

DW 10-091



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ORIGINAL
N.H.P.U.C. Case No. <u>DW 10-091</u>
Exhibit No. <u>#18</u>
Witness <u>Panel 2</u>
DO NOT REMOVE FROM FILE

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May 27, 2011



By First Class Mail

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

**Re: DW 10-091
Pennichuck Water Works, Inc**

Dear Ms. Howland:

In follow up to the hearing yesterday in DW 10-091, I enclose an original and six copies of Exhibit 18.

Thank you for your assistance with this matter.

Very truly yours,

Sarah B. Knowlton

Enclosures
cc: Service List

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.