



Town of Simsbury

933 HOPMEADOW STREET

P.O. BOX 495

SIMSBURY, CONNECTICUT 06070

Thomas F. Cooke - Director of Administrative Services

March 7, 2013

Via E-Mail (cfirlotte@aquarionwater.com) and Regular U.S. Mail

Mr. Charles V. Firlotte
President and Chief Executive Officer
Aquarion Water Company of Connecticut
835 Main Street
Bridgeport, CT 06604

Re: Proposed Increase in Water Service Rates

Dear Mr. Firlotte:

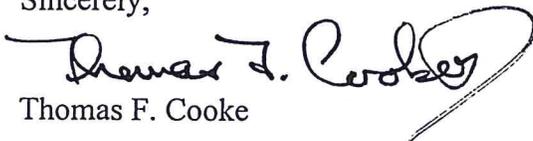
Thank you for your letter dated February 26, 2013 in which you informed the Town of Simsbury of Aquarion's request to the Connecticut Public Utilities Regulatory Authority (PURA) for an increase of 16.8% in water service rates. You also attached a copy of the Notice of Intent to PURA of the same date in which you note that Aquarion is proposing a 3-year rate plan "in order to limit the size of future rate increases for customers," and that the "rate increases for each of the second and third years would be approximately 2%." Finally, you note that increases "will vary based on class of customer and service area."

In order to assist the Town of Simsbury's Board of Selectmen in their understanding and assessment of the proposed increases, I am writing to request clarification with respect to the financial impact of the proposal on Town of Simsbury residents and businesses:

- What would the proposed increase cost the average resident of Simsbury in the first, second and third year of the proposed rate plan?
- What will the additional cost be to the Town's businesses, individually and collectively?

Thank you in advance to you and your staff for your assistance in helping us to clarify the actual impact of the proposal on the Town of Simsbury.

Sincerely,



Thomas F. Cooke

cc: Town of Simsbury Board of Selectmen

Telephone (860) 658-3230
Facsimile (860) 658-9467

tcooke@simsbury-ct.gov
www.simsbury-ct.gov

An Equal Opportunity Employer
8:30 - 7:00 Monday
8:30 - 4:30 Tuesday through Friday



AQUARION
Water Company

Stewards of the Environment™

cc BOS
Charles V. Firlotte
President & Chief Executive Officer

203.336.7628 phone
203.336.5639 fax

cfirlotte@aquarionwater.com

February 26, 2013

The Honorable Mary A. Glassman
First Selectman
Town of Simsbury
933 Hopmeadow Street
Simsbury, CT 06070



Dear First Selectman Glassman:

This is to inform you that Aquarion Water Company of Connecticut has notified the Connecticut Public Utilities Regulatory Authority (PURA) of its intent to request an increase in water service rates. The company will file its application within 60 days of the date of this letter.

Aquarion is committed to providing quality drinking water and ensuring a reliable water supply to more than 625,000 people across 47 Connecticut communities. Aquarion's commitment to its customers requires continued investment in new and replacement infrastructure. Since the company's last general rate filing, Aquarion will have invested \$143 million in water utility infrastructure improvements. Investments critical to the delivery of safe, high quality water have been made in such areas as mains, storage tanks, treatment plant upgrades, dam improvements and enhanced pump stations.

The company's request for an increase of 16.8% is necessary to meet the needs and requirements of a modern, reliable water infrastructure system, consistent with ever increasing health and environmental regulatory standards. And while we have worked hard to achieve industry-leading efficiencies, there are key investments and expense requirements that must be made to ensure preservation of public health and fire protection.

Enclosed please find a copy of our Letter of Intent addressed to PURA. In the coming weeks we will be presenting PURA with a thorough, detailed explanation of the company's reasoning for requesting a rate adjustment.

If I can answer any questions or provide you with additional information, please feel free to call me directly at 203-336-7628.

Sincerely,

Charles V. Firlotte
President and Chief Executive Officer
Aquarion Water Company of Connecticut



AQUARION
Water Company

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February 26, 2013

VIA ELECTRONIC FILING AND HAND DELIVERY

Ms. Kimberley J. Santopietro
Executive Secretary
Public Utilities Regulatory Authority
10 Franklin Square
New Britain, CT 06051

Subject: Notice of Intent of Aquarion Water Company of Connecticut to File Amended Water Service Rate Schedules

Dear Ms. Santopietro:

This letter is to formally give notice to the Connecticut Public Utilities Regulatory Authority (“Authority” or “PURA”) of the Aquarion Water Company of Connecticut’s (“Aquarion” or the “Company”) intent to file amended water service rate schedules within 60 days from the date of this letter.

Aquarion is committed to providing quality drinking water and ensuring a reliable water supply to more than 625,000 people across 47 Connecticut communities. Aquarion’s commitment to its customers requires continued investment in new and replacement infrastructure. Since the company’s last general rate filing, Aquarion will have invested more than \$143 million in water utility infrastructure improvements. Investments critical to the delivery of safe, high quality water have been made in such areas as mains, storage tanks, treatment plant upgrades, dam improvements and enhanced pump stations.

The importance of these infrastructure investments is underscored by our system’s exemplary operating performance during the last four major storms. In fact, in the recent blizzard only 25 households, within a served population of 625,000, were inconvenienced briefly.

This rate application is necessary to meet the needs and requirements of a modern, reliable water infrastructure system, consistent with ever increasing health and environmental regulatory standards. And while we have worked hard to achieve industry-leading efficiencies, there are key investments and expense requirements that must be made to ensure preservation of public health and fire protection.

Overall, the company’s requested rate adjustment represents a 16.8% increase over current rates. The new rate schedules will be designed to increase the Company’s proforma annualized revenues, based upon adjusted 2012 test year sales, by approximately \$26.9 million. In addition, we are proposing a 3-year rate plan in order to limit the size of future rate increases for customers. The rate increases for each of the second and third years would be approximately 2%. Pursuant to PURA’s instructions, we are moving toward rate equalization. As a result, increases will vary based on class of customer and service area, as determined by the Authority.

Copies of this "Notice of Intent" are being delivered today, pursuant to Section 16-1-22(b) of the PURA's regulations, to the Governor of the State of Connecticut and to the Chief Executive Officer of each municipality located in the company's water service franchise area. Copies are also being delivered to members of the Connecticut General Assembly representing those communities.

We look forward to presenting the members of the Authority with a thorough, detailed explanation of Company's reasoning for requesting a rate adjustment. In the interim, I remain available to answer any questions that the Authority might have.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles V. Firlotte". The signature is fluid and cursive, with a large initial "C" and "F".

Charles V. Firlotte
President and Chief Executive Officer
Aquarion Water Company of Connecticut