

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

August 7, 2008 - 6:14 p.m.
Kennett High School
409 Eagles Way
North Conway, New Hampshire

RE: DW 08-052
PITTSFIELD AQUEDUCT COMPANY, INC.:
Notice of Intent to File Rate
Schedules. (Hearing to take
public statements)

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Graham J. Morrison
Commissioner Clifton C. Below

APPEARANCES: (No appearances taken)

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

I N D E X

PAGE NO.

Presentation by Ms. Knowlton

8

STATEMENTS BY THE PUBLIC:

Mr. Sledzinski

10

Ms. White

12

Mr. Geiger

14

Rep. Buco

18

Mr. Jones

19, 33

Mr. Brown

23

Mr. Graziano

26

Mr. Spadaccini

27

Mr. Siegler

29

Ms. Breitenwischer

35

1 P R O C E E D I N G S

2 CHAIRMAN GETZ: Okay. Good evening,
3 everyone. I'm going to open the public statement hearing.
4 My name is Tom Getz. I'm the Chairman of the Public
5 Utilities Commission, and this is Commissioner Clifton
6 Below. Commissioner Morrison should be here any minute.
7 This is a public statement hearing in docket number DW
8 08-052, concerning Pittsfield Aqueduct Company's proposed
9 rate increase. Also from the Commission tonight, if you
10 have some questions afterwards you'd like to ask, the
11 three individuals in the front row, Doug Brogan, Jim
12 Lenihan, and Eileen Hadley, from the Commission Water
13 Division and Consumer Affairs Division. And, also here
14 tonight, in the third row on the right, is Steve Eckberg,
15 from the Office of the Consumer Advocate, and I'm sure
16 he'd be happy to answer any questions that you might have.

17 As I said before, if you'd like to
18 speak, then the forms, looks like a number of people have
19 filled out some forms. And, if you want to write
20 something, we'll take those comments as well. Of course,
21 any time that you want to send something in writing to the
22 Commission, you can do that.

23 I want to start with some background on
24 the Commission, then describe the process that we use for

{DW 08-052} (08-07-08)

1 dealing with the cases that are brought before us. The
2 term "Public Utilities Commission" refers both to the 65
3 employees that work for the agency and for the three
4 Commissioners that make the decisions in the cases that
5 come before the agency. The three Commissioners will be
6 acting in the same manner as judges in this case, and we
7 are subject to the same kinds of rules as judges. Most
8 important, we are subject to ex parte rules, and this
9 means that we cannot talk about the merits of an ongoing
10 case with anyone outside the Commission, except when there
11 is an expressed opportunity and notice for all parties to
12 participate. And, tonight is one of those situations, a
13 public statement hearing, and the other types of
14 opportunities are at the adjudicative hearings that we
15 hold in Concord at the Public Utilities Commission.

16 As for the process used in this case,
17 and in all cases before the Commission, it's a formal
18 judicial-style proceeding, includes written and oral
19 testimony, discovery, cross-examination, briefs, and
20 ultimately a written decision by us, that would be subject
21 to rehearing and appeal to the New Hampshire Supreme
22 Court, and it's similar to what occurs in a typical civil
23 trial. At this point in the case, Pittsfield Aqueduct has
24 filed a petition asking that we approve its request to

1 increase rates for Birch Hill customers from an average
2 annual bill of \$477 a year to \$1,160 a year. We held the
3 initial procedural hearing or the prehearing conference in
4 Concord on July 16. And, based on that prehearing
5 conference, we've approved a procedural schedule that
6 provides for hearings on temporary rates in October and
7 hearings on the permanent rates in March. Pittsfield
8 Aqueduct Company has filed its written testimony, and
9 other parties, which include the Birch Hill Water
10 District, Sunrise Lake Association in Middleton and the
11 Locke Lake Colony Association, as well as the Consumer
12 Advocate and Commission Staff, are currently just
13 conducting discovery, which means that they're asking the
14 Company questions about its testimony and requesting
15 documents, and the answers to those questions and those
16 documents will be the basis for those parties to file
17 testimony of their own and eventually would provide the
18 basis for those parties to cross-examine the Company when
19 we get to hearing.

20 I want to emphasize one very important
21 point about the process and our role, which is this:
22 We've formed no opinion on whether the petition to
23 increase rates should be approved or denied. And, in
24 fact, we should not do so, and that is the case. Our job

{DW 08-052} (08-07-08)

1 is to hear all the evidence, and then make a decision
2 based on that evidence that's presented to us.

