

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 22-032

Pennichuck Water Works, Inc.
Permanent Rate Proceeding

SETTLEMENT AGREEMENT ON TEMPORARY RATES

I. INTRODUCTION

This settlement agreement (Agreement) is entered into by and between Pennichuck Water Works, Inc. (PWW); the Department of Energy (DOE); and the Office of the Consumer Advocate (OCA) (together, Settling Parties).

II. BACKGROUND

On May 19, 2022, PWW filed its Notice of Intent to file rate schedules with the New Hampshire Public Utilities Commission (Commission). The Commission acknowledged this filing and opened the instant docket on May 24, 2022.

On June 2, 2022, the DOE filed a notice of appearance.

On June 27, 2022, the OCA filed its letter of participation.

On June 27, 2022, PWW filed tariff schedules for effect August 1, 2022. These tariff schedules would have increased PWW's rates by an overall 13.06 percent. PWW's permanent rate filing also included an adjustment to its Material Operating Expense Factor (MOEF) and reallocation of its Rate Stabilization Fund (RSF) accounts. PWW filed testimony and supporting materials in accordance with PART Puc 1604, as well as a petition for temporary rates in the event the Commission suspended the taking effect of PWW's tariff rates and opened an investigation.

On July 26, 2022, the Commission issued Order No. 26,652 and suspended the taking effect of PWW's tariffs, opened an investigation, and scheduled a prehearing and technical conference for August 24, 2022.

On July 27, 2022, PWW filed a motion to reschedule the prehearing conference.

On July 28, 2022, the Commission granted PWW's motion and rescheduled the prehearing and technical session to September 7, 2022.

On August 12, 2022, PWW filed its affidavit of publication with the Commission.

On September 7, 2022, the Commission held its duly-noticed prehearing conference. Thereafter, the parties met in a technical session.

On September 8, 2022, the DOE filed its report of the technical session wherein the parties proposed to meet in an additional technical session on September 22, 2022, and proposed to file a more substantive proposed procedural schedule no later than September 26, 2022.

On September 15, 2022, the Commission issued a record request for PWW's live version of the PDF PWW had filed for its cost of service workbook.

On September 21, 2022, PWW filed its response to the record request as well as a motion for confidential treatment to protect the live version of the cost of service workbook.

On September 26, 2022, the DOE filed the parties proposed procedural schedule that included dates for discovery, testimony, technical and settlement sessions, and hearings.

On September 27, 2022, PWW filed its rate case expense report per Puc 1905.01(a).

On September 30, 2022, the Commission approved the proposed procedural schedule.

III. SCOPE OF SETTLEMENT

A. This Agreement is entered into by the Settling Parties.

B. This Agreement constitutes the Settling Parties' recommendation to the Commission with respect to temporary rates in this docket.

C. Under this Agreement, the Settling Parties agree that this Agreement constitutes resolution of the issues specified herein only.

D. This Agreement shall not be deemed an admission by any Settling Party that any allegation or contention in this proceeding by any Settling Party, other than those specifically agreed to herein, is true and valid. This Agreement shall not be deemed to foreclose any party from taking any position in any future proceedings.

E. The Settling Parties agree that all documentation supporting the petition should be admitted as full exhibits for the purpose of consideration of this Agreement and be given the weight the Commission deems appropriate.

IV. TERMS OF AGREEMENT

A. The Settling Parties agree that no temporary rates should be set.

B. The DOE and OCA will strive to conduct their review of PWW's rate filing as efficiently as possible in accordance with RSA 378:6, I(a), .

C. The Settling Parties agree that PWW should continue to charge an aggregate Qualified Capital Projects Adjustment Charge (QCPAC) surcharge of 7.25 percent, as approved by Order No. 26,697, through the remainder of the rate proceeding, until such time the Commission issues an order approving final permanent rates.

V. CONDITIONS

A. This Agreement is expressly conditioned upon the Commission's acceptance of all its provisions, without change or condition. If the Commission does not accept the Agreement in its entirety, without change or condition, or if the Commission makes any findings

that go beyond the scope of this Agreement, and the Settling Parties are unable to agree with said changes, conditions or findings, the Agreement shall be deemed to be withdrawn by the Settling Parties and the Settling Parties agree that it shall not constitute any part of the record in this proceeding and shall not be used for any other purpose. The Commission's acceptance of this Agreement shall not constitute continuing approval of, or precedent regarding, any particular principle or issue in this proceeding.

B. The discussions that produced this Agreement have been conducted on the explicit understanding that all offers of settlement relating thereto are and shall be confidential, shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in connection with any future proceeding or otherwise.

C. This Agreement may be signed electronically, by facsimile, and in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all Settling Parties.

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IN WITNESS WHEREOF, the Settling Parties to this Agreement have caused the Agreement to be duly signed in their respective names by their fully authorized agents.

PENNICHUCK EAST UTILITY, INC.
By its Attorney,

Dated: October 26, 2022

Marcia A. Brown
Marcia A. Brown, Esq.

STAFF OF THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION
By its Attorney,

Dated: October 26, 2022

/s/ Christopher R. Tuomala
Christopher R. Tuomala, Esq.

Dated: October 26, 2022

OFFICE OF THE CONSUMER ADVOCATE

/s/ Donald M. Kreis
By its Attorney, Donald M. Kreis