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January 25, 2017

Debra A. Howland, Executive Director
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, N.H. 03301

NHPUC JAN25'17 PM 1:15

Re: Docket No. DW 16-828 - 2017 WICA Filing
Aquarion Water Company of New Hampshire, Inc.
Response to Comments on Order *Nisi*

Dear Ms. Howland:

Pursuant to Order No. 25,977, the Commission authorized parties to file responses to requests for a hearing no later than January 26, 2017. To that end, Aquarion Water Company of New Hampshire, Inc. (“Aquarion” or “Company”) is providing an original and six (6) copies of the instant letter response to the Town of Hampton’s (“Town”) and North Hampton Water Commission’s¹ (“Water Commission”) requests for hearing.

The Town and Water Commission characterize the Town’s initial recommendations as extensive so as to imply that there is much information that must still be reviewed before determining whether the WICA surcharge is reasonable. Aquarion wishes to note that not all of the information sought is relevant to the instant docket. Additionally, the recommendations are not extensive. They boil down to just a few points: 1) the Town recommends the Commission hold a hearing and not allow the WICA surcharge go into effect until the Town receives information concerning general ledgers, depreciation accounts, calculation of rate base, and debt agreements and until it is satisfied with this information; 2) the Town wants the Commission to order debt payments different than previously approved; and 3) it objects to paying “over and over” again for items of plant. The Town’s latest additional argument is that the surcharge should not go into effect until it receives a copy of Aquarion’s independent audit. The Water Commission supports the Town’s request because of the “extensive” information sought.

As the Commission is aware, RSA 541-A imposes a requirement of relevance that limits the scope of a noticed proceeding so that agency dockets do not go astray of the issues that need to be decided. Here, the issues to be decided are: whether the 2016 projects are used and useful, whether the costs and associated surcharge for the projects are reasonable, and whether the projects proposed for 2017 are reasonable. The parties and the

¹ In this docket, Donahue, Tucker & Ciandella, PLLC, filed comments on behalf of the Town of North Hampton and the North Hampton Water Commission and the law firm has not filed a withdrawal. On January 23rd, Bob Landman filed revised comments on behalf of the Town of North Hampton and the Water Commission, however, the letter is signed by only the Water Commission. Aquarion hereby waives its objection to the apparent lack of authority from the Town of North Hampton that may be caused by the lack of joint signature.

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Commission engaged in three rounds of discovery, filed comments, and the Commission has decided those issues. The Town remains dissatisfied with the surcharge and is now grasping at issues that are not relevant to the instant docket.

For example, the Town attacks the merits of the WICA program by arguing that the surcharges “add up significantly between rate cases.” Yet, the reasonableness of the 5% annual cap and a 7.5% cumulative cap between rate cases were not noticed issues for this docket. The issue of whether these caps are appropriate and whether they further the public goals of accelerating the replacement of aging infrastructure, minimizing rate shock at rate cases, and having less frequent rate cases is for another time in a separate docket. The Commission can order that investigation at any time it decides.

In the latest comments, the Town and Water Commission are also unnecessarily litigious. They seek a copy of Aquarion’s independent audit. Rather than request a copy from the Company, the Town and Water Commission request the Commission order Aquarion to produce it. This pretense is disingenuous to this docket. Since it acquired Hampton Water Works, Inc., Aquarion has made itself and information available to answer questions. It has met several times with the Town. Aquarion is again going beyond what is required and is prepared to meet with the Town to discuss its requests as well as provide its independent audit. The Town, however, still faces the relevance requirement and it has not offered any reason why this additional audit is related to the noticed issues. For these reasons, the Town’s argument that its’ lack of an audit requires the Commission to hold a hearing is overly litigious and without merit.

There is also practical problem if the Commission delays the effective date of the surcharge. Pursuant to Aquarion’s approved WICA tariff, the surcharge is intended to be collected from customers over a twelve-month term. If the Commission further delays the effective date of the surcharge, Aquarion will likely have to recalculate the surcharge over a shorter term and this will require additional Commission approval and delay.

In conclusion, the Town and Water Commission raise the same arguments and rely on the same evidence that the Commission has previously considered and ruled upon and they raise issues that have not been noticed for this docket. For these reasons, Aquarion respectfully requests that the Commission allow Order No. 25,977 to go into effect on January 27th as planned. Aquarion will continue to make itself and its information available to the parties outside of this docket.

Very Truly Yours,



Marcia A. Brown

cc: Docket-Related Service List (electronic)
Henry Fuller, North Hampton Water Commission (by mail)
Randy Crapo, Jenness Beach District (electronic)