

**New Hampshire Public Utilities Commission
PETITION FOR AUTHORITY TO ISSUE SECURITIES**

8/6/14
Concord Steam
Exhibit 1

**CONCORD STEAM CORP
ESTIMATED COST OF FINANCING
Proposed Debt/Security Issue**

<u>Estimated Cost of Financing</u>	Amount
Attorneys fees	1758
Total Estimated Costs	<hr/> 1758

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Exhibit 2

**CONCORD STEAM CORP
SOURCES AND USES OF FUNDS
Proposed Debt/Security Issue**

Sources of Funds

TD Bank

Amount

250,000

Total Sources of Funds

250,000

Uses of Funds

New Deaerator

150,000

Smoke stack repairs

65,000

Underground pipe expansion joint replacement

35,000

Total Uses of Funds

250,000

**New Hampshire Public Utilities Commission
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Exhibit 3

**CONCORD STEAM CORP
BALANCE SHEET AS OF 12/31/13
Proformed for Proposed Debt/Security Issue**

	<u>Bal. as of 31-Dec-13</u>	<u>Adjustments</u>	<u>Pro Forma</u>
ASSETS			
Utility Plant:			
	11,981,397	250,000	12,231,397
Net Plant	<u>11,981,397</u>	<u>250,000</u>	<u>12,231,397</u>
Less: Accumulated Depreciation & Amortization	<u>6,106,300</u>	<u>0</u>	<u>6,106,300</u>
Net Utility Plant	<u>5,875,097</u>	<u>250,000</u>	<u>6,125,097</u>
Current Assets:			
	1,403,906	0	1,403,906
Total Current Assets	<u>1,403,906</u>	<u>0</u>	<u>1,403,906</u>
Deferred Income Taxes	613,630	0	613,630
Noncurrent Assets:			
Total Noncurrent Assets	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u><u>7,892,633</u></u>	<u><u>250,000</u></u>	<u><u>8,142,633</u></u>
LIABILITIES AND CAPITALIZATION			
Current Liabilities:			
	2,765,875	125,000	2,890,875
Total Current Liabilities	<u>2,765,875</u>	<u>125,000</u>	<u>2,890,875</u>
Deferred Income Taxes			
Noncurrent Liabilities:			
CIAC	671,975		671,975
Deferred Credits	1,165,789		1,165,789
Misc Reserves	(108,714)		(108,714)
Total Noncurrent Liabilities	<u>1,729,050</u>	<u>0</u>	<u>1,729,050</u>
Capitalization:			
Stock	91,200		91,200
Capital Surplus	220,653		220,653
Retained Earnings	2,709,514		2,709,514
Long-Term Debt	<u>376,341</u>	<u>125,000</u>	<u>501,341</u>
Total Capitalization	<u>3,397,708</u>	<u>125,000</u>	<u>3,522,708</u>
TOTAL LIABILITIES AND CAPITALIZATION	<u><u>7,892,633</u></u>	<u><u>250,000</u></u>	<u><u>8,142,633</u></u>

**New Hampshire Public Utilities Commission
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Exhibit 4

**CONCORD STEAM CORP
INCOME STATEMENT FOR 12 MONTHS ENDED 21/31/13
Proformed for Proposed Debt/Security Issue**

	Bal. as of 31-Dec-13	Adjustments	Pro Forma
Operating Revenues	5,611,173		5,611,173
Operating Expenses:			
Gas Purchased and Production			
Operations and Maintenance	4,556,738		4,556,738
Depreciation, Depletion and Amortization	223,572		223,572
Operating Taxes	160,407		160,407
Total Operating Expense	4,940,717	0	4,940,717
Operating Income	670,456	0	670,456
Other Income:			
Other Income/(Deductions) - Net	(119,168)		(119,168)
AFUDC - Equity			
Total Other Income	(119,168)	0	(119,168)
Earnings Before Interest and Taxes	551,288	0	551,288
Interest Charges:			
Interest - Long Term Debt	19,823	10,000	29,823
Other Interest	63,539		63,539
AFUDC - Debt			
Total Interest Charges	83,362	10,000	93,362
Earnings before Taxes	467,926	(10,000)	457,926
Income Tax:			
Current Income Taxes			
State and Local	(5,462)		(5,462)
Federal			
Total Current Income Taxes	(5,462)	0	(5,462)
Deferred Taxes			
State and Local			
Federal	(151,309)		(151,309)
Total Deferred Taxes	(151,309)	0	(151,309)
Total Income Tax	(156,771)	0	(156,771)
Net Income After Tax	311,155	(10,000)	301,155

