

Pennichuck Water Works, Inc.
BALANCE SHEET
ASSETS AND DEFERRED CHARGES
For the Twelve Months Ended December 31, 2022

2023 PWW Faloc Renewal Financing Petition
DW 23-__
Schedule GT-1
Page 1 of 2

	Account Number	12/31/2022	Pro Forma Adjustments	Pro Forma 12/31/2022
<u>PLANT ASSETS</u>				
Plant in Service	301 to 348	250,882,641	-	250,882,641
Work in process	105	821,351	-	821,351
Utility Plant		251,703,993	-	251,703,993
Accumulated depreciation	108	71,323,316	-	71,323,316
Net Plant		180,380,677	-	180,380,677
Net Acquisition Adjustment	114 & 115	183,536	-	183,536
Total Net Utility Plant		180,197,140	-	180,197,140
<u>CURRENT ASSETS</u>				
Cash	131 & 133	6,000	-	6,000
Restricted Cash - RSF	131	9,068,082	-	9,068,082
Restricted Cash - 2014 Bond Project Fund	131	218,838	-	218,838
Restricted Cash - 2015 Bond Project Fund	131	-	-	-
Restricted Cash - 2018 Bond Project Fund	131	-	-	-
Restricted Cash - 2019 Bond Project Fund	131	-	-	-
Restricted Cash - 2020 Bond Project Fund	131	-	-	-
Restricted Cash - 2021 Bond Project Fund	131	-	-	-
Accounts receivable-billed, net	141 & 143	3,506,791	-	3,506,791
Accounts receivable-unbilled, net	173	2,070,271	-	2,070,271
Accounts receivable-other	142	-	-	-
Inventory	151	989,109	-	989,109
Prepaid expenses	162	31,325,491	-	31,325,491
Prepaid property taxes	163 & 236	-	-	-
Prepaid taxes	162.3	-	-	-
		47,184,580	-	47,184,580
<u>OTHER ASSETS</u>				
Debt issuance expenses	181	9,181,987	16,200 (1), (2)	9,198,187
Acquisition Premium - MARA	186	58,793,655	-	58,793,655
Other & Deferred Charges	182,184,186	8,270,198	-	8,270,198
		76,245,840	16,200	76,262,040
TOTAL ASSETS		\$ 303,627,560	\$ 16,200	\$ 303,643,760

Notes:

- (1) To record debt issuance expenses related to PWW FALOC renewal.
(2) To record Year 1 amortization expense for renewed FALOC.

Pennichuck Water Works, Inc.
BALANCE SHEET
EQUITY AND LIABILITIES
For the Twelve Months Ended December 31, 2022

2023 PWW Faloc Renewal Financing Petition
DW 23-__
Schedule GT-1
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	Account Number	12/31/2022	Pro Forma Adjustments	Pro Forma 12/31/2022
STOCKHOLDERS' EQUITY				
Common stock	201	\$ 30,000	\$ -	\$ 30,000
Paid in capital	211	\$ 91,201,250	-	91,201,250
Comprehensive Income	219	-	-	-
Retained earnings	215	748,845	(7,875)	740,970
		91,980,095	(7,875)	91,972,220
LONG TERM DEBT				
Bonds, notes and mortgages	221	129,275,006	-	129,275,006
Intercompany advances	223	-	24,075	24,075
Other Long Term Debt	224	-	-	-
CURRENT LIABILITIES				
Accounts payable	231	2,343,073	-	2,343,073
Accrued property taxes	236	-	-	-
Accrued interest payable	237	1,377,544	-	1,377,544
Other accrued expenses	241	842,559	-	842,559
Income taxes payable	236	-	-	-
Customer deposits & other	235	352,194	-	352,194
		4,915,370	-	4,915,370
OTHER LIABILITIES AND DEFERRED CREDITS				
Deferred income taxes & liability	282	18,317,630	-	18,317,630
Customer advances	252	-	-	-
CIAC, net	271 & 272	33,099,439	-	33,099,439
Other deferred credits	241 to 255	26,040,020	-	26,040,020
		77,457,089	-	77,457,089
TOTAL EQUITY AND LIABILITIES		\$ 303,627,560	\$ 16,200	\$ 303,643,760 \$ -

Notes:

- (1) To record the impact of amortization expense and income tax benefit on retained earnings.
- (2) To record the use of funds through the intercompany debt

