

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Long Island American Water
Cases 11-W-0200

September 2011

Prepared Exhibits of:

Basil Bailey
Public Utilities Auditor II
State of New York
Department of Public Service
90 Church Street
New York, NY 10007

Long Island American Water
Service Company Expenses(adjustments)
12 Months Ending March 31, 2013

<u>Reduction to Base Year:</u>	
Incentive Plan-Off-Annual	\$233,340
Comp Exp Option	38,962
Comp Exp-RSU's	53,922
Relocation Expenses	20,296
	<u>346,520</u>
normalized	<u>378,244</u>
Base Year Reduction	<u>\$724,764</u>
Adjusted Base Year as Filed by Co.	\$4,968,939
Base Year Adjustment by staff	<u>(724,764)</u>
Adjusted Base Year by staff	<u>4,244,175</u>
GDP of 4.46%	<u>104.46%</u>
Projected Rate Year by Staff	<u>4,433,465</u>
Projected Rate Year by Company	<u>5,374,394</u>
Rate Year Adjustment by Staff	<u>(\$940,929)</u>

Long Island American Water
Invoices (adjustments)
12 Months Ending March 31, 2013

	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2009</u>	<u>12/31/2010</u>	
Operations:					
Source of Supply	\$149,322	\$128,595	\$160,372	\$193,210	
Pumping	148,661	138,936	120,073	147,208	
Water Treatment	66,072	93,100	87,044	115,779	
Transmission & Distribution	238,453	203,506	167,618	194,180	
Customer Accounts	162,214	240,159	314,380	292,589	
Administrative & General	555,897	973,338	790,803	634,035	
Total Operation	\$1,320,619	\$1,777,634	\$1,640,290	\$1,577,001	
Maintenance:					
Source of Supply	\$28,820	\$29,158	\$62,302	\$39,150	
Pumping	112,666	59,122	25,179	107,878	
Water Treatment	145,179	190,779	165,151	208,955	
Transmission & Distribution	681,384	509,477	524,751	507,020	
Administrative & General	59,942	114,407	69,054	69,763	
Total Maintenance	\$1,027,991	\$902,944	\$846,438	\$932,766	
Total Operation & Maintenance	\$2,348,611	\$2,680,579	\$2,486,728	\$2,509,767	
Bus Services	(125,700)	(125,700)	(125,700)	(125,700)	
Adjusted Totals	\$2,222,911	\$2,554,879	\$2,361,028	\$2,384,067	
4 year Average (staff)				\$2,380,721	
Company Projections				2,563,952	
Staff Adjustment				<u>(\$183,231)</u>	

Long Island American Water
Property Taxes (adjustments)
12 Months Ending March 31, 2013

	Town	School	Village	Total
As of:				
Twelve Months Ending	<u>12/31/2011</u>	<u>6/30/2011</u>	<u>5/31/2012</u>	
	\$4,649,214	\$4,954,282	\$953,852	\$10,557,349
Inflation Rate	2.41%	3.55%	1.61%	
Staff Projections	\$4,761,261	\$5,130,160	\$969,209	\$10,860,629
Company's Projection	6,532,248	5,860,013	1,973,017	14,365,278
Staff Adjustments	(\$1,770,987)	(\$729,853)	(\$1,003,808)	(\$3,504,649)

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

Request No.: IR-14 BLB-01
Requested By: Basil Bailey
Date of Request: May 18, 2011
Response Due: May 28, 2011
Witness: Mr. John Casillo
Subject: Property Taxes

1. Please provide a breakdown of property taxes for Town, school and village for the years 2007, 2008, 2009 and 2010.
2. Please provide an explanation and documentation to support the projected growth rate for property taxes as shown on pages 8 and 9 of Mr. Casillo direct testimony.

Response:

1. Please see the attachment, page 1 of 2, for the actual taxes per year.
2. The projected growth rate for property taxes is due to the additional investment of utility plant. The taxing authorities base the property tax on the Tentative Full Value (TFV) as of the end of the prior tax period that is derived from the total Utility Plant in Service (UPIS) plus Construction Work in Process (CWIP). The actual UPIS & CWIP cumulative cost at the end of 2010 is \$174,047,704 (see Exhibit 12, Tab 28, Page 2 of 2, the last line of the middle section). This results in a TFV of \$95,989,239 that was used as the basis of the estimated General Tax of the Town of Hempstead of \$5,729,006 for 2012. This estimated tax was calculated by multiplying the current TFV times the ratio of the actual tax of the prior year to the prior year TFV (5.968384%, shown as 5.97% in the middle section 8th column, 2nd row). This resulted in a 23.23% ($(\$5,729,006 - \$4,649,214) / \$4,649,214$) increase over the prior year tax, calculated by dividing the difference of the General Tax of the Town of Hempstead current tax and the prior amount by the prior amount. Similarly, the projected UPIS & CWIP cumulative cost at the end of 2011 of \$189,967,679 (Exhibit 12, Tab 28, page 2 of 2, last line of the bottom section) resulted in a projected TFV of \$104,769,282 ($\$189,967,679 *$

.55151109) based on the ratio of actual UPIS & CWIP to actual TFV from 2010 (55.151109%, shown as 55% on the last line of the bottom section). This projected TFV was then used as the basis of the projected General Tax of the Town of Hempstead of \$6,253,033 for 2013 that was calculated by utilizing the same prior period percentage (5.968384%). This resulted in a 9.15% ($(\$6,253,033 - \$5,729,006) / \$5,729,006$) increase over the prior year tax, calculated by dividing the difference of the General Tax of the Town of Hempstead projected tax and the prior amount by the prior amount. Note also that the UPIS & CWIP cumulative cost in Exhibit 12, Tab 28, Page 2 of 2, is supported in the attachment, page 2 of 2.

For the School Tax of the Town of Hempstead, the same methodology as described above is used to determine the projected tax (see Exhibit 12, Tab 28, Page 2 of 2), which pertains to the percentage increase listed in my testimony. However, the School Tax amounts shown on Exhibit 9, page 42 are adjusted to reflect the tax year versus the calendar year as shown on Exhibit 12, Tab 28, Page 2 of 2. Therefore, the School Tax as shown on Exhibit 9, page 42 and Exhibit 12, Tab 28, Page 1 of 2, was calculated by taking 50% of two years. For example, the 2011 School Tax takes 50% of calendar year 2010 and 50% of calendar year 2011.

For the Village Taxes, the same methodology as described above is used to determine the projected tax (see Exhibit 12, Tab 28, Page 2 of 2), which pertains to the percentage increase listed in my testimony. However, the Village Tax shown on Exhibit 9, page 42 is adjusted to reflect the tax year versus the calendar year as shown on Exhibit 12, Tab 28, Page 2 of 2. Therefore, the Village Tax as shown on Exhibit 9, page 42 and Exhibit 12, Tab 28, Page 1 of 2, was calculated by taking 41.67% of the previous year and 58.33% of the current year. For example, the 2011 School Tax takes 41.67% of calendar year 2010 and 58.33% of calendar year 2011.

