STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

UNITIL ENERGY SYSTEMS, INC.	)))	**DOCKET NO. DE 23-XXX**

PETITION OF UNITIL ENERGY SYSTEMS, INC. FOR WAIVER OF PUC 307.05 AND AUTHORITY TO CHANGE SHORT-TERM DEBT LIMIT FORMULA

Unitil Energy Systems, Inc. ("UES" or "the Company") respectfully petitions the New Hampshire Pubic Utilities Commission ("the Commission"), pursuant to RSA 369:7 and N.H. Admin. Rule Puc 307.05, for authority to change the currently effective short-term debt limit formula pursuant to which the Company's short-term debt limit is revised annually each June 1. Unitil requests that the Commission issue an Order *Nisi* within ninety (90) days of this filing, or on or before September 20, 2023, authorizing the requested change, allowing the Company to apply to new formula and raise the Company's effective short-term debt limit as of the date of the Order, and allowing the Company to thereafter revise the short-term debt limit pursuant to the formula on June 1 of each year. In support of its petition, UES states the following:

I. Petitioner

1. UES is a New Hampshire corporation and public utility primarily engaged in the distribution of electricity in the capital and seacoast regions of New Hampshire.

II. Background

2. UES uses short-term debt principally to fund seasonal working capital requirements and construction work in progress. The Company's funding is derived primarily from internally generated funds, which consist of net operating cash flows including depreciation, amortization and deferred income taxes. UES supplements internally generated funds through short-term borrowings under the Unitil Corporation[1] Cash Pool, which is supported by bank borrowings under Unitil Corporation's credit facility. When UES' short-term balance builds to a sufficient level, the Company seeks long-term financing to reduce the short-term debt and appropriately match the long-term utility asset lives with long-term funding

3. On June 12, 2008 UES filed a petition requesting a waiver of Puc 307.05 and seeking authority to increase its short-term debt limit and to establish a short-term debt limit formula. *See generally* Docket DE 08-085. In October 2009 the Commission approved a settlement agreement among UES and the Staff of the Commission establishing a short-term debt limit formula equal to 10% of Net Utility Plant plus $10 million, to be updated annually for effect on June 1 of each subsequent year. *Unitil Energy Systems, Inc.*, DE 08-085, Order No. 25,027 at 5-6 (October 22, 2009). At the time of the 2009 Order, the Company's short-term debt limit was $24 million.

4. The currently effective short-term debt limit formula has been in place for approximately fourteen years, and various factors are now contributing to the Company approaching its borrowing limit faster. Approaching the borrowing limit faster turn

[1] UES is a wholly-owned subsidiary of Unitil Corporation.

necessitates more frequent long-term debt or equity financings; more frequent permanent financings result in less efficient issuance sizes and higher issuance costs, which are ultimately borne by customers.

5. One significant factor putting pressure on the Company's short-term borrowings is the increased frequency of long-term debt maturity. As explained in the Testimony of Andre J. Francoeur and Christopher J. Goulding, UES has several Serial Bonds that have been maturing at regular intervals since 2015. Unlike Term Bonds, which mature in their entirety on a single date, Serial Bonds mature at staggered dates, providing flexibility to recapitalize the maturing debt at appropriate times and reduce refinance risk. The Company's various Serial Bonds have maturity dates spanning up to 10 years and the staggered debt retirements are often referred to as sinking fund payments. From 2018 to 2022, sinking fund payments at UES totaled $32 million, and over the next five years, payments will total $17.5 million.

6. As a result of this debt maturity schedule, short-term borrowings are increasing at a faster rate than they were previously. When sinking fund payments become due, they are immediately funded with short-term debt if the Company does not have sufficient cash on hand. As such, sinking fund payment obligations put pressure on short-term borrowings and cause the Company to pursue long-term financings more frequently.

