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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

November 27, 2007 - 2:08 p.m.
Concord, New Hampshire

RE: DW 07-105
LAKES REGION WATER COMPANY, INC.:
Investigation into quality of service.
(Prehearing conference)

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Graham J. Morrison
Commissioner Clifton C. Below

Connie Fillion, Clerk

APPEARANCES: Reptg. Lakes Region Water Company:
Daniel J. Mullen, Esq.

Reptg. Property Owners at Suissevale Assn.:
Douglas L. Patch, Esq.

Reptg. Hidden Valley Property Owners Assn.:
Ted Newman

Reptg. Residential Ratepayers:
Meredith Hatfield, Esq., Consumer Advocate
Office of Consumer Advocate

Reptg. PUC Staff:
Marcia A. B. Thunberg, Esq., Esq.

Court Reporter: Steven E. Patnaude, CCR

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1 P R O C E E D I N G S

2 CHAIRMAN GETZ: Okay. Good afternoon.
3 We'll open the prehearing conference in docket DW 07-105.
4 On September 19, 2007, Commission Staff filed with the
5 Commission seeking a commencement of a formal proceeding
6 to determine whether Lakes Region Water Company should be
7 placed in a receivership pursuant to RSA 374:47-a, in
8 light of concerns over whether Lakes Region continues to
9 have the managerial and financial capacity to provide safe
10 and adequate service to its customers. The Commission
11 issued an order of notice on October 10 setting the
12 prehearing conference for this afternoon.

13 I'll note for the record that the
14 Petitioner -- or, that the Company filed an affidavit of
15 publication, as required by the order of notice; that the
16 Office of Consumer Advocate has filed a letter notifying
17 of its participation in this proceeding; and we've also
18 received a Petition to Intervene from the Property Owners
19 Association at Suissevale and a letter from Hidden Valley
20 Property Owners Association indicating their interest in
21 intervening in this docket.

22 At this point, normally would take
23 appearances from the parties who intend to participate in
24 this proceeding, but appears there may be folks here

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1 unfamiliar with what the intention of a prehearing
2 conference is. Let me just explain for a second that this
3 will be -- this is just the beginning of the proceeding,
4 set the procedure for how the case will be conducted.
5 And, the primary thing that we will be doing in the
6 prehearing conference is hearing from folks, either who
7 are parties, want to be parties, or members of the public,
8 their comments about the petition or the letter filed by
9 Staff and anything that they want to bring before the
10 Commissioners. And, then, we would close the proceeding
11 and allow for the opportunity for all the interested
12 parties to discuss among themselves and see if a
13 conclusion can be reached or a joint agreement as to how
14 to conduct the proceeding. If there's a joint conclusion
15 among the parties, then that would be filed with the
16 Commission for its consideration. If the parties do not
17 agree as to how or whether the proceeding should move
18 forward, then we would hear presumably something from the
19 Staff in writing explaining the various parties, and then
20 we would make a determination as to how to proceed.

21 I think, given that this -- well, let me
22 just ask, is there any questions that anyone has about the
23 process, before we go any further?

24 (No verbal response)

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1 CHAIRMAN GETZ: All right. I think
2 then, given that this proceeding was initiated by a memo
3 filed by Staff, we'll let Staff go first, then we'll hear
4 from the Consumer Advocate, and then we have a -- I guess
5 we'll hear from Mr. Patch, on behalf of Suissevale. Is
6 Mr. Newman here? And, then, Mr. Newman, anything you want
7 to say on behalf of Hidden Valley. And, if there are any
8 other customers who would like to speak, we'll give them
9 the opportunity, and then we'll allow Mr. Mullen to speak.
10 And, I note that he has filed, on behalf of Lakes Region,
11 a explanation of the Company's position that was dated
12 November 21st.

13 So, is there any objection to that
14 procedure?

15 (No verbal response)

16 CHAIRMAN GETZ: Okay. Hearing nothing,
17 then, Ms. Thunberg.

18 MS. THUNBERG: I'm sorry, Mr. Chairman.
19 Were you asking for appearances or statements at this
20 point?

21 CHAIRMAN GETZ: Well, let's do both.

22 MS. THUNBERG: Thank you.

23 CHAIRMAN GETZ: Because some people are
24 familiar with that process and some are not.

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1 MS. THUNBERG: Marcia Thunberg, on
2 behalf Staff, and with me today is Mark Naylor, Jim
3 Lenihan, Jayson LaFlamme, Doug Brogan. And, also, Sarah
4 Pillsbury, from the Department of Environmental Services,
5 is here as well, in the back. Thank you.

