

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES  
AQUARION WATER COMPANY OF MASSACHUSETTS

M.D.P.U. No. 8

RULES AND REGULATIONS

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M.D.P.U. No. 4

AQUARION WATER COMPANY OF MASSACHUSETTS

RATES, RULES AND REGULATIONS GOVERNING THE DISTRIBUTION OF  
WATER IN

THE TOWNS OF OXFORD AND MILLBURY MASSACHUSETTS

EXCEPT FOR

AREAS SERVICED BY AQUARION WATER COMPANY OF MASSACHUSETTS'  
COLONIAL DOVER, PLYMOUTH AND SPRINGDALE DIVISIONS (FORMERLY  
COLONIAL WATER COMPANY) AND MOUNTAIN DIVISION (FORMERLY  
MOUNTAIN WATER SYSTEMS, INC.)

**1. RULES AND REGULATIONS GOVERN RENDERING OF SERVICE**

These Rules and Regulations and all subsequent changes in same, or amendments and additions thereto, as approved by the Massachusetts Department of Public Utilities, are a part of the contract with every customer of Aquarion Water Company of Massachusetts, and each such customer agrees to be bound hereby, except for these customers as specified below.

These Rules and Regulations do not apply to the customers of Aquarion Water Company of Massachusetts' Colonial Dover, Plymouth and Springdale Divisions (formerly Colonial Water Company), nor do these Rules and Regulations apply to the customers of Aquarion Water Company of Massachusetts' Mountain Division (formerly Mountain Water Systems, Inc.)

**2. DEFINITIONS APPLICATION OF FOLLOWING SECTIONS**

The words "Company" or "Water Company" refer to the Aquarion Water Company of Massachusetts.

The word "Department" refers to the Massachusetts Department of Public Utilities.

The word "Customer" shall mean any person, firm, corporation, government, or governmental division or other entity who has applied for and received water service supplied by Aquarion Water Company of Massachusetts.

The words "main" or "main pipe" shall mean the supply pipe from which service connections are made to supply water to Customers.

The words "service pipe" or "service connection" shall mean the pipe running from the main pipe to the Customer property line or curb stop.

The words "Customer service connection" shall mean the pipe running from the Company's curb stop at the property line to the Customer's premises.

The words "seasonal use" shall mean an intermittent use, season after season, at the same premises.

The words "public water system" refer to the water system owned and operated by Aquarion Water Company of Massachusetts.

The word "premises" as used herein shall be restricted to the following:

- (a) A building under one roof owned or leased by one Customer and occupied as one residence or one place of business.
- (b) A combination of buildings owned by one Customer in one common enclosure, or

occupied by one family, or one corporation or firm, as a residence or place of business.

- (c) Each unit of a multiple house or building separated by a solid vertical partition wall, occupied by one family, or one firm, as a residence or place of business.
- (d) A building owned by one Customer having a number of apartments, offices, or lofts, which are rented to tenants, using in common one hall and one or more means of entrance.

### **3. APPLICATION FOR WATER SERVICE**

- (a) Application for water service through an existing street service connection shall be made to the Company by the owner of the premises to be supplied, or his duly authorized representative. Customers wishing to establish an account in the name of an LLC must provide a guarantor to insure payment on the account.
- (b) No agreement will be entered into by the Company with an applicant until all arrears and charges due by the applicant at any premises now or heretofore occupied by him shall have been paid. A payment plan on overdue charges can be arranged if so desired.
- (c) For billing purposes, tenants at non-residential premises, when the tenant is supplied by a separate service connection and meter, may also make application for water service through an existing street service connection and may pay the charges for water service or any other charge that may accrue.
- (d) The property owner will be required to contract for water service furnished to premises when more than one tenant is supplied by one service connection and meter or where the tenants are changing more than twice a year.
- (e) Any change in the identity of the contracting Customer at any premises will require a new application and the Company may, after reasonable notice, discontinue the water service until such new application has been made and accepted.

### **4. APPLICATION FOR NEW WATER SERVICE CONNECTION**

- (a) The Company shall furnish, install, own and maintain all new service connections, meters and meter installations (excluding the plumbing required for the meter installation), provided the costs of excavation, backfill, and removal, and replacement of paving, walks, curbs, etc., including the hiring of traffic control personnel, and obtaining the street opening permits, necessarily incurred in respect to new services, shall be borne by the Customer or other applicant for service. For replacement of existing water service connections, the Company shall bear all costs.

- (b) Unless exempted pursuant to this Rule 4 (b), all applicants for construction of new water service connections after the effective date hereof are subject to the requirements of any water conservation, water balance, water demand management, or water supply management plan or program implemented by the Company (generally referred to as the “Water Balance Program”). Activation of any connection to the Company’s water system, including new water service connections, will not occur until the applicant has satisfied all requirements of the Water Balance Program, excluding that necessary for testing purposes, then in force and applicable.

The requirements of this Rule 4 (b) shall apply to each applicant for water service requiring construction of a new water service connection, or expansion of an existing connection, except an individual single family 3-bedroom (or less) residential dwelling (housing unit) and except any private fire service connection, private hydrant or public fire hydrant service connections. Any residential subdivision or residential housing project greater than one single family dwelling, being developed (or having the potential to be developed) in phases, or as part of a common plan of development, shall be treated as a single project for purposes of determining the number of dwelling units.

- (c) Unless exempted pursuant to this Rule 4 (c), all new, temporary, and existing Customers expanding demand for water service as a result of construction or other change of use resulting in an increase in water service demand of 100,000 gallons or more per year are subject to the requirements of the Water Balance Program, to the extent then in force and applicable. Failure to satisfy all applicable requirements of the Water Balance Program will constitute grounds for discontinuance of water service to non-residential Customers as provided in Rule 17(b)(6).

The requirements of this Rule 4 (c) shall apply to all water service connections, excluding any private fire service connection and/or any construction or change of use project authorized under a valid building/plumbing permit issued prior to the effective date hereof. Existing water service connections that have not recorded metered consumption within 24 months of any request for re-activation of service shall be deemed a new service connection under the Water Balance Program.

- (d) Only the Company, or its designated representative, shall make any/all connections to its mains and the Company shall have the authority to specify the size, type, and quality of all materials entering into the street service connection.
- (e) As used herein, street service connection means the service pipe from the main to the property line of the premises to be serviced, including the corporation cock, curb stop valve, and curb box, and shall be laid at a right angle to the main; and shall not cross intervening properties, and will be furnished and installed by, and shall remain the property of the Company, and under its sole control and jurisdiction.

- (f) Where a street service connection is already laid to the property line, the Customer shall connect with the street service connection as laid. Connections must be made in accordance with all other Company Rules and Regulations. Water Service will not be turned on until such time as a meter is set in accordance with the Company's Rules and Regulations.
- (g) The curb box shall be set at or near the curb or property line and shall be kept and made accessible to the Company by the Customer by at all times.
- (h) New street service connections shall not be laid during the months of November, December, January, February and March, except at the discretion of the Company.
- (i) The street service connection from the main to the property line will be maintained by the Company at its expense.
- (j) The Company shall in no event, instance, or circumstance be responsible for maintenance of or for damage done by water escaping from the Customer's service connection or any other pipe and fixture(s) on the outlet side of the Company's curb stop valve. Customers assume all responsibility and liability for the water service line from the curb stop valve to their premise.

