

1 **STATE OF NEW HAMPSHIRE**
2 **PUBLIC UTILITIES COMMISSION**

3 **November 8, 2021** - 9:05 a.m.
4 21 South Fruit Street
5 Suite 10
6 Concord, NH

7 *[Hearing also conducted via Webex]*

8 **RE: DW 21-134**
9 **PENNICHUCK WATER WORKS, INC.:**
10 Petition for Approval of Emergency
11 Temporary Water Rate.

12 **PRESENT:** Chairwoman Dianne H. Martin, Presiding
13 Commissioner Daniel C. Goldner

14 Michael Haley, Esq., Asst. Atty. Gen.
15 *(N.H. Department of Justice)*

16 Doreen Borden, Clerk
17 Corrine Lemay, PUC Hybrid Hearing Host

18 **APPEARANCES:** **Reptg. Pennichuck Water Works, Inc.:**
19 Marcia A. Brown, Esq. *(NH Brown Law)*

20 **Reptg. New Hampshire Dept. of Energy:**
21 Suzanne G. Amidon, Esq.
22 *(Regulatory Support Division)*

23 Court Reporter: Steven E. Patnaude, LCR No. 52
24

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* * *

WITNESS PANEL:

**RONALD MINER
JILL LAVOIE
MICHELE HOLTON
LARRY GOODHUE
DONALD WARE**

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EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Pennichuck Water Works, Inc., Petition for Emergency Temporary Rate	<i>premarked</i>
2	Emergency Temporary Rate Tariff	<i>premarked</i>
3	Pennichuck Water Works Affidavit of Publication	<i>premarked</i>
4	N.H. Dept. of Environmental Services Letter of Support	<i>premarked</i>
5	Merrimack Village District Letter of Support	<i>premarked</i>
6	PWW Response to Department of Energy Set 1, Request Number Energy 1-1 (Bates Page 1 only)	<i>premarked</i>
7	PWW Response to Dept. of Energy Set 2 Data Requests	<i>premarked</i>
8	PWW Response to Dept. of Energy Set 3 Data Requests	<i>premarked</i>
9	N.H. Public Works Mutual Aid Program	<i>premarked</i>
10	N.H. Public Works Mutual Aid Program Members	<i>premarked</i>
11	Agreement for Water Service Between Merrimack Village Water District and Pennichuck Water Works, Inc. (DRAFT)	<i>premarked</i>

P R O C E E D I N G

CHAIRWOMAN MARTIN: Good morning, everyone. We're here this morning in Docket DW 21-134 for a hearing regarding the Pennichuck Water Works' request for emergency temporary rates for Merrimack Village District.

Let's start by taking appearances. Ms. Brown.

MS. BROWN: Good morning, Commissioners. My name is Marcia Brown, from NH Brown Law. I'm representing Pennichuck Water Works in this matter.

And, as you can see from the screen, we have some witnesses: Larry Goodhue, Don Ware, Ron Miner, Jill Lavoie, and Michele Holton, that we will be offering.

Thank you.

CHAIRWOMAN MARTIN: Ms. Brown, can you just, for my benefit, point out which witnesses are -- we have three sitting together. And I assume the one on the left is Ron Miner. Who are the other two?

MS. BROWN: That is correct. And, just to complete the record, Larry Goodhue is in the

1 bottom left, and he is the Chief Executive
2 Officer for Pennichuck Water Works; next to you,
3 Chairwoman Martin, is Donald Ware, who is the
4 Chief Operating Officer; the panel, that just
5 says "Ron Miner", Ron is the Operations
6 Superintendent for Merrimack Village District; in
7 the middle is Jill Lavoie, and Jill Lavoie is the
8 Business Manager and Water Quality Testing
9 Administrator; and then, to the far right is a
10 new witness we needed to add late Friday, is
11 Michele Holton, and she is the Finance Director
12 for the Merrimack Village Water District.

13 Thank you.

14 CHAIRWOMAN MARTIN: All right. Thank
15 you very much. And, before I move over to you,
16 or as you enter your appearance, Ms. Amidon, can
17 you also comment on whether you have any
18 objection to the addition of Ms. Holton. Go
19 ahead.

20 MS. AMIDON: Thank you. Suzanne
21 Amidon. I'm here for the Department of Energy,
22 the Regulatory Division.

23 And we don't have any problem with
24 Michele appearing today. I imagined that, you

1 know, this is an emergency petition, and she is
2 determined necessary, I'm fine with that.

3 Thank you.

4 CHAIRWOMAN MARTIN: All right. Thank
5 you very much. And, for Commissioners today, you
6 have myself, Chairwoman Martin, and Commissioner
7 Goldner. I did want to note for the record that
8 we have our counsel from DOJ with us, and that is
9 the third person sitting on the Bench. His name
10 is Michael Haley.

11 Okay. For preliminary matters, I have
12 Exhibits 1 through 11, originally 1 through 10,
13 addition of Exhibit 11. Anything else related to
14 exhibits?

15 MS. BROWN: Nothing from the Company.

16 MS. AMIDON: And nothing here. Thank
17 you.

18 CHAIRWOMAN MARTIN: Okay. Any other
19 preliminary matters?

20 MS. BROWN: Before conducting direct, I
21 do have a preliminary statement, to kind of give
22 the lay of the land from a legal perspective. If
23 I may proceed?

24 CHAIRWOMAN MARTIN: Okay. Ms. Amidon,

1 anything else, before we take opening statements?

2 MS. AMIDON: No. Thank you.

3 CHAIRWOMAN MARTIN: All right. Go
4 ahead.

5 MS. BROWN: Thank you, Commissioners,
6 for scheduling this hearing so quickly and
7 promptly on the emergency rate request that's in
8 the Petition.

9 I would like to note that, on the
10 morning of October 21st, the Company started this
11 proceeding by filing a tariff. And I make note
12 that the tariff on the Commission's docketbook is
13 shown as coming in on the 22nd. The reason why I
14 raise this is because, from our perspective, the
15 Company's perspective, we believe we filed it on
16 the 21st, triggering the 30-day notice before it
17 automatically goes into effect. And, so, if
18 there is a discrepancy between our records
19 showing it having been filed on the morning of
20 the 21st, and the Commission's records of
21 receiving it on the 22nd, because I believe my
22 server shows that your server received it, then
23 the tariff needs to be amended. Until we figure,
24 you know, if that is an issue, I raise it,

1 because it does affect the tolling of the 30
2 days.

3 And the reason why the Company chose a
4 tariff, and this is a very fluid, evolving
5 emergency situation, and the quickest way to
6 implement a rate is to go through a tariff.
7 Because RSA 378:3 merely has the companies, if
8 they need rate relief, file a tariff, and within
9 30 days of that notice period, or other notice
10 that the Commission may require, the rate
11 automatically goes into effect unless it is
12 suspended. And it was because of that automatic
13 nature of the rate going into effect, that we
14 needed to file something as quickly as possible,
15 because we didn't know if we had what we needed
16 to file a special contract, because, at the time,
17 it didn't sound like the Company -- I'm sorry,
18 the Water District could enter into a long-term
19 special contract. But I'll address that later.

20 Now, the difficulties that the Company,
21 the parties are facing is that Merrimack Village
22 District has financial and budget constraints.
23 The Company needed to determine what a cost-based
24 rate would be, and we needed to trigger the most

1 appropriate authority from the Commission. And,
2 so, this has been evolving from 378:7 and the
3 filing of a tariff, and triggering the
4 Commission's plenary power of a rate, and then
5 following up with a request for an emergency
6 temporary rate, triggering RSA 378:9. As we
7 finish this hearing, it will be clear that we are
8 also thinking that we can ultimately use the
9 special contract authority under 378:18.

10 But the emergency authority under RSA
11 378:9, there's a 1951 Supreme Court case, this is
12 the *PSNH* case. And it held that the Commission
13 has wide discretionary powers to decide whether a
14 crisis is of sufficient severity to warrant
15 relief, and, if so, the extent of the relief
16 requested. The Company interprets that to be
17 very broad ability to respond to an emergency.

18 Most of the emergencies that have come
19 before this Commission have been financial in
20 nature. And you will hear testimony today that
21 this is a health-based concern, there is -- a
22 health-based emergency, rather. There is a
23 financial aspect, in that Merrimack Village
24 District has budgetary constraints, and it is a

1 supplier of water to a few of Pennichuck Water
2 Works's developer-owned systems that Pennichuck
3 had acquired. And those systems, if they
4 don't -- if Merrimack Village District cannot
5 supply non-contaminated water, then they are at
6 risk.

7 So, while the emergency rate authority
8 or emergency authority under RSA 378:9 has
9 customarily been used under a -- in a financial
10 sense, there is very much a health-based
11 emergency here, and the financial aspect is on
12 the supplier that Pennichuck obtains water from
13 for its customers.

14 Now, with respect to the special
15 contract provision, that authority the Commission
16 can use if special circumstances exist, which
17 render a departure from the general schedules to
18 be just and consistent with the public interest.
19 I think that's a lesser standard than the crisis
20 of sufficient severity. And I think, under each
21 threshold, we'll be offering testimony and
22 evidence to support either one. But, with
23 respect to 378:18, and whether Merrimack Village
24 District is at a position to be able to enter

1 into a special contract, you will hear testimony
2 today that the commissioners have not yet had a
3 scheduled meeting. They have had someone out,
4 out-of-state. They haven't had the time to
5 review the terms and decide whether they can
6 enter into it.

7 I will make one other point about the
8 Mutual Aid. That was included as a -- just to
9 kind of set the landscape of Pennichuck Water
10 Works's response to Merrimack Village District's
11 emergency situation. There is, and you'll hear
12 testimony about this, there is a program that is
13 based under RSA 53-A, which allows mutual aid
14 agreements between entities, and Pennichuck Water
15 Works and the Merrimack Village District are both
16 members of that. That agreement doesn't affect
17 rates, *per se*, that is, you know, the rates
18 aspect of this emergency response is going to be
19 through the Commission's authorities, not through
20 RSA 53-A.

21 But we added it as context, because
22 there is a rate schedule that's attached to -- I
23 think it was Exhibit 9 that had, and it's an
24 older agreement, but it had some rates. And the

1 idea is that Mutual Aid between these members
2 would be at a cost-based rate. So that was
3 something that Pennichuck has done its best to
4 calculate, and in the proposal today is an
5 estimated rate, and then, ultimately, at the end
6 of the emergency, the actual rate will be
7 determined, and then a reconciliation mechanism
8 to true that up is proposed.

9 But, having said that, 53-A does not
10 govern rates, but we added it as an example of
11 how these two entities have joined together to
12 deal with this emergency. I think the Commission
13 has within its powers, under 378:18, to fashion
14 the remedy pertaining to rates.

15 And that was the lay of the land I
16 wanted to at least speak to. I'm happy to start
17 direct examination of my witnesses, if that's --
18 if there are no other questions?

19 CHAIRWOMAN MARTIN: Any questions?

20 COMMISSIONER GOLDNER: No.

21 CHAIRWOMAN MARTIN: Ms. Amidon, do you
22 want to make an opening?

23 MS. AMIDON: Just very briefly.

24 I will support Attorney Brown's

1 contention that the tariff itself was filed on
2 October 21st. I think, perhaps the Petition may
3 have been filed a day later, and that may be what
4 is -- why that date is in the record.

5 The other thing I wanted to say is,
6 Staff is fully aware that this is an emergency.
7 In the Petition, under Paragraph 5, the Company
8 states that there was a Notice of Violation from
9 the Department of Environmental Services
10 delivered to the Merrimack Valley [sic] District
11 on September 23rd of this year, because the well
12 water violated the PFAS standard. I, obviously,
13 don't know anything more than that. That the
14 PFAS standard has a set limit provided by the
15 Department of Environmental Services, and the
16 PFAS in this water system exceeded that, such
17 that the Department declared an emergency.

18 So, we don't have any issue with the
19 fact that an emergency exists. We recognize it.
20 And have done discovery on this Petition, and
21 believe that the Commission can develop a
22 solution to this problem in fairly short order.
23 And I will summarize that in my closing, if that
24 is adequate for you.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 Thank you.

