

ORIGINAL

N.H.P.U.C. Case No.	DW 13-236
Exhibit No.	5
Witness	D. Carson, D. Vaughan, M. Naylor
DO NOT REMOVE FROM FILE	

Docket No. DW 13-236
Abenaki Water, Lakeland Management, White Rock Water
Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

This is in response to the November 12, 2013, communication from Village Shores Estates Association. The joint petitioners have the following responses to the numbered paragraphs contained in the VSEA communication.

1. White Rock Water Company is in the process of following up on the issues raised by the Association in this item, and will contact the Association directly to discuss resolution.

2. Aging System: The Asset Purchase Agreement describes (page 182) what changes will be made to the water system in 2013 and 2014. This includes a \$20K standby generator for the water system in 2014 and \$10K, for aged and antiquated services and mains.

a. We are questioning if the \$10,000 will be adequate for valve replacement work.

Response: The capital improvement plan which was included as an exhibit in the asset purchase agreement contained estimated costs only. In fact, some projects may ultimately exceed or be less than the estimated costs depending on circumstances at the time of improvement. Replacement of services, mains, and gate valves is an on-going expense of operating the utility, and the actual amount of capital devoted to this particular segment of the water system will vary depending on the plant operating performance. A major consideration in determining the level of capital invested in valve replacements in any given year is need to balance the cost of capital improvements and the impact of those improvements on rates with the need for such improvements.

3. A lack of water storage during times of drought: During times of drought/ reduced rainfall, the VSEA experiences water outages due to the lack of water available. This in part is due to limited storage capacity.

a. Are there any plans to increase water storage capabilities? Is this even feasible?

Response: Water consumption normally increases during drought periods largely due to irrigation demand and to a lesser extent domestic household usage. Most water utilities experience this seasonal demand. Although the Abenaki Water Company will be evaluating storage requirements, it believes the priority is to seek additional water supplies and therefore has targeted \$5,000 to conduct exploration, investigation, and a feasibility report on new water sources.

4. Expense of water: White Rock Water Company, Inc. has the second highest rates in NH.

a. How will our water rates be affected by this purchase? How will our water rates be affected with the expense of the improvements?

Response: The purchase transaction will have no impact on rates. Abenaki Water Company does expect that customers will ultimately benefit from more efficient operation of the White Rock water system due to New England Service's administrative support and related synergies and efficiencies. This will result in reduced operating costs relative to what they otherwise would have been.

From: Amy Hooper [<mailto:amythooper@gmail.com>]
Sent: Tuesday, November 12, 2013 8:42 PM
To: Hadley, Eileen
Subject: Email to commissioner concerning docket #13-236

NY PUC 13NOV13PM12:11

Hi Eileen - I was unable to figure out how to send this email directly to the PUC so I thought it best to send it to you so I can hopefully have you verify you received this. I hope all below is worded well and clearly outlines our concerns.

Thank you again for your time and guidance with this.

Amy Hooper

Dear Public Utilities Commissioner;

his email is in regard to DW 13-236, White Rock Water Company, Inc. Sale of Utility Assets of White Rock Water Company, Inc. and Lakeland Management Company to Abenaki Water Company, Inc.

The community for which the water utility serves has an active Association (Village Shores Estates Association, VSEA) and as the Board's President along with other Board members wanted to bring to you attention the following concerns;

1. Monies owed: The VSEA association has on file the deed of easement with the Merrimack County Registry of Deeds, dated July 1987. This deed is still on file and contains an agreement, which states the White Rock Water Company shall pay 155% of the annual property taxes on land owned by the association. Our VSEA records show White Rock Water Company paid the taxes up to 2001. VSEA is unable to show payment, as some records were not transferred to new Board members, through the years 2002 to 2008. The VSEA checkbook register goes back to 2009 and does not indicate any deposits from White Rock Water Company. The deed of easement describing the property taxes that will be paid to VSEA has been included in the material already provided to the PUC.

<http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-236.html>

Click on Attachments, Vaughn (link below)

<http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-236/INITIAL%20FILING%20-%20PETITION/13-236%202013-08-09%20WRWC-LMC%20ATT-DIRECT%20TESTIMONY%20D%20VAUGHAN.PDF>

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a. Our request is that White Rock Water Company, Inc. pay the association for the years 2009, 2010, 2011 and 2012 as we are unable to supply records from the years 2002 through 2008.

2. Aging System: The Asset Purchase Agreement describes (page 182) what changes will be made to the water system in 2013 and 2014. This includes a \$20K standby generator for the water system in 2014 and \$10K, for aged and antiquated services and mains.

a. We are questioning if the \$10,000 will be adequate for valve replacement work

3. A lack of water storage during times of drought: During times of drought/reduced rainfall, the VSEA experiences water outages due to the lack of water available. This in part is due to limited storage capacity.

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4. Expense of water: White Rock Water Company, Inc. has the second highest rates in NH.

a. **How will our water rates be affected by this purchase? How will our water rates be affected with the expense of the improvements?**

The VSEA Board appreciates the opportunity and your consideration of our above stated concerns.

Respectfully submitted by:

Amy Hooper, VSEA President