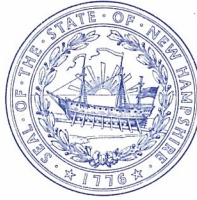


THE STATE OF NEW HAMPSHIRE

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EXECUTIVE DIRECTOR  
AND SECRETARY  
Debra A. Howland



**PUBLIC UTILITIES COMMISSION**  
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December 15, 2010

Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 S. Fruit St., Suite 10  
Concord, New Hampshire 03301



Re: DW 10-293, Aquarion Water Company of New Hampshire, Inc.  
Water Infrastructure and Conservation Adjustment (WICA)  
2011 WICA surcharge and 2011-13 Projects  
Recommendation for Approval

Dear Ms. Howland:

On November 1, 2010, Aquarion Water Company of New Hampshire, Inc. (Aquarion) filed its petition for approval of its 2011 WICA surcharge and its proposed 2011-13 capital projects under its WICA tariff provision. The Commission approved the WICA as a pilot program in Order No. 25,019 (September 25, 2009) in docket DW 08-098, Aquarion's last rate case. In November of 2009, Aquarion filed its first proposed list of capital projects for 2010-12 in Docket No. DW 09-211. By Order No. 25,065 (January 15, 2010) the Commission approved Aquarion's WICA budget for 2010 in the amount of \$908,000, with most of that amount dedicated to water main replacement. The Commission also approved, on a preliminary basis, Aquarion's schedule of proposed 2011 projects totaling \$784,000, pending further discussion with Staff and the parties in the fall of 2010.

Aquarion's petition in the instant proceeding requests approval of a surcharge to customer bills to reflect recovery of \$721,546 in 2010 WICA capital spending. These completed projects include water main replacement on Atlantic Avenue costing \$574,020, replacement of customer meters costing \$104,061, and replacement of services, hydrants, valves and production meters costing \$43,465. Including return, depreciation expense, and taxes, Aquarion seeks new revenues of \$89,142. Recovery of these revenues requires a surcharge of 1.4896% to customer bills. Aquarion's petition also requests approval of its proposed capital spending for WICA projects in the amount of \$894,000 for 2011. As with its 2010 WICA spending, the majority of this investment

is dedicated to the replacement of water main. Aquarion's proposed 2012 capital projects total \$479,000, presented at this time for preliminary approval.

Upon receipt of Aquarion's filing and in accordance with the procedure approved by the Commission in Order No. 25,019, Staff notified the parties to DW 08-098 including the Office of the Consumer Advocate (OCA), and the Towns of Hampton, North Hampton, and Rye to establish a timeframe to review the filing and submit recommendations to the Commission<sup>1</sup>. OCA contacted Staff and indicated it would not be participating. On November 17, 2010 Staff filed a proposed procedural schedule which was approved by secretarial letter issued December 1. Staff and the Town of North Hampton propounded data requests to Aquarion on November 19, and Aquarion provided its responses on December 3. Staff, Aquarion, and the Towns of North Hampton and Hampton met in a technical session on December 9 to review the filing and the discovery materials. Based on these discussions, Staff, Aquarion, North Hampton and Hampton provide the following recommendation.

Staff and the parties recommend that the Commission approve a WICA surcharge of 1.5715% to customer bills, for service rendered on and after January 1, 2011. This surcharge is designed to recover \$93,614 in revenues on an annual basis resulting from the completion of WICA eligible projects costing \$718,223. This recommended surcharge is slightly higher than Aquarion proposed in its filing, due largely to a correction that is detailed in Aquarion's response to Staff data request 1-12. That response is attached to this letter. Other smaller corrections and adjustments have been incorporated into the surcharge calculation, including a corrected total for depreciation expense from the response to Staff 1-14, property tax from the response to Staff 1-15, and corrected job costs from the response to Staff 1-16. These discovery responses are also attached. For a typical residential customer using 67,000 gallons of water per year, this recommended surcharge would increase the bill of such a customer by about \$7.64 annually, or about \$0.64 per month. Staff and the parties assert that all of the capital projects are prudent, used and useful in service to Aquarion's customers.

