

DW 20-156  
PENNICHUCK EAST UTILITY, INC.  
PERMANENT RATES  
SUMMARY - CALCULATION OF REVENUE REQUIREMENT FROM WATER SALES

	(A) REVENUE REQUIREMENT PER COMPANY FILING	(B) REVENUE REQUIREMENT W/O DW 21-129 FINANCING	(C) REVENUE REQUIREMENT PER SETTLEMENT
<b><u>CITY BOND FIXED REVENUE REQUIREMENT (CBFRR)</u></b>			
1) City Bond Fixed Revenue Requirement (CBFRR) (Schedule 1)	\$ 926,309	\$ 926,309	\$ 926,309
<b><u>OPERATING EXPENSE REVENUE REQUIREMENT (OERR) (Schedule 2)</u></b>			
2) Total Pro Forma Operation & Maintenance Expenses	\$ 5,804,291	\$ 5,833,508	\$ 5,833,508
3) Pro Forma Property Tax Expense	1,237,009	1,132,107	1,132,107
4) Pro Forma Amortization Expense	268,728	264,735	52,280
5) Pro Forma NH Business Enterprise Tax Expense	3,775	23,882	23,882
6) Total Operating Expenses [(2) + (3) + (4) + (5)]	<b>\$ 7,313,803</b>	<b>\$ 7,254,232</b>	<b>\$ 7,041,777</b>
<b><u>MATERIAL OPERATING EXPENSE FACTOR (MOEF)</u></b>			
7) Less: Non-Material Operating Expenses (Schedule 2c)	(7,163)	(7,163)	(7,163)
8) Less: Pro Forma Amortization Expense [(4)]	_____	(264,735)	(52,280)
9) Material Operating Expenses Subject to MOEF [(6) - (7) - (8)]	7,306,640	6,982,334	6,982,334
10) Material Operating Expense Factor (MOEF) per Settlement	x 6.00%	x 6.00%	x 4.00%
11) MOEF Calculated Amount [(9) x (10)]	<b>438,398</b>	<b>418,940</b>	<b>279,293</b>
12) Operating Expense Revenue Requirement (OERR) [(6) + (11)]	<b>\$ 7,752,201</b>	<b>\$ 7,673,172</b>	<b>\$ 7,321,071</b>
<b><u>DEBT SERVICE REVENUE REQUIREMENT (DSRR) (Schedule 3)</u></b>			
13) Pro Forma Test Year Annual Debt Service	\$ 1,716,526	\$ 1,572,666	\$ 1,739,398
14) Debt Service Coverage Requirement	x 1.1	x 1.1	x 1.1
15) Debt Service Revenue Requirement (DSRR) [(13) x (14)]	<b>\$ 1,888,179</b>	<b>\$ 1,729,933</b>	<b>\$ 1,913,338</b>
16) REVENUE REQUIREMENT EXCLUSIVE OF NORTH COUNTRY CAPITAL RECOVERY SURCHARGE (NCCRS) REVENUES [(1) + (12) + (15)]	<b>\$ 10,566,689</b>	<b>\$ 10,329,414</b>	<b>\$ 10,160,718</b>

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	(A)		(B)		(C)	
	REVENUE REQUIREMENT PER COMPANY FILING		REVENUE REQUIREMENT W/O DW 21-129 FINANCING		REVENUE REQUIREMENT PER SETTLEMENT	
<b><u>CALCULATION OF PERCENT INCREASE (DECREASE) IN ANNUAL BASE RATE WATER REVENUES</u></b>						
17) Total Proposed Revenue Requirement Exclusive of NCCRS Revenues [(16)]	\$ 10,566,689		\$ 10,329,414		\$ 10,160,718	
18) Less: Pro Forma Test Year Other Operating Revenues (Schedule 2 )	(30,188)		(30,188)		(30,188)	
19) Total Proposed Water Revenues from Base Rates [(17) - (18)]	<b>\$ 10,536,501</b>		<b>\$ 10,299,226</b>		<b>\$ 10,130,530</b>	
20) Less: Pro Forma Test Year Water Revenues from Base Rates (Schedule 2)	(8,674,186)		(8,674,186)		(8,674,186)	
21) Proposed Increase / (Decrease) in Annual Water Revenues from Base Rates [(19) - (20)]	<b>\$ 1,862,315</b>	<b>21.47%</b>	<b>\$ 1,625,040</b>	<b>18.73%</b>	<b>\$ 1,456,344</b>	<b>16.79%</b>
22) Less: Pro Forma Test Year Water Revenues from QCPAC (Schedule 2)	(258,489)		(258,489)		(258,489)	
23) <b>Proposed Increase / (Decrease) in Total Annual Revenues from Water Sales [(21) - (22)]</b>	<b>\$ 1,603,826</b>	<b>18.49%</b>	<b>\$ 1,366,551</b>	<b>15.75%</b>	<b>\$ 1,197,855</b>	<b>13.81%</b>
<b><u>OPERATING REVENUES AFTER IMPLEMENTATION OF PERMANENT RATES</u></b>						
24) Proposed Revenues from Base Rates [(19)]	\$ 10,536,501		\$ 10,299,226		\$ 10,130,530	
25) Other Operating Revenues [(18)]	30,188		30,188		30,188	
26) Proposed North Country Capital Recovery Surcharge (NCCRS) (Schedule 2)	178,915		178,915		178,915	
27) Total Proposed Operating Revenues after Implementation of Temporary Rates [(24) + (25) + (26)]	<b>\$ 10,745,604</b>		<b>\$ 10,508,329</b>		<b>\$ 10,339,633</b>	

**DW 20-156**  
**PENNICHUCK EAST UTILITY, INC.**  
**PERMANENT RATES**

**SCHEDULE 1 - CALCULATION OF PEU'S SHARE OF CITY BOND FIXED REVENUE REQUIREMENT (CBFRR)**

Total City Bond	\$	150,570,000
Bond Interest Rate		4.09%
Bond Period		30 yrs.
Total City Bond	\$	150,570,000
Less Rate Stabilization fund	\$	5,000,000
Amount of City Bond to be prorated between Utilities CBFRR	\$	145,570,000
PEU Share of CBFRR		10.21%
PEU Prorata share	\$	14,864,176
Add back PEU Pro Rata Share of Rate Stabilization Reserve	\$	980,000
Total PEU Pro Rata Share for CBFRR/MARA	\$	15,844,176
Bond Interest Rate		4.09%
Bond Period		30 yrs.
<b>PEU CBFRR Requirement</b>	<b>\$</b>	<b>926,309</b>

