

Unitil Energy Systems, Inc.  
Docket No. DE 23-002  
Proposed Purchase of Receivables Program  
Community Power Coalition of New Hampshire Data Requests Set 1

Received: 5/4/23  
Request No. CPCNH 1-6

Date of Response: 5/19/23  
Witness: Elena Demeris, Christopher Goulding

---

**Request:**

Reference: UES Response to DOE 1-7. Terms and Conditions for Competitive Suppliers, Section III.6(B)(4)b.(iii)(3): Under “Consolidated Billing Service and POR Program,” UES states its intent to use the prime rate as a component for its computing of the DPR.

Why does UES believe the prime rate is the proper rate for computing the discount percentage rate?

**Response:**

UES intends to use the prime rate as described in PUC 1202.13, which is a quarterly rate, based on the prime rate effective the first day of the month preceding the calendar quarter. The Company’s proposal to use the prime rate is consistent with its use for customer deposits as well as its use in several Commission-approved rate components, including:

- Revenue Decoupling Adjustment Factor
- System Benefits Charge
- External Delivery Charge
- Stranded Cost Charges
- Cost of Gas Factor Charge
- Gas Assistance Program
- Regulatory Assessment Adjustment Mechanism

Unitil Energy Systems, Inc.  
Docket No. DE 23-002  
Proposed Purchase of Receivables Program  
Department of Energy Data Requests Set 1

Received: 5/4/23  
Request No. DOE 2-3

Date of Response: 5/19/23  
Witness: Christopher Goulding/Elena Demeris/  
Jeffrey Pentz

---

**Request:**

**Re: Joint Direct Testimony of Christopher J. Goulding and S. Elena Demeris, page 10 lines 10-19 and page 11 lines 1-2**

Unitil estimates implementation costs of \$5,250, to be included in their administrative costs.

- a) How much of the estimated \$5,250, if any, has been spent to-date? If any has been spent, what has it been spent on?
- b) Footnote 2 on page 11 of the testimony states that the implementation cost estimate is based on a verbal quote provided by Unitil's outside vendor. Has there been an updated cost estimate? Please provide any documentation of the original cost estimate, as well as documentation of any updated cost estimate if there has been an update.
- c) How does Unitil intend to treat these implementation costs for accounting purposes? If any costs have already been incurred, how are they being treated for accounting purposes?

**Response:**

- (a) The Company has not incurred any implementation costs and will not expend any costs for implementation unless and until it receives approval for its proposed POR Program from the Commission.
- (b) The implementation cost estimate has not changed since the initial filing. The documentation supporting the cost estimate is attached as DOE 2-3 Attachment 1. The Company is providing DOE 2-3 Attachment 1 on a Confidential and a Redacted basis. The Company has a good faith basis for seeking confidential treatment of the Attachment pursuant to Puc 208.08(d), and intends to submit a motion for confidential treatment regarding the Attachment at or before the commencement of the hearing in this docket.
- (c) Once the POR program is approved and costs are incurred, the costs would be deferred to a Regulatory Asset prior to being included in the Administrative Cost Percentage, which is a component of the Discount Percentage Rate.



Statement of Work (SOW) for Unitil 1/6/2023

Table with 2 columns: Field Name, Value. Fields include Client (Unitil), Vendor (Energy Service Group (ESG)), ESG Work Order # (SOW-005), Entity Name/DUNS (Unitil / 003789070), Client Requestor (Jeff Pentz), Purpose/Objective (Add Unitil Duns 003789070 to existing process of excel template FAM processing).

Project Deliverables: Update existing scripts, mapping and processes to support excel file for Purchase of Receivables FAMP for Unitil Duns 003789070. Expected naming convention of UES\_FAM\_CCCYYMMDD\_HHMMSS. Unitil will post files to existing FTP in same folder as FGE POR FAM are currently being posted.

Other Project Requirements: Only the project deliverables listed above are in scope. Any changes or additions to these deliverables will require a separate SOW or an amendment to this SOW.

Project Timeline: ESG will have these changes developed and ready to be delivered within 25 business days after signature. If this SOW is not returned signed by 1/20/23, ESG may need to reschedule these deliverables.

Invoicing & Payment Terms: ESG Professional Services billing cycle is based on calendar months. Work is billed in arrears for the calendar month completed. Invoices are sent to Client via email in PDF format. Payment terms are net 15 days after receipt of invoice.

Project Scope Control: The scope of this project is restricted to the Project Deliverables.

Professional Services Categories Estimated Hours:

Analysis, Development, Testing and Documentation Hourly Rate: Total Estimate: \$5,250.00

Client agrees to the work and requirements outlined in this SOW and authorize Vendor to begin work. IN WITNESS WHEREOF, the parties have executed this SOW as of the date first above written.

Client signature fields: By, Name, Title, Date

Vendor signature fields: Energy Services Group, LLC, DocuSigned by: Mathew Bridge, Name: Mathew Bridge, Title: Chief Financial Officer, Date: 1/11/2023

Unitil Energy Systems, Inc.  
Docket No. DE 23-002  
Proposed Purchase of Receivables Program  
Community Power Coalition of New Hampshire Data Requests Set 1

Received: 5/4/23  
Request No. CPCNH 1-13

Date of Response: 5/19/23  
Witness: Elena Demeris, Christopher Goulding

---

**Request:**

**Reference: UES Response to DOE 1-7. Terms and Conditions for Competitive Suppliers, Section III.6.** What is the basis for tying POR to Consolidated Billing Services, as opposed to creating the option to take POR service?

**Response:**

The Company's proposal is that if a supplier elects to take advantage of Consolidated Billing Services, it must participate in the POR Program. In addition, suppliers participating in the POR program must sell Unitil the receivables for all of their customers. In other words, a supplier cannot elect to sell receivables for just some customers—it must sell the receivables for all customers or none at all.

If suppliers on Consolidated Billing Services were permitted to opt out of POR, while maintaining consolidated billing, it could create an incentive for suppliers to select for the POR Program only those receivables that are at a high risk for collection. Gaming of this kind would eviscerate one of the fundamental reasons for the program to exist in the first place: the assumption of Competitive Supplier collection activity by utilities so customers, who may otherwise be denied access to competitive supply by suppliers for credit reasons, can participate in competitive markets. In addition, if this gaming were allowed to occur, the integrity of the POR Program would be undermined because the uncollectible rate would no longer be accurate.

Moreover, the Company expects that a POR Program where Unitil must maintain two parallel systems for Consolidated Billing Services would have additional administrative and implementation costs. The implementation and administrative costs proposed in the Company's initial filing are based on the assumption that all suppliers on Consolidated Billing Services would be enrolled in the POR Program.