

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DW 23-011**

**AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.**

**Petition for Approval of Financing from CoBank, ACB**

**Order *Nisi* Approving Financing**

**ORDER NO. 26,815**

**May 5, 2023**

Aquarion Water Company of New Hampshire, Inc. (Aquarion, or the Company), requests approval of financing through CoBank, ACB (CoBank). The Commission authorizes Aquarion to issue a general mortgage bond to CoBank for an aggregate principal amount of \$11,000,000 to: (1) refinance short-term debt; (2) finance capital expenditures; and (3) pay at maturity general mortgage bonds due June 1, 2023. Aquarion seeks a decision for effect by May 22, 2023.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at [www.puc.nh.gov/Regulatory/Docketbk/2023/23-011.html](http://www.puc.nh.gov/Regulatory/Docketbk/2023/23-011.html).

**I. BACKGROUND AND PROCEDURAL HISTORY**

Aquarion Water Company of New Hampshire, Inc. (Aquarion, or the Company), a subsidiary of Aquarion Water Company, which is owned by parent company Eversource Energy, is a regulated water utility as defined by RSA 362:2 and RSA 362:4. The Company is authorized by the Commission to provide water service to approximately 9,600 customers in Hampton, North Hampton, Rye, and Stratham.

On February 1, 2023, Aquarion filed a petition for approval of financing through CoBank. On April 26, 2023, DOE filed a technical statement recommending approval

of the petition. The Office of the Consumer Advocate did not submit an appearance in this docket, and no petitions to intervene were filed.

## **II. POSITIONS OF THE PARTIES**

### **A. AQUARION**

In its petition, Aquarion proposed new financing in the amount of \$11,000,000 to: (1) refinance outstanding short-term debt; (2) finance capital expenditures; and (3) pay at maturity \$3,000,000 in general mortgage bonds due June 1, 2023. Aquarion seeks a decision for effect by May 22, 2023, to permit payment at maturity of \$3 million in general mortgage bonds due June 1, 2023.

### **B. DOE**

DOE reviewed Aquarion's petition and recommended that the Commission consider Aquarion's financing request to be "routine" under *Appeal of Easton*, 125 N.H. 205, 211 (1984). Based on its review, DOE concluded that the projected impact on rates is minimal, with an estimated bill impact of between \$1.75 and \$2.89 per month for an average single-family residential customer. DOE stated that the proposed financing will have a positive impact on capitalization, bringing Aquarion's capital structure from a current 24.7 percent long-term debt and 75.3 percent equity to an estimated 40.8 percent long-term debt and 59.2 percent common equity. DOE believes that the Company's stated purposes for the loan are appropriate and within the ordinary course of utility operations. Accordingly, DOE recommended that the Commission find the proposed financing to be consistent with the public good, as required by RSA 369:1, and approve Aquarion's request for financing. DOE determined that a complete record has been provided for the Commission's consideration.

### III. COMMISSION ANALYSIS

RSA 369:1 states that a utility may, “with the approval of the commission but not otherwise, issue and sell ... notes and other evidences of indebtedness payable more than 12 months after the date thereof for lawful corporate purposes.” The Commission must conduct a “hearing or investigation as it may deem proper,” then authorize the financing “if in its judgment the issue of such securities upon the terms proposed is consistent with the public good.” RSA 369:4. The Commission reviews the amount to be financed, the reasonableness of the terms and conditions, the proposed use of proceeds, and the effect on rates. *Appeal of Easton*, 125 NH 205, 211 (1984) (*Easton*).

The rigor of an *Easton* inquiry varies depending on the circumstances of the request. As the Commission has noted in prior financing decisions, “certain financing related circumstances are routine, calling for more limited Commission review of the purposes and impacts of the financing, while other requests may be at the opposite end of the spectrum, calling for vastly greater exploration of the intended uses and impacts of the proposed financing.” *Public Service Company of New Hampshire*, Order No. 25,050 at 14 (December 8, 2009). We engage in a more limited review for routine financing requests. *Id.* at 13-14. A routine request is one that will have no discernible “impact on rates or deleterious effect on capitalization, [and] in which the funds are to enable numerous investments appropriate in the ordinary course of utility operations.” *Id.* at 13.

Aquarion stated that the bond issuance in the aggregate principal amount of up to \$11,000,000 will be used to: (1) refinance outstanding short-term debt; (2) finance the Company’s 2023 capital expenditures; (3) pay, upon maturity, the Company’s \$3,000,000 General Mortgage Bonds, at 7.71 percent interest, due June 1, 2023; and

(4) fund working capital needs. According to Aquarion, each of these intended uses of the proposed financing fall within the course of the Company's ordinary utility operations.

We concur with DOE's assessment that the projected impact on rates is minimal, and that the proposed financing will have a positive impact on capitalization of the Company. We further find that approval of the proposed refinancing will permit Aquarion to fulfill its duty under RSA 374:1 to provide safe, adequate, and reliable service to its customers. We therefore find, pursuant to RSA 369:1 and RSA 369:4, that the financing is consistent with the public good. Accordingly, we approve the financing request as presented in the Company's filing. We further require Aquarion to pursue principal forgiveness if it becomes available at any time during the term of the financing.

Based on Aquarion's petition and DOE's analysis and recommendation, the Commission finds Aquarion's proposed financing to be routine and the terms to be reasonable. We therefore approve the proposed financing on a *nisi* basis, for effect on May 22, 2023.

**Based upon the foregoing, it is hereby**

**ORDERED NISI**, that subject to the effective date below, the request of Aquarion Water Company of New Hampshire, Inc., for approval of its proposed financing transaction, as described herein, is hereby GRANTED; and it is

**FURTHER ORDERED**, that Aquarion Water Company of New Hampshire, Inc. shall cause a copy of this order to be published on its website within one day of this order, such publication to be documented by affidavit filed with the Commission and once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than May

12 and to be documented by affidavit filed with this office on or before May 17; and it is

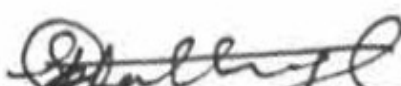
**FURTHER ORDERED**, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than May 17 for the Commission's consideration; and it is

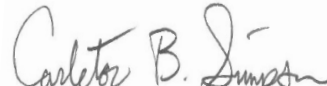
**FURTHER ORDERED**, that any party interested in responding to such comments or request for hearing shall do so no later than May 19; and it is

**FURTHER ORDERED**, that this order shall be effective May 22, 2023, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this fifth day of May, 2023.

  
\_\_\_\_\_  
Daniel C. Goldner  
Chair

  
\_\_\_\_\_  
Pradip K. Chattopadhyay  
Commissioner

  
\_\_\_\_\_  
Carleton B. Simpson  
Commissioner

# Service List - Docket Related

Docket#: 23-011

Printed: 5/5/2023

Email Addresses

---

ClerksOffice@puc.nh.gov  
Suzanne.G.Amidon1@energy.nh.gov  
jessica.chiavara@eversource.com  
dcota@aquarionwater.com  
Energy-Litigation@energy.nh.gov  
thomas.c.frantz@energy.nh.gov  
alexandra.k.ladwig@energy.nh.gov  
jayson.p.laflamme@energy.nh.gov  
anthony.j.leone@energy.nh.gov  
amanda.o.noonan@energy.nh.gov  
emilie.oneil@eversource.com  
ocalitigation@oca.nh.gov  
dj.smiarowski@eversource.com  
dszabo@aquarionwater.com  
junger@aquarionwater.com