RATH YOUNG PIGNATELLI

James J. Steinkrauss Attorney-at-Law jjs@rathlaw.com (603) 410-4314 Please reply to: Concord Office

November 18, 2021

VIA ELECTRONIC MAIL AND REGULAR MAIL

Daniel C. Goldner, Chairman New Hampshire Public Utilities Commission 21 South Fruit Street, Suite 10 Concord, NH 03301-2429

Re: 2020 Petition of Pennichuck East Utility, Inc. Qualified Capital Project Annual Adjustment Charge Docket DW 20-019

Dear Chairman Goldner:

On behalf of Pennichuck East Utility, Inc., please find this original of the Affidavit of Compliance with exhibits evidencing the publication of Order No. 26,546 by November 19, 2021. This Affidavit of Compliance is filed pursuant to PUC Rule 203.12(d) as evidence that the Order was published in the New Hampshire Union Leader and on the Company's website pursuant to the requirements of the Order and PUC Rule 203.12(b).

Please let me know if you have any questions or concerns.

Thank you.

Sincerely,

Japhes Steinkrauss

Enc. Cc: Office of Consumer Advocate



Rath, Young and Pignatelli, P.C. www.rathlaw.com One Capital Plaza Concord, NH 03302-1500 T (603) 226-2600 F (603) 226-2700 20 Trafalgar Square Nashua, NH 03063 τ (603) 889-9952 ϵ (603) 595-7489 120 Water Street, 2nd Floor Boston, MA 02109 τ (617) 523-8080 26 State Street, Suite 9 Montpelier, VT 05602 τ (802) 229-8050 ϝ (802) 229-4666

STATE OF NEW HAMPSHIRE PUBLIC UTILITY COMMISSON Docket DW 20-019

PENNICHUCK EAST UTILITY INC.

2020 Petition for Qualified Capital Project Annual Adjustment Charge

Affidavit of Notice Compliance

On November 17, 2021, Pennichuck East Utility, Inc. (hereinafter "Company") published Order No. 26,546 issued by the Public Utility Commission on November 9, 2021, in Docket DW 20-019 in the New Hampshire Union Leader. The Company also published the Order on the Company's website on November 16, 2021. A true and accurate copy of the publisher's certificate of publishing and tear sheet posted in the NH Union Leader, and evidence of posting on the Company's website are attached hereto as Exhibit A and Exhibit B, in accordance with the Order and PUC Rule 203.12(d).

Signed under the pains and penalties of perjury this the 18 day of November 2021.

By:_

Carol Ann Howe, CPA Assistant Treasurer & Director of Regulatory Affairs and Business Services

EXHIBIT A

Copy of the Publisher's Certificate and Tear Sheet Published in Union Leader

PEU 2020 QCPAC Docket DW 20-019 Proof of Publication Exhibit A - Page 1 of 2

UNION LEADER CORPORATION

PO BOX 9555 MANCHESTER, NH 03108

PUBLISHER'S CERTIFICATE

STATE OF New Hampshire} ss: COUNTY OF Hillsborough}

Personally appeared before the undersigned, a notary public within and for said county and State, **ROSA GONZALEZ** publisher representative of the **New Hampshire Union Leader,** a newspaper published at Hillsborough County, State of New Hampshire who, being duly sworn, state on oath that the advertisement of:

<u>PENNICHUCK EAST UTILITY</u> (Name of Institution)

a true copy of which is hereto annexed, was published in said newspaper on the following dates: N/17/2021,...

Publisher Repre

Subscribed and sworn to before me this day 11/17/2021

My commission expires

(Seal)



Legal Notice

MORTGAGEE'S NOTICE OF SALE OF REAL PROPERTY

By virtue of a Power of Sale contained in a certain mortgage given by **Eileen Gove**, **Jeanne Gove** ("the Mortgagor(s)") to JPMorgan Chase Bank, N.A., dated December 7, 2007 and recor-ded in the Merrimack County Registry of Deeds in Book 3036, Page 1048 and as affected by a judgment dated December 3, 2019 and recorded with said Registry on January 21, 2020, in Book No. 3663, at Page 585 (the "Mort-gage"), which mortgage is held by U.S. Bank National Association, not in its individual capacity but solely as trustee for the RMAC Trust, Series 2016-CTT, the present holder of said Mortgage, pursuant to and in execution of said power and for breach of conditions of said Mortgage and for the purposes of foreclosing the same will sell at:

Public Auction

on December 8, 2021

at 3:00 PM

Said sale being located on the mortgaged premises and having a present address of 2 South Sulloway Street, Franklin, Merrimack County, New Hampshire. The premises are more particularly described in the Mortgage.

For mortgagor's(s') title see deed recorded with the Merrimack County Registry of Deeds in Book 2888, Page 695.

NOTICE PURSUANT TO NEW HAMP-SHIRE RSA 479:25, YOU ARE HEREBY NOTIFIED THAT YOU HAVE A RIGHT TO PETITION THE SUPERIOR COURT FOR THE COUNTY IN WHICH THE MORT-GAGED PREMISES ARE SITUATED, WITH SERVICE UPON THE MORTGAGEE, AND UPON SUCH BOND AS THE COURT MAY REQUIRE TO ENJOIN THE SCHEDULED FORECLOSURE SALE.

The address of the mortgagee for service of process is 10 Ferry Street, Suite 313, Concord, NH 03301 and the name of the mortgagee's agent for service of process is Corporation Service Company d/b/a Lawyers Incorporating Service.

