

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 12-085

Aquarion Water Company's Responses to Hampton Data Requests—Set 3

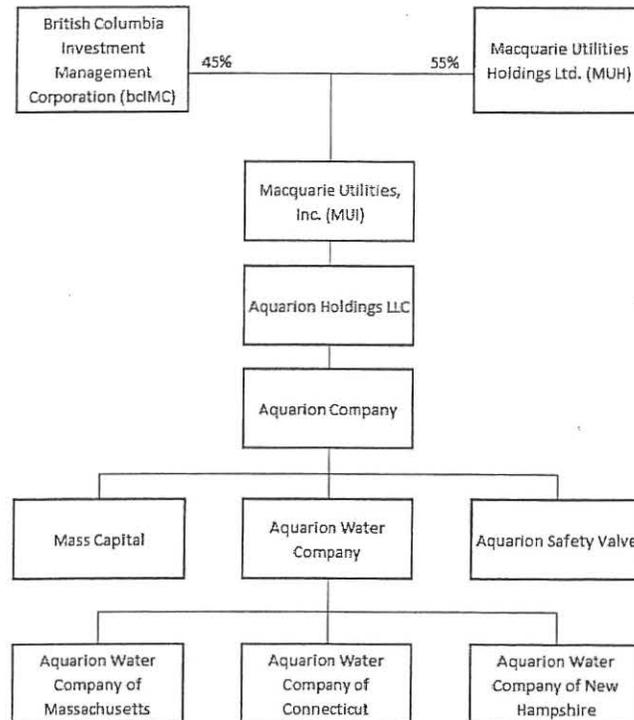
Data Request Received: November 5, 2012  
Request No.: Hampton 3-4

Date of Response: November 19, 2012  
Witness: T. Dixon

REQUEST: Please provide a schedule that indicates the corporate ownership structure of Aquarion Water Company of New Hampshire, including all of the ownership levels between the Company and Macquarie Group Limited.

RESPONSE: The Company objects to this data request on the basis that the request is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the objection, the Company provides the following information.

Macquarie Group Limited does not own the Company. The Macquarie Group directly owns Macquarie Infrastructure and Real Assets (“MIRA”). MIRA is responsible for managing Macquarie Utilities Holdings Ltd. (“MUH”), the 55% owner of Macquarie Utilities Inc. (“MUI”). Macquarie Group does maintain a small ownership status in its funds to maintain alignment between Macquarie Group and the investors in the funds that MIRA manages. The ownership structure is depicted below.



AQUARION WATER COMPANY OF NEW HAMPSHIRE

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Aquarion Water Company's Responses to Hampton Technical Session Requests—Set 1

Data Request Received: December 5, 2012  
Request No.: Hampton Tech 1-1

Date of Response: December 7, 2012  
Witness: T. Dixon

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REQUEST: In reference to Hampton 3-4, please confirm what PUC filings reflect the ownership changes at corporate levels that are reflected in the depiction of ownership structure in the Company's response to Hampton 3-4.

RESPONSE: Documents regarding the ownership change are filed with the New Hampshire Public Utilities Commission under docket number DW 11-068.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 12-085

## Aquarion Water Company's Responses to Hampton Data Requests—Set 3

Data Request Received: November 5, 2012  
Request No.: Hampton 3-6

Date of Response: November 19, 2012  
Witness: T. Dixon

REQUEST: Please provide the capital structures (long-term debt, short-term debt, preferred stock and common equity) for each of the five years 2007-2011 for the following entities:

- a. Aquarion Water of New Hampshire,
- b. Aquarion Water of Massachusetts,
- c. Aquarion Water of Connecticut,
- d. Aquarion Water Company,
- e. Aquarion Company,
- f. Aquarion Holdings, LLC and
- g. Macquarie Utilities, Inc.

RESPONSE: The Company objects to this data request on the basis that the request is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the objection, the Company has provided the following information for part a.

a.

Aquarion Water Company of New Hampshire, Inc.				
	Long-term Debt	Short-term Debt	Preferred Stock	Common Equity
2007	\$8,900,000	\$1,900,000	\$2,800	\$8,513,453
2008	\$8,900,000	\$4,100,000	\$2,800	\$8,749,931
2009	\$8,900,000	\$4,400,000	\$2,300	\$8,554,295
2010	\$13,000,000	\$0	\$2,300	\$8,681,827
2011	\$12,900,000	\$0	\$2,300	\$9,065,300

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Aquarion Water Company's Responses to Hampton Data Requests—Set 3

Data Request Received: November 5, 2012  
Request No.: Hampton 3-8

Date of Response: November 19, 2012  
Witness: T. Dixon

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REQUEST: Please indicate how Aquarion Water Company of New Hampshire obtains the capital used to finance its rate base.

RESPONSE: Aquarion Water Company of New Hampshire finances its rate base additions through a combination of internally generated funds (i.e., net income) and internal and/or external financing.

