

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 15-196

PENNICHUCK WATER WORKS, INC.

Petition for Financing Approval

Summary of Order *Nisi* No. 25,808 Approving Petition

September 2, 2015

This order *nisi* approves a petition of Pennichuck Water Works, Inc., to issue tax-exempt bonds in an aggregate principal amount of up to \$25,500,000 through the New Hampshire Business Finance Authority. PWW will use the proceeds of this debt primarily to refinance existing long-term debt and to fund capital investment. The Commission found that the debt is consistent with the public good, and approved the financing as proposed. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2015/15-196.html>.

RSA 369:1 states that a utility "may, with the approval of the commission but not otherwise, issue and sell ... notes and other evidences of indebtedness payable more than 12 months after the date thereof for lawful corporate purposes." The Commission must conduct a "hearing or investigation as it may deem proper," then authorize the financing "if in its judgment the issue of such securities upon the terms proposed is consistent with the public good." RSA 369:4. The Commission reviewed PWW's proposed financing as routine, which calls for a more limited examination of whether the "use of financing proceeds [is] in the public good without further review of possible alternative uses of the funds." *Public Service Co. of N.H.*, Order No. 25,050 at 16.

A portion, or \$16,400,000, of the proceeds of the proposed financing will be used to refinance outstanding indebtedness of PWW. The terms of the new financing will be more consistent than the existing debt is with the Company's ownership and capital structures. A further portion, or \$7,000,000, of the proceeds will be used to finance construction of a new operations facility, which the Commission found to be reasonable and necessary. Finally, an amount of up to \$2,100,000 of the proceeds will be used for the payment of bond issuance costs and to fund the establishment of a debt service reserve fund if necessary to secure best cost financing.

The Commission found that the proposed financing will be used to provide safe and adequate service to customers, will benefit the Company and its customers, is consistent with PWW's recent financings and efforts to align the funding of its capital investments with its current ownership structure, represents an appropriate balancing of Company and customer interests, and is consistent with the public good.

To ensure that all interested parties receive notice of this docket and have an opportunity to request a hearing, the Commission delayed the effectiveness of its approval until September 25, 2015. All persons interested in responding to the Commission's approval may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than September 17, 2015. Any party interested in responding to such comments and requests for hearing shall do so no later than September 23, 2015. Following consideration of any comments and requests received, the Commission may further extend the effective date of its approval. The Commission's approval shall become final and effective September 25, 2015, unless the Commission orders otherwise.