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**Pennichuck Water Works Qualified Capital Project Adjustment Charge (QCPAC)
Customer Notice for March 2025 filing at the New Hampshire Public Utilities Commission**

You are receiving this notice based on the belief that the proposed merger of Pennichuck Water Works, Pennichuck East Utility and the Pittsfield Aqueduct Company will be approved and completed on March 1, 2025, at which point all customers will be serviced by Pennichuck Water Works (“Pennichuck”). In the event the proposed merger is not approved and completed by March 1, 2025, this notice will not be valid and a new notice regarding the 2025 QCPAC will be sent to each of the individual utilities.

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 allows Pennichuck to recover the expenses associated with its ongoing investments in Qualified Capital Projects (QCPs) which are 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 (2024), 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 2025-2027 QCPs with the PUC on or before March 31, 2025. The proposed 2025-2027 QCPs submitted will update the plan already on file with the PUC which covered Pennichuck’s 2024 – 2026 planned QCP’s.

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In its March 2025 QCPAC filing, Pennichuck will be requesting the PUC to allow it to bill for a QCPAC surcharge of 2.06% over the rates being sought for the merged Company's in DW 23-101. The requested QCPAC surcharge will allow Pennichuck to recover the expenses associated with the QCPs placed in service during 2024. The proposed 2.06% QCPAC being sought, if approved, will apply to all customer classes for service rendered after the anticipated sale of bonds on or before April 30, 2025. The proposed QCPAC would be expected to go in effect in the late Fall of 2025.

The requested QCPAC for 2024 QCPs, if approved in late 2025, would result in a QCPAC, for an average single-family home using 7.61 CCF (5,692 gallons) of water per month, of about \$1.32 per month, which when added to requested merger rates for an average single-family residential bill of \$63.83 would result in a total average monthly bill of \$65.15.

If you have any questions or concerns related to Pennichuck's March 2025 QCPAC filing, please contact Pennichuck Customer Service at 800-553-5191 or the New Hampshire Public Utilities Commission at 800-852-3793.