7. Higher working capital requirements, specifically purchased power, are also placing pressure on UES's short-term debt levels. Working capital requirements related to purchased power increased significantly in 2023 and a substantial portion of the Company's short-term debt capacity is being utilized for that purpose, causing short-term

debt levels to approached the Company's current borrowing limit. Though the Company had zero short-term borrowings in early January, borrowings quickly grew to a peak of $36 million in April 2023 as a result of energy supply payments. The peak borrowing amount through April of 2023 was within $3.0 million of the existing borrowing limit.

8. Finally, the Company's growth in the approximately fourteen years since the Commission approved the Company's last change in the debt limit formula has caused the limit to become increasingly restrictive, limiting financing flexibility. The debt limit at June 1, 2010, the year in which the current formula (10% Net Utility Plant plus $10 million) first took effect, was $24.3 million. At the time, that limit as a percentage of Net Utility Plant was 17.0%. Comparatively, the limit that took effect on June 1, 2023 ($40 million) is only 13.3% of Net Utility Plant. This decrease illustrates that the existing formula has become increasingly restrictive relative to the Company's asset growth and higher level of capital spending.

III. Request for Waiver and Change to Short-Term Debt Limit Formula

9. Commission rule Puc 307.05 states: "No utility shall issue or renew any notes, bonds or other evidences of indebtedness payable less than 12 months after the date thereof if such short-term debt exceeds 10% of the utility's net fixed plant without prior commission approval pursuant to Puc 201.05." Puc 307.05.

10. Under Puc 201.05, the Commission "shall waive the provisions of any of its rules . . . if the [C]ommission finds that: (1) The waiver serves the public interest; and (2) the waiver will not disrupt the orderly and efficient resolution of matters before the [C]ommission." Puc 201.05(a). "In determining the public interest, the Commission shall

waive a rule is: (1) Compliance with the rule would be onerous or inapplicable given the circumstances of the affected person; or (2) the purpose of the rule would be satisfied by an alternative method proposed." Puc 201.05(b).

11. The Commission previously granted a waiver of Puc 307.05 in 2009, allowing the Company to issue short-term debt in an amount up to 10% of Net Utility Plant plus $10 million. *Unitil Energy Systems, Inc.*, DE 08-085, Order No. 25,027 at 5-6 (October 22, 2009). For good cause shown, including the reasons described above, the Company requests that the Commission continue to waive Puc 307.05 and authorize the Company to change the short-term debt limit formula from "10% of Net Utility Plant plus $10 million" to simply 20% of Net Utility Plant, without any additional fixed component.

12. UES requests that the Commission authorize the Company to raise its short-term debt limit based on the proposed new formula (20% of Net Utility Plant) on the date that the Commission issues its Order ruling on the Company's waiver proposal. The Company requests that the Commission issue an Order *Nisi* within ninety (90) days of this filing, or on or before September 20, 2023, to allow the proposed increase to take effect. The Company will thereafter change its short-term debt limit pursuant to the new formula on June 1 of each year, consistent with the currently effective schedule.

13. UES believes it is prudent to have a short-term borrowing limit that allows for permanent financings to be spaced up to three years apart, a cycle that allows transaction costs to be spread over larger amounts of capital and provides financing flexibility during times of capital market volatility. To achieve this, the Company requires a limit similar to the forecasted increase in short-term borrowings over a three-year period absent any

additional permanent capital. The simple and straightforward "20% of Net Utility Plant" will result in the appropriate short-term debt level. In this instance, the proposed formula would yield a short-term debt limit of $59.9 million; the Company's forecasted short-term debt increase over the three-year period is approximately $62 million.

14. Waiving Puc 307.05 and authorizing the Company to implement a new short-term debt limit formula of 20% of Net Utility Plant is in the public interest. The proposed borrowing limit would allow the Company to reduce the frequency of long-term financings, which benefits customers by spreading issuance costs over larger amounts of capital. Larger issuances of long-term debt can also result in a more competitive bidding process which can lead to lower debt rates.

15. The proposed formula will also rebalance the limit as a percentage of Net Utility Plant, provide additional liquidity for working capital requirements, and allow for the limit to grow with the Company's needs over the coming years.

