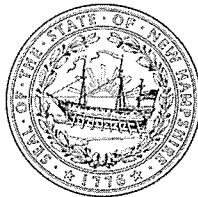


CHAIRMAN  
Martin P. Honigberg

COMMISSIONERS  
Robert R. Scott

EXECUTIVE DIRECTOR  
Debra A. Howland

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

21 S. Fruit St., Suite 10  
Concord, N.H. 03301-2429

TDD Access: Relay NH  
1-800-735-2964

Tel. (603) 271-2431

FAX No. 271-3878

Website:  
[www.puc.nh.gov](http://www.puc.nh.gov)

December 15, 2014

Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301

HPUC 15DEC14PM12:13

Re: DW 13-126: Pennichuck East Utility, Inc.  
DW 13-128: Pittsfield Aqueduct Company, Inc.  
DW 13-130: Pennichuck Water Works, Inc.  
Staff Recommendation regarding Rate Case Expenses and Recoupment

Dear Ms. Howland:

This letter conveys Staff's recommendations to the Commission relative to the two remaining issues outstanding in the above-referenced distribution rate cases: rate case expense recovery and recovery of the difference between temporary and permanent rates ("recoupment") by Pennichuck East Utility, Inc. (PEU), Pittsfield Aqueduct Company, Inc. (PAC), and Pennichuck Water Works, Inc. (PWW) (collectively referred to as the "Companies"). Staff's recommendations on these issues are based upon its review of the Companies' filings as well as responses to written data requests.

With regard to rate case expenses, Staff recommends that the Commission approve recoveries of \$64,340.18 for PEU, \$13,750.07 for PAC, and \$104,104.28 for PWW. Staff recommends that each company should be allowed to recover its rate case expenses over a 12-month period via appropriate monthly customer surcharges, as follows: for PEU, \$0.76; for PAC, \$1.83; and for PWW, \$0.32. Further, Staff recommends that the Commission approve motions for confidential treatment filed by each company.

With regard to the temporary-permanent rate recoupment necessary in DW 13-126 (PEU) and DW 13-128 (PAC),<sup>1</sup> Staff recommends that the Commission approve net revenue recoveries of \$216,480 for PEU and \$28,459.04 for PAC. Staff further recommends that both PEU and PAC be allowed to recover these amounts concurrently with its rate case expenses over a 12-month period through appropriate surcharges or refunds determined based on both customer class as well as individual customer usage during the respective recovery periods.

---

<sup>1</sup> Staff's recoupment recommendation concerns only DW 13-126 and DW 13-128 as, in DW 13-130 regarding PWW, the Commission approved 0.00% increases for both temporary and permanent rates. Therefore, no recovery of any revenue differential between temporary and permanent rates is required.

The average monthly recoupment surcharge for general metered customers of PEU will be \$1.95 per month, which when combined with the proposed rate case expense surcharge of \$0.76 results in a total average charge per month of \$2.71 per general metered customer. The average monthly recoupment surcharge for general metered customers of PAC will be \$2.81 per month, which when combined with the proposed rate case expense surcharge of \$1.83 results in a total average charge per month of \$4.64 per general metered customer. Because its recovery does not include any recoupment, PWW customers will only pay an additional \$0.32 per month for rate case expenses.

Staff believes that all of the surcharges and refunds calculated by PEU, PAC and PWW for all customer classes are just and reasonable and therefore should be approved by the Commission. A detailed explanation of Staff's analysis is provided below.

### **Rate Case Expense Analysis**

On August 7, 2014, PAC and PWW submitted filings to the Commission seeking recovery of the respective rate case expenses incurred in Dockets DW 13-128 (PAC) and DW 13-130 (PWW). On August 14, 2014, PEU submitted a filing to the Commission seeking recovery of the rate case expenses incurred in Docket DW 13-126. The three submissions were made pursuant to Commission Orders in the respective rate case dockets: Pennichuck East Utility, Inc., Order No. 25,696 (July 25, 2014); Pittsfield Aqueduct Company, Inc., Order No. 25,695 (July 25, 2014); and Pennichuck Water Works, Inc., Order No. 25,693 (July 15, 2014).

PEU submitted rate case expenses totaling \$65,649.28 to be recovered from its 7,027 customers over a 12-month period via a surcharge of \$0.78 per customer per month. PAC submitted rate case expenses totaling \$13,142.87 to be recovered from its 625 customers over a 12-month period via a surcharge of \$1.75 per customer per month. PWW submitted rate case expenses totaling \$103,368.52 to be recovered from its 27,144 customers over a 12-month period via a surcharge of \$0.32 per customer per month. Altogether, the Companies proposed recovery of a combined amount of \$182,160.67 in rate case expenses.

The Companies are seeking recovery for expenses related to legal services, filing preparation services, publication notices, customer notice mailings, stenographer services as well as the services of a PUC Staff consultant. Additionally, PEU is seeking recovery for consulting expenses relative to a cost of service study. Each company provided the documentation necessary to support the specific rate case expenses for which recovery is being sought in accordance with Puc 1905.03 (a) through (d). With regard to the invoices submitted in support of legal expenses, the majority contained charges that were applicable to the rate proceedings of all three companies. In such cases, the Companies indicated that the legal charges were allocated as follows: 80% to PWW, 18% to PEU and 2% to PAC. This approach is consistent with the management fee allocation currently employed amongst the three utilities.

The Companies submitted documentation showing that legal services for the respective rate proceedings were procured through a competitive bid process consistent with Puc 1905.03 (g) and (h). Additionally, PEU provided similar documentation to support that it procured its cost of service study consultant through a competitive bid process. The Companies submitted documentation which

detailed their general procurement policies and also provided statements indicating that the requests for qualifications and fee proposals for legal services are consistent with those procurement policies in accordance with Puc 1905.03 (e) and (f).

Finally, pursuant to Puc 203.08, each company submitted two Motions for Confidential Treatment. The first set of motions accompanied the respective original rate case expense filings submitted in July by each utility and concerned the hourly billing rate information for legal services performed for all three companies as well as the cost of service study consulting services performed for PEU. The second set of motions were filed by each company on September 29, 2014 and concerned the discovery responses to OCA Data Request 4-1 and Staff Data Request 4-4 in DW 13-126 relative to hourly billing rate information for legal and consulting services as well as a not-to-exceed stipulation contained in the contract with the cost of service consultant. All of the motions averred that disclosure of this information will cause competitive harm to the Companies' attorneys and cost of service consultants, and could potentially have a detrimental effect on the Companies' competitive bidding efforts in the future thereby creating a detriment to customers, too. Accompanying the respective motions, each company provided redacted as well as confidential copies of the relevant billing information in accordance with Puc 201.04.

The Staff as well as the Office of Consumer Advocate (OCA) reviewed the respective rate case expense submissions. Staff and the OCA submitted an initial round of discovery to the Companies on August 28, 2014. The Companies submitted responses to both Staff's and the OCA's initial discovery on September 15, 2014. On September 24, 2014, Staff submitted a subsequent round of discovery to the Companies to which responses were received on October 2, 2014. The redacted copies of all the Companies' discovery responses pertaining to their rate case expense filings are attached to this letter and identified as Attachment A.

Based upon its review of the rate case expense filings and the associated discovery responses, Staff recommends the following:

- PEU should be allowed to recover \$64,340.18 in rate case expenses, or a decrease of \$1,309.10 from the amount proposed by the Company in its filing;
- PAC should be allowed to recover \$13,750.07 in rate case expenses, or an increase of \$607.20 from the amount proposed by the Company in its filing; and
- PWW should be allowed to recover \$104,104.28 in rate case expenses, or an increase of \$735.76 from the amount proposed by the Company in its filing.

Overall, Staff is recommending that the total rate case expenses recovered by all three companies should be \$182,194.53, which represents an increase of \$33.86 over the aggregate rate case expense recovery requests of the Companies. Staff has attached as Attachment B a schedule showing its recommended adjustments to the respective proposals for rate case expense recovery by the three companies. Staff's schedule shows that a number of its recommended adjustments involve a re-allocation of various expenses amongst the three utilities.

Based on Staff's recommendations for total rate case expense recovery for the three companies indicated above, Staff recommends the following rate case expense surcharges to be collected over a 12-month period:

- for PEU, \$0.76 per month, or a \$0.02 decrease from its original proposal;

- for PAC, \$1.83 per month, or an \$0.08 increase from its original proposal; and
- for PWW, \$0.32 per month, which is unchanged from its original proposal.

Staff also supports each company's motions for confidential treatment filed with the respective initial submissions in July as well as those filed on September 29 relative to responses to discovery requests. Staff agrees with the Companies' concerns that disclosure of hourly billing rate information and other contract information will cause competitive harm to the Companies' attorneys and cost of service consultants, and could potentially have a detrimental effect on the Companies and their customers in the future. The Commission has granted confidential treatment to similar information in the past. *See, e.g., Aquarion Water Company of New Hampshire, Inc., Order No. 25,586 (October 22, 2013)* (granting confidential treatment to billing rates of its outside attorneys and cost-of-service consultant).

### **Revenue Recoupment Analysis – DW 13-126 (PEU)**

PEU filed its calculation and reconciliation of temporary and permanent rates on November 14, 2014.<sup>2</sup> Specifically, PEU proposed recovery of a total of \$216,480 as its calculated revenue differential between temporary and permanent rates. PEU's submission included a copy of a proposed tariff page indicating the calculated overall recovery / refund amounts by customer class as follows:

<u>Customer Class</u>	<u>Recovery / (Refund)</u>	
General Metered	\$164,409	(Average Monthly Surcharge = \$1.95)
Private Fire Protection	(2,779)	
Municipal Fire Protection	32,937	
Public Fire Protection	24,687	
Capital Recovery Surcharge	(2,774)	
Total	<u>\$216,480</u>	

PEU proposes to recover or refund these amounts over a 12-month period and provided Staff with the computations of its proposed surcharges / refunds for each customer class, which Staff verified. Staff also submitted a data request to PEU on November 18, 2014, to which the company responded on November 26, 2014. A copy of this data response is attached to this letter and identified as Attachment C.

As a result of its review, Staff supports PEU's proposed net revenue recovery amount and recommends that the Commission approve it along with the company's proposed surcharges and refunds for each customer class. The recovery of the difference between temporary and permanent rates is consistent with the Commission's ratemaking authority and the just and reasonable rates set by Order No. 25,696 (July 25, 2014).

<sup>2</sup> Commission Order No. 25,696 (July 25, 2014) ordered PEU to submit its calculation and reconciliation of temporary and permanent rates no later than thirty calendar days from the date of the order. However, on August 21, 2014, PEU filed a request for a two-month extension (until October 24, 2014) for this filing, which was granted by a Secretarial Letter dated August 26, 2014. On October 30, 2014, PEU filed a request for a further extension until November 14, 2014, which was granted by a Secretarial Letter dated November 3, 2014.



**Revenue Recoupment Analysis – DW 13-128 (PAC)**

On August 19, 2014, PAC submitted a filing to the Commission seeking recovery of a total of \$28,459.04 as its calculated revenue differential between temporary and permanent rates. PAC's filing was made in accordance with Commission Order No. 25,695 (July 25, 2014). PAC's submission included a copy of a proposed tariff page proposing recovery of the revenue differential by customer class as follows:

<u>Customer Class</u>	<u>Recovery / (Refund)</u>	
General Metered	\$21,074.28	(Average Monthly Surcharge = \$2.81)
Private Fire Protection	914.37	
Public Fire Hydrant-Pittsfield	6,470.39	
Total	<u>\$28,459.04</u>	

PAC proposes to recover these amounts over a 12-month period and provided Staff with the computations of its proposed surcharges for each customer class, which Staff verified.

As a result of its review, Staff supports PAC's proposed total revenue recovery amount and recommends that the Commission approve it along with the company's proposed surcharges for each customer class. The recovery of the difference between temporary and permanent rates is consistent with the Commission's ratemaking authority and the just and reasonable rates set by Order No. 25,695 (July 25, 2014).

**Positions of Parties**

Prior to filing this letter, the Staff provided a final draft to the Companies, the OCA and the Town of Litchfield. In response, the Companies stated that they concur with Staff's recommendations and the Town of Litchfield stated that it takes no position with regard to Staff's recommendations. As to its position, the OCA requested that the following be included in Staff's letter:

The OCA proposes that rate case expenses be aggregated together for all three companies and charged on a flat per customer basis. This would result in a \$.43 month charge for all customers for 12 months or \$5.20 for one year. This compares to PAC customers paying \$1.83 per month; PWW's customers paying \$.32 per month and PEI customers paying \$.76 per month. The administrative value of legal expenses is system wide so aggregation of these expenses is appropriate.

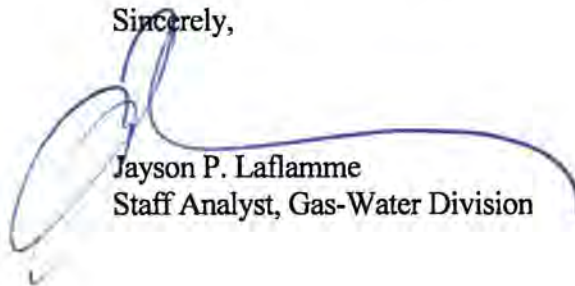
Relative to the OCA's position, Staff believes that even though the rate cases for PEU, PAC and PWW were filed and dealt with concurrently, each case was unique relative to a number of issues. Staff believes that customers of each company should pay rate case expenses appropriate to the actual cost of each company's case as closely as possible. The majority of the legal bills reviewed by Staff consisted of charges to all three companies which were allocated 80% PWW, 18% PEU and 2% PAC; this despite the fact that PWW had no temporary rate increase while PEU and PAC did, and PEU had a cost of service study while PWW and PAC did not. Further, Staff believes that relative to PEU's

Page 6

cost of service study, it would not be fair for either PWW's or PAC's customers to have to bear a portion of these costs when only the rates of PEU customers were impacted by the study.

If you have any questions regarding this matter, please do not hesitate to contact me. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jayson P. Laflamme", with a long horizontal flourish extending to the right.

Jayson P. Laflamme  
Staff Analyst, Gas-Water Division

Attachments  
cc: Service List

**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.**

Executive.Director@puc.nh.gov  
achesley@devinemillimet.com  
amanda.noonan@puc.nh.gov  
charles.hoepper@pennichuck.com  
Christina.Martin@oca.nh.gov  
donald.ware@pennichuck.com  
james.brennan@oca.nh.gov  
jayson.laflamme@puc.nh.gov  
john.paternaude@pennichuck.com  
larry.goodhue@pennichuck.com  
mark.naylor@puc.nh.gov  
michael.sheehan@puc.nh.gov  
robyn.descoteau@puc.nh.gov  
rorie.hollenberg@puc.nh.gov  
scott.j.rubin@gmail.com  
steve.frink@puc.nh.gov  
susan.chamberlin@oca.nh.gov  
tgetz@devinemillimet.com

Docket #: 13-128-1      Printed: December 15, 2014

**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  
EXECUTIVE 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.

DW 13-126: Pennichuck East Utility, Inc.  
DW 13-128: Pittsfield Aqueduct Company, Inc.  
DW 13-130: Pennichuck Water Works, Inc.

Attachment A:        Responses to OCA Data Requests – Set 4  
                             Responses to Staff Data Requests – Sets 4 and 5



DEVINE  
MILLIMET

ATTORNEYS AT LAW

September 15, 2014

THOMAS B. GETZ  
603.695.8542  
TGETZ@DEVINEMILLIMET.COM

VIA ELECTRONIC MAIL

Rorie E.P. Hollenberg  
Assistant Consumer Advocate  
Office of the Consumer Advocate  
21 S. Fruit Street, Suite 18  
Concord, NH 03301

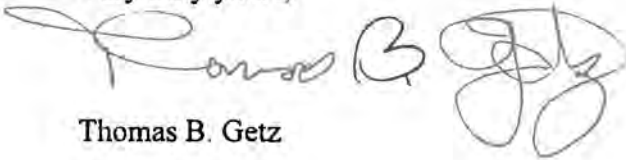
Re: DW 13-126; Pennichuck East Utilities, Inc.  
DW 13-128; Pittsfield Aqueduct Company, Inc.  
DW 13-130; Pennichuck Water Works, Inc.

Dear Attorney Hollenberg:

Attached are responses by Pennichuck East Utilities, Inc., et al. to the third set of data requests by the OCA received August 28, 2014. The Companies will seek confidential treatment for the attachment to OCA 4-1 pursuant to Puc 203.08 (d).

Please let me know if you have any questions.

Very truly yours,



Thomas B. Getz

TBG:aec

Attachments

cc: Discovery Electronic Service Lists

DW 13-126  
Pennichuck East Utility, Inc.  
DW 13-128  
Pittsfield Aqueduct Company, Inc.  
DW 13-130  
Pennichuck Water Works, Inc.

Rate Cases  
Responses to OCA Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. OCA 4-1

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

REQUEST: Please provide a copy of the contract between the Companies and Devine, Milliment & Branch (Devine).

RESPONSE: See attached engagement letter. The Company has a good faith basis for seeking confidential treatment of this agreement, which it will do pursuant to Puc 203.08 (d).

DEVINE  
MILLIMET

ATTORNEYS AT LAW

August 3, 2012

JON B. SPARKMAN, ESQ.  
T 603.693.8507  
JSPARKMAN@DEVINEMILLIMET.COM

Mr. John L. Patenaude  
Chief Executive Officer  
Pennichuck Corporation  
25 Manchester Street  
Merrimack, NH 03054

Re: Terms of Engagement – Rate Setting Matter

Dear Mr. Patenaude:

Thank you for selecting the firm of Devine, Millimet & Branch to provide legal services related to the representation of Pennichuck Corporation's regulated subsidiaries before the New Hampshire Public Utilities Commission. We fully understand the importance of providing high quality, responsive legal assistance to our clients, and look forward to working closely with you to meet your legal goals.

