

November 26, 2018

Ms. Debra A. Howland

Executive Director

New Hampshire Public Utilities Commission

21 South Fruit Street, Suite 18

Concord, New Hampshire 03301

Re: Docket No. DW 17-165 Abenaki Water Company Settlement Proposal

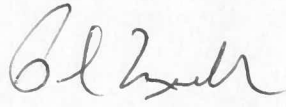
Dear Ms. Howland

Please be advised that the Bretton Woods Property Owners ("BWPOA") joins with Rosebrook Association and Forest Cottage Association (representing all residential homeowners at Bretton Woods) and we do NOT support and will not be signing the settlement agreement proposed by PUC staff, Abenaki, and OCA for the following reasons:

1. We believe that the proposed ROE of 9.95% is not supported based on the expert study by Dr. Woolrich. Dr. Woolrich was engaged by the PUC and we believe that Dr. Woolrich's proposal of 9.01% should be used. We do not understand why the experts study was ignored and do not understand the support for the 9.95%.
2. We believe that the "proforma" capital structure of 60% equity/40% debt ignores the actual capital structure of 51.81% equity/48.19% debt and gives Abenaki an effective ROE of 10.89 % on Abenaki's actual capital structure and is excessive. The proforma structure is a made up fiction and its only purpose is to give Abenaki an even greater ROE. In fact Abenaki's cost of capital will be decreasing going forward due to borrowing for the Horizon engineering study which would NOT support the need for a "proforma" capital structure.
3. We believe the rate design causes an excessive increase in the fixed rate component of 51.36% . We also believe the proposed structure is not equitable among homeowners. For example, homeowners that use excessive amounts of water (i.e. such as absentee owners that rent their homes full time using services such as Airbnb) will now be paying rates that have a higher fixed charge and don't differentiate based on usage. This is not equitable among the residential homeowners and is a disincentive to conserving water.
4. The proposed settlement agreement from PUC staff, Abenaki, and OCA did not include comments or considerations from the residential homeowners even though we had sent email to Mr. Tuomala indicating that we did not support the proposed settlement and would not be signing. We feel that the process should have been more inclusive and were surprised to learn of the proposed settlement agreement.

NHPUC 19DEC'18 10:03

Paul Mueller, Bretton Woods Property Owners

A handwritten signature in cursive script, appearing to read "Paul Mueller".

Larry Devito, Rosebrook

Paul Loungo, Forest Cottages