

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 24-_____

Bedford Waste Services Corp.
Transfer of Ownership Proceeding

JOINT DIRECT TESTIMONY OF MARC LIECHTI AND JUSTIN AHMANN

December 13, 2024

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1 **I. INTRODUCTION**

2
3 **Q. Please state your name.**

4 **A.** My name is Marc Liechti.

5 **Q. Please describe your educational background.**

6 **A.** Gewerbe Schule Rapperswil, Switzerland, 1985.

7 Bachelor of Science in Underground and Surface Engineering.

8 **Q. Mr. Liechti, please describe your professional background.**

9 **A.** I am President and Chief of Operations in water system management, and AutoCAD
10 design for Alpine Pacific Utilities, LLC. My strengths are efficiency and the ability to
11 translate goals into workable designs. I provide construction inspection on many of
12 Alpine Pacific Utilities, LLC.'s projects.

13 **Q. Mr. Liechti, please describe any licenses you hold.**

14 **A.** Certificate of Completion as a Chainman from the Southern California Surveyors Joint
15 Apprentice Committee. Certificate of Completion of Union Apprenticeship as Carpenter
16 and Bricklayer. I am a licensed water operator (5AB) and wastewater operator (3C) in
17 Montana.

18 **Q. Mr. Ahmann, please state your name.**

19 **A.** My name is Justin Ahmann.

20 **Q. Mr. Ahmann, please describe your educational background.**

21 **A.** I have a bachelor of science degree in civil engineering from Iowa State University.

22 **Q. Mr. Ahmann, please describe your professional background.**

23 **A.** Since 2004, I have been working in the engineering field supporting large capital
24 infrastructure.

1 **Q. Mr. Ahmann, please describe any licenses you hold.**

2 A. I am a licensed professional engineer in New Hampshire, Montana, Virginia, North
3 Dakota, and Alberta (Canada). I am a licensed water operator (5AB) and wastewater
4 operator (2C) in Montana. Our credentials are attached as Attachment AL-1.

5 **II. MANAGERIAL, FINANCIAL, TECHNICAL, AND LEGAL EXPERTISE TO**
6 **OWN AND OPERATE BEDFORD SEWER SYSTEM.**

7
8 **Q. Have you ever owned and operated sewer utilities?**

9 A. Yes, please see the table below of systems we currently own.

10 **Q. Mr. Liechti, please describe the positions you hold with your companies and your**
11 **experience in operating regulated utilities.**

12 A. I serve as Chief Executive Officer of Alpine Pacific Utilities, LLC and have fifteen years
13 of experience in utility management alongside the executive engineering teams of
14 Fortune 500 companies. I serve as a Director for Alpine Pacific, Inc., the pure holding
15 company we are buying Bedford through.

16 **Q. Mr. Ahmann, please describe the positions you hold with your companies and your**
17 **experience operating regulated utilities.**

18 A. I specialize in asset management and is responsible for infrastructure optimization and
19 applications, including reliability engineering, forecasting, and capital budgeting. I
20 provide Alpine Pacific Utilities, LLC with an understanding of the infrastructure design,
21 permitting, and construction. I have been a manager to water, sewer, and hydroelectric
22 operators, performed project management to third party contractors of water, sewer, and
23 hydroelectric facilities, and executed all stages of mergers/acquisitions in structures with
24 debt and equity members.

1 **Q. Mr. Liechti and Mr. Ahmann, please describe how this past experience is relevant to**
 2 **your proposed ownership and operation of Bedford.**

3 A. We own eight water systems in Montana, one in Pennsylvania, and one in Maine. We
 4 have been successful in serving utility systems with billing, operating, compliance, and
 5 conducting major reports by duplicating our approach in a remote fashion by teaming
 6 with local support. A summary of those systems appears in the below table:

Name of Utility	Type of Utility	Docket No. and State	Number of Customers
East Vassalboro Water Company	Water	Maine Docket No. 2023-00113	85
Jefferson Estate Sewage Treatment Plant	Sewer	Pennsylvania Docket No. A-2021-3026700	92
Flathead Utility (three systems)	Water	Montana Docket 2022.9.086	295
AP Kookoosint	Water	Montana Docket 2018-10.070	17
AP Williams	Water	Montana Docket D2019.3.13	46
Fox Hill Utilities	Water & Sewer	Montana Docket D2017.1.5	76
Alpine Pacific Utilities	Water & Sewer	Montana Docket N2014.9.80	151
AP Countryside	Water	Montana-operator for developer and docket is in process	40

7
 8 **Q. Do you believe the above experience demonstrates that you have the requisite**
 9 **managerial, financial, and technical expertise to own and operate Bedford?**

10 A. Yes. As can be seen from the Table, we already own three sewer utilities of a size that is
 11 at or larger than Bedford. We have been successfully operating them and filing the
 12 requisite regulatory reports.

