

DW 20-112

ABENAKI RATE INCREASE AND COMBINED SYSTEMS REQUEST TO THE PUC

PERMANENT RATE ADJUSTMENT

COMPANY RESPONSES TO BOW (VSE) DATA REQUESTS SET 1

Data Request Received 2/17/21

Data of Response: 3/3/21

Request Bow (VSE) 1-7

Witness: Don Vaughan

Request: Please provide current operating budget and business succession plan (1, 3, 5 years out.)

Response: Abenaki does not prepare an operating budget as such, particularly with regard to expense, because of the difficulty in forecasting maintenance costs and the reliability of the data as a financial tool. For example, not all main breaks are alike (some may be more difficult in their repair) and neither is their frequency predictable. Another potential expense item is for purchased water which is related to main breaks as well as climate conditions. Therefore, the Company, rather than relying on budgets gives strong consideration to historic costs.

By business succession plan, the Company is assuming what is meant is a capital expenditure program. Already on the near-term horizon is lining the storage tanks, replacing at least two pressure reducing valves, installing several isolation valves, as well as searching for and securing more source water among other projects. It is difficult to project the amount of capex each year as much of the capital outlays must be balanced with O&M requirements and done in an affordable timeline.