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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

December 14, 2022 - 9:01 a.m.
21 South Fruit Street
Suite 10
Concord, NH

RE: DW 22-058
BEDFORD WASTE SERVICES CORPORATION:
Request for Change in Rates.
(Prehearing conference)

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

Lynn H. Fabrizio, Esq./PUC Legal Advisor

Doreen Borden, Clerk

APPEARANCES: **Reptg. Bedford Waste Services Corp.:**
Stephen P. St. Cyr
Robert LaMontagne
Carleton Roberts

Reptg. New Hampshire Dept. of Energy:
Matthew C. Young, Esq.
Mary E. Schwarzer, Esq.
Jayson Laflamme, Director/Water Group
Robyn Descoteau, Water Group
(Regulatory Support Division)

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

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P R O C E E D I N G

1
2 CMSR. CHATTOPADHYAY: Good morning,
3 everyone. I'm Commissioner Chattopadhyay, in the
4 presiding role, as Chairman Goldner is not
5 available. I'm joined today by Commissioner
6 Simpson.

7 We are here this morning in Docket
8 22-058 for a prehearing conference regarding
9 Bedford Waste Services Corporation's Petition
10 filed on September 9, 2022, for a change in
11 rates, as noticed by Order Number 26,717, on
12 November 1st, 2022. That Notice acknowledged
13 that the issues that this docket raises include
14 the prudence of the cost of plant, equipment and
15 capability improvements over test year and the
16 years associated with the requested step
17 increases; also, whether the proposed temporary
18 and permanent rates are just and reasonable, as
19 required by RSA 374:2 and RSA 378:5 and 7,
20 including whether Bedford Waste's requested 8.09
21 percent rate of return for permanent rates will
22 produce rates that are just and reasonable; also,
23 whether the two proposed step adjustments, each
24 including yield a net increase in the Company's

1 revenue of \$7,214, will result in rates that are
2 just and reasonable.

3 More importantly, at this point, we
4 also note that the Department of Energy has
5 requested that the Petition filed in this docket
6 be examined in concurrence with Bedford Waste
7 Services' petition filed in Docket Number DE
8 22-054 pertaining to a refinancing. The Company
9 has objected to that request. We would like to
10 hear from all parties today on that issue, as
11 well as the preliminary positions at large on the
12 Petition in this docket.

13 So, we hope that this prehearing
14 conference will help move matters forward,
15 particularly with respect to the aforementioned
16 issues, as well as any additional issues that may
17 arise in the review of the Company's filings.

18 So, let's start with appearances.

19 MR. ST. CYR: Good morning. My name is
20 Stephen P. St. Cyr, with St. Cyr & Associates. I
21 also manage Bedford Waste Services. And with me
22 is Bob LaMontagne, the owner of Bedford Waste,
23 and Carleton Roberts, the owner's representative.

24 CMSR. SIMPSON: Great name. My name is

1 also "Carleton".

2 [Laughter.]

3 CMSR. CHATTOPADHYAY: Is there anybody
4 named "Pradip" here?

5 [No verbal response.]

6 CMSR. CHATTOPADHYAY: No.

7 [Laughter.]

8 MR. YOUNG: Good morning,
9 Commissioners. Matthew Young, on behalf of the
10 Department of Energy. With me today is Jayson
11 Laflamme, Director of the Water Group in the
12 Department's Regulatory Support Division; Robyn
13 Descoteau, an Analyst in the Water Group; and
14 Mary Schwarzer, serving as co-counsel.

15 CMSR. CHATTOPADHYAY: Thank you. I'm
16 assuming, Mr. St. Cyr, you are representing the
17 Company?

18 MR. ST. CYR: That's correct.

19 CMSR. CHATTOPADHYAY: So, I mean, as a
20 Presiding Officer, pursuant to RSA 365:10-a and
21 Puc 203.16(a)(4), of course, the Commission
22 authorizes Mr. St. Cyr to act as the
23 representative of Bedford Waste in this
24 proceeding. I am assuming that, you know, it's

1 clear that the Company -- the Company has asked
2 you to represent. But I just want you to be
3 reminded that you're -- pursuant to RSA 365:10-a,
4 you are required to adhere to the Commission's
5 rules of practice and procedure in addition to
6 any orders of the Commission or agreements
7 between the parties, including, but not limited
8 to, those concerning confidentiality.

