



INSIGHT MATTERS

James J. Steinkrauss
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(603) 410-4314
Please reply to: Concord Office

December 11, 2023

VIA ELECTRONIC MAIL

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

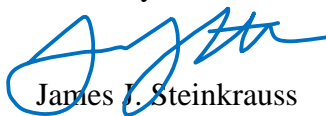
**Re: Petition of Pennichuck East Utility, Inc. for Approval
of Proposed 2023 Qualified Capital Project
Adjustment Charge
Docket DW 23-013**

Dear Chairman Goldner:

On behalf of Pennichuck East Utility, Inc., please find the attached Affidavit of Compliance with exhibits evidencing publication of the Commission’s Order *Nisi* No. 26,907 (“Order”) issued in Docket No. DW 23-013 on the Company’s website on November 30, 2023, and insertion of billing messages in customer bills in the billing cycle following issuance of the Order. This Affidavit of Compliance is filed pursuant to the Order and PUC Rules 203.12(b) and this filing does not contain any confidential information.

This filing is made electronically in accordance with the Secretarial Letter dated March 17, 2020. Please let me know if you have any questions or concerns. Thank you for your attention to this matter.

Sincerely,



James J. Steinkrauss

Enc.

Cc: Service List (via electronic mail)

One Capital Plaza
Concord, NH 03302-1500
T (603) 226-2600
F (603) 226-2700

20 Trafalgar Square
Suite 307
Nashua, NH 03063
T (603) 889-9952
F (603) 595-7489

120 Water Street
2nd Floor
Boston, MA 02109
T (617) 523-8080
F (603) 226-2700

26 State Street
Suite 9
Montpelier, VT 05602
T (802) 552-4037
F (603) 226-2700

1855 Elm Street
Manchester NH 03104
T (603) 226-2600

STATE OF NEW HAMPSHIRE
PUBLIC UTILITY COMMISSON
Docket No. DW 23-013

_____))
_____))
PENNICHUCK EAST UTILITY, INC.)
_____))
Petition for 2023 Qualified Capital Project Adjustment)
Charge)
_____))
_____)

Affidavit of Notice Compliance

On November 30, 2023, Pennichuck East Utility, Inc. (hereinafter “Company”) published on its website Order *Nisi* No. 26,907 (“Order”) approving the Company’s Petition for the 2023 Qualified Capital Project Adjustment Charge issued by the NH Public Utility Commission (“Commission”) on November 30, 2023, in Docket No. DW 23-013. This publication was done pursuant to PUC Rule 203.12(b) and in accordance with the terms of the Order. A true and accurate copy of the evidence of publication on the Company’s website is attached hereto as Exhibit A, in accordance with PUC Rule 203.12(d).

The Company will also commence insertion of a billing insert message to its customers regarding the Order approving the Company’s 2023 QCPAC Petition. The billing message will provide a link to the Order which is posted on the Company’s website in customer bills starting on December 7, 2023, December 14, 2023, December 21, 2023, and ending on December 28, 2023. This is the first billing cycle to the Company’s customers following the issuance of the Order. A copy of a sample bill with the billing message is attached as Exhibit B. The billing insert messages are provided in accordance with Order 26,907.

Signed under the pains and penalties of perjury this the 8 day of December 2023.

