

Town of Hampton



Impacts and secondary effects of
Aquarion Water Company's Petition for Monthly Billing
Public Hearing Notice
Hampton Board of Selectmen
February 22, 2016 at 7:00PM

The Hampton Board of Selectmen will hold a Public Hearing seeking public comment on the potential impacts of the petition of Aquarion Water Co. of New Hampshire to change its billing practices for Water from quarterly billing in advance to monthly billing in arrears and the secondary effects of these changes. A copy of the Company's petition to the Public Utilities Commission entitled "Aquarion Water Co. Petition for Monthly Billing" can be found on the Town's website at www.hamptonnh.gov

RATH YOUNG PIGNATELLI

Marcia A. Brown
Attorney-at-Law
mab@rathlaw.com
Please reply to: Concord Office

January 22, 2016

VIA E-MAIL AND HAND DELIVERY

Ms. Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

**Re: Docket No. 16-____ Aquarion Water Company of New Hampshire, Inc.
Petition for Monthly Billing**

Dear Ms. Howland:

Enclosed please find for filing an original and six (6) copies of Aquarion Water Company of New Hampshire's petition to change the frequency of its billing. Aquarion presently bills customers on a quarterly basis and requests authority to bill customers the same rates, but on a more frequent basis. As the Commission knows, among the benefits of monthly billing is that it sends better price signals to customers, especially during summer peak usage. These benefits and other adjustments to accommodate monthly billing are more fully explained in the accompanying testimony of Debra Kirven, Controller for Aquarion Water Company of Connecticut, Inc.

Please note that the Company has requested the Commission approve this change by order *nisi*. Assuming an order by March 1st, the Company will be prepared to implement the billing change effective May 1st in time for summer usage. The Company is available to meet with Staff to discuss this request. Thank you in advance for your assistance and consideration of this request.

Very truly yours,



Marcia A. Brown

cc: Office of the Consumer Advocate

National Impact. Uniquely New Hampshire.

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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 *nisu* 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
Marcia A. Brown
One Capital Plaza
Concord, NH 03301
(603) 226-2600

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
Marcia A. Brown

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DW 16 - ____

**PETITION TO AMEND THE COMPANY'S
TARIFF PAGES TO ALLOW FOR MONTHLY BILLING**

DIRECT TESTIMONY OF

DEBRA KIRVEN

January 22, 2016

1 **Q. Ms. Kirven, please state your name and business address.**

2 A. My name is Debra Kirven and my business address is 600 Lindley Street, Bridgeport,
3 Connecticut 06606.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Aquarion Water Company of Connecticut, Inc. ("Aquarion" or the
7 "Company") as Controller.

8

9 **Q. Please describe your educational background.**

10 A. I have a Bachelor's Degree in Managerial Accounting from the University of New Haven
11 in New Haven, Connecticut and a Master's Degree in Finance from Fairfield University
12 in Fairfield, Connecticut. I am also a Certified Public Accountant in the state of
13 Connecticut.

14

15 **Q. Please describe your business/ professional background.**

16 A. I was hired by Aquarion in February 2008 as Controller. Prior to Aquarion, I was
17 Director of Financial Reporting at Warnaco Group, Inc. and prior to that I worked in the
18 corporate accounting area at Southern New England Telephone. I am currently the
19 interim Director of Rates and Regulations and as such, I am responsible for the
20 preparation and presentation of regulatory filings for Aquarion's regulated water
21 affiliates.

22

1 **Q. Have you previously testified before the New Hampshire Public Utilities**
2 **Commission (“PUC” or the “Commission”)?**

3 A. Yes, I filed testimony and attended a technical section in the Company’s Water
4 Infrastructure and Conservation Adjustment filing, docket DW 15-476. I have also
5 previously testified before the Connecticut Public Utilities Regulatory Authority.
6

7 **Q. What is the purpose of your testimony?**

8 A. My testimony addresses the Company’s petition to modify tariff pages Third Revised
9 Page 12, 14, and 15 and change the frequency with which the Company bills its
10 customers. The Company seeks to transition all customers billed quarterly to billed
11 monthly, with the exception of public fire customers. The Company seeks to change the
12 billing of service charges for metered, private fire, and public fire service from in-
13 advance to in-arrears. This change will impact all of our customers, with the exception of
14 our seasonal customers. In addition, the Company seeks to change its payment due date
15 from 30 days to 25 days and change the method it bills its customers for service charges
16 to a *per diem* basis. This testimony will outline the changes, benefits of monthly billing,
17 how the change impacts the Company’s working capital, and the reasons for changing the
18 payment due date.
19

