

DEVINE
MILLIMET

ATTORNEYS AT LAW

August 3, 2012

JON B. SPARKMAN, ESQ.
T 603.695.8507
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]. In the event the services of Ms. Rosenberger, the President of Devine Strategies, are required, she will bill at [REDACTED]. Mr. Baum, a senior associate, will bill at [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

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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.

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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.

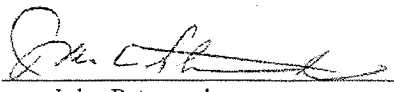
Very truly yours,

DEVINE, MILLIMET & BRANCH
PROFESSIONAL ASSOCIATION

By: 
John B. Sparkman

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

PENNICHUCK CORPORATION

By: 
John Patenaude
Chief Executive Officer