

DW12-085



July 7, 2012

Subject: Aquarian Water Co. filing for Rate increase, DW12-085, order #25373

Commissioners  
NHPUC  
21 S. Fruit Street  
Suite 10  
Concord, NH 03301

Dear Commissioners of NHPUC,

I am a rate payer (AKA. customer) in Hampton, New Hampshire and a tax payer there. I am lodging my protest against the subject filing by Aquarian Water Co, calling for a rate increase of 18% with a call for an immediate temporary increase of 12%.

Just in 2009, the NHPUC granted a 22% increase while lowering that number (still an increase) for fire hydrant discharge. That increase was approved based on an overall rate of return for Aquarian of 7.72%.

In its current filing, part of the reason cited by Aquarian was the realization of lower return than what was calculated in the 2009 settlement. It also cites increases in operating expenses and declining water sales for the current rate increase filing. With regards to the latter reason, Aquarian promoted strongly water use conservation (nothing wrong with that) during its campaign for rate increase in 2009. Now, it says that declining water sales is causing them to ask for rate increase!

If the calculated rate of return was not realized, that would be Aquarian's responsibility. They were the ones that calculated the figures and asked for the rate increase to justify the return. Why should the rate payers be asked to shore up shortcomings in the management of the company?

Please answer for me some simple questions:

1. Why on earth should we be asked to guarantee an eye-popping rate of return of 9% on capital and an overall of over 7%? The 10-Yr. treasuries are running about 1.5%. People are not getting that kind of raises in their employment.
2. What is Aquarian risking to be asking for those kinds of returns? Nothing, as far as I can see. They even have the rate payers pay for their filing costs!
3. In 2009, Aquarian cited replacement of water tank in Mill Road as an investment that they needed to recoup through water rate increase. If the rate payers pay for identified assets developed by Aquarian with a very attractive rate of return, at the end why the rate doesn't get adjusted downward once the investment is paid off? Why wouldn't the rate payers as an entity own that asset from that point on?

Aquarian is a water distribution company. It should not be holding titles to the assets that the rate payers have specifically paid for. It is time that we decentralize water just as energy production and distribution had been. The towns involved must be able to bid the water distribution job (what Aquarian is doing) on a three-year contract basis. The companies interested in that business must be asked to bid on it every three years. We need competition. Perpetuation of government sanctioned monopoly will always hold the

customers at its mercy. We have a clear example of it here. Utility monopoly model belonged in 1930s but is not relevant today.

Thanks

Sincerely,



A Gopalan  
20 Windmill Lane  
Hampton, NH 03842

