

CHAIRWOMAN
Dianne Martin

STATE OF NEW HAMPSHIRE

TDD Access: Relay NH
1-800-735-2964

COMMISSIONERS
Kathryn M. Bailey
Michael S. Giaimo



Tel. (603) 271-2431

FAX No. 271-3878

EXECUTIVE
DIRECTOR
Debra A. Howland

Website:
www.puc.nh.gov

PUBLIC UTILITIES COMMISSION

21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

October 7, 2020

RE: DE 20-039, Unitil Energy Systems, Inc.
Order No. 26,414

To the Parties:

Enclosed is revised page 4 of Order No. 26,414 (dated October 6, 2020). On page 4, lines 17 and 18, have been changed to reflect \$0.00886 cents per kWh in December 2020 and \$0.00920 cents per kWh in January through May 2021.

All other portions of this order remain unchanged.

Please substitute the enclosed revised page 4 to your copy of Order No. 26,414.

Sincerely,

A handwritten signature in black ink that reads "Lori Davis".

Lori Davis
Administrative Assistant

Attachment (Revised order page 4)

Unitil testified that the results of the RFP indicate that the market price for power for the Small and Medium customer classes (Non-G1) for the upcoming period from December 1, 2020, through May 31, 2021, is about 16 percent lower than the same period last year, while for the Large customer class (G1) adder, pricing is about 12 percent lower than the same period a year ago. Unitil suggested that one factor contributing to this decrease is a reduction in forward capacity market prices.

Unitil included a renewable portfolio standard compliance adder with the power supply costs in its calculation of the energy service rates. The RPS compliance adder is the charge by which Unitil obtains revenue to meet its RPS obligations under RSA 362-F:3. To comply with its RPS requirements, the Company first attempts to purchase qualifying renewable energy certificates (RECs), one REC representing one megawatt hour of power produced by a qualified renewable generation source. Unitil issues an RFP twice a year to obtain RECs.

For 2020 RPS compliance, Unitil issued an RFP in October 2019 for approximately half of its 2020 RPS requirements. Unitil also plans to issue a second RFP in October 2020 for the remainder of 2020 RPS requirements and half of its 2021 requirements. Effective with rates on December 1, 2020, the RPS compliance adder will be 1.028 cents per kWh for the small and medium customer groups. For the G1 customer group, the RPS adder will be \$0.00886 cents per kWh in December 2020 and \$0.00920 cents per kWh in January through May 2021. Unitil based its cost estimates for the RPS adder on current market prices as communicated by brokers of renewable products, recent REC purchases, and Alternative Compliance Payment rates.

Based on the process offered by the winning bidders, Unitil calculated the fixed rate for the energy component of the Company's residential rate to be 8.287 cents per kWh, and the fixed rate for the energy component of the Company's small commercial and outdoor lighting rates to