

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

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

Docket No. DW 24-XXX

PETITION FOR WICA BUDGET APPROVAL FOR PROJECT YEARS 2024-2025

Pursuant to New Hampshire Code Admin. Rules Puc 203.06, Order No. 26,569 (“Order”) approving the settlement agreement on permanent rates in Docket DW 20-184 (“Settlement”) and the terms of NHPUC No. 1 Aquarion Water Company of New Hampshire Tariff for Water Service (“Tariff”)¹, Aquarion Water Company of New Hampshire, Inc. (“Aquarion” or the “Company”) respectfully petitions the New Hampshire Public Utilities Commission (“Commission”) to approve the Company’s Water Infrastructure Conservation Adjustment (“WICA”) projects completed in 2023 and budgets for 2024-2026 as compliant with the terms of the Settlement and the Tariff. Aquarion does not seek to update the WICA surcharge, for the reasons set forth below, and therefore the WICA surcharge will remain at zero. In support of its petition Aquarion states the following:

1. The Order approved the Settlement’s proposal to make the WICA program permanent, subject to a number of conditions, among them a requirement to include “a [return on equity] ROE analysis as a basis for [Aquarion’s] decision to file the WICA petition, which will compare the Company’s actual rate of return to its authorized WACC. If the Company exceeds the authorized WACC . . . by more than fifty basis points for any calendar year

¹ Aquarion filed an updated tariff for water delivery service—pages 12 through 18A—in April of 2023, which was approved by the Commission’s tariff administrators. A copy stamped approved is in Aquarion’s files. However, the previous iteration is the version posted to the Commission website, so the page numbers do not align. For clarity, the Company refers to the most recently Commission-approved version, in the Company’s files, and not the version on the Commission’s website.

calculated under the cost of capital method using end of period balances, the Company shall not pursue a WICA adjustment for that year.” (Settlement at Bates Page 9).

2. Aquarion conducted the requisite ROE analysis, which showed the Company had earned over fifty basis points above its authorized rate of return for the calendar year 2023. Therefore, Aquarion is not seeking to update the WICA surcharge for the collection period of April 1, 2024 – March 31, 2025. During that collection period, the WICA will remain at zero. No change in rates is being sought by this petition.
3. The Settlement also required Aquarion to file budgets for WICA-eligible projects for the next several project years for Commission review and approval. However, the Settlement anticipated that the next WICA filing would take place in February of 2023. As explained in the Company’s update to the Commission² filed on September 21, 2023 to Docket No. DW 20-184, Aquarion’s step adjustment was still being finalized in February of 2023, which made a WICA filing premature since Order No. 26,245 mandated that “Aquarion shall not file for further recovery of WICA eligible projects until the conclusion of its next full rate proceeding” (Order No. 26,245 at 15), and the step was a part of the Settlement terms. Additionally, there were no WICA projects placed in service in 2022 for which the Company would have sought recovery. The Company is likewise not seeking recovery of any costs with this petition for projects completed in year 2023 because the Company’s rate of return exceeded the 50 basis point cap—implemented by Section 5.1(d) of the Settlement and as stated on Fourth Revised Page 18 of the Tariff—over the Company’s approved

² In that update, Aquarion stated that it would make this WICA filing in February 2024. This was because at the time, the Company anticipated it would be seeking an update to the WICA surcharge, therefore triggering the requirement that the filing be made 60 days before the effective date of the update. Since no update to the WICA is being proposed, that requirement is moot for this filing.

weighted average cost of capital. The purpose of this petition is to satisfy the requirement in the Settlement that the Commission review and approve the WICA-eligible project budgets, for subsequent cost recovery by the Company after completion of each project year.

4. Specifically, for the February 2023 WICA filing, the Settlement required Aquarion seek “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 Bates Page 10). Since there was no 2023 WICA filing, Aquarion currently seeks approval of its 2024 and 2025 budgets, and is submitting its 2026 budget for informational purposes only. And while Aquarion is not updating the WICA surcharge this year for project year 2023, if the Company does seek a WICA surcharge next year it could seek recovery of both 2023 and 2024 projects consistent with Section 5.1(d) of the Settlement (“[i]f the Company has exceeded the fifty-basis point threshold in a given year, it may include its WICA eligible plant investments for recovery in a future WICA filing when it is next eligible to submit a WICA filing”), and so the Company has also included the final 2023 completed projects for confirmation from the Commission that these projects meet WICA project eligibility criteria listed in the Aquarion tariff.

5. For each of the program year budgets, Aquarion has included a supporting WICA-eligible project list, and brief testimony from Mr. Daniel Lawrence, Vice President of Engineering and Real Estate for all Aquarion service territories in Massachusetts, Connecticut, and New Hampshire, which addresses how all included projects meet the eligibility criteria and are therefore appropriate for inclusion in each respective budget. The only criteria for WICA-eligibility upon which to base approval of the project budgets can be found on Fourteenth

Revised Page 16 of the Tariff. All projects listed for project years 2023-2026 and included in the corresponding budgets meets these criteria, and therefore the budgets should be approved. By approving the budgets, the Commission is not authorizing cost recovery for any of those projects; the Company will still have to make a separate filing after projects are placed into service, petitioning for an update to the WICA surcharge and subjecting the projects submitted for recovery to an audit by the New Hampshire Department of Energy and then approval by the Commission. (*See Fourth Revised Page 18 and Second Revised Page 18-A of the Tariff*).

6. As no costs are being sought for recovery, no rate being proposed, and generally no right, duty or privilege of the Company is at issue for determination by this petition, this matter does not constitute a contested case as defined in RSA 541-A:1, IV, and so Aquarion respectfully requests that the Commission approve the Company's WICA budgets via order *nisi*, once the Commission and the DOE have had a chance to review the budgets and supporting materials filed in support of this petition.

WHEREFORE, Aquarion respectfully requests that the Commission:

1. Approve via order *nisi* the Company's 2024 budget and 2025 budgets, confirm that the completed 2023 projects likewise meet the WICA eligibility criteria; and
2. Order any further relief as may be just and reasonable.

Respectfully submitted this 8th day of March, 2024

AQUARION WATER COMPANY OF NEW HAMPSHIRE



By: _

Jessica A. Chiavara

Senior Counsel

Public Service Company of New Hampshire d/b/a Eversource Energy

o/b/o Aquarion Water Company of New Hampshire

780 N. Commercial Street

Manchester, NH 03101

603-634-2972

Jessica.chiavara@eversource.com

CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached to be served pursuant to N.H. Code Admin. Rule Puc 203.11.

Dated: March 8, 2024



Jessica A. Chiavara