

ORIGINAL

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

* * *

1 JOHN B. DOHERTY, :
2 :
3 :
4 vs. :
5 :
6 AQUA PENNSYLVANIA, INC., :DOCKET
7 :NO. 20065732

* * *

8 Pages 1 through 96 *MARCH 28, 2006 (WJD)*

9 State Office Building
10 Broad & Spring Garden Streets
11 13th Floor
12 Philadelphia, PA 19130

12 BEFORE:
13 Charles E. Rainey, Jr.,
14 Administrative Law Judge

14 APPEARANCES:

15 (Telephonically)
16 John B. Doherty
17 214 Lee Circle
18 Bryn Mawr, PA 19010

-- Pro Se

19 (Telephonically)
20 Frances P. Orth, Esquire
21 762 W. Lancaster Avenue
22 Bryn Mawr, PA 19010

-- Representing Aqua Pennsylvania, Inc.

* * *

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* * *

1
2 JUDGE RAINEY: Good morning,
3 my name is Charles Rainey, and I am
4 the Administrative Law Judge who is
5 assigned to this case, and this is
6 the case of John B. Doherty versus
7 Aqua Pennsylvania, Inc. at
8 C-20065732.

9 I note the appearances by
10 telephone of John B. Doherty, who is
11 appearing pro se, or on his own
12 behalf, and also the appearance of
13 Frances P. Orth, Esquire, who is
14 appearing on behalf of Aqua
15 Pennsylvania, Incorporated.

16 Mr. Doherty, as the
17 complainant in this case, and since
18 it's my understanding that you are
19 challenging existing rates, that you
20 have the burden of proving that you
21 are entitled to the relief that you
22 have requested.

23 The procedure we will follow
24 will be that you will first be given

1 an opportunity to present testimony
2 in regard to your complaint. Your
3 testimony will be subject to any
4 questions that I might have as well
5 as any questions that counsel for
6 Aqua Pennsylvania, Incorporated might
7 have. Aqua Pennsylvania,
8 Incorporated in turn will be given an
9 opportunity to put on a witness or
10 witnesses in its defense. The
11 testimony provided by Aqua
12 Pennsylvania's witness or witnesses,
13 likewise, will be subject to
14 cross-examination.

15 Mr. Doherty, do you have any
16 questions with regard to either your
17 burden of proof or the procedure that
18 we will follow this morning?

19 MR. DOHERTY: No, I don't.

20 JUDGE RAINEY: And I'm going
21 to ask you to continue to speak up.

22 MR. DOHERTY: I'll try.

23 JUDGE RAINEY: The court
24 reporter is shaking her head up and

1 down.

2 Mr. Doherty, let me swear you
3 in at this time.

4 * * *

5 JOHN B. DOHERTY,
6 after having been first duly sworn,
7 was examined and testified as
8 follows:

9 * * *

10 JUDGE RAINEY: I'm going to
11 ask you to provide your full name and
12 spell your last name.

13 MR. DOHERTY: John B. Doherty,
14 D-O-H-E-R-T-Y.

15 JUDGE RAINEY: And your
16 address?

17 MR. DOHERTY: 214 Lee Circle,
18 Bryn Mawr, PA, 19010.

19 JUDGE RAINEY: Mr. Doherty,
20 please provide testimony in regard to
21 your Complaint.

22 MR. DOHERTY: Okay. My
23 testimony was in my letter addressed
24 to the Commission.

1 JUDGE RAINEY: Let me just
2 state for the record that while we
3 were off the record, there were
4 certain documents that were marked
5 for identification. Those were
6 documents that were attached to Mr.
7 Doherty's Complaint, and so that we
8 have, then, Complainant Exhibit 1,
9 Complainant Exhibit 2, and
10 Complainant Exhibit 3, and I believe
11 at this time, Mr. Doherty, you were
12 referring to what was marked as
13 Complainant Exhibit Number 3; is that
14 correct?

15 MR. DOHERTY: That's correct.

16 JUDGE RAINEY: Why don't you
17 then explain for the record what
18 Complainant Exhibit 3 states.

19 MR. DOHERTY: It --

20 JUDGE RAINEY: Again, I'm
21 going to ask you to speak up as
22 loudly as you can. Get close to that
23 telephone and speak up as loudly as
24 you can.

1 MR. DOHERTY: Exhibit 3 has --
2 summarizes the complaint of four
3 items. Number one, all customers are
4 paying a monthly minimum charge no
5 matter how much water they use.

6 MS. ORTH: I'm sorry, Your
7 Honor, I can't hear anything.

8 JUDGE RAINEY: Mr. Doherty?

9 MR. DOHERTY: What I'm going
10 to do, I'm on one line and my wife on
11 the other. I'm going to switch
12 phones. It might give you better
13 reception. Hold on. Does this sound
14 any better?

15 JUDGE RAINEY: Can you hear,
16 Miss Orth?

17 MS. ORTH: Yes, Your Honor.

18 MR. DOHERTY: Exhibit 3 is my
19 letter of December 20th, and I
20 summarized the complaint in four
21 paragraphs. I guess each of you have
22 a copy of them. I can read them to
23 you or --

24 JUDGE RAINEY: You can

1 summarize that, Mr. Doherty, just so
2 that for the record we have a good
3 synopsis of the nature of your
4 complaint.

5 MR. DOHERTY: Okay. Well, all
6 customers of Aqua pay a monthly
7 minimum charge no matter how much
8 water they use, and an additional
9 DSIC charge of five percent is
10 calculated or added to the minimum
11 charge. And in item 3, I refer to a
12 schedule of billings which we have
13 assigned I believe as Exhibit Number
14 1. And in that Exhibit, I explain
15 that for the year 2005, I paid 120
16 dollars minimum charge, which was 22
17 percent of our total bill. And then
18 when you add the five percent DSIC
19 charge, the total comes out to a
20 revised 126 dollars, or 25.9 percent
21 of my total bill.

22 I did make a revision to the
23 caption based on information that
24 Miss Orth sent. I had a small math

1 error, and actually it created a --
2 it makes the minimum charge even
3 larger than what I said in the
4 original letter.

5 And then item 4, I said the
6 company's annual report for 2004
7 indicated they had 835 thousand
8 customers in Pennsylvania, and 57
9 percent of their revenues come from
10 customers in Pennsylvania. So a
11 quick calculation indicates
12 approximately 476 thousand consumers
13 in the State are paying this
14 questionable minimum charge.

15 And then I went on to say --
16 explain my understanding of utility
17 rate making, that you're entitled to
18 a recovery of your cost plus a
19 reasonable profit, a definition of a
20 minimum charge, the compensation of a
21 company when a customer did not use
22 -- or used very little water during a
23 billing period, for example, the
24 company would charge a minimum amount

1 to a customer who has a vacant
2 property or is away from home, and
3 that's the typical understanding of a
4 minimum charge.

5 So I'm asking the PUC to
6 grant relief from this minimum charge
7 to me and I guess to all the other
8 people that pay it. And I did point
9 out that I'm a shareholder of --

10 JUDGE RAINEY: We're losing
11 you just a bit. Keep that voice up,
12 Mr. Doherty.

13 MR. DOHERTY: At the end of
14 the letter, I point out that I'm a
15 shareholder of Aqua, and I'm
16 basically troubled with the concept
17 of assessing all customers with a
18 minimum charge on top of rates that
19 are based on the cost of the
20 company's investments plus a
21 reasonable profit. And the company's
22 market value has increased more than
23 11 percent in the calendar year 2005,
24 so they're not hurting. And this

1 idea of a minimum charge just needs
2 to be over and above what is normal
3 profit.

4 MS. ORTH: Your Honor, may I
5 ask Mr. Doherty, please, to repeat
6 that last sentence. He dropped off.

7 JUDGE RAINEY: Mr. Doherty.

8 MR. DOHERTY: Yes, I heard
9 that.

10 JUDGE RAINEY: Okay.

11 MR. DOHERTY: The company's
12 market value has increased more than
13 11 percent during the calendar year
14 2005, and I was pointing out that
15 that, in my mind, is more than an
16 adequate return on their investment.
17 I don't understand why they need this
18 extra ten dollars from 476 thousand
19 customers in the State of
20 Pennsylvania. And I did say that
21 both of us -- me and my wife have
22 called the water company, and their
23 representatives told us to contact
24 the PUC.

1 And I -- that's basically all
2 I have to say.

3 JUDGE RAINEY: Let me ask you
4 this, Mr. Doherty. I just want to be
5 clear with regard to the relief that
6 you're requesting in this case. Are
7 you requesting that you not be billed
8 the minimum charge at all, or are you
9 requesting that you not be billed the
10 minimum charge every month?

11 MR. DOHERTY: I'm requesting
12 that the minimum charge be done away
13 with and it only be treated as a true
14 minimum charge to people that don't
15 use water, and they would be
16 compensating the company for the
17 provision of service that they're not
18 accepting. So what I'm saying is --
19 requesting that the concept of a
20 minimum charge be strictly revised so
21 that people that -- only a few people
22 have to pay it, not everybody.

23 JUDGE RAINEY: So there will
24 be an elimination of the minimum

1 charge for households such as yours
2 which use water, and that it would
3 only apply in -- to those properties
4 that don't use water?

5 MR. DOHERTY: Right, or that
6 don't use an adequate amount of
7 water, what you would, I guess,
8 consider a normal amount of water.
9 They could -- the company could
10 establish what is a basic amount that
11 would require anything below that
12 people would have to pay a minimum
13 charge.

14 JUDGE RAINEY: Miss Orth, do
15 you have -- I'm sorry, Mr. Doherty,
16 you stated that your wife was also on
17 the telephone. Was she -- does she
18 have any testimony that she wanted to
19 provide as well, or is she just
20 listening in?

21 MR. DOHERTY: She's basically
22 listening in, but she's free to speak
23 up whenever she wants.

24 JUDGE RAINEY: I would need to

1 swear her in. So Miss Doherty, are
2 you there?

3 MRS. DOHERTY: Yes.

4 JUDGE RAINEY: Ms. Doherty,
5 did you have any testimony that you
6 wanted to provide in this case?

7 MRS. DOHERTY: I'm backing up
8 my husband --

9 JUDGE RAINEY: You don't have
10 anything additional that you wanted
11 to add, because I would need to swear
12 you in, that's why I'm asking.

13 MR. DOHERTY: Why don't you
14 swear her in just in case.

15 JUDGE RAINEY: All right.
16 Miss Doherty, is that okay with you?

17 MRS. DOHERTY: Fine.

18 * * *

19 MARGARET DOHERTY,
20 after having been first duly sworn,
21 was examined and testified as
22 follows:

23 * * *

24 JUDGE RAINEY: What is your

1 full name?

2 MRS. DOHERTY: Margaret M.
3 Doherty, D-O-H-E-R-T-Y.

4 JUDGE RAINEY: And what is
5 your address?

6 MRS. DOHERTY: 214 Lee Circle,
7 Bryn Mawr, Pennsylvania, 19010.

8 JUDGE RAINEY: Go ahead with
9 your testimony.

10 MRS. DOHERTY: I guess I was
11 the one who first brought it up that
12 a minimum charge to me is something
13 where you are charged a minimum
14 charge for something that you haven't
15 used the complete amount of. If you
16 buy something and they say you have
17 to spend 25 dollars or -- and you
18 only spend 9, they're going to charge
19 you the difference or they're going
20 to tack on the difference with the 9
21 dollars to bring it up to 25.

22 I guess we just don't
23 understand why everyone in
24 Pennsylvania is being charged this

1 ten dollar minimum charge when you're
2 already paying for the water and then
3 -- and it's as if you're not --
4 they're saying, hey, you're not using
5 enough water, so we're charging
6 everybody ten dollars extra. I guess
7 that's all I have to say right now.

8 JUDGE RAINEY: Okay. Miss --

9 MRS. DOHERTY: I'm sorry,
10 could I just add one thing?

11 JUDGE RAINEY: Go ahead.

12 MRS. DOHERTY: At a time when
13 everybody is trying to conserve
14 water, you're also trying to be
15 frugal. And when people just tack on
16 an additional ten dollars, you're
17 thinking, why am I trying so hard?

18 JUDGE RAINEY: Okay. Thank
19 you, Ms. Doherty.

20 Miss Orth, did you have any
21 questions for either Mr. or Mrs.
22 Doherty?

23 MS. ORTH: Yes, Your Honor,
24 I'd like to direct my questions to

1 Mr. Doherty, if I may.

2 JUDGE RAINEY: That's fine.

3 Mr. Doherty, these questions are for
4 you. Go ahead, Miss Orth.

5 * * *

6 CROSS-EXAMINATION

7 * * *

8 BY MS. ORTH:

9 Q. Good morning, Mr. Doherty.

10 A. Good morning.

11 Q. Sir, in your direct testimony, you
12 indicated some figures with regard to the
13 company, and I believe you said that there
14 are 835 thousand customers for the company.

