

EXHIBIT 1

City of Nashua

Petition for Valuation Pursuant to RSA 38:9

DW 04-048

Nashua's Responses to Pennichuck Water Works, Inc. Data Requests – Set 3 Round 1

Date Request Received: January 17, 2006

Date of Response: January 27, 2006

Request No. 3-6

Respondents: Philip G. Ashcroft,
David W. Ford, P.E., Robert R.
Burton, Paul F. Noran, P.E.

Req. 3-6 Please provide all information in the possession or control of Nashua or its agents or consultants or of Veolia with regard to problems or complaints or claims of malfeasance encountered in operating the Indianapolis, Indiana water system. . [Ten day response]

OBJECTION: Nashua objects to this data requests on the grounds that it is vague and fails to identify the information sought with specificity as required by Puc 204.04 (b). Furthermore, as set forth in the answer below, no problems or malfeasance took place with respect to Veolia's operation.

ANSWER: Without waiving the foregoing objection, Veolia Water Indianapolis, LLC received a subpoena from the United States Attorney's Office. Subsequently, the Indiana Department of Environmental Management released test results confirming that Veolia Water Indianapolis, LLC has not violated any state or federal drinking water quality standards. See IDEM and Veolia Water Indianapolis Press Releases (attached separately).

IDEM's findings were consistent with those of Veolia Water Indianapolis; VWI has continually met or exceeded state and federal drinking water standards since beginning operations in 2002. In fact, Indianapolis is the only major United States city to benefit from ISO certification for its drinking water.

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Date Request Received: January 17, 2006

Date of Response: January 27, 2006

Request No. 3-9

Respondents: Philip G. Ashcroft,
David W. Ford, P.E., Robert R.
Burton, Paul F. Noran, P.E.

- Req. 3-9 For each and every subsidiary or affiliate of VE that provides or has provided services operating drinking water systems, please set forth the following information regarding each and every lawsuit or complaint filed from 2000 to the present in any court or administrative agency against such entity(ies):
- a. Plaintiff(s) and defendant(s) full names
 - b. Summary of substance of claim against Veolia entity
 - c. Date lawsuit or complaint filed and name of court or administrative agency in which filed
 - d. Current status or final resolution. . [Ten day response]

OBJECTION: Nashua objects to this data request on the grounds that:

- A. *The data request is overbroad and the information requested is not necessary to evaluate or relevant to Nashua's petition within the meaning of Puc 204.04 (a).*
- B. *The data request fails to identify the information sought with specificity as required by Puc 204.04 (b).*
- C. *Production of the requested information would be unduly burdensome.*
- D. *The data request includes confidential information such as personnel records, financial information, and other information likely subject to confidentiality agreements and/or protective orders, and is not subject to disclosure.*

This data request is directed to "every subsidiary or affiliate of VE", i.e. Veolia Environment as defined in these data requests. VE is an international company that, through its subsidiaries in the United States

alone, operates over 400 municipal and privately owned water systems serving over 14 million people with annual revenues over \$600 million in the year 2003.

Veolia Water North America - Northeast LLC does not have access to records concerning each and every law suit filed against "every subsidiary or affiliate of VE". Moreover, the vast majority of such lawsuits would likely relate to matters such as personal injury or employment which have absolutely no bearing on the public interest and valuation issues to be decided in this proceeding.

ANSWER: There is no material litigation against Veolia Water North America – Northeast, LLC.

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Date Request Received: January 17, 2006

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Request No. 3-14

Respondents: As noted.

Req. 3-14 Please provide copies of all prior drafts of the Veolia and R.W. Beck agreements with Nashua which are set forth as Veolia Ex. B and R.W. Beck Ex. 3, along with documents which constitute or refer to all negotiations concerning said agreements or prior drafts thereof. [Ten day response]

OBJECTION: Nashua objects to this request to the extent that it requests:

- A. *Documents subject to attorney-client privilege;*
- B. *Documents subject to work product privilege.*

ANSWER: *Without waiving the foregoing objection, Philip G. Ashcroft, David W. Ford, P.E., Robert R. Burton, and Paul F. Noran, P.E. state as follows:*

The agreement included in our testimony was negotiated through legal counsel. With limited exception, we have not retained drafts or documents which constitute or refer to all negotiations concerning the agreement or prior drafts thereof. Attached separately is draft agreement included in our July 2005 technical proposal and a revised draft provided to Nashua on October 5, 2005.

