

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 18-074**

**UNITIL ENERGY SYSTEMS, INC.**

**Petition for Approval of a Tariff Change to Allow Higher  
On-Bill Financed, Zero-Interest Loans**

**Order *Nisi* Approving Tariff Amendments**

**ORDER NO. 26,162**

**July 27, 2018**

In this order, the Commission approves amendments to Unitil's tariff relating to loans for energy efficiency improvements made by residential electric customers. The amendments will allow Unitil to loan a maximum of \$4,000 to a residential customer rather than the current maximum of \$2,000. This order is being issued on a *nisi* basis to ensure that all interested persons receive notice and have the opportunity to comment or request a hearing before the order becomes effective.

**I. PROCEDURAL HISTORY**

In January 2018, the Commission approved the 2018-2020 New Hampshire Statewide Energy Efficiency Plan (Plan) for New Hampshire's investor-owned electric and gas utilities. The Commission's approval of the Plan followed a settlement among numerous participants in Docket No. DE 17-136. *See generally Gas and Electric Utilities*, Order No. 26,095 (January 2, 2018). The Plan provided that several electric utilities would continue to offer zero-percent interest energy efficiency loans of \$2,000 or less to residential customers during the three-year term of the Plan. The Plan contemplated that individual utilities might adjust the

maximum amount of the loan based on their individual circumstances.<sup>1</sup> On April 27, 2018, Unitil Energy Systems, Inc. (Unitil or the Company), petitioned to amend its Energy Efficiency Loan Program (EELP) tariff to increase its maximum loan amount from \$2,000 to \$4,000.

By memorandum dated June 5, 2018, Commission Staff (Staff) reserved its recommendation until the other New Hampshire electric utilities explored the proposed tariff amendment and the possibility of pursuing similar tariff amendments during a meeting scheduled for June 18, 2018. On June 26, 2018, Staff recommended approval of Unitil's petition.

Unitil's initial filing and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted on the Commission's website at <http://puc.nh.gov/Regulatory/Docketbk/2018/18-074.html>.

## II. POSITIONS

### A. Unitil

The EELP is an energy efficiency financing option offered through the Plan. *See* Order No. 26,095 at 9. It allows residential customers to borrow up to the full amount of installation costs associated with approved energy efficiency measures. NHPUC No. 3 - Electricity Delivery Tariff, Third Revised Page 110. A customer then repays the loan amount through an additional "on-bill" charge added to the monthly Unitil electric service bill. *Id.*

In the past, the EELP loan amount could not exceed \$7,500. *See* Order No. 25,747 (December 31, 2014). Today, the cap is \$2,000. Unitil requested that the amount be increased to \$4,000, with a corresponding increase in the maximum repayment term from 24 months to 48 months. Unitil stated it was seeking the tariff change to increase customer participation in its EELP, which provides easy access to funds for energy efficiency projects furnished by

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<sup>1</sup> *See*: [http://puc.nh.gov/Regulatory/Docketbk/2017/17-136/INITIAL%20FILING%20-%20PETITION/17-136\\_2017-09-01\\_NHUTILITIES\\_EE\\_PLAN.PDF](http://puc.nh.gov/Regulatory/Docketbk/2017/17-136/INITIAL%20FILING%20-%20PETITION/17-136_2017-09-01_NHUTILITIES_EE_PLAN.PDF) at Bates Page 136.

zero-percent, on-bill financing. Unitil Energy Systems, Inc., Direct Testimony of Thomas Palma, April 27, 2018, (Palma Testimony) at Bates Pages 6-7. Unitil testified that the utility experienced a significant decrease in the number of on-bill loans in the years following the reduction of the maximum loan amount from \$7,500 to \$2,000 (35 loans issued in 2014; 12 loans issued in 2015; 6 loans issued in 2016; and 1 loan issued in 2017). *Id.*

Unitil argued that a rise in the loan cap to \$4,000 would increase the number of EELP loans because customers would have sufficient funds to make their desired energy improvements. *Id.* With the maximum repayment term increased from 24 months to 48 months, the maximum monthly payment would remain \$83.33. *Id.* at 6; NHPUC No. 3 - Electricity Delivery Tariff, Fourth Revised Page 111. Unitil stated it could sustain the \$4,000 loan amount indefinitely, given its current fund balance, customer repayments, and the anticipated number of new EELP loans. Palma Testimony at 7.

