

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 24-_____

Bedford Waste Services Corporation

Transfer of Ownership Proceeding

DIRECT TESTIMONY OF STEPHEN P. ST. CYR

December 13, 2024

Table of Contents

I. INTRODUCTION3

II. DESCRIPTION OF BEDFORD WASTE SERVICES CORP.4

III. RATES6

IV. DESCRIPTION OF THE STOCK PURCHASE AGREEMENT.....6

V. NOTICE TO CUSTOMERS.....7

3 **I. INTRODUCTION**

4 Q. What is your name and what is your relationship with Bedford Waste Services Corp.
5 ("Bedford" or "Company")?

6 A. My name is Stephen P. St. Cyr. I manage Bedford.

7 Q. Please describe your educational background.

8 A. I have a Bachelor in Science degree of Business Administration with a concentration
9 in Accounting. I obtained my Certificate of Public Accounting in Maryland. I am not
10 licensed in NH. I obtained a master's level Certificate in Taxation from New
11 Hampshire College (now Southern New Hampshire University).

12 Q. Please describe you professional background.

13 A. After graduating from Northeastern University, I worked 5 years with Baltimore Gas
14 & Electric ("BG&E"). Following my time at BG&E, I worked 11 years with Public
15 Service of New Hampshire ("PSNH"), holding various supervisory and management
16 positions addressing accounting and regulatory matters.

17 Q. When did you start Stephen P. St. Cyr & Associates ("SPS&A")?

18 A. I started SPS&A in 1993. For over 30 years, SPS&A has been assisting mostly utilities
19 in accounting, regulatory, tax and management matters. In recent years, my focus
20 has been on water and sewer entities, including Bedford

21 Q. Have you testified before the NHPUC before?

22 A. Yes, mostly recently in DW 22-058 and DW 22-054, Bedford's most recent rate case
23 and financing case, respectively.

3 Q. What is the purpose of your testimony?

4 A. The purpose of my testimony is to support the owner's desire to sell Bedford.

5 **II. DESCRIPTION OF BEDFORD WASTE SERVICES CORP.**

6 Q. Please describe Bedford.

7 A. Bedford provides residential sewer service to 78 customers in the Bedford Three
8 Corners subdivision off Pulpit Road in Bedford. Each customer owns a sewer service
9 line that is connected to a septic tank (owned by Bedford) connected to Bedford's
10 sewer mains and 1 of 5 leach fields identified as leach fields A, C, D, E, and G. The
11 first portion of the system was built in 1995, followed by additional residential
12 houses and associated leach fields and sewer connections in 1996. Please see
13 Attachment SPS-1 that shows the layout of the development and location of the
14 leach fields. Leach field C was rejuvenated in 2012. Bedford tested all 5 leach fields
15 in 2021 and those reports are attached as Attachment SPS-2. All the leach fields
16 were considered to be in "fair" condition, meaning the leach fields were in middle
17 age – this is normal working condition. The leach fields are scheduled to be tested
18 again in 2026. Each of the 78 septic tanks have a pump. Pumps are replaced on
19 average every 5 – 10 years. Each septic tank is pumped out every 2 – 4 years. The
20 Buyers have asked me to stay on and continue to manage the operations. I expect
21 to continue to utilize AAA Pump Service Corp. to repair and replace pumps. I expect
22 to continue to utilize Maznek Septic Service LLC to pump out septic tanks. In my
23 opinion, Bedford has done a good job operating and maintaining the system.

3 Q. Who is the owner of Bedford?

4 A. Mr. Robert S. LaMontagne owns Bedford.

5 Q. What is Mr. LaMontagne's involvement with Bedford?

6 A. As owner, Mr. LaMontagne is ultimately responsible for everything, provides general
7 oversight in the day to day matters and actively participates in the decisions around
8 major capital replacements, financings and rate cases. Mr. LaMontagne has at times
9 lent funds to Bedford and held the long-term notes. As of 9/30/24, Bedford owes
10 Mr. LaMontagne \$177,523.29; \$25,000.00; and \$4,021.45 for 2023 RSL loan, 2023
11 RSL Promissory Note for rate case expenditures, and 2023 RSL Working Capital Note
12 for 1 pump, respectively. Mr. LaMontagne has expressed a desire to sell the
13 Company.

14 Q. When did you start your involvement with Bedford?

15 A. I started managing Bedford in the mid-90s.

16 Q. Please describe what activities you are involved with in managing Bedford.

17 A. I manage the day-to-day activities including preparing and issuing customer bills and
18 collecting customer payments, responding to customer matters, paying bills,
19 recording accounting transactions, preparing financial statements, PUC Annual
20 Report, NHDRA PA-20, etc., overseeing the semi-annual pumping of septic tanks,
21 overseeing the replacement of pumps, communicating and conferring with owner's
22 representative and owner, and attending to other administrative matters.

3 **III. RATES**

4 Q. When did Bedford first start charging rates?

5 A. In 1995. Specifically, Commission Order No. 21,769, dated August 1, 1995, in Docket
6 No. DR 95-008 authorized Bedford to charge quarterly rates of \$120.03 per
7 customer.

8 Q. What are the current rates?

9 A. The current rates are \$238.19 per quarter per customer, billed in arrears. Bedford is
10 also billing quarterly surcharges of \$7.59 and \$51.14 for recovery of the
11 reconciliation between temporary and permanent rates and of rate case
12 expenditures, respectively. The rates and surcharges were approved in DW 22-058.
13 This temporary-permanent rate recoupment and recovery of the rate case
14 expenditures expires with the 3rd quarter billing to be conducted in October, 2026.
15 An additional one-time surcharge of \$39.91 to recover additional rate case expenses
16 will be charged in the second quarter of 2027.

17 **IV. DESCRIPTION OF THE STOCK PURCHASE AGREEMENT**

18 Q. Please provide an overview of the terms of the Stock Purchase Agreement.

19 A. The Stock Purchase Agreement (“SPA”) (Attachment SPS-3) is by and between Mr. Marc
20 Liechti and Mr. Justin Ahmann (“Buyers”) and Mr. Robert S. LaMontagne (“Seller”). The
21 buyers intend to acquire the stock of Bedford, owned by Seller. The Company has 10
22 shares authorized, issued and outstanding. The Seller agrees to sell, assign, transfer and
23 deliver to Buyers, and the Buyers agree to purchase from Seller, the Seller’s rights, title

3 and interest in the business. The assets comprising the business are more specifically
4 set forth on Schedule 1.1 to the SPA.

5 The business assets constitute all of the assets and properties held for use by
6 Seller to conduct the business as presently conducted. The purchase price agreed to
7 between the Buyers and the Seller is set forth in Attachment SPS-3 at section 1.4 and is
8 considered confidential by the Buyers and Seller.

9 Q. When do the parties propose to close the transaction?

10 A. Per the terms of the SPA, and in accordance with RSA Chapter 541, RSA 374:33, the
11 closing is anticipated to occur within thirty (30) days of the Commission's final,
12 unappealable order authorizing the transaction.

13 **V. NOTICE TO CUSTOMERS**

14 Q. Has Bedford notified customers of the proposed sale of the Company?

15 A. Yes, at the time that the Company made this filing, the Company posted a notice on its
16 website. It has also contacted a past intervenor customer as well as the Bedford Three
17 Corners Owners Association, Inc. to inform customers of the proposed sale of the
18 Company. That notice is attached as Attachment SPS-4.

19 Q. Do you have any other testimony to offer?

20 A. No.

21 SPSt. Cyr

22 12/13/24