

Pennichuck East Utility, Inc.
DW 23-046

Petition for Approval of Financing From CoBank, ACB
Responses to DOE Data Requests – Set 1

Date Request Received: 5/31/23
Request No. Energy 1-1

Date of Response: 6/9/2023
Supplemental Response: 6/26/23
Witness: George Torres

REQUEST: Re: Testimony of George Torres, Page 3 (Bates 13), Line 14 through Page 4 (Bates 14), Line 2 and Company’s DW 23-013 Filing, Exhibit DLW-1, Page 4 (Bates 32), Cells O10, O54, O56, O57, and O58:

Testimony in the instant docket states that the Company is seeking approval for a financing of \$744,775 from CoBank for 2022 capital improvements not financed by either the 0.1 DSRP account, SRF funds, or DWGTF funds. Further, the testimony states that the amount of the financing is consistent with the schedules submitted regarding PEU’s QCPAC filing in DW 23-013.

With regard to Exhibit DLW-1, Page 4 (Bates 32) – 2022 Used and Useful QCPs of the Company’s DW 23-013 filing, Cells O10 and O54 contain the actual costs pertaining to the W&E Connection Project actual totaling \$693,635 (\$471,847 + \$221,788). Cells O57 and O58 contain the approved DWGTF loan and grant totaling \$705,000 (\$493,500 (Cell O57) + \$211,500 (Cell O58)). The difference between the DWGTF funding amount (Cells O57 and O58) and the total project cost (Cells O10 and O54) appears to be \$11,365 (\$705,000 - \$693,635). This amount, in turn, appears to lower the amount calculated as necessary to be financed via the proposed CoBank loan of \$744,775 (Cell O56) by \$11,365.

- a) Please explain why the apparent excess in DWGTF funding of \$11,365 appears to lower the calculated amount of the financing necessary to be provided from CoBank of \$744,775 (Cell O56) relative to the Company’s other 2022 projects.
- b) Please confirm that the amount necessary to be financed via the proposed CoBank loan is, in fact, \$744,775.

RESPONSE:

- a) The correct amount of the proposed loan is \$744,775. The calculation is as follows:

Cell O51 on page 4 of Exhibit DLW-1 in DW 23-015 is in the amount of \$1,753,562 which represents the total capital investment made by PEU in 2022. Cell O51 on page 4 includes the sum of Cells O8 through O50, which is inclusive of the \$471,847 spent at W&E Water Main Improvements in 2022. Cell O54 represents PEU’s 2021 investment in the W&E project for an amount of \$221,788. Cell O55, which is the sum of Cells O53 and O54 presents the total amount of \$1,975,350 for the total OCP amount to be funded

via the 2023 QCPAC. The funding of the \$1,975,350 projects is broken down is as follows:

CoBank Loan Funds - \$744,775 Cell O56

DWGTF Loan - \$493,500 Cell O57

DWGTF Grant - \$211,500 Cell O58

0.1 DSRR Cash - \$525,575 Cell O59

The sum of four funding sources is \$1,975,350, taking into account the requested CoBank loan amount. The DWGTF funding amount includes both the 2023 and a portion of the 2022 work, but does not lower the proposed financing amount with CoBank.

b) As stated above, the correct amount necessary to be financed with the proposed CoBank loan is \$744,775.00.

Supplemental Response – 6/26/23:

The Company further answers response 1-1(a) above by stating that the \$11,000 that exceeds the DWGTF grant is included within the \$744,775 being requested in the CoBank loan amount. In the response to DOE DR 1-1(a) the breakdown of the funds above to reach the total amount of \$1,975,350, is inclusive of the \$11,000 that exceeds the DWGTF grant.

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Petition for Approval of Financing From CoBank, ACB
Responses to DOE Data Requests – Set 1

Date Request Received: 5/31/23
Request No. Energy 1-2

Date of Response: 6/9/2023
Witness: George Torres

REQUEST: Re: Testimony of George Torres, Page 13 (Bates 23), Lines 1 – 8: Did TD Bank provide either a consent or acknowledgement to the Company's April 3, 2023 notice regarding the pending financing with CoBank? If yes, please provide a copy of TD Bank's consent or acknowledgement.

RESPONSE:

TD bank was notified of the Company's intent to seek an increase and renewal of its existing FALOC facility on April 3, 2023. The notification was confirmed via email by John Dwyer, Senior Relationship Manager with TD Bank, on April 27, 2023. A copy is attached as Exhibit DOE DR 1-2 and will be filed as a supplement to the petition with the Commission.

From: Dwyer, John T (he/him/his) <John.Dwyer@td.com>
Sent: Thursday, April 27, 2023 3:17 PM
To: Torres, George; Sugarman, Marshall C (he/him/his)
Cc: Kerrigan, Jay; Goodhue, Larry
Subject: [EXTERNAL] RE: GT-8 Written Notice to TD Bank related to the CoBank \$744k new debt and FALOC renewal
Attachments: GT-8-Written Notice to TD Bank related to the CoBank \$744K new debt FALOC renewal - RYP.docx

Hi George
The attached letter is sufficient as prior written notification for the PEU borrowings and FALOC renewal/extension.
If you need any additional information please let me know.
Thanks
John

John Dwyer | Senior Relationship Manager | Commercial Banking

TD Bank, America's Most Convenient Bank

200 State Street, Boston, MA 02109

Cell Phone: 617-678-7152

Email: John.Dwyer@TD.Com

Internal

From: Torres, George <george.torres@PENNICHUCK.com>
Sent: Tuesday, April 25, 2023 2:44 PM
To: Dwyer, John T (he/him/his) <John.Dwyer@td.com>; Sugarman, Marshall C (he/him/his) <Marshall.Sugarman@td.com>
Cc: Kerrigan, Jay <jay.kerrigan@PENNICHUCK.com>; Goodhue, Larry <larry.goodhue@PENNICHUCK.com>
Subject: GT-8 Written Notice to TD Bank related to the CoBank \$744k new debt and FALOC renewal

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John,

Please accept the attached notice of new debt financing and FALOC renewal with CoBank, for which we need a response to file with the NHPUC on a docket being prepared for approval.

Let me know if you need anything else as part of this process.

Thanks.

GT



George Torres
Chief Financial Officer, Treasurer and Corporate Controller

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Nashua, NH 03060
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