

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 20-097

UNITIL ENERGY SYSTEMS, INC.

**Unitil Request to Amend Tariff and Provide a Non-Residential Energy Efficiency Loan
to the City of Concord**

Order *Nisi* Granting Request

ORDER NO. 26,422

November 6, 2020

In this Order, the Commission grants a request by Unitil Energy Systems to provide a non-residential energy efficiency loan to the City of Concord.

I. PROCEDURAL HISTORY

On June 16, 2020, Unitil Energy Systems, Inc., (Unitil) filed a request to amend its tariff and provide a non-residential energy efficiency loan to the City of Concord pursuant to the amended tariff (Request). Unitil sought to remove certain conditions that limited its ability to request Commission authorization to exceed the \$50,000 per-project and \$150,000 per-customer caps on its non-residential energy efficiency loan program. On June 20, the Office of the Consumer Advocate (OCA) filed a letter of participation. On July 28, the Commission Staff (Staff) filed a recommendation that the requested tariff revision be allowed to take effect. On July 29, the Commission issued a Secretarial Letter allowing the proposed tariff to take effect. On September 25, Staff recommended that the Commission approve Unitil's request to provide a non-residential energy efficiency loan to the City of Concord, contingent upon a loan term of no greater than 60 months. On October 2, Unitil filed a Motion for Confidential Treatment and Protective Order (Motion). On October 6, Staff filed a revised recommendation, un-redacting certain information for which confidential treatment had not been requested (Recommendation).

The Unitil filing, Staff Recommendation, and other docket filings, except any information for which confidential treatment is requested of or granted by the Commission, are posted at

<https://www.puc.nh.gov/Regulatory/Docketbk/2020/20-097.html>.

II. UNITIL ON-BILL LOAN REQUEST

Unitil requested Commission authorization to provide an on-bill loan of up to \$325,000 to the City of Concord at 0 percent interest for the purpose of facilitating a conversion of the City of Concord's streetlights to light emitting diode (LED). Unitil asserted that the conversion would be cost-effective under both the Granite State Test and the Total Resource Cost Test and would provide a net benefit to New Hampshire ratepayers.¹ The loan funds would be derived from a reserve of funds collected as part of the Company's energy efficiency programs. Unitil's tariff, as amended in July 2020, places a \$50,000 per-project limit and \$150,000 per-customer limit on the Company's on-bill loan offerings, but allows Unitil to exceed those limits with Commission authorization.

The Unitil tariff also provides for a maximum repayment term of 120 months for loans greater than \$7,500. Unitil and the City of Concord entered into a Memorandum of Understanding (MOU), which provides that the on-bill loan would be paid back over a term not to exceed 120 months. Unitil stated that approximately \$540,000 was available within its reserve account to fund non-residential energy efficiency projects, leaving approximately \$220,000 within the fund should the Commission authorize the on-bill loan to the City of Concord. Unitil observed that historically it has loaned approximately \$55,000 annually under the non-residential on-bill loan offering, and asserted that providing a \$325,000 loan to the City would not impact the Company's ability to provide loans for other qualifying projects.

¹ The Commission approved the Granite State Test in Order No, 26,322 (December 30, 2019). The Granite State Test will be used to determine whether an energy efficiency investment will provide a net benefit to New Hampshire ratepayers, beginning January 1, 2021. The Total Resource Cost Test will continue to be used until that time.

III. STAFF RECOMMENDATION

Staff recommended that the Commission approve Unitil's request contingent upon the term of the on-bill financing loan being for no more than 60 months. Staff compared the initial estimates of electric bill savings that would accrue to the City of Concord as a result of the conversion and the projected costs of the conversion. Staff asserted, based on that comparison, that reducing the loan term from 120 months to 60 months would not adversely affect the project economics and would ensure that the reserve account is replenished in a reasonable amount of time so funds are available for use by other non-residential customers. Staff also expressed an intention to review the Company's treatment of the undepreciated value of the legacy fixtures in the Company's next rate case.

