

**Pennichuck East Utilities, Inc.**  
**DW 21-022**  
2021 QCPAC - Qualified Capital Project Adjustment Charge  
Responses to Staff Data Requests –Tech Session Set 2

Date Request Received: 12/29/21  
Request No. Staff Tech 2-1

Date of Response: 12/29/21  
Witness: Donald L. Ware

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**REQUEST:**

**Re: Attachment DOE DR 2-1, Exhibit DLW-1 (Updated 12/1/21), Page 1, Column B:** Please update the 'Requested DW 20-156 Revenue Requirement' to reflect that which was proposed in the Settlement Agreement presented in DW 20-156. Specifically, the 'Debt Service Revenue Requirement (DSRR 1.0)' (Cell B17) should be updated from \$1,744,197 to \$1,739,398.

**RESPONSE:**

The Requested DW 20-156 Revenue Requirement has been updated to \$1,739,398 reflecting the settlement agreement amount for the Debt Service Revenue Requirement on the attached, revised Exhibit DLW-1 (Updated 12/29/2021).

**Pennichuck East Utilities, Inc.**  
**DW 21-022**

2021 QCPAC - Qualified Capital Project Adjustment Charge  
Responses to Staff Data Requests –Tech Session Set 2

Date Request Received: 12/29/21  
Request No. Staff Tech 2-2

Date of Response: 12/29/21  
Witness: Donald L. Ware

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REQUEST:

**Re: Company's Response to Energy 2-9 and Attachment DOE 2-1, Exhibit DLW-1 (Updated 12/1/21), Cells I14, L14, and O14:** While the formulas contained in these cells eliminate the application of the MOEF on the current year's plant additions, it does not eliminate application of the MOEF on prior year's plant additions, as follows:

**Cell I14:**  $\$7,261,628 + \$109,255 + \$4,370 \text{ (A)} + \$28,265 = \$7,403,518$

**Cell L14:**  $\$7,261,628 + \$109,255 + \$4,370 \text{ (A)} + \$28,265 + \$1,131 \text{ (B)} + \$213 = \$7,404,862$

**Cell O14:**  $\$7,261,628 + \$109,255 + \$4,370 \text{ (A)} + \$28,265 + \$1,131 \text{ (B)} + \$213 + \$9 \text{ (C)} + \$58,855 = \$7,463,726$

(A)  $\$109,255 \times .04 = \$ 4,370$

(B)  $\$ 28,265 \times .04 = \$ 1,131$

(C)  $\$ 213 \times .04 = \$ 9$

Please correct and/or explain.

RESPONSE:

Per the discussion during the December 29, 2021 Tech Session, the Company and DOE staff agreed that the MOEF should not apply to the QCPAC operating expenses. The attached, revised Exhibit DLW-1 eliminates the application of the MOEF to the QCPAC operating expenses.

**Pennichuck East Utilities, Inc.**  
**DW 21-022**  
**Computation of QCPAC Surcharge**  
**2/11/2021**

PEU QCPAC Filing  
 Exhibit DLW-1  
 Page 1

Revised 6/2/2021 per Staff Tech Session DR1.  
**6/30/2021 Update, Revised 10/28/21 DOE DR1**  
**9/30/2021 Update**  
 Updated for DOE DR2's 12/1/2021  
 12/29/2021 revised per Tech Session DR2

	Requested DW 20-156 Revenue Requirements	Projected 2020 Qualified Capital Project pro formas	Projected QCPAC Surcharge for 2020 Capital Additions	Projected 2021 Qualified Capital Project pro formas	Projected QCPAC Surcharge for 2021 Capital Additions	Projected 2022 Qualified Capital Project pro formas	Projected QCPAC Surcharge for 2022 Capital Additions	Projected QCPAC For 2023 Capital Additions pro formas	Projected QCPAC Surcharge for 2023 Capital Additions
City Bond Fixed Revenue Requirement (CBFRR)	\$ 926,309		\$ 926,309	\$ -	\$ 926,309	\$ -	\$ 926,309	\$ -	\$ 926,309
Material Operating Expense Revenue Requirement (MOERR)	\$ 6,982,335 (1)	\$ 109,255 (5)(11)	\$ 7,091,590	\$ 28,265 (5)	\$ 7,119,855	\$ 213 (5)(10)	\$ 7,120,068	\$ 58,855 (5)	\$ 7,178,923
Operating Expense Contingency	1.04 (2)		1.04		1.04		1.04		1.04
Material Operating Expense Revenue Requirement (MOERR)	7,261,628		7,370,883		7,399,148		7,399,361		7,458,216
Non Material Operating Expense Revenue Requirement (NOERR)	\$ 7,163		\$ 7,163		\$ 7,163		\$ 7,163		\$ 7,163
Amortization Expense (not subject to MOEF)	\$ 52,281		\$ 52,281		\$ 52,281		\$ 52,281		\$ 52,281
Debt Service Revenue Requirement (DSRR 1.0)	\$ 1,739,398 (3)	\$ 270,766 (6)(7)	\$ 2,010,164	\$ 78,080	\$ 2,088,244	\$ 200,689	\$ 2,288,933	\$ 166,277	\$ 2,455,210
Principal and Interest Coverage Requirement	1.10		1.10		1.10		1.10		1.10
<b>Total Debt Service Revenue Requirement including the .01 DSRR</b>	<b>\$ 1,913,338</b>		<b>\$ 2,211,181</b>		<b>\$ 2,297,069</b>		<b>\$ 2,517,827</b>		<b>\$ 2,700,731</b>
Revenue Requirement exclusive of NCCRS	\$ 10,160,719		\$ 10,567,817		\$ 10,681,969		\$ 10,902,941		\$ 11,144,700
Less Other Operating Revenues	\$ 30,188 (4)		\$ 30,188		\$ 30,188		\$ 30,188		\$ 30,188
Revenues required from Customer Classes exclusive of NCCRS	\$ 10,130,531		\$ 10,537,629		\$ 10,651,781		\$ 10,872,753		\$ 11,114,512
Revenues subject to QCPAC	\$ 10,130,531		\$ 10,537,629		\$ 10,651,781		\$ 10,872,753		\$ 11,114,512
Projected QCPAC Increase <sup>8</sup>			4.02%		1.13%		2.18%		2.39%
Cumulative QCPAC increase <sup>9</sup>			4.02%		5.15%		7.33%		9.71%
Cumulative QCPAC monthly increase in average single family residential bill			\$ 3.39		\$ 4.34		\$ 6.18		\$ 8.19
Average monthly single family residential bill with QCPAC			\$ 87.70		\$ 88.65		\$ 90.49		\$ 92.50

