

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 14-360

ABENAKI WATER COMPANY

**Request to Convert to Monthly Billing
for Service to Belmont and Bow**

Order *Nisi* Approving Monthly Billing Frequency

ORDER NO. 25,760

February 4, 2015

In this order *nisi*, the Commission approves the request of Abenaki Water Company to convert from quarterly billing to monthly billing. The change shall take effect on a service-rendered basis on or after April 1, 2015. The Company must provide direct and indirect customer notice through customer mailings and bill inserts. This order is being issued on a *nisi* basis to ensure that all interested persons receive notice of the Commission's determination and have the opportunity to request a hearing prior to the order taking effect.

I. BACKGROUND AND ABENAKI'S POSITION

The petitioner, Abenaki Water Company (Abenaki or Company), provides water and sewer utility services to customers in Belmont, New Hampshire, and water utility services to customers in Bow, New Hampshire. On December 11, 2014, Abenaki filed a letter and the direct testimony of Donald J.E. Vaughan, President and CEO of New England Service Company, Inc. (NESC), an Abenaki affiliate. Abenaki's filing requested authority to convert its billing frequency from quarterly to monthly. The filing and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are

posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2014/14-360.html>.

In support of the request to change from quarterly bills, Mr. Vaughan described the benefits of monthly billing. These include quicker identification of leaks by both the Company and customers, better price signals to customers interested in conservation, and earlier company identification of customer-payment delinquencies and potential bad debt. Mr. Vaughan testified that monthly billing will not result in additional costs to customers. Rather, Mr. Vaughan postulated that monthly billing in conjunction with other recent and future improvements to Abenaki's metering equipment (*i.e.*, radio read metering) may result in cost savings to customers.

To illustrate the impact of the frequency change, Mr. Vaughan provided a comparison of quarterly vs. monthly bills, by system and type of service. The new monthly base charges were derived by dividing existing quarterly rates by three. A quarterly rate-case-expense surcharge associated with DW 10-306, and applicable only to customers in Belmont, was also divided by three to determine their new monthly surcharge amount.

Abenaki proposed to inform customers of the change in billing frequency through a "notice or insert" in its January 2015 bills. Abenaki, however, did not propose an effective date for the bill-frequency change. In closing, Mr. Vaughan testified that the Commission's approval of Abenaki's request is consistent with the public good.

II. STAFF RECOMMENDATION

On January 28, 2015, Commission Staff (Staff) recommended approval of Abenaki's monthly-billing request. Staff agreed that more frequent billing will give the Company and

customers timelier information about leaks and may result in reduced uncollectible revenues and disconnect notices.

Staff recommended that the Commission approve the monthly billing effective for service rendered on or after April 1, 2015, or the second quarter of 2015. Staff also recommended that the Commission require Abenaki to notify customers of the conversion to monthly billings in two ways: through a direct mailing within 30 days of the effective date of this order; and with an insert in the first quarter billing, which will be mailed in early April.

III. COMMISSION ANALYSIS

Based on the information provided in the filing and Staff's recommendation, we find that Abenaki's change from quarterly to monthly billing will result in benefits to customers. The Commission favors monthly billing over quarterly billing. *See Hampstead Area Water Company*, Order No. 25,000 (August 4, 2009) (utility's conversion from quarterly to monthly billing is "a reasonable adjustment since it provides more frequent billing, which will send more accurate price signals to customers and reduce [the utility's] cash working capital requirements"); *Pittsfield Aqueduct Company, Inc.*, Order No. 23,117 (January 26, 1999) (utility's change from quarterly billing to monthly billing is in the public interest); *North Country Water Supply, Inc.*, Order No. 20,957 (September 9, 1993) (Commission approved company's request for monthly billing, recognizing its "policy to favor more frequent billing, thereby reducing uncollectible revenues and disconnect notices"). Abenaki's filing demonstrates that monthly billing is likely to benefit the Company's customers. Consequently, we approve Abenaki's request.

Regarding timing and notice, we agree with and approve Staff's effective-date and customer-notice recommendations. Accordingly, the change in billing frequency shall be effective on or after April 1, 2015, and Abenaki shall notify customers of the new monthly billing frequency through a direct notice, mailed to each customer, as well as through an insert or notice included within its 2015 first-quarter bills.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, Abenaki's request to convert its billing from quarterly frequency to monthly frequency is GRANTED, effective for service rendered on or after April 1, 2015; and it is

FURTHER ORDERED, that the Abenaki shall notify its customers of its new monthly billing frequency by direct mailing within 30 days of the effective date of this Order *Nisi*, as defined below; and it is

FURTHER ORDERED, that Abenaki shall provide notice to customers of its new monthly billing frequency in its first-quarter 2015 bills; and it is

FURTHER ORDERED, that Abenaki shall cause a summary of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than February 13, 2015, and to be documented by affidavit filed with this office on or before March 3, 2015; and it is

FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states


the reason and basis for a hearing no later than February 20, 2015, for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than February 27, 2015; and it is

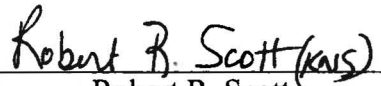
FURTHER ORDERED, that this Order *Nisi* shall be effective March 6, 2015, unless Abenaki fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that Abenaki shall file a compliance tariff with the Commission on or before March 20, 2015, in accordance with N.H. Code Admin. Rules Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this fourth day of February, 2015.

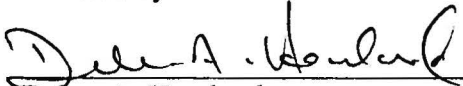


Martin P. Honigberg
Chairman



Robert R. Scott
Commissioner

Attested by:



Debra A. Howland
Executive Director