5. **CUSTOMER'S SERVICE PIPES – EXISTING STREET SERVICE CONNECTION**

- (a) The Company shall have the authority to specify the size, type, and quality of the materials which shall be laid between the property line and structures on the premises to be supplied.
- (b) The service pipe from the property line and/or curb stop valve to the place of consumption shall be furnished and installed by the Customer at their sole expense and risk. Any and all repairs, maintenance, or replacement necessary on the Customer's service pipe or any pipe or fixture in or upon the Customer's premises shall be performed by the Customer at their sole expense and risk. The Customer shall promptly notify the Company of any leak, defect or damage affecting the service pipe between the property line and the point where metered. Existing Customer-owned service lines that are non-conforming with these Rules and Regulations may be repaired but not replaced until brought up to current standards at the Customer's expense.
- (c) The Customer's service pipe and all connections and fixtures attached thereto shall be subject to the inspection and approval of the Company before the water will be turned on.
- (d) The service pipe shall be laid at all points at least four and one-half feet below the

surface of the ground and shall be placed on firm and continuous sand or gravel (not ledge) so as to give unyielding and permanent support, and shall be installed in a trench at least ten feet in a horizontal direction from any sewer line, septic tank or leaching field and at least five feet from any other buried line or conduit. The trench shall be backfilled with clean sand or gravel, which excludes pavement, rock, cobbles, boulders, organic matter, or any deleterious material. Any vertical crossings shall be at least two feet and any sewer lines must be under the water line. Existing or future crossings, public or private, must be made known to the Company. Exceptions may be granted in writing by the Company after approval of other agencies as required.

- (e) The Customer shall make all changes in their portion of the service pipe required on account of changes of grade, relocation of mains or other causes.
- (f) No fixture shall be attached to or any branch line or connection shall be made to the service pipe between the meter and the street main.
- (g) Each premise shall be supplied through a separate service connection to the Company's water main, curb stop valve, curb box and meter. Should the property have multiple units that are separated by a vertical firewall, and each has a separate service connection to the Company's water main, a curb stop valve, curb box, and meter for each unit, then the tenant can apply to the Company to put the water account into their name. If there are multiple tenants off one service connection and meter, then the premise owner is solely responsible for all water used on and in said buildings or premises. Separate connection fees are associated with each individual connection, regardless if only one building or premises is served.

## **6. SPECIAL APPLICATIONS FOR WATER SERVICE**

- (a) Water for transient, temporary, or special purposes must be specially applied for, and are applicable to the Water Balance Program.
- (b) Whenever a street service connection is made to the mains for temporary service, or for building or construction purposes, the applicant will bear the entire cost and expense of installing and maintaining such service. The meter must be housed in a secure, heated, and weather protected location after the curb stop valve and the Customer shall bear the entire cost and expense of eliminating such service (if required) when temporary usage has terminated. The applicant will be liable for the amount of water used in accordance with the schedule of rates of the Company.

**7. CUSTOMER'S LIABILITY FOR CHARGES**

- (a) A Customer who has made application for water service to any premises shall be held liable for all water service furnished to such premises until such time as the Customer properly notifies the Company to discontinue the service for his account and a final meter reading is obtained. For those premises with remote reading meters, both the inside meter and remote meter reading device on the outside of premises must be read.

**8. BASIC SERVICE CHARGES**

- (a) The quarterly minimum charge for annual (year-round) Customers shall be payable in arrears.
- (b) The annual minimum charge for Seasonal Customers may be required in advance before the water will be turned on.

**9. METERED SERVICE: LOCATION OF METERS**

The Company shall determine the location of meters; all meters must be installed at the time the service is connected to the main. Meters will be furnished, installed and removed by the Company and shall remain its property.

- (a) **Single Family Residential Construction.** Unless otherwise approved by the Company, all meters must be installed in a Company approved meter pit located at the property line. Any requests for an exception, to install an inside meter, must be approved by the Company prior to the service being connected to the main. Meters installed inside a building must be installed in a suitable location which will provide adequate protection against freezing or other damage and ready access for testing and reading. Each inside meter setting must be located where the Service Line enters the building in a horizontal position not less than 18" or more than 36" above the floor.

**(b) Multi Family Residential Construction.**

For all multi-family construction one service connection to the main, one curb stop valve, box and meter are required. The Company will size the service, based on engineering specifications, to insure proper service to each living unit. The Company will allow the following meter installation methods:

**Inside Meter Installation.** For meters installed inside of the premise, a separate meter room with outside access and key must be provided to the Company. Each individual meter must be installed with a locking style meter horn as approved by the Company. All meters must be installed in a suitable location which will provide adequate protection against freezing or other damage. Each inside meter setting must be located where the

Service Line enters the building in a horizontal position not less than 18" or more than 36" above the floor.

**Outside Meter Installation.** All meters installed outside of the premises must be installed in a Company approved meter pit.

When it is determined by the Company that the required meter size is greater than 2", the Customer will be required to install the meter with an inside meter setting in order to comply with applicable Confined Space Regulations.

**(c) Commercial Construction.**

For commercial construction, the following criteria will apply:

**Inside Meter Installation.** For meters installed inside of the premise, a separate meter room with outside access and key must be provided to the Company. All meters must be installed in a suitable location which will provide adequate protection against freezing or other damage. Each inside meter setting must be located where the Service Line enters the building in a horizontal position not less than 18" or more than 36" above the floor.

**Outside Meter Installation.** All meters installed outside of the premises must be installed in a Company approved meter pit.

When it is determined by the Company that the required meter size is greater than 2", the Customer will be required to install the meter with an inside meter setting only in order to comply with applicable Confined Space Regulations.

- (d) **Industrial Construction.** For industrial construction, meters must be installed inside of the building in a separate meter room with outside access and key must be provided to the Company. All meters must be installed in a suitable location which will provide adequate protection against freezing or other damage. Each inside meter setting must be located where the Service Line enters the building in a horizontal position not less than 18" or more than 36" above the floor.
- (e) **Service Reuse.** In the event that an existing service connection and meter is to be reused due to a change in the original use of the property, the Customer must apply to the Company for approval. The Company will evaluate the change in use and apply the appropriate metering and Water Balance Program requirements.
- (f) If the Company determines that no suitable inside location can be made available, or if there is no existing structure to provide said suitable location at the time that the service connection to the main is installed, it will require that the meter be installed outside in a Meter Vault or a Company-approved above-ground enclosure, located and built in accordance with the Company's specifications at the Customer's expense.



- (g) When a Premise is supplied by a Service Line judged by the Company to be unusually long, over 100 feet, the meter shall be installed outside in a Meter Vault or a Company-approved above-ground enclosure, located and built in accordance with the Company's specifications at the Customer's expense.
- (h) If it is determined that more than one existing building, apartment, or premises is supplied through a single service pipe, any violation of the Rules and Regulations of the Company with reference to either or any of the said buildings or premises shall be deemed a violation as to all and the water service shall be discontinued after the properties have been posted for at least 30 days and reasonable opportunity allowed for each building or premises to attach their service pipes to a separate service connection, curb stop valve, curb box and meter which will be installed by the Company at the expense of the Customer.
- (i) Any repairs, maintenance, or replacement necessary on the Customer's service pipe or any pipe or fixture in or upon the Customer's premises shall be performed by the Customer at their sole expense and risk.
- (j) Existing Customer-owned service lines that are non-conforming with these Rules and Regulations may be repaired but not replaced until brought up to current standards at the Customer's expense.

#### **10. PLUMBING MUST BE APPROVED BY COMPANY**

- (a) All plumbing work in connection with the Company's water mains or appurtenances shall be subject to the inspection and approval by the Company, and no underground work shall be covered up until inspected and approved by the Company. Whenever the Company determines that a job of plumbing is obviously defective, although not in direct violation of these rules and regulations, the Company will insist upon its being corrected, at the Customer's expense, before the water will be turned on.

#### **11. CROSS CONNECTIONS NOT ALLOWED**

- (a) No pipe or fixture connected with the mains of the Company shall be connected with pipes or fixtures supplied with water from any other source unless specifically approved by the Department of Public Health of The Commonwealth of Massachusetts.
- (b) Piping systems supplying swimming pools or tanks in which water might become polluted, shall be so arranged as to preclude water from reentering the water distribution system by siphonage or other means. These installations shall in each case be approved by the Company.
- (c) Fire pumps and booster pumps of any nature may be connected only after

approval of the Company and shall be constructed in such a manner to prevent cross connections and vacuum. Owner and operators of such equipment are liable for any and all damages to the Company property or other Customer's property during such operation.

