



# HAMPSTEAD AREA

## WATER COMPANY, INC

54 SAWYER AVENUE, ATKINSON, NH 03811

TEL: 603.362.4299 FAX: 603.362.4936  
www.hampsteadwater.com

DW 19-136

August 15, 2019

Ms. Debra Howland, Executive Director & Secretary  
NH Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

NHPUC 19AUG19PM1:27

RE: Hampstead Area Water Company, Inc. Tariff Amendments  
DW 19-\_\_\_\_\_

Dear Ms. Howland:

Please find for filing a Technical Statement from Steve St. Cyr, Testimony of Harold Morse, and an original and two copies of pages from Hampstead Area Water Company, Inc.'s (HAWC) tariff in clean and redline versions all pursuant to Puc 1603.03 and Puc 1603.06. HAWC seeks to amend its tariff pages to reflect changes to federal tax law. This filing is made in similar fashion to current docket DW 18-189.

Prior to the 2017 changes to the Federal Tax Act, 26 U.S.C. §118 included special rules for regulated utilities that received contributions in aid of construction (either in the form of cash payments given to the regulated utility (CIAC) whereby CIAC payments to regulated water utilities were excluded from taxable income if they were not incorporated in to the regulated utility's rate base. In late 2017, Congress amended §118 to remove the exclusion from taxation for CIAC payments to regulated water utilities. As a result, CIAC payments to regulated public utilities such as HAWC fully cover the true cost to the regulated public utilities. Therefore, HAWC is seeking permission to amend its tariff to allow it to recover the resulting tax costs when CIAC property or payments are received by HAWC.

Thank you for your assistance in this regard. Please contact me if you have any questions about this filing.

Very truly yours,

  
Anthony Augeri, Esq.  
General Counsel

AA/hg  
enclosures

**LIST OF EXHIBITS**  
**Tariff Amendments for CIAC Tax**

<b>Exhibit</b>	<b>Description</b>
1	Technical Statement of Stephen P. St. Cyr
2	Pre-filed Testimony of Harold J. Morse
3	Proposed amended Tariff pages
4	Proposed amended Tariff pages - redline