BEFORE THE
STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 21-030

IN THE MATTER OF: UNITIL ENERGY SYSTEMS, INC.

REQUEST FOR CHANGE IN RATES

DIRECT TESTIMONY

OF

Elizabeth R. Nixon
Utility Analyst
New Hampshire Department of Energy

November 23, 2021

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Introduction

Q. Please state your full name.

A. My name is Elizabeth R. Nixon.

Q. By whom are you employed, and what is your business address?

A. I am employed by the New Hampshire Department of Energy (DOE) as a Utility Analyst in the Regulatory Support Division. My business address is 21 S. Fruit Street, Suite 10, Concord, NH 03301.

Q. Please summarize your education and professional work experience.

A. I joined the New Hampshire Public Utilities Commission (NH PUC or Commission) in August 2012 in the Sustainable Energy Division working on renewable energy issues. In August 2016, I became a Utility Analyst in the NH PUC's Electric Division, which is now DOE. Prior to the NH PUC, I was employed at the NH Department of Environmental Services, Air Quality Division, from 1999 until 2012, in various positions. Prior to joining the State, I worked as a consultant at ICF and AER*X, Inc. Throughout my career, I have focused on energy, environmental, and economic issues and analysis. I earned a B.S. in Mathematics from the University of Vermont. More details on my educational and professional background are provided in Attachment ERN-1.

Q. What is the purpose of your testimony in this proceeding?

A. My testimony provides comments and recommendations regarding Unitil Energy Systems, Inc. (Unitil or the Company) proposal regarding the electric vehicle incentive program and the electric vehicle supply equipment make-ready program and the Company's proposal for tracking and reconciling various costs in the EDC. In addition, I provide an overview of the testimony and recommendations provided by other witnesses for DOE.

Summary

Q. Please summarize your testimony.

A. In my testimony, DOE recommends the following:

- Regarding the electric vehicle (EV) incentive programs and alternative metering feasibility assessment, the Company proposes a rebate program for 500 controllable home chargers that will also be used to test alternative metering feasibility and to manage load. The Company proposes cost recovery on an accelerated basis through the EDC. DOE recommends a pilot program of 100 chargers for the rebate program and the testing of alternative metering feasibility. DOE recommends that these costs should be recovered through the EDC, but the increased revenues realized from the EVs over time must be considered to determine the net costs of the program.
- The Company proposes investing about $4 million over five years for make-ready EV Supply Equipment (EVSE) investments in rate base to be owned by the Company, representing 37 level 2 chargers and eight Direct Current Fast Chargers (DCFCs). DOE recommends scaling down the program to be similar to Eversource's proposal where they propose $2.1 million for five sites that receive Volkswagen funding. Similar to Eversource's proposal, DOE recommends no ownership of the equipment and no placement in rate base. Scaling down to Eversource's proposal, DOE recommends the Company provide an incentive for EVSE infrastructure for a more limited number (possibly two) of DCFC. DOE refers to the National Grid's pole-attachment model, which reduces make-ready costs by 70% as a reasonable approach to deployment of a limited number (possibly 12-20) of level 2 chargers in Unitil's service area. DOE also recommends that the costs of the EVSE along with the increased revenues from EV

charging over time be considered together to calculate a net cost, with possible recovery in a deferred account in the next rate case.

- The Company has proposed to track and reconcile several items in the EDC. DOE recommends the following regarding these items:
    - 2021 waived late payment fees - No recovery since this would be a post test-year adjustment and the amount may not be representative of a typical year's late payment fees because of the COVID-19 pandemic.
    - Deferred Calypso communication charges – Normalize the Calypso costs based on the four-year average from 2017 to 2020 and include that amount in base rates as part of the communication expenses without any reconciliation. Further, as proposed by the Company, recover the deferred Calypso costs from 2017 to 2020, in the amount of $73,160, in the EDC.
    - Incremental wheeling revenues – Remove the test year revenues of $49,952 as the wheeling agreement has ended, and require the Company to notify the Commission, DOE, and Office of Consumer Advocate, if wheeling revenues (or any revenues related to these generators) is realized to determine how to handle the revenues.
    - Riverwoods master meter plan – Do not make adjustments to test year revenues and billing determinants at this time because these are post test-year adjustments and the final details are unknown, but appropriately address the change in residential and small commercial customer counts and the corresponding revenue impacts if the project is completed. These customer count and revenue

adjustment issues may also be relevant to any revenue decoupling mechanism that is approved.