By: Tara C King
Tara C. King
Director of Revenue & Customer Operations

EXHIBIT A

Copy of the Publication of Order No. 26,907 on the Company's Website

Customer Service (800) 553-5191 📞

Search ... 🔍



📌 @PennichuckWaterCareers
📌 @PennichuckWater
📌 LinkedIn

Pay Online

Home

My Water System

About Us

General Information for Our Water Customers

Flushing Program

Water Restrictions & Conservation

Household Hazardous Waste Collection

Water Quality

Source Water Protection

Board of Directors – Meetings, Minutes, and Corporate Governance

Management and Financial Information

Contracted Water Operational Services

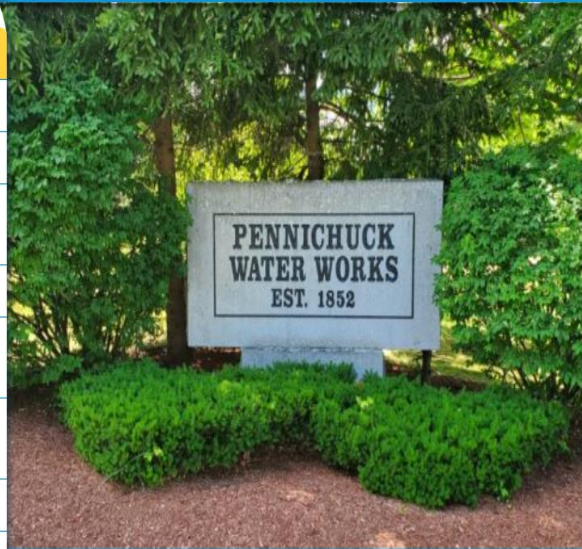
Engineering

Career Opportunities

Useful Resources

Contact Us

Respectful Workplace Policy



Public Utilities Commission (PUC) Activity: Please click here to view all filings, petitions, and orders.

Mission: Pennichuck Corporation's Mission is to be a premier supplier of water in New Hampshire by providing reliable, high quality, and affordable water in sufficient quantities, and New England's premier supplier of water related contract services by providing high quality solutions to meet our customer's needs.

WHAT'S NEW

[Pennichuck East Utility, Inc., Petition for Approval of 2023 Qualified Capital Project Adjustment Charge - Order NISI Approving Settlement](#)

In this order, the Commission approves the request of Pennichuck East Utility, Inc. (PEU, or the Company) to implement a 2023 Qualified Capital Project Adjustment Charge (QCPAC) of 1.35 percent of base revenue for capital projects placed in service in 2022.

PWW's petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at www.puc.nh.gov/Regulatory/Docketbk/2023/23-013.html.

[See order here.](#)

[Pennichuck Water Works Request for Change in Rates -](#)

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 23-013

PENNICHUCK EAST UTILITY, INC.

Petition for Approval of 2023 Qualified Capital Project Adjustment Charge

Order *Nisi* Approving Settlement

O R D E R N O. 26,907

November 30, 2023

In this order, the Commission approves the request of Pennichuck East Utility, Inc. (PEU, or the Company) to implement a 2023 Qualified Capital Project Adjustment Charge (QCPAC) of 1.35 percent of base revenue for capital projects placed in service in 2022. The 2023 QCPAC is approved effective September 25, 2023, with billing of this charge to begin on the effective date of this order. When added to PEU's previously approved permanent base rates and subsequent QCPAC adjustments,¹ this results in a cumulative adjustment of 6.31 percent. Overall, this increases the average residential customer's monthly bill by \$1.14 per month to \$89.63. The Commission also approves recovery over three months of a QCPAC recoupment charge of \$1.20, subject to a final calculation submitted within 14 days of this order, for service rendered between September 25, 2023 and the effective date of this order. The Commission also approves a modification to the QCPAC budget reporting schedule.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of, and granted by, the Commission, are posted on the Commission's website at

<https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-013.html>

¹ See DW 20-156 for the permanent base rates, as well as DW 21-022 for the 2021 QCPAC of 4.02 percent and DW 22-005 for the 2022 QCPAC of 0.94 percent.

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I. PROCEDURAL HISTORY

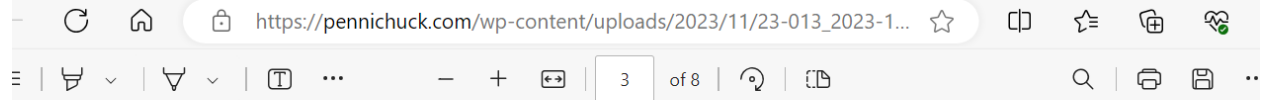
PEU is a regulated public utility that provides water service to customers in southern and central New Hampshire. On February 14, 2023, PEU filed a petition for approval of a 2023 QCPAC to reflect eligible capital investments completed in 2022 and preliminary approval of its 2023 budget for further capital improvements (Petition). The filing also included, for informational purposes, forecasted capital project expenditures for 2024 and 2025. Finally, the petition requested a modification of PEU's QCPAC budget update requirements.

The Petition was supported by the direct testimonies of Chief Operating Officer Donald L. Ware and Chief Engineer John J. Boisvert. The NH Department of Energy (DOE) filed a notice of appearance pursuant to RSA 12-P:9 on February 23, 2023. The DOE's Audit Staff completed a Final Audit Report of PEU's 2022 Qualified Capital Project Adjustment Charge dated August 3, 2023. *See Settlement* at 27. No other appearances or petitions to intervene were filed. On October 30, 2023, PEU and the DOE (Settling Parties) filed a settlement agreement (Settlement).

