

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

NORTHERN UTILITIES, INC.	)	
F-4 PETITION FOR AUTHORITY TO	)	
ISSUE SECURITIES	)	DG 14-_____

NORTHERN UTILITIES, INC. F-4 PETITION FOR AUTHORITY TO ISSUE SECURITIES

Northern Utilities, Inc. (“Northern” or “the Company”) respectfully petitions the New Hampshire Public Utilities Commission (“the Commission”) for approval, pursuant to RSA 369:1, 369:2 and 369:4, and Puc Rule 509.03 for Northern to issue and sell, at par, by private sale, to institutional investors, unsecured promissory notes in an aggregate amount not to exceed Fifty Million (\$50,000,000) Dollars. The proceeds of Northern's debt financing will be used to repay outstanding short-term indebtedness incurred for additions, extensions and betterments to the Company’s property, plant and equipment such as the Company’s cast iron and bare steel replacement programs in both New Hampshire and Maine; and to defray the costs and expense of the financing or for other lawful general corporate purposes. In support of its petition, Northern represents as follows:

1. Northern is a public utility organized and existing under the laws of the State of New Hampshire.
2. Northern is primarily engaged in the business of distributing natural gas in various cities and towns in New Hampshire and Maine. Pursuant to the acquisition of Northern in 2008, approved by the Commission in Order No. 24,906 in DG 08-048 on October 10, 2008,

Northern is wholly-owned by Unitil Corporation (“Unitil”), a New Hampshire corporation and public utility holding company.

3. Promissory notes evidencing unsecured long-term debt in an aggregate amount of up to Fifty Million (\$50,000,000) Dollars, will be issued by Northern, to be sold at par by private placement to institutional investors. Northern is targeting a mix of long-term maturities of 10-year and 30-year issuances. A mix of 10-year and 30-year securities allows for Northern to match the long-lived nature of its utility assets with the long-term average life of the securities while achieving an attractive and market-based overall weighted yield.

4. The proceeds from the proposed issuance and sale of the bonds will be used to (1) to repay outstanding short-term indebtedness incurred for additions, extensions and betterments Northern’s property, plant and equipment such as Northern’s cast iron and bare steel replacement programs in both jurisdictions; and (2) to defray the costs and expense of the financing or for other lawful general corporate purposes.

5. Northern also seeks authorization for the costs associated with the proposed financing, expected to be approximately \$505,000, be incorporated as a portion of the cost of the new financing and amortized over the life of the proposed new issue.

6. The manner of issuance and sale of the Notes, and the details as to their respective terms, are more fully described in the testimony of David L. Chong, Director of Finance, Unitil Service Corp., attached as Exhibit NU-1.

7. Northern believes that a private placement issuance process is the most cost effective way to issue the Notes and that it will result in the most beneficial rate and terms.

8. The capital structure of Northern as of December 31, 2013 is as follows:

**NORTHERN UTILITIES, INC.**  
**CAPITAL STRUCTURE AS OF DECEMBER 31, 2013**  
**Proformed for the Issuance and Sale of \$50,000,000 Senior Unsecured Notes**  
*(\$ In Millions)*

	<u>Actual</u>	<u>Adjustments</u>	<u>Pro Forma</u>
	<u>12/31/13</u>	<u>12/31/13</u>	<u>12/31/13</u>
Senior Unsecured Notes	\$105.0	\$50.0	\$155.0
Common Equity	119.4	0.0	119.4
<b>Long-Term Capitalization</b>	<b>\$224.4</b>	<b>\$50.0</b>	<b>\$274.4</b>
Short-Term Debt	43.0	(43.0)	0.0
<b>Total Capitalization</b>	<b>\$267.4</b>	<b>\$7.0</b>	<b>\$274.4</b>
<b>Total Debt / Total Capitalization</b>	<b>55.3%</b>		<b>56.5%</b>

9. Pursuant to the requirements of PUC Rule 509.03, the following exhibits are attached or will be provided:

- Exhibit NU-1 Direct Testimony of David Chong
- Exhibit NU-2 Sources and uses of funds
- Exhibit NU-3 Estimated cost of financing
- Exhibit NU-4 Balance Sheet as of December 31, 2013, proformed for the proposed financing
- Exhibit NU-5 Income Statement for the year ended December 31, 2013, proformed for the proposed financing
- Exhibit NU-6 Capital Structure as of December 31, 2013, proformed for the proposed financing
- Exhibit NU-7 Weighted Average Cost of Debt, proformed for the proposed financing
- Exhibit NU-8 Financial Statements and Report of Independent Registered Public Accounting Firm as of December 31, 2013, 2012 and 2011
- Exhibit NU-9 Purchase and sale agreement/letter of commitment (to be provided)
- Exhibit NU-10 Mortgage indenture (not applicable)
- Exhibit NU-11 Resolution of governing body approving financing (to be provided)

10. Northern, the Petitioner utility company, 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.

WHEREFORE, Northern respectfully requests the Commission:

1. Find that the proposed issuance and sale, at par value, by private sale of unsecured promissory notes in an aggregate amount not to exceed Fifty Million (\$50,000,000) Dollars for the purposes set forth herein and in the manner and upon the terms set forth herein and explained in Northern's supporting testimony, is consistent with the public good;

2. Pursuant to RSA 369:1, 2, and 4, approve and authorize the issuance and sale of the notes in the manner and upon the terms herein set forth and explained in Northern's supporting testimony;

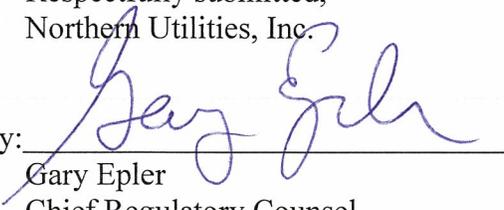
3. Authorize Northern to do all things, take all steps, and execute and deliver all documents necessary or desirable to implement and carry out the proposed financing; and

4. Grant authorizations sought without hearing, by an order *Nisi* to be effective not later than June 30, 2014; or, in the alternate, set a date for hearing hereon at which Northern may present evidence.

5. Take such further steps and make such further findings and orders as the Commission in its judgment considers wise and expedient.

Dated: April 11, 2014

Respectfully submitted,  
Northern Utilities, Inc.

By: 

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