

STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION  
21 S. Fruit St., Suite 10  
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August 24, 2009

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



Re: DW 08-073, Pennichuck Water Works, Inc.  
Staff Recommendation for Rate Case Expenses

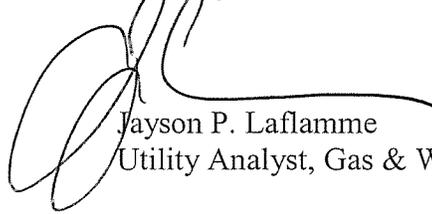
Dear Ms. Howland:

On August 19, 2009, Pennichuck Water Works, Inc. (PWW) submitted to Staff a proposal to recoup rate case expenses incurred in the above-captioned docket totaling \$119,515.67. PWW's submission was made in accordance with the terms of the Settlement Agreement which was recently approved by the Commission in Order No. 25,006 issued on August 13, 2009. The Settlement Agreement recommended that PWW be allowed to recoup its rate case expenses in the form of a one-time surcharge to its customers, shown as a separate item on all customers' bills. The approximate surcharge contemplated in the Settlement Agreement was \$4.00 per customer. In its submission to Staff, PWW proposed a one-time surcharge of \$4.58 per customer based on a customer count of 26,123 as of June 30, 2009. A copy of PWW's proposal and supporting schedules is attached to this correspondence.

PWW's submission included copies of invoices in support of the individual costs comprising the total amount being sought for recovery. Staff reviewed each cost submitted by the Company and is recommending that an amount of \$472.50 be eliminated from the total as it represents the cost of a legal notice relative to an NHPUC docket for one of PWW's affiliates. With the elimination of this amount, the total amount recommended by Staff for recovery is \$119,043.17. Based upon this amount, the one-time surcharge recommended by Staff is \$4.56 per customer.

The Company has indicated that it concurs with the above recommendations made by Staff. Please feel free to contact me with regard to any questions that you may have concerning this matter.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Jayson P. Laflamme  
Utility Analyst, Gas & Water Division

Enclosures: PWV Rate Case Expense Proposal and Schedules

cc: Service List



**PENNICHUCK**

August 18, 2009

Mr. Jayson P. Laflamme  
Staff Utility Analyst, Gas and Water Division  
New Hampshire Public Utilities Commission  
21 S Fruit St, Suite 10  
Concord, NH 03301-2429



Dear Jayson,

Enclosed is the rate case expense support for DW 08-073. Included is a summary of invoices for a total of \$119,515.67 and a sheet calculating the impact on customer with a one time surcharge of \$4.58.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Charlie Hoeppe

**Pennichuck Water Works, Inc. DW 08-073**

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**Computation of Rate Case Expenses per Customer**

|                             |    |            |
|-----------------------------|----|------------|
| Total Rate Case Expenses    | \$ | 119,515.67 |
| Total No. Customers 6/30/09 |    | 26,123     |
| Total per Customer          | \$ | 4.58       |

