

STATE OF NEW HAMPSHIRE

BEFORE THE  
PUBLIC UTILITIES COMMISSION

AQUARION WATER COMPANY OF NEW HAMPSIRE, INC.

DOCKET NO. DW 16-828

TOWN OF HAMPTON'S RECOMMENDATIONS

Introduction

This case concerns the Petition of Aquarion Water Company of New Hampshire, Inc. (hereinafter, "Aquarion" or the "Company") for approval of its Water Infrastructure and Conservation Adjustment surcharge sought to be effective January 1, 2017 and for approval of its proposed projects for 2017. Hampton has participated fully in this matter since its inception, propounding two sets of data requests in accordance with the procedural schedule dated November 8, 2016, and seeking additional information at the Technical Session on December 12, 2016. The recommendations of the Town of Hampton are set forth in bold as "**POSITIONS**" below and on the attached sheet entitled "Summary Sheet following Technical Session Scheduled December 12, 2016."

Hampton's said POSITIONS are grouped as follows:

**I. It is unclear how Aquarion is actually financing its WICA projects.**

Aquarion does not provide, and so far the Commission has not required it to provide, audits of its annual reports by an independent auditor. The Public Utilities Commission should so require, because, from the Company's answers to data requests, compared with

information in its annual reports on file to date, and information received from the Technical Session, it is unclear how Aquarion finances its WICA eligible projects.

The Company responded in Hampton Date Request 1-6 that it finances its rate base additions, including the WICA projects that are subject of this proceeding, through a combination of internally generated funds (i.e., depreciation and net income) and internal or external financing. There have been no new external financings since the Company's last rate proceeding. In addition, the Company does not currently have any existing internal borrowings.

In reviewing the projects for 2015 totaling \$741,465 it is not apparent that the financing came from net income and/or depreciation. Operating revenues in 2015 only decreased by \$217,272, net operating income decreased by only \$152,565 and net income decreased by \$173,355 according to the Company's 2015 Annual Report.

In reviewing the projects for 2014 totaling \$596,646 it is not apparent that the financing came from net income and/or depreciation. Net income decreased by \$429,338 according to the Company's 2014 Annual Report.

When asked about this at the Technical Session, the Company responded that the funding for the 2016 WICA projects came from the Notes Receivable account on the Company's balance sheet. When reviewing the balances of these accounts produced by Troy Dixon in response to Data Request Hampton Tech Session-2, the amounts therein provided of \$2,795,645 and \$3,072,541 for balances ended December 31, 2015 and 2014, respectively, did not agree with the numbers filed with the PUC in Aquarion's 2015 and 2014 annual reports. The amounts appearing in the 2015 and 2014 annual reports for Notes Receivable were \$3,100,000 for both years.

The time provided by the procedural schedule is not sufficient to accomplish the kind of accounting discovery and analysis that is needed to appropriately approve of the Company's WICA expenditures. Accordingly, the following POSITIONS are set forth by the Town of Hampton under this grouping:

**POSITION:** The Town of Hampton requests a detailed general ledger transaction history showing all debits and credits to account #146 (Notes Receivable from Assoc. Co.) from July 1, 2013 - November 30, 2016. The Town of Hampton requests a detailed general ledger transaction history showing all credits to account #400 (Operating Revenues) from July 1, 2013 - November 30, 2016.

**POSITION:** Town of Hampton requests documentation to the determination of the depreciation rates in the 2008 rate case. The Town of Hampton requests a detailed general ledger transaction history showing all debits and credits to account #403 (Depreciation expense) from July 1, 2013 - November 30, 2016.

**POSITION:** The Town of Hampton requests that the Company verify the amounts of eligible retirements deducted from the eligible capital costs for 2015 and 2014 which is used to calculate the property tax expense for each project.

**POSITION:** On page 22-23 Part B: Revenue Requirement in the 2012 rate case the Company calculated the rate base of \$22,507,606. The percentage increase by the Company was calculated at 15.20% The Town of Hampton requests that the Company provide the calculation for the rate base (line 1), the adjusted net operating income at present rates (line 4), and the tax effect (line 6).

**POSITION:** The Town of Hampton requests that the Company cease and desist on the 2017 proposed WICA projects and any additional and/or future WICA projects, fundings and expenditures until the above additional requests have been received, reviewed and approved by the Town, its Administration and its Board of Selectmen.

