

BEFORE THE
STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DW 21-xxx

Abenaki Water Company – Rosebrook

PETITION TO APPROVE NH DWGTF FINANCING FOR
ROSEBROOK PRESSURE REDUCTION PROJECT

NOW COMES Abenaki Water Company and petitions the Commission for approval of long-term debt as follows:

I BACKGROUND

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 Rosebrook water system in docket DW 16-448. Rosebrook has had a long standing water pressure problem with water pressure approaching 190 psi at the lower elevation of the water system. This is not a new problem, but one AWC has intended to solve since acquiring the system. Furthermore, the NHDES has ordered AWC to comply with two significant deficiencies; namely a distribution and treatment condition.

II PROJECT

AWC has selected Horizons ("Horizons") Engineering to perform the engineering, plans and specifications. Horizons is intimately familiar with the geography, facilities, utilities, construction conditions and the Rosebrook community. The engineering including the plans and specifications and all

related information pertaining to the PRP must be complete and submitted to the Commission by August 2, 2021.

III COSTS

While the actual costs will not be known until bids are received, AWC is estimating project costs of \$2.9 million. The total costs to be financed are \$2,520,000.

IV FINANCING

Ms. Holmes, the DWG Trust Fund Administrator confirmed on 2/9/21 that funding of up to \$2,520,000 in loan funds and \$280,000 in grant funds would be available for the project. Subsequently, AWC is in the process of completing a final application for approval. The interest rate is set at 1.55% until August 5, 2021. The borrowing costs are lower than commercial banks and financial institutions.

V. 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 RB requests that the Commission approve the proposed financing on a not to exceed basis of \$2,520,000, over 25 years, at a fixed interest rate estimated to be 1.55% by no later than June 15, 2021.

V. CONCLUSION

1. Approval of this Petition is consistent with the public good because: The reduction of water pressure to acceptable levels will increase the system's reliability, improve operations, and reduce the risk of safely working on the water system.
2. The terms and conditions of the NH DWSRF loan are fair and reasonable.

WHEREFORE Abenaki Water Company – Rosebrook respectfully requests that the Commission approve this Petition and grant such other relief as justice may require by June 15, 2021.


Respectfully submitted,

ABENAKI WATER COMPANY

By its Consultant,

Stephen P. St. Cyr & Assoc.

Dated: March 22, 2021



Stephen P. St. Cyr