Notes:

Pro Rata Calculation as follows:<sup>(1)</sup>

PWW & Southwood Equity (12/31/2011) <sup>(2)</sup>	\$	56,442,675	88.12%
PEU Equity (12/31/2011)	\$	6,540,063	10.21%
PAC Equity (12/31/2011)	\$	1,066,353	1.66%
	\$	64,049,091	100.00%

Calculation of RSF Percentage based on Revenue requirements from DW13-126, 13-128 and 13-130

RSF amount funded by City Bond -	\$	5,000,000
PWW Revenue Requirement -	\$	27,689,214 per DW13-130 Settlement Agreement
PEU Revenue Requirement -	\$	6,913,261 per DW13-126 Settlement Agreement
PAC Revenue Requirement -	\$	745,186 per DW13-128 Settlement Agreement
PEU Share of RSF as a percentage -		19.56%
PEU Share of RSF in \$\$ -	\$	980,000

Distribution of RSF funds to Revenue Requirement RSF's<sup>(3)</sup>

CBFRR RSF	\$	31,000
MOERR RSF	\$	898,000
1.0 DSRR RSF	\$	51,000
	\$	980,000

(1) Calculations are from DW11-026

(2) Consists of Equity as of 12/31/2011 as follows:

PWW	\$	54,395,626
Southwood	\$	2,047,049
Total	\$	56,442,675

(3) PEU RSF fund levels as established in DW17-128

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**PENNICHUCK EAST UTILITY, INC.**  
**PERMANENT RATES**  
**SCHEDULE 2 - OPERATING INCOME STATEMENT AND DETAILED CALCULATION OF ESTIMATED REVENUE REQUIREMENT**

	<b>Company Proposal per Original Filing</b>			<b>Settlement Proposal</b>			
	(1) Test Year Operating Income	(2) Company Adjustments to Derive Permanent Rates	(3) Adjusted Test Yr Operating Income per Co' Filing (Co's Sch 1)	(4) Adj's per Settlement (Sch 2a)	(5) Pro Forma Operating Income per Settlement	(6) Revenue Increase per Settlement	(7) Revenue Requirement per Settlement
<b>OPERATING REVENUES</b>							
Revenues from Water Sales:							
Water Revenues from Base Rates	\$ 8,500,418	\$ 173,768	\$ 8,674,186		\$ 8,674,186	\$ 1,456,344	\$ 10,130,530
Water Revenues from Qualified Capital Project Adjustment Charge (QCPAC)	106,880	151,609	258,489		258,489	(258,489)	-
Total Revenues from Water Sales	<u>8,607,298</u>	<u>325,377</u>	<u>8,932,675</u>	-	<u>8,932,675</u>	<u>1,197,855</u>	<u>10,130,530</u>
Other Operating Revenues	30,188	-	30,188		30,188		30,188
Water Revenues from North Country Capital Recovery Surcharge (NCCRS)	181,603	-	181,603		181,603	(2,688)	178,915
Total Operating Revenues	<u>8,819,089</u>	<u>325,377</u>	<u>9,144,466</u>	-	<u>9,144,466</u>	<u>1,195,167</u>	<u>10,339,633</u>
<b>OPERATING EXPENSES</b>							
Operation and Maintenance Expenses:							
Production Expense	2,257,197	90,727	2,347,924	1,398	1	2,349,322	2,349,322
Transmission and Distribution Expense	1,006,231	(277,276)	728,955	(52,527)	2	676,428	676,428
Customer Account and Collection Expense	204,718	(5,733)	198,985			198,985	198,985
Administrative and General Expense	181,461	(8,241)	173,220	870	3-4	174,090	174,090
Inter-Division Management Fee	2,397,260	(42,053)	2,355,207	79,476	5-8	2,434,683	2,434,683
Total Operation and Maintenance Expenses	<u>6,046,867</u>	<u>(242,576)</u>	<u>5,804,291</u>	<u>29,217</u>		<u>5,833,508</u>	<u>5,833,508</u>
Other Operating Expenses:							
Property Tax Expense	1,174,044	62,965	1,237,009	(104,902)	9-10	1,132,107	1,132,107
Gain from Forgiveness of SRF Debt	(23,660)	23,660	-			-	-
Depreciation Expense	1,549,220	(1,549,220)	-			-	-
Amortization of Acquisition Adjustment	(195,643)	195,643	-			-	-
Amortization of Contributions in Aid of Construction (CIAC)	(431,235)	431,235	-			-	-
Amortization Expense - Other	340,758	(72,030)	268,728	(216,448)	11-12	52,280	52,280
Total Other Operating Expenses	<u>2,413,484</u>	<u>(907,747)</u>	<u>1,505,737</u>	<u>(321,350)</u>		<u>1,184,387</u>	<u>1,184,387</u>
Income Tax Expense:							
Federal Income Tax Expense	325,301	(325,301)	-			-	-
State Income Tax Expense	90,059	(90,059)	-			-	-
NH Business Enterprise Tax	3,775	-	3,775	20,107	13	23,882	23,882
Total Income Tax Expense	<u>419,135</u>	<u>(415,360)</u>	<u>3,775</u>	<u>20,107</u>		<u>23,882</u>	<u>23,882</u>
Total Operating Expenses	<u>8,879,486</u>	<u>(1,565,683)</u>	<u>7,313,803</u>	<u>(272,026)</u>		<u>7,041,777</u>	<u>7,041,777</u>
<b>NET OPERATING INCOME</b>	<u>\$ (60,397)</u>	<u>\$ 1,891,060</u>	<u>\$ 1,830,663</u>	<u>\$ 272,026</u>		<u>\$ 2,102,689</u>	<u>\$ 3,297,855</u>