**POSITION:** The Town of Hampton requests that the Company engage a Certified Public Accounting (CPA) firm to audit their Annual Reports submitted to the PUC prior to implementing additional WICA Surcharge Filings and/or Rate Cases.

- II. The Company is not making principal payments on its long term debt while at the same time earning a greater return on equity than was allowed by the Commission in the last rate case, and paying generous dividends to its shareholders rather than financing its WICA projects.

The Town has learned in the course of its discovery in this case that the Company is not making principal payments on its debts totaling \$13.9 million that were acquired in 1983, 2005 and 2012. In

reviewing the 2015 and 2014 annual reports Company shows interest and amortization expense of \$841,381, \$840,951 and \$841,571 in 2015, 2014 and 2013, respectively.

The Company stated that principal payment to long term debt would decrease return on equity. The Town of Hampton would argue however, that if the Company began principal payments, which would substantially lower the interest and amortization expense and cease/restrict internal funding (apparent in the Notes Receivable line item on the balance sheet) that net income would in fact increase on its own. Less dividends paid to shareholders would increase the Retained Earnings of the Company and the ratio of net income to total equity would then increase.

Examination of the Annual Returns for Aquarion on file with the Commission for 2015, 2014, and 2013 shows the following:

History of Debt to Equity Ratio (review of Company 2015, 2014 and 2013 financial statements)

2015 it is calculated at 127.35%

2014 it is calculated at 126.00%

2013 it is calculated at 132.67%

History of Return on Equity (review of Company 2015, 2014 and 2013 financial statements)\*

2015 it is calculated at 11.13%

2014 is calculated at 12.58%

2013 is calculated at 17.35%

\*This is calculated by taking net income and dividing it by total equity. Aquarion has reported in its Response to Hampton Data Request 1-11 (attached) that through October 31, 2016, its Return on Equity achieved has been 10.35%.

Dividends Paid

2015 = \$1,332,000 (12% equity)

2014 = \$ 833,000 (8% equity)

2013 = \$ 903,500 (8.6% equity)

In light of the above, the Town of Hampton has the following recommendations:

**POSITION: The Company from 2013 onward has received a greater Return on Equity than the 9.6% that was allowed by the Commission in DW 12-085 (Order No 25,539 dated June 28,2013) and has paid this out to shareholders in generous dividends rather than financing is WICA projects or paying down the principal on its long term debt.**

**POSITION: The Town of Hampton requests copies of the long term debt agreements showing the schedule of payments due from Aquarion.**

**POSITION: The Town of Hampton requests that the Company begin principal payments to the \$13.9 million in acquired bonds (debt).**

**POSITION: The Town of Hampton requests that the Company substantiate dividend payments of \$903,500, \$833,000 and \$1,332,000 in 2013, 2014 and 2015, respectively. The Town of Hampton noted that dividends paid to shareholders exceed WICA projected costs at \$734,050, \$596,646 and \$741,465 for 2013, 2014, and 2015. The Town of Hampton inquires as to the determination of dividends paid and will that amount exceed the \$915,024 in WICA eligible costs for 2016?**

**III. Discovery in this case confirms a point that the Town of Hampton has been making in objecting to the Company's WICA petitions ever since the last rate case: namely, that customers are going to be paying over and over again for the same amount of WICA expenditures by virtue of the fact that payments continue over the life of the assets at their depreciation rates in accordance with allowed rates of return that are higher than the depreciation rates.**

The depreciated life of the various assets as stated by the Company in response to Hampton Data Request 1-1 are as follows; 1.2% (83 years) for Mains, 1.85% (54 years) for Services, 2.4% (42 years) for Hydrants, 5% (20 years) for valves and 4.4% (23 years) for Production Meters.

In supplemental responses to Hampton Data Requests 2-3, 2-4, 2-5, and 2-6, the Company has provided the amounts in dollars that comprise the incremental WICA surcharge for each of these assets. Attached hereto are these answers, on top of which the Town has superimposed the years stated by Aquarion over which these assets are depreciated, and the principal amounts that were expended for them.