3 As part of the procedure in this case,
4 we've also scheduled three public statement hearings.
5 This is the first one tonight, so I'd like to explain a
6 little bit about the purpose of a public statement
7 hearing. First, anyone who is here tonight, who would
8 like to speak, will be given the opportunity. You will
9 not be under oath, you will not be subject to questions.
10 But, before we turn to the comments and statements from
11 the public, we're going to ask the Company to briefly
12 explain its request. We expect that there are many
13 questions that you have about the request, and we're
14 hopeful that the Company's presentation will give you
15 answers to some of those questions. However, tonight is
16 not the occasion to cross-examine the Company about its
17 proposal, but I understand it's prepared to stay around
18 after we close the formal part of this proceeding to try
19 and answer individually questions that you might have
20 about their proposal.

21 The second purpose for tonight's public
22 statement hearing is an opportunity for you to tell us
23 your concerns about the request and to recommend areas
24 that you think we should be examining as part of this

1 case. While the statements that are made tonight do not
2 constitute the kind of sworn evidence subject to
3 cross-examination that can ultimately be the basis for our
4 decision, our experience has been that such comments prove
5 helpful in identifying issues and areas that our Staff can
6 investigate during the discovery phase and pursue through
7 their testimony and their cross-examination, and it's also
8 proven helpful to us, to the Commissioners, in questioning
9 and preparing lines of questions that we can ask when we
10 get to the hearing. So, at the hearing, like a typical
11 trial, there will be cross-examination of witnesses on all
12 sides, but the Commissioners also take an active role in
13 asking questions of all the witnesses.

14 So, that's what we're hoping to
15 accomplish tonight. I note Mr. Patnaude is our
16 stenographer, he's going to be recording all the comments
17 and compiling a transcript. When you are ready to speak,
18 I'll go through the list and just call the names in the
19 order that they're here, and I would ask you to come down
20 and just identify your yourself and speak clearly into the
21 microphone, and then we'll be able to make sure we've got
22 a full transcript.

23 So, at this time, then I would turn to
24 the Company, is it going to be Ms. Knowlton, to make a

1 brief presentation. Thank you.

2 MS. KNOWLTON: Thank you. Good evening,
3 Chairman Getz, Commissioner Below, and members of the
4 public. My name is Sarah Knowlton, and I'm with the
5 McLane Law Firm. I'm representing the Pittsfield Aqueduct
6 Company in this rate case that's pending before the Public
7 Utilities Commission. With me tonight from the Company is
8 Don Ware, John Boisvert, Bonnie Hartley and Tara King. I
9 want to thank all of you for coming out tonight. I just
10 will take a few minutes to talk with you about the case as
11 it relates to the Birch Hill system, and then we really
12 want to hear from you. That's the point of the meeting
13 tonight, as Chairman Getz pointed out.

14 When Pittsfield Aqueduct Company
15 acquired the Birch Hill system in 2006, there were many
16 significant problems that had not been addressed by the
17 prior owner of the system. Among those were water
18 pressure problems, because of the low capacity of the
19 wells, inadequate storage volumes, and undersized pipe in
20 the distribution systems. There were also significant
21 water quality problems from iron, manganese, fluoride, and
22 radon in the water. There are other contaminants, such as
23 trace amounts of volatile organic compounds that were
24 found by the Company when it began sampling the system in

{DW 08-052} (08-07-08)

1 May of 2006. In addition, some of the wells in the Birch
2 Hill system were not permitted properly and sited as
3 required under state law. To address these problems,
4 beginning in September of 2006, the Company made
5 significant efforts to enter into an arrangement to
6 purchase water from the North Conway Water Precinct, but
7 the voters of that precinct refused to allow Birch Hill to
8 interconnect with their system. After significant
9 negotiations between the Company, the Town of North
10 Conway, and the North Conway Water Precinct, the voters
11 changed their minds and later approved the
12 interconnection. That was only after a great deal of time
13 and effort had been expended by the Company to identify
14 other alternatives to address water supply issues for
15 Birch Hill.

16 As you know, the interconnection is now
17 in place, which is an important cornerstone to the system.
18 The Company has worked diligently to ensure that the Birch
19 Hill system has safe and reliable drinking water. It's
20 spent approximately \$1.3 million on the system since 2006,
21 and will spend another \$1.3 million in 2008 to complete
22 work to the water tank, the booster station, and piping in
23 the system.

24 The Company is very aware that the rate
{DW 08-052} (08-07-08)

1 increase it has requested is substantial. But we also
2 hope that customers recognize the importance and value of
3 the improvements that have been made and are being made to
4 the drinking water system. The Company appreciates all of
5 the cooperation that it's received from customers while
6 making these improvements.