- Distribution bad debt write-offs – Do not track and reconcile in the EDC or elsewhere because the anomalies for the test year are accounted for and the arrearage management program will also help to reduce late payments and reduce bad debts.
- Arrearage Management Program costs – Track the program costs (excluding personnel costs) in a deferred account using the prime rate on over/under balances and reconcile in the next rate case.

- My testimony also includes an attachment with DOE's testimony of Dr. Sanem Sergici from The Brattle Group that was provided in the statewide electric vehicle rate design docket DE 20-170.[1] I include Dr. Sergici's testimony again here as Unitil's witnesses provided a copy of their testimony in both this docket and the statewide EV docket. Dr. Sergici proposes changes to the TOU rates for separately-metered electric vehicles and provides an illustrative high demand draw electric vehicle TOU rate.

Q. Please summarize the testimony of the other witnesses for DOE.

A. Below is a summary of the testimony for each witness for DOE in this proceeding:

- Jay Dudley, Utility Analyst, NH Department of Energy, recommends disallowances in rate base for plant in service (including investments in the new Exeter facility and work conducted in Concord and Hollis) of about $12.8 million (excluding associated adjustments in depreciation expenses, taxes, and net operating income).

[1] See Attachment ERN-2.

- Stephen Eckberg, Utility Analyst, NH Department of Energy, provides testimony regarding depreciation, where he recommends the use of the whole life depreciation method to be consistent with precedent, instead of the remaining life method presented by the Company. Not taking into account any adjustments recommended in Mr. Dudley's and Ms. Mullinax's testimonies, Mr. Eckberg recommends that the reserve imbalance of $7.65 million be amortized over five years resulting in a return of approximately $1.53 million per year for 5 years. He also addresses DOE's recommendation regarding cash working capital as it relates to Unitil's transmission costs and transmission-related operating costs because the lead/lag study Unitil submitted in this case provides the framework for this calculation.
- Richard Chagnon, Assistant Director of Electric, NH Department of Energy, recommends that the storm resiliency program (SRP) end in 2022 as originally scheduled, instead of continuing as the company proposed. In addition, DOE proposes that the EDC continue to be the proper annual reconciliation mechanism for actual REP and VMP expenses. DOE disagrees with the Company's proposal to include VMP costs ($989,500) that have previously been billed annually to joint pole owners (JPOs) to now be included in base rates and then reimburse ratepayers via the EDC if and when the JPOs pay the amount owed. DOE recommends the removal of the $989,500 from base rates associated with the reimbursement from the JPOs, as this keeps the risk of potential nonpayment of these costs on the Company, rather than on ratepayers.
- Amanda Noonan, Director of Consumer Services, NH Department of Energy, recommends approval of the Arrearage Management Program (AMP), with a few

modifications for eligibility and reporting for consistency with a similar electric utility program in New Hampshire. To align with the other program in the state, DOE proposes that, for a customer to be eligible to participate, the past due account balance must be greater than or equal to $150 rather than the Company proposal of $300.

- J. Randall Woolridge, Professor of Finance at Pennsylvania State University, provides testimony on the cost of capital, including the capital structure; the cost rates for short-term debt, long-term debt and preferred stock; and the return on equity. Professor Woolridge proposes the cost of capital shown in Table 1 below. Professor Woolridge proposes the use of the end of test year capital structure instead of the five-quarter average proposed by the Company. In addition, Professor Woolridge recommends the inclusion of short-term debt, because the Company typically uses short-term debt to finance its operations. Professor Woolridge recommends a return on equity of 8.75% based on the current market conditions. The resulting weighted average cost of capital (WACC) is 6.69%.

