Upton & Hatfield LLP
ATTORNEYS AT LAW

Concord Office
10 Centre Street
PO Box 1090
Concord, NH
03302-1090
603-224-7791
1-800-640-7790
Fax 603-224-0320

Attorneys At Law
Robert Upton, II
Gary B. Richardson
John F. Teague
Russell F. Hilliard
James F. Raymond
Barton L. Mayer
Charles W. Grau
Margaret-Ann Moran
Thomas T. Barry*
Bridget C. Ferns
David P. Slawsky
Heather M. Burns
Matthew H. Upton
Lauren Simon Irwin
Kenneth J. Barnes
Matthew R. Serge
Kelly E. Dowd
*Also Admitted In Virginia

Of Counsel
Frederic K. Upton

Hillsborough Office
8 School Street
PO Box 13
Hillsborough, NH
03244
603-464-5578
1-800-640-7790
Fax 603-464-3269

Attorneys At Law
Douglas S. Hatfield
Margaret-Ann Moran
Kenneth C. Boucher

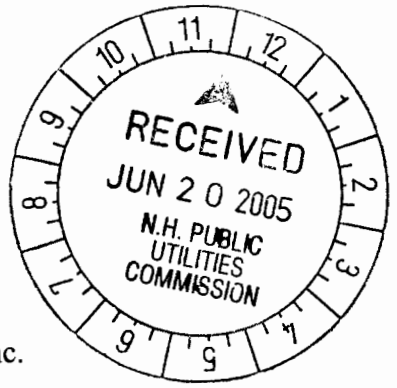
North Conway Office
23 Seavey Street
PO Box 2242
North Conway, NH
03860
603-356-3332
Fax 603-356-3932

Robert Upton, II

www.upton-hatfield.com
mail@upton-hatfield.com

Please respond to the North Conway office

June 15, 2005



Debra A. Howland
Executive Director and Secretary
Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301-7319

Re: Docket DW 04-048
City of Nashua – Pennichuck Water Works, Inc.
Petition for Valuation Pursuant to RSA 38:9

Dear Ms. Howland:

I enclose for filing, herewith, an original and 8 copies, along with an electronic copy on a computer disk in word format, of Motion To Compel by the City of Nashua.

A copy of this letter and the above Motion has been mailed to all persons on the attached service list.

Very truly yours,

Robert Upton, II

RUII/dgg
Enclosure

Cc: Service List

EDMUND J BOUTIN
BOUTIN ASSOCIATES PLLC
ONE BUTTRICK RD
PO BOX 1107
LONDONDERRY NH 03053

MICHAEL S GIAIMO
BUSINESS & INDUSTRY ASSOC
122 N MAIN ST
CONCORD NH 03301

BARBARA PRESSLY
11 ORCHARD AVE
NASHUA NH 03060

STEVEN V CAMERINO
MCLANE GRAF RAULERSON & MIDDLETOI
15 N MAIN ST
CONCORD NH 03301-4945

BRYAN K GOULD
BROWN OLSON & GOULD PC
2 DELTA DR STE 301
CONCORD NH 03301

JOHN J RATIGAN
DONAHUE TUCKER & CIANDELLA
225 WATER ST
PO BOX 630
EXETER NH 03833-0630

DAVID CARON
LONDONDERRY - TOWN OF
50 NASHUA RD
STE 100
LONDONDERRY NH 03053-3416

JAY HODES
BOSSIE KELLY HODES BUCKLEY & WILSOI
440 HANOVER ST
MANCHESTER NH 03104

F ANNE ROSS
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301-2429

KATHERINE E CHAMBERS
TOWN OF MILFORD
TOWN HALL
ONE UNION SQ
MILFORD NH 03055-4240

MARK JOHNSON
TOWN OF HOLLIS
TOWN HALL
7 MONUMENT SQ
HOLLIS NH 03049-6121

LAURA A SPECTOR
MITCHELL & BATES PA
25 BEACON ST EAST
LACONIA NH 03246

DAVID R CONNELL
CITY OF NASHUA
229 MAIN ST
PO BOX 2019
NASHUA NH 03061-2019

STEPHEN J JUDGE
WADLEIGH STARR & PETERS PLLC
95 MARKET ST
MANCHESTER NH 03101

EUGENE F SULLIVAN III
SULLIVANE LAW OFFICE
11 SOUTH ST
CONCORD NH 03301-3719

ELIZABETH COUGHLIN
MERRIMACK RIVER WATERSHED COUNCII
600 SUFFOLK ST 4TH FLR
LOWELL MA 01854-3629

LINDA LAVALLEE
WADLEIGH STARR & PETERS PLLC
95 MARKET ST
MANCHESTER NH 03101

FRED S TEEBOOM
24 CHEYENNE DR
NASHUA NH 03063

DOM S D'AMBRUOSO
RANSMEIER & SPELLMAN PC
ONE CAPITOL ST
PO BOX 600
CONCORD NH 03302-0600

CLAIRE MCHUGH
61 DUBLIN AVE
NASHUA NH 03063-2045

TIMOTHY TIEPERMAN
TOWN OF MERRIMACK
BABOOSIC LAKE RD
PO BOX 940
MERRIMACK NH 03054

WILLIAM R DRESCHER
DRESCHER & DOKMO
21 EMERSON ROAD
PO BOX 7483
MILFORD NH 03055-7483

ROBERT OLSON
BROWN OLSON & WILSON
2 DELTA DR #301
CONCORD NH 03301-7426

MATTHEW H UPTON
UPTON & HATFIELD
10 CENTRE ST
PO BOX 1090
CONCORD NH 03302

Docket #: 04-048-1 Printed: June 15, 2005

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

ROBERT UPTON II
UPTON & HATFIELD
23 SEAVEY ST
PO BOX 2242
NORTH CONWAY NH 03860

STEVE WILLIAMS
NASHUA REGIONAL PLANNING COMMISSI
115 MAIN ST
PO BOX 847
NASHUA NH 03061

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE DETERMINATION OF THE FAIR MARKET VALUE OF THE PLANT AND PROPERTY OF PENNICHUCK WATER WORKS, INC., PENNICHUCK EAST UTILITY, INC., AND PITTSFIELD AQUEDUCT COMPANY, INC.

