

1 **STATE OF NEW HAMPSHIRE**
2 **PUBLIC UTILITIES COMMISSION**

3
4 **February 1, 2021 - 10:29 a.m.**

5
6 *[Remote Hearing conducted via Webex]*

7
8 **RE: DW 20-112**
9 **ABENAKI WATER COMPANY, INC.:**
10 **Request for Change in Rates.**
 (Prehearing conference)

11 **PRESENT:** Chairwoman Dianne H. Martin, Presiding
12 Cmsr. Kathryn M. Bailey

13 Doreen Borden, Clerk
14 Corrine Lemay, PUC Remote Hearing Host

15 **APPEARANCES:** **Reptg. Abenaki Water Company, Inc.:**
16 Stephen P. St. Cyr *(St. Cyr & Assoc.)*
17 Donald Vaughan *(Chairperson/Abenaki)*
 Robert Gallo *(President/Abenaki)*
 Nicholas LaChance *(Vice Pres./Abenaki)*

18 Jeff Phillips, *pro se*

19 James Cook, *pro se*

20 Gene Preul, *pro se*

21 **Reptg. Village Shore Estates Association**
22 **and also pro se:**
 Cristy Bresson

23 Court Reporter: Steven E. Patnaude, LCR No. 52
24

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

Robert Carchia, *pro se*

Kevin & Janet Monahan, *pro se*

Diana Staples, *pro se*

Sandra Crystall (w/M. Gatzke*), *pro se*

Sharon & Alan Burgess, *pro se*

Jeni & Tyler Speck, *pro se*

Richard Rudolf (w/S. Rudolf*), *pro se*

George Woodruff, *pro se*

Reptg. Residential Ratepayers:

Christa Shute, Esq.
Office of Consumer Advocate

Reptg. PUC Staff:

F. Anne Ross, Esq.
Eric Wind, Esq.

**NOTE: * denotes an additional intervenor with
 that particular intervenor, though
 not present for the prehearing conference**

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P R O C E E D I N G

CHAIRWOMAN MARTIN: We're here this morning in Docket DW 20-112 for a prehearing conference regarding the Abenaki Water Company, Incorporated's request for a change in rates.

Because this is a remote hearing, I'm required to make certain findings.

As a Chairwoman of the Public Utilities Commission, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic, and in accordance with the Governor's Emergency Order Number 12, pursuant to Executive Order 2020-04, this public body is authorized to meet electronically. Please note that there is no physical location to observe and listen contemporaneously to this hearing, which was authorized pursuant to the Governor's Emergency Order.

However, in accordance with the Emergency Order, I am confirming that we are utilizing Webex for this electronic hearing. All members of the Commission have the ability to communicate contemporaneously during this hearing, and the public has access to

1 contemporaneously listen and, if necessary,
2 participate.

3 We previously gave notice to the public
4 of the necessary information for accessing the
5 hearing in the Order of Notice. If anybody has a
6 problem, please call (603)271-2431. In the event
7 the public is unable to access the hearing, the
8 hearing will be adjourned and rescheduled.

9 Okay. We have to take a roll call
10 attendance of the Commission, because we are
11 doing this remotely.

12 My name is Dianne Martin. I am the
13 Chairwoman of the Public Utilities Commission.
14 And I am alone.

15 Commissioner Bailey.

16 CMSR. BAILEY: Good morning, everyone.
17 I am Kathryn Bailey, Commissioner at the Public
18 Utilities Commission. And I am alone.

19 CHAIRWOMAN MARTIN: Okay. And we're
20 going to take appearances now. I will take
21 appearances of the parties, and then I will ask
22 those who have filed a petition to intervene to
23 state your appearance as well. And, if I miss
24 anyone, at the end we'll go back to make sure

1 we've got everyone covered.

2 All right. Let's start with Abenaki.

3 MR. ST. CYR: Morning. My name is
4 Stephen P. St. Cyr, with St. Cyr & Associates.
5 We're the rate consultant for Abenaki Water
6 Company. With me is Mr. Don Vaughan,
7 Chairperson, Mr. Robert Gallo, President, and
8 Mr. Nick LaChance, Vice President, with Abenaki
9 Water Company.

10 CHAIRWOMAN MARTIN: Okay. Thank you,
11 Mr. St. Cyr. All right. And I see Ms. Shute,
12 for the OCA.

13 MS. SHUTE: Good morning, Chairwoman
14 and Commissioner Bailey. My name is Christa
15 Shute. I'm the Staff Attorney for the Office of
16 the Consumer Advocate, here on behalf of the New
17 Hampshire residential customers.

18 Thank you.

19 CHAIRWOMAN MARTIN: Okay. Thank you.
20 And I see Ms. Ross.

21 MS. ROSS: Good morning, Commissioners.
22 Anne Ross, appearing for Commission Staff. And
23 with me also appearing for Commission Staff is
24 Eric Wind.

1 CHAIRWOMAN MARTIN: Okay. Thank you.
2 All right. I'm just going to start with the list
3 I have of those who have intervened. And, if
4 you're present, just speak up.

5 Mr. Jeff Phillips? Do we have Mr.
6 Phillips?

7 MR. PHILLIPS: Yes. Present.

8 CHAIRWOMAN MARTIN: Thank you. And
9 Dawn Tinsley?

10 Go ahead, Ms. Shute.

11 MS. SHUTE: Since there are four water
12 companies, I was just wondering if folks could
13 identify which -- or, there are four water
14 communities, if they could just identify what
15 community they're with?

16 CHAIRWOMAN MARTIN: Absolutely. Let's
17 back up and go to Mr. Phillips again. Can you
18 state which water company you are intervening
19 for? And also, if you can just -- if everyone
20 can do this, if you have filed an intervention
21 that is for anyone other -- yourself and anyone
22 other than yourself, please specify for us who
23 that is.

24 Okay. Go ahead, Mr. Phillips.

1 MR. PHILLIPS: Yes. I'm with Abenaki
2 Tioga, in Belmont. I'm at 30 Tioga Drive, in
3 Belmont. And I filed on my own behalf.

4 CHAIRWOMAN MARTIN: Okay. Thank you
5 for that. And Dawn Tinsley?

6 *[No indication given.]*

7 CHAIRWOMAN MARTIN: Okay. Sounds like
8 Dawn is not here.

9 MR. PHILLIPS: Dawn is not present.
10 She's working.

11 CHAIRWOMAN MARTIN: Okay. Thank you.
12 Cathy Collette?

13 *[No indication given.]*

14 MR. PHILLIPS: Cathy is also working.

15 CHAIRWOMAN MARTIN: Thank you,
16 Mr. Phillips.

17 How about Carolyn Bancroft?

18 *[No indication given.]*

19 MR. PHILLIPS: Carolyn is elderly. She
20 was going to try to join by phone. I spoke to
21 her just before the meeting.

