



ORIGINAL	
N.H.P.U.C. Case No.	DE 12-171
Exhibit No.	#2
Witness	Linda S. McNamee T. Bohan
DO NOT REMOVE FROM FILE	

July 12, 2011

BY OVERNIGHT MAIL and ELECTRONIC FILING

Suzanne Amidon, Staff Counsel
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

**RE: DE 12-171 Unitil Energy Systems, Inc.
Annual Reconciliation and Rate Filing
Staff Discovery Set 1**

Dear Attorney Amidon:

Enclosed please find the responses of Unitil Energy Systems, Inc. to the Staff's first set of data requests in the above referenced docket.

Thank you for your attention to this matter.

Sincerely,

/s/ Gary Epler

Gary Epler
Attorney for Unitil Energy Systems, Inc.

Enclosure

cc: Service List (via email)

Gary Epler
Chief Regulatory Counsel
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Unitil Energy Systems, Inc.
Docket No. DE 12-171
PUC Staff Information Requests – Set 1

Received: July 10, 2012
Request No. Staff 1-1

Date of Response: July 12, 2012
Witness: Linda S. McNamara

Request

The Company proposes to begin recovery of costs associated with a customer billing adjustment related to Docket DE 11-105 in SCC/EDC rates effective August 1, 2012. Has the Company submitted a final settlement to the Commission in Docket DE 11-105?

Response:

No.

Unitil Energy Systems, Inc.
Docket No. DE 12-171
PUC Staff Information Requests – Set 1

Received: July 10, 2012
Request No. Staff 1-2

Date of Response: July 12, 2012
Witness: Linda S. McNamara

Request

Does the customer billing adjustment referenced in 1 above affect both the SCC and the EDC rates? Please explain.

Response:

Yes, the customer billing adjustment affects both the SCC and the EDC because both of these charges were components of the Customer's bill.

Unitil Energy Systems, Inc.
Docket No. DE 12-171
PUC Staff Information Requests – Set 1

Received: July 10, 2012
Request No. Staff 1-3

Date of Response: July 12, 2012
Witness: Linda S. McNamara

Request

If costs associated with the billing adjustment referenced in data request 1 are removed from the calculation of SCC and EDC rates for effect on August 1, 2012, what would be the resulting average rates by customer class and how would they compare with the rates proposed in the filing? In addition, for illustrative purposes, please provide a revised page 25 to depict the revised calculations in the right hand column.

Response:

Please refer to page 1 of Staff 1-3 Attachment for a table showing the resulting SCC and EDC with the billing adjustment costs of \$36,423 and \$48,526, respectively, removed, as compared to the rates proposed in the Company's June 15, 2012 filing.

Pages 2 and 3 of Staff 1-3 Attachment provide a revised page 25 (SCC) and page 26 (EDC) from the Company's June 15, 2012 filing. The left section of the page shows the currently in effect figures in redline. The right section of the page shows the figures based on the results of removing the customer billing adjustment.

	<u>Rates Calculated in Staff Request 3</u>	<u>Rates As Proposed</u>	<u>Difference</u>
External Delivery Charge (EDC) - all classes	\$0.01753 (\$/kWh)	\$0.01757 (\$/kWh)	(\$0.00004)(\$/kWh)
Stranded Cost Charge (SCC)			
Class D kwh	\$0.00009 (\$/kWh)	\$0.00012 (\$/kWh)	(\$0.00003)(\$/kWh)
Class G2 - kWh meter kwh	\$0.00009 (\$/kWh)	\$0.00012 (\$/kWh)	(\$0.00003)(\$/kWh)
Class G2 - Quick Recovery Water Heating kWh	\$0.00009 (\$/kWh)	\$0.00012 (\$/kWh)	(\$0.00003)(\$/kWh)
Class G2 - Space Heating kWh	\$0.00009 (\$/kWh)	\$0.00012 (\$/kWh)	(\$0.00003)(\$/kWh)
OL kWh	\$0.00009 (\$/kWh)	\$0.00012 (\$/kWh)	(\$0.00003)(\$/kWh)
Class G2 kWh	\$0.00002 (\$/kWh)	\$0.00002 (\$/kWh)	\$0.00000 (\$/kWh)
Class G2 kW	\$0.02 (\$/kW)	\$0.02 (\$/kW)	\$0.00 (\$/kW)
Class G1 kWh	\$0.00002 (\$/kWh)	\$0.00003 (\$/kWh)	(\$0.00001)(\$/kWh)
Class G1 kVA	\$0.02 (\$/kVA)	\$0.03 (\$/kVA)	(\$0.01)(\$/kVA)

NHPUC No. 3 - Electricity Delivery
 Unifit Energy Systems, Inc.

