

DW 08-073  
EX-3

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION  
  
PENNICHUCK WATER WORKS, INC.  
DW 08-073  
  
PETITION FOR RATE INCREASE

ORIGINAL	
N.H.P.U.C. Case No.	DW 08-073
Exhibit No.	1 3
Witness	Panel
DO NOT REMOVE FROM FILE	

SETTLEMENT AGREEMENT – TEMPORARY RATES

I. INTRODUCTION

This Agreement is entered into this 10<sup>th</sup> day of November, 2008, between Pennichuck Water Works, Inc. (Company) and the Staff (Staff) of the New Hampshire Public Utilities Commission (Commission) (collectively, the “Settling Parties”) with the intent of resolving all of the issues relating to temporary rates in the above-captioned proceeding.

II. PROCEDURAL BACKGROUND

On June 23, 2008, the Company filed revised tariff pages designed to increase its revenues by \$3,193,791 or 14.72% for general metered customers on an annual basis over its current authorized level of rates. The Company also requested two step increases for capital additions placed in service in 2008. The first step increase, based on plant that was used and useful as of May 1, 2008, would generate an additional \$1,095,263 in annual gross operating revenue and would result in a 5.05% increase for general metered customers. The second step increase, based on plant that was used and useful as of November 1, 2008, would generate an additional \$1,196,149 in annual gross operating revenues and would constitute a 5.51% increase for general metered customers. On September 5, 2008, the Company revised its request for the second step increase such that it is seeking a 3.80% increase or \$823,836 in annual gross operating revenues. The Company proposed that its permanent rate increase would take effect on a

service rendered basis as of August 1, 2008 or the date on which customers are notified, whichever is sooner. On the same day, the Company also filed a petition for a temporary rate increase, pursuant to New Hampshire RSA 378:27, in the amount of \$2,446,978 (11.27%) over current rates.

On July 23, 2008, by Order No. 24,876, the Commission suspended the proposed revisions to the Company's permanent rate tariffs, pursuant to RSA 378:6, pending investigation and decision thereon; scheduled a hearing for August 27, 2008 to address procedural matters regarding the proposed temporary and permanent rate increases; and ordered that the Company publish notice of the hearing. The Company duly noticed the hearing through the publication of a display ad concerning the temporary rates hearing as well as publication of the order of notice. In response to a July 30, 2008 Secretarial Letter, the Company mailed notice to individual customers of the proposed rate increase.

The OCA filed a letter of participation in this docket. The City of Nashua and Anheuser-Busch moved to intervene, which motions the Commission granted.

In accordance with the Commission's Order of Notice, a prehearing conference was held on August 27, 2008. A technical session was held subsequent to the hearing and the parties agreed upon a proposed procedural schedule to govern the remainder of the proceeding. By Secretarial letter dated October 16, 2008, the Commission approved the procedural schedule. Data Requests and Data Responses with respect to the petition for temporary rates were issued and responded to according to the procedural schedule, and a technical session on temporary rates was held on October 24, 2008.

### III. TERMS OF AGREEMENT

The Company and Staff have reached agreement on all issues as specified below.

A. REVENUE REQUIREMENT

The Settling Parties agree that the Company should be granted an 11.00% overall increase in revenues resulting in a revenue requirement of \$24,090,406 for purposes of temporary rates.

The impact of the temporary rate increase is reflected on Schedule A to this Agreement.

The Settling Parties stipulate that this resulting revenue requirement represent a reasonable compromise of all issues relating to the revenue requirement pending before the Commission for purpose of temporary rates, including allowed overall rate of return, return on equity, capital structure, *pro forma* adjustments, capital additions to the Company's rate base, and operating expenses. As the sums expressed above are the result of compromise and settlement between the Settling Parties, they are liquidations of all adjusted net operating income requirement and revenue requirement issues, and each party to this Agreement may have its own rationale or basis for agreeing to this amount. The Settling Parties agree that the revenue requirement recommended to the Commission in this Agreement results in temporary rates for the Company's customers that are just and reasonable.

