

1                                   **STATE OF NEW HAMPSHIRE**  
2                                   **BEFORE THE**  
3                                   **PUBLIC UTILITIES COMMISSION**

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5                                   HAMPSTEAD AREA WATER COMPANY  
6                                   Request for Step 2 Adjustment  
7                                   Docket No. DW 23-020

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9                                   Motion Requesting to Submit and Exhibit Video Evidence  
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11                   NOW COMES Karen Steele, a party to this proceeding, and moves to request the permission to  
12                   submit and exhibit video evidence for the hearing on October 11, 2023. In support of the motion, the  
13                   Karen Steele states as follows:

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15                   **I.            BACKGROUND**

16                   For Docket DW 20-117, there was a Hearing on Hampstead Area Water Company's (HAWC) Step  
17                   1 Permanent Rate Increase on April 12, 2023. On, April 28, 2023, the PUC issued Order No. 26,809  
18                   approving the Step 1 increase request. On May 15, 2023, Intervenor Karen Steele submitted a  
19                   Motion for Rehearing indicating that the PUC failed to address 2 grievances:

20                               1) Based on HAWC's own reported data to NH DES, the MSDC spend of \$892,500 is not  
21                               used and useful and thus HAWC should not be allowed to use that full spend amount as  
22                               justification to increase ratepayers' permanent rates as requested.

23                               2) HAWC is not honoring their agreement to purchase and sell 250,000 gallons of water  
24                               per day from MWW before selling Atkinson's groundwater.

25 On June 14, 2023, the PUC issued Order No. 26,846 Order of Suspension of Order No. 26,809,  
26 and on August 16, 2023, PUC issued Order No. 26,874 Denying Ms. Steele's Motion for Rehearing of  
27 Order No. 26,809 indicating that "DES is the agency with clear jurisdiction to create and enforce the  
28 terms of the SIA (Southern New Hampshire Regional Water Interconnection Project Agreement)."

29 Moving to Docket DW 23-020, HAWC's Step 2 Permanent Rate Increase, the PUC issued a  
30 Procedural Order Re: Rescheduling Hearing, Taking Administrative Notice of Prior Testimony,  
31 Requesting DES Attendance at Hearing, and Data Request on September 12, 2023. The PUC is  
32 requesting DES attendance "to provide testimony concerning the terms of the Interconnection  
33 Agreement and the MSDC Agreement. The nature of these agreements, and the requirements they  
34 impose on HAWC, were the subject of discussion in the step adjustment proceeding in Docket No.  
35 DW 20-117."

## 36 37 **II. REQUEST TO SUBMIT AND EXHIBIT VIDEO EVIDENCE**

38 HAWC President, Harold J. Morse, signed the "Agreement Regarding The Southern New  
39 Hampshire Regional Water Interconnection Project", hereafter referred to as the "pipeline  
40 agreement" on April 10, 2019 (DW 19-147, H. Morse Testimony Attachments, page 41).

41 Three weeks prior, on March 19, 2019, the League of Women Voters-Southern Rockingham  
42 County hosted an informational event on the Southern NH Regional Water Interconnect Project at  
43 Kimball Library in Atkinson, NH which was recorded by the Town of Hampstead. Erin Holmes, P.E.,  
44 from the New Hampshire Department of Environmental Services (DES) and Senator Chuck Morse,  
45 Chair of the Drinking Water Trust and NH Senate President, presented. Charlie Lanza, General  
46 Manager of HAWC and General Manager of HAWSCO, joined during the Q&A after the main  
47 presentation. At this presentation, all three key players, Erin Holmes (DES), Senator Morse and

48 Charlie Lanza, referred to the agreement requiring HAWC to purchase and sell 250,000 gallons of  
49 pipeline water before selling water from their wells. When asked about what will happen to  
50 HAWC's existing wells, Charlie Lanza responded "That 250,000 gallons a day is gonna be prioritized,  
51 meaning that the agreement with the state specifies that that water has to be used up front prior to  
52 using our own sources."

53 This video evidence clearly shows what HAWC, DES and the Drinking Water Trust believed to be  
54 the requirements and obligations of the pipeline agreement. The event was one stop on their  
55 "roadshow" to communicate about the pipeline project, and the benefits. It was stated by all 3  
56 parties that Atkinson- Hampstead Core will be getting 250,000 gallons per day of pipeline water  
57 before they used any water from their wells located in Atkinson or Hampstead. This was promoted  
58 as a benefit of the pipeline to the towns and residents of both Atkinson and Hampstead.

59 As a reminder, all the other towns impacted in this pipeline project had a voice and vote, except  
60 for the Towns of Atkinson and Hampstead. The Towns of Atkinson and Hampstead would be most  
61 injured by HAWC not complying with the 250,000 gallon per day requirement, and yet these towns  
62 have no authority to file a dispute since they are not signers of the agreement. This is why it is  
63 critical that both the PUC and the DES clarify HAWC's obligations and provide an escalation path for  
64 the Towns of Atkinson and Hampstead should they need to file a complaint or a dispute.

