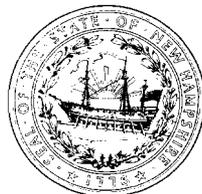


THE STATE OF NEW HAMPSHIRE

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EXECUTIVE DIRECTOR
AND SECRETARY
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PUBLIC UTILITIES COMMISSION

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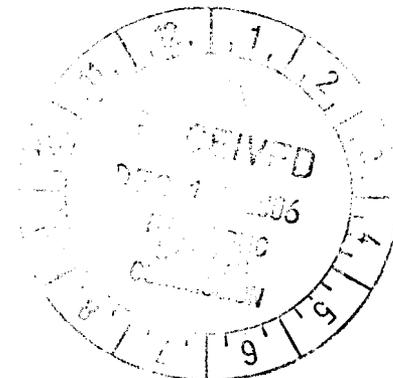
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December 13, 2006

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

Re: Docket No. DW 04-048
City of Nashua
RSA 38 Proceeding re Pennichuck Water Works
Discovery Matters



Dear Ms. Howland:

As you know, respondent Pennichuck Water Works (PWW) and petitioner City of Nashua have been involved in a longstanding discovery dispute with respect to certain documents associated with the contractor the City proposes to use to operate the system it seeks to take from PWW via RSA 38. The current status of that dispute is reflected in the City's "Compliance Filing" and motion for confidential treatment submitted on November 27, 2006 and PWW's objection thereto submitted on December 4, 2006.

I have had extensive contact with counsel for the two parties during the past week in an effort to resolve this dispute informally. As a result, I am authorized to represent that the City is willing to produce the documents for inspection and copying by PWW, at an agreed-upon location in Massachusetts, if the Commission will grant protective treatment of these documents in the manner previously authorized in Order No. 24,605, issued in this docket on March 24, 2006.

Order No. 24,605 allowed the City to limit inspection and copying of certain documents to specific "qualified persons" who have signed an agreement to maintain the confidentiality of the documents. Although I do not necessarily agree with the City's contention that the documents at issue in the instant dispute are entitled to protective treatment pursuant to RSA 91-A or any prior order of the Commission, I recommend that in the spirit of compromise the Commission issue a secretarial letter authorizing production of the documents subject to the restrictions set forth in the March 24 order. In so recommending, I note that Order No. 24,605 leaves unresolved the question of how

Ms. Debra A. Howland
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the Commission would treat this information in the event any party sought to introduce it into evidence at hearing.

I am available at 603.271.6006 if there are any questions about the foregoing.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald M. Kreis". The signature is fluid and cursive, with a large initial "D" and "K".

Donald M. Kreis
General Counsel

Cc: Service List