

CAPTION SHEET

CASE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/00	:	
2. BUREAU: ALJ	:	
3. SECTION(S):	:	
5. APPROVED BY:	:	4. PUBLIC MEETING DATE:
DIRECTOR:	:	00/00/00
SUPERVISOR:	:	
6. PERSON IN CHARGE:	:	7. DATE FILED: 01/09/06
8. DOCKET NO: C-20065732	:	9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: DOHERTY, JOHN B

RESPONDENT/APPLICANT: AQUA PENNSYLVANIA, INC.

COMP/APP COUNTY: DELAWARE

UTILITY CODE: 210104

ALLEGATION OR SUBJECT

COMPLAINANT STATES HE OBJECTS TO THE MINIMUM CHARGE AND THAT THEY FEEL THAT THIS SHOULD ONLY APPLY IN LIMITED CIRCUMSTANCES SUCH AS LOW WQATER USUAGE.

DOCKETED

JAN 11 2006

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint Form

RECEIVED

Please print or type.

C-20065732

DEC 20 2005

1. CUSTOMER NAME (COMPLAINANT)

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Your name, mailing address, county, telephone number, utility account number and service address:

Name JOHN B. DOHERTY

Street/P.O. Box 214 LEE CIRCLE Apt # _____

City BRYN MAWR State PA Zip 19010

County DELAWARE

Area Code/HOME Phone 610-525-4189

Area Code/WORK Phone -

Utility Account Number 0002736190273619
(from your bill)

RECEIVED
2006 JAN -9 PM 1:55
F.A.P.U.C.
SECRETARY'S BUREAU

If your complaint involves utility service provided to a different address than your mailing address, please list this information below.

Name _____

Street/P.O. Box _____

City _____ State _____ Zip _____

2. UTILITY NAME (RESPONDENT)

Name of utility company your complaint concerns: AQUA PENNSYLVANIA

3. TYPE OF UTILITY (check one)

ELECTRIC

STEAM HEAT

GAS

WASTE WATER

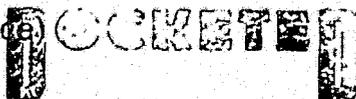
WATER

MOTOR CARRIER

(taxi, moving company, limousine)

TELEPHONE

(local, long distance)



JAN 11 2006

53
28
68

4. COMPLAINT (check one)

A. In general, what is your complaint?

- I want to oppose the company's proposed rate increase.
- There are incorrect charges on my bill.
- There is a reliability, safety or quality problem with my utility service.
- I received a notice that my utility service is being terminated.
- I would like a payment agreement.
- Other. WE OBJECT TO THE MINIMUM CHARGE ON EVERY MONTHLY BILL (explain) REGARDLESS OF THE AMOUNT OF WATER CONSUMED.

B. State the facts of your complaint.

Include any specific dates, times or places that are important. If the complaint is about a bill, tell us about any charges that you believe are not correct. Use additional paper if you need more space. Provide copies of all relevant documents you believe will support your complaint.

SEE THE ATTACHED SCHEDULE OF MONTHLY WATER BILLS FOR THE YEAR 2005. NOTE THE MINIMUM CHARGE OF \$10 EACH MONTH.

5. RELIEF

What do you want the Public Utility Commission to do about your complaint? Use additional paper if you need more space.

THE MINIMUM CHARGE SHOULD ONLY APPLY IN LIMITED CIRCUMSTANCES SUCH AS LOW WATER USAGE.

I REQUEST THAT YOU ORDER AQUA PENNSYLVANIA TO REVISE THEIR BILLING METHOD ACCORDINGLY.

6. PROTECTION FROM ABUSE

Answer the following question if your complaint is against a natural gas distribution company, an electric distribution company or a water company AND your complaint is about a billing problem, an application for service problem, a termination of service problem or a request for a payment agreement.

Has a court granted a "Protection from Abuse" order for your personal safety?

YES

NO

7. PRIOR UTILITY CONTACT

Answer the following question only if you are a residential customer and your complaint is against an electric distribution utility, natural gas distribution utility or a water distribution utility.