II. SETTLEMENT

The Settlement proposes a 2023 QCPAC in the amount of 1.35 percent of base revenue for capital projects placed in service in 2022. The resulting surcharge is proposed to be applied to current rates approved in Docket DW 20-156 by Order No. 26,586 on February 18, 2022 and added to the 4.02 percent 2021 QCPAC as approved in Docket DW 21-022 by Order No. 26,608 on April 8, 2022 and the 2022 QCPAC of 0.94 percent approved in Docket No. DW 22-005 by Order No. 26,767. The resulting cumulative QCPAC is 6.31%. *See Settlement* at page 10, ¶ 18.

In addition, the Settlement recommended that the Commission approve recoupment of the 2022 QCPAC effective for service rendered as of the date of the



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2023 CoBank Loan Closing on September 25, 2023, until the date of the Commission's order approving the 2023 QCPAC. *See Settlement* at page 11 ¶21.

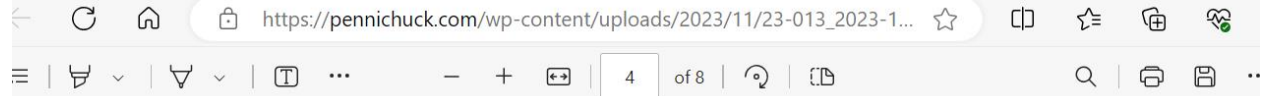
The Settlement proposed approval of an additional charge of \$1.20 per month for a period of three months to permit recoupment of interest and principal payment costs from the date of the CoBank Loan closing of September 25, 2023 to an anticipated order issuance date of December 30, 2023 in this proceeding.²

The Settling Parties recommended preliminary approval of the proposed 2023 capital projects totaling a budget of \$2,700,600. Overall, this would result in a 3.25 percentage point increase in PEU's cumulative QCPAC to 9.56 percent in 2024. This would result in and lead to a projected cumulative surcharge of \$8.06 per month. When added to the average base rate charge of \$84.31 for the average single-family residential customer, this results in a projected monthly bill of \$92.37. *See Settlement* at 12-13.

Consistent with the process approved in Order No. 26,179, the Settlement also recommended that the Commission accept proposed 2024 and 2025 capital expense projects that are provided for informational purposes in the Agreement. *See Settlement* at page 13 ¶27.

Finally, the Settling Parties recommend that the Commission approve a modification to PEU's budget update reporting requirement that would consist of one report on December 15 for the period ending on October 31. The December 15th date was chosen to align with the end of PWW's annual construction season. The Settling Parties suggest that modification from two reports to one will reduce time, effort and expenses, including legal costs, for relevant parties and allow the Commission to

² The recoupment charge is expected to differ slightly from the proposed amount, based on the date of issuance of this order.



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receive a full and complete update of the Company's capital project budgets and any accounting updates. *See Id.* at 15.

III. COMMISSION ANALYSIS

Pursuant to RSA 374:2, RSA 378:7, and RSA 378:28, the Commission is authorized to determine the just and reasonable rates to be charged by PEU. The Commission approved the QCPAC mechanism to replace the previously approved Water Infrastructure and Conservation Adjustment rate mechanism. *See, e.g.,* Order No. 26,070 (November 7, 2017) at 15-17; and Order No. 26,313 (December 6, 2019) at 7. The QCPAC mechanism enables PEU to make necessary capital improvements to its systems while maintaining sufficient cash flow to meet debt service and operating requirements. *See* Order No. 26,608 (April 8, 2022) at 7.

PEU filed data regarding the \$2,000,878 in Qualified Capital Projects it placed in service during 2022. The DOE's Regulatory and Audit Staff reviewed those projects and determined that each project is used and useful in service to PEU customers. *See* Settlement at Attachment B (Final Audit Report – DW 23-013, August 3, 2023). The Commission has reviewed the information contained in the record and finds that the 2022 qualified capital project expenditures of \$2,000,878 were prudently incurred and are used and useful.

