

Dear LL Sewer Customer,

On October 30, 2020 Abenaki Water Company ("Abenaki" or "Company") filed for a rate increase for its Lakeland ("LL") Sewer customers with the New Hampshire Public Utilities Commission ("NHPUC"). If approved, as filed, LL Sewer's annual revenues would increase \$11,066 or 9.98 %. The Company is proposing that the new rate tariff be effective December 1, 2020.

During the twelve months ended December 31, 2019 (the test year) the actual net income (loss) amounted to \$1,175. Its actual operating revenues amounted to \$115,921. Its actual operating expenses amounted to \$114,156, resulting in a net operating income (loss) of \$1,765. The net operating income (loss) of \$1,765 is less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the City of Laconia is increasing its sewer rate to the Company in 2020 and 2021. In addition, the Company is requesting NHPUC approval of a mechanism whereby City of Laconia sewer increases are passed on to LL Sewer customers after PUC review without a significant and costly proceeding.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,

Nick LaChance
Vice president

Dear LL Water Customer,

On October 30, 2020 Abenaki Water Company ("Abenaki" or "Company") filed for a rate increase for its Lakeland ("LL") Water customers with the New Hampshire Public Utilities Commission ("NHPUC"). If approved, as filed, LL Water's annual revenues would increase \$102 or 0.081 %. The Company is proposing that the new rate tariff be effective December 1, 2020. The Company has also proposed that LL Water customers' revenue / rates be consolidated with some of its other water systems. If the NHPUC approves the consolidation of revenues / rates with some of the AWC's other water systems, the combined revenues / rates of AWC's other water systems including LL Water would increase \$228,009 or 91.34%.

For LL Water, during the twelve months ended December 31, 2019 (the test year) the actual net income (loss) amounted to \$24,447. Its actual operating revenues amounted to \$122,737. Its actual operating expenses amounted to \$93,129, resulting in a net operating income (loss) of \$29,608. The net operating income (loss) of \$29,608 is more than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. There are a couple of minor issues here. In 2019 and 2020 LL Water invested in plant, which needs to be fully reflected in rate base. Also, in 2017, LL Water purchased water due to a water boiling order.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,

Nick LaChance
Vice president

Dear WR Water Customer,

On October 30, 2020 Abenaki Water Company (“Abenaki” or “Company”) filed for a rate increase for its White Rock (“WR”) Water customers with the New Hampshire Public Utilities Commission (“NHPUC”). If approved, as filed, WR’s annual revenues would increase \$99,778 or 124.76 %. The Company is proposing that the new rate tariff be effective December 1, 2020. The Company has also proposed that WR’s customers’ revenue / rates be consolidated with some of its other water systems. If the NHPUC approves the consolidation of revenues / rates with some of the AWC’s other water systems, the combined revenues / rates of AWC’s other water systems including WR would increase \$228,009 or 91.34%.

For WR, during the twelve months ended December 31, 2019 (the test year) the actual net income (loss) amounted to (\$19,532). Its actual operating revenues amounted to \$82,211. Its actual operating expenses amounted to \$99,636, resulting in a net operating income (loss) of (\$17,425). The net operating income (loss) of (\$17,425) is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issues here are the anticipated 2020 expenditures of approximately \$170,000 including \$125,000 to be funded with NH DWSRF, the significant 2018 and 2019 water outage expenditures of \$87,625 and the 2019/2020 tank inspection of \$26,512.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,

Nick LaChance
Vice president

Dear TGV Water Customer,

On October 30, 2020 Abenaki Water Company (“Abenaki” or “Company”) filed for a rate increase for its Tioga Gilford Village (“TGV”) Water customers with the New Hampshire Public Utilities Commission (“NHPUC”). If approved, as filed, WR’s annual revenues would increase \$76,775 or 166.27 %. The Company is proposing that the new rate tariff be effective December 1, 2020. The Company has also proposed that TGV’s customers’ revenue / rates be consolidated with some of its other water systems. If the NHPUC approves the consolidation of revenues / rates with some of the AWC’s other water systems, the combined revenues / rates of AWC’s other water systems including WR would increase \$228,009 or 91.34%.

For TGV, during the twelve months ended April 30, 2020 (the test year) the actual net income (loss) amounted to (\$24,600). Its actual operating revenues amounted to \$28,833. Its actual operating expenses amounted to \$52,677, resulting in a net operating income (loss) of (\$23,844). The net operating income (loss) of (\$23,844) is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issues here are the 2019 purchase and installation of meters amounting to \$30,907 and the recovery of due diligence costs amounting to \$33,461 incurred in the process of purchasing the water system and gaining PUC approval.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,

Nick LaChance
Vice president

Dear TB Water Customer,

On October 30, 2020 Abenaki Water Company ("Abenaki" or "Company") filed for a rate increase for its Tioga Belmont ("TB") Water customers with the New Hampshire Public Utilities Commission ("NHPUC"). If approved, as filed, WR's annual revenues would increase \$78,403 or 427.36 %. The Company is proposing that the new rate tariff be effective December 1, 2020. The Company has also proposed that TB's customers' revenue / rates be consolidated with some of its other water systems. If the NHPUC approves the consolidation of revenues / rates with some of the AWC's other water systems, the combined revenues / rates of AWC's other water systems including WR would increase \$228,009 or 91.34%.

For TB, during the twelve months ended April 30, 2020 (the test year) the actual net income (loss) amounted to (\$32,136). Its actual operating revenues amounted to \$18,346. Its actual operating expenses amounted to \$49,764, resulting in a net operating income (loss) of (\$31,418). The net operating income (loss) of (\$31,418) is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issues here are the anticipated 2020 expenditures of approximately \$54,000 including \$50,000 to be funded with NH DWGTF, the recovery of due diligence costs of \$32,175 incurred in the process of purchasing the water system and gaining PUC approval and the main break and water purchases amounting to \$31,890.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,

Nick LaChance
Vice president