



April 1, 2024

BY E-MAIL

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

**Re: DE 23-092 Unitil Energy Systems, Inc. Updated Annual REP VMP
Reconciliation (2023)**

Dear Director Howland:

Enclosed for filing on behalf of Unitil Energy Systems, Inc. ("UES" or "Company") is the Company's updated Reliability Enhancement Program ("REP") and Vegetation Management Program ("VMP") Annual Report ("Report") pursuant to the provisions of the Settlement Agreement in DE 10-055, Order No. 25,656 in DE 14-063, Order No. 26,007 which approved the Settlement Agreement in Docket No. DE 16-384¹ and Order No. 26,623 which approved the Settlement Agreement in Docket No. DE 21-030.² Please note that the Company previously filed in this docket its *planned* VMP activities for fiscal year 2024 on November 27, 2023, pursuant to Order 26,388 in DE 20-098. Accordingly, the instant filing contains the reconciliation of expenditures during fiscal year 2023.

On May 3, 2022, the Commission approved a Settlement Agreement in DE 21-030 in which the funding amount included in base distribution rates beginning June 1, 2021 was increased from \$4,858,739 to \$5,275,666 (Section 8.1). For calendar year 2023, the Company spent \$6,764,932 in VMP expense (inclusive of SRP) and \$202,383 of REP expenses related to VMP for a total of \$6,967,316. In calendar year 2023, the Company collected \$1,303,709 from Consolidated Communications, providing for a net total expenditure of \$5,663,606. The net expenditure of \$5,663,606 is subtracted from the \$5,275,666 for a total under-collection of \$387,940.

¹ On April 20, 2017, the Commission approved the Settlement Agreement in DE 16-384, which among other things, states that in an annual compliance filing, the Company will continue to reconcile actual calendar year vegetation management and reliability enhancement O&M expenses with test year costs. Any over- or under-collection shall be reflected in the Company's Schedule EDC (External Delivery Charge) on May 1 of the following year or, with approval of the Commission, the Company may credit unspent amounts to future vegetation management program expenditures.

² On May 3, 2022, the Commission approved the Settlement Agreement in DE 21-030, which among other things increased the funding in base rates for the VMP, REP, and SRP to \$5,275,666.

Please do not hesitate to contact me if you have any questions concerning this filing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Taylor', with a long horizontal flourish extending to the right.

Patrick Taylor
Attorney for Unitil Energy Systems, Inc.

cc: Service List