

DE 19-042



NHPUC 28FEB'19PM4:28

February 28, 2019

**BY HAND DELIVERY and E-MAIL**

Debra A. Howland, Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

Re: Unitil Energy Systems, Inc. Annual REP VMP Report 2018  
DE 19-\_\_\_\_\_

Dear Director Howland:

Enclosed for filing on behalf of Unitil Energy Systems, Inc. ("UES" or "Company") are an original and six (6) copies of the Company's Reliability Enhancement Program ("REP") and Vegetation Management Program ("VMP") Annual Report ("Report") pursuant to the provisions of the Settlement Agreement in DE 10-055, Order No. 25,656 in DE 14-063, and Order No. 26,007 which approved the Settlement Agreement in Docket No. DE 16-384.<sup>1</sup>

As required by Section 7.2 of the DE 16-384 Settlement Agreement, UES will continue to reconcile actual VMP and REP program O&M expenses for future calendar years to an amount of \$4,858,739. For calendar year 2018, the Company spent \$4,741,775 in VMP expense, \$94,883 of REP expenses related to VMP, and \$220,000 for reliability inspection and maintenance for a grand total of \$5,056,658. In calendar year 2018, the Company collected \$952,732 from Fairpoint Communications, providing for a net total expenditure of \$4,103,926. The net expenditure of \$4,103,926 is subtracted from the \$4,858,739 for a total over-collection of \$754,813. As indicated in the Company's Step Adjustment Filing filed under separate cover, the Company proposes to increase its 2019 VMP storm resiliency budget by \$267,556 and credit the remaining \$487,257 over-collection through the Company's External Delivery Charge mechanism.

Please do not hesitate to contact me if you have any questions concerning this filing.

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<sup>1</sup> On April 20, 2017, the Commission approved the Settlement Agreement in DE 16-384, which among other things, states that in an annual compliance filing, the Company will continue to reconcile actual calendar year vegetation management and reliability enhancement O&M expenses with test year costs. Any over- or under-collection shall be reflected in the Company's Schedule EDC (External Delivery Charge) on May 1 of the following year or with approval of the Commission, the Company may credit unspent amounts to future vegetation management program expenditures.

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Gary Epler  
Chief Regulatory Counsel  
epler@unitil.com

6 Liberty Lane West  
Hampton, NH 03842

T 603.773.6440 F 603.773.6640  
[www.unitil.com](http://www.unitil.com)

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler", written over a vertical line.

Gary Epler  
Attorney for Unitil Energy Systems, Inc.

Enclosure

cc: Donald Kreis, Esq., Consumer Advocate