

BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

UNITIL ENERGY SYSTEMS, INC.
Petitioner

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DOCKET NO. DE 13-____

**PETITION TO INCREASE STORM RECOVERY
ADJUSTMENT FACTOR**

NOW COMES Unitil Energy Systems, Inc. (“UES” or “the Company”), by and through its undersigned attorney, and respectfully petitions the New Hampshire Public Utilities Commission (“the Commission”) for approval of:

- 1) UES’s proposal to increase its Storm Recovery Adjustment Factor (“SRAF”) effective May 1, 2013 to recover the costs associated with Hurricane Sandy, which occurred in October 2012. UES proposes to recover these costs over a four year period with carrying charges at 4.52 percent (equaling the Company’s cost of debt, net of deferred taxes); and
- 2) UES’s revised tariff, Schedule SRAF.

In support of its Petition, UES states the following:

Petitioner

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.

Background

1. On Monday, October 29th, the Mid-Atlantic and New England regions were impacted by Hurricane Sandy as it weakened to a Tropical Storm. Hurricane Sandy devastated portions of the Caribbean and Mid-Atlantic before reaching the Northeastern United States. Developing near Jamaica on October 22nd, Sandy tracked northeast along the eastern coast of the U.S.

before turning west, making landfall near Atlantic City, New Jersey. Effects from Hurricane Sandy were felt throughout the morning and afternoon hours on Monday, October 29th. As the storm's outer bands moved through New England, the New Hampshire region experienced heavy rain and high wind gusts up to 55 mph, especially along the seacoast. Company crews responded to over 100 reported wires down and 513 trouble locations, including 19 feeders and 9 sub-transmission lines locked-out across the UES service territory.

2. The first storm-related outage for UES occurred at approximately 10:00 AM on Monday, October 29th, with peak interruptions reaching 31,000 in the New Hampshire service area (42 percent of NH electric customers) with cumulative customers affected reaching over 61,000 through the event.
3. UES's electric operations were able to restore power to 95% of the affected customers by 10:00 PM on Tuesday, October 30th. Complete restoration of all customers was accomplished by 11:00 PM the next day, Wednesday, October 31st.
4. UES incurred \$2,310,089 of incremental, storm-related emergency costs to respond to Hurricane Sandy.

Description of Exhibits

Attached to this Petition are the following Exhibits:

Exhibit KMA-1: Testimony and Schedules of Karen M. Asbury.

Exhibit RLF-1: Testimony and Schedules of Richard L. Francazio.

Exhibit LMB-1: Testimony and Schedules of Laurence M. Brock.

Proposed Adjustment to the SRAF

Pursuant to the Settlement Agreement approved by the Commission in DE 10-055, the Company has in place a SRAF surcharge which provides for the recovery of the December 2008 ice storm and February 2010 wind storm costs. The Settlement Agreement also granted UES a Storm Reserve, to allow for the recovery of costs associated with qualifying major storms. The Storm Reserve, however, was not designed to include low frequency storms that are extraordinary in magnitude. If the costs of this storm were added to the reserve, the reserve would be in a significant deficit. In DE 11-097, the Commission approved an adjustment to the SRAF to recover costs associated with two extraordinary storms that occurred in 2011 (Tropical Storm Irene, August 2011 and Snow Storm, October 2011). Similarly, the Company is proposing to recover the costs of Hurricane Sandy through an adjustment to its SRAF.

Proposed Tariffs

UES's proposed tariff is included with this filing. A redline version is provided as Schedule KMA-2 attached to Exhibit KMA-1. UES requests approval of its proposed tariff.

Proposed Rate Calculations

Page 1 of Schedule KMA-1 shows the calculation of the proposed rate based on an annual levelized cost divided by actual kWh sales for the 12 month period ending December 31, 2012.

Bill Impacts

Schedule KMA-3 provides typical bill impacts associated with UES's proposal. Based on the increase to the SRAF of \$0.00053 per kWh, a residential customer on Default Service using 600 kWh will see a bill increase of \$0.32 or 0.4 percent.

Request for Approvals

UES respectfully requests that the Commission:

1. FIND that Hurricane Sandy qualifies as a major storm;
2. FIND that the costs the Company is seeking recovery of, including its costs of planning and preparation activities in advance of the storms, and its restoration activities after the storm, are just and reasonable;
3. FIND that UES's proposal for recovery of its storm-related restoration costs through the SRAF is reasonable;
4. GRANT APPROVAL of the proposed tariff.
5. ISSUE a final order in time to allow the requested tariff to become effective on May 1, 2013.

Conclusion

For all of the foregoing reasons, UES requests that the Commission grant it the approvals requested in this Petition, and for such other relief as the Commission may deem necessary and proper.

Respectfully submitted,

UNITIL ENERGY SYSTEMS, INC.

By its Attorney:

/s/ Gary Epler

Gary Epler
Chief Regulatory Counsel
Unitil Service Corp.
6 Liberty Lane West
Hampton, NH 03842-1720
603.773.6440 (direct)
603.773.6640 (fax)
epler@unitil.com

March 14, 2013