- (d) The plumbing on all premises supplied from the Company's water system shall conform to the Commonwealth of Massachusetts plumbing codes, the Sanitary Code of the Town(s) where political subdivision is located, and/or regulations specified by the Department of Public Health.

## 12. **DAMAGE TO METERS**

- (a) Meters will be maintained by the Company at its expense insofar as ordinary wear is concerned. However, the Customer shall be responsible for the meter installed at a Customer premise indoors or in a meter pit and shall provide for proper protection of the meter against freezing, damage by hot water, and damage or loss by any other means. The repair of damaged meters shall be done by the Company, and the Customer shall assume the costs of such repairs, or if necessary, the replacement of the meter.
- (b) The Customer shall promptly notify the Company of any damage to the meter or its connections. The Customer shall permit no one who is not an agent of the Company or otherwise lawfully authorized to do so, to remove, inspect or tamper with the meter or other property of the Company.

## 13. **MULTIPLE METERS (CONJUNCTIVE BILLING)**

When a Premise is provided Service by more than one meter, the water charge will be calculated at the rate applicable to the total combined water use shown by all the meters serving the Premises, except that the minimum charge will be applicable to each meter.

## 14. **METER TESTS AND TEST FEES**

- (a) All meters are tested for accuracy before initial installation at a new premise and are also subjected to periodic tests. The Company may at any time remove any meter for routine tests, repairs, or replacement and may, at its option and expense, test any meter when the Company has reason to believe that it is registering inaccurately.
- (b) A Non-Residential Customer's refusal or failure to permit the Company to install, inspect, or replace a meter at the premises being served shall be evidenced by a Non-residential Customer's failure upon written request of the Company to schedule an appointment for meter installation, or by the Non-Residential Customer's failure, to keep a scheduled installation, inspection, or meter change appointment. Customers shall have at least fourteen (14) days following receipt of a written request from the Company to schedule an appointment.
- (c) Upon a Non-residential Customer's refusal or failure (as defined in subsection (b)

above) to permit installation, inspection, or replacement of a meter, the Company shall provide the Non-residential Customer with written notification of its intention to discontinue water service on account of such failure. The notice shall provide a date for termination of service, which date shall not be earlier than fourteen (14) days from the date for receipt of the notice.

- (d) If the meter has not been installed, inspected or changed by the specified termination date, the Company may discontinue service. The Customer may request the Company to make a special test of the accuracy, of a meter, which test will be made in accordance with the standard provisions of the Department of Public Utilities. Such special test may be witnessed by the Customer or his authorized representative at the Customer's request. For such special test, the fee as established herein shall be paid in advance by the complainant but should the said meter be found upon said test to be more than two percent incorrect to the prejudice of the Customer, the fee so paid shall be returned to the complainant and the meter shall forthwith be adjusted by the Company and the current bill corrected based on the following formula: Billing adjustments due to fast meters will be calculated on the basis that the meter accuracy should not exceed more than 102%. For the purpose of billing adjustment, the Meter error will be one-half of the algebraic sum of the error at maximum test flow plus the error at intermediate test flow. For example, if a meter tests at 100% accurate on the maximum flow and 100.4% on the intermediate flow the algebraic sum is 200.4%. One-half of this algebraic sum is 100.2% accuracy which is within the approved limits.
- (e) If the Customer is not satisfied with the Company opinion, they have the right to contact the Company and/or the Department of Public Utilities regarding further action or determination.

## 15. **PUBLIC FIRE HYDRANTS**

- (a) All hydrants will be installed at the expense of the customer and will be billed at the Company's approved private hydrant rate until accepted by the municipality. Once hydrants are accepted by the municipality, they will be billed to the municipality at the approved public hydrant rate.
- (b) Any expense for repairs to the hydrant or water system caused by the negligence of employees of the municipality or by members of the fire department will be paid for by the municipality.
- (c) The use of fire hydrants will be restricted to the taking of water for the extinguishing of fires and water shall not be taken from any fire hydrant for construction purposes, sprinkling streets, street sweeping, flushing sewers or gutters or for other use unless specially permitted by the Company in writing for the particular time and occasion.
- (d) Inspections and tests of public hydrants will be made by the Company at

convenient times and reasonable intervals.

- (e) **Unauthorized Use.**  
No water shall be taken from a public hydrant except for fire purposes, unless authorized by the Company in writing. Persons using water without permission of the Company shall be prosecuted to the fullest extent of the law.

**16. PRIVATE FIRE SERVICE/PRIVATE FIRE HYDRANTS**

- (a) The entire cost of the labor and materials for installing a private fire service from the main to the property line will be paid for by the Customer. The Company shall furnish, install, own and maintain all new fire service connections to the property line, provided the cost of excavation, backfill, and removal, and replacement of paving, walks, curbs, etc., including the hiring of traffic control personnel, and obtaining the street opening permits, necessarily incurred in respect to new services, shall be borne by the customer or other applicant for service. For replacement or maintenance of services on the Company side, the Company shall bear all costs. All work performed on the Customer's side of the service and premises shall be done by the Customer at their expense.
- (b) A gate valve controlling the entire supply will be placed on the fire service between the main and the property line of the premises being served. Any valve pit or vault, which may be required, will be furnished at the expense of the Customer.
- (c) The private fire service shall be subject to the inspection, test, and approval of the Company before the service is made effective.
- (d) A private fire service connection is furnished for the purpose of supplying water for the extinguishment of fires only, and no use of water from such connection for any other purpose shall be made without approval of the Company. The Company reserves the right, if water is used in violation of (a) above, to install a meter on the connection at any time at the Customer's expense which will meet the requirements of applicable fire insurance companies. In the event a meter is installed, the established meter rates, including both water and service charges, will apply in lieu of the above rates for Private Fire Protection.
- (e) The Customer shall notify the Company within a period of seventy-two (72) hours after any usage of the fire sprinkler system.
- (f) A detector check valve with by-pass, including meter installed in such by-pass, shall be furnished and installed by the Customer in accordance with Company requirements, just inside the building wall or other convenient location on the Customer's premises as designated by the Company. Any meter pit or vault required by the Company shall be constructed and maintained at the expense of

the Customer. The by-pass meter will be maintained by and at the expense of the Customer.

- (g) Any repairs or maintenance performed within the property of the Customer, whether done by the Customer or the Company, will be at the Customer's expense, and that performed in the street will be at the expense of the Company.
- (h) Hydrants and other fixtures connected with a private fire service connection may be sealed by the Company and such seals shall be broken only in case of fire or as specially permitted by the Company, and the Customer must immediately notify the Company of the breaking of any such seal.
- (i) No pipe or fixture connected with a private fire service connection served by the Company shall be connected with pipes or fixtures supplied with water from any other source.
- (j) The Company shall determine the size and location of any and all connections made to its mains for private fire service.
- (k) The entire private fire service connection and all parts of it which are located outside of the property line of the Customer are and forever remain the property of and under the complete jurisdiction of the Company.
- (l) No test of Fire Services shall be permitted without prior approval by the Company, (who may elect to have a representative present). They shall be scheduled to cause the least possible inconvenience to the Company's other Customers.

## 17. **DISCONTINUANCE OF WATER**

- (a) Service rendered to residential Customers may be terminated by the Company only as follows:
  - (1) If a bill is not paid within 45 days from receipt, or such longer period as may be required pursuant to Department of Public Utilities regulations, or
  - (2) If there are three or more violation of mandatory water use restrictions within a calendar year as referenced in Section 25 WATER CONSERVATION RESTRICTIONS, or
  - (3) As otherwise approved by the Department of Public Utilities.

