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August 15, 2019

Debra A. Howland
Executive Director
Public Utilities Commission
21 Fruit Street, Suite
Concord, N. H. 03

Re: DW 17-165 Abenaki Water Company, Inc. Rosebrook Water System
Request for Change in Rates
Recovery of Rate Case Expenditures
Company Reply to Staff's Recommendation

On August 15, 2019, the PUC Staff filed its recommendation on Recovery of Rate Case Expenditures. The Total Amount to be Recovered as proposed by the Company was \$156,499. The PUC Staff made certain adjustments amounting to a disallowance of \$10,940, resulting in an adjusted Total Amount to be Recovered ("Recovery Amount") of \$145,559.

The Company has reviewed the PUC Staff adjustments and agrees with some and disagrees with some. Given the amount of time that has passed since the Company's initial filing (on January 28, 2019) for recovery, the need to no longer prolong recovery and the present financial instability caused by the delay, the Company accepts the Staff's recommended Recovery Amount of \$145,559.

As previously indicated, the Company proposed recovery of the total rate case / ROE expenditures on a per customer basis with a fixed charge. It is not opposed to Staff's proposal for recovery of the total rate case / ROE expenditures on a volumetric per 1,000 gallons consumed basis, although it is a departure from a fixed-rate recovery mechanism which gives both the Company and customers certainty on the amount being recovered.

To that end, the Company disagrees with Staff's recommendation "... that, no later than 60 days following the expiration of the 18-monthly billing periods, Abenaki be required to (1) file a reconciliation ..." and Staff's recommendation "... that any over- or under-collection of Recovery Amount following the expiration of the 18-monthly billing periods will be considered in Rosebrook's next rate case proceeding." Instead, the Company proposes to monitor the Recovery Amount monthly and adjust the usage-based surcharge of \$2.566 per 1,000 gallons consumed in the final month to the necessary usage-based surcharge amount required to collect the exact amount of the Recovery Amount. As such, the Company will neither over- nor under-collect the Recovery Amount. Under the Company's proposal, it is possible that the recovery period may be shorter or longer than 18 months.

It is important that neither the Company nor the PUC Staff expend any more time on this matter and that the Commissioners approve the Recovery Amount and recovery mechanism promptly.

If you have any questions and / or comments, please let me know at 207-423-0215 or stephenpstcyr@yahoo.com.

Sincerely,



Stephen P. St. Cyr

Cc: Service List