

Unitil Energy System, Inc.
Program Cost-Effectiveness - 2012 Actual

	Total Resource Benefit/Cost Ratio	Present Value							
		Benefit (\$000)	Utility Costs ⁽¹⁾ (\$000)	Customer Costs (\$000)	Annual MWh Savings	Lifetime MWh Savings	Winter kW Savings	Summer kW Savings	Number of Cust. Served
Res Non-Low Income Programs									
ENERGY STAR® Homes	2.1	317.0	96.8	17.58	42	959	68	7	5
Home Performance w/ ENERGY STAR®	2.4	896.3	246.9	124.17	310	5,378	1	0	59
ENERGY STAR® Lighting	2.1	493.6	160.5	136.54	1,347	7,276	401	106	41,763 ⁽²⁾
ENERGY STAR® Appliances	1.4	440.4	155.5	167.65	336	3,698	44	66	2,362 ⁽²⁾
Other (3)	-	n/a	35.6	n/a	n/a	n/a	n/a	n/a	n/a
ISO-Related Expenses Res Non-LI	-	n/a	6.1	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal Residential	1.9	\$ 2,147.3	\$ 701.43	445.94	2,035	17,312	514	180	44,189
Residential Low Income Program									
Home Energy Assistance Program	2.6	813.4	315.9	-	98	1,680	3	3	69
Subtotal Residential LI	2.6	\$ 813.4	\$ 315.87	-	98	1,680	3	3	69
Commercial/Industrial Programs									
C&I Lost Opportunity	1.5	1,312.6	580.2	320.46	1,104.8	16,801	133	186	13
Large C&I Retrofit	2.3	2,740.0	323.5	878.06	2,604.2	32,690	506	668	20
Small C&I Retrofit	1.2	927.1	367.8	407.64	940.8	12,222	88	172	67
Other (3)	-	n/a	3,565	n/a	n/a	n/a	n/a	n/a	n/a
ISO-Related Expenses C&I	-	n/a	14.3	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal C&I	1.7	\$ 4,979.6	\$ 1,289.33	1,606.17	4,649.8	61,713	728	1,026	100
Total	1.8	\$ 7,940.3	\$ 2,306.6	2,052.12	6,782.74	80,705	1,245	1,210	44,358

Notes:

(1) Utility Costs include direct program costs plus Shareholder Incentive

(2) Target number of products purchased.

(3) Includes costs related to the Company's web-based Home Energy Suite® and Commercial Energy Suite® in addition to educational activities.

Program Cost-Effectiveness - 2012 PLAN

	Total Resource Benefit/Cost Ratio	Present Value Benefit (\$000)	Present Value Utility Costs (1) (\$000)	Present Value Customer Costs (\$000)	Annual MWh Savings	Lifetime MWh Savings	Winter kW Savings	Summer kW Savings	Number of Customers Served
Residential Programs									
ENERGY STAR Homes	3.6	\$ 1,037.3	\$ 217.3	\$ 67.3	111.4	2,481.6	73.9	2.1	39
Home Performance with Energy Star	1.6	\$ 652.7	\$ 251.8	\$ 150.6	85.0	1,205.2	16.7	1.3	68
ENERGY STAR Lighting (2)	2.5	\$ 618.4	\$ 188.8	\$ 56.8	1,815.2	9,187.6	541.0	143.8	57,142
ENERGY STAR Appliances (2)	1.4	\$ 459.0	\$ 143.8	\$ 193.4	352.1	3,632.8	49.1	59.8	1,726
Home Energy Assistance	2.9	\$ 1,127.8	\$ 388.2	\$ -	77.3	1,261.9	16.7	1.5	73
Res/K-12 Education	0.0	\$ -	\$ 33.0	\$ -	-	-	-	-	-
ISO-Related Expenses Res/LI	0.0	\$ -	\$ 5.0	\$ -	-	-	-	-	-
Subtotal Residential	2.3	\$ 3,895.0	\$ 1,227.923	\$ 468.1	2,441.0	17,769.1	697.4	208.4	59,048
Commercial/Industrial Programs									
New Construction / Major Renovation	2.7	\$ 826.7	\$ 257.1	\$ 53.1	613.2	9,197.6	139.2	169.7	14
Large C&I Retrofit	1.9	\$ 2,216.4	\$ 562.5	\$ 628.1	2,172.7	28,244.5	313.0	432.6	26
Small C&I Retrofit	1.7	\$ 1,255.3	\$ 452.8	\$ 266.4	1,203.1	15,640.1	152.0	272.1	58
C&I Education	0.0	\$ -	\$ 24.5	\$ -	-	-	-	-	-
ISO-Related Expenses C&I	0.0	\$ -	\$ 7.5	\$ -	-	-	-	-	-
Subtotal C&I	1.9	4,298.4	1,304.5	947.6	3,988.9	53,082.3	604.2	874.4	98
Total		\$ 8,193.4	\$ 2,532.4	\$ 1,415.7	6,429.9	70,851.4	1,301.6	1,082.8	59,146

