

SEP 11 2006

Thomas B. Getz, Chairman of the Public Utilities Commission  
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ORIGINAL	
N.H.P.U.C. Case No.	DW 06-094
Exhibit No.	3
Witness	Panel 1
DO NOT REMOVE FROM FILE	

September 9, 2006

Dear Public Utilities Commission members:

Larry Bingaman, Vice President of Aquarion Water Company has asked that I write you a letter describing my feelings concerning the sale of Aquarion Water Company. He has asked me to write the letter because I am a member of the Aquarion Water Company Advisory Council, representing the Town of Hampton as a citizen appointee. He does not know what I will say. I am stressing my opinion which might differ from that of the Town of Hampton.

First I must introduce myself so you know I am a reliable source. During the past seven years I have served Hampton for two terms as chairman of the Growth Management Oversight Board, for one term as member of the Budget Committee, for one term as alternate representing the Budget Committee on the Capital Improvement Committee, for five years on the Water Company Advisory Council, on the Beach Master Plan Committee, on the Hampton Senior/Civic Center Committee, and on the West Side Zoning Reform Committee. I am currently an alternate on the Recreation Advisory Council.

I have been a director of the James House Association, Inc. for 6 years and am currently its President. This is an indirect Town position. If the Association fails, the museum becomes the Town's to own and operate. It is the James House Board of Directors' responsibility to restore the James Homestead and provide history education to the public free of charge. It is also the Board's responsibility to save the Town from having to assume the cost of maintaining and operating the museum.

The Kelda Group, who currently owns Aquarion Water Company, has been given a choice to sell Aquarion Water Company to Macquarie Bank or possibly to the Town of North Hampton. One is a valid offer negotiated by the Kelda Group and Macquarie Bank, a world bank registered in Australia. The other is a proposal made by the Town of North Hampton, which must be voted on by the voters before it can be a binding offer. Both are to be heard at a hearing being held at the Winnacunnet High School in Hampton on Monday September 11, 2006 at 6:00 p.m. I feel the hearing has been scheduled at a very poor time. Most active people in Hampton and many from other town governments and the State government have to be at the dedication of a War On Terror Monument at

the VFW Hall in Hampton. Both the hearing and the dedication are to be at 6:00 p.m. on September 11 which is why I and many others can not be at the hearing. The Town's meeting of the Board of Selectmen starts at 7:00. I also have to be there.

I am not in favor of Aquarion Water Company being purchased by any world bank. I am aware that Marquis Bank has purchased many other utility companies and has so far kept its holdings for a minimum of 12 years. However, their statement that they will keep the company for a minimum of twelve years is part of my concern. World banks are in the banking business. They purchase businesses to operate them for a short period of time (often ten to twelve years) and then sell them for profit. A world bank can sell its assets to anyone in any country and will sell for the highest price offered. I do not believe our government should allow our utilities to be sold to any world bank. I do not believe we should open any opportunity for other countries to determine the quantity and quality of our water supply. I realize the quality of our water currently is better than the regulations require. Even though any company operating a utility in America must keep to the Federal and State water quality standards, they can reduce cost by not increasing supply to meet demand and not updating or adequately maintaining the current operating system. I feel we should not take a chance on the possibility of foreign companies reducing the quality of our water to our minimum standards. I feel foreign companies are more liable to reduce the quality of our water supply and systems than American companies. I also feel they are less likely to maintain the systems at as high level as our American companies.

I am also not in favor of one town purchasing a water company serving three towns. I spoke in opposition to the attempt made by the Town of Hampton to get voter approval to purchase Aquarion Water Company in 2004. I will speak against the purchase by the Town of North Hampton for the same reasons:

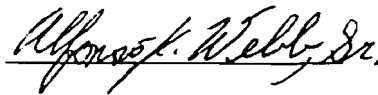
1. The quality and supply of water should not be affected the political or economic climate of a town. The quality and quantity as well as the maintenance of the water system should be maintained even when a town is having economic problems. The quality, quantity and level of maintenance should not be determined by uneducated voters, but by trained company engineers and employees.
2. The relationships between the towns and the condition of part of the water system can deteriorate when one town has the control of a water supply serving more than one town. Currently Hampton (the largest user of the Aquarion system) is complaining that substantially larger funds were given to North Hampton for improvements than to Hampton. What would happen if North Hampton decided to use all the monies to improve their portion and let Hampton's and Rye's portions slowly deteriorate. Both Hampton and North Hampton are currently having budget problems.
3. The expense for a town to buy the water company is greater than the current cost of operation plus the purchase price. Because the company's employees would become town employees subject to town salary procedures, many of the employees would choose to look for other jobs with private corporations. North Hampton has not been running a water supply system and is not familiar with how to do so. Thus, in the

beginning, the Town would have to hire outside assistance until a full trained staff would be available.

4. Because of the Town's budget problems, it is possible that all research to find additional water supplies would be postponed or terminated and border line maintenance would have an increased chance of being ignored.
5. Although I am not a North Hampton resident, I am concerned with the economic condition of the towns bordering Hampton. Yes, North Hampton could probably sell a bond to purchase Aquarion if the voters approved the floating of the bond for such a purchase, but that bond would over time have to be paid off through increased taxes and the profits from the sale of the water possibly at a higher price. I believe to do so would require raising the taxes charged residents to an intolerable level.

I am opposed to either of these offers to purchase Aquarion Water Company. I feel it should be the duty of the Kelda Group to find another business which is not a world bank, or a local town, who will purchase and continue to operate the water system the way it has been with the intent to keep and operate the company as long as possible.

Sincerely Yours:



Alfonso J. Webb, Sr.

CC: Mr. Larry Bingaman, Vice President Aquarion Water Company  
Mr. Mark A Naylor, Director of Gas and Water Division, PUC