9 And the reason I'm doing it is, I'm a
10 nonlawyer, you are a nonlawyer. So, just --

11 MR. ST. CYR: I understand. Thank you.

12 CMSR. CHATTOPADHYAY: Okay. So, let's
13 go to the preliminary matters.

14 There's an issue of publication of
15 Notice pursuant to Puc 203.12. It appears that,
16 while the Company submitted in its Petition
17 filing a proposed customer statement regarding
18 its request for a rate increase in this docket,
19 we have no record as yet regarding the
20 publication of that statement for the benefit of
21 all current and known prospective customers, as
22 directed by Order Number 26,717, issued on
23 November 1st, 2022, and required by Puc Rule
24 203.12.

1 Specifically, we have not yet seen an
2 affidavit of publication, as required by Puc
3 203.12(d). Did the Company, in fact, publish the
4 proposed statement by the November 15 postmark
5 deadline, as required by Order 26,711?

6 MR. ST. CYR: We did. On November
7 10th, 2022, Bedford Waste sent current
8 information about the Company, along with the New
9 Hampshire PUC Order 26,717, dated November 1, to
10 its 78 customers and the Town of Bedford.

11 I also met with a group of homeowners
12 via Zoom on November 17th and November 29th, to
13 provide an overview of the Company, the sewer
14 system, the proposed financing, and the rate
15 case. Bedford is actually in the process of also
16 developing a website, so that future orders can
17 be posted to the website.

18 The Order itself didn't specifically
19 ask us to file an affidavit. But I can certainly
20 do that and indicate that that all took place.

21 CMSR. CHATTOPADHYAY: We would greatly
22 appreciate that, --

23 MR. ST. CYR: Great.

24 CMSR. CHATTOPADHYAY: -- if you can do

1 that. And you'll be able to do it by the end of
2 this week?

3 MR. ST. CYR: Yes.

4 CMSR. CHATTOPADHYAY: Okay. Let's do
5 that. Thank you.

6 The second matter, before we proceed
7 with the main issues under this Petition, is the
8 DOE's request that the Petition in this
9 pursuing -- sorry -- proceeding be reviewed in
10 tandem with the Petition for Refinancing filed in
11 Docket Number 22-054.

12 In particular, I want to have clarity
13 on what the DOE has proposed in its position
14 statement filed on November 15th. So, let's
15 begin with the positions on this separate matter
16 first, starting with DOE.

17 MR. YOUNG: Thank you, Commissioners.

18 The Department believes that it would
19 be prudent to investigate the Company's financing
20 proposal in conjunction with this pending rate
21 case for the reasons set forth in our position
22 filed in both dockets.

23 Mainly, the Department's concern is
24 that the approval of the proposed financing, and

1 the resulting impacts on its capital structure,
2 cost of capital, prior to a full investigation of
3 the Company's rate request, may not ultimately
4 result in just and reasonable rates for the
5 customers. Given the significant impact that the
6 Company's financing request is likely to have on
7 its proposed rate increase, the Department
8 believes that Bedford Waste's financing should
9 not be viewed in a vacuum, but rather in light of
10 other factors contributing to the Company's
11 substantial request for rate relief.

12 CMSR. CHATTOPADHYAY: So, what I want
13 to have clarity on -- I know when I go close to
14 this, the sounds gets -- okay. Can you -- you're
15 not saying that you want -- you want to have the
16 Financing Petition be part of this docket, right?
17 You still are saying that they will remain
18 separate dockets, but you want them to go all the
19 way together, to the end of the rate case docket?

20 *[Atty. Young conferring with Dir.*

21 *Laflamme.]*

22 MR. YOUNG: Yes. So, we are proposing
23 that they would stay in separate dockets. But,
24 depending on how discovery and the review goes,

1 the financing wouldn't necessarily have to end
2 when the rate case, at the same time. So, we're
3 not proposing that they, you know, follow the
4 same track. It would sort of depend on the
5 review.

6 CMSR. CHATTOPADHYAY: So, based on my
7 reading, the financing was requested way sooner
8 than how you would expect that the rate case to
9 play out. So, just to get -- to be sure that I'm
10 understanding what DOE is saying, you're, and let
11 me know whether I got this right, you're
12 essentially saying you don't want that to happen,
13 you want this financing issue, that would go all
14 the way up to the end of the rate case, whenever
15 that is decided. Is that what you're saying?