B. RATE DESIGN

The Settling Parties agree that, for purposes of temporary rates, the increase in fire protection rates will be shared equally among municipal and private fire protection customers, and that the remainder of the rate increase will be borne proportionally by all of the Company's remaining customers. This rate design is explained in the October 30, 2008 Rate Design Revisions report submitted by AUS Consultants and attached hereto as Exhibit A.

C. EFFECTIVE DATE AND RECOUPMENT

The temporary rates with regard to the test year data as contemplated herein shall be effective for service rendered on and after July 28, 2008, which is the date customers were first notified of the proposed rate increase. The Settling Parties agree that the Company shall reconcile any difference between temporary and permanent rates approved by the Commission in this docket upon approval of such permanent rates.

IV. CONDITIONS

The making of this Agreement shall not be deemed in any respect to constitute an admission by any party that any allegation or contention in these proceedings is true or valid.

This Agreement is expressly conditioned upon the Commission's acceptance of all its provisions, without change or condition, and if the Commission does not accept said provisions in their entirety, without change or condition, the Agreement shall at the Company's or the Staff's option, exercised within thirty days of such Commission order, be deemed to be null and void and without effect and shall not constitute any part of the record in this proceeding nor be used for any other purpose.

The Commission's acceptance of this Agreement does not constitute continuing approval of, or precedent regarding, any particular principle or issue in this proceeding, but such acceptance does constitute a determination that (as the Settling Parties believe) the adjustments and provisions set forth herein in their totality are just and reasonable and that the revenues contemplated will be just and reasonable under the circumstances.

The Settling Parties acknowledge that the procedural schedule for temporary rates in this proceeding was truncated because the parties reached agreement on a proposed resolution of the issues in this proceeding. Furthermore, the information and testimony previously provided in this proceeding are not expected to be subject to cross-examination by any of the Settling Parties, which would normally occur in a fully litigated case. The Settling Parties agree that all pre-filed testimony should be admitted as full exhibits for the purpose of consideration of this Agreement. Agreement to admit all pre-filed testimony without challenge does not constitute agreement by the Company or Staff that the content of the pre-filed testimony filed on behalf of the other is accurate or what weight, if any, should be given to the views of any witness. In addition, the identification of the resolution of any specific issue in this Agreement does not indicate the Company's or the Staff's agreement to such resolution for purposes of permanent rates, nor does the reference to any other document bind the Company or the Staff to the contents of, or recommendations in, such document for purposes of any future proceeding. 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 income requirement and rates resulting from this Agreement are just and reasonable.

The discussions which have produced this Agreement have been conducted on the explicit 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

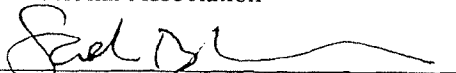
or participating in any such discussion, and are not to be used in connection with any future proceeding or otherwise.

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

PENNICHUCK WATER WORKS, INC.

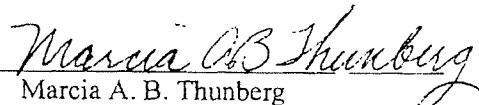
By McLane, Graf, Raulerson & Middleton,  
Professional Association

Dated: 11/10/08

By:   
Sarah B. Knowlton, Esq.

STAFF OF PUBLIC UTILITIES  
COMMISSION

Dated: 11/10/08

By:   
Marcia A. B. Thunberg  
Staff Attorney

PENNICHUCK WATER WORKS, INC.  
 COMPUTATION OF REVENUE DEFICIENCY  
 For The Twelve Months Ended December 31, 2007

