THE STATE OF NEW HAMPSHIRE

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Re:

DW 10-115, Eastman Sewer Company, Inc.

Capital Reserve Fund Request

To the Parties:

On April 26, 2010, Eastman Sewer Company, Inc. (Eastman) filed a request for authorization to use \$2,500 from its Capital Reserve Fund to replace an auto dialer at its West Cove B pumping station. The Capital Reserve Fund was established by the Commission in 1992 when rates were first set for Eastman, as a way of addressing Eastman's undercapitalization. (See, Order No. 20,390, Eastman Sewer Company, 77 NH PUC 93 (1992)).

On June 1, 2010, Commission Staff filed a recommendation that Eastman be permitted to withdraw monies from its Capital Reserve Fund for the proposed use. Staff indicated that it had reviewed the request and had propounded data requests on the company. Staff stated that the replacement would provide for continued, essential system functionality that would minimize potential consequences of system malfunctions, as detailed in its letter. Staff concluded that the proposed use of the Capital Reserve Fund is appropriate and consistent with the Commission's Order No. 20,390, and recommended the Commission approve Eastman's request.

Please be advised that the Commission has approved Eastman's request to withdraw \$2,500 from its Capital Reserve Fund.

Sincerely,

Debra A. Howland

Executive Director