

1                                   **STATE OF NEW HAMPSHIRE**  
2                                   **PUBLIC UTILITIES COMMISSION**

3  
4   **September 28, 2020 - 9:18 a.m.**                                   **Day 1**  
5   **Morning Session ONLY**

6                                   *[Remote Hearing conducted via Webex]*

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8                   **RE: DW 19-131**  
9                   **OMNI MOUNT WASHINGTON, LLC:**  
10                   **Complaint by Omni Mount Washington**  
11                   **Hotel, LLC, against Abenaki Water**  
12                   **Company, Inc.**

13                   **PRESENT:**    Chairwoman Dianne Martin, Presiding  
14                                   Cmsr. Kathryn M. Bailey  
15                                   Cmsr. Michael S. Giaimo

16                                   Doreen Borden, Clerk  
17                                   Eric Wind, PUC Remote Hearing Host

18                   **APPEARANCES:**   **Reptg. Omni Mount Washington, LLC:**  
19                                   Thomas B. Getz, Esq. *(McLane Middleton)*

20                                   **Reptg. Abenaki Water Company, Inc.:**  
21                                   Marcia A. Brown, Esq. *(NH Brown Law)*

22                                   **Reptg. Bretton Woods Property Owners**  
23                                   **Association (BWPOA):**  
24                                   Paul Mueller

**Reptg. PUC Staff:**  
                                 Christopher Tuomala, Esq.  
                                 Jayson Laflamme, Asst. Dir./Gas &  
  Water Division

                                 Court Reporter:    Steven E. Patnaude, LCR No. 52

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**I N D E X**

**PAGE NO.**

**OPENING STATEMENTS BY:**

Ms. Brown	13
Mr. Getz	16
Mr. Mueller	20
Mr. Tuomala	21

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**WITNESS PANEL:**

**DONALD J. E. VAUGHAN  
ROBERT GALLO  
NANCY OLESON**

Direct examination by Ms. Brown	23
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**E X H I B I T S**

<b>EXHIBIT NO.</b>	<b>D E S C R I P T I O N</b>	<b>PAGE NO.</b>
1	Omni Mount Washington, LLC, Responses to Staff Set 1 (aka MOL Attachment C)	<i>premarked</i>
2	Abenaki Water Company, Inc., Response to Staff 1-1 and Final Audit Report	<i>premarked</i>
3	Abenaki Water Company, Inc., Response to Staff 2-7	<i>premarked</i>
4	Abenaki Water Company, Inc., Response to Staff 1-7	<i>premarked</i>
5	Filings from DW 11-117	<i>premarked</i>
6	2016 Services Agreement Between Rosebrook Water Company and Omni Mount Washington Resort	<i>premarked</i>
7	Affiliate Agreements filed in DW 13-001	<i>premarked</i>
8	Abenaki Water Company, Inc., Response to Staff 1-12	<i>premarked</i>
9	Horizons' 2017 Report <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
10	Horizons' 2017 Report [REDACTED - For PUBLIC Use]	<i>premarked</i>
11	Abenaki Water Company, Inc., Supplemental Response to Staff 1-16	<i>premarked</i>
12	Town of Carroll Tax Cards	<i>premarked</i>

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**E X H I B I T S (continued)**

<b>EXHIBIT NO</b>	<b>D E S C R I P T I O N</b>	<b>PAGE NO.</b>
13	Calculation of Purchase Price - 2016 Continuing Property Records	<i>premarked</i>
14	2016 Horizons' Report <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
15	Horizons' 2016 Report <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
16	Omni Mount Washington, LLC, Complaint Attachments <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
17	Omni Mount Washington, LLC, Responses to Staff Set 2 <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
18	Omni Mount Washington, LLC, Responses to Staff Tech 2 <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
19	Omni Mount Washington, LLC, Responses to Staff Tech 2 <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
20	Past and Current Tariffs	<i>premarked</i>
21	Omni Mount Washington, LLC, Complaint Attachments <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
22	Reports Filed in DR 89-031	<i>premarked</i>
23	As-Built Utility Plans Filed in DR 89-031	<i>premarked</i>
24	Missing Deeds From Omni Mount Washington, LLC Complaint, Attachment F	<i>premarked</i>

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**E X H I B I T S (continued)**

<b>EXHIBIT NO.</b>	<b>D E S C R I P T I O N</b>	<b>PAGE NO.</b>
25	Table Comparing Water Main Lengths	<i>premarked</i>
26	Exterior Shut Offs and Interior Plumbing - Hotel and Bretton Arms	<i>premarked</i>
27	Exterior Shut Offs and Interior Plumbing - Ski Area	<i>premarked</i>
28	Omni Mount Washington, LLC, Resort Responses to Staff Set 2 <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
29	Abenaki Water Company, Inc., Response to 2-3 <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
30	Abenaki Water Company, Inc., Response to 2-3 <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
31	Secretary of State Filings for MWH Preservation	<i>premarked</i>
32	Abenaki Water Company, Inc., 2019 Continuing Property Records	<i>premarked</i>
33	New England Service Company Invoice for Hotel Work	<i>premarked</i>

**P R O C E E D I N G**

1  
2 CHAIRWOMAN MARTIN: We're here this  
3 morning in Docket DW 19-131 for a hearing on the  
4 complaint filed by Omni Mount Washington, LLC,  
5 against Abenaki Water Company, Incorporated. The  
6 complaint was filed on July 24th, 2019.  
7 Consistent with RSA 365:2, the Commission  
8 forwarded the complaint to Abenaki, requiring  
9 that the charges be answered in writing on or  
10 before August 9th, 2019. Abenaki filed a written  
11 response denying responsibility for the  
12 complaint.

13 On December 12th, 2019, the Commission  
14 issued an Order of Notice finding that there were  
15 reasonable grounds for the complaint, and opening  
16 an adjudicative proceeding to resolve the  
17 complaint pursuant to 365:4. RSA 365:4 provides  
18 that, after notice and a hearing, the Commission  
19 shall take such action within its powers as the  
20 facts justify. So, this hearing is being held  
21 pursuant to RSA 365:4.

22 All right. I need to make the  
23 necessary findings for a remote hearing.

24 As Chairwoman of the Public Utilities

1 Commission, I find that due to the State of  
2 Emergency declared by the Governor as a result of  
3 the COVID-19 pandemic, and in accordance with the  
4 Governor's Emergency Order Number 12 pursuant to  
5 Executive Order 2020-04, this public body is  
6 authorized to meet electronically. Please note  
7 that there is no physical location to observe and  
8 listen contemporaneously to this hearing, which  
9 was authorized pursuant to the Governor's  
10 Emergency Order.

11 However, in accordance with the  
12 Emergency Order, I am confirming that we are  
13 utilizing Webex for this electronic hearing. All  
14 members of the Commission --

15 *(Cellphone ringing.)*

16 CHAIRWOMAN MARTIN: Whoops, I  
17 apologize. Just playing with my phone.

18 All members of the Commission have the  
19 ability to communicate contemporaneously during  
20 this hearing, and the public has access to  
21 contemporaneously listen and, if necessary,  
22 participate. We previously gave notice to the  
23 public of the necessary information for accessing  
24 this hearing. It was posted this morning on the

1 Commission's calendar, and notice of the hearing  
2 itself, the time, was provided in the secretarial  
3 letter establishing the hearing date.

4 If anybody has a problem, please call  
5 (603)271-2431. In the event the public is unable  
6 to access the hearing, the hearing will be  
7 adjourned and rescheduled.

8 Okay. Let's take a roll call  
9 attendance of the Commission. When each  
10 Commissioner identifies him or herself, please  
11 also state if anyone else is with you and  
12 identify them.

13 My name is Dianne Martin. I am the  
14 Chairwoman of the Public Utilities Commission.  
15 And I am alone.

16 Commissioner Bailey.

17 CMSR. BAILEY: Commissioner Kathryn  
18 Bailey. And I am alone.

19 CHAIRWOMAN MARTIN: Commissioner  
20 Giaimo.

21 CMSR. GIAIMO: Commissioner Mike  
22 Giaimo. I, too, am alone.

23 CHAIRWOMAN MARTIN: Okay. Now, let's  
24 take appearances, starting with Attorney Brown.

1 MS. BROWN: Good morning,  
2 Commissioners. My name is Marcia Brown, with NH  
3 Brown Law. And I'm representing Abenaki Water  
4 Company. And with me today, as witnesses, are  
5 Don Vaughan, who is Chairman of the Board of  
6 Abenaki Water Company; Bob Gallo, who is  
7 President of Rosebrook; and also Nancy Oleson,  
8 who is a former employee of Rosebrook, and now  
9 works for F. X. Lyons. Listening in is Nick  
10 LaChance and Stephen St. Cyr.

11 Thank you.

12 CHAIRWOMAN MARTIN: Okay. And Attorney  
13 Getz.

14 MR. GETZ: Good morning, Madam Chair  
15 and Commissioners. I'm Tom Getz, from the firm  
16 of McLane Middleton, on behalf of Omni Mount  
17 Washington. And also present are Chris Ellms,  
18 from Omni, and Doug Brogan, as a witness on  
19 behalf of Omni.

20 CHAIRWOMAN MARTIN: Okay. Thank you.  
21 And Mr. Mueller.

22 MR. MUELLER: Good morning. My name is  
23 Paul Mueller. I'm representing Bretton Woods  
24 Property Owners Association. And I am alone.

1 CHAIRWOMAN MARTIN: Okay. Thank you.  
2 And Attorney Tuomala.

3 MR. TUOMALA: Good morning, Madam  
4 Chairwoman and Commissioners. My name is  
5 Christopher Tuomala. I am the attorney  
6 representing the Commission Staff today. I have  
7 Jayson Laflamme, Assistant Director of the Gas &  
8 Water Division, in the audience, just in case the  
9 Commissioners had any questions directly for  
10 Staff. But I do not anticipate calling him as a  
11 witness today.

12 CHAIRWOMAN MARTIN: Okay. Thank you.  
13 Before we get started with opening remarks, for  
14 exhibits, can you confirm the number of exhibits  
15 that we have, Attorney Brown?

16 MS. BROWN: Yes. As far as I'm aware,  
17 there are 33 exhibits. I note that the exhibit  
18 list *[indecipherable audio]* the Abenaki Exhibit  
19 List, that's an error. It's actually the  
20 combined exhibits of both parties, Abenaki and  
21 Omni.

22 *[Court reporter interruption.]*

23 CHAIRWOMAN MARTIN: Pause for a minute,  
24 Attorney Brown. Attorney Brown, can you pause?

1 Off the record.

2 [Brief off-the-record discussion  
3 ensued.]

4 CHAIRWOMAN MARTIN: Let's go back on  
5 the record. Attorney Brown, if you can  
6 essentially start over in your explanation of the  
7 exhibits.

8 MS. BROWN: Yes. The question was "how  
9 many exhibits do we have?" And, in the exhibit  
10 list that I provided on behalf of the parties,  
11 there are 33 exhibits. However, I am aware that  
12 there were two that needed to -- or, three that  
13 needed to be replaced, because of missing pages.  
14 And those affected Exhibits 2, 11, and 17.  
15 Correct me if I'm wrong, Attorney Getz.

16 The other note I was going to make,  
17 even though the Exhibit List states it's  
18 "Abenaki's Exhibit List", that's an error. It is  
19 indeed the parties' combined Exhibit List.

20 Thank you.

21 CHAIRWOMAN MARTIN: Okay. That helps.  
22 I thought I read somewhere that Omni would be  
23 filing an Exhibit 34. So, I just wanted to  
24 confirm that we did not have Exhibit 34.

1 MR. GETZ: Madam Chair, there was a  
2 reference to "Exhibit 34", but that was  
3 incorrect.

4 CHAIRWOMAN MARTIN: Okay. Excellent.  
5 Then, I think we're all on the same page. We  
6 have Exhibits 1 through 33, previously prefiled  
7 and premarked, with revised versions for Exhibits  
8 2, 11, and 17.

9 Okay. Let's proceed with opening  
10 remarks, starting with Abenaki.

11 MS. BROWN: Thank you, Commissioners.

12 CHAIRWOMAN MARTIN: Attorney Tuomala,  
13 did you have your hand up?

14 MR. TUOMALA: Yes. Madam Chairwoman, I  
15 just wanted to interject with a preliminary  
16 matter, if I may?

17 CHAIRWOMAN MARTIN: Sure.

18 MR. TUOMALA: The parties involved  
19 today met in technical session last week directed  
20 by the Commission, pursuant to a secretarial  
21 letter dated September 18th. We met together on  
22 September 21st, to discuss the exhibits, proposed  
23 exhibits, and hearing logistics.

24 And I just wanted to note for the

1 record that video presentation was an issue  
2 discussed amongst the parties, particularly, as  
3 you see today, discussed the potential of  
4 presenting its witness on the same Webex panel,  
5 where the attorney and witness would be on one  
6 camera. And the parties discussed, and came to  
7 the conclusion that that's not a concern,  
8 particularly the issue of witness coaching.

9 And I wanted to state for the record  
10 that the parties concluded it would not be a  
11 concern, and that all involved were willing to  
12 take the good faith representation by Omni that  
13 witness coaching would not occur. So, the  
14 resolution was that no issues in presentation  
15 from any of the parties.

16 Thank you.

17 CHAIRWOMAN MARTIN: All right. Thank  
18 you for that. Attorney Brown.

19 MS. BROWN: Thank you, Commissioners.  
20 And thank you, Attorney Tuomala, for making note  
21 of that procedural issue.

