

DW08-052

Leighton, Adele

From: Smith, Kim on behalf of PUC
Sent: Monday, July 07, 2008 3:00 PM
To: Leighton, Adele; Howland, Debra; Noonan, Amanda; Raymond, Margaret; Naylor, Mark
Subject: FW: Proposed Pennichuck Water Rate Increase

I have attached an internet e-mail from our PUC account for Docket No. DW 08-052, Pittsfield Aqueduct Company.

--Kim

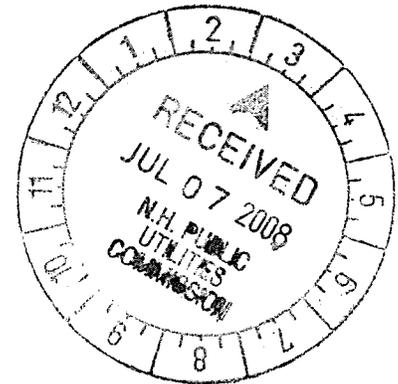
-----Original Message-----

From: Julie Ramsey [mailto:jdtravels@verizon.net]
Sent: Tuesday, July 01, 2008 3:19 PM
To: PUC
Cc: Julie Ramsey
Subject: Fw: Proposed Pennichuck Water Rate Increase

My attachment did not take on the first try. Sorry.

----- Forwarded Message -----

From: Julie Ramsey <jdtravels@verizon.net>
To: puc@puc.nh.gov
Cc: Julie Ramsey <jdtravels@verizon.net>
Sent: Tuesday, July 1, 2008 12:17:44 AM
Subject: Proposed Pennichuck Water Rate Increase



The proposed rates submitted by Pennichuck Water for their "North Country" customers are outrageous and unnecessary. While it is true that Pennichuck has invested much in the system they purchased from Integrated Water, it is not the duty of the PUC to ensure that any utility will be able to recover whatever investments they make in a system. It is the duty of the PUC to ensure that utilities are able to recover reasonable and prudent investments, while also protecting the ratepayers of those utilities from unreasonable rates for essential services which, by virtue of the utility's monopoly status, they are unable to purchase elsewhere. Attached are rates from all the water companies which have rate information available on-line, per the NHPUC's own website. As you will see from that information, Pennichuck's proposed rates are well in excess of what the average water customer in this state pays. Admittedly, there are economics of scale which make it more expensive to serve customers of small systems, but if you look at even the most expensive utility in the attachment (Lakes Region), Pennichuck's proposed rates are more than double what that utility charges its customers. How is it that these other companies have managed to provide service to their customers in compliance with state and federal standards at rates so drastically reduced from what Pennichuck proposes? There can be no justification for the rate increase requested, but there are two reasons I can think of. One is incompetence, the other greed. If the costs which Pennichuck claims to have made are true and accurate, then it is obvious that they have not invested as prudently as other water utilities in upgrading this system to meet

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recently increased water standards. The cost of this inefficiency should not be borne by Pennichuck's ratepayers; it is more properly placed upon their shareholders. To allow the proposed increase would only encourage what many utilities across the state are already realizing - that by investing in their systems, regardless of what costs are incurred or whatever marginal improvements in service are made, the utility creates a justification to recover those expenses plus whatever ROE the PUC deems necessary to encourage investment. Such action encourages wasteful spending to generate additional revenues for the utility. The PUC, in reviewing Pennichuck's proposal, should study what other companies have done to meet the standards and determine a reasonable level of investment necessary to provide safe, reliable water service to customers. It is this cost which should be passed on to ratepayers, not whatever expense Pennichuck, or any other utility, decides to make.

From this customer's perspective, most of the improvements which Pennichuck claims to have made have not improved my service. I had adequate water pressure and quantity before they purchased the system, and have the exact same level of service today. I see no reason to pay for "improvements" in these areas, as I have seen no improvement made. I agree that Pennichuck has reduced the level of arsenic in the Locke Lake water supply to comply with recent changes in those standards, and they should be allowed a rate increase to cover the cost of this investment. The rates for this investment, however, should be temporary. After the investment, interest, and ROE have been repaid, the rates should be automatically lowered to the previous rates, plus whatever additional reasonable cost is necessary to operate the new treatment facility.

As currently proposed, Pennichuck's rates would force many area families to choose between water, electricity, and food for their families. An overnight fourfold increase in rates for water is insulting and insensitive, and should not be tolerated or allowed by the commission. Thank you for your attention to my concerns, as well as those of the other impacted customers of Pennichuck Water.

Respectfully submitted,

Crane

Lake, Barnstead resident

David R.

Locke