16. Increasing the short-term debt limit will afford the Company the flexibility to access capital markets during more favorable periods and increase the size of the financings. Absent the requested increase, the Company will likely have to access capital markets at a minimum interval of two years which affords considerably less flexibility.

17. Larger debt offerings are generally more efficient, attract more investor interest in the private placement market, and can result in more competitive pricing. Less frequent financings also have the benefit of spreading issuance costs, such as legal fees, over larger amounts of capital and reducing the Company's resources used when organizing and executing long-term financings. Customers also benefit from short-term debt,

typically the least expensive funding source, which the Company uses to fund CWIP. Customers benefit from funding CWIP with short-term debt by keeping the Allowance for Funds Used During Construction rate as low as possible.

18. To be responsive to periodic changes in capital expenditure and distribution operating requirements, including energy-related costs, subsequent to the increase in its short-term borrowing limit authorized as a result of the instant Petition, UES proposes to continue to reestablish its short-term borrowing requirements annually on June 1, based upon the set formula proposed herein.

19. Further support and explanation of the need for an increase in UES' short-term borrowing needs and the components of the proposed formula for reestablishing short-term borrowing requirements annually are more fully described in the testimony and schedules of Andre J. Francoeur and Christopher J. Goulding.

Conclusion

20. UES submits that the increase in short-term borrowing limit and the reestablishment of this short-term borrowing limit on an annual basis as contemplated by and described in this Petition and accompanying exhibit are consistent with the statutory requirements, Commission rule, and public good and should be granted.

Wherefore, UES requests that this Commission:

1. Issue an Order *Nisi*, effective no later than September 20, 2023 or 90 days after the filing of this Petition, waiving Puc 307.05, authorizing a new short-term debt limit formula for UES equal to 20% of Net Utility Plant, and allowing the Company to

increase its short-term debt limit in a manner consistent with the new formula on the date the Order is issued; and,

2. Take such further action and make such other findings and orders as in its judgment may be just, reasonable and in the public good.

Respectfully submitted this 22nd day of June, 2023.

Unitil Energy Systems, Inc.

By its attorney:

Patrick H. Taylor
Chief Regulatory Counsel
Unitil Service Corp.
6 Liberty Lane West
Hampton, NH 03842
(603) 773-6544
taylorp@unitil.com

CERTIFICATE OF SERVICE

I certify that I have caused copies of Unitil Energy System's, Inc., "Petition for Waiver of Puc 307.05 and Authority to Change Short-term Debt Limit Formula" to be served on the following parties:

New Hampshire Department of Energy
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Office of the Consumer Advocate
21 S. Fruit Street, Suite 18
Concord, NH 03301-2429

Dated at Hampton, New Hampshire this 22nd day of June, 2023.

Patrick H. Taylor

UNITIL ENERGY SYSTEMS, INC.

DIRECT TESTIMONY

OF

ANDRE J. FRANCOEUR

AND

CHRISTOPHER J. GOULDING

PETITION TO INCREASE SHORT-TERM DEBT LIMIT

New Hampshire Public Utilities Commission

Docket No. DE 23 - ___

TABLE OF CONTENTS

I. Introduction 1

Ii. Summary And Overview Of Testimony 3

Iii. Current Debt Limit And Purpose Of Short-Term Debt 3

Iv. Proposed Short-Term Debt Limit Formula 5

V. Conclusion 11

SCHEDULES

Schedule AFCG-1	Existing and Proposed Short-Term Debt Formulas
Schedule AFCG-2	Long-Term Debt Retirements
Schedule AFCG-3	Financing History
Schedule AFCG-4	Short-Term Borrowing Forecast

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Andre J. Francoeur. My business address is 6 Liberty Lane West, Hampton, New Hampshire 03842.

My name is Christopher J. Goulding. My business address is the same as Mr. Francoeur's.

Q. Mr. Francoeur, what is your position and what are your responsibilities?

A. I am the Financial Planning and Analysis Manager for Unitil Service Corp., which provides services to UES. My responsibilities are primarily in the areas of strategic planning and budgeting, supporting investor relations, and assisting with various regulatory and treasury projects.

