



**Upton
& Hatfield**^{LLP}
ATTORNEYS AT LAW

Concord Office
10 Centre Street
PO Box 1090
Concord, NH
03302-1090
603-224-7791
1-800-640-7790
Fax 603-224-0320

Attorneys At Law
Robert Upton, II
Gary B. Richardson
John F. Teague
Russell F. Hilliard
James F. Raymond
Barton L. Mayer
Charles W. Grau
Margaret-Ann Moran
Thomas T. Barry*
Bridget C. Ferns
David P. Slawsky
Heather M. Burns
Matthew H. Upton
Lauren Simon Irwin
Kenneth J. Barnes
Matthew R. Serge
Justin C. Richardson
Beth A. Deragon
*Also Admitted In Virginia

Of Counsel
Frederic K. Upton

Hillsborough Office
8 School Street
PO Box 13
Hillsborough, NH
03244-0013
603-464-5578
1-800-640-7790
Fax 603-464-3269

Attorneys At Law
Douglas S. Hatfield
Margaret-Ann Moran
Paul L. Apple

North Conway Office
23 Seavey Street
PO Box 2242
North Conway, NH
03860-2242
603-356-3332
Fax 603-356-3932

Attorney At Law
Robert Upton, II

Portsmouth Office
159 Middle Street
Portsmouth, NH
03801
603-436-7046
Fax 603-431-7304

Attorneys At Law
Russell F. Hilliard
Justin C. Richardson

Please respond to the Portsmouth office

October 11, 2006

By Hand Delivery

Debra A. Howland, Executive Director
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: Pennichuck Water Works, Inc.; Petition for Permanent and
Temporary Rate Increases; DW 06-073

Dear Ms. Howland:

Enclosed for filing please find an original and seven (7) copies of
Nashua's Motion to Compel in this proceeding, as well as an electronic copy on
compact disk. A copy of Nashua's filing is being sent by electronic mail to all
persons on the Commission's service list in this proceeding.

Thank you for your assistance. If you have any questions concerning the
foregoing, please contact me.

Very truly yours,

Justin C. Richardson
jrichardson@upton-hatfield.com

JCR/sem

Enclosures

cc: Official Service List DW06-073

STATE OF NEW HAMPSHIRE
BEFORE THE PUBLIC UTILITIES COMMISSION

Pennichuck Water Works, Inc.

Petition for Permanent and Temporary Rate Increases

Docket No.: DW 06-073

CITY OF NASHUA'S MOTION TO COMPEL OR DISMISS

NOW COMES the City of Nashua and requests that the Commission compel the Pennichuck Water Works, Inc., to respond to Nashua's data request submitted in this proceeding, or, in the alternative, to dismiss Pennichuck's *Petition for Temporary and Permanent Rate Increases*, and, in support hereof, states as follow:

I. BACKGROUND

1. Nashua petitioned to intervene in this proceeding on July 26, 2006 based on its "interest in ensuring that the rate design and allocation to customers is reasonable".¹ No party opposed Nashua's petition and, on August 1, 2006, the Commission granted Nashua's request to intervene as a full party.
2. Consistent with the procedural schedule, on September 14, 2006, Nashua submitted one data request to the Pennichuck Water Works, Inc., ("Pennichuck") for data maintained by the company relative to its cost of service for its satellite systems. See MTC Exhibit A, attached.
3. Nashua's data request sought this information based on Pennichuck's prior commitment to the Commission to maintain information related to its cost of service for its satellite systems,² in response to concerns expressed by the Commission, its Staff, and the Consumer Advocate, regarding Pennichuck's use

¹ *Petition to Intervene*, Page Two.

² See e.g., Order No. 22,883 (1998).

of core rates to provide service to satellite systems. See e.g., Order No. 23,100;³ Order No. 23,171;⁴ Order No. 23,071.⁵ Indeed, moments after Nashua submitted its one data request, the OCA staff informed counsel for Nashua that it was a “good question”. See MTC Exhibit B.

