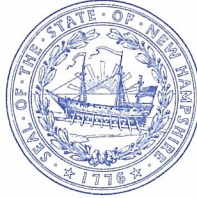


THE STATE OF NEW HAMPSHIRE

CHAIRMAN  
Amy L. Ignatius

COMMISSIONERS  
Michael D. Harrington  
Robert R. Scott

EXECUTIVE DIRECTOR  
Debra A. Howland



PUBLIC UTILITIES COMMISSION

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December 21, 2012

Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 S. Fruit St., Suite 10  
Concord, New Hampshire 03301

Re: DW 12-325, Aquarion Water Company of New Hampshire, Inc.  
Water Infrastructure and Conservation Adjustment (WICA)  
2013 WICA Surcharge and 2013-15 Capital Projects  
Recommendation for Approval

Dear Ms. Howland:

On October 31, 2012, Aquarion Water Company of New Hampshire, Inc. (Aquarion) filed its petition for approval of its 2013 WICA surcharge and its proposed 2013-15 capital projects under its WICA tariff provision. Accompanying the petition was the prefiled testimony of Troy M. Dixon, Director of Rates and Regulation for Aquarion Water Company of Connecticut, Inc., and Carl McMorran, Operations Manager for Aquarion. On November 9, 2012, Aquarion filed Supplemental Testimony of Mr. McMorran.

The Commission approved the WICA as a pilot program in Order No. 25,019 (September 25, 2009) in Docket No. DW 08-098, Aquarion's last completed rate case. In November of 2009, Aquarion filed its first proposed list of capital projects for 2010-12 in Docket No. DW 09-211. By Order No. 25,065 (January 15, 2010), the Commission approved Aquarion's WICA budget for 2010 and, on a preliminary basis, Aquarion's schedule of proposed 2011 projects.

In each of the two following years, Aquarion submitted filings for recovery of its completed annual WICA projects, and its proposals for capital projects for the subsequent three years. A surcharge of 1.5715% was approved for application to customer bills, for service rendered on and after January 1, 2011, in Order No. 25,186 in Docket No. DW 10-293. A surcharge of 3.7269% was approved in Order No. 25,311 in Docket No. DW 11-238, combining the previously approved surcharge with an additional surcharge of

2.1554% for recovery of the company's completed 2011 capital spending. In each of these dockets, the Commission also reviewed Aquarion's proposed WICA spending for the three subsequent years.

In the instant proceeding, Aquarion requests approval of a surcharge to customer bills of 5.7688% to reflect continued recovery of its completed 2010 and 2011 capital projects, as well as recovery of \$834,662 in completed 2012 WICA capital spending. These completed 2012 projects include a water main replacement on Atlantic Avenue costing \$553,908, replacement of customer meters costing \$224,539, and replacement of services, hydrants, and valves costing \$56,216. Detailed documentation of these costs was provided to Staff for review<sup>1</sup>. Including return, depreciation expense, and taxes, Aquarion seeks new revenues of \$121,598 in addition to those approved previously, for total WICA revenues of \$343,654. Recovery of these revenues requires the requested surcharge of 5.7688% to customer bills. Aquarion also seeks approval of its proposed capital spending for WICA projects in the amount of \$801,140 for 2013<sup>2</sup>. The majority of this investment is dedicated to the replacement of water main. Aquarion's proposed 2014 capital projects total \$1,136,720, presented at this time for preliminary approval. Aquarion presents in its filing its projected WICA spending for 2015, in the amount of \$795,550. These projects are provided for informational purposes at this time. These various projections and requests in the company's filing were revised slightly during the course of the proceeding as a result of discovery responses, as explained below.

Upon receipt of Aquarion's filing and in accordance with the procedure approved by the Commission in Order No. 25,019, Staff contacted the parties to DW 08-098 including the Office of the Consumer Advocate (OCA), and the Towns of Hampton, North Hampton, and Rye to establish a timeframe to review the filing and submit recommendations to the Commission<sup>3</sup>. On November 8, 2012, the OCA filed a notice of participation. The Towns of Hampton and North Hampton both indicated they would be participating, and subsequently filed requests for intervention with the Commission. No response was received from the Town of Rye. On November 9, 2012, Staff filed with the Commission a proposed procedural schedule on behalf of the participating parties, which was approved by secretarial letter issued November 13. Staff propounded data requests to Aquarion on November 21, and Aquarion provided its responses on November 30<sup>4</sup>. Staff, Aquarion, OCA, and the Town of Hampton met in a technical session on December 11 to review the filing and the discovery materials. Based on these discussions, Aquarion provided responses to follow-up questions of the parties. After further discussions, Staff

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<sup>1</sup> Staff is not attaching this documentation because it is voluminous. Staff's review of this documentation did not reveal any discrepancies.

<sup>2</sup> Mr. McMorran's supplemental testimony revises this spending request from the amount of \$1,126,590 sought originally. See supplemental attachment CM-1, page 1 of 4, filed in this docket on November 9, 2012.

<sup>3</sup> Order No. 25,019 approved a settlement entered into between Aquarion, Staff, OCA, and North Hampton. That settlement provides that Aquarion shall make an annual WICA filing with the Commission, with a copy to OCA, of proposed eligible projects no later than November 1 of each year, along with its request for a WICA surcharge. The surcharge is to become effective on the later of January 1 or 60 days from the date of the filing. Notice of the filing shall be given to the towns in which the company provides service.

<sup>4</sup> Discovery responses relevant to the recommendation provided herein are attached, as noted.

and Aquarion provide the following recommendation. The Town of Hampton filed a separate recommendation on December 20. It is Staff's understanding that OCA will be filing its own separate recommendations. Staff has not heard further from North Hampton and is unaware of its intentions as to the filing of a recommendation.

Staff and Aquarion recommend that the Commission approve a WICA surcharge of 5.2733% to customer bills, for service rendered on and after January 1, 2013. This surcharge is designed to recover \$342,159 in revenues on an annual basis resulting from the completion of WICA eligible projects costing \$2,492,141 from 2010 through 2012. This recommended surcharge is somewhat less than Aquarion proposed in its filing as a result of two adjustments. The first is updating property tax expense for completed WICA projects. See Aquarion response to Staff data request 1-2, attached herein as Attachment 1. The second adjustment is to revise the base revenues used as the denominator in the calculation of the WICA surcharge percentage. Staff and Aquarion agree that the temporary rate revenues approved in Aquarion's current rate case, Docket No. DW 12-085, are appropriately added to the base revenues from DW 08-098 in calculating the surcharge percentage since customer rates are now higher than those approved in DW 08-098<sup>5</sup>. The calculation of the recommended surcharge is shown on Attachment 2, page 2 of 4. The temporary revenues in the amount of \$535,709 are added to the denominator on line 32.

The recommended surcharge of 5.2733% would increase the bill of a typical residential customer using 53,300 gallons of water per year by about \$8.45 annually over the surcharge that has been in effect during 2012<sup>6</sup>. Staff and Aquarion state that all of the capital projects forming the basis of this surcharge are prudent, used and useful in service to Aquarion's customers.

Staff and Aquarion also recommend that the Commission approve a 2013 WICA construction budget in the amount of \$801,140, as illustrated on Attachment 3, page 2 of 2. Of that amount, only \$654,566 would be eligible to be included in a 2014 surcharge, as some of the proposed projects will not be completed in 2013 and would therefore not be placed in service until future years. The 2013 construction budget eligible for a 2014 surcharge consists of \$479,426 in water main replacement, \$74,610 in customer meter replacement, \$32,100 in services, \$20,200 in hydrants, \$26,200 for valves and \$22,030 for production meter replacement. Completion of these proposed projects would result in a 2014 WICA surcharge of 1.3046%, as shown on Attachment 4, page 2 of 10<sup>7</sup>. A

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<sup>5</sup> Aquarion's WICA tariff provision requires that the surcharge percentage be calculated using the approved revenue requirement in the company's last full rate case. Since temporary rates were approved effective July 1, 2012 in DW 12-085 at a level 9.0% higher than the level approved in the last rate case, the revenues generated by the temporary rates need to be added to that revenue requirement or else Aquarion would overcollect on its WICA recovery.

<sup>6</sup> Staff has adjusted the estimated bill impact of the surcharge to account for the temporary rates currently in effect.

