



March 17, 2010

BY OVERNIGHT MAIL and ELECTRONIC FILING

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 Services, Inc.
Docket No. DE 09-137

Dear Director Howland:

On behalf of Unitil Energy Systems, Inc. ("Unitil"), please accept this letter to bring to the attention of the New Hampshire Public Utilities Commission ("Commission") the Company's concern that its affiliate, Fitchburg Gas and Electric Light Company ("FG&E"), may not receive an Order approving the proposed TOU Pilot Program from the Massachusetts Department of Public Utilities in time to be able to conduct the Pilot Program during the summer of 2010. As evidence of this concern, attached is a copy of the Company's March 5, 2010 responses to data requests promulgated by the Department Staff. FG&E has contacted the Hearing Officer relative to our concern for a timely resolution but has not received any indications at this time of how the Department intends to proceed.

While waiting for approval in Massachusetts, Unitil has been working to move the project forward in order to maintain the June 2010 start date in accordance with the plans as approved by the Commission in Docket DE 09-137. Most of the equipment has been ordered, but the Company has not finalized the installation contract nor has it initiated customer recruitment. Meeting the June 1 start date will require the Company to begin the customer recruitment process within a week.

If FG&E does not receive approval or similar assurances from the Department in the very near future, then the Company will need to postpone or otherwise modify the Pilot Program accordingly.

The first option is simply to delay the Pilot Program to the summer of 2011. This is clearly the simplest approach and is acceptable to the Company. Unitil and FG&E remain confident that the Department will approve the project essentially as proposed once the other pending Pilot Program proposals filed by the other Massachusetts utilities have moved forward.

A second option which the Company would also find acceptable is to conduct the Pilot Program as designed entirely in New Hampshire. In order to

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maintain the statistical validity of the program, the Company would need to increase the New Hampshire customer samples in the three program components and the control group. This would increase the overall size and cost of the program to New Hampshire customers. In order to mitigate the impact, the Company notes that some of the equipment being purchased, specifically the analysis meters, will be useful for other purposes beyond the one year pilot program, and therefore it would be appropriate to consider stretching out the cost recovery for such equipment beyond a single year. While Unitil has not done a detailed analysis, it may be possible to conduct the entire pilot program in New Hampshire while keeping the one-year Default Service rate impact to approximately the same level as originally proposed – about \$310,000.

As soon as FG&E hears anything further from the Department in Massachusetts, I will advise the Commission, Staff and the OCA with the information. In the meantime, the Company is available to meet and discuss with Staff and the OCA the options and recommendations for a preferred course of action in New Hampshire.

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

Sincerely,

/s/ Gary Epler

Gary Epler
Attorney for Unitil Energy Systems, Inc.

Enclosure

cc: Suzanne Amidon, Staff Counsel
Meredith Hatfield, Consumer Advocate