

DW 12-085

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DIRECT TESTIMONY OF JAYSON P. LAFLAMME

JANUARY 11, 2013

**ATTACHMENT JPL-1: COMPANY'S RESPONSE TO STAFF
DATA REQUEST 3-11**

REQUEST: Please provide updated permanent rate filing schedules which reflect the changes indicated in the following Staff Data Requests: 1-1, 1-11, 1-14, 1-19, 1-21, 1-22, 1-23, 1-24, 1-25, TS1-3, 2-1, 2-2, 2-5, 2-13, 2-20, 3-5, 3-6, 3-9. Please also include any other amendments to the rate filing as the Company feels is necessary resulting from its responses to other Staff, OCA, Hampton or North Hampton data requests.

RESPONSE: Please refer to Staff 3-11 Attachment A.

REPORT OF RECONCILIATION OF ORIGINAL AND REVISED REVENUE REQUIREMENT

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Page 1 of 1

Line No.	Description	Data Request Reference	Schedule	Original Adjustments	Revised Adjustments	Revenue Impact
1						
2	Expense Adjustments					
3	Antenna Rental Income	Staff 1-11, Staff 2-2	Schedule No. 1A	\$ 7,674	\$ 10,674	\$ (3,000)
4	Salaries & Wages	Staff 2-7	Schedule No. 1C	17,649	11,191	(6,458)
5	Employee Welfare	Staff 2-9	Schedule No. 1D	1,470	8,349	6,879
6	Employee Bonus Program	Staff 2-10	Schedule No. 1E	522	(1,300)	(1,822)
7	FAS 106 Post-Retirement Healthcare		Schedule No. 1F	54,730	54,667	(63)
8	Pension Expense		Schedule No. 1G	40,942	40,895	(47)
9	Miscellaneous/Non-Recurring Items	Staff 3-6, 8, 9	Schedule No. 1K	(7,830)	(10,089)	(2,259)
10	Management Allocation	OCA 3-21	Schedule No. 1R	(150)	(21,484)	(21,334)
11	Depreciation Expense	Staff 3-5	Schedule No. 1U	23,419	16,473	(6,946)
12	Payroll Taxes	Staff 2-20	Schedule No. 1V	2,813	4,274	1,461
13	Interest Expense	Staff 1-24	Schedule No. 1X	6,826	3,944	(2,882)
14						
15	Expense Impact on Revenues					(36,471)
16						
17	Rate Base Adjustments					
18	Working Capital Allowance					808
19	Customer Advances	Staff 1-22	Schedule No. 3D	201,405	202,213	21
20	Reserve for Deferred Taxes	Staff 1-14	Schedule No. 3C	(3,792)	(3,771)	19
21	Change in Rate Base	Staff 1-21	Schedule No. 3C	(2,333,416)	(2,333,397)	848
22	Rate Base Impact on Revenues					112
23						
24	Filing Reconciliation					
25	Original Filing Revenue Requirement					1,113,931
26	Expense Impact on Revenues					(36,471)
27	Rate Base Impact on Revenues					112
28	Adj for Rate Design					352
29	Adjusted Filing Revenue Requirement					\$ 1,077,924
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REPORT OF PROPOSED RATE CHANGES

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
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Line No.	Rate/Class of Service	Effect of Proposed Change	Avg. # of Customers	Est. Annual Revenue		Proposed Change	
				Present Rates	Proposed Rates	Amount	% Change
2							
3	Residential	Increase	8,042	\$ 3,302,971	\$ 3,900,642	\$ 597,671	18.09%
4	Commercial	Increase	678	1,059,790	1,251,669	191,879	18.11%
5	Industrial	Increase	3	24,864	29,363	4,499	18.09%
6	Public Authority	Increase	62	67,357	79,553	12,195	18.11%
7	Seasonal	Increase		433,199	511,641	78,441	18.11%
8	Private Fire	Increase	311	305,420	360,716	55,296	18.10%
9	Public Fire	Increase	4	712,387	841,365	128,978	18.11%
10	Miscellaneous	Increase		180,684	189,344	8,660	4.79%
11	Adj for Rate Design				305	305	
12				Grand Total \$ 6,086,673	\$ 7,164,598	\$ 1,077,924	17.71%

Updated as per Staff 1-1

Signed By:

Donald J. Morrissey

Title: Vice President, Treasurer & Secretary

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Aquarion Water Company of New Hampshire, Inc.
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15	1D	EMPLOYEE WELFARE
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17	1E	EMPLOYEE BONUS PROGRAM
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19	1F	FAS 106 - POST RETIREMENT HEALTHCARE
20		
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30		
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34		
35	1N	AUDIT FEES
36		
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38		
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40		
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42		
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44		
45	1S	SHARED CUSTOMER SERVICE COSTS
46		
47	1T	SHARED TECHNOLOGY COSTS
48		
49	1U	DEPRECIATION EXPENSE
50		
51	1V	PAYROLL TAXES
52		
53	1W	PROPERTY TAX EXPENSE
54		
55	1X	INTEREST EXPENSE
56		
57	1Y	STATE INCOME TAXES
58		
59	1Z	FEDERAL INCOME TAXES
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8	2C	PROPERTY HELD FOR FUTURE USE
9		
10	2D	ACCUMULATED DEPRECIATION
11		
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13		
14	2F	DEFERRED TAXES
15		
16	2G	DEFERRED DEBITS
17		
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19		
30	3	RATE BASE
31		
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33		
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COMPUTATION OF REVENUE DEFICIENCY

Aquarion Water Company of New Hampshire, Inc.
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Schedule No. A
Page 1 of 1

Line No.		Actual Test Year	Required Increase	Pro Forma
1	Rate Base	\$ 21,765,919	\$ 22,320,609	
2	Rate of Return	5.41%	7.85%	
3	Income Required [L1 x L2]	\$ 1,177,916	\$ 574,252	\$ 1,752,168
4	Adjusted net Operating Income at Present Rates			1,111,072
5	Deficiency			\$ 641,095
6	Tax Effect*			59.48%
7	Revenue Deficiency [L5 / L6]			\$ 1,077,924
8	Revenues at Present Rates			\$ 6,086,673
9	Proposed Revenue Increase [L7 / L8]			17.71%

*Requested return of equity of 10.25%. A one percent change in requested equity return is equal to approximately \$155K in revenues calculated as follows:

Rate base	\$ 22,320,609
Change in Equity (1% x 41.26%)	0.4126%
Change in Operating Income Conversion Factor	\$ 92,095
Change in revenue requested	1.68
	\$ 154,846

Line No. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40

QUARTERLY CONSUMPTION & CUSTOMERS FOR TEST YEAR

Aquarion Water Company of New Hampshire, Inc.
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Test Year: Twelve Months Ended 12/31/11
 Schedule No. 1
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Line No.		Q1 2011	Q2 2011	Q3 2011	Q4 2011
1					
2					
3					
4	<u>Consumption (KG)</u>				
5	Residential	79,011	84,454	150,335	114,961
6	Commercial	38,568	36,681	55,283	44,517
7	Industrial	1,452	1,044	1,166	895
8	Public Authority	1,907	2,026	2,940	3,064
9	Total	120,938	124,205	209,724	163,437
10					
11					
12					
13					
14					
15	<u>Customers</u>				
16	Residential	8,010	8,019	8,041	8,042
17	Commercial	678	680	679	678
18	Industrial	3	3	3	3
19	Public Authority	61	62	62	62
20	Total	8,752	8,764	8,785	8,785
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PRO FORMA REVENUES AT PRESENT & PROPOSED RATES

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1A
Page 1 of 2

Line No.	Per Books Year Ended 12/31/2011	Pro Forma at Present Rates		Pro Forma at Proposed Rates	
		Adjustment	Total	Adjustment	Total
2	Metered Sales to General Customers				
3	Quarterly and Monthly Billing				
4	Residential	\$ 3,228,544	\$ 3,302,971	\$ 597,671	\$ 3,900,642
5	Commercial	1,041,258	1,059,790	191,879	1,251,669
6	Industrial	24,174	24,864	4,499	29,363
7	Other Public Authority	80,010	67,357	12,195	79,553
9	Seasonal Billing				
10	Residential	278,031	283,931	51,406	335,337
11	Commercial	123,577	126,199	22,857	149,056
12	Public Authority	22,590	23,070	4,178	27,247
13					
14	Total Metered Sales	\$ 4,798,184	\$ 4,888,182	\$ 884,685	\$ 5,772,867
15					
16	Private Fire (Unmetered Sales)	\$ 299,808	\$ 305,420	\$ 55,296	\$ 360,716
17	Public Fire	704,273	712,387	128,978	841,365
18					
19	Total Water Revenue	\$ 5,802,265	\$ 5,905,989	\$ 1,068,959	\$ 6,974,948
20					
21	Other Water Revenues				
22	Late Payment Fees	\$ 46,993	\$ 47,833	\$ 8,660	\$ 56,493
23	Antenna Rental Income	76,200	86,874	-	86,874
24	Miscellaneous Operating Revenue	44,172	45,977	-	45,977
25					
26	Total Other Water Revenues	\$ 167,365	\$ 180,684	\$ 8,660	\$ 189,344
27					
28	Total Operating Revenue	\$ 5,969,630	\$ 6,086,673	\$ 1,077,619	\$ 7,164,292
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Updated as per Staff 2-1

PRO FORMA REVENUES AT PRESENT & PROPOSED RATES - ADJUSTMENT DETAIL

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1A
Page 2 of 2

Line No.	Unbilled Elimination	WICA Adjustment	MISC	Total Adjustments
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- (1) Eliminates impact of net change between beginning and ending unbilled revenues.
- (2) Adjusts for WICA rates in effect 01/01/2012.
- (3) Reflects variance between billing analysis and billed revenues.
- (4) Adjusts late payment fees for changes to pro forma revenues.
- (5) Adjusts antenna rental income for known increases.

Updated as per Staff 1-11, Staff 2-2

SALARIES & WAGES

Aquarion Water Company of New Hampshire, Inc.
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Test Year: Twelve Months Ended 12/31/11
Schedule No. 1C
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Line No.	SUMMARY	ACCOUNT DISTRIBUTION						Total	
		Source of Supply	Pumping	Treatment	Transmission & Distribution	Customer Accounting	Administrative & General		Other Income
1									
2									
3									
4									
5	AWC of New Hampshire Employees								
6	Officer & Exempt - Non Union (3 FTT employees)								
7	Non- Exempt Non-Union Wages (1 FTT, 2 P/T employees)(Wages at 04/01/12)								
8	Union Employees (8 employees w/salaries effective 12/1/2011)								
9	Wage Increase effective 12/01/2012 per Union Contract (3.5%)								
10	Base Wages								
11	Standby, OT, Shift Differential wages incurred during test year								
12	Wage Increase applied to Standby, OT, Shift Differential (3.5%)								
13	Pro Forma Wages								
14	Percent Charged to Expense								
15	Pro Forma Wages Charged to Expense								
16	Test Year Gross Wages								
17	Test Year Wages charged to Expense								
18	Pro Forma Adjustment								
19									
20									
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23									
24									
25	Svc Co.: Test Year Wages to AWC-NH								
26	Service Company Test Year Wages								
27	Service Company Test Year Wages Charged to Expense								
28									
29	Adjustment to Svc.Co. Wages to reflect April 1, 2012 Pay Increase (3%)								
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35	Total Pro Forma Wage Adjustment								
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¹ Calculation found in Standard Filing Requirements, Response 28.
Updated as per Staff 2-7

EMPLOYEE WELFARE

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1D
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Aquarion Water Company of New Hampshire, Inc.
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Line No.		Pro Forma	Test Year	Adjustment
1				
2	Employee Medical Costs			
3	Tufts Medical - (\$17,541 per mo. for 12 F/T employees * 12 mo.)	\$ 210,495		
4				
5	CIGNA - Dental (12 EE@ \$1,031 PER EE)	12,400		
6	Employee Contribution	(19,155)		
7	Total Medical Cost	\$ 203,740	\$ 196,016	
8	% to Expense	86.3% ¹	86.3%	
9	Total medical Expense	\$ 175,828	\$ 169,162	\$ 6,666
10				
11	401K			
12	401K Costs	\$ 22,963	\$ 22,294	
13	% to Expense	86.3% ¹	86.3%	
14	401K Expense	\$ 19,817	\$ 19,240	\$ 577
15				
16	Auto Allowance			
17	Auto Allowance	\$ 6,000	\$ 6,000	
18	% to Expense	86.3% ¹	86.3%	
19	Auto Allowance Expense	\$ 5,178	\$ 5,178	\$ -
20				
21	Life Insurance			
22	2X Base Wages Eligible for Life Insurance	\$ 1,465,750		
23	Cost of \$.145 per \$1,000 of wages X 12 months	0.002		
24	Life Insurance Cost	\$ 2,550	\$ 1,601	
25	% to Expense	86.3% ¹	86.3%	
26	Life Insurance Expense	\$ 2,201	\$ 1,382	\$ 819
27				
28	Long Term Disability			
29	Wages Eligible for Long Term Disability	\$ 732,875		
30	Cost of \$.261 per \$100 of wages	0.003		
31	Long Term Disability	\$ 1,913	\$ 1,581	
32	% to Expense	86.3% ¹	86.3%	
33	Long Term Disability Expense	\$ 1,651	\$ 1,364	\$ 287
34				
35	Total Pro Forma Employee Welfare Adjustment			\$ 8,349
36				
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¹Calculation found in Standard Filing Requirements, Response 28.
Updated as per Staff 2-9

Employee Bonus Program

Aquarion Water Company of New Hampshire, Inc.
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Test Year: Twelve Months Ended 12/31/11
 Schedule No. 1E
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Line No.		
1		
2	Officer	\$ 14,625
3	Exempt - Non-Union	4,435
4	Non-Exempt - Non-Union	1,326
5		
6		\$ 20,386
7	Percent to Expense	86.3%
8		
9	Pro forma Bonus	\$ 17,593
10		
11	Test Year Bonus Charged to Expense	18,893
12		
13	Total Pro Forma Bonus Adjustment	\$ (1,300)
14		
15	Updated as per Staff 2-10	
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FAS 106 - POST RETIREMENT HEALTHCARE

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1F
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Aquarion Water Company of New Hampshire, Inc.
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Line No.	Pro Forma	Test Year	Adjustment
1			
2			
3			
4	FAS 106 Cost	207,000	143,655
5			
6	% to Expense	86.3% ¹	86.3%
7			
8	FAS106 Expense	\$ 178,641	\$ 123,974
9			\$ 54,667
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¹ Calculation found in Standard Filing Requirements, Response 28.

PENSION EXPENSE

Aquarion Water Company of New Hampshire, Inc.
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Test Year: Twelve Months Ended 12/31/11
 Schedule No. 1G
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Line No.	Pro Forma	Test Year	Adjustment
1			
2			
3	FAS 87 Cost	\$ 97,613	
4			
5	% to Expense ¹	86.3%	
6			
7	FAS 87 Expense	\$ 84,240	\$ 40,895
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¹ Calculation found in Standard Filing Requirements, Response 28.

LEGAL EXPENSE

Aquarion Water Company of New Hampshire, Inc.
 Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
 Schedule No. 1H
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Line No.	Description	Pro Forma Expense
1		
2	Pro Forma Expenses:	
3	NH WICA Legal Expense 2012	\$ 10,341
4	General Legal Expenses 2011	3,998
5	Subtotal	<u>\$ 14,339</u>
6		
7	Test Year	20,745
8		
9	Pro Forma Adjustment	<u>\$ (6,406)</u>
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CHEMICALS EXPENSE

Aquarion Water Company of New Hampshire, Inc.
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Test Year: Twelve Months Ended 12/31/11
 Schedule No. 11
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Line No.	Chemical	Units	Current Invoiced Price	Test Yr Qty	Pro Forma Qty	Pro Forma Expense
2						
3	Sodium Hypochlorite	gallons	\$ 2,2800	5,448	5,448	\$ 12,421
4	Sodium Hexametaphosphate	pound	1,2750	12,523	12,523	15,967
5	Sodium Hydroxide	gallons	2,3950	7,418	8,221	19,689
6	Potassium Hydroxide*	gallons	N/A	552		
7						
8				Pro Forma Expense		\$ 48,078
9						
10				Test year Expense		\$ 51,746
11						
12				Pro Forma Expense		\$ (3,668)
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* potassium hydroxide was replaced with sodium hydroxide, which is much less expensive; hydroxide quantities adjusted dose of 16 gallons of sodium hydroxide to 11 gallons of potassium hydroxide

PURCHASED POWER - ELECTRIC

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1J
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Line No.	Billings	KWH	Test Year Usage Demand	Customer Charge (\$16.50/month)	Demand Charge (\$9.23/kW)	Distribution/External Delivery Charge (\$.01513/kWh)	Storm Recovery Adjustment (\$0.00096/kWh)	Stranded Cost Charge (\$0.00001/kWh)	System Benefit Charge (\$0.00330/kWh)	Electricity Consumption Tax (\$0.00055/kWh)	Supplier (Nextera) (\$0.0814/kWh)	Pro Forma Unitil Expense
9	1 Merrill Industrial Dr Suite 210, Hampton	12,646	75.80	198.00	699.63	191.33	\$	\$	\$	\$	\$	\$
10	1 Merrill Industrial Dr Suite 211, Hampton	5,533	61.70	198.00	569.49	83.71	\$	(0.06)	18.26	3.04	450.39	1,328.15
11	321 Mill Rd Water Tower, Hampton	19,220	150.80	198.00	1,391.88	290.80	\$	(0.19)	63.43	10.57	1,564.51	3,537.45
12	Bonnie Ln Ryder Well, Hampton	147,720	379.42	198.00	3,502.05	2,235.00	\$	(1.48)	487.48	81.25	12,024.41	18,668.51
13	173 Wanicutt Road Rear Pump, Stratham	111,066	187.50	198.00	1,730.63	1,680.43	\$	(1.11)	366.52	61.09	9,040.77	13,182.94
14	Seward St Well, Hampton	121,400	464.40	198.00	4,286.41	1,836.78	\$	(1.21)	400.62	66.77	9,881.96	16,785.87
15	321 Mill Rd Gate, Hampton	295	12.00	198.00	110.76	4.46	\$	(0.00)	0.97	0.16	24.01	338.65
16	Tide Mill Rd, Hampton	3,989	16.10	198.00	148.60	60.35	\$	(0.04)	13.16	2.19	324.70	750.81
17	321 Mill Rd, Hampton	43,077	141.50	198.00	1,306.05	651.76	\$	(0.43)	142.15	23.69	3,506.47	5,869.04
18	Whites Ln Seam Well, Hampton	116,143	311.82	198.00	2,878.10	1,757.24	\$	(1.16)	383.27	63.88	9,454.04	14,844.87
19	321 Mill Rd Pump, Hampton	193,374	467.99	198.00	4,319.55	2,925.75	\$	(1.93)	638.13	106.36	15,740.64	24,112.14
20	321 Mill Rd Whit FLD, Hampton	109,163	282.80	198.00	2,610.24	1,651.64	\$	(1.09)	360.24	60.04	8,885.87	13,869.73
21	Exeter Rd, Hampton	25,247	49.50	198.00	456.89	381.99	\$	(0.25)	83.32	13.89	2,055.11	3,213.16
22	Church St, Hampton	2,841	12.00	198.00	110.76	42.98	\$	(0.03)	9.38	1.56	231.26	596.64
23	1 Kings Highway A, Hampton	2,901	20.30	198.00	187.37	43.89	\$	(0.03)	9.57	1.60	236.14	679.33
24		914,615	2,633.63	2,970.00	24,308.40	13,838.12	\$	(9.15)	3,018.23	503.04	74,449.66	\$119,956.34
25												
26												
27												
28												
29												
30	Pro Forma PSNH Expense (Equivalent to 12 monthly test year bills)											\$ 104,910
31												
32												
33	Total Pro Forma Expense											\$ 224,866
34												
35	Total Power Expense per Books											\$ 221,990
36												
37	Total Pro Forma Adjustment											\$ 2,877
38												
39	Updated as per Staff 2-13											
40												

