



MPUC approves new water charge for Maine Water's Biddeford-Saco customers

Commission finds phase-in plan "in the best interest" of customers

Saco, Maine — June 28, 2021 — The Maine Public Utilities Commission (MPUC) has approved Maine Water's innovative proposal that phases in water bill increases to pay for the construction of a new drinking water treatment facility to serve the Biddeford-Saco area.

The MPUC approved the surcharge last week, for customers in Biddeford, Saco, Old Orchard Beach and the Pine Point area of Scarborough, effective July 1. The approval represents the first phase of new water rates required to replace a water treatment facility that has been in service since 1884, when Chester A. Arthur was president of the United States. The surcharge will increase the typical residential water bill by \$5 to \$6 per month, or about 20 cents a day. Additional increases are proposed in 2022 and 2023. When the new plant is fully operational and rate increases are complete, customers in the Biddeford-Saco Division will pay roughly what the average water utility customer in Maine pays, a little more than a dollar a day, or a penny a gallon.

The new facility will be protected from flooding of the Saco River and will provide improved reliability, increased capacity, enhanced resiliency, and greater operating efficiency. More information about the project is available at: www.MaineWater.com/NewWaterFacility.

Rick Knowlton, president of Maine Water, said that in response to feedback from customers, elected officials and municipal leaders, the company designed and proposed a "rate smoothing mechanism" (RSM) to the Public Utilities Commission for the construction of this large, once-in-a-century water treatment project so that bill adjustments would be phased in over three years. Under traditional ratemaking, a large increase could have hit customers all at once when the project was done.

In approving the surcharge as a first step in a multi-year rate plan, the MPUC stated that "approving the RSM is in the best interest of ratepayers and is in the public interest." The Commission further noted that "the RSM will avoid the rate shock that would be felt by ratepayers under traditional ratemaking principles and will ultimately cost ratepayers less..." The company estimates the costs to customers under the RSM plan may be as much as \$2 million less than if the company had waited to adjust rates until after the completion of the facility.

"Instead of the typical bill increasing all at once by eighteen dollars a month, our customers should see an average increase of six dollars a month in each of the next three years," Knowlton said. "The final two steps

still need to be approved by the MPUC, but we're grateful that the commission accepted our use of a surcharge in this first step to help us make things a little easier for our customers."

The rate adjustments apply only to customers in the Biddeford-Saco Division, not to the other public water systems that the company operates throughout Maine. Knowlton said the cost of the new drinking water treatment facility, located southwest of South Street in Biddeford, is about \$60 million.

The company's Biddeford-Saco Division serves approximately 16,200 customers in Biddeford, Saco, Old Orchard Beach, and Scarborough, a population of more than 40,000. Recent research by an independent survey company reported that customers value the service provided by the company and reported an overall customer satisfaction index among customers of more than 92%.

For more information, please visit www.MaineWater.com. If customers would like more information about how the proposed rate increase plan would affect their water bill, they may contact customer service at (207) 282-1543 or 1-800-287-1643.

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About Maine Water

The Maine Water Company is a public water utility that owns 12 public water systems engaged in the collection, treatment and distribution of drinking water for homes, businesses and fire protection service. The Maine Water Company serves approximately 85,000 people in 21 communities across Maine. The Biddeford Saco division of Maine Water Company is the second-largest public water system in Maine, serving a population of approximately 40,000. For more information, visit www.MaineWater.com.

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