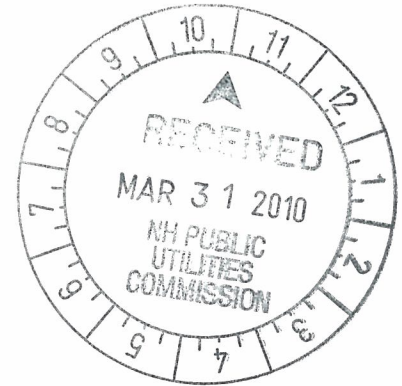




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March 30, 2010

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



Re: DW 09-134; Pennichuck East Utility, Inc.

Dear Ms. Howland:

Pursuant to Order 25,041, enclosed for filing with the Commission are seven copies of the closing documents for the \$6 million credit facility between CoBank, ACB and Pennichuck East Utility, Inc. consisting of a \$4.5 million term loan amortizing over 20 years and a \$1.5 million revolving line of credit.

The \$4.5 million term loan with CoBank replaced a \$4.5 million term loan with Bank of America which matured on December 31, 2009. The CoBank term loan was drawn down on March 1, 2010. During the interim two month period from December 31, 2009 through March 1, 2010, PEU borrowed the funds necessary to repay Bank of America from available cash from Pennichuck Corporation in accordance with the Money Pool Agreement dated January 1, 2006. Given that the interest rate paid by PEU was lower than the long term rate that would ultimately result when PEU drew down the CoBank term loan, PEU determined it was prudent to postpone the drawdown of the funds for two months.

During that two month period, PEU's short term borrowing exceeded the 10% limit set forth in PUC 608.05. As soon as the CoBank loan was drawn down, the Company was in compliance with this requirement. In the future, if a similar situation arises, the Company will seek the Commission's approval prior to exceeding the 10% short term debt limit.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Leonard'.

Thomas C. Leonard
Chief Financial Officer

cc: Service List