

BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**Unitil Energy Systems, Inc.****DE 24-077****Petition for Approval of Revenue Decoupling Adjustment Factor and Proposed
Tariff Changes****and****DE 24-080****Petition for Approval of Annual Stranded Cost Recovery and External
Delivery Charge Reconciliation and Proposed Tariff Changes**Technical Statement of
Jacqueline M. Trottier, Jay E. Dudley, and Stephen R. Eckberg
NH Department of Energy
Regulatory Support Division

July 23, 2024

The NH Department of Energy (DOE or Department) has reviewed the filings from Unitil Energy Systems, Inc. (Unitil or Company) to the NH Public Utilities Commission (PUC or Commission) in these proceedings. These submissions include testimony and attachments from Linda S. McNamara, Jeff M. Pentz, Daniel T. Nawazelski, and Emily S. Anderson, along with the proposed tariff pages. Together, these materials constitute Unitil's formal request and justification for adjustments to its Revenue Decoupling Adjustment Factor (RDAF), Stranded Cost Charge (SCC), and External Delivery Charge (EDC).

As detailed below, the DOE confirms that Unitil's submission meets the requirements outlined in the Settlement Agreement from its previous rate case (DE 21-030), approved in Order No. 26,623. This includes the Revenue Decoupling Adjustment Clause (RDAC), particularly the calculation of the RDAF and its components. The Company's presentations of the SCC and EDC cost elements are also found to be appropriate, subject to exceptions discussed further below, and pending audit of the Vegetation Management component. The testimony, schedules, technical session discussions, and discovery provided by Unitil adequately support the requested rate adjustments, with specific limitations discussed further below.

Based on its preliminary evaluation, the DOE recommends that the Commission make the necessary findings and approve the Company's request for its Revenue Decoupling Adjustment Factor as filed on May 24, 2024 (not including the June 20, 2024 filing), Stranded Cost Charge, and External Delivery Charge subject to exceptions and conditions described below.

DOE's Analysis and Recommendation**Revenue Decoupling Adjustment (Docket No. DE 24-077)**

In accordance with the directives outlined in Order 26,623, the following key points have been

identified concerning the implementation of the Revenue Decoupling Mechanism:

1. The Revenue Decoupling Mechanism (RDM) should use a Revenue Per Customer (RPC) model to reconcile monthly actual and authorized RPC by rate class.
 - a. The RDM should exclude electric vehicle time-of-use (EV TOU) classes, Outdoor Lighting, and LED outdoor Lighting Service classes from reconciliation.
 - b. Actual customer counts need to account for the Riverwoods master metering conversion. The Company shall add back the number of residential customers lost and remove the number of G2 customers added as the conversions occur.
 - c. Upon implementation of the RDM, the Company is to cease accruing Lost Base Revenue due to energy efficiency and displaced revenue due to net metering.
2. Monthly variances between actual and authorized RPC for each rate class and the total variances by class over a twelve-month measurement period should be the basis for the Revenue Decoupling Adjustment (RDA) by group and the calculation of Revenue Decoupling Adjustment Factors (RDAF).
3. The RDAF should be calculated as a dollar per kWh charge or credit based on the RDA for each group divided by the projected kWh sales for each group over a prospective twelve-month RDM Adjustment period.
4. The RDA should be capped at three (3.0) percent of distribution revenues for each group over the relevant Measurement Period for over and under recoveries. Any amount exceeding the cap should be deferred with carrying costs accrued monthly at the Prime Rate. The Prime Rate used should be based on the quarterly reports in The Wall Street Journal.

The DOE reviewed the materials provided in the Company's filing concerning the RDAF. Discovery was conducted, and pertinent details were discussed with the Company during a Technical Session. Below, we present an overview of our review for each of these elements.

1. The Revenue Decoupling Mechanism (RDM) – The Settlement Agreement describes the use of a Revenue Per Customer (RPC) model to reconcile monthly actual and authorized RPC by rate class. DOE reviewed the schedules provided in LSM-1 and found that the appropriate RPC amounts were applied to each month.

The Company's filing confirms that the proposed RDM utilizes this methodology, and certain classes, such as electric vehicle time-of-use and outdoor lighting service, are excluded from the RDM reconciliation.