1 **Q. Please state the legal form of ownership by which you will hold Bedford.**

2 **A.** According to the terms of the Purchase Agreement Section 5.10(d), at closing Alpine
3 Pacific, Inc. will receive all stock of the Company necessary to legally own Bedford. We
4 set up Alpine Pacific, Inc. in Delaware in 2018. We are using it as a pure holding
5 company to own Bedford. As such, Alpine Pacific, Inc. will not be involved in the
6 management of Bedford, we will manage the day-to-day operations of Bedford under
7 Alpine Pacific Utilities, LLC. through a management fee arrangement between Alpine
8 Pacific Utilities, LLC and Alpine Pacific, Inc.

9 **Q. Based on the closing documents, do you expect to satisfy the legal element of the**
10 **“Public Good” test?**

11 **A.** Yes.

12 **Q. Please describe how you propose to operate Bedford.**

13 **A.** Again, similar to how Bedford is presently managed, we propose to continue the services
14 of Stephen P. St. Cyr as manager. We have not yet entered into a contract for services
15 with Mr. St. Cyr but we expect these fees to be market rate, similar to what Bedford
16 presently pays and includes in its revenue requirement. Billing would be handled online
17 with our Alpine Pacific Utilities, LLC Montana support staff (mailing payments to). See
18 AL-2 for a sample bill format we use for our other sewer systems. We would continue
19 using Maznek Septic Services to perform semiannual septic tank pumping. We would
20 also expect to continue to use AAA Pump Services for pump replacements. We expect
21 that services performed by Maznek Septic Services and AAA Pump Services will be
22 consistent with what Bedford presently pays and similar to what has been included in

1 Bedford's revenue requirement. Upon Commission approval of the stock transfer, we
2 would file finalized agreements for any of these services, if needed.

3 **Q. Please describe how you will manage Bedford's accounting and PUC/DOE/NHDES**
4 **regulatory filings.**

5 A. That will be handled by Stephen P. St. Cyr. Similar to how Mr. LaMontagne presently
6 files reports for Bedford, annual reports and rate cases will be filed timely by Stephen P.
7 St. Cyr. We understand that most of Bedford's required regulatory filings are done online
8 and we will continue that type of filing. We do not expect our purchase of Bedford to
9 change how regulatory reports are filed. An attorney will be retained, as needed.

10 **Q. Do you have access to capital in the event future investments are needed to Bedford?**
11 **Please explain.**

12 A. Yes. The only utility we have debt on is for Flathead Utility in Montana. The remaining
13 capital needs have been met without the need for debt. If debt financing is needed, we
14 will pursue that as we did for Flathead Utility. Our understanding is that as of 9/30/2024,
15 Bedford has \$206,554.74 of long-term debt. Mr. LaMontagne will contribute capital to
16 Bedford in order for Bedford to pay Mr. LaMontagne and transfer Bedford without this
17 debt.

18 **Q. Have you reviewed the rules governing sewer utilities recently issued by the NH**
19 **Public Utilities Commission and the NH Department of Energy?**

20 A. Yes. We are aware that the Commission and the Department of Energy have recently
21 changed or are in the process of changing their administrative rules. We are familiar with
22 those rules.

1 **Q. Have you obtained a proposed insurance binder for when you acquire Bedford?**

2 **Please explain.**

3 A. Yes, we have a proposed binder. It currently has insurance on all its systems.

4 **Q. Please describe how you propose to conduct customer billing for Bedford and**
5 **whether you propose any changes to the billing process.**

6 A. In this day in age there are two customer types: 1) mailing a check monthly with the
7 desire to speak with a person. Jessi Liechti in Montana does this job for our other
8 systems and her role will expand to include Bedford; and 2) other customers prefer an
9 online platform to login and see billing status and make direct deposits or ACH
10 payments. Our current software does this for our other systems and can be expanded to
11 offer electronic billing and payment to the Bedford customers.

12 **Q. Please describe who customers will contact for questions concerning, for example,**
13 **billing, account information, water outages, new service connections, and**
14 **disconnections.**

15 A. See response to previous question.

16 **Q. Please describe your local presence.**

17 A. We live in Montana, however, we plan to use our affiliate, Alpine Pacific Power &
18 Water, LLC and Hydro Hooligans, LLC, in addition to any other local operator, to
19 maintain and operate the Bedford sewer system. For example, the Hydro Hooligans
20 affiliate has employees in New Hampshire and can provide day-to-day maintenance and
21 operational services for the Bedford sewer system in addition to Maznek Septic Services
22 and AAA Pumps Service.