You can contact the New Hampshire Banking Department by e-mail at nhbd@banking.nh.gov. For information on getting help with housing and foreclosure is-sues, please call the foreclosure information hotline at 1-800-437-5991. The hotline is a service of the New Hampshire Banking Department. There is no charge for this call. The Property will be sold

subject to all unpaid real estate taxes and all other liens and encumbrances which may be entitled to precedence over the Mortgage. Notwithstanding any title information contained in this no-tice, the Mortgagee expressly disclaims any representations as to the state of the title to the Property involved as of the date of the notice of the date of sale. The Property to be sold at the sale is "AS IS WHERE IS". TERMS OF SALE

deposit of Five Thousand (\$5,000.00) Dollars in the form of a certified check or bank treasurer's check or other check satisfactory to Mortgagee's attorney will be he delivered to at or before the time a bid is offered. The successful bidder(s) will be required to execute a purchase and sale agreement immediately after the close of the bidding. The balance of the purchase price shall be paid within thirty (30) days from the sale date in the form of a certified check, bank treasurer's check or other check satisfactory to Mortgagee's attorney. The Mortgagee reserves the right to bid at the sale, to reject any and all bids, to continue the sale and to amend the terms of the sale by written or oral announcement made before or during the foreclosure sale. The description of the premises contained in said mortgage shall control in the event of an error in this publication. Dated at Newton, Massachusetts, on October 14, 2021. U.S. Bank National Association, not in its individual capacity but solely as trustee for the RMAC Trust, Series 2016-CTT By its Attorney, Allison West Dalton Harmon Law Offices, P.C. PO Box 610389

SERVICE UPON THE MORTGA-GEE, AND UPON SUCH BOND AS THE COURT MAY REQUIRE, TO ENJOIN THE SCHEDULED FORE-CLOSURE SALE. THE AGENTS FOR SERVICE

OF PROCESS ARE: FEDERAL NATIONAL MORT-

GAGE ASSOCIATION, ATTN: Todd Barton, Legal Department, Granite Park VII, 5600 Granite Parkway, Plano, TX 75024 (Mortgagee)

LOANCARE, LLC, C/O C T CORPORATION SYSTEM, 2 1/2 Beacon Street, Concord, NH

Vou can contact the New Hampshire Banking Department at 53 Regional Drive #200, Con-cord, NH 03301 Tel (603) 271,3561, and by amail at phbd 271-3561 and by email at nhbd

@banking.nh.gov FOR INFORMATION ON GET-TING HELP WITH HOUSING AND FORECLOSURE ISSUES, PLEASE CALL THE FORECLOSURE IN-FORMATION HOTLINE AT 800-437-5991. THE HOTLINE IS A SERVICE OF THE NEW HAMP-SHIRE BANKING DEPARTMENT. THERE IS NO CHARGE FOR THIS CALL

LIENS AND ENCUMBRAN-CES: The Mortgaged Premises shall be sold subject to any and all easements, unpaid taxes, liens, encumbrances and rights, title and interests of third persons of any and every nature whatsoever which are or may be entitled to precedence over the Mortgage.

NO WARRANTIES: The Mort-gaged Premises shall be sold by the Mortgagee and accepted by the successful bidder "AS IS" AND "WHERE IS" and with all faults. Except for warranties arising by operation of law, if any, the conveyance of the Mortgaged Premises will be made by the Mortgagee and accepted by the successful bidder without any express or implied warranties whatsoever, including, without limitation, any representations or warranties with respect to title, possession, permits, approvals, recitation of acreage, hazardous materials and physical condition. All risk of loss or damage to the Mortgaged Premises shall be assumed and borne by the successful bidder immediately after the

close of bidding. TERMS OF SALE: To qualify to bid, bidders must register to bid and present to the Mortgagee or its agent the sum of Five Thou-sand Dollars and 00/100 (\$5,000.00) by certified check or other form of payment acceptable to the Mortgagee or its agent prior the commencement of the public auction. The balance of the purchase price must be paid in full by the successful bidder by certified check within thirty (30) days from the date of the public auction, or on delivery of the foreclosure deed, at the option of the Mortgagee. The deposits placed by unsuccessful bidders shall be returned to those bidders at the conclusion of the public auction. The successful bidder shall execute a Memorandum of Foreclosure Sale immediately after the close of bidding. If the successful bidder fails to complete the purchase of the Mortgaged Premises, the Mortgagee may, at its option, retain the deposit as liquidated damages.

RESERVATION OF RIGHTS: The Mortgagee reserves the right to (i) cancel or continue the foreclosure sale to such subsequent date or dates as the Mortgagee may deem necessary or desirable, (ii) bid upon and purchase the Mortgaged Premises at the foreclosure sale, (iii) reject any and all bids for the Mortgaged Premises and (iv) amend or change the terms of sale set forth herein by announcement, written or oral. made before or during the foreclosure sale. Such change(s) or amendment(s) shall be binding on all bidders. Other terms to be announced at sale. Federal National Mortgage Association Present holder of said mortgage, by its Attorneys Susan W. Cody Korde & Associates, P.C. 900 Chelmsford Street, Suite 3102 Lowell, MA 01851 (978) 256-1500 ESS 19-034442 Dekker 19-034442 / FC02 (UL - Nov. 3, 10, 17)

On December 11, 2020, the OCA submitted a notification that it would be participating in Docket DW 20-156. The Commission received and granted numerous requests for intervention in Docket DW 20-156. On April 26, 2021, PEU, the OCA, PUC staff, and six intervenors reached a settlement agreement in Docket DW 20-156. Under the terms of this settle-ment, PEU agreed to forgo the 2019 and 2020 QCPAC sur-2019 and 2020 QCPAC sur-charges, zero out the QCPAC, and establish a tonner. establish a temporary rate based upon the books and records on file with the Commission. Settlement Agreement on Temporary Rates ("Settlement") at 4-5.

The Commission considered the Settlement at a hearing held on May 10, 2021. On August 16, 2021, the Commission issued Order No. 26,508 in Docket DW 20-156 approving the Settlement. The order further directed PEU to file an amended petition in Docket No. DW 20-019 eliminating its request for a rate surcharge. On August 17, 2021, PEU filed an amended petition ("Am. Pet.").

On September 23, the Com-mission issued Order No. 26,525 dismissing PEU's amended petition as moot. In reaching that conclusion, the Commission reasoned that, because PEU sought to use the rate case mechanism, rather than the QCPAC mecha-nism to recover the costs of its capital projects, the QCPAC docket was no longer the appropriate docket to consider whether the relevant capital projects were prudent, used, and useful.

PEU then filed the present motion for rehearing, reconsideration, or modification of Order No. 26,525 ("Mot. for Reh'g"). II. SUMMARY OF THE PETI-

TION A. Pennichuck East Utility,

Inc. PEU raises six arguments in support of its request for rehearing, reconsideration, or modifica-tion. First, PEU contends that the Settlement it reached in Docket DW 20-156 did nothing to alter the normal process by which it seeks findings that its capital projects are prudent, used, and useful as part of the QCPAC process. Mot. for Reh'g at 7-8. The Commission should, in PEU's telling, issue a prudent, used, and useful finding on these projects in the ordinary course. *Id.* at 8.

