



INSIGHT MATTERS

James J. Steinkrauss
Attorney-at-Law
jjs@rathlaw.com
(603) 410-4314
Please reply to: Concord Office

July 29, 2024

VIA ELECTRONIC MAIL

Daniel C. Goldner, Chairman
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, ACB
Docket DW 24-064**

Dear Chairman Goldner:

On behalf of Pennichuck East Utility, Inc., (“Company”) please find the attached Affidavit of Compliance with exhibits evidencing publication and billing insert language for the Commission’s Order *Nisi* No. 27,037 (“Order”) issued in Docket No. DW 24-064 on July 19, 2023. This Affidavit of Compliance is filed pursuant to the Order and PUC Rules 203.12(b) as proof that notice of the Order was published on the Company’s website on July 22, 2024 and language will be included in the Company’s customer bills beginning on August 8, 2024.

This filing is made electronically in accordance with the Secretarial Letter dated March 17, 2020. Please let me know if you have any questions or concerns. Thank you for your attention to this matter.

Sincerely,

James J. Steinkrauss

Enc.

Cc: Docket Service List (via electronic mail)

One Capital Plaza
Concord, NH 03302-1500
T (603) 226-2600
F (603) 226-2700

20 Trafalgar Square
Suite 307
Nashua, NH 03063
T (603) 889-9952
F (603) 595-7489

120 Water Street
2nd Floor
Boston, MA 02109
T (617) 523-8080
F (603) 226-2700

26 State Street
Suite 9
Montpelier, VT 05602
T (802) 552-4037
F (603) 226-2700

1855 Elm Street
Manchester NH 03104
T (603) 226-2600

STATE OF NEW HAMPSHIRE
PUBLIC UTILITY COMMISSON
Docket DW 24-064

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

Affidavit of Notice Compliance

On July 22, 2024, Pennichuck East Utility, Inc. (hereinafter “Company”) published on its website Order *Nisi* No. 27,037 (“Order”) approving the Company’s Petition for Approval of Financing from CoBank, ACB issued by the NH Public Utility Commission (“Commission”) on July 19, 2024, in Docket No. DW 24-064. This publication was done pursuant to PUC Rule 203.12(b) and in accordance with the terms of the Order. Proof of website publication is attached as Exhibit A. On August 8, 2024, Pennichuck East Utility, Inc. (hereinafter “Company”) will commence insertion of billing insert messages to its customers of Order *Nisi* No. 27,037 in the next billing cycle in accordance with the Order. The Company will include the link to the Order which is posted on the Company’s website in customer bills starting on August 8, 2024, August 15, 2024, August 22, 2023, and August 29, 2024, which consist of the billing cycle following the issuance of the Order. A copy of a sample customer bill including the billing insert messages (highlighted) is attached as Exhibit B.

Signed under the pains and penalties of perjury this the 25th day of July 2024.

By:



Jay Kerrigan
Manager of Regulatory Affairs

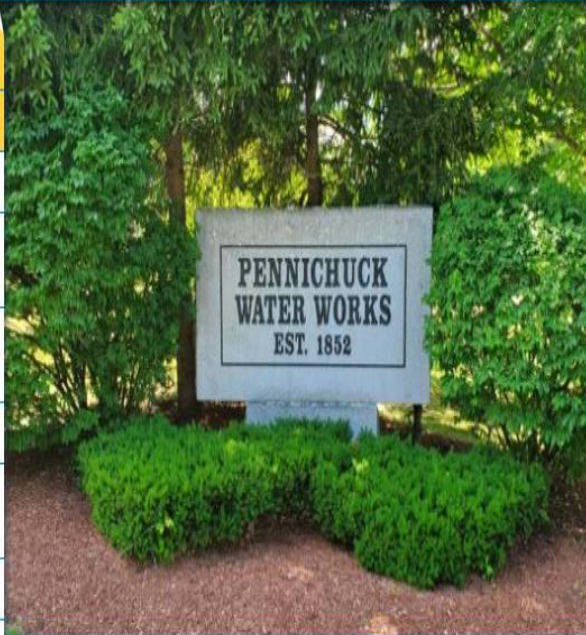
EXHIBIT A

Copy of the Publication of Order No. 27,037 on the Company's Website

Customer Service (800) 553-5191 📞

Search... 🔍

- Home
- My Water System
- About Us
- General Information for Our Water Customers
- Pennichuck Water Service Line Inventory Project
- Source Water Protection
- Contracted Water Operational Services
- Engineering
- Careers
- Contact Us
- Respectful Workplace Policy



Public Utilities Commission (PUC)
Activity: Please click here to view all filings, petitions, and orders.

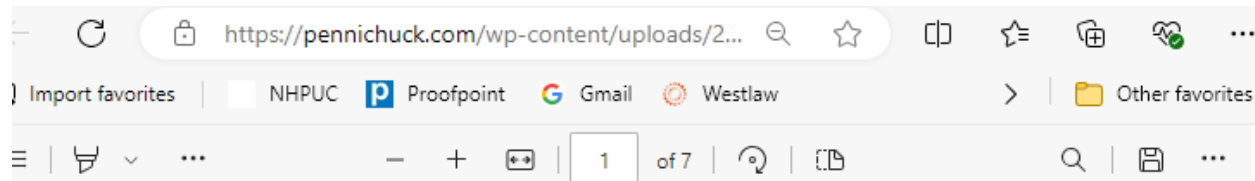
Mission: Pennichuck Corporation's Mission is to be a premier supplier of water in New Hampshire by providing reliable, high quality, and affordable water in sufficient quantities, and New England's premier supplier of water related contract services by providing high quality solutions to meet our customer's needs.

WHAT'S NEW

[Pennichuck East Utility, Inc. Petition for Approval of Financing from CoBank, ACB Order NISI Approving Financing](#)

Pennichuck East Utility, Inc. (PEU, or the Company) requests approval of a long-term loan through CoBank, ACB (CoBank) in the amount of \$1,890,931 to fund certain 2023 capital projects not otherwise funded. The loan proceeds will permit repayment and refinancing of amounts borrowed under the Company's Fixed Asset Line of Credit (FALOC) through CoBank for those projects. The Commission authorizes PEU to borrow this amount through a new loan to be amortized over 25 years at an annual estimated interest rate of 7.50 percent, subject to market conditions. The petition and subsequent docket filings, other than 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/2024/24-064.html>.

[See Order Here](#)



**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 24-064

PENNICHUCK EAST UTILITY, INC

Petition for Approval of Financing from CoBank, ACB

Order *Nisi* Approving Financing

ORDER NO. 27,037

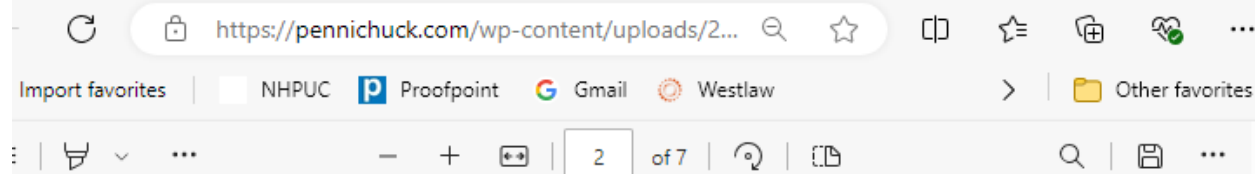
July 19, 2024

Pennichuck East Utility, Inc. (PEU, or the Company) requests approval of a long-term loan through CoBank, ACB (CoBank) in the amount of \$1,890,931 to fund certain 2023 capital projects not otherwise funded. The loan proceeds will permit repayment and refinancing of amounts borrowed under the Company's Fixed Asset Line of Credit (FALOC) through CoBank for those projects. The Commission authorizes PEU to borrow this amount through a new loan to be amortized over 25 years at an annual estimated interest rate of 7.50 percent, subject to market conditions.

The petition and subsequent docket filings, other than 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/2024/24-064.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

PEU is a New Hampshire regulated water utility as defined by RSA 362:2 and RSA 362:4. PEU provides retail water service to approximately 9,038 customers in the town of Atkinson, Barnstead, Bow, Chester, Conway, Derry, Exeter, Hooksett, Lee, Litchfield, Londonderry, Middleton, Pelham, Plaistow, Raymond, Sandown, Tilton, Weare, and Windham. See NH Department of Energy's June 27, 2024 Technical



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Statement, Attachment A at 6. PEU is wholly owned by Penn Corp. Penn Corp is wholly owned by the City of Nashua. See Amended Petition at ¶1.

PEU filed its petition on April 19, 2024. The petition was subsequently amended on July 15, 2024. The Department of Energy (DOE) has filed a technical statement recommending approval of the amended petition.

