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VIA ELECTRONIC AND MAIL DELIVERY

Dianne Martin, Chairwoman  
N.H. Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301

Re: Docket No. DW 19-084  
Pennichuck Water Works, Inc. – Permanent Rate Proceeding  
Cost of Service Phase-In Tariff Compliance Filing

Dear Chairwoman Martin:

In Order No. 26,425, dated November 24, 2020, the Commission approved a revenue requirement for Pennichuck Water Works, Inc. (PWW). In that order, with respect to how PWW recovers that revenue requirement, the Commission also approved a settlement agreement whereby rate design changes recommended by PWW's Cost of Service Study would be phased-in such that certain customer rate classes would change annually:

“The calculations provided include the approved phase-in of Municipal Fire Protection rates and concurrent impact on Other G-M Charges. *See Pennichuck Water Works, Inc.*, Settlement Agreement, June 24, 2020, at 42-44.<sup>2</sup> Order at 3.

<sup>2</sup> The settlement agreement set the initial increases of Municipal Fire Protection and Other G-M Charges at the same percentage, 10.17 percent, which subsequently adjusted each year thereafter for six years. The Municipal Fire Protection Service rate will increase by 3.00 percent over the prior year's rate, while the Other G-M Charges rate will decrease by a corresponding percentage designed to equalize the previously approved revenue requirement. Order at 3.”

During each subsequent year following initial implementation of the new rates and ending with year 6, the Municipal Fire Protection Service rates will increase by 3.00% over the prior year's rate. Concurrently, all Other G-M Charges<sup>17</sup> will decrease by a corresponding percentage designed to equalize the previously approved revenue requirement. For example, during the first subsequent year, Other G-M Charges will decrease by approximately 0.53%. Exh. 9, Settlement Agreement at 43.

<sup>17</sup> This specifically excludes G-M Residential Fixed Charges, Private Fire Protection Service Charges, and Special Contract Fixed Charges. Exh. 9, Settlement Agreement at 43.

In anticipation of the annual rate change set to occur on November 24, 2021, and to comply with the thirty days' notice requirement of RSA 378:3 and N.H. Code Admin. R. Puc 1603.07(a)(1), PWW hereby files an original and two copies of the attached compliance tariff pages: Page 43, Page 44, and Page 47. The compliance tariffs are in the format prescribed by N.H. Code Admin. R. Puc 1603.02(u) and Puc 1603.05. The revisions noted in the track-change version of these tariff pages reflect the pass-through of rate reductions (see tariff pages 43 and 47) caused by the Municipal Fire Protection customer class bearing 3% more (see tariff page 44) of the overall revenue requirement. As expected in the settlement agreement, the 3% increase resulted in a 0.53% reduction in the affected rates.

Rates unaffected by this phase-in of the Cost of Service Study recommendations are: G-M Monthly Customer charge for a 5/8" meter and the Monthly Customer Charge for a 1" meter with private residential fire service, Private Fire Protection Service Charges, and Special Contract Fixed Charges. For that reason, no tariff revisions were necessary for those customer classes.

PWW previously circulated these compliance tariffs to the parties and has not received any objections as of this date.

PWW appreciates the Commission's review of these required compliance tariffs. PWW looks forward to implementing the rate changes on November 24, 2021 on a service-rendered basis, pursuant to Order No. 26,425 and N.H. Code Admin. R. Puc 1203.05(b).

Very Truly Yours,



Marcia A. Brown

cc: Docket-Related Service List