

THE STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

DE 11-___

UNITIL ENERGY SYSTEMS, INC.

PETITION FOR DECLARATORY RULING AND APPROVAL OF
ADJUSTMENTS TO CERTAIN ACCOUNT BALANCES

NOW COMES Unitil Energy Systems, Inc. (“UES” or “the Company”), by and through its undersigned attorneys, and respectfully petitions the New Hampshire Public Utilities Commission (“the Commission”) for: 1) a declaratory ruling, pursuant to N.H. Code Admin. Rules Puc 207.01 and RSA 365:29 [Orders for Reparation], as to the time period to be used for calculating the Company’s reparation to a customer for over-collected charges for electric service; and 2) once the correct reparation time period and amount are determined, approval to adjust the account balances in the Company’s External Delivery Charge (“EDC”), Stranded Cost Charge (“SCC”), System Benefits Charge (“SBC”) and Non-G1 Default Service Charge, as described more fully below, in order to correct for this same over-collection. Adjusting these account balances would allow UES to recover from its customers the amount by which they benefited as the result of the above-referenced over-collection. In support of this Petition, UES states as follows:

1. On February 7, 2011, the Company learned that the electricity consumption of one of its larger customers had been incorrectly billed since September 10, 2004, the installation date of erroneously labeled current transformer (“CT”) equipment. The CT,

which had been mislabeled by the manufacturer, caused the Company to overcharge the customer for bills issued from October 2004 through January 2011. The amount of the customer's overpayment is calculated to be \$1,801,504. The breakdown of the over-collected amounts is as follows:

Distribution Charge:	\$185,663
Other Delivery Charges:	\$299,751
Supply Charges:	\$1,316,090

2. Once the above-described meter error was discovered, the Company took immediate steps to correct the problem by changing its existing billing procedures for this customer effective with the last meter reading that occurred on January 19, 2011. The Company also implemented other corrective measures, including a full meter test and tests of all CTs at the customer's other facilities to ensure that no other issues existed. The Company will also perform a full review of all its dual ratio CT installations within the next 12 months, prioritizing these by account size.

3. N.H. Code Admin. Rules Puc 305.05(c) provides:

Whenever, as the result of a test made by the utility, a watt-hour meter is found to have an average error greater than 2%, the company shall, except to the extent provided in (d) below, refund to the customer an amount equal to the charge for the excess kilowatt-hours billed for a period:

- (1) Equal to 1/2 the time elapsed since the last test; or
- (2) The time when the error first developed or occurred can be definitely fixed from that point.

RSA 365:29, in turn, provides "whenever a petition ... has been filed with the [C]ommission covering any ... charge ... collected by any public utility, and the [C]ommission has found, after hearing and investigation, that an illegal ... charge has been collected for any service, the [C]ommission may order the public utility to make due reparation to the customer...." The statute goes on to say that an "order for reparation

shall cover only payments made within 2 years before the earlier of the date of the commission's notice of hearing or the filing of the petition for reparation." That is to say, RSA 365:29 imposes a two-year limit on the period for which a refund may be ordered under Puc 305.05.

4. UES requests a declaratory ruling from the Commission confirming the time period for calculation of the refund under Puc 305.05 and RSA 365:29.

5. The Company requests that once the Commission determines the correct time period for which reparations should be made, as well as the refund amount to be paid to the customer for that period, the Commission authorize the Company to adjust the account balances in the Company's External Delivery Charge ("EDC"), the Stranded Cost Charge ("SCC"), the System Benefits Charge ("SBC") and the Non-G1 Default Service Charge, in order to correct for this over-collection.. These adjustments are necessary because, due to the erroneous overpayment, other customers' bills were artificially lower than they should have been. The Company, while collecting the over-billed amounts, did not retain or benefit from the majority of the over-collection, as the amounts were flowed through to third party suppliers for payment of energy supply, to the ISO-NE for payment of external delivery charges, and deposited into accounts for System Benefits Charge energy efficiency and low-income programs. Accordingly, an adjustment to the balances of these accounts is appropriate to bring them to the levels they would have been but for the over-collection, and to permit recovery from other customers the amounts by which they benefited as a result of the over-collection.

6. UES has calculated the refund due to the customer pursuant to RSA 365:29 as \$611,699.¹ This amount has been refunded to the customer, concurrent with the filing of this Petition. As a result of this refund, the Company requests approval to adjust the account balances in the Company's External Delivery Charge ("EDC") by \$65,198, the Stranded Cost Charge ("SCC") by \$20,548, the System Benefits Charge ("SBC") by \$14,222 and the Non-G1 Default Service Charge by \$386,350. Support for the calculation and timing of these adjustments is provided in Exhibit UES-1 and the accompanying schedules, which is attached to this filing.

7. The Company is willing to pay the full amount of the overcharge, from September 10, 2004 forward, provided that the Commission issues a final ruling (a) that such payment will not run afoul of the two-year limitation set forth in RSA 365:29 and (b) that the Company is authorized to adjust account balances for that entire period.

8. In accordance with N.H. Admin. Rule Puc 203.06 (c), and in lieu of an affidavit as contemplated by N.H. Admin. Rule Puc 207.01(b), the Prefiled Direct Joint Testimony of Ms. Karen Asbury, Mr. Justin Eisfeller and Mr. Robert Furino are submitted herewith as Exhibit UES-1, along with supporting Schedules. Please note that Schedule UES-1 contains Confidential information, and is provided in a separate sealed envelope. A redacted version has been attached hereto and a motion for protective treatment is enclosed.

WHEREFORE, UES respectfully requests that the Commission:

A. Expeditiously issue an order of notice scheduling a hearing upon the within Petition;

¹ This amount includes compounded interest, at the Prime Rate, for the period two years prior to the determination of the error (February 2011) through the filing of this Petition. The calculation of this amount is shown on Schedule UES-1, which accompanies this Petition.

B. Following a proceeding pursuant to N.H. Code Admin. Rules Puc 203, issue an order determining the time period to be applied for the reparation by the Company of over-charges for electric service, and authorizing the Company to make adjustments to the account balances described in this Petition and accompanying testimony; and

C. Grant such further relief as may be just and appropriate.

Respectfully submitted

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