II. POSITIONS OF THE PARTIES

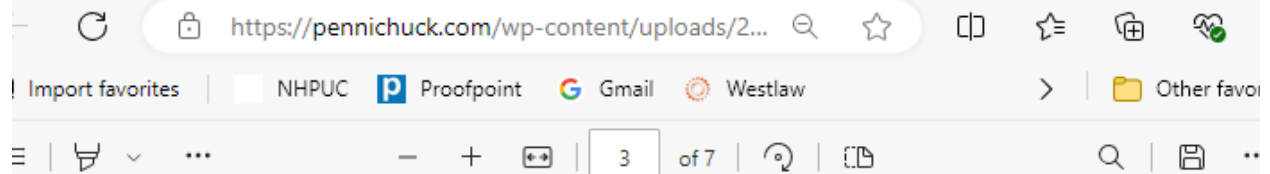
A. PEU

PEU is seeking authority to secure a loan of \$1,890,931 from CoBank to fund 2023 capital projects not funded by State Revolving Fund (SRF) loans or Drinking Water and Groundwater Trust Fund (DWGTF) loans or through the 0.1 Debt Service Revenue Requirement (DSRR) account. See Amended Petition at ¶4. The loan will be repaid over a 25-year term on a fully amortizing basis, with level monthly principal and interest payments with an interest rate to be determined based on market conditions (currently estimated at 7.50 percent per annum). See Direct Testimony of George Torres at 7. The new CoBank loan will provide permanent financing for these long-lived assets. See Amended Petition at ¶6.

PEU provided an estimate of the rate impact on an average single family residential customer resulting from PEU's requested financing. The proposed CoBank financing and associated property tax expense would result in an increase of approximately \$1.92 per month or \$23.04 per year in the billings of an average single-family residential home. This translates into an average monthly bill impact of 2.28 percent. See Attachment C: Schedule GT-4A Revised 6/14/24 in DR Set 3.

B. DOE

DOE reviewed PEU's filings and recommended that the Commission approve the proposed financing and find the financing to be consistent with the public good



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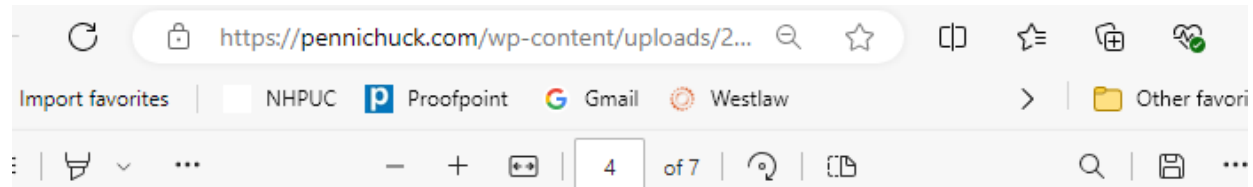
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pursuant to RSA 369:1. Further, the DOE recommended that the Commission review the proposed financing as “routine.” The DOE noted that the financing would not have a negative impact on the PEU’s capital structure because the Company’s current capital structure primarily consists of debt. *See* DOE June 27, 2024 technical statement at 4-5. The proposed refinancing ensures that PEU can meet its debt service obligations and maintain financial health. *See Id.*

III. COMMISSION ANALYSIS

RSA 369:1 states that a utility may, “with the approval of the commission but not otherwise, issue and sell ... notes and other evidences of indebtedness payable more than 12 months after the date thereof for lawful corporate purposes.” The Commission shall authorize the financing “if in its judgment the issue of such securities upon the terms proposed is consistent with the public good.” RSA 369:4. The Commission reviews the amount to be financed, the reasonableness of the terms and conditions, the proposed use of proceeds, and the effect on rates. *Appeal of Easton*, 125 NH 205, 211 (1984) (*Easton*).

The rigor of an *Easton* inquiry varies depending on the circumstances of the request. As the Commission has noted in prior decisions, “certain 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.” *Public Service Company of New Hampshire*, Order No. 25,050 at 14 (December 8, 2009). We engage in a more limited review for routine financing requests. *Id.* at 13-14. 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



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numerous investments appropriate in the ordinary course of utility operations.” *Id.* at 13.

