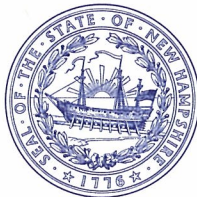


THE STATE OF NEW HAMPSHIRE

CHAIRMAN
Thomas B. Getz

COMMISSIONERS
Graham J. Morrison
Clifton C. Below

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland



PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

Tel. (603) 271-2431

FAX (603) 271-3878

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

Website:
www.puc.nh.gov

April 13, 2009

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



Re: DW 09-063, Pennichuck Water Works, Inc.
Petition for Authority to Issue Long Term Debt

Dear Ms. Howland:

On March 31, 2009, Pennichuck Water Works, Inc. (PWW) filed a petition with the Commission seeking authority pursuant to RSA 369 to issue long term debt in the amount of \$1,848,000. Accompanying the petition was the prefiled testimony of Donald L. Ware, President of PWW, and Thomas C. Leonard, Treasurer of PWW. After review, Staff recommends Commission approval of PWW's request.

PWW seeks authority from the Commission to borrow up to \$1,848,000 from the Department of Environmental Services (DES) to finance certain capital improvements. PWW has received initial approval for funds to be available via the recently passed American Recovery and Reinvestment Plan (ARRP) of 2009. These funds will be disbursed by DES in the same manner as State Revolving Loan Fund (SRF) money has been handled in the past. DES received applications for 265 projects for drinking water systems in the state, and has ranked them in priority order. At this time PWW is seeking Commission authority to borrow funds to be used in three separate capital projects.

The loan documents PWW expects to enter will set forth the exact terms and conditions of the loan, but are expected to be substantially the same as those in prior SRF loans. It is expected that PWW's \$1,848,000 loan will be repaid over a 20 year term, with an interest rate of 3.744%. Significantly, 50% of the loan principal will be forgiven and will not accrue interest. As with prior SRF loans, DES would make disbursements of funds based on invoices submitted by contractors engaged by PWW, and those advances would accrue interest at a rate of 1% until substantial completion of the capital projects. Approximately six months after project completion, monthly payments of principal and interest will begin, with 50% of the principal forgiven.

As described in PWW's petition and in the testimony, PWW proposes to use the proceeds of this long term debt to undertake capital improvements in its Ashley Commons community water system in Milford, in its Glenridge community water system in Derry, and in its core Nashua system. The Ashley Commons system would be interconnected with the Town of Milford's water system to provide a new source of supply for those customers. According to Mr. Ware's testimony, the quality of the raw water from the Ashley Commons well has deteriorated significantly in recent years. Levels of sulfates, hardness, total dissolved solids, and fluorides have all increased. PWW reports increased customer complaints about the water, and has thus evaluated two options for dealing with these problems. The first option is to rebuild the Ashley Commons booster station, storage and treatment systems. The second option is to interconnect with the Town of Milford's water system and abandon the existing source of supply. PWW provided an analysis of the two options and has chosen the interconnection option. PWW estimates this project will cost \$450,000.

The second capital project to be funded with the loan funds is replacement of the 20,000 gallon steel atmospheric tank at PWW's Glenridge system in Derry. PWW indicates that the existing tank has reached the end of its useful life due to significant corrosion. Mr. Ware's testimony indicates that this tank is cast into one wall of the Glenridge booster station and is integral to the station structure, thus making it more difficult to replace. Because of these factors, PWW will replace this tank with two 9,000 gallon precast concrete tanks. PWW estimates this project will cost \$98,000.

The third capital project to be funded is the replacement/rehabilitation of water mains in the French Hill area of Nashua. PWW has over 100 miles of unlined cast iron water main, which according to Mr. Ware limits fire protection, yields red water during high usage periods, and can cause excessive pressure drops during high usage periods. PWW plans to replace 2,456 feet of water main, and will clean and line another 5,745 feet at an estimated cost of \$1,300,000. A listing of the streets where water main will be replaced and/or cleaned and relined is attached to Mr. Ware's testimony as Exhibit DLW-2.