This letter serves as a written contract by which the law firm of Devine, Millimet & Branch, Professional Association has undertaken to advise Pennichuck Water Works, Inc., Pennichuck East Utilities, Inc., and Pittsfield Aqueduct Company, Inc. ("Pennichuck Corporation") in connection with upcoming rate cases and other regulatory filings. These terms are binding on both parties unless modified in writing by mutual agreement.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed.

The attorneys responsible for services, Messrs. Coolbroth and Getz (when he becomes available), will bill at [REDACTED] The other firm partners identified in our response to the Request for Qualifications, namely, Mr. Malone, and, if required, Mr. Dunn and Mr. Bisbee, will bill at [REDACTED]

[REDACTED] In the event the services of Ms. Rosenberger, the President of Devine Strategies, are required, she will bill at [REDACTED]

[REDACTED] Mr. Baum, a senior associate, will bill at [REDACTED]

[REDACTED] As you know, Mr. Getz will not be available for this engagement until February 1, 2013 because he was formerly the Chairman of the New Hampshire Public Utilities Commission. As previously indicated, these rates will remain in effect for the rate cases for the entire duration of the cases. Some work may also be performed by a paralegal assistant or other staff, with an eye toward handling this matter in the most efficient and cost effective manner. A

DEVINE, MILLIMET  
& BRANCH  
PROFESSIONAL  
ASSOCIATION

111 AMHERST STREET  
MANCHESTER  
NEW HAMPSHIRE  
03101

T 603.669.1000  
F 603.669.8547  
DEVINEMILLIMET.COM

MANCHESTER, NH  
CONCORD, NH

RECEIVED AUG 09 2012

John Patenaude  
Pennichuck Corporation  
August 3, 2012  
Page 2

minimum period of one tenth of an hour will be billed for each service performed. Unless we agree otherwise in writing beforehand, you also agree to assume and pay for all expenses incurred in connection with your matter, including filing and service fees, stenographer fees, witness fees, expert expenses, investigation expenses, travel, paralegal and secretarial overtime required by your case, computerized legal research charges, copying, cell phone and long distance telephone charges, facsimile charges, postage, courier and overnight express delivery, and other incidental expenses. We may require you to make direct payment to any third-party, such as for expert fees, stenographer fees and travel expenses. We will bill you for computer research charges, such as Westlaw.

Our law firm will bill you on a monthly time and expense basis throughout the engagement. The amount of each bill must be paid directly by you. Bills are due and payable upon receipt. It is further agreed that if outstanding bills are not paid within thirty days of the date of the letter requesting payment, our law firm may immediately cease providing services under this agreement, and you consent to us removing any court or other appearance we may have filed on your behalf, consistent with applicable law and court rules. Charges that remain unpaid after 45 days may incur late payment fees of 1.5% per month.

It is the firm's normal practice to return original client materials at the end of representation. Other files are maintained at our discretion. Any hard copy documents retained at the close of the representation will typically be retained for 6 years after the close of the representation, at which time they will be destroyed. Most electronic files generated in the firm are maintained indefinitely. If Pennichuck Corporation has particular needs regarding file retention, please advise us of this issue during the course of the representation.



John Patenaude  
Pennichuck Corporation  
August 3, 2012  
Page 3

If this letter correctly states our understanding, please sign and return a copy of this letter in the pre-paid envelope I have enclosed. Thank you for the confidence you have shown in our law firm by choosing us to represent you. We look forward to working with you on this matter.

Very truly yours,

DEVINE, MILLIMET & BRANCH  
PROFESSIONAL ASSOCIATION

By:   
John B. Sparkman

The undersigned has received a copy of this Agreement this 6<sup>th</sup> day of August, 2012 and agrees to the terms set forth herein.

PENNICHUCK CORPORATION

By:   
John Patenaude  
Chief Executive Officer

DW 13-126  
Pennichuck East Utility, Inc.  
DW 13-128  
Pittsfield Aqueduct Company, Inc.  
DW 13-130  
Pennichuck Water Works, Inc.

Rate Cases  
Responses to OCA Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. OCA 4-2

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

REQUEST: Please explain the need for two pre-filing meetings between Devine and PUC staff. See Devine invoice dated January 23, 2013 and Devine invoice dated June 5, 2013.

RESPONSE: The initial three rate cases coming out of the City of Nashua acquisition presented a number of issues of first impression. The Company believed that the proceedings would be more orderly and efficient, and therefore less costly to customers, if issues were discussed in advance. The invoice dated January 23, 2013 was for a meeting held on December 19, 2012, which focused more on substantive issues, largely financial in nature. The invoice dated June 15, 2013 was for a meeting held April 16, 2013, which focused more on procedural issues, public notices, and communications with customers.

DW 13-126  
Pennichuck East Utility, Inc.  
DW 13-128  
Pittsfield Aqueduct Company, Inc.  
DW 13-130  
Pennichuck Water Works, Inc.

Rate Cases  
Responses to OCA Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. OCA 4-3

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

REQUEST: Please explain the need for two separate bills for July 2013 for Devine.

RESPONSE: The separate bills for July 2013 represent (1) those charges related directly to a specific utility and billed respectively, and (2) those charges related to all three utilities, which were billed collectively and then allocated among the three utilities based on the management fee percentages for 2012.

DW 13-126  
Pennichuck East Utility, Inc.  
DW 13-128  
Pittsfield Aqueduct Company, Inc.  
DW 13-130  
Pennichuck Water Works, Inc.

Rate Cases  
Responses to OCA Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. OCA 4-4

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST:** Please provide a detailed description of “TRR’s” role (for Devine) on behalf of PEU. Please explain the need for each activity charged to PEU including calls to and/or meetings with the press, customers, the Governor and other public officials.

**RESPONSE:** Ms. Rosenberger (TRR) assisted the Company in its communication efforts. The activities were associated with the Company’s efforts to communicate with cities, towns and other community representatives relative to rate information and the rate case process. The communications entailed letters (samples of which are attached) to the various constituents explaining the filing of the Notices of Intent to File Rate Schedules and the estimated rate increase. The letters requested that the information be posted on the municipal websites and also indicated that the Company’s staff was available to meet with each community as the community desired. Customers were also informed directly in accordance with Puc 1203.02.

Please see the Company’s responses to Staff Data Requests: 4-3, 4-5, 4-6 and 4-7 in Docket No. DW 13-126 for Pennichuck Electric Utility, Inc.; 4-3 and 4-4 in Docket No. DW 13-128 for Pittsfield Aqueduct Company, Inc.; and, 4-3, 4-4, and 4-5 in Docket No. DW 13-130 for Pennichuck Water Works, Inc. Among other things, the Company points out that certain charges should be excluded.





25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Ms. Jessie W. Levine  
Town Manager  
Bedford Town Offices  
24 North Amherst Road  
Bedford, NH 03110

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increase

Dear Ms. Levine:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc.

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

It is the intent of the Company to keep the communities we serve informed as we proceed through the regulatory process. I would appreciate your sharing the information provided with your community's governing Board.

A copy of the Notice of Intent to File Rate Schedules will be available on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)). If possible, we would appreciate your posting this letter on your Town website in order to inform customers being served by the Company. In addition, once the docket has been opened at the PUC, you may follow the proceeding on the PUC website: <http://www.puc.state.nh.us/Water-Sewer/water-sewer.htm>.

In addition, members of the Company staff are available to meet with you or the community's governing body to discuss the rate filing process and the estimated rate increases.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

I feel free to contact me at 603-913-2301 if you have any questions relative to this matter.

Sincerely,



John L. Patenaude  
Chief Executive Officer



PENNICHUCK

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Mr. William R. Hart, Jr.  
Acting Town Manager  
Town of Londonderry  
268B Mammoth Road  
Londonderry, NH 03053

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Mr. Hart:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012. Pennichuck East Utility, Inc. provides water services to certain customers located in your community.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc.

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

It is the intent of the Company to keep the communities we serve informed as we proceed through the regulatory process. I would appreciate your sharing the information provided with your community's governing Board.

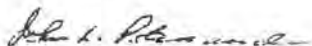
A copy of the Notice of Intent to File Rate Schedules will be available on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)). If possible, we would appreciate your posting this letter on your Town website in order to inform customers being served by the Company. In addition, once the docket has been opened at the PUC, you may follow the proceeding on the PUC website: <http://www.puc.state.nh.us/Water-Sewer/water-sewer.htm>.

In addition, members of the Company staff are available to meet with you or the community's governing body to discuss the rate filing process and the estimated rate increases.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to contact me at 603-913-2301 if you have any questions relative to this matter.

Sincerely,



John L. Patenaude  
Chief Executive Officer





25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2335  
WWW.PENNICHUCK.COM

April 29, 2013

Mr. Paul Skowron  
Town Administrator  
Town of Pittsfield  
85 Main Street  
Pittsfield, NH 03263

Re: Pittsfield Aqueduct Company, Inc. – Estimated Water Rate Increase

Dear Mr. Skowron:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pittsfield Aqueduct Company, Inc. has been estimated as follows:

Pittsfield Aqueduct Company, Inc.

The last increase for Pittsfield Aqueduct Company, Inc. was 17.45%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 9.34%. The impact to the average customer is \$5.34 per month or \$64.10 annually. The increase is mainly attributable to the reduction in water usage on a relatively stable cost basis. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.7%. The impact to the average customer **would have been** \$12.42 per month or \$149.05 per year.

It is the intent of the Company to keep the communities we serve informed as we proceed through the regulatory process. I would appreciate your sharing of the information provided with your community's governing Board.

A copy of the Notice of Intent to File Rate Schedules will be available on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)). If possible, we would appreciate your posting this letter on your Town website in order to inform customers being served by the Company. In addition, once the docket has been opened at the PUC, you may follow the proceeding on the PUC website: <http://www.puc.state.nh.us/Water-Sewer/water-sewer.htm>.

In addition, members of the Company staff are available to meet with you or the community's governing body to discuss the rate filing process and the estimated rate increases.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to contact me at 603-913-2301 if you have any questions relative to this matter.

Sincerely,



John L. Patenaude  
Chief Executive Officer

# PENNICHUCK

35 MATHEWSON CIRCUIT  
PO BOX 1347  
MERRIMACK, NH 03054-1347  
16031 882 5171  
FAX 16031 913 6801  
WWW.PENNICHUCK.COM

June 3, 2013

Ms. Jessie W. Levine, Town Manager  
Bedford Town Offices  
24 North Amherst Road  
Bedford, NH 03110

Re: Pennichuck Water Works, Inc. - Water Rate Case

Dear Ms. Levine:

As referenced in my letter to you dated April 29, 2013, on May 31, 2013, Pennichuck Water Works, Inc. filed a water rate case with the New Hampshire Public Utilities Commission (PUC). The Docket Number for the rate case is DW 13-130.

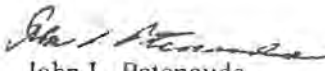
The filing for the docket can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov). The information is also available on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption.

For your information, I have enclosed Frequently Asked Questions and responses relative to the rate case, a copy of which will be posted on the Pennichuck website.

As indicated in the April 29, 2013 letter, it is the Company's intent to keep the communities we serve informed as we proceed through the process. Members of the Pennichuck staff are available to meet with you or your community's governing body to discuss the filing and the requested rates, if you so desire.

Please feel free to contact me at 603-913-2301 if you have any questions relative to the filing.

Regards,

  
John L. Patenaude  
Chief Executive Officer

## **Pennichuck Water Works, Inc.**

**DW 13-130 Rate Case  
Filed with the New Hampshire Public Utilities Commission  
May 31, 2013**

### **Frequently Asked Questions (FAQ)**

**Q. Why is a rate case being filed at this time?**

When the New Hampshire Public Utilities Commission ("PUC") approved the City of Nashua's acquisition of Pennichuck Corporation in November, 2011, it required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc. to file full rate cases simultaneously by June 1, 2013.

**Q. What is the amount of the increase being requested?**

The requested increase for Pennichuck Water Works, Inc. is 0.12%.

**Q. What is the projected annual impact to an average residential bill?**

The average resident in the Pennichuck Water Works system uses approximately 103 ccf of water annually and has a 5/8 inch meter. One ccf equals 100 cubic feet. The average annual customer bill will increase from approximately \$583 to \$584.

**Q. How has the City of Nashua's acquisition of Pennichuck Corporation benefited customers?**

If Pennichuck Corporation had continued as a publicly traded company, with the previous management and cost structure, the requested increase would have been approximately 9.1%. The estimated impact to an average resident would have been an increase of approximately \$53 per year. Approximately \$1.8 million in savings, however, resulted from management restructuring and eliminating costs associated with being a publicly traded company. In addition, the rate of return allowed on assets decreased from 7.86% to 5.94%.

**Q. What is the expected timing of the PUC process?**

The rate cases were filed with the PUC on May 31, 2013. The Commission will likely hold a procedural hearing in mid-July, 2013, and a hearing on temporary rates is expected in mid-October, 2013. A hearing on permanent rates is anticipated in the summer of 2014, followed shortly afterwards by a PUC decision.

**Q. What is the status of temporary rates?**

Pennichuck Water Works, Inc. is required to request temporary rates as part of the PUC's approval of the acquisition. Because the requested rate increase for Pennichuck Water Works, Inc. is so small, however, the Company has asked that current rates be used as temporary rates. As a result, no temporary increase is expected.

**Q. How can customers keep informed about the progress of the rate case?**

The rate case filings are posted on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption. In addition, the PUC has opened a docket for each rate case. Pennichuck Water Works, Inc. is Docket No. DW 13-130, Pennichuck East Utility, Inc. is Docket No. DW 13-126, and Pittsfield Aqueduct Company, Inc. is Docket No. DW 13-128. All filings in these dockets can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov).

## PENNICHUCK

35 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
603-882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

June 3, 2013

Mr. William R. Hart, Jr., Acting Town Manager  
Town of Londonderry  
268B Mammoth Road  
Londonderry, NH 03053

Re: Pennichuck East Utility, Inc. – Water Rate Case

Dear Mr. Hart:

As referenced in my letter to you dated April 29, 2013, on May 31, 2013, Pennichuck East Utility, Inc. filed a water rate case with the New Hampshire Public Utilities Commission (PUC). The Docket Number for the rate case is DW 13-126.

The filing for the docket can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov). The information is also available on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption.

For your information, I have enclosed Frequently Asked Questions and responses relative to the rate case, a copy of which will be posted on the Pennichuck website.

As indicated in the April 29, 2013 letter, it is the Company's intent to keep the communities we serve informed as we proceed through the process. Members of the Pennichuck staff are available to meet with you or your community's governing body to discuss the filing and the requested rates, if you so desire.

Please feel free to contact me at 603-913-2301 if you have any questions relative to the filing.

Regards,



John L. Patenaude  
Chief Executive Officer

## **Pennichuck East Utility, Inc.**

### **DW 13-126 Rate Case**

**Filed with the New Hampshire Public Utilities Commission**

**May 31, 2013**

### **Frequently Asked Questions (FAQ)**

**Q. Why is a rate case being filed at this time?**

When the New Hampshire Public Utilities Commission ("PUC") approved the City of Nashua's acquisition of Pennichuck Corporation in November, 2011, it required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc. to file full rate cases simultaneously by June 1, 2013.

**Q. What is the amount of the increase being requested?**

The total rate increase requested is 12.21%.

**Q. What is the projected annual impact to an average residential bill?**

The average resident in the Pennichuck East system uses approximately 77 ccf of water annually and has a 5/8 inch meter. One ccf equals 100 cubic feet. The average annual customer bill will increase approximately \$75 from \$630 to \$705.

**Q. How has the City of Nashua's acquisition of Pennichuck Corporation benefited customers?**

If Pennichuck Corporation had continued as a publicly traded company, with the previous management and cost structure, the requested rate increase would have been approximately 21.98%. The estimated impact to an average resident would have been an increase of approximately \$138 per year. Approximately \$1.8 million in savings, however, resulted from management restructuring and eliminating costs associated with being a publicly traded company. In addition, the rate of return allowed on assets decreased from 5.96% to 3.79%.

**Q. What is the expected timing of the PUC process?**

The rate cases were filed with the PUC on May 31, 2013. The Commission will likely hold a procedural hearing in mid-July, 2013, and a hearing on temporary rates is expected in mid-October, 2013. A hearing on permanent rates is anticipated in the summer of 2014, followed shortly afterwards by a PUC decision.

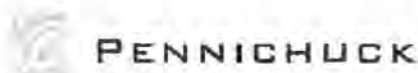


**Q. What is the status of temporary rates?**

Pennichuck East Utility, Inc. is required to request temporary rates as part of the PUC's approval of the acquisition. Based on the amount of the requested rate increase, the company will request a temporary increase of 7% resulting in an annual rate increase of approximately \$44.

**Q. How can customers keep informed about the progress of the rate case?**

The rate case filings are posted on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption. In addition, the PUC has opened a docket for each rate case. Pennichuck Water Works, Inc. is Docket No. DW 13-130, Pennichuck East Utility, Inc. is Docket No. DW 13-126, and Pittsfield Aqueduct Company, Inc. is Docket No. DW 13-128. All filings in these dockets can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov).



25 MANCHESTER STREET  
PO Box 1947  
MERIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
[WWW.PENNICHUCK.COM](http://WWW.PENNICHUCK.COM)

June 3, 2013

Mr. Paul Skowron, Town Administrator  
Town of Pittsfield  
85 Main Street  
Pittsfield, NH 03263

Re: Pittsfield Aqueduct Company, Inc. – Water Rate Case

Dear Mr. Skowron:

As referenced in my letter to you dated April 29, 2013, on May 31, 2013, Pittsfield Aqueduct Company, Inc. filed a water rate case with the New Hampshire Public Utilities Commission (PUC). The Docket Number for the rate case is DW 13-128.

The filing for the docket can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov). The information is also available on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption.

For your information, I have enclosed Frequently Asked Questions and responses relative to the rate case, a copy of which will be posted on the Pennichuck website.

