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STATE OF MAINE  
PUBLIC UTILITIES COMMISSION  
242 STATE STREET  
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AUGUSTA, MAINE  
04333-0018

SHARON M. REISHUS  
VENDEAN V. VAFIADES  
COMMISSIONERS

KURT ADAMS  
CHAIRMAN

March 19, 2007

Honorable John L. Martin, Senate Chair  
Honorable Theodore Koffman, House Chair  
Joint Standing Committee on Natural Resources  
115 State House Station  
Augusta, Maine 04333

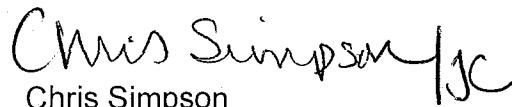
Re: Results of MPUC Inquiry into the Fiscal Impact of DEP's Proposed Rule  
(Chapter 587) on Water Utilities and Their Customers, Docket No. 2006-  
481

Dear Senator Martin and Representative Koffman:

Attached is the Commission's Results of Inquiry in Docket No. 2006-481. The Inquiry and attachments are being submitted for your consideration on two bills being heard by the Natural Resources Committee on March 20, 2007, LD 774 and LD 968.

If you have any questions or comments regarding the attached, please feel free to contact me.

Sincerely,

  
Chris Simpson  
Legislative Liaison

Attachments

cc: Joint Standing Committee on Utilities and Energy Committee  
Susan Johannesman, Legislative Analyst, Natural Resources  
Lucia Nixon, Legislative Analyst, Utilities and Energy



PRINTED ON RECYCLED PAPER

March 16, 2007

MAINE PUBLIC UTILITIES COMMISSION  
Inquiry into the Fiscal Impact of Department  
Of Environmental Protection Proposed Rule  
(Chapter 587) on Water Utilities and  
Their Customers

RESULTS OF INQUIRY

ADAMS, Chairman, REISHUS and VAFIADES, Commissioners

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## I. SUMMARY

On August 18, 2006, the Maine Rural Water Association (MRWA) filed a Petition with the Public Utilities Commission (Commission) seeking an Inquiry or Investigation, pursuant to 35-A M.R.S.A. Section 1303, for purposes of examining the potential impacts on certain water utilities using surface water sources of supply and their customers as a result of the Department of Environmental Protection (DEP)'s proposed rule: Chapter 587, "In-Stream Flow and Water Level Standards" (Rule or Chapter 587).<sup>1</sup> In its Petition<sup>2</sup>, the MRWA asserted that, as proposed, Chapter 587 could have a substantial fiscal impact on the approximately 50 water utilities that use a surface water source of supply and, consequently, their customers. On November 1, 2006, the Commission opened this Inquiry in an attempt to identify and quantify the fiscal impacts of Chapter 587 on Maine water utilities and their customers. This report summarizes the results of our Inquiry.

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<sup>1</sup> Chapter 587 is a major substantive rule and, as such, must be approved by the Legislature before it takes effect.

<sup>2</sup> MRWA requested that the Commission initiate an inquiry and/or investigation for purposes of:

- 1) determining the fiscal impact of Chapter 587 on Maine water utilities and their customers,
- 2) considering a policy which balances the interests of preservation of aquatic life and the needs of water systems and their customers and
- 3) considering any plans or regulatory strategies that ought to be implemented by the Commission in anticipation of the impact of Chapter 587 on the services, rates, and financing of Maine water utilities.

MRWA Petition For Initiation of Inquiry or Investigation at 3 (Aug. 18, 2006). See *Inquiry into the Fiscal Impact of Department of Environmental Protection Proposed Rule (Chapter 587) on Water Utilities and their Customers*, Notice of Inquiry at 3 (Me. P.U.C. Nov. 1, 2006) (NOI) (granting MRWA's first request and declining to include MRWA's 2<sup>nd</sup> and 3<sup>rd</sup> request in the Inquiry).

## II. DEP CHAPTER 587 BACKGROUND

Chapter 587 was provisionally adopted by the Board of Environmental Protection (Board) on November 16, 2006. Me. D.E.P. Chapter 587, In-stream Flow and Water Level Standards (Nov. 16, 2006) (Chapter 587). Chapter 587 establishes in-stream flow and water level standards to protect natural aquatic life and other designated uses in Maine's waters. Under the Rule, in-stream flows and water levels may be established by three methods: 1) standard allowable alteration, 2) by a site-specific flow designation developed through a Water Flow Plan or Water Level Plan, or 3) as part of new or existing regulatory permit. Chapter 587, Summary.

The flow and water level standards established by the Rule do not apply to an existing water system operating within its system design capacity provided that: 1) it cannot attain the applicable flow or water level standard and 2) the water system has received and is operating in accordance with or is otherwise satisfying the requirements of a withdrawal certificate issued by DEP. Chapter 587, Section 1(D). The Rule also states that a withdrawal certificate:

shall include appropriate conditions that take into account the economic and technical feasibility of maintaining, and restoring to the extent feasible, all water quality standards affected by the Community Water System, including all designated uses and characteristics of the assigned water classification, the provisions of their Legislative charter or other authority and the financial viability of the Community Water System.

### Id.

Existing water systems have 5 years from the Rule's effective date to obtain a withdrawal certificate and implement all feasible actions necessary to comply with or restore, to the extent feasible, the applicable water quality standards established in the Rule for the source water body and affected downstream waters. Chapter 587, Section 10(B). The DEP Commissioner may grant an extension of the 5- year period if it can be demonstrated that reasonable progress toward implementation has occurred. Chapter 587, Section 10(B).

The Rule further states:

Any conditions included in a Community Water System Withdrawal Certificate will be reviewed by the Drinking Water Program at the Department of Health and Human Services [DWP] and the Public Utilities Commission to assure they are economically and technically feasible, and will not jeopardize the safety, dependability, or the financial viability of the Community Water System.

Chapter 587, Section 1(D).

We understand, based on discussions with DEP Staff that the DEP will be submitting the following proposed statutory language, requiring the DEP to provide a draft Community Water System Withdrawal Certificate to the Commission and DWP for review and approval before issuing the Withdrawal Certificate, to the Legislature when it considers Chapter 587:

A draft Community Water System Withdrawal Certificate must be reviewed and approved by the [DWP and the Commission] before being issued by [DEP] to ensure that conditions contained therein are economically and technically feasible, and will not jeopardize the safety, dependability, or the financial viability of the . . . water system.<sup>3</sup>

This language requires Commission review and approval whereas the Rulemaking required only Commission review.

### **III. COMMISSION INQUIRY BACKGROUND**

On August 18, 2006, the MRWA filed a Petition with the Commission relating to the DEP's proposed Chapter 587. As discussed above, MRWA asserted that, as proposed, Chapter 587 could have a substantial fiscal impact on water utilities that use a surface water source of supply and, consequently, their customers. The MRWA Petition argued that the requirements of Chapter 587 were vague and that there was nothing in Chapter 587 that addressed the MRWA's concerns about the potential adverse effects or risks posed by the Rule. MRWA's Petition further asserted that the Commission is the state agency best suited to assess the risks and costs to water utilities and their ratepayers posed by Chapter 587. The Commission received letters in support of the MRWA's Petition from the Maine Water Utilities Association, the Auburn Water District, and the Kennebunk, Kennebunkport and Wells Water District.

After receiving MRWA's Petition, Commission Staff contacted DEP Staff working on Chapter 587. During these conversations, DEP Staff indicated that, prior to the

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<sup>3</sup> L.D. 774, An Act To Coordinate the Implementation of the In-stream Flow and Water Level Rules among the Department of Environmental Protection, the Drinking Water Program of the Department of Health and Human Services and the Public Utilities Commission (2007) has been submitted to the Legislature. It states, in part, that:

A draft decision of the [DEP] under these rules that affects a community water system must be reviewed and approved by the drinking water program of the Department of Health and Human Services and the Public Utilities Commission before being incorporated into a final department decision.

Our understanding, based on discussions with DEP Staff, is that they intend to offer an amendment with the substitute language described above, in the body of this report, to replace the current language of L.D. 774.

commencement of the rulemaking, they held four meetings with water utilities to discuss the fiscal impacts of the Rule and therefore, were aware of the water utilities' position. DEP Staff also indicated that it welcomed the Commission's assistance in identifying the potential fiscal impacts of the Rule on water utilities and their customers and that if the Commission opened the Inquiry requested by the MRWA, the DEP Staff would be an active participant in the Inquiry.

As discussed above, on November 1, 2006, the Commission opened this Inquiry in an attempt to identify and quantify the fiscal impacts of Chapter 587 on Maine water utilities and their customers. The Notice of Inquiry (NOI) noted that several water utilities had indicated that they believed the fiscal impact of the pending Chapter 587 would be substantial and that DEP Staff had indicated that, despite their best efforts, they had not been able to satisfy the concerns expressed by water utilities regarding the fiscal impacts of the Rule. In the NOI, we also noted that DEP Staff had indicated that an inquiry of the type requested by MRWA would assist the DEP in finalizing its Rule and that the result of our Inquiry might assist the Legislature in its review of the Rule that would be provisionally adopted by the Board.