<sup>7</sup> Since Aquarion's DW 12-085 rate case is still pending, this estimated surcharge calculation uses the revenue requirement and cost of capital as requested by Aquarion in DW 12-085. At the time the 2014 surcharge is filed, the rate case will be concluded and the then-approved revenue requirement and cost of capital would be used.

typical residential customer using 53,300 gallons of water annually would see a surcharge of \$6.84 annually, or about \$1.71 per quarter, based on the rate levels sought by Aquarion in the rate case. Staff and Aquarion also recommend the Commission approve Aquarion's schedule of proposed projects for 2014 on a preliminary basis in the amount of \$963,460. Aquarion projects that \$1,029,360 would be eligible for surcharge recovery in 2015 since funds expensed in prior years (such as for project design) would become part of completed projects at that time. These budget amounts are also detailed on Attachment 3, page 2 of 2. The cumulative surcharge resulting from the 2013 and 2014 WICA projects is estimated at 3.3477%, as shown on Attachment 4 page 5 of 10. Aquarion's current proposal for 2015 WICA spending is \$854,270, provided for advisory purposes at this time.

Aquarion has taken steps to inform its customers of the current WICA surcharge by including information in customer bills and on the company's website. According to the terms of the tariff, Aquarion will notify its customers of the change in its WICA surcharge by including appropriate information on the first bill customers receive following any Commission approved change in the WICA. Before sending such notice, Aquarion will consult with the Commission's Consumer Affairs Division.

In closing, Staff and Aquarion recommend the Commission approve a WICA surcharge in the amount of 5.2733%, for service rendered on and after January 1, 2013. Staff and Aquarion further recommend Commission approval of Aquarion's 2013 WICA construction budget, and approval of Aquarion's 2014 WICA budget on a preliminary basis, as detailed above. Staff and Aquarion recommend the issuance of an order *nisi*. If there are any questions regarding this, please let me know.

Sincerely,



Mark A. Naylor  
Director, Gas & Water Division

Attachments

cc: Docket-Related Service List

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
DW 12-325

Aquarion Water Company's Responses to  
Staff's Data Requests – Set #1

Date Request Received: November 21, 2012      Date of Response: November 30, 2012  
Request No.: Staff 1-2      Witness: Troy Dixon

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**REQUEST:** **Re: Attachment TD-1; Page 3 of 3:** Would the Company be amenable to using the following mill rates for purposes of determining the property tax expense for all projects reflected in the 2012 WICA surcharge calculation:

	2012	Less:	Adj	Add:	Total
	Muni	State Ed	Muni	Util Tx	Mill
<u>Municipality</u>	<u>Rate*</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Hampton	\$17.77	(\$2.52)	\$15.25	\$6.60	<b>\$21.85</b>
North Hampton	\$16.05	(\$2.40)	\$13.65	\$6.60	<b>\$20.25</b>
Rye	\$10.60	(\$2.42)	\$ 8.18	\$6.60	<b>\$14.78</b>
Stratham	\$19.31	(\$2.32)	\$16.99	\$6.60	<b>\$23.59</b>

\*Municipal Rates are the 2012 Tax Rates indicated on the NH DRA website with the exception of the Town of Rye which is the 2011 Tax Rate.

**RESPONSE:** With clarification from the Commission staff that this request concerns only those projects placed into service in 2012 (not all projects included in the WICA surcharge), the Company is agreeable to using the mill rates proposed above, with the exception of the mill rate for the Town of Rye. The Company recently received a tax bill from the Town of Rye and, by agreement with the Commission staff, will be using the updated mill rate of \$8.77 for the Town in its 2012 WICA surcharge calculation.

Please refer to Staff 1-2 Attachment A, which provides an updated Attachment TD-1 that reflects the mill rates discussed above for the projects completed in 2012.

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
DW 12-325

Aquarion Water Company's Responses to  
Staff's Data Requests – Set #1

Date Request Received: December 13, 2012  
Request No.: Staff 1-2 Supplemental

Date of Response: December 13, 2012  
Witness: Troy Dixon

---

**REQUEST:** **Re: Attachment TD-1; Page 3 of 3:** Would the Company be amenable to using the following mill rates for purposes of determining the property tax expense for all projects reflected in the 2012 WICA surcharge calculation:

	2012	Less:	Adj	Add:	<b>Total</b>
	Muni	State Ed	Muni	Util Tx	<b>Mill</b>
<u>Municipality</u>	<u>Rate*</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Hampton	\$17.77	(\$2.52)	\$15.25	\$6.60	<b>\$21.85</b>
North Hampton	\$16.05	(\$2.40)	\$13.65	\$6.60	<b>\$20.25</b>
Rye	\$10.60	(\$2.42)	\$ 8.18	\$6.60	<b>\$14.78</b>
Stratham	\$19.31	(\$2.32)	\$16.99	\$6.60	<b>\$23.59</b>

\*Municipal Rates are the 2012 Tax Rates indicated on the NH DRA website with the exception of the Town of Rye which is the 2011 Tax Rate.

**RESPONSE:** Please refer to Staff 1-2 Supplemental Attachment A attached here, which updates the prior attachment and provides a revised WICA surcharge for 2013. This attachment includes temporary revenues in the amount of \$535,709 authorized by Order No. 25,412 in DW 12-085.

**Aquarion Water Company of New Hampshire**  
2012 Annual WICA Surcharge Filing

**WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT  
CALCULATION OF SURCHARGE**

Line		Schedule Ref.	
1			
2	Total Investment through 09/30/2012	TD-1, Pg 3 Col 6 Ln 13	\$ 2,492,141
3			
4	Allowed Return on Rate Base	TD-1, Pg 2 Col 8	<u>7.72%</u>
5			
6	Allowed Return on Investment	Ln 17	\$ 192,393
7			
8	Income Tax on Equity Component		
9			
10			
11		(a)	(b)
12		Weighted	Tax
13		Cost	Multiplier
14	Debt	3.64%	1.00
15	Equity	<u>4.08%</u>	<u>1.68</u>
16			
17		7.72%	10.49%
18			2.77%
19	Total Eligible Investment (Line 2 above)		\$ 2,492,141
20			
21	Income Tax Expense	Ln 16 Col D X Ln 18	69,032
22			
23	Depreciation Expense	TD-1, Pg 3 Col 8 Ln 41	39,538
24			
25	Property Tax Expense	TD 1, Pg 3 Col 10 Ln 41	41,195
26			
27	Adjustment: Annual Revenues Allowed	Lines 6 through 25	<u>\$ 342,159</u>
28			
29			
30	Base Revenues on which Adjustment will be applied		
31	Revenues allowed DW 08-098		\$ 6,094,612
32	Temporary Revenues allowed per Order 25,412 less Misc. Charges		535,709
33	Less Misc. Charges		(4,306)
34	Misc. Charges not subject to WICA		<u>(137,480)</u>
35			<u>\$ 6,488,535</u>
36			
37	Surcharge Percent (Line 27 divided by Line 35)		5.2733%
38			

