



NHPUC 9DEC'13AM10:16

December 6, 2013

BY OVERNIGHT MAIL and E-MAIL

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

**Re: Docket DE 13-079
DEFAULT SERVICE – RGGI AUCTION PROCEEDS**

Dear Secretary Howland:

On November 8, 2013, the Commission issued a Secretarial Letter approving Unitil Energy Systems, Inc.'s ("UES") compliance tariffs filed on October 9, 2013 in the above referenced docket. In addition to approving tariffs, UES was directed to inform the Commission of how and when it intends to credit default service customers for any rebates associated with the December 2013 RGGI auction, and to file a proposal for the crediting of the 2014 RGGI rebates no later than December 9, 2013. Below, please find this information.

On March 8, 2013, the Commission issued Order No. 25,471 in DE 12-362, which directed UES to rebate any amounts it is allocated as a result of the 2013 quarterly RGGI auctions to existing default service customers on a frequency no greater than every six months. Furthermore, the Order stated that rebates were to be recorded in UES's periodic reconciliation for the month that the rebate was actually received. In compliance with this Order, UES has rebated the amounts it received from the first two 2013 RGGI auctions as part of its default service rates approved for effect December 1, 2013. Proceeds from the remaining two auctions (September and December 2013) will be recorded in UES's default service reconciliation model and refunded as part of UES's next semi-annual default service rate change proposal, scheduled for April 4, 2014, for rates effective June 1, 2014.

In accordance with RSA 125-O:23(II), effective January 1, 2014, RGGI auction proceeds in excess of the threshold price of \$1 for any allowance sale shall be rebated to all retail electric ratepayers, in a manner to be determined by the Commission. UES proposes to include such rebates in its External Delivery Charge ("EDC"). All of UES's reconciliation rates applicable to all retail customers, such as the EDC, change only once per year. Similar to current practice, UES would record the rebates in the month in which they are received, with customers earning interest at the prime interest rate, fixed

Gary Epler
Chief Regulatory Counsel
epler@unitil.com

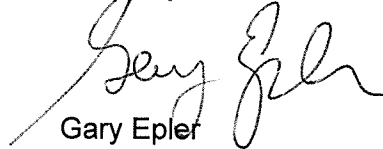
6 Liberty Lane West
Hampton, NH 03842

T 603.773.6440 F 603.773.6640
www.unitil.com

quarterly, per its tariff Schedule EDC and as issued by the Commission. UES files its annual EDC reconciliation and rate filing on approximately June 15th of each year, for rates effective August 1.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler", written over a horizontal line.

Gary Epler
Attorney for Unitil Energy Systems, Inc.

cc: Susan Chamberlin, Consumer Advocate