Seventh~~Sixth~~ Revised Page 65
 Superseding~~Issued in lieu of Fifth~~ Sixth Revised Page 65

CALCULATION OF THE STRANDED COST CHARGE

(I)

Uniform per kWh Charge

1. (Over)/under Recovery - Beginning Balance August 1, 2011	(\$259,508)	(Over)/under Recovery - Beginning Balance August 1, 2012	(\$59,251)
2. Estimated Total Costs (August 2011 - July 2012)	\$207,967	Estimated Total Costs (August 2012 - July 2013)	\$173,652
3. Estimated Interest (August 2011 - July 2012)	(\$4,393)	Estimated Interest (August 2012 - July 2013)	<u>(\$1,014)</u>
4. Costs to be Recovered (L.1 + L.2 + L.3)	(\$55,934)	Costs to be Recovered (L.1 + L.2 + L.3)	\$113,387
5. Estimated Calendar Month Deliveries in kWh (August 2011 - July 2012)	1,253,284,906	Estimated Calendar Month Deliveries in kWh (August 2012 - July 2013)	<u>1,222,406,844</u>
6. Stranded Cost Charge (\$/kWh) (L.4 / L.5)	(\$0.00004)	Stranded Cost Charge (\$/kWh) (L.4 / L.5)	\$0.00009
Class D, D - Controlled Off Peak Water Heating, G2 - kWh meter, - G2 - Quick Recovery Water Heating, G2 - Space Heating, - G2 - Controlled Off Peak Water Heating, OL		Class D, D - Controlled Off Peak Water Heating, G2 - kWh meter, G2 - Quick Recovery Water Heating, G2 - Space Heating, G2 - Controlled Off Peak Water Heating, OL	
7. Stranded Cost Charge (\$/kWh) (L.6)	(\$0.00004)	Stranded Cost Charge (\$/kWh) (L.6)	\$0.00009
Class G2 (1)		Class G2 (1)	
8. Estimated G2 Demand Revenue (August 2011 - July 2012)	(\$9,433)	Estimated G2 Demand Revenue (August 2012 - July 2013)	\$24,620
9. Estimated G2 Deliveries in kW (August 2011 - July 2012)	1,385,727	Estimated G2 Deliveries in kW (August 2012 - July 2013)	<u>1,347,415</u>
10. Stranded Cost Charge (\$/kW) (L. 8 / L. 9)	(\$0.01)	Stranded Cost Charge (\$/kW) (L. 8 / L. 9)	\$0.02
11. G2 Energy Revenue (August 2011 - July 2012)	(\$4,567)	G2 Energy Revenue (August 2012 - July 2013)	\$6,271
12. Estimated G2 Calendar Month Deliveries in kWh (August 2011 - July 2012)	349,998,601	Estimated G2 Calendar Month Deliveries in kWh (August 2012 - July 2013)	<u>343,234,504</u>
13. Stranded Cost Charge (\$/kWh) (L.11 / L.12)	(\$0.00001)	Stranded Cost Charge (\$/kWh) (L.11 / L.12)	\$0.00002
Class G1 (1)		Class G1 (1)	
14. Estimated G1 Demand Revenue (August 2011 - July 2012)	(\$10,386)	Estimated G1 Demand Revenue (August 2012 - July 2013)	\$23,760
15. Estimated G1 Deliveries in kVA (August 2011 - July 2012)	1,039,814	Estimated G1 Deliveries in kVA (August 2012 - July 2013)	<u>1,008,743</u>
16. Stranded Cost Charge (\$/kVA) (L. 14 / L. 15)	(\$0.01)	Stranded Cost Charge (\$/kVA) (L. 14 / L. 15)	\$0.02
17. G1 Energy Revenue (August 2011 - July 2012)	(\$4,475)	G1 Energy Revenue (August 2012 - July 2013)	\$8,423
18. Estimated G1 Calendar Month Deliveries in kWh (August 2011 - July 2012)	371,512,494	Estimated G1 Calendar Month Deliveries in kWh (August 2012 - July 2013)	<u>357,589,078</u>
19. Stranded Cost Charge (\$/kWh) (L.17 / L.18)	(\$0.00001)	Stranded Cost Charge (\$/kWh) (L.17 / L.18)	\$0.00002

(1) Demand and energy calculated based on ratio of demand and energy revenue under current rates.

