

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

DATE: May 20, 2011

FROM: 
George McCluskey

SUBJECT: UES' Time-of-Use and Critical Peak Pricing Pilot Programs
Docket No. DE 09-137

TO: Debra Howland



Background

On August 5, 2009, Unitil Energy Systems, Inc. (UES) filed a petition for approval of a pilot program to test the responsiveness of residential customers with air conditioning loads to time-of-use (TOU) rates and critical peak pricing (CPP). These customers currently receive service under UES' non-G1 Default Service rate. The pilot program was to be conducted jointly with UES' Massachusetts affiliate, Fitchburg Gas and Electric (Fitchburg), during the months June through August of 2010. On December 16, 2009, UES entered into a Settlement Agreement with the OCA and Staff that among other things modified the pricing in UES' pilot program. The Settlement Agreement also required UES to develop a proposal for a pilot program for its non-G1, non-residential customers to be implemented in the summer of 2011.

The Settlement Agreement was approved by the Commission on February 26, 2010 by Order No. 25,079. On January 14, 2011, UES filed a proposal for a CPP pilot program for non-GI C&I customers as required under the Settlement Agreement. The Commission approved the non-G1 CPP pilot program by a secretarial letter issued February 15, 2011.

Compliance Filings

Subsequent events resulted in a delay in implementation of the residential pilot program from the summer of 2010 to the summer of 2011. On March 24, 2011, the Company filed the tariff proposed to be applied on service rendered between June 1, 2011 and August 31, 2011 for customers participating in the residential TOU/CPP pilot program or the C&I CPP pilot program. UES alleged that the proposed rates were in compliance with the approved December 16, 2009 Settlement Agreement. After reviewing the compliance filing, Staff concluded that the proposed rates were not in compliance with the terms of the Settlement Agreement and requested appropriate changes be made. On April 13, 2011, UES filed a revised compliance filing consisting of Original Pages 73A-73B: Residential Default Service TOU/CPP Pilot Program and C&I Default Service CPP Pilot Program Schedule DSP. The April 13 filing was followed up with a subsequent filing on April 28, 2011 to reflect a methodological change associated with the revenue neutrality adjustment. Staff has reviewed the rate calculations underlying the proposed rates in the revised compliance filing and finds them to be consistent with the Settlement Agreement.

cc: Steve Mullen, Electric Division
Suzanne Amidon, Legal Division