

1 **STATE OF NEW HAMPSHIRE**2 **PUBLIC UTILITIES COMMISSION**3 **July 31st, 2024** - 9:03 a.m.

4 21 South Fruit Street

5 Suite 10

6 Concord, NH

7 RE: **DW 24-069**8 **MILL BROOK VILLAGE WATER SYSTEM, LLC,  
MARC LIECHTI, AND JUSTIN AHMANN:**9 Joint Petition for Approval to Change  
10 Ownership of Mill Brook Village Water  
11 System. (*Prehearing conference*)12 **PRESENT:** Cmsr. Carleton B. Simpson, *Presiding*13 Ben Martin-McDonough, Esq./*PUC*  
14 *Legal Advisor*

15 Tracey Russo, Clerk

16 **APPEARANCES:** **Reptg. Mill Brook Village Water System,  
LLC, Marc Liechti, and Justin Ahmann:**  
17 Marcia A. Brown, Esq. (*NH Brown Law*)  
James Ingram, Owner18 **Reptg. New Hampshire Dept. of Energy:**  
19 Marie-Helene B. Bailinson, Esq.  
Jayson Laflamme, Director/Water Division  
20 Robyn Descoteau, Water Division  
(*Regulatory Support Division*)21  
22  
23 Court Reporter: Steven E. Patnaude, LCR No. 52

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

1  
2 CMSR. SIMPSON: On the record. Good  
3 morning, everyone. My name is Commissioner  
4 Carleton Simpson.

5 We are here today for a prehearing  
6 conference in Docket Number DW 24-069, in which  
7 the Commission docketed the Joint Petition to  
8 Transfer Ownership of Mill Brook Village Water  
9 System, LLC, from its current owner of James  
10 Ingram, to Marc Liechti and Justin Ahmann. This  
11 prehearing conference was noticed on June 4th,  
12 2024. The Commission's jurisdiction over this  
13 docket comes from RSA 374:30, RSA 374:22, RSA  
14 374:26, RSA 374:1, Section 2, 378:7, and RSA  
15 369:1.

16 In addition to the Joint Petitioners,  
17 the New Hampshire Department of Energy is the  
18 only other party to have filed an appearance in  
19 this docket.

20 We'll start today by taking  
21 appearances, starting with the Joint Petitioners.

22 MS. BROWN: Good morning, Commissioner  
23 Simpson. Thank you for presiding today. I am  
24 Marcia Brown, with NH Brown Law, representing

1 Mill Brook Village Water District -- I'm sorry,  
2 Water System. And with me today is its owner,  
3 James Ingram.

4 Unable to physically be here are the  
5 Buyers, Marc Liechti and Justin Ahmann. They  
6 will be virtually tied in for the tech session  
7 that's following this.

8 And I do have a preliminary matter to  
9 address, after taking appearances, relating to  
10 the Affidavit of Publication.

11 Thank you.

12 CMSR. SIMPSON: Excellent. I had that  
13 on my list to ask you. So, look forward to your  
14 response.

15 New Hampshire Department of Energy.

16 MS. BAILINSON: Good morning, Mr.  
17 Chair. My name is Marie-Helene Bailinson, and  
18 I'm here representing the Department of Energy.  
19 And with me is Jayson Laflamme, who is the  
20 Director of the Department's Water Division; and  
21 Robyn Descoteau, who is a Utility Analyst in the  
22 Water Division.

23 CMSR. SIMPSON: Thank you. Good  
24 morning.

1 MS. BAILINSON: Good morning.

2 CMSR. SIMPSON: I'll recognize Attorney  
3 Brown, you can address the question about the  
4 Affidavit of Publication.

5 MS. BROWN: Yes. As the Commission is  
6 well aware, that if an affidavit of  
7 publication -- or, if notice of the prehearing is  
8 not perfected, then the prehearing cannot be  
9 held.

10 CMSR. SIMPSON: Uh-huh.

11 MS. BROWN: But I need to take the fall  
12 on this, because I had everything to send to the  
13 Commission, the signed Affidavit of Publication,  
14 the list of everybody that it was signed -- the  
15 notice was sent out to on June 7th. And that  
16 never happened. It happened to be during a major  
17 cyber attack that I had had for my law firm  
18 during that time. So, I just filed all of those  
19 documents this morning.

20 But I will represent today, and Mr.  
21 Ingram can testify, that he did personally mail  
22 out a copy of the order to all of his customers  
23 on June 5th.

