

HOULTON WATER COMPANY

INFORMATIONAL RATE FILING

EXHIBITS AND SCHEDULES
FILED UNDER 35-A MRSA SECTION 6104

Submitted to.

STATE OF MAINE PUBLIC UTILITIES COMMISSION

Submitted:

Proposed Hearing Date: May 1, 2026

Proposed Effective Date: June 1, 2026

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RCAP Solutions
Portland, ME 04103
207-730-3261

Houlton Water Company
21 Bangor Street, Houlton, Maine 04730
(207) 532-2259

HOULTON WATER COMPANY

INFORMATIONAL RATE FILING
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FILED UNDER 35-A MRSA SECTION 6104

Number	Item	Included
1	Houlton Water Company Rate Justification Letter	x
2	Water Budgets and Adjustments	x
3	Debt Service Coverage	x
4	Public Fire Protection	x
5	Derivation of Rates	x
Appendices:	Proposed Schedule Customer Notice Tariff Sheets	x

HOULTON WATER COMPANY

Rate Filing

PROPOSED SCHEDULE FOR RATE FILING

Num.	Item	Timeline	Proposed Date	Board Approved Date On
1	Submit the rate case information package to PUC and the Public Advocate this will ensure you have a correct timeline.		April 1, 2026 (Wed.)	3/24/2026
2	A copy of all materials supporting the proposed rate change shall be made available to customers for examination at the offices of the utility for at least 30 days prior to the hearing.	30 days before Public Hearing	April 3, 2026 (Fri.)	3/24/2026
3	Send notices to all customers and publish/post the legal notice (must be done at least 14 days prior to the public hearing)	14 days before Public Hearing	(before) April 17, 2026 (Fri.)	3/24/2026
4	Hold public hearing	30 days before Proposed effective date	May 1, 2026 (Fri.)	3/24/2026
5	File final rate case documents to the PUC (within 30 days of hearing, but not sooner than 10 days)	Within 30 days of hearing, but not sooner than 10 days after hearing	May 11-31, 2026	3/24/2026
6	Authority to investigate rate changes	Within 30 days after rate hearing		
7	Proposed effective date	Must be 30 days after public hearing, but no more the nine months	June 1, 2026 (Mon.)	3/24/2026

Houlton Water Company

21 Bangor Street, Houlton, Maine 04730
(207) 532-2259

1. Houlton Rate Justification Letter

Houlton Water Company
21 Bangor Street, Houlton, Maine 04730
(207) 532-2259

April 2026

Re: Houlton Water Company 6104 Rate Case

On behalf of the Houlton Water Company (HWC), this letter serves as a cover submission for the HWC's proposed rate increase filing pursuant to Title 35-A MRSA Section 6104. The proposed rates are requested to become effective June 1, 2026.

The HWC's most recent 6104 rate adjustment took effect in 2024. Since that time, the cost of maintaining reliable and compliant water service has continued to rise. Expenses associated with system maintenance, treatment operations, regulatory compliance, and debt service have steadily increased, placing ongoing financial pressure on the HWC's operations.

The purpose of this filing is to ensure the continued financial stability of the Houlton Water Company and its ability to provide safe, reliable drinking water to its customers. While the HWC has taken steps to manage expenses responsibly, existing revenues are no longer sufficient to fully support current operating and capital needs. The proposed rate adjustment is intended to better align revenues with actual costs and to support ongoing system upkeep and long-term infrastructure reliability.

There are no significant changes to the existing rate design included in this filing.

The Houlton Water Company appreciates the Public Utilities Commission's review of this request and remains available to provide any additional information or clarification that may be required during this proceeding.

