

January 4, 2021

Ms. Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 Fruit Street, Suite 10
Concord, NH 03301-7319

RE: DW 20-117 Hampstead Area Water Company, Inc. Request for Change in Rates

Dear Ms. Howland,

As documented by NHPR, HAWC is the only example of a water company in NH that is owned by the same family that owns a building company.

“HAWC is a privately-owned utility that sells water to people in the region who don’t have their own wells. About a third of Hampstead residents rely on HAWC for water. HAWC itself is owned by another private company: Lewis Builders Development, one of the state’s biggest real-estate developers. This arrangement - between a company controlling water, and another invested in real-estate - is unique in the state of New Hampshire.”

<https://www.nhpr.org/post/hampstead-residents-spar-private-utility-over-town-s-water#stream/0>

There are inherent conflicts of interest here that the PUC has not addressed. Lewis Builders Development Inc. (LBDI) wants to build “800 condos, a hotel and an entertainment complex” on the Atkinson Resort & Country Club (ARCC), so HAWC has incurred a lot of debt (\$3.5 million = \$892,000 for MSDC + \$1.1 million to expand water tank from 500K to 1 million gallons + \$1.5 million in CIAC Tax) to provide water to these sister organizations. HAWC, LBDI, and ARCC are all owned by the Lewis/Morse family. This debt should be paid for by ACRR & LBDI and NOT passed down to the towns of Atkinson and Hampstead (current request is a 609.5% increase on fire hydrant maintenance) nor onto their current ratepayers (current request is 65% increase).

“In Atkinson, Lewis Builders Development, Inc. (Lewis Builders), has requested gas service from Northern at the main club house of the Atkinson Country Club, as well as to the first phase of a planned development consisting of 288 condominium units in 9 buildings. According to Lewis Builders, additional condominiums are scheduled to be built over a 5-year period, from 2018 to 2022, in multiple phases of an overall development plan that ultimately will include 800 condominium units, a hotel, and an entertainment complex.”

<https://www.puc.nh.gov/Regulatory/Orders/2018orders/26178g.pdf>

Schedule 5 Page 1 of 1		Hampstead Area Water Company DW 20-117 Schedule DF 5 November 3, 2020 Draft Page 6 of 8		
Hampstead Area Water Company Current & Proposed Rates				
Rates	Current Rates	Proposed Rates	Percent Change	
Water Rates				
<u>Customer Charges (Billed Monthly)</u>				
5/8"	\$ 10.00	16.33	63.3%	
3/4"	20.00	38.17	90.9%	
1"	30.00	74.59	148.6%	
1 1/2"	60.00	147.41	145.7%	
2"	100.00	191.11	91.1%	
<u>Volumetric Charges</u>				
Per Ccf	\$ 6.11	\$ 9.31	52.4%	
Residential - Tier 1	6.11	6.83	11.8%	
Residential - Tier 2	6.11	10.24	67.6%	
Non-Residential	6.11	9.31	52.4%	
Fire Rates				
<u>Public Fire Protection (Billed Annually)</u>				
Per Hydrant	\$ 200.00	\$ 1,419.00	609.5%	
Annual Availability	2,000.00	-	-100.0%	
<u>Private Fire Protection (Billed Monthly)</u>				
1 1/2"	\$ 8.33	\$ 2.98	-64.2%	
2"	16.67	6.35	-61.9%	
3"	33.33	18.46	-44.6%	
4"	50.00	39.33	-21.3%	
6"	125.00	114.26	-8.6%	

Page 40 https://www.puc.nh.gov/Regulatory/Docketbk/2020/20-117/INITIAL%20FILING%20-%20PETITION/20-117_2020-11-24_HAWC_INTERNAL_FINANCIAL_RPTS.PDF?fbclid=IwAR3mQ1ig20_S_nFxRiI8Fi-MUqFC4xOIPpyLqEEQDBu-wZ188Yk_k06NPWk

The current 72 customers with pipes larger than 5/8" rates would increase by 90% to 149%, some of whom are town buildings like Atkinson's Kimball Library, again passing costs down to all town residents.

Also stunning is that with these massive increase requests, HAWC is recommending significantly LOWER rates for Private Fire Protection. Lowering rates on their own sister-company's condos while increasing rates on residents and rate payers in an incredible conflict of interest that the PUC must address.

