

BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

UNITIL ENERGY SYSTEMS, INC.
Petitioner

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DOCKET NO. DE 12-003

**PETITION FOR APPROVAL OF DEFAULT SERVICE
SOLICITATION AND PROPOSED DEFAULT SERVICE TARIFF**

Unitil Energy Systems, Inc., (“UES” or “Company”) submits this Petition
requesting:

1) approval of the New Hampshire Public Utilities Commission (“Commission”) of UES’ solicitation and procurement of two contracts for Default Service (“DS”). The first contract is for 100 percent of large customer (G1) default service requirements for seven months in duration, November 1, 2012, through May 31, 2013; the second contract is for 25 percent of small and medium customer (non-G1) default service requirements for 6 months in duration, November 1, 2012 through April 30, 2013, and for 75 percent of non-G1 customer default service requirements for 1 month, May 1-31, 2013; and

2) approval of proposed tariffs incorporating the results of this solicitation into rates. As part of this request, and as discussed more fully below, UES seeks a final order granting the approvals requested herein no later than September 21, 2012. In support of its Petition, UES states the following:

Petitioner

UES is a New Hampshire corporation and public utility primarily engaged in the distribution of electricity in the capital and seacoast regions of New Hampshire.

Background

Pursuant to the terms of the Settlement Agreement approved by the Commission in NHPUC Order No. 24,511, and as modified by the approvals granted in subsequent orders, including, most recently, Order No. 25,397, UES has solicited for DS power supplies for two contracts: One contract is for 100 percent of large customer default service requirements, seven months in duration; and one for 25 percent of small customers default service requirements for 6 months in duration, and for 75 percent of small customer default service requirements for 1 month. All contract deliveries will begin November 1, 2012. The solicitation process was conducted in accordance with the model schedule contained in the Settlement Agreement, as modified by the approvals granted in Order No. 25,397.

UES submits this Petition in compliance with the Settlement Agreement and orders issued in Docket No. DE 05-064 and subsequent related proceedings, and requests approval of the results of its most recent solicitation, as described more fully below and in the attached exhibits, and also requests approval of the tariffs included with this filing.

Description of Exhibits

Attached to this Petition are the following Exhibits:

Exhibit TMB-1: Testimony and Schedules of Todd M. Bohan.

Exhibit LSM-1: Testimony and Schedules of Linda S. McNamara.

Solicitation Process and Selection of Winning Bidders

UES submits that it has conducted the solicitation process, made its selection of the winning bidder and entered into a Power Supply Agreement in accordance with the

representations set forth in its Petition submitted on April 1, 2005, as amended by the Settlement Agreement filed on August 11, 2005 and as approved by the Commission in its orders in Docket No. DE 05-064 and subsequent related dockets. Details of UES's compliance in this regard are set forth in Exhibit TMB-1 and the Bid Evaluation Report attached as Schedule TMB-1 thereto. A copy of the RFP, redlined against the previous RFP issued by UES in this docket, has been provided to Commission Staff and the Office of Consumer Advocate ("OCA") by e-mail on August 7, 2012. A redline version of the final Power Supply Agreement with the winning bidder is provided in the confidential attachment labeled Tab A to Schedule TMB-1.

Proposed Tariffs

UES's proposed tariffs are included with this filing and are provided in redline as Schedule LSM-1 attached to Exhibit LSM-1. UES requests approval of these proposed tariffs.

Proposed Rate Calculations

The rate calculations for the Non-G1 class Power Supply Charges, fixed and variable, are provided on Schedule LSM-2, Page 1. The rate calculations for the Non-G1 class RPS Charges, fixed and variable, are provided on Schedule LSM-3, Page 1.

Schedule LSM-4, Page 1, shows the proposed G1 Power Supply Charges, excluding wholesale supply charges, and Schedule LSM-5, Page 1, shows the proposed G1 RPS Charge. The updated internal company administrative costs associated with

providing default service proposed for effect November 1, 2012 are provided on Schedule LSM-6. All schedules are attached to Exhibit LSM-1.

Bill Impacts

Schedule LSM-7 provides typical bill impacts for its non-G1 customers associated with UES's proposed DS rate changes for customers who do not choose a competitive supplier.

Confidential Material

UES requests protective treatment, pursuant to the procedures in Puc 201.06 and Puc 201.07, with respect to Tab A of Exhibit TMB-1 and in the e-mails exchanged with the Staff and the OCA on September 14, 2012, which contain confidential material. UES does not request confidential treatment of the identity of the winning bidders, which are provided in the public pre-filed testimony of Mr. Bohan in Exhibit TMB, accompanying this Petition.

Request for Approvals

UES respectfully requests that the Commission issue a final order no later than September 21, 2012, containing the following findings of fact, conclusions and approvals:

1. FIND that UES has followed the solicitation process approved by the Commission;
2. FIND that UES's analysis of the bids submitted was reasonable;

3. FIND that UES has supplied a reasonable rationale for its choice of supplier.
4. CONCLUDE that, based upon the above Findings, the power supply costs which result from the solicitation are reasonable;
5. CONCLUDE that, based upon the above Findings and Conclusion that the power supply costs which result from the solicitation are reasonable, and subject to the ongoing obligation of UES to act prudently, according to law and in conformity with Commission orders, the amounts payable to the seller for power supply costs under the power supply agreements for G1 and non-G1 customers are approved for inclusion in retail rates beginning November 1, 2012.
6. GRANT APPROVAL of the tariff changes requested herein.
7. GRANT APPROVAL of the request for Protective Treatment of the designated confidential material pursuant to Puc 201.06 and Puc 201.07.

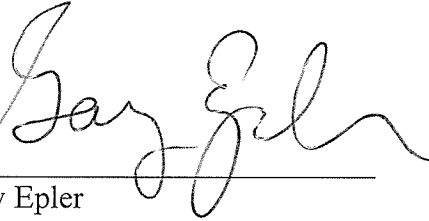
Conclusion

For all of the foregoing reasons, UES requests that the Commission grant it the approvals requested in this Petition, and for such other relief as the Commission may deem necessary and proper.

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Respectfully submitted,

UNITIL ENERGY SYSTEMS, INC.
By its Attorney:

A handwritten signature in black ink, appearing to read "Gary Epler", written over a horizontal line.

Gary Epler
Chief Regulatory Attorney
Unitil Service Corp.
6 Liberty Lane West
Hampton, NH 03842-1720
603.773.6440 (direct)
603.773.6640 (fax)
epler@unitil.com

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