

1                   **STATE OF NEW HAMPSHIRE**2                   **PUBLIC UTILITIES COMMISSION**3  
4   **August 17, 2017 - 1:35 p.m.**  
5   Concord, New Hampshire

23 AUG '17 PM 3:44

6                   RE: DW 17-114

7                   **EVERSOURCE ENERGY:**  
8                   **Joint Petition for Approval of**  
9                   **the Acquisition of Aquarion Water**  
10                   **Company of New Hampshire, Inc.,**  
11                   **by Eversource Energy.**  
12                   **(Prehearing conference)**13                   **PRESENT:** Chairman Martin P. Honigberg, Presiding  
14                   Commissioner Kathryn M. Bailey

15                   Clare Howard-Pike, Clerk

16                   **APPEARANCES: Reptg. Eversource Energy:**17                   Robert A. Bersak, Esq.  
18                   John Moreira, Vice Pres./Fin. Planning  
19                   Daniel Venora, Esq. (Keegan Werlin)  
20                   Jessica B. Ralston, Esq. (Keegan...)21                   Reptg. Aquarion Water Co. of N.H.:  
22                   Marcia A. Brown, Esq. (NH Brown Law)  
23                   Donald Morrisey, Exec. VP & CFO  
24                   John Walsh, Vice Pres./Operations  
25                   Troy Dixon, Dir./Rates & Regulation26                   Rep. Robert Renny Cushing, *pro se*27                   **Reptg. the Town of Hampton:**28                   Mark S. Gearreald, Esq.  
29                   Regina Barnes, Selectman  
30                   Rep. Phil Bean, Selectman

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

32  
33                     
34                   **CERTIFIED**  
                  **ORIGINAL TRANSCRIPT**

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

**APPEARANCES: (C o n t i n u e d)**

**Reptg. the Town of North Hampton:**

Stephen M. Bennett, Esq. (Wadleigh..)  
Henry Fuller, No. Hampton Water Comm.

Rep. Mindi Messmer, *pro se*

Rep. Phil Bean, *pro se*

**Reptg. Residential Ratepayers:**

D. Maurice Kreis, Esq., Consumer Adv.  
Office of Consumer Advocate

**Reptg. PUC Staff:**

John Clifford, Esq.  
Mark Naylor, Dir./Gas & Water Div.  
Robyn Descoteau, Gas & Water Division

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.**

**DISCUSSION RE: CONFIDENTIALITY REQUEST BY:**

Chairman Honigberg	8, 11
Mr. Bersak	10
Mr. Gearreald	10, 11

**DISCUSSION RE: INTERVENTIONS BY:**

Chairman Honigberg	11, 13, 15, 16, 26
Rep. Cushing	12, 17
Rep. Messmer	13, 14, 16, 23
Rep. Bean	14
Mr. Kreis	19, 21
Mr. Bersak	22
Mr. Gearreald	25

**QUESTIONS BY:**

Chairman Honigberg	20, 22, 24, 26
Rep. Cushing	27
Mr. Gearreald	29

**I N D E X (continued)**

**PAGE NO.**

**STATEMENTS OF PRELIMINARY POSITION BY:**

Mr. Bersak	30, 93
Mr. Moreira	30
Mr. Morrissey	34
Rep. Cushing	51, 53
Mr. Gearreald	55
Mr. Bennett	72
Rep. Bean	75
Rep. Messmer	78
Mr. Kreis	82
Mr. Clifford	87

**QUESTIONS BY:**

Cmsr. Bailey	37, 48, 64
Chairman Honigberg	41, 59, 71, 89, 94

**STATEMENTS FOLLOWING THE RECESS BY:**

Mr. Bersak	96
Ms. Brown	101
Chairman Honigberg	103, 111
Mr. Gearreald	106, 113
Rep. Cushing	107, 111, 114
Mr. Bennett	107
Mr. Kreis	108
Mr. Clifford	109

**QUESTIONS BY:**

Chairman Honigberg	98
Cmsr. Bailey	102

**P R O C E E D I N G**

1  
2 CHAIRMAN HONIGBERG: We're here this  
3 afternoon in Docket 17-114, which is a petition  
4 by Eversource to acquire -- essentially acquire  
5 Aquarion Water. We're here for a prehearing  
6 conference. There's a technical session  
7 scheduled to start after the prehearing  
8 conference. There are a number of issues that  
9 I think are going to be coming up, including  
10 intervention requests.

11 And, before we do anything else,  
12 let's take appearances.

13 MR. BERSAK: Good afternoon,  
14 Commissioners. On behalf of Eversource Energy,  
15 I'm Robert Bersak. I also have with me  
16 Eversource's Vice President of Financial  
17 Planning, John Moreira. And, finally, I have  
18 two colleagues from the law firm of Keegan  
19 Werlin. I'll let them introduce themselves.

20 MR. VENORA: Good afternoon. My name  
21 is Daniel Venora, from the firm of Keegan  
22 Werlin. Joining me today is Jessica Ralston,  
23 also from Keegan Werlin.

24 MS. BROWN: And representing Aquarion

1 Water Company of New Hampshire, Marcia Brown,  
2 from NH Brown Law. With me today, to my left,  
3 is Don Morrissey, who's Executive Vice President  
4 and CFO of Aquarion; at the second table, John  
5 Walsh, at the end, is Vice President of  
6 Operations; and then Troy Dixon, to his right,  
7 is Director of Rates and Regulation.

8 CHAIRMAN HONIGBERG: Who else do we  
9 have here to enter an appearance?

10 REP. CUSHING: I'm Representative  
11 Robert Renny Cushing, from Hampton. I filed a  
12 petition to intervene.

13 MR. GEARREALD: Good afternoon. My  
14 name is Mark Gearreald. I'm the Town Attorney  
15 for the Town of Hampton. And with me is  
16 Selectman Regina Barnes. I also have  
17 Representative Phil Bean, who's also a  
18 selectman in Hampton. I have Trevor McCourt,  
19 who is a summer intern with my office.

20 MR. BENNETT: Stephen Bennett. I'm  
21 counsel for the Town of North Hampton. And  
22 with me is Mr. Henry Fuller, who is a member of  
23 the North Hampton Water Commission.

24 REP. MESSMER: And Representative

1 Mindi Messmer, from Rye and Newcastle, petition  
2 to intervene.

3 MR. KREIS: Good afternoon, Mr.  
4 Chairman, Commissioner Bailey. I'm D. Maurice  
5 Kreis, the Consumer Advocate. I am here today  
6 on behalf of residential utility customers,  
7 including the residential utility customers of  
8 both Eversource and Aquarion.

9 MR. CLIFFORD: Good afternoon,  
10 Commissioners. John Clifford, Staff attorney  
11 for the Public Utilities Commission. And with  
12 me at counsel's table is Mark Naylor, Director  
13 of the Commission's Gas & Water Division, and  
14 Robyn Descoteau, Utility Analyst Gas & Water  
15 Division.

16 CHAIRMAN HONIGBERG: Anybody else  
17 need to enter an appearance?

18 MR. CLIFFORD: I just want to --

19 CHAIRMAN HONIGBERG: Mr. Clifford,  
20 yes.

21 MR. CLIFFORD: It's not an  
22 appearance, but I circulated a list, just to  
23 get the names of people in the room who may  
24 want to speak, people who are not parties. So,

1 I'm going to hand that up to the Clerk. In  
2 case people do intend to say anything at this  
3 prehearing, we'll have their names and  
4 addresses, for what it's worth.

5 CHAIRMAN HONIGBERG: Okay. One of  
6 the things that's going to happen is that the  
7 parties are going to be invited to state their  
8 positions, preliminary positions on how this  
9 should go. We're going to have to deal with  
10 interventions, some of which are fairly  
11 straightforward, others are less so. And  
12 there's a pending Motion for Confidential  
13 Treatment of portions of the filing.

14 Are there other preliminary issues  
15 that we need to deal with? Because I'll start  
16 where I want to start, if no one identifies  
17 something else.

18 *[No verbal response.]*

19 CHAIRMAN HONIGBERG: Start with the  
20 confidentiality request. Mr. Bersak, or who  
21 should I address?

22 MR. BERSAK: We'll let Mr. Venora  
23 address that.

24 CHAIRMAN HONIGBERG: I doubt there's



1 a problem with the what appear to be fairly  
2 limited items that have been redacted. There  
3 are a couple of things that -- there's one  
4 cross-reference that's incorrect. In the very  
5 first redaction, I believe, refers to an  
6 incorrect section. I question the need to  
7 redact the names of the sections that have  
8 confidential provisions within them. In one  
9 instance, the description in the motion of what  
10 is -- what confidential treatment is sought  
11 pretty much describes the nature of the  
12 section. So, why redact the title of the  
13 section? Didn't seem to make any sense.

14 From a strictly process point of  
15 view, each page is stamped "Confidential", yet  
16 only something like six pages actually have  
17 proposed redactions. That's not especially  
18 helpful. It sends those who are looking on a  
19 hunt for what pages require some sort of  
20 special treatment.

21 What I would ask is that you  
22 coordinate with Staff a refiling of the  
23 redacted version of -- or, both the  
24 confidential and redacted. So, to the extent

1           you can eliminate some of the redactions, which  
2           I don't think are important. And I think, if  
3           you think about it, you'll agree. And also  
4           remove the designations of "Confidential" on  
5           pages that are not, in fact, confidential.

6                     Is that something we can get done?

7           MR. BERSAK: We can get it done.

8           CHAIRMAN HONIGBERG: All right.

9           Thank you, Mr. Bersak.

10                    With respect to interventions, --

11           MR. GEARREALD: Excuse me.

12           CHAIRMAN HONIGBERG: Mr. Gearreald.

13           MR. GEARREALD: Yes. With regard to  
14           the confidential treatment, --

15                     *[Court reporter interruption.]*

16           CHAIRMAN HONIGBERG: It would be  
17           better if you just speak into a microphone. I  
18           know -- you don't need to stand, trust me. As  
19           long as we can hear you and Mr. Patnaude can  
20           hear you, it will be better.

21           Mr. Gearreald.

22           MR. GEARREALD: Thank you, Mr.  
23           Chairman. With regard to the items that are  
24           finally marked as being confidential, may the

1 parties who -- either the parties that are  
2 already in the case, or those who are allowed  
3 to intervene, examine the unredacted portions  
4 of the record here at the Commission, so long  
5 as they are not distributing those or  
6 communicating them outside?

7 CHAIRMAN HONIGBERG: Typically, the  
8 parties enter into confidentiality  
9 agreements/nondisclosure agreements. If  
10 there's an appropriate nondisclosure agreement  
11 entered into, there shouldn't be a problem  
12 receiving the unredacted under the terms of the  
13 agreement.

14 If the parties can't work out an  
15 agreement, we will enter an appropriate order.

16 MR. GEARREALD: Yes. I would just  
17 note for the record that, if we are not able to  
18 enter into such a nondisclosure agreement, we  
19 would be objecting to the confidential  
20 treatment.

21 CHAIRMAN HONIGBERG: All righty.

22 MR. GEARREALD: Thank you.

23 CHAIRMAN HONIGBERG: Interventions.

24 The Company filed or the Applicants filed a --

1 I guess they're "Petitioners" in this context,  
2 the Petitioners filed an objection, partial in  
3 some instances, to certain interventions.

4 I don't think there's a significant  
5 or any serious objection to the intervention of  
6 the towns. I've got that right, Mr. Bersak?

7 MR. BERSAK: You're correct.

8 CHAIRMAN HONIGBERG: Okay. Then,  
9 we'll grant the interventions by the towns.

10 For the State Representatives,  
11 Representative Cushing, are you a ratepayer of  
12 Aquarion?

13 REP. CUSHING: Yes. I've been a  
14 ratepayer of Aquarion -- well, my family has  
15 been a ratepayer of Hampton Water Works and  
16 successor companies since 1920.

17 CHAIRMAN HONIGBERG: That's great.  
18 But the fact that you are now is what's  
19 relevant.

20 REP. CUSHING: I am. I'm also a  
21 homeowner in town, and the fire hydrant is  
22 about 500 feet from my house. I'm concerned  
23 about my property.

24 CHAIRMAN HONIGBERG: You're a

1 ratepayer?

2 REP. CUSHING: Yes, sir.

3 CHAIRMAN HONIGBERG: You're an  
4 appropriate intervenor as a ratepayer --

5 REP. CUSHING: Yes.

6 CHAIRMAN HONIGBERG: -- in this  
7 proceeding.

8 Representative Messmer, are you a  
9 ratepayer of the Company?

10 REP. MESSMER: I'm a ratepayer of  
11 Eversource. I'm not a ratepayer of Aquarion.  
12 I do represent two districts within my district  
13 that do -- that are ratepayers to Aquarion.

14 CHAIRMAN HONIGBERG: Okay. But are  
15 any of those ratepayers here?

16 REP. MESSMER: I don't believe so.  
17 But they have signed the Petition.

18 CHAIRMAN HONIGBERG: And I will tell  
19 you that Petition is not very helpful. It has  
20 people who are out-of-state. It has comments  
21 in it that are not just irrelevant, but  
22 distracting.

23 In order to be an appropriate  
24 intervenor, you need to have some legal

1 interest in what's happening here, and being a  
2 State Rep. doesn't count. You have an  
3 interest, there's not question about it, in the  
4 colloquial sense. And you don't need to be an  
5 intervenor to follow what's going on, and offer  
6 comments, and be part of the process. But  
7 being a State Rep. doesn't give you a right to  
8 be an intervenor.