Respectfully submitted,

Houlton Water Company

2. Water Budgets and Adjustments

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	2023	2024	Raw 2025	Normalized 2025*	Adjustment	Pro Forma	Adjustment Reference
OPERATING REVENUES							
Revenues from Sales of Water							
Residential Sales	\$ 371,475	\$ 368,677	\$ 444,622	\$ 396,000	\$ 165,714	\$ 561,714	1a
Commercial Sales	179,135	181,923	214,700	\$ 195,852	81,958	277,810	1a
Governmental Sales	22,454	21,568	25,357	\$ 23,950	10,022	33,972	1a
Industrial Sales	49,149	38,724	50,940	\$ 50,939	21,316	72,255	1a
Public Fire Protection	312,874	332,101	370,584	\$ 349,128	125,471	474,599	1b
Hydrants	16,205			\$ 21,456	8,979	30,435	1a
Sprinklers	73,219	72,961	98,922	\$ 84,801	35,487	120,288	1a
Interdept	6,167	7,243	13,858	\$ 7,700	3,222	10,922	1a
Subtotal	\$ 1,030,678	\$ 1,023,197	\$ 1,218,982	\$ 1,129,826	\$ 452,169	\$ 1,581,995	
Other Operating Revenues							
Connection Fees	2,770	2,950	2,830	2,830		2,830	
Total Operating Revenues	\$ 1,033,448	\$ 1,026,147	\$ 1,221,812	\$ 1,132,656		\$ 1,584,825	
OPERATING EXPENSES							
Labor and Benefits	679,491	696,754		671,358	74,200	\$ 745,559	2
Grent for Labor Expense		(25,000)					
Retiree Benefits	48,441	39,696		33,424			
Operations						\$ -	
Pumping/Treatment	\$ 13,697	\$ 3,069		\$ 9,685		\$ 9,685	
Chemicals	\$ 10,085	\$ 12,463		\$ 19,965	\$ 1,000	\$ 20,965	5
Laboratory Supplies	\$ 5,700	\$ 3,463		\$ 347		\$ 347	
Distribution	5,531	399		1,759		\$ 1,759	
Utility Bills	41,677	43,342		51,164	2,135	\$ 53,299	5
External Testing	6,190	5,328		4,828		\$ 4,828	
Meter Reading	197	1,697		3,744		\$ 3,744	
Maintenance						\$ -	
Pumping/Treatment	731	1,544		30,635		\$ 30,635	
Transmission and Distribution	31,299	4,739		13,491		\$ 13,491	
Billing and Meter Reading						\$ -	
Vehicles & Equipment	32,797	40,164		24,176		\$ 24,176	
General and Administrative						\$ -	
Training/Safety/ Public Education	15,117	21,435		20,924		\$ 20,924	
Billing/Dispatch/Supplies, etc...	23,724	23,363		43,006		\$ 43,006	
General Property - Buildings	5,881	5,873		5,026		\$ 5,026	
Insurance	18,161	23,915		29,361		\$ 29,361	

Exhibit 1 Houlton Water Company Historical and Pro Forma Operations

40	Legal	7,952	5,769		11,275		\$	11,275	
41	Audit Fees	9,299	12,786		11,580		\$	11,580	
42	Public Notice, Dues, Other	7,022	10,887		8,028		\$	8,028	
43	Regulatory Expenses	8,025	7,719		7,561		\$	7,561	
44	Uncollectible Accounts	43	2,313		(74)		\$	(74)	
45	GASB/Pension	(32,221)	(61,032)		(117,863)	117,863	\$	-	
46	Subtotal - Operations and Maintenance	\$ 938,841	\$ 880,684		\$ 883,400	\$ 120,998	\$	1,045,174	
47	Depreciation	151,345	158,828		187,450	15,600		203,050	3
48	Amortization Bond Issuance Costs	1,788	1,788		1,958			1,958	
49	Amortization GASB 75	21,843	21,843		21,843			21,843	
50	TOTAL - OPERATING EXPENSES	\$ 1,113,818	\$ 1,063,142	\$ 1,094,651	\$ 1,094,651		\$	1,272,025	
51	NET OPERATING INCOME	\$ (80,370)	\$ (36,996)	\$ 127,161	\$ 38,005			312,800	
52	OTHER INCOME (DEDUCTIONS)								
53	Interest Income	3,435	4,427		6,029			6,029	
54	Other Income	38,728	15,913		44,439	(24,394)		20,045	4
55	Interest on Long-term Debt	(26,469)	(28,461)		(46,267)	(53,590)		(99,857)	4
56	Other Expenses	(26,005)	(9,758)		(1,901)	1,509		(392)	
57	Subtotal - Other Income	(10,311)	(17,879)	2,300	2,300			(74,175)	
58									
59	NET MARGIN	\$ (90,680)	\$ (54,875)	\$ 129,461	\$ 40,305	\$ -	\$	238,625	
				Raw 2025	Normalized 2025				

See Exhibit 2 for explanation of adjustments.

