

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

DE 13-156

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Petition for Approval of Financing Transactions

ORDER OF NOTICE

On May 24, 2013, Public Service Company of New Hampshire (PSNH) filed a petition for approval of certain financing transactions including (1) the issuance of up to \$315 million aggregate principal amount of long-term debt securities through December 31, 2014, (2) the mortgaging of property and (3) the issuance of new tax-exempt bonds for refinancing purposes. PSNH also requested that the Commission eliminate the current requirement that PSNH file quarterly reports related to PSNH's first mortgage indenture. In addition, PSNH requested a limited waiver of certain filing requirements dictated by N.H. Code Admin. Rules Puc 308.12 in connection with its petition. PSNH filed supporting testimony and related exhibits with its petition. PSNH said that associated rate impact of the financing on PSNH's current Energy Service rate would be a decrease of \$0.0003 per kilowatt-hour.

PSNH requested authorization to issue and sell up to \$315 million in aggregate principal amount of long-term debt in the form of, or secured by, first mortgage bonds, or in the form of unsecured notes, in one or more series, with a maturity ranging from one to 30 years. According to PSNH, the exact maturity, financing structure, terms and conditions, amount, redemption provisions and coupon rate would be determined at the time of the issuance depending on prevailing market conditions. In order to achieve favorable financing terms, PSNH requested the Commission to accord it flexibility in issuing the long-term debt, such that the debt may have

fixed or floating interest rates, be secured or unsecured, and be distributed in either the public or private markets. PSNH said that the coupon rate for the debt would be consistent with market rates for an instrument of similar maturity and risk, with the condition that it not exceed 300 basis points, or a floating rate benchmark not to exceed 300 basis points.

PSNH testified that the proceeds of the issuance of \$315 million in long term debt would be used to (1) refinance outstanding short-term debt, including the \$108,985,000 incurred on May 1, 2013 to redeem certain pollution control revenue bonds, (2) finance the Company's transmission, distribution and generation businesses capital expenditures, (3) pay at maturity PSNH's \$50,000,000 Series L first mortgage bonds due July 15, 2014, (4) fund general working capital purposes and (5) pay issuance costs. PSNH attested that its capitalization will not be adversely affected by the planned issuance of long term debt.

PSNH stated that it is requesting approval to issue long-term debt in multiple series through December 31, 2014 to allow the Company to quickly capitalize on favorable market conditions by significantly reducing the lead time in issuing debt, and to avoid the time and administrative effort required if PSNH had to make an additional financing request during the financing period.

PSNH stated that in Order No. 24,781 (August 3, 2007), the Commission required PSNH to provide quarterly reports showing its total debt-to-net plant ratio, interest coverage and supporting data related to its original first mortgage indenture as a condition to the financing. According to PSNH, the amended and restated first mortgage indenture became effective on June 1, 2011. Because the interest coverage ratio information related to the original indenture is no longer applicable, PSNH requested that the Commission end the reporting requirements in Order No. 24,781.

With its filing, PSNH requested a limited waiver of certain filing requirements contained in Puc 308.12. The Company said that, pursuant to Puc 308.12, utilities must file a Form F-4 with the Commission when requesting authority to issue securities. As part of that filing, Puc 308.12(c)(8) requires that utilities provide a draft loan and trust agreement relating to the proposed potential issuance of tax-exempt debt. PSNH said that a draft of the loan and trust agreement associated with the issuance of tax-exempt debt, should that option be utilized, is not currently available. In lieu of providing a draft agreement, PSNH supplied with its filing a copy of the loan and trust agreement for the most recent tax-exempt financing, the terms of which will be substantially similar to the document PSNH describes in its petition.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-156.html>.

The filing raises, inter alia, issues related to RSA Chapter 369, specifically, the refinancing structure and whether the issuance of up to \$315 million in long term debt for refinancing purposes, the mortgaging of property and other requested relief is in the public good. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on August 6, 2013 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than July 16, 2013, 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 August 1, 2013; and it is

FURTHER ORDERED, that pursuant to N.H. Code 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 PSNH and the Office of the Consumer Advocate on or before August 1, 2013, 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. Code 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 August 6, 2013.

By order of the Public Utilities Commission of New Hampshire this third day of July, 2013.



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.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.