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STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

March 12, 2019 - 10:06 a.m.  
Concord, New Hampshire

NHPUC 26MAR'19 9:43

RE: DW 19-011  
HAMPSTEAD AREA WATER COMPANY, INC.:  
Petition to Expand Franchise in  
the Town of Salem.  
(Prehearing conference)

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

Sandy Deno, Clerk

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

**Reptg. PUC Staff:**  
Christopher Tuomala, Esq.  
Jayson Laflamme, Assistant Director/  
Gas & Water Division  
Robyn Descoteau, Gas & Water Division  
Anthony Leone, Gas & Water Division

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

**CERTIFIED  
ORIGINAL TRANSCRIPT**

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

1  
2 CHAIRMAN HONIGBERG: Sorry for the  
3 scheduling confusion. We are here this morning  
4 in Docket DW 19-011, which is a Petition by  
5 Hampstead Area Water Company to expand its  
6 franchise to the Town of Salem to the Tisdale  
7 Trailer Park, which has been the subject of  
8 other proceedings.

9 Before we get any further -- before  
10 we go any further, let's take appearances.

11 MR. AUGERI: Thank you. Attorney  
12 Tony Augeri, on behalf of the Hampstead Area  
13 Water Company. With me today is Attorney Bob  
14 Levine; John Sullivan, the Controller for the  
15 Company; and Charlie Lanza, who is the General  
16 Manager of the Company.

17 MR. TUOMALA: Good morning,  
18 Commissioners. Christopher Tuomala, for the  
19 Staff of the Public Utilities Commission. To  
20 my left I have Jayson Laflamme, the Assistant  
21 Director of the Gas and Water Division here at  
22 the PUC; to his left, Robyn Descoteau, a  
23 Utility Analyst with the Gas and Water  
24 Division; and to her left, Anthony Leone,

1 another Utility Analyst with the Gas and Water  
2 Division.

3 CHAIRMAN HONIGBERG: All right. The  
4 purpose of the prehearing conference generally  
5 is to hear the parties' positions  
6 preliminarily.

7 Are there any matters we need to take  
8 up before we do that? Mr. Tuomala?

9 MR. TUOMALA: No, Mr. Chairman.

10 CHAIRMAN HONIGBERG: Mr. Augeri?

11 MR. AUGERI: No, there is not.

12 CHAIRMAN HONIGBERG: All right.

13 Mr. Augeri, why don't you start us off.

14 MR. AUGERI: Thank you very much.

15 HAWC is presently franchised in most areas of  
16 Hampstead and Atkinson, and has satellite  
17 systems as well in Rockingham and Strafford  
18 Counties. We've been granted a consolidated  
19 rate, which would be applied to this franchise  
20 if it were granted.

21 The New Hampshire Department of  
22 Environmental Services previously requested  
23 HAWC provide emergency water service within the  
24 Town of Salem, which abuts one of our franchise

1 areas, the Company's Lancaster Farm system, to  
2 58 homes in a Tisdale Trailer Park. And that  
3 was due to E-coli contamination that was  
4 discovered in their well water.

5 Upon petition to this Commission,  
6 HAWC was granted such emergency leave, that is  
7 under Docket DW 128 [18-128?]. After attempts  
8 to locate an alternative water source by the  
9 owner failed, the owner contacted HAWC  
10 requesting that we provide a permanent supply  
11 of water.

12 HAWC will provide these water  
13 services to the homes, extending the services  
14 from the adjacent Lancaster Farm franchise.  
15 The owner has granted us access in order to  
16 provide this water by way of an easement that  
17 they are going to -- that they are paying the  
18 full cost for that. This is the same access  
19 that was utilized under the Docket DW 18-128  
20 for the emergency service, and a special order  
21 is currently in place through April 30th, 2019,  
22 to provide water on an emergency basis. This  
23 is the Petition to make that permanent.

24 We have notified the Town, the

1 Company has, of Salem of the franchise request.  
2 They have been provided a letter to be sent to  
3 the Commission, to you.

4 HAWC will have and own a line  
5 extension to a meter pit and also a meter  
6 system. HAWC will also own meters to be  
7 installed at each of the 58 residences, but  
8 this is solely to monitor water loss. The  
9 owner is going to retain ownership of the  
10 distribution system itself to the residences.

11 HAWC presently, the consolidated  
12 system, is a systemwide rate with a base rate  
13 of \$100 monthly for a 2-inch meter, and a  
14 consumption rate of \$6.11 per 100 cubic feet.