With regard to any Customer where all residents are sixty-five (65) years of age or older, concurrently with any application by the Company to the Department of Public Utilities for approval to terminate service, the Company shall give written notice to the Executive Office of Elder Affairs (or any agency designated by the

Executive Office of Elder Affairs for such purposes), any third person required to be notified pursuant to Department of Public Utilities regulation 220 C.M.R. § 25.05(2) and the residents of such household. Prior to approval by the Department of Public Utilities of such application, the Company shall not send any notice threatening termination of service to any household which has notified the Company that all residents of the household are sixty-five (65) years of age or older.

In addition, pursuant to 220 C.M.R. § 25.03, the Company shall not terminate or refuse to restore service to a residential Customer if it is certified to the Company that the Customer or someone living at the Customer's premises is seriously ill or that at the Customer's premises there is a domiciled child under 12 months of age and the Customer's service has not been terminated for nonpayment before the birth of the child.

Service to a landlord Customer with residential tenants shall not be terminated, except in accordance with the requirements of 220 C.M.R. §§ 25.03(1) and 25.04.

In addition, pursuant to G.L. c 165, § 11B, the Company shall not intentionally shut off the water service to any domicile occupied by a person who is seriously ill if the company receives written notice from the municipal health authorities or a registered physician verifying the fact of such illness.

- (b) Service rendered to non-residential Customers may be terminated by the Company, after reasonable notice, for any of the following reasons:
- (1) For willful or indifferent waste of water due to any cause, such as failure to repair service leaks within Customer's own property line.
  - (2) For refusal or failure to permit the Company to install, or inspect, or replace a meter at the premises being served shall be evidenced by a Customer's failure upon written request of the Company to schedule an appointment for meter installation, or by the Customer's failure, to keep a scheduled installation, inspection, or meter change appointment. Customers shall have at least fourteen (14) days following receipt of a written request from the Company to schedule an appointment.
  - (3) If there are three or more violation of mandatory water use restrictions within a calendar year as referenced in Section 25 WATER CONSERVATION RESTRICTIONS.
  - (3) Misrepresentation in application as to identity.
  - (4) For vacancy.
  - (5) For nonpayment of any account for water supplied for water service.
  - (6) For failure to comply with Rule 4 (c) governing certain applications for service.

- (7) For failure to provide reasonable access, at reasonable times, to the water meter and related appurtenances including remote meter readers, as required by, and authorized under, G.L. c. 165, sec. 11D.
- (8) For (a) failure to comply with applicable Department of Environmental Protection cross connection regulations (310 C.M.R. 22.22); or (b) failure to provide reasonable access, at reasonable times, to Customer premises for purposes of inspecting for cross connections.
- (8) For tampering with or by-passing the Company's meter, meter readers and related appurtenances, or for using any other device or means to obtain unauthorized water service.
- (9) As otherwise approved by the Department of Public Utilities.

Notwithstanding the foregoing requirement that reasonable notice be given by the Company prior to terminating service under this Rule 17(b), if in the reasonable judgment of the Company the existence of an unauthorized cross connection poses an immediate and significant risk to public health and safety, the Company may immediately discontinue service without prior notice to the Customer, provided that notice of the Company's action and the grounds therefor is given as soon as possible thereafter.

- (c) Whenever the Customer desires to have his service contract terminated or his water service discontinued, he shall so notify the Company. Until such notice is received by the Company and the Company has access to remove the meter or obtain the final readings, the Customer shall be responsible for the payment of all service rendered by the Company, including charges for meter repairs caused by damage by hot water or freezing or other external causes. A reasonable time after receipt of such notice shall be allowed the Company to take a final reading of the meter or meters and to discontinue service.
- (d) Discontinuing the supply of water to any premises for any reason shall not prevent the Company from pursuing any lawful remedies by action at law or otherwise for the collection of monies due from the Customer.

**18. RENEWAL OF WATER SERVICE AFTER DISCONTINUANCE**

When water service to any premises has been terminated for any reason other than temporary vacancy it will be renewed only (1) after the acceptance of a new application and when the conditions, circumstances or practices which caused the water service to be discontinued are corrected to the satisfaction of the Company, and upon the payment of all charges due and payable by the Customer in accordance with the rates, rules and regulations or (2) as ordered by the Department of Public Utilities pursuant to 220 C.M.R. § 25.02(3); provided, however, that if service has been terminated because of non-payment by a Customer who is a landlord, individually metered tenants of the

landlord may apply for service upon payment of an amount equal to a projected bill for a 30 day period and such portion of any arrearage of the landlord as may be determined in accordance with Department of Public Utilities regulations 220 C.M.R. § 25.04. A payment plan on overdue charges can be arranged if so desired.

**19. TURN-ON CHARGE**

- (a) Subject to a Customer's rights pursuant to Department of Public Utilities regulations 220 C.M.R. § 25.00 et seq., when it has been necessary to discontinue water service to (1) any non-residential Customer because of violation of the rules and regulations or (2) any Customer on account of non-payment of any bill, a charge will be made to partly cover the expense of turning on the water and this charge together with any arrears that may be due the Company for charges against the Customer must be paid before the water will again be turned on. After hours turn on charges will be higher than those during regular working hours because the Union Contract provides for increased wages on work performed after hours.

If service to a non-residential Customer has been discontinued for non-payment during the prior 18 months, then before restoring service to such Customer the Company may require a deposit in accordance with Massachusetts Department of Public Utilities regulations 220 C.M.R § 26.00 et seq. as a guarantee of the payment of future bills. The amount of such deposit, including the adjustment and refund thereof, shall be governed by Department of Public Utilities regulations 220 C.M.R § 26.00 et seq.

**20. BILLS FOR WATER SERVICE**

- (a) Customers are responsible for furnishing the Company with their correct address. Failure to receive bills will not be considered an excuse for nonpayment nor permit an extension of the date when the account would be considered delinquent.



- (b) All bills will be sent to the address entered in the application unless the Company is notified in writing by the Customer of any change of address.
- (c) The Company will not be bound by bills rendered under mistake of fact as to the quantity of service rendered, except if that mistake is due to Company negligence or omission.

## 21. **TERM OF PAYMENT**

- (a) All bills shall be payable upon receipt. However, no residential bill shall be considered “due” less than forty-five (45) days from receipt.
- (b) No disputed portion of a bill which relates to the proper application of approved rates and charges, or the Company’s compliance with these Rules, shall be considered “due” during the pendency of any complaint, investigation, hearing or appeal under Department of Public Utilities regulations 220 C.M.R. § 25.00 et seq. or these Rules and Regulations.
- (c) Bills for the basic service charge for metered or seasonal accounts shall be due and payable in arrears. Bills for water used above the allowance included in the basic charge shall be due and payable in arrears. The Company may render bills on either a quarterly or monthly basis, depending upon the class and quantity of service rendered.
- (d) Bills for public fire service shall be rendered quarterly in arrears and shall be due as payable when rendered.
- (e) Bills for private fire service shall be payable quarterly or monthly in advance.

## 22. **ABATEMENTS AND REFUNDS**

- (a) There shall be no abatement on the meter service charge, in whole or in part, by reason of the extended absence of the Customer, unless the service has been discontinued at his request. No abatement shall be made for leaks or for water wasted by improper or damaged service pipes or fixtures belonging to the Customer, or for water services left on due to vacancy.
- (b) If as a result of a bill the customer was not made aware of a hidden leak until receipt of a bill based on an actual reading, the customer may request an adjustment. In the case of an undetectable leak, a *one-time* adjustment may be made under the following conditions.
  - 1. To qualify for a leak adjustment the water billed must be three (3) times over the average level of consumption for the same billing periods over the last three year period.

2. The leak adjustment would be calculated to adjust the Customer's bill by fifty percent (50%) of the excess over the average level of consumption for the same billing periods, but only if the Customer promptly and properly repairs such leak when detected.
3. The Company may also agree to flexible payment arrangements for the remaining 50% of the excess over said average level of consumption; however, such arrangement shall not exceed one year.