Per HAWC's 2019 Annual Report, 19% (1,299 of 6,767) of Atkinson residents have water supplied by HAWC. The rest of us have private wells. I have read other docket documents where the PUC thinks it is acceptable to pass along massive debt to the town and thus its residents through obnoxiously large increases in fire hydrant maintenance fees. Over 609% increase is mind-blowing.

What the town pays for fire hydrant maintenance should be reasonable and customary and based on the actual cost to support the service. It should not be a means for the water company to recoup costs onto a larger entity, the town, and thus its taxpayers. There is no

reason why over 80% of Atkinson residents should be subsidizing HAWC, Lewis Builders and the Atkinson Resort & Country Club.

A-6 LIST OF TOWNS SERVED

List by operating divisions the towns served directly, indicating those in which franchise is for limited area by an asterisk (*) after name. Give population of the area and the number of customers.

Line No.	Town	Population of Area	Number of Customers	Line No.	Town	Population of Area	Number of Customers
					Sub Totals Forward:	90,809	3,857
1	Hampstead, N. H.	8,828	1,338	16			
2	Sandown, N.H.	6,395	272	17			
3	DerryGle, N.H.	4,506	166	18			
4	Chester, N.H.	5,612	56	19			
5	Nottingham, N. H.	5,041	19	20			
6	E. Kingston	2,496	120	21			
7	Kingston, N.H.	8,051	117	22			
8	Atkinson, N.H.	8,787	1,690	23			
9	Salem, N. H.	28,073	80	24			
10	Plaistow, N.H.	7,571	75	25			
11	Newton, N. H.	4,947	114	26			
12	Fremont, N. H.	4,742	150	27			
13	Strellford, N. H.		42	28			
14				29			
15	Sub Totals Forward:	90,809	3,857	30	Total	90,809	3,857

<https://www.puc.nh.gov/Water-Sewer/Annual%20Reports/2019/2019-GasWater-AnnualReport-Hampstead-Area-Water-Company.pdf>

Schedule A-6 List of Towns Served: Customers = 3,857

- Atkinson = 1,299
- Hampstead = 1,336
- Other = 1,222 (from 11 other towns, not interconnected, therefore cannot benefit from Pipeline or all the debt incurred)

As a PUC regulated company, the PUC approved the debt that is not in the interest of the ratepayers or the residents of Atkinson and Hampstead (the only 2 towns with fire hydrants maintained by HAWC). PUC approved the debt for future water users, condo owners on the Atkinson Resort & Country Club.

In addition, PUC has been handing out massive franchise areas to HAWC, thereby creating an unfair monopoly. Other competing developers must ask HAWC for water and when HAWC says “no” the developer has no choice but to sell their land. This developer had to sell the 17.56 acre Winchester plot for \$30,100 less than was valued in 1997 (\$370,000 → \$339,900). Centerview Hollow Land Company, another Lewis company, bought it and now there is water for Lewis Builders to build the 30+ condos when other developers were told there was no water.

https://www.eagletribune.com/news/concern-over-proposed-hampstead-condo-project/article_834d3fda-771a-5acd-9c14-62cf51102a15.html

Map: 000019 Lot: 000009 Sub: 000000 Card: 1 of 1 WINCHESTER DR

OWNER INFORMATION		SALES HISTORY				
CENTERVIEW HOLLOW LAND CO., LLC		Date	Book	Page	Type	Price Grantor
54 SAWYER AVE ATKINSON, NH 03811		09-24-2019	6039	611	Q-V	339,000 CANN, KEVIN
		01-05-2004	4216	1627	U-V 38	CANN, KEVIN
		01-27-1988	3279	0517	U-1 99	80 REDDY HOMES BLDGS, INC
		06-19-1997	3220	2073	Q-1	370,000 GURAK, MAVRIS FAM TR
		09-28-1992	2945	2972	U-V 38	MARCY M MAVRIS

In summary, the PUC is complicit in creating several problems (giving HAWC an unfair monopoly, allowing HAWC to incur this debt, enabling the Lewis family to force the towns and residents to subsidize their developments), and thus needs to be a part of the solution. Sending massive rate increases to consumers and towns/residents (for fire hydrant maintenance) is unconscionable and not acceptable.

The rate increase request by Hampstead Area Water Company (HAWC) is outrageously high, creates an undue burden, and should be rejected by the PUC.

Regards,
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 Atkinson, NH 03811
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