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April 11, 2012

By Hand Delivery

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



**Re: Docket No. DW 11-262; Pennichuck East Utility, Inc.
Petition for Authority to Issue Up to \$525,000 of Long Term Debt**

Dear Ms. Howland:

On March 29, 2012, the Commission issued Order 25,339, authorizing Pennichuck East Utility, Inc. ("PEU") to borrow up to \$525,000 from the State Revolving Loan Fund ("SRF") to finance needed capital improvements to its Locke Lake water system. The terms of the loan approved by the Commission included an interest rate of approximately 3.104% and a provision for 30% principal loan forgiveness. The principal forgiveness portion of SRF loans is based on a ratio between water rates and statewide median household income ("MHI"), and as set forth in the Petition, was anticipated to result in a savings of approximately \$7,800 per year.

Since the Commission issued its Order, PEU has been informed by the New Hampshire Department of Environmental Services that the town of Barnstead's MHI has increased to a level that results in the community no longer qualifying for SRF loan principal forgiveness. To offset the resulting increase in principal repayment and to keep the average per customer investment in Lock Lake consistent with the average per customer investment in PEU's remaining customer base, PEU plans to reduce the amount of the approved SRF loan to \$400,000, from the \$525,000 originally anticipated. Although the modified amount of the loan remains within the limit originally approved by the Commission, consistent with the language in the Order regarding changes in the final loan terms, PEU hereby notifies the Commission of this change. By this letter, PEU is seeking confirmation that, notwithstanding the reduced amount of the loan and other circumstances described above, it continues to be authorized to proceed with this loan

HPUC APR11'12 AT 8:50

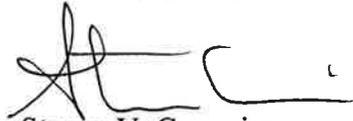
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based on the Commission's Order No. 25,339. If the Commission requires any additional information, please do not hesitate to contact me.

Thank you for your assistance with this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'S. Camerino', with a stylized flourish at the end.

Steven V. Camerino

cc: Service List
Donald L. Ware