Q. Please describe your business and educational background.

A. I have approximately 7 years of professional experience within the finance and accounting areas. I began working for Unitil Service in 2017 as a Financial Analyst, was promoted to Senior Financial Analyst in 2020, and promoted to my current role in 2021. I graduated with honors from the State University of New York at Plattsburgh with a Bachelor of Science degree. I recently graduated from the University of New Hampshire with a Master of Business Administration graduate degree with a concentration in Finance.

Q. Do you hold any professional licenses?

A. Yes, I am a Certified Management Accountant.

Q. Mr. Goulding, what is your position and what are your responsibilities?

A. I am the Vice President of Finance and Regulatory for Unitil Service Corp. ("Unitil Service"), a subsidiary of Unitil Corporation ("Unitil Corp.") that provides managerial, financial, accounting, regulatory, engineering and information technology services to Unitil Corp.'s subsidiaries. My responsibilities include all rate and regulatory filings, financial planning and analyses, treasury operations, budget, and insurance and loss control programs.

Q. Please describe your business and educational background.

A. I have over 20 years of professional experience in the utility industry focused within the finance, accounting and regulatory areas. In 2000, I was hired by NSTAR Electric & Gas Company ("NSTAR," now Eversource Energy) and held various positions with increasing responsibilities in Accounting, Corporate Finance and Regulatory. I was hired by Unitil Service in early 2019 as the Director of Rates and Revenue Requirements. In 2023, I was promoted to my current position. I earned a Bachelor of Science degree in Business Administration from Northeastern University in 2000 and a Master's in Business Administration from Boston College in 2009.

Q. Were both this testimony and exhibits prepared by one of you or under your direct supervision?

A. Yes, they were.

II. SUMMARY AND OVERVIEW OF TESTIMONY

Q. What is the purpose of this testimony?

A. The purpose of this testimony is to support the Company's petition to change its current short-term debt limit formula pursuant to RSA 369:7 and N.H. Admin. Rule Puc 307.05. The testimony will first provide a description of how the Company uses short-term debt as part of its financing plan. Next the testimony provides a summary of the Company's current short-term debt limit and how the current limit formula has become increasingly restrictive. Lastly, we will describe the Company's proposed short-term debt limit formula and why it is in the public interest.

III. CURRENT DEBT LIMIT AND PURPOSE OF SHORT-TERM DEBT

Q. Please describe how the Company uses short-term debt and the financing cycle.

A. Short-term debt is used principally to fund seasonal working capital requirements and construction work in process ("CWIP"). The Company's funding is derived primarily from internally generated funds, which consist of net operating cash flows including depreciation, amortization and deferred income taxes. UES supplements internally generated funds through short-term borrowings under the Unitil Corp Cash Pool, which is supported by bank borrowings under Unitil Corp's credit facility. When UES' short-term balance builds to a sufficient level, it seeks long-term financing to reduce the short-term debt and appropriately match the long-term utility asset lives with long-term funding.

Q. What is the Company's current short-term borrowing limit?

A. The short-term borrowing limit currently in effect as of June 1, 2023 is $40.0 million pursuant to the short-term borrowing limit calculation approved in Docket DE 08-085.

Q. Please explain the current process for establishing the short-term borrowing limit.

A. The borrowing limit is based on a formula filed with the Commission by May 1 each year for effect June 1. The formula consists of 10% of Net Utility Plant reported on the most recent FERC Form 1 report plus a fixed amount of $10 million.

Q. Explain how the current short-term debt limit formula was established.

A. On June 12, 2008 UES filed a petition for authority to increase its short-term debt limit and to establish a short-term debt limit formula in Docket DE 08-085. On July 23, 2008, the Commission issued an Order authorizing the Company to increase its short-term debt limit from $16 million to $24 million but deferred a decision on the Company's request to establish a formula pending further examination (Order No. 24,875). On October 22, 2009, the Commission waived Puc Rule 307.05, which limits a utility's short-term indebtedness to 10% of net fixed plant, and approved a Settlement Agreement between Staff and the Company establishing a short-term debt limit formula equal to 10% of Net Utility Plant plus $10 million. Please refer to Schedule AFCG-1 for authorized borrowing limits since June 1, 2010.