- a. According to the actual meter replacement timing, the Company has added back the 201 residential customers and removed the two G-2 customers related to the Riverwoods master metering conversion. According to Unitil, 34 of the 201 residential customers were moved to an existing G-1 meter prior to June 1, 2022, and 39 of the 201 residential customers were moved to an existing G-2 meter in March 2023. The remaining 128 customers were moved to two new G-2 meters. The Department confirmed that this has remained unchanged.
 - b. The testimony and schedules for the RDAF submitted reflect the discontinuation of the Company's Lost Base Revenue and Displaced Distribution Revenue on and after June 1, 2022, the effective date of the Company's RDAC
2. Monthly Revenue Variance (MRV) – The settlement agreement specifies that the MRV

shall be calculated by comparing the actual revenues per customer to the authorized revenues per customer for each rate class subject to the RDAC. The calculation shall be performed monthly covering the measurement period. The Company's filing properly reflects the MRV as laid out in the terms of the settlement, with accurate calculations of actual and authorized RPC variances for each rate class over the designated Measurement period.

3. RDAF Calculation and Customer Groups – The Settlement Agreement specifies that the RDAF should be calculated as a dollar per kWh charge or credit based on the RDA for each customer group divided by the projected kWh sales for each group over the RDM Adjustment Period. The Company's filing aligns with this requirement by providing the proposed RDAF values for three customer groups: residential domestic, regular general service, and large general service.

Domestic – D and TOU- D	\$0.00212 (\$/kWh)
General Service - Regular General G2, G2 kWh Meter, and Quick Recovery Water Heating and Space Heating	(\$0.00137) (\$/kWh)
Large General Service – G1	\$0.00005(\$/kWh)

4. RDA Cap and Carried Balances – The settlement agreement established an RDA Cap of three percent of distribution revenues for each customer group during the measurement period, with any excess being deferred and subject to carrying costs. The company's filing demonstrates that if the cap is implemented consistent with the Company's May 24, 2024, filing, there would be a deferral of \$1,144,178 related to the residential customer group (Domestic – D and TOU-D).

Based upon the DOE's review, the DOE recommends that the Commission approve the RDAF rates as filed on May 24, 2024, and presented in the proposed tariff filing. See Attachments – L. McNamara, Docket No. DE 24-077, Tab 1, Schedule LSM-4 pp. 1-4. Consistent with the Department's objection filed on June 28, 2024, in this docket, the Department does not believe it is appropriate to waive the cap at this time.

Stranded Cost Charge (Docket No. DE 24-080)

A high-level overview of the Company's SCC is provided in the testimony of Unitil witness Linda S. McNamara, beginning on Bates page 5 in Docket No. DE 24-080. This overview includes a description of costs included, the calculation methodology, historical comparisons, and a reconciliation of the SCC.

A more detailed description of the origins, cost elements, and historical regulatory approvals governing the SCC charges can be found in the testimony of Jeff M. Pentz, beginning on Bates page 58. Mr. Pentz also provides schedules which summarize the reconciliation of past and current period SCC costs and presents estimates of forward twelve-month period costs for the two cost components of the SCC – the Contract Release Payments and the Administrative Service Charges. See Schedule JMP-3 pages 1 – 3.

The SCC costs for the current twelve-month period ending July 2024 are projected to total \$27,480 and for the forward twelve-month period ending July 2025 are estimated to total \$35,079.

The SCC rate to be charged to ratepayers is developed and presented in the testimony of Company witness Linda S. McNamara. See Testimony of McNamara at Bates 6. Ms. McNamara presents a summary of SCC rates from recent periods along with the proposed SCC rate in an unnumbered table at the top of Bates page 6 of her testimony. The proposed SCC rate for effect August 1, 2024, is a charge of \$0.00013 per kWh and is an increase from the current SCC credit of (\$0.00010) per kWh.

The DOE has reviewed the Company's Schedule LSM-1 presenting the reconciliation of SCC costs and revenues for prior and current periods and the calculation of the proposed SCC rate for effect August 1, 2024. The Department recommends that the Commission approve the proposed SCC rate.

