



June 14, 2012



VIA HAND DELIVERY

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utility Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

**Re: Docket No. DE 10-188;
Unitil Energy Systems, Inc. & Northern Utilities, Inc.
Park Place Home Performance with Energy Star Project**

Dear Director Howland:

Unitil Energy Systems, Inc. (“Unitil” or the “Company”), submits this letter to inform the Commission about a recent Home Performance with Energy Star (“HPwES”) project and to seek waivers, if necessary, of certain program guidelines.

Unitil has specifically sought out electrically heated homes for the HPwES program, including asking its contractors to aggressively pursue electric heat residences to participate. One project which is the product of these efforts is the Parke Place project.

Parke Place is a 96-unit rental community which consists of fourteen separate structures, housing either seven or eight townhouses in each structure. The entire facility is electrically heated, and each unit is separately metered. The owner has decided to go forward with the HPwES program, and the efficiency measures at Parke Place are nearly complete.

While the Parke Place project is an important opportunity to yield electric heat-related savings during the 2012 program year, the project is atypical and does not fit the usual characteristics for HPwES. Homes are qualified for the HPwES program based on the Home Heating Index, which measures energy used per square foot. Homes that use a specified amount of energy per square foot or more are the best candidates for weatherization services, and thus, the Home Heating Index is one of the screening tools used by the Company to identify residences that would qualify for the HPwES program.

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The energy use per square foot for a multi-family facility is often much lower than a stand-alone residential structure due to common walls, ceilings, and basements. Efficiencies of scale for energy efficiency projects in a multi-family community can be significant. While the individual residences/units at Parke Place do not meet the Home Heating Index screening tool, when modeled with TREAT software and analyzing the electric energy usage profile, the project as a whole is very cost effective. To the extent it is necessary, the Company seeks a waiver from applying the Home Heating Index screening test for the Parke Place project, given the fact that the project will permit the Company to provide cost effective weatherization services for fourteen electrically heated residential buildings. The Company also seeks a waiver of the Home Heating Index tool for the remainder of 2012 regarding electrically heated multi-family buildings as the Company will continue to seek savings from projects similar to Parke Place.

In addition, while neither Order No. 25,315 regarding the 2012 HPwES Pilot Program nor the related partial settlement agreement specifically caps the number of residences that Unifit may serve, Order No. 25,189 regarding the 2011 program limits the number of homes which the HPwES program may serve to 100. While considering the issue of caps, the Company is also mindful that an overarching goal of the CORE Programs is to save energy. Given the efficiencies of scale for the Parke Place project, and given the fact that it consists of electrically heated homes, the Company believes this project aligns well with this overarching goal.

Inasmuch as Order No. 25,189, coupled with Order No. 25,315, may be construed as establishing a cap of 100 HPwES homes for the 2012 HPwES program year, this letter seeks a waiver of that cap due to the number of residences to be served by the Parke Place project. The Company further seeks a waiver of the cap for electrically heated multi-family projects served under both the BetterBuildings and HPwES Programs during the remainder of 2012. Notwithstanding funds available from the BetterBuildings program, the Company intends to remain within the budgetary limitations for the HPwES program, as set forth in the Updated 2012 CORE filing, attached to the settlement agreement and filed in Docket DE 10-188 on December 15, 2011.

Finally, the Company is committed to working with the CORE stakeholders to develop modifications to the HPwES program that would permit exemptions from the HHI screening tool to permit similar multi-family projects to go forward without requiring a waiver request or other program adjustment.

Please do not hesitate to contact me if there are any questions about this letter. Your assistance in bringing this information to the Commission's attention is appreciated.

Sincerely,



Rachel Aslin Goldwasser

RAG/bmc

cc: Service List (electronic copies)
Mr. Daniel Ramage (via first class mail)

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