

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 15-079

UNITIL ENERGY SYSTEMS, INC.

2015 Default Service Solicitation

ORDER OF NOTICE

On March 3, 2015, Unitil Energy Systems, Inc. (Unitil) filed its 2015 power supply procurement schedule for its customers who do not take electric service from a competitive supplier. The schedule indicates customer class, request for proposal (RFP) issue dates, indicative bid schedule, final bid due dates, regulatory filing dates, the dates Commission approval is anticipated, and the dates service is proposed to begin.

Unitil's default service solicitation is conducted pursuant to the process approved by the Commission in Orders No. 24,511 (January 13, 2006) and 24,921 (December 19, 2008), and most recently modified by Order No. 25,397 (July 31, 2012). In Order No. 25,397, the Commission approved Unitil's proposal to modify its procurement process as follows: (1) the effective date for default service supply contracts is June 1 and December 1 of each year; (2) for G1 (large commercial and industrial) customers, pricing is based on variable monthly prices and solicitations occur every 6 months; and (3) for Non-G1 (residential, small commercial and outdoor lighting) customers, solicitations occur every 6 months. In addition, for Non-G1 customers, the load is separately acquired for the residential customer group and the small commercial and outdoor lighting customer group, and the resulting rates for both the residential customer group and the small commercial and outdoor lighting customer group are fixed monthly rates for the six-month period. For G1 customers, Unitil solicits variable pricing that

passes through energy costs in the form of real-time locational market prices (LMP) for the New Hampshire Load Zone. Respondents are asked to bid fixed adders to the LMP that would cover all other costs of supplying power.

On March 3, 2015, Unitil issued the RFP for default service power supply for the six-month period beginning June 1, 2015. The RFP requests 100% power supply requirements for that period in three separate blocks for the G1 customers, the small commercial and outdoor lighting customers, and residential customers. Unitil will issue the second RFP on September 1, 2015, with the associated regulatory filing to take place on October 2, 2015.

Pursuant to Unitil's tariff, Unitil customers returning to default service from a competitive energy supplier or self-supply are billed for energy service at Unitil's variable rate default service. On March 9, 2015, Staff filed a memorandum recommending that the Commission review the implementation of the variable rate. According to Staff, for those customers returning to Unitil default service, billing at the variable rate is applicable 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. As a result, those customers choosing competitive suppliers are being billed an additional amount from Unitil for services which were previously paid. Staff reported that the Commission's consumer affairs division has received numerous complaints from customers regarding re-billing, and proposed that the issue be reviewed in this docket outside of the schedule for Unitil's default service solicitations.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov.

The filing raises, inter alia, issues related to whether the resulting rates are just and reasonable as required by RSA 378:5 and 7; whether UES procures default service consistent with the principles of the electric utility restructuring statute (RSA 374-F:3, V (c) – (e)) and Orders No. 24,511 and 24,921, as modified by Order No. 25,397; and whether Unitil's implementation of the variable default service rate is just and reasonable pursuant to RSA 378:5 and 7 and consistent with the principles of the electric utility restructuring statute (RSA 374-F:3). Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.12 , be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on April 8, 2015 at 10:00 a.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Unitil shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than March 18, 2015, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before April 3, 2015; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Unitil and the Office of the Consumer Advocate on or before April 3, 2015, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said
Objection on or before April 8, 2015.

By order of the Public Utilities Commission of New Hampshire this tenth day of March,
2015.

A handwritten signature in black ink, appearing to read "Debra A. Howland", is written over a horizontal line.

Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

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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Docket #: 15-079-1 Printed: March 10, 2015

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
EXEC 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.