65 Given the Commission's Procedural Order issued on September 12, 2023, which includes a  
66 request that DES attend the October 11, 2023 hearing to provide testimony concerning the terms of  
67 the Interconnection Agreement and the MSDC Agreement, Intervenor Karen Steele respectfully  
68 submits that the recording of the March 19, 2019 event contains vital evidence to help the PUC and  
69 DES to address and answer these questions.

Below are 3 short transcripts of sections of a presentation made by DES (Erin Homes, P.E.), Senator Chuck Morse and HAWC General Manager Charlie Lanza at Atkinson's Kimball Library on March 19, 2019. The entire video can be viewed on the following link:

<https://www.youtube.com/watch?v=GWggYR2wm2E>

Video section #1 starts at 31:26 and ends at 31:57 (31 seconds)

**ERIN HOLMES:** "So, just some final thoughts, ya know the project is providing reliable water. It's providing capacity where it's limited right now. And it's gonna be bringing clean drinking water to the doorsteps of all the partners in this project: Plaistow, it's coming there. Um, Hampstead Area Water Company are gonna have 250,000 dollars, 250,000 gallons per day, extra capacity coming into their borders. Salem as well. And Windham who hasn't had this opportunity is getting 200,000 into their doorstep."

Video section #2 starts at 33:37 and ends at 34:30 (53 seconds)

**SENATOR CHUCK MORSE:** "Just a couple of things to note, especially if you're in Hampstead and Atkinson. We certainly, ya know if we were in Salem, we'd tune this to a different direction, but um, 250,000 gallons per day is what is scheduled in the first phase to come into this area. The usage in this area is 500,000 per day, on the, on the biggest day. So that's a significant purchase. In the future, I think you are tuned up to 500,000, um, as the max? (Erin, off camera says "750"). We had 750 on one option... I'm not sure. But.. the reality is what you're using today will be matched by this project when phase 2 comes in. um, that's significant. Cuz there's no other way to get that kind of water without going into the ground with wells and I'm sure everyone has concerns about that."

Video section #3 starts at 58:00 and ends at 59:38 (1 minute, 38 seconds)

**AUDIENCE MEMBER:** "Chuck, what happens to the existing HAWC wells once this system goes into play?"

93 **SENATOR MORSE:** "I can't answer that. Do you wanna answer that?"

94 **MR. CHARLIE LANZA:** "Yeah, uh, I mean I can, Charlie Lanza with Hampstead Water. I can try to uh give  
95 you an idea of what we envision. So, right now, we're expecting 250,000 gallons a day to come through  
96 this phase 1 of the regional interconnection. Um, so that'll be 250,000 gallons a day that we won't be  
97 producing out of our wells. That 250,000 gallons a day is gonna be prioritized, meaning that the  
98 agreement with the state specifies that that water has to be used up front prior to using our own  
99 sources. So, Chuck mentioned earlier, uh Senator Morse rather, our average daily demand right now in  
100 Atkinson and Hampstead is a little bit shy of a half million gallons a day. So, this allocation under phase  
101 1 for us is approximately 50%..."

102 **AUDIENCE MEMBER:** "Can you speak louder?"

103 **MR. CHARLIE LANZA:** (takes microphone) "So our allocation of 250,000 gallons per day is approximately  
104 50% of the entire Atkinson and Hampstead average daily (inaudible). So, with that said, we'll have  
105 250,000 gallons a day coming out of our existing sources that no longer will come out of our sources.  
106 How exactly that will be spread out is to be determined. I can't tell you right now exactly ya know which  
107 source will be turned off or turned down. I mean, initially, it makes sense to us that we would take the  
108 ones that are lower producing, lower quality and take those offline first. But I can't tell you exactly  
109 which ones."

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111 **III. CONCLUSION**

112 For the reasons stated herein, Intervenor Karen Steele respectfully requests that the  
113 Commission grant the request to submit and exhibit video evidence. This request includes the  
114 March 19, 2019 recording in its entirety (1 hour, 50 minutes and 36 seconds), to be able to play and

115 use snippets from this recording in the presentation of facts, and to use snippets from the recording  
116 to support cross examination.

117 Recognizing the logistics involved with video evidence at a hearing, Intervenor Karen Steele is  
118 open to the option of using a PUC Court Reporter, an unbiased party, to transcribe the video  
119 provided by the Town of Hampstead and to have the Commission accept that transcript as an  
120 exhibit for the hearing on October 11, 2023.

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122 Sincerely,

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124 Karen S. Steele  
125 Intervenor  
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130 September 16, 2023