15 A. Yes, I did.

16 Q. And where did you obtain that figure,
17 sir?

18 A. That's on -- it's on your --
19 in your annual report on page 2, there's a
20 chart there. It says --

21 Q. With regard to the annual report,
22 what company are you referring to?

23 A. Aqua America.

24 Q. You do understand that the water

1 utility that services you is Aqua
2 Pennsylvania?

3 A. I do, and they're 100 percent
4 owned by Aqua America.

5 Q. Do you understand that Aqua
6 Pennsylvania is a subsidiary of Aqua
7 America?

8 A. Yes, I do.

9 Q. So you do understand that they are
10 two different companies?

11 A. I disagree with that.

12 Q. On what basis do you disagree that
13 Aqua Pennsylvania is a different company
14 than Aqua America?

15 A. It's 100 percent owned by Aqua
16 America.

17 Q. That's your basis, sir?

18 A. Yes, it is.

19 Q. Okay. With regard to the figures,
20 then, that you provided today, are they the
21 figures that you obtained from the Aqua
22 America annual report?

23 A. Yes.

24 Q. And that's the annual report from

1 2004?

2 A. That's correct.

3 Q. Okay. With regard to the definition
4 of the minimum charge, I believe that you
5 testified that your common knowledge of the
6 minimum charge is the definition you've
7 provided today; is that correct?

8 A. Yes, it is.

9 Q. And what is the basis for the common
10 knowledge? Where did you find that
11 definition?

12 A. I researched the term minimum
13 charge, and I came across a website called
14 teachmefinance.com.

15 Q. Okay.

16 A. And their definition of a
17 minimum charge is the lowest amount that
18 will be charged regardless of the amount of
19 service rendered.

20 Q. And, sir, did you look at the
21 definition within Aqua's tariff?

22 A. Yes, I did.

23 Q. Is that the same definition?

24 A. No.

1 Q. All right. With regard to your --
2 your testimony today, you've also testified
3 with regard to being here today on behalf of
4 customers other than yourself and your
5 wife. What is your basis for that? Have
6 you been -- have you been provided some kind
7 of legal authority to do that, sir?

8 A. No, I haven't.

9 Q. So you're not really here on behalf
10 of anyone legally, your testimony is for
11 yourself and your wife?

12 A. It's for myself and my wife
13 and, of course, Judge Rainey, who represents
14 the people of Pennsylvania as a judge of the
15 Public Utility Commission.

16 MS. ORTH: Your Honor, can you
17 respond to that, please.

18 JUDGE RAINEY: Let me just say
19 that I'm here as the person to
20 adjudicate this particular dispute,
21 Mr. Doherty, and not here in any
22 representative capacity.

23 MR. DOHERTY: Okay. Well, the
24 Public Utility Commission does

1 represent the people of Pennsylvania,
2 am I correct?

3 JUDGE RAINEY: Well, the
4 Pennsylvania Public Utility
5 Commission has oversight or
6 regulatory authority with regard to
7 the public utilities in the State.

8 MR. DOHERTY: That's correct.
9 I agree with that.

10 JUDGE RAINEY: Okay.

11 MS. ORTH: Your Honor, at this
12 point, then, I would end my cross of
13 Mr. Doherty, but I will want to make
14 a motion on that latter issue.

15 JUDGE RAINEY: On what issue
16 was that, Miss Orth?

17 MS. ORTH: On the issue that
18 he has provided testimony today
19 purportedly on behalf of others than
20 himself and his wife, in other words,
21 that he doesn't have the authority or
22 the standing to do that, and I would
23 move to strike that kind of
24 testimony.

1 JUDGE RAINEY: Okay. Well --
2 all right. In terms of you would
3 want the testimony limited to his
4 representation of himself and his
5 wife?

6 MS. ORTH: That's correct.

7 MR. DOHERTY: I understand
8 what you're saying. It's a very
9 legalistic approach. I doubt if all
10 835 thousand Pennsylvania customers
11 would be able to talk to you in a
12 reasonable way on this issue.

13 JUDGE RAINEY: And certainly,
14 Miss Orth, you can make any motion
15 that you would want to make in this
16 particular case. If, in fact, Mr.
17 Doherty were able to get the type of
18 relief which he is requesting in his
19 case, certainly it would then impact
20 more persons than just himself and
21 his wife.

22 But in any event, again, Miss
23 Orth, you are certainly welcome to
24 make any motions that you want to

1 make.

2 Let me just ask Mr. Doherty
3 this. We referred to your exhibits
4 in this case,

5 and you gave us some
6 description of Complainant Exhibit 1
7 and also Complainant Exhibit 3, but I
8 don't know whether you addressed what
9 was marked as Complainant Exhibit 2
10 at all. Do you want to do that now?

11 MR. DOHERTY: Exhibit 2 I
12 believe was just our -- one water
13 bill, and on there it does show a
14 minimum charge of ten dollars and,
15 you know, the fact that our regular
16 water usage bill was only 43 -- 33
17 dollars, and ten dollars in addition
18 to that was the minimum charge. And
19 then the DSIC charge is calculated on
20 the total 43 dollars, which points
21 out that a large percent of the
22 monthly water bill is this ten dollar
23 questionable minimum charge.

24 JUDGE RAINEY: And that DSIC

1 charge, that's the distribution
2 system improvement charge; is that
3 correct?

4 MR. DOHERTY: Right. From
5 what I can tell, the ten dollar
6 minimum charge is based on that as
7 well as the water use.

8 JUDGE RAINEY: Let's, at this
9 time, before we start to take
10 testimony from Aqua Pennsylvania's
11 witness or witnesses, address
12 Complainant Exhibits 1, 2 and 3.

13 Miss Orth, do you have any
14 objection to the admission into
15 evidence of Complainant Exhibits 1, 2
16 and 3?

17 MS. ORTH: Your Honor, with
18 regard to Exhibit 1, with the change
19 that Mr. Doherty has made to that
20 Exhibit, I don't have any objection
21 to that Exhibit.

22 JUDGE RAINEY: So that would
23 be admitted into evidence.

24 MS. ORTH: With regard to

1 Exhibit 2, I don't have any objection
2 to that Exhibit.

3 JUDGE RAINEY: Exhibit Number
4 2 will be admitted into evidence.

5 MS. ORTH: And with regard to
6 Exhibit 3, in light of the fact that
7 Mr. Doherty testified, I would object
8 to this Exhibit going into evidence.
9 It does contain information that's
10 already provided in his testimony.

11 JUDGE RAINEY: You mean that
12 it's duplicative?

13 MS. ORTH: It's duplicative,
14 and -- it's duplicative, and it -- it
15 references a support for -- for
16 people who are not in the case, in
17 other words, for the rest of the
18 customer base, on which he doesn't
19 have standing.

20 JUDGE RAINEY: What parts of
21 the letter in particular, or are you
22 saying the entire letter represents
23 his representing persons other than
24 himself and his wife?

1 MS. ORTH: If you'll give me a
2 moment, Your Honor.

3 JUDGE RAINEY: Yes.

4 MS. ORTH: Your Honor, I don't
5 see that specifically in here, but
6 what I do see is testimony with
7 regard to Aqua America, so I would
8 move to strike anything with regard
9 to Aqua America that's in this
10 document.

11 JUDGE RAINEY: Now, you did
12 refer in your cross-examination of
13 Mr. Doherty to a figure that he gave,
14 and I think it's in regard to point
15 number 4.

16 MS. ORTH: Your Honor,
17 throughout this document there's
18 references to both Aqua America as
19 well as to different percentages, and
20 I'm not sure he's qualified to give
21 that kind of information. That's why
22 I initially said in light of his
23 testimony, I'm not sure if this
24 document itself is necessary. I

1 would direct you, for example, to
2 page 2.

3 JUDGE RAINEY: Yes.

4 MS. ORTH: Where he talks
5 about the rate of inflation,
6 increased percentages, et cetera. I
7 mean, that information, first of all,
8 is not -- is not something that he
9 would necessarily have the expertise
10 to provide, and again, some of the
11 information is based on Aqua America,
12 the parent company. This is not the
13 company at issue in this case.

14 MR. DOHERTY: Your Honor, I
15 would like to make a comment here.

16 JUDGE RAINEY: Why don't you
17 respond, Mr. Doherty.

18 MR. DOHERTY: On page 2 in
19 paragraph 1, one number I quote is
20 the 14.4 percent increase that
21 they're attempting to get. I got
22 that off of a letter that --

23 JUDGE RAINEY: Keep that voice
24 up, Mr. Doherty.

1 MR. DOHERTY: I got that off a
2 letter that came from Aqua
3 Pennsylvania. It was called a notice
4 of proposed rate changes.

5 MS. ORTH: For what year, Mr.
6 Doherty?

7 MR. DOHERTY: The letter, it
8 said, on November 18th, 2005, Aqua
9 Pennsylvania is filing a request with
10 the Public Utility Commission to
11 increase your water rates as of
12 January 18th, 2006. In this letter
13 they gave a typical increase for
14 residential customer, which will be 5
15 dollars and 44 cents. That comes out
16 to a 14.4 percent increase. That is
17 a fact.

18 MS. ORTH: Your Honor, I would
19 object to that in light of the fact
20 that that is not part of this case,
21 that's part of a different rate case
22 that's pending before the Public
23 Utility Commission currently under a
24 different docket number.

1 JUDGE RAINEY: Mr. Doherty?

2 MR. DOHERTY: Yes.

3 JUDGE RAINEY: This case is
4 limited to the existing rates of Aqua
5 Pennsylvania, Incorporated, and to
6 the extent that you have any
7 challenge or any protest in regard to
8 their proposed rate increase, then
9 you would need to file a complaint in
10 that case.

11 MR. DOHERTY: Okay.

12 JUDGE RAINEY: Okay.

13 MR. DOHERTY: Will they have a
14 minimum charge in that case or are
15 they doing away with the minimum
16 charge?

17 JUDGE RAINEY: Well, I don't
18 have their rate proposal before me.
19 Miss Orth, do you want to respond to
20 that?

21 MS. ORTH: I can, Your Honor.
22 Mr. Griffin can respond to it
23 specifically, but I do believe the
24 minimum charge will be continued,

1 yes.

2 JUDGE RAINEY: Okay. So --

3 MR. DOHERTY: So that's the
4 issue we're talking about.

5 JUDGE RAINEY: Okay, we're
6 talking about that issue, but -- but
7 we're talking about the existing rate
8 in this case as opposed to the
9 proposed rate in what is presently
10 before the Commission for
11 consideration in terms of the rate
12 increase proposal of Aqua
13 Pennsylvania, Incorporated. So that
14 -- to the extent that you have any
15 protests against that proposed rate
16 increase, you would need to file a
17 complaint in that particular rate
18 docket.

19 MR. DOHERTY: Okay. I'll
20 consider that.

21 JUDGE RAINEY: So this case is
22 limited, then, to the existing rates
23 of Aqua Pennsylvania, Incorporated.

24 That having been said, I'm

1 going to allow for the admission into
2 evidence of Complainant Exhibit
3 Number 3 with the understanding that,
4 Mr. Doherty, you do not have
5 representative authority over any
6 household other than your own, and
7 that this case is limited to Aqua
8 Pennsylvania, Incorporated, and that
9 it is limited to the existing rates
10 of Aqua Pennsylvania, Incorporated,
11 and in particular regarding your
12 Complaint, which is to the minimum
13 charge. Okay. All right.

14 So we have addressed that.

15 Before we take the testimony,
16 then, of Aqua Pennsylvania,
17 Incorporated's witness or witnesses,
18 is there anything that you wanted to
19 add to your testimony at this time,
20 Mr. Doherty?

21 MR. DOHERTY: No.

22 JUDGE RAINEY: Okay. Miss
23 Orth, do you have a witness?

24 MS. ORTH: Yes, Your Honor, I

1 would like to have Robert Griffin
2 testify, please.

