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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

August 22, 2022 - 9:06 a.m.

21 South Fruit Street
Suite 10
Concord, NH

RE: **DW 22-012**

BODWELL WASTE SERVICES CORPORATION:

Petition to discontinue operations
and Transfer Assets and Franchise.

PRESENT: Cmsr. Pradip K. Chattopadhyay, Presiding
Cmsr. Carleton B. Simpson

Tracey Russo, Clerk

APPEARANCES: **Reptg. Bodwell Waste Services Corp.:**
Marcia A. Brown, Esq. *(NH Brown Law)*

Reptg. the City of Manchester:
Thomas B. Getz, Esq. *(McLane Middleton)*

Reptg. the Town of Londonderry:
Ryan Lirette, Esq. *(Sheehan Phinney..)*

Reptg. Residential Ratepayers:
Donald M. Kreis, Esq., Consumer Adv.
Josie Gage, Dir./Economics & Finance
Office of Consumer Advocate

Reptg. New Hampshire Dept. of Energy:
Christopher Tuomala, Esq.
Jayson Laflamme, Director/Water Group
(Regulatory Support Division)

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

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ROBERT J. ROBINSON, ROBERT M. McCOY,
ROBERT J. KERRY, JOHN TROTTIER, JOSIE GAGE,
AND JAYSON P. LAFLAMME*

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| 1 | Bodwell Petition for Termination and Testimony of Stephen St Cyr, with Attachments | <i>premarked</i> |
| 2 | Letter Withdrawing Issue of Repayment of Bank Loan | <i>premarked</i> |
| 3 | Discovery Responses from Bodwell and City of Manchester to Dept. of Energy and Office of the Consumer Advocate Data Requests | <i>premarked</i> |
| 4 | Affidavit of Notice to Bank | <i>premarked</i> |
| 5 | Town of Londonderry-Bodwell MOU | <i>premarked</i> |
| 6 | City of Manchester Cohas Brook Figure 1 - Project Overview | <i>premarked</i> |
| 7 | City of Manchester Asset Transfer Schedule | <i>premarked</i> |
| 8 | Town of Londonderry Data Responses | <i>premarked</i> |
| 9 | Settlement Term Sheet | <i>premarked</i> |
| 10 | Letter regarding notice of withdrawal of request to recover administrative and regulatory costs | <i>premarked</i> <i>(noted at Page 11)</i> |
| 11 | RESERVED (For the Town of Londonderry to provide a letter describing the Town's approval of the transfer of Bodwell assets to the Town) | (66), 146 |

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P R O C E E D I N G

CMSR. CHATTOPADHYAY: Good morning, everyone. I'm Commissioner Chattopadhyay. And I will be conducting today's proceeding. I'm joined today by my esteemed colleague, Commissioner Simpson.

We are here this morning in Docket DW 22-012 for a hearing regarding a Petition by Bodwell Waste Services Corporation to discontinue operations and transfer assets and franchise to the City of Manchester and the Town of Londonderry. This hearing was scheduled for today per the procedural order that the Commission issued on August 4, 2022. That procedural order also requested some documentary submissions by August 18th, as well as publication of the procedural order by August 9th, 2022.

It is worth noting that the petitioning Company has filed two notices informing the Commission that, first, it withdraws its request to bill customers for costs related to the Merrimack County Savings Bank loan financing, specifically Paragraph 14 of its Petition and its

1 requested relief to collect its current rates
2 from customers until the MCSB loan is fully
3 repaid; and, second, its request to recover
4 administrative and regulatory expenses associated
5 with winding down its affairs as a regulated
6 utility.

7 Most importantly, the Company also
8 filed a Settlement Term Sheet along with the
9 second letter. That letter informs that the
10 Company, the Department of Energy, and the Office
11 of the Consumer Advocate agree with the
12 Settlement Term Sheet.

13 We note that no formal settlement was
14 filed. We also note that the City of Manchester,
15 New Hampshire, and the Town of Londonderry, New
16 Hampshire, are mandatory parties to this docket.
17 While both the City and the Town has stated in
18 the docket, on June 17th, 2022, and June 20th,
19 2022, respectively, that they do not take a
20 position on Bodwell's request. It would be
21 helpful to the Commission to know whether the
22 City and the Town have any position on the
23 Settlement Term Sheet.

24 In today's hearing, the Commission

1 would like to focus on the Settlement Term Sheet.
2 I'm not calling Exhibit 9 a "Settlement
3 Agreement", as not only do I not see signatures
4 from the Parties representing that as a
5 settlement, I, however, understand that it is the
6 Company's understanding that the OCA and DOE is
7 in agreement with the terms noted in the
8 Settlement Term Sheet. We do view the Term Sheet
9 akin to joint statements of party
10 positions/conclusions, if the Company's
11 representation is correct, not as a settlement
12 agreement. Just to be sure that that's how we
13 are viewing it.

14 So, we will proceed with this hearing
15 as normally we do, without a settlement agreement
16 being filed, as that may help us meet the
17 September 15th deadline for a decision more
18 efficiently. The positions of the parties in the
19 record that confirm the agreements reached
20 preferred -- sorry, purportedly between the
21 parties will obviously help shape our decision.

22 Before proceeding to taking
23 appearances, I just want to make sure I note that
24 we had received a public comment, in writing, we

1 greatly appreciate that. We encourage the public
2 to provide statements during a hearing such as
3 this one. We will invite public comments after
4 hearing from the parties, and before we adjourn
5 today, if any member of the public is present.

6 Is anyone here who is from the public?

7 *[No verbal response.]*

8 CMSR. CHATTOPADHYAY: No? Okay. So,
9 let's take appearances now, the petitioning
10 Company first.

11 MS. BROWN: Good morning,
12 Commissioners. Thank you very much for squeezing
13 in today's hearing in your busy schedule.

14 My name is Marcia Brown. I'm with NH
15 Brown Law, representing Bodwell Waste
16 Corporation. With me today is Stephen P. St.
17 Cyr, of Stephen P. St. Cyr & Associates. He will
18 be a witness today. Also is the Company owner,
19 Bob LaMontagne. He is sitting to Steve St. Cyr's
20 right. And to his right is Carleton Roberts,
21 with LaMontagne Builders.

22 Thank you.

23 CMSR. CHATTOPADHYAY: Thank you.
24 Please.

1 MR. GETZ: Good morning, Commissioners.
2 I'm Tom Getz, from the law firm McLane Middleton,
3 appearing on behalf of the City of Manchester
4 Environmental Protection Division. With me
5 today, and will be a panel of witnesses,
6 including Fred McNeill, who is the Chief Engineer
7 of the EPD; Rob Robinson, who is the
8 Superintendent of the wastewater treatment plant;
9 and Rob McCoy, who is an outside consultant with
10 Kleinfelder, Incorporated.

11 Thank you.

12 CMSR. CHATTOPADHYAY: Thank you. Let's
13 go to Town of Londonderry.

14 MR. LIRETTE: Good morning,
15 Commissioner. My name is Ryan Lirette.

16 *[Court reporter interruption.]*

17 MR. LIRETTE: Good morning,
18 Commissioner. My name is Ryan Lirette, from
19 Sheehan, Phinney, Bass & Green. I am here on
20 behalf of the Town of Londonderry. With me are
21 Bob Kerry and John Trottier, also witnesses in
22 this proceeding, and also from the Town of
23 Londonderry.

24 CMSR. CHATTOPADHYAY: Thank you. Let's

1 go to the OCA.

2 MR. KREIS: Good morning, Commissioner
3 Chattopadhyay. Good morning, Commissioner
4 Simpson. I am Donald Kreis, the Consumer
5 Advocate. The Office of the Consumer Advocate
6 represents residential ratepayers. I'm here
7 today as the OCA's second-string legal counsel,
8 pinch-hitting for the vacationing Julianne
9 Desmet, our highly capable Staff Attorney. And
10 with me today is the OCA's witness, Josie Gage,
11 who is our Director of Economics and Finance.

12 CMSR. CHATTOPADHYAY: Let's go to DOE
13 please.

14 MR. TUOMALA: Good morning,
15 Commissioners. Christopher Tuomala, representing
16 the Department of Energy. With me, to my left,
17 is Jayson Laflamme, he's the Director of the
18 Water Group within the Regulatory Support
19 Division at the DOE, and is also our sole witness
20 for today.

21 CMSR. CHATTOPADHYAY: Thank you.

22 Before I go to preliminary matters, let
23 me address the exhibits first. So, we have
24 premarked and prefiled Exhibits 1 through 9. Is

1 that an accurate listing of exhibits?

2 MS. BROWN: No.

3 CMSR. CHATTOPADHYAY: No? Okay.

4 MS. BROWN: I have floated among the
5 parties a proposed Exhibit 10, and I pulled out
6 as a record request, I do have a hardcopy of it,
7 where Bodwell had filed its first letter
8 withdrawing the issue of repayment of the bank
9 loan as "Exhibit 2", I neglected to reserve an
10 exhibit, and I propose "Exhibit 10" for the
11 August 16th letter that you mentioned earlier,
12 withdrawing the issue of recovery of
13 administrative and regulatory costs. I have a
14 hard copy that I have distributed among the
15 Parties, and I have asked counsel if there are
16 any objections, and none -- and none have been --
17 or, I have heard no objections.

18 So, that's one preliminary matter.

19 Thank you.

20 CMSR. CHATTOPADHYAY: So, let me
21 restate it then. We have premarked and prefiled
22 Exhibits 1 through 10.

23 CMSR. SIMPSON: We should get a hard
24 copy of that.

1 CMSR. CHATTOPADHYAY: Yes. That would
2 be great.

3 *[Atty. Brown distributing documents.]*

4 CMSR. CHATTOPADHYAY: Do you have
5 any --

6 CMSR. SIMPSON: I would just note, in
7 the future, if you're able to electronically file
8 these, even if it's on the day of, that's
9 helpful. We understand that exhibits can be
10 admitted at hearing, but it's helpful if we can
11 review them prior.

12 MS. BROWN: Correct. And I will be
13 following up post-hearing with the official
14 electronic filing of this August 16th letter. I
15 don't know which tab it is on the docketbook, but
16 it's something that, hopefully, you have had a
17 chance to see before.

18 Thank you.

19 CMSR. SIMPSON: Yes. Thanks.

20 CMSR. CHATTOPADHYAY: Yes. We have
21 seen it before. So, yes.

22 Are there any other intervenors?

23 *[No verbal response.]*

24 CMSR. CHATTOPADHYAY: No. Any motions

1 this morning?

2 [No verbal response.]

3 CMSR. CHATTOPADHYAY: No.

4 CMSR. SIMPSON: I'll just note it's
5 Tab 33 for the record, the newly introduced
6 exhibit.

7 CMSR. CHATTOPADHYAY: For Exhibit 10,
8 yes. Thank you.

9 So, are there any preliminary matters,
10 other than what we have talked about?

11 MS. BROWN: If I can bring to the
12 Commission's attention, just for completeness of
13 the record, where the procedural order setting
14 today's hearing had requested that the Company
15 post the order on its website and file an
16 affidavit of publication or posting, that the
17 Company did so, and did publish the order on its
18 website, and filed, on October -- sorry --
19 August 8th, filed an affidavit of that posting
20 with the Commission.

21 Thank you.

22 CMSR. CHATTOPADHYAY: Yes. We take
23 note of that. I think I've already seen it.
24 But, yes.

1 So, that's it, right? No more other
2 preliminary matters?

3 *[No verbal response.]*

4 CMSR. CHATTOPADHYAY: Okay. I'm not
5 tall enough, so sometimes I do this.

6 This is just a question for all of you,
7 like, because there is a Settlement Term Sheet
8 that purportedly as it was agreed to by OCA and
9 DOE and the Company, I'm asking the Parties
10 whether it would be more efficient if we have the
11 witnesses from the three as part of a panel or do
12 you intend to go individually?

13 MS. BROWN: We talked about -- if I can
14 start?

15 CMSR. CHATTOPADHYAY: Yes.

16 MS. BROWN: The Parties talked about
17 presentation. We've got eight witnesses, and
18 it's difficult physically to fit them all at the
19 podium -- or, I'm sorry, witness box. So, the
20 order of presentation that we would like to
21 suggest to the Commission is that Bodwell present
22 its witness, Stephen St. Cyr, first.

23 CMSR. CHATTOPADHYAY: Uh-huh.

24 MS. BROWN: And then, the City of

1 Manchester, because it is doing the bulk of the
2 construction in Manchester and in Londonderry,
3 that they proceed second, followed by
4 Londonderry, and then OCA and DOE.

5 CMSR. CHATTOPADHYAY: That is perfectly
6 fine. Is that okay with you?

7 CMSR. SIMPSON: Yes.

8 CMSR. CHATTOPADHYAY: So, but may I
9 suggest that, when we swear in the witnesses, can
10 we do the swearing in at the same time for all of
11 them?

12 MS. BROWN: Bodwell doesn't object.

13 *[Commissioner Chattopadhyay and*
14 *Commissioner Simpson conferring.]*

15 CMSR. SIMPSON: Please, Attorney Brown,
16 you were going to finish your thought?

17 MS. BROWN: I was just acknowledging
18 that it would be a good idea, for efficient use
19 of the hearing, to swear them all in at the same
20 time.

21 CMSR. SIMPSON: Okay. That sounds
22 good.

23 I'd just like to, before we go to the
24 witnesses, I'd like to ask the attorneys about

1 the Term Sheet that's been put in front of us,
2 just so that we can proceed with clarity moving
3 forward.

4 It's somewhat uncommon that we would
5 receive a term sheet that isn't put forth as a
6 formal settlement agreement. Could each of the
7 Parties comment on their respective clients'
8 position of the Term Sheet, and why it's not a
9 signed settlement agreement formally?

10 And I'll start with the Company.

11 MS. BROWN: The Company believes that
12 the Settlement Term Sheet represents a settlement
13 among the Parties. Due to logistics of people
14 trying to be near electronic means to sign a
15 document, we weren't able to overcome that by the
16 date that exhibits needed to be filed, on the
17 15th.

18 But it's Bodwell's understanding that
19 we have reached a settlement, and that the terms
20 of the settlement are embodied succinctly in
21 Exhibit 9.

22 CMSR. SIMPSON: Okay. City of
23 Manchester?

24 MR. GETZ: Good morning, Commissioners.

1 The City of Manchester, I think Attorney Brown
2 described it accurately, it's a matter of
3 logistics. But there's also a number of the
4 terms that are unrelated to the City of
5 Manchester. Mr. McNeill is going to testify to
6 this. But, effectively, the City's position is
7 that it supports and agrees with Items 1, 3, 5,
8 and 6, which effect the City of Manchester. And
9 takes no position on the others, as they relate
10 to the Town of Londonderry, and, for instance,
11 whether Bodwell will pursue collections in the
12 future, and, I guess, and one minor procedural
13 matter.

14 CMSR. SIMPSON: Okay. Thank you. Town
15 of Londonderry?

16 MR. LIRETTE: Yes, Commissioner. We
17 are technically not a party to this Term Sheet --

18 CMSR. SIMPSON: I'm not sure if your
19 microphone is on.

20 MR. LIRETTE: Is it turned off? Is it
21 turned on now? How about now?

22 CMSR. SIMPSON: Okay. That's better.
23 Thank you.

24 MR. LIRETTE: So, the Town of

1 Londonderry is technically not a party to this
2 Term Sheet or the settlement agreement. What I
3 can say is similar to the City of Manchester, we
4 roughly have no opposition to the terms in this
5 Term Sheet, and we affirmatively agree with 2 and
6 4, which relate directly to the Town of
7 Londonderry.

8 CMSR. SIMPSON: Okay. Thank you.
9 Office of the Consumer Advocate?

10 MR. KREIS: Thank you, Commissioner. I
11 guess I have a slightly different take on this
12 than maybe the other parties do.

13 As I have read through the Settlement
14 Term Sheet, I don't really discern any
15 compromises or actual settled terms in there. It
16 essentially adopts certain propositions that I
17 think most of which, if not all of which, are
18 necessary determinations for the Commission to
19 make, assuming it approves the Petition. And I
20 and my witness are prepared to state that we
21 support all of those propositions.

22 But, from our perspective, the key
23 compromises in this proceeding are actually
24 reflected in the two letters that the Petitioner

1 has filed. One has to do with recovery of costs
2 arising out of the repayment of its loan, and the
3 other having to do with administrative and
4 regulatory costs. The Company has agreed not to
5 recover those. That is the gist of the
6 "Settlement Agreement", to the extent that there
7 is one here.

8 CMSR. SIMPSON: Okay. Thank you. And
9 Attorney Tuomala, from the Department of Energy?

10 MR. TUOMALA: Thank you, Commissioner.

11 The Department of Energy does support
12 the terms listed in the "Settlement Term Sheet".
13 We agree with Attorney Brown's representations
14 that, given the logistics and the tight deadline
15 for submission of exhibits last Monday and the
16 hearing today, that a full settlement, that would
17 be vetted and presented for Commission approval,
18 wasn't possible at that time.

19 And, from the Department's view, we
20 share some of the comments that the Office of the
21 Consumer Advocate made. And what we were
22 planning to do is to represent our support of
23 those terms in the Term Sheet through
24 presentation of the witness and verification on

1 the record of those terms.

2 CMSR. SIMPSON: Okay. Thank you. And
3 would the Department agree that empirically,
4 today, we have the Petition, and as modified by
5 the two letters in front of us for approval?

6 MR. TUOMALA: Yes. I would agree with
7 that statement.

8 CMSR. SIMPSON: Thank you so much.
9 Thank you, --

10 CMSR. CHATTOPADHYAY: Thank you.

11 CMSR. SIMPSON: -- Commissioner
12 Chattopadhyay.

13 CMSR. CHATTOPADHYAY: Thank you. So,
14 let's proceed with the swearing in the witnesses.

15 (Whereupon **Stephen P. St. Cyr,**
16 **Frederick J. McNeill, Robert J.**
17 **Robinson, Robert M. McCoy, Robert J.**
18 **Kerry, John Trottier, Josie Gage,** and
19 **Jayson P. Laflamme** were duly sworn
20 *en masse* by the Court Reporter.)

