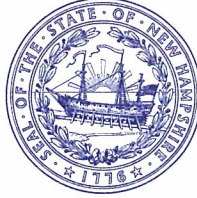


THE STATE OF NEW HAMPSHIRE

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NHPUC 15SEP15-2:56

September 15, 2015

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301

Re: DW 15-196: Pennichuck Water Works, Inc.
Petition for Financing Approval
Governor and Council Approval of BFA Financing

Dear Ms. Howland:

On August 11, 2015, Commission Staff (Staff) filed a recommendation in this docket, supporting Commission approval of the request of Pennichuck Water Works, Inc. (PWW) to issue tax-exempt bonds in an aggregate principal amount of up to \$25,500,000 through the New Hampshire Business Finance Authority (BFA). On September 2, 2015, the Commission issued Order No. 25,808 approving this financing. As detailed in Staff's August 11 letter, Staff inquired in discovery as to the status of the required approval of the Governor and Executive Council as to this proposed financing through BFA. PWW responded that the issue was to be taken up at the August 5 meeting. Subsequent to providing this information, PWW notified Staff that in fact on August 5, the Governor and Council voted unanimously to approve the issuance of the bonds through the BFA. The Company further stated that it would supply the Commission with a copy of that approval upon receipt.

PWW forwarded evidence of said approval to Staff this day; Staff hereby submits that evidence to the Commission to complete the record in this matter.

If there are any questions, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Mark A. Naylor".

Mark A. Naylor
Director, Gas & Water Division

cc: Service List

REGULAR AGENDA

BUSINESS FINANCE AUTHORITY

#5 The Governor and Council on motion of Councilor Sununu, seconded by Councilor Pappas, and further on a roll call vote as follows: Councilor Kenney – yes, Councilor Van Osten – yes, Councilor Sununu – yes, Councilor Pappas – yes, and Councilor Wheeler – yes, voted to hold a Public Hearing with respect to the financing and refinancing of industrial water facilities by the Business Finance Authority for Pennichuck Water Works, Inc. at various locations within the State of New Hampshire. Action will Authorized a Resolution under RSA 162-I:9 to determine the financing will serve a public use, provide public benefit and is within the policy and authority of the Act.

EXTRACT FROM THE MINUTES OF THE MEETING OF THE GOVERNOR AND COUNCIL HELD AUGUST 5, 2015 STATE HOUSE, CONCORD, NEW HAMPSHIRE

* * * * *

At 10:25 a.m. the Governor announced that the next matter to be considered would be the financing of an industrial facility project by the Business Finance Authority ("Authority") for Pennichuck Water Works, Inc. and declared that the public hearing on the subject had commenced. She said that she and the members of the Council had received the written recommendation of the Authority and other documentation and information with respect to the project. The Governor said that the meeting would then hear anyone wishing to speak on the subject. Jack

Donovan, Executive Director of the Authority, introduced Larry Goodhue, Chief Financial Officer of Pennichuck Corporation, and briefly explained the project, and emphasized that the credit of the State was not involved. The Governor then repeated that the proceedings were a public hearing and asked whether any other person wished to speak; there being none, Councilor Sununu introduced a resolution entitled "A RESOLUTION UNDER RSA 162-I:9 WITH RESPECT TO THE FINANCING AND REFINANCING OF WATER FACILITIES BY THE BUSINESS FINANCE AUTHORITY FOR PENNICHUCK WATER WORKS, INC. AT VARIOUS LOCATIONS WITHIN THE STATE OF NEW HAMPSHIRE" and moved its adoption, which was seconded by Councilor Pappas. After discussion of the resolution, the Governor called for a vote on the motion. Those voting in favor were: the Governor and Councilor Kenney, Councilor Van Ostern, Councilor Sununu, Councilor Pappas and Councilor Wheeler; those abstaining were: None; and those voting against were Councilor(s): None. The Governor declared that the resolution was passed.

