

STATE OF NEW HAMPSHIRE  
THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

HAMPSTEAD AREA WATER COMPANY, INC

DW 18-000

PETITION FOR APPROVAL OF FINANCING

The Petitioner, Hampstead Area Water Company, Inc. (the Company), respectively petitions the N.H. Public Utilities Commission (Commission) for approval of financing with Pentucket Bank. In support of this Petition, the Company says:

1. The Company is presently franchised in most areas of Hampstead and Atkinson, New Hampshire, and has franchised satellite systems in various towns in Rockingham County (see Schedule A, attached).
2. That HAWC currently has no short term financing options with financial institutions.
3. That the Company has approached Pentucket Bank for a financing solution and Pentucket Bank has agreed to grant a line of credit to the Company.
4. That the Company will be obtaining a \$1,000,000 Revolving Working Capital Line of Credit from Pentucket Bank.
5. Proceeds will be used to assist the Company with improvements to various water systems and distribution lines the Company owns or maintains. Additionally, the Line of Credit will be used for other short term working capital needs from time to time or for short term capital additions.
6. That as per the attached Term Sheet from Pentucket Bank, (Exhibit 1) the Line of Credit will be on demand with an interest rate that will float at the Prime Rate as published by the Wall Street Journal. There is no annual fee. Payments will be interest only, payable monthly on funds as advanced and outstanding. A security interest in all business assets

of the Company will be the collateral, as well as a personal guarantee by the owner, Christine Lewis Morse.

7. In support of the replacement financing request for the Pentucket Bank loan, the Company says:

- a. The Company requires short term financing and the Pentucket Bank line of credit is a solution that is prudent and reasonable.
- b. The terms for the Pentucket Bank financing are more favorable to the Company given the rate of interest presented as compared to private individual lending.

8. It would be in the public good for the Company to have approval of the replacement financing request. The Company provides the following in support:

- a. It will have little or no effect on the Company's capital structure
- b. It will provide the Company with better financial flexibility in making capital purchases over the course of the year.

9. See the Pre-filed Testimony of John Sullivan, attached as Exhibit 2, and the Pre-filed Testimony of Stephen St. Cyr and financial schedules attached as Exhibit 3 in support of the financing request.


WHEREFORE your Petitioner prays:

- A. That the Commission find that it would be prudent and reasonable for the Company to be permitted to obtain the line of credit, as proposed;
- B. That the Commission find that it would be in the public good for the Company to be permitted to enter into the financing with Pentucket Bank, as proposed;
- C. That the Commission, by appropriate order, grant the Company permission to enter into the financing with Pentucket Bank, as proposed;

D. That the Commission make such further findings and orders as may be appropriate on the circumstances.

Dated the 20<sup>th</sup> day of September, 2018

Respectfully submitted,  
HAMPSTEAD AREA WATER COMPANY, INC.



Harold J. Morse, President

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