



March 6, 2014

BY HAND-DELIVERY 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

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**Re: Docket No. DE 14-048
Comments of Unitil Energy Systems, Inc.**

Dear Director Howland:

Please accept this letter as the Comments of Unitil Energy Systems, Inc. ("UES") in the above-referenced docket.

On February 12, 2014, the Public Utilities Commission ("Commission") opened this docket to receive comment on the method and timing by which it should administer the rebate to all electric ratepayers of New Hampshire's Regional Greenhouse Gas Initiative ("RGGI") annual CO2 budget allowances auction proceeds that exceed the threshold amount of one dollar per allowance. In its Notice, the Commission requested comments on (1) the method by which the Commission should allocate the excess RGGI allowance among all electric providers in New Hampshire; (2) how frequently this allocation should be made; (3) depending on the method of rebate, what verification or proof is required to assure that electric distribution utilities, competitive energy suppliers and municipal utilities, as applicable, are rebating the excess RGGI amounts to their ratepayers with any associated accrued interest; and (4) whether the Commission should require the rebate to ratepayers on an annual or more frequent basis.

To allocate the RGGI refund among the utilities, UES proposes that the Commission allocate any excess allowance based upon prior calendar year retail kWh sales for all electric distribution providers in New Hampshire, inclusive of municipal load. UES recommends that this allocation should be made on a quarterly basis, consistent with the auction schedule.

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UES proposes to track any RGGI refunds it receives as part of its External Delivery Charge ("EDC") reconciling model, as the EDC is applicable to all of its retail customers. Refunds would be separately identifiable, would be recorded in the month in which they are received, and would accrue interest at the quarterly fixed prime rate per its tariff, Schedule EDC. Credits to all retail customers, in the form of a uniform kWh rate and included as part of the overall EDC rate, would be included in the annual EDC reconciliation and rate filing. UES plans to file its EDC on approximately June 17, 2014, for effect August 1, 2014. As this is roughly midway through 2014, UES proposes to include a forecast of any 2014 quarterly RGGI auction refunds not yet received with its annual filing in order to ensure customers are receiving the credit in their rates on a timely basis.

UES looks forward to working with the Commission Staff and other interested stakeholders to resolve this matter and provide a recommendation to the Commission for its consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler". The signature is fluid and cursive, with the first name "Gary" being more prominent than the last name "Epler".

Gary Epler
Attorney for Unitil Energy Systems, Inc.

cc: Susan Chamberlin, Consumer Advocate