### **23. THEFT OF SERVICE**

In the event Aquarion finds that a Customer is receiving water service without a meter, the Customer will be notified to install a meter and remedy the situation. If the Customer does not allow Aquarion personnel access to the property to install a meter, the Customer will be assessed a Theft of Service Charge as approved by the DPU and listed in Aquarion's miscellaneous charges. In addition, a Customer who knowingly and with purpose alters Aquarion Water Company's infrastructure in order to receive water without payment will be assessed the Theft of Service Charge.

### **24. PRESSURE AND CONTINUITY OF SUPPLY**

- (a) The Company does not guarantee a sufficient or uniform pressure, or an uninterrupted supply of water and Customers are cautioned to provide sufficient storage of water where an absolutely uninterrupted storage supply must be assured, such as for steam boilers, domestic hot water systems, gas engines, medical equipment, etc.
- (b) In high level sections where pressure is low the Customer shall, if he desires a higher pressure than that furnished at the mains of the Company, install at his own expense a tank and/or booster pump, of a type and installation approved by the Company.
- (c) Where the pressure to a Customer's premises is greater than he/she wished, it shall be his/her responsibility to install the proper regulating device to reduce pressure to the extent desired.
- (d) The Company shall have the right to reserve sufficient supply of water at all times to provide for fire, health and sanitary requirements, whenever the public welfare may require it.

### **25. WATER CONSERVATION RESTRICTIONS**

The Company may restrict non-essential outdoor water use as a means of managing their water supply. Based on an evaluation of drought conditions, extended forecasts, groundwater levels, surface water levels, stream and river flows, the state and condition of their water supply, or the time of year, the Company may implement one of two water restriction programs at any time:

## 1. Annual Restrictions

The following restrictions may be implemented by the Company at any time during the period April 15 through October 15 (the “restriction period”) and shall apply to all Customers:

- (a) No operation of irrigation systems or hose-end sprinklers between 10 a.m. and 6 p.m.
- (b) Watering by sprinkler or irrigation systems is allowed on Customers’ assigned day only before 10 a.m. and after 6 p.m.
- (c) Customers’ assigned days are as follows:
  - 1. Odd addresses: Mondays and/or Thursdays;
  - 2. Even addresses: Tuesdays and/or Fridays;
- (d) Hand watering is allowed anytime, unless prohibited pursuant to Section 25 regarding Drought Condition Restrictions.
- (e) The Company may institute further restrictions, on a community-by-community basis, as conditions or regulations may require.
- (f) The following shall also apply:
  - 1. Enforcement: during the restriction period, 1<sup>st</sup> violation and 2<sup>nd</sup> violation notices shall state the consequences (i.e., shut off-termination charges and fees) for each subsequent violation cited during the restriction period.
  - 2. The Company will notify local agencies, the Department of Environmental Protection, and the Department of Public Utilities of the implementation of restrictions.
  - 3. Copies of notification, penalties, termination notices, and acknowledgements of penalties will be kept by the Company.
  - 4. Customers will be notified by local newspaper and radio stations, signs posted on roadways entering the community, handouts and advance notification through billing of these restrictions. In an emergency requiring 24 hour or less notification, termination will be deferred until the customer found in violation is personally notified.
  - 5. Exceptions may be granted for Annual Restrictions based on the review and approval of the Company.
  - 6. Restrictions will remain in effect until public notice is given by the Company.
  - 7. Costs of termination and restoration must be paid in full before service is restored.
  - 8. The words “Personal Notification” shall be taken to include posting at the premises being serviced by hanging or taping to the entrance facing the street, walk or driveway.

9. Additional restrictions applicable to the Millbury water system as per their Water Management Permit issued by the Department of Environmental Protection.

## 2. Drought Restrictions

During any declared or confirmed drought, situation of operational limitation of the water supply system, or potential for exceeding the allowable water withdrawal volume under the Water Management Act, the Company may restrict water usage using any of the following restriction levels:

LEVEL I: Mandatory Restrictions – Outside irrigation limited to 1 day per week per customer, based on an odd/even allocation program. Odd addresses are Mondays and Even addresses are Tuesdays.

1<sup>st</sup> violation – Warning

2<sup>nd</sup> violation -- Warning

Subsequent Violations - Termination of service, plus the costs of termination and restoration. For three or more violations within a calendar year.

LEVEL II: Mandatory Total Ban - All non-essential outdoor usage is prohibited (irrigation using automatic sprinklers or soaker hoses; the washing of vehicles, exterior building Surfaces, parking lots, driveways, and sidewalks And, filling swimming pools). The Company May also ban the use of hand held watering at Their discretion.

1<sup>st</sup> violation – Warning

2<sup>nd</sup> violation – Warning

Subsequent Violations - Termination of service, plus the costs of Termination and restoration. For three or more Violations within a calendar year.

1. 1<sup>st</sup> violation and 2<sup>nd</sup> violation notices shall state the consequences (i.e., shut off – termination costs and fees) for each subsequent violation cited during the restriction period.
2. The Company will notify local agencies, the Department of Environmental Protection, and the Department of Public Utilities upon the implementation of any level of restrictions.
3. Copies of notification, penalties, termination notices, and acknowledgements of penalties will be kept of file by the Company.

4. Customers will be notified by local newspaper and radio stations, signs posted on roadways entering the community, handouts and advance notification through billing for drought related restrictions. In an emergency requiring 24 hour or less notification, termination will be deferred until the Customer found in violation is personally notified.
5. No exceptions will be granted for Drought Restrictions.
6. Restrictions will remain in effect until public notice is given by the Company.
7. Costs of termination and restoration must be paid in full before service is restored, except to the extent otherwise determined pursuant to Department of Public Utilities regulations 220 C.M.R. § 25.02.(3) and (4)
8. The words (Personal Notification) shall be taken to include posting at the premises being serviced by hanging or taping to the entrance facing the street, walk or driveway.
9. The word (restriction period) shall mean the interval between publication of the first public notice in accordance with Section 25(2) above and the lifting of restrictions as stated in Section 25(6).

**26. INTERRUPTIONS IN WATER SUPPLY**

- (a) The Company may at any time shut off the water in the mains in case of accident, or for the purpose of making connections, alterations, repairs, changes, or for other reasons, and may restrict the use of water to reserve a sufficient supply for public fire service or other emergencies whenever the public welfare may require it.

**27. LIABILITY OF COMPANY**

- (a) The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in the service, but it cannot and does not guarantee that such will not occur.
- (b) The Company shall in no event be liable for any damage or inconvenience caused by reason of any break, leak or defect in the Customer's service pipe or fixtures.

**28. GENERAL**

- (a) The service pipes, meters and fixtures on the Customer's premises shall at all reasonable hours be accessible to the Company for observation or inspection.
- (b) No person shall turn the water on or off at any street valve, corporation cock, curb stop valve, or other street connection, or disconnect or remove any meter without the consent of the Company. Penalties provided by law for any such action will be rigidly enforced.

- (c) Employees or agents of the Company are expressly forbidden to demand or accept any compensation for any service rendered to its Customers except as covered in these Rules and Regulations.
- (d) No employee or agent of the Company shall have the right or authority to bind it by any promise, agreement or representation contrary to the letter of these rules and regulations.
- (e) Any complaint against the service or employees of the Company should be made at the office of the Company and preferably in writing.
- (f) The Company shall have the right to cut off the water supply to make repairs, changes or connections to its mains and other equipment. It will use reasonable effort to notify the Customer in advance of such discontinuance of service, but it will not be liable for any damage or inconvenience suffered by the Customer because of such discontinuance of service, or because of failure to notify the Customer in advance of its intention to discontinue service.