*2025 revenues reflect a mid-year transition from quarterly to monthly billing. The Raw 2025 column represents actual billed revenues as recorded. The Normalized 2025 column removes approximately \$89,156 in revenues attributable to the one-time overlap created by the billing cycle transition — specifically, the collection of bills that were accelerated into 2025 that would otherwise have been collected in early 2026 under the prior quarterly schedule. This adjustment restores 2025 revenues to a comparable basis with 2023 and 2024. The 2026 Pro Forma is derived from Normalized 2025 revenues.

Adj

1 Rate Adjustment

Across-the-board adjustment to increase net revenues to targeted amount.

1	Required Cash Margin		
2	2026 Debt Service	303,030	
3	Target DSC	1,617	
4	Cash Flow Before Debt Service	490,000	
5	Less:		
6	Interest	(99,857)	
7	Depreciation	(203,050)	
8	Amortization of Bond Discount	(1,958)	
9	Amortization of GASB 75	(21,843)	
10	Required Net Revenues	\$ 163,292	
11	Required Revenues		
12	Operating Expenses	\$ 1,272,025	
13	Non-Operating Expenses (Income)	74,175	
14	Other Expenses (Income)	(2,830)	
15	Margin	163,292	Line 10
16	5% Contingency	\$ 75,333	
17	Revenue Requirements from Sales	\$ 1,581,995	

1a Increase on Across-the-Board Basis (Same Percentage)

18	Revenue Requirements from Sales	\$ 1,581,995	
19	Less Public Fire	(474,599)	Line 34
20	Net from Other	\$ 1,107,397	

Annual Revenues					
	Existing Rates	Revised Rates	Increase	Percent	
25	Residential Sales	\$ 396,000	\$ 561,714	\$ 165,714	41.8%
26	Commercial Sales	195,852	277,810	81,958	41.8%
27	Governmental Sales	23,950	33,972	10,022	41.8%
28	Industrial Sales	50,939	72,255	21,316	41.8%
29	Hydrants	21,456	30,435	8,979	41.8%
30	Sprinklers	84,801	120,288	35,487	41.8%
31	Interdebt	7,700	10,922	3,222	41.8%
		\$ 780,698	\$ 1,107,397	\$ 326,699	41.8%

1b Adjust Public Fire Protection to Required Percentage (Exhibit 4)

32	Revenue Requirements from Sales	\$ 1,581,995	
33	Percent from Public Fire (Exhibit 4)	30%	
34	Revenue from Public Fire (L. 32 x L. 33)	\$ 474,599	
35	Less Existing Rates (Exhibit 1, L. 9)	(349,128)	
36	Adjustment	\$ 125,471	
37	Percent	35.9%	

2 Labor

Total Labor & Benefit Expenses increased by 11% in 2026

	Increase
Labor - Total Maintenance & Operation	
2026 Labor Expense	463,849.16
5% Increase for 2027	\$ 47,545
2026 Health Insurance	91,075
9% Increase for 2027	\$ 17,131
2026 UNUM	6,237
9% Increase for 2027	\$ 1,173
2026 Maine Pers	62,647
5% Increase for 2027	\$ 6,421
2026 Worker Comp	3,332
9% Increase for 2027	\$ 627
2026 Medicare	7,398
5% Increase for 2027	\$ 758
2026 PFML	2,788
5% Increase for 2027	\$ 286
2026 HRA	2,528
5% Increase for 2027	\$ 259

3 Depreciation

Adjust depreciation to reflect assets added in 2026			
Water Main Reservoir Hill to White Settlement	\$1,045,174	15,600	\$ 15,600

4 Interest

Increase in interest expense to reflect actual debt amortization schedule

2026 Expense	\$ 99,857
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	Less 2025 Test Year Expense	(46,267)	
	Adjustment	<u> </u>	\$ 53,590
5	<u>Material Adjustment</u>		
	Adjustment for prior year Purchases		
	Chemicals	\$	1,000
	Utility Bills	\$	2,135

