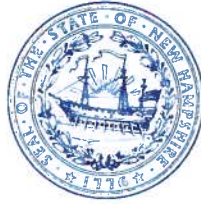


THE STATE OF NEW HAMPSHIRE



CHAIRMAN
Thomas B. Getz

COMMISSIONERS
Clifton C. Below
Amy L. Ignatius

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland

Tel. (603) 271-2431

FAX (603) 271-3878

TDD Access: Relay NH
1-800-735-2964

Website:
www.puc.nh.gov

PUBLIC UTILITIES COMMISSION

21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

September 15, 2011

Ms. Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-7319

Re: DW 08-086 – Eastman Sewer Company, Inc.
Staff Recommendation Regarding Recovery of Rate Case Expenses

Dear Ms. Howland:

On September 7, 2011, Eastman Sewer Company, Inc. (ESC) submitted a proposal to Staff for recovery of its rate case expenses associated with its filing for a step increase in DW 08-086. ESC's submission was made relative to Commission Order No. 25,259 dated August 4, 2011 granting approval for the step increase. Copies of ESC's submission for rate case expense recovery are attached to this correspondence.

ESC requests recovery of a total of \$4,190.13 in rate case expenses and proposes that this amount should be recovered from its 535 customers via a one-billing-quarter surcharge of \$7.83 per customer. In its submission, ESC provided copies of invoices in support of its proposed rate case expense costs. Staff reviewed these invoices and found no errors or exceptions.

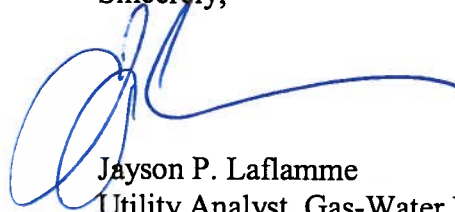
Based on its review of ESC's rate case expense submission, Staff recommends that the Commission approve recovery of the \$4,190.13 of rate case expenses proposed by ESC. Further, Staff believes that ESC's proposed method of recovery of a one-billing-quarter surcharge of \$7.83 per customer is reasonable and recommends that the Commission approve this as well.

In its submission, ESC expressed its desire to issue this surcharge in its next quarterly billing on October 1, 2011. Therefore, ESC respectfully requests that an order approving recovery of its rate case expenses be issued by the end of September so that

September 15, 2011

this can occur. If you have any questions pertaining to this matter, please do not hesitate to contact either myself or any of the other Staff within the Gas-Water Division.

Sincerely,

A handwritten signature in blue ink, consisting of a large, stylized 'J' followed by a horizontal line extending to the right.

Jayson P. Laflamme
Utility Analyst, Gas-Water Division

cc: Service List

Attachments: ESC's Submission for Recovery of Rate Case Expenses

STEPHEN P. ST. CYR & ASSOC.

17 Sky Oaks Drive, Biddeford, ME 04005

PHONE: (207) 282-5222

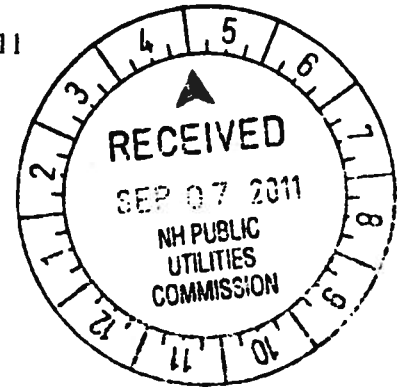
FAX: (207) 282-5225

Accounting & Finance
Budgeting & Forecasting
Financial Statement Preparation
Regulatory Affairs
Tax Preparation & Planning
Management Services

September 2, 2011

Mark Naylor, Director
Gas and Water Division
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N. H. 03301-2429

Re: DW 08-086 Eastman Sewer Company
Step Increase Expenditures Surcharge



Dear Mr. Naylor:

In PUC Order #25,259 dated August 4, 2011 approving the step increase, the Commission ordered that the Company "shall make a filing with the Commission ... for recovery of its prudently incurred rate case expenses associated with its filing for this step increase in revenue ..."

Attached are the prudently incurred rate case expenditures and the proposed surcharge schedules. The rate case expenditure schedule shows the date of invoice, period, vendor/supplier and the amount. The total rate case expenditures associated with the step increase are \$4,190.13.

