

June 6, 2017

Via Federal Express

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

RE: Docket No. DW 16-828, Aquarion Water Company of New Hampshire, Inc.
2017 Water Infrastructure and Conservation Adjustment (WICA) Project Update

Dear Ms. Howland:

This letter is to inform the Public Utilities Commission, Office of the Consumer Advocate, and the Towns of Hampton, North Hampton, and Rye that the Lafayette Road project will be expanded from the approved 2016 WICA project filing.

Update to WICA Project Schedule for 2017

In Order No. 25,977, the Commission approved Aquarion Water Company of New Hampshire's ("Aquarion" or "Company") 2017 projects and budgets as reasonable and necessary. As stated in the Company's WICA tariff:

"Project Changes: If, after the Company has received Commission approval for Year 1 projects, because of changed circumstances or significant new information the Company plans to undertake projects in Year 1 that were not included on the list of approved WICA projects for that year or it has decided not to proceed with one or more projects that were included on the Commission-approved list, it shall promptly notify the Commission and all parties to the proceeding in which the list of WICA projects was approved that the Company plans to add to or delete projects and the reason for the proposed changes."

In Docket No. DW 16-828, the Company had proposed a main replacement on Lafayette Road from High Street to Winnacunnet Road. See Attachment CM-1, page 3 of 9. The project proposed to replace 1,630 feet of cast iron pipe at an estimated cost between \$360,000 and \$520,000. See Attachment CM-1, page 6 of 9. These estimates were based on historical averages. The Company conducted two rounds of competitive bidding, receiving six bids in total. The lowest bid resulted in an estimated project cost of \$854,000, which reflects the current market conditions. The higher cost is attributable to a number of factors including, but not limited to, dense traffic in a narrow roadway and a number of subsurface complications including other utilities, drainage and sewer laterals. Despite the higher cost, the Company is proceeding with Lafayette Road because, as explained in Attachment CM-1, page 6 of 9, the unlined cast iron main is 67 years old, has hydraulic deficiencies, serves critical customers along the main, the current location of the main is too close to the Town of Hampton's sewer mains and interferes with the Town of Hampton's sewer replacement project. In addition,



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there are cost efficiencies associated with this project because it is being done in conjunction with other utilities burying above-ground utilities. The Company proposes to reprioritize future projects in its next WICA filing.

Please let me know if you have any questions. I can be reached at (203) 337-5990.

Sincerely,

Joshua Unger
Senior Regulatory Compliance Specialist

CC: DW 16-828 Docket-Related Service List