Pennichuck Water Works, Inc.
OPERATING INCOME STATEMENT
For the Twelve Months Ended December 31, 2022

2023 PWW Faloc Renewal Financing Petition
DW 23-___
Schedule GT-2
Page 1 of 2

	Account Number	TWELVE MONTHS 12/31/22	PRO FORMA ADJUSTMENTS	PRO FORMA 12 MONTHS 12/31/22
Water Sales	460 to 462	\$ 39,330,925	\$ -	\$ 39,330,925
Other Operating Revenue	471	505,731	-	505,731
Total Revenues		39,836,656	-	39,836,656
Production Expenses	601 to 652	7,037,521	-	7,037,521
Transmission & Distribution Expenses	660 to 678	3,600,613	-	3,600,613
Engineering Expenses	660	1,091,043	-	1,091,043
Customer Acct & Collection Exp	902 to 904	1,825,944	-	1,825,944
Administrative & General Expense	920 to 950	8,517,860	-	8,517,860
Inter Div Management Fee	930	(3,611,063)	-	(3,611,063)
Total Operating Expense		18,461,917	-	18,461,917
Dep Exp/Acq Adj Expense	403 & 406	6,323,237	-	6,323,237
Amortization Expense:CIAC	405	(848,722)	-	(848,722)
Amortization Expense	407	2,199,070	-	2,199,070
Gain on Debt Forgiveness	414	(63,284)	-	(63,284)
Property Taxes	408.1	4,916,124	-	4,916,124
Income Tax	409 to 410	1,028,770	(2,925)	1,025,845
Total Operating Deductions		13,555,194	(2,925)	13,552,270
Net Operating Income		7,819,545	2,925	7,822,470
Other Income and Deductions		-	-	-
AFUDC		-	-	-
Interest Expenses		7,070,700	-	7,070,700
Debt Issuance Cost New/Amortization		-	10,800	(1) 10,800
Net Income		748,845	(7,875)	740,970

Notes:

- 1 - To record the amortization of new debt expense.
- 2 - To record the tax impact resulting from additional expenses at statutory composite rate of 27.08%.

Pennichuck Water Works, Inc.
OPERATING INCOME STATEMENT
For the Twelve Months Ended December 31, 2022

2023 PWW Faloc Renewal Financing Petition
DW 23-____
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Supporting Calculations:

Interest Expense:

	Amount	Rate	Interest
FALOC usage (see note 1 below)	\$ -	4.000%	\$ -
Totals	\$ -	4.000%	\$ -

Depreciation

Additions:

	Asset Cost			Depreciation	
			Total	Rate	Amount
Totals	\$ -	\$ -	\$ -	-	\$ -

Deletions:

	Gross Book Value	NBV	Acc Depn		#DIV/0!	\$
Twin Ridge Assets being taken out of service	\$ -	\$ -	\$ -			-

NOTE: Data for deletions from fixed asset accounting records as of 12/31/2021, and for full year 2021

Cost of Removal: 10%

	Asset Cost			Depreciation	
			Total	Rate	Amount
Not applicable	\$ -	\$ -	\$ -		\$ -
Totals	\$ -	\$ -	\$ -	-	\$ -

Pro Forma Depreciation; net of deletions

\$ -

Debt issuance amortization

	Costs		Amortization	
		Rate	Amount	
New FALOC	\$ 27,000	40.0%	\$ 10,800	
Totals	\$ 27,000	Amortization	\$ 10,800	

Property Taxes

Town	\$ -
State of New Hampshire	\$ -
Total Tax Rate	\$ -
Pro Forma Property Taxes	\$ -

Pennichuck Water Works, Inc.
Pro Forma Capital Structure for Ratemaking Purposes
For the Twelve Months Ended December 31, 2022

2023 PWW Faloc Renewal Financing Petition
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	<u>Pro Forma 2021</u>	<u>Pro Forma Eliminations</u>	<u>Pro Forma 2021 with Eliminations</u>	<u>Component Ratio</u>
Long-term Debt	\$ 129,275,006	\$ -	\$ 129,275,006	99.43%
Intercompany Debt	-	-	-	0.00%
Common Equity:				
Common Stock	\$ 30,000	\$ (30,000) (1)	\$ -	
Paid In Capital	\$ 91,201,250	\$ (91,201,250) (1)	-	
Comprehensive Income	\$ -	-	-	
Retained Earnings	740,970		740,970	
Total Common Equity	<u>\$ 91,972,220</u>	<u>\$ (91,231,250)</u>	<u>\$ 740,970</u>	0.57%
Total Capital	<u>\$ 221,247,226</u>	<u>\$ (91,231,250)</u>	<u>\$ 130,015,976</u>	100.00%

Notes:

(1) Per Order 25,292 in DW 11-026, eliminate the MARA and related common equity.