20 **Q. Please state how the Company presently bills customers.**

21 A. The Company currently bills metered and private fire customers on a quarterly basis.
22 The Company bills public fire protection customers on a half-year basis, but the

1 Company does not propose changing public fire service customers to monthly billing.
2 The Company currently bills all service charges on an in-advance basis. Customer
3 classes for metered service are reflected in the Company's tariff on Third Revised Page
4 12. Private fire and public fire service are reflected on the Company's tariff on Third
5 Revised Page 14 and 15, respectively.
6

7 **Q. Please explain the benefits of monthly billing.**

8 A. Monthly billing in-arrears is a common billing practice for utilities across the country,
9 irrespective of industry: electric, gas, cable, phone, and water. In order to enhance and
10 provide more efficient customer service, the Company determined that customers would
11 be better served if they received their bill on a monthly basis. There are a number of
12 specific benefits to customers and the Company for moving to monthly billing:

- 13 1) Promote conservation with customers by sending more frequent usage data and price
14 signals;
- 15 2) Allow the Company to monitor usage more closely and be able to more accurately
16 match production with consumption data;
- 17 3) Provide the Company with more information for responding to customer inquiries;
- 18 4) Allow the Company to detect customer and Company leaks more promptly by
19 providing leak survey teams with more accurate information on leakage locations within
20 the distribution system;
- 21 5) Allow the Company to reduce unaccounted for water which will improve the overall
22 integrity of the distribution system and expenses associated with unaccounted for water;

1 6) Provide greater predictability and budgeting control to customers because although
2 bills will be more numerous, they will be smaller and easier for customers to plan for,
3 similar to other utility expenses; and

4 7) As seen in Docket No. DW 12-085 when the Company moved its seasonal customers
5 to monthly billing, provide more efficient, cost effective service to customers by reducing
6 expenses in the revenue requirement associated with collections and uncollectibles.
7

8 **Q. Has there been public support for the Company transitioning to monthly billing?**

9 A. Yes. In Docket No. 01-253, *Investigation into Water Conservation*, the Commission
10 encouraged water utilities to transition to monthly billing. Order No. 24,243 at 11. In the
11 Company's last rate case, Docket No. DW 12-085, the North Hampton Water
12 Commission urged the Company to bill metered customers on a monthly basis. See,
13 Docket No. DW 12-085, Hearing Transcript of May 24, 2013 at 119. In Docket No. DW
14 13-314, *Water Infrastructure and Conservation Adjustment 2014-2015 Projects*, the
15 North Hampton Water Commission "felt that monthly reading and billing would reduce
16 quarterly billing rate shock and would help customers detect leaks more quickly."
17 *Aquarion Water Company of New Hampshire, Inc.*, Order No. 25,628 (2014) at 4.
18

19 **Q. Are there additional costs associated with monthly billing?**

20 A. We anticipate an increase to our postage and bill processing fees to account for the higher
21 frequency of bills; however, these increased costs will be migrated by the savings of
22 enrolling more customers in the Company's E-billing program and by the reduction in
23 expenses such as those associated with reduced collections and unaccounted-for water.

1 The net of these cost increases and expense reductions will be addressed in the
2 Company's next rate case application.

3
4 **Q. Does the working capital percentage calculation change with the change in the**
5 **billing practices?**

6 A. Yes. The working capital determines the amount of investor funds needed to finance the
7 operations. The working capital percentage is determined from the lead/lag study which
8 calculates the differences, in terms of days, between the point services are rendered to the
9 point revenues are collected from customers. There are two factors that will modify the
10 current authorized working capital percentage: (1) allocating quarterly billed revenues to
11 monthly billed revenues reduces the working capital allowance percentage by 113 basis
12 points; and (2) changing the billing of service charges for metered, private fire, and
13 public fire service from in-advance to in-arrears, with the exception of our seasonal
14 customers, increases the working capital allowance percentage by 883 basis points. As
15 Aquarion transitions its customers, the net of these attributes is an increase to the working
16 capital percentage. See Attachment DK Exhibit 1 for the original working capital
17 calculation under quarterly billing and DK Exhibit 2 for the revised working capital
18 calculation under monthly billing.

19
20 **Q. Is Aquarion proposing a regulatory treatment regarding the change in working**
21 **capital amount?**

1 A. Aquarion is requesting to defer the return on the difference between the revised working
 2 capital percentage (14.53%) and the authorized working capital percentage (6.83%),
 3 grossed up for income taxes. Please refer to the table below for the deferral amount. The
 4 Company is requesting the Commission to authorize an annual deferral of the return on
 5 the working capital variance in the amount of \$23,169 until the Company's next rate case
 6 proceeding and consider the amount in the Company's next revenue requirement.

