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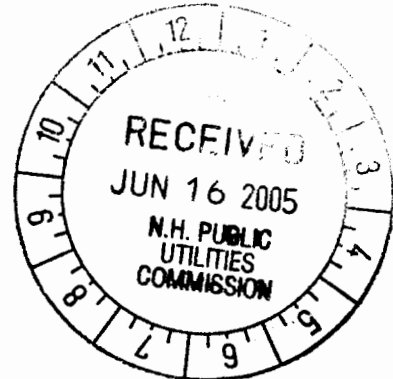
SARAH B. KNOWLTON
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OFFICES IN:
MANCHESTER
CONCORD
PORTSMOUTH

June 16, 2005

VIA 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 the following documents:

1. Pennichuck Water Works, Inc.'s Reply to the Town Of Amherst's Objection to Pennichuck's Motion to Compel Response to Data Requests
2. Pennichuck Water Works, Inc.'s Reply to the Merrimack Valley Regional Water District's Objection to Pennichuck's Motion to Compel Response to Data Requests

I am also enclosing a diskette with each Reply in electronic form. Thank you for your assistance with this matter. Please call me with any questions.

Very truly yours,

A handwritten signature in cursive script that reads 'Sarah B. Knowlton'.

Sarah B. Knowlton

cc: Service List
Donald L. Correll, President & CEO

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

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

Docket No. DW 04-048

**PENNICHUCK WATER WORKS, INC.'S REPLY TO THE TOWN OF AMHERST'S
OBJECTION TO PENNICHUCK'S MOTION TO COMPEL RESPONSE TO DATA
REQUESTS**

Pennichuck Water Works, Inc. ("Pennichuck") hereby replies to the Town of Amherst's ("Amherst") objection to Pennichuck's Motion to Compel The Town of Amherst to Respond to Data Requests. In support of this reply, Pennichuck states as follows:

1. In its Objection to Pennichuck's Motion to Compel, Amherst contends that there was some implicit understanding among the parties in this docket that those who chose not to file testimony would be relieved of any obligation to respond to data requests. Amherst's contention is wrong. At the April technical session in this case, there was no discussion whatsoever about excusing any parties from the responsibility of responding to data requests. Similarly, not a single party, including Amherst, requested any waiver of its obligation to respond to data requests under the Commission's rules.

2. The procedural schedule, which was carefully crafted and agreed to by the parties, and ultimately approved by the Commission, specifically referred to the service of data requests on parties in support of Nashua's position. See Order No. 24, 457, issued April 22, 2005 ("Pennichuck and any party data requests to Nashua **and supporting intervenors** regarding technical, financial, and managerial capabilities and public interest")(emphasis added).

3. There is no question that Amherst is a supporting intervenor in this docket. See Order No. 24,379, issued October 1, 2004 ("Amherst supports Nashua's valuation petition").

4. Amherst could have chosen to participate as a limited intervenor in this docket but it did not. It came before the Commission and asked to participate as a full intervenor because it has “a real interest in the outcome of the matter.” See Amherst Objection to Motion to Compel, ¶ 3. Amherst seeks to reap the benefits of full participation while attempting to dodge the obligations that come with intervenor status. Amherst cannot have it both ways, and the Commission should deny its request.

5. For these reasons, the Commission should deny Amherst’s request to be “relieved” of its obligations to respond to data requests, and should compel Amherst to respond to Pennichuck’s data requests.

WHEREFORE, Pennichuck respectfully requests that the Commission:

A. Grant Pennichuck’s Motion to Compel the Town of Amherst to Respond to Pennichuck’s Data Requests; and

B. Grant such other and further relief as the Commission deems necessary and just.

Respectfully submitted,

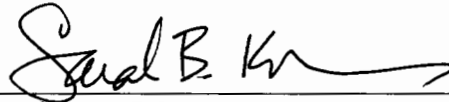
Pennichuck Water Works, Inc.

By Its Attorneys,

McLANE, GRAF, RAULERSON & MIDDLETON,
PROFESSIONAL ASSOCIATION

Date: June 16, 2005

By:



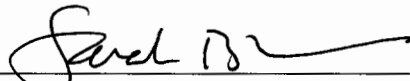
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Joe A. Conner, Esquire
Baker Donelson Bearman
Caldwell & Berkowitz, P.C.
1800 Republic Centre
633 Chestnut Street
Chattanooga, TN 37450

Certificate of Service

I hereby certify that a copy of this Reply to Town of Amherst's Objection to Pennichuck's Motion to Compel Amherst to Respond to Data Requests has been forwarded to the parties listed on the Commission's service list in this docket.