4. On September 22, 2006, Pennichuck objected to Nashua’s data request. See MTC Exhibit C, attached. On September 28, 2006, the date for responses to Nashua’s data requests under the procedural schedule, Pennichuck provided no response.
5. By letter dated October 2, 2006, Nashua explained the basis for its data request in a good faith effort to obtain responsive information pursuant to Puc 203.09 (i). See MTC Exhibit D. However, on October 6, 2006, Pennichuck restated its objection and indicated that it would provide no responsive information to Nashua’s request. See MTC Exhibit E.

II. MOTION TO COMPEL

6. Nashua moves to compel a response to its data request in order to allow Nashua to protect its “interest in ensuring that the rate design and allocation to customers is reasonable” as provided by RSA 378.⁶

³ The Commission stated that “[b]ased on the small size of the Sweet Hill Development and for the reasons stated in previous decisions concerning the appropriateness of charging system core rates to small systems or previously unserved and undeveloped areas, we will approve the core system rates of Pennichuck for Sweet Hill Development customers. See Order No. 22,532 in DE 97-021 and Order No. 22,883 in DR 97-058.”

⁴ In Order No. 23,171 the Commission observed that “Staff did not object to the transfer of the system, but noted that it did not appear the new rate would cover the cost of service to this system on a stand-alone basis. Thus, the Nashua core would be forced to subsidize the rates of these customers.”

⁵ In Order No. 23,071 the Commission further observed that the “OCA stated that it believed that the level of subsidy which would result from the transfer of the Souhegan system needed to be investigated, and that the OCA was concerned that the practice of a core system picking up expensive satellite systems would result in a situation similar to that of the Town of Hudson and Consumers New Hampshire Water Company. Staff stated that it too believed an investigation was necessary to develop criteria for such transfers.”

⁶ *Petition to Intervene*, Page Two.

7. Pursuant to the Commission's regulations, Nashua is entitled to make reasonable discovery requests for information relevant to this proceeding. Puc 203.09.

Under RSA 378, inquiry is not limited to whether the cost of service increase proposed by Pennichuck is just and reasonable, but also whether the proposed rate design is just and reasonable.⁷
8. Pennichuck argues that Nashua has had the opportunity to submit data requests in its RSA 38 proceeding before the Commission and should not be allowed to do so here. However, the two proceedings are separate matters and information concerning Pennichuck's proposed rate increase and rate design was largely unavailable during the discovery phases related to Nashua's petition.⁸
9. To the extent that Pennichuck wishes to avoid review by Nashua of its rate increase during Nashua's RSA 38 petition in Docket No. DW 04-048, it may do so by withdrawing its request for a rate increases. However, it may not on the one hand impose its proposed rate increases and rate design on its customers, while on the other deny Nashua and its citizens the right to participate in a proceeding having a direct impact on their substantial interests.
10. Nashua is entitled to investigate whether the costs to provide service to satellite systems is being adequately recovered using Pennichuck's proposed rate design.

By refusing to provide any information related to its cost of service for these

⁷ See, e.g. RSA 378:7; Order No. 23,326 (“[w]e note that the Parties and Staff agreed to work together to come up with a permanent rate design, and we order them to do so as noted below.”); Order No. 24,243 (Ordering all water utilities to include “a rate design that will incent conservation by customers.”).

⁸ In data requests and testimony related to Nashua's RSA 38 Petition, Nashua has committed to provide service to all customers at core rates. However, Nashua's data request in this proceeding is necessary to evaluate the extent to which Pennichuck's acquisition and operation of satellite systems contributes to its cost of service and related issues. For example, this information is relevant to whether Pennichuck's proposed rate design is just and reasonable and may demonstrate that criteria, conditions or tariff amendments are necessary to address future acquisitions as suggested by staff in Order No. 23,071.

systems, or even identify the information that it maintains, Pennichuck has effectively denied Nashua the opportunity to participate meaningfully in this proceeding.