* * * * *

A RESOLUTION UNDER RSA 162-I:9 WITH RESPECT TO THE FINANCING
AND REFINANCING OF WATER FACILITIES BY THE BUSINESS FINANCE AUTHORITY FOR
PENNICHUCK WATER WORKS, INC.
AT VARIOUS LOCATIONS WITHIN THE STATE OF NEW HAMPSHIRE

WHEREAS, the Governor and Council have received from the Business Finance Authority (the "Authority") its written recommendation that the Governor and Council make certain findings and a determination pursuant to RSA 162-I:9 with respect to the financing and refinancing of water facilities for Pennichuck Water Works, Inc. (the "Borrower") in Amherst, Bedford, Derry, Epping, Hollis, Hudson, Litchfield, Merrimack, Milford, Nashua, Newmarket, Pittsfield, Plaistow and Salem (collectively, "Locations") by the Authority's issue of up to \$25,500,000 Bonds under RSA 162-I (the "Act");

WHEREAS, the Governor and Council have received all the documentation and information with respect to the transaction that they have requested; and

WHEREAS, further action by the Authority with respect to the transaction is subject to the passage of this resolution and cannot be taken until after its passage;

IT IS HEREBY RESOLVED THAT:

Section 1. Findings. On the basis of the Authority's recommendation and the documentation and information received by the Governor and Council, and after a public hearing, the Governor and Council find:

(a) Special findings:

(1) The Project (which constitutes the "Facilities") consists of those projects listed on Schedule A attached hereto.

The Project is within the definition of "Water facility" in the Act and may be financed under the Act.

(2) The establishment and operation of the Facilities expands or maintains and improves the collection, purification, storage or distribution of water for domestic, industrial, agricultural or other uses, and the water for such uses is to be available on reasonable demand to members of the general public within the State of New Hampshire.

(b) General findings:

(1) The Project and the proposed financing and refinancing of the Project are feasible;

(2) The Borrower has the skills and financial resources necessary to operate the Facilities successfully;

(3) The LOAN AND TRUST AGREEMENT (which is a combined financing document and security document, hereinafter called an "Agreement") contain provisions so that under no circumstances will the Authority be obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the Facilities except from Bond proceeds or from funds received under the Agreement, exclusive of funds received thereunder by the Authority for its own use;

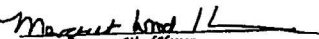
(4) The Agreement does not purport to create any debt of the State with respect to the Facilities, other than a special obligation of the Authority acting on behalf of the State under the Act; and

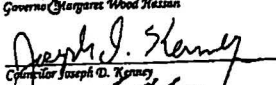
(5) The proposed financing and refinancing of the Project by the Authority and the proposed operation and use of the Facilities will serve one or more needs and implement one or more purposes set forth in RSA 162-I:1, will preserve or increase the social or economic prosperity of the State and one or more of its political subdivisions, and will promote the general welfare of the State's citizens.


Section 2. Ultimate Finding and Determination. The Governor and Council find that the proposed financing and refinancing, operation and use of the Facilities will serve a public use and provide a public benefit; and the Governor and Council determine that the Authority's financing and refinancing of the Project will be within the policy of, and the authority conferred by, the Act.

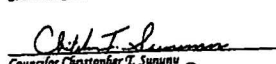
Section 3. Approval. The Governor and Council approve the Authority's taking such further action under the Act with respect to the transaction as may be required.

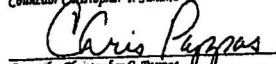
Section 4. Effective Date. This resolution shall take effect upon its passage.
Passed and Agreed to August 5, 2015.