As indicated in the April 29, 2013 letter, it is the Company's intent to keep the communities we serve informed as we proceed through the process. Members of the Pennichuck staff are available to meet with you or your community's governing body to discuss the filing and the requested rates, if you so desire.

Please feel free to contact me at 603-913-2301 if you have any questions relative to the filing.

Regards,

A handwritten signature in blue ink, appearing to read 'John I. Patenaude'.

John I. Patenaude  
Chief Executive Officer

## **Pittsfield Aqueduct Company, Inc.**

**DW 13-128 Rate Case  
Filed with the New Hampshire Public Utilities Commission  
May 31, 2013**

### **Frequently Asked Questions (FAQ)**

**Q. Why is a rate case being filed at this time?**

When the New Hampshire Public Utilities Commission ("PUC") approved the City of Nashua's acquisition of Pennichuck Corporation in November, 2011, it required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc. to file full rate cases simultaneously by June 1, 2013.

**Q. What is the amount of the increase being requested?**

The requested increase for Pittsfield Aqueduct Company, Inc. is 9.34%.

**Q. What is the projected annual impact to an average residential bill?**

The average resident in the Pittsfield Aqueduct Company system uses approximately 70 ccf of water annually and has a 5/8 inch meter. One ccf equals 100 cubic feet. The average annual customer bill will increase approximately \$64 from \$686 to \$750.

**Q. How has the City of Nashua's acquisition of Pennichuck Corporation benefited customers?**

If Pennichuck Corporation had continued as a publicly traded company, with the previous management and cost structure, the requested rate increase would have been approximately 21.7%. The estimated impact to an average resident would have been an increase of approximately \$149 per year. Approximately \$1.8 million in savings, however, resulted from management restructuring and eliminating costs associated with being a publicly traded company. In addition, the rate of return allowed on assets decreased from 8.52% to 6.85%.

**Q. What is the expected timing of the PUC process?**

The rate cases were filed with the PUC on May 31, 2013. The Commission will likely hold a procedural hearing in mid-July, 2013, and a hearing on temporary rates is expected in mid-October, 2013. A hearing on permanent rates is anticipated in the summer of 2014, followed shortly afterwards by a PUC decision.

**Q. What is the status of temporary rates?**

Pittsfield Aqueduct Company, Inc. is required to request temporary rates as part of the PUC's approval of the acquisition. Based on the amount of the requested rate increase, the company will request a temporary increase of 7% resulting in an annual rate increase of approximately \$48.

**Q. How can customers keep informed about the progress of the rate case?**

The rate case filings are posted on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption. In addition, the PUC has opened a docket for each rate case. Pennichuck Water Works, Inc. is Docket No. DW 13-130, Pennichuck East Utility, Inc. is Docket No. DW 13-126, and Pittsfield Aqueduct Company, Inc. is Docket No. DW 13-128. All filings in these dockets can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov).

DW 13-126  
Pennichuck East Utility, Inc.  
DW 13-128  
Pittsfield Aqueduct Company, Inc.  
DW 13-130  
Pennichuck Water Works, Inc.

Rate Cases  
Responses to OCA Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. OCA 4-5

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

REQUEST: Please explain Devine's charge dated 4-19-13 for "Review New Hampshire Department of Environmental Services letter concerning DWSRF" and its relationship to the rate case.

RESPONSE: The above charge, which was for a separate PAC proceeding, is not related to the rate proceeding. The charge should be excluded from rate case expenses.

DW 13-126  
Pennichuck East Utility, Inc.  
DW 13-128  
Pittsfield Aqueduct Company, Inc.  
DW 13-130  
Pennichuck Water Works, Inc.

Rate Cases  
Responses to OCA Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. OCA 4-6

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST:** Please explain the need for, and the relationship between, the two cost of service experts, Raftelis Financial and Woodcock & Associates.

**RESPONSE:** The Company engaged Raftelis Financial Consultants (RFC) in association with Woodcock & Associates to conduct the cost of service project. Together, they provided an RFC team consisting of a Project Director, Project Manager (Mr. Woodcock) and support staff. Please see attachment to Staff 4-4, the agreement between the Company and RFC.

DW 13-126  
Pennichuck East Utility, Inc.  
DW 13-128  
Pittsfield Aqueduct Company, Inc.  
DW 13-130  
Pennichuck Water Works, Inc.

Rate Cases  
Responses to OCA Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. OCA 4-7

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

REQUEST: Reference Staff 4-1 and Devine invoice dated October 11, 2012. Please provide further explanation regarding the following entries contained in this invoice as well as how such are germane to the rate proceeding before the Commission: 9/27/12 DEW - Meeting with Attorney Coolbroth and Baum regarding privilege, work product and expert privilege issues; prepare language regarding same for Attorney Coolbroth.

RESPONSE: These charges resulted from the Company's concern about the legal status of specific conversations between senior management and the Board of Directors concerning the preparation of the three required rate cases and the nature of the rate requests that would be pursued. Recognizing its responsibility to routinely report to the Board of Directors on a wide spectrum of issues and the unique nature of the Board formed by the City of Nashua acquisition, the Company sought guidance as to whether conversations about the rate cases would be confidential and assistance in making a presentation on the confidentiality of such discussions to the Board.

The charges are prudently incurred inasmuch as they reflect the Company's desire to be adequately informed, and to inform its Board of Directors, about the legal status of conversations about confidential commercial and financial information. The charges are germane to the rate cases inasmuch as the Company had an obligation to inform the Board of Directors about the progress and status of the rate cases, which were the first rate cases pursued by the utilities subsequent to the City of Nashua acquisition and subject to the new and unique ownership structure.



September 15, 2014

THOMAS B. GETZ  
603.695.8542  
TGETZ@DEVINEMILLIMET.COM

**VIA ELECTRONIC MAIL**

Marcia A. Brown  
Staff Attorney  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

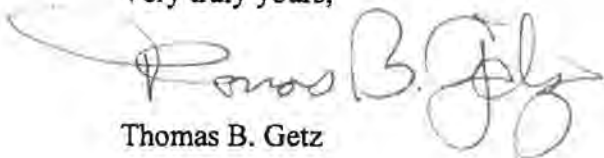
Re: DW 13-126; Pennichuck East Utility, Inc.  
Responses to Temporary and Permanent Rates

Dear Attorney Brown:

Attached are responses by Pennichuck East Utility, Inc. to the fourth set of data requests by the Commission Staff received on August 28, 2014. The Company will seek confidential treatment for the attachment to Staff 4-4 pursuant to Puc 203.08 (d).

Please let me know if you have any questions.

Very truly yours,



Thomas B. Getz

TBG:aec

Attachments

cc: Discovery Electronic Service List

DW 13-126  
Pennichuck East Utility, Inc.  
Responses to Temporary Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-1

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 12/12/2012 Devine, Millimet & Branch: \$2,006.91:** Please provide further explanation regarding the following entries contained in this invoice as well as how such are germane to the rate proceeding before the Commission:

- a) 11/13/12 KMB Conduct background research in preparation for presentation to Board of Directors concerning attorney-client and work product privileges and right to know issues
- b) 11/14/12 DEW Confer with Attorney Baum regarding attorney client / work product doctrine issues
- c) 11/15/12 KMB Prepare presentation to Board of Directors concerning attorney client privilege and right to know matters

**RESPONSE:** These charges resulted from the Company's concern about the legal status of specific conversations between senior management and the Board of Directors concerning the preparation of the three required rate cases and the nature of the rate requests that would be pursued. Recognizing its responsibility to routinely report to the Board of Directors on a wide spectrum of issues and the unique nature of the Board formed by the City of Nashua acquisition, the Company sought guidance as to whether conversations about the rate cases would be confidential and assistance in making a presentation on the confidentiality of such discussions to the Board.

The charges are prudently incurred inasmuch as they reflect the Company's desire to be adequately informed, and to inform its Board of Directors, about the legal status of conversations about confidential commercial and financial information. The charges are germane to the rate cases inasmuch as the Company had an obligation to inform the Board of Directors about the progress and status of the rate cases, which were the first rate cases pursued by the utilities subsequent to the City of Nashua acquisition and subject to the new and unique ownership structure.

DW 13-126  
Pennichuck East Utility, Inc.  
Responses to Temporary Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-2

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST:** Re: 5/29/2013 Papergraphics: \$462.97 and 5/31/2013 W.B. Mason: \$225.45:

- a) Please explain why the charges reflected on the Papergraphics invoice were allocated evenly amongst PWW, PEU and PAC but the charges on the W.B. Mason invoice were allocated amongst PWW, PEU and PAC in accordance with the management fee percentages.
- b) The Papergraphics invoice appears to indicate a \$1,061.93 charge for 43 binders. The W.B. Mason invoice appears to indicate a \$1,049.70 charge for 30 binders. Were two sets of binders purchased? Please explain.

**RESPONSE:**

- a) Upon subsequent review, both invoices should have been allocated evenly among PWW, PEU and PAC as the amount of binders utilized were approximately the same.
- b) Please see attached Mason invoice for the cost of 14 additional binders. One extra binder was ordered in case an additional binder was needed. The Company requests the attached invoice be included in rate case expenses and allocated equally among PWW, PEU and PAC.



W.B. MASON CO., INC.  
59 Centre Street - Brockton MA 02301  
for correspondence only

# STAFF 4-2 ATTACHMENT

Summary Invoice (Page 4)  
Invoice Date: 04/30/2013  
Customer #: C1030638  
Summary Invoice #: IS0137193  
Summary Period: 04/01/2013-04/30/2013  
Customer: Pennichuck Water Works  
Total Due: 2,870.63

2921-000

## Orders for Cost Center: OFC MGMT DEPT/3RD FL (CCL0036690)

Delivery Address:  
Pennichuck Water Works  
Attn: Karen Glotas  
8-PENNICHUCK WATER WORKS  
OFC MGMT DEPT / Karen G  
25 MANCHESTER ST  
MERRIMACK, NH 03054

Order Date:  
04/05/2013

Order #:  
S010910320

Purchase Order#:  
None

ITEM NUMBER	DESCRIPTION	QTY ORDERED	QTY SHIPPED	U/M	UNIT PRICE	EXT PRICE
QUAR1780	ENVELOPE, TYVEK, 12X15.5, PLN (C0804)	1	1	BX	83.85	83.85
QUAR1580	ENVELOPE, TYVEK, 10X13, PLN (C0802)	1	1	BX	52.99	52.99
QUAR1460	ENVELOPE, TYVEK, 9X12, PLN	1	1	BX	54.99	54.99
AVE88109	INSERT, SPINE 3 IN, WE	6	6	PK	5.49	32.94
AVE78193	BNDR, D-RING, VIEW, LTR, 3" WE	20	20	EA	14.95	299.00
AVE78108	BNDR, D-RING, VIEW, LTR, 5" WE	14	14	EA	33.99	475.86

Item: 110874061

SUBTOTAL: 979.63  
TAX & DEPOSITS TOTAL: 0.00  
ORDER TOTAL: 979.63

Delivery Address:  
Pennichuck Water Works  
Attn: Karen  
Rebecca Shepard  
31 Will St  
Nashua, NH 03060

Order Date:  
04/05/2013

Order #:  
S010914543

Purchase Order#:  
None

ITEM NUMBER	DESCRIPTION	QTY ORDERED	QTY SHIPPED	U/M	UNIT PRICE	EXT PRICE
AVE01701	INDEX, ALLSTATE 1-25, WE	30	30	ST	2.99	89.70
AVE01702	INDEX, ALLSTATE 26-50, WE	30	30	ST	2.99	89.70

Item: 110862754

SUBTOTAL: 179.40  
TAX & DEPOSITS TOTAL: 0.00  
ORDER TOTAL: 179.40

Delivery Address:  
Pennichuck Water Works  
Attn: Karen Glotas  
8-PENNICHUCK WATER WORKS  
OFC MGMT DEPT / Karen G  
25 MANCHESTER ST  
MERRIMACK, NH 03054

Order Date:  
04/10/2013

Order #:  
S010989668

Purchase Order#:  
None

ITEM NUMBER	DESCRIPTION	QTY ORDERED	QTY SHIPPED	U/M	UNIT PRICE	EXT PRICE
PIL31020	PEN, RLRBLL, GELINK, FPT, BK	2	2	DZ	17.89	35.78
SAN1754466	HIGHLIGHTER, LQD ACCENT, FOE	1	1	DZ	14.69	14.69
SAN1754463	HIGHLIGHTER, LQD ACCENT, FYW	2	2	DZ	14.69	29.38
BICGREM11BK	PEN, RBALL, GRIP, MICRO, BK	1	1	DZ	12.95	12.95
PENBK90A	PEN, BALL POINT, BK, FINE	2	2	DZ	9.99	19.98
PENBK90C	PEN, BALL POINT, BE, FINE	1	1	DZ	9.99	9.99
UNV88920	BOOK, STENO, GREGG, GN, 80SH	6	6	EA	0.90	5.40

Item: 110950563

SUBTOTAL: 128.17  
TAX & DEPOSITS TOTAL: 0.00  
ORDER TOTAL: 128.17

- Please See Next Page for Continuation -

DW 13-126  
Pennichuck East Utility, Inc.  
Responses to Temporary Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-3

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 6/2/2013 Devine, Millimet & Branch: \$1,955.44:** Please provide further explanation regarding the following entries contained in this invoice as well as how such are germane to the rate proceeding before the Commission. Please provide a copy of all correspondence sent to legislators and municipal officials regarding the rate cases which are indicated in these entries.

- a) 4/18/13 TRR Review service territory and legislators. . .
- b) 4/22/13 TBG . . . Review draft letters to municipal officials re proposed rate increases . . .
- c) 4/22/13 TRR Review letters to elected officials advising of rate cases
- d) 4/23/13 TRR Edit letters and discuss regulatory outreach with Mr. Patenaude
- e) 4/24/13 TRR Call David Brooks on intent to file; email client; draft letter to Sen Lasky / Gilmour
- f) 4/25/13 TRR Research community list with senate districts; draft press release
- g) 4/26/13 TRR Draft and edit letters on rate case to senators; attend meeting with Nashua Telegraph; draft press release
- h) 4/29/13 TRR Compile list of reps and towns they represent adn water companies for letter on rate case; prepare for May filing with press release etc.

**RESPONSE:** The above entries are associated with the Company's efforts to communicate with the cities, towns and other community representatives relative to rate information and the rate case process, an issue highlighted by the Commission and the OCA in the past. The communications entailed letters to the various constituents (samples of which are attached) explaining the filing of the Notices of Intent to File Rate Schedules and the estimated rate increase. The letters requested that the information be posted on the municipal websites and also indicated that the Company's staff was available to meet with each community as the community desired. Customers were also informed directly in accordance with Puc 1203.02. As a result of the letters, the Company met with customers located in Barnstead, Locke Lake, and Plaistow.





25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
16031 882-5191  
FAX 16031 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Mr. William R. Hart, Jr.  
Acting Town Manager  
Town of Londonderry  
268B Mammoth Road  
Londonderry, NH 03053

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Mr. Hart:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012. Pennichuck East Utility, Inc. provides water services to certain customers located in your community.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc.

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

It is the intent of the Company to keep the communities we serve informed as we proceed through the regulatory process. I would appreciate your sharing the information provided with your community's governing Board.


A copy of the Notice of Intent to File Rate Schedules will be available on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)). If possible, we would appreciate your posting this letter on your Town website in order to inform customers being served by the Company. In addition, once the docket has been opened at the PUC, you may follow the proceeding on the PUC website: <http://www.puc.state.nh.us/Water-Sewer/water-sewer.htm>.

In addition, members of the Company staff are available to meet with you or the community's governing body to discuss the rate filing process and the estimated rate increases.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to contact me at 603-913-2301 if you have any questions relative to this matter.

Sincerely,

  
John L. Patenaude  
Chief Executive Officer





**PENNICHUCK**

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
603 882-5191  
FAX 603 913-2305  
WWW.PENNICHUCK.COM

June 3, 2013

Mr. William R. Hart, Jr., Acting Town Manager  
Town of Londonderry  
268B Mammoth Road  
Londonderry, NH 03053

Re: Pennichuck East Utility, Inc. – Water Rate Case

Dear Mr. Hart:

As referenced in my letter to you dated April 29, 2013, on May 31, 2013, Pennichuck East Utility, Inc. filed a water rate case with the New Hampshire Public Utilities Commission (PUC). The Docket Number for the rate case is DW 13-126.

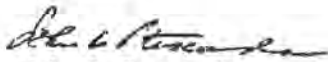
The filing for the docket can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov). The information is also available on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption.

For your information, I have enclosed Frequently Asked Questions and responses relative to the rate case, a copy of which will be posted on the Pennichuck website.

As indicated in the April 29, 2013 letter, it is the Company's intent to keep the communities we serve informed as we proceed through the process. Members of the Pennichuck staff are available to meet with you or your community's governing body to discuss the filing and the requested rates, if you so desire.

Please feel free to contact me at 603-913-2301 if you have any questions relative to the filing.

Regards,

  
John L. Patenaude  
Chief Executive Officer

## **Pennichuck East Utility, Inc.**

**DW 13-126 Rate Case  
Filed with the New Hampshire Public Utilities Commission  
May 31, 2013**

### **Frequently Asked Questions (FAQ)**

**Q. Why is a rate case being filed at this time?**

When the New Hampshire Public Utilities Commission ("PUC") approved the City of Nashua's acquisition of Pennichuck Corporation in November, 2011, it required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc. to file full rate cases simultaneously by June 1, 2013.

**Q. What is the amount of the increase being requested?**

The total rate increase requested is 12.21%.

**Q. What is the projected annual impact to an average residential bill?**

The average resident in the Pennichuck East system uses approximately 77 ccf of water annually and has a 5/8 inch meter. One ccf equals 100 cubic feet. The average annual customer bill will increase approximately \$75 from \$630 to \$705.

