

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket DW 20-156

Pennichuck East Utility, Inc.
Request for Change in Rates

SETTLEMENT AGREEMENT ON TEMPORARY RATES

I. INTRODUCTION

This settlement agreement (Agreement) is entered into by and between Pennichuck East Utility, Inc. (PEU, or the Company); Staff of the New Hampshire Public Utilities Commission participating in this proceeding (Staff); the Office of the Consumer Advocate (OCA); the Towns of Londonderry, Litchfield, Pelham, and Hooksett (the Towns); Robert Corcoran; and Richard M. Husband (together, Settling Parties).

II. BACKGROUND

On September 23, 2020, PEU 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 September 25, 2020.

On November 23, 2020, PEU filed tariff schedules for effect thirty days later, on December 24, 2020. PEU also filed testimony and supporting materials in accordance with PART Puc 1604, as well as a petition to modify its ratemaking structure. PEU explained in its filing that, based on the rate-making methodology approved in Docket DW 17-128 and inclusive of the North Country Capital Recovery Surcharge (NCCRS) and Qualified Capital Project Adjustment Charge (QCPAC), PEU's 2019 pro forma test year revenue needs were \$10,715,419 but its actual revenues were only \$8,819,088. In light of the disparity between actual revenues

and revenues needed to pay its operating expenses and to meet its financial commitments, PEU filed a petition for temporary rates in the event the Commission suspended the taking effect of PEU's requested permanent rate tariffs. Specifically, PEU sought a 15% temporary rate increase, to be effective December 24, 2020, upon approval of PEU's permanent rate request. The Company proposed to implement the temporary rate increase uniformly across all customer classes, with no changes in rate design for those temporary rates.

On November 25, 2020, PEU posted to its website a full copy of its rate filing, tariffs, and temporary rate request, with supporting testimony. Also on that date, PEU posted on its website Answers to Frequently Asked Questions regarding its rate filings. On December 10 and 11, 2020, PEU mailed to each customer actual notice of the rate filing and proposed rates.

On December 11, 2020, the Office of the Consumer Advocate (OCA) filed its notice of participation.

On December 17, 2020, the Commission issued Order No. 26,436, suspending the taking effect of PEU's tariffs. The Commission ordered PEU to publish the order on its web site. The Commission also ordered that any intervention requests be filed no later than January 22, 2021. The Towns of Londonderry, Litchfield, Pelham, and Hooksett (Towns); Ralph G. Boehm; Thomas Boutilier; Christopher E. Burns; Marc Cloutier; Robert Corcoran; Nicole Fordey; Richard M. Husband; Richard Lascelles; Andrew D. Myers; and Mark Vandendyke filed petitions to intervene prior to that deadline. Ms. Fordey subsequently withdrew her intervention.

On December 18, 2020, PEU published the Commission's order on its website and filed with the Commission proof of its posting.

The Commission held a prehearing conference on January 27, 2021 and took all petitions to intervene under advisement. In a technical session following the prehearing conference, Staff,

PEU, the OCA, and intervenors developed a proposed procedural schedule to govern the proceeding. As directed by the Commission at the prehearing conference, on January 29, 2021, PEU filed its objection as to the proper scope of issues raised by Mr. Husband's petition. On that same day, the OCA filed an objection to PEU's objection. On February 5, 2021, Mr. Husband filed his response to PEU's objection.

On February 2, 2021, Staff filed its report of the technical session as well as the proposed procedural schedule. The Commission approved the schedule by Secretarial Letter dated February 9, 2021. On March 23, 2021, the Commission granted all petitions to intervene and noted that the scope of the proceeding concerned the issues noticed in Order No. 26,436 and that, if an intervenor wished to expand the issues, an appropriate motion to that effect would need to be filed.

On March 23, 2021, Staff and the parties met in a technical session on the subject of temporary rates. This settlement is the product of those discussions. Pursuant to the approved procedural schedule, it is being filed no later than April 27, 2021.

III. SCOPE OF STIPULATION

- 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.