16 MR. YOUNG: So, not necessarily. We
17 wouldn't -- the DOE wouldn't be opposed to
18 necessarily an order being issued for the
19 financing prior to an order being issued for the
20 rate case. It would just kind of depend on the
21 review of the financing and how that moved
22 forward.

23 CMSR. SIMPSON: I guess I'd just like
24 to hear from the Company, in terms of process, if

1 we had things in one docket, it might be more
2 administratively efficient, if we could address
3 the financing prior to a decision in the rate
4 case. But I'm happy to hear your thoughts.

5 MR. ST. CYR: So, the Company doesn't
6 oppose the financing being looked at in the
7 context of the rate case. In fact, we would
8 expect that to be the case under any
9 circumstances. It's certainly not unusual for
10 companies to borrow money first, and then later
11 come in for a rate case to compensate for the
12 expenditures that the financing was for, and that
13 would be true in this case as well.

14 The Company opposed it primarily
15 because it has a cash need now, the need is now,
16 not six months or twelve months from now. And we
17 did oppose it. We indicated that it doesn't
18 really have an impact on the rate of return. The
19 Company is in a negative equity position. So,
20 the rate of return ultimately will be the cost of
21 debt. And the cost of debt is not going to vary,
22 you know, whether it's approved today or
23 tomorrow. So, we ask that the Commission
24 continue the financing proceeding, and, in fact,

1 act on the financing in that docket.

2 And then, I suppose, alternatively, the
3 Company was asking for a lesser amount, so that
4 it could take care of some of its past due
5 liabilities, and continue to proceed with the
6 financing in the rate case. While the
7 refinancing of the existing loan could then be
8 taken place at a later date, if that were the
9 parties', you know, determination.

10 But we have a certain cash need now.
11 And we're asking for approval, and asking that
12 you rule one way or another, either proceed with
13 the financing, so we can act accordingly, or roll
14 it into the rate case, so that we can address it.

15 Now, either way, the cash need today
16 doesn't change.

17 CMSR. CHATTOPADHYAY: Cash need for
18 anybody, at any point in time, is what it is.
19 And, so, it doesn't change, you know, given how
20 things are being discussed here.

21 To me, it's -- I think, I mean, I have
22 some -- I mean, I have my own way of looking at
23 things as I read the material. So, I will not go
24 there, this is a PHC.

1 And what I would ask, on the technical
2 session today -- let me go this way. I've read
3 the documents. After the documents were filed,
4 did the DOE and the Company have any conversation
5 on this issue?

6 MR. YOUNG: We have.

7 CMSR. CHATTOPADHYAY: You have? Would
8 it be -- I would really encourage both to, after
9 this PHC, in the tech session talk about that
10 aspect, and maybe come up with some sort of, you
11 know, agreed upon, and I'm not saying anything
12 necessarily in writing, but, you know, some -- if
13 it's in writing, great, but something that
14 addresses this issue, provides us enough
15 information for us to go back and think about it,
16 and then we can proceed.

17 So, right now, as I see both, both the
18 DOE and the Company, they are thinking about two
19 tracks as being separate. So, that's a
20 clarification for me.

21 MR. YOUNG: And I would just note, too,
22 that, you know, the Department wouldn't
23 necessarily oppose all in one docket, but there,
24 you know, due diligence concerns with, you know,

1 a financing review and everything. So, it's not
2 procedural in nature, I guess, as well.

3 CMSR. CHATTOPADHYAY: And I was being
4 careful, because this is a PHC, but the last
5 issue that you raised is exactly where I have my
6 concerns about. But I'm openminded enough that I
7 will see where things go.

8 CMSR. SIMPSON: And, Attorney Young,
9 you're saying the "due diligence", that "takes
10 time", is that what you're alluding to?

11 MR. YOUNG: Yes.

12 CMSR. SIMPSON: Okay.

13 MR. YOUNG: Yes. Time and -- yes.

14 CMSR. SIMPSON: Okay. Because, I mean,
15 I think we're amenable to either approach, where
16 we can most efficiently conduct both proceedings.
17 It's good to know or better understand the
18 Company's needs in the short-term.

19 So, if, after this PHC, the parties
20 might be able to propose something to the
21 Commission on how to, most efficiently, from your
22 perspectives, proceed, we're open to those
23 suggestions.