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Aquarion Water Company's Responses to Hampton Data Requests—Set 3

Data Request Received: November 5, 2012  
Request No.: Hampton 3-9

Date of Response: November 19, 2012  
Witness: T. Dixon

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REQUEST: Please indicate if Aquarion Water Company of New Hampshire, Aquarion Water Company of Massachusetts, and Aquarion Water Company of Connecticut are financed independently, or are instead financed by or through Aquarion Water Company or some other related entity.

RESPONSE: The Company objects to this data request on the basis that the request is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the objection, the Company provides the following information. Please refer to the Company's response to data request Hampton 3-8. The Company and its regulated affiliates in Massachusetts and Connecticut independently finance their respective rate bases through a combination of internally generated funds and debt.

AQUARION WATER COMPANY OF NEW HAMPSHIRE

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Aquarion Water Company's Responses to Hampton Technical Session Requests—Set 1

Data Request Received: December 5, 2012  
Request No.: Hampton Tech 1-3

Date of Response: December 7, 2012  
Witness: T. Dixon

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**REQUEST:** In reference to the Company's response to Hampton 3-8 and 3-9, please clarify how the Company obtains internal financing and refer to the entities in the depiction of ownership structure in the Company's response to Hampton 3-4.

**RESPONSE:** Internal financing as referenced in Hampton 3-8 and 3-9 refers to short term (monthly) borrowings from Aquarion Company. Aquarion Company in turn borrows these funds from Aquarion Holdings LLC which maintains a credit facility for such purposes.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 12-085

## Aquarion Water Company's Responses to Hampton Data Requests—Set 3

Data Request Received: November 5, 2012  
Request No.: Hampton 3-12

Date of Response: November 19, 2012  
Witness: T. Dixon

REQUEST: Please provide monthly balances of short-term debt for period 2007 to the present for Aquarion Water Company of New Hampshire and Aquarion Water Company.

RESPONSE: The Company objects to this data request to the extent that it seeks information related to Aquarion Water Company on the basis that the request is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the objection, the Company provides the following information. The Company's only short-term debt was inter-company indebtedness.

Months	2007	2008	2009	2010	2011	2012
January	1,100,000	2,200,000	3,900,000	4,500,000	100,000	
February	1,200,000	2,400,000	4,200,000	4,200,000	100,000	
March	1,300,000	2,600,000	4,200,000	200,000	100,000	
April	1,500,000	2,800,000	4,200,000	100,000	100,000	
May	1,500,000	3,400,000	4,200,000	100,000	100,000	
June	2,100,000	3,700,000	4,300,000	400,000	200,000	300,000
July	1,800,000	3,800,000	4,300,000	100,000		
August	1,800,000	3,700,000	4,200,000	100,000		
September	1,700,000	4,200,000	4,100,000	400,000		
October	1,600,000	3,900,000	4,400,000	100,000		
November	1,500,000	4,000,000	4,000,000	100,000		
December	1,900,000	4,100,000	4,300,000	100,000		

AQUARION WATER COMPANY OF NEW HAMPSHIRE

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Aquarion Water Company's Responses to Hampton Data Requests—Set 3

Data Request Received: November 5, 2012  
Request No.: Hampton 3-13

Date of Response: November 19, 2012  
Witness: T. Dixon

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REQUEST: Please provide cost of short-term debt for Aquarion Water Company of New Hampshire and Aquarion Water Company as of December 31, 2011 and the latest date available.

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RESPONSE: The Company objects to this data request to the extent that it seeks information related to Aquarion Water Company on the basis that the request is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the objection, the Company provides the following information. Please refer to the Company's response to data request Hampton 3-12. Aquarion Water Company of New Hampshire did not have any outstanding short-term debt as of December 31, 2011.

AQUARION WATER COMPANY OF NEW HAMPSHIRE

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Aquarion Water Company's Responses to Hampton Technical Session Requests—Set 1

Data Request Received: December 5, 2012  
Request No.: Hampton TS 1-5

Date of Response: December 7, 2012  
Witness: T. Dixon

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**REQUEST:** In reference to the Company's response to Hampton 3-12, please provide the interest rate paid by the Company on the short term debt amounts incurred during the test year and identify from what entity (in the depiction of ownership structure in the Company's response to Hampton 3-4) such amounts were borrowed.

**RESPONSE:** The table below reflects the monthly interest rates paid by the Company on the short term debt amounts incurred during the test year. The Company borrows on a short term basis from Aquarion Company, which in turn borrows the funds from Aquarion Holdings LLC.