DW 20-156  
 PENNICHUCK EAST UTILITY, INC.  
 PERMANENT RATES

SCHEDULE 2 - OPERATING INCOME STATEMENT AND DETAILED CALCULATION OF ESTIMATED REVENUE REQUIREMENT

<u>CALCULATION OF REVENUE DEFICIENCY AND REQUIRED INCREASE:</u>	<u>PER COMPANY</u>	<u>SETTLEMENT ADJUSTMENTS</u>	<u>PER SETTLEMENT</u>	<u>REVENUE INCREASE</u>	<u>SETTLEMENT</u>
NET OPERATING INCOME	\$ 1,830,663	\$ 272,026	\$ 2,102,689	\$ 1,195,167	\$ 3,297,855
LESS: QUALIFIED CAPITAL PROJECT ADJUSTMENT CHARGE (QCPAC) REVENUES	(258,489)	-	(258,489)	258,489	-
LESS: NORTH COUNTRY CAPITAL RECOVERY SURCHARGE (NCCRS) REVENUES	(181,603)	-	(181,603)	2,688	(178,915)
NET OPERATING INCOME EXCLUSIVE OF QCPAC and NCCRS REVENUES	<u>\$ 1,390,571</u>	<u>\$ 272,026</u>	<u>\$ 1,662,597</u>	<u>\$ 1,456,344</u>	<u>\$ 3,118,940</u>
LESS: CITY BOND FIXED REVENUE REQUIREMENT (CBFRR)	<u>(926,309)</u>	-	<u>(926,309)</u>	-	<u>(926,309)</u>
LESS: MATERIAL OPERATING EXPENSE FACTOR (MOEF)					
TOTAL OPERATING EXPENSES	(7,313,803)	272,026	(7,041,777)	-	(7,041,777)
LESS: NON-MATERIAL OPERATING EXPENSES	7,163	-	7,163	-	7,163
LESS: AMORTIZATION EXPENSE - OTHER	-	52,280	52,280	-	52,280
MATERIAL OPERATING EXPENSES SUBJECT TO MOEF	<u>(7,306,640)</u>	<u>324,306</u>	<u>(6,982,334)</u>	-	<u>(6,982,334)</u>
MATERIAL OPERATING EXPENSE FACTOR (MOEF)	x 6.00%		x 4.00%	x 4.00%	x 4.00%
<b>CALCULATED MOEF AMOUNT</b>	<u>(438,398)</u>	<u>159,105</u>	<u>(279,293)</u>	<u>-</u>	<u>(279,293)</u>
LESS: DEBT SERVICE REVENUE REQUIREMENT (DSRR)					
PRO FORMA DEBT SERVICE	(1,716,526)	(22,872)	(1,739,398)	-	(1,739,398)
x DEBT COVERAGE REQUIREMENT	1.1	x 1.1	x 1.1	x 1.1	x 1.1
DEBT SERVICE REVENUE REQUIREMENT (DSRR)	<u>(1,888,179)</u>	<u>(25,159)</u>	<u>(1,913,338)</u>	<u>-</u>	<u>(1,913,338)</u>
<b>CALCULATED REVENUE (DEFICIENCY) / INCREASE</b>	<u>\$ (1,862,315)</u>	<u>\$ 405,972</u>	<u>\$ (1,456,344)</u>	<u>\$ 1,456,344</u>	<u>\$ -</u>

**Revenue Requirement Component Summary:**

<b>City Bond Fixed Revenue Requirement (CBFRR):</b>	<b>\$ 926,309</b>
<b>Operating Expense Revenue Requirement (OERR):</b>	
Total O & M Expenses	\$ 5,833,508
Property Tax Expense	1,132,107
Amortization Expense	52,280
NH Business Enterprise Tax	23,882
Total Operating Expenses	<u>7,041,777</u>
Less: Non-Material Operating Expenses	(7,163)
Less: Amortization Expense - Other	<u>(52,280)</u>
Material Operating Expenses	6,982,334
Material Operating Expense Factor (MOEF) x	4.00%
Calculated MOEF Amount	<u>279,293</u>
	<b>7,321,071</b>
<b>Debt Service Revenue Requirement (DSRR):</b>	
Pro Forma Debt Service	\$ 1,739,398
Debt Service Coverage Requirement x	1.1
	<u>1,913,338</u>
<b>Revenue Requirement from Water Sales and Other Water Revenues:</b>	<b>10,160,718</b>
<b>North Country Capital Recovery Surcharge (NCCRS):</b>	<b>178,915</b>
<b>Total Revenue Requirement Including NCCRS Revenues:</b>	<b><u>\$ 10,339,633</u></b>

DW 20-156  
 PENNICHUCK EAST UTILITY, INC.  
 PERMANENT RATES  
 SCHEDULE 2a - OPERATING INCOME ADJUSTMENTS PER SETTLEMENT

<u>Adj #</u>	<u>Account Description</u>	<u>Data Request Reference</u>	<u>Amounts</u>	
<b><u>OPERATING EXPENSES</u></b>				
<b><u>OPERATION AND MAINTENANCE EXPENSES</u></b>				
<b><u>Production Expense:</u></b>				
1	Purchased Water Expense:	Staff 1-23	\$	<u>1,398</u>
<b><u>Transmission and Distribution Expense:</u></b>				
2	Leak Detection:	Staff 2-11		<u>(52,527)</u>
<b><u>Administrative and General Expense:</u></b>				
3	Insurance Expense:	Staff 1-26	\$ 10,567	
		Staff 2-12	<u>(10,759)</u>	(192)
4	Regulatory Commission Expense:	Staff 2-13		<u>1,062</u>
<b>Total Adjustments - Administrative and General Expense</b>				<u>870</u>
<b><u>Inter-Division Management Fee:</u></b>				
5	Non-union Compensation:	Staff 1-27	37,809	
		Staff 2-15	<u>773</u>	38,582
6	Lease Expense:	Staff 2-15		(9)
7	Pension Expense and Health Retirement:	Staff 1-30	46,660	
		Staff 2-15	<u>748</u>	47,408
8	Tier 1 Allocation Expense:	Staff 1-31	800	
		DOE 3-4	<u>(7,305)</u>	<u>(6,505)</u>
<b>Total Adjustments - Inter-Division Management Fee</b>				<u>79,476</u>
<b>Total Adjustments - Operation and Maintenance Expenses</b>				<u>29,217</u>
<b><u>OTHER OPERATING EXPENSES</u></b>				
<b><u>Property Tax Expense:</u></b>				
9	Property Tax Expense:	Staff 2-26		4,432
10	Property Tax Expense Adjustment	Schedule 5		<u>(109,334)</u>
<b>Total Adjustments - Property Tax Expense</b>				<u>(104,902)</u>

DW 20-156  
 PENNICHUCK EAST UTILITY, INC.  
 PERMANENT RATES  
 SCHEDULE 2a - OPERATING INCOME ADJUSTMENTS PER SETTLEMENT