B) No rate changes for Public Service of New Hampshire (PSNH)

MISCELLANEOUS/NON-RECURRING ITEMS

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1K
Page 1 of 1

Line No.		Test Year Amount
1		
2		
3		
4		
5	National Association of Water Companies (lobbying activities)	\$ (807)
6	Elimination of Cost of Service Study Amortization	(5,000)
7	Eliminate ADT Service	(2,023)
8	Well Lease	(500)
9	Verizon Interest Expense	(123)
10	NH Fisher Cats	(1,636)
11		
12	Adjustment for Miscellaneous/Non-Recurring Items	\$ (10,089)
13		
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Updated as per Staff 3-6, Staff 3-8 and Staff 3-9

BUILDING LEASE EXPENSE

Aquarion Water Company of New Hampshire, Inc.
 Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
 Schedule No. 1L
 Page 1 of 1

Line No.			
1			
2			
3	Current Lease Expense	\$	92,508
4			
5	Test Year Expense		34,554
6			
7			
8	Proforma Adjustment	\$	<u>57,954</u>
9			
10			
11			
12			
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CORPORATE INSURANCE

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1M
Page 1 of 1

Line No.	Policy Name	Allocation Methodology	Pro Forma Expense
1			
2	Property	Insured Property	\$ 2,148
3	Fiduciary Liability	Employee Count	932
4	Business Travel	Employee Count	45
5	Employee Practices Liability	Employee Count	1,174
8	Domestic CGL	Per policy	22,198
10	Excess Liability	Production	17,214
11	Administrative Fee	Combined policies	4,711
12	Worker's Compensation	Per policy	18,111
13	Automotive	Per policy	10,096
14			
15			
16			
17	Total Pro Forma Insurance Expense		<u>\$ 76,629</u>
18			
19	Test Year Expense		73,626
20			
21	Pro Forma Insurance Adjustment		<u>\$ 3,003</u>
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AUDIT FEES

Test Year: Twelve Months Ended 12/31/11
 Schedule No. 1N
 Page 1 of 1

Aquarion Water Company of New Hampshire, Inc.
 Case No. DW 12-085

Line No.			
1			
2	Proforma Audit Fees	\$	49,821
3			
4	Test Year Expense		55,401
5			
6	Proforma Adjustment	\$	<u>(5,580)</u>
7			
8			
9			
10			
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DEFERRAL AND AMORTIZATION OF RIGHT OF WAY (ROW) TAXES

Aquarion Water Company of New Hampshire, Inc.
 Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
 Schedule No. 10
 Page 1 of 1

Line No.	Description	Amount
1		
2	2011 Town of Hampton Right of Way Property Taxes	\$ 79,391
3		
4		
5		
6	Proforma Amount	\$ 79,391
7		
8	3 Year Amortization	\$ 26,464
9		
10		
11		
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TANK PAINTING AMORTIZATION

Aquarion Water Company of New Hampshire, Inc.
 Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
 Schedule No. 1P
 Page 1 of 1

Line No.		Cost	Useful Life (months)	
1				
2				
3	<u>Annual Tank Painting Amortization</u>			
4		452,197	168	
5	Glade Path	57,000	60	\$ 32,300
6	Glade Path (2011)	38,500	144	11,400
7	Jenness Beach			3,208
8				<u>\$ 46,908</u>
9				
10				
11				Test Year Expense
12				35,508
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				Pro Forma Adjustment
				<u>\$ 11,400</u>

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

SHARED FACILITY COSTS

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1Q
Page 1 of 1

Line No.	Description	Lindley St. Operations Center	Main St. Corporate Office	Monroe Tpke Customer Service/IT
1				
2	A			
3	Annualized labor for building employees	\$ 7,498,505	\$ 1,377,711	\$ 4,179,078
4	Annual hours for employees	201,968	24,752	141,440
5	Average Hourly Wage Rate	\$ 37.13	\$ 55.66	\$ 29.55
6				
7				
8	B			
9	<u>Cost Pool (AWC-CT books)</u>			
10	Depreciation	\$ 227,124	\$ 40,366	\$ 107,850
11	Property Taxes	93,496	48,973	51,964
12	Return on Investment	774,142	17,108	546,627
13	Operation & maintenance Expenses	511,248	385,149	452,691
14	Total Annual Costs	\$ 1,606,010	\$ 491,596	\$ 1,159,132
15	Assumed Hours from Above	201,968	24,752	141,440
16	Total Hourly Building Cost	\$ 7.95	\$ 19.86	\$ 8.20
17				
18				
19	C = B / A			
20	<u>Calculation of Building Overhead %</u>			
21	Total Hourly Building Cost	\$ 7.95	\$ 19.86	\$ 8.20
22	Average Hourly Wage Rate	37.13	55.66	29.55
23	Overhead %	21.42%	35.68%	27.74%
24				
25	D			
26	<u>Calculation of Allocated cost</u>			
27	CT Building Employee Direct Labor Charged to AWC-NH	\$ 88,660	\$ 19,451	\$ -
28	Allocated Customer Service Labor (see Schedule IS)*			43,055
29	Allocated IT Labor (see Schedule IT)**			31,918
30	Labor Pool	\$ 88,660	\$ 19,451	\$ 74,973
31	Overhead %	21.42%	35.68%	27.74%
32	Building Overhead to Allocate to AWC-NH	\$ 18,989	\$ 6,941	\$ 20,795
33	Test Year Allocation			
34	Pro Forma Adjustment			
35				\$ 46,724
36				\$ 46,522
37				\$ 202
38				
39				
40				

*On Schedule 1S, line 7

**On Schedule 1T, line 6 multiplied by Line 15.

MANAGEMENT ALLOCATION

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1R
Page 1 of 2

Line No.	Pro Forma	Test Year Costs
1		
2	Corporate Costs	
3		
4	MUI Management Fee	\$ -
5	Auditing & Consulting	340,940
6	Legal	17,388
7	Employee Wages and Benefits	368,625
8	Bank Fees	50,816
9	Building Overhead	22,631
10	Other	(4,799)
11		
12	Total	\$ 795,601
13		
14	Pro Forma Allocation Based on Massachusetts Formula	4.23%
15		(see page 2 of 2)
16	AWC-NH Share of Costs	
17		
18	MUI Management Fee	\$ -
19	Auditing & Consulting	14,434
20	Legal	736
21	Employee Wages and Benefits	15,607
22	Bank Fees	2,151
23	Building Overhead	958
24	Other	(203)
25		
26	Total Pro Forma Expense	\$ 33,684
27	Test Year Expense	55,168
28		
29	Pro Forma Cost Decrease	\$ (21,484)
30		
31	Updated as per OCA 3-21	
32		
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SHARED CUSTOMER SERVICE COSTS

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1S
Page 1 of 1

Line No.	Description	Amount
1		
2		
3	AWC-CT Shared Customer Service/Collections Labor	\$ 1,909,039
4	Increase Effective April 1, 2012	57,271
5	% to AWC-NH	<u>2.19%</u>
6		
7	Shared costs to AWC-NH	\$ 43,055
8		
9	Test Year Costs	41,865
10		
11	Pro Forma Adjustment	<u>\$ 1,190</u>
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AWC Customers-12/31/2011		
AWC-MA	18,960	9.12%
AWC-NH ¹	4,550	2.19%
AWC-CT	184,286	88.69%
Total AWC	207,796	100.00%

¹ AWC-NH incoming customer service calls are placed directly to the NH office. As such the customer service labor by CT employees on behalf of NH customers is limited. Therefore the customer count for AWC-NH in the above allocation formula is reduced by 50%.

SHARED TECHNOLOGY COSTS

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1T
Page 1 of 1

Line No.	Description	Amount
2		
3	SAP-Return on Investment Allocated per CT Docket 10-02-13	\$ 1,307,983
4	SAP-Depreciation Allocated per CT Docket 10-02-13	1,707,342
5	906204 IT - SAP Software Maintenance	436,649
6	906001 IT Labor (including a 3% increase effective 4/1/2012)	744,788
7	906203 IT - SAP License Fees	443,461
8	906215 IT Outside Services	268,687
9	906202 IT - Software Maint	242,644
10	906201 IT - Hardware Maint	91,744
11	906XXX IT - Miscellaneous Expenses	111,148
12		
13	Total Annual Costs	\$ 5,354,447
14		4.29%
15	AWC-NH % Share of Costs	\$ 229,463
16		
17	AWC-NH % Share of Costs	229,970
18		
19	Test year Expense	
20		
21	Pro Forma Adjustment	\$ (507)
22		
23		
24		
25	AWC Customers-12/31/2011	
26	AWC-MA	18,960 8.93%
27	AWC-NH	9,100 4.29%
28	AWC-CT	184,286 86.79%
29	Total AWC	212,346 100.00%
30		
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Test Year: Twelve Months Ended 12/31/11
Schedule No. 1U
Page 1 of 1

DEPRECIATION EXPENSE

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Line No.	Description	NH PUC ACCT	Test Year Plant	Retirements and Transfers	Pro Forma Additions	Pro Forma Utility Plant	Present Annual Rate	Depreciation Amount	Proposed Annual Rate	Pro Forma Depreciation Amount
1										
2	Organization	101301	\$ 17,700			\$ 17,700	5.00%	\$ 885	5.00%	885
3	Miscellaneous Intangible Plan	101303	20,727			20,727	3.33%	690	3.33%	691
4	Source Land and Land Rights	101310	461,299			461,299	0.00%	-	0.00%	-
5	Source Structures and Improvements	101311	685,658			685,658	2.75%	18,856	2.75%	18,856
6	Collecting and Impounding Reservoirs	101312	-			-	0.00%	-	0.00%	-
7	Wells and Springs	101314	2,410,360			2,410,360	3.50%	84,363	3.50%	84,363
8	Supply Mains	101316	158,689			158,689	1.20%	1,904	1.20%	1,904
9	Other Water Source Plant	101317	1,662,121			1,662,121	FIXED	71,737	5.00%	83,106
10	Pumping Land and Land Rights	101320	-			-	0.00%	-	0.00%	-
11	Pumping Structures and Improvements	101321	1,492,749			1,492,749	2.75%	41,051	2.75%	41,051
12	Electric Pumping Equipment	101325	686,369			686,369	3.43%	23,542	3.43%	23,533
13	Diesel Pumping Equipment	101326	32,297			32,297	3.50%	1,130	3.50%	1,130
14	Other Pumping Equipment	101328	20,528			20,528	4.40%	903	4.40%	903
15	Treatment Structures and Improvements	101331	185,407			185,407	2.75%	5,099	2.75%	5,099
16	Treatment Equipment	101332	184,706			184,706	3.50%	6,465	3.50%	6,465
17	T&D Land and Land Rights	101340	314,551			314,551	0.00%	-	0.00%	-
18	T&D Structures and Improvements	101341	67,873			67,873	2.75%	1,867	2.75%	1,867
19	Distribution Reservoirs and Standpipes	101342	2,671,559			2,671,559	2.00%	53,431	2.00%	53,431
20	Transmission and Distribution Maint	101343	15,507,342			15,507,342	1.20%	186,088	1.20%	186,088
21	Services	101345	4,885,868			4,885,868	1.85%	90,389	1.85%	90,389
22	Meters	101346	935,294			935,294	3.80%	35,541	3.80%	35,541
23	Meter Installations	101347	198,719			198,719	3.80%	7,551	3.80%	7,551
24	Hydrants	101348	649,580			649,580	2.40%	15,590	2.40%	15,590
25	Other T&D Plant	101349	154,069			154,069	5.00%	7,703	5.00%	7,703
26	General Structures and Improvements	101390	531,155			531,155	2.75%	14,607	2.75%	14,607
27	Office Furniture and Equipment	101391	29,453			29,453	7.46%	2,197	7.46%	2,197
28	Computer Equipment - Hardware	101391H	442,883			373,421	20.00%	74,684	20.00%	74,684
29	Computer Equipment - Software	101391S	105,581	(69,462)		105,581	20.00%	21,116	20.00%	21,116
30	Transportation Equipment	101392	418,728			418,728	11.25%	47,107	11.25%	47,107
31	Stores Equipment	101393	331			331	5.00%	17	5.00%	17
32	Tools, Shop, and Garage Equipment	101394	133,190			133,190	5.00%	6,660	5.00%	6,660
33	Laboratory Equipment	101395	-			-	6.67%	-	6.67%	-
34	Power Operated Equipment	101396	160,989			160,989	6.67%	10,738	6.67%	10,733
35	Communications Equipment	101397	281,033			350,495	10.00%	35,049	10.00%	35,049
36	Miscellaneous Equipment	101398	42,756			42,756	6.67%	2,852	6.67%	2,850
37			\$ 35,549,563	-		\$ 35,549,563		\$ 869,811	Subtotal	\$ 881,165
38										
39										
40										
41										
42										
43										
44										
45										
46										

Pro Forma Expense \$ 881,165
Reserve deficiency amortization 67,646
Total \$ 948,811
Test Year Expense 932,338
Pro Forma Adjustment \$ 16,473

Updated as per Staff 3-5

PAYROLL TAXES

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1V
Page 1 of 1

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Line No.		Pro Forma	Test Year	Adjustment
1				
2	FICA			
3	Proposed Wages	\$ 779,579		
4	Add Bonus	20,386		
5	Medicare Tax Base	\$ 799,965		
6	Wages over limit of \$110,100	31,122		
7	Social Security Tax Base	\$ 768,843		
8				
9	Social Security Rate	6.20%	\$ 47,668	
10	Medicare Rate	1.45%	11,599	
11	Pro Forma FICA Expense	\$ 59,267		
12				
13	Federal Unemployment			
14	Employees	12		
15	Tax base	7,000	\$ 5,040	
16	Rate	6.00%		
17				
18	Employees	1		
19	Tax base	7,000		
20	Rate	6.00%		
21	Percent allocated to AWC NH	37.5%	158	
22		\$ 5,198		
23				
24				
25	State Unemployment			
26	Employees	12		
27	Tax base	14,000	\$ 2,738	
28	Rate (NH)	1.63%		
29				
30	Employee	1		
31	Tax base	14,000		
32	Rate (MA)	1.20%		
33	Percent allocated to AWC NH	0.375	63	
34		\$ 2,801		
35				
36	Subtotal Payroll Taxes	\$ 67,266		
37	% to Expense	86.3%	58,051	
38	Payroll Tax Expense			
39				
40	Service Company Payroll Taxes			
41	Pro Forma Wages to Expense	\$ 136,038		
42	Payroll Tax Rate	8.0%	10,883	
43				
44	Payroll Tax Expense	\$ 68,934	\$ 64,660	\$ 4,274
45				

Updated as per Staff 2-20

PROPERTY TAX EXPENSE

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 1W
Page 1 of 1

Line No.	<u>Most Recent Property Tax Bills</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	
1				
2				
3				
4				
5	Hampton*			
6	Town Area	10,922,400	15.38	\$ 167,987
7	Precinct Area	3,640,800	16.08	58,544
8	Hampton Right of Way			
9	Town Area	3,062,300	15.38	47,098
10	Precinct Area	1,020,800	16.08	16,414
11	North Hampton	8,328,300	13.76	114,597
12	Rye	2,366,000	8.18	19,354
13	Stratham	1,230,600	16.62	20,453
14	State of NH	23,993,839	6.60	158,359
15				\$ 602,806
16				
17			Test Year Expense	520,256
18				
19			Pro Forma Adjustment	\$ 82,551
20				
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*Elimination of Property Taxes related to the previous office lease.

INTEREST EXPENSE

Test Year: Twelve Months Ended 12/31/11
 Schedule No. 1X
 Page 1 of 1

Aquarion Water Company of New Hampshire, Inc.
 Case No. DW 12-085

Line No.			
1			
2			
3	<u>Interest Expense</u>		
4	Long Term-Sched 4D	\$ 796,142	
5	Intercompany - Sched 4E	-	
6	Total Pro Forma Interest Expense	\$ 796,142	
7			
8	Interest Expense per Test Year	792,198	
9			
10	Pro Forma Adjustment		\$ 3,944
11			
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Updated as per Staff 1-24

STATE INCOME TAXES

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085
Test Year: Twelve Months Ended 12/31/11
Schedule No. 1Y
Page 1 of 1

Line No.	12/31/2011	Adj	Pro Forma	Increase	Proposed
1					
2	\$ 5,969,630	\$ 117,043	\$ 6,086,673	\$ 1,077,924	\$ 7,164,598
3					
4	\$ 3,015,502	\$ 169,142	\$ 3,184,644	\$ -	\$ 3,184,644
5	932,338	16,473	948,811	-	948,811
6	584,916	86,824	671,740	-	671,740
7	792,198	3,944	796,142	-	796,142
8	(63,040)	14	(63,026)	-	(63,026)
9	\$ 5,261,914	\$ 276,397	\$ 5,538,311	\$ -	\$ 5,538,311
10					
11	707,716	(159,353)	548,363	1,077,924	1,626,287
12					
13	(20,883)		(20,883)		(20,883)
14					
15	8,595	-	8,595	-	8,595
16					
17	\$ 695,428	\$ (159,353)	\$ 536,075	\$ 1,077,924	\$ 1,613,999
18					
19	\$ 59,111	\$ (13,545)	\$ 45,566	\$ 91,624	\$ 137,190
20					
21	(171)		(171)		(171)
22	\$ 58,940	\$ (13,545)	\$ 45,395	\$ 91,624	\$ 137,019
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FEDERAL INCOME TAXES

Aquarion Water Company of New Hampshire, Inc.
 Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
 Schedule No. 12
 Page 1 of 1

Line No.	12/31/2011	Adj	Pro Forma	Increase	Proposed
1					
2					
3					
4					
5	\$ 695,428	\$ (159,353)	\$ 536,075	\$ 1,077,924	\$ 1,613,999
6					
7	(59,111)	13,545	(45,566)	(91,624)	(137,190)
8					
9	\$ 636,317	\$ (145,808)	\$ 490,508	\$ 986,301	\$ 1,476,809
10					
11	222,711	(51,033)	171,678	345,205	516,883
12	23,988	(23,988)	-	-	-
13	6,688		6,688		6,688
14	11,914		11,914		11,914
15					
16	\$ 265,301	\$ (75,021)	\$ 190,280	\$ 345,205	\$ 535,485
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Test Year: Twelve Months Ended 12/31/11
Schedule No. 2-A
Page 1 of 1

