

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
DW 12-325

2012 WATER INFRASTRUCTURE  
AND CONSERVATION ADJUSTMENT FILING

SUPPLEMENTAL TESTIMONY OF  
CARL MCMORRAN

NOVEMBER 9, 2012

1 **Q. Mr. McMorran, please state your name and business address.**

2 **A.** My name is Carl McMorran, and my business address is 7 Scott Road, Hampton,  
3 New Hampshire 03842.

4

5 **Q. Have you previously filed testimony in this docket?**

6 **A.** Yes, I filed direct testimony as part of Aquarion Water Company of New  
7 Hampshire, Inc.'s ("Aquarion" or the "Company") 2012 Water Infrastructure and  
8 Conservation Adjustment (WICA) filing on October 31, 2012.

9

10 **Q. What is the purpose of your supplemental testimony in this proceeding?**

11 **A.** I am submitting this supplemental testimony to explain two substantive changes  
12 the Company made to Attachment CM-1. These changes are shown in the  
13 Supplemental Attachment CM-1 that is being filed with the Commission  
14 contemporaneously with this testimony.

15

16 **Q. Please describe the changes to Attachment CM-1.**

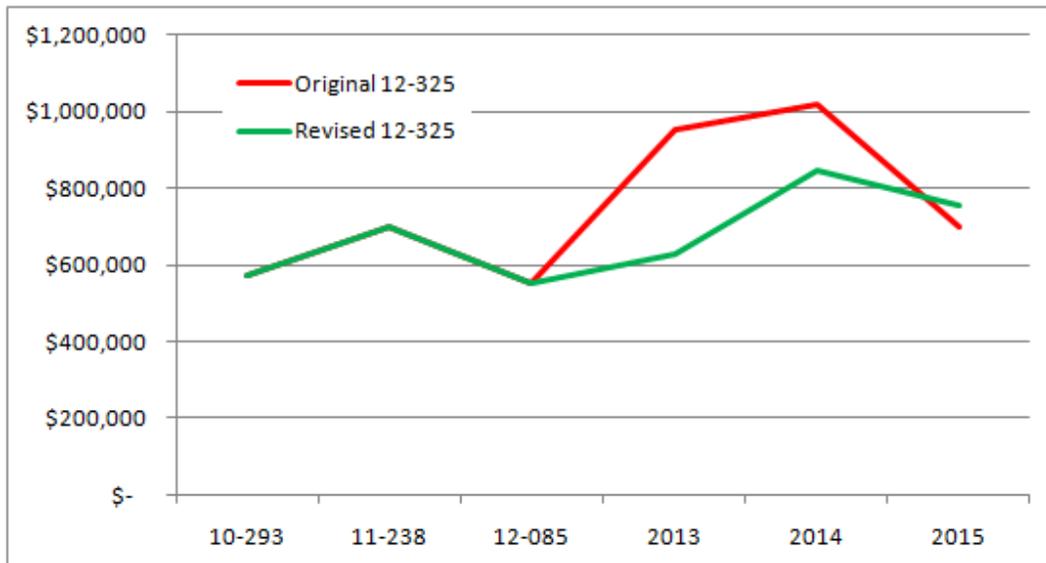
17 **A.** The first change affects Page 3 of Attachment CM-1 and relates to the dollars for  
18 the meter replacements proposed in 2013 through 2015. Due to a data sorting  
19 error related to the 2012 meter replacements, the cost per meter calculation was  
20 incorrect. While the total dollars related to the 2012 meter replacements remain  
21 accurate and unchanged, the resultant cost per meter that the Company applied to  
22 the meter replacements projected for 2013 through 2015 was inaccurate.  
23 Application of the correct cost per meter to the 2013-2015 meter replacement  
24 quantities produces values that are slightly different from those previously

1 provided. The Company has corrected Page 3 of Attachment CM-1 in the  
2 Supplemental Attachment CM-1 (on page 2). While the impact of this change is  
3 minimal, the Company wanted to bring it to the parties' attention.

4  
5 The second change affects Page 6 of Attachment CM-1 and relates to the levels of  
6 spending for main replacements in 2013 through 2015. Attachment CM-1 was  
7 compiled and filed with the Commission prior to the Company's finalization of its  
8 five year capital budget for 2013-2017. During the budget review process, the  
9 Company made a decision to scale back some of the spending for its main  
10 replacement projects due to concerns over upward rate pressures on customers so  
11 soon after a general rate increase. The Company has, therefore, reduced its main  
12 replacement projections for 2013 through 2015, as shown in Supplemental  
13 Attachment CM-1 (on pages 3 and 4). In revising the water main project targets,  
14 the Company also shifted projects in order to make the most efficient use of  
15 resources. Although main projections were reduced, they still continue the  
16 gradual increase of WICA-related spending on these types of projects. As shown  
17 in the table and chart below, the Company remains committed to investment in  
18 infrastructure.

1

### WICA Main Replacements



	<u>10-293</u>	<u>11-238</u>	<u>12-085</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Original 12-325	\$570,697	\$698,937	\$553,908	\$951,000	\$1,018,000	\$698,000
Revised 12-325	\$570,697	\$698,937	\$553,908	\$626,000	\$845,000	\$757,000
Change				<u>(325,000)</u>	<u>(173,000)</u>	<u>59,000</u>

2

3 Additionally, Page 2 of Attachment CM-1 is a summary of all the WICA projects,  
 4 including meter and main replacements, and the Company has revised that page in  
 5 the Supplemental Attachment CM-1 (on page 1) to reflect the changes described  
 6 in this supplemental testimony.

7

8 **Q. Do these changes affect the Company's proposed WICA surcharge for 2013?**

9 A. No.

10

11 **Q. Does this conclude your testimony?**

12 A. Yes.