

# RATH YOUNG PIGNATELLI

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February 2, 2018

## VIA HAND DELIVERY AND ELECTRONIC MAIL

Ms. Debra A. Howland, Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301-2429

**Re: DW 17-183; Pennichuck Water Works, Inc.  
Petition of Pennichuck Water Works, Inc. for Financing Approval**

Dear Ms. Howland:

I am writing to provide an update on Pennichuck Water Works, Inc.'s ("PWW") Petition for this docket. As was described in Mr. Goodhue's testimony, the term sheet for the Fixed Asset Line of Credit ("FALOC") that was filed with the Petition for approval would "have a first security interest in the accounts receivable and inventory of PWW, as well as a pledge of PWW's stock (owned by Pennichuck Corporation), and will be cross-defaulted with all debt obligations of PWW, as well as the Line of Credit with TD Bank, NA at Pennichuck Corporation...." See November 29, 2017 Petition, Bates PWW0022.

Since the filing of the Petition, PWW has been working with the lender to obtain more favorable terms with the FALOC. As a result of those discussions, TD Bank is proposing to modify the cross-default term:

such that the cross-default language would only modify and clarify the requirements of the cross-default. The modification would specify that the cross-default would in essence be a unilateral mechanism, such that a default on the FALOC would cause a default up to the Pennichuck Corporation Revolver, but would not have a cross-default mechanism which would apply down from the other proposed debt facilities at Pennichuck Corporation and/or its other subsidiaries, into PWW, and therefore a default in any debt facility to be provided by TD Bank, outside PWW, would not trigger a default on the facility proposed to PWW.

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Debra A. Howland, Executive Director

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See Attachment A, January 30, 2018 letter from George Mandt, Vice President of TD Bank to Larry Goodhue. In order to keep the Commission and service list apprised, , PWW is filing an original and six copies of this letter and the enclosure as supplemental information to the Petition filed on November 29, 2017. A copy will also be served on the service list for this Docket.

Please contact me if there are any questions about this filing.

Very truly yours,

A handwritten signature in black ink, appearing to read "Richard W. Head", written over a large, stylized, looping flourish.

Richard W. Head

Enclosure

Copy: Service List