Long Island American Water Company
IR-14 BLB-1
Question #1
Property Tax Expense
For the Years 2007, 2008, 2009, 2010

Page 1 of 2

<u>Month</u>	<u>Village</u>	<u>Town</u>	<u>School</u>	<u>Total</u>	<u>Month</u>	<u>Village</u>	<u>Town</u>	<u>School</u>	<u>Total</u>
Jan-07	\$102,864	\$448,830	\$431,905	\$983,599	Jan-08	\$107,561	\$446,825	\$452,171	\$1,006,557
Feb-07	102,864	448,830	431,905	983,599	Feb-08	103,433	446,825	452,171	1,002,429
Mar-07	102,864	448,830	431,905	983,599	Mar-08	103,431	446,825	452,171	1,002,427
Apr-07	102,864	448,830	431,805	983,499	Apr-08	103,482	446,825	452,171	1,002,478
May-07	102,849	448,830	431,905	983,584	May-08	103,482	446,825	452,171	1,002,478
Jun-07	102,849	448,830	431,905	983,584	Jun-08	105,624	446,825	452,171	1,004,620
Jul-07	102,849	448,830	431,905	983,584	Jul-08	105,624	446,825	439,535	991,984
Aug-07	102,849	448,830	431,905	983,584	Aug-08	105,624	446,825	439,535	991,984
Sep-07	102,849	448,830	431,905	983,584	Sep-08	105,624	446,825	439,535	991,984
Oct-07	102,849	448,830	512,969	1,064,648	Oct-08	105,624	446,825	439,535	991,984
Nov-07	102,849	448,830	452,171	1,003,850	Nov-08	105,624	446,825	439,535	991,984
Dec-07	102,849	448,830	452,588	1,004,267	Dec-08	105,624	446,825	439,535	991,984
Total 2007	\$1,234,248	\$5,385,960	\$5,304,773	\$11,924,981	Total 2008	\$1,260,757	\$5,361,900	\$5,350,236	\$11,972,893
Jan-09	\$105,624	\$436,260	\$439,535	\$981,419	Jan-10	\$109,292	\$382,119	\$404,173	\$895,584
Feb-09	105,624	436,260	439,535	981,419	Feb-10	109,292	382,119	404,173	895,584
Mar-09	105,628	436,260	439,535	981,423	Mar-10	109,284	382,119	404,173	895,576
Apr-09	105,628	436,486	439,535	981,649	Apr-10	109,284	382,119	404,173	895,576
May-09	105,628	436,486	439,535	981,649	May-10	109,284	382,119	404,173	895,576
Jun-09	109,292	436,486	439,535	985,313	Jun-10	112,599	382,119	404,173	898,891
Jul-09	109,292	436,486	404,173	949,951	Jul-10	112,599	382,119	412,857	907,575
Aug-09	109,292	436,486	404,173	949,951	Aug-10	112,599	382,119	412,857	907,575
Sep-09	109,292	436,486	404,173	949,951	Sep-10	112,599	382,119	412,857	907,575
Oct-09	109,292	436,486	404,173	949,951	Oct-10	112,599	382,119	412,857	907,575
Nov-09	109,292	436,486	404,173	949,951	Nov-10	112,599	382,119	412,857	907,575
Dec-09	109,292	436,486	404,173	949,951	Dec-10	112,599	382,119	412,857	907,575
Total 2009	\$1,293,176	\$5,237,154	\$5,062,248	\$11,592,578	Total 2010	\$1,334,629	\$4,585,428	\$4,902,180	\$10,822,237

Long Island American Water Company
IR-14 BLB-1
Question #2
UPIS & CWIP Balances Summary
Projected Balances at Each Rate Year

Page 2 of 2

	<u>2010</u>	<u>2011</u>	<u>2012</u>	Rate Year Ended <u>3/31/2013</u>
Ending Balance CWIP	\$10,151,176	\$3,829,261	\$219,748	\$1,022,147
Ending Balance UPIS	163,896,528	186,138,418	207,609,469	210,053,019
Ending Balance UPIS & CWIP	<u>\$174,047,704</u>	<u>\$189,967,679</u>	<u>\$207,829,217</u>	<u>\$211,075,166</u>

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

Request No.: IR-32 BLB-5
Requested By: Basil Bailey
Date of Request: May 27, 2011
Response Due: June 8, 2011
Witness: Mr. Conroy
Subject: Service Company Expense

Based on Exhibit 12, tab 16 the historic base year was adjusted by a net amount of \$378,244.

1. From Exhibit 12, tab 16 pages 1 and 2, please fully explain the following Adjustments:
 - (a)SSC-Rates Long Island Group amount of \$199,922.
 - (b)Supply Chain amount of \$8,192.
 - (c)Net increase of \$32,272 between the Eastern division and other Regions including the Western Division.

Response:

1.
 - (a) The \$199,922 represents the labor and labor related charges for a manager and two financial analysts in the SSC-Rates group who are responsible for supporting Long Island, Iowa and Maryland rate issues. Approximately 53% of their labor and related charges were allocated to Long Island based on Long Island's percentage of customers compared to the total customer percentage from the three states.
 - (b) The \$8,192 adjustment to Supply Chain represents the labor and related charges for an Eastern Division

procurement manager working in Supply Chain who handles Long Island procurement issues. Long Island charges were based on his current time allotted to Long Island tasks of approximately 104 labor hours per year (2 hours x 52 weeks).

- (c) The net increase of 32,272 between Eastern Division and the other regions and divisions is the related to the divisional reorganization of Service Company and the removal of billed charges from other regions normally excluded from the rate filing (see chart below). Labor and related charges for Eastern Division were allocated based on labor hours for the employees listed on Exhibit 12 Tab 16 pages 4 through 6 which total \$352,199.

	Total Labor & Related	Total Other	Total Adjustment
<u>Eastern Division</u>			
Communications	\$76,361		\$76,361
Finance	76,156		76,156
Human Resources	50,191		50,191
Legal	61,691		61,691
Operations	74,077		74,077
Risk Management	13,723		13,723
	\$352,199	\$0	\$352,199
<u>Excluded Expenses</u>			
Western Division	(\$14,876)	(\$4,113)	(\$18,988)
Central Region	(65,517)	(12,963)	(78,480)
Northeast Region	(37,415)	(11,328)	(48,743)
Southeast Region	(122,081)	(51,331)	(173,413)
Western Region	(167)	(136)	(303)
	(\$240,057)	(\$79,871)	(\$319,928)
Total	\$112,142	(\$79,871)	\$32,272

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

Request No.: IR-63 BLB-8
Requested By: Basil Bailey
Date of Request: June 3, 2011
Response Due: June 13, 2011
Witness: Mr. John Casillo
Subject: Property Taxes

In response to IR-14 BLB-01, the company stated that the taxing authorities base property taxes on Tentative Full Value (TFV). Please provide schedule of actual UPIS and CWIP cumulative cost along with the TFV associated with the property taxes expense of:

- \$14,535,217 for 12 months ended 12/31/05.
- \$12,746,260 for 12 months ended 12/31/06.
- \$11,924,640 for 12 months ended 12/31/07.
- \$11,973,366 for 12 months ended 12/31/08.
- \$10,923,381 for 12 months ended 12/31/09.
- \$10,824,144 for 12/months ended 12/31/10.

source for taxes: C-11-W-0200, Exhibit 6, page 1 of 1.
C-07-W-0508, Exhibit 6, page 1 of 1.

Response:

Please see the attachment.

Long Island American Water Company
IR-63 BLB-8
Property Taxes

<u>Property Tax</u> <u>Expense</u>	<u>Period</u>	<u>Tentative Full</u> <u>Value (TFV)</u>	<u>UPIS & CWIP</u> <u>Cumulative Cost</u>
\$14,535,217	12 Months Ended 12/31/05	\$62,917,729	\$98,319,223
12,746,260	12 Months Ended 12/31/06	60,294,249	110,499,730
11,924,640	12 Months Ended 12/31/07	64,057,282	117,843,101
11,973,366	12 Months Ended 12/31/08	63,798,246	125,244,819
10,923,381	12 Months Ended 12/31/09	64,394,943	137,590,140
10,824,144	12 Months Ended 12/31/10	65,055,250	149,128,627

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

Request No.: IR-70 BLB-09
Requested By: Basil Bailey
Date of Request: June 7, 2011
Response Due: June 17, 2011
Witness: Mr. John Casillo
Subject: Pension/OPED expense

The company is required by the Pension Policy Statement to develop its pension and OPEB cost on a stand-alone basis.

