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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

March 10, 2021 - 1:39 p.m.

[Remote Hearing conducted via Webex]

**RE: DW 20-153
PITTSFIELD AQUEDUCT COMPANY, INC.:
Request for Change in Rates.
(Hearing on Temporary Rates)**

PRESENT: Chairwoman Dianne H. Martin, Presiding
Cmsr. Kathryn M. Bailey

Jody Carmody, Clerk
Corrine Lemay, PUC Remote Hearing Host

APPEARANCES: **Reptg. Pittsfield Aqueduct Co., Inc.:**
Marcia A. Brown, Esq. *(NH Brown Law)*

Reptg. PUC Staff:
Lynn H. Fabrizio, Esq.
Jayson Laflamme, Asst. Dir./Gas & Water

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

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I N D E X

PAGE NO.

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 DONALD L. WARE
 JAYSON P. LAFLAMME

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E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Pittsfield Aqueduct Company Rate Filing	<i>premarked</i>
2	Settlement Agreement on Temporary Rates	<i>premarked</i>
3	Pittsfield Aqueduct Company, Inc. 2019 Annual Report	<i>premarked</i>

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P R O C E E D I N G

CHAIRWOMAN MARTIN: We're here today in Docket DW 20-153 for a hearing regarding the Pittsfield Aqueduct Company Petition for Temporary Rates.

I have to make the necessary findings because this is a remote hearing.

As Chairwoman of the Public Utilities Commission, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic, and in accordance with the Governor's Emergency Order Number 12, pursuant to Executive Order 2020-04, this public body is authorized to meet electronically. Please note that there is no physical location to observe and listen contemporaneously to this hearing, which was authorized pursuant to the Governor's Emergency Order.

However, in accordance with the Emergency Order, I am confirming that we are utilizing Webex for this electronic hearing. All members of the Commission have the ability to communicate contemporaneously during this hearing, and the public has access to

1 contemporaneously listen and, if necessary,
2 participate.

3 We previously gave notice to the public
4 of the necessary information for accessing the
5 hearing in the Order of Notice. If anybody has a
6 problem during the hearing, please call (603)
7 271-2431. In the event the public is unable to
8 access the hearing, the hearing will be adjourned
9 and rescheduled.

10 Okay. We have to take roll call
11 attendance. My name is Dianne Martin. I am the
12 Chairwoman of the Public Utilities Commission.
13 And I am alone.

14 Commissioner Bailey.

15 CMSR. BAILEY: Good afternoon,
16 everyone. Commissioner Bailey, Kathryn Bailey --
17 can you see me?

18 CHAIRWOMAN MARTIN: Yes.

19 CMSR. BAILEY: I lost my screen.
20 Sorry. There we go.

21 Commissioner Kathryn Bailey. And I am
22 alone.

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

1 MS. BROWN: Good afternoon, Madam
2 Chair, Commissioner Bailey. Thank you for your
3 time this afternoon.

4 My name is Marcia Brown, with NH Brown
5 Law, and I am here representing Pittsfield
6 Aqueduct Company in this temporary rate hearing.
7 And, if I can also introduce, with me today is
8 Mr. Larry Goodhue, who is the Chief Executive
9 Officer and Chief Financial Officer of Pittsfield
10 Aqueduct Company. Donald Ware is in attendance.
11 He is the Chief Operating Officer for Pittsfield
12 Aqueduct Company.

13 Those two members of the Company will
14 be joining a panel of witnesses presenting the
15 Temporary Rate Settlement Agreement today with
16 Mr. Laflamme.

17 Also present from the Company, in
18 attendance, is Carol Ann Howe, who is the
19 Company's Assistant Treasurer and Director of
20 Regulatory Affairs and Business Services; also
21 Jay Kerrigan, who is the Company's Regulatory and
22 Treasury Financial Analyst; and, lastly, George
23 Torres, who is the Company's Corporate
24 Controller, Treasurer, and Chief Accounting

1 Officer.

2 Thank you.

3 CHAIRWOMAN MARTIN: Okay. Thank you.

4 And Ms. Fabrizio.

5 MS. FABRIZIO: Thank you. Good
6 afternoon, Madam Chair and Commissioner Bailey.

7 I'm Lynn Fabrizio, here on behalf of
8 Staff. And with me today is Jayson Laflamme,
9 Assistant Director of the Gas and Water Division
10 at the Commission.

11 CHAIRWOMAN MARTIN: Okay. Thank you.

12 I have Exhibits 1 through 3 prefiled and
13 premarked for identification. Anything else
14 related to exhibits that we need to discuss?

15 MS. BROWN: Nope. I was just going to
16 make note of a preliminary matter that, by
17 agreement, Staff and the Company offer those
18 exhibits, those three exhibits for identification
19 today.

20 CHAIRWOMAN MARTIN: Thank you. Any
21 other preliminary matters?

22 MS. BROWN: Just logistics, if I could
23 speak to that. The Company and Staff spoke
24 before the hearing started about the presentation

1 today and the logistics of conducting a panel of
2 Mr. Goodhue, Mr. Ware, and Mr. Laflamme, and have
3 decided it makes sense for me to go forward in
4 questioning in direct of Mr. Ware and Mr.
5 Goodhue, then turn to Staff, where Attorney
6 Fabrizio will conduct direct of Mr. Laflamme.
7 Then, we will leave those three witnesses
8 available for the Commissioners' questions. And
9 then have an opportunity for redirect, if need
10 be.

11 So, if I have misspoken, Attorney
12 Fabrizio, on the proposed presentation today, let
13 me know.

14 CHAIRWOMAN MARTIN: That works
15 perfectly, because that's what I had planned on.

16 So, why don't we have the witnesses
17 sworn in.

18 (Whereupon **Larry D. Goodhue, Donald L.**
19 **Ware,** and **Jayson P. Laflamme** were duly
20 sworn by the Court Reporter.)