Second, PEU argues that Order No. 26,525 should be reconsidered because it is "inconsistent" with the recommendation of PUC/Energy Staff. The Staff recommendation urged the Commission to find that PEU's 2019 capital projects were prudent, used, and useful, and to find that PEU's 2020 capital projects were eligible for recoupment under the QCPAC mechanism. Id. at 8-9.

Third, PEU contends that the Commission misunderstood the testimony of Attorney Brown at the hearing on the Settlement reached in Docket DW 20-156. In its motion, PEU explains that, under the Settlement, PEU agreed to forego collection of the 2019 QCPAC surcharge (to recover costs associated with 2018 capital projects) and of the 2020 QCPAC surcharge (to recover costs associated with 2019 capital projects). Id. at 9-10. PEU does not intend to forego collection of 2021 QCPAC surcharge (to recover costs associated with 2020 capital projects). Id. at 10.

PELL argues that Con Fourth

docket. The Settlement does, however, propose a waiver of collection of the QCPAC surcharge with respect to the 2019 projects. Settlement at 4; accord Mot. for Reh'g at 8.

Any capital project prudent, used, and useful finding by the Commission is inextricably and necessarily linked to the recoup-ment of the costs of that capital project through some rate mechanism. See RSA 378:27-28. PEU no longer seeks to recoup the costs of its 2019 capital projects through the QCPAC. Settlement at 4; accord Mot. for Reh'g at 8. Rather, it seeks, pursuant to the Settlement, to recoup these costs as part of PEU's base rate. Settlement at 4. A prudent, used, and useful finding in this docket would amount to a determination by the Commission that the 2019 capital projects are recoupable through a rate mechanism that PEU no longer seeks to use. Such a determination would be better made in the context of the rate mechanism that is proposed to be used for recovery, as well as allay any concerns that the Commission's determination would amount to an advisory opinion, which, except in limited circumstances as provided for in the state constitution, are not permissible under New Hampshire law. See Carrigan v. N.H. Dep't of Health and Human Servs., 2021 WL 3044342, at *2 (Jul. 20, 2021) (citing N.H. CONST. pt. II, art. 74). PEU's first argument, therefore, does not provide a basis for the Commission to reconsider or modify its order.

B. Staff Advocate Recommendations PEU's argument that the Com-

mission's order is inconsistent with Staff Advocate recommendations is, similarly, unpersuasive. As an initial matter, the Commission is aware of no source of law requiring its orders to be consistent with Staff Advocate recom-mendations. Staff Advocates appeared as parties before the Commission 2 and now Energy performs that function and their recommendations are afforded no greater deference than that afforded to any other party. In each docket, the Commission must undertake its own review of the matter before it and reach a conclusion under the applicable standard.

Even if the Commission were in some way required to adopt Staff Advocate recommendations, the particular recommendations at issue here were issued on March 11, 2021, more than one month prior to the Settlement and at a time when PEU still sought approval of the 2019 capital projects for recovery through the QCPAC. Indeed, the recommendations themselves state, "Staff recommends that the Commission find that the capital projects completed in 2019 and proposed as eligible for recovery through the QCPAC, are pru-dent, used, and useful." Staff Recommendation for Approval of 2020 Qualified Capital Project Annual Adjustment Charge (Mar. 11, 2021) ("Recommendations") at 14 (emphasis added). To the extent the Staff Advocate recommendation is persuasive in this case, it supports the Commission's determination that the appropriate place to make a prudent, used, and useful finding on capital projects is in the docket through which a utility intends to recover the cost of those projects. PEU's Commission's order because the Commission reached no such conclusion. Quite to the contrary, the Commission was fully aware that PEU requested in its amended petition a finding that PEU's 2019 projects were prudent, used, and useful. The Commission denied that request when it dismissed the Amended Petition as moot. The Commission did not mistakenly conceive this aspect of the Amended Petition.

Wednesday, November 17, 2021 • NEW HAMPSHIRE UNION LEADER • Page B5

Because the Commission has already reconsidered the 2020 capital projects and granted PEU the relief it seeks on other grounds, the Commission declines to address those projects again here.

E. Consistency with Prior **QCPAC Orders**

PEU next argues that the Commission should reconsider its Order because the Order "contra-venes prior Commission orders gCPAC process." Mot. for Reh'g at 11. PEU correctly points out that the Commission has approved QCPAC surcharges in each prior year of the QCPAC program. This history of approval, however, cannot be construed as requiring the Commission to mechanically make prudent, used, and useful findings even in cases where PEU does not seek recovery through the QCPAC mechanism. To the extent there has been any disruption of the regular process, it originated with the Settlement and the settling parties' agreement to seek recovery of the 2019 capital project costs through the base rate in lieu of seeking recovery through the QCPAC mechanism. In the future, the Commission will continue to make appropriate determinations as to the prudency of capital projects in QCPAC dockets when recovery of the costs of those projects is sought through the QCPAC mechanism. When recovery through QCPAC is not sought, there is no basis for making a prudency determination in the QCPAC docket. The Commission sees no inconsistency with nor "contravention" of prior orders in this approach. This argument cannot be a ground for reconsidering or modifying the Commission's Order. F. Purpose and intent of the

GCPAC Process Finally, PEU argues that, by declining to make a prudent, used, and useful finding in the QCPAC docket, the Commission "will un-dermine the entire purpose and intent for the QCPAC process, which in turn will undermine the ability of PEU . . . to access debt capital to finance necessary capital improvements." Mot. for Reh'g at 13. PEU asserts that the "regular, consistent, and annual QCPAC process" is an important part of reassuring PEU's lenders and ensuring PEU's access to debt. *Id.* Here again, the Commission reasserts that, to the extent there has been a shift from the routine approval process, that shift was introduced by the Settlement and the establishment of temporary rates based on the books and records of PEU, and not by the Commission. Moreover, it is not evident at all that any uncertainty results from the Commis-sion's decision to make its prudency determination in the rate case document. As acknowledged by PEU in its Motion for Rehearing, "the underlying purpose of the QCPAC process is to allow the to establish rates sufficient to recover [capital expenses] on an annual basis, rather than to wait for recovery of such expenses as part of a general rate case conducted every three years." Mot. for Reh'g at 13 (brackets in original). In this instance PEU need not wait three years for approval of its expenses in a rate case. There is an active rate case currently open in which PEU may obtain that approval, namely, DW 20-156. Moreover, because PEU does not seek recovery of the costs of the 2019 capital projects through the QCPAC mechanism, a prudency finding in the present docket will bring PEU no closer to recovering those costs. This argument provides no basis for the Commission to reconsider or modifv its order.