21 MS. BROWN: And the Company is going to
22 start by calling Mr. St. Cyr as a witness. And I
23 thank the court reporter for swearing in all of
24 the witnesses *en masse*.

[WITNESS: St. Cyr]

1 CMSR. CHATTOPADHYAY: Thank you.

2 (Whereupon **Stephen P. St. Cyr** was
3 called to the stand, having been
4 previously sworn by the Court
5 Reporter.)

6 WITNESS ST. CYR: It seems awful lonely
7 up here.

8 MS. BROWN: Mr. St. Cyr, are you ready?

9 WITNESS ST. CYR: I am. Thank you.

10 MS. BROWN: Okay.

11 **STEPHEN P. ST. CYR, SWORN**

12 **DIRECT EXAMINATION**

13 BY MS. BROWN:

14 Q For the record, if you could just please state
15 your name and association with Bodwell Waste
16 Service Corporation?

17 A My name is Stephen P. St. Cyr. And I manage
18 Bodwell Waste Services.

19 Q And can you be -- can you elaborate on how you
20 manage Waste Services?

21 A I manage the day-to-day operations, including
22 providing oversight of AAA Pump, which provides
23 24/7 service on the operation and maintenance
24 side, specifically of the three pump stations. I

[WITNESS: St. Cyr]

1 also oversee the billing and collection of funds
2 to and from customers. I prepare financial
3 statements, the PUC Annual Report, and other
4 reporting requirements. And I'm also involved in
5 various regulatory proceedings, financings, rate
6 case, and this proceeding.

7 Q Thank you, Mr. St. Cyr. Can you please, for the
8 Commission, elaborate on what you consider to be
9 your area of expertise?

10 A I consider my area to be accounting and
11 management.

12 Q And, today, in addition to giving fact witness
13 testimony, will you also be providing expert
14 opinion testimony?

15 A I am.

16 Q Mr. St. Cyr, can you please describe how many
17 years you've been working in this industry?

18 A So, I've been in the utility industry 45 years.
19 And I've been associated with Bodwell since the
20 mid-1990s.

21 Q So, you're well acquainted with its structure?

22 A I am.

23 Q Thank you. Mr. St. Cyr, can you, for the record,
24 describe briefly what activities you performed

[WITNESS: St. Cyr]

1 for this particular docket, with respect to
2 Bodwell?

3 A So, I prepared my own testimony and the related
4 exhibits. I participated in the prehearing
5 conference and technical session that followed.
6 I responded to data requests from DOE and the
7 OCA. And I participated in the Settlement Term
8 Sheet.

9 Q Mr. St. Cyr, do you have Exhibit 3 in front of
10 you? Exhibit 3 has been premarked for
11 identification as the discovery responses that
12 include responses from Bodwell.

13 A I have them in front of me, yes.

14 Q Okay. And did you respond to data requests that
15 are included in this exhibit?

16 A I did.

17 Q Do you have any changes or corrections to those
18 responses?

19 A I do not.

20 Q And, if you were asked those same questions
21 today, would the answers be about the same?

22 A Yes.

23 Q And would you adopt, to the extent these
24 responses are testimony, do you adopt these today

[WITNESS: St. Cyr]

1 as part of your testimony?

2 A I do.

3 Q Okay. Can you please turn to Exhibit 1?

4 A I'm there.

5 Q And describe for the record what Exhibit 1 is?

6 A This is the Company's original filing, and
7 includes a cover letter, the Petition, my
8 testimony and exhibits.

9 Q And can you please describe, within Exhibit 1,
10 which portions you were actively involved in
11 creating?

12 A So, I would have been involved actively in all
13 but the Attachments A -- I guess it's Attachment
14 A, the maps. The maps were provided us by the
15 City of Manchester.

16 Q At the time that this testimony was written, was
17 it true and accurate to the best of your
18 knowledge?

19 A Yes.

20 Q And, with the exception of changes that are
21 denoted in Exhibits 2 and 10, the issue
22 withdrawal letters, are you aware of any other
23 changes to this exhibit that need to be brought
24 to the Commission's attention?

[WITNESS: St. Cyr]

1 A I am not.

2 Q Okay. And, with respect to the testimony, I
3 forget if I've asked you this, the testimony
4 portion, if you were asked those questions today,
5 would you adopt those responses as part of your
6 testimony today?

7 A I would, yes.

8 Q Okay. Thank you. Mr. St. Cyr, can you give a
9 summary description of the Cohas Brook Sewer
10 Project? I believe you've also summarized this
11 in your testimony.

12 A And I'm sure Manchester will address this better
13 than I can. But, essentially, going back to
14 2009, the City of Manchester began to extend its
15 sewer system out towards Bodwell's franchise
16 area. And it was the intent that it would
17 connect to Bodwell at a couple different points
18 than where we connect now. And it was with the
19 intent of providing gravity sewer service, rather
20 than the forced sewer service that currently
21 exists.

22 I guess the only other thing I would
23 add is that, you know, we'll continue to operate
24 up until the point in time in which the

[WITNESS: St. Cyr]

1 connections have been permanently made. And that
2 we will cease providing service once that's the
3 case, and that we will go ahead and transfer the
4 remaining assets that Bodwell has to the City of
5 Manchester and the Town of Londonderry.

6 Q Mr. St. Cyr, if I could have you turn to the Term
7 Sheet that's Exhibit 9?

8 A Okay.

9 Q And, Mr. St. Cyr, can you summarize for the
10 record the Settlement Terms?

11 A Sure. So, the Parties have agreed that the City
12 of Manchester and the Town of Londonderry both
13 possess the requisite financial, legal,
14 managerial, and technical expertise to serve
15 Bodwell Waste's customers. The Parties have also
16 agreed that Bodwell will transfer its assets in
17 Manchester to the City of Manchester and its
18 assets in the Town of Londonderry to the Town.
19 They have agreed that it's in the public interest
20 for Bodwell to cease operating.

21 And, specifically request that the
22 Commission terminate its franchise area upon
23 connection to the City of Manchester,
24 reconnection to the City of Manchester.

[WITNESS: St. Cyr]

1 Q And, Mr. St. Cyr, I think you heard today Office
2 of Consumer Advocate's description that the
3 Settlement Agreement includes the Term Sheet, as
4 well as Exhibits 2 and 10, pertaining to the
5 issues that were withdrawn from consideration.
6 Do you agree with that --

7 A I do.

8 Q -- description of the -- what documents encompass
9 the Settlement?

10 A I do. The Company had originally requested that
11 it be allowed to continue to bill its customers
12 at the current rate, until such time as the
13 Merrimack County Savings Bank loan was paid off.
14 And it has since withdrawn that request. And
15 then, it also requested recovery of the
16 regulatory and accounting costs to wind down its
17 operations, and it has since withdrawn its
18 request for that.

19 Q Mr. St. Cyr, with respect to Term Sheet Item 6,
20 if you have that Term Sheet in front of you?

21 A I do.

22 Q It starts "The parties agree that it is in the
23 public interest for Bodwell and the City to
24 inform the Commission", do you see that?

[WITNESS: St. Cyr]

1 A Yes.

2 Q Can you give some background as to why this --
3 why Bodwell felt it important to include this
4 term in the Term Sheet?

5 A So, it's important to keep the parties and the
6 Commission abreast of the construction as it's
7 going on. The general plan is for construction
8 to be completed by the end of the year. But, not
9 knowing exactly what they will encounter in the
10 process, it's possible that there could be
11 construction difficulties and potential delays.
12 But all the parties are working towards
13 completion by the end of the year.

14 Q Mr. St. Cyr, does Bodwell have a contingency
15 plan, if construction is delayed and the asset
16 transfer doesn't happen at the end of the year?

17 A The contingency plan is that we will continue to
18 operate for as long as it's necessary to do so.

19 Q Okay. Thank you. I'd like to ask you a few
20 questions about the Bodwell-Manchester MOU. It's
21 part of Exhibit 1, if you have that in front of
22 you? I'd like to have you turn to Page 24
23 specifically.

24 A Okay.

[WITNESS: St. Cyr]

1 Q And you see Paragraphs Numbered (1), (2), (3),
2 and (4) on Page 24?

3 A I do.

4 Q Can you please summarize for the record what
5 assets are being intended to be transferred to
6 the City of Manchester first, and then if you can
7 carve out to the Town of Londonderry?

8 A So, the sewer system consists of sewer services,
9 sewer mains, three pump stations, and a force
10 main. And these are the assets that are
11 identified in Paragraphs (1) through (4).

12 And then, for the Town of Londonderry,
13 there are sewer services and sewer mains that
14 connect to, ultimately, one of the pump stations,
15 and we pump the sewage to another pump station,
16 and then and pump it down Bodwell Road. It's
17 those assets in Londonderry that we would
18 transfer to the Town.

19 Q Okay. After the asset transfer to the respective
20 City of Manchester and Town of Londonderry, does
21 Bodwell envision retaining any assets?

22 A We do not.

23 Q Thank you. Now, back to the -- whoops, let me
24 get to Page 4 of the MOU, in Exhibit 1, Paragraph

[WITNESS: St. Cyr]

1 Number (3), I'm on Exhibit 1, Page 27 for the
2 record, Mr. St. Cyr. Just let me know when
3 you're there.

4 A I'm there.

5 Q Okay. Now, does Paragraph (3) state that the
6 parties will develop a schedule for the asset
7 transfer corresponding with the planned
8 construction?

9 A It does.

10 Q So, again, asking about delays, if construction
11 is delayed, this asset transfer will also be
12 delayed at the same time, is that correct?

13 A That's correct.

14 Q Okay. At some point, if there are construction
15 delays, is there any fear that parties will pull
16 out of this MOU?

17 A There's no fear on Bodwell's part.

18 Q So, the intent is, even if there are construction
19 delays, Bodwell is still intending to, hopefully,
20 transfer the assets, is that correct?

21 A That's correct.

22 Q Okay. I'd like to have you turn to Exhibit 7.
23 And are you familiar with this schedule?

24 A I am.

[WITNESS: St. Cyr]

1 Q Okay. And can you describe for the record more
2 fully what month Bodwell and the City hoped to
3 perfect the interconnection and disconnection of
4 Bodwell's, essentially, the pump stations are the
5 critical component, is that right?

6 A Yes, it is. So, per this schedule, the
7 expectation is that final connections to the
8 existing Bodwell facilities would take place
9 between December 15th and December 30th of 2022.

10 Q Okay. Mr. St. Cyr, as part of the asset
11 transfer, will the Merrimack County Savings Bank
12 loan be paid off?

13 A Yes.

14 Q And can you state roughly how much that balance
15 is at present?

16 A It's currently just over 342,000.

17 Q And is Merrimack County Savings Bank aware of
18 this proceeding?

19 A They are.

20 Q And is that by virtue of Exhibit 4, a letter that
21 Bodwell sent to the bank?

22 A That's correct. And Bodwell had also met with
23 them prior to formalizing the letter.

24 Q Okay. Thank you. And, with respect to Exhibit

[WITNESS: St. Cyr]

1 5, this is the Town of Londonderry-Bodwell MOU.

2 Are you familiar with this exhibit?

3 A I am.

4 Q And, under this MOU, is it the intent of Bodwell
5 to cede all of its assets in Londonderry to the
6 Town of Londonderry?

7 A Yes.

8 Q And no assets will be retained by Bodwell?

9 A That's correct.

10 Q Is the date of the transfer of assets to the Town
11 of Londonderry going to be about the same time as
12 the transfer of Bodwell's assets to Manchester?

13 A Yes.

14 Q Okay. Mr. St. Cyr, with respect to billing, can
15 you state for the record how Bodwell currently
16 bills customers in Manchester and Londonderry?

17 A So, for Bodwell's Manchester customers, we bill
18 the first of the quarter for the prior quarter.
19 So, for example, the upcoming October 1 billing
20 will be for the period July, August, and
21 September, and it will include just Bodwell's
22 charge.

23 For Bodwell's Londonderry customers,
24 again, we bill the first of the quarter for a

[WITNESS: St. Cyr]

1 quarter, and, in the case of Londonderry, the
2 October 1, 2022 bill is for the period of June,
3 July, and August. June, July, and August. So,
4 it's a quarter, but it's one quarter behind what
5 we bill Bodwell's Manchester's customers. And
6 that particular bill has a bill for Bodwell
7 service -- or, has a charge for Bodwell service
8 and a charge for Londonderry service.

9 Q Mr. St. Cyr, do you know off the top of your head
10 how many customers there are in Manchester and
11 Londonderry? And, if you do not, I can direct
12 you to a discovery response.

13 A So, there's approximately 418 Manchester
14 customers and 110 Londonderry customers.

15 Q Okay. Thank you. Now, in this construction, is
16 there any -- is it intended that the service be
17 seamlessly transferred between Bodwell and the
18 municipalities?

19 A It is intended to be seamless.

20 Q So, will billing be seamless as well?

21 A One would hope so, yes.

22 Q Can you please describe, assuming that
23 construction does allow for a transfer of assets
24 at year-end, how will the billing occur?

[WITNESS: St. Cyr]

1 A So, assuming the stations come offline, and
2 Manchester and Londonderry are now providing
3 services, the Company would envision its January
4 1, 2023 bill to be the final bill for Bodwell's
5 Manchester's customers, and that would be for the
6 period October, November, and December.

7 Because Londonderry is -- its quarter
8 is one month behind, the January 1, 2023 bill
9 would be for September, October, and November,
10 and then it would envision probably one final
11 bill on or around February 1 for the month of
12 December.

13 Q Okay. Mr. St. Cyr, does Bodwell have a position
14 on the managerial, technical, and financial
15 expertise of the municipalities?

16 A Yes. We believe they are more than capable to
17 assume the sewer service that we currently
18 provide for Bodwell Waste customers.

19 Q Okay. And do you have anything else that you'd
20 like to address?

21 A I do not.

22 MS. BROWN: Okay. That's all the
23 direct I had for this witness.

24 CMSR. CHATTOPADHYAY: Thank you. If

[WITNESS: St. Cyr]

1 there are cross-examination, even if in a
 2 friendly nature, let's follow the same order.
 3 So, we'll start with the City of Manchester, and
 4 then we'll go to Town of Londonderry, and we will
 5 proceed. So, please go ahead.

6 MR. GETZ: No questions, Commissioner.

7 CMSR. CHATTOPADHYAY: How about Town of
 8 Londonderry?

9 MR. LIRETTE: No questions,
 10 Commissioner.

11 CMSR. CHATTOPADHYAY: Let's go to the
 12 OCA?

13 MR. KREIS: Just very briefly, because
 14 Ms. Brown anticipated all the questions that I
 15 might ask, or at least most of them, related to
 16 billing.

17 **CROSS-EXAMINATION**

18 BY MR. KREIS:

19 Q Mr. St. Cyr, in the event that there is some sort
 20 of delay, how does the Company intend to handle
 21 the billing scenario in that case?

22 A So, I think we would go ahead with our normal
 23 January 1, 2023 billing. Really, no different
 24 than any other billing, quarterly billing that we

[WITNESS: St. Cyr]

1 do. If you assume that the delay were, say, 30
2 days, then, as soon after the reconnection takes
3 place, and Manchester and Londonderry are
4 providing sewer to those customers, we would bill
5 for the period up to the point in time that we
6 provided services. So, --

7 Q So, --

8 A I was just going to say, if it turned out to be
9 an additional month for the Bodwell customers, it
10 would essentially be a third of the quarterly
11 bill. And, for the Londonderry customers,
12 because of the one-month delay, it would be for
13 December and January, in that case.

14 Q Is that true if the cutover occurs on some random
15 day in the middle of the month?

16 A Yes. We would -- we would attempt to bill for up
17 to the date in which service is provided.

18 MR. KREIS: Thank you. Those are the
19 only questions I had for Mr. St. Cyr.

20 CMSR. CHATTOPADHYAY: Thank you.

21 Sorry. Thank you. Let's go to DOE?

22 MR. TUOMALA: No questions,

23 Commissioners. Thank you.

24 CMSR. CHATTOPADHYAY: Thank you. So,

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 let's go with -- you are excused.

2 And I would ask the witnesses from the
3 City of Manchester to come to the podium.

4 (Whereupon **Frederick J. McNeill,**
5 **Robert J. Robinson,** and **Robert M. McCoy**
6 were called to the stand, having been
7 previously sworn by the Court
8 Reporter.)

9 CMSR. CHATTOPADHYAY: Please proceed.

10 MR. GETZ: Thank you, Commissioner.

11 Good morning, gentlemen.

12 **FREDERICK J. McNEILL, SWORN**

13 **ROBERT J. ROBINSON, SWORN**

14 **ROBERT M. McCOY, SWORN**

15 **DIRECT EXAMINATION**

16 BY MR. GETZ:

17 Q I'll start on the left, my left, with Mr.
18 McNeill. Mr. McNeill, could you please state
19 your name and position with the City of
20 Manchester Environmental Protection Division?

21 A (McNeill) Yes. My name is Frederick J. McNeill.
22 I am Chief Engineer for the City of Manchester's
23 Environmental Protection Division, which is the
24 City's wastewater utility.

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 Q And could you please briefly describe your
2 education and duties for the EPD?

3 A (McNeill) Sure. I'm proud to say I'm a 41-year
4 water professional. I've worked for the City of
5 Manchester for the past 16 years. I have a BS in
6 Civil Engineering from Northeastern and an MBA
7 from Southern New Hampshire University.

8 My responsibilities is the overall
9 management of the City's wastewater utility.

10 Q Thank you. Now, Mr. Robinson, the same thing,
11 would you please state your name and position
12 with the City of Manchester EPD?

13 A (Robinson) Yup. My name is Robert John Robinson.
14 I am the Wastewater Treatment Plant
15 Superintendent with the City of Manchester. I've
16 been employed there for 19 years.