24 So, I just want to put that into the

1 record, and ask that the Commission entertain my  
2 motion for late acceptance of the Affidavit,  
3 proving that service occurred.

4 CMSR. SIMPSON: Okay. Well, we'll  
5 proceed today. We'll consider that motion. And,  
6 in our prehearing order, we'll address the  
7 question as to process, and whether another  
8 prehearing conference will need be held in the  
9 future, or otherwise.

10 MS. BROWN: Uh-huh.

11 CMSR. SIMPSON: Thank you for that  
12 information, though.

13 We're going to allow opening  
14 statements. Before doing so, I want to lay out  
15 the purpose of a prehearing conference, and what  
16 information we need from the parties.

17 The purpose of this prehearing  
18 conference is to identify all issues in this  
19 docket, identify and resolve all initial  
20 administrative issues and pending motions,  
21 determine whether a procedural schedule and  
22 discovery are necessary, and agree to a schedule,  
23 and determine whether a hearing will be  
24 necessary, and, if so, when an appropriate time

1 for a hearing would be.

2 In addition, the Commission would like  
3 to hear from the parties as to what they believe  
4 a likely timeframe for resolving this docket is,  
5 including if there are any external deadlines  
6 that the Commission should be aware of,  
7 particularly in light of the issue with respect  
8 to the Affidavit of Publication.

9 With these questions in mind, I'll turn  
10 to the parties to make opening statements,  
11 starting with the Joint Petitioners.

12 MS. BROWN: I forget that they just  
13 moved a shorter mike to this table.

14 Thank you very much. We have prepared  
15 remarks to read into the record.

16 For background, Mill Brook Village  
17 Water System has been a regulated utility since  
18 2014, that was ten years ago. However, Maranatha  
19 Construction, which is Mr. Ingram's construction  
20 company, built the water system back in 1988, and  
21 began developing homes in 1989.

22 For a period of time, Mr. Ingram  
23 consulted the PUC Staff, when Staff was with the  
24 PUC. Through -- and it was thought at the time

1           that homeowners associations would be taking over  
2           ownership of the infrastructure, so that it would  
3           not constitute a "regulated public utility"  
4           situation.

5                        But, over the years, that, with the  
6           slow development of the three developments, the  
7           lack of homeowner association interest in  
8           acquiring the assets, it became clear that Mr.  
9           Ingram was going to be a regulated utility. So,  
10          that's why it was such a delay, from 1988-1989  
11          timeframe of starting the developments, to filing  
12          a rate case in 2014.

13                       Mill Brook is a small system. It has  
14          about 44 customers, comprised of adjacent  
15          developments in Thornton. The first one is Mill  
16          Brook Village, which was constructed about 1989  
17          and '90; Brookside Hollow had residences  
18          constructed in about 1991; The Falls at Mill  
19          Brook, which is where the bulk of the  
20          infrastructure resides, wasn't built until 2009.  
21          So, there was a very slow development of these  
22          44 customers.

23                       The customer class is predominantly --  
24          or, is entirely residential, comprised of



1           condominiums and single-family homes. Customers  
2           pay about \$535 a year for their water, which is  
3           very cheap. The billing is done quarterly, so  
4           that \$535 equates to about \$133 per quarter per  
5           customer.

6                       Briefly, the infrastructure consists of  
7           two bedrock wells and a dug well. Those sources  
8           of supply are combined, and have a total yield of  
9           about 80 gallons per minute. There is a pump  
10          house that treats for particulates, iron,  
11          manganese, and pH, very simple systems. There  
12          are storage tanks. One is a 20,000 gallon steel  
13          storage tank, there is a 3,300 gallon steel  
14          storage tank, two booster pumps. The assets are  
15          about 35 years old, but have been lightly used,  
16          given the level of slow development. But they  
17          are very much within their useful lives.

18                      Mr. Ingram would like to retire from  
19          the water business. Marc Liechti and Justin  
20          Ahmann are private investors from Montana,  
21          specializing in purchasing small systems, like  
22          Mill Brook. Marc Liechti serves as President and  
23          Chief of Operations of Alpine Pacific Utilities,  
24          which is Justin Ahmann's and Marc Liechti's

1 utility company. Justin Ahmann is a Licensed  
2 Water Operator and a Wastewater Operator in  
3 Montana. He's also a Licensed Professional  
4 Engineer in New Hampshire, Montana, Virginia,  
5 North Dakota, and Alberta, Canada.

