



**Town of Hampton
LEGAL DEPARTMENT
100 Winnacunnet Road
Hampton, New Hampshire 03842**

Mark S. Gearreald, Esq.
Town Attorney
Tel: 603-929-5816
Fax: 603-929-5817
mgearreald@town.hampton.nh.us

January 26, 2017

Deborah A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street – Suite 10
Concord, New Hampshire 03301

NHPUC 26JAN17PM3:27

Re: Docket No. DW 16-828; 2017 WICA Filing, Aquarion Water Company of New Hampshire

Dear Ms. Howland:

This letter (original and six copies enclosed) represents the Town of Hampton's response to the January 25, 2017 reply letter of Attorney Marcia A. Brown on behalf of Aquarion Water Company. Her letter was e-mailed out to all those on the service list last night at 10:46 pm. Today is the last day under the Commission's Order dated January 13, 2017 for the Town of Hampton to respond.

The Town of Hampton, now with the full support of the North Hampton Water Commissioners, has asked that the Commission not proceed to approve the 2017 WICA Surcharge as requested until such time as the Town receives responses to the requests for information set forth in the Town of Hampton's Recommendations dated December 19, 2016. With both Towns now in support, it is the case that over 90% of Aquarion's customers are asking that this information first be provided. This recommendation for further information was backed up by an analysis of all available data and data responses received.

The Town of Hampton participated fully in the compressed discovery schedule in this matter. The more questions that were asked, which were asked timely, the more questions arose as a result of the responses. The responses received from the Company occurred even after the technical session that was held on December 12, 2016, with the deadline of December 19, 2016 looming for recommendations. The Town of Hampton did not have sufficient time to both ask for the additional information, receive same, and respond to same in time to avoid having to set forth what additional information was needed in its December 19, 2016 recommendations.

Some of the information is apparently readily available to Aquarion, such as independent audits which it admits have been done, but rather than producing this information in response to the Town's request for same in its recommendations of December 19, 2016, Aquarion now complains that the Town should have asked for same directly to Aquarion without having to ask the Commission for an Order to produce it. There was simply not sufficient time before the

recommendations were due on December 19, 2016 for the Town of Hampton to articulate the need for this information, to receive same, and to analyze it. Aquarion's position in its Counsel's letter of January 25, 2017 is an excuse without merit.

In point of fact, at a regular quarterly meeting with the Company on January 18, 2017, Town of Hampton representatives repeated these information requests to Aquarion, but still have not received same. Aquarion simply does not want to respond in the context of their 2017 WICA surcharge case.

Again, the Town of Hampton submits that this information is highly relevant to the question of whether the WICA Surcharge should be approved as these requests relate to how the Company is financing its WICA Expenditures as well as what rate of return is being achieved and how debt in general of the Company is being handled versus payment of generous dividends to stockholders. These are not "unnecessarily litigious" inquiries being made by the two Towns that have more than 90% of the customers of Aquarion. Aquarion is seeking to have its customers now begin to pay for over \$900,000 in WICA expenditures, the largest increment of expenditures since the last 2012 rate case.

There was no specific set of "noticed issues," as claimed in Attorney Brown's letter of January 25, 2017. Aquarion has not previously balked at providing information that is relevant to how its WICA charges are being financed and how its rate of return is affected by this financing and what kind of debt is involved.

The Town of Hampton submits if the Commission accedes to the delay requested pending the hearing and compliance with information requests, it will not be a complex task for Aquarion to recalculate its surcharge if the Commission ultimately approves the 2017 WICA surcharge. Far more important is to have the Company respond to the requests for information that are made in behalf of 90% of its customers relating to the important questions of how it is financing its WICA surcharge, its debt structure, and its achieved rates of return.

For these reasons, the Town of Hampton reiterates its comments set forth in its written request for a hearing dated January 23, 2017.

Very truly yours,



Mark S. Gearreald
Town of Hampton Attorney

cc. Service List via e-mail
Henry Fuller, North Hampshire Water Commission (by Mail)
Randy Crapo, Jenness Beach District. (Electronic)