"preliminary" finding of QCPAC eligibility for 2020 capital projects may be of limited utility and relevance now that PEU has long since undertaken those projects progressed to the point at and which it seeks recovery through the QCPAC mechanism in Docket Ž1-022. (UL - Nov. 17)

Legal Notice

MORTGAGEE'S SALE OF REAL ESTATE

By virtue of and in execution of the Power of Sale contained in a certain mortgage given by **Terrie S. Salvato and John S. Salvato** to Mortgage Electronic Registration Systems, Inc., as mortgagee, acting solely as a nominee for Merrimack Mortgage Company, Inc., dated May 17, 2011 and recorded with the Belknap County Registry of Deeds in Book 2707, Page 0395, of which mortgage Lakeview Loan Servicing, LLC is the present holder by assignment, for breach of conditions of said mortgage and for the purpose of foreclosing the same, the mortgaged premises located at 89 Colony Lane, New Hampton, Belknap County, New Hampshire will be sold at a Public Auction at 12:00 PM on December 2, 2021, being the premises described in the mortgage to which reference is made for a more particular description thereof. Said public auction will occur on the Mortgaged Premises.

For mortgagor's title, see deed recorded with the Belknap County Registry of Deeds in Book 2707, Page 0393.

NOTICE TO THE MORTGA-GOR AND ALL INTERESTED PAR-TIES: YOU ARE HEREBY NOTI-FIED THAT YOU HAVE A RIGHT TO PETITION THE SUPERIOR COURT FOR THE COUNTY IN WHICH THE MORTGAGED PREM-ISES ARE SITUATED, WITH SERVICE UPON THE MORTGA-GEE, AND UPON SUCH BOND AS THE COURT MAY REQUIRE, TO ENJOIN THE SCHEDULED FORE-CLOSURE SALE.

THE AGENTS FOR SERVICE

OF PROCESS ARE: LAKEVIEW LOAN SERVICING, LLC, 4425 Ponce de Leon Boulevard, 5TH Floor, Coral Gables, FL 33146 & C/O CORPORATION SERVICE COMPANY, 10 Ferry Street, Suite 313, Concord, NH

03301 (Mortgagee) FLAGSTAR BANK, FSB, 5151 CORPORATE DRIVE, TROY, MI 48098 (Mortgagee Servicer)

You can contact the New Hampshire Banking Department at 53 Regional Drive #200, Con-NH 03301 Tel (603) cord, 271-3561 and by email at <u>nhbd</u> <u>@banking.nh.gov</u>

FOR INFORMATION ON GET-TING HELP WITH HOUSING AND FORECLOSURE ISSUES, PLEASE CALL THE FORECLOSURE IN-FORMATION HOTLINE AT 800-437-5991. THE HOTLINE IS A SERVICE OF THE NEW HAMP-SHIRE BANKING DEPARTMENT. THERE IS NO CHARGE FOR THIS CALL.

LIENS AND ENCUMBRAN-CES: The Mortgaged Premises shall be sold subject to any and all easements, unpaid taxes, liens, encumbrances and rights, title and interests of third persons of any and every nature whatsoever which are or may be entitled to

precedence over the Mortgage. NO WARRANTIES gaged Premises shall be sold by the Mortgagee and accepted by the successful bidder "AS IS" AND "WHERE IS" and with all faults. Except for warranties arising by operation of law, if any, the conveyance of the Mortgaged Premises will be made by the Mortgagee and accepted by the successful bidder without any express or implied warranties whatsoever, including, without limitation, any representations or warranties with respect to title, possession, permits, approvals, recitation of acreage, hazardous materials and physical condition. All risk of loss or damage to the Mortgaged Premises shall be assumed and borne by the successful bidder immediately after the close of bidding. TERMS OF SALE: To qualify to bid, bidders must register to bid and present to the Mortgagee or its agent the sum of Five Thou-Dollars and 00/100 sand (\$5,000.00) by certified check or other form of payment acceptable to the Mortgagee or its agent prior to the commencement of public auction. The balance of the purchase price must be paid in full by the successful bidder by certified check within thirty (30) days from the date of the public auction, or on delivery of the foreclosure deed, at the option of the Mortgagee. The deposits placed by unsuccessful bidders shall be returned to those bidders at the conclusion of the public auction. The successful bidder shall execute a Memorandum of Foreclosure Sale immediately after the close of bidding. If the successful bidder fails to complete the purchase of the Mortgaged Premises, the Mortgagee may, at its option, retain the deposit as liquidated damages. RESERVATION OF RIGHTS: The Mortgagee reserves the right to (i) cancel or continue the foreclosure sale to such subsequent date or dates as the Mortgagee may deem necessary or desirable, (ii) bid upon and purchase the Mortgaged Premises at the foreclosure sale, (iii) reject any and all bids for the Mortgaged Premises and (iv) amend or change the terms of sale set forth herein by announcement, written or oral. made before or during the foreclosure sale. Such change(s) or amendment(s) shall be binding on all bidders. Other terms to be announced sale Lakeview Loan Servicing, LLC Present holder of said mortgage, by its Attorneys Susan W. Cody Korde & Associates, P.C. 900 Chelmsford Street, Suite 3102 Lowell, MA 01851 (978) 256-1500 FGT 20-037881 Salvato 20-037881 / FC01

Newton Highlands, MA 02461 603-669-7963 2017100027 (UL - Nov. 10, 17, 24)

Legal Notice

MORTGAGEE'S SALE OF REAL ESTATE

By virtue of and in execution of the Power of Sale contained in a certain mortgage given by **Edward** N. Dekker to Mortgage Electronic Registration Systems, Inc., as mortgagee, as nominee for Green Tree Servicing LLC, dated September 16, 2013 and recorded with the Hillsborough County Registry of Deeds in Book 8607, Page 2345, of which mortgage Federal Nation-al Mortgage Association is the present holder by assignment, for breach of conditions of said mortgage and for the purpose of foreclosing the same, the mortgaged premises located at 36 Blueberry Lane, New Ipswich, Hillsborough County, New Hamp-shire will be sold at a Public Auction at 3:00 PM on December **1, 2021,** being the premises described in the mortgage to which reference is made for a more particular description thereof. Said public auction will occur on the Mortgaged Premises.