21 CHAIRWOMAN MARTIN: Okay. Ms. Brown.

22 MS. BROWN: Thank you.

23 **LARRY D. GOODHUE, SWORN**

24 **DONALD L. WARE, SWORN**

[WITNESS PANEL: Goodhue|Ware|Laflamme]

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JAYSON P. LAFLAMME, SWORN

DIRECT EXAMINATION

BY MS. BROWN:

Q Mr. Goodhue, if I could have you state your name for the record please, --

A (Goodhue) My name --

Q -- and your position with the Company?

A (Goodhue) Yes, ma'am. My name is Larry Goodhue. And I am the Chief Executive Officer and Chief Financial Officer for the Company.

Q And, Mr. Goodhue, just a background question. Before you held those two positions, were those positions held by multiple other people?

A (Goodhue) Yes, they were. Prior to my promotion to Chief Executive Officer in 2015, November 2015, I was the Chief Financial Officer, and we had a predecessor of mine seated as the Chief Executive Officer. Upon my promotion, we brought both of those roles together, at least in the interim, with me holding both roles.

Q Mr. Goodhue, does that merging of those two positions have a financial benefit to the Company?

A (Goodhue) It does have a financial benefit, which

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 the Company has experienced over the past several
2 years, and would be continuing for a period of
3 time for which I would hold both of those roles.
4 It would have to be replaced by two individuals
5 in kind for those individual roles.

6 Q Okay. Mr. Ware, if I can turn to you, and please
7 state your name and position for the record?

8 A (Ware) Yes. My name is Donald Ware. And I am
9 the Chief Operating Officer for the Pittsfield
10 Aqueduct Company.

11 Q And, if I can then, Mr. Goodhue, have you turn to
12 Exhibit 1. Do you have Exhibit 1 in front of
13 you?

14 A (Goodhue) Give me a moment and I will have it in
15 front of me here.

16 Q Okay.

17 A (Goodhue) So, Exhibit 1 is which of the exhibits,
18 ma'am?

19 Q I'm sorry. Exhibit 1 is the full rate case
20 filing. It's either a large binder or --

21 A (Goodhue) Yes.

22 Q Okay.

23 A (Goodhue) I do have that. Under Tab 1, with
24 those attachment tabs. Yes.

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 Q Okay. Thank you. Now, Mr. Goodhue, are you
2 familiar with this Exhibit 1?

3 A (Goodhue) Absolutely.

4 Q And did you prepare this, portions of this
5 exhibit?

6 A (Goodhue) I either was directly involved or
7 indirectly involved in the preparation of those,
8 that filing, and/or was a part of the review
9 process, along with members of our team.

10 Q Okay. And you are, specific to the rate
11 schedules contained in Exhibit 1, are you also
12 familiar with those schedules?

13 A (Goodhue) Yes, ma'am.

14 Q Okay. And, Mr. Ware, with respect to Exhibit 1,
15 which is the rate filing, did you prepare or are
16 you familiar with the contents, in particular the
17 rate schedules, of Exhibit 1?

18 A (Ware) Yes. I'm familiar with the rate schedules
19 in Exhibit 1. And I prepared those exhibits in
20 conjunction with the help of our regulatory
21 staff.

22 Q Okay. Mr. Ware, is Exhibit 1 on file with the
23 Commission?

24 A (Ware) Yes, it is.

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 Q And, Mr. Ware, with respect to the rate case
2 schedules that are required to be filed under the
3 Commission's rules, those are within Exhibit 1,
4 is that correct?

5 A (Ware) Yes. The filing requirements appear in
6 Tab 12 of the rate filing, on Bates Page 230.
7 And the rate of return schedules appear on Tab
8 13, which begins on Bates Page 275.

9 MS. BROWN: Madam Chair and
10 Commissioner Bailey, for the record, I would also
11 like to note that the Company had filed a *pdf*
12 version that, when viewed in Acrobat Reader, has
13 tabs in the bookmarks to facilitate following
14 along.

15 BY MS. BROWN:

16 Q Mr. Ware, with respect to -- actually, let me --
17 I already asked that question. Sorry.

18 Mr. Goodhue, if I could turn to you
19 with respect to your testimony. The testimony
20 that appears at Tab 9, which for the record is
21 your permanent rate testimony, did you prepare
22 that testimony?

23 A (Goodhue) Yes, I did.

24 CHAIRWOMAN MARTIN: Just a minute,

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 Ms. Brown.

2 (Short pause to check with the court
3 reporter that he heard the answer.)

4 BY MS. BROWN:

5 Q And, Mr. Goodhue, did you also prepare testimony
6 with respect to temporary rates, which for the
7 record appears at Tab 6?

8 A (Goodhue) Yes, I did.

9 Q And, when I refer to "Tab 6", I'm referring to
10 Exhibit 1.

11 Mr. Ware, did you prepare permanent
12 rate testimony that is contained within Exhibit
13 1?

14 A (Ware) Yes, I did.

15 Q And does that testimony appear at Tab 10?

16 A (Ware) Yes, it does.

17 Q And did you prepare temporary rate testimony
18 that's contained within this exhibit as well?

19 A (Ware) Yes, I did.

20 Q And does that temporary rate testimony appear at
21 Tab 6?

22 A (Ware) Yes, it does.

23 Q Okay. Now, Mr. Goodhue, I had started to ask you
24 this question, but I will ask it more fully at

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 this moment. The testimonies that were just
2 described that you were responsible, that you had
3 drafted for permanent and temporary rates, did
4 you prepare those or were they prepared under
5 your direct supervision and control?

6 A (Goodhue) I prepared those.

7 Q And, to the best of your knowledge, is that
8 testimony true and accurate?

9 A (Goodhue) To the best of my knowledge.

10 Q And do you have any material changes or
11 corrections that need to be made to that
12 testimony, either of those testimonies?

13 A (Goodhue) I do not.

14 Q Thank you. And, as part of your oral testimony
15 today, do you adopt those two testimonies as part
16 of your oral testimony today?

17 A (Goodhue) Yes, I do.

18 Q Mr. Ware, with respect to the two testimonies,
19 the permanent rate and temporary rate testimonies
20 that I just asked you about, were they prepared
21 by you or under your direct supervision and
22 control?

23 A (Ware) Yes. I prepared that testimony.

24 Q And are those testimonies true and accurate to

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 the best of your knowledge?

2 A (Ware) Yes. They are accurate to the best of my
3 knowledge.

4 Q And do you have any material changes or
5 corrections that need to be made to either of
6 those testimonies?

7 A (Ware) No, I do not.

8 Q And would you adopt those two testimonies as part
9 of your oral testimony today?

10 A (Ware) Yes, I do.

11 Q Okay. Mr. Ware, if I could turn to some
12 substantive questions regarding the revenue
13 deficiency in this case.

14 In your testimonies, you had summarized
15 some of the drivers of the need for the Company's
16 request for an increase in its revenue
17 requirement. For the record, can you please
18 summarize those now?

19 A (Ware) Yes. So, this is the first test year
20 since 2012. And, during that timeframe, we have
21 seen increases in our labor costs, both in the
22 union and nonunion; insurance costs, in
23 particular, in property and casualty have
24 increased; regulatory expenses have gone up

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 moderately; operating expenses, chemicals and
2 power have gone up moderately; and employee
3 benefits, in particular, in the area of pension
4 and healthcare, have also increased over that
5 timeframe.

6 And we have had some expenses moderate.
7 One of them is in the area of property taxes,
8 where we had a settlement with the Town of
9 Pittsfield that allowed a reduction in the
10 property taxes we were paying between 2018 and
11 2019 of about \$50,000, or about 20 percent of the
12 property taxes.

13 Q Thank you. Thank you for that summary, Mr. Ware.

14 Mr. Ware, continuing on with you, and I
15 just want to make sure you have Exhibit 1, which
16 is the rate filing, in front of you?

17 A (Ware) I do.

18 Q And could you please turn to what's Bates Page
19 032? For the Commission, it is also accessible
20 at Tab 6.

21 A (Ware) Okay. I am there.

22 Q Okay. And, Mr. Ware, this is the joint temporary
23 rate testimony, is that right?

24 A (Ware) That is correct.

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 Q Okay. And, on the bottom of Page 32, do you see
2 where there's an explanation of the Company's
3 overall rate of return?

4 A (Ware) Yes.

5 Q And is that overall rate of return calculation
6 based on the rate case schedules that I asked you
7 about in prior questions that were at, I believe,
8 Tabs 12 and -- Tabs 12 and 13?

9 A (Ware) Yes, it is.

10 Q Okay. Thank you. Now, Mr. Ware, I want to
11 follow up on the summary that, although it's on
12 Page 32, you may need to turn to Tab 12 to answer
13 this fully, but could you please describe for the
14 record how the Company calculated the revenue
15 deficiency, and specify what schedules that the
16 Commission should direct their attention to?

17 A (Ware) Yes. We prepared two what we would term
18 "Schedule A"s, one following the conventional
19 ratemaking methodology based on our return on
20 investment, and as approved in DW 11-026, which
21 was the City's acquisition of Pittsfield Aqueduct
22 Company, were the components, you know, of a rate
23 base model, in order to look at the revenue
24 requirement that would be required, that's found

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 on Bates Page 231. And that showed that,
2 after -- with the test year, before *pro forma*
3 adjustments, --

4 [Court reporter interruption due to
5 audio issues.]

6 **CONTINUED BY THE WITNESS:**

7 A (Ware) All right. So, on Bates Page 231, which
8 again follows the conventional ratemaking
9 methodology, which we're seeking to change as
10 part of this rate case, it indicated a test year
11 revenue requirement of 13.59 percent increase
12 required, after *pro forma* adjustments that came
13 out to 6.35 percent, and that was based on the
14 Company earning a rate of return of 3.81 percent.

15 If you turn to Bates Page 232, you will
16 see the ratemaking formulation that we are
17 requesting, which is that which we utilized in
18 what's approved for Pennichuck Water Works in its
19 most recent rate case, and that involves more of
20 a cash approach, recovery of the cash in buckets,
21 recovery of cash in rates to pay for the
22 Company's portion of the payment to the City to
23 pay for the \$151 million bond that it sold to buy
24 the equity of the Company; includes the material

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 operating expenses to operate the Company, things
2 like labor, chemicals, power, so on and so forth;
3 and includes the Material Operating Expense
4 Factor in that calculation of revenue requirement
5 to allow for a buffer of revenues to be collected
6 to allow us to get the three years between rate
7 cases and cover normal or expected increases in
8 expenses; it involves our recovery of debt
9 service and retirement on the debt that the
10 Company has outstanding, plus the 10 percent over
11 cover as required by the banks, to come up with a
12 total revenue requirement. And that methodology
13 results in a revenue requirement of 11 --
14 increase of 11.18 percent.

15 BY MS. BROWN:

16 Q Thank you, Mr. Ware. And that is shown on, I
17 guess, the far right column on Bates Page 232 of
18 Exhibit 1?

19 A (Ware) That is correct. Two thirty two (232),
20 Marcia. Excuse me.

21 Q Thank you. My mistake. Page 232. You're
22 correct.

23 Mr. Goodhue, do you have anything to
24 add to Mr. Ware's explanation of the deficiency

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 or discussion about these schedules?

2 A (Goodhue) No, I do not. I think Mr. Ware
3 portrayed the filing in accordance with that
4 legacy filing under 11-026, and the current
5 filing requirements to bring Pittsfield Aqueduct
6 in compliancy with its sister subsidiaries and
7 the cash flow needs in our ownership structure.

8 Q Thank you, Mr. Goodhue. Mr. Ware, if I could
9 have you turn to Exhibit 3 please? This is, for
10 the record, the Company's 2019 Annual Report.

11 A (Ware) Okay.

12 Q Mr. Ware, are you familiar with this document?

13 A (Ware) Yes, I am.

14 Q And is this annual report on file with the
15 Commission?

16 A (Ware) Yes, it is.

17 Q And can you please turn to Bates Page 027?

18 A (Ware) Bear with me please. I'm trying to find
19 it. Bates Page 027. I just have an electronic
20 copy of that exhibit.

21 Q To further help, it is the "Schedule F-2
22 Statement of Income", which appears at the
23 document Page 19.

24 A (Ware) Okay, I'm getting there. The internet is

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 being a little slow.