17 Q And would you also please briefly describe your
18 education and duties?

19 A (Robinson) Yes. I have a Civil --

20 *[Court reporter interruption.]*

21 **BY THE WITNESS:**

22 A (Robinson) Oh. I have a Civil Engineering degree
23 from University of Mass.-Lowell, and a Master's
24 in Project Management from Granite State College.

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 And my daily is operation and maintenance of the
2 wastewater treatment plant.

3 Q And, Mr. McCoy, would you state your name and
4 position for the City of Manchester EPD?

5 A (McCoy) Sure. My name is Robert Michael McCoy.
6 I'm actually a Project Manager with Kleinfelder,
7 Inc. We're the engineering firm that's been
8 retained by Manchester to design and oversee
9 construction of the Cohas Brook Sewer Project.

10 Q And would you please briefly describe your
11 education and duties with respect to the Project?

12 A (McCoy) I have a BS in Civil and Environmental
13 Engineering from Clarkson University. I have a
14 Master's in Public Administration from the
15 University of New Hampshire. And my role is as
16 Project Manager. So, I work with the design team
17 and the resident engineers in the field to
18 oversee construction.

19 Q Thank you. Mr. Robinson, some housekeeping here.
20 Are you familiar with Exhibit 3, which contain,
21 at Pages 46 to 102, the discovery responses of
22 the Environmental Protection Division to the
23 Department of Energy?

24 A (Robinson) Yes, I am.

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 Q Were those responses prepared by you or under
2 your supervision?

3 A (Robinson) Yes, they were.

4 Q Do you have any changes or additions?

5 A (Robinson) No, I do not.

6 Q If I asked you those questions today, would your
7 answers be the same?

8 A (Robinson) Yes, they would be.

9 Q Are the answers true and accurate to the best of
10 your knowledge and belief?

11 A (Robinson) Yes, they are.

12 Q Thank you. Mr. McNeill, for context, could you
13 please briefly describe the Cohas Brook Sewer
14 Project, and explain how that Project relates to
15 the discontinuance of Bodwell Waste operations?

16 A (McNeill) Yes, I will. The Cohas Brook Sewer
17 Project is a ten-year \$30 million sewer expansion
18 project to provide sewer service to the last
19 enclave in Manchester without sewer service,
20 which is the southeast quadrant. It consists of
21 four construction contracts. We are actually in
22 Contract Number 4 now, and that's outlined in
23 Exhibit 6.

24 This two-year project is nearing

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 completion now. The overall objective of the
2 Project is really to protect the watersheds of
3 Lake Massabesic and Cohas Brook.

4 Q Thank you. Mr. McNeill, is it also your
5 testimony today that the Environmental Protection
6 Division has the financial, managerial, and
7 technical capability to serve those customers
8 currently served in the City of Manchester by
9 Bodwell?

10 A (McNeill) Yes. The Environmental Protection
11 Division is the largest wastewater utility in the
12 state. We have about 26,000 customers. We have
13 44 full-time staff, an operating budget of almost
14 \$15 million, and a capital budget of over \$100
15 million. And this is our business and this is
16 what we do.

17 Q And, in the future, Mr. McNeill, how will billing
18 and charges be assessed for the Manchester
19 customers of Bodwell?

20 A (McNeill) Well, our billing practice will not
21 change. What currently happens is these
22 residents, the 410, receive two bills; one from
23 Bodwell Waste, one from the City of Manchester.
24 The City of Manchester's billing practice will

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 not change. But what will happen to benefit our
2 residents is the elimination of the second bill
3 from Bodwell.

4 Our billing is based on two tiers; one
5 is a service charge and one is consumption. And
6 that's how they currently are billed, and, again,
7 that will remain unchanged.

8 Q Could you also please explain, Mr. McNeill, how
9 the EPD charges the Town of Londonderry for
10 service?

11 A (McNeill) Yes. That's governed through our
12 Inter-Municipal Agreement that was updated and
13 executed in 2013. And we actually sell our
14 service on a wholesale level to the Town of
15 Londonderry, and they administer their individual
16 billing. And, in Exhibit 3, you'll find the
17 Inter-Municipal Agreement, and all the details of
18 the billing is included in that.

19 MR. GETZ: And I would note,
20 Commissioners, just as a matter of housekeeping,
21 that in your procedural order you directed the
22 filing of the agreement that would govern the
23 relationship between the towns. That was filed
24 as a response to a data request. So, it's in the

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 record as part of Exhibit 3.

2 BY MR. GETZ:

3 Q Mr. McCoy, turning to Exhibit 7, could you please
4 explain how the transition of service from
5 Bodwell to the EPD will take place, and could you
6 also give a status update on the -- where
7 construction is, and your opinion as to the
8 likelihood of the transition occurring before
9 year-end?

10 A (McCoy) Sure. So, Exhibit 7 does lay out a
11 tentative schedule for the construction of Bid
12 Alternates 1, 2, and 3, and the transfer of sewer
13 assets from Bodwell Waste to the City of
14 Manchester. Just to clarify, Bid Alternates 1,
15 2, and 3 are actually part of the construction
16 contract with the Cohas Brook Sewer Project.
17 That's also shown on Exhibit 7, the map and of
18 the project area. So, if you look at that
19 exhibit, all of the lines that are in green are
20 essentially the sewer lines that have already
21 been constructed as part of the base bid for that
22 contract.

23 And the Bid Alternates are shown in a
24 different color. So, red for Bid Alternate 1, a

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 purplish color for Bid Alternate 2, and a light
2 green color for Bid Alternate 3. Those Bid
3 Alternates include the extension of additional
4 sewer from those new sewers that were just built
5 as part of the project recently, up to points of
6 intersection with the existing wastewater
7 collection that Bodwell Waste currently owns and
8 maintains.

9 The Memorandum of Understanding, the
10 MOU, between Manchester and Bodwell Waste,
11 includes some conditions. One of those
12 conditions is that those Bid Alternates can't
13 begin until the Petition has been approved. So,
14 this schedule, the first milestone that you see
15 is actually one of the key assumptions, that the
16 Petition will be approved by September 15th. All
17 the other milestones and dates that are on this
18 schedule are basically predicated on that date
19 being met.

20 Once -- or, assuming the Petition is
21 approved, Manchester would then immediately award
22 Bid Alternates 1, 2, and 3, to the construction
23 contractor, they would begin that work.
24 Simultaneously, or around the same time, work

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 would begin on the drafts to our facilities' deed
2 of transfer. The work to extend those new sewers
3 under the Bid Alternates, there's about 1,700
4 linear feet of new sewer that needs to be built
5 as part of that. We're anticipating about a
6 two-month construction duration to build or
7 extend those sewers up to or near the points of
8 interconnection.

9 And then, once that's in place, the
10 contractor can turn their attention to actually
11 making the final connections. First, they will
12 have to implement a temporary bypass system
13 around the work zone in the location of those
14 final connections. Once that bypass is in place,
15 then the contractor can proceed to make the
16 connections. In accordance with the schedule
17 here, we're anticipating that work will occur
18 between December 15th and December 30th.

19 So, by December 30th, all the flows
20 should be going from the existing Bodwell Waste
21 sewer system, and flowing completely by gravity
22 into the new sewer system of the City of
23 Manchester.

24 There is still some work that could

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 take place after the December 30th date, and that
2 has to do with the demolition of the pump
3 stations. That's also part of the scope of work
4 for the construction contractor. But that work
5 could take place after December 30th. That's not
6 critical to achieving a transfer of assets.

7 And the last date that there's -- the
8 last date that's on the schedule is
9 "January 21st, 2023", which coincides with the
10 date of substantial completion for the overall
11 construction contract. So, by that date, the
12 contractor needs to be completed with all the
13 construction.

14 Q But the demolition of those waste pumping
15 stations would be demolition of stations that had
16 already been disconnected and were no longer in
17 use?

18 A (McCoy) That's correct. That will be after
19 they're de-energized, after the December 30th
20 date.

21 Q Okay. Finally, Mr. McNeill, and this was
22 addressed as a preliminary matter, but what is
23 the Environmental Protection Division's position
24 on the Settlement Term Sheet provided as

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 Exhibit 9?

2 A (McNeill) The City of Manchester agrees on Item
3 Number 1, that we have the financial, managerial,
4 and technical capability to operate this utility.
5 Item 3 we're in agreement in, there's a public
6 interest for Bodwell to transfer the assets to
7 the City. Also, Item 5 we're in agreement with,
8 as in the public interest for Bodwell to
9 discontinue service. And, lastly, we're in
10 agreement with Item 6, that EPD will provide a
11 status update on construction progress by
12 November 30th.

13 EPD, the City of Manchester takes no
14 position on the other terms of the Term Sheet.

15 MR. GETZ: Okay. Commissioners, the
16 witnesses are available for cross-examination.

17 CMSR. CHATTOPADHYAY: Thank you. So,
18 let's proceed with if there are any questions
19 from the Company?

20 MS. BROWN: No. No further questions
21 from the Company. They did an excellent job.
22 Thank you.

23 CMSR. CHATTOPADHYAY: How about Town of
24 Londonderry?

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 MR. LIRETTE: No questions from the
2 Town of Londonderry.

3 CMSR. CHATTOPADHYAY: Let's go to the
4 OCA?

5 MR. KREIS: I love sewage treatment
6 plants. I would love to ask these witnesses an
7 hour's worth of friendly cross-examination about
8 what they do. But, in the interest of time, I
9 will forgo that opportunity.

10 CMSR. CHATTOPADHYAY: Thank you. And
11 how about DOE, do you want to forgo that
12 opportunity?

13 MR. TUOMALA: We will also forgo that
14 opportunity. We have no questions. Thank you.

15 CMSR. CHATTOPADHYAY: Thank you. So,
16 the witnesses from the City of Manchester are
17 excused.

18 And I want to make sure that the
19 Parties understand that we will have questions at
20 the end for all of the witnesses, as needed.
21 Okay.

22 CMSR. SIMPSON: And that all the
23 witnesses will remain under oath.

24 CMSR. CHATTOPADHYAY: Okay.

[WITNESS PANEL: Kerry|Trottier]

1 MR. LIRETTE: Commissioners, I believe
2 it's Londonderry's witnesses now?

3 CMSR. CHATTOPADHYAY: Yes. So, let's
4 proceed with their witnesses. Please go to the
5 podium.

6 MR. LIRETTE: So, just a little bit of
7 housekeeping there, too. As far as direct, I'm
8 only going to be putting on Bob Kerry.

9 *(Atty. Lirette conferring with*
10 *Mr. Kerry and Mr. Trottier.)*

11 MR. LIRETTE: Okay. Okay, never mind.
12 Sorry about that.

13 CMSR. CHATTOPADHYAY: Okay.

14 *(Whereupon **Robert J. Kerry** and*
15 ***John Trottier** were called to the stand,*
16 *having been previously sworn by the*
17 *Court Reporter.)*

18 **ROBERT J. KERRY, SWORN**

19 **JOHN TROTTIER, SWORN**

20 **DIRECT EXAMINATION**

21 BY MR. LIRETTE:

22 Q Okay. We'll start on the left here. Mr. Kerry,
23 can you please state your name for the record?

24 A (Kerry) For the record, my name is Robert James

[WITNESS PANEL: Kerry|Trottier]

1 Kerry. I go by "Bob". And I am the
2 Environmental Engineer with the Town of
3 Londonderry Environmental -- Engineering &
4 Environmental Services Division.

5 Q And, to the right, John, can you please state
6 your name?

7 A (Trottier) My name is John Trottier. I'm the
8 Director of Engineering & Environmental Services
9 for the Town of Londonderry. Been employed by
10 the Town of Londonderry for 21 years.

11 Q Bob, as the Environmental Engineer, can you
12 please give me a summary of what your duties are?

13 A (Kerry) Well, basically, I am in charge of the
14 wastewater collection system maintenance and
15 management, any repairs. Also, that includes the
16 pump stations. We have six of them in town. In
17 addition to that, I oversee the Industrial
18 Pretreatment Program, which we do have a lot of
19 industries in town, and we have to be careful
20 that none of their discharges are damaging either
21 the wastewater collection system itself or the
22 receiving wastewater treatment plant.

23 Q Bob, I think you got into it a little bit there,
24 but could you provide a brief summary of the

[WITNESS PANEL: Kerry|Trottier]

1 sewer system in Londonderry, what it consists of?

2 A (Kerry) We have about 32 miles of sewer, a fairly
3 small system, about 32 miles of sewer, about 850
4 manholes, with six pump stations. We handle --
5 we send about a million and a half gallons a day
6 to Manchester, and we also send about 150,000
7 gallons a day to the Town of Derry. Interesting
8 enough, we don't have a treatment plant, but we
9 basically rely on those two towns to receive our
10 sewage.

11 Q And just to confirm, you said it was a "fairly
12 small system", and that's right?

13 A (Kerry) That's correct. It's about 170 linear
14 feet -- 170,000 linear feet, 32 miles of pipe.

15 Q And you're aware that we are here today because
16 there is an agreement contemplate -- or, a
17 transaction contemplated in which the Town of
18 Londonderry will take over the sewer assets and
19 customers from Bodwell, is that correct?

20 A (Kerry) That is correct.

21 Q Can you give me a comparison, a size comparison,
22 about the difference between the Bodwell assets
23 you'll be taking over, compared to the overall
24 sources that Londonderry has?

[WITNESS PANEL: Kerry|Trottier]

1 A (Kerry) Right now, we're managing about 32 miles
2 of sewer and about 850 manholes. The inclusion
3 -- or, the assets we'll be taking over is only
4 about two miles of sewer and another 50 manholes.
5 So, it's a very small percentage increase,
6 something we have no concerns about being able to
7 handle.

8 Q Can you do that same comparison for the number of
9 customers, if you know?

10 A (Kerry) Right now we have --

11 Q I can direct you to a -- I can direct you to your
12 data response.

13 A (Kerry) Thank you.

14 Q So, why don't you turn to Exhibit 8.

15 A (Kerry) So, the question was "how many customers
16 we have?"

17 Q Yes. But let's do a little preliminary
18 discussion on this exhibit beforehand.

19 A (Kerry) Uh-huh.

20 Q So, just turn to Exhibit 8, and let me know when
21 you are ready for it.

22 A (Kerry) I am on Page 4.

23 Q Of Exhibit 8? Oh, you're where we're supposed to
24 be.

[WITNESS PANEL: Kerry|Trottier]

1 A (Kerry) Yes.

2 Q In general, let's step back and strike that last
3 question.

4 I want to know just generally about
5 this document. Are you familiar with it?

6 A (Kerry) I guess I lost you on the "Exhibit A",
7 I'm sorry.

8 Q Eight. Exhibit 8, the data responses that we've
9 put together.

10 A (Kerry) Yes.

11 Q Yes. Okay. Did you -- did you prepare this
12 document?

13 A (Kerry) I did.

14 Q These are your answers?

15 A (Kerry) They are.

16 Q Is everything in this document, is it -- do you
17 believe it to be true today?

18 A (Kerry) I do.

19 Q Do you adopt this document as your testimony
20 today?

21 A (Kerry) I do.

22 Q Okay. Perfect. Now, you can go back to Page 4
23 where you were looking.

24 A (Kerry) I am there.

[WITNESS PANEL: Kerry|Trottier]

1 Q Okay. Can you tell me what this chart is?

2 A (Kerry) Basically, it's describing the sewer
3 accounts, the number of sewer accounts we have
4 that I manage. We, basically, have 75 industrial
5 accounts, 429 commercial accounts, and 12 --
6 1,225 residential accounts. A number of those
7 residential accounts are multi-residential unit
8 dwellings. So, the total residential units that
9 we sewer service are -- totals 2,399 accounts.

10 Q And, so, based on this chart, and the overall
11 number of accounts that you have, can you do the
12 same comparison that we did about the physical
13 size of the assets, with respect to the number of
14 Bodwell customers who will be incoming?

15 A (Kerry) We'll be including about 110 new
16 customers, residential customers, on top of the
17 2,399. So, again, it's not a -- it's not a big
18 increase at all. It will be easily handled.

19 Q Thank you. And, so, are you in charge of the
20 day-to-day operation of Londonderry's sewer
21 system?

22 A (Kerry) I am.

23 Q Okay. Can you please provide just a general
24 background of your education?

[WITNESS PANEL: Kerry|Trottier]

1 A (Kerry) Bachelor of Science degree in Water --
2 Sanitary Sewer and Water Resources from WPI.
3 Began 43 years as a wastewater collection system
4 involvement, basically, anywhere from fieldwork
5 to management, evaluation of the systems, and
6 asset management of the systems. And the last 11
7 and a half years I've been with Londonderry, and,
8 again, in charge of this system here that we just
9 described, also do the customer billing on that.

10 Q So, has your entire career been spent in
11 wastewater and sewer?

12 A (Kerry) It has.

13 Q Yes. Can you tell me what the "New England Water
14 Environmental Association" is?

15 A (Kerry) New England Water Environment Association
16 is a regional association, if you will, that
17 is -- it includes professionals who are
18 wastewater operators, collection system
19 operators, engineers, vendors, etcetera. It's an
20 organization I've been a member of for 35 years.
21 And it's, basically, a -- actually part of a
22 national association, which is the Water Resource
23 Federation -- Water Environment Federation.

24 Q Did you ever hold a leadership position in the

[WITNESS PANEL: Kerry|Trottier]

1 New England Water Environment Association?

2 A (Kerry) I am a member of the Collection System
3 Certification Committee, I was a past chairman of
4 that committee. And our job there is to improve
5 and inspire the professionalism of the wastewater
6 collection system industry.

7 Q Thank you. What is "NASSCO", and that's a
8 mouthful, the "National Association of Sewer
9 Service Companies"?

10 A (Kerry) That's right. It is a national
11 association of companies, again, engineers,
12 companies, service providers, that works towards
13 the improvement of sewer system evaluation
14 methods, and also repair methods.

