

Stephen P. St. Cyr & Associates

17 Sky Oaks Drive

Biddeford, Me. 04005

207-423-0215

stephenpstcyr@yahoo.com

PUC 1604.02(a)(1)

Abenaki Water Company
LL Sewer, LL Water, WR, TGV, TB and AWC Combined
before the
New Hampshire Public Utilities Commission
DW 20-112
Summary of the Requested Rate Relief

Abenaki Water Company ("AWC" or "Company") respectfully requests that the Commissioners accept this filing in support of its request for an increase in rates in its LL Sewer system and its LL Water, WR, TGV & TB water systems. AWC is also proposing that the Commission approve unified rates for its four water systems. Overall, AWC is proposing a revenue requirement for the four water systems of \$473,967, an increase \$221,840 in its annual revenues. A summary of the revenue increase for each system is briefly described below.

For LL Sewer, 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 significant issue here is 2020 and 2021 City of Laconia increases in sewer rates. LL Sewer needs a mechanism whereby City of Laconia sewer increases are passed on to LL Sewer customers after PUC review without a significant and costly proceeding.

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 full reflected in rate base. Also, in 2017, LL Water purchased water due to a water boiling order.

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.

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.

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.

AWC proposes that the new permanent rates for it LL Sewer, LL Water, WR, TGV & TB be effective December 1, 2020. As part of this filing, AWC is requesting temporary rates.

With respect to the specific rate filing and its exhibits and supporting schedules, AWC has engaged the services of Stephen P. St. Cyr of St. Cyr & Associates to assist the Company, prepare the exhibits, prepare, review and present testimony on the merits of the case and meet other rate filing requirements. Enclosed are exhibits, testimony and the other rate filing requirements.

SPSt. Cyr
10/30/20