9 The Company has objected, and it's a  
10 good objection.

11 I don't know, are the other members  
12 of your little group, I recall there were at  
13 least three others? I think one of them lives  
14 in Swanzey. So, I'm fairly certain that he's  
15 not a ratepayer of Aquarion. Are either of the  
16 other two?

17 REP. BEAN: Mr. Chairman,  
18 Representative Bean, Selectman Bean, Town of  
19 Hampton. I am a co-signer of that. I am a  
20 resident of Hampton. I am a consumer of  
21 Aquarion, sir. Thank you.

22 CHAIRMAN HONIGBERG: Well, that --

23 REP. MESSMER: And so is  
24 Representative Mike Edgar, who is also a signer

1 on that.

2 CHAIRMAN HONIGBERG: Perfectly  
3 appropriate for them to be intervenors in this  
4 proceeding, not necessarily to raise the issues  
5 that were identified.

6 I think, if you ask one of the  
7 lawyers, any of the lawyers in the room about  
8 what this is about, antitrust will not be part  
9 of the discussions here. The Public Utilities  
10 Commission was formed by the New Hampshire  
11 Legislature more than a century ago to regulate  
12 monopolies. That's why we exist, because  
13 monopolies are perfectly appropriate in the  
14 utility arena. You don't want your streets  
15 cluttered up with multiple electric companies  
16 trying to serve customers, multiple gas  
17 companies trying to serve customers with  
18 multiple lines, distribution lines running  
19 underground, and you don't want multiple water  
20 companies where water utilities are  
21 appropriate.

22 So, coming in here and opposing this  
23 provision because monopolies is not going to  
24 get very far. But there are plenty of issues

1           that may or may not come up as the discussions  
2           go. I don't know how that's going to go.  
3           But --

4                         REP. MESSMER: Can I add to that, my  
5           concerns about the water quality issues?

6                         CHAIRMAN HONIGBERG: That may or may  
7           not be relevant. I have serious doubts about  
8           whether it is. But the operations of the  
9           Company may become an issue, its service  
10          quality may become an issue. But you don't  
11          have those interests. You're a State Rep. You  
12          represent lots of people with lots of different  
13          concerns. Folks who are ratepayers have a  
14          direct interest in what's going on here, those  
15          people are appropriate intervenors.

16                        But you can participate in other  
17          ways. I encourage you to discuss that with  
18          Staff. I think probably Mr. Kreis can help you  
19          in some ways understanding how it best to  
20          participate. And I'll leave it at that for  
21          now.

22                        Did I miss anyone in the intervenor  
23          list?

24                        REP. CUSHING: Mr. Chairman?



1                   CHAIRMAN HONIGBERG: Yes. Who was  
2                   addressing me?

3                   REP. CUSHING: I was. Representative  
4                   Cushing.

5                   CHAIRMAN HONIGBERG: Mr. Cushing,  
6                   sorry.

7                   REP. CUSHING: So, I just want to  
8                   clarify. So, it's -- I am not permitted to  
9                   intervene as a representative?

10                  CHAIRMAN HONIGBERG: You're not here  
11                  as a state representative. You're here as a  
12                  ratepayer.

13                  REP. CUSHING: I am here to represent  
14                  the interests of the people of my district, who  
15                  I assume who are customers of Unitil [sic].

16                  CHAIRMAN HONIGBERG: I think  
17                  you'll be -- I think, as you do what you do,  
18                  you will be doing that. I can't imagine you  
19                  doing it any other way. But --

20                  REP. CUSHING: Well, I would just  
21                  like to object to the ruling that --

22                  CHAIRMAN HONIGBERG: That you've been  
23                  granted intervenor status?

24                  REP. CUSHING: No, as a state

1 representative -- that representatives can't --  
2 I don't understand the legal basis for you to  
3 deny a representative from being an intervenor  
4 in a case that has a direct impact upon the  
5 community. I say that respectfully.

6 CHAIRMAN HONIGBERG: What's their  
7 legal -- the legal interest that a state  
8 representative has in a proceeding before an  
9 Executive Branch agency?

10 REP. CUSHING: It's about the rights  
11 to --

12 *[Court reporter interruption.]*

13 REP. CUSHING: It's trying to protect  
14 the interests of their constituency.

15 CHAIRMAN HONIGBERG: Which you do  
16 about a mile away from here on the other side  
17 of the hill, in the State House.

18 REP. CUSHING: We also represent -- I  
19 appear before executive agencies all the time  
20 on behalf of my constituents.

21 CHAIRMAN HONIGBERG: And you're here,  
22 and you'll be articulating your concerns, and  
23 which you share with many others in your  
24 community, I have no doubt. Your objection is

1 noted.

2 REP. CUSHING: Thank you.

3 CHAIRMAN HONIGBERG: I'm not sure how  
4 you would pursue that, since you've been  
5 granted intervenor status.

6 Are there other intervenors that we  
7 missed?

8 Mr. Kreis.

9 MR. KREIS: Thank you. Thank you,  
10 Mr. Chairman. I notice that Representative  
11 Messmer indicated that she is a customer of  
12 Eversource. Eversource is a Petitioner here.  
13 And I heartily agree with the Commission's  
14 longstanding view that serving as a state  
15 representative does not entitle you to party  
16 status here --

17 CHAIRMAN HONIGBERG: Mr. Kreis, did  
18 you say "heartily" or "hardly"?

19 MR. KREIS: "Heartily".

20 CHAIRMAN HONIGBERG: Okay.

21 MR. KREIS: Thank you. Sorry. I  
22 enthusiastically support the legal conclusion  
23 that a state representative, however sincere  
24 and deep her interest in the policy issues we

1           confront here, does not, by virtue of having  
2           been elected to the Legislature, qualify as a  
3           party intervenor here.

4                       The Commission typically does admit  
5           to party status customers of utilities that  
6           bring petitions to the agency. And  
7           Representative Messmer indicated that she is,  
8           in fact, a customer of Eversource, which is one  
9           of the Petitioners.

10                      CHAIRMAN HONIGBERG: Mr. Bersak, is  
11           PSNH, Public Service Company of New Hampshire  
12           doing business as Eversource, a party to this  
13           proceeding?

14                      MR. BERSAK: Public Service Company  
15           of New Hampshire does do business as  
16           Eversource. However, the Petitioner in this  
17           proceeding is Eversource Energy, the parent  
18           company. PSNH is not a party to this  
19           proceeding.

20                      CHAIRMAN HONIGBERG: What is the  
21           relationship between Eversource Energy and  
22           Public Service Company of New Hampshire?

23                      MR. BERSAK: Eversource Energy is the  
24           parent, and PSNH is a wholly owned subsidiary

1 of Eversource Energy.

2 CHAIRMAN HONIGBERG: As a result, if  
3 this were approved, and Eversource Energy  
4 became the owner of Aquarion, is there any  
5 overlap in functions or responsibilities or  
6 dollars, as may be relevant here, that would  
7 affect PSNH ratepayers?

8 MR. BERSAK: No. It would be -- the  
9 Aquarion businesses would be organizationally  
10 separate, separate corporate entities. It  
11 would be like having a Liberty gas customer  
12 come in and say they can intervene in an  
13 electric case, because they are served by  
14 Liberty.

15 CHAIRMAN HONIGBERG: Mr. Kreis.

16 MR. KREIS: I think that it is, for  
17 purposes of establishing standing,  
18 inappropriate for the Commission to simply  
19 assume the -- assume the assertions that Mr.  
20 Bersak just made. They may well be true. And  
21 it may well be, at the end of this case, that  
22 the effect of this Petition on customers of  
23 Public Service Company of New Hampshire d/b/a  
24 Eversource is zero. That, frankly, is one of

1 the issues in the case. And, so, simply  
2 assuming that the Company's assertions are  
3 correct I think is probably not the best basis  
4 for denying a request for intervention status  
5 that's premised on potential impacts on PSNH  
6 customers.

7 CHAIRMAN HONIGBERG: What's the  
8 connection? How would it go, hypothetically?  
9 Aquarion would get so sick and drag the entire  
10 Eversource family down into Chapter 11?

11 MR. KREIS: That's one extremely dire  
12 and unlikely scenario. Others would involve  
13 Eversource deciding that it was in its best  
14 interest, as a corporate family, to combine  
15 certain functions of its two operations in New  
16 Hampshire, even though they're in different  
17 industries.

18 MR. BERSAK: Mr. Chairman, based upon  
19 what --

20 (Chairman Honigberg and  
21 Commissioner Bailey conferring.)

22 CHAIRMAN HONIGBERG: I'm sorry, who  
23 wanted to address us?

24 MR. BERSAK: I'm sorry, Mr. Chairman.

1 Based upon what the Consumer Advocate is  
2 saying, there would be no limits to having  
3 customers of Western Massachusetts Electric  
4 Company come up to New Hampshire to participate  
5 in PSNH rate cases, because this Commission may  
6 do something that ultimately impacts them. We  
7 would be basically expanding the scope of  
8 intervention so there would be no limits.

9 As we put into our Petition, in  
10 Paragraph 4, the Petitioner here, Eversource,  
11 is the Massachusetts voluntary association, not  
12 Public Service Company of New Hampshire, which  
13 is a New Hampshire public utility that's a New  
14 Hampshire corporation.

15 The status of the Representative as a  
16 Public Service Company of New Hampshire  
17 customer, we appreciate her business, but I  
18 don't think that gives her standing to  
19 participate in this proceeding, where she is  
20 neither a customer of -- or, where PSNH is not  
21 a party here, and she is not a customer of  
22 Aquarion.

23 REP. MESSMER: Sir, I'd like to raise  
24 a further objection to that ruling, in that my

1 district is served in part by Aquarion  
2 currently, two districts, two water districts.  
3 We are currently facing a water crisis of our  
4 own potentially in my town, in which, just like  
5 Wiggins Way, in Stratham, we could be connected  
6 on an emergency basis to Aquarion Water, to  
7 avoid issues with water quality that we're  
8 facing in our town.

9 So, on that basis, I think that I  
10 should be able to petition.

11 CHAIRMAN HONIGBERG: As a potential  
12 recipient of Aquarion Water, is that what you  
13 mean?

14 REP. MESSMER: Yes. Part of my  
15 district is served -- two parts of my district  
16 are served by Aquarion currently.

17 CHAIRMAN HONIGBERG: I got that. But  
18 the question is "are you a customer?" No,  
19 but you're --

20 REP. MESSMER: Myself, no.

21 CHAIRMAN HONIGBERG: -- you're a  
22 potential customer, is what you're saying?

23 REP. MESSMER: Yes.

24 CHAIRMAN HONIGBERG: I got that.



1           REP. MESSMER: Parts of my district  
2 are served by Aquarion. And, like Wiggins Way,  
3 in Stratham, we could need to be connected on  
4 an emergency basis for the rest of our  
5 district.

6           CHAIRMAN HONIGBERG: We heard that  
7 the first time you said it.

8           Mr. Gearreald.

9           MR. GEARREALD: Yes. Mr. Chairman, I  
10 concur with what Representative Messmer has  
11 just stated with regard to the potential for  
12 extension of the territory of Aquarion, which  
13 is already in front of the Commission with  
14 regard to Wiggin Way, in Stratham.

15           I would also like to point out, Mr.  
16 Chairman, that, in Paragraph 17 of the Joint  
17 Petition that's in front of you, Eversource is  
18 putting forth as justification for its  
19 acquisition and ability to acquire, its  
20 "management of an organization of six operating  
21 subsidiaries of 7,800 employees, serving  
22 3.7 million customers in three states."  
23 They're putting forward justification not just  
24 based on New Hampshire, but on their entire

1 operation. Now, if we want to just limit it to  
2 New Hampshire, Representative Messmer is a  
3 customer of Eversource in New Hampshire.

4 CHAIRMAN HONIGBERG: But is she  
5 situated differently from my mother, who's a  
6 customer of Western Mass. Electric?

7 MR. GEARREALD: She is in the sense  
8 that what we're talking about is a New  
9 Hampshire operation. And Eversource is putting  
10 forth how it would manage a New Hampshire  
11 utility, of which she is a customer of the  
12 Eversource subsidiary in New Hampshire.

13 We don't know how the actual  
14 management will come out, Mr. Chairman. We're  
15 not talking about Western Mass. We're talking  
16 about New Hampshire.

17 CHAIRMAN HONIGBERG: Representative  
18 Messmer, we're not going to rule on your  
19 intervention request from the Bench. You are  
20 certainly free to participate to the extent  
21 that members of the public are. And you can  
22 stay for the technical session and participate  
23 as others will be able to. It may well be that  
24 Mr. Gearrard's or Mr. Kreis's arguments carry

1 the day. Not sure about the potentiality of  
2 being attached to the system, but I understand  
3 the argument.

4 Are there other -- other issues  
5 before we hear the preliminary positions of the  
6 parties?

7 REP. CUSHING: I have a -- if I  
8 might?

9 CHAIRMAN HONIGBERG: Representative  
10 Cushing, yes.

11 REP. CUSHING: I have a question, and  
12 it relates to the exhibit, the first exhibit,  
13 the attachment in the agreement. It's under --  
14 it's confidential. So, I didn't have a chance  
15 to review it. It wasn't online.

