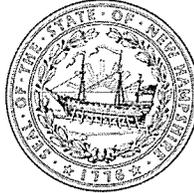


CHAIRMAN
Martin P. Honigberg

COMMISSIONERS
Robert R. Scott

EXECUTIVE DIRECTOR
Debra A. Howland

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

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1-800-735-2964

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FAX No. 271-3878

Website:
www.puc.nh.gov

December 16, 2014

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301

NHPUC 16DEC14AM9:56

Re: DW 14-282: Pennichuck East Utility, Inc.
Petition for Authority to Issue Long Term Debt

Dear Ms. Howland:

On October 6, 2014, Pennichuck East Utility, Inc. (PEU) submitted a petition pursuant to RSA 369:1, requesting authority to issue long-term debt. PEU's petition seeks permission to borrow \$625,000 from CoBank ACB (CoBank), to finance various 2014 capital projects not funded by State of New Hampshire State Revolving Fund (SRF) loans. Additionally, PEU seeks authority to convert \$1 Million in short-term debt from its parent company, Pennichuck Corporation (Pennichuck), into a long-term note. PEU's petition was accompanied by the pre-filed direct testimonies of Pennichuck's Chief Engineer, John J. Boisvert, and Chief Financial Officer, Larry D. Goodhue. Staff reviewed PEU's petition and accompanying testimony and propounded one set of written data requests. (A copy of PEU's responses to Staff's discovery is attached to this correspondence as Attachment A.) As a result of its review, Staff recommends that the Commission grant authority to PEU to execute these two long-term borrowings, through the issuance of an Order *nisi*.

Staff reviewed the filing within the context of RSA 369.

RSA 369:1 states that a utility "may, with the approval of the commission but not otherwise, issue and sell ... notes and other evidences of indebtedness payable more than 12 months after the date thereof for lawful corporate purposes." The Commission must conduct a "hearing or investigation as it may deem proper," then authorize the financing "if in its judgment the issue of such securities upon the terms proposed is consistent with the public good." RSA 369:4. [In more complex circumstances, the] Commission reviews the amount to be financed, the reasonableness of the terms and conditions, the proposed use of the proceeds, and the effect on rates. Appeal of Easton, 125 N.H. 205, 211 (1984). The rigor of an Easton inquiry[, however,] varies depending upon the circumstances of the request. The Commission typically uses a more limited review for routine financing requests.

Pennichuck Water Works, Inc., Order No. 25,734 (November 7, 2014), pp. 9-10 (citations omitted).

Mr. Boisvert's testimony explains that the proceeds of the CoBank financing will be applied to various capital projects in three distinct categories. The first is Regulatory Compliance Capital Projects that ensure compliance with federal and state drinking water laws and regulations. The projects in this category include arsenic treatment at the Locke Lake Airstrip well, installation of disinfection and filtration equipment, as well as lead free meter exchanges. The second category is Maintenance Capital Projects to repair and replace aging infrastructure. The projects in this category include work on chemical feed pumps and SCADA equipment, arsenic treatment piping modifications, storage tank painting, well redevelopment, hydrant replacements, and valve replacements. The third category described in Mr. Boisvert's testimony is Nonrecurring Capital Projects, which despite their infrequency are nevertheless necessary to the efficient operation of PEU. The projects in this category include upgrades to the North Country operation building, demolition of abandoned stations, and water main upsizing.

To review the prudence of the PEU capital projects to be funded by the CoBank financing, Staff engaged the services of its former Water Division engineer, Douglas W. Brogan. In a memo to Staff dated November 3, 2014, Mr. Brogan concluded that his review of the projects described in Mr. Boisvert's testimony "suggested no reason not to recommend approval of the petition." A copy of Mr. Brogan's memo is attached to this correspondence as Attachment B.

