

the Company begin to collect the QCPAC at the same time that interest begins accruing, and the payment obligation starts to run for principal repayments on these loans.

12. Based on the total costs as described in Mr. Ware's testimony and exhibits, and the assumed 5.0% interest rate on the long term CoBank loan, the Company estimates a QCPAC surcharge of 4.08%. When added to the rates sought in the rate case in Docket No. DW 20-156, with an average monthly single-family bill is projected to be \$85.40. The projected 4.08% 2021 QCPAC will result in an increase of \$3.49 per month or a projected average monthly bill of \$88.89.

13. This estimate will be updated once the CoBank loan has been issued and the interest rate is established.

14. The Company is seeking recoupment of the QCPAC between its implementation on a service rendered basis for bills issued after the final QCPAC order has been issued and the tariff pages are approved, permanent rates from DW 20-156 are approved and effective and the date the Company closed on its loan with CoBank. Assuming the 2021 QCPAC in February 2021, this will result in estimated six months of QCPAC surcharge to be recouped. It is necessary to recoup the QCPAC back to the date of the loan closing with CoBank as interest on the CoBank loan begins accruing on the loan closing date. Interest on the SRF loan begins accruing in June 2021 with the first principal payment on these loans due on July 1, 2021. Absent the ability to recoup all of the cash necessary to pay the accrued interest, as well as the first principal payments on these loans there will be a shortage of cash required to make these first interest and principal payments. The Company is requesting the recoupment be implemented on a service rendered basis in accordance with PUC 1203.05.

capital or refill rate stabilization funds without the need to borrow, ratepayers will ultimately benefit by reductions in debt payments that would be recovered through future QCPAC and rate adjustments.

### **Conclusion**

WHEREFORE, by this petition, PEU respectfully requests that the Commission:

(a) Approve PEU's 2020 projects for recovery under the QCPAC mechanism in 2021 and authorize PEU to bill and collect a 2021 QCPAC surcharge, currently estimated to be 4.08%. The requested 4.08% QCPAC surcharge will be recouped on a service rendered basis (back to July 31, 2021);

(b) Approve on a preliminary basis PEU's proposed 2021 projects as being eligible for recovery through the QCPAC surcharge mechanism, subject to the Commission's audit and prudence review of the final costs associated with those projects; and subject to further refinement through quarterly updates filed with the Commission for the purpose of keeping the Commission apprised of the Company's progress with regard to its 2021 projects (to be filed on or before July 15, October 15 and January 15) and further subject to the Commission's review with the Company's 2022 QCPAC filing;

(c) Receive for information purposes only PEU's proposed 2022 and 2023 projects;

(d) Grant PEU authority to pay the interest incurred on the FALOC by incorporating the interest into the amounts borrowed under the for CoBank loan to be used to pay off the FALOC; and

(e) Take such further action and make such other findings and orders as in its judgment may be just, reasonable, and in the public good.

the Company begin to collect the QCPAC at the same time that interest begins accruing, and the payment obligation starts to run for principal repayments on these loans.

12. Based on the total costs as described in Mr. Ware's testimony and exhibits, and the assumed 5.0% interest rate on the long term CoBank loan, the Company estimates a QCPAC surcharge of 4.08%. When added to the rates sought in the rate case in Docket No. DW 20-156, with an average monthly single-family bill is projected to be \$85.40. The projected 4.2808% 2021 QCPAC will result in an increase of \$3.49 per month or a projected average monthly bill of \$88.89.

13. This estimate will be updated once the CoBank loan has been issued and the interest rate is established.

14. The Company is seeking recoupment of the QCPAC between its implementation on a service rendered basis for bills issued after the final QCPAC order has been issued and the tariff pages are approved, permanent rates from DW 20-156 are approved and effective and the date the Company closed on its loan with CoBank. Assuming the 2021 QCPAC in February 2021, this will result in estimated six months of QCPAC surcharge to be recouped. It is necessary to recoup the QCPAC back to the date of the loan closing with CoBank as interest on the CoBank loan begins accruing on the loan closing date. Interest on the SRF loan begins accruing in June 2021 with the first principal payment on these loans due on July 1, 2021. Absent the ability to recoup all of the cash necessary to pay the accrued interest, as well as the first principal payments on these loans there will be a shortage of cash required to make these first interest and principal payments. The Company is requesting the recoupment be implemented on a service rendered basis in accordance with PUC 1203.05.

capital or refill rate stabilization funds without the need to borrow, ratepayers will ultimately benefit by reductions in debt payments that would be recovered through future QCPAC and rate adjustments.

### Conclusion

WHEREFORE, by this petition, PEU respectfully requests that the Commission:

(a) Approve PEU's 2020 projects for recovery under the QCPAC mechanism in 2021 and authorize PEU to bill and collect a 2021 QCPAC surcharge, currently estimated to be 4.~~28~~08%. The requested 4.08% QCPAC surcharge will be recouped on a service rendered basis (back to July 31, 2021);

(b) Approve on a preliminary basis PEU's proposed 2021 projects as being eligible for recovery through the QCPAC surcharge mechanism, subject to the Commission's audit and prudence review of the final costs associated with those projects; and subject to further refinement through quarterly updates filed with the Commission for the purpose of keeping the Commission apprised of the Company's progress with regard to its 2021 projects (to be filed on or before July 15, October 15 and January 15) and further subject to the Commission's review with the Company's 2022 QCPAC filing;

(c) Receive for information purposes only PEU's proposed 2022 and 2023 projects;

(d) Grant PEU authority to pay the interest incurred on the FALOC by incorporating the interest into the amounts borrowed under the for CoBank loan to be used to pay off the FALOC; and

(e) Take such further action and make such other findings and orders as in its judgment may be just, reasonable, and in the public good.