

December 6, 2011

By E-Filing and Overnight Delivery

Debra A. Howland, Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2425

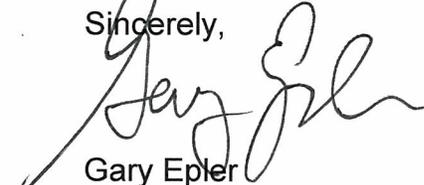


Re: DG 11-208 Affidavit of Publication

Dear Director Howland:

Pursuant to Order 25,289 issued by the New Hampshire Public Utilities Commission on November 18, 2011, in the above-referenced docket, enclosed please find an Affidavit of Publication on behalf of Northern Utilities, Inc. Please note that although the Order was timely published in the *New Hampshire Union Leader*, certification of the publication was not received until today.

Sincerely,



Gary Epler
Attorney for Northern Utilities, Inc.

Enclosure

cc: Service List

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UNITIL SERVICE CORP
ATTN : CATHERINE MCARTHUR
6 LIBERTY LANE WEST
HAMPTON NH 03842

I hereby certify that the legal notice of NORTHERN UTILITIES INC,
Publication Number: DG 11-208 was published in the New Hampshire Union Leader
and/or New Hampshire Sunday News, newspapers printed at Manchester, NH
by the Union Leader Corp.

On :

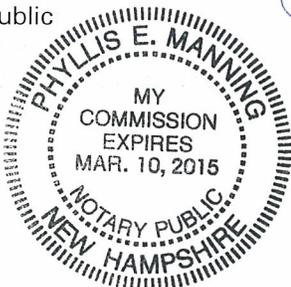
11/22/2011

State of New Hampshire
Hillsborough County
Subscribed and sworn to before me this

2nd day of December, 2011

Phyllis E Manning

Notary Public



Legal Notice ✓

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
DG 11-208

NORTHERN UTILITIES, INC.
Petition for Waiver of Short-Term
Debt Limit

Order Nisi Approving Petition, and
Granting Motion for Confidential
Treatment

ORDER NO. 25,289
November 18, 2011

I. BACKGROUND AND POSITIONS OF THE PARTIES

On September 15, 2011, Northern Utilities, Inc. (Northern), filed a petition, pursuant to RSA 369:7, for an adjustment of the short-term debt limit formula applied to Northern, as established by the Commission in Northern Utilities, Inc., Order No. 25,068 (January 22, 2010), in Docket No. DG 09-239. Specifically, the short-term debt limit factor for Northern's non-fuel financing purposes was established as 15 percent of Northern's net utility plant. Northern, in its petition and pre-filed testimony by David L. Chong, the Director of Finance of Unifit Service Corp., an affiliated service company providing services to Northern, requests that the short-term debt limit factor for Northern's non-fuel financing purposes be increased to 20 percent of net utility plant.

With its petition, on September 15, 2011, Northern also filed a motion for confidential treatment of certain internal financial projections developed by Northern, and provided as part of the confidential version of Mr. Chong's testimony (presented on Page 7, Line 3 through Page 8, Line 12, of the testimony). In its motion for confidential treatment, Northern argues this information is confidential and commercially sensitive, and that disclosure of this information would cause competitive harm to Northern, in that Northern's bargaining power in developing new sources of capital could be compromised.

The petition and subsequent docket filings, other than information for which confidential treatment is requested or granted by the Commission, is posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docket-blk/2011/11-208.html>.

In support of its petition for the increased short-term debt-limit factor, Northern states that: (1) Northern is incurring sizeable programmatic capital spending in both Maine and New Hampshire and that those capital investments are largely non-revenue producing; (2) Northern's revenues under its current rates are insufficient to recover its distribution cost of service and provide a reasonable opportunity for return to its investors; (3) Northern is currently in base rate proceedings in Maine and New Hampshire and has proposed Targeted Infrastructure Replacement Adjustment cost recovery mechanisms to recover programmatic capital spending for cast iron and bare steel programs in 2012 and beyond; and (4) the requested increase in Northern's short-term debt limit formula would help Northern manage short-term liquidity needs on peak borrowing days and fund its significant construction expenditures and distribution operating capital.

