

BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DE 24-077

Unitil Energy Systems, Inc.

Petition for Approval of Revenue Decoupling Adjustment Factor and Proposed Tariff Changes

**New Hampshire Department of Energy
Objection to Company's Motion for Waiver of Revenue Decoupling Adjustment Cap**

Pursuant to New Hampshire Code Admin. Rule Puc 203.07, the New Hampshire Department of Energy (“Department” or “DOE”) hereby files this Objection to Unitil Energy Systems, Inc. (“UES” or the “Company”)’s Motion for Waiver of Revenue Decoupling Adjustment Cap (“UES Motion”) filed June 20, 2024, in this matter. The Company requests that the Commission waive the three percent cap on the Company’s Revenue Decoupling Adjustment Factor (“RDAF”) recovery request set by the Settlement Agreement approved by the Commission in the Company’s last distribution rate case, Docket No. DE 21-030. The Department objects to the Company’s request to waive the RDAF cap and requests that the Commission deny the UES Motion.

In support of this Objection, the Department states as follows:

1. On May 3, 2022, the Commission issued an order approving a Settlement Agreement in Docket No. DE 21-030 that established a revenue decoupling mechanism.¹

¹ See Docket No. DE 21-030, Tab 120, Order No. 26,623 at 32.

2. The Settlement Agreement capped the Company's annual revenue decoupling adjustment at three percent of distribution revenues for each customer group.² The Settlement further provided that amounts beyond the three percent distribution revenue cap were to be deferred and that parties to UES' next rate case may propose specific treatment for any carried balances remaining at that time.³
3. The Company's tariff describes the approved revenue decoupling adjustment mechanism, including the provision for the three percent cap as outlined in the Settlement Agreement.⁴
4. Waiver of the three percent cap would thus be in violation of the Settlement Agreement in DE 21-030 and the Company's tariff, because it would allow for recovery now, instead of allowing for the parties in the next rate case, to have had an opportunity to propose "specific treatment" of these deferred amounts.
5. The Company's Motion requests waiver of the cap in order to avoid carrying charges on the proposed deferred amount, while customers will still see an overall decrease in bill impacts due to its proposed External Delivery Charge and Stranded Cost Recovery rates. In its Motion, the Company states that, "[t]he cap limits the impact of the RDAF on customer bills."⁵

² See Docket No. DE 21-030, Tab 86, Settlement Agreement at 6. The three groups are as follows: (1) Schedule D, Domestic [and D-TOU after approval], (2) Schedule G, Regular General Service G2, G2 kWh Meter, Uncontrolled Quick Recovery Water Heating, and Space Heating, and (3) Schedule G, Large General Service G1.

³ Id.

⁴ See NHPUC No. 3- Electricity Delivery Tariff for Unil Energy Systems, Inc., First Revised Page 69-G.

⁵ UES Motion at 1.

6. However, the Settlement Agreement that established the RDAF does not indicate that the cap was put in place to limit the impact on customer bills – rather, it describes how the RDAF will be either a charge or credit to customer bills in any given decoupling period.⁶ It does not appear that the Settlement Agreement assumed the RDAF would always result in a negative impact to customer bills.

7. Additionally, there were multiple parties to the Settlement Agreement in DE 21-030 that are not parties to this current docket. Those parties include the New Hampshire Department of Environmental Services, Clean Energy New Hampshire, and ChargePoint.

8. Waiving a provision of the Settlement Agreement would thus violate a settlement that was signed by parties who are not participants in this docket and have not consented to a waiver of provisions of the settlement.

For the foregoing reasons, the Company's request to waive the RDAF cap in this proceeding is contradictory to the agreed-upon language by the settling parties in DE 21-030 as well as the Company's tariff. The Department therefore objects to the Company's requested waiver.

WHEREFORE, the Department respectfully requests that the Commission:

⁶ See Docket No. DE 21-030, Tab 86, Settlement Agreement at 6.

- 1) Deny UES's Motion for Waiver of Revenue Decoupling Adjustment Cap; and
- 2) Grant such other relief as is just and required.

Respectfully submitted,

New Hampshire Department of Energy

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