

**STATE OF NEW HAMPSHIRE
BEFORE THE NEW
HAMPSHIRE PUBLIC UTILITIES COMMISSION**

**Docket No. DE 23-057
Unitil Energy Systems, Inc.
Revenue Decoupling Adjustment, Stranded Cost Recovery, and External Delivery Charge
Reconciliation and Rate Filing**

Technical Statement of Stephen R. Eckberg
Department of Energy, Division of Regulatory Support

November 17, 2023

The Department of Energy (DOE) has reviewed Unitil Energy System Inc.'s (UES or the Company) request, filed on November 1, 2023, to re-open the referenced Docket for the limited purpose of accepting and approving the Company's Seventh Revised Page 5-A, Summary of Whole House Residential Time-of-Use Rates and Electric Vehicle Rates.

As described herein, in the opinion of the DOE, the Company's filing of this Tariff page in DE 23-057 is appropriate, and its request to reopen the Docket for this limited purpose is reasonable. Further, the DOE has reviewed the rates included on the Tariff page revision, has reviewed and discussed the methodology used in the development of the rates with the Company in an informal Technical Session and recommends that the Commission accept and approve the Company's Seventh Revised Page 5-A as submitted.

Procedural Background

On June 1, 2023, UES submitted testimony and supporting schedules of Linda S. McNamara regarding the Company's Revenue Decoupling Adjustment Factor (RDAF). On June 16, 2023, UES filed its Petition for Approval of Annual Stranded Cost Charge (SCC) and External Delivery Charge (EDC) Reconciliation and related Proposed Tariff Changes. On June 21, 2023, the Commission issued a Procedural Order combining the regulatory processes for these filings. The regulatory review process culminated in the issuance of Order No. 26,865 on July 31, 2023, approving rates for effect August 1, 2023. UES submitted compliance tariffs which were approved by the Commission on September 8, 2023. On November 1, 2023, UES filed an updated Tariff Page 5-A (Seventh Revised) related to the Company's Time-of-Use rates (TOU-D, TOU-EV-D, TOU-EV-G2, and TOU-EV-G1, generally "TOU Rates") as these rates are scheduled to change on December 1, 2023 due to the application of the Company's approved Time-of-Use rate model. That model includes the use of seasonal allocation factors (approved in Order No. 26,604 in Docket DE 20-170) which change on December 1 (Winter Allocation Ratios) and June 1 (Summer Allocation Ratios) each year. The allocation factors impact the calculation of rates in Off Peak, Mid Peak, and On Peak time periods for

certain rate elements including the following: Distribution charge, EDC-Transmission component charge, and Default Energy Service charge.

DOE's Analysis and Recommendation

The DOE analyst reviewed the Company's filing in this docket, particularly, the testimony and schedules of Linda S. McNamara, and the Transcript of the Hearing held July 25, 2023 as available in the online docketbook for this proceeding. In addition, material from Docket DE 20-170 Electric Vehicle Time of Use Rates was reviewed. Order No. 26,604, issued April 7, 2022 in that docket, specifically states that each of the TOU rates has three time periods "peak, mid-peak, and off-peak" and also "winter and summer rates." *See* Order 26,604 at page 5. In addition, the DOE compared the "ratios to current rates" for winter rates as filed by the Company on June 7, 2022 in DE 20-170 (Tab 118) as shown in the Schedule with the "ratios to current rates" as filed in this docket for approval to ensure consistency. As noted in the cover letter in that June 7, 2022 filing, the ratios were based on the approved rates in DE 20-170 Exhibit 4 Revised, Attachment A Illustrative Rates, and are used to calculate any rate changes based on the approved fixed rate.

This year is the first occurrence of this additional rate change request and corresponding Tariff Page update because the Company's rate change cycle for Default Energy Service has been adjusted. In prior years, UES's winter default energy service rate was for the six-month period December 1 through May 31. Therefore, this impact of the TOU Rate seasonal adjustment factor was synchronized with the Default Service Change and was integrated with that filing. The Commission approved a change to the Company's default energy service cycle in order to split the coldest winter months (January and February) into the two, separate six-month energy service periods. That is, the six-month energy service periods are now February 1 through July 30 and August 1 through January 31. Therefore, the application of the TOU Rate seasonal adjustment factors – both winter and summer - is no longer synchronized with the default service rate change cycle, and these additional rate and Tariff change adjustments are appropriate and anticipated.

Conclusion

In conclusion, the DOE recommends that the Commission approve UES's Seventh Revised Page 5-A, Summary of Whole House Residential Time-of-Use Rates and Electric Vehicle Rates. DOE notes that this tariff page does show the currently effective System Benefits Charge (SBC) which is scheduled to change on January 1, 2024 and as such, this tariff page may require an additional update at that time to reflect the updated SBC rate.