

TAB 7

Report of Proposed Rate Change

Pennichuck East Utility, Inc.
Report of Proposed Rate Changes
For the Twelve Months Ended December 31, 2019

Proforma
Schedule 9
Temporary

DOCKET NO.: DW 20-156

DATE FILED: 11/23/20

TARIFF NO.: 1 or PAGE NOS. 38, 40, 42, 42A, 43A- G,44, 44A, 45, and 48.

EFF. DATE: 12/24/20

Rate or Class of Service	Effect of Proposed Change	Average Number of Customers	Five Year Ave 2019 TY Proforma Rates ¹	Proposed Temporary Rates	Proposed Change	
					Amount	Percent ⁶
G-M ^{4,5}	No Change	7,927	7,395,303	8,504,599	1,109,295	15.00%
Private FP ²	No Change	320	358,892	412,726	53,834	15.00%
FP - Hydrants	No Change	4	852,013	979,815	127,802	15.00%
Windham Public Hydrant ³	No Change	357	38,577	44,364	5,787	15.00%
Raymond Public Hydrant ³	No Change	248	6,139	7,060	921	15.00%
Lee Public Hydrant ³	No Change	34	4,312	4,958	647	15.00%
Exeter Public Hydrant ³	No Change	52	5,604	6,445	841	15.00%
Birch Hill Public Hydrant ³	No Change	216	11,103	12,769	1,666	15.00%
Bow Public Hydrant ³	No Change	26	2,240	2,576	336	15.00%
NC Capital Recovery Surcharge ^{4,7}	No Change	1,199	181,603	178,915	(2,688)	-1.48%
TOTALS		8,251	8,855,787	10,154,227	1,298,440	

Signed by: Donald L. Ware

Title: Chief Operating Officer

1. Revenues do not include QCPAC Revenues
2. Includes Private Fire Services and Private Hydrants - count is number of accounts
3. Customer Count for the Windham, Raymond, Exeter, Lee, Birch Hill and Bow Public Hydrants are included in the total customer counts of G-M
4. Customer Count for the NC Capital Recovery Surcharge are included in the total customer customer counts of G-M
5. G-M Revenues do nto include NCCRS revenues
6. Reflects a requested temporary rate increase of 15.00% across all 15.00% across all customer classes by the NCCRS
7. NCCRS revenue requirement is 178,915 per DW17-128

Pennichuck East Utility, Inc.
Report of Proposed Rate Changes
For the Twelve Months Ended December 31, 2019

Pro Forma
Schedule 9
Permanent

DOCKET NO: DW 20-156 **DATE FILED:** 11/23/20
TARIFF NO.: 1 or PAGE NOS. 38, 40, 42, 42A, 43A- G,44, 44A, 45, and 48. **EFF. DATE:** 12/24/20

\$ 9,123,467						
Rate or Class of Service	Effect of Proposed Change	Average Number of Customers	Five Year Ave 2019 TY Proforma Rates ¹	Proposed Perm Rates ⁶	Amount	% Increase
G-M ^{4,5}	Increase	7,927	7,395,303	9,123,467	1,728,164	23.37%
Private FP ²	Increase	320	358,892	344,126	(14,766)	-4.11%
FP - Hydrants	Increase	4	852,013	988,705	136,692	16.04%
Windham Public Hydrant ³	Increase	357	38,577	42,947	4,369	11.33%
Raymond Public Hydrant ³	Increase	248	6,139	9,045	2,906	47.34%
Lee Public Hydrant ³	Increase	34	4,312	5,962	1,650	38.27%
Exeter Public Hydrant ³	Increase	52	5,604	7,100	1,496	26.69%
Birch Hill Public Hydrant ³	Increase	216	11,103	12,669	1,566	14.10%
Bow Public Hydrant ³	Increase	26	2,240	2,483	243	10.85%
NC Capital Recovery ⁷	No change	1,199	181,603	178,915	(2,688)	-1.48%
TOTALS		8,251	8,855,787	10,715,419	\$1,859,632	

Signed by: Donald L. Ware

Title: Chief Operating Officer

1. Revenues do not include QCPAC Revenues
2. Includes Private Fire Services and Private Hydrants - count is number of accounts
3. Customer Count for the Windham, Raymond and Bow Public Hydrants are included in the total customer counts of G-M
4. Customer Count for the NC Capital Recovery Surcharge are included in the total customer counts of G-M
5. G-M Revenues do not include NCCRS revenues
6. Proposed rates in accordance with the COSS
7. NCCRS revenue requirement is 178,915 per DW17-128

PENNICHUCK EAST UTILITY, INC.
Rate Impact on Average Single Family Residential Customer (7)

	<u>DW17-128 Rate Model</u>		
Overall Revenue Requirement (1)(3)	<u>\$ 10,536,504</u>		
Current Water Revenues with CBFRR, excluding Capital Recovery Surcharge (1)(3)	<u>\$ 8,704,372</u>		
Overall Revenue % Increase	21.05%		
<u>Base Rates (2):</u>	Base Rates (2)	Proposed Rates (6)	
Monthly 5/8 inch Meter Customer Charge	\$ 20.70	\$ 24.17	
Monthly Volumetric Charge based on Usage (4)	<u>\$ 48.82</u>	<u>\$ 61.23</u>	
Total Average Single Family Residential Monthly Bill	<u>\$ 69.52</u>	<u>\$ 85.40</u>	
Current Monthly QCPAC Surcharge (5)	<u>\$ 3.44</u>		
Total Average Single Family Residential Monthly Bill with QCPAC	\$ 72.96		
 <u>Customer Impact from New Rates:</u>			
Increase to the Total Average Single Family Residential Base Monthly Bill	\$ 15.88	over tariffed Step rates granted in DW17-128 or	22.84%
Increase to the Total Average Single Family Residential Monthly Bill	\$ 12.44	over tariffed Step rates granted in DW17-128 with 2019 and 2020 QCPACs or	17.89%

Notes:

- (1) Overall Revenue Requirement using DW17-128 Rate methodology. Rate is inclusive of 2019 and 2020 QCPAC surcharges (reflective of Capital expenditures made in 2018 and 2019).
- (2) The Base rates reflect the current tariffed rates granted in DW17-128. The base rates do not include the impact of the QCPAC surcharge for 2019 and 2020.
- (3) The Overall Revenue requirement increase requested is exclusive of the Capital Recovery Surcharge Revenues.
- (4) Base Volumetric Charge per CCF \$ 7.51
Average Single Family Residential Monthly Usage (CCF)(7) 6.5
- (5) Based on the QCPAC granted in DW19-035 for used and useful 2018 Capex and for the QCPAC being sought in DW20-019 for used and useful 2019 Capex.
The cumulative impact of these two QCPACs is projected to be 4.95%
- (6) Cost of Service Study is proposing a volumetric rate per CCF of \$ 9.42
Cost of Service Study is proposing a 5/8" fixed meter charge of \$ 24.17 per month
- (7) The Average Single family monthly usage reflects the 5 year single family average usage (exclusive of the North Country customers) between 2015 and 2019 divided by 12.