

STATE OF NEW HAMPSHIRE  
BEFORE THE PUBLIC UTILITIES COMMISSION

Pennichuck Water Works, Inc.

*Petition for Permanent and Temporary Rate Increases*

Docket No.: DW 08-073

**CITY OF NASHUA'S PETITION TO INTERVENE**

NOW COMES the City of Nashua and petitions the Commission to grant intervention in this proceeding pursuant to RSA 541-A:32 and, in support thereof, states:

1. Nashua (hereinafter "Nashua" or "the City") is the second largest City in the State of New Hampshire with a population of approximately 86,605 persons. Nashua is charged with the duty and responsibility to protect and promote the general welfare of the City's residents.

2. Pennichuck Water Works, Inc., (hereinafter "PWW") is a New Hampshire Corporation and a public utility as defined in RSA 362:2, that serves approximately 25,000 customers located in Nashua and surrounding communities using facilities owned by PWW.

3. On July 25, 2008, the Commission approved Nashua's petition to acquire the real and personal property owned by Pennichuck Water Works pursuant to RSA 38, including the assets that are the subject of this Proceeding. Order No. 24,878.

4. RSA 541-A:32, I (b) provides for intervention in a proceeding before the Commission where, *inter alia*, a party's rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding.

5. Nashua's rights, duties and substantial interests may be affected by this proceeding. In the near term, Nashua has an interest in ensuring that the rate design and allocation to customers is reasonable.

6. In addition, Nashua understands that PWV has proposed a step increase for on-going capital improvement projects that will ultimately be acquired by Nashua. However, the Company stated recently that it is "considering the deferral of up to \$3.8 million of 2008 planned capital expenditures pending the resolution of the ruling" including "water main and booster station replacement projects."<sup>1</sup> The Company's chief financial officer, Thomas Leonard, appears to have also indicated that it may defer ordinary maintenance activities. According to an August 13, 2008 article in the New Hampshire Business review, Mr. Leonard stated that "[w]e are not buying leak detection equipment, we aren't renewing some service plans, and we are canceling vehicle replacements," and that it is evaluating deferring a "substantial amount of maintenance".

7. As a result, it is unclear whether the Company's proposed rate increase, including the step increase, continues to reflect the actual costs for service and are just and reasonable. Nashua does not oppose any rate increase that fairly reflects the cost of service. However, these statements call into question whether the company's historical expenses on operations and maintenance reflect the company's cost of service going forward.

8. As a result of the foregoing and for other good reasons, Nashua has substantial interests that may be effected by this proceeding and requests intervention.

WHEREFORE, the City of Nashua respectfully requests that the Commission:

A. Grant intervention in this proceeding; and

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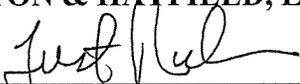
<sup>1</sup> Pennichuck Corporation Form 10-Q filed August 8, 2008, Page 30.

B. Grant such other relief as justice may require.

Respectfully submitted,

**CITY OF NASHUA**  
By Its Attorneys  
**UPTON & HATFIELD, LLP**

Date: August 21, 2008

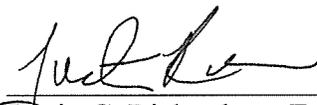
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**CERTIFICATION**

I hereby certify that a copy of the foregoing was this day forwarded to all persons on the Commission's official service list in the above proceedings.

Date: August 21, 2008

  
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Justin C. Richardson, Esquire

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**FILING INSTRUCTIONS:** PURSUANT TO N.H. ADMIN RULE PUC 203.02(a)(1)

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