Q. Why did the Company file a petition to increase its short-term borrowing limit in Docket DE 08-085?

A. The Company's prior petition to increase the short-term borrowing limit was largely predicated on higher working capital as a result of increasing purchased power and transmission expense, cash obligations for credit assurance as a participant in New England ISO, ongoing energy-related stranded cost obligations and increasing capital expenditures. The Company testified that reducing the frequency of long-term permanent financings created savings by reducing transaction costs and better optimized the offering size of the permanent financings.

IV. PROPOSED SHORT-TERM DEBT LIMIT FORMULA

Q. Is the Company requesting a waiver of Puc 307.05 to change the short-term borrowing limit formula in this docket?

A. Yes. The Company is requesting a waiver from the Commission of Puc 307.05 to change its existing short-term debt formula pursuant to Puc 201.05 regarding requests for waivers of Commission rules.

Q. Is a waiver of Puc 307.05 in the public interest?

A. Yes. As explained in more detail later in this testimony, the proposed formula change will serve the public's interest by allowing the Company more flexibility in the timing of permanent financings, lowering transaction costs and decreasing the amount of Company resources allocated to issuing permanent financing. The proposed formula change is justified in that it reflects the Company's current borrowing requirements, and is a reasonable alternative that will allow for the orderly and efficient determination of the Company's short-term debt authorization.

Q. What is the Company's proposed change to the currently authorized borrowing limit formula?

A. The Company is proposing to increase the Net Utility Plant percentage to 20% from 10% and remove the currently authorized fixed component of $10 million.

Q. When do you propose the new formula take effect?

A. The Company requests that the formula first take effect upon a final order in this docket and be updated effective June 1 for each year to follow, which is the same cadence that is currently approved.

Q. Are you proposing to change or add anything else to the existing process for establishing the Company's short-term borrowing limit?

A. No. The only proposed change is to the percentage applied to Net Utility Plant as reported on the most recently filed FERC Form 1 and removal of the $10 million fixed amount.

Q. Under the proposed borrowing limit formula, what would the new limit be based on Net Plant balance at the end of 2022?

A. Under the proposed borrowing limit formula, the Company's borrowing limit would be $59.9 million as illustrated on Exhibit AFCG-1.

Q. Please summarize the reasons why the Company is requesting to change the short-term debt limit formula.

A. As explained in greater detail below there are several factors driving the request to change the current short-term debt limit formula, which the Commission approved approximately fourteen years ago. First, the Company's long-term debt maturities put pressure on short-term borrowings; this was not yet an issue when Docket DE 08-085 was filed. Second, higher working capital requirements, specifically purchased power, have also pressured short-term debt levels. Lastly, the existing limit has become increasingly restrictive due to the Company's growth and is thereby limiting financing flexibility. Combined, these factors are contributing to the Company approaching the borrowing limit faster which in turn necessitates more frequent long-term debt or equity financings. Simply put, more frequent permanent financings result in less efficient issuance sizes and higher issuance costs which are ultimately borne by customers.

