

1 **STATE OF NEW HAMPSHIRE**2 **PUBLIC UTILITIES COMMISSION**3
4 **May 8, 2019** - 10:03 a.m.
5 Concord, New Hampshire

NHPUC 24MAY19am11:30

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7 **RE: DW 19-031**
8 **HAMPSTEAD AREA WATER COMPANY, INC.:**
9 **Petition to Expand Franchise**
10 **within Sandown, NH.**
11 **(Prehearing conference)**12
13 **PRESENT:** Chairman Martin P. Honigberg, Presiding
14 Commissioner Kathryn M. Bailey
15 Commissioner Michael S. Giaimo

16 Sandy Deno, Clerk

17
18 **APPEARANCES:** **Reptg. Hampstead Area Water Company:**
19 Anthony Augeri, Esq.20 **Reptg. PUC Staff:**
21 Christopher Tuomala, Esq.
22 Jayson Laflamme, Asst. Dir/Gas & Water
23 Robyn Descoteau, Gas & Water Division
24 Anthony Leone, Gas & Water Division

25 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

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2 CHAIRMAN HONIGBERG: We are here
3 today in Docket DW 19-031, which is a petition
4 by Hampstead Area Water Company to provide
5 service in an additional part of Sandown, a
6 delightfully named division called "Kelly
7 Green". This is a prehearing conference that
8 will be followed by a technical session.

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

11 MR. AUGERI: Thank you. Attorney
12 Tony Augeri, on behalf of HAWC. With me is our
13 consultant, Steve St. Cyr; the Company's
14 President, Harold Morse; the Controller, John
15 Sullivan; the Vice President, Chris Lewis
16 Morse; and the Company's General Manager,
17 Charles Lanza.

18 MR. TUOMALA: Good morning,
19 Commissioners. Christopher Tuomala, for the
20 Public Utilities Commission. With me I have
21 Anthony Leone, Utility Analyst in the Gas &
22 Water Division; Robyn Descoteau, a Utility
23 Analyst with the Gas & Water Division; and
24 Jayson Laflamme, the Assistant Director of the

1 Gas & Water Division.

2 CHAIRMAN HONIGBERG: The primary
3 purpose of the prehearing conference is for the
4 parties to state their preliminary positions
5 for us.

6 Are there any issues we need to deal
7 with before that happens?

8 MR. AUGERI: There are not.

9 CHAIRMAN HONIGBERG: All right.
10 Mr. Augeri, why don't you start us off.

11 MR. AUGERI: Thank you very much.

12 Hampstead Area Water Company, "HAWC"
13 for short, is presently franchised throughout
14 Rockingham County, primarily in Hampstead and
15 in Atkinson, New Hampshire. We received a
16 request from a developer, Lewis Builders, Inc.,
17 for a new system in the Town of Sandown for a
18 22-unit townhouse-style apartment complex known
19 as "Kelly Green".

20 There is currently an easement for a
21 water system and related facilities that the
22 Company has been granted. We intend to have --
23 we're seeking the franchise -- to expand the
24 franchise to provide water service to these

1 people. The proposed franchise expansion area
2 also includes -- would include and combine two
3 existing franchises in Sandown; one being
4 Fairfield and the other being Mill Woods.

5 The Mill Woods is to honor the
6 request of a homeowner that is currently
7 outside of the current franchise area, within
8 their franchise area, and then also to include
9 this new 22-unit apartment complex, the
10 townhouse-style.

11 We'll be able to serve this under the
12 provisions of the PUC, if granted. The
13 construction of the proposed system will be
14 done by Lewis Builders Development, Inc., which
15 is a -- through its subsidiary-related company
16 HAWSCO, Hampstead Area Water Services Company,
17 they're a division of Lewis Builders
18 Development, Inc.

19 The total cost of this system will be
20 \$70,500, of that it will be less, approximately
21 \$11,500, which is contributed to the
22 developer -- from the developer to HAWC under a
23 contribution in aid of construction, CIAC.

24 The Petition itself, just by way of

1 brief procedural history, was filed on
2 January 29th, 2019. Staff has already issued
3 data requests, which were done on April 3rd,
4 and HAWC has responded to those data requests
5 on April 17th. So, we're a bit on, you know,
6 down the road a little bit.