Based on our review of the filings and the Settlement reached between PEU and the DOE, we approve the petition as modified by the Settlement. We approve a 2023 cumulative QCPAC of 6.31 percent, which results in a surcharge of \$5.32 per month above the current monthly bill of \$84.31 for an average single-family residential customer. This customer will now be paying a monthly bill of \$89.63. We approve adding the proposed 2023 QCPAC surcharge to customer bills on the effective date of

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this order so that PEU may begin recovery of debt and property tax expenses associated with the completed projects.

We also approve the recoupment of costs from September 25, 2023, the date of PEU's closing of its loan with CoBank, to the effective date of this order *nisi*, for the purpose of paying off debt and interest incurred for investments associated with 2022 eligible QCPAC assets. The recoupment amount will be recovered over a three-month period, as recommended in the Settlement, and will result in a monthly recoupment surcharge for the average single family residential home of approximately \$1.20. Accordingly, the Commission approves a monthly recoupment surcharge as described herein as of the effective date of this order.

We further preliminarily approve the proposed 2023 capital budget of \$2,700,600 and will review the prudence of those projects in the next QCPAC filing. We accept for informational purposes PEU's 2024 and 2025 capital project budgets of \$1,943,600 and \$1,625,600, respectively.

Finally, the Commission agrees that consolidation of PEU's budget update reporting requirement to one December 15 report will help reduce expenses, including legal costs incurred by the Company, thereby benefiting PEU's ratepayers. The single report does not impede the Commission's ability to review the Company's expenditures. Accordingly, the Commission approves the modified reporting schedule. PEU shall be required to provide one annual report on December 15, reflecting updates for the period ending on October 31 of that year.

Based upon the foregoing, it is hereby

ORDERED *NISI*, Pennichuck East Utility, Inc.'s request for a 2023 QCPAC of 1.35 percent to recover costs for 2022 projects, effective September 25, 2023, is

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APPROVED with billing of this charge to begin on the effective date of this order; and it is

FURTHER ORDERED, that the proposed monthly recoupment surcharge collected over a three-month period from September 25, 2023 through the effective date of this order is **APPROVED**; and it is

FURTHER ORDERED, that Pennichuck East Utility, Inc. shall submit to the New Hampshire Department of Energy and the New Hampshire Public Utilities Commission a final calculation of the recoupment surcharge to be applied to customer bills within 14 days of the date of this order *nisi*; and it is

FURTHER ORDERED, that Pennichuck East Utility, Inc.'s proposed 2023 capital budget is **APPROVED** on a preliminary basis and subject to further audit and review; and it is

FURTHER ORDERED, that Pennichuck East Utility, Inc.'s preliminary 2024 and 2025 capital budgets are **ACCEPTED** for informational purposes only; and it is

FURTHER ORDERED, that modification of Pennichuck East Utility, Inc.'s budget update reporting requirement to December 15 of each year is **APPROVED**; and it is

FURTHER ORDERED, that Pennichuck East Utility, Inc' shall cause a copy of this Order *Nisi* to be published on the Company's website no later than December 4, 2023, and provide each of its customers a website link to this order, made available through a bill insert in the next billing period following the issuance of this order, both to be documented by an affidavit filed with the Commission on or before December 11, 2023; and it is

FURTHER ORDERED, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing,

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which states the reason and basis for a hearing, no later than December 11, 2023;
and it is

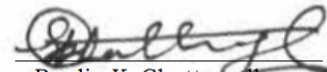
FURTHER ORDERED, that any party interested in responding to such
comments or request for hearing shall do so no later than December 17, 2023; and it
is

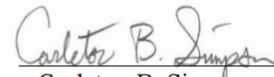
FURTHER ORDERED, that this order shall be effective December 30, 2023,
unless Pennichuck East Utility, Inc. fails to satisfy the publication obligation set forth
above or the Commission provides otherwise in a supplemental order issued prior to
the effective date; and it is

FURTHER ORDERED, that Pennichuck East Utility, Inc. shall file a compliance
tariff with the Commission on or before January 2, 2024.

By order of the Public Utilities Commission of New Hampshire this thirtieth day
of November 2023.


