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|  | **PENNSYLVANIA**  **PUBLIC UTILITY COMMISSION**  **Harrisburg, PA 17105-3265** | | |  |
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|  | | Public Meeting held May 7, 2015 | | |
| Commissioners Present: | |  | | |
| Robert F. Powelson, Chairman  John F. Coleman, Jr., Vice Chairman  James H. Cawley  Pamela A. Witmer  Gladys M. Brown | | | | |
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| United Water Bethel Inc.  Supplement No. 50 to Tariff Water-Pa. P.U.C. No. 3 | | | R-2015-2473582 | |

**ORDER**

**BY THE COMMISSION:**

Before us for disposition is United Water Bethel Inc.’s (United Bethel or the Company) proposed Supplement No. 50 to Tariff Water-Pa. P.U.C. No. 3. Supplement No. 50 was filed on March 24, 2015, with a proposed effective date of May 23, 2015. Supplement No. 50 was filed to change the billing period of the Company’s customers from quarterly to monthly.

United Bethel, Utility Code 210150, provides domestic water service and fire protection to 2,342 residential customers, 73 commercial customers and one sale-for-resale customer. The Company’s service area includes developments in Bethel and Concord Townships, Delaware County. United Bethel’s sole source of supply is purchased water. This water is purchased through agreements with Chester Water Authority and with United Water Delaware. Additionally, United Water Delaware occasionally purchases water from United Bethel.

United Bethel’s distribution system consists of approximately 40 miles of water main. These mains vary in size from two inches (2”) to twelve inches (12”) in diameter. The Company’s distribution system also contains 196 hydrants but does not have any storage tanks or booster stations. Employees of United Water Delaware provide the labor required to manage, operate and maintain United Bethel’s distribution system and customer service support.

Currently, United Bethel’s customers are billed quarterly at the same time in January, April, July and October. In support of its proposed Supplement No. 50, which would change the Company’s billing cycle to monthly, the Company states that its customers will have more-timely information to make personal decisions regarding water conservation and budgeting. Further, a monthly rather than quarterly billing cycle would provide customers with consumption information more often. Having this information more often would allow for earlier leak detection, investigation and repairs. This, in turn, would save money for the customers.

The Company further asserts that the amount of an average monthly bill would be approximately 1/3rd of the amount of an average quarterly bill. The Company claims that this would reduce the likelihood of customers getting high bills, which generate questions to the Company. The Company also states that monthly billing would be more in line with other billing schedules.

Additional benefits of transitioning to monthly billing claimed by the Company include improvements to overall customer payment track records, resulting in lower uncollectible expense. The Company also asserts that monthly billing will reduce apparent losses (i.e., water that has been produced but lost before it reaches the customer) because zero meter reads and meter tampering would be discovered sooner. Further, the Company avers that transitioning to monthly billing will provide the Company with the information to reconcile between water production and consumption more frequently. Having this information more frequently will improve system monitoring and detecting physical water losses.

Information provided by the Company shows that the change from quarterly to monthly billing under its proposed monthly rates and rate blocks results in no price increases to small residential and small commercial customers and minimal price increases to large residential and commercial customers. Because the Company’s current quarterly rates and, more specifically, its current quarterly rate blocks were not evenly divisible by three, the Company states that it needed to establish new rate blocks that were close to what evenly divisible by three would be. To accomplish this in a manner that would generate the Company’s same overall current revenue requirement, the Company maintained its rate for the first block and increased its rates for the second and third blocks. Applying the proposed monthly rates and blocks to the Company’s billing determinants results in $259 less annual revenue than what is generated under its current quarterly rates and blocks.

Under the proposed monthly rates and first block of 11,000 gallons, customers with usage up to what was the former quarterly first block of 34,000 gallons will experience no change in their bill. Customers with usage at the new second block of 51,000 gallons will experience an increase of $0.66 per month. The table below provides a comparison of the Company’s current and proposed rates and blocks.



The Company states that if Supplement No. 50 is approved and it is permitted to transition to monthly billing, its meter reads will be based upon actual meter reads each month. Further, the Company indicates that if Supplement No. 50 is approved, it plans to begin billing customers on a monthly basis in August, 2015. The Company will provide notice of Supplement No. 50 to its customers via bill insert.

The Company served a copy of Supplement No. 50 on the Office of Consumer Advocate, the Office of Small Business Advocate and the Bureau of Investigation and Enforcement. No complaints were filed and no hearings were held.

Upon review, we find compelling the Company’s reasons for transitioning to monthly billing. The Company enumerated many positive benefits that will result from the transition. Also, the information provided by the Company shows that the transition will be effectively revenue neutral. Additionally, we find that the proposed tariff supplement does not appear to be unlawful, unjust, unreasonable or contrary to the public interest. As such, we shall permit the proposed tariff supplement to become effective as filed. However, this does not constitute a determination that the proposed tariff supplement is just, lawful and reasonable; rather, this is a determination that suspension or further investigation does not appear to be warranted at this time; **THEREFORE,**

**IT IS ORDERED:**

1. That United Water Bethel Inc.’s proposed Supplement No. 50 to Tariff Water-Pa. P.U.C. No. 3 is hereby permitted to become effective May 23, 2015.

2. That this Order is without prejudice to any formal complaints timely filed against the proposed tariff supplement.

3. That the case be marked closed.

  **BY THE COMMISSION,**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: May 7, 2015

ORDER ENTERED: May 7, 2015