Aquarion Water Company of New Hampshire  
2012 Annual WICA Surcharge Filing

WATER INFRASTRUCTURE & CONSERVATION ADJUSTMENT  
COMPLETED PROJECTS

Line	Project Name or Class Category **	1 Estimated Completion Date**	2 Actual Completion Date	3 Estimated Project Cost**	4 Actual Project Cost	5 Depreciation Expense	6 Property Tax Expense	7 Income Tax Expense	8 Rate of Return	9 Annual Retail Revenues	10 = (4 x 8 ) + 5 + 6 + 7 WICA Adjustment Dollars
1											
2	<u>Project Surcharge Approved in DW 10-293</u>										
3	Production Meters	30-Sep-10	30-Sep-10	*	\$ 1,414	\$ 62	\$ 33	\$ 39	7.72%	\$ 6,630,321	\$ 243
4	Atlantic Avenue- Mill Road to Woodland Road	30-Sep-10	30-Sep-10	\$ 588,000	\$ 570,697	\$ 6,765	\$ 10,852	\$ 15,808	7.72%	\$ 6,630,321	77,483
5	Customer Meters	30-Sep-10	30-Sep-10	\$ 125,000	\$ 104,061	\$ 1,251	\$ 640	\$ 2,882	7.72%	\$ 6,630,321	12,807
6	Hydrants	30-Sep-10	30-Sep-10	\$ 20,000	\$ 11,774	\$ 188	\$ 133	\$ 326	7.72%	\$ 6,630,321	1,556
7	Services	30-Sep-10	30-Sep-10	\$ 20,000	\$ 15,797	\$ 243	\$ 267	\$ 438	7.72%	\$ 6,630,321	2,167
8	Valves	30-Sep-10	30-Sep-10	\$ 5,000	\$ 14,480	\$ 724	\$ 284	\$ 401	7.72%	\$ 6,630,321	2,527
9											
10	<u>Project Surcharge Approved in DW 11-238</u>										
11	Production Meters	30-Sep-11	30-Sep-11	\$ 8,000	\$ 6,690	\$ 294	\$ 137	\$ 185	7.72%	\$ 6,630,321	1,133
12	Atlantic Avenue- House 106 to Woodland Road	30-Sep-11	30-Sep-11	\$ 789,519	\$ 698,937	\$ 8,139	\$ 13,057	\$ 19,361	7.72%	\$ 6,630,321	94,514
13	Customer Meters	30-Sep-11	30-Sep-11	\$ 125,000	\$ 135,061	\$ 3,346	\$ 1,724	\$ 3,741	7.72%	\$ 6,630,321	19,238
14	Hydrants	30-Sep-11	30-Sep-11	\$ 20,000	\$ 32,133	\$ 611	\$ 488	\$ 890	7.72%	\$ 6,630,321	4,469
15	Services	30-Sep-11	30-Sep-11	\$ 27,000	\$ 43,986	\$ 713	\$ 779	\$ 1,218	7.72%	\$ 6,630,321	6,106
16	Valves	30-Sep-11	30-Sep-11	\$ 5,000	\$ 22,449	\$ 1,122	\$ 460	\$ 622	7.72%	\$ 6,630,321	3,937
17											
18	<u>Project Surcharge Proposed Herein</u>										
19	Atlantice Avenue - H539 to Maple Road	30-Sep-12	30-Sep-12	\$ 574,500	\$ 553,908	\$ 6,394	\$ 8,093	\$ 15,343	7.72%	\$ 6,630,321	72,592
20	Customer Meters	30-Sep-12	30-Sep-12	\$ 230,860	\$ 224,539	\$ 8,323	\$ 3,466	\$ 6,220	7.72%	\$ 6,630,321	35,343
21	Hydrants	30-Sep-12	30-Sep-12	\$ 32,700	\$ 10,395	\$ 152	\$ 104	\$ 288	7.72%	\$ 6,630,321	1,346
22	Services	30-Sep-12	30-Sep-12	\$ 80,600	\$ 32,086	\$ 524	\$ 464	\$ 889	7.72%	\$ 6,630,321	4,354
23	Valves	30-Sep-12	30-Sep-12	\$ 10,800	\$ 13,734	\$ 687	\$ 216	\$ 380	7.72%	\$ 6,630,321	2,343
24											
25	<b>TOTALS</b>			<u>\$2,661,979</u>	<u>\$ 2,492,141</u>	<u>\$ 39,538</u>	<u>\$ 41,195</u>	<u>\$ 69,032</u>			<u>\$ 342,159</u>

\* Emergency Replacement

\*\* Per Docket Filing DW 11-238



**Aquarion Water Company of New Hampshire  
2012 Annual WICA Surcharge Filing**

**WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT  
ELIGIBLE PROJECTS PLACED IN SERVICE**

Line	Description of Project	Street	Town	1 PUC Acct	2 Depr Rate	3 Type of Project*	4 Date in Service	5 Date of 1st Filing	6 Eligible Capital Costs	7 Retirements	8 = (6 - 7) x 2 Depreciation Expense	9 Mil Rates Town State Total	10 = (((6-7)/1000) x 9) Prop. Tax Expense**
<b>Project Surcharge Approved in DW 10-293</b>													
1	Production Meters		Stratham	328	4.40%	Other Pumping Equipment	9/30/2010	11/1/2010	\$ 1,414	\$ -	\$ 62	16.48 6.60 23.08	\$ 33
2	Atlantic Avenue- Mill Road to Woodland Road		North Hampton	343	1.20%	Main Replacement	9/30/2010	11/1/2010	\$ 570,697	\$ 6,941	\$ 6,765	12.65 6.60 19.25	\$ 10,852
3	Customer Meters		North Hampton	346	3.80%	Meter Replacement	9/30/2010	11/1/2010	\$ 12,139	\$ 8,296	\$ 146	12.65 6.60 19.25	\$ 74
4	Customer Meters		Hampton	346	3.80%	Meter Replacement	9/30/2010	11/1/2010	\$ 76,508	\$ 52,287	\$ 920	13.88 6.60 20.48	\$ 496
5	Customer Meters		Rye	346	3.80%	Meter Replacement	9/30/2010	11/1/2010	\$ 15,415	\$ 10,535	\$ 185	7.66 6.60 14.26	\$ 70
6	Hydrants		North Hampton	348	2.40%	Hydrants	9/30/2010	11/1/2010	\$ 2,466	\$ 1,950	\$ 12	12.65 6.60 19.25	\$ 10
7	Hydrants		Hampton	348	2.40%	Hydrants	9/30/2010	11/1/2010	\$ 3,626	\$ 556	\$ 74	13.88 6.60 20.48	\$ 63
8	Hydrants		Rye	348	2.40%	Hydrants	9/30/2010	11/1/2010	\$ 5,682	\$ 1,444	\$ 102	7.65 6.60 14.25	\$ 60
9	Services		North Hampton	345	1.85%	Services	9/30/2010	11/1/2010	\$ 2,186	\$ 535	\$ 31	12.65 6.60 19.25	\$ 32
10	Services		Hampton	345	1.85%	Services	9/30/2010	11/1/2010	\$ 13,611	\$ 2,138	\$ 212	13.88 6.60 20.48	\$ 235
11	Valves		Hampton	349	5.00%	Other T&D Plant	9/30/2010	11/1/2010	\$ 12,436	\$ -	\$ 622	13.88 6.60 20.48	\$ 255
12	Valves		Rye	349	5.00%	Other T&D Plant	9/30/2010	11/1/2010	\$ 2,044	\$ -	\$ 102	7.66 6.60 14.26	\$ 29
<b>Project Surcharge Approved in DW 11-238</b>													
16	Production Meters		Hampton	328	4.40%	Other Pumping Equipment	9/30/2011	11/1/2011	\$ 6,690	\$ -	\$ 294	13.88 6.60 20.48	\$ 137
17	Atlantic Avenue- House 106 to Woodland Road		North Hampton	343	1.20%	Main Replacement	9/30/2011	11/1/2011	\$ 698,937	\$ 20,650	\$ 8,139	12.65 6.60 19.25	\$ 13,057
18	Customer Meters		North Hampton	346	3.80%	Meter Replacement	9/30/2011	11/1/2011	\$ 18,681	\$ 6,560	\$ 461	12.65 6.60 19.25	\$ 233
19	Customer Meters		Hampton	346	3.80%	Meter Replacement	9/30/2011	11/1/2011	\$ 100,663	\$ 35,005	\$ 2,495	13.88 6.60 20.48	\$ 1,345
20	Customer Meters		Rye	346	3.80%	Meter Replacement	9/30/2011	11/1/2011	\$ 15,717	\$ 5,462	\$ 390	7.66 6.60 14.26	\$ 146
21	Hydrants		North Hampton	348	2.40%	Hydrants	9/30/2011	11/1/2011	\$ 4,207	\$ 561	\$ 88	12.65 6.60 19.25	\$ 70
22	Hydrants		Hampton	348	2.40%	Hydrants	9/30/2011	11/1/2011	\$ 22,891	\$ 5,776	\$ 411	13.88 6.60 20.48	\$ 351
23	Hydrants		Rye	348	2.40%	Hydrants	9/30/2011	11/1/2011	\$ 5,035	\$ 349	\$ 112	7.66 6.60 14.26	\$ 67
24	Services		North Hampton	345	1.85%	Services	9/30/2011	11/1/2011	\$ 10,046	\$ 1,637	\$ 156	12.65 6.60 19.25	\$ 162
25	Services		Hampton	345	1.85%	Services	9/30/2011	11/1/2011	\$ 33,940	\$ 3,820	\$ 557	13.88 6.60 20.48	\$ 617
26	Valves		Hampton	349	5.00%	Other T&D Plant	9/30/2011	11/1/2011	\$ 22,449	\$ -	\$ 1,122	13.88 6.60 20.48	\$ 460
<b>Project Surcharge Proposed Herein</b>													
30	Atlantice Avenue - H539 to Maple Road		North Hampton	343	1.20%	Main Replacement	1/1/2012	9/30/2012	\$ 553,908	\$ 21,046	\$ 6,394	13.65 6.60 20.25	\$ 8,093
31	Customer Meters		Hampton	346	3.80%	Meter Replacement	1/1/2012	9/30/2012	\$ 180,552	\$ 4,881	\$ 6,675	15.25 6.60 21.85	\$ 2,679
32	Customer Meters		North Hampton	346	3.80%	Meter Replacement	1/1/2012	9/30/2012	\$ 24,105	\$ 143	\$ 911	13.65 6.60 20.25	\$ 364
33	Customer Meters		Rye	346	3.80%	Meter Replacement	1/1/2012	9/30/2012	\$ 19,882	\$ 489	\$ 737	8.77 6.60 15.37	\$ 224
34	Hydrants		Hampton	348	2.40%	Hydrants	1/1/2012	9/30/2012	\$ 8,846	\$ 2,701	\$ 147	15.25 6.60 21.85	\$ 101
35	Hydrants		North Hampton	348	2.40%	Hydrants	1/1/2012	9/30/2012	\$ 1,549	\$ 1,350	\$ 5	13.65 6.60 20.25	\$ 3
36	Services		Hampton	345	1.85%	Services	1/1/2012	9/30/2012	\$ 32,086	\$ 3,760	\$ 524	15.25 6.60 21.85	\$ 464
37	Valves		Hampton	349	5.00%	Other T&D Plant	1/1/2012	9/30/2012	\$ 5,800	\$ -	\$ 290	15.25 6.60 21.85	\$ 95
38	Valves		North Hampton	349	5.00%	Other T&D Plant	1/1/2012	9/30/2012	\$ 7,934	\$ -	\$ 397	13.65 6.60 20.25	\$ 121
<b>TOTALS</b>									<b>\$ 2,492,141</b>	<b>\$ 198,873</b>	<b>\$ 39,538</b>	<b>\$ 41,195</b>	
									to TD-1, Pg 1, Ln 2	to TD-1, Pg 1, Ln 23	to TD-1, Pg 1, Ln 25		

