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March 2, 2005

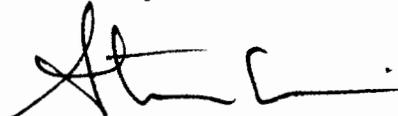
Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

Re: DW 04-048; City of Nashua—Taking of Pennichuck Water Works, Inc.

Dear Ms. Howland:

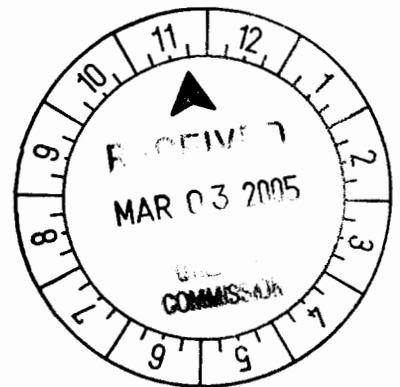
Enclosed for filing with the Commission are an original and eight copies of a Reply of Pennichuck Water Works to City of Nashua's Objection to Motion for Rehearing. I am also enclosing a computer diskette with a copy of the Reply in Word format.

Sincerely,



Steven V. Camerino

cc: Service List
Donald L. Correll



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

City of Nashua: Taking Of Pennichuck Water Works, Inc.

Docket No. DW 04-048

Reply of Pennichuck Water Works to City of Nashua's Objection to Motion for Rehearing

Pennichuck Water Works, Inc. submits this Reply solely to correct or clarify for the record certain factual statements in the City of Nashua's Objection to Motion for Rehearing filed on February 25, 2005.

1. On page 3 of its Objection, Nashua states that "Amherst, Milford, Hollis and Bedford all voted to enter into a joint agreement with other municipalities to establish the Regional Water District in anticipation of acquiring the assets of Pennichuck Corporation. The other municipalities have taken no position on the acquisition by Nashua."

2. Although the relevance of this information to the issue before the Commission is unclear, it appears that it is intended to lead the Commission to believe that Milford and Hollis support the efforts of Nashua to acquire the assets of Pennichuck Water Works and that those towns are members of the Regional Water District.

3. In fact, Milford and Hollis have not taken a position in support of Nashua's eminent domain filing and are not members of the Regional Water District.

4. Hollis initially filed as an intervenor in this proceeding without taking a position, and has not participated since then. Milford's attorney specifically stated at the December 9, 2004 procedural hearing:

The Town of Milford, who I also represent, has not taken a position opposed to or in support of Nashua. Their primary interest to this point in this process was to

ensure that whatever comes out of this process that a bulk sale contract, a wholesale water purchase contract that's currently in effect between the Town of Milford and with Pennichuck, be honored by whoever stands in the position when this is all—when the smoke clears. Milford has its own water system that supplies a significant number of people in the community, and, at this point, is not in a position to indicate one way or the other who they support in the ultimate outcome. Transcript at 50-51.

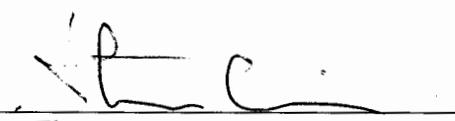
Respectfully submitted,

Pennichuck Water Works, Inc.

By Its Attorneys

MCLANE, GRAF, RAULERSON & MIDDLETON,
PROFESSIONAL ASSOCIATION

March 2, 2005

By: 

Thomas J. Donovan
Steven V. Camerino
Sarah B. Knowlton
15 North Main Street
Concord, NH 03301

Certificate of Service

I hereby certify that a copy of this Reply has been forwarded to the parties listed on the Commission's service list in this docket.

Dated: March 2, 2005


Steven V. Camerino