Table 1. Cost of Capital

Capital Source	Capitalization Amounts	Capitalization Ratios	Cost Rate	Weighted Cost Rate
Short-Term Debt	**18,066,524**	**7.82%**	**1.69%**	**0.13%**
Long-Term Debt	**106,500,000**	**46.08%**	**5.49%**	**2.53%**
Preferred Stock	**188,700**	**0.08%**	**6.00%**	**0.00%**
Common Equity	**106,351,928**	**46.02%**	**8.75%**	**4.03%**
Total Capital	**231,107,152**	**100.00%**		**6.69%**

- Donna Mullinax of Blue Ridge Consulting Services, Inc. addresses the Company's revenue requirement and revenue deficiency and the impact of DOE's proposed adjustments. Ms. Mullinax's testimony shows that DOE's adjusted rate base of

$207,390,775 (compared to Unitil's proposal of $226 million) along with the revised cost of capital results in a revenue deficiency of $1,024,717 compared to the Company's deficiency of $11,992,392 as filed.

- Jason Ball of Transform Consulting, LLC critiques the Company's cost of service study and proposes to use the basic customer method for allocating the revenue requirements across customer classes rather than the minimum system method proposed by the Company. Mr. Ball recommends that no increases be applied to the G2 customer class and the lighting classes because these classes appear to be generating revenues in excess of their costs to serve. In addition, the outdoor lighting class is transitioning to LED. He also proposes a decrease to the customer charges.
- Larry Blank of Transform Consulting, LLC does not believe that the Company provided adequate justification for the use of the proposed revenue decoupling mechanism. Dr. Blank explains the benefits and drawbacks of revenue decoupling that should be considered. If a revenue decoupling mechanism is approved, Dr. Blank recommends changes to the proposed revenue decoupling rate design. He also proposes changes to the LED lighting tariffs and the whole house time-of-use (TOU) rate design.

Q. Did Unitil request a temporary increase in distribution revenues and rates in this proceeding?

A. Yes. Unitil requested a $5,812,761 temporary increase in distribution revenues in its April 2, 2021 filing. In Order No. 26,484, issued on May 27, 2021, the Commission approved the settlement agreement allowing for a temporary increase in distribution revenues of $4,451,667, effective June 1, 2021, subject to reconciliation with a final decision on permanent rates. The temporary distribution revenue approved by the Commission represents a 7.7% increase above current distribution revenue levels based upon distribution rates effective May 1, 2021.

Q. Please summarize Unitil's request for a permanent increase in distribution revenues and rates and DOE's recommendation regarding Unitil's proposal.

A. Unitil requested a total permanent distribution revenue increase of $11.9 million in its filing on April 2, 2021. DOE is recommending a total distribution revenue increase of approximately $1.0 million above distribution revenues using rates effective on May 1, 2021. DOE's recommendation is a decrease of $3.4 million from the temporary increase approved. DOE's recommendation results in an increase in distribution revenues of 1.73% from the distribution revenues using rates effective May 1, 2021 compared to the Company's proposed increase in permanent rates of 20.65% from the distribution revenues using rates effective May 1, 2021.

Electric Vehicle Rebate Incentive Program and Make-Ready Infrastructure Investment

Q. Please describe the Company's proposal for the residential behind-the-meter electric vehicle supply equipment (EVSE) installation and incentive program.

A. The Company proposed a rebate program for 500 controllable home chargers that will also be used to test alternative metering feasibility.[2] The Company proposes to offer rebates of up to $600 per charger and to recover costs of the program on an annual basis through the EDC. The Company projects an overall cost of the program of $300,000 annually, which Unitil

[2] Pre-filed Direct Testimony of Carroll, Simpson, Valianti, Exhibit CSV-1, Bates 666-671.

calculates under the Granite State Test, would result in an "illustrative" benefit-cost ratio of 2.2:1.[3]

Through the program and related charging infrastructure, the Company also plans to assess the feasibility of using alternative metering, such as EVSE embedded meters, to collect utility-grade energy usage data for the purpose of studying whether it could be used for billing purposes at scale moving forward. In Massachusetts, the Department of Public Utilities is considering Phase III transportation electrification proposals in docket numbers DPU 21-90, 21-91, 21-92. Several industry stakeholders in those proceedings are advocating for TOU offerings that use vehicle telematics or EVSE-embedded metering, rather than a utility installed and owned meter, since they have observed that other jurisdictions have successfully provided such offerings.[4] Alleviating the need for the separate utility meter the Company has proposed within its TOU rate offering has the potential to significantly lower the customer rate, thereby encouraging enrollment.

