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August 25, 2005

By Hand Delivery

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

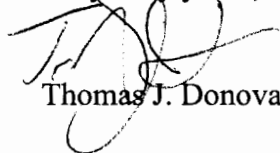
Re: DW 04-048; City of Nashua—Taking of Pennichuck Water Works, Inc.

Dear Ms. Howland:

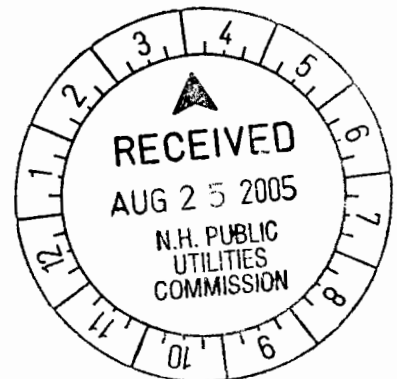
Enclosed for filing with the Commission are an original and eight copies of Objection of Pennichuck to the City of Nashua's Motion For Leave to Respond. I have e-mailed an electronic copy of the Objection to Ann Guinard, as well as served the parties this same day by e-mail and first class mail.

Thank you for your assistance with this matter. Please call me with any questions.

Very truly yours,


Thomas J. Donovan

cc: Service List
Donald Correll, CEO and President



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

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

Docket No. DW 04-048

**OBJECTION OF PENNICHUCK WATER WORKS, INC. and
PENNICHUCK INTERVENORS TO
CITY OF NASHUA'S MOTION FOR LEAVE TO RESPOND**

Pennichuck Water Works, Inc., Pennichuck East Utility Inc., Pittsfield Aqueduct Company, Pennichuck Corporation, and Pennichuck Water Services Corporation, (collectively "Pennichuck") object to The City of Nashua's ("Nashua") Motion For Leave to Respond, and state as follows:

1. Nashua has filed a Motion for Leave to Respond (hereinafter "Motion") and Response to Pennichuck's Objection to City of Nashua's Motion to Reconsider Order No. 24,487. (hereinafter "Response"). Nashua should get credit for spunk, since it filed this Motion and Response on the heels of its own Motion to Strike Pennichuck's Reply (July 5, 2005) and the Commission's admonition against such replies. Order No. 24, 488 (July 18, 2005), n.4.
2. Should the Commission grant the Motion and consider Nashua's Response, Pennichuck respectfully requests that the Commission consider this additional filing.
3. Nashua's charge that Pennichuck is misconstruing, confusing, misstating and muddling the issue is disingenuous and does not advance the orderly and proper determination of the difficult issue at hand.
4. In Order No. 24,487, the Commission properly ruled that the issue concerning whether severance damages should be awarded any Pennichuck entity involves an issue of first impression.

5. In Order No. 24,487, the Commission also properly ruled that the issue concerning whether severance damages should be awarded Pennichuck requires the development of a factual record.

6. Nashua is attempting to get the Commission to dismiss as a matter of law Pennichuck's claim for severance and other damages, thereby preventing the Commission from having a factual record upon which to make its decision.

7. Nashua presents no authority for the proposition that Pennichuck's claim for severance or other damages should be dismissed as a matter of law and without consideration of a factual record.

8. An examination of each and every eminent domain case relied upon by Nashua in its Response reveals very different fact patterns, making their relevance to the discussion marginal at best. For instance, cases involving parcels of vacant land or parcels with separate and distinct uses do not provide useful authority for the circumstances of this case. A case involving a dispute about a permit issued by the Interstate Commerce Commission is not useful authority for this case. Nashua cites to no eminent domain case involving a parent corporation and its subsidiaries.

9. More important, each and every eminent domain case relied upon by Nashua in its Response was decided following the development of a factual record. In The Law of Eminent Domain, Nichols states:

...the rule in most states is that the issue of unity is so intertwined with the issue of value that it is necessarily an issue of fact...

§14B.04.

10. Nashua spends much time arguing about one specific fact issue: unity of ownership. When evaluating severance damages claims involving separate ownership, Courts examine both unity of ownership and unity of use. Nashua's Response fails to recognize that "ownership" is a broader concept than "title."

11. The Commission need look no further than a case cited in the Nashua Response, Salem v. H.S.B., 733 P.2d 890 (1987), to appreciate that on a national basis, jurisdictions are split on certain aspects of the severance damage issue. The Court stated:

No Oregon case or statute defines unity of ownership for the purposes of severance. Courts from other jurisdictions are divided on the issue.

A thorough briefing of the issue will demonstrate that an increasing number of states are concluding that economic realities are more significant than the technical legal status.

12. And the significance of the constitutional guarantees must be considered. In Guptill Holding Corp. v. State, 261 N.Y.S. 435, 437 (3d Dept. 1965), the Court stated:

It would appear to us that the paramount constitutional requirement of just compensation must be allowed to prevail over the niceties of legal title advanced by the State.

13. The Commission's Order No. 24,487 properly determines that the issue of whether Pennichuck are entitled to severance damage should be decided after they have an opportunity to submit testimony on the issue.

For the foregoing reasons, Pennichuck respectfully requests that the Commission deny the City of Nashua Motion For Leave to Respond, and deny its Motion to Reconsider.

Respectfully submitted,

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

By Their Attorneys,

McLANE, GRAF, RAULERSON & MIDDLETON,
PROFESSIONAL ASSOCIATION

Date: August 25, 2005

By: _____

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Certificate of Service

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

Dated: August 25, 2005

Thomas J. Donovan