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June 4, 2004

By Hand Delivery

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
8 Old Suncook Road
Concord, NH 03301



**Re: DW 04-048 – City of Nashua Taking Of: Pennichuck East Utility, Inc.,
Pittsfield Aqueduct Company, Inc., Pennichuck Water Works, Inc.**

Dear Ms. Howland:

Enclosed for filing with the Commission are an original and eight copies of Response of Pennichuck Utilities to Town of Milford's Motion to Consider and Maintain Effectiveness of Existing Contract together with a computer diskette in Word format with the enclosed Response on it. Please let me know if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Camerino'.

Steven V. Camerino

Enclosures

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

City of Nashua Taking Of:

Pennichuck East Utility, Inc.
Pittsfield Aqueduct Company, Inc.
Pennichuck Water Works, Inc.

Docket No. DW 04-048

**Response of Pennichuck Utilities to Town of Milford's Motion to Consider
and Maintain Effectiveness of Existing Contract**

Pennichuck Water Works, Inc., Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc. (the "Pennichuck Utilities") hereby respond to the Town of Milford's Motion to Consider and Maintain Effectiveness of Existing Contract ("Motion") as follows:

1. The Pennichuck Utilities share Milford's concern regarding the status of the wholesale contract between Pennichuck Water Works, Inc. and the Town of Milford as well as other obligations of the three Pennichuck Utilities if the City of Nashua were authorized to take the assets of any or all of the Pennichuck Utilities by eminent domain.
2. The Pennichuck Utilities anticipate that included among the many issues that the Commission will consider in this docket, if the docket proceeds to a hearing on the merits, is the impact of the City of Nashua's proposed taking of the Pennichuck Utilities' assets on the three companies' contractual and other obligations to third parties.
3. The Pennichuck Utilities anticipate that, if the Commission determines it is appropriate to conduct a proceeding on the merits of any aspect of the petition filed by the City of Nashua, then the Commission is also likely to consider issues such as the scope of the proceeding and whether it should be conducted in one or multiple phases.

4. Milford's Motion raises complex questions regarding the legal mechanism by which the City of Nashua can be required to assume any contractual or other obligation of the Pennichuck Utilities that the City does not wish to assume or that it wishes to alter. These issues are of equal concern to the three Pennichuck Utilities, but because of the very preliminary status of this docket it is not yet clear whether they are appropriately raised in this proceeding.

5. The Pennichuck Utilities believe that the Town of Milford's Motion, to the extent it is necessary at all, may therefore be premature. Because the scope and nature of this docket have not yet been determined and the Commission has not yet determined whether it will proceed with all or any portion of the City of Nashua's petition, the Pennichuck Utilities must reserve their right to take a position at a future date regarding the relevance or materiality of any issue that is raised by any participant in this docket until after the Commission has determined what the proper scope of the proceeding should be.

6. For the foregoing reasons, the Pennichuck Utilities do not believe that the Town of Milford's Motion requires Commission action at this time and should be held in abeyance until such time as the Commission considers the proper scope of this proceeding. If the Commission holds the Motion in abeyance, the Pennichuck Utilities request that, to the extent necessary, the Commission waive N.H. Code of Admin. Rules Puc 203.054(g) and notify the parties that they have ten days to respond to the Motion if and when the Commission determines that it is prepared to rule on the Motion.

7. A waiver of Puc 203.04(g) will serve the public interest and will not disrupt the orderly proceeding of the Commission for the reasons set forth in the preceding paragraphs.

8. Counsel for the Pennichuck Utilities is authorized to represent that counsel for the Town of Milford concurs with this Response.

WHEREFORE, the Pennichuck Utilities respectfully request that the Commission hold the Town of Milford's Motion in abeyance and, to the extent necessary, waive N.H. Code of Admin. Rules Puc 203.04(g) and suspend the time to respond to the Motion until such time as the Commission notifies the participants in this docket that it is prepared to rule on the Motion.

Respectfully submitted,

Pennichuck East Utility, Inc.
Pittsfield Aqueduct Company, Inc.
Pennichuck Water Works, Inc.

By Their Attorneys

McLANE, GRAF, RAULERSON &
MIDDLETON, P.A.

Date: June 4, 2004


By: 

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

CERTIFICATE OF SERVICE

I hereby certify that a copy of this Response of Pennichuck Utilities to Town of Milford's Motion to Consider and Maintain Effectiveness of Existing Contract has been forwarded to F. Anne Ross, Esq., Robert Upton, II, Esq., David R. Connell, Esq., William R. Drescher, Esq., Katherine E. L. Chambers and Dom S. D'Ambruoso, Esq.

Date: June 4, 2004


Steven V. Camerino