

BEFORE THE
STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DW 20-xxx

Abenaki Water Company – Tioga Belmont

PETITION TO APPROVE NH DWGTF FINANCING FOR
TANK AND GATE VAVLES

NOW COMES Abenaki Water Company and petitions the Commission for approval of long-term debt as follows:

I BACKGROUND

1. Abenaki Water Company ("AWC") provides retail water service to approximately 725 customers in 5 drinking water systems and 156 customers in 1 sewer system. The Company's largest system is known as "Rosebrook" and is located in the towns of Carroll and Bethlehem. In 2019 AWC purchased Tioga River Water Company's 2 water systems, one in Belmont and one in Gilford Village. Tioga Belmont ("TB") experienced a water main break, which drained the 4,500 gallon storage tank overnight putting the system into a state of emergency. It took a period of time to identify the location of the leak; all the while the AWC TB was purchasing bulk water deliveries to maintain service to 22 customers. The total expenses incurred by AWC TB as a result of the bulk water deliveries, excavating, materials and labor spent to make the necessary repairs was \$31,848, more than double the annual revenues of the AWC TB system. Given the 2019 emergency, AWC TB sought an evaluation of the water system and determined that the water storage capacity was inadequate and the lack of gate valves resulted in the entire water system being without water. AWC TB also consulted with the NHDES on a solution and the availability of funding.

II PROJECT

1. AWC TB proposes to purchase and install a pre-fabricated 10,000 gallon concrete tank and 4 2” gate valves strategically placed to achieve operating abilities that are presently not available, collectively referred to as the “Project”.

2. The Project will replace a 1970s, 4,500 gallon storage tank. The addition of a 10,000 gallon concrete tank will increase water storage capacity. The addition of the 4 gate valves are new to the water system and will enable AWC TB to shut off parts of the water system while still providing water to the rest of the water system. It will improve reliability and operations. The total Project costs to be financed is \$50,000. The Project is expected to start and finish in the summer 2020. The work and the timing of such work will benefit both AWC TB and its customers.

III FINANCING

1. On February 14, 2020, The New Hampshire Drinking Water and Groundwater Advisory Commission authorized up to \$45,000 in loan funds and up to \$5,000 in grant funds. Subsequently, AWC TB submitted a final application for approval. The loan charge rate is 2.96%. Its borrowing costs are generally lower than commercial banks and financial institutions. See NAL Attachment 1 to Mr. LaChance’s testimony. Also, on March 31, 2020 the NHDES provided Mr. Laflamme of the PUC Staff a letter of support. See NAL Attachment 2 to Mr. LaChance’s testimony.

IV. FINANCING APPROVAL

1. RSA 369: 1 states that a utility "may, with the approval of the commission but not otherwise, issue and sell ... notes and other evidences of indebtedness payable more than 12 months after the date thereof for lawful corporate purposes." The Commission must conduct a "hearing or investigation as it may deem proper," then authorize the financing "if in its judgment the issue of such securities upon the terms proposed is consistent with the public good." RSA 369:4.

2. The Commission reviews the amount to be financed, the reasonableness of the terms and conditions, the proposed use of the proceeds, and the effect on rates. *Appeal of Easton*, 125 N.H. 205, 211 (1984). As the Commission has recently observed, "certain financing related circumstances are routine, calling for more limited Commission review of the purposes and impacts of the financing, while other requests may be at the opposite end of the spectrum, calling for vastly greater exploration of the intended uses and impacts of the proposed financing." *Public Service Co. of N H*, Order No. 25,050 (December 8, 2009) cited in *Lakes Region Water Company, Inc.*, Order No. 25,391 (July 13, 2012), at Pages 30 -31.

3. As explained in the testimonies and schedules, AWC TB requests that the Commission approve the proposed financing on a not to exceed basis of \$50,000, over 20 years, at a fixed interest rate estimated to be 2.96%.

V. CONCLUSION

1. Approval of this Petition is consistent with the public good because: The replacement of water storage tank will increase the storage capacity of the water system and the addition of the gate valves will increase the reliability and operations of the water systems, and reduce the risk of an emergency water outage in the future.

2. The terms and conditions of the NH DWGTF loan are fair and reasonable.

WHEREFORE Abenaki Water Company – Tioga Belmont respectfully requests that the Commission approve this Petition and grant such other relief as justice may require.

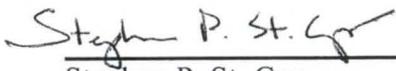
Respectfully submitted,

ABENAKI WATER COMPANY

By its Consultant,

Stephen P. St. Cyr & Assoc.

Dated: April 6, 2020



Stephen P. St. Cyr