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STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

July 28, 2016 - 10:03 a.m.
Concord, New Hampshire

RE: DW 16-448
ABENAKI WATER COMPANY AND
ROSEBROOK WATER COMPANY:
Petition to Transfer Utility Assets
and Franchise and for Related
Approvals. (Hearing on the merits)

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Robert R. Scott
Commissioner Kathryn M. Bailey

Sandy Deno, Clerk

APPEARANCES: **Reptg. Abenaki Water Company:**
Justin C. Richardson, Esq. (Upton...)

Reptg. Rosebrook Water Company:
Sultana Svirk, Esq. (Devine...)

Reptg. Residential Ratepayers:
Donald M. Kreis, Esq., Consumer Adv.
Pradip Chattopadhyay, Asst. Cons. Adv.
Office of Consumer Advocate

Reptg. PUC Staff:
John S. Clifford, Esq.
Mark A. Naylor, Dir./Gas & Water Div.
Robyn J. Descoteau, Gas & Water Div.

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

 **ORIGINAL**

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WITNESS PANEL: **DONALD J. E. VAUGHAN**
 DEBORAH O. CARSON
 ROBYN J. DESCOTEAU

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[WITNESS PANEL: Vaughan~Carson~Descoteau]

1 Is that your -- is that what your intention is?

2 A. (Vaughan) No. We've got to take a good look at
3 this, because, you know, we're on the heels of
4 a rate decision in Bow and Belmont. We
5 recognize that there's an awful lot of capital
6 that has to be spent at Rosebrook. So that,
7 when we come in again, I'm estimating that the
8 focus is going to be on Rosebrook, and perhaps
9 there's a way we can level or even reduce some
10 of the rates in Bow and Belmont. I'm kind
11 of -- that would be my desire, that would be my
12 goal.

13 Q. So, it's not your immediate plan to have the
14 Bow and Belmont customers subsidize the
15 Rosebrook system that is in so need of capital
16 improvements?

17 A. (Vaughan) Not at all.

18 Q. Okay. All right. So, we can talk about that
19 at the rate case?

20 A. (Vaughan) Yes. Absolutely.

21 Q. That's fine. Thank you. Okay. In Exhibit
22 H -- sorry, Exhibit 5, which is the Revised
23 Exhibit H, that's your tariff, on Page 059,
24 Original Page 2 of the tariff, but I think it's

[WITNESS PANEL: Vaughan~Carson~Descoteau]

1 Bates stamped Page 059, I see that there are
2 some revisions from the Rosebrook policy about
3 who has to own, operate and maintain -- or, own
4 and maintain the service line. It looks to me,
5 and I'm not a water company expert, I don't
6 have a lot of experience in this area, but it
7 looks to me like, under Rosebrook, the utility
8 owned the service line from the property line
9 to the customer's house. And you're changing
10 that so that now the customer owns the service
11 line from the property line to the house?

12 A. (Vaughan) It's -- not quite. Conventionally,
13 the Company owns the water service from the
14 water main to the property line or the curb
15 stop. And, hopefully, the curb stop is located
16 at the property line or within the
17 right-of-way. And the reason for that is, it
18 gives the operator, the water company the right
19 to access that curb stop, or it facilitates it.

20 In the case of Rosebrook, through our due
21 diligence, we determined that there are several
22 curb stops that are almost right adjacent to
23 the house. And, so, how this became
24 information available to us was the result of

[WITNESS PANEL: Vaughan~Carson~Descoteau]

1 all the frozen services that have occurred
2 there, and the responsibility of those frozen
3 services. If they are the Company's services,
4 which should be from the main to the property
5 line or to the curb stop, hopefully in a
6 coincidental location, then the Company takes
7 care of the frozen service. And it's
8 conventional also that the owner has to be
9 responsible for thawing the frozen service on
10 their side of the service, which is the
11 property line to the house.

12 So, when we have an opportunity, we want
13 to move those curb stops to the property line.
14 And there's a lot of good things that can
15 happen out of that, too. Some of them are at
16 enormous depths. Although the frost reaches
17 down five or six feet in that area, we can
18 raise those and perhaps renew those services
19 while we're doing it. So, the revision is to
20 just emphasize that we -- that the
21 responsibility of the Company is from the main
22 to the property line or the curb stop.

23 Q. And you mentioned the word that it's
24 "conventional" a couple of times. Do you mean

[WITNESS PANEL: Vaughan~Carson~Descoteau]

1 that that's the industry norm? That most water
2 companies, the point of demarcation is at the
3 property line, not at the house?

4 A. (Vaughan) No, it's at the property line.

5 Q. Okay. Thank you.

6 A. (Vaughan) It's water utility convention.

7 CMSR. BAILEY: Okay. All right. And
8 I think all of my other questions have been
9 answered. So, thank you.

10 WITNESS VAUGHAN: Thank you.

11 BY CHAIRMAN HONIGBERG:

12 Q. How much bigger a company is Abenaki going to
13 be after the transaction closes?

14 A. (Vaughan) Abenaki is going to leap from 250 to
15 650 customers, give or take.

16 Q. Does anyone on the panel have any concern about
17 the capacity of the Company to manage the much
18 larger number of customers that it will have?

19 A. (Vaughan) We do not. We've made steps to
20 reinforce the local presence at Bretton Woods.
21 There was a staff of four people there. Two
22 have left, seen pretty much the handwriting on
23 the wall, a third is redundant. For perhaps
24 six weeks to two months, there was one person