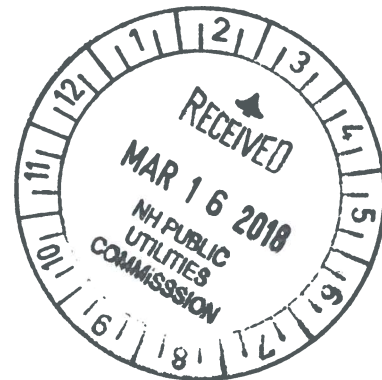




DE 18-036



March 16, 2018

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 18-____ Unitil Energy Systems, Inc.
Petition for Approval of Step Increase and Other Rate Adjustments

Dear Director Howland:

Enclosed for filing on behalf of Unitil Energy Systems, Inc. ("UES" or "Company") are an original and six (6) copies of a Petition for Approval of Step Increase and Other Rate Adjustments. As described in the attached Petition and accompanying testimonies and schedules, the Petition requests approval of a number of rate adjustments, several of which are offsetting, including:

- a 2018 Step Adjustment to reflect recovery of 2017 capital additions;
- a reduction in the revenue requirement to reflect the impact of federal and state corporate tax reductions;
- the termination and removal of the Recoupment portion of the rate increase approved in docket DE 16-384;
- a reduction to the Major Storm Cost Reserve (MSCR) deferral balance and acceleration of its amortization;
- changes to the Storm Reconciliation Adjustment Factor (SRAF); and
- acceleration of the Storm Resiliency Program (SRP) spending in 2018 through 2020.

In support of the Petition, the filing contains the testimony and schedules of: David L. Chong, Director of Finance and Treasurer for Unitil Service Corp.; Richard L. Francazio, Director of Business Continuity and Compliance for Unitil Service Corp.; and Sara M. Sankowich, System Arborist of Unitil Service Corp.

This filing also includes the information required by the Settlement Agreement related to earnings sharing and exogenous events. As described in Exhibit DLC-1, the testimony of David L. Chong, there are no rate changes required associated with earnings sharing or exogenous events.

As a result of this filing, a typical 600 kWh residential customer on default energy service will see a monthly bill increase of \$0.12 or 0.1%. Bill impacts for other rate

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classes vary based on consumption level and pattern. These bill impacts do not reflect the proposed acceleration of the SRP which would flow through the External Delivery Charge, which changes on August 1, 2018.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler". The signature is fluid and cursive, with the first name "Gary" being larger and more prominent than the last name "Epler".

Gary Epler
Attorney for Unitil Energy Systems, Inc.

Enclosures

cc: Donald M. Kreis, Consumer Advocate