

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

Programs	Budget (Excl Planned SHI)	Actual Expenses (Excl Planned SHI)
Residential Programs		
Home Energy Solutions (Electric) ⁽¹⁾	\$ 134,391	\$ 43,246
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 ⁽²⁾	29,000	27,809
ISO Related Expenses	3,539	1,500
Sector Total	\$ 867,627	\$ 650,237
Commercial & Industrial Programs		
Small Business Solutions	\$ 347,769	\$ 310,419
Large Business New Construction	150,000	140,248
Large Business Solutions	325,000	314,988
Other ⁽²⁾	24,500	19,740
ISO Related Expenses	22,955	1,833
Sector Total	\$ 870,224	\$ 787,228
Company Total	\$ 1,737,851	\$ 1,437,465

Notes:

- 1) Budget and Actual Expenses excludes costs associated with HES (Pilot). These costs were erroneously included in the June 8, 2010 SHI filing.
- 2) 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
Residential Programs		
1. Benefit/Cost Ratio (BC_{PRE} , BC_{ACT})	1.9	2.5
2. Threshold B/C Ratio (1)	1.00	
3. Lifetime kWh Savings (kWh_{PRE} , kWh_{ACT})	29,361,041	28,203,090
4. Threshold Lifetime kWh Savings (65%) (2)	19,084,677	
5. Total Budget (includes SHI)	\$937,036	
6. Less Shareholder Incentive (SHI_{PRE})	<u>\$69,409</u>	
7. Total Budget ($Budget_{TOT}$) excluding SHI	\$867,627	\$650,237
8. Benefit/Cost Percentage of Budget	4.0%	
9. Lifetime kWh Percentage of Budget	4.0%	
10. Sector Incentive (3)	\$69,410	\$76,718
11. Sector Incentive Cap (12%)	\$104,115	
Commercial & Industrial Programs		
12. Benefit/Cost Ratio (BC_{PRE} , BC_{ACT})	2.7	3.5
13. Threshold B/C Ratio (1)	1.00	
14. Lifetime kWh Savings (kWh_{PRE} , kWh_{ACT})	41,245,061	51,460,398
15. Threshold Lifetime kWh Savings (65%) (2)	26,809,290	
16. Total Budget / Actual	\$939,842	
17. Less Shareholder Incentive (SHI_{PRE})	<u>\$69,618</u>	
18. Total Budget ($Budget_{TOT}$) excluding SHI	\$870,224	\$787,228
19. Benefit/Cost Percentage of Budget	4.0%	
20. Lifetime kWh Percentage of Budget	4.0%	
21. Sector Incentive (3)	\$69,618	\$86,941
22. Sector Incentive Cap (12%)	\$104,427	
Total Earned Shareholder Incentive	\$139,029	\$163,659

Notes:

- The Actual Benefit/Cost Ratio for each sector must be greater than or equal to 1.0.
- Actual Lifetime kWh savings for each sector must be greater than or equal to 65% of projected savings.
- Shareholder Incentive_{ACT} = $[4\% \times Budget_{TOT}] \times [(BC_{ACT} \div BC_{PRE}) + (kWh_{ACT} \div kWh_{PRE})]$

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

Programs	Planned NPV 2009\$	Actual NPV 2009\$
Residential Programs		
1. Program Benefits	\$2,330,059	\$2,745,268
2. Direct Program Costs (excl SHI) ⁽¹⁾	\$867,627	\$650,237
3. Customer Contribution	<u>\$304,646</u>	<u>\$332,053</u>
4. Total Costs Excl. Shareholder Incentive	\$1,172,273	\$982,290
5. Residential - Total Resource Cost Test	1.9	2.5
Commercial & Industrial		
6. Program Benefits	\$4,145,092	\$5,504,272
7. Direct Program Costs (excl SHI)	\$870,224	\$787,228
8. Customer Contribution	<u>\$615,553</u>	<u>\$668,504</u>
9. Total Costs Excl. Shareholder Incentive	\$1,485,777	\$1,455,732
10. C&I - Total Resource Cost Test	2.7	3.5

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

Programs	Planned Lifetime kWh	Actual Lifetime kWh
Residential Programs		
1. Home Energy Solutions (Electric)	812,283 (1)	1,903,794 (1)
2. Home Energy Assistance	10,597,445 (2)	10,681,038 (2)
3. ENERGY STAR® Lighting	15,673,876	11,584,602
4. ENERGY STAR® Appliances	1,882,681	1,794,751
5. ENERGY STAR® Homes	394,756	2,238,905
6. Total Residential	29,361,041	28,203,090
Commercial & Industrial		
7. Small Business Solutions	16,550,739	13,982,712
8. Large Business New Construction	5,635,348	3,359,649
9. Large Business Retrofit	19,058,974	34,118,037
10. Total Commercial & Industrial	41,245,061	51,460,398

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 Program.
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**

Program	Source of Savings
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"> - Prescriptive Measures: Number of units rebated times the associated deemed lifetime savings developed by the Program Subgroup. - 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.
Large Business Solutions Retrofit:	<ul style="list-style-type: none"> - Prescriptive Measures: Number of units rebated times the associated deemed lifetime savings developed by the Program Subgroup. - 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.
Large Business New Construction	<ul style="list-style-type: none"> - Prescriptive Measures: Number of units rebated times the associated deemed lifetime savings developed by the Program Subgroup. - 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.

Systems Benefit Charge Reconciliation

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