

BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

UNITIL ENERGY SYSTEMS, INC.
Petitioner

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DOCKET NO. DE 09-009

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

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 one contract for Default Service (“DS”). The contract is for 100 percent of large customer (G1) default service requirements for three months in duration, August 1, 2009, through October 31, 2009; 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 June 19, 2009. 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 one contract: the three month period beginning August 1, 2009, for one hundred (100)

percent of its DS supply requirements for its G1 customers. 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 May 7, 2009. A redline version of the final

Power Supply Agreement with the winning bidder 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.

Lead Lag Study

Unitil has received a copy of the June 3, 2009 testimony of Staff analyst George McCluskey addressing the issue of the Lead Lag study previously filed by UES. UES requests that the Commission postpone a review of this testimony and consideration of the Lead Lag study, to allow UES, Staff and the OCA an opportunity to attempt to resolve through settlement any differences on this issue. UES believes that the Parties will be able to work expeditiously on this matter and provide a report and/or settlement to the Commission within one month's time, by July 17, 2009. Accordingly, UES requests approval of the proposed tariffs as filed, subject to further investigation and review of the lead/lag study and subject to reconciliation, if necessary.

Proposed Rate Calculations

Pursuant to Order No. 24,949, in order to separately track RPS costs and revenues, UES is proposing a separate RPS Charge, designed to recover the costs associated with complying with the Renewable Portfolio Standard, and a separate Power Supply Charge, designed to recover all other default service costs, consisting primarily of

wholesale supplier charges. Schedule LSM-1, Page 1, shows the proposed G1 Variable Power Supply Charges as well as the proposed G1 Variable RPS Charge. Rate calculations for the Variable Power Supply Charges are provided on Schedule LSM-2, Page 1. The rate calculations for the Variable RPS Charges are provided on Schedule LSM-3, Page 1.

In addition, in order to begin the separate RPS Charge reconciliation at the same time for both the G1 and Non-G1 classes, UES is proposing to split its currently approved Non-G1 Class Default Service Charges into a Power Supply Charge and RPS Charge. Details of this calculation are provided on Schedules LSM-4 and 5. This change does not impact the Non-G1 customers' bills, as the total Default Service Charge is the same as previously approved in Order No. 24, 949, as shown on Schedule LSM-1, page 2.

Bill Impacts

Schedule LSM-6 provides typical bill impacts associated with UES' proposed DS rate changes for G1 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.

Request for Approvals

UES respectfully requests that the Commission issue a final order no later than June 19, 2009, 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 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 customers are approved for inclusion in retail rates beginning August 1, 2009.
6. GRANT APPROVAL of the tariff changes requested herein.
7. GRANT APPROVAL of the Motion for Confidential Treatment and Protective Order.

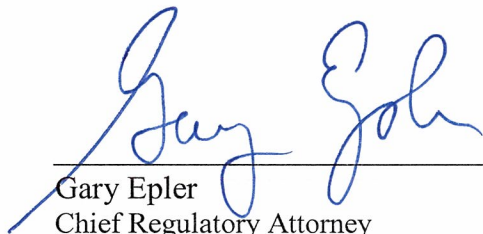
Conclusion

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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