16 Now that I've been granted intervenor  
17 status, can I get a copy of it?

18 CHAIRMAN HONIGBERG: The unredacted  
19 version should have been available, was it not?

20 REP. CUSHING: There was no -- it was  
21 not. It was not on the PUC website.

22 CHAIRMAN HONIGBERG: Can we go off  
23 the record for a minute?

24 (Off-the-record discussion



1 CHAIRMAN HONIGBERG: Anything else?

2 REP. MESSMER: Would I also be  
3 getting a copy of that?

4 CHAIRMAN HONIGBERG: It is on the Web  
5 right now.

6 REP. MESSMER: Okay.

7 MR. BERSAK: If you give me  
8 addresses, we'll mail them out to you. Thank  
9 you.

10 CHAIRMAN HONIGBERG: Yes. If you  
11 leave your contact information with Mr. Bersak,  
12 much of which I think he has from the  
13 intervention petitions, he will make sure that  
14 you get a copy.

15 What you'll be getting is the  
16 redacted version, pending any further  
17 discussions or entry into a nondisclosure  
18 agreement.

19 Anything else we need to deal with,  
20 before the parties state their positions?

21 MR. GEARREALD: Mr. Chairman, with  
22 regard to the procedural schedule that I assume  
23 will be handled in the technical session, with  
24 the Commission's guidance, the effort here is

1 being made to proceed under two statutory  
2 sections.

3 CHAIRMAN HONIGBERG: And why don't we  
4 hear from Mr. Bersak first, before you make  
5 your argument regarding statutes. Because I  
6 assume that's part of your position on this,  
7 right?

8 MR. GEARREALD: That will be.

9 CHAIRMAN HONIGBERG: What statutes  
10 are relevant to this?

11 MR. GEARREALD: I'll save it till  
12 then.

13 CHAIRMAN HONIGBERG: Thank you.

14 MR. GEARREALD: Thank you.

15 CHAIRMAN HONIGBERG: Mr. Bersak.

16 MR. BERSAK: Thank you, Mr. Chairman.  
17 Briefly, as our Petition says, we're  
18 petitioning under primarily RSA 369:8. And our  
19 Petition speaks for itself.

20 But I'm going to allow Mr. Moreira  
21 and Mr. Morrisey to talk about what this deal  
22 is all about.

23 MR. MOREIRA: Thank you. And good  
24 afternoon, Commissioners. My name is John

1           Moreira. I am Vice President of Financial  
2           Planning for Eversource Energy.

3   *[Court reporter interruption.]*

4                   MR. MOREIRA: Eversource greatly  
5           appreciates the opportunity to be here this  
6           afternoon as you consider our proposal to  
7           acquire Aquarion Water Company. We recognize  
8           that you may have questions regarding this  
9           transaction, and the team and I will do our  
10          best to provide all the necessary information  
11          that you may need. I am happy to be joined  
12          with my colleague Don Morrissey of Aquarion, who  
13          will also have some prepared remarks to share  
14          with you today.

15                           From Eversource's perspective, I can  
16          tell you the Company is very excited about this  
17          transaction and enthusiastic about the decision  
18          to participate in the water supply and  
19          distribution business. Eversource is committed  
20          to operating Aquarion for the long term and  
21          maintaining superior operating performance  
22          levels. We believe this transaction very much  
23          is in the interest of Aquarion customers of New  
24          Hampshire. We believe this transaction is --

1 is of interest of the Aquarion New Hampshire  
2 customers. Our proposal is a unique  
3 opportunity to combine two great companies with  
4 complementary utility operations.

5 As you know, Eversource and Aquarion  
6 companies share a common service territory  
7 across Connecticut, Massachusetts, and New  
8 Hampshire. Eversource and Aquarion are each  
9 local companies with strong ties to New  
10 Hampshire. Both companies are leaders in  
11 providing critical infrastructure to serve New  
12 Hampshire residents and businesses. And both  
13 companies are committed to operational  
14 excellence and customers. And making -- in  
15 making the decision to acquire Aquarion, it was  
16 clear to us that the core competencies of the  
17 two companies are very much aligned, and we  
18 would enable -- and would enable us to provide  
19 reliable, cost-effective service to customers  
20 over the long term, and we hope the Commission  
21 agrees with us.

22 There are a number of benefits from  
23 this transaction, including that Aquarion  
24 customers will benefit from the substantial



1 financial strength of Eversource's -- of the  
2 Eversource organization, as well as our  
3 continuous focus on providing safe, reliable,  
4 cost-effective service to our customers. The  
5 Eversource financial platform will enable  
6 Aquarion to continue to fund critical  
7 investments that are necessary in its New  
8 Hampshire water system.

9 In considering our proposal, I think  
10 it is also important to note what will not  
11 change as a result of this transaction.  
12 Eversource recognizes that there are many  
13 unique requirements of operating a water system  
14 at a very high level of performance, as  
15 Aquarion has done so very successfully for --  
16 consistent for many years. For this reason, we  
17 are planning no substantial changes to  
18 Aquarion's current employment levels or  
19 existing operational facilities upon closing of  
20 the transaction. We have made these  
21 commitments in our agreement to purchase  
22 Aquarion. Aquarion will join Eversource as a  
23 wholly-owned subsidiary, and Eversource expects  
24 to rely on the existing Aquarion personnel to

1 continue to provide safe and reliable service  
2 to its water customers as it does so today. As  
3 Mr. Morrissey will explain further, we expect a  
4 smooth transition that will seamlessly -- that  
5 will be seamlessly for Aquarion customers.

6 Again, I want to thank you for  
7 allowing us the opportunity to speak to you  
8 today, and I hope you will see it as we do,  
9 that the transaction is going to be beneficial  
10 for customers.

11 Now, I'd like to turn it over to  
12 Mr. Morrissey for some additional comments.

13 MR. MORRISSEY: Well, thank you, John,  
14 and good afternoon, Commissioners.

15 My name is Don Morrissey. And I'm the  
16 Executive Vice President and Chief Financial  
17 Officer of the Aquarion companies. I'm  
18 responsible for the direction of all financial  
19 activities within Aquarion.

20 As you may recall, Aquarion's current  
21 owners purchased the Company in 2007 as part of  
22 a ten-year planned investment. The Company has  
23 operated very successfully under that current  
24 ownership, and we're very excited about joining

1 the Eversource organization. As part of  
2 Eversource, Aquarion will continue its  
3 successful operation of its water system. As  
4 John said, we see many commonalities and  
5 complementary strengths between the two  
6 companies. This will be a substantial benefit  
7 to Aquarion's customers.

8 In terms of services and operations,  
9 we expect a smooth transition for our New  
10 Hampshire customers. An important element of  
11 this transaction is that the Company plans to  
12 retain the existing management structure upon  
13 closing, including the local office in Hampton.  
14 It's very important to us to make sure we  
15 maintain good communications with the towns and  
16 our customers. Our local management will  
17 continue to be engaged and responsive on local  
18 issues. In joining Eversource, we see a  
19 partner that will be fully engaged with us in  
20 the regulatory process and in meeting our  
21 commitments to the Commission.

22 The plan is for Aquarion to continue  
23 operating as it does today. We expect to  
24 continue our current level of high quality

1 service. We plan to keep our existing customer  
2 service team in New Hampshire, and the Customer  
3 Advisory Council will also remain in place at  
4 closing. We expect to retain our local office  
5 for bill payments and customer inquiries, and  
6 to continue to serve customers out of that  
7 location in the same manner as we do today.  
8 This transaction will not require any changes  
9 to the terms and conditions of service. We are  
10 not proposing any rate changes as a result of  
11 the transaction.

12 In closing, I want to say we very  
13 much appreciate the opportunity to speak to you  
14 today. We're excited about the prospect of  
15 joining the Eversource team. We feel this  
16 change of ownership is in the public interest  
17 and will be beneficial for our customers and  
18 our employees.

19 Thank you for your time today. We  
20 are happy to address any questions you may  
21 have.

22 CHAIRMAN HONIGBERG: Commissioner  
23 Bailey I think has some questions, and I may as  
24 well.

1 CMSR. BAILEY: Good afternoon. Does  
2 the transaction have any impact on the  
3 regulatory authority that the Public Utilities  
4 Commission has over Aquarion?

5 MR. MOREIRA: No, it does not.

6 CMSR. BAILEY: Does the Aquarion --

7 MR. MORRISEY: No. It will not.

8 CMSR. BAILEY: So, we'll have the  
9 same jurisdiction that we had prior to the  
10 transaction?

11 MR. MORRISEY: That's correct.

12 CMSR. BAILEY: Okay. You say there  
13 will be "no impact on rates". Will Aquarion  
14 receive an allocation of some of Eversource's  
15 overheads?

16 MR. MOREIRA: Sure. I can take that  
17 on. Right now, because, as the Commission  
18 knows, we do not have water operations within  
19 the Eversource family of companies, we don't  
20 have that skill set. For that reason, the  
21 attractiveness to Aquarion having a strong  
22 management team in place was very appealing to  
23 us. So, we do not, as it was stated in my  
24 opening prepared remarks, and also commitments

1 that we've made in the purchase agreement,  
2 we're not changing -- we're not substantially  
3 changing any of the operations, employment  
4 levels, facilities, operating facilities.

5 CMSR. BAILEY: Well, but will Mr.  
6 Bersak's legal experience or time for his work  
7 and the CEO's time and your time be allocated  
8 to Aquarion?

9 MR. MOREIRA: Sure. In connection  
10 with the transaction, we looked at their  
11 operations, and they have a very good platform,  
12 operationally, administratively, financially.  
13 So, as of right now, we are not -- we're  
14 looking to integrate operations, financial,  
15 administrative functions.

16 CMSR. BAILEY: So, no service  
17 agreement?

18 MR. MOREIRA: No service -- well, if  
19 we were are able to provide Aquarion with  
20 expertise, such as legal or treasury services,  
21 because we do some benefits to the customers by  
22 providing treasury services to Aquarion, then a  
23 portion of that time will be billed directly to  
24 Aquarion.

1 CMSR. BAILEY: But not the corporate  
2 overhead?

3 MR. MOREIRA: Correct.

4 CMSR. BAILEY: All right. And you  
5 said that there would be "no substantial  
6 changes upon closing", "upon closing". So,  
7 does that commitment go beyond November 1st?

8 MR. MOREIRA: Yes, it does.

9 CMSR. BAILEY: For how long?

10 MR. MOREIRA: Well, we'll have to --  
11 we don't know yet, because, as I said, we're  
12 not in the water operations. Certainly,  
13 anything that we can help Aquarion and its  
14 customers, we certainly will.

15 CMSR. BAILEY: So, there would be no  
16 impact until you filed a rate case?

17 MR. MOREIRA: Maybe not. Maybe even  
18 beyond a rate proceeding. We -- the  
19 transaction that created Eversource back in  
20 2012, as it relates to PSNH, we haven't been in  
21 for a rate proceeding, in eight years, since  
22 that transaction closed.

23 We're able to help Aquarion with, you  
24 know, the cost structure procurement, you know,

1 we have certainly a much stronger buying power  
2 in the marketplace for procurement services,  
3 materials, contract services, *etcetera*, we will  
4 offer Aquarion those favorable pricing, which  
5 will help Aquarion and its customers.

6 CMSR. BAILEY: Mr. Morrisey, does  
7 your Company pay dividends to the shareholders  
8 now?

9 MR. MORRISEY: We do.

10 CMSR. BAILEY: And do you expect that  
11 you'll pay dividends to Eversource, the parent  
12 company, in the future?

13 MR. MORRISEY: I would certainly  
14 expect that, yes.

15 CMSR. BAILEY: But there won't be any  
16 change, probably? I mean, it will be about the  
17 same level that it would be?

18 MR. MORRISEY: Well, it's difficult  
19 for me to say. But I certainly wouldn't expect  
20 a significant change. I would expect that we  
21 would -- what's going to drive the dividends is  
22 going to be the capital requirements, and --  
23 the capital requirements of the New Hampshire  
24 operation. And, to the extent that capital is



1 required to fund infrastructure, you know, that  
2 may modify the amount of distribution that  
3 might be available.

4 But I would expect that it would be  
5 very, very consistent with what the levels have  
6 been in the past.

7 CMSR. BAILEY: Okay. Thank you.

8 CHAIRMAN HONIGBERG: Mr. Moreira,  
9 back on the questions that Commissioner Bailey  
10 started with. Does the agreement contain any  
11 time for no changes to be made or no  
12 substantial changes made to employment?

13 MR. MOREIRA: No, it does not.

14 CHAIRMAN HONIGBERG: Or keeping the  
15 office in New Hampshire open? There's no  
16 commitment that it will remain open for at  
17 least 18 months or 36 months on anything like  
18 that?

19 MR. MOREIRA: No. There's no time  
20 frame. The commitment that we've made is that,  
21 as I stated previously, we do not anticipate  
22 any substantial changes. Now, the word  
23 "substantial" can mean "minimal" or it can mean  
24 "none". We just don't know, we haven't done

1 enough work to see where we can offer, you  
2 know, benefits to Aquarion.

3 So, I think, at this point in time,  
4 without having a full integration study, which  
5 we are not contemplating performing, getting  
6 ready for day one, there is no integration. We  
7 didn't do a study, because of the differences  
8 in operations. So, right now, we just have a  
9 very small team just getting ready for day one,  
10 and that's -- I would characterize that as  
11 being more of an administrative function, to  
12 make sure that a financial result, the  
13 financial data comes from their platform, their  
14 accounting platform over to ours. Because  
15 under General -- under Generally Accepted  
16 Accounting Principles, we have to, at that day  
17 one, we have to be prepared to consolidate the  
18 Aquarion financial results into the Eversource  
19 consolidated results. So, we're trying to get  
20 ready for that.