2 Q If you need time, I can move onto another line of
3 questions as that loads?

4 A (Ware) It is loading again now. It crashed, and
5 it's reloading. All right. I am here. And
6 which page of the Annual Report is it please?

7 Q Schedule F-2 Statement of Income, Bates Page 027
8 of Exhibit 3, or, in the Annual Report, it's also
9 known as "Page 19".

10 A (Ware) Okay. Yes. I am at that page now. Thank
11 you.

12 Q Okay. Now, my question is, is this where the
13 Company would direct the Commission's attention
14 to demonstrate that the Company's operating
15 revenues are insufficient to meet the required
16 expenditures under the ratemaking mechanism
17 approved in the Company's last rate case?

18 A (Ware) The data taken from this Annual Report
19 form and put into the rate filing scenarios have
20 both the conventional method and the method that
21 we're utilizing would come from this Annual
22 Report. But you can't see the Company's position
23 relative to cash in this report. And the biggest
24 thing that's missing is the fact that there's a

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 payment by the Company to cover its share of the
2 payment up to the City, and it also includes
3 things like depreciation expense and other items.
4 So, this is more -- the information in here
5 reflects the financials of an investor-owned
6 utility, who has then an equity component and a
7 higher rate of invest -- return on investment.

8 Q Thank you, Mr. Ware, for that clarification.

9 Is this Annual Report on file with the
10 Commission?

11 A (Ware) Yes, it is.

12 Q And do you consider this and the Exhibit 1 rate
13 filing to be "books and records on file with the
14 Commission", if they are to support a finding on
15 temporary rates?

16 A (Ware) Yes, I do.

17 Q Okay. Mr. Goodhue, do you have anything else to
18 add to the explanation that Mr. Ware provided?

19 A (Goodhue) I do not.

20 Q Okay. If I could have both of you turn to
21 Exhibit 2, which for the record is the Settlement
22 Agreement?

23 A (Goodhue) I'm there.

24 Q Okay. I'll start with you, Mr. Goodhue. Did you

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 participate in the preparation of this document?

2 A (Goodhue) Yes, I did.

3 Q Are you familiar with its terms?

4 A (Goodhue) I am.

5 Q Mr. Goodhue, are you aware of any changes or
6 corrections that should be made to this Exhibit
7 2?

8 A (Goodhue) I am not aware of any corrections or
9 adjustments that are required or needed to this
10 document.

11 Q Okay. Mr. Ware, do you have Exhibit 2 in front
12 of you?

13 A (Ware) I do.

14 Q And are you familiar with the terms in this
15 document?

16 A (Ware) I am.

17 Q Did you participate in the preparation of this
18 document?

19 A (Ware) I did.

20 Q And are you aware of any changes or corrections
21 that need to be made to this document?

22 A (Ware) I am not aware of any changes or
23 corrections that need to be made to the document.

24 Q Okay. Mr. Ware, on Bates Page 003, and Section

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 IV, "Terms of Agreement", can you get to that
2 portion of the document please?

3 A (Ware) I can. And I am on Page 4. And which
4 paragraph did you refer to?

5 Q It's Page 3, and it's Paragraph IV --

6 A (Ware) Yes, I am there.

7 Q -- of the Settlement Agreement.

8 A (Ware) Yes.

9 Q Mr. Ware, could you please summarize the level of
10 temporary rates being sought in this Agreement?

11 A (Ware) Yes. The Company is seeking temporary
12 rates at current rates. So, therein, what this
13 effectively is doing is establishing a timeframe
14 for us to ultimately recoup whatever permanent
15 rates are granted in this case back to. But, as
16 far as rates that are being granted by this, we
17 will continue to bill our customers at the
18 temporary rate until such time this case is
19 concluded and a final determination is made on
20 the permanent rate increase that we are seeking.

21 Q Thank you, Mr. Ware. Now, next, on the same
22 page, IV, Subparagraph B, as in "boy", do you see
23 the effective date of "December 17th, 2020"?

24 A (Ware) Yes, I do.

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 Q And is this effective date service-rendered or
2 bills-rendered?

3 A (Ware) This would be on a service-rendered basis.

4 Q And is service-rendered required under the
5 Commission's rules?

6 A (Ware) Yes, it is.

7 Q Now, Mr. Ware, with respect to the issue of
8 notifying customers of this rate case, can you
9 please describe the steps the Company took to
10 notify the Commission and customers of the
11 proposed rate increase?

12 A (Ware) Yes. So, first of all, on September 17th
13 of 2020, we filed a Notice of Intent with the
14 Public Utilities Commission per Puc 1604.05 and
15 RSA 378. On November 16th of 2020, we filed --
16 the Company filed its tariffs and provided 30
17 days notice in advance of the sought effective
18 date of December 17th, 2020. That notice was
19 accomplished by, on November 17th, we posted our
20 rate filing, the proposed tariffs, and the
21 request for temporary rates on our website. We
22 also posted on our website what we call, you
23 know, "Answers to Frequently Asked or Commonly
24 Asked Questions". On December 18th, we mailed

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 individually to each customer the notice of its
2 rate filing and proposed rates. And, on December
3 17th of 2020, we published the Commission's order
4 on our website in regard to the filing. And, on
5 December 17th of 2020, we filed proof of our Web
6 posting with the Commission.

7 Q Okay. And Mr. Goodhue?

8 A (Goodhue) Just one point of clarification. Mr.
9 Ware mentioned that we mailed to our customers
10 the actual notice on "December 18th". It was
11 actually on "November 18th".

12 Q Thank you for that clarification, Mr. Goodhue.
13 Mr. Goodhue, with respect to the discussion of
14 terms that Mr. Ware just testified to, do you
15 have anything else to add?

16 A (Goodhue) I don't, other than just that slight
17 correction, which would be important in the
18 overall proceeding and the process the Company
19 did to notify customers in compliancy with the
20 rules.

21 Q Thank you. Mr. Ware, I have a follow-up question
22 for you. If you could please turn to Tab 8 of
23 Exhibit 1 in the rate filing. And, for the
24 record, it's Bates Page 040.