7 And, with that, I'll close, because,
8 again, we really do want to hear from you tonight. That
9 is the purpose of the meeting. And, we very much
10 appreciate that you've taken the time to come out tonight.
11 Thank you.

12 CHAIRMAN GETZ: Thank you. If anyone
13 has a form they want to hand in any time, if you just
14 raise your hand, then somebody from Staff will come up and
15 get it if you want to speak. The first name I have is
16 Matthew Glennie.

17 FROM THE FLOOR: He just -- He's on call
18 at the hospital, he just had to take a call. He might be
19 coming back.

20 CHAIRMAN GETZ: Okay. John Sledzinski.

21 MR. SLEDZINSKI: Yes. The only thing I
22 have --

23 CHAIRMAN GETZ: Sir, if you can come
24 down, because then everybody will have a chance to hear

1 you and then we can get it in the transcript. Thank you.

2 MR. SLEDZINSKI: The way this is saying,
3 it's three separate water systems that we're going to be
4 paying for, the three you read.

5 CHAIRMAN GETZ: Yes.

6 MR. SLEDZINSKI: So, are we just paying
7 for ours or are we paying for the whole three?

8 CHAIRMAN GETZ: Well, to --

9 MR. SLEDZINSKI: That's my question.

10 CHAIRMAN GETZ: Okay. I think the best
11 way to handle this tonight is to hear your comments. To
12 get separate questions and answers, if you want some
13 dialogue, I think the better way to handle that is
14 afterwards and sit down with Staff and go through that.
15 But it gets really difficult to have just a ongoing
16 question and answer dialogue. So, what we'd like to do is
17 take your comments. I understand your question --

18 MR. SLEDZINSKI: Right.

19 CHAIRMAN GETZ: -- I understand the
20 import of your question, is how is the averaging done
21 among the --

22 MR. SLEDZINSKI: Yes. Are we paying for
23 Birch Hill or are we paying for the merger of all three?

24 CHAIRMAN GETZ: Basically, it's a rate

1 averaged among the North Conway subsystems.

2 MR. SLEDZINSKI: Okay. Thank you.

3 CHAIRMAN GETZ: Cynthia White.

4 MS. WHITE: One of my main concerns is
5 the way they're looking at how much this is going to
6 impact the people in the neighborhood.

7 FROM THE FLOOR: Could you speak up
8 please.

9 MS. WHITE: Okay. I got a letter saying
10 that the average amount that the homeowner pays is
11 someplace in the low 20's. My bill is much much higher
12 than that. So, when you're talking about "average",
13 you're averaging in all of the people that live in our
14 neighborhood that are vacationers, that are only there
15 sometimes once a month, some people only come once every
16 six months. So, the burden of this increase is falling on
17 the families of the neighborhood. I have three children.
18 There's five people total in my family. There are
19 families that have six, seven kids in our neighborhood.
20 When you look at their bills, what they're paying, what
21 they paid before the Company took over, was roughly around
22 \$20 a month. Now, those people might be paying \$60 a
23 month. When the increase comes 300 percent, what are they
24 paying just for the water? And, you know, when you look

{DW 08-052} (08-07-08)

1 at the whole picture of what we're paying now for
2 services, basic services that we can't live without, heat
3 for our house, food for our families. And, now we have
4 this water bill that we can't get out of. That's not a
5 choice. We can't choose to -- We can choose to give up
6 cable, we can choose to add water to our milk so we don't
7 have to pay -- you know, we can make it last. But we
8 can't choose to turn off our water and live without it.

9 So, when you look at how it's affecting
10 families, you're pricing them out of the neighborhood,
11 you're forcing "For Sale" signs. And, it's really that
12 bleak. It really affects people that are just struggling
13 every day just to make, you know, just to pay their bills,
14 to have such a substantial increase. And, I understand
15 that they're doing a lot of work, and there's going to
16 have to be some increase. But the amount of the increase
17 and the stress on the families, especially now that
18 there's a meter and we're paying for use, is really
19 significant. And, I think it's more significant than
20 people realize.

21 You know, my neighborhood, that's only
22 up every once in awhile, his bill is not going to go up
23 that much. Well, it will go up, but it won't be a
24 significant burden on him, because it's only going to be,

1 you know, much much less than ours. You know, he might be
2 paying 60, I might be paying 140 a month. So, I just want
3 everyone to be aware that it is a real significant burden
4 on families in the neighborhood.

5 CHAIRMAN GETZ: Thank you. Maurice
6 Geiger.

7 MR. GEIGER: Thank you. Thank you all
8 for coming up. I'll be as simple as I can. I was
9 expecting, when I put my note in, that I would learn more
10 by the time you got to me, but here I am. My essential
11 question is, what factors or ingredients have gone into,
12 and I don't expect to hear an itemized, detailed list of
13 that, but at some point I would hope that you all would
14 know that, what are the itemized, detailed costs that have
15 gone into arriving at the increase? It just seems like
16 it's a pretty steep increase.

