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August 10, 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 04-048; City of Nashua—Taking of Pennichuck Water Works, Inc.

Dear Ms. Howland:

In an effort to promote the orderly conduct of the upcoming hearing in this docket, Pennichuck and the City of Nashua have conferred and agreed upon a process to address issues regarding their confidential settlement negotiations that may arise during the hearing in this matter.

By way of background, Pennichuck and Nashua entered into a confidentiality agreement (the "Agreement") which provided for the exchange of confidential information for the sole purpose of settlement discussions regarding this proceeding. By its terms, the contents of the Agreement itself is confidential, and therefore a copy of the Agreement will be filed along with a motion for protective treatment contemporaneous with this letter. There are a number of individuals to whom confidential information has been disclosed under the Agreement who are testifying witnesses in this case. These witnesses include George Sansoucy, Glenn Walker, Brian McCarthy, Philip Ashcroft, Paul Noran, Donald Ware, and Bonalyn Hartley. Given the possibility that information that is designated confidential under the Agreement may arise at the hearing, Pennichuck and Nashua propose the following procedure for use at the hearing:

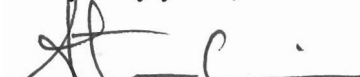
1. In the event that a witness is either asked about or begins to testify regarding confidential information (as that term is defined in the Agreement), the witness shall identify his/her concern that confidential information is being sought and/or counsel for Nashua or Pennichuck shall object on the basis that such testimony would seek confidential information in violation of the Agreement. Counsel for the witness shall

be given the opportunity to confer with the witness regarding the basis for the witness's obligations under the Agreement. Counsel for Pennichuck and Nashua shall then confer regarding the information sought and attempt to reach agreement regarding whether the information is the subject of the Agreement.

2. In the event that Nashua and Pennichuck are unable to resolve the matter, counsel seeking to protect against the disclosure of confidential information shall then state with particularity the basis for the objection, provided that if doing so would reveal confidential information, counsel may request that all parties and their counsel (other than Pennichuck and Nashua) leave the hearing room so that such objection may be made *in camera* to the Commission.
3. The Commission shall conduct an *in camera* determination of whether the testimony sought seeks confidential information. Counsel for Pennichuck and Nashua or the Commission may question any witness regarding the source of his/her knowledge regarding the information sought.
4. In the event that the Commission determines that the information sought is not confidential, the Commission shall state the basis for such conclusion on the record. If the testimony seeks to elicit confidential information, the Commission shall instruct the witness not to answer the questions posed.
5. Any confidential information that is disclosed to the Commission as part of its *in camera* determination shall be exempt from disclosure under RSA 91-A.
6. In the event that Pennichuck or Nashua disagrees with the Commission's determination regarding the characterization of any information sought, such party shall have the right to seek immediate equitable relief in any state court of competent jurisdiction in the State of New Hampshire as provided for in the Agreement.

Pennichuck and Nashua appreciate the Commission's consideration of this procedure, and would be glad to discuss any aspect of it.

Very truly yours,



Steven V. Camerino

cc: Service List