3 JUDGE RAINEY: Mr. Griffin,
4 let me swear you in.

5 * * *

6 ROBERT GRIFFIN,
7 after having been first duly sworn,
8 was examined and testified as
9 follows:

10 * * *

11 JUDGE RAINEY: Please provide
12 your full name and spell your last
13 name.

14 THE WITNESS: My name is
15 Robert Griffin, G-R-I-F-F-I-N.

16 JUDGE RAINEY: Mr. Griffin, by
17 whom are you employed?

18 THE WITNESS: I'm employed by
19 Aqua Pennsylvania, Incorporated.

20 JUDGE RAINEY: What is your
21 business title?

22 THE WITNESS: My business
23 title is manager of regulatory
24 accounting.

1 JUDGE RAINEY: What is your
2 business address?

3 THE WITNESS: Business address
4 is 762 Lancaster Avenue, Bryn Mawr,
5 Pennsylvania, 19010.

6 JUDGE RAINEY: Please proceed,
7 Miss Orth.

8 * * *

9 DIRECT EXAMINATION

10 * * *

11 BY MS. ORTH:

12 Q. Mr. Griffin, can you please describe
13 your education and business experience.

14 A. Yes, I have a BS degree in
15 accounting from Villanova University and an
16 MBA in managerial accounting from what is
17 now called Philadelphia University,
18 Philadelphia College of Textiles and Science
19 when I received my degree.

20 I have 38 years of experience,
21 39 years will be -- will have completed 39
22 years in May of this year. I worked in the
23 accounting department for Aqua Pennsylvania,
24 Incorporated, and for most of my 39 years

1 I've worked for the accounting department.
2 I'm currently a member of the Rates and
3 Revenue Committee of the National
4 Association of Water Companies, and I was a
5 former member of the Accounting Committee of
6 that same organization.

7 Q. With regard to your responsibilities
8 at Aqua, can you describe them, please.

9 A. Yes, among my other duties,
10 I'm responsible for the preparation and
11 filing of Pennsylvania tariffs and
12 Pennsylvania rate filings, and I'm the
13 principal witness, the accounting witness,
14 for cases like this and also rate cases.

15 Q. Are you familiar with Aqua
16 Pennsylvania's tariff rates as part of your
17 duties and responsibilities as manager of
18 regulatory accounting?

19 A. Yes, I'm the preparer of the
20 tariffs, and I'm also the filer of those
21 tariffs.

22 Q. Are you familiar with the rates for
23 the main division of Aqua Pennsylvania?

24 A. Yes, I am.

1 Q. And does the main division include
2 the location of Lee Circle in Bryn Mawr,
3 Pennsylvania, where the complainant's
4 property is located?

5 A. Yes, it does.

6 Q. Mr. Griffin, in your capacity as
7 manager of regulatory accounting, are you
8 familiar with the claim raised by Mr. and
9 Mrs. Doherty in this case?

10 A. Yes, very much. I listened to
11 Mr. and Mrs. Doherty's complaints, and I
12 understand that their complaint has to do
13 with the minimum charge of Aqua Pennsylvania
14 as well as the distribution system
15 improvement charge known as DSIC.

16 Q. And those charges, the minimum charge
17 and the distribution system improvement
18 charge, were they approved by the
19 Pennsylvania Public Utility Commission?

20 A. Yes, they were.

21 Q. Is Aqua permitted to simply raise its
22 rates at any time at its own discretion?

23 A. No. Aqua Pennsylvania,
24 Incorporated is a regulated utility, and we

1 must seek the Pennsylvania Public Utility
2 Commission's approval to raise rates. In
3 addition to that, we have requirements to
4 file quarterly and annual reports.

5 Q. Can you explain the rate process when
6 Aqua seeks an increase from the Public
7 Utility Commission.

8 A. Yes, because Aqua Pennsylvania
9 is regulated by the Pennsylvania Public
10 Utility Commission, there are requirements
11 that we must go through for base rate
12 filings.

13 Q. And what is a base rate filing?

14 A. A base rate filing is when we
15 seek an increase or a decrease in the base
16 water rates. And the base water rates are
17 two, minimum charge and the consumption
18 charge. Those two charges are known as the
19 base rates. And when the company, Aqua
20 Pennsylvania, Incorporated, seeks to change
21 its base rates, minimum charge and
22 consumption charge, we file a rate filing
23 with the Commission. It's quite -- quite an
24 undertaking. It's a complete box of

1 filing. It includes a cost of service
2 study. It includes tariff. It includes
3 accounting and engineering information that
4 would allow the Commission and any active
5 party to understand the case and to look
6 into any aspect of the case.

7 The tariff that the company
8 files with the rate filing is effective upon
9 60 days notice unless the Office of Trial
10 Staff or some other active party, for
11 example, the Office of Consumer Advocates,
12 if they file a formal complaint against the
13 filing, then the Commission has an
14 additional seven months to make a decision.

15 The 60 day of the tariff plus
16 the seven months means that there's really
17 nine months from the time the company files
18 the case or, for example, for a discovery to
19 be raised, for the company to answer the
20 discovery for opposing parties, the active
21 parties to file testimony for, the company
22 to file rebuttal testimony and so on, until
23 you get to the cross-examination hearings,
24 when myself and other company witnesses as

1 well as the opposing party witnesses are
2 cross-examined by the attorneys, the other
3 attorneys.

4 Following that, there's
5 briefs. The Judge will file -- issue a
6 recommended decision towards the end of the
7 case. The Commission, probably 30 to 60
8 days after a recommended decision, will
9 issue an order. That's really the process
10 of rate making.

11 In this case we've gone
12 through that entire process, and it was a
13 fully litigated case. The case I'm
14 referring to is the 2003 rate filing that
15 was approved in August of 2004. That's the
16 case in which the ten dollar minimum charge
17 was approved by the Commission.

18 Q. And that's the ten dollar minimum
19 charge that the Dohertys are disputing
20 today?

21 A. Correct.

22 Q. Does the PUC require that Aqua notify
23 its customers of a proposed rate increase?

24 A. Yes. Aqua and all class A

1 public utilities subject to the Pennsylvania
2 Public Utility Commission's jurisdiction
3 really have two alternatives to notify its
4 customers.

5 MR. DOHERTY: Can I
6 interrupt?

7 JUDGE RAINEY: Mr. Doherty,
8 what's the matter?

9 MR. DOHERTY: Nothing is the
10 matter. I just wanted to point out
11 --

12 JUDGE RAINEY: I'll tell you
13 what to do. Why don't you keep hold
14 of your questions. You might want to
15 write them down. You'll have an
16 opportunity to ask questions of Mr.
17 Griffin after he has completed his
18 direct examination.

19 MR. DOHERTY: Okay. Fine.

20 JUDGE RAINEY: All right.
21 Let's see, where were we -- were you
22 answering a question, Mr. Griffin, or
23 were you asking a question, Miss
24 Orth?

1 THE WITNESS: Your Honor, I
2 was answering a question about the
3 notification process to customers and
4 rate filings, and I was saying that
5 there's two alternatives the company
6 has. It really -- it's dependent
7 whether the company has -- bills all
8 of their customers on monthly billing
9 or not, because at the time of the
10 rate filing, if the company bills its
11 customers all monthly, it has an
12 alternative to file -- send the
13 notification to customers in a bill
14 stuffer. It's the next bill that
15 goes out to those customers.

16 At the time of the 2003 rate
17 filing, Aqua Pennsylvania was not
18 billing all of its customers on a
19 monthly basis, so we did not have
20 that alternative. So as a result we
21 mailed as a separate stand alone
22 letter notice to every customer of
23 the rate increase.

24 BY MS. ORTH:

1 Q. And if the Dohertys were a customer
2 in Aqua Pennsylvania's service area in
3 August of -- or, I'm sorry, in 2003 when the
4 notices went out, would a notice have been
5 sent to their service property?

6 A. Yes, it would.

7 Q. Okay.

8 MS. ORTH: Your Honor, I now
9 intend to refer to the exhibits that
10 were previously marked and you
11 described. I'm going to direct Mr.
12 Griffin to Exhibit Number 1.

13 JUDGE RAINEY: Thank you.

14 BY MS. ORTH:

15 Q. Mr. Griffin, with regard to Exhibit
16 Number 1, are you familiar with this
17 document?

18 A. Yes. This is the notice that
19 I was referring to just a minute ago that
20 was sent as a letter to all of our main
21 division customers in November of 2003.

22 Q. And with regard to that notice, you
23 had indicated already that it was sent by a
24 separate mailing.

1 Do you believe this notice
2 would have been sent to Mr. Doherty as well?

3 A. Yes. Mr. Doherty is part of
4 the main division, and I believe he was a
5 customer in 2003 when the notice was sent,
6 so, yes.

7 Q. Referring you to that Exhibit Number
8 1, can you generally go through the
9 information provided in the Exhibit from the
10 beginning to the end.

11 A. Yes, I'll take it by
12 paragraph. First of all, this notice is
13 sent only to our main division customers,
14 which main division customers are the
15 majority of the customers that Aqua
16 Pennsylvania serves in Pennsylvania.

17 The first paragraph states the
18 date of the filing and the fact that the
19 Commission has 60 days to file a complaint
20 in the case, and if no complaint is filed,
21 then the water rates, based on the company's
22 request, would be effective on January 14th,
23 2004. The Commission, through its Office of
24 Trial Staff, did object to this case, and so

1 a full investigation was underway until
2 August 14th, 2004. And that information is
3 provided in the first paragraph.

4 Q. And if I may interrupt you, Mr.
5 Griffin. For the record, I see the name of
6 Pennsylvania Suburban Water Company
7 mentioned in that paragraph. Can you
8 indicate what that means or how that name
9 relates to Aqua Pennsylvania, Inc.?

10 A. Yes, Pennsylvania Suburban
11 Water Company was the former name of Aqua
12 Pennsylvania, Inc. It's the same company.
13 The company changed its name I believe in
14 2004, January 2004, but it's really the same
15 company.

16 Q. It is the same company?

17 A. Yes.

18 Q. I'm sorry, I think you were moving on
19 to paragraph 2.

20 A. Okay, paragraph 2, that starts
21 with the heading Rate Request, is
22 information regarding the rate filing, the
23 fact that the rate filing is mostly capital
24 driven and that there's reasons why water

1 utilities have to spend a lot of capital
2 dollars. All that information is contained
3 in paragraph 2, including some of the
4 capital that was -- that was upgraded in the
5 time between the last case and this case.

6 Q. And can you describe some of that
7 capital for the record, please.

8 A. Well, yes, it says that
9 there's a total of 192 million of capital
10 that was spent between the last case and
11 this case, and it talks about in the main
12 division that there were upgrades to
13 treatment plants, wells, booster stations,
14 replacement of aging pipes, et cetera.

15 Q. Okay.

16 A. Then the next paragraph talks
17 about comparison of rates, the current
18 monthly bill versus the proposed monthly
19 bill under the rate filing. It breaks it
20 down by customer class. Following that we
21 refer to the fact that the -- all this
22 information is provided in the company's
23 tariff supplement 30, the water PA PUC 1.
24 It was filed with the Commission. It's also

1 on our website for customers to look at.

2 It also indicates there that
3 any rate material at all can be reviewed by
4 customers at our office in Bryn Mawr. And
5 in addition to that, there's a statement of
6 reasons, which is a plain language version
7 of a document that explains the reasons for
8 the increase. And this statement of reasons
9 is also on the website, at least it was at
10 the pendency of the rate case, and we also
11 had copies to mail out upon customer
12 request.

13 The next paragraph talks about
14 the PUC's role in the rate increase process,
15 the rate filing process, and then probably
16 the most important part of the notice,
17 actions you can take. There are a number of
18 actions you can take through the rate
19 process. Like, for example, you can send a
20 letter to the Commission. You could go to
21 the -- you know, one of the four public
22 input sessions that were held in the 2003
23 rate case. You could testify under oath,
24 and that testimony would be looked at by the

1 Judge. And you could be a party to the case
2 by filing a formal complaint. That's the
3 information that's included in the notice.

4 Q. With regard to this particular case
5 that was filed in 2003, can you describe the
6 other parties who you indicated did
7 participate in the case?

8 A. Yes. Well, the Commission's
9 Office of Trial Staff participated in the
10 case, as well as the Office of Consumer
11 Advocates, Office of Small Business
12 Advocates, and some other large user
13 customers also participated in the case.

14 Q. And you previously indicated that
15 this particular rate increase became
16 effective in August of 2004. Do you know
17 the specific date for the effective date of
18 that rate increase?

19 A. Yes, that was August 5th,
20 2004.

21 Q. Mr. Griffin, I'd like to refer you
22 now to Exhibit 2. Do you have that
23 document?

24 A. Yes.

1 Q. Can you identify Exhibit 2, please.

2 A. Yes, Exhibit 2 is a tariff
3 page, and a tariff page means -- a tariff is
4 a public utility's rates and rules and
5 regulations. A tariff is filed with the
6 Commission, and when the Commission approves
7 the tariff, then the utility can charge
8 these rates to customers.