	(A) 13 Mo Avg. O & M ⁽¹⁾	(B) Working Capital %	(A) * (B) Working Capital \$
Original ⁽²⁾	\$ 2,962,808	6.83%	\$ 202,213
Revised ⁽³⁾	\$ 2,962,808	14.53%	\$ 430,482
	Working Capital Difference		\$ 228,268
	Pre-tax Return on Rate Base % ⁽⁴⁾		10.15%
	Deferred Return on Working Capital		\$ 23,169

⁽¹⁾ 13 Month Average O&M filed per DW 12-085 Data Request Staff 3-11 Attachment A at 52.

⁽²⁾ Refer to DK Exhibit 1, originally filed in DW 12-085 Filing Requirements PUC 1604.01 - Section 28.

⁽³⁾ Refer to DK Exhibit 2, revised Filing Requirement PUC 1604.01 Section 28.

⁽⁴⁾ Pre-tax Return on Rate Base % calculation: 3.91% (Weighted Cost of Equity)
 * 1.68 (Gross-up)=6.57% (Pre-tax Equity)+ 3.58% (Weighted Cost of Debt)

7

8

9 **Q. How will the Company notify customers about the conversion to monthly billing?**

10 A. Aquarion's customers will be notified about the conversion to monthly billing through a
 11 letter mailed by first class mail to all customers prior to the transition. The Company will
 12 also include an explanation about the conversion in the notes section of the customer's
 13 first monthly bill. The Company will provide the Commission's Consumer Affairs
 14 Division with an advanced copy of the notice prior to mailing to customers.

15

1 Q. When does the Company wish to convert to monthly billing?

2 A. The Company expects to need approximately two months to transition and test its billing
3 system for monthly billing. Given that needed time, assuming the Company were to
4 receive Commission approval for monthly billing as of March 1, 2016, the Company
5 would plan to have an effective date of May 1, 2016. This timing is beneficial for the
6 Company because May 1st is a Sunday and is the best day for the Company's software
7 team to perform the change-over. A May 1, 2016 effective date would also allow the
8 Company to provide customers with improved price signals for water conservation in
9 time for summer use. If the Commission approval is after March 1st, then the Company
10 will adjust its effective date past May 1st and file an appropriate compliance tariff with
11 the Commission.

12 Q. Please explain how converting to in-arrears billing will impact the average
13 residential customer's bill?

14 A. Because customers will have previously paid in-advance, metered, private fire, and public
15 fire service customers will not incur a service charge on their bill for the first 1 to 3
16 billing cycles, depending on the timing of their last bill. For illustration, please refer to
17 the table below for the current quarterly billing practice, the proposed monthly billing
18 practice for the service charge, and the effect on customers' bills.

<u>Residential 5/8" Meter</u>	QUARTERLY			MONTHLY			
	Feb. Bill	Mar. Bill	Apr. Bill	May Bill	June Bill	July Bill	Aug Bill
Cate. A -Jan/Apr/Jul/Oct Qtr	\$ -	\$ -	\$ 46.80	\$ -	\$ -	\$ -	\$ 15.60
Cate. B - Feb/May/Aug/Nov Qtr	\$ 46.80	\$ -	\$ -	\$ -	\$ 15.60	\$ 15.60	\$ 15.60
Cate. C - Mar/Jun/Sep/Dec Qtr	\$ -	\$ 46.80	\$ -	\$ -	\$ -	\$ 15.60	\$ 15.60

19 Note: Private Fire is billed similar to Category A.

1 The metered customers' volumetric charge will not be impacted with the transition to
2 monthly billing.

3 Public Fire customers are billed semi-annually, January and July. These customers will
4 not receive a bill until January 2017.

5
6 **Q. Are there changes to the Company's tariff pages?**

7 A. The Company proposes to modify the attached tariff pages to correspond with the
8 Company's change in billing practices. The changes in the tariff pages will reflect the
9 transition to monthly billing for services rendered and transitioning the billing of the
10 service charges from in-advance to in-arrears, with the exception of seasonal customers.
11 The modifications to Aquarion's New Hampshire billing practices are consistent with
12 Aquarion's regulated operations in Connecticut and Massachusetts. Please refer to DK
13 Exhibit 3 for a red-line version of the changes to the proposed Fourth Revised Page 12,
14 Fourth Revised Page 14, and Fourth Revised Page 15.

