DW 20-112
ABENAKI WATER COMPANY, INC.
BELMONT SEWER, BELMONT WATER,
BOW, TIOGA BELMONT, TIOGA GILFORD

Permanent Rate Proceeding
Abenaki Response to Commission Data Request

Date Request Received: 9/7/21 Date of Response: 10/7/21
Request No. Comm 1-1

REQUEST: Prepare and submit to the Commission a detailed report on Abenaki's water system asset inventory and condition with supporting documents. This report should include separate sections for each of the four water systems in the rate case, as well as a detailed system map for each system showing the location of all infrastructure and equipment. The report should also include a next five-year capital spending plan for each system, and historical data. Use the format attached to this request.

RESPONSE: Please see the attached report.

Pursuant to N.H. Code Admin. R. Ann. PUC 203.08(d), AWC has a good faith basis for seeking confidential treatment of certain attachments to this data response that include detailed system maps. Contemporaneously with this data response, AWC is filing a motion for confidential treatment with the Commission.

DW 20-112

ABENAKI WATER COMPANY, INC.
BELMONT SEWER, BELMONT WATER,
BOW, TIOGA BELMONT, TIOGA GILFORD

REPORT OF SYSTEM ASSETS

October 7, 2021

Abenaki Water Company (NH)

1. Water Utility Consolidation

The provision of service by water utilities is arguably the most capital intensive of all the regulated utilities (electric, gas, water, and telephone). In addition, the industry faces an increasing number of new water quality standards and more stringent application of existing standards, which together create unique pressures, especially for small water utilities. As the N.H. Department of Environmental Services recently stated:

> "This is a very challenging time for public water systems, which are facing a new, more protective limit for arsenic, new standards for PFAS (per- and polyfluorinated alkyl substances), a more stringent Lead and Copper Rule, and the COVID pandemic, in addition to the challenges of aging infrastructure that existed before 2020." Source: https://www.des.nh.gov/blog/nhdes-proposing-enforceable-limits-manganese

In response to these pressures, the water industry has consolidated. Over the past 20 years, the number of water utilities regulated by the New Hampshire Public Utilities Commission (NHPUC) has shrunk from over 30 in the late 1990s to less than 12 water utilities today. In each of these consolidations, the NHPUC has reaffirmed the benefits of small water systems being acquired by larger, more experienced operators with greater resources. For example, between 2014 and 2019, Lakeland Management Company, Inc.; White Rock Water Company, Inc.; Rosebrook Water Company, Inc.; and Tioga River Water Company, Inc. ceased to be stand-alone utilities and were purchased by New England Service Company, Inc. under its New Hampshire subsidiary, Abenaki Water Company, Inc. Those acquisitions occurred as noted below.

2. Abenaki Water Company Timeline

Feb 2014 - Abenaki Water Company formed with the acquisition of the Lakeland Water, Lakeland Sewer, and White Rock systems from the White Rock Water Company (DW 13-236).

Sep 2016 - Abenaki acquires Rosebrook Water System from the Rosebrook Water Company (DW 16-448).

May 2019 - Abenaki acquires Tioga Belmont and Tioga Gilford Village systems from Tioga River Water Company (DW 18-108).

Apr 2021 - Abenaki announces sale of Abenaki to Aquarion (DW 21-090).

3. Abenaki Asset Breakdown and Future Capital Budget (excludes Rosebrook)

The age, size, and location of the Abenaki systems are provided below, as is a list of system components, rate base, and capital improvements. It is important to note that all assets listed as "used and useful" are currently providing service to customers. The projected capital budget has been crafted to ensure reliable service for the foreseeable future. As with all capital improvements, if an existing "used and useful" asset is taken out of service as part of a capital upgrade, it is removed from rate base (a common example of this would be replacing an old pump that is no longer providing reliable service, with a new pump).

	System Age	Year Acquired	Customers	Purchase Price	Rate Base Acquired	
Belmont - Lakeland	~1979	2014	160	$ 444,000	$ 444,000	(1)
Bow - White Rock	~1966	2014	95			
Belmont - Tioga	~1982	2019	22			
Gilford Village - Tioga	~1972	2019	39			
Subtotal - Southern systems			316	444,000	444,000	
Rosebrook	~ 1971	2016	409	400,000	400,000	
Total Water			725	844,000	844,000	
Belmont - sewer	~1979	2014	158	-	-	(1)
Total Water & Sewer			883	844,000	844,000	

(1) Belmont-Lakeland, Bow-White Rock and Belmont-sewer acquired as part of same transaction

3A. System Overview - Belmont – Lakeland

In 2020, the Belmont—Lakeland system produced 7,250,930 gallons using the assets below:

