Pennichuck Requests Rate Increase.

On May 7, 2010, Pennichuck Water petitioned the New Hampshire Public Utilities Commission ("NHPUC") for an increase in rates. Pennichuck has requested a 10.8% temporary increase and an overall 19.91% increase which the Company proposes to implement in two phases. If approved, the average residential annual bill would increase from \$41 to approximately \$51 per month. We believe this is still a great value when you consider the cost of cable, electric and phone bills.

We continue to do everything we can to keep costs down and to operate efficiently while providing our customers with a safe and reliable supply of drinking water. Water rates are established by the NHPUC to balance the impact on customers while allowing the Company sufficient revenues to meet operating expenses and make necessary investments in needed infrastructure.

Since 2007, the Company has invested \$19.1 million to complete the remaining upgrades to the Water Treatment Plant, to enhance security, to replace aging mains, services, and pumps; and to develop new water supplies and new treatment systems. Over the past 3 years operating costs, exclusive of real estate taxes have increased by 1.1% or \$106,000. Over the same period state and local property taxes increased 30% or approximately \$561,000.

Value of Tap Water

This liquid asset is collected, treated, tested and delivered to your home or business 24 hours a day, 7 days a week for less than \$0.03 per gallon.

Drinking water
is the most regulated
and controlled substance
you can ingest, more
than any food, drug or
beverage. Water utilities
monitor for more than
100 contaminants and
must meet close to 90
regulations for water
safety and quality.

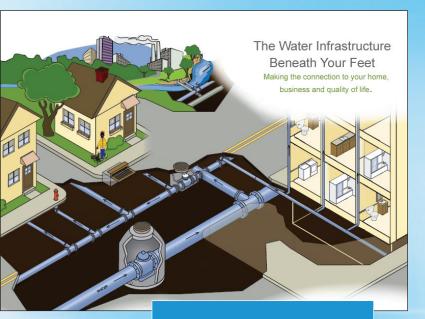
Water is Essential to Life

Investment in water infrastructure is critical to support communities today and into the future.

Pennichuck is committed to being a good steward of our precious water resources. Investment in water infrastructure is critical for our health, prosperity and quality of life. As your water provider, Pennichuck serves more than water. We provide the value of public health, fire protection, reliability and peace of mind. Our job is to ensure that the water keeps flowing not only today but well into the future.

The water infrastructure, pipes and pumps under our streets and in our neighborhoods make the delivery of water not only reliable but safe. In some of the communities we service, the underground pipes are over 100 years old. Pennichuck has invested over 70 million dollars in the last five years on our water systems. This includes treatment facilities and processes, reservoirs, meter replacements, interconnections, well rehabilitations, new sources of supply, booster stations to improve pressure, and replacement of pumps and aging mains. Our proactive water main replacement program evaluates the age and condition of over 3 million feet of pipe, as well as the history and frequency of main breaks, water quality complaints and leaks in order to assess the most cost effective time to replace or rehabilitate aging water pipes.

Your monthly water bill pays for a lot more than simply water. You get sophisticated water treatment, frequent testing and monitoring, and a vast underground infrastructure that delivers safe, reliable water right to your tap.



Most water infrastructure
was built nearly a century ago
for a much smaller population.
In 1910 the population of
New Hampshire was
430,572 compared to over
1.3 million today.

Dig Safe

If you plan to dig on your property, please call Dig Safe at least three business days before you begin the work. Dig Safe will contact Pennichuck and any other utility companies that may have lines on or near your property. Each utility will mark the underground wires, pipes and cables allowing you to complete your work safely.

Call 1-888-DIG-SAFE

Difficult Times

We know in these tough economic times it can be difficult to make ends meet. If you are having difficultly paying your water bill, it is important that you contact us. If your bill is not paid, your water service may be disconnected with costly collection fees. Therefore, if you are not able to pay your bill by the due date, please contact our customer service department to establish a payment arrangement. We may also be able to direct you to other resources that provide assistance.

Don't forget to call us, if you are moving!

If you are moving, please remember to call our customer service department at least one week prior to your closing date, so we can transfer the water service to the new owner and final bill your account. Until we are notified, you will remain responsible for all charges.

Go Green - Switch to E-Bill

Pennichuck offers electronic bill presentation to our customers. If you elect to *Switch to E-Bill*, an email will be sent to you stating that your bill is ready for viewing. Simply click on the link and enter a username and password to view your water bill. If you would like to *Switch to E-Bill*, please contact customer service at *800-553-5191* or via email at *customer-service@pennichuck.com* with your account number and email address.



Our office will be closed in observance of the following holidays:

July 5th- Independence Day September 6th- Labor Day November 11th- Veteran's Day November 25th & 26th- Thanksgiving December 23rd & 24th- Christmas

Emergency service is available 24 hours, 7 days a week.



Pennichuck 25 Manchester Street PO Box 1947 Merrimack, NH 03054-1947 800 553 5191 603 882 5191 Fax 603 913 2362 Pennichuck.com