21 Communication among, you know,  
22 employees is important, having access to the  
23 website. Those are the types of administrative  
24 items that we're trying to get ready to have in

1 place for day one.

2 CHAIRMAN HONIGBERG: But circling  
3 back to my question, the agreements don't  
4 contain any commitment --

5 MR. MOREIRA: No.

6 CHAIRMAN HONIGBERG: -- of time for  
7 these things to remain in place?

8 MR. MOREIRA: That's correct.

9 MR. MORRISEY: Mr. Chairman, if I may  
10 as well?

11 CHAIRMAN HONIGBERG: Mr. Morrisey.

12 MR. MORRISEY: I think, in the past,  
13 we have set forth, in terms of that local  
14 presence and that local office, to the extent  
15 that any changes were to be made related to  
16 that, we can certainly come back to the  
17 Commission and request that. Whereas, perhaps  
18 not make it time-bound, we can certainly ask  
19 and seek approval before any action is taken,  
20 if that's helpful.

21 CHAIRMAN HONIGBERG: Thank you. Who  
22 can tell me about the status of the other  
23 proceedings that are necessary for this? My  
24 memory from the filing is that you have an FCC

1 filing. What's the status of that?

2 MR. MOREIRA: Well, we don't have an  
3 SEC filing that's necessary. We have,  
4 obviously, Massachusetts and Connecticut,  
5 that's currently in process. And we have the  
6 antitrust --

7 CHAIRMAN HONIGBERG: Your  
8 Hart-Scott-Rodino filing?

9 MR. MOREIRA: Hart-Scott, yes. And  
10 we have an FCC filing that we have to do to  
11 transfer title of radio --

12 CHAIRMAN HONIGBERG: And that was the  
13 first one I asked about, FCC, Federal  
14 Communications Commission.

15 MR. MOREIRA: Yes.

16 CHAIRMAN HONIGBERG: What's the  
17 status of that proceeding?

18 MR. MOREIRA: We haven't -- we  
19 haven't filed, because that one does have a  
20 very short sunset date. So, actually, we're  
21 looking to file within a couple weeks, by  
22 September 1st, both the Hart-Scott and the FCC.

23 CHAIRMAN HONIGBERG: Oh. So,  
24 Hart-Scott hasn't been filed either?

1 MR. MOREIRA: Correct.

2 CHAIRMAN HONIGBERG: Okay.

3 MR. MOREIRA: And then, just one last  
4 state that we had to file, and that's the State  
5 of Maine, because we do have small  
6 infrastructure, no customers, we have no  
7 revenues. That was filed, and an approval,  
8 written approval was received last week.

9 CHAIRMAN HONIGBERG: Okay. So, Maine  
10 is done?

11 MR. MOREIRA: Correct.

12 CHAIRMAN HONIGBERG: And what's the  
13 status in Connecticut?

14 MR. MOREIRA: Connecticut, we have --  
15 hearings are scheduled for the 29th and the  
16 30th of this month. And Connecticut has issued  
17 a procedural schedule, issuing a preliminary  
18 decision by October 16th, and a final order on  
19 October 27th.

20 CHAIRMAN HONIGBERG: All right.  
21 Well, let me get a little insight into what  
22 you're thinking on the schedule. Are you  
23 looking for a schedule like that, Mr. Bersak,  
24 to have a decision in place in October?

1           MR. BERSAK: Well, if we had -- if we  
2 had our way, we would hope that the Commission  
3 would find that there is no adverse impact  
4 here, and that we would get an approval much  
5 quicker than that.

6           CHAIRMAN HONIGBERG: Yes. I  
7 understand that. When this Company was sold  
8 ten years ago or so, the proceeding relied on  
9 both statutes that you've cited here, and I'm  
10 sure that Mr. Gearreald, who was in the room  
11 for these things will remember, as will Ms.  
12 Brown, there was an agreement, essentially, by  
13 the acquiring companies to follow what we would  
14 consider to be the normal scheduling process of  
15 an expedited proceeding, but the norm, of  
16 engaging in some discovery before anybody makes  
17 any findings.

18           Is that what we're looking at here or  
19 are you looking for a decision by August 28th?

20           MR. BERSAK: We could discuss that  
21 during the technical session. But our  
22 preference would be that, because of the  
23 material we put into our pleading, because of  
24 the structure of the transaction, that this is

1 the classic "no adverse impact". That nothing  
2 changes. The only thing that changes is  
3 there's a credit watch positive, the financials  
4 of the Company are better because of the better  
5 credit risk that they will be. That there are  
6 resources available in case of an emergency  
7 that we have boots on the ground here. Other  
8 than that, nothing changes.

9 To the extent that there's a statute  
10 in the state that indicates that, in cases  
11 where there are no adverse impacts, that the  
12 approval should be granted within 60 days, that  
13 what we would prefer.

14 CHAIRMAN HONIGBERG: And, if, at the  
15 technical session, everybody wants to engage in  
16 a process that will get you a decision in  
17 October, what's going to be your legal position  
18 on that?

19 MR. BERSAK: We will discuss it with  
20 the other parties during the technical session  
21 to figure out what it is they need to know,  
22 what questions they need to have answered, and  
23 we will try to work with them to accommodate  
24 their needs.

1           But this is a very limited scope  
2           proceeding. It's not about water quality, and  
3           it's not a rate case. It's basically, you  
4           know, "Does Eversource have the ability to run  
5           this kind of a utility in the state?", number  
6           one. And, number two, "Are there going to be  
7           any adverse impacts as a result of the  
8           transactions as it is structured to Aquarion's  
9           customers?"

10           CMSR. BAILEY: Can you point me to  
11           the statute that we should look at that says we  
12           need to determine "does Eversource have the  
13           ability to run this company in the state?" Is  
14           that operations under 369:8, II?

15           MR. BERSAK: Under 369:8, II(b), it  
16           says that a approval should be granted in no  
17           less than --

18           CHAIRMAN HONIGBERG: It actually  
19           doesn't talk about "granting approval". I  
20           think the wording is a little bit different.

21           MR. BERSAK: I'm trying to parse  
22           through here to make it quickly.

23           MS. BROWN: If I can -- I can step  
24           in, Bob, too.



1 MR. BERSAK: Okay. Go to it.

2 MS. BROWN: Because we are aware that  
3 the -- it seems like, according to the statute,  
4 the ball is in the Commission's court right  
5 now, to either, within 30 days, which was back  
6 in July, or within 60 days to make a  
7 determination that the filing is deficient.  
8 So, we know what, if there is a deficiency,  
9 what we're supposed to infill.

10 So, I guess, when you're asking what  
11 the procedural schedule is, our position is we  
12 need to find out what are the issues, what are  
13 the holes, so we know what volume of response  
14 is required.

15 So, anyway, I'm looking at -- you  
16 asked about the sections of the statute that  
17 are applicable. It's II(b)(2), (3), (4) and  
18 (5).

19 CHAIRMAN HONIGBERG: And Commissioner  
20 Bailey asked specifically about which provision  
21 talks about Eversource's ability to operate a  
22 water company. And I think she asked whether  
23 that was related to the provision of  
24 Section II(a) that talks about service and

1 operations. Is that the language?

2 CMSR. BAILEY: Or II(b)(1).

3 MR. BERSAK: II(b)(1).

4 CHAIRMAN HONIGBERG: Sorry, II(b)(1).

5 Correct.

6 MR. BERSAK: Essentially, the same  
7 words, that "the transaction will not have an  
8 adverse effect on rates, terms, service, or  
9 operation of the public utility within the  
10 state."

11 CMSR. BAILEY: And your position, Mr.  
12 Bersak, is that Eversource isn't really going  
13 to operate this Company. It's going to be  
14 Aquarion?

15 MR. BERSAK: Well, you know, our  
16 position is is that, when Aquarion becomes a  
17 wholly-owned subsidiary of Eversource, it will  
18 maintain the exact same management structure  
19 that it has today, with the exact same  
20 employees, doing the exact same jobs, under the  
21 exact same tariffs that are in place today.  
22 This Commission retains the exact same  
23 jurisdiction it has over this Company. This is  
24 a stock transaction. Nothing changes.

1 CMSR. BAILEY: And it will remain in  
2 place that way until you get the normal  
3 authority to change anything?

4 MR. BERSAK: Correct. I mean, if  
5 rates need to change up or down, based upon  
6 changes in the market or changes of  
7 capitalization or changes of investments in the  
8 Company, the Company will have to come here and  
9 have a rate case, as it always has done in the  
10 past.

11 CHAIRMAN HONIGBERG: All right.  
12 Representative Cushing.

13 REP. CUSHING: Yes. My position, I  
14 have a couple of things that I just want to  
15 raise.

16 In the previous docket, the previous  
17 acquisition docket that -- whereby Macquarie  
18 took over from Kelda, at that time the record  
19 reflects that it was premised upon the company  
20 holding onto Aquarion for a period of 12 years.  
21 That was what was represented, and I found that  
22 in Exhibit 3, from September 11th, 2005  
23 hearing. As it turned out, it seems like this  
24 is a little bit premature to have an

1 acquisition discussion now. And I just raise  
2 that.

3 I don't know, I don't see any  
4 compelling reason for why it would be in the  
5 interest of the customers of Aquarion to change  
6 hands now, under the current, as it's been  
7 proposed.

8 CHAIRMAN HONIGBERG: Yes. I think  
9 Aquarion wants to respond to that. And I did  
10 skip over Ms. Brown, who may have wanted to say  
11 something separate from Mr. Bersak. But we  
12 will come back to you, Representative Cushing,  
13 in just a sec.

14 REP. CUSHING: Okay.

15 MS. BROWN: No. I was going to ask a  
16 process question. Because there may be,  
17 through these various public, you know,  
18 position statements, facts that Aquarion would  
19 like to correct. So, you know, it's at your  
20 pleasure on how you want us to either interject  
21 at the end or as they happen?

22 CHAIRMAN HONIGBERG: I think, for the  
23 most part, we'll circle back to you at the end,  
24 if there's something you want to respond to. I

1 don't think it makes sense to have a  
2 back-and-forth, because I think we'll be here  
3 all afternoon if that happens.

4 Representative Cushing, you may  
5 continue.

6 REP. CUSHING: Okay. I would just  
7 note that when Macquarie acquired Aquarion, one  
8 of the things that it told the Commission that  
9 it brought to the operation is that it had  
10 1.9 million water customers. And what we're  
11 being asked to do is to just pretend it's okay  
12 to have Eversource, which has never operated a  
13 water company, come in and have control over  
14 Hampton -- over our local utility.

15 I don't see how just making a  
16 representation that they're going to follow  
17 the -- you know, the incumbent management is  
18 going to bring any value to this transaction.  
19 I think it will result in a negative impact  
20 upon Aquarion customers, to have a company that  
21 has no previous experience with water companies  
22 taking over our water supply. Particularly,  
23 since they have no -- I don't believe they have  
24 any hydrogeologists on staff. I don't think --

1 I think it's a very different situation. They  
2 don't have within their other network of  
3 companies the ability to learn, to have  
4 learnings and just best practices.

5 So, I think it would -- I think there  
6 should be a much more -- they have to make a  
7 better case on why it's in the interest and why  
8 it won't do damage to Hampton customers to have  
9 them take over the Company.

10 I also am concerned about the impact  
11 that this will have on rates. And I'm not  
12 concerned about, you know, the representation  
13 that rates aren't going to change the day that  
14 they acquire it. But Hampton Water Works has  
15 undergone a series of rate increases every time  
16 the -- the assets of the Company get sold or  
17 acquired by another company, Hampton's rates go  
18 up. And I'm concerned about that. And I don't  
19 understand -- I'd like to have a little bit  
20 more transparency, an understanding of how this  
21 will impact New Hampshire -- or, Hampton and  
22 North Hampton ratepayers over the next ten to  
23 twenty years.

24 I'm also concerned because we

1 recently have discovered that there may be a  
2 problem, that there's some contaminants in the  
3 Aquarion wells. And I don't know, when you  
4 have a company like Eversource, which has no  
5 experience, to my knowledge, in dealing with  
6 contaminants in wells, in water systems, how  
7 that is going to be in the best interest and  
8 not result in net harm to the customers, if  
9 this -- if Eversource takes control.

10 I think that those are just some of  
11 the reasons, I think that it was -- it seems  
12 like a premature -- I don't understand what the  
13 hurry is. And I think we have a right and  
14 responsibility to know what the long term --  
15 well, short-term and long-term impact is going  
16 to be.

17 CHAIRMAN HONIGBERG: Mr. Gearreald.

18 MR. GEARREALD: Thank you, Mr.  
19 Chairman. The Commission is being faced with  
20 this Joint Petition at a critical time for the  
21 operation of Aquarion Water Company, regardless  
22 of whether Eversource is acquiring it or it  
23 remains the same.

24 Representative Cushing has made

1 reference to the issue of rates, and that, of  
2 course, is a subject that is critical in  
3 determining how to proceed here. I have  
4 provided to the Clerk, and also to others here,  
5 a chart of the history of rate increases that I  
6 would like to point to, and she has the  
7 additional extra copies.