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 And I'd like to ask you if this
2 customer notice was used in the notification that
3 you just described, and if you could just please
4 elaborate when and how it was used?

5 A (Ware) Just bear with me while I toggle between
6 screens. And this is which exhibit, Marcia?

7 Q In the rate filing, I'm directing your attention
8 to the customer notice, which appears at Tab 8.
9 And that's physical Tab and electronic Tab 8.

10 A (Ware) Yes. I am at that tab.

11 Q So, again, my question is, if you could please
12 explain to the Commission what role this customer
13 notice played in notifying customers, how the
14 Company used it? Thank you.

15 A (Ware) Yes. So, this notice was used, as I
16 described previously, in a number of different
17 methodologies. We posted this to our website on
18 the date that was previously described, on
19 November 17th. We also incorporated this notice
20 in each individual -- through a direct mailing to
21 each individual customer on November 18th. So,
22 that was used to notify the customers of the rate
23 increase that was being sought.

24 Q Thank you for speaking to that issue, Mr. Ware.

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 Now, I'd like to turn to a little bit of rate
2 design questions, if you could. Mr. Ware, could
3 you summarize for the Commission what customer
4 classes the Company has?

5 A (Ware) Yes. The Pittsfield Aqueduct Company has
6 three classes of customers: General-metered,
7 private fire protection, and public fire
8 protection.

9 Q Okay. Within this rate case, has the Company
10 conducted a cost of service study?

11 A (Ware) No. We did not complete a cost of service
12 study.

13 Q And can you please explain in the record why?

14 A (Ware) Yes. The Pittsfield Aqueduct system, its
15 character and make-up of customers has not
16 changed literally for the last thirty years, or
17 almost our entire length of ownership. Number of
18 customers, that general-metered has, you know,
19 changed little to none; fire protection, either
20 fire protection has not changed; size of mains,
21 the only size of mains occurred back prior to the
22 change back prior to the last cost of service
23 study done back in the early 2000s. But, since
24 that time, overall, the drivers that would create

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 a change in revenues between customer classes,
2 none of those drivers have changed. That it's,
3 you know, the system has effectively stayed the
4 same. So, we are proposing that there be no
5 change in that.

6 Q And, Mr. Goodhue, do you have anything to add to
7 that explanation?

8 A (Goodhue) No. I agree 100 percent with what Mr.
9 Ware stated relative to customer class dispersion
10 within this Company.

11 Q And, Mr. Goodhue, there are no rate design
12 changes proposed for temporary rates, is that
13 correct?

14 A (Goodhue) That is correct.

15 Q Okay. Mr. Ware, earlier in your testimony you
16 had described the reconciliation would occur and
17 the importance of setting temporary rates. And
18 I'd like to revisit and have you briefly explain
19 how the reconciliation is calculated?

20 A (Ware) Okay. So, if, you know, out of this
21 hearing we are granted temporary rates at current
22 rates, and the effective date on a
23 service-rendered basis is December 17th of 2020,
24 what would happen is, when final rates are

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 granted, the difference between the date when
2 final rates become effective via tariff and the
3 December 17th, we will calculate the bill that
4 the customer paid during that timeframe,
5 beginning with December 17th through the date
6 when the new tariff takes effect, at the new
7 rate, say it's a 10 percent increase, and compare
8 that to what we actually billed during that
9 timeframe, the difference between those two, in
10 total, is the amount of recoupment that we would
11 collect from the customer for that time period.

12 Q Thank you. Mr. Goodhue, do you have any opinion
13 as to whether the temporary rates proposed in the
14 Settlement are just and reasonable and consistent
15 with the public interest?

16 A (Goodhue) I do.

17 Q And what is that opinion?

18 A (Goodhue) Yes. The Company is requesting
19 temporary rates at current rates for the
20 following reason: Even though the Company is in
21 a revenue deficiency, it does need to earn that
22 revenue deficiency. Not unlike its sister
23 subsidiaries, Pennichuck Water Works and
24 Pennichuck East Utility, since the ownership

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 conversion in 2012 by the City, the structure of
2 this Company is truly cash flow-based.

3 However, the Company is highly
4 sensitive to and empathetic to the extraordinary
5 circumstances that have occurred in the region
6 relative to COVID-19 over the last year. And, as
7 such, we are only seeking temporary rates at
8 current rates to preserve our rights for the
9 recoupment of our permanent rates once issued,
10 rather than seeking any immediate relief relative
11 to those temporary rates at this time.

12 Q Okay. Mr. Ware, do you agree with that opinion?

13 A (Ware) Yes, I do.

14 MS. BROWN: And I believe that
15 completes my direct of Mr. Goodhue and Mr. Ware.

16 CHAIRWOMAN MARTIN: Ms. Fabrizio.

17 MS. FABRIZIO: Thank you, Madam Chair.

18 BY MS. FABRIZIO:

19 Q Good afternoon, Mr. Laflamme. Could you please
20 state your full name for the record?

21 A (Laflamme) My name is Jayson Laflamme.

22 Q And what is your position at the Commission?

23 A (Laflamme) I am the Assistant Director of the Gas
24 and Water Division.

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 Q And how long have you held that position?

2 A (Laflamme) Approximately three years.

3 Q Thank you. And what are your responsibilities as
4 Assistant Director of the Division?

5 A (Laflamme) I directly supervise the Water Staff
6 of the Commission, and primarily oversee the
7 course of examination for water and wastewater
8 dockets that are filed with the Commission. I
9 also directly examine select dockets that come
10 before the Commission, such as the one being
11 presented today.

12 Q And, in your capacity as Assistant Director, were
13 you the lead analyst responsible for examining
14 Pittsfield Aqueduct Company's Petition for
15 Temporary Rates in this proceeding?

16 A (Laflamme) Yes.

17 Q And would you please describe your involvement
18 with this docket in a little more detail?

19 A (Laflamme) Yes. I examined the Company's
20 temporary and permanent rate filings in
21 conjunction with the books and records previously
22 on file with the Commission regarding Pittsfield
23 Aqueduct. I participated in the tech session
24 following the prehearing conference in this case.

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 And I participated in the formulation of the
2 Settlement Agreement that's being presented
3 today.