Schedule A  
 Revised Temporary

	TEST YEAR	PRO FORMA ADJUSTMENTS	PRO FORMA TEST YEAR	Temporary (1)
Consolidated Rate Base (Sch 3)	\$ 72,945,003	\$ 3,974,060	\$ 76,919,063	
RATE of Return	7.89%		7.81%	
Income Required	\$ 5,755,361		\$ 6,008,497	
Adjusted Net Operating Income (Sch 1)	\$ 4,680,242	\$ (600,475)	\$ 4,079,767	
Deficiency	\$ 1,075,119		\$ 1,928,730	
Tax Factor	60.39%		60.39%	
Revenue Deficiency	\$ 1,780,293		\$ 3,193,791	2,387,338
Water Revenues	\$ 21,312,996	\$ 390,072	\$ 21,703,068	
Proposed Revenue Inc	8.35%		14.72%	11.00%
New Revenue Levels			\$ 24,896,859	\$ 24,090,406

Pennichuck Water Works, Inc.  
Report of Proposed Rate Changes  
For the Twelve Months Ended December 31, 2007

Pro Forma  
Schedule 9  
Temporary  
Revised Cost of Service Study

DOCKET NO:	DW 08-073		DATE FILED:	6/23/2008
TARIFF NO.:	5	or PAGE NOS.	39-42	EFF. DATE:
				8/1/2008

<u>Rate or Class of Service</u>	<u>Effect of Proposed Change</u>	<u>Average Number of Customers</u>	<u>Pro Forma Present Rates</u>	<u>Proposed Change</u>		
				<u>Proposed Rates</u>	<u>Amount</u>	<u>%</u>
G-M	Increase	24,787	\$17,225,355	\$19,084,755	\$1,859,400	10.79%
Present Rate Adj			-	-		
Private FP	Increase	780	494,186	699,594	\$205,408	41.56%
FP - Hydrants	Increase	5	2,466,483	2,624,702	\$158,218	6.41%
Anheuser-Busch						
Contract	Increase	2	1,059,315	1,191,389	\$132,074	12.47%
<u>Milford Contract</u>						
Contract Charges	No Increase	1	81,000	81,000	-	0.00%
Volumetric Charges	Increase	-	63,090	70,477	\$7,387	11.71%
<u>Hudson Contract</u>						
Contract Charges	No Increase	1	32,800	32,800	-	0.00%
Volumetric Charges	Increase	-	280,838	305,700	\$24,862	8.85%
<b>TOTALS</b>		<b>25,576</b>	<b>\$21,703,068</b>	<b>\$24,090,418</b>	<b>\$2,387,350</b>	<b>11.00%</b>

**Notes:**

- (1) The Proposed rates and the amount of the increase is based on the Cost of Service Study. On Schedule 13 Temp, page 5 of 5, of the Cost of Service Study, a slight difference is noted in the allocation of the proposed revenue vs. the revenue requirement shown in the rate filing schedules.



PENNICHUCK WATER WORKS, INC.  
MERRIMACK, NEW HAMPSHIRE

RATE DESIGN REVISIONS

11.00% TEMPORARY RATE INCREASE

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by

John R. Palko, Principal  
AUS Consultants  
155 Gaither Drive, Suite A  
Mt. Laurel, NJ 08054

October 30, 2008

PENNICHUCK WATER WORKS, INC.  
MERRIMACK, NEW HAMPSHIRE  
RATE DESIGN REVISIONS  
11.00% TEMPORARY RATE INCREASE

The cost of service allocations and related rate design developed in the June 2008 "Report on Cost of Service Allocations and Water Rate Design" were premised upon a net water revenue requirement of \$24,896,859. This amount has been characterized as the "Permanent Rate Increase" by the management of Pennichuck Water Works, Inc.

The management of Pennichuck Water Works, Inc. recently met with the Staff of the New Hampshire Public Utilities Commission and other interested parties. During this meeting, a request to prepare a temporary rate design based on an 11.00% increase was made. (An 11.00% temporary rate increase results in a revenue requirement of \$24,090,406.) Additionally, as part of this revised rate design any indicated increase to private fire protection service is to be shared equally with municipal fire protection service.