#### **B. Staff**

Staff's initial concern centered on program uniformity and whether the other New Hampshire electric utilities would also increase their EELP loan caps, ensuring less customer confusion and fewer potential complaints. Staff Recommendation, June 5, 2018. At the June 18, 2018 meeting, the New Hampshire Electric Cooperative, Inc. (NHEC), expressed its intention to increase its loan cap to \$4,000. Staff Recommendation, June 5, 2018, at 2. At the same meeting, both Public Service Company of New Hampshire d/b/a Eversource Energy and Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities indicated that they have sufficient demand under the current \$2,000 EELP loan cap and were not planning to request a loan cap increase similar to Unitil or NHEC. *Id.* Ultimately, Staff recommended approval of Unitil's proposed tariff amendments. *Id.*

### III. COMMISSION ANALYSIS

The Commission's authority to review the energy efficiency programs under the Plan and related rates arises out of laws governing energy efficiency funding as well as utility rates and long-term resource planning. *See* Order No. 26,095 at 17-18 (compiling statutory standards). One purpose of these programs is to benefit participating and non-participating customers through savings generated from greater energy efficiency. *Id.* at 18.

We have reviewed Unitil's filings and the testimony introduced in this matter and find the proposed changes to Unitil's tariff to be just and reasonable, consistent with electric restructuring policy principles, and consistent with the Plan's increased energy efficiency goal. Raising the loan cap for on-bill, zero interest loans is likely to increase the number of loans made. Extending the maximum repayment term from 24 to 48 months will ensure that the maximum monthly payment continues to be \$83.33. In Unitil's case, a greater maximum loan amount will attract more customers to the program and provide incentive for larger-scale energy efficiency projects. Further, based on Mr. Palma's testimony, Unitil will be able to continue the \$4,000 maximum loan amount indefinitely even with the expected increased customer participation.

While we approve Unitil's request to amend its tariff as described above, we recognize that the 2018-2020 New Hampshire Statewide Energy Efficiency Plan was the result of settlement and is of broad interest. Accordingly, we issue our decision on a *nisi* basis to provide interested persons the opportunity to submit comments or request a hearing.

**Based upon the foregoing, it is hereby**

**ORDERED *NISI***, that, subject to the effective date below, Unitil Energy Systems, Inc.'s, petition for approval of changes to its tariff is GRANTED; and it is

**FURTHER ORDERED**, that subject to the effective date below, the following Unitil Energy Systems, Inc., tariff pages are approved: NHPUC No. 3 - Electricity Delivery Tariff, Fourth Revised Pages 110 and 111; and it is

**FURTHER ORDERED**, that Unitil Energy Systems, Inc., shall file a properly annotated compliance tariff with the Commission no later than 20 days from the effective date of this order, in accordance with N.H. Code Admin. Rules Puc 1603; and it is

**FURTHER ORDERED**, that Unitil Energy Systems, Inc., shall cause a summary of this order, issued concurrently with this order, to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to occur no later than August 7, 2018, and to be documented by affidavit filed with this office on or before August 23, 2018; and it is

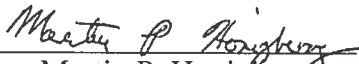
**FURTHER ORDERED**, that the Executive Director provide notice of this order to the service list in Docket No. DE 17-136; and it is

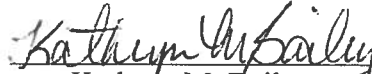
**FURTHER ORDERED**, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than August 14, 2018, for the Commission's consideration; and it is


**FURTHER ORDERED**, that any party interested in responding to such comments or request for hearing shall do so no later than August 21, 2018; and it is

**FURTHER ORDERED**, that this order shall be effective August 27, 2018, unless Unitil Energy Systems, Inc., fails to satisfy the publication obligations set forth above, or the Commission provides otherwise in a supplemental order issued prior to the effective date.

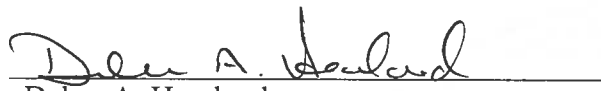
By order of the Public Utilities Commission of New Hampshire this twenty-seventh day  
of July, 2018.

  
Martin P. Honigberg  
Chairman

  
Kathryn M. Bailey  
Commissioner

  
Michael S. Giaimo  
Commissioner

Attested by:

  
Debra A. Howland  
Executive Director