

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 14-075

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

**Verified Petition to Credit Customers for Benefit Arising from Change in Tax
Regulations**

**Summary of Order *nisi* No. 25,761 Affirming Approval of Three-Year Amortization
Period and Motion for Protective Order**

February 6, 2015

In Order *nisi* No. 25,761, the Commission affirmed its approval of Aquarion's three-year credit-amortization proposal and motion for protective order. The Commission originally granted this approval in Order *nisi* No. 25,750 (January 12, 2015), but that order never took effect because Aquarion's failed to satisfy a publication requirement.

In July 2014, in Order No. 25,692, the Commission approved the creation of a deferred liability (*i.e.*, a credit) designed to pass an anticipated \$905,000 federal tax benefit through to Aquarion customers. In that order, the Commission also approved Aquarion's proposal to use a portion of the credit to cover the costs of a deferred asset accrued as a result of the Commission's ruling in Docket DW 13-314, relating to Aquarion's 2014 Water Infrastructure and Conservation Adjustment (WICA) surcharge. With regard to the time period over which the remainder of the credit would be applied to customer bills, the Commission deferred consideration "until Aquarion has filed its 2013 tax return and has provided an update to the Commission with the exact amount of the benefits to be received."

On November 13, 2014, Aquarion provided that update to the Commission and filed a motion for protective order and confidential treatment, which sought protection from disclosure of the consolidated 2013 tax returns of Macquarie Utilities, Inc., the indirect parent

of Aquarion. In its filing, Aquarion verified that the amount of the credit is \$905,000. To credit its customers that amount, less the portion of the credit used to pay the 2014 WICA costs, Aquarion proposed a three-year amortization period, starting on January 1, 2015. Aquarion's November 2014 filing and other docket filings, except for 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/2014/14-075.html>.

Commission Staff recommended that the Commission approve the three-year amortization period, as proposed by the Company. Staff noted that the three-year period will result in a 4% credit on customer bills beginning for service rendered on and after January 1, 2015. Staff also supported Aquarion's motion for protective order. Neither the Office of the Consumer Advocate nor the municipalities within which Aquarion provides service responded to Staff's recommendation.

As noted above, by Order *nisi* No. 25,750 (January 12, 2015), the Commission granted Aquarion's proposal to amortize the balance of the \$905,000 credit (after subtracting the 2014 WICA costs) over a period of three years, starting with service January 1, 2015. The Commission also granted Aquarion's motion for protective order. As a condition for its effectiveness, however, Order *nisi* No. 25,750 required publication by January 16, 2015. Aquarion did not satisfy that condition, and, by its terms, Order *nisi* No. 25,750, never became effective.

In Order *nisi* No. 25,761, the Commission affirmed and incorporated by reference Order *nisi* No. 25,750. The order establishes new publication and other deadlines, which Aquarion must comply with in order for the order to take effect.

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 March 6, 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 February 23, 2015. Any party interested in responding to such comments and requests for hearing shall do so no later than March 2, 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 March 6, 2015, unless the Commission orders otherwise.