Pennichuck Water Works, Inc.
 2023 Faloc Renewal Financing
 Projected Rate Impact on Single Family Residential Home

		<u>at SOFR + 1.75% rate</u>		
Total New Debt Amount	-	\$	-	(a)
Loan Percentage	-		4.00%	
Loan Term (in years)	-		2	
Annual Principal & Interest on Loan	-	\$0		(b)
Coverage Multiplier, under DW 19-084	-		1.1 x	(c)
Revenue Requirement for P&I: [(a) x (c)]	-	\$0		(d)
Property tax rate/\$1000 ^{Note a}	-	\$	-	(e)
Projected Property Taxes: [(a)/1000 x (e)]	-	\$	-	(f)
Projected Revenue Requirement: [(d) + (f)]	-	\$0		(g)
DW 19-084 Allowed Revenue Requirement	-	\$	35,819,773	(e)
Calculated QCPAC Surcharge: [(d)/(e)]	-		0.00%	(f) resulting from the proposed financing
Current Monthly Single Family Residential Bill ^{Note b}	-	\$	55.68	(g)
Monthly impact on Single Family Residential Bill of this Financing: [(f) x (g)]	-	\$	-	per month

Pennichuck Water Works, Inc.
Statement of Weighted Average Cost of Long-Term Debt
For the Twelve Months Ended December 31, 2022

2023 PWW Faloc Renewal Financing Petition
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Holder	Term	Maturity	Rate	Outstanding Balance as of 12/31/2022	New Debt added in 2023	Annual Interest (1)	Annual Amort Issue Costs	All In Annual Cost	Effective Rate
BNY Mellon-2014 B Series Bonds	30	01/01/45	4.82%	4,615,000		222,667		222,667	4.825%
BNY Mellon-2018 A Series Bonds	30	01/01/48	4.90%	4,460,000		218,471	8,944	227,415	5.099%
BNY Mellon-2018 B Series Bonds	30	01/01/28	4.90%	705,000		34,534	2,156	36,690	5.204%
BNY Mellon-2019 A Series Bonds	30	01/01/49	4.22%	7,805,000	-	329,542	-	329,542	4.222%
BNY Mellon-2020 A Series Bonds	30	04/01/50	4.00%	7,000,000		280,000		280,000	4.000%
BNY Mellon-2020 B Series Bonds	3	04/01/23	5.25%	125,000		6,563		6,563	5.250%
BNY Mellon-2020 C Series Bonds	30	09/01/55	1.95%	71,195,000		1,388,303		1,388,303	1.950%
BNY Mellon-2021 A Series Bonds	30	04/01/50	5.00%	4,985,000		249,250		249,250	5.000%
BNY Mellon-2021 B Series Bonds	3	04/01/24	1.05%	85,000		893		893	1.050%
BNY Mellon-2022 A Series Bonds	30	04/01/52	2.70%	6,695,000		180,765		180,765	2.700%
BNY Mellon-2022 B Series Bonds	3	04/01/25	3.63%	90,000		3,263		3,263	3.625%
SRF Loan - Hubbard Hill	20	04/01/22	3.80%	-		-	-	-	#DIV/0!
SRF Loan Contract #4 (water treatment plant)	20	10/01/29	3.49%	1,285,720		44,846	-	44,846	3.488%
ARRA Loan - Ashley Commons	20	05/01/31	2.95%	145,193		4,286	-	4,286	2.952%
ARRA Loan - French Hill	20	07/01/32	2.86%	455,093		13,034	-	13,034	2.864%
ARRA Loan - Armory (S. Nashua Booster Station)	20	12/01/31	2.86%	101,151		2,897	-	2,897	2.864%
ARRA Loan - Glen Ridge	20	09/01/32	2.86%	34,714		994	-	994	2.864%
SRF Loan - Drew Woods	20	06/01/32	2.95%	458,408		13,532	-	13,532	2.952%
SRF Loan - Nashua Core	20	07/01/36	2.46%	1,597,887		39,372	-	39,372	2.464%
SRF Loan- Timberline Booster Station	20	07/01/36	2.62%	241,001		6,305	-	6,305	2.616%
SRF Loan- Raw Water Transmission Main	20	11/01/36	3.17%	2,479,361		78,546	-	78,546	3.168%
SRF Loan- Amherst Street - 2016	30	05/01/47	2.42%	1,023,958		24,821	-	24,821	2.424%
DWGTF 3.375M Loan	30	04/01/51	2.70%	3,074,652		83,139	-	83,139	2.704%
DWGTF Merrimack Intake 5.5M	30	10/01/50	3.38%	5,261,913		177,853	-	177,853	3.380%
				123,919,050	-	3,403,873	11,100	3,414,973	2.76%