The NOI sought comments from interested parties by November 20, 2006 on a number of specific questions including what type of information the Commission should gather as part of the Inquiry, what process the Commission should implement to obtain information, what methodology the Commission should use to identify and quantify the fiscal impact, whether the Rule was vague with regard to requirements to be imposed on utilities and how the Rule could be modified to provide specificity. The NOI also asked interested parties to identify which water utilities would be impacted by the Rule and how the Rule could have a fiscal impact on utilities and municipalities.

In its comments, MRWA proposed that a steering committee, including representatives from water utilities and the DWP, facilitate the development and collection of information. MRWA also proposed a schedule. The DEP was not part of the steering committee.

Discussions between Commission Staff and the steering committee led to the preparation of templates of cost inventories which were provided to approximately 50 of Maine's 150 water utilities for purposes of gathering the information. These 50 are likely to be affected by the Rule because their primary source is surface water. Water utilities submitted responses to MRWA in December. On January 22, 2006, MRWA submitted its report summarizing the data collected to the Commission (a copy of the report is included as Attachment A and is summarized in Section IV below).

Commission Staff also met on December 6, 2006, with DEP Staff to discuss the Inquiry and how they might participate. Based on the December 6th meeting, Commission Staff decided to host a series of meetings between a number of interested water utilities potentially affected by Chapter 587 and the Staff from DWP, DEP, and the Commission. The purpose of these meetings, as stated in the December 22, 2006 Procedural Order, was to do a so-called "dry run" of how the Rule would operate and

give the regulatory agencies and water utilities the opportunity to suggest modifications to the Rule, if necessary. The Procedural Order also noted that the meetings would allow the regulatory agencies and water utilities to address concerns about the vagueness of parts of the Rule and suggest modifications if necessary. DEP Staff advised the Commission that they were receptive to making changes to the Rule. In addition, the Procedural Order noted that these meetings were intended to help the Commission determine the resource implications of Chapter 587 for the various regulatory agencies and water utilities impacted by the Rule.

Commission Staff issued its Results of Inquiry on February 27, 2007. The DEP, the OPA, the DWP, MRWA, Aqua Maine, Winthrop Utilities District, and Trout Unlimited submitted comments on the draft Results.<sup>4</sup>

#### **IV. MRWA's POSITION**

As discussed above, following the opening of the Inquiry, MRWA created a steering committee to develop a response to the Inquiry. On January 22, 2006, MRWA submitted its report, summarizing the data collected to the Commission and taking a position on potential Chapter 587 impacts. MRWA developed its report based on input from 74% of the affected water systems. The remaining potentially affected systems did not provide data. Section 1(D) of Chapter 587 states:

All water quality standards, including flows and water levels established pursuant to this chapter, remain applicable to the waters affected by the Community Water System, and will be used to assess water quality in those waters for all other purposes. The intent of the certificate process shall be to move towards the *achievement of water quality standards*.

Chapter 587, Section 1(D) (*emphasis added*).

Therefore, MRWA asserts cost estimates that it believes will be necessary to ultimately "achieve the water quality standards" set out by the Rule. MRWA believes that there will be compliance costs with all aspects of the Rule and that there will be administrative costs for all water utilities to determine into which compliance category each water system falls. MRWA asserts that additional costs would be incurred for water flow and level monitoring devices to help determine the utility's current water source base data and whether it is in compliance with the DEP's flow and water level standards. According to MRWA, smaller utilities with little monitoring equipment will need to make investments to gather the detailed flow data required by the Rule. MRWA believes that compliance costs will vary due to the level of studies and measurements that would be necessary for each compliance category. According to MRWA, certain compliance categories could entail complex studies and possible infrastructure

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<sup>4</sup> Comments from the Winthrop Utilities District, Trout Unlimited, the OPA and the DWP were received after the comment deadline.

investments (e.g., storage tanks, dams, pumps and pipelines) to meet any proposed conditions established; therefore, increasing the costs to utilities.

MRWA developed its estimates from two sources of data, neither of which has been verified by the Commission. One source of data was from individually affected utilities through their completion of the template developed to gather the necessary information. The second source of information was from the utilities that attended the steering committee meetings. Participating utilities developed estimates for each aspect of compliance that could be used by utilities that either may not have responded to MRWA's request or responded but did not have enough information about the Rule or the potential costs to adequately complete the template.

Relying on these sources of data, MRWA calculated the rate impacts on individual water utilities using the existing rates as a base<sup>5</sup>. These impacts range from a negligible increase in rates to a 133% rate increase.

## **V. DRY-RUN MEETINGS**

The process for how a water utility will seek a withdrawal certificate or how the agencies would "review and approve" the withdrawal certificate is not described in the Rule. As previously discussed, the dry-run meetings were developed as a way to gauge fiscal impacts on a handful of utilities. The six water utilities used for the dry-run meetings varied in terms of customer base, water source, and water treatment.<sup>6</sup>

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<sup>5</sup> Using existing rates as a base may, or may not, provide an accurate ultimate impact. Ratemaking is a process that involves many varied inputs. Any rate change due to the proposed Rule could be affected by a variety of factors including other changes in revenues and expenses which have occurred since rates were last set.

<sup>6</sup> The six water utilities were: Aqua Maine – Camden/Rockland Division, Newport Water District, York Water District, Kennebunk, Kennebunkport & Wells Water District, Winthrop Utilities District and Livermore Falls Water District. Certain water systems requested to be selected for the dry-run meetings and Commission Staff asked others if they would be willing to participate. Commission Staff believes the six that participated represent the range of water systems that could be impacted by the Rule as they varied in terms of customer base, water source, and water treatment.



The following chart summarizes the information gathered through the dry-run meetings and how the process would work for each utility selected to participate.

	<b>Aqua Maine – Camden Rockland Division</b>	<b>Kennebunk, Kennebunkport &amp; Wells Water District</b>	<b>Livermore Falls Water District</b>	<b>Newport Water District</b>	<b>Winthrop Utilities District</b>	<b>York Water District</b>
<b># Customers</b>	7,500	28,000 year round, 100,000 in summer	1,300	660	1,080	5,000 year round, 22,000 in summer
<b>Source of Supply</b>	Mirror Lake, Grassy Pond	Branch Brook	Moose Hill Pond, Parker Pond	Nokomis Pond	Upper Narrows Pond	Chase's Pond
<b>Treatment</b>	Unfiltered	Conventional	Slow Sand	Slow Sand	Slow Sand	Conventional
<b>DEP proposed condition</b>	Lake level drop less than 6 feet, 0.02 cfs <sup>1</sup> in outlet stream	3 MGD <sup>2</sup> over dam (5 cfs)	No proposed condition	No more than 2 ft drawdown of lake level	None – Watershed District determines lake levels <sup>3</sup>	330,000 GPD <sup>4</sup> over dam (0.5 cfs)
<b>What must system do to meet proposed condition?</b>	Dam rebuild, pump more water from Grassy to Mirror	Abandon Branch Brook treatment plant, build treatment plant on Saco River	Might need to pump from Parker to Moose Hill	Construct pipe w/orifice & valve to control flow at outlet of pond.	No proposed condition.	Raise dam.
<b>Cost to meet proposed condition?</b>	\$500,000 dam, unknown for water transfer	\$23,500,000	If condition above applies, \$1,000/day	\$55,000?		Unknown.
<b>Is proposed condition economically &amp; technically feasible?</b>	Could not complete evaluation. (See below)	No.	Could not complete evaluation. (See below)	Could not complete evaluation. (See below)		Could not complete evaluation. (See below)
<b>Is more information needed?</b>	Yes. Gather flow data Thorndike Brook, transfer of Grassy water.	No.	Yes. DEP determine for Moose Hill and the outlet stream levels.	Yes. DEP to fine tune outlet flow and lake level drawdown numbers.		Yes. System to determine dam cost, impact on other needed improvements.
<b>Potential Rate Impact per MRWA Report:</b>	0.71% to 12.8%	0.60% to 28.02%	27.06%	2.99% <sup>5</sup>	1.88%	Not determined

1. c.f.s. – cubic feet per second
2. MGD – Million Gallons per Day
3. Cobbossee Watershed District
4. GPD – Gallons per Day
5. 2% per Dry-run meeting

The following two sections summarize the discussions and information that took place during two of the dry-run meetings involving one of the smallest and one of the largest utilities that participated in the meetings.

1. Newport Water District

The Newport Water District (NWD) serves 660 customers by treating water from Nokomis Pond using slow sand filtration. Currently, the average residential rate in Newport is \$90 per quarter and, based on an Office of Economic and Community Development income survey, 64% of the customers are low to moderate income.

Due to Safe Drinking Water Act requirements, the NWD will need to build a new treatment plant in the next 3 years because the slow sand plant it is currently using does not meet disinfection by-product requirements. The treatment plant currently produces 160,000 gallons per day (gpd) and has the capacity to reach 600,000 gpd. Under the Rule, water systems are allowed to obtain a certificate for existing infrastructure based on their system design capacity. Because NWD is beginning the process of designing a new treatment plant for Nokomis Pond, knowing the allowable withdrawal limit for the Pond is an important aspect of plant design to ensure that the plant capacity does not exceed the allowable withdrawals. NWD indicated that it would be interested in completing the process in order to properly plan the new plant.