It is specifically understood and agreed in this regard that this Agreement pertaining to proposed temporary rates is signed with a complete reservation of the Settling Parties' rights concerning the final permanent rates determination in this proceeding, that challenges to PEU's proposed permanent rates may be raised and asserted in the final rates segment of this proceeding and that a complete reconciliation shall be provided under R.S.A. 378:29 in the permanent rates determination to address any charges established to be unwarranted under the agreed temporary rates.

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, in accordance with RSA 378:27, temporary rates, based on the books and records on file with the Commission, be set at 14.03% over existing base rates. The derivation of this proposed rate increase is detailed in Attachment A to this Agreement. This increase would be an effective 11.05% increase realized by PEU's customers, as the Company's currently authorized QCPAC of 2.98% in effect as of the signing of this agreement would be subsumed in the proposed temporary base rates. As such, the Settling Parties agree that upon approval of temporary rates in this proceeding, PEU will cease the application on customer billings of the 2019 QCPAC of 2.98% approved in Commission Order No. 26,313 (December 6, 2019) in Docket DW 19-035. Additionally, PEU will forego collection

of the 2020 QCPAC proposed at 1.22% that is currently pending before the Commission in Docket DW 20-019.

The Settling Parties further agree to a reduction in the respective NCCRS to PEU's Locke Lake, Birch Hill, and Sunrise Estates customers. While the required NCCRS revenues to cover the related annual debt service of \$178,315 has not changed, the number of customers served within the three affected North Country systems have increased. The result of this broader customer base over which to spread the NCCRS is a slight reduction in the respective charges, as follows:

Service Area	<u>Current</u>	<u>Proposed</u>
Barnstead: Locke Lake	\$12.81	\$12.58
North Conway: Birch Hill	\$12.81	\$12.69
Middleton: Sunrise Estates	\$10.74	\$10.36

The Settling Parties agree that the above proposed rates are just and reasonable and that given the recoupment mechanism afforded under RSA 378:29, the rates will yield operating revenues sufficient to enable PEU to pay its expenses and meet its financial obligations.

B. The Settling Parties agree that the effective date for the temporary rates should be December 24, 2020, on a service-rendered basis. This date is subsequent to the actual notice provided to customers of PEU's rate filing.

C. The Settling Parties agree that temporary rates should be subject to reconciliation, pursuant to RSA 378:29, after the final determination of permanent rates by the Commission.

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.

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,



Marcia A. Brown, Esq.

Dated: April 26, 2021

STAFF OF THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION PARTICIPATING IN
THIS PROCEEDING

By its Attorney,

Dated: April 26, 2021

Lynn H. Fabrizio
Lynn H. Fabrizio, Esq.

Dated: April 26, 2021

OFFICE OF THE CONSUMER ADVOCATE

By its Attorney,

Donald M. Kreis
Donald M. Kreis, Esq.

Dated: April 26, 2021

TOWN OF LONDONDERRY

By its Attorney,

Christopher Cole
Christopher Cole, Esq.

Dated: April 26, 2021

TOWN OF LITCHFIELD

By its Attorney,

Christopher Cole
Christopher Cole, Esq.

Dated: April 26, 2021

TOWN OF PELHAM

By its Attorney,

Christopher Cole
Christopher Cole, Esq.

Dated: April 26, 2021

TOWN OF HOOKSETT

By its Attorney,

Christopher Cole

Christopher Cole, Esq.

Dated: April 26, 2021

RICHARD M. HUSBAND

Richard M. Husband

Richard M. Husband, Esq.

Dated: April 26, 2021

ROBERT CORCORAN

Robert J. Corcoran

Robert J. Corcoran

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PENNICHUCK EAST UTILITY, INC.
TEMPORARY RATES
SUMMARY - CALCULATION OF REVENUE REQUIREMENT FROM WATER SALES

