

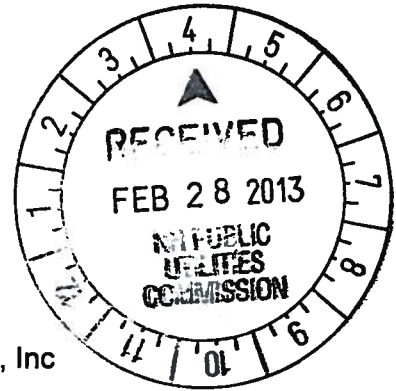


ORIGINAL
N.H.P.U.C. Case No. <u>DE 13-065</u>
Exhibit No. <u>1</u>
Witness <u>Panel</u>
DO NOT REMOVE FROM FILE

February 28, 2013

BY HAND DELIVERY and E-MAIL

Ms. Debra A. Howland
 Executive Director and Secretary
 New Hampshire Public Utilities Commission
 21 S. Fruit Street, Suite 10
 Concord, NH 03301-2429



Re: DE 13-___ Unitil Energy Systems, Inc

Tariff Filing: Step Adjustment Effective May 1, 2013 pursuant to the Settlement Agreement approved in Docket No. DE 10-055

Dear Director Howland:

Enclosed for filing on behalf of Unitil Energy Systems, Inc. ("UES" or "Company") are an original and six (6) copies of the following tariffs¹ proposed to be applied on service rendered on and after May 1, 2013.

- Seventh Revised Page 48, Domestic Delivery Service, Schedule D
- Sixth Revised Page 51, Seventh Revised Pages 52-53, General Delivery Service, Schedule G
- Sixth Revised Page 59-60, Outdoor Lighting Service, Schedule OL

Copies of the redlined tariffs are also attached.

As described in the attached Explanation of Filing, these tariff pages are intended to implement the provisions of the Settlement Agreement approved by the New Hampshire Public Utilities Commission in Docket No. DE 10-055 which provides for a step adjustment effective May 1, 2013. The step adjustment reflects 75 percent of actual changes to non-Reliability Enhancement Program ("REP") net plant in service between December 31, 2011 and December 31, 2012, with adjustments for the REP and Vegetation Management Program ("VMP").

Included in this filing are two requests for additional funding associated with the Company's preparation and response to major storms. First, as a result of the success of its storm hardening pilot program, UES is requesting funding to undertake a Storm Resiliency Program for a one-time increase of \$888,000. This amount is reflected in the VMP adjustments herein.

Gary Epler
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¹ Tariff pages 4-6 are rate summaries and will be filed as compliance tariff pages since other rate components will be filed effective May 1, 2013.

Second, the filing also requests an additional \$400,000 in storm reserve funding in order to address the fund's current deficit. The adjustment increases the Major Storm Cost Reserve to \$800,000 annually in order to reduce the deficit in the reserve fund and fund future storm recovery efforts.

In support of the step adjustment, the filing contains the following reports and schedules:

Explanation of Filing
REP and VMP Annual Report 2012
Schedule 1: Calculation of Changes in Non-REP Net Plant in Service
Schedule 2: May 1, 2013 Step Adjustment Revenue Requirement
Schedule 3: Rate Design
Schedule 4: Bill Impacts

UES is prepared to provide any additional details as may be required.

This filing also includes the information required by the Settlement Agreement related to earnings sharing² (Schedule 5) and exogenous events.³ As described in the Explanation of Filing, there are no rate changes required associated with earnings sharing or exogenous events.

As shown on Schedule 4, page 1, a residential customer on Default Service using 600 kWh will see a bill increase of \$2.07 per month or 2.4% as result of these changes. Bill impacts for other rate classes are similar, but vary based on consumption level and pattern. The monthly bill impact associated with the additional funding requests for the Storm Resiliency Program (less the amount already in base rates for the 2012 Storm Hardening Pilot Program) and the Major Storm Cost Reserve is \$0.94 or 1.1% for a 600 kWh residential customer on Default Service.

Please do not hesitate to contact me if you have any questions concerning this filing.

Sincerely,

/s/ Gary Epler

Gary Epler
Attorney for Unitil Energy Systems, Inc.

Enclosures

cc: Susan Chamberlain, Consumer Advocate (3 copies)

² Settlement Agreement, Section 5

³ Settlement Agreement, Section 11