Notes:

- (1) Operating Expense Revenue requirement is the sum of the Total Operating Expenses, Property Tax Expense and Amortization Expense being sought in DW20-156.
- (2) Material operating expense factor requested in DW20-156. The MOEF was not applied to the QCPAC operating expenses.
- (3) Annual Principal and interest payments for PEU debt associated with plant in service being sought in DW20-156 less Georgetown project in Lock Lake.
- (4) Other Revenues from 2019 Test Year in DW20-156.
- (5) QCPAC operating expense proformas are based on the property taxes for plant added during the year.
- (6) See Calculation of annual principal and interest payments on spreadsheet titled "2020 QCPAC PEU Additions."
- (7) Portion of Annual Principal and interest payments paid to CoBank for debt associated with plant a placed in service between 1/1 and 12/31 for designated year based on a 25 year term loan with an actual total all in interest rate of 5.00% that was not recovered in DW20-156.
- (8) QCPAC percent revenue surcharges based on increase in revenues over the revenues requested in DW20-156.
- (9) Cumulative surcharge percentage is based on total surcharge revenues collected divided by the revenues requested in DW20-156.
- (10) QCPAC operating expense proforma associated with property taxes is reduced by \$ 70,000 to reflect reduction in purchased water costs associated with the completion of the Londonderry Storage Tank.
- (11) QCPAC operating expense proforma associated with property taxes is reduced by \$ 28,000 to reflect reduction in arsenic treatment costs associated with the completion of the Locke Lake raw water well line to the Peacham Road Treatment plant.

**Impact on PEU Single Family Residential Home:**

Monthly meter charge requested in DW20-156.	\$ 22.56	
Average Single Family Consumption (CCF)	6.50	
Consumption Charge requested in DW20-156.	\$ 9.50	per CCF
Average Single Family monthly bill with rates requested in DW20-156	\$ 84.31	

Pennichuck East Utilities, Inc. DW 21-022 2020 used and useful QCP's 2/11/2021, Revised 10/28/21 for DOE DR1 9/30/2021 Update Updated for DOE DR2's 12/1/2021

Table with columns: Project Name/Description, Project Description, Work Order #, Board Approved 2020 Capex Budget, Financing Docket No., NHPUC Order No., Date of NHPUC Order, Source of Funding, Eligible for 2021 QCPAC Surchage, Eligible for 2021 QCPAC Surchage, Estimated Project Cost as of 6/30/2020, Estimated Project Cost as of 9/30/2020, Estimated Project Cost as of 11/30/2020, Final Project cost as of 12/31/2020, Community, Taxable, Tax Rate (t), 2021 QCPAC Eligible Property Tax Expense, Explanation for Change/Addition/Deletion since Petition Filing.

Summary table with columns: Pennichuck East Utilities Projected 2020 Total Capital Expenditure Budget, Pennichuck East Utilities Projected 2020 QCPAC Eligible Capital Investment less 0.1 DSRR funded projects, Funded with CoBank Loan, Funded with SRF, Projected annual property tax expenses for QCPAC eligible projects.

