

Abenaki Water Company and Aquarion Company

DW 21-090

Aquarion Water Company's Responses to Staff Data Requests—Set 1

Data Request Received: May 17, 2021  
Request No.: Staff 1-14

Date of Response: May 27, 2021  
Witness: D.Morrissey  
D.Szabo

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REQUEST: Ref. Exhibit AQ-AWC-2. Please explain the decision to keep Abenaki Water Company separate from AWC-NH [Aquarion Water Company of NH] when it appears the other Abenaki systems will merge with Aquarion systems in their respective states; please quantify the benefits and/or costs of the chosen NH corporate structure as it pertains to NH customers.

RESPONSE:

Aquarion does not propose to merge Abenaki and Aquarion Water Company of New Hampshire (“AWC-NH”) at the time of closing for several reasons. In the due diligence process, Aquarion was able to assess the condition of the water systems controlled by NESC and determined that Abenaki faces unique operational challenges due to its relative size, small customer base, capital investment needs, and geographically dispersed service territory. Aquarion determined that it would gain greater insight into Abenaki’s operations by continuing to operate Abenaki on a stand-alone basis for a period of time following the acquisition. Aquarion’s approach will enable it to assess Abenaki’s strengths and weaknesses and identify areas of improvement to align with Aquarion’s high operational standards, without the added considerations of an operating company merger integration.

In addition, both Abenaki and AWC-NH have rate cases pending before the Commission, which is unique from the other states in which Aquarion and NESC operate. NESC’s Connecticut subsidiary has a pending rate case in Connecticut but Aquarion’s Connecticut subsidiary does not, and in Massachusetts none of the subsidiaries have pending rate cases. Further, AWC-NH’s pending docket is its first rate case following the Eversource acquisition.

Moreover, the rates and rate structure of Abenaki and AWC-NH are different and have fewer commonalities than those of the Aquarion and NESC subsidiaries in Connecticut and Massachusetts.