Have you spoken to a utility company representative about this complaint?

YES
(includes appeals of BCS determinations)

NO

If you tried to, but could not speak to a utility company representative about your complaint, please explain why.

8. VERIFICATION AND SIGNATURE

You must print or type your name below on the line provided for the verification paragraph, and you must sign and date (in ink) this form on the lines provided.

Verification:

I JOHN B. DOHERTY Margaret M. Doherty hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

John B. Doherty
(Signature)

Margaret M. Doherty
(Date)

12/20/05

9. **LEGAL REPRESENTATION (IF ANY)**

If you are represented by a lawyer in this matter you must provide your lawyer's name, address and telephone number.

Lawyer's Name _____

Street _____

City _____ State _____ Zip _____

Area Code/Phone Number _____

10. **FILING**

Please return the completed form to one of the addresses listed below:

If using U.S. Postal Service:

If using overnight delivery service:

Secretary Pennsylvania Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105	Secretary Pennsylvania Public Utility Commission 400 North Street Commonwealth Keystone Building, 2 nd Floor Harrisburg, Pennsylvania 17120
--	--

Facsimiles and/or electronic filings of the complaint form will not be accepted.

If you have any questions about filling out this form, please contact the Secretary's Bureau at 717-772-7777.

Keep a copy of your complaint for your records.

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%.					

AQUA
Pennsylvania

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

Account Number
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**

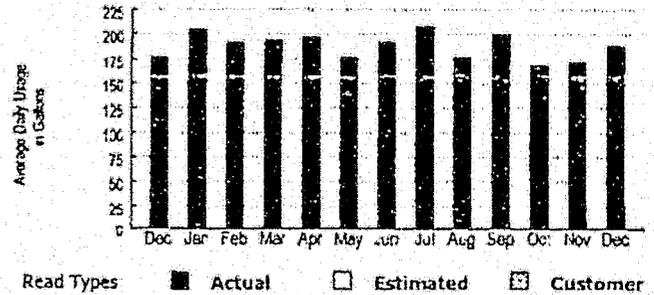
Meter Data

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 @ \$0.005969 per gallon 23.28
 Total Water Charges 43.82
 DSIC Charge 2.19
 Amount Due 01/03/06 \$ 46.01

Water Usage History



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.
- New 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

DS-APA-11

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**

Amount Enclosed

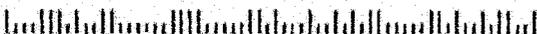
\$

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



Seq=2414 Cyc=3006 Top=242631

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



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

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 476,000 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?

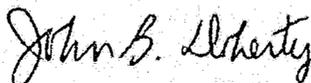
The Company recently requested a rate increase of \$5.44 or 14.4% per month for residential customers. This increase is significantly out of line with the average rate of inflation which is in the area of 4%. The proposed increase of 14.4% is unreasonable in today's economy where most workers are forced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

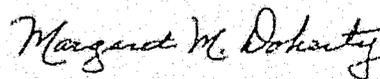
As a shareholder of Aqua America, Inc., I am troubled with the concept of assessing all customers with a "Minimum Charge" on top of rates that are based on the cost of the Company's investment plus a reasonable profit. The Company's market value has increased more than 11% during the calendar year 2005.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

[INFO4] [] DATE [1] [9] [6] SEQ NO [53] T/C [C]

APPL/RESPONDENT [DORERTY, JOAN B]
[*John*]
[]

DESCRIPTION [*****FORMAL COMPLAINT RETURNED WITH]
[ADDITIONAL INFORMATION THAT WAS REQUEST-]
[ED]

DISTRIBUTION [C&A]
[1/09/05]
[]

ENTERED BY [IMES]
[T]



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

December 28, , 2005

*IN REPLY PLEASE
REFER TO OUR FILE NUMBER*

JOHN B DOHERTY
214 LEE CIRCLE
BRYN MAWR PA 19010

Dear Sir/Madam:

We are returning your formal complaint form to you because there is additional information needed to process the complaint. Please follow the colored tabs marked missing information or original signature. Fill in the information requested and return them to the address listed at the top of this letter.