COMPARATIVE BALANCE SHEET - 13 MONTHS

Aquiron Water Company of New Hampshire, Inc.
Case No. DW 12-085

Line No.	Description	13 Month Average													
		December-10	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11	October-11	November-11	December-11	
ASSETS AND OTHER DEBITS															
1	Cash	34,164,799	34,187,122	34,216,683	34,219,817	34,300,663	34,402,186	34,441,816	34,876,601	35,131,091	35,120,671	35,195,132	35,554,341	34,600,629	
2	Property, Plant & Equipment	93,273	94,243	95,213	96,183	97,153	98,123	99,093	100,063	101,033	102,003	102,973	103,943	319,649	
3	Utility Plant	3,337,060	3,337,060	3,337,060	3,337,060	3,337,060	3,337,060	3,337,060	3,337,060	3,337,060	3,337,060	3,337,060	3,337,060	3,337,060	
4	Work in Progress	26,000,023	25,894,485	25,788,947	25,683,409	25,577,871	25,472,333	25,366,795	25,261,257	25,155,719	25,050,181	24,944,643	24,839,105	26,175,036	
5	Accumulated Depreciation	96,642	96,642	96,642	96,642	96,642	96,642	96,642	96,642	96,642	96,642	96,642	96,642	96,642	
6	Net Utility Plant	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Less: Reserve for Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	Non-Utility Property & Equipment	43,655	67,808	91,961	116,114	140,267	164,420	188,573	212,726	236,879	261,032	285,185	309,338	16,636	
9	Less: Reserve for Depreciation	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	
10	Net non-Utility Plant	0	0	0	0	0	0	0	0	0	0	0	0	0	
11	Current Land Acquired Assets:														
12	Cash	43,655	67,808	91,961	116,114	140,267	164,420	188,573	212,726	236,879	261,032	285,185	309,338	16,636	
13	Accounts Receivable	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	381,113	
14	Miscellaneous Receivables	52,259	52,259	52,259	52,259	52,259	52,259	52,259	52,259	52,259	52,259	52,259	52,259	52,259	
15	Prepaid Expenses	232,539	232,539	232,539	232,539	232,539	232,539	232,539	232,539	232,539	232,539	232,539	232,539	232,539	
16	Other Deferred Debits	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	
17	Deferred Pension and OPEB	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	
18	Other Deferred Debits	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	
19	Total Deferred Debits	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	
20	Total Current Assets	1,288,742	1,632,984	1,511,423	1,453,256	1,420,906	1,426,036	1,694,642	1,619,600	1,432,926	1,401,779	1,277,768	1,202,645	1,456,676	
21	Deferred Debits:														
22	Unfunded Discount and Expense	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	182,282	
23	Unfunded Deferred Taxes	522,259	522,259	522,259	522,259	522,259	522,259	522,259	522,259	522,259	522,259	522,259	522,259	522,259	
24	Other Deferred Debits	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	242,187	
25	Deferred Pension and OPEB	1,262,079	1,262,079	1,262,079	1,262,079	1,262,079	1,262,079	1,262,079	1,262,079	1,262,079	1,262,079	1,262,079	1,262,079	1,262,079	
26	Total Deferred Debits	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	2,208,806	
27	TOTAL ASSETS AND OTHER DEBITS	\$ 29,497,571	\$ 29,779,929	\$ 29,603,760	\$ 29,527,158	\$ 29,623,732	\$ 29,705,744	\$ 29,720,557	\$ 30,075,385	\$ 29,995,234	\$ 30,049,188	\$ 30,021,001	\$ 29,907,299	\$ 30,630,269	\$ 29,839,240
LIABILITIES AND OTHER CREDITS															
28	Stockholder's Equity														
29	Preferred Stock	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	
30	Common Stock	(2,187,075)	(2,187,075)	(2,187,075)	(2,187,075)	(2,187,075)	(2,187,075)	(2,187,075)	(2,187,075)	(2,187,075)	(2,187,075)	(2,187,075)	(2,187,075)	(2,187,075)	
31	Paid in Capital	(3,557,940)	(3,557,940)	(3,557,940)	(3,557,940)	(3,557,940)	(3,557,940)	(3,557,940)	(3,557,940)	(3,557,940)	(3,557,940)	(3,557,940)	(3,557,940)	(3,557,940)	
32	Contributed Capital	(480,250)	(480,250)	(480,250)	(480,250)	(480,250)	(480,250)	(480,250)	(480,250)	(480,250)	(480,250)	(480,250)	(480,250)	(480,250)	
33	Retained Earnings	(2,457,713)	(2,457,713)	(2,457,713)	(2,457,713)	(2,457,713)	(2,457,713)	(2,457,713)	(2,457,713)	(2,457,713)	(2,457,713)	(2,457,713)	(2,457,713)	(2,457,713)	
34	Total Stockholder's Equity	(8,882,281)	(8,882,281)	(8,882,281)	(8,882,281)	(8,882,281)	(8,882,281)	(8,882,281)	(8,882,281)	(8,882,281)	(8,882,281)	(8,882,281)	(8,882,281)	(8,882,281)	
35	Long-term Debt - Bonds	(12,900,000)	(12,900,000)	(12,900,000)	(12,900,000)	(12,900,000)	(12,900,000)	(12,900,000)	(12,900,000)	(12,900,000)	(12,900,000)	(12,900,000)	(12,900,000)	(12,900,000)	
36	Notes Payable	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	
37	To Associated Companies	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	
38	Total Notes Payable	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	
39	Current and Accrued Liabilities:														
40	Accounts Payable	(120,915)	(120,915)	(120,915)	(120,915)	(120,915)	(120,915)	(120,915)	(120,915)	(120,915)	(120,915)	(120,915)	(120,915)	(120,915)	
41	Accrued Pension Cost	(11,381)	(11,381)	(11,381)	(11,381)	(11,381)	(11,381)	(11,381)	(11,381)	(11,381)	(11,381)	(11,381)	(11,381)	(11,381)	
42	Accrued Bond Interest	(235,538)	(235,538)	(235,538)	(235,538)	(235,538)	(235,538)	(235,538)	(235,538)	(235,538)	(235,538)	(235,538)	(235,538)	(235,538)	
43	Accrued State Income Taxes	(476,344)	(476,344)	(476,344)	(476,344)	(476,344)	(476,344)	(476,344)	(476,344)	(476,344)	(476,344)	(476,344)	(476,344)	(476,344)	
44	Total Current Liabilities	(834,178)	(834,178)	(834,178)	(834,178)	(834,178)	(834,178)	(834,178)	(834,178)	(834,178)	(834,178)	(834,178)	(834,178)	(834,178)	
45	Deferred Credits														
46	Deferred Taxes	(2,866,700)	(2,866,700)	(2,866,700)	(2,866,700)	(2,866,700)	(2,866,700)	(2,866,700)	(2,866,700)	(2,866,700)	(2,866,700)	(2,866,700)	(2,866,700)	(2,866,700)	
47	Accrued Pension Cost	(900,932)	(900,932)	(900,932)	(900,932)	(900,932)	(900,932)	(900,932)	(900,932)	(900,932)	(900,932)	(900,932)	(900,932)	(900,932)	
48	Accrued Other Postretirement	(1,172,711)	(1,172,711)	(1,172,711)	(1,172,711)	(1,172,711)	(1,172,711)	(1,172,711)	(1,172,711)	(1,172,711)	(1,172,711)	(1,172,711)	(1,172,711)	(1,172,711)	
49	Other Deferred Credits	(334,445)	(334,445)	(334,445)	(334,445)	(334,445)	(334,445)	(334,445)	(334,445)	(334,445)	(334,445)	(334,445)	(334,445)	(334,445)	
50	Total Deferred Credits	(5,023,510)	(5,023,510)	(5,023,510)	(5,023,510)	(5,023,510)	(5,023,510)	(5,023,510)	(5,023,510)	(5,023,510)	(5,023,510)	(5,023,510)	(5,023,510)	(5,023,510)	
51	Contributions in Aid of Construction	(2,315,890)	(2,315,890)	(2,315,890)	(2,315,890)	(2,315,890)	(2,315,890)	(2,315,890)	(2,315,890)	(2,315,890)	(2,315,890)	(2,315,890)	(2,315,890)	(2,315,890)	
52	TOTAL LIABILITIES AND OTHER CREDITS	\$ (29,497,571)	\$ (29,779,929)	\$ (29,603,760)	\$ (29,527,158)	\$ (29,623,732)	\$ (29,705,744)	\$ (29,720,557)	\$ (30,075,385)	\$ (29,995,234)	\$ (30,049,188)	\$ (30,021,001)	\$ (29,907,299)	\$ (30,630,269)	\$ (29,839,240)

Updated as per Staff 1-14, Staff 1-23

ACCUMULATED DEPRECIATION

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 2D
Page 1 of 3

Line No.	Account Description	December-09	December-10	December-11
1				
2	<i>Source of Supply Plant</i>			
3	Organization Cost	235	1,120	2,005
4	Miscellaneous Intangible Plant	5,851	6,334	6,817
5	Land & Land Rights (Supply)	-	-	-
6	Structures & Improvements	44,067	65,874	89,702
7	Collecting & Impounding Reservoirs	-	-	-
8	Lake, River, & Other Intakes	-	-	-
9	Wells & Springs	559,837	(38,835)	92,599
10	Infiltration Galleries and Tunnels	66,197	44,918	47,739
11	Supply Mains	118,185	201,088	284,194
12	Other Water Source Plant	794,372	280,499	523,056
13	Total Source of Supply			
14	<i>Pumping Plant</i>			
15	Land & Land Rights (Pumping)	-	-	-
16	Structures & Improvements	447,214	481,367	533,368
17	Other Power Production Equipment	-	-	-
18	Electric Pumping Equipment	574,684	174,705	175,167
19	Diesel Pumping Equipment	25,929	27,884	29,839
20	Hydraulic Pumping Equipment	-	-	-
21	Other Pumping Equipment	29,166	19,273	16,495
22	Total Pumping Plant	1,077,003	703,229	754,869
23	<i>Water Treatment Plant</i>			
24	Land & Land Rights (Treatment)	-	-	-
25	Structures & Improvements	38,535	38,483	43,992
26	Water Treatment Equipment - New	222,905	111,977	111,470
27	Total Water Treatment Plant	261,440	150,460	155,462
28	<i>Transmission & Distribution Plant</i>			
29	Land & Land Rights (T & D)	13,179	13,179	13,179
30	Structures & Improvements	154,002	149,758	142,229
31	Distribution Reservoirs & Standpipes	649,974	668,761	725,015
32	Transmission & Distribution Mains	2,969,899	3,017,517	3,183,115
33	Fire Mains	-	-	-
34	Services	1,599,404	1,659,094	1,729,389
35	Meters	52,768	18,457	19,140
36	Meter Installation	28,513	45,142	60,919
37	Hydrants	240,911	231,912	245,494
38	Other T & D Plant	6,045	13,031	21,096
39	Total T & D Plant	5,714,695	5,816,851	6,139,576
40	<i>General Plant</i>			
41	Land & Land Rights (General)	-	-	-
42	Structures & Improvements	147,491	83,763	102,057
43	Office Furniture & Equipment	19,022	(21,964)	(13,906)
44	Computer Equipment	537,432	489,840	577,265
45	Computer Equipment	48,750	69,749	96,661
46	Transportation Equipment	167,946	189,127	289,765
47	Stores Equipment	3,068	2,024	3,033
48	Tools, Shop & Garage Equipment	71,903	54,345	61,666
49	Laboratory Equipment	20,331	(2,551)	(2,324)
50	Power Operated Equipment	55,897	54,180	66,200
51	Communications Equipment	360,326	376,251	397,471
52	Miscellaneous Equipment	-	-	-
53	Other Tangible Property	-	12,246	14,924
	Total General Plant	1,444,042	1,307,010	1,592,812
	Total Accumulated Depreciation	9,291,552	8,258,049	9,165,775

Individual Retirements over \$5,000
refer to pages 2 & 3 of 3.

ACCUMULATED DEPRECIATION

Test Year: Twelve Months Ended 12/31/11
Schedule No. 2D
Page 2 of 3

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Line No.	Individual Retirements over \$5,000	\$
1	To Monitor the Wet Lands, Rivers, Private Wells and General Hydrological Analysis of the new Source of Supply Wells 17, 18, 19	183,855
2	Purchase System of Salt Water Mains from Hampton Beach Precinct	103,849
3	Design, Well, Well House & Main, Hampton	87,551
4	Pump Evaluation for Well # 14, Hampton	74,400
5	Mill Road main extension	73,621
6	Control Equip. - Tanks Control Bldg, N Hampton	68,482
7	Purchase & Install Wide area Network (WAN) and Personal Computer Work Stations -Main Office	66,201
8	Electric Pump Equip Well # 14, Dalton, N Hampton	58,078
9	Investigation for new Well N Hampton	49,193
10	Design, Well, Structure & Main., Well # 15, N Hamp	49,004
11	Explore for supply, Rock Well # 13, N Hampton	42,391
12	Electric Pump Equip Rock Well # 13, N Hampton	37,146
13	2002 Truck F550 @Hampton	35,399
14	Preliminary Design of Office Building, Mill Rd, North Hampton	34,082
15	Purchase & Install Purification Equipment for Pumping Station at Well # 14, Dalton, North Hampton	32,695
16	Explore for Supply - Winnicut Rd, N Hampton.	32,088
17	Drill Bed Rock Wells on Coakley Land - BCI	31,444
18	Explore for Supply, N Hampton	30,549
19	Booster Pump -Jenness Beach Booster Sta. #2	28,787
20	20 HP Elect Pump -Coakley Well #12, N Hampton	24,542
21	Engineering Design & Supervision - new well	24,036
22	New Storage Tank, North Hampton	23,348
23	Purchase & Install Variable Frequency Drive, Low Level cut off, Vault Sump Pump, for Well # 16 in Stratham	21,153
24	Variable Frequency Drive-Well#16	21,153
25	Engineering Serv-standard Well Pumping Station	21,000
26	Surge Controls Well 7-9 & 11 (Parco's)	20,849
27	Relocate chemical feed lines at 5 Wells, for optimum water treatment, Hampton	20,367
28	Renovate and re-equip Marston Springs Well #8 Pumping Equipment, North Hampton	18,681
29	1999 Ford Contour	17,414
30	Mill Rd elevation 250, Pumping Equipment	16,806
31	Purchase 2001 Ford Ranger Extended Cab, gross vehicle weight 4600lbs purchase order #3368	16,624
32	Purchase and Install Y2K Compliant SCADA Computer	16,497
33	PRV Station on Tide Mill Rd, Hampton (1)	16,012
34	1998 Ford Ranger	14,958
35	Replace Chemical Metering Pump @Hampton	14,604
36	24" x 18" gravel packed well, 65' deep on Leavitt	13,384
37	Variable Speed Drive for Well #11 Hampton,	12,994
38	Well #13A - eliminate Aeration	12,521
39	2900' of 8" transit Atlantic Ave, N Hampton	12,464
40	Purchase and install 1000 gpm variable speed pumping unit and auto equipment, booster station #2, Jenness Beach	12,188
41	Explore for supply, Hampton, N Hampton, Rye	12,093
42	RTU for SCADA - Kings Highway PRV Unit	11,951
43	Additional improvements to the middle meeting room at the Distribution Shop, North Hampton	11,678
44	Whites Field Well pump and Motor	11,168
45	Installation of 3225' of 8" transit pipe in pine road, No. Hampton.	10,959
46	Replace 6 Mathew Hydrants on 12' Salt Water Line units Watrous Hydrants # 179, 180, 181, 182, 183, 185	10,678
47	Purchase & Install Wide area Network (WAN) and Personal Computer Work Stations -Shop	10,410
48	Renovate and re-equip Marston Springs Well #8 Pumping Structure, North Hampton	10,321
49	Well Pump at Jenness Beach, Well #5, Rye	9,435
50	Extension of 3679' of 6" transit on Leavitt Rd, Holly Ln, Morningside Dr. and Tucker Ln, Hampton	9,420
51	Purchase System of Salt Water Hydrants from Hampton Beach Precinct	9,416
52	Revamp Mill Road booster station, Hampton	9,307
53		

ACCUMULATED DEPRECIATION

Test Year: Twelve Months Ended 12/31/11
Schedule No. 2D
Page 3 of 3

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Line No.	Description	Amount
	Individual Retirements over \$5,000	
1		9,197
2	Ocean Blvd/Highland extension	8,586
3	Electric pumping equip Scammon Well, Hampton	8,428
4	SCADA Chem Feed Pump Hampton wells #6, 7, 9, & 11	8,185
5	2000' of 8" transit Atlantic Ave, N Hampton	8,084
6	New Laptop & Flat Pannel Upgrade @Hampto	8,075
7	Water Quality Equipment, Hampton	7,915
8	RTU for SCADA -Maple Ave PRV N Hampton,	7,711
9	Pump at Well #11 on Sicard St, Hampton	7,711
10	Purchase of new Conference Table with Chairs, Credenza, Lunch Table and additional stacking Chairs	7,573
11	Install new Fuel Tank and Containment at Distribution Shop, North Hampton	7,563
12	Purchase Emergency Portable Generators (4) & Polyethylene Containment Pallets to Store Fuel for the Generators, Hampton	7,252
13	SCADA EFT Meter/Recorder Pump Stations #6 & 9, Ha	7,000
14	2100' pf 8" Main at Atlantic Ave, N Hampton	6,941
15	PRV Station Tide Mill Rd Controls Glade Path Tank	6,599
16	Purchase & Install 3 Desktop Computers & 1 Laser Printer for Customer Service & 1 Personal Computer for Secretary	6,427
17	Purchase additional Meter Reading Equipment to eliminate the need for Radix Equipment, Hampton	6,350
18	Purchase 2 Advance Meter Readers, 2 Proread/ARB Adapters plus 3 days training & Upgrade for Software	6,266
19	Pump Column & Center Guide Well # 11, Sicard St, H	5,940
20	50 HP Motor & Starter Well # 6, White's Field, Ham	5,919
21	Renovations to Lunch and Locker room at Distribution Shop, North Hampton	5,865
22	Preliminary Design of Office Building, Mill Rd, Hampton	5,515
23	SCADA Chem Feed Pump N Hampton wells #9, 10, & 14	5,227
24	Installation of new pump and motor in Bowler Well at Marston Springs, Hampton	5,167
25	Install Chemical Feed pumps, Scales & Accessories for Corrosion Control at Well #5, Rye	5,154
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		\$ 1,784,196

Test Year: Twelve Months Ended 12/31/11
Schedule No. 3
Page 1 of 1

RATE BASE

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Line No.	Description	12/31/2011	12/31/2010	12/31/2009	13 Month Average	Pro Forma Adjustments ¹	Pro Forma	Reference
2								
3	Plant in Service	\$ 35,549,563	\$ 34,160,020	\$ 34,625,614	\$ 34,574,341	\$ 975,222	\$ 35,549,563	3A
4	Accumulated Depreciation	(9,165,775)	(8,258,049)	(9,291,553)	(8,745,242)	(420,533)	(9,165,775)	3B
6	Net Plant in Service	\$ 26,383,788	\$ 25,901,971	\$ 25,334,061	\$ 25,829,099	\$ 554,689	\$ 26,383,788	
8								
9								
10	Add:							
11	Materials & Supplies	133,351	94,065	104,841	112,510		112,510	3B
12	Prepayments	151,621	116,116	89,373	42,758		42,758	3B
13	Deferred Expenses (net of amortization)	243,426	242,187	416,114	216,143		216,143	3B
14	Working Capital Allowance	205,809	204,918	187,746	202,213		202,213	3D
15								
16	Total Additions	734,208	657,286	798,074	573,624	-	573,624	
17								
18								
19	Less:							
20	Customer Advances	(5,600)	(1,500)	(16,206)	(3,771)		(3,771)	3C
21	Contributions in Aid of Constructions	(2,283,388)	(2,315,890)	(2,330,903)	(2,299,636)		(2,299,636)	3C
22	Reserve for Deferred Taxes	(2,363,379)	(2,344,441)	(2,378,003)	(2,333,397)		(2,333,397)	3C
23								
24	Total Deductions	(4,652,367)	(4,661,831)	(4,725,112)	(4,636,804)	-	(4,636,804)	
25								
26								
27	Total Rate Base	\$ 22,465,629	\$ 21,897,426	\$ 21,407,023	\$ 21,765,919	\$ 554,689	\$ 22,320,609	
28								
29	Utility Operating Income ²	\$ 1,177,916	\$ 1,305,321	\$ 1,200,940	\$ 1,177,916	\$	\$ 1,177,916	Sch 1
30								
31	Return on Rate Base (RORB)	5.24%	5.96%	5.61%	5.41%		5.28%	
32								
33								
34								
35								
36								
37								
38								
39								
40								

1) Pro Forma Adjustment adjusts 13 month average of Plant in Service to 12/31/2011 levels.
2) Utility operating income is a rolling 12 month figure.

