

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: May 1, 2017

AT (OFFICE): NHPUC

FROM: Rich Chagnon *RF*
Utility Analyst – Electric Division

SUBJECT: DE 17-038 UNITIL ENERGY SYSTEMS, INC.
Default Energy Service Proceeding

NHPUC 1MAY17AM11:58

RE: 2016 Lead/Lag Study

TO: Debra A. Howland
Executive Director

CC: Brian Buckley, Esq.
Office of the Consumer Advocate

Summary

On April 10, 2017, the New Hampshire Public Utilities Commission (“Commission”) issued Order No. 16,004 for Docket No. DE 17-038, approving energy service rates for Unitil Energy Systems, Inc. (“UES”).

In the above order, the Commission ordered that “Staff shall assist the OCA in completing its review of the 2016 lead/lag study and file a recommendation with the Commission summarizing its recommendations prior to Unitil’s next default service filing.”

On April 13, Staff and the OCA met to review the 2016 lead/lag study. Staff and the OCA agree that the lead/lag study is accurate and its revenue lead/lag results are reasonable.

Staff and the OCA recommend that the Commission accept the lead/lag results as filed.

Background

On April 3, 2017, UES filed a “Petition for Approval of Default Service Solicitation and Proposed Default Service Tariffs.” The Petition requests that the Commission approve UES’s solicitation and procurement, for the period beginning June 1, 2017, of 100 percent of its Default Service (“DS”) power supply requirements for its Non-G1 and G1

customers for six months, and approve the proposed tariffs incorporating the results of this solicitation into rates.

On April 5, Rich Chagnon testified for Staff that he had reviewed the results of UES's lead/lag study and agreed with the results. The OCA conveyed that due to the short time-frame of this filing, time has not allowed their review the results of the study and indicated they would work with Staff in reviewing it and had no position on the study at that point. Staff agreed to work the OCA to assist the development of its position.

On April 10, 2017, the Commission issued Order No. 16,004 approving energy service rates for UES. Order No. 16,004 stated that "Unitil is authorized to use the 2016 lead/lag study in the calculation of rates subject to any reconciliation that may result from the OCA's review" and "Staff shall assist the OCA in completing its review of the 2016 lead/lag study and file a recommendation with the Commission summarizing its recommendations prior to Unitil's next default service filing."

The results of the UES DS and Renewable Energy Credits ("RECs") lead/lag study indicate a net lead period for DS and REC costs of 30.80 days for G1 Customers and a net lag period of 1.93 days for Non-G1 Customers.

On April 13, Staff and the OCA met to review the 2016 lead/lag study filed. As a result of our review, Staff and the OCA agree that the lead/lag study is accurate and its revenue lead/lag results are reasonable.

Recommendation

Staff and the OCA recommend that the Commission accept the 2016 lead/lag results as filed.

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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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
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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.