

BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

UNITIL ENERGY SYSTEMS, INC.
Petitioner

DOCKET NO. DE 11-____

PETITION TO INCREASE STORM RECOVERY ADJUSTMENT FACTOR

NOW COMES Unitil Energy Systems, Inc. (“UES” or “the Company”), by and through its undersigned attorney, and respectfully petitions the New Hampshire Public Utilities Commission (“the Commission”) for approval of:

1) UES’s proposal to increase its Storm Recovery Adjustment Factor (“SRAF”) effective May 1, 2012 to recover the costs associated with Tropical Storm Irene, which occurred in August 2011, and the Snow Storm, which occurred in October 2011. UES proposes to recover these costs over a three year period with carrying charges calculated at the Company’s overall cost of capital; and

2) UES’s revised tariff, Schedule SRAF.

In support of its Petition, UES states the following:

Petitioner

UES is a New Hampshire corporation and public utility primarily engaged in the distribution of electricity in the capital and seacoast regions of New Hampshire.

Background

1. On August 28, 2011, Tropical Storm (TS) Irene caused extraordinary damage across New Hampshire, including a substantial amount of damage to UES’s electric system. The tropical storm brought sustained winds between 35 and 40 miles per hour (mph) and wind gusts upwards of 60 mph and more than three inches of rainfall. The event

lasted well into the afternoon with winds diminishing throughout the day, although a second peak of lessened wind gusts was reported in the early evening hours.

2. At the peak of TS Irene's impact on the UES service territory on August 28th, about 31,355 customers (42% of the Company's electric customers) were without power, while over the course of the restoration effort about 42,300 customers experienced interruptions. UES completed restoring all storm-impacted customers by the evening of Monday, August 29th – a time period of 36 hours after the effects of Irene were initially felt.
3. UES estimates that it incurred approximately \$2,478,000 of incremental, storm-related emergency costs to respond to TS Irene.
4. On October 29-30, 2011, New England was impacted by the October Snow Storm, a severe nor'easter that deposited significant amounts of heavy wet that fell on trees often still in leaf, adding extra weight to the trees and branches which collapsed and caused significant damage to UES's electric system. The October Snow Storm brought wind gusts of 30 mph with between 19-25 inches of snow falling in the UES service territory.
5. The peak of the October Snow Storms' impact on UES's service territory occurred at approximately 2:00 a.m. on Sunday, October 30th with 51,262 customer (69% of the Company's customers) without power. UES restored power to 99 % of its affected customers in 72 hours with the remaining individual customers restored by 6 a.m. on Wednesday, November 2nd.

UES estimates that it incurred approximately \$3,090,000 of incremental, storm-related emergency costs related to the October Snow Storm.

Description of Exhibits

Attached to this Petition are the following Exhibits:

Exhibit LMB-1: Testimony and Schedules of Laurence M. Brock.

Exhibit KMA-1: Testimony and Schedules of Karen M. Asbury.

Exhibit RLF-1: Testimony and Schedules of Richard L. Francazio.

Proposed Adjustment to the SRAF

Pursuant to the Settlement Agreement approved by the Commission in DE 10-055, the Company has in place a SRAF surcharge which provides for the recovery of the December 2008 ice storm and February 2010 wind storm costs. The Settlement Agreement also granted UES a Storm Reserve, to allow for the recovery of costs associated with qualifying major storms. The Storm Reserve, however, was not designed to include low frequency storms that are extraordinary in magnitude, such as these two storms. If the costs of these storms, which are estimated to be \$5.6 million, were added to the reserve, the reserve would be in a significant deficit. Accordingly, the Company is proposing to recover these costs through an adjustment to its SRAF.

Proposed Tariffs

UES's proposed tariff (for informational purposes only) is included with this filing and is provided in redline as Schedule KMA-2 attached to Exhibit KMA-1. UES requests approval of this proposed tariff change. This tariff page is being filed for

informational purposes at this time since the amounts reflect estimates. The Company will file a final Schedule SRAF in a compliance filing as directed by the Commission.

Proposed Rate Calculations

Page 1 of Schedule KMA-1 shows the calculation of the estimated rate based on an annual levelized cost divided by actual kWh sales for the most recent 12 month period ending October 31, 2011.

Bill Impacts

Schedule KMA-3 provides typical bill impacts associated with UES's proposal. Based on the estimated increase to the SRAF of \$0.00174 per kWh, a residential customer on Default Service using 600 kWh will see a bill increase of \$1.04 or 1.2%.

Request for Approvals

UES respectfully requests that the Commission:

1. FIND that TS Irene and the October Snow Storm qualify as major storms;
2. FIND that the costs the Company is seeking recovery of, including its costs of planning and preparation activities in advance of the storms, and its restoration activities after the storm, are just and reasonable;
3. FIND that UES's proposal for recovery of its storm-related restoration costs through the SRAF is reasonable;
4. GRANT APPROVAL of the tariff changes requested herein.
5. ISSUE a final order in time to allow the requested tariff change to become effective on May 1, 2012

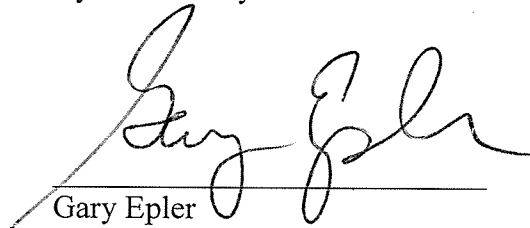
Conclusion

For all of the foregoing reasons, UES requests that the Commission grant it the approvals requested in this Petition, and for such other relief as the Commission may deem necessary and proper.

Respectfully submitted,

UNITIL ENERGY SYSTEMS, INC.

By its Attorney:

A handwritten signature in black ink, appearing to read "Gary Epler", is written over a horizontal line.

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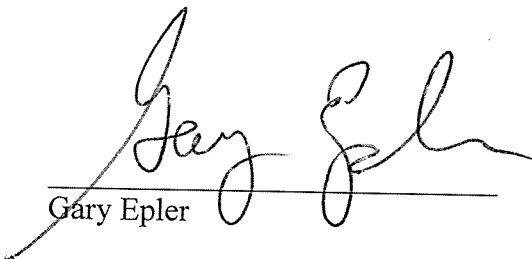
December 16, 2011

CERTIFICATE OF SERVICE

I certify that I have caused copies of Unitil Energy System's, Inc., "Petition to Increase Storm Recovery Adjustment Factor" to be served on the following parties or individuals:

Meredith Hatfield, Consumer Advocate (by Hand-Delivery)
Office of Consumer Advocate
21 S. Fruit Street, Suite 18
Concord, NH 03301-2429

Dated at Hampton, New Hampshire this 16th day of December, 2011.



Gary Epler