

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 14-020

PENNICHUCK EAST UTILITY, INC.

Petition for Authority to Issue Long Term Debt

Summary of Order *Nisi* No. 25,650 Granting Petition

April 15, 2014

On January 22, 2014, Pennichuck East Utility, Inc. (PEU) filed a petition pursuant to RSA 369:1-4 seeking authority to borrow a total of \$1,522,000 in long term debt from the State Revolving Loan Fund (SRF). The SRF program is administered by the Department of Environmental Services. PEU's 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/2014/14-020.html>.

PEU will use the proceeds of three SRF loans to: 1) replace water mains in its Locke Lake system in Barnstead, 2) replace water mains in its W&E system in Windham, and 3) replace the water system station in its Hardwood system also located in Windham. The loans will have a 20-year term. Principal and interest payments will begin 30 days from the date of closing, and the interest rate is estimated to be 2.72%. PEU's parent, Pennichuck Corporation, will provide an unsecured guarantee of repayment. On March 19, 2014, Commission Staff (Staff) recommended that the Commission approve PEU's petition. Staff opined that the proposed use of the funds is reasonable in that the associated projects will address water service

issues in the three systems. Staff also opined that the projects will be financed at the lowest possible cost to customers. On April 15, 2014, the Commission found the financing proposal was in the public good and granted PEU's petition.

In order to ensure that all interested parties receive notice of this docket and have an opportunity to request a hearing, the Commission will delay the effectiveness of its approval until April 30, 2014. All persons interested in responding to the Commission's decision to approve the financing 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 25, 2014. Any party interested in responding to such comments and request for hearing shall do so no later than April 28, 2014. Following consideration of any comments and request for hearing received, the Commission may further extend the effective date of its approval. The Commission's approval of PEU's financing shall become final and effective on April 30, 2014, unless the Commission orders otherwise.