22 I will cut to the chase on my opening  
23 remarks. There were a number of instances that  
24 the Commission noticed issues in this docket.

1 And they included the Order of Notice, a  
2 secretarial letter of September 4th, there was  
3 one on the 18th, and then one of the July 31st.

4 We have gone through our presentation.  
5 And, to the extent there are facts that bear on  
6 each of those issues, we will be presenting them.  
7 Some of the issues are a mix of law and fact. In  
8 that case, I will be addressing the legal part in  
9 my closing.

10 As far as the burden of proof that was  
11 raised, Omni's take, as I understand it, on the  
12 *Guillemette* case, was that there were two  
13 principles out of that case. One, that the  
14 utility has a duty to provide safe and adequate  
15 service. And the other is that, if evidence is  
16 uniquely in the control, the holder has the sole  
17 burden of proof.

18 I go back to RSA 541-A, and that the  
19 burden of establishing facts is by the  
20 preponderance of the evidence. Abenaki has facts  
21 to present. It will be presenting them, trying  
22 to satisfy the burden of proof. And Omni has  
23 facts to present.

24 So, even though there's -- the

1           *Guillemette* has these two principles, with  
2           respect to the second one, holding evidence  
3           uniquely within its control, Abenaki is certainly  
4           willing to go forward with its books and records  
5           and discuss those.

6                         Regarding the second prong of  
7           *Guillemette*, I think that's a distinction that --  
8           or, the first prong, regarding safe and adequate,  
9           I think that is distinguishable, that it doesn't  
10          apply to this case, because the *Guillemette* case  
11          involved damage to the *Guillemette* property on  
12          account of the utility's failure to provide safe  
13          and adequate service.

14                        What Omni has alleged here is it has  
15          paid a bill, that would be the loss, and has not  
16          argued that it's related to Abenaki's failure to  
17          provide safe and adequate service. Rather, it's  
18          based on Abenaki's reading of the Rosebrook  
19          tariff; Omni argues the interpretation is  
20          incorrect.

21                        So, I don't think *Guillemette* is going  
22          to be a hurdle for us, because we still need to  
23          present evidence and facts to meet the  
24          preponderance of the evidence standard.

1           Now, if there is new information that  
2           Omni raises in its testimony that we have not  
3           heard before, under 541-A:31, IV, the party is  
4           able to respond to new information by right. And  
5           I think, if there is new information produced  
6           after Abenaki goes first, and is produced through  
7           Omni, that the simple way to rectify that is just  
8           simply recall the parties for that limited issue.  
9           So, I don't think this hearing today is going to  
10          be any different than what the Commission is  
11          usually accustomed to seeing.

12                 So, those are my only opening comments  
13          on process and burden. Thank you.

14                 CHAIRWOMAN MARTIN: Okay. Thank you.  
15          Attorney Getz.

16                 MR. GETZ: Thank you, Madam Chair.

17                 This is an unusual proceeding in a  
18          number of ways. But, ultimately,  
19          straightforward, and leading to the conclusion  
20          that the public utility, Abenaki, is responsible  
21          for repairing the leak that occurred Easter  
22          Sunday a year ago on the property of the  
23          customer, Omni.

24                 This proceeding is unusual, in that

1           there is a long and somewhat distracting history  
2           of development, regulation, and changing  
3           relationships between Abenaki's and Omni's  
4           predecessors to be sorted through, but which do  
5           not affect the outcome.

6                        The proceeding is also unusual, in that  
7           the Commission has determined to conduct its  
8           required investigation under RSA 365:4, by  
9           opening an adjudication. But, as pointed out in  
10          Omni's July 31 Motion for a Prehearing  
11          Conference, the adjudication has not followed the  
12          normal course.

13                       As for Abenaki's position that it is  
14          not responsible for repairing the leak in the  
15          8-inch water main to the Hotel, I understand the  
16          essence of its position to be that, by operation  
17          of the tariff, an exterior shut-off valve can  
18          only be at the property line, that is the curb  
19          and nowhere else.

20                       With respect to the tariff, Omni will  
21          show that the tariff cannot be interpreted to  
22          mean that an exterior shut-off valve can only be  
23          at a customer's property line. In fact, Abenaki  
24          has admitted that there are situations where

1 exterior shut-off valves are not at the  
2 customer's property line.

3 Omni will show today that Abenaki has a  
4 duty, under RSA 374:1 and its tariff, up to the  
5 exterior shut-off valve. And Mr. Brogan will  
6 testify that the exterior shut-off valve for the  
7 Hotel is, in fact, ten feet from the Hotel.

8 Moreover, Omni reiterates its argument  
9 from its memorandum of law, at Pages 9 and 10,  
10 that the Rosebrook tariff changes, whether  
11 referring to Dockets DW 11-117 or DW 16-448, can  
12 only be applied prospectively, and not  
13 retroactively to the Hotel's exterior shut-off  
14 valve, which has been in place for over 30 years.

15 In addition, Mr. Brogan will describe  
16 the history of the development of the Rosebrook  
17 water system, and testify that the Commission's  
18 records indicate that the 8-inch water main  
19 connecting the Hotel to the Rosebrook water  
20 system is the property of Abenaki.

21 Omni will further show, consistent with  
22 its memorandum of law, at Pages 6 and 7, that  
23 Abenaki has the burden to prove that it is not  
24 responsible for the repair of the water main,

1 because of the specific regulatory scheme adopted  
2 by the Legislature in RSA Chapter 365.

3 In sum, that statute sets up three  
4 obligations among the customer, the utility, and  
5 the Commission. Omni was obliged to go forward  
6 and demonstrate reasonable grounds for its  
7 complaint, which it did, as the Commission noted  
8 in the Order of Notice. Due to RSA 365:4, the  
9 Commission is then obliged to investigate. And,  
10 thirdly, Abenaki is obliged to demonstrate that  
11 it is fulfilling its duty as a public utility, in  
12 accord with the Commission's precedent in the  
13 *Guillemette* case.

14 There are two important factors  
15 underlying this approach. First, as I noted, the  
16 utility has a statutory duty to serve. And,  
17 second, that the utility is in the best position,  
18 and has access to the relevant information, to  
19 explain what it did or failed to do with respect  
20 to the maintenance and repair of the 8-inch water  
21 main.

22 In conclusion, it is Omni's position  
23 that Abenaki is responsible for the repair of the  
24 Easter Sunday water main break for two separate

1 reasons, either of which is sufficient to rule in  
2 Omni's favor. First, the exterior shut-off valve  
3 for the Hotel, sometimes referred to as a "curb  
4 stop", is ten feet from the Hotel. And, second,  
5 the PUC records show that the 8-inch main,  
6 connecting the Hotel to Rosebrook, is the  
7 property of Rosebrook.

8 For it to be successful, Abenaki would  
9 have to prove by a preponderance of the evidence  
10 both that the valve ten feet from the Hotel is  
11 not the exterior shut-off valve, and that the  
12 8-inch water main is not its property.

13 Thank you, Madam Chair.

14 CHAIRWOMAN MARTIN: Okay. Thank you.  
15 Mr. Mueller.

16 MR. MUELLER: I'm sorry, did you say  
17 "Paul Mueller"?

18 CHAIRWOMAN MARTIN: I did. You can go  
19 ahead.

20 MR. MUELLER: Okay. Thank you. So,  
21 the Bretton Woods Property Owners was admitted as  
22 an intervenor in this case, since we have the  
23 same concerns that Omni does about the tariff  
24 changes that were made in 2016. Specifically, in

1 most of the condominium areas, underneath the  
2 Bretton Woods Property Owners Association, the  
3 exterior shut-off valves are clearly within the  
4 property lines or common area. And we feel that  
5 there were changes made in the 2016 tariff made  
6 it confusing and ambiguous. Prior to that, we  
7 feel it was very clear that the exterior  
8 shut-offs -- from the exterior shut-offs to the  
9 water pipes were owned by the water company, and  
10 that wording change made in 2016 made it very  
11 confusing.

12 Although we have not presented any  
13 witnesses, we will make those points during  
14 examination and cross-examination.

15 Thank you.

16 CHAIRWOMAN MARTIN: All right. Thank  
17 you. And Mr. Tuomala.

18 MR. TUOMALA: Thank you, Madam  
19 Chairwoman.

20 Staff is not going to be presenting  
21 evidence or witnesses today. Staff reserves the  
22 right to engage with each of the parties'  
23 presentations and questioning of their witnesses.  
24 And, at this time, we do not have an opening

1 statement other than that.

2 Thank you.

3 CHAIRWOMAN MARTIN: Okay. So, I  
4 understand at this point that Abenaki will be  
5 putting on its witnesses as a panel, is that  
6 right? Attorney Getz, I see your hand up?

7 MR. GETZ: Yes, Madam Chair. I just  
8 wanted to point out one thing. I'm not sure if  
9 it was mentioned, but that, obviously, the  
10 Consumer Advocate is not here today. But they  
11 did file a letter on August 4th, stating the  
12 Consumer Advocate's position with respect to the  
13 hearing.

14 CHAIRWOMAN MARTIN: Okay. Thank you  
15 for pointing that out.

16 Attorney Brown.

17 MS. BROWN: Yes. I'd like to call the  
18 witness panel of Mr. Vaughan, Mr. Gallo, and  
19 Ms. Oleson, if they could be sworn in.

20 CHAIRWOMAN MARTIN: Steve, can you  
21 swear them in please?

22 (Whereupon **Donald J. E. Vaughan,**  
23 **Robert Gallo,** and **Nancy Oleson** were  
24 duly sworn by the Court Reporter.)

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 CHAIRWOMAN MARTIN: All right.

2 Attorney Brown.

3 MS. BROWN: Thank you.

4 **DONALD J. E. VAUGHAN, SWORN**

5 **ROBERT GALLO, SWORN**

6 **NANCY OLESON, SWORN**

7 **DIRECT EXAMINATION**

8 BY MS. BROWN:

9 Q Mr. Vaughan, I'd like to start with you and get  
10 your background into the record. Can you please  
11 state your name and position with Abenaki Water  
12 Company?

13 A (Vaughan) Yes. Donald Vaughan. And I am  
14 Chairman of the Abenaki Board.

15 Q What are your positions in that position -- I'm  
16 sorry. What are your job responsibilities in  
17 that position?

18 A (Vaughan) I'm Chairman of the Board --

19 *[Indecipherable audio.]*

20 CHAIRWOMAN MARTIN: Excuse me.

21 Attorney Brown, we may need you to mute when  
22 you're -- when he is actually speaking.

23 MS. BROWN: I don't think there's any  
24 noise in my office, but I'm happy to mute.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 CHAIRWOMAN MARTIN: Okay. You can  
2 proceed.

3 **BY THE WITNESS:**

4 A (Vaughan) Yes. Continuing. Generally, I oversee  
5 the general operations of the Abenaki Water  
6 Company.

7 BY MS. BROWN:

8 Q Mr. Vaughan, have you previously testified before  
9 this Commission?

10 A (Vaughan) Yes, I have.

11 Q And what do you consider to be your area of  
12 expertise?

13 A (Vaughan) I'm versed in my areas of expertise in  
14 engineering, management, operations, and  
15 financial aspects of water operations.

16 Q Okay. Mr. Vaughan, do you hold any licenses?

17 A (Vaughan) Yes. I'm a registered engineer in  
18 Massachusetts.

19 Q And can you please describe how many years you've  
20 been in the water utility business?

21 A (Vaughan) Approximately 45 years, dating back  
22 from about 1975.

23 Q Mr. Vaughan, in addition to being a fact witness  
24 today, will you also be testifying in your area

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 of expertise?

2 A (Vaughan) Yes, I will.

3 Q Okay. Can you please describe your involvement  
4 with this complaint docket?

5 A (Vaughan) I've been involved in this docket,  
6 particularly with regard to responding to  
7 discovery, and following the docket from start  
8 to -- the start date.

9 Q Thank you. Mr. Gallo, can you please state your  
10 name and position for the record?

11 A (Gallo) Yes. My name is Robert Gallo. I am the  
12 President of Abenaki Water Company.

13 Q And how long have you held that position?

14 A (Gallo) Approximately three months, as of our  
15 Board meeting in June.

16 Q Thank you. And what were -- were you with  
17 Abenaki or were you with New England Service  
18 Company prior to that start of position?

19 A (Gallo) Yes. I am currently still the Vice  
20 President of Engineering for the New England  
21 Service Company. We are the parent company to  
22 Abenaki Water Company.

23 Q Okay. And how long have you held that  
24 engineering position?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Gallo) Approximately one year.

2 Q Okay. Thank you. Do you have any water utility  
3 experience prior to working with New England  
4 Service Company and Abenaki Water?

5 A (Gallo) Yes, I do. Prior to working for New  
6 England Service Company and Abenaki Water, I was  
7 in the consulting field, where I designed water  
8 utilities for various uses, including land  
9 development and municipal construction, you know,  
10 and other private -- private-type projects and  
11 uses.

12 Q Okay. Thank you. Do you --

13 CHAIRWOMAN MARTIN: Attorney Brown?

14 MS. BROWN: Yes.

15 CHAIRWOMAN MARTIN: Attorney Brown, I  
16 need to interject. I just want you to know that  
17 we've lost your video. I don't think it causes a  
18 problem for the hearing to proceed, as long as  
19 you're comfortable proceeding, because we can  
20 still see your witnesses.

21 There you are.

22 MS. BROWN: Thank you. I didn't  
23 realize I had -- I've got to get my Hollywood  
24 Squares to expand, so I can see more.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Thank you for bringing that to my  
2 attention.

3 CHAIRWOMAN MARTIN: All right. Thank  
4 you.

5 BY MS. BROWN:

6 Q Mr. Gallo, do you hold any licenses?

7 A (Gallo) Yes, I do. I'm a registered professional  
8 engineer in New Hampshire, Vermont,  
9 Massachusetts, Connecticut, and New York.

10 Q Now, what do you consider to be your area of  
11 expertise?

12 A (Gallo) Generally, water resources and  
13 permitting. The water resources and permitting  
14 would, you know, encompass mostly water, sewer.  
15 And stormwater systems.

16 Q Okay. Have you previously testified before this  
17 Commission?

18 A (Gallo) Yes, I have.

19 Q And has that testimony been within your area of  
20 expertise?

21 A (Gallo) Yes, it has.

22 Q And, in addition to being a fact witness today,  
23 do you also -- some of your testimony, will it  
24 involve your area of expertise?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Gallo) That's correct.

2 Q Okay. Can you please describe your involvement  
3 with this docket?

4 A (Gallo) Yes. I have been reviewing the water  
5 system layout, you know, the existing  
6 associations within the Bretton Woods areas, and,  
7 generally, the technical background, and as it  
8 applies to Water Systems in general.

9 Q Thank you. Ms. Oleson, I'd like to have you  
10 state your name for the record?

11 A (Oleson) Nancy Oleson.

12 Q And did you work for Rosebrook Water Company?

13 A (Oleson) I did.

14 Q And when was that?

15 A (Oleson) I started in January 2007, and through  
16 February 2018.

17 Q Okay. And do you currently work for Rosebrook?

18 A (Oleson) I do not.

19 Q Now, when you worked for Rosebrook, can you  
20 please explain what your positions and titles  
21 were over those years?

22 A (Oleson) Yes. I started off as an Assistant  
23 Operator, and I had that position approximately a  
24 year. And then, the operator left, I took over

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 his role as Operator. And it was just all the  
2 day-to-day checking of pump houses, we did all  
3 the meter reading, exercising curb stops,  
4 flushing hydrants. We'd try and update maps. We  
5 were locating leaks in the system. We had a lot  
6 of unused -- I mean, water -- we had a lot of  
7 water loss, and we didn't know where that was  
8 going, we did spend a lot of time on that. And  
9 also, we did work for the Resort Waste and Hotel,  
10 Washington Hotel wastewater systems.

11 Q So, after the operator left, did you become the  
12 system's Certificated Operator?

13 A (Oleson) Yes.

14 Q Now, did you -- who did you receive your paycheck  
15 from?

16 A (Oleson) Initially, Mount Washington Hotel. And  
17 then, it -- and then I think became Omni, and  
18 then it was Rosebrook Water, and then Abenaki.

19 Q Okay. And the time that you received paychecks  
20 from Rosebrook, was that during the time that  
21 Rosebrook actually had employees?

22 A (Oleson) Yes.

23 Q And, so, was it that, when you were receiving a  
24 paycheck from the Hotel, in its -- you know,

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1           whichever owner it was at the time, was that  
2           because Rosebrook did not have any physical  
3           employees itself?

4   A       (Oleson) Correct.

5   Q       Okay. Thank you. And was that the same with  
6           Resort Waste, if you recall?

7   A       (Oleson) They were contracts. So, we just had  
8           one check, and they billed out to the two  
9           wastewater companies. The water company billed  
10          the two wastewater companies for our time.

11   Q       And was that before, I'm trying to get a sense  
12          of --

13   A       (Oleson) The entire time. It was -- I think it  
14          was always like that.

15   Q       Okay. And, just so I have it straight, there  
16          were contracts for your time to devote to  
17          Rosebrook and to Resort Waste. And, when you  
18          were working for the Hotel, you were working for  
19          Rosebrook under those contracts then?

20   A       (Oleson) Yes. I believe you said that right.

21   Q       Okay. And I think I may have also -- was there a  
22          contract between Rosebrook and Resort to work  
23          for --

24   A       (Oleson) There was a -- the water -- the Hotel

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 owned the water company. And I don't know if I  
2 can explain this correctly, the contracts were to  
3 Resort Waste and Mount Washington Hotel Waste.  
4 Even the Hotel owned the Hotel Waste, it was  
5 still billed separately, I believe.

6 Q Okay. Thank you. I just wanted to walk through  
7 who was paying during the time that there were no  
8 physical employees with Rosebrook. Thank you.

9 Now, Ms. Oleson, you started to  
10 describe some of the issues that you worked on  
11 while you were with Rosebrook. And you started  
12 to mention "updating maps". Can you please  
13 elaborate on that?

14 A (Oleson) We didn't have any or many as-built  
15 plans. Everything was pre-construction plans.  
16 So, we, if there was a main break, like we had  
17 one in the condo area, we couldn't find valves to  
18 shut them off, our master plan showed there was a  
19 pipe there, you know, it was -- it was a big  
20 guessing game. But we updated our plans as we  
21 found everything, as we found valves and so on.

22 Q Okay. And were there any discrepancies in any of  
23 the as-builts?

24 A (Oleson) I can't say for sure. There may have

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1           been. And we had very few, like maybe one or two  
2           as-builts. I really don't remember if there were  
3           discrepancies there or not.

4   Q       Okay. Thank you very much.

5   A       (Oleson) I'm sure there were.

6   Q       I'm sorry, what did you say?

7   A       (Oleson) I just said "I'm sure there were  
8           discrepancies." But I don't honestly remember.

9   Q       Okay. Thank you. Did you also flush hydrants?

10  A       (Oleson) Yes.

11  Q       And where were those hydrants?

12  A       (Oleson) They were located all over the property,  
13           including the Hotel grounds.

14  Q       And did you separately keep track of your time  
15           for if you flushed a hydrant on the Hotel side or  
16           a hydrant on the Rosebrook side?

17  A       (Oleson) No.

18  Q       Okay. Thank you. Ms. Oleson, do you hold any  
19           licenses?

20  A       (Oleson) I do.

21  Q       And what are those?

22  A       (Oleson) Grade II in Water Distribution and  
23           Treatment.

24  Q       Thank you. Did hold any licenses while you

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 worked on Rosebrook matters?

2 A (Oleson) Yes. Those same two.

3 Q What were those?

4 A (Oleson) The same two.

5 Q Thank you. And how long have you been a  
6 Certificated Operator or certified to operate  
7 water systems, rather?

8 A (Oleson) Since, for this system, since 2009,  
9 approximately.

10 Q Okay. And how long have you been in the water  
11 utility business?

12 A (Oleson) Since 2007.

13 Q And, Ms. Oleson, have you previously testified  
14 before this Commission?

15 A (Oleson) No.

16 Q Have you been to the PUC before?

17 A (Oleson) I have, yes.

18 Q And for what occasion?

19 A (Oleson) It was the rate case for Rosebrook.

20 Q Okay. Thank you for those introductions.

21 I'd like to move on to Mr. Vaughan. If  
22 I could have you have Exhibit 13 in front of you  
23 please.

24 A (Vaughan) Yes. I have it.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q You are ready? Okay. Mr. Vaughan, can you  
2 please explain what Exhibit 13 is?

3 A (Vaughan) Exhibit 13 is the "Calculation of the  
4 Rosebrook Water Company Purchase Price".

5 Q Okay. So, were you involved in the purchase of  
6 Rosebrook Water Company?

7 A (Vaughan) Yes, I was.

8 Q And was that acquired from, I guess, REDUS,  
9 R-E-D-U-S?

10 A (Vaughan) Yes, it was.

11 Q Okay. And that acquisition docket was in 2016,  
12 is that right?

13 A (Vaughan) Yes.

14 Q Okay. Mr. Vaughan, what were the condition of  
15 the Rosebrook's records and books at the time of  
16 this acquisition?

17 A (Vaughan) They were fairly fragmented. You know,  
18 they were -- we had difficulty in establishing  
19 the records and putting them in order.

20 Q Okay. Mr. Vaughan, was a purchase price  
21 ultimately determined between the parties?

22 A (Vaughan) Yes.

23 Q And is that purchase price reflected on Exhibit  
24 13?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Vaughan) Yes.

2 Q Are you aware of any changes or corrections that  
3 need to be made to this exhibit?

4 A (Vaughan) No, I am not.

5 Q Okay. Mr. Vaughan, what was purchase price that  
6 was arrived at?

7 A (Vaughan) The purchase price was \$398,578.

8 Q And, Mr. Vaughan, was that a year-end figure?

9 A (Vaughan) No, it was not.

10 Q And what was the date of that figure?

11 A (Vaughan) That figure was 8/31/2016.

12 Q Thank you. And, with respect to plant property  
13 and equipment, what was that figure, for the  
14 record?

15 A (Vaughan) According to the calculation, it was  
16 \$1,357,653.

17 Q Okay. Mr. Vaughan, were you involved in  
18 Abenaki's Rosebrook rate case, Docket DW 17-165?

19 A (Vaughan) Yes.

20 Q And did this 1.3 million property plant and  
21 equipment figure, was that part of Abenaki's rate  
22 case?

23 A (Vaughan) Yes, it was.

24 Q And what was the test year that Abenaki used for

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 that rate case?

2 A (Vaughan) Let's see. I'm trying to think. Let's  
3 see, it was 8/31 --

4 Q Well, this wasn't intended to be a trick  
5 question, if I can interject. It was a 2017  
6 docket. Subject to check, would you agree it was  
7 a 2016 test year?

8 A (Vaughan) Yes. Yes. It would make perfect  
9 sense.

10 Q Thank you. So, would it have been that this  
11 August 31st, 2016 plant property and equipment  
12 figure was then brought to year-end for that rate  
13 case?

14 A (Vaughan) Yes.

15 Q Okay. Thank you. Now, on Page 2 of this  
16 exhibit, can you please read, up in the top left  
17 corner, the title of this page?

18 A (Vaughan) This page, on Exhibit 13, Page 2, is  
19 the "2016 Book Plant, Accumulated Depreciation  
20 and Depreciation Expense".

21 Q Okay. Thank you. And do you see the column, the  
22 first left column with accounts and numbers under  
23 it?

24 A (Vaughan) Yes.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q What are those account numbers?

2 A (Vaughan) Those derive from the New Hampshire  
3 PUC System of Accounts.

4 Q Thank you. And, if we were to turn to Page 5,  
5 Mr. Vaughan, and the grand total of the assets,  
6 is it the \$1.3 million figure?

7 A (Vaughan) That's correct.

8 Q Okay. Now, Mr. Vaughan, turning back to Page 1,  
9 do you see the "Accumulated Depreciation"  
10 figure?

11 A (Vaughan) Yes. Yes, I do.

12 Q And is that subtracted from the plant property  
13 and equipment?

14 A (Vaughan) It is.

15 Q And, if we turn back to Page 5, the grand total  
16 on the far right --

17 CHAIRWOMAN MARTIN: Attorney Brown?

18 Attorney Brown, I apologize for interjecting.

19 Can you help us get to where you are?

20 We have a spreadsheet.

21 MS. BROWN: Exhibit 13 is a *pdf*.

22 Thirteen. Thirty-two (32) is an Excel  
23 spreadsheet and *pdf* of the Chart of Accounts.

24 CHAIRWOMAN MARTIN: Commissioners, are

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1           you able to find what they're referring to?

2                   CMSR. BAILEY: No.

3                   CHAIRWOMAN MARTIN: We have an Exhibit  
4           13 that is a spreadsheet, which has some of the  
5           things you're referring to, the accounts and  
6           whatnot, but not the totals.

7                   CMSR. BAILEY: It doesn't have page  
8           numbers.

9                   CHAIRWOMAN MARTIN: Yes. "Page 5" was  
10          the alert that we may not be looking at the same  
11          thing.

12                  MS. BROWN: I am going to check right  
13          now to make sure that the right document was  
14          filed.

15                           *[Short pause.]*

16                  MS. BROWN: Yup. Exhibit 13 is  
17          "Calculation of Purchase Price". Is that what  
18          you have on the cover sheet of your Exhibit 13?

19                  CHAIRWOMAN MARTIN: No. We may have  
20          gotten the wrong document with Exhibit 13 from  
21          our staff.

22                  MS. BROWN: I'm happy to e-mail it to  
23          somebody immediately.

24                  CHAIRWOMAN MARTIN: Why don't we take

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 a -- Attorney Getz, go ahead.

2 MR. GETZ: Yes, Madam Chair. I think  
3 we may be seeing the same document that you're  
4 seeing, because we can't -- we're not following  
5 the numbers, and the pages aren't numbered.

6 CHAIRWOMAN MARTIN: Right. I think it  
7 might make sense for us to take a break for five  
8 minutes, so we can see what we actually received  
9 by way of filing.

10 And, Attorney Brown, if you could share  
11 what you have with all of the parties, including  
12 our Staff attorney, that would be most helpful,  
13 during the break.

14 MS. BROWN: Yes. So, we will take a  
15 five-minute break, is that --

16 CHAIRWOMAN MARTIN: Yes. Yes. Thank  
17 you, Steve.

18 *(Recess taken at 10:03 a.m. and the*  
19 *hearing resumed at 10:39 a.m.)*

20 CHAIRWOMAN MARTIN: All right. On the  
21 record please. Attorney Getz.

22 MR. GETZ: Yes, Madam Chair. I just  
23 wanted to say that Omni does not object to  
24 substituting the new Exhibit 13, the 5-page

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 document about Calculation of Purchase Price.  
2 But, of course, it does have a position on, you  
3 know, the relevance and weight to be given to  
4 this document.

5 CHAIRWOMAN MARTIN: Okay. Thank you.  
6 Any objection from anybody else on the  
7 substitution of Exhibit 13?

8 *[No verbal response.]*

9 CHAIRWOMAN MARTIN: Okay. Seeing none.  
10 Attorney Brown, we would like to have you start  
11 at the beginning with your substitute Exhibit 13.

12 MS. BROWN: Okay. Mr. Vaughan, can you  
13 hear me?

14 WITNESS VAUGHAN: Yes. I can hear you.

15 MS. BROWN: Thank you.

16 BY MS. BROWN:

17 Q Do you have Exhibit 13 in front of you?

18 A (Vaughan) I have Exhibit 13 in front of me, yes.

19 Q Can you please state what this document is  
20 please?

21 A (Vaughan) The document is the "Calculation of the  
22 Purchase Price" for Rosebrook Water Company.

23 Q And what was the purchase price?

24 A (Vaughan) Purchase price was \$398,578.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q And what was the property plant and equipment  
2 price?

3 A (Vaughan) Property plant and equipment price was  
4 \$1,357,653.

5 Q And, on Page 1, does it show how it was adjusted  
6 for depreciation?

7 A (Vaughan) Yes, it does.

8 Q Okay. Now, Mr. Vaughan, does the plant property  
9 and equipment, is that further detailed on Pages  
10 2, 3, 4, and 5 of this document?

11 A (Vaughan) Two, three, four -- yes, it is.

12 Q And, on Page 2, do you see the far left column  
13 with "Account Number"?

14 A (Vaughan) Yes.

15 Q And can you please explain for the record what  
16 these account numbers are?

17 A (Vaughan) Those account numbers are the plant  
18 accounts used in the New Hampshire Public  
19 Utilities Commission System of Accounts.

20 Q So, Mr. Vaughan, I believe I already established  
21 in the record that you were involved in the  
22 purchase document -- the acquisition docket for  
23 the purchase of Rosebrook, is that correct?

24 A (Vaughan) That's correct.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q Okay. And was the purchase price calculated  
2 based on this Exhibit 13?

3 A (Vaughan) Yes.

4 Q And does Exhibit 13 and this plant property and  
5 equipment represent the universe of what Abenaki  
6 purchased of Rosebrook's --

7 A (Vaughan) Yes.

8 Q -- plant property and equipment?

9 A (Vaughan) Yes. Yes, it does.

10 Q Did you, at the time of the purchase, have any  
11 reason to think that the water system  
12 infrastructure of this property plant and  
13 equipment also included infrastructure within the  
14 Hotel campus?

15 A (Vaughan) No. That was not my understanding.

16 Q Now, did you overlap with Nancy Oleson?

17 A (Vaughan) Yes.

18 Q How so?

19 A (Vaughan) As the acquirer of Rosebrook Water  
20 Company, we retained Nancy as an employee, and  
21 worked with her for about 14 months or so.

22 Q Thank you. And did Ms. Oleson ever tell you that  
23 Rosebrook -- Rosebrook's assets also included  
24 infrastructure within the Hotel campus?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Vaughan) No.

2 Q Can I have you have in front of you both this  
3 Exhibit 13 and 2 please?

4 A (Vaughan) Exhibit 13 and Exhibit 2, okay. Okay.  
5 Yes, I have those.

6 Q And please describe for the record what Exhibit 2  
7 is, the first few pages?

8 A (Vaughan) Exhibit 2 is the response to Staff Data  
9 Requests, Set 1-1.

10 Q And were you involved in the creation of this  
11 data response?

12 A (Vaughan) Yes.

13 Q Do you have any changes or corrections that need  
14 to be made to this document?

15 A (Vaughan) No. Other than what we noted on the  
16 response, which was a change from cast iron to  
17 ductile iron, as well as -- and we noted this,  
18 the disappearance of about 1,200 feet of main, I  
19 think from 2012 to 2013. Those were noted in the  
20 response.

21 Q Okay. All right. Thank you. Now, in this data  
22 request, did Staff ask Abenaki to list out the  
23 footage of ductile iron main by size and  
24 location?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Vaughan) Yes.

2 Q And does Pages 3 and 4 of Exhibit 2 list mains by  
3 footage and type?

4 A (Vaughan) Yes.

5 Q Now, if I draw your attention back to Exhibit 13,  
6 and starting with Pages 2 and 3, *etcetera*, are  
7 the mains here listed by size and type?

8 A (Vaughan) No, they are not.

9 Q Okay. So, is it that, in order to answer Staff's  
10 question, you had to look for other documents,  
11 such as what you provided?

12 A (Vaughan) Yes.

13 Q Now, I'd also like to bring in Exhibit 32, Mr.  
14 Vaughan. Do you have that in front of you?

15 A (Vaughan) Yes, I do.

16 Q And please state for the record what Exhibit 32  
17 is?

18 A (Vaughan) Exhibit 32 is the "Rosebrook Water  
19 Company 2019 Book Plant, Accumulated Depreciation  
20 and Depreciation Expense".

21 Q And what is the date of this document?

22 A (Vaughan) 2019.

23 Q Are the values noted on the -- if I direct your  
24 attention to the right-hand column, are the

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 values updated as of year-end December 31, 2019?

2 A (Vaughan) Yes, they are.

3 Q Now, does Exhibit 32, would you consider that to  
4 be your continuing property records?

5 A (Vaughan) Yes.

6 Q And what about Exhibit 13, the same question?  
7 Would you consider that to be continuing property  
8 records?

9 A (Vaughan) Yes.

10 Q Is Exhibit 2, Pages 3 and 4, how continuing  
11 property records are usually kept?

12 A (Vaughan) Would you repeat that question please.

13 Q Turning back to Exhibit 2, and the Pages 3 and 4,  
14 is that how continuing property records are  
15 usually kept?

16 A (Vaughan) Yes, somewhat. Yes.

17 Q Okay. Now, do you know when Exhibit 2, Pages 3  
18 and 4 were created?

19 A (Vaughan) I do not. However, from what I -- from  
20 what I am aware, I think Omni referenced these --  
21 that they were created somewhere around 2013.  
22 And I do believe that they were created by the  
23 then owner, according to our own research. So, I  
24 think somebody associated with the Hotel would

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 have created those records.

2 Q Okay. And is it your understanding --

3 CHAIRWOMAN MARTIN: Attorney Brown?

4 MS. BROWN: Pardon me?

5 CHAIRWOMAN MARTIN: Attorney Brown, I  
6 have lost video from Ms. Oleson. Can you see  
7 her?

8 MS. BROWN: Oh. Thank you for noticing  
9 that.

10 CHAIRWOMAN MARTIN: So, we can pause,  
11 so that you can get in touch with her and get her  
12 video back, or we can proceed with these  
13 witnesses.

14 MR. WIND: There's an issue with her  
15 connection.

16 CHAIRWOMAN MARTIN: Let's go off the  
17 record for a minute please.

18 *[Off the record.]*

19 CHAIRWOMAN MARTIN: Okay. Let's go  
20 back on the record.

21 BY MS. BROWN:

22 Q Now, Mr. Vaughan, I'm going to ask you a series  
23 of questions about Exhibits 2 and 13, if you can  
24 have them in front of you please.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Vaughan) Exhibit 2 -- yes, I have them in front  
2 of me.

3 Q And, with respect to the Exhibit 2, and the  
4 entries that are appearing on Pages 3 and 4, does  
5 that represent the universe of Rosebrook property  
6 plant and equipment that Abenaki purchased?

7 A (Vaughan) No. They do not.

8 Q Okay. So, are you aware of Omni's position that  
9 it's the inconvenient truth that the assets at  
10 issue here, the 8-inch pipe, water main, is on  
11 Abenaki's books? Are you aware of that position?

12 A (Vaughan) Yes.

13 Q And do you agree with it?

14 A (Vaughan) No.

15 Q Now, would you accept -- Exhibit 2, Page 3, can  
16 you please state what accounts this listing  
17 concerns?

18 A (Vaughan) Exhibit 2, Page 3.

19 Q What Chart of Accounts does this involve?

20 A (Vaughan) This Chart of Accounts typically  
21 involves 309 -- Plant Account 309 and 331.

22 Q When you say "typically involved", I'm looking  
23 for --

24 A (Vaughan) Yes.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q -- what accounts are listed up in the top left?

2 A (Vaughan) Yes. 309 and 331.

3 Q Okay. And can you please -- do you know what  
4 account 309 is for?

5 A (Vaughan) Yes. Supply mains.

6 Q And what is Account 331 for?

7 A (Vaughan) 331 is transmission and distribution,  
8 T&D mains.

9 Q Okay. And, on the top of Page 3, Exhibit 2, do  
10 you see the "\$216,700" figure?

11 A (Vaughan) Yes.

12 Q And, if you were to go to either Exhibit 32 or  
13 13, but we'll just pick 13 for now, Exhibit 13,  
14 Page 2, can you locate Account 309 and the  
15 \$216,700 figure?

16 A (Vaughan) Yes.

17 Q Okay. So, it's there. And are these supply  
18 mains that Abenaki purchased?

19 A (Vaughan) Yes.

20 Q And would these supply mains be on Rosebrook's  
21 books?

22 A (Vaughan) Yes.

23 Q Now, I'd like to go back to Exhibit 2, Page 3,  
24 and the next cost item. Do you see, under the

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 216 figure, the 38 -- the \$38,000 figure?

2 A (Vaughan) Page 3. Yes, I see that.

3 Q And does that also appear on Exhibit 13, Page 2?

4 A (Vaughan) Exhibit 13, Page 2. Yes, it does.

5 Q And these are also under 309 supply mains?

6 A (Vaughan) Correct.

7 Q Okay. And is the \$38,000 worth of mains on  
8 Abenaki's books -- or, Rosebrook's books?

9 A (Vaughan) Yes.

10 Q Okay. Do you see, on Exhibit 2, Page 3, the  
11 "\$46,332" figure?

12 A (Vaughan) Yes.

13 Q Does that appear on Exhibit 13, Page 3?

14 A (Vaughan) Page 3. That was the 46. Yes, it  
15 does. Yes.

16 Q And what account is that for?

17 A (Vaughan) 331.

18 Q And you said the 331 is for  
19 transmission/distribution mains?

20 A (Vaughan) Correct.

21 Q Okay. Now, on Exhibit 2, Page 3, are there any  
22 other cost items listed?

23 A (Vaughan) Exhibit 2, Page 3. Exhibit 2, Page 3.  
24 No, there are not. There are generally not any

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 other cost items, no.

2 Q Okay. And there's no cost item associated with  
3 the "1985 8" D.I. main extension to MW Hotel and  
4 Bretton Arms"?

5 A (Vaughan) That's correct.

6 Q Okay. Can you please turn to Page 4 of  
7 Exhibit 2?

8 A (Vaughan) Page 4 of Exhibit 2. Yes.

9 Q And does that "\$1,629" figure appear in the  
10 Accounts 331, on Page 3 of Exhibit 13?

11 A (Vaughan) Account 331, Page 3. Yes, it does.

12 Q Okay. And, if I -- I'm going to cut to the chase  
13 here. I could go through each one of these cost  
14 items on Page 4 of Exhibit 2, and have you locate  
15 them within the 331 series of accounts on Page 3  
16 of Exhibit 13. And, if I ask a more global  
17 picture -- question, are the remainder of the  
18 cost figures that are on Exhibit 2, Page 4,  
19 reflected on Page 3 of Exhibit 13 in the 331  
20 accounts?

21 A (Vaughan) Would you just repeat that question  
22 again. I've been looking at various exhibits  
23 here. Will you?

24 Q Sure. Sure. With respect to the costs that are

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 appearing on Exhibit 2, Page 4, are they  
2 reflected in the purchased assets, Exhibit 13, on  
3 Page 3, under Account 331?

4 A (Vaughan) There are no -- there are no plant  
5 accounts on Page 4 that are under 331, on Exhibit  
6 13.

7 Q Let me ask the question again. The costs that  
8 appear on Page 4 of Exhibit 2, Mr. Vaughan, are  
9 these 331 costs?

10 A (Vaughan) Let's see. Yes, they are.

11 Q Thank you. So, if I go to Exhibit 13, Page 3,  
12 under the 331 costs, do those cost figures appear  
13 there?

14 A (Vaughan) On 331, yes, they do. On 331, there's  
15 "Water Line" costs there, yes.

16 Q Let me ask this one more time.

17 A (Vaughan) Okay.

18 Q Are all the -- the costs that are listed on Page  
19 4 of Exhibit 2, we have established that they are  
20 331 account listed costs, are they all listed on  
21 Page 3 of Exhibit 13?

22 A (Vaughan) No, they are not.

23 Q I think I'm going to have to go through  
24 line-by-line. I was trying to cut to the chase,

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Mr. Vaughan. I am sorry to put you through it.  
2 Let's go back to the top.

3 For the costs of Exhibit 2, Page 4, do  
4 you see the cost of \$1,629?

5 A (Vaughan) Yes.

6 Q Does that appear on Exhibit 13, Page 3?

7 A (Vaughan) Exhibit 13, Page 3. Yes, it does.

8 Q Okay. Now, with respect to the next item on  
9 Exhibit 2, Page 4, the "51,529", turning to  
10 Exhibit 13, Page 3, does that figure appear here  
11 as the \$10,000 -- the "10,222" figure, plus the  
12 "41,307"?

13 A (Vaughan) Will you run that one by me one more  
14 time please?

15 Q On Exhibit --

16 CHAIRWOMAN MARTIN: Attorney Brown?

17 MS. BROWN: Sorry.

18 CHAIRWOMAN MARTIN: I think it would be  
19 helpful if you could orient the witness and  
20 everyone who is looking at the document the  
21 location on the document, it would be a little  
22 easier. At least if you give us a general  
23 location, top, bottom, middle.

24 MS. BROWN: Yes. If you notice, on

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Exhibit 13, Page 3, there are account numbers  
2 "331" on the top one-third of the page. I am  
3 exclusively directing Mr. Vaughan's attention to  
4 those 331 accounts and the entries there.

5 WITNESS VAUGHAN: Uh-huh. Okay.

6 MS. BROWN: Nowhere else on the sheet,  
7 I'll leave it at that.

8 BY MS. BROWN:

9 Q So, Mr. Vaughan, going back to Exhibit 13, Page  
10 3, do you see, under the "331" accounts, for  
11 the "2000" -- I'm sorry, for the "1995 Main", the  
12 amount of "\$10,222"?

13 A (Vaughan) \$10,222, I do, yes. Yes.

14 Q Yes. And, if I were to add that to the "1996 T&D  
15 Mains" figure of "41,307", would I come up with  
16 the figure on Exhibit 2, Page 4, of "51,529"?

17 A (Vaughan) Yes, you would.

18 Q Okay. So, to back to Exhibit 2, and Page 4, and  
19 the next dollar amount is "2,164". Do you see  
20 that?

21 A (Vaughan) Yes.

22 Q Is that also reflected on Page 3 of Exhibit 13,  
23 in the 331 accounts?

24 A (Vaughan) Yes, it is.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q Thank you. And the next figure is "8,867", which  
2 is on Exhibit 2, Page 4, the next cost item. Do  
3 you see that?

4 A (Vaughan) Yes.

5 Q And is it also reflected on Exhibit 13, Page 3,  
6 in the 331 accounts?

7 A (Vaughan) Yes. That's correct.

8 Q Okay. Moving down on Exhibit 2, Page 4, and the  
9 next cost figure we get to is "\$1,800". Do you  
10 see that?

11 A (Vaughan) Exhibit 2, Page 4. Oh, yes. Yes, I  
12 see that. Correct.

13 Q And is that -- does that cost figure also appear  
14 on Exhibit 13, Page 3, in the 331 accounts?

15 A (Vaughan) Yes, it does.

16 Q Okay. And let's move down on Exhibit 2, Page 4,  
17 of the "11,924". Is that also reflected on Page  
18 3 of Exhibit 13?

19 A (Vaughan) Yes, it is.

20 Q And moving down on Exhibit 2, Page 4, the next  
21 figure of "7,735", is that also reflected in  
22 Page 3 of Exhibit 13?

23 A (Vaughan) Yes. That's correct.

24 Q Okay. And the next number on Exhibit 2 is

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 "3,223". Is that reflected on Exhibit 13,  
2 Page 3?

3 A (Vaughan) Yes.

4 Q Okay. The next figure of "1,872", on Exhibit 2,  
5 Page 4, is that also reflected on Exhibit 13,  
6 Page 3?

7 A (Vaughan) Yes.

8 Q And the next figure on Exhibit 2, Page 4, is a  
9 "13,072" figure. Do you see that?

10 A (Vaughan) Yes.

11 Q And is that also reflected on Page 3 of  
12 Exhibit 13, in the 331 accounts?

13 A (Vaughan) Yes.

14 Q And, lastly, there's a "\$52,287" figure on  
15 Exhibit 2, Page 4. Do you see that?

16 A (Vaughan) Yes.

17 Q And is that reflected on Exhibit 13, Page 3?

18 A (Vaughan) Yes, it is.

19 Q So, is the only cost item on Exhibit 13, Page 3,  
20 this \$2,000 figure, that isn't reflected in the  
21 cost figures of Exhibit 2, Pages 3 and 4?

22 A (Vaughan) That is correct.

23 Q Okay. Going back to Exhibit 2, Pages 3 and 4, if  
24 the -- there are no cost figures associated with

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1           some of these entries. They never made it into  
2           the purchase price, is that correct?

3    A       (Vaughan) That's correct.

4    Q       And I think I've already asked you this, but I  
5           just want to make sure. If an entry did not make  
6           it into the purchase price, is on your books and  
7           records?

8    A       (Vaughan) No.

9    Q       Okay. Thank you. Now, Mr. Vaughan, does it  
10           follow, if the item is not in Rosebrook's books  
11           and records, is Rosebrook then not earning a  
12           return on that item?

13   A       (Vaughan) That is correct. It is not earning a  
14           return.

15   Q       Okay. Now, Mr. Vaughan, did Staff and the Office  
16           of the Consumer Advocate support Abenaki's  
17           purchase of Rosebrook?

18   A       (Vaughan) Yes.

19   Q       Was there a settlement agreement?

20   A       (Vaughan) Yes.

21   Q       And did Staff and OCA join in that settlement?

22   A       (Vaughan) Yes.

23   Q       Thank you. I apologize for the tediousness of  
24           that, but I wanted to -- I appreciate,

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Mr. Vaughan, you sticking with it.

2 I would like to now turn to the issue  
3 that Omni has raised about, that the 8-inch line  
4 at the Hotel came in as possibly CIAC. Does  
5 Rosebrook's CIAC records support Omni's  
6 contention?

7 A (Vaughan) No.

8 Q Do you have Exhibit 32 in front of you?

9 A (Vaughan) Yes.

10 Q Okay. And I would like to direct your attention  
11 to Pages 2 and 3. Of the -- are you there?

12 A (Vaughan) Yes.

13 Q Okay. Of the transmission and distribution mains  
14 under Account 331, that starts at the bottom of  
15 Page 2 and extends to Page 3, are the 331 mains  
16 we just walked through on Exhibit 13, Page 3,  
17 contained, are they all listed again here, on  
18 Exhibit 32?

19 A (Vaughan) Yes.

20 Q Mr. Vaughan, can you turn to Page 8, it's the  
21 second to last page of Exhibit 32?

22 A (Vaughan) Yes.

23 Q And what is this workbook entitled?

24 A (Vaughan) This worksheet is the "Contribution in

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Aid of Construction (before any 2016 additions to  
2 CIAC)".

3 Q Okay. So, are these Rosebrook's CIAC records?

4 A (Vaughan) Yes.

5 Q Is there any CIAC before 1996?

6 A (Vaughan) No.

7 Q And is the line in question at the Hotel, your  
8 understanding it was constructed in 1985?

9 A (Vaughan) That is not on this page.

10 Q But do you understand it to be having been  
11 constructed in 1985?

12 A (Vaughan) I do.

13 Q And thank you for seeking, my next question was,  
14 it doesn't appear in these CIAC records? And  
15 your answer would be?

16 A (Vaughan) No.

17 Q Thank you. Now, Mr. Vaughan, with respect to the  
18 universe of 331 CIAC entries, that would be for  
19 mains, do they appear on Page 8 and 9 of this  
20 Exhibit 32?

21 A (Vaughan) Yes. They do.

22 Q Okay. So, let's total up. The first two mains  
23 that are listed on Page 8, is it right that they  
24 are the -- the second line and the third line

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 that says "1996 Mains", at "10,222". The next  
2 line of "1996 T&D Mains", at "41,307"?

3 A (Vaughan) Yes.

4 Q Okay. And would that correlate to, when we were  
5 talking about Exhibit 2, Page 4, that there was a  
6 "\$51,529" figure?

7 A (Vaughan) Yes, they would.

8 Q Okay. So, that's that entry. Okay. Next  
9 Account 331 for mains, if you go down, I believe  
10 it is a entry for "\$1,800". Do you see that?

11 A (Vaughan) Yes.

12 Q Is there a date associated with it?

13 A (Vaughan) No.

14 Q Okay. So, continuing down, on Page 8, to the  
15 next 331 account entry, is that the "2002 valves  
16 (3)", which is for \$11,000, thereabouts?

17 A (Vaughan) Yes.

18 Q Okay. Is the next entry that we go down to is a  
19 331 account the "2003 Valves" entry for "\$3,223"?

20 A (Vaughan) Yes.

21 Q Okay. And, moving down, is the next 331 account  
22 entry the "2004 Valves" --

23 CHAIRWOMAN MARTIN: Attorney Brown, I  
24 apologize.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 MS. BROWN: Yes.

2 CHAIRWOMAN MARTIN: Commissioner Bailey  
3 has her hand up.

4 MS. BROWN: Okay.

5 CHAIRWOMAN MARTIN: You're on mute.

6 CMSR. BAILEY: This is Commissioner  
7 Bailey.

8 MS. BROWN: Yes.

9 CMSR. BAILEY: I can't follow you,  
10 because you keep giving page numbers, and I don't  
11 have page numbers on the spreadsheet. Can you  
12 give me the line number in the spreadsheet?

13 MS. BROWN: Yes. I'm working off of  
14 the *pdf*. Thank you. I didn't realize you had  
15 the Excel. I have to wake up my computer, sorry.

16 CHAIRWOMAN MARTIN: Commissioner  
17 Giaimo.

18 CMSR. GIAIMO: I don't know if this  
19 helps off the record, but could Commissioner  
20 Bailey sort by Account 331, might that help?

21 CHAIRWOMAN MARTIN: Let's go off the  
22 record for a moment, so we can get everyone in  
23 the right place.

24 *[Brief off-the-record discussion*

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1                   *ensued.]*

2                   CHAIRWOMAN MARTIN: Okay. Let's go  
3 back on the record then.

4                   MS. BROWN: Knowing that Commissioner  
5 Bailey was using the Excel version, Commissioner  
6 Bailey, do you need me to go back through the  
7 line of questioning to point out the 331 accounts  
8 on the *pdf* version?

9                   CMSR. BAILEY: No. I followed some of  
10 it, and I can look at the transcript. Thank you.

11                   MS. BROWN: Okay. Thank you very much.

12 BY MS. BROWN:

13 Q Mr. Vaughan, the next Account 331, is that the  
14 year "2004 Valve, 20' Pipe, 60' Tube" for  
15 "\$7,735"?

16 A (Vaughan) Yes.

17 Q Okay. And I'm flipping the page to Page 9 of  
18 Exhibit 32. The next Account 331 that we come to  
19 is near the bottom, is it the "2014 Approximately  
20 18' of 6" something or other, for "\$2,000"? Do  
21 you see that one?

22 A (Vaughan) Yes.

23 Q Okay. So, of these 331 accounts, is it that the  
24 only one doesn't have a year associated with it

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 the \$1,800?

2 A (Vaughan) Yes.

3 Q Mr. Gallo, do you know, if the Hotel line in  
4 question was built in 2000 -- or, assuming a  
5 2000 -- assuming a 1985 year of construction,  
6 could that have been built for \$1,800?

7 A (Gallo) No, it could not.

8 Q Do you have a ballpark of what it likely would  
9 have cost?

10 A (Gallo) You know, back at that time, just let me  
11 refer to -- let me see, my Exhibit -- I mean,  
12 typically, nowadays, you know, we might expect to  
13 pay up to around 100 -- around \$150 a foot in  
14 today's dollars.

15 If you refer back to that period, for  
16 \$1,800, the cost per foot would be pennies, which  
17 wouldn't be possible.

18 Q Thank you for that explanation. Mr. Vaughan, are  
19 there depreciation rates shown on this CIAC page  
20 of Exhibit 32, Exhibit 32, Page 8?

21 A (Vaughan) I didn't catch the first part of that  
22 question please.

23 Q Does Exhibit 32, Page 8, show the depreciation  
24 rates?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Vaughan) Yes, it does.

2 Q And, for that "\$1,800" entry, 331 entry, is the  
3 depreciation rate 2.00 percent?

4 A (Vaughan) Let's see. I'm searching for that  
5 entry here.

6 Q Exhibit 32, Page 8.

7 A (Vaughan) Yes.

8 Q A third the way down.

9 A (Vaughan) I found it. And it's a "2.00 percent"  
10 depreciation rate.

11 Q Okay. And what is a 2 -- what kind of asset life  
12 is associated with a depreciation rate of 2.00?

13 A (Vaughan) That's a 50-year life.

14 Q Okay. And is there still life to depreciate on  
15 this, this asset, that's at entry "1,800"?

16 A (Vaughan) Yes.

17 Q So, it's not fully depreciated?

18 A (Vaughan) Correct.

19 Q And it has \$954 worth of depreciation value to  
20 depreciate, is that right?

21 A (Vaughan) Let me just see. What is that number?  
22 I just lost it.

23 Q I'm just talking about Exhibit 32, Page 8, and  
24 the line entry 331, "T&D Mains - Valves (3)", and

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 I'm just going across that column?

2 A (Vaughan) The answer is "yes."

3 Q Okay. And the depreciation amount for each year  
4 appears to be \$36, is that right?

5 A (Vaughan) Correct.

6 Q So, I don't know if you've got a calculator, and,  
7 you know, if we're depreciating at \$36 a year,  
8 out of a remaining 954, do you know when it will  
9 be fully depreciated?

10 A (Vaughan) I believe -- I believe, according to  
11 that calculation, I think it would be around  
12 2035.

13 Q Okay. And that would be 15 years from now?

14 A (Vaughan) Correct.

15 Q Okay. And, so, what's your estimate, backing  
16 into this, of when this main would have been  
17 constructed, this \$1,800 item? If it's a 50-year  
18 life, depreciating at 2035?

19 A (Vaughan) Somewhere around, I would think,  
20 somewhere around 1985.

21 Q Let me -- okay. So, it's of the same vintage of  
22 the Hotel line, but there's no other  
23 association -- or, identifying -- identification  
24 with this line entry that this could be the Hotel

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 line?