15 Q Do they give out certifications in NASSCO?

16 A (Kerry) In NASSCO, I am certified as an
17 inspector, and the acronyms are -- was a Pipeline
18 Assessment Certification Program, also Manhole
19 Assessment Certification Program, and Lateral
20 Assessment Certification Program. That is
21 something we have to, basically, recertify
22 ourselves every three years. I was actually a
23 trainer in that program prior to me coming to
24 Londonderry.

[WITNESS PANEL: Kerry|Trottier]

1 Q Thank you. Are there others involved in the
2 Londonderry government helping you manage the
3 sewer system?

4 A (Kerry) There are.

5 Q Who is that?

6 A (Kerry) John Trottier, --

7 Q Uh-huh.

8 A (Kerry) -- who's to my left, is -- oversees me
9 and provides additional information and
10 assistance, when needed.

11 Q And do you rely on any other resources to help
12 manage the system?

13 A (Kerry) We have a number of subcontractors that
14 we have in line and use, basically, on a daily
15 basis, as necessary. We have a company that does
16 biweekly maintenance of the sewer pump stations.
17 They have everything they need equipmentwise to
18 test and make minor repairs. I work with a
19 consultant for the Industrial Pretreatment
20 Program. He's available, basically, on a daily
21 basis, as necessary. We also use several
22 consultants for the wastewater treatment --
23 excuse me, wastewater collection system, you
24 know, basically, we do an annual program of

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[WITNESS PANEL: Kerry|Trottier]

1 maintenance, --

2 [Court reporter interruption.]

3 WITNESS TROTTIER: CMOM, C-M-O-M.

4 **CONTINUED BY THE WITNESS:**

5 A (Kerry) Oh, I'm sorry. Yes, C-M-O-M. Sorry
6 about that. That's the "Capacity Management
7 Operation & Maintenance". And that is a program
8 which we institute both the U.S. EPA Region 1 and
9 also the New Hampshire Department of
10 Environmental Services. And it's a program where
11 we do have to show that we are making active
12 efforts to maintain -- evaluate, maintain, and
13 monitor our system.

14 BY MR. LIRETTE:

15 Q So, CMOM is, essentially, a reporting mechanism?

16 A (Kerry) That's correct.

17 Q And you send annual reports to whom?

18 A (Kerry) We send it to the U.S. EPA Region 1 and
19 also to the New Hampshire Department of
20 Environmental Services.

21 Q Do you ever get any responses from either of
22 those two entities?

23 A (Kerry) The responses back are, basically, good.
24 "No comment", which is good, "Keep it up."

[WITNESS PANEL: Kerry|Trottier]

1 Q Great. Can you just briefly explain the
2 maintenance that you undertake for the system,
3 inspections particularly, and to ensure that the
4 sewer system runs and operates smoothly?

5 A (Kerry) Yes. So, as part of the CMOM Program,
6 what we have done is, throughout the last eight
7 or nine years, we have gone around and,
8 basically, we have a systematic approach, where
9 we will go out, open every manhole cover, inspect
10 the manholes, and also look down the lines with
11 telephoto cameras.

12 We have gone around the entire system
13 twice in the last nine years. From that, we have
14 also determined areas from that inspection where
15 repair work may be needed. A lot of that is in
16 the form of cleaning the pipes with hydraulic
17 high-velocity jet-rodders, to make sure that
18 there's no obstructions which would cause
19 blockages and overflows. We have, as I say,
20 we've gone around that. We have clean & TV,
21 which is a term for -- we've got a video
22 recording of the entire pipe, from one manhole to
23 the next, of about 71 percent of the system in
24 the last ten years. But we are looking every

{DW 22-012} {08-22-22}

[WITNESS PANEL: Kerry|Trottier]

1 four years or so at each pipe, to make sure that
2 the change -- there's no changes in conditions.

3 Q Thank you. Do you have any similar type of
4 knowledge about the Bodwell assets that you are
5 slated to acquire, if this transaction is
6 approved?

7 A (Kerry) We do. Actually, as part of the
8 arrangement to be considered, to be acquired by
9 the Town, we required that they go out and do the
10 inspections of the manholes and the inspection
11 of -- the cleaning and inspection of the
12 pipelines. That has been done. They use a --
13 basically, they're a third party that uses a
14 PACP/MACP certified process. They screened it.
15 We also were able to check it.

16 And we basically identified a few
17 manholes that were leaking groundwater
18 infiltration, which that's since been fixed and
19 confirmed. And we also identified one pipeline
20 that had groundwater leaking into it. That has
21 always been fixed.

22 So, we are very aware of the condition
23 of the system that we're about to take over.

24 Q When you say "they" undertook these tests, just

[WITNESS PANEL: Kerry|Trottier]

1 to be clear, Bodwell was the one that contracted
2 that engagement?

3 A (Kerry) Yes. Yes, they did.

4 Q Okay. One more final question about Bodwell's
5 assets.

6 I believe it is a condition of the MOU
7 that these inspections and repairs be completed
8 before any transaction be taken place, is that
9 right?

10 A (Kerry) That's correct.

11 Q And do you believe that condition has been
12 satisfied now?

13 A (Kerry) That condition has been satisfied.

14 Q Okay. Can you tell me what Londonderry's Sewer
15 Fund is?

16 A (Kerry) Our budget for this year is about
17 \$2.8 million.

18 Q And that budget, that \$2.8 million, comes from
19 where?

20 A (Kerry) That's coming from -- we have an
21 Enterprise Fund, that is basically funded by
22 ratepayers and new users. It is not part of the
23 Town's General Fund. It is used solely for
24 wastewater-related costs.

[WITNESS PANEL: Kerry|Trottier]

1 Q And, to the extent that any contingency funds are
2 needed for sewer-related expenses, does the Sewer
3 Fund provide for that?

4 A (Kerry) It does.

5 Q Can you explain to me how Bodwell's Londonderry
6 customers are currently billed?

7 A (Kerry) Right now, we have two flow meters in the
8 pipelines just before those pipes enter
9 Manchester. Those meters are maintained by
10 Bodwell. And we -- occasionally, we'll go there
11 and check the total assets of those meters. From
12 that, we produce a bill to Bodwell Waste every
13 quarter. Our quarters is, as the discussion, was
14 a little bit different there, our quarters run a
15 little bit different. The current one we're in
16 right now is running from June 1st to August
17 31st. That bill is sent to Bodwell, Bodwell pays
18 us. From that point, it's conjecture, but I
19 believe that was stated by Mr. St. Cyr how they
20 handle that.

21 Q Can you explain how you anticipate the customers,
22 if this transaction goes through, the customers
23 you will obtain from Bodwell, how they will be
24 billed?

[WITNESS PANEL: Kerry|Trottier]

1 A (Kerry) Like any new customer, any new
2 residential customer, in Manchester, they will be
3 charged a flat rate fee of \$96 per quarter. And,
4 if we happen to, whatever day that transfer takes
5 place, we will prorate wherever we are in that
6 quarter. So, their first bill may be less than
7 the \$96 flat rate.

8 Q And are you able to make that proration
9 relatively easily at any time of the month, any
10 time of the quarter, depending on when the
11 transaction is finalized?

12 A (Kerry) Yes, we are. We, basically, do it all
13 the time when new houses come on.

14 Q There was mention of an Inter-Municipal Agreement
15 with Manchester. Can you explain that Agreement
16 in your terms?

17 A (Kerry) Basically, that's an agreement between us
18 and Manchester, pertaining to the fees that
19 Londonderry pays for the treatment of our waste,
20 and also conditions on connecting any additional
21 developments or lines into the Manchester system.
22 This has already been -- this particular
23 situation with Bodwell has already been included
24 in the Manchester IMA. So, we don't foresee any

[WITNESS PANEL: Kerry|Trottier]

1 issues.

2 Q Okay. Thank you. So, I believe the -- are you
3 aware that the MOU requires further informal --
4 or, I wouldn't say "informal", strike that,
5 further Town Council's approval of the
6 transaction before the sewer assets are actually
7 transferred?

8 A (Kerry) My understanding on that is the
9 proposition was put before the Town Council for
10 this MOU. The majority of the Council was -- had
11 no issues. One councilor did have some
12 questions. He was able to communicate with the
13 Town Manager to his satisfaction, and indicated
14 so.

15 Q So, to the extent that the conditions referenced
16 in the MOU are satisfied, do you anticipate any
17 difficulty getting the Town Council's approval
18 for the transaction and the transfer of the
19 assets to go forward?

20 A (Kerry) We do not.

21 Q Okay. I think I have just one more question for
22 you, Mr. Kerry.

23 Can you explain to me what
24 Londonderry's purpose is in acquiring these

[WITNESS PANEL: Kerry|Trottier]

1 assets? Why are you doing it?

2 A (Kerry) Number one, it will be the elimination of
3 the pump station, which is -- it will be just
4 good to not have it. A gravity system will be
5 much more efficient, less prone to any kind of
6 malfunctions and mishaps.

7 Number two, the Londonderry residents
8 will get a single bill, basically, from the Town,
9 and like every other residential customer in
10 town.

11 MR. LIRETTE: Great. Thank you. I
12 have no further questions.

13 CMSR. CHATTOPADHYAY: Thank you. So, I
14 understood that for the -- first of all, you guys
15 are excused from the podium right now.

16 *[Commissioner Chattopadhyay and*
17 *Commissioner Simpson conferring.]*

18 CMSR. CHATTOPADHYAY: Oh, sorry. I
19 completely forgot.

20 So, let's go with cross-examination,
21 and I will start with the Company. Sorry.

22 MS. BROWN: Thank you. I just have a
23 couple of follow-up questions for Mr. Kerry.

24 **CROSS-EXAMINATION**

[WITNESS PANEL: Kerry|Trottier]

1 BY MS. BROWN:

2 Q Mr. Kerry, can you -- I don't know that I heard,
3 for the Town -- Londonderry Town Council
4 approval, do you know how long that will take
5 from today?

6 A (Kerry) I do not believe there's an issue. I
7 think it is already resolved.

8 MS. BROWN: Okay. All right. And the
9 other thing I would just like to make is a record
10 request, and reserve "Exhibit 11", just so that
11 we can have some documentation that the
12 Londonderry Town Council approved the MOU.

13 If there's any -- I don't know if any
14 other party has an objection to that, but that's
15 my request?

16 CMSR. CHATTOPADHYAY: Can you restate
17 that?

18 MS. BROWN: I would like to reserve
19 "Exhibit 11", and the record request is some sort
20 of documentation from the Town of Londonderry
21 that the appropriate approvals have been obtained
22 from the Londonderry MOU.

23 *(Exhibit 11 reserved for documentation*
24 *from the Town of Londonderry)*

[WITNESS PANEL: Kerry|Trottier]

1 CMSR. CHATTOPADHYAY: If I may ask,
2 this is for Londonderry, how long would it take
3 to get that, you know, that exhibit?

4 MR. LIRETTE: Let me make this. It's
5 actually more of a question of scheduling the
6 Town Meeting. And I am just actually not aware
7 of what the schedule is for the next --

8 CMSR. CHATTOPADHYAY: Yes. So, --

9 MR. LIRETTE: I understand they have
10 monthly meetings. So, we're looking at, you
11 know, a timeframe of three to four months. I
12 would not anticipate any problem getting that,
13 presuming that the conditions are met, within the
14 next, you know, month or so, at the next meeting.
15 I suspect that would be fine. But I don't have a
16 final answer right now on that, on the particular
17 timing of it.

18 CMSR. CHATTOPADHYAY: Just give me a
19 few minutes, okay?

20 MR. LIRETTE: Sure.

21 *[Commissioner Chattopadhyay and*
22 *Commissioner Simpson conferring.]*

23 CMSR. CHATTOPADHYAY: So, as we
24 understand it here, it might take a long enough

[WITNESS PANEL: Kerry|Trottier]

1 time beyond September 15th, and which is -- but
2 it's useful information. So, I would say that
3 the Commissioners would like to see documentation
4 to that effect as time progresses.

5 So, I'm not -- I guess I'll ask the
6 Company, if the exhibit you're talking about,
7 Exhibit 11, and I'm not a lawyer, so maybe that's
8 why I'm getting confused here, that, if that's
9 going to take such a long time to get here, then
10 please, please tell us what you think?

11 MS. BROWN: Yes. Thank you very much
12 for that opportunity. I am envisioning that a
13 conditional approval would be issued by the
14 Commission, and some of these documents
15 satisfying the conditions would be pay off of the
16 loan, proof of payoff of the loan, proof of the
17 transfer of the assets, and one could also be
18 proof of the Londonderry Town Council sign-off,
19 is how I'm envisioning this record request
20 fitting into the timeframe of the Commission's
21 approval.

22 *[Commissioner Chattopadhyay and*
23 *Commissioner Simpson conferring.]*

24 CMSR. CHATTOPADHYAY: So, we'll take

[WITNESS PANEL: Kerry|Trottier]

1 that matter under advisement. So, right now, I'm
2 not going to say anything about it. But let's
3 proceed.

4 CMSR. SIMPSON: I would like to ask a
5 question, though, if I may, Commissioner
6 Chattopadhyay?

7 CMSR. CHATTOPADHYAY: Sure.
8 Absolutely.

9 CMSR. SIMPSON: I would just ask
10 Attorney Getz, on behalf of the City of
11 Manchester, thinking about some of the possible
12 conditions that might be met, in order to
13 facilitate approval by the Commission, a couple
14 of things. We just heard from Londonderry. I
15 think there's some analogous items with respect
16 to the City of Manchester, progress with the
17 Cohas Brook Project that we heard with respect to
18 testimony. And then, whether it's in the record
19 now or would need to be submitted into the record
20 subsequently, a similar approval from your
21 municipal board.

22 Can you comment and perhaps offer any
23 explanation for us, in light of what we just
24 heard from Londonderry?

[WITNESS PANEL: Kerry|Trottier]

1 MR. GETZ: Yes, Commissioners. No
2 further approval is required from the City of
3 Manchester. The MOU has been signed. So,
4 there's no additional Board approval required.

5 With respect to, I guess, concerns
6 about next steps, I think, you know, it was
7 addressed in some respect by Mr. McCoy, until the
8 order is issued, there won't be further action on
9 releasing the additional contracts.

10 But I think he can testify, and maybe
11 Mr. McNeill as well, as to their expectations,
12 that, if an order is issued, even one that is an
13 order conditioned on the filing of final approval
14 by the Town of Londonderry, that the City expects
15 that the December 30th deadlines can be met.

16 I'm not sure if there was anything else
17 in there that I missed.

18 CMSR. SIMPSON: My understanding was
19 that the Cohas Brook Project has some
20 construction that is pending as well, is that
21 correct or incorrect?

22 MR. GETZ: I would have to turn to
23 Mr. --

24 CMSR. SIMPSON: Okay. We can save this

[WITNESS PANEL: Kerry|Trottier]

1 for a Commissioner question, too, if that is more
2 efficient?

3 MR. GETZ: I think it might be, just as
4 a general explanation of the details of the
5 status of the Cohas construction, and then how
6 that will trigger the next steps.

7 CMSR. SIMPSON: Okay. Thank you. And
8 I think, ultimately, we're just trying to ensure
9 that we understand the timeline, the milestones
10 that have to be met, in order to possibly
11 facilitate this transaction, what would be
12 expected of the Commission, and communicate
13 clearly to the parties what we will need to see,
14 should we deliver an order approving the
15 transaction through the milestone dates of these
16 coordinated projects.

17 So, I'll hand it back over to
18 Commissioner Chattopadhyay.

19 CMSR. CHATTOPADHYAY: Thank you,
20 Commissioner Simpson. Sorry.

21 Let's go back to the Company's
22 cross-examination of the Town of Londonderry
23 witnesses.

24 MS. BROWN: That completes the

[WITNESS PANEL: Kerry|Trottier]

1 Company's cross-examination of these witnesses.

2 Thank you.

3 CMSR. CHATTOPADHYAY: Thank you. Is
4 there anything from the City of Manchester?

5 MR. GETZ: No, Commissioner.

6 CMSR. CHATTOPADHYAY: Is there anything
7 from the OCA?

8 MR. KREIS: Just briefly. I just want
9 to make sure I understand the scenario here.

10 And, so, I guess my questions are for Mr. Kerry.

11 BY MR. KREIS:

12 Q Mr. Kerry, I thought I heard you say that you
13 "didn't anticipate any problem with the
14 Londonderry Town Council approving this
15 transaction." That was your testimony, yes?

16 A (Kerry) That's correct.

17 Q And I noticed on the Town's website that the next
18 meeting of the Town Council is August 29th. Do
19 you expect this to be on the agenda of that
20 meeting?

21 A (Kerry) I would hope so.

22 Q But you don't know?

23 A (Kerry) I do not know.

24 Q And, when you testify that you "didn't anticipate

[WITNESS PANEL: Kerry|Trottier]

1 any problem getting Town Council approval", what
2 was the basis of that opinion?

3 A (Kerry) Conversations with the Town Manager.

4 MR. KREIS: Thank you. Those are all
5 the questions I have.

6 CMSR. CHATTOPADHYAY: Thank you. Let's
7 go to DOE?

8 MR. TUOMALA: The DOE does not have any
9 further questions. Thank you.

10 CMSR. CHATTOPADHYAY: Thank you. So,
11 the witnesses are excused from the podium for
12 now. I will let you guys proceed, and then --

13 CMSR. SIMPSON: So, then, before we
14 move on, could I ask Mr. -- or, Attorney Lirette
15 a question?

16 CMSR. CHATTOPADHYAY: Sure.

17 CMSR. SIMPSON: You stated that you
18 think this approval might take several months.
19 Do you think there's any possibility that there
20 could be a similar approval by the Town Council
21 prior to a Commission order, for instance, at
22 that August 29th meeting?

23 MR. LIRETTE: Yes. I think that is
24 possible.

[WITNESS PANEL: Gage|Laflamme]

1 CMSR. SIMPSON: Okay.

2 MR. LIRETTE: Yes.

3 CMSR. SIMPSON: Thank you.

4 CMSR. CHATTOPADHYAY: Okay.

5 *[Commissioner Chattopadhyay and*
6 *Commissioner Simpson conferring.]*

7 CMSR. CHATTOPADHYAY: So, if I heard
8 correctly at the beginning, I just want to make
9 sure, if it's okay with OCA and DOE to have their
10 witnesses available at the same time?

