STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DE 22-083

UNITIL ENERGY SYSTEMS, INC.

Petition for Approval of LED Outdoor Lighting Service Tariff Changes

Order Nisi Approving Petition

ORDER NO. 26,838

June 2, 2023

In this order *nisi*, the Commission approves the Company-proposed changes to the UES Light-Emitting Diode (LED) Outdoor Lighting Service Tariff, to be effective on August 1, 2023, filed by UES in accordance with the Settlement Agreement reached in its last full distribution rate case, Docket No. DE 21-030. These proposed changes have been endorsed by the New Hampshire Department of Energy (DOE).

I. BACKGROUND AND POSITIONS

On November 3, 2022, Unitil Energy Systems, Inc. (UES, or the Company) filed a petition requesting approval of its proposed changes to the UES LED Outdoor Lighting Service Tariff (LED Tariff). This proposal was presented by the Company pursuant to the terms of the Settlement Agreement filed in Docket No. DE 21-030, which pertained to the Company's requested permanent increase in distribution rates. This Settlement Agreement was approved by the Commission, with modifications, on May 3, 2022, in Order No. 26,623. The Settlement Agreement contemplated that UES would file "a new or revised [LED Tariff], which will align more closely with Liberty Utilities' LED-2 and Eversource's EOL tariff rate to allow options for municipalities to install advanced lighting controls and to allow municipalities to own and maintain lighting fixtures." See Docket No. DE 21-030 Settlement Agreement at Section 6.7.1; see also Unitil Energy Systems, Inc., Order No. 26,623 at 27 (May 3, 2022).

DE 22-083 - 2 -

The Company submitted its proposal together with the testimony of Ms. Karen M. Asbury, Director of Regulatory Services at Unitil Service Corp., the service-company affiliate of UES. Ms. Asbury indicated in her testimony that UES sought an effective date of August 1, 2023 for the proposed LED Tariff changes, in order to accommodate project-related work and testing. Testimony of Karen M. Asbury at Page 2. The LED Tariff changes embraced a number of technical aspects, summarized by Ms. Asbury on Pages 3-6 of her Testimony, available here:

https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-083/INITIAL%20FILING%20-%20PETITION/22-083_2022-11-03_UES_TESTIMONY-ASBURY.PDF

In response to the Company's filing, the Commission issued three Record Requests, RR-1, RR-2, and RR-3, probing technical aspects of the LED Tariff proposal. UES provided responses to these Record Requests on March 1, 2023, which are available here: https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-083/LETTERS-MEMOS-TARIFFS/22-083_2023-03-01_UES_RECORD-REQUEST-RESPONSES.PDF

UES filed further revisions to its proposed LED Tariff changes, with companion updated proposed Tariff pages, on April 3, 2023.

The Commission also requested that the DOE file its response to the Company's proposal. After a request for an extension of time was granted by the Commission regarding same, and the Company made its updated April 3 filing, the DOE filed the Technical Statement of Ms. Elizabeth R. Nixon of the DOE's Division of Regulatory Support, also on April 3, 2023. In her Technical Statement, Ms. Nixon related that it was necessary for UES to accommodate the proposed LED Tariff Changes within the terms of the Company's line extension policy, and that UES did so within their April 3

revised proposal. Ms. Nixon also stated that the DOE had reviewed UES's initial and revised LED Tariff filings and supporting testimony and, based on these filings, that DOE believed that the UES proposal met the requirements of the Settlement Agreement in Docket No. DE 21-030. DOE recommended Commission approval of the proposed LED Tariff changes as filed on April 3, 2023.

No petitions to intervene were filed, and the Office of the Consumer Advocate did not file a letter of participation.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted on the Commission's website at

https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-083.html

II. COMMISSION ANALYSIS

The Commission is authorized to fix rates after a hearing if it determines that rates, fares, and charges are just and reasonable. RSA 378:7. The utility bears the burden of proving that its revenue requirement recovers its costs of service to customers, including a just and reasonable return on prudent, used and useful plant, equipment, or capital improvements. RSA 378:8; RSA 378:28. In determining whether rates are just and reasonable, the Commission must balance the customers' interest in paying no higher rates than required against the investors' interest in obtaining a reasonable return on their investments. *Eastman Sewer Company, Inc.*, 138 N.H. 221, 225 (1994). Thus, the Commission serves as an arbiter between the interests of customers and the utility. *See* RSA 363:17-a.

Based on the record before us, including UES's filing, the Company's Record Request responses, and DOE's analysis and recommendation, we find the revised LED Tariff proposed by UES to be just and reasonable, as required by RSA 378:7. UES

revised its LED Tariff to meet the directives of the Settlement Agreement in Docket No. DE 21-030, and the policy goals embedded therein. Based on our review of the record and the Agreement approved in DE 21-030, we approve UES's revised LED Tariff.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, UES's proposed changes to its LED Tariff, presented in its filing of April 3, 2023, are hereby APPROVED, with a Tariff implementation date of August 1, 2023; and it is

FURTHER ORDERED, that UES shall inform each of its customers of this order through written notice, such notice to be made no later than June 6, 2023, and to be documented by affidavit filed with the Commission on or before June 13, 2023; and it is

FURTHER ORDERED, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than June 13, 2023, for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than June 16, 2023; and it is

FURTHER ORDERED, that this order shall be effective July 3, 2023, unless the petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that if no comments or responses to this order are filed by September 1, 2023, this docket will be CLOSED.

DE 22-083 - 5 -

> By order of the Public Utilities Commission of New Hampshire this second day of June, 2023.

Daniel C. Goldner Chairman

Commissioner

Commissioner

DE 22-083 - 6 -

Service List - Docket Related

Docket#: 22-083

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