Q. Please explain DOE's recommendation regarding the rebate incentive program.

A. DOE recommends the Company first perform a scaled-back pilot of 100 participants, consistent with the approximate scale of the Commission's previously approved pilot programs.[5] The pilot should be consistent with Unitil's overall metering feasibility assessment, but should not be limited to networked EVSE; it should also examine the potential for use of vehicle telematics as an alternative to the separate meter. Assessing those alternatives prior to ramping up the program would allow Unitil and its customers to

[3] *Id*. The Commission recently rejected the use of the Granite State Test in the energy efficiency docket (DE 20-092) in favor of a return to the Total Resource Cost test.
[4] See Attachment ERN-3.
[5] See DE 17-189, Order No. 26,209 (January 17, 2019) (Approving a battery storage pilot of up to 200 batteries, at up to 100 residences).

understand whether the cost of the additional utility-owned meter could be avoided, resulting in a more cost-effective TOU rate offering. Once the Company has determined whether the installation of an additional meter is necessary to deliver managed charging or TOU rate offerings, it should file a report to the Commission on the results of its assessment and propose a full program.

Q. Please explain the Company's proposal regarding make-ready EVSE infrastructure.

A. The Company proposes investing $4 million over five years for make-ready EVSE investments that the Company would recover in rate base as capital investments owned by the Company, representing 37 Level 2 charging sites and eight DCFC sites.[6] The Level 2 charger cost-per-site is estimated by the Company to be $77,143, representing five 19.2kW chargers (or ten charging ports) at each site. The HVDC cost-per-site is estimated by the Company to be $143,394, representing six 50 kW chargers (ports) at each site.

Q. Have any other utilities in the state made proposals regarding EVSE make-ready infrastructure?

A. Yes. Eversource proposed $2.1 million in rebates for HVDC EVSE make-ready infrastructure for five sites.[7] Eversource estimates that the average cost-per-site would be $410,000, representing two 150 kW DCFC chargers and one level 2 charger at each site. The Eversource proposal is tailored to match a projected number of charging locations within the Eversource service territory that would receive a portion of the disbursement of the New Hampshire Volkswagen Environmental Mitigation Trust funds.[8] Eversource does not plan to own the make-ready infrastructure nor include it in rate base, but instead will provide a

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[6] Pre-filed Direct Testimony of Carroll, Simpson, Valianti, Exhibit CSV-1, Bates 672-679.
[7] Docket No. DE 21-078. Pre-filed Direct Testimony of Davis, Rice, Boughan. Bates 13.
[8] *Id*. at 11.

rebate to the customer and consider it an expense, which the Company has asked to defer as a regulatory asset to be amortized following its next base rate proceeding.[9] Eversource also does not propose to recover capital costs relating to its investment prior to its next rate case.[10]

Q. Have other utilities proposed a more cost-effective proposal for Level 2 charger installations than that included in the Unitil make-ready proposal?

A. Yes. National Grid has piloted the installation of pole-mounted level 2 chargers in Melrose, MA that reduce the overall installation cost of the charger by 70 percent, resulting in an installed cost per charging port projected to be 41% less than conventional chargers.[11] Based on that pilot, it has proposed a broader offering where the Company would install, own, and operate 225 pole-mounted Level 2 chargers. Initial Company ownership of the EVSE would avoid certain barriers relating to pole-attachment process. After a period of four years, the Company will offer to sell the EVSE to the municipality or to the open market, with the municipality having right of first refusal.

