

**Unitil Energy Systems, Inc.**  
**2009 Energy Efficiency Budget / Expenses**

<b>Programs</b>	<b>Budget</b> (Excl Planned SHI)	<b>Actual Expenses</b> (Excl Planned SHI)
<b>Residential Programs</b>		
Home Energy Solutions	\$ 234,270	\$ 177,216
Home Energy Assistance	280,697	219,509
ENERGY STAR® Lighting	170,000	152,644
ENERGY STAR® Appliance	100,000	119,597
ENERGY STAR® Homes	150,000	85,933
Other (1)	29,000	27,809
ISO Related Expenses	3,539	1,500
<b>Sector Total</b>	<b>\$ 967,506</b>	<b>\$ 784,207</b>
<b>Commercial &amp; Industrial Programs</b>		
Small Business Solutions	\$ 347,769	\$ 310,419
Large Business New Construction	150,000	140,248
Large Business Solutions	325,000	314,988
Other (1)	24,500	19,740
ISO Related Expenses	22,955	1,833
<b>Sector Total</b>	<b>\$ 870,224</b>	<b>\$ 787,228</b>
<b>Company Total</b>	<b>\$ 1,837,730</b>	<b>\$ 1,571,435</b>

**Notes:**

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

**Unitil Energy Systems, Inc.  
 2009 Earned Shareholder Incentive Calculation**

Programs	Planned	Actual
<b>Residential Programs</b>		
1. Benefit/Cost Ratio ( $BC_{PRE}$ , $BC_{ACT}$ )	<b>1.48</b>	<b>2.46</b>
2. Threshold B/C Ratio (1)	1.00	
3. Lifetime kWh Savings ( $kWh_{PRE}$ , $kWh_{ACT}$ )	<b>28,506,654</b>	<b>28,203,090</b>
4. Threshold Lifetime kWh Savings (65%) (2)	18,529,325	
5. Total Budget / Actual	\$1,047,820	
6. Less Shareholder Incentive ( $SHI_{PRE}$ )	<u>\$80,314</u>	
7. Total Budget ( $Budget_{TOT}$ ) excluding SHI	\$967,506	\$784,207
8. Benefit/Cost Percentage of Budget	4.0%	
9. Lifetime kWh Percentage of Budget	4.0%	
10. Sector Incentive (3)	\$77,401	<b>\$86,663</b>
11. Sector Incentive Cap (12%)	\$116,101	
<b>Commercial &amp; Industrial Programs</b>		
12. Benefit/Cost Ratio ( $BC_{PRE}$ , $BC_{ACT}$ )	<b>2.07</b>	<b>3.78</b>
13. Threshold B/C Ratio (1)	1.00	
14. Lifetime kWh Savings ( $kWh_{PRE}$ , $kWh_{ACT}$ )	<b>32,404,835</b>	<b>51,460,398</b>
15. Threshold Lifetime kWh Savings (65%) (2)	21,063,143	
16. The Home Energy Solutions Program is offered to eligib	\$881,465	
17. The Home Energy Assistance Program is offered to	<u>\$65,294</u>	
18. Total Budget ( $Budget_{TOT}$ ) excluding SHI	\$816,171	\$787,228
19. Benefit/Cost Percentage of Budget	4.0%	
20. Lifetime kWh Percentage of Budget	4.0%	
21. Sector Incentive (3)	\$65,294	<b>\$81,617</b>
22. Sector Incentive Cap (12%)	\$97,941	
<b>Total Earned Shareholder Incentive</b>	<b>\$142,695</b>	<b>\$168,281</b>

**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. Shareholder Incentive<sub>ACT</sub> =  $[4\% \times Budget_{TOT}] \times [(BC_{ACT} \div BC_{PRE}) + (kWh_{ACT} \div kWh_{PRE})]$

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

<b>Programs</b>	<b>Planned NPV 2009\$</b>	<b>Actual NPV 2009\$</b>
<b>Residential Programs</b>		
1. Program Benefits	\$1,999,892	\$2,745,268
2. Direct Program Costs (excl SHI)	\$967,506	\$784,207
3. Customer Contribution	<u>\$266,967</u>	<u>\$332,053</u>
4. Total Costs Excl. Shareholder Incentive	\$1,270,887	\$1,116,260
<b>5. Residential - Total Resource Cost Test</b>	<b>1.48</b>	<b>2.46</b>
<b>Commercial &amp; Industrial</b>		
6. Program Benefits	\$2,840,712	\$5,504,272
7. Direct Program Costs (excl SHI)	\$870,224	\$787,228
8. Customer Contribution	<u>\$493,421</u>	<u>\$668,504</u>
9. Total Costs Excl. Shareholder Incentive	\$1,309,592	\$1,455,732
<b>10. C&amp;I - Total Resource Cost Test</b>	<b>2.07</b>	<b>3.78</b>