We are granting a 15-day extension from the date of this letter for the form to be returned.

Once we receive the formal with the information required we will be able to process your complaint. Thank you for your cooperation in this matter.

Very truly yours,

*James J. McNulty
Secretary*

Enclosures

DDI

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

DATE SERVED: January 11, 2006

DOCKETED

JAN 11 2006

JOHN B DOHERTY

Complainant

v.

AQUA PENNSYLVANIA, INC.

Respondent

Complaint Docket

No: C-20065732

FORMAL COMPLAINT NOTICE TO RESPONDENT TO ANSWER OR SATISFY

TO: AQUA PENNSYLVANIA, INC.

TAKE NOTICE:

That a complaint in the above entitled matter, of which the attached is a true and correct copy, has been presented and filed of record with the Pennsylvania Public Utility Commission. Section 702 of the Public Utility Code, 66 Pa. C.S. Section 702, requires the Commission to serve on each party named in a complaint a copy of the complaint and notice calling upon each party to satisfy the complaint, or to answer the same in writing within a specified time; THEREFORE,

1. You have twenty (20) days from the date on which this complaint is served to either satisfy this complaint or to file with the **Secretary of the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265**, an answer (original and three copies), in writing, under oath, which, as required by Section 5.61 of the Commission's Rules of Practice and Procedure, 52 Pa. Code Section 5.61, either affirms or specifically denies the allegations in this complaint. You must also serve a copy of the answer upon the complainant. The date of service is the mailing date as indicated by the date at the top of this Notice. Section 1.56(a) of the Commission's Rules of Practice and Procedure, 52 Pa. Code Section 1.56(a).

2. If you fail to either satisfy this complaint or to file answer or other responsive pleading within twenty (20) days, you will be deemed to have admitted all the allegations in this complaint in accordance with Section 5.61 of the Commission's Rules of Administrative Practice and Procedure, 52 Pa. Code Section 5.61. In that event, the Commission may, without hearing, enter an order which either revokes or suspends any certificate or permit held by you or which imposes a fine or any other appropriate penalty or remedy authorized by the Public Utility Code, 66 Pa. C.S. Section 101, et seq.; and, if

you are a customer of a utility, an order may be entered which prescribes a payment schedule or which authorizes termination of utility services. The Commission is not limited to the relief sought by the complainant in paragraph 4 of the attached complaint.

3. If you elect to satisfy this complaint you must file, within twenty (20) days from the date on which this complaint is served, affidavits executed by each complainant that this complaint has been satisfied. Such affidavits must describe the basis on which this complaint was satisfied; any settlement agreement between the parties must be reduced to writing and attached to the affidavit. Such affidavits are to be filed with the Secretary of the Commission at the address set forth in paragraph 1. Upon receipt of affidavits of satisfaction from all complainants, this complaint may be dismissed by the Commission in accordance with Section 703(a) of the Public Utility Code, 66 Pa. C.S. Section 703(a), unless the Commission determines that such dismissal would be contrary to the public interest, in which event the Commission may direct that hearings be held upon the complaint.

4. If you file an answer which admits the allegations in this complaint, or which fails to specifically deny the allegations in this complaint, the Commission may, without hearing, enter an order which either revokes or suspends any certificate held by you or which imposes a fine or any other appropriate penalty or remedy authorized by the Public Utility Code, 66 Pa. C. S. Section 101, et seq.; and, if you are a customer of a utility, an order may be entered which prescribes a payment schedule or which authorizes termination of utility services. The Commission is not limited to the relief sought by the complainant in paragraph 4 of the attached complaint.

