Unitil

April 29, 2016

NHPUC 29APR'16PM2:37

BY HAND-DELIVERY AND E-MAIL

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit St, Suite 10
Concord, N.H. 03301-2429

Re: DE 16-384 Unitil Energy Systems, Inc.
Filing of Rate Schedules

Dear Director Howland:

Pursuant to N.H. Admin. Rules Puc 1600 *et seq.*, Unitil Energy Systems, Inc. ("Unitil Energy") hereby submits to the New Hampshire Public Utilities Commission ("the Commission") an original and six (6) copies of its filing in support of its request for a rate increase.

Since its last base rate case filed in 2010, the growth of Unitil Energy's operating expenses and rate base have significantly exceeded growth in its sales and revenues. Despite its efforts to mitigate these cost increases, Unitil Energy has continued to experience earnings attrition and now requires rate adjustments to balance its revenues with its increased expenses and rate base.

This filing addresses the issue of earnings attrition and includes step adjustments within a 5-year Rate Plan relating to future rate base additions and programs to enhance service reliability and vegetation management. The change in permanent rates proposed for effect with service rendered on and after June 1, 2016 would increase Unitil Energy's total annual revenues by $6.26 million, which represents an increase of 3.6 percent above present rates.[1] Unitil Energy is also requesting implementation of temporary rates for service rendered on and after July 1, 2016, and until a final order on permanent rates is issued. The requested temporary rates will produce an increase in annual revenues of $3.01 million, or a 1.8 percent increase above present rates.

In addition to this cover letter, the enclosed filing consists of originals and six (6) copies of 2 volumes of tariffs, prefiled testimony and supporting schedules, and 1

[1] Present rates including Default Service rates effective December 1, 2015.

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separate volume of rate case materials as required by Puc 1604.01(a). Volume 1 of the filing includes: this cover letter; the Petition of Unitil Energy; revised NHPUC No. 3 tariff pages; a report on the proposed rate changes; a statement to be provided to customers; an attestation by an officer of Unitil Energy; and certain prefiled testimony and schedules. Volume 2 also contains the testimony and schedules of Unitil Energy's witnesses in support of the filing. The information required by Puc 1604.01(a) is included in the Volume entitled "Supplementary Filing Requirements."

An enclosed disc containing the filing in electronic format is submitted in accordance with Puc 203.03.

Unitil Energy respectfully requests that the Commission issue an order of notice and schedule a prehearing conference.

Thank you for your attention to this matter. Please do not hesitate to contact me directly if you have any questions or concerns.

Sincerely,

Gary Epler

cc: Donald Kreis, Consumer Advocate (2 copies)

UNITIL ENERGY SYSTEMS, INC.
DE 16-384
PETITION FOR RATE INCREASE

TABLE OF CONTENTS

VOLUME 1:	Page
COVER LETTER	
PETITION	
TARIFFS	
REPORT OF PROPOSED RATE CHANGES	
STATEMENT TO CUSTOMERS	
ATTESTATION BY OFFICER	
COLLIN TESTIMONY AND SCHEDULES	000001
MEISSNER TESTIMONY	000037
CLOSSON TESTIMONY	000067
CHONG TESTIMONY, SCHEDULES AND WORKPAPERS	000077
LONG TESTIMONY	000190
MAIN TESTIMONY AND SCHEDULES	000212
SPRAGUE TESTIMONY	000231
SANKOWICH TESTIMONY AND SCHEDULE	000259
DEBSKI TESTIMONY AND SCHEDULE	000286

VOLUME 2:	
HEVERT TESTIMONY AND SCHEDULES	000308
NORMAND TESTIMONY AND WORKPAPERS	000462
OVERCAST TESTIMONY AND SCHEDULES	000635

SUPPLEMENTARY FILING REQUIREMENTS