

THE STATE OF NEW HAMPSHIRE

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March 10, 2016

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, New Hampshire 03301

Re: DW 13-213 West Swanzey Water Company
Request for Approval to Collect Unbilled Revenue
Staff Recommendation to Approve

Dear Ms. Howland:

On March 4, 2016, West Swanzey Water Company (West Swanzey) filed a request, dated March 2, for approval to collect unbilled revenues. A recent audit of the company's books and records by the Commission's audit staff revealed that West Swanzey has not been billing correct rates to its customers for all of 2014 and 2015. In Order No. 25,606 issued December 19, 2013 in this docket, West Swanzey was granted a step adjustment to rates resulting from certain capital improvements completed and placed in service. The Commission had authorized the filing of this step adjustment in West Swanzey's last general rate case, DW 10-159. The step adjustment was to increase the company's revenue requirement by \$3,240 or 4.83%.

As a result of the Staff's audit, West Swanzey reviewed its billing and determined that, while it had filed accurate tariff pages in order to implement the step adjustment, it failed to change its billing system and thus continued to bill at its prior rates. After consultation with the Consumer Affairs and Water Divisions, the company elected to pursue recovery of the unbilled revenue. The attachments to the company's request provide the detail, by customer, of the amount of underbilling for the eight quarters of 2014 and 2015. Staff concurs with West Swanzey's analysis of its unbilled revenues and believes that the company's request to bill those amounts meets the requirements contained in Puc 1203.05(e). West Swanzey will recover the amount underbilled to each customer in a surcharge to bills over two quarters.

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After review, Staff agrees and recommends the Commission approve West Swanzey's request. If there are any questions regarding this matter, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark A. Naylor". The signature is fluid and cursive, with a large initial "M" and "N".

Mark A. Naylor
Director, Gas & Water Division

Cc: West Swanzey Water Company
Stephen P. St. Cyr

DW 13-213

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