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11 SOUTH MAIN STREET, SUITE 500 • CONCORD, NH 03301  
TELEPHONE (603) 226-0400 • FACSIMILE (603) 230-4448

STEVEN V. CAMERINO  
Internet: steven.camerino@mcclane.com

April 17, 2008

OFFICES IN:  
MANCHESTER  
CONCORD  
PORTSMOUTH

Debra A. Howland  
Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429



Re: DW 08-022 — Pennichuck East Utilities, Inc. Maple Hills/SRF Financing Staff

Dear Ms. Howland:

Enclosed for filing with the Commission is the affidavit of publication from the Union Leader regarding the Order of Notice which was published on April 9, 2008 with regard to the above docket.

Sincerely,

A handwritten signature in black ink, appearing to be "SVC".

Steven V. Camerino

SVC:cb  
Enclosures

I hereby certify that the foregoing notice was published in The Union Leader and/or New Hampshire Sunday News, newspapers printed at Manchester, N.H., by the Union Leader Corporation on the following dates, Viz: ..... 4/9/08 .....

(Signed) ..... Phyllis Gilbert .....

UNION LEADER CORPORATION

State of New Hampshire,  
Hillsborough, SS.

(Dated)..... 4/16/08 .....



Subscribed and sworn to by the said ... Phyllis Gilbert

Before me  
Marsha A McGinnis  
Notary Public  
State of New Hampshire

## Legal Notice

### STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DW 08-022

#### PENNICHUCK EAST UTILITY, INC.

Petition for Authority  
to Issue Long Term Debt  
Order Nisi Approving Petition  
ORDER NO. 24,844  
April 4, 2008

#### I. BACKGROUND

On February 19, 2008, Pennichuck East Utility, Inc. (PEU) filed a petition with the Commission seeking authority to borrow up to \$595,000 in long term debt, pursuant to RSA 369. In support of its petition, PEU filed the direct testimony of Donald L. Ware, President of PEU, and William D. Patterson, Senior Vice President, Treasurer, and Chief Financial Officer of Pennichuck Corporation, PEU's parent company. PEU proposes to borrow from the State Revolving Loan Fund (SRF) administered by the Department of Environmental Services (DES) in order to undertake certain capital improvements at its Maple Hills community water system (Maple Hills) in the Town of Derry.

Maple Hills is a community water system that serves 182 single-family homes. The system is nearly 40 years old and its components are nearing the end of their useful lives. Currently PEU relies on two wells, four atmospheric tanks, and two hydropneumatic tanks to produce adequate water supply for its customers at Maple Hills. PEU treats the water to remove radon and sulfides, however, iron and manganese presently exceed the secondary Safe Drinking Water Act (SDWA) standards, and PEU needs to address treatment for both. PEU evaluated two options for repairing the water system and remedying water quality concerns. The first option was to continue with on-site supply, treatment, and storage, and replace the existing storage and hydropneumatic tanks, expand water treatment, construct a new water station to house the pumps and treatment systems, and install a new emergency generator. PEU indicates the capital costs for this option would be approximately \$950,000, with annual operating cost of about \$103,000.

The second option was to construct an interconnection with, and purchase water from, the Town of Derry Water Department. PEU indicates that it currently purchases water from Derry at two other locations. In this option, PEU would install about 1,240 lineal feet of 6" water main and a small booster station with emergency power. PEU would pay for purchased water at the Town of Derry's tariffed rate. The estimated capital cost of this option is \$593,985 with an estimated annual operating cost of \$86,858.

PEU qualifies for SRF funds which would be at an annual interest rate not to exceed 3.488% over a 20-year term. DES will make disbursements on the loan based on invoices submitted by contractors engaged by PEU. Interest will be applied to outstanding balances at an annual rate of 1% until the improvements are substantially completed and payments of principal and interest will begin six months thereafter.

On March 27, 2008, Commission Staff filed a letter recommending the Commission approve PEU's financing request. Staff indicated that it had reviewed PEU's position and had undertaken discovery with respect to the issues raised in the petition. In particular, Staff evaluated the two options considered by PEU for the needed capital improvements at the Maple Hills system and concurred with PEU's choice of the option of interconnecting with the Town of Derry. Staff indicated that this position is the least cost option in terms of capital needed and

executed or otherwise finally issued in connection with the closing of the transaction contemplated herein.

