

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

**RE: PENNICHUCK WATER WORKS, INC.**

**DOCKET NO. DW 15-\_\_**

**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 June 1, 2015, on a bills-rendered basis; (2) approve the Company’s proposed 2015 WICA projects; and, (3) preliminarily approve the Company’s proposed 2016 WICA projects. In support thereof, the Company states as follows:

1. The Commission authorized the WICA pilot program on June 9, 2011, in Docket No. DW 10-091, by Order No. 25,230 (the “Order”). In the Company’s recent rate case, Docket No. DW 13-130, the Commission authorized PWW to continue the WICA pilot. See Order No. 25,694 (July 15, 2014).

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

3. The Company filed its first proposed list of WICA projects in Docket No. DW 12-359. On May 15, 2013, the Commission issued Order No. 25,510 in that docket, approving the Company's 2013 projects and preliminarily approving the 2014 projects. The Company filed its second proposed list of WICA projects in Docket No. DW 13-358. On May 15, 2014, the Commission issued Order No. 25,661, approving the Company's 2014 projects and preliminarily approving the 2015 projects. In that docket, the Commission also approved the initial WICA surcharge of 0.67%, covering the projects constructed in 2013. In addition, the Commission approved a procedural change, extending the Company's filing deadline from December 31 to January 31, accommodating the collection of more accurate year-end cost figures, which resulted in a change to the surcharge effective date from April 1 to May 1, on a service-rendered basis.

4. In this petition, the Company requests that the Commission approve a WICA surcharge of 1.26% for the 2014 projects, which, when combined with the 0.67% surcharge for the 2013 projects, yields a cumulative surcharge of 1.91%. However, rather than apply the surcharge on a service-rendered basis effective as of May 1, 2015, the Company asks that the surcharge be effective on a bills-rendered basis, effective June 1, 2015. The Company asserts that implementing the surcharge on a June 1 bills-rendered basis, rather than a May 1 service-rendered basis, is less confusing for customers and more administratively efficient for the Company because it eliminates the prorating of the surcharge on certain bills, depending on their respective read dates. Moreover, the proposed change would hold customers

harmless inasmuch as the Company would not include service prior to May 1 on any bill issued on or after June 1.

5. The additional 1.26% WICA surcharge sought here allows for the recovery of the costs associated with the Commission-approved 2014 WICA projects that were constructed and placed in service during the period January 1, 2014 through December 31, 2014, 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 2015 for final approval with regard to eligibility for the WICA mechanism; (2) proposed projects for 2016 for preliminary approval; and, (3) proposed projects for 2017 for informational purposes. The projects are set forth in the Direct Testimony of Donald L. Ware. The Company thus seeks Commission approval of the proposed 2015 WICA projects and preliminary approval of the proposed 2016 WICA projects.

7. Finally, Mr. Ware has included with his testimony an attachment demonstrating the Company's compliance with the notice requirements for the annual WICA filing under the Tariff. Specifically, as Attachment A he includes a sample customer bill selected at random. The name and address of the customer has been redacted consistent with the New Hampshire Supreme Court's ruling in *Lamy v. New Hampshire Public Utilities Commission*, 152 N.H. 106 (2005), which recognizes that a residential utility customer has a privacy interest in protecting his or her name and address. The Company requests, pursuant to Puc 201.05, that the Commission waive the requirements of 203.08, with respect to motions for confidential treatment, and 201.04, with respect to the redacting of documents, to the extent

they may apply. The Company asserts that the waivers serve the public interest and will not disrupt the orderly and efficient resolution of the proceeding. Given the circumstances, the name and address of the customer on the sample bill, provided to show the form of notice provided under the Company's tariff, do not inform the Commission's inquiry into the reasonableness of the Company's annual WICA and will not inform the public about how the Commission conducts its review.

WHEREFORE, the Company respectfully requests that the Commission:

- A. Approve a WICA surcharge increase of 1.26%, that is, a cumulative surcharge of 1.91%, to be implemented on a bills-rendered basis effective June 1, 2015;
- B. Approve the Company's proposed 2015 WICA projects for recovery through the WICA mechanism;
- C. Preliminarily approve the Company's proposed 2016 WICA projects;
- D. Grant the Company's request for a waiver of Puc 203.08 and 201.04 as they may apply to redacting the customer's name and address in Attachment A;
- E. Grant such approvals on an Order *Nisi* basis consistent with past practice; and,
- F. Grant such other relief as is just and equitable.

Respectfully submitted,

PENNICHUCK WATER WORKS, INC.

By Its Attorneys  
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Dated: January 30, 2015

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