

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

**DOCKET NO. DW 13-130
PENNICHUCK WATER WORKS, INC.**

SETTLEMENT AGREEMENT – TEMPORARY RATES

I. INTRODUCTION

This Settlement Agreement (“Agreement”) is entered into this 2nd day of October, 2013, by and between Pennichuck Water Works, Inc. (“PWW”) and the staff (“Staff”) of the New Hampshire Public Utilities Commission (“the Commission”).

II. PROCEDURAL BACKGROUND

On May 31, 2013, the Company submitted a permanent rate filing with an effective date of July 1, 2013 designed to increase its revenues by \$34,016, or 0.12%, on an annual basis. The Company also filed a Petition for Temporary Rates (Petition) requesting that current rates be made effective on a temporary basis. On June 20, 2013, the Commission issued an Order of Notice suspending the Company’s proposed revised tariff pages and scheduling a prehearing conference and technical session for July 17, 2013. The Commission issued a procedural schedule on July 18, 2013 scheduling, *inter alia*, a technical session and settlement conference on temporary rates for September 18, 2013, and a hearing on the Company’s temporary rate request for October 10, 2013.

On September 18, 2013, the Company, Staff and the Office of Consumer Advocate (OCA) participated in a technical session and settlement conference during which they discussed the Company’s request for temporary rates. The Company and Staff reached agreement on the

issue of temporary rates, consistent with the Company's petition, as set forth below. The OCA indicated that it would not oppose the settlement.

III. TERMS OF AGREEMENT

The Company and Staff agree that, in accordance with RSA 378:27, current rates should be made effective on a temporary basis for the pendency of this proceeding. The temporary rates shall be effective for service rendered on and after July 1, 2013. Any difference between the temporary rates agreed to herein and the permanent rates ultimately approved by the Commission in this docket is subject to reconciliation back to July 1, 2013, upon the implementation of new permanent rates.

IV. CONDITIONS

This Agreement is expressly conditioned upon the Commission's acceptance of all its provisions, without change or condition. If the Commission does not accept this Agreement in its entirety, any party hereto, at its sole option exercised within ten (10) days of such Commission order, may withdraw from this Agreement, in which event it shall be deemed to be null and void and without effect and shall not be relied upon by the Company, Staff, OCA, or any party to this proceeding or the Commission for any purpose.

The Commission's acceptance of this Agreement shall not constitute continuing approval of, or precedent regarding, any particular principle or issue in this proceeding, but such acceptance does constitute a determination that the provisions set forth herein in their totality are just and reasonable under the circumstances.

The Commission's approval of the recommendations in this Agreement shall not constitute a determination or precedent with regard to any specific adjustments, but rather shall

constitute only a determination that the revenue requirement and rates resulting from this Agreement are just and reasonable for purposes of temporary rates in this proceeding.

The discussions that produced this Agreement have been conducted on the understanding that all offers of settlement relating thereto are and shall be confidential, shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in connection with any future proceeding or otherwise.

IN WITNESS WHEREOF, the parties to this Agreement have caused the Agreement to be duly executed in their respective names by their fully authorized agents.

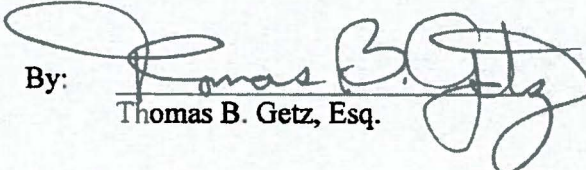
PENNICHUCK WATER WORKS, INC.

By its Attorneys

DEVINE, MILLIMET & BRANCH, P.A.

Dated: October 2, 2013

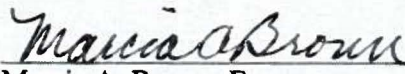
By:


Thomas B. Getz, Esq.

STAFF OF THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Dated: October 2, 2013

By:


Marcia A. Brown, Esq.