2 CHAIRWOMAN MARTIN: All right. Thank
3 you, Ms. Amidon. And thank you for that
4 clarification about the tariff versus the
5 Petition.

6 All right. Then, why don't we swear in
7 the witnesses. And we've had a good
8 identification of each of them. So, Mr.
9 Patnaude, if you can swear them in please.

10 (Whereupon **Ronald Miner, Jill Lavoie,**
11 **Michele Holton, Larry Goodhue,** and
12 **Donald Ware** were duly sworn by the
13 Court Reporter.)

14 CHAIRWOMAN MARTIN: Mr. Ware, I
15 apologize. I didn't see or hear you say "I do",
16 and I might have missed it, because I was trying
17 to look at everyone. Can you just do that for
18 me?

19 MR. WARE: Yes, I do.

20 CHAIRWOMAN MARTIN: Thank you. Okay,
21 Ms. Brown.

22 MS. BROWN: Thank you, Commissioners.
23 I'd like to start with the Merrimack Village
24 District witnesses.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 **RONALD MINER, SWORN**

2 **JILL LAVOIE, SWORN**

3 **MICHELE HOLTON, SWORN**

4 **LARRY GOODHUE, SWORN**

5 **DONALD WARE, SWORN**

6 **DIRECT EXAMINATION**

7 BY MS. BROWN:

8 Q And, Mr. Miner, could you please, for the record,
9 state your name and position?

10 A (Miner) Sure. My name is Ronald Miner, Junior.
11 I am the Superintendent for the Merrimack Village
12 District.

13 Q And how long have you been the Superintendent for
14 the District?

15 A (Miner) Since 2000 -- 2010.

16 Q Thank you. And, Mr. Miner, what are your
17 responsibilities as Superintendent?

18 A (Miner) I'm actually responsible for overseeing
19 the daily operations of the Merrimack Village
20 District.

21 Q And, Mr. Miner, are you familiar with the subject
22 of today's hearing?

23 A (Miner) Yes.

24 Q And, Mr. Miner, since you are responsible for the

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 daily operations, will you be able to testify as
2 to construction efforts the District is taking to
3 address contaminations -- I'm sorry,
4 contamination due to PFOA?

5 A (Miner) Yes.

6 Q Mr. Miner, have you had an opportunity to review
7 the exhibits that have been premarked for
8 identification for this hearing?

9 A (Miner) Yes.

10 Q And those exhibits are 1 through 11?

11 A (Miner) Yes.

12 Q Okay. Ms. Lavoie, if I could just have you state
13 your name and position for the record?

14 A (Lavoie) Jill Lavoie. I'm the Business Manager
15 and Water Quality Testing.

16 Q And, in that capacity, what are your
17 responsibilities?

18 A (Lavoie) I'm the legal liaison for MVD to our
19 legal team. I'm responsible for all compliance
20 and non-compliance sampling and manage office
21 staff of five employees.

22 Q Okay. Great. Thank you. Are you familiar with
23 the subject matter of today's hearing?

24 A (Lavoie) Yes.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 Q Okay. And, Ms. Holton, if I could have you state
2 your name and position for the record?

3 A (Holton) My name is Michele Holton. And I'm the
4 Finance and HR Director at Merrimack Village
5 District.

6 Q And, as Finance Director, what are your
7 responsibilities, if you could describe them?

8 CHAIRWOMAN MARTIN: Ms. Brown, can I
9 pause for one second? I just want to check with
10 Commissioner Goldner on something.

11 *(Chairwoman Martin and Commissioner*
12 *Goldner conferring.)*

13 CHAIRWOMAN MARTIN: Go ahead.

14 BY MS. BROWN:

15 Q Ms. Holton, could you please describe your
16 responsibilities as Finance Director?

17 A (Holton) I perform or oversee the day-to-day
18 accounting, budget preparation, and financial
19 reports on a monthly basis, as well as preparing
20 the annual report for the annual meeting.

21 Q Okay. Great. Thank you. And are you familiar
22 with the purpose of today's hearing?

23 A (Holton) Yes, I am.

24 Q Mr. Goodhue, could I have you state your name and

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 position for the record?

2 A (Goodhue) Yes. Larry Goodhue. I am the Chief
3 Executive Officer and Chief Financial Officer for
4 Pennichuck Water Works.

5 Q And, in that capacity, can you briefly describe
6 your responsibilities for the record?

7 A (Goodhue) Yes. As Chief Executive Officer, I
8 have responsibility overall for the Corporation
9 and oversight of all departmental activities,
10 operational and otherwise. And, as Chief
11 Financial Officer, I am responsible for all
12 financial and treasury-related activities for the
13 Corporation.

14 Q And, Mr. Goodhue, with respect to this
15 proceeding, are you familiar with the filings and
16 exhibits that have been filed?

17 A (Goodhue) I am fully aware of all filings related
18 to this topic.

19 Q Thank you. Mr. Ware, could you please state your
20 name and position for the record?

21 A (Ware) Yes. My name is Donald Ware. I am the
22 Chief Operating Officer of Pennichuck Water
23 Works.

24 Q And, as Chief Operating Officer, what do your

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 responsibilities include?

2 A (Ware) I have responsibility for the day-to-day
3 operations of the Company, in the areas of
4 engineering, distribution, water supply, and
5 customer service.

6 Q Thank you. Mr. Ware, have you testified before
7 this Commission prior to today?

8 A (Ware) Yes, I have.

9 Q And what is your area of expertise?

10 A (Ware) My area of expertise is in water supply
11 and distribution operations. I am a licensed
12 Professional Engineer in New Hampshire, Maine,
13 and Massachusetts, as well as a Grade IV Water
14 Treatment and Distribution Operator in those
15 three states.

16 Q And, Mr. Ware, to the extent that I need you as
17 an expert, will your testimony, to the extent it
18 is offering opinion, will that be within that
19 area of expertise that you just described?

20 A (Ware) Yes, it will.

21 Q Thank you. And, Mr. Ware, did you prepare
22 prefiled direct testimony for this docket?

23 A (Ware) Yes, I did.

24 Q And do you have Exhibit 1 in front of you?

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 A (Ware) Yes, I do.

2 Q And is your testimony attached or within this
3 Exhibit 1, and I guess, for the record, I'll have
4 you turn to Bates Page 008 of Exhibit 1?

5 A (Ware) Yes.

6 Q Do you have any changes or corrections that need
7 to be made to the Petition, separate from the
8 attachments? I mean, I'm sorry --

9 A (Ware) No, I do not.

10 Q -- changes -- let me just rephrase that, because
11 I asked if "you had any changes to the Petition",
12 but I should have asked you, do you have any
13 changes to this prefiled direct testimony, aside
14 from the attachments?

15 A (Ware) No, I do not.

16 Q And do you adopt this prefiled direct testimony
17 as part of your testimony today?

18 A (Ware) Yes, I do.

19 Q Now, Mr. Ware, on Bates Page 027 of Exhibit 1,
20 are these the attachments to your testimony?

21 A (Ware) Yes, they are.

22 Q And have these been superseded by discovery
23 responses?

24 A (Ware) Yes, they were.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 Q Okay. Mr. Ware, I don't know if I asked you, are
2 you familiar with all of the exhibits that have
3 been filed in this case?

4 A (Ware) Yes, I am.

5 Q Okay. Mr. Ware, just for the record, Exhibit 6,
6 7, and 8, do you have those in front of you?

7 A (Ware) I do.

8 Q And you, on behalf of Pennichuck Water Works,
9 responded to three rounds of discovery requests,
10 is that correct?

11 A (Ware) That is correct.

12 Q And do you adopt these data responses, Sets 1, 2,
13 and 3, as part of your testimony today?

14 A (Ware) Yes, I do.

15 Q There's no confidential information in these data
16 responses, is there?

17 A (Ware) That is correct. There's no confidential
18 information.

19 Q And I ask that, because, in response to
20 Department of Energy 3-1, the Company had
21 included Constellation Energy Electric Supply
22 Agreement, do you see that?

23 A (Ware) Yes.

24 Q And this is a public document, is that right?

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 A (Ware) Yes, it is.

2 Q Okay. Now, Mr. Miner, I'd like to go back to
3 you. Do you have Exhibit 5 in front of you?

4 A (Miner) Yes.

5 Q And I just want to have you authenticate this for
6 the record. Exhibit 5, is it correct that this
7 is the letter of recommendation that the Water
8 District filed in this case?

9 A (Miner) Yes, it is.

10 Q And is it the Water District's position that the
11 Commission ought to approve the requested rate?

12 A (Miner) Yes.

13 Q Okay. Ms. Lavoie, I want to just ask a few
14 questions of you. Do you have Exhibit 5 in front
15 of you?

16 A (Lavoie) Yes.

17 Q And, on Bates Page 002, Paragraph Number 3, there
18 is a reference to a "Notice of PFAS Maximum
19 Contaminant Level Exceedance". Do you see that?

20 A (Lavoie) Yes.

21 Q Could you please explain this Notice of
22 Violation, what it was for?

23 A (Lavoie) DES, the state required that all public
24 water systems do four quarters of sampling for

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 the four compounds that are regulated. Upon
2 completion of that, if there was an exceedance,
3 then a public Notice of Violation needs to go out
4 and remediation needs to begin.

5 Q And, so, can you also explain what Merrimack
6 Village District is doing to address this Notice
7 of Violation? And to the extent either you or
8 Mr. Miner can respond to the open question to
9 either one of you?

10 A (Lavoie) Want me to take that?

11 A (Miner) Yes, go ahead.

12 A (Lavoie) Okay. We were already in the process of
13 building treatment plants based on the voter
14 approval of funds. So, we're in the process of
15 building two treatment plants to address the four
16 remaining wells. So, we're kind of ahead of the
17 game, but we still have a violation to deal with.

18 Q Now, same question, either Ms. Lavoie or
19 Mr. Miner. As far as the timeline for coming
20 into compliance, can you please explain that?
21 And, in that explanation, also explain why the
22 Water District was not able to comply sooner due
23 to construction issues?

24 A (Miner) The Well 7 and 8 treatment plant is

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 expected to be going on line the Spring of '22.
2 And the Wells 2 and 9 treatment plant is expected
3 to be on line Fall of '22. But one of the
4 reasons, 7 and 8, we had received one vessel, we
5 should have actually -- that should have been on
6 by now, that treatment plant. We had a vessel
7 delivered. Vessel 2 has been delivered. Vessel
8 1, en route, it actually hit a bridge, and had to
9 be turned around for repairs. So, that is
10 actually what is slowing us up at this point.

11 I'm hoping to -- we're supposed to be
12 getting that vessel this week. I'm hoping for an
13 update today on that as well. But that's
14 primarily the slowdown, was the vessels, that are
15 a key part of the treatment.

16 Q I was just going to ask if you could just
17 describe for us non-engineers what the "vessel"
18 is?

19 A (Miner) So, the vessels, at this location, are
20 15-foot round vessels, approximately 20 feet
21 long, and that's what houses the granulated
22 activated carbon to remove the PFAS.

23 Q So, it sounds like that they are integral to
24 having a treatment -- a working treatment system

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 for PFOA, is that correct?

2 A (Miner) Absolutely, yes. Yes.

3 Q Okay. I may be stating the obvious, but,
4 Mr. Miner, was it unexpected that the vessel
5 would be hitting a bridge en route?

6 A (Miner) Yes. We didn't plan for that.

7 Q Mr. Miner, does Merrimack Village District
8 consider its present situation to be an
9 emergency?

10 A (Miner) Yes.

11 Q And when did, and this is to Mr. Miner, I
12 believe, when did the Village District start
13 taking water from Pennichuck Water Works?

14 A (Miner) October 20th, 2021.

15 Q Did that connection require any construction or
16 was there an existing interconnection?

17 A (Miner) No, we have an existing interconnection.
18 We've always had an existing interconnection.
19 And part of our settlement that we did with
20 Saint-Gobain on Wells 4 and 5, we actually had
21 constructed a booster station, so that we can
22 supply, in an event of an emergency, we can
23 supply the town.

24 So, before it was a -- we would have to

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 isolate an area, and it would just be a --
2 basically, we would shift over to the same
3 hydraulic grade line of Pennichuck to feed a
4 certain area. This allows us to actually fill
5 our water tanks and so forth.