17 We've been on the Birch Hill water
18 system since 1972. At the time of the -- I'll call it the
19 "contamination scare" a few months back, we didn't get
20 notice. We found out that there was something wrong with
21 the water by reading it in the Daily Sun. And, when we
22 called whoever the appropriate person to call was and said
23 "why didn't we know that we were supposed to be boiling
24 our water for the last couple of weeks?" They said

1 "You're not on our system", when we told them where we
2 lived. Well, that, needless to say, shook our confidence
3 in whether the left hand knew what the right hand was
4 doing. So, we were on the system, we have always been on
5 the system. Two neighbors that were beyond us on the
6 system also were not notified.

7 I don't know now what has gone into the
8 formula, if that's the right word, to compute the
9 increase. But I assume that -- I start with the
10 assumption that, if you were -- if someone was out there
11 trying to -- trying to get rich by some scam, they would
12 not go into the public utility water business as a way of
13 doing it. There's easier ways to do that. So, I assume
14 that there's a good faith, legitimate basis behind what
15 the request is. But I'd like to know more about what --
16 what those details are.

17 CHAIRMAN GETZ: Okay. Well, I can say
18 two things about that. One is, just as a general matter,
19 the burden of proof is on the Company to prove that all of
20 its costs are reasonable and its decisions that it's made
21 are prudent. And, then, we look at that, and that's the
22 case they have to put before us, in order to make a
23 decision about any rate increase.

24 As for the specifics of what's happening
{DW 08-052} (08-07-08)

1 in Birch Hill, I think spending some time afterwards,
2 either with the Company or with Mr. Brogan, who's the
3 Staff Water Engineer, could give you a better idea of what
4 exactly has been done in the way of construction and
5 increased expenses.

6 CMSR. BELOW: It might also be worth
7 noting that we're in the process of implementing a system,
8 it's not implemented yet, that will put all these
9 documents online, so that you would be able to go on the
10 Web and examine all of the evidence and testimony that
11 we'll be looking at. They are publicly available at the
12 Commission, but -- and probably your association will be
13 getting copies as an intervenor. But, unfortunately, we
14 don't have the online system fully implemented yet.

15 MR. GEIGER: When you say "my
16 association" or "your association", that's some --

17 CHAIRMAN GETZ: Well, we have an
18 intervenor in this case the Birch Hill, what is the formal
19 name? The --

20 MR. JONES: Water District.

21 CHAIRMAN GETZ: -- Birch Hill Water
22 District, and I don't know exactly who they represent or
23 how exactly, but they are a party in the proceeding, and I
24 assume, and maybe we can hear later, that they have or

1 should have all of the documents.

2 MR. GEIGER: One other thing that occurs
3 to me in listening. Having been on the system now for 30
4 some years, we will notice that sometimes the pressure
5 goes way down, and I'll ask someone and they will say
6 "well, the" -- not picking on the golf course, they will
7 say "well, the golf course was using a lot of water." So,
8 I don't know who the other sort of heavy-duty users are in
9 the system, and whether or not they use a disproportionate
10 amount of, I would assume, maybe it's the wrong
11 assumption, but the way the water charge works is the more
12 water you use, the more you pay. It's just like a metered
13 system. I don't know if we have a meter on our line or
14 not.

15 CHAIRMAN GETZ: Again, I think some of
16 these particular questions, someone from the Company would
17 be able to answer this right after we --

18 MR. GEIGER: Yes.

19 CHAIRMAN GETZ: -- get done this
20 evening. Is that fair to say?

21 MS. KNOWLTON: Sure. Yes, that's fine.

22 CHAIRMAN GETZ: Thank you.

23 MR. GEIGER: All I would say in response
24 to that comment is, Pennichuck, who had been a party, were

{DW 08-052} (08-07-08)

1 out at the end of my drive probably half a dozen times,
2 and they couldn't tell me, after hours of digging and
3 probing, whether we were -- whether we had a meter or not.
4 So, I'm assuming that it will all work out, but I think
5 there's a lot of questions with the public. Thank you.

6 CHAIRMAN GETZ: Thank you, sir.
7 Representative Buco. Did I pronounce that correctly?

8 REP. BUCO: Yes. Thank you. Thank you
9 all for coming up here tonight to address this issue. My
10 name is Representative Tom Buco. I represent Carroll
11 County District 1. We all realize that there's many
12 improvements that need to be made here in this water
13 system. And, last year, Pittsfield Aqueduct received or
14 made -- requested and has a loan from the Department of
15 Environmental Services for additional -- to develop an
16 additional supply, to develop -- upgrade the existing
17 distribution, and to construct a storage tank. Can you
18 hear me okay? Okay.

