

Welcome. This is your 1st of 10 free articles. [Sign in](#) or [Subscribe](#).

BUSINESS Posted **October 23, 2014** | Updated **October 24, 2014**

INCREASE FONT SIZE **PA⁺**

Maine regulators allow sale of town's water to bottler of Poland Spring

Two temporary PUC members, standing in after three recusals, say the deal with Nestle may benefit Fryeburg Water Co. ratepayers. Critics see a bad precedent for similar deals.

BY **EDWARD D. MURPHY** STAFF WRITER

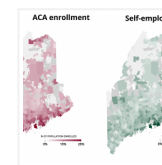


Share Comment

The Maine Public Utilities Commission wasn't swayed by public opposition, approving a long-term contract Thursday that allows privately owned Fryeburg Water Co. to sell water to Nestle Waters, bottler of the Poland Spring label in Maine.

Two temporary PUC commissioners ruled on the matter, saying the contract didn't violate the "no net harm" standard used for such agreements. The decision overruled the recommendation last month by the PUC staff that the contract be rejected.

ADDITIONAL IMAGES "All in all, this is just a sad day for the people of

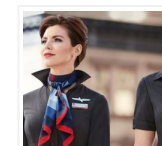


NEWS

Interactive maps: ACA enrollment is highest in areas where Mainers work for themselves

BUSINESS

Large drug company agrees to pay record \$150 million



BUSINESS

The mystery of American's ailing, itchy flight



A Poland Spring tanker truck rolls through Fryeburg. The Maine Supreme Judicial Court has affirmed regulators' approval of a contract allowing the Fryeburg Water Co. to sell water to Nestle Waters, which owns Poland Spring. 2013 Press Herald File Photo/John Patriquin

RELATED HEADLINES

› [For regulators and Nestle Waters, conflict by the gallon](#)



Search photos available for purchase: [Photo Store](#) →

resource and shortchanges the community.

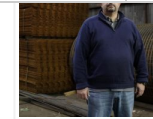
The temporary commissioners, retired judges Paul Rudman and John Atwood, were appointed by Gov. Paul LePage after the three regular PUC members and the commission's public advocate recused themselves over potential conflicts of interest.

Rudman and Atwood said the contract could benefit ratepayers of the privately owned utility by providing a steady stream of revenue. Nestle is required to make minimum payments to Fryeburg Water regardless of how much water it draws.

The commissioners also agreed to strike one contract provision that would have barred the water company from selling bulk, untreated water to companies other than Nestle. They did, however, rule that Nestle would have exclusive rights to the water in the well from which it currently draws.

Under the deal, Nestle Waters, a subsidiary of Switzerland's Nestle SA, the world's largest food and beverage company, gets control of a key supply of spring water, while Fryeburg Water gets a stable, predictable flow of cash.

Opponents say the deal does not serve the interests of a community reliant on a valuable resource. They said Fryeburg Water is giving up the water for less than it's worth now – and almost certainly what it will be worth in the future, when



Obama-backed rules scrapped

RECENT

READ

Interactive maps: ACA enrollment is highest in areas where Mainers work for themselves

Organizers gear up as interest in Women's March on Maine grows

Maine fishermen hooked on Obamacare, but now benefits are threatened

Portland grapples with \$61 million elementary school bond

a fair price for the water and questioned what she said were Nestle-funded studies that have suggested there is more than enough water for residents and Nestle.

Fryeburg Water has three wells of relatively equal capacity, said Jean Andrews, the company's vice president.

Nestle will pay Fryeburg Water's published rates for water, said Mark Dubois, Poland Spring's natural resource manager, along with a lease payment of \$12,000 per month for land around the well and for maintenance and repairs of the well. As with most water utilities, Fryeburg Water's per-unit rates drop sharply as volumes increase.

The commissioners also approved other changes to the contract that had been urged by the PUC staff, including one that would allow the company to cut off Nestle's access to the water in case of emergency.

Swinton and Sekera both said opponents are most concerned that the decision will set a precedent for deals between water utilities and bottling companies, paving the way for bottlers to draw more water from more towns. They said they will meet soon to determine whether to appeal the PUC ruling to the Maine Supreme Judicial Court.

Bruce McGlaulin, a lawyer who represented several of the opponents, said some portions of the ruling could provide grounds for an appeal. He said the late-19th-century legislation that allowed Fryeburg Water to supply the town called for it to provide "a supply of pure water for domestic and other uses" and doesn't contain any provision for selling water as a commodity.

~~The PUC staff had cited the legislation in its recommendation to reject the contract~~

“village of Fryeburg” and didn’t envision a bottled water company “sticking a straw in the aquifer and hauling it off for use elsewhere.”

Nestle applauded the decision, saying the new contract provides Fryeburg Water with a predictable revenue stream and minimum payments while giving the bottler a reliable source of water for its Poland Spring operations. The company also noted the provision that allows the utility to reduce or cut the supply of water to Poland Spring in case of an emergency.

“We are always second in line to the existing ratepayers,” said Poland Spring’s Dubois. “I think common sense prevailed.”

Dubois said current plans call for the water to continue to be trucked in tankers to the company’s three bottling sites, in Hollis, Poland Spring and Kingfield. He said those three plants are meeting the company’s current demand. If Poland Spring decides a new bottling facility is needed, Fryeburg would likely be considered, but wouldn’t necessarily be chosen, he said.

Pending a possible court appeal, the new contract will supersede an agreement between the water company and Nestle Waters signed in 1997. The new contract runs for 25 years with renewals that could stretch its term to 45 years.

The case was unusual because of the withdrawal of all three regular commissioners and the public advocate from the case. Two of the commissioners recused themselves because they had worked on Nestle matters in their previous work for law firms, and the third, an engineer, had worked for the company.

READ OR POST COMMENTS

Share



Were you interviewed for this story? If so, please fill out our [accuracy form](#)

[Send questions/comments to the editors.](#)

Portland Press Herald



BACK TO TOP

CUSTOMER SERVICE

My Account

Subscriptions

Home Delivery Help

Digital Subscriptions

Reader Services

Contact Us

Privacy Policy

Purchase a Photo

CONNECT

e-Edition

Mobile

Email Newsletters

Contact Advertising

Site Feedback

Staff Directory

SITE INDEX

Full Site Index

News

Politics

Business

Lifestyle

Opinion

Sports

Obituaries

Blogs

Video

NETWORK

About MaineToday Media

Work Here

Media Kit

CentralMaine.com

MaineToday.com