

RATH YOUNG PIGNATELLI

James J. Steinkrauss

Attorney-at-Law

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(603) 410-4314

Please reply to: Concord Office

November 5, 2021

VIA ELECTRONIC MAIL AND REGULAR MAIL

Dianne Martin, Chairwoman
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

**Re: Petition of Pennichuck East Utility, Inc. for Approval
of Financing from CoBank
Docket DW 21-129**

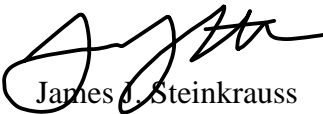
Dear Chairwoman Martin:

On behalf of Pennichuck East Utility, Inc., please find this original of the Affidavit of Compliance with exhibits evidencing the publication of Order No. 26,538 by November 9, 2021. This Affidavit of Compliance is filed pursuant to PUC Rule 203.12(d) as evidence that the Order was published in the New Hampshire Union Leader on November 3, 2021, and on the Company's website on October 29, 2021, pursuant to the requirements of the Order and PUC Rule 203.12(b).

Please let me know if you have any questions or concerns.

Thank you.

Sincerely,



James J. Steinkrauss

Enc.

Cc: Office of Consumer Advocate

National Impact. Uniquely New Hampshire.

Rath, Young and Pignatelli, P.C.
www.rathlaw.com

One Capital Plaza
Concord, NH 03302-1500
T (603) 226-2600
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26 State Street, Suite 9
Montpelier, VT 05602
T (802) 229-8050
F (802) 229-4666

STATE OF NEW HAMPSHIRE
PUBLIC UTILITY COMMISSON
Docket DW 21-129

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PENNICHUCK EAST UTILITY INC.)
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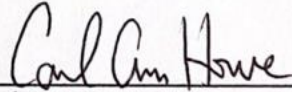
Petition for Approval of Financing from CoBank)
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_____)

Affidavit of Notice Compliance

On November 3, 2021, Pennichuck East Utility, Inc. (hereinafter "Company") published Order No. 26,538 issued by the Public Utility Commission on October 29, 2021 in Docket DW 21-129 in the New Hampshire Union Leader. The Company also published the Order on October 29, 2021, on the Company's website pursuant to the Order and PUC Rule 203.12(b). A true and accurate copy of the publisher's certificate of publishing and tear sheet posted in the NH Union Leader, and evidence of posting on the Company's website is attached hereto as Exhibit A and Exhibit B in accordance with PUC Rule 203.12(d).

Signed under the pains and penalties of perjury this the 4 day of November 2021.

By:



Carol Ann Howe, CPA
Assistant Treasurer & Director of
Regulatory Affairs and Business Services

EXHIBIT A

Copy of the Publisher's Certificate and Tear Sheet Published in Union Leader

UNION LEADER CORPORATION

PO BOX 9555
MANCHESTER, NH 03108

PUBLISHER'S CERTIFICATE

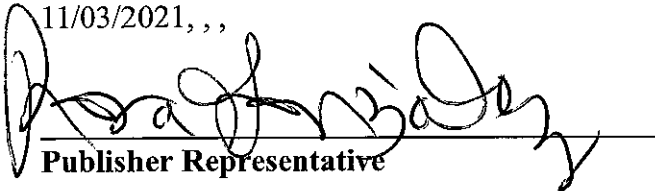
STATE OF New Hampshire} ss:
COUNTY OF Hillsborough}

Personally appeared before the undersigned, a
notary public within and for said county and
State, **ROSA GONZALEZ**
publisher representative of the
New Hampshire Union Leader,
a newspaper published at Hillsborough County,
State of New Hampshire who, being
duly sworn, state on oath that the
advertisement of:

DW 21-129 Ad #133457

PENNICHUCK EAST UTILITY
(Name of Institution)

a true copy of which is hereto annexed, was
published in said newspaper on the following dates:
11/03/2021, , ,

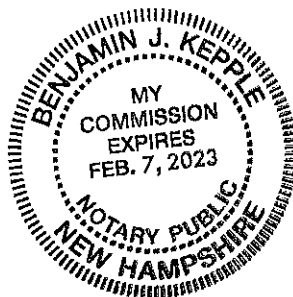

Publisher Representative

Subscribed and sworn to before me this day 11/03/2021


Notary Public

My commission expires: 02/07/2023

(Seal)



Roofers critically injured when ladder touches power lines in Derry

Staff Report

DERRY — Two roofing company workers suffered a severe electric shock when their ladders came in contact with overhead wires, according to the Derry Fire Department. A call for help was received shortly before 6:30 p.m. Monday and rescue workers found the two men in cardiac arrest when they arrived at 3 Mt. Pleasant St., according to a statement.

Both were transported to Parkland Medical Center and then flown by helicopter to Boston hos-

pitals. One of the injured workers went to Massachusetts General and the other to Brigham and Women's. Authorities said the injuries were life-threatening and that the U.S. Occupational Health and Safety Administration is investigating.