UTILITY PLANT IN SERVICE

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 3A
Page 1 of 1

Line No.	Description	December-10	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11	October-11	November-11	December-11	13 Month Average
1	\$	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700
2		20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727
3	Plant in Service	461,239	461,239	461,239	461,239	461,239	461,239	461,239	461,239	461,239	461,239	461,239	461,239	461,239	461,239
4	101301 Organization	628,949	628,949	628,949	628,949	628,949	628,949	628,949	628,949	628,949	628,949	628,949	628,949	628,949	628,949
5	Miscellaneous Intangible Plant	2,249,300	2,249,300	2,249,300	2,249,300	2,249,300	2,249,300	2,249,300	2,249,300	2,249,300	2,249,300	2,249,300	2,249,300	2,249,300	2,249,300
6	Source Land and Land Rights	158,689	158,689	158,689	158,689	158,689	158,689	158,689	158,689	158,689	158,689	158,689	158,689	158,689	158,689
7	Source Structures and Improvements	1,662,121	1,662,121	1,662,121	1,662,121	1,662,121	1,662,121	1,662,121	1,662,121	1,662,121	1,662,121	1,662,121	1,662,121	1,662,121	1,662,121
8	101311 Collecting & Impounding Reservoirs	1,493,272	1,493,272	1,493,272	1,493,272	1,493,272	1,493,272	1,493,272	1,493,272	1,493,272	1,493,272	1,493,272	1,493,272	1,493,272	1,493,272
9	101312 Wells and Springs	670,171	670,171	670,171	670,171	670,171	670,171	670,171	670,171	670,171	670,171	670,171	670,171	670,171	670,171
10	101316 Supply Mains	32,297	32,297	32,297	32,297	32,297	32,297	32,297	32,297	32,297	32,297	32,297	32,297	32,297	32,297
11	101320 Pumping Land and Land Rights	24,639	24,639	24,639	24,639	24,639	24,639	24,639	24,639	24,639	24,639	24,639	24,639	24,639	24,639
12	101321 Pumping Structures and Improvements	185,407	185,407	185,407	185,407	185,407	185,407	185,407	185,407	185,407	185,407	185,407	185,407	185,407	185,407
13	101325 Electric Pumping Equipment	184,706	184,706	184,706	184,706	184,706	184,706	184,706	184,706	184,706	184,706	184,706	184,706	184,706	184,706
14	101326 Diesel Pumping Equipment	314,551	314,551	314,551	314,551	314,551	314,551	314,551	314,551	314,551	314,551	314,551	314,551	314,551	314,551
15	101328 Other Pumping Equipment	68,067	68,067	68,067	68,067	68,067	68,067	68,067	68,067	68,067	68,067	68,067	68,067	68,067	68,067
16	101331 Treatment Structures and Improvements	2,671,559	2,671,559	2,671,559	2,671,559	2,671,559	2,671,559	2,671,559	2,671,559	2,671,559	2,671,559	2,671,559	2,671,559	2,671,559	2,671,559
17	101332 Treatment Equipment	14,825,987	14,825,987	14,825,987	14,825,987	14,825,987	14,825,987	14,825,987	14,825,987	14,825,987	14,825,987	14,825,987	14,825,987	14,825,987	14,825,987
18	101340 T&D Land and Land Rights	4,748,826	4,748,826	4,748,826	4,748,826	4,748,826	4,748,826	4,748,826	4,748,826	4,748,826	4,748,826	4,748,826	4,748,826	4,748,826	4,748,826
19	101341 T&D Structures and Improvements	810,492	810,492	810,492	810,492	810,492	810,492	810,492	810,492	810,492	810,492	810,492	810,492	810,492	810,492
20	101342 Distribution Reservoirs and Standpipes	198,719	198,719	198,719	198,719	198,719	198,719	198,719	198,719	198,719	198,719	198,719	198,719	198,719	198,719
21	101343 Transmission and Distribution Mains	627,328	627,328	627,328	627,328	627,328	627,328	627,328	627,328	627,328	627,328	627,328	627,328	627,328	627,328
22	101345 Services	117,216	117,216	117,216	117,216	117,216	117,216	117,216	117,216	117,216	117,216	117,216	117,216	117,216	117,216
23	101346 Meters	511,220	511,220	511,220	511,220	511,220	511,220	511,220	511,220	511,220	511,220	511,220	511,220	511,220	511,220
24	101347 Meter Installations	29,453	29,453	29,453	29,453	29,453	29,453	29,453	29,453	29,453	29,453	29,453	29,453	29,453	29,453
25	101348 Hydrants	373,421	373,421	373,421	373,421	373,421	373,421	373,421	373,421	373,421	373,421	373,421	373,421	373,421	373,421
26	101349 Other T&D Plant	105,581	105,581	105,581	105,581	105,581	105,581	105,581	105,581	105,581	105,581	105,581	105,581	105,581	105,581
27	101380 General Structures and Improvements	364,870	364,870	364,870	364,870	364,870	364,870	364,870	364,870	364,870	364,870	364,870	364,870	364,870	364,870
28	101381 Office Furniture and Equipment	331	331	331	331	331	331	331	331	331	331	331	331	331	331
29	101389 Computer Equipment - Hardware	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190
30	101391H Computer Equipment - Software	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144
31	101391S Computer Equipment - Software	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033
32	101392 Transportation Equipment	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775
33	101393 Stores Equipment	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190
34	101394 Tools, Shop, and Garage Equipment	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144
35	101395 Laboratory Equipment	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033
36	101396 Power Operated Equipment	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775
37	101397 Communications Equipment	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190	133,190
38	101398 Miscellaneous Equipment	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144	149,144
39		281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033	281,033
40		39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775	39,775
		\$ 34,160,020	\$ 34,170,241	\$ 34,187,109	\$ 34,187,109	\$ 34,226,476	\$ 34,271,605	\$ 34,373,635	\$ 34,411,446	\$ 34,842,312	\$ 35,106,139	\$ 35,094,571	\$ 35,166,857	\$ 35,549,563	\$ 34,574,341

Test Year: Twelve Months Ended 12/31/11
Schedule No. 3D
Page 1 of 1

WORKING CAPITAL

Aquation Water Company of New Hampshire, Inc.
Case No. DW 12-085

Line No.	Description	Dec-09	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	13 Mo. Average
2	Monthly O&M Expenses															
3	Jan-09	\$ 235,987														
4	Feb-09	199,102														
5	Mar-09	230,971														
6	Apr-09	227,889														
7	May-09	245,637														
8	Jun-09	210,427														
9	Jul-09	242,364														
10	Aug-09	222,411														
11	Sep-09	248,446														
12	Oct-09	220,266														
13	Nov-09	244,092														
14	Dec-09	223,247														
15	Jan-10	\$ 224,990														
16	Feb-10	245,297	\$ 245,297													
17	Mar-10	239,832	239,832	\$ 239,832												
18	Apr-10	241,261	241,261	241,261	\$ 241,261											
19	May-10	271,201	271,201	271,201	271,201	\$ 271,201										
20	Jun-10	253,339	253,339	253,339	253,339	253,339	\$ 253,339									
21	Jul-10	255,126	255,126	255,126	255,126	255,126	255,126	\$ 255,126								
22	Aug-10	256,329	256,329	256,329	256,329	256,329	256,329	256,329	\$ 256,329							
23	Sep-10	237,759	237,759	237,759	237,759	237,759	237,759	237,759	237,759	\$ 237,759						
24	Oct-10	256,010	256,010	256,010	256,010	256,010	256,010	256,010	256,010	256,010	\$ 256,010					
25	Nov-10	247,860	247,860	247,860	247,860	247,860	247,860	247,860	247,860	247,860	247,860	\$ 247,860				
26	Dec-10	273,441	273,441	273,441	273,441	273,441	273,441	273,441	273,441	273,441	273,441	273,441	\$ 273,441			
27	Jan-11	222,780	222,780	222,780	222,780	222,780	222,780	222,780	222,780	222,780	222,780	222,780	222,780	\$ 222,780		
28	Feb-11															
29	Mar-11															
30	Apr-11															
31	May-11															
32	Jun-11															
33	Jul-11															
34	Aug-11															
35	Sep-11															
36	Oct-11															
37	Nov-11															
38	Dec-11															
39	Total O&M	\$ 2,750,839	\$ 3,002,445	\$ 3,000,235	\$ 2,976,389	\$ 2,960,379	\$ 2,953,274	\$ 2,942,656	\$ 2,931,710	\$ 2,930,497	\$ 2,947,330	\$ 2,964,833	\$ 2,960,945	\$ 2,976,474	\$ 3,015,500	\$ 2,962,808
40	Rate ¹	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%
41	Working Capital	\$ 187,746	\$ 204,918													
42	Updated as per Staff 1-22															
43																
44																
45																
46																
47																
48																
49																
50																

¹) Rate based on lag study found in Standard Filing Requirements, response #28.

OVERALL RATE OF RETURN

Aquarion Water Company of New Hampshire, Inc.
 Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
 Schedule No. 4
 Page 1 of 1

Line No.	Description	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
1				
2				
3				
4	Long Term Debt	58.73%	6.17%	3.62%
5				
6	Preferred Stock	0.01%	6.00%	0.00%
7				
8	Common Equity	41.26%	10.25%	4.23%
9				
10	Total	100.00%		7.85%
11				
12				
13				
14				
15				
16				
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Capital Structure as of 12/31/2011

CAPITAL STRUCTURE FOR RATEMAKING PURPOSES

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 4A
Page 1 of 1

Line No.	Description	12/31/2011	Adj	Adj 12/31/2011	Ratio	Component Cost	Weighted Cost
Capital Structure as of 3/31/2008 Per Books							
2	Long Term Debt	12,900,000		12,900,000	58.73%	6.17%	3.63%
4	Total Debt	<u>\$ 12,900,000</u>		<u>\$ 12,900,000</u>	<u>58.73%</u>	<u>6.17%</u>	<u>3.63%</u>
8	Preferred Stock	\$ 2,300		\$ 2,300	0.01%	6.00%	0.00%
10	Stockholder's Equity:						
11	Common Stock	\$ 2,187,075					
12	Paid in Capital	3,557,940					
13	Contributed Capital	480,250					
14	Retained Earnings	2,837,734					
15	Common Equity	<u>\$ 9,062,999</u>		<u>\$ 9,062,999</u>	<u>41.26%</u>	<u>10.25%</u>	<u>4.23%</u>
19	Total Capitalization	<u>\$ 21,965,299</u>		<u>\$ 21,965,299</u>	<u>100.00%</u>		<u>7.86%</u>

HISTORICAL CAPITAL STRUCTURE

Aquarion Water Company of New Hampshire, Inc.
 Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
 Schedule No. 4B
 Page 1 of 1

Line No.	Description	Pro Forma	31-Dec 2011	31-Dec 2010	31-Dec 2009	31-Dec 2008	31-Dec 2007	31-Dec 2006
2	Inter-Company Debt	\$ -	\$ -	\$ 100,000	\$ 4,400,000	\$ 4,100,000	\$ 1,900,000	\$ 1,700,000
3	Long Term Debt	12,900,000	12,900,000	12,900,000	8,900,000	8,900,000	8,900,000	8,900,000
6	Preferred Stock	2,300	2,300	2,300	2,300	2,800	2,800	2,800
8	Common Stock	9,062,999	9,062,999	8,679,527	8,554,295	8,096,658	8,513,450	8,183,712
		<u>\$ 21,965,299</u>	<u>\$ 21,965,299</u>	<u>\$ 21,681,827</u>	<u>\$ 21,856,595</u>	<u>\$ 21,099,458</u>	<u>\$ 19,316,250</u>	<u>\$ 18,786,512</u>

Updated as per Staff 1-23

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WEIGHTED AVERAGE COST OF LONG TERM DEBT

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 4D
Page 1 of 1

Line No.	Issue	Issuance Date	Face Value	Financing Costs	Net Proceeds Ratio	Amount Outstanding	Coupon Rate	Annual Interest	Cost Rate	Annual Cost	Debt Weighting	Weighted Average Cost Rate
December 31, 2011 per Books												
1												
2												
3												
4	6.21% Private Placement (30 yr)	Aug-05	5,900,000	200,891	96.6%	5,900,000	6.21%	366,390	6.43%	379,305	45.74%	2.94%
5	7.71% Private Placement (30 yr)	Nov-93	3,000,000	55,296	98.2%	3,000,000	7.71%	231,300	7.85%	235,643	23.26%	1.83%
6	4.45% Private Placement (30 yr)	Jun-12	4,000,000	70,500	98.2%	4,000,000	4.45%	178,000	4.53%	181,194	31.01%	1.40%
7												
8						<u>\$ 12,900,000</u>				<u>\$ 796,142</u>		<u>6.17%</u>
9												
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Updated as per Staff 1-24

BILL ANALYSIS - SEASONAL

Aquarion Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 5F
Page 1 of 1

Line No.	Class/Description	Customer Meter Billings	Pro Forma at Present Rates			Pro Forma at Proposed Rates			Total Revenue	% Change
			Sales (100CF)	Current Rate	Total Revenue	% Revenue To Total	Proposed Rate	Total Revenue		
1	Seasonal Residential:									
2	Minimum Charge:									
3	5/8"	794		192.00	152,448	53.69%	235.20	186,749	55.69%	
4	3/4"	-		288.00	-	0.00%	352.80	-	0.00%	
5	1"	8		480.00	3,840	1.35%	588.00	4,704	1.40%	
6	1 1/2"	-		960.45	-	0.00%	1,176.60	-	0.00%	
7	2"	1		1536.60	1,537	0.54%	1,882.50	1,883	0.56%	
8	Volumetric Charges									
9	> Per 100 CF		25,142	4.610	115,905	40.82%	5.648	142,002	42.35%	
10	Total Seasonal Residential				273,729			335,337		
11	WICA - Test Year			1.5715%	4,302	1.52%		-	0.00%	
12	WICA - 2012			2.1554%	5,900	2.08%		-	0.00%	
13	Total Revenue				283,931	97.92%		335,337	100.00%	
14										
15	Seasonal Commercial									
16	Minimum Charge:									
17	5/8"	49		192.00	9,408	7.45%	235.20	11,525	7.73%	
18	3/4"	-		288.00	-	0.00%	352.80	-	0.00%	
19	1"	17		480.00	8,160	6.47%	588.00	9,996	6.71%	
20	1 1/2"	2		960.45	1,921	1.52%	1,176.60	2,353	1.58%	
21	2"	3		1536.60	4,610	3.65%	1,882.50	5,648	3.79%	
22	Volumetric Charges									
23	> Per 100 CF		21,164	4.610	97,566	77.31%	5.648	119,534	80.19%	
24	Total Seasonal Commercial				121,665			149,056		
25	WICA - Test Year			1.5715%	1,912	1.52%		-	0.00%	
26	WICA - 2012			2.1554%	2,622	2.08%		-	0.00%	
27	Total Revenue				126,199	97.92%		149,056	100.00%	
28										
29	Seasonal Other Public Authority:									
30	Minimum Charge:									
31	5/8"	10		192.00	1,920	8.32%	235.20	2,352	8.63%	
32	3/4"	-		288.00	-	0.00%	352.80	-	0.00%	
33	1"	3		480.00	1,440	6.24%	588.00	1,764	6.47%	
34	1 1/2"	-		960.45	-	0.00%	1,176.60	-	0.00%	
35	2"	5		1536.60	7,683	33.30%	1,882.50	9,413	34.54%	
36	Volumetric Charges									
37	> Per 100 CF		2,429	4.610	11,198	48.54%	5.648	13,719	50.35%	
38	Total Seasonal Other Public Authority				22,241			27,247		
39	WICA - Test Year			1.5715%	350	1.52%		-	0.00%	
40	WICA - 2012			2.1554%	479	2.08%		-	0.00%	
	Total Revenue				23,070	97.92%		27,247	100.00%	

BILL ANALYSIS - MISCELLANEOUS REVENUES

Aquation Water Company of New Hampshire, Inc.
Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11
Schedule No. 51
Page 1 of 1

Line No.	Location	Test Year			Pro Forma at Present Rates			Pro Forma at Proposed Rates			Total Revenue % Change	
		Qty/ Frequency	Annual Rates	Revenue	Qty/ Frequency	Annual Rates	Revenue	Qty/ Frequency	Annual Rates	Revenue		Dollar Change
2	Miscellaneous Revenues											
3												
4												
5												
6	Late Payment			46,983	5.00%	47,833	56,493			8,660	18.10%	
7	Turn on Charge - Reg Business Hours	1,013	44.00	44,572	1,013	44,572	44,572			-	0	
8	Turn on Charge - Alter Hours	30	75.00	2,250	30	2,250	2,250			-	0	
9	Antenna Lease - AT&T	1	25,129	25,129	1	25,862	25,862			-	0.00%	
10	Antenna Lease - Verizon	1	25,971	25,971	1	27,012	27,012			-	0.00%	
11	Antenna Lease - MetroPCS	1	30,000	25,000	1	30,900	30,900			-	0.00%	
12	Antenna Lease - NH DOT	1	-	-	1	3,000	3,000			-	-	
13	Antenna Lease - Town of Hampton	1	100	100	1	100	100			-	-	
14	Misc.			(845)		(845)	(845)			-	0.00%	
15				169,170		180,684	189,344			8,660	5.12%	
16				167,365								

DW 12-085

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DIRECT TESTIMONY OF JAYSON P. LAFLAMME

JANUARY 11, 2013

**ATTACHMENT JPL-2: STAFF'S RECOMMENDED
PERMANENT RATE REVENUE REQUIREMENT**

Attachment JPL-2
Schedule 1

DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
REVENUE REQUIREMENT

Rate Base (Sch 2)	\$ 22,507,605	
Rate of Return (Sch 1B)	<u>7.31%</u>	
Operating Income Requirement	1,645,632	
Operating Income (Sch 3)	<u>1,135,449</u>	
Revenue Deficiency Before Taxes	510,183	
Divided by Tax Factor (Sch 1A)	<u>59.48%</u>	
Revenue Deficiency	857,810	
Pro-forma Test Year Operating Revenues (Sch 3)	<u>6,086,673</u>	
Revenue Requirement	<u><u>\$ 6,944,483</u></u>	
Percent Increase	<table border="1"><tr><td>14.09%</td></tr></table>	14.09%
14.09%		

**Attachment JPL-2
Schedule 1A**

**DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
EFFECTIVE TAX FACTOR**

Taxable Income	100.00%
Less: NH Business Profits Tax	<u>8.50%</u>
Federal Taxable Income	91.50%
Federal Income Tax Rate	<u>35.00%</u>
Effective Federal Income Tax Rate	32.03%
Add: NH Business Profits Tax	<u>8.50%</u>
Effective Tax Rate	<u><u>40.53%</u></u>
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	<u>40.53%</u>
Percent Used as a Divisor in Determining the Revenue Requirement	<u><u>59.48%</u></u>
Tax Multiplier	<u><u>0.68138</u></u>

DW 12-085
AQUARIUM WATER COMPANY OF NEW HAMPSHIRE, INC.
WEIGHTED AVERAGE COST OF CAPITAL

	Capital Structure			Weighted Average Cost
	Balance 12/31/11	Staff Adjustment	Adj Balance 12/31/11	
Long-Term Debt	\$12,900,000	\$ 1,000,000	(d) \$13,900,000	6.05% (b)
Preferred Stock	2,300		2,300	0.00%
Common Equity				
Common Stock	2,187,075		2,187,075	9.52%
Paid in Capital	3,557,940		3,557,940	15.49%
Contributed Capital	480,250		480,250	2.09%
Retained Earnings	2,837,734		2,837,734	12.36%
Total Common Equity	9,062,999	-	9,062,999	9.25% (a)
Total Capitalization	\$21,965,299	\$ 1,000,000	\$22,965,299	7.31%

(a) Staff's proposed Cost of Equity per the Direct Testimony of Mark A. Naylor.