Staff and the parties also recommend that the Commission approve a 2011 WICA construction budget in the amount of \$988,012. The projects that comprise this budget are detailed in the attachment to Aquarion's response to Staff data request 1-4, attached to this letter. This budget consists of \$800,012 in water main replacement, \$125,000 in customer meter replacement, \$27,000 in services, \$20,000 in hydrants, and \$8,000 for both valve and production meter replacement. Completion of these proposed projects would result in a 2012 cumulative WICA surcharge of 3.7825%, which would reflect recovery of both 2010 and 2011 WICA projects. A typical residential customer using 67,000 gallons of water annually would see a surcharge of \$18.40 annually, or about

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<sup>1</sup> Order No. 25,019 approved a settlement entered into between Aquarion, Staff, OCA, and North Hampton. That settlement provides that Aquarion shall make an annual WICA filing with the Commission, with a copy to OCA, of proposed eligible projects no later than November 1 of each year, along with its request for a WICA surcharge. The surcharge is to become effective on the later of January 1 or 60 days from the date of the filing. Notice of the filing shall be given to the towns in which the company provides service. Staff contacted Hampton, North Hampton, and Rye and assisted in establishing a process for review of the filing.

\$1.53 per month. Staff and the parties also recommend the Commission approve Aquarion's schedule of proposed projects for 2012 on a preliminary basis. These projects are also detailed on the attached response to Staff data request 1-4. Aquarion's proposed WICA capital spending for 2012 is \$492,807.

Aquarion has taken steps in advance of the instant WICA filing to provide notice to its customers of its impending WICA surcharge request. The company began including bill inserts in customer bills in late September of 2010 with an explanation of the purpose of the WICA program and a general outline of how the surcharge works. The language of that bill insert was shared with Staff and the OCA for comments prior to its distribution. A copy is attached to this letter. Aquarion also has provided information on the WICA program on its website. Further, the issuance of an order *nisi* by the Commission would also provide any interested party opportunity to comment.

On December 3, 2010, Aquarion filed a Motion for Protective Order and Confidential Treatment relating to information provided in response to Staff data request 1-1. The information sought was the result of bids submitted for Aquarion's Atlantic Avenue main replacement project. Aquarion asserts that the submitted bid information is confidential and commercially sensitive, and does not disclose such data to third parties. Staff, North Hampton, and Hampton concur with Aquarion's request and recommend the Commission approve it.

In closing, Staff and the parties recommend the Commission approve a WICA surcharge in the amount of 1.5715% on customer bills, for service rendered on and after January 1, 2011. Staff and the parties further recommend Commission approval of Aquarion's 2011 WICA construction budget, and approval of Aquarion's 2012 WICA budget on a preliminary basis, as detailed above. Staff and the parties recommend the issuance of an order *nisi*. If there are any questions regarding this, please let me know.

Sincerely,



Mark A. Naylor  
Director, Gas & Water Division

Attachments  
cc: Service List

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
DW 10-293

Aquarion Water Company's Responses to  
Staff's Data Requests – Set #1

Date Received: November 19, 2010  
Request No.: Staff 1-12

Date of Response: December 3, 2010  
Witness: Troy Dixon

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**REQUEST:** Regarding Attachment TD-1; Page 1 of 3; Line 31: Please provide the computation showing how the "Misc. Charges not subject to WICA" in the amount of \$110,530 were derived.

**RESPONSE:** The amount listed as "Misc Charges not subject to WICA" is incorrect. \$110,530 represents miscellaneous charges which the Company previously proposed in DW 08-098. The miscellaneous charges for the Company's instant filing should be \$137,480, as per the rate design yielding the approved rates in that proceeding. Staff 1-12 Attachment 1 attached here provides the summary rate design worksheets, both for permanent and step rates, demonstrating these figures. Staff 1-12 Attachment 2 attached here is an updated Attachment TD-1 which reflects the \$137,480 correction and updated surcharge calculation.