The schedules following this narrative set forth the design of rates and charges which will generate the revenue requirements under a Temporary Rate Increase of 11.00%. Attached hereto are a series of schedules similar in format to Schedules 9, 10, 12, and 13 (i.e., the rate design schedules) of the June 2008 report. The schedules attached hereto are identified with ".Temp.11%" extensions to reflect the revenue requirement under consideration.

Page 5 of the attached Schedule 13 shows that the temporary rate design developed herein is within \$11.92 of its revenue requirement. This difference is considered negligible and is acceptable for rate design purposes.

Pennichuck Water Works, Inc.  
Report of Proposed Rate Changes  
For the Twelve Months Ended December 31, 2007

Pro Forma  
Schedule 9  
Temporary

DOCKET NO: DW 08-073      DATE FILED: 6/23/2008  
TARIFF NO.: 5 or PAGE NOS. 39-42      EFF. DATE: 8/1/2008

				<u>Proposed Change</u>		
<u>Rate or Class of Service</u>	<u>Effect of Proposed Change</u>	<u>Average Number of Customers</u>	<u>Pro Forma Present Rates</u>	<u>Proposed Rates</u>	<u>Amount</u>	<u>%</u>
G-M	Increase	24,787	\$17,225,355	\$19,131,487	\$1,906,132	11.07%
Present Rate Adj			-	-		
Private FP	Increase	780	494,186	838,754	\$344,568	69.72%
FP - Hydrants	Increase	5	2,466,483	2,493,950	\$27,467	1.11%
Anheuser-Busch Contract	Increase	2	1,059,315	1,194,361	\$135,046	12.75%
<u>Milford Contract</u>						
Contract Charges	No Increase	1	81,000	81,000	-	0.00%
Volumetric Charges	Increase	-	63,090	70,655	\$7,565	11.99%
<u>Hudson Contract</u>						
Contract Charges	No Increase	1	32,800	32,800	-	0.00%
Volumetric Charges	Increase	-	280,838	306,484	\$25,646	9.13%
<b>TOTALS</b>		<b>25,576</b>	<b>\$21,703,068</b>	<b>\$24,149,491</b>	<b>\$2,446,423</b>	<b>11.27%</b>

**Notes:**

- (1) The Proposed rates and the amount of the increase is based on the Cost of Service Study. On Schedule 13 Temp, page 5 of 5, of the Cost of Service Study, a slight difference is noted in the allocation of the proposed revenue vs. the revenue requirement shown in the rate filing schedules.
- (2) No actual increase is proposed for the municipal fire service. The increase reflected represents the increase in fire hydrants and inch-feet at the end vs. the beginning of the test year.

Signed by: Bonaly J. Hartley  
Bonaly J. Hartley  
Title: Vice President - Administration

Pennichuck Water Works, Inc.

Comparison of Present Rate Revenues and Cost of Service Indications  
Temporary Rate Increase @ 11.00%

	<u>Present Rates</u>		<u>Cost of Service</u>	
	\$	%	\$	%
Water Service Revenue	19,001,220.57	86.34	20,765,930	86.20
Private Fire Revenue	512,713.68	2.33	886,527	3.68
Municipal Fire Revenue	2,493,950.40	11.33	2,437,949	10.12
Total Revenues	22,007,884.65	100.00	24,090,406	100.00

Note: Above "Cost of Service" amounts result from applying the class percentages developed in the Cost of Service Allocation Study to the revenue being requested for an 11.00% Temporary Rate Increase. The following ratios the 11.00% increase to the Cost of Service Indications for rate design purposes.

	<u>COS Study</u>	<u>Temporary</u>
<u>Municipal Fire:</u>		
Hydrant	476,877	461,197
Inch-Foot	2,043,961	1,976,752
Total	2,520,838	2,437,949
<u>Water Service:</u>		
Customer Charge	6,270,868	6,065,015
Volume Charge	15,082,217	14,587,115
Fixed Fee	113,800	113,800
Total	21,466,885	20,765,930

October 30, 2008

Pennichuck Water Works, Inc.