**Q. How has the City of Nashua's acquisition of Pennichuck Corporation benefited customers?**

If Pennichuck Corporation had continued as a publicly traded company, with the previous management and cost structure, the requested rate increase would have been approximately 21.98%. The estimated impact to an average resident would have been an increase of approximately \$138 per year. Approximately \$1.8 million in savings, however, resulted from management restructuring and eliminating costs associated with being a publicly traded company. In addition, the rate of return allowed on assets decreased from 5.96% to 3.79%.

**Q. What is the expected timing of the PUC process?**

The rate cases were filed with the PUC on May 31, 2013. The Commission will likely hold a procedural hearing in mid-July, 2013, and a hearing on temporary rates is expected in mid-October, 2013. A hearing on permanent rates is anticipated in the summer of 2014, followed shortly afterwards by a PUC decision.

**Q. What is the status of temporary rates?**

Pennichuck East Utility, Inc. is required to request temporary rates as part of the PUC's approval of the acquisition. Based on the amount of the requested rate increase, the company will request a temporary increase of 7% resulting in an annual rate increase of approximately \$44.

**Q. How can customers keep informed about the progress of the rate case?**

The rate case filings are posted on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption. In addition, the PUC has opened a docket for each rate case. Pennichuck Water Works, Inc. is Docket No. DW 13-130, Pennichuck East Utility, Inc. is Docket No. DW 13-126, and Pittsfield Aqueduct Company, Inc. is Docket No. DW 13-128. All filings in these dockets can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov).

DW 13-126  
Pennichuck East Utility, Inc.  
Responses to Temporary Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-4

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 6/10/2013 Raftelis Financial: \$15,500.00:**

- a) Please provide a copy of the signed contract with Raftelis Financial.
- b) Please provide a detailed explanation of the services provided by the Associate, Collin Drat.
- c) Please provide an explanation for the Technology and Communications charge as well as the basis for its determination.

**RESPONSE:**

- a) Please see attached signed contract with Raftelis Financial. The Company has a good faith basis for seeking confidential treatment of this agreement, which it will do pursuant to Puc 203.08 (d).
- b) As an associate, Mr. Drat worked under the direction of Mr. Woodcock, Project Manager, to conduct financial analyses and prepare project deliverables including the cost of service allocation model.
- c) The Technology and Communications charge is a \$10 per hour charge covering the cost of computers, networks, telephones and postage.

**PROFESSIONAL SERVICES AGREEMENT BETWEEN THE**  
**PENNICHUCK CORPORATION**  
**AND**  
**RAFTELIS FINANCIAL CONSULTANTS, INC.**

This Consulting Agreement ("Agreement") is entered into this 19<sup>th</sup> day of MARCH, 2013 (hereinafter referred to as the effective date of the agreement) by and between the Pennichuck Corporation, (the "Client") and Raftelis Financial Consultants, Inc., 1031 South Caldwell Street, Suite 100, Charlotte, NC 28203 ("RFC").

**Witnesseth**

WHEREAS, RFC has substantial skill and experience in water and wastewater finance, management, and pricing, and

WHEREAS, The Client desires to hire RFC and RFC desires to provide services to the Client,

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the terms and conditions set forth herein.

**Article 1. Statement of Work**

RFC shall provide professional consulting services to prepare a water cost of service study for the Pennichuck East Utility. RFC will perform these services as set forth in its proposal sent to the Client dated January 24, 2013. The scope of work is included as Attachment A. Tasks 2-6 will be performed upon Client's written request by email or other means.

**Article 2. Time for Completion**

This agreement will commence upon approval by the Client and remain in effect for a period of one year. Either party may terminate this Agreement on 30 days written notice. Further renewals of this Agreement are at the option of the Parties and shall be in writing.

**Article 3. Compensation**

Client shall pay to RFC the sum of [REDACTED] which includes professional fees and direct expenses incurred in performing Task 1 of the scope of services outlined in the above referenced proposal, as well as an hourly technology expense reimbursement, outlined in Attachment B. The [REDACTED] technology charge is included in the billing rates for Messrs Smith, Woodcock and Drat. Reasonable travel expenses will be in addition to those rates and will be reimbursed to RFC by Client. The parties understand that this sum is based upon the scope of work contained herein at RFC's current standard hourly rate schedule included in Attachment B. Any expansion of the scope of work by the Client including those services addressed under Tasks 2-6 in the attached proposal shall involve additional fees in accordance with the hourly billing rates shown on Attachment B.

RFC shall submit invoices to the Client on a monthly basis for services rendered to the date thereof. Such invoices shall be supported by appropriate documentation; at a minimum, the task performed, the individuals working on such task, the level of each such individual, and expenses incurred. Each invoice will contain all hours and expenses from the RFC for the month. Upon receipt of monthly invoice and Client's approval of the work done, which approval shall not be unreasonably withheld or delayed, the Client will remit payment of same amount to the RFC within 30 days.

**Article 4. Additional Services**

At the Client's request, RFC may submit proposals for additional professional services. Each proposal submitted shall detail: (1) scope of work for the additional services, (2) period of services to be performed, and (3) method and amount of compensation. The Client shall provide written acceptance and authorization to RFC prior to the commencement of work on any proposed additional services. Each proposal for additional services accepted and approved by the Client shall become part of this Agreement and shall be governed by the terms and conditions contained herein.

**Article 5. Place of Performance**

RFC shall be responsible for maintaining its own office facilities and will not be provided with either office facilities or support by the Client.

**Article 6. Indemnification**

RFC hereby agrees to indemnify the Client and to hold the Client harmless against any and all claims, action, or demands against the Client and against any and all damages for injury to or death of any person and for loss of or damage to any and all property arising out of the negligent acts, errors or omissions of RFC under this Agreement. RFC shall not be held responsible for any claims caused by the negligence of the Client.

**Article 7. Insurance**

RFC shall maintain the types and levels of insurance during the life of this Agreement as specified below. The Client will be named as additional insured on the RFC's Certificates of Insurance and the RFC will provide the Client with these Certificates of Insurance.

Commercial general liability insurance - \$1,000,000 for each occurrence and \$2,000,000 in the aggregate

Comprehensive automobile liability insurance - \$1,000,000 combined single limit each occurrence

Workers Compensation insurance – Statutory limits

Professional liability insurance - \$2,000,000 in the aggregate

Excess or Umbrella Liability - \$3,000,000 in the aggregate

**Article 8. Confidential Information**

RFC acknowledges and agrees that in the course of the performance of the services pursuant to this Agreement, RFC may be given access to, or come into possession of, confidential information of



the Client which information contains privileged material or other confidential information. RFC acknowledges and agrees, except if required by judicial or administrative order, trial, or other governmental proceeding pertaining to this matter, that it will not use, duplicate, or divulge to others any such information belonging to or disclosed to RFC by the Client without first obtaining written permission from the Client. "Confidential information" as used herein, includes, without limitation, information, materials, products, and deliverables developed during, and discoveries and contributions made by RFC in the performance of this Agreement. All tangible embodiments of such information shall be delivered to the Client by RFC upon termination hereof, or upon request by the Client, whichever occurs first. The Client acknowledges RFC has the right to maintain its own set of work papers which may contain confidential information.

#### **Article 9. Independent Contractor Status**

It is understood and agreed that RFC will provide the services under this Agreement on a professional basis as an independent contractor and that during the performance of the services under this Agreement, RFC's employees will not be considered employees of the Client within the meaning or the applications of any federal, state, or local laws or regulations including, but not limited to, laws or regulations covering severance, unemployment insurance, old age benefits, worker's compensation, industrial accident, labor, or any other employee benefit or taxes of any kind with respect to the services provided under this Agreement. RFC's employees shall not be entitled to benefits that may be afforded from time to time to Client's employees, including without limitation, vacation, holidays, sick leave, severance, worker's compensation, and unemployment insurance. Further, the Client shall not be responsible for withholding or paying any taxes or social security with respect to RFC's employees. RFC shall be fully responsible for any such withholding and paying of such taxes and social security.

#### **Article 10. Reliance on Data**

In performance of the services, it is understood that the Client and/or others may supply RFC with certain information and/or data, and that RFC will rely on such information. It is agreed that the accuracy of such information is not within RFC's control and RFC shall not be liable for its accuracy, nor for its verification, except to the extent that such verification is expressly a part of RFC's scope of services.

#### **Article 11. Opinions and Estimates**

RFC's opinions, estimates, projections, and forecasts of current and future costs, revenues, other levels of any sort, and events shall be made on the basis of available information and RFC's expertise and qualifications as a professional. RFC does not warrant or guarantee that its opinions, estimates, projections or forecasts of current and future levels and events will not vary from the Client's estimates or forecasts or from actual outcomes. RFC identifies costs, allocates costs to customer classes and provides rate models. It does not establish rates, which is the responsibility of the NHPUC with input from Client.

#### **Article 12. No Consequential Damages**

To the fullest extent permitted by law, neither party shall be liable to the other for any special, indirect, consequential, punitive or exemplary damages resulting from the performance or non-performance of this Agreement notwithstanding the fault, tort (including negligence), strict



liability or other basis of legal liability of the party so released or whose liability is so limited and its officers, directors, employees, licensors, agents, subcontractors, vendors and related entities.

Article 13. Trademark and Trade Name

This Agreement does not give either Party any ownership rights or interest in the other Party's trade name or trademarks.

Article 14. Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed deliverable when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

If for the Client:

CHARLES HOEPFER  
Name

DIRECTOR REGULATORY AFFAIRS  
Title

25 MANCHESTER ST, PO Box 1947  
Address

MERRIMACK, NH 03054-1947

If for RFC:

Harold J. Smith  
Vice President  
Rastelis Financial Consultants, Inc.  
1031 S. Caldwell St.  
Charlotte, NC 28203

Article 15. Compliance with Applicable Laws

RFC agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation or disabilities.

Any act of discrimination committed by RFC, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this Agreement.

**Article 16. General Provisions**

- A. Entire Agreement: This Agreement represents the entire and sole agreement between the Parties with respect to the subject matter hereof.
- B. Waiver: The failure of either Party to require performance by the other of any provision hereof shall in no way affect the right to require performance at any time thereafter, nor shall the waiver of a breach of any provision hereof be taken to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy available at law or in equity.
- C. Relationship: Nothing herein contained shall be construed to imply a joint venture, partnership, or principal-agent relationship between RFC and the Client; and neither Party shall have the right, power, or authority to obligate or bind the other in any manner whatsoever, except as otherwise agreed to in writing.
- D. Assignment and Delegation: Neither Party shall assign or delegate this Agreement or any rights, duties, or obligations hereunder without the express written consent of the other. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors, legal representatives, and assignees of the Parties hereto.
- E. Severability: If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary and possible to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.
- F. Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Hampshire.
- G. Paragraph Headings: The paragraph headings set forth in this Agreement are for the convenience of the Parties, and in no way define, limit, or describe the scope or intent of this Agreement and are to be given no legal effect.
- H. Third Party Rights Nothing in this Agreement shall be construed to create or confer any rights or interest to any third party or third party beneficiary. It is the intent of the parties that no other outside, non-party claimant shall have any legal right to enforce the terms of this Agreement.
-

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

By: Donald L. Ware  
Signature  
CHIEF OPERATIVE OFFICER  
Title  
3/19/2013  
Date  
[Signature]  
Witness

Raftelis Financial Consultants, Inc.

By: [Signature]  
Signature  
Vice President  
Title  
3/15/2013  
Date  
[Signature]  
Witness

**REDACTED ATTACHMENT TO STAFF 4-4**

This is to certify that an appropriation in the amount of this contract is available therefore and that  
RONALD L WARE has been authorized to execute the contract and approve  
all requisitions and change orders.

By [Signature]

Corporate Secretary  
Title

Seal


**CONSULTANT  
INDEMNIFICATION**

- (a) To the fullest extent allowable by law, the Consultant, and any subconsultant engaged by the Consultant, shall protect, indemnify and hold harmless the owner, including Pennichuck Corporation, Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., Pittsfield Aqueduct Company, The Southwood Corporation, Pennichuck Water Service Corporation and their respective successors, assigns, directors, employees and agents, (hereafter sometimes called "Indemnitees") from and against any and all claims, actions, damages, losses, costs and expenses (including attorneys fees), arising out of the negligent acts, errors, or omissions, by the Consultant, or any subconsultant engaged by the Consultant, or by any employees, subconsultant, or agents of the same.
- (b) In any and all claims against the Owner or any of its agents or employees by any employee of the Consultant, any subconsultant, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligations of the Consultant under this paragraph shall not be discharged, mitigated, reduced, negated, abridged, or released, by damages, compensation, or benefits payable by or for the Consultant, or any subconsultant under workman's compensation acts, disability benefit acts, or other employee benefit acts.
- (c) Nothing contained in this Section shall be construed to provide for any indemnification which would (I) violate applicable law; (II) void any or all of the provisions of this Article; or (III) negate, abridge, eliminate or otherwise reduce any other indemnification or right which the Owner has by law.
- (d) Consultant agrees that it will contractually obligate its subconsultants to indemnify and hold harmless the Indemnitees to the same extent that Consultant is required to indemnify and hold harmless such Indemnitees hereunder.

Water Cost of Service Study  
Project

Raftelis Financial Consultants, Inc.  
Consultant Name

3/15/13  
Date

  
Authorized Representative

INSURANCE

CONTRACTOR'S AND SUBCONTRACTORS INSURANCE

- (a) The Contractor shall not enter into this contract, and no contract work shall begin thereunder, until the Contractor shall have obtained all the insurance required hereunder, and such certificates of insurance, and copies of endorsements, if required by the Owner, shall have been submitted to the Owner for its approval, nor shall the Contractor allow any subcontractor to commence work on its contract until all insurance, required of such subcontractor hereunder, shall have been so obtained and approved. Approval of certificates or endorsements of insurance by the Owner shall not relieve or decrease the liability of the Contractor under all the terms of this Agreement. All insurance shall be placed with insurance companies rated A-7 or better by the then-current edition of Best's Key Rating Guide, and such insurance companies must be authorized to do business in the State of New Hampshire. Unless subject to the terms of paragraph d., below, all insurance coverage shall be written on an "occurrence" basis, shall remain in effect, and shall not be modified, at least through the final completion of the contract, unless provided for otherwise in the contract documents.

Contractor agrees that it will contractually obligate its subcontractors to promptly advise Contractor of any changes or lapses of the requisite insurance coverage's and Contractor agrees to promptly advise owner of same. Contractor assumes all responsibility for monitoring Sub-contractor insurance certificates for compliance with the insurance provisions of this Agreement.

- (b) All policies of insurance must contain a provision giving the Owner thirty (30) day prior written notice by registered mail of any cancellation or material change in coverage.
- (c) The insurance provisions of this Agreement shall not be construed as a limitation on the Contractor's responsibilities and liabilities pursuant to the terms and conditions of this Agreement, including liability for claims in excess of the insurance limits and coverage's set forth herein.
- (d) All policies of insurance required of the Contractor hereunder shall provide that coverage under such policies shall continue in force favoring the owner, as required hereunder, for a period of two (2) years following the date of completion as defined in this Agreement.

REQUIRED COVERAGE'S:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

The Contractor shall purchase and maintain during the life of the contract, statutory Worker's Compensation Coverage in the name of the Contractor with a minimum of \$500,000/500,000/500,000 Employer's Liability Insurance in the contractor's name, which shall fully comply with all state and federal requirements applying to such insurance and which shall

include broad form all-states and voluntary compensation endorsements for all his employees to be engaged in work on the project under this contract. If applicable, United States Longshoremen and Harborworker's Coverage must be provided.

#### COMMERCIAL GENERAL LIABILITY

The Contractor shall purchase and maintain during the life of the contract a Commercial General Liability Policy in the name of the contractor, with minimum limits of \$2,000,000.00 combined single limit, covering the following: Premises/operations; Independent Contractors Protective; Contractual; Broad Form Property Damage; Personal Injury; Product/Completed Operations. Property Damage Liability Insurance shall include coverage for (x) explosion, (c) collapse, and (u) underground (to include jacking and/or boring operations if applicable). The Contractor may provide the coverage required herein through the use of a primary liability policy or through a combination of primary liability and umbrella/excess liability policies.

Additionally, the Policy(ies) shall:

- (a) Name Pennichuck Corporation, Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., Pittsfield Aqueduct Company, The Southwood Corporation, Pennichuck Water Service Corporation and their successors and assigns as additional named insured.
- (b) Stipulate that such insurance is primary and is not additional to or contributory with any other insurance carried by or for the benefit of the owner or any of its successors or assigns.
- (c) Waive any and all right of subrogation against the Owner or any of its successors or assigns.
- (d) Contain cross liability or severability of interest endorsements.
- (e) Policy to be endorsed to provide per-job limits.

#### COMMERCIAL AUTOMOBILE LIABILITY

The Contractor shall procure and maintain during the life of this contract, a Commercial Automobile Liability Policy in the name of the contractor in an amount not less than \$1,000,000.00 combined single limit per occurrence for bodily injury, and property damage covering all owned, non-owned, leased and hired vehicles.

Subcontractors Insurance Requirements - the Contractor shall either a) require each of his subcontractors to procure and maintain during the life of the subcontract, insurance of the type and in the amounts specified in the insurance requirements of the Contract or b) insure the activities of his subcontractors in the Contractor's policy.



# I SCOPE OF SERVICES

## **TASK 1 - PREPARE COST OF SERVICE STUDY**

RFC will develop a cost allocation model that will be used to perform the allocation of revenue requirements to the various components of the water rates and charges. We have reviewed the cost of service study (COSS) and the NHPUC order from PEU's last filing and have developed an understanding of the allocation methodology used in that filing. We anticipate using the widely accepted AWWA cost allocation methods in our study. Mr. Woodcock was one of the primary authors of the cost allocation portion of the AWWA rate manuals and we are quite familiar with all aspects of these methods. We also understand that this filing will likely involve the complete phase-in of an allocation adjustment that results in the recovery of more revenue through the fire protection charges. Mr. Woodcock was also a primary author of the fire protection section of the AWWA Rate Manual and is fully aware of all aspects of fire protection rates and charges.

