

STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION

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April 21, 2023

Jessica Chiavara
Senior Counsel
Aquarion Water Company of New Hampshire, Inc.
780 N. Commercial Street
Manchester, NH 03105

Re: Docket No. DW 20-184
Request for Change in Rates
Tariff Pages: 6th rev pg 12; 5th rev pg 13; 6th rev pg 14; 5th rev pg 15; 14th rev pg 16; 5th rev pg 17; 4th rev pg 18; 2nd rev pg 18-A.
Tariff No. 1
Effective Date: March 1, 2023

Dear Attorney Chiavara:

Employees of the New Hampshire Public Utilities Commission have reviewed the tariff filing received on April 5, 2023, and revised on April 14, April 20, and April 21, 2023, in the above-captioned proceeding and confirm compliance with the relevant Commission order and Puc 1603 filing requirements. A copy of this letter is being entered into the docket and the tariff filing will be placed in our permanent file.

In accordance with the Secretarial letter issued March 17, 2020, this letter will be filed electronically only at this time. I have included date stamped copies of the filed tariff pages with the email to the service list and can send physical copies upon request.

Please e-mail me at tariffs@puc.nh.gov if I can be of assistance.

Sincerely,

/s/ *Ben Martin-McDonough*

Ben Martin-McDonough
Tariff Administrator

cc: Service List

SCHEDULE OF WATER RATES FOR METERED SERVICE

Available:

To all customers except those using the Company's service for fire service and those who do not take metered water service for twelve (12) consecutive months.

Rate:

All general water service customers shall pay a service charge based on the size of the meter installed. Rate for consumption in addition to the service charge provided for herein: \$5.861 per 100 cubic feet.

Service Charge:

<u>Size of Meter</u>	<u>Per Day*</u>	<u>Per Month</u>
5/8 inch	\$ 0.60	\$ 18.25
3/4 inch	\$ 0.83	\$ 25.37
1 inch	\$ 1.30	\$ 39.62
1 1/2 inch	\$ 2.47	\$ 75.24
2 inch	\$ 3.88	\$ 117.98
3 inch	\$ 9.00	\$ 273.75
4 inch	\$ 15.00	\$ 456.25
6 inch	\$ 30.00	\$ 912.50
8 inch	\$ 48.00	\$ 1,460.00
10 inch	\$ 69.00	\$ 2,098.75

Terms of Payment:

Bills for the service charge shall be rendered monthly in arrears for services rendered following the monthly meter readings. The billing for water consumed in the previous month shall be included with billing of the monthly service charge. Bills are due and payable within 25 days from the postmarked date of the bill.

*The per day rate is based on the annual service charge (per month *12) divided by 365 calendar days.

Penalty:

A penalty of five percent (5%) will be added to bills which are unpaid 30 days from the postmarked date of the bill.

Issued: March 27, 2023

Issued by: Donald J. Morrissey

Effective: March 1, 2023

Title: President

Authorized by NHPUC Order No. 26,761 in Docket No. DW 20-184, dated January 19, 2023



SCHEDULE OF WATER RATES FOR METERED SERVICE

To all customers taking water service for a period less than four (4) consecutive quarters, except those using the Company's service for fire service.

Rate:

All general water service customers shall pay a service charge based on the size of the meter installed. Rate for consumption in addition to the service charge provided for herein: \$7.486 per 100 cubic feet.

Service Charge:

<u>Size of Meter</u>	<u>Per Season</u>
5/8 inch	\$ 217.72
3/4 inch	\$ 326.00
1 inch	\$ 539.71
1 1/2 inch	\$ 1,072.57
2 inch	\$ 1,713.71
3 inch	\$ 3,265.80
4 inch	\$ 5,443.00
6 inch	\$ 10,886.00
8 inch	\$ 17,417.60
10 inch	\$ 25,037.80

Term of Payment:

Bills for the service charge shall be rendered as of May 1st for all customers receiving seasonal service. Bills for water consumption will be rendered on a monthly basis or when the meter is removed.