Dated: June 16, 2005



Sarah B. Knowlton

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

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

Docket No. DW 04-048

**PENNICHUCK WATER WORKS, INC.'S REPLY TO MERRIMACK VALLEY
REGIONAL WATER DISTRICT'S OBJECTION TO PENNICHUCK'S MOTION TO
COMPEL RESPONSE TO DATA REQUESTS**

Pennichuck Water Works, Inc. ("Pennichuck") hereby replies to the Merrimack Valley Regional Water District's (the "District") objection to Pennichuck's Motion to Compel The Merrimack Valley Regional Water District to Respond to Data Requests. In support of this reply, Pennichuck states as follows:

1. In its Objection to Pennichuck's Motion to Compel, the District contends that there was some implicit understanding among the parties in this docket that those who chose not to file testimony would be relieved of any obligation to respond to data requests. The District's contention is wrong. At the April technical session in this case, there was no discussion whatsoever about excusing any parties from the responsibility of responding to data requests. Similarly, not a single party, including the District, requested any waiver of its obligation to respond to data requests under the Commission's rules.

2. The procedural schedule, which was carefully crafted and agreed to by the parties, and ultimately approved by the Commission, specifically referred to the service of data requests on parties in support of Nashua's position. See Order No. 24, 457, issued April 22, 2005 ("Pennichuck and any party data requests to Nashua **and supporting intervenors** regarding technical, financial, and managerial capabilities and public interest")(emphasis added).

3. To date, the District has supported Nashua at every juncture of this case. See, e.g., the District's March 8, 2005 Letter of Concurrence re: Nashua's Memorandum; February 25, 2005 Letter of Concurrence with the Arguments Raised in Nashua's Objection to PWW's Motion to Reconsider. It would be difficult to characterize the District's position as anything but supportive of Nashua.

4. Moreover, the District seeks to ultimately own the Pennichuck assets that are the subject matter of this docket through a transfer of such assets by Nashua. See Motion to Intervene of Merrimack Valley Regional Water District, ¶ 8. Given this interest which the District itself has described as "vital" to this docket, see Transcript of July 28, 2004 Pre-hearing conference, p. 13, it is not surprising that the District sought full intervention as a real party in interest. Yet apparently, the District wants to reap the benefits of full participation in this docket, without any of the obligations that come with it. The District cannot have it both ways, and the Commission should deny its request to be absolved of the responsibility of answering data requests.

5. The Commission should also reject the District's attempt to hide behind a belated objection on the grounds of relevance. Again, the procedural schedule in this docket clearly established a 10 day time limit for asserting objections, and the District opted to forgo the opportunity to assert specific objections to each data request within that time period. The District's failure to do so does not now create a legitimate basis for a request for extension of time to interpose objections.

6. More importantly, the District's assertions that Pennichuck's data requests bear no relevance to this proceeding and are a "fishing expedition" is simply not credible. Nashua has repeatedly stated that it intends to transfer Pennichuck's assets to the District if Nashua

completes the taking proposed in this docket, and the District has likewise stated that it intends to own them. See Transcript of July 28, 2004 Pre-hearing conference, pp. 13, 16. Pennichuck's data requests go to the heart of this issue. For example, they include the following:

9. If the City of Nashua or Merrimack Valley Regional Water District were to acquire any or all of the assets of PWW, would the District implement (or take steps to ensure that the City implements) any or all of the conditions recommended by Rizzo Associates in its report regarding the Pennichuck Water System that was prepared in conjunction with the proposed Philadelphia Suburban Corporation/Pennichuck Corporation merger? For each condition listed, please indicate all reasons why such condition would or would not be implemented by the District or why the District would not take steps to ensure that such condition is implemented by the City.

10. If the Merrimack Valley Regional Water District acquires any or all assets of PWW, does it plan to exempt itself from PUC jurisdiction over the regulation of rates?

11. What methodology does the Merrimack Valley Regional District intend to use or believe that the City of Nashua should use to determine the level of rates for customers outside of Nashua as opposed to those inside of Nashua? Do you expect the rates for such customers to be the same for all residential customers? All commercial customers? Please explain any variances and the basis on which such variances should be determined. Your response should, among other things, specifically indicate whether rate differentials between communities and/or systems should be based on cost of service or other factors.