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

<b>Programs</b>	<b>Planned Lifetime kWh</b>	<b>Actual Lifetime kWh</b>
<b>Residential Programs</b>		
1. Home Energy Solutions (aka HPwES)	1,174,862 (1)	1,903,794 (1)
2. Home Energy Assistance	10,440,401 (2)	10,681,038 (2)
3. ENERGY STAR® Lighting	14,308,748	11,584,602
4. ENERGY STAR® Appliances	1,689,301	1,794,751
5. ENERGY STAR® Homes	893,342	2,238,905
<b>6. Total Residential</b>	<b>28,506,654</b>	<b>28,203,090</b>
<b>Commercial &amp; Industrial</b>		
7. Small Business Solutions	11,597,792	13,982,712
8. Large Business New Construction	4,891,688	3,359,649
9. Large Business Retrofit	15,915,355	34,118,037
<b>10. Total Commercial &amp; Industrial</b>	<b>32,404,835</b>	<b>51,460,398</b>

**Notes:**

1. 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 the Home Energy Solutions Fuel-Blind Pilot.
2. The Home Energy Assistance Program is offered to eligible low-income residential participants on a fuel-blind basis. Projected and achieved lifetime savings include electric kWh savings plus non-electric MMBtu savings converted to kWh.

**Unitil Energy Systems, Inc.  
Core Programs Energy Savings Assumptions**

<b>Program</b>	<b>Source of Savings</b>
Home Energy Solutions:	Annual and lifetime savings as reported from the TREAT software.
Home Energy Assistance:	Annual and lifetime savings as reported from the TREAT/OTTER software.
ENERGY STAR® Lighting:	Number of units rebated multiplied by the common savings and lifetime assumptions used in the Company's 2009 Program Screening analysis.
ENERGY STAR® Appliance:	Number of units rebated multiplied by the common savings and lifetime assumptions used in the Company's 2009 Program Screening analysis.
ENERGY STAR® Homes:	Lifetime savings calculated for each home using EPA/DOE approved REM-Rate software tools adjusted for installed appliances and lighting.
Small Business Solutions:	<ul style="list-style-type: none"><li>- Prescriptive Measures: Number of units rebated times the associated deemed lifetime savings developed by the Program Subgroup.</li><li>- Custom Measures: Savings are determined on a site-specific basis based on the equipment installed and hours of operation. Average lifetime for installed measures is 13 years.</li></ul>
Large Business Solutions Retrofit:	<ul style="list-style-type: none"><li>- Prescriptive Measures: Number of units rebated times the associated deemed lifetime savings developed by the Program Subgroup.</li><li>- Custom Measures: Savings are determined on a site-specific basis based on the equipment installed and hours of operation. Average lifetime for installed measures is 13 years and 15 years for Motors.</li></ul>
Large Business New Construction	<ul style="list-style-type: none"><li>- Prescriptive Measures: Number of units rebated times the associated deemed lifetime savings developed by the Program Subgroup.</li><li>- Custom Measures: Savings are determined on a site-specific basis based on the equipment installed and hours of operation. Average lifetime for most measures installed in 2009 is 15 years.</li></ul>

**Systems Benefit Charge Reconciliation**

		<b>2009</b>
		(12 Mo Actuals)
<b>Beginning Balance</b>	Line 1	\$ 159,969
<b>Funding:</b>		
SBC Revenue		\$ 2,119,601
ISO FCM Proceeds (Note 1)		\$ 254,245
<b>Total Funding - 2009 EE Programs</b>	Line 2	<u>\$ 2,373,846</u>
<b>Expenses:</b>		
Energy Efficiency Expenditures		\$ 1,571,435
Performance Incentive		\$ 188,489
<b>Total Expenses - 2009 EE Programs</b>	Line 3	<u>\$ 1,759,924</u>
<b>Ending Balance:</b>		
Ending Balance per Table 14 (Note 2)	Line 1 + Line 2 - Line 3	<u>\$ 773,891</u>
Interest On Fund Balance - 2009 PY (Note 3)		<u>\$ 12,375</u>
<b>Revised 2009 Ending Fund Balance</b>		<u><u>\$ 786,266</u></u>

**Notes:**

1. Includes transfer of ISO FCM Proceeds beginning 6/2007 per Staff Audit.
2. As shown on Table 14, Utilities Recommended Budget Changes due to SB 300, DE 09-170.
3. In the calculations provided in Table 14 (referenced above), the Company inadvertently excluded interest for PY 2009.