6 Q Perfect. Thank you for that explanation.

7 Mr. Ware, I'd like to move on to you
8 please, and have you explain for the record how
9 much water Pennichuck Water Works is supplying
10 Merrimack Village District?

11 A (Ware) Yes. So, as Mr. Miner explained, we have
12 an existing interconnection with the MVD, along
13 Route 101-A, in the vicinity of Boston Post Road,
14 at the Merrimack/Nashua line. And at that
15 pumping station is where we meter the water, and
16 within that pumping station are a series of pumps
17 that are capable of delivering up to a million
18 gallons a day of water from Pennichuck Water
19 Works to the MVD system.

20 Q Now, Mr. Ware, in Exhibit 5, in Paragraph 4, this
21 is on Bates Page 002, there is a reference to
22 "1 million gallons a day (may be more or less)".
23 I just wanted to have you speak to that, you
24 know, if it's going to be more, how much more?

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 Or is this maxed out at one million gallons a
2 day? If you could explain that?

3 A (Ware) The hydraulics in that area and the pumps
4 within the pumping station limit the flows to a
5 maximum of one million gallons a day.

6 Q Thank you. Mr. Ware, can I have you speak to,
7 does Pennichuck have the supply to meet the
8 Village District's request for water, near term
9 and long term?

10 A (Ware) Yes. And the simple answer to that is
11 "yes". We have more than sufficient supply to
12 provide MVD with a million gallons a day of water
13 until they're able to get their treatment on
14 line.

15 Q And what's your understanding of when they're
16 going to get that treatment on line?

17 A (Ware) Well, our understanding is that the goal
18 is to have that treatment on line, that's the
19 treatment on Wells 7 and 8, in the early Spring
20 of 2022, as Mr. Miner stated. And then,
21 additional treatment on their Wells 2 and 9 in
22 the late summer/early fall, as he stated.

23 Q Okay. Thank you. I don't want to let this go
24 by, but, Mr. Ware, I want to bring to your

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 attention that the Commission's order had
2 requested testimony on "water supply capacity
3 beyond March 2022" and "whether summer or drought
4 conditions would affect its inability to continue
5 to provide water to the Village District, while
6 providing safe and adequate service to
7 Pennichuck's own customers." Could you please
8 speak to that?

9 A (Ware) Yes. So, when you look at availability of
10 supply during, you know, extreme, hot conditions,
11 which is when the demands are largest, we
12 fortunately have two very good measuring years,
13 which were 2016, into 2017, the drought that
14 happened during that summer, and then the Summer
15 of 2020.

16 And, by way of reference, the
17 Pennichuck Water Works facilities that serve the
18 Greater Nashua area and the MVD have a
19 capability, starting at the raw water, through
20 the finished water delivery, of about 35 million
21 gallons per day. During each of 2016 and 2020,
22 the maximum production day through our treatment
23 plant was about 25 million gallons a day. So,
24 that left about 10 million gallons a day of

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 additional capacity that would have been
2 available to meet demands above and beyond those,
3 again, what we would consider to be extreme
4 summer drought demand. So, the additional
5 one million gallons a day will not be a problem,
6 if this goes over into the summer, and we have,
7 you know, another hot, dry summer, similar to
8 2016 or 2020.

9 Q Thank you very much for that explanation. Mr.
10 Ware, moving on to how this emergency with
11 Merrimack Village District affects Pennichuck's
12 company, can you please just remind us, which
13 subdivisions are affected by this?

14 A (Ware) Yes. We have two subdivisions that get
15 their supply of water from the Merrimack Village
16 District. One is, it's a combination of
17 subdivisions in the Bedford/Southern Bedford
18 area. The subdivisions are Greenfield Farms,
19 Cabot Preserve, Parker Ridge. And that consists
20 of about 383 customers, and their source of
21 supply is exclusively the MVD. They have no
22 other source of supply.

23 We also have a small community water
24 system down in the southwestern portion of, well,

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 it's actually in Amherst, but it's adjacent to
2 Merrimack, called "Souhegan Woods". That
3 consists of 76 customers. That does have a
4 couple of wells. Those wells, dependent upon the
5 summer and conditions, can meet the base demand
6 of Souhegan Woods. There are times it may not be
7 able to, and the summertime demands, those wells
8 were not able to keep up, so there was an
9 interconnection made with the MVD back in the
10 early 2000s to supplement those wells. So,
11 that's the additional subdivision where we get
12 water from MVD, directly to our customers through
13 a purchased water agreement.

14 Q Thank you, Mr. Ware, for that explanation. Mr.
15 Ware, if I could have us move on to the question
16 about using a special contract model. Does
17 Pennichuck have special contracts with other
18 entities, other municipalities?

19 A (Ware) Yes, we do.

20 Q And are you familiar with Exhibit 11?

21 A (Ware) Yes.

22 Q How does this special contract differ, or is
23 there any distinction that you can draw, between
24 the special circumstances of this Merrimack

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 Village District special contract versus some of
2 the other ones that Pennichuck is involved with?

3 A (Ware) Yes. I think, probably the primary
4 differences are, one, that this has a very short
5 sunset. It was meant to deal with an emergency,
6 a contamination of a water supply that was
7 unforeseen. And, so, MVD is not looking to draw
8 water from the interconnection on a continual
9 basis, for a long duration of time, where it will
10 cause additional wear and tear of any
11 significance on PWW's equipment that supplies
12 water out to this area. In fact, MVD generally
13 has had, you know, its six wells that were
14 referenced already, that have been on line, that
15 fully meet MVD's needs, in terms of water supply,
16 distribution, and delivery to their customers.

17 And, so, again, this is kind of unique,
18 in that, typically, when we have these sorts of
19 contracts, they're with communities that are
20 utilizing us year in and year out. We are either
21 a primary or a secondary or a supplementary
22 source of supply, that's used on a consistent and
23 regular basis over a period of many years.

24 So, this is just short-term, an

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 emergency, because, again, the way the standard
2 for PFAS was developed, the numbers were changed
3 quickly and rapidly. And, again, as was
4 mentioned, MVD was ahead of the curve, in terms
5 of reacting to what needed to be done. But, due
6 to the unique circumstance of construction being
7 slowed down by the loss of one of the treatment
8 vessels, they found themselves in a position, in
9 order to comply with the new PFAS standards,
10 which, effectively, the fourth quarter sample was
11 during -- excuse me -- the third quarter sample
12 that occurred in -- or, fourth quarter, in
13 September, brought them over that level of
14 compliance.

15 And, as a result, you know, we, in
16 conjunction with them, were working
17 collaboratively to look for a short-term solution
18 to allow them to have PFAS-compliant water while
19 they got the remainder of their treatment on
20 line. Once that's on line, again, they will no
21 longer need us as a source of supply, other than
22 some sort of major emergency.

23 Q Mr. Ware, I have additional questions, and this
24 is concerning the terms for the rate. Now, you

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 have Exhibit 2 in front of you and Exhibit 11, do
2 you?

3 A (Ware) Yes.

4 Q And do you agree that both of them, under the
5 tariff, which is Exhibit 2, the rate, there's a
6 paragraph that explains the total cost of
7 electricity, etcetera? Do you see that
8 paragraph?

9 A (Ware) Yes.

10 Q And then, this -- I will represent that there's
11 the same paragraph on Bates Page 002 of
12 Exhibit 11, that starts out "The total cost of
13 electricity". Do you see that?

14 A (Ware) Yes.

15 Q Okay. Can you please describe for the record
16 what the elements of the rate proposed are, and
17 how you came up with them?

18 A (Ware) Yes. The goal of developing this rate was
19 to come up with a rate that is based on the
20 variable cost of producing the water. And there
21 are three major components. There is the
22 chemicals associated with treating the water;
23 there is the electricity associated with treating
24 and delivering the water; and then there is the

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 carbon that is utilized in also the treatment of
2 the water. So, those are the three components.

3 And, so, the initial pass at developing
4 the rate was to take our last full year of
5 record, which was 2020, and evaluate the electric
6 bills at the treatment plant, the chemistries
7 used at the treatment plant, and the amount of
8 carbon consumed at the treatment plant, and apply
9 the actual dollars spent, and divide that by the
10 number of millions of gallons of water that was
11 treated at the treatment plant, to come up with a
12 rate per, in this case, hundred cubic feet that
13 those components cost.

14 And, so, that was the purpose of the
15 exercise. And the goal was to make sure that we
16 had a rate that was sufficient to cover the
17 variable cost of production, but yet was, you
18 know, at a point where, given the financial
19 constraints that MVD operates under, they could
20 take the water and be able to utilize it as a
21 replacement for the wells that they would have to
22 take off line that did not have treatment yet.

23 Q Thank you for that explanation, Mr. Ware. Does
24 this rate that you described, is it -- is there

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 any subsidy that the Pennichuck Water Works'
2 customers will be providing under this rate?

3 A (Ware) No.

4 Q Is there -- can you explain why there's no
5 subsidy?

6 A (Ware) Yes. So, again, as was noted I think in
7 the testimony, so, first of all, we're
8 establishing a rate that is an estimated rate.
9 The goal is, once MVD stops taking water, not the
10 "goal", what would happen is is that we would
11 then collect the electrical bills, the chemical
12 bills, the amount of carbon that was consumed,
13 and take the number of gallons that were treated
14 during that duration, to come up with the actual
15 cost of treatment. And that would be the rate
16 that we would true up to.

17 In the meantime, we used this rate
18 that's been proposed, based on a projection of
19 increases in certain chemical costs and carbon
20 costs and electrical costs from the 2020 year as
21 a basis to charge, until we could true up that
22 rate at the time that MVD is no longer utilizing
23 the water.

24 Q Thank you. Mr. Ware, in your testimony, you had

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 described the rates, the retail rate and the
2 estimated and actual rate, and Merrimack Village
3 District's constraints, and when they would run
4 out of money. Could you please summarize that
5 for the record?

6 A (Ware) Yes. So, currently, MVD, as was
7 indicated, does have an interconnection, which,
8 you know, they turn on now and then. And I say
9 "now and then", it's fairly rare. If they have
10 activity going on, where they need, for instance,
11 if they're cleaning a well, or they are taking a
12 well off line, and they need a little bit of
13 additional supply, they will buy water from us.
14 And they're currently treated as a retail
15 customer. Our typical special contract customer
16 contracts are take-or-pay, guaranteed amount of
17 usage. We also, in turn, guarantee the ability
18 to deliver certain amounts of water.

19 In the case of MVD, they have taken,
20 you know, water sporadically. We do not have any
21 guarantees that, when they want water, that it
22 would necessarily be available. There is no,
23 again, special contract. But they take it at a
24 retail rate, when they take it, at \$4.03 per

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 hundred cubic feet. For them, that would
2 translate to a million gallons a day costing
3 \$5,388 per day.

4 It's my understanding, and this is an
5 understanding that came through about three or
6 four weeks of discussions back-and-forth between
7 Pennichuck Water Works and the Staff and Board at
8 MVD, that MVD, you know, has strict budgetary
9 constraints based on their, you know, what the
10 voters allow within each fiscal year, which for
11 them is July 1st through June 30th. So, we're in
12 the midst of the fiscal year. That there is a
13 Contingency Fund that they have, above and beyond
14 their normal budgeted funds, of about \$150,000.

15 Well, at \$5,388 per year [day?], if MVD
16 were to take water for -- at a million gallons a
17 day rate, they would exhaust their available
18 funds for purchasing water, and any other
19 contingencies, in approximately 28 days.

20 And, so, as you've heard already, we're
21 looking at a timeframe of approaching five
22 months, roughly 150 days, possibly a little more,
23 that MVD would like to be able to purchase water.
24 But, again, they have the budgetary constraints.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 And, as such, you know, we're looking for a
2 solution for them, which is also a solution for
3 our customers at Souhegan Woods, and up in the
4 Cabot Preserve area/lower Bedford area, that
5 would allow MVD and our customers to have water
6 that meets the PFAS standards, until they could
7 get Wells 7 and 8 with treatment on line, and
8 additionally later 2 and 9.