1. Tax rate is the sum of the local community rate plus the Statewide Utility tax rate of \$6.60/\$1000. 2. The 2020 PEU Capital Expenditures Budget presented were approved by the Board in January 2020. 3. 9/29/2021 CoBank Loan Terms are 25 Years at 4.18% resulting in P&I of \$ 154,686 \$ 131,447 \$ 63,867 \$ 74,069 4. Remainder of Locke Lake Surface Water Treatment project to completed in early 2021 at a total projected cost of \$ 232,853 resulting in P&I of \$ 73,139 \$ 83,447 \$ 194,997 \$ 196,097 5. Projected SRF Terms for Locke Lake project are 30 Years at 2.704%

Total projected P&I on debt incurred to support 2020 used and useful capex - Total projected annual P&I for 2020 used and useful QCP's \$ 227,825 \$ 214,894 \$ 258,864 \$ 270,766

Pennichuck East Utilities, Inc.  
 DW 21-022  
 Projected 2021 QCPAC Capital Expenditures  
 2/11/2021  
 6/30/2021 Update, Revised 10/28/21 DOE DR1  
 9/30/2021 Update

PEU QCPAC Filing  
 Exhibit DLW-1  
 PEU QCPAC Filing  
 Exhibit DLW-1  
 Page 3

Project Name/Description	Project Description	Work Order #	2021 Board Approved Budgeted	Financing Docket No.	NHPUC Order No.	Date of NHPUC Order	Source of Funding	Eligible for 2021 QCPAC Surcharge	Eligible for 2021 QCPAC Surcharge	Estimated Project Cost as of 6/30/2021	Estimated Project Cost as of 9/30/2021	Community	Taxable	Tax Rate (%)	QCPAC Eligible Property Tax Expense	Explanation for Change/Addition/Deletion since Petition Filing
Locke Lake Surface Water Treatment	Intake & Treatment Facility Construction	2101752	\$ 200,000	DW18-132	26,189	11/26/2018	SRF	Yes	\$ 200,000	\$ 240,000	\$ 200,000	Barnstead	Yes	\$ 27.84	\$ 5,568	Total project cost incurred between 2019 through 2021 when project became Used and Useful.
Pelham Main Replacement/Addition	Replace 1600 LF of 3 inch PE with 12 in C-900 and add 775 LF of 12 in C-900 on Monticello, Mt. Vernon and Lane Road - Finish Paving	2105634	\$ 40,000	CoBank		Pending Filing	CoBank	Yes	\$ 40,000	\$ 40,000	\$ 40,000	Pelham	Yes	\$ 24.86	\$ 994	
Pelham Main Replacement/Addition	Finish Paving	2105635		CoBank		Pending Filing	CoBank	Yes	\$ -	\$ -	\$ -	Pelham	Yes	\$ 24.86	\$ -	Included in WO 2105634 final paving
Pelham Main Replacement/Addition	Finish Paving	2105636		CoBank		Pending Filing	CoBank	Yes	\$ -	\$ -	\$ -	Pelham	Yes	\$ 24.86	\$ -	Included in WO 2105634 final paving
Londonderry System Improvements	Tank, Transmission Main, & Booster Station	2102351	\$ 1,600,000			0.1 DSRR		No	\$ 1,600,000	\$ 100,000	\$ 100,000	Londonderry	No	\$ 24.78	\$ -	Engineering only in 2021 Project delay in permitting will require carry over into 2022
Atkinson Booster pump station design	Atkinson Booster pump station design	2102306	\$ 30,000			0.1 DSRR		No	\$ 30,000	\$ 30,000	\$ 30,000	Atkinson	No	\$ 22.84	\$ -	
Locke Lake Filter Replacement	Replace two failed (structural-collapse of screen supports) iron, manganese, & arsenic filters.	n/a	\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ 30,000	\$ -	\$ 10,000	Barnstead	Yes	\$ 27.84	\$ 278	Completed in 2020
Airstrip Station Decommissioning	Abandon unused wells and Station	2101758	\$ 40,000	DW18-132	26,189	11/26/2018	SRF	Yes	\$ 40,000	\$ 78,000	\$ 78,000	Barnstead	No	\$ 27.84	\$ -	
1 x revenue investments Normal Run Rate	Per Tariff	Routine	\$ 100,000	CoBank		Pending Filing	CoBank	Yes	\$ 100,000	\$ 170,000	\$ 155,000	Various	Yes	\$ 27.23	\$ 4,220	91 New Developer Installed thru 09/30/21 projecting 20 more
Sunrise Estates	Station Replacement (design)	2102007	\$ -			0.1 DSRR		No	\$ -	\$ 8,000	\$ 8,000	Middleton	No	\$ 33.55	\$ -	Deferred - monies shown for engineering design
Londonderry Core Re-Chloramination	Re-chloramination Evaluation and Preliminary Design	2102008	\$ -			0.1 DSRR		No	\$ -	\$ 700	\$ 700	Londonderry	No	\$ 24.78	\$ -	Deferred - monies shown for engineering design
Nesenkeag Well Decommission	Nesenkeag Well Decommission	2104691	\$ -			0.1 DSRR		No	\$ -	\$ 19,600	\$ 20,000	Londonderry	No	\$ 24.78	\$ -	
Londonderry RRA and ERP	Londonderry RRA and ERP	2105486	\$ -			0.1 DSRR		No	\$ -	\$ -	\$ 26,150	Londonderry	No	\$ 24.78	\$ -	Missed in original budget. Required by NHDES under American Water Infrastructure Act
Litchfield RRA and ERP	Litchfield RRA and ERP	2105487	\$ -			0.1 DSRR		No	\$ -	\$ -	\$ 26,150	Litchfield	No	\$ 28.12	\$ -	Missed in original budget. Required by NHDES under American Water Infrastructure Act
Litchfield-Londonderry Evaluation	Litchfield-Londonderry Evaluation	2105687	\$ -			0.1 DSRR		No	\$ -	\$ -	\$ 10,000	Lond/Litchfield	No	\$ 26.45	\$ -	Requested evaluation by NHDES - Internal Engineering Staff. Ability to serve water from Nashua
Castle Reach, Replace VFD, Pump #2	Castle Reach, Replace VFD, Pump #2	2107680	\$ -	CoBank		Pending Filing	CoBank	Yes	\$ -	\$ -	\$ 1,300	Windham	Yes	\$ 23.89	\$ 31	
Booster Pump replacement/rebuild	Booster Pump replacement/rebuild	Routine	\$ 40,000	CoBank		Pending Filing	CoBank	Yes	\$ 40,000	\$ 30,000	\$ 25,000	Various	Yes	\$ 27.23	\$ 681	Installed/Repaired 5 pumps through 09/30/21, project 2 more
Well Pump replacements	Well Pump replacements	Routine	\$ 40,000	CoBank		Pending Filing	CoBank	Yes	\$ 40,000	\$ 30,000	\$ 30,000	Various	Yes	\$ 27.23	\$ 817	Installed/Repaired 5 pumps through 09/30/21, project 2 more