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Concord Steam
Exhibit 5

**CONCORD STEAM CORP
STATEMENT OF CAPITALIZATION RATIOS
Proformed for Proposed Debt/Security Issue**

	Amount as of 31-Dec-13	% of Total	Adjustments	Pro Forma Amount	% of Total
Short Term	1,026,204	19%		1,026,204	18%
Long Term	376,340	7%	250,000	626,340	11%
Deferred Taxes	1,165,789	21%		1,165,789	20%
Total Equity	<u>2,930,167</u>	53%		<u>2,930,167</u>	51%
Total Capitalization	<u>5,498,500</u>	100%		<u>5,748,500</u>	100%

**New Hampshire Public Utilities Commission
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Exhibit 6

**CONCORD STEAM CORP
Weighted Average Cost of Debt
Current & Pro Forma at 12/31/13**

EXISTING DEBT

(a) Description of Debt, Interest Rate, Maturity date	(b) Term (Yrs)	(c) Issuance Date	(d) Amount Issued @ Face Value	(e) Amount Outstanding @ Face Value	(f) Total Issuance Expense	(g) Unamortized Issuance Exp.	(h) [(e)-(g)] Net Proceeds Outstanding	(i) Amortization of Issuance Exp.	(j) Annual Interest	(k) [(i)+(j)] Annual Cost	(l) [(k)/(h)] Weighted Average Cost Rate
Short Term Debt:											
TD Line of Credit	1	9/29/03	1,200,000	781,204			781,204		52,315	52,315	6.7%
	1	2013	245,000	245,000			245,000		0	-	0.0%
Total Short Term Debt			<u>1,445,000</u>	<u>1,026,204</u>	<u>0</u>	<u>0</u>	<u>1,026,204</u>	<u>0</u>	<u>52,315</u>	<u>52,315</u>	<u>5.10%</u>
Long Term Debt:											
TD Term loan	10	11/8/06	795,000	329,782	1,164		329,782		16,667	16,667	5.1%
	5	3/7/12	12,869	8,569	0		8,569		273	273	3.2%
	5	5/1/13	<u>43,317</u>	<u>37,989</u>			<u>37,989</u>		<u>2,763</u>	<u>2,763</u>	<u>7.3%</u>
Total Long Term Debt			<u>851,186</u>	<u>376,340</u>	<u>1,164</u>	<u>0</u>	<u>376,340</u>	<u>0</u>	<u>19,703</u>	<u>19,703</u>	<u>5.2%</u>

PRO FORMA DEBT

281668
328,226
46,558

(a) Description of Debt, Interest Rate, Maturity date	(b) Term (Yrs)	(c) Issuance Date	(d) Amount Issued @ Face Value	(e) Amount Outstanding @ Face Value	(f) Total Issuance Expense	(g) Unamortized Issuance Exp.	(h) [(e)-(g)] Net Proceeds Outstanding	(i) Amortization of Issuance Exp.	(j) Annual Interest	(k) [(i)+(j)] Annual Cost	(l) [(k)/(h)] Weighted Average Cost Rate
Short Term Debt:											
	1	9/29/03	1,200,000	781,204			781,204		52,315	52,315	6.7%
	1	2013	245,000	245,000			245,000		0	-	0.0%
Total Short Term Debt			<u>1,445,000</u>	<u>1,026,204</u>	<u>0</u>	<u>0</u>	<u>1,026,204</u>	<u>0</u>	<u>52,315</u>	<u>52,315</u>	<u>5.10%</u>
Long Term Debt:											
	10	11/8/06	795,000	579,782	2,164	1,000	578,782	1,000	26,667	27,667	4.8%
	5	3/7/12	12,869	8,569	-		8,569		273	273	3.2%
	5	5/1/13	<u>43,317</u>	<u>37,989</u>			<u>37,989</u>		<u>2,763</u>	<u>2,763</u>	<u>7.3%</u>
Total Long Term Debt			<u>851,186</u>	<u>626,340</u>	<u>2,164</u>	<u>1,000</u>	<u>625,340</u>	<u>1,000</u>	<u>29,703</u>	<u>30,703</u>	<u>4.91%</u>