**Aquarion Water Company of New Hampshire**  
**2010 Annual WICA Surcharge Filing**

**WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT  
CALCULATION OF SURCHARGE**

| Line |   | Schedule Ref.             |                     |
|------|---|---------------------------|---------------------|
| 1    |   |                           |                     |
| 2    | Total Investment through 09/30/2010               | TD-1, Pg 3 Col 6 Ln 13    | \$ 718,223          |
| 3    |   |                           |                     |
| 4    | Allowed Return on Rate Base                       | TD-1, Pg 2 Col 8          | <u>7.72%</u>        |
| 5    |   |                           |                     |
| 6    | Allowed Return on Investment                      | Ln 2 X Ln 4               | \$ 55,447           |
| 7    |   |                           |                     |
| 8    | Income Tax on Equity Component                    |                           |                     |
| 9    |   |                           |                     |
| 10   |   |                           |                     |
| 11   |   |                           |                     |
| 12   |   |                           |                     |
| 13   |   |                           |                     |
| 14   | Debt  |                           |                     |
| 15   | Equity  |                           |                     |
| 16   |   |                           |                     |
| 17   |   |                           |                     |
| 18   | Total Eligible Investment (Line 2 above)          |                           | \$ 718,223          |
| 19   |   |                           |                     |
| 20   | Income Tax Expense                                | Ln 16 Col D X Ln 18       | 19,895              |
| 21   |   |                           |                     |
| 22   | Depreciation Expense                              | TD-1, Pg 3 Col 8 Ln 13    | 9,233               |
| 23   |   |                           |                     |
| 24   | Property Tax Expense                              | TD 1, Pg 3 Col 10 Ln 13   | 9,039               |
| 25   |   |                           |                     |
| 26   | Adjustment: Annual Revenues Allowed               | Lines 6 through 25        | <u>\$ 93,614</u>    |
| 27   |   |                           |                     |
| 28   |   |                           |                     |
| 29   | Base Revenues on which Adjustment will be applied |                           |                     |
| 30   | Revenues allowed DW 08-098                        |                           | \$ 6,094,612        |
| 31   | Misc. Charges not subject to WICA                 | correction per Staff 1-12 | <u>(137,480)</u>    |
| 32   |   |                           | <u>\$ 5,957,132</u> |
| 33   |   |                           |                     |
| 34   | Surcharge Percent (Line 28 divided by Line 36)    |                           | 1.5715%             |
| 35   |   |                           |                     |

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
DW 10-293

Aquarion Water Company's Responses to  
Staff's Data Requests – Set #1

Date Received: November 19, 2010  
Request No.: Staff 1-14

Date of Response: December 3, 2010  
Witness: Troy Dixon

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**REQUEST: Regarding Attachment TD-I; Page 3 of 3; Column 2; Lines 2, 9, 10:**

- a) The approved depreciation rate for Transmission and Distribution Mains (Acct # 343) per the Settlement Agreement in DW 08-098 (Settlement Attachment A; Page 5 of 8) appears to be 1.20%. Please explain the use of a 1.36% depreciation rate relative to the Atlantic Avenue (Mill Road to Woodland Road) main replacement.
- b) The approved depreciation rate for Services (Acct # 345) per the Settlement Agreement in DW 08-098 (Settlement Attachment A; Page 5 of 8) appears to be 1.85%. Please explain the use of a 1.84% depreciation rate relative to the North Hampton and Hampton services.

**RESPONSE:** a) & b) For asset accounts 343 and 345, the Company inadvertently used the proposed depreciation rates from the DW 08-098 proceeding as opposed to those from the settlement agreement (and consistent with those currently in use). These corrections have been made and are reflected in Staff 1-12 Attachment 2 attached to the Company's response to Data Request Staff 1-12.

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
DW 10-293

Aquarion Water Company's Responses to  
Staff's Data Requests – Set #1

Date Received: November 19, 2010  
Request No.: Staff 1-15

Date of Response: December 3, 2010  
Witness: Troy Dixon

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**REQUEST:** Regarding Attachment TD-1; Page 3 of 3; Column 9:

- a) It appears that the 2009 Property Tax Rate for the Town of Stratham to which utility property would be subject is \$15.81 (per the NH Dept of Revenue website). Please explain the Company's use of a \$7.92 Mil Rate (Line 1).
- b) It appears that the 2009 Property Tax Rate for the Town of North Hampton to which utility property would be subject is \$12.37 (per the NH Dept of Revenue website). Please explain the Company's use of a \$6.20 Mil Rate (Lines 2, 3, 6, 9).
- c) Please explain why the Company's property tax provision does not include the State Utility Property Tax (\$6.60 Mil Rate).