	Belmont-Lakeland	Description	Useful & In Use?	Obsolete?
Investment in Utility Plant:				
301 Organization	$ 68,642	Organization costs	Yes	No
303 Land & Land Rights	$ 7,362		Yes	No
304 Structures & Improvements	$ 35,781	2 pump stations	Yes	No
307 Wells & Springs	$ 196,152	2 wells in service	Yes	No
311 Pumping Equipment	$ 130,483	Pumping equipment & appurtenances	Yes	No
320 Water Treatment	$ 22,164		Yes	No
330 Distrib Reservoirs & Standpipes	$ 106,343	Atmospheric tank - 50,000 gal	Yes	No
331 T & D Mains	$ 41,239	8,500 Feet of distribution main	Yes	No
333 Services	$ 24,703	Services for 160 customers	Yes	No
334 Meters & Meter Installations	$ 50,025	Meters for 160 customers	Yes	No
346 Communication Equipment	$ 489		Yes	No
347 Computer Equipment	$ 8,834		Yes	No
Total Utility Plant	**$ 692,217**			
Less: Accumulation Depreciation	$(341,981)	F-6		
Net Utility Plant	**$ 350,236**			
Net CIAC	$ (28,464)			
Net Utility Plant in Rate Base	**$ 321,772**			
Accumulated Deferred Income Taxes	$ (72,464)	F-45		
Net Rate Base	**$ 249,308**			

# Customers	160
Net Rate Base	$ 249,308
Rate Base per Customer	$ 1,558
2020 Revenues	$ 125,388
Revenues per Customer	$ 784
2020 Net Income	$ 25,384
Net Income (Loss) per Customer	$ 159

The future capital requirements are summarized below and consist of routine replacement of infrastructure, upgraded system mapping, incremental investments in SCADA and stand by generators for the system. The projects are all designed to ensure long term system reliability and to bring the system up to a technological standard consistent with Aquarion's other systems. Projects listed in 2021 are either complete or are being carried out under New England Service Company ownership, and projects listed in 2022 and beyond are planned under Aquarion ownership.

Project Description	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY2025**
Water System Mapping Improvements	$ -	$ 3,000	$ -	$ -	$ -
Replacement of Services	$ 5,000				
SCADA and Instrumentation Upgrades	$ -	$ 35,000	$ -	$ -	$ -
Periodic Meter Replacements	$ -	$ -	$ -	$ 16,067	$ -
Generators for Lakeland Well System	$ -	$ 70,000	$ -	$ -	$ -
Generator for Plumber Hill Booster Station	$ -	$ 35,000	$ -	$ -	$ -
Total:	**$ 5,000**	**$ 143,000**	**$ -**	**$ 16,067**	**$ -**

3B. System Overview – White Rock

In 2020, the White Rock system produced 5,632,637 gallons using the assets below:

		Bow- White Rock	Description	Useful & In Use?	Obsolete?
Investment in Utility Plant:					
301	Organization	$ 22,881	Organization costs	Yes	No
303	Land & Land Rights	$ 5,845		Yes	No
304	Structures & Improvements	$ 55,808	1 pump station	Yes	No
307	Wells & Springs	$ 33,529	3 wells in service	Yes	No
310	Power Generation Equipment	$ 13,700		Yes	No
311	Pumping Equipment	$ 72,906	Pumping equipment & appurtenances	Yes	No
320	Water Treatment	$ 187,738	Arsenic removal system, chlorination, pH	Yes	No
330	Distrib Reservoirs & Standpipes	$ 21,416	Atmospheric tank - 30,000 gal	Yes	No
331	T & D Mains	$ 69,807	13,000 Feet of distribution main	Yes	No
333	Services	$ 48,489	Services for 95 customers	Yes	No
334	Meters & Meter Installations	$ 46,698	Meters for 95 customers	Yes	No
335	Hydrants	$ 1,200		Yes	No
346	Communication Equipment	$ 326		Yes	No
347	Computer Equipment	$ 19,377		Yes	No
348	Other Tangible Equipment	$ 764			
	Total Utility Plant	**$ 600,484**			
	Less: Accumulation Depreciation	$ (278,631)	F-6		
	Net Utility Plant	**$ 321,853**			
	Net CIAC	$ (64,245)			
	Net Utility Plant in Rate Base	**$ 257,608**			
	Accumulated Deferred Income Taxes	$ (36,442)	F-45		
	Net Rate Base	**$ 221,166**			