WEIGHTED AVERAGE COST OF CAPITAL

	Actual					Pro Forma			
	Amount	Percent of Total	Cost Rate	Weighted Cost Rate	Adjustment Amount	Amount	Percent of Total	Cost Rate	Weighted Cost Rate
Short Term Debt	1,026,204	18.66%	5.10%	0.95%	0	1,026,204	17.85%	5.10%	0.91%
Long Term Debt	376,340	6.84%	5.24%	0.36%	250,000	626,340	10.90%	4.91%	0.53%
Deferred Taxes	1,165,789	21.20%				1,165,789	20.28%		
Common Equity	2,930,167	53.29%				2,930,167	50.97%		
Total	<u>5,498,500</u>			<u>1.31%</u>	<u>250,000</u>	<u>5,748,500</u>			<u>1.45%</u>



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TD Bank, N.A.
143 North Main Street
Concord, NH 03301
www.tdbank.com

July 7, 2014

Concord Steam Corporation
P.O. Box 2520
Concord, NH 03302-2520
Attn: Peter Bloomfield, President

RE: TD Bank Term Loan # 0274944-9002 / Re-advance of Funds

Dear Peter,

I am pleased to advise you that TD Bank has approved the modification and re-advancement of funds on the above referenced Loan to finance your completion of safety related and other capital improvements for Concord Steam Corporation. The following are the general terms and conditions of the approval:

- As of July 7, 2014 the existing balance on the loan is \$281,668.17. The Bank has approved a re-advancement of \$250,000, which would result in a new principal balance of \$531,668.17 (less any principal payments made between now and the closing date).
- The maturity date would remain at October 1, 2016
- The interest rate would remain fixed at 4.07% for the term of the loan.
- Principal and interest payments would continue to be due monthly. The new payment amount would be based upon the new loan balance amortized over the remaining term of the loan.
- All other terms and conditions of the original Note, Loan Agreement, Security Agreement, Guarantees, and other loan documents dated October 5, 2006, together with any subsequent modifications, would remain in full force and effect.

Other:

1. Representations. All representations made by the Borrower to the Bank in connection with the Loan shall be deemed to be material and relied upon by the Bank in issuing this commitment letter.
2. Costs and Expenses. Whether or not the Loan is closed, all costs and expenses incurred by the Bank in connection with the Loan, including but not limited to attorneys' fees, due diligence expenses and any and all other expenses, shall be paid by the



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Borrower on demand therefor. Such costs and expenses shall be in addition to, and shall not be offset against, any commitment or other fee due and owing to the Bank.

3. **Future Advances and Obligations Secured.** Any mortgage, deed of trust, security interest, pledge or other instrument of security given to secure Borrower's obligations under the Loan shall also secure any extensions, renewals or modifications of the Loan and any other obligations or liabilities of the Borrower to the Bank, whether arising prior to or subsequent to the closing of the Loan .

4. **Limitation of Liability.** None of the Bank's depositors, incorporators, trustees or directors, nor any of its officers, employees, counsel or agents shall be liable personally hereunder for any action taken with respect to the Borrower's application, this commitment letter or the Loan. In the event of a dispute with respect to this commitment letter or the Loan, the Borrower will look solely to the Bank for any performance of any obligations or for any other claim. It is further agreed that only the Borrower, and no shareholder, partner, member, affiliate, officer, director or employee of Borrower, nor any guarantor of the Loan, may assert any such claim against the Bank.

5. **Indemnification.** Borrower agrees to indemnify the Bank and hold it harmless from and against all costs, expenses (including fees and expenses of counsel) and liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Bank is a party thereto) which relate to the proposed transactions, including the financing contemplated hereby or any transactions connected therewith, provided that the Bank will not be indemnified for its gross negligence or willful misconduct. Borrower's obligations under this paragraph shall survive any termination of the Bank's proposal hereunder and shall be effective regardless of whether definitive loan and collateral documentation is executed or any loans are made respecting the Loan.

6. **Bank's Counsel.** Counsel will be engaged to represent the Bank in connection with the Loan. The responsibility of the Bank's attorney is limited to representing the interest of the Bank, notwithstanding the fact that the Borrower shall be obligated to pay the Bank's legal fees. Further, the Bank assumes no responsibility to the Borrower for the acts or omissions of its attorney. The Borrower may elect to engage its own attorney.

7. **Limitations on Transfer.** This commitment letter and the Loan and any collateral for the Loan shall not be assigned or transferred by the Borrower, nor may there be any sale or transfer of ownership of any interest in the Borrower without the Bank's prior written consent. No junior mortgage, deed of trust or other encumbrance on the collateral securing the Loan or any other assets of Borrower shall be permitted without the Bank's prior written consent.