1. Please explain why the company's projection is based on allocation from the parent company instead of being on a stand-alone-basis as ordered by the Pension Statement Policy.
2. Company's update filing dated April 1, 2011 in Case 05-W-0339 provides actual pension and OPEB expense from 1993 to 2010. Please provide the actuarial reports for the actual expense from 2004 to 2010 for both pension and OPEB expense.
3. On page 7 of your testimony under the caption "Amortization of Actuarial Studies" Please provide all reports from the Company's actuary showing all stand calculations for pension and OPEB.

Response:

1. The Company is proposing to match the funding level allowed in rates with the actual funding of the Plan. If the Company requests expense recovery on a stand-alone basis it will cause rate shock as the stand-alone expense is higher than the American FAS 87 projections for LIAW in 2011. Since the funding of the plan is made at the ERISA level for Pension from the American plan, the Company is requesting to use the expense from the American plan which is better aligned to the funding of the plan than the stand-alone amount. The Company is also attempting to smooth rate recovery of the Pension expense by not requesting a higher stand-alone expense. This filing is

consistent with the filing for Pension expense in Case 07-W-0508.

2. Please refer to the response to BLB-01 in the Pension and OPEB filing, filed on June 14, 2011 which contains the requested information.
3. See attachments for stand alone calculations for the years 2002 through 2011.

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Long Island Water Corporation Employees Retirement Plan
Pension ASC 715-30-35 Expense

Exhibit I
DRAFT

	Valuation 1/1/2010	Valuation 1/1/2011
Reconciliation of Funded Status		
Accumulated Benefit Obligation	\$ (27,799,411)	\$ (30,747,358)
Projected Benefit Obligation	(28,787,329)	(35,072,213)
Fair Value of Assets	18,382,832	21,360,344
Funded Status	\$ (10,404,497)	\$ (13,711,869)
Unrecognized:		
Prior Service Cost	2,040,605	5,484,254
(Gain) / Loss	7,256,401	6,584,425
Prepaid/(Accrued) Pension Cost	\$ (1,107,491)	\$ (1,643,190)
Net Periodic Pension Cost		
Service Cost	\$ 504,299	\$ 693,959
Interest Cost	1,693,806	1,865,571
Expected Return on Assets	(1,451,643)	(1,731,922)
Amortization of:		
Prior Service Cost	318,380	723,422
(Gain) / Loss	1,239,967	1,225,829
Periodic Cost	\$ 2,304,809	\$ 2,776,859
Allocated Expense (Based on Payroll)	\$ 1,210,498	\$ 1,022,052
Difference	\$ 1,094,311	\$ 1,754,807
Employer Contributions	\$ 1,769,110	
Expected Benefit Payments	\$ 1,477,861	\$ 1,416,486
Assumptions		
Discount Rate	5.93%	5.32%
Salary Scale	4.00%	3.50%
Expected Return on Assets	7.90%	7.90%
Mortality	IRS 2009	IRS 2010
Data		
Active Count	72	69
Inactive Count	163	143
Valuation Earnings	\$ 5,642,482	\$ 5,704,271



**Long Island Water Corporation Employees Retirement Plan
Pension Expense**

**Exhibit I
DRAFT**

	Valuation 1/1/2009	Valuation 1/1/2010
Reconciliation of Funded Status		
Accumulated Benefit Obligation (ABO)	\$ (25,183,034)	\$ (27,799,411)
Projected Benefit Obligation (PBO)	(26,338,577)	(28,787,329)
Fair Value of Assets (FV)	14,689,698	18,382,832
Funded Status	\$ (11,648,879)	\$ (10,404,497)
Unrecognized:		
Transition Obligation / (Asset)	0	0
Prior Service Cost / (Credit)	2,026,265	2,040,605
(Gain) / Loss	9,197,877	7,256,401
Prepaid/(Accrued) Pension Cost	\$ (424,737)	\$ (1,107,491)
Net Periodic Pension Cost (NPPC)		
Service Cost (SC)	\$ 449,187	\$ 504,299
Interest Cost (IC)	1,596,914	1,693,806
Expected Return on Assets (EROA)	(1,164,618)	(1,451,643)
Amortization of:		
Transition Obligation / (Asset)	0	0
Prior Service Cost / (Credit)	286,624	318,380
(Gain) / Loss	1,026,791	1,239,967
NPPC	\$ 2,194,898	\$ 2,304,809
Assumptions		
Discount Rate	6.12%	5.93%
Salary Scale	4.00%	4.00%
Expected Return on Assets	7.90%	7.90%
Allocated Expense (Based on Payroll)	\$ 1,387,092	\$ 1,210,498
Difference	\$ 807,806	\$ 1,094,311
Data		
Active Count	72	72
Inactive Count	164	163
Valuation Earnings	\$ 5,480,134	\$ 5,642,482

Long Island Water Corporation Employees Retirement Plan
 Pension Expense

Exhibit I
 DRAFT

	Valuation 1/1/2002	Valuation 1/1/2003	Valuation 1/1/2004	Valuation 1/1/2005	Valuation 1/1/2006	Valuation 1/1/2007	Valuation 1/1/2008
Assets							
Fair Value of Assets (beginning of year)	17,787,031	16,683,130	17,594,702	17,455,575	17,164,734	17,949,279	19,540,198
Contributions	0	146,825	275,722	24,702	177,528	2,070,458	1,347,233
Disbursements	(980,048)	(992,924)	(996,167)	(1,111,195)	(1,231,707)	(1,314,711)	(1,396,937)
Investment Income (during fiscal year)	(123,853)	1,757,671	581,318	795,652	1,838,724	835,172	1,541,895
Fair Value of Assets (end of year)	16,683,130	17,594,702	17,455,575	17,164,734	17,949,279	19,540,198	21,032,389
Market Related Value of Assets	17,787,031	16,683,130	17,594,702	17,455,575	17,164,734	17,949,279	19,540,198
Reconciliation of Funded Status							
Accumulated Benefit Obligation (ABO)	(15,415,720)	(16,872,268)	(18,697,578)	(20,170,755)	(23,580,369)	(24,096,106)	(23,210,096)
Projected Benefit Obligation (PBO)	(17,506,076)	(19,007,038)	(21,024,509)	(23,005,074)	(25,014,736)	(24,446,444)	(24,467,737)
Fair Value of Assets (FV)	17,787,031	16,683,130	17,594,702	17,455,575	17,164,734	17,949,279	19,540,198
Funded Status	280,955	(2,323,908)	(3,429,807)	(5,549,499)	(7,850,002)	(6,497,165)	(4,927,539)
Unrecognized:							
Transition Obligation / (Asset)	(33,339)	(23,344)	(13,349)	(3,354)	0	0	0
Prior Service Cost / (Credit)	1,581,142	1,435,817	1,290,492	1,978,626	2,235,501	1,999,677	2,312,889
(Gain) / Loss	(1,199,464)	1,577,458	2,426,446	3,375,989	4,604,963	2,520,093	1,783,428
Prepaid/(Accrued) Pension Cost	629,294	666,023	273,782	(198,238)	(1,009,538)	(1,977,396)	(831,222)
Net Periodic Pension Cost (NPPC)							
Service Cost (SC)	394,260	423,736	471,760	496,560	526,076	409,084	385,224
Interest Cost (IC)	1,260,768	1,279,902	1,314,018	1,377,248	1,408,738	1,428,248	1,515,153
Expected Return on Assets (EROA)	(1,555,083)	(1,425,215)	(1,510,325)	(1,481,733)	(1,433,547)	(1,421,683)	(1,541,896)
Amortization of:							
Transition Obligation / (Asset)	(9,995)	(9,995)	(9,995)	(3,354)	0	0	0
Prior Service Cost / (Credit)	145,325	145,325	145,325	202,916	235,824	235,824	286,624
(Gain) / Loss	(272,004)	(21,512)	61,236	219,663	408,295	272,811	295,643
NPPC	(36,729)	392,241	472,019	811,301	1,145,386	924,284	940,748
Assumptions							
Discount Rate	7.25%	6.75%	6.25%	6.00%	5.65%	5.90%	6.27%
Salary Scale	4.75%	4.75%	4.75%	4.75%	4.25%	4.25%	4.25%
Expected Return on Assets	9.00%	8.75%	8.75%	8.75%	8.25%	8.00%	7.90%
Allocated Expense (Based on Payroll)	51,432	604,860	635,249	895,350	975,937	693,643	657,792
Difference	(88,161)	(212,619)	(163,230)	(84,049)	169,449	230,641	282,956
Data							
Active Count	103	103	101	101	101	79	73
Inactive Count	142	142	144	145	151	160	164
Valuation Earnings	\$ 5,768,159	\$ 5,998,014	\$ 5,565,898	\$ 5,777,653	\$ 5,868,495	\$ 5,123,437	\$ 4,914,624