Without waiving the foregoing objection, Stephen R. Gates, P.E., DEE and Paul B. Doran, P.E., state as follows:

We provided a draft professional services agreement on or about October 26, 2005 (attached separately). With limited exception (see data request 3-16), we have not retained prior drafts or documents which constitute or refer to all negotiations concerning said agreements or prior drafts thereof.

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Nashua's Responses to Pennichuck Water Works, Inc. Data Requests – Set 3 Round 3

Date Request Received: February 1, 2006

Date of Response: February 13, 2006

Request No. 3-88

Respondents: Philip G. Ashcroft,
David W. Ford, P.E., Robert R.
Burton, Paul F. Noran, P.E.

Req. 3-88 Identify all individuals (including the individual's position within Veolia) who were involved on behalf of Veolia in negotiating and/or determining the pricing and pricing provisions of the contract with Nashua and specify the role that each such individual played.

OBJECTION: Nashua objects to this data request on the grounds that:

- A. *The information sought is not necessary for the evaluation of, or relevant to Nashua's petition in this proceeding within the meaning of Puc 204.04 (a).*
- B. *The data request seeks information protected by attorney-client and/or work product privileges protected from disclosure under the laws of the Commonwealth of Massachusetts and/or other jurisdictions.*
- C. *This request seeks confidential information concerning Veolia's operations in the United States, including price and pricing provisions that, if disclosed to Pennichuck, could result in competitive harm to Veolia.*

ANSWER: *Without waiving the foregoing objection, Nashua provides the following answer:*

The following individuals were involved in contract negotiations with Nashua.

Robert Arendell, Esq.
Joseph Tomashosky
Paul Noran, P.E.

Legal counsel
Business and financial matters.
Technical issues

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Nashua's Responses to Pennichuck Water Works, Inc. Data Requests – Set 3 Round 3

Date Request Received: February 1, 2006

Date of Response: February 13, 2006

Request No. 3-99

Respondents: Philip G. Ashcroft,
David W. Ford, P.E., Robert R.
Burton, Paul F. Noran, P.E.

Req. 3-99 The Veolia Proposal would require the City to pay for electricity, heating fuel and natural gas associated with operation of any water utility. What is the City's estimate, in 2006 dollars, of the annual cost of electricity, heating fuel and natural gas associated with such operation for the first five years of the contract?

OBJECTION: Nashua objects to this data request in that it is not properly directed to Veolia's contract operations, the subject of these data requests, but rather Nashua's financial projections.

ANSWER: *Without waiving the foregoing objection, Nashua provides the following answer:*

We are not aware of the City's estimate. See, however, Exhibit GES-4 to the January 12, 2006 testimony of George E. Sansoucy, P.E., and Glenn C. Walker.

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Nashua's Responses to Pennichuck Water Works, Inc. Data Requests – Set 3 Round 3

Date Request Received: February 1, 2006

Date of Response: February 13, 2006

Request No. 3-102

Respondents: Philip G. Ashcroft,
David W. Ford, P.E., Robert R.
Burton, Paul F. Noran, P.E.

Req. 3-102 The Veolia Proposal does not include the cost of additional property insurance that the City will need. What is an estimate of the cost for the City to insure the property it plans to acquire from Pennichuck?

OBJECTION: Nashua objects to this data request in that it is not properly directed to Veolia's contract operations, the subject of these data requests, but rather Nashua's financial projections.

ANSWER: *Without waiving the foregoing objection, Nashua provides the following answer:*

We are not aware on any estimate made by or for the City.

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Nashua's Responses to Pennichuck Water Works, Inc. Data Requests – Set 3 Round 3

Date Request Received: February 1, 2006

Date of Response: February 13, 2006

Request No. 3-104

Respondents: Philip G. Ashcroft,
David W. Ford, P.E., Robert R.
Burton, Paul F. Noran, P.E.

Req. 3-104 Please provide a break down of each of the Veolia labor rates provided in Appendices E and H to the Operation, Maintenance and Management Agreement between the City of Nashua and Veolia Water North America – Northeast, LLC (set forth as Exhibit B to the Veolia testimony) as follows: the direct labor rate, the direct overhead, the indirect overhead and the profit built into each rate.

OBJECTION: Nashua objects to this data request in that:

- A. *This request is not necessary to evaluate, or relevant to, Nashua's petition*
- B. *This request seeks competitive information concerning Veolia's operations in the United States, including price, business contacts, revenue and other information that, if disclosed, could result in competitive harm to Veolia.*
- C. *The request is overly broad and unduly burdensome in that it seeks copies of detailed contacts and compilation of other information not relevant to this proceeding.*

ANSWER: N/A.