The impact of the proposed financing on PWW's balance sheet is minimal. Although the initial loan amount is \$1,848,000, forgiveness of 50% of the principal amount will leave PWW with only \$924,000 to repay. The terms of the loan are extremely favorable to the company and its customers. In its review of this request, Staff has submitted some discovery requests to PWW and the responses are attached to this letter. According to the discovery responses, PWW's Board of Directors has authorized the company to enter into the loan agreements with DES for the purpose of implementing the capital improvements as described in PWW's petition. The Directors of Pennichuck Corporation (PC), PWW's parent company, have also authorized the guaranty by PC of the proposed loan.

As stated, Staff recommends the Commission approve PWW's request for financing authority in this docket. The terms of the financing resulting from the ARRP are

extremely favorable. Staff has reviewed the proposed use of the funds and concurs with the improvements planned.

If there are any questions regarding this, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark A. Naylor". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark A. Naylor
Director, Gas & Water Division

Attachment – discovery responses
Cc: service list

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-1

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: Re: petition page 2: Please indicate if it is the company's understanding that monthly payments less 50% principal forgiveness will also include interest on the 50% forgiveness.

RESPONSE: Based on the NHDES meetings held on April 3, 2009, it is the Company's understanding that the structure and terms of the loans being issued via the American Recovery and Reinvestment Act (ARRA) and State SRF funds will be as follows:

50% of the loan principal will be forgiven. There will be 0% interest on the forgiven part of the loan principal. The Company will pay 100% of the principal on the remaining 50% of the loan and will pay interest on the outstanding principal for this part of the loan. The NHDES has set the interest rate on the ARRA loans at 3.744% for the interest bearing part of the loan.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-2

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: Data request reserved for a resolution of the PWW Board of Directors authorizing this financing. Please provide when available.

RESPONSE: Attached please find the resolution by the PWW Board of Directors authorizing this financing. The authorization reflected the terms of the financing as defined by the NHDES prior to the April 3, 2009 meetings.

PENNICHUCK WATER WORKS, INC

SECRETARY'S CERTIFICATE

I, Roland E. Olivier, being duly elected Secretary of PENNICHUCK WATER WORKS, INC., a corporation organized under the laws of the State of New Hampshire, (the "Corporation"), do hereby certify that the following is a true and correct copy of resolutions duly adopted by the Board of Directors of the Corporation at a meeting held on April 3, 2009, and that such resolutions are in conformity with the Articles of Incorporation and the Bylaws of the Corporation (each as amended to date) and has not been rescinded or modified, and is in full force and effect, as of the date hereof:

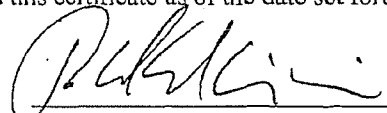
VOTED: To authorize and approve an agreement between Pennichuck Water Works, Inc. ("PWW") and the State of New Hampshire under the State Revolving Loan Fund ("SRF"), pursuant to which PWW will borrow up to One Million Three Hundred Thousand Dollars (\$1,300,000) at the current SRF rate of interest (currently 4.208%) with 50% of the borrowed principle being forgiven over the life of the loan for the purpose of funding the replacement or cleaning and lining of about 8,200 lineal feet of water main in the French Hill area of Nashua, New Hampshire.

VOTED: To authorize and approve an agreement between Pennichuck Water Works, Inc. ("PWW") and the State of New Hampshire under the State Revolving Loan Fund ("SRF"), pursuant to which PWW will borrow up to Ninety-Eight Thousand Dollars (\$98,000) at the current SRF rate of interest (currently 4.208%) with 50% of the borrowed principle being forgiven over the life of the loan for the purpose of funding the replacement of a 20,000 gallon atmospheric tank at the Corporation's Glenridge Community Water System in Derry, New Hampshire.

VOTED: To authorize and approve an agreement between Pennichuck Water Works, Inc. ("PWW") and the State of New Hampshire under the State Revolving Loan Fund ("SRF"), pursuant to which PWW will borrow up to Four Hundred Fifty Thousand Dollars (\$450,000) at the current SRF rate of interest (currently 4.208%) with 50% of the borrowed principle being forgiven over the life of the loan for the purpose of funding the construction of an interconnection between the Milford water system and the Corporation's Ashley Commons Community Water System in Milford, New Hampshire.