See Data Requests Propounded by Pennichuck Water Works, Inc. to Merrimack Valley Regional Water District - Set One, attached hereto as Exhibit A.

7. These requests, which seek information about how the District would provide water service to Pennichuck's current customers, including information on rates, regulatory oversight, and how the system would be operated by the District have a direct bearing on whether the proposed taking is in the public interest. In fact, it is hard to imagine that *any* records relating to the District would not be relevant to this docket given the District's quest to own the Pennichuck assets and the fact that its sole reason for existing is to own and operate them. To deny Pennichuck access to information within the District's possession would be

highly prejudicial, and would prevent it from being fully informed about evidence bearing on the heart of this case, a right that the New Hampshire Supreme Court has accorded litigants such as Pennichuck. See Scontsas v. Citizens Insurance Co., 109 N.H. 386, 388 (1969).

8. Similarly, the District's contention that Pennichuck's request is overly broad because Pennichuck seeks access to "all documents that reflect, refer and/or relate to the Merrimack Valley Regional Water District", see Exhibit A, Data Request No 3, is not convincing. Pennichuck's data requests are limited to information that relates to the entity that seeks to own its assets through a hostile taking. A request to obtain all of the documents relating to that entity cannot be overly broad.

9. For these reasons, the Commission should grant Pennichuck's Motion to Compel and order the District to immediately respond to Pennichuck's data requests. The Commission should also deny the District any further opportunity to assert objections to Pennichuck's First Set of Data Requests given the District's decision to forgo specific objections during the time frame established by the Commission's Order Approving Procedural Schedule.

WHEREFORE, Pennichuck respectfully requests that the Commission:

- A. Grant Pennichuck's Motion to Compel the Merrimack Valley Regional Water District to Respond to Pennichuck's Data Requests; and
- B. Grant such other and further relief as the Commission deems necessary and just.

Respectfully submitted,

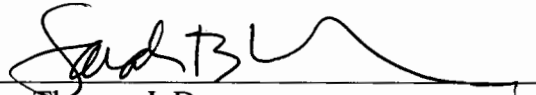
Pennichuck Water Works, Inc.

By Its Attorneys,

McLANE, GRAF, RAULERSON & MIDDLETON,
PROFESSIONAL ASSOCIATION

Date: June 16, 2005

By:



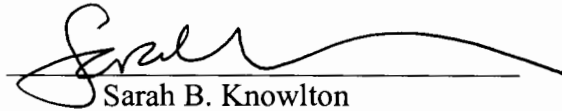
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633 Chestnut Street
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Certificate of Service

I hereby certify that a copy of this Reply to Merrimack Valley Regional Water District's Objection to Pennichuck's Motion to Compel the District to Respond to Data Requests has been forwarded to the parties listed on the Commission's service list in this docket.

Dated: June 16, 2005



Sarah B. Knowlton

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

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

Docket No. DW 04-048

**Data Requests Propounded by Pennichuck Water Works, Inc.
to Merrimack Valley Regional Water District—Set 1**

Pennichuck Water Works, Inc. ("PWW") hereby submits its first set of data requests to the Merrimack Valley Regional Water District to be answered under oath and within the time prescribed by Order No. 24,457 of the New Hampshire Public Utilities Commission.

Unless otherwise specified, the following definitions and instructions shall apply to the data requests set forth below.

I. DEFINITIONS

1. "And" means "and/or."
2. "CIAC" means contributions in aid of construction.
3. "City" or "Nashua" mean the City of Nashua, New Hampshire.
4. "Communication" and "communicate" means the act or fact of communicating, including, without limitation, every manner or means of statement, utterance, notation, disclaimer, transfer or exchange of information of any nature whatsoever, by or to whomever, whether oral or written or whether face-to-face, conveyed electronically, by telephone, mail, personal delivery or otherwise including, but not limited to, correspondence, conversations, dialogue, discussions, meetings, interviews, consultations, agreements and other understandings.
5. "Computer files" means all computer files and written, recorded, and graphic materials of every kind in your possession, custody or control and includes any medium upon which intelligence or information can be recorded or retrieved, electronic correspondence, and drafts of documents, copies of documents that are not identical duplicates of the originals, and copies of the documents the originals of which are not in your possession, custody or control. The term "computer files" includes, but is not limited to, information stored in, or accessible through, computer or other information retrieval systems. The term "computer files"

includes documents that exist in machine-readable form, including documents stored in personal computers, portable computers, workstations, minicomputers, mainframes, servers, backup disks and tapes, archived disks and tapes, CD Rom, worm drives, DVD drives, and other forms of offline storage, whether on or off your premises. Electronic mail messages should also be provided, even if only available on backup or archived tapes or disks. The computer files shall be printed and produced in hard copy or produced in machine-readable form, together with instructions and all other materials, means and devices necessary to use, gather, or interpret the data or format of the computer files.

