

13. The terms of this proposed DWSRF loan for Sweet Hill include: 1) Amounts advanced to PWW during construction will accrue interest at a rate of 1% per annum, and the total accrued interest will be due upon substantial completion of the project; and, 2) the terms of the DWSRF loan requires repayment of the loan principal plus interest over a twenty year period commencing six months after the project is substantially complete. The current stipulated interest rate for these SRF borrowings is 1.256% per annum, if the loans can be approved by Governor and Executive Council prior to the end of July 2022. If they are not approved by Governor and Executive Council prior to the end of July 2022, these loans will be subject to the interest rate locked in for the succeeding 12 months, for DWSRF loans available through DES. The Company anticipates that interest rates available for these loans would likely double to approximately 2.5% after the end of July 2022. The impact of an increase in the interest rate from 1.256% to 2.5% on these loans would result in an increased annual interest expense of approximately \$6,700, as is shown in Exhibit LDG-1, Schedule LDG-2 Page 2, with an estimated impact on the monthly bills for customers upwards from \$.078 per month to \$.084 per month. See Exhibit LDG 1-4, Schedule LDG-4A. The loan will be unsecured, and the Company's Parent company will provide an unsecured corporate guarantee for the repayment of the loan. See Direct Testimony of Larry D. Goodhue at 5.

14. The terms of this proposed DWSRF loan for Twin Ridge include: 1) Amounts advanced to PWW during construction will accrue interest at a rate of 1% per annum, and the total accrued interest will be due upon substantial completion of the project; and 2) the terms of the DWSRF loan requires repayment of the loan principal plus interest over a twenty year period commencing six months after the project is substantially complete. The current stipulated interest rate for these DWSRF borrowings is 1.256% per annum, if the loans can be approved by

and the confirmation of consent from the bank in response, is attached as Exhibit LDG-5. Once confirmation and response from the Bank is provided, the Company will supplement its Petition with the Bank's response.

20. The Company respectfully requests that the Commission to issue an Order in this docket as soon as reasonably possible, and if at all possible, by September 15, 2022, or as soon as practical thereafter, since NHDES and the Company seek to close on these financings in an expedited manner to secure the lowest available interest rates which are available to the Company through this time frame. As stated above, the Company anticipates interest rates on these loans to likely double after July 2022, therefore increasing the annual interest expense and impact on monthly customer bills. While approval by July 15, 2022 would be preferable to minimize debt service costs; after consultation with the Department of Energy (DOE) on review of this financing, approval by September 15, 2022 will allow the DOE staff to complete their necessary due diligence as well as allowing for the final design and scheduling of the Projects, and the ordering of needed materials to complete the projects, with the hope of completing construction and the projects during the second and third quarter of 2023 construction season (if possible given significant supply chain issues for procurement of pipe materials). Closing on this financing in this timeframe will allow the Company to have the various portions and aspects of these projects lined up, designed, scheduled and ordered in the most economically favorable manner for customers, as to rate impact.

21. Furthermore, the Company asserts that this petition qualifies as routine financings consistent with the Commission's decision *In re PSNH*, Order No. 25,050, 94 NH PUC 691,699 (2009) and, most recently, in Docket 18-133, regarding PWW. *See* Order No. 26,197 (December 3, 2018). The Company avers that the proposed financings will not have a significant impact on

(b) Find that the proposed DWSRF loan in the amount of \$300,000 for the Twin Ridge Project and purposes set forth herein, and in the manner and on the terms described herein, as well as in the pre-filed testimony are consistent with the public good;

(c) Find that the use of the proceeds to fund the Sweet Hill Project and Twin Ridge Project in the manner set forth in this petition and as described in the pre-filed testimony is prudent and consistent with the public good;

(d) Authorize PWW to do all things, take all steps, and execute and deliver all documents necessary or desirable to consummate, implement and carry out the proposed financings;

(c) Grant the requested approval of loans in the total aggregate amounts of \$540,000 by either finding the proposed DWSRF loans qualify as routine financings or, in the alternative, issue an Order *Nisi* by September 15, 2022; and,

(d) Take such further action and make such other findings and orders as in its judgment may be just, reasonable, and in the public good.

Respectfully submitted,

PENNICHUCK EAST UTILITY, INC.

By Its Attorneys

RATH, YOUNG AND PIGNATELLI, P.C.

Dated: May 26, 2022

By:



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603-410-4314
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13. The terms of this proposed DWSRF loan for Sweet Hill include: 1) Amounts advanced to PWW during construction will accrue interest at a rate of 1% per annum, and the total accrued interest will be due upon substantial completion of the project; and, 2) the terms of the DWSRF loan requires repayment of the loan principal plus interest over a twenty-five year period commencing six months after the project is substantially complete. The current stipulated interest rate for these SRF borrowings is 1.256% per annum, if the loans can be approved by Governor and Executive Council prior to the end of July 2022. If they are not approved by Governor and Executive Council prior to the end of July 2022, these loans will be subject to the interest rate locked in for the succeeding 12 months, for DWSRF loans available through DES. The Company anticipates that interest rates available for these loans would likely double to approximately 2.5% after the end of July 2022. The impact of an increase in the interest rate from 1.256% to 2.5% on these loans would result in an increased annual interest expense of approximately \$6,700, as is shown in Exhibit LDG-1, Schedule LDG-2 Page 2, with an estimated impact on the monthly bills for customers upwards from \$.078 per month to \$.084 per month. See Exhibit LDG 1-4, Schedule LDG-4A. The loan will be unsecured, and the Company's Parent company will provide an unsecured corporate guarantee for the repayment of the loan. See Direct Testimony of Larry D. Goodhue at 5.

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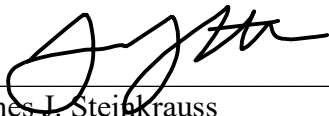
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