

**Hearing of April 23, 2020
RECORD REQUEST #27**

For 2018, please identify the amount in revenue requirement for each system (e.g., in Rosebrook's revenue requirement it is \$35,688) to recover costs of the New England Service Company, Inc.'s (NESC).

Please state how much was booked in deferred accounts for non-recurring items, such as rate case expenses for each system in 2018.

Also, please provide the total cost to operate NESC for 2018, and state what percentage of NESC operations is attributed to unregulated activities.

RESPONSE:

a. The following table illustrates the amount apportioned to each system's revenue requirement to recover New England Service Company's expense pertaining to General & Administrative Expenses when, as specified in the Record Request, the General & Administrative Expense is at \$35,688 for Rosebrook. It is important to note that although revenue requirements do not change, these illustrative expenses fluctuate depending on each system's use of New England Service Company.

*Valley Water Systems' (VWS) last rate application (Docket No. 10-06-15) dates back to 2010, based on a 2009 test year. The revenue requirement from that rate case, like Rosebrook's, was the product of a settlement with regulators. The settlement for VWS was with the Public Utilities Regulatory Authority (PURA) and the Office of Consumer Council (OCC). Therefore, VWS is unable to specifically pinpoint a number that constitutes a portion of its revenue requirement directly to its expense incurred from NESC because: (1) this was a settlement and not a fully litigated application and within that settlement the operating and maintenance (O&M) expenses were generalized, or not specified by actual account number, for each account that is contained within the O&M expenses to determine a necessary revenue requirement; (2) the rate consultant used for this application created the vast majority of the accounting exhibits and this rate consultant has since retired and VWS does not have the underlying workpapers in the event they may have had more detailed accounting as it pertains to this record request; and (3) the underlying workpapers were not entered into evidence in the VWS hearing.

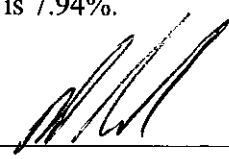
System	General & Administrative Expenses
Abenaki Water – White Rock	\$1,185
Abenaki Water – Lakeland	\$3,468
Abenaki Water – Rosebrook	\$35,688
Valley Water Company	See explanation above*
Mountain Water System	\$25,692
Colonial Water Company – Dover	\$94,370
Colonial Water Company - Plymouth	\$17,138
Colonial Water Company – Springdale	Consolidated rate under Dover per Asset Purchase Agreement.

b. The following table illustrates the total expense booked to deferred accounts in 2018 for each of the water systems owned by New England Service Company.

System	Amount
Abenaki Water – White Rock	\$31,265
Abenaki Water – Lakeland	\$5,873
Abenaki Water – Rosebrook	\$99,749
Valley Water Company	\$128,705
Mountain Water System	\$39,533
Colonial Water Company – Dover	\$129,785
Colonial Water Company - Plymouth	\$60,559
Colonial Water Company – Springdale	\$103

c. The total cost to operate New England Service Company in 2018 was \$5,953,621. The percentage attributed to the unregulated activities is 7.94%.

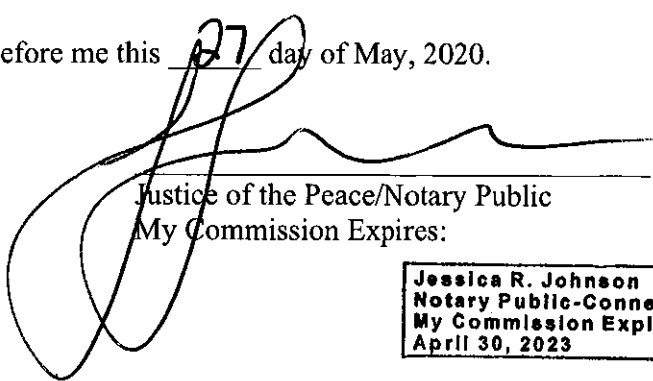
Dated: 5/27/20



Nicholas LaChance

STATE OF CONNECTICUT
COUNTY OF HARTFORD

Sworn to and subscribed before me this 27 day of May, 2020.



Justice of the Peace/Notary Public
My Commission Expires:

**Jessica R. Johnson
Notary Public-Connecticut
My Commission Expires
April 30, 2023**