

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: March 23, 2012
AT (OFFICE): NHPUC

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SUBJECT: DG 12-063 - Concord Steam Financing Petition

TO: Commissioners
Docket File
Service List



BACKGROUND

On March 14, 2012, Concord Steam Corporation (Concord Steam), a public utility supplying steam service in Concord, New Hampshire, filed a petition for approval to issue securities pursuant to RSA 369:1. The petition seeks Commission approval for a \$12,869 term loan to be used for the purchase of a 2010 model year Ford Ranger utility truck to replace an existing truck that is 11 years old and malfunctioning. The truck is to be used in the day-to-day operation of the utility. The \$12,869 is to be financed for 60 months at 2.9% interest, with \$231 per month payments to commence on April 21, 2012, when Concord Steam will take delivery of the truck.

Pursuant to Puc 201.05, Concord Steam also seeks a waiver of the certain requirements of Puc 1107.02, those being; the filing of an adjusted balance sheet, adjusted income statement, statement of capitalization ratios and a copy of a shareholder vote approving the financing. Concord Steam asserts that granting the waiver is in the public interest given the *de minimis* amount of indebtedness relative to the cost associated with preparing the schedules.

STAFF RECOMMENDATION

The petition should be granted, approving the financing and waiving certain filing requirements.

Concord Steam is replacing an existing truck (2001 Dodge Dakota) that is used in utility operations but has outlived its useful life. The new truck is being purchased locally at market cost, and the terms of the financing are favorable. Concord Steam will trade in the existing Dodge truck for \$750 to help defray the cost of the new Ford truck.

The amount of the financing is *de minimis* and will have a negligible impact on Concord Steam's balance sheet, income statement and capitalization ratios.¹ The nature and amount of the loan is such that it does not require a shareholder vote for approval. To prepare and file those documents would result in additional costs to Concord Steam and not aid the Commission's review of the financing request.

¹ Concord Steam's 2010 Annual Report reflects net plant of \$6,358,152 and long-term debt of \$656,479, as of December 31, 2010.