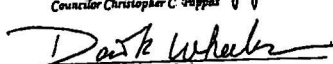

Governor Margaret Wood Hassan


Counselor Joseph D. Kenney


Counselor Colin Van Osten


Counselor Christopher T. Sununu


Counselor Christopher C. Pappas


Counselor David N. Wheeler

Schedule A

(1) financing the construction of an approximately 32,300 square foot, one-story building to serve as an operating facility for the Borrower to be located at #16 Daniel Webster Highway, Merrimack (also described as: a certain parcel of land (the "Parcel") situated in the Town of Merrimack, County of Hillsborough, State of New Hampshire, being shown as Tax Map 1D, Lot 1-5 on plan entitled Subdivision Plan (Map 1D, Lot 1), Daniel Webster Highway and Manchester Street, Merrimack, New Hampshire, Record Owner: The Southwood Corporation), such Parcel expected to be transferred from The Southwood Corporation to the Borrower;

(2) refinancing (A) Water Facility Revenue Bonds (Pennichuck Water Works, Inc. Project), Series 2005A and Series 2005B which financed and refinanced (i) upgrades to water facilities in the Ledge Street area of Nashua, (ii) reconstruction of Supply Pond Dam in Nashua, (iii) construction of a 20 million gallon per day raw water supplemental pumping facility on an extension of Mast Road in Merrimack on the banks of the Merrimack River and adjacent to a former Boston & Maine railroad bed and acquisition and installation of equipment and furnishings therefor, (iv) laying of approximately 8,670 linear feet of 30-inch ductile iron transmission main at Mast Road, Daniel Webster Highway, Henry Clay Drive, Manchester Street and Al Paul Lane in Merrimack, (v) construction of a water treatment plant at 200 Concord Street in Nashua and a 1.7 million gallon reservoir tank and related equipment off of Shakespeare Road in Nashua, and (vi) replacement of Bowers Pond Dam and related site work at Bowers Pond in Nashua and Merrimack, all of which are used by the Borrower for the purpose of increasing water storage capacity for fire protection and maintaining constant water pressure in Merrimack and Nashua; and (B) Water Facility Revenue Bonds (Pennichuck Water Works, Inc. Project) 2005 Series A, which financed (i) upgrades to the Nashua Water Treatment Plant at 200 Concord Street in Nashua to ensure compliance with SDWA regulations and to provide operating redundancy, (ii) water supply improvements consisting of security upgrades, watershed improvements and arsenic removal equipment at 200 Concord Street in Nashua, (iii) water distribution improvements, including radio meter reading equipment, water main replacement and rehabilitation at customer locations for the Borrower's service area throughout Nashua as shown on the Service Area Website (at <http://www.pennichuck.com/tefra.php> (the "Service Area Website"), including but not limited to in Nashua on Burke Street, Eldridge Street, West Hollis Street, Lovell Street, Miami Street, Chestnut Street, Hamilton Street, Brook Street, Marquis Avenue, Rochete Avenue, Verona Street, Sarasota Avenue, Manatee Street, Burritt Street, Thomas Street, Dudley Street, Proctor Street, Mulvanity Street, Fernwood Street, Field Street, Fossa Avenue, Pratt Street, Evergreen Street, Allds Street, Newbury Street, Gillis Street, Zellwood Street, Revere Street, Morton Avenue, Temple Street, Worcester Street, Scripture Street and Sheds Avenue) in conjunction with Nashua's street and sewer upgrade project and maintenance of the Bon Terrain Tank adjacent to Route 101A in Amherst and Fifield Tank #1 at Fifield Street and Orchard Avenue in Nashua, (iv) water system operational improvements, including construction of the Armory Pumping Station at Daniel Webster Highway and South Main Street in Nashua and expansion of the Shakespeare High Pressure Service Area at Shakespeare Road in Nashua, acquisition of rolling stock required to maintain water service and acquisition and installation of water meters at 31 Will Street in Nashua, and (v) support systems improvements, consisting of a geographical information system and customer account and billing software, all of which are used by the Borrower for the purpose of improving its collection, purification, storage and distribution of water in Amherst, Bedford, Derry, Epping, Hollis, Merrimack, Milford, Nashua, Plaistow and Salem, New Hampshire.

*

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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Docket #: 15-196-1 Printed: September 15, 2015

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
EXECUTIVE 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.