22 CHAIRWOMAN MARTIN: Okay. Ms. Lemay,
23 did we hear from Ms. Bancroft by phone?

24 MS. LEMAY: Not as of yet, no.

1 CHAIRWOMAN MARTIN: Okay. Thank you.
2 Okay. Mr. James Cook?

3 MR. COOK: Present. And also on Tioga
4 Drive, Clark Street, in Belmont, New Hampshire.

5 CHAIRWOMAN MARTIN: Okay. Thank you.
6 And Mr. -- I'm going to say your name wrong, I'm
7 sure, Gene Preul?

8 MR. PREUL: Gene Preul.

9 CHAIRWOMAN MARTIN: "Preul".

10 MR. PREUL: I'm Gene Preul, and
11 present, and Tioga Drive, Belmont.

12 CHAIRWOMAN MARTIN: Okay. Thank you
13 very much. All right. We have Representative
14 Cristy Bresson? Are you with us?

15 MS. BRESSON: Yes, I'm present. And I
16 submitted a petition on behalf of myself,
17 personally, as well as on behalf of Village Shore
18 Estates Association, wherein I'm President of
19 that Association, located in Bow. We are the
20 White Rock water community.

21 CHAIRWOMAN MARTIN: Okay. And, so,
22 you're a representative in the capacity for the
23 Association?

24 MS. BRESSON: Yes. As well as

1 personally, that is correct. Thank you.

2 CHAIRWOMAN MARTIN: Thank you. Barbara
3 Hayes?

4 *[No indication given.]*

5 MS. BRESSON: Barbara is working today.

6 MR. MONAHAN: In any case, she couldn't
7 attend.

8 CHAIRWOMAN MARTIN: Okay. Thank you.
9 Robert Carchia?

10 *[Indecipherable audio.]*

11 CHAIRWOMAN MARTIN: We didn't hear
12 that. Can you --

13 MR. CARCHIA: I'm present. Tioga River
14 Water Company, in Belmont, New Hampshire.

15 CHAIRWOMAN MARTIN: Okay. Thank you.

16 MR. CARCHIA: Thank you.

17 CHAIRWOMAN MARTIN: All right. Peter
18 Spain?

19 *[No indication given.]*

20 CHAIRWOMAN MARTIN: Okay. Not hearing
21 from Mr. Spain. Kevin and Janet Monahan?

22 MR. MONAHAN: Present, Madam Chair.

23 With me is my wife, Janet. We are part of the

24 Village Shore Estates Association here, and that

1 is Abenaki Water.

2 CHAIRWOMAN MARTIN: And I see that we
3 had one for you, Mr. Monahan, and then another
4 one clarifying for the family?

5 MR. MONAHAN: I'm sorry. You're
6 talking to me?

7 CHAIRWOMAN MARTIN: Yes.

8 MR. MONAHAN: Okay. I did file just
9 recently an exhibit, as part of our letter for --
10 or, part of our petition for intervenor status.

11 CHAIRWOMAN MARTIN: Okay.

12 MR. MONAHAN: So, there should be two
13 items that you probably see on your list.

14 CHAIRWOMAN MARTIN: There are.

15 MR. MONAHAN: Yes.

16 CHAIRWOMAN MARTIN: Okay. Thank you.
17 Diana Staples?

18 MS. STAPLES: Present. I'm with
19 Abenaki, in Village Shore Estates, in Bow.

20 CHAIRWOMAN MARTIN: Okay. Thank you,
21 Ms. Staples. Matthew Gatzke and Sandra Crystall?

22 MS. CRYSTALL: Yes. This is Sandra
23 Crystall, Madam Chair. This is Sandra Crystall,
24 and representing myself and my husband, Matthew

1 Gatzke. And we are in Village Shore Estates, in
2 Bow, as well.

3 CHAIRWOMAN MARTIN: Okay. Thank you.
4 All right. Jared and Jennifer Sadeck?

5 *[No indication given.]*

6 MS. BRESSON: They are both working.
7 This is Cristy Bresson. They could not attend
8 today.

9 CHAIRWOMAN MARTIN: Okay.

10 MS. BRESSON: They live in Village
11 Shore Estates, in Bow.

12 CHAIRWOMAN MARTIN: Okay.

13 MS. BRESSON: Thank you.

14 CHAIRWOMAN MARTIN: Let's see. Kristen
15 and Mike Lang? Are they with us?

16 MS. BRESSON: The same thing. They are
17 in Bow, Village Shore Estates, and they are
18 working, and homeschooling, remote home school.

19 CHAIRWOMAN MARTIN: Okay. Thank you.

20 MS. BRESSON: Thank you.

21 CHAIRWOMAN MARTIN: All right. The
22 Speck family?

23 *[No indication given.]*

24 CHAIRWOMAN MARTIN: Okay. I don't see

1 them. Alan and Sharon Burgess?

2 MS. BURGESS: Hi. This is Sharon --
3 sorry. Hi. This is Sharon and Alan Burgess.
4 We're here. We are part of the Village Shore
5 Estates, in Bow, New Hampshire. And we filed
6 intervention on our behalf.

7 CHAIRWOMAN MARTIN: Mr. Patnaude, did
8 you get all of that?

9 MR. PATNAUDE: I believe I did.
10 Barely, but I did.

11 CHAIRWOMAN MARTIN: All right. Thank
12 you. And Mr. Benjamin LeVasseur? Are you with
13 us?

14 *[No indication given.]*

15 MS. BRESSON: He could not attend as
16 well. He's in Village Shore Estates.

17 CHAIRWOMAN MARTIN: Okay. Thank you.
18 Have I missed anybody who has filed a request to
19 intervene?

20 MS. LEMAY: I know that there was the
21 Speck family. There should be a Tyler Speck as
22 an attendee, and he needs to be unmuted at least.

23 CHAIRWOMAN MARTIN: Mr. Speck, can you
24 hear me?

1 *[No indication given.]*

2 CHAIRWOMAN MARTIN: Mr. Speck?

3 MR. SPECK: Yes. *[Indecipherable*
4 *audio.]*

5 *[Court reporter interruption due to*
6 *indecipherable audio.]*

7 CHAIRWOMAN MARTIN: I can't either. I
8 apologize, Mr. Speck. Can you repeat what you
9 just said? We couldn't hear you.

10 MS. SPECK: Can you hear me now?

11 CHAIRWOMAN MARTIN: Yes. That's
12 better.

13 MR. SPECK: I'm just in between two
14 rooms homeschooling four kids, we have a lot
15 going on here. So, forgive me, but I'll do my
16 best.

17 CHAIRWOMAN MARTIN: Okay. Thank you.
18 And can you let us know which water system you
19 are here for?

20 MR. SPECK: Yes. We live in the
21 Village Shore Estates, in Bow, as well.

22 CHAIRWOMAN MARTIN: Okay. Thank you.
23 All right. Anybody else that we haven't heard
24 from?

1 MR. RUDOLF: This is Rich Rudolf.

2 *[Indecipherable audio due to an unmuted*
3 *microphone and multiple voices.]*

4 CHAIRWOMAN MARTIN: Okay. Mr. Rudolf?

5 MR. RUDOLF: Yes. I am a resident of
6 Village Shore Estates, served by White Rock Water
7 Company. I live at 44 Rocky Point Drive. My
8 wife and I filed the intervention, but she is not
9 able to be here today, but I am, alone.