SOURCE: Roy Costa 10/08/08 e-mail

NOTICE REGARDING TOWERS WATSON ACTUARIAL INFORMATION

This document was prepared for American Water Works Company, Inc. (American Water) and is being made available by American Water to regulatory commissions in connection with rate case proceedings.

By viewing, downloading, printing or otherwise having access to this information, Recipient agrees that it has read and understands the following:

1. Towers Watson Pennsylvania represents and is responsible to its client, American Water with respect to all matters relating to this information.
2. Recipient is responsible for its own due diligence with respect to all matters relating to this information.
3. The information was prepared for American Water's internal use and assumes a high level of knowledge relative to the operations of American Water and the external factors affecting American Water's business. We would not expect a third party to have such knowledge.

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Long Island Water Corporation Retiree Welfare Plan
Retiree Welfare ASC 715-60-35 Expense

Exhibit II
DRAFT

	Valuation 1/1/2010	Valuation 1/1/2011
Reconciliation of Funded Status		
Accumulated Postretirement Benefit Obligation	\$ (13,708,380)	\$ (14,554,699)
Fair Value of Assets	<u>8,655,696</u>	<u>10,224,234</u>
Funded Status	\$ (5,052,684)	\$ (4,330,465)
Unrecognized:		
Transition Obligation	499,168	323,970
Prior Service Cost	538,802	212,499
(Gain) / Loss	<u>3,292,884</u>	<u>2,815,576</u>
Accrued Postretirement Benefit Cost	\$ (721,830)	\$ (978,420)
Net Periodic Postretirement Benefit Cost		
Service Cost	\$ 324,192	\$ 314,487
Interest Cost	802,181	769,478
Expected Return on Assets	(638,959)	(756,780)
Amortization of:		
Transition Obligation	175,198	175,198
Prior Service Cost	36,461	15,424
(Gain) / Loss	<u>329,288</u>	<u>281,558</u>
Periodic Cost	\$ 1,028,361	\$ 799,365
Allocated Expense (Based on Headcount)	\$ 773,579	\$ 555,075
Difference	\$ 254,782	\$ 244,290
Employer Contributions	\$ 771,771	
Expected Benefit Payments	\$ 505,944	\$ 543,154
Assumptions		
Discount Rate	5.82%	5.27%
Expected Post-Tax Return on Assets (Blended)	7.60%	7.60%
Initial Trend	8.50%	8.00%
Ultimate Trend	5.00%	5.00%
Years to Ultimate	7	6
Mortality	IRS 2009	IRS 2010
Counts		
Active - Med & Life	66	63
Active - Life Only	13	16
Retirees and Surviving Spouses **	49	48

* Contributions are assumed to be made at the end of the fiscal year

** Does not include dependents of retirees covered under the plan

**Long Island Water Corporation Retiree Welfare Plan
 Retiree Welfare Expense**

**Exhibit II
 DRAFT**

	Valuation 1/1/2009	Valuation 1/1/2010
Reconciliation of Funded Status		
Accumulated Postretirement Benefit Obligation (APBO)	\$ (11,673,681)	\$ (13,708,380)
Fair Value of Assets (FV)	6,756,040	8,655,696
Funded Status	\$ (4,917,641)	\$ (5,052,684)
Unrecognized:		
Transition Obligation / (Asset)	674,366	499,168
Prior Service Cost / (Credit)	575,263	538,802
(Gain) / Loss	3,154,139	3,292,884
Accrued Postretirement Benefit Cost	\$ (513,873)	\$ (721,830)
 Net Periodic Postretirement Benefit Cost (NPPBC)		
Service Cost (SC)	\$ 281,724	\$ 324,192
Interest Cost (IC)	712,811	802,181
Expected Return on Assets (EROA)	(494,467)	(638,959)
Amortization of:		
Transition Obligation / (Asset)	175,198	175,198
Prior Service Cost / (Credit)	36,461	36,461
(Gain) / Loss	315,414	329,288
NPPBC	\$ 1,027,141	\$ 1,028,361
 Allocated Expense (Based on Headcount)	 \$ 807,737	 \$ 773,579
 Difference	 \$ 219,404	 \$ 254,782
 Assumptions		
Discount Rate	6.09%	5.82%
Expected Return on Assets (Blended)	7.60%	7.60%
Initial Trend	8.00%	8.50%
Ultimate Trend	5.00%	5.00%
Years to Ultimate	6	7
 Counts		
Total Active	67	66
Total Retirees and Surviving Spouses *	47	49

