

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 12-359

PENNICHUCK WATER WORKS, INC.

**Water Infrastructure and Conservation Adjustment
Proposed Projects 2013-2015**

ORDER OF NOTICE

On December 19, 2012, Pennichuck Water Works, Inc. (PWW) filed a petition for approval of its Water Infrastructure and Conservation Adjustment (WICA) capital projects for 2013 and for preliminary approval of its proposed projects for 2014. PWW's petition also provided a list of proposed 2015 projects for informational purposes. The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2012/12-359.html>.

The Commission authorized implementation of the WICA as a pilot program in PWW's last general rate case. *See, Pennichuck Water Works, Inc.*, Docket No. DW 10-091, Order No. 25,230 (June 9, 2011). Through the use of a surcharge mechanism, utilities may recover more quickly the costs of replacing aging infrastructure and thus be incented to speed their replacement of aging water mains, services, hydrants, and valves in their distribution systems. Additional objectives of the WICA program are to increase the time between general rate cases, reduce the magnitude of those rate cases, and to improve system reliability.

PWW proposes \$2,251,357 in WICA capital improvements in 2013, including \$1,755,007 in main replacements, \$57,598 in service line replacements, and \$438,752 in contingency costs. The contingency costs are to allow PWW to react to additional opportunities

to coordinate with municipal sewer and storm drain projects and replace water mains at a reduced cost. PWW proposes \$1,918,848 in 2014 WICA projects which include: \$1,489,000 in main replacement; \$57,598 in services; and \$372,250 in contingency costs. PWW's filing details its plan to replace or rehabilitate 10,000 to 15,000 linear feet of water main per year, and illustrates a rating system it has developed to select projects for the WICA planning horizon. PWW's proposed 2013 projects would result in a bill impact. For a customer consuming 7,880 cubic feet or about 59,000 gallons of water annually, the surcharge would be approximately \$0.39 monthly beginning in April, 2014.

The filing raises, inter alia, RSA Chapter 378 and whether the proposed surcharge is just and reasonable; RSA 374:4 and PWW's compliance with Order No. 25,230 and issues related to PWW's selection of WICA projects and the priority of infrastructure replacement. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a prehearing conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on January 30, 2013 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is


FURTHER ORDERED, that, immediately following the prehearing conference, PWW, the Staff of the Commission and any intervenors hold a technical session to review the petition and allow Staff and the parties to develop a procedural schedule for submission to the Commission; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, PWW shall notify all persons desiring to be heard at this hearing by posting this order on its website and publishing a copy of this Order of Notice no later than January 10, 2013, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before January 25, 2013; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a petition to intervene with copies sent to PWW and the Office of the Consumer Advocate on or before January 25, 2013, such petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before January 30, 2013.

By order of the Public Utilities Commission of New Hampshire this third day of January, 2013.


Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:
DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.