These WICA charges do not disappear when the next rate case is filed and re-sets the WICA percentage to zero under the terms of the WICA pilot program: instead, they are absorbed into the rate base and continue to be paid upon at the allowed rate of return while continuing to depreciate at the same slow rate. In its initial round of discovery requests, the Town of Hampton requested that the Company generate a payment schedule for each of the 2013, 2014, 2015, and 2016 WICA projects to show how much would be paid out over time, but the Company objected to doing so. With a higher rate of return being applied each year than the rate of depreciation for the assets involved, the resulting payment stream obviously will result in the original expenditure amount being paid for many times over. It should not be forgotten that these many times over paid for assets belong to the Company and not to its customers from Day 1. See Aquarion's answer to Hampton Data Request 1-9, attached.

In light of the above, the Town of Hampton has the following recommendation:

**POSITION: The Town of Hampton objects to the WICA charge on the basis of paying over and over again over time for the same expenditures, since the WICA assets will be absorbed into the rate base in the next rate case and continue to be paid for at the allowed rates of return, which is a higher percentage than the depreciation. The WICA charge being sought should not be allowed.**

Respectfully submitted,

Dated: December 19, 2016

Town of Hampton

By its Town Attorney

By: 

Mark S. Gearreald, Esq.  
Town of Hampton  
100 Winnacunnet Road  
Hampton, NH 03842  
(603) 742-8699  
NH Bar I.D. #913

Summary Sheet following Technical Session Scheduled December 12, 2016

By Hampton Selectman Regina M. Barnes

Subsequent questions regarding WICA charges since 2012 rate case (DW 12-085 Order No. 25,539)

1. History of Debt to Asset Ratio (review of company 2015 and 2014 financial statements)

Noted in 2013 Order approving permanent Rates that this was 60%

2015 it is calculated at 65.54% (9.2% increase from last rate case)

2014 it is calculated at 65.56% (9.3% increase from last rate case)

This will either remain flat or increase as company responded in Hampton Data Request 1-4 that there are no principal payments in Aquarion's Debt Issues.

Debts totaling \$13.9 million were acquired in 1983, 2005 and 2012, is it accurate to state that there have been no principal payments on any of these bonds?

**The Company stated that principal payments are not made to said debt. In reviewing the 2015 and 2014 annual reports Company shows interest and amortization expense of \$841,381, \$840,951 and \$841,571 in 2015, 2014 and 2013, respectively.**

**The Company stated that principal payment to long term debt would decrease return on equity. The Town of Hampton would argue, however, that if the Company began principal payments, which would substantially lower the interest and amortization expense and cease/restrict internal funding (apparent in the Notes Receivable line item on the balance sheet) that net income would in fact increase on its own. Less dividends paid to shareholders would increase the Retained Earnings of the Company and the ratio of net income to total equity would then increase.**

**POSITION: The Town of Hampton requests copies of the long term debt agreements showing the schedule of payments due from Aquarion.**

**POSITION: The Town of Hampton requests that the Company begin principal payments to the \$13.9 million in acquired bonds (debt).**

**POSITION: The Town of Hampton requests that the Company substantiate dividend payments of \$903,500, \$833,000 and \$1,332,000 in 2013, 2014 and 2015, respectively. The Town of Hampton noted that dividends paid to shareholders exceed WICA projected costs at \$734,050, \$596,646 and \$741,465 for 2013, 2014, and 2015. The Town of Hampton inquires as to the determination of dividends paid and will that amount exceed the \$915,024 in WICA eligible costs for 2016?**

2. The Company responded in Hampton Date Request 1-6 that it finances its rate base additions, including the WICA projects that are subject of this proceeding, through a combination of internally generated funds (i.e., depreciation and net income) and internal or external financing. There have been no new external financings since the Company's last rate proceeding. In addition, the Company does not currently have any existing internal borrowings.

In reviewing the projects for 2015 totaling \$741,465 it is not apparent that the financing came from net income and/or depreciation. Operating revenues in 2015 only decreased by \$217,272, net operating income decreased by only \$152,565 and net income decreased by \$173,355 according to the Company's 2015 Annual Report.

Please explain where Aquarion funded amount of \$741,465?

In reviewing the projects for 2014 totaling \$596,646 it is not apparent that the financing came from net income and/or depreciation. Net income decreased by \$429,338 according to the Company's 2014 Annual Report.

Please explain where Aquarion funded amount of \$596,646?