10 CHAIRWOMAN MARTIN: Okay. Thank you,
11 Mr. Rudolf. Anybody else?

12 *[No indication given.]*

13 CHAIRWOMAN MARTIN: Anyone who is not
14 speaking, if you could please mute.

15 MR. WOODRUFF: George Woodruff.

16 CHAIRWOMAN MARTIN: Okay.

17 Mr. Woodruff, which water system are you here
18 for?

19 *[No verbal response.]*

20 CHAIRWOMAN MARTIN: Mr. Woodruff, can
21 you hear me?

22 MR. WOODRUFF: For Tioga Belmont.

23 CHAIRWOMAN MARTIN: Tioga Belmont.

24 Okay. Thank you. Anybody else?

1 *[No indication given.]*

2 CHAIRWOMAN MARTIN: All right. We have
3 someone who does not have their line muted. If
4 you can make sure that you're muted, it would
5 help us greatly.

6 All right. Ms. Lemay, anything we can
7 do about that?

8 Okay. So, for preliminary matters, we
9 obviously have a number of petitions to intervene
10 that are pending. Any objections that anyone
11 wishes to be heard on today orally?

12 MR. ST. CYR: The Company has no
13 objection.

14 CHAIRWOMAN MARTIN: Okay. Thank you,
15 Mr. St. Cyr.

16 Okay. So, what we are going to do
17 is -- oh, Ms. Ross, go ahead. I apologize.

18 MS. ROSS: The Staff has no objections
19 to the interventions. All of the parties appear
20 to be customers.

21 We would request that either Staff or
22 the OCA work with some of the intervenors to make
23 sure that they actually have filed a proper
24 request for intervention in this docket. And we

1 would hope that the Commission might provide a
2 little guidance to the group, with regard to how
3 to efficiently present their cases in the various
4 water company proceedings.

5 Thank you.

6 CHAIRWOMAN MARTIN: Okay. Thank you
7 for that, Ms. Ross.

8 Ms. Shute, do you have anything to
9 add?

10 MS. SHUTE: I do not. I do not have
11 any objections to the intervenors. And I have --
12 I do think that we can easily check that they
13 have all petitioned appropriately.

14 CHAIRWOMAN MARTIN: All right. Thank
15 you.

16 Okay. And for purposes of today's
17 prehearing conference, as well as the technical
18 session that will follow immediately after, we
19 will treat all of those who have moved to
20 intervene as parties.

21 Also, we're going to provide an
22 opportunity for public comment, after we hear the
23 initial positions of the parties. And I will
24 just check in at the end to see if we do have any

1 members of the public who want to be heard.

2 Oh, Ms. Shute?

3 MS. SHUTE: So, is the intention to
4 treat all of them as individual parties? I just
5 wanted to clarify your statement, and make sure I
6 was understanding correctly.

7 CHAIRWOMAN MARTIN: Yes, for the time
8 being. Although we do encourage collaboration
9 and more efficient organization of the
10 intervenors, and that is something that you could
11 discuss at the technical session today, and try
12 to come up with a proposal that would be helpful
13 to us.

14 Okay. Anything else, before we hear
15 initial positions?

16 *[No verbal response.]*

17 CHAIRWOMAN MARTIN: All right. Then,
18 Mr. St. Cyr, if you'd like to start?

19 MR. ST. CYR: Yes. Good morning.
20 Thank you. Thank you for this time to present
21 Abenaki Water Company's preliminary statement.

22 Abenaki respectfully requests that the
23 Commission accept its filing in support of its
24 request for an increase in rates in its Lakeland

1 Sewer, Lakeland, White Rock, Tioga Belmont, and
2 Tioga Gilford Village water systems. Abenaki is
3 also proposing that the Commission approve a
4 consolidated rate for the four water systems.
5 Overall, Abenaki is proposing a revenue
6 requirement for the four water systems of
7 approximately 475,000, an increase of 225,000 in
8 its annual revenues.

9 A summary of the issues affecting the
10 revenue increases for each of the systems is as
11 follows:

12 For Lakeland Sewer, in 2020, the City
13 of Laconia increased the sewer rates that the
14 Company pays. Also, in 2021, the Company
15 anticipates another increase in the City of
16 Laconia sewer rates. The Company reflected the
17 proposed rate increases in its filing. The
18 Company does not make any money on the City of
19 Laconia sewer costs. It simply passes on those
20 costs to its customers, collects the funds, and
21 then pays the City of Laconia. Also, Lakeland
22 Sewer is seeking a mechanism whereby future City
23 of Laconia sewer increases are passed on to
24 Lakeland Sewer Company customers, after PUC,

1 without a significant and costly proceeding.

2 For Lakeland Water, in 2020 and 2000 --
3 I'm sorry, 2019 and 2020, the Company invested in
4 plant, which it is seeking full recovery of in
5 rate base. Also, in 2017, the Company purchased
6 some water, which it deferred, due to a boiling
7 water order.

8 For White Rock, in 2021, the Company
9 anticipates expenditures of approximately
10 \$170,000, including 125,000 to be funded by the
11 New Hampshire Drinking Water State Revolving
12 Fund. The Company requested approval from the
13 PUC -- I'm sorry -- its request for approval from
14 the PUC is pending, in DW 20-088. Also, in 2018
15 and '19, the Company has incurred significant
16 water outage expenditures and costs associated
17 with its tank and inspection.

18 For Tioga Gilford Village, during the
19 twelve months ended April 30, 2020, the test
20 year, the Company incurred a significant net
21 loss. Also, in 2019, the Company purchased and
22 installed meters amounting to approximately
23 \$30,000. In addition, the Company is seeking its
24 due diligence costs that it incurred in the

1 process of purchasing and gaining PUC approval to
2 purchase the system.

3 Finally, for Tioga Belmont, again,
4 during the twelve months ended April 30, 2020,
5 the test year, the Company incurred a significant
6 net loss. In 2021, the Company expects to incur
7 expenditures of approximately 54,000, including
8 50,000 to be funded with the New Hampshire
9 Drinking Water and Groundwater Trust Fund. The
10 New Hampshire PUC approved the Company's request
11 to borrow up to 45,000 in DW 20-004. In
12 addition, the Company is seeking its due
13 diligence costs incurred in the process of
14 purchasing the system and gaining PUC approval.

15 The Company is seeking to cure certain
16 New Hampshire DES significant deficiencies and to
17 meet other New Hampshire DES and New Hampshire
18 PUC rules and regulations. The Company has made
19 some significant investments, and will need to
20 continue to do so in 2021. These investments are
21 generational investments, which will help
22 stabilize the systems for a number of years.

23 The Company recognizes the magnitude of
24 the increase, particularly on such small water

1 systems and small number of customers. The
2 Company is proposing to consolidate the rates to
3 reduce some of the particularly high rates.

4 The Company anticipates working with
5 the PUC Staff, the OCA, and other parties, and
6 hopefully reaching a mutually agreeable,
7 satisfactory result.