By order of the Public Utilities Commission of New Hampshire this fourth day of April, 2008.

Thomas B. Getz  
Chairman  
Graham J. Morrison  
Commissioner  
Clifton C. Below  
Commissioner  
Attested by:  
Debra A. Howland

Executive Director & Secretary

(UL - April 9)

## Legal Notice

### NOTICE OF MORTGAGEE'S SALE OF REAL ESTATE

By virtue and in execution of the Power of Sale contained in a certain mortgage given by **Richard C. Berube** to IndyMac Bank, F.S.B. dated April 30, 2003 and recorded with the Belknap County Registry of Deeds at Book 1879, Page 344, of which mortgage IndyMac Bank, F.S.B. is the present holder, for breach of the conditions of said mortgage and for the purpose of foreclosing, the same will be sold at Public Auction at 10:00 AM on April 16, 2008, on the mortgaged premises located at 850 Weirs Boulevard Unit 6, Mid-Ships Condominium, Laconia NH all and singular the premises described in said mortgage, TO WIT:

A certain condominium unit located in Mid-Ships, a Condominium, situated on Weirs Boulevard, Laconia, County of Belknap, State of New Hampshire, more particularly bounded and described as follows: Unit No. 6, in Mid-Ships, a Condominium, as defined, described and identified in the Declaration of Mid-Ships, a Condominium dated April 7, 1986, and recorded in the Belknap County Registry of Deeds, Book 0955, Page 0619, and as shown on certain site entitled "Site Plan of 'Mid-Ships,' a Condominium, Laconia, New Hampshire," prepared by: Ronald M. Mitchell & Associates, Inc., dated: July 1985, revised: 26 June 1986 and recorded in the Registry in Plan Book 129, Pages 33 and 34; and floor plans entitled "Floor Plans 'Mid-Ships,' a Condominium," Laconia, New Hampshire," prepared by: Steven J. Smith & Associates, Inc. dated: 24 June 1986, and recorded in the said Registry in Plan Book 129, Pages 35 and 36, to which plan reference may be made for a more particular description. Said condominium is established pursuant to N.H. RSA 356-B. Also conveying an undivided interest in the common area as described, defined and identified in the declaration and on said plans, which interest shall be subject to reallocation by amendment to the declaration in the event that additional units within any convertible or additional lands are created as a part of the condominium. This conveyance made subject to and with the benefit of the following rights and easements: 1. An exclusive easement to use the limited common area appurtenant to the unit conveyed herein, as defined and described in the declaration and the plans, as amended. 2. Easement in common with others to use the common area excepting the limited common area, as set forth in the declaration, as amended. 3. Non-exclusive easement for structural support and encroachments and for repair, and also such other rights and easements as set forth in the declaration, as amended. 4. The right of use of one (1) dock space assigned to Unit No. 6 as appurtenant limited common area, and designated on the site plan as the dock space for Unit No. 6. Subject to any and all matters as shown on Plan No. Plan Book 129, Pages 33 & 34 and Plan Book

### NOTICE OF MORTGAGEE'S SALE OF REAL ESTATE

By virtue and in execution of the Power of Sale contained in a certain mortgage given by **Mary E. Kardonsky a/k/a Mary Ellen Kardonsky** to Mortgage Electronic Registration Systems, Inc., as Nominee for Novastar Mortgage, Inc., dated November 28, 2005 and recorded with the Merrimack County Registry of Deeds at Book 2850, Page 430, which is the present holder, for breach of the conditions of said mortgage and for the purpose of foreclosing, the same will be sold at Public Auction at 10:00 AM on April 23, 2008, on the mortgaged premises located at 53 Catamount Road, Pittsfield NH all and singular the premises described in said mortgage, TO WIT:

A certain tract of land with the buildings thereon, situated on the southwesterly side of Catamount Street, so-called, in the Village of Pittsfield, Merrimack County, State of New Hampshire and bounded as follows: Beginning at a maple tree on the southwesterly side of said Street at the easterly corner of land now or formerly of Ellen A. Dennison Estate, formerly owned by Elise Hildredth; thence West about 32° South 247 feet to land now or formerly of Leonard Packing Company; thence South about 38° East 67 feet to land now or formerly of Joseph Dumont; thence East about 32° North 54 feet; thence South about 22° East 62 feet 4 inches; thence East about 40° North 200 feet crossing the right of way to land now or formerly of Joseph Dumont to southwesterly side of Catamount Street; thence North about 30° West 81 feet to the original starting point. The right of way to land now or formerly of Joseph Dumont is 15 feet wide and crosses the southeast corner of and land. For mortgagor's title see deed recorded with Merrimack County Registry of Deeds in Book 2850, Page 428.