DOCKET NO. DW 04-048

MOTION TO COMPEL

The City of Nashua ("Nashua") respectfully moves the Public Utilities Commission to compel Pennichuck Water Works, Inc., ("PWW") to respond to Nashua's Data Requests # 1-47, 1-59, 1-60, 1-62, 1-64, 1-66, 1-67, 1-68, 1-69, 1-70 and 1-71. In support of its Motion Nashua says as follows:

1. Nashua propounded its First Set of Data Requests to PWW on May 3, 2005 pursuant to the Procedural Schedule.
2. PWW has submitted Objections and Responses to Nashua's Data Request. Copies of those portions of PWW's Objections, which are the subject of this Motion, are attached as Exhibit A. Copies of those portions of PWW's Responses, which are the subject of this Motion are attached as Exhibit B.
3. As set forth herein, PWW has failed to provide Nashua with certain documents and other information that are necessary for Nashua's evaluation

of issues in this proceeding, including the testimony to be filed by PWW regarding public interest, valuation and/or other issues under RSA 38.

4. Puc 204.04 provides for the submission of Data Requests in this proceeding "as necessary to evaluate a petition, application or testimony." While PWW has not yet submitted its testimony in this proceeding, Nashua's Data Requests are directly related to the issues of valuation and public interest to be considered by the Commission in this proceeding. As a result, the information requested by Nashua is necessary for Nashua's full and fair participation in this proceeding. Moreover, the documents information sought by Nashua will likely assist the Commission in its own evaluation of the issues under RSA 38.

5. Nashua's Data Request 1-47 seeks the cost of capital for the Pennichuck companies, with or without PWW, indicating the breakdown between equity and debt. PWW's response incorporated its Objections and then noted that the Commission had not made a determination of the cost of capital in PWW's last rate case citing Order No. 24,465.

6. The cost of capital for the Pennichuck companies is a critical component to any evaluation of value using the income method for the property to be acquired under RSA 38. While PWW argues that no determination of the cost of capital was made in its recent rate case, that argument has no bearing on this proceeding: PWW has a cost of capital and should be compelled to provide information regarding the cost of capital for the Pennichuck companies, as set forth in Data Requests 1-47.

7. Nashua's Data Requests 1-59, 1-60, 1-62 and 1-64, all relate to appraisals, valuations and opinions of value for PWW's property prepared from 1999 to the present. PWW's responses to these Data Requests incorporated its Objections and did not provide any of the information requested.

8. PWW's prior appraisals of its property are clearly relevant and necessary for a full and fair determination of the value of property to be acquired by Nashua in this proceeding under RSA 38. In Appeal of Public Service Company of New Hampshire, 120 NH 830, 832, 833, the New Hampshire Supreme Court held that prior valuations were matters in evidence relevant to the determination of value by a trier of fact in a tax abatement appeal. Because there is no rigid formula which can be used to determine fair market value, any evidence of value may be considered by the Commission in establishing the value of PWW under RSA 38:9. New England Power v. Littleton, 114 NH 594, 599 (1974).

9. PWW has not articulated any legitimate basis in its Objections for refusing to provide the requested appraisals, valuations, opinions of value, fairness opinions or reports requested in the Data Requests. As a result, PWW should be compelled to provide the information set forth in Nashua's Data Requests 1-59, 1-60, 1-62 and 1-64.

10. Nashua's Data Request 1-66, 1-67, 1-68, 1-69, 1-70 and 1-71 seek the identity and information concerning any experts on the issue of valuation consulted by PWW. Like the prior appraisals of PWW's property, this information is

11. PWW has not articulated any legitimate basis in its Objections for refusing to provide the requested information concerning its expert witnesses. If the basis for the objection is that it has not yet retained such an expert, it should be required to disclose that it has not and to supplement its responses when the requested information becomes available. As a result, PWW should be compelled to provide the information set forth in Nashua's Data Requests 1-66, 1-67, 1-68, 1-69, 1-70 and 1-71.

WHEREFORE, the City of Nashua respectfully moves the Commission to:

a. Compel PWW to respond to Nashua's Data Requests as set forth herein; and

b. Grant Nashua such other and further relief as justice may require.

Respectfully submitted,

CITY OF NASHUA
Upton & Hatfield, LLP
By its attorneys:

Robert Upton, II
23 Seavey Street, PO Box 2242
North Conway, NH 03860
(603) 356-3332

Dated: June 15, 2005

David Connell, Esquire
Corporation Counsel
229 Main Street
Nashua, New Hampshire 03061

CERTIFICATION

I hereby certify that a copy of the foregoing Motion to Compel was this day forwarded to all persons on the attached Service List.

Robert Upton, II