Nokomis Pond is the best source of water for the NWD in its service area. Currently, when producing 160,000 gpd, the drawdown level on the Pond is not noticeable and the NWD would be able to comply with Chapter 587 under the standard alteration level. At the plant's maximum of 600,000 gpd, the drawdown of Nokomis Pond could reach 2 feet, which would cause the NWD to need a withdrawal certificate because during the dry-run meeting, it was determined that the NWD's system design capacity would be 600,000 gpd and the DEP's proposed condition for Nokomis Pond would be 2 feet of drawdown.

After determining the proposed condition drawdown level for the Pond, the parties looked at the water flow level for Nokomis' outlet stream. These two items can not be evaluated alone, since the outlet stream flow is directly tied to the water level of the Pond. In order to have water flowing down the outlet stream, two conditions would need to be met. First, the drawdown by NWD in Nokomis Pond would need to be at least 6 inches less than expected. Second, the NWD would need to install a pipe with a flow-controlling orifice and valve under the road that separates the Pond from the outlet stream. There is currently a culvert, but it was installed too high to meet water quality standards.

The economic and technical feasibility of the proposed condition drawdown level for the stream was not evaluated during the dry-run meeting because the NWD and the DEP Staff determined they needed more information. The NWD agreed to provide to the DEP Staff the 2004 bathymetry study it had performed on

Nokomis Pond and the DEP would arrange a site visit and any other studies that would be needed.

The economic and technical feasibility of the piping changes for the outlet flow stream was partially determined during the meeting. According to the NWD, it would cost about \$55,000 to install the piping needed to bypass the culvert and supply flow to the outlet stream. This would translate to an approximate 2% rate increase to the current customers.

## 2. Kennebunk, Kennebunkport and Wells Water District

The Kennebunk, Kennebunkport and Wells Water District (KKW) serves 7 communities with 28,000 year round customers, with an increase to 100,000 customers in the summer months, by treating water from Branch Brook using conventional water filtration. The average residential rate for KKW customers is \$70 per quarter.

KKW currently produces 1.8 million gallons per day (MGD) during the winter months and 6.97 MGD during the summer months, when using water storage and nearby water systems as additional sources. The treatment plant can run at a maximum of 5.6 MGD. All participating parties decided that this number would be KKW's current system design capacity.

A dam was built on Branch Brook in order to provide a reservoir of water for the intake structure into the water treatment plant. The safe yield or safe withdrawal amount for Branch Brook is 3 MGD. Currently, when running at the plant's maximum capacity, very little water flows over the dam down Branch Brook and no water flows during drought years, which is of concern to DEP. Another concern is that the area of Branch Brook below the dam serves as spawning grounds and habitat for sea-run brook trout. During the dry-run meeting, the DEP's proposed condition for Branch Brook was 3 MGD or 5 cubic feet per second (CFS).

In order to have water flowing over the Branch Brook dam during the summer months, KKW would need to find an alternate source for that time period. Since KKW has already performed extensive groundwater exploration in the area and found no viable sources, it believes that the only alternative source would be the Saco River. The estimate of the cost to treat water from the Saco River is \$23.5 million. This estimate includes the cost to build a plant on the river and pipe it to the KKW customers.

All parties discussed the economic and technical feasibility of the piping changes for this scenario. According to KKW, if Branch Brook could continue to be used at current levels, they would not need to develop the Saco River for 20 years, since the useful life of the current treatment plant is at least 20 years. In addition, a new \$23.5 million treatment plant would result in a 40% rate increase for customers. When considering the amount remaining life of the current treatment plant, the large rate impact to the customers and other needed system improvements, Staff from the Commission, DWP and DEP concluded that it would not be economically feasible for

KKW to meet the proposed flow condition. In addition, because the treatment plant meets all current Safe Drinking Water Act requirements, Staff from the three agencies determined that it was not technically feasible at this time. Therefore, Staff from the Commission, DWP and DEP agreed that a withdrawal certificate could be issued to KKW that allowed the water system to continue using Branch Brook at current levels.

## **VI. CONCLUSION**

As described above, MRWA, relying on data that has not been verified by the Commission, calculated the potential rate impacts of this Rule to range from a negligible increase to up to 133%. In certain circumstances, the rate increase could be substantial as it could exceed 100%. However, while a 133% rate increase is possible based on the survey data, our experience from the dry-run meetings is that a rate increase of that size would not be likely because the DEP would not require such improvements.

During the dry-run meetings, the DEP Staff proposed individualized conditions based upon the surface water source being discussed. In some cases, if the Staff from the three agencies determined that the initially proposed condition for a source was not economically and technically feasible, the participating parties discussed an alternative proposed condition (e.g., a lower flow or water level). In other cases, such as KKW, when it was determined that the proposed condition was not technically and economically feasible, considering the current treatment plant's remaining life, the large rate impact on customers and other system improvements needed, the DEP Staff stated that it would not require KKW to make the investments necessary to meet the proposed flow requirement. Throughout the dry-run meetings, DEP Staff stated that they would not require flow or water level standards that would require utilities to invest dollars where it was not economically and technically feasible.

During the course of the six dry-run meetings, the DEP Staff acknowledged that in a number of instances more information would be needed before definite conclusions could be drawn about whether the proposed condition(s) were "economically and technically feasible." For instance, at the conclusion of the dry-run meeting for NWD, parties decided that it would be difficult to evaluate the economic and technical feasibility of the proposed conditions for the Pond and the outlet stream without knowing more about those water bodies. This type of environmental information would need to be considered by the DEP as it is beyond the expertise of the Commission. As we point out on page 7 in our summary table, after participating in the dry-run meetings, the Commission, DEP and DWP still needed additional information on how to determine economic feasibility.

The Public Utilities Commission's primary responsibility is to conduct a fair, balanced, unbiased ratemaking process and outcome. As economic regulators, the Commission must be vigilant that its process is free of prejudice and avoids the appearance of a prescribed outcome. Most of the participants in the Inquiry recommend requiring the Commission determine the technical and economic feasibility of any proposed condition on a water utility to meet compliance requirements under



## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.

## ATTACHMENT A – Page 1

**ELECTRONICALLY FILED ON 01/22/2007**

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January 22, 2007

Karen Geraghty, Administrative Director  
Maine Public Utilities Commission  
242 State Street  
State House Station 18  
Augusta, ME 04333-0018

**RE: MAINE PUBLIC UTILITIES COMMISSION Inquiry into the Fiscal Impact of Department of Environmental Protection Proposed Rule (Chapter 587) on Water Utilities and their Customers, Docket No. 2006-481, REPORT ON THE FISCAL IMPACT OF CHAPTER 587**

Dear Karen:

The Maine Rural Water Association (“MRWA”) submits the attached Report on the Fiscal Impact of Chapter 587 on Maine Water Utilities, which reflects results of the work of the steering committee described in MRWA’s letter of November 20, 2006<sup>1</sup>, in conjunction with members of the Staffs of the Public Utilities Commission (“PUC”). During the course of the preparation of the information templates, the discussions of methods and assumptions, and the collection of information, a core sub-group worked closely to complete the tasks described in the November 20 letter and the PUC’s Procedural Order of December 22, 2006.

MRWA believes the Report contains a fair representation of the increased costs anticipated by water utilities, based on the methodology and assumptions developed by the steering committee and the PUC and DEP Staffs. MRWA believes that all parties recognize that substantial uncertainties remain with respect to the interpretation and implementation of Chapter 587, and that any cost estimates are subject to updating upon further clarification of the Rule or if the underlying assumptions otherwise require modification. These tables are based upon the DEP/DWP preliminary assessment of the compliance category these water utilities will fall into. Because DEP/DWP presently has insufficient data to accurately classify the systems’ compliance category, some will appear in more than one table. Therefore, these tables provide a projection of both individual and total cost for utilities in each compliance category.

The results show a total annual fiscal impact for the water utilities in each of the compliance categories as follows:

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<sup>1</sup> The membership of the steering committee was described in MRWA’s letter as consisting of the participants in the meeting convened by MRWA on November 14, which included representatives of MRWA, the Maine Water Utility Association, members of both Associations, and representatives of the Safe Drinking Water Program (“DWP”) at the Department of Human Services.

## ATTACHMENT A – Page 2

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Standard Allowable Alteration:	<u>\$ 439,150</u>
Water Flow/Level Plan:	<u>\$ 958,312</u>
Withdrawal Certificate (Years 1-5):	<u>\$ 389,588</u>
Withdrawal Certificate (Years 5+)	<u>\$5,270,751</u>

I am sure that MRWA and the other parties involved in the preparation of this report would be glad to respond to any questions regarding the Report and to discuss the issues further with the Commission and its Staff at any time. Thank you for the opportunity to submit this Report.

