

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 12-359

PENNICHUCK WATER WORKS, INC.

Water Infrastructure and Conservation Adjustment 2013-2015

Summary of Order *Nisi* Granting Petition

NOTICE OF ORDER NO. 25,510

May 15, 2013

SUMMARY OF ORDER

On December 19, 2012, Pennichuck Water Works, Inc. (PWW) filed its list of proposed capital projects under its Water Infrastructure and Conservation Adjustment (WICA) tariff provisions. PWW requests Commission approval of its 2013 projects, for which it will later seek cost recovery through the WICA for service rendered on and after April 1, 2014. PWW also requests approval of its proposed 2014 projects, which would be included in the WICA for service rendered on and after April 1, 2015. PWW also provided a list of proposed 2015 projects for advisory purposes. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, is posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2012/12-359.html>

Staff and the parties reviewed PWW's filing. Staff recommends approval of PWW's proposed 2013 and 2014 WICA projects and recommends that accumulated depreciation be deducted from total WICA plant investment when the surcharge is ultimately calculated. Staff stated that consistent with traditional ratemaking methodology, one-half year of accumulated depreciation ought to be deducted in the first year the assets are in service, and a full year for all subsequent years. PWW concurred with Staff's recommendation. OCA, without waiving any

objection to the existence of a WICA program, supports PWW's proposed 2013 projects as the projects leverage municipal work on sewer and storm drains, to the benefit of customers.

Mr. Teeboom, an intervenor, recommended the Commission reject the WICA filing in favor of the full rate case, which has been recently docketed as DW 13-130, and order Staff to document and publish its methodology for evaluating the benefits of a WICA and assessing the surcharge before hearing another WICA petition.

Based on the information presented in PWW, Staff, OCA, and Mr. Teeboom's filings, the Commission finds that the proposed capital projects and budget for 2013 are reasonable and necessary, and that the investment decisions are prudent. When PWW seeks cost recovery of these projects in its 2014 WICA filing to be submitted on or before December 31, 2013, the Commission will determine whether the projects are, in fact, used and useful in the provision of utility service, pursuant to RSA 378:28, prior to permitting PWW to recover in rates on those assets. The Commission approved the schedule of 2014 projects on a preliminary basis, understanding that PWW, Staff and the parties may make further recommendations once the 2014 filing is made and reviewed.

All persons interested in responding to the Order *Nisi* may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than May 31, 2013 for the Commission's consideration; and any party interested in responding to such comments or request for hearing shall do so no later than June 7, 2013. The Order *Nisi* shall be effective June 14, 2013, unless the Commission orders otherwise.