Month	Interest Rate
January	1.26%
February	1.26%
March	1.26%
April	1.24%
May	1.70%
June	2.94%

MANAGEMENT ALLOCATION

Aquarion Water Company of New Hampshire, Inc.  
 Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11  
 Schedule No. 1R  
 Page 1 of 2

Line No.		Pro Forma	
1			
2	Corporate Costs		
3			
4			Test Year Costs
5	MUI Management Fee	\$	
6	Auditing & Consulting		340,940
7	Legal		17,388
8	Employee Wages and Benefits		368,625
9	Bank Fees		50,816
10	Building Overhead		22,631
11	Other		(4,799)
12	Total	\$	795,601
13			
14	Pro Forma Allocation Based on Massachusetts Formula	4.23%	(see page 2 of 2)
15			
16	<u>AWC-NH Share of Costs</u>		
17			
18	MUI Management Fee	\$	
19	Auditing & Consulting		14,434
20	Legal		736
21	Employee Wages and Benefits		15,607
22	Bank Fees		2,151
23	Building Overhead		958
24	Other		(203)
25			
26	Total Pro Forma Expense	\$	33,684
27	Test Year Expense		55,168
28			
29	Pro Forma Cost Decrease	\$	(21,484)
30			
31	Updated as per OCA 3-21		
32			
33			
34			
35			
36			
37			
38			
39			
40			

BEN EXHIBIT 10

MANAGEMENT ALLOCATION

Aquarion Water Company of New Hampshire, Inc.  
 Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11  
 Schedule No. 1R  
 Page 2 of 2

Line No.	Mass Formula - 2008				
1					
2	<b>Gross Revenues</b>				
3	<u>2011 Act</u>				
4	CT	\$ 147,719		85.6%	
5	MA	14,919		8.6%	
6	NH	5,970		3.5%	
7	Utility	\$ 168,608		97.7%	
8	NonUtility	3,998		2.3%	
9	Total	\$ 172,606		100.0%	
10					
11	<b>Average Gross Plant</b>				
12		<u>12/31/2010</u>	<u>12/31/2011</u>	<u>Average</u>	
13	CT	\$ 980,208	\$ 1,026,167	\$ 1,003,188	88.2%
14	MA	97,786	99,230	98,508	8.7%
15	NH	34,258	35,700	34,979	3.1%
16	Utility	\$ 1,112,252	\$ 1,161,097	\$ 1,136,675	100.0%
17	NonUtility	482	487	485	0.0%
18	Total	\$ 1,112,734	\$ 1,161,584	\$ 1,137,159	100.0%
19					
20	<b>Gross Payroll</b>				
21	<u>2011 Act</u>				
22	CT	\$ 20,267		88.5%	
23	MA	1,630		7.1%	
24	NH	715		3.1%	
25	Utility	\$ 22,612		98.7%	
26	NonUtility	289		1.3%	
27	Total	\$ 22,901		100.0%	
28					
29	<b>Weightings</b>				
30		<u>Revenue</u>	<u>Plant</u>	<u>Payroll</u>	<u>Average</u>
31	Utility	97.7%	100.0%	98.7%	98.79%
32	Non Utility	2.3%	0.0%	1.3%	1.21%
33					
34	<b>Customers</b>				
35		<u>2011</u>	<u>Cust %</u>	<u>Util %</u>	<u>Alloc. Amt.</u>
36	CT	184,286	86.8%	98.79%	85.74%
37	MA	18,960	8.9%	98.79%	8.82%
38	NH	9,100	4.29%	98.79%	4.23%
39		212,346			
40					

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 12-085

## Aquarion Water Company's Responses to Hampton Technical Session Requests—Set 1

Data Request Received: December 5, 2012  
Request No.: Hampton Tech 1-6

Date of Response: December 7, 2012  
Witness: T. Dixon

REQUEST: In reference to the Company's response to Hampton 3-18, provide the Company's share of the management allocation costs (lines 16 – 29) for the years 2008 – 2010 in the format of Schedule 1R.

RESPONSE:

Corporate Cost	2008	2009	2010
MUI Management Fee	\$522,500	\$506,762	\$514,750
Auditing & Consulting	394,929	429,628	354,746
Legal	87,431	84,730	12,811
Employee Wages and Benefits	272,110	498,376	402,449
Bank Fees	101,572	103,922	110,149
Building Overhead	20,762	22,488	22,858
Other	16,207	9,526	13,018
<b>Total</b>	<b>\$1,415,511</b>	<b>\$1,655,431</b>	<b>\$1,430,782</b>
Allocation percent	4.17880%	4.21059%	4.2412%
<b>Total Cost to AWC New Hampshire</b>	<b>\$59,151</b>	<b>\$69,703</b>	<b>\$60,682</b>
<b>AWC-NH Share of Costs</b>			
MUI Management Fee	\$21,834	\$21,338	\$21,832
Auditing & Consulting	16,503	18,090	15,045
Legal	3,654	3,568	543
Employee Wages and Benefits	11,371	20,985	17,069
Bank Fees	4,244	4,375	4,672
Building Overhead	868	946	969
Other	677	401	552
<b>Total</b>	<b>\$59,151</b>	<b>\$69,703</b>	<b>\$60,682</b>