

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 17-165

**ABENAKI WATER COMPANY, INC.
ROSEBROOK WATER SYSTEM**

Petition for Change in Rates

Order Suspending Tariff and Establishing Prehearing Conference

ORDER NO. 26,097

January 5, 2018

This Order suspends Abenaki-Rosebrook's proposed tariff revisions increasing rates, and schedules a Prehearing Conference.

On October 23, 2017, Abenaki Water Company, Inc. (Abenaki-Rosebrook or Company), 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 pursuant to RSA 378:3 and 378:28. Abenaki Water Company 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. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted on the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2017/17-165.html>.

Abenaki-Rosebrook seeks an overall permanent increase in its water revenues of \$102,232 or 37.85 percent, and proposes a step adjustment of an additional \$22,645 or 6.08 percent. The additional \$22,645 included in the step increase is based on capital improvements that will be used and useful as of the end of 2017.

Abenaki-Rosebrook proposes an overall rate of return of 7.78 percent using an 11.6 percent return on equity, which is 2 percent above recently allowed Commission returns for regulated water companies. Abenaki-Rosebrook states that the requested permanent rate increase is necessary due to the Company's significant investment in radio read meters for all of its customers since Abenaki acquired Rosebrook in September 2016.

Abenaki-Rosebrook is also seeking approval to recover, over an eight-year period, its due diligence and acquisition premium costs associated with the purchase of Rosebrook Water Company. Abenaki-Rosebrook also seeks to change the rate design used in the recovery of costs by increasing the percentage collected from quarterly fixed charges versus volumetric charges. Abenaki-Rosebrook stated that it anticipates seeking a temporary rate increase, but the Commission has not received such a request.

The filing raises issues relating to *inter alia* RSA 374:2, RSA 378:7, and RSA 378:28 and the justness and reasonableness of Abenaki-Rosebrook's proposed permanent rates and charges; the proposed operating expenses; pro-forma adjustments and rate of return; and the proposed rate base and its prudence and used and usefulness..

Abenaki-Rosebrook's proposed tariff revisions warrant further investigation. Accordingly, we suspend the proposed tariff pages pending our investigation pursuant to RSA 378:6, I.

Based upon the foregoing, it is hereby

ORDERED, that Abenaki Water Company's Carroll, NH, NHPUC No. 1 WATER, 1st Revised Pages 8 and 9, are hereby suspended; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15 be held before the Commission located at 21 S. Fruit Street, Suite 10, Concord,

New Hampshire on January 25, 2018 at 10:00 a.m. at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is


FURTHER ORDERED, that immediately following the Prehearing Conference, Abenaki Water Company, Inc., the Staff of the Commission, and any Intervenors hold a Technical Session to review the petition and allow Abenaki Water Company, Inc. to provide any amendments or updates to its filing and to consider a proposed procedural schedule to govern the remainder of the proceedings in this docket; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin Rules Puc 203.12, Abenaki Water Company, Inc., shall notify all persons desiring to be heard at this hearing by mailing a copy of this Order no later than January 11, 2018, to all current and known prospective customers as well as the Town Clerk of the Town of Carroll by first class mail, postage prepaid, postmarked no later than January 11, 2018, and documented by affidavit filed with the Commission on or before January 24, 2018; and it is

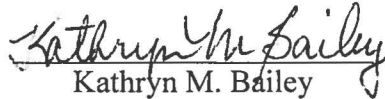
FURTHER ORDERED, that any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a petition to intervene with copies sent to Abenaki Water Company, Inc., and the Office of the Consumer Advocate on or before January 18, 2018, such petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by this proceeding as required by N.H. Code Admin Rules Puc 203.17 and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before January 22, 2018.


By order of the Public Utilities Commission of New Hampshire this fifth day of January
2018.



Martin P. Honigberg
Chairman

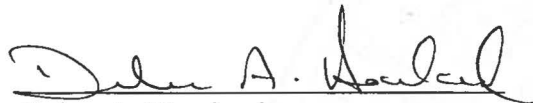


Kathryn M. Bailey
Commissioner



Michael S. Giaimo
Commissioner

Attested by:



Debra A. Howland
Executive Director