



March 31, 2023

BY E-MAIL

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

Re: DE 22-078 Unitil Energy Systems, Inc. Updated Annual REP VMP Reconciliation (2022)

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, Order No. 26,007 which approved the Settlement Agreement in Docket No. DE 16-384¹ and Order No. 26,623 which approved the Settlement Agreement in Docket No. DE 21-030.² Please note that the Company previously filed in this docket its *planned* VMP activities for fiscal year 2023 on November 22, 2022, pursuant to Order 26,388 in DE 20-098. Accordingly, the instant filing contains the reconciliation of expenditures during fiscal year 2022.

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 (Section 8.1). Additionally, the Commission approved the carryover of \$531,278 of unspent 2021 funds to 2022.³ For

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.

² On May 3, 2022, the Commission approved the Settlement Agreement in DE 21-030, which among other things increased the funding in base rates for the VMP, REP, and SRP to \$5,275,666.

³ In Order No. 26,655 (July 28, 2022) in Docket 22-038 the Unitil Stranded Cost and External Delivery Charge Reconciliation Docket, the Commission, approved the rollover of the \$531,278 in VMP-REP overcollection monies to fund the 2021 carryover work, as an efficient way of covering ongoing program needs.

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calendar year 2022, the Company spent \$6,966,251 in VMP expense (inclusive of SRP) and \$463,544 of REP expenses related to VMP for a total of \$7,429,795. In calendar year 2022, the Company collected \$1,014,483 from Consolidated Communications, providing for a net total expenditure of \$6,415,312. The net expenditure of \$6,415,312 is subtracted from the \$5,806,944 (\$5,275,666 + \$531,278) for a total under-collection of \$608,368.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Taylor', with a long horizontal flourish extending to the right.

Patrick Taylor
Attorney for Unitil Energy Systems, Inc.

cc: Service List