State of Connecticut
CONNECTICUT GENERAL ASSEMBLY
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

June 11, 2026

Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority
10 Franklin Square
New Britain, CT 06051

Re: Docket No. 25-12-12 – Application of Aquarion Water Company of Connecticut to Amend its Rate Schedules; Comment in Opposition

Dear Executive Secretary Gaudiosi:

We submit this comment in strong opposition to the Notice of Intent filed by Aquarion Water Company of Connecticut ("Aquarion" or the "Company") on December 15, 2025, in which the Company announced its intention to seek a staggering rate increase of approximately $88 million — roughly 42 percent — over currently authorized revenues. We urge the Public Utilities Regulatory Authority ("PURA") to subject this application to the most rigorous scrutiny possible, reject every single dollar of it that is not justified, and protect the nearly 688,000 Connecticut residents who depend on Aquarion for safe and affordable drinking water.

I. <u>A 42 Percent Rate Increase Is Unsustainable for Connecticut Ratepayers.</u>

Connecticut families are already struggling with the rising cost of living. Groceries, housing, energy, and healthcare costs have all increased substantially in recent years, straining household budgets particularly for low- and moderate-income residents. A 42 percent increase in water rates would seriously compound these hardships, especially for the most vulnerable members of our communities. Water is not a discretionary expense. It is a fundamental human need and a public health necessity. PURA must not treat this proceeding as a routine rate case. The scale of what Aquarion is asking for demands exceptional scrutiny.

The requested $88 million in total new revenues comprises $72 million to address claimed operating revenue deficiencies and an additional $16 million in plant addition revenues. This is one of the largest utility rate filings Connecticut has seen in memory. We are deeply concerned that the burden of Aquarion's financial and operational decisions will fall squarely on the backs of ordinary ratepayers rather than on the Company's current corporate parent, Eversource Energy, and its shareholders.

Notably, Eversource posted a $1.69 billion profit last year, delivered a 23 percent increase in shareholder returns, and paid its chief executive $14.99 million, a roughly 20 percent raise.[1] One of the most profitable utility companies in America — led by one of the highest-paid utility CEOs — should not be wringing yet more profit from Connecticut families already struggling to make ends meet.

II. PURA's 2022 Rate Decrease Was a Legitimate Exercise of Regulatory Authority and Is Not a Justifiable Basis for an Increase Now.

Aquarion's Notice seeks to relitigate the 2022 rate case, framing PURA's decision to order a $4 million rate decrease as a mistake that "pushed costs down the road" and now forces this filing. We firmly disagree with that characterization. PURA's decision rejecting Aquarion's requested $35.3 million increase and ordering its rates reduced was based on a thorough review of the record and the Company's actual demonstrated costs.

Aquarion now argues that the interval between its 2013 and 2022 rate filings was driven by favorable tax developments that only temporarily suppressed costs. It does not adequately explain this claim. Even if it were true, it does not excuse the Company from proper regulatory accountability. A regulated utility that enjoys a period of reduced costs should pass those savings to ratepayers — as PURA effectively ordered — not treat them as a private windfall to be recovered through future rate increases when conditions become less favorable. PURA should reject any attempt by the Company to use this proceeding to effectively re-open and reverse the 2022 decision.

III. The Failed First Attempt at an AWA Transaction Does Not Justify Higher Rates.

Aquarion's Notice conspicuously highlights PURA's November 2025 denial of the proposed sale to the Aquarion Water Authority ("AWA"), a not-for-profit entity created by Special Act in 2024. It argues that this denial "left" the Company with no option but to seek an immediate and dramatic rate increase. This framing should not be credited.

First, the sale has now been approved by PURA.[2] This should void any associated arguments for a rate increase. It also erases the claimed urgency of this application's rate increase.

Second, PURA denied the AWA transaction based on its own — in our opinion, correct[3] — independent regulatory assessment. That decision was PURA's prerogative. It would be deeply

[1] Eversource, Eversource Energy Reports Full-Year & Fourth Quarter 2025 Results (Feb. 12, 2026), https://investors.eversource.com/news-releases/news-release-details/eversource-energy-reports-full-year-fourth-quarter-2025-results; Dallas Gagnon, *Utility CEOs made $626M in 2025 — while millions of customers fell behind on their bills*, MASSLIVE (May 7, 2026), https://www.masslive.com/news/2026/05/utility-ceos-made-626m-in-2025-while-millions-of-customers-fell-behind-on-their-bills.html.

[2] Decision: Joint Applic'n of Aquarion Water Authority *et al.*, PURA Docket 25-04-03 (Mar. 25, 2026), https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/24f73b2f5b948aab85258dc5004aebfa/$FILE/250403-032526.pdf

[3] Corres. 03/05/2026 [25-04-03] (Representative Steinberg, et al.) – Letter re: Delay of Final Decision Pending Legislative Clarification and/or Appellate Review, available at https://www.dpuc.state.ct.us/dockcurr.nsf/96796b033566aaeb85256b0400682d36/3aff2c23df6c80d985258db1004c19aa/$FILE/47159196.pdf.

inappropriate for the same Company to now use PURA's denial as leverage in a rate proceeding, suggesting (for unclear reasons) that had PURA approved the sale, customers would have faced only an $18 million increase rather than an $88 million one. PURA should not allow the rate case to be shaped by what amounts to a threat: approve future transactions (and this one, should it be reevaluated) or bear responsibility for large rate increases. Ratepayers should not pay a penalty because PURA exercises its independent authority.

