THE STATE OF NEW HAMPSHIRE

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April 19, 2006

Re: DW 04-048, City of Nashua

RSA 38 Proceeding re Pennichuck Water Works

To the Parties:

The Commission is in receipt of a request by Mark Naylor, director of the Commission's Gas and Water Division, for designation as a Staff Advocate in the above-referenced proceeding pursuant to RSA 363:32, II. Mr. Naylor submitted prefiled direct testimony on April 13, 2006 in which he concluded that it would not be in the public interest for petitioner City of Nashua to acquire certain assets of respondent Pennichuck Water Works pursuant to RSA 38. Mr. Naylor points out that, notwithstanding his ability to advise the Commission fairly and neutrally with respect to the issues in this case, the proceeding "concerns an issue or matter which is particularly contentious or controversial and which is significant in consequence," one of the four grounds for such designation pursuant to RSA 363:32, I(a).

RSA 363:32, II authorizes the Commission to make such a designation on its own motion. The Commission has reviewed Mr. Naylor's letter and agrees with him that, notwithstanding his ability to provide fair and neutral advice to the Commission, this is a particularly contentious, controversial and significant case within the meaning of RSA 363:32, I(a)(2) and that it would therefore enhance the public's confidence in the fundamental fairness of this proceeding to grant Mr. Naylor's request.

RSA 363:35 provides that no Commission employee designated as a Staff Advocate "may advise the commission, its presiding officer, individual commissioners, or any decisional employee designated as such in the same proceeding, with respect to matters at issue in the contested case." These limitations will apply to Mr. Naylor for the remainder of this proceeding but shall not affect his involvement in any other matters before the Commission.

Sincerely,

ChristiAne G. Mason

Assistant Executive Director

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