

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

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UNITIL ENERGY SYSTEMS, INC.)	DE 09-_____
)	
F-4 PETITION FOR AUTHORITY TO)	
ISSUE SECURITIES)	
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F-4 PETITION OF UNITIL ENERGY SYSTEMS, INC FOR AUTHORITY TO ISSUE SECURITIES

Unitil Energy Systems, Inc. (“UES” or the “Petitioner”) 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 308.12 for UES to issue and sell, at par, by private sale, to institutional investors, first mortgage bonds in an aggregate amount not to exceed fifteen million (\$15,000,000) dollars (the “Bonds”). The proceeds of UES's debt financing will be used to repay outstanding short-term indebtedness incurred for additions, extensions and betterments to UES's property, plant and equipment, to defray the costs and expense of the financing contemplated by this Petition, and for other lawful corporate purposes. In support of its petition, UES represents as follows:

1. UES is a public utility organized and existing under the laws of the State of New Hampshire.
2. UES is primarily engaged in the business of distributing electricity in various cities and towns in New Hampshire. UES is a retail distribution utility wholly-owned by Unitil Corporation (“Unitil”), a New Hampshire corporation and public utility holding company.
3. First mortgage bonds evidencing secured long-term debt in an aggregate amount of up to fifteen million dollars (\$15,000,000) will be issued by UES, to be sold at par by private placement to institutional investors. The targeted term of the Bonds will be 10 years and is to bear fixed annual rates of interest not to exceed 7.8%, to be determined through a private placement process.

4. The proceeds from the proposed issuance and sale of the Bonds will be used to (1) to pay off outstanding short-term indebtedness incurred for additions, extensions and betterments to the UES's property, plant and equipment; (2) to defray the costs and expense of the financing contemplated by this Petition; and (3) for other lawful corporate purposes. In addition to the debt financing, Unitil is planning to provide a \$5,000,000 equity contribution.

5. UES also seeks authorization for the costs associated with the proposed financing, expected to be approximately \$550,000, 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 Bonds, and the details as to their respective terms, are more fully described in the testimony of David Chong, Director of Finance, Unitil Service Corp., attached as Exhibit UES-1.

7. A private placement issuance process is the most cost-effective way to issue the Bonds and that it will result in the most beneficial rate and terms.

8. The funded debt and outstanding capital stock, including surplus accounts, of UES as of September 30, 2009 were as follows (dollars in thousands):

Long Term Debt

<i>Sub-Total</i>	<u>\$65,000</u>
Preferred Stock Equity	\$225
Common Stock Equity	
Premium on Capital Stock	\$1006
Capital Stock Expense	(\$95)
Paid-in-Capital	\$26,471
Retained Earnings	\$30,772
<i>Sub-Total</i>	<u>\$58,154</u>
Total Capitalization	<u>\$123,379</u>

9. The amount of short-term notes outstanding of UES as of September 30, 2009 are as follows (dollars in thousands):

\$16,696

10. The authorized capital stock of UES at this time is as follows:

Common Stock: \$0 par value, 250,000 shares. There is preferred stock with \$100 par value.

11. Pursuant to the requirements of PUC Rule 308.12, the following exhibits are attached or will be provided:

Exhibit UES-1 Direct Testimony of David Chong

Exhibit UES-2 Sources and Uses of Funds

Exhibit UES-3 Estimated Cost of Financing

Exhibit UES-4 Balance Sheet as of September 30, 2009, proformed for the proposed Financing

Exhibit UES-5 Income Statement for the twelve months ended September 30, 2009, proformed for the proposed Financing

Exhibit UES-6 Capital Structure as of September 30, 2009, proformed for the proposed Financing

Exhibit UES-7 Purchase and Sale Agreement/Letter of Commitment
To be provided

Exhibit UES-8 Mortgage Indenture: A copy of the previously executed Bond Purchase Agreement and Thirteenth Supplemental Indenture to the Indenture of Mortgage and Deed of Trust, which is substantially the form under which the proposed bonds are to be issued and sold, except as described in this Petition and the accompanying exhibits, is attached hereto as Exhibit UES-8.

Exhibit UES-9 New Common or Preferred Stock

Not applicable

Exhibit UES-10 Resolution of Governing Body Approving Financing

12. UES, 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, UES respectfully requests that the Commission:

1. Find that the proposed issuance and sale, at par value, by private sale, of first mortgage bonds in an aggregate amount not to exceed fifteen million (\$15,000,000) dollars, for the purposes set forth herein, and in the manner and upon the terms set forth herein and explained in the Petitioner'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 Bonds in the manner and upon the terms herein set forth and explained in the Petitioner's supporting testimony;

3. Authorize UES 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 the authorizations sought without hearing, by an order *Nisi* to be effective no later than December 18, 2010, or in the alternative, set a date for hearing hereon, at which the Petitioner 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: November 20, 2009

Respectfully submitted,
Unitil Energy Systems, Inc.

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