



**Connecticut Water Company Application to Amend Customer Rates
Notice of the Public Utilities Regulatory Authority Public Comment Hearing on Rate Application**

Connecticut Water Company (CWC) filed a general rate case application with the Connecticut Public Utilities Regulatory Authority (PURA) on January 15, 2021, proposing to change the rates charged to customers. This notice provides information on the request and how customers can provide comments to PURA on the application.

Connecticut Water provides high-quality water and customer service to more than 105,000 customers, or more than 360,000 people, in 60 towns across the state. The company has a Connecticut management team and over 200 employees to meet the needs of our customers and communities. Connecticut Water is regulated by the PURA for rates and quality of service.

To recover the costs of investments made in the company's water systems and maintain the level of service for our customers, the company has proposed an increase of approximately \$20.2 million in annual revenues.

As Connecticut Water is made up of a number of water systems combined over time, there are currently different rates in place for various divisions across the company. Based on a detailed cost of service study the proposed changes and new rates may differ for each of the company's 10 rate divisions, by meter size and between customer rate categories, i.e., for residential, commercial, industrial, etc. users.

You are a customer of **CWC's Gallup Division**. For the residential customer who uses the 2019 division average of 10,224 gallons per quarter, or about 3,408/gallons per month, the increase for that division would add about 4-cents per day or \$1.29 per month or an increase of approximately 2.9% above charges currently authorized by PURA.

PURA Public Hearing

PURA has scheduled a Public Comment Hearing for this application (Docket 20-12-30) via remote access on the following dates:

April 6, 2021 at 6:30 pm
April 7, 2021 at 6:30 pm

An additional Public Comment hearing focused on the application for the Heritage Village Division water and wastewater rates will be held via remote access on:

April 7, 2021 at 3:00 pm

There are **additional evidentiary hearings scheduled** for April 13-16, April 20-21 and May 5-7, 2021. These may be continued or rescheduled as deemed necessary by PURA. The schedule for the docket is available on PURA's website at <https://portal.ct.gov/pura>.

Information concerning the scheduling for public hearings on the proposed application can be obtained from PURA by calling (800) 382-4586. The remote access web link for the Notice of Hearing for Public Comment can be found on the Calendar of Events at <https://portal.ct.gov/pura> or at www.ctwater.com/ratecase.

After registering, you will receive a confirmation email with information about joining the meeting.

Anyone who wishes to provide comments regarding the application may do so by:

- participating in any of the Authority's public hearings via remote access,
- writing to PURA at 10 Franklin Square, New Britain, Connecticut 06051, or
- sending an e-mail to PURA.ExecutiveSecretary@ct.gov.

All correspondence, written or electronic, should refer to Docket Number 20-12-30.

PURA Process to Review the Application

PURA will conduct a thorough review of Connecticut Water's application, examining the investments made by the company since its last filing and the costs for providing water service to customers. PURA's review of the company's application is a formal legal proceeding with extensive testimony and documentation, evidentiary hearings with cross-examination of company witnesses and opportunities for public comment.

The purpose of the proceeding is to set rates that reflect the cost of providing water service in a fair and balanced manner and encourage the utility to operate efficiently and remain financially sound. There will be no change in customer rates until PURA has completed the rate process. PURA has up to 200 days from the January 15th filing to issue a decision and any approved rate increase would go into effect soon after.

Details of the Application

Since the company's last general rate application in 2010, Connecticut Water has invested more than \$265 million in drinking water infrastructure and technology that is not included in current customers' rates. These investments in projects have been completed and are benefitting customers through increased reliability, safe drinking water and cybersecurity measures. In addition to infrastructure investments, current rates do not fully reflect the costs for operational needs such as power, treatment chemicals, and state and local taxes that have increased since our last general rate case decision in 2010.

Recovering on these investments and supporting current operating expenses is necessary to maintain the reliability of our water systems, comply with stringent state and federal water quality standards, meet environmental regulations and protect the integrity of technology systems to serve current and future customers with safe drinking water and reliable service.

Proposed Rate for Income Eligible Residential Customers

Recognizing the financial challenges that some of our customers may be facing, the rate application includes a proposal to provide a 15% discount on water bills for residential customers that meet income eligibility requirements through a new Water Rates Assistance Program (WRAP).

Rates to Encourage Water Conservation

As we consider it our responsibility as a water company to encourage responsible stewardship of our water resources, the application proposes a rate design to promote water conservation. It includes a two-step rate for residential customers so that water usage that exceeds 15,000 gallons per quarter is charged at a higher rate than for base domestic needs. Higher water usage is typically related for frequent lawn watering or other outdoor use.

We understand that there is never a good time to request a rate increase, and taken steps to control costs to minimize the impact of this increase for our customers. We have honored the rate stay out agreed upon following our 2019 merger with SJW Group, which prevented us from filing for a rate increase until July 2020. In view of the pressures on our customers from the pandemic, the filing for the rate increase was further delayed so that new base rates will not take effect before July 2021. Over the past 7, years Connecticut Water has returned \$14.7 million to customers through two temporary rate reductions associated with tax law changes and the merger with SJW Group.

For More Information:

If you have any questions about the proposed rates, the public hearing, or how to submit comments on the application, you may contact PURA at (800) 382-4586, call Connecticut Water at (800) 286-5700 or email the Company at CustomerService@ctwater.com.

More information about the Company and the pending rate case are available at www.CTWater.com/ratecase or check Connecticut Water Company's site at www.ctwater.com for information.