Notice: Pursuant to New Hampshire RSA 479:25 you are hereby notified that you have a right to petition the Superior Court for the county in which the mortgaged premises are situated with services upon the mortgagee, and upon such bond as the court may require to enjoin the scheduled foreclosure sale.

These premises will be sold and conveyed subject to and with the benefit of all rights, rights of way, restrictions, easements, covenants, liens or claims in the nature of liens, improvements, public assessments, any and all unpaid taxes, tax titles, tax liens, water and sewer liens and any other municipal assessments or liens or existing encumbrances of record which are in force and are applicable, having priority over said mortgage, whether or not reference to such restrictions, easements, improvements, liens, or encumbrances is made in the deed. TERMS OF SALE: A deposit of TEN THOUSAND (\$10,000.00) DOLLARS by certified or bank check will be required to be paid by the purchaser at the time and place of sale. The balance is to be paid by certified or bank check at ABLITT & CHARLTON, P.C., 92 Montvale Avenue, Suite 2950, Stoneham, MA 02180, other terms and conditions will be provided at the place of sale. The description of the premises contained in said mortgage shall control in the event of an error in this publication. OTHER TERMS, IF ANY, TO BE ANNOUNCED AT THE SALE.

Present holder of said mortgage, Novastar By its Attorneys, William J. Amann, Esq., ABLITT & CHARLTON, P.C., 92 Montvale Avenue, Suite 2950, Stoneham, Massachusetts 02180, Telephone: (781) 246-8995, Fax: (781) 246-8994, Dated: 03/27/2008 (182.0203/Kardonsky)(04/02/08, 04/09/08, 04/16/08)(108369) (UL - Apr. 2, 9, 16)

Continued From Page C1

operating cost.

**II. COMMISSION ANALYSIS**

Pursuant to RSA 369:1, public utilities engaged in business in this State may issue evidence of indebtedness payable more than 12 months after the date thereof only if the Commission finds the proposed issuance to be consistent with the public good. Analysis of the public good consideration involves looking beyond actual terms of the proposed financing to the use of the proceeds of those funds and the effect on rates to ensure the public good is protected. See Appeal of Easton, 125 N.H. 205 (1984).

In the case at hand, PEU has requested authorization to borrow funds in an amount up to \$595,000 to complete a capital project at its Maple Hills community system in Derry. PEU proposes to enter into a 20-year State Revolving Loan through the DES at an interest rate not expected to exceed 3.488 percent annually. PEU will use these funds to install water main and a booster station with emergency power in order to purchase water from the Town of Derry. PEU states that the assets currently in service at Maple Hills, including wells, storage tanks, and hydropneumatic tanks, are approaching 40 years old and are nearing the end of their useful lives. If PEU continued to use these assets, it would need to add treatment to remove iron and manganese. PEU has examined the option of new on-site storage and treatment systems, as well as a new community water station, and compared it to the option of interconnecting with the Town of Derry for purchased water. It is clear that interconnecting with Derry for purchased water is the least cost option.

After review of PEU's filing, as well as Staff's recommendations, we are satisfied that the proposed project is reasonably necessary to provide safe and adequate service to customers. Our review of the petition must also consider the possible effect the proposed financing may have on the overall cost of capital to ratepayers. SRF financing is among the lowest rate financing a water utility can access. PEU's loan under the SRF program will be for a 20-year term, will be issued at an interest rate not expected to exceed 3.488% annually, and interest will accrue during construction at a rate of just 1%. We are satisfied that this financing, in addition to the needed capital improvements at PEU's Maple Hills system, will benefit PEU's ratepayers and is consistent with the public good.

Lastly, we direct PEU to file executed copies of its loan documents when the loan is consummated. We will approve the SRF financing authority requested on the condition that the final terms are substantially similar to those proposed in the initial filing. If such terms vary significantly, we will require PEU to seek Commission approval.

