

STATE OF NEW HAMPSHIRE

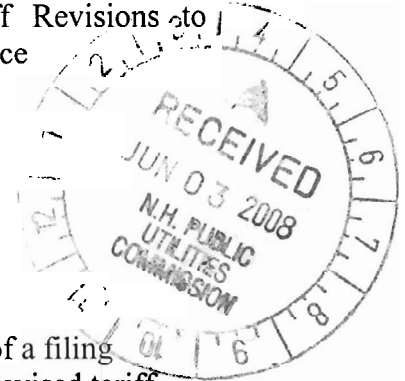
Inter-Department Communication

DATE: June 3, 2008
AT (OFFICE): NHPUC

FROM: Steven E. Mullen
Assistant Director, Electric Division

SUBJECT: DE 08-080, Unitil Energy Systems, Inc. – Tariff Revisions to Domestic Delivery Service and General Delivery Service

TO: Commissioners
Debra A. Howland, Executive Director & Secretary



On June 2, 2008, Unitil Energy Systems, Inc. (UES) filed a copy of a filing originally made by UES on April 22, 2008.¹ In the filing, UES enclosed revised tariff pages eliminating the Controlled Off-Peak Water Heating rate from both its Domestic Delivery Service and General Delivery Service tariffs. According to UES, in its last base rate proceeding, DE 05-178, UES' tariffs were revised such that the Controlled Off-Peak Water Heating rate would only be available until such time as an affected customer's master meter is changed out with an Automated Meter Reading (AMR) device. Upon installation of AMR, customers formerly served under the Controlled Off-Peak Water Heating rate would be serviced under Schedule D or G2, as applicable. In its testimony in DE 05-178, UES stated that the Controlled Off-Peak Water Heating rates had been closed to new customers for a number of years and, once all of the customers had been migrated to rate D or G2, UES would request elimination of those water heating rates.

In its April 22, 2008 cover letter, UES stated that in late 2007 the last customers receiving service under the Controlled Off-Peak Water Heating rates were placed on rate D, which meant that no customers remained on either the Domestic or General Controlled Off-Peak Water Heating rate. Therefore, UES proposed to eliminate the tariff provisions for Controlled Off-Peak Water Heating effective June 1, 2008 as, it said, all requirements of the elimination of the rate have been met.

Staff has reviewed the filing as well as relevant documents from DE 05-178. While there was a settlement agreement in that proceeding that, in part, dealt with rate design issues, the specific issue of elimination of the Controlled Off-Peak Water Heating rates was not addressed. The issue was, however, addressed and supported in Staff's testimony and discussed during the DE 05-178 hearings with no opposition to the

¹ There was no record of the April 22, 2008 filing in the Commission's files.

proposal put forward by any party. The present filing essentially amounts to a housekeeping item as a follow-up to the DE 05-178 rate case.

Having completed its review of the pertinent documents, Staff recommends that the Commission approve UES' proposal to eliminate the tariff provisions for Controlled Off-Peak Water Heating for both Domestic Delivery Service and General Delivery Service as well as approve the following tariff pages:

- Second Revised Page 47;
- Second Revised Page 48;
- Second Revised Page 52; and
- Second Revised Page 53.

Although we are now slightly beyond the June 1, 2008 effective date for implementation of the tariff revisions originally sought by UES, Staff sees no reason why that date could not still be used, especially as no customers have received service under the Controlled Off-Peak Water Heating rates since late 2007. Staff discussed this issue with UES and was informed that, if necessary, a later effective date would not be problematic.

Please let me know if you have any questions or would like to discuss this issue further.

cc: Tom Frantz
Suzanne Amidon
Amanda Noonan
Meredith Hatfield, Office of Consumer Advocate