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COMMISSIONERS
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EXECUTIVE DIRECTOR
Debra A. Howland

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

DW 16-234

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX No. 271-3878

Website:
www.puc.nh.gov

NHPUC 15APR'16PM4:01

April 15, 2016

Debra A. Howland, Executive Director
NH Public Utilities Commission
21 S. Fruit St., Ste. 10
Concord, NH 03301

**Re: DW 16-234 Pennichuck East Utility, Inc.
Long-term Financing
City of Nashua Approval**

Dear Ms. Howland:

I enclose an original and 6 copies of the Resolutions of the City of Nashua, approving the financings proposed in the above-referenced docket. I provided a copy of this filing to the parties on the Commission's service list. Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Rorie E. Patterson".

Rorie E. Patterson
Staff Attorney

cc: Service list
Enclosure

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

james.brennan@oca.nh.gov

mark.naylor@puc.nh.gov

ocalitigation@oca.nh.gov

robyn.descoteau@puc.nh.gov

rorie.patterson@puc.nh.gov

steve.frink@puc.nh.gov

thomas.getz@mclane.com



RESOLUTION

AUTHORIZING PENNICHUCK CORPORATION, PENNICHUCK WATER WORKS, INC., PENNICHUCK EAST UTILITY, INC., AND PITTSFIELD AQUEDUCT COMPANY, INC. TO BORROW FUNDS FROM THE NEW HAMPSHIRE DRINKING WATER STATE REVOLVING LOAN FUND

CITY OF NASHUA

In the Year Two Thousand and Sixteen

WHEREAS, the City of Nashua is the sole shareholder of Pennichuck Corporation and each of its subsidiaries;

WHEREAS, Article IX (3) of the Articles of Incorporation of Pennichuck Corporation and Article V §2 of the by-laws of Pennichuck Corporation require the approval of the sole shareholder (the City of Nashua) for Pennichuck to create, incur, assume, or guarantee any indebtedness for borrowed money, which includes contracting a loan on behalf of the Corporation; and

WHEREAS, Pennichuck Water Works, Inc. ("PWW"), Pennichuck East Utility, Inc. ("PEU"), and Pittsfield Aqueduct Company, Inc. ("PAC") are regulated New Hampshire public water utility corporations providing retail water service to New Hampshire customers, and are wholly owned subsidiaries of Pennichuck Corporation ("Pennichuck") which, in turn, is wholly owned by the City of Nashua.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PWW borrowing up to \$1,400,000 from the New Hampshire Drinking Water State Revolving Loan Fund to finance the cost of replacing approximately 4,265 linear feet water main in the Nashua Core Water System (Amherst Street area) in Nashua;

FURTHER RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PEU borrowing up to \$1,650,000 from the New Hampshire Drinking Water State Revolving Loan Fund to finance the cost of replacing approximately 18,600 linear feet of water main in the Varney Road area at Locke Lake in Barnstead; and

FURTHER RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PAC borrowing up to \$440,000 from the New Hampshire Drinking Water State Revolving Loan Fund to finance the cost of installing approximately 4,650 linear feet of water main on Fairview Road / Catamount Road in Pittsfield.

LEGISLATIVE YEAR 2016

RESOLUTION: R-16-012

PURPOSE: Authorizing Pennichuck Corporation, Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. to borrow funds from the New Hampshire Drinking Water State Revolving Loan Fund

ENDORSERS: Alderman-at-Large Daniel T. Moriarty

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE: None.

ANALYSIS

This resolution approves the proposals by Pennichuck Corporation and three of their regulated public water subsidiaries to obtain three loans from the New Hampshire Drinking Water State Revolving Loan Fund administered by the New Hampshire Department of Environmental Services for the purposes described in the resolution.

Pennichuck has provided additional information on the proposal to the Board of Aldermen.

Article IX (3) of Pennichuck Corporation's Articles of Incorporation and Article V §2 of the Pennichuck Corporation's by-laws requires City approval for the borrowing.

Approved as to form: Office of Corporation Counsel

By: Douglas Clarke

Date: February 19, 2016



RESOLUTION

AUTHORIZING PENNICHUCK CORPORATION AND PENNICHUCK EAST UTILITY, INC. TO ENTER INTO A LONG TERM LOAN WITH COBANK

CITY OF NASHUA

In the Year Two Thousand and Sixteen

WHEREAS, the City of Nashua is the sole shareholder of Pennichuck Corporation ("Pennichuck") and each of its subsidiaries;

WHEREAS, Article IX (3) of the Articles of Incorporation of Pennichuck and Article V §2 of the by-laws of Pennichuck require the approval of the sole shareholder (the City of Nashua) for Pennichuck to create, incur or assume any indebtedness for borrowed money or guarantee any such indebtedness on behalf of Pennichuck or its subsidiaries; and

WHEREAS, Pennichuck East Utility, Inc. ("PEU") is a regulated New Hampshire public water utility corporation providing retail water service to New Hampshire customers, and is a wholly owned subsidiary of Pennichuck Corporation ("Pennichuck") which, in turn, is wholly owned by the City of Nashua.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PEU obtaining a loan from CoBank, ACB in a principal amount up to \$2,200,000 with a 25-year amortization schedule to (1) refinance and repay approximately \$1.1 million of intercompany debt owed to Pennichuck by PEU, which was used to fund capital improvements to the PEU water system infrastructure during 2015, which were not funded by New Hampshire Drinking Water State Revolving Loan Fund debt, and (2) provide financing for approximately \$1.1 million of PEU's 2016 capital expenditures and improvements, and for Pennichuck to guarantee this loan.

LEGISLATIVE YEAR 2016

RESOLUTION:

R-16-013

PURPOSE:

Authorizing Pennichuck Corporation and Pennichuck East Utility, Inc. to enter into a long term loan with CoBank

ENDORSERS:

Alderman-at-Large Daniel T. Moriarty

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

None.

ANALYSIS

This resolution approves the proposal by Pennichuck Corporation and Pennichuck East Utility to enter into a long term loan with CoBank as described in the resolution.

Pennichuck has provided additional information on the proposal to the Board of Aldermen.

Article IX (3) of Pennichuck Corporation's Articles of Incorporation and Article V §2 of the Pennichuck Corporation's by-laws requires City approval for the borrowing.

Approved as to form:

Office of Corporation Counsel

By:

Dorely Clarke

Date:

February 16, 2016