The cost allocation model will be prepared using Microsoft Excel® and will be designed as a flexible, easily updatable planning tool. The model will perform and demonstrate the development of all allocation factors and will perform all cost allocations. The model will also generate all schedules and exhibits required to support the rate request.

Based on our review of previous PEU filings, it appears that a COSS report will also be required. RFC will prepare a report that details the cost allocation approach and supports the need for any proposed changes in allocation methodology.

## **TASK 2 - PREPARE DATA RESPONSES**

RFC will prepare responses to data requests from other parties regarding the COSS.

## **TASK 3 - TECHNICAL SESSIONS**

RFC's Project Manager will attend any technical sessions at the NHPUC to discuss the COSS.

## **TASK 4 - REVIEW TESTIMONY OF OTHERS**

RFC will review testimony filed by NHPUC staff and interveners.

## **TASK 5 - REBUTTAL TESTIMONY**

If necessary, RFC will prepare rebuttal testimony to address issues presented in the testimony of others.

## **TASK 6 - REVISE AND FINALIZE COST OF SERVICE STUDY**

RFC will also revise and/or update the COSS and cost allocation model to addresses any changes that are warranted as a result of the discovery process or settlement discussions. The COSS will also be revised to reflect the revenue class distribution for temporary rates. Once the cost allocation approach is finalized, a final COSS will be prepared.

# I FEE PROPOSAL

## TASK1

We propose to complete Task 1 for the fixed fee of \$[REDACTED]

## TASKS 2-6 OF OUR SCOPE OF SERVICES (TASKS 2-8 OF THE RFP)

We consolidated Tasks 2-8 described in the RFP into Tasks 2-6 as described in our Scope of Services. For these Tasks, we will use the following hourly billing rates:

- > Harold Smith - [REDACTED]
- > Chris Woodcock - [REDACTED]
- > Collin Drat - [REDACTED]
- > Administrative Support - [REDACTED]

## ADMINISTRATIVE FEES

RFC does not charge a fixed administrative fee for each billing, rather we bill our clients hourly for administrative support at a rate of \$60/hour. Costs for administrative support are included in our proposed fixed fee.

## EXPENSES

Expenses include costs associated with travel, and a [REDACTED] per hour technology charge covering computers, networks, telephones, postage, etc.

DW 13-126  
Pennichuck East Utility, Inc.  
Responses to Temporary Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-5

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 8/12/2013 Devine, Millimet & Branch: \$1,936.40:** Please provide further explanation regarding the following entries contained in this invoice as well as how such are germane to the rate proceeding before the Commission:

- a) 7/10/13 TRR Call to set up meeting with Gov.
- b) 7/16/13 TRR Discuss Ms. Comfort complaint with Rep. Baldasaro of Londonderry. Email client
- c) 7/18/13 TRR Discuss Ms Comfort Meeting denial with Ms. Noonan of PUC and call to Sen. Carson. Alert Ms Noonan of Locke Lake meeting
- d) 7/22/13 TRR Advise Ms. Noonan of change in Locke Lake meeting; set up meeting with Governor; discuss Ms. Comfort with Sen Carson

**RESPONSE:**

- a) Upon subsequent review, the above effort was not directly related to the rate proceeding. The above item should be excluded from rate case expenses.
- b-d) The efforts were associated with discussions relating to the attached comments filed by Ms. Comfort in response to the Company's rate filing.

14 St. Andrews Way  
Londonderry, NH 03053  
July 8, 2013

NHPUC  
21 South Fruit Street, Suite 10  
Concord, NH 03301

NHPUC JUL 11 11:57 AM 1:05

Re: Pennichuck rate increase petition

To the NHPUC:

I am a resident of Forest Hills of Londonderry, an over-55 community. Most of the people living here are elderly and are on fixed incomes. We are served by Pennichuck East; any increase in their already high rates would be a substantial burden for most of the residents in my community.

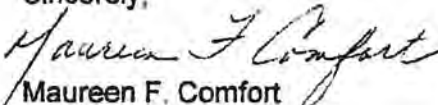
Unfortunately, I am not able to attend the Pennichuck East pre-hearing conference scheduled for Friday, July 19th. I would like to hear for myself Pennichuck's justification for petitioning the NHPUC for this 12.21% increase in their water and meter rates. I realize that utilities have a penchant for petitioning for much more of an increase in their rates than they actually hope to get, but some research I've done indicates that their rates are *already* the highest in all the communities surrounding Londonderry. So, I, along with my neighbors, am petitioning the NHPUC to take this fact into consideration while taking Pennichuck's petition under advisement!

Further, I have correspondence from Pennichuck in my personal files dated 12/6/10 (before Pennichuck was taken over by the City of Nashua) which states, "... It is the City's stated intention to continue operating all of Pennichuck's businesses with the *existing workforce and operations management*" (emphasis mine). Yet, a Q&A letter subsequently sent to customers in February 2012 (after the City's ownership was finalized) indicates: "... *management will be reduced*" -- so which is it?? If it's the latter, I would like to know how many management employees were let go and how did this impact salaries? This letter also indicates that the utility will be governed "... *by an Independent Board of Directors*" -- is this BOD compensated? And, finally: "*Future rates are expected to be lower under City ownership as compared to the prior ownership*...". Well, after checking my personal records (which go back to 2010), Pennichuck, under prior ownership, had exactly the same rates as the current rates since at least the beginning of that year.

Will there be a report available to Pennichuck customers after the scheduled meetings? Where will it appear? Please let me know [mbcomf@comcast.net](mailto:mbcomf@comcast.net)

Thank you for your consideration and attention to this matter.

Sincerely,

  
Maureen F. Comfort

DW 13-126  
Pennichuck East Utility, Inc.  
Responses to Temporary Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-6

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

REQUEST: **Re: 9/11/13 Devine, Millimet & Branch: \$1,266.90:** Please provide further explanation regarding the following entry contained in this invoice as well as how it is germane to the rate proceeding before the Commission:  
8/28/13 TRR Set up meeting with Governor

RESPONSE: Upon subsequent review, the above effort was not directly related to the rate proceeding. The above item should be excluded from rate case expenses.

DW 13-126  
Pennichuck East Utility, Inc.  
Responses to Temporary Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-7

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 11/8/13 Devine, Millimet & Branch: \$707.40:** Please provide further explanation regarding the following entry contained in this invoice as well as how it is germane to the rate proceeding before the Commission:  
10/10/13 TRR Review handout for Governor meeting

**RESPONSE:** Upon subsequent review, the above effort was not directly related to the rate proceeding. The above item should be excluded from rate case expenses.

DW 13-126  
Pennichuck East Utility, Inc.  
Responses to Temporary Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-8

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 11/8/2013 Raftelis Financial: \$3,895.00:**

- a) Please provide a detailed explanation of the services provided by the Vice President, Harold Smith.
- b) Please provide a detailed explanation of the administrative services provided by Carrie Warren.
- c) Please provide an explanation for the Technology and Communications charge as well as the basis for its determination.

**RESPONSE:**

- a) Mr. Smith served as the project director and was responsible for overall project accountability and contract authority. The hour charge relates to project review, coordination and contract billing.
- b) Ms. Warren provided administrative support for the project, including billing preparation and tracking.
- c) The Technology and Communications charge is a \$10 per hour charge covering the cost of computers, networks, telephones and postage.



DW 13-126  
Pennichuck East Utility, Inc.  
Responses to Temporary Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-9

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 12/5/2013 Devine, Millimet & Branch: \$4,089.10.** This invoice contains entries relative to a technical session held on 11/7/13 where not only the PEU Cost of Service Study was discussed but also the various accounting aspects resulting from the DW 11-026 Settlement Agreement and affecting all three utilities. Please explain why it appears that all of the legal expenses related to this technical session are being charged to PEU.

**RESPONSE:** This charge should have been allocated evenly between PEU, which was the focus of the discussion in the first half of the technical session concerning the cost of service study, and the three utilities (subject to their respective management fee percentages), which were all implicated by the discussion in the second half of the technical session concerning the accounting aspects of the DW 11-026 Settlement Agreement.

DW 13-126  
Pennichuck East Utility, Inc.  
Responses to Temporary Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-10

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST:** **Re: 2/11/2014 Devine, Millimet & Branch: \$1,977.60:** This invoice contains an entry dated 1/23/14 relative to communications regarding the consolidation of the three utilities' rate case technical sessions / settlement conferences. Please explain why it appears that the legal expense associated with this entry is charged only to PEU.

**RESPONSE:** This charge should have been allocated among the three utilities subject to their respective management fee percentages.

DEVINE  
MILLIMET

ATTORNEYS AT LAW

September 15, 2014

THOMAS B. GETZ  
603.695.8542  
TGETZ@DEVINEMILLIMET.COM

VIA ELECTRONIC MAIL

Marcia A. Brown  
Staff Attorney  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

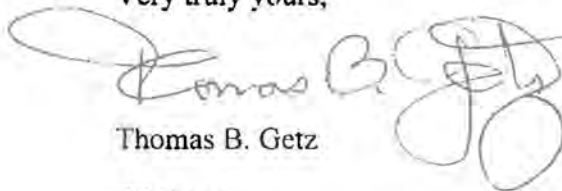
Re: DW 13-128; Pittsfield Aqueduct Company, Inc.  
Responses to Temporary and Permanent Rates

Dear Attorney Brown:

Attached are responses by Pittsfield Aqueduct Company, Inc. to the fourth set of data requests by the Commission Staff received August 28, 2014.

Please let me know if you have any questions.

Very truly yours,



Thomas B. Getz

TBG:aec

Attachments

cc: Discovery Electronic Service List

DW 13-128  
Pittsfield Aqueduct Company, Inc.'s  
Responses to Temporary and Permanent Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-1

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 12/12/2012 Devine, Millimet & Branch: \$222.99:** Please provide further explanation regarding the following entries contained in this invoice as well as how such are germane to the rate proceeding before the Commission:

- a) 11/13/12 KMB Conduct background research in preparation for presentation to Board of Directors concerning attorney-client and work product privileges and right to know issues
- b) 11/14/12 DEW Confer with Attorney Baum regarding attorney client / work product doctrine issues
- c) 11/15/12 KMB Prepare presentation to Board of Directors concerning attorney client privilege and right to know matters

**RESPONSE:** These charges resulted from the Company's concern about the legal status of specific conversations between senior management and the Board of Directors concerning the preparation of the three required rate cases and the nature of the rate requests that would be pursued. Recognizing its responsibility to routinely report to the Board of Directors on a wide spectrum of issues and the unique nature of the Board formed by the City of Nashua acquisition, the Company sought guidance as to whether conversations about the rate cases would be confidential and assistance in making a presentation on the confidentiality of such discussions to the Board.

The charges are prudently incurred inasmuch as they reflect the Company's desire to be adequately informed, and to inform its Board of Directors, about the legal status of conversations about confidential commercial and financial information. The charges are germane to the rate cases inasmuch as the Company had an obligation to inform the Board of Directors about the progress and status of the rate cases, which were the first rate cases pursued by the utilities subsequent to the City of Nashua acquisition and subject to the new and unique ownership structure.

DW 13-128  
Pittsfield Aqueduct Company, Inc.'s  
Responses to Temporary and Permanent Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-2

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 5/29/2013 Papergraphics: \$462.97 and 5/31/2013 W.B. Mason: \$25.05:**

- a) Please explain why the charges reflected on the Papergraphics invoice were allocated evenly amongst PWW, PEU and PAC but the charges on the W.B. Mason invoice were allocated amongst PWW, PEU and PAC in accordance with the management fee percentages.
- b) The Papergraphics invoice appears to indicate a \$1,061.93 charge for 43 binders. The W.B. Mason invoice appears to indicate a \$1,049.70 charge for 30 binders. Were two sets of binders purchased? Please explain.

**RESPONSE:**

- a) Upon subsequent review, both invoices should have been allocated evenly among PWW, PEU and PAC as the amount of binders utilized were approximately the same.
- b) Please see attached Mason invoice for the cost of 14 additional binders. One extra binder was ordered in case an additional binder was needed. The Company requests the attached invoice be included in rate case expenses and allocated equally among PWW, PEU and PAC.

WHO BUT  
W.B. MASON

W.B. MASON CO., INC.  
59 Centre Street - Brockton MA 02301  
for correspondence only

STAFF 4-2 ATTACHMENT

Summary Invoice (Page 4)  
Invoice Date: 04/30/2013  
Customer #: C1030838  
Summary Invoice #: IS0137193  
Summary Period: 04/01/2013-04/30/2013  
Customer: Pennichuck Water Works  
Total Due: 2,870.63

2921-000

Orders for Coal Center: OFC MGMT DEPT/3RD FL (CCL0036690)

Delivery Address:  
Pennichuck Water Works  
Attn: Karen Giotas  
8-PENNICHUCK WATER WORKS  
OFC MGMT DEPT / Karen G  
25 MANCHESTER ST  
MERRIMACK, NH 03054

Order Date:  
04/05/2013

Order #:  
S010910320

Purchase Order#:  
None

ITEM NUMBER	DESCRIPTION	QTY ORDERED	QTY SHIPPED	U/M	UNIT PRICE	EXT PRICE
QUAR1790	ENVELOPE, TYVEK, 12X15.5, PLN(CO804)	1	1	BX	63.85	63.85
QUAR1580	ENVELOPE, TYVEK, 10X13, PLN(CO802)	1	1	BX	52.99	52.99
QUAR1460	ENVELOPE, TYVEK, 9X12, PLN	1	1	BX	54.99	54.99
AVE89109	INSERT, SPINE 3 IN, WE	6	6	PK	5.49	32.94
AVE79193	BNDR, D-RING, VIEW, LTR, 3"WE	20	20	EA	14.95	299.00
AVE79106	BNDR, D-RNG, VIEW, LTR, 5", WE	14	14	EA	33.99	476.86

IF: I10874061

SUBTOTAL: 878.63  
TAX & DEPOSITS TOTAL: 0.00  
ORDER TOTAL: 878.63

Delivery Address:  
Pennichuck Water Works  
Attn: Karen  
Rebecca Shepard  
31 Will St  
Nashua, NH 03060

Order Date:  
04/05/2013

Order #:  
S010914543

Purchase Order#:  
None

ITEM NUMBER	DESCRIPTION	QTY ORDERED	QTY SHIPPED	U/M	UNIT PRICE	EXT PRICE
AVE01701	INDEX, ALLSTATE 1-25, WE	30	30	ST	2.99	89.70
AVE01702	INDEX, ALLSTATE 26-50, WE	30	30	ST	2.99	89.70

IF: I10862754

SUBTOTAL: 179.40  
TAX & DEPOSITS TOTAL: 0.00  
ORDER TOTAL: 179.40

Delivery Address:  
Pennichuck Water Works  
Attn: Karen Giotas  
8-PENNICHUCK WATER WORKS  
OFC MGMT DEPT / Karen G  
25 MANCHESTER ST  
MERRIMACK, NH 03054

Order Date:  
04/10/2013

Order #:  
S010988688

Purchase Order#:  
None

ITEM NUMBER	DESCRIPTION	QTY ORDERED	QTY SHIPPED	U/M	UNIT PRICE	EXT PRICE
PIL31020	PEN, RLRBLL, GELINK, FPT, BK	2	2	DZ	17.89	35.78
SAN1754466	HIGHLIGHTER, LQD ACCENT, FOE	1	1	DZ	14.69	14.69
SAN1754463	HIGHLIGHTER, LQD ACCENT, FYW	2	2	DZ	14.69	29.38
BICGREM11BK	PEN, RBALL, GRIP, MICRO, BK	1	1	DZ	12.95	12.95
PENBK90A	PEN, BALL POINT, BK, FINE	2	2	DZ	9.99	19.98
PENBK90C	PEN, BALL POINT, BE, FINE	1	1	DZ	9.99	9.99
UNV86620	BOOK, STENO, GREGG, GN, 80SH	6	6	EA	0.90	5.40

IF: I10950563

SUBTOTAL: 128.17  
TAX & DEPOSITS TOTAL: 0.00  
ORDER TOTAL: 128.17

- Please See Next Page for Continuation -



DW 13-128  
Pittsfield Aqueduct Company, Inc.'s  
Responses to Temporary and Permanent Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-3

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 6/5/2013 Devine, Millimet & Branch: \$217.27:** Please provide further explanation regarding the following entries contained in this invoice as well as how such are germane to the rate proceeding before the Commission. Please provide a copy of all correspondence sent to legislators and municipal officials regarding the rate cases which are indicated in these entries.

- a) 4/18/13 TRR Review service territory and legislators. . .
- b) 4/22/13 TBG . . . Review draft letters to municipal officials re proposed rate increases . . .
- c) 4/22/13 TRR Review letters to elected officials advising of rate cases
- d) 4/23/13 TRR Edit letters and discuss regulatory outreach with Mr. Patenaude
- e) 4/24/13 TRR Call David Brooks on intent to file; email client; draft letter to Sen Lasky / Gilmour
- f) 4/25/13 TRR Research community list with senate districts; draft press release
- g) 4/26/13 TRR Draft and edit letters on rate case to senators; attend meeting with Nashua Telegraph; draft press release
- h) 4/29/13 TRR Compile list of reps and towns they represent adn water companies for letter on rate case; prepare for May filing with press release etc.

**RESPONSE:** The above entries are associated with the Company's efforts to communicate with the cities, towns and other community representatives relative to rate information and the rate case process, an issued highlighted by the Commission and the OCA in the past. The communications entailed letters to the various constituents (samples of which are attached) explaining the filing of the Notices of Intent to File Rate Schedules and the estimated rate increase. The letters requested that the information be posted on the municipal websites and also indicated that the Company's staff was available to meet with each community as the community desired. Customers were also informed directly in accordance with Puc 1203.02.





