

DW 11-224
Pennichuck East Utility Responses to
Staff Data Requests – Set 1
Petition for Approval of the Transfer of Real Estate

Date Request Received: 10/20/11
Request No. Staff 1-2

Date of Response: 10/31/11
Witness: Donald L. Ware

REQUEST: Re: Mr. Ware's testimony at page 5 and 6, why would the \$10,713 gain on the sale not be applied as an offset to the current balance in the Capital Recovery Surcharge applicable to Birch Hill?

RESPONSE: The gain on the sale should be applied as an offset to the current balance of the Birch Hill Capital Recover Surcharge. The plan is to apply \$10,713 gain as an offset to the current balance in the Capital Recovery Surcharge at the next PEU rate case in conjunction with any change in customer count. I have attached a spreadsheet to this data response detailing the impact of this offset based on the original customer count used to calculate the Birch Hill Capital Recovery Surcharge of 206. The result is a \$0.27 per month reduction in this Surcharge.

Pennichuck East Utility
 Birch Hill Land Sale
 Petition for Approval of the Transfer of Real Estate
 DW11-1124
 Staff Data Request 1-2
 10/27/2011

	Per Rate Case DW 08-052	Land Sale 2011	Revised Surcharge
Birch Hill Capital Recovery	\$ 1,878,504.00	10,712.96	1,867,791.04
Cost of Capital	4.68%	4.68%	4.68%
Monthly Capital Recovery	\$ 9,725.14	\$ 55.46	\$ 9,669.68
Number of Customers	206	206	206
Monthly Charge Per Customer	\$ 47.21	\$ 0.27	\$ 46.94
Annual Capital Recovery	\$ 116,701.64	\$ 665.54	\$ 116,036.10
Annual Charge Per Customer	\$ 566.51	\$ 3.23	\$ 563.28