

1                   **STATE OF NEW HAMPSHIRE**2                   **PUBLIC UTILITIES COMMISSION**3  
4     **September 26, 2018 - 10:08 a.m.**  
5     Concord, New Hampshire

NHPUC 100CT18PM3:22

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7           **RE: DW 18-108**  
8           **ABENAKI WATER COMPANY, INC./**  
9           **TIOGA RIVER WATER COMPANY, INC.:**  
10          **Petition to Transfer Utility Assets**  
11          **and Franchise to Abenaki Water**  
12          **Company, Inc.**  
13          **(Prehearing conference)**14  
15          **PRESENT:**     Chairman Martin P. Honigberg, Presiding  
16                            Commissioner Kathryn M. Bailey  
17                            Commissioner Michael S. Giaimo

18                            Sandy Deno, Clerk

19  
20          **APPEARANCES:**   **Reptg. Abenaki Water Company:**  
21                            Justin C. Richardson, Esq. (Upton...)  
22                            **Reptg. Tioga River Water Company:**  
23                            Sarah N. Young, Esq. (Wescott Law)  
24                            **Reptg. PUC Staff:**  
                              Paul B. Dexter, Esq.  
                              Christopher Tuomala, Esq.  
                              Jayson Laflamme, Gas & Water Division  
                              Robyn Descoteau, Gas & Water Division

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

**CERTIFIED  
ORIGINAL TRANSCRIPT**

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**P R O C E E D I N G**

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2 CHAIRMAN HONIGBERG: Good morning,  
3 everyone. We're here for a prehearing  
4 conference in Abenaki Water Company's proposed  
5 acquisition of Tioga River Water Company.  
6 We're going to hear from the parties on their  
7 preliminary positions, and following that there  
8 will be a technical session for you all that  
9 won't involve us.

10 Is there any business we need to  
11 transact before we hear from the parties?

12 MR. DEXTER: Staff has no business.

13 CHAIRMAN HONIGBERG: All right. Why  
14 don't we enter appearances. Sorry about that.

15 For the record, power is off in the  
16 building. It went off just before this  
17 prehearing conference started, and I expect all  
18 of us will be a little off our games.

19 Appearances.

20 MR. RICHARDSON: Good morning,  
21 Commissioners. Justin Richardson, with Upton &  
22 Hatfield, here for Abenaki Water Company. With  
23 me here at counsel's table, I have Don Vaughan,  
24 who's the President of Abenaki's Board of

1 Directors, as well as Pauline Doucette, who is  
2 the President of Abenaki Water Company.

3 MS. YOUNG: Good morning. Sarah  
4 Young, for Wescott Law, S-a-r-a-h, and to my  
5 right is Norm Harris, for Tioga Water Company.

6 MR. DEXTER: Good morning. And  
7 appearing on behalf of the Commission Staff,  
8 Paul Dexter and co-counsel Chris Tuomala. And  
9 with me from the Water Division are Jayson  
10 Laflamme and Robyn Descoteau.

11 CHAIRMAN HONIGBERG: All right. Now,  
12 Mr. Richardson, why don't you start us off.

13 MR. RICHARDSON: Sure. I think this  
14 is a great proposal before the Commission. As  
15 I'm sure the Staff is aware, and as the  
16 Commission may be aware from our Petition,  
17 Abenaki -- excuse me, Tioga is a pretty small  
18 water system. It has a total of 65 customers  
19 in two different towns and two different  
20 systems.

21 Abenaki is a good company. They've  
22 been part of the New England Service Company  
23 family of companies. There's a total of 9,418  
24 customers. They have a technical staff of 23

1 professionals. They provide service and  
2 they're on call on a 24/7 basis. They have a  
3 number of customer service functions that they  
4 can bring to the table, which will benefit  
5 Tioga's customers as well, including improved  
6 billing/collections. We want to convert to  
7 monthly billing, not a rate increase, but just  
8 a tariff amendment.

9 We look forward to working with Staff  
10 to answer any questions, and any other  
11 interested parties.

12 CHAIRMAN HONIGBERG: Thank you, Mr.  
13 Richardson. Ms. Young.

14 MS. YOUNG: Good morning. So, as the  
15 Commission is likely aware, Abenaki and Tioga  
16 have entered into an Asset Purchase Agreement.  
17 The basic terms have been fully agreed to. The  
18 only real outstanding matter is the final  
19 purchase price. But a formula has been set,  
20 it's just a matter of having the final data to  
21 put that in.

22 Tioga firmly believes that Abenaki  
23 would be a great asset for the area and do well  
24 by the customers, and hopes that there is no

1 obstacle to closing on this sale in the  
2 immediate future.

3 CHAIRMAN HONIGBERG: Thank you. Mr.  
4 Dexter.

5 MR. DEXTER: Thank you, Mr. Chairman.  
6 Staff at this point has taken a preliminary  
7 review of the project, and preliminary position  
8 is that Staff is supportive. We see a number  
9 of benefits that the acquisition would bring,  
10 some of them have been mentioned already.  
11 Staff's generally supportive of the monthly  
12 billing, generally supportive of the 24-hour  
13 service availability. Of course, costs are key  
14 in a situation like this, and we will be taking  
15 a look at the costs that will come along with  
16 these additional services.

17 Staff will also review the purchase  
18 price, to see that it bears a reasonable  
19 relationship to the rate base of the Company.

20 And we will also be looking at the  
21 proposal, which I don't think was mentioned so  
22 far today, whereby the acquiring company  
23 proposes to install all new meters for the 60  
24 plus customers of the Tioga system. Staff will

1 be looking at the necessity of those meters and  
2 the attendant cost.

3 But we believe these are issues that  
4 can all be worked out. And as we said, based  
5 on the information we've seen so far, Staff  
6 expects to be generally supportive of the  
7 transaction.

8 CHAIRMAN HONIGBERG: Do you have a  
9 sense of what the timeline is likely to be?

10 MR. DEXTER: I do. I have actually  
11 drafted up a proposed schedule that I've passed  
12 out to the parties. We haven't had a chance to  
13 discuss it yet, I just gave it to them. But  
14 the schedule would have this all wrap up by the  
15 end of year, --

16 CHAIRMAN HONIGBERG: Okay.

17 MR. DEXTER: -- with a hearing in  
18 December.

19 CHAIRMAN HONIGBERG: Anything else  
20 anyone wants to add before we leave you to your  
21 technical session?

22 MR. RICHARDSON: No. We've looked at  
23 the Staff's proposed schedule, and it looks  
24 like everything is acceptable for Abenaki.

1 And I think the Staff's summary is a fair one.

2 So, --

3 CHAIRMAN HONIGBERG: All right.

4 Well, if there's nothing else, we will adjourn  
5 the prehearing conference and leave you to your  
6 technical session.

7 *(Whereupon the prehearing*  
8 *conference was adjourned at*  
9 *10:13 a.m., and a technical*  
10 *session was held thereafter.)*

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