

Abenaki Water Company and Aquarion Company

DW 20-090

Aquarion Water Company's Responses to OCA Data Requests—Set 1

Data Request Received: May 14, 2021
Request No.: OCA1-3

Date of Response: May 24, 2021
Witness: D. Szabo
D. Morrissey

REQUEST: Reference PDF page 5. Please compare the purchase price to be paid by Aquarion Merger Company, LLC to the book value of NESC and state whether there is an acquisition premium associated with the transaction. If there is such a premium please describe the extent to which Aquarion expects to recover any of this amount from customers in New Hampshire.

RESPONSE: The Purchase Price is approximately \$40.56 million (see PDF page 5), based on the Eversource stock closing price of \$87.68 as of April 6, 2021, the 0.5121 ratio of NESC to ES shares, and 903,325 outstanding NESC shares. Refer to OCA 1-6 Attachment 1 for the calculation of the Purchase Price. NESC's book value as of calendar year end 2020 was \$16.79 million. Using this April 6, 2021 information would result in an estimated merger premium of approximately \$23.77 million. The actual acquisition premium will be based on the Eversource stock closing price on the day of closing.

Aquarion does not expect to recover any of the acquisition premium from customers in New Hampshire. Refer to the Joint Petition at 10 stating that the Joint Petitioners do not propose to record an acquisition premium on the books of Abenaki.

Please also refer to PDF page 3 and PDF page 4, foot note 1, confirming that Aquarion Water Company of New Hampshire is neither a party to the Merger Agreement nor the transaction.