

THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION

21 S. Fruit Street, Suite 10  
Concord, N.H. 03301-2429

TDD Access: Relay NH  
1-800-735-2964

Tel. (603) 271-2431

FAX (603) 271-3878

Website:  
[www.puc.nh.gov](http://www.puc.nh.gov)

NHPUC 29OCT18PM2:59

October 29, 2018

Debra A. Howland  
Executive Secretary  
New Hampshire Public Utilities Commission  
21 South Fruit Street Suite 10  
Concord, New Hampshire 03301

Re: Docket No. DE 18-038  
Unitil Energy Systems, Inc.  
2017 Annual Major Storm Cost Reserve Fund Report

Staff Response to Unitil Reply of October 24, 2018

Dear Ms. Howland:

On July 10, 2018, Commission Audit Staff issued its final report concerning the Unitil Energy Systems Inc. (Unitil) 2017 Annual Major Storm Cost Reserve Fund Report. The report issued by Audit Staff contained two issues. One issue identified as "Issue #2" was resolved between Unitil and Staff. The second issue identified as "Issue #1" is the subject of Unitil's October 24, 2018 letter (Letter). Issue #1 relates to two invoices that total \$14,625 from Calypso Communications (Calypso) for which the Company seeks inclusion in the October Winter Storm charges, and recovery from the Major Storm Cost Reserve Fund. Staff disallowed the Calypso charges in its audit. Unitil disputes Audit Staff's recommendation to disallow the costs incurred for Calypso's work. The Letter specifies why Unitil believes it should get recovery of the \$14,625 Staff recommends should be disallowed.

Staff has reviewed the letter and will reopen the audit for the limited purposes of examining statements Unitil made in support of its position that Calypso's work is related to storm recovery efforts. Unitil has the burden of proving that costs submitted for recovery through the Major Storm Cost Reserve Fund are related to the restoration of power and repair of facility damages resulting from the storm, and an inquiry into Unitil's statements will provide Staff information as to whether Calypso's work contributed to the restoration of power or to the repair of damaged facilities.

The inquiry will be conducted by Audit Staff, with input from Electric Division Staff, and will be based on Unitil's statements related to Calypso's function during the storm.

Once Staff has completed an audit into this issue, it will issue a report and present its findings to Unitil and the Commission. While this audit is limited in scope, Staff cannot say when it will be complete as it depends on the timing of Unitil providing the requested information for review.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Suzanne Amidon', written in a cursive style.

Suzanne Amidon  
Staff Counsel

Service List

**SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED**

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**Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.**

Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

epler@unitil.com

leszek.stachow@puc.nh.gov

ocalitigation@oca.nh.gov

richard.chagnon@puc.nh.gov

suzanne.amidon@puc.nh.gov

tom.frantz@puc.nh.gov

Docket #: 18-038-1      Printed: October 29, 2018

**FILING INSTRUCTIONS:**

- a) **Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND  
EXECUTIVE DIRECTOR  
NHPUC  
21 S. FRUIT ST, SUITE 10  
CONCORD NH 03301-2429
- b) **Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) **Serve a written copy on each person on the service list not able to receive electronic mail.**