Q. Please explain your recommendation regarding Unitil's proposal for EVSE make-ready infrastructure.

A. Based on our review of the proposals provided by Eversource and National Grid, DOE recommends that the Commission approve a version of the Unitil HVDC proposal that adopts a regulatory accounting treatment, cost recovery approach, and scaling similar to the one proposed by Eversource.[12] With respect to the Unitil Level 2 make-ready proposal, DOE recommends that the Commission direct Unitil to revise their proposal to instead pilot

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[9] *Id*. at 18
[10] *Id*. at 16.
[11] Attachment ERN-4. MA DPU. Docket No. 21-91. National Grid. Pre-filed Direct Testimony of Julia Gold and Jake Navarro. July 14, 2021.
[12] Eversource, which represents approximately 73% of the state's customers, has proposed five HVDC sites, while Unitil, which represents a much smaller portion of the state's customers, has proposed eight sites.

installations of the pole-mounted level 2 charger models, as proposed by National Grid, for a scaled-back number of chargers (possibly 12-20) in Unitil's service area. Once the Company has completed deployment of the initial phase of pole-mounted chargers, the Company should file a report containing any recommendations for best practices for future charger deployments.

Costs Proposed for Reconciliation in the EDC

Q. What costs has the Company proposed for reconciliation in the EDC that you want to highlight?

A. The Company has proposed to reconcile the costs related to the waived late payment fees, the deferred Calypso storm communication costs, the incremental wheeling revenue, Riverwoods master meter plan, distribution bad debt, the arrearage management plan, and the electric vehicle rebate program and marketing, communication, and education for the TOU rates.[13]

Waived Late Payment Fees

Q. What did the Company propose regarding waived late payment fees?

A. During the pandemic, the Company was prohibited from collecting late payment fees from April 2020 through March 2021. The Company proposes to collect the estimated amount of late fees that it was previously prohibited to collect, $386,957 for 2020, in the EDC. This amount is the difference between the actual late payment fees collected in 2020 of $94,676 and the amount included in distribution rates in DE 16-383 of $481,633. For 2021, Unitil

[13] Goulding/Nawazelski testimony, Bates pp 91-94, 115-123, 127-128, and 132.

states that the late payment fee amount waived was $131,561 for the period January through March.

Q. What does DOE recommend regarding waived late payment fees?

A. DOE recommends that the Company be allowed to collect the 2020 late payment fees as proposed, but DOE does not agree with the collection of the 2021 late payment fees, because it would be a post test-year adjustment. In addition, the actual amount of late payment charges that were waived is potentially non-representative of typical operations because of the pandemic. Customers that would ordinarily have been identified as hardship and thus would not be assessed late fees were unable to get to the Community Action Agencies to sign up for the hardship protections due to Covid. In addition, some customers may have taken advantage of the late fee moratorium and delayed payment during the pandemic, when during non-pandemic years they would have paid on time, so these customers would not have been assessed a late fee in non-pandemic years and thus shouldn't be counted as "waived" late fees.

Deferred Calypso Storm Costs

Q. What did the Company propose regarding the Calypso storm costs?

A. In Docket No. DE 18-038, 2017 Annual Major Storm Cost Reserve Fund Report (Report), the Company agreed to remove costs for recovery for services by Calypso Communication in that docket. That withdrawal was without prejudice to Unitil to request recovery of the disputed amount through the Major Storm Cost Reserve (MSCR) in its next filing seeking an increase in base rates. The Company also agreed to remove similar costs in its Reports for 2018, 2019 and 2020. The Company proposes to recover these deferred costs totaling

$73,160.25 in the EDC for one year. In addition, the Company proposes to collect future storm related Calypso costs through the Major Storm Cost Reserve (MSCR).

Q. What does DOE recommend regarding Calypso storm costs?

A. DOE agrees with the recovery of the deferred Calypso costs of $73,160 in the EDC. Going forward, consistent with the recommendation included in the audit of these costs conducted by DOE's Enforcement Division (Audit), DOE agrees that these costs should not be included with the Annual MSCR Fund Reports, but instead be considered as media and communication expenses. DOE recommends that the Company not be allowed to collect similar future costs in the MSCR, but instead include them in base rates. Based on the average annual deferred Calypso costs for the past four years, DOE recommends $18,290 be included in base rates without any reconciliation.

