



April 29, 2022

BY E-MAIL

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

Re: DE 21-030 Unitil Energy Systems, Inc. - Rate Case Expense Filing

Chairman Goldner:

Enclosed on behalf of Unitil Energy Systems, Inc. ("Unitil") is Unitil's Rate Case Expense Filing in the above captioned proceeding. A number of the invoices, Request for Proposal ("RFP") responses and contracts submitted contain confidential material, and a Motion for Confidential Treatment and Protective Order for this material is included with the filing.

This filing is being made in accordance with the Settlement Agreement ("the Settlement") filed on February 11, 2022 and pending approval by the Commission. Section 10.2 of the Settlement provides that Unitil's rate case expenses and regulatory proceeding expenses incurred by the Commission, the Department of Energy, and the Office of the Consumer Advocate and charged to the Company in this docket shall be recovered over one year within Schedule EDC through the External Delivery Charge ("EDC"), a uniform rate per kWh, in the Company's next scheduled EDC rate change, effective August 1, 2022. The Company's next EDC filing is scheduled for June 17, 2022.

In accordance with Puc 1905.03 and 1905.04, the filing includes a certification regarding use of a competitive bidding process conducted consistent with the Company's procurement procedure, a copy of the procurement procedure, a description of the rate case expense categories, a rate case expense summary to date, by vendor, date, and service provided, copies of invoices, and the contracts entered into that generated the expense. The Company will update this filing for any invoices received after this date. The filing also includes a copy of the Company's RFP for consulting services and the winning bidders' responses to the RFP for completeness as the contracts include references to their response. As noted on the rate case expense summary, the expenses include consultant costs incurred in connection with Docket No. DE 20-170, Electric

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Distribution Utilities Electric Vehicle Time of Use (“EV TOU”) Rates. The Company submits that these costs are properly includable as rate case expense in this proceeding. In considering a motion by the then Commission Staff to remove the EV TOU rates from the rate case proceeding, the Commission acknowledged the Company’s petition in this case included proposals for the adoption of EV TOU rates and Staff’s position that substantive and administrative benefits might be achieved by investigating the Company’s EV TOU proposals in the generic investigation being conducted in Docket No. DE 20-170. The Commission also recognized that there were countervailing benefits from evaluating Unitil’s EV TOU proposals as a part of the rate case in conjunction with its other proposals relating to electric vehicles and time of use infrastructure. The Commission ultimately denied the motion but determined that the EV TOU proposals would be contemporaneously investigated in Docket No. DE 20-170. Accordingly, the expenses relating to EV TOU crossed the dockets but are related to proposals included as part of Unitil’s full rate case and which were considered in in the rate case consistent with Puc 1906.01.¹

With respect to the competitive bidding process, in two areas Unitil did not choose the lowest bidder considering the not-to-exceed costs for preparation of the filing and hourly rates. In each case Unitil selected the second lowest bidder. In the case of depreciation study services, the not-to-exceed cost for the filing preparation was higher than the lowest bidder’s not-to-exceed cost, but only by a small amount. The winning bidder, however, had slightly lower hourly rates. With the overall cost difference small, Unitil chose the second lowest bidder given its direct previous positive experience with that bidder. With respect to cost studies and rate design, Unitil also chose the second lowest bidder, considering the not-to-exceed costs for filing preparation and hourly rates for post filing work. Again, the not-to-exceed cost was higher than the lowest bidder’s cost, but that cost would be offset by lower hourly rates in post filing work. The deciding factor was Unitil’s direct previous positive experience with the winning bidder.

Please do not hesitate to contact me if you have any questions regarding this filing.

Sincerely,



Matthew J. Fossum
Senior Counsel

Enclosures

cc: Service List

¹ Unitil incurred DOE consultant costs in Docket No. DE 20-170. Consistent with RSA 363:28 III, the Company intends to seek recovery of the DOE consultant costs in its next scheduled EDC change, effective August 1, 2022.