We also note that the AWA proposal itself raised serious questions in the legislative process about governance, accountability, and long-term affordability for ratepayers. The mere fact that AWA projected a lower initial rate increase does not mean that its formation and operation would have served the public interest. PURA's decisions on that transaction deserve respect, not second-guessing through the back door of a rate case.

IV. <u>Capital Investment Costs Demand Full and Independent Verification.</u>

Aquarion states that since 2022 it has invested more than $448 million in water utility infrastructure improvements that are not currently reflected in rates. The Company cites investments in mains, storage tanks, treatment plant upgrades, dam improvements, and pump stations.

However, the magnitude of these claimed investments — nearly half a billion dollars — requires independent and rigorous verification by PURA's technical staff and the Office of Consumer Counsel. PURA should scrutinize whether each investment was prudently incurred, whether costs were reasonable and competitive, and whether any expenditures were duplicative, premature, or otherwise not the product of sound utility management. Ratepayers cannot be expected simply to take the Company's word that $448 million in spending was necessary and efficient.

We also urge PURA to examine whether any portion of these investment costs reflect expenses that were, or should have been, driven by decisions made at the parent-company level by Eversource. Connecticut ratepayers should not subsidize corporate investment strategies or shareholder returns. The prudency of each capital project must be evaluated on its own merits under Connecticut standards, not merely accepted because the Company asserts it was necessary.

V. <u>PFAS Compliance Costs Must Be Allocated Fairly and Pursued Through Other Available Remedies.</u>

Aquarion's Notice points to new per- and polyfluoroalkyl substances (PFAS) requirements as a driver of increased costs. PFAS contamination is a genuine and serious public health problem. However, Eversource does not explain how these claimed costs justify the requested rate increase. Additionally, PURA should examine whether, and to what extent, Aquarion has pursued all available legal remedies — including potential litigation against PFAS manufacturers — to recover PFAS remediation costs before seeking to pass those costs entirely to ratepayers.

PFAS contamination was caused by the manufacturers and users of these chemicals, not by Connecticut water customers. To the extent Aquarion has viable claims against polluters, it should be required to pursue them aggressively before asking ratepayers to absorb the full cost of remediation. PURA should condition any recovery of PFAS-related costs on a demonstrated showing that Aquarion has maximized its pursuit of third-party recovery and the cost-effectiveness of its remedial measures.

VI. **The Affordability of Water for Connecticut's Most Vulnerable Residents Must Be Paramount.**

Aquarion's Notice briefly acknowledges customer hardship and states that the Company will "continue to maintain existing tiered rate design offerings and offer other initiatives designed to more equitably allocate system costs." This is wholly inadequate in the face of a proposed 42 percent average rate increase.

A utility serving 688,000 customers across 57 municipalities in Connecticut — including cities like Bridgeport, Stamford, Norwalk, and Danbury with significant low-income and working-class populations — has an obligation to ensure that its rates do not render water unaffordable to those who need it most. Maintaining existing tiered rates is the bare minimum.

PURA should also evaluate whether the rate design Aquarion proposes distributes the burden of any authorized increase equitably across customer classes, and whether residential customers — particularly those at the lowest income levels — are protected from bearing a disproportionate share.

VII. **Such an Extraordinary Rate-Increase Request Requires Extraordinary Scrutiny.**

Given the size and scope of this proposed rate increase, we urge PURA to conduct robust public hearings in communities across Aquarion's service territory, including in Bridgeport, Stamford, Danbury, Norwalk, and other cities and towns where ratepayers will be most acutely affected. Residents deserve the opportunity to testify in their own communities about the impact of these increases on their lives, and PURA must take those voices seriously in its deliberations.

We also encourage PURA to ensure that the Office of Consumer Counsel is fully resourced to participate meaningfully in this proceeding and to advocate vigorously on behalf of residential ratepayers. The interests of Aquarion's shareholders and its corporate parent must not be allowed to outweigh the interests of the Connecticut public.

Thank you for your consideration of these comments and your service to our state.

Respectfully submitted,

Representative Matt Blumenthal
147th District – Stamford

Representative Jonathan Steinberg
136th District – Westport

cc: Office of Consumer Counsel
Governor's Office

Representative Raghib Allie-Brennan
2nd District

Representative Maryam Khan
5th District

Representative Geoff Luxenberg
12th District

Representative Eleni Kavros DeGraw
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Representative Jillian Gilchrest
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Representative Rebecca Martinez
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Representative Amy Morrin Bello
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Representative Nick Gauthier
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Representative Kai Belton
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Representative Kara Rochelle
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Representative Marcus Brown
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Representative Christopher Rosario
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Representative Jennifer Leeper
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Representative Sarah Keitt
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Representative Anne Hughes
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Representative Corey P. Paris
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