19 The rate, the interest rate on this loan
20 from DES is 1 percent until completion of construction or
21 March 1st of 2010, whichever is earliest. At that time,
22 the rate changes to 3.3 percent. But this is the part
23 that is -- and the payments are 240 payments on the first
24 of the month commencing after the first day of the sixth

1 month of substantial completion or September -- completion
2 of the
iTDI P €ÿÿÿ

TDI P €ÿÿÿ

6 are absentee landlords, we have some people that don't
7 come up at all. Their properties are vacant. Is it
8 possible that the Commission could consider changing the
9 formula of the meter versus the consumption charge, which
10 I'm assuming, according to the information I've gathered
11 on the internet, that it's a 10 percent charge for the
12 meter, 90 percent, or somewhere in that area, for the
13 usage of the water itself. If that could be changed
14 temporarily, okay, to afford the cost of the improvements
15 we're undergoing to pour more onto the meter charge, not
16 100 percent reversal, but more on the meter charge and
17 less on the consumption. Families, like Judy's, that's
18 mentioned with the three children, and others with six, my
19 wife and I alone, but we're very clean, we shower every
20 day. Okay, we do a lot of laundry, so we use a lot of
21 water, and a little patch of grass I'm desperately trying
22 to save. Thank God for the rain we've had recently. But
23 it's going to get dry, I'm going to have to water my lawn.
24 We're under a ban right now, alternate days, even days,

{DW 08-052} (08-07-08)

1 odd days. Okay? You get to the end of the month, it's
2 the 31st, first of January, I go two days with no water on
3 my lawn. Okay? Those are some of the things that we're
4 dealing with. They're all bearable dealings, we can
5 handle them. Okay? But the formula should, in my
6 opinion, and other people I've talked to somewhat agree
7 once they understand, is the people that are not there are
8 paying a very small charge for the improvements, versus
9 those of us that are there using the delivered product of
10 water. If that could be in your considerations, I think
11 it might help the situation a little bit. Thank you.

12 CHAIRMAN GETZ: Thank you. But what
13 you're basically suggesting is a different rate design and
14 --

15 MR. JONES: A temporary different rate
16 design.

17 CHAIRMAN GETZ: And, so, any proposal we
18 get as part of the case, then we'll consider it. And, of
19 course, it affects different people in different ways.

20 MR. JONES: Right.

21 CHAIRMAN GETZ: But we'll certainly
22 consider any rate design proposals that are made by the
23 parties.

24 MR. JONES: Okay. Thank you.

{DW 08-052} (08-07-08)

1 CHAIRMAN GETZ: Gordon Brown.

2 MR. BROWN: I'm a resident of Birch
3 Hill. I live at 66 Attitash Lane. I'm one of the ones
4 that had very little problem with the water. I wrote a
5 letter to Ms. Thunberg, and sent it the beginning of this
6 week, I think. I'm only going to hit just the highlights
7 on it. And, it's really to probably work on the idea of
8 the meter. We're, at the present time, going to be
9 charged, in the near future, \$507.60 for the rental of
10 that meter on an annual basis. Now, I wrote this letter,
11 and at one point I said "at the outset of Pittsfield
12 taking over our water system, they insisted on
13 installation of water meters in our homes. There was no
14 objection, as it measured our water usage and set up a
15 basis to make charges for our water.

16 On Schedule 3, Attachment A, Exhibit 1,
17 Page 7, now this is -- this is the book that I got from
18 the -- Ms. Knowlton, Ms. Knowlton at McLane Associates.
19 There are cost factors for new 5/8ths inch meters, which
20 range from \$239.09 to \$509.94. Most of the meters are
21 charged out at the lower figure, with only one at the
22 higher cost. As part of the prehearing conference, we
23 were sent letters informing us what we could expect for
24 future costs for our water. That's this thing here. One

{DW 08-052} (08-07-08)

1 rate change places the rental cost of the water meter at
2 \$507 annually. Depending on which meter cost you use, we
3 will pay at least twice the cost of the original cost in
4 one year. Now, that's -- that's a pretty heavy charge. I
5 go on to say, as a return on investment, these figures
6 would be considered gouging. If they want to factor
7 replacement cost every few years, the figure is still
8 extremely high. By making these costs a part of our bill,
9 they make it impossible for us to self-regulate our
10 expenses for water. In other words, we can conserve, but
11 there are certain points where we can't conserve. We're
12 going to be charged period.