Derry fire officials urge anyone using ladders around power lines to be cautious.

"Always look up before raising a ladder and keep ladders at least 10 feet away from power lines," fire officials said in a statement.

IRS

From Page A3

"Largely wealthy individuals and larger companies do skirt the tax rules," Pappas said.

The reporting is an "unworkable solution to address the tax gap," he said.

"I think the proposal is onerous. It's an invasion of privacy," he said. "It would turn over unnecessary information about personal accounts. It is something I am going to continue to oppose."

Jim Brannen, president and CEO of First Seacoast Bank, said the broad-based reporting is ill conceived.

"It is like trying to fix something with a sledgehammer that is best fixed with a pair of tweezers," he said. "It places an undue burden on financial institutions. It places an undue burden on the IRS, which is ill equipped to handle this level of volume of information."

The proposal poses privacy and information security risks, Brannen said.

He estimates it would cost tens of thousands of dollars for financial institutions to comply with the requirements.

"These are not systems that we currently have," Brannen said.

Jessyca Keeler, executive director of Ski NH, said most businesses are trying to bounce back from the COVID-19 pandemic.

"It really does have the potential to create some real compliance burden issues," she said.

It could add a significant amount of work for employers, she said.

Pappas wants to make sure no one is skirting the law when it comes to taxes, but doesn't agree with monitoring bank accounts.

"This is a Washington, D.C., proposal that doesn't take into consideration the intricacy of how it will be implemented and the impacts on businesses and the economy," he said.

Pappas said he believes the issues will likely come up again.

"I think this places an undue burden on individuals here in New Hampshire and small businesses," he said. "It is something that we have to work to highlight and to keep out of legislation."

Service

From Page A3

The service, which starts at 11 a.m., is open to the public. Members of the public are asked to use the Elm Street main entrance doors on the left and arrive no later than 10:30 a.m. Doors will open at 10 a.m.

Sherrill, 44, was killed shortly after midnight last Thursday when a north-

bound tractor-trailer on Interstate 95 struck his state police cruiser. Sherrill was on an overnight traffic detail when the crash happened.

The celebration of life will be carried live on WMUR, officials said.

A private burial will follow for family only and will not be open to the public.

More obituaries appear on Page A6.

Lotteries

NEW HAMPSHIRE

Pick 3 & Pick 4 (Nov. 2).....Day: 271 & 9050 Night: 604 & 7105
Gimme 5 (Nov. 2).....3-7-8-17-27
Lucky For Life (Nov. 1).....4-27-28-29-47 LB 8
Megabucks Plus (Oct. 30).....2-24-26-31-39 MB 6
Mega Millions (Oct. 29).....15-26-28-35-45 MB 4
Powerball (Nov. 1).....9-25-34-44-45 PB 8

MASSACHUSETTS

Daily Lottery (Nov. 2).....Day: 4710 Night: 6289
Mass Cash (Nov. 1).....10-13-15-18-32
Megabucks Doubler (Oct. 30).....14-17-25-36-38-42 DB

NEW HAMPSHIRE

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Mail subscription rates

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Obituaries

George 'Bob' R. Finger

EFFINGHAM — George R. "Bob" Finger, 83, a resident of Effingham, N.H., passed away Sunday, Oct. 31, 2021, with his loving family by his side.



Bob was born and raised in Lincolnton, N.C., and moved to Burlington, Mass., where he met his wife, Priscilla A. (McGinnis) Finger, with whom he was married 60 years this December.

He is the son of the late George L. Finger and Vada (Deal) Finger of Lincolnton, N.C.

Bob served with the United States Army as a tank operator in Korea and Germany.

Prior to his retirement, Bob worked as a tin knocker in his own auto body shop in Cambridge, Mass., before buying and running a motel in Bennington, Vt., with his wife, Priscilla.

Bob was an RVer with his wife Priscilla for 15 years through the winter of 2019. They frequented Sarasota, Fla., and spent the last several years in North

Fort Myers as "snowbirds." He enjoyed the afternoon cocktail hours with friends from all across the United States and Canada.

He was known to be an avid New England sports fan, loved NASCAR, and could often be found dropping a fishing line in a lake or pond. Bob was a hard-working, proud man ready to lend a hand and had his tools at the ready wherever he went.

In addition to his wife Priscilla, he is survived by his two daughters, Stacey J. (Finger) Nowak and husband Brian E. Nowak of Litchfield, N.H., and Beth A. (Finger) McLellan of Manchester, N.H., and his four grandchildren, Kelsey and Shane Nowak and Connor and Gavin McLellan, all of New Hampshire.

SERVICES: His family will hold a celebration of his life at R.M. Edgerly & Son Funeral Home, 86 South Main St., Rochester, N.H., from 4-6 p.m. on Thursday, Nov. 4, 2021.

In lieu of flowers, please send donations to the American Cancer Society or Wounded Warrior Project.

To sign the online guest book, please go to www.edgerlyfh.com.