11 MR. KREIS: Whatever your pleasure is,
12 we're happy to comply with.

13 CMSR. CHATTOPADHYAY: Well, let's do
14 that.

15 (Whereupon **Josie Gage** and **Jayson P.**
16 **Laflamme** were called to the stand,
17 having been previously sworn by the
18 Court Reporter.)

19 CMSR. CHATTOPADHYAY: Okay. I'll let
20 the attorneys begin.

21 MR. KREIS: It would help if you told
22 us which of us you would like to --

23 CMSR. CHATTOPADHYAY: Well, I would go
24 with the OCA first.

[WITNESS PANEL: Gage|Laflamme]

1 MR. KREIS: Thank you.

2 CMSR. CHATTOPADHYAY: Yes.

3 MR. KREIS: My questions are for
4 Ms. Gage, obviously.

5 **JOSIE GAGE, SWORN**

6 **DIRECT EXAMINATION**

7 BY MR. KREIS:

8 Q Ms. Gage, would you identify yourself by name and
9 title for the record?

10 A (Gage) Sure. My name is Josie Gage. And I am
11 Director of Economics and Finance for the Office
12 of the Consumer Advocate.

13 Q And have you previously testified on behalf of
14 the OCA here at the New Hampshire PUC?

15 A (Gage) Yes, I have.

16 Q And can you briefly describe -- oh, how long have
17 you been working for us at the OCA?

18 A (Gage) Just about a year, I think we're coming
19 around the clock here.

20 Q And can you briefly describe your work in
21 connection with other regulatory agencies similar
22 to the New Hampshire PUC?

23 A (Gage) Sure. I also worked for the Massachusetts
24 Department of Public Utilities Rates and Revenue

[WITNESS PANEL: Gage|Laflamme]

1 Requirements Division as an economist. And, with
2 the Department of Public Utilities, Staff takes
3 on a different role. We sit at the Bench and do
4 the cross-examination.

5 Q Have you had the opportunity to review the
6 Petition that was filed by Bodwell Waste Services
7 that is the subject of this docket?

8 A (Gage) I have.

9 Q And, when you reviewed that Petition initially,
10 what concerns did you identify on behalf of the
11 utility's residential customers?

12 A (Gage) Well, initially, I was concerned with the
13 request for the customers to pay for the loan and
14 administrative and regulatory expenses for this
15 case.

16 Q And just for the record, what's the nature of the
17 concern? What was wrong with customers paying
18 those administrative and regulatory costs and the
19 costs of paying off the loan?

20 A (Gage) Well, as, we'll say, a "nonattorney
21 opinion" is that they were illicit.

22 Q They were -- excuse me?

23 A (Gage) Illegal.

24 Q Why were they illegal?

[WITNESS PANEL: Gage|Laflamme]

1 A (Gage) Because the Company would not be actually
2 providing service, and, therefore, they're not
3 allowed to charge customers.

4 Q And those concerns, would you agree, have now
5 been adequately addressed to your satisfaction?

6 A (Gage) Yes, with both of the letters from Ms.
7 Brown.

8 Q And what was your role in addressing those
9 concerns?

10 A (Gage) I think some technical sessions were had,
11 maybe some status updates, and some discovery,
12 were all things that I participated in.

13 Q And have you now had an opportunity to review the
14 Settlement terms that are laid out in what has
15 been marked for identification as "Exhibit 9"?

16 A (Gage) Yes.

17 Q And would you agree with me that, in addition to
18 those terms, the Company, via the two letters
19 that have been referenced earlier, has now agreed
20 to forgo recovery of costs associated with paying
21 off the loan and with any administrative and
22 regulatory costs incurred by the Company in
23 connection with winding down its operations as a
24 public utility?

[WITNESS PANEL: Gage|Laflamme]

1 A (Gage) That's my understanding, yes.

2 Q And just to be clear, from the perspective of the
3 utility's residential customers, which is, of
4 course, the contingency that our Office
5 represents, nonrecovery of those two things, the
6 debt and administrative and regulatory costs, are
7 essential to your agreement, and, ultimately, the
8 OCA's agreement, that the Commission grant the
9 Bodwell Petition?

10 A (Gage) Yes. I think, if we hadn't gone to that
11 extent, we wouldn't be in agreement today.

12 Q Okay. And, generally speaking, do you believe
13 that the Company's customers are well served by
14 the transition from taking sewer service from an
15 investor-owned utility, in favor on relying on
16 either the Town of Londonderry or the City of
17 Manchester for their sewer service?

18 A (Gage) Generally, my answer is "yes." I would
19 defer to the very credible engineers that have
20 already been on the bench here as to whether
21 their service will be better, that they will
22 better serve customers. But it appears that way,
23 to my nonengineering background at this time,
24 that they will actually receive even better

[WITNESS PANEL: Gage|Laflamme]

1 service than they had before.

2 Q Indeed. I was going to ask you that very
3 question. Whether you heard the testimony of the
4 witnesses from the two municipalities, and
5 whether that bolstered your conclusion that, from
6 a managerial, technical, and financial
7 perspective, this transaction is good for
8 residential customers of the utility?

9 A (Gage) I would generally agree with that
10 sentiment, yes.

11 Q And, so, it is your testimony that granting the
12 Petition, as conditioned by the Settlement terms,
13 both in Exhibit 9 and in those two letters, would
14 be for the public good?

15 A (Gage) With those three documents together, yes.

16 MR. KREIS: Thank you. Those are all
17 the questions I have for Ms. Gage on direct exam.

18 CMSR. CHATTOPADHYAY: Okay. Thank you.
19 Let's go with the cross-examination of OCA's
20 witness individually at this point. So, let's
21 start with the Company?

22 MS. BROWN: No cross-examination.

23 Thank you.

24 CMSR. CHATTOPADHYAY: Any questions

[WITNESS PANEL: Gage|Laflamme]

1 from the City of Manchester?

2 MR. GETZ: No questions.

3 CMSR. CHATTOPADHYAY: Any questions
4 from Town of Londonderry?

5 MR. LIRETTE: No questions for
6 Londonderry.

7 CMSR. CHATTOPADHYAY: How about DOE?

8 MR. TUOMALA: The Department has no
9 further questions. Thank you.

10 CMSR. CHATTOPADHYAY: Thank you.

11 MR. KREIS: We love that. Ms. Gage is
12 such an untouchable witness that nobody wants to
13 take her on. Except for maybe the Commissioners.

14 CMSR. CHATTOPADHYAY: Yes. You're
15 putting pressure on us now.

16 CMSR. SIMPSON: More like benefit from
17 her vast knowledge.

18 MR. KREIS: That is what I had in mind.

19 CMSR. CHATTOPADHYAY: So, I think, even
20 though this is a panel, you know, I know you will
21 be sitting there for a little bit longer. But --
22 okay.

23 So, let's go with the direct for the
24 DOE's witness.

[WITNESS PANEL: Gage|Laflamme]

1 MR. TUOMALA: Thank you, Commissioner.

2 **JAYSON P. LAFLAMME, SWORN**

3 **DIRECT EXAMINATION**

4 BY MR. TUOMALA:

5 Q Good morning, Mr. Laflamme. Could you please
6 state your full name for the record?

7 A (Laflamme) My name is Jayson Laflamme.

8 Q And whom are you employed by, Mr. Laflamme?

9 A (Laflamme) I'm employed by the New Hampshire
10 Department of Energy.

11 Q And what is your position at the Department of
12 Energy?

13 A (Laflamme) I am the Director of the Water Group
14 within the Regulatory Support Division of the
15 Department of Energy.

16 Q And, prior to the Department of Energy's
17 formation, you were employed at the Public
18 Utilities Commission as well. Could you describe
19 your job duties for both the Department and your
20 prior experience at the Public Utilities
21 Commission?

22 A (Laflamme) I joined the Public Utilities
23 Commission in 1997 as a Utility Examiner in the
24 Commission's Audit Division. In 2001, I joined

[WITNESS PANEL: Gage|Laflamme]

1 the Gas & Water Division of the Public Utilities
2 Commission, and was eventually promoted to Senior
3 Utility Analyst. In 2018, I became the Assistant
4 Director of the Commission's Gas & Water
5 Division. And, in July of last year, my position
6 was transferred to the newly created Department
7 of Energy.

8 Q And could you briefly describe those
9 responsibilities now at the Department of Energy?

10 A (Laflamme) I directly supervise the Water Staff
11 of the Regulatory Support Division, and primarily
12 oversee the course of examination for water and
13 wastewater dockets that are filed with the
14 Commission. And I also directly examine select
15 water and wastewater dockets that come before the
16 Commission.

17 Q And have you testified before the New Hampshire
18 Public Utilities Commission before?

19 A (Laflamme) Yes, I have.

20 Q And, specifically for this docket, Mr. Laflamme,
21 could you describe your involvement?

22 A (Laflamme) Yes. I reviewed and analyzed
23 Bodwell's filing, in conjunction with the
24 Company's reports and other records previously

[WITNESS PANEL: Gage|Laflamme]

1 filed with the Commission. I drafted discovery
2 that was submitted to the Company, the City of
3 Manchester, and the Town of Londonderry, and I
4 reviewed the Company's, the City's and the Town's
5 data responses.

6 I participated in technical sessions
7 with the other parties in this docket. I
8 reviewed and provided feedback regarding the
9 Settlement terms that are being presented this
10 morning.

11 I also materially participated in
12 previous dockets involving Bodwell, including
13 DW 04-145, which was Bodwell's previous rate
14 proceeding; DW 17-142, which was Bodwell's most
15 recent financing; and DW 20-109, which was
16 Bodwell's request for a change in the financing
17 terms.

18 Q The discovery that you just mentioned that the
19 Department propounded, to your knowledge are
20 those responses included in Exhibits 3 and 8?

21 A (Laflamme) Yes, they are.

22 Q And, after review of that discovery and
23 participation in the technical sessions that you
24 had mentioned, does the Department have an

[WITNESS PANEL: Gage|Laflamme]

1 opinion as to Bodwell's request to transfer
2 assets to both the City of Manchester and the
3 Town of Londonderry, which will allow those
4 municipalities to serve Bodwell's current
5 customers in their respective municipal
6 boundaries, and allow Bodwell to discontinue
7 provision of sewer service to its customers?

8 A (Laflamme) Yes.

9 Q Could you briefly explain what that opinion is?

10 A (Laflamme) Based on the original Petition that
11 Bodwell itself filed, which is marked as "Exhibit
12 1", along with the Settlement terms contained in
13 Exhibit 9, the Department believes that the
14 Commission should approve the transfer of the
15 Company's assets to the City of Manchester and
16 the Town of Londonderry, and thus will result in
17 those municipalities serving Bodwell's current
18 customers, and thereby allowing the Company to
19 discontinue its provision of service to those
20 customers.

21 Q And taking a step back for the moment, and
22 examining each municipality individually, in your
23 discussion and review of discovery, do you
24 believe it's in the public good for Bodwell to

[WITNESS PANEL: Gage|Laflamme]

1 transfer its assets, its plant assets located in
2 Manchester, to the City of Manchester, and for it
3 to provide sewer service to those Bodwell
4 customers located within Manchester's municipal
5 borders?

6 A (Laflamme) Yes, I do.

7 Q Could you briefly explain why?

8 A (Laflamme) Yes. Based on our review of the
9 initial filing and supporting discovery, the City
10 appears to possess the requisite technical,
11 financial, and managerial expertise to
12 effectively operate the Bodwell system located in
13 Manchester.

14 Manchester also appears to be able to
15 provide greater economies of scale, along with
16 greater access to resources for the system in the
17 future, and this will ultimately benefit the
18 Bodwell customers that it will serve.

19 The Bodwell customers that Manchester
20 will be serving will now only be paying one bill
21 for sewer service to the City, with the
22 elimination of the bill they now currently pay to
23 Bodwell.

24 Also, as such, the Department believes

[WITNESS PANEL: Gage|Laflamme]

1 that these customers should realize a greater
2 possibility of savings from being served by the
3 municipality, versus being served by Bodwell.

4 And, for these reasons, the Department
5 believes that the transfer of Bodwell assets to
6 the City of Manchester are in the public good.

7 Q Thank you for that. Same line of questioning
8 regarding the Town of Londonderry. Do you
9 believe it's within the public good for Bodwell
10 to transfer its plant located in Londonderry to
11 the Town of Londonderry, for the Town of
12 Londonderry to continue provision of sewer
13 service to those Bodwell customers located within
14 its municipal borders?

15 A (Laflamme) Yes. And, for similar reasons that I
16 previously explained with regard to the City of
17 Manchester, based on our review of the initial
18 filing and supporting discovery, the Town also
19 appears to possess the requisite technical,
20 financial, and managerial expertise to
21 effectively operate the portion of the Bodwell
22 system residing in Londonderry.

23 Londonderry, as well, appears to be
24 able to provide greater economies of scale, along

[WITNESS PANEL: Gage|Laflamme]

1 with greater access to resources to operate the
2 system, and for the ultimate benefit of the
3 Bodwell customers that it will be serving.

4 With regard to billings for services,
5 the Department believes that the Londonderry
6 customers should also realize a greater
7 possibility of savings from being served by the
8 Town, versus being served by Bodwell.

9 And, for those similar reasons,
10 Department believes that the transfer of the
11 Bodwell assets to Londonderry to also be in the
12 public interest.

13 Q Thank you for that. Acknowledging that you're
14 not an attorney, but would you be able to give a
15 professional opinion that you believe the
16 transfer by Bodwell, the respective plant, again,
17 as we discussed, located in Manchester to the
18 City of Manchester, and the plant located in
19 Londonderry to the Town of Londonderry, that you
20 believe it's within the public good, pursuant to
21 RSA 374:30, and that once that transfer is
22 complete, it is also in the public good for
23 Bodwell to discontinue its utility service or its
24 operation as a public utility, pursuant to RSA

{DW 22-012} {08-22-22}

[WITNESS PANEL: Gage|Laflamme]

1 374:28?

2 A (Laflamme) Yes, I do.

3 Q I have a few other lines of questioning, mostly
4 related to the exhibits.

5 First, regarding the MOUs from both the
6 Town of Londonderry and the City of Manchester, I
7 believe those are Exhibits 1 through 5 -- or,
8 excuse me, 1 and 5, respectively. Have you had
9 an opportunity to review those documents?

10 A (Laflamme) Yes, I have.

11 Q Do you have any concerns after that review that
12 you'd like to note for the record?

13 A (Laflamme) No, I do not.

14 Q Also, regarding I believe it's Exhibit --
15 Exhibit 9, the Settlement Term Sheet, did you
16 have an opportunity to review and have the
17 opportunity to edit that before it was filed as
18 an exhibit?

19 A (Laflamme) Yes, I did.

20 Q And do you have any concerns with that exhibit?

21 A (Laflamme) No, I do not.

22 Q Is it a fair conclusion to state that you agree
23 with the terms included in that Settlement Term
24 Sheet?

[WITNESS PANEL: Gage|Laflamme]

1 A (Laflamme) Yes, I do.

2 MR. TUOMALA: Forgive me for a second,
3 I just lost my train of thought. I believe I
4 have one more line of questioning.

5 *[Short pause.]*

6 MR. TUOMALA: Commissioners, would you
7 allow me to approach the witness just briefly?
8 Because I believe there was one more line of
9 questioning, but I seem to have lost it. And I
10 just want to confirm with him that we don't need
11 to add anything to the record?

12 CMSR. CHATTOPADHYAY: Certainly.

13 MR. TUOMALA: Thank you.

14 *(Atty. Tuomala and Witness Laflamme*
15 *conferring.)*

16 MR. TUOMALA: Thank you, Commissioners.
17 I appreciate your indulgence.

18 BY MR. TUOMALA:

19 Q The one line of questioning that I wanted to ask
20 is similar to what the Consumer Advocate had
21 asked of its witness regarding the Company's
22 withdrawal of both its request for recoupment
23 regarding the Merrimack Savings loan, and also
24 recoupment from its customers of the

[WITNESS PANEL: Gage|Laflamme]

1 administrative costs.

2 And is it fair to say, Mr. Laflamme,
3 that the Department supports the withdrawal of
4 both those requests by the Company?

5 A (Laflamme) Yes, it does.

6 Q And now that both of those requests are removed,
7 essentially, in the record is the request by the
8 Company to transfer its assets, and also cease
9 utility service. As those are the only remaining
10 requests, does the Department support those
11 requests and recommend that the Commission
12 approve that, those requests by the Company?

13 A (Laflamme) Yes.

14 Q Do you have anything further you would like to
15 add to your testimony today?

16 A (Laflamme) No, I do not.

17 MR. TUOMALA: No further questions,
18 Commissioners. Thank you.

19 CMSR. CHATTOPADHYAY: Thank you. Let's
20 proceed with the cross.

21 MS. BROWN: No cross by the Company.

22 CMSR. CHATTOPADHYAY: How about the
23 City of Manchester?

24 MR. GETZ: No questions. Thank you.

[WITNESS PANEL: Gage|Laflamme]

1 MR. LIRETTE: No questions for
2 Londonderry.

3 CMSR. CHATTOPADHYAY: No.

4 MR. LIRETTE: Thank you.

5 CMSR. CHATTOPADHYAY: Thank you. How
6 about OCA?

7 MR. KREIS: No questions from the OCA.

8 CMSR. CHATTOPADHYAY: Thank you. Just
9 give us 20 seconds. Hold on.

10 *[Commissioner Chattopadhyay and*
11 *Commissioner Simpson conferring.]*

12 CMSR. CHATTOPADHYAY: So, we will take
13 a recess. And let's come back at 11:05. We'll
14 go to Commissioners' questions. Thank you. Off
15 the record.

16 *(Recess taken at 10:50 a.m., and the*
17 *hearing resumed at 11:15 a.m.)*

18 CMSR. CHATTOPADHYAY: So, we're going
19 to go to the Commissioners' questions. I'm going
20 to let Commissioner Simpson begin.

