

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 20-153

Pittsfield Aqueduct Company, Inc.
Permanent Rate Proceeding

SETTLEMENT AGREEMENT ON TEMPORARY RATES

I. INTRODUCTION

This settlement agreement (Agreement) is entered into by and between Pittsfield Aqueduct Company, Inc. (PAC) and Staff of the New Hampshire Public Utilities Commission (Staff) (together, Settling Parties). There are no intervenors or other participants in this proceeding.

II. BACKGROUND

On September 17, 2020, PAC filed its Notice of Intent to file rate schedules with the New Hampshire Public Utilities Commission (Commission). The Commission acknowledged this filing and opened the instant docket on September 21, 2020.

On November 16, 2020, PAC filed tariff schedules for effect December 17, 2020. PAC also filed testimony and supporting materials in accordance with PART Puc 1604, as well as a petition to modify its ratemaking structure. PAC explained in its filing that, as calculated under a conventional ratemaking model, PAC's rate of return for its test period was 1.44% which was much lower than its authorized rate of return of 3.81%. PAC also filed a petition for temporary rates, effective December 17, 2020, in the event the Commission suspends the taking effect of PAC's permanent rate tariffs. PAC asked that its currently approved rates be deemed temporary rates, effective December 17, 2020, for purposes of RSA 378:27 and 29.

On November 17, 2020, PAC posted to its web site a full copy of its rate filing, tariffs, and temporary rate request. Also on that date, PAC posted Answers to Frequently Asked Questions on its web site. On November 18, 2020, PAC mailed to each customer actual notice of the rate filing and proposed rates. On December 16, 2020, the Commission issued Order No. 26,435 suspending the taking effect of PAC's filed tariffs.

In a technical session following the prehearing conference held as scheduled on January 20, 2021, Staff and PAC developed a proposed procedural schedule, which Staff filed with the Commission on January 22, 2021. On January 26, 2021, the Commission approved the procedural schedule. That schedule called for filing any agreement on temporary rates no later than February 17, 2021.

III. SCOPE OF STIPULATION

A. This Agreement is entered into by PAC and Staff and represents all participants in this docket at the time of signature.

B. This Agreement constitutes PAC and Staff's recommendation to the Commission with respect to temporary rates in this docket.

C. Under this Agreement, PAC and Staff agree to this joint submission to the Commission as resolution of the issues specified herein only.

D. This Agreement shall not be deemed an admission by PAC or Staff that any allegation or contention in this proceeding by PAC or Staff, other than those specifically agreed to herein, is true and valid. This Agreement shall not be deemed to foreclose any party from taking any position in any future proceedings.

E. PAC and Staff agree that all documentation supporting the petition should be admitted as full exhibits for the purpose of consideration of this Agreement and be given the weight the Commission deems appropriate.

IV. TERMS OF AGREEMENT

A. The Settling Parties agree that, in accordance with RSA 378:27, current rates under the current revenue requirement methodology approved for PAC in Docket No. DW 13-128, Order No. 25,695 (July 22, 2014), may be made effective on a temporary basis for the pendency of this proceeding. PAC and Staff agree that such rates are just and reasonable and that given the recoupment mechanism afforded under RSA 378:29, the rates will yield operating revenues sufficient to enable PAC to pay its expenses.

B. PAC and Staff agree that the effective date for the temporary rates should be December 17, 2020, on a service-rendered basis. This date is subsequent to the actual notice provided to customers of PAC's rate filing.

C. PAC and Staff agree that temporary rates should be subject to reconciliation, pursuant to RSA 378:29, after the final determination of permanent rates by the Commission.

V. CONDITIONS

A. This Agreement is expressly conditioned upon the Commission's acceptance of all its provisions, without change or condition. If the Commission does not accept the Agreement in its entirety, without change or condition, or if the Commission makes any findings that go beyond the scope of this Agreement, and PAC and Staff are unable to agree with said changes, conditions or findings, the Agreement shall be deemed to be withdrawn by the Settling Parties and PAC and Staff agree that it shall not constitute any part of the record in this proceeding and shall not be used for any other 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.

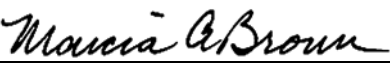
B. The discussions that produced this Agreement have been conducted on the explicit understanding that all offers of settlement relating thereto are and shall be confidential, shall be without prejudice to the position of any party or participant representing any such offer or participating in any such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

C. This Agreement may be signed electronically, by facsimile, and in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all Settling Parties.

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

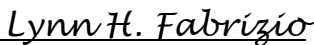
PITTSFIELD AQUEDUCT COMPANY, INC.
By its Attorney,

Dated: February 17, 2021


Marcia A. Brown, Esq.

STAFF OF THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION
By its Attorney,

Dated: February 17, 2021


Lynn H. Fabrizio, Esq.