Mr. Goodhue's testimony describes the terms and overall purposes for both the proposed CoBank financing as well as the proposed conversion of Pennichuck short-term debt to long-term debt. With regard to the CoBank financing, Mr. Goodhue explains that CoBank is a federally-chartered bank under the Farm Credit Act of 1971, as amended. CoBank is restricted to making loans and leases to eligible borrowers in the agribusiness and rural utility industries as well as certain related entities as defined by the 1971 Act. CoBank is a Government Sponsored Enterprise that issues debt securities with the implicit full faith and credit of the US Government. Consequently, CoBank's borrowing costs are less than that of commercial banks and other lenders. These lower costs are passed on to CoBank's borrowers through lower interest rates. Additionally, CoBank loans generally have fewer covenants or restrictions as compared to loans from commercial banks and other financial institutions.

CoBank is organized as a cooperative, owned and controlled by its members who use its products and services, *ie*, its borrowers. As such, members are eligible to receive a portion of CoBank's net margins via "patronage dividends." While such distributions are not guaranteed, Mr. Goodhue's testimony indicates that from 2010 through 2013, PEU has annually received patronage dividends averaging approximately \$44,800. In general, CoBank's annual patronage has been 1% of the one-year average daily loan balance. This 1% distribution is received as a mix of cash and equity stock in CoBank. The cash portion is recorded as a reduction in interest expense while the equity portion is recorded as a deferred debit which reflects an increase in PEU's equity interest in CoBank.

The characteristics of PEU's service territory are consistent with CoBank's charter and mission thereby making it eligible to borrow from CoBank to meet its capital requirements. PEU has previously entered into a Master Loan Agreement with CoBank effective February 9, 2010 which provided the framework for CoBank to make subsequent loans to PEU.¹ While the final terms and

¹ PEU's initial borrowing from CoBank, consisting of a \$4.5 million replacement of maturing debt as well as the establishment of a \$1.5 million revolving line of credit, was approved by Commission Order No. 25,041 issued on

interest rate of the CoBank loan are subject to change based on CoBank's currently on-going due diligence as well as other market factors, Mr. Goodhue's testimony anticipates a \$625,000 term loan with a 25-year amortization, with level monthly principal and interest payments at a rate currently estimated to be 5.25% per annum. The Co-Bank loan will be secured by (i) a security interest in PEU's equity interest in CoBank (consisting of PEU's current \$58,870 equity investment in CoBank and PEU's right to receive future patronage dividends from CoBank), and (ii) the unconditional guarantee of PEU's obligations to CoBank by Pennichuck pursuant to the Guarantee of Payment by Pennichuck in favor of CoBank dated February 9, 2010.²

With regard to other options that PEU has explored as an alternative to the proposed CoBank financing, Mr. Goodhue's testimony explains that PEU determined that tax-exempt bond financing through the NH Business Finance Authority was not available as the overall borrowing levels for PEU did not meet the minimum bonding threshold amounts. With regard to the State Revolving Fund (SRF) option, the projects proposed to be financed by CoBank were all deemed ineligible for SRF financing. Finally, with regard to other lending institutions, over the past two years PEU has determined that there are a limited number of eligible lending candidates especially when taking into consideration PEU's present financial structure and profile as well as its overall capital borrowing needs. For these reasons, CoBank has been determined to be PEU's only viable option in terms of financing these projects.

With regard to the conversion of \$1 Million in short-term debt to long-term debt, Mr. Goodhue states that the proceeds of the short-term borrowings from Pennichuck were utilized to acquire used and useful property needed to provide water service to the public in accordance with the intercompany Money Pool Agreement dated as of January 1, 2006.³ The new loan from Pennichuck will be evidenced by an unsecured promissory note from PEU for the principal sum of \$1,000,000 and providing for level monthly payments, an amortization period of ten years, and an interest rate of 2.70% per annum. Under the terms of the Master Loan Agreement and Guarantee of Payment with CoBank, PEU's indebtedness to Pennichuck will be subordinate to its indebtedness to CoBank.