11. For example, under the Commission's procedural schedule, tomorrow, Thursday October 12, 2006 is the last date for rolling data requests to be submitted to Pennichuck. Nashua will therefore not have had the opportunity to review any of the requested information prior to the Commission's November 7, 2006 technical session and the close of discovery related to Pennichuck's proposal.

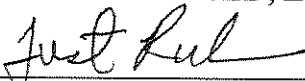
WHEREFORE, the City of Nashua respectfully requests that the Commission:

- A. Grant this Motion to Compel
- B. Order Pennichuck to provide responsive information as set forth in Nashua's data request, including a reasonable opportunity for follow-up requests as provided by the procedural schedule, or, in the alternative, dismiss Pennichuck's Petition for Temporary and Permanent Rate Increases based on the company's refusal to provide responsive information; and
- C. Grant such other relief as justice may require.

Respectfully submitted,

CITY OF NASHUA
By Its Attorneys
UPTON & HATFIELD, LLP


Date: October 11, 2006

By: 
Robert Upton, II, Esq.
Justin C. Richardson, Esq.
159 Middle Street
Portsmouth, NH 03801
(603) 436-7046

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: October 11, 2006


Justin C. Richardson, Esquire



**Upton
& Hatfield** ^{LLP}
ATTORNEYS AT LAW

Concord Office

10 Centre Street
PO Box 1090
Concord, NH
03302-1090
603-224-7791
1-800-640-7790
Fax 603-224-0320

Attorneys At Law

Robert Upton, II
Gary B. Richardson
John F. Teague
Russell F. Hilliard
James F. Raymond
Barton L. Mayer
Charles W. Grau
Margaret-Ann Moran
Thomas T. Barry*
Bridget C. Ferns
David P. Slawsky
Heather M. Burns
Matthew H. Upton
Lauren Simon Irwin
Kenneth J. Barnes
Matthew R. Serge
Justin C. Richardson
Beth A. Deragon
*Also Admitted in Virginia

Of Counsel

Frederic K. Upton

Hillsborough Office

8 School Street
PO Box 13
Hillsborough, NH
03244-0013
603-464-5578
1-800-640-7790
Fax 603-464-3269

Attorneys At Law

Douglas S. Hatfield
Margaret-Ann Moran
Paul L. Apple

North Conway Office

23 Seavey Street
PO Box 2242
North Conway, NH
03860-2242
603-356-3332
Fax 603-356-3932

Attorney At Law

Robert Upton, II

Portsmouth Office

159 Middle Street
Portsmouth, NH
03801
603-436-7046
Fax 603-431-7304

Attorneys At Law

Russell F. Hilliard
Justin C. Richardson

Please respond to the Portsmouth office

September 14, 2006

Via Electronic Mail and U.S. Mail

Sarah B. Knowlton, Esq.
McLane, Graf, Raulerson & Middleton
100 Market Street, Suite 301
Portsmouth, NH 03802-0459

Re: Pennichuck Water Works, Inc.: Petition for Permanent and
Temporary Rate Increases
Docket No. DW 06-073

Dear Sarah:

Enclosed please find the City of Nashua's September 14, 2006 Data Requests to Pennichuck Water Works, Inc. to be answered in accordance with the procedural schedule. These requests are also being provided to the service list by electronic mail, and by first class mail to Claire McHugh.

If you have any questions concerning this matter, please contact me.

Very truly yours,

Justin C. Richardson
jrichardson@upton-hatfield.com

JCR/sem

Enclosure

cc: Service List

STATE OF NEW HAMPSHIRE
BEFORE THE PUBLIC UTILITIES COMMISSION

Pennichuck Water Works, Inc.

Petition for Permanent and Temporary Rate Increases

Docket No.: DW 06-073

NASHUA’S DATA REQUESTS TO PENNICHUCK WATER WORKS, INC.