Q. Please explain the effect of debt retirements on short-term debt levels.

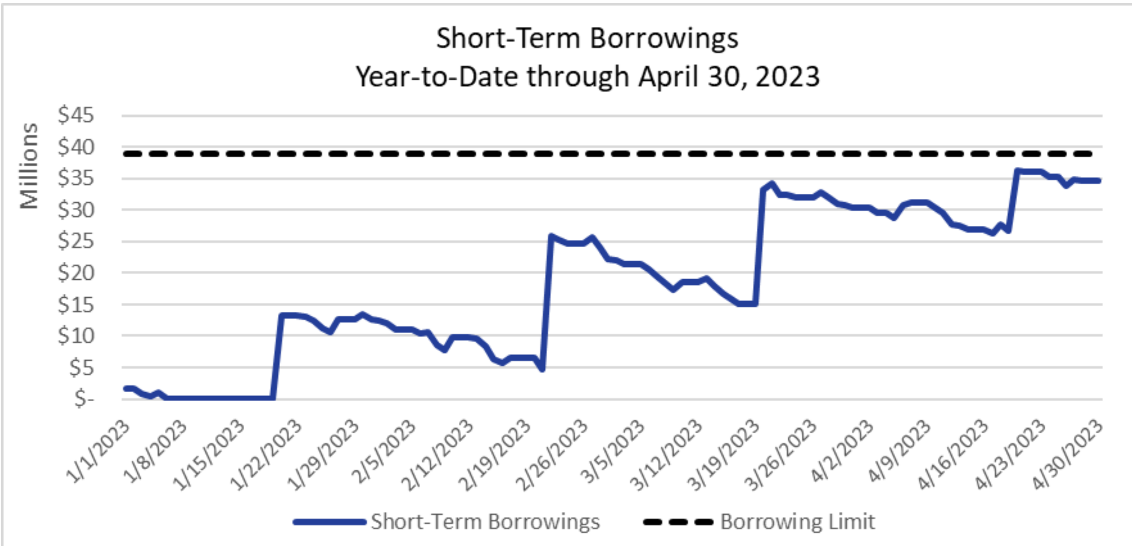
A. The Company has several Serial Bonds that have been maturing at regular intervals since 2015. As a result of this debt maturity schedule, short-term borrowings are increasing at a faster rate than they were previously. Unlike Term Bonds where the entirety of the principal matures on a single date, Serial Bonds mature at staggered dates and therefore provide additional flexibility to recapitalize the maturing debt at appropriate times and reduce refinance risk. The Company's various Serial Bonds have maturity dates spanning up to 10 years and the staggered debt retirements are often referred to as sinking fund payments. From 2018 to 2022, sinking fund payments at UES totaled $32 million, and over the next five years, payments will total $17.5 million. Please refer to Schedule AFCG-2, which illustrates both historical and projected sinking fund payments. When sinking fund payments are due, unless the Company has sufficient cash on hand, they are immediately funded with short-term debt. Sinking fund payment obligations put pressure on short-term borrowings and ultimately cause the Company to pursue long-term financings more frequently.

The proposed borrowing limit would allow the Company to reduce the frequency of long-term financings which benefits customers by spreading issuance costs over larger amounts of capital. Larger issuances of long-term debt can also result in a more competitive bidding process which can lead to lower debt rates. Exhibit AFCG-3 shows the Company's permanent financing activity over the last 5 years. The Company required two separate debt financings to recapitalize short-term debt in a span of less than three years. This illustrates the pressure sinking fund payments have placed on the Company's borrowings.

Q. Please explain the effect of working capital requirements on short-term debt levels.

A. Working capital requirements related to purchased power increased significantly in 2023 and a substantial portion of short-term debt capacity is being utilized for that purpose. Higher purchased power payments quickly increased short-term debt to levels that approached the current borrowing limit. As shown in Figure 1 below, the Company had zero short-term borrowings in early January, but as a result of energy supply payments borrowings quickly grew to a peak of $36 million in April 2023. The peak borrowing amount through April of 2023 was within $3.0 million of the existing borrowing limit.

Figure 1: YTD Short-Term Borrowings



Q. How does the current limit proportionally compare to the level that became effective June 1, 2010?

A. The debt limit at June 1, 2010, the year in which the formula of 10% Net Utility Plant plus $10 million first took effect, was $24.3 million. As shown on Exhibit AFCG-1, that limit as a percentage of Net Utility Plant was 17.0%, whereas the limit that took effect on June 1, 2023 is only 13.3% of Net Utility Plant. This decrease over time illustrates that the existing formula has become increasingly restrictive relative to the Company's asset growth and higher level of capital spending. This is further exacerbated by the aforementioned debt retirement payments and working capital requirements. The proposed formula will rebalance the limit as a percentage of Net Utility Plant, provide additional liquidity for working capital requirements, and allow for the limit to grow with the Company's needs over the coming years.