In terms of the benefits of the proposed financing with Pennichuck, Mr. Goodhue testified that it will enable PEU to refinance 2014 Capital Projects with long-term debt, rather than intercompany short-term borrowings, thereby better aligning the repayment time period with the expected, useful lives of the financed assets. Mr. Goodhue also states that the proposed financing provides for debt carrying costs of 2.70%, creating a revenue neutral result when compared to the current underlying cost of money for Pennichuck's borrowings from its line of credit which is the ultimate source of its short-term advances to PEU. Finally, Mr. Goodhue states that the proposed financing with Pennichuck will enable PEU to reduce the level of its short-term debt level to below 10% of its net fixed capital (as required by Puc 608.05), and which level PEU has periodically exceeded with Commission approval since the City of Nashua's acquisition of Pennichuck in 2012.⁴

November 9, 2009, in Docket DW 09-134. PEU filed a copy of the Master Loan Agreement with the Commission in that docket. The \$1.5 million revolving line of credit expired in March 2012. In May 2013, PEU entered into two new loans with CoBank, in the amounts of \$925,000 and \$1,723,150, for terms of 20 and 10 years, respectively. These loans were approved by Commission Order No. 25,480 issued on March 27, 2013, in Docket DW 13-017.

² A copy of the Guarantee of Payment was filed with the Commission in Docket DW 09-134.

³ A copy of the Pennichuck Money Pool Agreement is on file with the Commission pursuant to RSA 366:3.

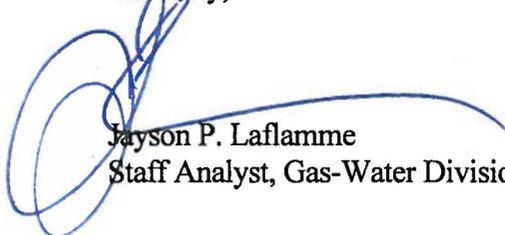
⁴ Subsequent to the acquisition of Pennichuck by the City of Nashua (DW 11-026), the Commission granted waivers of Puc 608.05 so that PEU's short-term debt limit could exceed 10% of net fixed capital. Order No. 25, 326

In his testimony, Mr. Goodhue states that the anticipated issuance costs for the financings is approximately \$20,000, covering loan documentation costs as well as the costs incurred to obtain Commission approval for the financings. Mr. Goodhue also provides pro-forma financial schedules showing the estimated impact of the two loans on the balance sheet and income statement of PEU. Also attached to Mr. Goodhue's testimony is documentation showing that the CoBank financing had been approved by PEU's Board of Directors on August 15, 2014. As of the date of the filing of PEU's petition, shareholder approval had not yet been obtained from the City of Nashua for the financing. However, on November 25, 2014, shareholder approval of the CoBank financing was finally granted and PEU filed documentation to this effect with Staff on December 12, 2014. A copy of this documentation is attached to this correspondence as Attachment C.

In conclusion, Staff believes that the proposed financings are consistent with the public good. The uses of the proposed financing are reasonable in that they are consistent with the Company's duty to provide 'reasonably safe and adequate' service to its customers. RSA 374:1. The terms of the proposed financing are also reasonable, falling within the range of terms that the Commission has approved recently with regard to other long-term debt.

If you have any questions regarding this matter, please do not hesitate to contact me. Thank you for your assistance.

Sincerely,



Jayson P. Laflamme
Staff Analyst, Gas-Water Division

Attachments

cc: Service List

(February 1, 2012) (PEU granted a short-term debt limit of 15% for the calendar year 2012); Order No. 25,482 (March 28, 2013) (PEU granted a short-term debt limit of 18% for a limited period and reduced to 12% until the end of 2013); and Order No. 25,716 (September 12, 2014) (PEU granted a short-term debt limit of 12% of net fixed plant through October 21, 2014).

DW 14-282: PENNICHUCK EAST UTILITY, INC.