\* Type of Project (designations will be given for various types of projects)

\*\*Property Tax Expense is for twelve months under the DW-10-293 and DW 11-238 surcharge portion and nine months for the 2012 proposed surcharge projects.

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
DW 12-325

Aquarion Water Company's Responses to  
Staff's Technical Session Data Requests – Set #1

Date Request Received: December 11, 2012  
Request No.: Staff TS 1-1

Date of Response: December 12, 2012  
Witness: Carl McMorran

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**REQUEST: Re: Supplemental Attachment CM-1; Page 1 of 4:** Update this attachment to reflect, for each WICA program year, the: 1) dollars to be spent per program year; and 2) the dollars that will be eligible for WICA surcharge recovery per program year.

**RESPONSE:** Refer to Staff TS 1-1 Attachment A attached here.

A) WICA Projects (REVISED FILING)- Dollars to be spent within the period.

	Jan 1, 2012 thru Sep 30, 2012 actual	Carried forward	Oct 1, 2012 thru Sep 30, 2013 est.	Oct 1, 2013 thru Sep 30, 2014 est.	Oct 1, 2014 thru Sep 30, 2015 est.	Project Totals
1 CUSTOMER METERS	\$ 224,539.02		\$ 74,610	\$ 35,960	\$ 14,770	\$ 349,879
2 HYDRANTS	\$ 10,395.22		\$ 20,200	\$ 20,200	\$ 20,200	\$ 70,995
3 SERVICES	\$ 32,086.17		\$ 32,100	\$ 32,100	\$ 32,100	\$ 128,386
MAIN REPLACEMENTS						\$ -
4 Atlantic Avenue - H539 to Maple Road	\$ 553,907.69					\$ 553,908
5 Ocean Boulevard - Dumas Avenue to Winnacunnet Road		\$ 65,900.00	\$ -	\$ 845,000	\$ -	\$ 910,900
6 Rt 101 - Glade Path to Tide Mill Road		\$ 15,800.00	\$ 83,000	\$ -	\$ 757,000	\$ 855,800
7 Well 7 Transmission Main		\$ -	\$ 201,000	\$ -	\$ -	\$ 201,000
8 Well 9 Transmission Main		\$ -	\$ 67,000	\$ -	\$ -	\$ 67,000
9 Great Boars Head (back alley main)		\$ -	\$ 24,000	\$ -	\$ -	\$ 24,000
10 Church Street - Highland Avenue to William Street		\$ 11,425.64	\$ 200,000	\$ -	\$ -	\$ 211,426
11 Meadow Pond / Gentian / Green Streets		\$ -	\$ 51,000	\$ -	\$ -	\$ 51,000
12 Kings Highway - High Street to Winnacunnet Road		\$ -	\$ -	\$ -	\$ -	\$ -
13 CONTROL VALVES	\$ -		\$ -	\$ -	\$ -	\$ -
14 VALVES	\$ 13,734.42		\$ 26,200	\$ 26,200	\$ 26,200	\$ 92,334
15 PRODUCTION METERS	\$ -		\$ 22,030	\$ 4,000	\$ 4,000	\$ 30,030
ANNUAL TOTALS	\$ 834,662.52	\$ 93,125.64	\$ 801,140	\$ 963,460	\$ 854,270	\$ 3,546,658

B) WICA Projects (REVISED FILING)- The basis for the surcharge recovery within the period.

	Jan 1, 2012 thru Sep 30, 2012 actual	Carried forward	Oct 1, 2012 thru Sep 30, 2013 est.	Oct 1, 2013 thru Sep 30, 2014 est.	Oct 1, 2014 thru Sep 30, 2015 est.	Project Totals
1 CUSTOMER METERS	\$ 224,539.02		\$ 74,610	\$ 35,960	\$ 14,770	\$ 349,879
2 HYDRANTS	\$ 10,395.22		\$ 20,200	\$ 20,200	\$ 20,200	\$ 70,995
3 SERVICES	\$ 32,086.17		\$ 32,100	\$ 32,100	\$ 32,100	\$ 128,386
MAIN REPLACEMENTS						\$ -
4 Atlantic Avenue - H539 to Maple Road	\$ 553,907.69					\$ 553,908
5 Ocean Boulevard - Dumas Avenue to Winnacunnet Road				\$ 910,900		\$ 910,900
6 Rt 101 - Glade Path to Tide Mill Road					\$ 855,800	\$ 855,800
7 Well 7 Transmission Main			\$ 201,000			\$ 201,000
8 Well 9 Transmission Main			\$ 67,000			\$ 67,000
9 Great Boars Head (back alley main)						\$ -
10 Church Street - Highland Avenue to William Street			\$ 211,426			\$ 211,426
11 Meadow Pond / Gentian / Green Streets						\$ -
12 Kings Highway - High Street to Winnacunnet Road			\$ -	\$ -	\$ -	\$ -
13 CONTROL VALVES	\$ -		\$ -	\$ -	\$ -	\$ -
14 VALVES	\$ 13,734.42		\$ 26,200	\$ 26,200	\$ 26,200	\$ 92,334
15 PRODUCTION METERS	\$ -		\$ 22,030	\$ 4,000	\$ 4,000	\$ 30,030
ANNUAL TOTALS	\$ 834,662.52		\$ 654,566	\$ 1,029,360	\$ 953,070	\$ 3,471,658

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
DW 12-325

Aquarion Water Company's Responses to  
Town of Hampton's Technical Session Data Requests – Set #1

Date Request Received: December 11, 2012      Date of Response: December 12, 2012  
Request No.: Hampton TS 1-1      Witness: Troy Dixon

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**REQUEST: Re: Staff 1-1 Supplemental Attachment A:** Update the attachment to reflect the proposed rate of return and proposed revenues sought in DW 12-085.

**RESPONSE:** Refer to Hampton TS 1-1 Attachment A attached here, which reflects the 7.85% rate of return and \$7,164,598 revenues proposed in DW 12-085.<sup>1</sup>

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<sup>1</sup> These proposed revenues and rate of return are shown on pages 2 and 53 of Staff 3-11 Attachment A, respectively, submitted by the Company in DW 12-085.

