

March 26, 2009

New Hampshire Public Utilities Commission
21 South Fruit Street / Suite 10
Concord, N.H. 03301-2429



RE:
 Rate increase request by Aquarion Water

Dear Sirs,

I am writing you to voice my concerns, as an Aquarion customer, over the 21% rate increase being sought by Aquarion. I feel that should the Commission allow such an increase it would impose an unfair and economic burden upon its customers, especially in these economic times. I therefore suggest and hope that the Commission will deny the request.

As you are aware, Aquarion is the largest **investor** owned water utility in New England and the 10th largest in the United States. Aquarion's owner, Macquarie Bank is very large and well capitalized bank and has shown no signs of a decline in profit.

Aquarion has stated in its many reasons for the rate increase is the increase cost of labor, insurance, changes in tax law as to depreciation and capital improvements. While Aquarion has made some capital improvements to the system these improvements were done without input from it's customers or any proof that such improvements were required or necessary or that they were performed in the most economical way. For many years the summer in Hampton was always marked with a water ban for out door activities yet our cost for the services of Aquarion have always continued to rise.

Second, as to the issue of the increase in labor costs an other items I direct to the follow taken from Macquarie website:

MACQUARIE GROUP LIMITED
and its subsidiaries
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2008

OPERATING EXPENSES

Operating expenses were down 33 per cent on the prior corresponding period to \$2,243 million. Employment expenses, the largest contributor to operating expenses, were down 48 per cent on

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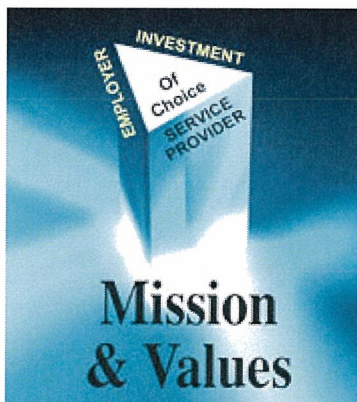
the prior corresponding period to \$1,265 million. The decrease in employment expenses was driven by lower performance-related profit share expense.

Clearly this would indicate a company that appears to have its cost well under control in these challenging times and still able to post a profit.

According to Wikipedia, In 2007, Macquarie realised a profit of \$A1.46 billion and managed assets worth \$A228 billion. It is the largest player in raising capital in Australia. The bank's high margins and profits, and the consequent rewards for its executives and shareholders, have seen news website [Crikey](#) dub the bank "The Millionaire Factory". Macquarie's capitalisation as at June 2007 was \$23.5 billion AUD making it one of Australia's biggest companies by value.

Even Aquarion own website shows its real motive is profit.

Mission and Values Statement



Aquarion's mission is to be the service provider, employer and **investment** of choice through a relentless commitment to excellence. We will achieve this by valuing

Please also see the following:

Connecticut Attorney General's Office

Press Release

Attorney General's Statement On Second Aquarion Rate Hike Request

March 3, 2008

"This latest rate hike request, coming mere months after Aquarion raised water rates by 17 percent, slams consumers when they're already down, catastrophically compounding a double digit increase.

"The DPUC not only failed to adequately slash Aquarion's rate hike request last year, but unacceptably structured the rate proceeding to allow Aquarion to come back and seek this second hike to recover costs for specific water utility projects. The DPUC's failure to cut Aquarion's devastating 17 percent rate increase has resulted in a double blow to consumers.

"The DPUC must turn off the money spigot flowing to utility companies and their executives, at the expense of consumers. Rate request after rate request, the DPUC has delivered a disturbing message to utility companies: Ask and you shall receive."

Aquarion has been on a rate increase frenzy. A 27.86 rate increase in 2008 for CT, a 24.8% rate increase in MA and the 21% increase for NH. No other industry has seen or been able to achieve such increases in revenue and Aquarion has failed to establish the need for such increases.

Again, even in these challenging times they are able to post a substantial profit while most companies are posting a loss and are laying off employees and reducing capacity. It is also clear that Aquarion and its parent company real motive in this rate increase is to increase profits and bonuses awarded to its top executives. Yet no place on its website does Aquarion post any of its financial reports for its customers to review.

Aquarion which received a rate increase of 18% in 2005 and then granted a increase of 7.65% pending the outcome of the Commissions review of the 21% is more than fair and reasonable and the tax payers / customers of Acquarion should not be further burden to increase the bottom line. To allow any additional increase would be unfair to the end consumer and in the same category as the bonuses handed out at AIG.

I thank the Commission for taking the time to consider my position on this matter.

Sincerely Yours,

Timothy McNamara
3 Rings Terrace
Hampton, NH 03842