**The Company responded that the funding for the 2016 WICA projects came from the Notes Receivable account on the Company's balance sheet. When reviewing the balances of these accounts produced by Troy for the Town, the amounts of \$2,795,645 and \$3,072,541 for balances ended December 31, 2015 and 2014, respectively did not agree to what was filed with the PUC in the 2015 and 2014 annual reports. The amounts filed in the 2015 and 2014 annual reports for Notes Receivable was \$3,100,000 for both years.**

**POSITION: The Town of Hampton requests a detailed general ledger transaction history showing all debits and credits to account #146 (Notes Receivable from Assoc. Co.) from July 1, 2013 - November 20, 2016. The Town of Hampton requests a detailed general ledger transaction history showing all credits to account #400 (Operating Revenues) from July 1, 2013 - November 30, 2016.**

. The depreciated life of the various assets as stated by the Company in response to Hampton Data Request 1-1 are as follows; 1.2% (83 years) for Mains, 1.85% (54 years) for Services, 2.4% (42 years) for Hydrants, 5% (20 years) for valves and 4.4% (23 years) for Production Meters. Please provide the determination for these depreciation rates.

**Company states that these rates were determined in the 2008 rate case.**

**POSITION: Town of Hampton requests documentation to the determination of the depreciation rates in the 2008 rate case. The Town of Hampton requests a detailed general ledger transaction history showing all debits and credits to account #403 (Depreciation expense) from July 1, 2013 - November 30, 2016.**

3. The Company stated in Hampton Data Request 2-2 that new WICA charges for the 2016 projects will total a \$119,046 (1.7%) increase. The Company stated in Hampton Data Request 1-10 that the WICA surcharge is updated each year and as such, the subsequent year replaces the prior years' surcharge.

Is the WICA adjustment is calculated as follows?

Actual project cost (which never decreases) less accumulated depreciation times the rate of return and then adds back for the year (depreciation expense, property tax expense and income tax expense).

Property tax expense is calculated by the eligible capital costs (which never decreases) less accumulated depreciation divided by 1000 and times by 12. When recalculated these amounts for the 2014 and 2015 projects was not able to come up with the amounts shown by the company in Attachment TD-1 page 3. The calculated was substantially lower, approximately by half. Please explain and provide support as this number is added to the Town of Hampton's surcharge percentages at each WICA filing.

**If the calculation for WICA above is accurate, 2014 and 2015 projects alone will be billed charged to Hampton, North Hampton and Rye as follows for 2017, 2018 and 2019 WICA filings respectively:**

**2017 WICA dollars = \$179,038**

**2018 WICA dollars = \$177,047**

**2019 WICA dollars = \$175,056**

Would that be an accurate statement? **YES**

This would mean that these costs are pancaked year after year in each WICA annual WICA surcharge filing. At the next rate case, the Town of Hampton is concerned that the leftover amount will be added to the revenue requirement for the subsequent rate case.

**POSITION: The Town of Hampton requests that the Company cease and desist on the 2017 proposed WICA projects and any additional and/or future WICA projects, fundings and expenditures until the above additional requests have been received, reviewed and approved by the Town, its Administration and its Board of Selectmen.**

The Company stated that the eligible retirements are trued up at the end of each year to determined total eligible retirements. This figure is then used to determine the property tax expense added back to the costs of WICA for the Town of Hampton.

**POSITION: The Town of Hampton requests that the Company verify the amounts of eligible retirements deducted from the eligible capital costs for 2015 and 2014 which is used to calculate the property tax expense for each project.**

4. The Notice of Intent to File Rate Schedules Order No 25,539 (2012 rate case) states on page 25 (section D. WICA):

Aquarion could request no more than a cumulative 7.5% increase to its revenue requirement between general rate filings and it could not request an increase to its revenues of more than 5% for any twelve-month period, i.e., annually during the pilot.

- According to Attachment TD-3 the surcharge percentage in the 2019 Annual WICA filing will exceed the 7.5%. What will be done to address this issue? Will the overage mean for the Company that it will be seeking a rate case in 2019?

The Town calculated the WICA percentage increase from the last rate case at 17.5%.

**POSITION: On page 22-23 Part B: Revenue Requirement in the 2012 rate case the Company calculated the rate base of \$22,507,606. The percentage increase by the Company was calculated at 15.20%. The Town of Hampton requests that the Company provide the calculation for the rate base (line 1), the adjusted net operating income at present rates (line 4), and the tax effect (line 6).**

**POSITION: The Town of Hampton requests that the Company engage a Certified Public Accounting (CPA) firm to audit their Annual Reports submitted to the PUC prior to implementing additional WICA Surcharge Filings and/or Rate Cases.**

5. History of Debt to Equity Ratio (review of company 2015, 2014 and 2013 financial statements)
- 2015 it is calculated at 127.35%
  - 2014 it is calculated at 126.00%
  - 2013 it is calculated at 132.67%

History of Return on Equity (review of company 2015, 2014 and 2013 financial statements)\*

- 2015 it is calculated at 11.13%
- 2014 it is calculated at 12.58%
- 2013 it is calculated at 17.35%

\*= Derived by taking net income and dividing it by total equity.

