

STATE OF NEW HAMPSHIRE
THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

HAMPSTEAD AREA WATER COMPANY, INC

DW 11-000

PETITION FOR APPROVAL OF REFINANCING

The Petitioner, Hampstead Area Water Company, Inc. (the Company), respectively petitions the N.H. Public Utilities Commission (Commission) for approval of refinancing with TD Bank, N.A. In support of this Petition, the Company says:

1. The Company is presently franchised in most areas of Hampstead and Atkinson, New Hampshire, and has franchised satellite systems in various towns in Rockingham County (see Schedule A, attached).
2. That the Company will be refinancing its long term debt of \$1,380,000 with TD Bank. As per the attached Term Sheet from TD Bank, N.A., (Exhibit 1) the refinancing terms would be for a Five (5) year maturity and 250 basis points above the Five (5) Federal Home Loan Bank Classic Advance Rate (5.08% as of March 18, 2011), a fixed interest rate. The current interest rate is fixed at 6.27%.
3. TD Bank will lower the interest rate and extending the maturity date to 5 years from the closing date but the actual amortization period will not be increased. The original note was a 5 year note dated 8/14/09 with a maturity date of 8/14/14 and a 20 year amortization. For example if the new note is signed 8/14/11 then the maturity date will be 5 years (8/14/16) but the amortization period will be 18 years.
4. There will be an origination fee of not more than \$2,500 payable to TD Bank by the Company for this refinancing. There will be no other out of pocket costs.

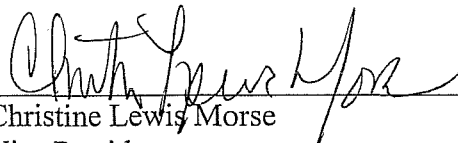
5. In support of the replacement financing request for the TD Bank, N.A. loan, the Company proposes that the financing will result in an annual estimated cash savings to the Company of \$10,941.
6. It would be in the public good for the Company to have approval of the replacement financing request. The Company provides the following in support:
 - a. It will have a positive effect on the Company's cash flow.
 - b. It will have a positive effect on the Company's earnings.
 - c. It will lower the rate of return, potentially lowering the revenue requirement and lowering rates in the future.
7. See the Pre-filed Testimony of John Sullivan in support of the financing request, attached as Exhibit 2.

WHEREFORE your Petitioner prays:

- A. That the Commission find that it would be in the public good for the Company to be permitted to enter into the replacement financing with TD Bank, N.A., as proposed;
- B. That the Commission, by Order Nisi, grant the Company permission to enter into the replacement financing with TD Bank, N.A., as proposed;
- C. That the Commission make such further findings and orders as may be appropriate on the circumstances.

Dated the 22nd day of June, 2011

Respectfully submitted,
HAMPSTEAD AREA WATER COMPANY, INC.


Christine Lewis Morse
Vice President

Schedule A

HAWC System History

Company	Year	Docket	Order	Franchise Area
Walnut Ridge Water Company	1977	DE 76-179	12,827	1,826 Acres
Lancaster Farms-Salem	1984	DR 84-267	17,312	144 Acres
Bricketts Mill-Hampstead	1985	DE 85-149	17,848	80 Acres
Squire Ridge-Hampstead	1985	DE 85-274	17,967	140 Acres
Kent Farm-Hampstead	1987	DE 86-198	18,560	1,700 Acres
Kent Farm-Hampstead	1987	DE 86-198	18,598	Supp Order
Woodland Pond-Hampstead	1987	DE 87-211	18,980	701 Acres
Bryant Woods-Atkinson	1988	DE 87-226	19,230	2,340 Acres
Hampstead Area Water Company	1989	DE 89-047	19,717	Hampstead Merger*
Hampstead Area Water Company	1989	DE 89-047	19,751	1,650 Bryant Woods Merger**
Walnut Ridge Water Company	1990	DE 90-129	19,992	55 Acres
HAWC-Bricketts Mill Extension	1990	DE 90-049	19,783	1,246 Acres
HAWC-Hampstead	1991	DE 91-121	20,224	1,350 Acres
HAWC-Hampstead	1991	DE 91-144	20,320	370 Acres
HAWC-Rainbow Ridge-Plaistow	1993	DE 92-129	20,774	152 Acres
HAWC-Stoneford-Sandown	1996	DE 96-201	22,551	3,483 Acres
HAWC-Colby Pond-Danville	1998	DE 97-154	22,854	177 Acres
HAWC-Oak Hill-Chester	2000	DW 00-059	23,577	
HAWC-Walnut Ridge & Lancaster	2002	DW 01-204	23,954	Atkinson Merger***
HAWC-Camelot Court- Nottingham	2004	DW 02-198	24,296	44 Acres
HAWC-Cornerstone-Sandown	2004	DW 02-198	24,296	188 Acres
HAWC-Lamplighter-Kingston	2004	DW 02-198	24,296	13.66 Acres
HAWC-Maplevale-East Kingston	2004	DW 03-150	24,299	107 Acres
HAWC-Dearborn Ridge-Atkinson	2005	DW 04-055	24,501	541 Acres
HAWC-Hampstead Expansion	2005	DW 04-062	24,520	238 Acres
HAWC-Mill Woods-Sandown	2005	DW 05-063	24,544	35 Acres
HAWC-Waterford Village- Sandown	2005	DW 05-070	24,545	90.37 Acres
HAWC-Atkinson Expansion	2005	DW 05-092	24,592	333 Acres
HAWC-Autumn Hills-Sandown	2006	DW 06-016-	24,608	33.68 Acres
HAWC - Cooper Grove-Kingston	2008	DW-07-133	24,831	211 Acres
HAWC - Black Rocks Village	2008	DW-07-134	24,856	391 Acres
HAWC - Sargent Woods	2008	DW-07-130	24,884	65.97 Acres
HAWC - Oak Hill Extension	2010	DW-10-204	25,166	27.851 Acres

*Merged Bricketts Mill, Kent Farm, Squire Ridge and Woodland Pond into HAWC

**Merged Bryant Woods into Walnut Ridge with requirement that the Bryant Woods rates apply

***Merged Lancaster Farms and Walnut Ridge into HAWC