Adj #	Account Description	Data Request Reference	Amounts
<b><u>Amortization Expense - Other:</u></b>			
11	Amortization Expense - Other:	Staff 2-26	(7,688)
12	Amortization of RSF Account Deficit:	Staff 1-16	14,296
		Staff 2-10	(10,601)
		Towns Tech 2-3	<u>(212,455)</u>
			<u>(208,760)</u>
<b>Total Adjustments - Amortization Expense - Other</b>			<u>(216,448)</u>
<b>Total Adjustments - Other Operating Expenses</b>			<u><b>(321,350)</b></u>
<b><u>INCOME TAX EXPENSE</u></b>			
<b><u>NH Business Enterprise Tax:</u></b>			
13	NH Business Enterprise Tax:	Staff 1-37	<u>20,107</u>
Total Adjustments - Income Tax Expense			<u><b>20,107</b></u>
<b>TOTAL ADJUSTMENTS - OPERATING EXPENSES</b>			<u><b>(272,026)</b></u>
<b>NET OPERATING INCOME ADJUSTMENTS</b>			<u><b>\$ 272,026</b></u>

**DW 20-156  
 PENNICHUCK EAST UTILITY, INC.  
 PERMANENT RATES  
 SCHEDULE 2b - ANALYSIS OF OPERATING REVENUES**

Rate or Class of Service	Test Year Base Rate Revenues	Test Year QCPAC Revenues	Total Test Year Revenues	Pro Forma QCPAC Revenues	Total Test Year Pro Forma Revenues	5-Yr Avg Base Rate Pro Forma	5-Yr Avg QCPAC Pro Forma	Total 5-Yr Average Pro Forma Revenues	5-Yr Avg Pro Forma Revenues Less: QCPAC	Pro Forma Test Year Revenues
G-M	\$ 7,221,538	\$ 90,800	\$ 7,312,338	\$ 124,402	\$ 7,436,740	\$ 173,766	\$ 5,178	\$ 7,615,684	\$ 7,395,304	\$ 7,615,684
Private FP	358,892	4,513	363,405	6,182	369,587	-	-	369,587	358,892	369,587
FP - Hydrants	852,013	10,713	862,726	14,677	877,403	-	-	877,403	852,013	877,403
Windham Public Hydrant	38,577	485	39,062	665	39,727	-	-	39,727	38,577	39,727
Raymond Public Hydrant	6,139	77	6,216	106	6,322	-	-	6,322	6,139	6,322
Lee Public Hydrant	4,312	54	4,366	74	4,440	-	-	4,440	4,312	4,440
Exeter Public Hydrant	5,604	70	5,674	97	5,771	-	-	5,771	5,604	5,771
Birch Hill Public Hydrant	11,103	140	11,243	191	11,434	-	-	11,434	11,103	11,434
Bow Public Hydrant	2,240	28	2,268	39	2,307	-	-	2,307	2,240	2,307
Revenues from Water Sales	8,500,418	106,880	8,607,298	146,432	8,753,730	173,766	5,178	8,932,675	8,674,184	8,932,675
North Country Capital Recovery Surcharge	181,603	-	181,603	-	181,603	-	-	181,603	181,603	181,603
Revenues from Water Sales and NCCRS	8,682,021	106,880	8,788,901	146,432	8,935,333	173,766	5,178	9,114,278	8,855,787	9,114,278
Other Operating Revenues	30,188	-	30,188	-	30,188	-	-	30,188	30,188	30,188
<b>Total Operating Revenues</b>	<b>\$ 8,712,209</b>	<b>\$ 106,880</b>	<b>\$ 8,819,089</b>	<b>\$ 146,432</b>	<b>\$ 8,965,521</b>	<b>\$ 173,766</b>	<b>\$ 5,178</b>	<b>\$ 9,144,466</b>	<b>\$ 8,885,975</b>	<b>\$ 9,144,466</b>



**DW 20-156**  
**PENNICHUCK EAST UTILITY, INC.**  
**PERMANENT RATES**  
**SCHEDULE 2c - NON-MATERIAL OPERATING EXPENSES**

<b>Acct No.</b>	<b>Description</b>	<b>Per Co's 2019 Gen'l Ledger</b>	<b>Pro Forma Adj's per Co's Filing</b>	<b>Pro Forma Balance per Co's Filing</b>	<b>Pro Forma Adj's per Settlement</b>	<b>Pro Forma Balance per Settlement</b>
923000	OUTSIDE SERVICES	\$ 23,260	\$ (20,701)	\$ 2,559	\$ -	\$ 2,559
930200	PUBLIC RELATIONS	-	-	-	-	-
930300	MEALS	4,604	-	4,604	-	4,604
930410	CHARITABLE CONTRIBUTIONS	-	-	-	-	-
	<b>TOTAL NON-MATERIAL OPERATING EXPENSES</b>	<b>\$ 27,864</b>	<b>\$ (20,701)</b>	<b>\$ 7,163</b>	<b>\$ -</b>	<b>\$ 7,163</b>

