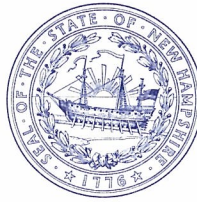


THE STATE OF NEW HAMPSHIRE

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September 24, 2009

Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street Suite 10  
Concord, New Hampshire 03301



Re: Docket No. DE 09-137 - Unutil Energy Systems, Inc.  
Petition for Approval of Distributed Energy Resource Investments  
and Proposed Tariff - Report of Technical Session

Dear Ms. Howland:

On August 5, 2009, Unutil Energy Systems, Inc. (UES) filed a petition for approval of distributed energy resource (DER) investments and a proposed tariff for recovery of administrative expense. The Commission issued Order No. 25,010 on September 4, 2009 suspending the tariff and scheduling a prehearing conference for September 18, 2009 and a technical session for September 22, 2009. At the prehearing conference, the Commission granted a motion to intervene filed by Revolution Energy. The purpose of this letter is to summarize the September 22<sup>nd</sup> technical session.

As noted in the prehearing conference, Staff previously commenced discovery regarding the petition and, at the technical session, continued discovery on the models used by the Company to select the four proposed projects as well as the associated cost recovery mechanism. One of the four projects is a pilot to test the response of residential customers with air conditioning loads to time-of-use (TOU) rates. The pilot will be conducted jointly with UES' Massachusetts affiliate, Fitchburg Gas and Electric, during the months June through August of 2010. UES said that its affiliate was required to file a TOU pilot project in Massachusetts pursuant to the Green Communities Act and decided that a joint effort would improve the likelihood of meaningful results. Fitchburg Gas and Electric filed its proposal on April 1, 2009 and is currently seeking approval by the Massachusetts Department of Public Utilities. UES also said that it had applied for funds from the federal Department of Energy to reduce the cost of the TOU pilot program.

The three other project proposals include:

- (a) A solar hot water system for a low income multifamily property owned by the Concord Housing Authority,
- (b) A solar photovoltaic (PV) installation at the Stratham Fire Station, and
- (c) A solar PV and micro CHP installation for the Exeter school District.

Regarding the procedural schedule for the proceeding, UES explained that it requires Commission approval of its TOU pilot program on an expedited basis to allow sufficient time for program implementation in the summer of 2010. The Parties and Staff agreed that this would require the TOU pilot to be reviewed under an accelerated procedural schedule compared with the procedural schedule for the other three projects.

UES agreed to review its TOU program implementation plan and provide Staff and the Parties the date by which final Commission approval is needed. Staff and the Parties did agree, however, that discovery concerning the TOU program could begin October 2, 2009. Staff expects to file with the Commission the remainder of the TOU program schedule and the full schedule for the other three projects within the next two weeks.

Thank you for your attention. Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Suzanne Amidon', with a stylized flourish at the end.

Suzanne Amidon  
Staff Attorney