

STATE OF NEW HAMPSHIRE  
THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

HAMPSTEAD AREA WATER COMPANY, INC

DW 16-000

PETITION FOR APPROVAL OF FINANCING

The Petitioner, Hampstead Area Water Company, Inc. (the Company), respectively petitions the N.H. Public Utilities Commission (Commission) for approval of financing replacement financing with Pentucket Bank. In support of this Petition, the Company says:

1. The Company is presently franchised in most areas of Hampstead and Atkinson, New Hampshire, and has franchised satellite systems in various towns in Rockingham County (see Schedule A, attached).
2. That HAWC currently has two loan outstanding with TD Bank, N.A. The first was originally in the amount of \$1,369,153 which was approved by the Commission in docket DW-11-143. The second was originally in the amount of \$1,200,000 which was approved by the Commission in docket DW-11-162.
3. That the Company will be borrowing \$2,125,929, more or less, from Pentucket Bank to refinance both loans and consolidating them into one loan.
4. That the Company will be refinancing the balances as of September 12, 2016, the date when the TD Bank, N.A. loans mature. As per the attached Term Sheet from Pentucket Bank, (Exhibit 1) the refinancing will be for a Fifteen(15) year maturity over a Fifteen(15) year amortization period with an interest rate of 3.25% fixed for the first 5 years. The interest rate will be adjusted every 5 years to 225 basis points above the Five (5) year Federal Home Loan Bank of Boston Rate.

5. In support of the replacement financing request for the Pentucket Bank loan, the

Company says:

- a. That Pentucket Bank terms are 3.25% fixed for 5 years, then adjusted every 5 years (FHLBB +2.25%). (FHLBB is Federal Home Loan Bank of Boston).
- b. The terms for the Pentucket Bank financing are more favorable to the Company than staying with TD Bank, N.A. TD Bank's interest rate was FHLBB +1.50% - to be fixed 3 days before closing. As of June 1, 2016 that rate would be 3.34% but would be subject to change before the closing. TD Bank, N.A. was also only offering a 10 year note.

6. It would be in the public good for the Company to have approval of the replacement financing request. The Company provides the following in support:

- a. It will little or no effect on the Company's capital structure
- b. It will lower the interest rate and the annual interest expense
- c. This will potentially lower the rate of return, the revenue requirement and rates in a future rate case.

7. See the Pre-filed Testimony of Stephen St. Cyr and financial schedules in support of the financing request, attached as Exhibit 2.

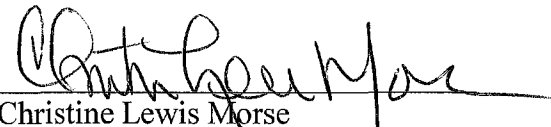
WHEREFORE your Petitioner prays:

- A. That the Commission find that it would be in the public good for the Company to be permitted to refinance the TD Bank loans , as proposed;
- B. That the Commission find that it would be in the public good for the Company to be permitted to enter into the replacement financing with Pentucket Bank, as proposed;

- C. That the Commission, by appropriate order, grant the Company permission to enter into the replacement financing with Pentucket Bank, as proposed;
- E. That the Commission make such further findings and orders as may be appropriate on the circumstances.

Dated the 7<sup>th</sup> day of June, 2016

Respectfully submitted,  
HAMPSTEAD AREA WATER COMPANY, INC.

  
Christine Lewis Morse  
Vice President