Sincerely,

Joseph G. Donahue  
Counsel for Maine Rural Water Association

JGD:kib

Enclosure

cc: Paulina Collins, Maine PUC  
Stephani Morancie, Maine PUC  
Lucretia Smith, Maine PUC.  
Christopher Simpson, Maine PUC  
Steve Levy, Maine Rural Water Association  
Kirsten Hebert, Maine Rural Water Association  
Jeff McNelly, Maine Water Utility Association  
Other participants in November 14 meeting (via email)



## ATTACHMENT A – Page 3

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**REPORT ON FISCAL IMPACT  
OF DEP CHAPTER 587  
ON MAINE WATER UTILITIES**January 22, 2007

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This report was prepared by a steering committee consisting of representatives of MRWA, MWUA, AquaMaine, Winthrop Utilities District, Boothbay Region Water District, Kennebunk, Kennebunkport and Wells Water District, York Water District, Great Salt Bay Sanitary District, Bath Water District, Newport Water District, Livermore Falls Water District and the Drinking Water Program (“DWP”), based on the results of an information gathering effort among steering committee members and members of the Staffs of the Maine Public Utilities Commission (“PUC”).

**Background**

On November 1, 2006, in response to a petition by the MRWA, the PUC issued a Notice of Inquiry “to identify and quantify the fiscal impacts of proposed Chapter 587 on Maine Water Utilities and their customers”. The notice requested comments on both the process for conducting the Inquiry and a number of issues in the Inquiry. A number of parties submitted comments, including the MRWA. In its November 20 letter the MRWA set forth a proposal for the process of conducting the Inquiry. The MRWA also provided an extensive list of cost areas proposed to be included in the Inquiry.<sup>2</sup> The MRWA’s letter reflected the consensus of the participants in a meeting convened by the MRWA

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<sup>2</sup> Due to time constraints, not all of the proposed cost areas were included in the templates (including health and safety costs, lost revenues and economic opportunity, stranded investment, and loss of environmental stewardship of sources of supply).

## ATTACHMENT A – Page 4

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on November 14. (The participants in the meeting became the steering committee.) In a Procedural Order dated December 22, 2006, the Commission generally accepted the proposed process and noted that the initial steps had already begun with the participation of its Staff.

**Development of Methodology and Assumptions and Data Collection**

Members of the steering committee met with members of the PUC Staff on December 1 to discuss the preparation of “scenario templates” which would be used to gather cost information from water utilities which would be affected by Chapter 587. A separate template was prepared for each of three compliance categories which may apply to an affected water utility under Chapter 587. Each template contained a line item for each type of cost which the group determined to be of relevancy to the preparation of this Report. On December 6, the templates were sent to all water utilities which were expected to be affected by Chapter 587, with a request that they respond by December 15. (Each water utility was sent a cost template or templates relevant to the DEP/MDWP preliminary analysis of each compliance category.) In addition, as described in its December 22 Procedural Order, the Commission hosted a series of meetings between a limited number of water utilities potentially affected by proposed Chapter 587 and the MDWP, Department of Environmental Protection (DEP) and the PUC. Among the matters to be addressed at the meeting would be a so-called “dry run” of proposed Chapter 587 in order to assess the potential impact of the rule on that utility. During the course of the preparation of the templates, a consensus was reached on the methodologies to be used to assess the cost to the utilities and the potential impact on their rates to customers. Also, certain assumptions were made with regard to

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types of costs to be incurred and how these costs would be handled for ratemaking purposes.

On January 10 members of the steering committee met with representatives of the Staffs of the PUC and MDWP to review and discuss the data which had been received in response to the templates. During this review the participants also discussed how the data would be assembled and presented. In response to these discussions MRWA prepared a format for the display of the results of the information gathering in the form of tables which are included with this Report.

**Presentation of Results**

The tables included in this report are based upon the DEP and MDWP December 7, 2006, preliminary application of Chapter 587 (hereafter “DEP/DWP preliminary analysis”). This preliminary data assesses the compliance category for each of the surface water supplies. Because the DEP and the MDWP presently has insufficient data to accurately classify the systems’ compliance category, some utilities will appear in more than one compliance category and therefore more than one table. These tables provide a projection of both individual and total cost for utilities in each compliance category. According to the DEP/MDWP preliminary analysis, all water utilities will find themselves in one or more compliance categories. These categories are as follows: Standard Allowable Alteration (“SAA”), Water Flow/Level Plan, and/or the Withdrawal Certificate. In addition, the Withdrawal Certificate category is broken into two compliance time periods, Years 1-5 and Years 5+.

The first table of each compliance category details initial costs, upfront costs by category, capital costs by category, and operating costs. The second table has

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information specific to each water system regarding the number of customers, annual revenues, and the rate impact these compliance costs will have on residential customers and the municipal contribution to public fire protection. For purposes of this Report, it is assumed that the increases would be spread equally across residential, business and municipal customers. The tables use the exact revenue requirement allocation for public fire protection required by PUC Chapter 690. As a consequence of the revenue requirement allocation in Chapter 690 of the PUC's Rules, typically for small water utilities about 30% of any cost increases will be borne by the municipalities served by the water utilities.

To the extent possible, actual survey responses were used to complete these tables. Given the confusion and lack of guidance contained in the actual language of Chapter 587, many utilities were unable to complete the template in its entirety. As a result, the steering committee formulated basic assumptions and adopted default costs for each compliance category. On January 10, 2007, these assumptions were developed and adopted by the entire steering committee, as well as PUC Staff.

The tables for each compliance category are attached to this Report. The following observations may be made from the information in the tables:

**Standard Allowable Alteration (SAA)**

According to the DEP/MDWP preliminary analysis, there are approximately 25 utilities expected to meet the requirements of the SAA compliance category. Annual total costs for compliance are approximately \$439,150 for all of these utilities. According to SAA Table II, the rate impact is minimal on most of the utilities with the exception of Canton

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Water District (15.31%), Eagle Lake Water District (8.00%), Livermore Falls Water District (13.05%) and Long Pond Water District (14.22%).

**Water Level/Water Flow Plan**

According to DEP/MDWP preliminary analysis, there are approximately 30 utilities that will need a site specific water level or water flow plan. It is estimated that the total capital and upfront costs for all utilities in this compliance category will be \$9,353,000. The total annual operating costs for all of these utilities is approximately \$454,150. The economic impact of this compliance category is far more significant for these utilities than the costs under the SAA. The following utilities will expect greater than 10% rate increases to comply:

Buckfield Water District	(12.43%)
Great Salt Bay Sanitary District	(56.09%)
Hebron Water Company	(12.43%)
Livermore Falls Water District	(27.06%)
Long Pond Water District	(15.31%)
St. Francis Water District	(42.18%)
Stonington Water Company	(12.16%)

**Withdrawal Certificate Years 1-5**

Approximately eleven utilities are preliminarily identified to need a Withdrawal Certificate. These eleven utilities are identified in the Withdrawal Certificate Years 1-5 Table I. It is estimated that the capital costs for these utilities will be \$2,352,000.

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According to the cost analysis found in Withdrawal Certificate Table II, Years 1-5, the following utilities will expect greater than 10% rate increase in residential rates and municipal contribution to public fire protection:

North Haven Water Department	(16.30%)
Stonington Water Company	(22.70%)
Vinalhaven Water District	(14.48%)

**Withdrawal Certificate Years 5+**

All of the water utilities which have additional costs in years 1-5 for a withdrawal certificate face a substantial likelihood of a new set of costs beyond the five year period. The potentially impacted utilities have investigated these costs and the steering committee estimates that the capital costs to comply from Year 5 forward will exceed \$80 million dollars. The Kennebunk, Kennebunkport, and Wells Water District expects to spend over \$23 million dollars to comply with Chapter 587 after Year 5. The York Water District anticipates spending over \$16 million dollars to comply. The Boothbay Region Water District anticipates over \$12 million in expenditures.

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<b>Utility Name</b>	<b>Total Capital and Upfront Costs</b>	<b>Additional Revenue Required for Compliance as a % of Total Revenue</b>
Aqua Maine Camden Rockland	\$ 3,700,000	12.80%
Bangor Water District	\$ 2,750,000	4.16%
Bethel Water District	\$ 2,750,000	51.90%
Boothbay Region W.D. Adams Pond	\$ 12,577,000	39.84%
Kennebunk, Kennebunkport & Wells	\$ 23,525,000	28.02%
Kittery Water District (Folly Pond)	\$ 2,750,000	8.25%
Kittery Water District (Middle Pond)	\$ 2,750,000	8.25%
Milo Water District	\$ 2,750,000	46.11%
North Haven Water Department	\$ 2,750,000	95.38%
Stonington Water Company	\$ 2,750,000	132.83%
Vinalhaven Water District	\$ 2,750,000	84.72%
Wilton Water Department	\$ 2,750,000	35.75%
York Water District	\$ 16,025,000	
Totals/Averages	\$ 80,577,000	45.67%

**Conclusion**

MRWA greatly appreciates the willingness of the PUC to undertake this very important investigation. MRWA also appreciates the opportunity to participate in the enclosed research in order to provide the Commission, the DEP and individual utilities additional information on the potential costs of compliance.