Dividends Paid

- 2015 = 1,332,000 (12% equity)
- 2014 = 833,000 (8% equity)
- 2013 = 903,500 (8.6% equity)

Could it be stated that the return on equity would increase if the Company made principal payments on their external financing and lessened or stagnated the percentage paid to shareholders? Net income continued to decrease from 2013 to 2015 however dividend payments increased.

**POSITION: The Company from 2013 onward has received a greater Return on Equity than the 9.6% that was allowed by the Commission in DW 12-085 (Order No 25,539 dated June 28,2013) and has paid this out to shareholders in generous dividends rather than financing is WICA projects or paying down the principal on its long term debt.**

**POSITIONS OF HAMPTON**

(voted on Monday December 12, 2016)

**The Town of Hampton requests that the Company begin principal payments to the \$13.9 million in acquired bonds (debt).**

**The Town of Hampton requests that the Company cease and desist on the 2017 proposed WICA projects and any additional and/or future WICA projects, fundings and expenditures until the above responses have been received, reviewed and approved by the Town, its Administration and its Board of Selectmen.**

**The Town of Hampton objects to the WICA charge on the basis of paying over and over again over time for the same expenditures, since the WICA assets will be absorbed into the rate base in the next rate case and continue to be paid for at the allowed rates of return, which is a higher percentage than the depreciation.**

DW 16-828  
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
WICA FILING  
HAMPTON DATA REQUESTS – SET 1

Date Request Received: November 4, 2016  
Request No.: Hampton 1-6

Date of Response: November 14, 2016  
Witness: Troy Dixon

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REQUEST: Please identify the source of the funding for the Company's WICA costs incurred 2016 WICA program year that total \$929,592, including details for each loan taken out by the Company (whether through internal or external borrowing) to fund that amount, such as the identity of the lender, the interest rate charged, and the term of the loan.

RESPONSE: Aquarion Water Company of New Hampshire, Inc. finances its rate base additions, including the WICA projects that are the subject of this proceeding, through a combination of internally generated funds (i.e., depreciation and net income) and internal or external financing. There have been no new external financings since the Company's last rate proceeding. In addition, the Company does not currently have any existing internal borrowings.

DW 16-828  
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
WICA FILING  
HAMPTON DATA REQUESTS – SET 1

Date Request Received: November 4, 2016  
Request No.: Hampton 1-9

Date of Response: November 14, 2016  
Witness: Troy Dixon

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REQUEST: Does the Company admit that when all the WICA surcharge payments are completed as are set forth in the payment Schedule generated in response to Hampton Data Request 1-2 that the Company will have 100% of the ownership of the assets that have been paid for by the WICA surcharge?

RESPONSE: No. The Company owns it assets on Day 1.

DW 16-828  
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
WICA FILING  
HAMPTON DATA REQUESTS – SET 1

Date Request Received: November 4, 2016  
Request No.: Hampton 1-11

Date of Response: November 14, 2016  
Witness: Troy Dixon

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REQUEST: Please set forth the Company's return on equity achieved in 2015 and 2016 and please indicate for each such year what percentage of the achieved return on equity is due to the WICA program, as was set forth in response to Staff Tech Session 1-3 in DW 16-123.

RESPONSE: The Company's ROE in 2015 was 9.55% and was 10.35% as of October 2016. The Company does not perform a calculation to attribute a percentage of the achieved return to the WICA program. Based on the recovery methodology inherent in the WICA program, the Company expects that it is earning close to its allowed return for WICA related rate base. Deviations between the presumed WICA ROE and the overall ROE would therefore be due to the impacts of other rate base movements or changes in non-WICA revenues and expenses from those authorized in the last rate proceeding.