IV. COMMISSION ANALYSIS

We have reviewed Unitil's request and find that authorization of an on-bill loan of up to \$325,000 to the City of Concord is reasonable and appropriate, subject to Staff's recommended loan term limitations. The proposed LED conversion would provide net benefits to New Hampshire's ratepayers and the on-bill loan would facilitate an opportunity that might otherwise be unavailable to the City of Concord. Although Unitil's tariff allows the repayment of loans greater than \$7,500 over a period as long as 120 months, we find that a 60 month repayment term would be more appropriate in light of the initial cost and savings estimates cited by Staff. The 60 month repayment term would not adversely affect the economics of the project and would require that the City of Concord's loan is repaid to Unitil's reserve sooner than originally requested, thereby making more on-bill loan funds accessible to other non-residential customers.

Unitil moved for an order pursuant to New Hampshire Administrative Rules, Puc 203.08 to protect from disclosure certain information it provided in response to discovery during the proceeding. Specifically, Unitil requests confidential treatment of estimated electric bill savings,

installed fixture costs, and undepreciated fixture costs contained in responses to request Staff 1-1, 1-2, and 1-3, which it asserts are “confidential, commercial or financial information” that is exempt from public disclosure. RSA 91-A:5, IV. In support of that request, Unitil asserts that disclosure of the information will impair the City of Concord’s ability to receive competitive pricing from potential vendors for the LED conversion, and would not provide the public with information about the conduct or activities of the Commission. Motion at 2-4.

Under RSA 91-A:5, IV, records “pertaining to internal personnel practices; confidential, commercial, or financial information” are exempt from disclosure. In determining whether documents are entitled to an exemption from disclosure under RSA 91-A, the Commission applies a three-step analysis to determine whether information should be protected from public disclosure. *See Lambert v. Belknap County Convention*, 157 N.H. 375 (2008); *see also, Public Service Company of New Hampshire*, Order No. 25,313 at 11-12 (December 30, 2011). The first step is to determine whether there is a privacy interest at stake. The second step is to determine whether there is a public interest in disclosure. If both a privacy interest and public interest are identified, the third step of the Commission’s analysis is to balance the asserted privacy interest with the public’s interest in disclosure.

Unitil’s privacy interest in the electric bill savings, installed cost, and undepreciated fixture costs flow from its role as party to an MOU with the City of Concord. The disclosure of project cost and savings information has the potential to negatively impact the results of the City of Concord’s competitive solicitation for an LED conversion vendor. If Unitil were unable to assert a privacy interest relating to such information, it would discourage third parties from sharing such information or entering into similar arrangements with Unitil in the future. On balance, the public’s interest in disclosure of this information is minimal, given that the boundaries of the loan terms are outlined within the Unitil Request, as modified by this order.

Based on an examination of Until's privacy interest in the information at issue, the potential consequences of disclosing that information, and the minimal public interest in disclosure, we grant Until's request for confidential treatment of that information.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, the request to provide a non-residential energy efficiency loan of up to \$325,000 to the City of Concord is GRANTED, contingent upon Until providing a loan term of 60 months or less; and it is

FURTHER ORDERED, that Until's Motion for Confidential Treatment and Protective Order related to certain estimated electricity bill savings, installed cost, and undepreciated fixture cost information is GRANTED; and it is

FURTHER ORDERED, that Until shall cause a copy of this order *nisi* to be published on its website within one business day, such publication to be documented by affidavit filed with the Commission on or before November 18, 2020; and it is

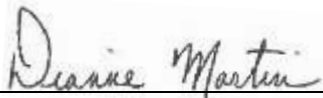
FURTHER ORDERED, that the Executive Director shall cause a copy of this order *nisi* to be published on the Commission's website within one business day; and it is

FURTHER ORDERED, that persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing, which states the reason and basis for a hearing, no later than November 16, 2020, for the Commission's consideration; and it is

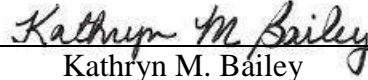
FURTHER ORDERED, that any person interested in responding to such comments or request for hearing shall do so no later than November 19, 2020; and it is

FURTHER ORDERED, that this order shall be effective November 23, 2020, unless Until fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this sixth day of
November 2020.

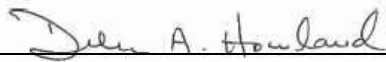


Dianne Martin
Chairwoman



Kathryn M. Bailey
Commissioner

Attested by:



Debra A. Howland
Executive Director

Service List - Docket Related

Docket#: 20-097

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