



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING, PUBLIC HEARING, AND PROCEDURAL CONFERENCE

D.P.U. 19-29

March 27, 2019

Petition of Aquarion Water Company of Massachusetts requesting review and approval by the Department of Public Utilities of its Annual Main Replacement Adjustment Mechanism for effect September 1, 2019.

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On March 1, 2019, Aquarion Water Company of Massachusetts (“Aquarion” or “Company”) filed with the Department of Public Utilities (“Department”) an initial report of its fixed costs associated with 15 main-replacement projects placed in service between January 1, 2017 and December 31, 2018, not included in the Company’s rate base. Also contained in the filing is the Company’s plan to construct eligible Plant Additions within the upcoming three years. The Company states that the filing is made in accordance with the directives of the Department in Aquarion Water Company of Massachusetts, D.P.U. 17-90 (2018), and the Main Replacement Adjustment Mechanism (“MRAM”), M.D.P.U. No. 5. The Department has docketed this matter as D.P.U. 19-29.

For this inaugural filing pursuant to M.D.P.U. No. 5, the Company is authorized to request recovery for the fixed costs associated with the main-replacement projects placed in service between January 1, 2017 and December 31, 2018, which were not included in rate base as determined in D.P.U. 17-90. Thereafter, the MRAM Factor will be adjusted annually based on a filing made by March 1 for the fixed costs of Eligible Plant Additions placed in service the prior calendar year, for a rate adjustment effective September 1. The application must address two elements. First, the Company’s application must include a report that details the fixed costs associated with eligible projects placed in service during the prior year. The report is intended to provide documentation supporting the Company’s expenditures in the previous year and sufficient information to allow the Department to review the Company’s actual expenditures for the purposes of determining the Company’s revenue requirement and subsequent MRAM Factor. Second, the Company must include a schedule of the MRAM-Eligible Plant Additions that it plans to construct in the upcoming three years.

For cost recovery purposes, Aquarion reports total eligible project costs of \$2,750,925 for Plant Additions placed in service between January 1, 2017 and December 31, 2018. Based on these project costs, the Company calculates a revenue requirement of \$272,094 for recovery through the MRAM Factor. The Company proposes a MRAM rate of two percent, the maximum permitted under M.D.P.U. No. 5, and a MRAM Factor of \$3.53, effective September 1, 2019 through August 30, 2020. If the Company’s proposed rate and MRAM

Factor are approved, a typical 5/8" metered residential customer using 62,500 gallons per year will see a bill increase in 2019 of \$3.53, which amounts to a 0.4 percent change for Hingham, Hull, and Cohasset residents and a 0.7 percent change for Millbury and Oxford residents.

Pursuant to G.L. c. 12, § 11E(a), the Attorney General of the Commonwealth of Massachusetts ("Attorney General"), through the Office of Ratepayer Advocacy, may intervene, appear, and participate in Department proceedings on behalf of any group of consumers in connection with any matter involving rates of a water company. On March 12, 2019, the Attorney General submitted a Notice of Intervention on behalf of the Company's ratepayers in this case. Further, on March 19, 2019, pursuant to G.L. c. 12, § 11E(b), the Attorney General filed a Notice of Retention of Experts and Consultants to assist in her investigation of the Company's filing. The Attorney General has requested Department approval to spend up to \$150,000. Pursuant to G.L. c. 12, § 11E(b), the costs incurred by the Attorney General relative to her retention of experts and consultants are charged to the Company and may be recovered by the Company in rates.

The Department will conduct a public hearing to receive comments on the Company's petition on **April 11, 2019, at 3:30 p.m.**, immediately followed by a procedural conference, at the Department's offices, One South Station, 5th Floor, Boston, Massachusetts. Any person who desires to comment may do so at the time and place noted above or submit written comments no later than the close of business (5:00 p.m.) on **April 11, 2019**.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene or to participate in the proceeding no later than the close of business (5:00 p.m.) on **April 9, 2019**. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

Any person who seeks to intervene in this matter and also desires to comment on the Attorney General's Notice of Retention of Experts and Consultants must file such comments no later than close of business (5:00 p.m.) on **April 9, 2019**.

One original and one copy of all written documents must be filed with Mark D. Marini, Secretary, Department of Public Utilities, One South Station, 5th Floor, Boston, Massachusetts 02110. In addition, one copy of all written documents should be sent to each of the following: (1) Katie Zilgme, Hearing Officer, Department of Public Utilities, One South Station, 5th Floor, Boston, Massachusetts 02110; (2) the Company's attorney, Kerri Mahoney, Esq., Keegan Werlin LLP, 99 High Street, Suite 2900 Boston MA 02110; and (3) Timothy J. Reppucci, Assistant Attorney General, Office of Ratepayer Advocacy, One Ashburton Place, Boston, Massachusetts 02108.

Further, in addition to paper filings with the Department, all documents must also be submitted to the Department in electronic format using one of the following methods: (1) by email attachment to [dpu.efiling@state.ma.us](mailto:dpu.efiling@state.ma.us) and [katie.zilgme@mass.gov](mailto:katie.zilgme@mass.gov) or (2) on a CD-ROM. The text of the email or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 19-29); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website: <http://www.mass.gov/dpu> .

Copies of the Company's filing and the Attorney General's Notice of Retention of Experts and Consultants are available for inspection Monday through Friday, between the hours of 9:00 a.m. and 5:00 p.m. at the Department's offices at One South Station, 5th Floor, Boston, Massachusetts, and through the Department's website, at <https://eeaonline.eea.state.ma.us/DPU/Fileroom> (enter "19-29"). To request materials in accessible formats (Braille, large print, electronic files, audio format), contact the Department's ADA Coordinator at [DPUADACoordinator@state.ma.us](mailto:DPUADACoordinator@state.ma.us) or (617) 305-3500.

Any person desiring further information regarding the Company's filing should contact the Company's attorney, Kerri Mahoney, Esq. at (617) 951-1400. Any person desiring further information regarding the Attorney General's Notice of Retention of Experts and Consultants should contact Timothy J. Reppucci, Assistant Attorney General, at (617) 727-2200. Any person desiring further information regarding this notice should contact Katie Zilgme, Hearing Officer, Department of Public Utilities, at (617) 305-3500.

Reasonable accommodations at public or evidentiary hearings for people with disabilities are available upon request. Include a description of the accommodation you will need, including as much detail as you can. Also include a way the Department can contact you if we need more information. Please provide as much advance notice as possible. Last minute requests will be accepted, but may not be able to be accommodated. Contact the Department's ADA coordinator at [DPUADACoordinator@state.ma.us](mailto:DPUADACoordinator@state.ma.us) or (617) 305-3500.



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### ORDER OF NOTICE

D.P.U. 19-29

March 27, 2019

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Aquarion Water Company of Massachusetts (“Company”), is required to serve a copy of the attached Notice of Filing, Public Hearing, and Procedural Conference on or before **March 29, 2019**, as follows: (1) electronically on the service list in Aquarion Water Company of Massachusetts, Inc., D.P.U. 17-90 and (2) by mail on any person who has filed a request for notice with the Company.

The Company shall prominently display the notice on its website from three business days following receipt of the notice from the Department through the date of the public hearing. The Department finds that this means and period of notice are reasonable and consistent with the public interest. The Company is directed to make return of service at the public hearing.

By Order of the Department,

/s/

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Mark D. Marini, Secretary