

STAFF OF THE DEPARTMENT OF PUBLIC SERVICE
INTERROGATORY/DOCUMENT REQUEST
LONG ISLAND AMERICAN WATER

Request No.: IR-126 BLB-18
 Requested By: Basil Bailey
 Date of Request: July 8, 2011
 Response Due: July 18, 2011
 Witness: Mr. Casillo
 Subject: Actuarial Studies.

In response to IR-22, the cost incurred for each year is shown below:

Actuarial Study Deferral Cost (LIAW Stand Alone Cost)

Year	Amount
2006	\$5,669
2007	116,406
2008	41,646
2009	25,000
2010	64,613
2011	36,000
Total	\$289,334

For cost to be considered for deferral the following criteria must be met:

1. Cost must be incremental to what is in rates.
2. Company cannot be in an overearnings position.
3. Cost must be in excess of 5% of net income (net of tax).

1. Please provide documentation showing that the company met the conditions each year for deferral cost.
2. The company chooses to recover pension cost based an allocation from its parent company and the professional fees associated with the allocation. Therefore please justify why the company should recover the deferral cost associated with the stand-alone pension cost considering that the stand-alone cost is not being requested in rates.
3. In response to IR-89 the company stated that a JE is not created because the invoices when paid are coded to a deferral account. Based on company's response the cash disbursement ledger should show the accounts being debit.
 - (a) Please provide the pages from the disbursement ledger

that shows the debit to the deferral account for each transaction.

(b) Please provide the general ledger pages that show the posting of the deferral transactions.

Response:

1. Costs are Incremental

The Company had requested recovery of this expense in Case 07-W-0708 in Rate Case Expense. Please see the responses to IR-118, IR-232 and IR-247 from that case. But in Mr. Leary's testimony on page 8, lines 1 through 13 he removes these costs as they are part of Case 05-W-0339 and recovery of those costs should be decided in that case. The recovery of these costs would produce a revenue requirement and therefore were not formally addressed in Case 05-W-0339 but instead were discussed between the Company and Staff to defer the costs and seek recovery in the next rate case proceeding. These actuarial costs were therefore deferred over the period 2007 through 2011. The first invoice dated in December 2006 was recorded to a deferred asset account (Account 182000) in 2007 and was not part of the base year 2006 expense in Case 07-W-0508. The subsequent invoices were all recorded to this same deferred asset account and were not part of the base year 2010 cost in this filing, Case 11-W-0200. See the attachment in response to Question 3 for evidence of how these costs were recorded to the deferral account.

Company Not in Overearnings Position

The Company has not been in an overearnings position. As shown in Exhibit 12, Tab 21 of the filing made in Case 07-W-0508, the Company was not in an overearnings position for the 3 years ending March 31, 2006, 2007 and 2008. As shown in Exhibit 12, Tab 22 of this filing, the Company was not in an overearnings position for the 3 years ending March 31, 2009, 2010 and 2011.

Costs Are Material

For the years 2007 through 2010, \$253,334 in actuarial cost was deferred.

Year	Amount	Net Income	Percent
2007	\$118,579	(\$473,000)	21%
2008	\$45,142	\$3,913,000	0.67%
2009	\$25,000	\$5,008,000	0.30%

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2010	\$64,613	\$4,652,000	1.19%
Total	\$253,333		

On a net of tax basis, the Company deferred \$118,579 in 2007 was in excess of 5% of the 2007 net income. In the years 2008 to 2010, the amount deferred each year did not exceed 5% of that year's net income on a net of tax basis. It is not known if the \$36,000 deferred in 2011 will be in excess of the 2011 net income on a net of tax basis.

- The Company is seeking to recover these costs for the stand-alone calculations performed by the actuary because these costs were incurred at the Commission's direction in the order issued in Case 05-W-0339. These calculations were necessary to determine the stand-alone pension and post-retirement benefits other than pension costs (OPEB) on a stand-alone basis. The Staff uses the stand-alone calculation in order to determine the internal reserve and the expense deferral. Staff has requested this stand-alone information both in this case and in the Pension and OPEB audit update.

The Company believes this expense should be deferred, as discussed in part 1 above, in order to receive recovery for the actual cost of the requested studies. This guarantees that the rate payers are not over-charged for the recovery of this expense. The alternative is for the Company to recover a set amount in base rates which would not be trued-up for the actual cost and therefore the rate payer may or may not be over charged in regards to this expense.

The Company is seeking to align future pension & OPEB recovery with the future funding of the pension and OPEB trusts. Currently, the covered employees and retirees of the Company are members of the parent company's pension and post retirement benefit plans. There are no longer separate plans for the Company.

The future pension and OPEB plan funding done by the Company will be based on the Company's share of the funding done for the parent company plans. If the Company were to request rate recovery based on the stand-alone calculations, it would be at a higher level creating the potential for rate shock. Also, this higher rate of recovery would have no relation to future funding and would only serve to increase the internal reserve credit balance that the Company is accruing interest on.

3. (a) & (b) See the attachment for the accounting treatment of these actuarial costs.