* Does not include dependents of retirees covered under the plan

Long Island Water Corporation Retiree Welfare Plan
 Retiree Welfare Expense

Exhibit II
 DRAFT

	Valuation 1/1/2002	Valuation 1/1/2003	Valuation 1/1/2004	Valuation 1/1/2005	Valuation 1/1/2006	Valuation 1/1/2007	Valuation 1/1/2008
Assets							
Fair Value of Assets at the Beginning of the Year (FV)	3,918,233	3,375,491	3,857,670	4,307,611	5,002,829	6,010,260	8,367,403
Employer Contributions to LI VEBA	0	0	315,000	0	0	0	0
Employer Contributions to AWV Corporate	0	117,000	138,000	777,344	711,131	2,674,470	530,000
Retiree Contributions to AWV Corporate	0	0	29,023	40,406	26,568	19,812	20,000
Actual Disbursements	(186,590)	(210,286)	(48,958)	0	0	0	0
Additional Disbursements (assumed)	0	(105,083)	(289,543)	(465,226)	(398,843)	(437,350)	(513,851)
Investment Return	(356,152)	680,548	306,419	342,694	668,575	100,211	628,934
Fair Value of Assets at the End of the Year	3,375,491	3,857,670	4,307,611	5,002,829	6,010,260	8,367,403	9,032,485
Reconciliation of Funded Status							
Accumulated Postretirement Benefit Obligation (APBO)	(6,082,390)	(7,035,718)	(8,150,094)	(10,702,108)	(12,926,002)	(10,435,374)	(11,175,072)
Fair Value of Assets (FV)	3,918,233	3,375,491	3,857,670	4,307,611	5,002,829	6,010,260	8,367,403
Funded Status	(2,164,157)	(3,660,227)	(4,292,424)	(6,394,497)	(7,923,173)	(4,425,114)	(2,807,669)
Unrecognized:							
Transition Obligation / (Asset)	1,927,156	1,751,958	1,550,356	1,375,158	1,199,960	1,024,762	849,564
Prior Service Cost / (Credit)	(31,432)	(28,918)	757,568	721,107	684,646	648,185	611,724
(Gain) / Loss	13,314	1,266,595	747,225	2,791,107	4,264,813	361,004	922,484
Accrued Postretirement Benefit Cost	(255,119)	(670,592)	(1,237,275)	(1,507,125)	(1,773,753)	(2,391,163)	(423,897)
Net Periodic Postretirement Benefit Cost (NPPBC)							
Service Cost (SC)	140,402	189,123	252,770	272,682	354,268	268,348	252,202
Interest Cost (IC)	440,382	477,207	506,870	644,734	739,222	618,803	692,801
Expected Return on Assets (EROA)	(339,326)	(281,991)	(323,172)	(364,214)	(403,089)	(427,706)	(628,934)
Amortization of:							
Transition Obligation / (Asset)	175,198	175,198	175,198	175,198	175,198	175,198	175,198
Prior Service Cost / (Credit)	(2,514)	(2,514)	36,461	36,461	36,461	36,461	36,461
(Gain) / Loss	1,331	126,660	74,722	279,111	426,481	36,100	92,248
NPPBC	415,473	683,683	722,850	1,043,972	1,328,541	707,204	619,976
Allocated Expense (Based on Headcount)	N/A	620,455	658,192	777,344	711,131	530,296	530,000
Difference	N/A	63,228	64,658	266,628	617,410	176,908	89,976
Assumptions							
Discount Rate	7.25%	6.75%	6.25%	6.00%	5.65%	5.90%	6.20%
Expected Return on Assets (Blended)	9.00%	8.75%	8.75%	8.75%	8.25%	7.38%	7.75%
Initial Trend	10.00%	9.00%	10.00%	10.00%	10.00%	9.00%	8.00%
Ultimate Trend	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Years to Ultimate	5	4	5	5	5	4	6
Counts							
Total Active	104	105	98	100	92	79	68
Total Retirees and Surviving Spouses *	50	53	52	49	48	53	51

* Does not include dependents of retirees covered under the plan

SOURCE: Roy Costa 10/08/08 e-mail

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

Request No.: IR- 93 BLB-13

Requested By: Basil Bailey

Date of Request: June 23, 2011

Response Due: July 5, 2011

Witness: Mr. Conroy

Subject: Service Company Expense

1. Are any service company employees an officer of LIAW? If so, how many?
2. If the answer to question (1) above is yes. How many of these officers are responsible for the control and approval of Service Company charges to LIAW?
3. The company is requesting an increase of \$1,371,700 or 34.3% from the amount allowed in the last rate case (05-W-0508). Please analyze, identify and explain the reasons for the significant increase.

Response:

1. Yes, LIAW has seven Service Company employees that are officers of the Company.
2. Please refer to Exhibit PLB-1, page 39. Exhibit PLB-1 is an attachment to Mr. Baryenbruch's testimony. The process described on pages 39 and 40 involves the Eastern Division VP of Finance, a Service Company employee, who is an officer of LIAW. The VP of Finance is described as "LIAW Vice President and Treasurer" on page 39 and exercises control over Service Company expenses as explained on page 39. As stated in this section, the VP through her staff (locally in LIAW and in the Eastern Division) "reviews the monthly charges and investigates whenever the amount, quality and/or services are appropriate." The VP of Finance is also part of the Board of Directors for LIAW and therefore the section titled "LIAW Company Board Oversight" on page 39 also applies. The VP of

Finance, as well as the President of LIAW both report to the Senior VP of Eastern Division who is a member of the Board of Directors of LIAW and who also is a Service Company employee and is a member of the Service Company Board. Therefore any issues regarding Service Company charges that cannot be resolved by the President or the VP of Finance can and would be elevated to the Senior VP of the Eastern Division.

3. In the 3 year period from 2008 to 2010, the Service Company experienced a significant amount of activity and changes. Labor and other expenses increased as a result of normal merit increases, inflation, and outside events such as the stock market collapse which affected pension and OPEB benefits expenses due to the losses of investments of pension and OPEB assets. Group insurance costs have also increased disproportionately to inflation and as a result of the requirements of government health care reform.

ITS expenses to LIAW have risen by \$374K from 2008 to 2010 largely due to increasing costs of outside services, maintenance contracts and depreciation expenses on software systems which have been implemented during this period. The ITS department has implemented a number of applications such as Identity Access Management to improve network security, Service First which provides field service personnel with tools to improve customer services, Hyperion which is a financial planning tool, Powerplant which is a state of the art utility plant accounting system, and the Library Information Management system (LIMS) which improves water quality information, as well as a CISCO Voice over IP (VOIP) telephone system. These programs provide additional or improved tools to the Company to operate as a business and to maintain its records in conformance with Financial Accounting Standards, operational and regulatory accounting requirements, and to meet its tax obligations.

Overall Service Company expenses approved in Case 07-W-0508 for the Rate Year ending 3/31/2011 were \$4,002,693. Prorating this amount for the information provided by the Company in settlement results in the ITS expense being \$663,537 ($\$659,385 / \$3,977,648 \times \$4,002,693$).

The current requested amount for ITS is \$1,445,757 (per Exhibit 12, Tab 16, page 3). This provides a variance of \$782,220 when comparing the rate year ending 3/31/2011 and 3/31/2013. The ITS increase accounts for 57% of the increase ($\$782,220 / \$1,371,700$). Assuming raises and inflation average out to 2.5% for each year then Service Company costs would

increase by \$100,067 ($\$4,002,693 \times 2.5\%$) for the Rate Year ending 3/31/12 and \$102,569 ($(\$4,002,693 + \$100,067) \times 2.5\%$) for the Rate Year ending 3/31/13. The estimated 2.5% accounts for \$202,636 or approximately 15% ($\$202,636/\$1,371,700$) of the increase. The previously mentioned pension, OPEB and group insurance increases make up a significant part of the rest of the increase.

STAFF OF THE DEPARTMENT OF PUBLIC SERVICE
INTERROGATORY/DOCUMENT REQUEST

LONG ISLAND AMERICAN WATER

Request No.: IR-99 BLB-15
Requested By: Basil Bailey
Date of Request: June 24, 2011
Response Due: July 6, 2011
Witness: Mr. Conroy
Subject: Service Company Expense

The items below were taken from the company's 2010 trial balance in response to IR 25. Please fully describe the nature and reason for each cost and explain why these costs should be flow through to customers.

Account	Amount	Category	Page
Incen Plan-Off Annual	\$3,030,852	labor	6
Comp Exp-Options	2,127,119	labor	6
Comp Exp- RSU's	2,943,813	labor	7
Dues/Membership Deduct	469,023	general office exp	7
relocation expenses	740,455	general office exp	8
trade shows	165,647	general office exp	8
co Dues/Membership Deduct	257,937	Miscellaneous	9

Response:

Please note that the amounts referenced above are total Service Company charges for the categories shown and not the amounts billed to LIAW.

For explanations and reasoning concerning the annual and long term incentive expenses (Incen Plan-Off Annual, Comp Exp-Options and Comp Exp-RSU's) please see the testimony of Sean Burke pages 2-15.

Dues & Membership costs - these costs represent expenses related to annual dues for industry organizations such as the American Water Works Association, as well as national and state professional associations for accounting, finance, human resources and legal disciplines. Membership in these organizations allows our employees to stay abreast of issues in the water industry, maintain their professional credentials and use that knowledge to provide better services to ratepayers.

Relocation Expenses - These costs are related to moving expenses for employees transferred to other company locations. By promoting from within the company for open positions, the company maintains knowledgeable staff and is able to reduce the learning curve on open positions across the organization.

Trade Shows - represent costs associated with sponsoring a company booth at trade shows, and industry events. American's presence at events helps us to attract talented personnel, and maintains relationships with financial and investment analysts.