Chemical Feed pump replacements	Chemical Feed pump replacements	Routine	\$ 10,000	CoBank		Pending Filing	CoBank	Yes	\$ 10,000	\$ 8,000	\$ 6,000	Various	Yes	\$ 27.23	\$ 163	Installed/Repaired 2 pumps through 09/30/21, project 1 more
Install/replace treatment systems in small CWS (supplemental Arsenic treatment systems)	Install/replace treatment systems in small CWS (supplemental Arsenic treatment systems)	n/a	\$ 50,000	CoBank		Pending Filing	CoBank	Yes	\$ 50,000	\$ 27,000	\$ 27,000	Various	Yes	\$ 27.23	\$ 735	
Install Poly Phosphate Sequestration System, Skyview Estates, Pelham	Install Poly Phosphate Sequestration System, Skyview Estates, Pelham	2104065	\$ -			Install/Replace Treatment - See above		Yes	\$ -	\$ 3,000	\$ 3,000	Pelham	Yes	\$ 24.86	\$ 75	
Install/replace treatment systems in small CWS (supplemental Arsenic treatment systems)	Install PFAs Removal Treatment System, Harvest Village, Londonderry	2104692	\$ -			Install/Replace Treatment - See above		Yes	\$ -	\$ 20,000	\$ 20,000	Londonderry	Yes	\$ 24.78	\$ 496	
Misc. Structural Improvements	Misc. Structural Improvements	n/a	\$ 20,000	CoBank		Pending Filing	CoBank	Yes	\$ 20,000	\$ 5,750	\$ 5,750	Various	Yes	\$ 27.23	\$ 157	
Misc. Structural Improvements	Pave Access Road to Stone Sled Station	2103983	\$ -			Misc. Structural Improvements - See above		Yes	\$ -	\$ 14,250	\$ 14,250	Various	Yes	\$ 27.23	\$ 388	
Miscellaneous Fencing and Security projects	Miscellaneous Fencing and Security projects	n/a	\$ 10,000	CoBank		Pending Filing	CoBank	Yes	\$ 10,000	\$ 10,000	\$ 5,000	Various	Yes	\$ 27.23	\$ 136	
Miscellaneous SCADA/Electrical	Miscellaneous SCADA/Electrical	n/a	\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ -	\$ 30,000	\$ 20,000	Various	Yes	\$ 27.23	\$ -	
Well Rehabilitation	Well Rehabilitation	n/a	\$ 60,000	CoBank		Pending Filing	CoBank	Yes	\$ 60,000	\$ 60,000	\$ 51,610	Various	Yes	\$ 27.23	\$ 1,405	
Well Rehabilitation	Rehabilitate Well #9, Locke Lake, Barnstead	2102279	\$ -	CoBank		Pending Filing	CoBank	Yes	\$ -	\$ -	\$ 8,390	Barnstead	Yes	\$ 27.84	\$ 234	
Install web based communication equipment, 4 locations	Install web based communication equipment, 4 locations	n/a	\$ 20,000	CoBank		Pending Filing	CoBank	Yes	\$ 20,000	\$ 20,000	\$ 20,000	Various	Yes	\$ 27.23	\$ 545	
Interconnect the W&E CWS to the Town of Salem Water System.	Interconnect the W&E CWS to the Town of Salem Water System.	2004243 & 2101750	\$ -	CoBank/Grant		Pending Filing	DWGT/CoBank	Yes	\$ -	\$ 565,000	\$ 175,000	Windham	Yes	\$ 23.89	\$ 4,181	Added as part of PEU-Salem Windham Franchise exchange. MSDC charge paid for by PEU. Work will not be Used and Useful in 2020. Includes dechloramination. \$175,000 in MSDC was budgeted in 2020, missed carry over. Well #3 capacity and quality changed dramatically in 2020 changing this connection from season to year round and requiring the additional \$550,000 investment. Pipeline and Station work deferred into 2022 due to materials not being available
New Services (5)	Single Family, Owner Build, New Homes	Routine	\$ 25,000	CoBank		Pending Filing	CoBank	Yes	\$ 25,000	\$ 15,000	\$ 20,000	Various	Yes	\$ 27.23	\$ 545	Installed 3 new service through 09/30/21, projecting 1 more
Renewed Services (20)	Replacement of failed services (focus on Locke Lake Services).	Routine	\$ 110,000	CoBank		Pending Filing	CoBank	Yes	\$ 110,000	\$ 50,000	\$ 40,000	Various	Yes	\$ 27.23	\$ 1,089	Renewed 5 services through 09/30/21, projecting 5 more
Hydrants (5)	Replacement of non-functional hydrants	Routine	\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ 30,000	\$ 30,000	\$ 12,000	Various	Yes	\$ 27.23	\$ 327	None replaced to date. Projecting 2 more
Gates (8)	Replacement of Failed Gate Valves	Routine	\$ 32,000	CoBank		Pending Filing	CoBank	Yes	\$ 32,000	\$ 40,000	\$ 35,000	Various	Yes	\$ 27.23	\$ 953	Installed/Repaired 4 gates through 09/30/21, Projecting 1 more
Radios (300)	New Customers (220) and replaced failed radios (80) for meter reading.	Routine	\$ 31,500	CoBank		Pending Filing	CoBank	Yes	\$ 31,500	\$ 27,000	\$ 20,000	Various	Yes	\$ 27.23	\$ 545	Installed/Repaired 99 radios through 09/30/21, projecting 100 more
New meters for new customers (220). Replacement of failed meters (80).	New meters for new customers (220) and replacement meters (80).	Routine	\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ 30,000	\$ 50,000	\$ 38,000	Various	Yes	\$ 27.23	\$ 1,035	Installed/Repaired 172 meters through 09/30/21, projecting 100 more
Meters 5/8"-6" Lead Meter Exchange - PEU (400)	Replace High lead brass meter with new no lead brass meter.	Routine	\$ 40,000	CoBank		Pending Filing	CoBank	Yes	\$ 40,000	\$ -	\$ -	Various	Yes	\$ 27.23	\$ -	Included in line above
2021 Radios (1000)	Year 1 of 7 year replacement of all PEU radios (all initial radios installed in 2007).	2101627	\$ 130,000	CoBank		Pending Filing	CoBank	Yes	\$ 130,000	\$ 106,000	\$ 98,000	Various	Yes	\$ 27.23	\$ 2,668	Replaced 924 Radios through 09/30/21, projecting 80 more
Interest on CoBank FaLOC	Short term interest from 9/29/2021 - 7/31/2022		\$ -	CoBank		Pending Filing	CoBank	Yes	\$ -	\$ -	\$ 13,650	Various	No	\$ 26.45	\$ -	Anticipates closing on CoBank long term loan to pay off CoBank FaLOC on 8/1/2022.

