



1 **Please state your name, occupation and business address.**

2 My name is Michael Gfroerer. I am a retired attorney. I live at 12 Tahanto Street in
3 Concord.

4 **Please describe your educational background and professional experience.**

5 I am a graduate of Dartmouth College and SUNY Buffalo Law School.
6 I have served as Assistant NH Insurance Commissioner and a Concord City Councilor.
7 I have been in the private practice of law in Concord since 1978.

8 I am a member of the South Congregational Church's property management
9 committee. Our committee is responsible maintenance and upkeep of the church
10 buildings, including the heating system for the facility. South Church's entire building is
11 heated by Concord Steam. We are responsible for the conversion from Concord Steam
12 to another heat source.

13 **Have you previously testified before the Commission?**

14 No.



15 **What is the purpose of your testimony?**

16 The purpose of my testimony is to support the Joint Petition to Establish
17 Interconnection/Transition Fund for Non-Governmental Concord Steam Customers on
18 behalf of South Congregational Church. As a result of the forced conversion from
19 Concord Steam, South Church will experience a significant capital cost and unbudgeted

1 expenses in the upcoming year. South Church relies mostly on donations from
2 members to fund its all of its operations, including paying the heat. South Church
3 operations are also run to a large degree by members of the congregation who
4 volunteer their time to carry on the important work of the church. The 20% increase in
5 steam heat for the upcoming winter coupled with the need to purchase a new heating
6 system will negatively impact South Church's finances.

7 While in 2015 the South Church leadership could foresee the possible demise of
8 Concord Steam, the abrupt closure of the utility in 2016 without a reasonable "run-out"
9 period and the need for immediate replacement of our heating system were totally
10 unanticipated.

11 The Transition Fund will allow South Church to continue to provide charitable
12 services to its members and the community at large.

13 **How will the Commission's ordered closure of Concord Steam impact South**
14 **Church?**

15 The South Church buildings, which encompass more than 20,000 square feet of
16 space, are entirely heated by Concord Steam. Last year South Church worked closely
17 with Concord Steam to upgrade portions of our steam heat system, including adding a
18 condensate collection system, zones, and thermostats. These repairs cost \$22,500 and
19 were completed by Concord Steam in the summer of 2015. If South Church was aware
20 that Concord Steam would no longer be providing steam heat to the building the church
21 may not have expended this money and instead saved toward upgrading the system.

1 The work performed by Concord Steam was specifically related to “steam” heat. More
2 specifically, South Church is now undergoing a conversion to forced hot water, which
3 was not an option when we were relying on Concord Steam to provide heat for the
4 building. With these new upgrades in the steam heating system part of the sunk cost,
5 South Church now faces significant unbudgeted costs. First, and most immediately, the
6 PUC approved a 20% rate hike for the upcoming heating season. This will increase
7 South Church’s heating bill until we can make the conversion to another heat source.
8 South Church is currently in the process of converting to gas burners with forced hot
9 water. The estimated cost of this project will exceed \$80,000. As part of this process,
10 South Church is required to build a new mechanical room to house the gas burners, to
11 remove debris from an old chimney to allow for venting, and to re-pipe many of the
12 radiators to accommodate force hot water. But for the sudden closure of Concord
13 Steam, these capital expenditures could have been budgeted over time.

14 **What types of services does South Church provide to Concord?**

15 South Congregational Church is located at 27 Pleasant Street in Concord, at the corner
16 of Pleasant Street and South State Street. South Church has been an important part of
17 downtown Concord for over 175 years. Currently, South Church has 424 members.
18 We provide essential charitable services to the Concord community, including hosting
19 more self-help meetings for AA, NA, and Overeaters Anonymous each week than any
20 other location in Concord. We are the home of the Relief Society, which issues
21 emergency grants to individuals and families in need. South Church also collects food
22 for the needy, hosts holiday concerts and interfaith meetings, and regularly organizes

1 volunteers for the Friendly Kitchen. For the last 10 years, South Church was the home
2 to one of Concord's overnight winter homeless shelters from December to March.

3 These activities, which benefit the broader Concord community, are in addition to 10
4 regular church services each month, Sunday school for the children, weekly prayer
5 meetings, and youth group activities. The church is regularly the site for weddings,
6 baptisms, funerals, and memorial services. The ministers and members of the
7 congregation support individuals who need both spirit and physical aid, including those
8 people who are hospitalized, home-bound, dying, or grieving for a loved one. South
9 Church also regularly engages in mission trips to help the less fortunate in cities
10 throughout the United States and in Central America.

11 These are just a small sampling of the many important contributions South Church
12 provides to the Concord and beyond.

13 **How will the Interconnection/Transition Fund benefit South Church?**

14 The transition fund will help defray the significant upfront costs of the conversion. By
15 reducing the amount that South Church is required to borrow it will allow the church to
16 redirect those funds to helping those in need in the congregation and the broader
17 Concord community. Our budget for the 2016-2017 fiscal year, which ends on June 30,
18 2017, was projected run an approximately \$7,000 deficit without the unanticipated
19 expense of the heat conversion. It is not clear what kind of dramatic cuts in personnel
20 or services South Church would be forced to make with the additional expenditure for a
21 new heating system in order to meet its budget.

1 **Does this conclude your testimony?**

2 Yes.