The proposed surcharge schedule shows the total step increase expenditures (\$4,190.13), the number of customers (535) and the total proposed surcharge per customer of \$7.83. The Company proposes to recover the proposed surcharge over one quarter.

The Company respectfully requests that the Staff review the schedules, the supporting documentation and the proposed surcharge. Once reviewed, please offer Staff's recommendation for review and consideration by the Company. **The Company respectfully requests that the Staff review and make its recommendation in such time as to allow the PUC to issue an order by the end of September 2011 so that the Company can add the surcharge to customer bills at the next schedule billing, October 1, 2011.**

If you, the Staff and/or the Commissioners have any questions or comments, please contact me at 207-282-5222 or email me at stephenpstcyr@yahoo.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen P. St. Cyr".

Stephen P. St. Cyr

cc: Brian Harding

Eastman Sewer Company

DW 08-086 Step Increase Expenditures

<u>Date of Invoice</u>	<u>Period</u>	<u>Vendor / Supplier</u>	<u>Hours</u>	<u>Rate/Hour</u>	<u>Amount</u>
12/11/2010	11/10	St. Cyr & Associates	1.50	105.00	157.50
1/4/2011	12/10	St. Cyr & Associates	0.75	105.00	78.75
4/8/2011	1stQ2011	St. Cyr & Associates	1.25	105.00	131.25
5/9/2011	04/11	St. Cyr & Associates	1.25	105.00	131.25
6/4/2011	05/11	St. Cyr & Associates	15.375	105.00	1,614.38
6/4/2011	05/11	St. Cyr & Associates - Copies & Postage			24.29
7/8/2011	06/11	St. Cyr & Associates	7.875	105.00	826.88
8/10/2011	-	Valley News			412.09
8/11/2011	07/11	St. Cyr & Associates	1.50	105.00	157.50
9/1/2011	08/11	St. Cyr & Associates	4.25	105.00	446.25
9/1/2011	09/11	St. Cyr & Associates	2.00	105.00	<u>210.00</u>
Total					<u>4,190.13</u>

SPSt. Cyr
9/1/2011

Eastman Sewer Company

DW 08-086 Proposed Surcharge for Recovery of Step Increase Expenditures

Total Step Increase Expenditures	<u>4,190.13</u>
Number of Customers	<u>535</u>
Total Proposed Surcharge per Customer	<u>\$7.83</u>

**SPSt. Cyr
9/1/2011**

December 11, 2010

Brian Harding
Eastman Community Association
Box 53
Grantham, N. H. 03753

Re: Year End and Rate Case

Fee for professional services rendered during August – November 2010 (see attached detail).

Current Billing (5.00 hrs @ \$105.00/hr.)

\$ 525.00

Reimbursable Expenses:

Copies
Postage
UPS

0.00

0.00

0.00

Total Billing

\$ 525.00

*Deposited
12/11*

Payment due upon receipt.

If you have any questions or comments, please contact me at 207-282-5222.

Sincerely,

Stephen P. St. Cyr

<u>Date</u>	<u>Description of Service</u>	<u>Hours</u>
<u>Year End</u>		
08/26	Review email re: 2009 PUC Annual Report	0.25
09/10	Prepare PUC Assessment Report; Prepare email re: same; Talk w/Gayle; Review/Reply to email re: PUC Assessment Report	0.75
11/29	Review PUC letter re: 2009 PUC Annual Report; Prepare response to PUC letter; Review response to PUC letter; Prepare email re: cap res fund; Prepare email re: services	<u>2.25</u>
Total		<u>3.25</u>

Note: Please charge year end expenses to 5010 – Accounting Fees

Rate Case

08/26	Review PUC letter re: tariff	0.25
11/03	Review Settlement Agreement; Review / Reply to email re: Rate change	0.50
11/24	F/U on status of projects / costs	0.25
11/29	Review projected costs; Prepare email re: actual costs	0.75
Total		<u>1.75</u>

1.50 hrs.
x 105/hr
157.50

Note: Please charge rate case expenditures to 1253 – Rate Case Expenditures

Grand Total 5.00

SPSt. Cyr
12/11/10

January 4, 2011

Brian Harding
Eastman Community Association
Box 53
Grantham, N. H. 03753

Re: Year End and Rate Case

Fee for professional services rendered during December 2010 (see attached detail).