Company #	Document #	Business Unit	GL Act. #	Subledger #	Fiscal Period	Month	Date of Transaction Occurance	Amount	Description
00038	41532930	380305	182000	DD380002	7	3	03/06/07	\$30,577.00	Towers Perrin - REMIT
00038	41546017	380305	182000	DD380002	7	3	03/23/07	\$51,561.00	Towers Perrin - REMIT
00038	41572919	380305	182000	DD380002	7	4	04/26/07	\$12,314.00	Towers Perrin - REMIT
00038	41578259	380305	182000	DD380002	7	5	05/02/07	\$5,669.00	Towers Perrin - REMIT
00038	41590231	380305	182000	DD380002	7	5	05/17/07	\$2,222.00	Towers Perrin - REMIT
00038	41784667	380305	182000	DD380002	7	12	12/20/07	\$16,235.96	Towers Perrin - REMIT
00038	88016197	380305	241250		7	3	03/06/07	(\$30,577.00)	Towers Perrin - REMIT
00038	88016336	380305	241250		7	3	03/30/07	(\$51,561.00)	Towers Perrin - REMIT
00038	88016522	380305	241250		7	4	04/27/07	(\$12,314.00)	Towers Perrin - REMIT
00038	88016555	380305	241250		7	5	05/02/07	(\$5,669.00)	Towers Perrin - REMIT
00038	88016716	380305	241250		7	5	05/30/07	(\$2,222.00)	Towers Perrin - REMIT
00038	88018436	380305	241250		7	12	12/20/07	(\$16,235.96)	Towers Perrin - REMIT

[09200] - Account Ledger Inquiry							
Functions Options Tools Help							
Account			Deferred Rate Proceedings	From Date/Period	03/06/07		
Skip to Doc/Type				Thru Date/Period	03/06/07		
Y-T-D Period End			87,781.00	Ledger Type	00		
Cumul Period End			87,781.00	Subledger	00380002	\$	
Additional Selections Exist							
Q	DT	Document	Date	Explanation	Debit	Credit	P
		PV 41532930	03/06/07	Towers Perrin - RE	30,577.00		P
					30,577.00		
				Ledger Total	30,577.00		
				Unposted Total			
<input type="checkbox"/> <input checked="" type="checkbox"/>							
Opt 1/2=Orig Entry 5=Details F17=Top F10=Totals F21=PrnLedg F24=More MW							

(09200) - Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] From Date/Period: 03/06/07
 Thru Date/Period: 03/06/07
 R/P Check Clearing Ledger Type: AA
 Subledger: [REDACTED]

Skip to Doc/Type: [REDACTED]
 YTD Period End: 498,304.43-
 Cumul Period End: 1,042,210.92-

Additional Selections Exist

Doc	Document	Date	Explanation	Debit	Credit	P
CB	80795444	03/06/07	PNC HP CHECK RECON	406,368.52		P
PR	80016197	03/06/07	Towers Perrin - RE		30,577.00	P
PR	80016190	03/06/07	Pitney Bowes Purch		1,047.23	P
PR	80016199	03/06/07	Massaw County of-R		3,272.00	P
PR	80016200	03/06/07	Scott Materials Co		4,319.80	P
				406,368.52	39,216.03	
			Ledger Total	367,152.49		
			Unposted Total			

Opt 1/2=Doc Entry 5=Details F17=Top F18=Totals F21=Print Ledger F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: [XXXXXXXXXXXX] From Date/Period: 03/30/07
 Thru Date/Period: 03/30/07
 R/P Check Clearing Ledger Type: 88
 Subledger: []
 Skip to Doc/Type: []
 YTD Period End: 496,304.43-
 Cumul Period End: 1,042,210.92-
 Additional Selections Exist

Doc#	Document	Date	Explanation	Debit	Credit	P
	8801120	03/30/07	PNC AP CHECK RECON	1,700.00		P
	88016326	03/30/07	Popelaski, Barbara		1,195.31	P
	88016329	03/30/07	CheckFreeBog Corp		719.26	P
	88016330	03/30/07	HS Pipe & Foundry		515.28	P
	88016331	03/30/07	Hireco Inc-PO/BEH		7.06	P
	88016332	03/30/07	Bancker Constructi		123,601.90	P
	88016333	03/30/07	County Carting-Was		2,452.24	P
	88016334	03/30/07	Verizon - Box 1512		170.88	P
	88016335	03/30/07	Itcon-PO/BENIT		44,479.61	P
	88016336	03/30/07	Towers Perrin - RE		51,561.00	P
	88016337	03/30/07	Layne Christensen		729,685.00	P
	88016338	03/30/07	Morgan Lewis & Boc		115.50	P
	88016339	03/30/07	Joseph G Pollard C		1,043.25	P
	88016340	03/30/07	One Call Concepts		1,291.71	P

Opt 1/2=Orig Entry 5=Details F1=? Top F13=Totals F21=Prn Ledy F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: 00380002 From Date/Period: 04/26/07
 Deferred Rate Proceedings Thru Date/Period: 04/26/07
 Ledger Type: AR
 Subledger: 00380002 \$

Skip to Doc/Type
 YTD Period End: 113,941.85
 Cumul Period End: 113,941.85

Additional Selections Exist

Doc#	Document	Date	Explanation	Debit	Credit	P
	PV 41572919	04/26/07	Towers Perrin - RE	12,314.00		P
				12,314.00		
			Ledger Total	12,314.00		
			Unposted Total			

Opt: /Z=Orig Entry 5=Details F17=Top F18=Totals F21=Prn Ledy F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: From Date/Period: 04/27/07
 Thru Date/Period: 04/27/07
 A/P Check Clearing Ledger Type: AA
 Subledger:

Skip to Doc/Type:

Y-T-D Period End: 148,259.71-
 Cumul Period End: 692,166.20-

Additional Selections Exist

Doc#	Document	Date	Explanation	Debit	Credit	P
CC	8804235	04/27/07	PHC RP CHECK RECON	11,894.78		P
PK	88016510	04/27/07	Valente Contractin			P
PK	88016511	04/27/07	Valente Contractin			P
PK	88016512	04/27/07	Valente Contractin		45,639.31	P
PK	88016513	04/27/07	HWS Employment Tax		9,167.45	P
PK	88016514	04/27/07	United Way - Long		60.00	P
PK	88016515	04/27/07	Popelaski, Barbara		1,195.31	P
PK	88016516	04/27/07	HS Pipe & Foundry		896.00	P
PK	88016517	04/27/07	Cullen and Dykman-		6,887.44	P
PK	88016518	04/27/07	J Novelli Contract		6,000.00	P
PK	88016519	04/27/07	Mitel Networks Inc		195.53	P
PK	88016520	04/27/07	I Mina Supply Inc-		1,621.56	P
PK	88016521	04/27/07	Verizon - Box 1512		66.93	P
PK	88016522	04/27/07	Tomers Perrin - RE		12,314.00	P

Opt. 1/2=Orig Entry 5=Details F17=Top F10=Totals F21=Prt Lcdg F24=More MW

[09200] - Account Ledger Inquiry						
Functions Options Tools Help						
Account		Deferred Rate Proceedings		From Date/Period	05/02/07	
				Thru Date/Period	05/02/07	
Skip to Doc/Type				Ledger Type	RA	
YTD Period End		169,669.47		Subledger	00380002 JS	
Cumul Period End		169,669.47				
Additional Selections Exist						
DT	Document	Date	Explanation	Debit	Credit	P
PV	41578259	05/02/07	Towers Perrin - RE	5,660.00		P
PV	41578261	05/02/07	Edgeood Consultin	17,904.62		P
PV	41578264	05/02/07	Baryenbruch & Comp	26,558.00		P
				50,123.62		
Ledger Total				50,123.62		
Unposted Total						

Opt: I/2=Orig Entry 5=Details F17=Top F10=Totals F21=Print Ledger F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] From Date/Period: 05/02/07
 Thru Date/Period: 05/02/07
 Ledger Type: AR
 Subledger: [REDACTED]

Skip to Doc/Type: [REDACTED]
 Y-T-D Period End: 265,215.67-
 Cumul Period End: 009,122.16-

Additional Selections Exist

DT	Document	Date	Explanation	Debit	Credit	P
PK	88016547	05/02/07	VOID VOID V			P
PK	88016548	05/02/07	Bancker Constructi			P
PK	88016549	05/02/07	Bancker Constructi			P
PK	88016550	05/02/07	Bancker Constructi		702,003.54-	P
PK	88016551	05/02/07	HR40-Washington DC		25,278.00-	P
PK	88016552	05/02/07	Bancker Constructi		50,316.81-	P
PK	88016553	05/02/07	Verizon - Box 1512		403.76-	P
PK	88016554	05/02/07	Verizon-NENII		93.74-	P
PK	88016555	05/02/07	Towers Perrin - RE		5,669.00-	P
PK	88016556	05/02/07	R S Ruggles & Co I		536.56-	P
PK	88016557	05/02/07	United Parcel Serv		104.56-	P
PK	88016558	05/02/07	United Parcel Serv		51.83-	P
PK	88016559	05/02/07	United Parcel Serv		29.37-	P
PK	88016560	05/02/07	Bell Financial Ser		272.56-	P

Opt 1/2=Orig Entry 5=Details F17=Top F10=Totals F21=PrnLedg F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] From Date/Period: 05/17/07
 Thru Date/Period: 05/17/07
 Skip to Doc/Type: Deferred Rate Proceedings Ledger Type: RA
 Y-T-D Period End: 169,669.47 Subledger: 00380002 \$
 Cumul Period End: 169,669.47

Additional Selections Exist

Doc#	Document	Date	Explanation	Debit	Credit	P
	PV 41590231	05/17/07	Towers Perrin - RE	2,222.00		P
				2,222.00		
			Ledger Total	2,222.00		
			Unposted Total			

Opt: /Z=Orig Entry S=Details F17=Top F10=Totals F21=PrnLedg F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: **00380002** From Date/Period: 12/20/07
 Deferred Rate Proceedings Thru Date/Period: 12/20/07
 Ledger Type: RA Subledger: 00380002 \$

Skip to Doc/Type: _____
 YTD Period End: 350,684.19
 Cumul Period End: 350,684.19

Additional Selections Exist

QI	Document	Date	Explanation	Debit	Credit	P
	PV41784667	12/20/07	Towers Perrin - RE	16,235.96		P
				16,235.96		
			Ledger Total	16,235.96		
			Unposted Total			

Opt 1/2=Orig Entry 5=Details F17=Top F10=Totals F21=PrnLedg F24=More MW

(09200) - Account Ledger Inquiry

Functions Options Tools Help

Account: From Date/Period: 12/20/07
 R/P Check Closing Thru Date/Period: 12/20/07
 Ledger Type: AA
 Subledger:

Skip to Doc/Type:

Y-T-D Period End: 315,740.46
 Cumul Period End: 228,166.03-

Additional Selections Exist

Doc#	Document	Date	Explanation	Debit	Credit	P
	PK 88018432	12/20/07	Water for People -		10.00	P
	PK 88018433	12/20/07	US Pipe & Foundry		86.70	P
	PK 88018434	12/20/07	Hincher Printing &		217.30	P
	PK 88018435	12/20/07	Bell Marketing LP-		10,327.65	P
	PK 88018436	12/20/07	Towers Perrin - RE		15,235.96	P
	PK 88018437	12/20/07	Telcon Management		1,417.56	P
	PK 88018438	12/20/07	Electronix Sys Cen		32.59	P
	PK 88018439	12/20/07	Safety Kleen Syste		486.37	P
	PK 88018440	12/20/07	Thatcher Co - NV W		4,740.12	P
	PK 88018441	12/20/07	AOT Security Servi		5,318.26	P
	PK 88018442	12/20/07	Insight Direct (Pe		54.77	P
	PK 88018443	12/20/07	Elenco Testing Co		15,067.81	P
	PK 88018444	12/20/07	Valente Contractin		9,735.60	P
	PK 88018445	12/20/07	Gorman of Proctor		2,150.00	P

Opt: 12=Orig Entry 5=Details F17=Top F18=Totals F21=Print Ledger F24=More MW

Comp any #	Document #	Business Unit	GL Act. #	Subledger #	Fiscal Period	Date of Transaction Month	Occurance	Amount	Description
00038	41804448	1	380305	182000	DD380002	8	1 01/09/08	\$3,495.90	Towers Perrin - REMIT
00038	41841678	1	380305	182000	DD380011	8	2 02/22/08	\$40,388.92	Towers Perrin - REMIT
00038	41877968	1	380305	182000	DD380002	8	4 04/04/08	\$1,256.71	Towers Perrin - REMIT
00038	88018578	1	380305	241250		8	1 01/09/08	(\$3,495.90)	Towers Perrin - REMIT
00038	88018907	1	380305	241250		8	2 02/22/08	(\$40,388.92)	Towers Perrin - REMIT
00038	88019283	1	380305	241250		8	4 04/07/08	(\$1,256.71)	Towers Perrin - REMIT

[09200] Account Ledger Inquiry						
Functions Options Tools Help						
Account		From Date/Period		01/09/08		
A/P Check Clearing		Thru Date/Period		01/09/08		
Skip to Doc/Type		Ledger Type		BA		
Y-T-D Period End		Subledger				
2,554,752.12-						
Cumul Period End		2,782,918.15-				
Additional Selections Exist						
Doc#	Document	Date	Explanation	Debit	Credit	P
	PK 88018575	01/09/08	LIRAGO		8,249.12-	P
	PK 88018576	01/09/08	Verizon		175.64-	P
	PK 88018577	01/09/08	Verizon-RENIT		92.42-	P
	PK 88018578	01/09/08	Towers Perrin - RE		3,485.90-	P
	PK 88018579	01/09/08	United Parcel Serv		261.14-	P
	PK 88018580	01/09/08	US Bank		2,693.75-	P

					14,967.97-	
Ledger Total					14,967.97-	
Unposted Total						
<input checked="" type="checkbox"/> <input type="checkbox"/>						
Opt. I/2=Orig Entry 5=Details F17=Top F18=Totals F21=Print Ledger F24=More MW						

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: [XXXXXXXXXXXX] From Date/Period: 02/22/08
 A/P Check Clearing Thru Date/Period: 02/22/08
 Skip to Doc/Type: Ledger Type: 000
 Subledger:
 Y-T-F) Period End: 65,899.82-
 Cumul Period End: 294,065.85-
 Additional Selections Exist

DT	Document	Date	Explanation	Debit	Credit	P
CG	30828043	02/22/08	PNC AP CHECK RECON	21,469.62		P
CG	30828052	02/22/08	PNC AP CHECK RECON	11,370.13		P
PK	88018905	02/22/08	J Novelli Contract		3,250.00	P
PK	88018906	02/22/08	Iron-PO/REHII		120,259.66	P
PK	88018907	02/22/08	Towers Perrin - RE		40,386.92	P
PK	88018908	02/22/08	Badger Meter Inc-P		126,040.00	P
PK	88018909	02/22/08	Mueller Co - ALL U		11,420.00	P
PK	88018910	02/22/08	Hassan County of-P		2,165.99	P
PK	88018911	02/22/08	Edgewood Consultin		2,661.03	P
PK	88018912	02/22/08	Thatcher Co - ALL		6,222.32	P
PK	88018913	02/22/08	UniFirst Corporati		234.02	P
PK	88018914	02/22/08	Reed & Laniado LLP		17,856.92	P
				32,639.75	332,499.14	

Opt 1/2=Orig Entry 5=Details F17=Top F10=Totals F21=Prt Ledg F24=More MW

1092001 - Account Ledger Inquiry

Functions Options Tools Help

Account: [XXXXXXXXXXXX] From Date/Period: 04/07/08
 Thru Date/Period: 04/07/08
 Ledger Type: AA
 Subledger: []

Skip to Doc/Type: R/P Check Clearing
 Y-T-D Period End: 196,664.18-
 Cumul Period End: 424,830.21-

Additional Selections Exist

Doc	Document	Date	Explanation	Debit	Credit	P
CB	30831812	04/07/08	PNC AP CHECK RECON	2,962.53		P
CB	30831842	04/07/08	PNC AP CHECK RECON	12,556.08		P
PK	88019277	04/07/08	Village of Atlantia		6,582.01-	P
PK	88019278	04/07/08	Village of Laurenc		18,206.80-	P
PK	88019279	04/07/08	Lynbrook Village		27,068.53-	P
PK	88019280	04/07/08	Village of Hewlett		9,000.00-	P
PK	88019281	04/07/08	Hassaw County DPW-		160.00-	P
PK	88019282	04/07/08	Hassaw County DPW-		160.00-	P
PK	88019283	04/07/08	Towers Perrin - RE		1,256.71-	P
PK	88019284	04/07/08	JCI Jones Chemical		3,734.66-	P
PK	88019285	04/07/08	Dell Financial Ser		272.56-	P
PK	88019286	04/07/08	Gorman of Proctor		432.00-	P
PK	88019287	04/07/08	Messler, David		136.82-	P
PK	88019288	04/07/08	Bartoloneo, Angelo		31.08-	P