	<u>REVENUE REQUIREMENT PER COMPANY FILING</u>	<u>REVENUE REQUIREMENT PER SETTLEMENT</u>	
<u>CITY BOND FIXED REVENUE REQUIREMENT (CBFRR)</u>			
1) City Bond Fixed Revenue Requirement (CBFRR) (Schedule 1)	<u>\$ 926,309</u>	<u>\$ 926,309</u>	
<u>OPERATING EXPENSE REVENUE REQUIREMENT (OERR) (Schedule 2)</u>			
2) Total Pro Forma Operation & Maintenance Expenses	\$ 6,046,869	\$ 6,092,210	
3) Pro Forma Property Tax Expense	1,174,044	1,174,044	
4) Pro Forma Amortization Expense	340,758	127,440	
5) Pro Forma Income Tax Expense	<u>3,775</u>	<u>-</u>	
6) Total Operating Expenses [(2) + (3) + (4) + (5)]	<u>\$ 7,565,446</u>	<u>\$ 7,393,694</u>	
<u>DEBT SERVICE REVENUE REQUIREMENT (DSRR) (Schedule 3)</u>			
7) Pro Forma Test Year Annual Debt Service	\$ 1,455,529	\$ 1,455,529	
8) Debt Service Coverage Requirement	x <u>1.1</u>	x <u>1.1</u>	
9) Debt Service Revenue Requirement (DSRR) [(7) x (8)]	<u>\$ 1,601,082</u>	<u>\$ 1,601,082</u>	
10) REVENUE REQUIREMENT EXCLUSIVE OF NORTH COUNTRY CAPITAL RECOVERY SURCHARGE (NCCRS) REVENUES [(1) + (6) + (9)]	<u>\$ 10,092,837</u>	<u>\$ 9,921,085</u>	
<u>CALCULATION OF PERCENT INCREASE (DECREASE) IN ANNUAL BASE RATE WATER REVENUES</u>			
11) Total Proposed Revenue Requirement Exclusive of NCCRS Revenues [(10)]	\$ 10,092,837	\$ 9,921,085	
12) Less: Pro Forma Test Year Other Operating Revenues (Schedule 2)	<u>(30,188)</u>	<u>(30,188)</u>	
13) Total Proposed Water Revenues from Base Rates [(11) - (12)]	<u>\$ 10,062,649</u>	<u>\$ 9,890,897</u>	
14) Less: Pro Forma Test Year Water Revenues from Base Rates (Schedule 2)	<u>(8,674,184)</u>	<u>(8,674,184)</u>	
15) Proposed Increase / (Decrease) in Annual Water Revenues from Base Rates [(13) - (14)]	<u>\$ 1,388,465</u>	<u>\$ 1,216,713</u>	16.01%
16) Proposed Increase / (Decrease) in Annual Water Revenues from Base Rates	<u>\$ 1,301,128</u>	<u>\$ 1,216,713</u>	15.00%
16) Less: Pro Forma Test Year Water Revenues from QCPAC (Schedule 2)	<u>(258,491)</u>	<u>(258,491)</u>	
17) Proposed Increase / (Decrease) in Total Annual Revenues from Water Sales [(15) - (16)]	<u>\$ 1,042,637</u>	<u>\$ 958,222</u>	12.02%
<u>OPERATING REVENUES AFTER IMPLEMENTATION OF TEMPORARY RATES</u>			
18) Proposed Revenues from Base Rates [(14) + (16)]	\$ 9,975,312	\$ 9,890,897	
19) Other Operating Revenues (12)	30,188	30,188	
20) Proposed North Country Capital Recovery Surcharge (NCCRS) (Schedule 2)	<u>178,915</u>	<u>178,915</u>	
21) Total Proposed Operating Revenues after Implementation of Temporary Rates [(18) + (19) + (20)]	<u>\$ 10,184,415</u>	<u>\$ 10,100,000</u>	

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PENNICHUCK EAST UTILITY, INC.
TEMPORARY 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
PWW Share of CBFRR		10.21%
PWW Prorate share	\$	14,864,176
Add back PWW Pro Rata Share of Rate Stabilization Reserve	\$	980,000
Total PWW Pro Rata Share for CBFRR/MARA	\$	15,844,176
Bond Interest Rate		4.09%
Bond Period		30 yrs.
PEU CBFRR Requirement	\$	926,309

Notes:

Pro Rata Calculation as follows:⁽¹⁾

PWW & Southwood Equity (12/31/2011) ⁽²⁾	\$	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⁽³⁾

