PENNICHUCK

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January 28, 2015

Mr. Brian McCarthy, Town Administrator
Town of Pelham
6 Village Green
Pelham, NH 03076

Re: Pennichuck East Utility, Inc. – Recovery of Rate Case Expenses and Temporary Rate Recoupment

Dear Mr. McCarthy:

On January 13, 2015, the New Hampshire Public Utilities Commission (PUC) issued Order No. 25,752 authorizing the recovery of rate case expenses and the temporary rate recoupment for Pennichuck East Utility, Inc. ("PEU"). A copy of the PUC Order is attached.

The temporary rate recoupment reflects the difference in rates between July 1, 2013 and July 25, 2014, the date of the permanent rate order. The approved rate increase for PEU customers excluding the step increase was 9.91%. The recoupment for PEU in the amount of $216,480 represents the full rate increase of 9.91% for the period of July 1, 2013 to November 27, 2013 and a rate increase of 2.91% for the period from November 28, 2013 to July 25, 2014. The lower rate of 2.91% for the latter period results from the fact that a temporary rate increase of 7% was approved by the PUC on November 27, 2013. The recoupment also includes the impact of the cost of service study which adjusted the cost to various customer classes within PEU. The monthly recoupment surcharge for residential customers of PEU based on water usage of 70 CCF is $1.95 for a twelve month period.

The PUC allows the recovery of prudently incurred rate case expenses through rates. The approved rate case expenses for PEU were $64,340. PEU customers will incur a monthly surcharge of $0.76 over the next twelve months for rate case expenses.

We would appreciate your posting of this letter to your municipal website.

Feel free to contact me at 603-913-2301 if you have any questions related to the PUC Order.

Sincerely,

John L. Patenaude
Chief Executive Officer