

Returning to Unitil's default service rate from third-party suppliers or community aggregation January 16, 2025

Unitil is reaching out to the municipal offices and leaders in the communities we serve to share some important information with you regarding the process of returning to Unitil's default service rate from third-party suppliers or community aggregation.

Unitil's default supply rate serves an important role for customers. As a distribution utility that does not own generation assets, we are required to secure a "default" or basic service rate for customers that opt not to seek or cannot secure an alternative service provider. We secure bids for this rate as directed by the New Hampshire Public Utilities Commission. Unitil neither benefits nor profits from providing supply to customers, and we have long advocated for all customers to explore and consider the options provided by third party suppliers to find the alternative that best meets their needs.

While many of our communications to customers on third party supply have focused on transitioning to an alternative rate, we specifically want to share with you the process by which customers may return to default service and the rates that a customer can expect depending on when they elect to do so.

The actual market cost of electricity is seasonal; it is highest at the peaks of summer and wintertime and lower in spring and fall. Unitil's basic service rate, which changes every six months on February 1 and August 1 annually, is designed as an average rate that includes both peak seasonal months and lower off-season costs as part of each period.

Unitil customers who return to default service are placed onto a variable rate until the start of the next six-month period. This is because the flat rate is no longer representative of the average cost of the customer's energy if they are only enrolled for a portion of the period. The variable rate more accurately reflects the cost of energy for the remainder of six months. Customers placed on a variable rate after returning to default service will automatically be placed on the fixed rate at the beginning of the next six-month period. As such, customers that return to default service in January will be placed on the fixed default service rate as of February 1.

Educating our customers on the complexities of energy service is important to us. We believe the best choices regarding one's energy needs are made when customers are well informed, and we recognize that many may have questions about basic service at this time. A full list of Unitil's fixed and variable supply rates are available at [Unitil.com](https://www.unitil.com). More information can also be found on the [third-party supplier page](#) of our website.