

ATTACHMENT 1

DW 11-026

City of Nashua
Pennichuck Corporation
Pennichuck Water Works, Inc.
Pennichuck East Utility, Inc.
Pittsfield Aqueduct Company

Joint Petition for Approval of the Acquisition of
Pennichuck Corporation by the City of Nashua

MERRIMACK'S TECH SESSION DATA REQUESTS TO JOINT PETITIONERS - SET 1

Date Request Received: 5/11/11
Request No. Merrimack Tech 1-1

Date of Response: 5/26/11
Witness: Donald Ware

REQUEST: Please provide the following percentages for Pennichuck Water Works and Pennichuck Corporation.

- a. Acres of watershed property in Merrimack;
- b. Net book value of assets in Merrimack;
- c. Revenues from customers in Merrimack; and
- d. Water consumption by customers Merrimack.

RESPONSE: See Attachment Merrimack Tech 1-1. In each case, the comparison is (i) between Merrimack and Pennichuck Water Works as a whole and (ii) between Merrimack and Pennichuck Corporation as a whole. Relative to watershed acreage, the watershed referred to is the Pennichuck Brook watershed, which provides about 80% of the raw water supply to the Pennichuck Water Works core water system. The Pennichuck Brook watershed consists of about 18,000 acres of land, of which Pennichuck Water Works owns about 575 acres. Of those 575 acres, about 173 acres are within the Town of Merrimack. The Southwood Company owns about 423 acres of land in the Pennichuck Brook watershed, of which about 419 acres are located within the Town of Merrimack.

	Asset Value (\$1000's)	Merrimack Assets as a %	Pennichuck Brook Watershed Acres ¹	Merrimack Acres as a %	Revenues	Merrimack Revenues as a %	Consumption in CCF	Merrimack Consumption as a %
Merrimack	\$ 3,030		3,417		\$ 1,275,674		570,225	
PWW	\$ 141,265	2.1%	17,984	18.0%	\$ 28,462,443	4.8%	5,657,918	10.1%
PNNW	\$ 181,601	1.7%	N/A	N/A	\$ 33,425,658	3.8%	6,378,590	8.9%

1. The Pennichuck Brook Watershed provides about 80% of the raw water supply for the Pennichuck core water system. The acreage shown is owned by numerous owners. Pennichuck Water Works owns about 575 of the Pennichuck Brook Watershed acres. The Southwood Corporation owns about 423 of the Pennichuck Brook Watershed acres.

ATTACHMENT 2

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Joint Petition for Approval of the Acquisition of
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STAFF DATA REQUESTS – SET 1

Date Request Received: 3/25/11
Request No. Staff 1-32

Date of Response: April 1, 2011
Witness: John Patenaude

REQUEST: Re: "EXHIBIT A TO MERGER AGREEMENT" Page 63 of 127 of Appendix 2,
Amended and Restated Articles of Incorporation of Pennichuck Corporation, and
Article IX - Reserved Powers:

- a) Please indicate what will be the criteria to be used by the Board of Aldermen in deciding to approve or reject debt financing by PAC, PEU, and PWW;
- b) Please indicate if the City will pursue acquisitions of water systems by PWW, PEU, or PAC;
- c) If the response to b) is yes, please identify what criteria will be used by the Board of Aldermen in deciding to approve or reject potential acquisitions;
- d) Please indicate if PWSC will seek to expand its business by entering into new contracts;
- e) If PWSC will seek to expand its business, please indicate if the Board of Aldermen will be required to act in any way under Article IX of the proposed Articles of Incorporation with respect to contracts that PWSC may enter into.

RESPONSE:

- a.) This information is set forth in the Minutes of the meeting of the Board of Aldermen of January 11, 2011, attached hereto.
- b.) After the acquisition, the City does not intend to pursue acquisitions of water systems in municipalities not currently serviced by PWW, PEU or

PAC. If requested by municipalities serviced by either PWW, PEU or PAC, the City would consider acquiring additional water systems within the requesting municipality.

c.) A list of criteria has not been developed, but it would be expected to include the benefit to the requesting municipality and to existing customers, the size of the acquisition and the economics of the transaction, i.e., ensuring that the acquisition would not generate negative cash flow.

d.) PWSC will continue to seek to expand its business by entering into new contracts.

e.) If PSWC seeks to expand its business the Board of Aldermen will not be required to act in any way under Article IX of the proposed Articles of Incorporation with respect to contracts that PWSC may enter into.

ATTACHMENT 3

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TOWN OF MERRIMACK DATA REQUESTS TO JOINT PETITIONERS
JULY 12, 2011 TECH SESSION

Date Request Received: July 23, 2011
Request No. Merrimack Tech 2-1

Date of Response: August 3, 2011
Witnesses: John Patenaude

REQUEST: On Page 3 of Mr. Patenaude's supplemental testimony he states certain options to avoid the application of restrictions on the payment of dividends by the operating utilities and states "these options would include renegotiation or refinance of the existing debt arrangements, restructuring of the corporate ownership structure, and several methods of effecting the transfer of available cash flow to the City to support the payment of the City Acquisition Debt". Please explain what restructuring of the corporate ownership structure means in this context.

RESPONSE: Depending on the facts at the time, possible restructuring of the corporate ownership structure could include mergers or consolidations between or among the Pennichuck companies, transfers of assets or operations between or among the Pennichuck companies, or other transactions involving participation with municipal or regional governmental entities. Any such restructuring transactions would be subject to prior approval by the Commission.