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VIA ELECTRONIC AND MAIL DELIVERY

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

Re: IR 22-048 Investigation of Step Adjustment Methodology and Process  
Public Comment Pertaining to Small Utilities

Dear Chairman Goldner:

Pursuant to the Commission's order dated August 26, 2022 opening this investigation docket, all electric, gas, and Class A water utilities have been made necessary parties to this docket. In my experience with and before the Commission, however, the beneficiaries of the step adjustment have also included small water utilities. Therefore, although I will be co-representing Pennichuck Corporation's regulated utilities at the prehearing, I consider it important to offer this public comment regarding the use of the step adjustment mechanism by small water utilities even though they have not been made necessary parties.

Small water utilities that do not have capital cost trackers, such as the Water Infrastructure Capital Adjustment Clause or the Qualified Capital Project Adjustment Charge, have successfully used the step adjustment mechanism in the past to: (1) meet their revenue needs after the capital has been put to public use; (2) not have an earnings or revenue deficiency shortly after processing a rate case; and (3) avoiding having to process another rate case to address the newly-added capital on the heels of a recently completed rate case. All these benefits to the financial stability of the small utility and efficiencies to customers would go away if the step adjustment mechanism were to become unavailable to the small utilities. Lastly, because a benefit to step adjustments is that they can be tailored to the unique needs of small utilities, step adjustments are not an easy candidate for rulemaking.

Thank you for this opportunity to offer comments concerning the importance of this mechanism to small water utilities.

Very Truly Yours,

A handwritten signature in black ink that reads "Marcia A. Brown".

Marcia A. Brown

cc: Docket-Related Service List for IR 22-048