

1 approved under Docket No. DW 17-128, as well as the impact as known from the DW  
2 20-156 docket, per the 1604.06 schedules pro-formed and supplemented into that case as  
3 of 8/10/2021.

4 **Q. Mr. Goodhue, are there any covenants or restrictions contained in the Company's**  
5 **other bond and debt agreements which would be impacted by the issuance of debt**  
6 **under this proposed financing?**

7 A. Yes. Section 6(c) of the Loan Agreement between Pennichuck and TD Bank, NA (the  
8 "Bank") prohibits Pennichuck or its subsidiaries from incurring additional indebtedness  
9 without the express prior written consent of the Bank, except for certain allowed  
10 exceptions. One of the listed exceptions, in Section 6(c)(v) the Company may incur new  
11 indebtedness up to \$1.5 million per annum, on an unsecured basis, with CoBank, ACB or  
12 equivalent lender, provided that TD Bank, N.A. is provided at least 30 days prior to  
13 written notice related to said indebtedness. Amounts borrowed from CoBank above that  
14 limit require approval from TD Bank, N.A. The Company made a written request to TD  
15 Bank on October 12, 2021. A copy of the letter is attached as Exhibit LDG-10. TD Bank  
16 subsequently granted consent to the new loan on October 21, 2021. A copy of the email  
17 is attached as Exhibit LDG-11.

18 **Q. What is the status of corporate approvals for CoBank Financings?**

19 A. The CoBank financings have been approved by the Company's and Pennichuck's Boards  
20 of Directors as documented in LDG-5 and LDG-6, and was submitted, for approval by  
21 Pennichuck's sole shareholder, the City of Nashua. A copy of the letter requesting  
22 approval is attached as Exhibit LDG-12. The approval is pending before the City of  
23 Nashua Board of Alderman on October 26, 2021. A copy of the agenda is attached is

1 Exhibit LDG-13. The Company anticipates review by the City's Special Sewer  
2 Committee on November 3, 2021 and subsequent approval by the Board of Alderman on  
3 November 9, 2021. The C Company will supplement its Petition with documentation  
4 showing the City's approval when available.

5 **Q. Do you believe that the CoBank Financings will be consistent with the public good?**

6 A. Yes. This CoBank loan will enable PEU to continue to provide safe, adequate and  
7 reliable water service to PEU's customers, while allowing for the implementation of the  
8 MOEF in the Company's current rate case, at rates below those initially requested. The  
9 terms of the financing through the CoBank loans are very favorable compared to other  
10 alternatives and will result in lower financing costs than would be available through all  
11 other current debt financing options. And, the overall impact of this borrowing is to  
12 provide for a modified rate structure that is more stable for rate payers and better  
13 provides for adequate cash flow coverage for the Company's necessary operating  
14 expenses.

15 **Q. Is there anything else that you wish to add?**

16 A. Yes. I respectfully ask the Commission to issue an Order in this docket by October 31,  
17 2021, if at all possible, such that the Order can be effective no later than the end of  
18 November. This will allow the Company to close upon the term loan as a requirement in  
19 establishing the final permanent rates under the Company's permanent rate case in  
20 pendency in Docket No. DW 20-156. Timely closing on the CoBank term loan, will  
21 allow the Company to include the actual impact of this loan in its final approved rates in  
22 that case. Attached as Exhibits LDG-7 thru LDG-9, are schedules which were provided

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2 20-156 docket, per the 1604.06 schedules pro-formed and supplemented into that case as  
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14 limit require approval from TD Bank, N.A. The Company ~~made a~~ is providing its written  
15 request to TD Bank on October 12, 2021. A copy of the letter is attached as Exhibit  
16 LDG-10. subsequent to submitting this filing. TD Bank subsequently granted consent to  
17 the new loan on October 21, 2021. A copy of the email is attached as Exhibit LDG-11.  
18 ~~The Company will supplement its Petition with documentation showing that request and~~  
19 ~~TD Bank's approval when available.~~

20 **Q. What is the status of corporate approvals for CoBank Financings?**

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22 of Directors as documented in LDG-5 and LDG-6, and ~~washave been~~ submitted,  
23 ~~concurrently and in parallel,~~ for approval by Pennichuck's sole shareholder, the City of

1 Nashua. A copy of the letter requesting approval is attached as Exhibit LDG-12. The  
2 approval is pending before the City of Nashua Board of Alderman on October 26, 2021.  
3 A copy of the agenda is attached is Exhibit LDG-13. The Company anticipates review by  
4 the City's Special Water Committee on November 3, 2021, and subsequent approval by  
5 the Board of Alderman on November 9, 2021. The Company will supplement its Petition  
6 with documentation showing the City's approval when available.

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