SAA Table I

Standard Allowable Alteration (SAA) <sup>1</sup>	Upfront Costs					Capital Costs				Operating Costs					Total Costs (Annualized) <sup>8</sup>		
	Initial Costs <sup>2</sup>	Preparation of Plan <sup>3</sup>	Legal	Engineering	Personnel and in-house costs	Total Upfront Costs <sup>4</sup>	Flow & Level Monitoring Equipment <sup>5</sup>	Reservoirs & Dams	Pumps, pipelines	Total Investment <sup>6</sup>	Investment Amortized over 4 Years <sup>7</sup>	Environmental Data Collection, Analysis & Reporting	Equipment Maintenance and Replacement	Power		Other	Annual Operating Costs
	A	B				C	D			E	F	G					H
Aqua Maine Bucksport	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Aqua Maine Skowhegan	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Anson Water District*	\$ 3,000	\$ 12,500				\$ 15,500	\$ 10,000			\$ 25,500	\$ 6,375	\$ 1,500				\$ 1,500	\$ 7,875
Bar Harbor	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Bath Water District	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Brewer Water District	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Canton Water District	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Castine Water Department	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Dexter Utilities District	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Dover & Foxcroft Water District	\$ 3,000		\$ 5,000	\$ 10,000	\$ 5,000	\$ 23,000	\$ 35,000			\$ 58,000	\$ 14,500	\$ 3,500	\$ 300	\$ 250	\$ 3,150	\$ 7,200	\$ 21,700
Eagle Lake Water District	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Ellsworth Water Department	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Jackman Utility District	\$ 3,000		\$ 5,000	\$ 10,000	\$ 5,000	\$ 23,000	\$ 20,000			\$ 43,000	\$ 10,750	\$ 3,500	\$ 300	\$ 200	\$ 650	\$ 4,650	\$ 15,400
Livermore Falls Water District	\$ 3,000	\$ -	\$ 5,000	\$ 10,000	\$ 5,000	\$ 23,000	\$ 20,000			\$ 43,000	\$ 10,750	\$ 4,000	\$ 500	\$ 100,000	\$ 650	\$ 105,150	\$ 115,900
Long Pond Water District	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Loring Utilities	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Madawaska Water District	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Madison Water District*	\$ 3,000	\$ 12,500				\$ 15,500	\$ 10,000			\$ 25,500	\$ 6,375	\$ 1,500				\$ 1,500	\$ 7,875
Passamaquoddy Water District	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Presque Isle Water District	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Southwest Harbor Water Dept	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Sugarloaf Water Association	\$ 3,000	\$ 25,000				\$ 28,000	\$ 20,000			\$ 48,000	\$ 12,000	\$ 3,000				\$ 3,000	\$ 15,000
Winthrop Utilities District	\$ 3,000		\$ 5,000	\$ 10,000	\$ 5,000	\$ 23,000	\$ 20,000			\$ 43,000	\$ 10,750	\$ 3,500	\$ 300	\$ 200	\$ 650	\$ 4,650	\$ 15,400
Totals	\$ 69,000	\$ 450,000	\$ 20,000	\$ 40,000	\$ 20,000	\$ 599,000	\$ 455,000	\$ -	\$ -	\$ 1,054,000	\$ 263,500	\$ 68,500	\$ 1,400	\$ 100,650	\$ 5,100	\$ 175,650	\$ 439,150

\*Anson and Madison share a source and will have some shared costs, and some individual costs

<sup>1</sup> These utilities were preliminarily identified by the DEP/DWP as to meet SAA.

<sup>2</sup> Assumes an initial investment of \$3000 to evaluate the rule and compliance options.

<sup>3</sup> Unless otherwise noted, this cost includes legal, engineering and personnel/in house costs.

<sup>4</sup> Column C= Column A + B. Initial costs plus upfront costs.

<sup>5</sup> Assumes utilities will only need flow and monitoring equipment for one data point.

<sup>6</sup> Column E= Columns C + D. Includes initial costs plus total upfront costs plus initial capital costs.

<sup>7</sup> Assumes for rate making purposes, that those costs are amortized over 4 years.

<sup>8</sup> Includes annualized total investment plus annual operating costs.



SAA Table II

<b>Standard Allowable Alteration (SAA)</b>	<b>No. of Customers <sup>1</sup></b>	<b>Annual Revenues <sup>2</sup></b>	<b>Municipal Contribution to Public Fire Protection <sup>3</sup></b>	<b>Additional Annual Revenue Required to meet SAA <sup>4</sup></b>	<b>SAA as a Percent of Total Revenue</b>	<b>Current Rates per 2000 cuft. (quarterly)</b>	<b>Current Fire Protection</b>	<b>New Rates per 2000 cuft (quarterly) <sup>5</sup></b>	<b>New Municipal Contribution to Public Fire Protection <sup>6</sup></b>
Aqua Maine Bucksport	656	\$ 620,905	\$ 167,850	\$ 15,000	2.42%	\$ 92.58	\$ 167,850	\$ 94.82	\$ 171,905
Aqua Maine Skowhegan	2,353	\$ 1,110,900	\$ 266,666	\$ 15,000	1.35%	\$ 59.03	\$ 266,666	\$ 59.83	\$ 270,267
Anson Water District*	642	\$ 302,447	\$ 95,732	\$ 7,875	2.60%	\$ 87.40	\$ 95,732	\$ 89.68	\$ 98,225
Bar Harbor	1,681	\$ 946,144	\$ 270,000	\$ 15,000	1.59%	\$ 49.84	\$ 270,000	\$ 50.63	\$ 274,281
Bath Water District	3,506	\$ 3,564,026	\$ 357,325	\$ 15,000	0.42%	\$ 67.28	\$ 357,325	\$ 67.56	\$ 358,829
Brewer Water District	3,502	\$ 2,466,000		\$ 15,000	0.61%	\$ 105.47		\$ 106.11	\$ -
Canton Water District	118	\$ 98,000		\$ 15,000	15.31%	\$ 111.00		\$ 127.99	\$ -
Castine Water Department	389	\$ 328,372	\$ 101,700	\$ 15,000	4.57%	\$ 123.00	\$ 101,700	\$ 128.62	\$ 106,346
Dexter Utilities District	939	\$ 400,877	\$ 129,000	\$ 15,000	3.74%	\$ 66.80	\$ 129,000	\$ 69.30	\$ 133,827
Dover & Foxcroft Water District	975	\$ 967,485	\$ 146,997	\$ 21,700	2.24%	\$ 72.48	\$ 146,997	\$ 74.11	\$ 150,294
Eagle Lake Water District	271	\$ 187,540	\$ 55,149	\$ 15,000	8.00%	\$ 73.60	\$ 55,149	\$ 79.49	\$ 59,560
Ellsworth Water Department	1,398	\$ 876,093	\$ 282,605	\$ 15,000	1.71%	\$ 80.84	\$ 282,605	\$ 82.22	\$ 287,444
Jackman Utility District	433	\$ 200,195	\$ 57,200	\$ 15,400	7.69%	\$ 83.50	\$ 57,200	\$ 89.92	\$ 61,600
Livermore Falls Water District	1,301	\$ 888,396	\$ 257,976	\$ 115,900	13.05%	\$ 73.74	\$ 257,976	\$ 83.36	\$ 291,632
Long Pond Water District	179	\$ 105,504	\$ 33,228	\$ 15,000	14.22%	\$ 161.00	\$ 33,228	\$ 183.89	\$ 37,952
Loring Utilities				\$ 15,000				\$ -	\$ -
Madawaska Water District	1,135	\$ 700,000	\$ 220,000	\$ 15,000	2.14%	\$ 80.48	\$ 220,000	\$ 82.20	\$ 224,714
Madison Water District*	1,818	\$ 872,032	\$ 264,781	\$ 7,875	0.90%	\$ 74.40	\$ 264,781	\$ 75.07	\$ 267,172
Passamaquoddy Water District	950	\$ 650,000	\$ 181,170	\$ 15,000	2.31%	\$ 127.50	\$ 181,170	\$ 130.44	\$ 185,351
Presque Isle Water District	2,370	\$ 1,281,970	\$ 345,918	\$ 15,000	1.17%	\$ 62.00	\$ 345,918	\$ 62.73	\$ 349,965
Southwest Harbor Water Dept	907	\$ 469,731	\$ 140,991	\$ 15,000	3.19%	\$ 88.27	\$ 140,991	\$ 91.09	\$ 145,493
Sugarloaf Water Association				\$ 15,000				\$ -	\$ -
Winthrop Utilities District	1,057	\$ 725,250	\$ 210,500	\$ 15,400	2.12%	\$ 101.36	\$ 210,500	\$ 103.51	\$ 214,970
<b>Totals/Averages <sup>5</sup></b>	<b>26,580</b>	<b>\$17,761,867</b>	<b>\$ 3,584,788</b>	<b>\$ 439,150</b>	<b>4.35%</b>	<b>\$ 87.69</b>	<b>\$ 3,584,788</b>	<b>\$ 92.03</b>	<b>\$ 3,689,826</b>

\*Anson and Madison share a source and will have some shared costs, and some individual costs