(1) Utility Costs include direct program costs plus projected Shareholder Incentive.

(2) Target number of products purchased.

Unitil Energy Systems, Inc.
Present Value Benefits - 2012 ACTUAL

		CAPACITY				ENERGY				Non Electric Resource
		Summer Generation	Winter Generation	Transmission	Distribution	Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak	
Residential Programs										
ENERGY STAR Homes	\$316,998	\$12,925	\$0	\$11,464	\$37,720	\$40,855	\$17,819	\$1,697	\$1,939	\$192,579
Home Performance w/Energy Sta	\$896,281	\$101	\$0	\$78	\$256	\$94,795	\$122,384	\$48,810	\$60,146	\$569,711
ENERGY STAR Lighting ¹	\$493,569	\$22,655	\$0	\$18,559	\$61,063	\$113,557	\$146,365	\$59,632	\$71,738	\$0
ENERGY STAR Appliances	\$440,407	\$29,284	\$0	\$7,798	\$25,657	\$59,531	\$77,690	\$34,162	\$38,781	\$167,505
Home Energy Assistance	<u>\$813,446</u>	<u>\$3,965</u>	<u>\$0</u>	<u>\$734</u>	<u>\$2,413</u>	<u>\$29,586</u>	<u>\$38,196</u>	<u>\$15,230</u>	<u>\$18,762</u>	<u>\$704,560</u>
Subtotal Residential	\$2,960,701	\$68,930	\$0	\$38,633	\$127,109	\$338,324	\$402,454	\$159,530	\$191,365	\$1,634,355
Commercial/Industrial Programs										
New Construction / Major Renova	\$1,312,561	\$174,090	\$0	\$31,888	\$104,917	\$244,914	\$336,491	\$219,163	\$201,098	\$0
Large C&I Retrofit	\$2,739,995	\$411,646	\$0	\$95,980	\$315,794	\$432,757	\$595,988	\$496,589	\$391,240	\$0
Small C&I Retrofit	<u>\$927,067</u>	<u>\$114,839</u>	<u>\$0</u>	<u>\$22,345</u>	<u>\$73,519</u>	<u>\$232,875</u>	<u>\$238,007</u>	<u>\$126,364</u>	<u>\$119,118</u>	<u>\$0</u>
Subtotal C&I	\$4,979,623	\$700,576	\$0	\$150,213	\$494,230	\$910,546	\$1,170,487	\$842,116	\$711,456	\$0
Total	\$7,940,324	\$769,506	\$0	\$188,846	\$621,340	\$1,248,870	\$1,572,941	\$1,001,646	\$902,821	\$1,634,355