13 Let's see, where was I? By making these
14 costs a part of the bill, they make it impossible to
15 self-regulate our expenses for water. For my part, I
16 would be glad to purchase that meter and, therefore, take
17 the figure out of the equation.

18 I go on later on to say this particular
19 point that I have here deals with the fact that we are
20 captive consumers. We have no place to go to try and
21 purchase a cheaper rate. Because water is an essential
22 utility to maintain our homes, we need to purchase, but
23 not at a rate that exceeds the average cost of water in
24 the state in New Hampshire by hundreds of percentage

1 points. And, it may be that we're going to be paying more
2 than anybody else in the damn country, and this is what
3 kind of bothers me.

4 I realize that Pittsfield Aqueduct
5 Company has made -- had to make some major costly changes
6 to the water supply system on Birch Hill. Nobody is going
7 to deny that. I have two suggestions that might ease the
8 strain of water costs. The first is to allow us to
9 purchase the water meters in our homes at near cost and
10 not pay double their cost on an annual basis. That way we
11 can regulate the cost of water by ourselves, and not with
12 a surcharge for the meter. The second thing is to extend
13 the amortization schedules for the costs that they have
14 already incurred, amortization schedules for the upgrades
15 to the system over a longer period of time. These two
16 suggestions just might make it easier on us, and, at the
17 same time, stretch out the payment structures that have
18 been put in place on this.

19 And, one other thing: In my other life,
20 I was an appraiser. I appraised a lot of properties
21 throughout New Hampshire and Massachusetts. This would be
22 a very detrimental factor, if I were going to appraise a
23 home, it would put the price down. It would hurt us all
24 terribly. We are the highest, let's face it, if we follow

1 through with this. So, all I'm saying is that perhaps
2 they can rework the figures, as Mr. Jones said, and
3 stretch it. But, at the same time, let us pick up our
4 meters and work it out on that basis. So, I thank you
5 very much for your time.

6 CHAIRMAN GETZ: Thank you, sir. The
7 only other form I had was from Mr. Glennie, and apparently
8 he's not returned?

9 FROM THE FLOOR: He got called in. He's
10 not coming back.

11 CHAIRMAN GETZ: Is there anyone else who
12 would like to make a public statement this evening? Sir.

13 MR. GRAZIANO: You didn't get my paper
14 yet, but I'll give it to you.

15 CHAIRMAN GETZ: Thank you. It's Derek
16 Graziano.

17 MR. GRAZIANO: I was thinking, I don't
18 know if it's possible, but just doing some calculations,
19 that it would be actually cheaper for a homeowner to put
20 in its own personal well at, if you're charging \$1,200 a
21 year, I can get my own loan, and an average well costs
22 anywhere from seven to \$12,000. So, that would be paid
23 back in about seven to ten years, but it would be mine,
24 and it would be unlimited water. And, I don't know if

1 that's possible with Birch Hill, but I think that's --
2 that's a better way to go. If I have to pay \$1,200 a
3 year, I'd rather take a personal loan out and get my own
4 personal well. And, I'd have unlimited water. That's it.

5 CHAIRMAN GETZ: Thank you.

6 MR. SPADACCINI: I'd like to say
7 something.

8 CHAIRMAN GETZ: Thank you. You better
9 pronounce your own name for the record.

10 MR. SPADACCINI: It's Skip Spadaccini.
11 I'm one of the Commissioners, and I've been a resident of
12 Birch Hill for ten years, and I can say this is the first
13 summer I can flush my toilet in August. In listening to
14 what everybody has said, I've been reading a lot of the
15 emails that come back and forth and the information we
16 gather as Commissioners and try to kind of be the voice
17 for our community.

18 A question I have as I'm listening to
19 this, is this case new? Is it -- Are there other cases
20 like this going on in the country, where water systems
21 have been not running properly for 30 years, and all of a
22 sudden companies come in, we voted on them, they're here,
23 they're fixing us, but it's got to be paid for. So, is
24 this going to be a case that's going to set a precedent

1 for the rest of the country or the rest of New Hampshire?
2 Because there's a lot of water systems out there that are
3 in worse shape than we are. And, you guys have to make
4 decisions, because I'm sure there's going to be more of
5 these kind of cases coming forward.

6 CHAIRMAN GETZ: Well, I guess I can
7 safely say that there are lots of cases around the country
8 for many, many years of new companies coming in and taking
9 over systems that needed a lot of work, and that result in
10 major increases in rates because of a lot of investment in
11 new capital projects. That's a very common occurrence.