24 MR. ST. CYR: That works for the

1 Company.

2 CMSR. SIMPSON: Thanks.

3 CMSR. CHATTOPADHYAY: Great. So, are
4 there any other preliminary matters to --

5 MR. ST. CYR: The Company has one.

6 CMSR. CHATTOPADHYAY: Please.

7 MR. ST. CYR: So, as part of the
8 financing, and as we understand as part of the
9 rate case, the DOE intends to utilize the
10 services of Mr. Brogan as a consulting engineer.

11 From the Company's perspective, there
12 aren't any engineering issues. And, while the
13 Company doesn't have a problem with DOE doing
14 that, it does have a problem with being asked to
15 pay for it. We understand that the regulations
16 provide for that opportunity, and for the Company
17 to be required to pay. But, ultimately, that
18 cost gets added to rate case expense, and gets
19 recovered by the ratepayers.

20 We're just doing what we think we need
21 to do in order to keep those rate case expenses
22 down. And, as I indicated, we don't see any
23 engineering issues.

24 DOE may feel differently about that.

1 And, again, we don't have a problem with them
2 doing that. Our problem is with them asking us
3 to pay for it.

4 So, I guess I would ask the Commission
5 to -- to not -- to allow Bedford Waste to not pay
6 for those services, if it's determined that
7 engineering services are required.

8 CMSR. SIMPSON: Do you have an
9 understanding of what the rate impact is for
10 outside consulting services? If that time is
11 \$1,000, \$5,000, \$10,000, what that ultimate
12 impact is?

13 MR. ST. CYR: So, that would ultimately
14 be added to rate case expenses.

15 CMSR. SIMPSON: Yes.

16 MR. ST. CYR: Which we had initially
17 put in an estimate of 20,000, where we think
18 that's high.

19 CMSR. SIMPSON: Yes.

20 MR. ST. CYR: You know, we're not
21 hiring a lawyer. We think we can work with the
22 DOE and come to some relatively quick resolution.
23 This wasn't included in that estimate. And, you
24 know, whatever it is, it ultimately would add to

1 the rate case expense and be recovered from
2 taxpayers.

3 CMSR. SIMPSON: Is the system operating
4 appropriately right now as it should?

5 MR. ST. CYR: It is. In the test year
6 itself, the Company replaced seven pumps.

7 CMSR. SIMPSON: Uh-huh.

8 MR. ST. CYR: These are seven of 78
9 pumps that each sits in a septic tank. You know,
10 they are replaced over the course of time. You
11 know, we say we have to replace seven, or roughly
12 seven pumps a year. You know, in a good year, it
13 could be four or five pumps; in a bad year, it
14 could be ten pumps. But, ultimately, they all
15 get replaced. They are done so largely at fully
16 depreciated cost, meaning that they have been in
17 the system. You know, it doesn't, you know, we
18 don't have an engineer on staff. We don't
19 consult with an engineer. You know, when the
20 pump fails, we replace it.

21 From the Company's perspective, if
22 there were issues around the leach field, that
23 may warrant a engineer, it may warrant an
24 engineer from our perspective. But we have had

1 the leach fields tested recently, and they are
2 operating under normal conditions. The Company
3 has no plan, and there's no part of this rate
4 case that contemplates anything to do with the
5 leach fields.

6 So, again, we don't see any engineering
7 issues.

8 CMSR. CHATTOPADHYAY: But you do
9 understand that, what the regulatory process is,
10 that they can, you know, get some consultant to
11 do some review or study, and that is recovered
12 through the -- through the Company's, you know,
13 ratepayers?

14 MR. ST. CYR: We do understand that,
15 yes.

16 CMSR. CHATTOPADHYAY: So, my question
17 really is, for the DOE, --

18 MR. YOUNG: Yes.

19 CMSR. CHATTOPADHYAY: -- do you want to
20 respond to what --

21 MR. YOUNG: Yes. I guess we would
22 respond here.

23 And I guess the first maybe caveat
24 would be that there hasn't been an order issued

1 on merging the dockets. So, I guess this is a
2 little bit of a gray area at this point.

3 But, in terms of the Department's, you
4 know, engineering reviews, and the cost recovery,
5 I think RSA 365:37 is pretty clear. I guess, in
6 summary, whenever any investigation by the
7 Department is necessary to enable the Commission
8 to pass upon any petition, the petitioner shall
9 pay the Department of Energy's expenses.

