



August 7, 2014

By E-filing and Overnight Delivery

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

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RE: Docket DG 14-101
Northern Utilities, Inc.

Dear Director Howland:

The purpose of this letter is to update the New Hampshire Public Utilities Commission on the long-term debt financing of Northern Utilities, Inc. ("Northern Utilities" or the "Company") in Docket DG 14-101.

On August 6, 2014, Northern Utilities priced a \$50 million offering of 30-year senior unsecured notes (the "Notes"). The coupon rate of the Notes is 4.42% which represents a spread of 115 basis points over the 30-year Treasury at 3.27%. The proceeds of the Notes offering will be used to refinance short-term debt and for general corporate purposes including the Company's cast iron replacement and gas expansion programs. The anticipated closing date is October 15, 2014.

Overall, the Company is pleased with the results of the offering. The spread of 115 basis points is well below the anticipated spread provided in the Company's initial filing. This is a result of continued favorable market conditions and also an upgrade in the Company's investment rating. In July 2014, the Company was successful in raising its investment rating with the National Association of Insurance Commissioners ("NAIC") from an NAIC-2 (-) to an NAIC-2 flat.

Thank you for your attention to this matter. Please do not hesitate to contact me with any questions.

Regards,

A handwritten signature in black ink that reads "David Chong".

David Chong
Director of Finance and Assistant Treasurer
Unitil Service Corp.

cc: Michael Sheehan, Staff Attorney
Susan Chamberlin, Consumer Advocate

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