After discovery, Staff filed a recommendation letter on November 16, 2011, supporting Northern's request. Staff noted that Northern's pro-formed capital structure indicates a negligible change if the non-fuel short term borrowing is increased from 15 to 20 percent, which if fully utilized would produce a slight decrease in Northern's overall cost of capital. Nonetheless, Staff, in its November 16, 2011 letter, recommended approval of Northern's petition subject to the limitation that the increase of the debt-limit factor for non-fuel financing to 20 percent of net utility plant be limited to a period of no more than three years after approval, or until Northern receives the proceeds from an equity or long-term debt issuance, whichever is shorter. Staff argued in its recommendation that approving a temporary increase in the non-fuel short term debt limit will allow for a resolution of Northern's rate proceedings which could increase revenues and allow sufficient time for Northern to issue equity and/or long-term debt that could be used in part to refinance short-term debt and fund future projects. Staff also supported Northern's motion for confidential treatment.

II. COMMISSION ANALYSIS

Northern's motion for confidential treatment, RSA 91-A:5, IV states, that records of "confidential, commercial, or financial information" are exempted from disclosure. See Unifit Corp. and Northern Utilities, Inc., Order No. 24,284, 94 NH PUC 484, 486 (2009). In determining whether commercial or financial information should be deemed confidential, we first consider whether there is a privacy interest that would be invaded by the disclosure. *Id.* Second, when a privacy interest is at stake, the public's interest in disclosure is assessed. *Id.* Disclosure should inform the public of the conduct and activities of its government; if the information does not serve that purpose, disclosure is not warranted. *Id.* Finally, when there is a public interest in disclosure, that interest is balanced against any privacy interests in non-disclosure. *Id.* This is similar to the Commission's rule on requests for confidential treatment. See N.H. Code Admin. Rules Puc 203.08.

The Commission has previously found information related to internal financial projections to be exempt from disclosure. See, Unifit Energy Systems, Inc., Order No. 24,284 (February 20, 2004). Disclosure of the financial information for which protection is sought by Northern would reveal internal business decisions and financial information, could harm Northern, and could result in a competitive disadvantage to Northern. As such, disclosure would invade the privacy interests of Northern, and could damage competitive positions, potentially to the detriment of ratepayers. Further, there is no indication that disclosure of the information would inform the public about the workings of the Commission. In balancing the interests of Northern in protecting information with the public's interest in disclosure, we find that the privacy interests in non-disclosure outweigh the public

interests in disclosure and, therefore, we grant Northern's motion. Consistent with Puc 203.08(k), our grant of this motion is subject to our on-going authority, on our own motion, on the motion of Staff, or on the motion of any member of the public, to reconsider our determination.

Regarding the increase in the short-term debt factor proposed by Northern, we have reviewed Northern's filing and Staff's recommendation. We are cognizant of the reasons set forth by Northern in support of its petition, and find them to be persuasive; however, we also agree with Staff that it would be prudent to limit this increase to a period of no more than three years, or until Northern receives the proceeds from an equity or long-term debt issuance, whichever is shorter. Subject to this limitation, having balanced the interests of Northern and the interest of its ratepayers, RSA 363:17-a, we find the request by Northern reasonable and consistent with our prior rulings under RSA 369:7.

Based upon the foregoing, it is hereby ORDERED NISI, that the short-term debt limit for Northern shall, for fuel financing purposes, remain 30 percent of total projected winter period gas costs, subject to adjustment annually with the Company's winter cost of gas filing, and it shall, for non-fuel financing purposes, be increased from 15 percent of net utility plant to 20 percent of net utility plant, until December 1, 2014, or until Northern receives the proceeds from an equity or long-term debt issuance, whichever is shorter; and it is

FURTHER ORDERED, that Northern's motion for confidential treatment is hereby GRANTED; and it is

FURTHER ORDERED, that the Petitioner shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than November 22, 2011 and to be documented by affidavit filed with this office on or before November 30, 2011; and it is

FURTHER ORDERED, that all persons interested in responding to this Order Nisi be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than November 28, 2011 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than November 30, 2011; and it is

FURTHER ORDERED, that this Order Nisi shall be effective December 1, 2011, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of November, 2011.

Thomas B. Getz
Chairman
Amy L. Ignatius
Commissioner

Attested by:
Debra A. Howland
Executive Director