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**Pennichuck Water Works Qualified Capital Project Adjustment Charge (QCPAC)  
Customer Notice for February 2023 filing at the New Hampshire Public Utilities Commission**

Pennichuck Water Works, Inc.'s ("Pennichuck") primary goal is to provide exceptional service and delivery of quality water 24 hours a day, 365 days a year. We regularly evaluate the infrastructure of our systems to identify areas that require improvement. Pennichuck was granted approval by the New Hampshire Public Utilities Commission (PUC) in DW 16-806 (Order #26,070) to implement a Qualified Capital Project Adjustment Charge (QCPAC). The QCPAC allows Pennichuck to bill a monthly surcharge based on a percentage of your monthly bill. The surcharge will recover the costs of Pennichuck's ongoing investment in Qualified Capital Projects (QCPs) necessary to provide service to its customers, in compliance with State and Federal regulations, and to maintain its overall water supply and treatment infrastructure in a proactive and responsive manner.

The QCPAC surcharge allows Pennichuck to recover 1.10 times the annual principal and interest for the debt issued to pay for Pennichuck's Qualified Capital Projects (QCPs) expenditures made on plant and equipment placed into service during the prior year, plus the incremental property taxes associated with the value of those QCPs. As a part of this annual process, Pennichuck's QCP expenditures are audited by the PUC for prudence and confirmation of actual expenditure levels. Our customers benefit from the QCPAC program as it provides necessary funding for Pennichuck to maintain a consistent plan for the replacement of aging infrastructure, increasing the reliability and quality of service provided to customers. The QCPAC program also results in smaller annual rate changes for customers by permitting Pennichuck to recover expenses associated with the replacement of aging infrastructure between rate cases.

As a part of this ongoing annual QCPAC process, Pennichuck will be filing a proposed three-year capital expenditure plan for 2023-2025 QCPs with the PUC on or before February 15, 2023. The proposed 2023-2025 QCPs submitted will update the plan already on file with the PUC, as it relates to Pennichuck's 2022 through 2024 proposed QCP expenditures, which was previously filed with the PUC in February of 2022 as part of its DW 22-006 QCPAC filing. In its February 2023 QCPAC filing, Pennichuck will be requesting the PUC to allow it to bill for a QCPAC surcharge of 1.48% over the rates being sought in DW 22-032. The requested QCPAC surcharge will allow Pennichuck to recover the expenses associated with the QCPs placed in service during 2022. The 1.48% QCPAC surcharge, if approved, will apply to meter classes and charges for service rendered after the anticipated sale of bonds on April 28, 2023 (and would be expected to go in effect near the end of 2023).

The requested QCPAC surcharge for 2022 QCPs, if approved in late 2023, would result in a QCPAC surcharge of about \$0.93 per month on the projected average single-family residential bill of \$62.77, resulting in a total monthly bill of \$63.70.

If you have any questions or concerns related to Pennichuck's February 2023 QCPAC filing, please contact Pennichuck Customer Service at 800-553-5191 or the New Hampshire Public Utilities Commission at 800-852-3793.