**Aquarion Water Company of New Hampshire**  
**2013 Annual WICA Surcharge Filing (2012 Estimate)**

**WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT  
CALCULATION OF SURCHARGE**

Line		Schedule Ref.	
1			
2	Total Investment through 09/30/2013	TD-1, Pg 3 Col 6 Ln 13	\$ 654,566
3			
4	Allowed Return on Rate Base	TD-1, Pg 2 Col 8	<u>7.85%</u>
5			
6	Allowed Return on Investment	Ln 2 X Ln 4	\$ 51,383
7			
8	Income Tax on Equity Component		
9			
10			
11		(a)	(b)
12		Weighted	Tax
13		Cost	Multiplier
14	Debt	3.62%	1.00
15	Equity	<u>4.23%</u>	<u>1.68</u>
16		7.85%	10.73%
17			
18	Total Eligible Investment (Line 2 above)		\$ 654,566
19			
20	Income Tax Expense	Ln 16 Col D X Ln 18	18,852
21			
22	Depreciation Expense	TD-1, Pg 3 Col 8 Ln 13	10,821
23			
24	Property Tax Expense	TD 1, Pg 3 Col 10 Ln 13	\$9,941
25			
26	Adjustment: Annual Revenues Allowed	Lines 6 through 25	<u>\$ 90,997</u>
27			
28			
29	Base Revenues on which Adjustment will be applied		
30	Proposed Base Revenues per DW 12-085		\$ 7,164,598
31	Misc. Charges not subject to WICA		<u>(189,344)</u>
32			<u>\$ 6,975,254</u>
33			
34	Surcharge Percent (Line 28 divided by Line 36)		1.3046%
35			

**Aquarion Water Company of New Hampshire**  
2013 Annual WICA Surcharge Filing (2012 Estimate)

**WATER INFRASTRUCTURE & CONSERVATION ADJUSTMENT  
COMPLETED PROJECTS**

		1	2	3	4	5	6	7	8	9	10 = (4 x 8) + 5 + 6 + 7
Line	Project Name or Class Category **	Estimated Completion Date**	Actual Completion Date	Estimated Project Cost**	Actual Project Cost	Depreciation Expense	Property Tax Expense	Income Tax Expense	Rate of Return	Annual Retail Revenues	WICA Adjustment Dollars
<b>2013 Projects</b>											
1	Production Meters	30-Sep-13	30-Sep-13	\$ 22,030	\$ 22,030	\$ 970	\$ 343	\$ 634	7.85%	\$ 7,164,598	\$ 3,676
2	Well 7 Transmission Main	30-Sep-13	30-Sep-13	201,000	201,000	2,348	3,206	5,789	7.85%	\$ 7,164,598	27,121
3	Well 9 Transmission Main	30-Sep-13	30-Sep-13	67,000	67,000	783	1,069	1,930	7.85%	\$ 7,164,598	9,041
4	Church Street - Highland Ave. to William Street	30-Sep-13	30-Sep-13	211,426	211,426	2,469	3,372	6,089	7.85%	\$ 7,164,598	28,527
5	Customer Meters	30-Sep-13	30-Sep-13	74,610	74,610	2,079	862	2,149	7.85%	\$ 7,164,598	10,947
6	Hydrants	30-Sep-13	30-Sep-13	20,200	20,200	345	217	582	7.85%	\$ 7,164,598	2,729
7	Services	30-Sep-13	30-Sep-13	32,100	32,100	517	454	924	7.85%	\$ 7,164,598	4,415
8	Valves	30-Sep-13	30-Sep-13	26,200	26,200	1,310	419	755	7.85%	\$ 7,164,598	4,541
9				<u>\$ 654,566</u>	<u>\$ 654,566</u>	<u>\$ 10,821</u>	<u>\$ 9,941</u>	<u>\$ 18,852</u>			<u>\$ 90,997</u>
				<u>\$ 654,566</u>	<u>\$ 654,566</u>	<u>\$ 10,821</u>	<u>\$ 9,941</u>	<u>\$ 18,852</u>			<u>\$ 90,997</u>

**Aquarion Water Company of New Hampshire**  
**2013 Annual WICA Surcharge Filing (2012 Estimate)**

**WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT**  
**ELIGIBLE PROJECTS PLACED IN SERVICE**

													10 = (((6-7)/1000) x 9/12)*9		
													Prop. Tax Expense**		
Line	Description of Project	Street	Town	1 PUC Acct	2 Depr Rate	3 Type of Project*	4 Date in Service	5 Date of 1st Filing	6 Eligible Capital Costs	7 Retirements	8 = (6 - 7) x 2 Depreciation Expense	9 Mil Rates State	Total		
2013 Projects															
1	Production Meters		Hampton	328	4.40%	Other Pumping	9/30/2013	11/1/2013	\$6,630	\$0	\$292	15.25	6.60	21.85	\$109
2	Production Meters		North Hampton	328	4.40%	Other Pumping	9/30/2013	11/1/2013	\$15,400	\$0	\$678	13.65	6.60	20.25	\$234
3	Well 7 Transmission Main		Hampton	343	1.20%	Main Replacement	9/30/2013	11/1/2013	\$201,000	\$5,361	\$2,348	15.25	6.60	21.85	\$3,206
4	Well 9 Transmission Main		Hampton	343	1.20%	Main Replacement	9/30/2013	11/1/2013	\$67,000	\$1,787	\$783	15.25	6.60	21.85	\$1,069
5	Church Street - Highland Ave. to William Street		Hampton	343	1.20%	Main Replacement	9/30/2013	11/1/2013	\$211,426	\$5,639	\$2,469	15.25	6.60	21.85	\$3,372
6	Customer Meters		North Hampton	346	3.80%	Meter Replacement	9/30/2013	11/1/2013	\$8,838	\$2,414	\$244	13.65	6.60	20.25	\$98
7	Customer Meters		Hampton	346	3.80%	Meter Replacement	9/30/2013	11/1/2013	\$57,553	\$14,832	\$1,624	15.25	6.60	21.85	\$700
8	Customer Meters		Rye	346	3.80%	Meter Replacement	9/30/2013	11/1/2013	\$8,209	\$2,653	\$211	8.77	6.60	15.37	\$64
9	Hydrants		North Hampton	348	2.40%	Hydrants	9/30/2013	11/1/2013	\$3,059	\$1,436	\$39	13.65	6.60	20.25	\$25
10	Hydrants		Hampton	348	2.40%	Hydrants	9/30/2013	11/1/2013	\$13,155	\$3,754	\$226	15.25	6.60	21.85	\$154
11	Hydrants		Rye	348	2.40%	Hydrants	9/30/2013	11/1/2013	\$3,987	\$667	\$80	8.77	6.60	15.37	\$38
12	Services		North Hampton	345	1.85%	Services	9/30/2013	11/1/2013	\$4,274	\$759	\$65	13.65	6.60	20.25	\$53
13	Services		Hampton	345	1.85%	Services	9/30/2013	11/1/2013	\$27,626	\$3,396	\$452	15.25	6.60	21.85	\$400
14	Valves		Hampton	349	5.00%	Other T&D Plant	9/30/2013	11/1/2013	\$21,040	\$0	\$1,052	15.25	6.60	21.85	\$345
15	Valves		North Hampton	349	5.00%	Other T&D Plant	9/30/2013	11/1/2013	\$4,103	\$0	\$205	13.65	6.60	20.25	\$62
16	Valves		Rye	349	5.00%	Other T&D Plant	9/30/2013	11/1/2013	\$1,057	\$0	\$53	8.77	6.60	15.37	\$12
17	TOTALS								\$654,566	\$42,698	\$10,821	\$9,941			
18									\$654,566	\$42,698	\$10,821	\$9,941			
19									to TD-1,		to TD-1,	to TD-1,			
20									Pg 1, Ln 2		Pg 1, Ln 22	Pg 1, Ln 24			
21	* Type of Project (designations will be given for various types of projects)														
22	**Property Tax Expense is for a nine month period for 2013 projects since rates will be in effect in January 2014.														
23															

**Aquarion Water Company of New Hampshire**  
**2014 Annual WICA Surcharge Filing (2012 Estimate)**

**WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT  
CALCULATION OF SURCHARGE**

Line		Schedule Ref.	
1			
2	Total Investment through 09/30/2014	TD-1, Pg 3 Col 6 Ln 13	\$ 1,683,926
3			
4	Allowed Return on Rate Base	TD-1, Pg 2 Col 8	7.85%
5			
6	Allowed Return on Investment	Ln 2 X Ln 4	\$ 132,188
7			
8	Income Tax on Equity Component		
9			
10			
11			
12			
13			
14	Debt		
15	Equity		
16			
17			
18	Total Eligible Investment (Line 2 above)		\$ 1,683,926
19			
20	Income Tax Expense	Ln 16 Col D X Ln 18	48,497
21			
22	Depreciation Expense	TD-1, Pg 3 Col 8 Ln 13	24,244
23			
24	Property Tax Expense	TD 1, Pg 3 Col 10 Ln 13	28,581
25			
26	Adjustment: Annual Revenues Allowed	Lines 6 through 25	<u>\$ 233,510</u>
27			
28			
29	Base Revenues on which Adjustment will be applied		\$ 7,164,598
30	Proposed Base Revenues per DW 12-085		(189,344)
31	Misc. Charges not subject to WICA		<u>\$ 6,975,254</u>
32			
33			
34	Surcharge Percent (Line 28 divided by Line 36)		3.3477%
35			



