

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

NORTHERN UTILITIES, INC. _____

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DOCKET NO. DG 11-____

**PETITION OF NORTHERN UTILITIES, INC.
FOR AUTHORITY TO INCREASE ITS SHORT TERM DEBT LIMIT**

Northern Utilities, Inc. ("Northern" or "the Company") respectfully petitions the New Hampshire Public Utilities Commission ("the Commission"), pursuant to RSA 369:7, for authority to increase the net plant sublimit from fifteen to twenty percent of its aggregate short-term debt limit, which would provide the Company with approximately \$10 million of additional short-term debt borrowing capacity. Northern requests that the Commission issue an Order *Nisi* with respect to this request for approval, granting the increase to its short term debt limit, effective no later than November 15, 2011, or 60 days after the filing date. In support of its petition, Northern states the following:

Petitioner

- 1) Northern is a public utility organized and existing under the laws of the State of New Hampshire, and is primarily engaged in the business of distributing natural gas in various cities and towns in New Hampshire and Maine.
- 2) Pursuant to the acquisition of Northern in 2008, approved by the Commission in Order No. 24,906 in DG 08-048 on October 10, 2008, Northern is wholly-owned

by Unitil Corporation (“Unitil”), a New Hampshire corporation and public utility holding company.

Background

- 3) In docket DG 09-239, Order No. 25,068, the Commission set a short term debt limit formula for Northern, consisting of a fuel and non-fuel factor. The non-fuel factor was set at 15 percent of net utility plant. This formula establishes the maximum amount of short-term debt that can be outstanding on any given day.
- 4) Northern utilizes short-term debt as interim financing for capital additions, extensions and betterments to the Company’s property, plant and equipment and working capital for fuel financings and distribution operating expenses. Northern proposes to use the proceeds of any increase in its short term debt for these same purposes.
- 5) Northern’s present short-term debt limit calculated with the above methodology is approximately \$46.9 million. Projected short-term borrowings for the 2011-2012 winter season are expected to peak at approximately \$53 million.
- 6) The requested increase in Northern’s short-term debt limit formula would help the Company manage short-term liquidity needs on peak borrowing days and fund its significant fuel-financing working capital, construction expenditures and distribution operating working capital.

- 7) Further support and explanation of the need for an increase in Northern's short term borrowing needs are more fully described in the testimony and schedules of David L. Chong, Director of Finance for Unifil Service Corp., attached hereto.

Conclusion

- 8) Northern submits that the increase in short-term borrowing limit formula as contemplated by and described in this Petition and accompanying exhibit are consistent with the statutory requirements, Commission rule, and public good and should be granted.

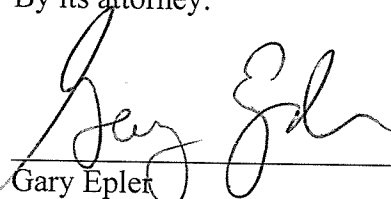
Wherefore, Northern requests that this Commission:

1. Issue an Order *Nisi*, effective no later than September 15, 2011 or 60 days after the filing of this Petition, authorizing Northern to increase the net plant sublimit from fifteen to twenty percent of its aggregate short-term debt limit; and,
2. Take such further action and make such other findings and orders as in its judgment may be just, reasonable and in the public good.

Respectfully submitted this 15th day of September, 2011.

Northern Utilities, Inc.

By its attorney:



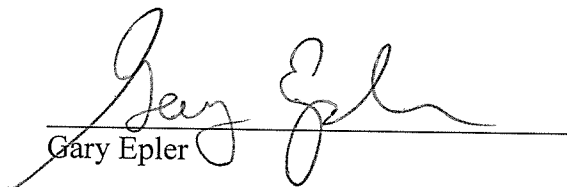
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CERTIFICATE OF SERVICE

I certify that I have caused copies of Northern Utilities, Inc., "Petition Of Northern Utilities, Inc. For Authority To Increase Its Short Term Debt Limit" to be served on the following parties or individuals:

Meredith Hatfield, Consumer Advocate (by Hand-Delivery)
Office of Consumer Advocate
21 S. Fruit Street, Suite 18
Concord, NH 03301-2429

Dated at Hampton, New Hampshire this 15th day of September, 2011



Gary Epler