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VIA FIRST CLASS MAIL AND ELECTRONIC DELIVERY

Debra A. Howland, Executive Director

N.H. Public Utilities Commission

21 South Fruit Street, Suite 10

Concord, N.H. 03301

Re: DW 17-165 Abenaki Water Company, Inc. Rate Case
Pre-Filed Direct Testimony of Pauline M. Ahern

Dear Director Howland,

Attached for filing is an original and six copies of the Pre-Filed Direct Testimony of Pauline M. Ahern.

As the Commission is aware, on December 7, 2017, Abenaki Water Company, Inc. ("Abenaki") filed proposed rate schedules and other supporting schedules to implement a rate increase. N.H. Code Admin. R. Puc 203.06 allows utilities to file pre-filed testimony and exhibits even though a petition is not technically required under RSA 378:3 for permanent rate changes. In the interest of expediting the proceeding, Abenaki included the pre-filed direct testimony of Donald J.E. Vaughan, President and CEO of New England Service Company, Inc. On pages 4 and 5 of Mr. Vaughan's testimony, Abenaki made note that it was collaborating with two other small water utilities to retain a cost of capital expert.¹ Ms. Ahern's testimony was not available at the time of Abenaki's rate filing. Puc 1604.08(c)(8), however, requires utilities to provide information showing the rate of return on common equity. Because Ms. Ahern's testimony relates to Abenaki's cost of capital, Abenaki is filing Ms. Ahern's testimony at this time.

Abenaki does not believe that it needs express authority from the Commission to file Ms. Ahern's testimony, however, in the event that the Commission or parties believe express approval is necessary, Abenaki states as follows:

1. Ms. Ahern's testimony is directly germane to Abenaki's position that its' risk profile warrants its requested return on equity;

¹ As the Commission is also aware, Abenaki, Hampstead Area Water Company, Inc., and Lakes Region Water Company, Inc. filed the attached testimony of Ms. Ahern along with a petition to establish a generic return on equity. The Commission docketed that matter as DW 18-026.

2. The Commission, Staff, and parties are not disadvantaged by Ms. Ahern's testimony because the Commission and parties' investigation of Abenaki's permanent rates has not yet started;
3. Good cause exists for the delay in filing Ms. Ahern's testimony because Ms. Ahern's testimony was only made affordable because the expense was split among three utilities .
4. Abenaki anticipates Mr. Vaughan's testimony will be the subject of discovery and, under Puc 203.09(k), Abenaki would otherwise be under a duty to reasonably and promptly amend or supplement its discovery responses, schedules, or testimony;
5. The approved procedural schedule in this docket affords Staff and the parties ample opportunity to investigate Ms. Ahern's testimony through the remaining two rounds of discovery, technical sessions, and the filing of testimony, and importantly, the schedule also affords Abenaki the ability to file rebuttal testimony.

For these reasons, Abenaki respectfully files Ms. Ahern's testimony in this docket. In the alternative, Abenaki requests the Commission authorize and accept Abenaki's filing of Ms. Ahern's testimony.

Very Truly Yours,



Stephen P. St. Cyr

cc: DW 17-165 Docket-Related Service List