

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 15-476

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

**Water Infrastructure and Conservation Adjustment
2016 Surcharge and 2016 and 2017 Project Approvals**

**Summary of Order *Nisi* No. 25,857
Granting Petition**

January 7, 2016

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 2016 Water Infrastructure and Conservation Adjustment (WICA) surcharge of 3.99%, approval of the 2016 WICA projects, and preliminary approval of the 2017 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/2015/15-476.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 provides water service to approximately 9,056 customers in the Towns of Hampton, North Hampton, and Rye. In 2009, the Commission approved a pilot 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. The WICA pilot was extended and modified in 2013.

In October 2015, Aquarion filed a petition for approval of its 2016 WICA surcharge and its 2016-18 capital projects. Aquarion requested a 2016 WICA surcharge of 3.9721%, based on its completed WICA capital projects, effective for service on and after January 1, 2016. Aquarion also

requested approval of its planned 2016 capital expenditures, estimated to be in a cost range of \$763,000 to \$1.044 million, and preliminary approval of its planned 2017 projects, estimated in the cost range of between \$624,000 and \$983,000. For informational purposes only, Aquarion submitted its preliminary budget for its 2018 WICA projects.

Commission Staff recommended certain modifications to Aquarion's calculation of the 2016 WICA surcharge. Aquarion agreed with Staff's recommendations and the adjustment of its 2016 WICA surcharge to 3.99%. Although the surcharge is increasing, customer bills will not increase due to an off-setting adjustment for changes in tax regulations. Staff also recommended approval and preliminary approval of Aquarion's WICA proposed projects and budgets for 2016 and 2017, respectively.

In the order *nisi*, the Commission found the 2015 projects prudent, and used and useful pursuant to RSA 378:28, and approved the proposed surcharge of 3.99% as just and reasonable pursuant to RSA 378:7, for effect for service rendered on and after January 1, 2016.

With regard to the projects proposed for 2016, which were presented for review and final approval, and the projects proposed for 2017, which were presented for review and preliminary approval, the Commission approved 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, 2016. 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 20, 2016. Any party interested in responding to such comments and requests for hearing shall do so no later than January 22, 2016. 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, 2016, unless the Commission orders otherwise.