ATTACHMENT A: PEU Responses to Staff Data Requests -- Set 1

DEVINE
MILLIMET

ATTORNEYS AT LAW

October 27, 2014

THOMAS B. GETZ
603.695.8542
TGETZ@DEVINEMILLIMET.COM

VIA ELECTRONIC MAIL

David J. Shulock
Director, Legal Division
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

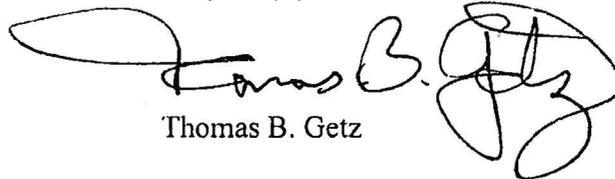
Re: DW 14-282, Pennichuck East Utility, Inc.
Petition for Approval of SRF Loan

Dear Attorney Shulock:

Attached are responses by Pennichuck East Utility, Inc. to the first set of data requests by the Commission Staff dated October 17, 2014.

Please let me know if you have any questions.

Very truly yours,


Thomas B. Getz

TBG:aec

Attachments

cc: Discovery Electronic Service List

PENNICHUCK EAST UTILITY
DW 14-282

Pennichuck East Utility's Responses to
Staff's Data Requests – Set 1
PETITION FOR APPROVAL OF SRF LOAN

Date Request Received: 10/17/14
Request No. Staff 1-1

Date of Response: 10/27/14
Witness: Larry D. Goodhue

REQUEST: Re: Petition p. 3: Please provide Nashua's approval of the CoBank loan when available.

RESPONSE: The Company has filed the request for approval to the City of Nashua, and will be meeting with the City of Nashua's Special Water Committee, relating to obtaining the required approval recommendation. The date for this meeting is yet to be finally determined. The Committee will forward their recommendation along to the Board of Alderman subsequent to that meeting, for consideration of approval of the resolution in support of this financing. Upon receiving notification of approval of this transaction from the City of Nashua, said approval will be provided, as requested.

PENNICHUCK EAST UTILITY
DW 14-282

Pennichuck East Utility's Responses to
Staff's Data Requests – Set 1
PETITION FOR APPROVAL OF SRF LOAN

Date Request Received: 10/17/14
Request No. Staff 1-2

Date of Response: 10/27/14
Witness: John J. Boisvert

REQUEST: Re: Boisvert testimony: Did the company consider SRF funding for any of the proposed projects? Please explain.

RESPONSE: The Company considers SRF funding for any and all qualifying projects during any given year. The projects being financed under this financing approval request relates to projects for which SRF money was not available.

Specifically, the projects described in the testimony do not meet the criteria for SRF financing nor are they of sufficient size and dollar amount to justify the added expense of complying with the Federal provisions associated with SRF funds including the bidding requirements, Davis-Bacon wage rates, WBE/MBE reporting, and contract reporting. Additionally, the vast majority of the projects described in the testimony will be completed with Company labor and Company labor is not reimbursable under the SRF funding program.

PENNICHUCK EAST UTILITY
DW 14-282

Pennichuck East Utility's Responses to
Staff's Data Requests – Set 1
PETITION FOR APPROVAL OF SRF LOAN

Date Request Received: 10/17/14
Request No. Staff 1-3

Date of Response: 10/27/14
Witness: John J. Boisvert

REQUEST: Re: Boisvert testimony p. 4, Locke Lake Airstrip Station Arsenic Treatment:

- a) Was the current arsenic treatment system installed pre or post Pennichuck acquisition of the system?
- b) Will the proposed treatment improve manganese removal?
- c) Has there been a need for disinfection at this location (lines 10-12)? Please explain.
- d) Please explain the role of 'iron addition' (line 17) in the co-precipitation process.
- e) Please indicate the estimated payback period given the anticipated operational savings (lines 20-21) v. capital cost.

RESPONSE:

- a) The current arsenic treatment system was installed pre-Pennichuck acquisition.
- b) The proposed treatment will improve manganese removal. The filter media is a manganese oxide coated media. This media's primary design function is to filter iron and manganese.
- c) Yes. Locke Lake water distribution system still contains a large amount of substandard water main and water service pipe. The frequency of leaks and repairs are still high. Adding disinfection helps ensure protection from bacteriological contamination when the system is depressurized during leak repair. Also, oxidation using chlorine is essential to the iron, manganese, arsenic filtration process as it is necessary convert these substances from their dissolved state to a precipitate (solid) or "oxidized" state allowing filtration.
- d) Oxidized arsenic "sticks" to oxidized iron (iron-oxide or rust). The process of co-precipitating iron and arsenic require three major things:
 - A raw water pH of 7.0 to 7.2

- An iron to arsenic concentration in the raw water of 20:1. This ratio is a rule of thumb that is confirmed by testing and monitoring.
- An oxidant (chlorine) to convert arsenic and iron to their oxidized state to allow filtration.

