



June 8, 2022

BY E-MAIL

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

Re: DE 21-139 Unitil Energy Systems, Inc. Updated Annual REP VMP Reconciliation (2021)

Dear Director Howland:

Enclosed for filing on behalf of Unitil Energy Systems, Inc. (“UES” or “Company”) is the Company’s updated Reliability Enhancement Program (“REP”) and Vegetation Management Program (“VMP”) Annual Report (“Report”) pursuant to the provisions of the Settlement Agreement in DE 10-055, Order No. 25,656 in DE 14-063, and Order No. 26,007 which approved the Settlement Agreement in Docket No. DE 16-384.¹ Please note that the Company previously filed in this docket its *planned* VMP activities for fiscal year 2022 on November 16, 2021, pursuant to Order 26,388 in DE 20-098. On April 1, 2022, UES submitted its Annual REP VM Report for 2021.

On May 3, 2022, the Commission approved a Settlement Agreement in DE 21-030 in which the funding amount included in base distribution rates beginning June 1, 2021 was increased from \$4,858,739 to \$5,275,666. The revised amount impacts the reconciliation amount for the 2021 VMP and REP program year.

Pursuant to Section 8.1 of the DE 21-030 Settlement Agreement, the amount of funding in base rates was increased to \$5,275,666 (June 1, 2021 to December 31, 2021). For calendar year 2021, the Company spent \$5,292,913 in VMP expense and \$208,494 of REP expenses related to VMP for a total of \$5,501,407. In calendar year 2021, the Company collected \$930,739 from Consolidated Communications, providing for a net total expenditure of \$4,570,668. The net expenditure of \$4,570,668 is subtracted from the

¹ On April 20, 2017, the Commission approved the Settlement Agreement in DE 16-384, which among other things, states that in an annual compliance filing, the Company will continue to reconcile actual calendar year vegetation management and reliability enhancement O&M expenses with test year costs. Any over- or under-collection shall be reflected in the Company’s Schedule EDC (External Delivery Charge) on May 1 of the following year or, with approval of the Commission, the Company may credit unspent amounts to future vegetation management program expenditures.

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\$5,101,946² for a total over-collection of \$531,278. The table below shows the changes in the calculation from the reconciliation provided on April 1, 2022 and this revised reconciliation accounting for the DE 21-030 order.

		As Filed 4/1/2022	Adjusted
		Actuals	Actuals
Line#	Description	2021	2021
1	Base Rate Collections	\$ (4,858,739)	\$ (4,858,739)
2	Recoupment Funding Adjustment*	-	(243,207)
3	Total Funding	\$ (4,858,739)	\$ (5,101,946)
4			
5	Vegetation	\$ 3,918,077	\$ 3,918,077
6	SRP	1,374,836	1,374,836
7	REP Expenses (Enhanced Tree Trimming)	208,494	208,494
8	VMP Expenses	\$ 5,501,407	\$ 5,501,407
9	Fairpoint Reimbursement	(930,739)	(930,739)
10	Total Spending	\$ 4,570,668	\$ 4,570,668
11			
12	Program Year (Over) / Under	\$ (288,071)	\$ (531,278)
13	Carryover Funding	288,071	531,278
14	EDC Adjustment	\$ -	\$ -
	*Docket No. DE 21-030 adjusted permanent rates back to June 1, 2021 and increases the funding in base rates from \$4,858,739 to \$5,275,666. $(\$5,275,666 - \$4,858,739) / 12 * 7 = \$243,207$		

Due to the large carryover cycle trim work explained in the report, the Company is proposing to not refund the over-collection through the Company's External Delivery Charge and instead to carryover the over-collection to the 2022 program year to fund a portion of the carryover cycle trim work.

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

Sincerely,



Patrick Taylor
Attorney for Unitil Energy Systems, Inc.

cc: Service List

² Docket No. DE 21-030: Permanent rates reconciled rates back to June 1, 2021 and increases the funding in base rates from \$4,858,739 to \$5,275,666 effective June 1, 2021. $\$5,101,946 = \$4,858,739 / 12 * 5 + \$5,275,666 / 12 * 7$.