23 **Q. Please explain who would respond to emergencies.**

1 A. If someone calls our phone number, the phone system directs emergency calls quickly to
2 our local New Hampshire operator who would then call in Hydro Hooligans, Maznek
3 Septic Services, or AAA Pumps Service. For non-emergency calls, they go to our
4 voicemails and are typically answered within 24 hours.

5 **Q. Do you plan any improvements to Bedford’s customer service operations under**
6 **your ownership? If so, please explain.**

7 A. Yes. We plan to maintain the same level of customer service operations with the
8 exception of introducing payment through our website. Currently, Bedford does not have
9 electronic bill pay. Therefore, our web site and electronic bill pay will be added
10 customer service features for the Bedford customers. Please see Attachment AL-2 for a
11 sample page of our web site: <https://aputilities.com>. Our web site will include a “radio
12 button” specific for Bedford customers and will include the toll-free telephone number
13 for the Department of Energy.

14 **Q. Please describe the corporate structure of the Company’s ownership of Bedford**
15 **Waste.**

16 A. Bedford is a S-Corporation and as such, it will continue to be treated as a S-Corporation
17 subsidiary of the holding company, Alpine Pacific, Inc. There will be no change in
18 Bedford’s specific corporate structure. As stated above, Alpine Pacific, Inc. is merely a
19 holding company and that Alpine Pacific Utilities, LLC will be managing the day-to-day
20 operations of Bedford.

21 **Q. Are you familiar with rate of return regulation of utilities and the use of historical**
22 **test years?**

23 A. Yes.

1 **Q. When do you forecast needing to file a full rate case after you acquire Bedford?**

2 A. We like to watch a system for 12 months to understand the cycles then if needed file a
3 rate increase. We are aware that Bedford completed a full rate case using a 2021 test
4 year. In that last rate case, Bedford agreed to: (1) reassess the effectiveness of the
5 Depreciation Fund Account and to provide a recommendation on whether to keep the
6 fund; and (2) reassess the condition of its leach fields and file a report as to the results of
7 that assessment with the Commission and the DOE no later than January 1, 2027.

8 Generally, filing for rate relief will depend on whether expenses for operating and
9 maintaining Bedford's system have increased and whether revenues are sufficient to
10 cover those expenses, however, Bedford may need capital improvements depending on
11 the results of the leach field reassessment. For this reason, it is premature for us to
12 estimate when the Company should file Bedford's next rate increase.

13 **Q. Please describe the due diligence you conducted before entering into the Purchase
14 Agreement for Bedford.**

15 A. We inspected the system and apprised ourselves on the status of whether there were any
16 maintenance or system deficiencies reported. We are not aware of any deficiencies. We
17 familiarized ourselves with the cost of operating the system to see if the rates adequately
18 cover the operations and any anticipated improvements. We also familiarized ourselves
19 with Bedford's past regulatory filings with most recently Docket No. DW 22-054
20 (financing) and Docket No. DW 22-058 (rate case).

21 **III. DESCRIPTION OF PURCHASE AGREEMENT**

22
23 **Q. Please provide an overview of the terms of the purchase agreement.**

1 A. The Buyers intend to acquire the entirety of Bedford, therefore the Buyers will acquire
2 not only the assets of Bedford but also the liabilities, easements, corporate structure,
3 customer accounts, equipment, and supplies. These items are listed on the Bill of Sale
4 and Schedule 1.1 attached to the Purchase Agreement that is attached to the Mr. St. Cyr's
5 pre-filed direct testimony. There is no buyer's acquisition adjustment.

6 **Q. When do the parties propose to close the transaction?**

7 A. We would like to close the transaction by the end of the second quarter of 2025. There is
8 no buyer acquisition adjustment, the purchase price is confidential.

9 **Q. Will customers be paying for any transaction costs for this sale?**

10 A. No.

11 **Q. Are any brokers involved with this transaction?**

12 A. No.

13 **IV. NOTICE TO CUSTOMERS**

14

15 **Q. Please describe how you will introduce yourselves to the Bedford customers.**

16 A. We plan to post a letter to customers explaining who we are and that we intend to keep
17 things as consistent as possible. When we purchase sewer systems, we do not like to
18 change things immediately. That is, with the except of implementing the new online
19 billing-payment features.

20 **Q. Do you have any other testimony to offer?**

21 A. No.