



April 29, 2024

BY E-MAIL

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 S. Fruit St, Suite 10
Concord, NH 03301-2429

Re: DE 24-033, Unitil Energy Systems, Inc.
Supplemental Filing

Dear Chairman Goldner,

On February 28, 2024, Unitil Energy Systems, Inc. (the “Company”) filed its Annual Major Storm Cost Reserve (“MSCR”) Fund Report for the 12-month period ending December 31, 2023. The Company also filed a petition requesting that the New Hampshire Public Utilities Commission (the “Commission”): (1) approve the Company’s proposal to transfer the entire December 31, 2023 MSCR deferral balance into the Storm Recovery Adjustment Factor (“SRAF”); (2) approve the Company’s proposal to increase the SRAF effective **May 1, 2024** to recover the unrecovered MSCR balance over a **five-year** period; (3) find 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 MSCR deferral balance through the SRAF.

A pre-hearing conference was held in this matter on March 28, 2024. At that conference, the Company and the Department of Energy Resources (the “Department”) agreed upon a procedural schedule, which was subsequently approved by the Commission. The Company and the Department also agreed that in order to accommodate the assented to procedural schedule, the Company would change the proposed effective date on the SRAF tariff from May 1, 2024 to June 1, 2024. March 28, 2024 Hearing Transcript of March 28, 2024 (Tr. 3/28/24) at 39, 40. Enclosed with this letter are updated tariffs with a proposed effective date of June 1, 2024. Please note that because the proposed effective date for the SRAF tariff has been updated to June 1, 2024, as part of this supplemental filing the Company has updated tariff page 5-A for the application of the seasonal ratios. Specifically, the distribution charge, transmission portion of the External Delivery Charge, and the Power Supply Charge associated with Default Service have been updated to reflect approved rates under summer ratios approved in Docket No. DE 20-170.

Another issue raised at the pre-hearing conference was whether the Company’s proposed five-year amortization period should be shorter. *Id.* at 11, 15, 20-21, 23, 25. The Department and the Company revisited this issue at a Technical Session on April 24, 2024. The parties discussed whether a shorter, three-year amortization period would further mitigate interest charges to customers. The parties agreed that the Company would make a supplemental filing in this

Matthew C. Campbell
Senior Counsel
campbellm@unitil.com
T 603.773.6543

6 Liberty Lane West
Hampton, NH 03842

www.unitil.com

000001

proceeding to update its proposed amortization period from five-years to three-years. Enclosed with the letter is the Technical Statement of Christopher J. Goulding and Daniel T. Nawazelski, with supporting schedules, revising the Company's proposal to a three-year amortization period.

Lastly, the Company notes that its initial petition was not clear that it was proposing to begin recovery of the MSCR deferral balance subject to any adjustments that may arise as a result of the Commission's review and approval the Company's qualifying storm costs for the 12-month period ending December 31, 2023. The Company would like to clarify that this is part of its proposal.

In summary, the Company's updated request in this proceeding is for the Commission to: (1) approve the Company's proposal to transfer the entire December 31, 2023 MSCR deferral balance into the SRAF, **subject to any adjustments that may arise as a result of the Commission's review and approval of the Company's qualifying storm costs for the 12-month period ending December 31, 2023**; (2) approve the Company's proposal to increase the SRAF effective **June 1, 2024** to recover the MSCR unrecovered balance over a **three-year** period; (3) find 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 MSCR deferral balance through the SRAF.

Thank you for your attention to this matter and please contact me if you have any questions regarding the enclosed materials.

Sincerely,



Matthew C. Campbell

Enclosures

cc: Service List