6 CHAIRMAN GETZ: Thank you. Well, and
7 let's hear your statement of position, and we'll just do
8 both things at once.

9 MS. THUNBERG: Okay. Sure. Staff has a
10 prepared statement that it wishes to read. And, then,
11 also, I think it would be helpful to the Commission to
12 know an update from DES's perspective of compliance or
13 noncompliance with letters of deficiencies, etcetera, if
14 that's acceptable to the Commissioners?

15 CHAIRMAN GETZ: That would be helpful.

16 MS. THUNBERG: As the Commissioners
17 know, the Staff filed, on September 19th, 2007, a letter
18 recommending that a proceeding be opened to investigate
19 whether Lakes Region Water Company continues to have a
20 managerial and financial capability to provide safe and
21 adequate service pursuant to RSA 374:1 to its customers.
22 Staff's preliminary position in this proceeding is the
23 same as what was stated in that letter essentially.

24 Staff believes that Lakes Region is at a

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1 crossroads in its development. As the Commission is
2 aware, Lakes Region owns and operates 17 separate water
3 systems serving approximately 1,939 customers. And, Lakes
4 Region, in the past years, has been willing to take on
5 troubled systems in and around its existing service area,
6 and this has been a great benefit to the State. But this
7 benefit in growth has not been without growing pains.
8 This company is no longer a mom & pop type of operation,
9 and the day-to-day responsibilities of managing this
10 company have grown beyond what Staff believes is
11 reasonable for a single owner to manage, let alone the
12 owner who -- owners who are facing retirement.

13 As Staff sees it, this company needs
14 more management, whether it's in the form of an additional
15 manager or managers, different managers, or an outright
16 change in ownership. We don't know which solution is
17 best, but right now the status quo is not working and
18 should not continue.

19 For instance, Staff is extremely
20 concerned about the alleged re-connection of the Tamworth
21 system -- or, in the Tamworth system, of an unapproved
22 water source with a history of uranium hits. Evidently,
23 Lakes Region certified to the New Hampshire Department of
24 Environmental Services in 2004 that Tamworth Well Number 4

1 had been shut down. This was after high uranium levels
2 were found in that well. Lakes Region indicated to DES at
3 the time that the well was taken off line and that all
4 pipes and electrical connections were severed. However,
5 during August of 2007, during and performing a sanitary
6 survey, DES found that this source had been re-connected.
7 It is important to note that, since Well Number 4 had been
8 certified as being off line, no monitoring was required,
9 which meant that there was no regular testing of any of
10 the contaminants. Staff is aware that evidence exists
11 that this well, contrary to the assertions of the Company,
12 had been on-line for at least several months. DES Staff
13 has indicated to PEU -- to Commission Staff that this
14 issue has been referred to the Attorney General's office
15 for further action. And, Commission Staff is also aware
16 that U.S. EPA has also been investigating this incident.
17 At a minimum, this type of discrepancy, with using
18 uranium-laced water, calls into question Lakes Region's
19 managerial capabilities.

20 Staff is also concerned about Lakes
21 Region's financial capability. Lakes Region's last rate
22 case was in 2005, and it was based on a 2004 test year.
23 It has had a number of capital expenditures since then,
24 and more expenditures are needed. Lakes Region needs to

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1 spend more money and find additional source of supply or
2 capacity in its Hidden Valley system, for instance. This
3 is a requirement by DES. The Hidden Valley system has
4 been plagued with frequent service outages. There is a
5 discrepancy -- There is a discretionary water use ban in
6 place, and there is a moratorium on new connections. As
7 to the present status of DES compliance, Staff is going to
8 defer to Ms. Pillsbury's summary at the end of Staff's
9 statement.

10 It should be noted that there are other
11 issues at Hidden Valley. Lakes Region believes old
12 customer service lines are causing some of the water
13 outages, and has requested, in docket DW 07-078,
14 Commission approval to require those customers to replace
15 deficient service lines. And, at present, Staff and the
16 Company are still discussing the exact solution to this
17 problem, but Staff at least acknowledges that, to a
18 certain extent, these old customer service lines are
19 contributing to Lakes Region's problems in the Hidden
20 Valley system.