Daniel C. Goldner
Chairman


Pradip K. Chattopadhyay
Commissioner


Carleton B. Simpson
Commissioner

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Service List - Docket Related

Docket#: 23-013

Printed: 11/30/2023

Email Addresses

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Suzanne.G.Amidon1@energy.nh.gov
wfa@rathlaw.com
john.boisvert@pennichuck.com
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chris.countie@pennichuck.com
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ocalitigation@oca.nh.gov
jjs@rathlaw.com
George.Torres@Pennichuck.com
smw@rathlaw.com
donald.ware@pennichuck.com

EXHIBIT B

**The PEU Customer Billing Insert Message Containing the Link to the
Company's Website Posting of Order No. 26,907
and Sample Bill**

"NHPUC ORDER FOR QUALIFIED CAPITAL PROJECT ADJUSTMENT CHARGE
APPROVED 11/30/23. THE ORDER CAN BE VIEWED VIA THE FOLLOWING URL:
WWW.PENNICHUCK.COM/DW-23-013-26907.PDF"



PO Box 428 Nashua, NH 03061-0428

603-882-5191, 800-553-5191
Fax 603/913-2362

PEU 2023 QCPAC Petition
Docket No. DW 23-013
Proof of Publication - Sample Bill
Order No. 26,907 - Page 1 of 2
www.pennichuck.com
customer-service@pennichuck.com

| For Service At | | Division | Route Number | Account Number | | | |
|----------------|------------|-------------------------|--------------|------------------|-----------------|-------------|----------------|
| LONDONDERRY NH | | Pennichuck East Utility | 5722 | | | | |
| Meter Number | From | To | Days | Previous Reading | Current Reading | Consumption | Next Read Date |
| | 10/25/2023 | 11/28/2023 | 34 | 1053 | 1054 | 1 | 12/25/2023 |

Note Please go to www.pennichuck.com/CCR-K1.pdf to view your 2023 Annual Water Quality report and learn more about your drinking water. This report contains important information about the source and quality of your drinking water. If you would like a paper copy of the 2023 Annual Water Quality Report mailed to your home, please call our customer service department at 800-553-5191.

| | |
|---------------------------------------|----------------|
| Previous Balance | \$43.62 |
| Payment Since Last Bill | \$43.62 |
| Adjustment Since Last Bill | \$0.00 |
| Balance Before Current Charges | \$0.00 |

| Billed Usage History (in ccft) | | | |
|--------------------------------|-----------|-----------|-------|
| Read Date | Read Code | Read Days | Usage |
| 10/25/2023 | A | 29 | 2 |
| 09/26/2023 | A | 28 | 0 |
| 08/29/2023 | A | 35 | 2 |
| 07/25/2023 | A | 28 | 1 |
| 06/27/2023 | A | 27 | 2 |
| 05/31/2023 | A | 36 | 14 |
| 04/25/2023 | A | 28 | 0 |
| 03/28/2023 | A | 34 | 0 |
| 02/22/2023 | A | 29 | 0 |
| 01/24/2023 | A | 27 | 0 |
| 12/28/2022 | A | 29 | 2 |
| 11/29/2022 | A | 35 | 1 |

| New Charges - ACTUAL READ | |
|--------------------------------|---------|
| PEU CONSUMPTION 1 CCF @ \$9.50 | \$9.50 |
| PEU MTHLY MTR 5/8" | \$22.56 |
| PEQCP | \$1.59 |

CURRENT CHARGES ARE DUE BY: 01/01/2024

NHPUC ORDER FOR THE 2023 QUALIFIED CAPITAL PROJECT ADJUSTMENT CHARGE

APPROVED 11/30/23. THE ORDER CAN BE VIEWED VIA THE FOLLOWING URL:

WWW.PENNICHUCK.COM/DW-23-013-26907.PDF

| | |
|------------------------|----------------|
| Current Charges | \$33.65 |
| New Balance | \$33.65 |

This bill includes a Qualified Capital Project Adjustment Charge (QCPAC) of 4.96%. For additional information regarding the QCPAC charge please refer to the back of your bill

Detach and return this portion with your payment.

