

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

DOCKET NO. DE 09-__

RE: AQUARION WATER COMPANY OF NEW HAMPSHIRE

Petition for Authority to Issue Promissory Note

Aquarion Water Company of New Hampshire (the “Company”) hereby petitions the New Hampshire Public Utilities Commission (the “Commission”) for authority, pursuant to RSA 369:1 and Puc 609.03, to issue a Promissory Note (the “Note”) in the aggregate principal amount of up to \$4,000,000. In support of its Petition, the Company states as follows:

1. Pursuant to Order No. 24,959 dated April 22, 2009, the Company is currently operating under a waiver of the short term debt limit set forth in N.H. Code of Admin. Rules Puc 608.05, authorizing a short term debt limit of 20% of its net fixed plant. By the terms of Order No. 24,959, the Company’s waiver will terminate on March 31, 2010.

2. In order to enable it to comply with N.H. Code of Admin. Rules Puc 608.05 upon expiration of the higher short term debt limit authorized in Order No. 24,959, the Company has obtained the agreement of its affiliate, Aquarion Company, Inc. to loan it up to \$4,000,000 for a five year term on an unsecured basis at a fixed interest rate of 4.62%.

3. The Company is seeking to consummate the loan from Aquarion Company effective January 1, 2010.

4. For the reasons set forth above, the proceeds of the Note are proposed to be used to refinance a portion of the Company’s existing short-term indebtedness, thereby freeing up additional short term borrowing capacity for the Company’s ongoing short term borrowing needs, including but not limited to the Company’s ongoing construction program. As a result of the

loan, the Company's level of short-term debt would be reduced from 16.85% of its net fixed plant to 1.18% of its net fixed plant.

5. The existing short-term borrowings incurred by the Company were used to primarily to fund ongoing capital improvements to its water systems, including the replacement of the Mill Road standpipe, totaling \$1,481,336.

6. The proposed financing and its effect on the Company's finances is set forth in more detail in the prefiled testimony of Donald J. Smiarowski, which is being filed contemporaneously with this petition.

7. Aquarion believes, and therefore states, that the proposed financing is in the public interest.

WHEREFORE, the Company respectfully requests that the Commission:

A. Authorize the Company to borrow up to \$4,000,000 for a term of up to five years at a fixed interest rate of 4.62% per annum as set forth in this petition and the pre-filed testimony of Donald J. Smiarowski, including but not limited to the issuance of the Note; and

B. Grant such other relief as may be consistent with the public interest.

Respectfully submitted,

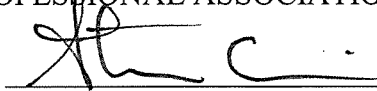
AQUARION WATER COMPANY OF NEW
HAMPSHIRE

By its Attorneys,

McLANE, GRAF, RAULERSON & MIDDLETON,
PROFESSIONAL ASSOCIATION

October 8, 2009

By:



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Certificate of Service

I hereby certify that a copy of the foregoing Petition has been forwarded this 8th day of
October, 2009 to Meredith A. Hatfield, Esq., Consumer Advocate.