8 And with that, I do have Mr. Gallo
9 available to talk about the operating status of
10 each of the water systems. I guess I thought
11 that maybe it would be best that he did that at
12 the end, to allow the other parties to present
13 their preliminary statement. But whatever the
14 desire is of the Commissioners and the parties
15 works for the Company.

16 CHAIRWOMAN MARTIN: Commissioner
17 Bailey, any preference?

18 CMSR. BAILEY: No, I don't have a
19 preference. But I would like to hear the
20 Company's response to some of the petitions to
21 intervene that indicated that the quality of the
22 water doesn't meet the State standards. So,
23 maybe we'll hear from the petitioners in their
24 opening statements, and then it would be a good

1 idea for Mr. Gallo to address that.

2 MR. ST. CYR: Works for the Company.

3 Thank you.

4 CHAIRWOMAN MARTIN: Okay. Then, that's
5 what we'll do.

6 So, we'll move on to those who have
7 petitioned to intervene at this point. And I'm
8 just going to go through the list of who we have
9 here. If you want to make a -- tell us your
10 initial position on the case, now is your time to
11 do it.

12 Mr. Phillips.

13 MR. PHILLIPS: Good morning, Madam
14 Chairwoman.

15 So, my position is, obviously, that,
16 you know, we'd like the Petition to be denied.
17 But we understand that, you know, the water
18 system is in disrepair. We've lived with that
19 for a number of years.

20 The water quality going down, the
21 outages being, you know, being more frequent.
22 You know, some of the costs that were incurred
23 due to the recent break about a year ago, I think
24 were a direct result of Abenaki not checking with

1 the prior owners and turning up the pressure.
2 When you turn up the pressure, the pipes blow,
3 and you have a resultant break, it just seems odd
4 to me that all of the customers -- the small
5 amount of customers are now liable for the error
6 or the negligence.

7 That's my position, in a nutshell.

8 CHAIRWOMAN MARTIN: Okay. Thank you,
9 Mr. Phillips. Mr. Cook?

10 MR. COOK: Yes. Thank you, Madam
11 Chairwoman.

12 I would pretty much agree with what
13 Mr. Phillips stated. And I'm finding it
14 interesting to hear from the Company today that
15 there was due diligence performed before
16 purchasing the system. Because, if they had
17 talked to any of the customers who are here
18 today, they would have discovered that there were
19 several issues, and probably would have been able
20 to better plan for these costs that they
21 incurred.

22 So, that is my position.

23 CHAIRWOMAN MARTIN: Thank you,
24 Mr. Cook. Okay. Mr. Preul.

1 MR. PREUL: Thank you.

2 My main concern here is, is when
3 Abenaki took over this water system, they knew in
4 advance, or should have known in advance, that
5 the system was not up to standard. Any time the
6 employees were around, they were informed that
7 the system had major problems. And my main
8 problem is, is every time they went to work on
9 this system, they had to hire an outside company,
10 giving me the impression that they absolutely do
11 not have any qualified personnel to run the
12 equipment that was required to work on a water
13 system. And, therefore, we should not be
14 responsible for any of those costs involved for
15 them not having qualified personnel.

16 And, as Mr. Cyr *[sic]* stated in his --
17 one of his most recent e-mails that Abenaki Water
18 Company has no employees. So, how can they, you
19 know, how can we be responsible for costs when
20 they don't even have any employees?

21 And that's my main deal, that we should
22 not be, as customers, responsible for one penny
23 of the outside costs.

24 Thank you.

1 CHAIRWOMAN MARTIN: Thank you,
2 Mr. Preul. Okay. Ms. Bresson.

3 MS. BRESSON: Yes. Thank you,
4 Chairwoman Martin.

5 I have -- I have lived in Village Shore
6 Estates for only five years. Our neighborhood is
7 consisting of approximately 95 residents. With
8 the exception of five or six homes, all of the
9 remainder of the homes in our community are
10 connected to our community well, which is owned
11 and operated by Abenaki.

12 As I said, I submitted my petition to
13 intervene both personally and on behalf of
14 Village Shore Estates as president of the
15 Association. We are customers that have --
16 really are at the mercy of Abenaki.

17 And, while I've only lived here for
18 five years, there definitely seems to be patterns
19 between our water system and, certainly, the
20 Belmont system. This seems to be a situation
21 where we have a subpar system that was purchased
22 by Abenaki, yet we are paying above premium
23 rates. We have some of the highest rates in the
24 entire State of New Hampshire at the present

1 moment.

2 If the Commission were to approve the
3 requested rate, whether it is the proposed, at
4 least for our unit, the 90.62 percent to 124, or
5 a consolidated rate, it does not matter. If
6 either of those rates are approved, we will most
7 definitely have the highest rates in New
8 Hampshire. That seems inequitable, in light of
9 the fact that we are receiving substandard water.
10 We have elevated arsenic levels. And that's been
11 a chronic problem. That doesn't seem to be, in
12 my opinion, being addressed appropriately or
13 timely. Customer service is lacking, and has
14 been for years.

15 And there just seems to be an inherent
16 situation where Abenaki would like us to be
17 helpful and assist, and we can get into it
18 separately, but our neighborhood, in Village
19 Shore, has given Abenaki significant assistance
20 in their efforts to be creative and find
21 alternative ways on how to fix issues.

22 And it seems very contradictory at this
23 point to be asking for the exorbitant rate that
24 they're asking for, in light of the fact that

1 what they are providing, the service, the quality
2 of the water, is not where it should be.

3 Now, I appreciate that -- that they are
4 statutorily entitled or required to a certain
5 rate of return, and they have to produce a
6 profit. But there needs to be a sense of
7 reasonableness here, and their request is not
8 reasonable.

9 Thanks very much.

10 CHAIRWOMAN MARTIN: Okay. Thank you.
11 Mr. Carchia.

12 MR. CARCHIA: Here we go. Tioga
13 Belmont.

14 My concern one is, when Abenaki
15 purchased this system from Tioga River Water,
16 a.k.a. Gilford Well, it's my understanding that
17 even the Town of Belmont has no record of -- or
18 no blueprint of these water lines. That Abenaki
19 had to hire outside people to find these water
20 lines. I find it outrageous that the Town of
21 Belmont has no record of this water system, where
22 the lines are, no blueprint, and we're going to
23 be held responsible for those fees, because they
24 bought a bag of goods that they didn't research.

1 Second of all, that this couldn't have
2 come at a worse time with COVID for the rate
3 increase for another. Tioga Belmont, our
4 development, consists of approximately are just
5 under 30 residents. Most of us are retired and
6 live on a very low fixed income, which is
7 outrageous. Second.

8 And third of all, is the rate that they
9 want, they want to increase our quarterly fee or
10 our standard fee, whatever that is, --

11 UNIDENTIFIED SPEAKER: Base fee.

12 MR. CARCHIA: -- the base fee, for
13 what? They have no employees, according to Mr.
14 St. Cyr's e-mail.

15 This cannot go through. You know, they
16 need to investigate where these lines are, and
17 start with the Town of Belmont, and why they have
18 no record of this water system, as where these
19 lines go, as far as a blueprint, schematic, or
20 whatever.