3. Debt Service Coverage

Houlton Water Company Debt Service Coverage

Net Margin	\$	238,625
Add Back:		
Depreciation		203,050
Interest		99,857
Amortization of Bond Discount		1,958
OPEB Amortization		21,843
Revenues Before Non-Cash Deductions and Interest	\$	565,333
Annual Debt Service (Cash Basis)		
		<u>2026</u>
2009 DWSRF MMBB		
Principal		40,877
Interest		3,344
2010 MMBB		
Principal		25,580
Interest		1,407
2017 MMBB		
Principal		24,960
Interest		15,416
2024 MMBB		
Principal		18,059
Interest		12,758
2025 MMBB		
Principal		31,000
Interest		20,649
2027 MMBB - Estimated		
Principal		62,697
Interest		46,282
Total		
Principal		203,173
Interest		99,857
Total Debt Service		303,030
Debt Service Coverage Ratio		1.87

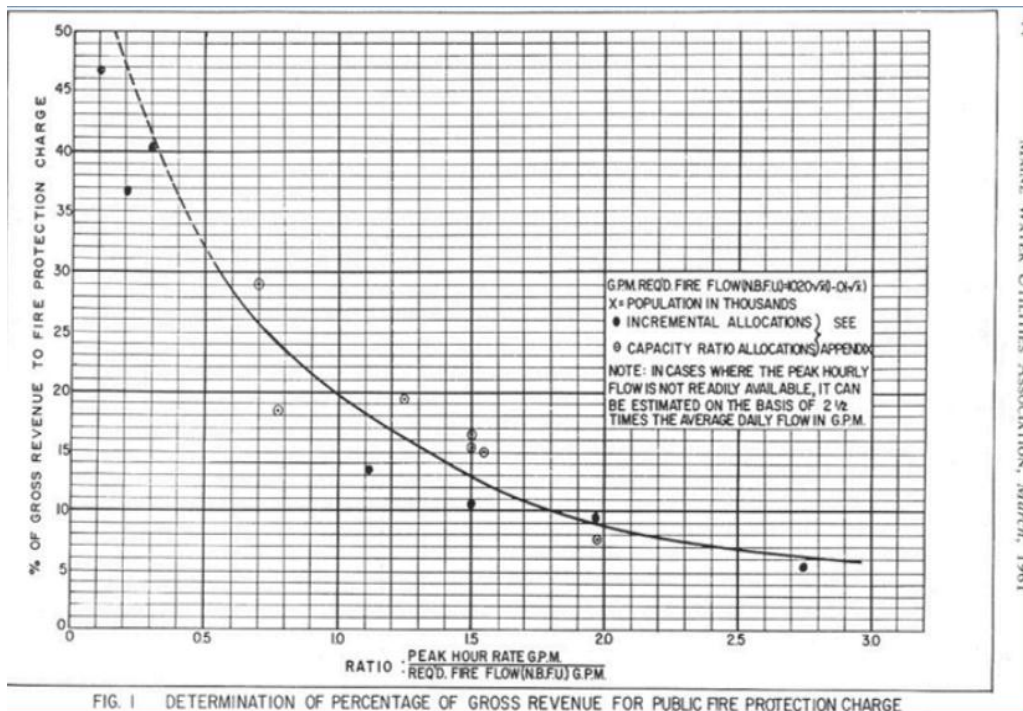
4. Public Fire Protection

Houlton Water Company
21 Bangor Street, Houlton, Maine 04730
(207) 532-2259

Houlton Water Company Public Fire Revenues

Population of Service Area (000)	6.1	} Per Section 2, Chapter 690 of MPUC Rules
2025 Flow (Gallons)	246,058,000	
Average Flow (Gallons/Minute)	468	
	x <u>2.50</u>	
Peak Flow (Gallons/Minute)	1,170	
Required Fire Flow	2,457	
Peak Flow / Reqd Fire Flow	0.48	
Percent Gross Revenue from Public Fire		
Chapter 690 Chart	34%	
Minimum Allowed	6%	
Maximum Allowed	30%	
Use	30%	

	Existing Rates		Revised Rates	
	Revenues	Pct of Total	Revenues	Pct of Total
Revenues				
Residential Sales	\$ 396,000	35.0%	\$ 561,714	35.5%
Commercial Sales	195,852	17.3%	277,810	17.6%
Governmental Sales	23,950	2.1%	33,972	2.1%
Industrial Sales	50,939	4.5%	72,255	4.6%
Public Fire Protection	349,128	30.9%	474,599	30.0%
Private Hydrants	21,456	1.9%	30,435	1.9%
Sprinklers	84,801	7.5%	120,288	7.6%
Interdebt	7,700	0.7%	10,922	0.7%
	\$ 1,129,826	100.0%	\$ 1,581,995	100.0%



