

Abenaki Water Company and Aquarion Company

DW 20-090

Aquarion Water Company's Responses to OCA Data Requests—Set 1

Data Request Received: May 14, 2021
Request No.: OCA1-11

Date of Response: May 24, 2021
Witness: D. Morrissey
D. Szabo

REQUEST: Reference PDF page 112. What do you anticipate the Transaction costs to be for New Hampshire? When did Aquarion and Abenaki begin negotiations for the acquisition? Please provide an itemized list of existing and anticipated expenses for potential recovery.

RESPONSE: Total transaction costs for all three states are estimated to be in the range of \$1 million to \$2 million, with legal and consulting expenses making up the majority of the costs. New Hampshire is NESC's smallest system and therefore the portion of transaction costs attributable to New Hampshire is expected be in the range of \$75 thousand to \$150 thousand, or 8% of the total transaction costs.

Aquarion is not seeking recovery of transaction costs at this time. As stated in section 18.c of the Petition, "Aquarion would propose to recover Transaction costs only to the extent of savings resulting from the acquisition as shown in a future rate case. Transaction costs would be recovered from net savings". Any future request to recover transaction costs would occur to the extent that Aquarion is able to demonstrate net savings resulting from the acquisition in a future Abenaki rate case. If such a future request is made, Aquarion anticipates that it would propose a methodology similar to the methodology in the current rate case of Aquarion Water Company of New Hampshire (DW 20-184) whereby transaction costs are allocated to the acquired regulated company based on the percentage of its customers.

Negotiations between NESC and Aquarion began in August 2020.