Aquarion Water Company of New Hampshire  
2014 Annual WICA Surcharge Filing (2012 Estimate)

WATER INFRASTRUCTURE & CONSERVATION ADJUSTMENT  
COMPLETED PROJECTS

		1	2	3	4	5	6	7	8	9	10 = (4 x 8) + 5 + 6 + 7
Line	Project Name or Class Category **	Estimated Completion Date**	Actual Completion Date	Estimated Project Cost**	Actual Project Cost	Depreciation Expense	Property Tax Expense	Income Tax Expense	Rate of Return	Annual Retail Revenues	WICA Adjustment Dollars
<b>2013 Projects</b>											
1	Production Meters	30-Sep-13	30-Sep-13	\$ 22,030	\$ 22,030	\$ 970	\$ 457	\$ 634	7.85%	\$ 7,164,598	\$ 3,791
2	Well 7 Transmission Main	30-Sep-13	30-Sep-13	201,000	201,000	2,348	4,275	5,789	7.85%	\$ 7,164,598	28,190
3	Well 9 Transmission Main	30-Sep-13	30-Sep-13	67,000	67,000	783	1,425	1,930	7.85%	\$ 7,164,598	9,397
4	Church Street - Highland Ave. to William Street	30-Sep-13	30-Sep-13	211,426	211,426	2,469	4,496	6,089	7.85%	\$ 7,164,598	29,651
5	Customer Meters	30-Sep-13	30-Sep-13	74,610	74,610	2,079	1,149	2,149	7.85%	\$ 7,164,598	11,234
6	Hydrants	30-Sep-13	30-Sep-13	20,200	20,200	345	289	582	7.85%	\$ 7,164,598	2,802
7	Services	30-Sep-13	30-Sep-13	32,100	32,100	517	605	924	7.85%	\$ 7,164,598	4,566
8	Valves	30-Sep-13	30-Sep-13	26,200	26,200	1,310	559	755	7.85%	\$ 7,164,598	4,680
9				<u>\$ 654,566</u>	<u>\$ 654,566</u>	<u>\$ 10,821</u>	<u>\$ 13,255</u>	<u>\$ 18,852</u>			<u>\$ 94,311</u>
<b>2014 Projects</b>											
10	Production Meters	30-Sep-14	30-Sep-14	\$ 4,000	\$ 4,000	\$ 176	\$ 66	\$ 115	7.85%	\$ 7,164,598	671
11	Ocean Boulevard - Dumas Ave. to Winnacunnet Rd.	30-Sep-14	30-Sep-14	910,900	910,900	10,072	13,755	26,234	7.85%	\$ 7,164,598	121,566
12	Customer Meters	30-Sep-14	30-Sep-14	35,960	35,960	1,003	415	1,036	7.85%	\$ 7,164,598	5,277
12	Hydrants	30-Sep-14	30-Sep-14	20,200	20,200	345	217	582	7.85%	\$ 7,164,598	2,729
13	Services	30-Sep-14	30-Sep-14	32,100	32,100	517	454	924	7.85%	\$ 7,164,598	4,415
13	Valves	30-Sep-14	30-Sep-14	26,200	26,200	1,310	419	755	7.85%	\$ 7,164,598	4,541
14				<u>\$ 1,029,360</u>	<u>\$ 1,029,360</u>	<u>\$ 13,423</u>	<u>\$ 15,326</u>	<u>\$ 29,646</u>			<u>\$ 139,199</u>
14				<u>\$ 1,683,926</u>	<u>\$ 1,683,926</u>	<u>\$ 24,244</u>	<u>\$ 28,581</u>	<u>\$ 48,497</u>			<u>\$ 233,510</u>
15											
16											

**Aquarion Water Company of New Hampshire**  
2014 Annual WICA Surcharge Filing (2012 Estimate)

**WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT**  
ELIGIBLE PROJECTS PLACED IN SERVICE

													10 = (((6-7)/1000) x 9/12)*9		
		1	2	3	4	5	6	7	8 = (6 - 7) x 2	9					
Line	Description of Project	PUC Acct	Depr Rate	Type of Project*	Date in Service	Date of 1st Filing	Eligible Capital Costs	Retirements	Depreciation Expense	Town	Mill Rates	Total	Prop. Tax Expense**		
	Street	Town													
2013 Projects															
1	Production Meters	Hampton	328	4.40%	Other Pumping Equipment	9/30/2013	11/1/2013	\$6,630	\$0	\$292	15.25	6.60	21.85	\$145	
2	Production Meters	North Hampton	328	4.40%	Other Pumping Equipment	9/30/2013	11/1/2013	\$15,400	\$0	\$678	13.65	6.60	20.25	\$312	
3	Well 7 Transmission Main	Hampton	343	1.20%	Main Replacement	9/30/2013	11/1/2013	\$201,000	\$5,361	\$2,348	15.25	6.60	21.85	\$4,275	
4	Well 9 Transmission Main	Hampton	343	1.20%	Main Replacement	9/30/2013	11/1/2013	\$67,000	\$1,787	\$783	15.25	6.60	21.85	\$1,425	
5	Church Street - Highland Ave. to William Street	Hampton	343	1.20%	Main Replacement	9/30/2013	11/1/2013	\$211,426	\$5,639	\$2,469	15.25	6.60	21.85	\$4,496	
6	Customer Meters	North Hampton	346	3.80%	Meter Replacement	9/30/2013	11/1/2013	\$8,838	\$2,414	\$244	13.65	6.60	20.25	\$130	
7	Customer Meters	Hampton	346	3.80%	Meter Replacement	9/30/2013	11/1/2013	\$57,563	\$14,832	\$1,624	15.25	6.60	21.85	\$934	
8	Customer Meters	Rye	346	3.80%	Meter Replacement	9/30/2013	11/1/2013	\$8,209	\$2,653	\$211	8.77	6.60	15.37	\$85	
9	Hydrants	North Hampton	348	2.40%	Hydrants	9/30/2013	11/1/2013	\$3,059	\$1,436	\$39	13.65	6.60	20.25	\$33	
10	Hydrants	Hampton	348	2.40%	Hydrants	9/30/2013	11/1/2013	\$13,155	\$3,754	\$226	15.25	6.60	21.85	\$205	
11	Hydrants	Rye	348	2.40%	Hydrants	9/30/2013	11/1/2013	\$3,987	\$667	\$80	8.77	6.60	15.37	\$51	
12	Services	North Hampton	345	1.85%	Services	9/30/2013	11/1/2013	\$4,274	\$759	\$65	13.65	6.60	20.25	\$71	
13	Services	Hampton	345	1.85%	Services	9/30/2013	11/1/2013	\$27,826	\$3,396	\$452	15.25	6.60	21.85	\$534	
14	Valves	Hampton	349	5.00%	Other T&D Plant	9/30/2013	11/1/2013	\$21,040	\$0	\$1,052	15.25	6.60	21.85	\$460	
15	Valves	North Hampton	349	5.00%	Other T&D Plant	9/30/2013	11/1/2013	\$4,103	\$0	\$205	13.65	6.60	20.25	\$83	
16	Valves	Rye	349	5.00%	Other T&D Plant	9/30/2013	11/1/2013	\$1,057	\$0	\$53	8.77	6.60	15.37	\$16	
17							\$654,566	\$42,698	\$10,821				\$13,255		
2014 Projects															
18	Production Meters	Hampton	328	4.40%	Other Pumping Equipment	9/30/2014	11/1/2014	\$4,000	\$0	\$176	15.25	6.60	21.85	\$66	
19	Ocean Blvd - Dumas Ave to Winnacunnet Rd	Hampton	343	1.20%	Main Replacement	9/30/2014	11/1/2014	\$910,900	\$71,559	\$10,072	15.25	6.60	21.85	\$13,755	
20	Customer Meters	North Hampton	346	3.80%	Meter Replacement	9/30/2014	11/1/2014	\$4,260	\$1,163	\$118	13.65	6.60	20.25	\$47	
21	Customer Meters	Hampton	346	3.80%	Meter Replacement	9/30/2014	11/1/2014	\$27,744	\$7,149	\$783	15.25	6.60	21.85	\$338	
22	Customer Meters	Rye	346	3.80%	Meter Replacement	9/30/2014	11/1/2014	\$3,956	\$1,279	\$102	8.77	6.60	15.37	\$31	
23	Hydrants	North Hampton	348	2.40%	Hydrants	9/30/2014	11/1/2014	\$3,059	\$1,436	\$39	13.65	6.60	20.25	\$25	
24	Hydrants	Hampton	348	2.40%	Hydrants	9/30/2014	11/1/2014	\$13,155	\$3,754	\$226	15.25	6.60	21.85	\$154	
25	Hydrants	Rye	348	2.40%	Hydrants	9/30/2014	11/1/2014	\$3,987	\$667	\$80	8.77	6.60	15.37	\$38	
26	Services	North Hampton	345	1.85%	Services	9/30/2014	11/1/2014	\$4,274	\$759	\$65	13.65	6.60	20.25	\$53	
27	Services	Hampton	345	1.85%	Services	9/30/2014	11/1/2014	\$27,826	\$3,396	\$452	15.25	6.60	21.85	\$400	
28	Valves	Hampton	349	5.00%	Other T&D Plant	9/30/2014	11/1/2014	\$21,040	\$0	\$1,052	15.25	6.60	21.85	\$345	
29	Valves	North Hampton	349	5.00%	Other T&D Plant	9/30/2014	11/1/2014	\$4,103	\$0	\$205	13.65	6.60	20.25	\$62	
30	Valves	Rye	349	5.00%	Other T&D Plant	9/30/2014	11/1/2014	\$1,057	\$0	\$53	8.77	6.60	15.37	\$12	
31							\$1,029,360	\$91,162	\$13,423				\$15,326		
32							\$1,883,926	\$133,860	\$24,244				\$28,581		