Opt: 1/2=Orig Entry 5=Details F1=Top F10=Totals F21=F4=Ledg F24=More MW

Company #	Document #	Business Unit	GL Act. #	Subledger #	Fiscal Period	Month	Date of Transaction Occurance	Amount	Description
00038	42266165	380305	182000	DD380011		9	7 07/09/09	\$25,000.00	Towers Perrin - REMIT
00038	88022269	380305	241250			9	7 07/09/09	(\$25,000.00)	Towers Perrin - REMIT

00200 Account Ledger Inquiry						
Functions Options Tools Help						
Account		Deferred Rate Proceedings		From Date/Period	07/09/09	
				Thru Date/Period	07/09/09	
Skip to Doc/Type				Ledger Type	AR	
Y-T-D Period End		25,000.00		Subledger	00360011 \$	
Cumul Period End		108,720.49				
Additional Selections Exist						
DT	Document	Date	Explanation	Debit	Credit	P
PV	42266165	07/09/09	Towers Perrin - RE	25,000.00		P
				25,000.00		
			Ledger Total	25,000.00		
			Unposted Total			

Opt 1/2=Orig Entry 5=Details F17=Top F18=Totals F21=PrtLedg F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: [XXXXXXXXXXXX] From Date/Period: 07/09/09
 A/P Check Clearing Thru Date/Period: 07/09/09
 Skip to Doc/Type Ledger Type: 88
 Y-T-D Period End: 89,593.00 Subledger:
 Cumul Period End: 185,560.69-

Additional Selections Exist

Doc#	Document	Date	Explanation	Debit	Credit	P
CO	36889260	07/09/09	PHC RP CHECK RECON	51,612.51		P
PK	86022262	07/09/09	New York State Sal		18,178.76	P
PK	86022263	07/09/09	United Way - Long		82.00	P
PK	86022264	07/09/09	Nassau County Poli		200.00	P
PK	86022265	07/09/09	Bancker Constructi		100,227.10	P
PK	86022266	07/09/09	Blackman Plumbing		115.96	P
PK	86022267	07/09/09	Hincher Printing &		193.40	P
PK	86022268	07/09/09	Bell Marketing LP-		4,744.92	P
PK	86022269	07/09/09	Towers Perrin - RE		25,000.00	P
PK	86022270	07/09/09	Petro Commercial S		13,956.52	P
PK	86022271	07/09/09	Thatcher - NY		9,962.29	P
PK	86022272	07/09/09	ADI Security Servi		2,222.47	P
PK	86022273	07/09/09	Valente Contractin		2,474.10	P
PK	86022274	07/09/09	Calence LLC		7,652.68	P

Opt: 1/2=Orig Entry 5=Details F17=Top F10=Totals F21=Prt Lcdy F24=More MW

Company #	Document #	Business Unit	GL Act. #	Subledger #	Fiscal Period	Month	Date of Transaction Occurance	Amount	Description
00038	42476030	380305	182000	DD380011	10	4	04/08/10	\$25,000.00	Towers Perrin - REMIT
00038	42477808	380305	182000	DD380011	10	4	04/12/10	\$25,000.00	Towers Perrin - REMIT
00038	88023931	380305	241250		10	6	06/03/10	(\$10,000.00)	Towers Watson PA Inc
00038	42661836	380305	182000	DD380011	10	11	11/30/10	\$4,612.93	Towers Watson PA Inc
00038	88023623	380305	241250		10	4	04/09/10	(\$25,000.00)	Towers Perrin - REMIT
00038	88023632	380305	241250		10	4	04/12/10	(\$25,000.00)	Towers Perrin - REMIT
00038	88024818	380305	241250		10	11	11/30/10	(\$4,612.93)	Towers Watson PA Inc
00038	42518224	380305	182000		10	6	06/03/10	\$10,000.00	Towers Watson PA Inc

09200 Account Ledger Inquiry							
Functions Options Tools Help							
Account		Deferred Rate Proceedings		From Date/Period	04/06/10		
				Thru Date/Period	04/06/10		
Skip to Doc/Type				Ledger Type	AA		
Y-T-D Period End		50,000.00		Subledger	00380011 \$		
Cumul Period End		238,720.49					
Additional Selections Exist							
Q	DT	Document	Date	Explanation	Debit	Credit	P
	PV	42476030	04/06/10	Towers Perrin - RE	25,000.00		P
					25,000.00		
				Ledger Total	25,000.00		
				Unposted Total			

Opt 1/2=Orig Entry 5=Details F12=Top F10=Totals F21=Print Ledg F24=More MW

(09200) - Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] From Date/Period: 04/09/10
 Thru Date/Period: 04/09/10
 Ledger Type: 000
 Subledger: [REDACTED]

Skip to Doc/Type: [REDACTED]
 Y-T-D Period End: 218,575.84
 Cumul Period End: 159,755.58-

