

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

October 31, 2017 - 10:07 a.m.
Concord, New Hampshire

20 NOV '17 PM 1:35

RE: DW 17-145
HAMPSTEAD AREA WATER COMPANY, INC.:
Petition to Expand Franchise in the
Town of Strafford.
(Prehearing conference)

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Kathryn M. Bailey
Commissioner Michael S. Giaimo

Sandy Deno, Clerk

APPEARANCES: Reptg. Hampstead Area Water Company:
Robert C. Levine, Esq.

Reptg. Bow Lakes Estates Water Works:
Jillian E. Colby, Esq. (Kalil LaCount)

Reptg. PUC Staff:
John Clifford, Esq.
Mark Naylor, Director/Gas & Water Div.
Robyn Descoteau, Gas & Water Division

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

**CERTIFIED
ORIGINAL TRANSCRIPT**

I N D E X**PAGE NO.****STATEMENTS OF PRELIMINARY POSITIONS BY:**

Mr. Levine 4

Ms. Colby 6

Mr. Clifford 6

QUESTIONS BY:

Cmsr. Bailey 7

Cmsr. Giaimo 8

P R O C E E D I N G

CHAIRMAN HONIGBERG: Good morning, everyone. We're here in Docket DW 17-145, which is Hampstead Area Water Company's Petition to acquire the assets of the Bow Lakes system and to provide service there. It's a prehearing conference this morning, which will be followed, without us, by a technical session.

Before we do anything else, let's take appearances.

MR. LEVINE: Good morning, Commissioners. I'm Attorney Robert Levine. I'm here on behalf of the Company, Hampstead Area Water Company, Inc. With me is John Sullivan, our Controller; Steve St. Cyr, our consultant; Harold Morse, the President of the Company; and Christine Lewis Morse, Vice President of the Company.

MS. COLBY: Good morning. Jillian Colby, on behalf of Bow Lakes Water Works, Inc. And I have here with me Stanley Oliver, President of the Company.

MR. CLIFFORD: Good morning,

1 Commissioners. John Clifford, on behalf of
2 Commission Staff. And with me at counsel's
3 table is Mark Naylor, Director of the
4 Commission's Gas & Water Division; and Robyn
5 Descoteau, Utility Analyst in the Gas & Water
6 Division.

7 CHAIRMAN HONIGBERG: Are there any
8 matters we need to deal with before hearing the
9 parties' preliminary positions? Mr. Clifford?

10 MR. CLIFFORD: No. The Company
11 submitted its Affidavits of Publication of
12 mailing on October 17th. And we have
13 identified no intervenors in this docket.

14 CHAIRMAN HONIGBERG: All right.
15 Mr. Levine, I'll let you start. And off the
16 record.

17 *[Brief off-the-record discussion*
18 *ensued.]*

19 MR. LEVINE: Thank you, sir.
20 Hampstead Area Water Company is a relatively
21 small water company of approximately 3,600
22 water customers. We're franchised in most of
23 the area in Hampstead and Atkinson. And we
24 have some franchise satellite systems

1 throughout Rockingham County. We have a
2 systemwide consolidated rate.

3 We've entered into a contract with
4 Bow Lakes Estates Water Works, Inc., contingent
5 upon PUC approval, to acquire and operate the
6 Bow Lakes Estates water system, which is
7 located in the Town of Strafford. The purchase
8 price for this transaction is \$8,000. There is
9 41 lots in the development that are on the
10 water system currently, although there are more
11 lots/homeowners than water customers within
12 that estate. I believe there's approximately
13 50 total. So, out of that 50, we have 41 of
14 the lots -- or, Bow Lakes system has 41 of the
15 lots.

16 Once we acquire the Company, if the
17 PUC does approve the sale, we propose to
18 continue to charge our consolidated rates and
19 install meters at our expense. For those
20 meters, we plan to invest approximately \$20,500
21 for the 41 meters. And we would ask that our
22 consolidated rate be applied at that time.

23 We look forward to working with Staff
24 and the PUC in this docket, and to look to

1 resolve any issues that may come up during the
2 proceeding. We expect to be able to reach a
3 settlement agreement on this, given our
4 preliminary discussions.

5 Thank you.

6 CHAIRMAN HONIGBERG: Thank you,
7 Mr. Levine. Ms. Colby.

8 MS. COLBY: As you know, Bow Lakes is
9 under orders from the PUC to obtain a purchase
10 and sales agreement for the subject property.
11 As a result, we fully negotiated with Hampstead
12 Area and we fully support their Petition.

13 CHAIRMAN HONIGBERG: Thank you,
14 Ms. Colby. Mr. Clifford.

15 MR. CLIFFORD: Yes. Staff fully
16 supports the Petition at this time, realizing
17 that the transfer of Bow Lakes, a system
18 hampered by some management miscues in the
19 past, is in the best interests of its
20 customers, in that Hampstead Area Water Company
21 seems to possess the financial, managerial, and
22 technical ability to take over this 40 plus
23 customer water system.

24 Staff just desires to explore the

1 impact on rates in connection with the timing
2 of the metering plan. The Company is going to
3 charge a flat rate until the meters are in, and
4 then it will charge its systemwide rate, which
5 is currently \$10 a month, a base charge, and a
6 \$5.02 per 100 cubic feet of consumption. So,
7 Staff desires to monitor that consumption over
8 the next several months to fully understand
9 what the impact is on moving to the
10 consolidated rate.

11 Buff Staff does -- is fully in
12 support of this Petition, and looks forward to
13 working with the Company to come to a
14 hopeful -- hopefully, a good conclusion in a
15 short period of time.

16 CHAIRMAN HONIGBERG: Thank you, Mr.
17 Clifford. Commissioner Bailey.

18 CMSR. BAILEY: Is Hampstead currently
19 operating this water utility?

20 MR. LEVINE: No, we are not.

21 CMSR. BAILEY: Okay. So, Bow Lakes
22 is still --

23 MR. LEVINE: That's correct.

24 CMSR. BAILEY: -- maintaining it?

1 Okay. Thank you.

2 CMSR. GIAIMO: There is a prehearing
3 conference at eleven o'clock for another
4 docket, which will have a new rate, a new
5 consolidated rate coming from it?

6 MR. LEVINE: That's correct. We
7 hope.

8 CMSR. GIAIMO: And the hope then
9 would also be to apply that to Bow Lakes after
10 the meters are put in place?

11 MR. LEVINE: Correct.

12 CMSR. GIAIMO: Okay. Thank you.

13 CHAIRMAN HONIGBERG: All right. Is
14 there anything else we can do for you before we
15 leave you to your technical session?

16 *[No verbal response.]*

17 CHAIRMAN HONIGBERG: All right.
18 Thank you very much. We are adjourned.

19 MR. LEVINE: Thank you.

20 ***(Whereupon the prehearing***
21 ***conference was adjourned at***
22 ***10:13 a.m., and a technical***
23 ***session was held thereafter.)***

24