Penalty:

A penalty of five percent (5%) will be added to bills which are unpaid after the due date printed on the bill as evidenced by the date of payment to the utility's authorized agent.

Issued: March 27, 2023

Issued by: Donald J. Morrissey

Effective: March 1, 2023

Title: President

Authorized by NHPUC Order No. 26,761 in Docket No. DW 20-184, dated January 19, 2023



SCHEDULE OF WATER RATES FOR PRIVATE FIRE SERVICE

Available:

To all customer using the Company's facilities for Private Fire Service.

Rates:

<u>Fire Service Connection</u>	<u>Per Day</u>	<u>Per Month</u>
3 inch or less	\$ 1.38	\$ 41.94
4 inch	\$ 2.20	\$ 66.90
6 inch	\$ 5.48	\$ 166.77
8 inch	\$ 9.86	\$ 299.91
10 inch	\$ 15.33	\$ 466.35
12 inch	\$ 21.90	\$ 666.06

Terms of Payment:

Bills for Private Fire Service will be rendered on a monthly basis in arrears on the first day of each month. Bills are due and payable within 25 days from the postmarked date of the bill.

*The per days rate is based on the annual service charge (per month*12) divided by 365 calendar days.

Issued: April 14, 2023

Issued by: Donald J. Morrissey

Effective: March 1, 2023

Title: President

Authorized by NHPUC Order Nos. 26,569 and 26,761 in Docket No. DW 20-184,
dated July 29, 2022 and January 19, 2023, respectively.



SCHEDULE OF WATER RATES FOR PUBLIC FIRE SERVICE

Available:

To all customers using the Company's facilities for Public Fire Service.

Rates:

The hydrant charge for each municipal hydrant shall be \$2,181.02 per annum.

Terms of Payment:

Bills for Public Fire Service will be rendered six (6) months in advance of January 1st and July 1st of each year. Bills are due and payable at the office of the Company on the above dates. The hydrant charge for each municipal hydrant shall be \$2,181.02 per annum.

Issued: March 27, 2023

Issued by: Donald J. Morrissey

Effective: March 1, 2023

Title: President

Authorized by NHPUC Order No. 26,761 in Docket No. DW 20-184, dated January 19, 2023



WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT

In addition to the net charges provided for in this Tariff, a Water Infrastructure and Conservation Adjustment (“WICA”) surcharge of 0.00% will apply to all bills with services rendered on or after March 1, 2023.

I. General Description

Purpose: To recover the fixed costs (depreciation, property taxes and pre-tax return) of certain Commission-approved non-revenue producing system improvement projects completed and placed in service and to be recorded in the individual accounts, as noted below, between base rate cases. In addition, WICA provides the Company with the resources to accelerate asset replacement for infrastructure for the purpose of improving or protecting water quality and the reliability of service and to comply with evolving regulatory requirements imposed by the Safe Drinking Water Act.

Eligible Property: The WICA-eligible property will consist of the following:

Services* (account 333) and hydrants* (account 335) installed as in-kind (i.e., same size) replacements for customers;

mains and valves* (account 331) installed as replacements for existing facilities that have either reached the end of their useful life, are worn out or are in deteriorated condition,

main cleaning and re-lining projects and relocations that are non-reimbursable (account 331);

replacement of production meters (account 304); and

replacement of pressure reducing valves (accounts 309, 331);

*The first \$75,000 in costs related to the emergency reactive replacement of services, valves, and hydrants in a given year WICA filing shall not be eligible for recovery through the WICA surcharge.

II. Computation of the WICA

Calculation: The charge will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rate base and will have been placed in service after December 31, 2021. The WICA will be updated on an annual basis to reflect eligible plant additions placed in service during the previous calendar year. Thus, changes in the WICA rate will occur as follows:

Issued: March 27, 2023

Issued by: Donald Morrissey

Effective: March 1, 2023

Title: President



Effective Date
Of WICA Change

Date To Which WICA
Eligible
Plant Additions Reflected

April 1, 2XXX+1

December 31, 2XXX

The fixed costs of eligible infrastructure system improvement projects will consist of depreciation, property taxes and pre-tax return, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying the depreciation rates employed in the Company's last base rate case for the plant accounts to the original cost of WICA-eligible property minus the corresponding retirement unit recorded.

