

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 22-026

UNITIL ENERGY SYSTEMS, INC.

Petition for Step Adjustment

COMMENCEMENT OF ADJUDICATIVE PROCEEDING AND NOTICE OF HEARING

On February 28, 2022, Unitil Energy Systems, Inc. (Unitil) filed a petition for step adjustment requesting a revenue requirement increase in the amount of \$1,376,786 to recover the costs of 2021 capital spending. In support of its petition, Unitil filed the direct testimony of Christopher J. Goulding, Director of Rates and Revenue Requirements for Unitil Service Corp. (Unitil Service), and Kevin E. Sprague, Vice President of Engineering for Unitil Service, as well as supporting schedules. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at www.puc.nh.gov/regulatory/Docketbk/2022/22-026.html.

I. BACKGROUND AND PROCEDURAL HISTORY

On May 3, 2022, the Commission issued Order No. 26,623 in Docket No. DE 21-030, which approved, in part, the parties' settlement agreement filed on February 11, 2022 (Settlement Agreement). In addition to providing for an increase in Unitil's permanent distribution rates, the Settlement Agreement, as approved, allowed Unitil to request two step adjustments to rates. Settlement Agreement, Subsections 2.1 and 2.2.

The first step adjustment would generate the revenue requirement for changes in Net Plant in Service associated with non-growth investments completed and placed in service during the period of January 1, 2021 through December 31, 2021 (2021 investments). *Id.*, Subsections 2.2 and 2.3. It would also include the recovery of \$39,969

of post-test-year software amortization. *Id.*, Subsection 5.6. The revenue requirement amount for 2021 investments was capped at \$1,377,331. *Id.*, Subsections 2.2 and 2.3.

The deadline for the first step adjustment filing was February 28, 2022. *Id.*, Subsection 5.2. On that date, Unitil submitted its petition and supporting documents. In its petition, Unitil requested the Commission to approve a step adjustment for a revenue requirement increase in the amount of \$1,376,786 related to 2021 investments. If approved, the step adjustment would take effect on June 1, 2022 on a service-rendered basis. See Settlement Agreement, Subsection 2.1.

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issues: whether the step adjustment is consistent with the terms of the Settlement Agreement; whether the plant additions Unitil constructed in 2021 were prudent, and used and useful, as required by RSA 378:28; whether Unitil appropriately calculated the proposed revenue requirement related to 2021 investments; and whether the resulting rates are just and reasonable, as required by RSA 374:2, and RSA 378:5 and :7. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than seven (7) days prior to the hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA chapter 541-A, RSA 378:28, RSA 374:2, and RSA 378:5 and :7, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the Commission will hold a hearing in this matter at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on May 17, 2022, at 9:00 a.m. Three hours shall be allotted for this hearing; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is,

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Unitil and any other parties on the service list, on or before May 9, 2022. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before May 16, 2022; and it is

FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in

electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Unital shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before May 9, 2022. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

So ordered, this third day of May, 2022.



Daniel C. Goldner
Presiding Officer
Chairman

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

Service List - Docket Related

Docket# : 22-026

Printed: 5/3/2022

Email Addresses

ClerksOffice@puc.nh.gov
asbury@unitil.com
campbellm@unitil.com
Energy-Litigation@energy.nh.gov
fossumm@unitil.com
gouldingc@unitil.com
main@unitil.com
nawazelski@unitil.com
ocalitigation@oca.nh.gov
taylorp@unitil.com