

DE 19-040

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: February 18, 2020
AT (OFFICE): NHPUC

FROM: Rich Chagnon *RC*
Assistant Director – Electric Division

SUBJECT: Docket No. DE 19-040
Unitil Energy Systems, Inc.
Annual Major Storm Cost Reserve Fund Report

RE: Commissioner Staff Audit

TO: Commissioners
Debra Howland, Executive Director

CC: Tom Frantz, Director, Electric Division
Karen Moran, Director, Audit Division
Anne Ross, Staff Attorney

Staff has reviewed the July 29, 2019, audit report (Audit) on Unitil Energy Systems, Inc.'s (UES's) 2018 Annual Major Storm Cost Reserve (MSCR) Fund Report. Staff concurs with both audit issues 1 and 2 identified at the end of the Audit. UES agreed with issue 1, but disagreed with the disallowance of \$1,277 for customer driveway repairs following a storm. Staff supports the Audit recommendation that this expense be moved out of the MSCR, and posted into a separate injury and damage account.

Recommendation

Staff recommends that the Commission support the UES 2018 Storm Reserve Report, as reported by Commission Audit Staff in its Audit Report dated July 29, 2019. Staff also recommends the removal of \$1,277 from expenses recovered from the UES MSCR, and posted to an injuries and damage account outside of the storm fund itself.

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