5. If you file a timely answer which specifically denies the allegations in this complaint, or which raises material questions of law or fact, this matter shall be referred to the Office of Administrative Law Judge for hearing and decision. If, after hearing on the issues raised by that answer, you are found to have committed any of the violations alleged in the complaint, the Administrative Law Judge may render a decision which either revokes or suspends any certificate or permit held by you or which imposes a fine or any other appropriate penalty or remedy authorized by the Public Utility Code, 66 Pa. C. S. Section 101, et seq.; and, if you are a customer of a utility, an order may be entered which prescribes a payment schedule or which authorizes termination of utility services. In the imposition of a penalty after a hearing the Administrative Law Judge is not bound by the relief sought by the complainant in paragraph 4 of the attached complaint.

James J. McNulty
Secretary

(SEAL)

Certified Mail
Return Receipt Requested



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

DATE SERVED: January 11, 2006

C-20065732

AQUA PENNSYLVANIA INC
NICHOLAS DEBENEDICTIS CHAIRMAN
762 LANCASTER AVE
BRYN MAWR PA 19010

Dear Mr. DeBenedictis:

A complaint has been filed against you before the Pennsylvania Public Utility Commission by JOHN B DOHERTY. To defend yourself against the claims stated in the following pages, you must act within twenty (20) days by filing in writing with the Commission, either personally or through your attorney, your defenses or objections to the claims stated against you. Or, you may satisfy the complaint by settling the matter with the Complainant and submitting proof of settlement to the Commission within twenty (20) days.

IF YOU FAIL TO RESPOND WITHIN TWENTY (20) DAYS, THE CASE MAY GO FORWARD IN YOUR ABSENCE AND A JUDGEMENT MAY BE ENTERED AGAINST YOU BY THE COMMISSION WITHOUT FURTHER NOTICE.

CUSTOMER OF A UTILITY

A payment schedule may be prescribed or a termination of utility services may be authorized. You may lose money or property or other rights important to you.

COMPANY/UTILITY

An Administrative Law Judge may revoke or suspend any certificate or permit held by you, or impose a fine, or any other appropriate penalty or remedy authorized by the Public Utility Code. You may lose money or property or other rights important to you.

Detailed instructions on how to proceed are contained in the attached pages. You are advised to read them carefully.

DOCKETED

JAN 11 2006

January 11, 2006

Unless you are a corporation or other organization, you may proceed without a lawyer. However, if you want a lawyer and do not have one or cannot afford one, the office listed below can tell you where you can get legal help:

Pennsylvania Lawyer Referral Service
Pennsylvania Bar Association
P.O. Box 186
Harrisburg, PA 17108
(800) 692-7375

Very truly yours,

James J. McNulty
Secretary

ddi

ORIGINAL

AQUA
Pennsylvania.

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

Frances P. Orth, Esquire
Assistant General Counsel

T: 610.645.1126
F: 610.520.9127
fpoorth@aquaaamerica.com
www.aquapennsylvania.com

February 2, 2006

VIA FEDERAL EXPRESS

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RECEIVED

FEB 2 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Complaint Docket No C-20065732
John B. Doherty v. Aqua Pennsylvania, Inc.

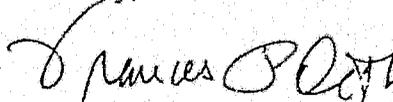
Dear Mr. McNulty:

Enclosed for filing, please find the original and three copies of the Answer of Aqua Pennsylvania, Inc. to the above-captioned complaint.

A copy of the Answer has been served upon Complainant, as evidenced by the enclosed Certificate of Service.

Please acknowledge receipt of this filing by date-stamping the extra copy of this letter and returning it to me in the self-addressed envelope that is enclosed.

Sincerely,



Frances P. Orth

DOCUMENT
FOLDER

Enclosure

cc. John B. Doherty

48

ORIGINAL RECEIVED

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION FEB 2 2006

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

JOHN B. DOHERTY

v.

AQUA PENNSYLVANIA, INC.

