

CITY OF NASHUA PETITION FOR VALUATION
Deposition of Bernard A. Streeter

STATE OF NEW HAMPSHIRE
PETITION FOR VALUATION PURSUANT TO RSA 38:9

CITY OF NASHUA

Docket No. DW-04-048

DEPOSITION of BERNARD A. STREETER

Taken by Notice at the offices of the Nashua City
Hall, 229 Main Street, Nashua, New Hampshire, on
Tuesday, July 26, 2005, commencing at 2:31 in the
afternoon.

Court Reporter: Marcia G. Patrisso,
Certified Shorthand Reporter
NH CSR No. 83 (RSA 331-B)
Registered Professional Reporter
Certified Realtime Reporter

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1 systems outside of the Nashua system?
2 A. Outside of the Nashua system?
3 Q. Correct.
4 A. No.
5 Q. So you may or may not be aware that
6 Pennichuck, for instance, has owned systems as far
7 flung as Epping or Newmarket?
8 A. I've heard that. I've heard that.
9 I'm not concerned with Epping or Newmarket. I am
10 concerned, though, with the history of this company
11 and the lack of protection of the watershed property
12 that they owned at one point.
13 Q. You mean the Pennichuck watershed
14 property?
15 A. The Pennichuck watershed, which was
16 over a period of time sold off for private
17 development purposes. I'm very concerned about
18 that.
19 Q. And you're concerned about it because?
20 A. Because the company was not good
21 stewards of their properties. In this day and age
22 water companies are buying watershed property, land
23 surrounding it, not selling it off, nor are they

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1 developing these properties.
2 Q. You're aware that the Public Utilities
3 Commission approved those sales?
4 A. In my opinion, it was an ill-advised
5 decision.
6 Q. Right. And whatever development took
7 place subsequent took place under the aegis of
8 Nashua land use regulations, zoning and planning;
9 isn't that right?
10 A. Since I wasn't involved in city
11 government at that time, I am under the assumption
12 that the answer is yes.
13 Q. Do you have --
14 A. That doesn't necessarily make it
15 right. That was an editorial comment.
16 Q. What is the most that Nashua would pay
17 for the Pennichuck Water Works' assets?
18 A. I have no idea.
19 Q. How would you go about figuring it
20 out?
21 A. That's why we have consultants who
22 have, and will continue to appraise properties.
23 Ultimately it's up to the Public Utilities

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1 Commission to set a price.
2 Q. And presumably there is some price at
3 which -- above which Nashua would say, "That's
4 crazy, we wouldn't buy it at that price."
5 A. Presumably there is, although I don't
6 know it. Presumably there would be.
7 Q. And under that circumstance Nashua
8 would not proceed to acquire the Pennichuck assets,
9 right?
10 A. Well, if it was an outrageous figure.
11 You have to remember now, the City of Nashua made a
12 legitimate offer to Pennichuck for \$121 million.
13 That was a legitimate offer. That offer was
14 discarded like yesterday's wash, and they in turn
15 came back and said, Well, we'll consider (redacted
16 testimony - confidential attorneys' eyes only under
17 separate cover). And that was laughable.
18 Q. You're aware that had the Philadelphia
19 Suburban deal gone through, that the stockholders
20 today would have \$65 million more in equity than
21 they would have had at the time of that transaction?
22 A. I don't profess to know anything about
23 the stock market. I don't dabble in it. I'm not a

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1 prognosticator of stock.
2 Q. Well, that's not prognostication,
3 that's just the market price.
4 MR. UPTON: He said he didn't know.
5 Q. Would Nashua purchase the Pennichuck
6 Water Works' assets if Pennichuck -- strike that.
7 Would Nashua purchase the Pennichuck
8 Water Works' assets if the PUC set a price that
9 would result in rate-payers paying a higher rate
10 than they would under Pennichuck ownership?
11 A. I'm not going to guess what the PUC
12 would do. I would find it questionable if they
13 did -- if they recommended a price where the cost of
14 water would be more expensive than rate-payers are
15 paying now. I do know this: 85 percent of
16 municipalities in this country own their own water
17 companies, and their water rates are much lower.
18 And one thing I have done since this process started
19 was let the people of our community know that
20 Manchester's water rates are approximately
21 45 percent lower than Nashua's. Manchester's is
22 municipally owned, and they provide excellent
23 service and excellent water.