

DW10-091

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From: Steven R. Taylor [mailto:vwauto67@myfairpoint.net]
Sent: Friday, September 17, 2010 12:21 PM
To: PUC
Subject: PUC & Pennichuck Water Works: Docket #DW10 091

Ms Debra. Howland;
21 S. Fruit St. Suite 10
Concord NH 03301

Steven R. Taylor
4 Bulova Dr.
Nashua, NH 03060-5323

Sept 17, 2010

Re: Docket #DW10 091

Dear Ms. Howland;

Concerning the request of Pennichuck Water Works (PWW) to have a permanent overall increase of 16.23%.

While I understand that increases in property taxes, the cost of capital investments, upgrades, day to day upkeep, etc. are necessary, and must be considered as an ordinary business expense when figuring the rates customers will have to pay. However I must take exception to PWW's insistence that they need to raise rates because of the economic down turn, the high levels of rain, and the lower than expected levels of water usage by the consumers or for the conservation efforts that many of us take, to be the foundation upon which to increase rates at this time.

First off, nearly all households, businesses, organizations, along with local, State and Federal governments- are having to make due with less in this economy. The necessity of having regulated monopolies is simple enough to understand. A reasonable rate of return for the regulated business is also simple and straight forward. However, insisting that the rates charge to maintain a given rate of return in times likes these, where many are unemployed, under-employed or are living on a fixed income, is in my opinion, too much to ask for.

Another question I have is this- Why is the average consumer/tax payer always the one who has to shoulder the heavier burdens due to circumstances outside their control? For instance, the City of Nashua's irresponsible actions that have wasted millions of dollars for both PWW and the City was and is a factor even if PWW has removed that from the most recent paperwork. This can be debated back and forth, but in the end millions were wasted and the average person is ending up paying for both sides of the three ring circus; property taxes and rate increases.

PWW wants a rate increase we have had more rain than usual. Well, cry me a bucket of tears. All businesses, governing bodies, organizations, households,



and individuals have to make do with less money during hard times. Why should PWW be any different?

Another reason they have given for the rate increase is the economy. In the past when the Insurance Industry's investments do not return the levels of profit they need or want, they clamor for higher rates. However, when the economy picks up and profits increase, do they lower their rates? No. Likewise for PWW. When the economy picks up, water usage increases, and, heaven forbid, we have lower rainfall amounts and have to use more of PWW's water, will PWW come back to the PUC and ask for a rate decrease? Probably not.

PWW wants us to pay more so they can have their contracted percentage of profit. That is understandable to a point. In bad economic times all of us have to make do with less. Why is PWW exempt from what everyone else has to deal with? If they need a rate increase to just survive, I would understand. But, if this rate increase is simply looking to make sure they get their expected return, why should they be allowed a rate increase just to maintain their expected profit levels?

Unless PWW is not on the verge of bankruptcy, I feel the rate increase they are requesting is excessive. Do they need to pay for their capital improvements, upgrades to maintain or improve water quality? Yes. But again, should they be exempt from the tough economic times that nearly every business, governmental body, organization, family or individual is dealing with in this economy? No.

A reasonable rate of return is important, but it shouldn't be under consideration in times like these. (Unless they are about to fail financially.)

Respectively;

Steven Taylor