2 A (Vaughan) That's correct.

3 Q Okay. So, Mr. Gallo, I'd like to turn to you  
4 please. And, if it's not clear that items come  
5 in through CIAC or through the purchased assets,  
6 is it that some items are assets that Rosebrook  
7 has an obligation to operate and maintain, do  
8 they come in through easements?

9 A (Gallo) Yes. That would be easements and common  
10 property.

11 Q Okay. And I would like to direct your attention  
12 to Exhibit 11.

13 A (Gallo) Okay.

14 Q And did you prepare this exhibit?

15 A (Gallo) I did.

16 Q And can you please identify what it is for the  
17 record?

18 A (Gallo) Yes. What it does is identify several  
19 homeowners associations in the Bretton Woods  
20 areas, and how those associations provide for  
21 common property. Some specifically state for the  
22 laying of water lines, others just state, you  
23 know, common property for certain items, and  
24 others still as, you know, as they appear.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1           It also provides examples of some other  
2           systems that we do have, which also include a  
3           homeowners association, that would also provide  
4           for common property where mains could be  
5           constructed.

6   Q       Okay. Do you have any changes or corrections to  
7           make to Exhibit 11?

8   A       (Gallo) No, I don't.

9   Q       Okay. Now, is the term "common areas" or "common  
10          property" used in the tariff?

11   A       (Gallo) Yes.

12   Q       And how would you define "common property"?

13   A       (Gallo) "Common property" would be owned by  
14          several individuals or an association made up of  
15          a group of individuals.

16   Q       Okay. And what is the significance of common  
17          property, in terms of Rosebrook's maintenance and  
18          operation obligations?

19   A       (Gallo) We do maintain, own and maintain lines,  
20          you know, mains and service lines up to curb  
21          stops through common areas and properties.

22   Q       Mr. Gallo, is Rosebrook the only Abenaki system  
23          that has common areas that the water utility owns  
24          and maintains infrastructure within?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Gallo) No, it's not. We have other systems.  
2 You know, as referenced in this Data Response  
3 1-16, our White Rock water system are located at  
4 Village Shore Estates, in Bow, also has a  
5 homeowner's association with language that spell  
6 out "common property".

7 Q Thank you. And does the Hotel have common  
8 property on it, the Hotel properties?

9 A (Gallo) No, it does not.

10 Q Mr. Gallo, can you please turn to Pages 50 and 51  
11 of Exhibit 11? And let me know when you're  
12 there.

13 A (Gallo) Okay. Hold on please. Okay. I am here.

14 Q And can you please explain what development this  
15 is and explain what infrastructure within the  
16 development Rosebrook would own and maintain?

17 A (Gallo) Yes. On Page 50 to 51, we have Mount  
18 Washington Place. And we would own  
19 infrastructure within the common areas, which may  
20 include within roadways of the association or  
21 open green areas, for instance, you know, if a  
22 line were to run between buildings or behind  
23 buildings, anything within a common area we would  
24 own up to the curb stop.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q Okay. And, if that curb stop were within the  
2 common area, how would you treat that?

3 A (Gallo) If the curb stop were in the common area,  
4 we would own up to and including that curb stop.

5 Q Okay. Thank you. Mr. Gallo, can you turn -- do  
6 you have Exhibit 12 in front of you?

7 A (Gallo) Let's see. Exhibit 12. Yes, I do.

8 Q And can you please turn to Page 1?

9 A (Gallo) Okay. I am here at Page 1.

10 Q And can you please describe for the record what  
11 this is?

12 A (Gallo) This is a tax card or a -- from a tax  
13 map, it shows the Omni Mount Washington Hotel  
14 properties.

15 Q And are there -- does the tax map show any common  
16 property on it?

17 A (Gallo) No, it does not.

18 Q Can you please turn to Page 17 of Exhibit 12?

19 A (Gallo) Page 17. Yes.

20 Q And do you understand the yellow highlighted  
21 parcel to be part of the Hotel campus?

22 A (Gallo) Yes, I do.

23 Q And is there any indication that there's any  
24 common property on that parcel from this tax map?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Gallo) No.

2 Q Okay. Now, Mr. Gallo, on -- going back to Pages  
3 1 through 16, are these the multiple buildings  
4 that are on the one parcel shown on the front in  
5 yellow?

6 A (Gallo) One through sixteen. Yes, they are.

7 Q Okay. And, if you could turn to Page 2, and  
8 state for the record, what is the parcel ID  
9 number?

10 A (Gallo) Parcel ID number is "210-008-000-000".

11 Q Thank you for the additional zeros. Are all of  
12 the property -- the buildings that are in the  
13 subsequent pages, are they all on that property  
14 ID number that you just gave?

15 A (Gallo) Yes.

16 Q Okay. Can you please state for the record who  
17 owns Lot 210-008?

18 A (Gallo) That is Omni Mount Washington, LLC.

19 Q Okay. And, if I go to Page 18, do you see the  
20 property ID of "211-042"?

21 A (Gallo) Yes, I do.

22 Q And can you please state for the record who the  
23 owner is?

24 A (Gallo) That is Omni Mount Washington, LLC.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q Okay. And what is the property card address for  
2 the record?

3 A (Gallo) For this one, it is, on Page 18, it is  
4 "175 Mount Washington Hotel Road".

5 Q Okay. And then, going back to the other parcel,  
6 the 210-008, can you please state what the  
7 property address is?

8 A (Gallo) That is "310 Mount Washington Hotel  
9 Road".

10 Q Okay. Thank you. So, would you agree that the  
11 same owner owns both of these parcels depicted on  
12 Pages 1 and 17 of Exhibit 12?

13 A (Gallo) Yes, I would.

14 Q Okay. Mr. Gallo, are there any other -- are  
15 there multiple owners of these parcels? Or any  
16 other owners of these parcels?

17 A (Gallo) No. They are listed as "Omni Mount  
18 Washington, LLC".

19 Q All right. And, so, I think you gave your  
20 definition of "common property" is when there are  
21 multiple owners, is that right?

22 A (Gallo) That's correct.

23 Q And there are no multiple owners of these two  
24 parcels, is that correct?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Gallo) That is correct.

2 Q Okay. Mr. Gallo -- or, actually, no, I want to  
3 turn to Mr. Vaughan, if you don't mind. Do you  
4 have Exhibit 1 in front of you?

5 A (Vaughan) Yes, I do.

6 Q And, Mr. Vaughan, can you please state for the  
7 record what Exhibit 1 is?

8 A (Vaughan) Exhibit 1 is a summary and a  
9 compilation of water bills.

10 Q Okay. And these were provided by Omni, is that  
11 right?

12 A (Vaughan) That is correct.

13 Q Okay. And, Mr. Vaughan, do Pages -- let's see,  
14 go back to Pages 11 through 25, do these -- are  
15 these invoices from Rosebrook Water to Omni for  
16 water services?

17 A (Vaughan) Did you say "Pages 11"?

18 Q Eleven (11) through 25.

19 A (Vaughan) Yes.

20 Q Okay. Does Omni take services within the  
21 parcels -- or, does Omni take service within its  
22 entire resort under numerous accounts?

23 A (Vaughan) Yes.

24 Q And does Rosebrook bill only one entity?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Vaughan) Yes.

2 Q And who is that entity?

3 A (Vaughan) Omni Mount Washington Hotel & Resort.

4 Q Okay. Can you please describe what types of  
5 services Omni Resort -- Omni Mount Washington  
6 receives from Rosebrook?

7 A (Vaughan) Domestic and fire service.

8 MS. BROWN: Okay. I am ready for  
9 questions for Ms. Oleson. Do we still have you  
10 on, Nancy?

11 MR. WIND: Can we go off the record?

12 CHAIRWOMAN MARTIN: Yes. We can go off  
13 the record.

14 *[Brief off-the-record discussion*  
15 *ensued.]*

16 CHAIRWOMAN MARTIN: Let's go back on  
17 the record.

18 MS. BROWN: Okay. Thank you.

19 BY MS. BROWN:

20 Q Mr. Gallo, I'd like to turn to you now, and ask  
21 you if you are aware of where the curb stops are  
22 for the Hotel/Resort campus? Mr. Gallo, can you  
23 hear me?

24 A (Gallo) Yup. Apologize, I was muted. Yes. The

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 curb stops for the Hotel *[indecipherable]* on Base  
2 Road.

3 Q Okay.

4 *[Court reporter interruption due to*  
5 *indecipherable audio.]*

6 CHAIRWOMAN MARTIN: Can we pause for a  
7 moment?

8 *[Brief off-the-record discussion*  
9 *ensued.]*

10 MS. BROWN: So, we'll pick up with the  
11 response?

12 MR. PATNAUDE: Yes.

13 CHAIRWOMAN MARTIN: Yes. Thank you.

14 **BY THE WITNESS:**

15 A (Gallo) Yes. The curb stop for the Hotel is  
16 located at Base Road.

17 BY MS. BROWN:

18 Q And, Mr. Gallo, are there one or two curb stops  
19 at that location?

20 A (Gallo) There are two. There is one for the  
21 Mount Washington Hotel and one for the Bretton  
22 Arms.

23 Q And, Mr. Gallo, the Commission has asked to know  
24 what size of curb stop valves is at these

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 locations. If you can please provide that  
2 information?

3 A (Gallo) Yes. The Hotel -- the Mount Washington  
4 Hotel has an 8-inch curb stop, and the Bretton  
5 Arms has a 6-inch curb stop.

6 Q Thank you. And, Mr. Gallo, what size line are  
7 these curb stops off of?

8 A (Gallo) They're off of an 8-inch line.

9 Q Okay. Mr. Gallo, I'd like you to turn to Page --  
10 Exhibit 5 please.

11 A (Gallo) I have it.

12 Q Can you please turn to Page 60?

13 A (Gallo) Sixty. Page 60. Yes, I have it.

14 Q Okay. And are you -- have you seen this data  
15 response -- request and response before?

16 A (Gallo) Yes, I have.

17 Q Okay. And, so, you see that Nancy Oleson is the  
18 respondent?

19 A (Gallo) That's correct.

20 Q And the response is "Rosebrook Water is  
21 responsible up to and including the curb stop."  
22 Do you see that?

23 A (Gallo) Yes, I do.

24 Q Now, is that statement consistent with how

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Abenaki operates Rosebrook now?

2 A (Gallo) Yes, it is.

3 Q Now, Mr. Gallo, from your years of experience in  
4 operating and managing various water systems, is  
5 Ms. Oleson's statement about the boundary of  
6 where the water utility's obligations end  
7 consistent with your understanding of what's  
8 practiced in the industry?

9 A (Gallo) In my experience, yes.

10 Q Mr. Vaughan, I have the same question for you.  
11 If you want me to repeat the question, I can.

12 A (Vaughan) My experience also is "yes".

13 Q Okay. Thank you. Mr. Gallo, I would like you to  
14 turn to Exhibit 29 please.

15 A (Gallo) Yes, I have it.

16 Q And, Mr. Gallo, are you familiar -- or, what is  
17 Exhibit 29?

18 A (Gallo) Exhibit 29 is Request Number Staff 2-3.  
19 And it outlines -- it outlines the accounts and  
20 the mains and footages that are supposedly  
21 associated with that 8-inch main.

22 Q Okay. And, on Page 2 of this response -- or, did  
23 I ask you, do you have any changes or corrections  
24 to make to this response?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Gallo) No.

2 Q Okay. Can you answer whether you have any  
3 changes or corrections to make?

4 A (Gallo) No, I do not.

5 Q Okay. Thank you. On Page 2 of Exhibit 29, does  
6 the response cite Commission administrative rules  
7 concerning curb stops?

8 A (Gallo) Yes, it does.

9 Q And is that rule Puc 606.04?

10 A (Gallo) Yes. I see that.

11 Q And can you just briefly read that rule?

12 A (Gallo) "Puc 606.04: Curb stops shall be placed  
13 at the customer's property line except in unusual  
14 situations such as service to an apartment or to  
15 a condominium."

16 Q So, is the Hotel curb stop at the property line?

17 A (Gallo) Yes, it is.

18 Q And does Abenaki's tariff treat apartments and  
19 condominiums differently because they have common  
20 areas?

21 A (Gallo) Yes. With a common area, you would have,  
22 you know, the responsibility for the main would  
23 not terminate at the property line of the entire  
24 condominium association. Since we do have

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 easements or are granted rights through those  
2 common areas to lay our water mains, which in  
3 that case we would still retain ownership.

4 Q Okay. And, so, as far as "exceptions" that are  
5 referred to in Puc 606.04, those exceptions are  
6 carved out in Abenaki's tariff, is that right?

7 A (Gallo) That's correct.

8 Q Okay. In the tariff, which is Exhibit 20, if you  
9 could turn to that please, Mr. Vaughan?

10 A (Vaughan) Exhibit 20.

11 Q And if you could turn to Page 65?

12 A (Vaughan) Sixty-five. Yes, I have it.

13 Q Okay. And, on 65, I direct your attention to  
14 Section 1(b), which is entitled "Installation,  
15 Ownership, and Maintenance". Does Rosebrook  
16 maintain the infrastructure in common areas?

17 A (Vaughan) Yes, it does.

18 Q And "common areas", that term is mentioned  
19 multiple times in "Single Family Homes",  
20 "Condominiums", and "Commercial Buildings", is  
21 that right?

