

PSC NO: 2 WATER
COMPANY: HOPEWELL SERVICE CORPORATION
INITIAL EFFECTIVE DATE: JUNE 1, 2011

STATEMENT TYPE: SURC
STATEMENT NO: 1

2011 SURCHARGE STATEMENT NO. 1

From July 2005 through October 2007, Hopewell Service Corporation ("Hopewell") purchased and/or had installed plant and improvements that qualify as capital investments. These capital improvements totaled nearly \$83,000. Sagamor Water Corp. ("Sagamor") loaned Hopewell \$57,798.

This surcharge is to enable Hopewell to repay Sagamor for the loan. The loan is calculated with a five-year term at 1.5% per month interest. The interest rate reflects the cost that Sagamor could incur for these funds. For the five-year term, the annual payment on the loan is \$17,612.27; \$126.71 per customer annually, or \$31.68 per customer per quarter. The first surcharge will be billed on June 1, 2011, and continue for five years.

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