9 This particular tariff noted
10 at the top as supplement 44 is called a
11 compliance tariff, because this tariff was
12 filed in compliance with the Commission's
13 rate order that was issued on August 4th,
14 2004. And it stated that the company upon
15 one day's notice could file for the higher
16 rates. And the compliance tariff not only
17 is a tariff, but what's also contained in
18 that tariff are proof of revenue, proof that
19 these rates will not exceed what the
20 Commission has told the company it could
21 raise rates by. That's what this page is.

22 Q. So, now, referring you to the center
23 of the page, which has schedule of rates
24 meter service, can you describe the first

1 box, please, and how it would relate to the
2 Dohertys.

3 A. Yes. And before I do that, I
4 could certainly describe the box, but I
5 think it would be helpful if I -- if I
6 explained to everybody listening this
7 minimum charge and how it -- how it is part
8 of the rate case.

9 When I mentioned before that
10 the company has base rates, a minimum charge
11 and a consumption charge in its cost of
12 service study, that cost of service study is
13 based on what's called a base extra capacity
14 method, and that's the Commission approved
15 method for class A water utilities in the
16 State of Pennsylvania. The base extra
17 capacity method takes costs of the company
18 and breaks them down into various
19 components. There's costs related to fire
20 protection. There's costs related to
21 maximum hour and maximum day use. And based
22 on those costs, the cost of service study
23 takes those costs, puts them into buckets,
24 and those costs are recovered either through

1 a minimum charge or through a consumption
2 charge, one or the other.

3 The fire protection costs
4 naturally are recovered through fire rates,
5 but all other costs are recovered through
6 minimum charge and consumption charge.

7 Now, not all costs are
8 recovered through consumption charges.
9 Quite a number of costs are covered through
10 a minimum charge. Now, if the company in
11 its cost of service study did not have a
12 minimum charge, then on average the
13 consumption charge would be ten dollars
14 higher a month for customers, because those
15 costs then that are recovered through the
16 minimum charge would have to be recovered
17 through the consumption charge. It's not
18 so. We actually recover some of our costs
19 through minimum charge and some of our costs
20 through consumption charge. I'm sorry that
21 the terminology confuses some customers, and
22 I apologize for that.

23 There is a language in our
24 tariff that does describe the terminology,

1 but if customers don't want to use that,
2 there's not much I can do. But what I can
3 tell you is the type of costs that are
4 recovered in the minimum charge and not
5 recovered in consumption charge.

6 Q. So they are exclusive of each other?

7 A. They are. They're exclusive.
8 There's definite costs that are recovered in
9 minimum charge and definite costs covered in
10 consumption charge. And the costs recovered
11 in the minimum charge are the turn on and
12 the return of meters and services. And what
13 that means is that the capital costs of
14 meters and services that the company has
15 incurred over a lot of years, the Commission
16 allows the company to earn a return on it.
17 Now, the return of that customer is
18 depreciation expense. So the combination of
19 the return that the Commission allows on
20 that capital plus the depreciation expense,
21 that's recovered in a minimum charge.

22 In addition to that, the
23 operating expenses for billing and
24 collecting and meter reading are also

1 recovered in the minimum charge only. And
2 there is one other cost component that's
3 recovered in minimum charge only, and that
4 is the unrecovered public fire protection
5 cost. In Pennsylvania, there is a law that
6 says the public utilities cannot charge
7 townships and municipalities more than 25
8 percent of their cost of service. They pay
9 that cost, and the rest of the cost is paid
10 for by residential customers through the
11 minimum charge.

12 As a backdrop, I wanted to
13 provide that information to everybody.
14 That's kind of technical, but it -- it goes
15 to the heart of the problem.

16 But now I'd like to explain
17 the tariff, Exhibit 2.

18 Q. The first box labeled customer
19 charge?

20 A. Right. That first box,
21 customer charge, is the charge to customers
22 to recover the costs that I had mentioned.
23 And it's broken down between monthly,
24 bimonthly and quarterly. Now, if a customer

1 is billed monthly -- Mr. and Mrs. Doherty I
2 believe have a five-eighths-inch meter.
3 Their charge would be ten dollars a month.
4 The previous charge before this rate
5 increase was 8 dollars and 75 cents a month.
6 So there was an increase.

7 JUDGE RAINEY: Mr. Griffin, I
8 just want to be clear. So you're
9 using the term minimum charge and
10 customer charge synonymously?

11 THE WITNESS: I'm sorry, Your
12 Honor. No, I should be more explicit
13 than that.

14 When you go to the company's
15 tariff, they're not the same at all.
16 The customer charge is a charge --
17 and that's what the tariff says,
18 customer charge. That's where we
19 charge -- we have no minimum
20 allowance. And customers only pay
21 for those costs that I referred to
22 previously.

23 A minimum charge is areas that
24 we take over that already have a

1 minimum charge. And because of rate
2 shock, we cannot bring them
3 immediately to a customer charge. So
4 over time, we reduce their minimum
5 allowance, but in that time period,
6 the rate equilization period, they
7 will have a minimum charge. So
8 that's why the company has both a
9 minimum charge and a customer
10 charge.

11 And I should also add that Mr.
12 Doherty's Exhibit 2 -- this probably
13 adds to the confusion -- that the
14 company in their billing refers to
15 customer charge as a minimum charge.
16 And we are going to change this in
17 the future, but this probably added
18 to the problem. Mr. Doherty saw the
19 word minimum charge and didn't
20 realize that it was actually a
21 customer charge.

22 MS. ORTH: Does that answer
23 your question, Your Honor?

24 MR. DOHERTY: I'm the

1 customer --

2 JUDGE RAINEY: Mr. Doherty,
3 you'll have an opportunity to ask
4 your questions. I'm just exercising
5 my Judge's prerogative to ask
6 questions and interject at this
7 point. But you'll be given a
8 specific time period to ask your
9 questions, so if you could just hold
10 off on that right now.

11 So I just want to be clear,
12 then, Mr. Griffin, so actually what
13 you're saying is that Mr. Doherty's
14 problem actually is with the customer
15 charge and not with the minimum
16 charge?

17 THE WITNESS: That's correct,
18 Your Honor.

19 JUDGE RAINEY: Okay. And so
20 you're going to give us a definition
21 of the customer charge and how that
22 customer charge is calculated, I'm
23 hoping.

24 THE WITNESS: Yes, Your

1 Honor. In Exhibit 3, I can give you
2 that definition.

3 JUDGE RAINEY: All right.

4 THE WITNESS: On Aqua Exhibit
5 3, which at the top of the page says
6 Supplement Number 44, this is -- as I
7 mentioned before, the -- the
8 company's tariff is not only the
9 rules -- the rates of the company,
10 but it's also the rules and
11 regulations of the company. And on
12 August 5th, 2004, the same date that
13 we filed the tariff for the rate
14 increase, we filed this rule, rule
15 number 33 at the top of the page,
16 where we clearly break out the
17 definition of the minimum charge from
18 the customer charge.

19 Now, the minimum charge says
20 that there's also a minimum allowance
21 and that customers will be subject to
22 a fixed minimum charge in accordance
23 with the rates. And there's certain
24 quantities of water that will be

1 allowed without any additional
2 charge. This is not the case of the
3 Dohertys, because the main division
4 does not have a minimum charge, it
5 has a customer charge. But that is
6 the definition of a minimum charge,
7 nonetheless.

8 Now, the definition of the
9 customer charge is also included
10 in --

11 JUDGE RAINEY: Why don't you
12 do this, Mr. Griffin. So with regard
13 to properties or -- in those areas
14 where a minimum charge is provided,
15 give us an example.

16 THE WITNESS: Yes, for
17 example, in Bristol Division, Bristol
18 Division still has a minimum charge,
19 because when we took over that water
20 operation, their minimum charge was
21 enormous, and we could not bring them
22 down to zero in any one or two rate
23 cases. So over time, we're lowering
24 their minimum allowance. And until

1 their minimum allowance is completely
2 eliminated, they will have a minimum
3 charge. And the company does not
4 like minimum charges, minimum
5 allowances, because it does not send
6 the proper pricing signal for
7 conservation. So that's why the
8 company is working with the
9 Commission to eliminate all minimum
10 allowances and minimum charges. But
11 nonetheless, at any point in time,
12 there are some.

13 JUDGE RAINEY: Why don't you
14 do this again, Mr. Griffin, just so
15 that we're clear on what you're
16 talking about when you talk about a
17 minimum allowance. Is that a -- is
18 that an amount in which customers are
19 allowed in terms of usage of water
20 and how then in terms of rates does
21 that -- does that work?

22 THE WITNESS: Your Honor, a
23 minimum charge and a minimum
24 allowance would be -- the allowance

1 would be the first consumption per
2 month that a customer would use. For
3 example, if a customer uses 5
4 thousand gallons a month, and if the
5 minimum allowance were 2000 gallons,
6 then for the first 2000 gallons every
7 month the customer would only have to
8 pay the minimum charge. There would
9 be no other biometric rate assigned
10 to that. The biometric rate would be
11 for water used in excess of 2,000
12 gallons per month in that example.

13 JUDGE RAINEY: So is that then
14 -- is that a flat charge from -- from
15 zero to 2,000 gallons for the month?

16 THE WITNESS: That's correct,
17 Your Honor. So it doesn't matter if
18 you use 500 gallons or 2,000. When
19 you have a minimum allowance, you
20 would pay the minimum charge no
21 matter if you used the entire amount
22 or not.

23 JUDGE RAINEY: And then above
24 the 2,000 or -- yes, above the 2,000,

1 then, there would be an additional
2 charge?

3 THE WITNESS: Correct.

4 JUDGE RAINEY: So now we've
5 got the minimum charge for the
6 minimum allowance, and I think you
7 were also going to then define the
8 customer charge.

9 THE WITNESS: Yes, Your Honor,
10 on Aqua Exhibit 3 at the top of the
11 page under Rule 33, the second
12 paragraph it says, in divisions with
13 a customer charge and no water
14 allowance. That means that a
15 customer charge has no water
16 allowance at all. So every thousand
17 gallons of usage would be billed at a
18 consumption rate or a consumption
19 charge. And the customer charge is
20 -- unlike a minimum charge, is not
21 there to pay for a certain amount of
22 water. It's strictly there to pay
23 for customer related costs, the costs
24 that I had mentioned previously. It

1 all has to do with costs that are
2 really close to customers, billing
3 and collecting and meter reading.
4 Those costs are recovered in the
5 customer charge as opposed to a
6 consumption charge. So that is what
7 a customer charge is.

8 It's their recouping of
9 customer related costs on a monthly
10 basis.

11 And in our definition we say
12 that a customer charge, customers
13 would be subject to a fixed customer
14 charge in accordance to the rates and
15 for which no quantity of water would
16 be allowed without additional
17 charge. And so that's what the
18 definition of a customer charge is.

19 JUDGE RAINEY: So there is no
20 association to water consumption
21 whatsoever, this is, as you stated, a
22 fixed charge that those customers in
23 the customer charge divisions pay
24 regardless of consumption?

1 THE WITNESS: That's correct,
2 Your Honor.

3 JUDGE RAINEY: Okay. Go right
4 ahead. Miss Orth.

5 BY MS. ORTH:

6 Q. Yes, Your Honor.

7 Mr. Griffin, you've previously
8 testified that the bill that Complainant
9 submitted as Exhibit 2 indicates the word
10 minimum charge. Has the company taken any
11 steps to change the bills such that the
12 terminology won't confuse the customers and
13 allow the customers to make the proper
14 distinction between the minimum and the
15 customer charge?

16 A. Yes. Starting I believe March
17 15th of this year, the bills -- for example,
18 for customers of main division which has a
19 customer charge, the bills will state
20 customer charge and not minimum charge, to
21 avoid confusion.

22 Q. Will the definition of the customer
23 charge be written on the bill?

24 A. Yes, it will.

1 Q. And where will that be found on the
2 bill itself?

3 A. That's on the back of the
4 bill.

5 Q. Okay. And if -- if, for example, the
6 customer was in Bristol and had a minimum
7 charge, would that text be written on the
8 bill?

9 A. That text would be written on
10 the bill, and the explanation of the minimum
11 charge would be on the back of the bill as
12 well.

13 Q. Mr. Griffin, moving back to your
14 Exhibit 3, have you sufficiently stated the
15 information that you wanted to provide to
16 the Court from Exhibit 3?