**Based upon the foregoing, it is hereby ORDERED NISI**, that subject to the effective date below, the request to undertake the financing proposed, under the terms and conditions contained in Pennichuck East Utility, Inc.'s petition and as finally set forth by the Department of Environmental Services in the final loan documents, and for the purpose as outlined herein, is hereby APPROVED, and it is

**FURTHER ORDERED**, that Pennichuck East Utility, Inc. 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 April 14, 2008 and to be announced by affidavit filed with this office on or before May 5, 2008; and it is

**FURTHER ORDERED**, that all persons interested in responding to this Order Nisi be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing not later than April 21, 2008 for the Commission's consideration; and it is

**FURTHER ORDERED**, that any party interested in responding to such comments or request for hearing shall do so no later than April 28, 2008; and it is

**FURTHER ORDERED**, that this Order Nisi shall be effective May 5, 2008, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

**FURTHER ORDERED**, that Pennichuck East Utility, Inc. shall file with the Commission true copies of the loan documents executed or otherwise finally issued in connection with the closing of the transaction contemplated herein.

By order of the Public Utilities Commission of New Hampshire this fourth day of April, 2008.

Thomas B. Getz  
Chairman  
Graham J. Morrison  
Commissioner  
Clifton C. Below  
Commissioner  
Attested by:  
Debra A. Howland  
Executive Director & Secretary

(UL - April 9)

129, Pages 35 & 36. Subject to: 1. There is excepted from the unit conveyed herein the common area lying within said unit as set forth in the declaration, as amended, if applicable. 2. Non-exclusive easements for structural support, encroachment and for repair in favor of the owners of other units in the condominium, as set forth in the declaration, as amended, and other easements, covenants and restrictions of record, including without limitation, the utility easements and other easements, covenants and restrictions specifically set forth or referred to in the declaration, as amended. 3. The other provisions of the declarations, by-laws, the condominium residency regulations, and the rules and regulations, as amended from time to time by instruments recorded in the registry, including without limitation the provisions relating to convertible land and additional land, all of which provisions together with any amendments thereto shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the said unit, as though such provisions were recited and stipulated at length herein, and the provisions of the condominium rules, adopted pursuant to the declaration, and of the New Hampshire Condominium Act, as amended. 4. Conditions of approval imposed by the Laconia Planning Board, permitting Unit No. 1 to be occupied as primary residence, but restricting Units 2, 3, 4, 5 and 6 to seasonal use. For mortgagor's title see deed recorded with Belknap County Registry of Deeds in Book 1680, Page 809.

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Present holder of said mortgage, IndyMac Bank, F.S.B. By its Attorneys, John McNicholas, Esq., ABLITT & CHARLTON, P.C., 92 Montvale Avenue, Suite 2950, Stoneham, Massachusetts 02180, Telephone: (781) 246-8995, Fax: (781) 246-8994, Dated: 03/21/2008 (122.1045)FC#21/Berube)(03/26/08, 04/02/08, 04/09/08)(107495) (UL - Mar. 26; Apr. 2, 9)

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**Legal Notice****NOTICE OF MORTGAGEE'S  
SALE OF REAL ESTATE**

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DAVID LANE/UNION LEADER

Prine and Mason Newick of Canterbury walk to 55 Degrees record for Mason's birthday party on April 2.

*"The whole experience from food to service to ambiance was near perfect ..."*

Oneless breast of duck perfectly cooked (medium served with a caramel onion, spinach and sweet hash and a dried fruit ey. It was perfect — like into a little piece of

dining companion chose rcini grilled double hop (\$22). The chop ick and flavorful, but as moist as he likes. It accompanied by tender beans and a veal glace. ost interesting side was sted pepper fregula, a ed round, durum wheat hat reminded us of a

large couscous. It was finished with roasted pepper, parsley and chives. It was a wonderful new and flavorful experience.

After all this delicious food, we were still eager to look at the dessert menu. My dining companion ordered a vanilla bean crème brulee. While it was good, it didn't break any new ground in brulees. I ordered a lovely chocolate/coffee mousse combination served over a chocolate meringue and drizzled in dark chocolate (\$9).

It was a wonderful evening: The whole experience from food to service (our server Jeremy was charming and competent) to ambiance was near perfect, and we left feeling that while we paid a premium, it was worth every penny.

And it left us with pleasant memories that will long linger — at least until our next visit, when we expect to leave with even more.

