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July 7, 2004

RECEIVED
JUL 08 2004
N.H. PUBLIC UTILITIES COMMISSION

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

Re: DW 04-048
In The Matter Of The Determination Of The Fair Market Value Of The Plant and Property of Pennichuck Water Works, Inc., et al

Dear Ms. Howland:

I enclose, herewith, an original and 8 copies, along with an electronic copy on a computer disk in word format, of the City of Nashua's Motion To Suspend Consideration Of Motion To Disqualify. A copy of the Motion and this letter have been mailed to all persons on the service list.

Very truly yours,

Robert Upton, II

RUII/dgg
Enclosure
Cc: Service List
F. Ann Ross, Esq.

PUC Service list

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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 SUSPEND CONSIDERATION OF MOTION TO DISQUALIFY

NOW COMES the City of Nashua ("Nashua"), Defendant in the above-entitled matter and moves the Honorable Public Utilities Commission ("PUC") to suspend consideration of its Motion to Disqualify McLane, Graf, Raulerson and Middleton, Professional Association ("McLane") from further representation of Pennichuck Corporation ("Pennichuck"), Pennichuck Water Works Inc. ("PWW"), Pennichuck East Utility Inc. ("PEU") and Pittsfield Aqueduct Company, Inc. ("PAC") (collectively referred to as the ("Pennichuck Companies") in this Docket. In support of its Motion the City says as follows:

1. Prior to filing the Motion to Disqualify, Nashua advised McLane that it believed that a conflict existed because of its representation of the Town of Ashland before the PUC and its reliance upon RSA 38, which it asserted was unconstitutional in

the Petition for Declaratory Judgment filed by it in the Superior Court. It further expressed the belief that action was necessary by Mclane to remove the conflict before it could continue its representation of the Pennichuck Companies.

2. McLane's response was that it would obtain consent and that Nashua lacked standing.

3. Nashua filed its Motion to Disqualify on April 28, 2004.

4. On May 28, 2004, one month following Nashua's Motion, a secretarial letter from the PUC advised that on May 20, 2004 the Town of Ashland had filed an assented to Motion To Suspend Its Petition For The Determination Of Value Of Certain Property Of The New Hampshire Electric Cooperative. A copy of the May 28, 2004 letter is attached as Exhibit A. It appears that Ashland and NHEC have agreed to enter into an asset purchase agreement without PUC intervention. The Motion approved by the PUC sought to suspend the proceeding until either the sale was completed or the Town withdrew its Petition because ratification was rejected by the voters of Ashland under RSA 38. On information and belief the parties intend to close the transaction on or before December 31, 2004.

5. Notwithstanding its pending Motion to Disqualify at no time did McLane or the Pennichuck Companies advise Nashua of the action taken in the Ashland case. It was only as a result of reviewing the PUC's website on June 28, 2004 that counsel for Nashua learned of the May 28, 2004 secretarial letter.

6. Until the Ashland Docket before the PUC is finally resolved by completion of the acquisition or withdrawal of the Petition, Nashua believes a conflict still exists. Notwithstanding the foregoing, Nashua further believes based upon the

secretarial letter dated May 28, 2004 and discussions with counsel for NHEC that completion of the acquisition is probable and that in such event, McLane's conflict will be cured and the Motion to Disqulify can be withdrawn.

7. Counsel for the Pennichuck Companies has been contacted and assents to the requested relief but does not agree with all the representations made by Nashua herein. Staff and the Consumer Advocate take no position on the Motion.

WHEREFORE, Nashua respectfully moves the Honorable Commission:

A. To suspend consideration of Nashua's Motion to Disqualify until the resolution of the Ashland Docket before the PUC is known; and

B. To grant such other and further relief as justice may require.

By its attorneys:
Upton & Hatfield, LLP

Dated: July 7, 2004

Robert Upton, II, Esquire
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CERTIFICATION

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

Robert Upton, II