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VIA EMAIL

November 30, 2021

Daniel Goldner, Chair
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

**RE: Docket No. DW 20-184, Aquarion Water Company of New Hampshire, Inc.
Request for Change in Rates**

**Docket No. DW 21-072, Aquarion Water Company of New Hampshire, Inc.
Petition for Approval of Loan Financing from the PFAS Revolving Loan Fund**

Notification Regarding Loan and Update to Rates

Dear Chair Goldner:

In February 2021, Aquarion Water Company of New Hampshire, Inc. (“Aquarion” or the “Company”) received approval from the New Hampshire Drinking Water and Groundwater Trust Fund (“DWGTF”) for a grant of \$428,250 pertaining to a project to provide treatment for per and polyfluoroalkyl substances (“PFAS”) present within groundwater at the Mill Road well field. This grant represented approximately 25 percent of the estimated project cost.

On March 31, 2021, the Company filed with the Commission a petition for approval of loan from the New Hampshire PFAS Remediation Loan Fund (“PFAS RLF”), which was docketed as Docket No. DW 21-072. The proceeds of the loan of \$1,284,750 were to cover the remainder of the Mill Road project costs. By Order No. 26,490 (June 24, 2021), the Commission approved that loan financing. In November 2021, the Company was awarded a full grant of \$1,284,750 from the PFAS RLF for the project. In that the entire amount of the project cost has now been provided as a grant the Company no longer has any cause to pursue the borrowing authorized by Order No. 26,490. Accordingly, through this submission, the Company is notifying the Commission that it does not intend to seek or use the loan financing previously authorized in Docket No. DW 21-072.

Additionally, in that the Company’s rate case in Docket No. DW 20-184 was filed prior to the initial grant, the authorized loan, and the later grant, the full cost of the Mill Road project had been included in the Step 1 adjustment of the Company’s rate case filing. *See* Schedule No. 6(a), Bates page 593 in Docket No. DW 20-184. Also included in the Step 1 adjustment was annual recurring operating cost of \$59,000 associated with the project. Furthermore, among other things, the recently enacted Infrastructure Investment and Jobs Act restored the income tax exemption for contribution in aid of construction and government grants. Therefore, there will be no income tax impact associated with the grant.

Accordingly, in light of the above, the Company is removing the project cost of \$1,713,000 from the Step 1 adjustment. The removal of this item results in a revenue requirement reduction of \$281,015 in Step 1 from the initially filed Schedule No. 6a. To account for this adjustment, as well as other adjustments that have been identified during the course of discovery in this proceeding, the Company is including the updated supporting schedules with this letter. The adjustments made in the updated supporting schedules reduced the overall revenue requirement by \$31,365. Specifically, the Company is providing, in Excel format:

- Updated supporting schedules for Docket No. DW 20-184 including the post-filing adjustments. The adjustments are identified throughout the worksheet where the revised assumptions are in red font and the related tab color has been changed to purple. Of note, the identified changes are only for changes in input or assumption values. The Company has not highlighted all the resulting calculations that were affected by the change.
- Updated cost of service study incorporating the identified adjustments.
- Updated report of proposed rate changes incorporating the adjustments.

The Company requests that the Commission, and parties, accept the updated information and include it in any further analysis pertaining to Docket No. DW 20-184. At present, the only items on the procedural schedule for Docket No. DW 20-184 call for a technical session on December 6, followed by a brief round of discovery. The parties will confer on the remainder of the schedule, including as it relates to the instant filing, and will propose a schedule to the Commission once it is known.

Should you have any questions concerning the foregoing, please do not hesitate to contact me.

Sincerely,



Matthew J. Fossum
Senior Regulatory Counsel

Enclosures
CC: Service List