VOTED: That John J. Boisvert, Donald L. Ware and Thomas C. Leonard are, and each of them hereby is, authorized to act as Pennichuck Water Works, Inc.'s representative for purposes of executing and administering the above referenced loan agreements and/or executing any other related documents, certificates, and undertakings on behalf of the Corporation.

IN WITNESS WHEREOF, I have hereunto executed this certificate as of the date set forth below.



Roland E. Oliver, Secretary

Dated: April 3, 2009

PENNICHUCK CORPORATION

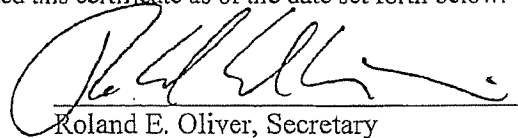
SECRETARY'S CERTIFICATE

I, Roland E. Olivier, being duly elected Secretary of PENNICHUCK CORPORATION, a corporation organized under the laws of the State of New Hampshire, (the "Corporation"), do hereby certify that the following is a true and correct copy of the resolutions duly adopted by the Board of Directors of the Corporation at a meeting held on April 3, 2009, and that such resolutions are in conformity with the Articles of Incorporation and the Bylaws of the Corporation (each as amended to date) and has not been rescinded or modified, and is in full force and effect, as of the date hereof:

- VOTED: To authorize and approve the guaranty by the Corporation of an agreement between Pennichuck Water Works, Inc. ("PWW") and the State of New Hampshire under the State Revolving Loan Fund ("SRF"), pursuant to which PWW will borrow up to One Million Three Hundred Thousand Dollars (\$1,300,000) at the current SRF rate of interest (currently 4.208%) with 50% of the borrowed principle being forgiven over the life of the loan for the purpose of funding the replacement or cleaning and lining of about 8,200 lineal feet of water main in the French Hill area of Nashua, New Hampshire.
- VOTED: To authorize and approve the guaranty by the Corporation of an agreement between Pennichuck Water Works, Inc. ("PWW") and the State of New Hampshire under the State Revolving Loan Fund ("SRF"), pursuant to which PWW will borrow up to Ninety-Eight Thousand Dollars (\$98,000) at the current SRF rate of interest (currently 4.208%) with 50% of the borrowed principle being forgiven over the life of the loan for the purpose of funding the replacement of a 20,000 gallon atmospheric tank at PWW's Glenridge Community Water System in Derry, New Hampshire.
- VOTED: To authorize and approve the guaranty by the Corporation of an agreement between Pennichuck Water Works, Inc. ("PWW") and the State of New Hampshire under the State Revolving Loan Fund ("SRF"), pursuant to which PWW will borrow up to Four Hundred Fifty Thousand Dollars (\$450,000) at the current SRF rate of interest (currently 4.208%) with 50% of the borrowed principle being forgiven over the life of the loan for the purpose of funding the construction of an interconnection between the Milford water system and PWW's Ashley Commons Community Water System in Milford, New Hampshire.
- VOTED: That Duane C. Montopoli and Thomas C. Leonard are, and each of them hereby is, authorized to act as Pennichuck Corporation's representative for purposes of executing and administering the above referenced loan guarantees and/or executing any other related documents, certificates, and undertakings on behalf of the Corporation.

IN WITNESS WHEREOF, I have hereunto executed this certificate as of the date set forth below.

Dated: April 3, 2009


Roland E. Oliver, Secretary

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-3

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: Please indicate if the company has a written agreement with Milford for the purchased water for Ashley Commons.

RESPONSE: The Company does not have a written agreement with Milford for purchased water for Ashley Commons. The Company met with the Town's Board of Water Commissioners to present this project in the fall of 2008. The Town of Milford Water Commissioners approved the Company's request to connect the Ashley Commons water system to the Town of Milford water system subject to the terms and conditions of the Water Department tariff. The Town of Milford sells the Company water at multiple metering points (Federal Hill, Bartlett Commons, Greatbrook) in Milford for which the Company pays the Milford Water Department the rate that it charges the Milford Water Department via its wholesale water agreement plus an additional \$0.3509 per 100 CCF to charge the Company for the use of the cost of Milford's distribution system operation and maintenance costs. The Town of Milford recalculates the unit cost for the Company's use of its distribution system each year based on the previous year's cost of operating and maintaining its distribution system. The Milford Water Department has consented to sell water to the Company through a master meter pit to its Ashley Commons water system under these terms.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-4

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: Please indicate how the interconnection grant changes the total estimated project cost for Ashley Commons.