Notes:

Pennichuck Water Works, Inc.

The proposed terms and conditions summarized herein are provided for discussion purposes only. They do not constitute an offer, agreement, or commitment to lend and are confidential. The terms and conditions upon which TD Bank, N.A. ("TD" or the "Bank") might extend credit to Pennichuck Water Works, Inc. (or the "Borrower") are subject to satisfactory review and completion of documentation, satisfactory completion of due diligence, approval by TD Bank Credit Authorities, and other such terms and conditions as may be determined by Bank and its counsel.

Borrower: [REDACTED]

Bank: [REDACTED]

Credit Facility: [REDACTED]

Maturity: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Security: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Use of Proceeds: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Interest Rate: [REDACTED]
[REDACTED]

Renewal Fee: [REDACTED]
[REDACTED]

Commitment Fee: [REDACTED]

Confidential

**Financial
Covenants:**

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Cross-Defaults:

[REDACTED]

**Additional
Indebtedness:**

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- [REDACTED]

Liens and Mortgages:

[REDACTED]

Other:

- [REDACTED]
- [REDACTED]

Loan and Advances:

[REDACTED]

Dividends and Distributions

[REDACTED]

Reporting:

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

December 8, 2022

- [REDACTED]
- [REDACTED]

Expenses:

[REDACTED]

Representations & Warranties:

[REDACTED]

Conditions Precedent:

[REDACTED]

Agreed to and accepted by:

Pennichuck Water Works, Inc.

Date

TD Bank, N.A.

Date

Exhibit A
Subsidiary Loans and Advances

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Exhibit B
Dividends and Distributions



PENNICHUCK WATER WORKS, INC.

CORPORATE SECRETARY'S CERTIFICATE

I, Carol Ann Howe, do hereby certify that I am the duly elected Corporate Secretary of Pennichuck Water Works, Inc. (the "Corporation"), a New Hampshire corporation, and that I am authorized to execute and deliver this Certificate on behalf of the Corporation. In that capacity, I do hereby further certify that:

1. The following resolutions were adopted by the Board of Directors of the Corporation on December 16, 2022; and such resolutions have not been altered, amended or repealed, and are in full force and effect, as of the date hereof:

Resolved: that the Board of Directors of Pennichuck Water Works, Inc. (the "Corporation") hereby authorize, approve and direct the Corporation to enter into a renewal of its \$12 million Fixed Asset Line of Credit ("FALOC Renewal") with TD Bank, N.A. on the terms and conditions set forth in the term sheet presented and reviewed at this meeting;

Further

Resolved: that the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Treasurer of the Corporation are severally authorized, empowered and directed to act as the Corporation's representative for purposes of negotiating, executing and delivering any and all documents relating to the FALOC Renewal and to take any and all actions as they may deem necessary or appropriate to implement the FALOC Renewal;

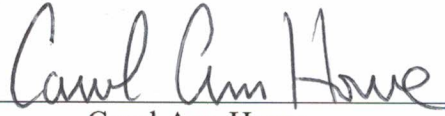
Further

Resolved: that the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Treasurer of the Corporation are hereby severally authorized, empowered and directed to take any and all actions to obtain all necessary approvals for the FALOC Renewal from the City of Nashua, and from the New Hampshire Public Utilities Commission, and any other authority determined by such officers relating to the FALOC Renewal; and

Further

Resolved: that the taking of such actions and the execution and delivery of such documents to be sufficient and conclusive evidence that the same are within the authority conferred by these resolutions; and that all prior acts of said officers of the Corporation to accomplish the purposes of these resolutions are hereby approved and ratified.