8 May that be marked as "Exhibit 1"  
9 please?

10 CHAIRMAN HONIGBERG: No. We're going  
11 to use it as a demonstration piece. It's not  
12 going to be an exhibit.

13 MR. GEARREALD: Fine. May that be  
14 handed to the Commissioners please?

15 CHAIRMAN HONIGBERG: I think we have  
16 it.

17 MS. HOWARD-PIKE: They've got it.

18 MR. GEARREALD: Thank you very much.  
19 What this demonstrates, it goes to show exactly  
20 what Representative Cushing has indicated,  
21 which is that there have been multiple rate  
22 increases since this Company has been acquired  
23 by Aquarion, pursuant to Order Number 24,691  
24 that's referenced in the Petition.



1                   Moreover, what it shows is the  
2                   history of increases that have occurred due to  
3                   the WICA charges that have been approved by  
4                   this Commission, on a pilot basis, in the 2008  
5                   proceedings. Why it's critical for the  
6                   Commission to know that at this -- note that at  
7                   this point is that we are up to, the pancaked  
8                   increases in WICA rates, we are up to  
9                   5.69 percent. The cap before -- that can be --  
10                  only can be reached for WICA increases is  
11                  7.5 percent. We are thus likely, and when that  
12                  cap is reached, what the Company has done is to  
13                  come before the Commission for a rate increase,  
14                  which resets the WICA cap at zero. And that is  
15                  what we are facing at this point, because  
16                  another increment of WICA increases, given the  
17                  history of how much those have been, will get  
18                  us above 7.5 percent.

19                  So, we're facing a situation of where  
20                  a rate increase case is imminent. And any  
21                  promise to you that is made that you will not  
22                  be seeing a general rate increase case I would  
23                  suggest to you is either a hollow promise or an  
24                  indication that there will not be continued

1 investment in needed capital improvements. And  
2 that's important for the Commission to note.

3 When such a rate increase is being  
4 sought, it's important to note "what is the  
5 investor going to be looking for in terms of  
6 rate of return?" In the last rate case, in  
7 2012, the towns of Hampton and North Hampton  
8 aggressively produced an expert who fought the  
9 return on equity that was being sought, to be  
10 increased from 9.7 percent to 10.25 percent.  
11 And this Commission ultimately found that the  
12 rate of equity -- the return on equity should  
13 be decreased to 9.6 percent.

14 We don't know, as we sit here,  
15 whether Eversource, as a new investor, is going  
16 to be seeking an increased rate of return.  
17 That's a major concern to us all here. We pay  
18 some of the highest rates on the Seacoast for  
19 our water, as well as for hydrant service. And  
20 how the rate of -- the return on equity that is  
21 sought has a major impact on the dollar amounts  
22 in both those items.

23 Moreover, when revenues have been  
24 decreasing due to water conservation, Aquarion

1 in the past, and this was true in 2012, came in  
2 and sought rate increases to make up for the  
3 revenue that it was not making due to water  
4 conservation. And that's a major concern.  
5 Customers should not be penalized for such a  
6 thing.

7 We don't know what the Eversource  
8 attitude towards such an aspect will be. This  
9 is a new area for them, the water investment.  
10 It's a complicated issue. It has a lot to do  
11 with infrastructure and how customers use  
12 water.

13 A service study is going to be  
14 needed, in order to determine such things as  
15 will there be a different type of approach to  
16 rate-setting, such as the use of inclining  
17 block rates, which is used in the Massachusetts  
18 subsidiary already, which charges a higher rate  
19 to higher volume users. That's something we  
20 believe should be looked into. We're not sure  
21 what Eversource's approach will be to that.  
22 They're not used to this.

23 CHAIRMAN HONIGBERG: Is it fair to  
24 say, Mr. Gearreald, that the list of concerns

1           that you put in your intervention petition are  
2           things that you would like to see commitments  
3           from Eversource, as a condition of approving  
4           the transaction?

5                     MR. GEARREALD:   Yes, sir.

6                     CHAIRMAN HONIGBERG:   Okay.

7                     MR. GEARREALD:   We would.   And the  
8           next item I would like to get to has to do with  
9           water quality.   And we are, as Representative  
10          Cushing has just alluded to, and I have a next  
11          document, which won't be an exhibit, but which  
12          would be something to refer to.

13                    Hampton -- the wells that Aquarion  
14          utilizes now serve three different communities;  
15          Hampton, which has about 75 percent of the  
16          customers, North Hampton, and the Rye Water  
17          District.   And some of those wells are shown --  
18          most of the wells that they have are shown on  
19          the map that is the last document in this  
20          handout.   And, in particular, some of these  
21          wells have very recently been found to have  
22          PFCs in them.   Now, that's a very scary subject  
23          to all of us.   And the testing that disclosed  
24          the presence of these compounds was done back

1 in June, and reported on June 22nd. But it's  
2 important for the Commissioners to note that  
3 neither DES, the Department of Environmental  
4 Services, nor the towns, got any indication  
5 that there were these compounds found in these  
6 levels until this week, almost two months  
7 later.

8 And regardless of whether there's an  
9 exceedance, in terms of the levels that have  
10 been set so far in this relatively new area  
11 environmentally, nevertheless they are of  
12 concern. And Aquarion itself recognizes that,  
13 and has shut down, in accordance with this  
14 newspaper article from today's paper, shut down  
15 Well Number 6, which shows on this plan. That  
16 well provides five percent of the water that is  
17 supplied to the entire system. If that -- and  
18 we do not have a margin for error in terms of  
19 this.

20 Last year, in the drought condition,  
21 we got to the point where there was -- at a  
22 point in the summer, which is the highest use,  
23 which is what Aquarion gears its production to  
24 meet, we got to the point where they did not

1           have enough production capacity to meet the  
2           demand. It was very, very close. And even now  
3           it is recognized, in our communications with  
4           Aquarion, that there is now only a two percent  
5           margin of error, in terms of supply production  
6           capability versus the demand. Now,  
7           five percent is gone for the moment, until we  
8           get new test results that come out later this  
9           week, as I understand it. That is a scary  
10          prospect for all of us.

11                        At the same time, Aquarion is  
12          proposing to meet the demands that are  
13          increasing for its water, by virtue of a new  
14          large groundwater monitoring well. And the  
15          Department of Environmental Services is  
16          conducting proceedings on this large  
17          groundwater well, which was dug five years ago,  
18          as we speak. They have conducted a public  
19          hearing on June 5th. There was a public  
20          comment period. And we engaged an expert,  
21          Thomas Ballestero, an esteemed professor of  
22          hydrology at University of New Hampshire, whose  
23          comments appear here as "Exhibit E" to our  
24          Petition to Intervene. As the result of his

1           comments, the DES has indicated to Aquarion  
2           that it is to hold off on proceeding with the  
3           pumping test that they wanted to conduct in  
4           this August.

5                        So, the capability to provide the  
6           water that is needed and demanded, in an  
7           environment in which the demand is increasing,  
8           especially in Hampton, with some large  
9           commercial developments that are referenced in  
10          our Exhibit A. This shows the Liberty Lane  
11          area, where a new healthcare facility is going  
12          in, as well as a new hotel and office building.  
13          These are going to increase significantly the  
14          demand for water. And, at the same time,  
15          Aquarion is not able to meet that with this new  
16          proposed well, at least in the short-term,  
17          because of the environmental concerns of  
18          contamination of that well by arsenic, and also  
19          by potential saltwater infiltration, and also  
20          now the concern is with PFCs.

21                       If you look at this chart that I've  
22          given you, the location of the wells, you will  
23          see that Well 6 is located in Hampton, in close  
24          proximity to the Well 22, which is the large

1 groundwater well being sought to be developed.

2 So, --

3 CMSR. BAILEY: Mr. Gearreald?

4 MR. GEARREALD: Yes, ma'am.

5 CMSR. BAILEY: These are very  
6 important questions.

7 MR. GEARREALD: They are, ma'am.

8 CMSR. BAILEY: And I understand that.  
9 But how will this issue be any different if the  
10 stock is owned by Eversource or the stock is  
11 owned by Macquarie?

12 MR. GEARREALD: Yes.

13 CMSR. BAILEY: I mean, you can bring  
14 these issues to us, and --

15 MR. GEARREALD: Certainly.

16 CMSR. BAILEY: -- and we can deal  
17 with them. And I think that they have said  
18 that they'll have the same jurisdiction under  
19 either owner. So, why is that relevant to  
20 this?

21 MR. GEARREALD: Okay. That's a very  
22 good question, and I'd like to answer that.

23 Eversource is coming before you  
24 without experience in running a water company.



1           They say, without a commitment to do so, that  
2           they are going to keep on the same management  
3           team that we have had for a number of years.  
4           Frankly, the same management team we've had for  
5           a number of years is now -- is now displaying  
6           some very severe shortcomings. They want to  
7           develop this large groundwater well that has a  
8           problem, a number of environmental problems.

9                    CMSR. BAILEY: But, if things stay  
10           the same, the way they are, you still have that  
11           management team in place.

12                   MR. GEARREALD: And the same  
13           management team is not a good choice.

14                   CMSR. BAILEY: So, then, would you  
15           come and bring a complaint to us that says "the  
16           management team isn't good"? Because, if this  
17           case were not ongoing, what would you be doing?

18                   MR. GEARREALD: We may well do that.

19                   CMSR. BAILEY: So, you would still  
20           have the right to do that.

21                   MR. GEARREALD: We could. But I  
22           think it's important, when you're considering  
23           how this transaction will affect rates, terms  
24           of service and operation, to consider the fact

1           that the *status quo* is not satisfactory. It's  
2           highly deficient.

3                        CMSR. BAILEY: Okay.

4                        MR. GEARREALD: And, you know, we're  
5           being forced in a very compressed period of  
6           time to bring to your attention these things  
7           that are happening as we speak. And Aquarion's  
8           current management team has hidden from us, for  
9           the last two months, these water levels that  
10          are very serious, and also hidden them from  
11          DES. And this is -- this is very much a great  
12          concern to us. Our children, our grandchildren  
13          are drinking -- have been drinking this water.  
14          I don't know when Well Number 6 was shut down,  
15          but it should have been shut down right away.

16                       This is a very severe shortcoming on  
17          the part of the management team that Eversource  
18          is going to be relying on to run this Company.  
19          Their Petition is based on, and they say it  
20          themselves, that they plan to provide strength  
21          and stability to serve customers safely and  
22          reliably, and it's through the same management  
23          team. That's not being done as we speak.

24                       They're running short in terms of

1           their production versus the demand. They're  
2           proposing to meet that with a well that has not  
3           been permitted yet and has problems of its own.  
4           And that's of serious concern.

5                         And I would suggest to you that  
6           given -- I have a statutory argument on why you  
7           should not be in the compressed time frame that  
8           is being suggested, and I will make that  
9           argument. But I'm suggesting to the Commission  
10          that, in fulfilling its duties, that we should  
11          not be in this compressed time frame of giving  
12          it a slapdash approach to some very severe  
13          problems that need to be addressed in depth,  
14          and should not be shunted off to a separate  
15          proceeding.

16                        And, again, as Representative Cushing  
17          has said, what is the rush? This is a stock  
18          acquisition, but it's an acquisition of a  
19          company that has current problems that are very  
20          severe.

21                        And I would like to also raise  
22          another couple of points here.

23                        CHAIRMAN HONIGBERG: Well, why don't  
24          you raise those couple of points briefly,



1 with the large groundwater well, \$1.5 million.  
2 Another major investments has to do with a  
3 water treatment capability, to combine the  
4 water treatment for all of their wells or most  
5 of the wells, that will cost between \$1.7 and  
6 \$1.9 million. These are major investments.  
7 And these are investments that will be passed  
8 along to customers, in the form of rates in the  
9 next major rate case.

10 So, we are at a point in time where  
11 it's very important, I don't know if Eversource  
12 realizes how much it's getting into. But these  
13 are all things that are currently on the docket  
14 for us to face.

15 Finally, I'd like to just point out  
16 that, unlike the case back in DW 06-094, Order  
17 Number 24,691, I know, Mr. Chairman, you had  
18 pointed out that, in that case, the Commission,  
19 and rightly so, did not adhere to the very  
20 compressed time frames of 369:8.

21 But another thing that that order  
22 points out is that the acquisition costs were  
23 not charged to consumers. In this case,  
24 Eversource is suggesting in its Petition that,

1           yes, it will indirectly charge the transaction  
2           costs to consumers, in the form of charging  
3           them against, as they put it, and this is on  
4           Page 11 of the Petition, "Eversource would  
5           propose to recover Transaction costs only to  
6           the extent of savings resulting from the  
7           acquisition." Well, if savings resulting from  
8           the acquisition are not going to be enjoyed by  
9           customers, they're getting penalized by that.  
10          And I would suggest to you that we don't know  
11          what these savings might be, and it's important  
12          for those to be spelled out. Because, if there  
13          are savings, those should be enjoyed by  
14          customers, and not by the customer -- not by  
15          the acquiring company.

16                        In terms of the statute, I appreciate  
17          your indulgence, Mr. Chairman, the statute  
18          369:8 that sets forth the compressed time  
19          frame, appears in the statutory chapter that's  
20          entitled "Issuance of Stock and Other  
21          Securities; General Provisions". There's not  
22          an issuance of stock that's going to occur  
23          here. What we're talking about here is that  
24          there is going to be a stock acquisition. And

1 we would suggest that that should be considered  
2 strictly under RSA 374:33, which is a different  
3 chapter, entitled "Acquiring Stocks".

4 And I know that, in the case of --  
5 that I just referred to, when the last Aquarion  
6 acquisition occurred, the point was made that  
7 the standards for review on the part of the  
8 Commission are the same as between two  
9 statutes. However, the difference is, if we're  
10 going under RSA 369:8, we get this very  
11 truncated schedule that we oppose. We believe  
12 that the Commission should take a very hard  
13 look at what's behind this, and the impacts  
14 that will occur from it, in light of the  
15 precarious position that Aquarion is in at this  
16 moment.

