

## PUBLIC UTILITIES COMMISSION

NHPUC NOV05'12 PM 2:48

RE: DT 12-263  
DIXVILLE TELEPHONE COMPANY:  
*Joint Petition of Dixville Telephone  
Company and Balsams View, LLC for  
Transfer of Assets.*  
(Prehearing conference)

**PRESENT:** Chairman Amy L. Ignatius, Presiding  
Commissioner Robert R. Scott

Sandy Deno, Clerk

APPEARANCES: Reptg. Dixville Telephone Company and  
Balsams View, LLC:  
Harry N. Malone, Esq. (Devine Millimet)

**Reptg. PUC Staff:**  
Alexander F. Speidel, Esq.  
Kate Bailey, Director/Telecom Division  
Michael Ladam, Telecom Division  
David Goyette, Telecom Division

Court Reporter: Steven E. Patnaude, LCR No. 52

ORIGINAL

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1                                   P R O C E E D I N G

2                                   CHAIRMAN IGNATIUS: Let's open the  
3                                   hearing in Docket DT 12-263, which is a Joint Petition  
4                                   filed by Tillotson Corporation -- actually, Dixville  
5                                   Telephone Company, which is a division of Tillotson  
6                                   Corporation, and Balsams View. The Petition seeks  
7                                   approval for the transfer of control of Dixville Telephone  
8                                   Company from Tillotson to Balsams View, and pursuant to a  
9                                   sales agreement dated November 23rd, 2011.

10                                  We issued an order of notice on  
11                                  October 3rd, 2012, that contained a proposed procedural  
12                                  schedule and called for a prehearing conference for this  
13                                  afternoon.

14                                  So, with that, let's begin with  
15                                  appearances please.

16                                  MR. MALONE: Good morning, madam  
17                                  Chairman, Mr. Commissioner. I'm Harry Malone, with Devine  
18                                  Millimet. And, I'm representing the Joint Petitioners,  
19                                  Dixville Telephone Company and Balsams View, LLC.

20                                  CHAIRMAN IGNATIUS: Good afternoon.

21                                  MR. SPEIDEL: Good afternoon,  
22                                  Commissioners. My name is Alexander Speidel. And, I am  
23                                  representing the Staff of the Public Utilities Commission.  
24                                  And, I have with me Telecom Division Analyst Kate Bailey,

1       also Michael Ladam and David Goyette.

2                       CHAIRMAN IGNATIUS:   Good afternoon.  
3       Thank you.   Mr. Malone, unless there's any technical  
4       matters to address first or administrative matters, do you  
5       want to give us a summary of the Petition and anticipated  
6       issues or any issues you may have with the proposed  
7       procedural schedule?

8                       MR. MALONE:   Thank you.   The Petition is  
9       pretty straightforward.   All of the operations of the  
10      Balsams Hotel & Resort had been sold to Balsams View, LLC,  
11      including, and contingent upon the approval of the  
12      Commission, the operations of the telephone company that  
13      served the hotel and, essentially, only the hotel.  
14      Dixville Telephone Company is small and it's entirely  
15      dependent on the operations of Balsams View, which is why  
16      it really is best under control of Balsams View, which is  
17      the only entity that stands to gain from the operation of  
18      the telephone company.

19                      There will be no change in the  
20      day-to-day operations of the phone company, because it's  
21      going to continue to be operated by the same personnel  
22      that operate it now, under the same management and  
23      operations agreements that are currently in place.   So, we  
24      feel that it's in the -- the Commission should approve

1       this, because it's essentially an important step in  
2       renovating and restoring an important North Country  
3       institution.

4                     The schedule, we would like to see this  
5       wound up by the end of the calendar year. If there are  
6       not too many data requests and other discovery, perhaps we  
7       can truncate the schedule a little bit and move it up.  
8       But, thank you.

9                     CHAIRMAN IGNATIUS: All right. Thank  
10      you. Mr. Speidel.

11                    MR. SPEIDEL: Yes, Commissioners. The  
12      Staff would like to indicate that, even though this is a  
13      very small telephone company, and quite likely our  
14      smallest utility, in terms of numbers of customers served  
15      in the State of New Hampshire, we still have a number of  
16      statutory review requirements that we must undertake to  
17      meet.

18                    And, moreover, we would like to  
19      investigate the issue as to whether Balsams is an  
20      appropriate transferee under RSA 374:30, II. The reason  
21      for that is we would like to make clear to our own  
22      satisfaction, and potentially as part of a Staff  
23      recommendation, as to whether Balsams qualifies as a  
24      utility, so to speak, under the terms of that statutory

1 provision. It's a little bit of a technical issue, but it  
2 does merit examination, in particular, in light of the  
3 recent passage of SB 48.

4 That said, we do appreciate Balsams  
5 View's submission of this Petition. And, we look forward  
6 to working with Attorney Malone to resolve these issues  
7 and to engage in discovery and establish a procedural  
8 schedule. Other than that, we do not have any specific  
9 recommendations at this time.