21 Staff believes the situation at Hidden
22 Valley also threatens Lakes Region's financial capability,
23 because the cost of the source of capacity solution, in
24 compliance with DES's letters of deficiencies, may exceed

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1 Lakes Region's present financial means. Lakes Region has
2 told Staff that it is hesitant to come in for a rate case
3 due to the expense to customers. But Staff sees periodic
4 rate cases as necessary for the financial health of water
5 utilities. It is nice for Lakes Region to be concerned
6 about the cost to customers, but it is misplaced if it
7 compromises the Company's financial well-being.

8 Staff would also like to address Lakes
9 Region's declining equity. Staff has expressed this
10 concern to the Company before, and, in response, Lakes
11 Region's owners are apparently unwilling to put in needed
12 equity, because they believe it is a bad investment. Now,
13 Staff has also learned that Lakes Region owners do not
14 intend to put a new well and associated land onto the
15 Company's books that they themselves have financed. They
16 instead would prefer to sell the water to Lakes Region.
17 This lack of confidence in the investment performance of
18 their own company fuels Staff's concerns about the
19 Company's financial capabilities.

20 Staff would also like to note that
21 equity in water utilities is a long-term investment. And,
22 given Lakes Region's owners' age, investing in a water
23 utility may no longer be an appropriate investment
24 strategy for them. If Lakes Region's owners are not

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1 interested in adding equity to Lakes Region, it may be
2 indicative that the needs of the water company and the
3 needs of these investors or these owners have, in fact,
4 diverged.

5 So, in conclusion, at this time, Staff
6 believes that there are three possible paths to resolving
7 this proceeding. First, the Commission could establish a
8 procedural schedule, with discovery, with the goal of
9 monitoring developments at DES and the AG's office. Staff
10 would provide periodic updates on the DES and AG actions,
11 and could also do -- submit follow-up testimony and pursue
12 a hearing.

13 The second option Staff believes is that
14 the Commission could move Lakes Region toward an orderly
15 transition of ownership or change in management. This
16 could be accomplished through the sale of the utility's
17 assets or through a change in Lakes Region's management
18 structure.

19 The third option, which may be extreme,
20 is, if the Commission believes the public's safety is at
21 jeopardy, the Commission could place the Company in
22 receivership now.

23 But, with either of these options, Staff
24 believes change is needed. The status quo is not working,

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1 as evidenced of the problems that are still existing in
2 the systems. Some sort of change is needed. But Staff
3 looks forward, as always, with working with Lakes Region
4 to come up with a resolution to these issues.

5 And, with that, Staff would like to have
6 Sarah Pillsbury, on behalf of the Department of
7 Environmental Services, give a summary of compliance to
8 date.

9 CHAIRMAN GETZ: Thank you.
10 Ms. Pillsbury.

11 MS. PILLSBURY: Thank you. I'm Sarah
12 Pillsbury, and I run the Drinking Water and Groundwater
13 Program for the Department of Environmental Services.
14 And, you know, as mentioned, Lakes Region Water Company
15 owns a number of systems. And, I really came prepared
16 today to give you an update on, you know, a few of their
17 systems for the folks that are represented here today or
18 that were specifically mentioned in the testimony.

19 In terms of the Tamworth Water Works
20 situation, that had an outstanding Letter of Deficiency.
21 The Letter of Deficiency was related to the incident where
22 we discovered that a well with very uranium that had been
23 taken off line in 2004, to the best of our knowledge, and
24 we had a signed fact saying that it had been taken off

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1 line in 2004, had been re-connected into the system. The
2 Letter of Deficiency dealt with that. And, then also, on
3 a follow-up visit to the system, there was some unsanitary
4 conditions in the pump house itself that needed to be
5 addressed. That Letter of Deficiency, at this point, all
6 of the items, except one, which we had anticipated going
7 through the end of December, have been addressed.

8 Hidden Valley is a system in Tuftonboro
9 that has had chronic water shortages for the last several
10 years. We've been working with Lakes Region Water Company
11 in an attempt to get those shortages addressed. There is
12 an outstanding administrative order on Hidden Valley.
13 There was a requirement, a very recent deadline for a
14 requirement of a full system analysis. We have received a
15 submittal on that. Staff is at this point reviewing it.
16 And, I believe that there is a meeting set up on Tuesday
17 of next week to look at what was submitted, in terms of
18 its adequacy to come up with a solution there. We
19 probably -- We get a number of calls each month, in terms
20 of folks that are out of water. And, Tom Mason, Senior,
21 routinely notifies me, as he should, that there is a leak
22 and that there are folks out of water at Hidden Valley.