9 And, so, we worked for a while to try
10 to see what potential solutions were there, with
11 working within the constraints of the \$150,000,
12 looking at what our cost of production would be.
13 And, as a result, we came up with the approach
14 of, you know, selling them water on a short-term
15 basis at our variable cost of production, which,
16 at the 67 cents, would allow them to take that
17 million gallons a day for the -- through the
18 March timeframe that they expect Wells 7 and 8 to
19 have treatment, at which point that
20 interconnection could be shut off, because MVD
21 would be self-sufficient. It would remain
22 available if, during the summer, they needed some
23 supplementary water, until Wells 2 and 9 are on.
24 Q Mr. Ware, thank you for that explanation. Is it

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 fair to characterize this present take of one
2 million gallons a day as well above what the
3 Village District had been taking in the past
4 under these intermittent uses?

5 A (Ware) Yes.

6 Q I'd like to turn to Ms. Holton, if I could. And,
7 Ms. Holton, can you please describe generally how
8 the Village District is currently paying for the
9 water it is receiving from Pennichuck?

10 A (Holton) At present, we have exhausted the budget
11 line item for purchase of water. And the next
12 two funds available to us are the \$20,000 in our
13 Contingency Fund that was appropriated, as well
14 as \$100,000 that is in a reserve account, with
15 the option of purchasing water with those funds.
16 So, those will be the two funds that we'll be
17 looking to to pay for the water.

18 Q Okay. Thank you. And these funds are referenced
19 in the Village District's letter of support, is
20 that right, Exhibit 5, and I'm looking at Bates
21 Page 003?

22 A (Holton) Yes.

23 Q I'm sorry, I didn't hear that. Was that a "yes"
24 or --

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 A (Holton) Yes.

2 Q Okay. Thank you. And Ms. either Holton or
3 Lavoie, either one of you, you've heard
4 Mr. Ware's summary of when he believes Merrimack
5 Village District will be running out of funds.
6 Do you have anything else to add to that
7 description?

8 A (Holton) I would agree with his assessment.

9 Q Okay. Thank you. Now, Ms. Holton, I wanted to
10 ask you questions about the budget, if I could.
11 And I believe you said at the outset, as part of
12 your responsibilities, is to create annual
13 budgets for annual meeting, is that correct?

14 A (Holton) Yes.

15 Q Now, when you prepare the budgets for annual
16 meeting, are you familiar generally with the
17 state requirements concerning entering into
18 contracts for longer than a year?

19 A (Holton) Yes.

20 Q So, for contracts that Village District wants to
21 enter into for longer than a year, what has to
22 happen? If you could explain?

23 A (Holton) There is something called a
24 "non-appropriations" out clause that we

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 standardly attach to such agreements. It allows
2 for us to sign a contract that would go over the
3 end of a fiscal year, which has appropriation
4 that were voted at annual meeting, but, for the
5 next year, the clause indicates "if
6 appropriations were not voted to cover that
7 period, then the District would not be held
8 accountable for further payment after that
9 point."

10 Q Okay. And I'd like to have you -- do you have
11 Exhibit 11 in front of you?

12 A (Holton) Yes.

13 Q And, if I could have you turn to Bates Page 003,
14 there's a paragraph that's numbered "4", and it's
15 called "Non-Appropriation". And, when you're
16 referring to that out clause, is this paragraph
17 basically it?

18 A (Holton) Yes.

19 Q Okay. Thank you. Now, the next question I have
20 is, if funds are not appropriated, what would be
21 the next steps? And I guess I would ask
22 Mr. Ware, from Pennichuck's perspective, if you
23 could address, in the event there's -- the
24 Village District runs out of funds, what would

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 be the next step, from Pennichuck's
2 perspective?

3 A (Ware) So, as was described, if the proposed
4 emergency rate is approved, and based on the take
5 of a million gallons a day, through the end of
6 March, the bill from October 20th through the end
7 of March to MVD would be about \$134,000. So,
8 that would be within the context of what they
9 have available for this fiscal year, but would
10 push them to the end of their availability.

11 The assumption is right now that Wells
12 7 and 8 will be on line hopefully well before
13 that date. But, then, as was mentioned, as we
14 get into the summer, if there are extreme
15 conditions, and MVD has Wells 6, 7, and 4 and 5
16 up and running, but demands start to exceed what
17 they can produce or control, they would likely,
18 until Wells 2 and 9 are on, take water from PWW
19 starting in, you know, after the beginning of
20 their next fiscal year, when they had funds
21 available.

22 But, if those funds were not allocated,
23 you know, they, for their part, you know, my
24 interpretation was they know their budgetary

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 constraints, aren't going to ask to turn that
2 water on, because they can't pay for it. And we
3 don't, you know, wouldn't be turning that on if
4 they don't pay for it, but they would have still,
5 again, sufficient capacity in 7, 8, 4, and 5 to
6 meet the base demands of their customers and PWW
7 customers that purchase water from them.

8 It's certainly our intent to limit or
9 potentially eliminate the use of outside water at
10 those facilities drawing from MVD, if MVD does
11 not have the budgetary capacity to purchase water
12 after July 1st, if they're not given that
13 authority from us, so that we don't create any
14 more demand on MVD's system than necessary. And,
15 again, they would continue to have sufficient
16 water at that stage to meet their base demands,
17 just not their summer irrigation demands.

18 Q Okay. And, so, you just described outside lawn
19 watering that Pennichuck would implement to
20 reduce its take. That would help extend the
21 funds, is that right?

22 A (Ware) Well, at this stage, we're assuming that
23 the funds, so, you know, they have a vote on a
24 budget, which, you know, again, I'm not privy to

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 what they will put in that vote, but let's say
2 that they put in there that "Okay, starting on
3 July 1st, we want an additional million gallons a
4 day for July, August, and September, until we
5 think we're going to have Wells 2 and 9 on, or
6 until their summer demands drop off." And, so,
7 that would be three months, roughly \$90,000 of
8 water, a little bit more than that, that they
9 would put into their budget.

10 But, as was indicated, that budget is
11 subject to a vote of the District ratepayers.
12 And, if that got turned down, what would happen?
13 Well, again, you know, they would not be able to
14 meet summer demands with the Wells 7, 8 -- they
15 could meet some, but limited, 7, 8, 4, and 5.
16 And, at that stage, you know, the presumption
17 would be that MVD would not call for water from
18 PWW, because they weren't budgeted to take it.
19 And that they would impose restrictions on
20 outside usage. Again, I can't speak for them,
21 but that they would propose restrictions on
22 outside usage to limit the take of water until
23 the treatment for Wells 2 and 9 comes on line, to
24 what they can produce with 4, 5, 7, and 8, which

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 they will have budgeted funds to operate, and
2 those will have treatment at that stage, and
3 those will be compliant with the PFAS standards.

4 Q Thank you. And I'd like to give the Village
5 District an opportunity to respond, too. And my
6 question is similarly, that, if the District were
7 to run out of funds or, you know, there is a
8 possibility of running out of funds, can you
9 please explain what the District can do to avert
10 that? If it runs from outside lawn watering,
11 which curbs the take, or describing mechanisms to
12 either put this in the budget for a vote at the
13 next annual meeting, etcetera? If you could just
14 speak to what the District would do to be able to
15 continue accessing water from Pennichuck?

16 A (Miner) Michele, do you want to? You can
17 actually --

18 A (Holton) Oh, sure. As far as the funding, if we
19 are wanting to access the water, we'd have three
20 avenues going into our annual meeting: The
21 budget line item, which we have had in our budget
22 for many years, and has been approved. So, our
23 expectation is that it would be again. We would
24 also have a warrant article for another amount to

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 go into a Contingency Fund, which that is \$20,000
2 of what we're using this year, and there would be
3 something in that range of 20 to \$30,000 that we
4 would be asking for for a Contingency Fund. And,
5 also, we can propose a warrant article to
6 contribute funds to the Reserve Fund, so that we
7 could use those for payment of the water.

8 And Ron can speak to limits that we
9 could put in place.

10 A (Miner) And, as far as if funding does not
11 happen, I mean, obviously, we would have to
12 initiate, like to Don's -- to Mr. Ware's
13 comments, additional restrictions on outside
14 watering. So, that would also need to be
15 implemented.

16 Q Thank you for that explanation. Appreciate that.
17 I'd like to next ask questions, and I think it's
18 to Ms. Lavoie. You have -- the Village District
19 has commissioners that need to authorize
20 contracts, is that right?

21 A (Lavoie) Correct.

22 Q And do you have a sense of, you know, having seen
23 Exhibit 11, which is the proposed special
24 contract, do you know when your District's

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 commissioners will be taking that up?

2 A (Lavoie) We can call an emergency meeting. It
3 just needs to be publicly noticed 24 hours in
4 advance. But it's going to be around the
5 commissioners' schedule. Like you said, we do
6 have one commissioner that's out-of-state, but we
7 may be able to do a virtual emergency meeting,
8 and we would schedule that as soon as possible.

9 Q "As soon as possible", could that be within the
10 next two weeks that the Village District would be
11 able to respond back to the Commission on whether
12 pursuing a special contract route would work?

13 A (Lavoie) Yes.

14 Q Okay. Thank you. I would like to just touch
15 upon Mutual Aid, and, Mr. Miner, a few questions
16 on that. Is the Village District a member of the
17 New Hampshire Public Works Mutual Aid Group?

18 A (Miner) Yes.

19 Q And are you familiar with that Mutual Aid Group?

20 A (Miner) Yes.

21 Q And, Mr. Ware, is Pennichuck Water Works a member
22 of the Mutual Aid Group?

23 A (Ware) Yes, it is.

24 Q And, Mr. Ware, how long has Pennichuck Water

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 Works been involved with this Mutual Aid Group?

2 A (Ware) We became involved around 2009 and '10,
3 with the formation or incorporation of water and
4 wastewater entities into the then existing New
5 Hampshire Public Works Mutual Aid Group.

6 Q And, Mr. Ware, Exhibits 9 and 10, do you have
7 those in front of you?

8 A (Ware) I do.

9 Q And I'll start backwards. Exhibit 10 is the list
10 of members back in 2011, is that correct?

11 A (Ware) Yes.

12 Q And Town of Merrimack and Pennichuck Water Works
13 are both on this, is that correct?

14 A (Ware) Correct.

15 Q And, with respect to Exhibit 9, does this
16 exhibit -- or, does this document explain the
17 rights, I guess rights and responsibilities, but
18 the workings of the Mutual Aid Group?

19 A (Ware) Yes. The Mutual Aid Group has a standard
20 contract that each member signs. It deals a lot
21 with the issues that people get concerned about,
22 liability, "What if we come in and help you and
23 somebody gets hurt?" "What if we come in and
24 help you and we don't do an appropriate job?"

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 And, so, actually, the document you
2 have in front of you was the original contract or
3 one of the original contracts that was developed.
4 The current contract, the most recent version, is
5 roughly fourteen pages long, and deals with, you
6 know, various aspects that allow communities to
7 go in in good faith, help another community,
8 without worrying about liability.

9 It sets a context for expectations.
10 When you're reached out to, the goal is to
11 respond to a fellow member with the resources
12 that you have to help them through the emergency
13 at hand. And, you know, the goal is to, again,
14 provide emergency mutual aid, whether it's the
15 use of staff, materials, equipment, so on and so
16 forth, and, in our case, the delivery of product
17 or water.

18 Q And, so, Mr. Ware, do you consider that any of
19 the liability protections of the agreement would
20 apply with this response of Pennichuck to
21 Merrimack Village District?

22 A (Ware) As such, if they applied. I mean,
23 obviously, you know, we're delivering a product
24 that's subject to the Safe Drinking Water Act.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 I'm not overly concerned about liability. But
2 that always potentially exists. So, if, for some
3 reason, we had a water quality upset, we believe
4 the context of the Mutual Aid Agreement would
5 provide us some protections in that area. But,
6 certainly, it is always our goal, which is one of
7 the reasons we're here, to deliver water that is
8 100 percent compliant with the Safe Drinking
9 Water Act. That's our goal here, in helping MVD,
10 but also reaching through them to ensure that our
11 own customers who get water from MVD also receive
12 fully compliant water.