With these conditions met, sufficient iron is captured on the filter media to capture the oxidized arsenic.

- e) The estimated payback is between 4 to 6 years depending upon water demand.

PENNICHUCK EAST UTILITY
DW 14-282

Pennichuck East Utility's Responses to
Staff's Data Requests – Set 1
PETITION FOR APPROVAL OF SRF LOAN

Date Request Received: 10/17/14
Request No. Staff 1-4

Date of Response: 10/27/14
Witness: John J. Boisvert

REQUEST: Re: Boisvert testimony pp. 5-6, Lead Free Meter Exchanges:

- a) Are the replacement meters bronze meeting the new 'lead-free' requirement, or composite (plastic/fiberglass) that are actually lead free? Please explain the company's strategy in this regard in light of changes in lead requirements over the years and potential changes in the future.
- b) Did the company have to dispose of any meter inventory not meeting the new lead-free requirement? Please explain.
- c) Replacement of 590 meters per year in relation to a total customer count of 6,950 (petition p. 1) yields an average of 12 years between replacements, slightly longer than the testing intervals anticipated by Puc 605.04. Please explain the difference.

RESPONSE:

- a) The bronze replacement meters comply with the new lead-free requirement.
- b) No. Pennichuck began purchasing lead free meters in 2002. Pennichuck stopped reusing existing meters with lead content in January of 2011. Pennichuck has not had any new or used meters with unacceptable lead content since 2011.
- c) Consistent with the testing intervals required by Puc 605.04, the Company plans to test more than 800 meters in 2014, which will put it on track to meet the interval requirements under the rule. As it conducts the overall testing process for the more than 800 meters, the Company anticipates that it will be replacing 590 meters that contain lead in 2014.

PENNICHUCK EAST UTILITY
DW 14-282

Pennichuck East Utility's Responses to
Staff's Data Requests – Set 1
PETITION FOR APPROVAL OF SRF LOAN

Date Request Received: 10/17/14
Request No. Staff 1-5

Date of Response: 10/27/14
Witness: John J. Boisvert

**REQUEST: Re: Boisvert testimony pp. 6-7, Spruce Pond CWS SCADA
Integration:**

Does the company have any other stations that do not have SCADA systems connected to the Nashua treatment plant? Please explain.

RESPONSE: All Company stations having treatment beyond basic disinfection are connected via the SCADA system to the Nashua treatment plant. Of the 36 PEU systems, 21 have direct communication with the Nashua treatment plant.

PENNICHUCK EAST UTILITY
DW 14-282

Pennichuck East Utility's Responses to
Staff's Data Requests – Set 1
PETITION FOR APPROVAL OF SRF LOAN

Date Request Received: 10/17/14
Request No. Staff 1-6

Date of Response: 10/27/14
Witness: John J. Boisvert

**REQUEST: Re: Boisvert testimony pp. 8, North Country Operations Building
Design and Permitting:**

- a) Is the proposed facility anticipated as a stand-alone building, or an expansion of an existing facility? Please explain.
- b) Please indicate generally why Locke Lake was chosen over other north country locations.
- c) Could existing facilities in Barnstead or Conway that are slated for demolition (page 9, line 2) be used for this purpose?

RESPONSE:

- a) The proposed facility will be a stand-alone building.
- b) Locke Lake is the preferred location because:
 - The majority of customer service activity takes place there.
 - The Company owns or has access to (via easement) sufficient land to construct the facility
 - The Locke Lake location is off Route 28 allowing quicker access to Birch Hill (Conway) and Sunrise Estates (Middleton)
- c) No. The existing facilities to be demolished are either below ground pits (Birch Hill) or a small above ground booster station (10'x12'). One of the Locke Lake sites scheduled for building demolition is one of two potential sites in Locke Lake being considered for the North Country Operations Building.

