

Ms. Dianne Martin
Chairwoman
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Re: Docket No. DW 21-090 (Abenaki Water Company and Aquarion Water) Petition for Approval of the Acquisition of Abenaki Water Company by Aquarion Company

On July 15, 2021 Abenaki Water Company, Inc. ("Abenaki") and Aquarion Company ("Aquarion") (together the Joint Petitioners) submitted a letter captioned Report on Abenaki Rate Request. The letter appears to represent a settlement agreement between Joint Petitioners and the Office of Consumer advocate ("OCA").

On behalf of Bretton woods Property Owners ("BWPOA"), I need to point out that Joint Petitioners and OCA did not reach out to BWPOA and no communications were had with BWPOA about a proposed settlement.

BWPOA agrees with Omni in its filing on July 26, 2021 requesting a Motion for rehearing, Objects to the settlement, and Motion for Determination of adverse effect.

The Rosebrook system at Bretton Woods is under a letter of significant deficiencies from NH DES regarding water pressure issues and chemical containment issues. These issues have been known since 2016 when Abenaki acquired the systems. Yet neither of these issues has been remediated. The Commission has admonished Abenaki for its failure to resolve the water pressure issue (Order 26,426 DW 17-165) and an investigation was opened Docket IR-21-024. No commitment has been made by either petitioner to remediate these issues or set funds aside for remediation.

Regarding rates, according to Mr. Morrissey in his testimony, Aquarion views the New Hampshire ("NH") systems as a "basket case, borderline non-viable". In fact, Aquarion, if allowed to acquire New England Service ("NESC") plans to keep the NH water systems in the existing Abenaki New Hampshire legal entity, and not merge them into Aquarion New Hampshire. I believe this is because Aquarion does not want the risks of these systems to "spill over" to its other systems in NH.

This indicates that Aquarion views these systems as

- Serious risks with significant liabilities
- Need investment to address the significant deficiencies
- Does not want these risks and liabilities to "spill over" to its other NH water systems.

The joint petitioners are proposing a transaction with purchase price of \$40.56 million for water systems on the books for a value of \$16.79 million and a merger premium of \$23.77 million. That is a significant windfall for the shareholders of NESC. The agreement covers all of NESC's regulated operating subsidiaries in Connecticut, Massachusetts, and New Hampshire. However the purchase price is only mentioned in the aggregate and is not allocated among the regulated subsidiaries by state. An allocation by state would inform the commission as to the value or cost assigned to the New Hampshire subsidiaries.

Since Aquarion views these NH systems as “basket case and non-viable” and is keeping these systems in the existing legal entity so that these risks do not “spill over” to its other operations, Aquarion's own statements and behavior show that it does NOT value these systems similar to the water systems outside NH. An assignment of value to the NH systems may indicate that they should be valued at a discount below book value. This is critical to determine whether the acquisition would have an adverse effect on rates.

I concur with Omni that the commission should consider whether the acquisition will have an adverse impact on rates and consider conditions such as rate freezes and remediation of outstanding issues through a contribution in aid (“CIAC”) as an exit fee.

Sincerely,

Paul Mueller, BWPOA

Cc: Service list (Electronically)