



BANGOR WATER

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April 21, 2016

Good Morning!

As you may be aware, Bangor Water plans to file an application with the Maine Public Utilities Commission (MPUC) for a change in domestic and fire protection charges. This rate change is dedicated to funding infrastructure replacements to continue to address the need to renew or replace our aging water system.

The condition of the water system is aging with 60 miles of pipe over 100 years old. A rate increase is needed to continue to dedicate funding to renewing the piping system. This rate adjustment will allow Bangor Water to utilize an additional \$271,805 annually to replace aging mains and upgrade facilities.

Our Challenge

In Bangor's system, 60 miles (28 percent) of our 200 miles of water mains are more than 100 years old and are past their useful life. The typical cost for water line replacement is \$1,000,000 to \$1,500,000 per mile.

Our current rates fund replacement of 1 mile of pipe per year, meaning it would take **200 years** to renew the existing system. Our proposed rates would move us closer to a sustainable goal of renewing the system every 100 years. The monies generated by the rate increase will continue to fund an infrastructure replacement account, as limited by the Maine Public Utilities Commission, and debt payments for pump station upgrades and pipe replacements.



Our Rates

	Rate Increase Monthly Impact to Residential Customers	
	Increase per month	Total cost per month
Minimum Bill	55¢	\$12.70
Average Bill	88¢	\$20.34

With this rate adjustment, our minimum residential user (typically a one-person household) using 75 gallons a day will pay 42¢ a day for all their water uses. If approved, the change would take effect on July 1.

Good Financial Stewardship

Our system currently experiences about 30 main breaks per year. A delay of the renewal program will result with increased costs and main breaks. Replacing infrastructure in a planned manner is responsible stewardship of our ratepayers' money.

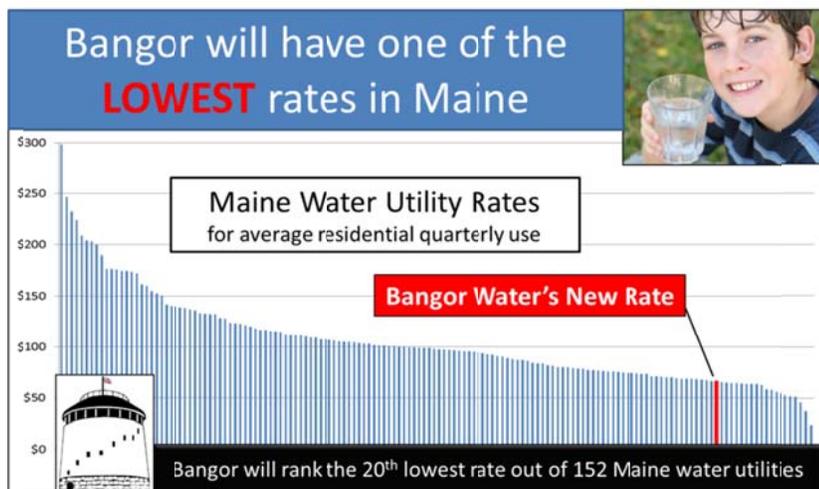
Our proposed rates will still be among the lowest in Maine (20th lowest of 152 water utilities)

What's Next

The formal notice for the rate filing is on the reverse, and contains additional information on rate changes as well as opportunities for customers to participate. This process also involves the MPUC which reviews our revenue and expense projections, and the reasonableness of our rates. The MPUC also caps the amount of money allowed in the infrastructure renewal fund, and sets criteria for using the money.

Questions?

For more information: www.bangorwater.org
(207) 947-4516 extension 0



BANGOR WATER DISTRICT
NOTICE OF PROCEEDING

April 21, 2016

The Bangor Water District hereby notifies its customers that a proposed increase in rates has been filed with the Maine Public Utilities Commission. The proposed rate adjustment is being filed pursuant to section 6104 of Title 35-A of the Maine Revised Statutes.

The purpose of the rate increase is to dedicate funding to pipe renewal projects as allowed under Maine Public Utilities Commission Chapter 675. The Bangor Water District is proposing an increase in current water rates to become effective July 1, 2016. The current rates have been in effect since July 1, 2015. The proposed rates provide an increase in revenue of approximately \$271,805 (4.5 percent). The rate change will be the same for all customer classes, and the revenues from public fire protection, fire sprinkler systems, and private hydrants will increase 4.5 percent.

The minimum bill will increase 55¢ per month, for a quarterly charge of \$38.09. The average residential bill will increase 88¢ per month, for a quarterly charge of \$61.04.

A public hearing, pursuant to 35-A MRSA § 6104, will be held on Thursday, May 12 from 6:00 – 7:00 p.m. in the City Council Chambers at City Hall in Bangor. The hearing will give customers the opportunity to testify, pose questions, and make comments regarding the proposed water rate increase. Customers have the right to an open and fair hearing, and to further hearings before the Maine Public Utilities Commission. Customers may petition the Commission to investigate the proposed water rate change; signatures on customer petitions filed pursuant to 35-A MRSA § 6104 (7) are invalid unless accompanied by the printed names and addresses of the signers. Pursuant to 35-A MRSA § 6104(7), the petition must include the signatures of at least 1,000 customers of the Bangor Water District and be submitted within 30 days of the public hearing. Bangor Water District will, upon request, provide customers with petition forms that include spaces for signatures and the printed names and addresses of the signers. Customers may also request assistance from the Public Advocate, State House Station 112, Augusta, ME 04333, or telephone (207) 287-2445, or www.maine.gov/mpuc.

Materials supporting the water rate change are available at the District's office, 614 State Street, Bangor, Monday–Friday (excluding holidays) between 7:00 a.m. and 3:30 p.m. Customers have the right and are encouraged to review these materials and to request information relating to present and proposed rates.