Please respond to the following data requests in accordance with the procedural schedule ordered by the Public Utilities Commission in the above-captioned docket. All responses and related documents should be provided to:

Justin C. Richardson, Esq.
Upton & Hatfield, LLP
159 Middle Street
Portsmouth, NH 03801
jrichardson@upton-hatfield.com
Tel. (603) 436-7640

I. DEFINITIONS

1. "Identify" a communication, record, or document means to list the following information:
 - a. the source(s) or author(s) of the communication, record, or document;
 - b. the recipient(s) of the communication, record, or document;
 - c. the date of the communication, record, or document;
 - d. where the communication, record, or document is located; and
 - e. whether the communication, record, or document was made, sent, recorded, or maintained in the ordinary course of business.

A claim of privilege shall not obviate the requirement of separately identifying each and every communication, record, or document whenever such identification is requested.

2. As used herein, the terms “refer,” or “relate,” “referring,” “relating,” and “relevant” mean, without limitation, referring to, relating to, having any relationship to, pertaining to, evidencing or constituting evidence of, representing, memorializing, summarizing, describing, discussing, analyzing, evaluating, relating to or contradicting directly or indirectly or in whole or in part, the subject matter of the particular request.

II. INSTRUCTIONS

1. If any information responsive to these data requests is withheld by reason of any assertion of privilege or for any other reason, identify in writing each document withheld. If only a portion of a document is claimed to be subject to privilege, redact and identify such portion and produce the document.

As to each document or portion thereof that is withheld, provide the following information:

- a. type of document (e.g. letter, memorandum, telegram, chart, photograph, tape, cassette, etc.);
 - b. date of document;
 - c. name of its author(s) or preparer(s) and identification by employment and title of each such person;
 - d. name of each person who was sent, shown, blind-copied or carbon-copied the document, or who has had access to or custody of the document, together with an identification of each such person by employment and title;
 - e. number of pages, attachments and appendices;
 - f. present custodian;
 - g. subject matter of the document;
 - h. nature of the privilege asserted and a statement for the basis for the claim of privilege; and
 - i. paragraph(s) of this request to which the document is responsive.
2. Unless otherwise specified, these requests call for all documents generated, prepared or received through the date of production. These Data Requests shall be deemed continuing so as to require prompt, further and supplemental production if additional responsive information or documents are discovered at any time.

III. DATA REQUESTS

1. In the Commission's Order No. 22,883 (1998) approving the Pennichuck Water Works request for a permanent rate increase, the Commission observed that "Pennichuck stated that while it would not keep full books on each system, it would record and make available all costs on a system by system basis."¹ The Commission further noted that:

Although we are approving the rate consolidation proposal, we share the concerns of Mr. Naylor that there is a risk that there will be inadequate information tracked on a community system basis and, as a result, a troubled system, or over-investment, could escape the scrutiny of management and regulators. *We accept the*

¹ Order No. 22,883, Part III-A (March 25, 1998).

commitment of Pennichuck to record costs on a system specific basis.²

- a. Please explain what system specific or system by system cost data the company maintains. Please provide that data (including electronic format, if available). This request covers the period subsequent to Order No. 22,883, up to and including the 2005 test year in this proceeding.
- b. Please provide all reports or analyses related to that data. This request covers the period subsequent to Order No. 22,883, up to and including the 2005 test year in this proceeding.

² Order No. 22,883, Part IV (emphasis added).

MTC EXHIBIT B

Justin Richardson

From: Traum, Ken [Ken.Traum@puc.nh.gov]
Sent: Thursday, September 14, 2006 4:28 PM
To: Justin C. Richardson
Subject: RE: DW06-073 City of Nashua Data Requests

Good question.