21 And another thing is, when they truck
22 in the water, it is not our fault they blew the
23 line. Now, they want us to pay for this extra
24 fee for the water that they trucked in, when

1 they, like I said, and all the residents here
2 have the same feeling, that they bought a bag of
3 goods that they did not research before they
4 bought.

5 Thank you.

6 CHAIRWOMAN MARTIN: Thank you,
7 Mr. Carchia. Mr. Monahan. You're on mute,
8 Mr. Monahan.

9 MR. MONAHAN: I'm sorry. Thank you.

10 I just want to go back to Commissioner
11 Bailey's note about the water quality issues here
12 at Village Shore Estates. And it's very
13 frustrating. You know, I've pretty much and a
14 lot of our neighbors have lost the trust in the
15 water company to, you know, financially, or
16 otherwise, manage the system.

17 And I submitted, and I'm not sure
18 whether you have access to it or not right now,
19 but I submitted an exhibit, "Exhibit A". And
20 this is a notice that Abenaki sent us. And it
21 just -- it demonstrates the way this Company has
22 managed the water company.

23 And I should add, we've been here for
24 33 years with this water system. And back in the

1 third quarter of 2019, Abenaki sent us a notice
2 saying that they had failed, they have actually
3 violated a drinking water monitoring requirement
4 for the third quarter 2019.

5 I want to note what they are supposed
6 to be testing for. They were supposed to be
7 testing for, and I'm going to probably
8 mispronounce this, but "Trihalomethanes". It's a
9 nasty compound. It occurs when you add
10 disinfectant to a water system. It's a Class B
11 carcinogenic. And the only reason I raise this
12 is I want to -- and it's very frustrating to try
13 to relate what it's like here using this water
14 system. But, for 33 years, we've experienced
15 outages, water restrictions, poor water quality,
16 to this day we're buying our water at Market
17 Basket. And we've, you know, we've witnessed
18 many rate hikes in the past over these 33 years.
19 And, despite all of these rate increases and all
20 the promises of either White Rock or Abenaki,
21 we're back to where we were 33 years ago.

22 As a matter of fact, as we sit here
23 right now and I talk, our 33 gallon storage --
24 33,000 gallon storage tank is leaking, and it's

1 been leaking for over a year. The quick fix that
2 Abenaki wants to do is reline the tank. But
3 that's a stopgap; it's not a permanent repair.

4 The system is old and it's failed.
5 It's plagued with leaking pipes, gate valves have
6 failed. My property has been excavated twice in
7 33 years to fix the pipes that service our house.

8 So, and the other point I just want to
9 raise is Village Shore Homeowners Association
10 unbelievably was able to secure I think it was a
11 \$350,000 grant for Abenaki Water. And that
12 should go a long way to addressing their needs.

13 And another point I wanted to make was,
14 and, by the way, this is -- I have a long piece
15 of testimony that was attached to my petition.
16 So, I'll end it just by saying, you know, this
17 is -- we're just paying an excessive rate by any
18 standard right now. And the proposed rate
19 increases that they want to have, you know, it
20 reflects their need or their desire to recoup
21 some lost revenues, because the system has not
22 been producing. And I find that insulting to
23 begin with, and just -- and doubling our rates
24 overnight, it just isn't warranted to us.

1 And I would ask, and you are our only
2 recourse, I would ask the Commission to deny the
3 application. I would also, you know, reemphasize
4 that I did write a lengthy piece of testimony
5 with my petition for intervenor status, as did
6 many of the other intervenors. And I hope you
7 take a moment to read it.

8 Thank you.

9 CHAIRWOMAN MARTIN: Thank you,
10 Mr. Monahan. Okay. Ms. Staples.

11 MS. STAPLES: Thank you, Chairwoman.
12 I'm with Village Shore Estates, in Bow. I agree
13 with all the previous people that have spoken
14 about our water system.

15 And I just wanted to add that also,
16 while there are rate increases, doubling the
17 rates is just unprecedented. I don't know of a
18 business or a service that would double the rates
19 at one time.

20 And I also wanted to say that they were
21 able to secure the loan from the State for the
22 \$350,000 to -- for the purpose of addressing
23 these problems. And the neighborhood helped them
24 attain that, that grant. And I think that they

1 should use those funds first, before they
2 increase the rates to the residents.

3 Thank you.

4 CHAIRWOMAN MARTIN: Thank you, Ms.
5 Staples. Ms. Crystall.

6 MS. CRYSTALL: Yes. Thank you,
7 Chairwoman. I, as Ms. Staples said, I, too, will
8 agree with the other testimony that's been given
9 by other residents and our representative, Cristy
10 Bresson.

11 I am in opposition to the amount of the
12 proposed rate. I have concerns with the quality
13 of the water and the failure to meet existing
14 standards, and they're definitely not in a
15 position to meet the new standards.

16 And I have been in the neighborhood for
17 21 years, and been through I guess this is the
18 third rate case that I've sat in on. So, I do
19 have a lot of concerns, and I'll leave it to
20 written testimony at this point.

21 Thank you.

22 CHAIRWOMAN MARTIN: Thank you, Ms.
23 Crystall. And Ms. Burgess.

24 MS. BURGESS: Thank you, Chairwoman.

1 Alan and Sharon Burgess here. And we have been
2 residents of the Village Shore Estates community
3 here in Bow for over 18 years.

4 We are expressing our opposition to
5 both the consolidated rate and the individual
6 community rate; neither option is acceptable.
7 The water system, as we've heard from many here
8 in testimony, the water system is in complete
9 disrepair, and at a cost that we should not be
10 bearing.

11 I agree with Mr. Phillips, Ms. Bresson,
12 and Mr. Monahan, in the due diligence in the
13 system, things like the quality of the water, the
14 reliability of water, the time off, the time for
15 which days at a time the water would be turned
16 off, with no attempt to give a water
17 substitution, just "your water is going to be off
18 for two days." And that's just unacceptable in
19 today's day and time, for multiple weeks in a
20 row, as they try to assess and work on things.

21 The grant, I agree, the community has
22 come together to try to do whatever we could, and
23 this is really not acceptable. It's a slap in
24 the face to say, "Yes, you guys have done all of

1 this for us, thanks." And then they go off and
2 put together this rate increase.

3 Transparency. We don't have
4 transparency. We have to ask for explanations
5 and stuff. Things like simple notifications.
6 They will call and ask for e-mails, but we have
7 an elderly community here that doesn't have
8 computers or e-mail. And we're asked to go and
9 stuff mailboxes for them. This is not a
10 relationship that is acceptable in the business
11 world. They want to treat it like a business
12 relationship, but we're being taken advantage of.

13 The negligence and the lack of
14 reinvestment in the system is really clear, and I
15 agree with the statements ahead of mine that the
16 due diligence was not adequate.