Newton Highlands, MA 02461
603-669-7963
20370
(UL - Oct. 27; Nov. 3, 10)

Legal Notice

MORTGAGEE'S NOTICE OF SALE OF REAL PROPERTY

By virtue of a Power of Sale contained in a certain mortgage given by **Mary T. Murphy** ("the Mortgagor(s)") to James B. Nutter & Company, dated December 2, 2008 and recorded in the Hillsborough County Registry of Deeds in Book 8038, Page 1078 (the "Mortgage"), which mortgage is held by Reverse Mortgage Funding, LLC, the present holder of said Mortgage, pursuant to and in execution of said power and for breach of conditions of said Mortgage and for the purposes of foreclosing the same will sell at:

Public Auction
on
November 24, 2021
at
11:00 AM
Said sale being located on the mortgaged premises and having a present address of 33 Andrews Street, Unit 18, Building 33, North End Estates Condominium, Manchester, Hillsborough County, New Hampshire. The premises are more particularly described in the Mortgage.

For mortgagor(s)' title see deed recorded with the Hillsborough County Registry of Deeds in Book 7534, Page 814.

NOTICE

PURSUANT TO NEW HAMPSHIRE RSA 479:25, YOU ARE HEREBY NOTIFIED THAT YOU HAVE A RIGHT TO PETITION THE SUPERIOR COURT FOR THE COUNTY IN WHICH THE MORTGAGED PREMISES ARE SITUATED, WITH SERVICE UPON THE MORTGAGEE, AND UPON SUCH BOND AS THE COURT MAY REQUIRE, TO ENJOIN THE SCHEDULED FORECLOSURE SALE.

The address of the mortgagee for service of process is 14 Centre Street, Concord, NH 03301 and the name of the mortgagee's agent for service of process is Lawyers Incorporating Service.

You can contact the New Hampshire Banking Department by e-mail at nhbd@banking.nh.gov. For information on getting help with housing and foreclosure issues, please call the foreclosure information hotline at 1-800-437-5991. The hotline is a service of the New Hampshire Banking Department. There is no charge for this call.

The Property will be sold subject to all unpaid real estate taxes and all other liens and encumbrances which may be entitled to precedence over the Mortgage. Notwithstanding any title information contained in this notice, the Mortgagee expressly disclaims any representations as to the state of the title to the Property involved as of the date of the notice of the date of sale. The property to be sold at the sale is "AS IS WHERE IS".

TERMS OF SALE

A deposit of Five Thousand (\$5,000.00) Dollars in the form of a certified check or bank treasurer's check or other check satisfactory to Mortgagee's attorney will be required to be delivered at or before the time a bid is offered. The successful bidder(s) will be required to execute a purchase and sale agreement immediately after the close of the bidding. The balance of the purchase price shall be paid within thirty (30) days from the sale date in the form of a certified check, bank treasurer's check or other check satisfactory to Mortgagee's attorney. The Mortgagee reserves the right to bid at the sale, to reject any and all bids, to continue the sale and to amend the terms of the sale by written or oral announcement made before or during the foreclosure sale. The description of the premises contained in said mortgage shall control in the event of an error in this publication.

Dated at Newton, Massachusetts, on October 7, 2021.

Reverse Mortgage Funding, LLC
By its Attorney,
Lori Bolduc
Harmon Law Offices, P.C.
PO Box 610389

Newton Highlands, MA 02461
603-669-7963
20370
(UL - Oct. 27; Nov. 3, 10)

Legal Notice

MORTGAGEE'S NOTICE OF SALE OF REAL ESTATE

By virtue of a Power of Sale contained in a certain Mortgage given by **Peter R. Tessier and Laurel A. Tessier** (the "Mortgagor") to CitiMortgage, Inc., dated May 5, 2000 and recorded in the Carroll County Registry of Deeds in Book 1860, Page 339 (the "Mortgage") of which mortgage the undersigned is present holder by assignment, pursuant to and in execution of said power and for breach of conditions of said Mortgage and for the purpose of foreclosing same will be sold at:

Public Auction on
November 24, 2021
at 11:00 AM
Said sale being located on the mortgaged premises and having a present address of **21 Thompson Hill Road, Eaton, Carroll County, NH**. The premises are more particularly described in the Mortgage.

NOTICE

PURSUANT TO NEW HAMPSHIRE RSA 479:25, YOU ARE HEREBY NOTIFIED THAT YOU HAVE A RIGHT TO PETITION THE SUPERIOR COURT FOR THE COUNTY IN WHICH THE MORTGAGED PREMISES ARE SITUATED, WITH SERVICE UPON THE MORTGAGEE, AND UPON SUCH BOND AS THE COURT MAY REQUIRE, TO ENJOIN THE SCHEDULED FORECLOSURE SALE.

The mortgagee's name and address for service of process is U.S. Bank Trust National Association, not in its individual capacity, but solely as Trustee of LSRMF MH Master Participation Trust II c/o Pay Servicing, LLC at 1601 LBJ Freeway Suite 150, Farmers Branch, TX. 75234. The name and address of the mortgagee's agent for service of process is Registered Agent Solutions, Inc. at 10 Ferry Street 313, Concord, NH 03301. You can contact the New Hampshire Banking Department by e-mail at nhbd@banking.nh.gov.