**PENNICHUCK WATER WORKS, INC**  
**RATE CASE 2008 EXPENSES - 2186-235-001**

January 1, 2008 - August 31, 2009

| Date                           | Vendor                              | Description                           | Amount            | H.Walker         | S.Knowlton       | J. Palko         | D.Parcells       |
|--------------------------------|-------------------------------------|---------------------------------------|-------------------|------------------|------------------|------------------|------------------|
|                                |                                     |                                       |                   | Gannett          | McLane           | AUS              | Tech Assoc       |
| 01/12/08                       | Bonalyn Hartley                     | Mileage - Concord, NH - PWW Rate Case | 17.40             | -                | -                | -                | -                |
| 01/12/08                       | Charles Hoepper                     | Mileage - Concord, NH - PWW Rate Case | 15.52             | -                | -                | -                | -                |
| 03/03/08                       | AUS Consultants                     | Cost of Service Allocation Study      | 2,440.00          | -                | -                | 2,440.00         | -                |
| 04/07/08                       | AUS Consultants                     | Cost of Service Allocation Study      | 1,045.00          | -                | -                | 1,045.00         | -                |
| 05/06/08                       | AUS Consultants                     | Cost of Service Allocation Study      | 1,805.00          | -                | -                | 1,805.00         | -                |
| 05/24/08                       | Bonalyn Hartley                     | Mileage - Concord, NH - PWW Rate Case | 20.00             | -                | -                | -                | -                |
| 06/03/08                       | AUS Consultants                     | Cost of Service Allocation Study      | 3,230.00          | -                | -                | 3,230.00         | -                |
| 06/16/08                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 1,899.50          | -                | 1,899.50         | -                | -                |
| 07/08/08                       | AUS Consultants                     | Cost of Service Allocation Study      | 13,310.00         | -                | -                | 13,310.00        | -                |
| 07/16/08                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 9,080.11          | -                | 9,080.11         | -                | -                |
| 07/24/08                       | Gannett Fleming, Inc                | Cost of Capital Study                 | 13,237.50         | 13,237.50        | -                | -                | -                |
| 07/31/08                       | Concord Monitor                     | Public Notice                         | 577.88            | -                | -                | -                | -                |
| 07/31/08                       | Union Leader                        | Legal Notice                          | 1,069.69          | -                | -                | -                | -                |
| 08/03/08                       | The Telegraph                       | Legal Notice                          | 1,398.25          | -                | -                | -                | -                |
| 08/11/08                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 432.00            | -                | 432.00           | -                | -                |
| 08/14/08                       | Curtis 1000                         | Display Ad                            | 251.29            | -                | -                | -                | -                |
| 08/14/08                       | Curtis 1000                         | Display Ad                            | 207.96            | -                | -                | -                | -                |
| 08/30/08                       | Bonalyn Hartley                     | Mileage - Concord, NH - PWW Rate Case | 40.27             | -                | -                | -                | -                |
| 09/12/08                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 1,734.67          | -                | 1,734.67         | -                | -                |
| 09/13/08                       | Charles Hoepper                     | Mileage - Concord, NH - PWW Rate Case | 37.44             | -                | -                | -                | -                |
| 10/03/08                       | AUS Consultants                     | Cost of Service Allocation Study      | 1,425.00          | -                | -                | 1,425.00         | -                |
| 10/14/08                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 1,256.85          | -                | 1,256.85         | -                | -                |
| 10/25/08                       | Bonalyn Hartley                     | Mileage - Concord, NH - PWW Rate Case | 25.60             | -                | -                | -                | -                |
| 11/05/08                       | AUS Consultants                     | Cost of Service Allocation Study      | 1,680.00          | -                | -                | 1,680.00         | -                |
| 11/12/08                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 2,624.22          | -                | 2,624.22         | -                | -                |
| 11/15/08                       | Bonalyn Hartley                     | Mileage - Concord, NH - PWW Rate Case | 25.60             | -                | -                | -                | -                |
| 11/30/08                       | Charles Hoepper                     | Mileage - Concord, NH - PWW Rate Case | 82.88             | -                | -                | -                | -                |
| 12/04/08                       | AUS Consultants                     | Cost of Service Allocation Study      | 95.00             | -                | -                | 95.00            | -                |
| 12/08/08                       | Steven E. Patnaude, CSR             | Transcript Services                   | 496.80            | -                | -                | -                | -                |