**29. APPROVAL OF THE RULES AND REGULATIONS**

- (a) All rules and regulations of the Company are subject to the approval of the Department of Public Utilities of the Commonwealth of Massachusetts and if any part thereof should be adjudged to be in violation of any rule or other made by the Department, then that particular part shall be ineffective but without in any way affecting the other portions thereof.

**RATE FOR METERED SERVICE**

**AVAILABILITY**

This rate is available to customers located in the following towns on the mains of the Company within the Company’s franchise area, for all purposes except fire protection, subject to the Rules and Regulations of the Company: Millbury, Oxford.

**WATER CHARGE**

A water charge will be made for all water used as registered by the meter, as set forth below:

*Rate Per  
Thousand Gallons(KGAL):*

**RATE R1** - Applies to all metered residential usage by customers classified as such on the Company’s records.  
 First 9 KGAL per Quarter/ 3 KGAL per Month \$4.830  
 Over 9 KGAL per Quarter/ 3 KGAL per Month \$6.133

**RATE G1** - Applies to all metered commercial usage by customers classified as such on the Company’s records, which do not qualify for Rate G4.  
 First 9 KGAL per Quarter/ 3 KGAL per Month \$3.567  
 Over 9 KGAL per Quarter/ 3 KGAL per Month \$4.318

**RATE G2** - Applies to all metered public authority usage by customers classified as such on the Company’s records, which do not qualify for Rate G4.  
 First 9 KGAL per Quarter/ 3 KGAL per Month \$3.547  
 Over 9 KGAL per Quarter/ 3 KGAL per Month \$3.956

**RATE G3** - Applies to all metered industrial usage by customers classified as such on the Company’s records, which do not qualify for Rate G4. All Usage \$3.947

**RATE G4** - Applies to the total monthly usage by qualifying non-residential customers, classified as such on the Company’s records, as per the following criteria: All Usage \$2.686

Monthly billed amounts: not less than 10,000,000 gallons,  
and not more than 40,000,000 gallons

Past 12 months total billed amount not less than 120,000,000 gallons.

Usage which does not meet these criteria shall be charged at the G1, G2 or G3 Rate.

**SERVICE CHARGE**

In addition, all metered general water service customers shall pay a service charge on the size of each meter installed. Customers with multiple meters shall be charged for each meter at the indicated rate.

<b><u>Size of Meter</u></b>	<b><u>Service Charge</u></b>	
	<b><u>Per Month</u></b>	<b><u>Per Quarter</u></b>
5/8"	\$ 16.08	\$ 48.24
3/4"	\$ 24.05	\$ 72.15
1"	\$ 40.12	\$ 120.36
1 1/2"	\$ 80.32	\$ 240.96
2"	\$ 128.55	\$ 385.65
3"	\$ 241.10	\$ 723.30
4"	\$ 401.88	\$ 1,205.64
6"	\$ 803.82	\$ 2,411.46
8"	\$ 1,286.16	\$ 3,858.48

**TERMS OF PAYMENT**

The Company may render bills on either a quarterly or monthly basis. The above rates are payable within forty-five (45) days of the date of the bill.

**RATE FOR PRIVATE FIRE PROTECTION**

**AVAILABILITY**

This rate is available to customers located in the following towns on the mains of the Company within the Company’s franchise area for Private Fire Protection, subject to the Rules and Regulations of the Company: Millbury, Oxford.

**RATE**

	<u>Per Year</u>
For each service connection 1”	\$ 122.17
For each service connection 1.25”	137.54
For each service connection 1.5”	\$ 154.84
For each service connection 2”	\$ 206.69
For each service connection 2.5”	\$ 272.00
For each service connection 3”	\$ 352.67
For each service connection 4” or smaller	\$ 552.44
For each service connection 6”	\$ 1,105.64
For each service connection 8”	\$ 1,873.97
For each service connection 10”	\$ 2,949.64
For each service connection 12”	\$ 4,178.96
For each privately owned fire hydrant serving Millbury and Oxford	\$ 913.37
For each privately owned fire hydrant outside Millbury and Oxford	\$ 1,150.13

**TERMS OF PAYMENT**

Bills shall be rendered and due monthly or quarterly in advance. The above rates are net and are payable within forty-five (45) days of the date of the bill. The Company reserves the right to disconnect the service of any customers not having their account paid in full within forty-five (45) days of the date of the bill.

**SPECIAL PROVISIONS**

- (a) All water shall be used for fire protection purposes only.
- (b) The Company reserves the right, if water is used in violation of (a) above, to install a meter on the connection at any time which will meet the requirements of the fire insurance companies. In the event a meter is installed, the established meter rates, including both water and service charges, will apply in lieu of the above rates for Private Fire Protection.



**RATE FOR PUBLIC FIRE PROTECTION**

**AVAILABILITY**

This rate is available for the following towns for Public Fire Protection only, and is subject to the Rules and Regulations of the Company: Millbury and Oxford.

**RATES**

For each Company owned public fire hydrant \$ 193.51

In addition, annual charges as follows:

Town of Millbury	\$ 159,407.00
Town of Oxford	\$ 110,892.00

**TERMS OF PAYMENT**

Bills shall be rendered and due monthly or quarterly in arrears. The above rates are payable within forty-five (45) days of the date of the bill.

**SALE FOR RESALE**

**AVAILABILITY**

This rate is available to municipalities, or political subdivisions thereof, for resale to customers resident in territory contiguous to that served by the Company.

**RATE**

For all water taken, subject to the minimum charge as provided below:

\$ 2.00 per 1,000 gallons

**MINIMUM CHARGE**

A variable minimum charge will apply based on the minimum monthly delivery occurring over the preceding 12 months, but not less than 100,000 gallons per month, times the currently allowed rate per 1,000 gallons.

Example:           given a minimum monthly billing of 500,000 gallons, the minimum charge  
                          Would be  $\$2.00 \times 500 = \$1,000$  per month.

**TERMS OF PAYMENT**

The Company may render bills on either a quarterly or monthly basis. The above rates are payable within forty-five (45) days of the date of the bill.

**MISCELLANEOUS CHARGES**

Drought Conditions

Termination and Restoration Fee – Business Hours*	\$ 65.00
Termination and Restoration Fee – After Hours	\$ 392.00

\*Normal business hours are Monday through Friday, 8 am to 4 pm.

System Development Charge (“SDC”)

Meter Size**	Capacity GPM	Ratio to 5/8” Meter	Fee
5/8”	20	1.00	\$640
3/4”	30	1.50	\$960
1”	50	2.50	\$1,600
1 ½”	100	5.00	\$3,200
2”	160	8.00	\$5,120
3”	320	16.00	\$10,240
4”	500	25.00	\$16,000

\*SDC is determined on a case by case basis for meter sizes greater than 4”.

Mitigation Fee for the Water Balance Program<sup>1</sup>

A Water Balance Mitigation Fee will be charged to applicants associated with projects that are subject to the Water Balance Program, and who have not elected the Applicant Directed Conservation option or the Supplemental Water Supply Source option (as described in the Water Balance Program application) to comply with the Water Balance Program. Applications for new or expanded water usage with an estimated average daily water demand less than 10,000 gallons per day (“GPD”), shall be charged a Water Balance Mitigation Fee rate of \$10 per GPD. For new or expanded water usage equal to or greater than 10,000 GPD, the Water Balance Mitigation Fee rate will be determined by the Company based on the costs of completing water conservation work and the amount of gallons saved associated with said conservation work. In such cases, the Water Balance Mitigation Fee rate will be calculated and determined based on the sum of the actual costs incurred by the Company for completing water conservation work divided by the gallons saved associated with that work (\$/GPD). For new or expanded water usage equal to or greater than 10,000 GPD, the Water Balance Mitigation Fee rate may change from time to time based on the actual costs incurred by the Company and the water conservation gallons saved.

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<sup>1</sup> Refer to the Water Balance Program application form for more detailed information about the Water Balance Program.