6 In the Petition, we noted the number of  
7 small systems that the Buyers own. And I would  
8 direct the Commission's attention to that. There  
9 is East Vassalboro Water Company, which has about  
10 85 customers. That's in Maine. Then, there's a  
11 system in Pennsylvania called "Jefferson Estate  
12 Sewage Treatment". That has 92 customers. The  
13 rest are in Montana, and range from having 17  
14 customers to 295 customers. So, clearly, the  
15 Buyers have a niche specialty in operating small  
16 water and wastewater utilities.

17 Because of this experience, we believe  
18 that the Buyers meet the requisite managerial,  
19 technical, financial, legal expertise to own and  
20 operate Mill Brook, to provide safe and adequate  
21 service under the Commission's statutes to the  
22 Mill Brook customers, and to maintain Mill Brook  
23 in compliance with all state and federal  
24 regulations.

1                   With respect to the Purchase and Sale  
2 Agreement, a purchase price has been agreed to at  
3 \$52,000. Just for comparison, the rate base in  
4 the 2014 test year was at 70,000. So, there's  
5 clearly no acquisition premium going on here. No  
6 financing is anticipated. And the proposed  
7 transaction is not anticipated to alter Mill  
8 Brook's corporate structure, any of its rate  
9 structure, rates or tariff, with the exception of  
10 some of the customer service improvements that  
11 the Buyers bring to the table.

12                   As Commissioner Simpson noted, this  
13 proceeding is governed by RSA 375:22, RSA 374:30,  
14 both of which have a "for public good" litmus  
15 test for approving transfers. And, so, the ask  
16 in this proceeding is going to be that the  
17 Commission find favorably that the purchase of  
18 Mill Brook is "for the public good", consistent  
19 with those two statutes.

20                   Now, I briefly mentioned that the  
21 Buyers will change some of the customer  
22 interface, and that is described in the Testimony  
23 of Mr. Ahmann. The Buyers propose to have a  
24 website. They have an existing website for their

1 customers to pay their bills on, and they will  
2 bring that to the Mill Brook customers as well.  
3 In comparison, right now, the Mill Brook  
4 customers pay by physical checks.

5 Now, Mr. Liechti and Ahmann are in  
6 Montana. And, so, that begs the question of  
7 "What's the local face of the Company?" That is  
8 yet to be decided upon. However, right now, Mill  
9 Brook uses Lakes Region Water Company to operate  
10 the system. And Mr. Liechti and Ahmann also have  
11 a humorously named "Hydro Hooligans" company over  
12 in Bennington, and Bennington is about an hour  
13 and 20 minutes away from Thornton.

14 So, as this proceeding progresses, if  
15 it looks like there's going to be Commission  
16 approval, then the Buyers will be making a  
17 decision on who's going to be their local  
18 presence.

19 Customers will still have the same --  
20 will still have contact information, either to  
21 the local presence, or to Mr. Liechti and Mr.  
22 Ahmann directly, similar to how the customers  
23 have the contact information of Mr. Ingram. So,  
24 the customers -- there's still going to be the

1 ability of customers to reach out to somebody if  
2 there is a problem.

3 We have mentioned earlier today a  
4 procedural -- or, I believe, or maybe not. I  
5 discussed with the Department of Energy proposing  
6 a procedural schedule. And we expect to finalize  
7 that during the tech session following this  
8 proceeding. And look forward to working with DOE  
9 on discovery.

10 And if, Commissioner Simpson, you have  
11 any questions, we're here to take any of your  
12 questions.

13 Thank you.

14 CMSR. SIMPSON: Thank you. Recognize  
15 the New Hampshire Department of Energy, do you  
16 have any opening remarks you'd like to make at  
17 this time?

18 MS. BAILINSON: Thank you,  
19 Commissioner.

20 The Department of Energy is generally  
21 supportive of the idea of the transaction in this  
22 matter, so long as the discovery supports the  
23 prerequisite established by RSA 374:30, that the  
24 proposed transaction from Mill Brook, Mr. Ingram,

1 to the Buyers, Mr. Liechti and Mr. Ahmann, is in  
2 the public good. Including the need for a  
3 satisfactory investigation of other issues  
4 presented by the Commission in its Commencement  
5 of Adjudicative Proceedings.

6 The Petition states that the Joint  
7 Petitioners seek to each purchase 50 percent of  
8 the stock in Mill Brook, and each have the  
9 managerial, technical, and financial expertise to  
10 own and operate Mill Brook.

