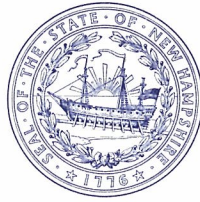


THE STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

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Thomas B. Getz

COMMISSIONERS
Clifton C. Below
Amy L. Ignatius

EXECUTIVE DIRECTOR
AND SECRETARY
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February 14, 2011



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

Re: DW 10-159: West Swanzey Water Company, Inc.
Staff's Recommendation Relative to Recovery of Rate Case Expenses

Dear Ms. Howland:

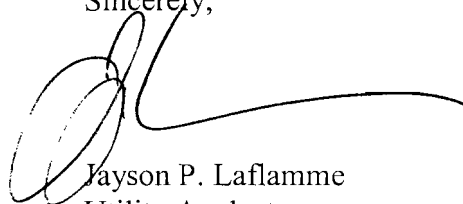
On January 18, 2011, West Swanzey Water Company, Inc. (WSWC) submitted its proposal for recovery of rate case expenses in Docket DW 10-159. WSWC's submission was made in accordance with the Settlement Agreement presented at hearing on January 4, 2011 and requested recovery of a total of \$8,128.20 in rate case expenses. WSWC proposed that this amount should be recovered over a one year period from 80 customers (75 water customers and 5 fire protection customers) at a rate of \$25.40 per customer per quarter.

WSWC included copies of the supporting invoices for the costs for which it is seeking recovery. Staff reviewed these invoices and found no exceptions in its examination of these costs. However, Staff questioned the proposed customer count because 4 of the 5 fire protection customers are also water customers. WSWC therefore agreed to a revised customer count of 76 (75 water customers and 1 fire protection customer). Also, Staff felt that recovery of these costs over a one year period would be unduly burdensome to WSWC's customers especially in light of the proposed increase in the fixed quarterly charge to its water customers as well as the imminent step increase proposed in the settlement agreement. Staff, instead, proposed to WSWC a two-year recovery period which would result in a quarterly surcharge per customer of \$13.37 ($\$8,128.80 \div 76 \text{ customers} \div 8 \text{ quarters}$). WSWC agreed to Staff's proposal.

WSWC and Staff propose that the Commission's decision regarding rate case expenses be included in its order regarding the proposed Stipulation Agreement presented in this case. I have attached a copy of WSWC's January 18 submission to this correspondence. If you have any questions, please do not hesitate to contact either myself or any other staff member in the Gas/Water Division.

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Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line extending to the right.

Jayson P. Laflamme
Utility Analyst

Attachment: WSWC's Rate Case Expense Proposal

cc: Service List

STEPHEN P. ST. CYR & ASSOC.

17 Sky Oaks Drive, Biddeford, ME 04005

PHONE: (207) 282-5222

FAX: (207) 282-5225

Accounting & Finance
Budgeting & Forecasting
Financial Statement Preparation
Regulatory Affairs
Tax Preparation & Planning
Management Services

January 18, 2011

Mark Naylor, Director
Gas and Water Division
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N. H. 03301-2429

Re: DW 10-159 West Swanzey Water Company
Rate Case Expenditures and Proposed Surcharge

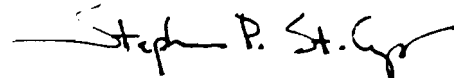
Dear Mr. Naylor:

In accordance with the Settlement Agreement in DW 10-159, enclosed is a proposed surcharge for recovery of rate case expenditures, a summary of rate case expenditures and the supporting documentation. The Company incurred \$8,128.20 of rate case expenditures. It proposes to recover the rate case expenditures over a one period at a rate of \$25.40 per customer per quarter. Please review and draft a joint recommendation to the Commission for the Company's consideration.

Assuming that Staff can complete its review and the Staff and the Company can agree on a joint recommendation in a week or two, the Company respectfully that the joint recommendation be submitted to the Commission for its review and determination, and incorporated in the Commission order addressing permanent rates.

If you, the Staff and/or the Commissioners have any questions or comments, please contact me at 207-282-5222 or email me at stephenpstcyr@yahoo.com.

Sincerely,



Stephen P. St. Cyr

cc: Sally Brown

West Swanzey Water Company

Proposed Surcharge for Recovery of Temp/Perm Rate Recoupment and Rate Case Expenditures

Rate Case Expenditures	<u>8,128.20</u>
Total Rate Case Expenditures subject to Proposed Surcharge	\$8,128.20
Number of Customers	<u>80</u>
Total Proposed Surcharge per Customer	<u>\$101.60</u>
Total Proposed Surcharge per Customer per Quarter	<u>\$25.40</u>

SPSt. Cyr
1/18/2011

West Swanzey Water Company

Rate Case Expenditures

<u>Date of Invoice</u>	<u>Period</u>	<u>Vendor / Supplier</u>	<u>Amount</u>
6/4/20010	5/10	St. Cyr & Associates	\$393.75
7/2/2010	6/10	St. Cyr & Associates	86.84
8/3/2010	7/10	St. Cyr & Associates	1,102.50
9/4/2010	8/10	St. Cyr & Associates	866.25
10/5/2010	9/10	St. Cyr & Associates	523.73
11/5/2001	10/10	St. Cyr & Associates	498.75
12/5/2010	11/10	St. Cyr & Associates	971.25
1/4/2011	12/10	St. Cyr & Associates	2,598.75
Act/Est	1/10	St. Cyr & Associates	918.75
Various	Various	Curry Printing	<u>167.63</u>
Total			<u>\$8,128.20</u>

SPSt. Cyr
1/18/2011