21 (Whereupon **Stephen P. St. Cyr** was
22 recalled to the stand, having been
23 previously sworn and remains under
24 oath.)

[WITNESS: St. Cyr]

1 CMSR. CHATTOPADHYAY: And I already see
2 the witness from the Company on the stand. So,
3 let's proceed.

4 CMSR. SIMPSON: Okay. Hello, Mr. St.
5 Cyr.

6 WITNESS ST. CYR: Good morning.

7 CMSR. SIMPSON: Good morning.

8 So, I think, as an initial matter,
9 before we begin, I'd just like to state on the
10 record that the main area of ambiguity for us
11 remains the Town of Londonderry's willingness to
12 accept the assets.

13 So, in our view, at this point,
14 proceeding forward, should we decide to approve
15 this Petition, it would have to be a conditional
16 approval, conditioned upon receipt of
17 confirmation from the Town of Londonderry that
18 these assets are desired to be accepted.

19 MR. LIRETTE: Could I speak to that
20 quickly, Commissioner?

21 CMSR. SIMPSON: Please do.

22 MR. LIRETTE: Yes. Sure. So, over our
23 break, I actually received confirmation that the
24 Town of Londonderry does not intend and does not

[WITNESS: St. Cyr]

1 need to have satisfied Condition 11 of the
2 Londonderry MOU. That condition, on Page 5, is
3 the condition that we've been talking about
4 regarding the Town Council's approval.

5 We are prepared and we are in a place
6 where we think that there's sufficient authority
7 for the Town Manager to go forward without
8 formally submitting to the Town Council.

9 And what I'd suggest we would do is
10 take the supplemental exhibit request, which was
11 "11", which was that formal documentation, and I
12 could write a letter explaining waiver of
13 Condition 11, Page 5. Which the effect would be
14 that, to the extent that the other conditions in
15 this MOU are met, Londonderry would be willing to
16 move forward on the proposal, and could do so
17 through its Town Manager, as opposed to having
18 another formal acceptance or vote from the Town
19 Council.

20 CMSR. SIMPSON: And can you comment on
21 your view as to why you now feel that acceptance
22 by the Council and approval is not required?

23 MR. LIRETTE: Sure. Like I said, based
24 on further communications with the Town Manager,

[WITNESS: St. Cyr]

1 and where things stand, and what his authority
2 is, that's where my view comes from.

3 CMSR. SIMPSON: And do you have any
4 legal authority to support that view?

5 MR. LIRETTE: Sure. I can certainly
6 get it. I don't have the ordinances now. And
7 it's my understanding that this type of
8 transaction is well within the authority of the
9 Town Manager to execute without a formal vote
10 from the Town Council.

11 CMSR. SIMPSON: Okay.

12 MR. LIRETTE: If you're looking for
13 that authority, I could write it up for you.
14 But, otherwise, and, you know, if it turns out
15 that's not the case, then we'll need to work on
16 getting a formal approval. But it's my
17 understanding that the Town Manager can go
18 forward and approve of this transaction without
19 the vote.

20 CMSR. SIMPSON: Okay. And how
21 expeditiously do you think you might be able to
22 submit something outlining that into the record?

23 MR. LIRETTE: Bear with me one moment.

24 CMSR. SIMPSON: Take your time.

[WITNESS: St. Cyr]

1 *[Short pause.]*

2 MR. LIRETTE: I'm dealing with a
3 vacation at the end of this week. Would mid next
4 week work, say, the 31st?

5 *[Commissioner Chattopadhyay and
6 Commissioner Simpson conferring.]*

7 CMSR. SIMPSON: That should be
8 acceptable.

9 MR. LIRETTE: Thank you.

10 CMSR. SIMPSON: Thank you. Okay. Any
11 comments from any of the other parties on that
12 exchange?

13 MS. BROWN: The only comment I have is
14 how I originally framed the record request. And
15 I don't remember how it was framed in the record,
16 but I certainly have no objection to Attorney
17 Lirette's modification to the description of
18 Exhibit 11.

19 CMSR. SIMPSON: Thank you. Okay.
20 Seeing no one else, we'll go back to Mr. St. Cyr.

21 **STEPHEN P. ST. CYR, PREVIOUSLY SWORN**

22 BY CMSR. SIMPSON:

23 Q So, are you familiar with the customer letter
24 that was submitted into the record by Bodwell

[WITNESS: St. Cyr]

1 customer Christopher Andrews?

2 A So, I was only made aware of it this morning.

3 Q Have you read that letter?

4 A Yes.

5 Q And are you aware of any other customer comments
6 with respect to the Company's Petition?

7 A So, I have gotten a couple calls, mostly trying
8 to determine just exactly what the timeline was,
9 and what was necessary in order for us to stop
10 providing service and for them to stop receiving
11 a bill.

12 Q And, in your view, were they -- were those calls
13 looking for further information? Were they
14 supportive? Were they not supportive of the
15 Company's Petition?

16 A So, they were mostly looking for information. I
17 was able to tell them about the proceeding here
18 before the Public Utilities Commission, and how
19 the goal was to have an order by September 15th.
20 And, if that -- if an order was in hand, then
21 construction would begin to connect the Bodwell
22 system to the Manchester system at different
23 points. And that, if all went well, you know,
24 that would take place before the end of the year.

[WITNESS: St. Cyr]

1 And, if that were the case, then, arguably, you
2 could have a final bill by the end of the year.
3 And I said, if there were delays or -- either
4 delays with the Commission approval or delays in
5 construction, it could go into 2023.

6 And everyone one that I talked to was
7 happy to hear that their Bodwell bill would go
8 away.

9 Q And do you feel that customers understand that
10 the Company's original request to continue
11 billing post Commission approval of transfer of
12 the assets is no longer a part of your request?

13 A So, we have not specifically communicated that.
14 The thought was that we would go out with a
15 letter October 1, along with the quarterly
16 billing, updating them on the proceeding. And we
17 didn't specifically call that out in our original
18 letter, but could certainly say something about
19 that in this particular letter.

20 Q And can you elaborate on why the Company didn't
21 make that clear in the letter?

22 A So, we didn't have approval to do that. So, the
23 sense was that, until we had approval, it wasn't
24 necessary to disclose that, *per se*.

[WITNESS: St. Cyr]

1 Q Okay. So, the issue of the current loan, the
2 Merrimack Savings Bank loan, as we've discussed,
3 and you're familiar with that issue?

4 A I am.

5 Q And looking at Exhibit 4, Mr. LaMontagne has
6 notified us that he's been in touch with the
7 bank, correct?

8 A That's correct.

9 Q And can you explain how we should distinguish
10 Mr. LaMontagne from Bodwell Waste, and the
11 repayment of the Merrimack County Savings Bank
12 loan?

13 A So, Mr. LaMontagne is the President of Bodwell
14 Waste, is also the owner. And we had a
15 discussion with Merrimack County Savings Bank,
16 specifically Mr. Gallagher. That discussion was
17 around the existing loan, and what would take
18 place with respect to that. And this letter sort
19 of formalized that discussion, to notify them of
20 the proceeding and Bodwell's intent to pay that
21 loan off at or around the end of the year.

22 Q And what were the bank's reactions to that?

23 A So, the bank is happy to get its money back.

24 Q Okay. And, in the affidavit, on Page 3 of

[WITNESS: St. Cyr]

1 Exhibit 4, the final "THAT" clause, "THAT,
2 Bodwell Waste intends to pay off the bank loan
3 prior to termination." Did I read that
4 correctly?

5 A This is in the third -- oh, here we go.
6 "Bodwell intends to pay off the bank loan prior
7 to termination."

8 Q So, I just -- I want to understand whether it's
9 Mr. LaMontagne or Bodwell Corporation that's
10 going to pay off the loan?

11 A So, Mr. LaMontagne would have to put the money
12 into Bodwell Waste, and then Bodwell Waste would
13 then pay the loan off.

14 Q And are there any ways in which we could have
15 more certainty that those funds are available and
16 would be provided to Bodwell to then pay off the
17 loan?

18 A I guess I'm not quite sure how to answer that. I
19 have full confidence that that money would be
20 contributed to Bodwell, and that Bodwell will use
21 whatever funds are there in order to pay the loan
22 off.

23 Q So, today, Bodwell Waste does not have liquidity
24 to pay off the loan, correct?

[WITNESS: St. Cyr]

1 A Correct.

2 Q But, presumably, Mr. LaMontagne, as president,
3 would contribute personal funds into the
4 corporation, which would then be used to pay off
5 the Merrimack County Savings Bank loan?

6 A Correct.

7 Q Okay. And has the Company considered paying it
8 off prior to Commission approval?

9 A We have not considered that. We're not in a
10 position to do that now.

11 Q And can you describe the motivation to have this
12 loan paid off personally?

13 A So, you know, Bodwell would discontinue
14 operation, its franchise would be terminated, we
15 would be transferring assets. You know, we'll
16 use whatever funds are left over, and the
17 difference Mr. LaMontagne would put into the
18 corporation to take care of the loan.

19 Q And should that occur, Mr. LaMontagne contributes
20 the funds to pay off the loan, Bodwell Waste then
21 pays off the loan, what would be the cash
22 position of Bodwell at that time?

23 And I'm asking, because I'm interested
24 in the Company's perspective on long-term

[WITNESS: St. Cyr]

1 liabilities.

2 A The cash position, at the end of the day, will be
3 zero.

4 Q Do you have any thoughts on the issue of
5 long-term liabilities that could arise in the
6 future?

7 A I guess, if Bodwell is no longer in existence,
8 Bodwell would have no exposure. But I think the
9 exposure is somewhat limited, in that, at that
10 point, all of Bodwell's former facilities would
11 be underground there. They would be essentially
12 services and manholes, and everything would be
13 underground.

14 Q Which would subsequently be owned by the City of
15 Manchester and the Town of Londonderry,
16 respectively, correct?

17 A That's correct.

18 Q Is it your view that the liabilities transfer
19 with the assets?

20 A Yes.

21 Q Okay. And can you comment on the current
22 condition and operational status of the Bodwell
23 assets and system that is intended to be
24 transferred to Londonderry and Manchester?

[WITNESS: St. Cyr]

1 A So, we believe they're in good condition. And,
2 specifically, as Mr. Kerry indicated, Bodwell has
3 paid for the inspection and cleaning of the
4 Londonderry mains and manholes. So, we believe
5 they're in good condition.

6 Q And can you comment on the status of Manchester's
7 Cohas Brook Project and the connections, and the
8 Company's view of the interplay between that
9 Project and this asset transfer?

10 A So, we know that the Project is at our doorstep.
11 We know that the pipes are in the area, kind of
12 waiting for a Commission order and the release of
13 the contracts. Our expectation is that it will,
14 in fact, take place, you know, by the end of the
15 year, and that the flow will be seamless to
16 customers.

17 Q Can you comment on the current state of
18 outstanding bills from Bodwell's customers, given
19 that part of the Term Sheet describes no
20 opposition or no position from the parties on
21 Bodwell billing post-operation as a utility?

22 A So, the Company does have some receivables that
23 it needs to collect. It's currently pursuing 20
24 customers in particular. And we're looking a

[WITNESS: St. Cyr]

1 little bit more closely to see if we have to
2 pursue them, that additional 20.

3 But the issue around post-operation is
4 to make sure that we have the authority to
5 continue to bill for services up to the point in
6 time in which we no longer are providing service.
7 And we wanted to make sure that there wasn't any
8 objection to us continuing to bill a customer
9 that owes us money for service that we provided
10 up to the date at which we discontinued.

11 Q So, then, you, in your position as managing
12 Bodwell Waste, you intend to see through all of
13 the reconciliation of those receivables until all
14 are paid and received?

15 A Up to a point of diminishing returns. I would
16 agree that we will do that.

17 Q And how would you envision handling a situation,
18 when Bodwell Waste is no longer a utility, and
19 there are just some arrears that are
20 unrecoverable, and you've reached that point of
21 diminishing returns, what happens then?

22 A I think we probably just stop pursuing those
23 particular. I assume those are relatively small
24 amounts. And, you know, you, at some point, you

[WITNESS: St. Cyr]

1 just have to decide that it's not worth pursuing
2 anymore.

3 Q And you stated that there's about 20 customers or
4 so that are in arrears, is that correct?

5 A So, there's 20 that we're currently pursuing that
6 we consider to be sort of substantially in
7 arrears. I believe seven or eight of them have
8 been resolved. Two to three are under a payment
9 arrangement. Out of the remaining ten, we're in
10 various levels of pursuing them in court. Some
11 that already have a court date set, and some that
12 I expect will have a court date down the road.

13 There are two customers that filed for
14 bankruptcy that require us to do something
15 different, and we still need to do that.

16 And then, I would just say there's
17 another group of customers that the threshold
18 isn't as high, but is still probably something
19 that we should pursue sooner rather than later,
20 and that we actually have that under review at
21 the moment.

22 Q And without respect to any particular customer,
23 but, in aggregate of all of the outstanding
24 balances, can you provide an estimated amount of

[WITNESS: St. Cyr]

1 money that is outstanding from customer bills
2 today?

3 A I have a document in my briefcase. If Ms. Brown
4 brings me my briefcase, I can --

5 CMSR. SIMPSON: Take your time,
6 Attorney Brown.

7 *(Atty. Brown providing briefcase to*
8 *Witness St. Cyr.)*

9 **BY THE WITNESS:**

10 A This is as of August 31st, 2022 *[sic]*, the
11 outstanding balance is 168,000.

12 BY CMSR. SIMPSON:

13 Q Can I just ask you to confirm the date?

14 A As of August 15th, 2022.

15 Q Okay. August 15th. And could I have the number
16 again, I'm sorry?

17 A 168,000. And the amount that we are pursuing is
18 approximately 150,000. So, the remaining
19 balance, that is subject to either further
20 pursuit or remains outstanding, would be
21 approximately 18,000.

22 Q Okay. So, we have the outstanding loan, the
23 number is, depending on the timeframe, around
24 320,000?

[WITNESS: St. Cyr]

1 A It's 342,000.

2 Q 342,000. And then, so, outstanding bills you
3 said was 100 and --

4 A As of August 15, 2022, it's 168,000.

5 Q So, are those past due balances?

6 A Yes.

7 Q Okay. And that's over what time horizon looking
8 back, would you say?

9 A Some of these go back a number of years.

10 Q Okay. Do you have any sense of what the
11 Company's monthly receivables are from customer
12 bills?

13 A Let me just check another file. Hold on a
14 second.

15 *[Short pause.]*

16 **BY THE WITNESS:**

17 A So, on an annual basis, Bodwell bills are roughly
18 \$176,000. And, quarterly, we're billing
19 approximately a fourth of that. And, of course,
20 the payment of those bills come in over the
21 course of the quarter. It's probably 30 to
22 35,000 that we're working with on a quarterly
23 basis.

24 BY CMSR. SIMPSON:

[WITNESS: St. Cyr]

1 Q Okay. Thank you. Should the Commission approve
2 the transfer, can you describe how the Company
3 would provide all of the customer
4 information/billing information to the City of
5 Manchester and Town of Londonderry, respectively,
6 while ensuring compliance with any applicable
7 privacy standards?

8 A So, we can certainly share our customer files
9 with both Manchester and Londonderry. Although,
10 both the City and Town have the same names and
11 addresses as we do.

12 You know, Manchester does its own
13 billing for its service, we -- and, you know, and
14 they serve the same customers, so they would have
15 the same information.

16 Londonderry actually provides us with
17 the names of -- names and addresses of customers,
18 and they provide that to us on a quarterly basis.
19 And, of course, there's people that are selling
20 homes and buying homes. So, that information is
21 provided as time has permitted.

22 Q And would you say that, if this proposal is
23 approved, that individual customers, on a annual
24 basis, their sewer costs would go down?

[WITNESS: St. Cyr]

1 A Yes. In Manchester, the customers would
2 essentially be eliminated from receiving a bill
3 for 64.17 a quarter. And, in Londonderry, the
4 quarterly bill fluctuates, based on the amount of
5 flow. But, on average, it probably runs 110 to
6 115 a quarter. And Mr. Kerry indicated that they
7 would be billed the standard rate in Londonderry
8 for residential customers, which I believe he
9 said was "\$96".

10 So, in both cases, the customers would
11 receive a decrease in the amount that they pay
12 for sewer service.

13 Q And does the Company have any concerns with the
14 ability of either Manchester or Londonderry to
15 take on the operation/maintenance, continued
16 replacement of infrastructure post Bodwell's
17 ownership?

18 A No. In fact, their operation and maintenance
19 should be less expensive than ours, since they
20 will no longer be operating three pump stations.

21 Q Do you have any recommendations for the
22 Commission with respect to a potential
23 conditional approval, based on receipt of
24 information from the Town of Londonderry?

[WITNESS: St. Cyr]

1 A I would recommend that you provide that authority
2 for us to discontinue and to terminate the
3 service. They're both more than capable of
4 providing sewer service. In some sense, there's
5 a little bit of overlap, and this would be
6 eliminated as well. And they're more than
7 capable and ready and able to do so.

8 CMSR. SIMPSON: Okay. Thank you,
9 Mr. St. Cyr.

10 Commissioner Chattopadhyay, I don't
11 have any further questions for the witness.

12 CMSR. CHATTOPADHYAY: Thank you.

13 I have -- first of all, let's talk
14 about the same topic that Commissioner Simpson
15 was pursuing.

16 BY CMSR. CHATTOPADHYAY:

17 Q So, you mentioned \$168,000 that, you know, for
18 service that people haven't paid for. Can you
19 give us a sense of what's the breakout between
20 Londonderry and Manchester?

21 A I don't have that breakout. It tends to be more
22 Manchester than Londonderry, certainly. But I
23 don't have that specific breakdown.