Pennichuck East Utilities Projected 2020 Total Capital Expenditure Budget - \$ 2,748,500

Projected annual property tax expenses for QCPAC eligible projects - \$ 28,265

Pennichuck East Utilities Projected 2020 QCPAC Eligible Capital Investment - \$	2,718,500	\$	1,669,000	\$	1,171,950
Funded with CoBank Loan <sup>1</sup> - \$	2,485,647	\$	1,436,147	\$	939,950
Funded with SRF Loan <sup>4</sup> - \$	232,853	\$	232,853	\$	232,000
Funded with 0.1 DSRR - \$	30,000	\$	158,300	\$	221,000

1. Tax rate is the sum of the local community rate plus the Statewide Utility tax rate of \$6.60/\$1000.  
 2. The 2021 PEU Capital Expenditures Budget presented were approved by the Board in January 2021.  
 3. Projected CoBank Loan Terms are 25 Years at 5.0%  
 4. Projected SRF Terms for Locke Lake project are 30 Years at 2.704%

	6/30/2021 Update	9/30/2021 Update
resulting in P&I of \$	176,363	101,898
resulting in P&I of \$	11,430	11,430
\$	187,793	113,328
\$		78,080

Pennichuck East Utilities, Inc.  
 DW 21-022  
 Projected 2022 QCPAC Capital Expenditures  
 2/11/2021  
 6/30/2021 Update - Defer Atkinson Station upgrade. Add in Londonderry System Improvements  
 Revised 10/28/21 for DOE DRI  
 9/30/2021 Update