7 I will mention as well that there was
8 the need to revise two exhibits that were
9 originally submitted, so that it captured in
10 the letter to the Town and notice to the Town
11 the complete proposed franchise area expansion
12 that we're seeking, and that was done on
13 April 18th of 2019.

14 So, we believe it will be in the
15 public good if the Commission were to grant and
16 extend and expand this franchise area for HAWC,
17 to add the proposed satellite system to our
18 current franchises, to be permitted to acquire
19 these assets, and to charge our existing
20 consolidated rate, which was submitted as part
21 of the original Petition. And that we would
22 hope that the Commission would issue an order
23 granting those requests.

24 We look forward to working with the

1 Staff and OCA, and hopefully to reach an
2 agreement that would be submitted to the
3 Commission for approval.

4 Thank you.

5 CHAIRMAN HONIGBERG: Thank you,
6 Mr. Augeri. Mr. Tuomala.

7 MR. TUOMALA: Thank you, Mr.
8 Chairman.

9 The Commission Staff has reviewed the
10 filing. And as Attorney Augeri had mentioned,
11 we have propounded one set of data requests, to
12 which the Company promptly responded to. After
13 the review of all those documents, there are
14 still a few questions and issues that remain,
15 specifically the income tax liability
16 associated with the receipt of the CIAC that
17 Attorney Augeri had mentioned. And also, we're
18 looking at the greater size of the franchise
19 area that the attorney had already mentioned as
20 well.

21 We look forward to working with the
22 Company at the following technical session and
23 to resolve these issues in a timely manner.

24 Thank you.

1 CHAIRMAN HONIGBERG: What do you
2 anticipate for a timeline on this one?

3 MR. TUOMALA: Depending on the
4 outcome of today's discussions with our
5 follow-up questions, I would think that we
6 would probably have another round of discovery
7 in about a two to three week turnaround time,
8 and then a few more weeks after that for a
9 Staff recommendation. So, I would say, at a
10 maximum, unless things -- there's an unforeseen
11 problem at today's technical session, about a
12 month and a half.

13 CHAIRMAN HONIGBERG: Commissioner
14 Bailey.

15 CMSR. BAILEY: Mr. Augeri, I looked
16 at the map that shows the two existing
17 franchise areas and the big circle around both
18 that combine it all into one franchise area.
19 Is it the Company's intention to serve any
20 customer in that area that asks in the future?

21 MR. AUGERI: It is the intent to
22 serve any customer that would ask, yes.

23 CMSR. BAILEY: So, would you have a
24 main that went between the two existing

1 franchise territories? Well, you can --

2 MR. AUGERI: I would defer to, you
3 know, the General Manager, who is more
4 boots-on-the-ground on that. But --

5 CMSR. BAILEY: You can talk that over
6 with Staff.

7 MR. AUGERI: Yes.

8 CMSR. BAILEY: And just make sure
9 that it's clear when you file your
10 recommendation. Thank you.

11 MR. AUGERI: Yes. Thank you.

12 CHAIRMAN HONIGBERG: Commissioner
13 Giaimo.

14 CMSR. GIAIMO: I have one question.
15 There's a \$10,000 CIAC, and then I believe I
16 read in Mr. St. Cyr's testimony that there's
17 another \$45,000 CIAC in the form of in plant.
18 What does that entail? What specifically is
19 that \$45,000 associated with?

20 MR. AUGERI: Do you know which
21 exhibit that was on the filing?

22 CMSR. GIAIMO: I believe it was
23 Exhibit 8.

24 MR. AUGERI: All right. I'll have

1 Mr. St. Cyr speak to that.

2 MR. ST. CYR: So, if you look at --
3 is this on? So, if you look at the schedules
4 attached to my testimony, under SPS-5, you see
5 the total cost of the plant and the allocation
6 of the contribution in aid of construction
7 associated with the plant. That's SPS-5. The
8 lower half shows the contribution in aid of
9 construction. And this is the contribution
10 from the developer that we're allocating to the
11 various plant accounts.

12 CMSR. GIAIMO: Thank you.

13 CHAIRMAN HONIGBERG: All right. If
14 there's nothing else, we will adjourn the
15 prehearing conference and leave you to your
16 technical session. Thank you all.

17 ***(Whereupon the prehearing***
18 ***conference was adjourned at***
19 ***10:12 a.m., and a technical***
20 ***session was held thereafter.)***

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