For information on getting help with housing and foreclosure issues, please call the foreclosure information hotline at 1-800-437-5991. The hotline is a service of the New Hampshire Banking Department. There is no charge for this call.

The property will be sold subject to all unpaid real estate taxes and all other liens and encumbrances which may be entitled to precedence over the Mortgage. Notwithstanding any title information contained in this notice, the Mortgagee expressly disclaims any representations as to the state of the title to the Property involved as of the date of the notice of the date of sale. The property to be sold at the sale is "AS IS, WHERE IS".

The foreclosure sale will be made for the purpose of foreclosure of all rights of redemption of the said mortgagor(s) therein possessed by them and any persons, firms, corporations, or agencies claiming by, from or under them.

TERMS OF SALE:

A deposit of FIVE THOUSAND DOLLARS AND 00 CENTS (\$5,000.00) in the form of a certified check, bank treasurer's check, or money order will be required to be delivered at or before the time the bid is offered. The description of the premises contained in said mortgage shall control in the event of an error in this publication.

U.S. Bank Trust National Association, not in its individual capacity, but solely as Trustee of LSRMF MH Master Participation Trust II Present Holder of said Mortgage, By Its Attorneys,
Orlans PC
PO Box 540540
Waltham, Massachusetts 02454
Phone: (781) 790-7800
(UL - Nov. 3, 10, 17)

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
DW 21-129
PENNICHUCK EAST UTILITY, INC.
Petition for Approval of Financing from CoBank
Order Nisi Approving Financing
ORDER NO. 26,538
October 29, 2021

In this order the Commission approves Pennichuck East Utility's request to borrow the principal amount of \$2,546,632 from CoBank for a 25 year term. The estimated rate impact of this loan on the average residential water customer would be an addition of approximately \$1.70 per month under current rates, or approximately \$1.39 per month if the Company's proposed rates in its ongoing rate case in Docket DW 20-156 are approved.

I. BACKGROUND

The petitioner, Pennichuck East Utility (PEU), filed a petition on September 2, 2021, seeking Commission approval of a loan from CoBank (Petition). The Petition was supported by the pre-filed written testimony of Larry D. Goodhue, PEU's Chief Executive Officer and Chief Financial Officer. PEU requested Commission action on its request by October 31, 2021.

On September 30, 2021, the Office of the Consumer Advocate (OCA) filed a letter of Participation, and on October 20, Suzanne Amidon, Esq. filed an appearance on behalf of the Department of Energy (Energy).

On October 21, 2021, the Commission issued a procedural order establishing a deadline of October 27, 2021 for PEU to supplement its petition and for the OCA and Energy to submit any filings they wish the Commission to consider before it issued an order. PEU amended its Petition on October 27, 2021, and no other filing were received from other parties.

On October 28, 2021, the Commission issued a procedural order denying PEU's request to waive filing requirements contained in New Hampshire Administrative Rules Puc 609.03(b)(6) (requiring filing of capitalization ratios) and Puc 609.03(b)(7) (requiring filing of weighted average cost of debt).

The Petition and subsequent docket filings, other than any information for which confidential treatment is requested or granted by the Commission, are posted to the Commission's website at: <https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-129.html>.

II. PETITION

A. Financing Request

PEU requested authorization to borrow the principal amount of \$2,546,632 from CoBank for a 25 year term. PEU represented in the Petition that the proposed financing will be used to fund a "one time" refill and replenishment of the Company's Rate Stabilization Fund (RSF) funds to their imprest levels, specifically the Material Operating Expense Revenue Requirement (MOERR). According to PEU, those the MOERR RSF has not only been fully depleted, but actually overdrawn with amounts being funded and supported by borrowings from the Pennichuck Corporation Working Capital Line of Credit, thru its senior commercial lender. PEU stated that this financing was preferable to other alternatives such as a "deferred asset approach" because it would result in savings due to the impact of a 25-year amortization verses a 10-year amortization. PEU also detailed its efforts to pursue alternative funding options from other potential funding sources.

According to PEU, CoBank is a Government Sponsored Enterprise (GSE) owned by its customers, which consist of agricultural cooperatives, rural energy, communications and water companies, and other businesses that serve rural America. As a GSE, CoBank issues its debt securities with the implicit full faith and credit of the US Government and uses these low cost funds to make loans to businesses like PEU that meet its charter requirements.

PEU represented that the proposed financing will be secured by a security interest in the Company's equity interest in CoBank (consisting of the Company's \$212,825.39 equity investment in CoBank and the Company's right to receive patronage dividends) and the unconditional guarantee of the Company's obligations to CoBank by Penn Corp pursuant to the Guarantee of Payment by Penn Corp in favor of CoBank dated as of February 9, 2010. According to PEU the loan will amortize over 25 years at an estimated interest rate of 4.50 percent per year. The interest rate may vary depending on market prices at the time of loan closing. PEU estimated debt issuance costs of less than \$10,000.