External Delivery Charge (Docket No. DE 24-080)

The Company's External Delivery Charge (EDC) includes the costs of Regional Transmission services necessary for transporting power across regional transmission facilities owned by others. These costs are incurred under rates approved by the Federal Energy Regulatory Commission (FERC). Additionally, the EDC encompasses several other approved cost elements as detailed in the testimony of Company witness Jeff M. Pentz. For a comprehensive list of these items, refer to Mr. Pentz's testimony on Bates page 63. Furthermore, Mr. Pentz's Schedule JMP-2, Page 1 of 4 (Bates 74), provides a detailed and informative description of each item included in the EDC.

Because the EDC is a non-bypassable charge which is paid by all ratepayers, the Commission has approved recovery of certain other cost items through the EDC. As described in the testimony of Unitil Witness Linda M. McNamara at Bates page 12, the Company stopped collecting Lost Base Revenue (LBR) effective June 1, 2022, when it transitioned to revenue decoupling. The Company has proposed including the reconciliation of the remaining LBR balance in its EDC.¹ The balance is estimated to be \$10,990.82 as of July 31, 2024.

At Schedule LSM-2 page 1 of 6 (Bates 23), Ms. McNamara presents the calculation of the proposed EDC rate of \$0.02539 per kWh which is comprised of \$0.03170 per kWh for Transmission Only related costs and a credit of (\$0.00631) per kWh for Non-Transmission cost elements. The Company presents the EDC total rate divided into these two portions as the Transmission Only rate portion is relevant for compensation of net metering customers under approved tariff rates. Additional details of costs for EDC individual cost elements can be found in the Attachments of Mr. Pentz at Schedule JMP-2 Pages 2 of 4 through 4 of 4 (Bates pages 75-77) for past, current, and future periods, respectively.

Vegetation Management Program/Reliability Enhancement Program (VMP/REP) (Docket No. DE 24-080)

The Company originally provided its 2024 VMP/REP report filed with the Commission in Docket DE 23-092 on November 17, 2023. In addition, on April 1, 2024, Unitil filed its 2023 Reliability Enhancement and Vegetation Management Plan (2023 VMP) containing the results from the 2023 program year. That docket was opened to review Unitil's 2024 REP and VMP Plan and the actual program results of its 2023 Plan activities. On November 22, 2023, the Commission requested that the DOE submit its analysis of Unitil's 2024 Plan and recommendation by January 30, 2024. On

¹ See Attachment 1 – Response to DOE 1-2.

January 29, 2024, the DOE requested, and the Commission granted, an extension of the filing date to March 15, 2024. Again, on March 12, 2024, the DOE requested, and the Commission granted, an extension of the filing date to April 5, 2024. On April 5, 2024, as requested, the DOE filed a Technical Statement providing its analysis and recommendations regarding the Company's 2024 and 2023 REP/VMP Plans.² That Technical Statement included the following statement:

“Based on the Department’s review of the Company’s filing outlined above, and the additional information obtained through discovery, the Department concludes that Unitol’s VMP is complete in terms of implementation and stated objectives and is consistent with current industry standards. However, the cost escalations related to certain components of the Plan remain an area of concern for the Department. Therefore, the DOE recommends PUC approval of Unitol’s 2024 VMP be conditioned upon satisfactory review and approval of actual Plan costs in the Company’s 2025 EDC proceeding.”

As of July 23, 2024, the Final Audit of Unitol’s 2023 REP/VMP Plan results by the Department’s Enforcement Division is still ongoing and not yet complete. Once available, the Department will review the Audit Report and prepare its “additional recommendation” as provided for in its April 5, 2024, Technical Statement. As the EDC is a reconciling mechanism, the Department does not object to the Commission approving the inclusion of the Company’s proposed adjustment related to the 2023 REP/VMP programs in the proposed EDC rate effective August 1, 2024, with the understanding that a future reconciliation adjustment may be needed depending on the final outcome of the Department’s “additional recommendation” relating to the 2023 VMP/REP Final Report.³

RGGI Rebate (Docket No. DE 24-080)

The Company includes in the EDC rate the rebate or return to its ratepayers the allocated amount of Regional Greenhouse Gas Initiative (RGGI) Auction payments from quarterly RGGI Auctions conducted during 2023.⁴ These auction amounts are paid to the State of New Hampshire by RGGI, Inc. The DOE allocates the funds to New Hampshire utilities and Municipal Electric Companies based on annual energy sales of those entities. The funds are paid out to these entities for return to ratepayers. The Department has confirmed that actual amounts through the March 2024 RGGI auction shown on Schedule JMP-2, pages 2 and 3, Column (p) totaling (\$8,262,475) correspond to the actual allocated amounts from corresponding RGGI Auctions.