PENNICHUCK EAST UTILITY, INC.  
PERMANENT RATES  
SCHEDULE 3 - PRO FORMA TEST YEAR DEBT SERVICE

Docket No.	Order No.	Order Date	Holder	Term	Maturity	Int Rate	OUTSTANDING DEBT	PRO FORMA PRINCIPAL PAYMENTS				PRO FORMA INTEREST PAYMENTS				PRO FORMA DEBT SERVICE PER CO FILING	PRO FORMA DEBT SERVICE PER SETTLMNT		
								2019 Principal Payments	Pro Forma Ad's per Co Filing	Pro Forma Princ Pmts per Co Filing	Adjustments per Settlement	Pro Forma Princ Pmts per Sett/mnt	2019 Interest Payments	Pro Forma Ad's per Co Filing	Pro Forma Int Pmts per Co Filing			Adjustments per Settlement	Pro Forma Int Pmts per Sett/mnt
<b>PRO FORMA TEST YEAR DEBT:</b>																			
<b>Outstanding Debt at 12/31/2019:</b>																			
DW 09-134	25,041	11/09/09	CoBank	20	03/01/30	5.950%	\$ 2,715,543	\$ 212,716	\$ (14,512)	\$ 198,204	\$ 21,890 (b)	\$ 220,094	\$ 120,540	\$ 75,490	\$ 196,030	\$ (120,211) (c)	\$ 75,819	\$ 394,234	\$ 295,913
DW 02-021	23,922	02/22/02	State of NH SRF: Green Hills	20	01/01/25	3.728%	113,245	17,325	-	17,325	-	17,325	4,689	(862)	3,827	-	3,827	21,152	21,152
DW 04-138	24,375	09/30/04	State of NH SRF: Pelham Tank	20	01/01/27	3.488%	242,897	30,114	1,067	31,181	-	31,181	9,044	(1,067)	7,977	-	7,977	39,158	39,158
DW 08-022	24,844	04/04/08	State of NH SRF: Maple Hills	20	06/01/30	2.952%	353,184	28,543	857	29,400	-	29,400	10,884	(854)	10,030	-	10,030	39,430	39,430
DW 07-010	24,739	04/13/07	State of NH SRF: Birch Hill NC Loan	20	12/01/31	2.864%	1,193,378	82,859	(82,859)	-	-	-	35,469	(35,469)	-	-	-	-	-
DW 07-010	24,739	04/13/07	State of NH SRF: Locke Lake - 2007	20	05/01/30	2.952%	151,960	12,326	59	12,385	-	12,385	4,743	(476)	4,267	-	4,267	16,652	16,652
DW 10-330	25,209	03/29/11	State of NH SRF: Locke Lake - 2011	20	06/01/33	2.864%	227,937	6,427	572	6,999	-	6,999	6,724	(364)	6,360	-	6,360	13,359	13,359
DW 11-108	25,248	07/07/11	State of NH SRF: Liberty Tree	20	04/01/35	3.104%	334,930	8,013	752	8,765	-	8,765	10,651	(478)	10,173	-	10,173	18,938	18,938
DW 11-262	25,348	04/13/12	State of NH SRF: Locke Lake - 2012	20	12/01/33	2.720%	300,407	17,523	483	18,006	-	18,006	8,430	(483)	7,947	-	7,947	25,953	25,953
DW 13-017	25,480	03/27/13	CoBank \$1.7M Loan (RX0848T4)	10	06/20/23	3.620%	1,294,541	72,802	2,585	75,387	-	75,387	49,104	(2,579)	46,525	-	46,525	121,912	121,912
DW 13-017	25,480	03/27/13	CoBank \$925K Loan (RX0848T3)	20	06/20/33	4.250%	706,244	37,786	1,575	39,361	-	39,361	31,403	(1,572)	29,831	-	29,831	69,192	69,192
DW 13-125	25,541	07/09/13	State of NH SRF: Locke Lake Dam Site - Phase 2	20	07/01/35	2.720%	327,933	16,785	462	17,247	-	17,247	9,168	(462)	8,706	-	8,706	25,953	25,953
DW 14-020	25,650	04/15/14	State of NH SRF: Winwood & Monroe - Phase 1	20	07/01/36	2.720%	333,303	15,794	435	16,229	-	16,229	9,300	(435)	8,865	-	8,865	25,094	25,094
DW 15-044	25,773	04/03/15	State of NH SRF: Winwood & Monroe - Phase 2	20	11/01/36	2.464%	349,020	16,530	412	16,942	-	16,942	8,821	(412)	8,409	-	8,409	25,351	25,351
DW 14-020	25,650	04/15/14	State of NH SRF: W&E Main Replacement	20	08/01/36	2.616%	882,518	41,966	1,111	43,077	-	43,077	23,684	(1,111)	22,573	-	22,573	65,650	65,650
DW 13-125	25,541	07/09/13	State of NH SRF: Hickory & Avery	20	04/01/36	2.616%	359,529	17,529	464	17,993	-	17,993	9,655	(464)	9,191	-	9,191	27,184	27,184
DW 14-020	25,650	04/15/14	State of NH SRF: Hardwood Treatment Station	20	07/01/36	2.464%	491,091	23,832	594	24,426	-	24,426	12,420	(594)	11,826	-	11,826	36,252	36,252
DW 14-282	25,746	12/30/14	CoBank \$625K Loan	25	03/06/40	4.900%	557,471	15,610	715	16,325	-	16,325	28,159	(714)	27,445	-	27,445	43,770	43,770
DW 16-234	25,890	04/29/16	CoBank \$1.25M Loan T6 (1st Tranche)	25	11/01/41	4.200%	1,160,174	31,223	1,217	32,440	-	32,440	50,198	(1,215)	48,983	-	48,983	81,423	81,423
DW 16-234	25,890	04/29/16	CoBank \$950K Loan T6 (2nd Tranche)	25	11/01/41	4.830%	887,255	21,945	976	22,921	-	22,921	44,091	(974)	43,117	-	43,117	66,038	66,038
DW 16-234	25,890	04/29/16	State of NH SRF: Locke Lake - Varney Road	20	11/01/37	1.960%	1,356,529	63,287	1,252	64,539	-	64,539	27,262	(1,252)	26,010	-	26,010	90,549	90,549
DW 17-055	26,006	04/19/17	State of NH SRF: Brady Ave (Derry) - 2017	30	07/01/49	1.960%	563,319	5,633	5,872	11,505	-	11,505	16,196	(5,277)	10,919	-	10,919	22,424	22,424
DW 17-055	26,006	04/19/17	State of NH SRF: Hillcrest Road (Litchfield) - 2017	20	09/01/39	1.960%	238,741	3,306	6,743	10,049	-	10,049	5,482	(893)	4,589	-	4,589	14,638	14,638
DW 17-157	26,117	03/30/18	CoBank \$500K Loan (2017 Capital Projects)	25	05/01/43	5.330%	2,369,217	7,034	338	7,372	-	7,372	18,556	(337)	18,219	-	18,219	25,591	25,591
DW 17-055	26,006	04/19/17	State of NH SRF: Merrimack River Crossing	20	09/01/39	1.960%	2,367,217	32,783	66,861	99,644	-	99,644	64,446	(18,941)	45,505	-	45,505	145,149	145,149
DW 19-069	26,253	05/22/19	CoBank \$1.153M Loan T9 (2018 QCP's)	25	06/01/44	4.380%	1,144,579	8,421	17,606	26,027	-	26,027	18,326	32,177	50,503	-	50,503	76,530	76,530
DW 18-132	26,189	11/06/18	State of NH SRF: Locke Lake - Georgetown Main	30	TBD	2.704%	958,333	-	21,128	21,128	(21,128) (d)	-	-	25,913	25,913	(25,913) (d)	-	47,041	-
Sub-total: 2019 Outstanding Debt							19,950,446	848,112	36,765	884,877	762	885,639	637,445	56,295	693,740	(146,124)	547,616	1,578,617	1,433,255
<b>New Debt Acquired during 2020/2021:</b>																			
DW 20-081	26,418	10/29/20	CoBank \$300K Loan (2019 QCP's)	25	12/20/45	3.980%	800,122	-	20,002	20,002	(738) (e)	19,264	-	29,605	29,605	2,240 (e)	31,845	49,607	51,109
DW 21-129	26,538	10/29/21	CoBank RSP Refill Loan (2021)	25	-	4.250% (f)	2,546,632	-	-	-	58,016 (g)	58,016	-	-	-	108,716 (g)	108,716	166,732	
Sub-total: 2020/2021 New Debt							3,346,754	-	20,002	20,002	57,278	77,280	-	29,605	29,605	110,956	140,561	49,607	217,841
<b>Intercompany Debt:</b>																			
DW 17-157	26,117	03/30/18	Penn Corp: Refinanced \$1,701,516 Loans - 2018	30	05/01/48	3.200%	1,646,609	35,001	1,137	36,138	-	36,138	53,301	(1,137)	52,164	-	52,164	88,302	88,302
DW 17-157	26,117	03/30/18	Penn Corp: Refinanced \$1,157,403 NC Loan - 2018	30	05/01/48	3.200%	1,120,054	23,808	(23,808)	-	-	-	36,256	(36,256)	-	-	-	-	-
Sub-total: Intercompany Debt							2,766,663	58,809	(22,671)	36,138	-	36,138	89,557	(37,393)	52,164	-	52,164	88,302	88,302
<b>PRO FORMA TEST YEAR TOTALS</b>							<b>\$ 26,063,863</b>	<b>\$ 906,921</b>	<b>\$ 34,096</b>	<b>\$ 941,017</b>	<b>\$ 58,040</b>	<b>\$ 999,057</b>	<b>\$ 727,002</b>	<b>\$ 48,507</b>	<b>\$ 775,509</b>	<b>\$ (35,168)</b>	<b>\$ 740,341</b>	<b>\$ 1,716,526</b>	<b>\$ 1,739,398</b>