17 So, that's pretty much what I have to
18 add. And thank you very much.

19 CHAIRWOMAN MARTIN: Thank you,
20 Ms. Burgess. Ms. Speck. Ms. Speck, are you with
21 us?

22 *[No indication given.]*

23 MS. LEMAY: That would be Tyler Speck.
24 He might need to be unmuted.

1 CHAIRWOMAN MARTIN: Anyone here for the
2 Speck family?

3 *[No indication given.]*

4 CHAIRWOMAN MARTIN: Okay. Then, we
5 will move on to Mr. Rudolf.

6 MR. RUDOLF: This is Rich Rudolf.

7 CHAIRWOMAN MARTIN: Go ahead,
8 Mr. Rudolf.

9 MR. RUDOLF: I live at 44 Rocky Point
10 Drive, in Bow, served by the White Rock Water
11 Company. I'm in agreement with Ms. Crystall,
12 Ms. Burgess, Ms. Bresson, and the other
13 residents.

14 I mean, we all experience the same
15 level of service from White Rock Water Company.
16 So, I won't repeat the things that you've already
17 heard, but just to itemize them. Certainly, the
18 water interruptions, the aging system, the water
19 quality, and specifically the arsenic not meeting
20 the required levels.

21 We're already paying among the highest
22 rates in the state, and to have this significant
23 a rate increase is really out of the ordinary.
24 So, I do want to express my opposition to these

1 rate increases, and ask the PUC to take that into
2 account.

3 Just for your info, I've lived in
4 the -- my wife and I have lived in the
5 neighborhood for 16 years, and we're retired.
6 And, at that, I'll leave it with that and we can
7 move through the meeting.

8 Thank you.

9 CHAIRWOMAN MARTIN: All right. Thank
10 you. And Mr. Woodruff.

11 MR. WOODRUFF: Yes. Can you hear me
12 okay?

13 CHAIRWOMAN MARTIN: Yes, we can hear
14 you.

15 MR. WOODRUFF: Well, looking at the
16 requested increase on our water rates, Abenaki
17 Water did not research the purchase of Tioga
18 River Water Company back in April of 2019.
19 According to the PUC Docket 10-217, dated on
20 10/05/2010, by Stephen P. St. Cyr & Associates,
21 the Tioga River Water Company, in 2006, 2007,
22 2008, took a loan to replace the tanks and
23 plumbing equipment at the Tioga pumps.

24 The question is, they want to put in a

1 new 12,000 gallon tank that's going to cost
2 \$40,000. My question is, back then, did the
3 tanks actually get replaced? They have a big
4 question mark after the tanks, that are they
5 actually 10,000 gallons that's already there?
6 They do not know.

7 Did the representatives of the
8 testimony actually visit our sites or did they
9 write their testimony from the Abenaki Water
10 Company reports? What valid information do we
11 have? And what are we paying for?

12 Also, the Tioga River Water Company
13 agreed to install, and have operational by
14 October 6, 2011, an auto dialer in Belmont pump
15 station, to notify the companies directly if any
16 system alarms. Nope. Haven't seen it.

17 So, because the 10,000 gallon tank is
18 still in question, according to the testimony,
19 only 4,500 gallons got filled into the holding
20 tank when we hit problems. Having two wells, did
21 the tank become partially filled while waiting
22 for the water truck? What is the holding tank
23 capacity? They don't know.

24 And the next item was, they're

1 requesting a \$5,000 system mapping of the water
2 system at Tioga Belmont. That should have been
3 given to them by the Tioga Water Company. Why
4 are we paying for a mapping that should have been
5 part of the purchase agreement? They do not know
6 what they're buying. This is unacceptable.

7 And the \$15,000 they want to replace
8 the filtration system and media equipment. Then,
9 they're also asking for another \$10,000 for the
10 SCADA, which is the Supervisory and Data
11 Acquisition. Are we paying for duplicate
12 systems?

13 There's a quote from PFK **[PKF?]**
14 O'Connor Davies, which is an accountant and
15 adviser for Abenaki Water, year ending 2019/2018,
16 Financial Page 7, under "Cash and cash
17 equivalents", says -- this is a quote -- "The
18 Company maintains its cash and bank deposit
19 accounts, which, at times, may exceed the federal
20 insured limits", and that's over \$250,000. "The
21 Company has not experienced losses in such
22 accountants and does not believe it is exposed to
23 any significant risk related to cash and cash
24 equivalents." Do we really need to have an

1 increase if they have this kind of money?

2 According to the financial report to
3 the PUC, year ending December 31st, 2019, Page
4 84, revenues for water only, not sewer, was
5 \$561,670. On Page 8 of the same report, 406,630
6 was given to NESC for "management expenses";
7 44,369 to "fixed capital", with \$238,000 for
8 "operating expenses". If the operating expenses
9 is \$238,278, why increase the base charge, which
10 they had to pay out or what we're -- what they
11 receive from us, 237,660, to \$484,442? Going
12 from the base charge of \$20 to \$45 a month
13 exceeds what is necessary and is extremely
14 overcharging customers.

15 All of the repairs are done by outside
16 services. Page 8 of that same report for year
17 ending December 31st, 2019, within operating
18 expenses, was for \$2,897 only for outside
19 services. All of the work is done by outside
20 services. Maybe Abenaki Water and NESC should
21 allocate some of the management funds to capital
22 expenditures, so that we can get the system
23 improved without burdening the customers. With
24 an efficient water system, maybe we won't need a

1 larger water tank.

2 And another thing that I'm asking for
3 the PUC would allow to explain to me, why would
4 they allow a strong-arm approach to American --
5 Abenaki Water Company on Page 3 and 4 of the
6 Docket 20-112?

7 If the Commissioner -- the Commission
8 does not approve consolidated rates for four
9 water systems, Abenaki requests
10 temporary/permanent rates, whether or not
11 Commission approves the requested rates, for the
12 base rate of \$20, to up to \$85, which could max
13 to a 425 percent increase, and the water rates
14 from 0.015, up to 0.09, which could be another
15 500 percent increase for Tioga Belmont. Due to
16 this strong-arm approach, I do not -- I cannot
17 afford to live here in Belmont.

18 Let's see. Docket -- let's see. So,
19 one of the other questions I would ask, are they
20 utilizing the strong-arm effect as a smokescreen
21 for us to accept a lower rate from the very
22 beginning, compared to the extremely high rate,
23 in case the PUC doesn't accept the consolidated
24 rate?

1 PUC always are not recoverable as rate
2 case expenses under Puc 1907.01 expenses.

3 "Expenses not allowed", which are "Expenses for
4 matters handled by service providers that are
5 typically performed by utility management and
6 staff of the utility, based on their experience,
7 expertise, and availability."

8 Since Abenaki Water Company is
9 requesting the rate increase, why are the
10 customers paying for the lawyers, the expertise,
11 and the PUC audit of \$7,500 on Page 78 of
12 Mr. St. Cyr & Associates? Just because these
13 fees are precedent, does not require them to be
14 on today's hearing. This is unacceptable.

15 The monopoly of the water company over
16 its customers makes our water rate the second
17 highest in New Hampshire. And I am close to
18 retirement. I know I cannot afford a higher
19 water bill.

