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December 10, 2021

VIA ELECTRONIC AND MAIL DELIVERY

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N.H. 03301

Re: DW 20-156 – Pennichuck East Utility, Inc.
Permanent Rate Proceeding
Response Regarding CIAC Tax Change

Dear Chairman Goldner:

In the Procedural Order in this docket, dated December 8, 2021, the Commission:

“direct[ed] PEU to provide a statement addressing whether the tax consequences of the federal Infrastructure Investment and Jobs Act, enacted in November of 2021, which reinstated an exemption from taxable income of Contributions in Aid of Construction [CIAC] received by regulated water utilities, have been addressed during the litigation of this matter. *See* RSA 365:15. PEU shall file such a statement no later than December 10, 2021.”

The Commission set December 10, 2021 as the deadline for this reply.

As described in the attached explanation, the Commission approved, in Docket No. DW 18-189, tariff language for Pennichuck Water Works, Inc.; Pennichuck East Utility, Inc.; and Pittsfield Aqueduct Company, Inc. that renders changes to the federal and state CIAC tax regulations moot as far as impacting customer rates. At paragraphs #9, 10, and 11, the Company describes how the CIAC regulations have no impact on the elements of the Company’s revenue requirement. Therefore, there is no impact on customer rates and that is how the recent change in the federal CIAC tax regulation is being addressed in this instant docket.

Thank you in advance for your assistance with this filing.

Very Truly Yours,

A handwritten signature in black ink that reads "Marcia A. Brown".

Marcia A. Brown

cc: Docket-Related Service List for DW 20-156