<sup>1</sup> Information provided by utilities

<sup>2</sup> Information provided by utilities or 2003 PUC Reports

<sup>3</sup> Information provided by PUC Report per Maine PUC Rule Chapter 690

<sup>4</sup> Information found on SAA Table I, Column H

<sup>5</sup> Current Rate X % Increase

<sup>6</sup> Current Rate X % Increase

<sup>7</sup> Columns for "percentage revenue increases" and "rates" are actually averages

Water Flow/Level Plan Table I

Water Flow and/or Water Level Plans <sup>1</sup>	Upfront Costs						Capital Costs					Operating Costs						
	Initial Costs <sup>2</sup>	Preparation of Plan <sup>3</sup>	Legal	Engineering	Personnel and in-house costs	Other	Total Upfront Costs <sup>4</sup>	Flow & Level Monitoring Equipment <sup>5</sup>	Reservoirs & Dams	Pumps, pipelines	Other	Total Investment <sup>6</sup>	Total Capital and Upfront Costs <sup>7</sup>	Environmental Data Collection, Analysis & Reporting	Equipment Maintenance and Replacement	Power	Other	Annual Operating Costs <sup>8</sup>
	A	B					C	D				E	F	G				
Aqua Maine Bucksport	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Anson Water District**	\$ 3,000	\$ 75,000					\$ 78,000	\$ 10,000			\$ 10,000	\$ 44,000	\$ 3,000					\$ 3,000
Auburn Water District***	\$ 3,000		\$ 2,000	\$ 6,000	\$ 2,000	\$ 1,500	\$ 14,500	\$ 12,500	\$ -	\$ -	\$ -	\$ 27,000	\$ 5,000	\$ 2,500	\$ 500	\$ -		\$ 8,000
Bangor Water District	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Bar Harbor	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Bath Water District	\$ 3,000	\$ 10,000	\$ 15,000	\$ 200,000	\$ 10,000	\$ -	\$ 238,000	\$ 12,000	\$ 250,000	\$ -	\$ -	\$ 262,000	\$ 500,000	\$ 25,000	\$ 10,000	\$ -		\$ 35,000
Brewer Water District	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Buckfield Water District	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Dover & Foxcroft Water District	\$ 3,000	\$ -	\$ 5,000	\$ 20,000	\$ 5,000		\$ 33,000	\$ 35,000			\$ 35,000	\$ 68,000	\$ 3,500	\$ 300	\$ 200	\$ 250		\$ 3,150
Ellsworth Water Department	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Fort Fairfield Utilities District	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Great Salt Bay Sanitary District	\$ 3,000	\$ 312,000	\$ 5,000	\$ 25,000	\$ 5,000		\$ 350,000	\$ 15,000	\$ -	\$ 250,000	\$ 2,000,000	\$ 2,265,000	\$ 2,615,000	\$ 100,000	\$ 50,000	\$ 1,000		\$ 151,000
Hebron Water Company*	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Kittery Water Dist Belle Marsh	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Lewiston Water Department***	\$ 3,000		\$ 2,000	\$ 6,000	\$ 2,000	\$ 1,500	\$ 14,500	\$ 12,500			\$ 12,500	\$ 27,000	\$ 5,000	\$ 2,500	\$ 500			\$ 8,000
Livemore Falls Water District	\$ 3,000		\$ 5,000	\$ 20,000	\$ 5,000	\$ -	\$ 33,000	\$ 20,000	\$ 250,000	\$ 2,000,000	\$ 2,270,000	\$ 2,303,000	\$ 4,000	\$ 500	\$ 100,000	\$ 650		\$ 105,150
Long Pond Water District	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Loring Utilities	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Madison Water District**	\$ 3,000	\$ 75,000					\$ 78,000	\$ 10,000			\$ 10,000	\$ 44,000	\$ 3,000					\$ 3,000
Mars Hill & Blaine Water Dist	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Mount Desert W.D. Northeast	\$ 3,000		\$ 4,000	\$ 10,000	\$ 10,000	\$ 2,500	\$ 29,500	\$ 10,000	\$ 10,000	\$ 5,000	\$ 1,500	\$ 26,500	\$ 56,000	\$ 1,100	\$ 500	\$ 5,000		\$ 6,600
Mount Desert W.D. Seal Harbor	\$ 3,000		\$ 4,000	\$ 10,000	\$ 10,000	\$ 2,500	\$ 29,500	\$ 10,000	\$ 10,000	\$ 5,000	\$ 1,500	\$ 26,500	\$ 56,000	\$ 1,100	\$ 500	\$ 5,000		\$ 6,600
Newport Water District	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Passamaquoddy Water District	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Presque Isle Water District	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Southwest Harbor Water District	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
St. Francis Water District*	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Stonington Water Company	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Sugarloaf Water Association	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Wilton Water Department	\$ 3,000	\$ 150,000					\$ 153,000	\$ 20,000			\$ 20,000	\$ 173,000	\$ 6,000					\$ 6,000
Winthrop Water District	\$ 3,000	\$ 100,000	\$ 5,000	\$ 20,000	\$ 5,000		\$ 133,000	\$ 20,000			\$ 20,000	\$ 153,000	\$ 3,500	\$ 300	\$ 200	\$ 650		\$ 4,650
<b>Totals</b>	<b>\$ 93,000</b>	<b>\$ 3,572,000</b>	<b>\$ 47,000</b>	<b>\$ 317,000</b>	<b>\$ 54,000</b>	<b>\$ 8,000</b>	<b>\$ 4,091,000</b>	<b>\$ 567,000</b>	<b>\$ 270,000</b>	<b>\$ 510,000</b>	<b>\$ 4,003,000</b>	<b>\$ 5,350,000</b>	<b>\$ 9,353,000</b>	<b>\$ 274,200</b>	<b>\$ 67,100</b>	<b>\$ 112,400</b>	<b>\$ 1,550</b>	<b>\$ 454,150</b>

\*Flat Rate

\*\*Anson and Madison share a source and will have some shared costs, and some individual costs

\*\*\*Auburn and Lewiston share a source and will have some shared costs, and some individual costs

<sup>1</sup> These utilities were preliminarily identified by the DEP/DWP as to need a water flow or water level plan.

<sup>2</sup> Assumes an initial investment of \$3000 to evaluate the rule and compliance options.

<sup>3</sup> Unless otherwise noted, this cost includes legal, engineering and personnel/in house costs.

<sup>4</sup> Column C= Column A + B. Initial costs plus upfront costs.

<sup>5</sup> Assumes utilities will only need flow and monitoring equipment for one data point.

<sup>6</sup> Column E= Columns C + D. Includes initial costs plus total upfront costs plus initial capital costs.

<sup>7</sup> These costs include total capital and upfront costs which will be capitalized over 30 years at 4.125%

<sup>8</sup> Includes annualized total investment plus annual operating costs.

