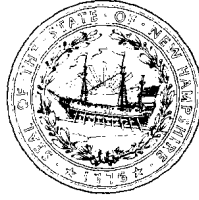


THE STATE OF NEW HAMPSHIRE



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EXECUTIVE DIRECTOR  
AND SECRETARY  
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January 16, 2007

Re: DW 04-048, City of Nashua  
RSA 38 Petition re Pennichuck Water Works  
Stay of Proceedings

To the Parties:

On January 16, 2007, the City of Nashua and Pennichuck Water Works, Inc. (PWW) filed a joint motion seeking a stay in the above-referenced proceeding. The two parties stated that they "have agreed to undertake a negotiating process that they believe has the potential to lead to a comprehensive settlement of the issues now pending before the Commission in this docket." They therefore sought a continuance of at least 120 days to facilitate their discussions.

As the parties are aware, the merits hearing in this proceeding began on January 10, 2007, and was to continue on specified hearing dates through February 1, 2007. The Commission took up the motion at the commencement of the hearing on January 16, 2007. All of the parties present at that time either concurred in the motion or did not oppose it.

Following a brief recess, the Commission granted a stay of 120 days in the proceedings and recessed the hearing pending further order. The Commission indicated that it would schedule a status conference at or near the conclusion of the 120 days to determine what further steps would be necessary. The Commission did not rule on the parties' specific request regarding a continuance beyond 120 days.

The written motion also requested a determination that during the stay period, "no party shall file any additional pleadings, nor shall any party submit further evidentiary material in this case." The Commission did not enjoin the submission of additional pleadings during the stay period, but the Commission anticipates that in the ordinary course the only submissions it will receive for the next 120 days in this docket would concern the negotiations between Nashua and PWW. Any other submissions during the period will be held in abeyance absent extraordinary circumstances. Thus, the Commission will take no action at this time on the request filed today by intervenor Barbara Pressly to supplement her pre-filed direct testimony with certain documents.

Sincerely,

A handwritten signature in cursive script that reads "Debra A. Howland".

Debra A. Howland  
Executive Director