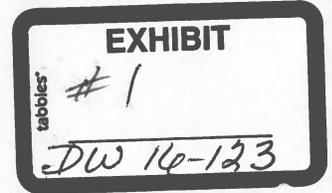


STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION



AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DOCKET NO. DW 16-____

Petition for Monthly Billing

Aquarion Water Company of New Hampshire, Inc. ("Company"), provides water service to approximately 9,000 customers in the Towns of Hampton, North Hampton, and Rye. Pursuant to RSA 378:1, the Company hereby petitions the New Hampshire Public Utilities Commission (the "Commission"), for authority to change the tariff pages to reflect the frequency with which it bills customers for water service. Specifically, the Company seeks to change from billing on a quarterly basis to billing on a monthly basis, effective for service rendered on or after May 1, 2016. The Company seeks to change from billing service charges for metered, private fire, and public fire service from in-advance to in-arrears. It seeks to change its payment due date from 30 to 25 days. The Company proposes to change the method by which it bills its customers for service charges to a *per diem* basis. Lastly, it seeks to adjust its working capital in its next rate case. In support thereof, the Company states as follows:

1. The Company currently bills metered and private fire customers on a quarterly basis. It bills its public fire service customers twice a year. The Company seeks to change the billing frequency for its metered and private fire customers only. The reasons and benefits for changing the frequency of billing are set forth in the attached pre-filed testimony of Debra Kirven and summarized below.

2. Monthly billing is consistent with the public good and provides numerous benefits to both customers and the Company: a) promote conservation; b) send more frequent usage data and price signals; c) allow the Company to monitor usage more closely; d) provide the Company with more information for responding to customer inquiries; e) allow the Company to detect customer and Company leaks more promptly; f) reduce unaccounted-for water and associated expenses; g) improve the overall integrity of the distribution system; h) provide greater predictability and budgeting control to customers; and i) reduce expenses associated with collections and uncollectables.

3. The public good of monthly billing was emphasized in Docket No. 01-253, where the Commission encouraged water utilities to transition to monthly billing. *Investigation into Water Conservation*, Order No. 24,243 (December 5, 2003) at 11.

4. The Commission has authorized other water utilities to implement monthly billing and cited the same reasons and benefits listed above as being consistent with the public good: 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").

5. Additionally, in two recent dockets, the Company's customers have supported the Company implementing monthly billing for metered customers. In the Company's last rate case,

Docket No. DW 12-085, the North Hampton Water Commission urged the Company to bill metered customers on a monthly basis. See, Docket No. DW 12-085, Hearing Transcript of May 24, 2013 at 119. In the Company's Water Infrastructure and Conservation Adjustment matter, Docket No. DW 13-314, the North Hampton Water Commission again urged the Company to implement monthly billing. *Aquarion Water Company of New Hampshire, Inc.*, Order No. 25,628 (February 7, 2014) at 4.

6. In conjunction with monthly billing, the Company seeks to move its due date for payment from 30 days to 25 days for metered and private fire customers. This change will allow the Company to receive and process customer payments prior to rendering the next month's bill. With respect to the *per diem* request, the Company seeks to align the number of days billed with the service charge. The modifications to Aquarion's New Hampshire billing practices are consistent with Aquarion's regulated operations in Connecticut and Massachusetts.

7. Monthly billing is customarily done in-arrears and changing from in-advance to in-arrears will affect the Company's calculated working capital. Allocating quarterly billed revenues to monthly billed revenues reduces the working capital allowance percentage by 113 basis points. Changing the service charges for metered, private fire, and public fire service from in-advance to in-arrears, with the exception of our seasonal customers, increases the working capital allowance percentage by 883 basis points.

8. In light of these changes in working capital, the Company requests the Commission allow it to book an annual deferral of the return on the working capital variance in the amount of \$23,169 and consider this deferred amount in the revenue requirement established in the Company's next rate case.

9. The costs of converting to monthly billing is expected to be outweighed by the overall benefits listed above.

10. The Company seeks to promote conservation resulting from more frequent price signals by implementing monthly billing in time for summer usage. Accordingly, the Company proposes a May 1, 2016 effective date.

11. If these changes are approved, the Company plans to provide notice to customers prior to the implementation of monthly billing. Notices will be mailed by first class mail to all customers. The Company will provide a copy of the notice to the Commissions' Consumer Affairs Division prior to mailing it to customers.

12. To illustrate the billing change, for the average residential customer with a 5/8" meter and based on average monthly usage of 733 cu. ft., the annual bill would be approximately \$586.31; on a quarterly basis, \$146.58; and on a monthly basis, \$48.86. The monthly bill is derived by dividing the quarterly rate by three. Stretching the bill over twelve monthly payments will provide customers with more predictability over their bills for water service.

13. Converting to monthly billing will not produce higher rates under RSA 378:5. It will not result in the Company collecting more revenues from customers than what was authorized by the Commission in the Company's last rate case, Docket No. DW 12-085.

14. The Company has attached for the Commission's review proposed revised tariff pages: Fourth Revised Page 12, Fourth Revised Page 14, and Fourth Revised Page 15 to effectuate the requested billing changes.

WHEREFORE, the Company respectfully requests that the Commission:

- A. Grant this Petition for Monthly Billing on a *nisi* basis and approve the change in billing frequency for service rendered on or after May 1, 2016;
- B. Grant such other relief as is just and equitable.

Respectfully submitted,

Aquarion Water Company of New Hampshire, Inc.

By its Attorneys,
RATH, YOUNG AND PIGNATELLI, PC

Date: January 22, 2016

By: *Marcia A. Brown*
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Certificate of Service

I hereby certify that on this 22 day of January, 2016, a copy of this petition has been mailed to the Office of the Consumer Advocate, Town of Rye, Town of Hampton, Town of North Hampton, and the North Hampton Water Commission.

Marcia A. Brown
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