

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

**DW 18-161
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.**

Petition for Approval of 2019 WICA

ORDER OF NOTICE

The New Hampshire Public Utilities Commission (Commission) authorized Aquarion Water Company of New Hampshire, Inc. (Aquarion or the Company) to implement a Water Infrastructure and Conservation Adjustment (WICA) surcharge in 2009. Order No. 25,019 (September 25, 2009) (establishing WICA pilot program); *see also*, Order No. 25,539 (June 28, 2013) (modifying WICA pilot program). On October 16, 2018, Aquarion filed a petition seeking approval of a WICA surcharge for 2019. The proposed surcharge would enable Aquarion to recover capital expenditures and related costs for capital projects that have been completed and placed in use in 2018. Those costs and expenditures total \$1,045,877. Aquarion further requested permission to use the WICA surcharge mechanism to provide customers with a credit for the savings realized as a result of the state and federal tax changes enacted in 2017. The combined effect of the costs, expenditures, and tax savings would result in a WICA surcharge of 4.43 percent. Aquarion did not calculate a proposed surcharge prior to including tax savings. If approved, the 4.43 percent surcharge would take effect on January 1, 2019, on a service rendered basis for a twelve month period. If approval is delayed beyond January 1, 2019, the Company proposed an alternative recovery period of ten months, instead of twelve, effective March 1, 2019.

The Company also petitioned for approval of 2019 construction projects for inclusion in the 2020 WICA surcharge, subject to Commission audit and prudence review of the final costs.

The Company estimates that 2019 projects will cost between \$885,000 to \$1,276,500. Aquarion further petitioned for preliminary approval of its 2020 construction projects for the WICA program, subject to the Commission's further review, refinement, audit, and prudence review of the final costs. The Company estimates that 2020 projects will cost between \$670,000 to \$960,000. Last, Aquarion submitted its proposed construction project budget for 2021, which estimates the projects will cost between \$920,000 and \$1,323,000. Aquarion submitted the 2021 construction budget for information purposes only.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.state.nh.us/Regulatory/Docketbk/2018/18-161.html>.

The filing also raises, *inter alia*, issues related to the following: (1) whether the costs and expenditures associated with the proposed 2019 surcharge are prudent; (2) whether the projects associated with the 2019 surcharge are used and useful; (3) whether utilizing the WICA surcharge to pass tax savings through to customers is reasonable and appropriate; (4) whether the WICA surcharge should be calculated separately from tax savings; (5) whether the resulting 2019 surcharge is just and reasonable under RSAs 374:2 and 378; (6) whether Aquarion's 2019 construction projects and budget should be approved for WICA program eligibility; and (7) whether Aquarion's 2020 construction projects and budget should be preliminarily approved for WICA program eligibility.

Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on December 3, 2018 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is

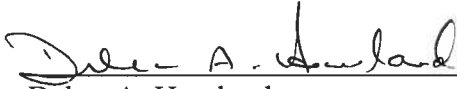
FURTHER ORDERED, that, immediately following the Prehearing Conference, Aquarion, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and establish a procedural schedule; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Aquarion shall notify all persons desiring to be heard at this hearing by providing a copy of this Order of Notice to the North Hampton Water Commission, and the town clerks in the Towns of Hampton, North Hampton, and Rye no later than November 19, 2018; and publishing a copy of this Order of Notice no later than November 19, 2018, in a newspaper with general circulation in those portions of the state in which customers are located, publication to be documented by affidavit filed with the Commission on or before November 30 2018; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a petition to intervene with copies sent to Aquarion and the Office of the Consumer Advocate on or before November 30, 2018, such petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before December 3, 2018.

By order of the Public Utilities Commission of New Hampshire this ninth day of
November, 2018.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