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

	Company Proposal per Original Filing			Settlement Proposal			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Test Year Operating Income	Adjustments to Derive Temp Rates	Adjusted Test Yr Operating Income per Co' Filing (Co's Sch 1)	Adj's per Settlement (Sch 2a)	Pro Forma Operating Income per Settlement	Revenue Increase per Settlement	Revenue Requirement per Settlement
OPERATING REVENUES							
Revenues from Water Sales:							
Water Revenues from Base Rates	\$ 8,500,418	\$ -	\$ 8,500,418	\$ 173,766	\$ 8,674,184	\$ 1,216,713	\$ 9,890,897
Water Revenues from Qualified Capital Project Adjustment Charge (QCPAC)	106,880	-	106,880	151,611	258,491	(258,491)	-
Total Revenues from Water Sales	8,607,298	-	8,607,298	325,377	8,932,675	958,222	9,890,897
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	8,819,089	-	8,819,089	325,377	9,144,466	955,534	10,100,000
OPERATING EXPENSES							
Operation and Maintenance Expenses:							
Production Expense	2,257,198	-	2,257,198	45,341	2,302,539	-	2,302,539
Transmission and Distribution Expense	1,006,231	-	1,006,231	-	1,006,231	-	1,006,231
Customer Account and Collection Expense	204,718	-	204,718	-	204,718	-	204,718
Administrative and General Expense	181,461	-	181,461	-	181,461	-	181,461
Inter-Division Management Fee	2,397,261	-	2,397,261	-	2,397,261	-	2,397,261
Total Operation and Maintenance Expenses	6,046,869	-	6,046,869	45,341	6,092,210	-	6,092,210
Other Operating Expenses:							
Property Tax Expense	1,174,044	-	1,174,044	-	1,174,044	-	1,174,044
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	-	340,758	(213,318)	127,440	-	127,440
Total Other Operating Expenses	2,413,484	(898,682)	1,514,802	(213,318)	1,301,484	-	1,301,484
Income Tax Expense:							
State Income Tax Expense	93,834	(90,059)	3,775	(3,775)	-	-	-
Federal Income Tax Expense	325,301	(325,301)	-	-	-	-	-
Total Income Tax Expense	419,135	(415,360)	3,775	(3,775)	-	-	-
Total Operating Expenses	8,879,488	(1,314,042)	7,565,446	(171,752)	7,393,694	-	7,393,694
NET OPERATING INCOME	\$ (60,399)	\$ 1,314,042	\$ 1,253,643	\$ 497,129	\$ 1,750,772	\$ 955,534	\$ 2,706,306
CALCULATION OF REVENUE DEFICIENCY AND REQUIRED INCREASE:							
			PER COMPANY	SETTLEMENT ADJUSTMENTS	PER SETTLEMENT	REVENUE INCREASE	SETTLEMENT
NET OPERATING INCOME			\$ 1,253,643	\$ 497,129	\$ 1,750,772	\$ 955,534	\$ 2,706,306
LESS: QUALIFIED CAPITAL PROJECT ADJUSTMENT CHARGE (QCPAC) REVENUES			(106,880)	(151,611)	(258,491)	258,491	-
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			\$ 965,160	\$ 345,519	\$ 1,310,679	\$ 1,216,713	\$ 2,527,391
LESS: CITY BOND FIXED REVENUE REQUIREMENT (CBFRR)			(926,309)	-	(926,309)	-	(926,309)
LESS: DEBT SERVICE REVENUE REQUIREMENT (DSRR)			(1,455,529)	-	(1,455,529)	-	(1,455,529)
PRO FORMA DEBT SERVICE			(1,455,529)	-	(1,455,529)	-	(1,455,529)
x DEBT COVERAGE REQUIREMENT	1.1	x	1.1	x	1.1	x	1.1
DEBT SERVICE REVENUE REQUIREMENT (DSRR)			(1,601,082)	-	(1,601,082)	-	(1,601,082)
CALCULATED REVENUE (DEFICIENCY) / INCREASE			\$ (1,562,231)	\$ 345,519	\$ (1,216,713)	\$ 1,216,713	\$ -
Revenue Requirement Component Summary:							
City Bond Fixed Revenue Requirement (CBFRR):							\$ 926,309
Operating Expense Revenue Requirement (OERR):							
Total O & M Expenses							\$ 6,092,210
Property Tax Expense							1,174,044
Amortization Expense							127,440
Income Tax Expense							-
							7,393,694
Debt Service Revenue Requirement (DSRR):							
Pro Forma Debt Service							\$ 1,455,529
Debt Service Coverage Requirement x							1.1
							1,601,082
North Country Capital Recovery Surcharge (NCCRS):							178,915
Total Temporary Rate Revenue Requirement Including NCCRS Revenues:							\$ 10,100,000

