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Michael S. Giaino

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Debra A. Howland



PUBLIC UTILITIES COMMISSION

21 S. Fruit St., Suite 10  
Concord, N.H. 03301-2429

TDD Access: Relay NH  
1-800-735-2964

Tel. (603) 271-2431

FAX No. 271-3878

Website:  
[www.puc.nh.gov](http://www.puc.nh.gov)

October 30, 2019

NHPUC 30OCT'19AM10:01

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

RE: DE 19-043 Unitil Energy Systems, Inc.  
Step Adjustment and Proposed Changes to the Storm Recovery Adjustment Factor effective  
May 1, 2019  
FINAL Audit Report

Dear Ms. Howland:

Enclosed for filing please find an original and six copies of Staff's Final Audit Report in the above-captioned docket.

Unitil Energy Systems, Inc., (UES) (Company) filed a petition for approval of a 2019 step increase to reflect the recovery of 2018 capital additions in the amount of \$18,361,096 in accordance with the settlement agreement in Unitil's 2016 distribution rate case (Docket No. DE 16-384) and approved by the Commission in Order No. 26,007 dated April 20, 2017.

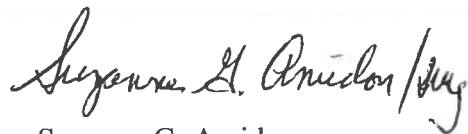
The Public Utilities Commission Audit Staff reviewed the 2018 capital additions identified in the Company's February 28, 2019 filing. In Audit Issue #1, it was recommended that UES "should reduce the ending plant balance of \$340,808,317 to reflect meter retirements not taken in the test-year. In addition, the ending accumulated depreciation figure of \$123,439,500 should also be reduced to reflect the increase in retirements."

Unitil accepted this recommendation, and filed on October 16, 2019, a revised Schedule TRD-1 to conform with the Audit recommendation.

Copies of this letter and attachment have been emailed to members of the service list.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne G. Amidon". The signature is fluid and cursive, with a large initial 'S' and a stylized 'A'.

Suzanne G. Amidon  
Staff Counsel

cc: Service List (electronically)

Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

donald.kreis@oca.nh.gov

epler@unitil.com

james.brennan@oca.nh.gov

kurt.demmer@puc.nh.gov

ocalitigation@oca.nh.gov

richard.chagnon@puc.nh.gov

suzanne.amidon@puc.nh.gov

tom.frantz@puc.nh.gov