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July 3, 2018

**BY E-FILING AND OVERNIGHT DELIVERY**

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

Re: DE 18-096

Dear Director Howland:

Enclosed, on behalf of Unitil Energy Systems, Inc. and pursuant to the Order Suspending Tariff and Scheduling a Hearing issued by the New Hampshire Public Utilities Commission on June 26, 2018, please find an Affidavit of Kelly Cross evidencing publication of the Order in the New Hampshire Union Leader on June 28, 2018.

If you should have any questions, please do not hesitate to contact our office.

Sincerely,

A handwritten signature in blue ink, appearing to read "RP", with a large loop and a horizontal line extending to the right.

Ryan Peterson  
Legal and Regulatory Assistant for Unitil

cc: Suzanne Amidon, Staff Counsel  
Donald M. Kreis, Consumer Advocate

Encl.

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**Ryan Peterson**  
Legal and Regulatory Assistant  
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UNITIL SERVICE CORP  
ATTN: RYAN J. PETERSON  
6 LIBERTY LANE WEST  
HAMPTON NH 03842

I hereby certify that the legal notice: (0002418740) DE 18-096  
was published in the New Hampshire Union Leader  
On:  
06/28/2018.

*Kelly M. Cross*  
KELLY M. CROSS  
6/28/18

State of New Hampshire  
Hillsborough County

Subscribed and sworn to before me this

28th day of June 2018

*Terry M. Clark*  
\_\_\_\_\_  
Notary Public



## Legal Notice

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION  
DE 18-096  
UNITIL ENERGY SYSTEMS, INC.  
Annual Reconciliation  
and Rate Filing  
Order Suspending Tariff and  
Scheduling a Hearing  
ORDER NO. 26.151  
June 28, 2018**

This order suspends a tariff proposing changes to Unitil's stranded cost charge and external delivery charge for effect with services rendered on and after August 1, 2018. The order schedules a hearing on the proposed tariff for July 11, 2018, at 9:00 a.m.

On June 15, 2018, Unitil Energy Systems, Inc. (Unitil), filed its annual reconciliation of adjustable rate mechanisms, along with supporting testimony and exhibits, and a proposed tariff. The adjustable rate mechanisms are included in Unitil's stranded cost charge (SCC) and external delivery charge (EDC). Unitil proposed the tariff changes for effect with services rendered on and after August 1, 2018. If the proposed changes are approved, the overall bill impact for a residential customer using 650 kilowatt hours (kWh) per month will be a decrease of approximately 1.7 percent, or \$1.90, from \$113.26 per month to \$111.36 per month. Similarly, General Service (G2) customer monthly bills will decrease approximately 1.9 percent. Monthly bills for Large General Service (G1) and Outdoor Lighting (OL) customers will also decrease approximately 2.4 percent and 0.9 percent respectively.

The SCC is the mechanism by which Unitil recovers contract release payments from Unitil Power Corp., in accordance with the Amended Unitil System Agreement approved by the Commission in Order No. 24,072 (October 25, 2002) and by the Federal Energy Regulatory Commission. The release payments are paid by Unitil as a condition of Unitil Power Corp., waiving certain contractual rights against Unitil in connection with a pre-existing power supply agreement. The release payments are equal to the sum of the following: (1) the portfolio sales charge, (2) the residual contract obligation, (3) the Hydro Quebec support payments and (4) reconciliations from prior periods.

The SCC obligations are first calculated on a uniform energy-based per kWh charge and then applied to each class based on the approved rate design. In addition to the energy-based SCC charge, customers in the G1 and G2 classes incur a demand-based charge. According to the filing, the SCC uniform rate is decreasing by 0.044 cents per kWh. The decrease is mainly due to a decrease in forecasted period costs. For residential customers, Unitil calculated an SCC rate credit of 0.101 cents per kWh. The Company also calculated credits for the G1, G2, and OL customers.

The EDC includes costs associated with transmission, including third-party transmission provider costs; regional transmission and operating entities costs; transmission-based fees and assessment; and various administrative, consulting, and legal costs. Unitil also includes in its EDC rate calculation certain non-transmission costs including the rebate of excess Regional Greenhouse Gas Initiative auction proceeds, any over- or under-collection associated with the reliability enhancement and vegetation management programs, the recovery of displaced distribution revenue associated with net metering for 2017, and a regulatory liability of \$769,342 to reflect reduced rates from January 2018 through April 2018 as a result of corporate tax reductions. Unitil calculated a transmission-only factor of 2.498 cents per kWh, and a non-transmission factor credit of 0.109 cents per kWh. This calculation represents a decrease of 0.248 cents in the EDC for effect August 1, 2018, as compared with the EDC effective for the period ending July 31, 2018.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested or granted by the Commission, are posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2018/18-096.html>.

The filing raises, *inter alia*, issues related to whether the calculation of stranded costs conforms to Order No. 24,072, whether the actual and forecasted costs and revenues are appropriately included in the computation of the proposed adjustments, whether the adjusted rates are just and reasonable as required by RSA 374:2 and 378:7, and whether the filing is generally consistent with the principles of restructuring pursuant to RSA 374-F.

We will suspend Unitil's proposed tariff to allow the filing to be investigated pursuant to RSA 378:6, 1(b). Each party has the right to have an attorney represent the party at the party's own expense.

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

**ORDERED**, that pursuant to RSA 378:6, 1(b) the Commission hereby suspends Unitil's proposed tariff to allow the filing to be investigated; and it is

**FURTHER ORDERED**, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on July 11, 2018, at 9:00 a.m.; and it is

**FURTHER ORDERED**, that pursuant to N.H. Code Admin. Rules Puc 203.12, Unitil shall notify all persons desiring to be heard at this hearing by publishing a copy of this order no later than June 29, 2018, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before July 9, 2018; and it is

**FURTHER ORDERED**, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Unitil and the Office of the Consumer Advocate on or before July 9, 2018, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, consistent with N.H. Code Admin. Rule Puc 203.17; and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before July 11, 2018.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of June, 2018

Martin P. Honigberg  
Chairman

Kathryn M. Bailey  
Commissioner

Michael S. Gialmo  
Commissioner

Debra A. Howland  
Executive Director

*Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.*

(UL - June 28)