

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 21-121

UNITIL ENERGY SYSTEMS, INC.

Annual Reconciliation and Rate Filing

Order Suspending Tariff and Scheduling a Hearing

ORDER NO. 26,499

July 19, 2021

This order suspends Unitil Energy Systems, Inc.'s (Unitil) tariff proposing changes to its stranded cost charge (SCC) and external delivery charge (EDC) for effect with services rendered on and after August 1, 2021. It schedules a hearing on the proposed tariff for Friday, July 23, 2021, at 1:00 p.m.

On June 17, 2021, Unitil filed its annual reconciliation of adjustable rate mechanisms, including a petition with supporting testimony and related attachments, and a proposed tariff. These adjustable rate mechanisms are Unitil's SCC and EDC. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted at

<https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-121.html>.

If the proposed changes are approved, the overall bill impact for a residential customer on default service using 650 kilowatt hours (kWh) will be a decrease of approximately \$1.05, or 0.9 percent, compared with the rates effective August 1, 2020. Similarly, average monthly bills for Large General Service (GI), General Service (G2), and Outdoor Lighting (OL) customers will decrease approximately 4.7, 3.8, and 1.9 percent, respectively.

The SCC is the mechanism Unitil uses to recover contract release payments to Unitil Power Corp. (UPC), in accordance with the Amended Unitil System Agreement approved by the Commission in Order No. 24,072 (October 25, 2002), and by the Federal Energy Regulatory Commission. Unitil pays the release payments in return for UPC waiving certain contractual rights against Unitil in connection with a pre-existing power supply agreement. The release payments are equal to the sum of: (1) portfolio sale charges, (2) residual contract obligations, (3) Hydro Quebec support payments, and (4) reconciliations from prior periods.

Unitil generally calculates SCC obligations by developing a uniform per kWh charge, which is then applied to each rate class based on the approved rate design. According to the filing, the SCC uniform rate would be increasing by \$0.00023 per kWh. In addition to the energy-based SCC, customers in the G1 and G2 classes incur a demand charge. However, given the small amount to be credited as part of the proposed tariff for effect August 1, 2021, using this method would have resulted in credits of \$0.00000 per kWh being given to the G1 and G2 classes. Therefore, only the uniform kWh charge will be applied with regard to these classes in order to provide them with their credit.

The EDC includes costs associated with transmission, including: third-party transmission provider costs; regional transmission and operating costs; transmission-based fees and assessments; and various administrative, consulting, and legal costs. Unitil also includes in its EDC rate other costs and credits, including the rebate of excess Regional Greenhouse Gas Initiative auction proceeds, and over- or under-collection associated with the reliability enhancement program and vegetation management program (VMP), and the recovery of displaced distribution revenue associated with net metering for 2020. Unitil has proposed

recovering, as part of the EDC, the increase in property taxes associated with HB 700, effective January 1, 2021.

As reported in Unitil's Reliability Program and Vegetation Management Program Annual Report for fiscal year 2020 filed in Docket No. DE 20-183, Unitil calculated a VMP reconciliation balance of negative \$179,614 for effect May 1, 2021, plus a property tax reconciliation of \$173,418, as filed in DE 21-069, effective January 1, 2021. Unitil calculated a transmission-only factor charge of 3.113 cents per kWh, and a non-transmission factor of negative 0.135 cents per kWh. The proposed total EDC rate of 2.978 cents per kWh represents a decrease of 0.635 cents per kWh as compared with August 2020 through July 2021.

The filing raises, inter alia, issues related to whether the calculation of stranded costs conforms to Order No. 24,072; whether the actual and forecasted costs and revenues are appropriately included in the computation of the proposed adjustments; whether the adjusted rates are just and reasonable, as required by RSA 374:2, and RSA 378:5 and :7; and whether the filing is generally consistent with the principles of restructuring pursuant to RSA chapter 374-F, as amended.

We will suspend Unitil's proposed tariff to allow the filing to be investigated pursuant to RSA 378:6, I(b). Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that pursuant to RSA 378:6, I(b), the Commission hereby suspends Unitil's proposed tariff to allow the filing to be investigated; and it is

FURTHER ORDERED, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on July 23, 2021, at

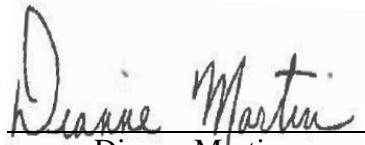
1:00 p.m. Commissioners will be present in the hearing room and will use a web-enabled platform to conduct the hearing. Members of the public who wish to access the hearing remotely may do so [by clicking here](#). **If you have any difficulty obtaining remote access to this hearing, please notify the Commission by calling (603) 271-2431 as soon as possible.** Parties and members of the public wishing to attend the hearing in person are encouraged to register in advance, on or before July 21, 2021, by calling (603) 271-2431; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Unitil shall notify all persons desiring to be heard at the July 23, 2021 hearing by publishing a copy of this order on its website no later than one business day after the date of issue, such publication to be documented by affidavit filed with the Commission on or before July 21, 2021. In addition, the Clerk shall publish this order on the Commission's website no later than one business day after the date of issue.

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Unitil and the Office of the Consumer Advocate on or before July 22, 2021, such petition stating the facts demonstrating how its rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, any party seeking to intervene may elect to submit this filing in electronic form; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before July 23, 2021.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of July, 2021.



Dianne Martin
Chairwoman



Daniel C. Goldner
Commissioner

Service List - Docket Related

Docket# : 21-121

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