-----Original Message-----

From: Justin Richardson [mailto:jrichardson@Upton-Hatfield.com]
Sent: Thursday, September 14, 2006 4:24 PM
To: Bateman, Diane; gmchugh15@comcast.net; barbaravia@aol.com; fredtee@verizon.net; sarah.knowlton@mclane.com; Leighton, Adele; Brogan, Doug; Cunningham, Jim; Laflamme, Jayson; Lenihan, Jim; Naylor, Mark; Thunberg, Marcia; Holmes, Michael; Merrill, Steve; Traum, Ken; bonnie.hartley@pennichuck.com; donald.ware@pennichuck.com; dom@ranspell.com; Justin Richardson
Subject: DW06-073 City of Nashua Data Requests

Attached please find the City of Nashua's data request (1) to Pennichuck Water Works.

If you have any questions, please contact me.

-Justin Richardson

cc: service list.
<<2006-09-14 Nashua Data Requests to Pennichuck.pdf>>

Justin C. Richardson, Esq.
Upton & Hatfield, LLP
159 Middle Street
Portsmouth, NH 03801
Tel: 603-436-7046
Fax: 603-431-7304
jrichardson@upton-hatfield.com
www.upton-hatfield.com <<http://www.upton-hatfield.com>>

STATEMENT OF CONFIDENTIALITY

This e-mail, and any attachments, is intended only for use by the addressee and may contain legally privileged or confidential information. If you are not the intended recipient of this e-mail, any dissemination, distribution or copying of this e-mail, and any attachments, is prohibited. If you have received this e-mail in error, please immediately notify me by telephone, permanently delete the original and any copy of the e-mail. Thank you.

McLane

**McLane, Graf,
Raulerson &
Middleton**

Professional Association

100 MARKET STREET • SUITE 301 • P.O. BOX 459 • PORTSMOUTH, NH 03802-0459
TELEPHONE (603) 436-2818 • FACSIMILE (603) 436-5672

SARAH B. KNOWLTON
Direct Dial: (603) 334-6928
Internet: sarah.knowlton@mcclane.com

OFFICES IN:
MANCHESTER
CONCORD
PORTSMOUTH

September 22, 2006

By Electronic Mail

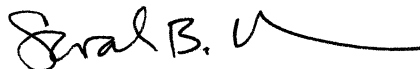
Justin C. Richardson, Esquire
Upton & Hatfield, LLP
159 Middle Street
Portsmouth, NH 03801

Re: **DW 06-073; Pennichuck Water Works, Inc.**

Dear Justin:

Pursuant to PUC Rule 204.04 and the procedural schedule in this docket, I attach Pennichuck Water Works' objection to the City of Nashua's First Set of Data Requests. If you have any questions, please do not hesitate to call.

Very truly yours,



Sarah B. Knowlton

SBK:ksm
Enclosure

cc: Bonalyn J. Hartley
Discovery Service List

PENNICHUCK WATER WORKS, INC.
DW 06-073

Pennichuck Water Works, Inc.'s Objection to
Nashua's First Set of Data Requests

Date of Request: September 14, 2006
Data Request No.: Nashua 1-1

Date of Objection: September 22, 2006
Witness: Bonalyn J. Hartley

REQUEST:

In the Commission's Order No. 22,883 (1998) approving the Pennichuck Water Works request for a permanent rate increase, the Commission observed that "Pennichuck stated that while it would not keep full books on each system, it would record and make available all costs on a system by system basis."¹ The Commission further noted that:

Although we are approving the rate consolidation proposal, we share the concerns of Mr. Naylor that there is a risk that there will be inadequate information tracked on a community system basis and, as a result, a troubled system, or over-investment, could escape the scrutiny of management and regulators. *We accept the commitment of Pennichuck to record costs on a system specific basis.*²

- a. Please explain what system specific or system by system cost data the company maintains. Please provide that data (including electronic format, if available). This request covers the period subsequent to Order No. 22,883, up to and including the 2005 test year in this proceeding.
- b. Please provide all reports or analyses related to that data. This request covers the period subsequent to Order No. 22,883, up to and including the 2005 test year in this proceeding.