Additional Selections Exist

DT	Document	Date	Explanation	Debit	Credit	P
CR	88023616	04/09/10	PNC AP CHECK RECON	8,680.32		P
PR	88023616	04/09/10	New York State Sal		15,675.44	P
PR	88023617	04/09/10	NYS Child Support		1,385.60	P
PR	88023618	04/09/10	US Pipe & Foundry		15,916.01	P
PR	88023619	04/09/10	Bancker Constructi		35,227.92	P
PR	88023620	04/09/10	Esage Control Corp		567.84	P
PR	88023621	04/09/10	J Howells Contract		7,175.00	P
PR	88023622	04/09/10	Stony Creek Indust		4,695.00	P
PR	88023623	04/09/10	Towers Perrin - RE		25,000.00	P
PR	88023624	04/09/10	Water Works Supplu		110.40	P
PR	88023625	04/09/10	Hueller Co - ALL U		3,541.83	P
PR	88023626	04/09/10	GP Jager & Associa		1,280.62	P
PR	88023627	04/09/10	RSA Industries Inc		66.04	P
PR	88023628	04/09/10	Grainger - ALL USE		62.93	P

Opt: 1/2=Orig Entry S=Details F17=Top F10=Totals F21=Prt Ledy F24=More MW

(09200) - Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] From Date/Period: 04/12/10
 Thru Date/Period: 04/12/10
 A/P Check Clearing Ledger Type: 00
 Subledger: [REDACTED]

Skip to Doc/Type: [REDACTED]
 Y-T-D Period End: 218,575.84
 Cumul Period End: 159,755.58-

Additional Selections Exist

DT	Document	Date	Explanation	Debit	Credit	P
CB	80921096	04/12/10	PNC RP CHECK RECON	40,227.83		P
PR	86023629	04/12/10	Blochman Plumbing		278.56-	P
PR	86023630	04/12/10	Diversified Electr		3,859.00-	P
PR	86023631	04/12/10	H&I Mechanical Ser		444.54-	P
PR	86023632	04/12/10	Howers Perrin - RE		25,000.00-	P
PR	86023633	04/12/10	Water Works Supply		4,721.83-	P
PR	86023634	04/12/10	United Parcel Serv		393.82-	P
PR	86023635	04/12/10	Tyree Bros Environ		6,748.71-	P
PR	86023636	04/12/10	Groinger - ALL USE		750.15-	P
PR	86023637	04/12/10	TLX		5,913.00-	P
PR	86023638	04/12/10	TLX		19,933.00-	P
PR	86023639	04/12/10	TLX		3,360.00-	P
PR	86023640	04/12/10	TLX		1,895.00-	P
PR	86023641	04/12/10	TLX		771.25-	P

Opt 1/2=Org Entry 5=Details F1?=Top F10=Totals F21=PrnLedg F24=More MW

[09200] - Account Ledger Inquiry						
Functions Options Tools Help						
Account		Deferred Rate Proceedings		From Date/Period	11/30/10	
Skip to Doc/Type				Thru Date/Period	11/30/10	
YTD Period End		64,612.93		Ledger Type	AA	
Cumul Period End		253,333.42		Subledger	00360011 IS	
Additional Selections Exist						
Doc	Document	Date	Explanation	Debit	Credit	P
	PV 42661836	11/30/10	Towers Watson PR I	4,612.93		P
				4,612.93		
			Ledger Total	4,612.93		
			Unposted Total			

Opt: 1/2=Org; Entry 5=Details F17=Top F10=Totals F21=PrnLedg F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] From Date/Period: 11/30/10
 A/P Check Clearing Thru Date/Period: 11/30/10
 Skip to Doc/Type: Ledger Type: RA
 Y-T-D Period End: 102,450.99- Subledger:
 Cumul Period End: 480,782.41-

Additional Selections Exist

DT	Document	Date	Explanation	Debit	Credit	P
CB	30945610	11/30/10	PNC AP CHECK RECON	4,562.82		P
CB	30945720	11/30/10	PNC AP CHECK RECON	6,606.63		P
PK	88024815	11/30/10	CheckfreePay Corpo		1,599.01	P
PK	88024816	11/30/10	Eagle Control Corp		936.79	P
PK	88024817	11/30/10	Rason Asphalt Inc		206.93	P
PK	88024818	11/30/10	Towers Watson PR I		4,612.95	P
PK	88024819	11/30/10	Penn Credit Corp		643.05	P
PK	88024820	11/30/10	United Parcel Serv		92.72	P
PK	88024821	11/30/10	Alcon Printing Gre		1,591.74	P
PK	88024822	11/30/10	FVI Technology Inc		15,523.40	P
PK	88024823	11/30/10	Valente Contractin		4,014.20	P
PK	88024824	11/30/10	UniFirst Corporati		1,656.68	P
PK	88024825	11/30/10	Gernon of Procter		2,189.50	P
PK	88024826	11/30/10	Grainger - ALL USE		1,733.07	P

Opt 1/2=Orig Entry 5=Details F17=Top F10=Totals F21=PrnLedg F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] From Date/Period: 06/03/10
 Thru Date/Period: 06/03/10
 Ledger Type: 00
 Subledger: [REDACTED]

Skip to Doc/Type: [REDACTED]
 Y-T-D Period End: 180,202.56
 Curcul Period End: 198,120.86-

