

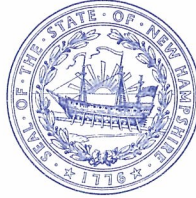
DW 10-159

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THE STATE OF NEW HAMPSHIRE



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January 27, 2012

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

Re: DW 10-159, West Swanzey Water Company
Request to Extend Date to File Step Adjustment

Dear Ms. Howland:

On March 15, 2011, the Commission issued its Order No. 25,203 in this docket, approving a settlement agreement executed by West Swanzey Water Company (West Swanzey) and Staff. In that agreement, West Swanzey and Staff recommended that the company be permitted to file for a step adjustment to its rates before the end of 2011 with respect to needed capital improvements planned for the company's well #2. Those capital improvements, estimated to cost \$33,000, are intended to rehabilitate the well in an effort to secure additional water supply, and also to repair or replace the associated well pump.

On December 27, 2011, the Commission received a letter dated December 21 from Stephen P. St. Cyr on behalf of West Swanzey requesting that the deadline to complete the work and apply for the step adjustment be extended to the end of 2012. The company indicates that it has recently been in discussions with the Department of Environmental Services (DES) about the availability of State Revolving Loan Funds (SRF) and the possibility of expanding the work to be done at the West Swanzey system, in light of SRF availability. The company therefore requests an extension through the end of 2012 for its step adjustment.

Staff has contacted the company to discuss these issues, and West Swanzey has decided not to pursue an expansion of the scope of the capital improvements. The company intends to move ahead with a financing petition for SRF funds, and will be filing that petition shortly. In connection with that financing, the company continues to seek authorization to file a step adjustment before the end of 2012.

Staff supports the company's request. A step adjustment was approved in the settlement agreement in this docket, and the request is simply an extension of time for the company to complete necessary capital improvements. West Swanzezy is a very small utility serving about 76 customers. It incurred rate case expenses of just over \$8,100 to pursue new rates in the instant docket, and a step adjustment will be far less costly for the company to pursue. In addition, it has access to low cost SRF funds, which will be beneficial to customers.

If you have any questions or request further information regarding this matter, please contact me.

Sincerely,



Mark A. Naylor
Director, Gas & Water Division

cc: service list