**OTHER SERVICES****AVAILABILITY**

This rate is available to all classes of customers located in the following towns on the mains of the Company Subject to the Rules and Regulations of the Company: Millbury, Oxford.

	Actual Cost of Meter
Frozen Meters	
Meter Test Fees 1" and less	\$ 50.00
Larger than 1"	\$ 75.00
Return Check Fee	\$ 20.00
Seasonal Meter Set & Turn On Fee	\$ 65.00
Seasonal Meter Removal Fee & Turn Off Fee	\$ 65.00
Turn-on Fee – Business Hours	\$ 65.00
After Hours Callout	\$ 392.00
Non-Payment Reconnect – Business Hours	\$ 65.00
Non-Payment Reconnect – After Hours	\$ 392.00
Theft of Service (or triple the amount of damages which ever is greater)	\$ 1,000.00
Cross Connection – One Device Testing	\$ 75.00
Each Additional	\$ 35.00

**TERMS OF PAYMENT**

The Company may render bills on either a quarterly or monthly basis. The above rates are payable within forty-five (45) days of the date of the bill.

**PURCHASED WATER SURCHARGE**

**AVAILABILITY**

All metered general water service customers falling under the G4 rate designation receiving water service from the Millbury system, the City of Worcester interconnection or a combination of both sources. G4 customers will be billed at the customary G4 rate under the Company's approved tariff schedule for water service received from the Millbury system based on readings of the Millbury system meter.

**SURCHARGE AMOUNT**

In addition, any G4 customer who receives water supplied from the City of Worcester interconnection will be billed an amount equal to the difference in the cost of water purchased from the City of Worcester and the volumetric rate paid by a G4 customer as per the Company's tariff.

To the extent that multiple customers qualify for the G4 rate, the cost of water service from the City of Worcester interconnection will be allocated among the qualifying customers based upon the respective water usage in the applicable billing period.

The surcharge for each forthcoming year will be calculated on December 1 based on the previous 12 months of applicable actual invoices from the City of Worcester. The surcharge will be charged to the customer in equal installments over the calendar year beginning with the January billing.

**TERMS OF PAYMENT**

The Company renders bills on a monthly basis. The above rates are payable within forty-five (45) days of the date of the bill.

**MAIN REPLACEMENT ADJUSTMENT MECHANISM****I. General Description**

- A. **Purpose:** The Main Replacement Adjustment Mechanism (“MRAM”) does not apply to the customers of Aquarion Water Company of Massachusetts’ Colonial Dover, Plymouth and Springdale Divisions (formerly Colonial Water Company) nor does it apply to the customers of Aquarion Water Company of Massachusetts’ Mountain Division (formerly Mountain Water Systems, Inc.).

The purpose of the MRAM is to provide the Company with recovery of project costs to support the accelerated replacement and rehabilitation of water-system infrastructure for the purpose of improving or protecting water quality and reliability of service. With implementation of the MRAM, the Company will recover the fixed costs (depreciation, property taxes, return and income taxes) of main replacements, rehabilitation and any connected service lines, valves and hydrants replaced as a result of the main replacement and placed in service annually, and recorded in the individual accounts noted below. MRAM will be adjusted for an annual reconciliation of prior MRAM amounts. Recovery shall occur after review and approval of the Department of Public Utilities (the “Department”).

- B. **Eligible Plant Additions:** Eligible plant additions will consist of the following:
1. (Account 108) Non-revenue producing mains installed as replacements for existing mains that have reached the end of useful life and/or are contributing to safety, reliability, water quality, or other operational issues.
  2. (Account 108) Main cleaning and re-lining projects and relocations that are part of a main replacement project.
  3. (Account 108) Connected valves that are replaced as they have reached the end of useful life and are part of a main replacement project and/or replaced as they are not operating properly and as a result of the main-replacement projects.
  4. (Account 109) Company-segment services installed as in-kind replacements that are part of a main replacement project.
  5. (Account 112) Company-owned hydrants installed to replace existing hydrants that have reached the end of useful life and are part of a main replacement project and/or to replace existing hydrants that are not operating properly and are part of a main replacement project.

- C. **Alternative Funding:** Eligible Plant Additions funded fully through the Water Balance Program (“WBP”) and/or System Development Charge (“SDC”) revenues are not eligible for recovery through the MRAM. Eligible Plant Additions that are partially funded through the WBP and/or SDC funds remain eligible for partial funding under the MRAM for amounts incremental to costs already recovered through base rates, the WBP and the SDC. To account for Eligible Plant Additions that are partially funded through the WBP and/or SDC revenues, a rate-base offset is included in the MRAM revenue requirement calculation to account for these alternate funding sources. In addition, the Company shall submit a detailed accounting of Eligible Plant Additions funded in part through the WBP or the SDC, and completed during the project construction year. The Company will also include detailed reports of all projects funded by the WBP and SDC conducted during the year.

## II. Computation of the MRAM

- A. **Calculation:** The MRAM Adjustment Factor will become effective September 1, 2019 and will recover the fixed costs of Eligible Plant Additions placed in service between January 1, 2017 and December 31, 2018, which are not included in the Company’s rate base. Thereafter, the MRAM adjustment factor will be updated on an annual basis to incorporate recovery of costs associated with Eligible Plant Additions placed in service during the prior calendar year (the “Project Year”) as well as a reconciliation of funds collected through the prior year MRAM. The Company will submit an application to the Department each March 1 for the prior calendar year for a rate adjustment effective September 1 of each year.

The fixed costs of Eligible Plant Additions will consist of depreciation, property taxes, after-tax return and income taxes. Additional elements of the calculation will include an overhead and burden adjustment, an operation and maintenance (“O&M”) offset, and a reconciliation of prior year revenues, or the MRAM reconciliation. The elements are calculated as follows:

1. **Depreciation:** Depreciation expense will be calculated by applying the depreciation rates approved in the Company's most recent base-rate proceeding for the respective plant accounts to the original cost of MRAM-Eligible Plant Additions minus the corresponding retirement unit recorded.
2. **Property Taxes:** Property tax expense on the first year of investment shall be zero. The property tax expense for the second year of investment shall be one half of the Company’s annual property tax expense for eligible net plant for the prior MRAM year. Specifically, the property tax expense for the second year of investment shall be calculated first by applying the effective tax rate to the MRAM-eligible net plant as of December 31 of the prior year and taking one half that amount. For subsequent years, property tax expense shall be calculated based on each investment year’s MRAM-eligible plant additions.
3. **After-Tax Return:** The weighted cost of capital will be as approved in the Company's most recent base-rate proceeding, D.P.U. 17-90, or a subsequent docket.

4. ***Income Taxes:*** An income tax gross up will be added based on current federal and state tax rates for projects that are not eligible for deduction under the Tangible Property Regulations (“TPR”). TPR projects are treated as flow-through for accounting purposes and as such require no tax gross up.
- B. ***MRAM Reconciliation:*** Reconciliation of prior year MRAM revenues equivalent to the shortfall or surplus of MRAM revenue actually collected as compared to those authorized by the Department.
- C. ***MRAM Adjustment Factor:*** The MRAM Adjustment Factor will be expressed as a percentage carried to two decimal places and will be applied to the effective portion of the total amount billed to each customer under the Company's otherwise applicable rates and charges. The MRAM Adjustment Factor will not be applicable to miscellaneous charges.

Formula: The formula for calculation of the MRAM Adjustment Factor is as follows:

$$\text{MRAM} = (\text{RB} \times \text{ATR}) + \text{DEP} + \text{PT} - \text{OH-OM} \pm \text{REC}$$

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BRWR

Where:

RB = Eligible cost to the Company of Eligible Plant Additions, defined as total cost less any portion funded through the WBP and/or the SDC as noted in Section I.C., accumulated depreciation and accumulated deferred income taxes.

ATR = After-tax return rate applicable to Eligible Plant Additions.

