



<b>ORIGINAL</b>
N.H.P.U.C. Case No. _____
Exhibit No. <u>711</u>
Witness _____
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April 2, 2010

**BY OVERNIGHT and ELECTRONIC MAIL**

Marsha Thunberg, Staff Attorney  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

RE: Northern Utilities, Inc. Gas Energy Efficiency Proposal  
Responses to Staff Data Requests  
Docket No. DG 09-053

Dear Attorney Thunberg:

On behalf of Northern Utilities, Inc., d/b/a Unitil, ("Unitil" or the "Company") enclosed for filing please find Unitil's responses to the Commission Staff's first set of data requests. Copies are being provided as directed.

If you should have any questions, please do not hesitate contact me. Thank you for your attention to this matter.

Sincerely,

Gary Epler  
Attorney for Northern Utilities, Inc.

cc: Service List (by e-mail only)

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**NORTHERN UTILITIES, INC.**

**DG 09-053**

**DATA REQUESTS FROM COMMISSION STAFF - SET #1**

**GAS ENERGY EFFICIENCY PROGRAM**

**Data Request Received: March 26, 2010      Date of Response: 4/01/10**

**Request No. Staff 1-1      Witness: Deborah A. Jarvis**

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**REQUEST:  
Staff 1-1**

Northern Utilities is planning to transfer \$70 thousand from the Energy Star Homes Program to the Gas Networks® program and shut down the Gas Networks® program at the end of February. Given that the Energy Star Homes Program has a remaining budget of only \$70 thousand, wouldn't such a transfer effectively shut down the Energy Star Homes Program as well as the Gas Networks® program? Please explain.

**RESPONSE:**

Yes. The Energy Star Homes program would be effectively shut down following the transfer of funds from that program into Gas Networks®. However, this program has seen limited activity given the state of the economy.

**NORTHERN UTILITIES, INC.**

**DG 09-053**

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**GAS ENERGY EFFICIENCY PROGRAM**

**Data Request Received: March 26, 2010      Date of Response: 4/01/10**

**Request No. Staff 1-2      Witness: Deborah A. Jarvis**

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**REQUEST:  
Staff 1-2**

The approved 20-month budget for the Gas Networks® program is \$130 thousand. By comparison, the actual spending for the first 9 months is \$193 thousand. What factors contributed to such a positive response? Please explain.

**RESPONSE:**

The GasNetworks® incentives are immensely popular across the several states that are part of the utility network that makes up GasNetworks®. As a result of ongoing evaluations, the list of available rebates has continued to expand to cover incremental costs of high efficiency equipment. Additionally, contractor training and utility marketing efforts have "put the word out there" for customers wishing to upgrade their heating and water heating systems. We suspect that the economic downturn has also made this program a very useful tool for participating contractors to generate business.

**NORTHERN UTILITIES, INC.**

**DG 09-053**

**DATA REQUESTS FROM COMMISSION STAFF - SET #1**

**GAS ENERGY EFFICIENCY PROGRAM**

**Data Request Received: March 26, 2010      Date of Response: 4/01/10**

**Request No. Staff 1-3**

**Witness: Deborah A. Jarvis**

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**REQUEST:  
Staff 1-3**

Given the strong demand for the Gas Networks® program, did the Company consider continuing the Gas Networks® program? If continued, what rate impact would the Company expect on the Energy Efficiency component of the LDAC?

**RESPONSE:**

Yes, the Company considered continuing the program but concluded that the overall budget impact would have been substantial and would have resulted in the need to increase the Energy Efficiency component of the LDAC during the current program year in order to avoid significant rate impacts in the following year. However, we have not attempted to estimate the rate impact that would have resulted from continuing the program for the entire year.

A second, unrelated factor also led to the Company's conclusion that closing the program at the end of February was a preferable course of action. At the end of 2009, in response to ongoing program design activity in Massachusetts, the Consortium changed rebate levels for all participants, resulting in a set of rebates that were no longer consistent with those that had been approved for implementation in New Hampshire in DG 09-053. Continuing the Gas Networks® program would have required a regulatory filing relative to the program design changes in any event.

**NORTHERN UTILITIES, INC.**

**DG 09-053**

**DATA REQUESTS FROM COMMISSION STAFF - SET #1**

**GAS ENERGY EFFICIENCY PROGRAM**

**Data Request Received: March 26, 2010      Date of Response: 4/01/10**

**Request No. Staff 1-4**

**Witness: Deborah A. Jarvis**

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**REQUEST:  
Staff 1-4**

The Gas Networks Program® just started in May of 2009, what are the consequences of "starting and stopping" this program?

**RESPONSE:**

Starting and stopping a program can result in confusion or uncertainty for customers and contractors. In order to avoid as much frustration and confusion as possible, the Company has proceeded deliberately in the process of closing the program. The Company immediately notified the contractor who handles all Gas Networks® program processing and took steps to eliminate program marketing such as website information. It also issued notification to contractors working in New Hampshire that the program was closed. At the same time, the Company has continued to honor commitments that were "in the pipeline".

Given the extended period the program is expected to be closed (through year end), the Company also recognizes the need to prepare customers and contractor networks for reintroduction of the program in the coming year, in order to mitigate future confusion and uncertainty.