10 CHAIRMAN IGNATIUS: Thank you.

11 Commissioner Scott, do you have questions?

12 CMSR. SCOTT: Short answer, "no". I was  
13 going to ask if any anticipated impact of the new law  
14 change, and, of course, Attorney Speidel just, I think,  
15 outlined a concern with that. But I'll let Attorney  
16 Malone suggest, do you know of any other possible  
17 implications that the new law change may bring into this?

18 MR. MALONE: No. I mean, and, yes, the  
19 standard, as we laid out in the Petition, is that the  
20 transferee would have the technical, managerial, and  
21 financial qualifications to run a telephone company. And,  
22 we feel that since, essentially, they're going to be  
23 operating it in the same exact manner, under the same  
24 agreements as the existing owner, that it would meet those

1 requirements.

2 CMSR. SCOTT: And, more out of  
3 curiosity, I can't imagine the Company would embark on  
4 this if it wasn't necessary. So, I presume that you've  
5 looked at other potential venues instead of going down  
6 this path?

7 MR. MALONE: Yes. Without going into  
8 details of any discussions, let's just say that inquiries  
9 have been made and there have been no results.

10 CMSR. SCOTT: Thank you. That's all I  
11 have.

12 CHAIRMAN IGNATIUS: A couple more  
13 questions I have. According to the news that we see, just  
14 in the papers, that the future of the hotel isn't  
15 necessarily certain at this point. If it doesn't reopen,  
16 what import does that have on this Petition?

17 MR. MALONE: It's hard to speculate at  
18 this point. If it doesn't reopen, some kind of  
19 arrangements are going to have to be made for the small  
20 number, essentially, there is really only one household  
21 that's a customer there. And, there are, as I understand,  
22 a few business lines that are related to the business of  
23 the homeowner in that area. Some arrangements are going  
24 to have to be made. At this point, I'll be honest with

1       you, we haven't come to any conclusions as to what the  
2       best solution would be.

3                   CHAIRMAN IGNATIUS:   Would Dixville  
4       continue through the -- being part of the Tillotson  
5       Corporation, continue to provide service, if the whole  
6       plans for the hotel just don't ever take flight?

7                   MR. MALONE:   I'm not in a position to  
8       answer that, madam Chairman.

9                   CHAIRMAN IGNATIUS:   And, you said  
10      there's one household that's a real customer.  Are the  
11      other lines, you said there are 14 end-user lines, who are  
12      the other 13?

13                  MR. MALONE:   It's my understanding that  
14      these -- they are essentially business lines.  And, there  
15      may be some alarm lines, I'm not sure.  And, perhaps some  
16      lines left over just for basic telephone service for  
17      connecting to the ski resort and the golf club.

18                  CHAIRMAN IGNATIUS:   So, all related to  
19      the hotel then?

20                  MR. MALONE:   They're all related to the  
21      hotel, yes.

22                  CHAIRMAN IGNATIUS:   So, there's -- this  
23      one household, is that not related to the hotel?

24                  MR. MALONE:   It's related to the family.



1                   CHAIRMAN IGNATIUS: But a stand-alone  
2                   entity --

3                   MR. MALONE: Right.

4                   CHAIRMAN IGNATIUS: -- that's  
5                   independent of the hotel?

6                   MR. MALONE: Yes.

7                   CHAIRMAN IGNATIUS: And, the franchise  
8                   itself is broader than that or is it really the footprint  
9                   of the hotel?

10                  MR. MALONE: It's just the footprint of  
11                  Dixville Notch.

12                  CHAIRMAN IGNATIUS: Is the switch and  
13                  the hardware itself that operates the system, has that all  
14                  remained in place?

15                  MR. MALONE: It has.

16                  CHAIRMAN IGNATIUS: Okay. So, the  
17                  Balsams View operating it would be operating truly the  
18                  same equipment that's in place now?

19                  MR. MALONE: That's correct.

20                  CHAIRMAN IGNATIUS: I don't think I have  
21                  any other questions. Although this is an extremely  
22                  accelerated schedule, to get from beginning to end by  
23                  December 20th, as Mr. Malone, you mentioned, if questions  
24                  aren't -- don't take too long to address, it's possible to

1 even move it further. And, I would think, if there were a  
2 level of comfort on the part of Staff that led to a  
3 settlement or possibly even an order *nisi*, that would be  
4 something that we would be willing to entertain.

5 If there are concerns, obviously, take  
6 the time you need to take, even if it's later than  
7 December 20th. But this is an awfully small operation.  
8 And, so, if there is a way to resolve it relatively  
9 quickly, and if it's an element of the whole package that  
10 the hotel is looking to pull together to move forward,  
11 then we want to do our part to keep it moving. So, I  
12 appreciate the schedule that was developed. It's very  
13 accelerated, and look to see what happens next.

14 We have no sign of any intervenors,  
15 obviously no one here today, and nothing has been filed,  
16 to my knowledge.

17 Do we have an affidavit of publication?

18 MS. DENO: Yes.

19 CHAIRMAN IGNATIUS: Thank you. So, I  
20 think, unless there's anything further people have, we  
21 will take all of this under advisement, and we'll await  
22 further word from you, and appreciate your time today.

23 **(Whereupon the prehearing conference**  
24 **ended at 2:19 p.m.)**