(b) Calculation of Weighted Average Cost of Debt

Description	Face Value	Financing Costs	Balance 12/31/11	Staff Adjustment	Adj Balance 12/31/11	Coupon Rate	Annual Interest	Annual Cost	Debt Weighting	Weighted Average Cost Rate (c)
6.21% Private Placement (30 yr) Aug-05	\$ 5,900,000	\$ 200,891	\$ 5,900,000		\$ 5,900,000	6.21%	\$ 366,390	\$ 379,305	42.45%	2.73%
7.71% Private Placement (30 yr) Nov-93	3,000,000	55,296	3,000,000		3,000,000	7.71%	231,300	235,643	21.58%	1.70%
4.45% Private Placement (30 yr) Jun-12	4,000,000	70,500	4,000,000	1,000,000 (d)	5,000,000	4.45%	222,500	225,682	35.97%	1.62%
			\$12,900,000	\$ 1,000,000	\$13,900,000			\$ 840,631	100.00%	6.05% (b)

(c) Per the Company's Original Filing, the Weighted Average Cost Rate for the 6.21% debt in the amount of \$5.9 Million was 2.96% and the Weighted Average Cost Rate for the 7.71% debt in the amount of \$3 Million was 1.83%. The overall Weighted Average Cost Rate was 6.19%. These were updated to the amounts shown per the Company's Response to Staff Data Requests 1-24 and 3-11.

(d) Adjustment to Long-term Debt per the Direct Testimony of Mark A. Naylor.

DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
RATE BASE

	Company's Original Filing			Co's Response to Staff DR 3-11		Staff Testimony		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Test Year Average (Co Filing - Sch 3; Pg 1)	Pro-forma Adj's Per Company (Co Filing - Sch 3; Pg 1)	Pro-forma Test Year (Co Filing - Sch 3; Pg 1)	Adj's to Original Filing (Co Response - Staff DR 3-11)	Adj Rate Base Per Co (Co Response - Staff DR 3-11)	Pro-forma Adj's Per Staff	Sch 2A	
							(8)	
Plant in Service	\$ 34,574,341	\$ 975,222	\$ 35,549,563		\$ 35,549,563	\$ (249,044)	1	\$ 35,300,519
Accumulated Depreciation Contributions in Aid of Construction - Net	(8,745,242)	(420,533)	(9,165,775)		(9,165,775)	422,550	2	(8,743,225)
	(2,299,636)	(2,299,636)	(2,299,636)		(2,299,636)			(2,299,636)
Net Plant in Service	23,529,463	554,689	24,084,152	-	24,084,152	173,506		24,257,658
Cash Working Capital	201,405		201,405	808	202,213	13,491	3	215,704
Materials and Supplies	112,510		112,510		112,510			112,510
Prepayments	42,758		42,758		42,758			42,758
Unamortized Deferred Debits	216,143		216,143		216,143			216,143
Customer Advances	(3,792)		(3,792)	21	(3,771)			(3,771)
Deferred Income Taxes	(2,333,416)		(2,333,416)	19	(2,333,397)			(2,333,397)
TOTAL RATE BASE	\$ 21,765,071	\$ 554,689	\$ 22,319,760	\$ 848	\$ 22,320,608	\$ 186,997		\$ 22,507,605

DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
PRO-FORMA ADJUSTMENTS TO RATE BASE

Adj #

PLANT IN SERVICE

1	To adjust Company's pro-forma for plant in service. (Att JPL-5)	\$ (249,044)
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ACCUMULATED DEPRECIATION

2	To adjust Company's pro-forma for accumulated depreciation. (Att JPL-5)	422,550
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CASH WORKING CAPITAL

3	To adjust Cash Working Capital in order to reflect the Co's & Staff's O&M pro-forma adj's:		
	Total O & M Expenses (Att 1; Sch 3; Column (8))	\$ 3,158,181	
	Lead/Lag Study Percentage (Per Co Filing)	6.83%	
	Cash Working Capital allowance	215,704	
	Less: Revised amount per Co Response to Staff DR 3-11	(202,213)	13,491

Net Staff Pro-forma Adjustments to Rate Base	<u><u>\$ 186,997</u></u>
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DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
OPERATING INCOME STATEMENT

	Company's Original Filing			Co's Response to Staff DR 3-11		Staff Testimony				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Year Ended 12/31/11 (Co Filing - Sch 1, Pg 2)	Pro-forma Adj's Per Company (Co Filing - Sch 1, Pg 2)	Pro-forma Per Company (Co Filing - Sch 1, Pg 2)	Original Filing (Co Response - Staff DR 3-11)	Adj Pro-forma Operating Income (Co Response - Staff DR 3-11)	Staff Pro-forma Adjustments	Sch 3A	Pro-forma Operating Income after Staff Adj's	Revenue Deficiency (Sch 1)	Revenue Requirement Per Staff (Sch 1)
OPERATING REVENUES										
Water Revenue	\$ 5,800,460	\$ 105,529	\$ 5,905,989		\$ 5,905,989			\$ 5,905,989	\$ 857,810	\$ 6,763,799
Other Revenue	169,170	11,529	180,699	(15)	180,684			180,684		180,684
Total Operating Revenues	5,969,630	117,058	6,086,688	(15)	6,086,673			6,086,673	857,810	6,944,483
OPERATING EXPENSES										
O & M Expenses:										
Source of Supply Expense	127,522	509	128,031	(240)	127,791			127,791		127,791
Pumping Expense	363,730	4,951	368,681	(963)	367,718			367,718		367,718
Treatment Expense	142,293	(3,107)	139,186	(239)	138,947			138,947		138,947
Transmission & Distribution Expense	584,817	15,563	600,380	(1,963)	598,417			598,417		598,417
Customer Accounting Expense	133,783	459	134,242	(216)	134,026			134,026		134,026
Information Technology Expense	229,970	(507)	229,463		229,463			229,463		229,463
Administrative & General Expense	1,433,387	176,368	1,609,755	(21,472)	1,588,283	(26,464)	4	1,561,819		1,561,819
Total O & M Expenses	3,015,502	194,236	3,209,738	(25,093)	3,184,645	(26,464)		3,158,181		3,158,181
Depreciation / Amortization Expense	932,338	23,419	955,757	(6,946)	948,811			948,811		948,811
Amortization - CIAC	(32,502)		(32,502)		(32,502)			(32,502)		(32,502)
Taxes - Other Expense	584,916	85,364	670,280	1,460	671,740	(14,525)	5	657,215		657,215
Total Operating Expenses	4,500,254	303,019	4,803,273	(30,579)	4,772,694	(40,989)		4,731,705		4,731,705
Other Revenue / Expense	34,309	(26)	34,283	12	34,295			34,295		34,295
Net Operating Income Before Income Tax	1,503,685	(185,987)	1,317,698	30,576	1,348,274	40,989		1,389,263	857,810	2,247,073
Income Taxes:										
NH Business Profits Tax *	56,940	(16,389)	42,551	2,844	45,395	3,484	Sch 3B	48,879	72,914	121,793
Federal Income Taxes *	265,301	(85,736)	179,565	10,715	190,280	13,127	Sch 3B	203,407	274,714	478,120
Income Tax allocated to Non-Utility Income	1,528		1,528		1,528			1,528		1,528
Total Income Taxes	325,769	(102,125)	223,644	13,559	237,203	16,611		253,814	347,628	601,441
NET OPERATING INCOME	\$ 1,177,916	\$ (83,862)	\$ 1,094,054	\$ 17,017	\$ 1,111,071	\$ 24,378		\$ 1,135,449	\$ 510,183	\$ 1,645,632

* Includes Deferred Taxes

DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
PRO-FORMA ADJUSTMENTS TO REVENUE AND EXPENSES

<u>Adj #</u>		
	PRO-FORMA ADJUSTMENTS TO EXPENSES:	
	<u>ADMINISTRATIVE & GENERAL</u>	
4	To reverse Company's pro-forma for deferral and amortization of Right-of-Way Taxes.	\$ (26,464)
	<u>TAXES - OTHER</u>	
5	To adjust Company's pro-forma for Property Tax Expense. (Att JPL-7)	<u>(14,525)</u>
	Net Staff Pro-forma Adjustments to Operating Income before Income Tax Effect	<u>\$ (40,989)</u>

**Attachment JPL-2
Schedule 3B**

**DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
PRO-FORMA ADJUSTMENTS TO INCOME TAXES**

INCOME TAXES

To reflect the income tax effect of pro-forma adjustments to revenue and expense:

Pro-forma Adjustments per Staff:

Water Revenue	\$	-
Other Revenue		-
Source of Supply Expense		-
Pumping Expense		-
Treatment Expense		-
Transmission & Distribution Expense		-
Customer Accounting Expense		-
Information Technology Expense		-
Administrative & General Expense		26,464
Depreciation / Amortization Expense		-
Amortization Expense - CIAC		-
Taxes - Other Expense		14,525
Other Revenue / Expense		-
Net Income/(Expense) before Income Tax Resulting from Staff Pro-forma Adjustments		<u>40,989</u>
Less: New Hampshire Business Profits Tax @ 8.5%		<u>(3,484)</u>
Net Income/(Expense) from Staff Pro-forma Adjustments Subject to Federal Income Tax		37,505
Less: Federal income Tax @ 35%		<u>(13,127)</u>
Net Pro-forma Adjustments per Staff	\$	<u><u>24,378</u></u>

DW 12-085

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DIRECT TESTIMONY OF JAYSON P. LAFLAMME

JANUARY 11, 2013

**ATTACHMENT JPL-3: COMPANY'S RESPONSE TO STAFF
DATA REQUEST 2-3**

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 12-085

Aquarion Water Company's Responses to Staff Data Requests—Set 2

Data Request Received: September 26, 2012
Request No.: Staff 2-3

Date of Response: October 10, 2012
Witness: T. Dixon

REQUEST: Re: Re-issue of Staff 1-19 regarding Schedule No. 3; Page 1 of 1:

- a) Please provide a detailed schedule showing all plant additions and retirements recorded by the Company during the test year. For each asset listed, this schedule should include the plant account number and title under which the asset was recorded, a detailed description of the acquired/retired asset, the asset's date of acquisition and retirement (if applicable) as well as the asset's depreciable cost.
- b) For each asset acquired during the test year please provide the following (Note: assets belonging under the same project may be grouped together as one for purposes of 1. and 2. below):
 1. A detailed explanation regarding the necessity of the acquired asset(s).
 2. A statement with regard to whether the acquired asset(s) resulted in increased revenue for the Company through either increased capacity or an increase in the customer base.

RESPONSE: a) Please refer to Staff 2-3 Attachment A.

b) Please refer to Staff 2-3 Attachment A.

1. Please refer to Staff 2-3 Attachment A for the detailed explanation regarding the necessity of the acquired assets.
2. None of the asset additions increased revenues for the Company with the exception of new services and their associated new meters.

Asset	Class	Cap.date	Asset description	2011 Additions	Retirement	Comments
1010000024	314	7/1/2005 (2)	Q-Mark Heaters, Well#9, Hampton		(3,210)	
1010000174	345	7/1/2002	3/4" Services, Hampton		(3,820)	
1010000179	345	7/1/2002	3/4" Service, North Hampton		(1,637)	
1010000275	348	7/1/2002	Hydrants, Hampton		(4,000)	
1010000330	392	7/1/2003	2002 Truck F550 @Hampton		(35,399)	
1010000441	345	9/30/2011	New Services - Rye, NH - 3 inch	1,185.54		
1010000446	345	6/30/2011	New Services - North Hampton - 6 inch	2,910.53		
1010000482	346	4/30/2012	New Meters - North Hampton - 1 1/2 inch	524.05		
1010000601	343	12/31/2008	Main Replacement 4		(111)	
1010000614	321	12/31/2008	Capital Project - Pumping Structures 1		(523)	
1010000709	311	12/31/2011	New Source Development- NH	56,708.93		Study by Tata & Howard of long term new sources and potential interconnections with neighboring systems. Required because there is a deficient between production capacity and projected long term demands, and NH DES expects us to find more sources.
1010000719	341	12/30/2009	Recurring T&D Proj - T&D Structures		(194)	
1010000723	314	4/30/2010	Well 5 Replacement - Wells and Springs	(1,050)		
1010000842	325	6/4/1958	Electric pumping equip Scammon Well, Hampton		(8,586)	
1010000843	325	6/4/1958	65 H.P. auxiliary engine for Scammon Well #9.		(1,588)	
1010000928	328	5/27/1987	Convert Engine at Scammon Well #9 to Natural gas.		(4,111)	
1010001031	343	4/10/1956	2900' of 8" transit Atlantic Ave. N Hampton		(12,464)	
1010001838	346	1/24/2001	COST OF INSTALLING 1" METERS		(928)	
1010001839	346	1/24/2001	COST OF 5/8" METERS		(23,246)	
1010001840	346	1/24/2001	COST OF 1" METERS		(3,825)	
1010001841	346	1/24/2001	COST OF 2" METERS		(3,225)	
1010001842	346	1/24/2001	COST OF INSTALLING 2" METERS		(1,750)	
1010001843	346	1/24/2001	COST OF 1-1/2" METERS		(561)	
1010001849	348	5/77/1966	2 Muller at Post Rd, N Hampton		(478)	
1010001864	348	11/18/1967	Mueller 4 1/4" Hydrant Atlantic Ave N Hampton		(349)	
1010001879	348	4/7/1969	Hydrant # 911 in Ocean Blvd. Jenness Beach Pct.		(853)	
1010001883	348	3/24/1970	Hydrant # 538 in Atlantic Ave, N Hampton		(919)	
1010001924	348	4/25/1978	Mueller Hydrant on W/Innacut Rd, N Hampton		(648)	
1010002042	348	9/28/1990	4 1/4" Mueller Hydrant Atlantic Ave, N Hampton		(857)	
1010002054	348	11/2/1992	Hydrant #134 Morningside Dr & Holly Ave, Hampton			
1010002211	345	5/31/2011	New Services - Hampton - 1 inch	25,598		
1010002213	345	11/30/2011	New Services - Hampton - 2 inch	4,361		
1010002214	345	12/31/2011	New Services - Hampton - 4 inch	7,232		
1010002219	345	2/28/2011	New Services - North Hampton - 1 inch	27,862		
1010002221	345	6/30/2011	New Services - North Hampton - 2 inch	15,126		
1010002224	345	2/28/2011	New Services - Rye, NH - 1 inch	9,840		
1010002231	345	4/30/2011	Service Repl. - Hampton - 1 inch	39,204		
1010002237	345	4/30/2011	Service Repl. - North Hampton - 1 inch	7,779		
1010002241	345	11/30/2011	Service Repl. - Rye, NH - 1 inch	1,401		
1010002242	346	1/31/2011	New Meters - Hampton - 5/8 inch	29,861		
1010002243	346	1/31/2011	New Meters - Hampton - 1 inch	849		
1010002244	346	2/28/2011	New Meters - Hampton - 1 1/2 inch	1,122		
1010002245	346	4/30/2011	New Meters - Hampton - 2 inch	1,550		
1010002247	346	1/31/2011	New Meters - North Hampton - 5/8 inch	9,371		
1010002248	346	4/30/2011	New Meters - North Hampton - 1 inch	1,268		
1010002250	346	1/31/2011	New Meters - Rye, NH - 5/8 inch	4,752		
1010002251	346	9/30/2011	New Meters - Rye, NH - 1 inch	173		
1010002254	346	1/31/2011	Periodic Meter Repl. - Hampton - 5/8 inc	73,989		
1010002255	346	1/31/2011	Periodic Meter Repl. - Hampton - 1 inch	2,575		
1010002256	346	5/31/2011	Periodic Meter Repl. - Hampton - 1 1/2 i	262		
1010002257	346	2/28/2011	Periodic Meter Repl. - Hampton - 2 inch	3,399		
1010002258	346	1/31/2011	Periodic Meter Repl. - North Hampton - 5	12,974		
1010002259	346	2/28/2011	Periodic Meter Repl. - North Hampton - 1	2,379		

		2011			
Asset	Class	Cap.date Asset description	Additions	Retirement	Comments
1010002260	346	2/28/2011 Periodic Meter Repl. - North Hampton - 1	800	-	
1010002261	346	4/30/2011 Periodic Meter Repl. - North Hampton - 2	625	-	
1010002262	346	1/31/2011 Periodic Meter Repl. - Rye, NH - 5/8 inc	11,384	-	
1010002263	346	2/28/2011 Periodic Meter Repl. - Rye, NH - 1 inch	505	-	
1010002268	348	2/28/2011 Hydrant Repl. - Hampton	21,675	-	
1010002269	348	2/28/2011 Hydrant Repl. - North Hampton	4,207	-	
1010002270	348	5/31/2011 Hydrant Repl. - Rye, NH	5,035	-	
1010002271	349	2/28/2011 Valves - Hampton	33,918	-	
1010002273	349	10/31/2011 Valves - Rye, NH	2,935	-	
1010002274	396	5/20/2011 Purchase Lawn Mower - NH	11,845	-	- Replacement for old worn out lawn mower to keep ~7 acres of grass mowed.
1010002275	392	6/30/2011 1993 Dynaweld Flaibed Trailer - xfer from MA	22,000	-	- Transferred from Aquarion Massachusetts to transport backhoe to main breaks.
1010002276	392	6/30/2011 1999 International Dump Truck - xfer from MA	67,257	-	- Transferred from Aquarion Massachusetts; smaller truck transferred to Mass.
1010002279	343	8/12/2011 Atlantic Avenue #110 to #60	693,950	-	- Replacement of ~2,000-feet of 60-yr-old, 8-inch diameter, cement-lined, cast-iron pipe with 12-in ductile iron main to raise fire flows to ISO standards and improve water quality.
1010002281	325	8/31/2011 Uninterruptible power supplies for SCADA	1,705	-	- UPSs for SCADA computers to keep control systems running during power interruptions.
1010002282	398	9/26/2011 Replacement PLC Cards for Multiple Wells	2,981	-	- Replacement of failed electronics in programmable logic controllers in our facilities; needed for automated controls and telemetry.
1010002283	390	9/26/2011 Repair Lighting Damage at Mill Rd. Gener	4,220	-	- Repair of electronics for Mill Road Booster Backup Generator; damaged by lightning.
1010002284	325	9/26/2011 Replace PLC screens	3,822	-	- Replacement of failed programmable logic controller interface screens; needed to access the PLCs at each station.
1010002285	325	9/26/2011 Purchase Valve Maintenance Equipment	4,152	-	- Equipment for the valve maintenance trailer; needed for staff to effectively conduct valve maintenance work.
1010002357	391H	12/9/2011 Replace SCADA Radios	69,462	-	- SCADA radios were 20 years old; experiencing unacceptable interference from nearby radio frequencies; and were required to be re-licensed by the FCC. New radios changed frequency to improve performance.
1010002358	314	12/9/2011 Well 9 Station Improvements - NH	112,649	-	- Replacement of old, out of code electrical systems. Installation of backup generator to improve station reliability. Removal of old transformers (potential contaminant sources).
1010002359	325	12/31/2011 Replace Well 6 Pump Shaft	5,149	-	- Replacement of worn out pump shaft
1010002360	314	12/31/2011 Redevelop Wells 20 & 21	35,166	-	- Redevelopment of wells to return them to approved production capacity.
1010002361	390	12/31/2011 Lightning Protection - NH	15,715	-	- Installation of lightning arrestors and surge suppressors to reduce the frequency and magnitude of electronics and electrical system damage from lightning strikes.
1010002362	314	12/31/2011 Redevelop Well 11	17,506	-	- Redevelopment of well to return it to approved production capacity.
1010002363	325	12/31/2011 Repair Well 11 Pump	11,543	-	- Replace failed well pump
Total			1,503,412	(113,870)	

DW 12-085

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DIRECT TESTIMONY OF JAYSON P. LAFLAMME

JANUARY 11, 2013

**ATTACHMENT JPL-4: COMPANY'S RESPONSE TO STAFF
DATA REQUEST TECH 2-1**

REQUEST: Follow-up to Staff 2-3: In light of the criteria used to determine non-revenue producing asset treatment, ie, a) installation/acquisition is the result of regulatory mandate, b) installation/acquisition does not result in increased revenues for the Company and c) \$ amount of installation/acquisition is of some significant nature; which projects indicated in response to Staff 2-3 does the Company believe meet such criteria and should still be considered for non-revenue producing asset treatment.

