



PENNICHUCK™

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RECEIVED
OCT 22 2018
TOWN OF LEE, NH

October 16, 2018

Ms. Julie Glover
Town Administrator
Lee Town Hall
7 Mast Road
Lee, NH 03861

Re: Rate Case – Pennichuck East Utility, Inc. (DW 17-128)

Dear Ms. Glover:

On October 4, 2018, the New Hampshire Public Utilities Commission issued Order No. 26,179 approving a permanent rate increase for Pennichuck East Utility, Inc. of 18.97%, and a step increase of 1.43%, together with the approval of certain modifications and adjustments pertaining to its overall rate structure. The permanent rate increase is effective for bills rendered after January 8, 2018. The step increase is effective for bills rendered on or after November 16, 2018.

In earlier correspondence, the Company informed its customers that the Public Utilities Commission approved a temporary 12.24% increase in May of 2018. The Order issued on October 4, 2018 requires the Company to file its calculation and reconciliation of temporary and permanent rates with the Commission within thirty days of the Order. The Company will seek to recover the difference between temporary and permanent rates over a period of time to be determined by the Commission, which is expected to be a period of twelve months.

Notices are being mailed to customers along with their monthly bills, relating to this rate order, beginning during the week of October 15, 2018. A copy of the notice that is being sent to customers is attached to this letter. The Order is posted on the PUC website (www.puc.state.nh.us).

If possible, the Company would appreciate your posting this letter on the Town's website in order to inform customers being served by the Company. Please feel free to contact me at 603-913-2312 if you need any further information.

Sincerely,

Larry D. Goodhue
Chief Executive Officer



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Merrimack, NH 03054

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customer-service@pennichuck.com

On October 4, 2018, the New Hampshire Public Utilities Commission (NHPUC) approved a rate increase of 18.97% for all Pennichuck East Utility customers. The rate increase is effective retroactively for bills issued as of January 8, 2018. A step increase of 1.43% was also approved and will be effective for bills issued on or after November 16, 2018. The step increase allows the company to recover additional investment in plant made during 2017 but not included in the 18.97% increase.

Your bill for this month will be calculated using the newly authorized rates but will not reflect the increase for the step adjustment. Your bill next month will be the first bill to include the 1.43% step increase.

In addition, customers will be surcharged for:

1. The incremental difference between the prior rates and the newly authorized rates that became effective on January 8, 2018. This portion of the surcharge will be calculated by multiplying the individual bill amounts of bills issued between January 8, 2018 and June 7, 2018 by 18.97%.
2. The incremental difference between the temporary rates that went into effect on June 8, 2018 and permanent rates. This portion of the surcharge will be calculated by multiplying the individual bill amounts of bills issued between June 8, 2018 and October 11, 2018 by 6%.

The surcharge amounts require approval from the NHPUC. Once approved, the surcharges will be billed in equal installments on your bill over 12 months.