Incremental Wheeling Revenue

Q. What did the Company propose regarding incremental wheeling revenue?

A. The Company proposes to annually reconcile the actual amount of wheeling revenue received from generators utilizing its distribution system for wheeling power to third parties with the amount included in the test year of $49,952 for each calendar year and refund or collect the difference through the subsequent year's EDC. The Company's proposal is a result of the uncertainty related to whether the wheeling revenues will increase or decrease in the future. The Company states that this will ensure that customers receive the full value associated with generators utilizing the system for wheeling power. The Company states that if this proposal is not accepted, then a pro forma adjustment to the revenue requirement must be made to remove the $49,952 of wheeling revenues to reflect the ending of the wheeling agreement on April 20, 2021.

Q. What does DOE recommend regarding the incremental wheeling revenues?

A. DOE recommends that an adjustment be made to the revenue requirement to remove the test year wheeling revenue amount of $49,952 from the revenue requirement as the Company states that the wheeling agreement has ended. DOE understands that at least one generator has switched to being compensated as a qualifying facility (QF). The Company also stated that it would be making a filing with the Federal Energy Regulatory Commission (FERC) for approval of a new wheeling tariff, but DOE understands that the filing has yet to be made. If the Company realizes wheeling revenues (or any revenues related to generators) in the future, then the Company should be required to notify the Commission, DOE, and Office of Consumer Advocate so that a determination can be made as to the treatment of such revenues.

Riverwoods Master Meter Plan

Q. Please explain the Company's proposal regarding Riverwoods master meter plan.

A. In Docket DE 19-114, Riverwoods requested, and was granted, a waiver of the restrictions on master metering, and is planning to install several Rate G2 meters and remove about 200 residential meters. If the conversion is completed, Unitil requests an adjustment to test year revenues and billing determinants to reflect the change. The Company expects project completion by the end of 2021.

Q. What does DOE recommend regarding Riverwoods master meter plan?

A. DOE does not support the adjustments to test year revenue and billing determinants at this time because they represent post test-year adjustments, and further, the final details are not known at this time. However, DOE acknowledges that if, and when, the Riverwoods master meter conversion project is completed, there will be a reduction in the number of residential customer accounts and an increase in the number of small commercial customer accounts. This change in the number of customer accounts should be reviewed and potentially addressed appropriately in any revenue decoupling mechanism approved by the Commission.

Distribution Bad Debt

Q. Please explain the Company's proposal regarding distribution bad debt.

A. The Company is proposing to track the actual delivery write-offs against the level in distribution rates and to recover the difference annually as part of the EDC to ensure that the Company is recovering a representative level of bad debt expense in distribution rates. The Company does not expect actual write-offs to return to pre-pandemic levels for some time. The Company proposes to use 2019 as the basis for bad debt since the test year was not representative because of the pandemic and the disconnection moratorium. The Company adjusted the bad debts in base rates by first calculating a bad debt rate based on 2019 delivery net write-offs divided by 2019 delivery billed revenue. The Company then multiplied the bad debt rate by test year delivery revenue to establish an uncollectible revenues amount. The uncollectible revenues amount is compared to test year bad debt expense to produce the pro forma adjustment of $134,563.

Q. What is DOE's recommendation regarding the Company's proposal regarding distribution bad debt?

A. DOE agrees with the approach for calculating the distribution bad debt to include in base rates given that the test year was not representative, however, DOE does not recommend tracking or reconciliation in the EDC. By basing the pro forma bad debt amount on 2019 experience (as opposed to 2020), the test year anomalies have been adjusted. Therefore, DOE does not recommend any tracking or reconciliation in the EDC or elsewhere.

