

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 10-292

UNITIL ENERGY SYSTEMS, INC.

**Request for Step Adjustment for Distributed Energy Resources Investment
in Exeter SAU 16 Project**

Order Suspending Tariff Pages and Scheduling a Hearing

ORDER NO. 25,170

November 17, 2010

On November 1, 2010, Unitil Energy Systems, Inc. (UES or Company) filed tariff pages proposed for effect on service rendered on and after January 1, 2011 to recover its Distributed Energy Resources (DER) investment in the Exeter SAU 16 solar photovoltaic and micro-turbine project. The filing was made pursuant to Order No. 25,111 (June 11, 2010) in Docket No. DE 09-137. In that proceeding, the Commission approved a two-step process whereby UES would first seek approval of DER investments as in the public interest pursuant to RSA 374-G, and then seek cost recovery of such investments. In Order No. 25,111, the Commission found UES' investment in the Exeter SAU 16 project to be in the public interest and authorized UES to petition on an annual basis for a step adjustment to its base distribution rates to collect the actual costs associated with approved DER investments. With the instant filing, UES proposes to implement a step adjustment to recover the costs of the Exeter SAU 16 project.

In support of the proposed tariff changes, the filing included schedules showing the calculation of the step adjustment for distribution rates, derivation of the revenue requirement,

and bill impacts associated with the rate change. According to UES, the bill impacts associated with the rate change for a residential customer using 600 kilowatt hours (kWh) per month will be an increase of \$0.04 per month or 0.05% of the total bill. UES said other rate classes will experience similar percentage increases.

This filing raises, inter alia, whether the costs in the proposed rate are prudently incurred and are calculated in a manner consistent with RSA 374-G:5, III and Order No. 25,111; and whether the resulting rates are reasonable and necessary pursuant to RSA 378:5, 7 and 8. The petition and subsequent docket filings, other than information for which confidential treatment is requested or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov/regulatory/docketbk.htm

Based upon the foregoing, it is hereby

ORDERED, pursuant to RSA 378:6, I(b), the Commission hereby suspends UES' proposed tariff to allow the filing to be investigated; and it is

FURTHER ORDERED, that a Hearing be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on January 5, 2011 at 10:00 a.m.; and it is

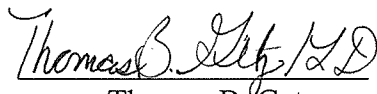
FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, Unitil shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than November 24, 2010, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before January 5, 2011; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition

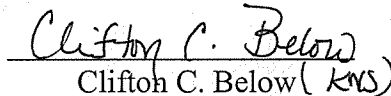
to Intervene with copies sent to Unitil and the Office of the Consumer Advocate on or before December 8, 2010, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule 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 January 5, 2011.

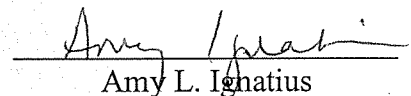
By order of the Public Utilities Commission of New Hampshire this seventeenth day of November, 2010.



Thomas B. Getz
Chairman

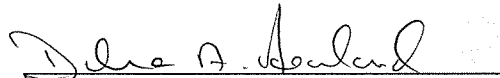


Clifton C. Below (KNS)
Commissioner



Amy L. Ignatius
Commissioner

Attested by:



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.

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FILING INSTRUCTIONS: **PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),**

WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:

DEBRA A HOWLAND
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