PEU QCPAC Filing  
 Exhibit DLW-1  
 Page 4

Project Name/Description	Project Description	Work Order #	2022 Approved Budgeted Amount, Revised to reflect 2020 QCPAC activity	Financing Docket No.	NHPUC Order No.	Date of NHPUC Order	Source of Funding	Eligible for 2022 QCPAC Surcharge	Eligible for 2022 QCPAC Surcharge	Community	Taxable	Tax Rate (I)	QCPAC Eligible Property Tax Expense	Explanation for Change/Addition/Deletion since Petition Filing
Wellesley Drive water main replacement4	Replace 1760 LF of 2 inch PE with 1760 LF of C900 PVC.		\$ -	CoBank		Pending Filing	CoBank	Yes	\$ -	Pelham	Yes	\$ 24.86	\$ -	Project deferred due to available funds being used for Londonderry Tank and W&E
Radcliffe Drive water main replacement4	Replace 720 LF of 1.5 inch PE with 720 LF of C900 PVC.		\$ -	CoBank		Pending Filing	CoBank	Yes	\$ -	Pelham	Yes	\$ 24.86	\$ -	Project deferred due to available funds being used for Londonderry Tank and W&E
Vassar Drive water main replacement4	Replace 1740 LF of 2 inch PE with 1740 LF of C900 PVC.		\$ -	CoBank		Pending Filing	CoBank	Yes	\$ -	Pelham	Yes	\$ 24.86	\$ -	Project deferred due to available funds being used for Londonderry Tank and W&E
Londonderry System Improvements	Tank, Transmission Main, & Booster Station	2102351	\$ 1,500,000	CoBank		Pending Filing	CoBank	Yes	\$ 1,500,000	Londonderry	Yes	\$ 24.78	\$ 37,170	Project delay in permitting will require carry over into 2022
Interconnect the W&E CWS to the Town of Salem Water System.	Interconnect the W&E CWS to the Town of Salem Water System.		\$ 530,000	CoBank		Pending Filing	CoBank	Yes	\$ 530,000	Windham	Yes	\$ 23.89	\$ 12,662	Project bid in fall of 2021, material not available until spring 2022.
1 x revenue investments Normal Run Rate	Per Tariff		\$ 100,000	CoBank		Pending Filing	CoBank	Yes	\$ 100,000	Various	Yes	\$ 27.23	\$ 2,723	
Londonderry Mountain Homes Station Improvements	Station Expansion for and including Chemical Feed Facilities for re-chloramination.		\$ -	CoBank		Pending Filing	CoBank	Yes	\$ -	Londonderry	Yes	\$ 24.78	\$ -	Project deferred pending additional study and Potential PFOA expansion in Londonderry
Booster Pump replacement/rebuild	Booster Pump replacement/rebuild		\$ 40,000	CoBank		Pending Filing	CoBank	Yes	\$ 40,000	Various	Yes	\$ 27.23	\$ 1,089	
Well Pump replacements	Well Pump replacements		\$ 40,000	CoBank		Pending Filing	CoBank	Yes	\$ 40,000	Various	Yes	\$ 27.23	\$ 1,089	
Chemical Feed pump replacements	Chemical Feed pump replacements		\$ 10,000	CoBank		Pending Filing	CoBank	Yes	\$ 10,000	Various	Yes	\$ 27.23	\$ 272	
Install/replace treatment systems in small CWS.	Install/replace treatment systems in small CWS.		\$ 25,000	CoBank		Pending Filing	CoBank	Yes	\$ 25,000	Various	Yes	\$ 27.23	\$ 681	
Miscellaneous Structural Improvements	Misc. Structural Improvements		\$ 20,000	CoBank		Pending Filing	CoBank	Yes	\$ 20,000	Various	Yes	\$ 27.23	\$ 545	
Miscellaneous Fencing and Security projects	Miscellaneous Fencing and Security projects		\$ 10,000	CoBank		Pending Filing	CoBank	Yes	\$ 10,000	Various	Yes	\$ 27.23	\$ 272	
Miscellaneous SCADA/Electrical	Miscellaneous SCADA/Electrical		\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ 30,000	Various	Yes	\$ 27.23	\$ 817	
Well Rehabilitation	Well Rehabilitation		\$ 60,000	CoBank		Pending Filing	CoBank	Yes	\$ 60,000	Various	Yes	\$ 27.23	\$ 1,634	
New Services (5)	Single Family, Owner Build, New Homes		\$ 25,000	CoBank		Pending Filing	CoBank	Yes	\$ 25,000	Various	Yes	\$ 27.23	\$ 681	
Renewed Services (20)	Replacement of failed services (focus on Locke Lake System).		\$ 110,000	CoBank		Pending Filing	CoBank	Yes	\$ 110,000	Pelham	Yes	\$ 24.86	\$ 2,735	
Hydrants (5)	Replacement of non-functional hydrants.		\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ 30,000	Pelham	Yes	\$ 24.86	\$ 746	
Gates (8)	Replacement of Failed Gate Valves.		\$ 32,000	CoBank		Pending Filing	CoBank	Yes	\$ 32,000	Pelham	Yes	\$ 24.86	\$ 796	
Radios (300)	New Customers (220) and replaced failed radios (80) for meter reading.		\$ 31,500	CoBank		Pending Filing	CoBank	Yes	\$ 31,500	Various	Yes	\$ 27.23	\$ 858	
New meters for new customers (220). Replacement of failed meters (80)	New meters for new customers (220) and replacement meters (80).		\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ 30,000	Various	Yes	\$ 27.23	\$ 817	
Meters 5/8"-6" Lead Meter Exchange - PEU (400)	Replace High lead brass meter with new no lead brass meter.		\$ 40,000	CoBank		Pending Filing	CoBank	Yes	\$ 40,000	Various	Yes	\$ 27.23	\$ 1,089	
2022 Radios (1000)	Year 2 of 7 year replacement of all PEU radios (all initial radios installed in 2007).		\$ 130,000	CoBank		Pending Filing	CoBank	Yes	\$ 130,000	Various	Yes	\$ 27.23	\$ 3,540	
Interest on CoBank FALOC	Short term interest from 8/1/2022 - 7/31/2023		\$ 35,000	CoBank		Pending Filing	CoBank	Yes	\$ 35,000	Various	No	\$ 27.23	\$ -	Anticipates closing on CoBank long term loan to pay off CoBank FALOC on 8/1/2023.

