


STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: March 9, 2015

AT (OFFICE): NHPUC

NHPUC 9MAR15am11:15

FROM: Amanda O. Noonan 

SUBJECT: DE 15-079 Unitil Energy Systems
Default Service

TO: Martin Honigberg
Robert Scott
Debra Howland
Anne Ross
Thomas Frantz
Suzanne Amidon

As approved in Order No. 24,511 (DE 05-064), Unitil offers a fixed default service rate and a variable default service rate for its residential and small commercial customers. Unitil customers returning to default service from a competitive energy supplier or self-supply or switching from default service to a competitive energy supplier or self-supply are billed for energy service at Unitil's variable rate default service. For those customers returning to Unitil default service, billing at the variable rate is for the remaining months in the default service period. For customers switching to a competitive supplier, the billing of the variable rate is retroactively done for the prior months in the default service period, however.

Prior to this winter, Unitil had not been enforcing its tariff with regard to re-billing residential customers who elected to receive their energy service from competitive energy suppliers. Upon advice of its counsel, Unitil began enforcing the provision of its tariff effective December 1, 2014. In February 2015, the Consumer Affairs Division began to receive complaints from Unitil customers who had been billed for the difference between the fixed rate default service and the variable rate default service upon switching to a competitive supplier. These customers had already received and paid their monthly Unitil bills, based on the fixed rate for default service. As a result of choosing a competitive supplier, they were now being billed an additional amount from Unitil for that same service. Staff understands that Unitil has received customer complaints as well.

Staff believes the ability to adjust upward or downward the bills of customers who choose to purchase their energy service from a competitive supplier, in the first instance, could operate as a barrier to participation in the competitive retail energy market and, in the second instance, is confusing to customers. Staff recommends the Commission amend its order of notice in DE 15-079 to include consideration of Unitil's tariff regarding its variable rate default service offering. Given the relatively short timeframe required for review of the default service solicitation responses for the June 1 through November 30 default service period, Staff further recommends that consideration of this issue be conducted on a separate schedule from that of the default service solicitation responses.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**