PENNICHUCK EAST UTILITY
DW 14-282

Pennichuck East Utility's Responses to
Staff's Data Requests – Set 1
PETITION FOR APPROVAL OF SRF LOAN

Date Request Received: 10/17/14
Request No. Staff 1-7

Date of Response: 10/27/14
Witness: Larry D. Goodhue

REQUEST: Re: Goodhue testimony, Schedule LDG-1, Page 1 of 2, Note 1: This note states, "To record the assets related to the SRF Loans." (emphasis added) Please explain.

RESPONSE: This notation was incorrectly included on Schedule LDG-1. It should have been indicated as "To record the assets related to the **CoBank loan**."

PENNICHUCK EAST UTILITY
DW 14-282

Pennichuck East Utility's Responses to
Staff's Data Requests – Set 1
PETITION FOR APPROVAL OF SRF LOAN

Date Request Received: 10/17/14
Request No. Staff 1-8

Date of Response: 10/27/14
Witness: Larry D. Goodhue

REQUEST: Re: Goodhue testimony, Schedule LDG-2, Page 2 of 2: This schedule indicates total fixed asset additions of \$525,000. However, Schedule LDG-1, Page 1 of 2 indicates total fixed asset additions of \$625,000; a difference of \$100,000. Please explain.

RESPONSE: On Schedule LDG-2, Page 2 of 2 a footnote is included below the schedule of asset additions, which reads: “* excludes Cost of Removal estimated at \$100 thousand.” This is the explanation of the difference between the two schedules, as the Cost of Removal is included in the net adjustment to Accumulate Depreciation on Schedule LDG-1, Page 1 of 2.

DW 14-282: PENNICHUCK EAST UTILITY, INC.

ATTACHMENT B: Memo from Douglas W. Brogan

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: November 3, 2014
AT (OFFICE): NHPUC

FROM: Douglas W. Brogan

SUBJECT: DW 14-282, Pennichuck East Utility, Inc.
Petition for Authority to Issue Long Term Debt

TO: Mark A. Naylor
Director, Gas & Water Division

This memo is being submitted at your request to summarize my review of docket DW 14-282, the petition of Pennichuck East Utility, Inc. (PEU) to issue long term debt. The petition involves proposed financings from two sources: \$625,000 from CoBank ACB for a variety of capital improvements and replacements in PEU's various water systems, and \$1,000,000 from Pennichuck Corporation to convert short term intercompany debt to long term debt. Testimony was provided by John Boisvert, Chief Engineer of Pennichuck Water Works, which provides engineering and other services to PEU, and by Larry Goodhue, Chief Financial Officer of PEU. As the former Division water/sewer engineer, my review focused primarily on the proposed uses of the CoBank loan, as presented in Mr. Boisvert's testimony and subsequently probed in the single round of discovery in the case.

The CoBank loan will be used for thirteen projects ranging in cost from \$7,500 to \$150,000. These small projects are generally below the scope of what would qualify for State Revolving Fund (SRF) financing (response to Staff 1-2). Six of the projects are system-specific, while the remaining projects are more general and impact multiple PEU systems.

Three of the projects are described as "regulatory compliance" in nature and account for nearly half of the proposed CoBank loan amount. Two of these involve installation, upgrade or maintenance of various treatment systems to meet water quality requirements, while the third involves meter replacements to meet requirements of new federal "lead-free" legislation enacted in January 2011 and having an effective date of January 2014. The Pennichuck companies began purchasing lead-free meters in 2002 (response to Staff 1-4 b), far in advance of the subsequent regulatory tightening on this issue, and are proceeding to upgrade old meters in compliance with the new legislation as they are removed for testing in accordance with the Commission's testing interval requirements (Puc 605.04).

The remaining ten projects are diverse and include design and permitting of a new North Country operations building, demolition of pump stations that are no longer in use, and various treatment, distribution, storage, supply and SCADA system upgrades and replacements.