13 Q Mr. Ware, is the Department of Environmental
14 Services in support of this Mutual Aid Agreement
15 and rate?

16 A (Ware) Yes. They are fully supportive of the
17 concept, and something they pushed for for years,
18 again, mutual aid interconnections between
19 systems for this very purpose, to allow the
20 delivery of water during times where there are
21 challenges with a neighboring community producing
22 either enough water or water of proper quality.
23 And, you know, the goal is to ensure that the
24 costs of producing that water are covered.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 So, DES is fully aware of the current
2 effort, and fully supportive of that as a way to
3 allow MVD to bridge the timeframe between now and
4 when MVD has treatment on Wells 7 and 8, and
5 ultimately 2 and 9.

6 Q And, Mr. Miner, I presume the Village District is
7 also aware of Department of Environmental
8 Services' support of this, I guess, aid?

9 A (Miner) Yes. Yes.

10 Q Thank you. Mr. Ware, you didn't cover Attachment
11 Department of Energy 2-1, the schedules. Do you
12 have Exhibit 7 in front of you?

13 A (Ware) I do.

14 Q And these schedules differ than what was attached
15 to your testimony, is that correct?

16 A (Ware) That is correct.

17 Q Could you please summarize for the record what
18 you did -- you know, what is the update? How do
19 these differ from what you originally filed?

20 A (Ware) Yes. So, they differ in two different
21 areas. So, first of all, this still has the base
22 2020 water produce and the base 2020 expenses
23 associated with producing that water. But, when
24 we were producing that water in 2020, we were

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 purchasing water at 6.95 cents per kilowatt-hour
2 on the supply side -- excuse me -- purchasing
3 electricity on the supply side at that rate.

4 Our contract at that rate ran out as
5 of -- is running out as of the end of
6 November 2021. As such, we just recently
7 received quotations or RFPs for power for the
8 coming year 2022, and, in fact, into 2023, as the
9 case might be, from ISO providers of power, and
10 we've entered into a contract with Constellation
11 New Energy. We now had a known rate.

12 In the initial submission, we had
13 projected a rate, to be conservative, of I
14 believe it was either 11 or 12 cents a
15 kilowatt-hour. We ended up at 9.02 cents per
16 kilowatt-hour. So, in response to the DOE Staff,
17 we made an adjustment for what was now known and
18 measurable. When we filed the Petition, we were
19 out for proposals for power. When we got the
20 request from DOE, we actually had the quotations
21 for power. So, we were able to replace the
22 projected cost with the actual cost.

23 Chemistries, we still not -- chemicals,
24 we still do not have proposals for the 2022 year.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 We go out in a November timeframe to get
2 proposals back in December. So, we don't have
3 numbers for chemistries.

4 In our initial -- in my initial filing,
5 I believe I used a 15 percent adder to chemical
6 costs. But, in talking with suppliers, we're
7 numbers that could be as high as 25 to 30
8 percent. So, for purposes of building a
9 conservative view of what the variable cost of
10 water might be, we changed between the first
11 submission of these schedules to the response to
12 the DOE, we changed that increase in chemical
13 costs -- projected increase in chemical costs
14 from that 15 percent to 30 percent.

15 So, those were the two changes between
16 the two schedules. What we're trying to do, in
17 discussion and dialogue with the MVD was to
18 project a conservative rate. So that, when we
19 true this up, MVD is not short of funds in order
20 to pay what needs to be paid. You know, when we
21 true it up when we look at actual costs, they
22 hopefully will be slightly lower, and we're
23 giving a credit back to MVD, rather than asking
24 for a payment.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 Q Thank you for that explanation. Mr. Ware, we
2 have Exhibit 2, which is the tariff. We have
3 Exhibit 11, which is a draft of a special
4 contract. Does Pennichuck Water Works have a
5 preference on which format it uses for the rate?

6 A (Ware) Speaking for myself, and I'm sure Mr.
7 Goodhue will speak to this in more detail, we do
8 not have a preference. We're looking for a
9 solution that allows and ensures MVD can purchase
10 water and keep their noncompliant wells from
11 having to operate, because they can get -- have
12 the capacity to get sufficient water from PWW to
13 allow them to have compliant water until they get
14 treatment on Wells 7 and 8, 2 or 9.

15 Whichever vehicle works and is most
16 effective, we would be more than happy to work
17 with it. Because, again, our goal is to ensure
18 that our customers, as well as MVD's customers in
19 this case, under this emergency, have an
20 opportunity to have fully compliant water in
21 relation to the PFAS standard for the fall.

22 Q Thank you, Mr. Ware. And a question, and it may
23 be for Ms. Lavoie. The Village District, does it
24 have a preference on whether a tariff rate or a

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 special contract rate is used, or I mean "form of
2 document" is used?

3 A (Lavoie) There hasn't been a preference.

4 Q Thank you. Now, Mr. Goodhue, I would like to ask
5 you, too, as CEO of Pennichuck Water, does the
6 Company have a preference either going the tariff
7 route or a special contract route for
8 effectuating a rate?

9 A (Goodhue) It does not have a preference. But, if
10 I could add some contextual background, I would
11 appreciate that?

12 Q Pertaining to the -- Yes.

13 A (Goodhue) Give the overall tenor of this. I
14 think providing a contextual background for the
15 Commissioners is important.

16 PFOA, or PFAS, became a word in our
17 vocabulary, in the State of New Hampshire, back
18 in the March 2016 timeframe. It was at a point
19 in time that water issues throughout the country
20 were being echoed for various entities, and I'm
21 going to say "contaminants" that could be present
22 in the water.

23 In those five years that have ensued
24 since then, MVD, PWW, and other entities in this

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 state have had to respond, collectively, in a
2 very proactive basis, along with the DES,
3 relative to the compliancy and treatment of this
4 standard -- towards this standard.

5 And, at that time, all the way back in
6 the beginning of 2016, there was not even a state
7 standard or a national standard for PFAS or PFOA.
8 There is still not a national standard. But the
9 State of New Hampshire has been very proactive in
10 establishing an emergency standard, and then a
11 final compliance standard, which is what this
12 Notice of Violation was issued upon.

13 One of the key things that we focus on,
14 as a regulated utility, and I know municipalities
15 and municipal districts like MVD does, is
16 providing health-based water to people. You
17 know, one of the key things that we always talk
18 about is it's health above money. And, so, you
19 know, when we look at things like this is "how do
20 we provide a solution?" We knew that this Notice
21 of Violation was coming our way. We knew that we
22 were going to have to forward it along to our
23 customers as a consecutive water system getting
24 water from MVD for which a Notice of Violation

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 had been issued. And knowing, and having direct
2 dialogue with all of our customers, this is a
3 very, very important issue, that we can provide
4 water in compliancy with the standard, and for
5 which PFOA is 12 parts per trillion. When you've
6 got four wells that are exceeding 12 parts per
7 trillion, that raises a red flag.

8 So, you know, one of the things that we
9 worked with with MVD was "how do we change this
10 dynamic?" "How do we provide health-based water,
11 while your permanent solution is coming on
12 line?", in spite of the unique circumstances that
13 delayed that already coming on line in the Summer
14 of 2021, and delaying it into March of 2022.

15 So, one of the things that we wanted to
16 be able to and work collaboratively on was a
17 Notice of Violation was going out to customers,
18 but at the same time a solution was going out to
19 those customers. And that solution was "How do
20 we deliver water that is in compliancy with the
21 standard?" And "how do we proceed in conjunction
22 with the rules and regulations within the state,
23 and approvals that we're seeking from the
24 Commissioners, to do that in a way that is

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 agnostic relative to subsidization?"

2 We're looking at a rate that is neither
3 a subsidization from MVD to PWW, nor a
4 subsidization from PWW to MVD. It's a true
5 passing along of the actual costs of delivering
6 the water that is needed to avoid this
7 health-based emergency, until such time as
8 health-based water can come on line.

9 I think it's important also for the
10 Commissioners to know that, as a corporation, we
11 are not reactive, but proactive. So, upon
12 learning of this, one of the things that we
13 immediately did was we turned off the emergency
14 connection into our Souhegan Woods system. And,
15 so, what we've done is our well water there can
16 provide for the base demands in that system, and
17 we have turned off that connection, unless some
18 emergency situation occurs, i.e., there is a
19 fire, and we need to have adequate supply in
20 order to accomplish that. And our plans are to
21 keep that off until water can be supplied from
22 these wells that is in compliancy with the
23 standards.

24 The question was also asked is, "what

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 happens if they get to a point where this
2 contract is not re-funded in the new budget year
3 for MVD in the July timeframe?" And they may
4 have to impose water restrictions. I've already
5 made a commitment and discussed with my Board
6 that, proactively, we would be instituting water
7 restrictions to our customers in the Cabot
8 Reserve system, because it is important that we
9 can deliver health-based water for consumptive
10 needs, not for irrigation needs. So, we have
11 already told our Board, and we've already told
12 MVD, that that's one of the things that we would
13 commit to, relative to that solution, if that's
14 where we have to go to, based on the overall
15 timeline of treatment being put on to their Wells
16 7 and 8, and then later on the Wells 2 and 9.

17 So, what we're bringing before the
18 Commission here, it's very important to
19 understand that this is not like any other
20 special contract we would bring before the
21 Commission. Those other special contracts are
22 due to overall long-term water capacity needs
23 that an entity would require. Those contracts
24 would generally have a take-or-pay or a minimum

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 purchase requirement, and they would then be
2 contributing towards the long-term overall cost
3 of operating the utility, funding the utility,
4 putting capital in place.

5 This is purely a short-term emergency
6 based contract relative to this health-based
7 emergency, and so that is very, very important to
8 understand what the basis of this is. And that
9 is why it's very important also to have,
10 regardless of whether it's a special contract or
11 the tariff, that this be put in place within a
12 timely basis, but also be reactive to the date
13 for which the water was turned on, as indicated
14 by Mr. Miner, with this million gallons of water.
15 And, again, in order to make sure that we could
16 deliver water to our customers, and they could
17 deliver water to their customers, that was in
18 compliancy with the standards, and within their
19 budgetary constraints to be able to pay for that,
20 such that they do not have to make any decisions
21 that would be adverse to providing that safe
22 water to customers.

23 So, that would be the overall statement
24 that I thought would be really important to put

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 on the record for the benefit of the
2 Commissioners.

3 MS. BROWN: Thank you, Mr. Goodhue. I
4 was going to ask you if you had any public
5 policy, and that was very well-stated, and I
6 thank you very much for putting that on.

7 That was all the direct for the fact
8 questions that we had. The panel is available
9 for cross-examination.

10 CHAIRWOMAN MARTIN: All right. Thank
11 you. Ms. Amidon, do you have any cross?

12 MS. AMIDON: Yes. Not very much. I
13 think that these questions are for Mr. Ware.

14 **CROSS-EXAMINATION**

15 BY MS. AMIDON:

16 Q So, Mr. Ware, it was the DOE [DES?] Order of
17 Violation on the quality of Merrimack Valley
18 [sic] District's water that established this
19 emergency. Is that fair to say?

20 A (Ware) Yes.

21 Q Okay. And, as a solution, the Company determined
22 that the fastest way to provide for an authorized
23 means of recovering costs for this would be a
24 tariff, pursuant to 378:9? Well, you may not

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 know the statute, but is that right?

2 A (Ware) Based on advice of counsel, that was the
3 first approach that we felt would be the most
4 direct, would be to file a tariff that would go
5 into effect, you know, 30 days further on.

6 Q Now, --

7 CHAIRWOMAN MARTIN: Ms. Amidon?

8 MS. AMIDON: Yes.

9 CHAIRWOMAN MARTIN: Could I just
10 interject, before we get too far away for it? I
11 think you may have said "Notice of Violation from
12 DOE", and --

13 MS. AMIDON: Oh, I apologize. It was
14 Department of Environmental Services.

15 CHAIRWOMAN MARTIN: Okay. Mr. Ware,
16 can you just clarify that please?

17 WITNESS WARE: Yes. The Notice of
18 Violation to the MVD was from the New Hampshire
19 Department of Environmental Services.

20 CHAIRWOMAN MARTIN: All right. Thank
21 you. Go ahead.

22 MS. AMIDON: Thank you for that
23 correction.

24 BY MS. AMIDON:

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 Q And, Mr. Ware, you responded to a series of data
2 requests, did you not?

