

BEFORE THE  
STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

Docket No. DW 20-xxx

Abenaki Water Company – White Rock

PETITION TO APPROVE NH DWSRF FINANCING FOR  
WHITE ROCK IMPROVEMENTS

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. AWC acquired the operating assets of the White Rock water system in docket 13-236. As recent as the last 2-3 years, the production yields have been reduced drastically to the point that production is almost equal to demand. Compounding the low production is the condition of the distribution system, which has fittings that frequently fail. The frequent failures result in costly distribution leaks requiring excavation and replacement material. The last 8-12 months has been replete with distribution leaks, forcing the Company to make bulk purchases to replenish the water supply. Given the recent leaks and the low production, AWC WR evaluated the water system and determined that a new source of supply, a new treatment facility, distribution valves and other improvements were necessary. AWC WR also consulted with the NHDES on a solution and the availability of funding.

## II PROJECT

1. AWC WR proposes to develop a new source of supply, construct a new treatment facility, purchase and install a new supply main, new instrumentation and equipment, new linings for 2 existing tanks and new distribution valves, collectively referred to as the "WR Improvements."

2. The WR Improvements will add a needed new source of supply. The new source will need to be treated. The relining of the tanks will increase the life of the tanks. The addition of the distribution valves are new to the water system and will enable AWC WR 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 WR Improvement costs to be financed is \$400,000. The tank lining will be completed upon approval of the financing. All other work will not take place until sometime in 2021 since it is contingent on actually finding a new source. The work and the timing of such work will benefit both AWC WR and its customers.

## III FINANCING

1. Mr. McKenna with NHDES confirmed on 4/19/20 that \$400,000 in DWSRF funding would be available for the project. Subsequently, AWC WR submitted a final application for approval. The loan charge rate is 1.70%. The borrowing costs are lower than commercial banks and financial institutions.

## 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 WR requests that the Commission approve the proposed financing on a not to exceed basis of \$400,000, over 20 years, at a fixed interest rate estimated to be 1.70%.

## V. CONCLUSION

1. Approval of this Petition is consistent with the public good because: The development of a new source of water supply and other improvements will increase the system's reliability, improve operations, and reduce the risk of an water outage in the future.

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

WHEREFORE Abenaki Water Company – White Rock respectfully requests that the Commission approve this Petition and grant such other relief as

justice may require.

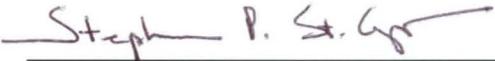
Respectfully submitted,

**ABENAKI WATER COMPANY**

By its Consultant,

**Stephen P. St. Cyr & Assoc.**

Dated: June 2, 2020

  
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Stephen P. St. Cyr