RESPONSE: The interconnection grant is a commitment to pay for 25% of the monthly principal and interest payments associated with the cost of constructing the interconnection based on the payment terms of the loan used to fund the interconnection. The State funds these payments as part of its biennium budget process. It is the Company's understanding that while the Ashley Commons project has qualified for a 25% interconnection grant, the State will not be funding interconnection grant payments in the next biennium due to fiscal constraints.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-5

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: The company's filing appears to indicate all three referenced projects have been approved by DES for funding (petition para. 3; Don Ware testimony, bottom of p. 3 and top of p. 4), while the DES list appears to include only Ashley Commons in the funded portion. Please provide corroborating documentation that the other two projects are eligible for funding from DES. Please explain.

RESPONSE: Rick Skarinka of the NHDES (271-2948) should be able to provide the Commission with corroborating documentation. Mr. Skarinka contacted the Company after the initial ranking list had been published and indicated that the Towns of Franklin and Franconia were withdrawing their applications for funding which resulted in new projects becoming eligible for financing, two of which were the Company's French Hill Water Main project and its Glenridge Tank project. According to the NHDES, a final list will be published within about one week of the close of public comments on the NHDES funding priorities regarding which projects should receive funding. Public comments close on April 10, 2009. The NHDES contacted the Company in late March and asked that it proceed with getting the required NHPUC financing approvals for the projects identified in the Company's petition so that it could move quickly to a loan closing and construction once the final projects for funding had been identified by the NHDES. It is possible that not all three projects will receive funding from the NHDES. The Company will only be proceeding with the projects that the NHDES will fund. If the NHDES does not fund all of the projects, the Company will notify the Commission promptly.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-6

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: Please provide the expected completion date of each project.

RESPONSE: The final date for completion of these projects is a function of when the Company can begin construction. The start date is driven by the Company and the NHDES signing final loan documents and the NHDES granting the Company permission to begin the bidding process on these projects. Based on discussions with NHDES, the Company expects to close on the loans for qualified projects in mid May. The Company can then bid the projects (the plans and specifications for the Ashley Commons and French Hill project are complete, with minor modifications that need to be made to reflect the "Buy American" clause and Davis Bacon wage rate requirements of the ARRA funds. The Glenridge design and specifications will be ready to bid by late April). The minimum required bid time (at present) for projects funded with SRF funding is 30 days. Once the projects are bid the selected contractor must be approved by the NHDES which typically takes about 1 week. This brings the Company to the end of the third week in June before it can sign contracts for each funded project. We anticipate the contractors on each project will be ready to start construction by early to mid July dependent upon materials availability. The Ashley Commons project will take about 10 to 12 weeks to complete which would point to an early to mid October 2009 completion date. The French Hill Water Main project will take 14 to 16 weeks to complete (this assumes that the cleaning and lining work is completed simultaneously with the replacement work), not including final paving (which would occur in the spring of 2010) which would result in a mid to late November 2009 completion date. The Glenridge project will take about 4 weeks to complete which would lead to a mid to late August completion date dependent upon the start date. This project might be started slightly later in order to have the project landscaping occur in late September or early October when the ability to start grass seed will be optimal.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-7

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: Several projects, including two of the three in the company's filing (Ashley Commons and Glen Ridge), are noted as 'PEU' on the DES list when they are actually for PWW systems. Is this error likely to impact their ranking or funding in any way? Please explain.

RESPONSE: The Company does not believe the error in the project being listed as PEU instead of PWW will impact the ranking sufficiently to create a funding problem. As stated in the Company's response to Staff 1-5, the Company is only seeking finance approval for the final loans offered to the Company by the NHDES.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-8

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: No E-22 form appears to have been filed for the Glen Ridge project. Does the company intend to file one? If so, when?