6. “Document” means any medium upon which intelligence or information can be recorded or retrieved, and includes, without limiting the generality of the foregoing, every writing or record of every type and description in your possession, custody or control, or in the possession, custody or control of your attorneys, agents employees and officials, including, but not limited to, the original and each copy, regardless of origin and location, of any computer files; correspondence; letter; memorandum; invoice; bill; order form; receipt; financial statement; depreciation schedule; appraisal; accounting entry; diary; calendar; travel calendar; telex; telegram; notes or sound recording of any type of personal or telephone conversation or of meetings or conferences; cable; report; record; study; analysis; report; results of investigation; review; contract; agreement; deed; financing statement; continuation statement; termination statement; loan inquiry or request; loan approval; loan commitment; list of inventory, equipment, materials, supplies, property or assets of any nature or type; statistical record; ledger; book of accounts; voucher; travel voucher; bank check (whether canceled or otherwise); invoice; computer data; stenographer notebook; desk calendar; appointment book; diary; expense account record; handwritten note; draft; working paper; chart; paper; print; drawing; sketch; index; list; tape; photograph; microfilm; data sheet or data processing card; or papers similar to any of the foregoing; or any other written, recorded, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was, but is no longer in your possession, custody or control.
7. “Identify” when used with respect to a person or persons means state the name, address(es), and telephone number(s) of such persons. When used with respect to a document(s) or written communication, "identify" means:
 - i. specify the nature of the document (e.g., letter, memorandum, press release, written agreement, telegram, etc.);
 - ii. state the date, if any, appearing on the document when it was prepared;
 - iii. identify each person who wrote, signed, dictated, or otherwise participated in the preparation of the document;

- iv. identify each person, if any, who was an addressee of the document;
 - v. if it now exists, identify each person having custody of the document;
 - vi. state when and how it came to be in your possession or subject to your control; and,
 - vii. state the substance of the information contained in the document or communication. If such document was, but no longer is, in your possession or subject to your control, state what disposition was made of it.
- 8. “Or” means “and/or.”
 - 9. “PAC” means Pittsfield Aqueduct Company, Inc.
 - 10. “Person(s)” means individuals and entities, including, without limitation, sole proprietorships, firms, associations, companies, partnerships, joint ventures, corporations, cooperatives, and any other legal, business or governmental entity.
 - 11. “PEU” means Pennichuck East Utility, Inc.
 - 12. “PUC” means the New Hampshire Public Utilities Commission.
 - 13. “PWW” means Pennichuck Water Works, Inc.
 - 14. “Refer(s) to” or “relate(s) to” means to be in any way logically or factually connected with the matter stated, including, but not limited to, referring to, relating to, sharing, describing, concerning, analyzing, reflecting, and constituting.
 - 15. Terms in the plural include the singular, and terms in the singular include the plural.
 - 16. Terms referring to a gender include all genders.

II. INSTRUCTIONS

- 1. For each response, please identify the individual who provided the response.
- 2. If you cannot answer a data request in full, after exercising due diligence to secure the information necessary to do so, state the answer to the extent possible, state

why you cannot answer the data request in full, and state what information or knowledge you have concerning the unanswered portions.

3. When a data request requires you to "state the basis of" a particular claim, contention, allegation or denial, identify in your response each and every action, event, fact and legal theory, presently known to you, that you think supports such claim, contention, allegation or denial. If the basis of the claim, contention, allegation or denial is an opinion rendered by an expert, please identify the expert, the substance of the opinion and the date on which the opinion was rendered.
4. Please reprint each request with your response to that request beginning on a separate page.
5. The generality of any data request is not limited by the particularity of any other data request.
6. If any data request is objected to for any reason, describe the legal or factual basis for each objection in sufficient detail to permit the PWW to respond to such objection and to permit the PUC to decide the validity of the objection. In addition to asserting such objection, your response should identify all documents that refer or relate to the information requested.
7. Any document that bears on any sheet or side any marks, including, without limitation, initials, stamped indicia, comments, or notations of any character and not a part of the original text or any reproduction of the original text, shall be considered a separate document for purposes of these data requests.
8. This set of data requests is made as a continuing request. If any document or information responsive to any data request comes into the possession, custody, or control of you or your attorneys at any time subsequent to the serving of your responses to these data requests, such document or information should be promptly produced.
9. With respect to any document or information that is called for by these data requests and that is withheld upon a claim of privilege or immunity, state for each such document or information:
 - i. The data request to which the document or information is otherwise responsive;
 - ii. its title or description and general subject matter;
 - iii. its date;
 - iv. its author;

- v. the person for whom it was prepared or to whom it was sent;
- vi. the identity of every person who has seen the document; and
- vii. the nature of the privilege or immunity claim.

