



February 27, 2012

BY OVERNIGHT MAIL and E-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 Systems, Inc. TOU Pilot Program
DE 09-137**

Dear Director Howland:

Enclosed on behalf of Unitil Energy Systems, Inc., (“UES” or the “Company”), please find an original and six copies of the evaluation reports of the residential and commercial Time-of-Use pilot programs.

Residential TOU Pilot Project

UES is pleased with the overall success of the residential pilot as documented in the Final Report. The pilot documented savings for all of the three treatments groups, and specifically found significant savings during Critical Peak events for both Time-of-Use/Critical Peak pricing groups. The CPP savings compared to baseline for the Enhanced TOU/ CPP treatment group was a remarkable 70%. The pilot proved out several important features of the program design, including the capabilities of the Company’s AMI system to handle multiple time period TOU measurement, including day-ahead CPP, and the perceived value to customers of the web portal and daily usage information. The pilot also provided useful insights relative to technical challenges in deployment of in-home devices and in equipment compatibility, as well as relative to recruitment, education, billing and customer service. Broader deployment of TOU/ CPP will require significant upgrades to internal systems in order to automate and streamline what was a highly manual set of processes in the pilot.

Commercial TOU Pilot Project

The C&I pilot was a more modest effort testing the potential for a CPP-only pricing program to influence usage among C&I customers. While the offer of bill protection in the program was very positive in terms of recruitment, it also appears to have dampened customer efforts to respond. The pilot documented a modest positive impact, more pronounced for those customers who indicated they had made an effort to

Gary Epler
Chief Regulatory Counsel
6 Liberty Lane West
Concord, NH 03301-1720
Phone: 603-773-6440
Fax: 603-773-6640
Email: epler@unitil.com

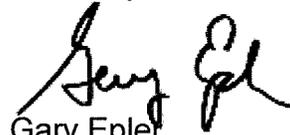
respond to the CPP events. The pilot also revealed communication challenges in implementing C&I programs and the importance of strong educational efforts, as well as the need for internal system upgrades prior to large scale deployment. The AMI system performed well, but the capability for end-point data streaming (which would have provided detailed interval data) could not be tested due to lack of sufficient bandwidth.

Next Steps

The pilot programs have provided valuable information which is being incorporated into the Company's ongoing technology planning effort. Specifically, the key features of a full Meter Data Management (MDM) system are being assessed and the early development efforts under the pilot provide an excellent starting point. Additionally, the requirements for billing and web portal functionalities revealed in the pilots are an important factor in the Company's consideration of potential CIS upgrades. Any full deployment of a TOU/ CPP program will require these MDM, CIS and Web functionalities to be operating and tested.

The Company would welcome an opportunity to meet with Commission Staff and the Office of Consumer Advocate to discuss the reports in more detail.

Sincerely,



Gary Epler

Attorney for Unitil Energy Systems, Inc.

Enclosures

cc: NH Office of Consumer Advocate (1 hard copy)
Suzanne Amidon, NH PUC (electronic only)
George McCluskey, NH PUC (electronic only)
Grant Siwinski, NH PUC (electronic only)
Rorie Hollenberg, OCA (electronic only)
Stephen Eckberg, OCA (electronic only)
Donna McFarland, OCA (electronic only)