

**STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION**

**DOCKET NO. DW 13-126  
PENNICHUCK EAST UTILITY, INC.**

**SETTLEMENT AGREEMENT – TEMPORARY RATES**

**I. INTRODUCTION**

This Settlement Agreement (“Agreement”) is entered into this 9th day of October, 2013 by and between Pennichuck East Utility, Inc. (“PEU”) and the staff (“Staff”) of the New Hampshire Public Utilities Commission (“the Commission”).

**II. PROCEDURAL BACKGROUND**

On May 31, 2013, the Company submitted a permanent rate filing including revised tariff pages with an effective date of July 1, 2013 designed to increase its revenues by \$591,485, or 9.97%, on an annual basis. The Company also filed a Petition for Temporary Rates (Petition) seeking a temporary rate increase of \$415,437, or 7%, in annual revenues to take effect with service rendered on and after July 1, 2013. On June 20, 2013, the Commission issued an Order of Notice suspending the Company’s proposed revised tariff pages and scheduling a prehearing conference and technical session for July 19, 2013. The Commission issued a procedural schedule on July 22, 2013 scheduling, *inter alia*, a technical session and settlement conference on temporary rates for September 19, 2013, which was rescheduled to September 18, 2013, and a hearing on the Company’s temporary rate request for October 23, 2013.

On September 18, 2013, the Company, OCA, Staff, and the Town of Litchfield participated in a technical session and settlement conference during which they discussed the Company’s request for temporary rates. The Company and Staff reached agreement on the issue

of temporary rates, consistent with the Company's Petition, as set forth below. The OCA and the Town of Litchfield indicated that they would not oppose the settlement.

### **III. TERMS OF AGREEMENT**

The Company and Staff agree that the Company should be authorized, in accordance with RSA 378:27, to implement temporary rates sufficient to yield an increase of \$415,437, or 7%, in annual revenues, which will be spread uniformly across the various customer classes. See Attachment A, Report of Proposed Rate Changes, and Attachment B, Proposed Rate Impact on Residential Customer Bill. The temporary rates contemplated by this Agreement shall be effective for service rendered on and after July 1, 2013. Any difference between the temporary rates agreed to herein and the permanent rates ultimately approved by the Commission is subject to reconciliation back to July 1, 2013 upon the implementation of new permanent rates.

### **IV. CONDITIONS**

This Agreement is expressly conditioned upon the Commission's acceptance of all its provisions, without change or condition. If the Commission does not accept this Agreement in its entirety, any party hereto, at its sole option exercised within ten (10) days of such Commission order, may withdraw from this Agreement, in which event it shall be deemed to be null and void and without effect and shall not be relied upon by the Company, Staff, OCA, or any party to this proceeding or the Commission for any purpose.

The Commission's acceptance of this Agreement shall not constitute continuing approval of, or precedent regarding, any particular principle or issue in this proceeding, but such acceptance does constitute a determination that the provisions set forth herein in their totality are just and reasonable under the circumstances.

The Commission's approval of the recommendations in this Agreement shall not constitute a determination or precedent with regard to any specific adjustments, but rather shall constitute only a determination that the revenue requirement and rates resulting from this Agreement are just and reasonable for purposes of temporary rates in this proceeding.

The discussions that produced this Agreement have been conducted on the understanding that all offers of settlement relating thereto are and shall be confidential, shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in connection with any future proceeding or otherwise.

IN WITNESS WHEREOF, the parties to this Agreement have caused the Agreement to be duly executed in their respective names by their fully authorized agents.

PENNICHUCK EAST UTILITY, INC.

By its Attorneys

DEVINE, MILLIMET & BRANCH, P.A.

Dated: October 9, 2013

By:

  
Thomas B. Getz

STAFF OF THE NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

Dated: October 9, 2013

By:

  
Marcia A. Brown, Esq.

**Pennichuck East Utility, Inc.  
Report of Proposed Rate Changes  
For the Twelve Months Ended December 31, 2012**

Settlement Agreement  
Attachment A  
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<b>DOCKET NO:</b>	<b>DW 13-126</b>	<b>DATE FILED:</b>	<b>5/31/2013</b>
<b>TARIFF NO.:</b>	<b>1</b> or PAGE NOS. <b>38, 40, 42-44,45,48</b>	<b>EFF. DATE:</b>	<b>7/1/2013</b>

<u>Rate or Class of Service</u>	<u>Effect of Proposed Change</u>	<u>Average Number of Customers</u>	<u>Proposed Change</u>			
			<u>Current Rates</u>	<u>Temporary Rates</u>	<u>Amount</u>	<u>%</u>
G-M (1)	Increase	6,809	5,153,337	\$5,514,071	\$360,734	7.00%
Private FP (2)	Increase	137	202,989	217,198	\$14,209	7.00%
FP - Hydrants (Municipal)	Increase	4	554,677	593,505	\$38,827	7.00%
Public Hydrants (3)	Increase	-	23,815	25,482	\$1,667	7.00%
		6,950	5,934,818	6,350,255	415,437	7.00%
Capital Recovery Surcharge	No Increase		300,353	300,353		
<b>TOTALS</b>			<b>6,235,171</b>	<b>6,650,608</b>	<b>415,437</b>	

**Note:**

- (1) Includes minimum consumption charges for North Country customers.
- (2) Includes private fire services and private hydrants; number of customers is based on number of accounts.
- (3) 581 customers included in the other categories are billed a separate charge for public hydrant service.

Signed by:

Donald L. Ware  
Title: Chief Operating Officer



**Pennichuck East Utility, Inc.**  
**Proposed Rate Changes DW 13-126**  
**Proposed Rate Impact on Residential Customer Bill**  
**For the Twelve Months Ended December 31, 2012**

**Settlement Agreement**  
**Attachment B**  
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	<b>Current Rates</b>	<b>7.00% Temporary Increase</b>
<b>5/8" Meter</b>	\$ 197.88	\$ 211.68
Avg. Consumption/100 cu ft	77.00	77.00
Usage Rate	\$ 5.61	\$ 6.00
<b>Volumetric</b>	<b>\$431.97</b>	<b>\$462.00</b>
<b>Total Annual Bill</b>	<b><u>\$629.85</u></b>	<b><u>\$673.68</u></b>
<b>Monthly Bill</b>	<b><u>\$52.49</u></b>	<b><u>\$56.14</u></b>