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PENNICHUCK EAST UTILITY, INC.
TEMPORARY RATES
SCHEDULE 2a - OPERATING INCOME ADJUSTMENTS PER SETTLEMENT**

OPERATING REVENUES

REVENUES FROM WATER SALES

Revenues from Water Sales:

Water Revenues from Base Rates:

1	Normalize Test Year Revenues to Reflect 5 Year Avg Volumetric Sales per Co's Schedule 1C.	\$ 173,766
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Water Revenues from Qualified Capital Project Adjustment Charge (QCPAC):

2	Normalize Test Year Revenues to Reflect 5 Year Avg Volumetric Sales per Co's Schedule 1C.	<u>151,611</u>
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TOTAL ADJUSTMENTS - OPERATING REVENUES	<u>\$ 325,377</u>
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OPERATING EXPENSES

OPERATION AND MAINTENANCE EXPENSES

Production Expense:

3	Adjustment to Purchased Water Expense associated with 5 Year Avg Flows per Co's Sch 1, Att B, Adj IIB: 2019 Purchased Water Expense, less Trucked Water	\$ 1,002,160		
	Percent change in Purchased Water from Test Yr to 5 Year Avg per Co's Sch 1C	x <u>4.10%</u>	\$	41,089

4	Adjustment to Electric Supply Charge associated with 5 Year Avg Flows per Co's Sch 1, Att B, Adj IID: 2019 Electric Usage in KWH	2,001,401		
	Percent change in Production from Test Yr to 5 Year Avg per Co's Sch 1C	x 2.87%	x \$	4,252
	2019 Supply Rate per KWH	x <u>0.07403</u>		<u>4,252</u>

Total Adjustments - Operation and Maintenance Expenses	45,341
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OTHER OPERATING EXPENSES

Amortization Expense - Other:

5	Elimination of Amortization Expense associated with PEU's portion of Acquisition Adj per Co's Sch 1, Att H, Adj IB:	(213,318)
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INCOME TAX EXPENSE

State Income Tax Expense:

6	To eliminate 2019 NH Business Enterprise Tax (See Co Sch 1, Att J, Adju IA)	<u>(3,775)</u>
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TOTAL ADJUSTMENTS - OPERATING EXPENSES	<u>(171,752)</u>
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NET OPERATING INCOME ADJUSTMENTS	<u>\$ 497,129</u>
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PENNICHUCK EAST UTILITY, INC.
TEMPORARY 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
Total Operating Revenues	\$ 8,712,209	\$ 106,880	\$ 8,819,089	\$ 146,432	\$ 8,965,521	\$ 173,766	\$ 5,178	\$ 9,144,466	\$ 8,885,975	\$ 9,144,466

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PENNICHUCK EAST UTILITY, INC.
TEMPORARY RATES
SCHEDULE 2c - NON-MATERIAL OPERATING EXPENSES

Acct No.	Description	Per Co's 2019 Gen'l Ledger	Pro Forma Adj's per Co's Filing	Pro Forma Balance per Co's Filing	Pro Forma Adj's per Settlement	Pro Forma Balance per Settlement
921002	SENIOR MANAGEMENT VEHICLES	\$ -	\$ -	\$ -	\$ -	\$ -
921003	SENIOR MANAGEMENT - FUEL PURCHASED	-	-	-	-	-
921004	SENIOR MANAGEMENTTT - VEHICLE REGISTRATION	-	-	-	-	-
923000	OUTSIDE SERVICES	23,260	-	23,260	-	23,260
926001	OFFICER'S LIFE INSURANCE	-	-	-	-	-
926500	MISCELLANEOUS EMPLOYEE BENEFITS	-	-	-	-	-
926501	MISCELLANEOUS EMPLOYEE BENEFITS - WELLNESS	-	-	-	-	-
926502	MISCELLANEOUS EMPLOYEE BENEFITS - ACTIVITIES	-	-	-	-	-
926505	EMPLOYEE RELATIONS	-	-	-	-	-
926600	TUITION REIMBURSEMENT	-	-	-	-	-
926610	TRAINING EDUCATIONAL SEMINARS	-	-	-	-	-
930100	MEETINGS & CONVENTIONS	-	-	-	-	-
930101	MEMBERSHIPS	-	-	-	-	-
930200	PUBLIC RELATIONS	-	-	-	-	-
930300	MEALS	4,603	-	4,603	-	4,603
930410	CHARITABLE CONTRIBUTIONS	-	-	-	-	-
	TOTAL NON-MATERIAL OPERATING EXPENSES	\$ 27,863	\$ -	\$ 27,863	\$ -	\$ 27,863

