

**THE STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DG 09-239**

**ORDER OF NOTICE**

On November 24, 2009, Northern Utilities, Inc. (Northern or Company) filed with the Commission a Petition for Authority to Issue Securities. Northern seeks to issue first mortgage bonds evidencing unsecured long-term debt in an aggregate amount of up to \$25,000,000. The bonds are proposed to be sold at par by private placement to institutional investors. According to Northern, the proposed long-term debt issuance will be used to pay off outstanding short-term debt, defray the costs and expenses of financing, and for other corporate purposes. In addition, Northern notes that it would also receive a \$7,500,000 equity contribution from its parent, Unitil Corporation, to support its capital structure. The proposed amounts of the debt issuance and equity contribution have been raised, from \$20,000,000 and \$5,000,000 respectively, because, Northern contends, market conditions are favorable for such an issuance.

Northern avers that \$32,090,000 of the funds received from this debt issuance would be used to repay currently outstanding short-term debt and that \$410,000 will be used to cover the costs and expenses of the financing. Any remaining money is to be used for general corporate purposes. Northern contends that the proposed financing will actually strengthen its total debt to capitalization ratio since the proceeds will be used to repay short-term debt, and that because natural gas distribution companies generally have their strongest performance in the winter months, its ratios will further improve over that time.

Northern's petition also reveals that as of September 30, 2009 it carried approximately \$33,000,000 in short-term debt and approximately \$150,000,000 in net fixed plant. Northern

contends that this amount of short-term was incurred for additions, extensions and betterments to its property, plant and equipment.

The filing raises, inter alia, issues related to RSA chapter 369, including the proposed uses of the funds and whether the issuance of up to \$25,000,000 of unsecured long-term debt are in the public good, and the appropriate amount of short-term debt for Northern. Each party has the right to have an attorney represent them at their own expense.

**Based upon the foregoing, it is hereby**

**ORDERED**, that a hearing be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on January 5, 2010 at 10:00 a.m.; and it is

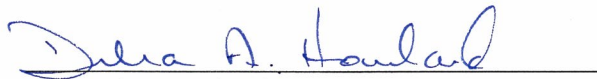
**FURTHER ORDERED**, that Northern, the Staff of the Commission and any interested parties hold a Technical Session at the Commission on December 31, 2009 at 9:00 a.m. to review the petition and allow Northern to provide any amendments or updates to its filing; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.12, Northern shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than December 23, 2009, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before January 5, 2010; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Northern and the Office of the Consumer Advocate on or before December 31, 2009, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before January 5, 2010.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of December, 2009.



Debra A. Howland  
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