OBJECTION:

Pennichuck Water Works, Inc. ("PWW") objects on the basis that the request is not relevant or likely to lead to the admission of relevant evidence regarding the 2005 test year in this rate case. Rather, it appears that Nashua is attempting to use this docket to obtain further discovery in the eminent domain docket, DW 04-048, because discovery in that docket has closed. PWW further objects on the basis that the request is overly broad and unduly burdensome to the extent it seeks "all reports or data" because it would include a large volume of documents that would take a significant amount of time to identify and because it is not for use in this case.

¹ Order No. 22,883, Part III-A (March 25, 1998).

² Order No. 22,883, Part IV (emphasis added).



**Upton
& Hatfield**^{LLP}
ATTORNEYS AT LAW

Concord Office

10 Centre Street
PO Box 1090
Concord, NH
03302-1090
603-224-7791
1-800-640-7790
Fax 603-224-0320

Attorneys At Law

Robert Upton, II
Gary B. Richardson
John F. Teague
Russell F. Hilliard
James F. Raymond
Barton L. Mayer
Charles W. Grau
Margaret-Ann Moran
Thomas T. Barry*
Bridget C. Ferns
David P. Slawsky
Heather M. Burns
Matthew H. Upton
Lauren Simon Irwin
Kenneth J. Barnes
Matthew R. Serge
Justin C. Richardson
Beth A. Deragon
*Also Admitted In Virginia

Of Counsel

Frederic K. Upton

Hillsborough Office

8 School Street
PO Box 13
Hillsborough, NH
03244-0013
603-464-5578
1-800-640-7790
Fax 603-464-3269

Attorneys At Law

Douglas S. Hatfield
Margaret-Ann Moran
Paul L. Apple

North Conway Office

23 Seavey Street
PO Box 2242
North Conway, NH
03860-2242
603-356-3332
Fax 603-356-3932

Attorney At Law

Robert Upton, II

Portsmouth Office

159 Middle Street
Portsmouth, NH
03801
603-436-7046
Fax 603-431-7304

Attorneys At Law

Russell F. Hilliard
Justin C. Richardson

Please respond to the Portsmouth office

October 2, 2006

Via Electronic Mail and U.S. Mail

Sarah B. Knowlton, Esq.
McLane, Graf, Raulerson & Middleton
100 Market Street, Suite 301
Portsmouth, NH 03802-0459

Re: Pennichuck Water Works, Inc.: Petition for Permanent and
Temporary Rate Increases
Docket No. DW 06-073

Dear Sarah:

I have reviewed Pennichuck's September 22, 2006 objection to Nashua's one data request concerning Pennichuck's request for a permanent rate increase. I had hoped that, notwithstanding Pennichuck's objection, Pennichuck would have provided a response last week. However, the company has provided no information in response to the only request Nashua submitted. I therefore write to urge the company to reconsider its position pursuant to Puc 203.09(i).

Pennichuck's objection states three grounds for not providing the cost of service information for the satellite systems. First, that Nashua's request for the cost of service is "not relevant or likely to lead to the admission of relevant evidence regarding the 2005 test year in this rate case." Second, Pennichuck states that Nashua is not entitled to discovery because discovery in DW04-048 has closed. Finally, Pennichuck objects that Nashua's request is overbroad and unduly burdensome because it requests "all reports or data" maintained by Pennichuck related to the cost of service for satellite systems.

With respect to the relevance, Nashua's petition to intervene, which was granted by the Commission, stated clearly that Nashua has an interest in "ensuring that the rate design and its allocation to customers is reasonable". Nashua is entitled to make reasonable requests for information related to Pennichuck's proposed rate design. In that regard, Nashua's request for information that

MTC EXHIBIT D

October 2, 2006

Page 2

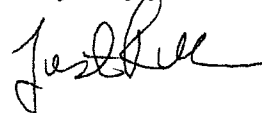
Pennichuck committed to maintain, as reflected in Order No. 22,483 and other Commission orders, is as reasonable a request as any. To the extent that Nashua has requested information for years other than the 2005 test year, this information is necessary in order to evaluate whether the costs incurred during the test year are reasonable and appropriate, and covers a period of less than 10 years.