24 Q You don't have it. Okay. Let's go to Exhibit

[WITNESS: St. Cyr]

1 Number 9. You have it handy? So, it's the
2 Settlement Term Sheet.

3 A I have it.

4 Q Okay. So, if you look at Number (2), it says
5 "Subject to review of discovery and receipt of
6 the Londonderry MOU". So, now that the
7 Londonderry MOU is available, can you give us a
8 sense of, you know, what that "review of
9 discovery and receipt" indicates for you, whether
10 you still agree with that? You know, can you
11 just give a little bit of color to that?

12 A So, I do agree and continue to support the
13 Settlement terms. At the time these were
14 drafted, we were still awaiting the final terms
15 and signatures. It went back-and-forth between
16 Bodwell and the Town for a few days. But the
17 substance of the document didn't change, even
18 though we were making minor adjustments to some
19 of the items in the MOU, and we were awaiting
20 signatures.

21 And I also -- the first part of that
22 addressed -- we were also waiting for Londonderry
23 to respond to the Department of Energy's data
24 requests. So, it was subject to review of those

[WITNESS: St. Cyr]

1 data requests and review of the final Londonderry
2 MOU.

3 And, now, having seen both of those,
4 you know, we're in agreement, that the Town of
5 Londonderry still has the required financial,
6 managerial, and technical expertise.

7 Q Okay. And I think, for Number (4), the same
8 question, you're going to say "yes"?

9 A Yes.

10 CMSR. CHATTOPADHYAY: Okay.

11 *[Commissioner Chattopadhyay and*
12 *Commissioner Simpson conferring.]*

13 CMSR. CHATTOPADHYAY: Just to convey
14 what we just discussed here is, we'll provide the
15 Company the ability to have redirect later,
16 because, you know, we will go through all of the
17 witnesses, and then, okay.

18 So, you are excused from the podium for
19 now.

20 WITNESS ST. CYR: Thank you.

21 CMSR. CHATTOPADHYAY: Thank you. So,
22 we will now proceed to the City of Manchester.

23 CMSR. SIMPSON: And just for clarity,
24 we're doing redirect at the end, in case any of

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 the witnesses have additional input as we
2 continue to ask questions of other witnesses.

3 Thank you, Mr. St. Cyr.

4 (Whereupon **Frederick J. McNeill,**
5 **Robert J. Robinson,** and **Robert M. McCoy**
6 were recalled to the stand, having been
7 previously sworn and remain under
8 oath.)

9 CMSR. CHATTOPADHYAY: Commissioner
10 Simpson.

11 CMSR. SIMPSON: Thank you, Commissioner
12 Chattopadhyay. Thank you all for being here on
13 behalf of the City of Manchester.

14 Some of the questions might seem
15 redundant. But I just would like to ensure that
16 we have a complete understanding from all the
17 parties. So, bear with us.

18 **FREDERICK J. McNEILL, PREVIOUSLY SWORN**

19 **ROBERT J. ROBINSON, PREVIOUSLY SWORN**

20 **ROBERT M. McCOY, PREVIOUSLY SWORN**

21 BY CMSR. SIMPSON:

22 Q With respect to the City of Manchester, I just
23 want to confirm that the City believes they have
24 the capability to take on the asset, operation,

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 maintenance, and any future replacement of the
2 Bodwell system?

3 A (McNeill) Yes, we do.

4 Q Thank you. Has the City of Manchester conducted
5 any due diligence of the infrastructure, in terms
6 of field inspections, going out and looking at
7 the infrastructure, so that you have a full
8 understanding of what the City will be
9 potentially taking on?

10 A (McNeill) Yes, we did. We conducted an internal
11 TV inspection. And it was rated on a national
12 scale. And, so, we got the quality of pipe
13 that's considered. And, yes, we feel that's
14 acceptable condition to take over.

15 Q And no red flags were raised in your inspection?

16 A (McNeill) No red flags whatsoever. It was all in
17 very good condition.

18 Q Thank you. In accepting the Manchester Bodwell
19 infrastructure, what benefits do you all perceive
20 to the City of Manchester and the residents of
21 the City of Manchester?

22 A (McNeill) Two key benefits. Number one, 418 of
23 our customers will no longer be double-billed.
24 That is critical to them. Two, in the spirit of

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 environmental stewardship, while Bodwell Waste
2 has done a great job over the years, the
3 wastewater utility in Manchester, one, the
4 professionals are there, the equipment is there,
5 the experience is there, and the expertise is
6 there.

7 Q What about future opportunities? I'm not
8 personally familiar with the area, but I know
9 that the City of Manchester has experienced
10 tremendous growth over the past few years. Does
11 this infrastructure provide opportunities in the
12 future or is it really tying into the new
13 backbone of the Manchester system, based on the
14 Cohas Brook Project?

15 A (McNeill) I think it's more the latter, tying
16 into existing infrastructure. As I mentioned
17 earlier, the last enclave of the City that was
18 not sewerred was the southeast enclave. We went
19 all the way down to the Londonderry line. So,
20 we're really a mature city, so to speak, in terms
21 of providing sewer service to our residents.

22 Q And does the City have any position with respect
23 to liabilities? Mr. St. Cyr testified that, in
24 his view, in transferring the assets from Bodwell

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 to Manchester and Londonderry, that along with
2 that asset transfer would come any potential
3 liabilities. Are you aware of any liabilities?
4 Do you agree with that perspective?

5 A (McNeill) I agree with that perspective. I do
6 not anticipate any liabilities that I'm aware of
7 at this point.

8 Q Okay. Thank you. Now, post asset transfer, the
9 City would have a larger system. It sounds like
10 you have the ability, in terms of management,
11 personnel, to operate the system safely and
12 reliably. Do you foresee, other than the fact
13 that customers receive a bill from Manchester and
14 Bodwell today, do you foresee rate impacts to the
15 Manchester portion because of this asset
16 transfer?

17 A (McNeill) There will be no rate increases due to
18 this asset transfer.

19 Q And should the Commission provide a conditional
20 acceptance of this Petition by the September 15
21 date requested by Bodwell, would the City of
22 Manchester be willing to provide the Commission
23 with any relevant updates with respect to the
24 Cohas Brook Project or any other infrastructure

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 work that's ongoing that would lead to the
2 successful tie-in of the Bodwell system?

3 A (McNeill) Yes. We would be happy to provide any
4 information that the Commission deems appropriate
5 to help facilitate this transfer of assets.

6 Q Would you be willing to voluntarily provide
7 information as time went on, as we might not be
8 as intimately familiar with the status of those
9 upgrade projects?

10 A (McNeill) Yes. At your convenience, again,
11 through our attorney, or us, we'll answer
12 immediately any questions you may have or any
13 information that you may require.

14 Q Basically, I'm thinking of milestones. You
15 complete this element of the Project, or you've
16 awarded a bid for this very important element of
17 the Project. Just a status update is what I'm
18 thinking, just so we have an awareness?

19 A (McNeill) Yes. We'll be happy to provide that.

20 CMSR. SIMPSON: Okay. Thank you. I
21 don't have any further questions for the
22 Manchester witnesses, Commissioner Chattopadhyay.
23 Thank you.

24 CMSR. CHATTOPADHYAY: Thank you.

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 BY CMSR. CHATTOPADHYAY:

2 Q So, I'm going to go to the 2013 agreement that
3 the City and the Town has. And I want to
4 understand, if you can throw light on this, with
5 Bodwell's operations ending, and you're taking
6 over all the assets, with respect to Manchester,
7 I want to understand, do you see anything that is
8 there in that 2013 agreement that might need to
9 be relooked at or changed to accommodate this new
10 situation?

11 A (McNeill) No. And the reason "no" is, again,
12 this is a agreement between the Town of
13 Londonderry and the City of Manchester provides
14 Londonderry services. What we're acquiring from
15 Bodwell is within Manchester's boundaries, so
16 really does not, I believe, come under the
17 jurisdiction of this agreement.

18 Q So, you're essentially saying that, even after
19 you acquire those assets, because they will be
20 Manchester customers, essentially, the 2013
21 agreement that you have with Londonderry remains
22 in place. That's what I should understand,
23 right?

24 A (McNeill) That is correct.

[WITNESS PANEL: McNeill|Robinson|McCoy]

1 CMSR. CHATTOPADHYAY: Okay. I think
2 that's all I have for this panel.

3 WITNESS McNEILL: Thank you.

4 CMSR. CHATTOPADHYAY: Yes. You're
5 excused, I think.

6 We will now next go to Town of
7 Londonderry.

8 And, Commissioner Simpson, once they
9 settle down, feel free to go ahead with your
10 questions.

11 (Whereupon **Robert J. Kerry** and
12 **John Trottier** were recalled to the
13 stand, having been previously sworn
14 and remain under oath.)

15 **ROBERT J. KERRY, PREVIOUSLY SWORN**

16 **JOHN TROTTIER, PREVIOUSLY SWORN**

17 CMSR. SIMPSON: Thank you,
18 Commissioner. Thank you both for being here on
19 behalf of the Town of Londonderry.

20 BY CMSR. SIMPSON:

21 Q So, again, similar questions that I just asked to
22 Manchester.

23 Does Londonderry have any concerns with
24 your ability to take on the asset, operation,

[WITNESS PANEL: Kerry|Trottier]

1 maintenance, and any future replacement of
2 Bodwell infrastructure?

3 A (Kerry) We do not.

4 Q Has the Town of Londonderry conducted due
5 diligence of the infrastructure?

6 A (Kerry) Actually, due diligence has been done as
7 I described. Bodwell, themselves, was able to go
8 out and inspect all of those pipelines and
9 manholes. We reviewed that information and made
10 the necessary repairs. So, we are satisfied with
11 the condition of that system.

12 Q Will taking on the Bodwell infrastructure provide
13 benefits to the Town of Londonderry?

14 A (Kerry) Basically, it will be basically the same.
15 The customers should be happier, because they're
16 going to get one clear bill from the Town,
17 similar to any of the residential accounts that
18 are already in place. And, as I believe I said
19 before, we'll just be happy to have one less pump
20 station in town.

21 Q And would this infrastructure provide any
22 long-term benefits, like growth? Again, as I
23 noted, I'm not super familiar with the actual
24 area, but I know that Londonderry has also seen

[WITNESS PANEL: Kerry|Trottier]

1 some tremendous growth over the last couple of
2 years.

3 A (Kerry) This particular infrastructure would
4 benefit further development in adjacent areas to
5 the current Bodwell assets that we would be
6 taking over.

7 Q And have you conducted any consideration for
8 liabilities that might exist with the ownership
9 of the infrastructure, and do you agree with the
10 statement, on behalf of the Company, that their
11 view is that, in transferring the assets to
12 Londonderry, along would come the liabilities?

13 A (Kerry) We are in agreement that the assets
14 themselves, if something were to occur there, we
15 agree with liabilities once we take over.

16 We want to make sure that the
17 liabilities we would not agree to would be
18 anything to do with current billing or any
19 recovery of receivables by Bodwell.

20 Q And that's described in Exhibit 9 in the Term
21 Sheet, correct?

22 A (Kerry) Correct.

23 Q Thank you. Can you comment on the estimated rate
24 impacts for current Bodwell customers? Would

[WITNESS PANEL: Kerry|Trottier]

1 they be paying less overall for their sewer
2 costs, should Londonderry receive the assets?

3 A (Kerry) Based on testimony I heard from Bodwell
4 Waste, we expect it will be less of a price for
5 the customers in Londonderry.

6 Q And would the Town of Londonderry be willing to
7 provide any relevant updates to us, provided a
8 conditional approval of the transfer from us, as
9 this project progresses towards connection and
10 finalization?

11 A (Kerry) We certainly would be willing to do that.

12 CMSR. SIMPSON: Okay. I don't think I
13 have any further questions for these witnesses,
14 Commissioner Chattopadhyay. Thank you, both.

15 CMSR. CHATTOPADHYAY: Thank you.

16 BY CMSR. CHATTOPADHYAY:

17 Q The same question that I asked the City of
18 Manchester.

19 Can you give us a sense of the
20 agreement that you have with the City, which goes
21 back to 2013, with the changes that are going to
22 happen, if approved, is that going to impact
23 anything that you might have to take a relook at?

24 A (Kerry) At this point, it does not look like it

[WITNESS PANEL: Kerry|Trottier]

1 will make any change at all.

2 CMSR. CHATTOPADHYAY: Okay. I think
3 that's all I have. So, you are all excused right
4 now.

5 WITNESS KERRY: Thank you.

6 CMSR. CHATTOPADHYAY: Okay. I'm going
7 to, yes, invite the OCA witness to the podium.

8 CMSR. SIMPSON: Do you want to have DOE
9 up there as well, as we did previously, or just
10 OCA at this time?

11 CMSR. CHATTOPADHYAY: I think the way
12 it played out, it's probably better just leaving
13 it like this.

14 CMSR. SIMPSON: Very good.

15 CMSR. CHATTOPADHYAY: Unless you have
16 any, you know, compelling reason to have them
17 both at the same time?

18 *(Cmsr. Simpson indicating in the*
19 *negative.)*

20 CMSR. CHATTOPADHYAY: Okay. Let's
21 proceed.

22 CMSR. SIMPSON: Thank you.

23 CMSR. CHATTOPADHYAY: Yes.

24 *(Whereupon **Josie Gage** was recalled to*

[WITNESS: Gage]

1 the stand, having been previously sworn
2 and remains under oath.)

3 **JOSIE GAGE, PREVIOUSLY SWORN**

4 CMSR. SIMPSON: Thanks for being here,
5 Ms. Gage.

6 WITNESS GAGE: Absolutely.

7 BY CMSR. SIMPSON:

8 Q I think coming into today's hearing a big
9 question mark for us was the lack of a formal
10 settlement agreement. And it appears, from the
11 testimony that we have received this morning,
12 that it was a purely logistical hurdle that the
13 parties were unable to resolve. Is that fair?

14 A That's my understanding.

15 Q And were you involved in the drafting of the Term
16 Sheet marked as "Exhibit 9"?

17 A Indirectly, but I did have a chance to review
18 that Term Sheet, and agree with the terms that
19 are there. In addition to the two letters,
20 withdrawing the request for ratepayers to be
21 billed for both the loan and the administrative
22 and regulatory fees. So, those three documents
23 together represent what I and the OCA are willing
24 to agree with.

[WITNESS: Gage]

1 Q And that is absent Term Number "7" in the
2 Settlement Term Sheet, which states there's "no
3 objection to Bodwell pursuing collections for
4 customers who have not paid their bills for
5 Bodwell sewer service taken prior to termination
6 of the franchise"?

7 A Yes. So, however unfortunate it may be for these
8 ratepayers to be pursued, they were, you know,
9 they did receive service in exchange for, you
10 know, what they were billed.

11 Q And my understanding is that the Office of the
12 Consumer Advocate supports the Petition viewed in
13 light of the two letters and the Term Sheet?

14 A Excuse me, can you repeat that?

15 Q It's my understanding that the Office of the
16 Consumer Advocate supports Bodwell's Petition to
17 transfer its assets to Manchester and
18 Londonderry, and cease operation as a utility,
19 subject to the two letters that have been
20 received, stating that the Company, through
21 Mr. LaMontagne, will pay off the Merrimack County
22 Savings Bank loan, and that customers would no
23 longer receive bills for those costs post
24 Bodwell's ceasing operations as a utility?

[WITNESS: Gage]

1 A Yes. So, I would say the dealings between
2 Mr. LaMontagne and his bank are less of a concern
3 of the OCA. However, the second part of your
4 question is our concern. And, yes, we would
5 agree.

6 Q That you would support, subject to those
7 changes, --

8 A Yes.

9 Q -- you support the transfer of the assets?

10 A Yes.

11 CMSR. SIMPSON: Okay. I don't think I
12 have any further questions for this witness,
13 Commissioner Chattopadhyay.

14 CMSR. CHATTOPADHYAY: Thank you.

15 So, --

16 CMSR. SIMPSON: And thank you. Thank
17 you.

18 BY CMSR. CHATTOPADHYAY:

19 Q I'm, again, going to go back to -- so, I have a
20 question for you on the Settlement Term Sheet
21 itself. That's Exhibit 9. The same question.
22 So, go to Number (2).

23 A I'm there.

24 Q So, after you received the Londonderry MOU, did

[WITNESS: Laflamme]

1 That's all I have for you.

2 WITNESS GAGE: Okay.

3 CMSR. CHATTOPADHYAY: And let's --
4 you're excused. Let's go with DOE's witness.

5 And, Commissioner Simpson, when he
6 feels settled, please proceed.

7 CMSR. SIMPSON: Thank you.

8 (Whereupon **Jayson P. Laflamme** was
9 recalled to the stand, having been
10 previously sworn and remains under
11 oath.)

12 **JAYSON P. LAFLAMME, PREVIOUSLY SWORN**

13 CMSR. SIMPSON: Good afternoon, Mr.
14 Laflamme.

15 WITNESS LAFLAMME: Good afternoon.

16 CMSR. SIMPSON: Thank you for being
17 here on behalf of DOE.

18 WITNESS LAFLAMME: Sure.

19 BY CMSR. SIMPSON:

20 Q Can you comment on my question to Ms. Gage with
21 respect to settlement? That our initial concern
22 coming in today was that we had this Term Sheet
23 that was labeled as a "Settlement", but wasn't
24 signed by the parties. So, we were unsure how to

[WITNESS: Laflamme]

1 take that. Is it your view that logistical
2 issues were what prohibited the parties from
3 formally coming together to develop a signed
4 settlement agreement to present to us today?

5 A I believe that's a fair assessment. I think,
6 when this Term Sheet was first put together, it
7 was prior to the receipt of the Londonderry
8 discovery, as well as the MOU regarding
9 Londonderry. So, that's why, in those particular
10 paragraphs, the Department requested the addition
11 of "subject to review of discovery and receipt of
12 Londonderry MOU", *etcetera*. And then, so,
13 that's -- I think that was a major factor why,
14 why there wasn't any formal settlement agreement
15 presented in this case. Yes.

