

September 21, 2023

**Via Electronic Mail Only**

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

**Re:** Docket No. DW 20-184 - Request for Change in Rates Aquarion Water Company of New Hampshire, Inc.  
Status update on WICA and filing notification

Chairman Goldner:

As part of Aquarion Water Company of New Hampshire's ("Aquarion" or the "Company") Settlement on Permanent Rates in this docket, approved by Order No. 26,569 (the "Settlement"), the parties to the Settlement agreed to shift the time period for additions pursuant to the Water Infrastructure and Conservation Adjustment ("WICA") to align with the calendar year. (Settlement at 8). Additionally, Section 5 subparagraph (e) describes an interim filing where "[i]f the Settlement Agreement is approved, the Company will provide an interim budget filing for WICA eligible plant additions through December 31, 2022, for Commission approval. The interim filing will also include a proposed budget of 2023 WICA eligible plant additions for preliminary approval by the Commission." (Settlement at 9). Subparagraph (f) of Section 5 also states: "[t]he next WICA surcharge filing shall be submitted to the Commission on or about February 2023 requesting approval of WICA plant additions placed in service during 2022, approval of its 2023 budget for WICA eligible projects, preliminary approval of its 2024 budget for WICA eligible projects, and submission of its 2025 budget for informational purposes only." (Settlement at 10).

Aquarion provides this informational filing now to explain the circumstances to the Commission that justify why neither of the above-referenced filings were made; to provide an update of the Company's current WICA additions to date, and; to provide the Commission with the Company's plans for making its next WICA filing including the timing of that filing and what the contents of that filing will entail, consistent with the Settlement.

The reasoning for the absence of both filings is the same and is twofold. First, both the interim filing and the "next WICA surcharge filing" were to occur on or before February 2023, but Aquarion's step adjustment was still being finalized in February 2023, making the WICA filing premature. More importantly, both filings were to recover costs for any WICA plant additions placed in service through December 31, 2022. However, there were no projects placed in service during 2022 for which Aquarion would have sought cost recovery, rendering the interim filing and WICA surcharge filing moot, as the Company was not seeking a surcharge or recovery for anything through December 31, 2022. As for providing the information pertaining to "approval of [Aquarion's] 2023 budget for WICA eligible projects, preliminary approval of its 2024 budget for WICA eligible projects, and submission of its 2025 budget for informational purposes only", by

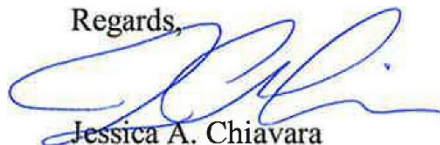
February 2023 the Company was still in the process of prioritizing WICA-eligible projects for inclusion in the 2023 project period.

Aquarion now has projects completed and placed in service in 2023, as well as planned to be placed in service during the remainder of 2023, for which the Company will seek recovery in its next WICA filing to be made in February 2024, consistent with the Settlement's approach to timing for WICA surcharge filings, approval of those filings, and implementation and collection of the surcharge. For informational purposes, Aquarion has included a list of the WICA-eligible main replacement projects with this filing, in progress and planned for completion by December 31, 2023, as Attachment A. Also consistent with the approach laid out in the Settlement, in addition to seeking recovery of 2023 WICA project costs, Aquarion will provide in its February 2023 WICA filing Aquarion's budget for 2024 WICA-eligible projects for preliminary approval, as well as illustrative budgets for 2025 and 2026 for informational purposes only. Also consistent with the Settlement, Aquarion will seek recovery for WICA-eligible projects placed in service for the calendar year 2023, for recovery beginning on April 1, 2024 through March 31, 2025; this schedule will be used every year moving forward.

Regarding Attachment A, Aquarion would like to provide the Commission with some information regarding how the Company selects its WICA-eligible projects, to put the projects listed in Attachment A into context. Necessity and cost, while certainly critical factors, are not solely determinative of project selection. Aquarion consults the municipalities which it serves so that the Company can coordinate with the municipalities' infrastructure project priorities and schedules—such as paving—so that, to the extent possible, Aquarion can strategically align the Company's WICA projects to the municipality's construction and repair efforts. This makes the most efficient use of all parties' resources and minimizes any inconvenience to the customers Aquarion serves. Aquarion also accounts for main break history, pipe age, material integrity, critical system impact, water quality issues and hydraulic capacity. The Company then assesses the projects using a totality of the circumstances to determine which projects should be included for the current year. Aquarion hopes this provides some insight for the Commission beyond just a list of projects and costs and looks forward to engaging the Commission further when the Company submits its full filing next February.

Consistent with current Commission policy, this informational filing and notification is being filed electronically only; paper copies will not follow. If you have any questions, please contact me. Thank you for your assistance with this matter.

Regards,



Jessica A. Chiavara  
Senior Counsel, Eversource Energy  
o/b/o Aquarion Water Company of New  
Hampshire, Inc.

Attachment  
cc: DW 20-184 Service List