4 I have also materially participated in
5 previous Pennichuck Company dockets and rate
6 cases, including Pennichuck Water Works,
7 Pennichuck East Utility, and Pittsfield Aqueduct
8 Company. And those dockets include DW 11-026,
9 which is -- which was Nashua's acquisition docket
10 of the Pennichuck Companies. I have materially
11 participated in the last two Pennichuck Water
12 Works dockets, which are DW 16-806 and DW 19-084.
13 And I materially participated in the Pennichuck
14 East rate case, which was DW 17-128. And then,
15 currently, the analyst in DW 156 -- 20-156, which
16 is Pennichuck East's current rate case before the
17 Commission.

18 Q Thank you. And do you support the Company's
19 request in this docket for temporary rates set at
20 current rates and the Settlement filed in this
21 proceeding?

22 A (Laflamme) Yes. Staff believes that setting
23 temporary rates at current levels is reasonable,
24 based on our preliminary review of the overall

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 filing. And we believe that any over or under
2 earning impacts will be addressed in the
3 reconciliation upon approval of final rates in
4 this proceeding, in accordance with RSA 378:29.

5 Q Thank you. And, based on your review of the
6 Company's temporary rate request, and the
7 Settlement presented today and marked as "Exhibit
8 2", do you concur that the proposed temporary
9 rates set at current rates adequately address the
10 relevant statutory requirements under RSA 378:27?

11 A (Laflamme) Yes. Again, based on a preliminary
12 review of the Company's permanent rate request,
13 including the Company's petition for modification
14 of its ratemaking structure, Staff believes that
15 the proposed temporary rates will ensure a
16 reasonable return on the Company's financed
17 capital investments that are used and useful, as
18 well as enable the Company to meet its operating
19 expenditure obligations, as well as its debt
20 service obligations.

21 Q Thank you. And do you have anything to add based
22 on what you've heard this afternoon?

23 A (Laflamme) No, I do not.

24 MS. FABRIZIO: Thank you. Mr. Laflamme

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 is available for questions from Commissioners.

2 CHAIRWOMAN MARTIN: Thank you.

3 Commissioner Bailey.

4 CMSR. BAILEY: Thank you.

5 BY CMSR. BAILEY:

6 Q Mr. Goodhue, can you explain to me whether

7 Pittsfield Aqueduct is any different than

8 Pennichuck, with respect to investment

9 ownership -- investor ownership or equity?

10 A (Goodhue) Yes, Commissioner Bailey. Can you hear
11 me okay?

12 Q Yes.

13 A (Goodhue) The ownership structure for Pittsfield
14 Aqueduct is identical in nature and composition
15 as Pennichuck Water Works or Pennichuck East
16 Utility. It is a wholly owned subsidiary of
17 Pennichuck Corporation, which, as everyone in
18 this proceeding would know, is by the sole
19 shareholder, the City of Nashua, New Hampshire.

20 I guess the one differential for
21 Pittsfield Aqueduct versus I'm going to say
22 Pennichuck Water Works or Pennichuck East
23 Utility, is, because of its size, it is smaller
24 than the other two utilities, ability to access

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 financing capital is a bit more problematic than
2 it would be for Pennichuck Water Works or
3 Pennichuck East Utility.

4 Pennichuck Water Works has enough
5 critical mass that we can go out and issue a bond
6 for capital projects. We have enough critical
7 mass. Pennichuck East is big enough such that
8 lenders like CoBank can lend to us for capital
9 projects.

10 Pittsfield Aqueduct does not have that
11 critical mass to the same extent that those two
12 entities have.

13 *[Court reporter interruption due to*
14 *audio issues.]*

15 **CONTINUED BY THE WITNESS:**

16 A (Goodhue) So, Pittsfield Aqueduct does not have
17 the same critical mass that Pennichuck Water
18 Works or Pennichuck East Utility would have.
19 Based on its very size, Pennichuck Water Works is
20 large enough financially to be able to issue
21 bonds for its capital, and has access to other
22 debt fundings through the SRF or the Drinking
23 Water and Groundwater Trust Fund. Pennichuck
24 East Utility has the ability to access funding

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 through CoBank and one of those two entities, the
2 SRF or the Drinking Water and Groundwater Trust
3 Fund.

4 Pittsfield Aqueduct is dependent upon
5 loans that may become available under the SRF,
6 and/or has to seek a way to make sure that it can
7 fully cash flow support its obligations. And, as
8 such, within this ownership structure, which is
9 identical to the other two, cash flow is key.

10 BY CMSR. BAILEY:

11 Q So, there's no equity that needs to be on a rate
12 of return -- a return on equity, is there?

13 A (Goodhue) There is not. In fact, you know, out
14 of 11-026, DW 11-026, the ability to have a
15 return on equity was basically taken away from
16 all of the utilities, in that there's really no
17 equity to earn upon within our current structure.

18 Q So, what is the rate of return then mentioned in
19 the Settlement based on?

20 A (Goodhue) That was based on us in the filing
21 making sure that we were compliancy with the
22 rules, and the filing schedules, to make sure
23 that we could identify that was in compliancy
24 with the rules.

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 The two schedules that Mr. Ware talked
2 about was the conventional filing schedule and
3 then I'm going to say the Schedule A which talks
4 the structure that has been approved for PWW
5 coming through DW 16-806 and DW 19-084, which
6 basically establishes, in addition to the CBFRR,
7 which was put in place under DW 11-026, the now
8 establishment of the other two revenue buckets,
9 being the OERR bucket and the DSRR bucket, and
10 their constitutional parts relative to true cash
11 flow coverage of the three basic requirements of
12 the Company: One is to be able to provide cash
13 through revenues for the CBFRR payment; secondly
14 is to be able to provide adequate cash to service
15 external debt service; and then, thirdly, to make
16 sure cash is generated that is sufficient to
17 cover operating expenses for the entity.

18 Q And all of those expenses are included in your
19 calculation of the rate of return -- that came up
20 with the rate of return, right? I mean, I know
21 that they're not organized the way that --

22 A (Goodhue) Yes.

23 Q -- Pennichuck organizes them, and that's what
24 you're asking us to do.

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 A (Goodhue) Right.

