

BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

UNITIL ENERGY SYSTEMS, INC.
Petitioner

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DOCKET NO. DE 08-015

**PETITION FOR APPROVAL OF DEFAULT SERVICE
SOLICITATION AND PROPOSED DEFAULT SERVICE TARIFFS**

Unitil Energy Systems, Inc., (“UES” or “Company”) submits this Petition requesting:

1) Approval of the New Hampshire Public Utilities Commission (“Commission”) of UES’ solicitation and procurement of two contracts for Default Service (“DS”). The first contract is for 100 percent of large customer default service requirements for three months in duration. The second contract is two years in duration for 25 percent of the small customer (non-G1) default service power supply requirements. Service under both contracts will begin November 1, 2008; and

2) Approval of proposed tariffs incorporating the results of this solicitation into rates. As part of this request, and as discussed more fully below, UES seeks a final order granting the approvals requested herein no later than September 19, 2008. 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

Pursuant to the terms of the Settlement Agreement, and as approved by the Commission in NHPUC Order No. 24,511, UES has solicited for DS power supplies for:

1) the three month period beginning November 1, 2008 for one hundred (100) percent of its DS supply requirements for its G1 customers; and 2) for 25 percent of the non-G1 DS supply requirements for two years (24 months) in duration, also beginning November 1, 2008. The solicitation process was conducted in accordance with the model schedule contained in the Settlement Agreement.

UES submits this Petition in compliance with the Settlement Agreement and orders issued in Docket No. DE 05-064 and subsequent related proceedings, and requests approval of the results of its most recent solicitation, as described more fully below and in the attached exhibits, and also requests approval of the tariffs included with this filing.

Description of Exhibits

Attached to this Petition are the following Exhibits:

Exhibit RSF-1: Testimony and Schedules of Robert S. Furino

Exhibit LSM-1: Testimony and Schedules of Linda S. McNamara

Solicitation Process and Selection of Winning Bidders

UES submits that it has conducted the solicitation process, made its selection of the winning bidder and entered into a Power Supply Agreement in accordance with the representations set forth in its Petition submitted on April 1, 2005, as amended by the Settlement Agreement filed on August 11, 2005 and as approved by the Commission in its orders in Docket No. DE 05-064 and subsequent related dockets. Details of UES' compliance in this regard are set forth in Exhibit RSF-1 and the Bid Evaluation Report attached as Schedule RSF-1 thereto. A copy of the RFP, redlined against the previous RFP issued by UES in this docket, was provided to Commission Staff and the Office of

Consumer Advocate (“OCA”) by e-mail on July 31, 2008. A redline version of the final Power Supply Agreements with the winning bidders is provided in the confidential attachment labeled Tab A to Schedule RSF-1.

Proposed Tariffs

UES’ proposed tariffs are included with this filing and are provided in redline as Schedule LSM-1 attached to Exhibit LSM-1. UES requests approval of these proposed tariffs.

Proposed Rate Calculations

The proposed rate calculations for the non-G1 and G1 Default Service Charge (“DSC”) are shown on Page 1 of Schedule LSM-2 and Page 1 of Schedule LSM-3, respectively, attached to Exhibit LSM-1.

Internal Administrative Costs

Schedule LSM-4 provides updated internal administrative costs associated with providing Default Service.

Bill Impacts

Schedule LSM-5 provides typical bill impacts associated with UES’ proposed DS rate changes for customers who do not choose a competitive supplier.

Motion for Confidential Treatment

Accompanying this Petition is a Motion for Confidential Treatment and Protective Order wherein UES seeks protective treatment with respect to certain information contained in Exhibit RSF-1 and Exhibit LSM-1 and in an e-mail exchanged with the Staff and the OCA on September 3, 2008, containing a summary of bidders’ initial proposals.

Request for Approvals

UES respectfully requests that the Commission issue a final order no later than September 19, 2008, containing the following findings of fact, conclusions and approvals:

1. FIND that UES has followed the solicitation process approved by the Commission;
2. FIND that UES' analysis of the bids submitted was reasonable;
3. FIND that UES has supplied a reasonable rationale for its choice of supplier.
4. CONCLUDE that, based upon the above Findings, the power supply costs resulting from the solicitation are reasonable;
5. CONCLUDE that, based upon the above Findings and the Conclusion that the power supply costs resulting from the solicitation are reasonable, and subject to the ongoing obligation of UES to act prudently, according to law and in conformity with Commission orders, the amounts payable to the seller for power supply costs under the power supply agreements for G1 and non-G1 customers are approved for inclusion in retail rates beginning November 1, 2008.
6. GRANT APPROVAL of the tariff changes requested herein.

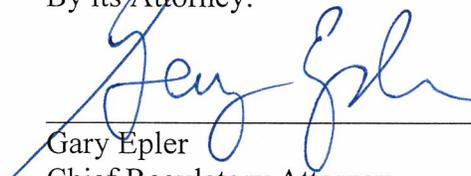
Conclusion

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:



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