

DG 01-019

NORTHERN UTILITIES, INC.

Petition for Authority to Extend
the Term of its Revolving Credit Agreement

Order Nisi Order Approving Extension

O R D E R N O. 23,641

February 23, 2001

On February 7, 2001, Northern Utilities, Inc.

(Northern), a public utility organized and existing under the laws of the State of New Hampshire and primarily engaged in the business of distributing natural gas in certain cities and towns in New Hampshire and Maine, filed with the New Hampshire Public Utilities Commission (Commission) a Petition for Authority to Extend the Term of its Revolving Credit Agreement (Revolver). Northern requests authority, pursuant to RSA 369:1 and 369:4, to amend its current Revolver, which provides funds in an amount not to exceed \$25,000,000. The current Revolver expires on March 17, 2001, and the proposed amendment would extend such term for a period of ninety (90) days until June 15, 2001. Northern avers that the extension is necessary in order for Northern to complete its plans for long-term financing, and to pursue Commission approval thereof. Northern notes that currently before the Commission, in Docket DG 00-283, is Northern's petition for authority to issue short-term debt in excess of its previously-authorized

limit for an interim period, pending the receipt of approval and closing of such long-term financing arrangements.

On February 22, 1993, the Commission, by Order No. 20,768, approved Northern's petition to enter into the Revolver for an amount not to exceed \$20,000,000 over a four year term, Re Northern Utilities, Inc., 78 NH PUC 107 (1993). On February 18, 1997, the Commission, by Order No. 22,504, granted Northern authority to extend the term an additional four years and to decrease the borrowing rate, Re Northern Utilities, Inc., 82 NH PUC 72 (1997). On December 8, 1998, the Commission, by Order No. 23,079, approved Northern's request to increase the amount available to Northern under the Revolver by \$5,000,000 which would be applied toward the reduction of short-term debt, Re Northern Utilities, Inc., 83 NH PUC 660 (1998).

The basic terms and conditions of the Revolver remain unchanged. The interest rate is based on the London Interbanks Offered Rates (LIBOR) plus 0.3%.

On February 16, 2001, Northern filed a Request for Waiver of Certain Filing Requirements Related to its Petition for Authority to Extend the Term of its Revolving Credit Agreement. Northern stated that it requests a waiver, pursuant to NH Admin. Rules Puc 201.05, of the filing requirements set forth in NH Admin. Rules Puc 509.04 with respect to its February 7, 2001 filing. Northern also filed a certification, pursuant to 509.04(d). Northern certified

that, with respect to the authority sought by Northern to extend the term of its Revolver, Northern believes and, therefore, alleges that the securities to be issued will be consistent with the public good and that it is entitled to issue said securities under RSA 369 for the purposes set forth in its petition.

The Commission has reviewed Northern's filings in this proceeding and finds approval of the petition and waiver to be in the public good. The proposed transaction will have no effect on Northern's capital structure and will allow Northern sufficient time to make its long term financing petition with the Commission.

Based upon the foregoing, it is hereby

ORDERED NISI, that Northern's Petition for Authority to Extend the Term of its Revolving Credit Agreement through June 15, 2001, is APPROVED; and it is

FURTHER ORDERED, that Northern, within ten (10) days of the closing, shall submit a copy of the amended Revolving Credit Agreement; and it is

FURTHER ORDERED, that Northern is authorized to do all things, take all steps, and execute and deliver all documents necessary or desirable to implement and carry out the proposed amendment; and it is

FURTHER ORDERED, that on or before January 1st and

July 1st of each year, Northern shall file with the Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of proceeds of the Revolving Credit Agreement until the whole of said proceeds has been fully accounted for; and it is

FURTHER ORDERED, that Northern's Request for Waiver of Certain Filing Requirements Related to its Petition for Authority to Extend the Terms of its Revolving Credit Agreement is APPROVED; and it is

FURTHER ORDERED, that Northern 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 March 2, 2001 and to be documented by affidavit filed with this office on or before March 16, 2001; and it is

FURTHER ORDERED, that all persons interested in responding to this petition be notified that they may submit their comments or file a written request for a hearing on this matter before the Commission no later than March 7, 2001; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than March 14, 2001; and it is

FURTHER ORDERED, that this Order Nisi shall be effective March 16, 2001, unless 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 twenty-third day of February, 2001.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary