

February 4th, 2017



**Direct Testimony of Remi Hinxhia before New Hampshire Public Utilities Commission in
regards of Concord Steam**

My name is Remi Hinxhia. I am the president of Associated Enterprises Inc. Associated Enterprises Inc. is a Real Estate Management and Development Company. It was created by my Godmother Victoria Zachos. After her passing my sister, Dora, and I took over ownership of the Co. Under our management the company bought 2 additional buildings. We renovated these buildings in downtown Concord that have been vacant for nearly 18 years. Our buildings house offices, retail, market rate apartments, and apartments for low income residents, and New England College.

I am here today as one of the Joint Petitioners in this proceeding and seeking approval of the said Petition in order to assist the non-governmental and business customers, like us, of Concord Steam who are faced with incurring extremely high conversion costs with very long payback periods forced upon us by the upcoming closure of Concord Steam Corp. We at Associated Enterprises Inc. along with other petitioners believe that the Commission consistent with its mission statement should "provide necessary customer protection" as it did for the customers of the Claremont Gas Corp. in DE 94-056, Order #21, 309 where it ordered the company to cover conversion costs.

We are currently completing total renovation of the "Vegas Block", currently called the "Remi Block" building. It will provide 24 market rate apartments. Because of the severely deteriorated state of this building renovation required significantly more time and expense than expected. Total investment at completion will be 5 million dollars. Although there was some discussion with Concord Steam to provide steam there was growing concern over their viability. Fortunately we made a decision to use an alternate heating system. This was the right decision considering Concord Steam's announcement this past September to go out of business.

Our largest building is 136 Main St. constructed in 1860. This bldg. consists of 32 apartments for low income residents and 6 retail stores on the first floor. Associated Enterprises provides the heat for all the units in this 40,000 sq.ft. bldg. In 1860 standard steam heat was a "one pipe" steam heating system. This system allows steam and the water condensate to use the same pipe to travel to and from radiators. Concord Steam was to prepare a recommendation for a more efficient 2 pipe system, however, after their initial consultation they did not return for further discussion. Changing the fuel for the heating system for this building would result in an estimated cost of \$300,000.00. This would result in increased rent for residents who can least afford it. An anticipated energy saving upgrade to the 54 windows on the front of the 136 N. Main St. bldg. at an expense of approximately \$145,000.00 is on hold due to the sudden departure of Concord Steam. This delays an energy saving upgrade to include all windows on the bldg. not just the previously replaced windows at the rear of the bldg.

Our building at 11 Depot Street was built in 1900. This building houses 2 restaurants on the lower floors, and for profit and non-profit organizations on the 2 upper floors. We also pay the heat for all these tenants. The original Concord Steam heating system is currently in place. We installed 11 new energy efficient windows for the 2nd floor at a cost of \$15,000.00. New windows were to be installed on the 3rd floor; however, converting to a new heating system will cost between \$75,000.00 to \$100,000.00 and delay the installation of new energy saving windows.

The 58-68 N. Main Street building was vacant for nearly 18 years following the state offices move to

the Heights. Following our purchase, a three year renovation of the bldg. was completed. During the summer of 2016 two new gas furnaces were installed at a cost of \$50,000.00 which continues our commitment to become more energy efficient.

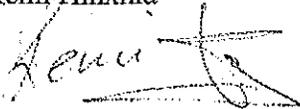
In summery the unexpected, unplanned, and sudden need to convert to an alternate source of fuel to heat our buildings without PUC assistance will result in:

- Unexpected, unplanned and significantly increased financial hardship for my family and all our tenants;
- An overall catastrophic effect on our overall financial viability;
- A required immediate full payment to Concord Steam Corp. of \$9000.00 which was a previously agreed to monthly budget payment that will adversely affect our financial viability;
- Threat of a heating system shut off if full payment is not received affecting us as well as our low income tenants and retailers;
- Unexpected significant and immediate increased expenses in excess of Seventy Five to One Hundred Thousand dollars to convert the heating system at 11 Depot Street and a \$300,000.00 expense for the 136 N. Main St. conversion;
- Raising our below market rate rents should it be necessary to Convert our heating systems in this unexpected and sudden manner without assistance;
- Unexpected cancellation of necessary and scheduled maintenance of the current Concord Steam heating system at the 136 Main St. Bldg.

I am here today to say that New Hampshire Public Utility Commission based on its mission to "Provide necessary customer protection" can protect me and others from this unanticipated mess that we are being forced to endure.

Respectfully:

Remi Hinxhia



2/6/2017