

ORIGINAL
N.H.P.U.C. Case No. DW 10-090
Exhibit No. # 6
Witness Panel'
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DW 10-090
Exhibit 6

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DW 10-090

PITTSFIELD AQUEDUCT COMPANY, INC.

Petition for Rate Increase

SETTLEMENT AGREEMENT – PERMANENT RATES

I. INTRODUCTION

This Agreement is entered into this 21st day of April, 2011, between Pittsfield Aqueduct Company, Inc. (Pittsfield or Company) and the Staff (Staff) of the New Hampshire Public Utilities Commission (Commission) with the intent of resolving issues in this proceeding. Pittsfield and the Staff are referred to collectively in this Agreement as the Settling Parties.

II. TERMS OF AGREEMENT

The Settling Parties have reached agreement on all issues as specified below.

A. Revenue Requirement; Rate Base; Rate of Return; Capital Structure

The Settling Parties agree that the Commission should authorize a revenue requirement of \$713,242 for Pittsfield based on a pro forma test year rate base of \$1,900,499, operating expenses of \$376,763 and an overall rate of return of 7.60%. The overall rate of return is based on a cost of equity of 9.75%, a cost of long-term debt of 7.0% and a capital structure of 49.5% debt and 50.5% equity. The revenue requirement agreed to by the Settling Parties results in an increase of \$105,983, or 17.45%, over pro forma test year operating revenues of \$607,259. (See schedules included as Attachment A.)

The Settling Parties agree that the foregoing revenue requirement represents a reasonable compromise of all issues relating to the revenue requirement pending before the Commission for