Notes:

(a) Per Audit Issue # 8, interest rate adjusted from 2.720% to 2.616%.

(b) Per Staff 2-23 \$ (122,386)  
Per DOE 3-8 144,275  
\$ 21,890

(c) Per Staff 2-22 \$ 24,065  
Per DOE 3-7 (144,276)  
\$ (120,211)

(d) Per Staff 1-42

(e) Per Staff 1-43

(f) Finalized Interest Rate

(g) Finalized Annual P & I Payment

DW 20-156  
 PENNICHUCK EAST UTILITY, INC.  
 PERMANENT RATES  
 SCHEDULE 4 - REPORT OF PROPOSED RATE CHANGES (PER COST OF SERVICE STUDY)

Rate or Class of Service	Effect of Proposed Change	Average Number Customers	Change in Annual Revenues				Permanent Rate Change in Annual Revenues	
			Pro Forma Test Year Revenues	Less: Pro Forma QCPAC Revenues	Pro Forma Test Year Base Rate Revenues	Proposed Distribution of Revenue Requirement	Amount	% Increase
G-M	Increase	7,927	\$ 7,615,684	\$ (220,380)	\$ 7,395,304	\$ 8,931,198	\$ 1,535,894	20.77%
Private FP	-	320	369,587	(10,695)	358,892	358,892	-	0.00%
FP - Hydrants	Decrease	4	877,403	(25,390)	852,013	769,098	(82,915)	-9.73%
Windham Public Hydrant	Increase	357	39,727	(1,150)	38,577	39,640	1,063	2.76%
Raymond Public Hydrant	Increase	248	6,322	(183)	6,139	7,638	1,499	24.42%
Lee Public Hydrant	Increase	34	4,440	(128)	4,312	4,519	207	4.80%
Exeter Public Hydrant	Decrease	52	5,771	(167)	5,604	5,355	(249)	-4.44%
Birch Hill Public Hydrant	Decrease	216	11,434	(331)	11,103	10,799	(304)	-2.74%
Bow Public Hydrant	Increase	26	2,307	(67)	2,240	2,552	312	13.93%
Revenues from Water Sales		8,251	8,932,675	(258,491)	8,674,184	10,129,691	1,455,507	16.78%
North Country Capital Recovery Surcharge	Decrease	1,199	181,603	-	181,603	178,915	(2,688)	-1.48%
Revenues from Water Sales and NCCRS		8,251	9,114,278	(258,491)	8,855,787	10,308,606	1,452,819	16.41%
Other Operating Revenues	-	-	30,188	-	30,188	30,188	-	0.00%
<b>Total Operating Revenues</b>		<b>8,251</b>	<b>\$ 9,144,466</b>	<b>\$ (258,491)</b>	<b>\$ 8,885,975</b>	<b>\$ 10,338,794</b>	<b>\$ 1,452,819</b>	<b>16.35%</b>

  

<b>Comparison of Proposed Revenues per Revenue Requirement and Cost of Service Study:</b>			
	Per Att A Summary	Per Cost of Service Study	Difference
Revenues from Water Sales	\$ 10,130,530	\$ 10,129,691	\$ (839)
North Country Capital Recovery Surcharge	178,915	178,915	-
Other Operating Revenues	30,188	30,188	-
<b>Total Operating Revenues</b>	<b>\$ 10,339,633</b>	<b>\$ 10,338,794</b>	<b>\$ (839)</b>
<b>Percentage Difference</b>			<b>-0.01%</b>