5. Derivation of Rates

Houlton Water Company Derivation of Rates

Metered Rates	Existing Rate	Percent Increase	Revised Rate
Per Hundred cubic ft			
0 - 9,000 cf/qtr	\$3.99	41.8%	\$5.66
9,000 - 90,000	\$2.96	41.8%	\$4.20
> 90,000	\$1.67	41.8%	\$2.37
Minimum Charge			
5/8	\$47.92	41.8%	\$67.97
3/4	\$71.84	41.8%	\$101.90
1	\$119.75	41.8%	\$169.86
1 1/2	\$239.45	41.8%	\$339.65
2	\$376.96	41.8%	\$534.71
3	\$625.00	41.8%	\$886.54
4	\$979.44	41.8%	\$1,389.31
6	\$1,865.53	41.8%	\$2,646.20
8	\$2,852.15	41.8%	\$4,045.69
10	\$3,556.21	41.8%	\$5,044.38
Flat Rate			
Per Quarter	\$71.84	41.8%	\$101.90
Per Season	\$287.37	41.8%	\$407.63
Fire Protection			
3/4	\$312.92	41.8%	\$443.87
1	\$332.09	41.8%	\$471.06
1 1/2	\$363.96	41.8%	\$516.27
2	\$440.63	41.8%	\$625.02
3	\$510.92	41.8%	\$724.72
4	\$581.12	41.8%	\$824.30
6	\$1,149.47	41.8%	\$1,630.49
8	\$1,998.86	41.8%	\$2,835.32
Private Hydrant	\$1,149.47	41.8%	\$1,630.49
Public Fire Protection	\$349,128.00	35.9%	\$474,598.56

Appendices

Houlton Water Company
21 Bangor Street, Houlton, Maine 04730
(207) 532-2259



21 Bangor St.
Houlton, Maine 04730

Dear Customer,

The Houlton Water Company (HWC) will be filing a revised water rate schedule with the Maine Public Utilities Commission (MPUC) to be effective on June 1, 2026. The filing is made under Title 35-A MRSA Sec. 6104. The proposed increase is necessitated by increasing costs over the past several years. The proposed rate will increase the average residential bill by \$6.68 per month or \$20.05 per quarter.

Increases by all customer classes, on an annual basis, are as follows:

Residential	\$ 165,714	41.8%
Commercial	81,958	41.8%
Governmental	10,022	41.8%
Industrial	21,316	41.8%%
Public Fire Protection	125,471	35.9%%
Private Hyd.	8,979	41.8%
Sprinklers	35,487	41.8%
Total Increase	\$ 448,947	

A public hearing will be held on May 1, 2026, at 6:00 PM at the HWC 21 Bangor Street office at which time details will be furnished in support of the increase and you may question HWC personnel regarding the issue.

If, within 30 days of the public hearing, 15% of the customers of the Company file with the Treasurer of HWC and the MPUC, petitions demanding a review of the rate changes by the MPUC, the rate change may be suspended, investigated, reviewed and changed in accordance with Section 310. Signatures on the petition are invalid unless accompanied by the printed names and addresses of the signers. Upon request, the Company will provide customers with the appropriate petition forms that include space for signatures and the printed names and addresses of the signers.

You may request and inspect data relating to the present and proposed rates at the Company's office before the hearing. You have the right to an open and fair hearing and the right to a further hearing before the Commission. The Public Advocate is available for assistance to you in this matter upon request. The Public Utilities Commission may be contacted at (207) 287-3831, State House Station #18, Augusta, Me 04333; or the Public Advocate at (207) 624-3687, State House Station 112, Augusta, Me 04333.

We thank you for your cooperation on this matter.

Greg Sherman
General Manager

METERED RATES

Character of Service

This rate is applicable to all classes of service receiving water from the Company.