Rate Design  
Temporary Rate Increase @ 11.00%

Municipal Fire Protection

Indicated Revenue Requirements per 11.00% Rate  
Increase Adjustment to Cost of Service results:

Hydrants	461,197
Inch-Foot	1,976,752
Total	2,437,949

Requested Municipal Fire Increase Is: 186,906

Therefore Revenue Targets Are:

Hydrants	496,555
Inch-Foot	2,128,300
Total	2,624,855

Present Rate Revenue

Hydrants	408,225
Inch-Foot	2,085,726
Total	2,493,951

Hydrant Increase Required 21.64 %

Inch-Foot Increase Required 2.04 %

Total Hydrant Revenue Requirement 496,555

Number of Hydrants 2,458

Annual Cost per Hydrant 202.02

Monthly Charge per Hydrant 16.83

Quarterly Charge per Hydrant 50.49

Total Inch-Foot Revenue Requirement 2,128,300

Number of Inch-Feet 18,344,114

Annual Charge per Inch-Foot 0.11602

October 30, 2008

Pennichuck Water Works, Inc.

Rate Design  
Temporary Rate Increase @ 11.00%

Private Fire Protection

Total Private Fire Protection Rev Reqmt	886,527
Present Private Fire Protection Revenue	512,714
Indicated Increase	373,813
Requested Share With Municipal Fire	186,907
Net Private Fire Protection Rev Reqmt	699,620
Present Private Fire Protection Revenue	512,714

Increase Required 36.45 %

<u>Size</u>	<u>Present Monthly Charge</u>	<u>Proposed Monthly Charge</u>	<u>Proposed Quarterly Charge</u>	<u>Increase</u>
2"	29.35	40.05	120.15	36.46 %
4"	29.35	40.05	120.15	36.46 %
6"	49.25	67.20	201.60	36.45 %
8"	72.51	98.94	296.82	36.45 %
10"	72.51	98.94	296.82	36.45 %
12"	72.51	98.94	296.82	36.45 %
16"	72.51	98.94	296.82	36.45 %

October 30, 2008

Pennichuck Water Works, Inc.

Rate Design  
Temporary Rate Increase @ 11.00%

Customer Charges

Total for Customer Charge	6,065,015
Present Customer Charge Revenue	5,628,501
Increase Required	7.76 %

<u>Meter Size</u>	<u>Present Monthly Charge</u>	<u>Proposed Monthly Charge</u>	<u>Proposed Quarterly Charge</u>	<u>Increase</u>
5/8"	15.36	16.55	49.65	7.75 %
3/4"	22.11	23.83	71.49	7.78 %
1"	35.61	38.37	115.11	7.75 %
1 1/2"	69.39	74.77	224.31	7.75 %
2"	113.60	122.42	367.26	7.76 %
3"	208.32	224.49	673.47	7.76 %
4"	343.57	370.23	1,110.69	7.76 %
6"	681.74	734.64	2,203.92	7.76 %
8"	1,087.64	1,172.04	3,516.12	7.76 %
10"	1,561.06	1,682.20	5,046.60	7.76 %

October 30, 2008

Pennichuck Water Works, Inc.

Rate Design  
Temporary Rate Increase @ 11.00%

Volumetric Charges

Net Water Revenue Requirement	24,090,406
Less Proposed Revenues:	
From Municipal Fire Protection	(2,624,702)
From Private Fire Protection	(699,594)
From Customer Charges	(6,064,730)
From Contract Fixed Fees	(113,800)
Net Required From Volume Charges	14,587,580
Present Volume Charge Revenue	13,258,920
Increase Required	10.02 %

	<u>Present Charge</u>	<u>Proposed Charge</u>	<u>Increase</u>
General Water	2.40	2.6405	10.02 %
Anheuser-Busch	1.2382	1.3623	10.02 %
Hudson	1.5249	1.6777	10.02 %
Milford	1.5108	1.6622	10.02 %

October 30, 2008



Pennichuck Water Works, Inc.  
Summary of Proposed Rates  
Temporary Rate Increase @ 11.00%

