

1 PWW from its Fixed Asset Line of Credit, which would be subsequently refinanced with
2 long term tax-exempt or taxable bonds.

3 **Q. Please describe the loans that will comprise the SRF financing for these Projects.**

4 A. The loan to finance the Twin Ridge project, will be in the principal amount not to exceed
5 \$300,000; the loan to finance the Sweet Hill project, will be in the principal amount not
6 to exceed \$240,000. The loans will be evidenced by promissory notes.

7 **Q. What are the terms of the proposed SRF financings?**

8 A. The SRF provides public and private water systems the opportunity to borrow funds to
9 fund the construction of qualified projects at interest rates that are typically lower than
10 market rates of commercial financing. The following terms will be available for these
11 loans: (1) Amounts advanced to PWW during construction will accrue interest at a rate
12 of 1% per annum, and the total accrued interest will be due upon substantial completion
13 of the projects; and, 2) the terms of the SRF loans requires repayment of the loan
14 principal plus interest over a twenty year period commencing six months after the project
15 is substantially complete. The current stipulated interest rate for these SRF borrowings is
16 1.256% per annum, if the loans can be approved by Governor and Executive Council
17 (G&C) prior to August 2022. If they are not approved by G&C prior to August 2022,
18 these loans will be subject to the interest rate locked in for the succeeding 12 months, for
19 SRF loans available through the NHDES. The loans will be unsecured, and the
20 Company's Parent company will provide an unsecured corporate guarantee for the
21 repayment of the loans. Copies of the loan documents will be submitted to the
22 Commission once they have been finalized and executed.

23 **Q. What are the estimated issuance costs for these SRF loans?**

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