10 And it's my understanding that, in the
11 previous rate case, there were engineering costs
12 incurred. So, it's not -- it wouldn't be, you
13 know, unique or an anomaly, I don't think, if
14 that were to occur now. And I think the
15 Department's position would be that we need to be
16 able to perform a proper review. And whether
17 that -- it's hard to know at this point whether
18 that will require engineering, but in all
19 likelihood it will.

20 CMSR. CHATTOPADHYAY: Assuming that it
21 will, do you have a sense of how much it's going
22 to cost?

23 MR. YOUNG: Not in total, just for kind
24 of the same reasons, we're not exactly sure what

1 it will entail. The consultant that we have used
2 in the past is not, like, an exorbitantly
3 expensive consultant by any means. And we would,
4 of course, endeavor to, you know, do everything
5 as efficiently and cost-effective as possible.

6 CMSR. CHATTOPADHYAY: Can I ask, based
7 on all the documents that I've looked at, this
8 issue wasn't -- I haven't seen it there. So, was
9 this -- it appears it was discussed just recently
10 between the DOE and the Company, right? And, if
11 so, just can you give me a sense of how this
12 issue came up?

13 And I understand your point about this
14 being routine in the last rate case, which was in
15 2005, I think. You still have to -- and, just
16 from common sense, it's been 17 years, I mean, it
17 would be like "Yeah, there might be some
18 engineering issues."

19 Anyway, go ahead.

20 MR. YOUNG: So, I believe that the
21 instant issue came up as a result of costs
22 incurred in Docket DW 22-054, and some concerns
23 about engineering costs there. Does the
24 Department, you know, use an engineer to review

1 certain materials? And we would intend to do the
2 same in the rate case.

3 I don't know if that's helpful context
4 to answer your question.

5 CMSR. CHATTOPADHYAY: Yes. It is.

6 MR. ST. CYR: If I could just, back in
7 2004-2005, I believe Staff had an engineering
8 person on Staff. So, it was sort of routine back
9 then. Nowadays, they do not, and have to hire
10 somebody. I guess my expectation is that they
11 would hire somebody if there were engineering
12 issues; if there's not, then they wouldn't.

13 And then, with respect to the cost, you
14 know, any cost incurred is a big cost, when you
15 only have 78 customers. You know, we're talking
16 about revenues of less than 50,000 as they stand
17 today. We're asking for roughly 67, 68,000. You
18 know, any cost is a big cost for a small company.

19 CMSR. CHATTOPADHYAY: Understood.

20 Okay. So, let's go to the preliminary
21 positions. And let's start with Bedford Waste
22 Services Corporation.

23 MR. ST. CYR: Yes. Thank you. Good
24 morning again.

1 So, Bedford Waste Services
2 respectfully requests the Commission to accept
3 its filing in support of its request for an
4 increase in rates. As you noted, it's been more
5 than 17 years since the PUC approved the existing
6 rates in Docket D 04-144 [DW 04-144?]. Overall,
7 Bedford is proposing a permanent rate increase of
8 19,488, which would result in a revenue
9 requirement of \$67,780.

10 During the 12 months ended December 31,
11 2021, the test year, the actual loss was 22,000.
12 It's actual operating loss was 16,000. There
13 were extenuated circumstances which contributed
14 to that, and which we have adjusted for in both
15 the temporary and permanent rate filings.

16 The rate increase is largely being
17 driven by an increase in rate base. During the
18 test year, the Company replaced seven pumps. The
19 rate increase is also being driven by increases
20 in expenses associated with the septic tank
21 pumping, the repairs of some of the septic tank
22 pumping equipment, and then management and other
23 costs.

24 In addition to the permanent rate

1 request, Bedford is also requesting two step
2 increases. Both are for the same amount. Both
3 anticipate the replacement of seven pumps. As we
4 said, we generally plan for five to ten pumps.
5 Seven pumps seems to be the norm. We replaced
6 seven in the test year. We have currently
7 replaced six this year. We've still got a couple
8 weeks to go. But, to the extent that it turned
9 out to be six, rather than seven, we would adjust
10 the step increase downward. If we get to 2023,
11 and it turns out to be ten, we would adjust the
12 thing upward. But, either way, it would be based
13 on the actual number of pumps replaced and the
14 actual cost incurred.