3 A (Ware) Yes, I did.

4 Q And do you have Exhibit Number 6, or Set 1, in
5 front of you?

6 A (Ware) I believe -- Exhibit 6, okay. Let me
7 just -- okay. It's in front of me, yes.

8 Q Okay. Now, according to the Petition, the
9 request is made for a rate that could be
10 retroactive. And the response on Request 1-2, to
11 me, is developed by you. Are you a lawyer, Mr.
12 Ware?

13 A (Ware) The response was prepared and submitted
14 under my name, since I did prefiled testimony,
15 but it was prepared by our attorney.

16 Q So, in other words, if I asked you a question on
17 your theory of "how a temporary emergency rate
18 was the same as a temporary rate in a general
19 rate case, and thus subject to reconciliation?"
20 You would not be able to answer that question, is
21 that fair?

22 A (Ware) That is a fair assessment.

23 MS. AMIDON: And, so, Madam Chairwoman,
24 I would like to strike or to be sure that this

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 response is not included when the Chairwoman
2 strikes identification and enters full exhibits,
3 as the witness cannot testify as to the voracity
4 of this, these statements in this response?

5 CHAIRWOMAN MARTIN: Okay. So,
6 Exhibit 6, and the response contained therein --

7 MS. AMIDON: It's in 1-2, correct, in
8 Exhibit 6.

9 CHAIRWOMAN MARTIN: Okay. Do we have
10 agreement to that not being admitted?

11 MS. BROWN: As for testimony from Mr.
12 Ware, I mean, he does preface Department of
13 Energy 1-2 is "upon advice of counsel", which is
14 customary for responding to, you know, a data
15 request that skirts into legal. And I did ask
16 him if he adopted this as his testimony.

17 So, I have no objection to this not
18 being introduced as his testimony. But the
19 argument I think is fair to include, however, the
20 facts that this argument pertained to was, you
21 know, the question was "why can't Merrimack
22 Village District enter into a special contract,
23 and what else would we use for authority?"
24 That's what this was speaking to.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 We now, since this has been responded
2 to, it was October 29th, 2021, we are now
3 learning that there may be a way to get Merrimack
4 Village District into a special contract. We'll
5 know shortly. So, this whole legal analysis is
6 kind of moot at this point.

7 MS. AMIDON: And, if I may respond to
8 that? If Attorney Brown wants to make this
9 argument, she can make it at her closing. But I
10 just want it stricken from the record when you
11 accept exhibits as a part of the record at the
12 close of the hearing.

13 CHAIRWOMAN MARTIN: Well, I want to
14 just clarify before we continue. We're just
15 speaking about the response to Energy 1-2, and
16 not Energy 1-1. So, we want Exhibit 6 to come
17 in, but be inclusive only of Page --

18 MS. BROWN: That only Bates Page 001
19 and 004, because then Bates Page 002 and 003
20 pertain to the response to Energy 1-2.

21 So, I have no objection to the request
22 that it not come in as a, you know, fact-based
23 witness testimony.

24 CHAIRWOMAN MARTIN: Okay. So, we'll

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 exclude it, when we get to the question of which
2 exhibits come in, we can cover it again then.
3 But the request is to exclude Bates Page 002 and
4 003 from being fully admitted as testimony?

5 Is that right, Ms. Brown? We're all on
6 the same page? I just want to make sure.

7 MS. BROWN: Yes. But I also look at
8 Department of Energy, and I take, you know,
9 Department of Energy's point as valid that, you
10 know, when you've got fact-based witnesses,
11 whether I've qualified Mr. Ware as an expert or
12 not, Energy 1-3 was from Merrimack Village
13 District's perspective as to why they couldn't
14 enter into a special contract. Again, that is
15 moot.

16 So, at this point, it may be cleaner to
17 just admit Energy 1-1.

18 MS. AMIDON: Thank you.

19 CHAIRWOMAN MARTIN: Does that work?

20 MS. AMIDON: Yes, it does.

21 CHAIRWOMAN MARTIN: Exhibit 6, only
22 Bates Page 001? All right.

23 MS. AMIDON: Yes, it does.

24 CHAIRWOMAN MARTIN: All right. Go

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 ahead with your cross.

2 BY MS. AMIDON:

3 Q And, Mr. Ware, the reason -- were you aware that
4 the reason that we initiated some inquiry about a
5 special contract is that we believed, through a
6 special contract, the two parties could develop a
7 reconciliation provision going back to October
8 20th, and thereby allow for a reflection of the
9 actual costs versus the billed costs, is that
10 right?

11 A (Ware) Yes. We were aware of the fact that the
12 goal was to find legal underpinnings for the
13 ability to allow the rate to be retroactive prior
14 to the order back to October 20th. And the
15 reason for that, the essentiality is that,
16 because if that rate is not retroactive, then MVD
17 will have no choice but to turn off the
18 interconnection in about ten days, and they will
19 have no choice, because they cannot run out of
20 water, but to turn back on the noncompliant
21 wells.

22 So, yes. We're very well aware of, the
23 goal of both parties was "how do we figure out,
24 within the context of the law", and I am not a

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 lawyer, but "the application of this rate back to
2 the date that we began pumping water to them?"

3 Q And, so, the Commission can consider the tariff
4 as a temporary emergency rate, and at the same
5 time ask for a special contract to take care of
6 going forward, say, after a period of four or
7 five months? Is that what you're thinking of?

8 A (Ware) No. I think, you know, again, all I know
9 is what our goal was.

10 Q Uh-huh.

11 A (Ware) And, again, worked with our attorney, who
12 worked with DOE, to try to figure out, you know,
13 how we met that goal, which is solely focused on
14 the ability to work within the financial
15 constraints of MVD, and to allow them to take
16 water that could allow them to shut off Wells 7
17 and 8 and 2 and 9, and take the million gallons a
18 day needed for supply starting October 20th,
19 throughout the remainder of their current fiscal
20 year, through June the 30th.

21 And the only way that would work is if
22 they -- when they turn the water on, if they had
23 to buy it at retail, until, you know, the -- an
24 order, and the order was only looking forward,

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 not backward, then it would not work. So, again,
2 I can only state our goal, looking for the
3 attorneys to find a solution that allows or
4 ensures that water is -- that's health-based can
5 be delivered throughout the duration of this
6 issue, again, within the various constraints that
7 the MVD operates under.

8 Q Thank you. What would the rate be, when you make
9 this assumption that the energy rate would go
10 down and that the chemical costs would increase?
11 Is it now back again to 67 cents per hundred
12 cubic feet?

13 A (Ware) So, in the last rendition of the exhibit
14 where we put in the correct energy price and we
15 changed to the 30 percent, the rate was 66 cents
16 per hundred cubic feet.

17 Q So, that is the rate you're requesting approval
18 of today?

19 A (Ware) That rate would be fine. With the
20 understanding that the rate is a rate that will
21 be reconciled at the end of the contract, per the
22 response to DOE, the audit would come in, that we
23 would produce the documentation, the physical
24 bills for power, for chemicals, and water

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 produced, to come up with a final rate that we
2 would reconcile to whatever we charge in the
3 interim, until the end of this contract, either
4 the 66 or 67 cents.

5 Q Yes. And I understand the goal, and if you want
6 to put it in your own words, please feel free,
7 but the goal is not to -- not for the company,
8 PWW, to earn money from this, but to charge the
9 actual costs of providing the service. Is that
10 fair to say?

11 A (Ware) That is correct.

12 Q Thank you. I just have one final question. In
13 Paragraph 4 -- I mean, Paragraph 7 of Page 4 of
14 the Petition, it says that the request is for a
15 "temporary emergency rate", and then "the
16 remainder of the applicable terms and conditions
17 of PWW's tariff would apply." Do you know what
18 these other terms and conditions are, and is
19 there any cost-shifting involved in --

20 A (Ware) No. The only terms and conditions would
21 be those of payment. We issue bills on a monthly
22 basis. We expect the bills to be paid on a
23 monthly basis, which is why we needed to make
24 sure, and MVD needed to make sure, that when we

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 started pumping water that they indeed could pay
2 us. So, the terms and conditions that we're
3 talking about are terms of payment.

4 The special contract and/or the tariff
5 will set the rate. And, you know, the terms that
6 were referred to here, again, are relative to
7 terms of -- of the tariff that refer to payment.
8 That we issue payment on a monthly basis; they're
9 due within 30 days.

10 Q And that is a term, if I read the tariff
11 correctly, that is a term in the tariff, right?

12 A (Ware) Yes.

13 MS. AMIDON: Okay. That's all I have.
14 Thank you.

15 CHAIRWOMAN MARTIN: All right. Thank
16 you, Ms. Amidon. Commissioner Goldner.

17 *(Commissioner Goldner and Chairwoman*
18 *Martin conferring.)*

19 COMMISSIONER GOLDNER: Yes. Thank you,
20 Chairwoman.

21 First, I'd like to say that, you know,
22 this business of mutual aid and being proactive
23 is very impressive. So, I think this is a good
24 thing for New Hampshire, and what you've done

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 here is exemplary.

2 On the business of rates, this idea of
3 variable costs being reconciled is also, you
4 know, is also sort of a sensible approach. And
5 the parties have worked through this very quickly
6 and expeditiously, which is also very positive.

7 I'd like to compliment the parties
8 today on excellent documentation and testimony.
9 It was very easy to follow and understand. The
10 prefiled testimony was excellent.

11 And, when I look at this from an
12 engineering and financial perspective, it's
13 clear, it's clean. And I have no questions.

14 Thank you.

15 CHAIRWOMAN MARTIN: Okay. I have a few
16 questions. And I apologize if they're out of
17 order, because we've kind of jumped all over the
18 place, so I have my notes. But I will ask that
19 any witness who is able to answer, please do so.
20 And, counsel, you can point me to the right
21 witness, if they're not responding.

22 BY CHAIRWOMAN MARTIN:

23 Q The term of the contract, in the draft special
24 contract, is not identified. If the special

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 contract were the route that we were to go, what
2 are we -- what is the plan to include there?

3 A (Ware) Commissioner, I will attempt to answer
4 that.

5 It is my understanding that we want a
6 term of less than one year. That we are looking
7 at a termination of a special contract on or
8 about, I believe, October 1st or 15th as being
9 the termination date of the contract, relative to
10 what we are developing.

11 Q Okay. Thank you. And, MVD witnesses, are you in
12 agreement with that?

13 A (Miner) Yes.

14 Q All right. Thank you. Just a couple of points
15 of clarification.

16 Mr. Ware, I believe you testified that
17 the costs through the end of March would be about
18 \$134,000, and that you believe that was within
19 what they currently have appropriated in the
20 various lines they referenced.

21 But I understood the MVD testimony to
22 be that they have about \$120,000 remaining. Can
23 MVD just clarify that for me?

24 A (Holton) We had a \$20,000 budget line item that

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 we have exhausted. But we are a bottom-line
2 budget, we are allowed to transfer between budget
3 lines. So, if there is an additional \$14,000
4 that would be needed in payment, that's something
5 that we should be able to make from our budget.
6 It would just make our purchase of water lines
7 over budget by that amount. But what we would do
8 is just ensure that some expenditures in other
9 areas that could be put off until the next budget
10 round was done, so that we'd have those funds
11 available.

12 Q Okay. Thank you. And what is the MVD fiscal
13 year?

14 A (Holton) June 30th.

15 Q Okay. So, it ends on June 30th and starts on
16 July 1?

17 A (Holton) Correct.

18 Q Okay. Thank you. A question on this discussion
19 related to the retroactive rate. This is
20 probably for Mr. Ware. If there were a legal
21 issue with this being a retroactive rate, and I'm
22 not suggesting that there is. I haven't looked
23 at the issue specifically. But, if that were to
24 be the case, could the MVD pay the retail rate

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 through the period of time when the new rate was
2 approved?

3 A (Ware) As I indicated before, at the current
4 retail rate of 4.03, that's about \$5,338 a day.
5 At 28 days, you would hit \$150,000. And that
6 was, you know, when we had started this
7 discussion in round terms, that's what MVD
8 believed that they had to work with between their
9 purchased water line, their contingency line, and
10 other items.