Arrearage Management Program

Q. What is the Company's position regarding cost recovery for the Arrearage Management Program?

A. The Company is proposing to track the actual cost of the Arrearage Management Program (AMP) and reconcile the cost annually against the $459,000 that is included in base distribution rates.

Q. What does DOE recommend regarding the cost recovery for the AMP?

A. DOE has made recommendations regarding the amount in base rates in Donna Mullinax's testimony to split the personnel costs with Northern Utilities based on an estimate of enrollees by utility. DOE recommends tracking the program costs, excluding personnel costs, in a deferred account using the prime rate on over/under balances and reconciling in the next rate case.

Electric Vehicle Rebate Program and Marketing, Communication, and Education for TOU Rates

Q. Please explain the Company's proposal regarding the cost recovery for the electric vehicle rebate program and the marketing, communication and education for the TOU rates.

A. The Company is proposing to recover costs of the electric vehicle incentive program and the marketing, communications, and education costs for the TOU rates through the EDC. The Company proposes to include an estimate of these costs in the annual EDC filing and then reconcile them to actual costs through the subsequent years EDC.

Q. What does DOE recommend regarding the cost recovery for the electric vehicle rebate program and the marketing, communication and education for the TOU rates?

A. DOE recommends that the EV rebate program along with the increased revenues from EV charging over time be considered together to calculate a net cost, with possible recovery/refund and reconciliation in the EDC. DOE recommends that the make-ready infrastructure costs be tracked in a deferred account and recovered in the next rate case with consideration of the increased revenues from the EV charging over time. DOE recommends no recovery of the proposed communication and education costs because these services are already included in base rates as part of the Company's communication expenses. DOE notes that marketing, communication, and education are an important element of new rate designs, but believes that these costs would likely already be accounted for with the existing personnel and costs in base rates.

Recommendations

Q. Please provide a summary of your testimony.

In my testimony I have addressed the following:

- Regarding the electric vehicle incentive programs and alternative metering feasibility assessment, DOE recommends a pilot of 100 controllable home chargers for the rebate program and the testing of alternative metering feasibility and cost recovery through the EDC with consideration of the increased revenues from the EV charging over time.
- For the make-ready EVSE investments, DOE recommends a proposal similar to that proposed Eversource in Docket No. DE 21-078 with a limited number DCFC projects (possibly two). DOE recommends the National Grid pole-attachment model for charges that reduces make-ready costs by 70 percent as a reasonable approach to deployment of a limited number of level 2 chargers (possibly 12-20) in Unitil's service area. DOE recommends no Company ownership or placement in base rates, but instead recommends the costs are tracked in a deferred account and recovered in the next rate case with consideration of the increased revenues from the EV charging over time.
- DOE also recommends the following regarding the Company's proposal for recovery in the EDC:
    - 2020 waived late payment fees – Recovery as proposed by Unitil.
    - 2021 waived late payment fees - No recovery since this would be a post year adjustment and the amount may not be representative because of the pandemic.
    - Deferred Calypso storm charges – Normalize the Calypso storm costs based on the four-year average from 2017 to 2020 and include in base rates as part of the

communication expenses, and as proposed by the Company, recover the deferred costs from 2017 to 2020 of $73,160 in the EDC.

- Incremental wheeling revenues – Remove the test year revenues of $49,952 as the wheeling agreement has ended, and require the Company to notify the Commission, DOE, and Office of Consumer Advocate, if wheeling revenues (or any revenues related to these generators) is realized.
- Riverwoods master meter plan – Do not make adjustments to test year revenues and billing determinants at this time because they are post test-year adjustments, and the final details are unknown. However, appropriately address the change in residential and small commercial customers and the corresponding revenue impacts if the project is completed and a revenue decoupling mechanism is approved.
- Distribution bad debt write-offs – Do not track and reconcile in the EDC or elsewhere because the anomalies for the test year are accounted for and will also have the arrearage management program to reduce late payments and bad debts.
- Arrearage Management Program costs – Track the program costs (excluding personnel costs) in deferred account using the prime rate on over/under balances and reconciling in the next rate case.

Q. Does this conclude your testimony?

A. Yes.