B. Request for Confidential Treatment

PEU requests confidential treatment of certain loan documentation comprised of a non-binding summary of terms and conditions. According to PEU these terms and conditions are not final, are the subject of further negotiation, and are considered confidential by CoBank. Further, PEU asserts that disclosure of these terms would create a disadvantage to PEU in future negotiations with lenders.

III. COMMISSION ANALYSIS

A. Financing Request

Pursuant to RSA 369:1, public utilities engaged in business in New Hampshire may issue evidence of indebtedness payable more than 12 months after the date thereof only if the Commission finds the proposed issuance to be "consistent with the public good." RSA 369:4 Analysis of the public good involves looking beyond the actual terms of the proposed financing to the use of the funds and the effect on rates to ensure the public good is protected. *Appeal of Easton*, 125 N.H. 205, 211 (1984). "[C]ertain financing related circumstances are routine, calling for more limited Commission review of the purposes and impacts of the financing, while other requests may be at the opposite end of the spectrum, calling for vastly greater exploration of the intended uses and impacts of the proposed financing." *Lakes Region Water Company, Inc.*, Order No. 25,753 (January 13, 2015) at 4-5. The Commission engages in a more limited review for routine financing requests. *Pennichuck Water Works, Inc.*, Order No. 26,247 at 4 (May 3, 2019). A routine request is one that "will have no discernible impact on rates or deleterious effect on capitalization, [and] in which the funds are to enable ... investments appropriate in the ordinary course of utility operations." *Id.* 5

Based on the record, we find the proposed CoBank financing will have a minimal impact on customer rates (an estimated increase in the average residential customer's monthly bill between \$1.39 and \$1.70, depending on the outcome of PEU's pending rate case). The proposed financing will have no effect on PEU's capitalization as it has an all-debt capital structure. *See Pennichuck East Utility, Inc.*, Order No. 26,179 at 14 (October 4, 2018). The borrowed funds will support investments made in the ordinary course of PEU's business. The Commission acknowledges the Company's immediate need to replenish its RSF funds to their imprest levels, specifically the MOERR.

For these reasons, we find that this to be a routine financing request and conclude this financing is for the public good. Accordingly, we approve it pursuant to RSA 369:1 and 369:4. This order approving the CoBank financing is issued on a nisi basis so that interested parties may have an opportunity to respond to the financing proposal and request a hearing.

B. Request for Confidential Treatment

The Commission applies a three-step balancing test to determine whether documents should be kept from disclosure as "confidential, commercial, or financial information" under RSA 91A:5, IV. *Pennichuck Water Works, Inc.*, Order No. 26,121 at 6 (April 20, 2018) (citing *Lambert v. Belknap County Convention*, 157 N.H. 375, 382-83 (2008)). Applying this test, the Commission first inquires whether the information involves a privacy interest and then asks if there is a public interest in disclosure. *Id.* at 7. Finally, the Commission must balance "those competing interests and decide whether disclosure is appropriate." *Id.*

We find that PEU and CoBank have a privacy interest in the documentation of the summary of terms and conditions of the loan documents, particularly in light of the fact that the specific terms are still under negotiation. PEU contends that public disclosure of these terms and conditions would harm PEU and its customers by impairing PEU's ability to effectively negotiate debt financings with lenders, thus, resulting in a competitive disadvantage. We find the public also has an interest in knowing the terms of the loan and its financial impact on PEU and its customers. On balance, the interest of PEU in maintaining confidentiality outweighs the public's interests. The public's interest, while important, is addressed by disclosure of the terms of the loan and its potential financial impact in the PEU petition and in this order. As a result, we find confidential treatment of the summary documents identified by PEU should remain confidential. Therefore we grant PEU's motion for confidential treatment of those loan documents.

Based upon the foregoing, it is hereby

ORDERED NISI, that subject to the effective date below, PEU's proposed financing for a \$2,546,632 loan from CoBank, under the terms and conditions, and for the purposes described in this order, is **APPROVED**; and it is

FURTHER ORDERED, that PEU's motion for confidential treatment of certain loan documents is **GRANTED**; and it is

FURTHER ORDERED, that PEU shall make filings responsive to Puc 609.03(b)(6) (requiring filing of capitalization ratios) and Puc 609.03(b)(7) (requiring filing of weighted average cost of debt), consistent with the procedural order dated October 28, 2021, no later than November 10, 2021; and it is

FURTHER ORDERED, that the Petitioner shall cause a copy of this order to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, and to be posted on the Company's website, such publication and posting to be no later than November 9, 2021, and to be documented by affidavit filed with this office on or before November 26, 2021; and it is

FURTHER ORDERED, that all persons interested in responding to this order be notified that they may submit their comments and that parties may file a written request for a hearing which states the reason and basis for a hearing no later than November 16, 2021 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than November 23, 2021; and it is

FURTHER ORDERED, that this order shall be effective November 30, 2021, unless the Petitioner fails to satisfy the publication or filing obligations set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of October, 2021.