COMPLAINT DOCKET

No. C-20065732

DOCUMENT FOLDER

DOCKETED FEB 14 2006

ANSWER

NOW COMES the Respondent, Aqua Pennsylvania, Inc. ("Company"), by its attorney, which hereby files its response to the Complaint of John B. Doherty ("Complainant"):

- 1. Admitted upon information supplied by Complainant.
2. Admitted that the Respondent is Aqua Pennsylvania, Inc.
3. Admitted.
4. Admitted in part and denied in part. By way of background, the Company

provides water service to 214 Lee Circle, Bryn Mawr, Pennsylvania ("Property") which is located in the Company's certificated service area known as the Main Division.

A. The Company admits that Complainant is not disputing usage in his Complaint. Rather, the Complainant objects to the Minimum Charge on his bills for water service. The Company denies that the Minimum Charge is an incorrect charge on his bill and refers to the portion of the Company's Tariff known as the Schedule of Rates, approved by the Pennsylvania Public Utility Commission ("Commission") in Docket No. R-00038805, which became effective August 5, 2004. A copy of the Schedule of Rates for the Main Division is

attached hereto and incorporated herein as Exhibit A ("Schedule of Rates") and reflects the rates currently charged to Complainant. Additionally, the Company's Tariff Rules Governing the Distribution of Water, attached hereto and incorporated here in as Exhibit B, defines the terms "Minimum Charge/Customer Charge." This Charge of \$10.00 per month has been applied correctly to Complainant's bills and is charged monthly to Main Division Residential customers regardless of the usage at each property.

B. (1) Complainant Chart Exhibit ("Chart"). The Chart speaks for itself. The Company denies that the DSIC charge on the first line of the Chart is correct. Rather the DSIC charge should be \$1.40 instead of \$1.13 as reflected in the Company's Account Statement attached hereto and incorporated herein as Exhibit C. The remaining information on the Chart is denied as stated and strict proof is required at time of hearing.

(2) Company Bill dated December 12, 2005 ("Bill"). Company admits issuing Complainant this Bill which speaks for itself.

(3) Letter Exhibit dated December 20, 2005.

Unnumbered Paragraph. Admitted that the Formal Complaint Form and Bill are attached.

Paragraph No. 1. Denied as stated. The Company admits customers are charged a "Minimum Charge/Customer Charge" depending on the rate structure approved by the Commission for the service area of the Company.

Paragraph No. 2. The Company admits that the term DSIC is described on the back of each of the Complainant's bills as "a percentage charge that is applied to the bill. The charge covers costs associated with replacing aging distribution system facilities, such as water mains, service lines, meters, valves, fire hydrants, etc." The percentage of DSIC

varies depending upon the proximity to when base rates were last changed and the amount of DSIC eligible capital that the Company has spent since the last Rate Order. In addition, there are safeguards in place that can affect the DSIC rate. A copy of the attached Company's Tariff Rules at Exhibit D, pages 20A – 20C, incorporated herein, further define the term DSIC.

Paragraph No. 3. The Company admits that the DSIC Charge changed from time to time as described hereinabove in Paragraph B (3) No. 2, and that the DSIC Charged on Exhibit C reflects the charges to Complainant. The five percent of the DSIC Complainant references is based upon the total charges. The Company denies the remaining allegations in this paragraph as incorrect and strict proof is required at time of hearing.

Paragraph No. 4. Denied as stated. The "Company Annual Report for 2004" as described in the Complaint refers to the report of Aqua America, Inc., the parent company of Aqua Pennsylvania, Inc. Aqua Pennsylvania, Inc. provides water service to portions of Pennsylvania, including the Main Division where the Property is located. The report speaks for itself. The remaining allegations are denied as incorrectly stated and strict proof is required at time of hearing.

Unnumbered Paragraph. Denied in part and admitted in part. The Company admits that it is entitled to recover its costs and return on rate base. A portion of the return on rate base covers a reasonable profit approved by the Commission. The Company denies Complainant's definition of "Minimum Charge" and his example stated, and strict proof thereof is required at time of hearing.

Numbered Paragraph 1-2. The Company is not required to respond to Complainant's questions. Notwithstanding same, the Company admits that the "Minimum Charge/Customer Charge" for water usage is not the same as the rates charged for water usage

and that the "Minimum Charge/Customer Charge" is not factored into the water usage charge. The Company further admits that the DSIC is calculated based on the base water charge, the "Minimum Charge/Customer Charge" and additional consumption charges.

