

State of New Hampshire
Public Utilities Commission

Unitil Energy Systems, Inc.
Docket No. DE 08-015
Response to Oral Information Requests

Data Request No. 1:

Please provide a detailed breakdown of the FG&E 900 hours associated with Default Service (by activity) and if available, the allocation between classes.

Response:

The FG&E 900 hours is based on actual time tracked by the Energy Contracts department for default service related activities in Job Order Numbers ("JON") 805.13 FG&E Portfolio Management and 301.04 Planning & Analysis – Electric for calendar year 2006.¹ JON 805.13 is the primary account used for working on Default Service and includes time developing/modifying the Request For Proposals ("RFP"), dealing with prospective bidders, negotiating the contracts, preparing the DPU support materials, managing the Default supplies, complying with the Renewable Energy Portfolio Standard, and processing invoices. A total of 1,080 hours was charged to this JON in calendar year 2006.

In preparing an update of the time spent on default service activities in FG&E's 2007 rate case, the Energy Contracts department reviewed the hours included in JON 805.13 and estimated that 227 of the 1,080 hours were related to external transmission issues (which, beginning in mid-2007, is tracked in a separate JON). The Energy Contracts department also determined that one employee's time spent working on RFPs was billed to JON 301.04 and therefore should be included in the total hours. There were 37 hours billed to that JON 301.04 for FG&E. Energy Contracts estimated that approximately 90%, or 33 hours, was spent working on RFPs. Hence, the Energy Contracts department spent 886 hours² working on default service activities in 2006.

For use in its rate case, FG&E broke these hours down into three categories specified by the Massachusetts Department of Public Utilities ("MDPU"). The three categories are 1) design and implementation of competitive bidding process, including evaluation of supplier bids and contract negotiations, and ongoing administration and execution of contracts with suppliers, including accounting activities necessary to track payments made to suppliers, 2) compliance with the MDPU's regulatory requirements, and 3) compliance with the Massachusetts Renewable Energy Portfolio Standard. FG&E put 656 hours in the first category, 200 hours in the second category, and 30 hours in the third category. However, these amounts were estimated. There is no detailed breakdown of the 886 hours as individual tasks are not tracked. These hours are not tracked by class either since the reconciliation of cost and revenue is performed for the company as a whole. The breakdown described above is used for presentation but does not have an impact on the total amount included in Default Service.

Person Responsible: Robert S. Furino

Date: April 2, 2008

¹ The 900 hour figure provided by UES was an approximate figure for discussion purposes. The actual amount is 886 hours as discussed in the response.

² 1,080 hours JON 805.13 – 227 hours JON 805.13 + 33 hours JON 301.04 = 886 hours.