

April 24, 2017

BY OVERNIGHT DELIVERY and E-MAIL

Suzanne Amidon, Staff Attorney
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Brian Buckley, OCA Attorney
New Hampshire Office of Consumer Advocate
21 S. Fruit Street, Suite 18
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**Re: PETITION FOR APPROVAL OF DEFAULT SERVICE
SOLICITATION AND PROPOSED DEFAULT SERVICE TARIFFS
Docket No. DE 17-038**

Dear Attorneys Amidon and Buckley:

As you may recall, during the hearing in this docket on April 6, 2017, there were three open requests directed to the Company by the Commission, which were not issued as "record requests." Instead, on each of these matters, the Commission directed the Company to provide responsive material to the Staff and the OCA. Accordingly, the Company provides the following information:

1. Please see the attached revised "Typical Bill Impacts," which provides a more "granular" breakdown of usage levels (average kWh per month) to show the bill impacts of the proposed changes on Rate Schedule D (residential class). (Compare to Schedule LSM-6, Page 5 of 11 of the current filing).
2. Please see the attached informal response, describing the Company's RECs procurement process and whether current vintage RECs are purchased in excess for banking to meet the next year's RPS requirement.
3. The Company has examined its internal procedures and hereby verifies that once a credit or payment is made to a net metering customer in a billing period pursuant to New Hampshire Code of Administrative Rules Part Puc 903.02(f)(5), the account is reset such that a "double payment" to the customer cannot occur in the following billing period for the previous period's generation credits.

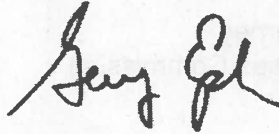
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The Company is available to discuss these matters upon your request. Thank you for your attention to this matter.

Sincerely,



Gary Epler
Attorney for Unitil Energy Systems, Inc.

Enclosures

Unitil Energy Systems, Inc.
Typical Bill Impacts - April 1, 2017 vs. June 1, 2017 due to Change in Default Service Charge
Impacts do NOT include the Electricity Consumption Tax or Impacts from DE 16-384
Impact on D Rate Customers

<u>Average kWh</u>	<u>Total Bill Using Rates 4/1/2017</u>	<u>Total Bill Using Rates 6/1/2017</u>	<u>Total Difference</u>	<u>% Total Difference</u>
125	\$27.77	\$28.01	\$0.25	0.9%
150	\$31.27	\$31.56	\$0.29	0.9%
200	\$38.26	\$38.66	\$0.39	1.0%
250	\$45.26	\$45.75	\$0.49	1.1%
300	\$52.51	\$53.10	\$0.59	1.1%
350	\$59.76	\$60.45	\$0.69	1.1%
400	\$67.01	\$67.79	\$0.78	1.2%
450	\$74.26	\$75.14	\$0.88	1.2%
500	\$81.51	\$82.49	\$0.98	1.2%
525	\$85.13	\$86.16	\$1.03	1.2%
550	\$88.75	\$89.83	\$1.08	1.2%
575	\$92.38	\$93.50	\$1.13	1.2%
600	\$96.00	\$97.18	\$1.18	1.2%
625	\$99.63	\$100.85	\$1.23	1.2%
650	\$103.25	\$104.52	\$1.27	1.2%
675	\$106.87	\$108.20	\$1.32	1.2%
700	\$110.50	\$111.87	\$1.37	1.2%
725	\$114.12	\$115.54	\$1.42	1.2%
750	\$117.75	\$119.22	\$1.47	1.2%
775	\$121.37	\$122.89	\$1.52	1.3%
825	\$128.62	\$130.24	\$1.62	1.3%
925	\$143.12	\$144.93	\$1.81	1.3%
1,000	\$153.99	\$155.95	\$1.96	1.3%
1,250	\$190.23	\$192.68	\$2.45	1.3%
1,500	\$226.48	\$229.42	\$2.94	1.3%
2,000	\$298.96	\$302.88	\$3.92	1.3%
3,500	\$516.42	\$523.28	\$6.86	1.3%
5,000	\$733.87	\$743.67	\$9.80	1.3%

	<u>Rates - Effective April 1, 2017</u>	<u>Rates - Proposed June 1, 2017</u>	<u>Difference</u>
Customer Charge	\$10.27	\$10.27	\$0.00
	<u>kWh</u>	<u>kWh</u>	<u>kWh</u>
Distribution Charge: First 250 kWh	\$0.03603	\$0.03603	\$0.00000
Excess 250 kWh	\$0.04103	\$0.04103	\$0.00000
External Delivery Charge	\$0.02144	\$0.02144	\$0.00000
Stranded Cost Charge	(\$0.00018)	(\$0.00018)	\$0.00000
Storm Recovery Adjustment Factor	\$0.00221	\$0.00221	\$0.00000
System Benefits Charge	\$0.00357	\$0.00357	\$0.00000
Default Service Charge	<u>\$0.07690</u>	<u>\$0.07886</u>	<u>\$0.00196</u>
TOTAL First 250 kWh	\$0.13997	\$0.14193	\$0.00196
Excess 250 kWh	\$0.14497	\$0.14693	\$0.00196

Unitil Energy Systems, Inc.
Docket No. DE 17-038

Received: April 6, 2017
Informal Request

Date of Response: April 24, 2017
Witness: Lisa S. Glover

Request:

Please describe the Company's RECs procurement process and whether you purchased current vintage RECs in excess for banking to meet the next year's RPS requirement.

Response:

In order to meet its RPS requirements, UES procures its RECs either through a separate REC RFP process or via direct purchase of RECs from brokers or marketers. UES's practice of purchasing RECs required for RPS compliance separately from its procurement of default service power supply preserves future market opportunities, provides for administrative efficiencies, improves the marketability of its default service solicitations and likely to results in lower costs for RECs, since wholesale power suppliers are not necessarily owners of NH qualified RECs and therefore may simply add the Alternative Compliance Price (ACP) to their power supply bids. UES generally issues two REC RFPs annually in order to better capture the average market value of RECs over time and to regularly obtain direct information about the pricing and availability of NH RECs.

UES does not necessarily maximize its banking of RECs from year to year, but does purchase in an effort to maximize value for customers. UES recognizes the flexibility provided by the ability to bank RECs in its NEPOOL Generation Information System ("NEPOOL GIS") account from one period in order to meet future year requirements, and UES models its ongoing REC requirements in a manner that reflects the ability to bank RECs. The market price of RECs does not necessarily increase every year, therefore the Company actively decides whether or not to maximize the amount of RECs banked each year for use toward future year RPS obligations. For example, although the RPS requirement may increase from year to year for many REC types, new facilities may become certified to provide NH RECs, or comparable RECs in nearby jurisdictions, that soften the market for NH RECs in future years. In addition, opportunities may arise to purchase RECs at competitive prices from entities that have excess RECs after meeting their own obligations. Such opportunities might be foreclosed if the Company regularly maxed out its banking headroom.

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The most recent REC RFP "REC RFP 8" issued on February 16th, 2017, concluded with the Company not purchasing additional vintage 2016 RECs for use in the 2017 compliance year, as market conditions did not warrant the excess purchase.