

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 14-214

CONCORD STEAM CORPORATION

Petition to Approve Issuance of Securities and to Waive Certain Filing Requirements

Order Granting Petition

ORDER NO. 25,709

August 27, 2014

Concord Steam Corporation (Concord Steam) is a public utility that provides steam service primarily to commercial and institutional customers in Concord. Concord Steam requested approval to incur \$250,000 in long-term debt to replace Concord Steam's existing feedwater deaerating heater, to repair its existing smoke stack, and to replace two expansion joints in its distribution system. Concord Steam also asked the Commission to waive certain provisions of N.H. Code Admin. Rules Puc 1107.02, which requires a utility to file various information in support of financing requests. We grant both requests in this order.

According to the petition, attached exhibits, and responses to data requests, Concord Steam has an existing deaerating feed water heater that must be replaced due to safety concerns, at an estimated cost of \$150,000. The smoke stack at Concord Steam's plant requires minor repairs at an estimated cost of \$65,000. Also, two 25-year-old 12-inch expansion joints in Concord Steam's underground steam distribution system must be replaced, at an estimated cost of \$35,000. Concord Steam therefore requires \$250,000 in financing for system repairs.

Concord Steam is proposing to borrow the amounts needed for the above projects from TD Bank, with which Concord Steam has an existing long-term loan. That loan currently has an outstanding balance of \$281,668, with a maximum possible balance of \$795,000, as approved by

the Commission in Order No. 24,673 (Nov. 8, 2006). It has a maturity date of October 1, 2016, with an annual interest rate of 4.07%.

TD Bank has committed to extending a further \$250,000 at 4.07% to Concord Steam for its physical plant needs. The total balance of the loan would be \$531,668.

Concord Steam also asked the Commission to waive certain requirements of N.H. Code Admin. Rules Puc 1107.02, titled *F-4 Petition for Authority to Issue Securities*. Concord Steam's filing provides all of the information required by Puc 1107.02, with the exception of Puc 1107.02(b)(7) and Puc 1107.02(b)(9). Puc 1107.02(b)(7) requires a copy of the mortgage indenture, which Concord Steam does not have from TD Bank at this time. Puc 1107.02(b)(9) requires a copy of the terms of new common or preferred stock which do not exist, because the loan will not result in any new common or preferred stock being issued by Concord Steam.

Staff expressed its support for Concord Steam's requests in a memorandum filed August 21, 2014. Staff noted that Concord Steam's proposed financing will provide for necessary upgrades to its physical plant and that the terms of the financing are favorable. Staff also recommended that the Commission grant Concord Steam's request for a waiver of the filing requirements. Staff asserted that the information required by the relevant provisions of Puc 1107.02 would add little or no additional value to the Commission's review of Concord Steam's request, or is not germane to the petition.

Concord Steam's financing request is governed by RSA 369:1, which states that a utility "may, with the approval of the commission but not otherwise," incur "indebtedness payable more than 12 months after the date thereof" if the Commission "finds that the same is consistent with the public good." The Commission reviews the amount to be financed, the reasonableness

of the terms and conditions, the proposed use of the proceeds, and the effect on rates. *Appeal of Easton*, 125 N.H. 205, 211 (1984).

Concord Steam's waiver request is governed by Puc 201.05. The Commission may waive the provisions of Puc 1107.02 if it finds that the waiver serves the public interest and that the waiver does not disrupt the orderly and efficient resolution of matters before the Commission. The public interest determination requires of the Commission to consider whether compliance with the rule would be onerous given the circumstances and whether the purpose of the rule is otherwise satisfied.

Based on our review of the petition, we conclude that the requested issuance of long-term debt, through the vehicle of the bank loan, is consistent with the public good and that the standards for a waiver are satisfied. The financing will enable Concord Steam to make repairs to its physical plant necessary for safe and efficient operation, and is being made at favorable terms. Requiring Concord Steam to prepare and file the documents required by Puc 1107.02(b)(7) and Puc 1107.02(b)(9) would result in additional costs to Concord Steam with no benefit to our review of the financing. Accordingly, we approve the financing and grant a partial waiver of the requirements of Puc 1107.02.

Based upon the foregoing, it is hereby

ORDERED, that Concord Steam's request to approve the financing and immediate refinancing to make repairs to its plant as described in the petition is **GRANTED**; and it is

FURTHER ORDERED, that Concord Steam's request to waive parts of Puc 1107.02 is **GRANTED**.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day
of August, 2014.



Amy I. Ignatius
Chairman

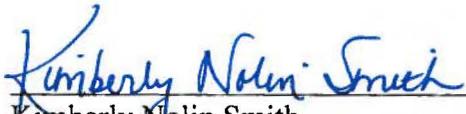


Robert R. Scott
Commissioner



Martin P. Honigberg
Commissioner

Attested by:



Kimberly Nolin Smith
Assistant Secretary

SERVICE LIST - EMAIL ADDRESSES - DISCOVERY MATERIALS

Pursuant to N.H. Admin Rule Puc 203.09 (d) and 203.11 (a) (11) Electronic copies of all discovery shall be served on every person designated for discovery filings on the Commission's official service list. [Discovery shall not be filed as part of a docket filing pursuant to 203.02]

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