

THE STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION
DE 11-105

UNITIL ENERGY SYSTEMS, INC.

**AMENDED PETITION FOR APPROVAL OF ADJUSTMENTS TO CERTAIN
ACCOUNT BALANCES**

NOW COMES Unitil Energy Systems, Inc. (“UES” or “the Company”), by and through its undersigned attorney, and respectfully petitions the New Hampshire Public Utilities Commission (“the Commission”) for approval to adjust the account balances in the Company’s External Delivery Charge (“EDC”), Stranded Cost Charge (“SCC”), System Benefits Charge (“SBC”) and Non-G1 Default Service Charge, as described more fully below, in order to correct for the refund by the Company to a customer for over-collected charges for electric service . Adjusting these account balances would allow UES to recover from its customers the amount by which they benefited as the result of the above-referenced over-collection. In support of this Petition, UES states as follows:

1. On February 7, 2011, the Company learned that the electricity consumption of one of its larger customers, the Riverwoods at Exeter, had been incorrectly billed since September 10, 2004, the installation date of erroneously labeled current transformer (“CT”) equipment. The CT, which had been mislabeled by the manufacturer, caused the Company to overcharge the customer for bills issued from October 2004 through January 2011. The amount of the customer’s overpayment is calculated to be \$1,801,504. The breakdown of the over-collected amounts is as follows:

Distribution Charge:	\$185,663
Other Delivery Charges:	\$299,751
Supply Charges:	\$1,316,090

2. Once the above-described meter error was discovered, the Company took immediate steps to correct the problem by changing its existing billing procedures for this customer effective with the last meter reading that occurred on January 19, 2011. The Company also implemented other corrective measures, including a full meter test and tests of all CTs at the customer's other facilities to ensure that no other issues existed. The Company is in the midst of a full review of all its instrumented installations over the next 6 months, prioritizing these by account size.

3. On August 29, 2011, UES and Riverwoods reached a settlement whereby the Company agreed to refund to Riverwoods \$1,459,721, in addition to the amount of \$611,699 which had previously been refunded, for a total refund of \$2,071,420 (\$1,801,504 plus interest charges of \$269,916). The additional amount has been refunded to the customer, as indicated in the letter submitted to the Commission by UES on August 31, 2011.

4. The Company requests that the Commission authorize the Company to adjust the account balances in the Company's External Delivery Charge ("EDC"), the Stranded Cost Charge ("SCC"), the System Benefits Charge ("SBC") and the Non-G1 Default Service Charge, in order to account for this refund. These adjustments are necessary because, due to the erroneous overpayment, other customers' bills were artificially lower than they should have been. The Company, while collecting the over-billed amounts, did not retain or benefit from the majority of the over-collection. Rather, the energy supply obligations of other customers were reduced and certain reconciling mechanisms were

written down more quickly than appropriate, including deposits made into accounts for System Benefits Charge energy efficiency and low-income programs.

5. An adjustment to the balances of these accounts is appropriate to bring them to the levels they would have been but for the over-collection, and to permit recovery from other customers the amounts by which they benefited as a result of the over-collection. The requested adjustment does not involve either “single issue rate-making” or “retroactive ratemaking.”

Single issue ratemaking is generally understood to mean the adjustment of a base rate element outside of a base rate proceeding where other costs and revenues are not considered. The Company’s request to adjust certain account balances is not single issue ratemaking because the accounts it seeks to adjust are all outside of base rates, and as such they are not affected by changes in other costs or revenues.

Retroactive ratemaking is generally understood to mean imposing a new obligation with respect to a past transaction. The Company is not requesting to change the rates that customers were required to pay per unit of power previously consumed. Rather, the Company seeking to adjust the account balances to correctly reflect the amount of energy consumed and for which the customer is obligated to pay the duly established price. The latter is not retroactive ratemaking.

6. The Company’s actions with respect to the customer which was overcharged, and to the installation, testing and metering of the customer’s metering equipment was reasonable and prudent and conformed with all Commission rules and industry practices.

7. Accordingly, the Company requests approval to adjust the account balances in the Company’s External Delivery Charge (“EDC”) by \$169,055, the Stranded Cost

Charge (“SCC”) by \$119,073, the System Benefits Charge (“SBC”) by \$44,738 and the Non-G1 Default Service Charge by \$1,325,169. Support for the calculation and timing of these adjustments is provided in Exhibit UES-1 and the accompanying schedules, which is attached to this filing.

8. In accordance with N.H. Admin. Rule Puc 203.06 (c), and in lieu of an affidavit as contemplated by N.H. Admin. Rule Puc 207.01(b), the Prefiled Direct Joint Testimony of Ms. Karen Asbury, Mr. Justin C. Eisfeller and Mr. Robert Furino are submitted herewith as Exhibit UES-1, along with supporting Schedules. Please note that Schedule UES-1 contains Confidential information, and is provided in a separate sealed envelope. A redacted version has been attached hereto and a motion for protective treatment is enclosed.

WHEREFORE, UES respectfully requests that the Commission:

A. Expeditiously issue an order of notice scheduling a hearing upon the within Petition;

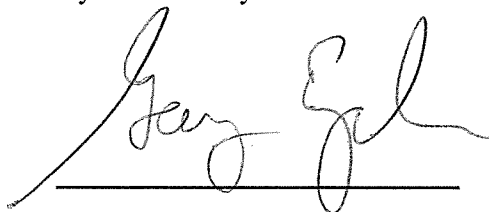
B. Following a proceeding pursuant to N.H. Code Admin. Rules Puc 203, issue an order authorizing the Company to make adjustments to the account balances described in this Petition and accompanying testimony; and

C. Grant such further relief as may be just and appropriate.

Respectfully submitted

UNITIL ENERGY SYSTEMS, INC.

By its Attorney:

A handwritten signature in black ink, appearing to read "Gary Gel", is written over a solid horizontal line.

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Dated: September 30, 2011