

Leighton, Adele

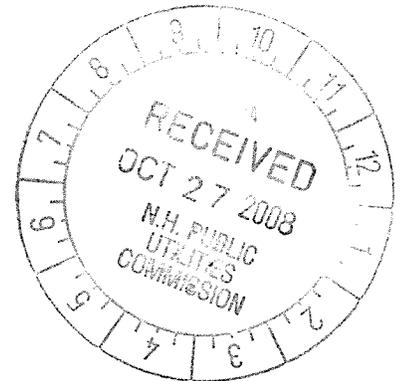
From: Smith, Kim on behalf of PUC
Sent: Monday, October 27, 2008 9:43 AM
To: Leighton, Adele; Noonan, Amanda; Naylor, Mark; Raymond, Margaret
Subject: FW: Aquarion Petition for Rate Increase

I have attached an internet e-mail from our PUC account regarding Docket No. DW 08-098, Aquarion Water Company.

--Kim

-----Original Message-----

From: John Peckham [mailto:johnpeckham@comcast.net]
Sent: Sunday, October 26, 2008 4:25 PM
To: PUC
Subject: Aquarion Petition for Rate Increase



To NH PUC,

I'm a resident of North Hampton and deeply troubled by the outrageous and abusive rate increase proposed by Aquarion. This proposed rate increase is in addition to a similar increase approved by the commission a few years ago and, based on SVP Bingaman's comments in the local newspaper, will be followed by similar outrageous and abusive increases in the future.

I include the following observations:

- ◆ There has been no increase in service levels or water quality commensurate with the massive rate increase requested;
- ◆ Aquarion seems intent on "gold plating" the water system to grow rate base. I expect the company will attempt to replace every mile of pipe, every hydrant and every standpipe, regardless of need. I question whether this spending would pass a proper prudency review
- ◆ I find nothing in Aquarion's request regarding proposed ROE or cap structure so I assume they are completely out of line with industry norms
- ◆ Aquarion provided no comparison of its proposed rates to rates charged by similar utilities so again I assume they are completely out of line
- ◆ The conservation provision is disingenuous at best and intended to hide the full amount of the rate increase. Aquarion offers no basis for the 1,500 cf/quarter threshold. However, it's apparent nearly all of Aquarion's customers will be charged at the higher rate for most of their water consumption because, according to Aquarion, the average customer uses 7,500 cf/month. It is the height of corporation cynicism when a company believes it can pass along massive price increase by shrouding it in a cloak of green
- ◆ Aquarion's assertion that the request amounts to a mere \$7.71 per month increase to the average customer bill is the typical water utility canard designed to dissuade the commission from examining the rate increase too closely. I suspect most customers will pay significantly more than \$7.71/month
- ◆ I understand Aquarion's parent company is deeply troubled, a likely factor in Aquarion's massive rate increase request
- ◆ The absolute disdain Aquarion has for its customers and complete arrogance of the management team are evident in temporary rate and step adjustment provisions of the rate request. Aquarion has not earned the

10/27/2008

rate payers' trust and should not be awarded higher rates until it has proven it has earned them

- ◆ My community is suffering from rising property taxes, sky high heating costs, declining home values, an economic slowdown and the impact of the global financial crisis. This is not the time to approve a 25% rate increase. Frankly, given everything that is going on in my community I'm shocked by the degree of insensitivity displayed by Aquarion management

Sincerely,
John Peckham
Aquarion Customer and North Hampton resident