Q. Please explain how UES arrived at the proposed formula change.

A. The Company believes it is prudent to have a short-term borrowing limit that allows for permanent financings to be spaced up to three years apart. This long-term financing cycle allows transaction costs to be spread over larger amounts of capital and there is financing flexibility during times of capital market volatility. To achieve this, the Company needs a limit similar to the forecasted increase in short-term borrowings over a three-year period absent any additional permanent capital. Please refer to Schedule AFCG-4 which illustrates the Company's expected increase in short-term borrowings over a three-year period from 2023 to 2025. The forecasted short-term debt increase over the three-year period is approximately $62 million. This figure is similar to what the proposed borrowing formula would yield of $59.9 million.

Q. Please explain why it is beneficial to ratepayers to increase the short-term borrowing limit.

A. Increasing the short-term borrowing limit benefits ratepayers and is in the public interest because the result will be less frequent long-term debt offerings. By increasing the short-term debt limit the Company has flexibility to access capital markets during more favorable periods and increase the size of the financings. Without this increase the Company will likely have to access capital markets at a minimum interval of two years which affords considerably less flexibility. Larger debt offerings tend to be more efficient, can attract more investor interest in the private placement market and therefore can result in more competitive pricing. Less frequent financings also have the benefit of spreading issuance costs, such as legal fees, over larger amounts of capital and reducing the Company's resources used when organizing and executing long-term financings. Customers also benefit from short-term debt, typically the least expensive funding source, which the Company uses to fund CWIP. Customers benefit from funding CWIP with short-term debt by keeping the Allowance for Funds Used During Construction rate as low as possible.

V. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does.

Unitil Energy Systems, Inc.
Docket No. DE 23-___
Schedule AFCG-1

UNITIL ENERGY SYSTEMS, INC.
EXISTING AND PROPOSED SHORT-TERM DEBT FORMULAS

	(a)	(b)	(c)		(d)		(e)	(f)		(g)
LINE NO.	DATE EFFECTIVE	YEAR [1]	NET PLANT		EXISTING DEBT LIMIT [2]		EXISTING LIMIT AS PERCENT OF NET PLANT	PROPOSED DEBT LIMIT [3]		PROPOSED LIMIT AS PERCENT OF NET PLANT
1	6/1/2010	2009	$	142,537,642	$	24,253,764	17.0%	$	28,507,528	20.0%
2	6/1/2011	2010	$	150,082,565	$	25,008,257	16.7%	$	30,016,513	20.0%
3	6/1/2012	2011	$	155,734,401	$	25,573,440	16.4%	$	31,146,880	20.0%
4	6/1/2013	2012	$	168,104,877	$	26,810,488	15.9%	$	33,620,975	20.0%
5	6/1/2014	2013	$	169,362,173	$	26,936,217	15.9%	$	33,872,435	20.0%
6	6/1/2015	2014	$	178,697,773	$	27,869,777	15.6%	$	35,739,555	20.0%
7	6/1/2016	2015	$	191,210,247	$	29,121,025	15.2%	$	38,242,049	20.0%
8	6/1/2017	2016	$	204,886,760	$	30,488,676	14.9%	$	40,977,352	20.0%
9	6/1/2018	2017	$	216,862,975	$	31,686,298	14.6%	$	43,372,595	20.0%
10	6/1/2019	2018	$	222,997,507	$	32,299,751	14.5%	$	44,599,501	20.0%
11	6/1/2020	2019	$	247,940,006	$	34,794,001	14.0%	$	49,588,001	20.0%
12	6/1/2021	2020	$	275,398,171	$	37,539,817	13.6%	$	55,079,634	20.0%
13	6/1/2022	2021	$	288,586,414	$	38,858,641	13.5%	$	57,717,283	20.0%
14	6/1/2023	2022	$	299,712,146	$	39,971,215	13.3%	$	59,942,429	20.0%