For mortgagor's title, see deed recorded with the Hillsborough County Registry of Deeds in Book 5783, Page 787

NOTICE TO THE MORTGA-GOR AND ALL INTERESTED PAR-TIES: YOU ARE HEREBY NOTI-FIED THAT YOU HAVE A RIGHT TO PETITION THE SUPERIOR COURT FOR THE COUNTY IN WHICH THE MORTGAGED PREM-ISES ARE SITUATED. WITH

Legal Notice

STATE OF NEW HAMPSHIRE **PUBLIC UTILITIES** COMMISSION DW 20-019 Pennichuck East Utility, Inc. 2020 Qualified Capital Project Adjustment Charge Order Nisi Granting in Part and Denying in Part Motion for Rehearing, Reconsideration or **Modification of Order 26,525** <u>O R D E R N O. 26,546</u> November 9, 2021

In this order, the Commission grants in part and denies in part the Motion for Rehearing, Reconsideration or Modification of Order 26,525 filed by Pennichuck East Utility, Inc. ("PEU") on October 20, 2021

I. PROCEDURAL HISTORY

PEU is a regulated public utility that provides water service to customers in several communi-ties throughout New Hampshire. On February 13, 2020, PEU submitted a petition for approval of recovery of its 2019 capital improvement projects through the QCPAC mechanism and for preliminary approval its 2020 capital improvement projects for the QCPAC mechanism. PEU's filing also included estimated QCPAC capital budgets for 2021 and 2022. On February 26, the Office of Consumer Advocate ("OCA") submitted a notification that it would be participating in this docket. On March 11, 2021, Commission Staff Advocates (Staff Advocates) submitted a recom-mendation that the petition be granted. The Commission received no other requests to intervene or otherwise participate in this Docket. 1

On a parallel track, PEU filed, on September 23, 2020, a request for change in rates. This initiated separate docket dedicated to that subject, Docket DW 20-156.

mission misconstrued PEU's request in its Amended Petition as no longer seeking findings that the 2019 capital projects were pru-dent, used, and useful, and as no longer seeking preliminary approval of the 2020 capital projects for recovery through the QCPAC

mechanism. Fifth, PEU argues that Order No. 26,525 "contravenes" prior Commission orders establishing and affirming the QCPAC process. Id. at 11-12.

Finally, PEU argues that PEU's lenders rely on the regular, consistent, and annual QCPAC process to provide loan financing. and that any disruption in the regular process threatens to undermine the purpose and intent of the QCPAC process. This uncertainty threatens PEU's ability to access debt, finance current and future obligations, and recover future surcharges utilizing the QCPAC mechanism. *Id.* at 13. **III. COMMISSION ANALYSIS**

The Commission may grant rehearing or reconsideration for good reason" if the moving party shows that an order is unlawful or unreasonable. RSA 541:3; RSA 541:4; Rural Telephone Companies, Order No. 25,291 (November 21, 2011); see also Public Service Company of New Hampshire d/b/a Eversource Energy, Order No. 25,970 at 4-5 (December 7, 2016. A successful motion must establish "good reason" by showing that there are matters that the Commission "overlooked or mistakenly conceived in the original decision," *Dumais v. State*, 118 N.H. 309, 311 (1978) (quotation and citations omitted), or by presenting new evidence that was "unavailable prior to the issuance of the underlying decision," Hollis Telephone Inc., Order No. 25,088 at 14 (April 2, 2010). A successful motion for rehearing must do more than merely restate prior arguments and ask for a different outcome. Public Service Co. of N.H., Order No. 25,970, at 4-5 (citing Public Service Co. of N.H., Order No. 25,676 at 3 (June 12, 2014); Freedom Energy Logistics, Order No. 25,810 at 4 (September 8, 2015)).

A. Effect of the Settlement

PEU's first argument neither identifies matters that the Commission overlooked or mistakenly conceived in its original decision nor presents new evidence that unavailable prior to the was issuance of the original decision. Although PEU contends that the Settlement terms "preserve the normal process of obtaining findings that the 2019 projects are prudent, used[,] and useful," Mot. for Reh'g at 8, the Commission does not agree. It is true that the Settlement does not expressly discuss eliminating the prudent, used, and useful determination for 2019 capital projects from this second argument, therefore, provides no basis to reconsider or modify its earlier order.

C. Statements by Attorney Brown

In PEU's third argument, it identifies a fact misconstrued in the order. At hearing, Attorney Brown demurred as to whether the Commission should make its prudent, used, and useful finding as to the 2019 capital projects in this docket or in the rate case. Tr. at 106-07. She further explained that PEU intended to recover the costs of its 2019 capital projects through "the rate case mechanism, rather than the QCPAC surcharge rate mechanism." Tr. at 107. Attorney Brown did not explicitly state that the 2020 capital projects would also be treated in this way. The Commission incorrectly inferred Attorney Brown's reference to the 2020 QCPAC surcharge as pertaining to 2020 capital projects and not to 2019 capital projects. Based upon this, reconsideration the Commission's treatment of the 2020 capital projects in its order is warranted.

Staff Advocates thoroughly reviewed PEU's 2020 capital budget and determined that PEU's proposed 2020 capital projects "ap ear to fulfill the objectives of the QCPAC program by enabling PEU to effectively maintain its capital improvements program and sustain the necessary cash flows to pay the debt service and property tax obligations associated with these projects." Recommendations The Staff Advocates recomat 12 mended "that the Commission approve the proposed 2020 capital improvement budget of \$4,951,552 . . . on a preliminary basis, but withhold any prudency determination of those projects, pursuant to RSA 378:28. No filing in this docket, nor in Docket DW 20-156 calls into question the advocate's recommendation. 3

As has been the Commission's practice in past QCPAC dockets, the Commission, therefore, grants preliminary approval on a *nisi* basis of the 2020 capital projects. The Commission makes no prudent, used, and useful determination as to the 2020 capital projects in this docket and defers that determination to Docket DW 21-022.

