

**THE STATE OF NEW HAMPSHIRE**  
**BEFORE THE**  
**PUBLIC UTILITIES COMMISSION**  
**DE 24-\_\_\_\_\_**  
**UNITIL ENERGY SYSTEMS, INC.**

**PETITION TO INCREASE STORM RECOVERY ADJUSTMENT FACTOR**

Unitil Energy Systems, Inc. (“UES” or “the Company”) respectfully petitions the New Hampshire Public Utilities Commission (“the Commission”) to: (1) approve the Company’s proposal to transfer the entire December 31, 2023 Major Storm Cost Reserve’s (“MSCR”) deferral balance of \$3,654,362 into the Storm Recovery Adjustment Factor (“SRAF”); (2) approve the Company’s proposal to increase the SRAF effective May 1, 2024 to recover the MSCR unrecovered balance of \$3,654,362, plus carrying charges, over a five-year period; (3) find that the resulting rates are just and reasonable as required by RSA 378:5 and 378:7; and (4) approve the proposed tariff changes necessary to implement recovery of the \$3,654,362 deferral balance through the SRAF.

In support of this Petition, UES’s filing includes Exhibits CGDN-1 through CGDN-4: The Joint Direct Testimony and Exhibits of Christopher J. Goulding and Daniel T. Nawazelski. The testimony and exhibits of Messrs. Goulding and Nawazelski support the Company’s request for the proposed changes to the SRAF and the MSCR, provide the associated bill impacts, and present the proposed tariff changes. The Company also is filing its MSCR Report, as required by Order No. 25,351, concurrently with this Petition. The MSCR Report provides detailed information for storm events for the 12-month period ending December 31, 2023 and the corresponding expenditures.

In support of its Petition, UES states as follows:

1. The Company maintains its MSCR pursuant to the Settlement Agreement approved by the Commission in Docket No. DE 10-055. *Unitil Energy Systems, Inc.*, Order No. 25,214 (April 26, 2011) at 29-30. When a qualifying major storm or qualifying pre-staging event occurs, costs related to storm response are charged to the MSCR. All charges to the MSCR are audited by the Audit Division of the Department of Energy and reviewed by the Commission. The Commission has authorized UES to recover \$800,000 on an annual basis through the MSCR fund. *Unitil Energy Systems, Inc.*, Order No. 25,502 (April 29, 2013) at 7.

2. The Company also has a Commission-approved SRAF in place, which provides a mechanism to recover costs associated with infrequent storms of extraordinary magnitude. The SRAF surcharge is currently set at \$0.00000 per kWh.

3. The Company has incurred significant costs in excess of the \$800,000 annual MSCR funding cap to respond to and recover from storm events. As of December 31, 2023, the MSCR fund has an unrecovered balance (deficit) of \$3,654,362.

4. The \$3,654,362 MSCR deficit is 4.6 times the annual recovery cap of \$800,000. Therefore, it would take 4.6 years without any qualifying storm events for the Company to recover that deferral balance. Based on the Company's experience since 2010, it is highly unlikely that there will not be any significant storm activity over the next 4.6 years.

5. The MSCR deficit represents 3.9 percent of the Company's long-term debt capitalization as of December 2023, which is a significant and on-going financing requirement. From a customer perspective, rolling the deficit forward is not in the public interest because customers continue to pay carrying charges on the unrecovered balance and this "[is] not an efficient use of ratepayer funds." *Unitil Energy Systems, Inc.*, Order No. 26,889 (Sept. 27, 2023)

at 4. It is, therefore, reasonable and in the public interest to address the MSCR deficit in this proceeding.

6. The Company proposes to reduce the MSCR deficit by transferring the entire December 31, 2023 deferral balance of \$3,654,362 into the SRAF mechanism, effective May 1, 2024. The Company proposes to recover the \$3,654,362 deferral balance, through the SRAF over a five-year period with carrying charges.<sup>1</sup>

7. UES's proposal is consistent with the Commission's direction in DE 23-017, "encourag[ing] the company to find additional ways to reduce the deficit in the MSCR fund." *Unitil Energy Systems, Inc.*, Order No. 26,889 (Sept. 27, 2023) at 4.

8. The proposed adjustment to recover the MSCR deferral balance is \$0.00071 per kWh and, if approved, a typical 600 kWh residential customer on Default Service would see a bill increase of 43 cents versus current rates.

**WHEREFORE, UES** respectfully requests that the Commission:

A. Approve the Company's proposal to transfer the entire December 31, 2023 MSCR deferral balance of \$3,654,362 into the SRAF;

B. Approve the Company's proposal to increase its SRAF effective May 1, 2024 to recover the MSCR unrecovered balance of \$3,654,362, plus carrying charges, over a five-year period;

C. Find that the resulting rates are just and reasonable as required by RSA 378:5 and 378:7; and

D. Approve the proposed tariff changes necessary to implement recovery of the \$3,654,362 deferral balance through the SRAF.

---

<sup>1</sup> The carrying charge will equal the Company's cost of debt, as approved in its most recent base rate case or as otherwise approved by the Commission, net of deferred taxes.

Respectfully submitted,

UNITIL ENERGY SYSTEMS, INC.

By its Attorney:



---

Matthew C. Campbell  
Senior Counsel  
Unitil Service Corp.  
6 Liberty Lane West  
Hampton, NH 03842-1720

Dated: February 28, 2024

**Certificate of Service**

I hereby certify that on this 28th day of February, 2024, a copy of the foregoing Petition was electronically delivered to the New Hampshire Department of Energy and Office of the Consumer Advocate.



---

Matthew C. Campbell