12 MR. SPADACCINI: Now, how about for our
13 PUC?

14 CHAIRMAN GETZ: We've seen a number of
15 them over the years.

16 MR. SPADACCINI: Okay. So, you're
17 veterans at this?

18 CMSR. BELOW: Sad, but true, yes.

19 MR. SPADACCINI: Okay. That's it.
20 That's all I have to say.

21 CHAIRMAN GETZ: Okay. Thank you. Okay.
22 If -- sir.

23 MR. SIEGLER: I'd like to say something.

24 CHAIRMAN GETZ: Thank you.

1 MR. SIEGLER: I'm Otto Siegler. I'm a
2 Birch Hill resident. Thanks for everybody coming out
3 tonight, and, you know, everybody's time is precious.
4 And, I just wanted to say that I do not believe that this
5 is an accurate representation of Birch Hill residents. I
6 just found out about it on an e-mail at about 10:30 last
7 night, and a phone message at 5:00 when I got home from
8 work. So, I mean, over residents rushed over here to make
9 it. So, this particular meeting is one that sort of was
10 formed very hastily or we were informed about very
11 hastily. And, I think, had more people known about it,
12 you'd probably be hearing many more comments and much more
13 upheaval in basically voicing their opinions in opposition
14 to these sky-high rates.

15 I echo a lot of the feelings of people
16 that I've heard, where we have part-time residents, and
17 the sheet that was sent out in the mail with current rates
18 would be lower, a lower figure, than many families
19 presently are paying, which means we're going to be paying
20 even higher rates. So, you know, whether that \$1,159.92
21 becomes \$1,500 a year or \$1,600, or whatever it may be, I
22 think, when people get hit with that, all of a sudden
23 they're going to panic, and then it will be too late. So,
24 I think, if we can get the word out to more residents, and

1 also, since the fact is that many of those residents are
2 part-timers, maybe a lengthier communication period, of
3 just more notice, basically, to everybody, so that they
4 can take some action.

5 But we had some good ideas. I don't
6 know, I kind of pose a question to Pennichuck as to
7 whether residents can even drill wells or whether there's
8 additional fees that we would have to pay at the time? Do
9 you have an answer for that?

10 MS. KNOWLTON: We would be glad to chat
11 after the meeting.

12 MR. SIEGLER: So, you can't just tell
13 all of us so we just know, if we wanted to put in wells,
14 would we continue to pay a charge, a meter charge?

15 MR. WARE: There's no obligation that
16 you remain on the water system. You know, there are state
17 regulations that govern the development of wells. And,
18 you know, you just have to make sure that you have the
19 appropriate radii from your neighbor's land, from septic
20 tanks, from the street, in order to develop a well. But,
21 if you have that land to develop a well, you can develop
22 the well, request that the water be shut off. That choice
23 is the individual's. Obviously, again, you have all the
24 water quality problems to deal with. And, also, the quote

{DW 08-052} (08-07-08)

1 about the "\$12,000", you know, think about that in the
2 form of a home equity loan, because it's not just --

3 CHAIRMAN GETZ: Well, actually, Mr.
4 Ware, I think the question was "what's the legal right?"
5 And, Mr. Siegler, I think the basic issue is it's more of
6 a environmental/DES local issue --

7 MR. SIEGLER: Okay.

8 CHAIRMAN GETZ: -- about whether you can
9 dig a well.

10 MR. SIEGLER: Okay. Okay. It's not a
11 -- It's not a Birch Hill issue on statutes or whatnot.
12 Okay.

13 CHAIRMAN GETZ: And, there's a specific
14 statute that basically says that you can't be held
15 captive.

16 MR. SIEGLER: Right.

17 CHAIRMAN GETZ: An exit fee,
18 essentially, for a water customer who can legally dig a
19 well on their property.

20 MR. SIEGLER: Right.

21 CMSR. BELOW: There are some properties
22 that come with covenants about that. So, we're not
23 expressing any opinion about what your title says.

24 MR. SIEGLER: Okay. Okay. That's fair

1 enough. The other thing that I just noticed on the piece
2 of paper I was sent was the meter charge here is almost
3 half of what the volumetric charge or usage charge is
4 already. So, I heard a figure of like 10 percent versus
5 90 percent, but looks like this figure is almost closer to
6 half already of the fee. And, to Mr. Brown's point, you
7 know, are those -- you know, have we paid some of those
8 fees already to own those meters or whatnot? But just
9 some food for thought in your contemplation of the matter.