D. Request in the Amended Petition

PEU next argues that the Commission's order "erroneously concludes that [PEU's] Amended Petition requested the deferral of the regular and customary treatment and findings that the 2019 capital projects are prudent. used and useful and that the 2020 capital projects are eligible for treatment under the QCPAC process." Mot. for Reh'g at 10-11. This argument provides no basis for reconsidering or modifying the

IV. CONCLUSION

Based upon the foregoing, it is hereby

ORDERED, that Order No. 26,525 is reconsidered and modified to GRANT, on a NISI basis, PEU's petition for preliminary approval of its 2020 capital projthrough the QCPAC mechanism, subject to further review in PEU's pending QCPAC case DW 21-022; and it is

FURTHER ORDERED, that PEU shall cause a summary of this order to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than November 19, 2021 and to be documented by an affidavit filed with the Commission on or before December 6, 2021; and it is

FURTHER ORDERED, that all persons interested in respond-ing to this Order be notified that they may submit their comments or file a written request for a hearing that states the reason and basis for a hearing no later than November 29, 2021 for the Commission's consideration; and it is

FURTHER ORDERED, that any person interested in responding to such comments or request for hearing shall do so no later than December 6, 2021; and it is FURTHER ORDERED, that

PEU's motion for reconsideration, rehearing, or modification is otherwise **DENIED**.

By order of the Public Utilities Commission of New Hampshire this ninth day of November, 2021. Dianne Martin

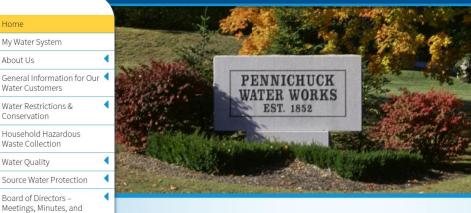
Chairwoman Daniel C. Goldner Commissioner 1 On July 9, 2021, the newly created New Hampshire Department of Energy notified the Commission that it would succeed Public Utilities Commission Staff Advocates pursuant to RSA 12-P:9. 2 Energy now performs that function.

3 The Commission observes that a (UL - Nov. 3, 10, 17)

EXHIBIT B

Copy of the Notice Published on the Company's Website





Corporate Governance Management and Financial

Information

Contracted Water Operational Services Engineering Career Opportunities

Useful Resources Contact Us

Pennichuck Corporation Mission Pennichuck

Corporation's Mission is to be a premier supplier of water in New Hampshire by providing reliable, high quality, and affordable water in sufficient quantities, and New England's premier supplier of water related contract services by providing high quality solutions to meet our customer's needs.

WHAT'S NEW

Pennichuck East Utility, Inc. 2020 QCPAC Order Nisi

In this order, the Commission grants in part and denies in part the Motion for Rehearing, Reconsideration or Modification of Order 26,525 filed by Pennichuck East Utility, Inc. ("PEU") on October 20, 2021.

Petition for Approval of Emergency Temporary Water Rate

On October 22, 2021, Pennichuck Water Works, Inc. (PWW) filed a petition requesting the approval of a temporary emergency water rate. In support of its petition, PWW filed the direct testimony of Donald L. Ware, PWW's Chief Operating Officer, and related attachments, as well as a proposed tariff. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-134.html.

You may view the Petition for Approval of Emergency Temporary Water Rate here and the Hearing Guidlines here. The

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	- 2 - a a parallel track, PEU filed, on September 23, 2020, a request for change in is initiated a separate docket dedicated to that subject, Docket DW 20-156. ther 11, 2020, the OCA submitted a notification that it would be ting in Docket DW 20-156. The Commission received and granted numerous for intervention in Docket DW 20-156. On April 26, 2021, PEU, the OCA, and six intervenors reached a settlement agreement in Docket DW 20-156. terms of this settlement, PEU agreed to forgo the 2019 and 2020 QCPAC es, zero out the QCPAC, and establish a temporary rate based upon the d records on file with the Commission. Settlement Agreement on Temporary ettlement") at 4-5. e Commission considered the Settlement at a hearing held on May 10, 2021. st 16, 2021, the Commission issued Order No. 26,508 in Docket DW 20-156 g the Settlement. The order further directed PEU to file an amended petition 50. DW 20-019 eliminating its request for a rate surcharge. On August 17, U field an amended petition ("Am. Pet.").
	a September 23, the Commission issued Order No. 26,525 dismissing PEU's petition as moot. In reaching that conclusion, the Commission reasoned ause PEU sought to use the rate case mechanism, rather than the QCPAC am to recover the costs of its capital projects, the QCPAC docket was no
prudent, u PEL	e appropriate docket to consider whether the relevant capital projects were used, and useful. U then filed the present motion for rehearing, reconsideration, or ion of Order No. 26,525 ("Mot. for Reh'g").

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	II. SUMMARY OF THE PETITION
	A. Pennichuck East Utility, Inc.
	PEU raises six arguments in support of its request for rehearing,
	reconsideration, or modification. First, PEU contends that the Settlement it reached in
	Docket DW 20-156 did nothing to alter the normal process by which it seeks findings
	that its capital projects are prudent, used, and useful as part of the QCPAC process.
	Mot. for Reh'g at 7–8. The Commission should, in PEU's telling, issue a prudent, used,
	and useful finding on these projects in the ordinary course. Id. at 8.
	Second, PEU argues that Order No. 26,525 should be reconsidered because it is
	"inconsistent" with the recommendation of PUC/Energy Staff. The Staff
	recommendation urged the Commission to find that PEU's 2019 capital projects were
	prudent, used, and useful, and to find that PEU's 2020 capital projects were eligible
	for recoupment under the QCPAC mechanism. Id. at 8–9.
	Third, PEU contends that the Commission misunderstood the testimony of
	Attorney Brown at the hearing on the Settlement reached in Docket DW 20-156. In its
	motion, PEU explains that, under the Settlement, PEU agreed to forego collection of
	the 2019 QCPAC surcharge (to recover costs associated with 2018 capital projects)
	and of the 2020 QCPAC surcharge (to recover costs associated with 2019 capital
	projects). Id. at 9-10. PEU does not intend to forego collection of 2021 QCPAC
	surcharge (to recover costs associated with 2020 capital projects). Id. at 10.
	Fourth, PEU argues that Commission misconstrued PEU's request in its
	Amended Petition as no longer seeking findings that the 2019 capital projects were
	prudent, used, and useful, and as no longer seeking preliminary approval of the 2020
	capital projects for recovery through the QCPAC mechanism.

