



8/12/2021

By electronic mail (executive.director@energy.nh.gov)

Chairwoman Dianne Martin  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, New Hampshire 03301

**Re: Docket No. DW 20-044 - Abenaki Water Company**

**Petition for Approval of Financing from the Drinking Water and Groundwater Trust Fund**

Dear Chairwoman Martin:

On September 29, 2020 the Public Utilities Commission ("PUC") approved Order No. 26,410 allowing Abenaki Water Company ("AWC") to borrow up to \$45,000 from the New Hampshire Drinking Water and Groundwater Trust Fund ("NHDWGTF"). Such borrowing was accompanied by a \$5,000 grant for a total of \$50,000 in available funds. The proposed project was to increase the storage capacity in the Tioga Belmont system from roughly 5,000 gallons to a minimum of 10,000 gallons. The project also identified the need for additional distribution valves for enhanced operator capabilities.

The proposed project in DW 20-044 was well intended to provide a cure for the underlying issues within the distribution system. Namely, the system was constructed by a residential developer utilizing sub-standard materials that did not have the long-term interests of a sustainable distribution system in mind. Further, the Company has identified mains that are buried over 9 feet deep, or 50% deeper than needed in this portion of the State. After numerous discussions within the Company and with Aquarion Water Company representatives, it has been determined that an alternative approach exists that will provide immediate benefits to ratepayers.

The scope of the overall project remains, in that the Company is seeking to complete the necessary and prudent improvements needed to ensure a safe and reliable water service to the 22 Tioga Belmont customers. By way of this filing, the Company is seeking approval to alter the method by which it achieves its scope. The Company proposes to utilize the NHDWGTF to begin a main replacement project in the Tioga Belmont system. The benefits of this project are numerous, and most importantly, will deliver immediate benefits to customers versus the proposed increase to storage.

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The main replacement project provides direct practical and financial benefits versus those provided by the storage tank project alone. First, it aims to fix a long-standing issue, not unique to the Tioga Belmont system but applicable to numerous small developer-built systems in the State, to replace a faulty distribution system. The system was constructed with 2" and 3" PVC piping, some of which is schedule 40 and commonly used in residential plumbing. Nylon fittings, notorious for leaking and breaking, were used to connect the piping and were the root cause for the 2019 winter break that was described in the original filing. As indicated earlier, plastic mains in the system are buried over 9 feet below grade in permeable soils, making it very difficult to identify leaks in the systems. Finally, distribution valves identified on the system maps provided to the Company by the prior owner have proven to be difficult to locate.

The project change to replace the distribution system would provide relief to each of the identified areas of concern. The sub-standard mains and fittings would be replaced with 3" HDPE mains and appropriate fittings resulting in the reduction of future unaccounted for water. The installation of distribution valves would provide enhanced operator capabilities relative to proactive leak detection and future distribution repairs. Finally, the new main would be buried at a reasonable depth, approximately 6 feet, allowing for easier access in the future when required.

The immediate financial impacts of this alteration are minor, but nonetheless beneficial, in that mains have an extended useful life versus the storage tank, ultimately reducing the proforma depreciation expense of the improvement. It is also an appropriate assumption that future costs relative to main breaks and leaks would be reduced by way of new infrastructure replacing the sub-standard materials currently in service. System reliability would be enhanced, providing a glide path for the Company to achieve a continual safe and reliable service.

Overall, the change in project is geared toward providing immediate benefits to the customers versus an "insurance plan" that the increased storage would provide. The project change has been discussed with and approved by representatives from the New Hampshire Department of Environmental Services (NHDES). Cynthia Klevins, water treatment and small systems engineer, is in agreement that this change in approach provides greater benefits. Ms. Klevins has provided a letter of support for the change, which is enclosed.

In conclusion, the Company is requesting the PUC to grant approval for the change in use of the NHDWGTF proceeds. Specifically, the Company is requesting approval to alter previously approved plans of increasing storage capacity to initiating a replacement of the overall distribution system which will yield greater immediate and future benefits to the customers. The Company is respectfully requesting an approval by September 15, 2021 so that it can make these important and beneficial improvements prior to the close of the 2021 construction season.



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