UNITIL ENERGY SYSTEMS, INC.
BEFORE THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
Docket No. DE 24-033
Unitil Energy Systems, Inc.
Petition to Increase Storm Recovery Adjustment Factor
Technical Statement of Christopher J. Goulding & Daniel T. Nawazelski

On April 24, 2024 Unitil Energy Systems, Inc. (the "Company") and the New Hampshire Department of Energy (the "Department") met for Technical Session/Settlement discussions. During those discussions, the Company and the Department discussed whether a shorter, three-year amortization period for the uncollected Major Storm Cost Reserve ("MSCR") Fund balance would further mitigate interest charges to customers. The Department and the Company generally agreed that it would and agreed that the Company would make a supplemental filing in this proceeding to update its proposed amortization period from five-years to three-years. In addition to this Technical Statement, this supplemental filing consists of the following attachments:

Attachment	Description
Proposed Tariffs [Clean]	• Summary of Delivery Service Rates, NHPUC No. 3 - Electricity Delivery, Sixtieth Revised Page 4, Fifty-Ninth Revised Page 5[1] • Summary of Whole House Residential Time of Use Rates and Electric Vehicle Rates, NHPUC No. 3 - Electricity Delivery, Eleventh Revised Page 5-A[1] • Summary of Low-Income Electric Assistance Program Discounts, NHPUC No. 3 - Electricity Delivery, Eighty-Fifth Revised Page 6[1] • Storm Recovery Adjustment Factor, Schedule SRAF, NHPUC No. 3 - Electricity Delivery, Eleventh Revised Page 69[1]
Revised Schedule CGDN-2	• SRAF Amortization[1]
Revised Schedule CGDN-3, Proposed Tariffs [Redline]	• Summary of Delivery Service Rates, NHPUC No. 3 - Electricity Delivery, Sixtieth Revised Page 4; Fifty-Ninth Revised Page 5[1] • Summary of Whole House Residential Time of Use Rates and Electric Vehicle Rates, NHPUC No. 3 - Electricity Delivery, Eleventh Revised Page 5-A[1] • Summary of Low-Income Electric Assistance Program Discounts, NHPUC No. 3 - Electricity Delivery, Eighty-Fifth Revised Page 6[1] • Storm Recovery Adjustment Factor, Schedule SRAF, NHPUC No. 3 - Electricity Delivery, Eleventh Revised Page 69[1]

[1] Also provided in Excel format.

Attachment	Description
Revised Schedule CGDN-4	Typical Bill Impacts[1]
Schedule CGDN-5	Hearing Exhibit 5 from DE 23-054 (showing the rates for TOU-D, TOU-EV-D, and TOU-EV-G2)
Schedule CGDN-6	Hearing Exhibit 3 from DE 23-057 (showing the rates for TOU-EV-G1)

Revised Schedule CGDN-2 calculates the proposed recovery of the MSCR Fund balance through SRAF over a three-year period, including carrying costs. By changing the recovery period from five-years to three-years, the Company estimates that customers will save an additional $151,184 in interest costs. As shown on Revised Schedule CGDN-2, Page 1 of 2, the proposed rate adjustment related to December 31, 2023 deferral balance is $0.00114 per kWh effective June 1, 2024.

The Company also has provided a revised Summary of Delivery Service Rates, a revised Summary of Low-Income Electric Assistance Program Discounts, a revised Summary of Whole House Residential Time of Use Rates and Electric Vehicle Rates, and a revised Schedule SRAF. Please refer to Revised Schedule CGDN-3, pages 1 through 5 for the redline version of these tariffs reflecting the proposed June 1, 2024 SRAF.

As provided in the Company's initial filing, the SRAF is included in the Summary of Whole House Residential Time of Use Rates and Electric Vehicle Rates, tariff page 5-A. In accordance with the Settlement in DE 20-170, the rates for whole house time of use and electric vehicles change not only when various rate components change (e.g., the SRAF), they also change each June 1 (summer) and December 1 (winter) due to the application of seasonal ratios. Although the SRAF itself is not time varying, tariff page 5-A will require a change for effect June 1, 2024 in order to apply the summer ratios to approved rates. 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, as shown on Page

3, in addition to the change in the SRAF, 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.

The Company has provided support for these factors with Schedule CGDN-5, which is Hearing Exhibit 5 from the DE 23-054 proceeding and Schedule CGDN-6, which is Hearing Exhibit 3 and 5 from the DE 23-057 proceeding. Schedule CGDN-5 shows the rates for TOU-D, TOU-EV-D, and TOU-EV-G2 and Schedule CGDN-6 shows the rates for TOU-EV-G1. For ease of reference, the Company has circled the rates from these support pages that are used in the proposed Summary of Whole House Residential Time of Use Rates and Electric Vehicle Rate tariff.

Lastly, the Company has provided Revised Schedule CGDN-4, which provides bill impacts for customers on default service. This schedule compares the proposed June 1, 2024 SRAF to currently effective rates for each rate class. If the Company's proposal is approved by the Commission, a typical 600 kWh residential customer on Default Service will see a monthly bill increase of $0.68 or 0.5 percent. Impacts to other rate classes will be similar, but may vary based on size and consumption pattern.

Although approval of the Company's proposal will result in an increase to the SRAF rate, the proposed SRAF is just and reasonable and in the public interest because as the under-collected balance in the MSCR is reduced, the amount of interest to be paid by customers on the deficit balance similarly diminishes. Continuing to roll 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 customer funds. The Company's updated proposal to reduce the amortization period from five-years to three-years further benefits customer by reducing the amount of interest charges on the unrecovered MSCR balance. For these reasons, and the reasons stated in its initial filing, the Company respectfully requests that the Commission: (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.