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Please reply to: Concord Office

December 19, 2018

NHPUC 19DEC'18PM3:24

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

**Re: Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield
Aqueduct Company, Inc. 2018 CIAC Tariff Amendments
DW 18-_____**

Dear Ms. Howland:

Pursuant to Puc 1603.03 and Puc 1603.06, enclosed please find for filing a Technical Statement from Larry Goodhue and an original and two (2) copies of pages from Pennichuck Water Works, Inc.'s (PWW), Pennichuck East Utilities, Inc.'s (PEU) and Pittsburg Aqueduct Company, Inc.'s (PAC) tariffs in clean and track change versions. An index is included for reference.

The three companies seek to amend their tariff pages to reflect changes to federal tax law. Prior to the 2017 changes to the Federal Tax Act, 26 U.S.C. §118 included special rules for regulated utilities that received contributions in aid of construction (either in the form of cash payments given to the Company or property constructed and transferred by the developer to the Company) ("CIAC") whereby CIAC payments to regulated water utilities were excluded from taxable income if they were not incorporated into the regulated utility's rate base. In late 2017, Congress amended Section 118 to remove the exclusion from taxation for CIAC payments to regulated water utilities. As a result of the 2017 amendments to Section 118, CIAC payments to the Company no longer fully cover the true cost to the Companies. As a result, the Companies are seeking permission to amend their respective tariffs to allow them to recover the resulting tax costs when CIAC property or payments are received by the Companies.

RATH YOUNG PIGNATELLI

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Please contact me if there are any questions about this filing.

Very truly yours,



Richard W. Head

RHW/mrp

Enclosures

2018 CICAC Tariff Amendments

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