2 Q But all of the expenses that you need to pay your
3 debt were included, and you came up with a rate
4 of return of 1.44 percent. Is that correct?

5 A (Goodhue) Yes, ma'am.

6 Q So, doesn't that mean that you have enough
7 money -- enough revenue to cover your expenses,
8 because you don't, you know, you don't have a
9 rate of return?

10 A (Goodhue) One of the things, when you're looking
11 at something like the Annual Report, is, you
12 know, you can look at one year by itself and you
13 may have variability in revenues that occur just
14 based on consumption patterns within that year,
15 whereas your debt service requirements do not
16 have the variability component. The CBFRR does
17 not have that variable component, and a great
18 deal of our operating expenses do not have that
19 variability component. So, what we're talking
20 about is a rate structure here, analogous to what
21 we requested and got approved under PWW and PEU,
22 is a rate structure that ensures cash coverage
23 for those operating expenses regardless of
24 anomalies that may occur to the revenue

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 structure. Because it's not like our debt
2 payments can flex up and down as our revenues
3 change or the CBFRR can flex up and down as
4 revenues change, and our operating expenses do
5 not.

6 And, so, hopefully, that answered your
7 question. Mr. Ware is answering -- raising his
8 hand to augment my answer.

9 Q Thank you.

10 A (Ware) Yes. So, Commissioner Bailey, the rate of
11 return or return on investment in the
12 conventional schedules of 3.81 percent reflects
13 our average cost of debt. And, so, if we're only
14 making 1.44 percent using conventional
15 ratemaking, we are not getting enough return to
16 cover that average 3.81 percent interest rate
17 carried or coupon rate on the debt within
18 Pittsfield Aqueduct Company. So, that's the
19 difference when you're looking at that. So, the
20 1.44 we're earning on our debt, but we need to
21 earn 3.81 in order to make the debt payments.

22 Additionally, under the conventional
23 model, depreciation expense for the Company is
24 around 44 years, but the debt is structured at

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 25 to 30 years. So, the cash from depreciation
2 expense is insufficient to pay the principal.
3 The current revenues produce a 1.44 percent,
4 which is insufficient to cover the interest
5 expense associated with an average cost of 3.81
6 percent.

7 CMSR. BAILEY: Okay. Thank you. That
8 was very helpful. I have no further questions.

9 CHAIRWOMAN MARTIN: I have a couple of
10 questions.

11 BY CHAIRWOMAN MARTIN:

12 Q One, Mr. Goodhue, you had quite a bit of
13 testimony on the creditworthiness of this
14 Company, which piqued my interest. Can you tell
15 me about that and tell me if that's changed since
16 your prefiled testimony?

17 A (Goodhue) It has not changed, Chairwoman. It is
18 very analogous to what I had mentioned to
19 Commissioner Bailey in my response a few moments
20 ago.

21 The Company, I guess in a vacuum, you
22 would look at it and say "Is the Company
23 profitable? Does it generate enough cash flow to
24 service its debt and obligations?" And, as a

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 rule, yes, it does. You know, we have an under
2 earning, so we're filing a rate case.

3 However, it does not have that critical
4 mass to be able to attract lenders that are
5 needed for capital projects to the same extent as
6 its sister subsidiaries. For example, CoBank,
7 which is a key lender for Pennichuck East
8 Utility, which can lend to entities where they
9 service communities on average of 35,000
10 residents or less, Pittsfield Aqueduct, we've
11 kicked the tires with them in the past as to
12 whether they would be a willing lender for
13 Pittsfield Aqueduct. And it was not of a
14 critical mass or size that was large enough to
15 even be a lendable credit for them.

16 You know, so, the challenge really
17 comes down to, when you're looking for lenders,
18 is "does it pass muster with lenders?" Not only
19 in its size to be able to attract them as a
20 creditor for the company, but does it also have
21 the financial performance to meet all of the
22 requirements that a lender would request?

23 You know, could we go out and get a
24 term loan or something like that with a bank for

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 Pittsfield Aqueduct? Probably. But the terms
2 and conditions of the covenants that would be
3 required by one of those lenders would be far
4 above what our existing rate and revenue
5 structure would allow for us to meet those
6 covenants.

7 As I've addressed in PWW in the past,
8 the basic threshold for most lenders on a term
9 loan situation for a corporation would be that
10 they have an EBITDA coverage level of 1.25 times
11 EBITDA. And our rate structure doesn't allow for
12 that. We do -- you know, our rate structure is
13 designed to cover costs, not to create excess
14 profits.

15 So, currently, as I mentioned before, I
16 mean, this is a solid company. In a vacuum, it
17 is creditworthy. But it is not large enough to
18 have access to external credit that our other
19 subsidiaries have utilized.

20 Q Okay. Thank you. So, it sounds like, because
21 it's fundamentally related to the size of the
22 Company, that you don't expect that to change?

23 A (Goodhue) No. And it's almost exclusively
24 related to its size, Chairwoman. And, yes, I do

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 not expect that to change at all. You know, we
2 talked about the dynamics of the population we
3 serve there not really changing through almost
4 the entire time of our ownership there, and we
5 don't expect that dynamic to be changing anytime
6 soon, unless there's something happening in
7 Pittsfield that we're unaware of, as far as a
8 population explosion or an industrial base coming
9 into place.

10 Q Okay. Thank you for that. That's a helpful
11 explanation.

12 I had an observation just based on the
13 prior testimony about the property taxes, and how
14 they received a reduction. And then, when you
15 looked at the Annual Report, at Bates 027, I
16 think it was Lines 8 and 9 or Lines 7 and 8, was
17 that reduction reflected in the Annual Report?

18 A (Goodhue) I can speak to that. And, yes. And
19 that reduction actually occurred prior to the
20 years that you see in that Annual Report.

21 Q Okay.

22 A (Goodhue) And I'm trying to remember if it was
23 three or four years ago. Myself, Mr. Ware, and
24 external counsel, you know, proceeded on a

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 process of seeking a significant abatement of our
2 taxes with the Town of Pittsfield, and were able
3 to arrive at a settlement with the Town that was
4 materially advantageous to our customers at that
5 time for several years.

