

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 14-300

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

**Water Infrastructure and Conservation Adjustment
2015 Surcharge and 2015 and 2016 Project Approvals**

**Summary of Order *Nisi* No. 25,751
Granting Petition**

January 12, 2015

In an order *nisi* issued today, the Commission granted the relief requested in the petition of Aquarion Water Company of New Hampshire, Inc. (Aquarion), which included approval of the 2015 WICA surcharge of 2.5386%, approval of the 2015 WICA projects, and preliminary approval of the 2016 projects. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2014/14-300.html>. The order was issued on a *nisi* basis to ensure that all interested parties receive notice of the Commission's determination and have the opportunity to request a hearing prior to the effective date of the order.

Aquarion is a regulated public utility as defined by RSA 362:2 and 362:4 and provides water service to approximately 9,056 customers in the Towns of Hampton, North Hampton, and Rye. In DW 08-098, the Commission approved a pilot Water Infrastructure and Conservation Adjustment (WICA) program, intended to accelerate the replacement of aging infrastructure and to allow Aquarion to recover through a surcharge on customer bills, between distribution rate cases, the fixed costs of non-revenue producing capital improvements completed and placed in service to customers. *Aquarion Water Company of New Hampshire, Order No. 25,019*

(September 25, 2009). The WICA pilot was extended and modified in DW 12-085, Aquarion's last rate case. *Aquarion Water Company of New Hampshire*, Order No. 25,539 (June 28, 2013).

On October 29, 2014, Aquarion filed a petition for approval of its 2015 WICA surcharge and its 2015-17 capital projects and supporting testimony. Aquarion requested approval of a 2015 WICA surcharge of 2.5386%, based on its completed 2013 and 2014 WICA capital projects and effective for service on and after January 1, 2015. Aquarion also requested approval of its planned 2015 capital expenditures, estimated to be in a cost range of \$905,000 to \$1.074 million, and preliminary approval of its planned 2016 projects, estimated in the range of between \$640,000 and \$775,000. For informational purposes only, Aquarion submitted its preliminary budget for its 2017 WICA projects.

On December 30, 2015, Staff filed its recommendations, which it had circulated to the Office of the Consumer Advocate (OCA) and the municipalities served by Aquarion, the Towns of North Hampton, Hampton and Rye. Staff recommended approval of the 2014 WICA investments and found no errors or exceptions in, and recommended approval of, Aquarion's calculation of the 2015 WICA surcharge. Staff also recommended approval and preliminary approval of Aquarion's WICA proposed projects and budgets for 2015 and 2016, respectively. The Town of North Hampton supported Staff's recommendation. The OCA and the Town of Rye did not respond.

Also on December 30, 2015, the Town of Hampton filed an objection to the 2015 WICA surcharge based on its disagreement with the Commission's order approving the WICA pilot. *Aquarion Water Company of New Hampshire*, Order No. 25,019 (September 25, 2009).

In the order *nisi*, the Commission found the 2014 projects prudent, and used and useful pursuant to RSA 378:28 and approved the proposed surcharge of 2.5386% as just and reasonable pursuant to RSA 378:7, for effect for service rendered on and after January 1, 2015.

With regard to the projects proposed for 2015, which are presented for review and final approval, and the projects proposed for 2016, which are presented for review and preliminary approval, the Commission agreed with the Staff and the Town of North Hampton, who recommend final and preliminary approval of these projects as proposed by Aquarion.

To ensure that all interested parties receive notice of this docket and have an opportunity to request a hearing, the Commission delayed the effectiveness of its approval until January 26, 2015. 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 January 21, 2015. Any party interested in responding to such comments and requests for hearing shall do so no later than January 23, 2015. Following consideration of any comments and requests for hearing received, the Commission may further extend the effective date of its approval. The Commission's approval shall become final and effective January 26, 2015, unless the Commission orders otherwise.