Additional Selections Exist

DT	Document	Date	Explanation	Debit	Credit	P
CB	80926964	06/03/10	PHC AP CHECK RECON	6,776.74		P
PK	86023927	06/03/10	Valente Contractin			P
PK	86023928	06/03/10	Valente Contractin		25,449.15-	P
PK	86023929	06/03/10	Utility Workers of		930.00-	P
PK	86023930	06/03/10	Bargenbruch & Comp		15,275.00-	P
PK	86023931	06/03/10	Towers Watson PA I		10,000.00-	P
PK	86023932	06/03/10	Water Works Supply		3,529.80-	P
PK	86023933	06/03/10	West Payment Cente		93.77-	P
PK	86023934	06/03/10	Turtle & Hughes In		1,541.78-	P
PK	86023935	06/03/10	Grainger - ALL USE		8.34-	P
PK	86023936	06/03/10	MST General Contra		7,700.00-	P
				6,776.74	64,827.84-	

Opt: 1/2=Orig Entry 5=Details F17=Top F10=Totals F21=PrtLedg F24=More MW

Company #	Document #	Business Unit	GL Act. #	Subledger #	Fiscal Period	Month	Date of Transaction Occurance	Amount	Description
00038	42816619	380305	182000	DD380011	11	6	06/03/11	\$18,000.00	Towers Watson PA Inc
00038	42826546	380305	182000	DD380011	11	6	06/17/11	\$18,000.00	Towers Watson PA Inc
00038	88025836	380305	241250		11	6	06/03/11	(\$18,000.00)	Towers Watson PA Inc
00038	88025933	380305	241250		11	6	06/17/11	(\$18,000.00)	Towers Watson PA Inc

[09260] - Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] From Date/Period: 06/03/11
 Thru Date/Period: 06/03/11
 Description: Deferred Rate Proceedings Ledger Type: AA
 Subledger: 00380011 \$

Skip to Doc/Type: Y-T-D Period End: 36,000.00
 Cumul Period End: 209,333.42

Additional Selections Exist

QID	Document	Date	Explanation	Debit	Credit	P
	PV 42816519	06/03/11	Towers Watson FA I	18,000.00		P
				18,000.00		
			Ledger Total	18,000.00		
			Unposted Total			

Opt. 1/2=Orig Entry 5=Details F17=Top F18=Totals F21=Print Ledger F24=More MW

00200 - Account Ledger Inquiry

Functions Options Tools Help

Account: [XXXXXXXXXX] From Date/Period: 06/03/11
 A/P Check Clearing Thru Date/Period: 06/03/11
 Skip to Doc/Type: Ledger Type: AR
 Y-T-D Period End: 101,497.89
 Cumul Period End: 75,132.95-

Additional Selections Exist

DT	Document	Date	Explanation	Debit	Credit	P
PK	88025827	06/03/11	Valente Contractin			P
PK	88025828	06/03/11	Valente Contractin			P
PK	88025829	06/03/11	Valente Contractin			P
PK	88025830	06/03/11	Valente Contractin			P
PK	88025831	06/03/11	Valente Contractin		57,532.06-	P
PK	88025832	06/03/11	Water for People -		20.00-	P
PK	88025833	06/03/11	NYS Child Support -		1,355.60-	P
PK	88025834	06/03/11	Bancker Constructi		165,931.45-	P
PK	88025835	06/03/11	J Howell Contract		3,712.50-	P
PK	88025836	06/03/11	Towers Watson PA I		13,000.00-	P
PK	88025837	06/03/11	Water Works Supply		2,717.76-	P
PK	88025838	06/03/11	H2H Labs Inc-REHII		1,128.00-	P
PK	88025839	06/03/11	JCI Jones Chemical		3,548.93-	P
PK	88025840	06/03/11	Thatcher - NY		5,049.00-	P

Opt: 1/2=Orig Entry 5=Details F17=Top F18=Totals F21=PrntLgdg F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: 00380011 From Date/Period: 06/17/11
 Deferred Rate Proceedings Thru Date/Period: 06/17/11
 Ledger Type: AA
 Subledger: 00380011 \$

Skip to Doc/Type: _____
 Y-T-D Period End: 36,000.00
 Cumul Period End: 209,333.42

Additional Selections Exist

Doc#	Document	Date	Explanation	Debit	Credit	P
	PV 42826546	06/17/11	Towers Watson PR 1	18,000.00		P
				18,000.00		
			Ledger Total	18,000.00		
			Unposted Total			

Opt 1/2=Orig Entry 5=Delete F17=Top F10=Totals F21=Print Ledger F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: From Date/Period: 06/17/11
 Thru Date/Period: 06/17/11
 Ledger Type: AR
 Subledger:

Skip to Doc/Type: R/P Check Clearing
 Y-T-D Period End: 101,497.89
 Cumul Period End: 75,132.95-

Additional Selections Exist

Doc#	Document	Date	Explanation	Debit	Credit	P
	88067179	06/17/11	PHC AP CHECK RECON	30,095.36		P
	88025923	06/17/11	Valley Stream Rece		383,495.14	P
	88025924	06/17/11	NYS Child Support		1,335.60	P
	88025925	06/17/11	Bingham & Taylor C		6,350.00	P
	88025926	06/17/11	Cullen and Dukman-		2,014.22	P
	88025927	06/17/11	Bancker Constructi		90,975.48	P
	88025928	06/17/11	Blackman Plumbing		1,130.20	P
	88025929	06/17/11	J Rowelli Contract		11,137.50	P
	88025930	06/17/11	Loyal Business Mac		1,434.66	P
	88025931	06/17/11	Stony Creek Indust		3,515.00	P
	88025932	06/17/11	R&I Mechanical Ser		179.22	P
	88025933	06/17/11	Towers Watson PR I		18,000.00	P
	88025934	06/17/11	Pollardwater con		233.13	P
	88025935	06/17/11	H2H Group		750.00	P

Opt: M=Orig Entry S=Details F17=Top F18=Totals F21=PrnLedg F24=More MW

Case 07-W-0508

Long Island American Water
Water Rates

STAFF OF THE DEPARTMENT OF PUBLIC SERVICE
INTERROGATORY/DOCUMENT REQUEST

Request No.: STAFF – 118 (RAL - 8)
Requested By: Richard Leary
Date of Request: June 12, 2007
Reply Date: June 22, 2007
Subject: **Rate Case Expense**

Provide any supporting documentation and rationale for the increase in Estimated Rate Case Expenses for 2007. In addition please provide a schedule that further defines Revenue Requirement amount of \$300,000 and Legal Expense of \$450,000.

