

REPORT OF THE NORTH HAMPTON WATER COMMISSION

Commissioners

Henry Fuller, Co-Chairman

Bob Landman, Co-Chairman

Tim Harned, Secretary

Richard Bettcher

Jim Maggiore, Select Board Rep

The NHWC works on behalf of the community to safe-guard its water resources, hold down the cost of service, and resolve the Townspeople's issues with the water delivery service offered by the Aquarion Water Company in Hampton, NH.

Aquarion provides water to ~70% of the Town residents as well as Rye Beach and Hampton. The Town is a very large customer; its Town offices, the North Hampton school and water hydrants are served by the company. The company was founded in 1907, initially serving the Hampton Beach Precinct. There are 105 miles of water mains and 368 hydrants in the three towns.

Aquarion continues to search long term (by 2020-2025), for new water sources. Aquarion still considers desalination as not being a viable alternative due to the capital investment for implementation.

The NHWC is participating in the ongoing NH Public Utilities Commission's (PUC) review of Aquarion Water Company's proposed Water Infrastructure and Conservation Adjustment (WICA) projects. A meeting between the Water Commissioners and Aquarion to review its proposed capital expenditures for 2013-2014 was held on November 15, 2012. In the review of the WICA projects before the PUC, North Hampton is pleased with the projects that North Hampton has undertaken, but continues to believe that lower water rates and lower returns on Aquarion's investments are in order in these difficult economic times.

Aquarion has filed a rate case (New Hampshire Public Utilities Commission docket number DW 10-085) which seeks a revenue increase of 18.3%, with an overall rate of return of 7.87%. The Commissioners have intervened in the matter and have taken the position that an increase of this amount is completely unwarranted, particularly given the difficult economic times that water users and taxpayers are continuing to experience. The PUC is scheduled to have it hearing on Aquarion's proposed rate increase in February, 2013.

Water main replacement work undertaken in 2012 included replacing the aging water main between 539 Atlantic Avenue and Maple Road in North Hampton, at the approximate cost of \$550,000. The company accelerated its replacement of water meters by installing 1,553 remote read meters. This metering project is part of a 3 year undertaking to install water meters that can be read remotely with a device operated from a vehicle traveling up and down the street, thereby saving customers the expense of having an Aquarion employee having to leave their vehicle and go onto each property to read each customer's meter. The new meters considerably reduce labor cost and will, as the NHWC desires it, permit monthly (instead of quarterly) bills, resulting, we have argued at the NH PUC, in much earlier leak detection (which means reduced bills to customers for leaky fixtures) and increased water conservation.

In 2013, Aquarion will undertake to replace approximately 2,100 feet of Hampton water main beginning at Ocean Boulevard-Dumas Avenue and continuing to Winnacunnet Road, at the estimated cost of \$910,000.

Public documents related to the WICA program and the ongoing NH PUC rate case are available for review at the Town's website.

Respectfully submitted

Bob Landman, Co-Chair
North Hampton Water Commission