TOTALS

to TD-1,  
Pg 1, Ln 2

to TD-1,  
Pg 1, Ln 22

to TD-1,  
Pg 1, Ln 24

\* Type of Project (designations will be given for various types of projects)

\*\*Property Tax Expense is for a nine month period for 2014 projects since rates will be in effect in January 2015. Previous years reflect an annualized amou

**Aquarion Water Company of New Hampshire**  
**2015 Annual WICA Surcharge Filing (2012 Estimate)**

**WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT  
CALCULATION OF SURCHARGE**

Line		<u>Schedule Ref.</u>	
1			
2	Total Investment through 09/30/2015	TD-1, Pg 3 Col 6 Ln 13	\$ 2,636,996
3			
4	Allowed Return on Rate Base	TD-1, Pg 2 Col 8	<u>7.85%</u>
5			
6	Allowed Return on Investment	Ln 2 X Ln 4	\$ 207,004
7			
8	Income Tax on Equity Component		
9			
10			
11			
12			
13			
14	Debt		
15	Equity		
16			
17			
18	Total Eligible Investment (Line 2 above)		\$ 2,636,996
19			
20	Income Tax Expense	Ln 16 Col D X Ln 18	75,945
21			
22	Depreciation Expense	TD-1, Pg 3 Col 8 Ln 13	36,466
23			
24	Property Tax Expense	TD 1, Pg 3 Col 10 Ln 13	47,938
25			
26	Adjustment: Annual Revenues Allowed	Lines 6 through 25	<u>\$ 367,353</u>
27			
28			
29	Base Revenues on which Adjustment will be applied		
30	Proposed Base Revenues per DW 12-085		\$ 7,164,598
31	Misc. Charges not subject to WICA		<u>(189,344)</u>
32			<u>\$ 6,975,254</u>
33			
34	Surcharge Percent (Line 28 divided by Line 36)		5.2665%
35			

**Aquarion Water Company of New Hampshire**  
2015 Annual WICA Surcharge Filing (2012 Estimate)

**WATER INFRASTRUCTURE & CONSERVATION ADJUSTMENT  
COMPLETED PROJECTS**

		1	2	3	4	5	6	7	8	9	10 = (4 x 8 ) + 5 + 6 + 7
Line	Project Name or Class Category **	Estimated Completion Date**	Actual Completion Date	Estimated Project Cost**	Actual Project Cost	Depreciation Expense	Property Tax Expense	Income Tax Expense	Rate of Return	Annual Retail Revenues	WICA Adjustment Dollars
<b>2013 Projects</b>											
1	Production Meters	30-Sep-13	30-Sep-13	\$ 22,030	\$ 22,030	\$ 970	\$ 457	\$ 634	7.85%	\$ 7,164,598	\$ 3,791
2	Well 7 Transmission Main	30-Sep-13	30-Sep-13	201,000	201,000	2,348	4,275	5,789	7.85%	\$ 7,164,598	28,190
3	Well 9 Transmission Main	30-Sep-13	30-Sep-13	67,000	67,000	783	1,425	1,930	7.85%	\$ 7,164,598	9,397
4	Church Street - Highland Ave. to William Street	30-Sep-13	30-Sep-13	211,426	211,426	2,469	4,496	6,089	7.85%	\$ 7,164,598	29,651
5	Customer Meters	30-Sep-13	30-Sep-13	74,610	74,610	2,079	1,149	2,149	7.85%	\$ 7,164,598	11,234
6	Hydrants	30-Sep-13	30-Sep-13	20,200	20,200	345	289	582	7.85%	\$ 7,164,598	2,802
7	Services	30-Sep-13	30-Sep-13	32,100	32,100	517	605	924	7.85%	\$ 7,164,598	4,566
8	Valves	30-Sep-13	30-Sep-13	26,200	26,200	1,310	559	755	7.85%	\$ 7,164,598	4,680
9				\$ 654,566	\$ 654,566	\$ 10,821	\$ 13,255	\$ 18,852			\$ 94,311
<b>2014 Projects</b>											
10	Production Meters	30-Sep-14	30-Sep-14	\$ 4,000	\$ 4,000	\$ 176	\$ 87	\$ 115	7.85%	\$ 7,164,598	693
11	Ocean Boulevard - Dumas Ave. to Winnacunnet Rd.	30-Sep-14	30-Sep-14	910,900	910,900	10,072	18,340	26,234	7.85%	\$ 7,164,598	126,151
12	Customer Meters	30-Sep-14	30-Sep-14	35,960	35,960	1,003	554	1,036	7.85%	\$ 7,164,598	5,415
12	Hydrants	30-Sep-14	30-Sep-14	20,200	20,200	345	289	582	7.85%	\$ 7,164,598	2,802
13	Services	30-Sep-14	30-Sep-14	32,100	32,100	517	605	924	7.85%	\$ 7,164,598	4,566
13	Valves	30-Sep-14	30-Sep-14	26,200	26,200	1,310	559	755	7.85%	\$ 7,164,598	4,680
14				\$ 1,029,360	\$ 1,029,360	\$ 13,423	\$ 20,434	\$ 29,646			\$ 144,307
<b>2015 Projects</b>											
15	Production Meters	30-Sep-15	30-Sep-15	\$ 4,000	\$ 4,000	\$ 176	\$ 66	\$ 115	7.85%	\$ 7,164,598	671
16	Well 7 Transmission Main	30-Sep-15	30-Sep-15	855,800	855,800	9,463	12,923	24,647	7.85%	\$ 7,164,598	114,213
17	Customer Meters	30-Sep-15	30-Sep-15	14,770	14,770	411	171	425	7.85%	\$ 7,164,598	2,166
18	Hydrants	30-Sep-15	30-Sep-15	20,200	20,200	345	217	582	7.85%	\$ 7,164,598	2,729
19	Services	30-Sep-15	30-Sep-15	32,100	32,100	517	454	924	7.85%	\$ 7,164,598	4,415
20	Valves	30-Sep-15	30-Sep-15	26,200	26,200	1,310	419	755	7.85%	\$ 7,164,598	4,541
21				\$ 953,070	\$ 953,070	\$ 12,222	\$ 14,249	\$ 27,448			\$ 128,735
22				\$ 2,636,996	\$ 2,636,996	\$ 36,466	\$ 47,938	\$ 75,945			\$ 367,354
23											
24											

Aquarion Water Company of New Hampshire  
2015 Annual WICA Surcharge Filing (2012 Estimate)

WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT  
ELIGIBLE PROJECTS PLACED IN SERVICE