23 I guess, and I should have mentioned
24 this, with the whole -- under the Safe Drinking Water Act,

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1 the entire public water system program in this state, and
2 all the states in the country, really relies on being able
3 to count on that the information provided to us, the
4 self-reported information is accurate. In the case of
5 Tamworth, where a well was -- a source was re-connected,
6 and it was a source known to have -- exceed contamination
7 limits, we take that very, very seriously. Again,
8 self-reporting is the backbone of the whole public water
9 supervision program. And, that incident has been -- we
10 have done a referral to the AG's office concerning that
11 incident.

12 In terms of Suissevale and Paradise
13 Shores, until fairly recently there was a moratorium on
14 that system. Again, this was a lack of water, they ran
15 out of a water, for instance, on the Fourth of July
16 weekend. We thought we were pretty close to a solution on
17 that system, which has recently, by accounts of my staff,
18 may have hit a snag. But that's another system that we've
19 been spending a lot of time with and has been on our radar
20 screen, in terms of trying to address a well-documented
21 shortage of water at that system.

22 CHAIRMAN GETZ: When you say
23 "moratorium", you mean "moratorium on new hook-ups"?

24 MS. PILLSBURY: On new hook-ups,

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1 exactly, yes. And, so, that's the update that I have for
2 you.

3 CHAIRMAN GETZ: Okay. Thank you.

4 CMSR. BELOW: I have a question.

5 Ms. Pillsbury, you said that "all but one of the
6 deficiencies in the Tamworth Water Works system had been
7 addressed." So, does that mean the uranium -- high
8 uranium content well has been disconnected from the
9 system?

10 MS. PILLSBURY: Yes. It was
11 disconnected immediately upon our notifying the system.

12 CMSR. BELOW: And, the one deficiency
13 that remains to be addressed you said you "expected it to
14 take until December". Could you characterize that?

15 MS. PILLSBURY: Yes. Basically, it's a
16 requirement in terms of repeated sampling and notification
17 that sets -- that requires another sample to be taken in a
18 given window, and that window extends to December 31st.

19 CMSR. BELOW: Okay.

20 MS. PILLSBURY: But the unsanitary
21 conditions in the pump house and the connection of the
22 wells were both addressed.

23 CMSR. BELOW: Okay. Thank you.

24 CHAIRMAN GETZ: Ms. Hatfield, if you

1 could note your appearance and let us know what your
2 position is on this proceeding.

3 MS. HATFIELD: Thank you. Good morning,
4 Commissioners. Meredith Hatfield, for the Office of
5 Consumer Advocate, on behalf of residential ratepayers.
6 And, with me is Ken Traum, Assistant Consumer Advocate,
7 and Steve Eckberg, an analyst in our office. The OCA
8 would first like to commend the efforts of both the DES
9 and the Commission Staff to try to address these issues,
10 and also to bring this case before the Commission. The
11 OCA has reviewed the limited filings in this docket at
12 this point, although we will note that we do not yet have
13 a copy of the Company's filing that they made on
14 November 21st.

15 CHAIRMAN GETZ: Ms. Hat, I think they're
16 having trouble --

17 MS. HATFIELD: After reviewing those
18 limited filings, the OCA concurs with Staff's assessment
19 that, due to the events described in the filing, that
20 Lakes Region may lack the financial and managerial
21 abilities to provide safe and adequate services to
22 customers. And, we also agree that the status quo is
23 clearly not acceptable. The OCA will work with the
24 parties and Staff in the most expeditious manner to try to

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1 address these issues.

2 CHAIRMAN GETZ: Okay. Thank you.

3 Actually, before I turn to Mr. Patch and Mr. Newman, let
4 me get on the record whether is there any objection to the
5 Petitions to Intervene by Hidden Valley and Suissevale?

6 MR. MULLEN: No.

7 MS. THUNBERG: No objection from Staff.

8 CHAIRMAN GETZ: Okay. I'll note there's
9 no objection, and that, based on the showing that both
10 petitions demonstrate rights, duties, privileges, or other
11 interests that will be affected by this proceeding, we
12 will grant the Petitions to Intervene. Mr. Patch.

13 MR. PATCH: Good afternoon, Mr.
14 Chairman, members of the Commission. My name is Doug
15 Patch. I'm with the law firm of Orr & Reno. And, I'm
16 here today on behalf of the Property Owners Association of
17 Suissevale, Inc. We filed a Petition to Intervene, as
18 you've indicated. POASI, which is the acronym that we use
19 to describe the association that is located in
20 Moultonborough. It's a long-standing customer of Lakes
21 Region. And, for the reasons we indicated in our Petition
22 to Intervene, we believe our interests are at stake in
23 this particular proceeding. That having been said, we
24 don't have a position that we're taking at this point in

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1 time. I think we're here to monitor. You know,
2 obviously, the potential outcomes of this proceeding could
3 have a significant effect on POASI. So, that's why we're
4 here today.