17 CHAIRMAN HONIGBERG: You would agree  
18 with me that the State Supreme Court has told  
19 us, I think on numerous occasions, that titles  
20 and headings of statutes aren't relevant to  
21 determining intent, right?

22 MR. GEARREALD: I understand that,  
23 Mr. Chairman. But you have two different  
24 sections that could potentially govern.





1 MR. BENNETT: Thank you. Is that  
2 better?

3 CHAIRMAN HONIGBERG: Off the record.

4 *[Brief off-the-record discussion*  
5 *ensued.]*

6 MR. BENNETT: Without repeating the  
7 comments made by counsel from Hampton, North  
8 Hampton sits in the same position as the Town  
9 of Hampton. In our motion to intervene, we had  
10 a number of concerns raised about the current  
11 relationship with Aquarion and some issues that  
12 have arisen.

13 I note that, in the objection to the  
14 motions to intervene, Aquarion and Eversource  
15 both took issue with the litany of complaints,  
16 and essentially said that, you know, we  
17 couldn't do any worse than what Aquarion is  
18 doing, assuming that those complaints are true.  
19 That's hardly reassuring, coming from a company  
20 who today says "We're going to improve things.  
21 Things will be better for the ratepayers."

22 The concerns that we share, and we  
23 raise these issues, because these are issues  
24 that Eversource should have some oversight on

1 at some point. We're asking the Commission to  
2 consider, when they look at this Petition, the  
3 ability of Eversource to provide some important  
4 and necessary oversight for Aquarion.

5 Based on the experience that the Town  
6 of North Hampton and Hampton has had over the  
7 last several years, there is little confidence  
8 that the Company now, or in the future, will  
9 provide top service to its ratepayers, and will  
10 be transparent enough to provide us with  
11 important information, such as mentioned  
12 regarding the current contamination in Well 6.  
13 We also suggested Aquarion was less than  
14 forthcoming during discussions about water  
15 quantity, what was available.

16 So, these are -- we raise these  
17 concerns not because we believe the Commission  
18 can solve those issues at this proceeding, but  
19 they -- but the Commission does have to  
20 consider whether Eversource's takeover of  
21 Aquarion is going to keep those problems at  
22 bay, or, because they do not have any past  
23 experience in the management or operation of  
24 water companies, will they, in fact, allow



1 Hampton well is closed is particularly  
2 important. And I think, for my grandchildren  
3 who drink that water that live in the town, and  
4 my nieces and nephews, it's a very important  
5 issue.

6 I would object for the unmitigated  
7 approval of this sale without those conditions  
8 that you have alluded to, Mr. Chairman, and  
9 that those that have testified before me have.

10 I will say, importantly, that I do  
11 share a greater confidence with Aquarion  
12 operating this, based on a meeting that we had  
13 with Mr. Walsh, from Aquarion, and the Chief  
14 Engineer, at their Hampton office, at their  
15 request, this past week. And there has been a  
16 transformative notion of better cooperation, in  
17 terms of infrastructure, in terms of water  
18 testing, in terms of test wells, in terms of  
19 standards, to include CAG, to reduce these  
20 carcinogens, to include bedrock testing,  
21 groundwater, and the Coakley landfill. Those  
22 will be the salient issues.

23 And I would say, finally, without  
24 dragging on, and you've heard all of the

1 points, but I do maintain perhaps even more  
2 alarm than some of those that have testified  
3 before, but a stronger confidence in an outcome  
4 under your leadership, Mr. Chairman, is that  
5 additionally our effluent from the sewer  
6 system, when we run those margins, and we've  
7 had that failure to supply, that near-failure  
8 last year, when we have 150,000 people at  
9 Hampton Beach, and for the safety issue, for  
10 that water quality issue for the effluent, it's  
11 the largest consumer of water in the town, and  
12 that was due to a mechanical failure. And we  
13 would ask that special consideration  
14 additionally be given to infrastructure,  
15 capital equipment, and safety margins. Because  
16 with that 5 percent of this well going down,  
17 last year could have clearly been a failure.

18 Finally, Mr. Chairman, thank you for  
19 your time. And I would yield, if you allow,  
20 Mindi Messmer, aside from her elected status,  
21 is a geologist licensed in New Hampshire and  
22 Maine. And, in the absence of our expert  
23 witness, Dr. Ballestero, today, she had some  
24 pointed requisites that she'd like to offer in

1 testimony in support of my testimony.

2 Thank you, Mr. Chairman.

3 CHAIRMAN HONIGBERG: I was going to  
4 ask Representative Messmer if there was  
5 something she wanted to say, and it appears  
6 that there is.

7 REP. MESSMER: Thank you. Yes, there  
8 is.

9 So, I wanted to reiterate some of the  
10 concerns expressed by the Town of Hampton's  
11 attorney, and with respect to some of the  
12 technical issues he raised.

13 In particular, with respect to the  
14 Well MW 22 development that has been planned,  
15 the application was submitted and denied by the  
16 State of New Hampshire so far, due to technical  
17 issues. Which, to me, actually signals sort of  
18 lack of care, in terms of water quality, in  
19 particular, that was taken in that application,  
20 in terms of they're not looking for  
21 calculations to see if the water would be  
22 contaminated in the whole aquifer by saltwater  
23 intrusion during that testing procedure, and  
24 other issues relating to PFCs and things.

1           They, prior to this, I know the  
2           application was submitted on March 25th, prior  
3           to these new results being received, however,  
4           they already knew there were PFCs in some of  
5           the wells last year. So, there was no sampling  
6           for those chemicals in that proposed well. And  
7           there are other issues, environmental issues  
8           around that well that could impact the quality  
9           of that well, and pumping that well could  
10          exacerbate that situation.

11           And I felt like that application was  
12          technically insufficient, and sort of lacks the  
13          care, sort of indicated to me that there was  
14          not a lot of care put into it, in terms of  
15          protecting the water quality of the people of  
16          Hampton and Rye.

17           And the other question I had is there  
18          has not been, as suggested, that there hasn't  
19          been a lot of transparency, that the results  
20          have been held for quite a while for that one  
21          well. And we've been focusing on the one well,  
22          but there are several other wells that also  
23          tested two to three times more than last year  
24          that are around that well. Which, if they

1           continue to increase in that manner, could also  
2           result in being shut down. So, we're talking  
3           about less of a margin of safety in the future  
4           if those continue to increase.

5                       And I appreciate that they have made  
6           a plan going forward for how to monitor that  
7           well that was shut down to see if the  
8           concentrations increase. But pumping of all  
9           these wells may, in fact, exacerbate the  
10          situation. So, the true cost of this  
11          associated with addressing this issue, we don't  
12          know what the source of it is, I know that  
13          they're working with the State and the EPA to  
14          determine what the source of these chemicals  
15          may be in the water. Right now, it's a new  
16          situation. We don't have a handle on how much  
17          that will cost.

18                      So, when the attorney talks about the  
19          cost for remediation, if the Town of Hampton or  
20          if Eversource is going to have to address  
21          these, in terms of remediation, I would say  
22          that those cost estimates for remediation are  
23          about ten times lower than they should be at  
24          least, because these chemicals are difficult to



1           remove from the water. And, if you look at the  
2           City of Portsmouth, similar, I guess, probably,  
3           in terms of the volume that needs to be  
4           handled, those costs are in the range of \$20  
5           million for that remedial system. So, I would  
6           say that that cost is woefully underestimated.  
7           And, in fact, you know, in turn, it would  
8           impact the ratepayers in the future.

9                         In addition, if there's a protracted  
10           legal battle about what the source of these  
11           chemicals are from, you know, whether it be  
12           Coakley landfill or some other source, those  
13           costs need to be understood, in terms of the  
14           value of the Company, and the impact to the  
15           ratepayers.

16                        And, while we're talking about  
17           Hampton, as I mentioned, my constituents in Rye  
18           do have water supplied by Aquarion. And I  
19           haven't seen any results yet from that well.  
20           So, I would like to know what the water quality  
21           issues associated with that well currently are  
22           in Rye that Aquarion operates.

23                        And I believe that's the last issue.  
24           And, so, just to sum it up, the increases in

1           these chemicals in these wells is the concern,  
2           and may impact the quality of the -- and also  
3           the supply to the Town of Hampton and Aquarion.

4                       CHAIRMAN HONIGBERG:  Mr. Kreis, I  
5           think you're next.

6                       MR. KREIS:  Thank you, Mr. Chairman.  
7           I would like to start by thanking all of the  
8           various parties and would-be parties that have  
9           spoken before me, because I found a lot of the  
10          concerns and issues they articulated to be very  
11          enlightening and educating with respect to the  
12          issues that affect this Company in its present  
13          operations.  As the representative of the  
14          entire body of the utility's residential  
15          customers, I'm very concerned about this  
16          situation that they describe.

17                      But my pitch at this point, given  
18          where we are today, is much more narrowly  
19          focused.  The Company is invoking RSA 369:8,  
20          Paragraph II(b).  And it says "To the extent  
21          that the approval of the commission is required  
22          by any other statute for any corporate merger  
23          or acquisition....approval of the commission  
24          shall not be required if the public utility

1 files with the commission a detailed written  
2 representation no less than 60" -- "no less  
3 than 60 days prior to the anticipated  
4 completion of the transaction that the  
5 transaction will not have an adverse effect on  
6 rates, terms, service, or operation of the  
7 public utility within the state." And then the  
8 next little subsection of the statute says, if  
9 the Commission does nothing for 60 days, then  
10 the transaction is deemed "approved as filed".

11 That 60-day period runs in, by my  
12 math, nine days. And the Petitioners are  
13 continuing to rely on that statute. That is  
14 what I understood Mr. Bersak to have said.  
15 And, unless the Petitioners are prepared to  
16 waive or modify their reliance on their right  
17 to a determination within 60 days, we have a  
18 problem.

19 And the reason we have a problem is  
20 that the Companies have not met the standard.  
21 Their detailed representation is not sufficient  
22 to allow the Commission to determine no adverse  
23 effect on rates, terms, service, or operation.  
24 And the reason is pretty straightforward. The

1           Petition says, and I quote, "Rates will remain  
2           at current levels upon the closing unless and  
3           until a change in those rates is authorized by  
4           the Commission." That can be translated as "we  
5           reserve the right to seek higher rates as a  
6           result of this transaction."

7                         Given that the Companies are  
8           reserving -- given that Eversource is reserving  
9           that right, it simply can't claim here that  
10          "there will be no adverse impact."

11                        Therefore, if the Company is going to  
12          continue to rely on RSA 369:8, then the thing  
13          to do is to wait for those 60 days to run, and  
14          then those of who disagree with the invocation  
15          of this statute and that standard will, I  
16          suppose, have to seek some kind of relief from  
17          some court, probably the New Hampshire Supreme  
18          Court.

19                        Therefore, I think it would be  
20          reasonable and appropriate for the Commission  
21          to ask the Petitioners to indicate here, before  
22          we hold any kind of a technical session,  
23          whether they're continuing to rely on that  
24          right. I don't think they meet the standard.

1 But, if they continue to take the position that  
2 they do, then we have a problem.

3 In addition to the potential rate  
4 impacts of this acquisition, there is a much  
5 bigger reason why this is not the garden  
6 variety "no real impact on the State of New  
7 Hampshire" kind of transaction for which that  
8 automatic approval process is designed. It is  
9 simply not a no-brainer to allow Eversource,  
10 which is a significant presence in the state as  
11 an electric utility, to suddenly become a water  
12 utility on top of all of that. That has big  
13 implications for the customers that are served  
14 by Public Service Company of New Hampshire, as  
15 well as Aquarion. And almost by definition,  
16 that can't be a RSA 369:8, II, kind of a case.  
17 It really requires a major public policy  
18 determination with respect to whether we want  
19 Eversource to assume that new and significant  
20 role as an economic actor and a public utility  
21 in the state.

22 And the Company really can't have it  
23 both ways. On the one hand, they would like  
24 you to treat this acquisition as simply a stock

1 transaction between two out-of-state companies,  
2 that really has no potential impacts on the  
3 state such that we're really indifferent to it.  
4 At the same time, though, when the  
5 representatives of Eversource were talking,  
6 they described things like "complementary  
7 utility operations" and the fact that the "core  
8 competencies of the two companies are very much  
9 aligned". That means that Eversource is very  
10 much invoking its current presence in New  
11 Hampshire as a reason to allow it to become a  
12 water utility, in addition to being an electric  
13 utility.

14 For those reasons, the Office of the  
15 Consumer Advocate cannot support the Petition  
16 in its present form. And urges the Commission  
17 to either ask the Company to waive its  
18 assertion of RSA 369:8, II, as the appropriate  
19 procedure for addressing this case, or simply  
20 ruling itself that the Company has not made the  
21 requisite showing to allow the Commission --  
22 or, allow the Company, that is, to avoid the  
23 more broad public interest determination that  
24 the Commission would have to make under RSA

1 374:33.

2 If this is an RSA 374:33 case, and we  
3 believe that it is, I actually think that we  
4 can resolve this case rather quickly. I don't  
5 think we need a lot of extensive discovery. We  
6 know Eversource. We know what they're capable  
7 of. We know their managerial, technical, and  
8 financial capabilities already, because they  
9 have a substantial presence here. And I think  
10 it would be possible, in theory, depending on  
11 how reasonable they are, to negotiate an  
12 agreement with them that would include the  
13 kinds of commitments that might address many of  
14 the concerns that we've heard here today.

