

Unitil Energy Systems, Inc.

DE 23-014

NHPUC Record Requests – 4/20/23 Hearing

Date Request Received: 04/21/2023

Date of Response:

Request No. 1-2

Witness: C. Goulding / K. Sprague

Record Request 1-2:

Refer to Exhibit 6 Schedule CGKS-3. UES is requested to perform the following steps and provide the responses in live Excel format in separate tabs labelled by the record request sub-numbers 1-2 (a) and 1-2 (b).

- (a) Please add \$10,000,000 in growth additions to column (b) line 3. The new growth addition line should read \$14,015,855. Non-growth should remain \$15,227,771 in column (c). Total plant in column (a) should read \$29,243,626. All else equal, apply the proportion of growth to non-growth as captured using the split (i.e., \$15,227,771 for non-growth and \$14,015,855 for growth), as applicable, and report the resulting revenue requirement.
- (b) Next, re-run the revenue requirement in (1-2 a), by assuming reasonably appropriate cost of removal proportions based on the increase in growth plant additions.

Response:

Please refer to NHPUC Record Request 1-2 Attachment 1 for the information requested. Please also see the Company's response to Record Request 1-1, which explains the Company's position with regard to the hypothetical alternative calculations proposed by the Commission in these record requests.

Unitil Energy Systems, Inc.
2023 Step Adjustment

Line No.	Description	Total Investment Year 2022	Growth Investment Year 2022	Non-Growth Investment Year 2022
		(a)	(b)	(c)
1	Beginning Net Utility Plant ⁽¹⁾	\$ 279,381,159		
2	Beginning Utility Plant ⁽¹⁾	\$ 425,024,311		
3	Plant Additions	29,243,626	14,015,855	15,227,771
4	Retirements	(2,293,538)	(1,099,245)	(1,194,293)
5	Ending Utility Plant	451,974,399	12,916,611	14,033,477
6	Beginning Accumulated Depreciation ⁽¹⁾	145,643,152		
7	Depreciation Expense	12,883,781	6,174,926	6,708,856
8	Retirements	(2,293,538)	(1,099,245)	(1,194,293)
9	Cost of Removal, Salvage and Transfers	(2,251,314)	(166,312)	(2,085,002)
10	Ending Accumulated Depreciation	153,982,082	4,909,369	3,429,561
11	Ending Net Utility Plant	297,992,317		
12	Change in Net Plant		8,007,242	10,603,917
13	Pre-Tax Rate of Return		9.18%	9.18%
14	Return and Taxes		735,217	973,641
15	Depreciation Expense on Non-Growth Plant Additions at ⁽³⁾	3.35%	469,726	510,342
16	Property Taxes on Non-Growth Change in Net Plant at ⁽⁴⁾	0.66%	52,848	69,986
17	Revenue Requirement Increase		\$ 1,257,791	\$ 1,553,969

Notes:

(1) Beginning Net Utility Plant corresponds to DE 22-026, Second Revised Schedule CGKS-5.

(2) Excludes \$117,775.69 of Exeter DOC costs. Refer to Schedule CGKS-1, Line 115. Also excludes \$178,920.88 related to sale of Concord Street Lights consistent with DE 21-030 Settlement Agreement Section 6.7.3. Also excludes \$47,081.63 of consultant cost associated with the Time of Use testing project. Refer to Schedule CGKS-1, Line 48.

(3) Refer to DE 21-030 Settlement Attachment 1, Schedule RevReq 3-16 P2 Revised, Col 8, Line 36

(4) Property Taxes shall include State utility property taxes for all Non-Growth Plant Additions, calculated using the statutory tax rate in RSA 83-F:2, currently \$6.60 per \$1,000 of investment. Local property taxes shall not be included in the calculation and will be recovered through the Company's External Delivery Charge

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6	Beginning Accumulated Depreciation ⁽¹⁾	145,643,152		
7	Depreciation Expense	12,883,781	6,174,926	6,708,856
8	Retirements	(2,293,538)	(1,099,245)	(1,194,293)
9	Cost of Removal, Salvage and Transfers	(2,665,453)	(580,451)	(2,085,002)
10	Ending Accumulated Depreciation	153,567,943	4,495,230	3,429,561
11	Ending Net Utility Plant	298,406,456		
12	Change in Net Plant		8,421,381	10,603,917
13	Pre-Tax Rate of Return		9.18%	9.18%
14	Return and Taxes		773,243	973,641
15	Depreciation Expense on Non-Growth Plant Additions at ⁽³⁾	3.35%	469,726	510,342
16	Property Taxes on Non-Growth Change in Net Plant at ⁽⁴⁾	0.66%	55,581	69,986
17	Revenue Requirement Increase		\$ 1,298,550	\$ 1,553,969

Notes:

(1) Beginning Net Utility Plant corresponds to DE 22-026, Second Revised Schedule CGKS-5.

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