yields an overall class increase of 11.51% instead of the 6.38% as shown. It should be further noted that the calculation of individual rates for all classes in the Cost of Service study submitted with the settlement agreement were not affected by this oversight as those rates are calculated using the total of revenues allocated to each class in the study. Thus all rates are correct as presented.



McLane, Graf,
Raulerson & Middleton
Professional Association

100 Market Street, Suite 301, P.O. Box 459 | Portsmouth, NH 03802-0459
Tel: 603.436.2818 | Fax: 603.436.5672 | www.mclane.com

MANCHESTER
CONCORD
PORTSMOUTH
WOBBURN MA

SARAH B. KNOWLTON
Direct Dial: (603) 334-6928
Email: sarah.knowlton@mclane.com
Licensed in MA, ME and NH

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 10-091 – Pennichuck Water Works, Inc.
2010 Rate Case**

Dear Mr. Naylor and Ms. Thunberg:

In connection with the above captioned matter, I enclose Pennichuck Water Works, 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
John Alexander, Esq. (with rate case recoupment only)

PERMANENT RATE RECOUPMENT

General Metered Customers and Contract Customers:

General Metered Customers (GM) will be surcharged individually based on customer charge, actual usage, and contract rates. The Company will recoup from General Metered customers for service rendered from June 16, 2010 through bills rendered June 9, 2011 for the incremental difference of Temporary and Permanent Rates. The surcharge will be billed in twelve equal monthly installments as follows:

<u>Customer Class</u>	<u>Total Recoupment</u>
General Metered	\$ 1,087,888.14
Anheuser Busch	\$ 77,231.24
Town of Milford	\$ 16,659.86
Town of Hudson	\$ 31,899.70
Total:	\$ 1,213,678.94

Average recoupment for Residential Customers is \$35.56 per year (\$858,517.58 divided by 24,144 customers) or \$2.96 per month

Private Fire Protection Customers:

Private Fire Protection (PFP) customers will be surcharged based on pipe size. The Company will recoup to PFP customers a refund in twelve equal installments for service rendered from June 16, 2010 through bills rendered June 9, 2011 as follows:

<u>Customer Class</u>	<u>Total Recoupment Credit</u>
Private FP	\$ (70,802.82)

Public Fire Hydrant Customers:

The company will provide a calculation for each municipality based on an amount billed at Temporary rates and the adjusted bill amount at Permanent rates resulting in a surcharge. Public Fire Hydrant Customers will receive a surcharge in twelve equal installments for service rendered from June 16, 2010 through bills rendered June 9, 2011 as follows:

<u>Customer Class</u>	<u>Total Recoupment</u>
Public Fire Hydrant	
City of Nashua	\$ 73,582.42
Town of Bedford	\$ 5,127.86
Town of Merrimack	\$ 2,806.32
Town of Amherst	\$ 10,467.84
Town of Derry	\$ 1,124.69

Issued: June 9, 2011

Issued by: Bonaly J. Hartley

Effective: June 9, 2011

Title: Vice President Admin & Regulatory Affairs

DW 10-091

Pennichuck Water Order No. 25,230

Recoupment Calculations for PWW 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 9, 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 9, 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 11.95%

Customer Type	Recoupment %
Usage Charge	13.69%
Customer Charge	11.95%
Private Fire Protection	0.33%

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

Method- percentage difference from temporary percent to permanent percent.

* ie: (1.1369 divided by 1.108) minus 1 equals 2.61%

Customer Type	Recoupment %	Temp Increase	Perm Increase Cost of Service Study
Usage Charge	2.61% *	10.80%	13.69%
Customer Charge	1.04%	10.80%	11.95%
Private Fire Protection	-9.45%	10.80%	0.33%

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 9, 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).

Pennichuck Water Works, Inc.

