

25 Manchester Street Merrimack, NH 03054 603-882-5191 (phone) 603-913-2305(fax)

April 2, 2013

Debra A. Howland Executive Director and Secretary New Hampshire Public Utilities Commission 21 S. Fruit Street, Suite 10 Concord, NH 03301-2429

Re: Order 25,480 Order Publication Affidavit (DW 13-017)



Dear Ms. Howland:

Please find enclosed original affidavit of publication in the Union Leader for Order 25,480 dated April 1th, 2013 for your records.

I trust you will find this satisfactory.

Sincerely,

Charles T. Hoepper

**Director Regulatory Affairs** 

**Enclosures** 

## **UNION LEADER CORPORATION**

P O BOX 9513 MANCHESTER, NH 03108

0000158493
PENNICHUCK CORPORATION
25 MANCHESTER ST
MERRIMACK NH 03054

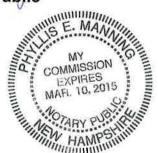
I hereby certify that the legal notice: (0000491400) DW 13-017 was published in the New Hampshire Union Leader printed at Manchester, NH by the Union Leader Corp. On: 04/01/2013.

State of New Hampshire Hillsborough County

Subscribed and sworn to before me this

day of Upril 201.

**Notary Public** 



## **Legal Notice**

STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION DW 13-017

PENNICHUCK EAST UTILITY, INC.
Petition for Authority to
Issue Long Term Loans
Order Nisi Granting Approval
NOTICE OF ORDER NO. 25,480
March 27, 2013

SUMMARY OF ORDER

Pennichuck East Utility, Inc. (PEU) is a regulated water utility pursuant to RSA 362:2 and 362:4 and is wholly owned by Pennichuck Corporation (Pennichuck), which in turn is wholly owned by the City of Nashua. On January 16, 2013, PEU filed a petition seeking authority, pursuant to RSA 369, to enter into three long term loans: two replace existing short term debt in the aggregate amount of \$3,925,000; one refinances existing long term debt with Pennichuck in the amount of \$1,723,150. PEU also requests approval to issue a security interest in utility property pursuant to RSA 369:2. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, is posted to the Commission's website at http://www.puc.nh.gov/ Regulatory/Docketbk/2013/13-017.html.

Two of the proposed loansare with CoBank, ACB (CoBank) in the principal amounts of \$925,000 and \$1,723,150.The terms of the first loan are for level monthly payments and an amortization period of 20 years. The annual interest rate will be finally determined based on market conditions, and is currently estimated at 4.35%. The proceeds of this loan will be used to refinance intercompany short term debt from Pennichuck. The second loan calls for level monthly payments and an amortization period of 10 years. The interest rate will be based on market conditions, currently estimated at 3.75%. The proceeds will be used to refinance existing intercompany long term debt currently carrying an interest rate of 7.0%.

The third loan is a proposed \$3,000,000 loan from Pennichuck, to replace a like amount of existing short term debt which was used for capital improvements. It calls for level monthly payments, an amortization period of 10 years, and an annual interest rate of 2.65%. The indebtedness to Pennichuck will be subordinate to CoBank.

On March 12, 2013, Staff filed a letter recommending approval of the three loans as well as the granting of a security interest in PEU's equity interest in CoBank. Staff stated that the terms of the loans are reasonable, the use of the proceeds is appropriate, and that the Office of the Consumer Advocate concurredin its recommendation.

PEU's request is governed by RSA 369:1 which requires Commission approval of indebtedness payable for more than 12 months if the Commission finds the proposed issuance to be "consistent with the public good." See Appeal of Easton, 125 N.H. 205, 211 (1984) and In re PSNH, Order No. 25,050, 94 NH PUC 691, 699 (2009).

The Commission finds that PEU's proposed refinancings are appropriate, represent prudent utility management, and are consistent with the public good. Accordingly, the Commission approves, on a *nisi* basis, the proposed refinancings and grants a security interest in PEU's equity interest in CoBank, as requested, in order to effectuate the loans with CoBank. All persons interested in responding to this Order Nisi may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than April 15, 2013 for the Commission's consideration; any party interesting in responding to such comments or request for hearing shall do so no later than April 22, 2013. This Order *Nisi* shall be effective April 26, 2013, unless the Commission provides otherwise in a supplemental order issued prior to the effec-

(UL - Apr. 1)