22 A (Vaughan) Yes.

23 Q Okay. So, Mr. Gallo, when you're referring to  
24 "Rosebrook maintaining or having an obligation to

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 operate and maintain within common areas", is  
2 this the part of the tariff you are referring to?

3 A (Gallo) Yes.

4 Q As establishing that obligation?

5 A (Gallo) Correct.

6 Q Okay. Thank you. Mr. Vaughan, I have questions  
7 for you regarding Exhibit 6.

8 A (Vaughan) Yes. I have Exhibit 6.

9 Q Now, can you please state for the record what  
10 Exhibit 6 is?

11 A (Vaughan) Yes. Six (6) is a professional  
12 services agreement, dated 2016. And it has to do  
13 with a -- has to do with a wastewater operation.

14 Q Let me walk through this a little bit in baby  
15 steps here. This professional services  
16 agreement, can you, that's Exhibit 6, can you  
17 please turn to Page 4 -- I'm sorry, 3? And do  
18 you see "Scope of Services"?

19 A (Vaughan) Yes.

20 Q And, so, with respect to the drinking water, what  
21 were the services to be performed?

22 A (Vaughan) The services were used to do sampling  
23 at the Top O' Quad Restaurant, as well as quality  
24 sampling at The Lodge itself.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q Okay. And between which parties was this service  
2 agreement?

3 A (Vaughan) This service agreement was between Omni  
4 Hotel and New England Service -- actually,  
5 Rosebrook Water Company.

6 Q Thank you. And, with this service agreement, it  
7 would have caused Rosebrook employees to venture  
8 on the Hotel property?

9 A (Vaughan) Yes.

10 Q And was this services agreement in place after  
11 Abenaki acquired Rosebrook?

12 A (Vaughan) Yes.

13 Q Do you know -- do you recall how long?

14 A (Vaughan) For fourteen months.

15 Q Okay. And how frequently would the services --  
16 the scope of services, how frequently would  
17 Rosebrook be on the Hotel property?

18 A (Vaughan) Weekdays at least.

19 Q Okay. Thank you. My next question concerns  
20 Exhibit 7. Mr. Vaughan, if you could turn to  
21 that?

22 A (Vaughan) Yes. I have Exhibit 7.

23 Q Mr. Vaughan, can you please describe for the  
24 record what Exhibit 7 is?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Vaughan) Exhibit 7 is a consolidation of  
2 affiliate contracts with Rosebrook Water Company.

3 Q Okay. And, after the acquisition, did Rosebrook  
4 continue any of these agreements?

5 A (Vaughan) No.

6 Q And were some of these agreements to provide  
7 employees to the Rosebrook system -- the  
8 Rosebrook Water Company?

9 A (Vaughan) Yes.

10 Q Okay. The next line of questions that I have is  
11 for Mr. Gallo, while I'm waiting for Nancy Oleson  
12 to reconnect.

13 Mr. Gallo, are you aware that there are  
14 other valves within the Hotel/Resort campus?

15 A (Gallo) Yes.

16 Q And are you familiar with Omni's argument that  
17 these interior valves are curb stops?

18 A (Gallo) Yes.

19 Q What's your opinion on whether these interior  
20 valves are curb stops?

21 A (Gallo) They are not curb stops.

22 Q And what would be your reasoning for that?

23 A (Gallo) I would classify them as "isolation  
24 valves" or "control valves" within the campus, so

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 they can operate water at their various buildings  
2 on the campus. This might be done for  
3 winterization purposes; if there is an emergency  
4 at one of the buildings, that they can shut the  
5 water off to it; or, in cases of renovations,  
6 when they have to have the water shut off during  
7 that time period.

8 Q Does Abenaki/Rosebrook Water Company control  
9 these interior valves within the Hotel/Resort  
10 campus?

11 A (Gallo) No.

12 Q Okay. Now, Mr. Gallo, does the size of a valve  
13 necessarily mean that it is a curb stop?

14 A (Gallo) No. Curb stop can mean several -- it can  
15 be a larger diameter as well.

16 Q Mr. Gallo, are curb stops -- does functions also  
17 play a role in what constitutes a curb stop?

18 A (Gallo) Yes.

19 Q And how do curb stops function for a water  
20 utility? What does the water utility use them  
21 for?

22 A (Gallo) The water utility uses a curb stop to  
23 shut off service to a property.

24 Q Okay. And we've already established that there

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 is one property at the -- or, two parcels on the  
2 Hotel campus, is that right?

3 A (Gallo) Correct.

4 Q But there's one curb stop for both of those  
5 parcels?

6 A (Gallo) There is one curb stop for the Mount  
7 Washington Hotel, and then one curb stop for the  
8 Bretton Arms.

9 Q Okay. Thank you for that clarification. Mr.  
10 Vaughan, does Rosebrook maintain any of the  
11 interior valves within the Hotel campus?

12 A (Vaughan) No.

13 Q Mr. Vaughan, can you please turn to Exhibit 33?

14 A (Vaughan) Yes. I have Exhibit 33.

15 Q Can you please describe for the record what this  
16 is?

17 A (Vaughan) This is an invoice to PC Construction,  
18 for labor that was spent by Abenaki's parent  
19 company employees, New England Service Company,  
20 for time spent on locating a valve at the Omni  
21 Mount Washington Hotel campus, and for the  
22 purposes of shutting that valve down at the  
23 request of PC Construction.

24 Q Thank you. And, Mr. Gallo, are you aware of this

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Exhibit 33?

2 A (Gallo) Yes, I am.

3 Q And do you know PC Construction's involvement  
4 with the Hotel?

5 A (Gallo) To my knowledge, they are the contractor  
6 for the Hotel addition, one of the contractors  
7 for the Hotel addition.

8 Q Okay. And, in this invoice, on Page 1 of Exhibit  
9 33, Mr. Gallo, which company performed this work?  
10 Was it Rosebrook Water or New England Service  
11 Company?

12 A (Gallo) It was New England Service Company.

13 Q And was it able to locate any valves on the  
14 property?

15 A (Gallo) Yes, it was.

16 Q Did it take some time to locate the valves?

17 A (Gallo) Yes. There is -- none of the valves,  
18 according to the invoice, you know, they arrived  
19 on-site at 11:30. And, you know, the valves,  
20 they had trouble finding it. It took a total of  
21 four and a half hours to determine the correct  
22 locations of the valves.

23 Q Thank you. And does it also say that "Two valves  
24 were unable to be [located]"?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Gallo) That's correct.

2 Q Okay. Now, Mr. Gallo, do you know who installed  
3 the valves at issue -- or, that are described in  
4 here in this exhibit?

5 A (Gallo) Installed the valves for the existing  
6 line?

7 Q Looks like they were valves that -- they are new  
8 valves, according to this invoice?

9 A (Gallo) Yes.

10 Q And my question is, who, if you know, installed  
11 these new valves?

12 A (Gallo) That would be the contractor for the  
13 Hotel addition.

14 Q Did Rosebrook install any valves here for this  
15 new construction?

16 A (Gallo) No.

17 Q Who's going to maintain these valves?

18 A (Gallo) Omni Mount Washington.

19 Q Rosebrook will not be maintaining these new  
20 valves?

21 A (Gallo) That's correct.

22 Q And why not?

23 A (Gallo) Because they are on private property.

24 Q Okay. Mr. Vaughan, with respect to this invoice

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 and these two new valves, was Rosebrook ever  
2 consulted in the location of these valves?

3 A (Vaughan) No.

4 Q Are these, Mr. Gallo, are these new valves  
5 located at the property line of this Hotel  
6 parcel?

7 A (Gallo) No, they are not.

8 Q Would you consider these new valves to be curb  
9 stops?

10 A (Gallo) No, I would not.

11 Q If Omni were successful in deeming the interior  
12 valves to be curb stops, would Rosebrook have to  
13 trespass on private property in order to get to  
14 them, to perform their function of turning off  
15 service?

16 A (Gallo) Could you repeat the question please.

17 Q If these interior valves, if Omni were successful  
18 in convincing the Commission that these interior  
19 valves are curb stops, and you just testified  
20 that the function of a curb stop is to turn off  
21 water to the property, if Rosebrook had to turn  
22 off water, would it need to trespass on private  
23 property in order to get access to these valves?

24 A (Gallo) Yes.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q Mr. Gallo, does Abenaki's other New Hampshire  
2 water systems use the curb stop as the  
3 demarcation of customer and company obligations?

4 A (Gallo) Yes.

5 Q Now, Mr. Gallo, does the 8-inch line of the -- of  
6 the Hotel line necessarily mean that it is -- or,  
7 does the size dictate that ownership, who would  
8 be responsible for it?

9 A (Gallo) No, it doesn't.

10 Q Okay. I'd like to turn to Exhibit 4 please.

11 A (Gallo) Okay. We have 4.

12 Q Okay. I know that this was written by Mr.  
13 Vaughan. But, Mr. Gallo, are you familiar with  
14 this?

15 A (Gallo) Yes, I am.

16 Q Okay. And, for the record, what is Exhibit 4?

17 A (Gallo) It is Request Number Staff 1-7. And it  
18 pertains to the size of a service not dictating  
19 ownership or, you know, and also differentiates  
20 between the owner and private property.

21 Q Okay. Mr. Gallo, can you please explain how the  
22 size of a service line is determined? What  
23 standards do you refer to to size a service line  
24 for a customer?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Gallo) It would be, you know, typically, you  
2 determine the demand, for the use, and then you  
3 devise the line appropriate to deliver that  
4 demand at the required pressure and, you know,  
5 and flows, without velocities becoming excessive  
6 in the pipe.

7 In the case of this line to the Hotel,  
8 it is also a combined fire and service line,  
9 which, you know, has its own set of -- as a fire  
10 service line, it has its own set of requirements  
11 they have to, you know, they have to conform to,  
12 the NFPA regulations, which also determines, you  
13 know, we have to determine the flows. And then,  
14 you know, you have to determine -- you have to  
15 provide the correct pressure for the fire  
16 suppression system in the building.

17 I lost you there, Marcia. I can't hear  
18 you.

19 Q I turned my mute on. Mr. Gallo, you had  
20 mentioned the "NFPA". Can you please describe  
21 for the record what that is?

22 A (Gallo) That's the "National Fire protection  
23 Agency" -- "Association".

24 Q Okay. And are those standards?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Gallo) Yes, they are.

2 Q And you use those standards to size service  
3 pipes?

4 A (Gallo) I am not a fire protection engineer, but  
5 that would be the standards that a fire  
6 protection engineer would design to.

7 Q And, Mr. Vaughan, do you have anything to add to  
8 Mr. Gallo's explanation of what -- how a service  
9 line is sized?

10 A (Vaughan) No, I do not. Other than the design  
11 should also be consistent with the requirements  
12 of Insurance Services Office, ISO.

13 Q Okay. Thank you. And, Mr. Vaughan, since you  
14 were the author of 1-7, are you aware of any  
15 changes or corrections to make to this data  
16 response?

17 A (Vaughan) No, I am not aware.

18 Q Okay. Mr. Gallo, is the fact that the Hotel is  
19 served by an 8-inch line unique to Rosebrook or  
20 does Abenaki have other customers that also have  
21 8-inch lines?

22 A (Gallo) Well, the majority of -- well, the  
23 remainder of Abenaki's systems are generally  
24 residential in nature and do not have lines that

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 size. But some of our other water company -- our  
2 water company in Plainville, Connecticut, Valley  
3 Water Systems, they serve, you know, a much  
4 larger, you know, I think approximately 6,000  
5 connections. And, within that system, we do  
6 have, you know, several, many commercial and  
7 industrial uses, where, you know, where a larger  
8 size service line is required. We have some  
9 buildings where, you know, we have an 8-inch fire  
10 service, and then a smaller domestic line, and  
11 that is generally the case.

12 But, with that being said, there is  
13 even larger domestic services, you know, six  
14 inches and above or four inches and above. So,  
15 it's not unique just to the Omni Mount Washington  
16 Hotel.

17 Q Okay. So, again, the question is, for 8-inch  
18 lines, they're not necessarily a transmission  
19 line, it can also be a service line?

20 A (Gallo) That's correct.

21 Q Okay. Thank you. Mr. Gallo, I'd like to touch  
22 upon the distinction between the "transmission  
23 line" and a "service line", because that was  
24 something that was specifically noticed in the

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Commission's secretarial letters. Could you  
2 please explain the function and difference, so  
3 that we all understand why a line is a  
4 transmission line or a service line?

5 A (Gallo) Yes. Transmission lines are typically  
6 larger in diameter than other pipes in the  
7 system. And their function is to transport water  
8 at higher flows through larger pipes into the  
9 service area, and then distribution pipes  
10 basically branch off of that. So, to think of an  
11 analogy, you know, the transmission line is the  
12 trunk of a tree, and the distribution system are  
13 the branches.

14 Q Okay. Mr. Vaughan, do you have anything else to  
15 add to that?

16 A (Vaughan) No. I think that was an accurate  
17 description.

18 Q Okay. Mr. Gallo, do you know what type of pipe  
19 listed in the 1985 -- or, what is the material of  
20 the 1985 Hotel pipe at issue in this complaint?

21 A (Gallo) It was originally identified as an "iron  
22 pipe", but it's actually a Class 900 PVC pipe.

23 Q Okay. And, so, the line entry in Exhibit 2, Page  
24 3, where it has the "1985 ductile iron [pipe] to

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Mount Washington Hotel and Bretton Arms", that  
2 the material, if it were to be the Hotel line, is  
3 incorrect, is that right?