6 Q What was the delta after the abatement?

7 A (Goodhue) Being that I'm not 100 percent on that,
8 I'm going to ask Mr. Ware if he can offer that up
9 please?

10 A (Ware) Yes. So, our taxes in 2000 -- in the year
11 ending in 12/31/2016 were about \$238,000. And,
12 as you would note from the rate filing, at
13 12/31/2019, it's \$187,000. So, roughly \$51,000
14 reduction in property taxes between 2016 and year
15 ending in 2019.

16 A (Goodhue) And, if I could add on to what Mr. Ware
17 said, it is our normal practice, when we see a
18 requested change in property taxes from a
19 community that is out-of-line with the investment
20 that we've made in that community that could
21 warrant that, we do everything we can to
22 challenge those assessments, and, in this case,
23 was very successful.

24 And, fortunately, the Town of

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 Pittsfield looked at this in the right manner, in
2 that we serve a common audience. Their taxpayers
3 and our ratepayers are the same people. So, that
4 was a beneficial result.

5 CHAIRWOMAN MARTIN: Okay. Thank you
6 for those answers. I have no other questions.

7 Ms. Brown, do you have redirect?

8 MS. BROWN: I do have one redirect.
9 And where this is a panel, my brief question is
10 to Mr. Laflamme.

11 **REDIRECT EXAMINATION**

12 BY MS. BROWN:

13 Q And, Mr. Laflamme, Commissioner Bailey got into
14 the record the question or the issue about how
15 the rate of return is used to measure whether a
16 utility needs a bump in its -- or, increase in
17 its revenue requirement. You heard the
18 explanation given by the Company. And I wanted
19 to offer you an opportunity if you had anything
20 to add? That is my question. Do you have
21 anything to add to their explanation to that
22 question?

23 A (Laflamme) Well, the fact that the rate of return
24 component is really a holdover from the

[WITNESS PANEL: Goodhue|Ware|Laflamme]

1 original -- what I say is the original docket, DW
2 11-026, and which -- whereby the rate mechanism
3 in that docket included a rate of return
4 component.

5 The rate mechanism that's being
6 requested or modified, similar to Pennichuck
7 Water Works and Pennichuck East Utility, no
8 longer have a rate of return component *per se*.

9 MS. BROWN: Thank you. That was the
10 only question I had. Thank you.

11 CHAIRWOMAN MARTIN: Ms. Fabrizio?

12 MS. FABRIZIO: I have no actual
13 questions for Mr. Laflamme. But, if you have
14 anything to add after the questions and answers
15 that you have heard this afternoon, Mr. Laflamme,
16 please let us know?

17 WITNESS LAFLAMME: I do not.

18 MS. FABRIZIO: Thank you.

19 CHAIRWOMAN MARTIN: Thank you.

20 Commissioner Bailey, did you have any follow-up
21 to that testimony?

22 CMSR. BAILEY: Nope. No thank you. I
23 understand.

24 CHAIRWOMAN MARTIN: All right. So,

1 without objection, and pursuant to the
2 stipulation, we will strike ID on Exhibits 1
3 through 3 and admit those as full exhibits.

4 Is there anything else we need to cover
5 before we hear closings?

6 *[No verbal response.]*

7 CHAIRWOMAN MARTIN: Okay. Seeing none.
8 Ms. Fabrizio. You're on mute.

9 MS. FABRIZIO: My apologies. Thank
10 you, Madam Chair.

11 Staff supports the Company's request
12 for temporary rates in this docket. Staff
13 believes that the Company's Petition for
14 Temporary Rates meets the applicable requirements
15 of RSA 378:27, and that appropriate customer
16 rates will result when permanent rates are
17 ultimately approved and the temporary rates are
18 reconciled at the conclusion of this docket
19 proceeding.

20 The Company has provided adequate
21 notice to its customers of the proposed temporary
22 rate impact. And, based on a preliminary review
23 of the Company's permanent rate petition and
24 related filings, Staff finds that the temporary

1 rate proposal is reasonable and in the public
2 interest.

3 Staff also supports approval of the
4 Settlement presented today as Exhibit 2, which
5 establishes an appropriate framework with which
6 to proceed in considering the Company's request
7 for a permanent change in rates.

8 Staff therefore recommends that the
9 Commission approve the Petition for Temporary
10 Rates and the Settlement before it today.

11 Thank you.

12 CHAIRWOMAN MARTIN: Thank you. And
13 Ms. Brown.

14 MS. BROWN: Thank you, Commissioners,
15 for your time today and assistance in rounding
16 out the record for this docket. Appreciate that.

17 The points that the Company made
18 through its witnesses today make moot my need for
19 an extensive closing. The Staff and the Company
20 worked together in getting a settlement
21 agreement. And we respectfully request the
22 Commission approve the terms of that Settlement
23 Agreement for the reasons stated by the
24 witnesses.

1 The Commission does have the authority,
2 under RSA 38 [RSA 378?], to award temporary
3 rates. Both Staff and the Company witnesses are
4 of the opinion that the proposed rates will
5 result in just and reasonable rates for
6 customers. This is based on the books and
7 records on file and the testimony that you have
8 heard today.

9 Also, for the reason that the effective
10 date complies with the Commission's rules, in
11 that it is being proposed on a service-rendered
12 basis, that is another reason why the Commission
13 should find that the Temporary Rate Settlement
14 Agreement is in the public interest.

15 Lastly, the proposed Settlement is also
16 consistent with the 1980 *Appeal of Pennichuck*
17 case as to the effective date of temporary rates.

18 So, for all of those reasons, we
19 respectfully request that you approve the
20 Settlement Agreement. And thank you again for
21 your time today.

22 CHAIRWOMAN MARTIN: All right. Thank
23 you. And I want to thank you all for the level
24 of detail you walked through to support the

1 Agreement today, and we appreciate that very
2 much.

3 And, with that, we'll close the record
4 and take this matter under advisement and issue
5 an order. Thank you, all. We are adjourned.

6 ***(Whereupon the hearing was adjourned***
7 ***at 2:43 p.m.)***

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