Computation of Fire Protection Charges
City of Nashua June 9, 2011
Attachment I

Permanent Rate Increase Effective June 16, 2010

	Actual Billed Amount	Billing at Permanent Rate (1)	Recoupment (2)
July 2010	\$ 191,227.53	\$ 213,335.73	\$ 19,160.44 *
Aug 2010	\$ 191,227.53	\$ 213,335.73	\$ 22,108.20
Sept 2010	\$ 191,227.53	\$ 213,335.73	\$ 22,108.20
Oct 2010	\$ 211,867.42	\$ 213,335.73	\$ 1,468.31
Nov 2010	\$ 211,867.42	\$ 213,335.73	\$ 1,468.31
Dec 2010	\$ 211,867.42	\$ 213,335.73	\$ 1,468.31
Jan 2011	\$ 211,867.42	\$ 213,335.73	\$ 1,468.31
Feb 2011	\$ 211,867.42	\$ 213,335.73	\$ 1,468.31
Mar 2011	\$ 212,791.96	\$ 213,335.73	\$ 543.77
Apr 2011	\$ 212,175.60	\$ 213,335.73	\$ 1,160.13
May 2011	\$ 212,175.60	\$ 213,335.73	\$ 1,160.13
Total:			\$ 73,582.42

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

	2011/2012 Updated Billing (3)	Mthly Recoupment (4)	Rate Case Expense (5)	Total Bill
Jun 2011	\$ 213,335.73			\$ 213,335.73
Jul 2011	\$ 213,335.73			\$ 213,335.73
Aug 2011	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
Sept 2011	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
Oct 2011	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
Nov 2011	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
Dec 2011	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
Jan 2012	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
Feb 2012	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
Mar 2012	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
Apr 2012	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
May 2012	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
Jun 2012	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60
Jul 2012	\$ 213,335.73	\$ 6,131.87		\$ 219,467.60

(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 Permanent Rate Increase. (See Attachment II)

(4) Total Recoupment \$73,582.42 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.

Pennichuck Water Works, Inc.

Computation of Fire Protection Charges
Town of Bedford June 9, 2011
Attachment I

Permanent Rate Increase Effective June 16, 2010

	Actual Billed Amount	Billing at Permanent Rate (1)	Recoupment (2)
July 2010	\$ 12,740.78	\$ 14,366.75	\$ 650.39 *
Aug 2010	\$ 12,740.78	\$ 14,366.75	\$ 1,625.97
Sept 2010	\$ 12,740.78	\$ 14,366.75	\$ 1,625.97
Oct 2010	\$ 14,116.06	\$ 14,366.75	\$ 250.69
Nov 2010	\$ 14,116.06	\$ 14,366.75	\$ 250.69
Dec 2010	\$ 14,116.06	\$ 14,366.75	\$ 250.69
Jan 2011	\$ 14,116.06	\$ 14,366.75	\$ 250.69
Feb 2011	\$ 14,116.06	\$ 14,366.75	\$ 250.69
Mar 2011	\$ 14,631.40	\$ 14,366.75	\$ (264.65)
Apr 2011	\$ 14,287.84	\$ 14,366.75	\$ 78.91
May 2011	\$ 14,287.84	\$ 14,366.75	\$ 78.91
Jun 2011	\$ 14,287.84	\$ 14,366.75	\$ 78.91
Total:			\$ 5,127.86

* 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	\$ 14,366.75			\$ 14,366.75
Aug 2011	\$ 14,366.75	\$ 427.32		\$ 14,794.07
Sept 2011	\$ 14,366.75	\$ 427.32		\$ 14,794.07
Oct 2011	\$ 14,366.75	\$ 427.32		\$ 14,794.07
Nov 2011	\$ 14,366.75	\$ 427.32		\$ 14,794.07
Dec 2011	\$ 14,366.75	\$ 427.32		\$ 14,794.07
Jan 2012	\$ 14,366.75	\$ 427.32		\$ 14,794.07
Feb 2012	\$ 14,366.75	\$ 427.32		\$ 14,794.07
Mar 2012	\$ 14,366.75	\$ 427.32		\$ 14,794.07
Apr 2012	\$ 14,366.75	\$ 427.32		\$ 14,794.07
May 2012	\$ 14,366.75	\$ 427.32		\$ 14,794.07
Jun 2012	\$ 14,366.75	\$ 427.32		\$ 14,794.07
Jul 2012	\$ 14,366.75	\$ 427.32		\$ 14,794.07

(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 Permanent Rate Increase. (See Attachment II)

(4) Total Recoupment \$5,127.86 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.

Pennichuck Water Works, Inc.