RESPONSE: The Company will file an E-22 form for the Glen Ridge project after April 17th if the NHDES final list of projects to be funded includes this project.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-9

Date of Response: 4/8/09
Witness: Donald L. Ware

-
- REQUEST: Regarding the project ranked 59th on the DES list (Nashua water main replacements):
- a) Please explain why this project is not included in the request for financing approval when the two projects ranked immediately above it are?
 - b) A March 13, 2009 E-22 form lists four streets with a \$421,077 cost estimate. The DES list adds a fifth street (Armory) and indicates a \$530,000 cost.
 - i. Please explain whether these cost estimates are accurate and if not, what the current cost estimate is.
 - ii. Why was the Armory Street project added to the DES list but not the E-22? Please explain.
 - c) Please provide a copy of the company's pre-application for this project.
 - d) Please describe and explain what the most current scope and cost of the proposed project is and why this current scope and cost differs from that described on page 15, lines 8-16 of the June 2008 prefiled testimony of Donald L. Ware in DW 08-073.

- RESPONSE:
- a) The NHDES does not believe that this project will qualify for funding based on the current project rankings.
 - b)
 - i. The Nashua Water Main project that was bid jointly with the Nashua Sewer Separation project was as submitted on the E-22 and included work on four streets, none of which were Armory Street. The E-22 estimate was correct at \$421,077.
 - ii. The Armory Street project is a cleaning and lining project. It was removed from the project bid with the City of Nashua because the cost of cleaning and lining one short street would result in a poor bid for this type of work given the cost to mobilize and demobilize the equipment necessary to clean and line water mains. The project was on the original NHDES submission because the Company

had not assessed whether the line would be cleaned and lined or replaced at the time of the NHDES submission.

- c) Attached please find a copy of the Company's preapplication for this project.
- d) The scope of work referred to in the prefiled testimony of Donald L. Ware in DW 08-073 was for the Company's French Hill water main project, not the Nashua Water Main project referred to in this data request and listed as rank #59. The project that the NHDES is proposing to finance is the Company's French Hill water main project which is the one Mr. Ware testified to in his DW08-73 testimony. The scope of the project that the Company seeks to finance is as detailed on Exhibit DLW-2 as attached to the Company's recently submitted finance petition. The estimated cost of this project is \$1.3 million as detailed in its preapplication to the NHDES for its French Hill water main replacement project.



Pre-Application for the Drinking Water State Revolving Fund
American Recovery and Reinvestment Plan of 2009 (RSA 486:14)

Pre-applications under this program are being accepted through February 27, 2009 from community public water systems for capital improvements projects only. Projects will be ranked by their readiness to proceed, compliance with the SDWA, and affordability. For additional information, visit www.des.nh.gov Stimulus Package webpage and/or contact:

Rick Skarinka, NHDES Drinking Water and Groundwater Bureau
PO Box 95, 29 Hazen Drive, Concord NH 03302-0095
603-271-2948, Richard.Skarinka@des.nh.gov, Fax 603-271-5171

*** 1. Public Water System Information**

PWS
Name:
EPA ID:

*** 2. Proposed Project:**

*** 3. Provide a concise description of the project need and how it will address public health protection and compliance with the Safe Drinking Water Act.**

*** 4. Project Cost Information**

Estimated Construction Cost (\$)	<input type="text" value="530,000.00"/>
Estimated Engineering Cost (\$)	<input type="text" value="0"/>
Other Costs (\$)	<input type="text" value="0"/>
Please describe other costs:	<input type="text" value="All engineering will be internal PWW labor"/>
Total Estimated Costs (\$)	<input type="text" value="530,000.00"/>

5. Project Schedule

Date you will have Authority to Borrow
Funds (Town or Water System Annual
Meeting):

Date Design submittal to DES:

Date Construction Contract Award:

Date Anticipated Project Start:

*** 6. Contact Person Information**

Name:

Title:

Email:

Telephone
Number:

BEFORE YOU CLICK THE "DONE" BUTTON, PRINT A COPY OF YOUR COMPLETED PRE-APPLICATION FOR YOUR RECORDS BY USING THE "FILE" MENU ON YOUR BROWSER AND SELECTING "PRINT.."

NOTE THAT ALL QUESTIONS MUST BE COMPLETED FOR YOUR APPLICATION TO BE PROCESSED.

Done

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-10

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: The 'Project Start' dates for the projects ranked 115th and 116th on the DES list (Armory and Taylor Falls booster stations) are later than dates indicated on Pennichuck's pre-applications. Please explain whether the start dates are correct and, to the extent that points were lost for 'readiness' please indicate why, to the extent known.