16 Q So, if we view the initial Petition, supplemented
17 by the two letters, the first with respect to the
18 Savings Bank loan, and Mr. LaMontagne and Bodwell
19 paying off that loan, the second letter providing
20 that customers will no longer be billed post
21 operation of Bodwell for any debts and
22 liabilities of the Company, and then added with
23 the Term Sheet that outlines these nine -- excuse
24 me, eight, eight provisions, that this is a good

[WITNESS: Laflamme]

1 deal for Bodwell customers, and a Petition that
2 we should approve. Would you agree with that?

3 A I would certainly agree with that.

4 Q And do you feel that customers have received
5 adequate information? And I ask about the letter
6 that we received on July 8th, from
7 Mr. Christopher Andrews. We certainly want to
8 make sure that all customers understand the
9 transaction, and that there are no more
10 outstanding questions from them. Do you feel
11 that we're in a good spot?

12 A From my point of view, I believe -- I believe,
13 yes, that you are. That is adequate, yes.

14 Q And the Department of Energy has no concerns with
15 respect to Londonderry's and Manchester's ability
16 to take on this infrastructure and operate it
17 safely and reliably for their constituents?

18 A We don't have any concerns with regard to that,
19 no.

20 Q And should we issue a contingent approval,
21 contingent upon -- strike that. I'll strike that
22 question from the record.

23 CMSR. SIMPSON: I don't have any
24 further questions, Commissioner Chattopadhyay.

[WITNESS: Laflamme]

1 CMSR. CHATTOPADHYAY: Thank you,
2 Commissioner Simpson.

3 BY CMSR. CHATTOPADHYAY:

4 Q So, just, again, going back to Exhibit 9, please
5 confirm that, after you received the Londonderry
6 MOU, did you take a look at it, and then did you
7 also conduct any discovery on it?

8 A Yes. We did review that. The opportunity for
9 discovery was somewhat limited. And the only
10 concern that we had was with regards to the issue
11 that has been discussed previously, and that's
12 with regards to Page 5, and Paragraph (11).

13 And Mr. Tuomala did pose some -- did
14 notify the parties that there was some concern on
15 the DOE's part with regards to that. But, given
16 the discussion, and the answers that have been
17 provided this morning, I think that that issue
18 appears to have been resolved.

19 Q So, based on that, you are -- you're in full
20 support of the Settlement Term Sheet here?

21 A Yes.

22 Q I mean, clearly, the way Number (2) is worded, it
23 kind of confuses us a little bit, but -- Number
24 (2) and (4). But I think you're essentially

[WITNESS: Laflamme]

1 saying, you've done -- you've already done the
2 review, and you've also looked at the concerns
3 you had, and you have come to the conclusion that
4 this is a good settlement?

5 A Correct. As I indicated earlier, at the time
6 that this was put together, we had not had an
7 opportunity to review the discovery --

8 Q Yes.

9 A -- from the Town of Londonderry, nor the MOU.
10 Those -- that language was put in because of
11 that. Since that time, we have reviewed the
12 discovery from the Town of Londonderry and the
13 MOU. And, yes, we are in full support of this
14 transaction.

15 CMSR. CHATTOPADHYAY: Thank you. You
16 are excused from the podium.

17 So, we will go with the same order. I
18 think, if there are any redirects, please invite
19 your witness, and let's proceed.

20 So, let's begin with the Company?

21 MS. BROWN: No redirect on any of the
22 witnesses. Thank you.

23 CMSR. CHATTOPADHYAY: Any redirect from
24 the City of Manchester?

[WITNESS: Kerry]

1 MR. GETZ: No, Commissioner.

2 CMSR. CHATTOPADHYAY: Any redirect from
3 the Town of Londonderry?

4 MR. LIRETTE: Yes, Commissioner. I
5 call Bob Kerry.

6 CMSR. CHATTOPADHYAY: Okay.

7 (Whereupon **Robert J. Kerry** was recalled
8 to the stand, having been previously
9 sworn and remains under oath.)

10 MR. LIRETTE: Thank you, Mr. Kerry.
11 I'll try to be brief here.

12 **ROBERT J. KERRY, PREVIOUSLY SWORN**

13 **REDIRECT EXAMINATION**

14 BY MR. LIRETTE:

15 Q I want to go back to the questions you were
16 answering a little while ago about the
17 liabilities associated with taking over the
18 assets from Bodwell. Is that okay?

19 A Certainly.

20 Q Okay. As transaction is set forth in the MOU, is
21 it your understanding that Londonderry would be
22 responsible for any types of latent unknown
23 claims that currently exist against Bodwell upon
24 the transfer of the assets?

[WITNESS: Kerry]

1 A We would not be responsible for those.

2 Q Okay. Is it your understanding, based on the MOU
3 and the transaction that is contemplated by that
4 document, that Bodwell would be responsible for
5 any claims -- or, sorry, that Londonderry would
6 be responsible for any claims arising out of
7 Bodwell's conduct following the transfer of
8 assets?

9 A We would not be in agreement with that.

10 Q Okay. And how about, based on the MOU and the
11 transaction that's contemplated by the MOU, is it
12 your understanding that Londonderry would be
13 responsible for any claims that are brought
14 against Bodwell, simply by virtue of taking on
15 the assets in this transaction?

16 A We would not be in agreement with that.

17 MR. LIRETTE: Okay. Thank you very
18 much.

19 CMSR. CHATTOPADHYAY: Thank you.
20 You're excused.

21 So, is there any redirect for OCA's
22 witness?

23 MR. KREIS: I have no questions on
24 redirect.

1 CMSR. CHATTOPADHYAY: Okay. And how
2 about DOE?

3 MR. TUOMALA: The Department of Energy
4 has no questions on redirect. Thank you.

5 CMSR. CHATTOPADHYAY: Thank you.

6 *[Commissioner Chattopadhyay and*
7 *Commissioner Simpson conferring.]*

8 CMSR. CHATTOPADHYAY: So, let's go to
9 the closing arguments. Let's start with Attorney
10 Brown.

11 MS. BROWN: Thank you again for your
12 time and attention today, and the speedy nature
13 of scheduling today's hearing, in anticipation of
14 hopefully getting an approval by September 15th
15 of the Settlement Agreement.

16 As the witnesses have demonstrated
17 today, Bodwell believes that the record
18 adequately reflects sufficient evidence for the
19 Commission to find that the City of Manchester
20 and the Town of Londonderry both possess the
21 requisite financial, managerial, and technical
22 expertise to take over service in Bodwell's
23 franchise territory in the respective
24 municipalities. And, also, the record -- that

1 the record reflects sufficient evidence to
2 establish that it is for the public good for
3 Bodwell to cease providing regulated public
4 utility service.

5 As you heard, the settlement agreement,
6 which comprises the Term Sheet, the exhibit
7 letters, 2 and 10, withdrawing certain issues,
8 comprise the collective settlement today. And we
9 respectfully request that the Commission approve
10 the settlement before the September 15th deadline
11 that we requested.

12 And also would like to note that, if
13 the Commission approves the settlement, and the
14 request to transfer the assets and discontinue
15 service, that, if it is conditioned, that Bodwell
16 produce the bank note that it has been paid,
17 fully paid, documentation that the asset transfer
18 has occurred, and other conditions that Bodwell
19 supports, supports that.

20 With respect to the customer letter,
21 having read it, and you heard testimony from Mr.
22 St. Cyr, it does concern the issue of billing
23 post-termination and transfer of the assets. And
24 we believe that Exhibit 10 withdrew that issue,

1 and that, therefore, that issue that the customer
2 was concerned about has been adequately
3 addressed.

4 So, with that, thank you again for your
5 time today. And we urge you to approve the
6 requests pending in this proceeding.

7 Thank you.

8 CMSR. CHATTOPADHYAY: Thank you. Let's
9 go to Attorney Getz.

10 MR. GETZ: Thank you, Commissioners.

11 When the Commission issued its Order of
12 Notice in this proceeding, it identified several
13 issues. One is the -- whether Manchester has the
14 requisite managerial, technical, and financial
15 expertise to provide sewer services to customers
16 of Bodwell and Manchester. And the City believes
17 that it has adequately demonstrated that it has
18 that expertise through the testimony of the
19 witnesses today and the discovery responses that
20 were provided earlier in the proceeding.

21 And, similarly, the City of Manchester
22 takes the position that the transfer of the sewer
23 facilities, as specified in the Memorandum of
24 Understanding with Bodwell, would be for the

1 public good.

2 And, finally, that, once the transfer
3 takes place, that the rates to be paid by
4 Bodwell -- former Bodwell customers in the City
5 of Manchester will be just and reasonable,
6 because they will be the same rates that are paid
7 by all other customers in Manchester, and that
8 those rates will represent a significant
9 reduction to those customers.

10 Also would like to address briefly the
11 issue of liability that was addressed by the
12 Londonderry witness. And make clear that the
13 City of Manchester's position that the only
14 liabilities that would extend to the City of
15 Manchester, once the facilities are transferred,
16 is to the future operation and maintenance of
17 those actual pipes and of the assets that are
18 transferred to the City.

19 And, finally, if I could address a
20 procedural issue, I think there's been some
21 reference to a "conditional" or "contingent"
22 approval of the Petition. My understanding that,
23 through the proceeding, that was somewhat
24 dependent on the timing or nature of final

1 approval of the Londonderry MOU. And, if I
2 understand correctly, with the letter that
3 Attorney Lirette has proposed, that is timely
4 received, that that will eliminate any need for
5 any "contingent" or "conditional" approval, and
6 that the Commission would then be in a position
7 to issue a final order by September 15th, that it
8 would approve the discontinuation of service and
9 the transfer of assets by year-end, consistent
10 with Exhibit 7.

11 That's all for the City of Manchester.
12 Thank you.

13 CMSR. CHATTOPADHYAY: Thank you. Let's
14 go to Attorney Lirette.

15 MR. LIRETTE: Thank you, Commissioners.

16 So, I just want to say we urge the
17 Commission to approve this contemplated transfer
18 and the dissolution of Bodwell's franchise. I
19 believe the evidence that has been shown today,
20 and particularly by both the Londonderry
21 witnesses, and with respect to the question of
22 whether Londonderry has the requisite managerial,
23 financial, and technical ability to take over
24 these assets, manage these assets, and provide

1 sewer services to the customers, I believe that
2 that has been shown. Londonderry has all three
3 of those capacities. And, so, I believe that
4 that is not an issue.

5 Further, I'd like to say that I believe
6 that the dissolution of the Bodwell franchise is
7 also in the public interest. I point to two
8 factors with respect to that. The simplified
9 billing that will occur for Londonderry
10 customers. Also, the fact that they will also be
11 receiving the same rates as every other
12 Londonderry resident. There's political
13 accountability there. That's a nice backdrop,
14 and something that is -- it furthers the justice
15 of this transfer.

16 Finally, I'd like to just briefly touch
17 on the liability issue again. I want to echo
18 what Attorney Getz stated as well. It is our
19 understanding of the contemplated transaction
20 that the only liability that Londonderry would be
21 taking on in these -- in this contemplated
22 transaction would be liability for the assets
23 going forward, future-looking, not any
24 backward-looking liability.

1 So, to the extent that there is an
2 argument that the liabilities would transfer with
3 the assets, that's not how we view the
4 contemplated agreement.

5 With that, I would just ask and urge
6 the Commission to approve the transfer that's
7 contemplated under the terms of Londonderry's
8 MOU.

9 Thank you.

10 CMSR. CHATTOPADHYAY: Thank you.
11 Attorney Don Kreis.

12 MR. KREIS: Thank you, Commissioner.

13 Well, there is something oddly
14 compelling about sewer service, as the unique bit
15 of public utility service that it is, and I
16 personally am always loath to see a sewer
17 utility, oh, gosh, I'm always loath to see a
18 sewer utility vanish. I was going to use a more
19 colorful metaphor, but then I thought better of
20 it.

21 But, nevertheless, I really think, from
22 the perspective of the residential customers of
23 Bodwell Waste Services, this case is an example
24 of parties doing the right thing. And by

1 "parties", I mean Bodwell Waste Services and its
2 owner, Mr. LaMontagne, and these two
3 municipalities that are here before you.

4 Because, really, the customers of the
5 utility, the present customers of the utility,
6 will be better off in the future if they obtain
7 their sewage -- sewer service from their
8 respective municipalities. And, so, the only
9 question becomes "Do any customers suffer any
10 harm as a result of the transaction as it has
11 been conditioned by the memoranda of
12 understanding, by the Term Sheet, and by the two
13 letters that Ms. Brown filed, making certain
14 commitments and concessions on behalf of her
15 client?" And the answer is, obviously, "No."
16 This is a good deal for customers.

17 I hope I don't come across as, oh,
18 gosh, unsympathetic or unhealing, when I say
19 that, from the standpoint, from my perspective as
20 Consumer Advocate, I don't care what happens to
21 Mr. LaMontagne and his bank with regard to
22 repayment of the debt. And I hope that gets
23 resolved between the two of them, and I expect it
24 will. But it is not a ratepayer problem, and

1 that has become obvious through the course of
2 this docket.

3 And the same is true of everything else
4 that Bodwell Waste Services retains as a
5 corporate entity, and its owner retains, post the
6 completion of this transaction.

7 So, I would just like to thank
8 everybody who participated in this docket for
9 their good work. I deserve none of the credit
10 for this excellent deal that is pending before
11 you, because, as I said earlier, I'm really here
12 pinch-hitting for our Staff Attorney, Julianne
13 Desmet, who spent a fair amount of time on this
14 docket, along with Ms. Gage, who is sitting next
15 to me. They both did good work. All of the
16 other parties did good work.

17 The transaction, as it has been
18 conditioned, is for the public good. And I
19 respectfully request, therefore, that you approve
20 it at your earliest convenience.

21 CMSR. CHATTOPADHYAY: Thank you. Let's
22 go to Attorney Tuomala.

23 MR. TUOMALA: Thank you, Commissioner.
24 Excuse me.

1 For the reasons outlined in the
2 presentation here today by all the parties, the
3 Department of Energy fully supports the transfer
4 of Bodwell's respective plant to the City of
5 Manchester and to the Town of Londonderry,
6 pursuant to RSA 374:30. Especially in light of
7 the Company's withdrawal of both its request for
8 recoupment to be reimbursed for the payment of a
9 loan, and also for recoupment of administrative
10 costs associated with this proposed wind-down.

11 As stated, the Department contends that
12 it is well within the public good for Bodwell to
13 transfer these assets and its operations to the
14 respective municipalities, as it will benefit its
15 current ratepayers by reducing costs over time,
16 providing them with economies of scale, as both
17 municipalities serve a much larger customer base
18 than Bodwell, and these customers will continue
19 to receive safe and adequate sewer utility
20 service.

21 The record supports this request, as it
22 has been demonstrated that each municipality has
23 the managerial, financial, and technical
24 expertise to run and furnish sewer service for

1 its municipal customers.

2 The proposed transfer date by the end
3 of 2022 is also a reasonable timeframe, in the
4 Department's estimation, for completion of this
5 transfer, as this will provide for a seamless
6 transfer from Bodwell to the respective
7 municipalities, and avoid any disruptions in
8 sewer service to those ratepayers.

9 The Department also recognizes that,
10 within the discovery, each municipality has
11 confirmed on the record that it will not be
12 supplying sewer service to any customers outside
13 its municipal boundaries. As such, the
14 Department recognizes that RSA 362:4 does not
15 apply, and thus each municipality should not be
16 subject to further PUC regulation regarding this
17 specific transfer, once that transfer is
18 hopefully approved and accomplished.

19 The DOE also further supports Bodwell's
20 request to discontinue operations as a public
21 utility, pursuant to RSA 374:28. The Department
22 considers that a discontinuation of service by
23 Bodwell is well within the public good, as it
24 will no longer be able to provide utility service

1 to any customers once the transfer is complete,
2 and the competent jurisdictions of Manchester and
3 Londonderry assume provision of that service,
4 thus necessitating Bodwell's cessation as a
5 utility operator.

6 The Department joins with the other
7 parties and would like to thank everybody for
8 their participation involved in this docket,
9 including the many technical sessions, the timely
10 discovery responses, and responses in getting an
11 order to today's hearing.

12 In conclusion, the DOE recommends
13 approval of the Petitioner's request to transfer
14 its assets and cease operation as a public
15 utility.

16 Thank you.

17 CMSR. CHATTOPADHYAY: Thank you.

18 Before we wrap up, I just want to make
19 sure, as far as Exhibit 11 is concerned, when
20 you -- whenever the Town of Londonderry can
21 provide it, and, you know, you're thinking of
22 next week. What should be a good deadline? Can
23 you -- the 31st?

24 MR. LIRETTE: I believe the 31st is

1 what we had said.

2 CMSR. CHATTOPADHYAY: 31st, okay.

3 MR. LIRETTE: Yes.

4 *(Exhibit 11 reserved for a letter from*
5 *the Town of Londonderry describing the*
6 *Town's approval of the transfer of*
7 *Bodwell assets to the Town.)*

8 CMSR. CHATTOPADHYAY: So, thank you.

9 MR. LIRETTE: Thank you.

10 CMSR. CHATTOPADHYAY: So, without
11 objection, we will strike ID on Exhibits 1
12 through 10. And we'll hold the record open for
13 Exhibit 11.

14 We will take the matter under
15 advisement and issue an order as soon as
16 possible.

17 CMSR. SIMPSON: Okay, just a moment.

18 CMSR. CHATTOPADHYAY: Yes.

19 CMSR. SIMPSON: So, for Exhibit 11,
20 that would be for the Town of Londonderry to
21 provide a letter --

22 CMSR. CHATTOPADHYAY: Yes.

23 CMSR. SIMPSON: -- with respect to
24 their acceptance of the asset transfer from

1 Bodwell, by August 31st, 2022?

2 CMSR. CHATTOPADHYAY: Correct.

3 CMSR. SIMPSON: Thank you.

4 CMSR. CHATTOPADHYAY: Thank you. So,
5 I'm going to reread.

6 We will take the matter under
7 advisement and issue an order as soon as
8 possible. The hearing is adjourned. Thank you.

9 ***(Whereupon the hearing was adjourned***
10 ***at 12:34 p.m.)***

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