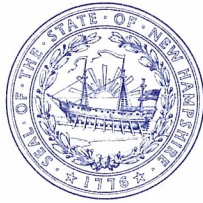


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May 27, 2011



Debra A. Howland  
Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Ste. 10  
Concord, New Hampshire 03301-7319

**RE: DW 11-026 City of Nashua and Pennichuck Corporation  
DW 04-048 City of Nashua and Pennichuck Corporation  
OCA Comments on Staff Designation**

Dear Ms. Howland:

In a letter dated April 28, 2011, the Commission granted the Joint Petitioners' request to consolidate DW 11-026 with DW 04-048. The Commission also invited parties to file comments by May 27, 2011, on whether it is appropriate to continue the designation pursuant to RSA 363:32, II, of Mark A. Naylor, Director of the Gas & Water Division, as a "staff advocate" in DW 04-048. This letter serves as the OCA's comments on staff designation.

In their motion to consolidate, the Joint Petitioners stated several reasons for their request. Among these, the Joint Petitioners asserted that "the matters to be considered in [DW 11-026] are integrally related to the eminent domain matters considered in DW 04-048." Motion to Consolidate, p. 2, paragraph 3.a. Also, the Joint Petitioners contend that the that "the public interest determination required in the Commission's review of the Merger Agreement pursuant to special legislation enacted in 2007 (and further amended in 2010) was [already] made by the Commission in the eminent domain docket." Secretarial Letter dated April 29, 2011, p. 1.

Mr. Naylor requested designation as a Staff Advocate, in DW 04-048, in order to "enhance the public's confidence in the fairness of this proceeding." Naylor letter to Howland dated April 14, 2006. Citing RSA 363:32, I (a)(2), Mr. Naylor recognized that the proceeding was "particularly contentious or controversial and [of] significant in consequence." In its letter approving Mr. Naylor's designation, the Commission agreed:

RSA 363:32, II authorizes the Commission to make such a designation on its own motion. The Commission has reviewed Mr. Naylor's letter and agrees with him that, notwithstanding his ability to provide fair and neutral advice to the Commission, this is a particularly contentious, controversial and significant case

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DW 11-026 Nashua and Pennichuck  
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within the meaning of RSA 363:32, I(a)(2) and that it would therefore enhance the public's confidence in the fundamental fairness of this proceeding to grant Mr. Naylor's request.

In closing, the Commission noted that Mr. Naylor would be restricted from advising the Commission on contested issues in the docket "for the remainder of this proceeding."

As the Commission is aware, DW 04-048 continues as an adjudicative proceeding as a result of its ruling on the Joint Petitioners' Motion to Consolidate. Also, there has been no formal assertion or demonstration that the circumstances have changed such that it is appropriate for the Commission to remove Mr. Naylor's designation in DW 04-048 now that it has been consolidated with DW 11-026. Considering this, as well as the Joint Petitioners' assertions of the integral relationship between the two dockets, the OCA does not support removal of Mr. Naylor's designation.

Thank you for the opportunity to provide these comments.

Sincerely,



Rorie E.P. Hollenberg  
OCA Staff Attorney

cc: Service List via electronic mail