

DW 12-085



August 22, 2013

Via Electronic Mail and Hand Delivery

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

Re: DW 12-085; Aquarion Water Company of New Hampshire, Inc.

Dear Ms. Howland:

On July 26, 2013, Aquarion filed its compliance with Order No. 25,539 in DW 12-085 requesting recovery of \$326,357 in rate case expenses.¹ These expenses were prudently incurred in connection with DW 12-085, and are a legitimate cost of business that the Commission has historically treated as appropriate for recovery through rates.² However, following recent discussions with representatives of the Towns of Hampton and North Hampton, the Company has decided to reduce its rate case expense request in DW 12-085 by \$100,000. Aquarion's decision to revise its rate case expense request in this case is made in the spirit of good will and compromise and should not be deemed a concession that any portion of the Company's expenses were not prudently incurred, nor should it be deemed to establish a precedent in future rate cases.

As shown in the table below, the Company has revised its proposed surcharge to recover rate case expenses equally from all customers (i.e. 9,173 customers as of June 30, 2013) over a period of twelve months:

	Rate Case Expense	Proposed Monthly Surcharge per Customer
As filed and adjusted ¹ :	\$ 325,676.83	\$ 2.96
As Amended:	\$ 225,676.83	\$ 2.05

This revision reduces the proposed surcharge by approximately 30%. Please feel free to contact me if you have any questions.

Sincerely,

John P. Walsh, P.E.
Vice President, MA & NH Operations

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¹ On August 19, 2013, Aquarion submitted its response to Staff 5-1 which noted a reduction of \$680 based on a forthcoming invoice credit. Accordingly, Aquarion adjusts its initial claim by \$680 to \$325,677.

² See, e.g., *Aquarion Water Co. of N.H., Inc.*, Order No. 25,053, 94 NH PUC 717, 718 (2009).