My review suggested no reason not to recommend approval of the petition. I trust these comments are responsive to your request. Please let me know if you need anything further in this regard.

DW 14-282: PENNICHUCK EAST UTILITY, INC.

ATTACHMENT C: Documentation of Shareholder Approval

DEVINE
MILLIMET

ATTORNEYS AT LAW

December 12, 2014

THOMAS B. GETZ
603.695.8542
TGETZ@DEVINEMILLIMET.COM

VIA ELECTRONIC MAIL

Rorie E.P. Hollenberg
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

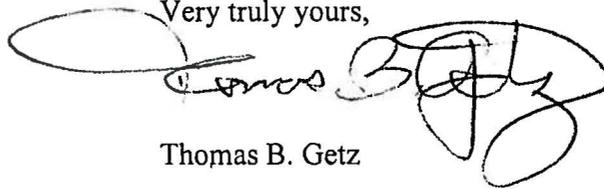
Re: DW 14-282, Pennichuck East Utility, Inc.
Petition for Approval of SRF Loan

Dear Attorney Hollenberg:

As requested by Commission Staff Data Request No. 1-1 in the above captioned proceeding, enclosed is the City of Nashua's resolution granting approval for Pennichuck East Utility, Inc. (PEU) to enter into loan agreements with CoBank and the Department of Environmental Services State Revolving Loan Fund.

Please let me know if you have any questions.

Very truly yours,



Thomas B. Getz

TBG:aec

Attachment

cc: Discovery Electronic Service List

**City of Nashua Legislation
Details for R-14-083**

Bill Number: R-14-083

1st Reading: 10/14/2014

Bill Name: APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO ENTER INTO LONG TERM LOANS WITH COBANK AND THE NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES STATE REVOLVING FUND

Bill Status: Approved

**Approval
Date:** 11/25/2014

Voting: Not a Roll Call Vote on this Legislation

Bill Sponsor: [Mayor Lozeau](#)

Co-Sponsors: [Wilshire, Lori](#) - Alderman At - Large
[McGuinness, Sean](#) - Alderman Ward 1
[Deane, David](#) - Alderman At - Large

Bill Text: APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO ENTER INTO LONG TERM LOANS WITH COBANK AND THE NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES STATE REVOLVING FUND

[View Entire Bill History](#)



RESOLUTION

APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO ENTER INTO LONG TERM LOANS WITH COBANK AND THE NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES STATE REVOLVING FUND

CITY OF NASHUA

In the Year Two Thousand and Fourteen

WHEREAS, the City of Nashua is the sole shareholder of Pennichuck Corporation (“Pennichuck”) and each of its subsidiaries;

WHEREAS, Article IX (3) of the Articles of Incorporation of Pennichuck and Article V §2 of the by-laws of Pennichuck require the approval of the sole shareholder (the City of Nashua) for Pennichuck to create, incur or assume any indebtedness for borrowed money or guarantee any such indebtedness on behalf of Pennichuck or its subsidiaries; and

WHEREAS, Pennichuck Corporation and Pennichuck East Utility, Inc. (“PEU”) is proposing to enter into long term loans with CoBank and the New Hampshire Department of Environmental Services State Revolving Fund as follows: 1) a loan from CoBank in the principal amount of \$625,000 to finance capital projects for PEU for late 2014 and early 2015; 2) an increase of the existing loan from the State Revolving Fund in the additional principal amount of \$510,000 to finance the second phase of capital improvements for PEU’s W&E water system located in Windham, New Hampshire in 2015, at 2014 existing interest rates; and 3) guarantees by Pennichuck of payment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck Corporation’s proposal to enter into long terms loans and guarantees with CoBank and the New Hampshire Department of Environmental Services State Revolving Fund in the amounts and for the purposes described above.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

david.shulock@puc.nh.gov

jayson.laflamme@puc.nh.gov

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rorie.hollenberg@puc.nh.gov

steve.frink@puc.nh.gov

tgetz@devinemillimet.com

Docket #: 14-282-1 Printed: December 16, 2014

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**