														10 = (((6-7)/1000) x 9/12)**	
Line	Description of Project	Street	Town	1 PUC Acct	2 Depr Rate	3 Type of Project*	4 Date in Service	5 Date of 1st Filing	6 Eligible Capital Costs	7 Retirements	8 = (6 - 7) x 2 Depreciation Expense	9 M/I Rates Town State Total	Prop. Tax Expense**		
2013 Projects															
1	Production Meters		Hampton	328	4.40%	Other Pumping	9/30/2013	11/1/2013	\$6,630	\$0	\$292 15.25 6.60 21.85		\$145		
2	Production Meters		North Hampton	328	4.40%	Other Pumping	9/30/2013	11/1/2013	\$15,400	\$0	\$676 13.65 6.60 20.25		\$312		
3	Well 7 Transmission Main		Hampton	343	1.20%	Main Replacement	9/30/2013	11/1/2013	\$201,000	\$5,361	\$2,348 15.25 6.60 21.85		\$4,275		
4	Well 9 Transmission Main		Hampton	343	1.20%	Main Replacement	9/30/2013	11/1/2013	\$67,000	\$1,787	\$783 15.25 6.60 21.85		\$1,425		
5	Church Street - Highland Ave. to William Street		Hampton	343	1.20%	Main Replacement	9/30/2013	11/1/2013	\$211,426	\$5,639	\$2,469 15.25 6.60 21.85		\$4,496		
6	Customer Meters		North Hampton	346	3.80%	Meter Replacement	9/30/2013	11/1/2013	\$6,638	\$2,414	\$244 13.65 6.60 20.25		\$130		
7	Customer Meters		Hampton	346	3.80%	Meter Replacement	9/30/2013	11/1/2013	\$57,563	\$14,832	\$1,624 15.25 6.60 21.85		\$934		
8	Customer Meters		Rye	346	3.80%	Meter Replacement	9/30/2013	11/1/2013	\$8,209	\$2,653	\$211 8.77 6.60 15.37		\$85		
9	Hydrants		North Hampton	348	2.40%	Hydrants	9/30/2013	11/1/2013	\$3,059	\$1,436	\$39 13.65 6.60 20.25		\$33		
10	Hydrants		Hampton	348	2.40%	Hydrants	9/30/2013	11/1/2013	\$13,155	\$3,754	\$226 15.25 6.60 21.85		\$205		
11	Hydrants		Rye	348	2.40%	Hydrants	9/30/2013	11/1/2013	\$3,987	\$687	\$80 8.77 6.60 15.37		\$51		
12	Services		North Hampton	345	1.85%	Services	9/30/2013	11/1/2013	\$4,274	\$759	\$65 13.65 6.60 20.25		\$71		
13	Services		Hampton	345	1.85%	Services	9/30/2013	11/1/2013	\$27,826	\$3,396	\$452 15.25 6.60 21.85		\$534		
14	Valves		Hampton	349	5.00%	Other T&D Plant	9/30/2013	11/1/2013	\$21,040	\$0	\$1,052 15.25 6.60 21.85		\$460		
15	Valves		North Hampton	349	5.00%	Other T&D Plant	9/30/2013	11/1/2013	\$4,103	\$0	\$205 13.65 6.60 20.25		\$83		
16	Valves		Rye	349	5.00%	Other T&D Plant	9/30/2013	11/1/2013	\$1,057	\$0	\$53 8.77 6.60 15.37		\$16		
17									\$654,568	\$42,698	\$10,821		\$13,255		
2014 Projects															
18	Production Meters		Hampton	328	4.40%	Other Pumping	9/30/2014	11/1/2014	\$4,000	\$0	\$176 15.25 6.60 21.85		\$87		
19	Ocean Blvd - Dumas Ave to Winnacunnat Rd		Hampton	343	1.20%	Main Replacement	9/30/2014	11/1/2014	\$910,800	\$71,559	\$10,072 15.25 6.60 21.85		\$18,340		
20	Customer Meters		North Hampton	346	3.80%	Meter Replacement	9/30/2014	11/1/2014	\$4,260	\$1,163	\$118 13.65 6.60 20.25		\$63		
21	Customer Meters		Hampton	346	3.80%	Meter Replacement	9/30/2014	11/1/2014	\$27,744	\$7,149	\$783 15.25 6.60 21.85		\$450		
22	Customer Meters		Rye	346	3.80%	Meter Replacement	9/30/2014	11/1/2014	\$3,958	\$1,279	\$102 8.77 6.60 15.37		\$41		
23	Hydrants		North Hampton	348	2.40%	Hydrants	9/30/2014	11/1/2014	\$3,059	\$1,436	\$39 13.65 6.60 20.25		\$33		
24	Hydrants		Hampton	348	2.40%	Hydrants	9/30/2014	11/1/2014	\$13,155	\$3,754	\$226 15.25 6.60 21.85		\$205		
25	Hydrants		Rye	348	2.40%	Hydrants	9/30/2014	11/1/2014	\$3,987	\$687	\$80 8.77 6.60 15.37		\$51		
26	Services		North Hampton	345	1.85%	Services	9/30/2014	11/1/2014	\$4,274	\$759	\$65 13.65 6.60 20.25		\$71		
27	Services		Hampton	345	1.85%	Services	9/30/2014	11/1/2014	\$27,826	\$3,396	\$452 15.25 6.60 21.85		\$534		
28	Valves		Hampton	349	5.00%	Other T&D Plant	9/30/2014	11/1/2014	\$21,040	\$0	\$1,052 15.25 6.60 21.85		\$460		
29	Valves		North Hampton	349	5.00%	Other T&D Plant	9/30/2014	11/1/2014	\$4,103	\$0	\$205 13.65 6.60 20.25		\$83		
30	Valves		Rye	349	5.00%	Other T&D Plant	9/30/2014	11/1/2014	\$1,057	\$0	\$53 8.77 6.60 15.37		\$16		
31									\$1,029,360	\$81,162	\$13,423		\$20,434		
2015 Projects															
32	Production Meters		Hampton	328	4.40%	Other Pumping	9/30/2015	11/1/2015	\$4,000	\$0	\$176 15.25 6.60 21.85		\$86		
33	Rt 1 - Glade Path to Tide Mill Rd		Hampton	343	1.20%	Main Replacement	9/30/2015	11/1/2015	\$855,800	\$67,231	\$9,463 15.25 6.60 21.85		\$12,923		
34	Customer Meters		North Hampton	346	3.80%	Meter Replacement	9/30/2015	11/1/2015	\$1,750	\$478	\$48 13.65 6.60 20.25		\$19		
35	Customer Meters		Hampton	346	3.80%	Meter Replacement	9/30/2015	11/1/2015	\$11,395	\$2,936	\$321 15.25 6.60 21.85		\$139		
36	Customer Meters		Rye	346	3.80%	Meter Replacement	9/30/2015	11/1/2015	\$1,625	\$525	\$42 8.77 6.60 15.37		\$13		
37	Hydrants		North Hampton	348	2.40%	Hydrants	9/30/2015	11/1/2015	\$3,059	\$1,436	\$39 13.65 6.60 20.25		\$25		
38	Hydrants		Hampton	348	2.40%	Hydrants	9/30/2015	11/1/2015	\$13,155	\$3,754	\$226 15.25 6.60 21.85		\$154		
39	Hydrants		Rye	348	2.40%	Hydrants	9/30/2015	11/1/2015	\$3,987	\$687	\$80 8.77 6.60 15.37		\$38		
40	Services		North Hampton	345	1.85%	Services	9/30/2015	11/1/2015	\$4,274	\$759	\$65 13.65 6.60 20.25		\$53		
41	Services		Hampton	345	1.85%	Services	9/30/2015	11/1/2015	\$27,826	\$3,398	\$452 15.25 6.60 21.85		\$400		
42	Valves		Hampton	349	5.00%	Other T&D Plant	9/30/2015	11/1/2015	\$21,040	\$0	\$1,052 15.25 6.60 21.85		\$245		
43	Valves		North Hampton	349	5.00%	Other T&D Plant	9/30/2015	11/1/2015	\$4,103	\$0	\$205 13.65 6.60 20.25		\$82		
44	Valves		Rye	349	5.00%	Other T&D Plant	9/30/2015	11/1/2015	\$1,057	\$0	\$53 8.77 6.60 15.37		\$12		
45									\$953,070	\$61,182	\$12,222		\$14,249		
46									\$2,638,996	\$215,042	\$36,466		\$47,836		
47									to TD-1, Pg 1, Ln 2		to TD-1, Pg 1, Ln 22		to TD-1, Pg 1, Ln 24		
48	* Type of Project (designations will be given for various types of projects)														
49	**Property Tax Expense is for a nine month period for 2015 projects since rates will be in effect in January 2016. Previous years reflect an annualized amount.														
50															
51															