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%

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.

2. 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	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			From Date/Period	03/06/07		
Deferred Rate Proceedings			Thru Date/Period	03/06/07		
Skip to Doc/Type			Ledger Type	00		
Y-T-D Period End	87,781.00		Subledger	00380002 \$		
Cumul Period End	87,781.00					
Additional Selections Exist						
Q/D	Doc/Type	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	39,216.08-	
			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
 Ledger Type: 88
 Subledger: []

R/P Check Clearing

Skip to Doc/Type: []
 YTD Period End: 496,304.43-
 Cumul Period End: 1,042,210.92-

Additional Selections Exist

Doc/Type	Document	Date	Explanation	Debit	Credit	P
CB	8801120	03/30/07	PNC AP CHECK RECON	1,700.00		P
PK	88016328	03/30/07	Popelaski, Barbara		1,195.31	P
PK	88016329	03/30/07	CheckFreeAg Corp		719.26	P
PK	88016330	03/30/07	HS Pipe & Foundry		515.28	P
PK	88016331	03/30/07	Hireco Inc-PO/REH		7.06	P
PK	88016332	03/30/07	Bancker Constructi		123,601.90	P
PK	88016333	03/30/07	County Carting-Was		2,452.24	P
PK	88016334	03/30/07	Verizon - Box 1512		170.88	P
PK	88016335	03/30/07	Itron-PO/BENIT		44,479.61	P
PK	88016336	03/30/07	Towers Perrin - RE		51,561.00	P
PK	88016337	03/30/07	Layne Christensen		729,685.00	P
PK	88016338	03/30/07	Morgan Lewis & Boc		115.50	P
PK	88016339	03/30/07	Joseph G Pollard C		1,043.25	P
PK	88016340	03/30/07	One Call Concepts		1,291.71	P

Opt 1/2=Orig Entry 5=Details F1?>Top F13=Totals F21=Prt Ledg 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 F10=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
	8804235	04/27/07	PHC RP CHECK RECON	11,894.78		P
	88016510	04/27/07	Valente Contractin			P
	88016511	04/27/07	Valente Contractin			P
	88016512	04/27/07	Valente Contractin		45,639.31	P
	88016513	04/27/07	HWS Employment Tax		9,167.45	P
	88016514	04/27/07	United Way - Long		60.00	P
	88016515	04/27/07	Popelaski, Barbara		1,195.31	P
	88016516	04/27/07	HS Pipe & Foundry		896.00	P
	88016517	04/27/07	Cullen and Dykman-		6,887.44	P
	88016518	04/27/07	J Novelli Contract		6,000.00	P
	88016519	04/27/07	Mitel Networks Inc		195.53	P
	88016520	04/27/07	I Mina Supply Inc-		1,621.56	P
	88016521	04/27/07	Verizon - Box 1512		66.93	P
	88016522	04/27/07	Towers 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: [REDACTED] From Date/Period: 05/02/07
 Thru Date/Period: 05/02/07
 Deferred Rate Proceedings Ledger Type: RA
 Subledger: 00380002 \$

Skip to Doc/Type: _____
 Y-T-D Period End: 169,669.47
 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: 1/2=Orig Entry 5=Details F17=Top F10=Totals F21=Pr 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		702,003.64-	P
PK	88016551	05/02/07	HR40-Washington DC		25,278.00-	P
PK	88016552	05/02/07	Bancker Constructi		60,316.81-	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 Seru		164.56-	P
PK	88016558	05/02/07	United Parcel Seru		51.83-	P
PK	88016559	05/02/07	United Parcel Seru		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
	PV 41784667	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: [REDACTED] From Date/Period: 12/20/07
 R/P Check Closing Thru Date/Period: 12/20/07
 Ledger Type: AA
 Subledger: [REDACTED]

Skip to Doc/Type: [REDACTED]
 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: 1/2=Orig Entry 5=Details F17=Top F18=Totals F21=Prn Lcdg 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
 Thru Date/Period: 01/09/08
 Skip to Doc/Type: Deferred Rate Proceedings
 Ledger Type: AA
 Subledger: 00380002 \$

YTD Period End: 110,233.42
 Cumul Period End: 460,917.61

Additional Selections Exist

Doc#	Document	Date	Explanation	Debit	Credit	P
	PV 41804448	01/09/08	Towers Perrin - RE	3,495.90		P
				3,495.90		
			Ledger Total	3,495.90		
			Unposted Total			

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

[09200] Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] From Date/Period: 01/09/08
 Thru Date/Period: 01/09/08
 A/P Check Clearing: [REDACTED] Ledger Type: 00
 Subledger: [REDACTED]

Skip to Doc/Type: [REDACTED]
 Y-T-D Period End: 2,554,752.12-
 Cumul Period End: 2,782,918.15-

Additional Selections Exist

Doc/Type	Document	Date	Explanation	Debit	Credit	P
	PK 86018575	01/09/08	LIARCO		8,249.12-	P
	PK 86018576	01/09/08	Verizon		175.64-	P
	PK 86018577	01/09/08	Verizon-RENIT		92.42-	P
	PK 86018578	01/09/08	Towers Perrin - RE		3,485.90-	P
	PK 86018579	01/09/08	United Parcel Serv		261.14-	P
	PK 86018580	01/09/08	US Bank		2,693.75-	P
					14,967.97-	
			Ledger Total		14,967.97-	
			Unposted Total			

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] A/P Check Clearing
 From Date/Period: 02/22/08
 Thru Date/Period: 02/22/08
 Ledger Type: 000
 Subledger: []

Skip to Doc/Type: []
 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	86018905	02/22/08	J Novelli Contract		3,250.00	P
PK	86018906	02/22/08	Ittron-PO/REHII		120,259.66	P
PK	86018907	02/22/08	Towers Perrin - RE		40,386.92	P
PK	86018908	02/22/08	Badger Meter Inc-P		126,040.00	P
PK	86018909	02/22/08	Mueller Co - ALL U		11,420.00	P
PK	86018910	02/22/08	Hassan County of-P		2,165.99	P
PK	86018911	02/22/08	Edgewood Consultin		2,661.03	P
PK	86018912	02/22/08	Thatcher Co - ALL		6,222.32	P
PK	86018913	02/22/08	UniFirst Corporati		234.02	P
PK	86018914	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: [REDACTED] From Date/Period: 04/07/08
 Thru Date/Period: 04/07/08
 Ledger Type: AA
 Subledger: [REDACTED]

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?=Pr Ledger 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

[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	86022622	07/09/09	New York State Sal		18,178.76	P
PK	88022633	07/09/09	United Way - Long		82.00	P
PK	88022664	07/09/09	Nassau County Poli		200.00	P
PK	88022665	07/09/09	Bancker Constructi		100,227.10	P
PK	88022666	07/09/09	Blackman Plumbing		115.96	P
PK	88022667	07/09/09	Hincher Printing &		193.40	P
PK	86022668	07/09/09	Bell Marketing LP-		4,744.92	P
PK	86022669	07/09/09	Towers Perrin - RE		25,000.00	P
PK	86022770	07/09/09	Petro Commercial S		13,956.52	P
PK	86022771	07/09/09	Thatcher - NY		9,962.29	P
PK	86022772	07/09/09	ADI Security Servi		2,222.47	P
PK	86022773	07/09/09	Valente Contractin		2,474.10	P
PK	86022774	07/09/09	Calence LLC		7,652.68	P