**Unitil Energy Systems, Inc.
 2012 Earned Shareholder Incentive Calculation**

Programs	Planned	Actual
Residential Programs		
1. Benefit/Cost Ratio (BC_{PRE} , BC_{ACT})	2.3	2.1
2. Threshold B/C Ratio ¹	1.00	
3. Lifetime kWh Savings (kWh_{PRE} , kWh_{ACT})	17,769,098	18,991,850
4. Threshold Lifetime kWh Savings (65%) ²	11,549,914	
5. Budget ³	\$926,968	\$880,516
6. Benefit/Cost Percentage of Budget	4.0%	
7. Lifetime kWh Percentage of Budget	4.0%	
 8. Residential Shareholder Incentive	 \$74,158	 \$70,190
9. Sector Incentive Cap (12%)	\$111,236	\$105,662
 Commercial & Industrial Programs		
10. Benefit/Cost Ratio (BC_{PRE} , BC_{ACT})	1.9	1.7
11. Threshold B/C Ratio ¹	1.00	
12. Lifetime kWh Savings (kWh_{PRE} , kWh_{ACT})	53,082,260	61,713,271
13. Threshold Lifetime kWh Savings (65%) ²	34,503,469	
14. Total Budget ($Budget_{TOT}$) excluding SHI	\$1,207,894	\$1,190,839
15. Benefit/Cost Percentage of Budget	4.0%	
16. Lifetime kWh Percentage of Budget	4.0%	
17. C&I Shareholder Incentive	\$96,632	\$98,494
18. Sector Incentive Cap (12%)	\$144,947	142,900.73
 19. TOTAL INCENTIVE EARNED	 \$170,789	 \$168,684

Notes:

1. The Actual Benefit/Cost Ratio for each sector must be greater than or equal to 1.0.
2. Actual Lifetime kWh savings for each sector must be greater than or equal to 65% of projected savings.
3. Actual Expenses reduced by \$66,595 (HPWES Rebate Costs associated with fossil energy saving measures) as described in NHPUC Order No. 25,462.

Unitil Energy Systems, Inc.
Planned vs. Actual Benefit / Cost Ratio by Sector

Programs	Planned	Actual
Residential Programs		
1. Program Benefits	\$3,895,039	\$2,960,701
2. Direct Program Costs (excl SHI)	\$1,153,766	\$947,111
3. Customer Contribution	\$468,067	\$445,945
4. Shareholder Incentive	<u>\$74,157</u>	<u>\$70,190</u>
5. Total Costs	\$1,695,990	\$1,393,055
6. Residential - Total Resource Cost Test	2.3	2.1
Commercial & Industrial		
7. Program Benefits	\$4,298,410	\$4,979,623
8. Direct Program Costs (excl SHI)	\$1,207,894	\$1,190,839
9. Customer Contribution	\$947,641	\$1,606,172
10. Shareholder Incentive	<u>\$96,632</u>	<u>\$98,494</u>
11. Total Costs	\$2,252,167	\$2,895,505
12. C&I - Total Resource Cost Test	1.9	1.7

Unitil Energy Systems, Inc.
Actual Lifetime Energy Savings by Sector and Program

Programs	Planned Lifetime kWh	Actual Lifetime kWh
Residential Programs		
1. ENERGY STAR® Homes	2,481,582	958,852
2. Home Performance w/ ENERGY STAR® (Electric)	1,205,185	5,378,137
3. ENERGY STAR® Lighting	9,187,631	7,276,496
4. ENERGY STAR® Appliances	3,632,826	3,698,037
5. Home Energy Assistance Program	1,261,874	1,680,329
6. Total Residential	17,769,098	18,991,850
Commercial & Industrial		
7. Large Business New Construction	9,197,573	16,801,192
8. Large Business Retrofit	28,244,540	32,690,241
9. Small Business Solutions	15,640,147	12,221,837
10. Total Commercial & Industrial	53,082,260	61,713,271

Notes:

- Pursuant to Order 24,974, Docket No. DE 08-120, only the projected and achieved electric lifetime savings are included in the performance incentive calculation for Home Performance w/ ENERGY STAR®

Unitil Energy Systems, Inc.
2012 Systems Benefits Charge Fund Reconciliation (Note 1)

1. Beginning Balance: 1/1/2012		\$	97,751	(Over) / Under
2. Funding				
3. System Benefits Charge Revenue		\$	2,162,803	
4. FCM Revenue		\$	161,852	
5. Interest		\$	185,221	
6. Total Funding	(3 + 4 + 5)	\$	2,509,875	
7. Expenses				
8. Program Expenses		\$	2,137,951	
9. Performance Incentive	(Note 2)	\$	170,693	
10. Total Expenses	(8 + 9)	\$	2,308,644	
11. Ending Balance: 12/31/2012	(1 - 6 + 10)	\$	<u>(103,481)</u>	(Over) / Under

Notes

1. Includes actuals through December 31, 2012.
2. Preliminary, estimated performance incentive.