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	Fifth, PEU argues that Order No. 26,525 "contravenes" prior Commission orders	
	establishing and affirming the QCPAC process. Id. at 11-12.	
	Finally, PEU argues that PEU's lenders rely on the regular, consistent, and	
	annual QCPAC process to provide loan financing, and that any disruption in the	
	regular process threatens to undermine the purpose and intent of the QCPAC process.	
	This uncertainty threatens PEU's ability to access debt, finance current and future	
	obligations, and recover future surcharges utilizing the QCPAC mechanism. Id. at 13.	
	III. COMMISSION ANALYSIS	
	The Commission may grant rehearing or reconsideration for "good reason" if the	
	moving party shows that an order is unlawful or unreasonable. RSA 541:3; RSA 541:4;	
	Rural Telephone Companies, Order No. 25,291 (November 21, 2011); see also Public	
	Service Company of New Hampshire d/b/a Eversource Energy, Order No. 25,970 at 4-5	
	(December 7, 2016. A successful motion must establish "good reason" by showing that	
	there are matters that the Commission "overlooked or mistakenly conceived in the	
	original decision," Dumais v. State, 118 N.H. 309, 311 (1978) (quotation and citations	
	omitted), or by presenting new evidence that was "unavailable prior to the issuance of	
	the underlying decision," Hollis Telephone Inc., Order No. 25,088 at 14 (April 2, 2010).	
	A successful motion for rehearing must do more than merely restate prior arguments	
	and ask for a different outcome. Public Service Co. of N.H., Order No. 25,970, at 4-5	
	(citing Public Service Co. of N.H., Order No. 25,676 at 3 (June 12, 2014); Freedom	
	Energy Logistics, Order No. 25,810 at 4 (September 8, 2015)).	
	A. Effect of the Settlement	
	PEU's first argument neither identifies matters that the Commission overlooked	
	or mistakenly conceived in its original decision, nor presents new evidence that was	
	unavailable prior to the issuance of the original decision. Although PEU contends that	

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	the Settlement terms "preserve the normal process of obtaining findings that the 2019	
	projects are prudent, used[,] and useful," Mot. for Reh'g at 8, the Commission does not	
	agree. It is true that the Settlement does not expressly discuss eliminating the	
	prudent, used, and useful determination for 2019 capital projects from this docket.	
	The Settlement does, however, propose a waiver of collection of the QCPAC surcharge	
	with respect to the 2019 projects. Settlement at 4; accord Mot. for Reh'g at 8.	
	Any capital project prudent, used, and useful finding by the Commission is	
	inextricably and necessarily linked to the recoupment of the costs of that capital	
	project through some rate mechanism. See RSA 378:27-28. PEU no longer seeks to	
	recoup the costs of its 2019 capital projects through the QCPAC. Settlement at 4;	
	accord Mot. for Reh'g at 8. Rather, it seeks, pursuant to the Settlement, to recoup	
	these costs as part of PEU's base rate. Settlement at 4. A prudent, used, and useful	
	finding in this docket would amount to a determination by the Commission that the	
	2019 capital projects are recoupable through a rate mechanism that PEU no longer	
	seeks to use. Such a determination would be better made in the context of the rate	
	mechanism that is proposed to be used for recovery, as well as allay any concerns that	
	the Commission's determination would amount to an advisory opinion, which, except	
	in limited circumstances as provided for in the state constitution, are not permissible	
	under New Hampshire law. See Carrigan v. N.H. Dep't of Health and Human Servs.,	
	2021 WL 3044342, at *2 (Jul. 20, 2021) (citing N.H. CONST. pt. II, art. 74). PEU's first	
	argument, therefore, does not provide a basis for the Commission to reconsider or	
	modify its order.	
	B. Staff Advocate Recommendations	
	PEU's argument that the Commission's order is inconsistent with Staff	
	Advocate recommendations is, similarly, unpersuasive. As an initial matter, the	

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	Commission is aware of no source of law requiring its orders to be consistent with			
	Staff Advocate recommendations. Staff Advocates appeared as parties before the			
	Commission ² and now Energy performs that function and their recommendations are			
	afforded no greater deference than that afforded to any other party. In each docket, the			
	Commission must undertake its own review of the matter before it and reach a			
	conclusion under the applicable standard.			
	Even if the Commission were in some way required to adopt Staff Advocate			
	recommendations, the particular recommendations at issue here were issued on			
	March 11, 2021, more than one month prior to the Settlement and at a time when			
	PEU still sought approval of the 2019 capital projects for recovery through the QCPAC.			
	Indeed, the recommendations themselves state, "Staff recommends that the			
	Commission find that the capital projects completed in 2019 and proposed as eligible			
	for recovery through the QCPAC, are prudent, used, and useful." Staff			
	Recommendation for Approval of 2020 Qualified Capital Project Annual Adjustment			
	Charge (Mar. 11, 2021) ("Recommendations") at 14 (emphasis added). To the extent			
	the Staff Advocate recommendation is persuasive in this case, it supports the			
	Commission's determination that the appropriate place to make a prudent, used, and			
	useful finding on capital projects is in the docket through which a utility intends to			
	recover the cost of those projects. PEU's second argument, therefore, provides no basis			
	to reconsider or modify its earlier order.			
	C. Statements by Attorney Brown			
	In PEU's third argument, it identifies a fact misconstrued in the order. At			
	hearing, Attorney Brown demurred as to whether the Commission should make its			
	² Energy now performs that function.			

