

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 24-065

UNITIL ENERGY SYSTEMS, INC.

2024 Default Service Solicitations

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On April 19, 2024, Unitil Energy Systems, Inc. (UES) filed a notification of its proposed 2024 default energy service solicitations schedules. The schedules indicate the dates for: (1) the issuance of requests for proposals (RFPs) for power supply; (2) the submission of indicative and final bids; (3) the filing of proposals with the Commission; and (4) the issuance of the anticipated Commission orders on petitions for approval. UES provided the applicable information for the six-month Default Service period beginning August 1, 2024 and the six-month Default Service period beginning February 1, 2025. The initial filing and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2024/24-065.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

UES conducts its default service solicitations pursuant to the process approved by the Commission in Orders Nos. 24,511 (September 9, 2005) and 24,921 (December 12, 2008), as modified by Order No. 25,397 (July 31, 2012), Order No. 26,679 (September 9, 2022), and Order No. 26,973 (March 15, 2024). Pursuant to a Commission directive in Order No. 26,910 (December 8, 2023), UES submitted certain modifications to the default service solicitation process for its non-G1 customer groups, which introduced an ISO-New England direct market procurement feature,

and the Commission approved this proposal in Order No. 26,973, issued in Docket No. DE 23-054.

In Order No. 25,397, as modified by Orders Nos. 26,679 and 26,973, the Commission approved UES's proposal to conduct its energy service procurement process as follows: (1) the default service period for customers taking energy service supply from UES begins on August 1 and February 1 of each year; (2) for G1 (large commercial and industrial) customers, pricing is based on variable monthly prices and solicitations occur every six months; and (3) for non-G1 (residential, small commercial, and outdoor lighting, *e.g.*, residential Rate 'D', small commercial Rate 'G2', and outdoor lighting Rate 'OL') customers, solicitations occur every six months, and pricing results in fixed monthly rates for the six-month period. *See* Order No. 26,910 at 2-6.

For the non-G1 customer groups, as established by Order No. 26,973, UES's RFP process would be used to procure fixed-price, full-requirements-for-service contracts with wholesale suppliers for 90 percent of its non-G1 load requirements. Order No. 26,973 at 3. UES would procure the remaining 10 percent of non-G1 load requirements via the self-supply, market-based procurement process, whereby UES would make direct purchases and settlement in the ISO-New England real-time markets. *Id.* UES would still set its non-G1 Default Service rates with fixed, six-month rates, with the rate reflecting a weighted average of the actual monthly requirements-contract prices over the future six-month period, plus an estimate of the costs of market-based supply (*i.e.*, a 'proxy price') derived from NYMEX futures prices for ISO-New England market power supply. *Id.* at 3-4.

For G1 customers, UES solicits variable pricing that passes through energy costs in the form of real-time locational market prices for the New Hampshire Load Zone, together with fixed monthly adders incorporating capacity costs and ancillary

costs as well as a margin of profit for the wholesale supplier serving this load. Order No. 25,397 (July 31, 2012) at 4-6.

On May 7, 2024, UES issued an RFP for default service power supply for the six-month period beginning August 1, 2024. UES will file a petition requesting approval of this solicitation on June 7, 2024, and has requested that the Commission issue a dispositional order by June 14, 2024. (UES expects to issue the second RFP on November 5, 2024 for the six-month period beginning February 1, 2025).

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: whether UES's power supply procurement process is consistent with RSA 374-F:3, V(c)-(e) and Orders Nos. 24,511, 24,921, 25,397, 26,679 and 26,973; and whether the resulting rates are just and reasonable as required by RSA 374:2, RSA 378:5, and RSA 378:7. Also, the Commission will assess potential improvements to the proxy-price development methodology for the market-based 10 percent procurement tranche for the non-G1 customer groups, including additional market-based tranches in future default service energy procurements, and the potential extension of an ISO-New England market-based procurement component to the G1 customer group in the next default service energy procurement rounds. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's

Clerk's Office no later than fifteen (15) days prior to the hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA chapter 541-A, RSA 374-F:3, V(c)-(e), RSA 374:2, RSA 378:5, and RSA 378:7, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on June 11, 2024, at 9:00 a.m. Three hours shall be allotted for this hearing; and it is

FURTHER ORDERED, that the New Hampshire Department of Energy shall file its position regarding UES's petition, including the reasons for this position, on or before June 4, 2024; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to UES and any other parties on the service list, on or before May 24, 2024. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before May 31, 2024; and it is

FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

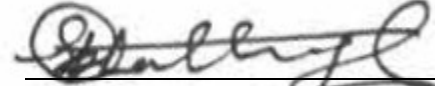
FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, UES shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before May 14, 2024. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

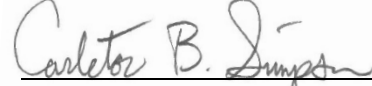
So ordered, this eighth day of May, 2024.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

Service List - Docket Related

Docket#: 24-065

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