20 Thank you.

21 CHAIRWOMAN MARTIN: Thank you,
22 Mr. Woodruff.

23 Okay. Is there any other intervenor
24 who would like to make an initial position that

1 we haven't heard from?

2 *[No verbal response.]*

3 CHAIRWOMAN MARTIN: Okay. Then, we
4 will go to the OCA, Ms. Shute.

5 MS. SHUTE: Thank you, Chairwoman
6 Martin.

7 The Office of the Consumer Advocate is
8 very concerned about the rates. We are concerned
9 about the increase, not just the increase in
10 rates, but the increase in fixed rates, as
11 compared to consumption rates.

12 We also note that there seemed to be a
13 lot of additional penalties that have been
14 included in for nonpayment issues that seem a bit
15 duplicative.

16 The range inside of these four water
17 companies is significant, with Belmont certainly
18 being the most extreme for my calculations.
19 Their water would, under these proposed rates,
20 run about \$366 a month.

21 So, we also recognize that there are
22 certain costs, and we hope that we can assist, to
23 some degree, in helping find solutions that will
24 not perpetuate a difficult situation further.

1 And we also recognize that, you know, we have --
2 well, I'll leave it at that for now, until a tech
3 session.

4 So, we will try to work with the
5 customers and with the Company to find something
6 that is more reasonable and fair to be able to
7 continue to provide water service in these areas.

8 Thank you.

9 CHAIRWOMAN MARTIN: Thank you,
10 Ms. Shute. And then, Ms. Ross, for Staff.

11 MS. ROSS: Thank you, Commissioners.
12 Staff is just beginning its review of the filing,
13 so this is just a preliminary position.

14 The filing presents some accounting
15 difficulties, because the test years do not match
16 on the four water companies. So, Staff is going
17 to be asking the Company to file a test year for
18 all companies ending on April 30th, 2020.
19 Especially in light of the fact that they're
20 looking for consolidated rates, we need the rate
21 base and rate-setting to be over the same test
22 year timeframe.

23 We also would like the Company to clean
24 up the filing so that the names of the companies

1 in the filing reflect the names on their tariff
2 pages, as opposed to other names that are just
3 contributing to the confusion.

4 Some of our high-level concerns involve
5 their proposed permanent 0.25 percent adder for
6 good behavior; their acquisition and due
7 diligence expenses being included in rates; their
8 bulk water purchases, and whether those were
9 necessary; and just their request for an
10 automatic sewer adjustment. Those are just a few
11 of the things that present some problems.

12 I think we also notice that their
13 temporary rates are based on numerous *pro forma*
14 adjustments, which typically we don't do *pro*
15 *forma* adjustments in temporary rates. So, we are
16 going to be pushing the Company to remove those
17 in our discussions in the technical session.

18 And again, just to conclude, we share
19 the customers' concerns with both the magnitude
20 of the increase and the ongoing water quality
21 problems. So, we'll be exploring those in more
22 detail.

23 Thank you.

24 CHAIRWOMAN MARTIN: Thank you, Ms.

1 Ross.

2 Okay. At this point, I want to go back
3 to the Company, Mr. St. Cyr, and I believe Mr.
4 Gallo was going to respond to Commissioner
5 Bailey's question?

6 MR. ST. CYR: Yes. If I may, before
7 Mr. Gallo, on a couple of incidents?

8 It were mentioned that "Abenaki has no
9 employees", and I want to confirm that that's
10 true. What it does have is an affiliate
11 agreement with its parent company, New England
12 Service Company. It does have an office in
13 Gilford, and has some personnel there. Mr. Gallo
14 can talk about how the Company serves, you know,
15 its systems out of that office.

16 And then, on another occasion, it was
17 mentioned a couple times of a "\$350,000 grant".
18 You know, my understanding is that that grant is
19 related to a new source of supply. And again,
20 Mr. Gallo can address that. That's not even
21 taken into consideration in the rate filing, and
22 cannot be used for other purposes.

23 And then, finally, before Mr. Gallo,
24 you know, the Company has received some State

1 Revolving Funds, which are low-cost interest
2 rates. But those funds have to be paid back.
3 You know, if the Company makes the investment to
4 make the improvement, you know, it still has to
5 pay back the loan.

6 So, with those couple of points of
7 clarification, if Mr. Gallo is ready, then, go
8 ahead, Bob.

9 CHAIRWOMAN MARTIN: Mr. Gallo.

10 MR. GALLO: Yes. Good morning. I want
11 to thank the Commission for allowing us to
12 present our position here for the rates.

13 I'd like just to address some ongoing
14 projects that we're going to have for projects in
15 process for some of the water systems.

16 I'd like to start off with the --

17 *[Court reporter interruption due to*
18 *audio.]*

19 MR. GALLO: Oh, I'm sorry. This is the
20 White Rock system. The White Rock system is
21 sourced by three low-producing deep bedrock
22 wells, that have been deepened in the past with
23 no results in appreciable increases in yield.
24 And, currently, it operates at approximately 15

1 to 20 gallons per minute, which just meets the
2 demand of the community, and that is without the
3 benefit of outside watering. We have a ban on
4 that. So, what we have now is just meeting the
5 demand of those homes themselves.

6 In regards to the arsenic issue, you
7 know, they're not in compliance with the arsenic
8 maximum contaminant level, which at present is 10
9 parts per billion. And the compliance is based
10 on a running annual average, which continuously
11 [sic] is an annual average over a rolling
12 12-month period.

13 So, in July 2020 to December 2020, the
14 Company was notified that previous samples were
15 over the MCL of 10 parts per billion. The most
16 recently collected sample resulted in the running
17 annual average exceeding the MCL, which was then
18 in a DER -- DES subsequently issued a Letter of
19 Deficiency, and that was on July -- or, December
20 29th, 2020. So, the Letter of Deficiency was the
21 result of the previous sample exceeding the
22 running annual average.

23 And per the Letter of Deficiency, the
24 Company was required to either provide an

1 operation and maintenance manual for maintaining
2 the current system, or identify a consultant that
3 would evaluate the treatment, system for
4 potential improvements by January 28, 2020 --
5 2021, which we had done.

6 AWC notified DES that Horizons
7 Engineering was providing an engineering
8 evaluation of the system, with recommendations by
9 the established March 29th, 2021 deadline. Once
10 the consultant's report is approved, future dates
11 for design plan submission and implementation of
12 the improvement plan will be determined by DES.

13 Given that the MCL was due to be a
14 decrease from 10 parts per million [sic] to 5
15 parts per -- or, 5 parts per billion, excuse me,
16 the decision to engage a consultant, you know, we
17 feel is in the interest of providing effective
18 treatment, while avoiding incurring costs that
19 would eventually be passed on, you know, to
20 ratepayers. Because, you know, simply rushing to
21 replace a media in the system that was just
22 replaced several years ago, we feel that we want
23 to avoid a costly investment that may not provide
24 the needed removal efficiencies.