Previous Balance	\$ 525.00
Current Billing (1.25 hrs @ \$105.00/hr.)	\$ 131.25
Reimbursable Expenses:	
Copies	0.00
Postage	0.00
UPS	<u>0.00</u>
Total Billing	<u>\$ 656.25</u>

Payment due upon receipt.

If you have any questions or comments, please contact me at 207-282-5222.

Sincerely,

Stephen P. St. Cyr

<u>Date</u>	<u>Description of Service</u>	<u>Hours</u>
<u>Year End</u>		
12/02	Review various emails; Review email re: cap res fund	0.25
12/21	Review email re: state appraisal report	<u>0.25</u>
Total		<u>0.50</u>

Note: Please charge year end expenses to 5010 – Accounting Fees

Rate Case

12/02	Review various emails; Review cap imp costs	0.25
12/15	Review / Reply to email re: interest rate on bank loan	0.25
12/16	Review email re: bank loan	<u>0.25</u>
Total		<u>0.75</u>

Note: Please charge rate case expenditures to ~~1253~~ – Rate Case Expenditures

Grand Total	1252	<u>1.25</u>
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SPSt. Cyr
01/04/11

78.75

April 8, 2011

Brian Harding
Eastman Community Association
Box 53
Grantham, N. H. 03753

Re: Year End and Rate Case

Fee for professional services rendered during 1st quarter 2011 (see attached detail).

Previous Balance		(\$ 525.00)
Current Billing (2.00 hrs @ \$105.00/hr.)		\$ 210.00
Reimbursable Expenses:	Copies	0.00
	Postage	0.00
	UPS	0.00
Total Billing		<u>(\$ 315.00)</u>

Payment due upon receipt.

If you have any questions or comments, please contact me at 207-282-5222.

Sincerely,

Stephen P. St. Cyr

<u>Date</u>	<u>Description of Service</u>	<u>Hours</u>
<u>Year End</u>		
03/16	F/U on YE review / F/S / PUC Ann Rep	0.25
03/23	Prepare email re: YE/ F/S / PUC Ann Rep	0.25
03/29	Prepare request for ext of time; Prepare email re: same	<u>0.25</u>
Total		<u>0.75</u>

Note: Please charge year end expenses to 5010 – Accounting Fees

<u>Date</u>	<u>Description of Service</u>	<u>Hours</u>
<u>Rate Case</u>		
01/07	Review email re: int rate; Review bank loan	0.50
01/31	Review / Reply to email re: comp of rates	0.25
03/15	Review email re: rate adj	0.25
03/16	Reply to email re: rate adj	<u>0.25</u>
Total		<u>1.25</u>

Note: Please charge rate case expenditures to 1253 – Rate Case Expenditures

Grand Total	<u>2.00</u>
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SPSt. Cyr
04/08/11

Rate
131.25

May 9, 2011

Brian Harding
Eastman Community Association
Box 53
Grantham, N. H. 03753

Re: Year End and Rate Case

Fee for professional services rendered during April 2011 (see attached detail).

Previous Balance		(\$ 315.00)
Current Billing (2.00 hrs @ \$105.00/hr.)		\$ 210.00
Reimbursable Expenses:	Copies	0.00
	Postage	0.00
	UPS	0.00
Total Billing		<u>(\$ 105.00)</u>

Payment due upon receipt.

If you have any questions or comments, please contact me at 207-282-5222.

Sincerely,

Stephen P. St. Cyr

<u>Date</u>	<u>Description of Service</u>	<u>Hours</u>
<u>Year End</u>		
04/26	Prepare request for extension of time to file Form PA-20	0.50
04/29	Review email; Review letter re: Form PA-20	<u>0.25</u>
Total		<u>0.75</u>

Note: Please charge year end expenses to 5010 – Accounting Fees

Rate Case

04/25	Review / Reply to email re: rate increase	0.25
04/26	Review PUC order; Review Settlement Agreement; Review Settlement schedules; Prepare email re: costs / loan	<u>1.00</u>
Total		<u>1.25</u>

Note: Please charge rate case expenditures to 1253 – Rate Case Expenditures

Grand Total

2.00

131.25
Rate

SPSt. Cyr
05/09/11

June 4, 2011

Brian Harding
Eastman Community Association
Box 53
Grantham, N. H. 03753

Re: Year End and Rate Case

Fee for professional services rendered during May 2011 (see attached detail).