Unnumbered Paragraph. The Company admits to filing a rate case at Docket R-00051030. The remaining allegations are deemed as conclusions of laws to which no further response is required.

Unnumbered Paragraph. The Company admits that the "Minimum Charge/Customer Charge" applied by the Company has already been approved by the Commission at Docket R-00038805. After reasonable investigation the Company is unable to provide information relating to "unregulated company[ies] that charges a "Minimum Charge" in addition to their basic charge," and strict proof of same is required at time of hearing.

Unnumbered Paragraph. After reasonable investigation, the Company is unable to admit or deny Complainant's state of mind relating to the Commission approved "Minimum Charge/Customer Charge." The Company, Aqua Pennsylvania, denies a "market value increase" of more than 11% during the calendar year 2005, and strict proof thereof is demanded at time of hearing. The Company admits Complainant contacted the Company.

Unnumbered Paragraph. No response is required to this paragraph.

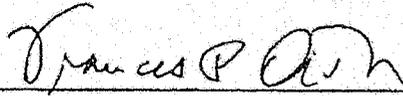
5. Denied. The relief requested should be denied. The Company is properly billing the Complainant in accordance with the rates and charges approved by the Commission as reflected in Exhibit A. Since the Tariff Rates charged to Complainant were approved by the Commission effective August 5, 2004, the subject Complaint should be dismissed with prejudice.

6. Unknown to the Company. No response is required.

7. The Company admits that the Complainant has had contact with the Company.
- 8-10. No response necessary.

WHEREFORE, for the foregoing reasons, Aqua Pennsylvania, Inc., denies that John B. Doherty is entitled to the relief requested, prays that the Complaint be dismissed with prejudice, and the Complainant be ordered to pay all outstanding charges, if any, due to the Company.

Respectfully submitted,



Frances P. Orth, Esquire
Counsel for Aqua Pennsylvania, Inc.
762 Lancaster Avenue
Bryn Mawr, PA 19010
(610) 645-1126

DATED: February 2, 2006

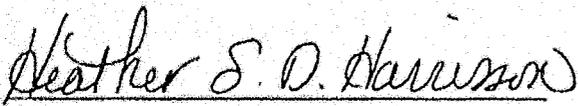
COMMONWEALTH OF PENNSYLVANIA :
 :
COUNTY OF MONTGOMERY :

AFFIDAVIT

Robert M. Griffin, being duly sworn according to law, deposes and says that he is the Manager for Regulatory Accounting for Aqua Pennsylvania, Inc.; that he is authorized to and does make this Affidavit for it; and that the facts set forth above are true and correct to the best of his knowledge, information and belief; and he expects Aqua Pennsylvania, Inc., to be able to prove the same at any hearing hereof.


Robert M. Griffin

Sworn and subscribed before
me this 2 day of February 2006


Notary Public

[SEAL]

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Heather S. D. Harrison, Notary Public
Lower Merion Twp., Montgomery County
My Commission Expires Mar 7, 2009
Member, Pennsylvania Association of Notaries

EXHIBIT A

AQUA PENNSYLVANIA, INC.

SCHEDULE OF RATES

FOR

MAIN DIVISION

RECEIVED

FEB 2 2006

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

SCHEDULE OF RATES

Meter Service

Size of Meter	Customer Charge (1)		
	Quarterly	Bi-Monthly	Monthly
5/8 inch	30.00	20.00	10.00
1/2 inch	47.40	31.60	15.80
1 inch	80.70	53.80	26.90
1-1/2 inch	164.70	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	4,680.00	2,720.00	1,360.00

Consumption Charges - Residential		(1)(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
Consumption Charges - Commercial & Public		
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
(1) Indicates Increase		
(C) Indicates Change		

EXHIBIT B

AQUA PENNSYLVANIA, INC.