RESPONSE: As stated in the Company's response to data request Staff 2-3, the Company believes all test year plant additions other than new meters and services totaling \$143,586 should be included in rate base for ratemaking purposes because they are non-revenue producing and are substantial in amount. These assets are used and useful, providing service to customers. The Company is unaware of any requirement that an investment be the result of a regulatory mandate in order to be included in rate base at its full value as of the end of the test year.

Nonetheless, the Company has separated the test year additions and retirements into four categories:

- 1) Seven projects that Staff identified at the November 28, 2012 technical session as meeting the criteria set forth in this data request. The items result in a net increase to rate base of \$985,519 based on total capital additions of \$996,983 net \$12,464 in associated retirements.
- 2) Items already being recovered through rates because they are included in the WICA surcharge that took effect on January 1, 2012. These items total \$177,365 based on capital additions of \$225,048 and \$47,682 of retirements.
- 3) New services and meters total \$143,586 (with no associated retirements) associated with new accounts served by the Company. As previously indicated in its response to Staff 2-3, the Company has not asserted that these additions are non-revenue producing.
- 4) Other non-revenue producing investments not included in categories (1) or (2) that result in an increase to rate base of \$84,073 based on capital additions of

\$137,796 and associated retirements of \$53,723. Because these assets are non-revenue producing and used and useful in providing service to customers, the Company believes it should be afforded the opportunity to earn a return on these assets, rather than waiting until a future rate proceeding to begin recovering its investment and a return thereon. This is particularly true given that the Company will begin incurring the additional property tax and depreciation expense on these assets immediately without any additional revenues to offset those costs.

Please refer to Staff Tech 2-1 Attachment A for a spreadsheet segregating the aforementioned categories.

Grouping	Asset	Class	Cap.date	Asset description	2011		
					Additions	Retirement	Net Addition
1	1010000709	311	12/31/2011	New Source Development- NH	56,709	-	56,709
1	1010002358	314	12/9/2011	Well 9 Station Improvements - NH	112,649	-	112,649
1	1010002360	314	12/31/2011	Redevelop Wells 20 & 21	35,166	-	35,166
1	1010002362	314	12/31/2011	Redevelop Well 11	17,506	-	17,506
1	1010002363	325	12/31/2011	Repair Well 11 Pump	11,543	-	11,543
1	1010002279	343	8/12/2011	Atlantic Avenue #110 to #60	693,950	-	693,950
1	1010002357	391H	12/9/2011	Replace SCADA Radios	69,462	-	69,462
1	1010001031	343	4/10/1956	2900' of 8" transite Atlantic Ave, N Hampton	-	(12,464)	(12,464)
					996,983	(12,464)	984,519
2	1010000174	345	7/1/2002	3/4" Services, Hampton	-	(3,820)	(3,820)
2	1010000179	345	7/1/2002	3/4" Service, North Hampton	-	(1,637)	(1,637)
2	1010002231	345	4/30/2011	Service Repl. - Hampton - 1 inch	39,204	-	39,204
2	1010002237	345	4/30/2011	Service Repl. - North Hampton - 1 inch	7,779	-	7,779
2	1010002241	345	11/30/2011	Service Repl. - Rye, NH - 1 inch	1,401	-	1,401
2	1010001838	346	1/24/2001	COST OF INSTALLING 1" METERS	-	(928)	(928)
2	1010001839	346	1/24/2001	COST OF 5/8" METERS	-	(23,246)	(23,246)
2	1010001840	346	1/24/2001	COST OF 1" METERS	-	(3,825)	(3,825)
2	1010001841	346	1/24/2001	COST OF 2" METERS	-	(3,225)	(3,225)
2	1010001842	346	1/24/2001	COST OF INSTALLING 2" METERS	-	(587)	(587)
2	1010001843	346	1/24/2001	COST OF 1-1/2" METERS	-	(1,750)	(1,750)
2	1010002254	346	1/31/2011	Periodic Meter Repl. - Hampton - 5/8 inc	73,989	-	73,989
2	1010002255	346	1/31/2011	Periodic Meter Repl. - Hampton - 1 inch	2,575	-	2,575
2	1010002256	346	5/31/2011	Periodic Meter Repl. - Hampton - 1 1/2 i	262	-	262
2	1010002257	346	2/28/2011	Periodic Meter Repl. - Hampton - 2 inch	3,399	-	3,399
2	1010002258	346	1/31/2011	Periodic Meter Repl. - North Hampton - 5	12,974	-	12,974
2	1010002259	346	2/28/2011	Periodic Meter Repl. - North Hampton - 1	2,379	-	2,379
2	1010002260	346	2/28/2011	Periodic Meter Repl. - North Hampton - 1	800	-	800
2	1010002261	346	4/30/2011	Periodic Meter Repl. - North Hampton - 2	625	-	625
2	1010002262	346	1/31/2011	Periodic Meter Repl. - Rye, NH - 5/8 inc	11,384	-	11,384
2	1010002263	346	2/28/2011	Periodic Meter Repl. - Rye, NH - 1 inch	505	-	505
2	1010000275	348	7/1/2002	Hydrants, Hampton	-	(4,000)	(4,000)
2	1010001849	348	5/7/1966	2 Muller at Post Rd, N Hampton	-	(561)	(561)
2	1010001864	348	11/18/1967	Mueller 4 1/4" Hydrant Atlantic Ave N Hampton	-	(478)	(478)
2	1010001879	348	4/7/1969	Hydrant # 911 in Ocean Blvd. Jenness Beach Pct.	-	(349)	(349)
2	1010001883	348	3/24/1970	Hydrant # 538 in Atlantic Ave, N Hampton	-	(853)	(853)
2	1010001924	348	4/25/1978	Mueller Hydrant on Winnacut Rd, N Hampton	-	(919)	(919)
2	1010002042	348	9/28/1990	4 1/4" Mueller Hydrant Atlantic Ave, N Hampton	-	(648)	(648)
2	1010002054	348	11/2/1992	Hydrant #134 Morningside Dr &Holly Ave, Hampton	-	(857)	(857)
2	1010002268	348	2/28/2011	Hydrant Repl. - Hampton	21,675	-	21,675
2	1010002269	348	2/28/2011	Hydrant Repl. - North Hampton	4,207	-	4,207
2	1010002270	348	5/31/2011	Hydrant Repl. - Rye, NH	5,035	-	5,035
2	1010002271	349	2/28/2011	Valves - Hampton	33,918	-	33,918
2	1010002273	349	10/31/2011	Valves - Rye, NH	2,935	-	2,935
					225,048	(47,682)	177,365
3	1010000441	345	9/30/2011	New Services - Rye, NH - 3 inch	1,186	-	1,186
3	1010000446	345	6/30/2011	New Services - North Hampton - 6 inch	2,911	-	2,911
3	1010002211	345	5/31/2011	New Services - Hampton - 1 inch	25,598	-	25,598
3	1010002213	345	11/30/2011	New Services - Hampton - 2 inch	4,361	-	4,361
3	1010002214	345	12/31/2011	New Services - Hampton - 4 inch	7,232	-	7,232
3	1010002219	345	2/28/2011	New Services - North Hampton - 1 inch	27,862	-	27,862
3	1010002221	345	6/30/2011	New Services - North Hampton - 2 inch	15,126	-	15,126
3	1010002224	345	2/28/2011	New Services - Rye, NH - 1 inch	9,840	-	9,840
3	1010000482	346	4/30/2012	New Meters - North Hampton - 1 1/2 inch	524	-	524
3	1010002242	346	1/31/2011	New Meters - Hampton - 5/8 inch	29,861	-	29,861
3	1010002243	346	1/31/2011	New Meters - Hampton - 1 inch	849	-	849
3	1010002244	346	2/28/2011	New Meters - Hampton - 1 1/2 inch	1,122	-	1,122
3	1010002245	346	4/30/2011	New Meters - Hampton - 2 inch	1,550	-	1,550
3	1010002247	346	1/31/2011	New Meters - North Hampton - 5/8 inch	9,371	-	9,371
3	1010002248	346	4/30/2011	New Meters - North Hampton - 1 inch	1,268	-	1,268
3	1010002250	346	1/31/2011	New Meters - Rye, NH - 5/8 inch	4,752	-	4,752
3	1010002251	346	9/30/2011	New Meters - Rye, NH - 1 inch	173	-	173
Subtotal Revenue Producing					143,586	-	143,586
4	1010000024	314	7/1/2005	(2) Q-Mark Heaters, Well#9, Hampton	-	(3,210)	(3,210)
4	1010000723	314	4/30/2010	Well 5 Replacement - Wells and Springs	(1,050)	-	(1,050)
4	1010000614	321	12/31/2008	Capital Project - Pumping Structures 1	-	(523)	(523)
4	1010000842	325	6/4/1958	Electric pumping equip Scammon Well, Hampton	-	(8,586)	(8,586)
4	1010000843	325	6/4/1958	65 H.P. auxiliary engine for Scammon Well #9.	-	(1,588)	(1,588)
4	1010002281	325	8/31/2011	Uninterruptable power supplies for SCADA	1,705	-	1,705
4	1010002284	325	9/26/2011	Replace PLC screens	3,822	-	3,822
4	1010002285	325	9/26/2011	Purchase Valve Maintenance Equipment	4,152	-	4,152
4	1010002359	325	12/31/2011	Replace Well 6 Pump Shaft	5,149	-	5,149
4	1010000928	328	5/27/1987	Convert Engine at Scammon Well #9 to Natural gas,	-	(4,111)	(4,111)
4	1010000719	341	12/30/2009	Recurring T&D Proj - T&D Structures	-	(194)	(194)
4	1010000601	343	12/31/2008	Main Replacement 4	-	(111)	(111)
4	1010002283	390	9/26/2011	Repair Lighting Damage at Mill Rd. Gener	4,220	-	4,220
4	1010002361	390	12/31/2011	Lightning Protection - NH	15,715	-	15,715
4	1010000330	392	7/1/2003	2002 Truck F550 @Hampton	-	(35,399)	(35,399)
4	1010002275	392	6/30/2011	1993 Dynaweld Flatbed Trailer - xfer from MA	22,000	-	22,000
4	1010002276	392	6/30/2011	1999 International Dump Truck - xfer from MA	67,257	-	67,257
4	1010002274	396	5/20/2011	Purchase Lawn Mower - NH	11,845	-	11,845
4	1010002282	398	9/26/2011	Replacement PLC Cards for Multiple Wells	2,981	-	2,981
Subtotal Non Revenue Producing					137,796	(53,723)	84,073
Total					1,503,412	(113,870)	1,389,543

DW 12-085

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DIRECT TESTIMONY OF JAYSON P. LAFLAMME

JANUARY 11, 2013

**ATTACHMENT JPL-5: STAFF'S CALCULATION OF
ADJUSTMENTS TO NET PLANT IN SERVICE**

DW 12-085
AQUARIUM WATER COMPANY OF NH, INC.
CALCULATION OF STAFF ADJUSTMENTS TO NET PLANT IN SERVICE

NET
ADJUSTMENT

Grouping	Asset	Class	Cap Date	Asset Description	Addition / (Retirement)	PLANT IN SERVICE				ACCUMULATED DEPRECIATION				Accum Depr Adjustment					
						Balance @12/31/11	# Mos in Svc.	# Mos in Avg.	Test Year Average	Plant Adjustment	Deprec Rate	Acc Depr @12/31/10	Acc Depr @12/31/11		Test Year Average				
1	1010000709	311	12/31/11	New Source Development - NH	\$ 56,709	1	13	\$	4,362	\$	52,347	2.75%	\$	0	\$	(60)	\$	(720)	
1	1010002358	314	12/09/11	Well 9 Station Improvements - NH	112,649	1	13		8,665		103,984	3.50%		(1,971)		(152)		(1,820)	
1	1010002360	314	12/31/11	Redevelop Wells 20 & 21	35,166	1	13		2,705		32,461	3.50%		(615)		(47)		(568)	
1	1010002362	314	12/31/11	Redevelop Well 11	17,506	1	13		1,347		16,159	3.50%		(306)		(24)		(283)	
1	1010002363	325	12/31/11	Repair Well 11 Pump	11,543	1	13		888		10,655	3.43%		(198)		(15)		(183)	
1	1010002279	343	08/12/11	Atlantic Avenue # 110 to # 60	693,950	5	13		266,904		427,046	1.20%		(4,164)		(961)		(3,203)	
1	1010002357	397	12/09/11	Replace SCADA Radios	69,462	1	13		5,343		64,119	10.00%		(3,473)		(267)		(3,206)	
1	1010001031	343	04/10/56	2900' of 8" Transite Atlantic Ave. N Hampton Subtotal Non-Revenue Producing Assets	<u>\$ 984,521</u>	<u>9</u>	<u>13</u>		<u>\$ 8,629</u>		<u>\$ 829,892</u>	<u>1.20%</u>		<u>\$ (8,151)</u>		<u>\$ (4,932)</u>		<u>\$ 7,644</u>	<u>\$ (2,338)</u>
2	1010000174	345	07/01/02	3/4" Services, Hampton	\$ (3,820)	5	13	\$	1,469	\$	(1,469)	1.85%	\$	(601)	\$	2,015	\$	1,169	
2	1010000179	345	07/01/02	3/4" Service, North Hampton	(1,637)	5	13		630		(630)	1.85%		(257)		864		501	
2	1010002231	345	04/30/11	Service Repl. - Hampton 1 inch	39,204	9	13		27,141		12,063	1.85%		(363)		(139)		(223)	
2	1010002237	345	04/30/11	Service Repl. - North Hampton - 1 inch	7,779	9	13		5,385		2,394	1.85%		(72)		(28)		(44)	
2	1010002241	345	11/30/11	Service Repl. - Rye, NH - 1 inch	1,401	2	13		216		1,185	1.85%		(13)		(1)		(1)	
2	1010001838	346	01/24/01	Cost of Installing 1" Meters	(928)	3	13		214		(214)	3.80%		(335)		435		141	
2	1010001839	346	01/24/01	Cost of 5/8" Meters	(23,246)	2	13		3,576		(3,576)	3.80%		(8,392)		12,658		1,754	
2	1010001840	346	01/24/01	Cost of 1" Meters	(3,825)	2	13		883		(883)	3.80%		(1,381)		1,791		560	
2	1010001841	346	01/24/01	Cost of 2" Meters	(3,225)	3	13		744		(744)	3.80%		(1,164)		2,000		489	
2	1010001842	346	01/24/01	Cost of Installing 2" Meters	(587)	5	13		226		(226)	3.80%		(212)		364		178	
2	1010001843	346	01/24/01	Cost of 1-1/2" Meters	(1,750)	5	13		404		(404)	3.80%		(632)		820		265	
2	1010002254	346	01/31/11	Periodic Meter Repl. - Hampton - 5/8 inch	73,989	12	13		68,298		5,691	3.80%		(1,406)		(703)		(703)	
2	1010002255	346	01/31/11	Periodic Meter Repl. - Hampton - 1 inch	2,575	12	13		2,377		198	3.80%		(49)		(24)		(24)	
2	1010002256	346	05/31/11	Periodic Meter Repl. - Hampton - 1 1/2 inch	262	8	13		161		101	3.80%		(5)		(3)		(3)	
2	1010002257	346	02/28/11	Periodic Meter Repl. - Hampton - 2 inch	3,399	11	13		2,876		523	3.80%		(65)		(30)		(35)	
2	1010002258	346	01/31/11	Periodic Meter Repl. - North Hampton - 5/8 inch	12,974	12	13		11,976		998	3.80%		(247)		(123)		(123)	
2	1010002259	346	02/28/11	Periodic Meter Repl. - North Hampton - 1 inch	2,379	11	13		2,013		366	3.80%		(45)		(21)		(24)	
2	1010002260	346	02/28/11	Periodic Meter Repl. - North Hampton - 1 1/2 inch	800	11	13		677		123	3.80%		(15)		(7)		(8)	
2	1010002261	346	04/30/11	Periodic Meter Repl. - North Hampton - 2 inch	625	9	13		433		192	3.80%		(12)		(6)		(7)	
2	1010002262	346	01/31/11	Periodic Meter Repl. - Rye, NH - 5/8 inch	11,384	12	13		10,508		876	3.80%		(216)		(108)		(108)	
2	1010002263	346	02/28/11	Periodic Meter Repl. - Rye, NH - 1 inch	505	11	13		427		78	3.80%		(10)		(4)		(5)	
2	1010002275	348	07/01/02	Hydrants, Hampton	(4,000)	3	13		923		(923)	2.40%		(816)		2,526		610	
2	1010001849	348	05/07/66	2 Muller at Post Rd. N Hampton	(561)	3	13		129		(129)	2.40%		(561)		(86)		86	
2	1010001864	348	11/16/67	Mueller 4 1/4" Hydrant Atlantic Ave N Hampton	(478)	3	13		110		(110)	2.40%		(478)		(74)		74	
2	1010001879	348	04/07/69	Hydrant # 911 in Ocean Blvd, Jenness Beach Pct.	(349)	3	13		81		(81)	2.40%		(349)		(54)		54	
2	1010001883	348	03/24/70	Hydrant # 538 in Atlantic Ave. N Hampton	(853)	3	13		197		(197)	2.40%		(829)		(116)		130	
2	1010001924	348	04/25/78	Mueller Hydrant on Winnacut Rd. N Hampton	(919)	3	13		212		(212)	2.40%		(717)		191		140	
2	1010002042	348	09/28/90	4 1/4" Mueller hydrant Atlantic Ave. N Hampton	(648)	3	13		150		(150)	2.40%		(319)		321		99	
2	1010002054	348	11/02/92	Hydrant # 134 Morningside Dr & Holly Ave. Hampton	(857)	3	13		198		(198)	2.40%		(381)		336		131	
2	1010002268	348	02/28/11	Hydrant Repl. - Hampton	21,675	11	13		18,340		3,335	2.40%		(260)		(120)		(140)	
2	1010002269	348	02/28/11	Hydrant Repl. - North Hampton	4,207	11	13		3,560		647	2.40%		(50)		(23)		(27)	
2	1010002270	348	05/31/11	Hydrant Repl. - Rye, NH	5,035	8	13		3,098		1,937	2.40%		(60)		(21)		(40)	
2	1010002271	349	02/28/11	Valves - Hampton	33,918	11	13		28,700		5,218	5.00%		(848)		(391)		(457)	
2	1010002273	349	10/31/11	Valves - Rye, NH	2,935	3	13		677		2,258	5.00%		(73)		(11)		(62)	
				Subtotal 2011 WICA Assets	<u>\$ 177,363</u>	<u>3</u>	<u>13</u>		<u>\$ 197,009</u>		<u>\$ 28,037</u>			<u>\$ (17,423)</u>		<u>\$ 21,322</u>		<u>\$ 4,354</u>	
				Total Non-revenue Producing and 2011 WICA Assets	<u>\$ 1,161,884</u>				<u>\$ 495,853</u>		<u>\$ 726,178</u>			<u>\$ (25,574)</u>		<u>\$ 16,389</u>		<u>\$ 2,017</u>	
				Less: Company Adjustments to Net Plant in Service per Original Filing							<u>(975,222)</u>							<u>420,533</u>	
				Staff Adjustments to Net Plant in Service							<u>\$ (249,044)</u>							<u>\$ 422,550</u>	

DW 12-085

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DIRECT TESTIMONY OF JAYSON P. LAFLAMME

JANUARY 11, 2013

**ATTACHMENT JPL-6: COMPANY'S RESPONSE TO STAFF
DATA REQUEST TECH 2-3**

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 12-085

Aquarion Water Company's Responses to Staff Technical Session Requests—Set 2

Data Request Received: November 27, 2012
Request No.: Staff Tech 2-3

Date of Response: December 7, 2012
Witness: T. Dixon

REQUEST: Follow-up to Staff 2-21: a) Please provide copies of the 2012 second issue municipal property tax bills received by the Company. b) If available, please provide a copy of the 2012 State Utility Tax Assessment.