4 A (Gallo) That's correct.

5 Q Okay. Mr. Vaughan, are there any of Rosebrook's  
6 water supply wells within the Hotel/Resort  
7 campus?

8 A (Vaughan) No.

9 Q Where -- where, generally, are they located, the  
10 water supply wells?

11 A (Vaughan) They are located on the south side of  
12 Route 302, not too distant from the base lodge.

13 Q Okay. Now, Mr. Gallo, can you please turn to  
14 Exhibit 8?

15 A (Gallo) Okay. I have it.

16 Q Okay. And can you please explain for the record  
17 what this is?

18 A (Gallo) Yes. It does involve the Omni Hotel  
19 expansion, and, you know, our service person from  
20 NESC provided a site visit to observe the  
21 construction that was currently underway. They  
22 did not provide any notice to us that the project  
23 was occurring. So, there would have been,  
24 potentially, comments on fire flow needs, you

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 know, service line needs. You know, and we would  
2 not be able to determine the adequacy of fire  
3 flows without the assistance of the fire  
4 protection engineer hired by Omni.

5 Q Okay. So, do you have, and I guess this is to  
6 either of you, but I'll start with Mr. Gallo  
7 first, do you have an opinion on whether the  
8 8-inch line -- service line within the Hotel  
9 campus is adequate for the fire needs of this new  
10 addition? Do you have any opinion on that?

11 A (Gallo) I would not have an opinion on that,  
12 because, again, I'm not a fire protection  
13 engineer.

14 Q Okay. Did any of the Horizons reports touch upon  
15 that there may be an issue with the fire flows  
16 and negative pressure?

17 A (Gallo) They did. They did touch on the issue of  
18 fire flows, yes, at the Hotel.

19 Q Okay. I'd like to have you turn to Exhibit 9,  
20 Mr. Gallo.

21 A (Gallo) Okay. I have Exhibit 9.

22 Q And, for the record, what is this exhibit?

23 A (Gallo) This is from Horizons Engineering. It is  
24 a design brief -- or, not a "design brief", a

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 report, based on hydraulic modeling that was done  
2 of the overall system. And it is dated "March  
3 20th, 2017".

4 Q Okay. And I'm trying to get to Page -- I think  
5 it was 12 I wanted to have you refer to.

6 A (Gallo) Twelve. Is it 12 of the report, is that  
7 what you said?

8 Q I'm sorry. I'm at Page 12 of 14, and I neglected  
9 to write down what exhibit number -- what the  
10 page number on this is.

11 A (Gallo) Yes. I am there.

12 Q Okay. I just want to -- okay. You are at 12 of  
13 14?

14 A (Gallo) Yes, I am.

15 Q Okay. Mr. Gallo, at the very top paragraph, I'd  
16 like to draw your attention to the fourth line up  
17 from the bottom, where it starts "When a 1,000  
18 gallon per minute fire flow is supplied"?

19 A (Gallo) That's on -- oh, yes. I see that.

20 Q Okay. All right. Can you please read that two  
21 sentences into the record please?

22 A (Gallo) "When a 1,000 gallon per minute fire flow  
23 is supplied to the Hotel during peak hour  
24 conditions, the total flow is over 1,600 gallons

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 per minute, which has a velocity of over 9 feet  
2 per second in an 8-inch pipeline. This high  
3 velocity yields significant pressure loss, so  
4 much that the initial runs for both alternatives  
5 resulted in negative pressures at the Hotel."

6 Q Okay. Mr. Gallo, as an engineer for Rosebrook,  
7 if there are negative pressures at the Hotel, is  
8 that a concern for the rest of the Rosebrook  
9 system?

10 A (Gallo) Yes, it is. If you develop negative  
11 pressures in the system, you can potentially draw  
12 in water from -- from groundwater, you know, for  
13 instance. You typically have to maintain a  
14 minimum pressure to avoid that issue.

15 Q Okay. And would that concern be a need why  
16 Rosebrook would need to be involved in the  
17 planning of this Hotel addition?

18 A (Gallo) Yes.

19 Q Now, Mr. Vaughan, in order to address any fire  
20 pressure -- or, negative pressure concerns, with  
21 providing fire service and domestic water to this  
22 new addition, is it possible that a new line may  
23 need to be constructed?

24 A (Vaughan) Yes.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q And would that be costly?

2 A (Vaughan) It would be.

3 Q Mr. Vaughan, there's been an allegation from Omni  
4 that Rosebrook agreed to pay for the April 2019  
5 repair. Do you have any opinion on that  
6 position?

7 A (Vaughan) Yes. And Abenaki did not agree to  
8 that.

9 Q Okay. Mr. Vaughan, Omni has alleged that Abenaki  
10 arranged for AB Excavating to repair the line  
11 break. Do you agree with that allegation?

12 A (Vaughan) No.

13 MS. BROWN: Okay. At this point, the  
14 rest of my questions are highly dependent on  
15 Nancy. And, so, I need to arrange to get her.

16 CHAIRWOMAN MARTIN: It looks like we  
17 have her.

18 WITNESS OLESON: I'm back.

19 MS. BROWN: Yes. Thank so much.

20 WITNESS OLESON: Sorry about that.

21 Technical difficulty, my computer died.

22 MS. BROWN: Okay. I'm going to just  
23 continue on.

24 BY MS. BROWN:

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q Okay. Mr. Gallo, I have one follow-up question  
2 for you.

3 The Commission has asked the parties to  
4 opine on the date of the pipe installation. And  
5 my question to you is, in viewing that 1985 line  
6 entry in Exhibit 2, Page 3, the "8-inch ductile  
7 iron main extension to Mount Washington Hotel and  
8 Bretton Arms", do you have any other evidence  
9 that this line was installed by someone in any  
10 other year than listed?

11 A (Gallo) No.

12 Q Okay. Ms. Oleson, do you have Exhibit 5 in front  
13 of you?

14 A (Oleson) Yes, I do.

15 MS. BROWN: Okay. And, for the record,  
16 I would like to note that Exhibit 5 is documents  
17 that have been included in the memorandum of --  
18 of Abenaki's memorandum of law, and they all  
19 pertain to Docket Number 11-117.

20 BY MS. BROWN:

21 Q Ms. Oleson, while you were working with  
22 Rosebrook, were you involved in revising  
23 Rosebrook's tariffs?

24 A (Oleson) Yes.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q And did you participate in Docket 11-117?

2 A (Oleson) Yes.

3 Q Okay. And if you could please turn to Page 24 of  
4 Exhibit 5?

5 A (Oleson) Uh-huh.

6 Q And, Ms. Oleson, Page 24 has a letter from  
7 Marjory Taylor, Controller. Do you see that?

8 A (Oleson) Yes.

9 Q And, in the paragraph that starts with "Although  
10 the above referenced", do you see, on the third  
11 line down, that "there were several  
12 participants"?

13 A (Oleson) Yes.

14 Q And were you one of those "several participants"?

15 A (Oleson) Yes.

16 Q Okay. So, can you explain what the goal of the  
17 revisions was for?

18 A (Oleson) Well, we were trying to keep everything  
19 consistent, as far as the locations of the curb  
20 stops, is the major thing we were trying to  
21 accomplish with this. Through leak detection, we  
22 found some leaks, and then needed to clarify who  
23 paid for them, depending on which side of the --  
24 or, what part of the property they were on. So,

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 finding leaks was really what brought our  
2 attention to it.

3 Q Okay. All right. Ms. Oleson, can you please  
4 turn to Page 40 of this Exhibit 5?

5 A (Oleson) Uh-huh.

6 Q And do you see the "Definitions" section?

7 A (Oleson) I do.

8 Q And was the "Definitions" section added to try to  
9 address the problem you just described?

10 A (Oleson) Yes, it was.

11 Q Okay. And the "Definitions" section was new, is  
12 that right?

13 A (Oleson) Yes. We made -- there may have been  
14 some definitions originally, but we added to it  
15 and clarified. I don't actually remember.  
16 Though, I think there were definitions in the  
17 previous one.

18 Q Okay.

19 A (Oleson) But we definitely added onto it.

20 Q Ms. Oleson, in your experience with running water  
21 systems in general, with respect to the "curb  
22 stop" definition, where are curb stops usually  
23 located?

24 A (Oleson) At the property line.

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 Q Okay. And, turning to Page 42 of Exhibit 5, and  
2 do you see the "Terms and Conditions" about  
3 "Service Pipe" have been revised?

4 A (Oleson) I do.

5 Q And you were involved in these revisions?

6 A (Oleson) Yes.

7 Q Okay. With respect to "Single Family Homes", do  
8 you see that under Section 1(b)(1)?

9 A (Oleson) I do.

10 Q Okay. Can you please explain the ownership  
11 boundary on who was going to be responsible for  
12 what, and how was that established for single  
13 family homes?

14 A (Oleson) All the water lines and service lines up  
15 to the curb stop, and including the curb stop,  
16 would be owned by the water company. Anything  
17 beyond the curb stop would be up to the  
18 homeowner.

19 Q Okay. And I would like to draw your attention to  
20 the last para -- the last sentence in  
21 Subparagraph (1), "Single Family Homes". It  
22 states "All new exterior shut-off valves shall be  
23 placed at the property line."

24 Was this an attempt to grandfather

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 existing single family home customers?

2 A (Oleson) Yes. Well, it was more -- it was more  
3 for new ones, for new customers.

4 Q Yes. That's what -- the point I was just trying  
5 to --

6 A (Oleson) Okay. Okay.

7 Q And I may have confused you by using the word  
8 "grandfathered".

9 So, there was a carve-out, that  
10 prospective curb stop installations for single  
11 family home customers would have to adhere to the  
12 property line?

13 A (Oleson) Yes.

14 Q Installation -- okay. Thank you. Now, with  
15 respect to the "Condominiums and Other  
16 Multi-Family Residences", can you please explain  
17 where the -- how the obligation of ownership and  
18 maintenance of the Company and the customer, --

19 A (Oleson) Yes.

20 Q -- where that boundary was?

21 A (Oleson) The ownership was pretty much the same  
22 for Rosebrook, it was up to and including the  
23 curb stop. Between the curb stop and the house  
24 or the exterior wall was owned by the

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 association, and anything inside was the  
2 homeowner.

3 Q Okay. All right. And, if a curb stop was within  
4 the homeowners association's common area, would  
5 that, even though it's beyond the property line,  
6 and the curb stop may be well beyond the property  
7 line, did the Company maintain up to the curb  
8 stop?

9 A (Oleson) You know, I knew you'd ask me that. And  
10 I don't remember how we did that billing.  
11 Because I just did the work, you know, we did the  
12 work. The billing, I can't say for sure. I  
13 cannot say 100 percent.

14 Q Okay. Thank you for entertaining my  
15 hypothetical.

16 With respect to "Commercial Buildings",  
17 where was the demarcation of responsibility for  
18 commercial buildings?

19 A (Oleson) Again, at the property line for a curb  
20 stop.

21 Q Okay. Thank you. And where are the curb stops  
22 for the Hotel?

23 A (Oleson) On Base Road.

24 Q Okay. Thank you. And is Rosebrook responsible

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 up to and including the curb stops at that point?

2 A (Oleson) Yes.

3 Q Okay. Mr. Gallo, I don't know if I've already  
4 asked you the same question. The curb stops for  
5 the Hotel, again, where are they? Are you on  
6 mute?

7 A (Gallo) Excuse me. The curb stops are located at  
8 Base Road.

9 Q Okay. Thank you. Ms. Oleson, can you turn your  
10 attention to Exhibit 6 please?

11 A (Oleson) Yes. I have it.

12 Q Now, I'd like to turn your attention to Page 3,  
13 the "Scope of Services". Do you see that?

14 A (Oleson) Yes.

15 Q Were you involved in this Scope of Services for  
16 drinking water?

17 A (Oleson) Yes, I was.

18 Q And how so?

19 A (Oleson) For -- well, I did the sampling at the  
20 restaurant, at the Top O' Quad Restaurant and at  
21 The Lodge.

22 Q Okay. And did you perform any of the services  
23 under the wastewater part of this Scope of  
24 Services?

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 A (Oleson) Yes. Yes. That was all part of the  
2 regular job.

3 Q Okay. And did this necessitate you going onto  
4 the Hotel campus?

5 A (Oleson) Yes. In all cases, yes.

6 Q And how often?

7 A (Oleson) For the sampling, the water sampling, at  
8 the Top O' Quad and The Lodge, I believe those  
9 were quarterly. The Top O' Quad may have been  
10 less. It was just when the restaurant was open  
11 in the wintertime, I believe. I don't know that  
12 it was open in the summer then.

13 And the wastewater was daily. We were  
14 there daily checking.

15 Q And you said that, in addition, there was a  
16 Resort Waste and then there was the Hotel Waste,  
17 is that right?

18 A Yes.

19 MS. BROWN: Okay. I believe -- I  
20 believe I am done. But I just need to caucus  
21 over with Nick.

22 Is it possible to take a break or are  
23 we nearing lunch that I could use that break?

24 CHAIRWOMAN MARTIN: I think it's

[WITNESS PANEL: Vaughan|Gallo|Oleson]

1 probably a good time to take lunch, because it  
2 sounds like Mr. Patnaude will switch out with  
3 Ms. Robidas.

4 So, why don't we take a lunch break,  
5 and return at one o'clock.

6 MS. BROWN: Okay. Thank you.

7 CHAIRWOMAN MARTIN: Okay. Thank you,  
8 everyone.

9 ***(Whereupon the lunch recess was taken***  
10 ***at 12:23 p.m., and the hearing to***  
11 ***resume under a separate transcript***  
12 ***entitled "Day 1 Afternoon Session***  
13 ***ONLY")***

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