



June 24, 2013

Debra A. Howland, Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



Re: DRM 12-039 Initial Comments

Dear Director Howland:

Please accept this letter as the initial joint comments of Northern Utilities, Inc. ("Northern") and Unitil Energy Systems, Inc. ("UES") (together, "Unitil") to the New Hampshire Public Utilities Commission's ("Commission") initial proposal for N.H. Code Admin. Rules CHAPTER Puc 1900. Rate Case Expenses. At this time, Unitil's comments are limited to two provisions of the Commission's initial proposal.

1. Proposed Puc 1905.01 requires utilities to provide updates to the Commission every 60 days on the amount of expense incurred, the total estimated for each service, as well as a description of the services rendered. Unitil does not believe that this requirement is reasonable, as it would require numerous, detailed filings during the pendency of the case. Rather than such frequent and detailed filings, Unitil suggests a more limited requirement to provide an updated estimate of such expenses (without a description of the services) one time prior to the start of hearings.
2. Proposed Puc 1907.01(a) provides that rate case expense is not recoverable where the matter "could have been performed by utility management and staff of the utility, based on their experience and expertise." Unitil submits that though it is reasonable for the Commission and parties to inquire as to whether and how the company determined that such matters be performed by outside consultants rather than internal resources where such resources were available, a blanket prohibition on recovery, such as proposed here, is not reasonable. It fails to take into consideration the myriad other demands on utility management and staff,

Gary Epler
Chief Regulatory Counsel
epler@unitil.com


6 Liberty Lane West
Hampton, NH 03842

T 603.773.6440 F 603.773.6640 www.unitil.com

and management's rights and obligations to its shareholders to manage and protect company resources, as well as its obligations to its customers to determine the most efficient and productive use of those resources. Unitil submits that the provisions of Puc 1904.02(b), as proposed, are sufficient to allow the Commission and parties to inquire as to the reasonableness of a utility management's determination to out-source certain tasks, and, when necessary, to exclude recovery where it is determined that such actions do not meet the "just and reasonable" standard of Puc 1904.02(a).

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions concerning these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler". The signature is fluid and cursive, with the first name "Gary" and the last name "Epler" clearly distinguishable.

Gary Epler
Attorney for Unitil