

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 13-314

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

**Petition for Approval of 2014 Water Infrastructure and Conservation Adjustment
Surcharge and Deferral of Revenues**

Summary of Order *Nisi* No. 25,668 Approving Petition

May 23, 2014

Aquarion Water Company of New Hampshire, Inc. (Aquarion's) provides water service in the Towns of Hampton, North Hampton, and Rye. The Commission authorizes Aquarion to collect certain water infrastructure investments through a Water Infrastructure and Conservation Adjustment (WICA) pilot program. The Commission approved Aquarion's schedule of WICA-related replacement projects for the year 2013 but Aquarion subsequently filed a motion to modify its 2013 schedule of projects to take advantage of road work being done by the Town of Hampton. On January 31, 2014, Aquarion sought recovery of its 2013 WICA costs with a surcharge of 1.3788%, effective for service rendered on and after April 1, 2014, but it requested that the surcharge for the 2013 WICA costs be set at zero (0.0000%) on a temporary basis and that it be allowed to book a deferred asset for revenues it would have collected under the surcharge. Aquarion proposed offsetting this deferred asset against an anticipated credit to customers resulting from a recent change in federal tax law. On April 4, 2014, the Commission Staff (Staff) recommended the Commission: (1) approve recovery of \$734,050 in costs for the 2013 WICA projects, (2) approve a surcharge of 1.3657%, (3) set the surcharge at zero (0.000%) until resolution of a potential credit to customers, and (4) allow Aquarion to book what it would have collected under the 1.3657% surcharge as a deferred asset for the period April 1, 2014, to

December 31, 2014. Aquarion, the Town of Hampton, Town of North Hampton, and the Office of the Consumer Advocate either concurred with or did not oppose Staff's recommendations.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, is posted to the New Hampshire Public Utilities Commission website at

<http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-314.html>.

On May 23, 2014, the Commission approved Aquarion's 2013 WICA costs in the amount of \$734,050, approved a temporary surcharge of zero (0.0000%), and allowed Aquarion to book the revenues it would have collected under a 1.3567% surcharge as a deferred asset, effective April 1, 2014. Aquarion anticipates that the tax benefit to be realized later in 2014 will offset the rate impact of these improvements.

In order to assure that all interested parties receive notice of this docket and have an opportunity to request a hearing, the Commission will delay the effectiveness of its approval until June 12, 2014. All persons interested in responding to the Commission's approval may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than June 6, 2014. Any party interested in responding to such comments and request for hearing shall do so no later than June 10, 2014. Following consideration of any comments and request for hearing received, the Commission may further extend the effective date of its approval. The Commission's approval shall become final and effective on June 12, 2014, unless the Commission orders otherwise.