Previous Balance		(\$ 105.00)
Current Billing (26.00 hrs @ \$105.00/hr.)		\$2,730.00
Reimbursable Expenses:	Copies	12.34
	Postage	11.95
	UPS	0.00
		<u>24.29</u>
Total Billing		<u>\$2,649.29</u>

Payment due upon receipt.

If you have any questions or comments, please contact me at 207-282-5222.

Sincerely,

Stephen P. St. Cyr

<u>Date</u> <u>Year End</u>	<u>Description of Service</u>	<u>Hours</u>
05/13	Review email / NHDRA letter	0.125
05/16	Talk w/Ed; Review TB & JEs	0.75
05/17	Review TB & GL; Review Book Asset Detail; Review CIAC Asset Detail; Review Retired Asset Detail; Prepare email Re: plant / depr; Talk w/Ed; Review Prel Audited F/S	1.75
05/18	Prepare email re: Prel Aud F/S	0.25
05/20	Review emails re: Prel Aud F/S; Review email re: flows, etc.	0.50
05/24	Prepare 2010 PUC Ann Rep	4.00
05/25	Review resp to email; Review / Complete sch; Talk w/ Gayle & Brian; Prepare 2 nd req for ext of time ... PA-20; Prepare 2 nd req for ext of time ... PUC Ann Rep	3.25
Total		<u>10.625</u>
Note: Please charge year end expenses to 5010 – Accounting Fees		

*Asst 7
cr Paul*

<u>Rate Case</u>		
05/02	Review emails; Review project transactions; Review amort sch	0.25
05/04	Review sewer proj tran list; Prepare email re: same; Review resp to email	0.75
05/09	Review email re: sup doc; Talk w/Ed re: YE, proj costs, fin, etc	0.75
05/10	Reply to email re: sup doc; Review / Reply to email re: same; Review Ed's memo; Review PUC system of accts; Review depr sch; Talk w/Brian re: proj costs; Review project transactions; Review WCA proj final report; Review Headworks proj final report; Prepare emails re: proj cost diff; Identify costs to be allocated; Allocate such costs; Prepare email re: add'l quest	4.25
05/11	Review Stip Agr; Review PUC order; Prepare cover letter for filing; Review inv for WCA proj; Review inv for Headworks proj; Prepare email re: same	3.50
05/12	Review resp to email re: quest; Review resp to email re: cap exp; Review resp to email re: inv; Review proj cost sch as modified; Add PUC acct #; Review draft cover letter; Prepare email re: same; Talk w/Brian; Talk w/Ed	2.50
05/13	Talk w/Ed	0.125
05/16	Review proj costs; Review bank loan / amort sch; Talk w/Ed	0.75
05/24	Review / Edit letter; Review sup doc; Prepare cover letter to sup doc	2.50
Total		<u>15.375</u>

2.50
15.375
> 105
\$1,614.38

Note: Please charge rate case expenditures to 1253 – Rate Case Expenditures

Grand Total	<u>26.00</u>
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**SPSt. Cyr
06/04/11**

July 8, 2011

Brian Harding
Eastman Community Association
Box 53
Grantham, N. H. 03753

Re: Year End and Rate Case

Fee for professional services rendered during June 2011 (see attached detail).

Previous Balance	\$2,649.29
Previous Payment	<u>2,649.29</u>
Subtotal	0.00
Current Billing (22.125hrs @ \$105.00/hr.)	\$2,323.13
Reimbursable Expenses:	
Copies	38.16
Postage	28.11
UPS	<u>0.00</u>
Total Billing	<u>\$2,389.40</u>

Stephen P. St. Cyr
7/8/11

Payment due upon receipt.

If you have any questions or comments, please contact me at 207-282-5222.