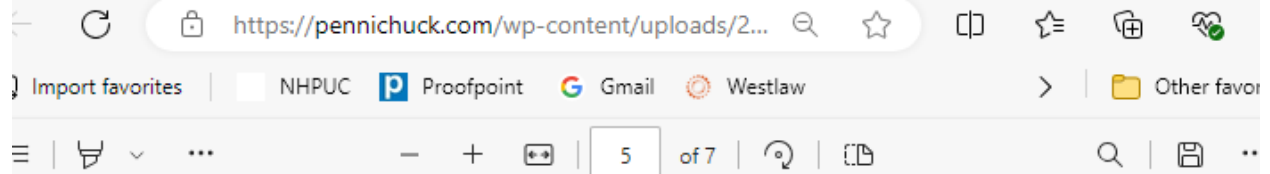
PEU has a statutory obligation to provide safe and adequate water service. See RSA 374:1. PEU has an established line of credit (FALOC) that provides for financing for its new capital expenditures, routine maintenance of capital projects and other non-recurring capital expenditures.¹ This financing petition is directly related to the Company’s current debt needs for the reimbursement financing for its investment in capital projects that were completed and used and useful during 2023. The proposed CoBank loan will convert short term borrowings under its FALOC to long term debt with a fixed interest rate and term to maturity, consistent with the Company’s annual Qualified Capital Project Adjustment Charge (QCPAC) filing².

Based on the Company’s petition and DOE’s analysis and recommendation, we find that the intended use of the proposed financing falls within the course of PEU’s ordinary utility operations. We agree that the filing is consistent with the QCPAC mechanism as established by the Commission in Docket DW 17-123, Order No. 26,179 (October 4, 2018).

Accordingly, based on the record, the Commission finds the proposed refinancing to be reasonable. We conclude that approval of the proposed financing will permit PEU to provide safe and adequate service to its customers, as required by RSA 374:1, and that the financing is consistent with the public good, pursuant to RSA 369:1 and RSA 369:4. Accordingly, based on the Company’s petition and on DOE’s

¹ See e.g., Pennichuck East Utility, Inc., Order No. 26,418 (October 29, 2020) at 11 and 14 (approving the FALOC and finding that the FALOC “will be used to finance capital projects when other funds are unavailable” and that it “allows PEU to fulfill its RSA 347:1 duty to provide safe and adequate water service as the proceeds are used for necessary capital investments.”)

² The QCPAC is an approved mechanism to compensate PEU for necessary capital investments between rate cases, thus promoting the Company’s ability to maintain adequate cash flows. Pennichuck East Utility, Inc., Order No. 26,767 (January 27, 2023) at 3.



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technical statement and recommendation, we find PEU's financing request to be consistent with the public good. We further find that additional investigation is not required and approve the proposed financing on a *nisil* basis.

Our approval of PEU's financing does not limit or preclude the Commission from reviewing in a future case, directly or indirectly, the prudence, use, and usefulness of any specific project financed by the borrowed funds pursuant to RSA 378:28. The Commission retains its authority under RSA 374:4 to be kept informed of PEU's use of the financing and any efforts to refinance under more favorable interest rates, separate and apart from any future review under RSA 378:28.

Based upon the foregoing, it is hereby

ORDERED NISI, that subject to the effective date below, the request of Pennichuck East Utility, Inc. to enter into a loan of \$1,890,931 from CoBank, ACB to fund certain 2023 capital projects not otherwise funded, as a repayment and refinance of amounts borrowed under the Company's Fixed Asset Line of Credit for those projects during 2023 is **GRANTED**; and it is

FURTHER ORDERED, that Pennichuck East Utility, Inc. shall submit written confirmation of the amount and interest rate of the finalized debt issuance and demonstrate that the financing availed a competitive interest rate; and it is

FURTHER ORDERED, that Pennichuck East Utility, Inc. shall cause a copy of this order to be published on its website by no later than the close of business on July 23, 2024; noticed through billing in the next billing cycle after the issuance of this order; and to be documented by affidavit filed with this office on or before July 30, 2024; and it is

FURTHER ORDERED, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing



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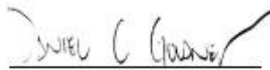
- 6 -

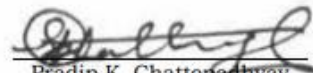
which states the reason and basis for a hearing no later than August 6, 2024, for the Commission's consideration; and it is

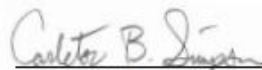
FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than August 13, 2024; and it is

