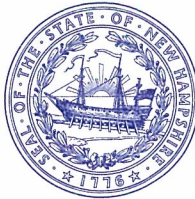


STATE OF NEW HAMPSHIRE

CONSUMER ADVOCATE
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21 S. Fruit St., Suite 18
Concord, NH 03301-2429

March 25, 2015

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Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-7319

RE: DRM 14-362 Puc 1604.07(t) Rule
Working Capital

Dear Ms. Howland:

Enclosed please find an original and six copies of the Office of the Consumer Advocate's Comments in the above captioned matter.

If you have any questions about this filing, please contact our office. Thank you.

Respectfully,

A handwritten signature in blue ink that reads "Susan Chamberlin".

Susan W. Chamberlin
Consumer Advocate

cc: Service list via electronic mail

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION
DRM 14-362 RULEMAKING
OFFICE OF THE CONSUMER ADVOCATE'S
COMMENTS ON PUC'S INITIAL PROPOSAL TO AMMEND PUC RULE 1604.07(t)

On January 29, 2015, the Commission voted pursuant to RSA 541-A to initiate a rulemaking to amend N. H. Code Admin. Rules, Puc 1604.07(t), which lays out the Commission's rule for determining working capital in the context of a full rate case. The Commission's Initial Proposal is to readopt the existing Puc 1604.07(t) rule with an amendment. The Initial Proposal amends Puc 1604.07(t) to require the use of a lead/lag study by utilities with gross revenues over \$10,000,000. The Commission's Initial Proposal reiterates that the calculation of working capital using a billing-cycle methodology will continue to be an option for utilities with gross revenues less than \$10,000,000.

On February 18, 2015, the Commission ordered a public hearing followed by a technical session to be held on March 18, 2015 and invited written comments by March 25, 2015. The Office of the Consumer Advocate (OCA) appreciated the opportunity to participate in the technical session held on March 18, 2015, and hereby submits its written comments on the Commission's Initial Proposal to readopt the existing Puc 1604.07(t) rule with amendment.

The OCA in principle supports the proposed amendment to the existing rule. While a cut-off based on gross revenues is reasonable and appropriate, the OCA is open to exploring levels other than the proposed \$10,000,000 cut-off as well as other considerations that may appropriately inform the Commission in determining which utilities should be subjected to a mandatory lead/lag study requirement. For utilities that are sufficiently large a mandatory lead/lag study is important to ensure that rates are just and reasonable to the extent that the calculation of working capital using a billing-cycle methodology significantly overstates the working capital requirement. As for the language of the final amendment, the OCA believes that comments from other stakeholders will help inform its position.

The OCA thanks the Commission for the opportunity to present these comments and wish to express our appreciation for the Commission Staff's efforts in drafting the proposed rule.

Respectfully,



Susan Chamberlin

Consumer Advocate