In Witness Whereof, I have hereunto set my hand this 6th day of March, 2023.

A handwritten signature in cursive script, reading "Carol Ann Howe", written over a horizontal line.

Carol Ann Howe
Assistant Treasurer and
Corporate Secretary



PENNICHUCK CORPORATION

CORPORATE SECRETARY'S CERTIFICATE

I, Carol Ann Howe, do hereby certify that I am the duly elected Corporate Secretary of Pennichuck Corporation (the "Corporation"), a New Hampshire corporation, and that I am authorized to execute and deliver this Certificate on behalf of the Corporation. In that capacity, I do hereby further certify that:

1. The following resolutions were adopted by the Board of Directors of the Corporation on December 16, 2022; and such resolutions have not been altered, amended or repealed, and are in full force and effect, as of the date hereof:

Resolved: that the Board of Directors of Pennichuck Corporation (the "Corporation") hereby authorize, approve and direct Pennichuck Water Works, Inc. ("PWW") to enter into a renewal of its \$12 million Fixed Asset Line of Credit ("FALOC Renewal") with TD Bank, N.A. on the terms and conditions set forth in the term sheet presented and reviewed at this meeting;

Further

Resolved: that the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Treasurer of the Corporation are severally authorized, empowered and directed to act as the Corporation's representative (either in its own capacity, or in the Corporation's capacity as the sole shareholder of PWW) for purposes of negotiating, executing and delivering any and all documents relating to the FALOC Renewal and to take any and all actions as they may deem necessary or appropriate to implement the FALOC Renewal;

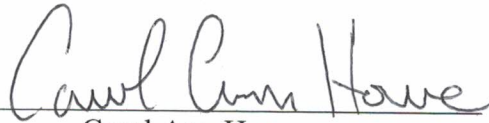
Further

Resolved: that the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Treasurer of the Corporation are hereby severally authorized, empowered and directed to take any and all actions to obtain all necessary approvals for the FALOC Renewal from the City of Nashua in its capacity as the sole shareholder of the Corporation, and from the New Hampshire Public Utilities Commission, and any other authority determined by such officers relating to the FALOC Renewal; and

Further

Resolved: that the taking of such actions and the execution and delivery of such documents to be sufficient and conclusive evidence that the same are within the authority conferred by these resolutions; and that all prior acts of said officers of the Corporation to accomplish the purposes of these resolutions are hereby approved and ratified.

In Witness Whereof, I have hereunto set my hand this 6th day of March, 2023.

A handwritten signature in cursive script that reads "Carol Ann Howe". The signature is written in dark ink and is positioned above a horizontal line.

Carol Ann Howe
Assistant Treasurer and
Corporate Secretary



25 WALNUT STREET
PO BOX 428
NASHUA, NH 03061-0428

(603) 882-5191
FAX (603) 913-2305

WWW.PENNICHUCK.COM

March 24, 2023

Mr. Steven A. Bolton
Corporation Counsel
City of Nashua
229 Main Street
Nashua, NH 03060

Re: Pennichuck Water Works, Inc. – Request to Renew its Fixed Asset Line of Credit with TD Bank, N.A.

Dear Attorney Bolton:

Introduction. As you know, the City of Nashua, New Hampshire (the “City”) is the sole corporate shareholder of Pennichuck Corporation (“Pennichuck”). The City has been the sole shareholder since the acquisition of Pennichuck on January 25, 2012.

The purpose of this letter is to request that the City, acting in its capacity as sole shareholder, approve resolutions authorizing Pennichuck’s regulated public water utility subsidiary, Pennichuck Water Works, Inc. (“PWW”), to renew its current revolving Fixed Asset Line of Credit with TD Bank, N.A.

Background. As part of the City’s acquisition of Pennichuck, in accordance with special legislation enacted by the State Legislature, and as unanimously approved by the Mayor and Board of Aldermen on January 11, 2011, the corporate structure of Pennichuck and its utility subsidiaries was retained. This corporate structure was retained for several reasons. First, the Mayor and Board of Aldermen desired to maintain stability and continuity for customers and employees of the Pennichuck utilities and the communities they serve. Second, retaining the corporate structure provided continuity for the existing relationships with regulatory agencies and financial/banking partners. Third, the Mayor and Board of Aldermen unanimously agreed that the corporate structure would encourage business-smart decisions and rely upon well-established governance principles of corporate law, pursuant to Pennichuck’s Articles of Incorporation and its by-laws.