Property Taxes: The property tax expense will reflect an estimate of the state tax expense for such projects based on the property tax rate in effect for the state at the end of the most recent Project Year completed (the "tax rate"), and shall be applied to the cumulative Project Year ending net book value of all eligible WICA projects included from the first Project Year thru the end of the most recent Project Year.

Pre-tax return: The pre-tax return will be calculated using the state and federal income tax rates. The cost of equity and debt will be the rates approved in the Company's last base rate case, DW 20-184, or a subsequent docket.

WICA Surcharge Amount: The charge will be expressed as a percentage carried to two decimal places and will be applied to the effective portion of the total amount billed to each customer under the Company's otherwise applicable rates and charges.

Formula: The formula for calculation of the WICA surcharge is as follows:

$$\text{WICA} = \frac{(\text{ISI} \times \text{PTRR}) + \text{Dep} + \text{PT}}{\text{BRWR}}$$

Where:

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Issued by: Donald Morrissey

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ISI= the original cost to the Company of eligible infrastructure system improvement projects, less accumulated depreciation.

PTRR= the pre-tax return rate applicable to eligible infrastructure system improvement projects.

Dep= annual depreciation expense related to eligible infrastructure system improvement projects.

PT= annual property taxes related to eligible infrastructure system improvement projects.

BRWR= base retail water revenues as approved by the Commission in the Company's last rate proceeding, DW 08-098, or a subsequent docket.

Annual updates: Supporting data for each annual update will be filed with the Commission and the Office of Consumer Advocate sixty (60) days prior to the effective date of the update. The Company shall also provide notice to the Towns.

III. Safeguards

Return analysis: With each WICA filing, the Company shall include a return analysis as a basis for its 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 of 7.54% by more than fifty basis points for any calendar year calculated under the cost of capital method using end of period balances, the Company shall not pursue a WICA adjustment for that year. The previously approved WICA surcharge, if applicable, will remain in effect until either the filing of its next WICA adjustment the following calendar year or the next base rate proceeding. If 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.

Cap: The amount of the WICA applied between general rate case filings shall not exceed seven and one-half percent (7.5%) of the Company's annual retail water revenues as approved in its most recent rate filing, and shall not exceed five percent (5%) of such revenues for any twelve-month period.

Issued: April 20, 2023

Issued by: Donald Morrissey

Effective: March 1, 2023

Title: President



Project Changes: If, after the Company has received Commission approval for projects in a given calendar year, because of changed circumstances or significant new information the Company plans to undertake projects in that calendar year that were not included on the list of approved WICA projects for that year or it has decided not to proceed with one or more projects that were included on the Commission-approved list, it shall promptly notify the Commission and all parties to the proceeding in which the list of WICA projects was approved that the Company plans to add to or delete projects and the reason for the proposed changes, in accordance with the following schedule. The Company will submit updates for approved WICA projects for subsequent project years, based upon information known on a project year-to-date basis, from the beginning of the project year through the following effective dates, on the associated reporting dates:

<u>Effective Date</u>	<u>Reporting Date</u>
December 31	January 15
March 31	April 15
June 30	July 15
September 30	October 15

Audits: The WICA will be subject to an audit by the Department of Energy prior to approval by the Commission.

New Base Rates: The WICA charge will be reset at zero as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the WICA. Thereafter, only the fixed costs of new eligible plant additions, that have not previously been reflected in the Company's rate base, would be reflected in the annual updates of the WICA.

Customer Notice: Customers shall be notified of changes in the WICA by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing. Before sending, the Company will review the notice with the Department of Energy's Consumer Affairs division.

Issued: April 21, 2023

Issued by: Donald Morrissey

Effective: March 1, 2023

Title: President



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