

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

UNITIL ENERGY SYSTEMS, INC.
PETITION TO IMPLEMENT NEW PERMANENT ELECTRIC RATES

Docket No. DE 16-384

Stipulation and Settlement Regarding Temporary Rates

This Stipulation and Settlement is entered into this 14th day of June 2016, by Unitil Energy Systems, Inc. (Unitil), the Office of Consumer Advocate (OCA), and the Staff of the Public Utilities Commission (Staff) (hereinafter referred to collectively as “Unitil, OCA and Staff”). This Stipulation and Settlement resolves all issues regarding Unitil’s request for temporary rates in this proceeding.

A. INTRODUCTION

On April 29, 2016, Unitil filed a petition for temporary and permanent rate increases, accompanied by the pre-filed written testimonies, schedules and work papers of Mark H. Collin, Thomas P. Meissner, Jr., David L. Chong, George E. Long, Jr., Daniel V. Main, Kevin E. Sprague, John F. Closson, Sara M. Sankowich, Douglas J. Debski, Robert B. Hevert, H. Edwin Overcast and Paul M. Normand. The petition for temporary rates requested a temporary increase in distribution service revenues for effect on July 1, 2016, of \$3.01 million, which would be a 5.8 percent increase above present distribution revenues and a 1.7 percent increase in overall revenues.

Representatives of Unitil, OCA, and Staff attended a technical session on June 1, 2016, and a settlement conference on the temporary rate petition on June 13, 2016, resulting in agreement on temporary rate issues, including agreement on a total annual temporary distribution service revenue level \$2,415,744 above the current revenue level. The settlement presented herein will result in an increase to distribution service rates effective with service rendered on and after July 1, 2016.

B. SETTLEMENT OF TEMPORARY RATE REQUEST

1. **Temporary Revenue Increase.** The proposed temporary revenue increase of \$2,415,744 will be collected by applying a uniform per kWh surcharge of \$0.00199 to all of Unitil's current rate schedules. The calculation of the temporary rate surcharge is shown on Attachment 1. The difference between temporary rates and permanent rates as approved by the Commission will be fully reconciled in accordance with RSA 378:29.

C. MISCELLANEOUS PROVISIONS

Unitil, OCA and Staff agree to the following miscellaneous provisions:

1. **Binding on Parties.** Unitil, OCA and Staff agree to support the terms and conditions contained herein. Unitil, OCA and Staff understand that this Stipulation and Settlement is subject to Commission approval. The Signatories acknowledge that in reaching this Stipulation and Settlement, Staff and the OCA have relied on Unitil's filing, discovery responses, and representations in settlement discussions.

2. **Integrated Terms of Settlement.** This Stipulation and Settlement represents an integrated resolution of issues concerning Unitil's request for temporary rates. Accordingly, the effectiveness of this Stipulation and Settlement is conditioned upon the Commission adopting this Stipulation and Settlement in its entirety, without condition or modification. If the Commission does not approve this Stipulation and Settlement in its entirety and without modification or condition, Unitil, OCA and Staff shall have an opportunity to amend or terminate this Stipulation and Settlement. If terminated, this Stipulation and Settlement shall be deemed withdrawn and shall not constitute a part of the record in any proceeding or be used for any purpose.

3. **Procedure.** Unitil, OCA and Staff shall cooperate in submitting this Stipulation and Settlement promptly to the Commission for approval so that it may be implemented on July 1, 2016. Unitil, OCA and Staff shall request that the Commission

consider this Stipulation and Settlement at the previously scheduled hearing on the merits to be held June 20, 2016, and shall make a witness or witnesses available as necessary to answer questions in support of this Stipulation and Settlement, or provide such other support as the Commission requests. Unitil, OCA and Staff agree to cooperate, in good faith, in the development of such other information as may be necessary to support and explain the basis of this Stipulation and Settlement and to supplement the record accordingly.

4. No Precedent. Unitil, OCA and Staff enter into this Stipulation and Settlement to avoid further expense, uncertainty and delay in undertaking the permanent phase of the case. By executing this Stipulation and settlement, neither Unitil, OCA nor Staff shall be deemed to have accepted or consented to the facts, principles, methods, or theories employed in arriving at the terms of the Stipulation and Settlement, and except to the extent expressly set forth in this Stipulation and Settlement, Unitil, OCA and Staff shall not be deemed to have agreed that such a Stipulation and Settlement is appropriate for resolving any issues in the permanent rate portion of this proceeding or in any other proceeding. Unitil, OCA and Staff are free to take different positions on any of the issues and/or adjustments included in this temporary rate settlement for purposes of determining permanent distribution rates or in other future proceedings.

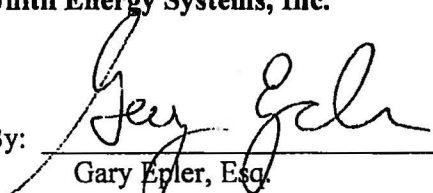
5. Confidentiality. This Stipulation and Settlement is the product of confidential settlement negotiations. The content of these negotiations, including any documents prepared during the course of such negotiations for the purpose of reaching a settlement, shall be privileged and all offers of settlement shall be without prejudice to the position of any party presenting such offer.

6. Execution. This Stipulation and Settlement may be executed by Unitil, OCA and Staff in several counterparts, through original and/or facsimile signature, and as executed shall constitute one agreement.

WHEREFORE, Unitil, OCA and Staff recommend that the Commission issue an order authorizing Unitil to increase its electric service rates on a temporary basis, pursuant to RSA 378:27, by \$2,415,744 annually effective for service rendered on or after July 1, 2016, in the manner specified herein.

Respectfully submitted,

Unitil Energy Systems, Inc.

By: 

Gary Epler, Esq.
Chief Regulatory Counsel
Unitil Service Corp.

Office of the Consumer Advocate

By: _____
Nicholas J. Cicale, Esq.
OCA Counsel

Staff of the Public Utilities Commission

By: _____
Suzanne Amidon, Esq.
Staff Counsel

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Unitil Energy Systems, Inc.
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Attachment 1

Temporary Rate Settlement

Temporary Rate Increase	\$2,415,744
Test Year kWh Sales	1,214,203,082
Temporary Rate \$/kWh	\$0.00199
\$ Impact on a 600 kWh residential bill	\$1.19