



March 16, 2018



BY HAND-DELIVERY AND E-MAIL

Debra A. Howland
 Executive Director and Secretary
 New Hampshire Public Utilities Commission
 21 S. Fruit St, Suite 10
 Concord, N.H. 03301-2429

**Re: UES Annual Major Storm Cost Reserve Fund Report 2017
 Docket No. DE 18-_____**

Dear Secretary Howland:

On behalf of Unitil Energy Systems, Inc. ("UES"), enclosed are an original and six (6) copies of "UES Annual Major Storm Cost Reserve Fund Report" for the 12 month period ending December 31, 2017. This filing complies with the New Hampshire Public Utilities Commission ("Commission") requirements set forth in the Company's Rate Plan Settlement in Docket No. DE 10-055 and as ordered in Docket No. DE 11-277, Order No. 25,351, *Order Granting Increase to Storm Recovery Adjustment Factor* ("SRAF"), issued April 24, 2012 (requiring UES "to file annual reports on the Storm Reserve Fund and storm recovery updates for those storms where costs are recovered through the SRAF").

As described more fully in the Report, the Major Storm Cost Reserve ("MSCR") Fund Balance at December 31, 2017 is in a deficit position of (\$4,539,995). In a separate filing made this same day, the Company is seeking recovery of the October 30, 2017 Wind Storm through its SRAF and proposing to recover a portion of the remaining MSCR balance through its scheduled step adjustment for effect May 1, 2018, and through a temporary increase in the level of the MSCR amortization.

Please refer to the UES MSCR Fund Reconciliation as of December 31, 2017 on page 3 of the Report for a summary of the costs. Please refer to the Storm Recovery Adjustment Factor Reconciliation which provides the reconciliation of the SRAF through December 31, 2017 on page 4 of the Report.

Also attached is an affidavit of Richard Francazio, Director of Business Continuity and Compliance, Unitil Service Corp., under whose direction the Report was prepared. Company representatives, including Mr. Francazio, are available to review the Report and respond to any questions, at the convenience of the Commission, Commission Staff and other interested parties.

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 Chief Regulatory Counsel
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Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler". The signature is fluid and cursive, with the first name "Gary" and the last name "Epler" clearly distinguishable.

Gary Epler
Attorney for Unitil Energy Systems, Inc.

Enclosure

cc: Donald M Kreis, Esq., Consumer Advocate