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OFFICES IN: MANCHESTER CONCORD PORTSMOUTH

April 5, 2005

## By Hand Delivery

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

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

Dear Ms. Howland:

Enclosed for filing with the Commission in the above-captioned docket are an original and eight copies, along with an electronic copy on a computer disk in Word format, of Pennichuck Corporation, Pennichuck Water Service Corporation, Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc.'s Petition to Intervene.

Please let me know if you have any questions about this matter.

Sincerely,

Steven V. Camerino

SVC:cb Enclosure

cc: Service List

보기가 맛을 유무슨 것이 하는 것 같다.

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Printed: April 05, 2005 Docket #: 04-048-1

#### **FILING INSTRUCTIONS:**

WITH THE EXCEPTION OF DISCOVERY (SEE NEXT PAGE) FILE 1 ORIGINAL & COVER LETTER, PLUS 8 COPIES (INCLUDING COVER LETTER) TO:

DEBRA A HOWLAND EXEC DIRECTOR & SECRETARY

**NHPUC** 

21 S. FRUIT ST, SUITE 10 CONCORD NH 03301-2429

# STATE OF NEW HAMPSHIRE BEFORE THE PUBLIC UTILITIES COMMISSION

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

### Docket No. DW 04-048

### **Petition to Intervene**

Pennichuck Corporation ("PNNW"), Pennichuck Water Service Corporation ("PWSC"), Pennichuck East Utility, Inc. ("PEU") and Pittsfield Aqueduct Company, Inc. ("PAC") (collectively the "Pennichuck Intervenors") hereby petition the New Hampshire Public Utilities Commission, pursuant to RSA 541-A:32 and N.H. Code of Admin. Rules Puc 203.02, to intervene in the above-captioned proceeding and state as follows:

- PNNW is the parent company and sole shareholder of Pennichuck Water Works,
   Inc. ("PWW"), the sole remaining named condemnee in this proceeding.
- 2. PEU is a wholly owned subsidiary of PNNW, and therefore is under common ownership with PWW. PEU is a public utility that provides water service to approximately 4,500 customers in 11 municipalities in the State of New Hampshire. PEU has no employees of its own and relies extensively on the employees and assets of PWW to operate the water systems owned by it and serve the customers in those systems.
- 3. PAC is also a wholly owned subsidiary of PNNW, and therefore is also under common ownership with PWW. PAC is a public utility that provides water service to 645 customers in the Town of Pittsfield. PAC has no employees of its own and relies extensively on the employees and assets of PWW for its operations and to serve its customers.

- 4. PWSC is also a wholly owned subsidiary of PNNW, and therefore is also under common ownership with PWW. PWSC is not a public utility, but rather operates community and municipal water systems in New Hampshire and Massachusetts under contract. PWSC has no employees of its own and relies extensively on the employees and assets of PWW for its operations and to serve its customers. As with PEU and PAC, access by PWSC to PWW's personnel and assets benefits all of the Pennichuck operating companies and their customers by reducing the cost per customer of providing service.
- 5. PEU and PAC were initially named as condemnees in the petition filed by the City of Nashua initiating this proceeding. Subsequently, in its Order No. 24,425, the Commission determined that Nashua lacked the statutory authority to pursue an eminent domain taking of the assets of those two utilities.
- 6. Despite the fact that Nashua lacks the legal authority to take assets of the Pennichuck Intervenors on a direct basis, they will suffer substantial harm and direct economic loss if Nashua is authorized to take assets of PWW. Among other things, if Nashua proceeds with a taking of assets of PWW, the Pennichuck Intervenors will suffer direct harm in the form of lost economies of scale, increased operating and capital costs, loss of access to capital markets and other substantial damage. These harms, in addition to affecting the rights and interests of each of the Pennichuck Intervenors will also have a significant negative impact on the water customers served by PEU, PAC and PWSC.
- 7. As Nashua has acknowledged and the Commission is well aware, PEU, PAC, PWSC and PWW operate on a closely integrated basis. In fact, it is the integrated nature of their operations that enables them to minimize the cost of service that they must recover through rates and enables each of the Pennichuck Intervenors to have access to capital at reasonable costs.

- 8. In addition, the Pennichuck Intervenors and PWW have certain contractual arrangements in place as well as an established and legally cognizable relationship of long standing that would be disrupted by a taking of PWW's assets. Such a taking would result in a substantial deprivation of the use and enjoyment of the property rights of the Pennichuck Intervenors, resulting in direct damage for which just compensation would be due.
- 9. For the foregoing reasons, the rights, duties, privileges, immunities and other substantial interests of the Pennichuck Intervenors may (and, in fact, will) be affected by this proceeding.
- 10. Because each of the Pennichuck Intervenors may have rights, duties, privileges and interests that are distinct from those of PWW, they are filing this Petition to Intervene to clarify that, in coordination with the case to be presented by PWW, they will be allowed to submit evidence in this docket relating to the impact of Nashua's proposed taking on them and their customers.
- 11. This Petition is being filed now because previously PEU and PAC were directly involved in this proceeding as named condemnees. In light of the Commission's Order No. 24,425 and 24,448, the Pennichuck Intervenors wish to clarify that their interests in this proceeding and the impact on their customers and shareholders may be presented for consideration by the Commission.
- 12. The Pennichuck Intervenors intend to participate in this proceeding with the same legal counsel as PWW and will coordinate presentation of their positions with PWW. Therefore, and in light of the fact that no procedural schedule has yet been established for this case, granting the Pennichuck Intervenors full intervenor status will not impair the interests of justice or the orderly and prompt conduct of this proceeding.

WHEREFORE, the Pennichuck Intervenors respectfully request that the Commission grant them full intervenor status in this proceeding.

Respectfully submitted,

Pennichuck Corporation Pennichuck Water Service Corporation Pennichuck East Utility, Inc. Pittsfield Aqueduct Company, Inc.

By Their Attorneys

MCLANE, GRAF, RAULERSON & MIDDLETON, PROFESSIONAL ASSOCIATION

April 5, 2005

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

# Certificate of Service

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

Dated: April 5, 2005

Steven V. Camerino