Computation of Fire Protection Charges
Town of Merrimack June 9, 2011
Attachment I

Permanent Rate Increase Effective June 16, 2010

	Actual Billed Amount	Billing at Permanent Rate (1)	Recoupment (2)
July 2010	\$ 6,130.98	\$ 6,830.44	\$ 606.20 *
Aug 2010	\$ 6,130.98	\$ 6,830.44	\$ 699.46
Sept 2010	\$ 6,130.98	\$ 6,830.44	\$ 699.46
Oct 2010	\$ 6,792.79	\$ 6,830.44	\$ 37.65
Nov 2010	\$ 6,792.79	\$ 6,830.44	\$ 37.65
Dec 2010	\$ 6,792.79	\$ 6,830.44	\$ 37.65
Jan 2011	\$ 6,792.79	\$ 6,830.44	\$ 37.65
Feb 2011	\$ 6,792.79	\$ 6,830.44	\$ 37.65
Mar 2011	\$ 6,792.79	\$ 6,830.44	\$ 37.65
Apr 2011	\$ 6,792.79	\$ 6,830.44	\$ 37.65
May 2011	\$ 6,792.79	\$ 6,830.44	\$ 37.65
Total:			\$ 2,306.32

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

	2011/2012 Updated Billing (3)	Mthly Recoupment (4)	Rate Case Expense (5)	Total Bill
Jun 2011	\$ 6,830.44			\$ 6,830.44
Jul 2011	\$ 6,830.44			\$ 6,830.44
Aug 2011	\$ 6,830.44	\$ 192.19		\$ 7,022.63
Sept 2011	\$ 6,830.44	\$ 192.19		\$ 7,022.63
Oct 2011	\$ 6,830.44	\$ 192.19		\$ 7,022.63
Nov 2011	\$ 6,830.44	\$ 192.19		\$ 7,022.63
Dec 2011	\$ 6,830.44	\$ 192.19		\$ 7,022.63
Jan 2012	\$ 6,830.44	\$ 192.19		\$ 7,022.63
Feb 2012	\$ 6,830.44	\$ 192.19		\$ 7,022.63
Mar 2012	\$ 6,830.44	\$ 192.19		\$ 7,022.63
Apr 2012	\$ 6,830.44	\$ 192.19		\$ 7,022.63
May 2012	\$ 6,830.44	\$ 192.19		\$ 7,022.63
Jun 2012	\$ 6,830.44	\$ 192.19		\$ 7,022.63
Jul 2012	\$ 6,830.44	\$ 192.19		\$ 7,022.63

(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 Permanent Rate Increase. (See Attachment II)

(4) Total Recoupment \$2,306.32 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.

Pennichuck Water Works, Inc.

Computation of Fire Protection Charges
Town of Amherst June 9, 2011
Attachment I

Permanent Rate Increase Effective June 16, 2010

	Actual Billed Amount	Billing at Permanent Rate (1)	Recoupment (2)
July 2010	\$ 12,888.59	\$ 15,312.73	\$ 2,100.92 *
Aug 2010	\$ 12,888.59	\$ 15,312.73	\$ 2,424.14
Sept 2010	\$ 12,888.59	\$ 15,312.73	\$ 2,424.14
Oct 2010	\$ 14,279.80	\$ 15,312.73	\$ 1,032.93
Nov 2010	\$ 14,279.80	\$ 15,312.73	\$ 1,032.93
Dec 2010	\$ 14,279.80	\$ 15,312.73	\$ 1,032.93
Jan 2011	\$ 14,279.80	\$ 15,312.73	\$ 1,032.93
Feb 2011	\$ 14,279.80	\$ 15,312.73	\$ 1,032.93
Mar 2011	\$ 17,126.68	\$ 15,312.73	\$ (1,813.95)
Apr 2011	\$ 15,228.76	\$ 15,312.73	\$ 83.97
May 2011	\$ 15,228.76	\$ 15,312.73	\$ 83.97
Total:			\$ 10,467.84