Opt: 1/2=Orig Entry 5=Details F17=Top F10=Totals F21=Prt Ledg 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			
<input checked="" type="checkbox"/> <input type="checkbox"/>							
Opt 1/2=Orig Entry 5=Details F12=Top F13=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	88023516	04/09/10	PNC AP CHECK RECON	8,680.32		P
PR	88023516	04/09/10	New York State Sal		15,675.44	P
PR	88023517	04/09/10	NYS Child Support		1,385.60	P
PR	88023518	04/09/10	US Pipe & Foundry		15,916.01	P
PR	88023519	04/09/10	Bancker Constructi		35,227.92	P
PR	88023520	04/09/10	Esage Control Corp		567.84	P
PR	88023521	04/09/10	J Howells Contract		7,175.00	P
PR	88023522	04/09/10	Stony Creek Indust		4,695.00	P
PR	88023523	04/09/10	Towers Perrin - RE		25,000.00	P
PR	88023524	04/09/10	Water Works Suppl		110.40	P
PR	88023525	04/09/10	Hueller Co - ALL U		3,541.83	P
PR	88023526	04/09/10	GP Jager & Associa		1,280.62	P
PR	88023527	04/09/10	KSA Industries Inc		66.04	P
PR	88023528	04/09/10	Grainger - ALL USE		62.93	P

Opt 1/2=Orig Entry S=Details F17=Top F10=Totals F21=Pr Ledger F24=More MW

[09200] - Account Ledger Inquiry						
Functions Options Tools Help						
Account			From Date/Period	04/12/10		
Deferred Rate Proceedings			Thru Date/Period	04/12/10		
Skip to Doc/Type			Ledger Type	inR		
YTD Period End			Subledger	00380011 \$		
Cumul Period End			50,000.00			
			238,720.49			
Additional Selections Exist						
Q/D	Document	Date	Explanation	Debit	Credit	P
	PV 42477808	04/12/10	Towers Perrin - RE	25,000.00		P
				25,000.00		
			Ledger Total	25,000.00		
			Unposted Total			

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

[09200] - Account Ledger Inquiry						
Functions Options Tools Help						
Account		From Date/Period		04/12/10		
A/P Check Clearing		Thru Date/Period		04/12/10		
Skip to Doc/Type		Ledger Type		A8		
YTD Period End		Subledger				
Cumul Period End		218,575.84				
Additional Selections Exist		159,755.58-				
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=Orig Entry 5=Details F1?=Top F10=Totals F21=Print Ledger F24=More MW

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] From Date/Period: 11/30/10
 Thru Date/Period: 11/30/10
 Deferred Rate Proceedings Ledger Type: AA
 Subledger: 00360011 IS

Skip to Doc/Type: [REDACTED]
 YTD Period End: 64,612.93
 Cumul Period End: 253,333.42

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
 Thru Date/Period: 11/30/10
 A/P Check Clearing Ledger Type: RA
 Subledger: [REDACTED]
 Skip to Doc/Type: [REDACTED]
 Y-T-D Period End: 102,450.99-
 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=PrLedg 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
 Curral Period End: 198,120.86-

Additional Selections Exist

DT	Document	Date	Explanation	Debit	Credit	P
CR	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=Prt Ledg 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

009200 - Account Ledger Inquiry

Functions Options Tools Help

Account: [REDACTED] 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		1,335.60	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 F10=Totals F21=PrtLedg 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:

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		90,975.43	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		179.23	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

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

Request No.: IR-142 RMD-1
Requested By: Richard Davi
Date of Request: July 19, 2011
Response Due: July 29, 2011
Witness: Bill Varley
Subject: American Water's acquisition of Aqua
America's NY operations

In a recent press release, American Water Works Company, Inc. announced that it has agreed to purchase Aqua America Inc's regulated operations in New York. Specifically, American Water will purchase Aqua's seven regulated water systems in New York for approximately \$71 million, adding approximately 152,000 people in four counties to LIAWC's customer base. The expected closing date is the first quarter of 2012.

- 1) Considering the close proximity of LIAWC to Aqua's seven regulated water systems and American Water's reference to "economies of scale" in the press release, identify all financial, operational and synergy savings and or benefits that should be reflected in LIAWC's revenue requirement calculation for the rate year ended March 31, 2013 as a result of this transaction. Include all supporting workpapers, assumptions and calculations.
- 2) Does the \$71 million purchase price include any goodwill? If yes, identify how much. Show all calculations.

Response:

- 1) The press release by American Water stated: "Much like our recent acquisition in Missouri, adding these systems to our existing New York operations allows us to capitalize on economies of scale in New York and provides an important opportunity for growth in areas north of New York City," said Jeff Sterba, president and CEO of American Water. The press release went on to state that "We are pleased to nearly double our customer base in Long Island and beyond and we look forward to the opportunity of providing quality water service to all of our new customers," said Bill

Varley, president of Long Island American Water, the largest water supplier in Nassau County, currently serving approximately 220,000 people. "We have a strong track record of making needed investments in our pipes and plants to ensure reliable service and we are pleased to bring that level of service to many more people who live in New York."

The "economies of scale" referred to in the press release were thus a general aspirational statement reflecting a general belief that consolidation will, over time, produce more efficient operations. At this time, however, there have been no studies made by American Water as to the potential for savings that might actually exist by combining the operations of American and Aqua in New York. Any such studies would have to await approval of the stock acquisition by the Commission and the takeover of the Aqua properties by American. Moreover, American Water does not plan to merge the companies immediately, although it intends to begin a process of joint operations, where feasible, following the closing of the transaction. Additionally, as Mr. Varley also states with the press release, American has a strong record of making needed investments in infrastructure and, at this time, it is not known whether the revenue requirement associated with any such investments in the Aqua properties would actually exceed synergy savings, if any, that might be associated with the combination of the operations for a given period. Certainly, Mr. Sterba's statement regarding growth in the areas north of New York City envisions additional investment in those systems. In any event, until the Commission approves the transaction, there is no basis for any imputation of savings.

2) Please see the response to IR-134 KXD-38.

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

Request No.: IR-172 BLB-33

Requested By: Basil Bailey

Date of Request: August 18, 2011

Response Due: August 28, 2011

Witness: Mr. John Casillo

Subject: Pension/OPED expense

Reference attach file.

1. Please provide a comparison between stand-alone and the allocation from AWW for pension and OPEB expense in the same format as the attach file for years 2010 and 2011.

Response:

1. Please see the response to IR-128 BLB-19, question 3 part b for an explanation of the difference between the consolidated AWW plan and the stand-alone plan. The Company has allocated the consolidated information, in the attached Excel spreadsheet, using a percentage based on the allocation of pension expense to LIAW divided by the total consolidated pension expense to estimate what the individual components would be if the allocation was representative throughout the calculation. For 2010 the percentage is 1.80% ($\$1,210,498/\$67,249,870$) and for 2011 the percentage is 1.83% ($\$1,022,052/\$55,849,834$).