Sincerely,

Stephen P. St. Cyr

<u>Date</u> <u>Year End</u>	<u>Description of Service</u>	<u>Hours</u>
06/01	Review email re: PA-20	0.125
06/03	Review DRA letter re: 2nd request	0.25
06/07	Review CWIP; Reivew depr / amort of CIAC; Review step increase; Review A/R CIAC	1.25
06/08	Call Ed	0.25
06/10	Talk w/Ed re: CWIP, depr / amort of CIAC, reconciliation of plant to bank loan & step adj; Review / Reply to email	0.75
06/13	Review ESC Project Cost sch; Prepare email re: same; Review email re: Proj Costs / CIAC / Contr in aid of oper exp	1.25
06/14	Prepare reply to email re: Proj Costs / CIAC / Contr in aid of oper Exp; Talk w/Ed	1.00
06/27	Review revised TB, JEs, Book Asset Detail & CIAC Asset Detail; Review prel audited F/S	1.00
06/28	Prepare 2010 PUC Annual Report	2.00
06/29	Prepare 2010 PUC Annual Report; Prepare Form PA-20; Prepare Cover letter to PUC Annual Report; Prepare info sheet; Prepare cover letter to PA-20	6.00
06/30	Prepare email re: PUC Annual Report / PA-20; Prepare reply to Email re: PUC Annual Report	0.375
Total		<u>14.25</u>

Note: Please charge year end expenses to 5010 – Accounting Fees

<u>Rate Case</u>		
06/10	Talk w/PUC re: step adj	0.125
06/14	Talk w/Brian re: add'l amt; Prepare email re: same; Prepare email To PUC re: add'l requests; Prepare draft letter re: add'l req; Review PUC response to email; Review DRs	2.25
06/15	Review PUC order; Review Settlement; Talk w/Brian; Review email re: DRs	0.75
06/20	Set up Co.'s resp to DRs; Provide notes; Prepare email re: same; Review email re: Co.'s resp	1.25
06/22	Review various emails	0.50
06/24	Review various docs in support of Co.'s resp to DRs; Update resp; Talk w/Brian; Prepare email re: resp; Talk w/Gayle	3.00
Total		<u>7.875</u>

Note: Please charge rate case expenditures to 1253 – Rate Case Expenditures x 105
826.88

Grand Total 22.125

SPSt. Cyr
07/08/11



Mailing Address
Box 877
White River Jct., VT 05001-0877
Plant Location
24 Interchange Drive
West Lebanon, NH 03784-2084
Telephone: 603-298-6082
Fax: 603-298-0212

INVOICE

ACCOUNT NUMBER	INVOICE DATE
8636772	08/10/2011

← **PLEASE MAKE PAYABLE TO**

INVOICE NUMBER	AMOUNT DUE
01161173	412.09

To:

Eastman Community Association
C/O Leslie Moses
PO Box 53
Graham, NH 03753

AMOUNT PAID →

Please detach and return top portion with remittance

8636772	DUE UPON RECEIPT	08/10/2011	01161173
Ad Text: STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION DW 08-086 EASTMANSize: 165 Quarter Inch Ad #: 160047 Date: 08/09/2011 Taker: RSAWY Key: STATE OF NEW HAMPSHIRE PUBLIC UTILITIES Classification: 1000 Legals Tearsheets: P.O.#: Valley News 08/10/2011 - 08/10/2011 1 Ins 412.09			
BILLING INQUIRIES (603) 298-6082			
TOTAL: 412.09 ADJUSTMENTS: 0.00 PAYMENTS: 0.00		Amount Due: <input type="text" value="412.09"/>	
CUSTOMER COPY: KEEP THIS COPY FOR YOUR RECORDS			

August 11, 2011

Brian Harding
Eastman Community Association
Box 53
Grantham, N. H. 03753

Re: Year End and Rate Case

Fee for professional services rendered during July 2011 (see attached detail).

Previous Balance	\$2,389.40
Previous Payment	<u>0.00</u>
Subtotal	\$2,389.40
Current Billing (1.50hrs @ \$105.00/hr.)	\$ 157.50
Reimbursable Expenses:	
Copies	0.00
Postage	0.00
UPS	<u>0.00</u>
Total Billing	<u>\$2,546.90</u>
	2,389.40
	<u>157.50</u>

Payment due upon receipt.