11 The Department has some questions and  
12 need for clarification regarding the corporate  
13 structure of Mill Brook, before and after the  
14 transaction, which we will want to resolve during  
15 the discovery process.

16 And the Department understands,  
17 pursuant to the Petition, and the -- I think the  
18 Joint Petitioners' statement, that the proposed  
19 Buyers will use the affiliated company, I had  
20 "Hydro Hooligans", I think it's just Hydro  
21 Hooligans, I am sort of unclear whether they  
22 meant Alpine Pacific [sic] & Water, LLC, and  
23 Hydro Hooligans. But, either way, if it's Hydro  
24 Hooligans, and that's opened by Mr. Liechti, to

1           then perform the operations and maintenance on  
2           Mill Brook, the Department wishes to review the  
3           affiliate contracts, in accordance with RSA 366:3  
4           and 366:5, which I think would also require that  
5           the Commission have access to those contracts.

6                         And we also want to dig into the  
7           corporate structure of the affiliates. And it  
8           appears, from the statement today, that those  
9           affiliates, that might not be a sure thing that  
10          it's Hydro Hooligans. We understood it was per  
11          the Petition. But it appears that, maybe during  
12          the discovery process, we'll find that it's  
13          another, another affiliate will be used.

14                        In our preliminary statement, we  
15          discussed working with the Joint Petitioners on a  
16          procedural schedule. We have had some  
17          preliminary discussions about a procedural  
18          schedule, which we will jointly file after the  
19          prehearing conference.

20                        Finally, well, and in connection to the  
21          procedural schedule, we thought, you know,  
22          because the Buyers are not here, available for  
23          questions today, that we would build a technical  
24          session and, you know, ask the Buyers to attend

1           sooner, rather than later, in the process. And,  
2           then, we'll have some discussions with the Joint  
3           Petitioners regarding this.

4                     I don't think we have anything, any  
5           other comments to make. Thank you, Mr. Chair.

6                     CMSR. SIMPSON: Thank you very much.

7                     So, I will start with a few questions,  
8           just to ensure I understood what Attorney  
9           Brown -- oh, sure. Did you have any comments on  
10          the Affidavit of Publication and the motion that  
11          Attorney Brown made?

12                    MS. BAILINSON: We have no objection to  
13          Attorney Brown's proposal regarding this matter.

14                    CMSR. SIMPSON: Perfect. Thank you.

15                    And just to square my understanding.  
16          Mr. Ingram, I think I understood that Mr. Brown  
17          stated that you mailed the notice in June to  
18          customers and to the parties outlined in the  
19          Notice of Adjudicative Proceeding?

20                    MR. INGRAM: That is correct.

21                    CMSR. SIMPSON: So, you mailed, by June  
22          17th, the approved notice to the Town of Thornton  
23          Board of Selectmen, the New Hampshire Department  
24          of Environmental Services, and all Mill Brook



1 customers?

2 MR. INGRAM: Correct, on June 5th.

3 CMSR. SIMPSON: Thank you. Okay.

4 With respect to a timeframe for the  
5 sale, Attorney Brown, are there any dates that  
6 the Commission should be aware of?

7 MS. BROWN: In the Petition, we noted  
8 "30 days after Commission approval", but that  
9 technically is within the motion for rehearing  
10 and appeal period. So, it would be sometime  
11 after that 30-day when the Commission order  
12 becomes final. But it is hoped, certainly, by  
13 the end of this tax year, 2024.

14 CMSR. SIMPSON: Okay. And any other  
15 external deadlines or is that really the only  
16 deadline that the Company has in mind for the  
17 resolution of this proceeding?

18 MS. BROWN: Well, I'll note that  
19 there's no financing that's needed to, and that  
20 would be another external deadline.

21 Anything else?

22 MR. INGRAM: Yes. There are no other  
23 external deadlines.

24 CMSR. SIMPSON: Thank you. We talked a

1           little bit about discovery. I'll turn to the  
2           Department.

3                       Other than what you noted in your  
4           opening remarks, do you have thoughts on rounds  
5           of discovery, the timeline that will be needed,  
6           and anything from the Commission?