Property Tax Reconciliation (Docket No. DE 24-080)

A detailed discussion of the Company’s Property Tax Reconciliation is provided in the testimony of Unitol witness Daniel T. Nawazelski. Starting on Bates page 88 of his testimony, Mr. Nawazelski details the Company’s request for approval to recover the increase in property taxes associated with HB 700 (2019). In alignment with HB 700, only local property taxes are reconciled through the EDC. In Order No. 26,500 in Docket DE 21-069, the Commission approved the company’s proposed method for reconciling local property taxes consistent with the authority granted under RSA 72:8-e.

² See Docket No. DE 23-092, Technical Statement of Jay E. Dudley, Joseph J. De Virgilio, and Ronald D. Willoughby dated April 5, 2024, at Bates 2-4.

³ See also Attachment 2 – Response to DOE 1-12.

⁴ Additional information about RGGI Auctions is available at <https://www.rggi.org/auctions/auction-results>

In 2023, the Company's property tax expenses totaled \$8,640,015, comprising \$1,754,894 for state property taxes and \$6,885,121 for local property taxes. Schedule DTN-1, attached to Mr. Nawazelski's testimony, includes calculations for the 2023 annual property taxes. During its review, the Department identified that the Company paid State Education Tax to several towns despite being exempt from this obligation under RSA 83-F:9. The total amount paid has been determined to be \$11,851.68. The 2023 property tax expense as filed on June 14, 2024, was \$666,481 higher than the amount currently included in base rates. As indicated in Schedule DTN-1, page 1, line 7, and supported by Order No. 26,500 in Docket DE 21-069, this additional expense is recoverable through the Company's EDC.

The DOE has reviewed this request and associated documents in the testimony of Mr. Nawazelski. The Department asked several data requests related to property tax to explore details of the Company's expenditures. In response to discovery the Company confirmed that the 2023 tax amounts reported included \$11,852 in State Education Tax.⁵ The Department understands that pursuant to RSA 83-F:9, Unitil (and all utilities) are exempt from paying State Education Tax. As a result, the Department recommends that the Commission reduce the Company's request to recover \$666,481 of local property taxes in 2024 by \$11,852. Approval of this recommendation would result in recovery of $(\$666,481 - \$11,852 =) \$654,629$ in property tax reconciliation through the Company's EDC.

Conclusion

The DOE has reviewed and investigated the materials filed by the Company in support of its proposed adjustments to its RDAF, SCC, and EDC. The detailed testimonies and accompanying schedules from Unitil's witnesses-Linda S. McNamara, Jeff M. Pentz, Daniel T. Nawazelski, and Emily S. Anderson-provide substantial evidence supporting the requested rate adjustments.

The DOE's analysis confirms that the calculations and methodologies used by the Company are appropriate and align with applicable procedures, subject to the specific exceptions and conditions outlined above. Notably, the DOE recommends an adjustment to the property tax calculation that is included in the calculation of the EDC. In addition, the DOE does not recommend allowing the recovery of the deferred amount above the cap in the RDAF.

The DOE's preliminary recommendation is to support the Company's filing, with caveats as described above, and the RDAF, SCC, and EDC rates proposed. The DOE anticipates that it will present its final position at hearing pending any additional review and additional information which may come to light through cross-examination of Company witnesses.

⁵ See Attachment 3 – Response to DOE 1-4 & DOE TS 1-1.

Unitil Energy Systems, Inc.
DE 24-077 & DE 24-080
Petition for Approval of Revenue Decoupling Adjustment Factor and Proposed
Tariff Changes
And
Petition for Approval of Annual Stranded Cost Recovery and External Delivery
Charge Reconciliation and Proposed Tariff Changes
Department of Energy Data Requests Set 1

Received: 6/28/24
Request No. DOE 1-2

Date of Response: 7/10/24
Witness: Linda S. McNamara

Request:

(DE 24-080) Reference Schedule LSM-2 bates page 26 at footnote (1), Please explain why the company is including the Lost Base Revenue balance in the EDC. Please include any relevant settlement agreements, commission orders, or statutes that provide guidance or provide other justification.