Rate

Subject to the minimum charges as specified below, the rates for water sold will be:

Per Hundred

	<i>Cubic Feet</i>	
For the first 9,000 cu. feet per quarter	\$5.66	I
For the next 81,000 cu. feet per quarter	\$4.20	I
All over 90,000 cu. feet per quarter	\$2.37	I

Minimum Charge Per Meter Per Quarter


<i>Meter Size Inches</i>	<i>Water Allowance (Cubic Feet)</i>	<i>Minimum Charge</i>	
5/8"	1,200	\$67.97	} I
3/4	1,800	\$101.90	
1	3,000	\$169.86	
1 1/2	6,000	\$339.65	
2	9,600	\$534.71	
3	18,000	\$886.54	
4	30,000	\$1,389.31	
6	60,000	\$2,646.20	
8	96,000	\$4,045.69	
10	138,000	\$5,044.38	

For monthly billing, the quarterly step water blocks will be divided by three, and the rates per 100 cu. ft. will remain the same. The monthly minimum charge and water allowance will be one third of that applicable to quarterly billing. The Company reserves the right to bill monthly and or quarterly.

Terms of Payment

- (1) The above rates are net and due upon presentation.
- (2) Payments not received within twenty-five (25) days of the postmark date of the bill shall be subject to a late payment charge of 1.263% per month.

Proposed Effective Date: June 1, 2026
 Effective Date: _____
 MPUC Docket No. _____

HOULTON WATER COMPANY

 Greg Sherman, General Manager

FLAT RATES

Character of Service

This rate is applicable to customers receiving unmetered water service with the understanding that all such customers will be converted to metered as soon as possible.

Rate

	<i>Per Quarter</i>	<i>Per Year or Season</i>
For each household living unit	\$101.90 I	\$407.63 I

Terms

No new customers will be served under the above rates, and, at such time as existing flat rate customers are metered, billings will be adjusted on a pro rata basis. Charges will be billed monthly at the option of the Company.


Terms of Payment

- (1) The above rates are net and due upon presentation.
- (2) Payments not received within twenty-five (25) days of the postmark date of the bill shall be subject to a late payment charge of 1.263% per month.

Temporary Service

Temporary service, when necessary and permitted, will be based on estimated water use at filed meter rates with a minimum charge of \$25.00.

Proposed Effective Date: June 1, 2026
Effective Date: _____
MPUC Docket No. _____

HOULTON WATER COMPANY

Greg Sherman, General Manager

PRIVATE FIRE PROTECTION SERVICE RATES

These rates applicable only to private fire protection service for use solely on the customer's premises.

Connections supplying water for general service use, as well as to private fire protection apparatus, will be charged for at the full rates stated for private fire protection service.

The charges stated below are solely for private fire protection service and include the use of water for extinguishment of fires and to test private fire protection apparatus. Water drawn through fire hydrants, monitor nozzles, or other private fire protection apparatus for any other purposes will be subjected to additional charges as specified elsewhere in the Schedule of Rates.

	<i>Annual Rate</i>	
For each three quarter-inch connection	\$443.87	} I
For each one-inch connection	471.06	
For each one and one half-inch connection	516.27	
For each two-inch connection	625.02	
For each three-inch connection	724.72	
For each four-inch connection	824.30	
For each six-inch connection	1,630.49	
For each eight-inch connection	2,835.32	
For each private hydrant	1,630.49	

No charge will be made for fire protection apparatus owned and maintained by the customer other than the above charges for each private fire protection service connection.

Terms

(1) Charges may be billed monthly at the option of the Company.

Terms of Payment;

(1) The above rates are net and due upon presentation.

(2) Payments not received within twenty-five (25) days of the postmark date of the bill shall be subject to a late payment charge of 1.38% per month.

Proposed Effective Date: June 1, 2026

Effective Date: _____

MPUC Docket No. _____

HOULTON WATER COMPANY


Greg Sherman, General Manager

PUBLIC FIRE PROTECTION SERVICE RATES


These rates are applicable only to public fire protection service for the sole use of the Town of Houlton.

For two hundred fourteen (214) hydrants there shall be an annual rate of \$474,598.56 Charges for any additional public fire hydrants shall be determined in accordance with Provisions of Chapter 690 of Public Utilities Commission.

Terms

- (1) Hydrant changes may be billed monthly at the option of the Company.
- (2) The use and location of hydrants for municipal use other than for fire protection purposes shall remain under the control of the Company.
- (3) The rate shall not be reduced should one or more hydrants be removed.

Proposed Effective Date: June 1, 2026 _____
Effective Date: _____
MPUC Docket No. _____

HOULTON WATER COMPANY

Greg Sherman, General Manager