



**STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION**

**DG 16-827**

**Petition for Approval of a Transition Fund  
For Concord Steam Non-Governmental Non-Profit Customers**

**Capitol Center for the Arts**

**DIRECT TESTIMONY**

**OF**

**NICOLETTE CLARKE**

**February 8, 2017**

1 **Q. Please state your name and position.**

2

3 A. My name is Nicolette Clarke. I am the Executive Director of the Capitol Center for the Arts that is  
4 located at 44 South Main Street, Concord, NH.

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6 **Q. Ms. Clarke have you previously testified before the New Hampshire Public Utilities  
7 Commission?**

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9 A. No I have not.

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11 **Q. What is the purpose of your testimony?**

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13 A. The Capitol Center for the Arts, as one of the Joint Petitioners, is seeking relief to successfully  
14 transition from Concord Steam to a new natural gas heating system in two areas of our property. The  
15 first, is the snowmelt system that serves the long gradual inclined walkway from South Main Street to  
16 the front doors of the theatre. This walkway is the main entrance point for the 80,000 patrons who visit  
17 the CCA each year; and the second, is the stage area in the Chubb Theatre which directly affects the  
18 comfort level of performers. Both of these components are critical elements to operating the arts  
19 center for the public good.

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21 **Q. Please provide some background on the Capitol Center for the Arts (CCA) and its mission.**

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23 A. The CCA is a 501(c)3 charitable nonprofit that owns and operates two historic buildings on  
24 South Main Street, the (circa 1926) proscenium Chubb Theater with seating for 1304, and the  
25 Victorian era Benjamin Kimball House that provides event space and staff offices. Today, 80,000

1 people annually come through our doors, on 200 plus days of the year. We introduce 13,000  
2 children to the magic of live performance and the adventure of creative learning. We bring the  
3 international world of performing arts to Concord, and provide a platform for launching local  
4 talent. In addition to a crowded performance schedule, we host 80 plus community and private  
5 events—from dance competitions to class reunions and business retreats—and collaborate with  
6 community partners across a wide spectrum of activities. We give back to the community that  
7 supports us by providing reduced rental rates to other nonprofit organizations and free and  
8 subsidized tickets to clients of social service agencies. On show days, we bring in additional  
9 business to area restaurants and shops. Created and sustained by the people of New Hampshire, the  
10 CCA's mission is to inspire, educate and entertain audiences by providing both the finest  
11 venue for the performing arts and a wide range of professionally excellent and artistically significant  
12 presentations. The CCA also serves as a resource and gathering place for the community at large.

13

14 **Q. What is the CCA's annual budget?**

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16 A. Despite our vitality and 21 years of programming, we have significant challenges as a nonprofit  
17 business. Unlike performing arts center colleagues in other states, the CCA receives only minimal  
18 government support (\$9,000 in FY15-16) and relies on earned revenue from ticket sales for 70% of our  
19 income. The remaining 30% comes from business sponsorships and individual memberships and  
20 contributions. We operate with an annual budget between \$2.5- 2.9 million, but it is a break even  
21 budget at best and does not include depreciation.

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23 **Q. Why are you seeking relief at this time?**

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25 A. The CCA carries heavy mortgage debt of \$1.2 million dollars that includes a reserve requirement in

1 the covenant with our lender. Our Board of Trustees devoted considerable time over the last two years  
2 identifying a list of key systems and equipment that need to be replaced as they reach the end of their  
3 useful life. However, we faced an unexpected crisis in 2015 when both the Kimball House boiler and 3  
4 HVAC units serving the audience section of the Chubb Theatre died after 20+ years of continual use.  
5 Without cash on hand to cover the \$220,000 expense, the CCA applied and was awarded a NH Higher  
6 Education Finance Authority loan that must be paid back over five years. Our budget is stretched to the  
7 limit and we cannot afford the conversion to gas without outside resources.

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9 **Q. Why didn't the CCA consider conversion prior to now?**

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11 A. Neither of the projects necessitated by the Concord Steam termination was on the top of  
12 our priority list of critical infrastructure projects. Having to address them first without any  
13 financial relief from the PUC puts us at risk for being unprepared for the next piece of  
14 equipment or system that is most likely to fail in the coming year. Given the fact the CCA has  
15 maxed out its debt capacity, there are few other funding options other than hoping that some relief will  
16 come via this petition. With your financial assistance, we can quickly connect the walkway snowmelt  
17 system to its own natural gas boiler and provide safer access to our building. The heating system for the  
18 stage is more challenging, as we are dealing with the infrastructure of a historic theater and there are  
19 likely to be surprises. The first estimate has come in at \$60,000. It is currently under review.

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21 **Q. Do you believe approval of the Joint Petition is discriminatory to Liberty's existing**  
22 **customers, not just and reasonable, or can be viewed as single issue ratemaking?**

23

24 A. No, we see the merits of this petition as a win-win. By assisting the CCA and other vital

1 organizations that need to make the transition to Liberty Utilities, you will help us make  
2 Concord a stronger capital city and serve the public good. At the same time current Liberty  
3 Utility customers will benefit in the longer term with addition of a significant number of new  
4 rate paying customers.

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6 **Q. Does this complete your testimony?**

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8 A. Yes, thank you for the opportunity to speak with you today.

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