DW 20-156  
 PENNICHUCK EAST UTILITY, INC.  
 PERMANENT RATES  
 SCHEDULE 5 - PROPERTY TAX EXPENSE ANALYSIS

		2019							2020							Adjustments		Adjusted Tax
		First Issue			Second Issue			Total Payment	First Issue			Second Issue			Total Payment	Rate	Total	
		Assess	Rate	Tax	Assess	Rate	Tax		Assess	Rate	Tax	Assess	Rate	Tax				
<b>ATKINSON:</b>	000001-00023	\$ 83,100	\$ 7.87	\$ 654	\$ 79,100	\$15.53	\$ 574	\$ 1,228	\$ 79,100	\$ 7.76	\$ 614	\$ 87,800	\$16.24	\$ 809	\$ 1,423	\$ -	\$ -	\$ 1,423
<b>BARNSTEAD:</b>	046-007	18,500	10.25	190	18,500	20.99	199	388	18,500	10.49	194	18,500	21.24	199	393			393
	014-008-001	3,923,159	10.25	40,212	4,042,275	20.99	44,635	84,847	4,042,275	10.49	42,403	4,265,745	21.24	48,201	90,604			90,604
	014-009	873	10.25	9	1,099	20.99	14	23	1,099	10.49	12	1,027	21.24	10	22			22
	048-001-00X	12,500	10.25	128	12,500	20.99	134	262	12,500	10.49	131	-	-	-	131	(h)	(131)	-
		<u>3,955,032</u>		<u>40,539</u>	<u>4,074,374</u>		<u>44,982</u>	<u>85,521</u>	<u>4,074,374</u>		<u>42,740</u>	<u>4,285,272</u>		<u>48,410</u>	<u>91,150</u>		<u>(131)</u>	<u>91,019</u>
<b>BOW:</b>	28-3-43-B-UO	360,500	12.41	4,474	398,100	24.35	5,220	9,694	398,100	12.18	4,849	445,000	23.69	5,693	10,542			10,542
	15-3-109-UO	412,500	12.41	5,119	412,500	24.35	4,925	10,044	412,500	12.18	5,024	489,000	23.69	6,560	11,584			11,584
	44-2-134-UO	46,000	12.41	571	46,000	24.35	549	1,120	46,000	12.18	560	52,000	23.69	672	1,232			1,232
		<u>819,000</u>		<u>10,164</u>	<u>856,600</u>		<u>10,694</u>	<u>20,858</u>	<u>856,600</u>		<u>10,433</u>	<u>986,000</u>		<u>12,925</u>	<u>23,358</u>			<u>23,358</u>
<b>CHESTER:</b>	017-102-000	19,200	10.98	211	11,300	18.87	2	213	11,300	9.43	107	11,300	18.63	104	211			211
<b>CONWAY:</b>	232-140	55,300	9.27	513	54,100	16.32	370	883	54,100	8.16	441	54,100	15.39	391	833			833
	231-56	40,900	10.44	427	47,900	18.30	450	877	-	-	-	-	-	-	-			-
	997-002	744,700	9.27	6,903	999,900	16.32	9,415	16,318	999,900	8.16	8,159	999,900	15.39	7,229	15,388			15,388
	231-139.031	2,500	9.90	25	2,500	17.55	19	44	2,500	8.78	22	2,500	16.72	20	42			42
		<u>843,400</u>		<u>7,868</u>	<u>1,104,400</u>		<u>10,254</u>	<u>18,122</u>	<u>1,056,500</u>		<u>8,623</u>	<u>1,056,500</u>		<u>7,640</u>	<u>16,263</u>			<u>16,263</u>
<b>DERRY:</b>	09-015	329,698	12.00	3,955	711,365	24.06	13,161	17,115	711,365	12.03	8,558	955,211	22.46	12,896	21,454			21,454
	05-038-A	83,700	12.00	1,004	83,700	24.06	1,010	2,014	83,700	12.03	1,007	83,700	22.46	873	1,880			1,880
		<u>413,398</u>		<u>4,959</u>	<u>795,065</u>		<u>14,171</u>	<u>19,129</u>	<u>795,065</u>		<u>9,565</u>	<u>1,038,911</u>		<u>13,769</u>	<u>23,334</u>			<u>23,334</u>
<b>EXETER:</b>	115-30	8,700	12.56	109	11,200	21.29	129	238	11,100	10.65	118	11,100	22.50	132	250			250
<b>HOOKESETT:</b>	WATR-0001	262,200	9.97	2,614	262,200	19.36	2,462	5,076	262,200	9.68	2,538	262,200	20.51	2,840	5,378			5,378
	0005-0116-000W	630,500	9.97	6,286	630,500	19.36	5,920	12,206	645,500	9.68	6,248	645,500	20.51	6,991	13,239			13,239
		<u>892,700</u>		<u>8,900</u>	<u>892,700</u>		<u>8,382</u>	<u>17,283</u>	<u>907,700</u>		<u>8,787</u>	<u>907,700</u>		<u>9,830</u>	<u>18,617</u>			<u>18,617</u>
<b>LEE:</b>	000036-000003	15,100	14.14	214	15,100	29.10	226	439	15,100	14.56	220	15,100	29.54	226	446			446
<b>LITCHFIELD:</b>	0016-0057	14,872,800	10.54	156,759	14,872,800	21.35	160,775	317,534	14,872,800	10.68	158,842	15,106,000	16.87	95,997	254,838			254,838
	0011-0035	16,000	10.54	169	16,000	21.35	173	342	16,000	10.68	171	19,100	16.87	151	322			322
		<u>14,888,800</u>		<u>156,928</u>	<u>14,888,800</u>		<u>160,948</u>	<u>317,876</u>	<u>14,888,800</u>		<u>159,012</u>	<u>15,125,100</u>		<u>96,148</u>	<u>255,160</u>			<u>255,160</u>
<b>LONDONDERRY:</b>	10-142-0	146,000	10.90	1,591	146,000	17.48	961	2,552	146,000	9.70	1,416	146,000	18.18	1,238	2,654			2,654
	81-5-0	10,663,300	9.77	104,180	15,745,700	17.48	171,054	275,235	15,745,700	9.70	152,733	2,676,300	18.18	(104,078)	48,655			48,655
	81-5-1	-	-	-	-	-	-	-	-	-	-	10,783,300	18.18	196,040	196,040			196,040
	7-108A-0	72,200	10.90	787	96,000	17.48	891	1,678	96,000	9.70	931	96,000	18.18	814	1,745			1,745
	4-3-21	122,500	10.90	1,335	144,600	17.48	1,192	2,528	144,600	9.70	1,403	144,600	18.18	1,226	2,629			2,629
	13-74-1A	100,800	10.90	1,099	119,800	17.48	995	2,094	119,800	9.70	1,162	119,800	18.18	1,016	2,178			2,178
		<u>11,104,800</u>		<u>108,993</u>	<u>16,252,100</u>		<u>175,094</u>	<u>284,087</u>	<u>16,252,100</u>		<u>157,645</u>	<u>13,966,000</u>		<u>96,257</u>	<u>253,902</u>			<u>253,902</u>
<b>MIDDLETON:</b>	000003-00016	466,200	13.30	6,200	466,200	24.82	5,371	11,571	466,200	12.42	5,790	446,200	26.95	6,235	12,025			12,025
	000002-000013	39,300	13.30	523	40,000	24.82	470	993	40,000	12.42	497	40,000	26.95	581	1,078			1,078
		<u>505,500</u>		<u>6,723</u>	<u>506,200</u>		<u>5,841</u>	<u>12,564</u>	<u>506,200</u>		<u>6,287</u>	<u>486,200</u>		<u>6,816</u>	<u>13,103</u>			<u>13,103</u>