General Service - Metered  
Schedule G-M

Meter Size	Quarterly Proposed Charge	Monthly Proposed Charge
5/8"	\$ 49.65	\$ 16.55
3/4"	71.49	23.83
1"	115.11	38.37
1 1/2"	224.31	74.77
2"	367.26	122.42
3"	673.47	224.49
4"	1,110.69	370.23
6"	2,203.92	734.64
8"	3,516.12	1,172.04
10"	5,046.60	1,682.20
Volumetric Charge per 100 cu. ft.	\$ 2.6405	\$ 2.6405

Municipal Fire Protection Service  
Schedule FP-M

	Quarterly Proposed Charge	Monthly Proposed Charge
Each Hydrant	\$ 50.49	\$ 16.83
Inch-Foot per year	\$0.11602	

Private Fire Protection Service  
Schedule FP-NM

Connection Size	Quarterly Proposed Charge	Monthly Proposed Charge
4" or smaller	\$ 120.15	\$ 40.05
6"	201.60	67.20
8" or larger	296.82	98.94

Special Contract Service

Anheuser-Busch

Volumetric Charge per 100 cu. ft.	\$ 1.3623
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Hudson

Annual Charge	\$ 32,800
Volumetric Charge per 100 cu. ft.	\$ 1.6777

Milford

Annual Fixed Fee	\$ 81,000
Volumetric Charge per 100 cu. ft.	\$ 1.6622

Pennichuck Water Works, Inc.  
Calculation of Revenues Under Proposed Rates  
Temporary Rate Increase @ 11.00%  
General Service - Metered

Residential

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
5/8"	22,728	90,912	\$ 49.65	\$ 4,513,780.80
3/4"	311	1,244	71.49	88,933.56
1"	200	800	115.11	92,088.00
1 1/2"	130	520	224.31	116,641.20
2"	45	180	367.26	66,106.80
3"	19	76	673.47	51,183.72
4"	3	12	1,110.69	13,328.28
6"	0	0	2,203.92	0.00
8"	0	0	3,516.12	0.00
10"	0	0	5,046.60	0.00
Subtotal	23,436	93,744		\$ 4,942,062.36
	<u>CCFT</u>			
Volume	3,706,390		\$ 2.6405	\$ 9,786,722.80
Total Residential Revenue				\$ 14,728,785.16

Commercial

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
5/8"	593	2,372	\$ 49.65	\$ 117,769.80
3/4"	171	684	71.49	48,899.16
1"	254	1,016	115.11	116,951.76
1 1/2"	219	876	224.31	196,495.56
2"	153	612	367.26	224,763.12
3"	17	68	673.47	45,795.96
4"	3	12	1,110.69	13,328.28
6"	2	8	2,203.92	17,631.36
8"	0	0	3,516.12	0.00
10"	0	0	5,046.60	0.00
Subtotal	1,412	5,648		\$ 781,635.00
	<u>CCFT</u>			
Volume	862,696		\$ 2.6405	\$ 2,277,948.79
Total Commercial Revenue				\$ 3,059,583.79

Pennichuck Water Works, Inc.  
Calculation of Revenues Under Proposed Rates  
Temporary Rate Increase @ 11.00%  
General Service - Metered

Industrial

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
5/8"	30	120	\$ 49.65	\$ 5,958.00
3/4"	17	68	71.49	4,861.32
1"	38	152	115.11	17,496.72
1 1/2"	30	120	224.31	26,917.20
2"	33	132	367.26	48,478.32
3"	15	60	673.47	40,408.20
4"	4	16	1,110.69	17,771.04
6"	2	8	2,203.92	17,631.36
8"	1	4	3,516.12	14,064.48
10"	0	0	5,046.60	0.00
Subtotal	170	680		\$ 193,586.64
Volume	<u>CCFT</u> 288,156		\$ 2.6405	\$ 760,875.92
Total Industrial Revenue				\$ 954,462.56