25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Mr. Paul Skowron  
Town Administrator  
Town of Pittsfield  
85 Main Street  
Pittsfield, NH 03263

Re: Pittsfield Aqueduct Company, Inc. – Estimated Water Rate Increase

Dear Mr. Skowron:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pittsfield Aqueduct Company, Inc. has been estimated as follows:

Pittsfield Aqueduct Company, Inc.

The last increase for Pittsfield Aqueduct Company, Inc. was 17.45%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 9.34%. The impact to the average customer is \$5.34 per month or \$64.10 annually. The increase is mainly attributable to the reduction in water usage on a relatively stable cost basis. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.7%. The impact to the average customer would have been \$12.42 per month or \$149.05 per year.

It is the intent of the Company to keep the communities we serve informed as we proceed through the regulatory process. I would appreciate your sharing of the information provided with your community's governing Board.

A copy of the Notice of Intent to File Rate Schedules will be available on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)). If possible, we would appreciate your posting this letter on your Town website in order to inform customers being served by the Company. In addition, once the docket has been opened at the PUC, you may follow the proceeding on the PUC website: <http://www.puc.state.nh.us/Water-Sewer/water-sewer.htm>.

In addition, members of the Company staff are available to meet with you or the community's governing body to discuss the rate filing process and the estimated rate increases.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to contact me at 603-913-2301 if you have any questions relative to this matter.

Sincerely,



John L. Patenaude  
Chief Executive Officer



PENNICHUCK

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
603-882-5191  
FAX 603-913-2305  
WWW.PENNICHUCK.COM

June 3, 2013

Mr. Paul Skowron, Town Administrator  
Town of Pittsfield  
85 Main Street  
Pittsfield, NH 03263

Re: Pittsfield Aqueduct Company, Inc. – Water Rate Case

Dear Mr. Skowron:

As referenced in my letter to you dated April 29, 2013, on May 31, 2013, Pittsfield Aqueduct Company, Inc. filed a water rate case with the New Hampshire Public Utilities Commission (PUC). The Docket Number for the rate case is DW 13-128.

The filing for the docket can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov). The information is also available on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption.

For your information, I have enclosed Frequently Asked Questions and responses relative to the rate case, a copy of which will be posted on the Pennichuck website.

As indicated in the April 29, 2013 letter, it is the Company's intent to keep the communities we serve informed as we proceed through the process. Members of the Pennichuck staff are available to meet with you or your community's governing body to discuss the filing and the requested rates, if you so desire.

Please feel free to contact me at 603-913-2301 if you have any questions relative to the filing.

Regards,

John I. Patenaude  
Chief Executive Officer

**Pittsfield Aqueduct Company, Inc.**

**DW 13-128 Rate Case  
Filed with the New Hampshire Public Utilities Commission  
May 31, 2013**

**Frequently Asked Questions (FAQ)**

**Q. Why is a rate case being filed at this time?**

When the New Hampshire Public Utilities Commission ("PUC") approved the City of Nashua's acquisition of Pennichuck Corporation in November, 2011, it required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc. to file full rate cases simultaneously by June 1, 2013.

**Q. What is the amount of the increase being requested?**

The requested increase for Pittsfield Aqueduct Company, Inc. is 9.34%.

**Q. What is the projected annual impact to an average residential bill?**

The average resident in the Pittsfield Aqueduct Company system uses approximately 70 ccf of water annually and has a 5/8 inch meter. One ccf equals 100 cubic feet. The average annual customer bill will increase approximately \$64 from \$686 to \$750.

**Q. How has the City of Nashua's acquisition of Pennichuck Corporation benefited customers?**

If Pennichuck Corporation had continued as a publicly traded company, with the previous management and cost structure, the requested rate increase would have been approximately 21.7%. The estimated impact to an average resident would have been an increase of approximately \$149 per year. Approximately \$1.8 million in savings, however, resulted from management restructuring and eliminating costs associated with being a publicly traded company. In addition, the rate of return allowed on assets decreased from 8.52% to 6.85%.

**Q. What is the expected timing of the PUC process?**

The rate cases were filed with the PUC on May 31, 2013. The Commission will likely hold a procedural hearing in mid-July, 2013, and a hearing on temporary rates is expected in mid-October, 2013. A hearing on permanent rates is anticipated in the summer of 2014, followed shortly afterwards by a PUC decision.

**Q. What is the status of temporary rates?**

Pittsfield Aqueduct Company, Inc. is required to request temporary rates as part of the PUC's approval of the acquisition. Based on the amount of the requested rate increase, the company will request a temporary increase of 7% resulting in an annual rate increase of approximately \$48.

**Q. How can customers keep informed about the progress of the rate case?**

The rate case filings are posted on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption. In addition, the PUC has opened a docket for each rate case. Pennichuck Water Works, Inc. is Docket No. DW 13-130, Pennichuck East Utility, Inc. is Docket No. DW 13-126, and Pittsfield Aqueduct Company, Inc. is Docket No. DW 13-128. All filings in these dockets can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov).

DW 13-128  
Pittsfield Aqueduct Company, Inc.'s  
Responses to Temporary and Permanent Rates  
Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-4

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 11/8/13 Devine, Millimet & Branch: \$78.60:** Please provide further explanation regarding the following entry contained in this invoice as well as how it is germane to the rate proceeding before the Commission:

10/10/13 TRR Review handout for Governor meeting

**RESPONSE:** Upon subsequent review, the above effort was not directly related to the rate proceeding. The above item should be excluded from rate case expenses.

THOMAS B. GETZ  
603.695.8542  
TGETZ@DEVINEMILIMET.COM



DW 13-130  
Pennichuck Water Works, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-1

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 12/12/2012 Devine, Millimet & Branch: \$8,919.60:** Please provide further explanation regarding the following entries contained in this invoice as well as how such are germane to the rate proceeding before the Commission:

- a) 11/13/12 KMB Conduct background research in preparation for presentation to Board of Directors concerning attorney-client and work product privileges and right to know issues
- b) 11/14/12 DEW Confer with Attorney Baum regarding attorney client / work product doctrine issues
- c) 11/15/12 KMB Prepare presentation to Board of Directors concerning attorney client privilege and right to know matters

**RESPONSE:** These charges resulted from the Company's concern about the legal status of specific conversations between senior management and the Board of Directors concerning the preparation of the three required rate cases and the nature of the rate requests that would be pursued. Recognizing its responsibility to routinely report to the Board of Directors on a wide spectrum of issues and the unique nature of the Board formed by the City of Nashua acquisition, the Company sought guidance as to whether conversations about the rate cases would be confidential and assistance in making a presentation on the confidentiality of such discussions to the Board.

The charges are prudently incurred inasmuch as they reflect the Company's desire to be adequately informed, and to inform its Board of Directors, about the legal status of conversations about confidential commercial and financial information. The charges are germane to the rate cases inasmuch as the Company had an obligation to inform the Board of Directors about the progress and status of the rate cases, which were the first rate cases pursued by the utilities subsequent to the City of Nashua acquisition and subject to the new and unique ownership structure.

WHO BUT  
**W.B. MASON**

**W.B. MASON CO., INC.**  
59 Centre Street - Brockton MA 02301  
for correspondence only

**STAFF 4-2 ATTACHMENT**

Summary Invoice (Page 4)  
Invoice Date: 04/30/2013  
Customer #: C1030838  
Summary Invoice #: IS0137193  
Summary Period: 04/01/2013-04/30/2013  
Customer: Pennichuck Water Works  
Total Due: 2,870.63

2921-000

**Orders for Cost Center:OFC MGMT DEPT/3RD FL (CCL0036690)**

Delivery Address:  
Pennichuck Water Works  
Attn: Karen Glotz  
8-PENNICHUCK WATER WORKS  
OFC MGMT DEPT / Karen G  
25 MANCHESTER ST  
MERRIMACK, NH 03054

Order Date:  
04/05/2013

Order #:  
S010910320

Purchase Order#:  
None

ITEM NUMBER	DESCRIPTION	QTY ORDERED	QTY SHIPPED	U/M	UNIT PRICE	EXT PRICE
QUAR1790	ENVELOPE, TYVEK, 12X15.5, PLN(CO804)	1	1	BX	63.85	63.85
QUAR1580	ENVELOPE, TYVEK, 10X13, PLN(CO802)	1	1	BX	52.99	52.99
QUAR1480	ENVELOPE, TYVEK, 8X12, PLN	1	1	BX	54.99	54.99
AVE69109	INSERT, SPINE 3 IN, WE	6	6	PK	5.49	32.94
AVE79183	BNDR, D-RING, VIEW, LTR, 3"WE	20	20	EA	14.95	299.00
AVE79108	BNDR, D-RNG, VIEW, LTR, 5", WE	14	14	EA	33.99	475.86

Item: 110874061

SUBTOTAL: 979.63  
TAX & DEPOSITS TOTAL: 0.00  
ORDER TOTAL: 979.63

Delivery Address:  
Pennichuck Water Works  
Attn: Karen  
Rebecca Shepard  
31 Will St  
Nashua, NH 03060

Order Date:  
04/05/2013

Order #:  
S010914543

Purchase Order#:  
None

ITEM NUMBER	DESCRIPTION	QTY ORDERED	QTY SHIPPED	U/M	UNIT PRICE	EXT PRICE
AVE01701	INDEX, ALLSTATE 1-25, WE	30	30	ST	2.99	89.70
AVE01702	INDEX, ALLSTATE 26-50, WE	30	30	ST	2.99	89.70

Item: 110882754

SUBTOTAL: 179.40  
TAX & DEPOSITS TOTAL: 0.00  
ORDER TOTAL: 179.40

Delivery Address:  
Pennichuck Water Works  
Attn: Karen Glotz  
8-PENNICHUCK WATER WORKS  
OFC MGMT DEPT / Karen G  
25 MANCHESTER ST  
MERRIMACK, NH 03054

Order Date:  
04/10/2013

Order #:  
S010989688

Purchase Order#:  
None

ITEM NUMBER	DESCRIPTION	QTY ORDERED	QTY SHIPPED	U/M	UNIT PRICE	EXT PRICE
PIL31020	PEN, RLRBLL, GELINK, FPT, BK	2	2	DZ	17.89	35.78
SAN1754466	HIGHLIGHTER, LQD ACCENT, FOE	1	1	DZ	14.89	14.89
SAN1754463	HIGHLIGHTER, LQD ACCENT, FYW	2	2	DZ	14.89	29.38
BICGREM11BK	PEN, RBALL, GRIP, MICRO, BK	1	1	DZ	12.95	12.95
PENBK90A	PEN, BALL POINT, BK, FINE	2	2	DZ	9.99	19.98
PENBK90C	PEN, BALL POINT, BE, FINE	1	1	DZ	9.99	9.99
UNV86920	BOOK, STENO, GREGG, GN, 80SH	6	6	EA	0.80	5.40

Item: 110950563

SUBTOTAL: 128.17  
TAX & DEPOSITS TOTAL: 0.00  
ORDER TOTAL: 128.17

- Please See Next Page for Continuation -

DW 13-130  
Pennichuck Water Works, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-2

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 5/29/2013 Papergraphics: \$462.98 and 5/31/2013 W.B. Mason: \$1,002.00:**

- a) Please explain why the charges reflected on the Papergraphics invoice were allocated evenly amongst PWW, PEU and PAC but the charges on the W.B. Mason invoice were allocated amongst PWW, PEU and PAC in accordance with the management fee percentages.
- b) The Papergraphics invoice appears to indicate a \$1,061.93 charge for 43 binders. The W.B. Mason invoice appears to indicate a \$1,049.70 charge for 30 binders. Were two sets of binders purchased? Please explain.

**RESPONSE:**

- a) Upon subsequent review, both invoices should have been allocated evenly among PWW, PEU and PAC as the amount of binders utilized were approximately the same.
- b) Please see attached Mason invoice for the cost of 14 additional binders. One extra binder was ordered in case an additional binder was needed. The Company requests the attached invoice be included in rate case expenses and allocated equally among PWW, PEU and PAC.

DW 13-130  
Pennichuck Water Works, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-3

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 6/5/2013 Devine, Millimet & Branch: \$8,690.84:** Please provide further explanation regarding the following entries contained in this invoice as well as how such are germane to the rate proceeding before the Commission. Please provide a copy of all correspondence sent to legislators and municipal officials regarding the rate cases which are indicated in these entries.

- a) 4/18/13 TRR Review service territory and legislators. . .
- b) 4/22/13 TBG . . . Review draft letters to municipal officials re proposed rate increases . . .
- c) 4/22/13 TRR Review letters to elected officials advising of rate cases
- d) 4/23/13 TRR Edit letters and discuss regulatory outreach with Mr. Patenaude
- e) 4/24/13 TRR Call David Brooks on intent to file; email client; draft letter to Sen Lasky / Gilmour
- f) 4/25/13 TRR Research community list with senate districts; draft press release
- g) 4/26/13 TRR Draft and edit letters on rate case to senators; attend meeting with Nashua Telegraph; draft press release
- h) 4/29/13 TRR Compile list of reps and towns they represent adn water companies for letter on rate case; prepare for May filing with press release etc.

**RESPONSE:** The above entries are associated with the Company's efforts to communicate with the cities, towns and other community representatives relative to rate information and the rate case process, an issue highlighted by the Commission and the OCA in the past. The communications entailed letters to the various constituents (samples of which are attached) explaining the filing of the Notices of Intent to File Rate Schedules and the estimated rate increase. The letters requested that the information be posted on the municipal websites and also indicated that the Company's staff was available to meet with each community as the community desired. Customers were also informed directly in accordance with Puc 1203.02.



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Ms. Jessie W. Levine  
Town Manager  
Bedford Town Offices  
24 North Amherst Road  
Bedford, NH 03110

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increase

Dear Ms. Levine:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.



- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc.

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

It is the intent of the Company to keep the communities we serve informed as we proceed through the regulatory process. I would appreciate your sharing the information provided with your community's governing Board.

A copy of the Notice of Intent to File Rate Schedules will be available on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)). If possible, we would appreciate your posting this letter on your Town website in order to inform customers being served by the Company. In addition, once the docket has been opened at the PUC, you may follow the proceeding on the PUC website: <http://www.puc.state.nh.us/Water-Sewer/water-sewer.htm>.

In addition, members of the Company staff are available to meet with you or the community's governing body to discuss the rate filing process and the estimated rate increases.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to contact me at 603-913-2301 if you have any questions relative to this matter.

Sincerely,



John L. Patenaude  
Chief Executive Officer



PENNICHUCK

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
16031 882-5191  
FAX (603) 913-2309  
WWW.PENNICHUCK.COM

June 3, 2013

Ms. Jessie W. Levine, Town Manager  
Bedford Town Offices  
24 North Amherst Road  
Bedford, NH 03110

Re: Pennichuck Water Works, Inc. – Water Rate Case

Dear Ms. Levine:

As referenced in my letter to you dated April 29, 2013, on May 31, 2013, Pennichuck Water Works, Inc. filed a water rate case with the New Hampshire Public Utilities Commission (PUC). The Docket Number for the rate case is DW 13-130.


The filing for the docket can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov). The information is also available on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption.

For your information, I have enclosed Frequently Asked Questions and responses relative to the rate case, a copy of which will be posted on the Pennichuck website.

As indicated in the April 29, 2013 letter, it is the Company's intent to keep the communities we serve informed as we proceed through the process. Members of the Pennichuck staff are available to meet with you or your community's governing body to discuss the filing and the requested rates, if you so desire.

Please feel free to contact me at 603-913-2301 if you have any questions relative to the filing.

Regards,

  
John L. Patenaude  
Chief Executive Officer



## **Pennichuck Water Works, Inc.**

**DW 13-130 Rate Case  
Filed with the New Hampshire Public Utilities Commission  
May 31, 2013**

### **Frequently Asked Questions (FAQ)**

**Q. Why is a rate case being filed at this time?**

When the New Hampshire Public Utilities Commission ("PUC") approved the City of Nashua's acquisition of Pennichuck Corporation in November, 2011, it required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc. to file full rate cases simultaneously by June 1, 2013.

**Q. What is the amount of the increase being requested?**

The requested increase for Pennichuck Water Works, Inc. is 0.12%.

**Q. What is the projected annual impact to an average residential bill?**

The average resident in the Pennichuck Water Works system uses approximately 103 ccf of water annually and has a 5/8 inch meter. One ccf equals 100 cubic feet. The average annual customer bill will increase from approximately \$583 to \$584.

**Q. How has the City of Nashua's acquisition of Pennichuck Corporation benefited customers?**

If Pennichuck Corporation had continued as a publicly traded company, with the previous management and cost structure, the requested increase would have been approximately 9.1%. The estimated impact to an average resident would have been an increase of approximately \$53 per year. Approximately \$1.8 million in savings, however, resulted from management restructuring and eliminating costs associated with being a publicly traded company. In addition, the rate of return allowed on assets decreased from 7.86% to 5.94%.

**Q. What is the expected timing of the PUC process?**

The rate cases were filed with the PUC on May 31, 2013. The Commission will likely hold a procedural hearing in mid-July, 2013, and a hearing on temporary rates is expected in mid-October, 2013. A hearing on permanent rates is anticipated in the summer of 2014, followed shortly afterwards by a PUC decision.

**Q. What is the status of temporary rates?**

Pennichuck Water Works, Inc. is required to request temporary rates as part of the PUC's approval of the acquisition. Because the requested rate increase for Pennichuck Water Works, Inc. is so small, however, the Company has asked that current rates be used as temporary rates. As a result, no temporary increase is expected.

**Q. How can customers keep informed about the progress of the rate case?**

The rate case filings are posted on the Pennichuck website at [www.pennichuck.com](http://www.pennichuck.com) under the "Company Reports" caption. In addition, the PUC has opened a docket for each rate case. Pennichuck Water Works, Inc. is Docket No. DW 13-130, Pennichuck East Utility, Inc. is Docket No. DW 13-126, and Pittsfield Aqueduct Company, Inc. is Docket No. DW 13-128. All filings in these dockets can be found on the PUC website at [www.puc.nh.gov](http://www.puc.nh.gov).

