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SELECTMEN'S OFFICE  
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December 8, 2023

Ms. Lynne Blaisdell  
Town of Sandown, P.O. Box 1756, 320 Main Street  
Sandown, NH 03873

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increase

Dear Ms. Lynne Blaisdell:

On behalf of Pennichuck Corporation and its water utility companies, I wanted to make you aware that Pennichuck East Utility (“PEU”) submitted a Notice of Intent to file a Rate Case with the New Hampshire Public Utilities Commission (“PUC”) on November 28, 2023. As we previously made you aware, a Consolidated Rate Filing was made with the PUC, to adjust rates and consolidate the three regulated Pennichuck Utilities (Pennichuck Water Works, Pennichuck East Utility and Pittsfield Aqueduct) into one surviving utility. Along with that merger, once approved, a uniform rate structure would then be in place for the utility, including your community. However, if the Consolidated Rate Case and Merger are not approved by the PUC, this individual rate filing will be pursued to completion.

PEU is required to file a rate case every three years, with 2023 being the next required year to file for rate adjustment. The Rate Case that will be filed will only be carried to completion in the event the Consolidated Rate filing is not approved. If that filing is not approved this Rate Case will request the PUC to approve an adjustment in PEU’s rates, to allow PEU to collect sufficient revenues to pay for the costs of the Company’s current operating expenses and investment in infrastructure over the past several years, should the Consolidated Rate filing not be approved.

PEU last had a full rate increase in its base (or permanent) rates in 2022 (delayed from 2021 due to CoVID), which was based upon 2019 test year operating costs, even though during that time PEU has continued to make material investments and improvements to its water utility assets within the communities served by the utility, and has experienced material increases in its operating expenses, some at well above inflationary rates.

The PUC’s Rate Case process involves the following steps:

- Notice of Intent to File Rate Schedules (“NOI”), which states an estimate of the projected increase in rates. This was filed on November 28, 2023, as the first step in the regulatory process for a rate case.

- A complete Rate Case filing, which includes the final proposed change in rates and all testimony, exhibits and schedules required under PUC rules and regulations. This must be filed no earlier than 30 days, and no later than 60 days, from the date of the NOI. As such, the Rate Case will be filed on or after December 28, 2023, in compliance with the time requirements.
- The PUC will open a docket for the Rate Case and will be issuing an Order of Notice scheduling a prehearing conference to address timing and other procedural aspects. We expect this prehearing conference to occur sometime in early 2024.
- PEU's Rate Case will include a request that the PUC allow a "temporary" rate increase at currently existing rates, which will preserve PEU's full right for final rate recovery during the pendency of the Rate Case. We expect hearings on PEU's temporary rate request will be held sometime in early 2024.
- The PUC will approve a detailed procedural schedule for the docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and any other parties approved by the Commission as intervenors. A hearing on permanent rates is likely to be held in late 2024, unless the case has been terminated due to the approval of the aforementioned Consolidated Rate filing.

PEU's NOI stated its estimate of the maximum projected increase being sought over its current rates as of the date of that filing. This noticed requested increase, which is 24.1% over last approved rates, is included in the Notice of Intent which PEU filed with the PUC on November 28, 2023. This increase is directly in opposition to the rate relief the Company is requesting approval for in the Consolidated Rate Case, based upon a consolidated entity, and the aggregate economic benefits of that case.

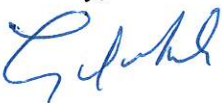
A copy of the Notice of Intent is attached to this letter.

It is the intent of the Company to keep the communities served by PEU informed as we proceed through the regulatory process.

A copy of the Rate Case filing will be available via a link on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)). In addition, you may follow the proceeding on the PUC website: <http://www.puc.state.nh.us>.

Please feel free to call me at 603-913-2312 if you need any further information or clarification.

Sincerely,



Larry D. Goodhue  
Chief Executive Officer

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

PENNICHUCK EAST UTILITY, INC.

DOCKET NO. 23-096

**NOTICE OF INTENT TO FILE RATE SCHEDULES**

Pursuant to N.H. RSA 378:3 and N.H. Code Admin. R. 1604.05(a) (requiring thirty days' notice), Pennichuck East Utility, Inc. (PEU), hereby gives notice of its intent to file rate schedules with the New Hampshire Public Utilities Commission. Pursuant to N.H. Code Admin. R. 1604.05(c), such rate schedules will be filed within sixty days of this notice.

Pursuant to RSA Chapter 378 and N.H. Code Admin. R. 1604.05(b), PEU will be seeking to increase its revenue requirement by approximately \$2,520,679, or 24.10%, above the revenues generated by sales, based on the five-year average methodology with a Material Operating Expense Factor. This increase does not include revenues from the North Country Capital Recovery Surcharge and annual revenues recovered under the Qualified Capital Project Adjustment Charge program.

PEU's last rate case was in 2020 in Docket No. DW 20-156.

PENNICHUCK EAST UTILITY, INC.

By its attorney,



Marcia A. Brown  
NH Brown Law, PLLC  
20 Noble Street  
Somersworth, NH 03878  
(603) 219-4911/mab@nhbrownlaw.com

Dated: November 28, 2023

CERTIFICATE OF SERVICE

I hereby certify that a copy of this notice was emailed this day to the Department of Energy, Office of the Consumer Advocate, and to the Commission's electronic service list for initial filings.

Dated: November 28, 2023

  
Marcia A. Brown