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

	2011/2012 Updated Billing (3)	Mthly Recoupment (4)	Rate Case Expense (5)	Total Bill
Jun 2011	\$ 15,312.73			\$ 15,312.73
Jul 2011	\$ 15,312.73			\$ 15,312.73
Aug 2011	\$ 15,312.73	\$ 872.32		\$ 16,185.05
Sept 2011	\$ 15,312.73	\$ 872.32		\$ 16,185.05
Oct 2011	\$ 15,312.73	\$ 872.32		\$ 16,185.05
Nov 2011	\$ 15,312.73	\$ 872.32		\$ 16,185.05
Dec 2011	\$ 15,312.73	\$ 872.32		\$ 16,185.05
Jan 2012	\$ 15,312.73	\$ 872.32		\$ 16,185.05
Feb 2012	\$ 15,312.73	\$ 872.32		\$ 16,185.05
Mar 2012	\$ 15,312.73	\$ 872.32		\$ 16,185.05
Apr 2012	\$ 15,312.73	\$ 872.32		\$ 16,185.05
May 2012	\$ 15,312.73	\$ 872.32		\$ 16,185.05
Jun 2012	\$ 15,312.73	\$ 872.32		\$ 16,185.05
Jul 2012	\$ 15,312.73	\$ 872.32		\$ 16,185.05

(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 Permanent Rate Increase. (See Attachment II)

(4) Total Recoupment \$10,467.84 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.

Pennichuck Water Works, Inc.

**Computation of Fire Protection Charges
Town of Derry 6/9/11
Attachment I**

Permanent Rate Increase Effective June 16, 2010

	Actual Billed Amount	Billing at Permanent Rate (1)	Recoupment (2)
July 2010	\$ 2,358.52	\$ 2,680.84	\$ 204.14 *
Aug 2010	\$ 2,358.52	\$ 2,680.84	\$ 322.32
Sept 2010	\$ 2,358.52	\$ 2,680.84	\$ 322.32
Oct 2010	\$ 2,613.07	\$ 2,680.84	\$ 67.77
Nov 2010	\$ 2,613.07	\$ 2,680.84	\$ 67.77
Dec 2010	\$ 2,613.07	\$ 2,680.84	\$ 67.77
Jan 2011	\$ 2,613.07	\$ 2,680.84	\$ 67.77
Feb 2011	\$ 2,613.07	\$ 2,680.84	\$ 67.77
Mar 2011	\$ 2,772.82	\$ 2,680.84	\$ (91.98)
Apr 2011	\$ 2,666.32	\$ 2,680.84	\$ 14.52
May 2011	\$ 2,666.32	\$ 2,680.84	\$ 14.52
Total:			\$ 1,124.69

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

	2011/2012 Updated Billing (3)	Mthly Recoupment (4)	Rate Case Expense (5)	Total Bill
Jun 2011	\$ 2,680.84			\$ 2,680.84
Jul 2011	\$ 2,680.84			\$ 2,680.84
Aug 2011	\$ 2,680.84	\$ 93.72		\$ 2,774.56
Sept 2011	\$ 2,680.84	\$ 93.72		\$ 2,774.56
Oct 2011	\$ 2,680.84	\$ 93.72		\$ 2,774.56
Nov 2011	\$ 2,680.84	\$ 93.72		\$ 2,774.56
Dec 2011	\$ 2,680.84	\$ 93.72		\$ 2,774.56
Jan 2012	\$ 2,680.84	\$ 93.72		\$ 2,774.56
Feb 2012	\$ 2,680.84	\$ 93.72		\$ 2,774.56
Mar 2012	\$ 2,680.84	\$ 93.72		\$ 2,774.56
Apr 2012	\$ 2,680.84	\$ 93.72		\$ 2,774.56
May 2012	\$ 2,680.84	\$ 93.72		\$ 2,774.56
Jun 2012	\$ 2,680.84	\$ 93.72		\$ 2,774.56
Jul 2012	\$ 2,680.84	\$ 93.72		\$ 2,774.56

(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 Permanent Rate Increase. (See Attachment II)

(4) Total Recoupment \$1,124.69 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.

