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STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION
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October 11, 2018

NHPUC 11OCT'18PM1:11

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Re: DW 17-128 – Pennichuck East Utility, Inc.
Staff Recommendation to Approve Company's Motion to Waive N.H. Admin. Rule Puc
1203.05(b) for Implementation of Step Increase in Rates

Dear Ms. Howland:

On October 9, 2018, Pennichuck East Utility, Inc. ("PEU" or "Company") filed a Motion to Waive N.H. Admin. Rule Puc 1203.05(b) ("Motion") regarding the implementation of the step rate increase approved by Commission Order No. 26,179 (October 4, 2018) in Docket DW 17-128. Staff recommends that the Commission approve PEU's motion.

As stated in the Company's motion, Order No. 26,179 approved a Settlement Agreement in this case which was filed on July 18, 2018 as well as approved PEU's Motion for Waiver of Puc 1203.05(b), also filed on July 18, to allow permanent rates to be implemented on a bills-rendered basis as of January 8, 2018. However, PEU failed to seek a waiver of Puc 1203.05(b) regarding implementation of the proposed step increase in rates which was to become effective as of the date of the Commission's order approving the Settlement Agreement.

As a result, PEU's current motion is requesting that the approved step increase in rates also be implemented on a bills-rendered basis on or after November 16, 2018 which is the date on which the first full monthly bills will be issued following the Commission's order. In accordance with Puc 1203.05(c), PEU states that implementing the step increase on a bills-rendered basis will 1) be less confusing to customers, 2) cost less for the Company, and 3) give customers adequate notice of the changes in rates applicable to their usage. PEU further states that implementation of the step increase on a bills-rendered basis will result in a minimal loss of revenue on its part. However, PEU believes that such loss will be outweighed by the benefits gained relative to avoiding customer confusion as well as greater efficiencies for the Company.

Staff has reviewed PEU's motion and agrees with its assertions that implementation of the approved step increase in rates on a bills-rendered basis on or after November 16 will provide benefits to both its customers as well as the Company. Therefore, Staff supports PEU's motion and recommends that it be approved by the Commission.

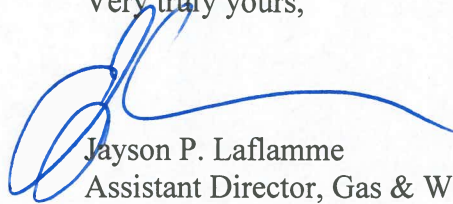
October 11, 2018
Page 2

DW 17-128: Pennichuck East Utility, Inc.

Michael Ranaldi, an intervenor in this proceeding, indicated his support for the Company's motion. Staff also inquired of the Office of the Consumer Advocate ("OCA") regarding its position regarding PEU's motion. In response, the OCA indicated its assent to the motion, as well.

Thank you for your attention and assistance with this matter. If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that curves upwards at the end.

Jayson P. Laflamme
Assistant Director, Gas & Water Division

cc: Service List

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 17-128-1 Printed: October 11, 2018

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**