PLEASE DO NOT FOLD OR STAPLE

PENNICHUCK
PO Box 428 Nashua, NH 03061-0428

| Account Number | Division | Bill Date | Pay on or Before |
|----------------|-------------|------------|------------------|
| | LONDONDERRY | 12/07/2023 | 01/01/2024 |

| Total Due |
|----------------|
| \$33.65 |

The 2023 Annual Water Quality Report is now available on-line at www.pennichuck.com/CCR-K1.pdf

AMOUNT ENCLOSED

FOR SERVICE AT: [Redacted]



The 2023 Annual Water Report is available electronically at the url indicated above, however, if you would prefer a paper copy mailed to your home, please check this box

Please make checks payable to Pennichuck Water



00003365

IMPORTANT

APPLICABLE RATES, RULES AND REGULATIONS UNDER WHICH SERVICE IS FURNISHED ARE ON FILE AT THE OFFICE OF PENNICHUCK WATER WORKS. COPIES MAY BE OBTAINED UPON REQUEST.

CUSTOMER OF RECORD WILL BE CHARGED FOR ALL WATER PASSING THROUGH THE METER. IF WE ARE UNABLE TO GAIN ACCESS TO READ THE METER, THE BILL WILL BE ESTIMATED FOR THE BILLING PERIOD.

FOR AN EXPLANATION OF THE CHARGES ON YOUR BILL PLEASE VISIT OUR WEBSITE WWW.PENNICHUCK.COM OR CONTACT CUSTOMER SERVICE AT 800-553-5191

THE CUSTOMER OF RECORD MUST KEEP THE METER ACCESSIBLE FOR READING AND INSPECTION AT ALL TIMES. ANY METER DAMAGED THROUGH THE NEGLIGENCE OF THE CUSTOMER WILL BE REPAIRED AT THEIR EXPENSE.

PLEASE NOTIFY OUR OFFICE IMMEDIATELY UPON CHANGE OF OWNERSHIP OR MAILING ADDRESS. UNTIL THE OFFICE IS NOTIFIED, THE CUSTOMER OF RECORD IS RESPONSIBLE FOR ALL CHARGES.

IF THERE IS A MEDICAL REASON FOR NON-PAYMENT, A STATEMENT FROM YOUR PHYSICIAN WILL BE NECESSARY.

FOR YOUR CONVENIENCE, A MAIL SLOT IS LOCATED AT 25 WALNUT STREET, NASHUA, NH.

THE FIRST CONTACT FOR THE RESOLUTION OF ANY CONSUMER INQUIRY OR COMPLAINT SHOULD BE DIRECTED TO PENNICHUCK WATER WORKS.

**CUSTOMER SERVICE HOURS
MONDAY-THURSDAY 7:30 AM TO 7:00 PM
FRIDAY 7:30 AM TO 5:00PM**

24 HOUR SERVICE 800-553-5191

IMPORTANT NOTICE - YOUR RIGHTS

BY NH PUBLIC UTILITIES COMMISSION ORDER NO.14.411 YOU ARE ADVISED THAT YOU MAY BRING ANY COMPLAINT, PROBLEM, CONCERN OR COMMENT TO THE ATTENTION OF THE CONSUMER ASSISTANCE DEPARTMENT AT THE PUBLIC UTILITIES COMMISSION BY CALLING 1-800-852-3793 or 603-271-2431, BY MAIL TO 21 S. FRUIT STREET, SUITE 10, CONCORD, NH 03301-2429, OR LOG ONTO THEIR WEBSITE AT WWW.PUC.NH.GOV

QCPAC Explanation: Your current bill includes a Qualified Capital Project Adjustment Charge. This charge covers the costs of infrastructure replacements and improvements completed to insure the reliable delivery of water to you that meets all the water quality standards of the Safe Drinking Water Act. Further information may be obtained from our website www.pennichuck.com or by contacting our customer service department at 1-800-553-5191.

Authorization Agreement for Direct Payments (ACH Debits)

Company Name: _____ Pennichuck Account #: _____
I (we) hereby authorized Pennichuck Water, hereinafter called the Company, to initiate debit entries to my (our): _____ Checking Account _____ Savings Account indicated below and financial institute named below, and to debit the same to such account.
Financial Institute Name: _____ Branch: _____
City: _____ State: _____ Zip: _____
Routing #: _____ Account #: _____

This authorization is to remain in full force and effect until at such time I decide to discontinue this payment service and have notified the Company in such a manner as to afford the Company a reasonable Opportunity to act on it.

Name: _____ Date: _____

Signature: _____ Daytime Phone #: _____

Please call Customer Service with any questions 800-553-5191

DIRECT PAYMENT WILL NOT BE EFFECTIVE FOR THIS BILL. PLEASE REMIT PAYMENT AS USUAL