17 A. No. I'd like to go back and
18 explain the top of the page, the customer
19 charge, and tell you a little bit about it.
20 Now, we're --

21 Q. Excuse me, are you referring to
22 Exhibit 2 or 3?

23 A. I was just going to say, I'm
24 going back to Exhibit 2.

1 MS. ORTH: For clarity, Your
2 Honor, Mr. Griffin is focusing on
3 Exhibit 2.

4 JUDGE RAINEY: Okay. Thank
5 you.

6 THE WITNESS: The first thing
7 I'd like to note is if you take a
8 look at the top left-hand part of the
9 page of Exhibit 2, it says Aqua
10 Pennsylvania, Inc., main division.
11 So this page is their -- it was filed
12 with the Commission, and it's meant
13 exclusively for the main division.
14 And that's how we differentiate
15 between -- like Bristol division, for
16 example, that has a minimum charge
17 and a minimum allowance, they would
18 have a page as well in the tariff.

19 BY MS. ORTH:

20 Q. That would be different than this
21 particular page?

22 A. Yes, and their page would not
23 say customer charge. It would say minimum
24 charge and minimum allowance.

1 Q. Okay.

2 A. But the main division has a
3 customer charge, and that's how we
4 differentiate it. This page is strictly for
5 main division. A customer charge of ten
6 dollars per month for five-eighths inch
7 customers is charged on the bill, and if
8 it's bimonthly, it would be 20 dollars per
9 two months. If they get billed quarterly,
10 it would be 30 dollars for three months.
11 It's the same charge. So those three
12 columns really are the same rate.

13 Q. And with regard to the second box,
14 can you explain what that box contains?

15 A. This is the consumption charge
16 that I had mentioned earlier in my
17 testimony.

18 Q. So is this the other component of the
19 base rate?

20 A. That's correct. There are two
21 components, and they're in the two boxes.

22 And the consumption charge, as
23 it says there, per order consumed from zero
24 to 2,000 gallons per month, the rate is 5

1 dollars point 271 per thousand gallons. And
2 for anything in excess of 2,000 gallons per
3 month, the rate is 5 dollars point 969.

4 Now, for example, on Bristol,
5 the consumption charge would say -- for
6 example, if the -- if the minimum allowance
7 for Bristol was 2,000 gallons a month, then
8 the consumption charge would say for water
9 consumed in excess of 2,000 gallons, and
10 that's -- and that's the difference.

11 Q. Okay. Now, focusing you back on
12 Complainant's Exhibit 2, in the middle of
13 the page under the title of Billing Detail,
14 if you move down to the text below the word
15 "balance", there's the term "minimum
16 charge". Can you equate this minimum charge
17 of ten dollars to your Aqua Exhibit 2 and
18 explain where that would be found on your
19 Aqua Exhibit 2? And let's translate the
20 charges from Aqua Exhibit 2 onto
21 Complainant's Exhibit 2.

22 A. Okay. Well, the first line on
23 Complainant's Exhibit 2 under balance, the
24 minimum charge of ten dollars can be found

1 on Aqua Exhibit 2, customer charge
2 five-eighths inch monthly ten dollars.
3 That's the same ten dollars.

4 Q. Okay.

5 A. And then the next line, the 10
6 dollars and 54 cents, if you go to the left
7 of that, it says 2,000 gallons at point
8 005271 per gallon. That's the same rate as
9 is described under the first line of
10 consumption charges on Aqua Exhibit 2 where
11 it says 5 dollars point 271 per thousand
12 gallons.

13 Q. And that's up to 2,000 gallons?

14 A. That's right.

15 Q. So that would be times two, 5 point
16 271 times 2?

17 A. Right. And the next amount,
18 23 dollars and 28 cents, if you go to the
19 left of that it says, the next 3,900 gallons
20 at point 005969 per gallon. That's the same
21 thing as the next line under consumption
22 charges residential, where the tariff says
23 for water consumed in excess of 2,000
24 gallons per month the rate is 5 point 969

1 per thousand gallons.

2 Q. Okay.

3 MS. ORTH: Your Honor, were
4 you clear about that?

5 JUDGE RAINEY: For water
6 consumed in excess of ten thousand,
7 okay, and that is actually -- okay, I
8 see that now. It says for water
9 consumed in excess of 2,000 gallons
10 per month, and it has then the 5
11 dollars point 969. And that's what
12 you were referring to with regard to
13 Complainant Exhibit Number 2. It's
14 under where it says 2,000 gallons,
15 that first amount, which was the 5
16 dollars point 271, and then under
17 that is the 5 point 969. I do see
18 that. Go right ahead.

19 BY MS. ORTH:

20 Q. Mr. Griffin, then, I'd like to move
21 on, if I may, to Exhibit Number 4. Can you
22 identify that document, please.

23 A. Yes, Exhibit 4 is also part of
24 the company's tariff that was filed on

1 August 5th, 2004. It's another portion of
2 the company's rules and regulations.

3 Q. And what portion is this?

4 A. This is the distribution
5 system improvement charge that's called DSIC
6 charge on Complainant's Exhibit 2.

7 Q. And what is the DSIC charge?

8 A. Well, this is a charge that is
9 not base rate at all. This is a surcharge,
10 and surcharges reset to zero any time that a
11 Commission allows base rate increases.

12 Q. So let's take that one step at a
13 time.

14 You said that DSIC is a
15 surcharge, and it's not included in the base
16 rate. Is it your testimony, then, that DSIC
17 is not included in the customer charge and
18 is not included in the consumption charge?

19 A. That's correct.

20 Q. So this would be a third component of
21 the bill?

22 A. Yes. Yes, this is the third
23 component, and I guess what I was trying to
24 say is that this component is not a base

1 charge at all, and -- and all surcharges
2 reset to zero any time base charges increase
3 or decrease.

4 Q. So can you explain, when you say
5 reset to zero, you previously testified that
6 the rates at issue became effective on
7 August 5th, 2004. At what point did the
8 DSIC reset to zero?

9 A. The DSIC reset to zero on
10 August 5th, 2004.

11 Q. So the first bill that would have
12 gone out to the first customer on August
13 5th, 2004, would there have been a DSIC
14 charge listed on that bill?

15 A. No.

16 Q. Okay. Can you continue, please.

17 A. Yes, I'd like to explain the
18 DSIC, but the mechanism is very important.
19 And what I really want to explain about the
20 mechanism is the DSIC that customers paid
21 for before base rate increases, that DSIC --
22 like, for example, on August 5th, 2004, then
23 is turned into base rates. And so this is a
24 process between base rate cases where the

1 company can recoup its investment and
2 infrastructure improvements and main
3 services, hydrants and meters. And once --
4 the next base rate increase, that company
5 investment, then, is included in base
6 rates. So it's no longer needed to be
7 included in the surcharge, and that's why
8 the surcharge resets to zero. And so
9 understanding the process helps understand
10 that the DSIC never is intended to be the
11 same thing as a minimum charge.

12 Q. So it's not duplicative of the
13 minimum or the customer charge?

14 A. That's right. The minimum or
15 customer charge is set in base rates by the
16 Commission. The company files DSIC filings
17 quarterly with the Commission, and that is
18 over and above beyond base rates.

19 Q. Now, you were going to explain the
20 components of DSIC.

21 A. Well, the components of DSIC
22 have to be infrastructure replacements and
23 improvements. Any new equipment that the
24 company incurs is not part of the DSIC, nor

1 is any company capital investment outside of
2 the four customer areas of main
3 replacements, service replacements, meter
4 replacements, and hydrant replacements.
5 Those are the only type of capital
6 replacements that the Commission will allow
7 the company to recover in a surcharge,
8 recover its costs. And that's a definition
9 of DSIC.

10 But while we're on this page,
11 I think -- there's a lot of information on
12 this page. And some of it doesn't pertain
13 exactly to this case, but there's a lot of
14 information. For example, it talks about
15 when to file the quarterly DSIC filings and
16 when those filings become effective. It
17 defines certain terms, like depreciation and
18 pre tax, pre term.

19 But I would like to talk a
20 minute about the final paragraph on this
21 page.

22 Q. And this page is what number, sir?

23 A. This is Aqua Exhibit 4. It
24 says on the bottom of the page, 20A. The

1 final paragraph says, DSIC Surcharge
2 Amount. And it says, the charge will be
3 expressed as a percentage carried to two
4 decimal places. And then the next sentence
5 says, to calculate the DSIC, one-fourth of
6 the annual fixed cost associated with the
7 property eligible for cost recovery under
8 DSIC will be divided by the company's
9 projected applicable revenue for sales of
10 water for the quarterly period during which
11 the charge will be effective. What that
12 means is that in the quarterly DSIC filing
13 that the company makes to the Commission,
14 the first thing that we do is we list for
15 the Commission all of the eligible property,
16 and then we calculate a return on and a
17 return of that property on a quarterly
18 basis. That's why the -- the DSIC -- the
19 calculation has to be divided by four from
20 an annual perspective.

21 That gives us an amount of DSIC
22 revenue, what's called DSIC revenue
23 requirement, that the company can recover
24 over the next three months from customers.

1 The DSIC percentage is developed by dividing
2 that quarterly DSIC revenue requirement by
3 the amount of customer billing that the
4 company anticipates that it will incur, that
5 it will send out over the next quarter.
6 That company billing includes base rates
7 only. It includes both components of base
8 rates, minimum charge and minimum allowance
9 -- and customer charge, I mean. Customer
10 charge or minimum charge and the consumption
11 charge, those are the two components of base
12 rates.

13 So by dividing the DSIC
14 revenue requirement by both components of
15 the base rate, you get a percentage that
16 then is applicable also to both components
17 of base rate.

18 Had we divided the DSIC
19 revenue requirement by only the consumption
20 charge, the percentage would be higher.

21 Q. So the percentage of DSIC would be
22 higher if you didn't include the minimum or
23 the customer charge in that calculation?

24 A. That's correct. But if we do

1 that, we would not be -- we would not be
2 calculating the DSIC according to our
3 tariff, because our tariff says that we
4 should be dividing it by the company's
5 projected applicable revenue for sales to
6 water for the quarterly period. That
7 includes both the customer charge and the
8 consumption charge.

9 Q. Okay. Mr. Griffin, I would also like
10 to refer you to the third page of exhibit 4,
11 labeled page 20C. And I note in there on
12 the first paragraph under New Base Rates --
13 is this the location in Aqua Pennsylvania's
14 tariff where it indicates that the charge
15 will be reset?

16 A. Correct.

17 Q. And to what number will it be reset?

18 A. Zero.

19 Q. And with regard to customer notice,
20 which is the third paragraph on page 20C,
21 are customers notified of the DSIC charge?

22 A. Yes, they are. In fact, if
23 you look at Complainant Exhibit 2, there is
24 a notification in the message center for the

1 DSIC. It mentions the rate, and it mentions
2 the amount of eligible improvements that the
3 company had incurred since the last base
4 rate increase.

5 Q. And where is the message center
6 listed on Complainant Exhibit 2?

7 A. It's about two-thirds of the
8 way down on the page.

9 Q. And it looks to me like there's
10 several bullets listed under message
11 center. Which one pertains to DSIC?

12 A. The first bullet.

13 Q. And that's the bullet you were just
14 referencing?

15 A. Yes.

16 Q. Okay. Mr. Griffin, then I think what
17 I would like to do at this point is to move
18 on to Exhibit Number 5, Aqua Exhibit Number
19 5.

20 Can you identify that
21 document, please.

22 A. Yes, this is Mr. and Mrs.
23 Doherty's account of billing from December
24 2002 to March 2006.

1 Q. Since I'm sure the Dohertys and
2 possibly the Judge are not familiar with
3 this type of document, can you, beginning in
4 the top left-hand corner under Customer's
5 Name, just identify that information and
6 then explain what the column headers mean.

7 A. Yes.

8 Q. Okay.

9 A. Well, the customer's name and
10 the account number, I think we know what
11 that is. That's the Dohertys' name and
12 their account number, Aqua Pennsylvania's
13 account number. The columns -- the first
14 column is the read date.

15 Q. And what does that mean?

16 A. Well, this means that -- every
17 -- every bill has a read from date and a
18 read to date, and this is the amount of time
19 that the bill was for, between the from and
20 the to date, and that information is
21 included in the first column.

22 Q. So under the read date, that date of
23 12/28/2002, is that the date the meter was
24 read?

1 A. Yes.

2 Q. And then the next column is labeled
3 number of days?

4 A. And that's simply just
5 counting the days between the read from date
6 and the read to date. It's just the -- the
7 duration of the bill is what that is.

