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December 26, 2012

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 Fruit Street, Suite 10
Concord, NH 03301-2429

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Re: DW 12-325; Aquarion Water Company of New Hampshire, Inc. ("Aquarion")
2012 Water Infrastructure and Conservation Adjustment ("WICA") Filing;
Aquarion's Response to Town of Hampton's Statement of Position

Dear Ms. Howland:

Aquarion Water Company of New Hampshire, Inc. (the "Company") submits this response to the Town of Hampton's (the "Town") Statement of Position filed with the Commission in this proceeding.

The rate of return concerns raised by the Town in its Statement of Position are not relevant to either the prudence review of the proposed 2013 WICA surcharge or consideration and approval of the 2013 budget in the instant proceeding. The parameters of the WICA pilot program are set forth in the settlement agreement ("Settlement Agreement") that was approved by the Commission's Order No. 25,019 in the Company's last rate case, Docket DW 08-098. That order and other orders of the Commission issued in past WICA proceedings¹ all contemplate that the allowed 7.72% rate of return is the appropriate rate of return for determining the WICA surcharge for 2013. While the Town is free to raise the rate of return issues in the Company's current rate case, those issues do not belong in this proceeding. As such, it would be inappropriate to deny the requested WICA surcharge on those bases where the instant WICA filing comports and the Company has complied with the Commission's order.

¹ The Company applied the 7.72% rate of return in its prior WICA filings in Dockets DW 10-293 and DW 11-238, which filings were approved by the Commission.

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In addition, the Commission's Order No. 25,019 in effect approved the WICA pilot program as a three-year program, and the Company submitted a three-year budget for program years 2010, 2011, and 2012 with its first WICA filing in Docket DW 09-211. The Company made the WICA filing in the instant proceeding in accordance with that currently effective Order No. 25,019. A review of the WICA pilot program is underway in the Company's current rate case, and, therefore, the outcome of that review would apply on a going forward basis, not to this proceeding.

Very truly yours,



Jinjue Pak Allen

cc: Service List
Steven V. Camerino, Esq.