Documents with respect to which privilege is claimed (including work product) shall be sufficiently described so that PWW can bring the question of privilege before the PUC.

- 10. If any document requested hereby has been destroyed, identify the document by providing the title of the document, the identity of the person who prepared it, the dates and manner of publication of the document, if any, the name of the last custodian of the document, the date the document was destroyed and the reason for its destruction.
- 11. Any data request having more than one part is intended to, and does, requests that each and every part thereof be answered with the same force and effect as if each were the subject of and were asked by a separate data request.
- 12. If you produce a hard copy of any responses, please send them to:

Thomas J. Donovan
McLane Law Firm
900 Elm Street
P.O. Box 326
Manchester, NH 03105

Please provide electronic copies of responses via email to the following individuals:

Thomas J. Donovan
tdonovan@mclane.com

Steven V. Camerino
steven.camerino@mclane.com

Sarah B. Knowlton
sarah.knowlton@mclane.com

Joe Conner
jconner@bakerdonelson.com

III. Data Requests

1. Does the City of Nashua have a majority vote with regard to any aspect of governance of the Merrimack Valley Regional Water District? Please explain and provide all supporting documents.
2. If the answer to Question 1 is in the affirmative with respect to any matter, would the City of Nashua be able to control the amount and type of investment by the District in assets it owned, including assets in municipalities other than Nashua? Please explain and provide all supporting documents.
3. Please provide copies of all documents that reflect, refer and/or relate to the Merrimack Valley Regional Water District.
4. Please provide copies of all documents that reflect, refer and/or relate to communications between the Merrimack Valley Regional Water District or any official, employee, agent or representative of the District and any official, employee, agent or representative of the City of Nashua or any other municipality regarding Pennichuck Corporation or any of its subsidiaries, the Merrimack Valley Regional Water District, water or any utility matters.
5. Please provide copies of any and all documents that reflect, refer and/or relate to George E. Sansoucy, P.E., LLC.
6. Please provide copies of any and all documents that reflect, refer and/or relate to the City of Nashua's vote to municipalize the assets of Pennichuck Water Works, Inc. or any affiliate.
7. Please provide copies of any and all documents that reflect, refer and/or relate to the vote taken by the Town of Bedford to municipalize Pennichuck Corporation's assets.
8. Please state how much money the Merrimack Valley Regional Water District has (a) on hand and (2) budgeted for 2005 for matters related to the City of Nashua's efforts to municipalize the assets of Pennichuck Water Works or related to the transfer of any such assets to the District and the subsequent operation of those assets by the District. To the extent that the amounts in (a) is less than the amount in (b) differ, please identify the source of any funds anticipated to make up such difference and explain the extent to which any funding sources for such amounts have already committed to provide such funds.
9. If the City of Nashua or Merrimack Valley Regional Water District were to acquire any or all of the assets of PWW, would the District implement (or take steps to ensure that the City implements) any or all of the conditions recommended by Rizzo Associates in its report regarding the Pennichuck Water

System that was prepared in conjunction with the proposed Philadelphia Suburban Corporation/Pennichuck Corporation merger? For each condition listed, please indicate all reasons why such condition would or would not be implemented by the District or why the District would not take steps to ensure that such condition is implemented by the City.

10. If the Merrimack Valley Regional Water District acquires any or all assets of PWW, does it plan to exempt itself from PUC jurisdiction over the regulation of rates?
11. What methodology does the Merrimack Valley Regional District intend to use or believe that the City of Nashua should use to determine the level of rates for customers outside of Nashua as opposed to those inside of Nashua? Do you expect the rates for such customers to be the same for all residential customers? All commercial customers? Please explain any variances and the basis on which such variances should be determined. Your response should, among other things, specifically indicate whether rate differentials between communities and/or systems should be based on cost of service or other factors.