**RESPONSE:**

- a) The Company's use of a \$7.92 Mil Rate was based on the rate set forth in the most recent bill the Company had received from the Town of Stratham. After further review, the Company realized that such mil rate represented only 6 months of the fiscal year. A copy of the referenced bill is attached here as Staff 1-15 Attachment 1. The corrections have been made and are reflected in Staff 1-12 Attachment 2 attached to the Company's response to Data Request Staff 1-12.
- b) The Company's use of a \$6.20 Mil Rate was based on the rate set forth in the most recent bill the Company had received from the Town of North Hampton. After further review, the Company realized that such mil rate represented only 6 months of the fiscal year. A copy of the referenced bill is attached here as Staff 1-15 Attachment 2. The corrections have been made and are reflected in Staff 1-12 Attachment 2 attached to the Company's response to Data Request Staff 1-12.
- c) The Company has updated Attachment TD-1 to include the State Utility Property Tax (\$6.60 Mil Rate) and apply the proper property tax for all WICA-related projects. These corrections have been made and are reflected in Staff 1-12 Attachment 2 attached to the Company's response to Data Request Staff 1-12.

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
DW 10-293

Aquarion Water Company's Responses to  
Staff's Data Requests – Set #1

Date Received: November 19, 2010  
Request No.: Staff 1-16

Date of Response: December 3, 2010  
Witness: Troy Dixon

---

**REQUEST:** Regarding Tab TD-1, Pg 3, Line 2:

- a) Regarding 2009 Design Component; \$36,959.35:
  - a. Please provide documentation in support of the \$19,326.81 Overhead amount.
  - b. Please provide a detailed explanation with regard to how the \$19,326.81 Overhead amount was derived.
- b) Regarding 2010 Construction Component; \$537,060.06:
  - a. Please provide a detailed explanation and/or support regarding how the "Invoices- R.H. White (Accrual)" component in the amount of \$31,787.15 was derived.
  - b. Please provide a detailed explanation regarding how the "Invoices-Ferguson" component in the amount of \$74,515.91 was derived.
  - c. Please provide documentation in support of the \$35,448.82 Overhead amount..
  - d. Please provide a detailed explanation with regard to how the \$35,448.82 Overhead amount was derived.

**RESPONSE:**

- a)
  - a. Documentation of overhead amounts is provided in Staff 1-16 Attachment 1 (payroll overheads) and Staff 1-16 Attachment 2 (general overhead).
  - b. The overhead amount of \$19,326.81 can be separated into two pieces:
    - 1) \$4,864.41 relates to payroll overheads for fringe benefits and payroll taxes on labor charged to the project. For any labor charged to a project, a set overhead percentage is automatically applied by the SAP system. These rates are derived annually based upon the prior year's fringe benefits and payroll taxes as a percentage of total payroll paid. For 2009, when the costs for this job were incurred, a 65% benefit rate and 8% payroll tax rate were utilized based upon 2008 results. Therefore, 73% (65 + 8) multiplied by the labor on the project of \$6,663.58, equals an overhead amount of \$4,864.41. A schedule showing the monthly payroll overheads for all requested jobs is attached here as Staff 1-16 Attachment 1.



- 2) The remainder, or \$14,462.40, relates to "General Overhead". This pool of costs represents wages by individuals incurred in support of the capital program, but not charged to a specific job. The costs are collected each month and passed on to the specific eligible jobs in one of two ways. For March 2009 and prior, the accumulated costs were spread proportionately to all eligible jobs. For April 2009 through current,<sup>1</sup> a fixed overhead percentage is utilized and applied by the SAP system to all direct costs within the respective months. The fixed percentage is adjusted periodically to ensure that the general overhead costs are fully cleared at the end of each year. In December 2009 the overhead amount was adjusted from 8% (in place since April) to approximately 28.7%. This adjustment was required to ensure that the 184 account for general overhead had a zero balance for year end 2009. A schedule showing the monthly general overheads is attached here as Staff 1-16 Attachment 2.

- b)
- This \$31,787.15 accrual was based on invoices for retainage and final restoration on the project not yet received by the Company from its contractor. The Company has since received these invoices, which total \$28,464.06. Staff 1-12 Attachment 1 reflects the reduced eligible costs for this job (a reduction of \$3,323.09). The invoices are attached here as Staff 1-16 Attachment 3.
  - The detailed explanation of which invoice and the amount from each invoice is in the table below:

| Invoice No. | Date      | Total Amount | Project Amount |
|-------------|-----------|--------------|----------------|
| 0441173-1   | 4/22/2010 | \$13,836.97  | \$13,836.97    |
| 441173      | 4/20/2010 | \$31,616.86  | \$31,616.86    |
| 440837      | 4/22/2010 | \$20,809.08  | \$20,809.08    |
| 440837-1    | 5/14/2010 | \$1,722.69   | \$1,722.69     |
| 445167      | 5/14/2010 | \$3,120.44   | \$646.12       |
| 445167      | 5/14/2010 | \$3,120.44   | \$226.78       |
| 445167      | 5/14/2010 | \$3,120.44   | \$145.58       |
| 445167      | 5/14/2010 | \$3,120.44   | \$290.24       |
| 445167      | 5/14/2010 | \$3,120.44   | \$113.22       |
| 445167      | 5/14/2010 | \$3,120.44   | \$83.08        |
| 445167      | 5/14/2010 | \$3,120.44   | \$46.86        |
| 266573      | 5/18/2010 | \$224.83     | \$224.83       |
| 445168      | 6/8/2010  | \$4,753.60   | \$4,753.60     |
|             |           | Total        | \$74,515.91    |

<sup>1</sup> The Company referenced this change in allocation methodology in Audit Request 39 from Docket DW 08-098.

- c. & d. Similar to the Company's response to part "a)" above, the overhead amount of \$35,448.82 is comprised of two pieces:
- 1) \$29,625.19 relates to fringe benefit and payroll tax overheads on labor charged to the project. For 2010, when the costs for this job were incurred, a 72% benefit rate and 8% payroll tax rate were utilized based upon 2009 results. Therefore, 80% (72 + 8) multiplied by the labor on the project of \$37,031.48, equals an overhead amount of \$29,625.19. A schedule showing the monthly payroll overheads for all requested jobs is included in Staff 1-16 Attachment 1.
  - 2) The remainder, or \$5,823.63, relates to "General Overhead". For April 2009 through current, a fixed overhead percentage is utilized and applied by the SAP system to all direct costs within the respective months. The fixed percentage is adjusted periodically to ensure that the general overhead costs are fully cleared at the end of each year. For 2010, the overhead rate was set to 10%. Due to the increased amount of capital spending combined with reduced amounts of labor charged to the general overhead account, a one-time adjustment was made to correct for the excess clearing of overhead costs. Subsequently, the overhead rate has been set to 1% for the remainder of the year. A schedule showing the monthly general overheads is included in Staff 1-16 Attachment 2.

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.  
DW 10-293

Aquarion Water Company's Responses to  
Staff's Data Requests – Set #1

Date Received: November 19, 2010  
Request No.: Staff 1-4

Date of Response: December 3, 2010  
Witness: Carl McMorran

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**REQUEST:** Regarding Attachment CM-1; Page 2 of 9: Should not the projected 2011 costs for the Main Replacements on Atlantic Avenue (House 106 to Woodland Road) and Church Street (Highland Avenue to William Street) be \$789,519 and \$24,300, respectively, so as to include the 2009 and 2010 design costs indicated in footnotes (b) and (c)? Please explain.

**RESPONSE:** Since those costs will not occur in 2011, they were not included in the table, but footnoted instead. To clarify, the table has been revised (See Staff 1-4 Attachment 1) to show 2011 and 2012 WICA amounts inclusive of the dollars spent in design in prior periods. The revised totals are consistent with the surcharge requests that would be proposed in each of those periods.

Aquarion Water Company of New Hampshire  
Water Conservation and Infrastructure Adjustment Project Summary

Docket DW-10-  
November 1, 2010

Witness: C. McMorran  
Exhibit CM-1

|   | 2010                         | 2011                      | 2012                      | 2013                     | Project Totals |
|---|------------------------------|---------------------------|---------------------------|--------------------------|----------------|
| 1 CUSTOMER METERS                                   | \$ 104,061.21                | \$ 125,000                | \$ 122,000                | \$ 100,000               | \$ 451,061     |
| 2 HYDRANTS  | \$ 11,773.90                 | \$ 20,000                 | \$ 20,000                 | \$ 20,000                | \$ 71,774      |
| 3 SERVICES  | \$ 15,796.53                 | \$ 27,000                 | \$ 27,000                 | \$ 27,000                | \$ 96,797      |
| MAIN REPLACEMENTS                                   |                              |                           |                           |                          |                |
| 4 Atlantic Avenue - Mill Road to House 106          | \$ 574,019.91 <sup>(a)</sup> | \$ -                      | \$ -                      | \$ -                     | \$ 574,020     |
| 5 Atlantic Avenue - House 106 to Woodland Road      | \$ -                         | \$ 789,519 <sup>(b)</sup> | \$ -                      | \$ -                     | \$ 789,519     |
| 6 Church Street - Highland Avenue to William Street | \$ -                         | \$ 10,493 <sup>(c)</sup>  | \$ 293,807 <sup>(c)</sup> | \$ -                     | \$ 304,300     |
| 7 Atlantic Avenue - Woodland Road to H539           | \$ -                         | \$ -                      | \$ 20,000                 | \$ 296,000               | \$ 316,000     |
| 8 Atlantic Avenue - H539 to H540                    | \$ -                         | \$ -                      | \$ -                      | \$ 20,000 <sup>(d)</sup> | \$ 20,000      |
| 9 CONTROL VALVES                                    | \$ -                         | \$ -                      | \$ -                      | \$ -                     | \$ -           |
| 10 VALVES   | \$ 14,479.76                 | \$ 8,000                  | \$ 8,000                  | \$ 8,000                 | \$ 38,480      |
| 11 PRODUCTION METERS                                | \$ 1,414.32                  | \$ 8,000 <sup>(e)</sup>   | \$ 2,000 <sup>(e)</sup>   | \$ 2,000                 | \$ 13,414      |
| ANNUAL TOTALS                                       | \$ 721,545.63                | \$ 988,012                | \$ 492,807                | \$ 473,000               | \$ 2,675,364   |