Response:

The Company proposes to include the Lost Base Revenue final balance in the EDC as recovery of Lost Base Revenue through the System Benefits Charge ended with the Company's transition to revenue decoupling.

The Company discussed this proposal as part of its June 1, 2023 Energy Efficiency 2022 Annual Reports, filed in IR 22-042. Specifically, UES included the following statement "The reconciliation of LBR with revenue collected through the lost revenue component of the System Benefits Charge is also provided as part of this report. Effective June 1, 2022, the Company transitioned to a revenue decoupling mechanism approved in DE 21-030. This report includes lost revenue recovery through May 31, 2022 and a proposal for recovery of any remaining balances." Additionally, the Company states in the June 1, 2023 Report that "Page 2 provides a reconciliation of the 2022 LBR from page 1 with revenues collected through the lost revenue component of the System Benefits Charge. Effective January 1, 2023, the rate for all customers is \$0.00000/kWh. The Company proposes to include the ending balances, plus interest, in the External Delivery Charge (EDC)."

UES's affiliate, Northern Utilities ("NU"), included similar language in its June 1, 2023 annual EE report, with a proposal to include the LBR ending balance in its Regulatory Assessment Adjustment Mechanism (RAAM) included in the Local Delivery Adjustment Clause (LDAC). NU included the balance in its 2023/2024 Annual Cost of Gas and Associated Charges Filing, filed on September 15, 2023 in DG 23-085. The PUC approved the RAAM in Order No. 26,897 on October 31, 2023.

Unitil Energy Systems, Inc.
DE 24-077 & DE 24-080
Petition for Approval of Revenue Decoupling Adjustment Factor and Proposed
Tariff Changes
And
Petition for Approval of Annual Stranded Cost Recovery and External Delivery
Charge Reconciliation and Proposed Tariff Changes
Department of Energy Data Requests Set 1

Received: 6/28/24
Request No. DOE 1-12

Date of Response: 7/10/24
Witness: Sara Sankowich

Request:

(DE 24-080) Reference Commission order 26,992 in Docket No. DE 23-092 which states “The Commission directs Unitil to work with the DOE in the upcoming EDC docket to determine, what if any, steps can be taken to ensure the containment of costs surrounding the REP and VMP plans while also ensuring Unitil continue to uphold industry practices for REP and VMP.” Please explain how the company plans to control the rising costs surrounding REP and VMP.

Response:

As shown in DE 24-080 Annual Report Table 1, the Company was able to control costs in 2023, spending \$316,232 less than the expected costs while still upholding industry practices. While vendor costs are largely out of the control of the Company, the Company plans to continue to take steps aimed at controlling costs due to utility influenced factors that may affect bid prices, such as vendor availability, work timing flexibility, and contracting strategy.

The Company is focused on maintaining line-clearance vendor relationships. This includes increasing our qualified vendor list, preserving relationships with vendors on the system, continuing to uphold transparency with upcoming work and RFP release, and actively seeking vendor feedback. The Company works to retain excellent vendor oversight by qualified professionals which promotes consistency between work areas and job sites, which also helps maintain relationships and reduce vendor apprehension and price inflation due to unknown risk. Increased communication in the RFP and bidding process also helps reduce the costs of vendor risk. The company has increased communication surrounding work requirements, expectations, and RFPs aiming to increase the accuracy of bidding and limiting the risk to vendor default on work. The Company has also increased communication after award and while work is ongoing. A vendor evaluation process was implemented and work progress is tracked; both communicated throughout the year to vendor supervision and management.