Pennichuck East Utilities Projected 2020 Total Capital Expenditure Budget - \$ 2,793,500

Projected annual property tax expenses for QCPAC eligible projects - \$ 70,213

Pennichuck East Utilities Projected 2020 QCPAC Eligible Capital Investment - \$ 2,828,500  
 Funded with CoBank Loan<sup>3</sup> - \$ 2,828,500

1. Tax rate is the sum of the local community rate plus the Statewide Utility tax rate of \$6.60/\$1000  
 2. The 2022 PEU Capital Expenditures Budget presented were approved by the Board in January 2021.  
 3. Projected CoBank Loan Terms are 25 Years at 5.0% resulting in P&I of \$ 200,689  
 4. The Wellesley, Radcliffe and Vassar Drive water main replacements will be completed over 2 years with water main replacement occurring in 2022 and final pavement in 2023.

**Pennichuck East Utilities, Inc.**  
**DW 21-022**  
**Projected 2023 QCPAC Capital Expenditures**  
**2/11/2021**  
 Revised 6/2/2021 per Staff Tech Session DR1, Revised 10/28/21 DOE DR1  
**6/30/2021 Update - Add in Atkinson Booster Station replacement. Deferred from 2022**  
 Revised 10/25/2021 for DOE DR1's  
 9/30/2021 Update  
 Updated for DOE DR2's 12/1/2021