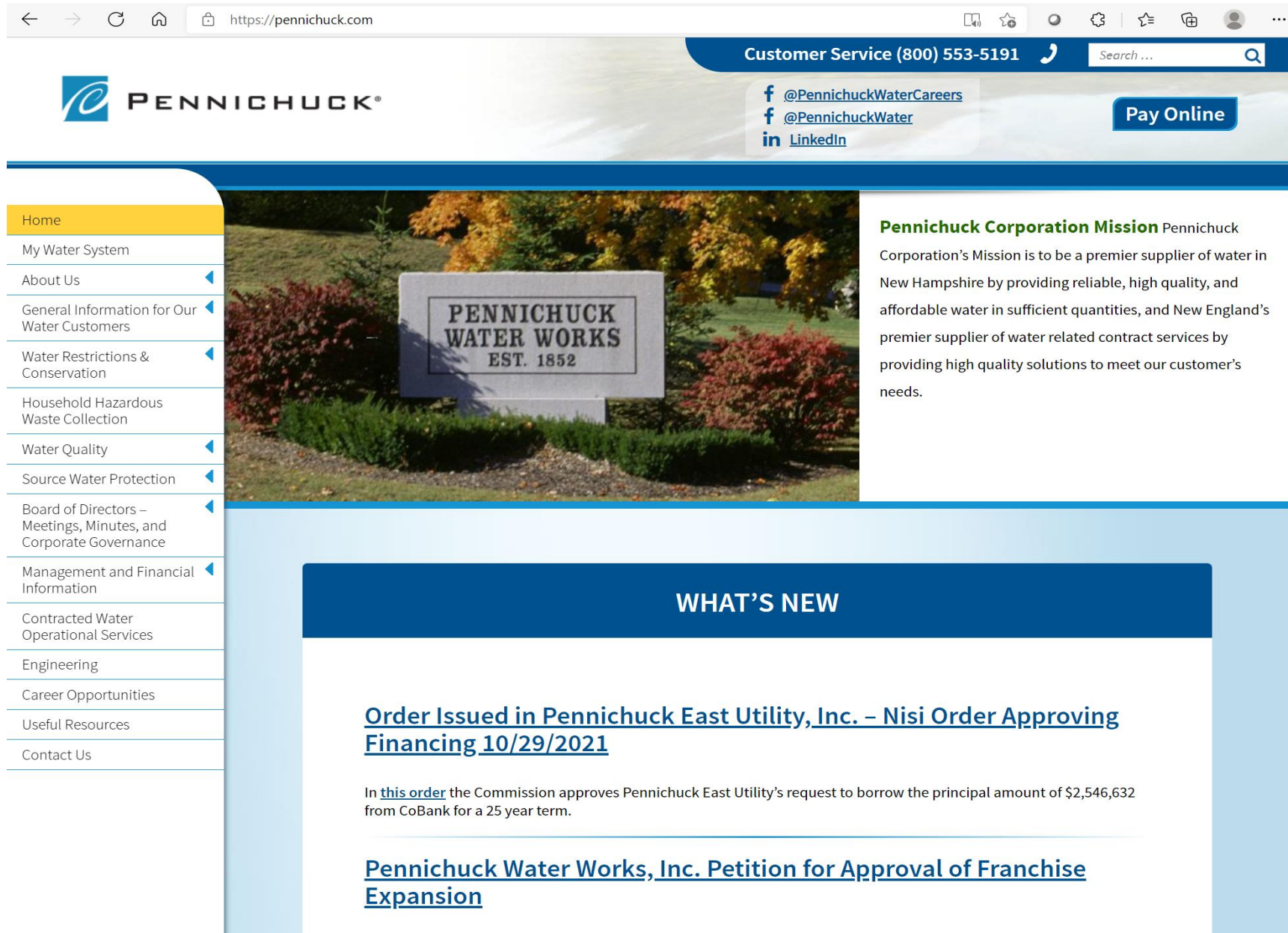
Dianne Martin
Chairwoman

Daniel C. Goldner
Commissioner

1. The original filing contains apparent instances where the requested financing amount differs, the Commission interprets the requested principal amount to be \$2,546,632. See, e.g., Petition at bates page 2 ¶ 2 (\$2,254,632); and Petition at bates page 23 line 20 (\$2,246,632).

EXHIBIT B

Copy of the Notice Published on the Company's Website



1 of 8

https://pennichuck.com/wp-content/uploads/2021/10/26-538.pdf

Page view | Read aloud | Add text | Draw | Highlight | Erase

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 21-129

PENNICHUCK EAST UTILITY, INC.

Petition for Approval of Financing from CoBank

Order *Nisi* Approving Financing

O R D E R N O . 26,538

October 29, 2021

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2 of 8 🔍 — + 🔍 📄 | 📄 Page view | 🔊 Read aloud | 📄 Add text | 🖋️ Draw ▾ | 🖋️ Highlight ▾ | ✏️ Erase | 🖱️ | 🖨️ 📄

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order. PEU amended is Petition on October 27, 2021, and no other filing were received from other parties.