RESPONSE: a) Please refer to Staff Tech 2-3 Attachment A for the 2012 second issue municipal property tax bills received to date.

b) The 2012 State Assessment is not issued until mid- December. The Company is currently paying quarterly estimated tax payments based on the prior year's assessment with a final true up due in January once the final bill is received.

Town of North Hampton Town Clerk/Tax Collector 237 Atlantic Avenue North Hampton, NH 03862 Temp - Return Service Requested	AQUARION WATER CO OF NH			
	000999	000001	000000	\$ 6,563,800
	UTILITY-WATER			0.000
Any questions about the assessment on this property please call the Assessor's Office a		2012P02000903	Total Tax:	\$ 89,596.00
			- 1st Bill:	\$ 50,949.00
AQUARION WATER CO OF NH ATTN: TAX 600 LINDLEY ST BRIDGEPORT, CT 06606		11/09/2012	- Abated/Paid:	\$ 0.00
		12/17/2012	- Vet. Credits:	\$ 0.00
			+ Penalties:	\$ 0.00
			\$ 38,647.00	

Please return top copy with your payment.

Town of North Hampton Monday (except Holidays) 8:30am - 7:00pm Tuesday- Friday 8:30am - 3:00pm (603) 964-6029 Tax Collector: Susan M. Buchanan	AQUARION WATER CO OF NH			
	000999	000001	000000	0009-03
	UTILITY-WATER			0.000

Any questions about the assessment on this property please call the Assessor's Office a

County:	\$ 1.06	Taxable Land:	0	2012P02000903	Total Tax:	\$ 89,596.00
School:	\$ 7.74	Buildings:	6,563,800		- 1st Bill:	\$ 50,949.00
Town:	\$ 4.85	Total:	6,563,800	11/09/2012	- Abated/Paid:	\$ 0.00
				12/17/2012	- Vet. Credits:	\$ 0.00
					+ Penalties:	\$ 0.00
				12% APR After 12/17/2012	\$ 38,647.00	

\$ 13.65	6,563,800
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Keep this copy for your records.

Town of North Hampton Town Clerk/Tax Collector 237 Atlantic Avenue North Hampton, NH 03862 Temp - Return Service Requested	AQUARION WATER CO OF NH			
	000012	000082	000000	\$ 15,000
	UTILITY-WATER			1.040
Any questions about the assessment on this property please call the Assessor's Office a		2012P02000807	Total Tax:	\$ 241.00
			- 1st Bill:	\$ 121.00
AQUARION WATER CO OF NH ATTN: TAX 600 LINDLEY ST BRIDGEPORT, CT 06606	11/09/2012		- Abated/Paid:	\$ 0.00
	12/17/2012		- Vet. Credits:	\$ 0.00
			+ Penalties:	\$ 0.00
			\$ 120.00	

Please return top copy with your payment.

Town of North Hampton Monday (except Holidays) 8:30am - 7:00pm Tuesday- Friday 8:30am - 3:00pm (603) 964-6029 Tax Collector: Susan M. Buchanan	AQUARION WATER CO OF NH			
	000012	000082	000000	0008-07
	UTILITY-WATER			1.040

County:	\$ 1.06	Taxable Land:	15,000	2012P02000807	Total Tax:	\$ 241.00 204.2
School:	\$ 7.74	Buildings:	0		- 1st Bill:	\$ 121.00
Town:	\$ 4.85	Total:	15,000	11/09/2012	- Abated/Paid:	\$ 0.00
State Education:	\$ 2.40			12/17/2012	- Vet. Credits:	\$ 0.00
					+ Penalties:	\$ 0.00
				12% APR After 12/17/2012		\$ 120.00

5/6 13.65

5/6 83.75

\$ 16.05	15,000
-----------------	---------------

Keep this copy for your records.

Town of North Hampton Town Clerk/Tax Collector 237 Atlantic Avenue North Hampton, NH 03862 Temp - Return Service Requested	AQUARION WATER CO OF NH		
	000022	000031	000000
	\$ 218,000		
UTILITY-WATER			35.020
Any questions about the assessment on this property please call the Assessor's Office at		2012P02000901	Total Tax: \$ 2,976.00 - 1st Bill: \$ 1,502.00 - Abated/Paid: \$ 0.00 - Vet. Credits: \$ 0.00 + Penalties: \$ 0.00 \$ 1,474.00
AQUARION WATER CO OF NH ATTN: TAX 600 LINDLEY STREET BRIDGEPORT, CT 06606	11/09/2012		
	12/17/2012		

Please return top copy with your payment.

Town of North Hampton Monday (except Holidays) 8:30am - 7:00pm Tuesday- Friday 8:30am - 3:00pm (603) 964-6029 Tax Collector: Susan M. Buchanan	AQUARION WATER CO OF NH		
	000022	000031	000000
	0009-01		
UTILITY-WATER			35.020
Any questions about the assessment on this property please call the Assessor's Office at		2012P02000901	Total Tax: \$ 2,976.00 - 1st Bill: \$ 1,502.00 - Abated/Paid: \$ 0.00 - Vet. Credits: \$ 0.00 + Penalties: \$ 0.00 \$ 1,474.00

County: \$ 1.06	Taxable Land: 218,000	2012P02000901	Total Tax: \$ 2,976.00
School: \$ 7.74	Buildings: 0		- 1st Bill: \$ 1,502.00
Town: \$ 4.85	Total: 218,000	11/09/2012	- Abated/Paid: \$ 0.00
		12/17/2012	- Vet. Credits: \$ 0.00
			+ Penalties: \$ 0.00
		12% APR After 12/17/2012	\$ 1,474.00

\$ 13.65	218,000
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Keep this copy for your records.

Town of North Hampton Town Clerk/Tax Collector 237 Atlantic Avenue North Hampton, NH 03862 Temp - Return Service Requested	AQUARION WATER CO OF NH			
	000003	000004	000000	\$ 547,400
	UTILITY-WATER			40.350
	Any questions about the assessment on this property please call the Assessor's Office a			
AQUARION WATER CO OF NH ATTN: TAX 600 LINDLEY ST BRIDGEPORT, CT 06606	2012P02000806		Total Tax:	\$ 7,472.00
	11/09/2012		- 1st Bill:	\$ 3,772.00
	12/17/2012		- Abated/Paid:	\$ 0.00
			- Vet. Credits:	\$ 0.00
			+ Penalties:	\$ 0.00
			\$ 3,700.00	

Please return top copy with your payment.

Town of North Hampton Monday (except Holidays) 8:30am - 7:00pm Tuesday- Friday 8:30am - 3:00pm (603) 964-6029 Tax Collector: Susan M. Buchanan Any questions about the assessment on this property please call the Assessor's Office a	AQUARION WATER CO OF NH			
	000003	000004	000000	0008-06
	UTILITY-WATER			40.350
	Any questions about the assessment on this property please call the Assessor's Office a			

County:	\$ 1.06	Taxable Land:	351,500	2012P02000806	Total Tax:	\$ 7,472.00
School:	\$ 7.74	Buildings:	195,900		- 1st Bill:	\$ 3,772.00
Town:	\$ 4.85	Total:	547,400	11/09/2012	- Abated/Paid:	\$ 0.00
				12/17/2012	- Vet. Credits:	\$ 0.00
					+ Penalties:	\$ 0.00
				12% APR After 12/17/2012	\$ 3,700.00	

\$ 13.65	547,400
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Keep this copy for your records.

Town of North Hampton Town Clerk/Tax Collector 237 Atlantic Avenue North Hampton, NH 03862 Temp - Return Service Requested	AQUARION WATER CO OF NH		
	000023	000015	\$ 123,000
	UTILITY-WATER		
	38.600		
Any questions about the assessment on this property please call the Assessor's Office a	2012P02000902	Total Tax:	\$ 1,679.00
		- 1st Bill:	\$ 847.00
AQUARION WATER CO OF NH ATTN: TAX 600 LINDLEY ST BRIDGEPORT, CT 06606	11/09/2012	- Abated/Paid:	\$ 0.00
	12/17/2012	- Vet. Credits:	\$ 0.00
		+ Penalties:	\$ 0.00
		\$ 832.00	

Please return top copy with your payment.

Town of North Hampton Monday (except Holidays) 8:30am - 7:00pm Tuesday- Friday 8:30am - 3:00pm (603) 964-6029 Tax Collector: Susan M. Buchanan	AQUARION WATER CO OF NH		
	000023	000015	0009-02
	UTILITY-WATER		
	38.600		
Any questions about the assessment on this property please call the Assessor's Office a	2012P02000902	Total Tax:	\$ 1,679.00
		- 1st Bill:	\$ 847.00
	11/09/2012	- Abated/Paid:	\$ 0.00
	12/17/2012	- Vet. Credits:	\$ 0.00
		+ Penalties:	\$ 0.00
		\$ 832.00	
	12% APR After 12/17/2012		

County:	\$ 1.06	Taxable Land:	123,000	2012P02000902	Total Tax:	\$ 1,679.00
School:	\$ 7.74	Buildings:	0		- 1st Bill:	\$ 847.00
Town:	\$ 4.85	Total:	123,000	11/09/2012	- Abated/Paid:	\$ 0.00
				12/17/2012	- Vet. Credits:	\$ 0.00
					+ Penalties:	\$ 0.00
					\$ 832.00	

\$ 13.65	123,000
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Keep this copy for your records.

Town of North Hampton Town Clerk/Tax Collector 237 Atlantic Avenue North Hampton, NH 03862 Temp - Return Service Requested	DUSTIN CEDRIC H JR.			
	000022	000036	000000	\$ 29,900
	WINNICUT RD REAR			13.510
Any questions about the assessment on this property please call the Assessor's Office at		2012P02009701	Total Tax:	\$ 480.00
DUSTIN CEDRIC H JR. C/O AQUARION WATER CO 600 LINDLEY ST BRIDGEPORT, CT 06606		11/09/2012	- 1st Bill:	\$ 241.00
		12/17/2012	- Abated/Paid:	\$ 0.00
			- Vet. Credits:	\$ 0.00
			+ Penalties:	\$ 0.00
			\$ 239.00	

Please return top copy with your payment.

Town of North Hampton Monday (except Holidays) 8:30am - 7:00pm Tuesday- Friday 8:30am - 3:00pm (603) 964-6029 Tax Collector: Susan M. Buchanan		DUSTIN CEDRIC H JR.				
Any questions about the assessment on this property please call the Assessor's Office at		000022	000036	000000	0097-01	
		WINNICUT RD REAR			13.510	
County:	\$ 1.06	Taxable Land:	29,900 <i>OK</i>	2012P02009701	Total Tax:	\$ 480.00
School:	\$ 7.74	Buildings:	0		- 1st Bill:	\$ 241.00
Town:	\$ 4.85	Total:	29,900	11/09/2012	- Abated/Paid:	\$ 0.00
State Education:	\$ 2.40 <i>OK</i>			12/17/2012	- Vet. Credits:	\$ 0.00
					+ Penalties:	\$ 0.00
				12% APR After 12/17/2012		\$ 239.00

\$ 16.05	29,900
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Keep this copy for your records.

TOWN OF STRATHAM
10 BUNKER HILL AVE
STRATHAM, NH 03885



AQUARION WATER COMPANY
600 LINDLEY STREET
BRIDGEPORT, CT 06608

2012 STRATHAM PROPERTY TAX, BILL # 2 OF 2			
AQUARION WATER COMPANY			
Map	Lot	Sub	Pg-Line
000029	000000	000000	\$1,085,000
Invoice #		Billing Date	
2012P02001006		11/16/2012	
Parcel Location Acres			
WINNICUTT ROAD 0			
Summary of Taxes			
Total Tax :		\$18,434.00	
- 1st Bill :		\$10,226.00	
- Abated/Paid :		\$0.00	
- Vet. Credits :		\$0.00	
+ Penalties :		\$0.00	
Amount Due :		\$8,208.00	
Payment Due Date :		12/19/2012	
Amount Enclosed : \$			
12% APR Charge After 12/19/2012			

Return top copy with your payment

Tax Collector Office Hours	
TOWN OF STRATHAM	
MON. 8:30 - 7:30	
TUE., WED., THUR. 8:30 - 4:00	
FRI. 8:00 - 12:30	
TEL. (603) 772 - 4741	
TAX COLLECTOR: JOYCE L. CHARBONNEAU	

View your tax bills online at:
www.strathamnh.gov

Tax Rates	Assessments	
County :	\$0.97 Taxable Land :	\$0
School :	\$12.48 Buildings :	\$1,085,000
Town :	\$3.54	
Education Tax :	44.00	
Total :		\$1,085,000

Total Tax Rate : **16.99** **Net Value** : **\$1,085,000**

Keep this copy for your records

Billed To	
AQUARION WATER COMPANY	
600 LINDLEY STREET	
BRIDGEPORT, CT 06608	

Tax Rates	Assessments	
County :	\$0.97 Taxable Land :	\$0
School :	\$12.48 Buildings :	\$1,085,000
Town :	\$3.54	
Education Tax :	44.00	
Total :		\$1,085,000

Total Tax Rate : **19.31** **Net Value** : **\$1,085,000**

20094.00001

2012 STRATHAM PROPERTY TAX, BILL # 2 OF 2			
AQUARION WATER COMPANY			
Map	Lot	Sub	Pg-Line
000029	000000	000000	0010 06
Invoice #		Billing Date	
2012P02001006		11/16/2012	
Parcel Location Acres			
WINNICUTT ROAD 0			
Summary of Taxes			
Total Tax :		\$18,434.00	
- 1st Bill :		\$10,226.00	
- Abated/Paid :		\$0.00	
- Vet. Credits :		\$0.00	
+ Penalties :		\$0.00	
Amount Due :		\$8,208.00	
Payment Due Date :		12/19/2012	
12% APR Charge After 12/19/2012			

2012 STRATHAM PROPERTY TAX, BILL # 2 OF 2			
AQUARION WATER COMPANY			
Map	Lot	Sub	Pg-Line
000029	000000	000000	0010 06
Invoice #		Billing Date	
2012P02001006		11/16/2012	
Parcel Location Acres			
WINNICUTT ROAD 0			
Summary of Taxes			
Total Tax :		\$18,434.00	
- 1st Bill :		\$10,226.00	
- Abated/Paid :		\$0.00	
- Vet. Credits :		\$0.00	
+ Penalties :		\$0.00	
Amount Due :		\$8,208.00	
Payment Due Date :		12/19/2012	
12% APR Charge After 12/19/2012			

TOWN OF HAMPTON

Tax Collector's Office
100 Winnacunnet Rd.
Hampton, NH 03842-2119
603-926-6769
Office Hours:
Mon-Thurs 8am-5pm, Fri 8am-12pm

AQUARION WATER OF NH
600 LINDLEY ST
BRIDGEPORT, CT 06606

Y00109-000002

ASSESSED VALUE AND EXEMPTIONS

Land	\$800,000.00
Building	\$13,184,600.00
Gross Value	\$13,984,600.00
Net Assessed Value	\$13,984,600.00

*13,984,600
3,062,300 ROW
10,922,300 REGULAR
ASSESSMENT*

**2012 SEMI-ANNUAL PROPERTY TAX BILL
SECOND INSTALLMENT**

Account: 089332 158
Due Date: 12/17/2012
Bill Date: 11/16/2012

Property

Map-Lot: 999-129
Location: TOWN AREA
Reference No: 2012-2-561555
Class: 4000

Tax Rate Information

Town	\$7.14
County	\$1.09
Local Ed	\$7.02
	\$0.00
Total	\$15.25

Gross Tax \$213,265.14

PROPERTY TAX AND CREDITS

December Bill	\$105,723.56
Net Property Tax	\$105,723.56
Prior Bill Amount	\$107,541.58
Prior Bill Payments	(\$107,541.58)
Previously Paid	\$0.00
Net Due By: 12/17/2012	\$105,723.56

**** PLEASE READ THE BACK OF THIS BILL FOR IMPORTANT INFORMATION ****

FOR RECEIPT : Send entire bill & self-addressed stamped envelope

Owner of Record:

AQUARION WATER OF NH
600 LINDLEY ST
BRIDGEPORT, CT 06606

**2012 SEMI-ANNUAL PROPERTY TAX BILL
SECOND INSTALLMENT**

Account: 089332 158
Map-Lot: 999-129
Location: TOWN AREA
Reference No: 2012-2-561555
Class: 4000

MAKE CHECK PAYABLE AND MAIL TO:

TOWN OF HAMPTON

Tax Collector's Office
100 Winnacunnet Rd.
Hampton, NH 03842-2119

Due Date: 12/17/2012

Gross Tax:	\$213,265.14
July Payment:	\$107,541.58
PrePaid:	\$0.00
Credits:	\$0.00
Interest:	\$0.00

PAY THIS AMOUNT \$105,723.56

TOWN OF HAMPTON

Tax Collector's Office
100 Winnacunnet Rd.
Hampton, NH 03842 2119
603-926-6769
Office Hours:
Mon-Thurs 8am-5pm, Fri 8am-12pm

AQUARION WATER OF NH
600 LINDLEY ST
BRIDGEPORT, CT 06606

100109-000002

ASSESSED VALUE AND EXEMPTIONS

Land	\$274,700.00
Building	\$4,386,900.00
Gross Value	\$4,661,600.00
Net Assessed Value	\$4,661,600.00

*4661,600
1020,800 ROW*

3640,800 REGULAR ASSESSMENT

**2012 SEMI-ANNUAL PROPERTY TAX BILL
SECOND INSTALLMENT**

Account: 089330 159
Due Date: 12/17/2012
Bill Date: 11/16/2012

Property

Map-Lot: 999-33
Location: PRECINCT AREA
Reference No: 2012-2-561559
Class: 5000

Tax Rate Information

Town	\$7.84
County	\$1.09
Local Ed	\$7.02
State Ed	\$0.00
Total	\$15.95

Gross Tax \$74,352.52

PROPERTY TAX AND CREDITS

December Bill	\$36,873.25
Net Property Tax	\$36,873.25
Prior Bill Amount	\$37,479.27
Prior Bill Payments	(\$37,479.27)
Previously Paid	\$0.00
Net Due By: 12/17/2012	\$36,873.25

**** PLEASE READ THE BACK OF THIS BILL FOR IMPORTANT INFORMATION ****

FOR RECEIPT: Send entire bill & self-addressed stamped envelope

Owner of Record:

AQUARION WATER OF NH
600 LINDLEY ST
BRIDGEPORT, CT 06606

**2012 SEMI-ANNUAL PROPERTY TAX BILL
SECOND INSTALLMENT**

Account: 089330 159
Map-Lot: 999-33
Location: PRECINCT AREA
Reference No: 2012-2-561559
Class: 5000

MAKE CHECK PAYABLE AND MAIL TO:

TOWN OF HAMPTON

Tax Collector's Office
100 Winnacunnet Rd.
Hampton, NH 03842-2119

Due Date: 12/17/2012

Gross Tax:	\$74,352.52
July Payment:	\$37,479.27
PrePaid:	\$0.00
Credits:	\$0.00
Interest:	\$0.00

PAY THIS AMOUNT \$36,873.25

11/29/2012 10:57 6839644132 TOWN OF RYE PAGE 01/01

TOWN OF RYE, N.H.
10 CENTRAL ROAD
RYE, NH 03870
(603) 964-8582

TAX COLLECTOR OFFICE HOURS
8:00 AM - 4:30 PM
MONDAY - FRIDAY

Second Bill

REAL ESTATE TAX BILL

TAX YEAR	BILL NUMBER	BILLING DATE	INTEREST RATE	DUE DATE
2012	007899-002849	11/21/2012	12% if paid after	12/22/2012

MAP/PARCEL	LOCATION OF PROPERTY	AREA
081118000000	480 CENTRAL ROAD	

OWNER OF RECORD	TAX CALCULATION
AQUARIUM WATER COMPANY 600 LINDLEY STREET BRIDGEPORT, CT 06606	Municipal Tax Amount 6,768.76 School Tax Amount 8,426.42 County Tax Amount 2,111.54 Total Tax 17,306.72

TAX RATE	ASSESSED VALUATION	Actual Tax Amount	Paid to Date
Municipal 3.43	Buildings 1,852,200	17,306.72	-9,676.94
School 4.27	Land Value 121,200		
County 1.07			
TOTAL 8.77	NET VALUE 1,973,400	<Amount To Pay>	7,629.78

INFORMATION TO TAXPAYERS

THE TOWNSMEN MAY BY MARCH 1ST FOLLOW THE CITY OF RYEBURN BY THE AND NOT APPROVED. ONLY REFERRED TO THE COLLECTION OF ASSESSMENTS FOR A TAX ABATEMENT

ELIGIBLE RESIDENTS MAY APPLY FOR THE OLD ORIGINAL FOR RYEBURN AND EXEMPTED BY MARCH 1ST

IF YOU ARE ELIGIBLE, BEING A VETERAN OR VETERAN'S SPOUSE, A DISABLED VETERAN, OR DEPENDENT OF A VETERAN, YOU MAY BE ELIGIBLE FOR A TAX ADJUSTMENT. CREDIT, ABATEMENT OR REFUND FOR RYEBURN AND APPLICATION INFORMATION. CONTACT THE SELECTMEN'S OFFICE. APPLICATIONS FOR ADJUSTMENT AND/OR CREDIT MUST BE FILED ON OR BEFORE APRIL 15TH EACH YEAR.