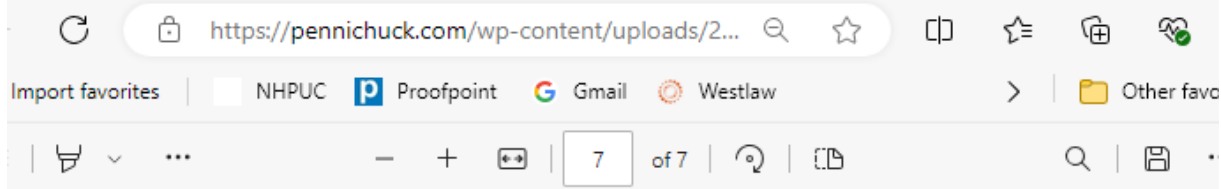
FURTHER ORDERED, that this order shall be effective August 21, 2024, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of July, 2024.


Daniel C. Goldner
Chairman


Pradip K. Chattopadhyay
Commissioner


Carleton B. Simpson
Commissioner



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Service List - Docket Related

Docket#: 24-064

Printed: 7/19/2024

Email Addresses

ClerksOffice@puc.nh.gov
wfa@rathlaw.com
Marie-Helene.B.Bailinson@energy.nh.gov
john.boisvert@pennichuck.com
Michael.J.Crouse@oca.nh.gov
Energy-Litigation@energy.nh.gov
robyn.j.descoteau@energy.nh.gov
paul.b.dexter@energy.nh.gov
lori.douglas@pennichuck.com
julia.gagnon@pennichuck.com
jay.kerrigan@pennichuck.com
jayson.p.laflamme@energy.nh.gov
ocalitigation@oca.nh.gov
jjs@rathlaw.com
George.Torres@Pennichuck.com
Charles.J.Underhill@oca.nh.gov
smw@rathlaw.com

EXHIBIT B

**Copy of a Sample Bill Containing the Link to the
Company Website Posting Order No. 27,037**



603-882-5191, 800-553-5191
Fax 603/913-2362

www.pennichuck.com
customer-service@pennichuck.com

PO Box 428 Nashua, NH 03061-0428

For Service At		Division	Route Number	Account Number			
LONDONDERRY NH		Pennichuck East Utility	5325				
Meter Number	From	To	Days	Previous Reading	Current Reading	Consumption	Next Read Date
41036390	05/28/2024	06/25/2024	28	1542	1542	0	07/29/2024

Note Please go to www.pennichuck.com/CCR-J9.pdf to view your 2024 Annual Water Quality report and learn more about your drinking water. This report contains important information about the source and quality of your drinking water. If you would like a paper copy of the 2024 Annual Water Quality Report mailed to your home, please call our customer service department at 800-553-5191.

Previous Balance	\$23.98
Payment Since Last Bill	\$23.98
Adjustment Since Last Bill	\$0.00
Balance Before Current Charges	\$0.00

Billed Usage History (in ccft)			
Read Date	Read Code	Read Days	Usage
05/28/2024	A	35	0
04/23/2024	A	28	0
03/26/2024	A	28	0
02/27/2024	A	28	0
01/30/2024	A	34	0
12/27/2023	A	29	0
11/28/2023	A	35	0
10/24/2023	A	28	0
09/26/2023	A	28	0
08/29/2023	A	35	0
07/25/2023	A	28	0
06/27/2023	A	27	0

New Charges - ACTUAL READ	
PEU CONSUMPTION 0 CCF @ \$9.50	\$0.00
PEU MTHLY MTR 5/8"	\$22.56
PEQCP	\$1.42

CURRENT CHARGES ARE DUE BY: 07/29/2024

NHPUC ORDER FOR FINANCING FROM COBANK, ABC APPROVED NISION 7/19/24.

THE ORDER CAN BE VIEWED AT THE FOLLOWING URL:

<https://PENNICHUCK.COM/DW-24-064-27037/>

Current Charges	\$23.98
New Balance	\$23.98

This bill includes a Qualified Capital Project Adjustment Charge (QCPAC) of 6.31%. For additional information regarding the QCPAC charge please refer to the back of your bill

Detach and return this portion with your payment.

