

THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION

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July 11, 2014

RE: DW 14-075, Aquarion Water Company of NH, Inc.
Order No. 25,692

To the Parties:

Enclosed is revised page 3 of Order No. 25,692 (dated July 10, 2014). On page 3, line 7, "Company" has been changed to "Commission".

All other portions of this order remain unchanged.

Please substitute the enclosed revised page to your copy of Order No. 25,692.

Very truly yours,

A handwritten signature in blue ink that reads "Debra A. Howland / aul".

Debra A. Howland
Executive Director

Lad
Enclosure

in this docket, the Commission approved a WICA surcharge of 1.3657% but set the actual surcharge at 0.0% on a temporary basis in anticipation of off-setting the tax benefit under consideration here. *See Aquarion Water Co. of NH, Inc.*, Order No. 25,668 (May 23, 2014) (approving WICA surcharge of 1.3657% effective for service rendered on and after April 1, 2014, approving a temporary surcharge 0.0% and creation of a deferred asset). The Office of the Consumer Advocate concurs in Staff's recommendations. *Id.* at 2. Although they did not intervene, the Town of Hampton and the North Hampton Water Commission informed Staff that they concur with Staff's recommendation. *Id.*

II. COMMISSION ANALYSIS

The Commission approves Aquarion's request in part. Aquarion has indicated it will reflect a "catch up adjustment" on its 2013 federal tax return with respect to capital additions dating back to 2007, consistent with the regulations promulgated by the IRS, and will receive a tax benefit of approximately \$905,000. Aquarion will establish a regulatory liability on its books for the amount of the tax benefit. Aquarion will then amortize this liability by first subtracting the amount of a deferred asset accrued as a result of temporarily setting its 2014 WICA surcharge at 0.0000%. *See generally* Order No. 25,668. Aquarion estimates that the deferred WICA revenues for 2014 will total \$71,766. Attachment to Petition at 1. Aquarion will return the net balance of approximately \$833,234 through the credit beginning January 1, 2015. Beginning January 1, 2015, customer bills will once again reflect an approved WICA surcharge for both 2013 and 2014 WICA expenditures as well as a credit of approximately 4%. Petition at 2. The 2015 WICA surcharge will consist of the deferred 1.3657% (based on 2013 spending) as well as an additional amount anticipated to be approved this fall (based on 2014 spending).

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 14-075-1 Printed: July 11, 2014

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.