

**PROPERTY TAX ADJUSTMENT MECHANISM**

By its Order No. 26,659, dated July 29, 2022, the Commission authorized the Company to implement a Property Tax Adjustment Mechanism (“PTAM”) to recover or refund local property tax expenses, as compared to the amount in base rates. A PTAM surcharge of 5.16% will apply to all bills, excluding miscellaneous charges, with services rendered for a twelve-month period beginning on or after April 1, 2023.

I. General Description

Purpose: To recover or refund local property tax expenses, as compared to the amount in base rates of \$494,861, of local property taxes paid. The PTAM shall be a fully reconciling property tax adjustment mechanism except for the exclusion of the State of New Hampshire utility property taxes and State Education taxes.

II. Computation of the PTAM

Calculation: On an annual basis, beginning with the property tax year that commenced April 1, 2020, actual local property tax amounts from the property tax bills received during a calendar year shall be compared against the annual amount allowed in base rates, and any variances will be reconciled through the PTAM. Annual property tax billed amounts shall be adjusted for any credits received due to abatement proceeds received for tax years preceding the test year. The PTAM shall reconcile and provide for recovery or credit for any over or under recoveries. With respect to the initial year of reconciliation, local property tax bills received during calendar years 2020, 2021 and 2022 will be compared to the annual allowed amount of \$494,861 for these three years. Filings covering subsequent property tax years shall be made on or before February 10 using property tax bills received during the prior calendar year for adjustments to rates effective April 1.

Issued: July 29, 2022

Issued by: Donald Morrissey

Effective: April 1, 2023

Title: President