THE STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DE 15-147

UNITIL ENERGY SYSTEMS, INC.

Proposal to Recover Displaced Distribution Revenue due to Net Metering ORDER OF NOTICE

On May 13, 2013, Unitil Energy Systems, Inc. (Unitil or Company) filed a proposal to recover displaced revenue due to net metering generation through its External Delivery Charge (EDC) rate. Unitil expects to make its next EDC filing on June 17, 2015, for rates effective with service rendered on and after August 1, 2015. The instant filing was made pursuant to New Hampshire Code Admin. Rule Puc 903.02(o) that sets forth the process whereby an electric distribution utility may petition the Commission for reconciliation of the net effects of net metering on its default service and distribution revenues. In its proposal, Unitil seeks recovery of a total of \$41,628, of which \$15,261 is attributable to 2013, and \$26,367 to 2014.

Unitil states that it had made a similar proposal in its 2014 EDC rate filing, but withdrew that portion of the EDC filing without prejudice. Since that time, Unitil modified some of the model assumptions, and excluded from its calculation amounts included in the Company's cost of service in its last distribution rate case. Unitil now seeks authority to recover the net effects of net metering on its distribution revenue, using the revised methodology.

To derive the amount of displaced revenue for 2013 and 2014, Unitil calculated the kilowatt hours (kWh) displaced per kWh of alternate current (AC) generation installed based on the PVWatts generation model, used at the location of the Concord Airport. PVWatts is a commonly used model designed by the National Renewable Energy Laboratory for the purpose

of estimating the generation of solar installations. Unitil made these calculations on a monthly basis. The calculated amount was then compared to the kWh billed each month for the customer. Depending on the amount of the generation and the kWh billed, the displaced distribution revenue was calculated by computing the appropriate kWh at each block level times the appropriate rate. Unitil said that, if recovery is approved, the result would be an incremental rate increase of 0.003 cents per kWh, or about a 2.00 cent increase to the current, average monthly residential bill of \$140.23.

The Commission will consider this proposal on a different time frame than that required for Unitil's 2015 EDC rate filing to allow a thorough review by Staff and interested parties.

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 <u>www.puc.nh.gov</u>.

The filing raises, <u>inter alia</u>, issues related to whether Unitil has appropriately calculated the net revenue displaced as a result of net metering, and whether the resulting rates are just and reasonable pursuant to RSA 378:5 and 7. 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 Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 23, 2015 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, Unitil, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow Unitil to provide any amendments or updates to its filing; 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 June 9, 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 June 19, 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 June 19, 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 June 23, 2015.

By order of the Public Utilities Commission of New Hampshire this fourth day of June, 2015.

Dend Debra A. Howland

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.

Executive.Director@puc.nh.gov amanda.noonan@puc.nh.gov epler@unitil.com jamesbrennan@oca.nh.gov leszek.stachow@puc.nh.gov michael.sheehan@puc.nh.gov ocalitigation@oca.nh.gov suzanne.amidon@puc.nh.gov tom.frantz@puc.nh.gov wayne.jortner@oca.nh.gov

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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

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.