RULES GOVERNING THE DISTRIBUTION OF WATER DEFINITION

MINIMUM CHARGE / CUSTOMER CHARGE

RECEIVED
FEB 2 2006
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Aqua Pennsylvania, Inc.

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.

EXHIBIT C

AQUA PENNSYLVANIA, INC.

ACCOUNT STATEMENT

RECEIVED
FEB 2 2006
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Customer's Name: Doherty, J
 PUC Docket #: C-20065732
 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	\$97.54	
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	\$96.23	
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	4/8/03	\$111.21	
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	\$130.15	
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	\$126.65	
3/26/2004	88	6148	A	12,500	142.0	\$26.25	\$65.89	\$4.61	\$0.07	4/23/04	\$0.00	\$86.82	\$126.65	\$0.00	1/23/04	\$86.82	
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	\$86.82	\$0.00	4/16/04	\$113.40	
8/9/2004	45	6394	A	9,100	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	
11/9/2004	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	
1/9/2004	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	3/8/05	\$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	4/28/05	\$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	
9/8/2005	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	\$51.13	\$0.00	9/26/05	\$39.74	
11/7/2005	31	7215	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	
12/8/2005	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	11/27/05	\$46.01	
1/5/2006	28	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	

EXHIBIT D

AQUA PENNSYLVANIA, INC.

RULES GOVERNING THE DISTRIBUTION OF WATER

DEFINITION OF DSIC

RECEIVED
FEB 2 2006
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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 Charge</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.

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.

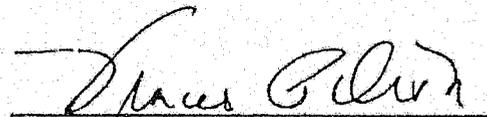
Re: John B. Doherty
PUC Docket No. C-20065732

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document, Aqua Pennsylvania, Inc.'s Answer to the Complaint, upon the person and in the manner set forth below:

FIRST CLASS MAIL:

John B. Doherty
214 Lee Circle
Bryn Mawr, PA 19010



Frances P. Orth, Counsel for
Aqua Pennsylvania, Inc.
762 Lancaster Avenue
Bryn Mawr, PA 19010
(610) 645-1126

Dated: February 2, 2006

RECEIVED
FEB 2 2006
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
February 10, 2006

1 CASE DOCKET

IN REPLY PLEASE
REFER TO OUR FILE

In Re: C-20065732

(SEE ATTACHED LIST)

John B. Doherty v. Aqua Pennsylvania, Inc.

Billing dispute.

Telephone Hearing Notice

DOCUMENT
FOLDER

This is to inform you that a hearing by telephone on the above-captioned case will be held as follows:

Type: Initial telephonic hearing.

Date: Tuesday, March 28, 2006

Time: 10:00 a.m.

Presiding: Administrative Law Judge Charles E. Rainey, Jr.
1302 Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130
Telephone: 215.560.2105
Fax: 215.560.3133

DOCKETED
FEB 16 2006

If you have not provided a current telephone number where you can be reached for participation in the hearing OR YOUR AREA CODE HAS CHANGED, then you must contact the presiding officer at least 7 days before the actual hearing and provide the necessary information.

SECRETARY'S BUREAU

2006 FEB 13 PM 12:53

RECEIVED

At the above date and time, the Presiding Officer will contact the parties as follows:

John B. Doherty	610.525.4181
Frances P. Orth, Esquire	610.645.4426

If you have any hearing exhibits to which you will refer during the hearing, 3 copies must be sent to the Administrative Law Judge and 1 copy each must be sent to every other party. All copies must be received at least 5 days before the hearing.

Attention: You may lose the case if you do not take part in this hearing and present facts on the issues raised.

Except for those individuals representing themselves, the Commission's rules require that all parties have an attorney; therefore, you should have an attorney of your choice file an entry of appearance before the scheduled hearing.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

- Scheduling Office: 717.787.1399
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1.800.654.5988

pc: Judge Rainey
Dawn Reitenbach
Beth Plantz
Docket Section
Calendar File