# Customers		95
Net Rate Base	$	221,166
Rate Base per Customer	$	2,328
2020 Revenues	$	87,088
Revenues per Customer	$	917
2020 Net Income	$	(29,921)
Net Income (Loss) per Customer	$	(315)

White Rock is the oldest of the Abenaki water system, with some of the original infrastructure dating back to 1966. The future capital requirements are summarized below and consist of routine replacement of infrastructure, upgraded system mapping, incremental investments in SCADA and instrumentation. The White Rock system capital plan also includes significant distribution upgrades and a large project to identify and permit a new source of supply. The capital work for 2021 and 2022 is being supplemented by a $350,000 grant from the New Hampshire Drinking Water and Groundwater Trust Fund. The projects are all designed to ensure long term system reliability and bring the system up to a technological standard consistent with Aquarion's other systems. Projects listed in 2021 are either complete or are being carried out under New England Service Company ownership and projects listed in 2022 and beyond are planned under Aquarion ownership.

Project Description	FY 2021	FY 2022	FY 2023	FY 2024	FY2025
Design and Replacement of Water Mains	$ -	$ -	$ 15,000	$ 150,000	$ 15,000
Capitalized Main Breaks	$ 8,300	$ -	$ -	$ -	$ -
Water System Mapping Improvements	$ -		$ 3,000		
Installation of new of Distribution Valves	$ -	$ 50,000	$ -	$ -	$ -
Replacement of Distribution PRVs	$ 50,000	$ 10,000	$ 35,000	$ 35,000	$ -
SCADA and Instrumentation Upgrades	$ -	$ 35,000	$ -	$ -	$ -
Periodic Meter Replacements	$ 300	$ -	$ -	$ 9,746	$ 1,712
Exploration and Construction of New Source of Supply	$ -	$ 155,000	$ 265,000	$ -	$ -
Treatment System and Building Upgrades	$ 90,000	$ 25,000	$ -	$ -	$ -
Total:	**$ 148,600**	**$ 275,000**	**$ 318,000**	**$ 194,746**	**$ 16,712**

3C. System Overview - Tioga - Belmont

In 2020, the Tioga-Belmont system produced 1,412,261 gallons using the assets below:

	Belmont - Tioga	Description	Useful & In Use?	Obsolete?
Investment in Utility Plant:				
303 Land & Land Rights	$ 1,005		Yes	No
304 Structures & Improvements	$ 75,499	1 pump stations	Yes	No
307 Wells & Springs	$ 19,136	2 wells in service	Yes	No
309 Supply Mains	$ 275		Yes	No
311 Pumping Equipment	$ 49,140	Pumping equipment & appurtenances	Yes	No
320 Water Treatment	$ 12,423		Yes	No
330 Distrib Reservoirs & Standpipes	$ 4,194	Atmospheric tank - 5,000 gal	Yes	No
331 T & D Mains	$ 9,987	2,600 Feet of distribution main	Yes	No
333 Services	$ 2,025	Services for 22 customers	Yes	No
334 Meters & Meter Installations	$ 14,773	Services for 22 customers	Yes	No
347 Computer Equipment	$ 528		Yes	No
Total Utility Plant	**$ 188,985**			
Less: Accumulation Depreciation	$ (83,123)	F-6		
Net Utility Plant	**$ 105,862**			
Net CIAC	$ (28,342)			
Net Utility Plant in Rate Base	**$ 77,520**			
Accumulated Deferred Income Taxes	$ (7,500)	F-45		
Net Rate Base	**$ 70,020**			

# Customers	$ 22
Net Rate Base	$ 70,020
Rate Base per Customer	$ 3,183
2020 Revenues	$ 18,846
Revenues per Customer	$ 857
2020 Net Income	$ (32,353)
Net Income (Loss) per Customer	$ (1,471)

The future capital requirements are summarized below and consist of routine replacement of infrastructure, upgraded system mapping, additional investments in SCADA and stand by generators for the system. The capital budget also includes replacement of water mains and is being funded through the New Hampshire Drinking Water and Groundwater Trust Fund. The projects are all designed to ensure long term system reliability and bring the system up to a technological standard consistent with Aquarion's other systems. Projects listed in 2021 are either complete or being carried out under New England Service Company ownership and projects listed in 2022 and beyond are planned under Aquarion ownership.

