

March 19, 2026

Ms. Amy Dumeny, Administrative Director
Maine Public Utilities Commission (PUC)
State House Station #18
Augusta, Maine 04333-0018

Re: Public Comment on Town of Bar Harbor Rate Case Filing for PWSID No. ME 0090120,
Docket No. 2026-00013

and

Ten-Person Complaint Pursuant to 35-A M.R.S.A. Section 1302

Dear Director Dumeny:

We, the undersigned, are customers of the Town of Bar Harbor Water Utility, and hold 10 separate accounts with the utility. (We could also get you 20, 50 or even 100 more if you wanted.) For many years our town's residents have experienced discriminatory water rates that have substantially favored larger customers, thus both disrespecting and causing substantial economic hardship to average citizens such as ourselves. We have complained to the Town on several occasions as part of this rate increase process (s/a) and the problems have not been addressed. We therefore request the Public Utilities Commission (PUC) to investigate and intervene. The narrative below provides both a Public Comment asking for disapproval of Bar Harbor's current rate increase request, and a more general 10-Person Complaint seeking the end of years of inequitable treatment on the part of our municipal authorities. If attention by other state offices might also be appropriate, we would welcome their involvement as well.

The substance of our complaint generally and objections to the rate increase request specifically before the Commission now are two-fold. First and fundamentally, both the past rate structure and the present proposal are harmfully preferential and discriminatory, designed and operating to extract substantial subsidies from smaller users for the benefit of larger. "Just", "fair", "equitable" and "reasonable" are all published watchwords and goals of the PUC, but Bar Harbor is operating according to none of these. Second and procedurally, the lack of transparency and accuracy by our officials in proposing, explaining and administering these rates are unacceptable to many citizens and warrant examination (and hopefully intervention) by higher external authorities. We address all of these issues below.

First addressing "fairness", the agreed-on-by-all facts are that 70% of Bar Harbor's water accounts are residential, and consume 23% of the town's water. Astoundingly, however, these generally smaller users pay approximately double their share (40%) of the system's total costs, at a per unit rate of up to seven times that of larger users. The Town thus subsidizes larger

users (labs, schools, medical facilities, commercial operations and itself) at the expense of smaller, against any reasonable (but not the Town's!) definition of fairness, and effectively encourages consumption rather than conservation of ever-scarcer resources. The Town attempts to justify this favoritism of larger users with a variety of smokescreens and distractions, but the essential inequity and unfairness are not reasonably disputable.

Further, despite claiming that the rate increase proposals are fair and reasonable to all users, the reality is that the new rates decrease the percentage of total system costs borne by the 70% of smaller residential accounts by only 4%, i.e., they still extract 36% of total system costs in return for 23% of the water used. While marginally better, this persisting 50% overcharge (36% of costs for 23% of water used) is still discriminatory and unfair. **If the PUC is truly committed to equity, fairness and justice, the rate increases currently applied for by our Town should be refused and replaced by proportional charges for units of water actually consumed.** We stand ready to support all of these statements using Town-supplied figures.

Our second complaint regards the non-transparency and untruthfulness of Bar Harbor's officials, which hardly represent the manner in which governments and professional consultants are supposed and assumed to operate. This second issue is evidenced in multiple ways.

Procedurally, Bar Harbor filed their rate increase proposal with the PUC on January 16, i.e., more than a month before the February 17 Public Hearing where the proposal was supposed to be first presented for public examination, possible input and potential modification. This does not seem to constitute required due process.

Next, our officials have stated numerous times that without these requested rate increases, the system would become insolvent and unable to pay its bills, having previously made up for long inadequate revenues by using "reserves". This statement warrants several responses. First, the amount of additional revenue that the system requires for financial solvency might be, but is not being, challenged at present, only its apportionment. Any amount of revenue can be raised by a "Single Block Rate" or "Increasing Block Rate", rather than the regressive and discriminatory "Decreasing Block Rate" that historically has been used and the town and its consultants continue to favor. Second, the financials filed with the rate increase state that Bar Harbor's water system still has 4-5 million dollars in available reserves, so what is the urgency for a rate increase at this time? Not finding ready correspondence with the town's overall financial reports, it is worth asking where the non-bond reserve amounts come from, and whether these reserves are "on" or "off" the town's overall balance sheet?

Further, our officials have repeatedly claimed that a Single Block Rate would lead to up to a 4x increase in the water charges to residential users. In fact, however, and using their own figures,

allocating total system costs proportionately to water actually used would lead to a 17% decrease in residential water rates, with the balance equitably provided by the 30% minority of larger users who consume 77% of Bar Harbor's water. Is this the kind of truthfulness expected and permitted by governmental officials?

The Town Council at the public hearing on 2/17 also attempted to shift the blame and responsibility for these unfair and unsupportable rate increases from themselves to the PUC, by stating that the Town was only proposing the requested rates, but that the PUC would be the ones to actually approve and enact them. Does the Commission accept the onus of being the "bad guy" here?

Our Council Chair then claimed that the increased rates that have already been built into Bar Harbor's 2027 proposed budget are only "placeholders", to be changed if not approved. This ignores the fact that the increased water rates requested were already built into, and taxed to property owners, in the current 2026 fiscal year. Our fiscal cart has seemingly run away without its governing horse!

Finally, the consultant spearheading Bar Harbor's current water rate proposal stated at the public hearing that the PUC would not in any case consider and allow a "Single Block Rate" for Bar Harbor's water system. Where is this written, and how to square it with the PUC's very helpfully pointing us to an excellent primer (https://www.rcap.org/wp-content/uploads/2021/11/RCAP_RatesGuide-2021-FIN-LO.pdf) describing just such an "easy to administer and simple to understand" rate structure that would seemingly best meet the PUC's criteria and goals?

In summary, we customers of the Bar Harbor water utility urge and request the PUC to disapprove rate increase proposal 2026-00013, and send the matter of Bar Harbor's water rates back to the Town for more equitable treatment.

Sincerely,

Charles Sidman
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