Anheuser Busch Recoupment - PWV Permanent Rate Increase

Rates	Original	Temporary	Permanent
usage	1.4956	1.6571	0.9568
cust chrg	1,613.26	1,787.50	1,806.04
Contract Fee	-	-	30,952.54

Account # 100012322 and Account # 100020308

Actual Billing Details				
	Usage	Usage \$	Cust Charges	Total Charges
Jul-10	42,800	\$ 64,011.68	\$ 1,613.26	\$ 65,624.94
Aug-10	43,700	\$ 65,357.72	\$ 1,613.26	\$ 66,970.98
Sep-10	41,500	\$ 62,067.40	\$ 1,613.26	\$ 63,680.66
Oct-10	37,400	\$ 61,975.54	\$ 1,787.50	\$ 63,763.04
Nov-10	37,600	\$ 62,306.96	\$ 1,787.50	\$ 64,094.46
Dec-10	36,300	\$ 60,152.73	\$ 1,787.50	\$ 61,940.23
Jan-11	31,300	\$ 51,867.23	\$ 1,787.50	\$ 53,654.73
Feb-11	36,500	\$ 60,484.15	\$ 1,787.50	\$ 62,271.65
Mar-11	31,700	\$ 52,530.07	\$ 1,787.50	\$ 54,317.57
Apr-11	36,000	\$ 59,655.60	\$ 1,787.50	\$ 61,443.10
May-11	33,800	\$ 56,009.98	\$ 1,787.50	\$ 57,797.48
Jun-11	36,700	\$ 60,815.57	\$ 1,787.50	\$ 62,603.07
Totals	445,300	\$ 717,234.63	\$ 20,927.28	\$ 738,161.91

Revised Billing Details based on Permanent Rate Settlement			
Usage \$	Cust Charges	Contract Fee	Total Charges
\$ 40,951.04	\$ 1,806.04	\$ 30,952.54	\$ 73,709.62
\$ 41,812.16	\$ 1,806.04	\$ 30,952.54	\$ 74,570.74
\$ 39,707.20	\$ 1,806.04	\$ 30,952.54	\$ 72,465.78
\$ 35,784.32	\$ 1,806.04	\$ 30,952.54	\$ 68,542.90
\$ 35,975.68	\$ 1,806.04	\$ 30,952.54	\$ 68,734.26
\$ 34,731.84	\$ 1,806.04	\$ 30,952.54	\$ 67,490.42
\$ 29,947.84	\$ 1,806.04	\$ 30,952.54	\$ 62,706.42
\$ 34,923.20	\$ 1,806.04	\$ 30,952.54	\$ 67,681.78
\$ 30,330.56	\$ 1,806.04	\$ 30,952.54	\$ 63,089.14
\$ 34,444.80	\$ 1,806.04	\$ 30,952.54	\$ 67,203.38
\$ 32,339.84	\$ 1,806.04	\$ 30,952.54	\$ 65,098.42
\$ 35,114.56	\$ 1,806.04	\$ 30,952.54	\$ 67,873.14
\$ 426,063.04	\$ 21,672.48	\$ 371,430.48	\$ 819,166.00

Recoupment for service rendered as of 6/16/2010			
Usage Recoupment	Contract Recoupment	Cust Chrg Recoupment	Total Recoupment
\$ (23,060.64)	\$ 30,952.54	\$ 192.78	\$ 4,311.83
\$ (23,545.56)	\$ 30,952.54	\$ 192.78	\$ 7,599.76
\$ (22,360.20)	\$ 30,952.54	\$ 192.78	\$ 8,785.12
\$ (26,191.22)	\$ 30,952.54	\$ 18.54	\$ 4,779.86
\$ (26,331.28)	\$ 30,952.54	\$ 18.54	\$ 4,639.80
\$ (25,420.89)	\$ 30,952.54	\$ 18.54	\$ 5,550.19
\$ (21,919.39)	\$ 30,952.54	\$ 18.54	\$ 9,051.69
\$ (25,560.95)	\$ 30,952.54	\$ 18.54	\$ 5,410.13
\$ (22,199.51)	\$ 30,952.54	\$ 18.54	\$ 8,771.57
\$ (25,210.80)	\$ 30,952.54	\$ 18.54	\$ 5,760.28
\$ (23,670.14)	\$ 30,952.54	\$ 18.54	\$ 7,300.94
\$ (25,701.01)	\$ 30,952.54	\$ 18.54	\$ 5,270.07
\$ (291,171.59)	\$ 371,430.48	\$ 745.20	\$ 77,231.24

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

Note: \$23,183.99 Usage Deficiency for fiscal year 2011 per the third contract I in June of 2011 was not billed and therefore no adjustment is required.