Project Description	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY2025**
Water System Mapping Improvements	$ -	$ -	$ -	$ -	$ 3,000
Services Replacement	$ 325				
Water Distribution Main Replacements	$ -	$ 50,000	$ -	$ -	$ -
SCADA and Instrumentation Upgrades	$ -	$ 20,000	$ -	$ -	$ -
Generator for Tigoa River Belmont Wells and Treatment	$ -	$ 35,000	$ -	$ -	$ -
Total:	**$ 325**	**$ 105,000**	**$ -**	**$ -**	**$ 3,000**

3D. System Overview – Tioga - Gilford

In 2020, the Tioga-Gilford system produced 7,795,300 gallons using the assets below:

	Gilford - Tioga	Description	Useful & In Use?	Obsolete?
Investment in Utility Plant:				
304 Structures & Improvements	$ 50,372	1 pump stations	Yes	No
307 Wells & Springs	$ 22,520	3 wells in service	Yes	No
309 Supply Mains	$ 5,610		Yes	No
311 Pumping Equipment	$ 53,012	Pumping equipment & appurtenances	Yes	No
320 Water Treatment	$ 21,969		Yes	No
330 Distrib Reservoirs & Standpipes	$ 775	Atmospheric tank - 8,000 gal	Yes	No
331 T & D Mains	$ 30,062	3,200 Feet of distribution main	Yes	No
333 Services	$ 29,554	Services for 39 customers	Yes	No
334 Meters & Meter Installations	$ 31,830	Meters for 39 customers	Yes	No
346 Communication Equipment	$ 1,139		Yes	No
347 Computer Equipment	$ 529		Yes	No
Total Utility Plant	**$ 247,372**			
Less: Accumulation Depreciation	$ (102,260)	F-6		
Net Utility Plant	**$ 145,112**			
Net CIAC	$ (29,404)			
Net Utility Plant in Rate Base	**$ 115,708**			
Accumulated Deferred Income Taxes	$ (14,900)	F-45		
Net Rate Base	**$ 100,808**			

# Customers		39
Net Rate Base	$	100,808
Rate Base per Customer	$	2,585
2020 Revenues	$	34,404
Revenues per Customer	$	882
2020 Net Income	$	(35,872)
Net Income (Loss) per Customer	$	(920)

The future capital requirements are summarized below and consist of routine replacement of infrastructure, upgraded system mapping, incremental investments in SCADA and stand by generators for the system. The projects are all designed to ensure long term system reliability and bring the system up to a technological standard consistent with Aquarion's other systems. Projects listed in 2021 are either complete or being carried out under New England Service Company ownership and projects listed in 2022 and beyond are planned under Aquarion ownership.

Project Description	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY2025**
Replacement of Water Mains	$ 9,400	$ 10,000	$ 130,000	$ -	$ -
Capitalized Main Breaks	$ 13,120	$ -	$ -	$ -	$ -
Periodic Meter Replacements	$ 127	$ -	$ -	$ -	$ -
Replacement of Services	$ 600	$ -	$ -	$ -	$ -
SCADA and Instrumentation Upgrades	$ -	$ 35,000	$ -	$ -	$ -
Treatment Improvements and Generator	$ -	$ 35,000	$ -	$ -	$ -
Total:	**$ 23,247**	**$ 80,000**	**$ 130,000**	**$ -**	**$ -**

3E. System Overview - Lakeland – Sewer

In 2020, the Lakeland-Sewer system, collected sewage for its customers, conveyed that sewage, paid the City of Laconia for treatment using the following assets:

		Lakeland - Sewer	Description	Useful & In Use?	Obsolete?
Investment in Utility Plant:					
354	Sewer-Structures & Improvements	$ 3,855	Lift station	Yes	No
361	Sewer-Collection sewers-Gravity	$ 100,000	10,000 feet of collection sewer	Yes	No
371	Sewer-Pumping Equipment	$ 7,330	Pumping equipment	Yes	No
	Total Utility Plant	$ 111,185			
	Less: Accumulation Depreciation	$ (65,832)	F-6		
	Net Utility Plant	$ 45,353			
	Net CIAC	$ -			
	Net Utility Plant in Rate Base	**$ 45,353**			
	Accumulated Deferred Income Taxes	$ (9,366)	F-45		
	Net Rate Base	$ 35,987			

# Customers	158
Net Rate Base	$ 35,987
Rate Base per Customer	$ 228
2020 Revenues	$ 115,410
Revenues per Customer	$ 730
2020 Net Income	$ (5,215)
Net Income (Loss) per Customer	$ (33)

The future capital maintenance is limited to projects to maintain the reliability of the collection system and wet well.

Project Description	FY 2021	FY 2022	FY 2023	FY 2024	FY2025
Recurring Collection System Improvements and Capitalized Repairs	$ -	$ 15,000	$ 15,000	$ 15,000	$ 15,000
Total:	**$ -**	**$ 15,000**	**$ 15,000**	**$ 15,000**	**$ 15,000**