



December 22, 2017

Via US Mail and Electronic Mail

Debra A. Howland
Executive Director and Secretary
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, N.H. 03301



***RE: Northern Utilities, Inc. Energy Efficiency Programs
Docket No. DE 14-216
2017 Program Year Budget Requests***

Dear Director Howland:

Please accept this letter on behalf of Northern Utilities. (the "Company"). This letter addresses the need for 2017 program year budget adjustments in the Company's residential programs in order to cover expected expenditures.

As authorized by Section IV.C of the 2015-2016 Statewide CORE Energy Efficiency Plan approved in Docket DE 14-216, the Company provides the following notification:

The Residential Products program (also referred to as 'Gas Networks) expects to be approximately \$45,000 over budget, or in excess 20% of planned expenditures. However, the Company notes that it received a \$12,900 credit in 2017 as a result of a 2016 payment in the Residential Products program. The resulting offset reduces the Company's spending in excess of the 2017 budget to less than 20% of planned expenditures.

The Residential Energy Star Homes program expects to be \$15,000 over budget, or 10% of planned expenditures.

Because of the success of the other residential gas programs, the Company is not requesting a transfer of funds from one program to another, but is simply alerting the Commission to spending expected to be in excess of the budgeted amount.

The Company does not anticipate exceeding 105% of the sector budget (which includes both income eligible and residential programs). However, if the sector expenditures

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exceed 105% of the approved budget, the Company's performance incentive will be calculated using the cap of 105% of sector budget.

Should the Commission have any questions or concerns regarding this matter, please feel free to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Patrick Taylor", with a long horizontal flourish extending to the right.

Patrick Taylor
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