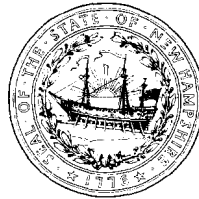


THE STATE OF NEW HAMPSHIRE

CHAIRMAN
Thomas B. Getz

COMMISSIONERS
Graham J. Morrison
Clifton C. Below

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland



PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

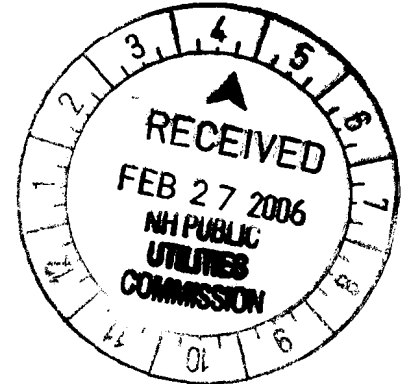
Tel. (603) 271-2431

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TDD Access: Relay NH
1-800-735-2964

Website:
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February 27, 2006



Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Re: DW 05-072 – Pennichuck East Utility, Inc.
Staff Recommendation regarding Temporary Rate Recoupment

Dear Ms. Howland:

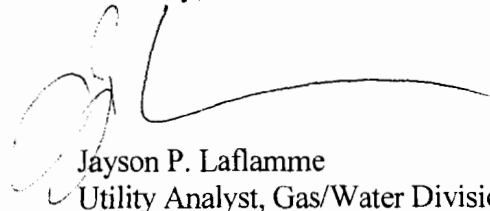
On February 23, 2006, Pennichuck East Utility, Inc. (PEU) presented the Commission Staff (Staff) with its proposal for recovery of the difference between what it collected under temporary rates and what it would have collected under permanent rates since the effective date of June 16, 2005. PEU's proposal was made in accordance with the terms of the Settlement Agreement in this docket which was approved in Commission Order No. 24,591 on February 24, 2006.

The current calculation presented by PEU follows the same format as Exhibit 14 referenced in Order No. 24,591. PEU is proposing to recoup a revenue differential totaling \$362,793.70 through the end of February 2006. Further, PEU proposed to recoup this differential through a surcharge per each of its customer classes over a 12 month period as follows: \$5.19 for residential customers; \$17.07 for commercial / municipal customers; \$6.24 for private fire protection; \$18.10 for private hydrants; and \$124.67 for municipal fire protection and hydrants. A copy of PEU's calculations are attached for your review.

February 27, 2006

Staff reviewed the calculations submitted by PEU and recommends that the Commission approve the respective surcharges in order to recover the total revenue differential between temporary and permanent rates of \$362,793.70. Staff is available to the Commission regarding any questions that it may have pertaining to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jayson P. Laflamme', with a long horizontal flourish extending to the right.

Jayson P. Laflamme
Utility Analyst, Gas/Water Division

Attachment: PEU Recoupment Calculations

cc: Service List

February 23, 2006

PEU Recoupment Calculations

DW 05-072

Actual Charges	2005	2005	2005	2005	2005	2005	2006	2006	
Customer Type	July Charges	August Charges	September Charges	October Charges	November Charges	December Charges	January Charges	February Charges	Total
Residential	284,574.62	289,208.16	289,800.53	298,919.81	195,061.23	181,598.75	218,808.26	194,279.93	1,952,251.29
Commercial/Municipal	43,565.84	42,171.59	41,162.52	53,309.53	43,194.24	31,828.80	47,420.94	39,696.74	342,350.20
Private Fire Protection	6,162.96	6,354.06	6,392.76	6,925.94	6,925.94	6,925.94	5,975.56	7,641.96	53,305.12
Private Hydrants	2,173.64	2,173.64	2,180.63	2,369.36	2,369.36	2,369.36	2,369.36	2,369.36	18,374.71
Municipal FP and Hydrants	14,229.30	14,336.80	14,363.68	19,223.19	16,554.55	15,684.57	15,535.92	15,952.52	125,880.53
	350,706.36	354,244.25	353,900.12	380,747.83	264,105.32	238,407.42	290,110.04	259,940.51	2,492,161.85

Recoupment Charges	July Charges	August Charges	September Charges	October Charges	November Charges	December Charges	January Charges	February Charges	Total	# of customers as of December 20, 2005	Recoupment per customer by class	Recoupment amount per month
Residential	30,943.04	44,133.17	44,223.56	45,615.16	29,766.34	27,711.97	33,390.14	29,647.12	285,430.50	4583	62.28	5.19
Commercial/Municipal	3,575.75	6,435.38	6,281.40	8,135.03	6,591.44	4,857.07	7,236.44	6,057.72	49,170.24	240	204.88	17.07
Private Fire Protection	441.38	969.63	975.54	1,056.90	1,056.90	1,056.90	911.87	1,166.16	7,635.27	102	74.86	6.24
Private Hydrants	133.47	331.70	332.76	361.56	361.56	361.56	361.56	361.56	2,605.75	12	217.15	18.10
Municipal FP and Hydrants	913.96	2,187.80	2,191.90	2,933.46	2,526.22	2,393.47	2,370.78	2,434.35	17,951.94	12	1,495.99	124.67
	36,007.60	54,057.67	54,005.16	58,102.12	40,302.47	36,380.97	44,270.79	39,666.92	362,793.70	4,949		
15.26% - prorated	15.26%	15.26%	15.26%	15.26%	15.26%	15.26%	15.26%	15.26%				

Work for July proration

	50- billed	50 - recoup \$	53 - billed	53 -billed to recoup	53 - recoup \$	54	54	55	55	55	56		
Residential	108,058.39	16,489.71	8,901.63	1,358.39	452.80	2,222.93	339.22	29,343.47	4,477.81	2,537.43	7,457.78	1,138.06	758.70
Commercial/Municipal	5,438.34	829.89	-	-	-	-	-	-	-	-	-	-	-
Private Fire Protection	382.20	58.32	155.23	23.69	7.90	-	-	-	-	-	-	-	-
Private Hydrants	77.63	11.85	-	-	-	-	-	-	-	-	-	-	-
Municipal FP and Hydrants	298.60	45.57	-	-	-	-	-	-	-	-	-	-	-
	114,255.16	17,435.34	9,056.86	1,382.08	460.69	2,222.93	393.22	29,343.47	4,477.81	2,537.43	7,457.78	1,138.06	758.70

	57	57	57	58	58	58	59	59	59	59		
Residential	72,303.47	11,033.51	4,045.62	52,222.44	7,969.14	5,844.04	4,064.51	620.24	475.52	30,943.04		
Commercial/Municipal	27,276.75	4,162.43	1,526.23	9,796.63	1,494.97	1,096.31	1,054.12	160.86	123.33	3,575.75		
Private Fire Protection	4,550.56	694.42	254.62	1,027.20	156.75	114.95	47.77	7.29	5.59	441.38		
Private Hydrants	2,018.38	308.00	112.94	77.63	11.85	8.69	-	-	-	133.47		
Municipal FP and Hydrants	12,341.40	1,883.30	690.54	1,589.30	242.53	177.85	-	-	-	913.96		
	118,490.56	18,081.66	6,629.94	64,713.20	9,875.23	7,241.84	5,166.40	788.39	604.43	36,007.60		