7                       MS. BAILINSON: Thank you.

8                       CMSR. SIMPSON: Yes.

9                       *[Atty. Bailinson and Dir. Laflamme*  
10                      *conferring.]*

11                      MS. BAILINSON: Thank you for --  
12           appreciate it. Yes. In conferring with Director  
13           Laflamme, --

14                      CMSR. SIMPSON: Uh-huh.

15                      MS. BAILINSON: -- we're anticipating  
16           three rounds of discovery, and to file, you know,  
17           hoping to file a settlement by November 15th, or  
18           thereabouts.

19                      CMSR. SIMPSON: Okay. And do you have  
20           any thoughts at this time on whether the  
21           Commission should schedule a formal hearing or do  
22           you anticipate a settlement, with a  
23           recommendation to the Commission to resolve this  
24           matter via order *nisi*?

1 MS. BAILINSON: Let me confer, and I'll  
2 get right back to you.

3 CMSR. SIMPSON: Sure. Take your time.  
4 *[Atty. Bailinson and Dir. Laflamme*  
5 *conferring.]*

6 MS. BAILINSON: Thank you, Mr. Chair.

7 CMSR. SIMPSON: Uh-huh.

8 MS. BAILINSON: Our preference will be  
9 to file a settlement, with an issuance of order  
10 *nisi*.

11 CMSR. SIMPSON: Okay. Thank you very  
12 much.

13 MS. BAILINSON: Uh-huh.

14 CMSR. SIMPSON: And, given that there's  
15 a technical session following this prehearing  
16 conference, I would request that, after that tech  
17 session, if the parties could submit a joint  
18 filing that lays out the issues presented; our  
19 legal authority, from your view, over the issue;  
20 the standard of review; and propose a procedural  
21 schedule, including whether or not a hearing is  
22 required, and hearing dates consistent with that.

23 Any objection to that request?

24 MS. BAILINSON: No objection, no.

1 MS. BROWN: None from the Company. And  
2 Department of Energy and Mill Brook have already  
3 circulated a proposed procedural schedule. So,  
4 we would like to fine-tune that. We're  
5 generally -- my understanding is we're in general  
6 agreement, and could certainly, pretty soon after  
7 this prehearing conference, file a report with  
8 the listed items.

9 CMSR. SIMPSON: Would you -- do you  
10 think by the end of this week is too aggressive  
11 for that report?

12 MS. BAILINSON: We do not. Thank you.

13 MS. BROWN: We certainly can make a  
14 filing within this week.

15 CMSR. SIMPSON: Okay.

16 MS. BROWN: If it's joint, separately,  
17 but likely joint, and within days.

18 CMSR. SIMPSON: Okay. Very good. So,  
19 we'll set the deadline of August 2nd for that.

20 And, as a final question, just so,  
21 again, to square my understanding on the  
22 Affidavit, Ms. Brown, what did you file with the  
23 Clerk's Office today?

24 Did you -- you've noted that you filed

1 something. I just want to understand I know  
2 what's been provided to them at this point.

3 MS. BROWN: Sorry, I was just pulling  
4 up the e-mail again. So, there's a cover letter.  
5 There is the Affidavit of Mr. Ingram.

6 CMSR. SIMPSON: Uh-huh.

7 MS. BROWN: There is the letter that  
8 was sent to the Commission -- to the customers,  
9 DES, and Town folks. And, then, there is the  
10 list of everyone who received the mailing.

11 So, I thought that would be a complete  
12 package.

13 CMSR. SIMPSON: Okay.

14 MS. BROWN: So, you have, you know,  
15 documentation of what actually went out, when it  
16 went out, and Mr. Ingram's attestation that he  
17 mailed them out personally.

18 CMSR. SIMPSON: Very good. Thank you.

19 All right. Well, I appreciate everyone  
20 taking the time today to attend.

21 After we receive the joint filing and  
22 the issues presented by the parties, we'll issue  
23 a prehearing order that memorializes the  
24 discussion that we had today.

1           Before we adjourn, is there anything  
2 else that we should consider?

3           MS. BAILINSON: Nothing further from  
4 the Department, Mr. Chair.

5           MS. BROWN: I just want to make one  
6 factual correction. When I mentioned the  
7 simplicity of treatment from the pump station,  
8 there is uranium now that is also being treated.

9           But, other than that, there are no  
10 corrections and no further comments for the  
11 prehearing.

12           Thank you.

13           CMSR. SIMPSON: Okay. All right.  
14 Thank you for everyone's time this morning. We  
15 are adjourned.

16           ***(Whereupon the prehearing conference***  
17           ***was adjourned at 9:26 a.m., and a***  
18           ***technical session was held thereafter.)***

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