

**STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.**

Docket No. DW 21-_____

**PETITION OF AQUARION WATER COMPANY OF NEW HAMPSHIRE FOR
APPROVAL OF FINANCING FOR A LOAN FROM THE PFAS REVOLVING LOAN
FUND**

Aquarion Water Company of New Hampshire, Inc. (“Aquarion” or “the Company”) respectfully petitions the New Hampshire Public Utilities Commission (“Commission”) for approval, pursuant to RSA 369:1 and Puc 609.03, to borrow \$1,284,750 at a 1.55% interest rate, if issued by August 5, from the per and polyfluoroalkyl substances (“PFAS”) Remediation Loan Fund (“RLF”), administered by the Department of Environmental Services (“DES”). The Company states the following in support of this petition:

The RLF was established to implement RSA 485-H which addresses “[t]he existence of [PFAS], some of which are occurring at unhealthy levels in New Hampshire’s drinking water” with “a strategy to protect, preserve, and enhance the water that New Hampshire citizens and environment rely upon”. RSA 485-H:1. The RLF provides for up to \$50 million in low interest loans for public water systems to ensure compliance with PFAS standards. The RLF allows for the possibility of up to 50 percent contingent reimbursement of the loan. The process for awarding loans and rules for RLF administration and are set out in N.H. Code Admin. R. Env-Dw 1400. Aquarion, in accordance with DES’s rules, submitted an eligibility request to DES to qualify for funding. DES approved Aquarion as eligible for a PFAS RLF loan award of \$1,284,750 in a letter dated February 22, 2021, attached as Exhibit JPW-3. Additionally, DES issued a letter of support attached as Exhibit DJS-8, asserting that the loan, and the project the

loan will support, are in the public interest and will directly support maintaining a safe and adequate drinking water supply for Aquarion's customers.

To be issued a loan, Aquarion must submit a final application package to DES, which must include all necessary approvals to borrow such funds. As the Company is seeking to borrow the \$1,284,750 for a 25-year term, RSA 369:1 requires Commission approval for the Company to enter into this loan, therefore Commission approval is needed in order for Aquarion to be able to submit the final loan application package. When the Company obtains approval from the Commission to borrow from the RLF, documents will be prepared to execute the loan transaction setting forth the exact terms and conditions for borrowing the funds. Aquarion will provide the Commission with a copy of the loan documents once they have been finalized and executed.

The proceeds of the loan will be used on a project to provide treatment for PFAS present within groundwater at the Mill Road well field. The well field consists of six wells in Hampton and North Hampton and is critical to meet the water supply needs of the Hampton, North Hampton, and Rye communities. Perfluorooctanoic Acid ("PFOA") at the point of entry has exceeded the newly adopted New Hampshire Maximum Contaminant Levels ("MCL"s) in individual samples and the running annual average is currently over 80 percent of the MCL. The concentration of PFOA is rising in the wells. To continue to meet the MCL at the Mill Rd water treatment plant point of entry, blending will require increasingly lower production volumes from wells six and eleven. Absent the capacity to remove PFOA, the practical effect will be a substantial loss of production capacity in just a few years. As described in this petition and in the joint direct testimony, submitted with this petition, of Mr. John P. Walsh, Vice President of

Operations & Utility Innovation for Aquarion, and Mr. Donald J. Smiarowski, Manager of Treasury Operations at Aquarion's parent company Eversource Energy, this loan is consistent with the public good as it will finance the project at a favorable interest rate of 1.55 percent if issued by August 5, and may be subject to contingent reimbursement of up to 50 percent of the principal, which will result in lower financing costs than would be available through other current debt financing options.

The joint direct testimony of Mr. Walsh and Mr. Smiarowski addresses in detail the terms and purposes of the proposed financing. Along with this petition and supporting testimony is all necessary information required by Puc 609.03 and Form F-4, including financial documentation regarding costs of the loan, schedules showing the balance sheet and an income statement of the Company, actual and pro forma, to show the effects of the loan, attached as Exhibits DJS 1-6. Should the Commission approve the financing of this loan, the loan and the resulting impact on Aquarion's financial condition and position will be accounted for in its current rate case, Docket No. DW 20-184.

The Board of Directors for Aquarion has authorized a financing for up to \$1,300,000, a copy of which is attached as DJS-7 of this petition. The Company is seeking approval through this petition for a loan of \$1,284,750 which is within the Board's authorized limits. Finally, the Company avers that it is entitled to issue promissory notes evidencing this financing for the purposes enumerated in this petition, and that the issuance of such notes will be consistent with the public good.

Issuance of debt and use of the proceeds for the project described above and in the supporting testimony is consistent with the public good as contemplated by the New Hampshire

Supreme Court's ruling in *Appeal of Easton*, 125 N.H. 205, 211 (1984). As described in the supporting testimony, the PFAS remediation project to be refinanced through the proposed loan is part of Aquarion NH's continuing effort to provide safe, adequate and reliable water service to its customers. By this Petition, the Company seeks the Commission's approval and authority under RSA 369:1-4 to enter into and issue a promissory note evidencing the loan.

WHEREFORE, Aquarion Water Company of New Hampshire, Inc. respectfully requests that the Commission:

1. Find that the proposed \$1,284,750 loan, for the purposes set forth herein and in the manner and on the terms described herein and in the supporting testimony, is consistent with the public good;
2. Approve the requested approval of financing for the principal amount of \$1,284,750 by issuing an order *nisi* to be effective no later than June 30, 2021;
3. Authorize the Company to do all things, take all steps, and execute and deliver all documents necessary or desirable to implement and carry out the proposed financing; and
4. Approve any and all other relief as may be just and reasonable under these circumstances.

Respectfully submitted by:

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

By its counsel

EVERSOURCE ENERGY SERVICE COMPANY

Date: 3/31/21

By: 

Jessica A. Chiavara, Esq.
780 N. Commercial Street
P. O. Box 330
Manchester, NH 03105-0330
(603) 634-3264
Jessica.Chiavara@Eversource.com