15
16 **Q. Please explain the changes to the payment period.**

17 A. In conjunction with converting to monthly billing, the Company wishes to amend the
18 payment due date on the monthly customer bills to be 25 days from the statement date.
19 This change will allow the Company to receive and process the customer payments prior
20 to rendering the next monthly bill. Under quarterly billing, receiving payment prior to
21 the next bill being issued had not been a concern. Now that the Company is changing to
22 monthly billing, there is an increased concern that bills will be issued prior to receiving

1 payment, even if it is postmarked before the due date. The Company is aware that other
2 water utilities in New Hampshire have a 25-day due date to accommodate monthly
3 billing. This change will not otherwise change the calculation of the late fees. The
4 Company will continue its current practice of assessing a 5% late fee on outstanding
5 balances unpaid after 30 days from the postmark date printed on the bill. The Company's
6 request to change to a *per diem* calculation of the service charge is to better align the
7 service charge with the number of days billed.

8

9 **Q. Does this conclude your testimony?**

10 **A. Yes it does.**

Aquarion Water Company of New Hampshire
Working Capital Percentage Calculation

Originally filed in DW 12-085 Filing Requirements PUC 1604.01 - Section 28

Revenue Classification	(A)	(B)	(C)=(A)*(B)
	<u>Revenue</u>	<u>Days</u> <u>(Lead)/Lag</u>	<u>(Lead)/Lag</u> <u>Dollar-Days</u>
<u>Billed in Advance</u>			
<u>Year Round Monthly</u>			
Residential	2,285	-15	(34,268)
Commercial	110,652	-15	(1,659,775)
Industrial	1,195	-15	(17,930)
Other Public Authority	16,018	-15	(240,275)
	-		
<u>Year Round Quarterly</u>			
Residential	1,185,468	-45	(53,346,040)
Commercial	127,637	-45	(5,743,655)
Industrial	159	-45	(7,170)
Other Public Authority	9,442	-45	(424,889)
<u>Seasonal</u>			
Residential	163,707	-60	(9,822,394)
Commercial	24,997	-60	(1,499,810)
Other Public Authority	11,455	-60	(687,274)
Private Fire	305,420	-45	(13,743,905)
Public Fire	712,387	-90	(64,114,835)
Subtotal Advance	<u>2,670,821</u>		<u>(151,342,218)</u>
<u>Billed in Arrears</u>			
<u>Year Round Monthly</u>			
Residential	17,299	15	259,486
Commercial	532,956	15	7,994,339
Industrial	23,478	15	352,176
Other Public Authority	31,777	15	476,651
<u>Year Round Quarterly</u>			
Residential	2,097,920	45	94,406,410
Commercial	288,546	45	12,984,555
Industrial	31	45	1,389
Other Public Authority	10,120	45	455,403
<u>Seasonal</u>			
Residential	120,224	15	1,803,364
Commercial	101,202	15	1,518,033
Other Public Authority	11,615	15	174,225
Subtotal in Arrears	<u>3,235,168</u>		<u>120,426,033</u>
	<u>5,905,989</u>		<u>(30,916,185)</u>
		Average Days	(5.43)
		Average Days to Pay	30
		Total Average Days	24.57
		Total Days	360
			<u>6.83%</u>

**Aquarion Water Company of New Hampshire
 Working Capital Percentage Calculation - Revised**

Revenue Classification	(A)	(B)	(C)=(A)*(B)
	<u>Revenue</u>	<u>Days</u> <u>(Lead)/Lag</u>	<u>(Lead)/Lag</u> <u>Dollar-Days</u>
<u>Billed in Advance</u>			
<u>Year Round Monthly</u>			
Residential	-	-15	-
Commercial	-	-15	-
Industrial	-	-15	-
Other Public Authority	-	-15	-
	-		
<u>Year Round Quarterly</u>			
Residential	-	-45	-
Commercial	-	-45	-
Industrial	-	-45	-
Other Public Authority	-	-45	-
	-		
<u>Seasonal</u>			
Residential	163,707	-60	(9,822,394)
Commercial	24,997	-60	(1,499,810)
Other Public Authority	11,455	-60	(687,274)
Private Fire	-	-45	-
Public Fire	-	-90	-
Subtotal Advance	<u>200,158</u>		<u>(12,009,478)</u>
<u>Billed in Arrears</u>			
<u>Year Round Monthly</u>			
Residential	3,302,971	15	49,544,571
Commercial	1,059,790	15	15,896,850
Industrial	24,864	15	372,959
Other Public Authority	67,357	15	1,010,357
			-
<u>Year Round Quarterly</u>			
Residential	-	45	-
Commercial	-	45	-
Industrial	-	45	-
Other Public Authority	-	45	-
			-
<u>Seasonal</u>			
Residential	120,224	15	1,803,364
Commercial	101,202	15	1,518,033
Other Public Authority	11,615	15	174,225
Private Fire	305,420	15	4,581,301.69
Public Fire	712,387	90	64,114,835
Subtotal in Arrears	<u>5,705,831</u>		<u>139,016,496</u>
	<u>5,905,989</u>		<u>127,007,018</u>
		Average Days	22.31
		Average Days to Pay	30
		Total Average Days	52.31
		Total Days	360
			<u>14.53%</u>

