

REDACTED

Unitil Energy Systems, Inc.

DE 23-054

NHPUC Record Requests – 6/13/23 Hearing

Date Request Received: 6/13/2023

Date of Response: 6/14/2023

Request No. 1-1

Witness: Jeffrey Pentz

Record Request 1-1:

Please refer to Bates 00046 in the Hearing Exhibit 1, the Company's Confidential Default Service filing. For the "RFP for Service Beginning June 1, 2022," the average Ratio of Final Bid to NYMEX ISO is [REDACTED]. For the "RFP for Service Beginning August 1, 2023," the average ratio of Final bid to NYMEX ISO is [REDACTED]. Please explain, to the extent possible, what accounts for the difference in ratios and why does the Company consider this to be a reasonable result?

Response:

As the Company explained at the hearing, it is aware of certain risks and / or non-energy costs that bidders may include in their respective bid prices, including, but not limited to, Mystic Cost of Service and ISO-NE's Inventoried Energy Program. In particular, the ISO-NE Inventoried Energy Program would represent a new cost to serve load since the program date is effective December 1, 2023. However, it is not possible for the Company to identify or quantify all considerations factored into a supplier's final bid. To do so would be to engage in speculation, and the Company has no factual grounds for doing so.

However, the Company is confident that its solicitation was competitive and that the winning bidder provided market-aligned pricing. As Unitil's witness explained at the hearing, the Company received [REDACTED] with tight clustering, indicating a competitive solicitation. For the Commission's reference, the Company collected historical NYMEX ratios going back 8 years. The ratios are normally lower in the winter because the energy (NYMEX) component comprises a higher percentage of the bid. In looking at the most recent years starting in December 2018 through November 2022, the average winter ratio was [REDACTED] and the summer ratio was [REDACTED]. As noted above, the upcoming period ratio, which splits the summer and winter periods, is [REDACTED] which correlates to the average of the historical winter and summer ratios, as illustrated by the table below.

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Average Previous Four Winter and Summer Periods (Dec 2018 - November 2022)	Weighted Average Six-Month Ratio
SUMMER	■
WINTER	■
SUMMER/WINTER AVERAGE	■
AUG23-JAN24	■

The data supporting the Company's analysis is attached hereto as Record Request 1-1 Attachment 1.