PEU QCPAC Filing  
 Exhibit DLW-1  
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Project Name/Description	Project Description	Work Order #	2022 Approved Budgeted Amount, Revised to reflect 2020 QCPAC activity	Financing Docket No.	NHPUC Order No.	Date of NHPUC Order	Source of Funding	Eligible for 2023 QCPAC Surcharge	Eligible for 2023 QCPAC Surcharge	Community	Taxable	Tax Rate (I)	QCPAC Eligible Property Tax Expense	Explanation for Change/Addition/Deletion since Petition Filing
Pelham Main Replacement	Monticello & Lane Area Phase 2		\$ 700,000	CoBank		Pending Filing	CoBank	Yes	\$ 700,000	Pelham	Yes	\$ 24.86	\$ 17,402	
Wellesley Drive water main replacement	Replace 1760 LF of 2 inch PE with 1760 LF of C900 PVC (paving).		\$ 70,000	CoBank		Pending Filing	CoBank	Yes	\$ -	Pelham	Yes	\$ 24.86	\$ -	Project deferred due to available funds being used for Montecello project
Radcliffe Drive water main replacement	Replace 720 LF of 1.5 inch PE with 720 LF of C900 PVC (paving).		\$ 50,000	CoBank		Pending Filing	CoBank	Yes	\$ -	Pelham	Yes	\$ 24.86	\$ -	Project deferred due to available funds being used for Montecello project
Vassar Drive water main replacement	Replace 1740 LF of 2 inch PE with 1740 LF of C900 PVC (paving).		\$ 70,000	CoBank		Pending Filing	CoBank	Yes	\$ -	Pelham	Yes	\$ 24.86	\$ -	Project deferred due to available funds being used for Montecello project
Atkinson Booster Station	Replace and Upgrade Station for AS treatment and Fire flow.		\$ 600,000	CoBank		Pending Filing	CoBank	Yes	\$ 600,000	Atkinson	Yes	\$ 22.84	\$ 13,704	
Locke Lake	Circle & Emmerson Replace 2100 feet of 2 inch PE.		\$ 250,000	CoBank		Pending Filing	CoBank	Yes	\$ 250,000	Barnstead	Yes	\$ 27.84	\$ 6,960	
1 x revenue investments Normal Run Rate	Per Tariff		\$ 100,000	CoBank		Pending Filing	CoBank	Yes	\$ 100,000	Various	Yes	\$ 27.23	\$ 2,723	
Booster Pump replacement/rebuild	Booster Pump replacement/rebuild		\$ 40,000	CoBank		Pending Filing	CoBank	Yes	\$ 40,000	Various	Yes	\$ 27.23	\$ 1,089	
Well Pump replacements	Well Pump replacements		\$ 40,000	CoBank		Pending Filing	CoBank	Yes	\$ 40,000	Various	Yes	\$ 27.23	\$ 1,089	
Chemical Feed pump replacements	Chemical Feed pump replacements		\$ 10,000	CoBank		Pending Filing	CoBank	Yes	\$ 10,000	Various	Yes	\$ 27.23	\$ 272	
Install/replace treatment systems in small CWS.	Install/replace treatment systems in small CWS.		\$ 25,000	CoBank		Pending Filing	CoBank	Yes	\$ 25,000	Various	Yes	\$ 27.23	\$ 681	
Miscellaneous Structural Improvements	Miscellaneous Structural Improvements		\$ 20,000	CoBank		Pending Filing	CoBank	Yes	\$ 20,000	Various	Yes	\$ 27.23	\$ 545	
Miscellaneous Fencing and Security projects	Miscellaneous Fencing and Security projects		\$ 10,000	CoBank		Pending Filing	CoBank	Yes	\$ 10,000	Various	Yes	\$ 27.23	\$ 272	
Miscellaneous SCADA/Electrical	Miscellaneous SCADA/Electrical		\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ 30,000	Various	Yes	\$ 27.23	\$ 817	
Well Rehabilitation	Well Rehabilitation		\$ 60,000	CoBank		Pending Filing	CoBank	Yes	\$ 60,000	Various	Yes	\$ 27.23	\$ 1,634	
New Services (5)	Single Family, Owner Build, New Homes		\$ 25,000	CoBank		Pending Filing	CoBank	Yes	\$ 25,000	Various	Yes	\$ 27.23	\$ 681	
Renewed Services (20)	Replacement of failed services (focus on Locke Lake System).		\$ 110,000	CoBank		Pending Filing	CoBank	Yes	\$ 110,000	Various	Yes	\$ 27.23	\$ 2,995	
Hydrants (5)	Replacement of non-functional hydrants.		\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ 30,000	Various	Yes	\$ 27.23	\$ 817	
Gates (8)	Replacement of Failed Gate Valves		\$ 32,000	CoBank		Pending Filing	CoBank	Yes	\$ 32,000	Various	Yes	\$ 27.23	\$ 871	
Radios (300)	New Customers (220) and replaced failed radios (80) for meter reading.		\$ 31,500	CoBank		Pending Filing	CoBank	Yes	\$ 31,500	Various	Yes	\$ 27.23	\$ 858	
New meters for new customers (220). Replacement of failed meters (80).	New meters for new customers (220)		\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ 30,000	Various	Yes	\$ 27.23	\$ 817	
Meters 5/8"-6" Lead Meter Exchange - PEU (400)	Replace High lead brass meter with new no lead brass meter.		\$ 40,000	CoBank		Pending Filing	CoBank	Yes	\$ 40,000	Various	Yes	\$ 27.23	\$ 1,089	
2022 Radios (1000)	Year 3 of 7 year replacement of all PEU radios (all initial radios installed in 2007).		\$ 130,000	CoBank		Pending Filing	CoBank	Yes	\$ 130,000	Various	Yes	\$ 27.23	\$ 3,540	
Interest on CoBank FALOC	Short term interest from 8/1/2023 - 7/31/2024		\$ 30,000	CoBank		Pending Filing	CoBank	Yes	\$ 30,000	Various	No	\$ 27.23	\$ -	Anticipates closing on CoBank long term loan to pay off CoBank FALOC on 8/1/2024.
			<b>Pennichuck East Utilities Projected 2020 Total Capital Expenditure Budget -</b>			<b>\$ 2,533,500</b>							<b>Projected annual property tax expenses for QCPAC eligible projects -</b>	<b>\$ 58,855</b>
													<b>Pennichuck East Utilities Projected 2020 QCPAC Eligible Capital Investment - \$ 2,343,500</b>	
													<b>Funded with CoBank Loan<sup>1</sup> - \$ 2,343,500</b>	

1. Tax rate is the sum of the local community rate plus the Statewide Utility tax rate of \$6.60/\$1000  
 2. The 2022 PEU Capital Expenditures Budget presented were approved by the Board in January 2021.  
 3. Projected CoBank Loan Terms are 25 Years at 5.0% resulting in P&I of \$ 166,277  
 5. The Wellesley, Radcliffe and Vassar Drive water main replacements will be completed over 2 years with water main replacement occurring in 2022 and final pavement in 2023.