DW 13-130  
Pennichuck Water Works, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-4

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 6/30/2013 The Telegraph: \$312.00:**

- a) Please explain the description of the \$312.00 charge contained in this invoice which indicates, "PN – Invitation for Bids".
- b) Please provide a copy of this add.

**RESPONSE:** Upon subsequent review, the above invoice line item was not related to the rate proceeding. The above item should be excluded from rate case expenses.

DW 13-130  
Pennichuck Water Works, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 4

Date Request Received: 8/28/14  
Request No. Staff 4-5

Date of Response: 9/8/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: 11/8/13 Devine, Millimet & Branch: \$3,144.00:** Please provide further explanation regarding the following entry contained in this invoice as well as how it is germane to the rate proceeding before the Commission:  
10/10/13 TRR Review handout for Governor meeting

**RESPONSE:** Upon subsequent review, the above effort was not directly related to the rate proceeding. The above item should be excluded from rate case expenses.

DEVINE  
MILLIMET

ATTORNEYS AT LAW

October 2, 2014

THOMAS B. GETZ  
603.695.8542  
TGETZ@DEVINEMILLIMET.COM

**VIA ELECTRONIC MAIL**

David J. Shulock, Director Legal Division  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

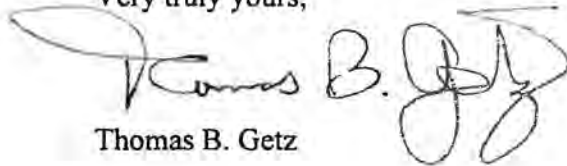
Re: DW 13-126; Pennichuck East Utility, Inc.  
Permanent Rates

Dear David:

Attached are responses by Pennichuck East Utility, Inc. to the fifth set of data requests by the Commission Staff received September 24, 2014.

Please let me know if you have any questions.

Very truly yours,



Thomas B. Getz

TBG:aec

Attachments

cc: Discovery Electronic Service List

DW 13-126  
Pennichuck East Utility, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 5

Date Request Received: 9/24/14  
Request No. Staff 5-1

Date of Response: 10/2/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: Follow-up to Staff Data Request 4-2:** Please explain why it appears that the companies purchased two sets of bindings to contain the respective rate case filings; one set of 43 from Papergraphics for \$1,061.93 and a second set of 44 (30 + 14) from W.B. Mason for \$1,525.56 (\$1,049.70 + \$475.86).

**RESPONSE:** W.B. Mason invoices reflect the cost of 44 binders for the respective rate case filings. Papergraphics invoices reflect the cost of printing, collating and insertion of the rate case filings documents into the purchased binders.

DW 13-126  
Pennichuck East Utility, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 5

Date Request Received: 9/24/14  
Request No. Staff 5-2

Date of Response: 10/2/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: Follow-up to Staff Data Request 4-3:** With specific regard to the following entries contained in the 6/2/2013 Devine, Millimet & Branch invoice:

4/24/13 TRR Call David Brooks on intent to file; email client; **draft letter to Sen Lasky / Gilmour**

4/25/13 TRR **Research community list with senate districts;** draft press release

4/26/13 TRR **Draft and edit letters on rate case to senators;** attend meeting with Nashua Telegraph; draft press release

- a) Please explain why letters were drafted to be sent to senators regarding the rate cases.
- b) Please provide copies of the letters drafted for Senators Lasky and Gilmour as well as any other senators.

**RESPONSE:**

- a) The letters were part of the Company's efforts to communicate with a broad range of community representatives relative to rate information and the rate case process. In our experience, customers often contact their elected officials, such as State Senators, about rate cases and these letters were an attempt to keep them informed.
- b) Please see attached copies of the letters sent to the State Senators.





**PENNICHUCK**

**RESPONSE TO STAFF 5-2**

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Bette Lasky  
15 Masefield Road  
Nashua, NH 03062

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Lasky:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Bette Lasky  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in the Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc.

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep the City and all the communities we serve, informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
P.O. BOX 1947  
MERRIMACK, NH 03054-1947  
1603) 882-5151  
FAX 1603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Peggy Gilmour  
126 Depot Road  
Hollis, NH 03049

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Gilmour:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in the Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc.


The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep the City and all the communities we serve, informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Andy Sanborn  
State House - Room 302  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Sanborn:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Andy Sanborn  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc. (Bedford)

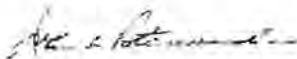
The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



PENNICHUCK

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Peter Bragdon  
State House - Room 302  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Bragdon:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.



Senator Peter Bragdon  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc. (Milford, Amherst, Merrimack)

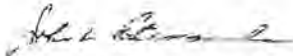
The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
TEL (603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Jeb Bradley  
State House - Room 302  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Senator Bradley:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Jeb Bradley  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Conway & Middleton)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep the City and all the communities we serve, informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-6151  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Sharon Carson  
State House - Room 106  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Senator Carson:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Londonderry)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Sam Cataldo  
State House - Room 107  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Senator Cataldo:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.



- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Barnstead)

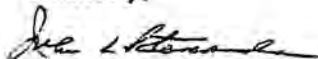
The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer





25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5151  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Donna Soucy  
State House - Room 105-A  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Senator Soucy:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Litchfield)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 682-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator John Reagan  
State House - Room 107  
107 North Main Street  
Concord, NH 03301

Re: Pittsfield Aqueduct Company, Inc. and Pennichuck East Utility, Inc.  
- Estimated Water Rate Increases

Dear Senator Reagan:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pittsfield Aqueduct Company, Inc. and Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.

- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.
- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in spring, 2014.

Please note the numbers below are our best estimates of rate increases that will be used in our Notices of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increases requested for Pittsfield Aqueduct Company, Inc. and Pennichuck East Utility, Inc. have been estimated as follows:

Pittsfield Aqueduct Company, Inc. (Pittsfield)

The last increase for Pittsfield Aqueduct Company, Inc. was 17.45%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 9.34%. The impact to the average customer is \$5.34 per month or \$64.10 annually. The increase is mainly attributable to the reduction in water usage on a relatively stable cost basis. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.7%. The impact to the average customer **would have been** \$12.42 per month or \$149.05 per year.

Pennichuck East Utility, Inc. (Raymond)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

Senator John Reagan  
April 29, 2013  
Page Three

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,

A handwritten signature in cursive script, appearing to read "John L. Patenaude".

John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Chuck Morse  
State House - Room 105  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc.  
- Estimated Water Rate Increases

Dear Senator Morse:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimates of rate increases that will be used in our Notices of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increases requested for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. have been estimated as follows:

Pennichuck Water Works, Inc. (parts of Plaistow; parts of Salem)

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

Pennichuck East Utility, Inc. (Atkinson, Pelham, parts of Plaistow)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.



Senator Chuck Morse  
April 29, 2013  
Page Three

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,

A handwritten signature in dark ink, appearing to read "John L. Patenaude". The signature is fluid and cursive, with the first name "John" being more prominent.

John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Jim Rausch  
State House - Room 124  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc.  
- Estimated Water Rate Increases

Dear Senator Rausch:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.

- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.
- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimates of rate increases that will be used in our Notices of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increases requested for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. have been estimated as follows:

Pennichuck Water Works, Inc. (part of Derry)

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

Pennichuck East Utility, Inc. (part of Derry & Windham)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

Senator Jim Rausch  
April 29, 2013  
Page Three

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,

A handwritten signature in cursive script, appearing to read "John L. Patenaude".

John L. Patenaude  
Chief Executive Officer

DEVINE  
MILLIMET

ATTORNEYS AT LAW

October 2, 2014

THOMAS B. GETZ  
603.695.8542  
TGETZ@DEVINEMILLIMET.COM

**VIA ELECTRONIC MAIL**

David J. Shulock, Director Legal Division  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

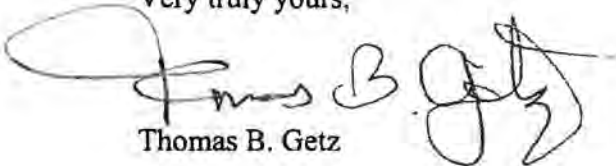
Re: DW 13-128; Pittsfield Aqueduct Company, Inc.  
Permanent Rates

Dear David:

Attached are responses by Pittsfield Aqueduct Company, Inc. to the fifth set of data requests by the Commission Staff received September 24, 2014.

Please let me know if you have any questions.

Very truly yours,



Thomas B. Getz

TBG:aec

Attachments

cc: Discovery Electronic Service List

DW 13-128  
Pittsfield Aqueduct Company, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 5

Date Request Received: 9/24/14  
Request No. Staff 5-1

Date of Response: 10/2/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: Follow-up to Staff Data Request 4-2:** Please explain why it appears that the companies purchased two sets of bindings to contain the respective rate case filings; one set of 43 from Papergraphics for \$1,061.93 and a second set of 44 (30 + 14) from W.B. Mason for \$1,525.56 (\$1,049.70 + \$475.86).

**RESPONSE:** W.B. Mason invoices reflect the cost of 44 binders for the respective rate case filings. Papergraphics invoices reflect the cost of printing, collating and insertion of the rate case filings documents into the purchased binders.

DW 13-128  
Pittsfield Aqueduct Company, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 5

Date Request Received: 9/24/14  
Request No. Staff 5-2

Date of Response: 10/2/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: Follow-up to Staff Data Request 4-3:** With specific regard to the following entries contained in the 6/2/2013 Devine, Millimet & Branch invoice:

4/24/13 TRR Call David Brooks on intent to file; email client; **draft letter to Sen Lasky / Gilmour**

4/25/13 TRR **Research community list with senate districts;** draft press release

4/26/13 TRR **Draft and edit letters on rate case to senators;** attend meeting with Nashua Telegraph; draft press release

- a) Please explain why letters were drafted to be sent to senators regarding the rate cases.
- b) Please provide copies of the letters drafted for Senators Lasky and Gilmour as well as any other senators.

**RESPONSE:**

- a) The letters were part of the Company's efforts to communicate with a broad range of community representatives relative to rate information and the rate case process. In our experience, customers often contact their elected officials, such as State Senators, about rate cases and these letters were an attempt to keep them informed.
- b) Please see attached copies of the letters sent to the State Senators.





25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Bette Lasky  
15 Masfield Road  
Nashua, NH 03062

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Lasky:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Bette Lasky  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in the Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc.

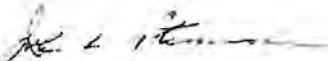
The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep the City and all the communities we serve, informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



PENNICHUCK

25 MANCHESTER STREET  
P.O. BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5151  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Peggy Gilmour  
126 Depot Road  
Hollis, NH 03049

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Gilmour:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Peggy Gilmour  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in the Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc.


The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep the City and all the communities we serve, informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Andy Sanborn  
State House - Room 302  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Sanborn:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Andy Sanborn  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc. (Bedford)

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



PENNICHUCK

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882 5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Peter Bragdon  
State House - Room 302  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Bragdon:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.



Senator Peter Bragdon  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc. (Milford, Amherst, Merrimack)

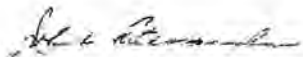
The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MCRRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Jeb Bradley  
State House - Room 302  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Senator Bradley:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Jeb Bradley  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Conway & Middleton)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep the City and all the communities we serve, informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



PENNICHUCK

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5151  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Sharon Carson  
State House - Room 106  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Senator Carson:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Sharon Carson  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Londonderry)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been an** increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Sam Cataldo  
State House - Room 107  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Senator Cataldo:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.



Senator Sam Cataldo  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Barnstead)

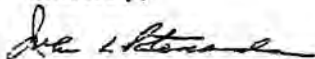
The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer





PENNICHUCK

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Donna Soucy  
State House - Room 105-A  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. - Estimated Water Rate Increases

Dear Senator Soucy:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Donna Soucy  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Litchfield)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1247  
MERRIMACK, NH 03054-1947  
(603) 682-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator John Reagan  
State House - Room 107  
107 North Main Street  
Concord, NH 03301

Re: Pittsfield Aqueduct Company, Inc. and Pennichuck East Utility, Inc.  
Estimated Water Rate Increases

Dear Senator Reagan:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pittsfield Aqueduct Company, Inc. and Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.

- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.
- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in spring, 2014.

Please note the numbers below are our best estimates of rate increases that will be used in our Notices of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increases requested for Pittsfield Aqueduct Company, Inc. and Pennichuck East Utility, Inc. have been estimated as follows:

Pittsfield Aqueduct Company, Inc. (Pittsfield)

The last increase for Pittsfield Aqueduct Company, Inc. was 17.45%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 9.34%. The impact to the average customer is \$5.34 per month or \$64.10 annually. The increase is mainly attributable to the reduction in water usage on a relatively stable cost basis. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.7%. The impact to the average customer **would have been** \$12.42 per month or \$149.05 per year.

Pennichuck East Utility, Inc. (Raymond)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

Senator John Reagan  
April 29, 2013  
Page Three

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,

A handwritten signature in cursive script, appearing to read "John L. Patenaude".

John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913 2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Chuck Morse  
State House - Room 105  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc.  
- Estimated Water Rate Increases

Dear Senator Morse:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimates of rate increases that will be used in our Notices of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increases requested for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. have been estimated as follows:

Pennichuck Water Works, Inc. (parts of Plaistow; parts of Salem)

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

Pennichuck East Utility, Inc. (Atkinson, Pelham, parts of Plaistow)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.



Senator Chuck Morse  
April 29, 2013  
Page Three

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "John L. Patenaude".

John L. Patenaude  
Chief Executive Officer



**PENNICHUCK**

25 MANCHESTER STREET  
PO Box 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Jim Rausch  
State House - Room 124  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc.  
- Estimated Water Rate Increases

Dear Senator Rausch:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.

- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.
- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimates of rate increases that will be used in our Notices of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increases requested for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. have been estimated as follows:

Pennichuck Water Works, Inc. (part of Derry)

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

Pennichuck East Utility, Inc. (part of Derry & Windham)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

Senator Jim Rausch  
April 29, 2013  
Page Three

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,

A handwritten signature in cursive script, appearing to read "John L. Patenaude".

John L. Patenaude  
Chief Executive Officer

DEVINE  
MILLIMET

ATTORNEYS AT LAW

October 2, 2014

THOMAS B. GETZ  
603.695.8542  
TGETZ@DEVINEMILLIMET.COM

**VIA ELECTRONIC MAIL**

David J. Shulock, Director Legal Division  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

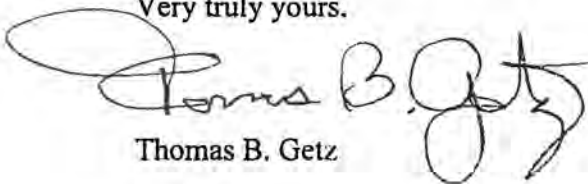
Re: DW 13-130; Pennichuck Water Works, Inc.  
Permanent Rates

Dear David:

Attached are responses by Pennichuck Water Works, Inc. to the fifth set of data requests by the Commission Staff received September 24, 2014.

Please let me know if you have any questions.

Very truly yours.



Thomas B. Getz

TBG:aec

Attachments

cc: Discovery Electronic Service List

DW 13-130  
Pennichuck Water Works, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 5

Date Request Received: 9/24/14  
Request No. Staff 5-1

Date of Response: 10/2/14  
Witness: Larry D. Goodhue

---

**REQUEST: Re: Follow-up to Staff Data Request 4-2:** Please explain why it appears that the companies purchased two sets of bindings to contain the respective rate case filings; one set of 43 from Papergraphics for \$1,061.93 and a second set of 44 (30 + 14) from W.B. Mason for \$1,525.56 (\$1,049.70 + \$475.86).

**RESPONSE:** W.B. Mason invoices reflect the cost of 44 binders for the respective rate case filings. Papergraphics invoices reflect the cost of printing, collating and insertion of the rate case filings documents into the purchased binders.

DW 13-130  
Pennichuck Water Works, Inc.  
Temporary and Permanent Rates  
Responses to Staff Data Requests – Set 5

Date Request Received: 9/24/14  
Request No. Staff 5-2

Date of Response: 10/2/14  
Witness: Larry D. Goodhue

---

REQUEST: **Re: Follow-up to Staff Data Request 4-3:** With specific regard to the following entries contained in the 6/2/2013 Devine, Millimet & Branch invoice:

4/24/13 TRR Call David Brooks on intent to file; email client; **draft letter to Sen Lasky / Gilmour**

4/25/13 TRR **Research community list with senate districts;** draft press release

4/26/13 TRR **Draft and edit letters on rate case to senators;** attend meeting with Nashua Telegraph; draft press release

- a) Please explain why letters were drafted to be sent to senators regarding the rate cases.
- b) Please provide copies of the letters drafted for Senators Lasky and Gilmour as well as any other senators.

RESPONSE:

- a) The letters were part of the Company's efforts to communicate with a broad range of community representatives relative to rate information and the rate case process. In our experience, customers often contact their elected officials, such as State Senators, about rate cases and these letters were an attempt to keep them informed.
- b) Please see attached copies of the letters sent to the State Senators.





35 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Bette Lasky  
15 Masefield Road  
Nashua, NH 03062

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Lasky:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Bette Lasky  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in the Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc.

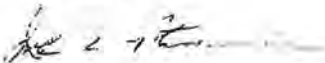
The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep the City and all the communities we serve, informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



PENNICHUCK

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5151  
FAX (603) 883-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Peggy Gilmour  
126 Depot Road  
Hollis, NH 03049

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Gilmour:

As you are aware, the Public Utilities Commission, in Order No. 25,292, approved the terms of the Settlement Agreement filed in Docket No. DW11-026 which requires Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., to file their first full rate cases, after the acquisition of Pennichuck Corporation by the City of Nashua, simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for each of the regulated utilities includes the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Peggy Gilmour  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in the Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc.

