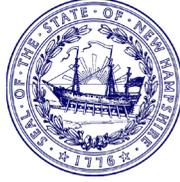


STATE OF NEW HAMPSHIRE

COMMISSIONER  
Jared S. Chicoine

DEPUTY COMMISSIONER  
Christopher J. Ellms, Jr.



TDD Access: Relay NH  
1-800-735-2964

Tel. (603) 271-3670

Website:  
[www.energy.nh.gov](http://www.energy.nh.gov)

DEPARTMENT OF ENERGY  
21 S. Fruit St., Suite 10  
Concord, N.H. 03301-2429

October 2, 2024

Daniel C. Goldner, Chairman  
New Hampshire Public Utilities Commission  
21 South Fruit Street  
Concord, NH 03301

Re: DW 24-089; Petition for Approval of Financing for Upgrades to Nashua Water Treatment Facility; Technical Statement of Anthony J. Leone, Department of Energy

Dear Chairman Goldner:

Enclosed for filing in this matter is the New Hampshire Department of Energy's (DOE) Technical Statement of Anthony J. Leone pursuant to the parties' agreed-upon proposed procedural schedule approved by the Public Utilities Commission ("Commission" or "PUC") on July 15, 2024. The Commission's July 15, 2024, procedural order also requested that the DOE's Technical Statement due on October 2, 2024, contain an analysis of whether Pennichuck Water Works, Inc.'s (PWW) proposed financing in this docket be considered "routine," citing *Pub. Serv. Co. of N.H.*, Order No. 25,050 (December 8, 2009); and *Appeal of Easton*, 125 N.H. 205 (1984) (*Easton*). The DOE's *Easton* analysis for PWW's proposed financing is included below.

Under RSA 369:1 and RSA 369:4, public utilities 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." Analysis of the public good involves reviewing the amount to be financed, the reasonableness of the terms and conditions, the proposed use of the proceeds, and the effect on rates. See *Appeal of Easton*, 125 N.H. 205, 211 (1984). The extent of the Commission's review of a financing request depends on whether or not the financing is considered routine. "[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. A routine financing request is one, "that will have no discernible impact on rates or deleterious effect on capitalization, [and] in which the funds are to enable numerous investments appropriate in the ordinary course of utility operations." *Pennichuck Water Works, Inc.*, Order 26,197 (December 3, 2018) at 4. See also *Hampstead Area Water Company, Inc.*, Order 26, 230 (March 29, 2019) at 7-8 (financing not routine; hearing required).

The DOE recommends that the Commission review PWW's proposed financing request as "routine." The projected impact on rates is minimal, with an estimated bill impact of \$1.35 per month for an average single-family residential customer. The proposed financing will not have a deleterious impact on the Company's current capital structure given that the Company was recapitalized as a debt-only Company, and therefore the impact of the additional debt from this financing on its overall capitalization would be negligible. Finally, the DOE does not disagree with the Company's assertion that the Company's stated purposes for the loan are appropriate and within the ordinary course of utility operations. The Company asserted in Data Request Response 3-5 that the purposes are within the ordinary course of Company operations because the replacement of the chemical feed system is necessary to align with PWW's goals "to produce and deliver a sufficient amount of water with adequate pressure to its customers." The loan is also necessary to build additional space to store chemicals needed to meet state and federal safe drinking water requirements. According to the Company, providing safe drinking water is the "overall goal" of Company operations. It is thus, the DOE's opinion that the proposed financing should be considered "routine" and subject to a more limited Commission review under *Easton*.

The enclosed Technical Statement contains the DOE's substantive analysis of the proposed financing, referencing the factors listed above. Based on its analysis, the DOE recommends the Commission find that the proposed financing is consistent with the public good as required by RSA 369:1, and approve PWW's request for financing in this docket.

With the filing of this letter and enclosed Technical Statement with attachment, the DOE believes a complete record has been provided for consideration by the Commission in this matter, pursuant to the DOE's purpose under RSA 12-P:2, IV.

Consistent with the Commission's current practices, this letter and accompanying Technical Statement with attachment are being filed only in electronic form.

Sincerely,

*/s/ Molly M. Lynch*

Molly M. Lynch  
Staff Attorney/Hearings Examiner  
Department of Energy

cc: Service List

ClerksOffice@puc.nh.gov  
anthony.j.leone@energy.nh.gov  
chris.countie@pennichuck.com  
donald.ware@pennichuck.com  
douglas.brogan@gmail.com  
Energy-Litigation@energy.nh.gov  
George.Torres@Pennichuck.com  
hannah.marshall@pennichuck.com  
jay.kerrigan@pennichuck.com  
jayson.p.laflamme@energy.nh.gov  
jjs@rathlaw.com  
john.boisvert@pennichuck.com  
julia.gagnon@pennichuck.com  
lori.douglas@pennichuck.com  
Molly.M.Lynch@energy.nh.gov  
ocalitigation@oca.nh.gov  
paul.b.dexter@energy.nh.gov  
smw@rathlaw.com  
wfa@rathlaw.com