DW 16-828  
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
WICA FILING  
HAMPTON DATA REQUESTS – SET 2

Date Request Received: November 30, 2016  
Request No.: Hampton 2-3

Date of Response: December 8, 2016  
Witness: Troy Dixon

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REQUEST: In follow up to the Company's responses to Hampton Data Request 1-1 and Staff Data Request 1-10, please indicate how much in dollars of the new incremental WICA surcharge from the projects completed September 30, 2016 is attributable to each of the following assets:

- a. Mains
- b. Services
- c. Hydrants
- d. Valves
- e. Production meters

RESPONSE: The breakdowns of the incremental WICA dollars for completed projects are identified in the response to Staff 1-10. Refer to Staff 1-10 Attachment-Attachment TD-1 Page 2 of 3.

SUPPLEMENTAL RESPONSE:

a. Mains - \$114,353	83 YEARS	<u>PRINCIPAL AMT.</u> \$78,198
b. Services - \$4,104	54 YEARS	31,976
c. Hydrants - \$494	42 YEARS	3,411
d. Valves - \$95	20 YEARS	573
e. Production meters - N/A		

DW 16-828  
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
WICA FILING  
HAMPTON DATA REQUESTS – SET 2

Date Request Received: November 30, 2016  
Request No.: Hampton 2-4

Date of Response: December 8, 2016  
Witness: Troy Dixon

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REQUEST: In follow up to the Company's responses to Hampton Data Request 1-1 and Staff Data Request 1-10, please indicate how much in dollars of the incremental WICA surcharge from the projects completed September 30, 2015 is attributable to each of the following assets:

- a. Mains
- b. Services
- c. Hydrants
- d. Valves
- e. Production meters

RESPONSE: See response to Hampton 2-3. The breakdowns of the incremental WICA dollars for completed projects are identified in the response to Staff 1-10. Refer to Staff 1-10 Attachment-Attachment TD-1 Page 2 of 3. Please note that not all of the above categories had projects in 2015.

SUPPLEMENTAL RESPONSE:

- a. Mains - \$99,691
- b. Services – N/A
- c. Hydrants – N/A
- d. Valves – N/A
- e. Production meters – N/A

83 YEARS

PRINCIPAL AMOUNT  
\$ 741,465

DW 16-828  
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
WICA FILING  
HAMPTON DATA REQUESTS – SET 2

Date Request Received: November 30, 2016  
Request No.: Hampton 2-5

Date of Response: December 8, 2016  
Witness: Troy Dixon

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REQUEST: In follow up to the Company's responses to Hampton Data Request 1-1 and Staff Data Request 1-10, please indicate how much in dollars of the incremental WICA surcharge from the projects completed September 30, 2014 is attributable to each of the following assets:

- a. Mains
- b. Services
- c. Hydrants
- d. Valves
- e. Production meters

RESPONSE: See response to Hampton 2-3. The breakdowns of the incremental WICA dollars for completed projects are identified in the response to Staff 1-10. Refer to Staff 1-10 Attachment-Attachment TD-1 Page 2 of 3. Please note that not all of the above categories had projects in 2014.

SUPPLEMENTAL RESPONSE:

a. Mains - \$78,883	83 YEARS	<u>PRINCIPAL AMOUNT</u>
b. Services - N/A		\$ 593,603
c. Hydrants - N/A		
d. Valves - N/A		
e. Production meters - \$464	23 YEARS	3,044

DW 16-828  
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
WICA FILING  
HAMPTON DATA REQUESTS – SET 2

Date Request Received: November 30, 2016  
Request No.: Hampton 2-6

Date of Response: December 8, 2016  
Witness: Troy Dixon

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REQUEST: In follow up to the Company's responses to Hampton Data Request 1-1 and Staff Data Request 1-10, please indicate how much in dollars of the incremental WICA surcharge from the projects completed September 30, 2013 is attributable to each of the following assets:

- a. Mains
- b. Services
- c. Hydrants
- d. Valves
- e. Production meters

RESPONSE: See response to Hampton 2-3. The breakdowns of the incremental WICA dollars for completed projects are identified in the response to Staff 1-10. Refer to Staff 1-10 Attachment-Attachment TD-1 Page 2 of 3.

SUPPLEMENTAL RESPONSE:

		<u>PRINCIPAL AMOUNT</u>
a. Mains - \$90,610	83 YEARS	<u>689,856</u>
b. Services - \$1,923	54 YEARS	<u>14,414</u>
c. Hydrants - \$1,115	22 YEARS	<u>5,617</u>
d. Valves - \$786	20 YEARS	<u>16,466</u>
e. Production meters - \$2,295	23 YEARS	