15 So, that would be, I think, the  
16 appropriate approach, but it really depends on  
17 the position that the Company takes here at  
18 this proceeding today.

19 And I think that's all I have to say  
20 at present.

21 CHAIRMAN HONIGBERG: Mr. Clifford.

22 MR. CLIFFORD: Thank you,  
23 Commissioners. And thank you for parties  
24 making their presentation today.

1           And, as I sit here, I didn't think we  
2           were going to have a presentation on statutory  
3           interpretation. But, since we do, I'll make  
4           it.

5           I can assure you that Mr. Gearreald's  
6           position is quite wrong, in that it doesn't  
7           matter where the Legislature decides to drop  
8           any piece of legislation. You don't look to  
9           the title of the section to figure out what the  
10          legislative history is.

11          So, that being said, and I think the  
12          Commission is in agreement with that, would be  
13          in agreement with that position, and the  
14          Supreme Court would also, I take some issue  
15          with Mr. Kreis's interpretation of the 369:8  
16          statute. I believe 369:8(II) -- Section  
17          II(b)(1) -- excuse me, (b)(2)(a), basically  
18          explicitly strips out any application of  
19          374:33.

20          So, in other words, if a company  
21          comes in under 369:8, II, and which I believe  
22          they have done and they made an argument here,  
23          I can think the Commission's hands are tied, in  
24          that we've got an explicit reference to a



1 statute that you're supposed to follow. So, as  
2 Mr. Kreis points out, I think we've got that  
3 60-day window within which the Commission  
4 either acts or does not act.

5 CHAIRMAN HONIGBERG: Mr. Clifford,  
6 but for 369:8, we would be looking at 374:33,  
7 right?

8 MR. CLIFFORD: Right. But 369:8 is a  
9 statute, and it's in place, and it strips out  
10 374:33. So, I mean, you have two basically  
11 competing pieces of legislation. And, if you  
12 went to 374:30 [374:33?], my argument would be  
13 "Well, why don't you look at 369:8, and 369:8  
14 tells you "throw out 374:30 [374:30?], don't  
15 look at it", if it falls within this rubric,  
16 this is the path you follow."

17 So, that being said, I think, based  
18 on the explicit terms of the statute, you know,  
19 the Commission Staff, and we've consulted on  
20 this, do believe that this is a detailed  
21 representation, which is what they filed, "a  
22 detailed representation no less than 60 days  
23 prior to the anticipated completion of the  
24 transaction, that it won't have an adverse

1 effect on rates, terms, service, or operation  
2 of the public utility within the state." And I  
3 think the "public utility" they're referring to  
4 is Aquarion.

5 So, we've parsed -- culled through  
6 the filing. And, based on the verified  
7 Petition, and I think the representations that  
8 were made here in this room today, it looks  
9 like the corporate structure of Aquarion is  
10 going to be the same. They're still going to  
11 be under the tariffs, rates, and regulations of  
12 our Commission. There are going to be no  
13 amendments as a result of a closing. I mean,  
14 at the time of the closing, Aquarion is still  
15 the regulated entity in the State of New  
16 Hampshire.

17 Assets of Aquarion aren't going to be  
18 altered by the approval of this, should it  
19 occur. It's still Aquarion's assets. I  
20 haven't seen anything in here to indicate  
21 otherwise. There's no proposal to record an  
22 acquisition premium on the books of Aquarion.

23 They're representing to us that the  
24 operations will remain the same for Aquarion's

1 customers, and it will retain its existing  
2 management structure and local offices in  
3 Hampton, much as it did in 2006, and I'll get  
4 to that in a moment.

5 In fact, we've, you know, at least  
6 identified, at a -- based on the filing, that  
7 there are going to be some benefits to Aquarion  
8 to being held by Eversource, as is referenced.  
9 Access to working capital that presumably -- at  
10 a lower cost; Eversource has advanced IT and  
11 cybersecurity requirements that it's required  
12 to adhere to under the Homeland Security Act  
13 and other statutes, that now it can provide  
14 access to that type of infrastructure  
15 protection to Aquarion.

16 And I realize we've heard a lot today  
17 about water quality issues related -- I see  
18 things in the filing, with due respect to the  
19 Towns of Hampton and others, but these are sort  
20 of ongoing considerations that would be present  
21 whether, as Ms. Bailey spoke of, they would be  
22 here today or they'd be here tomorrow,  
23 regardless of who was in place.

24 I also note that, in the 2006

1 acquisition of Aquarion by Macquarie, they  
2 didn't have any experience in running a utility  
3 at all. They were, in fact, a, and I'll quote  
4 from the order, "a diversified international  
5 provider of investment banking and financial  
6 services". And, the parent of Macquarie was a  
7 bank, "an Australian bank". And we even  
8 noted -- the Commission noted that it "marked  
9 the first investment activity of Macquarie  
10 Infrastructure Partners". They weren't a  
11 utility at all.

12 Yet, we've got -- we've had Aquarion,  
13 we've regulated them. Mr. Naylor has been  
14 here, he has been through a number of rate  
15 cases with the Company.

16 You know, at this point, Staff's  
17 willing -- or, not "willing", but Staff can  
18 take the position that they have at least  
19 demonstrated under 369:8 that they have got --  
20 that the proposal won't have an adverse effect  
21 on the rates, the terms, the service, or the  
22 operation of the public utility, namely  
23 Aquarion, within the State of New Hampshire.

24 And should, as Mr. Kreis has

1 mentioned, that the Company wished to engage in  
2 further discussion beyond this hearing, we'd be  
3 willing to do that as well. But, at this  
4 point, based on the filing, Staff has taken  
5 that position that we believe it meets the  
6 statutory requirement for Commission approval.

7 CHAIRMAN HONIGBERG: Mr. Bersak.

8 MR. BERSAK: Thank you, Mr. Chairman.  
9 The Eversource's position is very similar to  
10 what we just heard from Staff. And the Company  
11 understands the concerns that have been  
12 addressed by many parties here today, and these  
13 are very important concerns. And, as  
14 Commissioner Bailey indicated, there are many  
15 avenues to address these concerns. Whether  
16 they are financial, regulatory concerns that  
17 are dealt with routinely at this Commission, or  
18 water quality concerns that are handled by the  
19 Department of Environmental Services.

20 But this proceeding is not the proper  
21 venue to deal with the issues that were brought  
22 to the Commission's attention today. If the  
23 Commission does not follow the statute that was  
24 just discussed by Staff in 369:8, you can see

1           that this docket will immediately spiral to  
2           well beyond anything that the Legislature  
3           intended to be part of this process.

4                       This process is limited, as the Staff  
5           just indicated, to whether this transaction  
6           will have an adverse impact on rates, terms,  
7           service, or operation of the public utility  
8           within the state, and we have demonstrated that  
9           it will not.

10                      We appreciate Representative Bean's  
11           acknowledgement that meetings with Aquarion's  
12           staff, including Mr. Walsh, have been valuable.  
13           That's just the type of stability and continued  
14           operation that Eversource intends to continue.

15                      We will, during a technical session,  
16           meet with the parties to determine what  
17           information they would like, to try to answer  
18           their questions, to do it in an expeditious  
19           manner. But we are not, at this point, going  
20           to sit here and waive the statutory protections  
21           that are contained in 369:8.

22                      CHAIRMAN HONIGBERG: Will the Company  
23           entertain an extension, voluntary partial  
24           waiver of that statute, to facilitate the

1 discussions that are going to take place?

2 Because I suspect that, if it isn't, the  
3 discussions that take place after we leave the  
4 room are not going to go very well.

5 I am, you know, having re-read the  
6 decision from a decade ago, one of the things  
7 that the Commission wrote at that time is that  
8 "a petitioner's mere representations that no  
9 adverse effect on the rates, terms, service, or  
10 operation of the utility will occur are  
11 insufficient to warrant approval of a merger  
12 transaction under the statute." So, I mean,  
13 there's got to be something more than "well, we  
14 promise" or "we say it".

15 And I know Staff has made its review  
16 and has stated its position. But you can see,  
17 from the reaction of others in the room, that  
18 this is -- this isn't going to go in a friendly  
19 manner for the next hour after we leave.

20 I guess what I'm going to ask is that  
21 we take a 15-minute break, and have some  
22 discussions before the technical session.  
23 Because, if we need to provide some guidance,  
24 we're prepared to do that. But I think we want

1 to give you an opportunity to chat, and maybe  
2 give us an opportunity to confer, and then  
3 we'll reconvene at 3:30.

4 MR. BERSAK: Excellent.

5 CHAIRMAN HONIGBERG: Does that sound  
6 good?

7 MR. BERSAK: Excellent.

8 CHAIRMAN HONIGBERG: All right.  
9 Thank you all.

10 *(Recess taken at 3:14 p.m., and*  
11 *the hearing reconvened at*  
12 *3:46 p.m.)*

13 CHAIRMAN HONIGBERG: Mr. Bersak,  
14 anything to tell me?

15 MR. BERSAK: We had a very pleasant  
16 time, Mr. Chairman. And we have had  
17 discussions amongst ourselves, along with other  
18 parties here, and here is what the Company and  
19 Aquarion are going to suggest.

20 That it appears that we're not going  
21 to have time for a tech session today. That  
22 instead, what we think that might be warranted  
23 here is to allow discovery on the Companies  
24 with respect to the acquisition proposal. And



1 we would have a tentative date for discovery  
2 questions to be due to the Companies by the  
3 28th of August. And we will endeavor to  
4 respond to those by the 11th of September.  
5 That later that week we will ask Staff to find  
6 a time when we can have a tech session to go  
7 over what questions and answers have been  
8 given, to see where we are, to see if there's a  
9 way of coming up with an agreed process  
10 forward, a stipulation, a settlement, or  
11 whether we just have to come back to the  
12 Commission and have you decide something.

13 We would suggest a hearing,  
14 consistent with Northern Pass, sometime after  
15 the end of September, you know, to the extent  
16 that there is time to have a hearing. And  
17 either it will be a hearing on stipulation and  
18 settlement or a hearing on the merits.

19 But all this is done with the desire  
20 that we have an order by the 25th of October,  
21 which is in advance of Connecticut, which is  
22 where the bulk of the Aquarion customers are.  
23 And that we would consider tolling the statute  
24 until that date of October 25th so that the

1 Commission can act.

2 CHAIRMAN HONIGBERG: So, we would be  
3 tolling 369:8, is that what you're saying?

4 MR. BERSAK: Yes, sir.

5 CHAIRMAN HONIGBERG: If, at the end  
6 of the process, we concluded that there was an  
7 adverse effect on rates, terms, service, or  
8 operation, would that then put us into 374:33?

9 MR. BERSAK: I'd have to go back and  
10 look at the statutes to figure that one out.

11 CHAIRMAN HONIGBERG: I think the way  
12 the statutes are constructed, there's this  
13 expedited process that I believe we are in.  
14 And that, if the filing --

15 MR. BERSAK: Yes.

16 CHAIRMAN HONIGBERG: -- satisfies  
17 those requirements, nothing needs to happen.  
18 But, if it doesn't, then the underlying statute  
19 or the otherwise disabled statute kicks in, and  
20 you move over to that statute for the standard  
21 to apply.

22 MR. BERSAK: This is the slippery  
23 slope, which we did not want to go down.  
24 Because, right now, what it says is the

1 Commission has a discrete time frame, 30 days  
2 and another 30 days, to determine whether  
3 there's an adverse effect. What we're doing by  
4 coming to this agreement is -- it would, under  
5 your scenario, it would kick that out by more  
6 than those times, and we wouldn't even be at  
7 the start of the proceeding --

8 CHAIRMAN HONIGBERG: Not,  
9 necessarily. Not necessarily. Because I  
10 think -- I mean, I don't want to -- I can't  
11 prejudge anything, I don't know how this is  
12 going to shake out, but you would have been  
13 looking for the kind of schedule that would get  
14 us to a hearing on the merits in October, and  
15 an order by the end of the month, regardless of  
16 what statute we were proceeding on, if you  
17 didn't get -- if, for example, on July 15th, we  
18 notified you "we think there's going to be an  
19 adverse effect", and, you know, you have 30  
20 days to respond, and you responded, and the  
21 response was inadequate, we'd have been in  
22 374:33, you still would have wanted a decision  
23 by October.

24 MR. BERSAK: Correct.

1           CHAIRMAN HONIGBERG: I think you are  
2 getting us to that same point. And, so,  
3 ultimately, you may be in a situation of  
4 engaging in discovery. You may have a dispute  
5 about what the relevant issues are, I  
6 anticipate that happening. But it's not going  
7 to be -- I mean, I think reasonable minds will  
8 be able to figure out what those issues should  
9 be that are relevant to the transaction, not to  
10 all the other issues that folks may have with  
11 Aquarion. And get us to a point where we can  
12 do a hearing on the merits, if there's no  
13 settlement, in October, on the schedule that  
14 you outlined. It's just a matter of what  
15 standard of review we're applying to it at that  
16 time. We may be able to do both.

17           MR. BERSAK: Perhaps maybe it could  
18 be both, because, at that point, if the  
19 Commission makes the determination that there  
20 is no adverse effect, it could issue the order  
21 under 369:8. And, if the Commission made the  
22 determination that 8 wasn't applicable, we  
23 would go back to RSA 374:33.

