

Stephen P. St. Cyr & Associates

17 Sky Oaks Drive
Biddeford, Me. 04005
207-423-0215
stephenpstcyr@yahoo.com

November 2, 2022

Daniel C. Goldner, Chair
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, N. H. 03301-2429

Re: DW 22-054: Bedford Waste Services Corp.
Petition for approval of Refinancing / Financing
Company response to NHDOE Position Statement ("PS")

The Company is disappointed that the NHDOE did not inform and/or consult with Company on its PS before filing with the NHPUC. Perhaps the parties could have found some common ground rather than taking the position that "the DOE does not recommend Commission approval of Bedford Waste's financing petition at this time, but rather, recommends that the Company's petition should be further reviewed in conjunction with its pending petition for increased rates ..."

The Company can't wait for the financing to be approved as part of the rate case sometime in 2023 (likely to be mid to later 2023). The Company needs some of the funds, i.e., \$43,453, now in order to pay its past due accrued liabilities to its service providers (SPS&A, AAA Pump and Maznek), to pay the financing costs and to pay the rate case expenditures. It can't continue to ask SPS&A, AAA Pump and Maznek to provide service without payment. SPS&A provides overall management as well as day to day services such as billing, collecting and process payments, paying bills, etc. AAA Pump repairs and/or replaces pumps. The same week that DOE issued its PS, the Company got a call that an alarm went off indicating a pump not working. Maznek pumped out the tank and AAA replaced the pump. This is the 6th pump replacement this year. Also, around that same time period, SPS&A is planning the pumping of 12-16 septic tanks, which Maznek will do later this month.

With respect to the points raised by the NHDOE, Bedford responds as follows:

1. Bedford acknowledges the "significant" rate increase but points out that Bedford has not had a rate increase since 2005 and that portions of the rate increase pertaining to 2022 and 2023 additions to plant would not take place until later. The rate increase is driven by rate base and the increase in expenses. Since Bedford has a substantial negative equity due to accumulated net losses, the rate of return will be the costs of debt regardless of the size of the debt.

2. Bedford acknowledges that the Bedford Three Corners Owners Association ("B3COA") was an active participant in the 2004 rate case. Bedford expects that B3COA will be an active participant in this case. Bedford has already provided the B3COA with both the financing and rate case petitions. Bedford has had a few discussions with B3COA and provided them with data for their consideration of purchasing the system. Bedford is still open to a purchase and sale.
3. There is very little, if any, interest by the local banks who the Owner and his related companies normally borrow funds for various projects. MCSB only provided the funds to Bedford in 2017 because of the relationship it has with the Owner and, the fact, that the Owner guaranteed the financing. If the Owner has to guarantee the found, then he might as well provide the funds as he has done for all but approximately 5 years of the 30 years of existence.
4. Again, as Bedford responded to data request DOE 1-1, the Company did not view the Commission concurring "with Staff's recommendation that future capital improvements should be financed by equity capital instead of debt in order to address the Company's high percentage of debt in its capital structure" as the Commission's clear directive. As indicated in response to 1 above, the financing will have little to no impact on the rate of return used in the rate case.
5. Bedford does not have funds internally to pay for the financing and rate case. As such, it has to get the funds from somewhere. Bedford is proposing a credit line to borrow the funds to pay for rate case expenditures and utilization of a proposed temporary to permanent difference and the recovery of the rate case expenditures surcharge to pay back the funds.

For reason discussed above, Bedford respectfully requests that the Commission proceed with the consideration of the financing petition and grant Bedford's request to refinance the existing debt and the additional paid in capital and short term debt and to finance the past due accrued liabilities and the financing and rate case expenditures amounting to \$210,743.

Alternatively, minimally, Bedford respectfully requests that the Commission approve the financing of past due accrued liabilities (\$17,543) and the financing (\$6,000) and rate case expenditures (\$20,000) totaling \$43,543. By doing so, Bedford will be able to get current with its service providers (and not risk anyone of them withholding service), and thus continue operations and at the same time continue to pursue both the financing and rate case.

Thank you for your consideration.

Sincerely,

/s/ Stephen P. St. Cyr

Stephen P. St. Cyr

Cc: Service list