8 Q. And the next column?

9 A. The meter read is the
10 registration on the meter itself.

11 Q. And the read type?

12 A. Read type A is actual, so that
13 means that the company read the meter.

14 Q. And they received an actual reading
15 from the meter?

16 A. Yes.

17 Q. And the next column is entitled, I
18 believe, Consumption.

19 A. Yes, the consumption is the
20 difference between the meter registration
21 and the two -- in other words, the read date
22 compared to the registration and the last
23 read date. So the difference between those
24 two registrations is the consumption.

1 Q. And then the average daily usage?

2 A. Okay, that's simply dividing
3 the consumption by the number of days.

4 Q. And then the next one is entitled
5 Customer Charge?

6 A. Right, that's the customer
7 charge that we talked about in our exhibit,
8 exhibit 2.

9 Q. Aqua Exhibit 2?

10 A. Yes. We talked about a
11 customer charge of ten dollars per month.

12 Q. I note that under customer charge for
13 the first line, December 28th, 2002, the
14 customer charge is 26 dollars and 25 cents.
15 That's not ten dollars. What does that
16 equate to?

17 A. That equates to a quarterly
18 customer charge at the time of that
19 billing. I had mentioned when we look at
20 Aqua Exhibit 2, that the previous charge to
21 the ten dollars was 8 dollars and 75 cents,
22 and the -- the 26 dollars and 25 cents is
23 three times that.

24 Q. Okay. Then the next column is

1 entitled Water Charge?

2 A. Right. To obtain the water
3 charge, you would take the consumption, and
4 you would go down the -- the rate box and
5 figure out on a per thousand gallon basis
6 what the consumption should be charged out
7 at.

8 Q. And, again, that would be the rates
9 that were in effect as of December 28th,
10 2002?

11 A. Yes. That's true.

12 Q. And then your next column is labeled
13 DSIC Charge?

14 A. That's the distribution system
15 improvement charge that starts out at zero
16 at the base rate filing and then starts to
17 increase until the next base rate filing,
18 when it goes back to zero again.

19 Q. And then your next column is entitled
20 Surcharge. What is that?

21 A. That's the state tax
22 adjustment surcharge, what we call by
23 acronym STAS, S-T-A-S, and that simply
24 allows the company to either charge

1 customers or credit customers with any
2 difference in state tax rates between now
3 and the previous base rate case.

4 So, for example, if one of the
5 state taxes changed their rates, say capital
6 stock tax, for example, if the rate was
7 approved by the Pennsylvania legislature for
8 a change in the tax rate, then the company
9 would either credit the customer or charge
10 the customer in that surcharge column.

11 Q. Okay. And the next column is
12 entitled Due Date?

13 A. Right.

14 Q. What is that?

15 A. That's the number of days
16 after the bill is sent. That's the date
17 that the bill was due.

18 Q. And the next is entitled late
19 penalty?

20 A. Right. Following a few grace
21 days past the due date, if customers pay a
22 bill late, they'll be charged a Late
23 Penalty.

24 Q. And the next is entitled Total Bill.

1 What does the total bill encompass?

2 A. You would have to add the
3 customer charge, the water charge, the DSIC
4 charge, the surcharge, and the late penalty
5 to obtain the total bill.

6 Q. And next column is entitled Payment?

7 A. Yes, that's the -- when
8 payment is received. You can see it looks
9 like there's a lag of one bill. For
10 example, the December 28th billing of 97
11 dollars and 54 cents shows up on the next
12 line under payments.

13 Q. On the next entry date of March 28th,
14 2003?

15 A. Yes, correct.

16 Q. The next column is entitled
17 Adjustments?

18 A. This would be any adjustment,
19 for example, if the customer requested a
20 bench test, a meter bench test, and if we --
21 if the registration were found to be
22 accurate, there would be a charge for that,
23 and that would show up under adjustments.

24 Q. And the next is entitled Date of

1 Payment or Adjustment?

2 A. Right, that's -- that's
3 self-evident.

4 Q. And the last is entitled Balance?

5 A. The balance due is the
6 difference between the total billing and the
7 payments.

8 Q. Now, the reason that this Exhibit was
9 placed before you was to show the breakdown
10 of the various charges. It is your
11 testimony that we do charge the Dohertys the
12 customer charge and the DSIC charge; is that
13 correct?

14 A. Yes.

15 Q. Mr. Griffin, what would you like the
16 -- what would Aqua Pennsylvania like the
17 Commission to do with respect to the
18 Dohertys' Complaint?

19 A. Well, I think the Court should
20 dismiss the Complaint, because I believe
21 that Aqua Pennsylvania has billed Mr. and
22 Mrs. Doherty consistent with the Commission
23 approved tariff, and I don't believe that
24 they have met their burden of proof to

1 establish that the rates are unreasonable.

2 MS. ORTH: Your Honor, at this
3 point, that would conclude my direct
4 of Mr. Griffin.

5 JUDGE RAINEY: Thank you. Mr.
6 Doherty, do you have questions for
7 Mr. Griffin?

8 MR. DOHERTY: Yes, the first
9 thing I'd like to say, I appreciate
10 Mr. --

11 JUDGE RAINEY: Mr. Doherty,
12 again, you have to keep your voice
13 up.

14 MR. DOHERTY: I appreciate his
15 testimony, and I'd like to inform him
16 that I'm also a graduate of Villanova
17 University. I have 41 years of
18 accounting experience. I'm a
19 certified public accountant in the
20 State of Pennsylvania, and I, too,
21 have worked in rate making over my
22 career, and I have reviewed rate
23 filings and so forth and so on. I
24 appreciate his testimony.

1 * * *

2 CROSS-EXAMINATION

3 * * *

4 BY MR. DOHERTY:

5 Q. The one thing that I'd like to point
6 out on my original Complaint is the
7 understanding I'm getting when you look at
8 my Exhibit 2, the bill, the minimum charge
9 really represents a cost of customer service
10 and billing. That's what Mr. Griffin
11 implied to me. So when we're looking at
12 this one bill, the total is 46 dollars and 1
13 cent. The ten dollar service charge for
14 customer service represents 22 percent of
15 the bill. So the water we're drinking and
16 consuming here, we're paying 22 percent for
17 you to send us a bill and answer the
18 telephone. Is that correct?

19 JUDGE RAINEY: Mr. Griffin?

20 THE WITNESS: Mr. Doherty, as
21 I had mentioned, that's part of it.
22 There's other parts, too. For
23 example, there's the company
24 investment in customer meters and

1 services. There's the company's
2 collection activity, as well as the
3 unrecovered public fire protection
4 cost, which is significant. It's
5 about 15 percent of the total.

6 BY MR. DOHERTY:

7 Q. So we're paying 22 percent, the water
8 is only worth the difference?

9 JUDGE RAINEY: Mr. Griffin,
10 let me ask you this. You stated that
11 the customer charge is based on a
12 cost of service study.

13 THE WITNESS: Yes, Your
14 Honor.

15 JUDGE RAINEY: And what was
16 the name, again, that you -- you said
17 that was based on a base extra
18 capacity method?

19 THE WITNESS: Yes, that's
20 correct.

21 JUDGE RAINEY: Go right
22 ahead, Mr. Doherty. Do you have
23 additional questions?

24 MR. DOHERTY: Not really. It

1 was kind of an exercise in talking
2 here on the phone now for an hour and
3 a half going through stuff that we're
4 all familiar with.

5 And my basic thing I want to
6 say is I never said the minimum
7 charge was an incorrect charge as the
8 company says in their response on
9 page 1A. On page 2 of my letter I'm
10 asking the PUC to review the fairness
11 of the charge. The arbitrary charge
12 has no basis being paid by thousands
13 of Aqua Pennsylvania's customers, not
14 just us. The company's only defense
15 is that the charge was approved by
16 the PUC. They have not made a case
17 that there was any basis for a
18 minimum charge in any of their
19 testimony.

20 JUDGE RAINEY: Or customer
21 charge?

22 THE WITNESS: Correct.

23 MR. DOHERTY: Minimum
24 charge/customer charge.

1 JUDGE RAINEY: It's my
2 understanding -- I'm sorry, Mr.
3 Doherty, it's my understanding we're
4 -- we're actually talking about a
5 customer charge in your case or in
6 the case of the main division. And
7 you still have problems with that
8 customer charge?

9 MR. DOHERTY: I do.

10 JUDGE RAINEY: And that is
11 because you do -- you believe that
12 that rate is excessive, you do not
13 believe that for those items which
14 Mr. Griffin stated which is covered
15 by the customer charge and that's
16 being returned on and off the meter,
17 and customer billing, and also
18 customer collections and billing
19 and meter reading and those
20 particular things, you don't say --
21 you don't believe that that adds up
22 to a ten dollar per month or per
23 customer cost?

24 MR. DOHERTY: That's correct.

1 I mean, basically we just learned
2 today from his testimony that the
3 minimum charge is for the items,
4 customer service, basically.

5 My wife would like to say
6 something.

7 JUDGE RAINEY: Is this in the
8 way of questions for Mr. Griffin, or
9 is this a statement that you want to
10 make, Ms. Doherty?

11 MR. DOHERTY: She said she
12 wants to forget about it.

13 MRS. DOHERTY: Just forget
14 about it. I'm sorry.

15 JUDGE RAINEY: Miss Orth, do
16 you have any redirect for Mr.
17 Griffin?

18 MS. ORTH: Not based on the
19 question Mr. Doherty asked, no, Your
20 Honor.

21 JUDGE RAINEY: Do you want to
22 move for the admission of your
23 Exhibits, Miss Orth?

24 MS. ORTH: Yes, Your Honor, I

1 would like to move for the admission
2 of Aqua Exhibits Number 1 through
3 Number 5.

4 JUDGE RAINEY: Do you have any
5 objections, Mr. Doherty?

6 MR. DOHERTY: No.

7 JUDGE RAINEY: Those Exhibits,
8 then, will be admitted into
9 evidence.

10 Any closing statements, Miss
11 Orth?

12 MS. ORTH: Yes, Your Honor.

13 As you indicated as we began
14 the hearing, Mr. Doherty is
15 challenging existing rates, and the
16 existing rates have already been
17 approved by the Pennsylvania Public
18 Utility Commission via a process that
19 Mr. Griffin already testified to,
20 wherein there was ample discovery
21 participation by parties, evidence,
22 including a cost of service study,
23 which was challenged, and ultimately
24 the rates were approved.

1 In this case, the Dohertys
2 have the burden of proof to somehow
3 indicate that -- by a prima facie
4 case that Aqua is charging these
5 rates in a way that is either in
6 violation of the Public Utility codes
7 or in violation of an order of the
8 Commonwealth -- or an order of the
9 Commission or in violation of our
10 tariff. And appreciating that the
11 Dohertys feel that the charges should
12 not apply, they are still approved by
13 the Commission, and we have gone
14 through the exercise in that prior
15 docket case of proving that the rates
16 are the rates that are appropriate
17 and they are effective.

18 More is required from Mr.
19 Doherty and Mrs. Doherty than just a
20 suspicion that the -- that the rates
21 should not be charged. And they have
22 failed to provide this. Under the --
23 under the 66 of the Pennsylvania
24 Consolidated Statutes Annotated

1 Section 1302, Aqua's tariff has the
2 full force of law and is binding on
3 the Dohertys as customers.

4 Secondly, with regard to the
5 testimony that Mr. Griffin has
6 provided concerning the minimum
7 charge, the customer charge, DSIC,
8 all of that information is either
9 provided to the customers upon
10 request or located on documents that
11 are available either through the
12 internet on our website or through
13 billings or bill stuffers, et
14 cetera.

15 Had the Dohertys opted to
16 challenge these rates within the
17 prior docket case where we had our
18 rate case, then I think they would
19 understand that there would be more
20 of a burden on the company, but we've
21 already gone through that exercise,
22 and apparently they didn't
23 participate in that.

24 So in this case, I don't think

1 that they have now carried their
2 burden of proof.

3 In light of that, I would
4 request that their Complaint be
5 dismissed with prejudice and that
6 Aqua be permitted to continue
7 complying with their tariff and
8 charging the customers with these
9 rates.

10 JUDGE RAINEY: Thank you for
11 that closing statement.

12 Do you have a closing
13 statement that you want to make, Mr.
14 Doherty?

15 MR. DOHERTY: Yes, I'd like to
16 say this. Customers like us don't
17 have the resources to take on a large
18 utility like Aqua. We rely on the
19 PUC, which was created to make sure
20 utilities treat their customers
21 fairly, and that's why we're asking
22 for your help, Judge Rainey.

