

Pennichuck Water Works

WICA Calculation

4/12/2010, Revised 7/27/2010, Revised 10/19/2010

Revised 5/26/2011 per Settlement Agreement

Data:

Depreciation Rate on Water Mains -	1.25%
2010 Nashua Mil Rate -	\$ 17.40 per \$1,000
2010 State Wide Utility Tax Mil Rate -	\$ 6.60 per \$1,000
Maximum Annual WICA adjustment -	2.00%
2010 ROI -	0.0798 as approved with the Settlement
2010 Tax Factor (Federal and State) -	0.6039
Settlement Revenues -	\$ 26,997,164
Maximum Increase per year allowed by WICA -	\$ 539,943
Allowed WICA \$\$ per year -	\$ 2,803,712

Projected WICA Expenses (From Capex Budget)*

Annual Cleaning and Lining -	\$ 801,900			
Annual Water Main Replacement -	\$ 1,826,550			
Annual Meter Replacement -	\$ -	based on	0 rebuilds per year @	\$ 39.27 per rebuild
Annual Service Replacement -	\$ 69,300	based on	35 services per year	\$ 1,980.00 per replacement
Total Estimated WICA projects per year -	\$ 2,697,750			
Projected Rate impact per year -	\$ 519,537			
Percent increase required -	1.92%	Based on Settlement Revenues		

*Based on replacing/rehabbing 14,850 of unlined CI or Steel watermain per year
Based on 40% of the water main being cleaned and lined.
Based on 60% of the water main being replaced.