5 CHAIRMAN GETZ: Okay. Thank you. Mr.
6 Newman.

7 MR. NEWMAN: I represent the Hidden
8 Valley Property Owners Association. And, we are here
9 merely on a fact-finding mission to determine what the
10 Commission has in mind for our water system. And, I would
11 like to make it clear for the record that the Hidden
12 Valley water system is also in the Town of Wolfboro, New
13 Hampshire, and not just Tuftonborough. And, I believe
14 there are 18 or more houses on that system in the Wolfboro
15 section. Which, by their location and elevation, are the
16 first homes to experience water difficulties. And, since
17 I've been a Wolfboro resident there for more than 35
18 years, I'm acutely tuned into the problems that they have
19 been experiencing.

20 And, I believe that Lakes Region Water
21 System has done a fairly good job of addressing the
22 problems in the Hidden Valley development. We are not
23 here to point fingers. We're here to see if there isn't
24 some common resolution that we can accommodate to get this

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1 situation resolved.

2 So, again, we have no axes to grind.
3 We're just here on fact-finding, and would like to hear
4 what the Commission has to decide.

5 CHAIRMAN GETZ: Okay. Thank you.
6 Before we hear from Mr. Mullen on behalf of the Company,
7 would anyone else like to speak?

8 (No verbal response)

9 CHAIRMAN GETZ: Okay. Hearing nothing,
10 then, Mr. Mullen.

11 MR. MULLEN: Thank you, Mr. Chairman.
12 My name is Dan Mullen, from Ransmeier & Spellman, and I
13 represent the Lakes Region Water Company. With me here
14 today is Steve St. Cyr, Norm Roberge, Tom Mason, Sr., and
15 Tom Mason, Jr. from the Company.

16 As the Commission knows, we submitted
17 our position on a letter to the Commission dated November
18 21st, 2007. And, I won't repeat everything that's in
19 there. But I think you get the sense, from hearing
20 everybody today, that Lakes Region has a strong working
21 relationship both with the Public Utilities Commission and
22 with the Department of Environmental Services. When these
23 issues came to their light, and actually prior to the
24 issues coming to the light of the regulatory bodies, Lakes

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1 Region was already addressing some of these problems. In
2 regard to Hidden Valley, they have been working with DES,
3 and have hired the firm of Lewis Engineering to try to
4 develop another water source. And, that's been ongoing
5 for several months. That has always been a problem at
6 Hidden Valley, and it may remain a problem in the future.
7 It's not going to be an easy solution because of the
8 issues of a lack of source up in that area. But we are
9 willing to work with DES and willing to work with PUC to
10 try to find a solution that benefits all parties concerned
11 in this issue.

12 With regards to the outages, I believe
13 that you've heard people state today that it is an old
14 system, and that the lines that are in that system break
15 down frequently, and some of the lines are customer
16 service lines that are hook-ups between the house, the
17 customer, and the water line. And, we have actually
18 petitioned the Commission in another docket to have those
19 lines replaced, because a lot of water is lost through
20 leaks in those lines. And, that contributes to the water
21 shortage problem that exists at Hidden Valley.

22 We did receive two Letters of Deficiency
23 from DES. You've heard today from Sarah Pillsbury that
24 they have timely addressed the issues contained in those

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1 Letters of Deficiency, and they have worked with staff at
2 DES to address those concerns. They are still working
3 through other counsel with the Attorney General's office
4 to address the hook-up of the closed down well and to give
5 an explanation as to why that occurred, and that is being
6 addressed by the Company.

7 They have a history, as this Commission
8 knows, of benefiting the state, taking over distressed
9 water systems and then bringing them up to speed to the
10 best of their ability, and they have a good track record
11 of doing that. We believe that, working with the Staff,
12 that we could come up with a solution here that addresses
13 the concerns about the managerial capabilities and
14 financial capabilities of Lakes Region Water. We do not
15 believe that there is a managerial problem or a financial
16 issue with the Company. And, we hope to demonstrate that
17 to the Staff, and hope that the Staff will join us in
18 coming back to the Commission to say that there is no need
19 to put forth any of the options that they have given forth
20 today.