15 In addition to that, Bedford is
16 requesting temporary rates. Overall, we're
17 asking for an increase in rates -- or, an
18 increase in revenue of 9,469, which would bring
19 the temporary revenue requirement to 57,761.
20 It's a little bit less than half of the permanent
21 rate. And it's largely based on actual costs
22 incurred in the test year, adjusted for the one
23 sort of extraordinary expense that was incurred
24 in 2021.

1 Other than that, Bedford looks forward
2 to working with the DOE Staff, and believes that
3 we can ultimately become -- ultimately reach a
4 settlement agreement that will be presented for
5 the Commission's approval.

6 So, with that, I thank you for the
7 opportunity to present this before you.

8 CMSR. CHATTOPADHYAY: DOE, please.

9 MR. YOUNG: The Department has reviewed
10 the filing. And we look forward to working with
11 the Company to address any relevant questions and
12 clarify the factual context for the record. We
13 will also continue to discuss with them the
14 development of a procedural schedule.

15 And I think, given, you know, some
16 topics discussed today, I would just say that the
17 Department, you know, has a duty to do proper due
18 diligence wherever that may lead, and believes
19 that the regulatory framework is set up to allow
20 the Department to, you know, do what is
21 necessary.

22 And I think I would just end on that.

23 CMSR. CHATTOPADHYAY: Thank you. So,
24 we're going to go to the Commissioners'

1 questions.

2 Commissioner Simpson.

3 CMSR. SIMPSON: Thanks. Can you shed a
4 little bit more light on the two proposed step
5 increases, Mr. St. Cyr?

6 MR. ST. CYR: Yes. So, each of them
7 are for the replacement of seven pumps.

8 CMSR. SIMPSON: Uh-huh.

9 MR. ST. CYR: I believe they're roughly
10 30,000. Let me get a specific number for you.

11 The cost of the seven pumps, we
12 project it to be \$30,057. Using a rate of return
13 of 8.9 [8.09?] percent, which is what the Company
14 is proposing as its rate of return throughout.
15 That results in a revenue requirement of \$7,214.
16 It represents about a 15 percent increase over
17 the existing rates. And it does include a minor
18 adjustment for state and town property taxes.
19 And that's true for both, the six -- seven in
20 2022, seven in 2023, and the number of pumps and
21 the costs would be adjusted based on actual.

22 CMSR. SIMPSON: So, I'm mindful of the
23 size of the Company, and the revenue requirement,
24 and the overall dollar amount of the step

1 increases proposed in this proceeding.

2 Are you aware of the Commission's
3 practice of, in cases where step adjustments are
4 approved in a rate case, that, in principle, the
5 process is approved, and then, after the capital
6 additions have been put into service, the utility
7 files for the adjustment. And then, the
8 Commission, through, after Department review,
9 reviews and, in cases where it's viewed as just
10 and reasonable, placed in service, approves the
11 step adjustment.

12 Are you aware of that recent process
13 change with respect to the Commission?

14 MR. ST. CYR: I am. And I would just
15 point out that, in the case of the additions for
16 2022, those will be known shortly after the first
17 of the year.

18 CMSR. SIMPSON: Yes.

19 MR. ST. CYR: And we would expect that
20 those -- I believe we asked that those be
21 approved separate from the permanent rate
22 increase.

23 CMSR. SIMPSON: Okay. So, then, you
24 would seek to have those approved in this case.

1 And then, for the subsequent step adjustment,
2 would your expectation be that, in 2023, after
3 any plant additions are placed in service, you'd
4 file with the actuals for the requested step?

5 MR. ST. CYR: That's correct.

6 CMSR. SIMPSON: Okay. I think we're
7 going to ask about financial position. It sounds
8 like you have a cash need now. Is there anything
9 else you would like to address with respect to
10 the financial viability position of the Company
11 at this time?

12 MR. ST. CYR: I think the only other
13 thing I'd like to add is, in each of the last
14 three years, 2019, 2020, 2021, the owner has put
15 in additional money. I believe the first two
16 years we put it in as additional paid-in capital.
17 Last year, we put in as a short-term debt. The
18 short-term debt was -- well, the short-term debt
19 and the additional paid-in capital was to be
20 refinanced as part of the long-term debt loan.

21 We're again in a position where the
22 owner needs to do that before the end of the
23 year. And all of that has ultimately led to us
24 being here today and asking for an increase in

1 rates. Because, on an annual basis, the existing
2 revenue isn't supporting the level of expenses
3 and the capital expenditures that we're making.