RESPONSE: The project start dates shown on the DES list for the Armory and Taylor Falls booster stations are the same as the "Date Anticipated Project Start" in the Company's applications for these projects. The dates are correct. The Company has since revised its "Date Anticipated Project Start" for the Armory Street Booster Station to reflect the fact that the project plans and specifications are now complete and the project is ready to bid. This should increase this project's score in the readiness portion of the application from 22 to 30. The Taylor Falls booster station improvements require local planning board approval; as a result, the anticipated start date cannot change and as such the "readiness" points granted by the NHDES are correct.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-11

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: Please explain why dam repairs for the Berry Pond and Berry Brook Reservoir dams are listed as “not eligible” on the DES list (rank 262).

RESPONSE: The NHDES has indicated that dam repairs are not eligible to receive ARRA funding.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-12

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: Please indicate why the following projects do not appear on the DES list:

- a) Merrimack River intake pump station upgrade (PWW - Nashua core);
- b) Sweet Hill Estates backup well and pipework (PWW - Plaistow);
- c) Redfield Estates iron/manganese treatment (PWW - Derry);
- d) Emergency generator at Pittsfield treatment plant (PAC);
- e) NW loop, Section S interconnect, demolish two pump stations (PAC - Locke Lake).

RESPONSE: The projects listed above were not submitted for funding consideration for the following reasons:

- a) MRI – Project underway, bids have been let and work started prior to funding becoming available. Projects underway are not eligible for ARRA funding.
- b) Sweet Hill- The time line to permit of this well would be over a year and would only serve a small number of customers with sufficient high quality water to meet all their domestic needs. The Company did not submit an application for this project because it did not believe it qualified (due to not being shovel ready and the small population to be served) and that there were other more important projects on which to focus its efforts in terms of preparing plans and specifications.
- c) Redfield iron/manganese treatment – The existing building will need to be expanded to accommodate the proposed iron and manganese systems. The building addition will require site plan approval. The process of completing the engineering and permitting of the proposed addition would push the project start into late 2009 or the spring of 2010. The Company did not file for projects that were not or could not be shovel ready by the early summer of 2009.
- d) The Company has determined that it is not necessary to install an emergency generator at the Pittsfield Water Treatment Plant. The Company has applied for a grant through the NHDES to install a manual disconnect switch at the Pittsfield Water Treatment Plant in order to allow the connection of a small portable generator to run this plant if a power outage exceeds 2 days.

DW 09-063

Staff 1-12

Page 2 of 2

e) NW loop, Section S interconnection – The Company already has SRF financing for these projects. Projects that are already funded with SRF financing were not eligible for ARRA funding.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-13

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: Please explain what, if any, involvement does Pennichuck have with the project ranked 2nd on the DES list (Olson's MHP interconnection with Litchfield water system)?

RESPONSE: The Company did not have any involvement with this project other than to work with the owner of the Mobile Home Park to provide the specifications on where and how the Mobile Home Park would connect and the type of meter pit they would need to install.

PENNICHUCK WATER WORKS, INC.

DW 09-063

RESPONSES TO
STAFF DATA REQUESTS – SET 1

Date Request Received: 4/3/09
Request No. Staff 1-14

Date of Response: 4/8/09
Witness: Donald L. Ware

REQUEST: Please provide a copy of the pre-application for the project ranked 170th on the DES list (Bedford Water Corp - extend water main along Rte 101).

RESPONSE: This is not a Pennichuck project. The Company did not submit an application for this project and does not know who did.

SARAH KNOWLTON
MCLANE GRAF RAULERSON & MIDD
PO BOX 459
PORTSMOUTH NH 03802-0459

Docket #: 09-063 Printed: April 13, 2009

FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),
WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:
DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429

PURSUANT TO N.H. ADMIN RULE 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN

NHPUC

21 SOUTH FRUIT ST, SUITE 10

CONCORD NH 03301-2429

BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

MATTHEW FOSSUM

NHPUC

21 SOUTH FRUIT ST, SUITE 10

CONCORD NH 03301-2429

AMANDA NOONAN

CONSUMER AFFAIRS DIRECTOR

NHPUC

21 SOUTH FRUIT ST, SUITE 10

CONCORD NH 03301-2429