

## Stephen P. St. Cyr & Associates

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December 24, 2020

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

Re: DW 17-165 Abenaki Water Company (“AWC” or “Company”)  
Company response to PUC Order No 26,426  
Order Denying Step II Deadline Extension

Dear Ms. Howland:

On November 25, 2020 the New Hampshire Public Utilities Commission (“NHPUC”) issued Order No. 26,426 denying the Step II deadline extension in DW 17-165. Step II provided for the recovery of up to \$100,000 for detailed engineering design and costs estimates, to be developed by Horizons Engineering, Inc. (“Horizons”), the Company’s engineering consultant, to resolve a significant water pressure problem in Rosebrook’s water system.

AWC writes to address the statement made in Order No. 26,626 that AWC has made no effort toward addressing the pressure problem. The pressure problem has been known for years. No prior owner/manager addressed the problem. At the time AWC purchased the Rosebrook water system, it was aware of the problem and immediately began to consider how to fix the problem. AWC filed reports with the Commission at Tab 63. AWC filed a presentation with the Commission in June 2018 (Exhibit 22). Horizons 2018 Proposal on engineering designs was Exhibit 23. On June 7, 2019 the New Hampshire Department of Environmental Services (“NHDES”) issued a letter to AWC containing the results of a sanitary survey of the Rosebrook water system. NHDES categorized the extreme pressure situation in the water system as a “significant deficiency” and required AWC to immediately correct the issue or respond with a corrective action plan within 30 days. The Company provided the Commission with its response to the NHDES (Exhibit 26) as well as its updated response (Tab 148). AWC noted its reliance on the Step 2. AWC also testified that it has spent approximately \$81,000 so far on the pressure problem. See hearing transcript at pages 27-28 and 101-102.

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AWC has been actively working on a resolution to the pressure problem. AWC's lenders had been reluctant to fund additional engineering work and ultimately the construction of the project without some assurance that such expenditures will be recovered. It is a significant undertaking for a small company. The second step adjustment provided some assurance, but now has been denied.

AWC is now in the process of preparing a Form E-22, Report of Proposed Expenditures for \$145,000 to prepare plans & specifications by August 1, 2021. AWC intends to generally implement Horizons' 2018 proposal reflected in Staff's Recommendation dated July 15, 2019. AWC anticipates filing a petition for financing of these engineering costs in early 2021. AWC also anticipates filing a petition for financing of the construction costs for the pressure reduction project and for a rate increase to recover the engineering and construction costs later in 2021.

Thank you for this opportunity to reply. If you have any questions or comments, please call me at 207-423-0215.

Sincerely,

A handwritten signature in black ink that reads "Stephen P. St. Cyr". The signature is written in a cursive style with a horizontal line underlining the first name.

Stephen P. St. Cyr

Cc: Service List