8. **Additional Terms.** This commitment letter does not include all the terms and conditions that will be covered in the Bank's legal documentation for the Loan, but it does state the essential business terms of the Bank's proposal. These terms have been



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approved in reliance on the financial statements, projections, and other information provided by Borrower and any guarantor to the Bank, and are therefore conditional upon there being no material adverse change in the Borrower's (or any guarantor's) financial condition or any adverse change, governmental or judicial action concerning the Borrower's business or assets. In addition, the extension of any financial accommodation by the Bank is subject to the execution of, and compliance with, documentation that is satisfactory to the Bank and its counsel, which shall include additional terms and conditions, including without limitation additional reports, as well as the filing by Bank, in its discretion, of initial financing statements. When definitive documentation in respect of the Loan has been executed and the initial borrowing thereunder has been incurred, the terms and conditions of this letter shall be superseded and replaced by such definitive loan documentation.

10. WAIVER OF JURY TRIAL. BORROWER, BANK, AND EACH GUARANTOR EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FOR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION WITH: THIS COMMITMENT LETTER; ANY AND ALL OTHER CONTRACTS, DOCUMENTS, OR TRANSACTIONS RELATED TO OR CONTEMPLATED BY THIS COMMITMENT LETTER; AND/OR THE RELATIONSHIPS BETWEEN AND AMONG THE PARTIES HERETO. BORROWER, BANK, AND EACH GUARANTOR EACH EXECUTE THIS WAIVER OF RIGHT TO TRIAL BY JURY KNOWINGLY, VOLUNTARILY, AND INTELLIGENTLY, AND EACH HEREBY CERTIFIES THAT IT HAS READ AND UNDERSTANDS THIS WAIVER. BORROWER, BANK, AND EACH GUARANTOR ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER. SHOULD ANY OTHER PROVISION OF THIS COMMITMENT LETTER OR THE COMMITMENT LETTER ITSELF BE DEEMED INVALID, ILLEGAL OR OTHERWISE UNENFORCEABLE, THIS PARAGRAPH SHALL REMAIN IN FULL FORCE AND EFFECT.

11. Supersedes Prior Dealings. This commitment letter supersedes Borrower's application for the Loan and any other prior dealings between the Borrower and its agents and the Bank in connection with the Loan.

If the terms and conditions set forth herein are acceptable to you, please acknowledge below and return a signed counterpart to this letter on or before the close of business on July 31, 2014 together with all applicable fees, if any. This commitment letter must be accepted and returned to the Bank no later than the close of business on July 31, 2014 (along with any fees due with the acceptance of this letter), and the closing of the Loan must occur by August 29, 2014. The Bank's commitment hereunder will expire in the event the Bank has not received such acceptance and applicable fees, if any, on or before July 31, 2014 or the closing has not occurred by August 29, 2014, all in



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accordance with the prior sentence, and the Bank will be under no obligation to offer any further Loans.

The Bank may terminate this commitment letter, and will have no obligation to extend the Loan, upon the happening of any of the following events: (a) the Bank does not receive the accepted copy of this commitment (along with any fees due with the acceptance of this letter) by July 31, 2014 (b) the Loan does not for any reason close by August 29, 2014; (c) the Borrower's failure to comply with any term or condition set forth in this commitment (d) any material adverse change occurs with respect to the economic value, business assets, liabilities, results of operations or condition (financial or otherwise) of the Borrower or any guarantor; (e) any report or statement made to the Bank by the Borrower or any guarantor in connection herewith is or proves to be false or misleading in any material respect as of the date made or furnished; or (f) any collateral securing the Loan shall be materially damaged by fire or other casualty.

The documents signed at closing shall be deemed to be the final and complete expression of the agreement Bank and the Borrower with respect to the Loan. Any terms and conditions that have been discussed, negotiated, agreed to or that are part of this commitment letter and are not included in the terms and conditions of the documents signed at closing shall be deemed waived and superseded by the documents signed at closing. This commitment letter is not intended to survive closing of the Loan.

If you have any questions or comments on the terms of this letter, please do not hesitate to call me.


Very truly yours,
TD Bank, N.A.

By: 
Thomas Potter
Vice President

The above commitment is hereby accepted:

Borrower:

Concord Steam Corporation

By: 
Peter G. Bloomfield



Bank

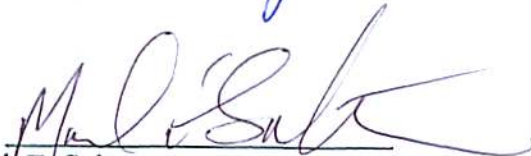
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The undersigned hereby acknowledges the above letter and agrees to provide the guaranty referenced therein to be provided by the undersigned.

Guarantor(s):



Peter G. Bloomfield



Mark E. Saltsman