All numbers are estimates

(a) 2010 total for Item 1 includes design costs from 2009.

(b) Includes \$93,519 in 2009 & 2010 design costs

(c) Includes \$14,300 in 2010 design costs (\$10,000/\$290,000) or 3.4% or \$493 added to 2011; (\$280,000/\$290,000) or 96.6% or \$13,807 added to 2012

(d) Estimated 2014 construction costs = \$395,000

(e) \$4,935 in 2010 carried forward into 2011 (project put into service in last quarter of 2010)

September 2010

Dear Aquarion Water Customer:

Replacing aging water mains has always been a key part of our service mission, but more is needed. As an Aquarion Water Company customer, you will see a new line in your bill next year: a small surcharge called the Water Infrastructure and Conservation Adjustment (WICA). This Adjustment is designed to facilitate more timely replacement of old or problematic water mains, water main valves, fire hydrants, meters and services.

**What is WICA?** The State of New Hampshire Public Utilities Commission approved the pilot surcharge adjustment called WICA in 2009 to cover the replacement of water mains and related infrastructure that have either reached the end of their useful life, or are negatively impacting water quality and/or service reliability. The adjustment is limited to 5% of the Company's overall revenues in any given year, and no more than 7.5% in total between full rate cases. For increases beyond these amounts, Aquarion must submit a full application for a general rate case.

**How Does WICA Work?** As an example, if Aquarion applied and received approval for a 1% WICA adjustment, the increase would amount to just over 1 cent per day for a typical family of four using 200 gallons of water per day. The surcharge must be approved by the Public Utilities Commission and would take effect no sooner than January 1, 2011.

**What are the Benefits of WICA?** WICA benefits you in two ways. First, you will see smaller annual increases to your water bill than in the past. Second, you will benefit from the reliability that new infrastructure brings, which enhances the delivery of water to your home or business.

**Our Commitment to You.** All of our employees at Aquarion Water Company of New Hampshire appreciate the important responsibility placed upon us to bring an ample supply of clean, healthy water that meets or exceeds quality standards required by State and Federal public health agencies. Our commitment to you is to continue to provide high quality water with outstanding service, and WICA will allow us to achieve this.

If you desire more information about the surcharge, please visit our website at [www.aquarionwater.com](http://www.aquarionwater.com) or contact us locally at (603) 926-3319 [toll-free at (800) 403-4333].

Sincerely,



Harry C. Hibbard, Jr.  
Senior Vice President - Operations, MA & NH

LARRY L BINGAMAN  
AQUARION WATER COMPANY OF NE  
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JOHN J RATIGAN  
DONAHUE TUCKER & CIANDELLA  
225 WATER ST  
PO BOX 630  
EXETER NH 03833-0630

Docket #: 10-293      Printed: December 15, 2010

**FILING INSTRUCTIONS:    PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),**

**WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:**

DEBRA A HOWLAND  
EXEC DIRECTOR & SECRETARY  
NHPUC  
21 SOUTH FRUIT STREET, SUITE 10  
CONCORD NH 03301-2429

PURSUANT TO N.H. ADMIN RULE 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN  
NHPUC  
21 SOUTH FRUIT ST, SUITE 10  
CONCORD NH 03301-2429

BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

DOUG BROGAN  
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