With respect to the discovery schedule in DW04-048, this proceeding and Nashua's petition are based on separate procedural schedules. The procedural schedule in this docket makes no reference to data requests in Nashua's RSA 38 petition in DW 04-048. Pennichuck did not object to Nashua's intervention, and as a party to this proceeding, Nashua is entitled to file a data request in accordance with the Commission's procedural schedule. If Pennichuck had concerns regarding Nashua's participation in this proceeding, those concerns should have been addressed at the time of Nashua's petition to intervene or the adoption of the procedural schedule.

Finally, I do not believe that Nashua's request is overbroad. Nashua has requested the cost of service information that the company committed to maintain for its satellite system, and its reports or analysis thereof. Obviously, without knowing what information and analysis the company has maintained, it is difficult to draft the request with any more specificity than I have done.

In light of the foregoing, please let me know when I can expect to receive Pennichuck's responses to Nashua's data request. If you have any questions, please contact me.

Very truly yours,



Justin C. Richardson
jrichardson@upton-hatfield.com

JCR/sem

cc: Service List (DW 06-073; via electronic mail)
Mayor Bernard Streeter
Robert Upton, II, Esq.



McLane, Graf,
Raulerson &
Middleton

Professional Association

NINE HUNDRED ELM STREET • P.O. BOX 326 • MANCHESTER, NH 03105-0326
TELEPHONE (603) 625-6464 • FACSIMILE (603) 625-5650

SARAH B. KNOWLTON
Direct Dial: (603) 334-6928
Internet: sarah.knowlton@mclane.com

OFFICES IN:
MANCHESTER
CONCORD
PORTSMOUTH

October 6, 2006

By Electronic and First Class Mail

Justin C. Richardson, Esquire
Upton & Hatfield, LLP
159 Middle Street
Portsmouth, NH 03801

Re: DW 06-073; Pennichuck Water Works, Inc.

Dear Justin:

I am writing in follow up to your October 2, 2006 letter regarding Pennichuck Water Works' objection to Nashua's data request in the above-captioned docket. For the reasons set forth below, the Company maintains its objection and therefore will not be providing a substantive response to the data request.

Nashua data request 1-1 requested system-specific cost information for various PWW community water systems from 1998 through 2005, and all reports and analyses related to that data. As you are aware, PWW's rate filing in this docket is based on a 2005 test year. There is no relevance whatsoever to the Company's pending rate request of information regarding costs PWW incurred to operate such systems since 1998. Your explanation that such information is relevant because it would allow Nashua to "evaluate whether the costs incurred during the test year are reasonable and appropriate" is inadequate. It is hard to imagine how cost information from 1998, 2000 or any year other than the test year would have any bearing on whether the actual costs incurred in 2005 are relevant.

Of equal importance, as Nashua is well aware, the Company charges one rate for all of its general metered customers, which would include all of the community water systems that are the subject of your request. There are no system specific rates in the Company's tariff, nor are any proposed by the Company in this proceeding. Thus, the data you seek is not relevant because the Company does not charge different rates to each system.

Production of the information you seek would be overly burdensome on the Company. For most of the ten years for which you seek data, the data exists only in the form of work orders

MTC EXHIBIT E

October 6, 2006

Page 2

and invoices. It would be extremely burdensome for the Company to review ten years of documents and identify those work orders and invoices that relate to the community water systems, particularly where the data has no relevance to the Company's request in this docket.

Finally, as indicated in the Company's objection, Nashua's request appears to be nothing more than a fishing expedition for information that may be of use in the eminent domain case. The Company does not agree that Nashua should be allowed to burden the Company in the rate case with discovery that is intended for use in an entirely different proceeding in which discovery has closed.

Very truly yours,

A handwritten signature in cursive script that reads "Sarah B. Knowlton". The signature is written in black ink and is positioned above the printed name.

Sarah B. Knowlton

cc: Bonalyn J. Hartley