10 And, I was one of the people plagued
11 with problems, so I appreciate the work that Pennichuck
12 has done. I'm not -- I'm seeing both sides of the coin
13 here. I do just, you know, this is a lot of money for
14 people. And, probably half of the people in Birch Hill
15 probably couldn't make it just because they're working a
16 second or third job at this point. So, it's tough. It's
17 tough on everybody, and it's a tough economy already.
18 And, you know, 300 percent plus increases just don't make
19 it any easier, and, you know, would definitely be a
20 hardship. So, that's all I have.

21 CHAIRMAN GETZ: Thank you. And, to your
22 point about "other people may be interested in speaking",
23 there's going to be a second public statement hearing in
24 Alton on August 25th. And, there will be another public

1 statement hearing in Pittsfield on August 27th. So, there
2 will be three public statement hearings.

3 MR. SIEGLER: I don't think anybody is
4 going to -- nobody from here is going to travel that far,
5 unfortunately.

6 FROM THE FLOOR: We can't afford the
7 gas. We've got to pay for water.

8 MR. JONES: Can I make one additional --

9 CHAIRMAN GETZ: Please.

10 MR. JONES: Thank you. Just a couple of
11 comments again. I talked to quite a few people in Birch
12 Hill. And, I applaud them for coming down here tonight.
13 We tried to get the information out as soon as we knew
14 about the meetings. Maybe the Commission and those
15 involved could do a better job. But, you know, the system
16 that we have right now today, at this particular minute,
17 is much better than it was before we started to do these
18 improvements. These improvements are going to cost us a
19 lot of money. And, we're not going to have a Cadillac
20 when we get through, because some of the pipes in the
21 ground are not going to be replaced, but a lot them are.
22 The system is going to be improved by the installation of
23 pipes. And, I know that today construction actually
24 started with people on site today, including Pennichuck's

1 people. So, I know that the work is ongoing, materials
2 have been delivered.

3 My question would be to Pennichuck
4 itself. Is it possible, based on the fact that right now
5 people seem to be somewhat satisfied, and all this trouble
6 area, because of the terrain, but is it possible to cut
7 back the project somewhat and still have a viable, good
8 system, at less cost, immediate cost to the people that
9 right now are bearing the brunt of this large improvement,
10 which is necessitated by the lack of work that was done
11 for many years? Is it possible, my question is to the
12 Commission to ask Pennichuck, is it possible to scale back
13 the project and still come up with an efficient system
14 that would get us by the next ten years? Thank you.

15 CHAIRMAN GETZ: Thank you. Ms. Knowlton
16 just pointed out to me, there was a letter that we issued
17 on July 25th setting out the three nights for the public
18 statement hearings. And, the Alton meeting in that letter
19 said "August 13th", but we just got contacted today by the
20 school to say that we can't have the building that night.
21 So, that's why that's being changed to -- that's why I
22 just said a few minutes ago that that meeting in Alton is
23 going to be on August 25th. But we'll put that on our
24 website and we'll recirculate to all the parties that

{DW 08-052} (08-07-08)

1 information. Ma'am.

2 MS. BREITENWISCHER: I just have a
3 couple things. First of all, what letter though? We
4 didn't get any letter. We just saw something in the
5 paper.

6 CHAIRMAN GETZ: Well, there's several
7 things. We've done display ads in the papers, but there
8 was a letter that was sent to all the parties to the
9 proceeding. So, --

10 MS. BREITENWISCHER: But not residents?
11 We aren't parties to it?

12 CHAIRMAN GETZ: You're not official
13 parties to the proceeding. So, the documents that get
14 sent out would be, in this case, would have been to the
15 Water District, because they came and intervened. So,
16 that's one of the ways that we give notice. One of the
17 other ways is through the newspaper ads.

18 MS. BREITENWISCHER: Okay. My only
19 concern is, you know, I don't know whose salary goes up
20 200 percent in one year. Most cost of living salaries go
21 up two to three, maybe, if you're lucky, five percent.
22 So, I don't know how people are going to be able to afford
23 this. We bought our house in 2006, late 2006. And, if I
24 -- I think my husband and I had known about this, we

{DW 08-052} (08-07-08)

1 probably wouldn't have bought here, because it's just
2 ridiculous, the cost. I understand that rates have to go
3 up, and they should, because of the improvements. But,
4 for the amount that they're looking for, I don't know how
5 people are going to do it. That's all.

6 CHAIRMAN GETZ: Thank you. Anyone else
7 who would like to speak this evening?

8 (No verbal response)

9 CHAIRMAN GETZ: Okay. Then, what we'll
10 do at this point is close the official part of the public
11 statement hearing. And, I want to thank you all for
12 coming out. And, to the extent you want to follow up on
13 some of these questions that you have, both the Company
14 will be here and members of our Staff will be here to try
15 and answer your questions. So, thank

yo