- A. The 2004 rate case charges for legal were roughly \$250,000 and did not include hearings or stipulation. The current rate case estimate forecasts the costs of a fully litigated case through hearings and stipulation and will be updated with the incurred costs as the case proceeds.

Please note that \$100,000 of the \$300,000 revenue requirement is related to the stand alone requirement for treatment and reporting of Pensions and OPEBs. The remainder of the costs is related to consultants.

/

Respondent: David Hunter

Date: June 22, 2007

REDACTED
Case 07-W-0508
Long Island American Water
Water Rates

STAFF OF THE DEPARTMENT OF PUBLIC SERVICE
INTERROGATORY/DOCUMENT REQUEST

Request No.: STAFF – 232 (KJH - 65)
Requested By: Kevin Higgins
Date of Request: July 26, 2007
Reply Date: August 6, 2007
Subject: **Rate Case Expense – Revenue Requirement**

In its response to Staff -118 (RAL -8), the Company indicates that \$100,000 of the \$300,000 of revenue requirement is related to the stand alone requirement and reporting of pensions and OPEBs.

- 1) Please indicate whether the \$100,000 is for costs already incurred or projected to be incurred.
 - 2) If the cost represents costs already incurred, explain and show when the cost was incurred and how it was recorded on the Company's books. In addition, explain why the company would be entitled to cost recovery.
 - 3) If the cost represents costs projected to be incurred, provided evidence in support of the Company's request. Also indicate how much is already in the Historic Test Year expense for actuarial related work.
- A. 1) These costs have been incurred total \$102,343.
- 2) The incurred Towers Perrin costs related to restating LIAW's Pension and OPEBs as a stand alone company were \$82,138 in March, \$12,314 in April, and \$7,891 in May for a total of \$102,343. The Company believes it is entitled to recover these cost because these costs were a direct result and requirement of the Pension and OPEBs proceeding which was part of the order in Case 04-W-0577. The Company has not recovered these costs. These expenses were deferred on the Company's balance sheet for recognition in this rate proceeding as detailed below:

GL Date	Period	Year	Document	Amount	Vendor	USO
03/06/07	3	2007	PV41532930	30,577	Towers Perrin - REMIT	186
03/23/07	3	2007	PV41546017	51,561	Towers Perrin - REMIT	186
04/26/07	4	2007	PV41572919	12,314	Towers Perrin - REMIT	186
05/17/07	5	2007	PV41590231	2,222	Towers Perrin - REMIT	186
05/02/07	5	2007	PV41578259	5,669	Towers Perrin - REMIT	186

- 3) The ongoing costs to show LIAW's Pension and OPEBs as a stand alone company will be roughly \$25,000 per year and have not yet been incurred by the Company. The Company has not requested recovery of this ongoing yearly expense in this case. The

REDACTED
Case 07-W-0508
Long Island American Water
Water Rates

Staff -- 232 (Continued)

Company is requesting annual recovery of the \$25,000 which will be added to the rate case expense. Please see the attached document from Towers Perrin. The Company is proposing option 2 which would provide the same information as was provided in the audit.

All expenses related to the Audit have been deferred, so there will not be any costs reflected in the Historical Test Year.

STAFF OF THE DEPARTMENT OF PUBLIC SERVICE
INTERROGATORY/DOCUMENT REQUEST

Request No.: STAFF – 247 (RAL - 34)
Requested By: Richard Leary
Date of Request: August 8, 2007
Reply Date: August 20, 2007
Subject: Rate Case Expense

Follow up questions to response Staff -186

1. Provide the master contract between Volt Services Group with AWWSC.
 2. Provide memos, emails, work orders, assignments, or any/all documentation that describes the description of work that Mr. Harry Baumgardner has completed for LIWA since the week ending February 18, 2007.
- A. 1. The master contract between Volt Services Group and AWWSC is attached. This document is marked confidential.
2. Mr. Baumgardner works on-site so most tasks were assigned verbally. There are no e-mails describing Mr. Baumgardner's scope of work. Only when Mr. Baumgardner's work was not assigned verbally, an email simply containing the DR assignment and due date was sent. Mr. Baumgardner works on rate base analysis, taxes, and data requests as assigned.

As requested, an update of Rate Case Costs incurred as of August 15, 2007 is below:

Category	Total Rate Case Costs Incurred As Of August 15, 2007
Legal	70,886
Consultant - Cost of Capital	19,823
Service Company Study	26,550
Revenue Requirement	146,483
Miscellaneous	6,419
Total	270,161

Please note that the above summary does not include the annual charges of \$25,000 related to expressing Pension and OPEBs on a stand alone basis referenced in response to data request Staff-232. Also, an estimate of \$6,750 has been provided by Read & Laniado, LLP for unbilled charges incurred by LIAW as of August 15, 2007.

Respondent: David C. Hunter

Date: August 30, 2007