

**STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION**

**DOCKET NO. DW 17-165  
ABENAKI WATER COMPANY, INC.**

**SETTLEMENT AGREEMENT – TEMPORARY RATES**

**I. INTRODUCTION**

This Settlement Agreement (“Agreement”) is entered into this 30th day of May, 2018, by and among Abenaki Water Company, Inc. (“Abenaki” or “Company”) and the Staff (“Staff”) of the New Hampshire Public Utilities Commission (“the Commission), collectively (“Settling Parties”), with the intent of resolving the issues discussed herein. This Settlement Agreement constitutes the recommendation of the Settling Parties with respect to the Commission’s determination of temporary rates.

**II. PROCEDURAL BACKGROUND**

Abenaki Water Company, Inc. is a New Hampshire corporation and regulated water utility. The Rosebrook Water System division provides service to approximately 410 customers in the Town of Carroll. On October 23, 2017, Abenaki filed a notice of intent to file rate schedules for its Rosebrook Water System. On December 7, 2017, the Company filed a petition for a permanent rate increase and step adjustment seeking an overall permanent increase in its water revenues of \$102,232 or 37.85 percent, and proposing a step adjustment of an additional \$22,645 or 6.08 percent. On January 18, 2018, Abenaki filed a petition for temporary rates seeking an increase in its water revenues of \$65,452 or 24.23 percent. On May 1, 2018, the Settling Parties met and negotiated the terms of the Settlement Agreement.

### **III. TERMS OF AGREEMENT**

The Settling Parties recommend that the Commission authorize the Company, in accordance with RSA 378:27, to implement temporary rates according to the following terms:

- A) The Company will charge rates sufficient to yield a temporary increase in annual revenues of \$41,145, or 14.89%, in accordance with the calculations contained in Attachment A to this Agreement.
- B) The temporary rate increase will be implemented uniformly across all customer classes and rates in accordance with the calculation contained on Attachment A, Schedule 6a to this Agreement.
- C) The temporary rate increase will be computed using a cost of equity rate of 9.6%, without prejudice to any party or Staff to recommend otherwise for the purpose of setting permanent rates in this proceeding.
- D) The temporary rates shall be effective on a service rendered basis as of February 1, 2018.
- E) Any difference between the approved temporary rates and the approved permanent rates in this proceeding shall be subject to reconciliation from the effective date of February 1, 2018 to the date of the Commission's order approving new permanent rates, as provided by RSA 378:29.

### **IV. CONDITIONS**

This Settlement Agreement is expressly conditioned upon the Commission's approval of all its provisions, without change or condition. If such approval is not granted, the Settlement Agreement shall be deemed to be null and void and without effect, and shall not be admissible as evidence or used against any party. The Commission's acceptance of this Settlement Agreement

does not constitute continuing approval of, or precedent regarding, any particular principle or issue in this proceeding, but such acceptance does constitute a determination that the temporary revenue requirement and temporary rates are just and reasonable.

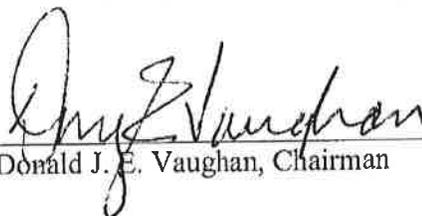
The discussions that produced this Settlement Agreement have been conducted on the understanding that all offers of settlement relating thereto are and shall be confidential, shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used for any purpose.

IN WITNESS WHEREOF, the Settling Parties have caused this Settlement Agreement to be duly executed in their respective names by their agents, each being fully authorized to do so on behalf of their principal.

ABENAKI WATER COMPANY, INC.

Dated: May 24, 2018

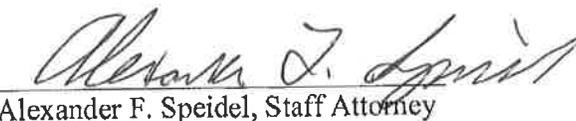
By:

  
Donald J. E. Vaughan, Chairman

STAFF OF THE NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

Dated: May 29, 2018

By:

  
Alexander F. Speidel, Staff Attorney