On October 28, 2021, the Commission issued a procedural order denying PEU's request to waive filing requirements contained in New Hampshire Administrative Rules Puc 609.03(b)(6) (requiring filing of capitalization ratios) and Puc 609.03(b)(7) (requiring filing of weighted average cost of debt).

The Petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at:

<https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-129.html>.

II. PETITION

A. Financing Request

PEU requested authorization to borrow the principal amount of \$2,546,632¹ from CoBank for a 25 year term. PEU represented in the Petition that the proposed financing will be used to fund a "one time" refill and replenishment of the Company's Rate Stabilization Fund (RSF) funds to their imprest levels, specifically the Material Operating Expense Revenue Requirement (MOERR). According to PEU, those the MOERR RSF has not only been fully depleted, but actually overdrawn with amounts being funded and supported by borrowings from the Pennichuck Corporation Working Capital Line of Credit, thru its senior commercial lender. PEU stated that this financing was preferable to other alternatives such as a "deferred asset approach" because it would result in savings due to the impact of a 25-year amortization verses a

¹ The original filing contains apparent instances where the requested financing amount differs, the Commission interprets the requested principal amount to be \$2,546,632. See, e.g., Petition at bates page 2 ¶ 2 (\$2,2546,632); and Petition at bates page 23 line 20 (\$2,246,632).

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10-year amortization. PEU also detailed its efforts to pursue alternative funding options from other potential funding sources.

According to PEU, CoBank is a Government Sponsored Enterprise (GSE) owned by its customers, which consist of agricultural cooperatives, rural energy, communications and water companies, and other businesses that serve rural America. As a GSE, CoBank issues its debt securities with the implicit full faith and credit of the US Government and uses these low cost funds to make loans to businesses like PEU that meet its charter requirements.

PEU represented that the proposed financing will be secured by a security interest in the Company's equity interest in CoBank (consisting of the Company's \$212,825.39 equity investment in CoBank and the Company's right to receive patronage dividends) and the unconditional guarantee of the Company's obligations to CoBank by Penn Corp pursuant to the Guarantee of Payment by Penn Corp in favor of CoBank dated as of February 9, 2010. According to PEU the loan will amortize over 25 years at an estimated interest rate of 4.50 percent per year. The interest rate may vary depending on market prices at the time of loan closing. PEU estimated debt issuance costs of less than \$10,000.

B. Request for Confidential Treatment

PEU requests confidential treatment of certain loan documentation comprised of a non-binding summary of terms and conditions. According to PEU these terms and conditions are not final, are the subject of further negotiation, and are considered confidential by CoBank. Further, PEU asserts that disclosure of these terms would create a disadvantage to PEU in future negotiations with lenders.

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III. COMMISSION ANALYSIS

A. Financing Request

Pursuant to RSA 369:1, public utilities engaged in business in New Hampshire may issue evidence of indebtedness payable more than 12 months after the date thereof only if the Commission finds the proposed issuance to be “consistent with the public good.” RSA 369:4 Analysis of the public good involves looking beyond the actual terms of the proposed financing to the use of the funds and the effect on rates to ensure the public good is protected. *Appeal of Easton*, 125 N.H. 205, 211 (1984). “[C]ertain financing related circumstances are routine, calling for more limited Commission review of the purposes and impacts of the financing, while other requests may be at the opposite end of the spectrum, calling for vastly greater exploration of the intended uses and impacts of the proposed financing.” *Lakes Region Water Company, Inc.*, Order No. 25,753 (January 13, 2015) at 4-5. The Commission engages in a more limited review for routine financing requests. *Pennichuck Water Works, Inc.*, Order No. 26,247 at 4 (May 3, 2019). A routine request is one that “will have no discernible impact on rates or deleterious effect on capitalization, [and] in which the funds are to enable ... investments appropriate in the ordinary course of utility operations.” *Id.* 5

Based on the record, we find the proposed CoBank financing will have a minimal impact on customer rates (an estimated increase in the average residential customer’s monthly bill between \$1.39 and \$1.70, depending on the outcome of PEU’s pending rate case). The proposed financing will have no effect on PEU’s capitalization as it has an all-debt capital structure. *See Pennichuck East Utility, Inc.*, Order No. 26,179 at 14 (October 4, 2018). The borrowed funds will support investments made in the ordinary course of PEU’s business. The Commission acknowledges the Company’s