	2010 Accounting Cost American Water Pension Plan			2011 Accounting Cost American Water Pension Plan		
	Under ongoing FAS 87 w/o purchase accounting	2010 Allocated AWW Plan to LIAW	LIAW Stand-Alone Valuation 1/1/10	Under ongoing FAS 87 w/o purchase accounting	2011 Allocated AWW Plan to LIAW	LIAW Stand-Alone Valuation 1/1/11
Reconciliation of Funded Status						
Projected Benefit Obligation	(\$1,104,075,664)	(19,873,362)	(\$28,787,329)	(\$1,260,520,116)	(23,067,518)	(\$35,072,213)
Fair Value of Assets	695,520,113	12,519,362	18,382,832	860,972,790	15,755,802	21,360,344
Funded Status	(408,555,551)	(408,555,551)	(10,404,497)	(399,547,326)	(7,311,716)	(13,711,869)
Unrecognized transition obligation (asset)	0	0		0	0	
Unrecognized prior service cost (credit)	3,497,775	62,960	2,040,605	6,411,797	117,336	5,484,254
Unrecognized net actuarial loss (gain)	354,032,064	6,372,577	7,256,401	371,459,947	6,797,717	6,584,425
Prepaid (accrued) pension cost	(51,025,712)	(51,025,712)	(1,107,491)	(21,675,582)	(396,663)	(1,643,190)
Pension Cost						
Service cost (OR)	30,406,230	547,312	504,299	33,397,383	611,172	693,959
Interest cost (INT)	66,205,714	1,191,703	1,693,806	67,757,727	1,239,966	1,865,571
Expected return on assets (INT)	(56,751,589)	(1,021,529)	(1,451,643)	(72,108,807)	(1,319,591)	(1,731,922)
Amortization		0			0	
Transition obligation (asset)	0	0		0	0	
Prior service cost (credit) (OR)	848,007	15,264	318,380	757,263	13,858	723,422
Net loss (gain) (OR)	26,541,508	477,747	1,239,967	26,046,268	476,647	1,225,829
Pension Cost	\$67,249,870	\$1,210,497	\$2,304,809	\$55,849,834	\$1,022,052	\$2,776,859
Allocated Expense (Based on Payroll)	\$67,249,870	\$1,210,497	\$1,210,498	\$55,849,834	\$1,022,052	\$1,022,052
Expected Benefit Payments	\$36,582,911		\$1,094,311	\$41,084,388		\$1,754,807
Employer Contribution	\$96,600,000	\$1,708,736	\$1,769,110	\$139,600,000	\$2,551,525	
Expected Benefit Payments			\$1,477,861			\$1,416,486
Assumptions						
Discount rate	5.93%	5.93%	5.93%	5.32%	5.32%	5.32%
Expected Return on Assets	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%
Salary increase rate	4.00%	4.00%	4.00%	3.50%	3.50%	3.50%
Mortality	IRS 2009	IRS 2009	IRS 2009	IRS 2010	IRS 2010	IRS 2010

Data

Active Count	4,738	72	72	4,536	69	69
Inactive Count	4067	163	163	4,130	143	143
Valuation Earnings	\$314,187,700	\$5,642,482	\$5,642,482	\$311,474,545	\$5,704,271	\$5,704,271

**American Water
 Allocation of 2011 Pension Cost
 Not Reflecting Purchase Accounting
 Allocation Schedule**

<u>COMPANY</u>	<u>Company Code</u>	<u>Locality Code</u>	<u>Active Participants</u>	<u>Expense Allocation</u>
AMERICAN WATER WORKS COMPANY	2	N/A	2	27,925
AMERICAN WATER SERVICES (AAET, L.P.)	99,001	N/A	1	11,170
AMERICAN WATER SERVICES (Corp)	99,002	N/A	1	16,755
O&M Inc.	99,016	N/A	1	44,680
AWW SERVICE COMPANY				
AWWS Corp	3	1	99	2,340,108
Belleville, IL Lab (R)	3	2	21	223,399
Western (L)	3	6	20	491,479
Northeast Region	3	10	3	78,190
Southeast Region	3	11	21	463,554
Central Region	3	13	83	1,480,021
Alton, IL Call Center	3	14	357	2,758,982
Shared Services	3	15	81	1,167,262
Pensacola Call Center	3	16	206	1,284,546
ITS	3	17	71	1,200,771
Procurement/Supply Chain	3	19	<u>22</u>	<u>385,364</u>
Total AWW Service Company			984	11,873,676
NEW JERSEY - AM	18	N/A	657	9,120,278

PENNSYLVANIA - AM	24	N/A	798	9,740,209	
EASTERN DIVISION					
INDIANA - AM	10	N/A	237	2,658,452	
KENTUCKY - AM	12	N/A	99	1,105,827	
LONG ISLAND	38	N/A	69	1,022,052	1.83%
MARYLAND - AM	13	N/A	6	67,020	
MICHIGAN - AM	16	N/A	7	67,020	
OHIO - AM	22	N/A	76	843,332	
TENNESSEE - AM	26	N/A	82	982,957	
VIRGINIA - AM	27	N/A	55	631,103	
VIRGINIA - AM - EASTERN DISTRICT	42	700	7	72,605	
WEST VIRGINIA - AM	28	N/A	<u>241</u>	<u>2,870,681</u>	
Total Eastern Division			879	10,321,049	
WEST DIVISION					
ARIZONA - AM	23	N/A	108	1,318,056	
CALIFORNIA - AM	5	N/A	178	2,630,527	
HAWAII	30	N/A	11	156,380	
ILLINOIS - AM	9	N/A	331	3,848,054	
IOWA - AM	11	N/A	46	502,649	
MISSOURI - AM	17	N/A	506	5,931,252	
NEW MEXICO - AM	19	N/A	23	223,399	
TEXAS	50	N/A	<u>10</u>	<u>83,775</u>	
Total West Division			1,213	14,694,092	
TOTAL SYSTEM			4,536	55,849,834	

* The allocation percentage for each company is equal to the ratio of uncapped valuation earnings for that company to total uncapped valuation earnings for the entire American system.

**American Water
Allocation of 2010 Pension Cost
Allocation Schedule**

Expense is allocated to each company/division based on the total pensionable earnings of the active plan participants at each company/division.

<u>COMPANY</u>	<u>Company Code</u>	<u>Locality Code</u>	<u>Participants</u>	<u>Expense Allocation</u>
AMERICAN WATER WORKS COMPANY	2	N/A	2	33,625
AMERICAN WATER SERVICES (AAET, L.P.)	99001	N/A	0	0
AMERICAN WATER SERVICES (Corp)	99002	N/A	1	20,175
	99016	N/A	1	47,075
AWW SERVICE COMPANY				
AWWS Corp	3	1	100	2,811,045
Belleville, IL Lab (R)	3	2	22	268,999
Western (L)	3	6	22	618,699
Northeast Region	3	10	4	121,050
Southeast Region	3	11	18	443,849
Central Region	3	13	93	2,024,221
Alton, IL Call Center	3	14	373	3,335,594
Shared Services	3	15	84	1,418,972
Pensacola Call Center	3	16	204	1,466,047
ITS	3	17	87	1,694,697
Procurement/Supply Chain	3	19	<u>23</u>	<u>464,024</u>
Total AWW Service Company			1,030	14,667,197
NEW JERSEY - AM	18	N/A	674	11,123,128

PENNSYLVANIA - AM	24	N/A	838	11,654,400	
EASTERN DIVISION					
INDIANA - AM	10	N/A	247	3,120,394	
KENTUCKY - AM	12	N/A	105	1,311,372	
LONG ISLAND	38	N/A	72	1,210,498	1.80%
MARYLAND - AM	13	N/A	6	73,975	
MICHIGAN - AM	16	N/A	7	80,700	
OHIO - AM	22	N/A	81	1,015,473	
TENNESSEE - AM	26	N/A	89	1,197,048	
VIRGINIA - AM	27	N/A	58	759,924	
VIRGINIA - AM - EASTERN DISTRICT	42	700	7	80,700	
WEST VIRGINIA - AM	28	N/A	<u>249</u>	<u>3,375,943</u>	
Total Eastern Division			921	12,226,027	
WESTERN DIVISION					
ARIZONA - AM	23	N/A	113	1,587,097	
CALIFORNIA - AM	5	N/A	187	3,093,494	
HAWAII	30	N/A	14	215,200	
ILLINOIS - AM	9	N/A	349	4,620,066	
IOWA - AM	11	N/A	50	652,324	
MISSOURI - AM	17	N/A	526	6,967,087	
NEW MEXICO - AM	19	N/A	22	248,825	
TEXAS	50	N/A	<u>10</u>	<u>94,150</u>	
Total Western Division			1,271	17,478,243	

TOTAL SYSTEM

4,738

\$67,249,870