

August 1, 2024

<u>BY E-MAIL</u> Daniel C. Goldner, Chairman New Hampshire Public Utilities Commission 21 S. Fruit St, Suite 10 Concord, NH 03301-2429

Re: DE 24-033, <u>Unitil Energy Systems, Inc.</u> Petition to Increase Storm Recovery Adjustment Factor Request for Order *Nisi*

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 SRAF.

A pre-hearing conference was held in this matter on March 28, 2024. Based on issues raised at the prehearing conference, the Company filed a revised (revisions in bold) request on April 29, 2024, asking 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.

On May 31, 2024 the Commission issued Order No. 27,013, approving the Company's request to amend its tariff and the proposed SRAF rate effective June 1, 2024. The Order further held that the final MSCR deferral balance, and resulting SRAF rate, may be adjusted pending the results of the Department of Energy's (the "Department") audit of the 2023 MSCR Fund Report.

On August 1, 2024, the Department filed its Supplemental Technical Statement in this matter, which includes the Department's Final Audit Report as an attachment. In its Supplement Technical Statement, the Department recommends the Commission accept and approve the 2023

MSCR Fund Report and, if the Commission accepts this recommendation, to do so through an order *nisi*.

The Company appreciates the Department's thorough review of the 2023 MSCR Fund Report and agrees that an order *nisi* would be appropriate in this case. Accordingly, the Company respectfully requests the Commission issue an order *nisi* approving the 2023 MSCR Fund Report and the MSCR deferral balance as of December 31, 2023.

Thank you for your consideration of this request. Please contact me if you have any questions or require any additional information.

Sincerely,

Matthew compabell

Matthew C. Campbell Senior Counsel

cc: Service List