DW 20-156
 PENNICHUCK EAST UTILITY, INC.
 TEMPORARY RATES
 SCHEDULE 3 - PRO FORMA TEST YEAR DEBT SERVICE

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 Adj'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 Adj's per Co Filing	Pro Forma Int Pmts per Co Filing	Adjustments per Settlement	Pro Forma Int Pmts per Sett/mnt		
PRO FORMA TEST YEAR DEBT:																
Outstanding Debt at 12/31/2019:																
CoBank	20	03/01/30	5.950%	\$ 2,715,543	\$ 212,716		\$ 212,716		\$ 212,716	\$ 120,540		\$ 120,540		\$ 120,540	\$ 333,256	\$ 333,256
State of NH SRF: Green Hills	20	01/01/25	3.728%	113,245	17,325		17,325		17,325	4,689		4,689		4,689	22,014	22,014
State of NH SRF: Pelham Tank	20	01/01/27	3.488%	242,897	30,114		30,114		30,114	9,044		9,044		9,044	39,158	39,158
State of NH SRF: Maple Hills	20	06/01/30	2.952%	353,184	28,543		28,543		28,543	10,884		10,884		10,884	39,427	39,427
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)	-	-	-	-	-
State of NH SRF: Locke Lake - 2007	20	05/01/30	2.952%	151,960	12,325		12,325		12,325	4,743		4,743		4,743	17,068	17,068
State of NH SRF: Locke Lake - 2011	20	06/01/33	2.864%	227,937	6,427		6,427		6,427	6,724		6,724		6,724	13,151	13,151
State of NH SRF: Liberty Tree	20	04/01/35	3.104%	334,930	8,013		8,013		8,013	10,651		10,651		10,651	18,664	18,664
State of NH SRF: Locke Lake - 2012	20	12/01/33	2.720%	300,407	17,523		17,523		17,523	8,430		8,430		8,430	25,953	25,953
CoBank \$1.7M Loan (RX0848T4)	10	06/20/23	3.620%	1,294,541	72,802		72,802		72,802	49,104		49,104		49,104	121,906	121,906
CoBank \$925K Loan (RX0848T3)	20	06/20/33	4.250%	706,244	37,786		37,786		37,786	31,403		31,403		31,403	69,189	69,189
State of NH SRF: Locke Lake Dam Site - Phase 2	20	07/01/35	2.720%	327,933	16,785		16,785		16,785	9,168		9,168		9,168	25,953	25,953
State of NH SRF: Winwood & Monroe - Phase 1	20	07/01/36	2.720%	333,303	15,794		15,794		15,794	9,300		9,300		9,300	25,094	25,094
State of NH SRF: Winwood & Monroe - Phase 2	20	11/01/36	2.464%	349,020	16,530		16,530		16,530	8,821		8,821		8,821	25,351	25,351
State of NH SRF: W&E Main Replacement	20	08/01/36	2.616%	882,518	41,966		41,966		41,966	23,684		23,684		23,684	65,650	65,650
State of NH SRF: Hickory & Avery	20	04/01/36	2.720%	359,529	17,529		17,529		17,529	9,654		9,654		9,654	27,183	27,183
State of NH SRF: Hardwood Treatment Station	20	07/01/36	2.464%	491,091	23,832		23,832		23,832	12,420		12,420		12,420	36,252	36,252
CoBank \$625K Loan	25	03/06/40	4.900%	557,471	15,610		15,610		15,610	28,159		28,159		28,159	43,769	43,769
CoBank \$1.25M Loan T6 (1st Tranche)	25	11/01/41	4.200%	1,160,174	31,223		31,223		31,223	50,198		50,198		50,198	81,421	81,421
CoBank \$950K Loan T6 (2nd Tranche)	25	11/01/41	4.830%	887,255	21,945		21,945		21,945	44,091		44,091		44,091	66,036	66,036
State of NH SRF: Locke Lake - Varney Road	20	11/01/37	1.960%	1,356,529	63,287		63,287		63,287	27,262		27,262		27,262	90,549	90,549
State of NH SRF: Brady Ave (Derry) - 2017	30	07/01/49	1.960%	563,319	5,633		5,633		5,633	16,196		16,196		16,196	21,829	21,829
State of NH SRF: Hillcrest Road (Litchfield) - 2017	20	09/01/39	1.960%	238,741	3,306		3,306		3,306	5,482		5,482		5,482	8,788	8,788
CoBank \$500K Loan (2017 Capital Projects)	25	05/20/43	5.330%	339,168	7,034		7,034		7,034	18,556		18,556		18,556	25,590	25,590
State of NH SRF: Merrimack River Crossing	20	09/01/39	1.960%	2,367,217	32,783		32,783		32,783	64,446		64,446		64,446	97,229	97,229
CoBank \$1.153M Loan T9 (2018 QCP's)	25	06/01/44	4.380%	1,144,579	8,421		8,421		8,421	18,326		18,326		18,326	26,747	26,747
State of NH SRF: Locke Lake - Georgetown Main	30	TBD	2.704%	958,333	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total: 2019 Outstanding Debt				19,950,446	848,111	(82,859)	765,252	-	765,252	637,444	(35,469)	601,975	-	601,975	1,367,227	1,367,227
New Debt Acquired during 2020:																
CoBank \$800K Loan (2019 QCP's)	25	12/20/45	3.980%	800,122	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total: 2020 New Debt				800,122	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Debt:																
Penn Corp: Refinanced \$1,701,516 Loans - 2018	30	05/01/48	3.200%	1,646,609	35,001		35,001		35,001	53,301		53,301		53,301	88,302	88,302
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	(23,808)	35,001	-	35,001	89,557	(36,256)	53,301	-	53,301	88,302	88,302
PRO FORMA TEST YEAR TOTALS				\$ 23,517,231	\$ 906,920	\$ (106,667)	\$ 800,253	\$ -	\$ 800,253	\$ 727,001	\$ (71,725)	\$ 655,276	\$ -	\$ 655,276	\$ 1,455,529	\$ 1,455,529