Shareholder Approval of Borrowings Required. Under Article IX of Pennichuck’s Articles of Incorporation, the City, acting in its capacity as Pennichuck’s sole shareholder, must approve:

- “(3) any action to (A) create, incur or assume any indebtedness for borrowed money or guarantee any such indebtedness of any person, (B) issue or sell any debt securities or warrants or other rights to acquire any debt securities of the [Pennichuck] Corporation or any of its Subsidiaries, or (C) guarantee any debt securities of any person.”

PWW Proposed Financings: Fixed Asset Line of Credit (FALOC). Pennichuck requests the City’s approval to allow PWW to renew its \$12,000,000 Fixed Asset Line of Credit with TD Bank, N.A., with a new multi-year facility, at the same nominal value, and with an interest rate of 30-day SOFR +1.75%. This facility renewal is needed to continue to fund capital projects during each calendar year, including 2023 as the current FALOC expires and is replaced seamlessly with this new FALOC facility. Annually, this FALOC is repaid and refinanced in its entirety by annual bond issuances from the \$57.5 million Integrated Capital Finance Plan, in April of the successive year, for which an approval is already in place (and in use) from the City, for the capital project years 2021-2025 (bond issuance years 2022-2026). This renewed FALOC, upon approval and closing, will replace the current and expiring \$12.0 million FALOC for PWW with TD Bank, N.A., with financial covenants that are identical with those that currently exist under the current FALOC, and in line with PWW’s rate structure. This financing is in conformity with the modified rate methodology currently approved for PWW by the NH Public Utilities Commission in its rate filing under dockets DW 16-806 and DW 19-084. A copy of the Term Sheet for the revolving Fixed Asset Line of Credit renewal with TD Bank, N.A., is attached to this letter as Attachment A (to be treated as Confidential Information for Board of Aldermen usage only).

New Hampshire Public Utilities Commission Approval Required. As is the case with all debt issuances and credit facilities for the regulated subsidiaries of Pennichuck Corporation, this proposed financing renewal may not occur without the prior approval of the NHPUC. PWW intends to file a petition to request this approval in the week of March 20-24, 2023. PWW will work with the NHPUC to set a schedule for considering this request that contemplates completing its review in order to allow PWW to consummate the proposed financing renewal, and to enable it to close upon the renewed revolving Fixed Asset Line of Credit no later than June 30, 2023. A copy of this petition, once filed, will be available to the City and the public.

Approval by the Pennichuck and PWW Boards of Directors. The Pennichuck and PWW Boards of Directors have approved the proposed financing in concept and will also be required to approve the final terms and conditions of the proposed financing, near the time of the transaction closing.


Requested Approvals. For the reasons described above, Pennichuck respectfully requests that the City, acting in its capacity as sole shareholder of Pennichuck and pursuant to Article IX (3) of Pennichuck’s Articles of Incorporation, authorize the following actions:

RESOLVED, that the City hereby approves Pennichuck Water Works, Inc. entering into a renewal of its Fixed Asset Line of Credit with TD Bank, N.A., allowing for annual borrowings of up to \$12.0 million, pursuant to a security interest in PWW’s accounts receivable and inventory, and pledge of the stock of PWW and an assignment of its rights under the Money Pool Agreement and Cost Sharing Agreement (both as previously approved and in place under the oversight of the NHPUC), for the purpose of providing advances to be used for interim capital projects funding, described above and in the NHPUC petition and testimony, and

FURTHER RESOLVED, that Pennichuck Corporation and Pennichuck Water Works, Inc., their respective Board of Directors and Officers are severally authorized, empowered and directed to execute and deliver, in the name of and on behalf of Pennichuck Corporation and Pennichuck Water Works, Inc., loan and trust agreements and other related documents and agreements (the “Borrowing Agreements”), with such terms, including exhibits and schedules to such Borrowing Agreements, as may be deemed necessary or advisable in the several judgment of the Officers executing the Borrowing Agreements, and to take all other actions as they deem necessary or desirable to effect the proposed borrowings and the Borrowing Agreements and to carry out the purposes of these resolutions.

Respectfully submitted,

PENNICHUCK CORPORATION

By: 
George Torres
Chief Financial Officer

cc: Mayor James Donchess
Dorothy Clarke, Deputy Corporation Counsel