15 HAWC looks forward to working with  
16 the PUC Staff to resolve any -- to resolve any  
17 remaining issues. And given this matter was  
18 already provided on an emergency basis, of  
19 which was extended once, we don't anticipate  
20 many.

21 One of the issues that has come up,  
22 given the emergency docket and the present  
23 docket for a permanency, I spoke with Attorney  
24 Tuomala about resolving that, so we wouldn't

1 have to keep coming before your Commission.  
2 And we've agreed, if the Commission would so  
3 entertain, to make an oral motion to extend  
4 that special order under 18-128, to coincide  
5 with the decision of this current docket, DW  
6 19-011, for efficiency, and so that we could  
7 resolve this.

8 Thank you very much.

9 CHAIRMAN HONIGBERG: Okay.

10 Mr. Tuomala, why don't you address generally  
11 your comments, and also the nature of the oral  
12 motion. I guess I'm interested in whether the  
13 motion is to extend to a date certain or just  
14 to say "it's extended while the current matter,  
15 19-011, is pending".

16 MR. TUOMALA: Okay. Thank you, Mr.  
17 Chairman.

18 Staff has reviewed the filing  
19 thoroughly, and conducted a round of discovery  
20 already. Staff determined that there are a few  
21 issues that we'd like to discuss with the  
22 Company in the tech session to follow this  
23 hearing.

24 Specifically, we're going to be

1 examining the terms of the water services  
2 agreement, the parties involved, and if this  
3 might constitute a special contract pursuant to  
4 RSA 378:18. We also wanted to look into the  
5 trailer park itself, and if it hadn't been  
6 examined in the previous docket, if a franchise  
7 exists currently, and if there would be a need  
8 for a franchise transfer to HAWC in this  
9 situation.

10 We anticipate issuing two rounds of  
11 discovery, and also working with the Company to  
12 set a procedural -- proposed procedural  
13 schedule for the Commission to rule upon, which  
14 we will submit shortly thereafter.

15 And as far as the motion, I had  
16 spoken with HAWC's attorney, and we believe the  
17 best course would be to coincide with the  
18 resolution of this docket, to not be a date  
19 certain, but instead upon issuance of an order  
20 in this current docket, 19-011.

21 CHAIRMAN HONIGBERG: Commissioner  
22 Bailey.

23 CMSR. BAILEY: Mr. Tuomala, can you  
24 refresh my memory, when we initially granted



1 the extension till April, did we do that by a  
2 *nisi* order or by -- did we have a hearing or  
3 did we just order it?

4 MR. TUOMALA: It was a secretarial  
5 letter.

6 CMSR. BAILEY: Okay. So, are we  
7 altering an order? That's my underlying  
8 question. And are there any technical things  
9 we need to do, too? You might want to think  
10 about that.

11 MR. TUOMALA: Yes, I'm going to have  
12 to. I know that the prior course was HAWC  
13 submitted a letter asking for extension of the  
14 deadline, and it was handled through a  
15 secretarial letter, because I believe it was  
16 just a procedural matter. And you know, as  
17 long as none of the circumstances have changed,  
18 then we wouldn't have a problem with the same  
19 course of a secretarial letter, if that is the  
20 proper procedure.

21 CHAIRMAN HONIGBERG: Yes. In light  
22 of what Commissioner Bailey's question about  
23 whether the -- there's the possibility of  
24 amending an order, that does require notice to

1 the world, I think, that we're doing that.  
2 Well, at least it requires notice to the  
3 parties, and maybe we've got that.

4 But why don't you discuss it with the  
5 Company, figure out what process will work.  
6 We're not up against the deadline. So, we're  
7 not in an emergency situation. And figure out  
8 what paperwork, if any, needs to be filed, and  
9 then work it that way. Okay?

10 MR. TUOMALA: Yes, Mr. Chairman.

11 CHAIRMAN HONIGBERG: What do you  
12 think the timing is to get us to an end point  
13 here? Is it two months? Four months? Six  
14 months? What do you think we're looking at?

15 MR. TUOMALA: I would say it would be  
16 over at least two months. That's why we're  
17 concerned with the impending deadline. Four  
18 months, it seems about right. As I stated, we  
19 anticipate two rounds of discovery, and then  
20 following a Staff recommendation. And there's  
21 nothing earth-shattering in the filing that  
22 would require, at least in Staff's point of  
23 view, more than two rounds of discovery.

24 CHAIRMAN HONIGBERG: All right. If

1           there's nothing else, we will adjourn the  
2           prehearing conference and leave you to your  
3           technical session.

4                               *(Whereupon the prehearing*  
5                               *conference was adjourned at*  
6                               *10:15 a.m., and a technical*  
7                               *session was held thereafter.)*