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P R O C E E D I N G

CMSR. CHATTOPADHYAY: Good morning.

I'm Commissioner Chattopadhyay, in the capacity of the Presiding Officer for this prehearing conference for Docket DW 23-020, regarding the request of Hampstead Area Water Company, or HAWC, for a Step II Adjustment to its permanent rates, as proposed in the Settlement on Permanent Rates approved in Order Number 26,635, in Docket Number DW 20-117.

We note that an order was issued on Friday approving the Step I Adjustment, pursuant to the same Settlement on Permanent Rates, approved in Docket DW 20-117.

We also note that two Motions to Intervene have been filed in advance of this prehearing conference, by Karen Steele, is she here?

[No indication given.]

CMSR. CHATTOPADHYAY: On behalf of herself, as a residential customer and a taxpayer of the Town of Atkinson, who is a customer of HAWC. And by Laurie Warnock, Chairman of the Board of Selectmen, on behalf of the Town of

1 Hampstead. Is she here?

2 *[No indication given.]*

3 CMSR. CHATTOPADHYAY: We will address
4 those motions after taking initial appearances.
5 We will also hear opening statements by the
6 parties after initial appearances.

7 Are there any preliminary matters that
8 we need to discuss?

9 MS. SCHWARZER: Commissioner
10 Chattopadhyay, just two issues.

11 I note that the Town of Atkinson seems
12 to have a filed a motion for a change of service
13 list into the new docket. And I wonder if the
14 Commission was going to construe that as a motion
15 to intervene, given that they're not represented?

16 CMSR. CHATTOPADHYAY: I was going to
17 discuss that.

18 MS. SCHWARZER: Okay.

19 CMSR. CHATTOPADHYAY: I was going to
20 say, preview, that they would require a motion to
21 intervene to be considered in this docket. But,
22 you know, they're not here. I don't know how to
23 relay that. But we will talk to it.

24 MS. SCHWARZER: Okay. And the other

1 issue we wanted to raise, we understand that this
2 is a Step II for HAWC, and there are many
3 relevant documents and data responses in the
4 docket you previously mentioned, DW 20-117. It
5 seems to the Department that it's
6 administratively efficient to ask the Commission
7 to take administrative notice at the hearing on
8 this Step II, rather than refile all the
9 documents or data requests into this 23-020
10 docket? And we hope that you agree.

11 CMSR. CHATTOPADHYAY: Yes, I agree.
12 But I'm just trying to understand, not being a
13 lawyer, --

14 MS. SCHWARZER: Sure. For example, the
15 Settlement Agreement on Permanent Rates set out
16 an agreed-upon framework for Step II. And, so,
17 for us, as a Department, that document is very
18 relevant. But we would rather not refile it as
19 an attachment in this docket. We'd rather, at
20 hearing, either mark it as an exhibit, or ask the
21 Commission to take administrative notice of
22 something filed in another docket.

23 Similarly, for the Step I Settlement
24 Agreement, it may be easy to mark those as

1 exhibits, and we would certainly consider doing
2 that. But there may be other elements, like data
3 responses or requests, that we would be easier
4 just to reference by administrative notice.

5 So, if you have -- if the Commission
6 has a preference at this time, it would be
7 important to us to know. And, if you don't,
8 we'll do our best.

9 CMSR. CHATTOPADHYAY: I think it's
10 always helpful to have the material that's
11 relevant from before to be considered in this
12 docket, because it's all related.

13 So, my question to you is, are you
14 saying that you would make that request during
15 the hearings later or are you sort of doing this
16 verbally right now, so that I can respond?

17 MS. SCHWARZER: I would -- we would
18 expect to do that at the hearing itself. But, if
19 the Commission has a preference, if you, for
20 example, wanted us to file every single document
21 we thought relevant in this hearing, and then
22 mark it as an exhibit, we would do that. If you
23 felt we should just purely refer to them by
24 reference to other exhibits as filed in the

1 20-117 docket, we would do that. It's probably
2 easier to do the second one. But we want to do
3 what the Commission wants us to do.

4 CMSR. CHATTOPADHYAY: So, I was going
5 to respond by saying the second option, which I
6 understand to be you will make that request
7 during the hearings, that is a better route to
8 go.

9 MS. SCHWARZER: Okay. Thank you very
10 much.

11 CMSR. CHATTOPADHYAY: So, I just wanted
12 to clarify that.

13 So, let's take appearances. For HAWC
14 first, please.

15 MR. AUGERI: Good morning. I'm Tony
16 Augeri, General Counsel for HAWC. With me is
17 Steve -- Stephen P. St. Cyr, outside consultant
18 and expert for the Company; John Sullivan, the
19 Controller for the Company; Christine Lewis
20 Morse, the Vice President of the Company; Charlie
21 Lanza, who is the General Manager of the Company;
22 and Heidi Tombarello, who is legal counsel for
23 the Company. Thank you. And good morning.

24 CMSR. CHATTOPADHYAY: Thank you. Let's

1 go to DOE.

2 MS. SCHWARZER: Good morning,
3 Commissioner Chattopadhyay. I am Mary Schwarzer,
4 Department Staff Attorney. And with me today is
5 Jayson Laflamme, Director of our Water Division;
6 and Anthony Leone, who a Utility Analyst.

7 Thank you.

8 CMSR. CHATTOPADHYAY: Thank you.

9 Since I don't see anyone from Town of
10 Hampstead or Karen Steele here, I will not go
11 there.

12 I don't see Office of Consumer Advocate
13 as well, so we won't go there.

14 So, we have reviewed the Petitions to
15 Intervene filed by Karen Steele and by the Town
16 of Hampstead. I note that no objection was filed
17 to the petitions -- the petition of the Town of
18 Hampstead. But the Company did object to Mrs.
19 Steele's Petition to Intervene on March 21st,
20 2023. Does the Company continue to object to
21 Mrs. Steele's Petition?

22 MR. AUGERI: We do. I would also add
23 that the Company does not object to either the
24 Town of Hampstead or, as Ms. Schwarzer has

1 indicated, for the Town of Atkinson. We would
2 treat that notice as a motion to intervene, at
3 least from the Company's standpoint. And we
4 would not have objection to that either.

5 CMSR. CHATTOPADHYAY: Thank you.

6 MR. AUGERI: But we do continue, and if
7 you'd like, I can highlight the basis of the
8 objection for Ms. Steele.

9 CMSR. CHATTOPADHYAY: Thank you. Does
10 DOE have an opinion on those two petitions, and
11 please apprise us?

12 MS. SCHWARZER: Oh. The Department has
13 no objection to Ms. Steele's intervention, and we
14 have no objection to the Town of Hampstead's
15 intervention.

16 Similarly, were the Commission to
17 construe Atkinson's Notice for Change of Service
18 List as a Petition for Intervention, we would not
19 object to that either.

20 CMSR. CHATTOPADHYAY: Thank you.

21 So, with respect to Town of Hampstead,
22 we clearly see that that qualifies for
23 intervention under the discretionary intervention
24 standard RSA 541-A:32, II. So, we grant

1 intervention to Hampstead.

2 We will take the other request or the
3 Motion for Intervention by Ms. Karen Steele, you
4 know, we'll take that matter under advisement,
5 and we'll get back to the parties soon.

6 *[Cmsr. Chattopadhyay and Atty. Fabrizio*
7 *conferring.]*

8 CMSR. CHATTOPADHYAY: On the issue of
9 Town of Atkinson, we will provide the direction
10 in the order that follows the prehearing
11 conference. Like I mentioned, we would like them
12 to make a motion to intervene. So, we will deal
13 with that then.

14 I mean, it's -- I will add that, based
15 on the letter, I'm not sure whether they are
16 seeking an intervention status or not. So,
17 that's why it's better to do it that way.

18 So, let's go to the opening statements.
19 Let's start with HAWC. I like saying that.

20 MR. AUGERI: Much easier, isn't it?
21 Thank you. Again, my name is Tony Augeri,
22 General Counsel for HAWC.

23 The Company filed a Petition for a Step
24 II Rate Adjustment to its permanent rates, that

1 was based, as Ms. Schwarzer had indicated, on the
2 Order 26,635, from Docket Number 20-117. And the
3 basis of that is that the Settlement Agreement on
4 Permanent Rates contemplated two step
5 adjustments, and this being the second one. As
6 you noted, the Commission recently, by Order
7 Number 26,809, approved the Step I Settlement
8 that was reached by the parties just the other
9 day. So, this is the second step. The
10 Commission had opened a separate docket for it.

11 This particular step -- so, the
12 original rate case was based on a 2019 test year.
13 Step I involved 2020 plant additions, and this
14 Step II is going to involve 2021 additions. So,
15 that's the narrow focus of this Step I [II?].

16 The Settlement that was approved in
17 Order 26,635 conditioned this framework upon the
18 New Hampshire Department of Energy's audit review
19 of the submissions and schedules by the Company.
20 That, in fact, took place also on April 28th
21 for -- by the New Hampshire DOE. There were
22 three audit issues identified that were
23 satisfied. And that the conclusion of that audit
24 has already been, which was based on their

1 review, the audit believes that the Company had
2 shown that the projects for 2021 that are the
3 subject of Step II were used and useful. So,
4 we've already conducted and it's -- we're already
5 at that stage of Step II.

6 The other condition was that the amount
7 sought would not exceed an amount of two -- let
8 me try that again -- \$220,023. The amount that
9 the Company proposes for this Step II is less
10 than that. It's \$214,344.

11 So, with that, we are now at the final
12 stage, if you will, of the original Settlement
13 approved in Order 26,635 on the rate case in this
14 Step II. It has already been reviewed by New
15 Hampshire Department of Energy Audit. And we
16 look forward to engaging in the technical session
17 that follows this, and then reaching, hopefully,
18 a settlement, like both permanent rates and for
19 Step I.

20 Thank you.

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

23 MS. SCHWARZER: Thank you. The
24 Department looks forward to working with HAWC,

1 and with Hampstead, as well as potentially the
2 pending intervenors, and reviewing the
3 information filed into this docket, and working
4 together to revolve any issues that come up in
5 the course of that review.

6 We propose that the parties meet during
7 the technical session to create a procedural
8 schedule, which we would propose filing early
9 next week. We certainly will reach out to
10 Hampstead, who has been admitted as a full party,
11 and we will copy the pending intervenors as a
12 courtesy, and to accommodate their input as well,
13 if that's possible.

14 I believe that covers all this issues
15 that we have today. Thank you very much.

16 CMSR. CHATTOPADHYAY: Thank you. So,
17 let's go to Commissioner questions, the fun part.
18 Okay.

19 As you might be aware, I was, because I
20 worked with the OCA before, so, I was recused in
21 this docket. So, you know, I don't have the
22 bandwidth that others have, in terms of knowing
23 what happened in DW I think it was 20-117, or was
24 it 19-117?

1 MS. SCHWARZER: 20-117.

2 CMSR. CHATTOPADHYAY: 20-117. So, I do
3 have a question. I just started reading the
4 material, the order. So, this is only for my
5 understanding, okay?

6 So, did HAWC, and this is a question
7 for you, so, you submitted rate case expenses for
8 Step I in Docket DW 20-117, right?

9 MR. AUGERI: We did not.

10 CMSR. CHATTOPADHYAY: You did not.
11 Okay.

12 MR. AUGERI: The order that was just
13 issued the other day, 26,809, allowed us to
14 consolidate the Step I rate case expenses with
15 Step II. So, it's just a -- it will be done in
16 one instance. And also to allow DOE and the
17 parties to review those, and then submit it to
18 the Commission.

19 CMSR. CHATTOPADHYAY: But my question
20 was, was it originally filed in 20-117? Is there
21 any documentation about that in that docket?

22 MR. AUGERI: For Step I specifically,
23 we did not file any.

24 CMSR. CHATTOPADHYAY: Okay. Thank you.

1 Did you have anything, too?

2 MS. SCHWARZER: Yes. Thank you,
3 Commissioner.

4 The Department's position is that the
5 statute on rate case expenses, as well as the
6 related rule about filing rate case expenses,
7 does not explicitly contemplate Step I and
8 Step II. Although, in water dockets, we often
9 make a provision in the settlement for addressing
10 expenses associated with Step I and Step II. And
11 because, in our opinion, the statute does not
12 apply, in our opinion, the rate case expenses
13 need not be filed directly into the docket, and
14 that -- so that was not done for Step I in
15 20-117. And we contemplate addressing expenses,
16 but not explicitly as rate case expenses covered
17 by the statute, *per se*.

18 That is our position. That may not be
19 the Company's position. But, pursuant to the
20 order that Attorney Augeri mentioned, 26,809,
21 issued late last week, and consistent with the
22 letter we filed last Friday, discussing
23 arrangement for addressing those expenses, we
24 feel that is a sufficient provision to address

1 the concerns of both parties.

2 CMSR. CHATTOPADHYAY: Thank you. That
3 is helpful. Because I ended up reading the
4 statute -- you know, the rule, and had -- my
5 thinking is still evolving. So, I kind of wanted
6 to understand the situation.

7 So, are there any other issues that
8 need to be addressed before I adjourn this
9 prehearing conference?

10 MS. SCHWARZER: Commissioner, I would
11 just raise that the Department had a concern with
12 regard to the process for the Step I hearing.
13 And we expect, in the procedural schedule, to
14 propose that, following settlement, there be a
15 period of time for parties to either file
16 rebuttal testimony or a technical statement to
17 present their issues or concerns, specifically,
18 and, in particular, intervenors, who may not have
19 availed themselves of the process of discovery
20 ahead of time to do that. And it is the
21 Department's hope that that would make the
22 hearing more efficient, and avoid some of the
23 delays and potentially confusion that was part of
24 the Step I Settlement proceeding.

1 CMSR. CHATTOPADHYAY: Did I hear you
2 right, when you said these "additional steps"
3 that you're talking about, they are after the
4 settlement is filed?

5 MS. SCHWARZER: Yes, Commissioner.

6 CMSR. CHATTOPADHYAY: Okay. I just
7 wanted to clarify.

8 Is that it? Anything else?

9 *[No verbal response.]*

10 CMSR. CHATTOPADHYAY: No? Okay.

11 So, hearing none, I will let the
12 parties proceed to their technical session. The
13 hearing is adjourned.

14 ***(Whereupon the prehearing conference***
15 ***was adjourned at 9:21 a.m., and a***
16 ***technical session was held thereafter.)***

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