23 Peg, do you have anything to
24 say?

1 MRS. DOHERTY: Only that I
2 think -- I think Mr. Griffin pointed
3 out that the wording on the bill is
4 now going to be changed from minimum
5 charge to customer charge; is that
6 correct?

7 MS. ORTH: It has already been
8 changed effective March 15th.

9 MRS. DOHERTY: So then we
10 should see that on our next bill?

11 MS. ORTH: Yes, you should.

12 MRS. DOHERTY: Because I think
13 the wording of minimum charge
14 confuses the issue, because we're --
15 as I said much earlier, we were going
16 by the definition of minimum charge.

17 MS. ORTH: Then I hope, Miss
18 Doherty, that we have addressed that
19 concern of yours. When you brought
20 the Complaint to our attention, Mr.
21 Griffin and I met with the billing
22 department and did go through that.

23 MRS. DOHERTY: All right.

24 Thank you.

1 JUDGE RAINEY: I'd like to
2 thank the parties and the witness for
3 appearing by telephone for this
4 hearing. I will be rendering a
5 written decision with regard to this
6 case, and if there's nothing further,
7 then this hearing is adjourned.
8 Thank you very much.

9 MS. ORTH: Thank you.

10 MR. DOHERTY: Thank you.

11 * * *

12 (Witness excused.)

13 * * *

14 (Whereupon, the hearing was
15 concluded at 11:45 a.m.)

16 * * *

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I N D E X

* * *

WITNESS: JOHN B. DOHERTY
DIRECT CROSS
16

WITNESS: ROBERT GRIFFIN
DIRECT CROSS
32 83

E X H I B I T S

* * *

NUMBER	DESCRIPTION	ADMITTED
	Exhibits 1-3 ✓	23
	Aqua 1-5 ✓	88

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C E R T I F I C A T I O N

I, Michele Matteo, hereby
certify that the foregoing is a true
and correct transcript of the
proceedings held in this matter, as
transcribed from the stenographic
notes taken by me.

Michele Matteo

MICHELE MATTEO
CERTIFIED SHORTHAND REPORTER

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Comp. Ex. 1

Aqua Pennsylvania
 Account Number 0002736190273619
 Main Division

Bill date	1st 2,000	Next	Min Charge	DSIC Charge	Total	Min chg/Total
1/13/2005	\$ 10.54	\$ 29.85	\$ 10.00	\$ 1.13	\$ 51.52	19%
2/10/2005	10.54	20.29	10.00	1.13	41.96	24%
3/10/2005	10.54	20.89	10.00	1.15	42.58	23%
4/13/2005	10.54	29.25	10.00	1.72	51.51	19%
5/13/2005	10.54	19.10	10.00	1.37	41.01	24%
6/10/2005	10.54	19.10	10.00	1.37	41.01	24%
7/13/2005	10.54	26.86	10.00	1.87	49.27	20%
8/31/2005	10.54	19.10	10.00	1.57	41.21	24%
9/12/2005	10.54	28.65	10.00	1.94	51.13	20%
10/11/2005	10.54	17.31	10.00	1.89	39.74	25%
11/10/2005	10.54	20.29	10.00	2.04	42.87	23%
12/12/2005	10.54	23.28	10.00	2.19	46.01	22%
Year to date	\$ 126.48	\$ 273.97	\$ 120.00	\$ 19.37	\$ 539.82	22%
DISC Charge on \$120 at 5% is \$12.97.						
\$139.37/ \$539.82 = 25.8%.						

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J DOHERTY
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000273619 0273619
MAIN DIVISION

Aqua Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010-3489

Tel: 877.987.2782
Fax: 610.645.1160
e Mail: custserv@aquaamerica.com

Questions about your water service?... Contact us before the due date.

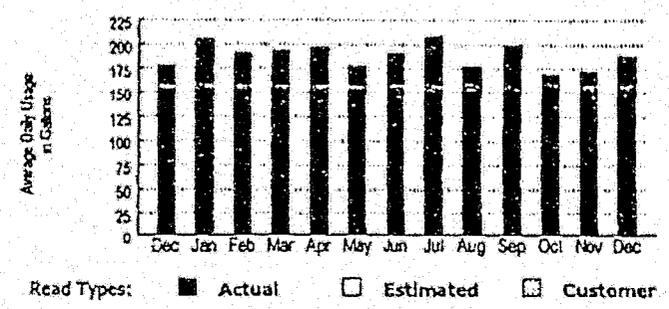
Bill Date: December 12, 2005
Total Amount Due: \$ 46.01
Due Date: January 03, 2006

Meter Data	Meter	Size	Billing Period	Days	Read Type	Meter Readings	Usage	Units
	51654276	5/8	12/08/05	31	Actual	727500	5,900	Gallons
			11/07/05		Actual	721600		
Average Daily Usage = 190 Gallons			Total Days: 31		Total Usage:		5,900	Gallons

Billing Detail

Amount Owed from Last Bill	\$ 42.87
Total Payments Received	42.87
Balance	0.00
Minimum Charge	10.00
2,000 gallons @ \$0.005271 per gallon	10.54
Next 3,900 gallons @ \$0.005959 per gallon	23.28
Total Water Charges	43.82
DSIC Charge	2.19
Amount Due 01/03/06	\$ 46.01

Water Usage History



Customer Charge
consumed

Message Center

- Effective October 1, 2005 the allowable DSIC charge is 5.00 %. This reflects \$93.5 million in system improvements made by the company since July 2004. These improvements include the replacement of aging water pipes and other infrastructure as well as improvements to the quality of the water that we serve.
- Please note that effective October 1, 2005, our toll-free customer service number changed to 877 WTR.AQUA or 877.987.2782.
- To pay by phone, simply call our toll free number at (800) 285-8325.
- Now security standards have made it necessary for Aqua PA to discontinue walk-in service to customers at our Bryn Mawr office. Please call 1-877-987-2782, a representative will address your concerns and schedule an appointment if necessary.

IMPORTANT NOTICE: SEE REVERSE SIDE FOR OTHER INFORMATION

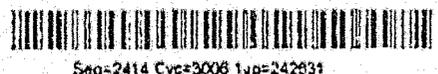
AQUA
Pennsylvania
762 W. Lancaster Avenue
Bryn Mawr, PA 19010-3489
Address Service Requested

Service To:
J DOHERTY
0214 LEE CIR
BRYN MAWR, PA 19010-3726

Water Bill

Account Number
000273619 0273619
Total Amount Due: \$ 46.01
Due Date: January 03, 2006

**DOCUMENT
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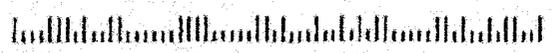


Seq=2414 Cye=3006 Iup=242831

*****AUTO**5-DIGIT 19010 C B P B
J DOHERTY
214 LEE CIR
BRYN MAWR PA 19010-3726

Amount Enclosed
\$

Please make check payable to Aqua PA.
Print your account number on your check,
then mail to address on back.



00027361902736190000000046018

214 Lee Circle
Bryn Mawr, PA 19010
610-525-4189

December 20, 2005

Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105

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FOLDER

To the Members of the Pennsylvania Public Utilities Commission:

Enclosed is a Formal Complaint Form concerning Aqua Pennsylvania, Inc., our water supplier. Attached to the complaint is a schedule of our water bills for the year 2005 and a copy of our most recent bill.

The complaint is summarized as follows:

1. All customers of Aqua pay a monthly "Minimum Charge" no matter how much water they use.
2. An additional DSIC charge of 5% is calculated on the "Minimum Charge."
3. As you can see from the schedule of our billings, the Minimum Charge for the year was \$120, or 22% of our total bill, and when you add the 5% DSIC Charge the total effect of the Minimum Charge is \$139.37 or 25.8% of our total bill.
4. The Company's Annual Report for 2004 indicated they serve 835,512 customers and 57% of their revenues are from the Commonwealth of Pennsylvania. A quick calculation indicates an approximate 475,000 Pennsylvania consumers are paying a questionable "Minimum Charge."

Our understanding of the Utility rate process is that the Utility is entitled to a recovery of their costs plus a reasonable profit. The accepted definition of a "Minimum Charge" would be compensation to a company where the customer did not use any or very little water during the billing period. For example, a company would charge a minimum amount to a customer who has a vacant property or is away from home for an extended period of time. The complaint raises the following questions:

1. If the rates on the bill are based on costs plus profit, why is there an additional "Minimum Charge?"
2. The DSIC charge is calculated on water used but why is it also assessed on the Minimum Charge?

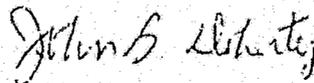
The Company recently requested a rate increase of \$5.44 or 14.4% per month for residential customers. This increase is significantly out of line with the average rate of inflation which is in the area of 4%. The proposed increase of 14.4% is unreasonable in today's economy where most workers are forced to make do with wage increases in the area of 3%.

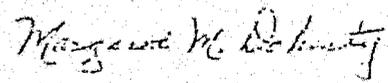
Our request to you is to review the above facts and determine the fairness of charging a "Minimum Charge" to all customers no matter how much water they use. One would have a difficult time locating an unregulated company that charges a "Minimum Charge" in addition to their basic charge.

As a shareholder of Aqua America, Inc., I am troubled with the concept of assessing all customers with a "Minimum Charge" on top of rates that are based on the cost of the Company's investment plus a reasonable profit. The Company's market value has increased more than 11% during the calendar year 2005. Both of us have called Aqua Pennsylvania and their representatives advised us to contact you.

We appreciate the time you have taken to review our complaint. If you need any additional information, please contact us.

Sincerely,


John B. Doherty


Margaret M. Doherty

ENCLOSURES

copy: The Honorable Greg Vitali
State Representative - 166th District

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NOTICE OF PROPOSED RATE CHANGES

To Our Main Division Customers

RECEIVED

On November 14, 2003, Pennsylvania Suburban Water Company ("PSW" or "Company") is filing a request with the Pennsylvania Public Utility Commission ("PUC") to increase your water rates as of January 14, 2004. A full investigation of this request could delay the change until August 14, 2004. This notice describes our request, the PUC's role, and what actions you can take.

RATE REQUEST

PSW is requesting an overall rate increase of \$25.3 million per year. This rate increase is the result of the Company's investment of \$192 million to improve water quality, service, and reliability for more than 383,000 customers throughout Pennsylvania since the last rate request. This amounts to an average capital investment of \$500 per customer—more than what most residential customers pay for a full year's worth of water. Our capital improvements in the Main Division include upgrades to treatment plants, wells and booster stations, the replacement and rehabilitation of aging pipes, valves, service lines and other parts of our 4,000-mile distribution system. PSW's capital program is consistent with the type of capital improvement the federal government says is required of the country's aging drinking water systems. According to the Environmental Protection Agency, over the next 20 years, the nation's water systems need about \$150 billion in repairs to pipes, tanks, valves and treatment plants.

Below are some examples of the changes for a typical customer's bill. To find out how the request may change your water bill, or to address any other questions you may have, contact PSW at 1-800-711-4779.

<u>Customer Type</u>	<u>Current Monthly Bill</u>	<u>Proposed Monthly Bill</u>
Residential	\$34.09	\$37.02
Commercial	\$24.68	\$27.22
Industrial	\$59.54	\$65.65

You can find the rates we asked for in Supplement No. 30 to Water - PA PUC No. 1, filed with the PUC or on our Web Site at www.suburbanwater.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain language summary of why we need to raise our rates.

PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. The Company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than the Company's request.

ACTIONS YOU CAN TAKE

You may challenge the Company's request by:

1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when it investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box, 3265, Harrisburg, PA 17105-3265.
2. Attending or presenting testimony at PUC Public Input Hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company.

For more information, call the PUC at 1-800-782-1110.

