



Marcia A. Brown  
Attorney at Law

Environmental Law ▪ Utility Law

September 5, 2019

Debra A. Howland, Executive Director  
N.H. Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301

NHPUC 6SEP'19AM11:08

Re: Docket No. DW 17-165 Abenaki Water Company-Rosebrook Division  
Inquiry Regarding Rate Relief

Dear Director Howland:

As the Commission is aware, Abenaki Water Company received approval to increase its rates and to recover the difference between temporary and permanent rates by way of Order No. 26,205, dated December 27, 2018. The Company's approved annual revenue requirement is \$356,114. As required by that order, on January 26, 2019, the Company filed its calculation of the difference between temporary and permanent rates. That reconciliation, plus the Company's additional recoverable costs, is over \$100,000. As such, it represents approximately one-third of the revenue the Company needs to conduct its operations.

As of this date, the Company has not yet received Commission approval of its proposed surcharge. As a consequence, the Company is unable to collect its approved revenue requirement. This regulatory lag is having a significant adverse effect on the Company's cash flow. The Company respectfully requests that the Commission approve its proposed surcharge as soon as possible.

Because of the extended regulatory lag, the Company is also investigating bonding pursuant to RSA 378:6 but in the form of an irrevocable stand-by letter of credit, similar to the financial security that is allowed under the Commission's Puc 2000 and Puc 3000 rules. Seeking bonding is an unprecedented remedy, however, in the absence of rate approval and given the extraordinary regulatory lag, the Company sees that it has little alternative. Any information you can provide on the timing of the Commission's approval of the temporary-permanent rate recoupment surcharge is greatly appreciated as the Company evaluates its financial security alternatives.

Thank you in advance for attention to this important matter.

Very Truly Yours,

Marcia A. Brown

cc: Docket-Related Service List