REAL ESTATE TAX PAYMENTS WILL BE APPLIED FIRST TO THE OLDEST UNPAID REAL ESTATE TAXES OF ANY FOR THE SUBJECT PROPERTY.

TAXPAYER'S RECEIVING ANY INFORMATION REGARDING TAXATION, ACCOUNTING, INSURANCE, OR OTHER OF ANY KIND, MUST BE REFERRED TO THE TOWN OF RYEBURN TO TAX COLLECTION.

ALL TAXES ARE ASSSESSED ON APRIL 1ST OF EACH YEAR. TAX BILLS ARE DUE TO THE LAST WORKING ADDRESS.

- PAYMENT POLICIES:**
- POST-DATED CHECKS CANNOT BE ACCEPTED, AND WILL BE RETURNED TO THE TAXPAYER.
 - A \$25.00 FEE PLUS ALL ADDITIONAL DELINQUENCY PENALTIES AND COLLECTION COSTS WILL BE CHARGED FOR ANY CHECK RETURNED BY THE BANK FOR ANY REASON.
 - PAYMENT OF THIS BILL DOES NOT PREVENT THE COLLECTION OF PREVIOUS UNPAID TAXES, NOR DOES AN ERROR IN THE NAME OF THE PERSON(S) TAXED PREVENT COLLECTION.
 - IF YOU ARE NOT THE PRESENT OWNER OF THIS PROPERTY, PLEASE FORWARD TO THE PROPER OWNER. THE TAX COLLECTOR IS NOT RESPONSIBLE FOR PAYMENT ON THE WRONG TAX BILL.
 - IF THIS BILL IS PAID BY CHECK OR MONEY ORDER, IT IS NOT CONSIDERED PAID UNTIL THE CHECK OR MONEY ORDER IS CLEARED BY THE BANK.
 - PLEASE MAKE CHECK PAYABLE TO: TOWN OF RYE

Note: If your bank pays your tax bill, please send this bill to your bank.
If you have sold this property, please forward this bill to the new owner.

IF YOU WOULD LIKE A RECEIPT, PLEASE RETURN THE ENTIRE BILL AND A SELF-ADDRESSED STAMPED ENVELOPE.

DETACH HERE → TO INSURE PROPER CREDIT, RETURN ENTIRE BOTTOM PORTION OF BILL ↑ DETACH HERE

TOWN OF RYE, N.H.
REAL ESTATE TAX BILL

MAP/PARCEL NO.	LOCATION OF PROPERTY	TAX YEAR	BILL NUMBER	DUE DATE
081118000000	480 CENTRAL ROAD	2012	007899-002849	12/22/2012

12.00% APR Interest Charged After
07/03/2012 On 1st Bill 9676.94
12/22/2012 On 2nd Bill 7629.78

<Amount To Pay> 7,629.78

AQUARIUM WATER COMPANY
600 LINDLEY STREET
BRIDGEPORT, CT 06606

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

DW 12-085

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DIRECT TESTIMONY OF JAYSON P. LAFLAMME

JANUARY 11, 2013

**ATTACHMENT JPL-7: STAFF'S CALCULATION OF
ADJUSTMENT TO PROPERTY TAX EXPENSE**

DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
CALCULATION OF STAFF ADJUSTMENT TO PRO-FORMA PROPERTY TAX EXPENSE

Authority	Map/Lot	Location	Notes	Assessment	Tax Rates				Total	Tax
					Town	School	County	State		
Hampton:	999-33	Precinct Area:	(Regular Assessment) (Right-of-Way Tax)	\$ 10,922,300	\$ 7.14	\$ 7.02	\$ 1.09	\$ -	\$ 15.25	\$ 166,565
	999-129	Town Area:	(Regular Assessment) (Right-of-Way Tax)	3,062,300 3,640,800 1,020,800 <u>18,646,200</u>	7.14 7.84 7.84	7.02 7.02 7.02	1.09 1.09 1.09	-	15.25 15.95 15.95	46,700 58,071 <u>16,282</u> <u>287,618</u>
North Hampton:	3-4	7 Mill Road		547,400	4.85	7.74	1.06	-	13.65	7,472
	12-82	North Rd Rear		15,000	4.85	7.74	1.06	-	13.65	205
	22-31	Winnicut Rd		218,000	4.85	7.74	1.06	-	13.65	2,976
	22-36	Winnicut Rd Rear	(For Cedric H Dustin Jr.)	29,900	4.85	7.74	1.06	2.40	16.05	480
	23-15	Winnicut Rd Rear		123,000	4.85	7.74	1.06	-	13.65	1,679
999-1			<u>6,563,800</u> <u>7,497,100</u>	4.85 4.85	7.74 7.74	1.06 1.06	- -	13.65 13.65	<u>89,596</u> <u>102,407</u>	
Rye:	81118	480 Central Road		<u>1,973,400</u>	3.43	4.27	1.07	-	8.77	<u>17,307</u>
Stratham:	29-9	Winnicut Road		<u>1,085,000</u>	3.54	12.48	0.97	-	16.99	<u>18,434</u>
Total Municipal Taxes				<u>29,201,700</u>						<u>425,766</u>
State of NH:			(Per NH DRA)	<u>24,623,478</u>	-	-	-	6.60	6.60	<u>162,515</u>
Total Property Taxes - 2012				<u>\$ 53,825,178</u>						\$ 588,281
Less: Pro-forma Property Tax Expense per Company Filing										(602,806)
Staff Adjustment for Property Tax Expense										\$ (14,525)

DW 12-085

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DIRECT TESTIMONY OF JAYSON P. LAFLAMME

JANUARY 11, 2013

**ATTACHMENT JPL-8: COMPANY'S RESPONSE TO STAFF
DATA REQUEST TECH 2-4**

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 12-085

Aquarion Water Company's Responses to Staff Technical Session Requests—Set 2

Data Request Received: November 28, 2012
Request No.: Staff Tech 2-4

Date of Response: December 7, 2012
Witness: T. Dixon

REQUEST: Ref. Direct Testimony of Troy Dixon at p. 29. Please provide an estimate of the amount of the step increase proposed by the Company relative to the WICA projects in DW 12-325 as well as the supporting computations to derive such.

RESPONSE: Refer to Staff TS 2-4 Attachment A for the estimated amount of the step increase and the supporting calculation. The step increase of \$122,087 considers the 2012 projects placed in service and assumes the proposed rate of return of 7.85%.

Aquarion Water Company of New Hampshire
2012 Annual WICA Surcharge Filing

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

Line					<u>Schedule Ref.</u>	
1						
2	Total Investment through 09/30/2012				TD-1, Pg 3 Col 6 Ln 13	\$ 834,663
3						
4	Allowed Return on Rate Base				TD-1, Pg 2 Col 8	<u>7.85%</u>
5						
6	Allowed Return on Investment				Ln 17	\$ 65,521
7						
8	Income Tax on Equity Component					
9						
10		(a)	(b)	(c)	(d)	
11		Weighted	Tax	Pre tax	Tax Gross Up	
12		Cost	Multiplier	Cost	Col (c) - Col (a)	
13						
14	Debt	3.62%	1.00	3.62%	0.00%	
15	Equity	<u>4.23%</u>	1.68	<u>7.11%</u>	<u>2.88%</u>	
16						
17		7.85%		10.73%	2.88%	
18						
19	Total Eligible Investment (Line 2 above)				\$	834,663
20						
21	Income Tax Expense				Ln 16 Col D X Ln 18	24,038
22						
23	Depreciation Expense				TD-1, Pg 3 Col 8 Ln 41	16,080
24						
25	Property Tax Expense				TD 1, Pg 3 Col 10 Ln 41	16,447
26						
27	Adjustment: Annual Revenues Allowed				Lines 6 through 25	<u>\$ 122,087</u>
28						
29						

Aquarion Water Company of New Hampshire
2012 Annual WICA Surcharge Filing

**WATER INFRASTRUCTURE & CONSERVATION ADJUSTMENT
COMPLETED PROJECTS**

Line	Project Name or Class Category **	1	2	3	4	5	6	7	8	9	10 = (4 x 8) + 5 + 6 + 7
		Estimated Completion Date**	Actual Completion Date	Estimated Project Cost**	Actual Project Cost	Depreciation Expense	Property Tax Expense	Income Tax Expense	Rate of Return	Annual Retail Revenues	WICA Adjustment Dollars
1											
2	Project Surcharge Proposed Herein										
3	Atlantice Avenue - H539 to Maple Road	30-Sep-12	30-Sep-12	\$ 574,500	\$ 553,908	\$ 6,394	\$ 10,790	\$ 15,953	7.85%	\$ 6,094,612	76,619
4	Customer Meters	30-Sep-12	30-Sep-12	\$ 230,860	\$ 224,539	\$ 8,323	\$ 4,622	\$ 6,467	7.85%	\$ 6,094,612	37,038
5	Hydrants	30-Sep-12	30-Sep-12	\$ 32,700	\$ 10,395	\$ 152	\$ 138	\$ 299	7.85%	\$ 6,094,612	1,406
6	Services	30-Sep-12	30-Sep-12	\$ 80,600	\$ 32,086	\$ 524	\$ 619	\$ 924	7.85%	\$ 6,094,612	4,586
7	Valves	30-Sep-12	30-Sep-12	\$ 10,800	\$ 13,734	\$ 687	\$ 278	\$ 396	7.85%	\$ 6,094,612	2,439
8											
9	TOTALS			\$ 929,460	\$ 834,663	\$ 16,080	\$ 16,447	\$ 24,038			\$ 122,087

* Emergency Replacement
** Per Docket Filing DW 12-325

Aquarion Water Company of New Hampshire
2012 Annual WICA Surcharge Filing

WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT
ELIGIBLE PROJECTS PLACED IN SERVICE

Line	Description of Project	Street	Town	1 PUC Acct	2 Depr Rate	3 Type of Project*	4 Date in Service	5 Date of 1st Filing	6 Eligible Capital Costs	7 Retirements	8 = (6 - 7) x 2 Depreciation Expense	9 Mill Rates Town State	Total	10 = (((6-7)/1000) x 12) Prop. Tax Expense**	
1	Project Surcharge Proposed Herein														
2	Atlantice Avenue - H639 to Maple Road		North Hampton	343	1.20%	Main Replacement	1/1/2012	9/30/2012	\$ 553,908	\$ 21,046	\$ 6,394	13.65	6.60	\$ 20.25	10,790
3	Customer Meters		Hampton	346	3.80%	Meter Replacement	1/1/2012	9/30/2012	\$ 180,552	\$ 4,881	\$ 6,675	15.25	6.60	\$ 21.85	\$ 3,838
4	Customer Meters		North Hampton	346	3.80%	Meter Replacement	1/1/2012	9/30/2012	\$ 24,105	\$ 143	\$ 911	13.65	6.60	\$ 20.25	485
5	Customer Meters		Rye	346	3.80%	Meter Replacement	1/1/2012	9/30/2012	\$ 19,882	\$ 489	\$ 737	8.77	6.60	\$ 15.37	298
6	Hydrants		Hampton	348	2.40%	Hydrants	1/1/2012	9/30/2012	\$ 8,846	\$ 2,701	\$ 147	15.25	6.60	\$ 21.85	134
7	Hydrants		North Hampton	348	2.40%	Hydrants	1/1/2012	9/30/2012	\$ 1,549	\$ 1,350	\$ 5	13.65	6.60	\$ 20.25	4
8	Services		Hampton	345	1.85%	Services	1/1/2012	9/30/2012	\$ 32,086	\$ 3,760	\$ 524	15.25	6.60	\$ 21.85	619
9	Valves		Hampton	349	5.00%	Other T&D Plant	1/1/2012	9/30/2012	\$ 5,800	\$ -	\$ 290	13.65	6.60	\$ 20.25	117
10	Valves		North Hampton	349	5.00%	Other T&D Plant	1/1/2012	9/30/2012	\$ 7,934	\$ -	\$ 397	13.65	6.60	\$ 20.25	161
11	Valves														
12															
13															
TOTALS									\$ 834,663	\$ 34,371	\$ 16,080			\$ 16,447	
									to TD-1,		to TD-1,				
									Pg 1, Ln 2		Pg 1, Ln 23				

* Type of Project (designations will be given for various types of projects)
**Property Tax Expense is for twelve months for the 2012 proposed surcharge projects.

DW 12-085

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

DIRECT TESTIMONY OF JAYSON P. LAFLAMME

JANUARY 11, 2013

**ATTACHMENT JPL-9: STAFF'S RECOMMENDED STEP
INCREASE**

**Attachment JPL-9
Schedule 1**

**DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
STEP INCREASE
REVENUE REQUIREMENT**

2012 WICA Additions (Sch 2)					\$ 834,663
Less: Accumulated Depreciation					<u>(8,355)</u>
Net 2012 WICA Additions					826,308
Rate of Return (Att JPL-2; Sch 1B)					<u>7.31%</u>
Operating Income Requirement					60,415
Add: Income Tax Expense (a)	\$ 826,308	X	2.49%	=	<u>20,553</u>
Add: Net Change in Depreciation Expense (Sch 2)					16,080
Add: Net Change in Property Tax Expense (Sch 3)					<u>16,817</u>
Total Step Increase for 2012 WICA Additions					<u>\$ 113,865</u>
Pro-forma Test Year Operating Revenues					<u>\$ 6,086,673</u>
Percentage Increase					<u>1.87%</u>

Combined Permanent & Step Increase:

Permanent Increase (Att JPL-2; Sch 1)					\$ 857,810
Step Increase					<u>113,865</u>
Combined Permanent & Step Increase					\$ 971,675
Pro-forma Test Year Operating Revenues					<u>6,086,673</u>
Total Revenue Requirement					<u>\$ 7,058,348</u>
Combined Percent Increase					<u>15.96%</u>

(a) Income Tax on Equity Component

	(1) Weighted Cost (Att JPL-2; Sch 1B)	(2) Tax Multiplier (Att JPL-2; Sch 1A)	(3) Pre-tax Cost (1) X (2)	(4) Tax Gross-up (3) - (1)
Debt	3.66%	1.00	3.66%	0.00%
Equity	<u>3.65%</u>	1.68	<u>6.14%</u>	<u>2.49%</u>
Total	<u>7.31%</u>		<u>9.80%</u>	<u>2.49%</u>

DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
STEP INCREASE
ANALYSIS OF 2012 WICA PROJECTS

Description of Project	Location	PUC Account	Deprec Rate	Project Type	WICA Additions	Retirements	Net Additions	Net Annual Change in Deprec Exp	First Year Accum Depr on Addit's
Atlantic Avenue - H539 to Maple Road	North Hampton	343	1.20%	Main Replacement	\$ 553,909	\$ (21,047)	\$ 532,862	\$ 6,394	\$ (3,323)
Customer Meters	Hampton	346	3.80%	Meter Replacement	180,552	(4,881)	175,671	6,675	(3,430)
Customer Meters	North Hampton	346	3.80%	Meter Replacement	24,105	(143)	23,962	911	(458)
Customer Meters	Rye	346	3.80%	Meter Replacement	19,882	(489)	19,393	737	(378)
Hydrants	Hampton	348	2.40%	Hydrants	8,846	(2,701)	6,145	147	(106)
Hydrants	North Hampton	348	2.40%	Hydrants	1,549	(1,350)	199	5	(19)
Services	Hampton	345	1.85%	Services	32,086	(3,760)	28,326	524	(297)
Valves	Hampton	349	5.00%	Other T&D Plant	5,800	-	5,800	290	(145)
Valves	North Hampton	349	5.00%	Other T&D Plant	7,934	-	7,934	397	(198)
Totals					\$ 834,663	\$ (34,371)	\$ 800,292	\$ 16,080	\$ (8,355)

DW 12-085
AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
STEP INCREASE
ANALYSIS OF PROPERTY TAX EXPENSE RELATED TO 2012 WICA ADDITIONS

Description of Project	Location	PUC Account	Deprec Rate	Project Type	Cost of Additions	First Year Accum Depr on Addit's	Net Book Value Additions	Cost of Retirements	Estimated Accum Depr at Retirement	Net Book Value Retirements	Net Increase in Book Value	Mill Rate		Net Change in Property Tax Expense
												Town	State	
Atlantic Avenue - H539 to Maple Road	North Hampton	343	1.20%	Main Replacement	\$ 553,909	\$ (3,323)	\$ 550,586	\$ (21,047)	\$ 15,785	\$ (5,262)	\$ 545,324	\$ 13.65	\$ 6.60	\$ 11,043
Customer Meters	Hampton	346	3.80%	Meter Replacement	180,552	(3,430)	177,122	(4,881)	3,661	(1,220)	175,901	15.25	6.60	3,843
Customer Meters	North Hampton	346	3.80%	Meter Replacement	24,105	(458)	23,647	(143)	107	(36)	23,611	13.65	6.60	478
Customer Meters	Rye	346	3.80%	Meter Replacement	19,882	(376)	19,504	(489)	367	(122)	19,382	8.77	6.60	298
Hydrants	Hampton	348	2.40%	Hydrants	8,846	(106)	8,740	(2,701)	2,026	(675)	8,065	15.25	6.60	176
Hydrants	North Hampton	348	2.40%	Hydrants	1,549	(19)	1,530	(1,350)	1,013	(338)	1,193	13.65	6.60	24
Services	Hampton	345	1.85%	Services	32,086	(297)	31,789	(3,760)	2,820	(940)	30,849	15.25	6.60	674
Valves	Hampton	349	5.00%	Other T&D Plant	5,800	(145)	5,655	-	-	-	5,655	15.25	6.60	124
Valves	North Hampton	349	5.00%	Other T&D Plant	7,934	(196)	7,736	-	-	-	7,736	13.65	6.60	157
Totals					\$ 834,663	\$ (8,355)	\$ 826,308	\$ (34,371)	\$ 25,778	\$ (6,593)	\$ 817,716			\$ 16,817