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep the City and all the communities we serve, informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Andy Sanborn  
State House - Room 302  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Sanborn:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Andy Sanborn  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc. (Bedford)

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882 5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Peter Bragdon  
State House - Room 302  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. – Estimated Water Rate Increases

Dear Senator Bragdon:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.



- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case Filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck Water Works, Inc. has been estimated as follows:

Pennichuck Water Works, Inc. (Milford, Amherst, Merrimack)

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Jeb Bradley  
State House - Room 302  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Senator Bradley:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Jeb Bradley  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Conway & Middleton)

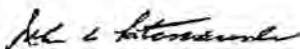
The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep the City and all the communities we serve, informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5151  
FAX (603) 913-2005  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Sharon Carson  
State House - Room 106  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Senator Carson:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Sharon Carson  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Londonderry)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Sam Cataldo  
State House - Room 107  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. – Estimated Water Rate Increases

Dear Senator Cataldo:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.



Senator Sam Cataldo  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Barnstead)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

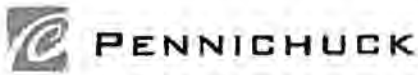
Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer





25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5151  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Donna Soucy  
State House - Room 105-A  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck East Utility, Inc. - Estimated Water Rate Increases

Dear Senator Soucy:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck East Utility, Inc. will include the following:

- \* Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- \* Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- \* The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- \* As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

Senator Donna Soucy  
April 29, 2013  
Page Two

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimate of rate increases that will be used in our Notice of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increase requested for Pennichuck East Utility, Inc. has been estimated as follows:

Pennichuck East Utility, Inc. (Litchfield)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,



John L. Patenaude  
Chief Executive Officer



PENNICHUCK

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 813-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator John Reagan  
State House - Room 107  
107 North Main Street  
Concord, NH 03301

Re: Pittsfield Aqueduct Company, Inc. and Pennichuck East Utility, Inc.  
Estimated Water Rate Increases

Dear Senator Reagan:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pittsfield Aqueduct Company, Inc. and Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.

- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.
- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in spring, 2014.

Please note the numbers below are our best estimates of rate increases that will be used in our Notices of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increases requested for Pittsfield Aqueduct Company, Inc. and Pennichuck East Utility, Inc. have been estimated as follows:

Pittsfield Aqueduct Company, Inc. (Pittsfield)

The last increase for Pittsfield Aqueduct Company, Inc. was 17.45%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 9.34%. The impact to the average customer is \$5.34 per month or \$64.10 annually. The increase is mainly attributable to the reduction in water usage on a relatively stable cost basis. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.7%. The impact to the average customer **would have been** \$12.42 per month or \$149.05 per year.

Pennichuck East Utility, Inc. (Raymond)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

Senator John Reagan  
April 29, 2013  
Page Three

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,

A handwritten signature in dark ink, appearing to read "John L. Patenaude". The signature is fluid and cursive, with the first name "John" being more prominent.

John L. Patenaude  
Chief Executive Officer



PENNICHUCK

25 MANCHESTER STREET  
PO BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Chuck Morse  
State House - Room 105  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc.  
- Estimated Water Rate Increases

Dear Senator Morse:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. will include the following:

- \* Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- \* Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- \* The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.
- \* As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.

- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimates of rate increases that will be used in our Notices of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increases requested for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. have been estimated as follows:

Pennichuck Water Works, Inc. (parts of Plaistow; parts of Salem)

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

Pennichuck East Utility, Inc. (Atkinson, Pelham, parts of Plaistow)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.



Senator Chuck Morse  
April 29, 2013  
Page Three

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,

A handwritten signature in dark ink, appearing to read "John L. Patenaude". The signature is fluid and cursive, with the first name "John" being more prominent.

John L. Patenaude  
Chief Executive Officer



**PENNICHUCK**

25 MANCHESTER STREET  
P.O. BOX 1947  
MERRIMACK, NH 03054-1947  
(603) 882-5191  
FAX (603) 913-2305  
WWW.PENNICHUCK.COM

April 29, 2013

Senator Jim Rausch  
State House - Room 124  
107 North Main Street  
Concord, NH 03301

Re: Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc.  
- Estimated Water Rate Increases

Dear Senator Rausch:

The Public Utilities Commission, in Order No. 25,292, approving the acquisition of Pennichuck Corporation by the City of Nashua, required Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to file their first full rate cases simultaneously, no later than June 1, 2013. The test year for the rate case filings is calendar year 2012.

The rate filing process for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. will include the following:

- Notices of Intent to File Rate Schedules, which are due at least 30 days prior to the Rate Case Filings and must state the approximate amount of the proposed changes in rates. Planned for April 29, 2013.
- Rate Case Filings which include the final proposed changes in rates, all of the testimony, exhibits and schedules required under the PUC rules and regulations. Planned for May 31, 2013.
- The PUC will open a docket for each filing and issue an Order of Notice for each docket scheduling prehearing conferences (PHCs) to address petitions for intervention and other procedural issues. PHCs likely to be held in July 2013.

- As required by the Settlement Agreement in DW11-026, each company will seek temporary rates pursuant to RSA 378:27. Hearings on temporary rates likely to be held in September 2013.
- The PUC will approve detailed procedural schedules for each docket, which will include discovery and testimony by PUC Staff, the Office of Consumer Advocate, and intervenors. Hearings on permanent rates likely to be held in Spring, 2014.

Please note the numbers below are our best estimates of rate increases that will be used in our Notices of Intent to File Rate Schedules. Our Rate Case filing at the end of May will include the final proposed rate increase. The increases requested for Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. have been estimated as follows:

Pennichuck Water Works, Inc. (part of Derry)

The last increase for Pennichuck Water Works, Inc. was 11.94%, based on the 2009 test year. The current projected rate increase, based on the 2012 test year, is 0.12% (less than 1%). The impact to the average customer is 6¢ per month or 72¢ per year. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 9.1%. The impact to the average customer **would have been** an increase of \$4.43 per month or \$53.14 per year.

Pennichuck East Utility, Inc. (part of Derry & Windham)

The last increase for Pennichuck East Utility, Inc. was 17.19%, based on the 2006 test year. The current projected rate increase, based on the 2012 test year, is 9.97%. In addition, we are requesting a step increase related to the 2013 asset additions of 2.25%. The overall rate increase requested is 12.21%. The impact of the total rate increase requested to the average customer is \$6.40 per month or \$76.80 per year. The overall increase based on the 2012 test year, which excludes the step increase, represents a 1.6% increase per year over the six year timeframe. Since 2009, property taxes have increased 49%. In comparison to City ownership, management estimates that the rate increase under the prior ownership model would have been 21.98%. The impact to the average customer **would have been** an increase of \$11.52 per month or \$138.20 per year.

The Notices of Intent to File Rate Schedules, as well as all subsequent filings, will be posted on the Company's website ([www.Pennichuck.com](http://www.Pennichuck.com)) after each filing with the PUC. It is the intent of the Company to keep all the communities we serve informed throughout the regulatory process.

Senator Jim Rausch  
April 29, 2013  
Page Three

After 16 months of City ownership, the Company continues to operate according to the pre-acquisition model.

Feel free to call me at 603-913-2301 if you need any further information or clarification.

Sincerely,

A handwritten signature in cursive script, appearing to read "John L. Patenaude".

John L. Patenaude  
Chief Executive Officer

DW 13-126: Pennichuck East Utility, Inc.  
DW 13-128: Pittsfield Aqueduct Company, Inc.  
DW 13-130: Pennichuck Water Works, Inc.

Attachment B: Detailed Analysis of Staff Rate Case Expense Recommendation

DW 13-126: PENNICHUCK EAST UTILITY, INC.  
DW 13-128: PITTSFIELD AQUEDUCT COMPANY, INC.  
DW 13-130: PENNICHUCK WATER WORKS, INC.  
ANALYSIS OF STAFF RATE CASE EXPENSE RECOMMENDATION

	DW 13-126 PEU	DW 13-128 PAC	DW 13-130 PWW	Total	
<b>Total Rate Case Expenses Proposed by Companies</b>	<b>\$ 65,649.28</b>	<b>\$ 13,142.87</b>	<b>\$ 103,368.52</b>	<b>\$ 182,160.67</b>	Per Company Filings
<b>Adjustments per Staff Recommendation:</b>					
<b>10/11/12 Devine-Millimet Invoice # 371780:</b>	1,170.00	130.00	5,200.00	6,500.00	Allocation per Company Filings (PWW - 80%, PEU - 18%, PAC - 2%)
	1,155.70	113.75	5,230.55	6,500.00	Original Allocation (PWW - 80.48%, PEU - 17.78%, PAC - 1.75%)
	14.30	16.25	(30.55)	-	Adjustments per Staff
<b>01/24/13 Devine-Millimet Invoice # 377337:</b>	319.19	35.46	1,418.64	1,773.29	Allocation per Company Filings (PWW - 80%, PEU - 18%, PAC - 2%)
	358.56	32.28	1,382.45	1,773.29	Original Allocation (PWW - 77.96%, PEU - 20.22%, PAC - 1.82%)
	(39.37)	3.18	36.19	-	Adjustments per Staff
<b>04/30/13 W B Mason Invoice # ISO137193:</b>	158.62	158.62	158.62	475.86	Adjustments per Responses to PWW, PEU & PAC Staff Data Requests 4-2(b)
<b>05/31/13 W B Mason Invoice # ISO145290:</b>	417.50	417.50	417.50	1,252.50	Allocation per Responses to PWW, PEU & PAC Staff Data Requests 4-2(a)
	225.45	25.05	1,002.00	1,252.50	Original Allocation (PWW - 80%, PEU - 18%, PAC - 2%)
	192.05	392.45	(584.50)	-	Adjustments per Responses to Staff Data Requests
<b>06/05/13 Devine-Millimet Invoice # 385675 - 4/19/13 KMB:</b>	-	-	-	-	Allocation per Response to OCA Data Request 4-5
	7.20	0.80	32.00	40.00	Original Allocation (PWW - 80%, PEU - 18%, PAC - 2%)
	(7.20)	(0.80)	(32.00)	(40.00)	Adjustments per Response to OCA Data Request
<b>06/30/13 The Telegraph Invoice # 1233775:</b>	-	-	-	-	Allocation per Response to PWW Staff Data Request 4-4
	-	-	312.00	312.00	Original Allocation (PWW - 100%, PEU - 0%, PAC - 0%)
	-	-	(312.00)	(312.00)	Adjustment per Response to Staff Data Request
<b>08/12/13 Devine-Millimet Invoice # 388040 - 7/10/13 TRR:</b>	-	-	-	-	Allocation per Response to PEU Staff Data Request 4-5(a)
	30.00	-	-	30.00	Original Allocation (PWW - 0%, PEU - 100%, PAC - 0%)
	(30.00)	-	-	(30.00)	Adjustment per Response to Staff Data Request
<b>09/11/13 Devine-Millimet Invoice # 389216 - 8/28/13 TRR:</b>	-	-	-	-	Allocation per Response to PEU Staff Data Request 4-6
	30.00	-	-	30.00	Original Allocation (PWW - 0%, PEU - 100%, PAC - 0%)
	(30.00)	-	-	(30.00)	Adjustment per Response to Staff Data Request
<b>11/07/13 Devine-Millimet Invoice # 390985 - 10/10/13 TRR:</b>	-	-	-	-	Allocation per Responses to PWW Staff DR 4-5, PEU Staff DR 4-7 & PAC Staff DR 4-4
	5.40	0.60	24.00	30.00	Original Allocation (PWW - 80%, PEU - 18%, PAC - 2%)
	(5.40)	(0.60)	(24.00)	(30.00)	Adjustments per Responses to Staff Data Requests

DW 13-126: PENNICHUCK EAST UTILITY, INC.  
DW 13-128: PITTSFIELD AQUEDUCT COMPANY, INC.  
DW 13-130: PENNICHUCK WATER WORKS, INC.  
ANALYSIS OF STAFF RATE CASE EXPENSE RECOMMENDATION

	DW 13-126 PEU	DW 13-128 PAC	DW 13-130 PWW	Total	
12/05/13 Devine-Millimet Invoice # 391960 - 11/5/13, 11/6/13, & 11/7/13 TBG:	1,823.10	30.90	1,236.00	3,090.00	Allocation per Response to PEU Staff DR 4-9
	3,090.00	-	-	3,090.00	Original Allocation (PWW - 0%; PEU - 100%; PAC - 0%)
	(1,266.90)	30.90	1,236.00	-	Adjustments per Response to Staff Data Request
02/10/14 Devine-Millimet Invoice # 393974 - 1/23/14 TBG:	64.80	7.20	288.00	360.00	Allocation per Response to PEU Staff DR 4-10
	360.00	-	-	360.00	Original Allocation (PWW - 0%, PEU - 100%; PAC - 0%)
	(295.20)	7.20	288.00	-	Adjustments per Response to Staff Data Request
Total Adjustments per Staff Recommendation	(1,309.10)	607.20	735.76	33.86	
Total Rate Case Expenses Recommended by Staff	\$ 64,340.18	\$ 13,750.07	\$ 104,104.28	\$ 182,194.53	
Number of Customers @ 12/31/13	7,027	625	27,144		
Annual Surcharge per Customer	\$ 9.16	\$ 22.00	\$ 3.84		
Monthly Surcharge per Customer	\$ 0.76	\$ 1.83	\$ 0.32		



DW 13-126: Pennichuck East Utility, Inc.  
DW 13-128: Pittsfield Aqueduct Company, Inc.  
DW 13-130: Pennichuck Water Works, Inc.

Attachment C: Responses to Staff Data Requests – Set 6

DEVINE  
MILLIMET

ATTORNEYS AT LAW

November 26, 2014

THOMAS B. GETZ  
603.695.8542  
TGETZ@DEVINEMILLIMET.COM

**VIA ELECTRONIC MAIL**

Rorie E.P. Hollenberg, Staff Attorney  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

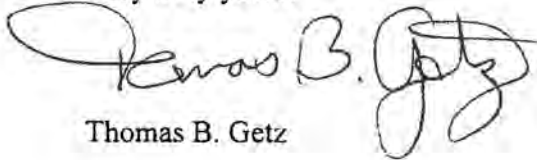
Re: DW 13-126; Pennichuck East Utility, Inc.  
Permanent Rates

Dear Ms. Hollenberg:

Attached is Pennichuck East Utility, Inc.'s response to the sixth set of data requests by the Commission Staff, received November 18, 2014.

Please let me know if you have any questions.

Very truly yours.



Thomas B. Getz

TBG:aec

Attachments

cc: Discovery Electronic Service List

DW 13-126  
Pennichuck East Utility, Inc.  
Recovery of Revenue Difference between Temporary and Permanent Rates  
Staff Data Requests – Set 6

Date Request Received: 11/18/14  
Request No. Staff 6-1

Date of Response: 11/26/14  
Witness: Donald L. Ware

---

REQUEST: For each of the following customer classes please provide 1) the total amount of billings from the approved effective date of permanent rates on 7/1/13 through the implementation of temporary rates in or about December '13, and 2) the total amount of billings under temporary rates from approximately December '13 through approximately August '14.

- a) General Metered
- b) Private Fire Protection
- c) Public Fire Protection

RESPONSE: Please see attached schedule.

**PEU Recoupment Summary by Period**

**Staff 6-1**

**Original Rate to Permanent Recoupment - July 1, 2013 through November 30, 2013**

	<b>General</b>		<b>Ind Public</b>		<b>Capital</b>	
	<b>Metered</b>	<b>Private FP</b>	<b>Hyd</b>	<b>Public FP</b>	<b>Recovery</b>	<b>Total</b>
Residential	\$127,133	\$181	\$8,242	\$0	(\$2,774)	\$132,782
Commercial	\$17,565	\$1,989	\$198	\$0	\$0	\$19,752
Industrial	\$0	\$0	\$0	\$0	\$0	\$0
Municipal	\$1,202	\$177	\$0	\$19,825	\$0	\$21,204
<b>Total</b>	<b>\$145,900</b>	<b>\$2,347</b>	<b>\$8,440</b>	<b>\$19,825</b>	<b>(\$2,774)</b>	<b>\$173,738</b>

**Temporary to Permanent Recoupment - December 1, 2013 through August 7, 2014**

	<b>General</b>		<b>Ind Public</b>		<b>Capital</b>	
	<b>Metered</b>	<b>Private FP</b>	<b>Hyd</b>	<b>Public FP</b>	<b>Recovery</b>	<b>Total</b>
Residential	\$15,260	(\$387)	\$15,865	\$0	\$0	\$30,738
Commercial	\$3,422	(\$3,885)	\$382	\$0	\$0	(\$81)
Industrial	\$0	\$0	\$0	\$0	\$0	\$0
Municipal	(\$173)	(\$854)	\$0	\$13,112	\$0	\$12,085
<b>Total</b>	<b>\$18,509</b>	<b>(\$5,126)</b>	<b>\$16,247</b>	<b>\$13,112</b>	<b>\$0</b>	<b>\$42,742</b>

**Total Recoupment**

	<b>General</b>		<b>Ind Public</b>		<b>Capital</b>	
	<b>Metered</b>	<b>Private FP</b>	<b>Hyd</b>	<b>Public FP</b>	<b>Recovery</b>	<b>Total</b>
Residential	\$142,393	(\$206)	\$24,107	\$0	(\$2,774)	\$163,520
Commercial	\$20,987	(\$1,896)	\$580	\$0	\$0	\$19,671
Industrial	\$0	\$0	\$0	\$0	\$0	\$0
Municipal	\$1,029	(\$677)	\$0	\$32,937	\$0	\$33,289
<b>Total</b>	<b>\$164,409</b>	<b>(\$2,779)</b>	<b>\$24,687</b>	<b>\$32,937</b>	<b>(\$2,774)</b>	<b>\$216,480</b>