24           CHAIRMAN HONIGBERG: Right. Ms.

1 Brown.

2 MS. BROWN: If I could offer at least  
3 my perspective. It looks pretty clear to me  
4 that 369:8 includes 374:33, then walks it  
5 through this time frame. What we're doing  
6 right now with the schedule is Paragraphs  
7 (b)(3) and (b)(4), which allows the Commission  
8 30-day extensions, and then responses by the  
9 applicants or the petitioners. And, then,  
10 after that, there's another within 60 days it  
11 says "determination of an adverse effect".  
12 Well, we're not having a determination of  
13 adverse effect. We're having a request for  
14 additional information with this discovery  
15 process.

16 So, I think you're still in 369:8,  
17 even though -- because it subsumes 374:33. I  
18 don't think you can jump out of this and have a  
19 procedural schedule. It's a finer detail, but  
20 I think the end result is, we're going to reach  
21 a conclusion of the proceeding, hopefully in  
22 the end of October, which meets the Companies  
23 needs.

24 But I just wanted to raise that legal

1 interpretation.

2 CMSR. BAILEY: So, then, do we have  
3 to find that it's in the public interest as a  
4 result of that hearing?

5 MS. BROWN: Well, you still have your  
6 findings that you have to make.

7 CMSR. BAILEY: What findings?

8 CHAIRMAN HONIGBERG: I mean, if we  
9 make a decision under 360 -- no, I'm sorry. If  
10 369:8 applies, in which there is no decision  
11 for us, then we make no findings. It's all  
12 negative. I'm not sure I agree with the way  
13 you formulated the relationship between the two  
14 statutes. You may be right, and I haven't  
15 thought about it in as much detail as maybe you  
16 have, but I don't -- I think the way it works  
17 is that 374:33 doesn't apply, because 369:8  
18 does, unless there's a conclusion that 369:8 --  
19 that there's a problem under 369:8, and then  
20 374:33 does apply. It's not really subsumed.  
21 It's like it's disabled. It even says  
22 notwithstanding, I think, those other statutes.

23 CMSR. BAILEY: So, would the safer  
24 way to go just go directly to a hearing under

1 374:33? I mean, it's a public interest  
2 standing -- finding, so that's harder.

3 MR. BERSAK: I wouldn't do that. And  
4 that's the quandary the Company finds itself  
5 in. You know, there is a statute that provides  
6 a path. We're willing to work with the parties  
7 to accommodate the request for information and  
8 to work with them.

9 But to say we're going to just walk  
10 away from this and go to a much higher  
11 standard, which, you know, will certainly delay  
12 things, is not where we intended to be.

13 CHAIRMAN HONIGBERG: I'm sympathetic  
14 to that. I understand what you're saying.  
15 What I said before I think is still true. That  
16 I think, in the process of doing one, you will  
17 do both.

18 I will say that your petition is  
19 ambiguous, in terms of what statute you thought  
20 we were applying here. It is styled as a  
21 "Petition for Approval". Its prayer for relief  
22 is -- it appears to be in the alternative,  
23 under one or the other. And, so, it's at least  
24 understandable that people might think that.

1           Now, your cover letter was quite  
2           different. But, as you know, your cover letter  
3           isn't your filing, and it's not the one that  
4           was submitted under oath.

5           But, I think, at the end of the day,  
6           you're going to get or the parties will get the  
7           same types of information that they would  
8           otherwise, because they're going to be  
9           investigating the same issues that are relevant  
10          to the acquisition, that are not necessarily  
11          relevant to the service Aquarion provides or  
12          that it will provide if the acquisition goes  
13          through. A lot of the issues that, I mean, I  
14          can give you all a preview that, you know, a  
15          number of the issues that we heard from  
16          intervenors have to do with intentions of  
17          management period. And whether that's under  
18          Aquarion as owned by Macquarie or Aquarion as  
19          it's owned by Eversource, or Aquarion, if it  
20          becomes a freestanding company. Those are all  
21          the same questions. They are identical.

22          Mr. Gearreald has a different twist  
23          on things, in terms of experienced management  
24          being in place, and he's not comfortable with



1 current management.

2 But, ultimately, *status quo* -- it  
3 would be hard to argue that *status quo* is an  
4 adverse impact on ratepayers as 369:8 words it.

5 I mean, understand, we have a statute  
6 the Legislature passed some 20 years ago, that  
7 constrains the Commission when it comes to  
8 reviewing transactions of this nature. I mean,  
9 I'm mainly addressing the intervenors. This  
10 isn't likely other types of transactions. When  
11 you fit within 369:8, you are potentially very  
12 constrained. And that's what we're feeling,  
13 and we're trying to give ourselves, and you,  
14 and the Companies, and everyone an opportunity  
15 to do what they feel they need to do to get  
16 more information.

17 I hear what Mr. Bersak has said. I  
18 think we're on the same -- we're speaking the  
19 same language with respect to how to proceed,  
20 and getting the types of information that would  
21 allow you to cover potentially both statutes,  
22 if the second statute were triggered.

23 And Mr. Bersak helpfully nods his  
24 head, which I appreciate.

1           Let me hear from others on what they  
2 think of this, what their position is.

3           MR. GEARREALD: Mr. Chairman, we  
4 appreciate --

5           CHAIRMAN HONIGBERG: Mr. Gearreald.

6           MR. GEARREALD: Thank you. Mr.  
7 Chairman, we appreciate the opportunity to have  
8 had the break in between. However, the break  
9 was not much of an interaction between that  
10 side of the aisle and this side of the aisle.  
11 That I've just gotten, within a few minutes of  
12 your getting it, the timetable that Attorney  
13 Bersak has just set forth.

14           We think that -- I think, and I won't  
15 speak for others, but I think the timetable is  
16 a little quick, the August 28th. I could see  
17 another ten days added on to that, that would  
18 be helpful to us, given how many people are  
19 petitioners, ten days added to each of those.

20           The final -- the final thought about  
21 the toll date, Attorney Bersak and I did  
22 discuss, and the October 25th seems reasonable  
23 to me. But, before that, the propounding of  
24 data requests and the answering of them,

1 followed by a tech session, if you added ten  
2 days to that, I believe that would be a bit  
3 more reasonable.

4 CHAIRMAN HONIGBERG: Thank you,  
5 Mr. Gearreald. Others?

6 Representative Cushing, I see you're  
7 thoughtfully following.

8 REP. CUSHING: No. I concur with  
9 Mark, Attorney Gearreald.

10 CHAIRMAN HONIGBERG: Others?

11 MR. KREIS: Mr. Chairman, --

12 CHAIRMAN HONIGBERG: Mr. Bennett.  
13 Before you, Mr. Kreis, Mr. Bennett.

14 MR. BENNETT: Thank you. The Town of  
15 North Hampton would agree to the schedule as  
16 proposed.

17 *[Court reporter interruption.]*

18 MR. BENNETT: The Town of North  
19 Hampton would agree with the end date of the  
20 schedule. We would like to, as pointed out by  
21 Hampton, adjust the dates up till then, to give  
22 us a little more time. But the end date, which  
23 will allow Eversource and Aquarion to meet  
24 their projected deadline, is fine with us.

1                   CHAIRMAN HONIGBERG: Now, Mr. Kreis,  
2 I'm sorry.

3                   MR. KREIS: I just wanted to say, on  
4 behalf of the OCA, that I have a high degree of  
5 optimism that, after a bit of discovery and an  
6 earnest meeting or two, essentially all the  
7 parties in the room, meaning the OCA, the  
8 Staff, the intervenors, and the potential  
9 intervenors, could agree, and the Companies,  
10 could agree on a set of conditions that would  
11 allow all of us to jointly represent to the  
12 Commission that there will be no adverse  
13 impacts sufficient to allow the Commission to  
14 approve under RSA 3 -- oh, I've lost the  
15 statute --

16                   MR. BERSAK: 369.

17                   MR. KREIS: -- 369:8. And I think it  
18 would be -- I'm willing to roll the dice or  
19 spin the wheel and sort of kick this can down  
20 the road --

21                   CHAIRMAN HONIGBERG: To mix your  
22 metaphors further?

23                   MR. KREIS: To mix my metaphors  
24 further. I have a lot of sympathy for the

1 Companies' position here, because they  
2 understand that the standard for approval under  
3 RSA 369:8 is less stringent than the broad  
4 public interest standard that applies under RSA  
5 374:33. So, I want to be protective of their  
6 right to have that less stringent standard  
7 applied to them.

8 And I think we can do that. I think  
9 we can protect the Company's right to enjoy the  
10 benefits of RSA 369:8, by applying the schedule  
11 that Mr. Bersak has laid out.

12 CHAIRMAN HONIGBERG: Mr. Clifford.

13 MR. CLIFFORD: Yes. I'd like to  
14 thank Mr. Kreis and Mr. Bersak for their  
15 thoughts, very loquacious. And, as I pointed  
16 out earlier, you don't get to 374:30 [374:33?].  
17 The statute that we're under -- the rubric  
18 you're under is, and this is -- and I base this  
19 on the research I did today, and as well as  
20 looking at the legislative history of these  
21 statutes. 369:8, II, was written to get rid of  
22 what you were talking about earlier, not "rid  
23 of", but to limit the scope of the inquiry for  
24 these stock transitions from the heightened

1 public interest standard. Which I think, if  
2 I'm not mistaken, in the '70s and '80s, was  
3 causing a lot of pause amongst utilities  
4 commissions that had this high bar to reach in  
5 a short period of time.

6 And all we've agreed to today, and  
7 the Staff agrees with the proposal put forth by  
8 the Company, that we're tolling the date.  
9 We're not tolling the statute, but the statute  
10 that controls here is 369:8, we're going to  
11 toll the date that the approval is final.

12 And, then, I think, within the time  
13 schedule we've talked about, the parties can  
14 exchange enough information to satisfy whether  
15 there will be an adverse effect on the rates,  
16 terms, service, or operation of the utility.

17 And I believe that the scope of this  
18 discovery is going to be pretty limited, as you  
19 mentioned. I mean, both on behalf of Staff,  
20 you've already heard our position. So, we  
21 think that we've made our statement. And this  
22 is merely, as Ms. Brown has alluded to,  
23 basically a request to get a little more info.

24 CHAIRMAN HONIGBERG: No, I

1 understand. I understand.

2 MR. CLIFFORD: And, so, that's where  
3 we are. And we would agree to this -- we do  
4 agree to the proposed procedural schedule  
5 outlined by Mr. Bersak. And, of course, there  
6 can be some tinkling of a couple of dates here  
7 or there. But that seems about right to us.  
8 We'd agreed to that schedule as proposed.

9 CHAIRMAN HONIGBERG: Other thoughts  
10 from those who have not yet weighed in?

11 Representative Cushing, you want to  
12 say something?

13 REP. CUSHING: I just, in going along  
14 with Attorney Gearreald's suggested amendments  
15 to the schedule, I want to make clear, I still  
16 believe that the standard should be whether  
17 it's in the public interest.

18 CHAIRMAN HONIGBERG: Understood. Any  
19 other thoughts?

20 *[No verbal response.]*

21 CHAIRMAN HONIGBERG: I guess, with  
22 respect to dates, I mean, I think it would be  
23 best if people could develop their data  
24 requests quickly, and do as much as possible

1 quickly, so that the Company doesn't have to  
2 respond to everything all at once. If there  
3 are -- if there are folks who can't meet an  
4 August 28th deadline, you know, if they want to  
5 suggest a different date, ten days seems long  
6 to me. But, if it's one party, who only has  
7 five or six questions, and they wouldn't be  
8 ready until, you know, whatever that ten days  
9 after the 28th would be, the 7th I guess, you  
10 know, that could be worked out with the Company  
11 on an individual basis, as long as people are  
12 willing to be reasonable and cooperative.

13 I don't know that we want us to issue  
14 an order on that, but we can, if you want. Any  
15 thoughts?

16 I mean, my inclination would be to  
17 tell people to do it by the 28th, to the  
18 greatest extent possible, and for the Company  
19 to work with the people who call up and say "I  
20 need a few more days". And they, in my  
21 experience with them, I've seen the  
22 correspondence that Eversource has with people  
23 in that situation, they are unfailingly  
24 reasonable when it comes to deadlines like





1           happen while we're sitting here. I think  
2           what's going to need to happen is Mr. Clifford  
3           is going to need to confer with the keepers of  
4           the schedule, and find out when the room is  
5           available and when everybody can be here.

6                         But that might actually be a  
7           productive use of the next 15 to 20 minutes, to  
8           find a date and time for the technical session.

9                         MR. GEARREALD: Thank you.

10                        CHAIRMAN HONIGBERG: All right. Yes,  
11           Mr. Cushing.

12                        REP. CUSHING: Yes. One other thing  
13           that was raised, and that's whether or not we  
14           could have a public information session or a  
15           hearing, I'm not sure what form it should take,  
16           but it would take place in Hampton or in the  
17           service area.

18                        CHAIRMAN HONIGBERG: I don't think  
19           we're going to rule on a request like that  
20           right now. I encourage you to continue to  
21           discuss it. And, if you can reach an  
22           agreement, that's great. And, if not, somebody  
23           make a formal request and we'll deal with it  
24           that way.

1 REP. CUSHING: Thank you.

2 CHAIRMAN HONIGBERG: Anything else?

3 *[No verbal response.]*

4 CHAIRMAN HONIGBERG: All right.

5 Thank you all. We will adjourn.

6 ***(Whereupon the prehearing***  
7 ***conference was adjourned at***  
8 ***4:06 p.m.)***

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24