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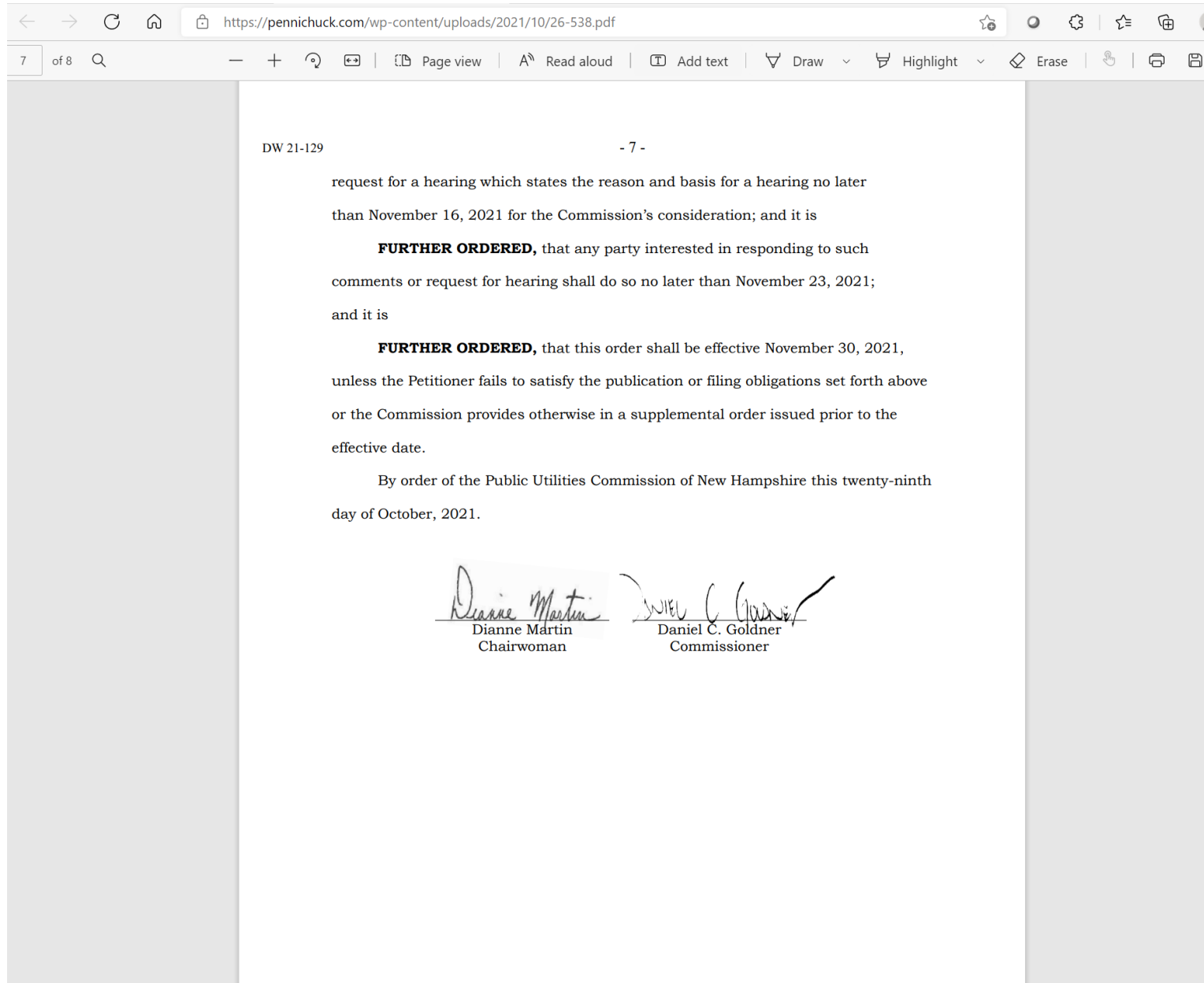
immediate need to replenish its RSF funds to their imprest levels, specifically the MOERR.

For these reasons, we find that this to be a routine financing request and conclude this financing is for the public good. Accordingly, we approve it pursuant to RSA 369:1 and 369:4. This order approving the CoBank financing is issued on a *nisi* basis so that interested parties may have an opportunity to respond to the financing proposal and request a hearing.

B. Request for Confidential Treatment

The Commission applies a three-step balancing test to determine whether documents should be kept from disclosure as “confidential, commercial, or financial information” under RSA 91A:5, IV. *Pennichuck Water Works, Inc.*, Order No. 26,121 at 6 (April 20, 2018) (citing *Lambert v. Belknap County Convention*, 157 N.H. 375, 382-83 (2008)). Applying this test, the Commission first inquires whether the information involves a privacy interest and then asks if there is a public interest in disclosure. *Id.* at 7. Finally, the Commission must balance “those competing interests and decide whether disclosure is appropriate.” *Id.*

We find that PEU and CoBank have a privacy interest in the documentation of the summary of terms and conditions of the loan documents, particularly in light of the fact that the specific terms are still under negotiation. PEU contends that public disclosure of these terms and conditions would harm PEU and its customers by impairing PEU’s ability to effectively negotiate debt financings with lenders, thus, resulting in a competitive disadvantage. We find the public also has an interest in knowing the terms of the loan and its financial impact on PEU and its customers. On balance, the interest of PEU in maintaining confidentiality outweighs the public’s



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