**DW 20-156
PENNICHUCK EAST UTILITY, INC.
TEMPORARY RATES
SCHEDULE 4 - REPORT OF PROPOSED RATE CHANGES**

Rate or Class of Service	Effect of Proposed Change	Average Number Customers	Change in Annual Revenues				Temporary 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	\$ 8,432,631	\$ 1,037,326	14.03%
Private FP	Increase	320	369,587	(10,695)	358,892	409,233	50,341	14.03%
FP - Hydrants	Increase	4	877,403	(25,390)	852,013	971,523	119,510	14.03%
Windham Public Hydrant	Increase	357	39,727	(1,150)	38,577	43,988	5,411	14.03%
Raymond Public Hydrant	Increase	248	6,322	(183)	6,139	7,000	861	14.03%
Lee Public Hydrant	Increase	34	4,440	(128)	4,312	4,917	605	14.03%
Exeter Public Hydrant	Increase	52	5,771	(167)	5,604	6,390	786	14.03%
Birch Hill Public Hydrant	Increase	216	11,434	(331)	11,103	12,660	1,557	14.03%
Bow Public Hydrant	Increase	26	2,307	(67)	2,240	2,554	314	14.03%
Revenues from Water Sales		8,251	8,932,675	(258,491)	8,674,184	9,890,897	1,216,713	14.03%
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	10,069,812	1,214,025	13.71%
Other Operating Revenues	-	-	30,188	-	30,188	30,188	-	0.00%
Total Operating Revenues		8,251	\$ 9,144,466	\$ (258,491)	\$ 8,885,975	\$ 10,100,000	\$ 1,214,025	13.66%