Notes
(1) The limit that becomes effective 6/1 is based on Net Plant figures from the most recent fiscal year
(2) The existing debt limit is 10% of Net Plant plus a fixed amount of $10 Million
(3) The proposed debt limit is 20% of Net Plant with no fixed amount included

Unitil Energy Systems, Inc.
Docket No. DE 23-___
Schedule AFCG-2

UNITIL ENERGY SYSTEMS, INC.
LONG-TERM DEBT RETIREMENTS
HISTORICAL AND PROJECTED AS OF DECEMBER 31, 2022

	(1)	(2)	(3)	(4)
LINE NO.	YEAR	RETIREMENTS (HISTORICAL)	RETIREMENTS (PROJECTED)	ROLLING THREE YEAR SUM
1	2005	$ -	$ -	$ -
2	2006	-	-	-
3	2007	-	-	-
4	2008	-	-	-
5	2009	-	-	-
6	2010	-	-	-
7	2011	-	-	-
8	2012	-	-	-
9	2013	-	-	-
10	2014	-	-	-
11	2015	3,000,000	-	-
12	2016	3,000,000	-	-
13	2017	1,500,000	-	7,500,000
14	2018	6,500,000	-	11,000,000
15	2019	8,500,000	-	16,500,000
16	2020	8,500,000	-	23,500,000
17	2021	3,500,000	-	20,500,000
18	2022	5,000,000	-	17,000,000
19	2023	-	3,500,000	12,000,000
20	2024	-	3,500,000	12,000,000
21	2025	-	3,500,000	10,500,000
22	2026	-	3,500,000	10,500,000
23	2027	-	3,500,000	10,500,000
24	2028	-	3,500,000	10,500,000
25	2029	-	1,500,000	8,500,000
26	2030	-	1,500,000	6,500,000
27	TOTAL	$ 39,500,000	$ 24,000,000	$ 12,642,857
				AVERAGE (1)

Notes
(1) Simple average from 2017 to 2030

Unitil Energy Systems, Inc.
Docket No. DE 23-___
Schedule AFCG-3

UNITIL ENERGY SYSTEMS, INC.
HISTORICAL FINANCING PROCEEDS
AS OF DECEMBER 31, 2022

	(1)	(2)	(3)	(4)
LINE NO.	YEAR	EQUITY	LONG-TERM DEBT	TOTAL
1	2018	$ -	$ 30,000,000	$ 30,000,000
2	2019	12,000,000	-	12,000,000
3	2020	7,750,000	27,500,000	35,250,000
4	2021	4,000,000	-	4,000,000
5	2022	-	-	-
6	TOTAL	$ 23,750,000	$ 57,500,000	$ 81,250,000

Unitil Energy Systems, Inc
Docket No. DE 23-___
Schedule AFCG-4

UNITIL ENERGY SYSTEMS, INC.
SOURCES AND USES OF CASH FORECAST
($ Millions)

LINE NO.		2023 FORECAST	2024 FORECAST	2025 FORECAST
1	**Cash Sources:**			
2	Operating Activities[1]	$ 33.0	$ 34.2	$ 35.4
3	**Cash Uses:**			
4	Investing Activity[2]	(37.8)	(45.6)	(45.7)
5	Dividends Paid[3]	(8.1)	(8.4)	(8.8)
6	Repayment of Long-Term Debt	(3.5)	(3.5)	(3.5)
7	**Change in Short-Term Debt[4]**	**$ (16.4)**	**$ (23.3)**	**$ (22.6)**
8	**Beginning Short-Term Debt**	$ -	$ 16.4	$ 39.7
9	**Ending Short-Term Debt**	$ 16.4	$ 39.7	$ 62.3

Notes

(1) Represents Operating Cash Flow growing from 2022 based on historical growth rate of 3.5%
(2) Represents figures from the most recent capital budget
(3) 2023 Forecast is the expected Dividends Paid in 2023 and then growing 4.0% annually
(4) Forecast excludes any proceeds from long-term debt or equity to illustrate short-term debt growth