Authorized by NHPUC Order No. 25,257 in Case No. DE 11-141, dated July 29, 2011

~~Eighth~~ ~~Seventh~~ Revised Page 67
Superseding ~~Seventh~~ ~~Issued in lieu of Sixth~~ Revised Page 67

CALCULATION OF THE EXTERNAL DELIVERY CHARGE

(I)

1. (Over)/under Recovery - Beginning Balance August 1, 2012 4	(\$966,699)	(\$520,071)
2. Estimated Total Costs (August 2012 4 - July 2013 2)	\$19,521,233	\$21,958,640
3. Estimated Interest (August 2012 4 - July 2013 2)	(\$18,895)	<u>(\$9,992)</u>
4. Costs to be Recovered (L.1 + L.2 + L.3)	\$18,535,640	\$21,428,578
5. Estimated Calendar Month Deliveries in kWh (August 2012 4 - July 2013 2)	<u>1,253,284,906</u>	<u>1,222,406,844</u>
6. External Delivery Charge (\$/kWh) (L.5/L.6)	\$0.01479	\$0.01753

Authorized by NHPUC Order No. ~~25,257~~ in Case No. DE ~~11-141~~, dated ~~July 29, 2011~~

Issued: July 11, 2012~~July 29, 2011~~
Effective: August 1, 2012~~4~~

Issued By: Mark H. Collin
Treasurer

Unitil Energy Systems, Inc.
Docket No. DE 12-171
PUC Staff Information Requests – Set 1

Received: July 10, 2012
Request No. Staff 1-4

Date of Response: July 12, 2012
Witness: Linda S. McNamara

Request

Using the calculation of rates that exclude the customer billing adjustment costs, and assuming that those reduced rates would take effect August 1, 2012, please provide the percentage increase/decrease of the SCC and EDC rates for August 1, 2012 as compared with rates effective in the current year. Please provide the information by customer class and rate.

Response:

Staff 1-4 Attachment provides a table comparing the SCC and EDC rates calculated without the customer billing adjustment, as detailed in response to Staff Request 3, versus the SCC and EDC currently in effect. The table shows the difference in the rates in both dollar and percentage terms. Percentage impacts to typical bills, however, are virtually unchanged from those under the proposed rates, shown on Schedule LSM-4, Page 5 of 11, in the June 15, 2012 filing.

	<u>Rates Calculated in Staff Request 3</u>	<u>Effective Rates</u>	<u>Difference</u>	<u>% Difference</u>
External Delivery Charge (EDC)				
Class D kwh	\$0.01753 (\$/kWh)	\$0.01479 (\$/kWh)	\$0.00274 (\$/kWh)	18.5%
Class G2 - kWh meter kwh	\$0.01753 (\$/kWh)	\$0.01479 (\$/kWh)	\$0.00274 (\$/kWh)	18.5%
Class G2 - Quick Recovery Water Heating kWh	\$0.01753 (\$/kWh)	\$0.01479 (\$/kWh)	\$0.00274 (\$/kWh)	18.5%
Class G2 - Space Heating kWh	\$0.01753 (\$/kWh)	\$0.01479 (\$/kWh)	\$0.00274 (\$/kWh)	18.5%
OL kWh	\$0.01753 (\$/kWh)	\$0.01479 (\$/kWh)	\$0.00274 (\$/kWh)	18.5%
Class G2 kWh	\$0.01753 (\$/kWh)	\$0.01479 (\$/kWh)	\$0.00274 (\$/kWh)	18.5%
Class G1 kWh	\$0.01753 (\$/kWh)	\$0.01479 (\$/kWh)	\$0.00274 (\$/kWh)	18.5%
Stranded Cost Charge (SCC)				
Class D kwh	\$0.00009 (\$/kWh)	(\$0.00004)(\$/kWh)	\$0.00013 (\$/kWh)	-325.0%
Class G2 - kWh meter kwh	\$0.00009 (\$/kWh)	(\$0.00004)(\$/kWh)	\$0.00013 (\$/kWh)	-325.0%
Class G2 - Quick Recovery Water Heating kWh	\$0.00009 (\$/kWh)	(\$0.00004)(\$/kWh)	\$0.00013 (\$/kWh)	-325.0%
Class G2 - Space Heating kWh	\$0.00009 (\$/kWh)	(\$0.00004)(\$/kWh)	\$0.00013 (\$/kWh)	-325.0%
OL kWh	\$0.00009 (\$/kWh)	(\$0.00004)(\$/kWh)	\$0.00013 (\$/kWh)	-325.0%
Class G2 kWh	\$0.00002 (\$/kWh)	(\$0.00001)(\$/kWh)	\$0.00003 (\$/kWh)	-300.0%
Class G2 kW	\$0.02 (\$/kW)	(\$0.01)(\$/kW)	\$0.03 (\$/kW)	-300.0%
Class G1 kWh	\$0.00002 (\$/kWh)	(\$0.00001)(\$/kWh)	\$0.00003 (\$/kWh)	-300.0%
Class G1 kVA	\$0.02 (\$/kVA)	(\$0.01)(\$/kVA)	\$0.03 (\$/kVA)	-300.0%

Unitil Energy Systems, Inc.
Docket No. DE 12-171
PUC Staff Information Requests – Set 1

Received: July 10, 2012
Request No. Staff 1-5

Date of Response: July 12, 2012
Witness: Linda S. McNamara

Request

Reference Schedules LMS-1, page 6 of 6, Column (b) Total Recovery and TMB-1, page 2 of 2, Column Titled "SCC Cost Adjustment per DE 11-105". Please provide an electronic copy detailing monthly interest and SCC cost recovery of \$103,557 beginning August 1, 2012 through July 31, 2015.

Response:

A copy of Schedule LSM-1, Page 6 of 6, showing the 36-month recovery of the SCC customer billing adjustment, with interest, is attached in Excel format.

Unitil Energy Systems, Inc.
Docket No. DE 12-171
PUC Staff Information Requests – Set 1

Received: July 10, 2012
Request No. Staff 1-6

Date of Response: July 12, 2012
Witness: Todd M. Bohan

Request

Reference TMB-2, page 2 of 4. Column "a", Third Party Transmission Providers (NU Network Integration Transmission Service) for June 2011 is a \$1,310,492 credit. Please explain why it is a credit.

Response:

ISO-NE Transmission, Markets and Services Tariff, Schedule 21-NU provides for estimated rates that are trued up to actual FERC Form I data in June of the subsequent year. The refund reflects actual data for the period January 1, 2010 through December 31, 2010. The 2010 actual net transmission revenue requirement was lower than originally estimated primarily due to higher Regional Network Service ("RNS") revenue credits. The higher RNS revenue credits were caused by Regional Network Loads being significantly higher than forecasted.

On June 8, 2011 UES received notification from Northeast Utilities that UES would receive a refund in the amount of (\$1,401,117). The net credit amount of (\$1,310,492) includes the refund amount and the May 2011 amount billed in June 2011.

Unitil Energy Systems, Inc.
Docket No. DE 12-171
PUC Staff Information Requests – Set 1

Received: July 10, 2012
Request No. Staff 1-7

Date of Response: July 12, 2012
Witness: Todd M. Bohan

Request

Reference TMB-3, pages 1-2, Line 4. Please reconcile the H-Q Support Payments with the H-Q Support Payments on TMB-5, page 1, All Line 4s and TMB-4, page 2 of 2, Line 14.

Response:

Schedule TMB-3 presents actual and estimated cost data for Hydro-Quebec Support Payments billed to UES by UPC. However, the actual payment data is itself an estimate that is then trued up to actual data and this is done on a two-month lag basis. Accordingly, the payments in Schedule TMB-3 will not typically match the figures in Schedule TMB-4. Schedule TMB-4 provides the actual Hydro-Quebec Support Payments.

To reconcile this, consider the following: (1) In December 2011 the projected Hydro-Quebec Support Payment was (\$25,218) (see Schedule TMB-3, page 2, line 4). The true up for estimate is done on a two-month lag basis. In February 2012, the true up for estimate amount is \$41,875 (see Schedule TMB-3, page 2, line 6). The net impact of these two figures is \$16,657, which is the amount shown on Schedule TMB-4, page 2, line 14 for December 2011 actual cost. (2) In January 2012 the projected Hydro-Quebec Support Payment was (\$10,736) (see Schedule TMB-3, page 2, line 4). Again, the true up for estimate is done on a two-month lag basis. In March 2012, the true up for estimate amount is \$25,975 (see Schedule TMB-3, page 2, line 6). The net impact of these two figures is \$15,239, which is the amount shown on Schedule TMB-4, page 2, line 14 for January 2012 actual cost.