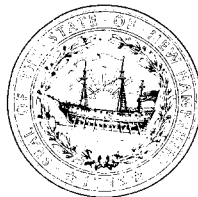


STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION

21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

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FAX (603) 271-3878
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1-800-735-2964
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May 6, 2005

Eugene F. Sullivan, III
Attorney at Law
210 North State Street
Concord, New Hampshire 03301-3222

Re: DW 04-048 City of Nashua
Staff's Data Requests Set No. 1 to the Town of Bedford

Dear Attorney Sullivan:

Attached please find Staff's Data Requests, Set No. 1 to the City of Nashua in the referenced docket. According to the Procedural Schedule the responses are due on June 10. If you have any questions, please feel free to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Marcia A.B. Thunberg".

Marcia A.B. Thunberg
Staff Attorney

Enclosures

cc: Service List

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSISON
STAFF DATA REQUESTS
DW 04-048
TOWN OF BEDFORD

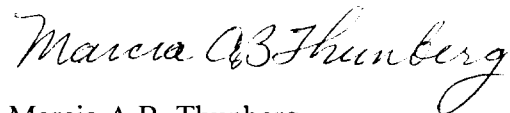
Now comes the Public Utilities Commission Staff and respectfully requests responses to the attached data requests in writing and under oath.

Pursuant to N.H. RSA 365:10, 365:14, 365:15 and 365:19, the Commission shall have the power to obtain data and documents necessary to the performance of its duties as they are prescribed by law.

You are hereby requested to supply the Commission with the data and/or documents delineated in the attached data requests. If you are unable or unwilling to produce a response to a particular request, you must nonetheless provide a written response and state the basis for the inability or unwillingness to furnish the requested information. RSA 365:12 provides that willful failure to comply with this request will subject you to contempt proceedings in Superior Court pursuant to N.H. RSA 491:19 and 491:20.

Please provide copies of all documents produced to all parties listed on the discovery portion of the service list. If you seek confidential treatment of any response, you should mark that material as confidential and submit a motion for confidential treatment for the Commission's consideration. Anything submitted pursuant to a motion for confidentiality will be kept confidential pending Commission action.

Respectfully,



Marcia A.B. Thunberg
Staff Attorney

Dated: May 6, 2005

DATA REQUESTS OF N.H. PUBLIC UTILITIES COMMISSION STAFF

INSTRUCTIONS

1. Please furnish data responses within the schedule established in the procedural hearings.
2. For the purposes of these requests, “document” as used herein, is defined as any writing of every kind in the possession, custody or control of the Company, including but not limited to letter, facsimiles, minutes and records of meetings, memoranda, reports, notes, maps, recordings, transcripts, records of telephone or other communications, vouchers, and other accounting records, lists, engineering studies, rate studies, and economic studies, computer files.
3. For each response, please identify the individual who will be available for cross-examination concerning each response.
4. If the Company has no “document” (study, report, etc.) which is responsive in any way to any portion of a data request, please so indicate. In addition, please identify the person who determined that no such “document” exists.
5. If requested data is duplicative of that furnished in response to another data request, please identify the response wherein the information is contained.
6. If you find a request to be unclear or imprecise, please request clarification, by telephone, to the Staff member who forwarded these requests as soon as possible.

Staff Data Requests to TOWN OF BEDFORD, Set 1

Staff 1-1

With respect to Mr. Scanlon's testimony on page 7 and his statement to the effect that New Hampshire's experience has been that takeovers by out-of-state entities tend to result in a loss of locally based managers. Please identify, with sufficient specificity, what Mr. Scanlon relied upon in making this statement. Please provide copies of the back up information, if available. If the answer involves reference to Commission dockets, please identify the specific docket(s).

Staff 1-2

With respect to Mr. Scanlon's testimony on page 7 and his statement that the Town of Hudson realized a rate decrease after acquisition, at the time of his statement was Mr. Scanlon aware of Hudson's plans to address short and long term capital improvement needs and whether Hudson's capital improvements plan does or does not address its water system capital improvement needs?

Staff 1-3

On page 7 of his testimony, Mr. Scanlon discusses the need to eliminate the profit motive from water utilities. Please elaborate on the comparative negative impact of profit motives, as he describes them, to the negative impact of competing budget items within a municipal budget. For example, Staff is interested in Mr. Scanlon's assessment of whether pressures of similar negative consequences also exist under municipal ownership situations and how those negative pressures can be managed.

Staff 1-4

Does Mr. Scanlon believe the Merrimack Valley Regional Water District (District), of which the Town of Bedford is a member, has the financial, managerial, and technical capability to own and operate a regional water system? If yes, please explain with sufficient specificity.

Staff 1-5

How does the Town of Bedford envision the water system being operated if its District members are non-contiguous?

Staff 1-6

Regarding p. 7, lines 18-21 of Mr. Scanlon's testimony, could the same statements regarding a 10% rate reduction and stable rates be made about PEU?