11 So, if the rate were to become
12 effective, we started pumping them water October
13 20th, and it became, you know, it was now
14 November 15th and the rate became effective, and
15 they had to do 25 days at the old rate, they will
16 have exhausted the majority of money that they
17 had, if not all of it. But they still have
18 another, you know, 120 days left to buy water, or
19 130 days. And, depending upon when 7 and 8 come
20 on line, which, as we discussed, will be roughly
21 that \$130,000, and they would have no place to
22 draw that money from.

23 And, so, that, in my mind, and again
24 I'm not sitting in MVD's shoes, but, as I

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 understand, it would be problematic. They would
2 have exhausted the money. There would have been
3 just enough to cover from October 20th through
4 March 30th using the emergency rate. But, if
5 they split that with 25 or 20 days at the retail
6 rate, they don't have enough money leftover at
7 the emergency rate to cover the remainder of
8 time, because they will have consumed almost all
9 of it at the retail rate during the first 20, 25,
10 30 days.

11 Q Okay. So, just to clarify though, as a legal
12 matter, you're not aware of any reason why they
13 couldn't pay the retail rate, your concern is
14 about the ability to fund that?

15 A (Ware) Yes. I mean, they would, I believe, you
16 know, they have, and, again, I would let them
17 speak to it, from listening to their attorney,
18 they operate under legal restraints as far as how
19 they operate their budget. And, so, their only
20 choice would be, when they run out of money,
21 would be to shut off the interconnect, and then
22 turn back on the noncompliant wells until they
23 get treatment on line, because they would have
24 exhausted their available funds.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 Q Okay. Thank you. And I think that's responsive
2 to my question. But, MVD, if any of you would
3 like to respond as well, that's fine?

4 A (Miner) Mr. Ware's statements are correct.

5 Q Okay. Thank you. I just want to clarify with
6 you, Mr. Ware, we heard about the attachments in
7 the Petition being superseded. I just want to
8 clarify, when you testified, the statement was
9 that it was "superseded by discovery responses".
10 Can you just specifically tell us which discovery
11 responses?

12 A (Ware) Yes. So, let me -- it was DOE, I think it
13 was Set 2, but let me bring that to get to the
14 right one.

15 MS. BROWN: I can direct the witness.
16 It's Department of Energy Attachment 2-1. There
17 are three sheets of schedules attached to that
18 data response.

19 CHAIRWOMAN MARTIN: And can you
20 identify the exhibit?

21 MS. BROWN: Exhibit 7. Let me find the
22 Bates page. Bates Pages 002, 003, 004.

23 BY CHAIRWOMAN MARTIN:

24 Q So, Mr. Ware, your original attachments are being

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 replaced, superseded and replaced by Exhibit 7,
2 Bates Pages 002, 003, and 004, is that correct?

3 A (Ware) That is correct.

4 CHAIRWOMAN MARTIN: Okay. Thank you.

5 Okay. I think that you answered all of
6 the other questions I had throughout. So, like
7 Commissioner Goldner said, thank you for a very
8 thorough presentation.

9 And, Ms. Brown, if you have any
10 follow-up, go right ahead?

11 MS. BROWN: Yes. Thank you very much.
12 And I just need to follow up with Mr. Ware.

13 **REDIRECT EXAMINATION**

14 BY MS. BROWN:

15 Q You had mentioned, I want to be sure, that the
16 recalculation of the rate went from 67 cents
17 estimated to 66 estimated, is that right?

18 A (Ware) That is correct. That is what shows on
19 the attachments associated with DOE 2-1.

20 Q Now, what does that do with lowering of the rate?
21 Does that still mean that the overall estimated
22 rate is conservative, such that, at
23 reconciliation, it would be likely a refund to
24 the District?

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 A (Ware) Yes. That was the -- again, what we were
2 able to do is we now, the one change was that we
3 knew what the cost of power was going to be, so
4 we put that in to the equation. But we still
5 don't know chemicals. And, you know, there are
6 variances in water quality that would affect the
7 amount of chemicals that would be used. So, we
8 tried to be conservative. We believe that, you
9 know, whether it's 67 or 66 cents, that that is
10 still a conservative number, which was the goal
11 in discussion with MVD, so that, come the end of
12 this contract, that they would not have to find
13 money to pay additional charges.

14 Q Thank you for setting up my question to MVD. And
15 the Village District, I want to just have you
16 speak to, is it important, from the Village
17 District's perspective, that the reconciliation
18 produce a refund versus a payment necessary?
19 If -- I think this is either Ms. Lavoie or Ms.
20 Holton who could speak to that?

21 A (Lavoie) It's obviously preferable, for sure.
22 But, if we needed to, in the end, to compensate
23 Pennichuck for producing the water, then it's
24 something that we would do.

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 A (Miner) That was something that was asked from
2 the Board as well, to get to more of a solid
3 number that we could plan on, our Board. So,
4 preferably, we would prefer a refund. But,
5 again, as Jill said, if we needed to make, you
6 know, payment arrangements, we could as well.
7 Hopefully, it would be small.

8 Q Okay. And, so, Village District is okay with the
9 rate going forward at 66 cents, rather than 67
10 cents, is that accurate?

11 A (Miner) Yes.

12 Q Okay. Now, with respect to the question
13 concerning the term of the proposed special
14 contract, this special contract has not been
15 reviewed by the Village District's counsel, is
16 that correct?

17 A (Miner) That is correct.

18 Q Okay. So, as to a term, and whether it can be
19 longer than a year or under a year, that still
20 needs to be an issue to be resolved, is that
21 right?

22 A (Miner) Yes.

23 Q Okay. Question to the Village District. Is it
24 the Village District's intent that this estimated

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 rate go into effect October 20th, when it first
2 took service from Pennichuck?

3 A (Miner) Yes.

4 Q And, Mr. Ware, is it the intent of Pennichuck
5 Water Works that this rate, this estimated rate,
6 go into effect October -- essentially go into
7 effect October 20th?

8 A (Ware) Yes.

9 MS. BROWN: I don't believe I have any
10 other redirect. Unless, you know, I can't really
11 have a note passed from my client. If I could
12 just ask them, if there is any other issue you,
13 you know, experienced witnesses, feel that we
14 need to get into the record, please raise your
15 hand?

16 *(Witness Goodhue indicating.)*

17 MS. BROWN: Mr. Goodhue, which point
18 did I miss?

19 WITNESS GOODHUE: There is nothing else
20 that we would like to add into the record, and I
21 appreciate that. If I could just make one
22 comment off the record really quickly.

23 MS. BROWN: We are on the record.

24 WITNESS GOODHUE: It is my

[WITNESS PANEL: Miner|Lavoie|Holton|Goodhue|Ware]

1 understanding that Commissioner Martin is going
2 to be leaving the Bench at the end of this week.
3 And I just want to say, personally, from a
4 regulated utility perspective, we appreciate your
5 time and service in the dockets that we brought
6 before you.

7 CHAIRWOMAN MARTIN: Oh, thank you very
8 much.

9 MS. BROWN: That was a statement worth
10 putting on the record. That ends my redirect.

11 Thank you.

12 CHAIRWOMAN MARTIN: All right.
13 Anything else, before we take closings? And I do
14 have a couple of legal questions that are
15 lingering that I'll ask you to address if you
16 don't do that in your closing. But anything
17 else, before we go to closings? And I will cover
18 exhibits before we do that.

19 MS. AMIDON: I have nothing.

20 CHAIRWOMAN MARTIN: Okay. Then,
21 without objection, we'll strike ID on Exhibits 1
22 through 11 and admit them as full exhibits, other
23 than Exhibit 6, of which part of the earlier
24 discussion, we will admit only Bates Page 001 of

1 that exhibit as a full exhibit.

2 Anything else related to that?

3 MS. BROWN: Nothing from the Company.

4 CHAIRWOMAN MARTIN: Okay. Ms. Amidon,
5 go ahead.

6 MS. AMIDON: Thank you.

7 The Department supports the Petition
8 for the approval of emergency temporary water
9 rates for water supplied by PWW to the Merrimack
10 Valley *[sic]* District. And we understand at this
11 point that the rate they're requesting is 66
12 cents per 100 cubic feet of water.

13 Because this is a request for an
14 emergency rate, and for a temporary emergency
15 rate, we think the Commission should limit the
16 duration of this rate for a set period of time.
17 In other words, we believe that the tariff can be
18 approved prospectively going forward, and that
19 the Commission can choose to determine whether
20 four or six months is an appropriate duration for
21 the rate, until such time as the intended special
22 contract has been reviewed by the appropriate
23 parties and approved by Merrimack Valley *[sic]*
24 District. We understand that getting approvals

1 at a municipal level is a complex proceeding
2 that's governed by their own processes and
3 procedures. And, if having a temporary emergency
4 rate to carry them through such time as they can
5 reach an agreement and get the proper approvals,
6 is an appropriate measure, given the fact that
7 there is an emergency in this situation.

8 We are supportive of a special
9 contract. And we believe, if they are on the way
10 to proposing a special contract, the Commission,
11 in its discretion, could ask that that special
12 contract be filed, I don't know, within the next
13 three or four months.

14 I want to point out that we, the
15 Department of Energy, just received that contract
16 on Friday, very late in the day. And we have no
17 comment on it, because we haven't had a chance to
18 review it. And we certainly understand that
19 there will be levels of review in different -- by
20 different parties, and support that.

21 We also are very encouraged that PWW
22 agreed that we could assist in any reconciliation
23 of the costs as they go back to October 1 -- I
24 mean, October 20th, pardon me. Because that way

1 we can, you know, be united with the Company in
2 assuring that they -- that Merrimack Valley [sic]
3 District pays the actual rate and actual costs, I
4 should say, and that there's no subsidy by PWW
5 customers for this service.

6 For example, we did notice that the
7 chemical cost increases were estimated to
8 increase initially by 15 percent, and now the
9 estimate has been 30 percent. While we don't
10 disagree with that estimate by PWW, we certainly
11 agree that that cost should be reviewed and
12 adjusted going back to October 20th at the end of
13 this emergency.

14 Finally, the Department notes that,
15 under the proposed tariff, there are no costs
16 shifted to the other customers of PWW. And we
17 support the Emergency Rate Petition on a
18 prospective basis, to be implemented via the
19 tariff submitted by the Company, to be modified
20 only at a rate of 66 cents per 100 cubic feet of
21 water.

22 Thank you.

23 CHAIRWOMAN MARTIN: Thank you. So, a
24 question related to the temporary rates and the

1 reconciliation and this issue of retroactive
2 rates. And I heard you say "prospectively".

3 Can you just walk me -- well, clarify
4 the Department's position related to the
5 implementation of the rates back to October 20?
6 And, if the Department supports that, can you
7 just walk me through the legal analysis that gets
8 us there?

9 MS. AMIDON: Right. Well, a rate is
10 effective within 30 days of it being noticed.
11 And the rate is effective on a prospective basis.
12 The purpose of the notice is to provide the
13 parties -- the customers with notice that there
14 is going to be a rate increase. In this
15 instance, it's an emergency rate, which is
16 recognized under the authority of 378 -- RSA
17 378:9. So, the Commission can approve a
18 temporary rate, but it can only approve it going
19 forward the 30 days from the day it was filed.

20 The reason that -- well, there is a
21 reconciliation provision in the statute, but that
22 only applies to temporary rates that are set in
23 the course of a general rate case. There are
24 not -- it does not apply to temporary emergency

1 rates, and that does not -- the RSA 378:29, which
2 provides for that reconciliation, does not apply
3 to anything else but the temporary rate provision
4 in a general rate case.

5 That's why, when Department of Energy
6 was talking with the Company about this, we
7 encouraged them to think of using RSA 378:18,
8 which is a special contract, because, in a
9 special contract, the two parties can agree to
10 any provisions that they wish, including making
11 that cost point retroactive to the date that the
12 service began, in this case I guess it was on or
13 about October 20th. And the special contract can
14 contain that provision, and the Commission can
15 approve it, because it's in the public interest
16 to have that rate certain going back in time.
17 But it is a deviation from the practice of this
18 Commission, and the implementation of rates, to
19 have a retroactive rate, because you do not
20 provide customers with that notice.