DEP = Annual depreciation expense related to Eligible Plant Additions.

PT = Eligible property taxes related to Eligible Plant Additions.

OH = Overhead and burden adjustment.

OM = O&M leak repair offset.

BRWR = Base retail water revenues as approved by the Department in the Company's most recent base-rate proceeding, D.P.U. 17-90, or a subsequent docket.

REC = Reconciliation of prior year MRAM revenues.



### III. Customer Safeguards

- A. ***Overhead and Burden Adjustments:*** For purposes of MRAM calculations, the actual overheads and burdens shall be reduced to the extent that actual O&M overheads and burdens in a given year are less than the amount included in base rates as determined in the Company's most recent base distribution rate case. Such reduction shall be the difference between the actual O&M overheads and burdens and the amount included in base rates. In addition, the percentage of capitalized overheads and burdens assigned to MRAM projects shall be set equal to the ratio of MRAM to non-MRAM direct costs in any given year. As determined in the Company's most recent base rate proceeding, D.P.U. 17-90, the overhead and burdens baseline is \$1,137,601.
- B. ***O&M Offset:*** The O&M Offset represents the reduced operating and maintenance expense associated with the elimination of water leaks through MRAM-eligible plant additions. The MRAM Offset applicable each year is determined by multiplying Eligible MRAM Savings by the total miles of non-revenue producing mains installed as replacements for existing mains, in the period January 1 through December 31 of the respective MRAM Project Year. Eligible MRAM Savings are the cumulative reduction in operating and maintenance leak repair expense achieved with the replacement of aging and/or leak-prone main. Eligible MRAM Savings shall be equal to the most recent three-year average of leak repair cost per mile for mains, updated annually in the annual MRAM filed on March 1 of each year. The costs associated with leak repair expense shall be determined in accordance with the Uniform System of Accounts for Water Companies, 220 C.M.R. § 52.00, Operating Expense Accounts, in use during the test year of the most recent base-rate proceeding conducted pursuant to G.L. c. 164, § 94.
- C. ***MRAM Annual Earnings Test:*** The Company shall include in its annual March 1 MRAM filing to the Department a calculation of its actual earnings for the prior calendar year. The MRAM will operate only when the Company is earning at or below the authorized return on equity as approved by the Department in the Company's most recent base-rate proceeding, D.P.U. 17-90, or as revised by the Department in a subsequent proceeding. In the event that the Company is earning above its authorized return on equity in a given MRAM Project Year, the Company shall include in its March 1 MRAM filing: (1) a quantification of the MRAM-eligible costs from the MRAM Project Year in which the Company earned in excess of its authorized return on equity; and (2) a proposal regarding the deferral of the recovery of the identified MRAM-eligible costs to the Company's next base distribution rate proceeding.
- D. ***Change in Revenue Requirement Cap:*** The maximum change in the revenue requirement to be billed in any given year through the Company's MRAM shall not exceed three percent (3 percent) of annual retail water revenues for the prior calendar year. Application of the Revenue Requirement Cap shall not affect the calculation of MRAM recovery, including MRAM Revenue Requirement, in subsequent periods. However, any MRAM recovery approved by the Department in excess of the Revenue Requirement Cap may be deferred for recovery in the following year to the extent that

such deferral does not exceed the revenue requirement cap in the relevant MRAM Project Year. The MRAM will also have an additional aggregate cap of 10 percent between general rate cases. The 10 percent revenue cap will be based upon the authorized revenues from the Company's most recent base-rate proceeding less amounts related to miscellaneous charges. The resultant base revenues will be multiplied by 10 percent to determine the aggregate MRAM revenue cap.

- E. **Threshold Recovery:** The number of miles of main replaced each MRAM Project Year shall meet or exceed a threshold level of 1.25 miles per year. To demonstrate that the threshold is met, the Company shall in each March 1 annual MRAM filing submit a work summary report documenting installations of MRAM-eligible main and showing, through the provision of third-party contractor invoices, that at least 1.25 miles of main were replaced and are in-service as of December 31 of the prior MRAM Project Year. Failure to meet or exceed the threshold level of main replacement of 1.25 miles per MRAM Project Year shall result in the suspension and delay of the recovery of the MRAM-eligible costs for the respective MRAM Project Year in which the threshold is not met until the Company's next base rate proceeding.
- F. **Project Changes:** If, because of changed circumstances or new information, the Company plans to complete projects not included in the MRAM project plan, or to re-prioritize projects contained in the project plan, the Company will notify town representatives in the town where the project is located. As part of the annual March 1 filing, the Company will provide documentation and other necessary support demonstrating the prudence of the MRAM projects completed in the prior MRAM Project Year, as well as documentation supporting changes made to the MRAM project plan.
- G. **New Base Rates:** The MRAM adjustment factor will be reset as of the effective date of new base rates that provide for prospective recovery of the annual capital-additions cost theretofore recovered under the MRAM. Thereafter, only the fixed costs of new eligible plant additions not previously included in the Company's rate base would be reflected in the annual updates of the MRAM.
- H. **Customer Notice:** The MRAM adjustment factor will be shown as a separate line item on customer bills. Customers shall be notified of changes in the MRAM by including appropriate information on the first bill issued by the Company following any change allowed by the Department.

#### IV. Annual Report/Stakeholder Input

On March 1 of each year, as part of the Company's annual filing to the Department to implement the MRAM factor on September 1, the Company will submit a plan that lists the MRAM-Eligible Plant Additions that it plans to construct in the upcoming three years. The plan will include a description of each project, the value that completing the project will provide to customers, the estimated cost, and the proposed year of completion. The plan will also include the computation of the MRAM adjustment factor that would result from the completion of the MRAM-Eligible Plant Additions based on the estimated cost of those plant additions, along with customer bill impacts. Prior to the March 1 filing, the Company will consult with town representatives in the

towns served by the Company to review the construction plan and to obtain input and coordination on the execution and/or prioritization of those projects. At a minimum, to allow for adequate time to coordinate with town representatives, the Company shall provide a preliminary copy of the plan to the towns no later than 90 days before submitting the plan to the Department. The Company will provide notice to the towns of all filings to the Department relating to the MRAM.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES

AQUARION WATER COMPANY OF MASSACHUSETTS

M.D.P.U. No. 10

RULES AND REGULATIONS

Canceling

M.D.P.U. No. 7

OF

AQUARION WATER COMPANY OF MASSACHUSETTS

Consistent with the Order of the Department of Public Utilities (the “Department”) in Investigation by the Department of Public Utilities, on its Own Motion, into the Effect of the Reduction in Federal Income Tax Rates on the Rates Charged by Electric, Gas, and Water Companies, D.P.U. 18-15-G (October 22, 2021), the following Tax Cuts and Jobs Act of 2017 (“Act”) sur-credit, calculated with interest at the prime rate, is applicable to all metered and fire service customers located within the Towns of Oxford and Millbury of the Aquarion Water Company of Massachusetts, Inc. (“Aquarion” or the “Company”) franchise area.

This sur-credit does not apply to the customers of Aquarion Water Company of Massachusetts’ Colonial Dover, Plymouth and Springdale Divisions (formerly Colonial Water Company), nor does it apply to the customers of Aquarion Water Company of Massachusetts’ Mountain Division (formerly Mountain Water Systems, Inc.)

The Act reduced the federal corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. The sur-credit reflected below is provided by Aquarion in relation to a tax benefit that accrued for the period between July 1, 2018 through October 31, 2018, under the Act.

### **SUR-CREDIT**

The sur-credit reduces customer rates by \$38,228, or approximately 0.81 percent per customer, and shall be applied over a twelve (12) month period.

### **TERMS OF SUR-CREDIT**

The sur-credit will apply for a period of 12 months, beginning on December 1, 2021.

Issued: November 23, 2021

Effective: December 1, 2021

By: Donald J. Morrissey

Title: President