

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

RE: PENNICHUCK WATER WORKS, INC.

DOCKET NO. DW 13-___

**PETITION FOR APPROVAL OF WATER INFRASTRUCTURE AND
CONSERVATION ADJUSTMENT (WICA) PROPOSED PROJECTS**

Pennichuck Water Works, Inc. (the “Company”) petitions the New Hampshire Public Utilities Commission (the “Commission”) to: (1) approve the Company’s Water Infrastructure and Conservation Adjustment (“WICA”) surcharge effective April 1, 2014; (2) approve the Company’s proposed 2014 WICA projects; and, (3) preliminarily approve the Company’s proposed 2015 WICA projects. In support thereof, the Company states as follows:

1. On June 9, 2011, in Docket No. DW 10-091, the Commission issued Order No. 25,230 (the “Order”) approving permanent rates for the Company and authorizing the WICA pilot program.

2. The WICA mechanism enables the Company to recover the fixed costs of certain pre-approved aging infrastructure capital improvements that are completed and placed in service between rate filings. In particular, the Order identifies WICA eligible capital projects, which includes mains, valves, services, and hydrants in the Company’s core system.

3. The WICA cycle is initiated by the Company filing a three-year capital budget for proposed projects for the annual replacement program, broken down as follows. Year 1 projects are proposed to be constructed in the succeeding twelve-month period and are provided for final review. Year 2 projects are proposed to be constructed in the next twelve-

month period and are provided for preliminary approval. Year 3 projects are proposed to be constructed in the twelve months following Year 2 and are provided for advisory purposes and discussion.

4. On December 19, 2012, in Docket No. DW 12-359, the Company filed its first proposed list of WICA projects seeking Commission approval of (1) its projects for 2013, for which the Company is now seeking recovery, and (2) on a preliminary basis, its proposed 2014 projects, which will be included in the WICA surcharge effective April 1, 2015. In addition, the 2012 WICA filing included the Company's proposed 2015 projects for informational purposes only. On May 15, 2013, the Commission issued Order No. 25,510 approving the Company's 2013 projects and preliminarily approving the 2014 projects.

5. The Company requests that the Commission approve a WICA surcharge of 0.59% to be applied to the Company's existing water service billings on a service-rendered basis effective as of April 1, 2014. This WICA surcharge allows for the recovery of the costs associated with the Commission-approved 2013 WICA projects that were constructed and placed in service during the period January 1, 2013 through December 31, 2013, and which are therefore used and useful. These costs incorporate depreciation, property tax expense, and return on investment associated with the completed projects, and are described in the Direct Testimony of Donald L. Ware, which is being filed with this Petition.

6. The Company is also submitting with this Petition its: (1) proposed projects for 2014 for final approval with regard to eligibility for the WICA mechanism; (2) proposed projects for 2015 for preliminary approval; and, (3) proposed projects for 2016 for informational purposes. The projects are also set forth in the Direct Testimony of Donald L.

Ware. The Company thus seeks Commission approval of the proposed 2014 WICA projects and preliminary approval of the proposed 2015 WICA projects.

WHEREFORE, the Company respectfully requests that the Commission:

- A. Approve a WICA surcharge of 0.59% applicable to customer bills to be implemented on a service-rendered basis effective April 1, 2014;
- B. Approve the Company's proposed 2014 WICA projects for recovery through the WICA mechanism;
- C. Preliminarily approve the Company's proposed 2015 WICA projects; and
- D. Grant such other relief as is just and equitable.

Respectfully submitted,

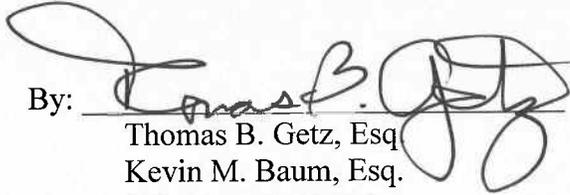
PENNICHUCK WATER WORKS, INC.

By Its Attorneys

DEVINE, MILLIMET & BRANCH
PROFESSIONAL ASSOCIATION

Dated: December 23, 2013

By:



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