PLEASE DO NOT FOLD OR STAPLE

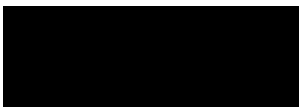
PENNICHUCK
PO Box 428 Nashua, NH 03061-0428

Account Number	Division	Bill Date	Pay on or Before	Total Due
100202201 - 40694	HARVEST VILLAGE	07/04/2024	07/29/2024	\$23.98

The 2024 Annual Water Quality Report is now available on-line at www.pennichuck.com/CCR-J9.pdf

AMOUNT ENCLOSED

FOR SERVICE AT: [Redacted]



The 2024 Annual Water Report is available electronically at the url indicated above, however, if you would prefer a paper copy mailed to your home, please check this box

Please make checks payable to Pennichuck Water

[Redacted] 00040694 00002398

IMPORTANT

APPLICABLE RATES, RULES AND REGULATIONS UNDER WHICH SERVICE IS FURNISHED ARE ON FILE AT THE OFFICE OF PENNICHUCK WATER WORKS. COPIES MAY BE OBTAINED UPON REQUEST.

CUSTOMER OF RECORD WILL BE CHARGED FOR ALL WATER PASSING THROUGH THE METER. IF WE ARE UNABLE TO GAIN ACCESS TO READ THE METER, THE BILL WILL BE ESTIMATED FOR THE BILLING PERIOD.

FOR AN EXPLANATION OF THE CHARGES ON YOUR BILL PLEASE VISIT OUR WEBSITE WWW.PENNICHUCK.COM OR CONTACT CUSTOMER SERVICE AT 800-553-5191

THE CUSTOMER OF RECORD MUST KEEP THE METER ACCESSIBLE FOR READING AND INSPECTION AT ALL TIMES. ANY METER DAMAGED THROUGH THE NEGLIGENCE OF THE CUSTOMER WILL BE REPAIRED AT THEIR EXPENSE.

PLEASE NOTIFY OUR OFFICE IMMEDIATELY UPON CHANGE OF OWNERSHIP OR MAILING ADDRESS. UNTIL THE OFFICE IS NOTIFIED, THE CUSTOMER OF RECORD IS RESPONSIBLE FOR ALL CHARGES.

IF THERE IS A MEDICAL REASON FOR NON-PAYMENT, A STATEMENT FROM YOUR PHYSICIAN WILL BE NECESSARY.

FOR YOUR CONVENIENCE, A MAIL SLOT IS LOCATED AT 25 WALNUT STREET, NASHUA, NH.

THE FIRST CONTACT FOR THE RESOLUTION OF ANY CONSUMER INQUIRY OR COMPLAINT SHOULD BE DIRECTED TO PENNICHUCK WATER WORKS.

**CUSTOMER SERVICE HOURS
MONDAY-THURSDAY 7:30 AM TO 7:00 PM
FRIDAY 7:30 AM TO 5:00PM**

24 HOUR SERVICE 800-553-5191

IMPORTANT NOTICE - YOUR RIGHTS

BY NH PUBLIC UTILITIES COMMISSION ORDER NO.14.411 YOU ARE ADVISED THAT YOU MAY BRING ANY COMPLAINT, PROBLEM, CONCERN OR COMMENT TO THE ATTENTION OF THE CONSUMER ASSISTANCE DEPARTMENT AT THE PUBLIC UTILITIES COMMISSION BY CALLING 1-800-852-3793 or 603-271-2431, BY MAIL TO 21 S. FRUIT STREET, SUITE 10, CONCORD, NH 03301-2429, OR LOG ONTO THEIR WEBSITE AT WWW.PUC.NH.GOV

QCPAC Explanation: Your current bill includes a Qualified Capital Project Adjustment Charge. This charge covers the costs of infrastructure replacements and improvements completed to insure the reliable delivery of water to you that meets all the water quality standards of the Safe Drinking Water Act. Further information may be obtained from our website www.pennichuck.com or by contacting our customer service department at 1-800-553-5191.

Authorization Agreement for Direct Payments (ACH Debits)

Company Name: _____ Pennichuck Account #: _____
I (we) hereby authorized Pennichuck Water, hereinafter called the Company, to initiate debit entries to my (our): _____ Checking Account _____ Savings Account indicated below and financial institute named below, and to debit the same to such account.
Financial Institute Name: _____ Branch: _____
City: _____ State: _____ Zip: _____
Routing #: _____ Account #: _____

This authorization is to remain in full force and effect until at such time I decide to discontinue this payment service and have notified the Company in such a manner as to afford the Company a reasonable Opportunity to act on it.

Name: _____ Date: _____

Signature: _____ Daytime Phone #: _____

Please call Customer Service with any questions 800-553-5191

DIRECT PAYMENT WILL NOT BE EFFECTIVE FOR THIS BILL. PLEASE REMIT PAYMENT AS USUAL