21 And, in this sense, yes, it's more of a
22 bulk power -- I mean -- strike that -- bulk
23 water supply that's being provided to Merrimack
24 Valley [sic], but nonetheless it is -- they want

1 to get a rate by tariff, and we agree with that,
2 but it really suits itself more to a special
3 contract. The emergency statute, RSA 378:9,
4 though, suits itself to this occasion, where
5 there is indeed an emergency declared by the
6 Department of Environmental Services about the
7 quality of the water. And this is a way to help
8 PWW serve MVD with its water on a temporary basis
9 going forward, and they can take the time to put
10 together a special contract that has to go
11 through all the layers of approval, and can be
12 reviewed by the Commission as well, so we can
13 solve that problem for maybe a period of time
14 longer than, say, the four or six months that a
15 temporary rate might be in effect.

16 And I say -- I talk about these periods
17 of time, not because Staff -- the Department of
18 Energy has any particular, you know, desire to
19 have a four-month rate, a six-month rate as a
20 temporary emergency rate. It's because there, as
21 Donald Rumsfeld said, "unknown unknowns". We
22 don't know if another piece of equipment is going
23 to hit a bridge. And Merrimack Valley *[sic]*
24 District has a plan to go forward, and they

1 should be commended for having a plan to go
2 forward and remedy the problems with these wells.
3 But there are unforeseen things that can happen.
4 And, so, I think that we need to recognize that.
5 This may be an emergency for a period of time
6 that we can't see at present, and so having the
7 temporary tariff going forward in the special
8 contract to take into account those unknowns is
9 probably the best way to go forward with this.

10 CHAIRWOMAN MARTIN: Okay. Thank you
11 very much for that. If there were a special
12 contract in effect, either before the funding ran
13 out or if there weren't a funding issue, that
14 was -- the parties agreed was effective back to
15 October 20th, would there be a need for the
16 separate emergency rate?

17 MS. AMIDON: I'm only thinking -- would
18 there be a need? I think this is -- that then
19 becomes sort of like a question of where -- what
20 the status of the special contract is?

21 I guess my experience, limited though
22 it may be, with special contracts is it does take
23 some time to work out the detail. And, as we
24 heard from the witnesses here today, they

1 explained some of the variability in that detail.
2 For example, do they need to have a summer
3 contingency plan? You know, are there other
4 contingencies that they want to take into
5 account?

6 I don't think -- I think that the
7 relief that is requested by the Company for a
8 temporary emergency tariff to be -- to take
9 effect, I believe the request is for -- is it
10 November 19th, Attorney Brown? The temporary
11 tariff to go into effect November 19th, is that
12 correct?

13 MS. BROWN: November 20th, Saturday.

14 MS. AMIDON: November 20th, okay. To
15 have that be available to provide some certainty
16 to Merrimack Valley [sic] District in the interim
17 would be a beneficial outcome of this proceeding.
18 And, again, that could be for a limited period of
19 time, pending the ability of the parties to get
20 the special contract ironed out and approved by
21 the various levels of municipal and other
22 authority.

23 CHAIRWOMAN MARTIN: Okay. Thank you.

24 MS. AMIDON: You're welcome.

1 COMMISSIONER GOLDNER: Chair Martin,
2 before we move on to Ms. Brown, could I interject
3 a few questions?

4 CHAIRWOMAN MARTIN: You can. I'm not
5 done yet.

6 COMMISSIONER GOLDNER: Oh.

7 CHAIRWOMAN MARTIN: She's not off the
8 hook yet.

9 COMMISSIONER GOLDNER: Then please
10 proceed.

11 CHAIRWOMAN MARTIN: I just wanted to
12 clarify one other thing. In your opening, you
13 said that "the Petition and tariff had been
14 reviewed by the Department". And, during the
15 testimony, we heard Mr. Ware describe how the
16 rate was determined. And I wondered whether
17 Energy had any concerns with that or if they were
18 comfortable with that approach?

19 MS. AMIDON: The Department of Energy
20 is comfortable with what the Company did. I
21 mean, it's kind of a large job for them to
22 calculate their best estimates of what the costs
23 are going to be for the variable components.
24 They were able to get some certainty around the

1 cost of energy, which was great. And that, in
2 fact, was part of the reason that the rate
3 calculated dropped by one penny.

4 We also take their good faith testimony
5 on the cost of chemicals. That is an
6 uncertainty. Certainly, the Department of Energy
7 has no special knowledge of, so, we believe that
8 that's an appropriate adjustment as well. So, we
9 have no concern about either the components of
10 the costs that they calculated or how they
11 calculated them.

12 We just -- the Department merely wants
13 to have a role in seeing how the reconciliation
14 plays out, not as a supervisory way, but just in
15 a collaborative way, to make sure that there are
16 no costs that are incurred that subsidize either
17 Merrimack Valley [sic] District or PWW.

18 CHAIRWOMAN MARTIN: Okay. Thank you.
19 Commissioner Goldner.

20 COMMISSIONER GOLDNER: Just a couple of
21 questions.

22 So, is the DOE, if you go way back in
23 time, is there any other examples of a health
24 emergency before that you're aware of, in water?

1 MS. AMIDON: No, there isn't, that I'm
2 aware of. I largely worked on bulk power supply
3 contracts. So, --

4 COMMISSIONER GOLDNER: That slipped out
5 earlier.

6 MS. AMIDON: Yes. Yes, yes, yes.

7 COMMISSIONER GOLDNER: No problem.
8 Thank you.

9 Would the Department of Energy have any
10 concerns with a period beyond six months, say,
11 nine or twelve months? Would you have any --
12 would DOE have any concern with that?

13 MS. AMIDON: I think we were looking at
14 what the request is, and the timelines for
15 correcting the facilities that were provided to
16 us. So, I believe six -- where we came up with
17 the Department was six months. And we believe
18 that it might, you know, it depends on the
19 parties, but it might be prudent, in the course
20 of those six months, to get a special contract to
21 (a) provide for the reconciliation of the costs
22 to the actual rate -- well, the rate with the
23 cost; and (2) to take care of any contingencies
24 that might go beyond the six months. And,

1 because it is a bulk water supply agreement, it
2 is suitable to a special contract formulation.

3 COMMISSIONER GOLDNER: Okay. Thank
4 you. And then, the final question is, and I
5 think you answered this earlier, but I didn't
6 understand it.

7 MS. AMIDON: Bad me.

8 COMMISSIONER GOLDNER: Well, no.
9 That's on me.

10 Does the Department of Energy, under a
11 special contract, have any objection to an
12 October 21st rate at 66 cents?

13 MS. AMIDON: No, we do not.

14 COMMISSIONER GOLDNER: Thank you.
15 That's all.

16 CHAIRWOMAN MARTIN: Okay. Ms. Brown,
17 go ahead.

18 MS. BROWN: I thought Attorney --
19 "attorney" -- Commissioner Goldner had questions
20 for me? But I guess that -- there are questions?

21 *(Commissioner Goldner indicating in the*
22 *negative.)*

23 MS. BROWN: Okay. All right. I do
24 need to confer with my client on this developing

1 proposal. And, again, usually we come here with
2 a more firmed-up proposal, not something as fluid
3 as this. And I really appreciate the
4 Commissioners' and Department of Energy's
5 attention on these moving targets.

6 I mean, the elephant in the room is the
7 contracts clause, 1980 Pennichuck Water Works
8 case, that said you can't have retroactive rates.
9 The Commission has sometimes gone around that by
10 allowing bills rendered versus service rendered,
11 because bills rendered would be, you know, a
12 reach-back.

13 In the situation of like a
14 receivership, an emergency, health-based
15 emergency, with the company owner dying and no
16 one running it, the Commission, under the
17 receivership statute, had broad latitude, and I'd
18 liken that to the emergency authorization, you
19 know, 378:9, broad latitude. And, in that
20 *Rolling Ridge* case, there were retroactive rates
21 that were imposed there, getting, you know,
22 finding an exception to that contracts clause
23 prohibition on retroactive rates.

24 And you have in the record here, and I

1 specifically asked of Pennichuck and the Village
2 District, "are you aware", you know, "is it your
3 intent to have the rate go back, you know, be
4 effective as of the date of service?" And their
5 answer was "yes." The date of service was
6 October 20th. And, so, I know the question was
7 asked "would you have the rate go into effect on
8 the date of issuance?" was used here. Really,
9 the parties intent is to have it go into effect
10 the date of service, which was on the 20th. The
11 21st was just here because it was the day after,
12 and, you know, we were trying to get something
13 filed to trigger something, you know, proactively
14 getting us closer to an approved rate.

15 So, the other -- I know Exhibit 6 did
16 not get in in entirety, because it had some legal
17 analysis in there. But I would put into the
18 record that the *Kearsarge Telephone* case, in
19 docket DT 01-221, Order 24,056, another unique
20 situation, but, in that case, rates were put into
21 effect, it was a general rate case situation, but
22 rates were put into effect before the company
23 filed its rate case. This was a situation where
24 the Commission had required the company to come

1 in for a rate case, rather than the company
2 filing and initiating a rate case.

3 So, the *Rolling Ridge* case is -- there
4 were numerous orders in that Docket, DW 01-196,
5 and the *Kearsarge Telephone* case were
6 retroactive.

7 But I don't think we have to go there,
8 if we can get the special contract drafted and
9 before this Commission. Hearing late of, you
10 know, Department of Energy's suggestion,
11 suggested solution of "well, let's let the tariff
12 go into effect, and then we'll follow up with the
13 special contract and the
14 retroactivity/reconciliation aspect" I think is a
15 good idea. I do need to, you know, ask to make
16 sure that, you know, my client agrees with this.
17 But that could be a stopgap, because it would let
18 the tariff go into effect, you know, just by
19 operation of 378:3, and then we would follow up.
20 It would give us more breather space to get that
21 special contract before you.

22 But I'm thinking this is on a short
23 leash, because, if the tariff is going to go into
24 effect on Saturday, November 20th, we have the

1 remaining of this week and into next week to get
2 word back to the Commissioners, the Commission,
3 on whether Merrimack Village District can pull it
4 off, and get a document that they can enter into.
5 And, so, we are going to put that on a fast-track
6 and get that word back to you.

7 As far as the six months --

8 CHAIRWOMAN MARTIN: Can I just
9 interject?

10 MS. BROWN: Yes.

11 CHAIRWOMAN MARTIN: And suggest that,
12 to the extent you can go even faster, this week
13 would be better.

14 MS. BROWN: Understanding your
15 involvement, it would be most efficient, because
16 you already know the matter. Yes, we will do our
17 best.

18 At this point, I would normally turn to
19 my clients, but can I go back and ask them?

20 CHAIRWOMAN MARTIN: Would you like to
21 take a five-minute recess?

22 MS. BROWN: Is that how it -- that
23 would work, if I can have access to talk to my
24 witnesses?

1 CHAIRWOMAN MARTIN: That's fine.
2 We'll take a five-minute recess, and return at
3 12:15 [11:15?]. Off the record.

4 *(Recess taken at 11:10 p.m. and the*
5 *hearing resumed at 11:19 p.m.)*

6 CHAIRWOMAN MARTIN: Okay. Let's go
7 back on the record. Ms. Brown.

8 MS. BROWN: Thank you for that break.
9 And reporting back on the record that Pennichuck
10 Water Works agrees with the proposal to have a
11 tariff go into effect, have like a six-month term
12 of the tariff. Meanwhile, the Village District
13 and Pennichuck will work as fast as possible to
14 get a special contract drafted and before this
15 Commission for review.

16 CHAIRWOMAN MARTIN: Okay. Well, thank
17 you for that follow-up collaboration.

18 Anything else before we close?

19 MS. AMIDON: Except to say that your
20 service here on the Commission has been very much
21 appreciated by myself. And I look forward to
22 appearing maybe not so frequently in front of the
23 to-be-Chairman, Chairman Goldner.

24 So, anyway, thank you, Madam

1 Chairwoman. You've been a pleasure and you
2 actually brought a layer of review to some of
3 these items that they were not previously given,
4 and very appreciative of that.

5 CHAIRWOMAN MARTIN: Thank you very
6 much.

7 MS. BROWN: I wholeheartedly agree.

8 CHAIRWOMAN MARTIN: All right. Well,
9 with that, we will take this matter under
10 advisement and issue an order. And we are
11 adjourned.

12 *(Whereupon the hearing was adjourned*
13 *at 11:20 a.m.)*