

DW 17-165

ABENAKI WATER COMPANY, INC. - ROSEBROOK DIVISION

COMPANY RESPONSES TO OMNI DATA REQUESTS – SET 2

PERMANENT RATES

Date Request Received: 06/21/18

Date of Response: 07/06/18

Request No. Omni 1-1

Witness: Don Vaughan

Request: In his pre-filed testimony, Mr. Vaughan says the following:

“One other priority allocation of capital has been for the evaluation, planning, and engineering of system-wide pressure reduction project.” Page 7, lines 10-11.

“The effort surrounding the initiative to reduce the extreme pressure in certain locations of the system stems from design location of the 650,000 gallon storage tank.” Page 7, Lines 20-21.

“In more technical terms, we estimate that the single hydraulics gradient controlling the system is in the vicinity of 200 ft. higher than what is considered operationally safe.” Page 7, lines 21-23.

“Operation of the system at the pressures bordering 200 psi, since its inception, had had a history of negative consequences. Page 8, lines 3-4.

“The system pressure consequences, history, and implications into the future are well known and we believe must be satisfactorily addressed.” Page 8, lines 12-13.

- a) Please describe in detail the history of the design and installation of the 650,000 gallon storage tank, including, but not limited to, the reasons for installing the storage tank, the considerations leading to its location, the identity of the individuals or firms involved in the design and location decisions, and the related timeline.
- b) Please provide all documents, reports, analyses, and other information relating to the location and design of the storage tank, including, but not limited to: internal records of Rosebrook Water System’s predecessors; communications to and from the Public Utilities Commission Staff; and relevant Commission orders.
- c) Please provide copies of all communications with customers concerning (1) the negative consequences of the location of the storage tank and (2) the pressure reduction project.

Response

- a) In reaching back to know more about the origin, design and history of the Rosebrook water tank, engineering, and timeline, we have come to the conclusion that there is limited, if not discontinuous, information about the system.

Our research indicates that the tank, well/pumping system and 16" connecting transmission main were constructed by the Mt. Washington Development Company about 1973 to serve the proposed residents in what is now known as Mt. Washington Place. Presumably at that time the thinking was also to provide fire protection to the hotel.

In retrospect, it appears the tank elevation was established to serve the proposed homes even higher than Mt. Washington Place thereby avoiding the costs of constructing pump stations. Consequently, the inordinately high pressures at lower elevations are the result of minimizing cost of the water system.

- b) The Company does not have the resources to investigate and locate documents, reports, analyses, internal records of predecessors, communications to the PUC staff, and relevant Commission orders.
- c) Due to the planning and preliminary work necessary to proceed further with the pressure reduction initiative, there has been virtually no written communications with customers with the exception of Omni personnel. Please see attached relative emails.

There have been various meetings with the PUC, Department of Environmental Services, Twin Mountain Fire Department, Omni and Tri-State Sprinkler regarding the subject.

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Request No. Omni 1-2

Witness: Don Vaughan

Request: On June 20, 2018 Abenaki Water Company submitted a cover letter and presentation titled "Abenaki Water Company: Rosebrook System Pressure Reduction Project" to the Executive Director of the PUC. The presentation, among other things, outlines three phases related to implementation of a water pressure reduction project with associated costs for each.

- a) Please explain in details the purpose and intent of the June 20, 2018 filing.
- b) Is Abenaki asking or seeking to increase the step increase in its rate filing based on the costs associated with the water pressure reduction project? Please explain.

Response:

- a) As reported in the response to OMNI 1-1a, the Company has focused upon a solution accompanied with cost estimates and presented them to the Commission in a June 20th, 2018 supplementary filing. This is the latest update.
- b) Yes. When the Company estimated the step 1 estimated construction cost, the project was very much in a conceptual state. Since that time, it has had the opportunity with the assistance of its consultant, to further refine the estimated cost of the phase 1 segment of the project. Of course, actual cost will not be known until the company solicits and receives bids.