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September 25, 2007

***By Hand Delivery***

Debra A. Howland  
Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

**Re: DW 06-172; Pennichuck East Utility, Inc.**

Dear Ms. Howland:

I am writing to inform the Commission that on September 24, 2007, Pennichuck East Utility, Inc. closed on its purchase of the assets of Daniels Lake Water Works, Inc. and as of the closing, has begun providing service to the former Daniels Lake customers. Water System Operators will continue to operate the Daniels Lake system pursuant to a contract with Pennichuck for a brief period of time to ensure an orderly transition in service.

While the Settlement Agreement contemplated a closing within 45 days of the Commission's final order, the Company experienced significant problems in consummating the closing of this transaction due to Mr. Fitzgerald's lack of cooperation in providing appropriately signed closing documents. The closing was scheduled initially for July 2, 2007, but was rescheduled multiple times due to unsigned or missing paperwork. In addition, there were issues regarding the title to the Daniels Lake property, which required review and resolution.

Pennichuck looks forward to serving the Daniels Lake customers. If you have any questions regarding any of the issues regarding the closing or Pennichuck's initiation of service to these customers, please do not hesitate to let me know. We appreciate the Commission's assistance with this matter.



Debra A. Howland  
September 25, 2007  
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Very truly yours,

A handwritten signature in black ink, appearing to read "Sarah B. Knowlton". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sarah B. Knowlton

cc: Service List  
Donald Ware  
Mark Naylor  
Suzanne Amidon, Esq.  
George Basbanes, Esq.