1 So, the potential modifications to the
2 system are anticipated to provide the
3 efficiencies, the removal efficiencies that are
4 required to come in compliance with the stricter
5 MCL, and future increased flows to the system.
6 So, we are going to be exploring a new source,
7 which, hopefully, will bear fruit, and will
8 increase those flows. So, part of this project
9 for the arsenic system is to account for, you
10 know, potentially doubling the flows, which is a
11 DES requirement for a system such as this. Like
12 I said, we're in the 15 to 20 gallon per minute
13 range, which is just the demand. The DES
14 regulation is that we have to provide two times
15 the peak demand. So, with that said, you know,
16 we are going to have to look at potential
17 modifications to our system.

18 And, in regards to the exploration for
19 a source, new sources, the \$350,000 grant that
20 Mr. St. Cyr mentioned is solely for the
21 exploration of a new source and getting that on
22 line. Those funds cannot be used for anything
23 else to make -- otherwise make improvements in
24 the system.

1 You know, other projects we have going
2 on were the tank lining. Someone made a previous
3 comment that the tanks, you know, we were going
4 to replace one. We are looking, you know, the
5 loss of water was -- turns out was attributed to
6 a substantial leak in the system, that was
7 finally discovered and fixed. So, we did have --
8 we did have the tanks inspected. And, you know,
9 all indications are that the tanks before our
10 ownership were previously not inspected. So, we
11 did have those tanks inspected and cleaned. And
12 we made modifications to the plumbing of those
13 tanks, so that we can now isolate those tanks, in
14 the event of an issue that may come up with
15 either one, so that we can always keep one of the
16 15,000 gallon tanks in service.

17 You know, and we have a pending docket
18 for approval of an SRF loan, where we will be
19 lining those tanks, you know, to increase the
20 service life, and, you know, and that will, you
21 know, again, increase the service life for the
22 tanks, to avoid a very costly replacement in the
23 near future.

24 In addition, some capital improvements

1 out there will be the replacement of aging
2 pressure-reducing valves. The system has three
3 pressure gradients. So, we want to replace those
4 valves to avoid excessive pressures at the bottom
5 of the system. We also are going to be
6 installing some isolation valves, to then better
7 allow us to isolate portions of the system in the
8 event of a line break.

9 There was some mention earlier that
10 there are substandard or, you know, historical
11 issues out there. So, given that knowledge with
12 the materials that were used, we want to be able
13 to isolate portions of that system in the event
14 of a break, so that many people, you know, the
15 number of people affected by any given outage is
16 reduced.

17 Moving over to the Tioga Gilford
18 Village system, the Company was issued a Letter
19 of Deficiency for its exceedance of the combined
20 radium out there for finished water in the
21 distribution system. Again, the same similar
22 situation as with the arsenic, the levels are
23 evaluated on a 12-month rolling basis. And, you
24 know, recent testing results increased the

1 running annual average over the maximum
2 contaminant level. So, as a result, we are
3 looking at -- looking at replacing some of the
4 equipment out there to provide better treatment.
5 And, you know, we are working with the DES on
6 that, just as we are with the arsenic issue of
7 White Rock.

8 Onto the Lakeland system, we are
9 investigating improvement of -- excuse me -- the
10 reliability of the booster pump/pumping station
11 out there, which distributes water from the
12 storage tank. And we're also evaluating the
13 installation of more isolation valves, again, to
14 isolate portions of the system to reduce the
15 number of customers without water during a break
16 or outage.

17 We also continue to invest in the sewer
18 pumping station, which we've had some issues in
19 the past with a pump replacement/pump damage to,
20 you know, due to solids and materials being
21 flushed into the system that the system cannot
22 handle. The pumps cannot, you know, handle some
23 of these solids that are being pumped or flushed
24 in, and, you know, resulting in, you know, pump

1 damage and outages that we then have to go
2 through some costly replacement for. So, we have
3 done that recently.

4 Moving onto Tioga Belmont, the Company
5 is making plans to replace the media to treat the
6 iron and manganese that's in the well water out
7 there, in our hope to improve the quality of the
8 water. That replacement is planned to be done in
9 the second quarter of 2021.

10 And the replacement of a storage tank
11 was discussed earlier, and we are looking to
12 replace the 4,500 gallon storage tank with a
13 10,000 gallon storage tank. You know, there was
14 a reference that, you know, it may not be 4,500
15 gallons, and the well may have filled it. This,
16 the filling of these wells was -- or, these tanks
17 was done during an outage period in order to keep
18 and provide water service to the customers. And
19 the maximum amount that the tank would handle
20 over several fillings was 4,500 gallons. So, it
21 wasn't an isolated incident where, you know,
22 where we just take that 4,500 gallons once.

23 So, that is the reason to replace that
24 tank, is to provide more reliability, more

1 storage, in the event of a break in a service on
2 part of the system. So, we feel that is a
3 necessary project as well.

4 So, with that, that ends my summary of
5 what we're doing out there in the systems.

6 CHAIRWOMAN MARTIN: Okay. Thank you,
7 Mr. Gallo.

8 Commissioner Bailey, do you have any
9 questions for Mr. Gallo or anyone else?

10 CMSR. BAILEY: No, not at this time.
11 Thank you.

12 CHAIRWOMAN MARTIN: Okay. Thank you.

13 At this point, Ms. Lemay, if you're
14 with us, do we have anyone from the public who
15 wanted to comment?

16 MS. LEMAY: I have not heard from
17 anybody else.

18 CHAIRWOMAN MARTIN: Okay. Thank you
19 very much.

20 All right. Anything else we need to
21 cover before the technical session?

22 *[No verbal response.]*

23 CHAIRWOMAN MARTIN: Ms. Ross, anything?

24 MR. CARCHIA: Yes. I'm Mr. Carchia,

1 from Tioga water supply, in Belmont.

2 CHAIRWOMAN MARTIN: Okay.

3 MR. CARCHIA: My question is to on
4 these repairs to the Tioga station in Belmont.
5 What are they going to do about the 2-inch lines?
6 We have 2-inch supply lines that come to the
7 residents. That's the main. The water main is a
8 2-inch main. What does it cost for a 2-inch ball
9 valve? You're saying you're going to replace
10 ball valves, isolation valves. That warrants
11 this high increase?

12 The leaks, like I said, you've got to
13 get a map of this system, and we shouldn't have
14 to pay for it. You should have done your
15 homework before you bought the place.

16 That's my comment. Thank you.

17 CHAIRWOMAN MARTIN: Sorry. I hit my
18 button twice.

19 I would encourage you to raise those
20 issues during the technical session, which I hope
21 you plan to attend.

22 MR. CARCHIA: Yes. Thank you very
23 much. I'm sorry.

24 CHAIRWOMAN MARTIN: Okay. No, that's

1 okay.

2 All right. Then, we will let you get
3 off to the technical session. Everyone should
4 stay on this Webex, and that will happen right
5 after this hearing closes.

6 And we are adjourned for the day.

7 Thank you.

8 ***(Whereupon the prehearing conference***
9 ***was adjourned at 11:38 a.m., and a***
10 ***technical session was held***
11 ***thereafter.)***

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