If you have any questions or comments, please contact me at 207-282-5222.

Sincerely,

Stephen P. St. Cyr

<u>Date</u>	<u>Description of Service</u>	<u>Hours</u>
<u>Year End</u>		
Total		<u>0.00</u>

Note: Please charge year end expenses to 5010 – Accounting Fees

<u>Rate Case</u>		
07/14	Review email re: Staff recommendation	0.25
07/15	Review Staff recommendation; Prepare email re: same; Review Emails; Talk w/Brian; Talk w/Jayson; Prepare email re: Const exp / CIAC	<u>1.25</u>
Total		<u>1.50</u>

Note: Please charge rate case expenditures to 1253 – Rate Case Expenditures

Grand Total	<u>1.50</u>
-------------	-------------

SPSt. Cyr
08/11/11

2105
\$151.50

September 1, 2011

Brian Harding
Eastman Community Association
Box 53
Grantham, N. H. 03753

Re: Year End and Rate Case

Fee for professional services rendered during August 2011 (see attached detail).

Previous Balance	\$2,546.90
Previous Payment	<u>2,389.40</u>
Subtotal	\$ 157.50
Current Billing (4.50hrs @ \$105.00/hr.)	\$ 472.50
Reimbursable Expenses:	
Copies	0.00
Postage	0.00
UPS	<u>0.00</u>
Total Billing	<u>\$ 630.00</u>

Payment due upon receipt.

If you have any questions or comments, please contact me at 207-282-5222.

Sincerely,

Stephen P. St. Cyr

<u>Date</u>	<u>Description of Service</u>	<u>Hours</u>
<u>Year End</u>		
08/25	Talk w/Ed re: tax treatment of CIAC	0.25
Total		0.25

Note: Please charge year end expenses to 5010 – Accounting Fees

<u>Rate Case</u>		
08/05	Review email re: Board questions; Review email / PUC order;	
	Review email re: Implementation	0.50
08/08	Review PUC order; Talk w/Brian re: Pub., Aff. & tariff; Talk w/	
	Gayle re: step inc exp; Review email re: status; Review	
	email re: inv; Review invoices	1.00
08/12	Review email re: tariff	0.25
08/19	Review PUC order; Review rates; Review tariff; Provide	
	comments; Prepare email re: same	1.25
08/29	Prepare step inc sch; Prepare surcharge sch; Prepare email re: same	1.00
08/30	Review / Reply to email re: aff / step inc exp	0.25
Total		4.25

Note: Please charge rate case expenditures to 1253 – Rate Case Expenditures

Grand Total

1.05
 4.25
5.30

SPSt. Cyr
09/01/11

September 1, 2011

Brian Harding
Eastman Community Association
Box 53
Grantham, N. H. 03753

Re: Year End and Rate Case

Fee for **estimated** professional services rendered during September 2011 (see attached detail).

Previous Balance	\$ 630.00
Previous Payment	<u>0.00</u>
Subtotal	\$ 630.00
Current Billing (2.00hrs @ \$105.00/hr.)	\$ 210.00
Reimbursable Expenses:	
Copies	0.00
Postage	2.50
UPS	<u>0.00</u>
Total Billing	<u>\$ 842.50</u>

Payment due upon receipt.

If you have any questions or comments, please contact me at 207-282-5222.

Sincerely,

Stephen P. St. Cyr

<u>Date</u>	<u>Description of Service</u>	<u>Hours</u>
<u>Year End</u>		
Total		<u>0.00</u>

Note: Please charge year end expenses to 5010 – Accounting Fees

<u>Rate Case</u>		
09/01	Update step inc sch; Update surcharge sch; Prepare cover letter; Prepare email re: same	0.50
09/02	Review / Reply to email re: cover letter, etc.; Finalize step inc sch; Finalize surcharge sch; Finalize cover letter and supporting documentation	0.50
09/09	Review / Respond to Staff data requests	0.50
09/16	Review Staff recommendation	0.25
09/30	Review PUC order	0.25
Total		<u>2.00</u>

Note: Please charge rate case expenditures to 1253 – Rate Case Expenditures ^{x 105} 210.00

Grand Total 2.00

SPSt. Cyr
09/01/11