Over the last nine months the company has been actively transitioning to a new vegetation management work software aimed at increased work efficiency, effectiveness and communication with vendors. The Company hopes that this tool increases transparency and assists in controlling rising costs. The Company is continually

**Unitil Energy Systems, Inc.
DE 24-077 & DE 24-080
Petition for Approval of Revenue Decoupling Adjustment Factor and Proposed
Tariff Changes
And
Petition for Approval of Annual Stranded Cost Recovery and External Delivery
Charge Reconciliation and Proposed Tariff Changes
Department of Energy Data Requests Set 1**

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Request No. DOE 1-12

Date of Response: 7/10/24
Witness: Sara Sankowich

connecting with peers and contacts within the industry in order to contribute to worker recruitment or retention efforts and to stay up to date on: best management practices, industry hurdles, and new technology or techniques. The Company keeps abreast of new technology and techniques and in 2023 awarded a bid using a new aerial saw pruning technology to increase safety and efficiency.

EXHIBIT 6

Docket No.: DE 24-077 & DE 24-080
 DOE Technical Statement of Trottier, Dudley, & Eckberg
 Attachment 3
 Page 1 of 5

Unitil Energy Systems, Inc.
 Property Tax Recovery
 State Education Tax Paid by Town Included in Recovery

DE 24-077 & 24-080
 DOE TS 1-1 Attachment 1
 Page 1 of 1

Line No.	City/Town	Location	Sch. DTN-2 Page Reference	State Education Tax Rate	Valuation	Payment In Filing
1	Concord ⁽¹⁾	259-261 Portsmouth St	20	\$ 1.2100	\$ 4,150	\$ 1.26
2	Concord ⁽¹⁾	235 Portsmouth St	29	\$ 1.2100	\$ 96,350	\$ 29.15
3	Concord ⁽¹⁾	259-261 Portsmouth St	63	\$ 1.5700	\$ 3,450	\$ 4.06
4	Concord ⁽¹⁾	235 Portsmouth St	70	\$ 1.5700	\$ 95,550	\$ 112.51
5	Exeter	30 Energy Way	104	\$ 1.8700	\$ 6,259,200	\$ 11,704.70
6	Total State Education Tax Recovery Included in Filing					\$ 11,851.68

Notes

(1) Company revising cost recovery request to exclude these payments totaling \$146.97

Unitil Energy Systems, Inc.
DE 24-077 & DE 24-080
Petition for Approval of Revenue Decoupling Adjustment Factor and Proposed
Tariff Changes
And
Petition for Approval of Annual Stranded Cost Recovery and External Delivery
Charge Reconciliation and Proposed Tariff Changes
Department of Energy Technical Session Data Requests Set 1

Received: 7/17/24
Request No. DOE TS 1-1

Date of Response: July 22, 2024
Witness: D. Nawazelski

Request:

Reference response to DOE 1-4 regarding Property Taxes. Please respond to the following:

- a. Please provide a schedule that shows the total amount of state education taxes paid.
- b. Please identify property tax bills where a state education tax was listed but not actually assessed to the company.
- c. Please provide more detail regarding which utility property the Company understands to be not exempt from state education tax and the basis for that understanding.

Response:

- a. Please refer to DOE TS-1 Attachment 1.
- b. The Company has not identified any property tax bills in this years cost recovery filing where a state education tax rate was listed but not actually assessed to the company.
- c. The Company believes that property not exempt from state education tax is property that does not directly provide utility services to current customers, but instead provides services for non-utility functions essential in operating the business. Those non-utility functions include, but are not limited to, financial and accounting service, regulatory services, information technology, and human resources. Upon further review, the Company has determined that the payments to the Concord properties of 235 and 259-261 Portsmouth street should be excluded from the Company's request. A revision to the Company's request excluding \$146.97 will be made.

Unitil Energy Systems, Inc.
DE 24-077 & DE 24-080
Petition for Approval of Revenue Decoupling Adjustment Factor and Proposed
Tariff Changes
And
Petition for Approval of Annual Stranded Cost Recovery and External Delivery
Charge Reconciliation and Proposed Tariff Changes
Department of Energy Data Requests Set 1

Received: 6/28/24
Request No. DOE 1-4

Date of Response: 7/10/24
Witness: D. Nawazelski

Request:

(DE 24-080) Reference Schedule DTN-2

- a) Several invoices show state education tax amounts charged (for example, Schedule DTN-2 pp. 20, 40, 63, 98, etc.). Pursuant to RSA 83-F:9, utilities are exempt from paying state education taxes. Please confirm whether or not Unitil paid any state education tax amounts.
- b) A number of invoices show bill printed dates in calendar year 2022, with due dates in 2023 (for example, Schedule DTN-2 pp. 19-37, 76-78, etc.). Did the Company include any of these 2022 bills in its calculation of property tax reconciliation for 2023?
- c) Similarly, a number of invoices show bill printed dates in calendar year 2023, with due dates in 2024. Did the Company include all of those 2023 bills in its calculation of property tax reconciliation for 2023? If so, please confirm that all 2023 bills with 2024 due dates have been paid by the Company.
- d) A number of invoices show “delinquent taxes” of a handful of cents (for example, 1 cent in Schedule DTN-2 p. 35, 7 cents in DTN-2 p. 38, 38 cents in DTN-2 p. 41, etc.). Please explain what these numbers represent.
- e) Please confirm that all properties included in the property tax reconciliation recovery amount are currently in service to customers per the eligibility requirements of RSA 72:8-d and 72:8-e.

Response:

- a) The Company paid state education tax amounts as required by the applicable towns and seeks recovery of these costs in the instant proceeding. Although the Company endeavors to work with towns to resolve any discrepancies surrounding state education tax amounts, should the Company refuse to pay the

Unitil Energy Systems, Inc.
DE 24-077 & DE 24-080
Petition for Approval of Revenue Decoupling Adjustment Factor and Proposed
Tariff Changes
And
Petition for Approval of Annual Stranded Cost Recovery and External Delivery
Charge Reconciliation and Proposed Tariff Changes
Department of Energy Data Requests Set 1

Received: 6/28/24
Request No. DOE 1-4

Date of Response: 7/10/24
Witness: D. Nawazelski

entire bill as presented the Company is administered late payment fees and may be subject to tax liens..

- b) The respective bills pertain to the city of Concord, which issues quarterly tax bills that show two upcoming payments in a single bill. For example, Schedule DTN-2 pp. 19 presents payments due by January 3, 2023 and March 31, 2023. The Company did not include the January 3, 2023 payment, but did include the March 31, 2023 payment in its calculation of property tax reconciliation for 2023.
- c) As described in part b above the Company receives quarterly tax bills from the city of Concord. The Company's fourth payment to this city, which is provided Schedule DTN-2 pp. 74, of \$11,556.50 was expensed in 2023 though the payment date is due January 11, 2024. The timing associated with these invoices and payments related to Concord, as well as the Company's requests for recovery of these costs, has been consistent since the PTAMs inception. The Company confirms that all 2023 bills with 2024 due dates have been paid by the Company. The Company has not included the second payment as presented on the referenced bills for recovery in this filing. For example, the amount of \$11,556.51 as shown on Schedule DTN-2 pp. 74 was not included for recovery in this PTAM filing.
- d) The Delinquent Taxes relate to the City's application of tax payments they have received. On the same set of invoices, there are "overpayments" listed on different locations in similar amounts. Overall there is no impact to the Company's proposed recovery in this proceeding and it is a bill presentation issue by the City. In response to this issue the Company has begun sending detailed payment instructions to the City to avoid the misrepresentation of payments by account number/location.
- e) The company confirms that all properties included in the property tax reconciliation recovery amount meet the eligibility requirements for "Utility company assets" defined by RSA 72:8-d and 72:8-e as:

**Unitil Energy Systems, Inc.
DE 24-077 & DE 24-080
Petition for Approval of Revenue Decoupling Adjustment Factor and Proposed
Tariff Changes
And
Petition for Approval of Annual Stranded Cost Recovery and External Delivery
Charge Reconciliation and Proposed Tariff Changes
Department of Energy Data Requests Set 1**

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Witness: D. Nawazelski

For an electric company providing electricity service to retail customers: the distribution poles, wires, conductors, attachments, meters, transformers, and substations accounted for by the utility in accordance with FERC Form 1, buildings, contributions in aid of construction (CIAC), construction works in progress (CWIP), and land rights, including use of the public rights of way, easements on private land owned by third parties, and land owned in fee by the electric company, so long as such easements and fee land are associated solely with distribution power lines classified as distribution according to FERC standards. N.H. Rev. Stat. § 72:8-d