

January 23, 2014

Via E-Mail and Express Mail

Public Utilities Regulatory Authority
Attn: Nicholas E. Neeley
Acting Executive Secretary
10 Franklin Square
New Britain, CT 06051

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

Re: Docket No. 13-02-20 – Application of Aquarion Water Company of Connecticut to Amend Its Rates

Dear Commissioners and Mr. Firlotte:

On September 24, 2013 the Public Utilities Regulatory Authority (“PURA”) issued a decision allowing Aquarion Water Company of Connecticut (“Aquarion”) to increase the rate it charges its customers by 8.6% (the “Decision”). The increase was granted in spite of widespread opposition and in the face of testimony at PURA hearings from residents and elected officials alike that increases of any magnitude would present a tremendous hardship to residents – particularly residents on fixed incomes – and on public and private entities which continue to face crippling economic pressures. The press release issued by PURA on September 24th acknowledged that “[m]any of Aquarion’s customers testified against the rate proposal, and more than 500 customers wrote to PURA, almost unanimously opposed to Aquarion’s rate request.” Notwithstanding this testimony, an excessive 8.6% increase was approved for payment by Aquarion’s customers.

The reality is far worse for residents and businesses located in Aquarion’s Northern Division. **According to the Decision, Aquarion’s Northern Division customers – including customers in Granby, East Granby and Simsbury – are being forced to accept an unbelievable 17.2% increase.** (Decision, p. 48.) PURA’s press release made no mention of the 17.2% increase – in fact, the Town of Simsbury only learned of this portion of the decision from Aquarion after a direct inquiry to the company.

PURA’s “rate equalization” policy is offered as the apparent basis for the huge increase imposed on Northern Division customers. **The Decision makes no attempt, however, to explain why such an increase is being imposed on customers all at once.** The Office of the Attorney General’s proposal that rate equalization be phased in over a 12 to 15 year period (satisfying the goal of rate equalization without the punitive impact of requiring it all at once) is not even addressed in PURA’s Decision. Even if a double-digit increase for the Northern Division were justified, there is no justification for putting such a large burden on residents all at once.

In reality, the costs imposed upon residents of the Northern Division are even greater than the 17.2% imposed directly on them. Rate increases have been approved for public entities, including charges on public and private fire organizations. Inevitably the cost of these increases will be passed back to the residents who rely on these organizations for their protection.

Aquarion’s Northern Division customers continue to face a challenging economy. The State of Connecticut, Connecticut’s Municipalities, public and private fire organizations and public entities such as housing authorities responsible for the elderly and disabled have all worked hard to keep cost increases to a minimum – they certainly have not imposed 17.2% increases on the taxpayers they serve. Difficult

decisions have been made to defer important projects and limit public services in order to minimize cost increases.

The undersigned respectfully submit that the proposed increase of 8.6% is simply too great a burden to place on Connecticut residents. Moreover, to ask Aquarion's Northern Division customers to pay **twice** that amount is simply wrong. While we recognize that Aquarion must make capital improvements – indeed, we struggle with the very same decisions – Aquarion must be disciplined enough to schedule improvements and other cost increases to minimize the impact on their customers.

We further submit that the decision to impose a 17.2% increase on Northern Division customers without any consideration of the Attorney General's proposal to phase in the rate equalization is arbitrary and unwarranted, particularly in the face of record evidence of the hardship caused by such an increase.

For the reasons set forth above, we respectfully request that PURA and Aquarion lower the proposed 8.6% increase and phase in any rate equalization surcharge applicable to customers in Aquarion's Northern Division in no less than the time period recommended by the Attorney General.

If you have any questions concerning our submission, please direct them to the attention of Thomas F. Cooke, Director of Administrative Services, Town of Simsbury, at tcooke@simsbury-ct.gov or by telephone at (860) 658-3230.

Respectfully submitted:

State Senator Kevin Witkos

State Representative John K. Hampton

Town of Simsbury Board of Selectmen:

Town of Granby:

Deputy First Selectman Nancy M. Haase

William F. Smith, Jr
Town Manager

Selectman Lisa L. Heavner

Town of East Granby:

Selectman Sean P. Askham

James M. Hayden
First Selectman

Selectman Mike R. Paine

Simsbury Fire District:

Selectman Cheryl B. Cook

Kevin A. North, President