3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before January 14, 2004. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box, 3254, Harrisburg, PA 17105-3265, or by going to its Web site: www.puc.paonline.com

C-20065732
March 28, 2006
Philadelphia

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SCHEDULE OF RATES

Meter Service

Size of Meter	Customer Charge (I)		
	Quarterly	Bi-Monthly	Monthly
5/8 inch	30.00	20.00	10.00
3/4 inch	47.40	31.60	15.80
1 inch	80.70	53.80	26.90
1-1/2 inch	154.70	109.80	54.90
2 inch	234.00	156.00	78.00
3 inch	471.00	314.00	157.00
4 inch	765.00	510.00	255.00
6 inch	1,578.00	1,052.00	526.00
8 inch	2,760.00	1,840.00	920.00
10 inch	4,080.00	2,720.00	1,360.00

<u>Consumption Charges - Residential</u>			(I)(C)
Water consumed will be charged for at the following rates:			
For water consumed up to 2,000 gallons per month	\$5.271		per thousand gallons
For water consumed in excess of 2,000 gallons per month	\$5.969		per thousand gallons
<u>Consumption Charges - Commercial & Public</u>			(I)
Water consumed will be charged for at the following rates:			
For water consumed up to 10,000 gallons per month	\$5.774		per thousand gallons
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month	\$5.079		per thousand gallons
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$4.235		per thousand gallons
For water consumed in excess of 333,300 gallons per month	\$3.882		per thousand gallons
(I)	Indicates Increase		
(C)	Indicates Change		

Issued: August 5, 2004

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Effective: August 5, 2004

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 March 28, 2006
 Philadelphia

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Minimum Charge/Customer Charge:

(C)

33. In Divisions with a minimum charge and a water allowance, customers will be subject to a fixed minimum charge in accordance with the rates thereof, for which certain quantities of water will be allowed, without additional charge. Such minimum charges shall be non-refundable for non-use of water, and non-cumulative against subsequent consumption. In the case of fractional bills covering less than a billing period, minimum charges and allowances shall be prorated.

In Divisions with a customer charge and no water allowance, customers will be subject to a fixed customer charge in accordance with the rates thereof, for which no quantity of water will be allowed without additional charge. The customer charge will be non-refundable and payable whether or not the customer uses any water. In the case of fractional bills covering less than a billing period, the customer charge shall be prorated.

Company Notified Meter Not Working:

(C)

34. The Customer shall immediately notify the Company of damage to or the non-working of the meter, as soon as it comes to his/her knowledge.

Registration Conclusive:

(C)

35. The quantity recorded by the meter shall be conclusive on both the Customer and the Company, except when the meter has been found to be registering inaccurately or has ceased to register. In such case, the quantity may be determined by the average registration of the meter when in order.

Disputed Account:

(C)

36. In case of a disputed account involving the accuracy of a meter, such meter will be tested upon the request of the Customer in conformity with the regulations of the Commission. In the event that the test of the meter shows an error in registration in excess of the permissible range, an appropriate adjustment to the bill will be made in accordance with the Commission's regulations. Bills will not be adjusted if the meter tests within the permissible tolerance limit.

Request Test:

Request Test:

(C)

37. Upon a written request of a Customer, or that of the Customer's authorized representative, the Company shall test the accuracy of the meter in service at the involved premises. When a Customer desires, either personally or through a representative, to witness the testing of a meter, the meter may be required by the Customer to be sealed before removal, in the presence of the witness, which seal shall not be broken until the test is made. If the meter so tested is found to be accurate within the limits specified above, a fee determined from the schedule provided in the Commission's regulations shall be paid to the Company by the Customer requesting such test, but if not so found then the cost thereof shall be borne by the Company. When making such requests, the Customer shall agree to the basis of payment herein specified. A report of such test shall be made to the Customer and a complete record of such test shall be kept as specified in the Commission's regulations. The results of such tests shall be conclusive upon the Company and Customer unless a written objection thereto is received by the Company or Customer, as appropriate, within thirty days of notice of the test results. If the meter tested is found to be accurate, the Company has the absolute right to re-install that same meter at the Customer's property.

Issued August 5, 2004

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Effective August 5, 2004

C-20065732
March 28, 2006
Philadelphia

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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

main cleaning and relining (account 322) projects, and

unreimbursed funds related to capital projects to relocate Company facilities due to highway relocations (account 322)

Effective Date: The DSIC will become effective for bills issued on and after January 1,

1997

II Computation of the DSIC

Calculation: The initial charge, effective January 1, 1997, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rate base and will have been placed in service between September 1, 1996 and November 30, 1996. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

<u>Effective Date Of Change</u>	<u>Date To Which DSIC Eligible Plant Additions Reflected</u>
April 1	February 28/29
July 1	May 31
October 1	August 31
January 1	November 30

The fixed costs of eligible distribution system improvement projects will consist of depreciation and pre-tax return, calculated as follows.

Depreciation: The depreciation expense will be calculated by applying to the original cost of DSIC-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded.

Pre-tax return: The pre-tax return will be calculated using the state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day of the three month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission and labeled Distribution System Improvement Charge Return in its Value Line Water Company Group analysis.

DSIC Surcharge Amount: The charge will be expressed as a percentage carried to two decimal places and will be applied to the effective portion of the total amount billed to each customer under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection service and the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected applicable revenue for sales of water for the quarterly period during which the charge will be effective.

Issued: August 5, 2004

-20A-

Effective: August 5, 2004

C-20965732
March 28, 2006
Philadelphia

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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

Formula: The formula for calculation of the DSIC surcharge is as follows:

$$\text{DSIC} = \frac{(\text{DSI} \times \text{PTRR}) + \text{Dep} + e}{\text{PQR}}$$

Where:

DSI= the original cost of eligible distribution system improvement projects, net of accumulated depreciation

PTRR= the pre-tax return rate applicable to eligible distribution system improvement projects.

Dep= depreciation expense related to eligible distribution system improvement projects.

e= the amount calculated under the annual reconciliation feature as described below.

PQR= projected quarterly revenue including revenue from existing customers plus revenue from any customers which will be acquired by the beginning of the applicable service period.

Quarterly updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Office of Trial Staff, the Office of Consumer Advocate and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

III. Safeguards

Cap: The DSIC will be capped at 5% of the amount billed to customers under otherwise applicable rates and charges.

Audits/Reconciliation: The DSIC will be subject to audit at intervals determined by the Commission. It will also be subject to an annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such overcollections will be refunded with interest. Interest on the overcollections will be calculated at the residential mortgage-lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P. S. sec. 101, et seq.) and will be refunded in the same manner as an overcollection.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

New Base Rates: The charge will be reset at zero as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions, that have not previously been reflected in the Company's rate base, would be reflected in the quarterly updates of the DSIC.

Earning Reports: The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings Report (Schedule D-2, line 14) show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section (or, where two years have elapsed since an applicable ROE determination in a rate order, the top of the ROE range as specified in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities, labeled Market Indicated Common Equity Cost Rate in its Value Line Water Company Group analysis).

Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Customer's Name: Doherty, J
 PUC Docket # C-20065732
 Aqua Pennsylvania, Inc Account# 273619-273619

Read Date	# of Days	Meter Read	Read Type	Consump	Avg. Daily Usage	Customer Charge	Water Charge	DSIC Charge	Surcharge	Due Date	Late Penalty	Total Bill	Payments	Adjustments	Date of Pymt or Adj	Balance	Comments
Previous Balance																	
12/28/2002	93	5370	A	13,500	145.2	\$26.25	\$71.16	(\$0.01)	\$0.14	1/29/03	\$0.00	\$97.54	\$112.92	\$0.00	10/11/02	\$112.92	
3/28/2003	90	5499	A	12,900	143.3	\$26.25	\$68.00	\$1.85	\$0.13	4/28/03	\$0.00	\$96.23	\$97.54	\$0.00	1/24/03	\$97.54	
6/27/2003	91	5655	A	15,600	171.4	\$26.25	\$82.23	\$2.64	\$0.09	7/29/03	\$0.00	\$111.21	\$96.23	\$0.00	4/9/03	\$96.23	
9/26/2003	91	5844	A	18,900	207.7	\$26.25	\$99.62	\$4.18	\$0.10	10/27/03	\$0.00	\$130.15	\$111.21	\$0.00	7/21/03	\$111.21	
12/29/2003	94	6023	A	17,900	190.4	\$26.25	\$94.35	\$5.95	\$0.10	1/30/04	\$0.00	\$126.65	\$130.15	\$0.00	10/28/03	\$130.15	
3/28/2004	88	6148	A	12,500	142.0	\$26.25	\$65.89	\$4.61	\$0.07	4/23/04	\$0.00	\$96.82	\$126.65	\$0.00	1/23/04	\$96.82	
6/25/2004	91	6303	A	15,500	170.3	\$26.25	\$81.70	\$5.40	\$0.05	7/29/04	\$0.00	\$113.40	\$96.82	\$0.00	4/16/04	\$113.40	
8/9/2004	45	6394	A	9,106	202.2	\$13.34	\$48.45	\$0.00	\$0.00	9/14/04	\$0.00	\$61.79	\$113.40	\$0.00	7/15/04	\$61.79	
9/9/2004	31	6442	A	4,800	154.8	\$10.00	\$27.25	\$0.00	\$0.00	10/8/04	\$0.00	\$37.25	\$61.79	\$0.00	9/8/04	\$37.25	
10/8/2004	29	6480	A	3,800	131.0	\$10.00	\$21.28	\$0.40	\$0.00	11/5/04	\$0.00	\$31.68	\$37.25	\$0.00	9/27/04	\$31.68	
11/8/2004	31	6524	A	4,400	141.9	\$10.00	\$24.87	\$0.45	\$0.00	12/8/04	\$0.00	\$35.32	\$31.68	\$0.00	10/25/04	\$35.32	
12/7/2004	29	6576	A	5,200	179.3	\$10.00	\$29.64	\$0.51	\$0.00	1/4/05	\$0.00	\$40.15	\$35.32	\$0.00	11/22/04	\$40.15	
1/10/2005	34	6646	A	7,000	205.9	\$10.00	\$40.39	\$1.40	\$0.00	2/7/05	\$0.00	\$51.79	\$40.15	\$0.00	1/3/05	\$51.79	
2/7/2005	28	6700	A	5,400	192.9	\$10.00	\$30.83	\$1.13	\$0.00	3/6/05	\$0.00	\$41.96	\$51.79	\$0.00	1/31/05	\$41.96	
3/7/2005	28	6755	A	5,500	196.4	\$10.00	\$31.43	\$1.15	\$0.00	4/4/05	\$0.00	\$42.58	\$41.96	\$0.00	2/28/05	\$42.58	
4/11/2005	35	6824	A	6,900	197.1	\$10.00	\$39.79	\$1.72	\$0.00	5/4/05	\$0.00	\$51.51	\$42.58	\$0.00	3/22/05	\$51.51	
5/10/2005	29	6876	A	5,200	179.3	\$10.00	\$29.64	\$1.37	\$0.00	6/8/05	\$0.00	\$41.01	\$51.51	\$0.00	4/25/05	\$41.01	
6/6/2005	27	6928	A	5,200	192.6	\$10.00	\$29.64	\$1.37	\$0.00	7/1/05	\$0.00	\$41.01	\$41.01	\$0.00	5/26/05	\$41.01	
7/7/2005	31	6993	A	6,500	209.7	\$10.00	\$37.40	\$1.87	\$0.00	8/3/05	\$0.00	\$49.27	\$41.01	\$0.00	6/28/05	\$49.27	
8/5/2005	29	7045	A	5,200	179.3	\$10.00	\$29.64	\$1.57	\$0.00	8/31/05	\$0.00	\$41.21	\$49.27	\$0.00	7/27/05	\$41.21	
9/6/2005	34	7113	A	6,800	200.0	\$10.00	\$39.19	\$1.94	\$0.00	10/5/05	\$0.00	\$51.13	\$41.21	\$0.00	8/22/05	\$51.13	
10/7/2005	29	7162	A	4,900	169.0	\$10.00	\$27.85	\$1.89	\$0.00	11/3/05	\$0.00	\$39.74	\$49.27	\$0.00	9/26/05	\$39.74	
11/7/2005	31	7216	A	5,400	174.2	\$10.00	\$30.83	\$2.04	\$0.00	12/5/05	\$0.00	\$42.87	\$39.74	\$0.00	10/17/05	\$42.87	
12/6/2005	31	7275	A	5,900	190.3	\$10.00	\$33.82	\$2.19	\$0.00	1/3/06	\$0.00	\$46.01	\$42.87	\$0.00	11/21/05	\$46.01	
1/5/2006	26	7329	A	5,400	192.9	\$10.00	\$30.83	\$2.04	\$0.00	2/1/06	\$0.00	\$42.87	\$46.01	\$0.00	1/3/06	\$42.87	
2/6/2006	32	7386	A	5,700	178.1	\$10.00	\$32.63	\$2.13	\$0.00	3/3/06	\$0.00	\$44.76	\$42.87	\$0.00	1/19/06	\$44.76	
3/7/2006	29	7438	A	5,200	179.3	\$10.00	\$29.64	\$1.98	\$0.00	4/1/06	\$0.00	\$41.62	\$44.76	\$0.00	2/21/06	\$41.62	

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Aqua Exhibit 5

C-20065732
 March 28, 2006
 Philadelphia