

The STATE OF NEW HAMPSHIRE

BEFORE THE PUBLIC UTILITIES COMMISSION

ABENAKI WATER COMPANY, INC.

Request for Changes in Rates

Docket No. DW 20-112

Petition of Kevin & Janet Monahan of 27 Rocky Point Drive (Village Shore Estates), Bow, NH for Intervention.

January 25, 2021

Dear Madam Chairperson and Commissioners:

As customers of Abenaki Water Company (AWC) and 32-year residents of Village Shore Estates in Bow, NH, we are directly affected by the proposed rate increase and we respectfully request to intervene in the matter. We offer the following in opposition to the proposed rate increase.

The fundamental question which the Commission must answer is why AWC needs such a significant rate increase. After all, we are already paying rates which are among the highest in the state and perhaps country. The Commission must also determine if the rate increase is fair and warranted.

In its filing, AWC stated that it had an operating loss of over \$17,425.00 in 2019. In addition, AWC stated that a rate increase was necessary to "compensate" itself for sustained revenue losses occasioned by water outages in 2018 and 2019. Further, AWC is seeking a rate increase to offset an anticipated \$125,000 for system upgrades and repairs. The Commission needs to closely examine and determine the root causes for such losses.

Like AWC, White Rock Water Company, the AWC predecessor, struggled to keep the system functioning. Ultimately, despite rate increases, White Rock Water Company could no longer afford to maintain and operate the water system and consequently sold it to AWC. When AWC purchased the system, they were aware of its declining condition and should have created a capital reserve fund to offset the costs of anticipated repairs, maintenance and production costs. Instead, they are now relying on its customers to bail them out. We should not be liable for the failures of AWC.

Since moving to Village Shores Estates 32 years ago, the water system has been plagued with issues including unreliable and low producing wells, a rapidly failing distribution system, persistent and undetectable leaks, reduced service, water restrictions and ultimately water outages. As retired senior citizens on a fixed income, we simply cannot afford our already exorbitant water rates to increase further. From 2019 to 2020, our annual water bill increased by 73% even with careful attention to water use and fewer overnight guest visits due to the Covid pandemic. A rate increase from 62% to 124% is simply not affordable.

In 2020, AWC sent a very ominous letter to its customers. AWC stated that the aforementioned operational issues including a newly discovered leak in the 30,000-gallon water storage tanks "make it difficult to efficiently and cost effectively operate the system." Like its predecessor, despite all the rate increases granted by the Commission, AWC has declined to take the actions necessary to adequately

and permanently address our failing water system. AWC has also failed to implement a suitable financial plan to address the problems they knew about when they purchased the system. These failures have unfortunately resulted in frequent watering bans, reduced service, and other water restrictions. Ironically, these several outages and water restrictions resulted in revenue losses for AWC especially in 2019 and 2020.

Recently, subsequent to the strong and unprecedented lobbying efforts of the Village Shores Estates Association, AWC received a \$350,000 grant from the Safe Drinking Water Trust Fund. This grant will assist AWC in addressing the primary issues which they claim justifies a rate increase. Despite receiving these funds, AWC continues to press for a significant rate increase on top of the existing exorbitant rates.

Accordingly, we request the Commission to deny the rate increase request of AWC. They have received significant funds which will go a long way in addressing its stated needs for operating capital. Moreover, the chronic failure of AWC to adequately manage and maintain our water system should preclude such a significant rate increase. As previously stated, despite past rate increases, the issues with the system have not been adequately and permanently addressed in the 32 years that we have lived here. AWC desires a rate increase to compensate itself for its revenue losses. Customers are not to blame for such losses. If AWC fulfills its obligations to improve well production, repair and properly maintain the system, AWC will realize a better and reliable revenue stream. We also request that the Commission consider the fact that many customers are facing financial hardships brought on by Covid 19 pandemic and cannot afford such a drastic increase in rates.

Thank you for your consideration.

Respectfully submitted,



Kevin M. Monahan



Janet H. Monahan