Municipal

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
5/8"	17	68	\$ 49.65	\$ 3,376.20
3/4"	9	36	71.49	2,573.64
1"	17	68	115.11	7,827.48
1 1/2"	25	100	224.31	22,431.00
2"	37	148	367.26	54,354.48
3"	8	32	673.47	21,551.04
4"	2	8	1,110.69	8,885.52
6"	1	4	2,203.92	8,815.68
8"		0	3,516.12	0.00
10"		0	5,046.60	0.00
Subtotal	116	464		\$ 129,815.04
Volume	<u>CCFT</u> 80,329		\$ 2.6405	\$ 212,108.72
Total Municipal Revenue				\$ 341,923.76
Grand Total GWS Revenue				\$ 19,084,755.27

Pennichuck Water Works, Inc.  
Calculation of Revenues Under Proposed Rates  
Temporary Rate Increase @ 11.00%  
Service to Contract Customers

Town of Milford

		<u>Proposed Rate</u>	<u>Proposed Revenue</u>
Annual Fixed Fee		\$ 81,000.00	\$ 81,000.00
Volume	<u>CCFT</u> 42,400	\$ 1.6622	\$ 70,477.28
Total Milford Revenue			\$ 151,477.28

Town of Hudson

		<u>Proposed Rate</u>	<u>Proposed Revenue</u>
Annual Demand Charge		\$ 32,800.00	\$ 32,800.00
Volume	<u>CCFT</u> 182,214	\$ 1.6777	\$ 305,700.43
Total Hudson Revenue			\$ 338,500.43

Anheuser-Busch

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
6"	2	24	\$ 734.64	\$ 17,631.36
Volume	<u>CCFT</u> 861,600		1.3623	\$ 1,173,757.68
Total Anheuser-Busch Revenue				\$ 1,191,389.04
Grand Total Contract Revenue				\$ 1,681,366.75

Pennichuck Water Works, Inc.  
Calculation of Revenues Under Proposed Rates  
Temporary Rate Increase @ 11.00%  
Fire Protection Service

Private Fire Protection

<u>Size</u>	<u>Number</u>	<u>Number of Bills</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
2"	25	300	\$ 40.05	\$ 12,015.00
4"	102	1,224	40.05	49,021.20
6"	359	4,308	67.20	289,497.60
8"	274	3,288	98.94	325,314.72
10"	6	72	98.94	7,123.68
12"	13	156	98.94	15,434.64
16"	1	12	98.94	1,187.28
Total	780	9,360		\$ 699,594.12

Municipal Fire Protection

<u>Size</u>	<u>Number</u>	<u>of Bills</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
Hydrant	2,458	60	\$ 16.83	\$ 496,417.68
Inch-Feet	18,344,114		0.11602	2,128,284.11
Total Municipal Fire Revenue				\$ 2,624,701.79

Pennichuck Water Works, Inc.  
Calculation of Revenues Under Proposed Rates  
Temporary Rate Increase @ 11.00%  
Total Proposed Rate Revenue

Grand Total GWS Revenue	\$ 19,084,755.27
Grand Total Contract Revenue	\$ 1,681,366.75
Grand Total Private Fire Revenue	\$ 699,594.12
Grand Total Municipal Fire Revenue	\$ 2,624,701.79
Grand Total Proposed Revenue	\$ 24,090,417.92
Total Customer Charge Revenue	\$ 6,064,730.40
Total Volume Charge Revenue	\$ 14,587,591.61
Total Contract Fixed Fee Revenue	\$ 113,800.00
Total Private Fire Revenue	\$ 699,594.12
Total Municipal Fire Revenue	\$ 2,624,701.79
Grand Total Proposed Revenue	\$ 24,090,417.92
Net Water Revenue Requirement	\$ 24,090,406.00
Difference	\$ 11.92 0.000%

Note: For purposes of this calculation, all general service customer charges are treated as quarterly bills and all fire service charges are treated as monthly bills.