SCHEDULE OF WATER RATES FOR METERED SERVICE

Available:

To all customers except those using the Company's service for fire service and those who do not take metered water service for ~~four (4) consecutive quarters or twelve (12) consecutive months.~~

Rate:

All general water service customers shall pay a service charge based on the size of the meter installed. Rate for consumption in addition to the service charge provided for herein: \$4.536 per 100 cubic feet.

All Customers:

Service Charge:

<u>Size of Meter</u>	<u>Per Month</u>	<u>Per Quarter</u>
5/8 inch	\$ 15.60	\$ 46.80
3/4 inch	\$ 23.40	\$ 70.20
1 inch	\$ 39.01	\$ 117.03
1 1/2 inch	\$ 78.05	\$ 234.15
2 inch	\$ 124.87	\$ 374.61
3 inch	\$ 234.00	\$ 702.00
4 inch	\$ 390.00	\$ 1,170.00
6 inch	\$ 780.00	\$ 2,340.00
8 inch	\$ 1,248.00	\$ 3,744.00
10 inch	\$ 1,794.00	\$ 5,382.00

Terms of Payment:

Bills for the service charge shall be rendered monthly in arrears for three months in advance for services rendered on the first day of each month following the quarterly monthly meter readings. The billing for water consumed in the previous quarter-month shall be included with billing of the quarterly-monthly service charge. Bills are due and payable within 25 days from the postmarked date of the bill.

Penalty:

A penalty of five percent (5%) will be added to bills which are unpaid after the due date printed on the bill as evidenced by the date of payment to the utility's authorized agent.

Issued: ~~June 28, 2013~~ May 1, 2016

Issued by: _____
Donald J. Morrissey

Effective: ~~July 1, 2013~~ May 1, 2016

As authorized in order ~~25,539XX,XXX~~ in Case DW ~~12-08516-XXX~~

Title: Chief Financial Officer

SCHEDULE OF WATER RATES FOR PRIVATE FIRE SERVICE

Available:

To all customer using the Company's facilities for Private Fire Service.

Rates:

<u>Fire Service Connection</u>	<u>Per-Year</u>	<u>Per Month</u>
3 inch or less	\$ 441.14	\$ 36.76
4 inch	\$ 751.67	\$ 62.64
6 inch	\$ 1,793.24	\$ 149.44
8 inch	\$ 3,188.69	\$ 265.72
10 inch	\$ 4,983.70	\$ 415.31
12 inch	\$ 7,041.20	\$ 586.77

Terms of Payment:

Bills for Private Fire Service will be rendered on a monthly basis three months in advance arrears on the first days of ~~January, April, July and October~~ of each ~~year~~ month. Bills are due and payable within 25 days from the postmarked date of the bill. Bills are due and payable at the office of the Company when rendered.

Issued: ~~June 28, 2013~~ May 1, 2016

Issued by: _____
Donald J. Morrissey

Effective: ~~July 1, 2013~~ May 1, 2016

As authorized in order ~~25,539XX.XXX~~ in Case DW ~~12-08516-XXX~~

Title: Chief Financial Officer

SCHEDULE OF WATER RATES FOR PUBLIC FIRE SERVICE

Available:

To all customers using the Company's facilities for Public Fire Service.

Rates:

The hydrant charge for each municipal hydrant shall be \$1,740.41 per annum.

Terms of Payment:

Bills for Public Fire Service will be rendered six (6) months in ~~advance~~ arrears of January 1st and July 1st of each year. Bills are due and payable at the office of the Company on the above dates. The hydrant charge for each municipal hydrant shall be \$1,740.41 per annum.

Issued: ~~June 28, 2013~~ May 1, 2016

Issued by: _____

Donald J. Morrissey

Effective: ~~July 1, 2013~~ May 1, 2016

As authorized in order ~~25,539XX,XXX~~ in Case DW ~~12-08516-XXX~~

Title: Chief Financial Officer