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Aquarion and Town Officials Remain Far Apart On Price For Water System

HINGHAM, MA. (February 5, 2016) - Aquarion Water Company filed documents with the Suffolk Superior Court today that outline Aquarion and the Town of Hingham's widely differing prices for Aquarion's water system in Hingham, Hull, and north Cohasset based on a Court ruling in November.

Following a trial in early 2015, the Court provided a ruling in November that gave direction as to how to calculate the purchase price under the 1879 Charter that formed the private water company, and ordered the parties to work together to attempt to agree on a calculation of the purchase price for the water system based on the Court's direction. Despite cooperating, the parties were not able to reach agreement.

A reasonable and fair interpretation of the Court's ruling yields a purchase price of at least \$96.1 million. Aquarion also asked the Court for clarification to address a portion of the ruling that could result in a price range of \$96.1 to \$144 Million.

The Town's price is millions of dollars less than the three alternative calculations that the Town's witness proposed at trial, which were all soundly rejected by the Court because they were not considered fair or reasonable. The Town's latest calculation applies practically the same formula that was rejected by the Court at trial, but now results in a price of \$49.9 million, which is approximately \$8 million less than the price that the Town's witness presented at trial and was rejected by the Court.

"Remarkably, Town officials have now proposed a price that is far less than any of the prices that its witness proposed at trial – all of which were rejected by the Court," said Charles Firlotte, President and CEO of Aquarion. "Town officials are clearly seeking a windfall in its latest filing. We will continue to take the necessary steps to protect our

private property rights and we remain committed to serving the residents of Hingham, Hull, and north Cohasset.”

The Town official’s proposed price - which is meant to cover all of the company’s assets including 200 miles of piping, the water treatment plant, 11 wells, a reservoir, two tanks, and land - is \$12 million less than the \$62 million fair market value of company’s water treatment plant standing alone.

This filing is the next step in the 2013 lawsuit the Town filed against Aquarion asking a Court to determine the proper purchase price for the water system based on the 1879 Charter that formed the private water company. Regardless of how the Court rules, it is expected the dispute will continue on appeal.

About Aquarion Water Company of Massachusetts

Aquarion Water Company of Massachusetts is the public water supply company for nearly 19,000 homes and businesses in the towns of Millbury, Oxford, Hingham, Hull, and North Cohasset. Aquarion Water Company is the largest investor-owned water utility in New England, and it has been in the public water supply business since 1857. Across its operations, Aquarion strives to act as a responsible steward of the environment and to assist the communities it serves in promoting sustainable practices.

Two years in a row (2013 and 2014),Aquarion's water system serving Hingham, Hull, and North Cohasset was presented with an award "For Outstanding Performance and Achievement" by the Massachusetts Department of Environmental Protection (DEP).

For more information on Aquarion Water Company and its subsidiaries, please visit aquarionwater.com

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