STATE OF NEW HAMPSHIRE

CHAIRMAN Thomas B. Getz

COMMISSIONERS Graham J. Morrison Michael D. Harrington

EXECUTIVE DIRECTOR AND SECRETARY Debra A. Howland



PUBLIC UTILITIES COMMISSION 21 S. Fruit Street, Suite 10 Concord, N.H. 03301-2429 Tel. (603) 271-2431

FAX (603) 271-3878

TDD Access: Relay NH 1-800-735-2964

> Website: www.puc.nh.gov

December 6, 2005

RE: DW 04-048, City of Nashua

Order No. 24,555

To the Parties:

Enclosed are revised pages 2 and 4 of Order No. 24,555 (December 2, 2005). On page 2 "Order No. 24,497" has been changed to "Order No. 24,487", and on page 4, "RA" has been changed to "RSA." All other portions of this order remain unchanged.

Please substitute the enclosed revised pages to your copy of Order No. 24,555.

Very truly yours,

Debra A. Howland

Executive Director and Secretary

Delia A. Soulard

Enclosures

cc: Service List Docket File DW 04-048 REVISED 12/06/05

29, 2005) denying a Motion to Compel filed by Nashua regarding privilege and discovery into other valuations performed by or for PWW.

Each motion for rehearing gave rise to an objection and in some cases responses from other parties or Staff. The motion filed by Nashua regarding Order No. 24,487 gave rise not only to an objection from the Pennichuck Companies but also a request by Nashua to respond to the objection, which in turn was opposed by the Pennichuck Companies. The Commission's procedural rules do not authorize responses to objections and multiple rounds of pleadings are not favored. We find no basis here for allowing such additional pleadings and have not considered them in reaching our determinations herein.

II. Order No. 24,487

A. Order

In Order No. 24,487, the Commission held that the scope of severance damages and/or financial consequences of a taking of PWW would be determined after review of the testimony on this issue and not as a threshold legal matter as urged by Nashua.

B. Nashua Motion

Nashua filed a Motion for Reconsideration, alleging that the Commission should not interpret the phrase "the utility" in RSA 38:6 narrowly in Order No. 24,425, limiting a taking to PWW alone, and then interpret the phrase "the owner" in RSA 38:9 broadly in Order No. 24,487, allowing entities other than PWW to be compensated for severance damages if the evidence so supports. Nashua argues that the legislature intended damages for severance to be limited to the plant and property of the utility being taken, not of the parent company or stock ownership of the parent company of the utility. Nashua asserts that if the legislation is to be read expansively to

record. We did not rule on who, if anyone, is entitled to damages in Order No. 24,487 and remain open to the arguments of the Parties and Staff on this issue. Accordingly, we deny the Motion for Rehearing.

III. Order No. 24,488

A. Order

In Order No. 24,488, the Commission denied requests by PWW to compel responses to certain data requests regarding Nashua's claim of expertise in operating other municipal systems and certain questions regarding events prior to November 26, 2002, the date the Nashua Aldermen voted to proceed with a taking. As stated in the Order, to avoid becoming "ensnared by issues that no doubt are important to the parties but have little bearing on the determinations the Commission must make, we will not allow the parties to engage in debate over the Philadelphia Suburban transaction". Order No. 24,488 at 7-8.

B. PWW Motion

PWW filed a Motion to Reconsider or Rehear Order No. 24,488, arguing that it should not be prohibited from discovery into these areas. Details of Nashua's operations of other municipal systems, PWW asserts, is relevant if Nashua is to operate the water system. The questions regarding events prior to November 26, 2002, according to PWW, must be explored:

1) to determine "what gave rise to the City's consideration of pursuing a taking under RSA Chapter 38" and 2) because the Order is "contrary to the Superior Court's directive" regarding the scope of discovery in the Commission docket. PWW quotes Superior Court Judge Lynn's order that Nashua's "alleged bad faith, improper motive and lack of intent to follow through with the acquisition obviously are matters that would have a significant bearing on the question of

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

ROBERT OLSON **BROWN OLSON & GOULD PC** 2 DELTA DR #301 CONCORD NH 03301-7426

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

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

BARBARA PRESSLY 11 ORCHARD AVE NASHUA NH 03060

DAVID CARON LONDONDERRY - TOWN OF 50 NASHUA RD **STE 100** LONDONDERRY NH 03053-3416 JAY HODES BOSSIE KELLY HODES BUCKLEY & W 440 HANOVER ST MANCHESTER NH 03104

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

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 JUSTIN C RICHARDSON **UPTON & HATFIELD** PO BOX 1090 CONCORD NH 03302-1090

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

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

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

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

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

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

WILLIAM R DRESCHER DRESCHER & DOKMO 21 EMERSON ROAD PO BOX 7483 MILFORD NH 03055-7483 STEPHEN MERRILL OFFICE OF CONSUMER ADVOCATE 21 SOUTH FRUIT ST STE 18 CONCORD NH 03301

FRED S TEEBOOM 24 CHEYENNE DR NASHUA NH 03063

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DEBRA A HOWLAND

EXEC DIRECTOR & SECRETARY

NHPUC

21 SOUTH FRUIT STREET, SUITE 10

CONCORD NH 03301-2429

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

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

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

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CATHERINE MARSELLOS NHPUC 21 SOUTH FRUIT ST, SUITE 10 CONCORD NH 03301-2429

MARK NAYLOR NHPUC 21 SOUTH FRUIT ST, SUITE 10 CONCORD NH 03301-2429

MARCIA THUNBERG NHPUC 21 SOUTH FRUIT ST, SUITE 10 CONCORD NH 03301-2429

AMANDA NOONAN CONSUMER AFFAIRS DIRECTOR NHPUC 21 SOUTH FRUIT ST, SUITE 10 CONCORD NH 03301-2429

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Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

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