Water Flow/Level Plan Table II

Water Flow and/or Water Level Plans	No. of Customers <sup>1</sup>	Annual Revenues <sup>2</sup>	Municipal Contribution to Public Fire Protection <sup>3</sup>	Total Capital and Upfront Costs <sup>4</sup>	Annual Debt Service <sup>5</sup>	Annual Operating Costs <sup>6</sup>	Additional Revenue Required for Compliance <sup>7</sup>	Additional Revenue Required for Compliance as a % of Total Revenue	Current Rates per 2000 cuft (quarterly)	Current Fire Protection	New Rates per 2000 cuft (quarterly) <sup>8</sup>	New Municipal Contribution to Public Fire Protection <sup>9</sup>
Aqua Maine Bucksport	656	\$ 620,905	\$ 167,850	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	2.60%	\$ 92.58	\$ 167,850	\$ 94.99	\$ 172,218
Anson Water District**	642	\$ 302,447	\$ 95,732	\$ 44,000	\$ 2,583	\$ 3,000	\$ 5,583	1.85%	\$ 87.40	\$ 95,732	\$ 89.01	\$ 97,499
Auburn Water District***	6,320	\$ 2,523,589	\$ 435,113	\$ 27,000	\$ 1,585	\$ 8,000	\$ 9,585	0.38%	\$ 39.12	\$ 435,113	\$ 39.27	\$ 436,766
Bangor Water District	10,421	\$ 4,360,940	\$ 538,717	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	0.37%	\$ 42.24	\$ 538,717	\$ 42.40	\$ 540,713
Bar Harbor	1,681	\$ 946,144	\$ 270,000	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	1.71%	\$ 49.84	\$ 270,000	\$ 50.69	\$ 274,611
Bath Water District	3,506	\$ 3,564,026	\$ 357,325	\$ 500,000	\$ 29,355	\$ 35,000	\$ 64,355	1.81%	\$ 67.28	\$ 357,325	\$ 68.49	\$ 363,777
Brewer Water District	3,502	\$ 2,466,000		\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	0.66%	\$ 105.47		\$ 106.16	\$ -
Buckfield Water District	185	\$ 130,000		\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	12.43%	\$ 57.34		\$ 64.47	\$ -
Dover & Foxcroft Water District	975	\$ 967,485	\$ 146,997	\$ 68,000	\$ 3,992	\$ 3,150	\$ 7,142	0.74%	\$ 72.48	\$ 146,997	\$ 73.02	\$ 148,082
Ellsworth Water Department	1,398	\$ 876,093	\$ 282,605	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	1.84%	\$ 80.84	\$ 282,605	\$ 82.33	\$ 287,817
Fort Fairfield Utilities District	812	\$ 454,699	\$ 116,600	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	3.55%	\$ 62.56	\$ 116,600	\$ 64.78	\$ 120,743
Great Salt Bay Sanitary District	661	\$ 542,930	\$ 110,500	\$ 2,615,000	\$ 153,529	\$ 151,000	\$ 304,529	56.09%	\$ 104.51	\$ 110,500	\$ 163.13	\$ 172,479
Hebron Water Company*	50	\$ 130,000	\$ -	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	12.43%	\$ 70.00	\$ -	\$ 78.70	\$ -
Kittery Water Dist Belle Marsh	5,200	\$ 2,138,340	\$ 260,394	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	0.76%	\$ 38.50	\$ 260,394	\$ 38.79	\$ 262,362
Lewiston Water Department***	9,209	\$ 3,279,117	\$ 404,000	\$ 27,000	\$ 1,585	\$ 8,000	\$ 9,585	0.29%	\$ 44.20	\$ 404,000	\$ 44.33	\$ 405,181
Livemore Falls Water District	1,301	\$ 888,396	\$ 257,976	\$ 2,303,000	\$ 135,211	\$ 105,150	\$ 240,361	27.06%	\$ 73.74	\$ 257,976	\$ 93.69	\$ 327,773
Long Pond Water District	179	\$ 105,504	\$ 33,228	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	15.31%	\$ 161.00	\$ 33,228	\$ 185.66	\$ 38,317
Loring Utilities				\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157				\$ -	\$ -
Madison Water District**	1,176	\$ 569,585	\$ 169,049	\$ 44,000	\$ 2,583	\$ 3,000	\$ 5,583	0.98%	\$ 74.40	\$ 169,049	\$ 75.13	\$ 170,706
Mars Hill & Blaine Water Dist	639	\$ 378,000	\$ 105,040	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	4.27%	\$ 100.60	\$ 105,040	\$ 104.90	\$ 109,530
Mount Desert W D. Northeast	650	\$ 978,400		\$ 56,000	\$ 3,287	\$ 6,600	\$ 9,887	1.01%	\$ 75.80		\$ 76.57	\$ -
Mount Desert W D. Seal Harbor	330	\$ 978,400		\$ 56,000	\$ 3,287	\$ 6,600	\$ 9,887	1.01%	\$ 75.80		\$ 76.57	\$ -
Newport Water District	682	\$ 540,000	\$ 147,000	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	2.99%	\$ 82.90	\$ 147,000	\$ 85.38	\$ 151,398
Passamaquoddy Water District	950	\$ 650,000	\$ 181,170	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	2.49%	\$ 127.50	\$ 181,170	\$ 130.67	\$ 185,673
Presque Isle Water District	2,370	\$ 1,281,970	\$ 345,918	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	1.26%	\$ 62.00	\$ 345,918	\$ 62.78	\$ 350,278
Southwest Harbor Water District	907	\$ 469,731	\$ 140,991	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	3.44%	\$ 88.27	\$ 140,991	\$ 91.31	\$ 145,841
St. Francis Water District*	30	\$ 38,303	\$ 11,633	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	42.18%	\$ 84.00	\$ 11,633	\$ 119.43	\$ 16,540
Stonington Water Company	270	\$ 132,847	\$ 30,800	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	12.16%	\$ 91.50	\$ 30,800	\$ 102.63	\$ 34,546
Sugarloaf Water Association				\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157				\$ -	\$ -
Wilton Water Department	919	\$ 493,520	\$ 144,457	\$ 173,000	\$ 10,157	\$ 6,000	\$ 16,157	3.27%	\$ 66.54	\$ 144,457	\$ 68.72	\$ 149,186
Winthrop Water District	1,057	\$ 725,250	\$ 210,500	\$ 153,000	\$ 8,983	\$ 4,650	\$ 13,633	1.88%	\$ 101.36	\$ 210,500	\$ 103.27	\$ 214,457
Totals/Averages <sup>10</sup>	56,678	31,532,621	4,963,595	9,353,000	549,120	454,150	1,003,270	7.48%	\$ 78.61	4,963,595	\$ 85.42	5,176,492

\*Flat Rate

\*\*Anson and Madison share a source and will have some shared costs, and some individual costs

\*\*\*Auburn and Lewiston share a source and will have some shared costs, and some individual costs

<sup>1</sup> Information provided by utilities

<sup>2</sup> Information provided by utilities or 2003 PUC Reports

<sup>3</sup> Information provided by PUC Report per Maine PUC Rule Chapter 690

<sup>4</sup> Information found in Water Flow/Level Plan Table I, Column E

<sup>5</sup> Assumes this is capitalized over 30 years at 4.125% interest.

<sup>6</sup> Information found in Water Flow/Level Plan Table I, Column F

<sup>7</sup> Debt plus operating costs

<sup>8</sup> Current rate x % increase

<sup>9</sup> Current rate x % increase

<sup>10</sup> Columns for "percentage revenue increases" and "rates" are actually averages

Withdrawal Certificate Table I  
Years 1-5

<b>Withdrawal Certificate <sup>1</sup></b>	<i>Initial Costs <sup>2</sup></i>	<i>Upfront Costs Initial Years 1-5 <sup>3</sup></i>	<i>Capital Costs Initial Years 1-5 <sup>4</sup></i>	<i>Total Capital and Upfront Costs <sup>5</sup></i>	<i>Operating Costs Initial Years 1-5 <sup>6</sup></i>
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
Aqua Maine Camden Rockland	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
Bangor Water District	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
Bethel Water District	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
Boothbay Region W.D. Adams Pond	\$ 3,000	\$ 153,000	\$ 120,000	\$ 276,000	\$ 11,500
Kennebunk, Kennebunkport & Wells	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
Kittery Water District (Folly Pond)	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
Kittery Water District (Middle Pond)	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
Milo Water District	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
North Haven Water Department	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
Stonington Water Company	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
Vinalhaven Water District	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
Wilton Water Department	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
York Water District	\$ 3,000	\$ 135,000	\$ 35,000	\$ 173,000	\$ 20,000
<b>Totals</b>	<b>\$ 39,000</b>	<b>\$1,773,000</b>	<b>\$ 540,000</b>	<b>\$ 2,352,000</b>	<b>\$ 251,500</b>

<sup>1</sup> These utilities were preliminarily identified by the DEP/DWP to need a withdrawal certificate

<sup>2</sup> Assumes an initial investment of \$3000 to evaluate the rule and compliance options.

<sup>3</sup> Upfront costs include items such as the preparation of a site specific plan, legal, engineering and personnel costs

<sup>4</sup> Includes costs such as monitoring equipment, pumps, etc

<sup>5</sup> Initial costs plus upfront and capital costs

<sup>6</sup> Includes items such as data collection, preparation of reports, equipment maintenance, chemicals and power

Withdrawal Certificate Table II  
Years 1-5

Withdrawal Certificate	No. of Customers <sup>1</sup>	Annual Revenues <sup>2</sup>	Total Capital and Upfront Costs <sup>3</sup>	Annual Debt Service <sup>4</sup>	Annual Operating Costs <sup>5</sup>	Additional Revenue Required for Compliance <sup>6</sup>	Additional Revenue Required for Compliance as a % of Total Revenue <sup>7</sup>	Current Rates per 2000 c.f. (quarterly)	Current Fire Protection	New Rates per 2000 cu/ft (quarterly) <sup>8</sup>	New Municipal Contribution to Public Fire Protection <sup>9</sup>
Aqua Maine Camden Rockland	7,458	\$ 4,276,500	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	0.71%	\$ 76.98	\$ 693,551	\$ 77.52	\$ 698,442
Bangor Water District	10,421	\$ 4,245,114	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	0.71%	\$ 42.24	\$ 538,717	\$ 42.54	\$ 542,544
Bethel Water District	662	\$ 340,000	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	8.87%	\$ 77.72	\$ 91,741	\$ 84.61	\$ 99,878
Boothbay Region W.D. Adams Pond	3,000	\$ 1,953,780	\$ 276,000	\$ 16,204	\$ 11,500	\$ 27,704	1.42%	\$ 92.68	\$ 597,794	\$ 93.99	\$ 606,271
Kennebunk, Kennebunkport & Wells	11,992	\$ 5,000,000	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	0.60%	\$ 63.20	\$ 572,616	\$ 63.58	\$ 576,070
Kittery Water District (Folly Pond)	4,970	\$ 2,138,340	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	1.41%	\$ 38.50	\$ 260,394	\$ 39.04	\$ 264,066
Kittery Water District (Middle Pond)	4,970	\$ 2,138,340	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	1.41%	\$ 38.50	\$ 260,394	\$ 39.04	\$ 264,066
Milo Water District	732	\$ 382,669	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	7.88%	\$ 82.36	\$ 114,000	\$ 88.85	\$ 122,984
North Haven Water Department	297	\$ 185,000	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	16.30%	\$ 115.42	\$ 55,560	\$ 134.23	\$ 64,617
Stonington Water Company	270	\$ 132,847	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	22.70%	\$ 91.50	\$ 30,800	\$ 112.27	\$ 37,792
Vinalhaven Water District	318	\$ 208,289	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	14.48%	\$ 118.00	\$ 144,577	\$ 135.08	\$ 165,509
Wilton Water Department	919	\$ 493,520	\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157	6.11%	\$ 66.54	\$ 144,457	\$ 70.61	\$ 153,284
York Water District	4,913		\$ 173,000	\$ 10,157	\$ 20,000	\$ 30,157		\$ 96.88		\$ 96.88	\$ -
Totals/Averages <sup>10</sup>	\$ 50,922	\$ 21,494,399	\$ 2,352,000	\$ 138,088	\$ 251,500	\$ 389,588	6.88%	\$ 76.96	\$ 3,504,601	\$ 82.94	\$ 3,595,523

