



April 18, 2022

Daniel Goldner, Chairman  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

**RE: DE 21-030: Order on Settlement Agreement**

Chairman Goldner:

On February 11, 2022, Unitil Energy Systems, Inc. (“Unitil” or the “Company”) submitted to the Commission in the above-referenced docket a comprehensive Settlement Agreement among the Company and all intervening parties (with the exception of Conservation Law Foundation, which supported those components of the Settlement Agreement in which it has an interest). In a letter dated April 1, 2022, the Company explained that the Settlement Agreement and its attachments stipulated an April 1, 2022 effective date for permanent rates to take effect, and that the Company requested an Order by April 5, 2022 to begin billing new rates without holding bills.

The Company did not hold bills, and has continued to bill customers in April at current rates. Given that the Commission’s final Order on permanent rates remain pending, there are several matters that Unitil wishes to bring to the Commission’s attention.

**I. Recoupment**

Section 10 of the Settlement defines “Recoupment” as “the difference between distribution revenue at temporary rates and permanent rates over the 10-month period June 1, 2021 through March 31, 2022.” DE 21-030, Settlement Agreement at p. 17 (February 11, 2021). This definition assumes the issuance of an Order establishing rates effective April 1, 2022. Under RSA 378:29, temporary rates “fixed, determined, and prescribed” under RSA 378:27 “shall be effective until the final determination of the rate proceeding, unless terminated sooner by the Commission.” RSA 378:29. Recoupment of the difference between permanent and temporary rates is to occur from the time that permanent rates are determined back to the date that temporary rates took effect:

If, upon final disposition of the issues involved in such proceeding, the rates as finally determined are in excess of the rates prescribed in such temporary order, then such public utility shall be permitted to amortize and recover, by means of a temporary increase over and above the rates

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finally determined, such sum as shall represent the difference between the gross income obtained from the rates prescribed in such temporary order and the gross income which would have been obtained under the rates finally determined if applied during the period such temporary order was in effect.

Id. In its Order establishing temporary rates, the Commission concluded: “Consistent with RSA 378:29, the permanent rates approved in this docket will be reconciled back to the date on which temporary rates become effective.” DE 21-030, Unitil Energy Systems, Inc., Order No. 26,484 at p. 5 (May 27, 2021).

In light of RSA 378:29 and Commission Order 26,484, Unitil requests that the Commission make clear in its Order that recoupment of the difference between permanent rates and temporary rates shall occur from the final determination on permanent rates in this case back to June 1, 2021, the time that temporary rates took effect.

## **II. Step Adjustment Effective June 1, 2022**

In a letter dated March 15, 2022, Unitil explained that it anticipated the scheduling of a hearing on the Company’s February 28, 2022 Step Adjustment request upon approval of the Settlement Agreement. Unitil requested that such hearing be scheduled on a date that allows sufficient time for the Commission to issue an order on the Company’s request in advance of the June 1, 2022 rate effective date. The Company renews its request and proposes that the Commission schedule a hearing as soon as practicable to ensure that the Step Adjustment takes effect on June 1, 2022 per the agreement of the parties to this matter.

Thank you for your consideration of this matter.

Sincerely,



Patrick H. Taylor  
Attorney for Unitil Energy Systems, Inc.

cc: Service List (by e-mail)