DW 20-156  
 PENNICHUCK EAST UTILITY, INC.  
 PERMANENT RATES  
 SCHEDULE 5 - PROPERTY TAX EXPENSE ANALYSIS

		2019						2020						Adjustments		Adjusted Tax		
		First Issue		Second Issue		Total Payment	First Issue		Second Issue		Total Payment	Rate	Total					
		Assess	Rate	Tax	Assess		Rate	Tax	Assess	Rate				Tax				
<b>PELHAM:</b>	0-14-1	2,770,000	9.69	26,827	3,480,000	18.31	36,891	63,719	3,480,000	8.76	30,467	4,687,200	18.26	55,121	85,588		85,588	
	33-1-146-28	120,900	10.73	1,297	45,200	19.40	(420)	877	45,200	9.70	438	45,200	20.20	475	913 (i)	(1.94)	(88)	825
	7-4-65	652,600	9.69	6,320	393,300	18.31	881	7,201	393,300	8.76	3,443	393,300	18.26	3,738	7,182		7,182	
	14-4-137-10-A	44,700	9.69	433	53,800	18.31	552	985	64,600	8.76	566	64,600	18.26	614	1,180		1,180	
	7-4-26	62,100	9.69	601	62,100	18.31	536	1,137	62,100	8.76	544	62,100	18.26	590	1,134		1,134	
	13-4-139-22-A	724,500	9.69	7,017	603,800	18.31	4,039	11,056	603,800	8.76	5,286	603,800	18.26	5,739	11,025		11,025	
		<u>4,374,800</u>		<u>42,496</u>	<u>4,638,200</u>		<u>42,478</u>	<u>84,975</u>	<u>4,649,000</u>		<u>40,745</u>	<u>5,856,200</u>		<u>66,277</u>	<u>107,022</u>		<u>(88)</u>	<u>106,934</u>
<b>PLAISTOW:</b>	99-08	230,400	11.17	2,572	212,000	19.33	1,526	4,098	212,000	9.67	2,049	400,800	19.60	5,807	7,856		7,856	
<b>RAYMOND:</b>	021-000-00B	1,978,000	12.06	23,846	1,777,400	24.35	19,434	43,280	1,777,400	12.18	21,640	1,975,200	23.93	25,627	47,267		47,267	
	021-000-00A	9,100	12.06	110	9,100	24.35	112	222	9,100	12.18	111	9,100	23.93	107	218		218	
	017-000-095	90,100	12.06	1,086	90,100	24.35	1,108	2,194	90,100	12.18	1,097	90,100	23.93	1,059	2,156		2,156	
	012-003-084	5,800	12.06	70	5,800	24.35	71	141	5,800	12.18	71	7,100	23.93	99	170		170	
		<u>2,083,000</u>		<u>25,112</u>	<u>1,882,400</u>		<u>20,725</u>	<u>45,836</u>	<u>1,882,400</u>		<u>22,918</u>	<u>2,081,500</u>		<u>26,892</u>	<u>49,810</u>			<u>49,810</u>
<b>SANDOWN:</b>	07-007-01-0A	57,700	12.21	705	53,700	24.81	628	1,332	53,700	12.41	666	45,100	25.60	488	1,155		1,155	
<b>TILTON:</b>	000U03-000037	565,600	11.30	6,391	458,800	20.22	2,886	9,277	458,800	10.11	4,638	632,400	18.87	7,295	11,933		11,933	
<b>WEARE:</b>	109-42	461,000	10.45	4,817	461,000	21.58	5,131	9,948	461,000	10.79	4,974	447,200	21.83	4,788	9,762		9,762	
<b>WINDHAM:</b>	22L-00300-02441	97,900	11.65	1,140	97,900	22.55	1,068	2,208	97,900	11.28	1,104	105,600	19.13	916	2,020 (i)	(1.84)	(180)	1,840
	00F-00000-02489	3,135,300	10.49	32,874	2,885,300	20.24	25,525	58,398	2,885,300	10.12	29,199	2,950,600	17.29	21,817	51,016			51,016
		<u>3,233,200</u>		<u>34,014</u>	<u>2,983,200</u>		<u>26,592</u>	<u>60,606</u>	<u>2,983,200</u>		<u>30,303</u>	<u>3,056,200</u>		<u>22,733</u>	<u>53,036</u>		<u>(180)</u>	<u>52,856</u>
<b>STATE OF NH:</b>					32,198,300	6.60	212,509	212,509				29,502,300	6.60	194,715	194,715			194,715
<b>TOTAL</b>		<u>\$44,554,430</u>		<u>\$ 462,368</u>	<u>\$82,374,539</u>		<u>\$ 743,772</u>	<u>\$1,206,141</u>	<u>\$50,154,039</u>		<u>\$ 510,444</u>	<u>\$79,998,483</u>		<u>\$ 622,062</u>	<u>\$1,132,506</u>		<u>\$ (399)</u>	<u>\$1,132,107</u>

Less: Pro-forma Property Tax Expense per Co:  
 Property Tax Expense per 2019 Annual Report (Pg 75; Sch F-50) \$1,174,044  
 Co's pro-forma adj's relative to Property Tax Expense (1604.06 Sch 1; Att G; Adj's IA and IB) 67,397  
**Proposed Pro Forma Adjustment to Property Tax Expense** \$ (109,334)

**Notes:**

(h) To adjust property tax expense relative to the disposal of the Airport Booster Station structure. (See Attachment Staff 1-33, Page 197; and Staff 2-19(a))

(i) To adjust property tax expense by the amounts charged by the municipalities of Pelham and Windham relative to their respective State School Tax rates. (See Attachment Staff 1-33, Pages 235 and 254)