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Before the
New Hampshire Public Utilities Commission
DW 20-117 – HAWC Request for Change in Rates
DIRECT PREFILED TESTIMONY
OF
ROBERT A WEIMAR
ON
DECEMBER 16, 2021

Q. Please state your name and address

A. Robert A. Weimar 311 Emerson Ave Hampstead NH 03841

Q. On whose behalf are you offering this testimony?

A. *The Town of Hampstead*. As a resident and taxpayer in Hampstead, I have been appointed by the Board of Selectmen as a member of the Hampstead Water Resource Committee. This testimony reflects the concerns and interests of Hampstead's Citizenry.

Q. Are you a Hampstead Area Water Company (HAWC) customer/ratepayer?

A. Yes.

Q. Please describe your educational background.

1 A. I have a bachelor's degree in Civil Engineering from the University of Massachusetts,
2 at Amherst. I am a Certified and Registered Professional Engineer in 5 States, including
3 New Hampshire. I also am a Certified MA Septic System Inspector.

4
5 **Q. Please describe your professional experience.**

6
7 A. I have over 48 years of experience as a civil/environmental consulting engineer,
8 program manager and water/sewer utility engineering manager/chief executive. My
9 career has focused on planning, design and managing construction of water and sewer
10 facilities. My experience includes hundreds of planning studies and dozens of facilities
11 designs for municipal and privately owned water, sewer and stormwater entities. I have
12 also assisted preparation of Water Rate Studies, and PUC Submissions, including
13 documents submitted the NHPUC. I have also authored dozens of Technical Papers on
14 subjects related to water systems.

15
16 **Q. Are you a Hampstead Area Water Company (HAWC) customer/ratepayer?**

17
18 A. Yes

19
20 **Q. What is the purpose of your testimony?**

21
22 A. The purpose of my testimony is to represent the Town of Hampstead to oppose any
23 Hampstead Area Water Company Rates and Charges that are inconsistent with water
24 utility standard practices which fairly and equitably assign costs based upon water
25 availability and use. As such, the Town has concerns about and the proposed 609.5%
26 rate increase on fire hydrants rate increases seen in the proposed "Schedule 5 Existing

1 and Proposed Rates dated December 11, 2016”, which would cost the town of
2 Hampstead an additional \$70,000 per year for which there is little added benefit to the
3 town. When reading the language in the tariff, the current commitment of HAWC to the
4 town for hydrant water volume and pressure is effectively illusory. That is, the
5 infrastructure that is implicitly presumed to satisfy their stated fire protection capability
6 does not exist.

7

8 The Town requests that the Public Utilities Commission (PUC) reject any Rates and
9 Charges that are inconsistent with National Water Works and Fire Protection Standards
10 or inequitable cost allocation to specific users. The Town also believes that cost
11 allocation to new connections needs to be further reviewed to ensure equity.

12

13 **Q. Why do you oppose the rate increases?**

14

15 A. Analysis of available information suggests that Hampstead will pay an unjust and
16 unreasonable fee for Fire Protection. The Fire Protection Fee appears to be based upon
17 erroneous cost allocation and service availability assumptions. Their technical rate
18 analyses presume that the Hampstead water system is able to deliver 2000 gallons per
19 minute to any hydrant for a period of 3 hours, which has been proven not possible by
20 field testing. In fact, ISO Studies for Hampstead prove that many hydrants deliver less
21 than 1000 gallons per minute under ideal (low consumer use) periods. In addition,
22 analysis of the Revenue Statements suggest that Connection Fees may not reflect the

1 actual proportional investment costs to service new properties, including serving the
2 Town of Plaistow's needs.

3
4 The rate increases do not appear to include any assignment of built infrastructure costs
5 to future users/connections. The Town feels it is inequitable and unreasonable to raise
6 rates on customers by six fold when offered limited service which does completely
7 satisfy the intended purpose. We believe the additional charge is unjustified, and that
8 the rate design does not equitably assign fire protection services costs to Hampstead,
9 as opposed to other communities served by HAWC. It also constitutes rate shock for
10 customers with is something that the commission tries to avoid.

