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DEPARTMENT OF ENERGY  
21 S. Fruit St., Suite 10  
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May 10, 2024

Daniel C. Goldner, Chairman  
Public Utilities Commission  
21 S. Fruit Street  
Concord, NH 03301-2429

Re: DE 24-033 Unitil Energy Systems, Inc. Petition to Increase Storm Recovery Adjustment Factor, *DOE Cover Letter w Legal Analysis, and Technical Statement of Toscano and Trottier*

Dear Chairman Goldner:

Enclosed please find the New Hampshire Department of Energy's ("DOE or "Department") *Technical Statement of Mark Toscano and Jacqueline Trottier, Utility Analysts*, recommending that, subject to the Department's Final Audit, the Commission (1) approve Unitil Energy Systems Inc. ("UES" or "the Company")'s *Major Storm Cost Reserve Fund [MSCRF] Report 2023*; (2) approve the transfer of the MSCRF deficit balance into the Storm Recovery Adjustment Factor (SRAF); and (3) approve the increase to the SRAF to \$0.00114 per kWh, effective June 1, 2024.

In the opinion of the Department, these recommendations are consistent with the purposes of the MSCRF and SRAF. See Order No. 25,214 (April 26,2011) at 29-30 (creating two storm cost recovery mechanisms); Dkt. No. 10-055 Settlement Agreement (filed February 23, 2011) Section 8 pp. 17-19 ("Unitil may petition to change the SRAF should any significant over-or-under recovery occur or are expected to occur."). While the primary purpose of the SRAF was to provide for the recovery of specific storms of "extraordinary magnitude," the SRAF framework was also intended to provide for recovery (or return) of significant over or under balances. Order No. 25, 214, and Settlement Agreement cited above; see *Liberty Utilities (Grantie State Electric) Corp. d/b/a Liberty*, Docket No. 23-006, Order No. 26,777 (February 23, 2023) at 2 (by way of settlement, the Commission approved Utility's refund of a \$1.9 million storm fund surplus to customers through an SRAF).

Consistent with the Commission's current practice, this letter is being filed in electronic form. Thank you for your attention to this matter.

Respectfully Submitted,

/s/ *Mary E. Schwarzer*

Mary.E. Schwarzer  
Staff Attorney/Hearings Examiner

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