April 13, 2017

By Hand
Kevin Brannelly, Director
Rates and Revenue Requirements Division
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: Aquarion Water Company of Massachusetts, Inc., D.P.U. 17-90

Dear Mr. Brannelly:

Pursuant to G.L. c. 164 § 94, and G.L. c. 165 § 2 and C.M.R. §§ 5.00 et seq., Aquarion Water Company of Massachusetts, Inc. (the “Company”) seeks approval from the Department of Public Utilities of changes in its schedule of rates and Rules and Regulations listed in the Company’s Transmittal Letter. These proposed rate changes would result in an annual increase in revenue of $2,346,708.

In support of the Company’s request, we are submitting the testimony of John P. Walsh, Stephen C. Olson, Troy M. Dixon, McKinley L. Rowe, Joshua A. Unger and John Guastella, with supporting exhibits. The Company has also submitted a Petition for Approval and its Proposed M.D.P.U. No. 3 for effect May 1, 2017, which cancels and supersedes First Revised M.D.P.U. No. 2-A.
The effect of the changes to the Company’s rates on operating revenues and the average customer by classification is shown below.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Current Revenue</th>
<th>Proposed Revenue</th>
<th>Proposed Increase</th>
<th>Proposed Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$11,615,495</td>
<td>$13,314,406</td>
<td>$1,698,911</td>
<td>14.63%</td>
</tr>
<tr>
<td>Commercial</td>
<td>1,628,799</td>
<td>1,907,927</td>
<td>279,128</td>
<td>17.14%</td>
</tr>
<tr>
<td>Industrial</td>
<td>730,988</td>
<td>879,418</td>
<td>148,429</td>
<td>20.31%</td>
</tr>
<tr>
<td>Public Authority</td>
<td>396,719</td>
<td>455,905</td>
<td>59,186</td>
<td>14.92%</td>
</tr>
<tr>
<td>Private Fire</td>
<td>622,987</td>
<td>651,468</td>
<td>28,481</td>
<td>4.57%</td>
</tr>
<tr>
<td>Public Fire</td>
<td>906,371</td>
<td>1,015,904</td>
<td>109,533</td>
<td>12.08%</td>
</tr>
<tr>
<td>Misc Service Revenues</td>
<td>59,535</td>
<td>82,645</td>
<td>23,110</td>
<td>38.82%</td>
</tr>
<tr>
<td>Rate Design Shortfall</td>
<td>(7)</td>
<td>(7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$15,960,894</td>
<td>$18,307,602</td>
<td>$2,346,708</td>
<td>14.70%</td>
</tr>
</tbody>
</table>

The Company revised its Rules and Regulations to clarify various terms and conditions, including the application process for new service, water meter requirements, the application of the Water Balance Program, and water conservation restrictions. The revisions to the Rules and Regulations are detailed in the testimony of Stephen C. Olson.

The Company’s filing consists of the following:

1. Transmittal letter;
2. Explanatory letter;
3. Petition of Approval;
4. M.D.P.U. No. 3 for effect May 1, 2017 (Clean and Redlined);
5. Testimony and Exhibits of John P. Walsh;
6. Testimony and Exhibits of Stephen C. Olson;
7. Testimony and Exhibits of Troy M. Dixon;
8. Testimony and Exhibits of Joshua A. Unger;
9. Testimony and Exhibits of McKinley L. Rowe;
10. Testimony and Exhibits of John Guastella;
11. Exhibits in support of the Company’s rate request;
12. Witness Affidavits;
13. Appearance of Counsel;
15. Draft Bill Insert; and
Kevin Brannelly, Director, Rates and Revenue Requirements Division  
April 13, 2017

Enclosed with the Company’s filing is a draft newspaper notice that the Company proposes to publish in accordance with 220 C.M.R. § 5.06, and a draft bill insert. Also enclosed for convenience of reference are the Company’s existing tariff, blacklined to show the changes that are now proposed.

Thank you for your attention to this matter.

Very truly yours,

Eric J. Krathwohl

Encl.
cc: Mark D. Marini, Secretary  
Kevin Penders, Esq., General Counsel  
Nancy Stevens, Director, Consumer Division  
Paul Osborne, Assistant Director, Rates and Revenue Requirements Division  
Rebecca Tepper, Esq., Assistant Attorney General  
John P. Walsh, Vice President – Operations  
Stephen C. Olson, Director of Operations  
Troy M. Dixon, Director of Rates and Regulations