

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

**Petition of Pennichuck East Utility, Inc. for Approval of Financing
From CoBank, ACB**

DW 24-064

DIRECT PREFILED TESTIMONY OF
GEORGE TORRES

April 18, 2024
Amended June 18, 2024

1 **A.** Schedule GT-4B illustrates the Company’s pro forma impact on the Company’s
2 Weighted Average Cost of Long-Term Debt as of December 31, 2023.

3 **Q. Mr. Torres, are there any covenants or restrictions contained in the Company’s**
4 **other bond and debt agreements which would be impacted by the issuance of debt**
5 **under this proposed financing?**

6 A. Yes. Section 6(c) of the Loan Agreement between Pennichuck and TD Bank, NA (the
7 “Bank”) prohibits Pennichuck or its subsidiaries from incurring additional indebtedness
8 without the express prior written consent of the Bank, except for certain allowed
9 exceptions. One of the listed exceptions, in Section 6(c)(v) the Company may incur new
10 indebtedness up to \$1.5 million per annum, on an unsecured basis, with CoBank, ACB or
11 equivalent lender, provided that TD Bank, N.A. is provided at least 30 days prior to
12 written notice related to said indebtedness. The Company providing written notice to TD
13 Bank contemporaneous with this filing and attaches a copy of that as Exhibit GT-6. The
14 Company received consent from TD Bank, NA on May 23, 2024, an email copy is
15 attached as Exhibit GT-11.

16 **Q. What is the status of corporate approvals for CoBank Financing?**

17 A. The CoBank financing has been approved by the Company’s and Pennichuck’s Boards of
18 Directors as documented in Exhibit GT-7 and Exhibit GT-8 and was submitted on March
19 1, 2024 for approval by Pennichuck’s sole shareholder, the City of Nashua (as exhibit
20 GT-9). The Company supplements its Petition with documentation showing the City’s
21 approval via Resolution 24-14 dated March 26, 2024, a copy attached as Exhibit GT-10.

22 **Q. Do you believe that the CoBank Financing will be consistent with the public good?**

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13 TD Bank contemporaneous with this filing and attaches a copy of that as Exhibit GT-6.
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19 [on March 1, 2024, concurrently and in parallel,](#) for approval by Pennichuck’s sole
20 shareholder, the City of Nashua (as exhibit GT-9). The Company ~~supplements its~~~~will~~
21 [supplement its](#) Petition with documentation showing the City's approval [via Resolution](#)
22 [24-14 dated March 26, 2024, a copy attached as Exhibit GT-10](#) ~~when available in mid to~~
23 [late April.](#)