21 CHAIRMAN GETZ: Okay. Thank you. Is
22 there anything else that should be brought forward this
23 afternoon?

24 (No verbal response)

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1 CHAIRMAN GETZ: Well, I take it then,
2 Mr. Mullen, from your comments, you had indicated again
3 that you don't think there was a need for a docket, but
4 you're prepared to work with the parties to come up with a
5 recommendation of how to address the issues. I think
6 that's what you're proposing to do in this?

7 MR. MULLEN: Yes. And, we also, in our
8 position paper that we submitted, to address the financial
9 concerns, and I've attached I think two spreadsheets to
10 that position paper, that there's approximately a million
11 dollars in assets throughout the whole system that needs
12 to come into rate base that will certainly help the cash
13 flow issues. Plus, the fact that there is the POASI --
14 the water storage tank, which I believe this Commission
15 addressed in the last docket, is not yet on line, but will
16 solve many of the water shortage problems in POASI. And,
17 it could come on line as early as late spring/early
18 summer; more realistically, it probably would come on line
19 in the fall of next year. But those are things in the
20 works. They have, you know, the managerial capability I
21 think is proven in that they have addressed these tough
22 issues, and have now reached the point where they're about
23 to become solutions. And, because of the problem with the
24 water storage tank, which ended up having -- involving a

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1 lawsuit, because the original tank had cracks and it
2 leaked, and it took roughly two years longer than the
3 Company thought to bring that tank into line. That will
4 now come into line, the issues involving Hidden Valley,
5 and some other issues with the system, plus the fact that
6 there was a transition in staff that occurred within the
7 last two or three years that now has been addressed,
8 convergence of a perfect storm of events led to them, and
9 the fact that the rates that were approved by this
10 Commission roughly a year ago, they have now been in
11 effect for a year, and, as the Commission knows, it takes
12 approximately a year for a company to recoup some cash as
13 a result of the rate increase. And, they're very hopeful
14 that that rate increase will help out their situation, and
15 don't see a need for any action on the part of the
16 Commission as a result of that.

17 CHAIRMAN GETZ: Okay. Is there anything
18 else this afternoon?

19 (No verbal response)

20 CHAIRMAN GETZ: Well, let me close with
21 this. I think the Commission has raised some important
22 issues which cause us some concern. Do note that DES
23 reported that some progress has been made in some areas,
24 but there still appear to be some important issues that

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1 need to be resolved. And, at this point, I think we will
2 give the parties the opportunity to see if there's an
3 agreement on what the next steps in the procedure should
4 be. And, if there's not agreement, then we'll see what
5 the -- what any recommendations might be and we'll rule on
6 that when it comes before us.

7 So, seeing nothing else from the parties
8 -- sir?

9 MR. DOPP: I'm sorry. I'm a resident of
10 Lakes Region Water --

11 FROM THE FLOOR: Hidden Valley.

12 MR. DOPP: Or, Hidden Valley, excuse me,
13 Hidden Valley Property Owners Association.

14 CHAIRMAN GETZ: Can you give your name
15 for the record?

16 MR. DOPP: Yes, my name is Gerry Dopp.
17 And, I guess -- I have a question I'd like everyone to
18 maybe respond to, I guess. When a utility or a company or
19 a person buys a water utility initially, and the Public
20 Utility Commission or the Department of Environmental
21 Services does an audit or a survey as to whether this
22 system should go on line, is there a survey, check sheet
23 or an audit checklist that you use to approve this
24 utility? Are there corrective actions that must be taken

1 before this line can be put into service? And, is there a
2 record showing this flow of action? For any new utility
3 that goes on line, whether it's electrical or water or
4 sewage, does the Commission have that type of --

5 CHAIRMAN GETZ: Well, let me put it this
6 way. I think the purpose of this proceeding is to hear
7 comments and take positions from the parties. I think
8 this is a question that has a few different parts to it,
9 and I think you can address it either independently with
10 Staff --

11 MR. DOPP: Okay.

12 CHAIRMAN GETZ: -- or, you know, maybe
13 the whole group, because you certainly can sit in on the
14 prehearing conference -- the technical session after the
15 prehearing conference, --

16 MR. DOPP: Very good.

17 CHAIRMAN GETZ: -- to I think try and
18 deal with those pieces of your question. Okay. Is there
19 anything else? (No verbal response) All right. Hearing
20 nothing, then we'll close the prehearing conference and
21 await a recommendation from the parties. Thank you,
22 everyone.

23 (Whereupon the prehearing conference
24 ended at 2:39 p.m.)

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