

DEVINE
MILLIMET

ATTORNEYS AT LAW

December 10, 2014

Debra A. Howland
Executive Director & Secretary
NH Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N.H. 03301

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Re: Pennichuck East Utility, Inc., Docket No. DW 14-191
Request to Renew Waiver of Short Term Debt Limit

Dear Ms. Howland:

In accordance with Puc 202.01 (d), Pennichuck East Utility, Inc. (PEU) files this request to renew the waiver of Puc 608.05 that the New Hampshire Public Utilities Commission (PUC or Commission) granted in the above-captioned proceeding on September 12, 2014, by Order No. 25,716. PEU requested a waiver of the rule establishing a short term debt limit equivalent to 10% of a utility's net fixed plant on July 15, 2014. PEU asserted that the waiver would serve the public interest and that it would not disrupt the orderly and efficient resolution of matters before the Commission. The Commission granted a waiver up to 12% of net fixed plant through October 31, 2014.

In its July 15, 2014 request, PEU explained that because it is financed solely with debt capital it has less financial flexibility than an entity with a traditional, balanced capital structure. PEU noted that it continues to invest in capital improvements and its earnings would remain at a low level, pending the issuance of a final order in its rate case, Docket No. DW 13-126, which has taken longer than anticipated due in part to the unexpected length of time it took PEU to reconcile temporary and permanent rates. The Company also observed that its percentage of short term debt would decrease as a result of a long term financing that initially had been planned for August 2014; however, the Company ultimately filed financing petitions on October 6, 2014, and November 14, 2014.

The Company believed that its short term debt would stay below 12% for the remainder of 2014 in the absence of rate relief or additional long term financing. At the end of October 2014, short term debt was at 9.69%. The Company expects that short term debt will exceed 10% in the month of December, when it makes certain year-end property tax payments to municipalities.

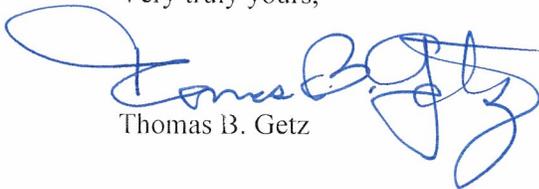
December 10, 2014

Page 2

PEU believes that the purpose of the short term debt limit rule is satisfied by renewing the waiver inasmuch as the debt limit will be exceeded only minimally and for a short duration. Furthermore, PEU's customers are not impacted by the waiver and neither is PEU's cost of doing business or obtaining long term financing. As a result, PEU requests that the Commission renew the waiver of Puc 608.05 and, in order to avoid another request due to currently unforeseen events, apply the 12% short term debt limit until 90 days after final orders have been issued in PEU's rate case and its pending financing dockets, DW 14-282 and 14-321. Commission Staff supports PEU's request, while the Office of Consumer Advocate takes no position.

Enclosed are an original and six copies of this request pursuant to Puc 203.02. An electronic copy has also been provided to the Commission and the Consumer Advocate. Please do not hesitate to contact me if there are any questions about this request.

Very truly yours,



Thomas B. Getz

TBG/aec
Enclosures

cc: Susan Chamberlin, Consumer Advocate