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	prudent, used, and useful finding as to the 2019 capital projects in this docket or in	
	the rate case. Tr. at 106-07. She further explained that PEU intended to recover the	
	costs of its 2019 capital projects through "the rate case mechanism, rather than the	
	QCPAC surcharge rate mechanism." Tr. at 107. Attorney Brown did not explicitly state	
	that the 2020 capital projects would also be treated in this way. The Commission	
	incorrectly inferred Attorney Brown's reference to the 2020 QCPAC surcharge as	
	pertaining to 2020 capital projects and not to 2019 capital projects. Based upon this,	
	reconsideration the Commission's treatment of the 2020 capital projects in its order is	
	warranted.	
	Staff Advocates thoroughly reviewed PEU's 2020 capital budget and determined	
	that PEU's proposed 2020 capital projects "appear to fulfill the objectives of the	
	QCPAC program by enabling PEU to effectively maintain its capital improvements	
	program and sustain the necessary cash flows to pay the debt service and property tax	
	obligations associated with these projects." Recommendations at 12. The Staff	
	Advocates recommended "that the Commission approve the proposed 2020 capital	
	improvement budget of \$4,951,552 on a preliminary basis, but withhold any	
	prudency determination of those projects, pursuant to RSA 378:28. No filing in this	
	docket, nor in Docket DW 20-156 calls into question the advocate's recommendation. ³	
	As has been the Commission's practice in past QCPAC dockets, the	
	Commission, therefore, grants preliminary approval on a nisi basis of the 2020 capital	
	projects. The Commission makes no prudent, used, and useful determination as to the	
	³ The Commission observes that a "preliminary" finding of QCPAC eligibility for 2020 capital projects may be of limited utility and relevance now that PEU has long since undertaken those projects and progressed to the point at which it seeks recovery through the QCPAC mechanism in Docket 21-022.	

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	2020 capital projects in this docket and defers that determination to Docket DW 21-	
	022.	
	D. Request in the Amended Petition	
	PEU next argues that the Commission's order "erroneously concludes that	
	[PEU's] Amended Petition requested the deferral of the regular and customary	
	treatment and findings that the 2019 capital projects are prudent, used and useful	
	and that the 2020 capital projects are eligible for treatment under the QCPAC	
	process." Mot. for Reh'g at 10-11. This argument provides no basis for reconsidering	
	or modifying the Commission's order because the Commission reached no such	
	conclusion. Quite to the contrary, the Commission was fully aware that PEU requested	
	in its amended petition a finding that PEU's 2019 projects were prudent, used, and	
	useful. The Commission denied that request when it dismissed the Amended Petition	
	as moot. The Commission did not mistakenly conceive this aspect of the Amended	
	Petition.	
	Because the Commission has already reconsidered the 2020 capital projects	
	and granted PEU the relief it seeks on other grounds, the Commission declines to	
	address those projects again here.	
	E. Consistency with Prior QCPAC Orders	
	PEU next argues that the Commission should reconsider its Order because the	
	Order "contravenes prior Commission orders establishing and affirming the QCPAC	
	process." Mot. for Reh'g at 11. PEU correctly points out that the Commission has	
	approved QCPAC surcharges in each prior year of the QCPAC program. This history of	
	approval, however, cannot be construed as requiring the Commission to mechanically	
	make prudent, used, and useful findings even in cases where PEU does not seek	
	recovery through the QCPAC mechanism. To the extent there has been any disruption	

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	of the regular process, it originated with the Settlement and the settling parties'
	agreement to seek recovery of the 2019 capital project costs through the base rate in
	lieu of seeking recovery through the QCPAC mechanism. In the future, the
	Commission will continue to make appropriate determinations as to the prudency of
	capital projects in QCPAC dockets when recovery of the costs of those projects is
	sought through the QCPAC mechanism. When recovery through QCPAC is not sought,
	there is no basis for making a prudency determination in the QCPAC docket. The
	Commission sees no inconsistency with nor "contravention" of prior orders in this
	approach. This argument cannot be a ground for reconsidering or modifying the
	Commission's Order.
	F. Purpose and intent of the QCPAC Process
	Finally, PEU argues that, by declining to make a prudent, used, and useful
	finding in the QCPAC docket, the Commission "will undermine the entire purpose and
	intent for the QCPAC process, which in turn will undermine the ability of PEU to
	access debt capital to finance necessary capital improvements." Mot. for Reh'g at 13.
	PEU asserts that the "regular, consistent, and annual QCPAC process" is an important
	part of reassuring PEU's lenders and ensuring PEU's access to debt. Id. Here again,
	the Commission reasserts that, to the extent there has been a shift from the routine
	approval process, that shift was introduced by the Settlement and the establishment
	of temporary rates based on the books and records of PEU, and not by the
	Commission. Moreover, it is not evident at all that any uncertainty results from the
	Commission's decision to make its prudency determination in the rate case document.
	As acknowledged by PEU in its Motion for Rehearing, "the underlying purpose of the
	QCPAC process is to allow the Company to establish rates sufficient to recover [capital
	expenses] on an annual basis, rather than to wait for recovery of such expenses as

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	part of a general rate case conducted every three years." Mot. for Reh'g at 13 (brackets	
	in original). In this instance PEU need not wait three years for approval of its expenses	
	in a rate case. There is an active rate case currently open in which PEU may obtain	
	that approval, namely, DW 20-156. Moreover, because PEU does not seek recovery of	
	the costs of the 2019 capital projects through the QCPAC mechanism, a prudency	
	finding in the present docket will bring PEU no closer to recovering those costs. This	
	argument provides no basis for the Commission to reconsider or modify its order.	
	IV. CONCLUSION	
	Based upon the foregoing, it is hereby	
	ORDERED , that Order No. 26,525 is reconsidered and modified to GRANT, on a <i>NISI</i> basis, PEU's petition for preliminary approval of its 2020 capital projects as	
	eligible for recovery through the QCPAC mechanism, subject to further review in PEU's	
	pending QCPAC case DW 21-022; and it is	
	FURTHER ORDERED , that PEU shall cause a summary of this order to be	
	published once in a statewide newspaper of general circulation or of circulation in	
	those portions of the state where operations are conducted, such publication to be no	
	later than November 19, 2021 and to be documented by an affidavit filed with the	
	Commission on or before December 6, 2021; and it is	
	FURTHER ORDERED , that all persons interested in responding to this Order	
	be notified that they may submit their comments or file a written request for a hearing	
	that states the reason and basis for a hearing no later than November 29, 2021 for the	
	Commission's consideration; and it is	
	FURTHER ORDERED , that any person interested in responding to such	
	comments or request for hearing shall do so no later than December 6, 2021; and it is	