- <sup>1</sup> Information provided by utilities
- <sup>2</sup> Information provided by utilities or 2003 PUC Reports
- <sup>3</sup> Initial costs plus upfront costs plus capital
- <sup>4</sup> Assumes this is amortized over 30 years at 4.125% interest
- <sup>5</sup> Information found in Withdrawal Certificate Table I, Column E
- <sup>6</sup> Annual debt plus annual operating costs
- <sup>7</sup> Annual revenue divided by total revenue
- <sup>8</sup> Current residential rate x % increase
- <sup>9</sup> Current municipal contribution to public fire protection x % increase
- <sup>10</sup> Columns for "percentage revenue increases" and "rates" are actually averages

Withdrawal Certificate Table III  
Year 5+

<b>Withdrawal Certificate</b>	<i>Upfront Costs After Year 5<sup>1</sup></i>	<i>Capital Costs after Year 5<sup>2</sup></i>	<i>Total Upfront Costs<sup>3</sup></i>	<i>Operating Costs after Year 5<sup>4</sup></i>
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Aqua Maine Camden Rockland	\$ -	\$ 3,700,000	\$ 3,700,000	\$ 330,000
Bangor Water District	\$ 250,000	\$ 2,500,000	\$ 2,750,000	\$ 15,000
Bethel Water District	\$ 250,000	\$ 2,500,000	\$ 2,750,000	\$ 15,000
Boothbay Region W.D. Adams Pond	\$ 90,000	\$ 12,487,000	\$ 12,577,000	\$ 40,000
Kennebunk, Kennebunkport & Wells	\$ 25,000	\$ 23,500,000	\$ 23,525,000	\$ 20,000
Kittery Water District (Folly Pond)	\$ 250,000	\$ 2,500,000	\$ 2,750,000	\$ 15,000
Kittery Water District (Middle Pond)	\$ 250,000	\$ 2,500,000	\$ 2,750,000	\$ 15,000
Milo Water District	\$ 250,000	\$ 2,500,000	\$ 2,750,000	\$ 15,000
North Haven Water Department	\$ 250,000	\$ 2,500,000	\$ 2,750,000	\$ 15,000
Stonington Water Company	\$ 250,000	\$ 2,500,000	\$ 2,750,000	\$ 15,000
Vinalhaven Water District	\$ 250,000	\$ 2,500,000	\$ 2,750,000	\$ 15,000
Wilton Water Department	\$ 250,000	\$ 2,500,000	\$ 2,750,000	\$ 15,000
York Water District	\$ 25,000	\$ 16,000,000	\$ 16,025,000	\$ 15,000
<b>Totals</b>	<b>\$ 2,390,000</b>	<b>\$ 78,187,000</b>	<b>\$ 80,577,000</b>	<b>\$ 540,000</b>

<sup>1</sup> Unless otherwise noted, this cost includes legal, engineering and personnel/in house costs.

<sup>2</sup> Assumes costs to modify the source or abandon the source in search of new water supply. This could include dams, reservoirs, pipelines, costs associated with the exploration and development of new wells.

<sup>3</sup> Initial costs plus upfront and capital costs

<sup>4</sup> Cost associated with operation of modified or new source. This could include chemicals, equipment maintenance, purchase power, etc

Withdrawal Certificate Table IV  
Year 5+

Withdrawal Certificate	No. of Customers <sup>1</sup>	Annual Revenues <sup>2</sup>	Total Capital and Upfront Costs <sup>3</sup>	Annual Debt Service <sup>4</sup>	Annual Operating Costs <sup>5</sup>	Additional Revenue Required for Compliance <sup>6</sup>	Additional Revenue Required for Compliance as a % of Total Revenue <sup>7</sup>	Current Rates per 2000 c.f. (quarterly)	Current Municipal Contribution to Public Fire Protection	New Rates per 2000 cuft (quarterly) <sup>8</sup>	New Municipal Contribution to Public Fire Protection <sup>9</sup>
Aqua Maine Camden Rockland	7,458	\$ 4,276,500	\$ 3,700,000	\$ 217,230	\$ 330,000	\$ 547,230	12.80%	\$ 76.98	\$ 693,551	\$ 86.83	\$ 782,299
Bangor Water District	10,421	\$ 4,245,114	\$ 2,750,000	\$ 161,455	\$ 15,000	\$ 176,455	4.16%	\$ 42.24	\$ 538,717	\$ 44.00	\$ 561,110
Bethel Water District	662	\$ 340,000	\$ 2,750,000	\$ 161,455	\$ 15,000	\$ 176,455	51.90%	\$ 77.72	\$ 91,741	\$ 118.06	\$ 139,353
Boothbay Region W.D. Adams Pond	3,000	\$ 1,953,780	\$ 12,577,000	\$ 738,408	\$ 40,000	\$ 778,408	39.84%	\$ 92.68	\$ 597,794	\$ 129.60	\$ 835,962
Kennebunk, Kennebunkport & Wells	11,992	\$ 5,000,000	\$ 23,525,000	\$ 1,381,175	\$ 20,000	\$ 1,401,175	28.02%	\$ 63.20	\$ 572,616	\$ 80.91	\$ 733,083
Kittery Water District (Folly Pond)	4,970	\$ 2,138,340	\$ 2,750,000	\$ 161,455	\$ 15,000	\$ 176,455	8.25%	\$ 38.50	\$ 260,394	\$ 41.68	\$ 281,882
Kittery Water District (Middle Pond)	4,970	\$ 2,138,340	\$ 2,750,000	\$ 161,455	\$ 15,000	\$ 176,455	8.25%	\$ 38.50	\$ 260,394	\$ 41.68	\$ 281,882
Milo Water District	732	\$ 382,669	\$ 2,750,000	\$ 161,455	\$ 15,000	\$ 176,455	46.11%	\$ 82.36	\$ 114,000	\$ 120.34	\$ 166,567
North Haven Water Department	297	\$ 185,000	\$ 2,750,000	\$ 161,455	\$ 15,000	\$ 176,455	95.38%	\$ 115.42	\$ 55,560	\$ 225.51	\$ 108,554
Stonington Water Company	270	\$ 132,847	\$ 2,750,000	\$ 161,455	\$ 15,000	\$ 176,455	132.83%	\$ 91.50	\$ 30,800	\$ 213.04	\$ 71,710
Vinalhaven Water District	318	\$ 208,289	\$ 2,750,000	\$ 161,455	\$ 15,000	\$ 176,455	84.72%	\$ 118.00	\$ 144,577	\$ 217.97	\$ 267,057
Wilton Water Department	919	\$ 493,520	\$ 2,750,000	\$ 161,455	\$ 15,000	\$ 176,455	35.75%	\$ 66.54	\$ 144,457	\$ 90.33	\$ 196,107
York Water District	4,913	\$ 2,138,340	\$ 2,750,000	\$ 161,455	\$ 15,000	\$ 176,455	8.25%	\$ 38.50	\$ 260,394	\$ 41.68	\$ 281,882
Totals/Averages <sup>10</sup>	\$ 50,922	\$ 21,494,399	\$ 80,577,000	\$ 4,730,751	\$ 540,000	\$ 5,270,751	45.67%	\$ 76.96	\$ 3,504,601	\$ 115.91	\$ 4,425,566

<sup>1</sup> Information provided by utilities  
<sup>2</sup> Information provided by utilities or 2003 PUC Reports  
<sup>3</sup> Initial costs plus upfront costs plus capital  
<sup>4</sup> Assumes this is amortized over 30 years at 4.125% interest  
<sup>5</sup> Information found in Withdrawal Certificate Table III, Column E  
<sup>6</sup> Annual debt plus annual operating costs  
<sup>7</sup> Additional revenue divided by total revenue  
<sup>8</sup> Current residential rate x % increase  
<sup>9</sup> Current municipal contribution to public fire protection x % increase  
<sup>10</sup> Columns for "percentage revenue increases" and "rates" are actually averages

Withdrawal Certificate Table IV  
Year 5+