| 12/10/08                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 2,584.07          | -                | 2,584.07         | -                | -                |
| 12/13/08                       | Larry Goodhue                       | Mileage - Concord, NH - PWW Rate Case | 38.03             | -                | -                | -                | -                |
| 12/20/08                       | Bonalyn Hartley                     | Mileage - Concord, NH - PWW Rate Case | 25.60             | -                | -                | -                | -                |
| 12/31/08                       | Charles Hoepper                     | Mileage - Concord, NH - PWW Rate Case | 41.44             | -                | -                | -                | -                |
| 01/12/09                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 1,132.81          | -                | 1,132.81         | -                | -                |
| 01/19/09                       | Gannett Fleming, Inc                | Cost of Capital Study                 | 2,487.50          | 2,487.50         | -                | -                | -                |
| 02/09/09                       | AUS Consultants                     | Cost of Service Allocation Study      | 1,140.00          | -                | -                | 1,140.00         | -                |
| 02/09/09                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 1,012.05          | -                | 1,012.05         | -                | -                |
| 03/04/09                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 3,742.70          | -                | 3,742.70         | -                | -                |
| 03/09/09                       | AUS Consultants                     | Cost of Service Allocation Study      | 1,457.50          | -                | -                | 1,457.50         | -                |
| 03/19/09                       | Gannett Fleming, Inc                | Cost of Capital Study                 | 222.50            | 222.50           | -                | -                | -                |
| 03/24/09                       | State of New Hampshire - PUC        | Technical Associates                  | 1,575.00          | -                | -                | -                | 1,575.00         |
| 04/09/09                       | AUS Consultants                     | Cost of Service Allocation Study      | 2,220.00          | -                | -                | 2,220.00         | -                |
| 04/10/09                       | Gannett Fleming, Inc                | Cost of Capital Study                 | 3,370.00          | 3,370.00         | -                | -                | -                |
| 04/30/09                       | State of New Hampshire - PUC        | Technical Associates                  | 7,350.00          | -                | -                | -                | 7,350.00         |
| 05/04/09                       | Bonalyn Hartley                     | Mileage - Concord, NH - PWW Rate Case | 21.60             | -                | -                | -                | -                |
| 05/19/09                       | Gannett Fleming, Inc                | Cost of Capital Study                 | 4,665.00          | 4,665.00         | -                | -                | -                |
| 05/26/09                       | Bonalyn Hartley                     | Mileage - Concord, NH - PWW Rate Case | 23.20             | -                | -                | -                | -                |
| 05/26/09                       | State of New Hampshire - PUC        | Technical Associates                  | 1,050.00          | -                | -                | -                | 1,050.00         |
| 05/31/09                       | Concord Monitor                     | Public Notice                         | 472.50            | -                | -                | -                | -                |
| 05/31/09                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 2,735.60          | -                | 2,735.60         | -                | -                |
| 05/31/09                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 928.95            | -                | 928.95           | -                | -                |
| 05/31/09                       | Charles Hoepper                     | Mileage - Concord, NH - PWW Rate Case | 82.88             | -                | -                | -                | -                |
| 06/16/09                       | AUS Consultants                     | Cost of Service Allocation Study      | 1,585.00          | -                | -                | 1,585.00         | -                |
| 06/16/09                       | State of New Hampshire - PUC        | Technical Associates                  | 1,050.00          | -                | -                | -                | 1,050.00         |
| 06/16/09                       | Gannett Fleming, Inc                | Cost of Capital Study                 | 9,515.00          | 9,515.00         | -                | -                | -                |
| 06/30/09                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 7,271.79          | -                | 7,271.79         | -                | -                |
| 06/30/09                       | McLane, Graf, Raulerson & Middleton | Legal Services                        | 374.60            | -                | 374.60           | -                | -                |
| 07/10/09                       | AUS Consultants                     | Cost of Service Allocation Study      | 412.50            | -                | -                | 412.50           | -                |
| 07/08/09                       | Steven E. Patnaude, CSR             | Transcript Services                   | 763.92            | -                | -                | -                | -                |
| 08/17/09                       | AUS Consultants                     | Cost of Service Allocation Study      | 602.50            | -                | -                | 602.50           | -                |
| <b>Total Rate Case Expense</b> |                                     |                                       | <b>119,515.67</b> | <b>33,497.50</b> | <b>36,809.92</b> | <b>32,447.50</b> | <b>11,025.00</b> |

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Docket #: 08-073      Printed: August 24, 2009

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

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

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