11

12 **Q. What do you mean non-existent commitment?**

13

14 A. Even though the Town of Hampstead paid over \$14,000 in the 2019 test year for
15 our fire hydrants and municipal fire protection, the language says HAWC isn't liable if
16 there's no water or insufficient pressure. As seen in the current tariff language, it says
17 *"Rendering of service under this schedule shall in no way be construed to hold the*
18 *Company liable to furnish at any time or any specific point in its distribution system any*
19 *minimum flow or pressure, either static or residual."* Equitable user cost allocation must
20 consider the relative performance of the system to satisfy fire protection requirements,
21 which currently is not the case in Hampstead. The existing distribution system was
22 never designed (pipe diameter sizes) for fire protection (only intended to serve domestic

1 needs) and cannot satisfy the recommended ISO fire flow requirements for
2 Hampstead's residents, and many Commercial properties.

3

4 **Q. What concerns you about the water tank in Atkinson?**

5

6 A. The pipeline project determined that Plaistow needed both a 400,000 gallon tank
7 in Plaistow and a 500,000 gallon tank in Atkinson. Both these tanks were paid for with
8 funds from the state. But then HAWC made the decision to increase the Atkinson tank
9 from 500,000 gallons to 1 million gallons and took on the additional expense of \$1
10 million. This additional 500,000 gallon capacity does not appear to fall under "used and
11 useful" for HAWC's existing customers, thereby violating RSA 378:28, and may be
12 based upon HAWC's assumed design standard of 2000 gallons per minute flow for a 3
13 hour period, a total storage need of 360,000 gallons. The nominal design standard
14 storage required for Hampstead is 1000 gallons per minute (which is not met throughout
15 Hampstead) for a period of 2 hours, which requires 120,000 gallons, or 1/3 of the
16 additional storage calculated for the fire storage sizing used. As a result, this additional
17 storage expenditure would then appear to be to serve future customers which HAWC is
18 trying to get current customers to pay for with these unjust and unreasonable rate
19 increase requests. At the very least, the additional storage offers no direct tangible
20 value to Hampstead's Fire Protection needs.

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Q. Why do you feel the Cost of Service Study (COSS) and Rate Design performed by David Fox, consultant from Raftelis, is flawed?

A. Mr. Fox used the methodologies from the AWWA (American Water Works Association) M1 Manual called “Principles of Water Rates, Fees and Charges.” In reading that manual, it does not take into account our scenario where the water company does not service the entire town, and 1/3 of their customers are not even connected to the water system being upgraded. These guidelines are written for a water company servicing a singular, entire town and all its residents which receive equal benefit. In Hampstead, less than 40% of the residents are HAWC customers (and less than 40% of Atkinson residents are HAWC customers). The majority of the cost goes to the towns of Atkinson and Hampstead through a 609.5% increase in municipal fire protection, and this impacts all taxpayers, even though they do not fully benefit from the service or protection. Also, and 1/3 of all HAWC customers aren’t even connected to the Atkinson-Hampstead Core where the upgrades have occurred and will see zero benefit but will be charged upwards of 60% increase in their water rates. This is not fair and equitable and thus is flawed, invalid, and unacceptable.

Q. Don’t the other residents benefit from having hydrants in town?

A. To some extent, yes, absolutely. But when you look at the town of Hampstead, and where HAWC customers reside, they are mostly in dead end developments.

1 Hydrants along the main roads do add value to the community, but only properties
2 within a nominal distance of the hydrants. When there is a fire, the fire department will
3 find the closest hydrants, and for non-HAWC customers, the delay in delivering water to
4 the property can “extinguish” the value of hydrants to protect value. Again, the COSS
5 and rate design performed by Mr. Fox have incorrect assumptions which are not
6 relevant to HAWC customers, and result in proposed fees that are unjust and
7 unreasonable to the Towns of Atkinson and Hampstead.

8

9 **Q. What do you mean by future customers versus current customers?**

10

11 A. New developments should be required to “buy in to the system” as they will
12 directly benefit from investments made by the existing service connections, and their
13 resident towns. The assignment of costs should be based upon an accepted Cost of
14 Service Study, which includes the depreciated value of the existing facilities to support
15 the new demands, as well as any new facilities required specifically for the new
16 development.

17

18 **Q. What would you like the PUC Commissioners to do?**

19

20 A. The PUC Commissioners should approve the temporary rate increase
21 recommended to them in May 2021, as HAWC deserves some increase their revenues,
22 but the PUC Commissioners should completely reject this permanent rate case increase
23 request. These massive rate increases constitute rate shock, are unjust and

1 unreasonable violating RSA 378:28, are for infrastructure that is not prudent, used or
2 useful, and are subsidizing a building developer that owns the water company. A review
3 of the total HAWC Tariff may be appropriate to adjust the nominal new connection fees
4 to reflect the investments made by the Company.

5

6 **Q. Does this conclude your testimony?**

7

8 A. Yes.