4 CMSR. SIMPSON: Yes. Seventeen years
5 is quite a long time.

6 MR. ST. CYR: It's a long time.
7 Although, the -- you know, that's, obviously,
8 some of that's on us, all of that's on us.
9 Again, as a small company, you know, we can not
10 earn our return, we can show a small loss. But,
11 if we come here asking for an increase in rates
12 for \$5,000, we're going to spend 10 or 15, in
13 order to get 5. You know, at some point you have
14 to decide, you know, whether that's worth it.
15 And yet, we're almost put in a position where we
16 have to do that, in order to adjust rates to keep
17 current.

18 CMSR. SIMPSON: I think that's all I
19 have. Thank you.

20 MR. ST. CYR: You're welcome.

21 CMSR. CHATTOPADHYAY: Thank you.

22 Mr. St. Cyr, are you aware that there's
23 an IR docket on step increases? And I know that
24 it's for -- I believe it's for A class water

1 utilities and gas and electric utilities. But
2 I'm just curious, whether you're aware that there
3 is an IR docket that is -- that's going to look
4 at step increases, because there's, you know, we
5 have -- the Commissioners have some questions?

6 MR. ST. CYR: Yes, I am aware of it.

7 CMSR. CHATTOPADHYAY: Okay. I just
8 wanted to know.

9 CMSR. SIMPSON: Are you participating
10 in that? I know you represent several small --
11 smaller utilities in the state.

12 MR. ST. CYR: There's two other water
13 companies that are participants in that docket
14 that I'm working with.

15 CMSR. SIMPSON: Okay.

16 MR. ST. CYR: Yes.

17 CMSR. SIMPSON: Thanks.

18 CMSR. CHATTOPADHYAY: It has to do with
19 some operating revenue amount that categorizes
20 whether the water utilities are Type A or not.
21 So, I'm not sure, you know, whether this utility,
22 I don't think this would categorize as "Class A",
23 but --

24 MR. ST. CYR: It's not.

1 CMSR. CHATTOPADHYAY: So, you know,
2 would you mind sharing -- you're aware of it,
3 you're part of the docket as well, in the IR
4 docket?

5 MR. ST. CYR: Yes.

6 CMSR. CHATTOPADHYAY: You are? Okay.
7 I just wanted to -- I'm going to -- can you
8 provide all of the schedules that you have in
9 Excel format, including all the calculation for
10 the step increases and what the impacts are on
11 the rates?

12 MR. ST. CYR: Yes.

13 CMSR. CHATTOPADHYAY: You can, okay.
14 So, let's make that as a record request. So,
15 provide all the schedules filed in the testimony
16 in live Excel format. And would the end of next
17 week be good enough to do that?

18 MR. ST. CYR: We can do that this week.

19 CMSR. CHATTOPADHYAY: Okay. So, let's,
20 if you can, please do it by Friday. And --

21 CMSR. SIMPSON: It would coincide with
22 the affidavit --

23 CMSR. CHATTOPADHYAY: Yes.

24 CMSR. SIMPSON: -- that Mr. St. Cyr

1 said he would file.

2 MR. ST. CYR: We'll send both of those
3 in.

4 CMSR. CHATTOPADHYAY: Okay. That's all
5 I have for questions.

6 I'm not sure, if you're going to be
7 able to respond to the request that we made by
8 Friday, I am not sure we need to have to go
9 through the procedural order requesting you for
10 that, because it's just two days. We'll figure
11 it out. But, please, go ahead and do it. And,
12 you know, whatever happens, happens.

13 MR. ST. CYR: All right.

14 CMSR. CHATTOPADHYAY: Okay. I will
15 also add, we take the matter of the need to
16 address the financing request, in Docket DW
17 22-054, in conjunction with the instant rate case
18 under advisement.

19 However, like I said earlier, we
20 encourage the DOE and the Company to discuss the
21 issue in the technical session, and apprise us
22 whether some agreed approach is reached.

23 Is there anything else we need to
24 cover?

1 MR. ST. CYR: There's nothing else from
2 the Company.

3 *[Atty. Young indicating in the*
4 *negative.]*

5 CMSR. CHATTOPADHYAY: Thank you. Thank
6 you, everyone. We are adjourned.

7 ***(Whereupon the prehearing conference***
8 ***was adjourned at 9:39 a.m., and a***
9 ***technical session was held***
10 ***thereafter.)***

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